

17 March, 2016

## Enterprises in Portugal

2014

### Final results for 2014

#### GVA of non-financial enterprises increased by 4.0%, in nominal terms

In 2014, there were 1 127 317 non-financial enterprises in Portugal, a 2.7% increase from the previous year. The persons employed, turnover and GVA increased by 2.1%, 1.7% and 4.0%, respectively. A slight increase in the share of high growth enterprises (+0.5 pp than in 2013) and their weight in total GVA (+0.8% pp) was observed. The weight of exporting companies (6.1% of the total companies in 2014) continued to increase (5.9% in 2013).

With the publication "Enterprises in Portugal 2014", Statistics Portugal disseminates the main statistical findings regarding the structure and evolution of the Portuguese non-financial business sector for 2014, obtained from the Integrated Business Accounts System (IBAS).

>> Figure 1 – Main economic indicators of non-financial enterprises, 2014

	Enterprises		Persons employed		Turnover		GVA		Personnel costs		Gross operational surplus	
	2014	Annual ch. rate	2014	Annual ch. rate	2014	Annual ch. rate	2014	Annual ch. rate	2014	Annual ch. rate	2014	Annual ch. rate
	No	%	No	%	10 <sup>6</sup> Euros	%	10 <sup>6</sup> Euros	%	10 <sup>6</sup> Euros	%	10 <sup>6</sup> Euros	%
Total non-financial enterprises	1 127 317	2,7	3 445 226	2,1	322 637	1,7	75 825	4,0	44 559	2,0	31 695	7,2
<i>Legal form</i>												
Individual enterprises	764 902	3,1	850 994	1,9	14 203	-0,7	5 822	3,8	1 181	-1,2	4 819	5,1
Companies	362 415	1,9	2 594 232	2,2	308 434	1,8	70 003	4,0	43 379	2,1	26 876	7,6
<i>Size</i>												
Large	973	1,7	680 915	3,5	131 364	0,5	28 175	2,9	14 554	2,2	13 422	3,5
SME	1 126 344	2,7	2 764 311	1,8	191 273	2,5	47 650	4,6	30 005	2,0	18 272	10,1
<i>Activity sector</i>												
Agriculture and fishing	128 765	19,3	185 038	15,0	5 925	6,8	1 401	15,4	809	6,9	1 045	17,1
Manufacturing	67 303	-0,4	659 983	2,0	81 538	1,4	17 856	4,1	10 880	3,4	6 959	5,7
Energy and water	2 193	2,0	38 599	-0,7	24 821	0,3	5 897	2,5	939	-7,7	4 908	4,4
Construction and real estate	107 405	-2,0	341 159	-3,4	22 141	-4,7	6 602	-3,7	4 451	-2,9	1 873	-3,8
Trade	221 846	-2,1	719 005	-0,6	119 579	2,4	14 787	5,4	9 645	1,5	4 979	14,6
Transportation and storage	21 876	-2,3	150 874	2,1	17 861	1,9	6 092	3,8	3 473	1,5	2 639	5,8
Accommodation and food services	84 122	2,3	273 338	2,9	9 190	9,1	3 431	8,4	2 384	4,1	1 029	21,7
Information and communication	14 834	2,3	85 508	3,3	11 334	-2,7	4 913	0,2	2 420	-3,8	2 449	4,3
Other services	478 973	3,1	991 722	4,0	30 250	4,3	14 846	6,3	9 558	5,5	5 814	7,5

Fonte: Statistics Portugal, IBAS

The year 2014 was marked overall by the positive evolution of the main economic and financial indicators from the non-financial business sector.

Comparing with the previous year, the number of enterprises and the persons employed increased by 2.7% and 2.1% respectively. The same trend was observed in the gross value added (GVA), with increases of 4.0%, and 7.2% in the gross operating surplus (GOS). Looking through the contributions of each sector of activity in the evolution of the GOS, noteworthy is the trade sector, which had a contribution of +2.1%.

There were 973 large enterprises (more 16 than in 2013), that were responsible for 40.7% of the turnover and 42.3% of the GOS. Despite the increase in the number of large enterprises, those two indicators decreased their relative weight comparing with the overall business sector (-0.5 p.p. and -1.5 p.p. respectively).

Restricting the analysis to non-financial companies, there was a decrease of 1.1 p.p., to 40.8%, in the share of companies with negative gross operating surplus, in 2014.

There were 3 415 high growth enterprises and for the first time, in the period 2010-2014, there was an increase in the number of these enterprises, with more 254 than in 2013. However, it stood considerably below the level reached in 2010. In terms of GVA, those enterprises represented 11.3% (more 0.8 p.p. than in 2013).

The weight of companies with an exporting profile increased again in 2014 (corresponding to 6.1% of the total of non-financial companies), and their main indicators evolved more positively than for non-exporting companies.

## Methodological note:

The publication "Enterprises in Portugal 2014", disseminated by Statistics Portugal, updates the main statistical indicators of enterprises, characterizing the structure and evolution of the Portuguese non-financial business sector for 2014, obtained from the Integrated Business Account System (SCIE), resulting from a business statistics integration process, based on administrative data, with a focus on the Simplified Business Information (IES). This information is complemented, This information is supplemented, on the one hand, with data of sole proprietors and independent workers (designated by individual enterprises) received via an established protocol between Statistics Portugal and several bodies of the Ministry of Finance and, on the other hand, with information from the Statistical Units File.

The scope of economic activity includes all enterprises from sections A to S of NACE-Rev.2, with the exception of Financial and Insurance Activities (section K) and Public Administration and Defense; Compulsory Social Security (section O).

In the analysis of non-financial enterprises, only enterprises from sections A to S (except K and O) of NACE-Rev.2 were considered. The sectors were aggregated in 9 larger groups: Agriculture and Fishing (section A of NACE-Rev.2), Manufacturing (sections B to C), Energy and Water (sections D to E), Construction and Real Estate (sections F to L), Distributive Trade (section G), Transportation and Storage (section H), Accommodation and Food Services (section I), Information and Communication (section J) and Other Services (sections M to S).

In view of the very different characteristics of companies and individual enterprises, it was chosen, in chapter 3, to focus the analysis solely on units formed in the legal form of companies. For individual enterprises, it's assumed that only those that have an organized system of accounting have balance sheet values, meaning that the interpretation of financial ratios calculated on the basis of these values, for the total non-financial enterprises, would lead to biased results.

The classification of large enterprises was based on the recommendation of the Commission of May 6th, 2003. As such, enterprises were considered to be **large** when observing one of the following criteria:

- 250 or more persons employed or;
- Turnover above 50 million Euros and total assets above 43 million Euros

The remaining companies were considered **SME**, of which:

- A **medium** enterprise is one that employs less than 250 people and whose turnover does not exceed 50 million Euros or total assets does not exceed 43 million Euros, and not classified as micro or small enterprise.
- A **small** enterprise is one that employs less than 50 people and whose turnover or total assets does not exceed 10 million Euros, and not classified as micro enterprise.
- A **micro** enterprise is one that employs less than 10 people and whose turnover or total assets does not exceed 2 million Euros.

It was considered as **exporting** companies those with exports of goods and services that comply with the following criteria:

- Companies where at least 50% of the turnover originates from exports of goods and/or services or;
- Companies where at least 10% of the turnover originates from exports of goods and/or services and the total value of exports exceeds 150.000€

**High growth enterprises** correspond to enterprises with an average annual growth, over a three year period, higher than 10% measured by number of employees.

**Financial and economic ratios:**

Equity ratio = Total equity / Total assets

Investment rate = Gross fixed capital formation / GVA \* 100

Research and Development expenditure (R&D) as % of GVA = Expenditure in development projects and computer programmes / GVA \* 100

**Acronyms:**

NACE Rev.2: European Classification of Economic Activities, Revision 2

SME: Micro, small and medium enterprises

p.p: Percentual points

IBAS: Integrated Business Account System

EU: European Union

GVA: Gross value added

**Information to users:**

This and other information related with this study can be found on the official statistics' website: [www.ine.pt](http://www.ine.pt).