

STATISTICHE

UNDERSTANDING VENETO IN FIGURES AND DIAGRAMS

FLASH

This issue of Flash Statistics presents the first results of the new Permanent Business Census 2019. The direct survey was carried out by Istat between May and October 2019 and involved a sample of companies with 3 or more employees, representing 24% of Italian companies, which however produce 84.4% of the national value added and employ 76.7% of the workforce. The data acquired from the companies refers to 2018 and some partial information is currently available at regional level, which in any case provide an overview of the trends in progress.

In Veneto, there were just over 104,000 businesses with three or more employees and this showed a 3.5% decrease in number compared to the data recorded in the 2011 Census; a slightly greater decline than at national level (-1.3%). Almost 77% of these businesses fell into the category of micro enterprises (with 3-9 employees), a fall of four percentage points compared to the 2011 Census, 20.5% were small enterprises (10-49 employees) and the remaining 2.7% belonged to the category of medium-large enterprises, of which 357 are large companies, employing more than 249 employees.

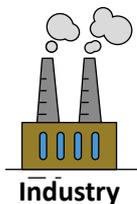
VENETO BUSINESSES TODAY: FIRST RESULTS OF THE 2019 CENSUS

The sectoral dynamics of companies confirms, as is the case at national level, a growing trend towards outsourcing of production: in 2018, Veneto companies with 3 and more employees belonging to the services sector made up 65.6% of the total and recorded an increase in number of +2.3% compared to 2011. The number of companies belonging to industry in the strict sense touched 25,000, recording however a decrease of ten percentage points compared to 2011. In construction, the decline was even greater (-18.6%) and the companies in this sector represented 10.5% of the businesses surveyed.

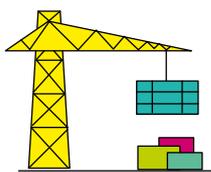
THE TERTIARY SECTOR CONTINUES TO GROW; INDUSTRY AND CONSTRUCTION SHRINKING

Structure and dynamics of businesses with 3 or more employees - 2018

Veneto	Number	24,856	10,909	68,331	104,096
	% share	23.9%	10.5%	65.6%	100%
	% var. on 2011	-10.1%	-18.6%	+2.3%	-3.5%



Industry



Construction



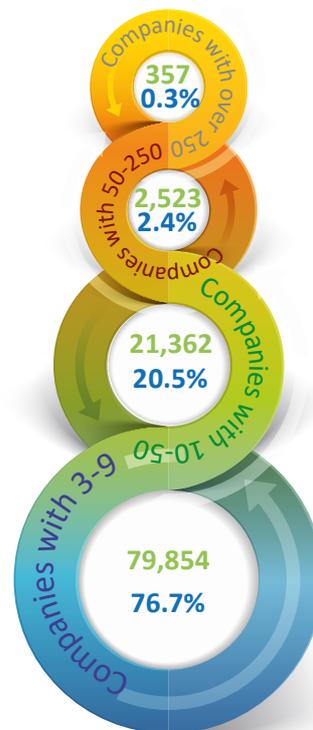
Services



Total

Italy	Number	195,653	110,911	727,173	1,033,737
	% share	18.9%	10.7%	70.3%	100%
	% var. on 2011	-9.7%	-23.0%	+5.8%	-1.3%

Veneto businesses by size: number and % share



Source: Processing of data from Istat by the Statistical Office of Regione Veneto



ALSO AVAILABLE:

- Businesses - data as at 2019
- Tourist movement - data as at 2019
- Air transport - data as at 2019

<http://www.regione.veneto.it/web/guest/statistica>

The 2019 Census introduced new features in the study of structural characteristics, the behaviours and strategies of businesses in industry and services, with the aim of understanding the evolutionary context of major structural and organisational transformations, a consequence of the high competitive pressure of globalization. Veneto enterprises believe they are competitive and focus on quality and competence, their market is still predominantly national, especially in the services sector.

Regional companies primarily leveraged the "quality of the product or service offered", reported as the main competitive factor by almost 78% of companies with at least 10 employees, which in Veneto numbered just over 24,000. The second factor of competitiveness was the "professionalism and competence of staff", with more than 50% of regional companies, followed by the sale price (32.5%), "the diversified offer of products and services" and the "ability to adapt production volumes quickly to changes in demand", both declared by 21% of the companies observed.

The pursuit by enterprises of greater competitiveness was hindered by obstacles of various kinds. As in the national context, the factors most widely reported by Veneto companies include, above all, the high costs

of administration and bureaucracy (33.9% of the companies) and the lack of financial resources (28.3%), the latter felt in greater measure by micro-enterprises. This is followed by scarcity or lack of demand (18.8%), in line with an economic situation characterized by stunted growth, and the difficulty in finding qualified personnel. Conversely, Veneto companies perceive as relatively less serious the lack of infrastructure (3.9%), the difficulty in finding suppliers (2.5%) or information on the reference market (4%).

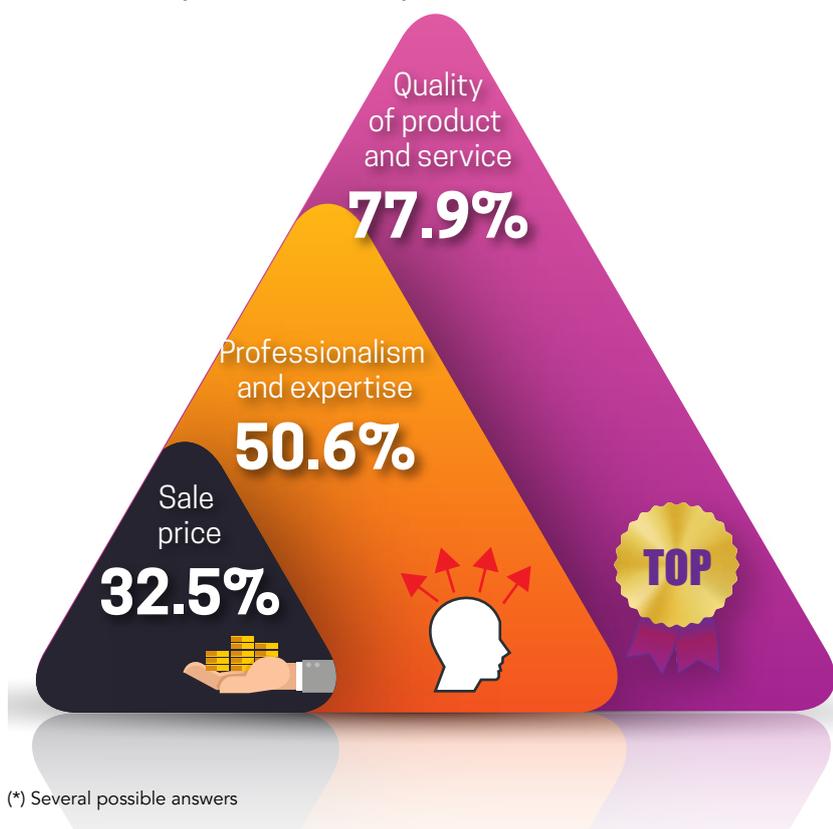
As for the extension of the reference market, the Veneto companies that operated regionally made up around 37% of those surveyed, while those of national scope made up just over 25%. Production units that operate on international markets made up just under 40% of those observed in the region; a value also found in other northern regions, in particular Friuli-Venezia Giulia, Lombardy, and Trentino Alto Adige. The roots in some of the main extra-EU markets are also important: the proportion of Veneto companies present in the markets of the BRIC countries (Brazil, Russia, India and China) was close to ten percentage points, rising to 17% if considering only businesses in the manufacturing sector.



VENETO ENTERPRISES COMPETITIVE FOR PRODUCT QUALITY

COMPETITIVENESS AND MARKETS OF VENETO BUSINESSES WITH AT LEAST 10 EMPLOYEES - 2018

Competitiveness: the top 3 factors for businesses (*)



Extension of the reference market



(*) Several possible answers

Companies controlled by "natural person or family" constitute the backbone of the regional economy: with reference to 2018, they represented 77.7% of Veneto production units with at least 3 employees (75.2% at national level) and 67.4% of those with 10 employees or more. Therefore, small businesses especially are family-run; indeed, as the size of businesses increases, there is a decrease in the amount of family control. Families or individuals ran 80.9% of micro-enterprises, while for large enterprises, the proportion fell to 47% of the cases observed. Of the businesses surveyed, 9.1% of said they had undergone a generational transition between 2013 and 2018, for 1% it happened in 2019 and almost 12% said they could transition generationally by 2023. Overall, this phenomenon concerns about 22% of Veneto businesses in the period between 2013 and 2023.

To face the challenges imposed by globalization, businesses are increasingly opting to develop through external lines, by means of agreements and strategic alliances, with both competitors and customers and suppliers. The data confirm that collaborative relationships between businesses are now considered

THE GENERATIONAL TRANSITION AND THE IMPORTANCE OF THE NETWORK

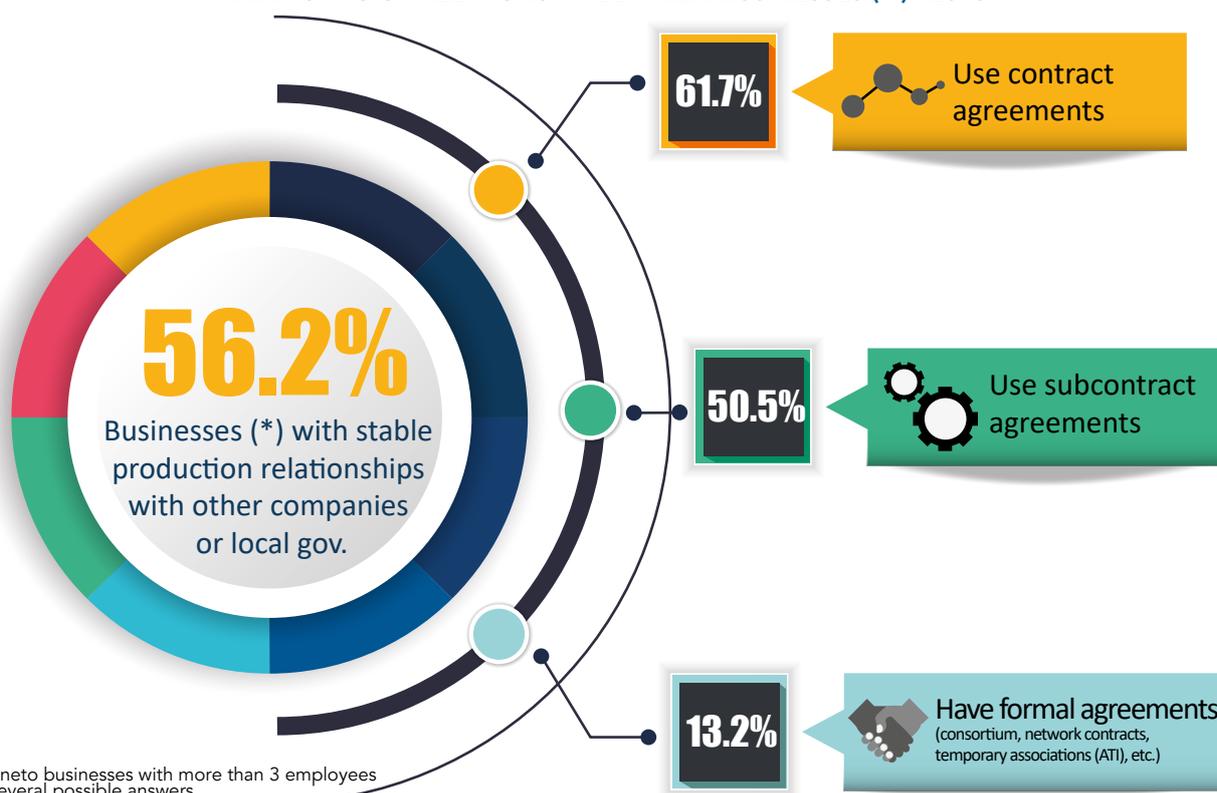
among the resources of greatest strategic importance for the creation and sustainability of competitive advantage, as well as for the definition of innovative paths of development. In 2018, 56.2% of Veneto businesses with at least 3 employees (52.6% in Italy) declared that they had stable productive relationships,

whether contractual or informal, with other companies or institutions. This phenomenon is directly connected to company size: the propensity to enter into agreements tends to grow as the size of the company increases. The Veneto micro-enterprises (3-9 employees) that declared they had relationships with other enterprises or institutions made up almost 53% of the enterprises observed; this figure rose to 67.5% for regional companies with at least 10 employees.

The relationships of businesses with other entities takes various forms. The predominant relationship is defined as "supply chain", i.e. contract and subcontracting agreements, used by 61.7% and 50.5% of regional companies respectively, more or less in line with national figures. On the other hand, the activation of formal relationships (consortia, joint ventures, franchising, ATI - temporary business associations, etc.) was less frequent, reaching just 13.2%.

Cost reduction, access to new markets and the development of new products and/or processes were the reasons that most frequently drove Veneto companies beyond the threshold of three employees to collaborate with other companies. For companies with a relationship as a subcontractor, the prevailing motivation was that of seeking new outlet markets (over 35%), while for companies that had contract agreements, cost reduction was more important (almost 33%). In companies that declared they had formal relationships, the two reasons were of equal weight, at 33%.

MAIN FORMS OF RELATIONSHIP BETWEEN BUSINESSES (**)- 2018



(*) Veneto businesses with more than 3 employees
(**) Several possible answers

Almost 60% of Veneto companies with 3 or more employees took on new staff¹ in the period 2016-2018, which rose to 83.3% for companies with at least 10 employees.

Among the economic categories, the demand for work was particularly high in "transport and storage", "accommodation and restaurants", "manufacturing" and "rental, travel agencies, business support services", with over 60% of companies who had hired, while the sectors that took on fewer new hires were those related to real estate (15.3%).

The majority of new hires were employed with permanent contracts, for 69.5% of the regional companies involved. The economic sectors that used this type of contract, with values exceeding 80%, were the manufacturing industry, transport and logistics and "information and communication" services. Fixed-term contracts were adopted by over 50% of Veneto companies with 3 or more employees, while only 13.8% of the companies in the region used "temporary workers", with a higher proportion than the national average (9.1%) and more frequent use in the industrial sector. Finally, external collaborations were used by 20.9% of companies.

COST OF LABOUR, THE PRIMARY OBSTACLE TO HIRING

blems and critical situations" and the ability to "communicate and interact effectively", while less consideration was given to skills related to the creative sphere, such as "developing innovative and original ideas and solutions" (13.7% of companies) or "anticipating future scenarios and providing adequate responses" (7.3%). As for the main obstacles to hiring new staff, one in two companies complained that labour costs were too high and two out of five companies reported having difficulties in finding personnel with the required technical skills, while the uncertainty about the future sustainability of costs was an obstacle to hiring new staff for about 30% of Veneto companies.

¹ This includes the hiring of external collaborators but excludes workers who, remaining in the same company, only changed the type of contract (for example from a fixed term to permanent).

TAKING ON NEW STAFF - 2016:2018



(*) Veneto businesses with more than 3 employees
(**) Several possible answers

Source: Processing of data from Istat by the Statistical Office of Regione Veneto



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