

**Documentation of statistics for  
Business Demography 2014**

## **1 Introduction**

The purpose of the Business Demography is to count the number of enterprise births and deaths. Furthermore, the survival of new enterprises is followed over a period of 5 years. The statistics contain information on turnover, exports and the number of employees. The information is distributed by industry and size class. Further, a breakdown by geographical regions is also published.

The statistics were compiled for the first time, covering the real number of new and non-existent enterprises in 2001 and actual new enterprises, which have survived from 2001 to 2002.

## **2 Statistical presentation**

The statistics cover the number of enterprise births and deaths. Furthermore, the survival of new enterprises is followed over a period of 5 years. The statistics contain information on turnover, exports and the number of employees. The information is distributed by industry and size class. Further, a breakdown by geographical regions is also published.

### **2.1 Data description**

The statistics cover the number of enterprise births and deaths. Furthermore, the survival of new enterprises is followed over a period of 5 years.

### **2.2 Classification system**

In Denmark results are published using the Danish Industrial Classification from 2007 (DIC 2007), with breakdowns by Danish regions and size classes based on employment. Results to Eurostat are delivered using the international activity classification, NACE Rev. 2.

### **2.3 Sector coverage**

The statistics includes all NACE codes and forms of ownership.

## **2.4 Statistical concepts and definitions**

**Birth rate:** The birth rate is the number of enterprise births as a percentage of the population of active enterprises.

**Enterprise Birth:** A birth amounts to the creation of a combination of production factors with the restriction that no other enterprises are involved in the event. Births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises. It does not include entries into a sub-population resulting only from a change of activity. A birth occurs when an enterprise starts from scratch and actually starts activity. An enterprise creation can be considered an enterprise birth if new production factors, in particular new jobs, are created. If a dormant unit is reactivated within two years, this event is not considered a birth.

**Enterprise Death:** A death amounts to the dissolution of a combination of production factors with the restriction that no other enterprises are involved in the event. Deaths do not include exits from the population due to mergers, take-overs, break-ups or restructuring of a set of enterprises. It does not include exits from a sub-population resulting only from a change of activity. An enterprise is included in the count of deaths only if it is not reactivated within two years. Equally, a reactivation within two years is not counted as a birth.

## **2.5 Statistical unit**

The statistics is published at enterprise level.

## **2.6 Statistical population**

Number of births and deaths as well as survival of enterprises up till 5 years old.

## **2.7 Reference area**

The statistics covers all of Denmark.

## **2.8 Time coverage**

The current publication covers the reference year 2014.

## **2.9 Base period**

Not applicable.

## **2.10 Unit of measure**

Number of enterprises.

## **2.11 Reference period**

01-01-2014 - 31-12-2014

## **2.12 Frequency of dissemination**

The statistics are compiled annually.

## **2.13 Legal acts and other agreements**

No information is collected directly from respondents, as the statistics are entirely based on registers.

The compilation method used in connection with submitting data to the EU differs from the present national compilation method. Business demography data submitted to the EU from 2010 in accordance with SBS regulation, 295/2008. (Annex IX).

The compilation method used for data transmitted to EU follows the definition by the OECD and Eurostat (cf. Eurostat OECD Manual on Business Demography Statistics, 2007 edition).

## **2.14 Cost and burden**

There is no response burden.

## **2.15 Comment**

No further information is available.

## **3 Statistical processing**

Data is collected from the Statistical Business Register. Subsequently various processes are undertaken to determine whether or not an enterprise is new (enterprise birth), terminated (enterprise death), or surviving.

### **3.1 Source data**

The Central Business Register is the basis of the statistics.

Data elements are obtained from the [General enterprise statistics](#).

### **3.2 Frequency of data collection**

Data are collected annually.

### **3.3 Data collection**

The statistics is based on register data.

### **3.4 Data validation**

The statistics is based on validated data. The statistics is validated against earlier reference years on industry. Moreover, large new enterprises are manually validated regarding the status as a new enterprise.

### **3.5 Data compilation**

The statistics is based on validated register data from the Business Register. Data is treated and processed in relation to identifying genuinely enterprise birth and death. This is amongst other done using address information and the employment information. In addition, manually check of enterprises with more than 10 full-time employees is performed.

### **3.6 Adjustment**

No data correction is made, except what is already described under the section for data validation and statistical processing.

## **4 Relevance**

The statistics is used by ministries and governmental agencies, regional and county authorities as well as private sector institutions and enterprises. The statistics is also used for service tailor made statistics, where data are combined with different sources of data. Further, the statistics is used for research and internationally through data transmitted to Eurostat.

### **4.1 User Needs**

The statistics is used by ministries and governmental agencies, regional and county authorities as well as private sector institutions and enterprises. The statistics is also used for service tailor made statistics, where data are combined with different sources of data. Further, the statistics is used for research and internationally through data transmitted to Eurostat.

### **4.2 User Satisfaction**

No information available.

### **4.3 Data completeness rate**

Concerning data completeness the statistics lives up to requirements in regulations and guidelines.

## **5 Accuracy and reliability**

The statistical uncertainty, which is associated with the Statistics on business demography, is linked up with references between the units, which are primarily accessed from the Business system operated by the Central Customs and Tax Administration and lack of knowledge concerning the transfer of activities from one enterprise to another, including the separation of activities.

For a few single units, the lack of references may imply that economic and employment data are not correctly linked. Attempts are made to remedy this problem by subjecting, especially the largest enterprises to a manual check and data editing. In the case of enterprises with employees, the data on where the employees have been in employment during the course of a year are applied, as an overall shift of workplace for several employees may imply that an activity has been transferred to another enterprise.

### **5.1 Overall accuracy**

For a few single units, the lack of references may imply that economic and employment data are not correctly linked. Attempts are made to remedy this problem by subjecting, especially the largest enterprises to a manual check and data editing. In the case of enterprises with employees, the data on where the employees have been in employment during the course of a year are applied, as an overall shift of workplace for several employees may imply that an activity has been transferred to another enterprise.

The rate of coverage is almost 100 pct. for all enterprises which are obliged to register according to the Danish tax and customs legislation or the business legislation. Units, which might have been engaged in a major financial activity, but are not obliged to register according to the Danish VAT legislation and have no employees, are in a few single cases not recorded on the Central Business Register, and are consequently excluded from the Statistics on business demography.

### **5.2 Sampling error**

Not relevant for this statistics.

### **5.3 Non-sampling error**

Employment data linked to the individual workplace and subsequently to the enterprise is dependent on whether the annual pay declaration slips, which are reported to the Central salary information register operated by the Central Customs and Tax Administration, are correctly filled out. Furthermore, there is also some degree of uncertainty as to whether all workplaces linked to enterprises with more than one workplace are registered. Following the result of data editing conducted in relation to the Statistics on employment in businesses, it is, however, assumed that there are a small number of workplaces, which are not recorded on the Central Business Register.

### **5.4 Quality management**

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

## **5.5 Quality assurance**

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

## **5.6 Quality assessment**

The uncertainty associated with the Business Demographic statistics is associated with the references between the entities which mainly comes from T & S's Business System, and lack of knowledge of the transfer of activity from one company to another, including the separation of activity. Failure to do so can result in economic and employment data are not correctly linked to the individual units. The problem is being tackled by subjecting, especially the largest firms, to a manual control and error recovery. For businesses with employees, the knowledge on where the employees have been employed during the year. A large shift of employees can mean the transfer of activity to another unit.

## **5.7 Data revision - policy**

Statistics Denmark revises published figures in accordance with the [Revision Policy for Statistics Denmark](#). The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

## **5.8 Data revision practice**

Only final figures are published.

## **6 Timeliness and punctuality**

The statistics is published annually. The publications usually have been available about 18 months after the end of the reference year. Next publication will be in July 2015. The statistics has never been late in connection to the announced date of publication.

### **6.1 Timeliness and time lag - final results**

The statistics are published annually. The statistics are published about 18 months after the end of the reference year. The relatively long time of publication is primarily due to the fact that the primary statistics included in the Statistics on business demography must be finally compiled, before the Statistics on business demography can be finally compiled. The real period when all basic registers are available until publication is approximately 3 months.

### **6.2 Punctuality**

The statistics is usually published without delay compared to the announced publication date.

## **7 Comparability**

The national published Business Demography is a sub-population of the Danish published General enterprise statistics.

Covering private enterprises excluding agriculture, the Danish published Business demography can be compared to the Business Statistics published by Eurostat.

### **7.1 Comparability - geographical**

The statistics can be compared with the Business Demography published annually by Eurostat, however, with few exceptions regarding NACE codes and legal ownership.

While the Danish published Business Demography include all NACE codes and ownerships, the European published Business Demography only include NACE Rev. 2 B-N excluding K642. On voluntary basis P-S excluding S94 are also published. Moreover, following legal forms are included: Sole proprietor, Limited liability company and Partnership and other legal forms.

### **7.2 Comparability over time**

It is not possible to compare the Statistics on business demography with the earlier published Statistics on increase in new enterprises, due to considerable changes in the compilation method.

The statistics changed from Danish Industrial Classification 2003 to 2007 in 2009.

From the reference period 2009 the General enterprise statistics and thus also the Business Demography started to utilise the electronic income register as a data source for the estimation of full-time equivalents. This implies a data break in the number of FTEs from 2008 to 2009.

As of the reference period 2009 the input source Purchases and sales by enterprises also changed.

Furthermore, the changes in input sources has been accompanied by a number of quality improvements in the General enterprise statistics, which is a source for the business demography statistics. The changes in sources as well as quality improvements have been effectuated in the business demography from 2009 onward.

### **7.3 Coherence - cross domain**

The Danish published Business demography can be compared to the European published Business Demography regarding certain NACE and ownership.

### **7.4 Coherence - internal**

The statistics are based mainly on one source, why the internal consistency is considered high.

## **8 Accessibility and clarity**

The data is published in NYT (News form Statistics Denmark) and is available in the StatBank.



### **8.1 Release calendar**

The publication date appears in the release calendar. The date is confirmed in the weeks before.

### **8.2 Release calendar access**

The Release Calendar can be accessed on our English website: [Release Calendar](#).

### **8.3 User access**

Statistics are always published at 9:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published. Theme publications etc. may be published at other times of the day. The National Statistician can decide that such publications may be released before their official publication time, e.g. to the media and other stakeholders.

### **8.4 News release**

Most recent news releases may be accessed at [Nyeste offentliggørelser](#).

### **8.5 Publications**

Results are published, among other places, in [Statistical Yearbook](#).

### **8.6 On-line database**

Results are published in Statbank.

### **8.7 Micro-data access**

Data is available on individual level. Researchers may be granted access to anonymised micro-data. Furthermore, specialized data sets and tables may be produced upon request.

### **8.8 Other**

To order tailor-made specialized statistics please write this e-mail: [firma\\_stat@dst.dk](mailto:firma_stat@dst.dk)

### **8.9 Confidentiality - policy**

[Statistics Denmark's policy on confidentiality](#).

## **8.10 Confidentiality - data treatment**

In connection to publication and delivery of customized statistics, a so-called confidentiality test of data is made. The confidentiality test is made on the basis of two criteria:

1. The number criteria: If one data cell contains less than 3 observations (enterprises) employment and financial information can not be published
2. The dominance criteria: If one or two observations (enterprises) contained in one data cell, alone or together constitute a certain percentage of the total turnover of the cell, the turnover and other financial information for this group can not be published.

## **8.11 Documentation on methodology**

Documentation is available in connection to the annual publication.

## **8.12 Quality documentation**

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

## **9 Contact**

The administrative placement of these statistics are in the division of Business Dynamics. The person responsible is Christina Juul Steengaard, tel. +45 39 17 31 45, e-mail: [cjs@dst.dk](mailto:cjs@dst.dk)

### **9.1 Contact organisation**

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