



Business features & performance in the secondary & tertiary sectors in the EU

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Introduction

We look in the evolution of four structural business development and performance measures,

- Number of businesses (N),
- Number of people employed (L),
- Labor productivity (Q/L),
- Profitability (Π),

Both separately and collectively these measures sketch crucial entrepreneurial aspects.

observed annually across the EU in the secondary and tertiary sectors during 2010 – 2017.

28 states operate in the same legal-competition-funding-export framework.

AT	Austria	FR	France	NL	Netherlands
BE	Belgium	GR	Greece	PL	Poland
BG	Bulgaria	HR	Croatia	PT	Portugal
CY	Cyprus	HU	Hungary	RO	Romania
CZ	Czechia	IE	R. of Ireland	SE	Sweden
DE	Germany	IT	Italy	SI	Slovenia
DK	Denmark	LT	Lithuania	SK	Slovakia
EE	Estonia	LU	Luxembourg	UK	Unit. Kingdom of Great Britain & N. Ireland
ES	Spain	LV	Latvia		
FI	Finland	MT	Malta		

Withdrew from the EU in 2020.

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Twelve out of 21 economic sectors ordered by NACE code

The Nomenclature statistique des Activités économiques dans la Communauté Européenne is the EU statistical classification of economic activities.

B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air conditioning supply
E	Water supply, sewerage, waste management and remediation activities
F	Construction
G	Wholesale and retail trade, repair of motor vehicles and motorcycle
H	Transportation, storage
I	Accommodation, food service activities
J	Information, communication
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support service activities

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That is from the time

Greece and the Rep. of Ireland
reached their bailout agreements

the Treaty of Lisbon came into force

Amends the two treaties which form
the constitutional basis of the EU.

to

the EU Council closed the excessive deficit
procedure for Greece

the commencement of the Brexit negotiations

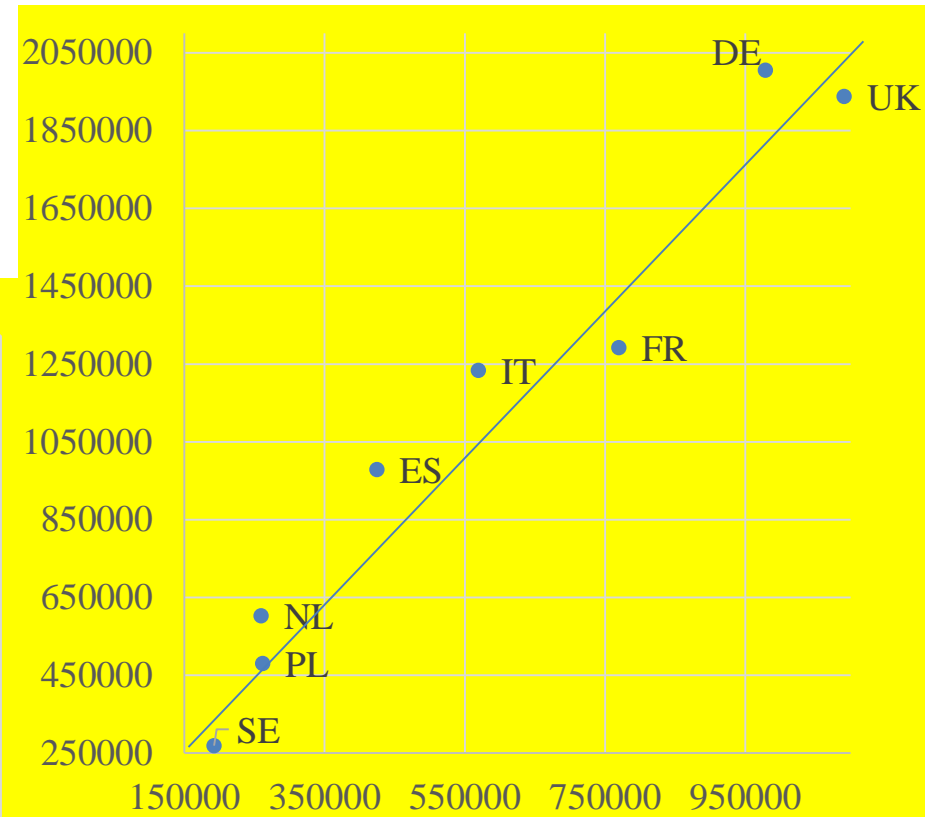
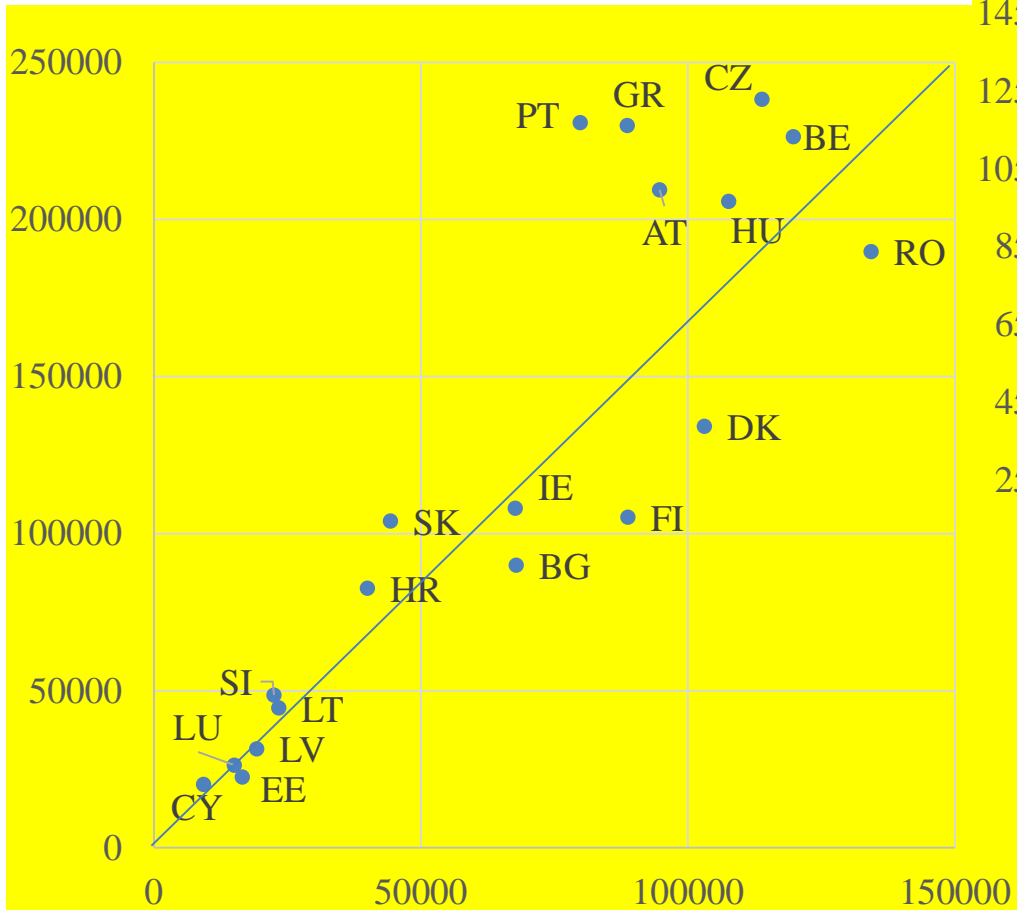
the last year Eurostat supplies these statistics

Findings: cases of similar sectoral distributions of staff numbers, 2010

Information, communication (J)

Professional, scientific and technical activities (M)

M
J



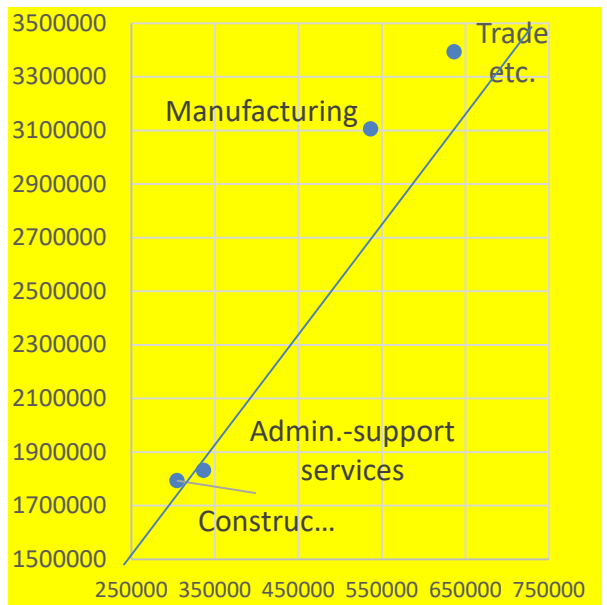
Findings: cases of similar sectoral distributions of

country 1
country 2

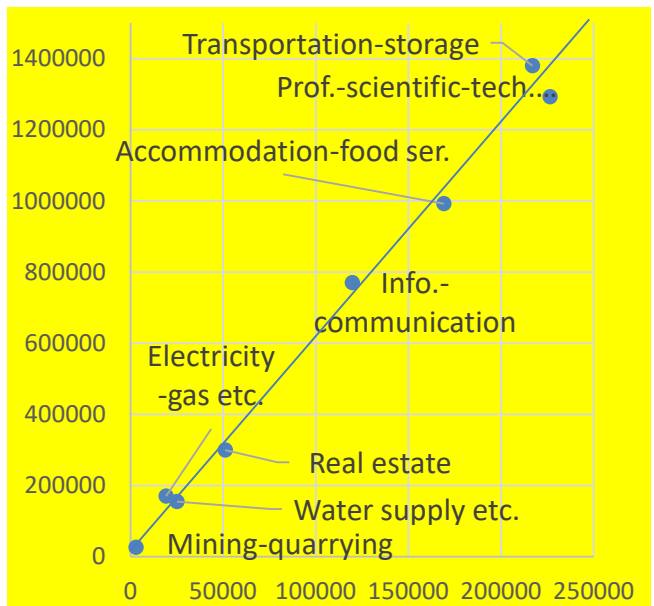
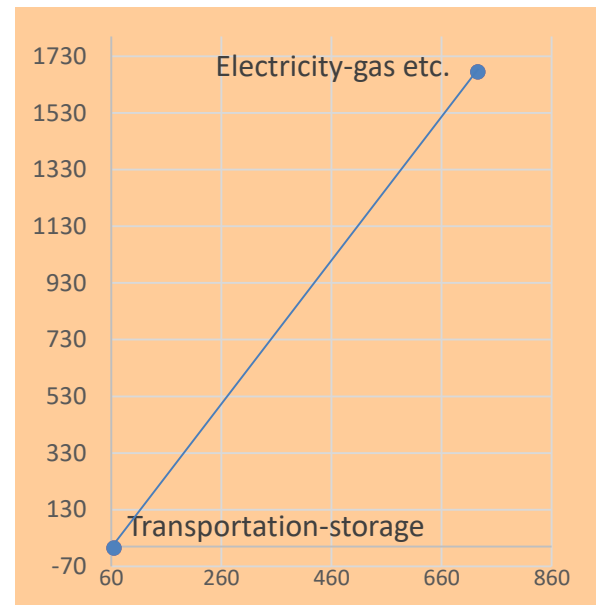
staff numbers (L)

the number of firms (N)

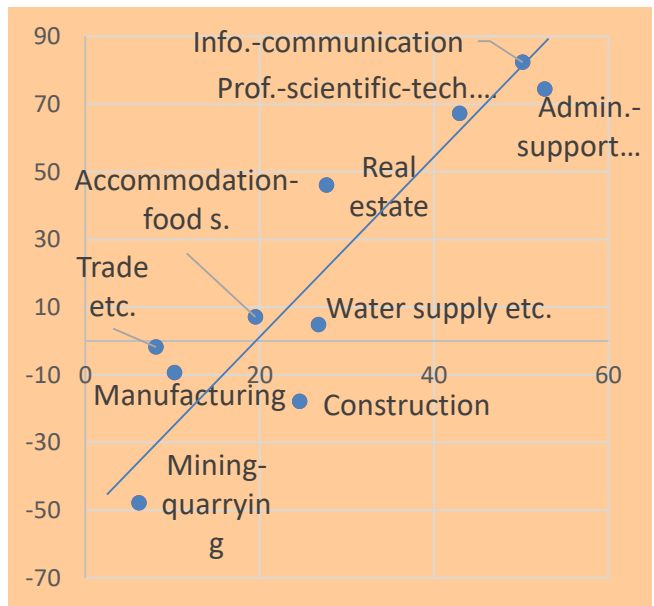
BE



CY



FR



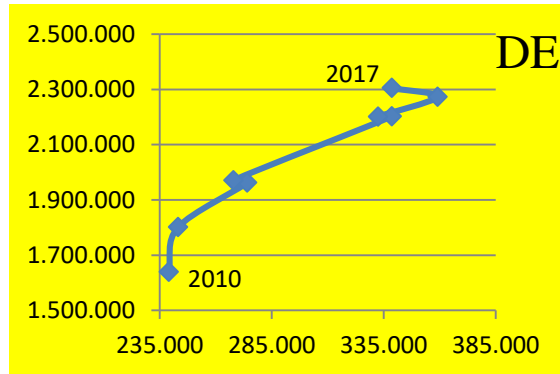
UK

Findings about the number of businesses (N) and employment (L)

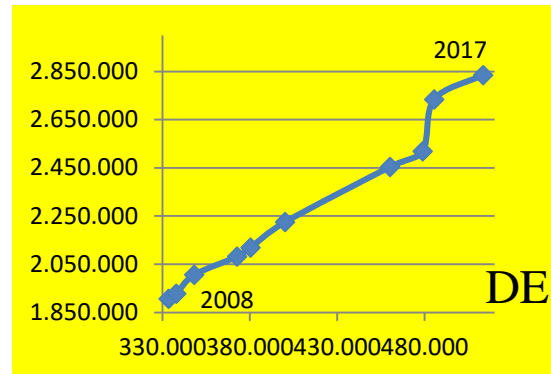
Both increase: ending up with more firms and more people employed overall
 more competition, each firm produces more and needs more staff (basic theory)
 larger workforce who know/learn about the business → more firms



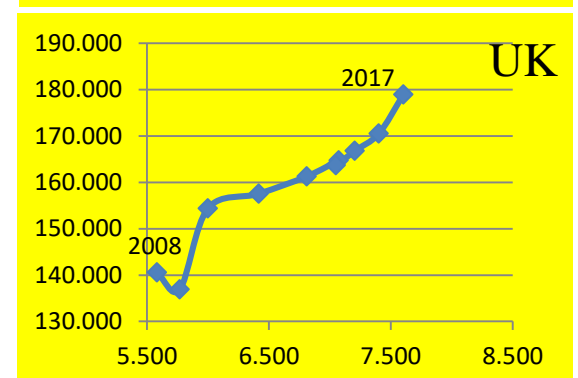
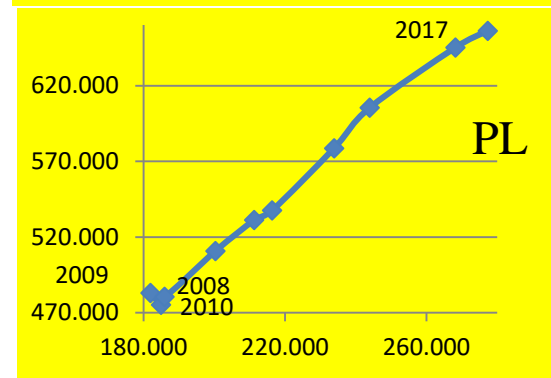
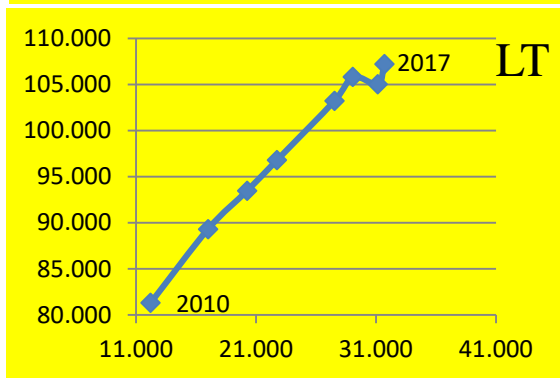
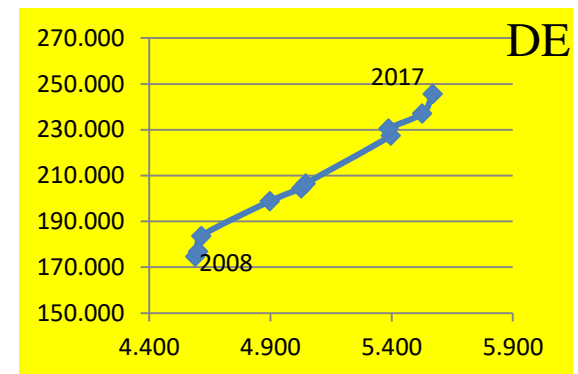
Construction



Professional activities etc.



Water supply etc.

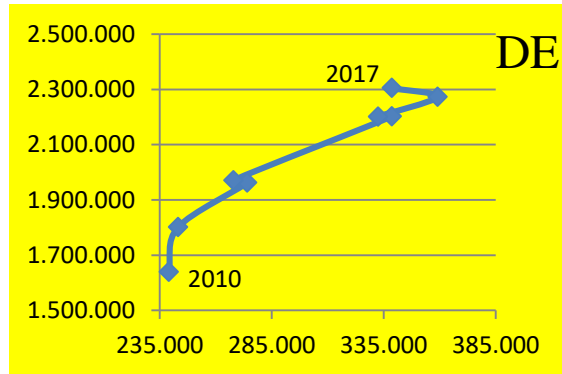


Findings about the number of businesses (N) and employment (L)

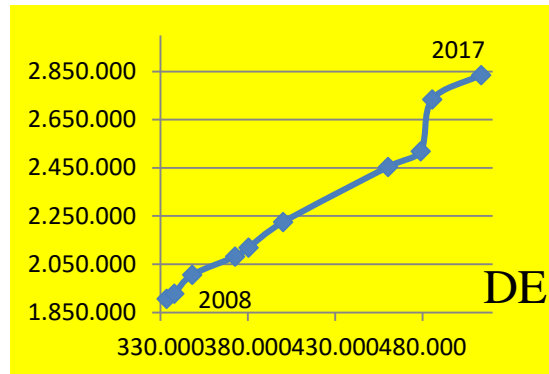
Both decrease: ending up with fewer firms and fewer people employed overall

L
N

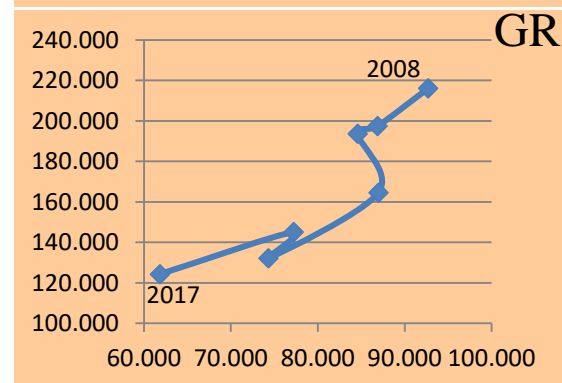
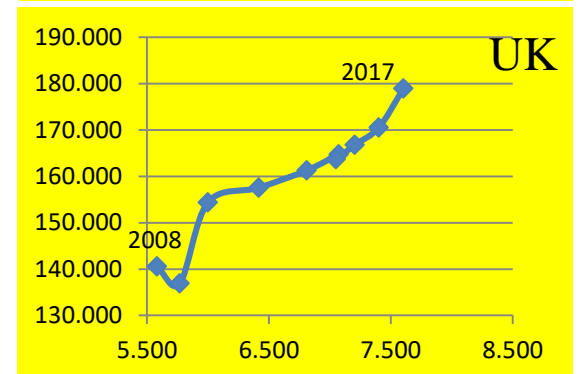
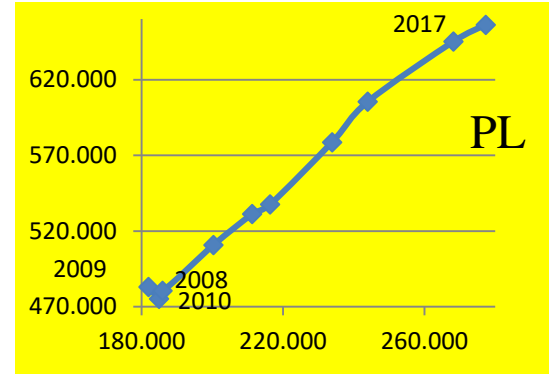
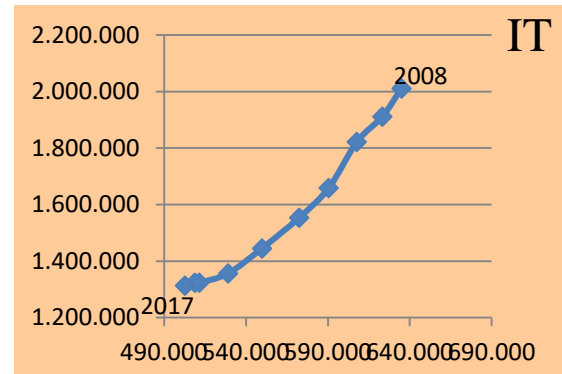
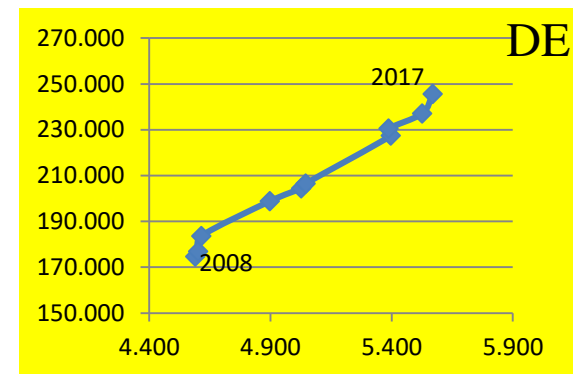
Construction



Professional activities etc.



Water supply etc.

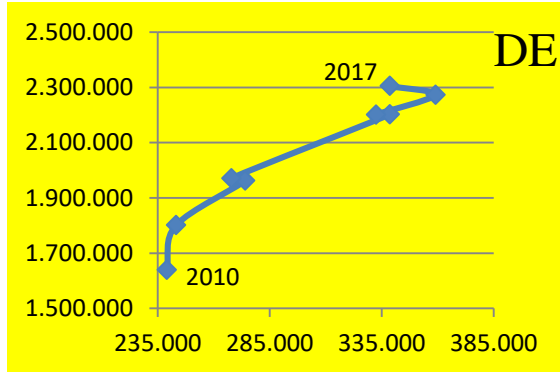


Findings about the number of businesses (N) and employment (L)

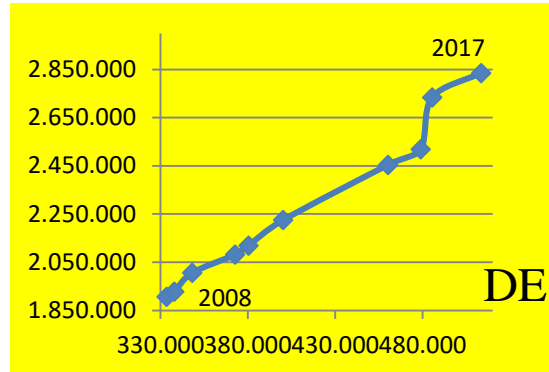
Both move simultaneously: both increase or decrease together

L
N

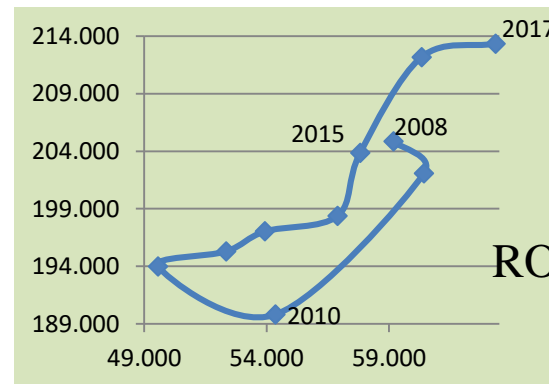
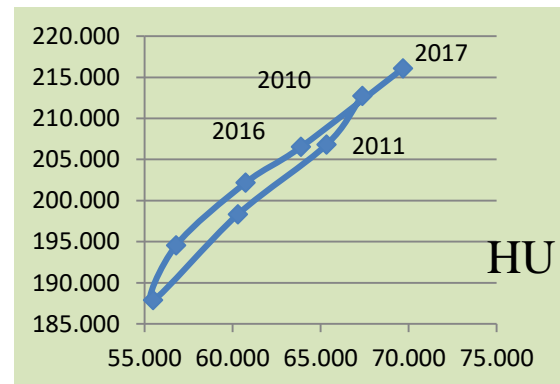
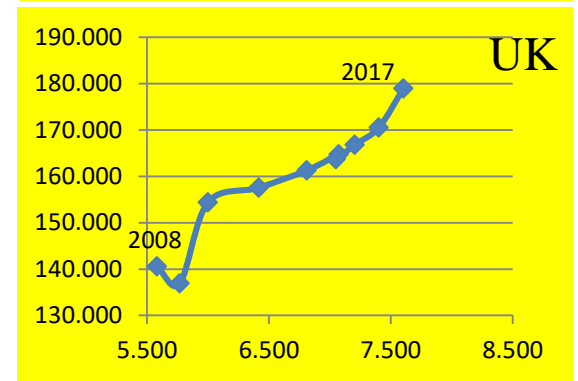
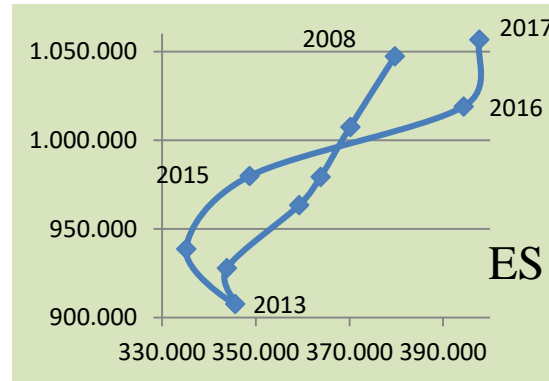
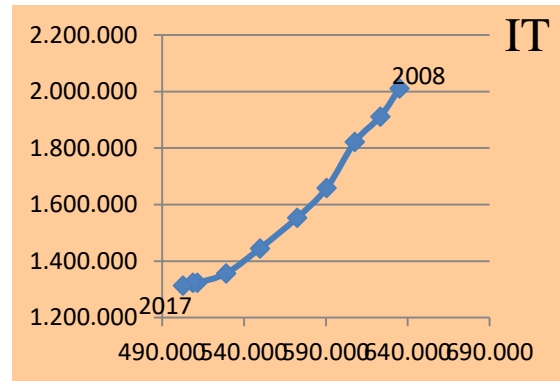
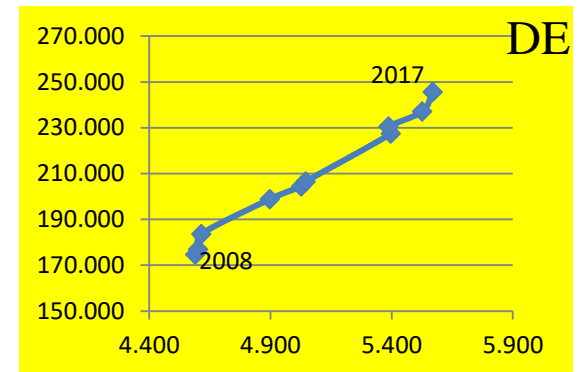
Construction



Professional activities etc.

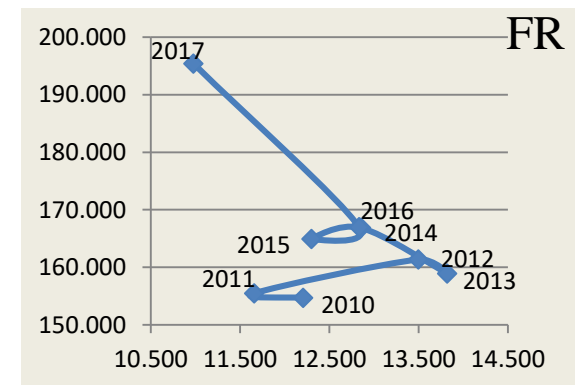
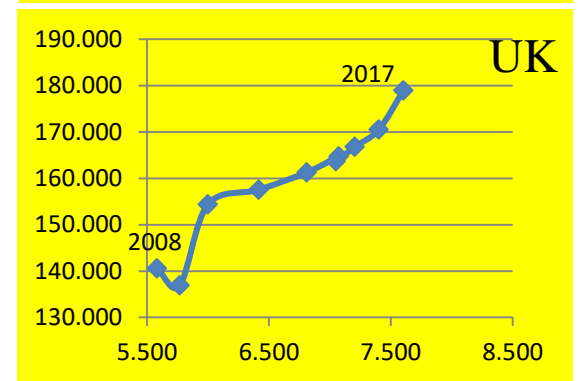
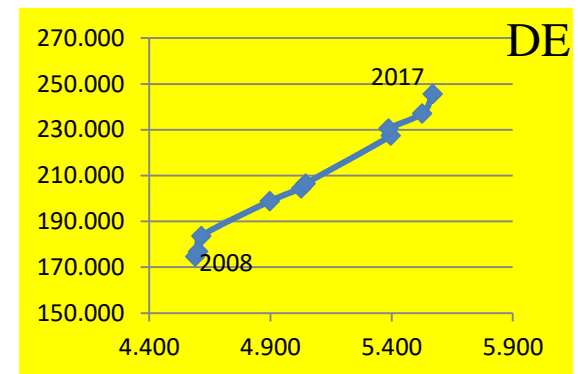


Water supply etc.



$$\mathbf{L} \mathbf{L}_N$$

Water supply etc.

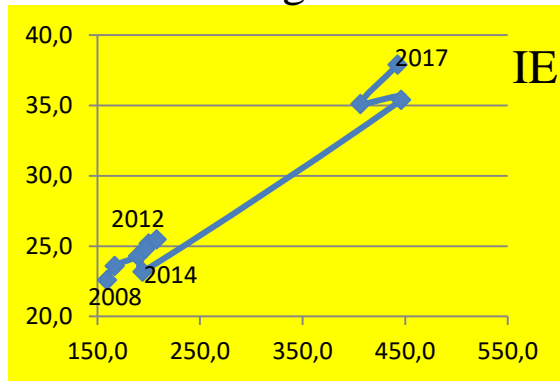


Findings about productivity (Q/L) and profitability (Π)

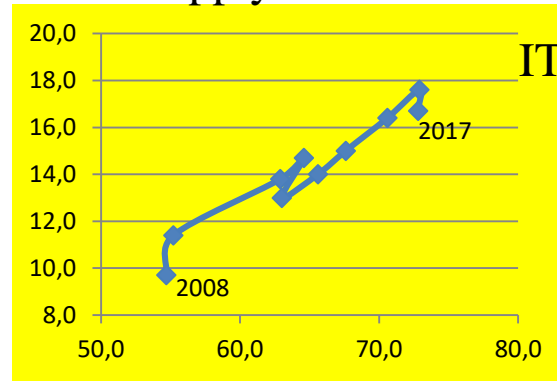
Both increase: more productive and profitable

Π \perp Q/L

Manufacturing



Water supply etc.

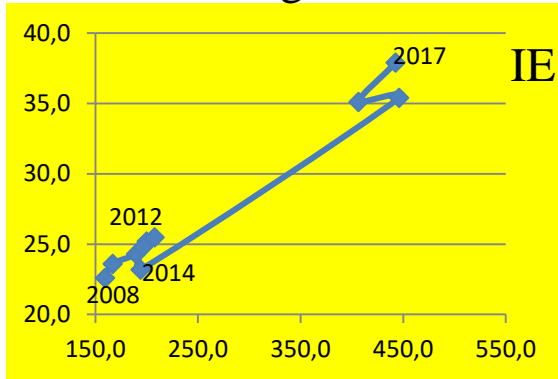


Findings about productivity (Q/L) and profitability (Π)

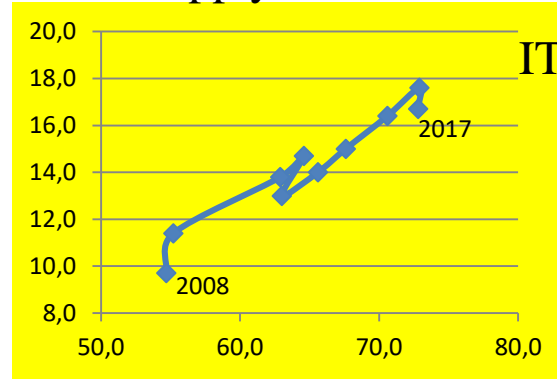
Both move simultaneously: both increase or decrease together

Π
└─ Q/L

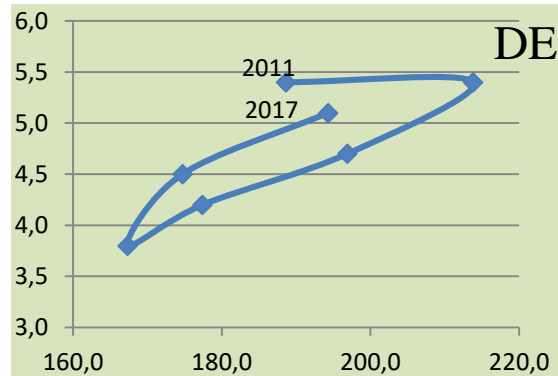
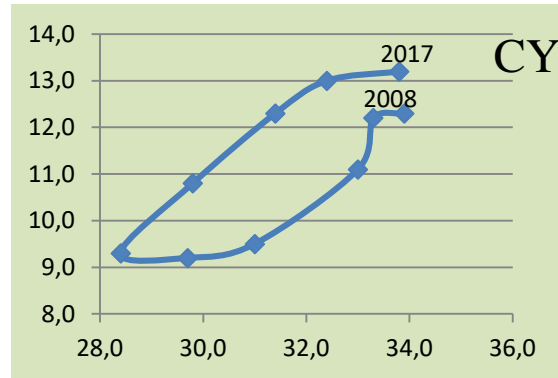
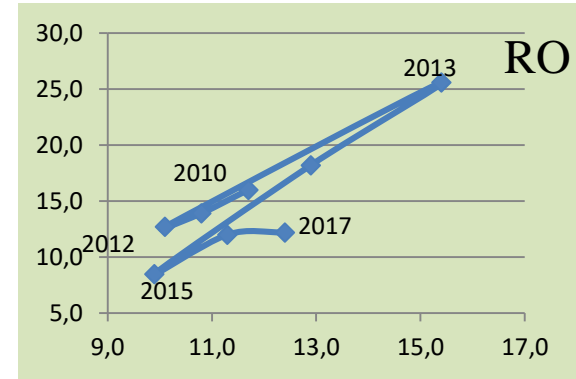
Manufacturing



Water supply etc.



Construction



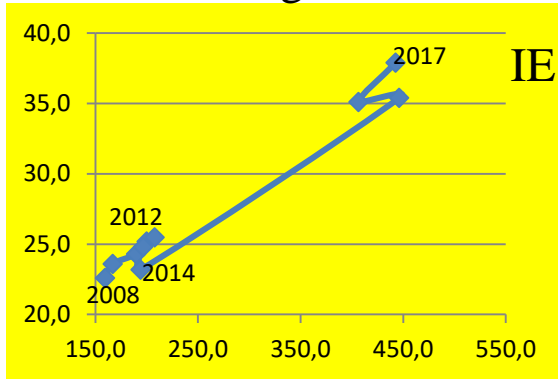
Electricity, gas etc.

Findings about productivity (Q/L) and profitability (Π)

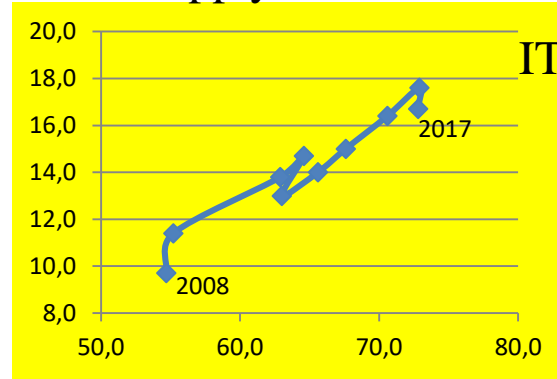
Both move simultaneously: both generally increase or decrease together
(appear as if they are all over the place)

Π
└─ Q/L

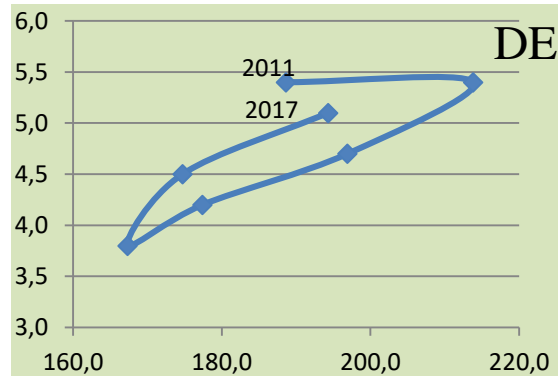
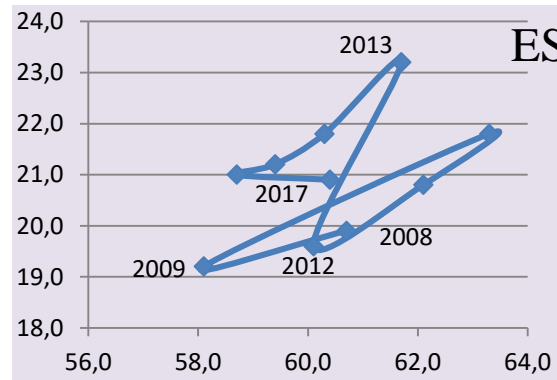
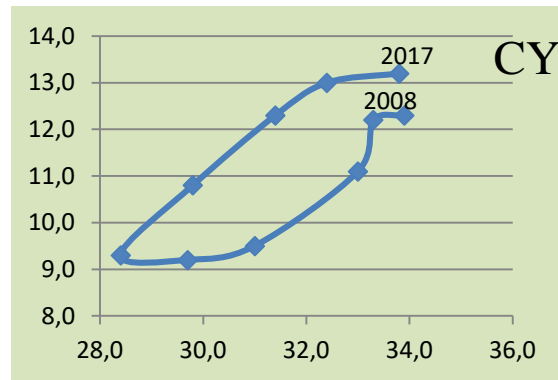
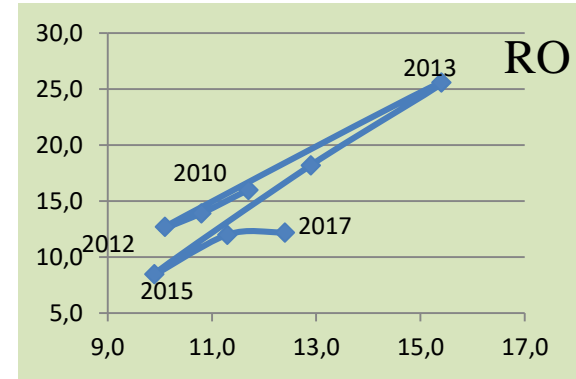
Manufacturing



Water supply etc.



Construction



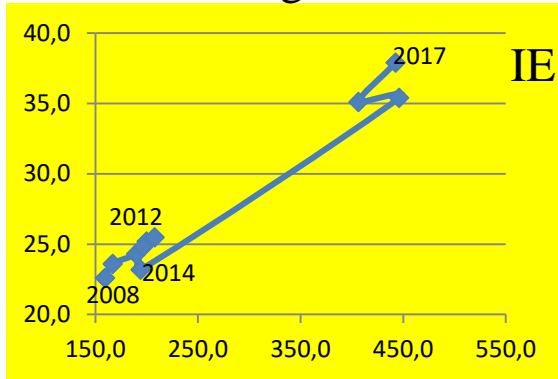
Electricity, gas etc.

Findings about productivity (Q/L) and profitability (Π)

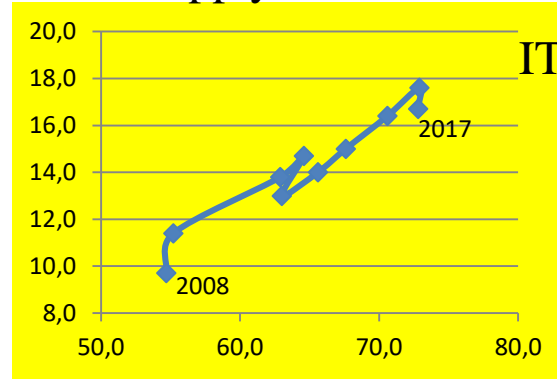
Both decrease: less productive and profitable

Π
└─ Q/L

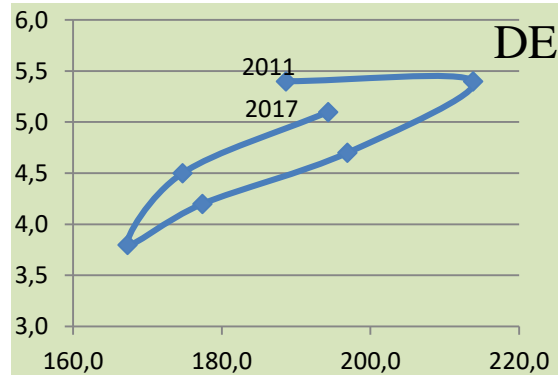
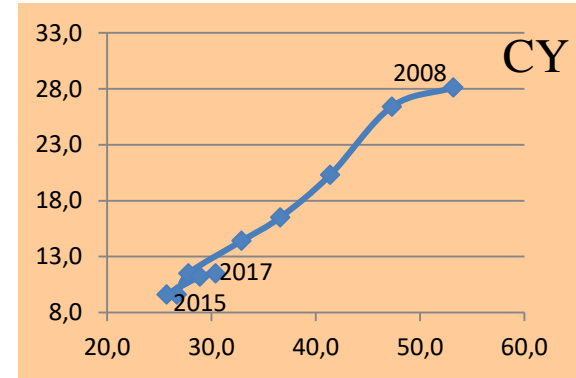
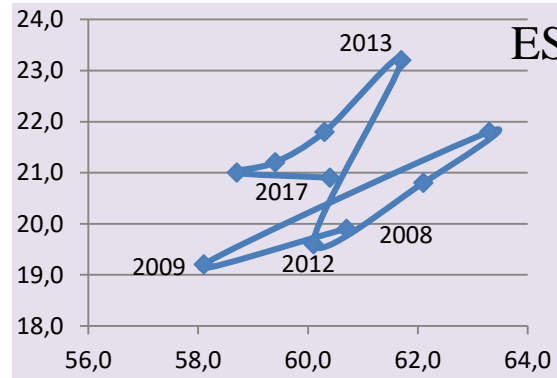
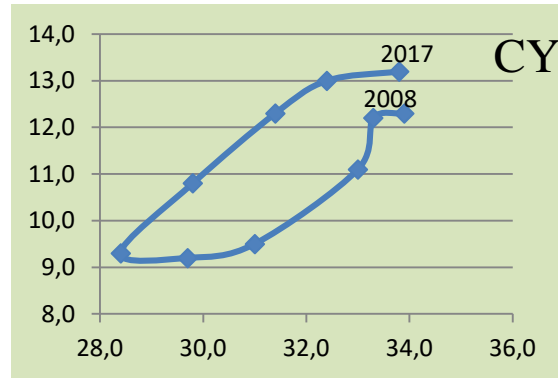
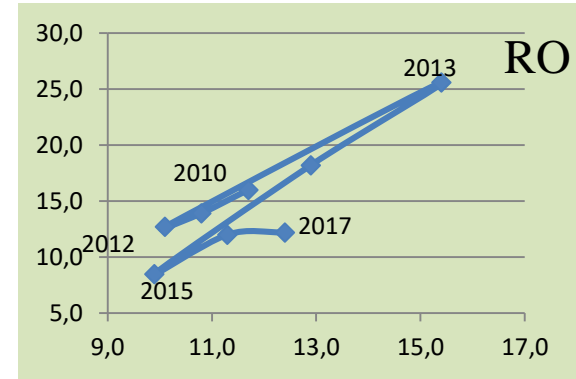
Manufacturing



Water supply etc.



Construction



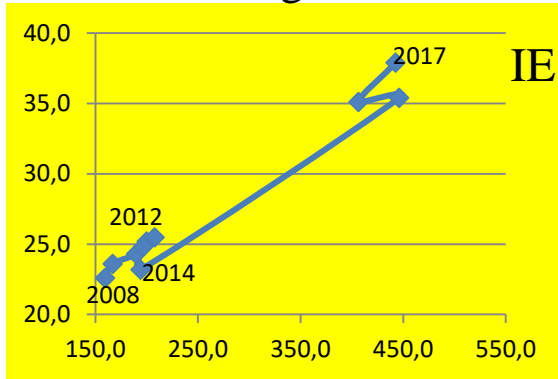
Electricity, gas etc.

Findings about productivity (Q/L) and profitability (Π)

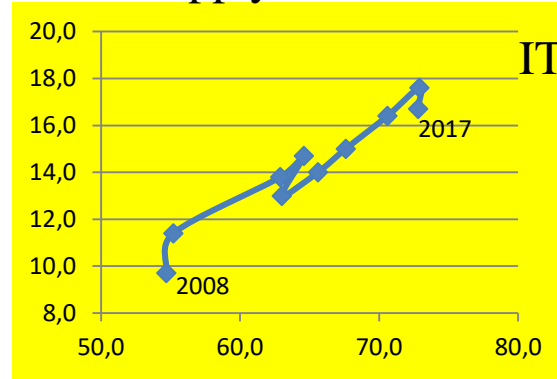
Productivity increasing, profitability decreasing

Π
└─ Q/L

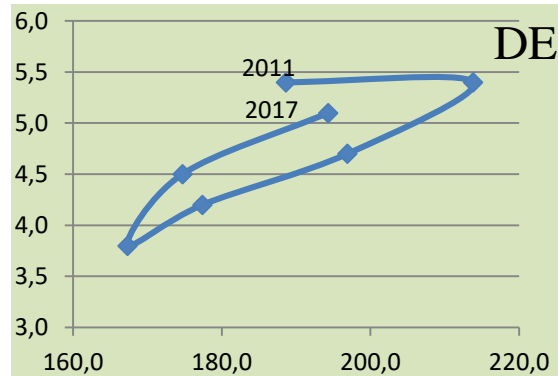
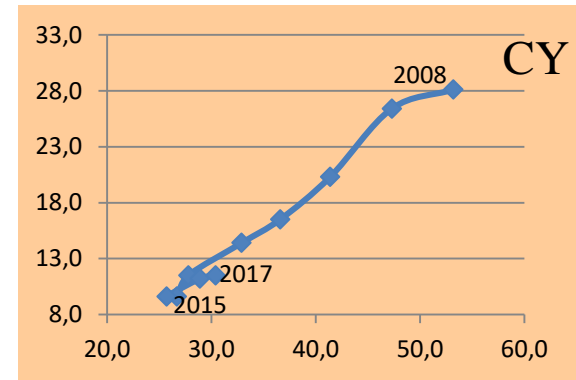
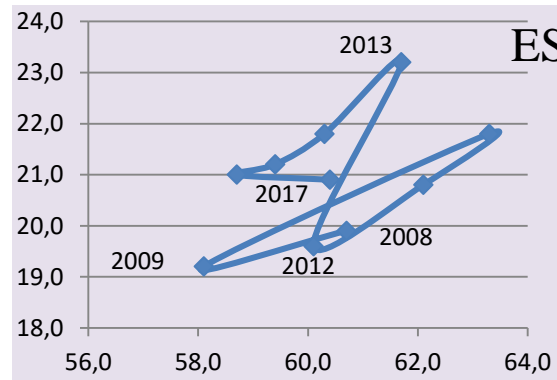
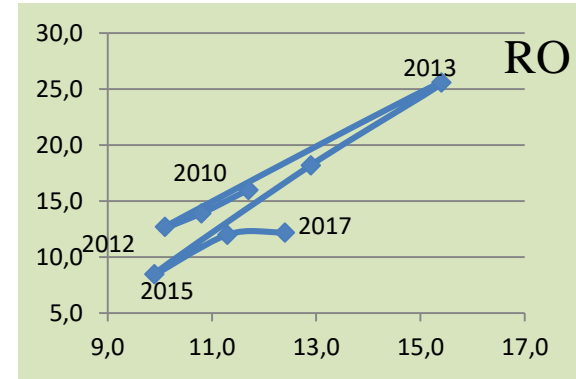
Manufacturing



Water supply etc.

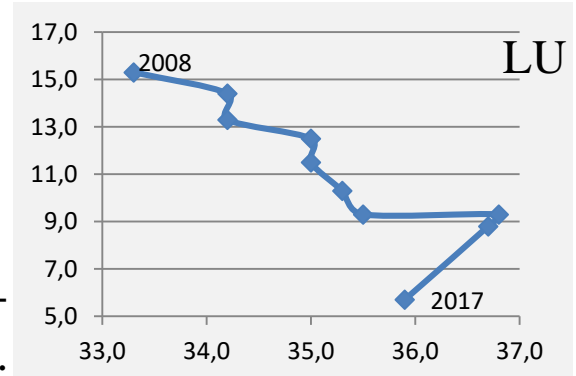


Construction



Electricity, gas etc.

Accommodation- food serv.



Conclusions

We offer a broad view on business life and performance that complements the individual sectoral or subsectoral analyses on such matters usually carried out for single member-states or groups of member-states.

Despite operating in the same legal-competition-funding-export framework, on average, EU businesses exhibited differences from one member-state to another (within sectors) and from one sector to the other (in the same state).

If EU member-states move in different directions and/or with different speeds in key business development and performance aspects, EU policy interventions may have to be carried out accordingly.

By identifying these differences we enable future research to:

- Look into the things that cause the differences, and
- draw useful lessons for businesses and for territorial and sectoral development policy.

Thank you!