

SMALL AND MEDIUM-SIZED ENTERPRISES

Small firms, and especially start-ups in specialised sectors, can be very dynamic and innovative. A few very high-performance firms can make an important contribution to employment creation and economic growth. Although the majority of small firms have modest economic impacts individually, taken together they make an important economic and social contribution.

Definition

An enterprise is an entity possessing the right to conduct business on its own; for example to enter into contracts, own property, incur liabilities and establish bank accounts. It may consist of one or more establishments situated in a geographically separate area.

Employees include all persons covered by a contractual arrangement, working in the enterprise and receiving compensation for their work. Included are persons on sick leave, paid leave or vacation, while excluded are working proprietors, active business partners, unpaid family workers and home-workers.

Number of persons employed is defined as the total number of persons who worked in or for the concerned unit. Excluded are directors of incorporated enterprises and members of shareholders' committees, labour force made available to the concerned unit by other units and charged for, persons carrying out repair and maintenance work in the unit on the behalf of other units, and home-workers. It also excludes persons on indefinite leave, military leave or those whose only remuneration from the enterprise is by way of a pension.

Comparability

An area where differences do arise concerns the coverage of data on enterprises/establishments. Data are typically compiled based on information coming from business registers, economic censuses or business surveys that may have a size or turnover cut-off. Also, countries may apply thresholds depending on tax legislation and legal

provisions, for instance to reduce administrative burdens (including respondent burdens) on very small enterprises.

The size-class breakdown 1-9, 10-19, 20-49, 50-249, 250+ provides for the best comparability given the varying data collection practices across countries. Some countries use different conventions: the size class "1-9" refers to "1-19" for Australia and Turkey; the size class "20-49" refers to "20-199" for Australia; the size class "50-249" refers to "50-299" for Japan; and finally, the size class "250+" refers to "200+" for Australia and "300+" for Japan.

For Israel, Mexico, Turkey and the United States data refer to employees. Data refer to 2009 for Mexico, 2010 for Australia and 2013 for Israel.

Overview

Enterprises with less than ten persons employed (i.e. micro-enterprises) in the manufacturing sector represent, on average, 80% of the total business population, ranging between 70% and 90% in most OECD countries. The share of these micro-enterprises in employment of the manufacturing sector is, however, considerably less. Across countries, the contribution of manufacturing micro-enterprises to employment is around 10 to 15%; there are a few exceptions, notably Greece where micro-enterprises account for 42.2% of employment in manufacturing.

Sources

- OECD (2015), *Structural and Demographic Business Statistics* (Database).

Further information

Analytical publications

- OECD (2015), *Financing SMEs and Entrepreneurs*, OECD Publishing.
- OECD (2015), *OECD Studies on SMEs and Entrepreneurship*, OECD Publishing.

Statistical publications

- OECD (2015), *Entrepreneurship at a Glance*, OECD Publishing.
- OECD (2010), *Structural and Demographic Business Statistics 2009*, OECD Publishing.

Methodological publications

- OECD and Eurostat (2008), *Eurostat-OECD Manual on Business Demography Statistics*, OECD Publishing.

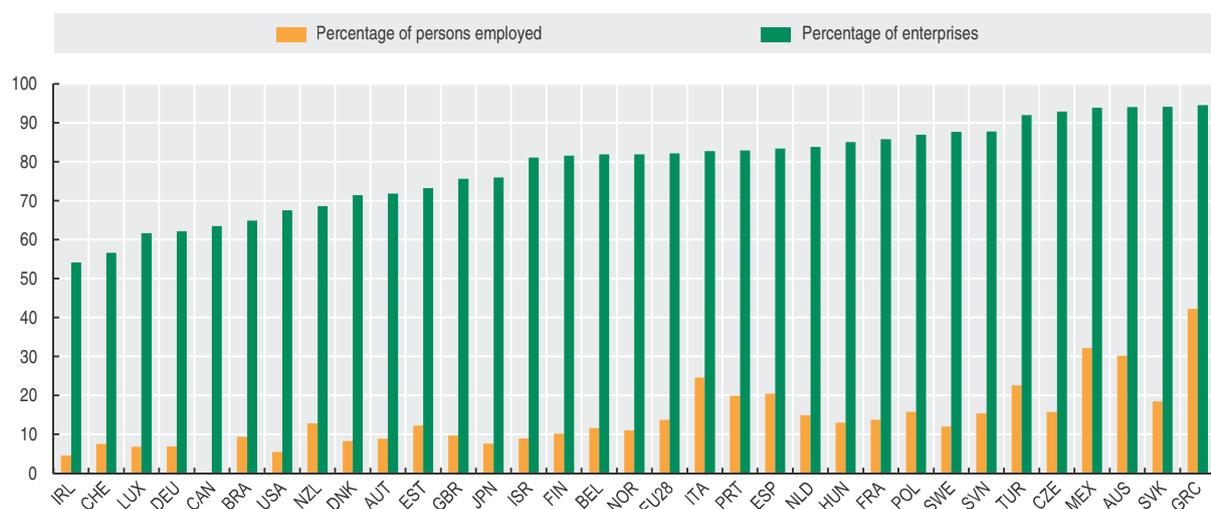
Number of employees and number of enterprises in manufacturing

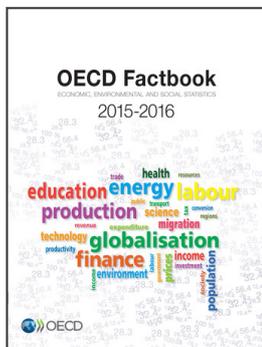
Breakdown by size-class of enterprise, as a percentage of total, 2012 or latest available year

	Number of persons employed					Number of enterprises in manufacturing				
	Less than 10	10-19	20-49	50-249	250 or more	Less than 10	10-19	20-49	50-249	250 or more
Australia	30.2	..	31.7	..	38.2	94.0	..	5.5	..	0.5
Austria	8.9	6.5	10.8	26.0	47.8	71.8	11.8	8.6	5.9	1.9
Belgium	11.6	6.3	12.9	25.1	44.1	81.9	7.4	6.2	3.6	0.9
Canada	..	..	..	..	..	63.5	15.5	13.1	7.2	0.8
Chile	..	..	..	..	..	..	..	..	..	..
Czech Republic	15.8	5.3	10.0	26.6	42.4	92.8	2.7	2.3	1.8	0.4
Denmark	8.3	7.2	11.9	25.7	46.8	71.4	12.3	9.0	6.0	1.3
Estonia	12.2	8.1	15.7	39.5	24.5	73.2	9.8	9.1	7.0	1.0
Finland	10.2	6.6	11.1	24.0	48.2	81.5	7.8	5.9	3.9	0.9
France	13.7	6.9	11.9	23.0	44.6	85.8	6.1	4.7	2.7	0.7
Germany	6.9	8.0	7.6	24.5	53.1	62.1	20.0	7.8	8.1	2.0
Greece	42.2	7.1	11.6	19.8	19.3	94.5	2.6	1.8	0.9	0.2
Hungary	13.0	6.5	10.4	26.0	44.1	85.0	6.4	4.5	3.3	0.8
Iceland	..	..	..	..	..	..	..	..	..	..
Ireland	4.6	5.6	11.3	31.8	46.7	54.1	16.4	14.5	11.8	3.3
Israel	8.9	7.3	12.2	29.8	41.7	81.0	7.9	5.9	4.3	0.8
Italy	24.6	14.5	15.9	21.7	23.3	82.7	10.0	4.9	2.1	0.3
Japan	7.6	6.0	10.7	23.7	52.0	75.9	10.1	8.1	5.1	0.8
Korea	..	..	..	..	..	..	..	..	..	..
Luxembourg	6.8	..	..	..	93.2	61.7	13.0	12.3	10.0	3.0
Mexico	29.4	4.6	6.0	14.8	45.2	93.9	2.8	1.6	1.2	0.5
Netherlands	14.9	8.4	13.9	31.7	31.0	83.8	6.7	5.2	3.7	0.6
New Zealand	12.9	10.7	15.8	24.3	36.3	68.6	15.3	10.2	4.9	0.9
Norway	11.0	8.0	14.2	27.2	39.5	81.9	7.8	6.1	3.6	0.7
Poland	15.8	4.9	9.4	28.6	41.3	86.9	4.5	4.2	3.5	0.9
Portugal	20.0	11.9	18.3	29.9	19.9	82.9	8.2	5.7	2.9	0.4
Slovak Republic	18.4	4.6	8.3	22.7	46.0	94.1	2.2	1.9	1.4	0.4
Slovenia	15.4	6.6	9.1	28.2	40.7	87.8	5.4	3.3	2.9	0.6
Spain	20.4	10.7	16.3	23.7	28.9	83.4	8.2	5.6	2.4	0.4
Sweden	12.0	6.7	10.9	22.6	47.8	87.7	5.3	3.9	2.5	0.6
Switzerland	7.5	8.7	13.8	28.9	41.0	56.6	18.9	13.4	9.1	2.0
Turkey	22.6	..	17.2	26.4	33.9	92.0	..	5.2	2.4	0.5
United Kingdom	9.7	7.6	13.7	27.9	41.2	75.6	10.6	7.7	5.0	1.1
United States	5.5	4.9	8.7	17.7	63.2	67.5	13.6	10.7	6.7	1.6
EU 28	13.7	8.3	11.7	25.3	41.0	82.1	8.5	5.2	3.4	0.8
OECD	..	..	..	..	..	..	..	..	..	..
Brazil	9.3	8.3	12.4	20.5	49.4	64.9	16.8	11.3	5.8	1.3
China	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..

 1 2 <http://dx.doi.org/10.1787/888933336596>
Manufacturing enterprises with less than ten persons employed: number of persons employed and number of enterprises

As a percentage of total number of persons employed or total number of enterprises in manufacturing, 2012 or latest available year


 1 2 <http://dx.doi.org/10.1787/888933335509>



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