

Turnover by enterprise size

Key findings

- In OECD countries, SMEs account on average for 60% of total turnover, and around 80% in smaller economies such as the Luxembourg, Estonia and Latvia.
- Turnover per person employed typically increases the larger the firm size. This partly reflects higher capital-intensity, but compositional effects and ownership structures can also play a determining factor, which means that in some economies smaller firms have higher turnover to employment figures. For example, retail and wholesale enterprises generally have higher turnover to employment figures than other firms, and dependent SMEs (i.e. those owned by larger enterprise groups) may also have relatively high (often intellectual property) capital intensities.

Definitions

Turnover is defined as the total value of invoices by the observation unit during the reference period, corresponding to market sales of goods or services supplied to third parties. Turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover. It also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice and provided by the unit. Rebates and discounts as well as the value of returned packing are deducted from revenues received by the unit in calculating turnover. Income classified as other operating income, financial income and extraordinary income in company accounts is excluded. Operating subsidies received from public authorities, or supranational authorities are also excluded.

Turnover in each enterprise size class is expressed as a percentage of the turnover of all enterprises.

Turnover per person employed is calculated by dividing the turnover in each size class by the corresponding number of persons employed.

Relevance

The turnover of firms is one dimension used, alone or in combination with employment, to define size classes of enterprises for policy purposes. These size classes are used to determine, for instance, eligibility for financial assistance or other programmes designed to support small enterprises.

Comparability

The size-class breakdown 1-9, 10-19, 20-49, 50-249, 250+ persons employed provides for the best comparability given the varying data collection practices across countries. Some countries use different conventions: for Mexico, “1-9” refers to “1-10”, “10-19” refers to “11-20”, “20-49” refers to “21-50”, “50-249” refers to “51- 250”, “250+” refers to “251+”; for Turkey “1-9” refers to “1-19”; for Australia, “1-9” refers to “1-9”, “50-249” refers to “20-199”, “250+” refers to “200+”.

Data for Mexico are based on establishments and not on enterprises. Data for Switzerland, the United States and the Russian Federation refer to employees.

Data exhibit a break in the series in 2013 for Finland and Portugal, and in 2014 for France. Data for the United Kingdom exclude an estimate of 2.6 million small unregistered businesses; these are businesses below the thresholds of the value-added tax regime and/or the “pay as you earn (PAYE)” (for employing firms) regime.

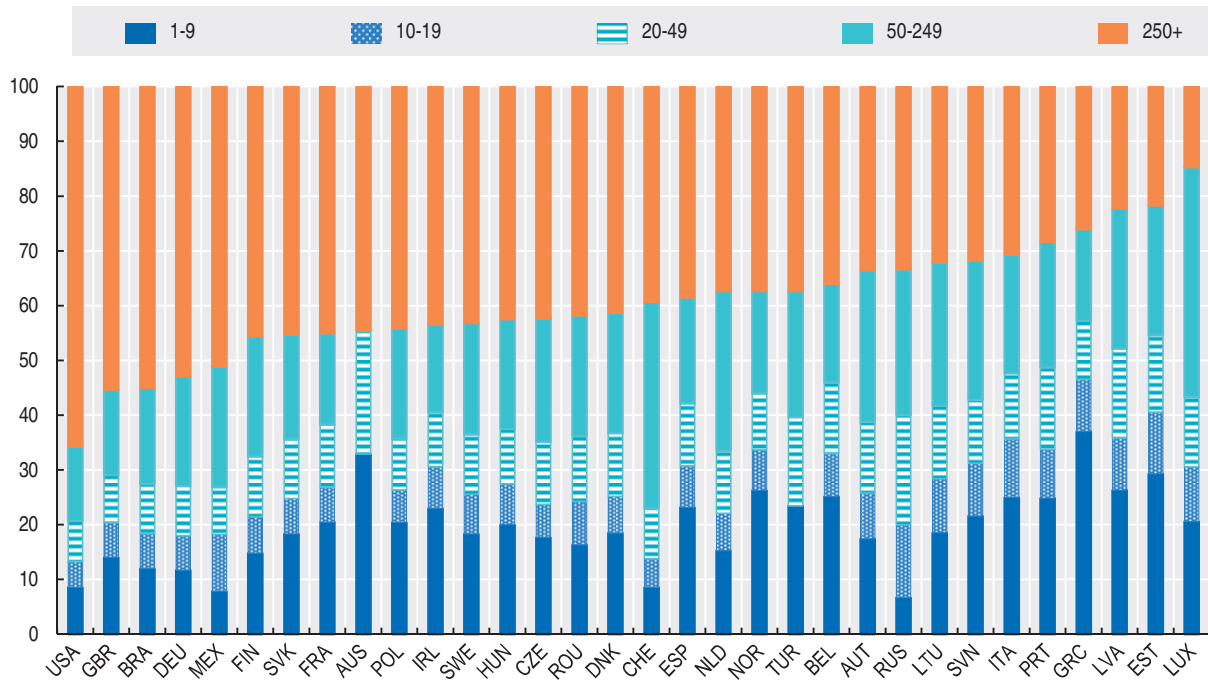
Source

OECD Structural and Demographic Business Statistics (SDBS) (database), <http://dx.doi.org/10.1787/sdbs-data-en>.

Further reading

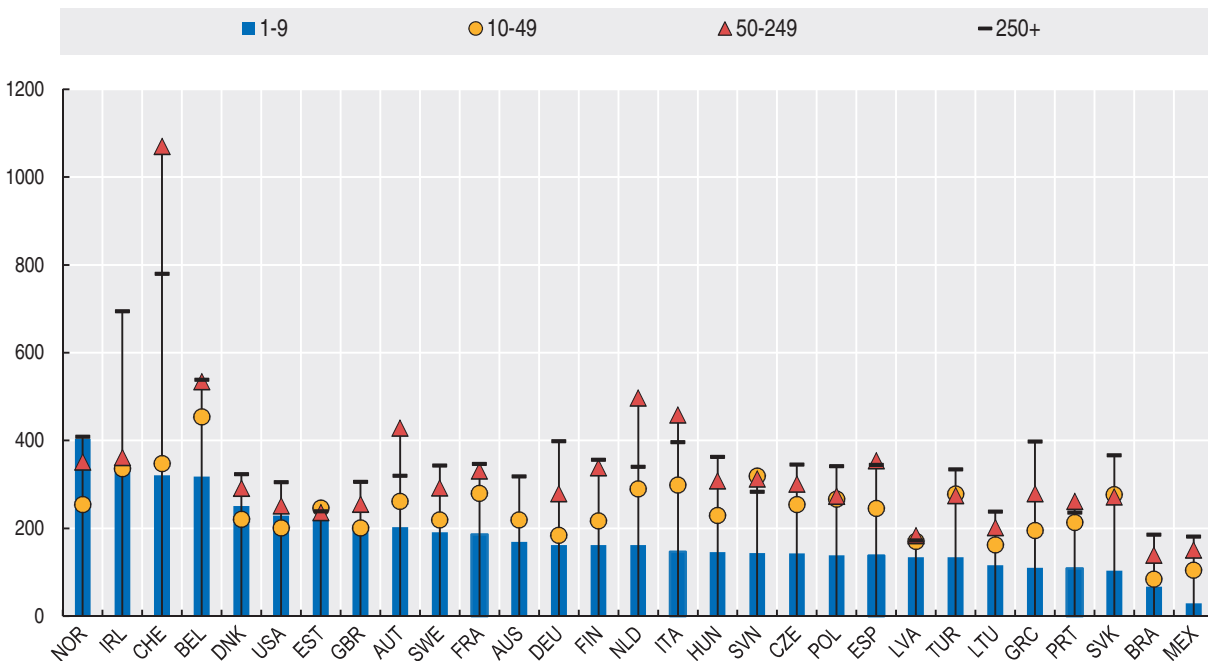
OECD (2010), *Structural and Demographic Business Statistics*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264072886-en>.

Figure 2.19. **Turnover by enterprise size, business economy**
Percentage of total turnover, 2014, or latest available year



StatLink <http://dx.doi.org/10.1787/888933563398>

Figure 2.20. **Turnover per person employed, business economy**
Thousands of USD, current PPPs, 2014, or latest available year



StatLink <http://dx.doi.org/10.1787/888933563417>



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