Key findings

- In most countries, large enterprises employing more than 250 persons account for a considerable part of the value added of the business economy, despite constituting less than 1% of businesses. The share of value added created by large enterprises varies significantly across countries, reflecting economic size and the structure of the business population, ranging from 15% in Luxembourg, to 32% in Italy, and more than 60% in Mexico.

- Large industrial firms dominate the business landscape in many countries. In nearly half OECD economies, the industry sector accounts for over half of total business economy value-added generated by large firms; ranging from 26% in the United Kingdom to 85% in Mexico.

- SMEs are the backbone of the services sector in nearly all countries, where they account for 60% or more of total value added. In contrast, large firms provide a significant contribution to value added in manufacturing in most countries, partly reflecting increasing returns to scale from more capital-intensive production. However, in the Baltic States and Southern European economies, SMEs account for the lion’s share of manufacturing, albeit reflecting a disproportionate contribution, compared to other countries, from larger SMEs (50-249).

- Between 2008 and 2014, the relative shares of SMEs and large firms in total value added in manufacturing remained stable in virtually all countries, with the exception of Ireland.

Relevance

There are significant differences in entrepreneurship and productivity performance across countries. Part of the explanation for these differences relates to the heterogeneity of enterprises. Larger enterprises, for example, typically have higher productivity levels than smaller enterprises, and while new enterprises are often drivers of innovation, many micro-enterprises have limited growth potential. Measures of value added broken down by enterprise size provide important insights into structural factors that drive growth, employment and entrepreneurial value, but also growing concerns about slowing productivity diffusion and productivity-wage decoupling.

Definitions

Value added corresponds to the difference between production and intermediate consumption, where total intermediate consumption is valued at purchasers’ prices. Measures of production used below differ by country and are valued at basic prices or factor costs. Factor cost measures exclude other taxes and subsidies on production as defined in the 2008 System of National Accounts.

Data in this section present the value added in each enterprise size class (defined by the number of persons employed) as a percentage of the value added of all enterprises.

Information on data for Israel: http://dx.doi.org/10.1787/888932315602.
2. STRUCTURE AND PERFORMANCE OF THE ENTERPRISE POPULATION

Value added by enterprise size

Figure 2.15. **Value added by enterprise size, business economy**
Percentage of total value added, 2014, or latest available year

- **1-9**
- **10-19**
- **20-49**
- **50-249**
- **250+**

Figure 2.16. **Value added by enterprise size, manufacturing**
Percentage of total value added in manufacturing

- **SMEs in 2014**
- **Large enterprises in 2014**
- **SMEs in 2008**

StatLink: [http://dx.doi.org/10.1787/888933563322](http://dx.doi.org/10.1787/888933563322)

StatLink: [http://dx.doi.org/10.1787/888933563341](http://dx.doi.org/10.1787/888933563341)
Value added by enterprise size

Figure 2.17. Value added by enterprise size and main sector

Percentage of total value added, 2014 or latest available year

Manufacturing

Services

Construction

StatLink: http://dx.doi.org/10.1787/888933563360
Figure 2.18. **Value added of SMEs and large firms by economic activity**

Percentage of total value added of SMEs (Large enterprises), 2014, or latest available year

**SMEs**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Construction</th>
<th>Trade</th>
<th>Transportation, Accommodation and Food</th>
<th>Information and Communication</th>
<th>Professional, scientific, administrative and real estate services</th>
</tr>
</thead>
</table>

**Large enterprises**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Construction</th>
<th>Trade</th>
<th>Transportation, Accommodation and Food</th>
<th>Information and Communication</th>
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</thead>
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StatLink: [http://dx.doi.org/10.1787/888933563379](http://dx.doi.org/10.1787/888933563379)