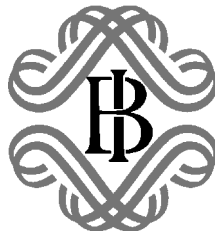


**BANCA D'ITALIA**

**Supplements to the Statistical Bulletin**  
**Sample Surveys**

**Survey of Industrial and Service Firms**  
**Year 2004**



**New series**

**Volume XVI Number 3 - 4 January 2006**



## GENERAL INFORMATION

- I - Unless indicated otherwise, figures have been computed by the Bank of Italy.
- II - Symbols and Conventions:
  - the phenomenon in question does not occur;
  - .... the phenomenon occurs but its value is not known;
  - :: the data are not statistically significant;
  - .. the value is known but is nil or less than half the final digit shown.

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## CONTENTS

	page
Introduction and main results .....	5
I – Labour, capital and production: cyclical and structural aspects .....	5
I.1 Employment .....	5
I.2 Turnover and operating result .....	8
I.3 Investment and capacity utilisation .....	10
II – Focus topics .....	12
II.1 Ownership and organisation of firms .....	12
II.2 Information and communication technology .....	13
II.3 Electricity supply to industrial firms .....	14
II.4 Business services .....	14
II.5 Some aspects of corporate financing .....	15
II.6 Internationalisation .....	16
Appendix A: Methodological Notes .....	19
Appendix B: Statistical tables .....	31
Appendix C: Questionnaires .....	67

*This publication contains the main findings of the Bank of Italy's survey of industrial and service firms in 2004.*

*The data were collected in 2005 exclusively for the purpose of economic analysis and have been handled and processed in aggregate form, in full compliance with Italy's law on the treatment of personal information.*

*We would like to thank all the firms that agreed to take part in the survey, providing the information requested in a long and demanding interview.*

# SURVEY OF INDUSTRIAL AND SERVICE FIRMS <sup>1</sup>

## Introduction and main results

The interviews for the sample survey of industrial and service firms with 20 or more employees for the year 2004 were conducted between February and March 2005.

The sample consists of 3,152 firms in industry excluding construction and 1,076 non-financial private service firms, representing 8.2 and 4.2 per cent of the total respective reference population. In the rest of the paper these two sectors will be known briefly as industry and services and the reference to firms with at least 20 employees will, wherever possible, be implicit.

Because of the bigger sampling fraction<sup>2</sup> of large firms, the two samples represent about a quarter of payroll employment in the reference universe; this, in turn, accounts for a very substantial share of the sectoral aggregates, i.e. 81 per cent of turnover and of investments and 68.8 per cent of payroll employment in industry, and 49 per cent of turnover, 55 per cent of investments and 58.3 per cent of payroll employment in the service sector.<sup>3</sup> This should be taken into account in interpreting the survey findings. By over-sampling the largest firms we improve the accuracy of estimates of the totals of the most important aggregates (employment, turnover and investments) and of their fluctuations over a period of time.<sup>4</sup>

The report describes the salient features and main findings of the survey. Section I describes the basic characteristics of firms' economic activity – utilisation of labour and capital, and production – from both the cyclical and the structural point of view. In Section II individual topics are discussed in detail.<sup>5</sup>

The Methodological Notes (Appendix A) describe the composition of the sample and the universe, the sampling design, the collection of data and the estimation and weighting procedures. They also provide information about response behaviour and data quality. The statistical tables and the questionnaires are in Appendices B and C.

## I – Labour, capital and production: cyclical and structural aspects

### I.1 Employment

According to the survey, average employment in 2004 was 0.2 per cent down overall, the result of a decline of 1.6 per cent in industrial firms and a rise of 1.7 per cent in the service sector (Table C1).

For industrial firms, the figures bear out the negative medium-term trend of employment, which declined by 1.4 per cent in 2003; similarly, in the service sector the growth of the workforce was also in line with the two previous years (Figure 1 and Table M1). The findings are consistent with the national accounts, which showed a decline of 0.4 per cent in employment in non-construction industrial firms and an increase of 2 per cent in non-financial private service firms.<sup>6</sup>

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1 Prepared by Claudia Biancotti, Leandro D'Aurizio, Caterina Di Benedetto and Raffaele Tartaglia-Polcini. The branches of the Bank of Italy actively participated in the survey, being directly responsible for collecting the data.

2 This is defined as the ratio of firms sampled to the respective reference population.

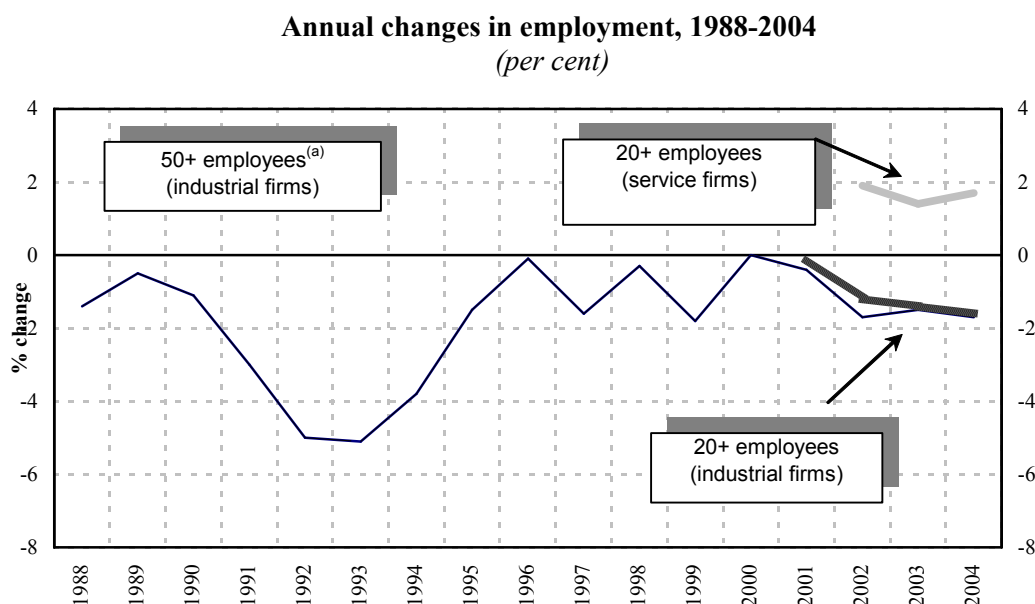
3 Sources: Istat surveys for 2003, *Rilevazione sulle piccole e medie imprese e sull'esercizio di arti e professioni* and *Rilevazione sul sistema dei conti delle imprese*.

4 See the Methodological Notes for the properties of the estimators (Appendix A).

5 The topics covered include aspects of corporate financing, use of information and communication technology, electricity supply, provision of business services, and internationalisation.

6 The discrepancies with respect to the national accounts are due to the broader reference population used by the latter, which includes firms with fewer than 20 employees, as well as various forms of non-standard non-payroll employment and undeclared employment).

Figure 1



(a) The data for 1988-1998 refer to manufacturing firms; those for 1999-2004, to industry excluding construction.

The trend of employment in textile firms was markedly negative (down 2.9 per cent), confirming the signals of previous years, as was that in energy and mining and quarrying industries (-3.4 per cent). On the other hand, results for wholesale and retail firms and the tourism industry were positive, with employment growth of 3.1 per cent.

Since 2001, forecasts<sup>7</sup> of changes in employment in the current year have been systematically better than the actual outturn. The forecast for 2004 recorded in the 2003 survey was that employment would remain broadly stable (0.1 per cent), while for 2005 firms expected a small decline (0.2 per cent). In the service sector employment growth in 2004 was slightly slacker than forecast in 2003 (2.2 per cent); expectations for 2005 remained positive (1.4 per cent).

In 2004 the actual number of hours worked per capita increased by 0.8 per cent in industry, but declined by 0.2 per cent in the service sector (Table C2); the respective totals were 1,649 and 1,651. Higher average values were recorded by firms in the South (1,695 hours in industry and 1,774 in services) and small businesses. Taking into account the actual location of employees, the geographical divergence was nil for industry, but remained significant in the service sector.

Hours of overtime amounted respectively to 4.1 and 5.4 per cent of the total (Table C2), values similar to those recorded in the previous survey. Overtime was used principally by large firms, while in firms based in the South and Islands the number of hours was below average.

Hours of temporary work (Table C3) equalled 2.1 per cent of hours worked by payroll employees in industry and 1.1 per cent in services, compared with 2 and 0.8 per cent respectively in the previous survey. Temporary employment is predominant in the North-West and in the chemical and engineering industries and has continued to increase steadily among firms with 50 or more employees, tripling since 1999 in comparison with the total number of hours of traditional work.<sup>8</sup>

Labour turnover in 2004<sup>9</sup> was 26.6 per cent in industry and 50.7 per cent in services (Table C4), down in both sectors compared with 2003 (respectively by 29.1 and 56.8 per cent). The indicator has fallen uninterruptedly since the beginning of the decade (in 2001 it was 34.8 per cent in industry and 58.9 per cent

<sup>7</sup> Referring to end-of-year employment.

<sup>8</sup> The time series of temporary work can be found in Table aB50 in the appendix of *Relazione Annuale della Banca d'Italia sul 2004*.

<sup>9</sup> Labour turnover, which is a notable indicator of the speed of staff renewal, is the ratio of the sum of hirings and departures in the year to the average workforce.



in services),<sup>10</sup> most notably in firms with 20 to 49 employees. As a ratio of the total workforce, hirings<sup>11</sup> have decreased more sharply than departures.

Labour turnover by firm size and geographical area showed little change with respect to the previous survey. It was highest in firms with 500 or more employees, firms in the North-East and firms in the South and Islands, where mobility was greatest among workers with fixed-term contracts. Such contracts were more frequent in services than in industry, applying to respectively 9.5 and 5.5 per cent of the workforce at the end of the year (Table C3). This represents a slight increase from 2003 in service firms and a small decrease in industrial ones. Fixed-term contracts were also used on a larger scale in industrial firms in the regions of the South and in service firms in the North-East.

Non-EU workers accounted for 3.5 per cent of the total workforce – 3.1 per cent in industry and 4.1 per cent in services. They were employed for the most part in firms providing services to business and households (5 per cent), which include cleaning, pest control and maintenance, and in firms with 200 to 499 employees (5.7 per cent). In industry the percentage of non-EU workers was largest in small firms (4.1 per cent) and in the textile sector (3.6 per cent) and smallest in energy and mining and quarrying firms (0.5 per cent). Geographically, these workers were employed predominantly in the North-East (4.2 per cent in industry and 5.2 per cent in services) and less frequently in the South and Islands (0.8 and 0.9 per cent).

Part of the questionnaire for the 2004 survey was dedicated to examining changes in the position of workers employed on “collaboration” contracts (*collaborazione coordinata e continuativa*) following the passage of Legislative Decree 276 of 10 September 2003, better known as the “Biagi Law” (Table C5). The data provide a picture of the use of this form of employment at the end of 2003 and the changes that took place in 2004.

On 31 December 2003, 52.9 per cent of firms were employing workers on collaboration contracts, of which 53.7 per cent in services and 52.4 per cent in industry. These contracts were particularly popular among large firms, being used by 79 per cent of those with 500 or more employees in industry and 73.3 per cent in the service sector; in firms with 20 to 49 employees the respective figures were 49.4 and 51.4 per cent. Nonetheless, collaborators tended to account for a larger proportion of total payroll employment in small firms, while in terms of sectoral and geographical distribution their incidence was greatest in industrial firms in the South and in service firms in the North-East.

Some 36 per cent of collaboration contracts in force at the end of 2003 were still in existence at the end of 2004 (51.7 per cent in industry and 22.4 per cent in services), while 30.3 per cent were terminated without being replaced by other job contracts (15.6 per cent in industry and 42.8 per cent in services). One in four collaboration contracts was transformed into a “project” contract, but only one in twenty-five into a permanent job; the remainder were transformed into fixed-term contracts or consultancy contracts. Industrial firms in the South and Islands reported the largest number of ongoing contracts (66.8 per cent), unlike service firms in the North-East, which terminated 61.7 per cent. The highest percentage of collaboration contracts transformed into permanent jobs (8.3 per cent) was recorded in the transport and communication sector, in contrast with the engineering industry, where conversion was much less frequent (3.2 per cent).

The survey also gathered data, albeit only from industrial firms with 50 or more employees, on the use of freelance collaborators<sup>12</sup> in 2004 and their projected use in 2005, as well as on the employment of workers with other non-standard contracts.<sup>13</sup>

Freelance collaborators were used by 64.5 per cent of firms (Table C6), more frequently by those with 500 or more employees (81.5 per cent) and less so in the South and Islands (50 per cent). Some 72.9 per cent of firms expected the number of freelancers to remain the same in 2005, 12.1 per cent planned an increase and 15 per cent, a reduction. More specifically, the firms planning cut-backs were the ones that reported the largest numbers of freelancers at the end of 2004: firms with 500 or more employees and firms

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10 For the time series of labour turnover see Tables aB43-aB45 in the appendix of *Relazione Annuale della Banca d'Italia sul 2004*.

11 For further details of the impact on employment of the lengthening of working life see the box “The composition of employment by age and pension legislation in the last ten years” in *Economic Bulletin*, 37, November 2003.

12 Freelance collaborators include workers with collaboration contracts, workers with a VAT number performing occasional work, and those on “project” contracts.

13 Unskilled workers, payroll workers on temporary contracts, and young people with youth employment contracts.

in the North-East, with 24.8 per cent of the former and 21.1 per cent of the latter announcing reduction plans for 2005. Energy and mining and quarrying firms reported a strong interest in using freelance collaborators and 23.7 per cent planned to increase their number. The average cost of freelancers amounted to 1.8 per cent of the total cost of payroll employment, rising to 3.5 per cent considering only the firms that employ them. The ratio was high in the Centre (4.9 per cent) and for non-export-oriented firms (4.2 per cent) and was inversely proportional to firm size: in firms with 50 to 199 employees it was 4.8 per cent and in firms with 500 or more employees, 2.6 per cent.

For 2005, 72.8 of firms did not expect to change the number of contracts, while 12.1 per cent intended to increase this form of employment (Table C6). In the case of temporary workers, 66.3 per cent of firms reported no plans to make changes, compared with 21.4 per cent projecting increases (34.5 per cent of energy and mining and quarrying firms and 2 per cent of engineering firms) and 12.3 per cent, cut-backs (16.5 per cent in the South). The unskilled workforce was expected to remain stable by 70.1 per cent of firms, to increase by 12.6 per cent and to decline by 17.3 per cent (27.7 per cent in the textile sector). Training contracts for young people, which include apprenticeships, the former work-and-training contracts and the new types of youth employment contracts, followed an opposite pattern, with 66.4 per cent of firms expecting the number to remain unchanged in 2005 and 25.4 per cent projecting an increase. The firms most willing to extend this form of employment were those with 500 or more employees (30.5 per cent) and those in the North-East and Centre (28.8 and 31.7 per cent respectively). Only 8.3 per cent of firms announced cut-backs in the number of youth employment contracts, slightly more in the South (10.3 per cent).

Gross per capita earnings averaged €25,600 per annum in 2004 (Table C7). This represented growth of 2.4 per cent compared with 2003, close to the 2.5 per cent recorded in the national accounts for the same sectors. Some of the indications emerging from earlier surveys were confirmed: pay was above average in the energy and mining and quarrying sector and in the chemical industry, and lower in the textile industry and in trade and tourism. Wages and salaries increased with firm size and were highest in the North and Centre. The geographical divergences were partly due to differences in the distribution of industry by size and sector in the South and Islands.

## **I.2 Turnover and operating result**

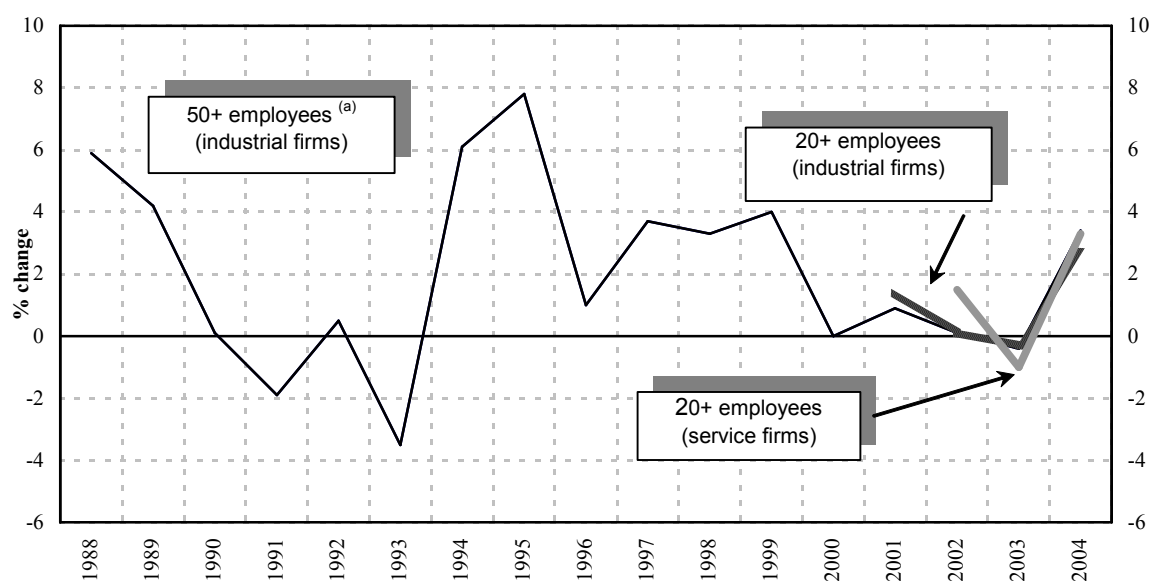
In 2004 turnover increased by 2.9 per cent at constant prices, the result of a rise of 2.7 per cent in industry and 3.3 per cent in services (Table E1). The last figure contrasted with the 1 per cent decline recorded in 2003, while in industry the increase came after a year of stagnation (-0.3 per cent) and was the largest in five years (Figure 2).

In manufacturing, signals from the chemical industry were positive, with turnover up 2.1 per cent compared with -3.5 per cent in the previous survey, as was the trend in the engineering sector (1.9 per cent, against no change in 2003). An above average performance was again recorded by energy and mining and quarrying firms (11.2 per cent), while the textile industry was the only one to post negative results (-0.8 per cent), despite an improvement on the previous survey (-4.3 per cent). Turnover among firms providing services to business and households (4.4 per cent) was particularly satisfactory (Table E1).

The results for 2004 were in line with the previous year's projections, both in industry and services. Forecasts for 2005 were of the same order of magnitude (respectively 1.8 and 3.3 per cent).

Figure 2

**Annual changes in turnover, 1988-2004**  
(at constant prices, per cent)



(a) For 1988-1998, manufacturing firms; for 1999-2004, non-construction industry.

Export revenue totalled 21.2 per cent – 29.2 per cent in industry and 7.7 per cent in services, fairly unchanged from the previous year. The largest exporters were firms in the North, among which this source accounted for 37.7 per cent of turnover in the North-East and 29.5 per cent in the North-West, and textile and engineering firms (respectively 43.5 and 41.9 per cent). In the service sector, only transport and communication firms obtained a substantial share of turnover from exports, amounting to 14.9 per cent. The export revenue of energy and mining and quarrying firms, which are subject to different market factors from those that influence the exports of the other firms in the sample, contracted from 9.9 to 7 per cent.

Turnover per employee in 2004 averaged €284,000, up 3.1 per cent in real terms with respect to 2003, and was higher in industry (€309,000) than in services (€251,000). However, there were wide variations within the industrial sector, with per capita turnover ranging from over €700,000 in energy and mining and quarrying firms and €600,000 in chemical firms, to just €190,000 in textile firms. Differences were less marked within the service sector, where the lowest per employee turnover was that of firms providing services to business and households (€110,000).

In industry, turnover per employee was lowest among firms in the South and Islands, a result that can be ascribed in part to their characteristic distribution by size and sector. It was again directly correlated with firm size, while in the service sector it was inversely correlated.

In 2004, 61.8 per cent of firms posted a profit, 19 per cent a loss and 19.2 per cent were in balance. This represented a slight deterioration with respect to 2003, when the respective shares were 63.5, 18.2 and 18.3 per cent. The best performance in industry was recorded by energy and mining and quarrying firms and chemical firms, more than 70 per cent of which showed a profit. Next in line came engineering firms, with 67.3 per cent showing a profit, compared with 62.5 per cent in the previous survey. However, in the textile sector, which is in persistent crisis, only 54.8 per cent of firms achieved slightly more than a balanced position, as confirmed by the drop in the number of small firms and firms in the North-East showing a profit (respectively 62.7 and 59.2 per cent).

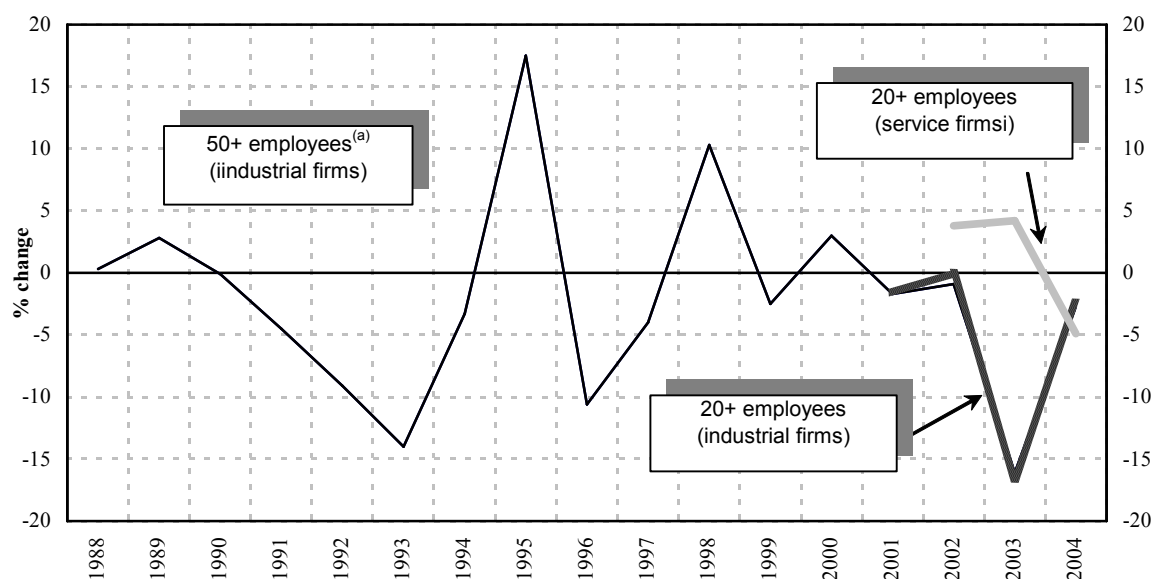
The results of service firms were generally less positive: 58.9 per cent recorded a profit in 2004 compared with 64.1 per cent in 2003. Transport and communication firms performed best, with 64.9 per cent in profit, a slightly higher proportion than in the previous survey. Wholesale and retail trade and tourism firms contributed most to the overall decline as the proportion of those in profit fell from 67.6 to 57.2 per cent between the two surveys. (Table E2).

### I.3 Investment and capacity utilisation

The survey findings indicated a negative trend of gross fixed investment<sup>14</sup> in 2004 compared with the previous year, resulting in an overall decline of 3.6 per cent in real terms<sup>15</sup> (–2.4 per cent in industry and –4.9 per cent in services; Table D1). Investments in the industrial sector, which had been contracting since 2001 (Figure 3), continued to decline, but at a slower pace than in 2003 (–16.6 per cent).<sup>16</sup> The contraction in investments in services, however, contrasted with the trend in 2003, when an increase of 4.2 per cent was recorded, against a sharp decline in industry.

Figure 3

Annual changes in investments, 1988-2004  
(at constant prices, per cent)



(a) For 1988-1998, expenditure on tangible goods by manufacturing firms; for 1999-2004, expenditure on gross fixed investment by non-construction industrial firms.

The largest reduction in investments occurred once again in the textile and clothing industry (–12.4 per cent), followed by trade and tourism<sup>17</sup> (–6.5 per cent). Investments increased, albeit by an extremely small amount, only in engineering (1.1 per cent) and other manufacturing firms (1.5 per cent). Transport and communication firms, for which the findings of the previous survey showed strong investment growth (32.2 per cent), also recorded a decline in 2004, of 4.8 per cent.

Only industrial firms based in the North-East and those with 200 to 499 employees reported an upturn in investments, respectively of 1.4 and 1.9 per cent. A contraction was recorded by all service firms, regardless of size or geographical area, although the performance was especially poor in the North-West, where investments were down 8.2 per cent, and in trade and tourism (–6.5 per cent). Examining the trend of investments by actual location, it emerges that the worst results were recorded for industrial firms in the North-West, with a decline of 6.5 per cent (Table 1), while investments by factories in the South increased by 2 per cent.

14 In accordance with ESA95, gross fixed investment is defined as the addition of capital assets to the firm's existing stock in the reference period. Capital assets consist of tangible goods, software, databases and mineral exploration. They are the result of a production process and are used repeatedly or continuously in the production of goods and/or services for more than a year. Gross fixed investment includes depreciation.

15 See Appendix A for details of the method of deflation.

16 As observed in the *Relazione Annuale della Banca d'Italia sul 2004*, "According to the national accounts, gross fixed investment, excluding residential building and civil engineering projects, increased by 1.8 per cent. The discrepancy with respect to the contraction recorded by the surveys is due to the fact that the survey sample excludes firms with fewer than 20 employees, as well as the branches of agriculture, monetary and financial intermediation, and construction".

17 In this case the tourism industry includes hotels, bars, restaurants and similar.

Investment plans for 2004 reported in the 2003 survey indicated a slightly improved performance. The realisation rate<sup>18</sup> in 2004 was 97.9 per cent, compared with 105.1 per cent in 2003. This was the result of 55.2 per cent of firms investing more than they had planned at the end of 2003 (even considerably more in 39.2 per cent of cases) and 38 per cent investing less, of which 20.9 per cent, substantially less (Table D2).

The realisation rate for industrial firms was 95.8 per cent. In general, instances of non-realisation of expenditure plans were more frequent among firms with 500 or more employees (89.3 per cent) and among energy and mining and quarrying firms (86.5 per cent), while investment spending exceeded plans in firms with 20 and 49 employees (109.3 per cent).

Actual spending by service firms generally matched their investment plans, with a realisation rate of 100.2 per cent. In hotels and catering, large firms and firms in the North-East, actual spending on investment failed to match expectations. The opposite was true for firms in the South and those with fewer than 200 employees.

The reasons for amending investment plans were recorded only for firms with 50 or more employees, and revisions, upward and downward alike, were mainly associated with changes in objectives and strategies (internal organisation; Table D3). Demand developments were cited by 33.7 per cent of firms that reduced their investments with respect to plans, particularly in the North-East and South and in the chemical sector (around 40 per cent), and problems of cash-flow by 5.8 per cent; these reasons were followed by uncertainty regarding costs and changes in delivery times. As far as increased investments with respect to plans were concerned, tensions on goods markets played a minor role (accounting for 30.4 per cent of cases), although they remained the second most frequently cited reason after questions of internal organisation.

Industrial firms predicted that investment would pick up by 0.2 per cent in 2005, while service firms expected a further contraction of 3.6 per cent. Firms with 500 or more employees, energy and mining and quarrying firms and engineering firms projected a larger than average increase, while the opposite held for industrial and service firms with 20-49 employees, which predicted contractions respectively of 12.5 and 16.1 per cent. Prospects were especially negative in the South and Islands, in line with findings for previous years.

Firms invested an average of around €11,100 per employee in 2004, before adjusting for depreciation of capital assets; compared with the previous survey this represented a decrease of 7.5 per cent in real terms.<sup>19</sup> The average figure was higher in the service sector (€12,100) than in industry (€10,300) and especially high among energy and mining and quarrying firms (€44,500, 14.8 per cent down in real terms from 2003). Transport and communication firms followed with investment per employee of €26,700, while textiles trailed behind, investing just €4,600 per employee.

Investment per employee increases with firm size, partly owing to the concentration of large firms in capital-intensive sectors. Among industrial firms (Table D1), the figure was higher in the Centre (€16,100) than in the other areas, while among service firms it was higher in the North-West (€14,500). According to actual plants location, per capita investment by industrial firms was greatest in the South, amounting to €12,400 (Table 1).

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18 The realisation rate is defined as the ratio between actual spending during the year and planned expenditure at the end of the previous year.

19 According to the national accounts, investments per employee in industry excluding construction totalled €8,200 in 2004. The higher figures recorded by the Bank of Italy's survey are probably due to the exclusion of agriculture, the construction industry and public services, sectors in which investment levels are normally low. The exclusion of firms with fewer than 20 employees may also be of significance as the survey found investment per employee to be positively dependent upon firm size.

**Table 1**

**Investments by actual location of plant, 2004**  
(per cent, € thousand)<sup>(1)</sup>

Plant location	Change in gross fixed investment <sup>(2)</sup>	Investment per employee
<b>Industrial firms</b>		
North-West .....	-6.5	8.1
North-East .....	0.3	8.0
Centre .....	-2.5	8.0
South and Islands .....	2.0	12.4
<b>Service firms</b>		
North-West .....	-6.0	9.3
North-East .....	-4.0	8.9
Centre .....	-5.6	11.7
South and Islands .....	-2.9	10.3

(1) Robust estimates (*Winsorised*) obtained by adjusting the extreme values (with negative or positive sign) of the distributions of annual changes in investments on the basis of the 5th and 95th percentile; the method takes account of the sampling fraction in each stratum of the sample (*Winsorised type II estimator*). – (2) At constant 2004 prices.

Between 2003 and 2004 the capacity utilisation rate increased by 4.4 per cent in firms with 50 or more employees, with a similar gain forecast for 2005. The largest increases were both recorded and forecast for firms in the South (8.1 and 8 per cent respectively). The figures were relatively lower for large firms and for the textile sector and energy and mining and quarrying industries (Table D4).

The average capacity utilisation rate for industrial firms with 50 or more employees was 78.2 per cent (Table D4), down 1.4 percentage points on 2003. This was largely due to the decline of 14.9 points in the capacity utilisation rate of energy and mining and quarrying firms not fully predicted in the previous survey. Excluding this sector, results were broadly similar in the two surveys. For 2005 expectations indicated a capacity utilisation rate of 80.5 per cent in industry as a whole, an increase of 2.3 percentage points.

## II – Focus topics

### II.1 Ownership and organisation of firms

A large majority of the firms studied are set up in the form of either a public limited company or a private company. Approximately 1 per cent of industrial firms with 50 or more employees and 10 per cent of those with 500 or more are listed (Table B1), and this is reflected in the fact that share ownership is generally concentrated among the leading shareholders. The sector in which this phenomenon is least evident is energy and mining and quarrying, which also has the largest number of listed companies. The size of the leading shareholder's holding tends to increase with firm size.

Among unlisted firms the average number of shareholders is small, not more than 10 regardless of firm size. Control of the firm<sup>20</sup> is usually in the hands of a physical person, although there has been a slight increase with respect to 2003 in the proportion of companies, mainly large-sized firms. Some 6 per cent of industrial firms with 50 or more employees were involved in takeovers in 2004, a phenomenon that increases with firm size and openness to international markets (Table B2).<sup>21</sup>

<sup>20</sup> The person with direct control over the firm is the person who, usually by means of their shareholder's vote, wields a decisive influence over decisions regarding medium- to long-term objectives, the strategies for achieving them, the firm's economic and financial development, and its investments. It is not necessarily the same person as the majority shareholder.

<sup>21</sup> For a thorough critical analysis of these phenomena among Italian firms, partly based on data from the Bank of Italy's surveys, see M. Bianchi *et al.*, *Proprietà e controllo delle imprese italiane. Alle radici delle difficoltà competitive della nostra industria*, Bologna, Il Mulino, 2005.

Changes in organisation as a result of splits, mergers, capital contributions and transfers concerned a slightly larger percentage of firms than in 2003 (5.2 per cent compared with 3.8 per cent), especially in the service sector where the proportion of firms affected rose from 4.9 to 7.3 per cent (Table B3). In industry the number of such events increases with firm size and they are relatively more common in energy and mining and quarrying, although fewer than in 2003, and among firms located in the North.

Many firms (28.1 per cent) belong to a group (Table B4). Some 80 per cent of groups are Italian and most of the rest are located in countries belonging to the European Union before its enlargement in May 2004. A small minority of groups are from non-European countries or countries that have only recently joined the EU.<sup>22</sup> Membership of a group increases with firm size, particularly in industry, where 90 per cent of firms with 500 or more employees fall within this category. In terms of economic activity, fewer groups are found in textiles, other manufacturing<sup>23</sup> and trade and tourism.

Foreign groups constitute the majority in capital-intensive industries, while Italian groups appear to be concentrated in traditional Italian industries and less export-oriented sectors.

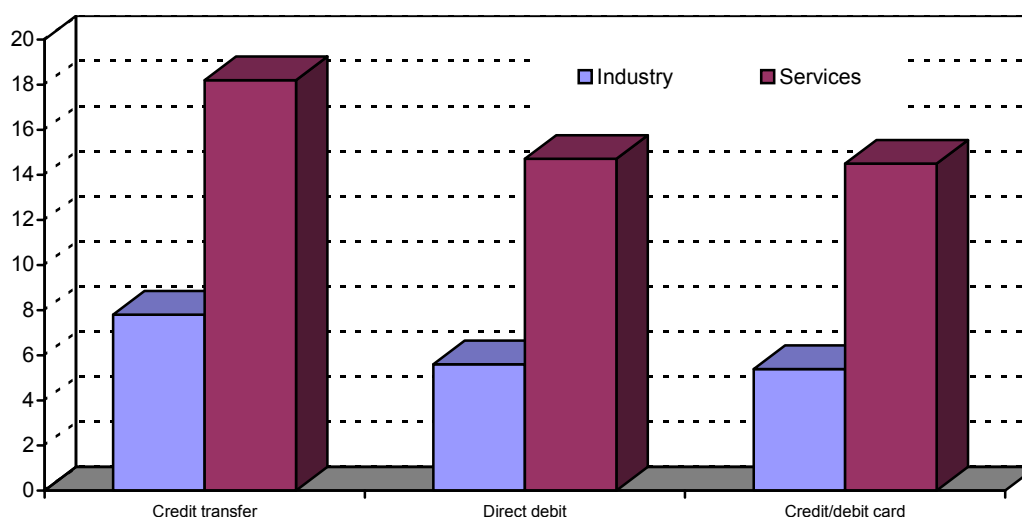
## II.2 Information and communication technology

The 2004 survey has provided some information on the use of electronic invoicing and information technology for collection and payment operations.

One-third of firms employ electronic invoicing.<sup>24</sup> IT invoicing tools are most popular with service firms, although those in the South and Islands make least use of this instrument. In industry large firms are the greatest users (Table F1).

Figure 4

Forms of electronic payment used in e-commerce, 2004  
(per cent)



Around one-fifth of firms engage in e-commerce (online buying and selling). Most are service firms, notably those supplying business services. About 80 per cent of the firms trading online make at least part of the related payments or collections also online. The preferred instrument in this case is the credit transfer, which takes precedence over direct debit or credit or debit card (Figure 4).

22 Countries that joined the EU on 1st May 2004: Cyprus, Estonia, Latvia, Lithuania, Malta, Poland, Czech Republic, Slovakia, Slovenia and Hungary.

23 This is a composite branch that includes food processing, leather-working, wood and paper products, glass and ceramics, furniture and publishing.

24 Invoicing involves several stages, both during issue (formation, entry in account books and tax registers, despatch, collection, reconciliation) and receipt (receipt, entry in account books and tax registers, payment, reconciliation, dispute if necessary, filing). In electronic invoicing at least one stage is performed entirely by computer.

Three-quarters of firms use online banking to make collection and payment orders, in nine out of ten cases using the “interbank corporate banking” (CBI) facility.<sup>25</sup>

### **II.3 Electricity supply to industrial firms**

This edition of the survey looks at conditions of electricity supply relating to industrial firms. Interest in this subject has been prompted by the liberalisation of the market following the passage of Legislative Decree 79 of 16 March 1999 transposing Directive 96/92EC of 19 December 1996.

According to the survey, at the end of 2004, 39.2 per cent of firms bought electricity from suppliers other than the previous monopoly-holder, i.e. Enel or a local distributor (Table G1). The number of firms switching supplier increases with size: only a quarter of large firms have not done so, compared with some two-thirds of firms with 20 to 49 employees. Switch-overs are more frequent among firms in the northern regions and the chemical industry, and least frequent among textile firms.

The survey findings indicate that the quality of the service, in terms of failures, blackouts and repair time, is judged to be much the same as in 2001 by 75.8 per cent of firms. On the other hand, 17.5 per cent think there has been an improvement and 6.7 per cent complain of a deterioration since 2001; among firms that have changed supplier these percentages are respectively 71.6, 22.4 and 6 per cent. Firms in the South are more likely to report improvements, while those with 500 or more employees take a more negative view. Opinions are more polarised in the chemical industry, with 63.8 per cent of firms reporting virtually no change, 10.8 per cent a deterioration and 25.4 per cent an improvement.

Average monthly costs were 4.7 per cent lower for firms with a new supplier; the reduction was particularly marked in the energy and mining and quarrying industry (–5.7 per cent) and in the South and Islands (5.2 per cent).

### **II.4 Business services**

In the present survey we examine some aspects of business services from the point of view of both supply and demand. The aim is to analyse the market features that affect this branch of activity, and particularly its share of total turnover and the size and geographical location of customers.

On the demand side, industrial firms have been asked to state how much they spent in 2004 on services provided by other companies and to express an opinion as to possible problems in accessing the services required.

Industrial firms spend an average of 7.1 per cent of their turnover on services provided by other companies, more in the case of firms with at least 50 employees (7.9 per cent) than of those with between 20 and 49 employees, which spend 4.8 per cent (Table H1). In the South and Islands spending is below average (5.7 per cent.). The firms interviewed were pleased with supplier accessibility and the range and quality of services offered and with prices, except in the case of energy and mining and quarrying industries (Table H2).

On the supply side, service companies were asked about the proportion of total turnover coming from the provision of services to other companies and the distribution of their customers by size class and geographical area.

Some 68.2 per cent of service firms supply other companies (Table H1), most of them located in the Centre (77.2 per cent) and with 500 or more employees (73.4 per cent), partly because this is where the head offices of the large utility suppliers are located. The proportion is lower among hotels and catering firms (53.4 per cent) and in the South and Islands (61 per cent).

The total share of turnover obtained from sales of business services is 43.7 per cent (Table H1). However, the proportion is smaller among firms in trade and tourism (31.1 per cent), with 500 or more employees (29.6 per cent), located in the North-East (38.8 per cent) and in the South and Islands (37.3 per cent). It is largest for small and medium-sized firms, among which business services account for 52.5 per

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<sup>25</sup> This set of services enables a firm that banks with several institutions to use the online banking service of one of them to transmit information on collection and payment orders even relating to another bank of which it is a customer.



cent of turnover (Table H3). By contrast, customers with at least 200 employees represent 51 per cent of turnover in the case of firms providing other services to business and households and 55.5 per cent of turnover of medium-to-large service companies. Sales of services to Italian firms based outside the seller's region represent 41.4 per cent of turnover overall and 50 per cent in the case of medium-sized and large enterprises. Instead, 30.7 per cent of turnover is obtained in the same province and 19.2 per cent in other provinces of the same region. In aggregate, sales of services to foreign companies account for 8.7 per cent of turnover, rising to 18.3 per cent in the case of medium-sized and large firms, 20.8 per cent for transport and communication firms, and just over 11 per cent for firms in the Centre and South. The proportion decreases in the trade and tourism industry and in firms supplying other services to business and households (around 5 per cent) and in firms with 500 or more employees (3.4 per cent).

## II.5 Some aspects of corporate financing

The aim of the part of the questionnaire relating to corporate financing is to obtain information about specific phenomena on which no data are available, either from supervisory activity or from the Company Accounts Data Service. As a consequence the survey does not pick up the specifically structural aspects of financing (such as bank loans or other balance-sheet items), but focuses on a few features that are more dependent upon individual behaviour.

According to the survey, in 2004 some 11.9 per cent of firms declared that they wished to obtain larger loans from banks and financial institutions at current conditions as to cost and collateral, a figure that rises for service firms and in the South to 13.9 and 20.6 per cent respectively (Table 2).

This indicator does not reveal to what extent the wish to borrow larger amounts is due to a real need for credit, and therefore the questionnaire asks for further information about the possible additional costs of such loans and any steps actually taken to obtain them.

Some 4.9 per cent of the firms that state they need additional funds would actually accept heavier terms and conditions (higher interest rate or extra collateral) in order to obtain them. This proportion represents around two-fifths of the aggregate and is just below the 6 per cent recorded in the previous survey. A slightly larger 5.4 per cent of firms wishing to borrow more from banks reported that the institutions were unwilling to lend.

**Table 2**

**Firms wishing to borrow more, 2002-04**  
(per cent of total)

	Total			Would borrow even at higher conditions (a)			Institutions were not willing to lend (b)			Both (a) and (b)		
	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
<b>Geographical area</b>												
Centre and North .....	13.0	10.2	10.2	5.6	5.6	4.1	5.0	4.5	4.9	3.4	2.9	2.4
South & Islands .....	16.2	16.9	20.6	8.3	8.0	8.8	7.1	9.2	8.1	4.8	4.9	4.6
<b>Number of employees</b>												
20-49 .....	13.1	9.9	11.7	5.9	5.5	4.8	5.1	4.6	5.6	3.5	2.8	2.9
50 or more .....	14.4	14.4	12.4	6.4	7.3	4.9	5.7	6.8	4.9	3.8	4.2	2.6
<b>Sector</b>												
Industry .....	12.8	10.6	10.6	6.0	6.6	4.5	5.6	5.5	4.5	3.7	3.8	2.3
Services .....	14.6	12.3	13.9	6.1	5.2	5.4	4.9	4.9	6.8	3.6	2.3	3.5
<b>Total .....</b>	<b>13.5</b>	<b>11.2</b>	<b>11.9</b>	<b>6.0</b>	<b>6.0</b>	<b>4.9</b>	<b>5.3</b>	<b>5.3</b>	<b>5.4</b>	<b>3.6</b>	<b>3.2</b>	<b>2.8</b>

If both these requirements must be fulfilled in order to qualify as a real situation of need – i.e. if the only firms taken into consideration are those willing to accept slightly higher terms that applied to a bank and were rejected – the overall percentage of firms affected is extremely small, only 2.8 per cent, a little less than in 2003 (3.2 per cent).<sup>26</sup> The percentage is higher for firms in the South and Islands (4.6 per cent.) and service firms (3.5 per cent), but virtually the same for both small and large firms.

In all the categories covered by the survey,<sup>27</sup> trade credit amounted to 23.6 per cent of turnover in 2004, that is 25.3 per cent in industry and 20.8 per cent in services (Table I1), virtually unchanged with respect to 2003. The average duration of outstanding trade credit is around 90 days and is higher in industry (92 days) than in services (85 days). Overall, the duration of trade credit is slightly longer than in 2003, amounting to 88 on average – 92 in industry and 80 in services – mainly attributable to the service sector.

Two-part terms represent just over 10 per cent of total trade credit; the percentage is higher in firms with 50 or more employees than in small firms and is similar for both industry and services. About 30 per cent of all credit is paid late, with no significant difference with respect to the previous year. The delay is systematically longer in services than in industry (Table 3).

According to the survey, credit paid after the deadline is on average 54 days late, more in services (61 days) than in industry (50 days), and virtually unchanged with respect to the previous year.

In 2004 trade debt amounted on average to 18 per cent of turnover; the percentage was slightly higher in industry (18.7 per cent) than in services (16.8 per cent) and broadly unchanged from the previous year. The average duration was around 84 days, 90 days in industry and 75 days in services.

**Table 3**

**Trade credit: two-part terms and late payments, 2004**  
(per cent of total credit)

	Firms with 20-49 employees		Firms with 50 or more employees		Total firms with 20 or more employees	
	two-part terms	late payments	two-part terms	late payments	two-part terms	late payments
Industry excl. construction.....	8.8	28.3	11.7	27.4	10.9	27.7
Non-financial private services .....	10.1	37.6	13.6	32.5	12.3	34.3
<b>Total.....</b>	<b>9.3</b>	<b>31.7</b>	<b>12.2</b>	<b>28.9</b>	<b>11.3</b>	<b>29.8</b>

## II.6 Internationalisation

On average, Italian firms began the process of internationalisation<sup>28</sup> around a decade ago. In industry, chemical and engineering firms, which are highly capital-intensive, have been operating abroad for longest, while textile firms have begun only recently. Geographically, while internationalisation has been under way in the North-West for about 10 years, in the South it only began towards the end of the 1990s (Table L1).

<sup>26</sup> The figure has been re-estimated.

<sup>27</sup> The volume of trade credit is particularly large in Italy. See, for instance, L. Cannari, S. Chiri, M. Omiccioli (eds.), *Imprese o intermediari? Aspetti finanziari e commerciali del credito tra imprese in Italia*, Bologna, Il Mulino, 2005.

<sup>28</sup> From the firm's point of view, "internationalisation" means locating part of production and/or marketing abroad, by various methods.

At the end of 2004, 10.6 per cent of industrial or services firms with 50 or more employees either owned foreign companies outright or had a controlling shareholding in them (Table L1).<sup>29</sup> In industry the proportion rises to 13.3 per cent. Some 37.2 per cent of firms with 500 or more employees and just under a third of those with 200-499 employees own or control a foreign factory, while only a tenth of small firms have opted for this solution. Firms in the service sector are less active abroad, with only 6.7 per cent producing services outside Italy.

Industrial firms as a whole employ the equivalent of 22.4 of the Italian workforce in factories owned or controlled abroad, a proportion that rises to 76.6 per cent among only the firms that run operations abroad. The foreign workforce of textile firms and small industries is especially large, with 15 workers employed in factories owned or controlled abroad for every 10 employed in Italy. Among engineering firms the ratio is 8 to 10 (Table L1).

In 2004 the turnover per employee in Italy of firms also operating abroad was more than 12 per cent higher than the average for Italian firms, the largest gap being recorded by chemical companies. In industrial firms with 50-199 employees, per capita turnover is not greater than the overall average, while in service firms operating abroad it is only slightly higher than the average for this branch of activity.

Per capita gross fixed investments in Italy also tend to be higher than the overall average among firms active at the international level, especially large ones. This is probably because firms operating abroad are more capital-intensive.

The majority (62.9 per cent) of industrial firms manufacturing goods abroad believe this has no effect on employment in their factories in Italy; 21.9 per cent declare it has a positive impact, while for the remaining 15.2 per cent the effect is negative (Table L2). Positive opinions are expressed by firms of every size (particularly medium-sized enterprises) and in all sectors, with the notable exceptions of textiles and energy and mining and quarrying. In geographical terms, the largest share of positive views is found among firms in the North-East and the South and Islands. Almost 60 per cent of service firms operating abroad maintain that this international outlook is good for employment in Italy. No negative opinions were recorded.

Entering into collaboration agreements with foreign firms is more common than engaging directly in operations abroad and is the method of choice of 18.7 per cent of industrial firms and 9.4 per cent of service firms. In industry, this form of international relationship is chosen by a similar proportion of firms to those choosing to operate directly abroad (Table L3).

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<sup>29</sup> In this section of the previous survey the incidence of non-controlling shareholdings in foreign firms was also recorded if they amounted to at least 10 per cent of the capital or were sufficient to allow management decisions to be influenced.



**Appendix A:**  
**Methodological Notes**



## METHODOLOGICAL NOTES

### A1. General remarks

The Bank of Italy has conducted sample surveys of firms since 1972.<sup>30</sup> Prior to 1998 the survey only covered industrial processing firms with 50 or more employees. In recent years the field of observation has been extended to include, since 1999, all manufacturing firms as well as mining and quarrying and energy production and since 2001 firms with 20 to 49 employees. In 2002 a similar survey of non-financial private service firms<sup>31</sup> with 20 or more employees was begun.

The sampling method was completely overhauled in 1987, with the adoption of a stratified design based on non-proportional selection probabilities. This has remained largely unchanged, although the overall number of firms sampled has gradually increased over the years. The Horvitz-Thompson estimator is employed, with appropriate re-weighting for the treatment of outliers. Over the years, the robustness of the estimates, particularly of variables with a large percentage of extreme data, has been improved by resorting to Winsorisation techniques.

Until 2003 firms were classified into size groups according to their workforce at the end of the year. In 2004, however, it was decided to use the average annual workforce instead for reasons of uniformity with external sources and to avoid the effect of seasonal factors on the number of employees.

Below is a description of various methodological aspects of the present survey.<sup>32</sup>

### A2. Composition of the population and the sample

The reference population (Table A1) is composed of firms whose registered head office is in Italy, having 20 or more employees (Table 1a) and belonging to various branches of activity in the non-construction industrial sector and the non-financial private service sector (Table 2a).

The 2004 sample is composed of 3,152 industrial firms, of which 1,234 have 20 to 49 employees and 1,918 have 50 or more, and of 1,076 service firms, of which 410 have 20 to 49 employees and 666 have 50 or more (Table A1). The sampling fractions, which are 8.2 per cent for industry and 4.2 per cent for services, almost double in the case of firms with 50 or more employees (Table 3a). As a result, the distribution of the sample is fairly biased in favour of large firms, with 61 per cent of firms having 50 or more employees and the remaining 39 per cent between 20 and 49, compared with 31 and 69 per cent respectively of the target population.

The sub-samples of industrial and service firms are distributed by branch of activity in much the same way as the target population. In industry, engineering firms are in the majority, while in the service sector trade and tourism companies predominate.

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<sup>30</sup> This is the reference year of the survey, which is actually conducted in the early months of the following year.

<sup>31</sup> The survey does not include financial intermediation (on which the Bank of Italy has a vast dataset collected for institutional purposes of banking supervision and monetary policy) and insurance, general government, the school and health sectors, and other social and personal public services.

<sup>32</sup> For further details the reader is referred to the first periodical publication of the survey, Banca d'Italia, *Survey of Industrial and Service Firms – Year 2003* in Supplements to the Statistical Bulletin – Sample Surveys, Number 55, 20 October 2005.

**Table 1a**

**Distribution of firms and employees in the reference population, 2002<sup>(a)</sup>**  
(units)

	Industry excluding construction		Non-financial private services	
	firms	employees	firms	employees
<b>Geographical area<sup>(b)</sup></b>				
North-West .....	14,431	1,311,898	9,033	1,094,356
North-East .....	12,148	871,441	6,472	490,012
Centre .....	6,430	501,049	5,147	718,879
South & Islands .....	5,321	316,255	4,813	323,772
<b>Number of employees<sup>(c)</sup></b>				
20 – 49 .....	26,235	774,177	17,509	516,651
50 – 199 .....	9,984	893,986	6,327	562,919
200 – 499 .....	1,488	441,672	1,090	331,587
500 or more .....	623	890,808	539	1,215,862
<b>Total .....</b>	<b>38,330</b>	<b>3,000,643</b>	<b>25,465</b>	<b>2,627,019</b>

(a) Source: Istat, 2002. – (b) Location of head office. – (c) Average annual workforce.

**Table 2a**

**Branches of activity**

	Ateco 2002 section or sub-section	Branch of activity
Industry excluding construction	DA	Food products, beverages and tobacco
	DB,DC	Textiles, clothing, hides and leather
	DF, DG, DH	Chemicals, rubber and plastic
	DI	Non-metal minerals
	DJ, DK, DL, DM	Engineering
	DD, DE, DN	Other manufacturing
	CA, CB, E	Energy production and mining and quarrying
Non-financial private services	G	Wholesale and retail trade and repair services
	H	Hotels and restaurants
	I	Transport, storage and communication
	K	Real-estate, renting and business activities

In addition, to improve the accuracy of estimates for the South and Islands, i.e. the location<sup>33</sup> of almost 16 per cent of firms with 20 or more employees in the sectors covered, 36 per cent of the sample is made up of southern firms.<sup>34</sup>

<sup>33</sup> Istat, Statistical Archives of Active Firms (updated to 2002).

<sup>34</sup> In terms of workforce, the geographical distribution is more balanced, with firms in the South representing 11.4 per cent of the population and 12 per cent of sample; this is due to the fact that they tend, on average, to be smaller.



The estimates take account of differences in the composition of the sample by means of weighting coefficients, details of which can be found in Section A6.<sup>35</sup>

**Table 3a**

**Firms observed and sampling fraction, 2000-04**  
(units and percentages)

	2000		2001		2002		2003		2004	
<b>Industry excluding construction</b>										
<b>Number of employees</b>										
20-49 .....	....	....	1,023	3.7	1,196	4.3	1,236	4.5	1,234	4.7
50 or more .....	1,475	12.3	1,769	14.0	1,855	14.7	1,907	15.1	1,918	15.9
<b>Total .....</b>	....	....	<b>2,792</b>	<b>7.0</b>	<b>3,051</b>	<b>7.6</b>	<b>3,143</b>	<b>7.8</b>	<b>3,152</b>	<b>8.2</b>
<b>Non-financial private services</b>										
<b>Number of employees</b>										
20-49 .....	....	....	....	....	367	2.1	374	2.2	410	2.3
50 or more .....	....	....	....	....	556	7.1	620	7.9	666	8.4
<b>Total .....</b>	....	....	....	....	<b>923</b>	<b>3.7</b>	<b>994</b>	<b>4.0</b>	<b>1,076</b>	<b>4.2</b>
<b>Total industry and services .</b>	....	....	....	....	<b>3,974</b>	<b>6.1</b>	<b>4,137</b>	<b>6.4</b>	<b>4,228</b>	<b>6.6</b>

### A3. Sample design

The survey adopts a one-stage stratified sample design. The strata are combinations of branch of activity (according to the classification in Table 2a), size class (in terms of number of employees)<sup>36</sup> and regional location<sup>37</sup> of the firm's head office.

The sample size is determined in two stages. First, the number of size classes is identified using the method known as *optimum allocation to strata*,<sup>38</sup> which minimises variance of the sample means and variations of the main variables observed (employment, turnover and investments). Second, the number of units in each size class is divided among regions and branches of activity in proportion to the number of firms in the target population belonging to that stratum.<sup>39</sup>

The firms are selected from the databases of the Company Accounts Data Service, Cerved, Kompass and other lists obtained independently by the Bank's branches in order to minimise the risk of under-coverage. The firms observed in the previous edition of the survey are always

35 Because the sampling fraction of large firms is larger, the 2004 sample represents almost a quarter of the workforce in the two reference populations; the proportion is even larger in the case of investments (just under 40 per cent), which are concentrated among large firms. The share of turnover represented by the sample is about one-third in industry and just under one-fifth in services.

36 The size classes, which are based on the end-of-year workforce until 2003 and on the average annual workforce thereafter, are: 20-49, 50-99, 100-199, 200-499, 500-999, 1,000-4,999, and 5,000 or more employees. Firms in the last class form a self-representative (census) stratum. They are always included in the sample, except in rare cases of failure to answer.

37 Piedmont and Valle d'Aosta are regarded as a single region.

38 See for example W. G. Cochran, *Sampling Techniques*, New York, John Wiley & Sons, 1977.

39 The number of firms assigned for each region is then divided among the Bank's branches, which collect the data. In some areas of the country, such as Tuscany and the regions of the South and Islands, over-sampling may be performed where necessary for use in studies of the local economy.

contacted again if they are still part of the target population,<sup>40</sup> while those no longer wishing to take part are replaced by others in the same branch of activity and size class.

#### **A4. Data collection, questionnaire and response behaviour**

The data for a survey referring to one year are collected in the course of interviews conducted by the Bank of Italy's branches between February and March of the following year.

The questionnaire (see Appendix C) is composed of a fixed part and a variable part. The fixed part contains general information on the firm and its structure, as well as annual data on investments, employment, turnover, operating result, capacity utilisation and financing. The variable part covers different themes each year, which are the subject of detailed cyclical or structural analysis.

Separate questionnaires are prepared for industry and for services, for firms with 20 to 49 employees and for firms with 50 or more. The general purpose of this distinction is to avoid having to ask questions that entail a greater respondent burden for small firms and to allow space, if necessary, to focus on separate topics for industry and services and for large and small firms.

The Economic Research Department decides the content and structure of the questionnaire shortly before it is administered. New questions are tested by the branches by means of pilot questionnaires designed to assess whether they are easy to understand and whether the information is effectively available from the firms.

In the case of employment, investments and turnover, information is requested for three periods: the year just ended (preliminary results), the previous year (final results) and the following year (forecasts).

Questions are carefully selected and a limit is placed on the length of the questionnaire in order to minimise the effort involved, which is in any case monitored via a question at the end of the interview and specific information obtained from the interviewees.

The involvement of the Bank of Italy's branches (which themselves make use of the data collected) allows us to achieve a high response rate. The participation rate in the 2004 survey, i.e. the proportion of firms interviewed in relation to all those contacted, was 78 per cent for industrial firms and 77.5 per cent for service firms (Table 4a). Reasons for non-co-operation include leaving the population covered by the survey.

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<sup>40</sup> Typical reasons for leaving the target population are change of activity and staff cutbacks to below the entry threshold. See Section A4.

**Table 4a**

**Distribution of firms contacted for the survey, 2004**  
(units and percentages)

	Industry excluding construction		Non-financial private services	
	number of firms	per cent	number of firms	per cent
Firms contacted .....	4,098	100.0	1,411	100.0
Firms reporting .....	3,196	78.0	1,093	77.5
non-homogeneous data <sup>(a)</sup> .....	44	1.1	17	1.2
eligible data .....	3,152	76.9	1,076	76.3
Firms failing to co-operate.....	902	22.0	318	22.5

(a) For details concerning the treatment of these firms, see Section A5.

#### **A5. Data quality checks and imputation of missing data**

The collected data are subjected to a system of quality checks. In particular, we check for the compatibility of values with the range allowed by the question, the time consistency of panel data, the squaring of certain figures and the presence of outliers. The data are verified at different levels, with each check being run on data that have passed the previous level.

The questionnaire is first checked by the officers in charge of the interviews, who apply their technical skills and knowledge of the local market to assess the quality of the data collected.<sup>41</sup> The data-entry procedure then rejects everything outside the defined range of the variable or incompatible with the internal consistency of the questionnaire.

Data accepted by the procedure may still be outside certain thresholds based on past statistics or external information. In this case the data are highlighted for the attention of the interviewers, who check them and, if necessary, contact the firm for clarification. Confirmation is recorded in a special field. Only at this point is the checked data entered in the database.

The second set of checks uses editing techniques founded on statistical assumptions that can detect extreme observations with respect to the frequencies based on (natural or logarithmic scale) cross-section distributions. The outliers are detected by comparing the value of each variable with the median of its distribution and setting as threshold a value proportional to the inter-quartile deviation.

Since the 2000 edition a further quality check has been put in place, called selective editing. This produces a list of priorities for checking outliers according to their importance for the final estimate. The values of each variable are compared with the predicted value of a simple regression model. On the basis of this statistic a Taylor approximation is used to build a score for each firm according to the impact each value would have on the final estimate in the model. The higher the score (i.e. the greater the impact of the observed value on the final estimate according to

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<sup>41</sup> At this stage, the interviewers use a form containing the main variables provided by the firms taking part in the previous survey to run a preliminary check on data consistency.

the model), the more urgent it is to check the value of that variable for that firm.<sup>42</sup> This process is applied to a set of several variables to draw up a ranking from the highest score down.

This method improves the quality of the estimates, while reducing the respondent burden in the final stage of data processing, because it is necessary to re-examine and possibly re-contact only the firms with a significant impact on the final estimates. Another method of data quality check, based on neural networks, is currently under study as a future complement of the existing editing process.<sup>43</sup>

A treatment apart is reserved for data on firms affected by extraordinary events, such as mergers or splits. These firms are only included in the estimate if the data for final results, preliminary results and forecasts refer to a set of factories and workers that is homogeneous with the data collected in the same survey. The interviewer ensures their homogeneity either by considering the extraordinary event to have taken place at the beginning of the year of the final results, or by pretending the event never occurred and reconstructing the data accordingly; if this is not possible, the firm is excluded from further processing. Although this practice may cause distortions in the estimates (such as the total of investments), it does produce more stable estimates of changes and average values per employee, which are the main objective of the survey.

The firms taking part in the survey may have difficulty answering some of the questions. If the missing answer concerns one of the main variables, such as investment spending or turnover, the missing data are imputed.

In general, ratio estimators are used to impute data, setting the number of the firm's employees as denominator (since this information is always available, otherwise the firm is excluded from the survey) in order to capture the scale effect.<sup>44</sup> In some cases the firm's time series data are used for the reconstruction, in the form of individual effects. This method gives an estimate of a level per employee that is obtained by combining a general cross-section mean and an average based on the firm's time series. The levels at time  $t$  and  $t+1$  are reconstructed in sequence, by calculating average changes in appropriate cells of homogeneous firms.<sup>45</sup>

The percentage of imputed data is usually small. A higher rate of non-response, in the order of 10 per cent, tends to occur with questions involving forecasts, particularly of investments.

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42 For a detailed description of the process see P. Battipaglia, *Selective editing to increase efficiency in survey data processing. An application to the Bank of Italy's Business Survey on Industrial Firms*, Irving Fisher Committee Bulletin No. 13, December 2002.

43 The selective editing techniques adopted at present focus on identifying the answers with the greatest impact on the most important variables and ignoring the others. This speeds up normal processing times so that the main results of the survey can be published as early as possible. Using neural networks would allow us to organise sample data according to reliability, regardless of their importance for the purpose of producing the estimates usually released. Research centres around an algorithm obtained by using neural networks to construct non-parametric and non-linear classifiers that can identify adaptively any outlier variables, thus improving the quality checks on micro-data. See C. Biancotti and R. Tartaglia-Polcini, *Artificial neural networks for data editing*, Irving Fisher Committee Bulletin 21, July 2005, p. 99-107 and C. Biancotti, L. D'Aurizio and R. Tartaglia-Polcini, *A neural network architecture for data editing in the Bank of Italy's business surveys*, paper presented at the 25th International Symposium on Forecasting, San Antonio, USA, June 12-15, 2005.

44 For an analysis of the situations in which a ratio estimator is preferable to the mean see F. Cicchitelli, A. Herzel and G. Montanari, *Il campionamento statistico*, Bologna, Il Mulino, 1994.

45 Other devices are also used when imputing data. For example, if a cell in which an average is to be calculated contains a very small number of firms, it is merged with neighbouring cells according to size class or geographical area. Moreover, robust averages are calculated in the cells, limiting the influence of outliers in the reconstruction. In some cases specific solutions are used that exploit data collected in the questionnaire, as when there are arithmetic constraints between the variables or weaker links that nonetheless allow a reliable reconstruction of the missing datum. For instance, if a firm does not report the number of hirings during the year, this is calculated by adding the number of departures to the difference between the workforce at the beginning and end of the year; the same method is used for the number of departures.

## A6. Weighting

The weighting procedure takes place in two steps.

In step one, the combinations of branch of activity and size class are used as strata. Each firm is assigned an initial weight, given by the ratio of number of firms in the stratum cell to number of firms in the sample. Let  $h$  be the general stratum cell and, within it,  $N_h$  the number of firms in the target population and  $n_h$  the sample size.<sup>46</sup> The first stage weight of each firm in stratum  $h$  is therefore:

$$(1) \quad w_h^{(0)} = \frac{N_h}{n_h}$$

By construction, the sum of the weights of each cell therefore gives the size of the target population it contains.

In step two, post-stratification is performed using raking<sup>47</sup> to take into account also the geographical area  $k$  where the firm's head office is located. The initial weight is modified by an adjustment factor  $f_k$  so that the final weights can be obtained:

$$(2) \quad w_{hk}^{(1)} = w_h^{(0)} f_k$$

the sum of which coincides, in the post-stratum cells, with the number of firms in the target population they contain.

Therefore the system of final weights does not take into account the complete combinations of sector, branch of activity and geographical area, partly because some of them may contain no sample units, and partly because such a system of weights might lead to overly variable estimates for some domains. Consequently, post-stratification is limited to reconstructing the combinations of a) North-West, North-East, Centre, South and Islands, b) firms with 20 to 49 and 50 or more employees, c) manufacturing, energy-producing, mining and quarrying, and service firms (the latter divided by section; see Section A2).

At every survey the weights are recalculated according to the distribution of the population on the latest available date.<sup>48</sup>

## A7. Sample estimates

For a generic variable  $x$ , the aggregate is estimated with a Horvitz-Thompson unbiased estimator of the total,<sup>49</sup> given by:

$$(3) \quad X = \sum w_i x_i$$

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<sup>46</sup> The symbol  $n_h$  indicates the actual sample size. This allows the weights to be implicitly corrected to take account of the total of missing responses.

<sup>47</sup> Iterative proportional fitting (or raking) simultaneously aligns the sample weights to the distribution of certain characteristics known from outside sources. See for instance V. Verma, *Advanced sampling methods*, Manual for Statistical Trainers, Statistical Institute for Asia and the Pacific, Tokyo, 2000, p. 6.13-6.21.

<sup>48</sup> The population of firms is that obtained from Istat's Statistical Archives of Active Firms (ASIA) for 2002. Updates are published periodically for the population of about two years earlier. The estimates are revised periodically to take account of updates in the survey reference population.

<sup>49</sup> See for example F. Cicchitelli, A. Herzel and G. Montanari, *Il campionamento statistico*, Bologna, Il Mulino, 1994.

The estimate of rates of change, for instance of turnover or investments, is obtained using as estimator the ratio of the sums of the levels for each firm, weighted with the inverse sampling fraction according to a formula of the following type:

$$(4) \quad r_{i,t-1} = \frac{\sum_i w_i X_i^t}{\sum_i w_i X_i^{t-1}}$$

The levels of the aggregate that are set as numerator and denominator of the formula are collected from the firm in the reference year, even when that firm has already taken part in the previous edition of the survey.<sup>50</sup>

In the specific case of percentage changes in investments, robust estimation techniques have been used since the 1999 survey.<sup>51</sup> The empirical distribution of this variable is ridden with outliers, partly owing to the nature of the phenomenon of interest: measurement of the levels, the ratio of which gives the rate of change, is complicated by the simultaneous presence of factors such as the typical long-term nature of spending, uncertainty, classification errors, and other sources of measurement error.

Using the method known as ‘type II Winsorisation’, the rates of change above and below the cut-offs fixed on the basis of the empirical distribution are squashed against the cut-off, in proportion to the sampling fraction, according to the following formula:

$$(5) \quad y_i^{wins} = \begin{cases} fy_i + (1-f)J & y_i < J \\ fy_i + (1-f)K & y_i > K \\ y_i & otherwise \end{cases}$$

in which  $y_i^{wins}$  is the Winsorised rate,  $y_i$  the observed rate,  $f$  the sampling fraction,  $J$  and  $K$  respectively the lower and upper cut-offs. In the case of firms labelled as outliers, the extreme values are set equal to the cut-off, without taking the sampling fraction into account.<sup>52</sup>

In a few cases the survey collects directly the rates of change in economic phenomena: this happens, for instance, with the rate of change of capacity utilisation or of percentages (such as the percentage of hours worked overtime). In this case, the estimate for the whole population is calculated as an average of the individual rates of change, weighted with inverse sampling fraction times the amount of the phenomenon (or, if unavailable, a proxy).

The deflators for the levels of investments and turnover are calculated as sector means of the individual deflators collected directly from firms, weighted with the product of the coefficient of the ratio to the population and the amount of turnover.<sup>53</sup>

50 The estimate of the trend of phenomena based on the data of a single survey has proved much more stable than the estimate obtained from a comparison of the values recorded in adjacent surveys, which sometimes reflect structural changes in the firms that are difficult to take into account, as well as problems of classification and measurement. These aspects are monitored more closely within a same questionnaire, leading to more accurate estimates of changes. However, this method does not take full account of the entry and exit of firms in the target population.

51 On robust estimation techniques in general see for example D.F. Andrews, P.J. Bickel, F.R. Hampel, P.J. Huber, W.H. Rogers and J.W. Tukey, *Robust estimates of location*, Princeton, Princeton University Press, 1972 or D.C. Hoaglin, F. Mosteller and J.W. Tukey (eds.) *Understanding robust and exploratory data*, New York, John Wiley & Sons, 1983. A classic reference for the theory is P. J. Huber, *Robust statistics*, New York, John Wiley & Sons, 1981.

52 In the literature, changing the values based on (5) is called ‘type II Winsorisation’; when the sampling fraction is not taken into account it is called ‘type I Winsorisation’: in the latter case, the values beyond the cut-off are completely squashed against it. For a detailed description of the method used to estimate the changes in investments see P. Battipaglia, *Robust Estimates of Investments from the Bank of Italy’s Business Survey*, Statistics Research Report, London, London School of Economics, 2000.

## A8. Estimating standard errors

Finding the analytical expressions of the variance of the estimators obtained from a non-proportional stratified sampling design, with weights adjusted to take account of post-stratified variables, can be a complex task<sup>54</sup> that suggests resorting to simulation methods able to take account of the original sample design.<sup>55</sup>

The values are estimated using the jack-knife method, which is particularly well-suitable to take account of the imposed structure of the data due to the nature of the sampling design, while ensuring that appropriate asymptotic properties are maintained.<sup>56</sup>

If  $T_n$  is the value of the estimator for a sample containing  $n$  units and  $T_{n-1,i}$  is the value of the same estimator calculated for the sample in which the  $i$ th unit has been left out (*leave-one-out method*), we first calculate the “pseudo-values”  $\tilde{T}_{n,i}$  defined as:

$$\tilde{T}_{n,i} = nT_n - (n-1)T_{n-1,i} \quad 1 \leq i \leq n;$$

the jack-knife estimator of the variance of  $T_n$  is (Tukey 1958):

$$Var_{JACK}(T_n) = \frac{1}{n(n-1)} \sum_{i=1}^n \left( \tilde{T}_{n,i} - \frac{1}{n} \sum_{j=1}^n \tilde{T}_{n,j} \right)^2.$$

The highest standard errors are found for the estimate of the variance of investments owing to their intrinsic variability. The lowest standard errors occur in the estimate of changes in turnover and employment. In the domain analyses, for example by firm size class or geographical area, the estimates are less accurate than the estimates for the total sample, a circumstance that should be taken into account when analysing the results.<sup>57</sup>

53 Research is under way to assess whether individual deflators can be used in place of average deflators to estimate variations at constant prices. Estimates based on individual deflators have a smaller standard error if there is a positive correlation between the deflators and the nominal variations at the individual level, which would reduce their variance. Empirical analysis has found that variations in turnover display this property even in the presence of measurement errors. The positive correlation was not found in the case of variations in investments. See L. D’Aurizio, R. Tartaglia-Polcini, *Use of deflators in the Bank of Italy’s business surveys*. Working Paper, CESifo, Munich, 14-15 October 2005. <http://www.cesifo-group.de>.

54 See for instance Chapter 7 of C. Särndal, B. Swensson and J. Wretman, *Model Assisted Survey Sampling*, New York, Springer, 1992.

55 A classic reference is K. M. Wolter, *Introduction to Variance Estimation*, New York, Springer, 1985.

56 This method is well-suited to the purpose, as comparisons of its theoretical and empirical properties with those of other replication methods show. See, for example, J. Shao and D. Tu, *The Jackknife and Bootstrap*, New York, Springer, 1995, which contains a thorough comparative analysis of the two methods of estimating variance.

57 This is why more aggregate size classes and branches of activity are used in the analyses than in the sample design.

Table 5a

**Standard errors of percentage changes, 2004 on 2003**  
(percentages)

	Change in total investments <sup>(a) (b)</sup>		Change in turnover <sup>(b)</sup>		Change in end-year workforce		Change in average workforce in year	
	estimate	standard error	estimate	standard error	estimate	standard error	estimate	standard error
<b>Industry excluding construction</b>								
<b>No. of employees</b>								
20–49 .....	-0.9	2.7	0.1	0.9	-1.3	0.3	-1.3	0.3
50–199 .....	-7.8	2.2	1.0	1.2	-1.6	0.3	-1.1	0.3
200–499 .....	1.9	3.4	3.8	1.3	-1.0	0.4	-0.5	0.4
500 or more .....	-1.5	1.6	4.8	0.7	-1.3	0.2	-2.9	0.3
<b>Geographical area<sup>(c)</sup></b>								
North-West.....	-3.2	1.8	2.1	0.8	-1.6	0.2	-2.1	0.3
North-East	1.4	2.4	2.4	0.8	-1.3	0.3	-1.1	0.3
Centre.....	-5.0	1.6	5.3	0.6	-0.7	0.3	-1.6	0.3
South & Islands	-0.6	2.5	0.9	1.1	-1.4	0.6	-0.6	0.5
<b>Total.....</b>	<b>-2.4</b>	<b>1.1</b>	<b>2.7</b>	<b>0.5</b>	<b>-1.4</b>	<b>0.2</b>	<b>-1.6</b>	<b>0.2</b>
<b>Non-financial private services</b>								
<b>No. of employees</b>								
20–49 .....	-5.8	2.7	2.7	1.8	0.7	0.8	1.3	0.8
50–199 .....	-5.9	3.4	5.2	1.0	1.4	0.8	2.8	0.7
200–499 .....	-5.5	4.6	5.7	1.3	1.4	0.8	1.7	0.9
500 or more .....	-3.9	3.2	1.0	1.0	1.1	0.5	1.4	0.6
<b>Geographical area<sup>(c)</sup></b>								
North-West.....	-8.2	2.9	3.0	1.4	1.0	0.6	1.3	0.7
North-East	-2.6	3.9	2.6	1.2	1.6	0.6	2.1	0.6
Centre.....	-1.4	3.6	3.4	1.3	0.2	0.6	1.1	0.6
South & Islands	-0.8	3.9	6.5	2.0	2.3	1.0	3.4	0.9
<b>Total.....</b>	<b>-4.9</b>	<b>1.8</b>	<b>3.3</b>	<b>0.7</b>	<b>1.1</b>	<b>0.4</b>	<b>1.7</b>	<b>0.4</b>

(a) Estimated using type II Winsorisation at the 5th and 95th percentile distribution of changes. – (b) At constant 2004 prices. – (c) Of the head office.



**Appendix B:**  
**Statistical tables**



## List of tables

Table A1	Composition of the samples and the reference populations .....	34
Table B1	Concentration of ownership and listed firms, 2004 .....	35
Table B2	Controlling entity and transfers of control, 2004 .....	36
Table B3	Firms affected by mergers, acquisitions, contributions, transfers and splits, 2004 .....	37
Table B4	Firms belonging to a group, 2004 .....	38
Table C1	Workforce, 2004 .....	39
Table C2	Per capita hours worked and hours overtime, 2004 .....	40
Table C3	Fixed-term work, temporary work and immigrant workers, 2004 .....	41
Table C4	Labour turnover, hirings and departures, 2004 .....	42
Table C5	Collaboration contracts, 2003-04 .....	43
Table C6	Use of freelance collaborators, 2004 .....	44
Table C7	Total gross earnings and minimum wages per national agreements, 2004 .....	45
Table D1	Investments, 2004 .....	46
Table D2	Review of investment plans, 2004 .....	47
Table D3	Reasons for reviewing investment plans, 2004 .....	48
Table D4	Change in plant capacity and utilisation rate, 2004 .....	49
Table E1	Turnover, 2004 .....	50
Table E2	Operating result, 2003-04 .....	51
Table F1	Use of IT for billing, collection and payment .....	52
Table G1	Electricity supply and competition, 2004 .....	53
Table H1	Business services, 2004 .....	54
Table H2	Effects of market characteristics on purchases of services, 2004 .....	55
Table H3	Distribution of turnover from sales of business services, 2004 .....	56
Table I1	Trade credit and trade debt, 2004 .....	57
Table L1	Firms producing goods and services abroad .....	58
Table L2	Impact of internationalisation on the workforce in Italy .....	59
Table L3	Forms of collaboration with foreign firms, 2004 .....	60
Table M1	Annual change in workforce, 2001-05 .....	61
Table M2	Annual change in per capita hours worked, 2001-04 .....	62
Table M3	Annual change in investments, 2001-05 .....	63
Table M4	Investment realisation rate, 2001-04 .....	64
Table M5	Annual change in turnover, 2001-05 .....	65
Table M6	Capacity utilisation rate, 2000-05 .....	66

## Composition of the samples and the reference populations

(units)

	Firms with 20-49 employees		Firms with 50 or more employees		Total firms with 20 or more employees	
	sample size 2003	population size <sup>(1)</sup>	sample size 2003	population size <sup>(1)</sup>	sample size 2003	population size <sup>(1)</sup>
	<b>Industrial firms <sup>(2)</sup></b>					
<b>Geographical area <sup>(3)</sup></b>						
North-West .....	201	9,264	543	5,167	744	14,431
North-East .....	180	8,335	408	3,813	588	12,148
Centre .....	253	4,640	421	1,790	674	6,430
South and Islands .....	600	3,996	546	1,325	1,146	5,321
<b>Number of employees</b>						
20 – 49 .....	1,234	26,235	–	–	1,234	26,235
50 – 199 .....	–	–	1,225	9,984	1,225	9,984
200 – 499 .....	–	–	405	1,488	405	1,488
500 or more .....	–	–	288	623	288	623
<b>Branch of activity</b>						
Textiles, clothing, leather, shoes ..	166	5,166	263	2,000	429	7,166
Chemicals, rubber and plastic .....	124	2,123	216	1,408	340	3,531
Engineering .....	428	11,089	799	5,351	1,227	16,440
Other manufacturing .....	486	7,377	585	3,069	1,071	10,446
Energy, mining & quarrying .....	30	480	55	267	85	747
<b>Total industrial firms .....</b>	<b>1,234</b>	<b>26,235</b>	<b>1,918</b>	<b>12,095</b>	<b>3,152</b>	<b>38,330</b>
	<b>Service firms <sup>(4)</sup></b>					
<b>Geographical area <sup>(3)</sup></b>						
North-West .....	71	5,894	153	3,139	224	9,033
North-East .....	71	4,634	158	1,838	229	6,472
Centre .....	94	3,531	151	1,616	245	5,147
South and Islands .....	174	3,450	204	1,363	378	4,813
<b>Number of employees</b>						
20 – 49 .....	410	17,509	–	–	410	17,509
50 – 199 .....	–	–	366	6,327	366	6,327
200 – 499 .....	–	–	165	1,090	165	1,090
500 or more .....	–	–	135	539	135	539
<b>Branch of activity</b>						
Trade, hotels and restaurants .....	249	9,735	291	3,207	540	12,942
Transport and communication.....	79	3,037	176	1,756	255	4,793
Other business & h.hold services ..	82	4,737	199	2,993	281	7,730
<b>Total service firms .....</b>	<b>410</b>	<b>17,509</b>	<b>666</b>	<b>7,956</b>	<b>1,076</b>	<b>25,465</b>
<b>Total .....</b>	<b>1,644</b>	<b>43,744</b>	<b>2,584</b>	<b>20,051</b>	<b>4,228</b>	<b>63,795</b>

(1) Population data are from Istat and refer to 2001. – (2) Firms in industry excluding construction. – (3) The geographical area is defined by the location of the registered head office (North-West = Piedmont, Valle d'Aosta, Lombardy and Liguria; North-East = Veneto, Trentino-Alto Adige, Friuli-Venezia Giulia and Emilia-Romagna; Centre = Tuscany, Umbria, Marche and Lazio; South and Islands = Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia). – (4) Does not include firms in credit and insurance, public services and other social and personal services.

## Concentration of ownership and listed firms, 2004

(per cent)

	Quota of first shareholder	Quota of first three shareholders	Average number of shareholders of unlisted firms	Listed firms
<b>Industrial firms with 50 or more employees</b>				
<b>Geographical area</b>				
North-West .....	68.3	91.2	9	1.9
North-East .....	66.7	92.3	7	1.3
Centre .....	63.9	90.2	6	0.8
South and Islands .....	60.9	91.3	11	0.0
<b>Number of employees</b>				
20 – 49 .....	–	–	–	–
50 – 199 .....	63.7	91.1	8	0.4
200 – 499 .....	76.4	93.2	7	3.7
500 or more .....	79.8	92.5	8	10.4
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes ..	63.6	93.2	4	1.5
Chemicals, rubber and plastic .....	74.2	94.9	4	0.3
Engineering .....	66.6	90.7	4	1.0
Other manufacturing .....	64.4	90.9	16	1.3
Energy, mining & quarrying .....	60.3	80.7	38	11.6
<b>Share of exports</b>				
Less than one-third .....	64.7	90.4	11	1.2
From one- to two-thirds .....	66.5	91.5	6	1.5
More than two-thirds .....	69.8	93.9	4	1.5
<b>Total industrial firms</b> .....	<b>66.3</b>	<b>91.4</b>	<b>8</b>	<b>1.3</b>

## Controlling entity and transfers of control, 2004

(per cent)

	Controlling entity					Transfers of control
	physical person	holding, sub-holding	bank, other financial co., insurance co.	non-financial company	Total	
<b>Industrial firms with 50 or more employees</b>						
<b>Geographical area</b>						
North-West .....	53.4	33.5	2.5	10.6	100.0	5.2
North-East .....	47.2	39.0	3.3	10.5	100.0	7.2
Centre .....	52.7	28.3	6.2	12.8	100.0	6.4
South and Islands .....	67.5	19.7	3.0	9.8	100.0	5.0
<b>Number of employees</b>						
20 – 49 .....	–	–	–	–	–	–
50 – 199 .....	59.4	26.8	3.4	10.4	100.0	5.5
200 – 499 .....	26.5	56.5	3.5	13.5	100.0	7.6
500 or more .....	13.7	71.1	3.4	11.8	100.0	10.3
<b>Branch of activity</b>						
Textiles, clothing, leather, shoes ..	59.8	27.1	4.0	9.1	100.0	5.8
Chemicals, rubber and plastic .....	42.1	43.3	2.4	12.2	100.0	3.6
Engineering .....	52.7	34.8	2.9	9.6	100.0	6.1
Other manufacturing .....	54.9	30.0	4.7	10.4	100.0	7.1
Energy, mining & quarrying .....	24.8	24.5	0.0	50.7	100.0	5.6
<b>Share of exports</b>						
Less than one-third .....	57.5	28.2	3.6	10.7	100.0	5.1
From one- to two-thirds .....	49.7	36.8	3.2	10.3	100.0	5.9
More than two-thirds .....	44.7	40.1	3.3	11.9	100.0	8.6
<b>Total industrial firms .....</b>	<b>52.7</b>	<b>33.0</b>	<b>3.4</b>	<b>10.9</b>	<b>100.0</b>	<b>6.0</b>

Table B3

## Firms affected by mergers, acquisitions, contributions, transfers and splits, 2004

(per cent)

	Firms with 20-49 employees	Firms with 50 or more employees	Total firms with 20 or more employees
<b>Industrial firms</b>			
<b>Geographical area</b>			
North-West .....	2.6	6.8	4.1
North-East .....	3.6	7.6	4.9
Centre .....	3.1	4.2	3.4
South & Islands .....	0.9	2.7	1.3
<b>Number of employees</b>			
20 – 49 .....	2.7	–	2.7
50 – 199 .....	–	5.0	5.0
200 – 499 .....	–	8.9	8.9
500 or more .....	–	18.4	18.4
<b>Branch of activity</b>			
Textiles, clothing, leather, shoes ..	1.8	4.2	2.5
Chemicals, rubber and plastic .....	0.0	8.5	3.4
Engineering .....	2.9	7.3	4.3
Other manufacturing .....	3.5	4.2	3.8
Energy, mining & quarrying .....	9.2	10.0	9.5
<b>Share of exports</b>			
Less than one-third .....	3.0	5.7	3.7
From one- to two-thirds .....	2.7	7.0	4.6
More than two-thirds .....	1.4	6.4	3.3
<b>Total Industrial firms</b> .....	<b>2.7</b>	<b>6.2</b>	<b>3.8</b>
<b>Service firms</b>			
<b>Geographical area</b>			
North-West .....	6.4	5.2	6.0
North-East .....	10.0	5.0	8.6
Centre .....	11.7	5.6	9.8
South & Islands .....	5.2	5.6	5.3
<b>Number of employees</b>			
20 – 49 .....	8.2	–	8.2
50 – 199 .....	–	4.2	4.2
200 – 499 .....	–	7.5	7.5
500 or more .....	–	13.6	13.6
<b>Branch of activity</b>			
Trade, hotels, bars & restaurants ..	5.8	3.2	5.2
Transport & communication .....	10.9	6.7	9.4
Other business & h.hold services ...	11.2	6.7	9.5
<b>Total service firms</b> .....	<b>8.2</b>	<b>5.3</b>	<b>7.3</b>
<b>Total</b> .....	<b>4.9</b>	<b>5.8</b>	<b>5.2</b>

## Firms belonging to a group, 2004

(per cent)

	Firms belonging to a group	Nationality of the group				Total
		Italian	EU countries <sup>(1)</sup>	new EU countries <sup>(2)</sup>	rest of the world	
<b>Industrial firms</b>						
<b>Geographical area</b>						
North-West .....	28.4	66.3	22.5	0.1	11.1	100.0
North-East .....	29.6	75.7	18.6	0.0	5.7	100.0
Centre .....	23.6	87.0	7.3	0.5	5.2	100.0
South & Islands .....	16.1	86.8	7.5	0.3	5.4	100.0
<b>Number of employees</b>						
20 – 49 .....	17.3	75.6	15.5	0.0	8.9	100.0
50 – 199 .....	37.8	75.1	19.4	0.2	5.3	100.0
200 – 499 .....	76.4	73.6	17.9	0.5	8.0	100.0
500 or more .....	92.0	67.3	19.1	0.2	13.4	100.0
<b>Branch of activity</b>						
Textiles, clothing, leather, shoes ..	20.1	89.6	5.6	0.0	4.8	100.0
Chemicals, rubber and plastic .....	38.0	56.7	32.0	0.0	11.3	100.0
Engineering .....	29.1	68.2	22.3	0.3	9.2	100.0
Other manufacturing .....	21.3	86.3	8.7	0.0	5.0	100.0
Energy, mining & quarrying .....	37.5	95.2	2.2	0.0	2.6	100.0
<b>Share of exports</b>						
Less than one-third .....	22.9	79.4	13.9	0.0	6.7	100.0
From one- to two-thirds .....	30.8	81.4	13.7	0.1	4.8	100.0
More than two-thirds .....	33.9	54.9	30.9	0.6	13.6	100.0
<b>Total industrial firms</b> .....	<b>26.3</b>	<b>74.7</b>	<b>17.4</b>	<b>0.2</b>	<b>7.7</b>	<b>100.0</b>
<b>Service firms</b>						
<b>Geographical area</b>						
North-West .....	38.2	86.1	12.5	0.0	1.4	100.0
North-East .....	27.3	87.1	8.5	0.0	4.4	100.0
Centre .....	32.5	90.6	5.6	0.0	3.8	100.0
South & Islands .....	20.6	96.3	2.1	0.0	1.6	100.0
<b>Number of employees</b>						
20 – 49 .....	25.6	91.6	6.8	0.0	1.6	100.0
50 – 199 .....	38.9	87.4	9.3	0.0	3.3	100.0
200 – 499 .....	51.1	77.3	19.7	0.0	3.0	100.0
500 or more .....	69.0	78.3	13.4	0.0	8.3	100.0
<b>Branch of activity</b>						
Trade, hotels, bars & restaurants	24.9	80.1	15.0	0.0	4.9	100.0
Transport & communication .....	31.8	95.6	3.7	0.0	0.7	100.0
Other business & h.hold services ...	40.8	94.4	4.6	0.0	1.0	100.0
<b>Total service firms</b> .....	<b>30.9</b>	<b>88.5</b>	<b>8.9</b>	<b>0.0</b>	<b>2.6</b>	<b>100.0</b>
<b>Total</b> .....	<b>28.1</b>	<b>80.7</b>	<b>13.7</b>	<b>0.1</b>	<b>5.5</b>	<b>100.0</b>

(1) European Union on 31-12-2003. - (2) Countries joining the European Union in 2004.



## Workforce, 2004

(per cent)

	Percentage change on previous year		
	average workforce	end-of-year workforce	
	2004	2004	2005 <sup>(1)</sup>
	<b>Industrial firms</b>		
<b>Geographical area</b>			
North-West .....	-2.1	-1.6	-0.3
North-East .....	-1.1	-1.3	0.6
Centre .....	-1.6	-0.7	-1.5
South & Islands .....	-0.6	-1.4	0.1
<b>Number of employees</b>			
20 – 49 .....	-1.3	-1.3	-0.2
50 – 199 .....	-1.1	-1.6	0.1
200 – 499 .....	-0.5	-1.0	-0.5
500 or more .....	-2.9	-1.3	-0.3
<b>Branch of activity</b>			
Textiles, clothing, leather, shoes ..	-2.9	-4.0	-2.0
Chemicals, rubber and plastic .....	-0.4	-0.2	0.4
Engineering .....	-1.6	-1.3	0.4
Other manufacturing .....	-0.9	-0.5	0.3
Energy, mining & quarrying .....	-3.4	-1.0	-4.0
<b>Share of exports</b>			
Less than one-third .....	-1.6	-1.3	-0.4
From one- to two-thirds .....	-1.7	-1.4	0.2
More than two-thirds .....	-1.2	-1.5	-0.2
<b>Total industrial firms</b> .....	<b>-1.6</b>	<b>-1.4</b>	<b>-0.2</b>
	<b>Service firms</b>		
<b>Geographical area</b>			
North-West .....	1.3	1.0	1.6
North-East .....	2.1	1.6	2.0
Centre .....	1.1	0.2	1.0
South & Islands .....	3.4	2.3	0.3
<b>Number of employees</b>			
20 – 49 .....	1.3	0.7	1.4
50 – 199 .....	2.8	1.4	0.7
200 – 499 .....	1.7	1.4	1.9
500 or more .....	1.4	1.1	1.7
<b>Branch of activity</b>			
Trade, hotels, bars & restaurants ..	3.1	2.3	1.4
Transport & communication .....	0.9	-0.3	1.8
Other business & h.hold services ...	0.8	0.8	1.1
<b>Total service firms</b> .....	<b>1.7</b>	<b>1.1</b>	<b>1.4</b>
<b>Total</b> .....	<b>-0.2</b>	<b>-0.3</b>	<b>0.5</b>

(1) Forecast.

## Per capita hours worked and hours overtime, 2004

(units, percentage change)

	2004		Percentage change on previous year	
	hours worked during the year	hours overtime over hours worked	hours worked during the year	hours worked overtime during the year
<b>Industrial firms</b>				
<b>Geographical area</b>				
North-West .....	1,649	4.3	0.7	1.2
North-East .....	1,642	4.0	0.8	-5.0
Centre .....	1,636	4.0	1.3	-0.4
South & Islands .....	1,695	3.5	0.8	4.2
<b>Number of employees</b>				
20 – 49 .....	1,706	3.8	0.8	0.0
50 – 199 .....	1,666	4.1	1.0	-2.6
200 – 499 .....	1,633	4.0	0.7	-3.3
500 or more .....	1,586	4.5	0.7	1.8
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes....	1,553	2.6	-0.8	-5.8
Chemicals, rubber and plastic .....	1,685	3.5	-0.5	-4.4
Engineering .....	1,658	4.4	1.2	1.9
Other manufacturing .....	1,689	4.2	1.2	-2.4
Energy, mining & quarrying.....	1,567	5.9	2.7	-1.0
<b>Share of exports</b>				
Less than one-third .....	1,655	4.1	0.8	-2.6
From one- to two-thirds .....	1,648	4.3	1.0	3.5
More than two-thirds .....	1,633	3.8	0.8	-1.9
<b>Total industrial firms .....</b>	<b>1,649</b>	<b>4.1</b>	<b>0.8</b>	<b>-0.7</b>
<b>Service firms</b>				
<b>Geographical area</b>				
North-West .....	1,600	5.8	-0.7	-1.6
North-East .....	1,636	5.3	-0.5	-2.3
Centre .....	1,690	5.8	1.1	11.1
South & Islands .....	1,774	4.2	-0.7	-4.7
<b>Number of employees</b>				
20 – 49 .....	1,752	4.1	-0.3	-7.0
50 – 199 .....	1,728	5.2	-1.5	-2.7
200 – 499 .....	1,675	5.5	1.1	-0.3
500 or more .....	1,520	6.7	0.1	7.2
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants .	1,614	4.8	-0.5	-0.4
Transport & communication.....	1,736	6.7	0.6	8.6
Other business & h.hold services...	1,630	5.2	-0.6	-5.3
<b>Total service firms .....</b>	<b>1,651</b>	<b>5.5</b>	<b>-0.2</b>	<b>0.6</b>
<b>Total .....</b>	<b>1,650</b>	<b>4.7</b>	<b>0.4</b>	<b>-0.2</b>

Table C3

## Fixed-term work, temporary work and immigrant workers, 2004

(per cent, units, average points)

	Fixed-term work	Temporary work <sup>(1)</sup>		Non-EU workers
	% of end-year workforce	number of assignments	% hours temporary work over total	% of end-year workforce
<b>Industrial firms</b>				
<b>Geographical area</b>				
North-West .....	4.6	19.2	2.4	2.7
North-East .....	5.8	10.9	2.0	4.2
Centre .....	5.7	10.6	1.7	3.3
South & Islands .....	8.6	12.9	1.6	0.8
<b>Number of employees</b>				
20 – 49 .....	5.7	–	–	4.1
50 – 199 .....	6.1	5.4	1.7	3.2
200 – 499 .....	5.3	38.7	2.6	3.0
500 or more .....	4.7	103.6	2.5	1.8
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes ..	4.6	7.2	1.4	3.6
Chemicals, rubber and plastic .....	5.1	15.8	2.6	3.1
Engineering .....	5.0	20.6	2.5	2.9
Other manufacturing .....	7.8	8.3	1.7	3.5
Energy, mining & quarrying .....	2.3	4.5	1.1	0.5
<b>Share of exports</b>				
Less than one-third .....	6.3	11.0	1.8	3.2
From one- to two-thirds .....	4.6	18.8	2.5	3.4
More than two-thirds .....	4.4	16.1	2.1	2.6
<b>Total industrial firms</b> .....	<b>5.5</b>	<b>14.1</b>	<b>2.1</b>	<b>3.1</b>
<b>Service firms</b>				
<b>Geographical area</b>				
North-West .....	9.2	14.0	1.6	4.5
North-East .....	11.2	23.1	0.9	5.2
Centre .....	7.6	8.8	0.6	3.9
South & Islands .....	9.8	13.4	1.0	0.9
<b>Number of employees</b>				
20 – 49 .....	10.9	–	–	3.2
50 – 199 .....	11.4	6.3	0.9	3.5
200 – 499 .....	8.9	18.1	1.2	5.7
500 or more .....	7.4	115.7	1.2	4.7
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants ..	12.9	21.9	1.0	3.5
Transport & communication .....	7.1	23.4	1.3	4.0
Other business & h.hold services ...	7.1	5.0	1.1	5.0
<b>Total service firms</b> .....	<b>9.5</b>	<b>15.3</b>	<b>1.1</b>	<b>4.1</b>
<b>Total</b> .....	<b>7.2</b>	<b>14.5</b>	<b>1.8</b>	<b>3.5</b>

(1) Only firms with 50 or more employees.

Table C4

## Labour turnover, hirings and departures, 2004

(per cent)

	Labour turnover <sup>(1)</sup>	Hirings			Departures		
		payroll employees	fixed-term employees	Total	other reasons	end of fixed-term contract	Total
<b>Industrial firms</b>							
<b>Geographical area</b>							
North-West .....	21.6	4.5	5.6	10.0	6.0	5.5	11.6
North-East .....	29.4	6.1	7.9	14.0	7.0	8.4	15.3
Centre .....	25.3	5.0	7.3	12.3	5.5	7.5	13.0
South & Islands .....	46.6	6.8	15.8	22.6	8.1	15.9	24.0
<b>Number of employees</b>							
20 – 49 .....	26.2	6.5	6.0	12.4	7.5	6.2	13.7
50 – 199 .....	29.6	5.2	8.8	14.0	7.5	8.1	15.6
200 – 499 .....	25.4	4.6	7.6	12.2	5.6	7.6	13.2
500 or more .....	24.8	4.4	7.3	11.8	4.7	8.3	13.0
<b>Branch of activity</b>							
Textiles, clothing, leather, shoes ..	23.0	4.9	4.5	9.4	9.2	4.3	13.5
Chemicals, rubber and plastic .....	19.2	4.2	5.3	9.5	4.7	5.0	9.7
Engineering .....	24.0	5.4	5.9	11.3	6.2	6.4	12.6
Other manufacturing .....	40.1	6.0	13.7	19.8	6.6	13.7	20.3
Energy, mining & quarrying.....	15.0	2.8	4.3	7.0	4.0	4.0	8.0
<b>Share of exports</b>							
Less than one-third .....	29.5	5.4	8.7	14.1	6.5	8.9	15.4
From one- to two-thirds .....	22.8	4.6	6.1	10.7	6.2	5.9	12.1
More than two-thirds .....	24.3	5.7	5.7	11.4	6.6	6.4	12.9
<b>Total industrial firms .....</b>	<b>26.6</b>	<b>5.2</b>	<b>7.4</b>	<b>12.6</b>	<b>6.4</b>	<b>7.6</b>	<b>14.0</b>
<b>Service firms</b>							
<b>Geographical area</b>							
North-West .....	42.6	9.4	12.4	21.8	8.3	12.5	20.8
North-East .....	65.5	12.3	21.2	33.5	8.5	23.4	32.0
Centre .....	43.3	8.0	13.8	21.8	7.5	14.1	21.6
South & Islands .....	58.4	13.4	16.9	30.4	10.8	17.3	28.1
<b>Number of employees</b>							
20 – 49 .....	55.3	10.3	17.7	28.0	8.8	18.5	27.3
50 – 199 .....	57.7	9.9	19.6	29.5	8.1	20.1	28.2
200 – 499 .....	57.4	11.7	17.6	29.4	11.4	16.6	28.0
500 or more .....	40.5	10.1	10.7	20.8	7.3	12.3	19.7
<b>Branch of activity</b>							
Trade, hotels, bars & restaurants ..	70.9	11.5	25.2	36.6	7.3	27.0	34.3
Transport & communication.....	34.5	7.2	9.9	17.1	6.4	10.9	17.4
Other business & h.hold services...	39.2	11.5	8.5	20.0	11.4	7.8	19.2
<b>Total service firms .....</b>	<b>50.7</b>	<b>10.3</b>	<b>15.6</b>	<b>25.9</b>	<b>8.5</b>	<b>16.3</b>	<b>24.8</b>
<b>Total .....</b>	<b>36.8</b>	<b>7.4</b>	<b>10.9</b>	<b>18.3</b>	<b>7.3</b>	<b>11.3</b>	<b>18.6</b>

(1) Sum of flows of hirings and departures during the year as a percentage of the mean of the workforce at the beginning and end of the year.

Table C5

## Collaboration contracts, 2003-04

(per cent of firms)

	2003		situation at end-2004 of collaboration contracts outstanding at end-2003						
	% of firms using collaboration contracts	collaborators as a percentage of payroll employment (1)	still in force	converted into:				terminated	Total
				project contracts	fixed-term contracts	payroll employment	consultancy contracts		
<b>Industrial firms</b>									
<b>Geographical area</b>									
North-West .....	54.7	2.8	49.9	25.8	1.6	3.1	3.7	15.9	100.0
North-East .....	53.7	4.1	49.9	27.2	1.0	3.5	1.7	16.7	100.0
Centre .....	54.1	3.9	47.5	29.6	2.2	4.0	1.3	15.4	100.0
South & Islands .....	41.3	7.4	66.8	12.4	2.5	4.5	1.7	12.1	100.0
<b>Number of employees</b>									
20 – 49 .....	49.4	8.5	53.5	23.5	1.8	4.3	2.1	14.8	100.0
50 – 199 .....	56.3	4.0	54.3	24.0	0.8	3.0	3.4	14.5	100.0
200 – 499 .....	70.1	1.8	41.0	31.6	2.2	2.0	1.2	22.0	100.0
500 or more .....	79.0	0.9	41.0	33.7	2.0	2.5	1.5	19.3	100.0
<b>Branch of activity</b>									
Textiles, clothing, leather, shoes ..	51.7	3.2	35.6	37.5	1.9	6.0	1.6	17.4	100.0
Chemicals, rubber and plastic .....	49.0	2.8	40.5	23.7	0.1	6.0	2.9	26.8	100.0
Engineering .....	53.6	2.8	48.7	26.7	2.5	3.2	1.9	17.0	100.0
Other manufacturing .....	51.7	6.1	62.3	20.3	0.5	2.5	2.9	11.5	100.0
Energy, mining & quarrying .....	57.4	2.5	36.9	22.9	9.6	5.6	2.5	22.5	100.0
<b>Share of exports</b>									
Less than one-third .....	52.3	5.2	55.9	23.4	1.5	3.3	2.3	13.6	100.0
From one- to two-thirds .....	53.8	2.2	41.5	30.7	1.7	5.1	2.6	18.4	100.0
More than two-thirds .....	51.2	2.2	44.1	26.1	1.7	2.5	2.2	23.4	100.0
<b>Total industrial firms .....</b>	<b>52.4</b>	<b>3.7</b>	<b>51.7</b>	<b>25.1</b>	<b>1.6</b>	<b>3.6</b>	<b>2.4</b>	<b>15.6</b>	<b>100.0</b>
<b>Service firms</b>									
<b>Geographical area</b>									
North-West .....	58.4	3.8	28.6	30.5	1.8	6.0	7.3	25.8	100.0
North-East .....	48.5	10.6	12.3	20.9	2.1	2.6	0.4	61.7	100.0
Centre .....	54.5	3.8	29.2	36.5	3.0	7.4	4.9	19.0	100.0
South & Islands .....	51.1	6.9	40.6	18.3	1.1	5.7	3.1	31.2	100.0
<b>Number of employees</b>									
20 – 49 .....	51.4	18.5	18.3	19.6	2.2	4.2	1.5	54.2	100.0
50 – 199 .....	57.4	5.5	29.8	40.5	1.9	5.1	3.6	19.1	100.0
200 – 499 .....	59.0	2.0	45.4	29.4	1.1	5.5	1.5	17.1	100.0
500 or more .....	73.3	0.8	22.6	27.0	1.8	5.1	22.7	20.8	100.0
<b>Branch of activity</b>									
Trade, hotels, bars & restaurants	53.3	4.1	42.3	31.6	1.7	5.7	1.8	16.9	100.0
Transport & communication .....	54.3	2.7	33.8	28.4	1.4	8.3	2.7	25.4	100.0
Other business & h.hold services...	53.9	11.5	10.4	21.4	2.3	3.2	3.8	58.9	100.0
<b>Total service firms .....</b>	<b>53.7</b>	<b>6.0</b>	<b>22.4</b>	<b>25.2</b>	<b>2.0</b>	<b>4.5</b>	<b>3.1</b>	<b>42.8</b>	<b>100.0</b>
<b>Total .....</b>	<b>52.9</b>	<b>4.6</b>	<b>36.0</b>	<b>25.1</b>	<b>1.8</b>	<b>4.1</b>	<b>2.7</b>	<b>30.3</b>	<b>100.0</b>

(1) Only in firms making use of collaboration contracts at the end of 2003.

## Use of freelance collaborators, 2004

(per cent)

	Use of freelance collaborators	Cost of freelance collaborators over cost of payroll workforce		Forecast use of freelance collaborators in 2005			
		Total firms	Only firms using freelance collaborators	Reduction	Stable	Increase	Total
<b>Industrial firms with 50 or more employees</b>							
<b>Geographical area</b>							
North-West .....	63.5	1.7	3.2	11.5	75.2	13.3	100.0
North-East .....	69.2	1.8	3.3	21.1	69.5	9.4	100.0
Centre .....	67.0	2.0	4.9	12.5	72.4	15.1	100.0
South & Islands .....	50.0	1.6	3.8	9.7	77.3	13.0	100.0
<b>Number of employees</b>							
20 – 49 .....							
50 – 199 .....	62.0	2.4	4.8	12.9	74.1	13.0	100.0
200 – 499 .....	74.6	1.7	3.2	22.6	68.8	8.6	100.0
500 or more .....	81.5	1.3	2.6	24.8	66.4	8.8	100.0
<b>Branch of activity</b>							
Textiles, clothing, leather, shoes ...	63.0	2.0	3.6	12.7	76.6	10.7	100.0
Chemicals, rubber and plastic .....	62.8	1.4	2.8	16.9	76.5	6.6	100.0
Engineering .....	62.6	1.8	3.2	15.0	71.9	13.1	100.0
Other manufacturing .....	68.7	2.6	4.4	15.9	71.5	12.6	100.0
Energy, mining & quarrying.....	71.1	0.2	2.0	12.9	63.4	23.7	100.0
<b>Share of exports</b>							
Less than one-third .....	64.2	1.9	4.2	15.6	70.9	13.5	100.0
From one- to two-thirds .....	67.0	1.7	2.9	11.5	80.2	8.3	100.0
More than two-thirds .....	61.7	1.7	3.0	18.7	67.0	14.3	100.0
<b>Total industrial firms .....</b>	<b>64.5</b>	<b>1.8</b>	<b>3.5</b>	<b>15.0</b>	<b>72.9</b>	<b>12.1</b>	<b>100.0</b>

## Total gross earnings and minimum wages per national agreements, 2004

(€ thousands, per cent)

	Total gross earnings	Minimum earnings over total gross earnings
<b>Industrial firms</b>		
<b>Geographical area</b>		
North-West .....	26.4	84.6
North-East .....	25.4	84.8
Centre .....	26.5	91.8
South & Islands .....	21.1	93.5
<b>Number of employees</b>		
20 – 49 .....	23.1	89.6
50 – 199 .....	24.6	88.0
200 – 499 .....	27.2	84.1
500 or more .....	28.1	85.0
<b>Branch of activity</b>		
Textiles, clothing, leather, shoes ..	20.0	88.2
Chemicals, rubber and plastic .....	28.5	86.0
Engineering .....	26.0	84.2
Other manufacturing .....	24.8	87.7
Energy, mining & quarrying .....	33.7	95.9
<b>Share of exports</b>		
Less than one-third .....	25.8	89.3
From one- to two-thirds .....	25.6	83.8
More than two-thirds .....	25.0	83.8
<b>Total industrial firms</b> .....	<b>25.6</b>	<b>86.8</b>
<b>Service firms</b>		
<b>Geographical area</b>		
North-West .....	26.6	85.5
North-East .....	25.0	87.0
Centre .....	26.5	88.3
South & Islands .....	22.4	93.3
<b>Number of employees</b>		
20 – 49 .....	24.5	91.1
50 – 199 .....	24.5	88.9
200 – 499 .....	25.6	85.0
500 or more .....	27.3	85.8
<b>Branch of activity</b>		
Trade, hotels, bars & restaurants ..	22.8	90.3
Transport & communication .....	28.5	85.9
Other business & h.hold services ...	26.3	87.1
<b>Total service firms</b> .....	<b>25.6</b>	<b>87.8</b>
<b>Total</b> .....	<b>25.6</b>	<b>87.2</b>

## Investments, 2004

(€ thousands, per cent)<sup>(1)</sup>

	Gross fixed investment per employee	Gross fixed investment % change on previous year <sup>(2)</sup>		Realisation rate <sup>(4)</sup>
		2004	2005 <sup>(3)</sup>	
<b>Industrial firms</b>				
<b>Geographical area</b>				
North-West .....	9.9	-3.2	1.9	96.1
North-East .....	8.4	1.4	-2.8	98.9
Centre .....	16.1	-5.0	3.1	90.4
South & Islands .....	9.5	-0.6	-8.9	100.1
<b>Number of employees</b>				
20 – 49 .....	6.8	-0.9	-12.5	109.3
50 – 199 .....	7.3	-7.8	-7.5	98.0
200 – 499 .....	9.7	1.9	-3.7	101.6
500 or more .....	16.9	-1.5	9.9	89.3
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes ..	4.6	-12.4	-18.3	96.7
Chemicals, rubber and plastic .....	11.8	-3.8	-9.3	97.8
Engineering .....	8.0	1.1	3.0	98.4
Other manufacturing .....	10.1	1.5	-5.7	103.3
Energy, mining & quarrying.....	44.5	-6.4	11.4	86.5
<b>Share of exports</b>				
Less than one-third .....	12.2	-2.0	0.6	94.9
From one- to two-thirds .....	8.2	-3.7	4.0	95.9
More than two-thirds .....	8.3	-1.9	-7.9	100.2
<b>Total industrial firms</b> .....	<b>10.3</b>	<b>-2.4</b>	<b>0.2</b>	<b>95.8</b>
<b>Service firms</b>				
<b>Geographical area</b>				
North-West .....	14.5	-8.2	-2.8	101.4
North-East .....	7.7	-2.6	-3.1	96.0
Centre .....	15.3	-1.4	-3.0	101.5
South & Islands .....	8.1	-0.8	-10.9	104.5
<b>Number of employees</b>				
20 – 49 .....	7.2	-5.8	-16.1	113.1
50 – 199 .....	8.5	-5.9	-9.2	103.1
200 – 499 .....	8.2	-5.5	-2.5	92.0
500 or more .....	19.4	-3.9	1.1	98.0
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants ..	8.5	-6.5	-9.0	95.8
Transport & communication.....	26.7	-4.8	-0.2	101.7
Other business & h.hold services...	5.2	-2.6	-5.2	101.7
<b>Total service firms</b> .....	<b>12.1</b>	<b>-4.9</b>	<b>-3.6</b>	<b>100.2</b>
<b>Total</b> .....	<b>11.1</b>	<b>-3.6</b>	<b>-1.6</b>	<b>97.9</b>

(1) Robust means (Winsorised) obtained by adjusting extreme values (with positive or negative sign) according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised type II estimator). – (2) At constant 2004 prices. The deflator is calculated as the average, at Ateco 2002 sub-section level, of the price indices for their investment spending estimated by the firms interviewed. – (3) Forecast. – (4) Ratio between investments effectively made and investments planned at the end of the previous year.



## Review of investment plans, 2004

(per cent)<sup>(1)</sup>

	Expenditure in 2004 on gross fixed investment compared with plans at end-2003 <sup>(1)</sup>							Total
	much less	less	a little less	same	a little more	more	much more	
<b>Industrial firms</b>								
<b>Geographical area</b>								
North-West .....	23.3	13.8	8.9	5.4	4.2	9.5	34.9	100.0
North-East .....	25.7	10.9	7.5	4.3	3.5	11.7	36.4	100.0
Centre .....	23.5	10.6	7.0	5.7	5.3	9.4	38.5	100.0
South & Islands .....	20.1	11.7	6.6	13.9	3.5	8.1	36.1	100.0
<b>Number of employees</b>								
20 – 49 .....	23.5	10.7	6.0	7.8	1.4	8.9	41.7	100.0
50 – 199 .....	24.0	14.4	11.8	3.6	9.8	12.8	23.6	100.0
200 – 499 .....	23.2	15.5	10.9	1.1	11.8	9.1	28.4	100.0
500 or more .....	22.5	23.6	12.9	0.7	6.7	13.3	20.3	100.0
<b>Branch of activity</b>								
Textiles, clothing, leather, shoes ..	29.3	10.2	18.7	10.5	5.5	5.7	20.1	100.0
Chemicals, rubber and plastic .....	22.6	32.6	4.7	2.7	11.5	10.6	15.3	100.0
Engineering .....	24.1	9.7	7.8	6.5	2.1	7.6	42.2	100.0
Other manufacturing .....	20.4	9.2	1.7	4.5	3.7	16.3	44.2	100.0
Energy, mining & quarrying .....	11.4	23.2	3.5	1.6	2.2	13.8	44.3	100.0
<b>Share of exports</b>								
Less than one-third .....	22.2	11.8	6.8	7.0	3.7	10.1	38.4	100.0
From one- to two-thirds .....	23.8	13.3	8.5	4.7	5.1	9.8	34.8	100.0
More than two-thirds .....	29.3	11.5	10.9	5.4	4.0	9.8	29.1	100.0
<b>Total industrial firms.....</b>	<b>23.6</b>	<b>12.1</b>	<b>7.8</b>	<b>6.3</b>	<b>4.1</b>	<b>10.0</b>	<b>36.1</b>	<b>100.0</b>
<b>Service firms</b>								
<b>Geographical area</b>								
North-West .....	15.6	8.4	2.6	10.7	6.3	12.5	43.9	100.0
North-East .....	18.0	11.9	5.1	5.1	1.7	16.7	41.5	100.0
Centre .....	19.2	7.8	5.2	5.1	3.1	15.4	44.2	100.0
South & Islands .....	14.9	7.4	3.7	8.2	3.5	16.5	45.8	100.0
<b>Number of employees</b>								
20 – 49 .....	15.4	4.9	1.9	9.8	1.4	18.7	47.9	100.0
50 – 199 .....	18.2	18.1	9.7	3.2	9.5	5.9	35.4	100.0
200 – 499 .....	25.6	18.3	2.6	3.4	11.0	7.5	31.6	100.0
500 or more .....	27.7	17.1	4.7	0.4	8.3	12.9	28.9	100.0
<b>Branch of activity</b>								
Trade, hotels, bars & restaurants ..	16.8	12.8	5.4	7.1	0.8	23.7	33.4	100.0
Transport & communication .....	20.1	5.4	1.1	2.8	15.0	2.7	52.9	100.0
Other business & h.hold services ...	14.7	4.8	3.2	11.6	2.5	7.8	55.4	100.0
<b>Total service firms .....</b>	<b>16.8</b>	<b>9.0</b>	<b>3.9</b>	<b>7.7</b>	<b>4.0</b>	<b>14.9</b>	<b>43.7</b>	<b>100.0</b>
<b>Total .....</b>	<b>20.9</b>	<b>10.8</b>	<b>6.3</b>	<b>6.8</b>	<b>4.0</b>	<b>12.0</b>	<b>39.2</b>	<b>100.0</b>

(1) Robust means (Winsorised) obtained by adjusting extreme values (with positive or negative sign) according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised type II estimator). – (2) ‘much less’ = less than 75 per cent of planned; ‘less’ = 75 to 95 per cent of planned; ‘a little less’ = 95 to 100 per cent of planned; ‘same’ = 100 per cent of planned; ‘a little more’ = 100 to 105 per cent of planned; ‘more’ = 105 to 125 per cent of planned; ‘much more’ = over 125 per cent of planned..

## Reasons for reviewing investment plans, 2004

(per cent)<sup>(1)</sup>

	Industrial firms with 50 or more employees											
	Demand	Costs		Rules	Delivery times	Purchase price	Cash flow	Interest rates	Availability of financing		Internal organisation	Other reasons
		Level	Un-certainty						Shares	Loans		
	<b>Cut-back in planned investments<sup>(2)</sup></b>											
<b>Geographical area</b>												
North-West .....	23.5	4.9	3.9	4.4	3.6	0.5	5.6	0.2	0.5	4.2	75.5	12.8
North-East .....	40.3	5.6	3.2	5.6	5.6	7.1	8.4	1.9	0.3	4.3	70.1	14.1
Centre .....	37.9	6.1	4.0	1.4	6.7	4.0	2.5	0.0	0.0	1.2	50.8	12.6
South & Islands .....	42.3	2.3	4.4	8.7	6.0	1.7	2.4	2.2	0.0	5.3	46.8	6.9
<b>Number of employees</b>												
20 – 49 .....	–	–	–	–	–	–	–	–	–	–	–	–
50 – 199 .....	33.9	5.1	3.0	5.2	4.6	3.2	6.5	1.1	0.0	4.0	65.7	11.5
200 – 499 .....	36.4	4.9	7.2	2.7	5.7	1.8	2.1	0.0	0.0	2.4	73.9	15.2
500 or more .....	24.2	5.5	5.4	4.1	10.5	12.3	4.2	1.4	5.1	5.7	66.9	22.7
<b>Branch of activity</b>												
Textiles, clothing, leather, shoes.....	27.5	0.0	4.8	7.5	0.8	0.0	5.8	0.0	0.0	0.8	74.6	8.5
Chemicals, rubber and plastic .....	41.5	1.1	3.7	3.7	3.2	5.8	3.6	0.0	1.4	1.4	61.4	9.2
Engineering .....	34.5	8.3	2.6	3.2	4.4	4.6	6.2	1.8	0.2	4.6	70.3	12.5
Other manufacturing .....	33.9	3.0	4.7	5.0	8.6	2.5	4.0	0.0	0.0	5.6	57.0	15.7
Energy, mining & quarrying .....	19.7	4.7	15.7	30.4	28.7	6.6	28.7	4.7	4.7	4.7	49.3	34.8
<b>Share of exports</b>												
Less than one-third .....	37.8	3.7	5.3	4.7	5.2	2.4	5.9	0.6	0.2	4.1	62.2	13.5
From one- to two-thirds ...	30.5	9.3	1.5	8.1	5.1	6.1	6.3	2.5	0.5	4.9	71.7	15.4
More than two-thirds .....	29.1	2.8	3.1	1.2	4.8	2.8	5.2	0.0	0.4	2.4	70.4	7.8
<b>Total industrial firms .....</b>	<b>33.7</b>	<b>5.1</b>	<b>3.7</b>	<b>4.8</b>	<b>5.1</b>	<b>3.5</b>	<b>5.8</b>	<b>1.0</b>	<b>0.3</b>	<b>3.9</b>	<b>66.9</b>	<b>12.6</b>
	<b>Increase in planned investments<sup>(3)</sup></b>											
<b>Geographical area</b>												
North-West .....	28.9	1.5	2.1	2.3	1.1	0.7	1.7	0.0	0.0	1.3	71.3	10.9
North-East .....	28.2	6.4	3.6	3.1	8.0	5.5	5.4	3.0	1.9	4.0	69.1	15.3
Centre .....	31.7	0.4	2.0	0.0	4.8	5.1	4.3	0.8	0.8	0.4	54.7	19.3
South & Islands .....	42.2	6.8	4.1	5.8	3.8	3.2	6.8	0.0	2.3	8.4	56.4	14.0
<b>Number of employees</b>												
20 – 49 .....	–	–	–	–	–	–	–	–	–	–	–	–
50 – 199 .....	31.1	3.1	2.8	2.4	4.7	3.3	4.5	1.4	1.1	2.8	67.5	13.0
200 – 499 .....	26.6	6.1	1.7	4.0	1.4	3.3	1.4	0.8	0.8	3.2	61.7	20.5
500 or more .....	29.0	5.8	6.6	2.7	9.3	4.2	2.4	0.0	0.0	2.0	67.8	11.2
<b>Branch of activity</b>												
Textiles, clothing, leather, shoes.....	13.0	1.2	3.3	0.7	4.9	2.4	4.5	0.3	1.2	1.2	73.5	19.7
Chemicals, rubber and plastic .....	29.6	4.1	4.1	8.1	2.6	1.2	0.0	0.0	0.5	0.0	73.8	5.0
Engineering .....	40.3	3.7	1.4	1.0	4.3	3.2	2.0	0.2	0.0	3.9	63.8	11.4
Other manufacturing .....	28.4	5.3	4.1	3.7	5.0	5.0	7.8	3.8	2.6	3.8	63.9	16.7
Energy, mining & quarrying .....	42.6	0.0	0.0	17.2	0.0	0.0	0.0	0.0	0.0	0.0	54.3	17.6
<b>Share of exports</b>												
Less than one-third .....	31.7	3.7	2.6	3.2	5.7	3.5	3.7	1.8	1.6	3.5	67.2	14.4
From one- to two-thirds ...	26.8	4.3	3.6	2.5	3.1	2.4	3.6	0.2	0.0	2.4	64.7	13.9
More than two-thirds .....	30.6	2.6	2.3	0.4	1.2	4.0	5.5	0.4	0.3	1.0	67.4	13.0
<b>Total industrial firms .....</b>	<b>30.4</b>	<b>3.6</b>	<b>2.8</b>	<b>2.6</b>	<b>4.4</b>	<b>3.3</b>	<b>3.9</b>	<b>1.2</b>	<b>1.0</b>	<b>2.9</b>	<b>66.6</b>	<b>14.1</b>

(1) As every firm can give more than one reason for reviewing plans, the sum of each row is not necessarily 100. – (2) Less than planned expenditure. – (3) More than planned expenditure.

## Change in plant capacity and utilisation rate, 2004

(per cent)

	Change in plant capacity from previous year		Capacity utilisation rate		
			% level	change from previous year	
	2004	2005 <sup>(1)</sup>	2004	2004	2005 <sup>(1)</sup>
<b>Industrial firms with 50 or more employees</b>					
<b>Geographical area</b>					
North-West .....	4.0	4.6	79.5	1.0	0.8
North-East .....	5.5	5.2	81.4	0.1	1.8
Centre .....	3.4	3.1	69.9	-10.2	8.0
South & Islands .....	8.1	8.0	80.1	-1.8	1.6
<b>Number of employees</b>					
20 – 49 .....	–	–	–	–	–
50 – 199 .....	6.3	5.7	78.8	-0.2	1.7
200 – 499 .....	4.4	5.8	82.5	3.1	1.0
500 or more .....	3.2	3.2	75.3	-4.8	3.5
<b>Branch of activity</b>					
Textiles, clothing, leather, shoes ...	2.9	3.0	79.7	0.0	0.6
Chemicals, rubber and plastic .....	4.7	5.4	81.4	2.7	0.7
Engineering .....	4.5	5.0	79.5	-0.3	1.2
Other manufacturing .....	5.7	5.0	80.1	0.0	1.7
Energy, mining & quarrying .....	2.8	2.3	64.6	-14.9	10.6
<b>Share of exports</b>					
Less than one-third .....	4.8	4.9	76.9	-0.4	3.1
From one- to two-thirds .....	3.0	3.9	80.1	-2.8	1.4
More than two-thirds .....	5.7	4.8	80.0	-1.2	0.9
<b>Total industrial firms</b>	<b>4.4</b>	<b>4.6</b>	<b>78.2</b>	<b>-1.4</b>	<b>2.3</b>

(1) Forecast.

## Turnover, 2004

(€ thousands, per cent)

	Turnover per employee	Percentage changes in turnover on previous year <sup>(1)</sup>		Share of turnover from exports	
	2004	2004	2005 <sup>(2)</sup>	2004	2005 <sup>(2)</sup>
<b>Industrial firms</b>					
<b>Geographical area</b>					
North-West .....	344.3	2.1	1.5	29.5	30.0
North-East .....	235.7	2.4	3.0	37.7	38.6
Centre .....	395.1	5.3	1.3	20.8	22.0
South & Islands .....	223.5	0.9	2.4	21.8	22.7
<b>Number of employees</b>					
20 – 49 .....	226.4	0.1	1.9	26.4	26.5
50 – 199 .....	244.2	1.0	2.1	36.4	36.8
200 – 499 .....	434.6	3.8	1.3	23.5	24.8
500 or more .....	385.1	4.8	1.9	29.6	30.5
<b>Branch of activity</b>					
Textiles, clothing, leather, shoes ..	192.5	-0.8	0.6	43.5	43.9
Chemicals, rubber and plastic .....	600.0	2.1	0.4	23.7	24.4
Engineering .....	244.1	1.9	3.2	41.9	42.9
Other manufacturing .....	263.8	1.5	3.1	21.0	21.2
Energy, mining & quarrying .....	737.6	11.2	-0.8	7.0	7.1
<b>Share of exports</b>					
Less than one-third .....	331.6	2.5	1.3	7.9	8.6
From one- to two-thirds .....	306.0	3.9	2.5	44.9	46.0
More than two-thirds .....	247.0	1.6	2.6	81.2	80.7
<b>Total industrial firms.....</b>	<b>308.7</b>	<b>2.7</b>	<b>1.8</b>	<b>29.2</b>	<b>30.0</b>
<b>Service firms</b>					
<b>Geographical area</b>					
North-West .....	237.1	3.0	2.2	11.4	11.4
North-East .....	306.0	2.6	3.5	3.6	3.7
Centre .....	240.5	3.4	4.9	8.1	8.7
South & Islands .....	199.9	6.5	3.1	6.3	6.5
<b>Number of employees</b>					
20 – 49 .....	314.3	2.7	2.2	10.7	10.4
50 – 199 .....	293.0	5.2	3.2	5.9	6.3
200 – 499 .....	202.2	5.7	0.8	10.9	11.2
500 or more .....	199.7	1.0	5.5	4.9	5.5
<b>Branch of activity</b>					
Trade, hotels, bars & restaurants ..	394.5	2.8	3.4	6.0	5.9
Transport & communication .....	208.1	3.9	3.6	14.9	15.2
Other business & h.hold services ...	110.2	4.4	2.2	4.6	5.7
<b>Total service firms.....</b>	<b>251.2</b>	<b>3.3</b>	<b>3.3</b>	<b>7.7</b>	<b>7.9</b>
<b>Total .....</b>	<b>284.4</b>	<b>2.9</b>	<b>2.4</b>	<b>21.2</b>	<b>21.6</b>

(1) At constant 2004 prices. The deflator is calculated as the average, at Ateco 2002 sub-section level, of the price indices for their turnover estimated by the firms interviewed. – (2) Forecast.

## Operating result, 2003-04

(per cent)

	2003				2004			
	Profit	Balance	Loss	Total	Profit	Balance	Loss	Total
<b>Industrial firms</b>								
<b>Geographical area</b>								
North-West .....	62.3	17.8	19.9	100.0	67.7	16.1	16.2	100.0
North-East .....	62.6	18.5	18.9	100.0	59.2	21.1	19.7	100.0
Centre .....	64.5	21.8	13.7	100.0	65.0	19.0	16.0	100.0
South & Islands .....	63.9	18.9	17.2	100.0	62.4	16.4	21.2	100.0
<b>Number of employees</b>								
20 – 49 .....	63.1	19.8	17.1	100.0	62.7	19.4	17.9	100.0
50 – 199 .....	63.0	17.0	20.0	100.0	65.2	17.3	17.5	100.0
200 – 499 .....	62.1	15.8	22.1	100.0	71.2	7.3	21.5	100.0
500 or more .....	62.2	11.7	26.1	100.0	71.0	7.2	21.8	100.0
<b>Branch of activity</b>								
Textiles, clothing, leather, shoes ..	57.7	21.8	20.5	100.0	54.8	19.6	25.6	100.0
Chemicals, rubber and plastic .....	71.6	13.0	15.4	100.0	70.4	13.3	16.3	100.0
Engineering .....	62.5	17.6	19.9	100.0	67.3	17.9	14.8	100.0
Other manufacturing .....	64.3	20.7	15.0	100.0	61.3	19.4	19.3	100.0
Energy, mining & quarrying .....	66.4	19.4	14.2	100.0	71.0	20.5	8.5	100.0
<b>Share of exports</b>								
Less than one-third .....	62.9	19.2	17.9	100.0	63.9	18.6	17.5	100.0
From one- to two-thirds .....	63.9	20.4	15.7	100.0	66.8	16.3	16.9	100.0
More than two-thirds .....	62.1	15.2	22.7	100.0	59.5	19.3	21.2	100.0
<b>Total industrial firms.....</b>	<b>63.1</b>	<b>18.8</b>	<b>18.1</b>	<b>100.0</b>	<b>63.7</b>	<b>18.3</b>	<b>18.0</b>	<b>100.0</b>
<b>Service firms</b>								
<b>Geographical area</b>								
North-West .....	64.1	16.9	19.0	100.0	56.5	23.5	20.0	100.0
North-East .....	63.8	18.4	17.8	100.0	58.5	21.1	20.4	100.0
Centre .....	66.7	11.2	22.1	100.0	60.3	17.4	22.3	100.0
South & Islands .....	61.6	24.5	13.9	100.0	61.7	18.3	20.0	100.0
<b>Number of employees</b>								
20 – 49 .....	66.5	16.4	17.1	100.0	56.6	21.6	21.8	100.0
50 – 199 .....	56.5	20.6	22.9	100.0	63.1	18.3	18.6	100.0
200 – 499 .....	67.4	20.6	12.0	100.0	66.4	20.7	12.9	100.0
500 or more .....	71.3	12.1	16.6	100.0	69.1	11.3	19.6	100.0
<b>Branch of activity</b>								
Trade, hotels, bars & restaurants	67.6	16.0	16.4	100.0	57.2	20.3	22.5	100.0
Transport & communication .....	63.3	17.7	19.0	100.0	64.9	15.9	19.2	100.0
Other business & h.hold services ...	58.5	20.2	21.3	100.0	58.0	23.9	18.1	100.0
<b>Total service firms .....</b>	<b>64.1</b>	<b>17.6</b>	<b>18.3</b>	<b>100.0</b>	<b>58.9</b>	<b>20.5</b>	<b>20.6</b>	<b>100.0</b>
<b>Total .....</b>	<b>63.5</b>	<b>18.3</b>	<b>18.2</b>	<b>100.0</b>	<b>61.8</b>	<b>19.2</b>	<b>19.0</b>	<b>100.0</b>

## Use of IT for billing, collection and payment

(per cent)

	E-invoicing	Online trading					Online issue of payment/collection orders to banks	
		Total	Of which: online payment & collection	Of which: methods of payment			Total	Of which: CBI <sup>(1)</sup>
				Direct debit	Bank transfer	Credit card		
<b>Industrial firms</b>								
<b>Geographical area</b>								
North-West .....	31.4	17.5	11.2	4.4	7.0	5.2	82.4	73.3
North-East .....	33.3	15.6	13.0	6.7	7.9	6.9	84.1	75.5
Centre .....	28.2	14.6	11.0	5.6	7.9	4.7	64.6	58.9
South & Islands .....	28.6	15.6	12.9	6.3	9.2	3.5	64.7	56.8
<b>Number of employees</b>								
20 – 49 .....	30.1	16.6	12.2	6.4	8.0	4.9	77.1	68.3
50 – 199 .....	31.4	13.9	10.9	3.4	6.8	6.3	78.1	71.4
200 – 499 .....	38.6	20.4	14.2	7.5	8.5	7.8	78.7	72.5
500 or more .....	48.9	23.4	15.8	6.7	11.2	6.4	84.0	76.6
<b>Branch of activity</b>								
Textiles, clothing, leather, shoes ..	27.1	8.1	5.4	3.3	3.0	1.7	74.5	65.2
Chemicals, rubber and plastic .....	37.1	19.4	14.0	4.7	7.8	8.1	83.6	76.1
Engineering .....	30.5	17.6	13.3	5.7	9.0	7.2	78.4	70.3
Other manufacturing .....	33.0	18.1	14.2	7.5	9.4	4.7	76.6	69.2
Energy, mining & quarrying .....	28.1	15.4	8.4	5.1	6.4	1.8	72.0	60.7
<b>Share of exports</b>								
Less than one-third .....	33.4	17.0	12.4	6.4	9.4	4.8	77.6	69.2
From one- to two-thirds .....	27.1	13.9	10.2	3.4	4.9	7.0	79.8	74.4
More than two-thirds .....	27.0	15.4	12.6	5.4	5.1	6.0	74.7	64.3
<b>Total industrial firms.....</b>	<b>31.1</b>	<b>16.1</b>	<b>12.0</b>	<b>5.6</b>	<b>7.8</b>	<b>5.4</b>	<b>77.5</b>	<b>69.3</b>
<b>Service firms</b>								
<b>Geographical area</b>								
North-West .....	41.6	30.8	27.6	17.1	18.7	15.9	77.4	67.3
North-East .....	34.9	31.8	28.3	16.5	17.9	16.9	81.0	73.0
Centre .....	41.6	27.6	23.9	13.3	19.4	11.9	76.3	68.7
South & Islands .....	30.3	25.6	22.2	9.7	16.3	12.0	57.4	45.2
<b>Number of employees</b>								
20 – 49 .....	38.2	30.6	27.8	16.7	19.5	15.5	72.5	63.0
50 – 199 .....	39.3	29.1	24.8	11.6	17.4	14.2	79.4	70.3
200 – 499 .....	21.3	14.3	9.0	7.4	7.4	4.4	78.9	68.2
500 or more .....	36.2	21.8	13.1	4.1	8.3	11.0	75.0	67.1
<b>Branch of activity</b>								
Trade, hotels, bars & restaurants	38.4	26.8	22.0	13.4	14.5	13.4	71.6	60.5
Transport & communication .....	37.6	27.5	25.7	15.7	19.7	5.9	79.8	73.4
Other business & h.hold services ...	36.5	34.9	32.9	16.6	23.6	21.6	76.2	67.7
<b>Total service firms.....</b>	<b>37.7</b>	<b>29.4</b>	<b>26.0</b>	<b>14.7</b>	<b>18.2</b>	<b>14.5</b>	<b>74.6</b>	<b>65.2</b>
<b>Total .....</b>	<b>33.7</b>	<b>21.4</b>	<b>17.6</b>	<b>9.2</b>	<b>11.9</b>	<b>9.0</b>	<b>76.4</b>	<b>67.7</b>

(1) Interbank Corporate Banking.

## Electricity supply and competition, 2004

(per cent)

	Quality of service compared with 2001				Change of supplier between 2001-2004	Change in charges with new supplier
	Worse	Unchanged	Better	Total		
	<b>Industrial firms</b>					
<b>Geographical area</b>						
North-West .....	6.3	77.0	16.7	100.0	46.2	-4.6
North-East .....	7.5	77.7	14.8	100.0	42.3	-4.8
Centre .....	5.8	76.1	18.1	100.0	32.0	-4.8
South & Islands .....	7.0	67.9	25.1	100.0	22.9	-5.2
<b>Number of employees</b>						
20 – 49 .....	6.6	77.0	16.4	100.0	34.3	-4.2
50 – 199 .....	7.1	72.1	20.8	100.0	46.4	-4.3
200 – 499 .....	5.5	77.6	16.9	100.0	65.5	-4.6
500 or more .....	10.0	71.5	18.5	100.0	74.5	-5.3
<b>Branch of activity</b>						
Textiles, clothing, leather, shoes ..	5.5	75.1	19.4	100.0	32.3	-4.4
Chemicals, rubber and plastic .....	10.8	63.8	25.4	100.0	46.1	-4.2
Engineering .....	6.7	79.1	14.2	100.0	34.6	-4.9
Other manufacturing .....	6.0	75.6	18.4	100.0	48.5	-4.9
Energy, mining & quarrying .....	8.8	67.4	23.8	100.0	42.1	-5.7
<b>Share of exports</b>						
Less than one-third .....	6.5	74.1	19.4	100.0	38.9	-4.3
From one- to two-thirds .....	9.3	74.4	16.3	100.0	40.7	-5.4
More than two-thirds .....	4.4	83.7	11.9	100.0	38.6	-5.2
<b>Total industrial firms .....</b>	<b>6.7</b>	<b>75.8</b>	<b>17.5</b>	<b>100.0</b>	<b>39.2</b>	<b>-4.7</b>

## Business services, 2004

(per cent)

	Expenditure over total turnover <sup>(1)</sup>	
<b>Industrial firms' demand</b>		
<b>Geographical area</b>		
North-West .....	6.6	
North-East .....	8.3	
Centre .....	7.4	
South & Islands .....	5.7	
<b>Number of employees</b>		
20 – 49 .....	4.8	
50 – 199 .....	6.4	
200 – 499 .....	7.0	
500 or more .....	10.1	
<b>Branch of activity</b>		
Textiles, clothing, leather, shoes .....	7.9	
Chemicals, rubber and plastic .....	4.5	
Engineering .....	7.9	
Other manufacturing .....	8.0	
Energy, mining & quarrying.....	7.4	
<b>Share of exports</b>		
Less than one-third .....	6.0	
From one- to two-thirds .....	8.9	
More than two-thirds .....	8.1	
<b>Total industrial firms</b> .....	<b>7.1</b>	
<b>Service firms' supply</b>		
	Supplying services to business	Share of turnover coming from other firms
<b>Geographical area</b>		
North-West .....	67.9	44.3
North-East .....	67.0	38.8
Centre .....	77.2	53.9
South & Islands .....	61.0	37.3
<b>Number of employees</b>		
20 – 49 .....	67.0	47.1
50 – 199 .....	70.6	51.2
200 – 499 .....	71.5	48.7
500 or more .....	73.4	29.6
<b>Branch of activity</b>		
Trade, hotels, bars & restaurants	53.4	31.1
Transport & communication.....	76.6	63.8
Other business & h.hold services...	87.5	71.1
<b>Total service firms</b> .....	<b>68.2</b>	<b>43.7</b>

(1) Robust means (Winsorised) obtained by adjusting extreme values (with positive or negative sign) according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised type II estimator).



**Effects of market characteristics on purchases of services, 2004**  
(per cent of firms)

	Supplier accessibility				Range of services			
	Negative	Neutral	Positive	Total	Negative	Neutral	Positive	Total
<b>Industrial firms</b>								
<b>Geographical area</b>								
North-West .....	3.0	46.0	51.0	100.0	1.9	30.7	67.4	100.0
North-East .....	2.3	43.9	53.8	100.0	1.3	25.7	73.0	100.0
Centre .....	3.5	37.6	58.9	100.0	3.1	29.5	67.4	100.0
South & Islands .....	2.8	41.5	55.7	100.0	4.0	30.0	66.0	100.0
<b>Number of employees</b>								
20 – 49 .....	3.1	42.4	54.5	100.0	2.2	28.0	69.8	100.0
50 – 199 .....	2.3	45.4	52.3	100.0	2.2	30.5	67.3	100.0
200 – 499 .....	2.2	40.5	57.3	100.0	2.0	26.7	71.3	100.0
500 or more .....	3.7	40.3	56.0	100.0	0.5	27.9	71.6	100.0
<b>Branch of activity</b>								
Textiles, clothing, leather, shoes ..	2.1	45.5	52.4	100.0	0.7	30.4	68.9	100.0
Chemicals, rubber and plastic .....	5.7	33.4	60.9	100.0	1.2	18.5	80.3	100.0
Engineering .....	2.5	41.8	55.7	100.0	2.3	29.5	68.2	100.0
Other manufacturing .....	3.0	46.4	50.6	100.0	3.0	29.3	67.7	100.0
Energy, mining & quarrying.....	2.0	47.3	50.7	100.0	6.1	28.6	65.3	100.0
<b>Share of exports</b>								
Less than one-third .....	2.8	43.0	54.2	100.0	2.8	26.3	70.9	100.0
From one- to two-thirds .....	0.8	44.0	55.2	100.0	1.2	31.9	66.9	100.0
More than two-thirds .....	5.2	42.4	52.4	100.0	1.0	33.5	65.5	100.0
<b>Total industrial firms .....</b>	<b>2.8</b>	<b>43.1</b>	<b>54.1</b>	<b>100.0</b>	<b>2.2</b>	<b>28.6</b>	<b>69.2</b>	<b>100.0</b>
<b>Industrial firms</b>								
	Standard of service				Price level			
	Negative	Neutral	Positive	Total	Negative	Neutral	Positive	Total
<b>Geographical area</b>								
North-West .....	3.2	19.5	77.3	100.0	18.9	33.9	47.2	100.0
North-East .....	3.0	21.4	75.6	100.0	27.8	33.5	38.7	100.0
Centre .....	3.1	20.1	76.8	100.0	24.9	32.1	43.0	100.0
South & Islands .....	2.2	23.2	74.6	100.0	20.4	36.7	42.9	100.0
<b>Number of employees</b>								
20 – 49 .....	3.5	19.9	76.6	100.0	23.5	33.6	42.9	100.0
50 – 199 .....	1.3	23.8	74.9	100.0	23.9	35.3	40.8	100.0
200 – 499 .....	4.2	16.4	79.4	100.0	19.7	30.9	49.4	100.0
500 or more .....	1.2	21.5	77.3	100.0	18.6	26.7	54.7	100.0
<b>Branch of activity</b>								
Textiles, clothing, leather, shoes ..	2.6	22.5	74.9	100.0	27.9	36.7	35.4	100.0
Chemicals, rubber and plastic .....	1.8	16.0	82.2	100.0	23.6	31.9	44.5	100.0
Engineering .....	2.5	21.6	75.9	100.0	21.5	32.5	46.0	100.0
Other manufacturing .....	4.3	19.4	76.3	100.0	22.5	34.5	43.0	100.0
Energy, mining & quarrying.....	2.2	30.3	67.5	100.0	36.5	36.1	27.4	100.0
<b>Share of exports</b>								
Less than one-third .....	2.7	19.5	77.8	100.0	23.2	33.4	43.4	100.0
From one- to two-thirds .....	3.3	20.7	76.0	100.0	24.2	32.4	43.4	100.0
More than two-thirds .....	3.4	25.7	70.9	100.0	23.1	36.9	40.0	100.0
<b>Total industrial firms .....</b>	<b>3.0</b>	<b>20.8</b>	<b>76.2</b>	<b>100.0</b>	<b>23.4</b>	<b>33.8</b>	<b>42.8</b>	<b>100.0</b>

## Distribution of turnover from sales of business services, 2004

(per cent)

	Size of customer firm			
	Less than 50 employees	50 to 200 employees	Over 200 employees	Total
<b>Geographical area</b>				
North-West .....	45.5	20.4	34.1	100.0
North-East .....	68.6	17.4	14.0	100.0
Centre .....	46.1	23.1	30.8	100.0
South & Islands .....	48.7	18.8	32.5	100.0
<b>Number of employees</b>				
20 – 49 .....	61.2	22.3	16.5	100.0
50 – 199 .....	60.8	17.5	21.7	100.0
200 – 499 .....	29.8	14.7	55.5	100.0
500 or more .....	31.9	24.0	44.1	100.0
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants .....	74.4	16.1	9.5	100.0
Transport & communication.....	37.3	25.6	37.1	100.0
Other business & h.hold services.....	26.7	22.2	51.1	100.0
<b>Total service firms.....</b>	<b>52.5</b>	<b>20.1</b>	<b>27.4</b>	<b>100.0</b>

	Location of customer firm <sup>(1)</sup>				
	Same province	Other province in same region	Other region of Italy	Other country	Total
<b>Geographical area</b>					
North-West .....	24.4	20.9	46.1	8.6	100.0
North-East .....	32.8	17.2	44.3	5.7	100.0
Centre .....	32.9	18.2	37.0	11.9	100.0
South & Islands .....	40.5	22.2	25.9	11.4	100.0
<b>Number of employees</b>					
20 – 49 .....	34.1	19.6	37.8	8.5	100.0
50 – 199 .....	28.1	20.1	44.4	7.4	100.0
200 – 499 .....	22.1	9.6	50.0	18.3	100.0
500 or more .....	36.1	25.2	35.3	3.4	100.0
<b>Branch of activity</b>					
Trade, hotels, bars & restaurants .....	33.9	19.9	40.6	5.6	100.0
Transport & communication.....	21.2	12.9	45.1	20.8	100.0
Other business & h.hold services .....	32.5	23.1	39.7	4.7	100.0
<b>Total service firms.....</b>	<b>30.7</b>	<b>19.2</b>	<b>41.4</b>	<b>8.7</b>	<b>100.0</b>

(1) Head office.

## Trade credit and trade debt, 2004

(per cent, days)

	Trade credit		Trade debt	
	Per cent of turnover	Average duration	Per cent of turnover	Average duration
<b>Industrial firms</b>				
<b>Geographical area</b>				
North-West .....	24.5	91.3	19.1	90.4
North-East .....	29.4	97.1	21.1	90.5
Centre .....	20.3	82.6	14.5	83.9
South & Islands .....	29.5	96.7	19.8	91.5
<b>Number of employees</b>				
20 – 49 .....	28.9	95.9	19.4	84.1
50 – 199 .....	29.1	99.9	20.6	93.3
200 – 499 .....	24.4	93.0	15.0	85.4
500 or more .....	21.0	80.2	18.9	93.2
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes ..	30.9	102.8	20.6	91.6
Chemicals, rubber and plastic .....	18.2	79.9	13.4	76.0
Engineering .....	28.5	101.7	23.0	95.9
Other manufacturing .....	28.3	90.5	19.0	86.3
Energy, mining & quarrying .....	15.9	42.3	11.9	79.6
<b>Share of exports</b>				
Less than one-third .....	24.6	88.2	16.8	84.9
From one- to two-thirds .....	27.4	99.1	22.1	98.2
More than two-thirds .....	24.6	94.7	20.7	89.0
<b>Total industrial firms .....</b>	<b>25.3</b>	<b>92.1</b>	<b>18.7</b>	<b>89.7</b>
<b>Service firms</b>				
<b>Geographical area</b>				
North-West .....	22.3	90.7	14.8	79.6
North-East .....	18.1	80.8	17.4	68.2
Centre .....	23.1	80.3	18.0	82.1
South & Islands .....	20.1	84.1	18.5	73.5
<b>Number of employees</b>				
20 – 49 .....	22.6	94.0	20.3	80.3
50 – 199 .....	24.5	79.6	16.5	67.0
200 – 499 .....	19.2	82.8	16.8	81.8
500 or more .....	15.2	77.6	12.7	72.2
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants ..	18.1	87.3	17.0	72.0
Transport & communication .....	20.8	74.1	15.8	71.8
Other business & h.hold services ...	33.0	85.2	17.1	92.4
<b>Total service firms .....</b>	<b>20.8</b>	<b>84.7</b>	<b>16.8</b>	<b>75.2</b>
<b>Total .....</b>	<b>23.6</b>	<b>89.7</b>	<b>18.0</b>	<b>84.4</b>

Table L1

## Firms producing goods and services abroad

(per cent, € thousands, years)

	Per cent of firms operating abroad	Per cent of employees abroad		Per employee investment in Italy by relocated firms, 2004	Per employee turnover in Italy of relocated firms	Average number of years of operation abroad
		Total firms	Only firms operating abroad			
<b>Industrial firms with 50 or more employees</b>						
<b>Geographical area</b>						
North-West .....	14.7	29.6	93.0	13.4	412.2	9
North-East .....	17.3	20.2	71.5	8.7	244.5	8
Centre .....	7.8	13.1	40.1	49.1	505.9	7
South & Islands .....	4.9	4.7	46.3	6.6	254.7	4
<b>Number of employees</b>						
20 – 49 .....	–	–	–	–	–	–
50 – 199 .....	9.5	18.3	163.3	7.0	208.4	8
200 – 499 .....	29.4	19.1	63.5	8.8	481.4	7
500 or more .....	37.2	28.6	58.9	24.0	374.5	11
<b>Branch of activity</b>						
Textiles, clothing, leather, shoes ..	16.2	35.8	152.1	5.3	229.7	5
Chemicals, rubber and plastic .....	10.6	13.5	62.6	12.5	900.6	9
Engineering .....	17.2	28.0	84.2	9.9	285.2	9
Other manufacturing .....	7.1	13.9	64.6	11.4	297.0	8
Energy, mining & quarrying.....	3.9	5.9	11.4	61.9	544.3	6
<b>Share of exports</b>						
Less than one-third .....	8.8	14.0	63.1	34.7	519.1	7
From one- to two-thirds .....	19.0	30.6	77.1	9.9	325.8	10
More than two-thirds .....	17.4	28.5	100.3	7.4	204.8	7
<b>Total industrial firms</b> .....	<b>13.3</b>	<b>22.4</b>	<b>76.6</b>	<b>19.2</b>	<b>372.0</b>	<b>8</b>
<b>Service firms with 50 or more employees</b>						
<b>Geographical area</b>						
North-West .....	10.4	26.3	::	::	::	::
North-East .....	6.0	1.4	::	::	::	::
Centre .....	5.6	1.4	::	::	::	::
South & Islands .....	0.0	0.0	::	::	::	::
<b>Number of employees</b>						
20 – 49 .....	–	–	–	–	–	–
50 – 199 .....	5.3	23.3	::	::	::	::
200 – 499 .....	10.9	11.6	::	::	::	::
500 or more .....	14.4	0.7	::	::	::	::
<b>Branch of activity</b>						
Trade, hotels, bars & restaurants	2.9	3.3	::	::	::	::
Transport & communication.....	10.9	8.1	::	::	::	::
Other business & h.hold services...	8.2	22.3	::	::	::	::
<b>Total service firms</b> .....	<b>6.7</b>	<b>11.4</b>	<b>103.0</b>	<b>24.4</b>	<b>257.4</b>	<b>14</b>
<b>Total</b> .....	<b>10.6</b>	<b>17.1</b>	<b>83.6</b>	<b>20.2</b>	<b>349.4</b>	<b>9</b>

## Impact of internationalisation on the workforce in Italy

(per cent)

	Impact on employment in Italy			
	Negative	Negligible	Positive	Total
<b>Industrial firms with 50 or more employees</b>				
<b>Geographical area</b>				
North-West .....	24.1	57.6	18.3	100.0
North-East .....	7.0	68.5	24.5	100.0
Centre .....	14.9	67.2	17.9	100.0
South & Islands .....	14.8	43.8	41.4	100.0
<b>Number of employees</b>				
20 – 49 .....	–	–	–	–
50 – 199 .....	16.9	61.1	22.0	100.0
200 – 499 .....	11.6	64.6	23.8	100.0
500 or more .....	14.9	67.3	17.8	100.0
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes ..	40.0	44.7	15.3	100.0
Chemicals, rubber and plastic .....	7.6	53.6	38.8	100.0
Engineering .....	6.4	71.6	22.0	100.0
Other manufacturing .....	13.2	64.6	22.2	100.0
Energy, mining & quarrying .....	35.5	64.5	0.0	100.0
<b>Share of exports</b>				
Less than one-third .....	13.1	62.0	24.9	100.0
From one- to two-thirds .....	7.8	72.4	19.8	100.0
More than two-thirds .....	28.8	49.6	21.6	100.0
<b>Total industrial firms</b> .....	<b>15.2</b>	<b>62.9</b>	<b>21.9</b>	<b>100.0</b>
<b>Service firms with 50 or more employees</b>				
<b>Geographical area</b>				
North-West .....	::	::	::	100.0
North-East .....	::	::	::	100.0
Centre .....	::	::	::	100.0
South & Islands .....	::	::	::	100.0
<b>Number of employees</b>				
20 – 49 .....	–	–	–	–
50 – 199 .....	::	::	::	100.0
200 – 499 .....	::	::	::	100.0
500 or more .....	::	::	::	100.0
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants	::	::	::	100.0
Transport & communication .....	::	::	::	100.0
Other business & h.hold services ...	::	::	::	100.0
<b>Total service firms</b> .....	<b>0.0</b>	<b>41.3</b>	<b>58.7</b>	<b>100.0</b>
<b>Total</b> .....	<b>11.0</b>	<b>56.8</b>	<b>32.2</b>	<b>100.0</b>

## Forms of collaboration with foreign firms, 2004

(per cent)

	Firms collaborating with foreign companies	of which:		
		Commercial agreements	Production agreements	Research and development
<b>Industrial firms with 50 or more employees</b>				
<b>Geographical area</b>				
North-West .....	18.9	15.6	8.0	2.1
North-East .....	22.8	18.6	9.7	5.0
Centre .....	15.0	11.1	9.1	2.3
South & Islands .....	11.1	7.4	5.5	1.2
<b>Number of employees</b>				
20 – 49 .....	–	–	–	–
50 – 199 .....	17.2	13.7	7.8	2.5
200 – 499 .....	25.2	21.4	10.7	4.4
500 or more .....	28.8	22.3	15.4	7.9
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes ..	29.8	17.3	19.2	3.9
Chemicals, rubber and plastic .....	18.7	16.6	7.2	4.0
Engineering .....	19.4	17.0	8.6	4.0
Other manufacturing .....	12.0	10.4	2.8	0.7
Energy, mining & quarrying .....	5.6	5.6	1.8	0.0
<b>Share of exports</b>				
Less than one-third .....	13.1	10.3	5.5	1.8
From one- to two-thirds .....	26.6	22.1	11.7	3.7
More than two-thirds .....	22.7	17.5	11.8	5.1
<b>Total industrial firms</b> .....	<b>18.7</b>	<b>15.0</b>	<b>8.5</b>	<b>3.0</b>
<b>Service firms with 50 or more employees</b>				
<b>Geographical area</b>				
North-West .....	8.3	6.4	2.0	0.4
North-East .....	12.1	11.3	0.3	0.8
Centre .....	11.2	10.9	2.5	2.5
South & Islands .....	6.5	5.3	1.2	2.4
<b>Number of employees</b>				
20 – 49 .....	–	–	–	–
50 – 199 .....	9.3	8.1	1.7	1.2
200 – 499 .....	8.4	7.1	0.3	1.3
500 or more .....	13.5	12.6	3.3	2.6
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants	7.8	6.2	1.8	0.1
Transport & communication .....	14.4	13.9	0.5	0.4
Other business & h.hold services ...	8.2	7.0	2.0	3.0
<b>Total service firms</b> .....	<b>9.4</b>	<b>8.3</b>	<b>1.6</b>	<b>1.3</b>
<b>Total</b> .....	<b>15.0</b>	<b>12.3</b>	<b>5.7</b>	<b>2.3</b>

## Annual change in workforce, 2001-05

(per cent)

	2001	2002	2003	2004	2005 <sup>(1)</sup>
	<b>Industrial firms</b>				
<b>Geographical area</b>					
North-West .....	-1.2	-1.9	-1.8	-2.1	-0.3
North-East .....	1.2	-0.4	-1.0	-1.1	0.6
Centre .....	-0.5	-1.8	-1.8	-1.6	-1.5
South & Islands .....	1.9	0.4	-0.2	-0.6	0.1
<b>Number of employees</b>					
20 – 49 .....	0.8	0.2	-1.3	-1.3	-0.2
50 – 199 .....	0.8	-0.9	-1.2	-1.1	0.1
200 – 499 .....	0.0	-1.1	-1.0	-0.5	-0.5
500 or more .....	-1.8	-2.9	-2.1	-2.9	-0.3
<b>Branch of activity</b>					
Textiles, clothing, leather, shoes ..	0.6	-1.4	-3.2	-2.9	-2.0
Chemicals, rubber and plastic .....	0.7	-0.8	0.2	-0.4	0.4
Engineering .....	-0.5	-1.4	-1.7	-1.6	0.4
Other manufacturing .....	0.7	-0.1	-0.4	-0.9	0.3
Energy, mining & quarrying .....	-2.8	-5.0	-2.7	-3.4	-4.0
<b>Share of exports</b>					
Less than one-third .....	-0.4	-1.1	-1.6	-1.6	-0.4
From one- to two-thirds .....	-0.4	-1.7	-1.5	-1.7	0.2
More than two-thirds .....	1.5	-0.8	-0.8	-1.2	-0.2
<b>Total industrial firms</b> .....	<b>-0.1</b>	<b>-1.2</b>	<b>-1.4</b>	<b>-1.6</b>	<b>-0.2</b>
	<b>Service firms</b>				
<b>Geographical area</b>					
North-West .....	....	2.1	1.6	1.3	1.6
North-East .....	....	2.2	3.1	2.1	2.0
Centre .....	....	0.7	-0.4	1.1	1.0
South & Islands .....	....	3.3	1.2	3.4	0.3
<b>Number of employees</b>					
20 – 49 .....	....	0.3	0.1	1.3	1.4
50 – 199 .....	....	4.5	2.0	2.8	0.7
200 – 499 .....	....	1.6	2.2	1.7	1.9
500 or more .....	....	1.5	1.6	1.4	1.7
<b>Branch of activity</b>					
Trade, hotels, bars & restaurants ..	....	3.0	3.8	3.1	1.4
Transport & communication .....	....	0.5	-0.8	0.9	1.8
Other business & h.hold services ...	....	1.7	0.2	0.8	1.1
<b>Total service firms</b> .....	....	<b>1.9</b>	<b>1.4</b>	<b>1.7</b>	<b>1.4</b>
<b>Total</b> .....	....	<b>0.1</b>	<b>-0.3</b>	<b>-0.2</b>	<b>0.5</b>

(1) Forecast based on end-of-year workforce.

## Annual change in per capita hours worked, 2001-04

(per cent)

	2001	2002	2003	2004
	<b>Industrial firms</b>			
<b>Geographical area</b>				
North-West .....	-0.9	-0.9	-0.7	0.7
North-East .....	-1.4	-0.4	-0.7	0.8
Centre .....	-0.1	-1.6	-0.7	1.3
South & Islands .....	0.4	-0.4	-0.8	0.8
<b>Number of employees</b>				
20 – 49 .....	-0.1	-0.9	0.0	0.8
50 – 199 .....	-0.8	-0.6	-0.6	1.0
200 – 499 .....	-1.0	-1.2	-0.8	0.7
500 or more .....	-1.6	-0.8	-1.5	0.7
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes ..	-0.2	-1.6	-1.2	-0.8
Chemicals, rubber and plastic .....	-0.8	-0.3	0.2	-0.5
Engineering .....	-1.2	-1.0	-0.9	1.2
Other manufacturing .....	-0.6	-0.1	0.0	1.2
Energy, mining & quarrying .....	-0.5	-1.4	-3.2	2.7
<b>Share of exports</b>				
Less than one-third .....	-0.3	-0.5	-0.4	0.8
From one- to two-thirds .....	-1.3	-0.7	-1.3	1.0
More than two-thirds .....	-1.6	-1.8	-0.7	0.8
<b>Total industrial firms</b> .....	<b>-0.8</b>	<b>-0.8</b>	<b>-0.7</b>	<b>0.8</b>
	<b>Service firms</b>			
<b>Geographical area</b>				
North-West .....	....	-0.5	-1.5	-0.7
North-East .....	....	0.0	-1.3	-0.5
Centre .....	....	0.5	-0.3	1.1
South & Islands .....	....	1.3	-0.2	-0.7
<b>Number of employees</b>				
20 – 49 .....	....	0.4	-1.2	-0.3
50 – 199 .....	....	0.4	0.3	-1.5
200 – 499 .....	....	-0.5	0.0	1.1
500 or more .....	....	-0.1	-2.2	0.1
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants ..	....	-0.1	-1.1	-0.5
Transport & communication .....	....	0.7	-0.2	0.6
Other business & h.hold services ...	....	-0.1	-1.4	-0.6
<b>Total service firms</b> .....	....	<b>0.1</b>	<b>-1.0</b>	<b>-0.2</b>
<b>Total</b> .....	....	<b>-0.4</b>	<b>-0.8</b>	<b>0.4</b>



## Annual change in investments, 2001-05

(per cent at constant 2004 prices)<sup>(1)(2)</sup>

	2001	2002	2003	2004	2005 <sup>(3)</sup>
	<b>Industrial firms</b>				
<b>Geographical area</b>					
North-West .....	-2.7	-5.1	-13.7	-3.2	1.9
North-East .....	-2.1	4.4	-18.7	1.4	-2.8
Centre .....	1.3	7.6	-21.7	-5.0	3.1
South & Islands .....	-1.1	-5.2	-11.6	-0.6	-8.9
<b>Number of employees</b>					
20 – 49 .....	-1.4	3.8	-18.8	-0.9	-12.5
50 – 199 .....	-5.2	-1.1	-14.3	-7.8	-7.5
200 – 499 .....	2.0	-0.4	-11.1	1.9	-3.7
500 or more .....	-0.5	-1.1	-18.9	-1.5	9.9
<b>Branch of activity</b>					
Textiles, clothing, leather, shoes ..	-2.6	-3.1	-25.0	-12.4	-18.3
Chemicals, rubber and plastic .....	-0.9	-2.3	-12.7	-3.8	-9.3
Engineering .....	-5.7	-5.3	-15.6	1.1	3.0
Other manufacturing .....	-1.9	-3.5	-18.2	1.5	-5.7
Energy, mining & quarrying .....	7.4	12.4	-16.4	-6.4	11.4
<b>Share of exports</b>					
Less than one-third .....	-1.7	3.8	-16.8	-2.0	0.6
From one- to two-thirds .....	0.3	-9.3	-15.7	-3.7	4.0
More than two-thirds .....	-5.0	-2.0	-17.4	-1.9	-7.9
<b>Total industrial firms</b> .....	<b>-1.6</b>	<b>0.0</b>	<b>-16.6</b>	<b>-2.4</b>	<b>0.2</b>
	<b>Service firms</b>				
<b>Geographical area</b>					
North-West .....	....	7.6	27.3	-8.2	-2.8
North-East .....	....	-3.7	-9.0	-2.6	-3.1
Centre .....	....	5.1	-8.5	-1.4	-3.0
South & Islands .....	....	2.7	-4.8	-0.8	-10.9
<b>Number of employees</b>					
20 – 49 .....	....	-0.2	-8.8	-5.8	-16.1
50 – 199 .....	....	-4.6	-9.0	-5.9	-9.2
200 – 499 .....	....	3.8	-6.4	-5.5	-2.5
500 or more .....	....	12.4	24.0	-3.9	1.1
<b>Branch of activity</b>					
Trade, hotels, bars & restaurants ..	....	-0.7	-11.0	-6.5	-9.0
Transport & communication .....	....	10.4	32.2	-4.8	-0.2
Other business & h.hold services ...	....	-2.9	-10.6	-2.6	-5.2
<b>Total service firms</b> .....	....	<b>3.8</b>	<b>4.2</b>	<b>-4.9</b>	<b>-3.6</b>
<b>Total</b> .....	....	<b>1.5</b>	<b>-7.1</b>	<b>-3.6</b>	<b>-1.6</b>

(1) Robust means (Winsorised) obtained by adjusting extreme values (with positive or negative sign) of the distribution of annual changes in investments according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised type II estimator). – (2) The deflator is calculated as the average, at Ateco 2002 sub-section level, of the price indices for their investment spending estimated by the firms interviewed. – (3) Forecast.

## Investment realisation rate, 2001-04

(per cent)<sup>(1) (2)</sup>

	2001	2002	2003	2004
	<b>Industrial firms</b>			
<b>Geographical area</b>				
North-West .....	93.2	101.0	95.5	96.1
North-East .....	95.9	103.7	93.7	98.9
Centre .....	92.0	113.6	88.7	90.4
South & Islands .....	94.6	104.0	89.6	100.1
<b>Number of employees</b>				
20 – 49 .....	-	106.8	100.7	109.3
50 – 199 .....	93.1	100.1	95.2	98.0
200 – 499 .....	96.3	101.3	97.1	101.6
500 or more .....	93.1	108.0	87.0	89.3
<b>Branch of activity</b>				
Textiles, clothing, leather, shoes ..	90.8	102.9	96.2	96.7
Chemicals, rubber and plastic .....	95.3	101.4	94.8	97.8
Engineering .....	98.0	99.8	92.3	98.4
Other manufacturing .....	90.7	104.9	94.7	103.3
Energy, mining & quarrying .....	90.7	112.9	90.6	86.5
<b>Share of exports</b>				
Less than one-third .....	91.7	107.1	93.9	94.9
From one- to two-thirds .....	97.1	97.5	89.1	95.9
More than two-thirds .....	96.7	106.1	95.0	100.2
<b>Total industrial firms.....</b>	<b>93.7</b>	<b>104.9</b>	<b>92.9</b>	<b>95.8</b>
	<b>Service firms</b>			
<b>Geographical area</b>				
North-West .....	....	....	144.0	101.4
North-East .....	....	....	104.2	96.0
Centre .....	....	....	116.2	101.5
South & Islands .....	....	....	100.8	104.5
<b>Number of employees</b>				
20 – 49 .....	....	....	107.5	113.1
50 – 199 .....	....	....	101.4	103.1
200 – 499 .....	....	....	113.5	92.0
500 or more .....	....	....	142.7	98.0
<b>Branch of activity</b>				
Trade, hotels, bars & restaurants ..	....	....	95.0	95.8
Transport & communication .....	....	....	154.6	101.7
Other business & h.hold services ...	....	....	106.4	101.7
<b>Total service firms.....</b>	....	....	<b>120.4</b>	<b>100.2</b>
<b>Total .....</b>	....	....	<b>105.1</b>	<b>97.9</b>

(1) Robust means (Winsorised) obtained by adjusting extreme values (with positive or negative sign) of the distribution of annual changes in investments according to the 5th and 95th percentile. The method takes account of the sampling fractions in each stratum of the sample (Winsorised type II estimator). – (2) Ratio between investments effectively made and investments planned at the end of the previous year.

## Annual change in turnover, 2001-05

(per cent at constant 2004 prices)<sup>(1)</sup>

	2001	2002	2003	2004	2005 <sup>(2)</sup>
	<b>Industrial firms</b>				
<b>Geographical area</b>					
North-West .....	0.0	-1.1	-0.9	2.1	1.5
North-East .....	5.0	2.1	0.2	2.4	3.0
Centre .....	0.2	0.4	0.0	5.3	1.3
South & Islands .....	0.3	1.2	1.2	0.9	2.4
<b>Number of employees</b>					
20 – 49 .....	2.8	0.3	-0.1	0.1	1.9
50 – 199 .....	3.9	-0.8	-1.9	1.0	2.1
200 – 499 .....	2.7	2.4	0.5	3.8	1.3
500 or more .....	-1.6	-0.2	0.2	4.8	1.9
<b>Branch of activity</b>					
Textiles, clothing, leather, shoes ..	1.9	-3.8	-4.3	-0.8	0.6
Chemicals, rubber and plastic .....	-3.6	-1.0	-3.5	2.1	0.4
Engineering .....	1.4	0.4	0.0	1.9	3.2
Other manufacturing .....	2.6	1.2	1.0	1.5	3.1
Energy, mining & quarrying .....	13.4	2.6	4.5	11.2	-0.8
<b>Share of exports</b>					
Less than one-third .....	1.3	0.6	0.3	2.5	1.3
From one- to two-thirds .....	0.1	-0.6	-1.5	3.9	2.5
More than two-thirds .....	3.9	-0.2	-0.4	1.6	2.6
<b>Total industrial firms</b> .....	<b>1.4</b>	<b>0.1</b>	<b>-0.3</b>	<b>2.7</b>	<b>1.8</b>
	<b>Service firms</b>				
<b>Geographical area</b>					
North-West .....	....	1.6	-0.2	3.0	2.2
North-East .....	....	3.6	-3.5	2.6	3.5
Centre .....	....	-2.4	-0.9	3.4	4.9
South & Islands .....	....	2.0	3.3	6.5	3.1
<b>Number of employees</b>					
20 – 49 .....	....	-1.6	-7.2	2.7	2.2
50 – 199 .....	....	5.4	2.5	5.2	3.2
200 – 499 .....	....	3.7	4.9	5.7	0.8
500 or more .....	....	1.1	1.5	1.0	5.5
<b>Branch of activity</b>					
Trade, hotels, bars & restaurants ..	....	1.6	-0.2	2.8	3.4
Transport & communication .....	....	-0.8	-3.1	3.9	3.6
Other business & h.hold services ...	....	4.4	-1.1	4.4	2.2
<b>Total service firms</b> .....	....	<b>1.5</b>	<b>-1.0</b>	<b>3.3</b>	<b>3.3</b>
<b>Total</b> .....	....	<b>0.7</b>	<b>-0.6</b>	<b>2.9</b>	<b>2.4</b>

(1) The deflator is calculated as the mean, at Ateco 2002 sub-section level, of the price indices for their investment spending estimated by the firms interviewed. – (2) Forecast.

## Capacity utilisation rate, 2000-05

(per cent)

	2000	2001	2002	2003	2004	2005 <sup>(1)</sup>
	<b>Industrial firms with 50 or more employees</b>					
<b>Geographical area</b>						
North-West .....	83.5	81.3	80.8	78.5	79.5	80.3
North-East .....	84.6	83.3	82.2	81.3	81.4	83.1
Centre .....	77.4	80.2	77.7	80.1	69.9	77.9
South & Islands .....	79.7	80.1	80.2	81.9	80.1	81.7
<b>Number of employees</b>						
20 – 49 .....	–	–	–	–	–	–
50 – 199 .....	82.0	82.0	81.1	79.1	78.8	80.6
200 – 499 .....	87.4	84.0	82.5	79.4	82.5	83.5
500 or more .....	81.1	80.2	79.3	80.0	75.3	78.8
<b>Branch of activity</b>						
Textiles, clothing, leather, shoes ...	85.7	85.0	82.4	79.7	79.7	80.3
Chemicals, rubber and plastic .....	84.3	84.9	82.4	78.7	81.4	82.1
Engineering .....	82.9	81.7	80.6	79.9	79.5	80.7
Other manufacturing .....	82.0	81.1	81.1	80.1	80.1	81.8
Energy, mining & quarrying.....	74.6	68.9	75.1	79.5	64.6	75.2
<b>Share of exports</b>						
Less than one-third .....	81.4	80.7	80.2	77.3	76.9	80.0
From one- to two-thirds .....	84.3	82.1	79.9	82.9	80.1	81.5
More than two-thirds .....	84.6	83.5	82.8	81.1	80.0	80.9
<b>Total industrial firms .....</b>	<b>82.5</b>	<b>81.5</b>	<b>80.5</b>	<b>79.6</b>	<b>78.2</b>	<b>80.6</b>

(1) Forecast.

**Appendix C:**  
**Questionnaires**



## Survey of industrial firms – 2004

**Confidentiality notice (L. D. 196/2003)** – The purpose of this survey is to collect information on the main economic and financial variables in the industrial sector. Your co-operation is important but not compulsory and any refusal to take part will bear no consequences. The information provided will only be used for research purposes and will not be published outside the Bank except in aggregate form. The firms taking part will be sent an extract of the main results of the survey. The data will be processed entirely inside the Bank and systems will be put in place to ensure their safety and confidentiality. Access to individual data is restricted to the people in charge of handling them and the staff engaged in processing and analysis. Firms enjoy the rights granted under the terms of Article 7 of the Decree, including the right to correct and integrate information concerning them. In charge of data handling: Head of the Economic Research Department of the Bank of Italy, Via Nazionale 91, 00184 ROME. Responsible for data handling: Bank of Italy (Organisation Department), Via Nazionale 91, 00184 ROME.

### PART A – General information

**Bank of Italy codes:**  
 (to be entered by branch)

Branch code .....     Company code .....

Reg. office .....     Type (sub-group)<sup>(1)</sup> .....

Town .....     Istat town code .....

Name of company .....

Legal status .....  SRL  SPA  SAPA  SCRL  SCRI  SAS  SNC  Other

Branch of activity- Istat ..... Ateco91<sup>(2)</sup>     Ateco2002<sup>(3)</sup>

Year established .....

Is the company listed?..... yes  no  Total no. of shareholders in company

(1) See Central Credit Register, *Nuova classificazione della clientela bancaria*, 1991. - (2) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 1991. - (3) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 2002.

#### Does the company belong to a group?

yes  no

If the company belongs to a group (a 'group' being several companies directly or indirectly controlled – through one or more chains of control – by the same physical person(s) or by the same public entity):

#### Is the company the parent company?

no   name of parent company

yes

#### Name of the group

#### Nationality of the group

Italian  EU on 31-12-03  New EU member  Rest of world

Share of company held by **leading shareholder** (owner of largest shareholding)    %

Total holding of **first three shareholders** (owners of 3 largest shareholdings)    %

Are there voting agreements between the shareholders or agreements on the sale of holdings?  
 no  yes

#### Information on the party exercising direct control over the company<sup>(1)</sup>:

Type<sup>(2)</sup>: .....

Nationality:..... Italian  Foreign

Ownership:..... Public  Private

(1) For the definition, see instructions. - (2) 1=physical person; 2=holding or sub-holding company, group financial company; 3=bank; 4= independent (non-group) financial company, insurance company; 5= non-financial company.

How many years has the **present CEO**<sup>(1)</sup> (or sole director) held his/her post?

How many years has he/she worked for the company? .....

(1) If there is more than one CEO, please indicate the one with most influence in the Board of Directors or the most senior.

Do the bye-laws place conditions on the transfer of holdings (e.g. directors' acceptance, pre-emptive rights, etc.)? no  yes

Did a **transfer of direct control** of the company (or the majority of it) take place in 2004  
 yes  no

#### If yes

Did the transfer take place:  
 - within the same group? no  yes   
 - between relatives? no  yes

#### What changes took place in 2004?

Split  
 no  yes   Name of company splitting

Incorporation  
 no  yes   Name of incorporated co.

Merger  
 no  yes   Name of merged company

New spin-off  
 no  yes   Name of original company

Capital contribution  
 no  yes

Transfer of assets  
 no  yes

Please tick box if you are unable to provide homogenous data for 2003 and 2004 .....

**PART B – Workforce, wages and salaries and non-standard contracts**

<i>(amounts in numbers)</i>		Total workforce	Total workers and apprentices	Total fixed-term contracts	Total non-EU workers
<u>2003</u>	<b>Average</b> workforce .....				
	Workforce at <b>end of year</b> .....				
	Hirings .....				
	Separations .....				
<u>2004</u>	<b>Average</b> workforce .....				
	Workforce at <b>end of year</b> .....				
	Hirings .....				
	Separations .....				
<u>2005</u>	Workforce at <b>end of year</b> (projection)				

**Total** actual hours worked by payroll employees .....

- of which: **per cent** overtime .....

**Total** hours paid by Wage Equalisation Fund .....

Number of temporary work assignments .....

Total hours of temporary work .....

2003	2004
.     %	.     %

**Wages and salaries** in 2004

Total gross annual wages per capita (€)<sup>(1)</sup>

Minimum national contract wage<sup>(2)</sup> .....

*(approximate per cent of total)*

Workers & apprentices	Clerks & managers	General average
%	%	%

(1) Includes social security and tax withheld on behalf of employees; does not include company payments on behalf of INPS and other social security institutes. - (2) The part covered by national contract includes minimum rates of pay, cost of living allowance, 13th month's pay and other additional months' pay, meal allowance, overtime, and shift allowance.

**At the end of 2003** did the company have employees on **collaboration contracts** ("collaborazione coordinata e continuativa")<sup>(1)</sup>? ..... yes  no

**If you answered yes:**

Please indicate the **number of such contracts at the end of 2003** (units) .....

**At the end of 2004, how did these contracts change** as a consequence of recent labour reforms (Legislative Decree 276/2003, the Biagi law)? (units)

- no change: still collaboration contracts. ....
- converted into 'project' contracts.....
- converted into fixed-term work contracts .....
- converted into payroll employment.....
- converted into consultancy contracts<sup>(2)</sup>.....
- terminated (the person no longer works for the company in any capacity).....

(1) For the definition, see instructions. - (2) The person previously hired on a collaboration contract became self-employed (with VAT number) and continued to work for the company.

Did the company use **freelance collaborators** in 2004?<sup>(1)</sup> ..... yes  no

**If yes:**

What was the cost to the company **in 2004** of freelance collaborators as a percentage of the total cost of payroll staff? .....

Following the recent changes in the law, there has been a significant increase in the number and type of employment contracts available to companies.

**In 2005** what changes do you expect will occur within your company in the number of the following types of personnel? (1 = large decrease; 2 = small decrease; 3 = no change; 4 = small increase; 5 = large increase; 8 = type of contract not used)

- freelance collaborators .....  - payroll staff on temporary contract .....
- unskilled workers<sup>(2)</sup> .....  - youth employment contracts<sup>(3)</sup> .....

(1) The item includes: collaboration contracts, occasional freelance contracts (with VAT) and project contracts. - (2) The item includes: workers, apprentices and equivalent positions. - (3) Includes apprentices, former "work and training" contracts and new types of job insertion contracts.





**PART D – Capacity utilisation**

	2004/2003	2005/2004 (proj.)				
Percentage change in technical capacity ..... <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> % <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> % (Technical capacity is the maximum output obtainable with plant operating at full rhythm, without altering the organisation of work shifts)						
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">2004</th> <th style="width: 50%; text-align: center;">2005 (proj.)</th> </tr> </thead> <tbody> <tr> <td>Capacity utilisation ..... <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %</td> <td><input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %</td> </tr> </tbody> </table>			2004	2005 (proj.)	Capacity utilisation ..... <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %
2004	2005 (proj.)					
Capacity utilisation ..... <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %					
Capacity utilisation ..... <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> % (actual output as a percentage of maximum obtainable output)						

**PART E – Turnover and operating result**

**Turnover (€ thousand)**

	2003	2004	2005 (proj.)	2005/2004 (proj.)
Turnover from sales of goods and services .....				<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %
- of which: exports .....				<b>(a)</b> calculate as: (turnover 2005/2004-1)*100

	2004/2003	2005/2004 (proj.)
Average annual percentage change in prices of invoiced goods and services .....	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %
<b>(b)</b>		
Your estimate of turnover, adjusted for changes in prices, <b>in terms of percentage changes 2005/2004</b> amounts to roughly (sign and percentage change)	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %	(calculate as (a) - (b))

Can you now indicate a **range around this figure**, i.e. an estimate of minimum and maximum turnover adjusted for changes in prices? (sign and percentage change)

Minimum (sign & % change) <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %	Maximum (sign & % change) <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> %
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Please describe the company's **operating result** for 2004?.....

<input type="checkbox"/> large profit	<input type="checkbox"/> small profit
<input type="checkbox"/> broad balance	<input type="checkbox"/> small loss
	<input type="checkbox"/> large loss

**PART F – Information and communication technologies (situation in 2004)**

What proportion of the company's turnover does **electronic invoicing** represent?<sup>(1)</sup> .....     %

Does the company buy or sell goods and services online?..... yes  no

In the case of goods and services bought/sold **online**, what proportion of payments was made/collected **online**?<sup>(2)</sup> .....     %

**If this proportion is greater than zero**

What methods of payment were used? .....

<input type="checkbox"/> bank debit <sup>(3)</sup>	<input type="checkbox"/> bank transfer	<input type="checkbox"/> credit/debit card
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What proportion of all instructions to banks to **make/collect payments** did the company make **online**?.....     %

**If this proportion is greater than zero**

Did the company use Interbank Corporate Banking (CBI)?<sup>(4)</sup> ..... no  yes

For definitions (1), (2), (3) and (4) see the instructions.

## PART G – Electricity supply

What is your opinion of the quality of the **electricity supply** to your company (as regards blackouts, speed of repair, faults, etc.) compared with 3 years ago?

much worse     
  worse     
  unchanged     
  better     
  much better

How many electricity suppliers contacted your company (or the group to which it belongs) in 2004 to propose supply contracts (formal or informal)? .....

Did your company (or the group to which it belongs) buy, **at the end of 2004**, electricity from **suppliers other** than the former monopoly-holder (ENEL, local distributor, etc.)?..... yes  no

**If you answered yes:**

as a percentage, what is the difference between your actual monthly charges in 2004 and the amount of the charges if your electricity supplier had still been the former monopoly-holder?

unchanged		lower (enter amount)		higher (enter amount)	
yes <input type="text"/>	no <input type="text"/>	-	<input type="text"/>	+	<input type="text"/>
			%		%

## PART H – Services purchased from other businesses

Total expenditure on **purchases of services**<sup>(1)</sup> from other businesses in 2004 .....

(€ thousand)

Did any of the following characteristics of the market for services provided by other companies have an effect (positive or negative) on your business? (1=very bad; 2=bad; 3=no effect; 4=good; 5=very good; 8=not applicable; 9=don't know, do not wish to answer)

- ease of access to suppliers.....  - range of services offered.....   
 - quality of service .....  - prices .....   
 - other ...  (please specify)

(1) The item includes expenditure on computer services; research and development; business and management consulting; advertising; accounting and legal services; other business services (personnel search, security, cleaning, etc.). Includes fees of experts or firms of professionals.

## PART I - Financing

Please indicate whether, overall, at current terms and conditions (interest rates and guarantees), the company would like to **borrow more** from banks or other lenders ..... yes  no

**If you answered yes to the above question, please indicate:**

- whether the company would be willing, at present, to pay a higher rate of interest or even to accept slightly stricter terms and conditions (e.g. increased guarantees) in order to borrow a larger total amount ..... no  yes
- in your opinion, why has the company not been able so far to borrow as much as it would like: (tick **one** box only)
  - no banks or other lenders have been contacted for that purpose because it is assumed they will refuse any request for additional financing.....
  - no banks or other lenders have been contacted yet for other reasons.....
  - the banks and lenders who have been contacted were not willing to raise the amount of lending to the company .....

Please enter the amounts for the following **sources of funds (€ thousand)**

	2003	2004	2005 (proj.)
Capital increase <sup>(1)</sup> .....			
of which: private equity <sup>(1) (2)</sup> .....			
Bonds and other medium/long term securities <sup>(3)</sup> .....			
Other <sup>(3)</sup> .....			
Change in bank borrowing <sup>(4)</sup> .....	<input type="text"/>	<input type="text"/>	<input type="text"/>
(+/-) (€ thousand)			
Cash-flow <sup>(5)</sup> (+/-) (€ thousand).....	<input type="text"/>	<input type="text"/>	<input type="text"/>

(1) Write '0' if this source was not used or if **overall** the company made capital redemptions. - (2) Funds that can acquire minority shareholdings in unlisted companies and generally play an active role in their management. - (3) Write '0' if this source was not used or if **overall** the company made redemptions of these securities. - (4) Change between start and end of year. Write '0' if this source was not used or if no change was recorded. Write '-' (minus) in the event of a negative variation. - (5) Write '0' if this source was not used. Write '-' (minus) if cash-flow was negative.

**PART J – Trade credit and trade debt**

**Trade credit** (Please indicate the **average for 2004**)

Amount of trade credit<sup>(1)</sup> (€ thousand) .....  **Average** contract duration in days .....

Composition of trade credit by type of contract /effective terms of payment:

net terms<sup>(2)</sup>    % paid by deadline    %  
 two-part terms<sup>(3)</sup>    % paid over deadline    % ← average delay in   
**Total** ..... **1 0 0** % **Total** ..... **1 0 0** % days

**Trade debt** (Please indicate the **average for the year**)

Amount of trade debt<sup>(4)</sup> (€ thousand) .....  
 Average actual duration in days .....

2003	2004
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

(1) Average yearly amounts outstanding. Includes any provision for diminution in value of trade credit. - (2) The purchaser was given an extension of payment at no additional cost and was not offered any discount for early payment (for example, 10 days after delivery instead of 40). - (3) Extension of payment entailed a cost to the purchaser in the sense of forgoing a discount, a credit, a complementary offer and/or of having to pay a higher price or a rate of interest. - (4) Average yearly amount outstanding.

**PART K - Internationalisation**

Did the company produce goods or services abroad in 2003-2004, or even just contemplate locating part of its production abroad? (through ownership/control of foreign companies, direct ownership of local units, trade agreements, technical and production agreements, R&D) ..... yes  no

**If you answered yes:**

Did you encounter obstacles in formulating your internationalisation policies?..... yes  no

**If yes:** Were any of the following factors a hindrance? (enter '2' or '3' for no more than two answers)

(0=no effect; 1=a little; 2=a fair amount; 3=a lot)

- lack of knowledge of institutions/laws and regulations in the target countries .....
- organisational problems .....
- difficulty obtaining local finance .....  - excessively high entry costs .....
- inadequate support from Italian institutions .....
- other (please specify) ←

Was the company producing goods and service **abroad** at the end of 2004 through owned or controlled companies or local units without separate legal status? yes  no

**If you answered yes:**

Were activities abroad at the end of 2004 **mainly** of an industrial nature?<sup>(1)</sup> ..... no  yes

Please give details of personnel, investments and turnover (€ thousand) of owned or controlled companies or local units

	Average workforce		Gross fixed investment		Turnover	
	2003	2004	2003	2004	2003	2004
<b>Total</b> .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Main location <sup>(2)</sup> .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

When did your company begin producing goods and services abroad ? (Enter year)

Please describe the impact, over time, on the size of the company's workforce in Italy.

very negative  negative  negligible  positive  very positive

Did your company engage in **other major forms of collaboration** with foreign companies at the end of 2004?

Type of collaboration	Location of main counterpart	First year of collaboration
- trade agreement ..... <input type="checkbox"/> NO <input type="checkbox"/> YES ←	Area <sup>(2)</sup> <input type="text"/>	<input type="text"/>
- technical-production agreement ..... <input type="checkbox"/> NO <input type="checkbox"/> YES ←	Area <sup>(2)</sup> <input type="text"/>	<input type="text"/>
- joint R&D ..... <input type="checkbox"/> NO <input type="checkbox"/> YES ←	Area <sup>(2)</sup> <input type="text"/>	<input type="text"/>

(1) Non-industrial activities include trading, services, research, and design and similar activities. - (2) 1=Euro-area countries (excluding Italy); 2=United Kingdom, Denmark, Sweden; 3=New EU countries; 4=China; 5=United States; 6=Rest of the world.

How do you rate the effort involved in completing the questionnaire  modest  average  large  excessive

Other comments: \_\_\_\_\_

## Survey of industrial firms – 2004

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### PART A – General information

**Bank of Italy codes:** Branch code .....    Company code .....     
 (to be entered by branch) Reg. office ..... Type (sub-group)<sup>(1)</sup> .....     
 Town ..... Istat town code .....

Name of company .....   
 Legal status .....  SRL  SPA  SAPA  SCRL  SCRI  SAS  SNC  Other  
 Branch of activity- Istat ..... Ateco91<sup>(2)</sup>    Ateco2002<sup>(3)</sup>     
 Year established .....

**Is the company part of a group?** ..... yes  no   
 If the company belongs to a group (a 'group' being several companies directly or indirectly controlled – through one or more chains of control – by the same physical person(s) or by the same public entity):  
**Is it the parent company?** ..... yes  no  name of parent company   
**Name of the group** .....   
**Nationality of the group** .....  Italian  EU on 31-12-03  New EU member  Rest of the world

How many years has the **present CEO** <sup>(4)</sup> (or sole director) held his/her post? .....   
 How many years has he/she worked for the company? .....   
**Was the company involved in extraordinary operations in 2004?** ..... yes  no   
**If yes:** Please tick the box **if you are unable to provide homogenous data** for 2003 and 2004 .....

(1) See Central Credit Register, *Nuova classificazione della clientela bancaria*, 1991. - (2) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 1991. - (3) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 2002. (4) If there is more than one CEO, please indicate the one with most influence in the Board of Directors or the most senior.

### PART B – Workforce, wages and salaries and non-standard contracts

(amounts in numbers)

	Total workforce	Total workers and apprentices	Total fixed-term contracts	Total non-EU workers
<b>2003</b> Average workforce .....				
Workforce at <b>end of year</b> .....				
Hirings .....				
Separations .....				
<b>2004</b> Average workforce .....				
Workforce at <b>end of year</b> .....				
Hirings .....				
Separations .....				
<b>2005</b> Workforce at <b>end of year</b> (projection)				

	2003	2004
<b>Total</b> actual hours worked by payroll employees .....		
- of which: <b>per cent</b> overtime .....	<input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> %

#### Wages and salaries in 2004

	Workers & apprentices	Clerks & managers	General average
Total gross annual wages per capita (€) <sup>(1)</sup>			
Minimum national contract wage <sup>(2)</sup> ..... (approximate per cent of total)	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %

(1) Includes social security and tax withheld on behalf of employees; does not include company payments on behalf of INPS and other social security institutes. - (2) The part covered by national contract includes minimum rates of pay, cost of living allowance, 13th month's pay and other additional months' pay, meal allowance, overtime, and shift allowance.

At the end of 2003 did the company have employees on **collaboration contracts** ("collaborazione coordinata e continuativa") <sup>(1)</sup>? ..... yes  no

**If you answered yes:**

Please indicate the **number of such contracts at the end of 2003?** (units) .....

**At the end of 2004, how did these contracts change** as a consequence of recent labour reforms (Legislative Decree 276/2003, the Biagi law)? (units)

- no change: still collaboration contracts. ....
- converted into 'project' contracts.....
- converted into fixed-term work contracts .....
- converted into payroll employment.....
- converted into consultancy contracts<sup>(2)</sup>.....
- terminated (the person no longer works for the company in any capacity).....

(1) ) For the definition, see instructions. - (2) The person previously hired on a collaboration contract became self-employed (with VAT number) and continued to work for the company.

**PART C - Gross fixed investment in Italy (enter amounts in € thousand; enter 0 for no investments)**

	2003	2004	2005 projection
<b>Total expenditure on tangible goods<sup>(1)</sup></b> .....			
- of which: property .....			
- of which: tangible goods <b>used</b> .....			
<b>Total expenditure on software, databases and mineral exploration<sup>(2)</sup></b> .....			

(1) Tangible goods include property, plant, machinery and equipment and means of transport. - (2) Includes expenditure on original copyright on entertainment and works of literature or art.

**PART D - Turnover and operating result**

**Turnover (€ thousand)**

	2003	2004	2005 (proj.)
Turnover from sales of goods and services .....			
- of which: exports .....			

	2004/2003	2005/2004 (proj.)
Average annual percentage change in prices of invoiced goods and services .....		

Please describe the **operating result** for 2004? .....

- large profit       small profit  
 broad balance       small loss       large loss

**PART E - Trade credit and trade debt**

**Trade credit (Please indicate the average for 2004)**

Amount of trade credit<sup>(1)</sup> (€ thousand) ..... Average contract duration in days .....

Composition of trade credit by type of contract /effective terms of payment:

net terms <sup>(2)</sup> .....	%	paid by deadline .....	%	
two-part terms <sup>(3)</sup> .....	%	paid over deadline .....	%	average delay in .....
<b>Total</b> .....	<b>1 0 0</b> %	<b>Total</b> .....	<b>1 0 0</b> %	days

**Trade debt (Please indicate the average for the year)**

	2003	2004
Amount of trade debt <sup>(4)</sup> (€ thousand).....		
<b>Average actual</b> duration in days .....		

(1) Average yearly amounts outstanding. Includes any provision for diminution in value of trade credit. - (2) The purchaser was given an extension of payment at no additional cost and was not offered any discount for early payment (for example, 10 days after delivery instead of 40). - (3) Extension of payment entailed a cost to the purchaser in the sense of forgoing a discount, a credit, a complementary offer and/or of having to pay a higher price or a rate of interest. - (4) Average yearly amount outstanding.

**PART F - Financing**

Please indicate whether, overall, at current terms and conditions (interest rates and guarantees), the company would like to **borrow more** from banks or other lenders ..... yes  no

**If you answered yes to the above question, please indicate:**

- whether the company would be willing, at present, to pay a higher rate of interest or even to accept slightly stricter terms and conditions (e.g. increased guarantees) in order to borrow a larger total amount ..... no  yes
- in your opinion, why has the company not been able so far to borrow as much as it would like: (tick **one** box only)
  - no banks or other lenders have been contacted for that purpose because it is assumed they will refuse any request for additional financing.....
  - no banks or other lenders have been contacted yet for other reasons.....
  - the banks and lenders who have been contacted were not willing to raise the amount of lending to the company .....

**PART G - Information and communication technologies (situation in 2004)**

What proportion of the company's turnover does **electronic invoicing** represent?<sup>(1)</sup> .....    %

Does the company buy or sell goods online? ..... yes  no

In the case of goods and services bought/sold **online**, what proportion of payments was made/collected **online**?<sup>(2)</sup> .....    %

**If this proportion is greater than zero**

What methods of payment were used? .....  bank debit<sup>(3)</sup>  bank transfer  credit/debt card

What proportion of all instructions to banks to **make/collect payments** did the company make **online**? .....    %

**If this proportion is greater than zero**

Did the company use Interbank Corporate Banking (CBI)?<sup>(4)</sup> ..... no  yes

For definitions (1), (2), (3) and (4) see the instructions.

**PART H - Electricity supply**

What is your opinion of the quality of the electricity supply to your company (as regards blackouts, speed of repair, faults, etc.) compared with 3 years ago?  much worse  worse  unchanged  better  much better

How many electricity suppliers contacted your company (or the group to which it belongs) in 2004 to propose supply contracts (formal or informal)? .....

Did your company (or the group to which it belongs) buy, **at the end of 2004**, electricity from **suppliers other** than the former monopoly-holder (ENEL, local distributor, etc.)? ..... yes  no

**If you answered yes:**

as a percentage, what is the difference between your actual monthly charges in 2004 and the amount of the charges if your electricity supplier had still been the former monopoly-holder?

unchanged		lower (enter amount)		higher (enter amount)	
yes <input type="checkbox"/>	no <input type="checkbox"/>	-	<input type="text"/> <input type="text"/> <input type="text"/> %	+	<input type="text"/> <input type="text"/> <input type="text"/> %

**PART I - Services purchased from other businesses**

Total expenditure on **purchases of services**<sup>(1)</sup> from other businesses in 2004 .....   
(€ thousand)

Did any of the following characteristics of the market for services provided by other companies have an effect (positive or negative) on your business? (1=very bad; 2=bad; 3=no effect; 4=good; 5=very good; 8=not applicable; 9=don't know, do not wish to answer)

- ease of access to suppliers.....  - range of services offered.....
- quality of service .....  - prices .....
- other ...  (please specify) ➡ \_\_\_\_\_

(1) The item includes expenditure on computer services; research and development; business and management consulting; advertising; accounting and legal services; other business services (personnel search, security, cleaning, etc.). Includes fees of experts or firms of professionals.

How do you rate the effort involved in completing the questionnaire? .....  modest  average  large  excessive

Other comments: \_\_\_\_\_

## Survey of service firms – 2004

**Confidentiality notice (L. D. 196/2003)** – The purpose of this survey is to collect information on the main economic and financial variables in the industrial sector. Your co-operation is important but not compulsory and any refusal to take part will bear no consequences. The information provided will only be used for research purposes and will not be published outside the Bank except in aggregate form. The firms taking part will be sent an extract of the main results of the survey. The data will be processed entirely inside the Bank and systems will be put in place to ensure their safety and confidentiality. Access to individual data is restricted to the people in charge of handling them and the staff engaged in processing and analysis. Firms enjoy the rights granted under the terms of Article 7 of the Decree, including the right to correct and integrate information concerning them. In charge of data handling: Head of the Economic Research Department of the Bank of Italy, Via Nazionale 91, 00184 ROME. Responsible for data handling: Bank of Italy (Organisation Department), Via Nazionale 91, 00184 ROME.

### PART A – General information

**Bank of Italy codes:** Branch code .....     Company code .....

(to be entered by branch)

Type (sub-group)<sup>(1)</sup> .....

Town .....  Istat town code .....

Name of company .....

Legal status .....

Public company      SRL      SPA      SAPA      SCRL      SCRI      SAS      SNC      Other

Branch of activity - Istat ..... Ateco91<sup>(2)</sup>     Ateco2002<sup>(3)</sup>

Year established .....

**Does the company belong to a group** ..... yes  no

If the company belongs to a group (a 'group' being several companies directly or indirectly controlled – through one or more chains of control – by the same physical person(s) or by the same public entity):

**Is the company the parent?**... yes  no  ←

name of parent company

**Name of the group** .....

**Nationality of the group** .....

Italian      EU on 31-12-03      New EU member      Rest of world

How many years has the **present CEO**<sup>(4)</sup> (or sole director) held his/her post? .....

How many years has he/she worked for the company? .....

**Was the company involved in extraordinary operations in 2004?** ..... yes  no

**If yes:** Please tick the box if you are unable to provide homogenous data for 2003 and 2004 .....

(1) See Central Credit Register, *Nuova classificazione della clientela bancaria*, 1991. – (2) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 1991. – (3) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 2002. (4) If there is more than one CEO, please indicate the one with most influence in the Board of Directors or the most senior.

### PART B – Workforce, wages and salaries and non-standard contracts

(amounts in numbers)

	Total workforce	Total workers, apprentices & similar	Total fixed-term contracts	Total non-EU workers
<b>2003</b> <b>Average</b> workforce .....				
- of which: part-time .....				
Workforce <b>at end of year</b> .....				
Hirings .....				
Separations .....				
<b>2004</b> <b>Average</b> workforce .....				
- of which: part-time .....				
Workforce <b>at end of year</b> .....				
Hirings .....				
Separations .....				
<b>2005</b> Workforce <b>at end of year</b> (projection)				

**Total** actual hours worked by payroll employees .....

- of which: **per cent** overtime .....

Number of temporary work assignments .....

**Total hours of temporary work** .....

Cost of **freelance collaborators**<sup>(1)</sup> (% of total cost of payroll staff) .....

	2003	2004
	<input type="text"/> <input type="text"/> . <input type="text"/> %	<input type="text"/> <input type="text"/> . <input type="text"/> %
	<input type="text"/> <input type="text"/> . <input type="text"/> %	<input type="text"/> <input type="text"/> . <input type="text"/> %

(1) The item includes collaboration contracts, occasional freelance contracts (with VAT) and project contracts.



**Wages and salaries** in 2004

Total gross annual wages per capita (€)<sup>(1)</sup>  
 Minimum national contract wage<sup>(2)</sup> .....  
 (approximate per cent of total)

Workers, apprentices & similar	Clerks and managers	General average
%	%	%

(1) Includes social security and tax withheld on behalf of employees; does not include company payments on behalf of INPS and other social security institutes. - (2) The part covered by national contract includes minimum rates of pay, cost of living allowance, 13th month's pay and other additional months' pay, meal allowance, overtime, and shift allowance.

**At the end of 2003** did the company have employees on **collaboration contracts** ("collaborazione coordinata e continuativa")? <sup>(1)</sup> ..... yes  no

**If you answered yes:**

Please indicate the **number of such contracts at the end of 2003?** (units) .....

**At the end of 2004, how did these contracts change** as a consequence of recent labour reforms (Legislative Decree 276/2003, the Biagi law)? (units)

- no change: still collaboration contracts. ....
- converted into 'project' contracts.....
- converted into fixed-term work contracts .....
- converted into payroll employment.....
- converted into consultancy contracts<sup>(2)</sup>.....
- terminated (the person no longer works for the company in any capacity).....

(1) For the definition, see instructions. - (2) The person previously hired on a collaboration contract became self-employed (with VAT number) and continued to work for the company.

Following the recent changes in the law, there has been a significant increase in the number and type of employment contracts available to companies.

**In 2005** what changes do you expect will occur within your company in the number of the following types of personnel? (1= large decrease; 2=small decrease; 3=no change; 4=small increase; 5=large increase; 8=type of contract not used)

- freelance collaborators ..... - payroll staff on temporary contract .....
- unskilled workers<sup>(1)</sup> ..... - youth employment contracts<sup>(2)</sup>.....

(1) The item includes: workers, apprentices and equivalent positions. - (2) Includes apprentices, former "work and training" contracts and new types of job insertion contracts.

**PART C - Gross fixed investment in Italy (enter amounts in € thousand; enter 0 for no investments)**

	2003	2004	2005 projection
<b>Total expenditure on tangible goods</b> <sup>(1)</sup> .....			
- of which: property .....			
<b>Total expenditure on software, databases and mineral exploration</b> <sup>(2)</sup> .....			

	2004/2003	2005/2004 (proj.)
Average annual percentage change in prices of <b>tangible goods</b> purchased .....	%	%
Average annual percentage change in prices of <b>software, databases and mineral exploration</b> purchased <sup>(2)</sup> .....	%	%

(1) Tangible goods include property, plant, machinery and equipment and means of transport. - (2) Includes expenditure on original copyright on entertainment and works of literature or art.

**Percentage breakdown** of workforce and total fixed investments in 2003 and 2004 and projection for 2005:

	Workforce at end of year			Total gross fixed investment		
	2003	2004	2005 (proj.)	2003	2004	2005 (proj.)
North-West <sup>(1)</sup> .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
North-East <sup>(2)</sup> .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Centre <sup>(3)</sup> .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
South & Islands <sup>(4)</sup> .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total .....	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
same region <sup>(5)</sup> .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(1) North-West = Piedmont, Valle d'Aosta, Lombardy and Liguria. - (2) North-East = Veneto, Trentino-Alto Adige, Friuli-Venezia Giulia and Emilia-Romagna. - (3) Centre = Tuscany, Umbria, Marche and Lazio. - (4) South & Islands = Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia. - (5) Please enter region in which the company's head office is located.

**PART D – Turnover and operating result**

**Turnover (€ thousand)**

	2003	2004	2005 (proj.)	2005/2004 (proj.)
Turnover from sales of goods and services .....	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> %
- of which: % exports <sup>(1)</sup> .....	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<b>(a) Calculate as:</b> <i>(turnover 2005/2004-1)*100</i>

(1) Sales to non-residents in country.

	2004/2003	2005/2004 (proj.)
Average annual percentage change in prices of invoiced goods and services .....	<input type="text"/> %	<input type="text"/> %

Your estimate of turnover, adjusted for changes in prices, **in terms of percentage changes 2005/2004** amounts to roughly (*sign and percentage change*)  % *(calculate as (a) - (b))*

Can you now indicate a **range around this figure**, i.e. an estimate of minimum and maximum turnover adjusted for changes in prices? (*sign and percentage change*)

Minimum (*sign & % change*)  %      Maximum (*sign & % change*)  %

Please describe the company's **operating result** for 2004?.....  large profit       small profit  
 broad balance       small loss       large loss

**PART E – Information and communication technologies (situation in 2004)**

What proportion of the company's turnover does **electronic invoicing** represent?<sup>(1)</sup>.....  %

Does the company buy or sell goods and services online?..... yes  no

In the case of goods and services bought/sold **online**, what proportion of payments was made/collected **online**?<sup>(2)</sup>.....  %

**If this proportion is greater than zero**

What methods of payment were used? .....  bank debit<sup>(3)</sup>       bank transfer       credit/debit card

What proportion of all instructions to banks to **make/collect payments** did the company make **online**?.....  %

**If this proportion is greater than zero**

Did the company use Interbank Corporate Banking (CBI)?<sup>(4)</sup> ..... no  yes

For definitions (1), (2), (3) and (4) see the instructions.

**PART F – Supply of services to business (situation in 2004)**

Does your company habitually supply services to other businesses? ..... yes  no

**If you answered yes:**

What are the main difficulties you encounter in selling your services?

- strong competition from other service companies ..... no  yes
- businesses unwilling to invest in type of services supplied ..... no  yes
- accessibility of customers ..... no  yes
- other (please specify)  ..... no  yes

What proportion of your total turnover in 2004 came from sales to business? .....    %

**If you entered a figure greater than nought**

Please indicate what percentage of total turnover in 2004 came from sales to:

- small-to-medium companies (up to 50 employees) .....    %
- medium-sized companies (50 to 200) .....    %
- large companies (over 200) .....    %
- Total** ..... **1 0 0** %

Please indicate what percentage of total turnover in 2004 came from sale to:<sup>(1)</sup>

- companies in the same province .....    %
- companies in another province of the same region .....    %
- companies in another region of Italy .....    %
- companies abroad .....    %
- Total** ..... **1 0 0** %

(1) Please indicate the geographical location of the company's head office.

**PART G - Financing**

Please indicate whether, overall, at current terms and conditions (interest rates and guarantees), the company would like to **borrow more** from banks or other lenders ..... yes  no

**If you answered yes to the above question, please indicate:**

- whether the company would be willing, at present, to pay a higher rate of interest or even to accept slightly stricter terms and conditions (e.g. increased guarantees) in order to borrow a larger total amount ..... no  yes
- in your opinion, why has the company not been able so far to borrow as much as it would like: (tick **one** box only)
  - no banks or other lenders have been contacted for that purpose because it is assumed they will refuse any request for additional financing .....
  - no banks or other lenders have been contacted yet for other reasons .....
  - the banks and lenders who have been contacted were not willing to raise the amount of lending to the company .....

**PART H – Trade credit and trade debt**

**Trade credit (Please indicate the average for 2004)**

Amount trade credit<sup>(1)</sup> (€ thousand) .....    **Average contract duration in days** .....

Composition of trade credit by type of contract/effective terms of payment:

net terms<sup>(2)</sup>    % paid by deadline    %  
 two-part terms<sup>(3)</sup>    % paid over deadline    %  average delay in    days  
**Total** ..... **1 0 0** % **Total** ..... **1 0 0** %

**Trade debt (Please indicate the average for the year)**

	2003	2004
Amount of trade debt <sup>(4)</sup> (€ thousand) .....		
<b>Average actual duration in days</b> .....		

(1) Average yearly amounts outstanding. Includes any provision for diminution in value of trade credit. - (2) The purchaser was given an extension of payment at no additional cost and was not offered any discount for early payment (for example, 10 days after delivery instead of 40). - (3) Extension of payment entailed a cost to the purchaser in the sense of forgoing a discount, a credit, a complementary offer and/or of having to pay a higher price or a rate of interest. - (4) Average yearly amount outstanding.

**PART I - Internationalisation**

Did the company produce goods or services abroad in 2003-2004, or even just contemplate locating part of its production abroad? (through ownership/control of foreign companies, direct ownership of local units, trade agreements, technical and production agreements, R&D) ..... yes  no

**If you answered yes:**

Did you encounter obstacles in formulating your internationalisation policies?..... yes  no

**If yes:** Were any of the following factors a hindrance? (enter '2' or '3' for no more than two answers)

(0=no effect; 1=a little; 2=a fair amount; 3=a lot)

- lack of knowledge of institutions/laws and regulations in the target countries .....
- organisational problems .....
- difficulty of obtaining local finance.....  - excessively high entry costs .....
- inadequate support from Italian institutions .....
- other (please specify) ←

Was the company producing goods and service **abroad** at the end of 2004 through owned or controlled companies or local units without separate legal status? yes  no

**If you answered yes:**

Were activities abroad at the end of 2004 **mainly** of an industrial nature?<sup>(1)</sup> ..... no  yes

Please give details of personnel, investments and turnover (€ thousand) of owned or controlled companies or local units

	Average workforce		Gross fixed investment		Turnover	
	2003	2004	2003	2004	2003	2004
<b>Total</b> .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Main location <sup>(2)</sup> .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

When did your company begin producing goods and services abroad ? (Enter year).

Please describe the impact, over the years, on the size of the company's workforce in Italy.

very negative  negative  negligible  positive  very positive

Did your company engage in **other major forms of collaboration** with foreign companies at the end of 2004?

Type of collaboration	Location of <i>main</i> counterpart	First year of collaboration
- trade agreement ..... <input type="checkbox"/> NO <input type="checkbox"/> YES ←	Area <sup>(2)</sup> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
- technical-production agreement ..... <input type="checkbox"/> NO <input type="checkbox"/> YES ←	Area <sup>(2)</sup> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
- joint R&D ..... <input type="checkbox"/> NO <input type="checkbox"/> YES ←	Area <sup>(2)</sup> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

(1) Non-industrial activities include trading, services, research, and design and similar activities. - (2) 1=Euro-area countries (excluding Italy); 2=United Kingdom, Denmark, Sweden; 3=New EU countries; 4=China; 5=United States; 6=Rest of the world.

How do you rate the effort involved in completing the questionnaire  modest  average  large  excessive

Other comments: \_\_\_\_\_

## Survey of service firms – 2004

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### PART A – General information

**Bank of Italy codes:** Branch code .....    Company code .....      
*(to be entered by branch)* Type (sub-group)<sup>(1)</sup> .....      
 Town .....  Istat town code .....

Name of company .....

Legal status .....            
 Public company      SRL      SPA      SAPA      SCRL      SCRI      SAS      SNC      Other

Branch of activity - Istat ..... Ateco91<sup>(2)</sup>     Ateco2002<sup>(3)</sup>

Year established .....

**Is the company part of a group** ..... yes  no

*If the company belongs to a group (a 'group' being several companies directly or indirectly controlled – through one or more chains of control – by the same physical person(s) or by the same public entity):*

**Is it the parent company?** ..... yes  no   name of parent company

**Name of the group** .....

**Nationality of the group** .....      
 Italian      EU on 31-12-03      New EU member      Rest of the world

How many years has the **present CEO** <sup>(4)</sup> (or sole director) held his/her post? .....

How many years has he/she worked for the company? .....

**Was the company involved in extraordinary operations in 2004?** ..... yes  no

**If yes:** Please tick the box **if you are unable to provide homogeneous data** for 2003 and 2004 .....

(1) See Central Credit Register, *Nuova classificazione della clientela bancaria*, 1991. - (2) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 1991. - (3) See ISTAT. *Classificazione delle attività economiche. Metodi e norme*, 2002. (4) If there is more than one CEO, please indicate the one with most influence in the Board of Directors or the most senior.

### PART B – Workforce, wages and salaries and non-standard contracts

*(amounts in numbers)*

	Total workforce	Total workers, apprentices and similar	Total fixed-term contracts	Total non-EU workers
<b>2003</b> <b>Average</b> workforce .....				
- of which: part-time .....				
Workforce <b>at end of year</b> .....				
Hirings .....				
Separations .....				
<b>2004</b> <b>Average</b> workforce .....				
- of which: part-time .....				
Workforce <b>at end of year</b> .....				
Hirings .....				
Separations .....				
<b>2005</b> Workforce at <b>end of year</b> (projection)				

Number of temporary work assignments .....

Cost of **freelance collaborators**<sup>(1)</sup> (% of total cost of .....

Number of temporary work assignments .....

**Total hours of temporary work** .....

	2003	2004
Number of temporary work assignments .....	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
Cost of <b>freelance collaborators</b> <sup>(1)</sup> (% of total cost of .....	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %
Number of temporary work assignments .....	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
<b>Total hours of temporary work</b> .....	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %

(1) The item includes collaboration contracts, occasional freelance contracts (with VAT) and project contracts.

**Wages and salaries** in 2004

Total gross annual wages per capita (€)<sup>(1)</sup>  
 Minimum national contract wage<sup>(2)</sup> .....  
 (approximate per cent of total)

Workers, apprentices & similar	Clerks and managers	General average
_____ %	_____ %	_____ %

(1) Includes social security and tax withheld on behalf of employees; does not include company payments on behalf of INPS and other social security institutes. - (2) The part covered by national contract includes minimum rates of pay, cost of living allowance, 13th month's pay and other additional months' pay, meal allowance, overtime, and shift allowance.

**At the end of 2003** did the company have employees on **collaboration contracts** ("collaborazione coordinata e continuativa")? <sup>(1)</sup> ..... yes  no

**If you answered yes:** Please indicate the **number of such contracts at end-2003?** (units) ....

**At the end of 2004, how did these contracts change** as a consequence of recent labour reforms (Legislative Decree 276/2003, the Biagi law)? (units)

- no change: still collaboration contracts. ....
- converted into 'project' contracts.....
- converted into fixed-term work contracts .....
- converted into payroll employment.....
- converted into consultancy contracts<sup>(2)</sup>.....
- terminated (the person no longer works for the company in any capacity).....

(1) For the definition, see instructions. - (2) The person previously hired on a collaboration contract became self-employed (with VAT number) and continued to work for the company.

**PART C - Gross fixed investment in Italy (enter amounts in € thousand; enter 0 for no investments)**

	2003	2004	2005 (proj.)
<b>Total expenditure on tangible goods</b> <sup>(1)</sup> .....			
- of which: property .....			
<b>Total expenditure on software, databases and mineral exploration</b> <sup>(2)</sup> .....			

(1) Tangible goods include property, plant, machinery and equipment and means of transport. - (2) Includes expenditure on original copyright on entertainment and works of literature or art.

**PART D - Turnover and operating result**

<b>Turnover (€ thousand)</b>	2003	2004	2005 (proj.)
Turnover from sales of goods and services .....			
- of which: exports <sup>(1)</sup> .....	_____ %	_____ %	_____ %

Please describe the **operating result** for 2004?.....  large profit  small profit  
 broad balance  small loss  large loss

(1) Sales to non-residents in country.

**PART E - Information and communication technologies (situation in 2004)**

What proportion of the company's turnover does **electronic invoicing** represent?<sup>(1)</sup> .....  %

Does the company buy or sell goods online? ..... yes  no

In the case of goods and services bought/sold **online**, what proportion of payments was made/collected **online**?<sup>(2)</sup> .....  %

**If this proportion is greater than zero**

What methods of payment were used? .....  bank debit<sup>(3)</sup>  bank transfer  credit/debit card

What proportion of all instructions to banks to **make/collect payments** did the company make **online**?.....  %

**If this proportion is greater than zero**

Did the company use Interbank Corporate Banking (CBI)? <sup>(4)</sup> ..... no  yes

For definitions (1), (2), (3) and (4) see instructions.

**PART F - Supply of services to business (situation in 2004)**

Does your company habitually supply services to other businesses? ..... yes  no

**If you answered yes:**

What are the main difficulties you encounter in selling your services?

- strong competition from other service companies ..... no  yes
- businesses unwilling to invest in type of services supplied ..... no  yes
- accessibility of customers ..... no  yes
- other (please specify) ← ..... no  yes

What proportion of your total turnover in **2004** came from sales to business? .....  |  |  %

**If you entered a figure greater than nought**

Please indicate what percentage of total turnover in 2004 came from sales to:

- small-to-medium companies (up to 50 employees) .....  |  |  %
- medium-sized companies (50 to 200) .....  |  |  %
- large companies (over 200) .....  |  |  %

**Total** ..... **1** | **0** | **0** %

Please indicate what percentage of total turnover in 2004 came from sale to:<sup>(1)</sup>

- companies in the same province .....  |  |  %
- companies in another province of the same region .....  |  |  %
- companies in another region of Italy .....  |  |  %
- companies abroad .....  |  |  %

**Total** ..... **1** | **0** | **0** %

(1) Please indicate the geographical location of the company's head office.

**PART G - Financing**

Please indicate whether, overall, at current terms and conditions (interest rates and guarantees), the company would like to **borrow more** from banks or other lenders ..... yes  no

**If you answered yes to the above question, please indicate:**

- whether the company would be willing, at present, to pay a higher rate of interest or even to accept slightly stricter terms and conditions (e.g. increased guarantees) in order to borrow a larger total amount ..... no  yes
- in your opinion, why has the company not been able so far to borrow as much as it would like: (tick **one** box only)
  - no banks or other lenders have been contacted for that purpose because it is assumed they will refuse any request for additional financing .....
  - no banks or other lenders have been contacted yet for other reasons .....
  - the banks and lenders who have been contacted were not willing to raise the amount of lending to the company .....

**PART H - Trade credit and trade debt**

**Trade credit (Please indicate the average for 2004)**

Amount of trade credit<sup>(1)</sup> (€ thousand) .....  |  |  **Average** contract duration in days .....  |  |

Composition of trade credit by type of contract/effective terms of payment:

net terms <sup>(2)</sup> <input type="text"/>   <input type="text"/>   <input type="text"/> %	paid by deadline <input type="text"/>   <input type="text"/>   <input type="text"/> %	
two-part terms <sup>(3)</sup> <input type="text"/>   <input type="text"/>   <input type="text"/> %	paid over deadline <input type="text"/>   <input type="text"/>   <input type="text"/> %	← average delay in <input type="text"/>   <input type="text"/>   <input type="text"/> days
<b>Total</b> ..... <b>1</b>   <b>0</b>   <b>0</b> %	<b>Total</b> ..... <b>1</b>   <b>0</b>   <b>0</b> %	

**Trade debt (Please indicate the average for the year)**

	2003	2004
Amount of trade debt <sup>(4)</sup> (€ thousand) .....	<input type="text"/>   <input type="text"/>   <input type="text"/>	<input type="text"/>   <input type="text"/>   <input type="text"/>
<b>Average actual</b> duration in days .....	<input type="text"/>   <input type="text"/>   <input type="text"/>	<input type="text"/>   <input type="text"/>   <input type="text"/>

(1) Average yearly amounts outstanding. Includes any provision for diminution in value of trade credit. - (2) The purchaser was given an extension of payment at no additional cost and was not offered any discount for early payment (for example, 10 days after delivery instead of 40). - (3) Extension of payment entailed a cost to the purchaser in the sense of forgoing a discount, a credit, a complementary offer and/or of having to pay a higher price or a rate of interest. - (4) Average yearly amount outstanding.

How do you rate the effort involved in completing the questionnaire  modest  average  large  excessive

Other comments: \_\_\_\_\_