



The „SME-attribute“ in the business register of the OeNB – objectives and challenges of implementation

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Overview

- **Introduction**
- **The SME definition according to the European Commission**
- **Challenges of implementation in OeNB's business register**
- **Conclusions**

Introduction

- **The crucial importance of SMEs for the economy (in the EU: 99 % of the enterprises are SMEs, more than 90% of which are micro-enterprises)**
- **Important role in the transmission mechanism of monetary policy from the financial side to the real side of the economy**
- **The role of SMEs for growth and financial stability**

The SME definition according to the European Commission

- **What is an enterprise?**
- **What is an SME?**
- **Applying basic data to arrive at the enterprise category**
- **Taking into account relationships to derive types of enterprises**

Deriving enterprise categories

Enterprise category	Headcount	Annual turnover	Annual balance sheet total
Medium-sized enterprise	< 250 and	either ≤ 50 Mio €	or ≤ 43 Mio €
Small enterprise	< 50 and	either ≤ 10 Mio €	or ≤ 10 Mio €
Micro-enterprise	< 10 and	either ≤ 2 Mio €	or ≤ 2 Mio €

Challenges during implementation

- **The perimeter of enterprises to be classified – the role of financial entities and holding companies**
- **The lack of sufficient basic data leading to the need to broaden the value range of the SME-attribute**
- **The problem of „missing links“: lack of relationship data leading to a risk of false positives**
- **The issue of timeliness**

Conclusions

- **Trade-off: the more complex a definition/an algorithm is (and thus the more demanding in terms of data), the lesser the probability that a statement regarding the enterprise category can be made**
 - Consider simplifying the algorithm
 - Consider increasing the number and the timeliness of data sources
- **Awareness of statistical users to possible limitations of the algorithm and the data should be increased**
- **Shortcomings of basic data will never be eliminated completely, but they can be managed in an adequate way**