

European Committee of Central Balance Sheet Offices

Own Funds Working Group

Corporate Finance in Europe from 1986 to 1996

Michel DELBREIL	Banque de France, Chairman of the Working Group
Ana ESTEBAN	Banco de España
Hans FRIDERICHS	Deutsche Bundesbank
Bernard PARANQUE	Banque de France
Franz PARTSCH	Österreichische Nationalbank
Franco VARETTO	Centrale dei Bilanci
Maud SAVARY-MORNET	European Commission – DG ECFIN
Régis COEURDEROY	European Commission – DG ECFIN

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¹ The electronic version with full annex is available from www.ssrn.com or from each Central Bank website

Introduction: Objective and scope of the second study

After publishing its first report in September 1997 (electronic document available on www.ssrn.com), the Own Funds Working Group, in agreement with the European Committee of Central Balance Sheet Offices, decided to continue its work in order to gain a better understanding of the differences in financing structures between countries. To this end, the Group decided firstly to broaden the review period from 1986 to 1996. The compilation of figures and ratios over a longer period is advantageous in a number of ways. It not only enables an assessment of trends in financing structures in each country, but also of any changes in the ranking of the different countries involved. Furthermore, it gives an insight into the influence of cyclical and structural factors on this ranking.

The Group also set itself the objective of not only taking a closer look at the influence of institutional factors, such as the bank-firm relationship, but also of studying the role played by changes in the asset structure (i.e. in financing needs). Much research stresses the possible influence of the nature of assets on the management of needs and consequently on the choice of corporate financing (Dosi and alii ,1990; Williamson, Myers, Salais and Storper, 1993).

From among the abundant literature devoted to corporate finance², the work of Myers and Majluf (1984) deserves special attention in light of their efforts to explain the role of corporate self-financing. Capital structure can be interpreted in terms of a hierarchy of preferences in the use of sources of financing.

This approach, known as the “pecking order approach”, permits an examination of the organization of a firm as the process through which it finds (tries to find) the best compromise between its needs for economic flexibility and its possibilities of financial flexibility. Its “governance” structure, and therefore its financing structure, is thus related to the nature of its assets (and in turn depends on the relationship with other non-financial firms) and its way of managing financial flexibility (and therefore also to its relationship with borrowers).

Company managers’ preference for self-financing rather than for borrowing may be interpreted in another way by referring to financing conventions (*Revue économique* N°2, 1989; Clerc, 1998). It should be remembered that the purpose of these conventions, as with all contracts and agreements, is to deal with the uncertainty inherent in the financing relationship in a manner deemed acceptable and effective by the parties concerned (Salais, Chatel, Rivaud-Danset, 1998; Rivaud-Danset, 1995). This approach is based on two main assumptions that contest those underpinning the neo-classical approach:

* the limited rationality of economic agents resulting, according to Simon (1976), from their finite cognitive capacities;

* the uncertainty in which agents conduct their activities and which affects their expectations, according to Knight (1921) and Rivaud-Danset (1995, 1996).

This approach requires special importance to be attached to the following aspects:

² De Bandt (1998), Delbreil and al. (1997) and Sauvé and Scheuer (1999) gave overviews of the theoretical literature on this subject.

– the problem of the compatibility of the respective goals of company managers, shareholders and bankers: conventions seek to enable the co-ordination of the action of these agents and, hence, the organization of the choices and goals of this action;

– the nature of the uncertainty facing agents: financing conventions, i.e. arrangements involving mutual trust between the firm and its financial partners, will differ depending upon the extent to which the uncertainty can be dealt with in terms of risk.

The diversity (as opposed to homogeneity) of capital structures may be analyzed on the basis of the hypothesis on which financing conventions are based, i.e. that a company's borrowing requirements have every reason to vary in form and over time to an extent that depends on its organizational model and its products (Rivaud-Danset and Salais, 1992).

Nevertheless, the greater or lesser variety of financing conventions depends not only on the diversity of products, but also on the assessment criteria, i.e. the way in which lenders of funds build up and process information, the availability to them of risk analysis tools and tools for measuring the volatility of the performance of individual products. Financial debt can be analyzed as a standard related to rates of return *ex ante* (debt capacity) and *ex post* (discounted cash flow). However, the rate of return is not an indicator of the hierarchical ranking of product models; organizational and product models are only profitable if they are implemented in a consistent manner (Salais, Storper, 1993; Paraque, Rivaud-Danset, Salais, 1996).

The composite structure of liabilities thus reflects the type of method used to manage financial flexibility that results from a company's organizational form and its insertion into the economic fabric.

Financing sectors within the economy can thus be distinguished according to the type of resources used by firms. Hicks (1975) proposed a distinction between auto-economy and overdraft. Most often, the term debt is understood in the medium and long-term sense and is therefore the "predictable" component of financing because it is related to investment decisions. The short term is most often left to one side and, along with it, the financing of contingencies. According to Hicks, an implicit or explicit guarantee of access to current credit may provide companies in the overdraft sector with flexibility equivalent to that conferred by the holding of financial assets in the case of companies within auto-economy. Companies may be in either of these sectors, but they may also combine the different resources according to their specific needs for financial flexibility. More precisely, a company's financial structure is shaped by the way in which it manages this flexibility and, particularly, by its ability to obtain guaranteed access to credit, and consequently expresses the degree of exposure to the risk of credit rationing and/or variations in interest rates. It would therefore seem that a firm's financial structure does not only depend upon investment opportunities in the neo-classical sense, but also upon the firm's characteristics which are defined by reference to the nature of the prevailing uncertainty and the factors explaining its financial flexibility needs (fixed versus circulating capital). This observation therefore requires special importance to be attached to the problems of co-ordination between economic players.

According to the convention-based approach, the financial structure of firms differs not only between countries, but also within countries in light of their financing requirements, related in particular to the different needs for financial flexibility which depend upon the nature of their products. However, more importantly, these differences in financial structure can only be understood by taking into account the financing conventions allowing co-ordination between the firm and its business partners, and legislation concerning bankruptcy or guarantees, which determines the relationship (especially the financial one) between the business and its suppliers. The theory of conventions provides a framework for financial analysis: financial structures are the complex result of an interaction between the nature of the firm and its products and markets, i.e. the firm's quality and

its financing partners as well as the specific institutional factors defining the framework for individual action. This approach implies an understanding of the institutional characteristics of each national financial system to be able to interpret the differences in corporate finance structures between countries.

*

This report will record the achievement of the study group measured by the targets the members set themselves.

The first part of the report will give the conclusions that can be drawn from the analysis of the financial structures of corporations in the five countries examined during the period 1986-1996.

In the second part, an attempt will be made to show the main characteristics of assets and the changes in their structure and to evaluate their impact on the financial structures of corporations.

In the third part, the influence of institutional factors on corporate structures assumed in the first two parts will be explained.

However, it was not possible to develop explanatory models.

The study was based, as the previous study, on incorporated companies (partnerships and sole proprietorships are therefore excluded), of the manufacturing industry, which is uniformly defined across all the countries. Once again, five size brackets according to turnover expressed in euros are analyzed.

The size-based approach is essential because the aggregate values conceal the diversity of the situations in the various countries, especially in Germany where the results are strongly influenced by large firms. The two statistical parameters used are the weighted mean and the median. The weighted mean reflects the aggregate position of the industrial sector in each country, but the influence of large firms is particularly strong inasmuch as the aggregate data mainly reflect their behaviour owing to considerable differences in the representativity of small and large enterprises. The median, however, gives the central value of the distribution and because each firm has the same weight, it is influenced by the firms that are most numerous, i.e. the small ones.

The variables used will be largely the same as those analyzed in the previous study, the main ones being:

Net equity = Subscribed capital

- + Share issue, corporate merger and split premiums
- + Revaluation reserves
- + Reserves (including amounts carried forward)
- + Net profit or loss for the financial year
- + Special tax based reserves
- Subscribed capital uncalled (or unpaid)
- Intangible fixed assets ³

Turnover net of tax ⁴

Financial debt = Amounts owed to credit institutions

- + Debenture loans
- + Other financial creditors
- + Trade bills discounted
- Bond redemption premium
- + Bond issue premium ⁵
- Advances to group and associated companies

Adjusted assets = Assets

- Subscribed capital uncalled (or unpaid)
- Bond redemption premium
- Intangible fixed assets
- Investment grants
- + Trade bills discounted

Moreover, to gain a better understanding of the influence of financing needs, assets have been broken down into their main items. As previously, efforts have been made to align methodologies so that the analyses cover variables that are as homogenous as possible from country to country.

As mentioned earlier, this new study covers the period from 1985 to 1996. It has therefore not been able to take into consideration and analyze the consequences on corporate financial structures of economic and financial trends seen in most recent years. In particular, we have not been able to study the impact of mergers and acquisitions involving large firms, banking sector restructuring and consolidation and the rapid development of share buy-backs (resulting primarily from the concept of shareholder value).

³ Not including adjustment accounts (short term).

⁴ The volume of turnover net of tax is defined as being "net of value added taxes". It includes the other taxes (on alcohol and tobacco) for France, Germany and Italy, but not for Austria and Spain. But the effect of these differences in accounting treatment has no significant impact on the variations observed between countries.

⁵ For those countries where this information is available.

1. EUROPEAN CORPORATE FINANCING STRUCTURES IN THE EIGHTIES AND THE NINETIES ⁶

1.1. The development of financial structures

The trend in the net equity / financial resources ratio expressed as a **weighted mean** shows a general improvement in the financial position of companies in Europe over the period under review. This ratio increased in all the countries studied with the exception of Italy.

The extent of the improvement nevertheless differed from country to country. The rise in this ratio was strong in Spain and especially in France where it gained thirty percentage points, climbing from 42% in 1986 to 72% in 1996. While the improvement for French firms was seen for all phases of the economic cycle, however, the trend for Spanish firms was cyclical. For example, this ratio rose up until the end of the 1980s, but then fell between 1989 and 1994 in connection with the slowdown in economic activity. A further increase was seen in 1995 and 1996 following the improvement in economic conditions, though this also resulted from the legal revaluation of balance sheets in 1996.

Although there was an improvement in the financial position of companies in Austria and Germany, it was much less marked than in the aforementioned countries. In these two countries over the review period, this ratio increased by only 6 percentage points. These developments have some impact on the ranking of the different countries.

At the start of the period, German firms appear to be the most highly capitalized on the basis of the **weighted mean**. In 1993, the reference year for the previous study, two countries -Germany and France- headed the ranking. These countries have remained at the top over most recent years. It should also be noted that Spanish firms had net equity levels close to their German and French competitors at the end of the period.

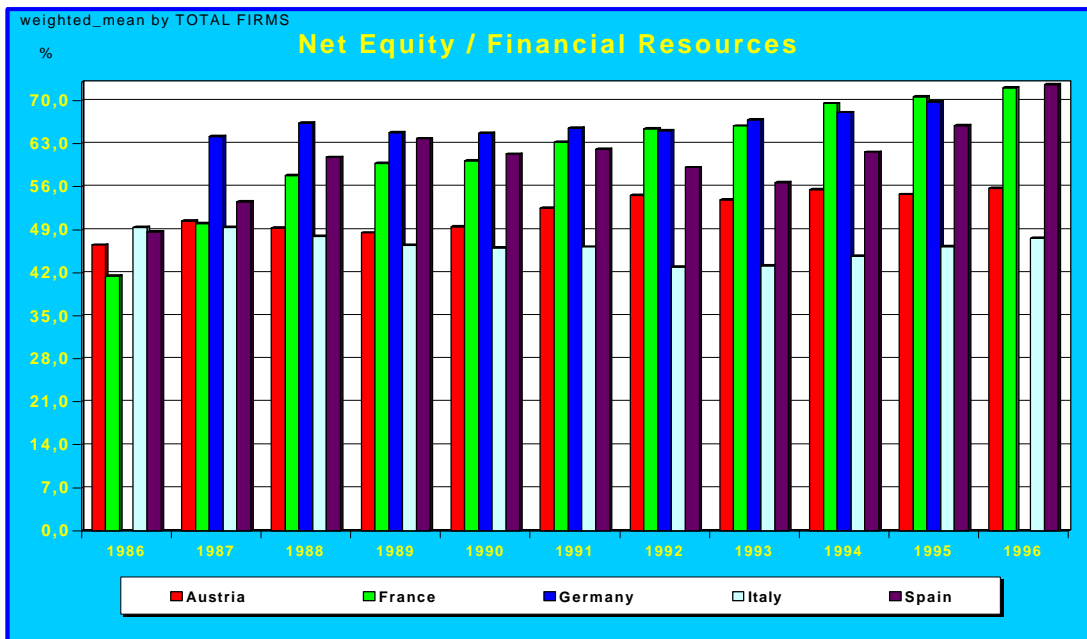
Turning to trends in the net equity / financial resources ratio expressed as a **median**, the improvement in the financial structure appears to be much less pronounced than for that on the basis of the weighted mean. In fact, only two countries see a really significant increase: Spain and especially France. For the other countries, there was either a small rise (in Austria), or virtual stability (in Germany), or even a fall (in Italy).

Consequently, the changes in the country ranking appear to be smaller than those shown by aggregate data. At both the start and the end of the period, German firms appear to have the least net equity and Spanish firms the most. The only exception to this was France, where companies seemed to occupy an intermediate position at the very beginning of the period and a favourable position at the period-end, close to that of their Spanish counterparts.

More uniform financial structures for large enterprises and more varied ones for SMEs

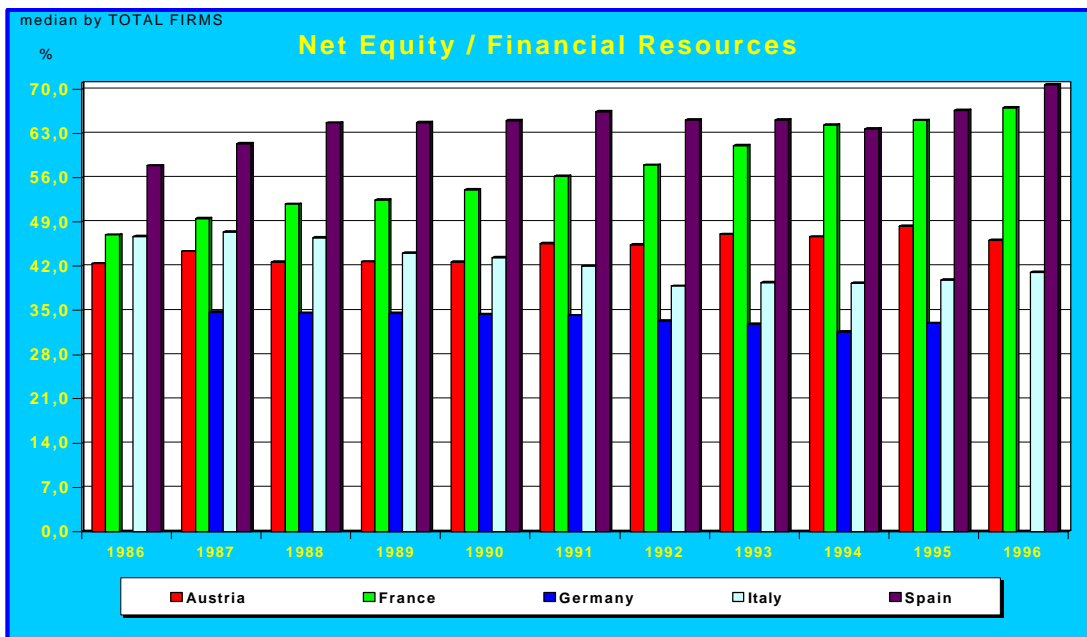
The fact that the improvements were more marked on the basis of **weighted mean** than **median** was the result of a more favourable trend in the position of large and very large firms than for SMEs.

⁶ With the help of Emmanuelle DUBOCAGE, Paris 13. All statistics are available from www.bparanque.com/ceecdb.zip.



Source: participating institutions

Updated: November 1999



Source: participating institutions

Updated: November 1999

In this study, figures are not available for Germany in 1986 and 1996.

Large and very large firms in all countries except for Italy enjoyed an improvement in their financial structure, though the size of the increase did of course vary from country to country. It is interesting to note that, because the rise was particularly strong in countries such as France, where the situation at the start of the period was the poorest, there was little difference at the period-end in the position of large enterprises across countries. This idea, i.e. that the influence of financial markets results in a certain degree of harmonization of financing structures in each country, already emerged from the previous study.

The atypical case of large and very large Italian firms is difficult to explain. It may originate from the following three factors: relatively higher growth in assets, lower self-financing and insufficient modernization of capital markets.

For SMEs (i.e. firms with annual turnover of less than EUR 50 million), trends differed much more significantly. An increase in this ratio was seen in Spain and France, though its size was smaller than for large firms, whilst there was stability in Austria and decreases in Italy and Germany.

In contrast with the situation observed for large firms, the countries where SMEs were already in outstanding position, such as Spain and France, saw the most positive trend for SMEs, thus consolidating the country ranking.

An increased size effect in each country

As a further consequence of the diverging trends seen for firms of different sizes, the size effect became stronger over the period under review. In line with observations during the previous study of 1993, this effect seems to vary considerably between countries. It is virtually non-existent in Italy, average in France (with an 18-percentage-point difference in the **weighted mean** for very small and large firms), significant in Spain, very significant in Austria and even more so in Germany. For Germany, the difference between very small and very large firms is about 50 percentage points throughout the review period.

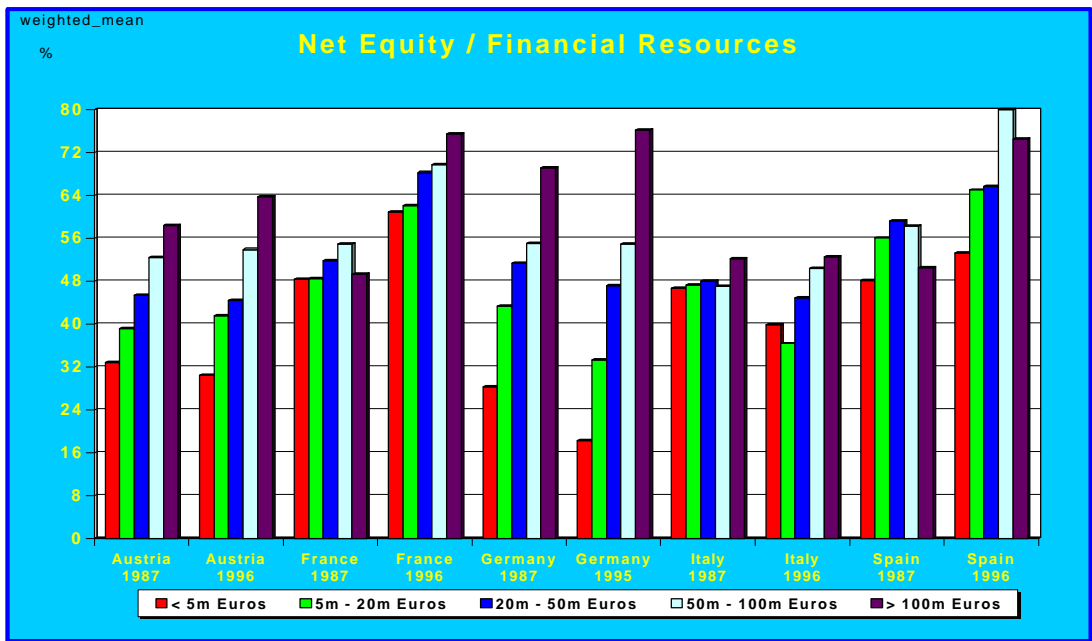
In France, this ranking of firms is a relatively recent development. At the start of the 1980s (and still in 1986), the financial structure of SMEs was sounder than that of large companies. Subsequently, large firms very considerably improved their financial structures in connection with the drop in inflation, the improvement in profits and the increased creditworthiness requirements related to the development of capital markets.

A fairly similar trend was seen in Spain. Although it was uneven, the increase in the net equity / financial resources ratio was significant for large and very large firms. Consequently, at the period-end, the latter had much more financial autonomy than their smaller counterparts. Admittedly, this advantage could be partly due to the fact that large firms made greater use of the regulation of the 1996 Act on balance sheet revaluation than small companies.

In Germany, we can see a genuine polarization between SMEs, on the one hand, and large enterprises, on the other. When observing median values, the net equity / financial resources ratio for very large businesses is three times higher than that for the smallest firms at the beginning and more than four times at the end of the period. German SMEs thus appear to be increasingly under-capitalized, whereas the large German firms are improving continuously their financial autonomy.

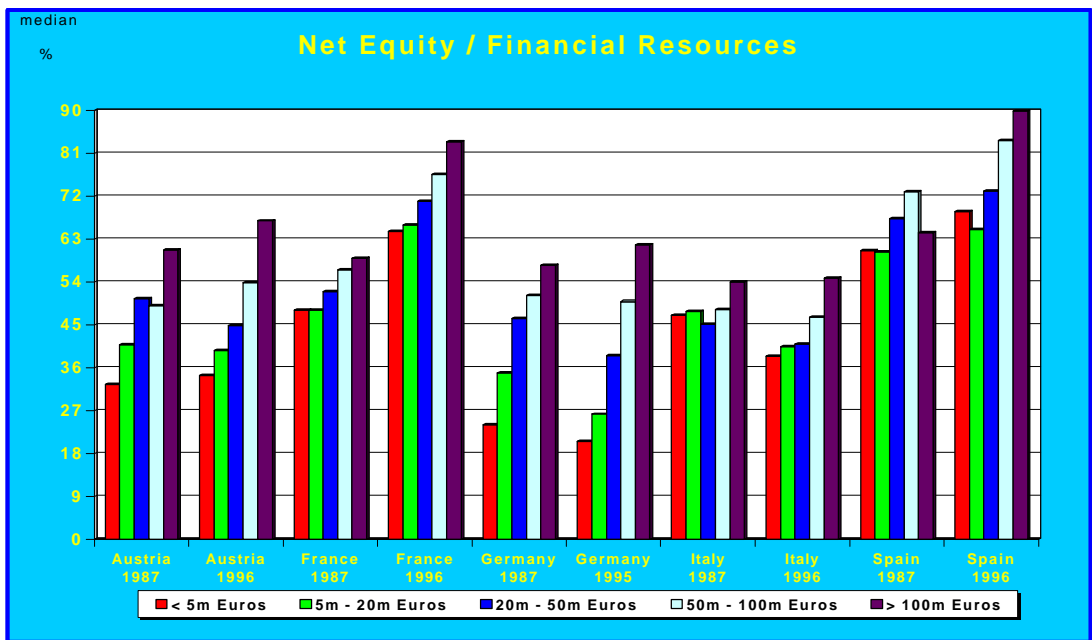
1.2. Mixed trends in financial debt

The strong increase in the financial autonomy of large and very large firms in the countries taking part in the survey (with the exception of Italy) is due:



Source: participating institutions

Updated: November 1999



Source: participating institutions

Updated: November 1999

- Firstly, to a sharp rise in net equity. This rise, be it analyzed on the basis of annual growth in the nominal amount or in terms of a balance sheet percentage, nevertheless varied in size (strong in France and Spain, more modest in Germany and Austria) and in regularity (virtually constant in France, more dependent upon the economic cycle in Spain).
- Secondly, also to a sizeable reduction in financial debt in France and Spain. When the amount of financial debt is expressed as a balance sheet percentage, this reduction is continuous in France and more irregular in Spain. Although it fell in Germany too, the decline there was relatively limited. In Italy and Austria, financial debt remained stable overall. The aforementioned developments somewhat influence the ranking of the different countries. Whilst in 1985 and 1986 the large and very large Spanish and French firms appear to have the most debt along with their Italian counterparts, ten years later they have financial debt in weighted mean and median terms close to that of their German competitors, lower than their Austrian competitors and lower still than their Italian counterparts.

Amongst the population of small and medium-sized enterprises studied, financial debt also recorded trends that varied from country to country. While it decreased in Spain in France (albeit by less than in large firms), it tended to remain stable and even increased slightly in Germany and Austria and particularly in Italy. The already marked contrast at the start of the period between Spain and particularly France (where financial debt is low compared to the other resources employed) and the three other countries (where it is high), thus became sharper over the period. For example, for the period 1995-1996, the median value of the financial debt / balance sheet total ratio comes to around 17% in France, 22% in Spain, 34% in Italy, 38% in Austria and 42% in Germany for firms with a turnover of less than EUR 5 million.

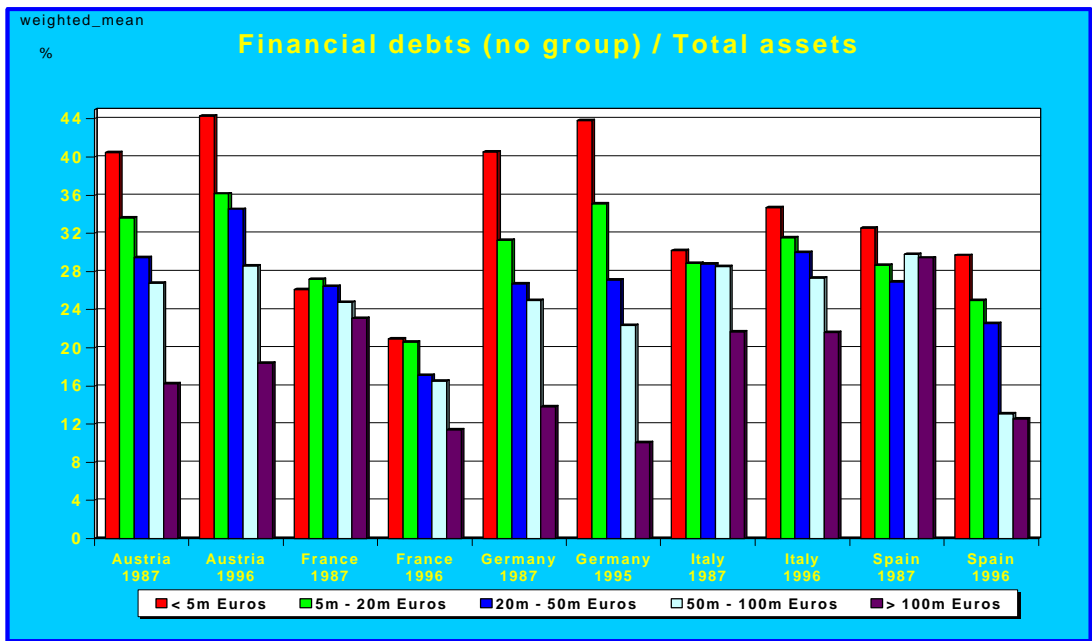
Lastly, it should be noted that, in each country, the size effect became more important. Even more than at the start of the review period, SMEs appear to have much more financial debt than their larger counterparts.

1.2.1. Financial and bank debt

For SMEs, the situation and trends regarding financial debt broadly reflect those seen for total bank debt. Thus, the **weighted mean** of the total bank debt / balance sheet total ratio is lowest in Spain and in particular France, and highest in Germany, Italy and Austria. Furthermore, this figure declined over the review period in Spain and France and climbed in the latter three countries. The fall in France reflects a broad financial constraint exacerbated by the persistently high level of real interest rates. It is probably also related to a worsening situation for banks, which altered their behaviour from sustained expansion to increased reticence about lending (Aglietta, 1998).

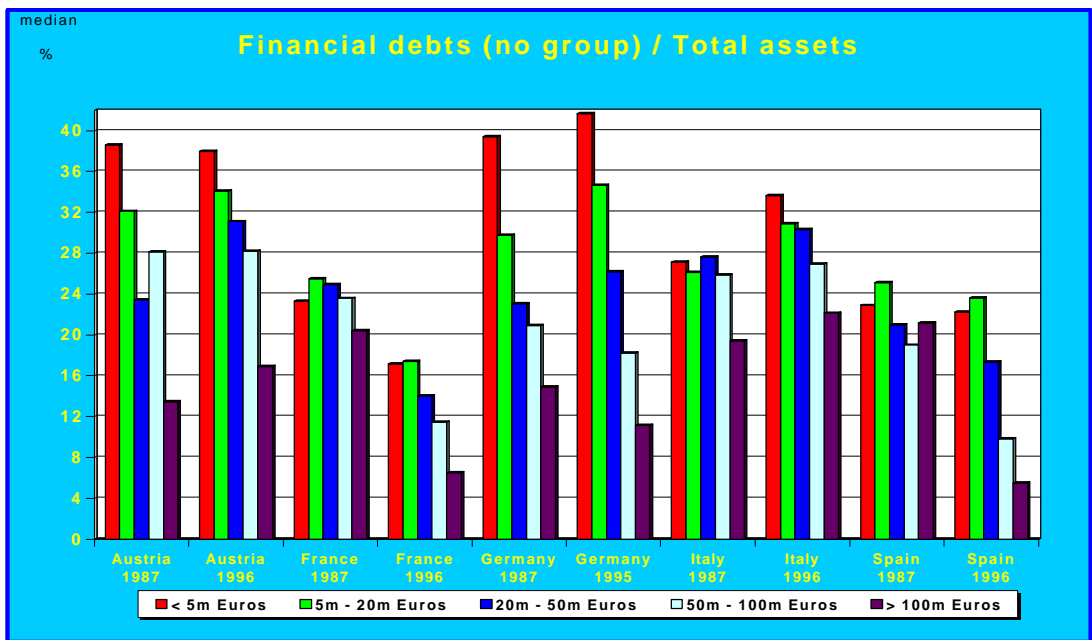
In all the countries, bank debt of large and very large enterprises is considerably lower than for smaller firms. While bank debt is structurally low in Germany, it declined considerably between 1986 and 1996 in Spain and France. Alongside the desire of large firms to pay down their debt, the modernization of capital markets is another factor explaining this reduction. It is interesting to note that, in Italy, firms with turnover exceeding EUR 50 million reduced their bank lending from 1994 onwards. However, a certain degree of stability was seen in Austria.

An analysis of bank debt according to its maturity gives interesting additional information. But the findings presented hereafter must be interpreted with a certain amount of caution because, owing to differences in accounting regulations, borrowing with a term of less than one year is included in medium and long-term term debt in France, but in short-term debt in the other countries.



Source: participating institutions

Updated: November 1999



Source: participating institutions

Updated: November 1999

Higher short-term bank debt at SMEs

A **weighted mean** analysis of the short-term bank debt / balance sheet total ratio gives different country rankings. From 1985 to 1987, Spanish, Italian and then Austrian firms have the most short-term debt. They are followed by French and lastly German companies in 1987. Between 1988 and 1995, Italian firms become the most indebted in the short term, followed by Austrian and Spanish businesses and then French and lastly German firms.

A **median** analysis gives a different country hierarchy. While Italian and Austrian firms seem to have the largest short-term bank debts, French businesses use this type of lending the least (and not German firms, whose short-term bank debt is of a similar amount to that of Spanish firms).

This difference between the two types of indicator tends to suggest that the amounts of short-term bank debt vary according to firm size.

In Germany and Austria, short-term bank debt is low at large enterprises, whereas it is high at SMEs. Overdrafts in the form of standing facilities or general operating loans, generally accompanied by overall guarantees taking the form of a general assignment of all claims on customers to the bank (*Globalzession* in German, or general assignment), give firms a high level of short-term financial flexibility (Sauvé and Scheuer, 1999).

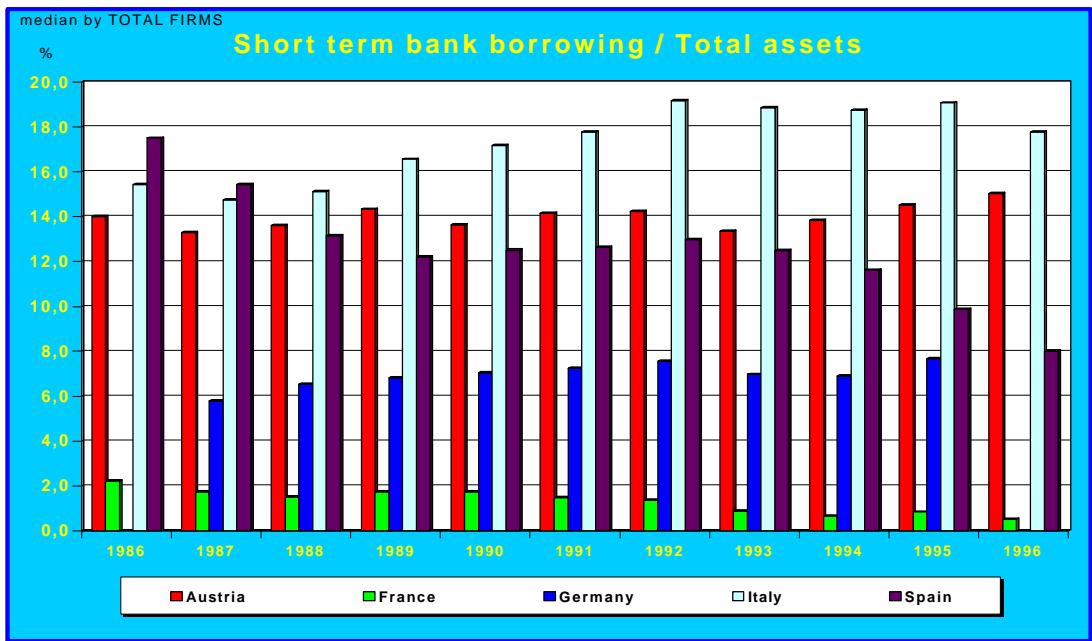
In Spain, the firms with the highest levels of this kind of debt are those of companies with intermediate size with turnover between EUR 5 and EUR 50 million.

By examining trends, it is possible to distinguish between two groups of countries: the former where short-term bank debt is rising, which includes Italy, Germany and Austria, and the latter where it is falling, such as Spain and France. In France, the short-term bank debt of small enterprises fell between 1990 and 1995, with very small firms accounting for only 0.2% of the balance sheet total on median figures. As for the large firms, we see a decrease over the whole period. It is interesting to see that the institutional reforms, notably the introduction of the Dailly Act that aimed to facilitate the access of firms to short-term bank credit in the form of confirmed credit (a guaranteed resource less costly than an overdraft), had little influence on corporate behaviour. At the start of the period, the role of short-term interest rates seems to be of some importance: we observe a slight drop in short-term bank debt in 1987 and 1995 corresponding to rises in the rates on short-term credit.

In Italy, irrespective of the indicator considered, the SMEs remain more indebted than large firms and have greater recourse to short-term bank loans. SMEs even increased their use of this type of financing, whereas the very big businesses reduced it.

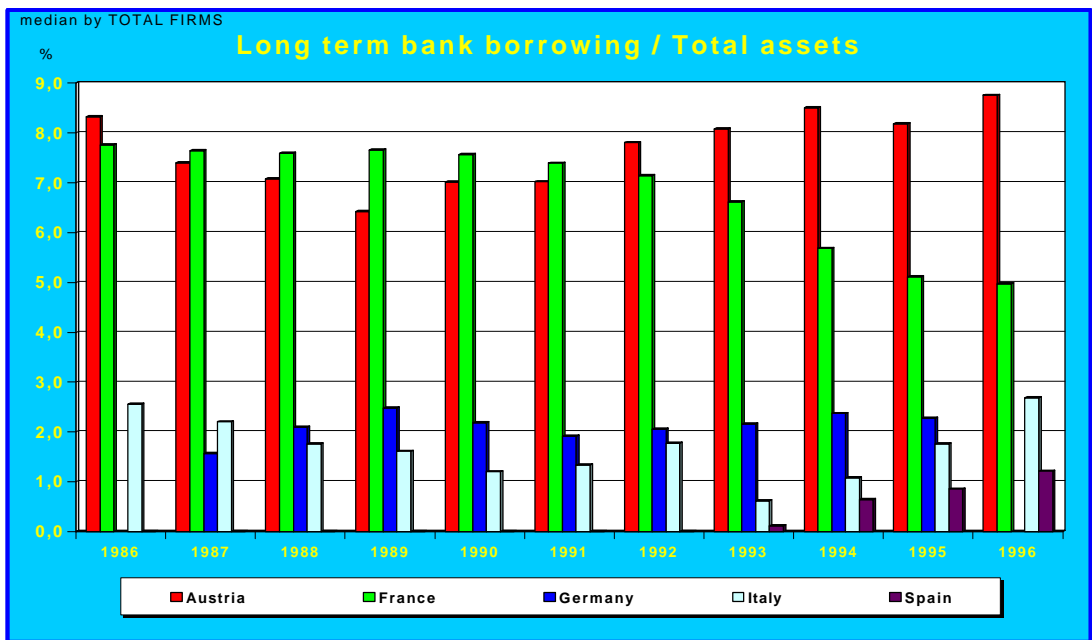
A decline in medium- and long-term debt for large firms, but more disparate behaviour by SMEs

On the basis of **weighted mean**, France and Germany, joined by Spain in 1996, stand out at the period-end due to their low level of medium- and long-term bank debt, the share of which in liabilities decreased in all countries except Austria. However, in terms of **median** values, the observation is different, highlighting the behaviour of SMEs. The medium and long-term bank debt / balance sheet total ratio appears highest in France and Austria, even though it starts falling in France in 1989. In Italy, the trend in this ratio seems to be more sensitive to business cycles than elsewhere: down between 1986 and 1990, then up in 1991 and 1992, then down in 1993 and then up again. In Germany, this ratio decreases considerably with firm size, with the weighted mean for very small businesses rising from 1991 to 1993. Median values do not show a clear size effect until 1992.



Source: participating institutions

Updated: November 1999



Source: participating institutions

Updated: November 1999

For Austria, a size effect has to be considered as far as the weighted mean is concerned (decreasing values as size increases), but the share of medium- and long-term debt in the balance sheet total for very small firms shows a sustained rise from 1991 onwards, climbing from 13.5% to 20.3%. Based on median values, the trend is less marked, although overall firms with turnover of less than EUR 100 million make greater use of this type of funding than other firms.

In Italy, there is little difference according to size and a certain degree of stability throughout the period, with the exception of large enterprises which reduce their medium and long-term bank debt. In median terms, the smallest businesses do not make use of this type of financing between 1988 and 1995 and the downward movement is confirmed, particularly for the largest firms.

1.2.2. Controlling business activity fluctuations

In order to assess financial debt correctly, it must not just be compared with the other resources employed, but also with the firm’s turnover as an indicator of the level economic activity.

An analysis of the financial debt / turnover ratio, independent of whether the **weighted mean** or the **median** are analyzed, gives similar conclusions to those resulting from an examination of the financial debt / balance sheet total ratio, although it is important to qualify them in some respects.

While the financial indebtedness of German SMEs appears to be particularly high as a percentage of the balance sheet total, when compared with turnover it is even higher than that of French SMEs, but close to that of Spanish SMEs, and in any case much lower than that of Italian and Austrian firms. This apparent contradiction can be explained by the rate of asset turnover, which is much quicker in Germany than in Austria, Italy and Spain (see Section 3) ⁷

1.3. Growth in provisions and loans from group and associated companies at large firms

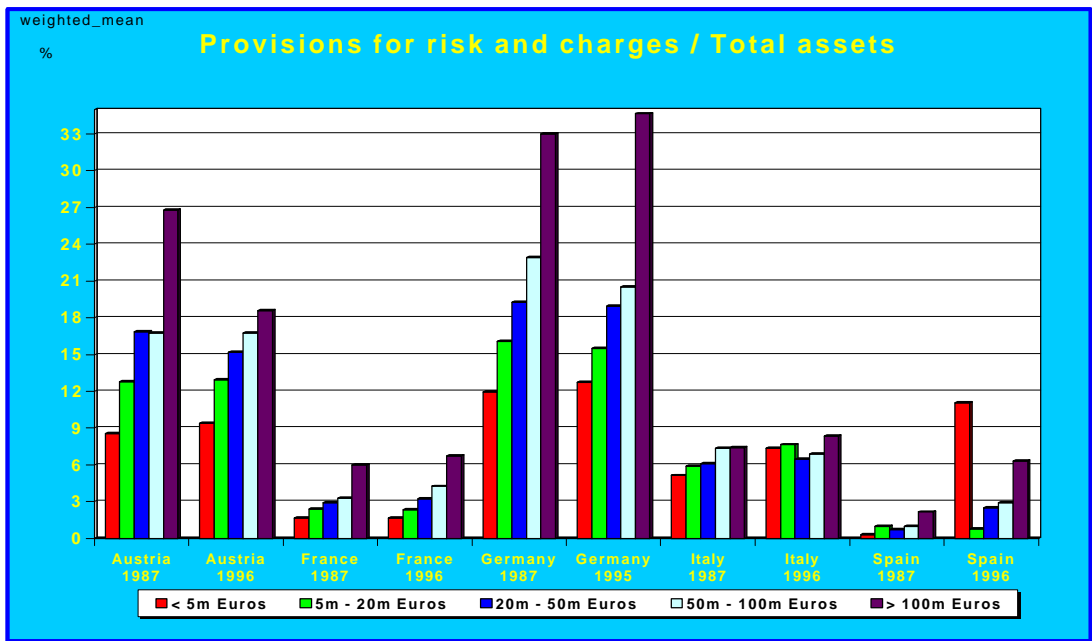
An analysis of the trend in alternative financing sources other than net equity and debt, i.e. provisions for risks and charges and loans from group and associated companies, reveals that use of these two types of resources has increased over the last ten years, especially by large enterprises.

1.3.1. Differences in the share of provisions for risks and charges

As emphasized in the previous study, provisions for risks and charges play a very important role in the financing of German and Austrian firms. In some cases, they are even greater than net equity. These provisions also reach a fairly high level in Italy. The country ranking described in the previous 1993 study applies again to the whole of this period.

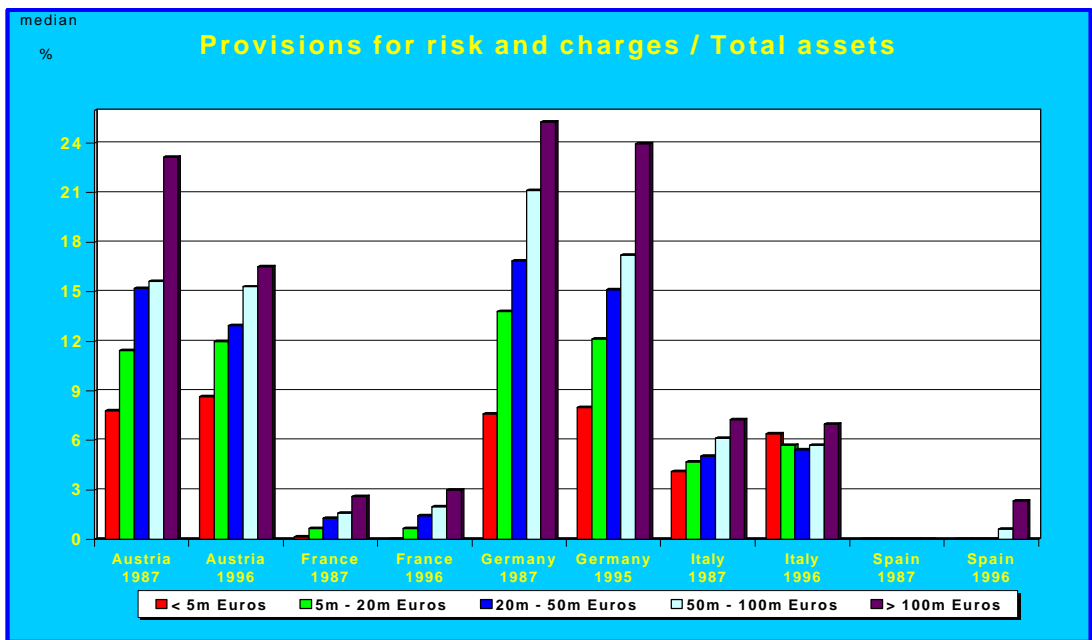
⁷ As shown in the previous study, the ratio of debt to turnover depends on the ratio of debt to the balance sheet total and the asset turnover rate, i.e.:

$$\frac{\text{Financial debt}}{\text{Net Turn Over}} = \frac{\text{Financial debt}}{\text{Total Assets}} \times \frac{\text{Total Assets}}{\text{Net Turn Over}}$$



Source: participating institutions

Updated: November 1999



Source: participating institutions

Updated: November 1999

The high level of provisions in Germany can be explained by the existence in these countries of company-based supplementary old age pension schemes managed directly by employers. Under such schemes, the company provides additional benefit to the employee on a voluntary but contractual basis so as to cushion the inevitable drop in income which an employee suffers on retirement and itself takes care of its staff's retirement entitlements like an insurance company. Over the duration of this contract, the employer must set aside provisions (this has been mandatory since the 4th EEC Directive, whereas before it was optional) in order to earmark within the balance sheet a separate amount of assets sufficient to satisfy the employees' future pension entitlements when he retires. The provisions thus constituted, which under certain circumstances are tax deductible, must appear on the balance sheet with their value being determined according to actuarial principles.

However, over the last few years in Germany, firms have been reluctant to commit themselves to new pension contracts for economic and legal reasons.

An important part of this type of resource in Italy consists of the severance indemnity funds (*Trattamento Fine Rapporto* – TFR), in which companies annually set aside a percentage of their labour costs. The total amount accumulated for each employee is paid to the employee at the end of his employment. The incidence of this fund on the liabilities of Italian companies is therefore linked to the intensity of labour required in the sector and the employment structure (seniority, quality, etc.). The share of overall provisions constituted by the severance indemnity fund is considerable (around 65% in 1996), although it tends to diminish over time. Recent government measures aimed at promoting integrated forms of pensions will lead to a gradual reduction of these reserves in favour of pension funds.

While the amounts set aside to the severance indemnity reserve are certainly tantamount to a debt, it is not possible to establish with any precision the remaining part of provisions for risk representing quasi-equity. In general, however, it can be safely concluded that new government regulations and the implementation of the 4th EEC Directive with regard to Italian financial statements as well as Italian tax regulations will not leave much leeway for discretion in accounting practices with regard to provisions set aside to risk and expense funds that can therefore be prevalently considered as debts.

In Austria, the high level of provisions can be explained also by the severance payments which are included in long term provisions.

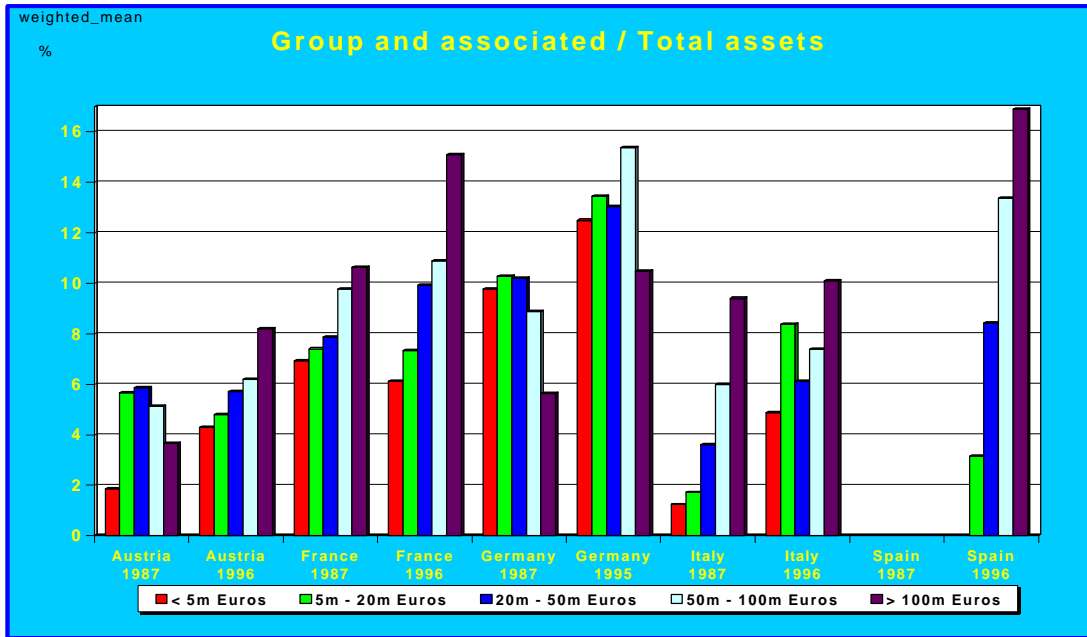
For Spain and France, the **weighted mean** and the **median** figures show the low importance that provisions for risk and charges have as a source of finance. In Spain, for example, in the very big companies (turnover greater than EUR 100 million) alone, the median is more than zero (2.3% in 1996) although the weighted mean for that size was 6.3% in 1996, which shows that, even in the biggest companies, only a small group sets up provisions to a considerable amount.

The size effect is the same in all the countries considered, where the provisions are larger for companies with turnover in excess of EUR 100 million.

1.3.2. Loans from group and associated companies

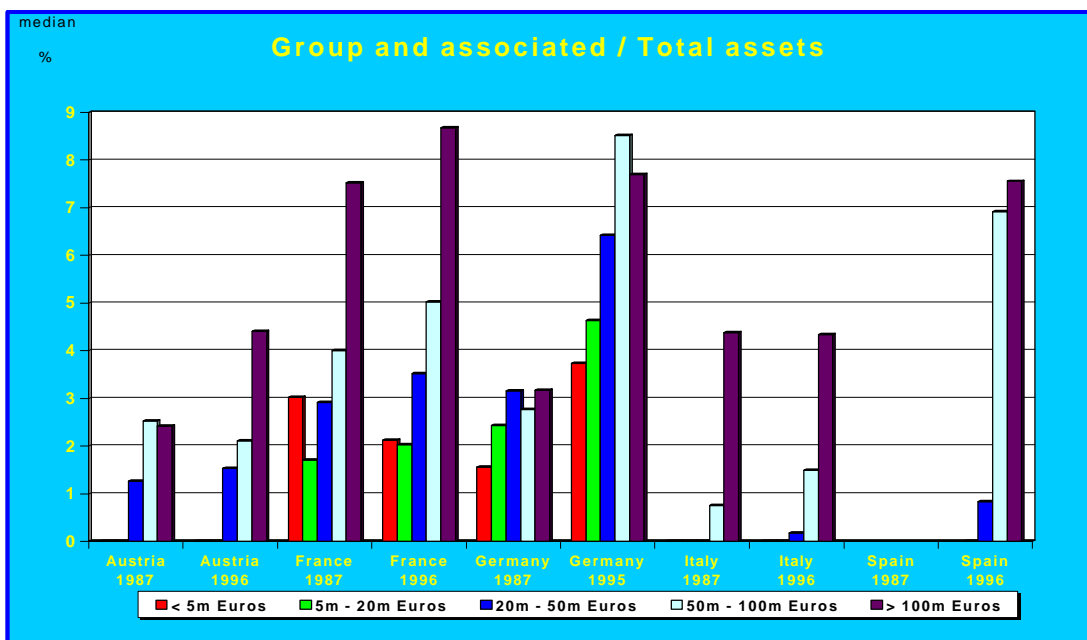
The data for debt to group and associated companies are neither available for all the countries, nor for all the firms for the whole period. Data are available for France, Italy and Austria from 1986, for Germany from 1987. For Spain from 1991, these data are available only for firms with more than 100 employees (these data were previously included in financial and commercial debt).

Despite the incompleteness of the available data, it seems clear that debt to group and associated companies increased over the period in all the countries and that it was high particularly in France and especially Spain and Germany.



Source: participating institutions

Updated: November 1999



Source: participating institutions

Updated: November 1999

Figures are not available for Spain in 1987.

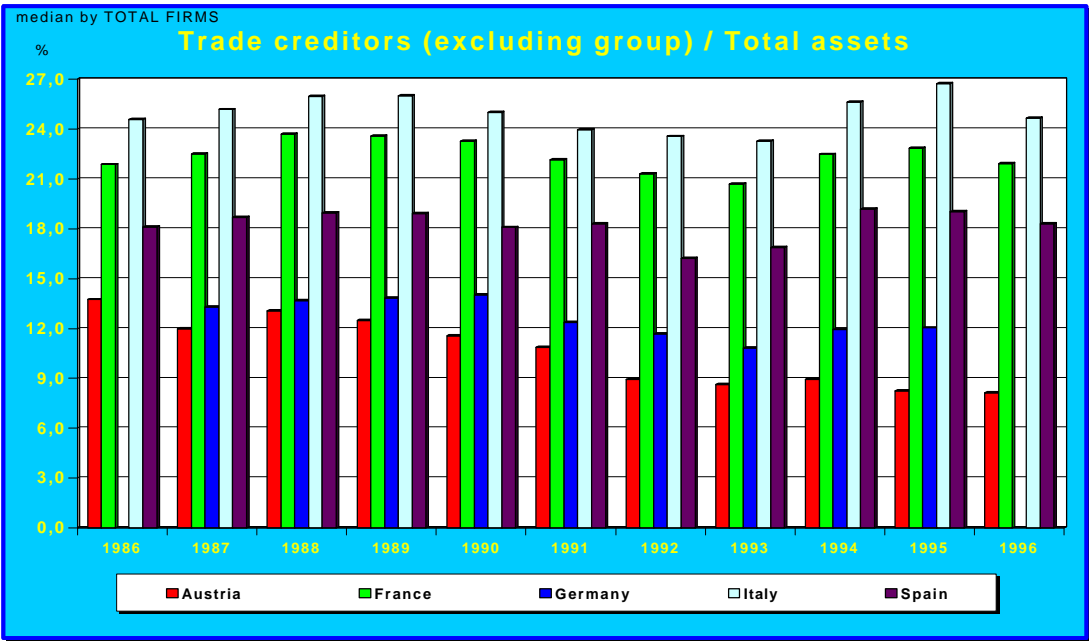
Furthermore, while increases were seen at both SMEs and large firms, the rise was much sharper at the latter. The size effect for debt to group and associated companies at the end of the period was clearly evident. As measured by the **weighted mean**, this type of debt accounted for more than 10% of the balance sheet total for firms with turnover greater than EUR 100 million in all the countries except Austria.

Amongst the population of SMEs, group financing differs fairly significantly from country to country. In France and especially Germany, most SMEs borrow sometimes considerable amounts from their associated companies, as indicated by the weighted mean values.

In Spain⁸ and Italy, only a small number of SMEs use this type of financing. However, here again, weighted mean data reveal that, even in these countries, some SMEs are heavily involved in intra-group operations.

1.3.3. Trade creditors

Trade creditors may also be considered as an external alternative source of financing. As these are linked to trade credit, we decided to analyze their effective influence on financing needs (or resources) in this study, having also taken into account the existence of trade debtors.



Source: participating institutions

Updated: November 1999

A clear contrast is apparent between the Mediterranean countries and the Germanic countries with regard to both the trade creditors / balance sheet total ratio and the trade creditors / total turnover ratio. These ratios are much higher in the first group of countries than in the second, irrespective of company size. In terms of trends in the two indicators, it is only in Austria that a clear downtrend is seen throughout the review period. Furthermore, as measured by both the **weighted mean** and the **median**, the proportion of trade creditors is higher in firms with turnover less than EUR 20 million and it is lowest in companies with turnover of more than EUR 50 million in Spain and Austria, and more than EUR 100 million in the other countries.

⁸ Figures for the firms with less than 100 employees are not available for that country.

It can be concluded that financing by net equity and funding using other resources are not mutually exclusive. Other resources may be both an alternative or an additional source of financing. In Germany, as in Austria, provisions are much higher in large enterprises, whilst their net equity is greater than in smaller firms. Similarly, in France, liabilities to group and associated companies and figures for trade creditors are high, as are net equity levels.

2. The Role of Assets

Determinants of the financial structure are real as well as financial factors. The approach pursued in this study posits that there is a link between the financial structure and the nature of corporate financing requirements, and that a comparison of financial structures should be completed by an analysis of the asset structure. According to the analysis by Williamson, as well as that by Myers using another approach, the financial behaviour of companies depends on their financial requirements. As a result, assets cannot be analyzed separately from liabilities, since the assets help to understand the liabilities, that is, the reasons underlying the financial decisions.

During the period under review, asset turnover as measured by the asset / turnover ratio, tended to accelerate during expansionary phases and decelerate during economic slowdowns. On the whole, the turnover rate at the end of the period was similar to that at the beginning of the period, except in Austria where it slowed. From 1995 to 1996, it appeared to be more rapid in France and especially in Germany than in the other countries, regardless of the indicator chosen. This confirms the findings of the previous study in 1993. German legislation, and in particular the existence of a right of an enlarged and extended ownership reservation, at least partly explains this situation. The enlargement of the scope of the reservation clause gives the creditor the right to seize the processed product and the disposal of claims resulting from the sale of the delivered goods, while the extended reservation of ownership guarantees payment of a set of claims. The delivered goods remain the property of the supplier until all the purchaser's debts have been settled in full. This specific legal and regulatory context minimizes late payments in supplier-customer transactions.

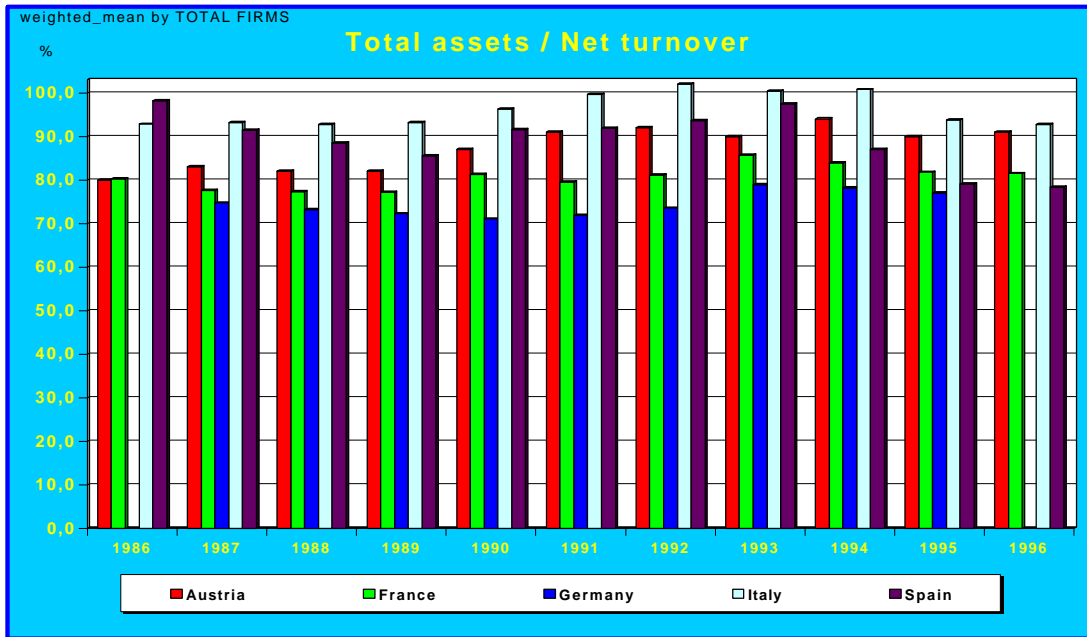
A breakdown by company size shows that in France, Germany and Spain, the smaller the company, the faster its asset turnover rate. By contrast, in Austria and Italy the turnover rate is faster in the medium-sized companies with sales ranging between EUR 5 and 50 million.

The asset to turnover ratio is particularly high in small Italian firms. This is probably largely due to the specific features of the customer-supplier relationship in this country, in particular regarding inventory management or accounts receivable days outstanding, as has been illustrated by various studies on the organization of production at Benetton or in the Italian ceramics sector. It is also true that the smallest companies are more vulnerable to the constraints arising on the indivisibility of the equipment they need to meet demand. However, it remains to be explained why this constraint weighs more heavily on certain countries such as Italy or Austria. Here too, the answers reside perhaps in the national characteristics of the various productive systems.

2.1. Fixed Assets

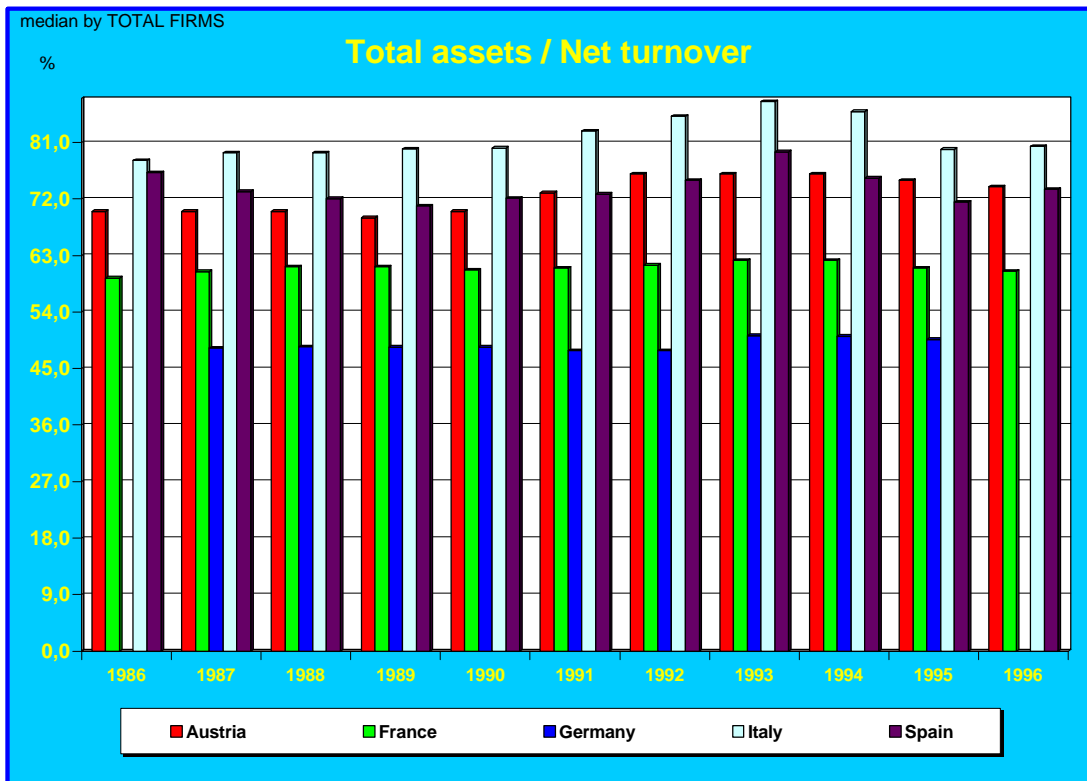
The share of fixed assets in total assets rose from the beginning of the 1980s to the mid-1990s. However, the increase was far more substantial in the large firms than in the small and medium-sized firms.

The country classification remained the same from 1985 to 1996. The Austrian and, to a lesser extent, Spanish and German firms reported the greatest share of fixed to total assets in terms of the **weighted mean**, which chiefly reflects the position of firms with sales exceeding EUR 50 million. French and Italian firms had the lowest share. An analysis of the **median**, which primarily reflects the behaviour of the most numerous companies which are the small and medium-sized firms, produces slightly different results. First of all, it reveals a larger difference between countries than the average ratio, because the inter-country dispersion is larger for small and medium-sized firms than for large firms. Secondly, while the Austrian and Spanish firms still carry the largest proportion of fixed assets according to this indicator, the French firms and not the Italian ones have to finance the least fixed assets.



Source: participating institutions

Updated: November 1999



Source: participating institutions

Updated: November 1999

It should also be noted that the size effect varies between countries. The factor firm size has little effect in Austria and Italy, while in other countries, the larger the firm, the more fixed assets it holds.

2.1.1. Tangible assets

The share of tangible assets in total assets remained fairly stable during the period under review. In particular, it seems to have reacted very little to economic fluctuations.

The firms with the most tangible assets generally also have the most fixed assets, that is, the Spanish and Austrian firms. In contrast to that, the French small and medium-sized firms, which have the least tangible assets, also have the least fixed assets.

Two important facts should be underscored:

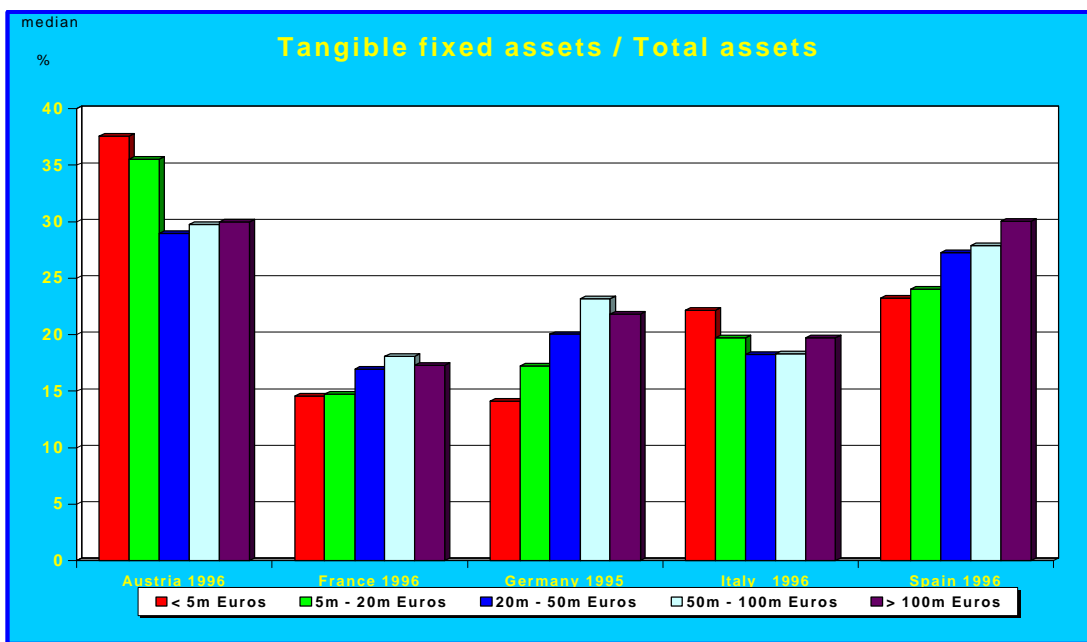
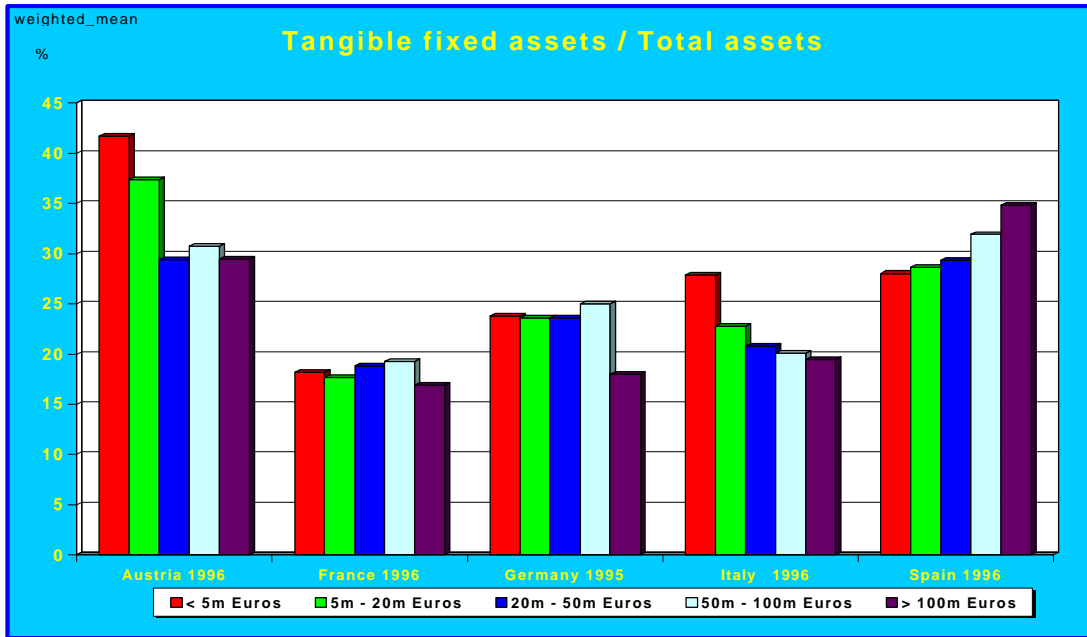
- While the French and Spanish firms have similar liabilities structures, they differ significantly regarding the weight of tangible assets in the balance sheet total (the median of the tangible assets / total assets ratio was 15.1 % in 1996 for the former and 24.7 % for the latter). These differences do not appear to be related to the composition of the sample examined in each country. They may be explained, at least in part for large firms, by the revaluation of assets in Spain in 1983 and 1996. They may also stem from the fact that, in France, small and medium firms have greater recourse to finance-leasing than in Spain⁹.
- The effect of the size of the firm on the tangible assets / total assets ratio is different from that of the fixed assets / total assets ratio. Spain is the only country in which the weight of tangible assets is greater in the large and very large companies than in the other companies, regardless of the indicator used. Moreover, in Germany and Austria, the level of tangible assets is particularly high in the very small firms for the reasons described at the beginning of the chapter.

2.1.2. Financial assets

The above-mentioned divergence regarding the impact of company size on fixed assets on the one hand, and tangible assets on the other results from the high level of financial assets held in the large and, even more, in the very large firms. This level rose significantly during the period. For firms with turnover of over EUR 100 million, the **weighted mean** of the ratio of financial assets to total assets rose from 13.7% to 24.6% in Germany, 9.4% to 17.1% in France and 3.5% to 14.5% in Austria. This increase, which was also evident in Italy and Spain, albeit to a lesser extent, clearly stems from the external growth of certain very large firms. Firms engaged in these operations for a number of reasons. To a certain extent, they form an alternative to internal growth (versus external growth). Competition, the limits on purely quantitative growth and the need for rapid returns on investment appear to have prompted large firms to acquire existing capacity rather than extend their own capacities.

In the small and medium-sized firms, the weight of financial assets is generally low. Nevertheless, the fact that, in terms of the **weighted mean**, the financial asset to total asset ratio generally falls between 2% and 5% in all countries demonstrates that the managers of some small and medium-sized firms are also looking into external growth opportunities.

⁹ As in the first study, finance-lease issues were not included in the analysis of financial debt or fixed assets because it is impossible to obtain comparable figures.



2.2. Claims on group and associated companies

In connection with the rise in external growth, the claims of large and very large firms on group and associated companies showed a marked rise in the period under review. In terms of the **weighted mean**, they accounted for over 10% of total assets of firms with turnover of more than EUR 100 million (11% in Italy, 13% in Austria, 15% in Spain, 10% in Germany, 17% in France).

Without being negligible, these debts are obviously lower for small and medium sized firms, especially in Austria and Germany, where the **median** of the claims on group and associated companies to total assets ratio is clearly positive, falling between 4% and 6%. While most small and medium sized Italian firms do not appear to be concerned by such operations (as is also the case of small and medium sized Spanish firms¹⁰), the **weighted average** values for these countries indicate that certain firms with less than EUR 50 million in turnover are very much involved in such group transactions.

In short, the findings for group claims are quite similar to those for group debts. It is, however, interesting to note that, on the basis of aggregate data, the very large firms are intra-group creditors in France, and even more so in Germany and Austria, while the small and medium-sized firms are debtors in Germany and France and creditors in Spain.

2.3. Current assets

2.3.1. Inventories

Inventories shrank in all countries from 1985 to 1996. This drop is

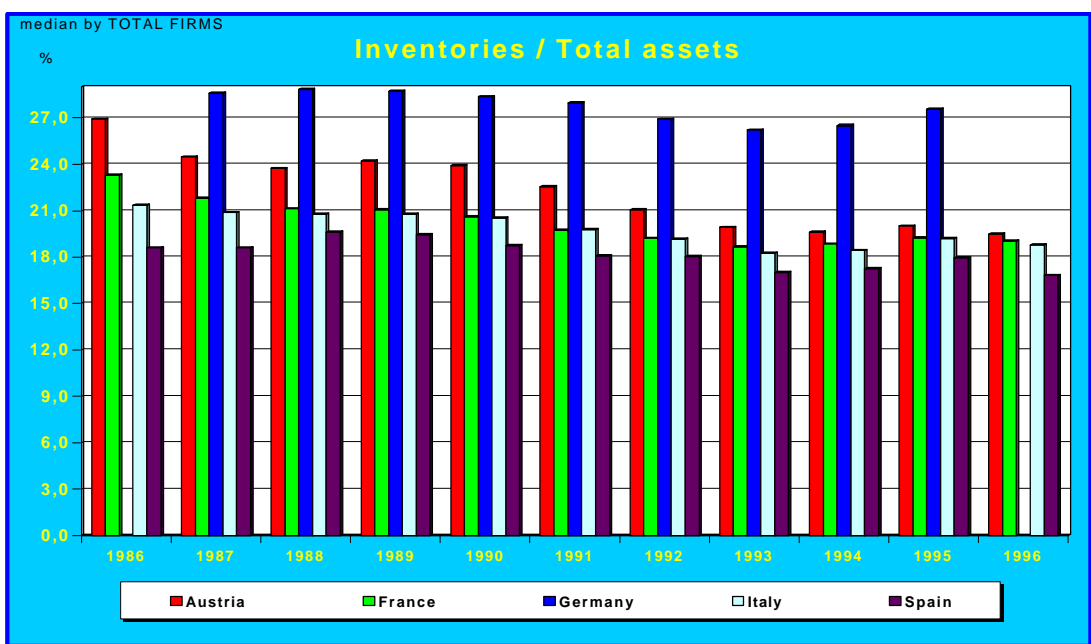
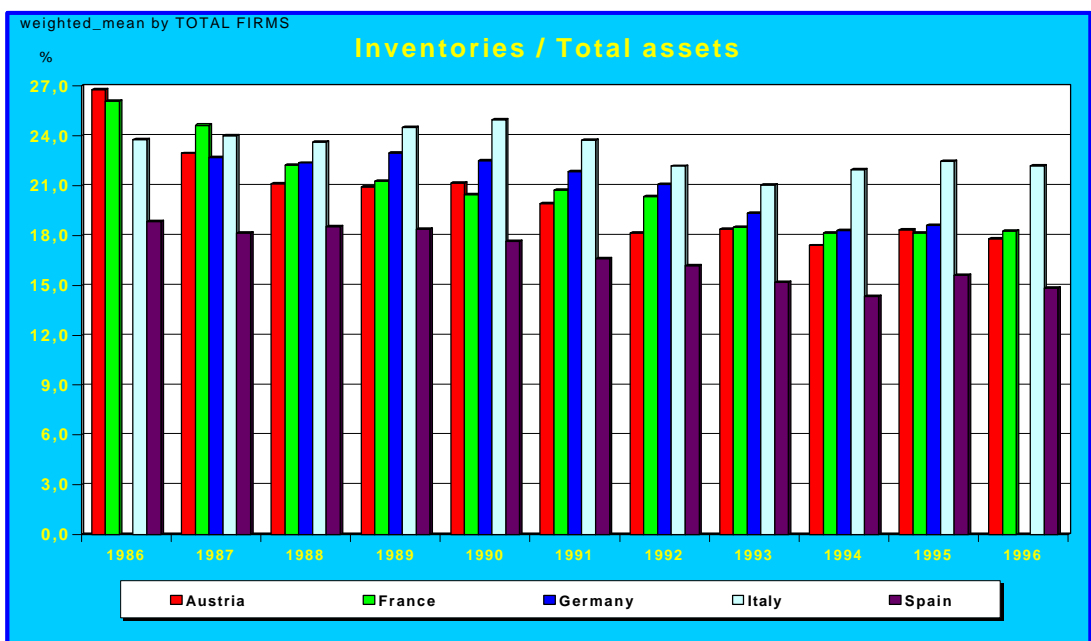
- visible when analyzing the inventory / total assets ratio or the inventory / turnover ratio
- more significant for the **weighted mean** than for the **median**. Once again, this indicates that the strongest movements were recorded for the largest firms.

During the period under review, the large and very large firms drew down their inventories of raw materials, finished or semi-finished products. The reports on "Corporate Finance in France and Germany" (Sauvé and Scheuer, 1999) and the study on Bach data "Comparison between SME and Large Enterprises" (Rivaud-Danset, 1999) already underscored this phenomenon, which is related to new organizational methods, in particular just-in-time management. Some research has shown that, because of the speed and low cost of adjusting inventory management, inventories are one of the key variables of companies' ability to adapt to economic cycles (Demingüic-Kunt and Maksimovic, 1996). In any event, they are one of the levers companies use to reduce financing requirements.

As a result, even more than at the beginning of the period, inventories appeared to decrease with the size of the company in most countries. The only exception are the very small firms which generally have lower inventory levels than their counterparts in the size class right above them.

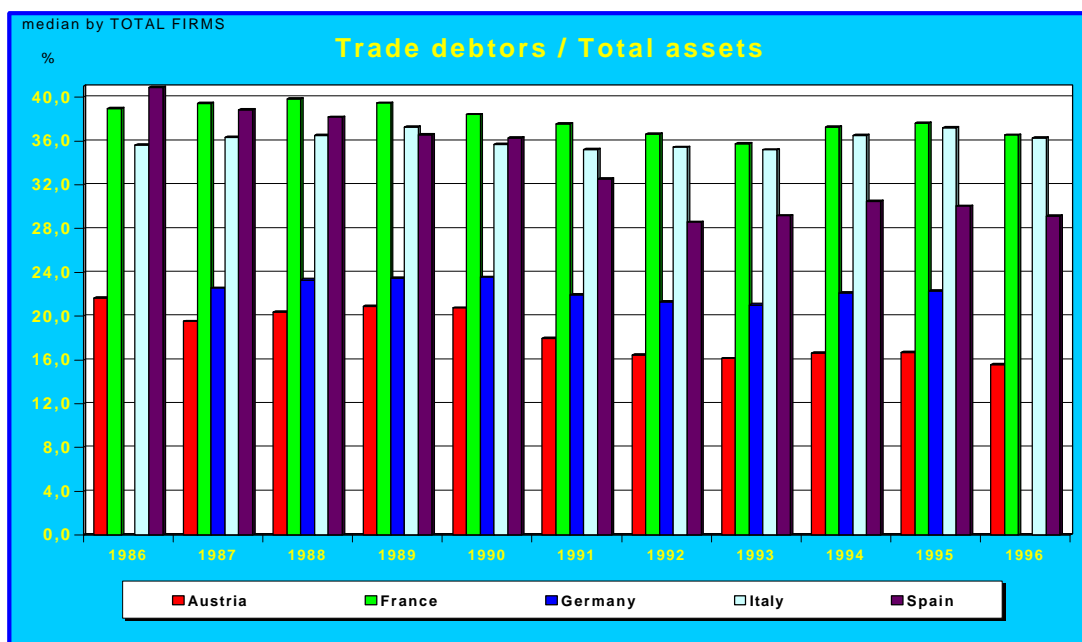
An inter-country comparison shows, in particular for the **median**, that German firms have the highest inventory levels when calculated as a percentage of the balance sheet. This difference is in part attributable to the sectoral breakdown of the firms in the database and to the accounting regulations applicable in each country. It is also an effect of the fairly low amount of assets of German firms. For example, for the inventory / turnover ratio, which measures the inventory turnover rate, German firms report figures that are close to those of their counterparts in the other countries.

¹⁰ However, for Spain such data are only available for firms with more than 100 employees.



2.3.2. Trade debtors

The proportion of trade debtors (or creditors) to total assets varies from country to country. In terms of the **weighted mean**, it is the largest in Italy, France and Spain. This hierarchy prevails throughout the entire period. It also applies to the trade debtors / total assets ratio and the trade debtors / turnover ratio, but with a difference. Whereas Spanish businesses fall between the German and Austrian firms on the one hand and the French and Italian firms on the other as far as the trade debtors / total assets ratio is regarded, for the second ratio (trade debtors / turnover), the values for France and Spain are similar. Trade debtors continue to be highest in Italy and lowest in Austria and Germany.



Source: participating institutions

Updated: November 1999

Trade debtors (as a percentage of the balance sheet or turnover) declined in the large and very large firms. However, they remained stable in the SMEs.

On the whole, trade debtors appear to be higher in firms with turnover of less than EUR 50 million (less than EUR 20 million in Austria) than in the large corporations. This is even more true for the largest corporations, and reflects the balance of power arising on the respective positions of SMEs and large companies in the national productive systems.

2.3.3. The balance of trade debtors and creditors

The high proportion of both trade debtors and creditors in Spain, France and Italy is obviously caused by the magnitude of inter-company credit in these as in all Latin countries. However, if the phenomenon is to be properly assessed, one cannot restrict the analysis to the trade debtor and creditor turnover rates. The difference between the amount of trade debtors and creditors must also be calculated.

The **weighted mean** and the **median** of the trade debtors-creditors-to-turnover ratio are positive in all the countries participating in the study. This indicates that in general and for most industrial firms, inter-company credit leads to the incurrence of financing charges.

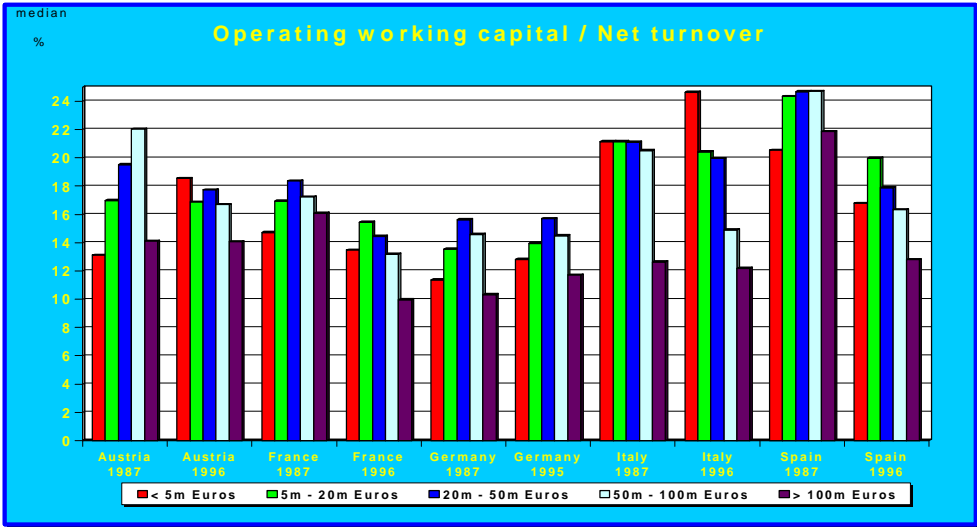
These financing charges are lower in countries in which payment periods are short, such as Germany and Austria, than in countries where they are longer. However, the differences between countries are not very significant and, in any case, markedly smaller than those arising on the trade creditors/debtors to turnover ratio. At the end of the period, the **median values** were 4% in Germany and Austria, 8% in Spain and 9% in France and Italy.

During the period under review, this balance shrank in the large and very large firms, except in Germany. It remained virtually stable in the SMEs, with the exception of Austria, where it showed a slight rise. In 1995-1996, the balance was lower in the large and very large firms than in SMEs in France, Spain and Italy, while the opposite was observed in Germany.

2.4. Operating working capital

Operating working capital can be briefly defined as the financing requirements arising from the production cycle. They stem chiefly from inventories and transactions related to inter-company credit.

The operating working capital of large and very large firms declined in all countries surveyed during the period, except Germany. Moreover, in this class of firms, their weight appeared fairly similar in the different countries. At the end of the period, the **median** of the operating working capital to turnover ratio for firms with turnover of EUR 50-100 million varied between 13% in France and 17% in Austria. That of firms with more than EUR 100 million in turnover ranged from 10% in France to 14% in Austria.



Source: participating institutions

Updated: November 1999

The operating working capital as a percentage of turnover of SMEs showed little change. They were particularly heavy throughout the period for the small and especially the very small Italian firms where, in terms of the median, they accounted for almost 27 days of turnover in 1986, against only 13 days for their French and German counterparts.

An analysis of the size effect shows that these requirements tend to decrease in the larger firms. While this is particularly the case in Italy and, to a lesser extent, in Austria, it is not quite as flagrant in the other countries, where the operating working capital of the very small firms is slightly lower than those of firms with turnover ranging between EUR 5 and 50 million and is close to firms with turnover of EUR 50 to 100 million.

However, the differences observed in the share of operating working capital is not just a matter of statistical spreads. As we already mentioned when discussing asset turnover, they also reflect the specific characteristics of inter-company relations. These relations are based on a number of conventions, that is, explicit or implicit agreements regarding, for example, product quality, the terms of a business transaction (price, volume, payment period...) or the standards to be met (Salais and Storper, 1993). The development of just-in-time management has transferred the burden of inventory management to the dependent / dominated firm; generally a small firm which may receive in exchange the guarantee of a market or technical assistance. In other words, when interpreting the ratios it is essential to take into account a firm's ability to organize coherent exchanges with its environment, that is, the conventions corresponding to the nature of its activity. Such ratios may, in fact, reflect conditions inherent in the firm's activity and the maintenance of a long-term economic relationship, rather than a management weakness, such as excessive inventory levels.

2.5. Cash as a source of financial flexibility

As regards the **weighted mean** in Germany and Austria, the larger the firm, the higher the percentage of cash and cash equivalents in the balance sheet in proportion to turnover in euro. In France and Spain, however, SMEs hold the largest cash balances. Whereas the hierarchy in terms of size remained the same in all countries throughout the period, it changed in Italy. In terms of the **weighted mean**, it was in ascending order by size from 1985 to 1987. After 1988, it was in descending order by size. In terms of the **median**, the hierarchy by firm size and country was the same as for the weighted mean. This seems to be different in Germany only, where no significant graduation by firm size has to be recorded.

Holding cash and cash equivalents may be a method of managing financial constraints which companies endeavour to alleviate by using the resources available to them through their assets, either by mobilizing these assets to meet their needs, or by holding them as guarantees on bank loans. Cash holdings can also reflect the effect of tax or financial arbitrage policies or the lack of investment opportunities.

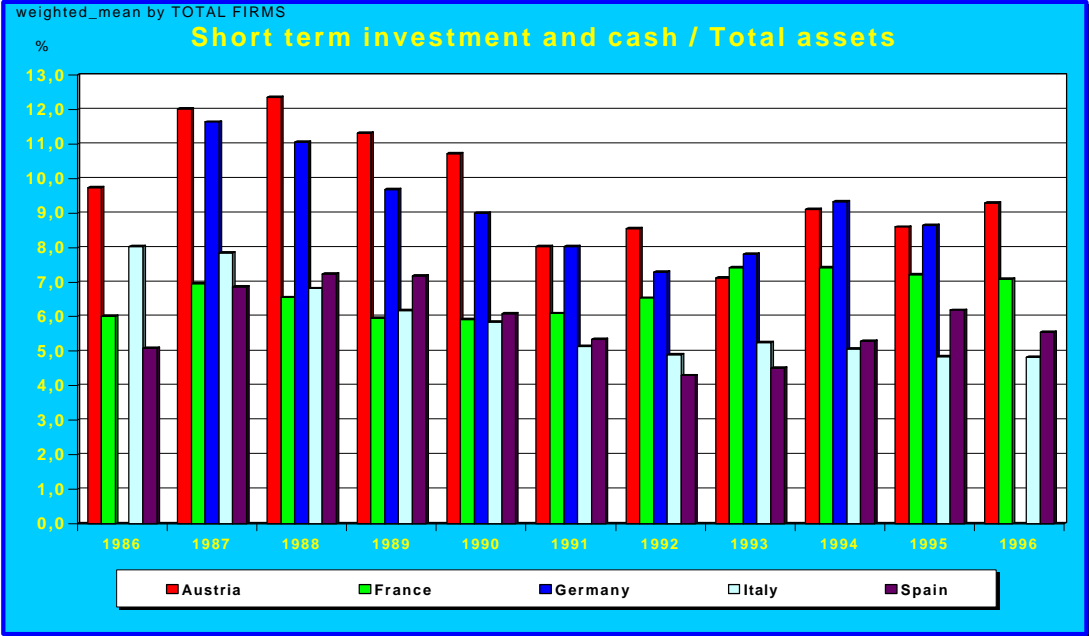
Cash and cash equivalents can thus be a source of financial flexibility. They can be used immediately to seize unforeseen opportunities. In addition, cash holdings are a function of whether or not other resources are available (financial flexibility). German firms, for example, make great use of bank loans as a major source of ad-hoc financing. In the French system, SMEs diversify their sources of flexible financing. Holdings of securities available for sale and cash act as a safety net, allowing the firm to respond both to external shocks and to the habitual contingencies of its business (Hicks, 1975).

*
* * *

To sum up the findings of the second empirical approach it can be stated that with the exception of Italy, the financial structures of the large firms in the countries surveyed have indubitably become more homogeneous. As mentioned, this alignment is probably related to the influence of capital markets. Remarkably, this influence has also spilled over to the asset structure. In all the countries under review the following phenomena have been observed for the large companies and even more so for the very large companies:

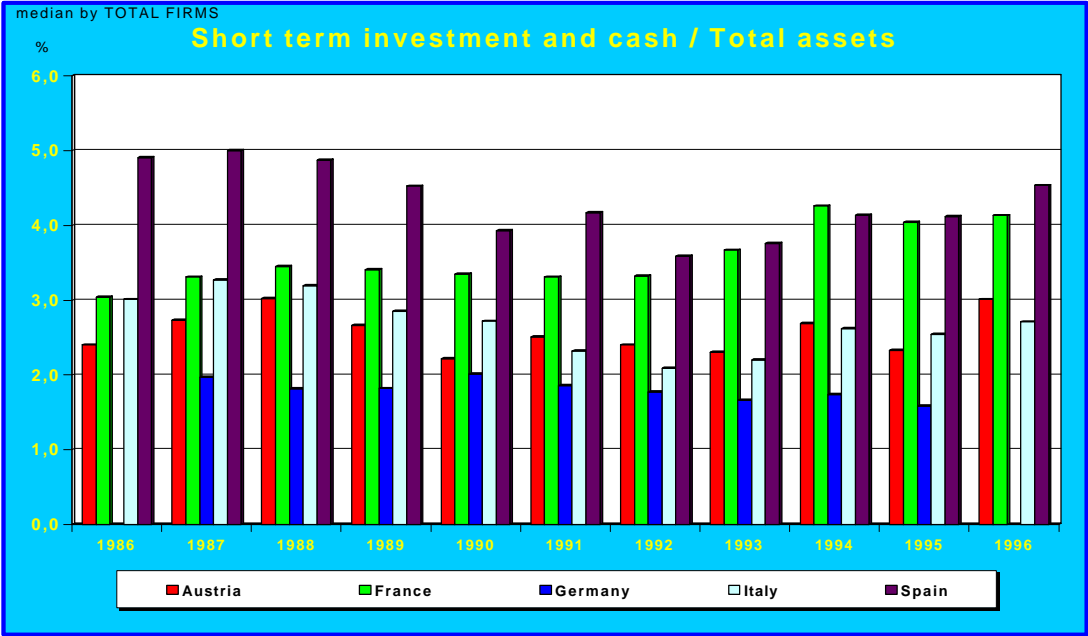
- a strong increase in the share of financial assets in total assets, reflecting the external growth operations of the last years;
- a significant increase in loans to group and associated companies, which is related to the above increase in financial assets;
- a marked fall in inventory levels due to the just-in-time policies of the large companies;
- a decline in trade debtors, which reflects the advantage large firms have over their customers.

As a result of the decline in inventories and accounts receivable, the operating working capital of the largest firms have decreased considerably.



Source: participating institutions

Updated: November 1999



Source: participating institutions

Updated: November 1999

The contraction in operating working capital is obviously not unrelated to the debt reduction policies implemented by the large firms. In this category of company, the policy focused primarily on reducing bank lending, which had fallen to a very small percentage of both total assets and turnover at the end of the period.

However, there are some uncertainties about the validity of these assumptions on higher working capital efficiency and debt reduction policies which are related to the increase in financial assets and group relations. It may well be the case that some companies have simply outsourced their stocks and receivables to specialized subsidiaries and funded themselves through their parent holding company. Both types of firms would not be in the manufacturing sector and hence not be in the data sample of this study. Further work on the process of building industrial groups has to be done in the future to clarify this issue.

Whereas the financing structures of the large and especially the very large firms have converged, the country classification has become more marked in the population of SMEs. The net equity / financial resources ratio has frequently increased in the countries (Spain, France) in which the position of SMEs appeared to be the soundest. Conversely, this ratio stabilized or declined slightly in the countries, such as Germany, in which SMEs had the lowest capitalization rates.

This reinforcing of the hierarchy in the population of SMEs does not appear to be related to developments in the different asset structures between countries. The following was observed both at the beginning and the end of the period.

- a greater share of tangible fixed assets in total assets in Austria and Spain than in Germany or even more so in France;
- comparatively higher inventory levels in Germany than in the other countries;
- substantially higher trade debtor levels in Italy, France and Spain than in Austria and Germany. This situation is, of course, related to the fact that inter-company credit is far more widespread in the first three countries.

The last finding should not be construed as meaning that the asset structure does not influence the liability structure. Financing decisions are often made on the basis of requirements that cannot be assessed through balance sheet data and for which qualitative information is necessary, such as, for example, the distinction between segregated assets and assets corresponding to specialized resources as defined in the terminology of Dosi, Teece, Winter (1990).

Moreover, the analysis of assets that was previously carried out has shed light on certain differences in the financing structures of the various countries. It is clear that the high debt levels of Italian and Austrian SMEs can be at least partially explained by the large amount of assets they must finance, as is reflected in their high asset-to-turnover ratios.

Similarly, the high levels of short-term debt of the small Italian firms are related to their high operating working capital.

Nevertheless, asset features alone cannot explain those of liabilities. Other factors must be taken into account to understand why, for example, German SMEs make greater use of bank loans than their French counterparts, and why Spanish and French SMEs have similar equity endowments although their asset structures are quite different. Among these factors, institutional issues appear to play an important role.

The main conclusions set up on the basis of the median are also given in the two tables which follow.

LIABILITIES
RESUME TABLE FOR COUNTRIES
(Conclusions extracted for ratios over total Balance Sheet. Median)

Type of liability	AUSTRIA	FRANCE	GERMANY	ITALY	SPAIN
Equity	<ul style="list-style-type: none"> • Medium weight in balance sheet • Steady evolution • Heterogeneous by sizes 	<ul style="list-style-type: none"> • High weight in balance sheet. • Continuous increase • No very strong differences by sizes. 	<ul style="list-style-type: none"> • Small weight in balance sheet for small companies, large weight for big companies. • Steady polarization. • Heterogeneous by sizes. 	<ul style="list-style-type: none"> • Small weight in balance sheet • Reduction during the first decade; steady evolution in the last years. • Homogeneous by sizes 	<ul style="list-style-type: none"> • High weight in balance sheet. • Cyclical evolution • Homogeneous by sizes.
Long term bank loans	<ul style="list-style-type: none"> • Country with the highest level in the last years. • Heterogeneous by sizes 	<ul style="list-style-type: none"> • High level in comparison with other countries • The smallest is the firm, the biggest is the weight. 	<ul style="list-style-type: none"> • Low level • Very low weight in big firms. The highest weight is in the 5-20 m ECU size class. 	<ul style="list-style-type: none"> • Low level • High weight in big firms and figures close to zero in the smallest firms. 	<ul style="list-style-type: none"> • Very low level. Figures close to zero in all the years for all sizes
Short term bank loans	<ul style="list-style-type: none"> • High level, specially in the smallest companies. • Heterogeneous by sizes. 	<ul style="list-style-type: none"> • Continuous reduction. • Very low level in all the sizes due to accountancy rules 	<ul style="list-style-type: none"> • Reverse picture to own funds. • Continuous polarization • Very heterogeneous by size. 	<ul style="list-style-type: none"> • Country with the highest level. • Increasing in the first part of the time serie; steady evolution afterward. • Heterogeneous by sizes. The smallest is the company, the highest is the level. 	<ul style="list-style-type: none"> • High level but in continuous reduction. • Bigger weight in small companies, specially in the 5-20 m layer.
Loans from group and associated companies	<ul style="list-style-type: none"> • Very low weight. • Figures different of zero only in companies with sales over 20 m. ecu 	<ul style="list-style-type: none"> • Reduced weight but second country in importance. • Much more relevant in the biggest companies 	<ul style="list-style-type: none"> • Country with the highest aggregated level but reduced weight in the middle balance sheet. • More important in big firms 	<ul style="list-style-type: none"> • Very low weight. • Figures different of zero only in companies with sales over 50m. ecu. 	<ul style="list-style-type: none"> • No comparable with the other 4 countries because there is not available information in companies with less than 100 employees.
Trade creditors (no group)	<ul style="list-style-type: none"> • Country with the lowest level • Reduced weight in all sizes 	<ul style="list-style-type: none"> • Very high level in balance sheet. • It decreases as size grows. 	<ul style="list-style-type: none"> • Reduced weight in middle balance sheet. • It reduces as size grows. 	<ul style="list-style-type: none"> • Country with the highest level • Important in all sizes but specially in the 5-20m layer 	<ul style="list-style-type: none"> • Medium level • Quite homogeneous by sizes, but more important in the smallest layers
Provisions for liabilities and charges	<ul style="list-style-type: none"> • Very high weight • Heterogeneous by sizes, especially important in big firms. 	<ul style="list-style-type: none"> • Very low level in all sizes. A little bit higher in big firms. 	<ul style="list-style-type: none"> • Very high weight in the middle balance sheet (pension funds) specially for big firms. • Heterogeneous by size. 	<ul style="list-style-type: none"> • Medium level. • Homogeneous by sizes 	<ul style="list-style-type: none"> • Non-existence. Figures close to zero. • Only relevance in the very big companies.

ASSETS

RESUME TABLE FOR COUNTRIES

(Conclusions extracted for ratios over total Balance Sheet. Median)

Type of asset	AUSTRIA	FRANCE	GERMANY	ITALY	SPAIN
Tangible fixed asset	<ul style="list-style-type: none"> Country with the highest weight in balance sheet. Much more important in small firms Heterogeneous by sizes 	<ul style="list-style-type: none"> Country with the lowest weight in balance sheet, above all in small companies. Homogeneous by sizes 	<ul style="list-style-type: none"> Low weight in balance sheet in comparison with other countries, especially for small companies. Heterogeneous by size. 	<ul style="list-style-type: none"> Intermediate position in relation with the other 4 countries. Less weight in large firms. Quite homogeneous by sizes 	<ul style="list-style-type: none"> High weight in balance sheet, especially in the largest firms. Heterogeneous by sizes.
Financial fixed asset	<ul style="list-style-type: none"> The highest level in all the period analyzed but also small weight in balance sheet. Heterogeneous by sizes. Very important in large firms 	<ul style="list-style-type: none"> Low level but in intermediate position in comparison with other countries The highest weight is in the largest companies. 	<ul style="list-style-type: none"> Very low level, almost zero The highest weight in the largest companies 	<ul style="list-style-type: none"> Low level but in intermediate position in comparison with other countries. Continuous increase in the last years The highest weight is in the largest companies; similar to France. 	<ul style="list-style-type: none"> Very low level. Figures equal to zero in all the years for the total firms. More weight in large firms.
Group and associated	<ul style="list-style-type: none"> The highest level, but also small weight in balance sheet Heterogeneous by sizes. Much more important in big companies. 	<ul style="list-style-type: none"> Figures equal zero for the total firms. Heterogeneous by sizes. High weight in large companies. 	<ul style="list-style-type: none"> Low level but second country in importance in this item. Heterogeneous by size. More weight in large companies. 	<ul style="list-style-type: none"> Figures equal zero for the total firms. Heterogeneous by sizes. This item is only relevant in the biggest firms, but on lower level in comparison with the other countries. 	<ul style="list-style-type: none"> No comparable with the other 4 countries because there is not available information in companies with less than 100 employees.
Stocks	<ul style="list-style-type: none"> Second country in importance of this item. High weight in balance sheet. Quite heterogeneous by sizes, especially from 1991 to 1994. 	<ul style="list-style-type: none"> Intermediate position but also important weight in balance sheet. Similar to Italy. Homogeneous by sizes but less weight in the big companies. 	<ul style="list-style-type: none"> Country with the highest level. Significant weight in the middle balance sheet. Quite homogeneous by size. Smaller weight in the biggest firms. 	<ul style="list-style-type: none"> Very similar to France. Intermediate position but also important weight in balance sheet. Homogeneous by sizes but less weight in the big companies. 	<ul style="list-style-type: none"> High weight in balance sheet but country with the lowest level Homogeneous by sizes till 1990. But from 1991, the differences between sizes were greatest with more reduced weight in the large firms.
Trade debtors	<ul style="list-style-type: none"> Country with the lowest level Reduced weight in the largest companies. 	<ul style="list-style-type: none"> Very high weight in balance sheet. From 1987, France is the country with more weight in this item. It decreases as size grows. 	<ul style="list-style-type: none"> Low level in comparison with France, Italy and Spain. Decreasing weight in the middle balance sheet by size. 	<ul style="list-style-type: none"> Very high weight in balance sheet. In the last years very similar to France. Smaller weight in the biggest firms. 	<ul style="list-style-type: none"> Medium level Quite heterogeneous by sizes, with less weight in the biggest.
Other debtors (no group)	<ul style="list-style-type: none"> Intermediate position. Small weight. 	<ul style="list-style-type: none"> Intermediate position. Small weight. 	<ul style="list-style-type: none"> Intermediate position. Small weight. 	<ul style="list-style-type: none"> Country with the highest level, but reduced weight. 	<ul style="list-style-type: none"> Country with the lowest level.
Short term investment and cash	<ul style="list-style-type: none"> Very high weight Heterogeneous by sizes, more significant in big firms. 	<ul style="list-style-type: none"> Reduced weight but second country in importance in this item. More weight in small firms. 	<ul style="list-style-type: none"> Country with the lowest level. Very reduced weight in the middle balance sheet. 	<ul style="list-style-type: none"> Intermediate position. Small weight 	<ul style="list-style-type: none"> Country with the highest level. Much more relevance in the small companies.

3. THE INFLUENCE OF INSTITUTIONAL FACTORS

In theory, there are many factors explaining the differences to be found in corporate financing structures between countries, but their effects are hard to separate and quantify. It was pointed out in the first section of this study that their influence on the financing structures of large and particularly very large enterprises has decreased, which tended to become more uniform over the review period under the influence of the capital markets.

Among these institutional factors, which continue to be important for SMEs, we will take a brief look at the tax systems and the bank-firm relationships in conjunction with legislation on bankruptcy and guarantees.

3.1. *The Role of the Tax System*

Both theoreticians and analysts generally recognize that taxation plays an important part in determining financial structure. As emphasized in a recent report by the OFCE (1999), assessing tax differences between countries is relatively complex, especially since each company and even each investment is a special case. As businesses pay taxes in the country in which they are resident, they are subject to common law, which in practice applies to most companies resident in a given State, or to other special rules depending on their type of activity and the geographic area in which they do business. These laws and rules include many provisions and a comparison of taxation rates alone is not sufficient to evaluate the differences in the tax burdens on businesses. Account should also be taken of the way in which the basic taxable amount is determined, which itself depends on the type of activity, applicable exemptions etc.”

To date, despite recent developments, the tax systems of the various countries covered by this study still differ quite considerably, especially with regard to the tax base. Generally speaking, while loans may be deducted from taxable profit in all the countries, this is not the case for provisions against price rises, which are tax-deductible in France for example, but not in Germany. Similarly, whilst all the countries allow for depreciation of tangible assets, the methods used vary. It is true that most of the countries use a declining balance depreciation method with rates ranging from 25% to 40%, but only Italy and Austria permit a straight-line depreciation method, whereas France and Germany have a mixed system.

Spanish companies generally use linear methods of depreciation within a fixed range of rates established in fiscal tables. These rates change according to the sector of activity and the kind of tangible fixed asset. Degressive and regressive methods may also be used, but the fiscal rates must always be taken into account. Specific methods are also accepted if authorized by the public finance administration. The first regulation aimed at promoting the purchase of new fixed assets was introduced in 1985. This regulation provided for complete freedom in depreciation. The second regulation, introduced in 1988, provided for the accelerated depreciation of investments related to the preparations for the events held in Spain in 1992 (Olympic Games and World Fair). Lastly, three decrees were approved (in 1993, 1994 and 1995) applying to purchases of goods enabling job creation, i.e. when, for at least the two years from the beginning of the tax period in which the purchased goods were put into use, the number of permanent staff increased in relation to the previous period; moreover, this increase had to be sustained for an additional 24-month period. A new regulation in force from 1996 put a similar system in place, but only for companies considered to be small (turnover not higher than EUR 1.5 million during the previous tax period).

The corporation tax rate either remained stable (in Spain) or fell (in Germany, Austria and especially France), with the exception of Italy where it rose slightly. Furthermore, taxation rates

tended to converge. Thus, in 1995, the corporation tax rate stood at 33.3% in France, 34% in Austria, 35% in Spain, 37% in Italy and 48.4% in Germany (but at 32.2% for distributed profits). Large differences nevertheless remain. For example, in Italy, company profits were also subject to a local tax (ILOR), which amounted to 18% until 1995, 16.2% in 1996 and was subsequently scrapped.

As from 1995 in France, a special contribution of 10%, and later 15%, was levied on the largest companies, causing the taxation rate for these businesses to rise to 36.6% and 41.6% respectively, while being reduced to 19% for small firms (with turnover of less than FRF 50 million).

Another difference that is worth pointing out relates to the tax rate on distributed profits and that on retained earnings. In Germany throughout the review period (and in Austria until 1989), the rate of tax levied on distributed profits was much lower than on retained earnings. This can be mainly explained by historical reasons. The system aimed in particular to promote corporate financing via the financial markets. At the start of the 1950s, during the economic recovery that followed the currency reform, most German companies relied mainly on self-financing (by retaining earnings), owing to the relative underdevelopment of financial markets. Between 1989 and 1992 the opposite situation prevailed in France, with a lower tax rate on retained earnings of 34% in 1992, compared with 42% for distributed profits. This difference made an especially large contribution to the rise in net equity because, in general, the French system provided clear incentives to retain earnings. The steady decline in standard rates thus led to a large spread (of more than 20 percentage points between 1991 and 1995) between the top rate of personal income tax and the profit retention rate.

The mechanisms for integrating corporation tax and personal income tax also differ from country to country. Austria applies a conventional system, which does not adjust for the double taxation of the firm on the one hand, and the shareholder on the other. Conversely, Italy applies a system of total exemption. Germany, France and Spain have partial taxation systems, but with different rates. In Germany, for example, when receiving a dividend, the shareholder has to gross up the amount, but is then entitled to credit the underlying corporation tax (30% of the dividend), together with the already-levied withholding tax, against his income tax liability. In France, the shareholder receives a tax credit equivalent to 50% of the dividend, which corresponds to the 33.3% corporation tax already levied at the company level.

This quick and obviously rough comparison of the tax systems of the different countries demonstrates that the profit taxation regimes have in some countries (notably France) provided a clear incentive for the accumulation of reserves, thus strengthening net equity, whereas the system in Germany has had a dissuasive effect. The comparison also highlights the fact that these differences alone cannot explain the diverging financing structures seen between certain countries, such as France and Italy. Other institutional factors must therefore be taken into consideration, especially the relationship between banks and firms.

3.2. *Bank-firm relations and bankruptcy laws*

In the countries under review in this study, there were very distinct developments in the relationship between banks and firms on the basis of different histories, industrial structures and institutional factors.

Two types of relationship between banks and firms can be identified (Rivaud-Danset, Salais, 1992). These depend upon the nature of each party's commitments when the terms and conditions of these commitments are not unintentional by-products, but describe arrangements likely to suit the parties involved over the long term.

–“The ‘commitment-based’ banking model sacrifices opportunism and reversibility for a relationship based on trust. (...) The quantity of data provided is less important than the capacity to process it; specialized expertise (necessarily acquired over time) and the establishment of an individualized relationship enable the bank to get to know its customer. In the other direction, the expert capability acquired by the bank and the building of a close relationship guarantee the company a quality of information which it would otherwise have difficulty in acquiring.” This type of relationship is similar to the “Hausbank” relationship between firms and banks in Germany, as well as the one seen in France between firms and local family banks and mutual credit banks.

-“The ‘procedure-based’ banking model eschews any understanding of individual cases and opts in favour of standardized information on customers based on probability calculus. It is founded on legal instruments which, since they have general validity, may be imposed by the bank on all its customers. The latter are obliged to submit their application for finance in accordance with systematic rules defined in advance. The specific features of the borrower’s application are considered irrelevant. Procedure-based banking is characterized more by its processing procedures than by the lack of information”. This model overlaps with “*multibancarité*” (the idea that a given firm may have several bankers) such as it exists in Italy and, to a lesser extent and depending upon the period, in France.

In Germany and Austria, the role of banks in the process of SME financing is characterized by the *Hausbank* relationship whereby most SMEs maintain a close and stable relationship with their bank. They entrust their bank with most of their financial transactions throughout their life cycle. The bank is considered to be a partner. The bank’s knowledge of the firm reduces the costs of information asymmetry. This is seen in the field of innovation where the bank gathers “technological intelligence” (Soskice, 1999). Consequently, SMEs satisfy most of their financing needs through banks and, as a result, the use of other resources, such as net equity, appears less necessary.

The system of preferential banking has developed since the period of industrialization against an economic and institutional background that has largely favoured stable long-term relationships between banks and companies. An important feature is the high degree of decentralization of the German universal banking system and the segmentation of the banking sector, which has caused a clear division of labour and reduced competition between financial service providers. Whereas the smaller and medium-sized institutions of the public savings and co-operative mutual bank segment confine their financing services primarily to SMEs and are heavily involved in the development of the local economy, the large commercial banks concentrate mainly on financing large corporate customers or the mid-sized firms belonging to the German *Mittelstand*.

The foundations of this relationship lie in the specific German and Austrian banking practices, which are governed by commercial law that systematically protects creditors. In particular, this law allows nearly all of a company’s assets to be used as collateral against lending, without any formal regulation. The assignment of assets is a mean of providing collateral that is widely used in the German financing system. This reduces the firms’ need to have high levels of equity. Thus, overdrafts in the form of standing facilities or general operating loans, frequently collateralised by way of general assignment, give firms a high level of short-term financial flexibility (Sauvé and Scheuer, 1999).

All in all, the *Hausbank* system seems to be an efficient instrument for both banks and their corporate clients for establishing optimal loan contracts, thus lowering aggregate financing costs and preventing credit rationing, a vital concern, especially for SMEs. But it should also be noted that this German *Hausbank* model has become a controversial subject in financial literature. It is sometimes argued that the influence of German banks on businesses is excessive, with the result that Germany’s overall economic performance is adversely affected (for an overview of these arguments, see Sherman, Kaen, 1997). Some of the main arguments put forward by the critics are:

- competition within the banking sector is seriously hampered, enabling banks to realize monopoly profits;
- the very strong influence of banks on companies' investment decisions distorts competition considerably. In contrast with a predominantly market-financed system, this type of system provides no incentives for R&D activities or for evaluating a company's management team (it is a model conceived for the financing of traditional sectors only);
- the main banks (Hausbanks) also systematically influence company decisions when choosing between equity financing and borrowing. In such situations, it is argued that banks only have a limited interest in seeing companies increase their market financing. They therefore define very restrictive criteria that companies must fulfil in order to become listed and charge high fees for listing procedures.

In Spain, France and Italy, bank-company relations are generally based on the principle of "multi-banking" (i.e. firms maintain relations with a number of banks). This phenomenon is especially evident in Italy. A firm often obtains financing by placing banks in competition with each other to obtain the most favourable contractual terms regarding interest rates, services and maturities. The bank spreads its risks by having smaller commitments and can recover its money inasmuch as the firm can take another loan from another bank. Banks and firms do not have in-depth knowledge of each other and the existence of asymmetrical information may lead to opportunistic behaviour.

It is interesting to note that, despite the common feature of "multi-banking", financing structures of SMEs in Italy on the one hand, and in France and Spain on the other, are very different, with net equity being much lower in Italy (see Section 1). It would therefore appear necessary to take a closer look at bank-firm relations.

In Italy, the use of multiple credit lines has historically become very large owing to strong demand for loans, related simultaneously to the size of corporate borrowing requirements, poor corporate profitability and the relatively small size of banks that have had to avoid excessive risk concentration.

In other words, the practice of opening multiple credit lines is rooted in the principle of funding corporate cash requirements within the limits of a maximum ceiling so as to spread the lending portfolio over a large number of customers, each involving a limited exposure. This type of risk allocation is related to the risk limitation criteria used in the insurance sector. Since companies face a sort of rationing in terms of the amount of credit provided by each individual bank, they are forced to call on several banks to satisfy their cash requirements. Each company therefore maintains relationships with a large number of banks, and each bank lends limited amounts to a large number of companies.

In such circumstances, it is not unusual for a small firm in Italy to deal with about fifteen bankers¹¹.

The issue of creditworthiness based on personal property guarantees has always been part of the debate between the bank and the company. Furthermore, the guarantee-based approach seems to be in line with the model of relationships that has developed: not being able / willing to acquire in-depth knowledge of the company, the bank bases its lending decisions on real or personal guarantees

¹¹ "[Italian] firms are undercapitalised and shareholders do not reinvest their profits. Loans are not granted on the basis of company value, but rather on the basis of guarantees that shareholders are able to provide. For this reason, SMEs are all financed by a pool of around ten banks, which share the risks since each contributes only a small amount of the required financing." (Ugo Amen, Director of the Banque San Paolo in Gênes at the conference held in Nice branch of Banque de France in conjunction with the Association Française des Banques on 5 November 1999).

enabling it to keep its risk exposure within acceptable limits. Moreover, it is much easier and quicker to assess guarantees than to evaluate the company: in the first case, all one needs to do is to evaluate a specific asset (property or financial) and the quality of a surety signatory, making it easier from an administrative viewpoint to provide the specific economic-legal professional training and to process the loan application.

The bank therefore bases its lending policy on three closely-related components: spreading the risk by limiting the amount of credit granted to each customer; lending using technical methods allowing for the immediate revocation of the loan application; and the existence of guarantees or surety to cover losses arising from insolvency.

This model, which has developed in Italy partly due to a legal framework for insolvency and bankruptcy that systematically gives priority to secured creditors ahead of other categories, limits the bankruptcy risk borne by banks. In such a context, quite like in Germany, net equity loses part of its function as a guarantee of the company's worth.

We notice that, more recently, the use of a large number of banks was a way of getting around the administrative restrictions placed on the growth in bank loans that were in force since the first half of the 1970s and were removed only in 1988. Lastly, the multiplication of banking relationships was part of the policy to penetrate new territories and acquire a larger market share. This policy was adopted by banks after the liberalization of the conditions for opening branch offices: aggressive sales and volume growth strategies adopted by a large number of institutions rendered credit decision criteria less selective and led to a deterioration in credit quality.

The disadvantages of multiple credit lines now far outweigh the advantages. In particular, the bank refuses to invest in the know-how of the company and loses access to the elements required to understand the company's needs and to develop stable and mutually profitable business relationships. Many observers have noted that, as the number of accounts increases, movements in current accounts rapidly become unrepresentative of corporate operations.

It is because of this that two diametrically-opposed ways of perceiving the bank-company relationship come to light: the transaction-based model typical of the Anglo-Saxon market, where the financial market becomes the focal point of financial circuits, and the model based on long-term customer relations, typical of the German *Hausbank* and Japanese keiretsu models.

Criticism of the Italian model is aimed at the fact that it is based on transaction relationships in a context in which the bank plays a central role in the company's funding. The Italian model therefore suffers from a basic structural weakness that reduces banks' contractual power and does not allow them to adapt their services to the needs of a rapidly-changing corporate system in an international financial market environment dominated by competitiveness and technical innovation. Furthermore, spreading the credit allocation reduces the risk concentration, but does not bring about a real diversification of risks.

In substance, recourse to multiple credit lines greatly distorts the flow of information between the bank and the company, preventing the bank from coming to a correct and balanced evaluation of the company's creditworthiness and depriving it of an overall view of its relationship with the company.

The banking system must therefore also come up with improved technical forms of lending providing better solutions to corporate requirements and protecting companies from sudden liquidity crises.

In fact, the relationship between banks and companies in Italy is going through a phase of profound change due to reforms of corporate system, dictated by increased international competitiveness and the increasingly rapid obsolescence of the conventional factors of success, as well as by the overhauling of the banking system, now well underway.

Furthermore, from an institutional viewpoint, the financial system has been repeatedly affected by major deregulation-oriented legal reforms. These have blurred the traditional distinction between banks and specialized institutions, and they have liberalized the nature and type of financial transactions, easing restrictions on the opening of new branch offices and the suitability criteria based on assets and limits on large exposures.

In Spain and France, as in Italy, the bank-firm relationship is mainly characterized by procedure-based banking. However, this procedure is not completely based on laws and regulations providing full guarantees to the lender that its claim will be settled, especially during procedures dealing with ailing firms. These legal procedures and regulations were and still are primarily geared towards rescuing the company. To prevent the rapid disappearance of a company in difficulty, the rights of creditors were virtually frozen (this was the case in France, at least until the 1994 Act). In the case of France, experts also thought that creditors had hardly any chance of realizing assets assigned during the French *règlement judiciaire* procedure, since all claims arising during this procedure had to be settled before the old claims, even if the latter were secured by collateral.

Faced with the very limited effectiveness of real security, banks had come to consider that equity was the main, if not the only safety “cushion” against risks arising on the insolvency of a debtor. This need for own funds is (or was) particularly acute, owing to the problems of asymmetrical information. All these considerations explain why, even at the start of the period in 1985 and 1986 when the financial structure of French businesses was considered weak, SMEs had a little more net equity than their Italian counterparts, and considerably more than their German ones.

The recourse on own funds has continued to increase strongly over the decade under review. There are many reasons for this trend and they appear to be largely complementary. The most important of these is probably the profound change in the structure and environment of the French banking system.

It should be recalled that, from the mid 1980s in France, banking and financial activities were completely reformed and liberalized by various important measures including the removal of credit control, the passing of the 1984 Banking Act, the gradual abandoning by the State of interest rate subsidies as a monetary policy instrument, the reform of the money market and the opening of the commercial paper market. This liberalization had many consequences. It caused, *inter alia*, a very sharp rise in competition between credit institutions. Because the changing structure of their portfolios resulting from the ability of large firms to access capital markets directly and to maintain their market share, banks had to accept an erosion of their margins, which was aggravated for a certain number of them by the property crisis. Also, they have been confronted by the need to improve their solvency (Aglietta, 1998). Against this background, whilst still offering various loans to large enterprises and “sound” SMEs, French banks were caused to be very selective when extending credit by requiring borrowing firms to have robust financial structures, notably regarding net equity levels. It was as if the conditions imposed by the markets on the large firms were passed on to SMEs by the banks. This trend was probably amplified by the fact that, during the ten-year review period, bank-firm relations became increasingly weak owing to the aforementioned developments, with procedure-based banking becoming increasingly important. Admittedly, significant differences between networks do exist, but it is generally agreed that the need for a rationalization of credit operations is making it increasingly difficult to examine and follow up on individual loan applications from SMEs and is leading towards standardized analyses (CNCT, 1999).

Against the previously-described backdrop, the significant increase in net equity between 1986 and 1996 is also attributable to corporate behaviour characterized by a strong preference for self-financing. This preference seems to be linked firstly to the relatively high level of real interest rates (a consequence of the sharp reduction in inflation), which considerably reduced the appeal of leverage. It is also the result of uncertain economic conditions, which in some years were even very difficult, prompting firms to use the financing source providing the most security, i.e. own funds.

Furthermore, the preference for self-financing was facilitated by relatively low corporate financing requirements. In addition to the decrease in tangible investment seen between 1989 and 1994, companies (including SMEs) tried to reduce, often successfully, their operating working capital (see Section 1).

However, the growth in immaterial investment sometimes put forward to explain the rise in net equity in France does not seem to be a relevant argument in this international comparative study. This is because all the countries showed an increase in this type of investment, often more marked than in France, without the SMEs seeing a significant rise in their own funds.

Conclusion

The second stage of the study group's work has confirmed and substantiated the findings disclosed in the first report. It demonstrates once again that:

- corporate financial structures differ in the various countries;
- the size effect is not the same in all countries -strong in Germany and Austria, weak in Italy- and it worked in favour of the large and very large firms during the period under review;
- the substitute resources stemming from provisions for risks and charges and from loans from group and associated companies are more significant in certain countries (Germany, Austria and Italy in the case of provisions, for example). They posted a considerable increase in the largest firms from 1986 to 1996;
- the observation that trade creditor accounts are very high in the Mediterranean countries (Spain, France and especially Italy) has to be put into perspective by taking trade debtors into account. Even for these countries a significant net balance has to be recorded causing additional financing requirements.

The work conducted in this second phase also underscored the limits of a global analysis, which must be supplemented with an analysis by company size. This is particularly important given that, during the period under review, a certain degree of harmonization in the large and very large companies in the different countries, as opposed to an increase in the divergences between SMEs had to be observed.

The financial positions of the large and very large companies have clearly become more similar, as is reflected in the net equity / financial resources ratio. Excluding Italy, the remaining disparity ranged between 63% and 80% at the end of the period, i.e. a spread of 17 points, compared with 30 points at the beginning of the period.

The increased disparity in the SME population is just as incontestable. The improvements were observed in the countries in which the SMEs had a better financial position to begin with. At the end of the period, the countries had fallen into two opposing categories. On the one hand, in France and Spain, SMEs have ample net equity. It would seem that the standards imposed by capital markets on large companies in these countries have affected the terms for granting credit to SMEs. On the other hand, in Germany, Austria and Italy, the net equity level is much lower.

The similarities in the net equity positions of SMEs in the last three countries may appear surprising given that the relationships between banks and corporations in these countries are very different. German and Austrian companies have just one principal "company bank" (the "Hausbank" principle), while Italian firms deal with many banks (multi-banking). In fact, the similarities could probably be related to some extent to the guarantees given to creditors in these three countries. Another common factor is the recourse to short-term credit. Despite the differences between Italy and Germany, such financing instruments play a preponderant role in both countries. In this respect, France stands somewhat apart as the only country in which the level of short-term bank loans is relatively limited and lower than that of bank loans of over one year.

The table below summarizes the main conclusions by analyzing the countries in terms of type of corporate resources capitalized (the autonomous economic sector or auto-economy, the overdraft sector) and the nature of the relationship between banks and companies .

Financial Flexibility	Financing Convention Procedure	
	Commitment-based banking	Procedure-based banking
<i>Autonomy</i>	German and Austrian LE's High degree of financial autonomy, bank debts of marginal importance	France and Spain: similar degree of autonomy in particular for LE's, but different asset structures Spain displays a mixture of both financial flexibility and autonomy
<i>Overdrafts (magnitude of short-term credit facilities)</i>	German and Austrian SME's: the house-bank principle (Hausbank) and the systematic protection of creditors' interests encourage high short-term bank debts.	Similar bank debt structure in Spain and Italy with more short term bank debt than long term bank debt Italy: multi-banking, dispersion of commitments, relative protection of creditors' interests

Based on this table, it is difficult to establish a link between the organization of the banking system and a specific type of financial structure. Other institutional elements must be taken into consideration, such as the collateral given to the lender and supplier, regulations governing provisions and tax law, which can either encourage the distribution of dividends or the setting up of reserves.

Numerous bodies of research also underscore the influence the asset type can have on the management of requirements and therefore the type of corporate financing chosen. The difference in the type of assets is an economic factor, since it concerns the technical features of the equipment, whether the assets are tangible or intangible and how liquid they are. However, such a qualitative assessment is beyond our scope as only accounting information can be apprehended. To assess the relevance and significance of the link between type of financing and asset structure is therefore impossible.

It has nevertheless been demonstrated that the volume and composition of assets may influence the amount and type of financing. For example, the high debt levels of Italian SMEs, particularly for short-term debt, can be explained chiefly by their high cash flow requirements.

In fact, one can only consider that liabilities are influenced by institutional factors alone if these factors, such as for example the bank-corporation relationship, are independent of the type of goods to be financed. This is refuted by both practitioners and the research conducted on the question (e.g. Salais and Storper, 1993). Therefore, institutional factors do not appear to be exogenous to the formation of balance sheets. However, they reflect, within a given historical, social, legal and economic context, how the economic players have organized and tested their responses to the financing requirements of the system (Schmidt, 1997; Hacketal and Schmidt, 1999; HWWA, 2000). These requirements are the key to managing the financial flexibility required to adjust to contingencies.

Managing financial flexibility, i.e. reacting to unforeseen events, constitutes the core of the differences in the financing structures of SMEs in the various countries. The composite structure of both assets and liabilities reflects the specificity of financial flexibility requirements (and the responses to this need) according to the organization of the company, how it fits into its economic environment, the role of the collateral given to lenders and its position in the national productive system.

As mentioned in the introduction to this report, such flexibility can be achieved in both an autonomous system by holding cash and cash equivalents, and in an overdraft system, in which companies are given the implicit or explicit assurance of access to short-term credit facilities.

The existence of irreducible uncertainties regarding not only the future state of the world, but also the future behaviour of economic agents, leads to another interpretation of the determinants of financial structures. If the requirements of all parties are to be adequately met, the providers of financing must have a clear understanding of these determinants. The appended chart (appendix 2) provides a projection of the financing puzzle the economic agent has to solve. He has to take into account the asset characteristics and the availability of financing sources or the respective financing conditions that must be controlled to ensure its economic survival. The triangle connects the theoretical, economic and financial determinants of the constraints on the management of financial flexibility. To underline these constraints helps to identify the factors of performance, that is, the ability to implement a sustainable organization or development strategy.

In this respect, France appears to operate in an autonomous sector in view of the high level of own funds, while the other countries are more in an overdraft system with a large share of short-term bank credit (less than one year). Spain is in an intermediate position marked by high own funds, substantial recourse to short-term credit facilities and a higher liquid asset levels.

In France, this situation must be examined in connection with liabilities, and in particular the relatively small share of short-term bank credit. To do so, one must be aware of the terms for obtaining credit, which tend to focus on investment in tangible assets and solvency ratios. This encourages companies to self-finance and set up reserves for risk and charges. It would appear that in the other countries, banks play a more active role in financing operations.

To conclude, many questions remain still open and should be subject of future research. The first question to be answered is why the financial structures of the large Italian firms have converged less than those of their European counterparts. More explanations are also required regarding the rapid asset turnover rate in Germany and the low asset turnover rates of the very small Italian firms. Further explanatory factors could be probably found in special tax based depreciation and the structural impact of revaluation law, which are only allowed by the accounting regulations of Mediterranean countries. While the impact of the German reservation of ownership law cannot be denied, it would be of interest to examine inter-company relationships and the organization of the productive system in more detail in order to understand the divergences observed, including countries such as Germany, Austria and Italy, which have quite comparable creditor protection mechanisms. This brings us to our last remark, which is no doubt the most important, since it focuses on an obvious contradiction to be recorded in the empirical findings of the study. We have observed that the liabilities structures of Italian and German firms are fairly similar despite considerable differences in the bank-company relationships in the two countries (Hausbank vs. multi-banking). However, at first glance comparable guarantees are given to creditors. Conversely, there is a certain similarity between bank-company relationships in France and Italy although the liabilities structures are very different. Concluding that institutional factors are not relevant to the different analyses would be too hasty; rather, one should broaden the analysis to the entire financing system and the legal regulations that govern it. In other words, it is necessary to take into account the terms of access to financing, in particular financial market, as this affects the behaviour of lenders and borrowers alike. This calls for a more qualitative approach to the determinants of the financing relationship in the context of the financial systems of each country and their evolution over a period of time in order to shed a clearer light on the changes currently underway in the European Union.

ANNEX 1 : Tables

NET EQUITY / FINANCIAL RESOURCES

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	46.5	42.4	50.4	44.4	49.3	42.7	48.5	42.7	49.5	42.7	52.5	45.6	54.6	45.4	53.8	47.1	55.5	46.7	54.7	48.3	55.7	46.1
By size of company :																						
< 5m Euros	37.8	39.8	32.8	32.5	35.4	31.6	34.6	35.5	36.2	30.0	51.5	29.0	52.7	29.2	51.5	24.1	28.0	28.4	27.7	34.8	30.5	34.3
5m - 20m Euros	37.1	38.5	39.2	40.8	37.9	39.3	34.9	37.1	36.5	38.7	38.2	38.5	41.6	39.2	42.4	44.3	41.4	40.3	42.6	43.0	41.5	39.6
20m - 50m Euros	41.8	46.3	45.3	50.4	44.0	44.0	45.2	46.6	45.2	45.7	46.9	49.7	47.6	48.1	46.2	45.9	47.0	48.4	43.0	44.8	44.4	44.8
50m - 100m Euros	47.6	46.9	52.4	49.0	52.4	50.8	52.4	50.8	49.7	51.3	50.6	54.1	50.0	48.4	52.4	54.7	56.2	62.4	58.0	62.6	53.9	53.9
> 100m Euros	52.7	53.5	58.4	60.7	55.3	56.3	52.7	56.6	54.7	55.2	57.9	55.2	61.6	60.0	60.1	64.4	62.1	63.3	60.5	64.8	63.8	66.8
France																						
Total firms	41.5	47.0	50.0	49.5	57.9	51.8	59.8	52.5	60.2	54.1	63.2	56.2	65.4	58.0	65.9	61.1	69.5	64.3	70.6	65.1	72.0	67.1
By size of company :																						
< 5m. Euros	50.5	47.7	48.3	48.1	50.6	49.9	50.5	51.0	51.6	52.9	52.8	54.5	54.8	56.0	56.6	58.7	58.6	61.3	59.0	63.0	60.8	64.6
5 - 20 m. Euros	47.3	44.9	48.5	48.1	52.4	50.7	52.8	51.1	52.3	52.6	54.3	54.8	55.6	56.3	59.8	60.2	61.9	64.2	61.5	63.5	62.0	65.9
20 - 50 m. Euros	41.6	46.0	51.8	52.0	54.0	53.3	53.5	53.7	56.1	55.6	58.1	59.4	59.9	61.4	62.6	66.5	65.9	68.9	65.8	68.8	68.2	70.9
50 - 100 m. Euros	49.0	52.7	54.9	56.5	58.8	60.3	57.4	61.2	53.7	62.3	64.4	65.3	65.2	68.4	65.2	69.2	67.1	74.3	67.3	73.9	69.7	76.5
> 100 m. Euros	38.7	52.2	49.3	58.9	59.5	63.3	62.7	64.6	63.7	66.9	66.3	71.2	69.2	74.9	68.2	78.1	72.3	79.6	73.9	81.1	75.4	83.4
Germany																						
Total firms			64.1	34.8	66.4	34.6	64.8	34.6	64.7	34.4	65.6	34.2	65.1	33.3	66.9	32.8	68.1	31.6	69.8	33.0		
By size of company :																						
< 5m. Euros			28.3	24.1	28.3	23.9	25.0	23.5	25.7	23.4	23.4	23.0	22.6	22.3	21.7	21.0	19.8	20.0	18.2	20.6		
5 - 20 m. Euros			43.4	34.8	39.2	33.5	37.8	32.5	37.6	32.4	35.3	29.8	34.6	28.6	35.7	28.2	34.1	26.6	33.3	26.3		
20 - 50 m. Euros			51.4	46.3	52.4	46.7	50.4	46.0	47.2	42.8	46.2	42.1	46.3	40.2	48.4	40.8	46.8	37.7	47.1	38.5		
50 - 100 m. Euros			55.0	51.1	55.7	51.0	53.2	51.6	53.4	49.7	54.0	48.2	52.9	48.3	54.2	49.8	55.6	47.8	54.9	49.9		
> 100 m. Euros			69.1	57.4	72.1	57.9	70.8	58.1	70.8	58.9	71.9	57.5	71.3	59.3	73.4	60.7	74.6	61.7	76.2	61.7		
Italy																						
Total firms	49.4	46.7	49.4	47.4	47.9	46.5	46.4	44.1	46.0	43.4	46.2	42.0	42.9	38.9	43.1	39.4	44.7	39.3	46.2	39.8	47.6	41.0
By size of company :																						
< 5m. Euros	46.8	46.4	46.6	47.0	46.6	46.8	44.7	45.2	44.1	45.1	42.0	42.9	39.8	39.2	39.0	39.3	38.3	38.6	39.7	36.5	39.8	38.5
5 - 20 m. Euros	46.9	47.6	47.3	47.8	44.5	46.0	43.1	43.0	42.8	42.1	41.2	40.5	39.4	37.8	40.0	38.4	39.7	38.4	41.0	39.0	36.3	40.4
20 - 50 m. Euros	48.1	44.4	47.9	45.2	45.7	44.5	43.2	41.9	41.9	40.0	42.4	40.4	39.8	38.5	41.8	40.2	42.6	40.0	44.9	40.9	44.9	40.9
50 - 100 m. Euros	48.6	45.2	47.1	48.2	49.9	49.1	46.6	45.5	46.3	42.6	43.9	42.7	43.1	42.2	43.5	44.1	36.2	45.8	38.4	46.2	50.4	46.6
> 100 m. Euros	51.7	51.4	52.2	54.0	50.2	56.7	49.4	50.6	48.9	49.6	51.0	53.6	46.3	51.4	46.0	48.8	50.9	49.8	51.4	50.1	52.5	54.8
Spain																						
Total firms	48.7	57.9	53.5	61.4	60.8	64.7	63.8	64.7	61.3	65.1	62.1	66.5	59.1	65.1	56.7	65.1	61.6	63.7	65.9	66.7	72.6	70.7
By size of company :																						
< 5m. Euros	48.7	57.6	48.1	60.6	51.1	63.6	54.9	64.5	55.8	68.6	58.8	69.7	55.4	65.2	57.1	65.1	58.2	61.7	55.0	64.7	53.3	68.7
5 - 20 m. Euros	55.0	56.0	56.0	60.2	58.0	63.5	59.5	63.5	60.9	62.0	60.9	62.9	61.3	62.8	61.3	61.1	61.4	60.8	63.5	64.2	65.0	65.0
20 - 50 m. Euros	54.0	62.9	59.1	67.2	60.5	68.1	62.7	66.4	59.9	61.5	63.7	66.5	64.0	65.1	63.0	66.3	56.6	63.6	60.5	68.1	65.7	73.0
50 - 100 m. Euros	54.3	66.6	58.3	73.0	71.3	73.5	66.1	67.3	61.9	60.8	67.4	64.2	61.2	70.4	69.0	72.9	75.2	80.7	77.1	80.5	79.9	83.6
> 100 m. Euros	43.6	54.4	50.5	64.4	59.6	66.6	65.0	71.9	61.9	68.5	60.5	70.8	57.3	68.4	50.9	67.3	59.4	82.2	65.7	84.0	74.5	89.8

wm : weighted mean

med : median

NET EQUITY / NET TURNOVER

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	17.4	13.8	20.0	15.1	19.4	13.9	19.5	13.9	20.7	14.9	24.6	16.8	27.4	18.2	27.3	19.1	28.9	18.6	27.2	19.0	28.3	18.4	
By size of company :																							
< 5m Euros	17.8	16.8	17.6	14.0	15.9	12.6	16.0	11.7	18.6	12.0	42.3	11.4	42.5	11.1	36.5	8.6	15.5	8.5	18.0	9.6	17.6	10.3	
5m - 20m Euros	15.5	12.4	16.3	14.3	15.5	12.2	14.4	11.6	14.9	13.2	17.3	14.6	19.3	15.6	21.8	17.6	21.1	15.7	21.0	17.7	20.9	15.2	
20m - 50m Euros	17.4	14.2	18.8	16.3	18.3	15.9	19.0	17.1	20.2	16.4	21.6	18.5	23.1	19.7	22.4	19.3	24.3	19.6	22.3	19.1	22.9	18.0	
50m - 100m Euros	20.4	14.1	22.9	14.3	19.9	14.5	21.1	14.6	22.7	17.5	27.5	22.9	29.7	23.3	32.9	28.4	33.7	25.0	31.4	22.6	29.0	25.1	
> 100m Euros	16.6	14.6	20.7	17.4	21.1	17.1	20.7	15.8	21.7	16.7	25.8	23.4	29.6	23.9	28.1	22.3	30.4	24.8	28.5	23.2	31.4	25.1	

France

Total firms	16.1	12.4	18.7	13.0	22.3	13.9	23.4	14.0	25.2	14.4	25.9	15.4	27.0	16.1	28.6	16.9	29.4	17.0	28.8	16.6	28.7	17.3	
By size of company :																							
< 5m. Euros	19.0	11.2	15.7	11.5	16.6	12.4	17.7	12.2	17.6	12.9	19.1	13.4	20.2	14.3	21.3	14.9	21.1	14.9	19.8	14.7	21.1	15.7	
5 - 20 m. Euros	16.3	12.9	16.9	13.5	18.5	14.6	18.3	14.7	18.9	14.8	20.0	15.9	21.5	17.1	24.9	18.2	23.3	18.6	22.6	17.8	22.8	18.3	
20 - 50 m. Euros	19.4	14.1	19.4	15.4	20.2	16.3	21.1	16.8	21.6	17.4	22.8	18.3	24.5	20.1	25.6	20.6	25.9	20.5	24.5	19.6	25.1	20.3	
50 - 100 m. Euros	20.8	15.7	20.3	16.6	21.9	18.0	22.0	18.7	26.4	20.0	25.4	21.1	26.7	21.1	28.3	22.1	28.3	23.5	27.4	22.9	28.3	23.1	
> 100 m. Euros	14.6	14.7	18.8	17.6	23.7	18.4	25.2	18.9	27.3	19.9	28.3	20.9	29.3	21.6	30.5	22.1	32.0	23.3	31.6	22.4	31.0	23.4	

Germany

Total firms			22.5	7.4	21.9	7.2	21.1	7.1	21.0	6.9	21.7	6.7	21.7	6.7	23.6	6.9	23.6	6.5	23.6	6.7		
By size of company :																						
< 5m. Euros			8.6	5.3	8.9	5.2	7.2	5.1	7.7	4.9	6.9	4.8	6.8	4.6	7.0	4.5	5.9	4.2	5.3	4.2		
5 - 20 m. Euros			13.1	8.5	11.4	7.8	11.2	7.9	10.6	7.3	9.9	6.8	10.0	6.7	10.9	7.2	10.4	6.4	9.7	6.2		
20 - 50 m. Euros			17.5	13.0	17.0	13.5	15.8	12.5	14.8	11.5	14.2	10.8	14.7	11.0	16.0	11.5	15.1	11.1	14.8	10.8		
50 - 100 m. Euros			19.8	15.3	18.8	14.8	17.3	13.8	16.8	13.5	17.4	13.4	17.6	13.2	18.2	13.6	17.8	13.9	17.8	13.1		
> 100 m. Euros			24.6	17.4	24.1	16.3	23.5	16.7	23.5	16.7	24.4	16.5	24.2	16.2	26.6	17.8	26.6	17.8	26.4	16.8		

Italy

Total firms	23.3	17.9	23.2	18.0	21.6	17.3	21.5	16.7	22.3	16.6	23.1	17.0	21.7	16.2	21.9	16.8	22.1	16.2	21.1	15.3	21.7	16.3
By size of company :																						
< 5m. Euros	24.8	19.1	24.5	18.8	24.0	18.1	24.0	17.7	23.4	17.4	24.2	17.2	24.0	16.3	26.6	17.6	25.9	17.9	26.2	17.5	27.5	19.2
5 - 20 m. Euros	21.2	17.0	21.6	17.4	20.9	16.7	20.0	16.1	20.5	16.1	21.1	16.5	20.7	15.8	21.1	16.0	19.5	15.2	18.8	14.7	15.8	15.7
20 - 50 m. Euros	22.4	16.6	22.9	16.5	21.5	16.2	20.3	15.5	20.8	15.4	22.4	16.9	21.2	16.8	22.0	16.8	21.2	16.1	21.0	15.2	21.5	16.0
50 - 100 m. Euros	23.9	17.0	23.1	17.2	23.3	17.6	22.2	16.9	23.4	16.8	23.0	17.6	24.0	17.5	23.7	17.5	16.8	17.9	16.3	16.1	25.4	17.4
> 100 m. Euros	24.1	18.5	24.0	19.3	21.1	18.1	22.0	17.6	23.1	18.0	24.1	19.7	21.4	18.4	21.2	19.4	24.7	18.8	23.2	16.8	22.8	18.1

Spain

Total firms	32.5	26.6	33.0	26.3	36.7	26.5	37.4	26.3	37.4	27.2	35.2	27.7	32.5	26.8	30.0	27.0	29.2	24.7	29.6	24.1	33.0	26.3
By size of company :																						
< 5m. Euros	33.9	23.4	31.1	23.1	31.2	23.2	35.3	23.3	37.5	24.6	34.9	24.7	34.8	24.0	34.2	24.1	32.6	22.0	29.6	21.3	22.3	23.1
5 - 20 m. Euros	34.0	27.1	33.0	27.8	34.3	28.1	35.0	27.6	38.2	28.2	37.3	28.6	37.1	28.0	38.0	29.7	34.1	26.6	34.5	26.0	38.4	27.8
20 - 50 m. Euros	38.0	30.5	40.3	31.9	41.3	33.5	39.8	32.2	37.8	32.2	40.4	33.3	43.2	33.3	40.1	35.0	33.5	29.8	31.9	26.5	37.4	29.7
50 - 100 m. Euros	39.5	36.2	42.1	36.5	48.7	37.5	47.8	37.4	45.5	36.5	51.0	36.4	39.0	34.3	46.3	35.0	48.0	32.9	44.2	31.7	48.3	34.5
> 100 m. Euros	28.6	32.5	29.3	34.0	34.0	33.2	35.6	34.3	35.5	30.3	30.6	31.4	28.5	28.5	23.7	26.1	24.5	28.9	26.0	27.7	29.7	31.0

wm : weighted mean

med : median

NET EQUITY / TOTAL ASSETS

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	21.8	21.1	24.3	21.9	23.5	20.5	23.8	20.3	23.9	21.8	27.0	23.8	30.0	24.6	30.4	25.2	30.7	25.1	30.2	26.3	31.0	25.3
By size of company :																						
< 5m Euros	21.5	24.9	19.8	17.2	20.2	17.6	19.1	16.5	22.1	20.2	35.2	15.8	37.1	16.0	34.3	13.7	17.3	13.5	18.5	17.2	19.4	18.5
5m - 20m Euros	20.8	20.6	21.6	21.3	20.5	18.7	19.2	18.2	20.3	19.8	22.4	21.6	25.0	22.8	25.8	23.6	25.3	21.8	25.6	23.5	25.7	21.9
20m - 50m Euros	22.5	21.1	24.5	23.4	23.4	22.3	24.5	23.7	25.2	23.9	27.0	27.0	27.8	27.1	27.7	26.4	28.7	26.4	26.9	27.7	27.6	27.4
50m - 100m Euros	25.9	20.3	29.5	19.8	27.6	22.5	28.3	22.4	28.2	26.4	29.6	28.1	30.2	26.0	32.9	29.0	34.3	30.4	35.8	32.3	33.4	30.3
> 100m Euros	20.1	22.6	22.8	25.6	23.1	21.7	23.2	22.3	22.9	22.6	26.8	26.8	31.2	28.8	31.1	28.2	31.1	29.5	30.2	29.2	32.3	30.0

France

Total firms	20.1	22.0	24.1	22.7	28.9	23.6	30.3	23.9	31.0	24.8	32.5	26.3	33.2	27.6	33.4	28.8	35.1	29.0	35.2	29.0	35.2	30.2
By size of company :																						
< 5m. Euros	27.9	20.4	24.4	20.6	25.9	21.4	26.7	21.7	27.1	22.8	28.7	24.1	30.0	25.4	31.1	26.5	31.2	26.8	30.7	27.0	32.5	28.3
5 - 20 m. Euros	25.9	22.2	25.6	22.9	28.4	24.3	27.9	24.5	28.3	25.1	30.0	26.6	31.4	28.2	32.3	29.9	33.7	30.2	33.3	29.6	33.6	30.9
20 - 50 m. Euros	24.9	23.4	28.4	26.1	29.6	26.7	30.1	26.9	31.5	27.6	32.5	29.6	33.9	31.5	35.0	32.5	35.7	32.6	34.6	31.9	36.7	32.9
50 - 100 m. Euros	27.2	26.7	30.1	27.5	31.1	28.6	31.2	29.6	30.5	31.3	35.1	32.0	35.8	32.4	36.3	32.8	36.4	34.5	36.1	34.7	37.9	35.4
> 100 m. Euros	17.1	25.3	22.4	28.2	28.7	29.0	30.8	29.1	31.6	30.3	32.8	32.3	33.2	32.0	33.0	34.3	35.3	35.5	35.7	35.3	35.0	36.1

Germany

Total firms			30.1	16.5	29.9	16.2	29.2	15.8	29.6	15.5	30.2	15.4	29.5	15.0	30.0	14.7	30.2	13.9	30.6	14.4		
By size of company :																						
< 5m. Euros			16.0	12.3	15.8	12.2	13.6	11.7	14.0	11.3	13.0	11.2	12.8	10.9	12.1	9.9	10.7	9.1	9.8	9.4		
5 - 20 m. Euros			24.0	18.9	20.9	17.4	20.3	17.4	19.6	16.4	18.7	16.0	18.4	15.4	19.3	15.8	17.8	14.0	17.5	14.0		
20 - 50 m. Euros			28.2	24.1	27.7	24.3	26.1	22.7	24.4	21.2	23.3	21.1	23.3	21.0	25.2	21.7	24.1	20.3	24.2	20.9		
50 - 100 m. Euros			30.5	26.9	28.2	26.5	26.5	24.9	27.3	25.1	27.0	23.9	27.2	23.7	27.5	24.2	27.3	23.7	27.2	23.5		
> 100 m. Euros			30.9	28.5	31.2	27.8	30.7	27.9	31.2	27.8	32.1	27.9	31.2	26.6	31.5	28.1	31.9	28.8	32.3	27.5		

Italy

Total firms	25.1	24.0	24.9	23.6	23.2	22.8	23.0	21.7	23.2	21.6	23.2	21.5	21.3	19.9	21.8	20.1	21.9	19.6	22.5	19.7	23.4	20.9
By size of company :																						
< 5m. Euros	26.6	24.1	26.4	23.6	25.9	23.0	25.1	22.3	24.8	22.3	23.9	21.9	22.6	20.0	22.3	20.2	21.0	19.6	22.8	19.6	23.0	21.0
5 - 20 m. Euros	25.6	23.8	25.9	23.7	24.2	22.6	23.3	21.2	23.7	21.3	23.1	21.1	22.1	19.7	22.1	19.8	21.2	19.1	21.7	19.3	18.0	20.5
20 - 50 m. Euros	27.0	23.8	26.5	22.8	24.6	21.9	23.3	20.8	23.1	20.4	23.8	21.3	21.8	20.0	23.3	20.8	22.5	19.8	24.3	20.3	24.5	20.8
50 - 100 m. Euros	26.2	23.5	25.4	22.8	26.2	23.5	24.8	21.6	24.6	21.0	23.7	21.0	22.5	21.2	22.7	21.6	17.6	22.4	18.0	21.3	27.7	23.1
> 100 m. Euros	23.8	24.0	23.7	24.4	21.5	24.1	22.2	23.3	22.5	22.1	22.8	24.3	20.3	21.5	20.9	22.3	23.2	22.5	23.3	22.1	23.9	24.3

Spain

Total firms	34.0	37.2	36.5	38.0	41.4	40.0	43.5	40.2	41.1	40.8	38.0	41.1	34.6	38.6	30.7	36.8	33.6	34.6	37.4	36.2	42.0	39.4
By size of company :																						
< 5m. Euros	34.3	35.8	32.5	35.0	35.1	37.1	38.0	38.2	37.3	41.0	40.1	40.4	36.5	37.6	35.9	34.7	37.0	32.1	33.4	32.7	26.6	35.7
5 - 20 m. Euros	38.4	37.1	38.5	38.9	39.9	40.4	42.1	41.0	42.8	39.3	41.1	41.3	41.5	39.7	40.0	38.3	39.7	36.4	41.3	38.4	43.8	41.1
20 - 50 m. Euros	38.8	43.4	41.7	44.1	43.0	43.6	44.5	43.8	41.3	41.5	41.8	43.7	42.7	40.3	40.2	40.8	34.6	36.2	36.9	38.1	41.6	42.4
50 - 100 m. Euros	39.8	47.1	43.1	47.3	51.6	52.0	47.1	45.4	44.3	44.4	46.5	42.3	38.5	40.1	41.6	39.0	46.9	42.3	49.9	44.9	51.6	49.5
> 100 m. Euros	29.8	37.5	33.4	45.0	39.5	44.8	43.2	47.6	40.3	44.0	34.5	40.7	31.1	38.4	24.8	36.1	29.5	41.3	34.7	42.3	40.6	47.6

wm : weighted mean

med : median

FINANCIAL DEBTS (NO GROUP) / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	25.1	30.0	23.9	29.3	24.2	28.8	25.3	29.6	24.4	30.4	24.4	29.6	24.9	29.5	26.1	29.3	24.7	29.6	25.0	30.9	24.7	30.2
By size of company :																						
< 5m Euros	35.4	32.9	40.5	38.6	36.8	34.0	36.2	32.8	39.1	36.9	33.2	43.1	33.3	39.7	32.3	40.3	44.6	39.4	48.4	44.9	44.3	38.0
5m - 20m Euros	35.4	34.8	33.6	32.1	33.7	31.5	35.8	34.2	35.3	33.3	36.2	33.6	35.1	32.0	35.0	31.8	35.8	33.0	34.5	33.1	36.1	34.1
20m - 50m Euros	31.4	27.6	29.5	23.4	29.7	26.9	29.8	25.8	30.5	26.7	30.5	26.5	30.6	27.5	32.2	30.1	32.5	30.3	35.6	34.8	34.5	31.1
50m - 100m Euros	28.6	27.0	26.8	28.1	25.0	20.7	25.7	23.4	28.5	23.1	28.9	22.9	30.2	27.9	29.9	27.8	26.7	24.1	25.9	24.0	28.6	28.2
> 100m Euros	18.0	20.1	16.2	13.4	18.7	16.6	20.8	16.9	19.0	20.3	19.4	21.7	19.5	19.8	20.7	16.0	19.0	19.7	19.7	19.5	18.4	16.9
France																						
Total firms	28.6	25.3	24.1	24.2	21.0	22.8	20.4	22.4	20.5	22.4	18.9	21.4	17.6	21.1	17.3	19.7	15.4	17.4	14.7	16.8	13.7	16.2
By size of company :																						
< 5m. Euros	27.3	23.5	26.1	23.3	25.3	22.6	26.2	22.4	25.5	22.3	25.6	21.7	24.8	21.2	23.8	20.4	22.1	18.5	21.3	17.4	20.9	17.2
5 - 20 m. Euros	28.9	27.2	27.2	25.5	25.8	23.7	24.9	23.3	25.8	23.7	25.3	23.0	25.1	22.8	21.7	20.6	20.8	17.9	20.9	18.0	20.6	17.4
20 - 50 m. Euros	34.9	28.2	26.5	24.9	25.2	24.2	26.2	24.0	24.6	23.1	23.5	21.0	22.7	20.6	20.9	17.6	18.5	15.6	18.0	15.2	17.1	14.0
50 - 100 m. Euros	28.3	25.5	24.8	23.6	21.8	19.2	23.2	18.8	26.4	18.8	19.5	16.9	19.1	16.0	19.4	15.3	17.8	12.9	17.6	12.1	16.5	11.5
> 100 m. Euros	27.7	23.5	23.1	20.4	19.5	17.8	18.3	17.1	18.0	15.6	16.6	13.2	14.8	10.5	15.4	9.6	13.5	9.2	12.6	8.3	11.4	6.5
Germany																						
Total firms			16.8	32.7	15.2	32.5	15.9	32.0	16.1	31.6	15.8	32.3	15.8	33.2	14.8	33.4	14.2	33.4	13.2	32.8		
By size of company :																						
< 5m. Euros			40.6	39.4	40.0	39.1	40.8	39.0	40.4	38.7	42.6	39.7	44.0	41.4	43.6	41.9	43.3	41.5	43.8	41.7		
5 - 20 m. Euros			31.3	29.8	32.4	30.0	33.4	29.9	32.5	30.6	34.3	31.5	34.9	32.7	34.8	32.7	34.5	33.6	35.1	34.6		
20 - 50 m. Euros			26.7	23.0	25.2	22.5	25.7	22.7	27.3	24.7	27.1	24.5	27.0	24.4	26.8	23.6	27.4	25.3	27.1	26.2		
50 - 100 m. Euros			25.0	20.9	22.5	18.9	23.3	19.7	23.8	19.4	23.0	19.1	24.2	20.5	23.2	18.6	21.8	17.4	22.3	18.2		
> 100 m. Euros			13.8	14.9	12.1	13.6	12.7	13.5	12.9	13.6	12.5	14.1	12.6	13.2	11.5	11.4	10.9	11.3	10.0	11.1		
Italy																						
Total firms	25.7	27.5	25.5	26.7	25.3	26.5	26.6	27.9	27.2	28.5	27.0	29.4	28.3	31.2	28.8	31.1	27.2	30.2	26.2	30.2	25.7	30.5
By size of company :																						
< 5m. Euros	30.2	28.4	30.2	27.1	29.7	26.6	31.1	27.4	31.4	27.3	33.0	28.4	34.2	30.7	35.0	31.5	33.8	31.1	34.7	33.0	34.7	33.7
5 - 20 m. Euros	29.0	26.4	28.9	26.1	30.2	26.5	30.8	28.5	31.7	29.4	33.0	30.7	34.0	32.1	33.1	31.6	32.2	30.5	31.2	30.2	31.6	30.9
20 - 50 m. Euros	29.2	28.8	28.8	27.6	29.3	27.7	30.7	29.3	32.0	31.5	32.3	30.7	32.9	31.8	32.4	30.5	30.3	29.8	29.8	29.9	30.0	30.3
50 - 100 m. Euros	27.7	25.8	28.6	25.9	26.3	24.6	28.4	26.3	28.5	28.5	30.4	29.6	29.7	29.3	29.5	28.3	31.1	25.9	28.9	27.3	27.3	26.9
> 100 m. Euros	22.2	19.5	21.7	19.4	21.3	18.9	22.8	22.3	23.6	22.7	22.0	21.3	23.5	22.5	24.6	24.0	22.4	23.9	22.0	22.9	21.6	22.2
Spain																						
Total firms	33.1	25.8	29.2	23.1	24.2	21.2	22.2	20.8	24.7	21.4	24.4	21.7	25.2	24.5	21.3	24.3	19.0	23.5	19.1	21.8	15.3	20.0
By size of company :																						
< 5m. Euros	34.2	24.7	32.6	22.9	31.7	21.0	30.1	20.7	27.2	19.3	27.4	19.6	30.1	24.1	31.1	25.6	30.4	25.5	31.9	23.7	29.7	22.2
5 - 20 m. Euros	29.7	27.7	28.7	25.1	27.8	22.0	26.0	21.2	26.7	23.7	27.8	25.4	28.4	26.6	27.6	25.2	26.6	24.9	25.5	23.6	24.9	23.6
20 - 50 m. Euros	31.0	24.6	26.9	21.0	26.2	20.5	23.8	20.3	26.3	23.0	24.8	21.8	24.2	22.9	22.9	20.1	27.0	21.5	24.4	20.0	22.5	17.4
50 - 100 m. Euros	31.7	21.4	29.8	19.0	19.6	16.9	22.7	21.2	24.6	23.4	23.3	22.4	24.0	19.2	19.3	16.0	15.7	11.0	14.9	10.9	13.1	9.8
> 100 m. Euros	34.9	30.9	29.4	21.2	23.3	21.7	20.3	18.0	23.9	20.1	23.9	19.4	24.8	21.2	19.8	17.2	16.5	10.9	17.2	10.0	12.5	5.5

wm : weighted mean

med : median

From 1985 to 1990 and from 1992 (for companies with less than 100 employees), information of group and associated companies is included (Spain).

SHORT TERM BANK BANK BORROWING / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	13.5	14.0	12.7	13.3	12.9	13.6	13.1	14.3	13.1	13.7	12.7	14.2	13.9	14.3	14.3	13.4	12.2	13.8	13.4	14.5	13.1	15.0
By size of company :																						
< 5m Euros	18.1	15.6	23.2	19.6	22.2	17.7	21.7	17.8	22.1	19.9	19.2	22.9	18.7	20.5	17.6	21.1	23.2	18.6	21.0	18.6	20.0	19.5
5m - 20m Euros	18.0	16.3	16.6	13.2	17.4	14.2	19.7	16.9	19.5	14.9	20.9	16.0	20.1	15.3	17.2	13.0	17.7	14.7	17.5	15.0	18.4	16.3
20m - 50m Euros	17.0	12.6	17.8	12.2	16.0	12.6	15.1	10.9	15.7	10.7	15.9	11.3	16.2	12.1	18.7	15.3	16.9	13.6	18.4	15.6	19.2	15.5
50m - 100m Euros	14.9	13.7	15.5	13.0	14.4	13.5	13.9	14.1	16.2	12.3	16.1	13.4	16.7	13.1	13.9	12.1	12.8	10.4	14.5	12.0	14.8	12.0
> 100m Euros	10.2	8.6	7.5	5.2	9.7	7.3	10.3	8.2	9.9	10.9	9.4	12.3	11.2	11.1	12.3	10.1	9.4	8.0	10.8	11.9	9.8	8.9
France																						
Total firms	8.0	2.2	6.5	1.7	5.9	1.5	6.2	1.7	6.6	1.7	5.8	1.5	5.2	1.4	4.4	0.9	4.3	0.7	4.5	0.8	3.5	0.5
By size of company :																						
< 5m. Euros	6.6	0.5	5.5	0.6	5.6	0.4	5.8	0.6	6.0	0.7	5.9	0.9	5.7	0.8	5.1	0.4	4.5	0.3	4.7	0.4	4.3	0.2
5 - 20 m. Euros	8.1	2.7	7.5	2.1	7.4	1.7	7.1	2.0	7.7	2.0	7.6	1.6	7.3	1.5	6.0	1.0	5.6	0.6	6.0	0.9	5.7	0.5
20 - 50 m. Euros	10.0	6.7	8.9	4.8	9.1	5.1	8.5	4.7	9.0	4.8	8.3	3.4	7.8	3.0	6.9	1.7	6.1	1.5	6.1	1.8	5.8	1.2
50 - 100 m. Euros	8.7	6.4	8.1	4.6	6.5	3.5	8.1	4.1	8.7	3.5	6.7	2.5	6.4	2.5	6.2	1.6	6.5	1.9	7.0	1.9	5.8	1.4
> 100 m. Euros	7.6	6.4	5.9	4.1	5.2	4.3	5.5	4.1	5.8	4.1	4.9	3.0	4.1	2.5	3.5	1.8	3.6	1.6	3.8	1.9	2.5	1.5
Germany																						
Total firms			3.4	5.8	3.4	6.5	4.4	6.8	4.8	7.1	4.7	7.2	4.8	7.6	4.2	7.0	3.9	6.9	3.8	7.7		
By size of company :																						
< 5m. Euros			13.6	8.4	13.7	9.3	14.6	9.4	15.2	9.2	16.3	9.9	17.1	11.1	15.8	10.5	15.8	9.9	16.3	10.9		
5 - 20 m. Euros			10.4	5.3	11.5	6.1	13.3	6.8	12.8	7.7	14.0	7.8	14.2	7.8	13.8	7.5	13.0	7.3	13.7	8.9		
20 - 50 m. Euros			9.1	2.9	8.3	3.1	9.3	4.0	10.6	4.6	11.5	5.2	11.3	4.6	10.3	4.1	10.4	5.2	10.7	5.8		
50 - 100 m. Euros			7.0	1.6	6.7	2.8	7.8	3.6	8.8	3.8	8.9	3.6	9.6	3.2	8.2	3.0	7.3	2.3	8.1	3.2		
> 100 m. Euros			2.0	0.9	2.0	1.1	2.8	1.5	3.2	1.5	3.0	1.8	3.0	1.5	2.6	1.0	2.4	0.9	2.3	1.1		
Italy																						
Total firms	14.9	15.4	14.7	14.8	14.8	15.1	15.9	16.6	16.3	17.2	16.2	17.8	17.0	19.2	16.2	18.9	15.6	18.7	15.3	19.1	14.1	17.8
By size of company :																						
< 5m. Euros	17.8	15.6	17.8	14.9	18.2	15.3	18.6	16.4	19.9	17.0	20.8	17.9	21.6	19.5	20.0	19.3	21.1	19.2	22.5	21.0	20.5	19.8
5 - 20 m. Euros	18.0	15.5	17.8	14.7	19.0	15.2	19.8	17.2	20.5	17.8	20.8	18.3	21.7	19.9	21.0	19.5	20.9	19.3	20.6	19.6	19.8	18.5
20 - 50 m. Euros	18.0	16.1	18.0	15.7	18.4	16.3	19.1	17.4	19.7	17.7	20.1	18.1	20.2	18.7	19.5	18.0	19.1	17.9	19.0	18.6	18.6	17.2
50 - 100 m. Euros	17.7	15.4	18.1	14.9	16.5	12.8	17.7	14.3	17.7	15.7	19.0	16.0	17.4	16.0	16.4	15.7	19.1	15.0	17.2	14.8	15.2	14.1
> 100 m. Euros	11.5	9.2	11.2	9.6	11.3	9.1	12.7	11.6	13.2	11.1	12.3	10.1	13.4	10.2	12.3	10.0	10.9	8.9	11.3	9.5	10.3	9.8
Spain																						
Total firms	17.2	17.5	15.6	15.4	11.4	13.2	10.8	12.2	13.0	12.5	13.1	12.6	14.0	13.0	12.9	12.5	11.5	11.6	10.2	9.9	7.8	8.0
By size of company :																						
< 5m. Euros	19.9	16.9	19.3	15.2	18.3	12.5	17.0	10.7	14.8	8.9	14.9	8.6	15.6	10.8	16.8	11.3	15.6	10.9	15.4	8.9	14.5	7.1
5 - 20 m. Euros	21.7	19.7	20.3	17.8	18.5	15.8	18.0	14.8	18.3	16.7	18.4	17.4	18.8	17.6	17.9	16.2	16.7	15.5	15.7	13.5	15.8	12.5
20 - 50 m. Euros	17.2	14.6	15.7	13.4	14.9	13.4	14.7	14.0	18.2	16.4	17.7	15.8	17.7	16.5	15.9	12.7	15.6	14.1	14.3	12.2	12.9	8.8
50 - 100 m. Euros	17.2	12.9	15.3	11.5	13.3	9.7	14.2	11.5	17.1	14.4	15.3	12.2	15.8	11.9	13.3	9.6	11.1	7.2	10.5	7.2	7.4	5.4
> 100 m. Euros	15.5	16.2	14.1	12.4	8.0	7.9	7.4	6.9	9.9	9.6	10.6	11.3	12.1	10.6	11.3	9.3	9.9	5.0	8.2	4.4	5.6	2.9

wm : weighted mean med : median

From 1985 to 1990 and from 1992 (for companies with less than 100 employees), information of group and associated companies is included. (Spain)

SHORT TERM BANK BORROWING / NET TURNOVER

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	10.8		10.5		10.6		10.8		11.3		11.6		12.7		12.8		11.5		12.1		12.0	
By size of company :																						
< 5m Euros	15.0	10.7	20.6	14.5	17.5	11.6	18.1	12.5	18.5	15.2	23.0	18.2	21.4	14.2	18.7	13.0	20.7	14.8	20.4	13.8	18.1	11.9
5m - 20m Euros	13.4	10.5	12.5	8.4	13.1	8.9	14.7	10.4	14.3	9.6	16.2	10.8	15.5	10.2	14.5	8.6	14.8	10.3	14.4	10.2	15.0	11.6
20m - 50m Euros	13.1	9.1	13.7	8.7	12.5	8.8	11.6	8.2	12.6	8.2	12.7	8.4	13.5	8.5	15.1	10.4	14.3	9.6	15.3	10.0	16.0	11.1
50m - 100m Euros	11.7	7.9	12.0	10.2	10.4	9.4	10.3	9.3	13.0	10.0	15.0	10.8	16.5	10.9	13.9	9.1	12.6	7.7	12.7	8.9	12.9	9.9
> 100m Euros	8.5	5.7	6.8	2.9	8.8	5.0	9.2	6.7	9.4	8.5	9.1	9.3	10.6	8.6	11.1	8.9	9.2	7.2	10.2	9.6	9.5	7.8

France

Total firms	6.4	1.2	5.1	1.0	4.5	0.9	4.8	1.0	5.4	1.0	4.6	0.9	4.2	0.8	3.8	0.5	3.6	0.4	3.7	0.5	2.8	0.3
By size of company :																						
< 5m. Euros	4.5	0.3	3.5	0.4	3.6	0.3	3.9	0.4	3.9	0.4	3.9	0.5	3.8	0.4	3.5	0.3	3.1	0.2	3.0	0.2	2.8	0.1
5 - 20 m. Euros	5.1	1.5	5.0	1.2	4.8	1.0	4.7	1.1	5.1	1.2	5.1	1.0	5.0	1.0	4.7	0.6	3.8	0.4	4.1	0.5	3.9	0.3
20 - 50 m. Euros	7.8	3.6	6.1	2.9	6.2	2.8	5.9	2.6	6.2	2.6	5.8	2.0	5.7	1.9	5.1	1.0	4.4	1.0	4.3	1.2	3.9	0.7
50 - 100 m. Euros	6.7	3.7	5.5	2.9	4.6	2.2	5.7	2.6	7.5	2.3	4.8	1.8	4.8	1.7	4.9	1.1	5.0	1.2	5.3	1.2	4.3	0.9
> 100 m. Euros	6.5	3.7	4.9	2.5	4.3	2.5	4.5	2.5	5.0	2.8	4.2	2.1	3.6	1.6	3.2	1.3	3.3	1.2	3.4	1.3	2.2	1.0

Germany

Total firms			2.5	2.6	2.5	3.0	3.1	3.2	3.4	3.2	3.4	3.3	3.5	3.4	3.3	3.4	3.0	3.3	2.9	3.6		
By size of company :																						
< 5m. Euros			7.3	3.7	7.7	4.1	7.7	4.2	8.3	4.1	8.6	4.2	9.1	4.5	9.2	4.9	8.8	4.7	8.9	4.9		
5 - 20 m. Euros			5.7	2.4	6.3	2.7	7.4	3.1	7.0	3.3	7.4	3.4	7.7	3.4	7.8	3.4	7.5	3.4	7.5	4.0		
20 - 50 m. Euros			5.6	1.6	5.1	1.8	5.6	2.1	6.4	2.4	7.0	2.7	7.1	2.3	6.5	2.1	6.5	2.9	6.5	3.0		
50 - 100 m. Euros			4.5	0.9	4.5	1.6	5.1	1.9	5.5	2.0	5.7	1.9	6.2	1.7	5.4	1.6	4.7	1.1	5.3	1.6		
> 100 m. Euros			1.6	0.5	1.5	0.7	2.1	0.9	2.4	1.0	2.3	1.1	2.4	1.0	2.2	0.6	2.0	0.6	1.9	0.8		

Italy

Total firms	13.8	11.8	13.7	11.5	13.8	11.6	14.8	12.9	15.7	13.3	16.1	14.5	17.3	16.0	16.3	16.0	15.7	15.6	14.3	14.6	13.1	13.7
By size of company :																						
< 5m. Euros	16.6	12.9	16.5	12.3	16.9	12.4	17.8	13.2	18.8	13.5	21.1	15.0	22.9	17.0	23.8	17.9	26.0	18.6	25.8	19.4	24.5	18.6
5 - 20 m. Euros	14.9	10.8	14.8	10.7	16.4	11.0	17.0	12.7	17.7	13.2	19.0	14.4	20.4	15.8	20.1	15.6	19.3	15.3	17.8	14.6	17.4	14.0
20 - 50 m. Euros	15.0	11.3	15.5	11.5	16.1	11.6	16.7	13.2	17.8	13.8	18.9	14.4	19.7	15.2	18.4	14.3	18.0	14.3	16.4	13.6	16.4	13.1
50 - 100 m. Euros	16.1	11.0	16.5	10.4	14.7	10.1	15.9	11.6	16.9	12.4	18.4	13.7	18.5	14.1	17.0	13.0	18.2	11.5	15.5	11.0	13.9	10.3
> 100 m. Euros	11.7	7.4	11.3	8.4	11.1	7.1	12.5	9.7	13.6	8.9	13.0	8.9	14.2	9.4	12.5	7.7	11.6	7.5	11.2	7.2	9.8	7.4

Spain

Total firms	16.4	13.7	14.1	11.4	10.1	9.4	9.3	8.6	11.8	8.9	12.1	8.8	13.1	9.3	12.7	9.6	10.0	8.4	8.1	6.7	6.1	5.7
By size of company :																						
< 5m. Euros	19.7	13.1	18.4	11.1	16.2	8.6	15.8	7.5	14.9	6.2	13.0	5.5	14.9	6.9	16.0	8.1	13.8	7.8	13.6	5.8	12.2	4.8
5 - 20 m. Euros	19.2	15.4	17.5	13.0	15.9	11.2	15.0	10.6	16.3	12.1	16.7	12.8	16.8	12.5	17.0	12.6	14.4	10.6	13.1	9.5	13.9	9.0
20 - 50 m. Euros	16.8	12.0	15.2	10.2	14.3	9.5	13.1	10.9	16.7	13.3	17.1	12.5	17.9	13.4	15.9	10.2	15.1	11.3	12.4	8.3	11.6	6.4
50 - 100 m. Euros	17.1	10.6	14.9	9.7	12.6	6.9	14.4	9.9	17.5	10.9	16.7	11.7	16.0	10.2	14.8	10.0	11.3	5.7	9.3	5.1	6.9	4.2
> 100 m. Euros	14.9	13.5	12.3	9.7	6.9	7.0	6.1	5.2	8.7	8.2	9.4	9.9	11.1	8.9	10.9	10.3	8.3	3.6	6.2	3.1	4.1	2.4

wm : weighted mean

med : median

LONG TERM BANK BORROWING / TOTAL ASSETS

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	9.6	8.3	9.0	7.4	9.2	7.1	10.0	6.4	9.2	7.0	9.9	7.0	9.0	7.8	9.8	8.1	10.6	8.5	10.0	8.2	10.0	8.8
By size of company :																						
< 5m Euros	15.6	5.9	13.6	6.1	11.8	8.7	11.7	6.9	14.5	5.3	11.3	5.3	12.4	9.4	13.6	7.4	18.7	4.7	22.4	8.6	22.5	9.6
5m - 20m Euros	14.4	10.8	14.0	10.0	13.2	8.8	12.2	7.2	12.6	9.0	12.5	8.2	13.1	8.8	15.1	9.3	15.3	10.7	15.0	9.0	15.1	9.2
20m - 50m Euros	10.3	7.5	8.9	6.6	10.3	6.7	10.7	6.4	10.9	6.3	11.5	6.7	12.1	8.5	10.9	8.1	12.8	8.7	13.6	9.3	13.0	10.5
50m - 100m Euros	11.1	4.9	9.4	6.5	8.5	4.1	9.0	4.7	9.1	5.3	9.7	5.6	10.4	6.3	12.3	8.7	11.2	8.1	9.2	7.2	11.1	7.8
> 100m Euros	7.2	5.2	7.2	3.6	7.9	5.2	9.5	4.3	8.1	4.4	9.0	6.7	6.9	3.6	7.4	3.4	8.6	4.0	8.2	4.6	7.7	5.4

France

Total firms	9.1	7.8	8.8	7.6	7.2	7.6	6.8	7.7	6.3	7.6	6.7	7.4	6.3	7.1	5.5	6.6	4.6	5.7	4.2	5.1	4.2	5.0
By size of company :																						
< 5m. Euros	9.7	7.0	9.9	7.3	10.1	7.8	11.8	8.0	11.0	8.0	11.6	7.9	11.2	7.5	10.6	7.1	9.5	6.2	8.6	5.6	8.7	5.6
5 - 20 m. Euros	9.5	8.1	9.4	8.1	9.3	7.9	9.1	7.7	10.1	7.8	10.0	7.5	10.1	7.4	8.6	7.0	8.3	5.9	8.1	5.6	8.0	5.2
20 - 50 m. Euros	8.7	8.2	9.1	7.7	8.9	7.1	10.6	7.8	9.6	7.4	9.5	6.9	9.4	6.7	8.9	5.7	7.6	4.4	7.1	4.2	6.7	3.9
50 - 100 m. Euros	9.1	9.0	9.7	8.6	8.7	7.4	8.7	6.3	6.8	5.5	7.4	5.1	7.6	4.5	7.8	4.4	6.8	3.0	6.2	2.3	6.1	1.6
> 100 m. Euros	9.1	8.2	8.5	7.1	6.4	5.2	5.5	4.2	5.0	3.2	5.3	2.6	4.6	1.8	4.0	1.3	3.1	0.8	2.8	0.4	2.8	0.2

Germany

Total firms			4.1	1.6	4.0	2.1	4.0	2.5	3.9	2.2	3.8	1.9	3.8	2.1	3.8	2.2	3.3	2.4	2.9	2.3		
By size of company :																						
< 5m. Euros			13.5	1.5	12.8	2.0	13.4	2.4	12.5	1.6	13.6	1.7	14.1	1.8	15.4	2.7	14.9	2.7	14.7	2.2		
5 - 20 m. Euros			9.4	1.7	10.0	2.5	10.1	3.5	9.8	3.0	10.6	2.6	10.8	3.1	11.2	3.0	11.1	3.7	11.3	4.4		
20 - 50 m. Euros			7.0	1.2	7.7	1.5	7.6	1.5	8.2	2.9	7.7	1.9	7.5	2.1	8.1	1.5	8.6	1.9	8.1	1.8		
50 - 100 m. Euros			7.7	2.8	6.9	2.4	7.1	2.4	6.5	1.7	6.8	1.9	6.8	1.6	7.7	1.1	6.8	0.6	6.6	0.5		
> 100 m. Euros			3.0	1.0	2.9	0.8	2.8	1.1	2.8	0.6	2.6	0.9	2.6	0.7	2.4	0.3	2.0	0.3	1.7	0.2		

Italy

Total firms	7.9	2.6	7.6	2.2	7.0	1.8	7.4	1.6	7.6	1.2	7.5	1.3	7.9	1.8	6.5	0.6	6.2	1.1	6.1	1.8	6.6	2.7
By size of company :																						
< 5m. Euros	7.0	1.7	7.0	0.7	6.4	0.0	7.4	0.0	6.2	0.0	6.6	0.0	7.4	0.0	8.2	0.0	6.7	0.0	6.7	0.0	7.8	0.2
5 - 20 m. Euros	6.1	2.6	6.3	2.6	6.0	2.5	6.0	2.3	6.2	2.2	7.2	2.3	7.4	2.7	6.0	0.8	5.7	1.1	5.8	1.5	6.5	2.4
20 - 50 m. Euros	7.0	4.3	6.6	3.8	6.6	3.8	7.1	3.7	7.2	3.9	7.4	3.9	7.7	4.3	6.3	2.5	6.4	2.9	6.2	2.9	6.9	3.7
50 - 100 m. Euros	6.9	4.3	7.0	4.6	6.3	4.2	7.3	4.1	7.6	4.3	8.0	4.3	8.3	4.3	7.0	2.9	7.0	2.8	6.7	3.3	7.2	4.5
> 100 m. Euros	9.1	4.7	8.7	4.3	7.7	4.3	8.0	4.1	8.4	4.1	7.7	4.0	8.2	4.6	6.5	3.1	6.1	3.1	6.0	3.2	6.4	3.0

Spain

Total firms	10.6	0.0	8.7	0.0	7.3	0.0	6.4	0.0	6.2	0.0	6.2	0.0	7.1	0.0	5.8	0.1	5.2	0.6	6.0	0.9	4.3	1.2
By size of company :																						
< 5m. Euros	8.4	0.0	8.2	0.0	8.5	0.0	9.0	0.0	7.8	0.0	6.8	0.0	8.5	0.0	8.3	0.0	9.3	1.0	9.1	1.6	10.7	2.4
5 - 20 m. Euros	5.4	0.0	4.9	0.0	6.1	0.0	5.4	0.0	4.6	0.0	3.9	0.0	5.0	0.1	5.6	0.3	5.7	0.9	5.4	1.0	5.1	1.5
20 - 50 m. Euros	9.1	0.4	6.5	0.0	6.9	0.0	5.1	0.0	5.1	0.0	3.5	0.0	3.6	0.0	4.3	0.0	6.9	0.3	6.7	0.2	4.9	0.4
50 - 100 m. Euros	8.3	1.2	8.4	1.3	3.3	0.0	5.3	0.0	4.3	0.0	4.5	0.0	4.6	0.0	4.3	0.2	2.5	0.0	2.3	0.0	2.7	0.0
> 100 m. Euros	13.4	4.6	10.4	1.5	8.5	1.7	6.8	0.4	7.1	1.0	7.5	1.1	8.5	0.9	6.3	0.1	5.1	0.0	6.5	0.0	4.0	0.0

wm : weighted mean

med : median

From 1985 to 1990 and from 1992 (for companies with less than 100 employees), information of group and associated companies is included. (Spain)

LONG TERM BANK BORROWING / NET TURNOVER

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	7.6	5.6	7.5	5.2	7.6	4.7	8.2	4.2	8.0	5.0	9.0	5.3	8.3	5.9	8.8	5.9	9.9	6.1	9.0	6.0	9.1	6.3
By size of company :																						
< 5m Euros	12.9	6.2	12.1	6.3	9.3	5.5	9.7	4.7	12.2	3.3	13.5	5.5	14.2	5.4	14.5	5.0	16.7	3.8	21.9	5.5	20.3	6.2
5m - 20m Euros	10.7	7.1	10.6	6.5	10.0	5.7	9.1	4.4	9.2	5.7	9.7	5.6	10.1	7.0	12.7	6.9	12.8	7.6	12.3	6.6	12.3	6.3
20m - 50m Euros	8.0	5.0	6.9	4.0	8.1	4.8	8.3	4.6	8.7	4.9	9.2	5.2	10.1	6.2	8.8	5.7	10.8	6.2	11.3	6.8	10.8	7.6
50m - 100m Euros	8.7	3.2	7.2	4.1	6.1	2.7	6.7	3.0	7.3	3.7	9.0	4.6	10.2	5.7	12.3	6.9	11.0	6.0	8.0	4.7	9.6	6.9
> 100m Euros	6.0	3.8	6.5	2.9	7.2	4.1	8.5	3.6	7.6	3.3	8.7	4.8	6.5	2.7	6.7	2.6	8.4	3.4	7.7	3.9	7.5	4.2

France

Total firms	7.3	4.3	6.8	4.4	5.6	4.4	5.3	4.4	5.1	4.4	5.4	4.3	5.1	4.1	4.8	3.9	3.9	3.3	3.5	2.9	3.4	2.8
By size of company :																						
< 5m. Euros	6.6	3.8	6.4	4.2	6.4	4.6	7.8	4.5	7.1	4.6	7.7	4.5	7.5	4.4	7.3	4.1	6.4	3.6	5.5	3.2	5.7	3.2
5 - 20 m. Euros	6.0	4.6	6.2	4.7	6.0	4.6	6.0	4.6	6.7	4.6	6.7	4.4	6.9	4.4	6.6	4.1	5.7	3.5	5.5	3.2	5.4	3.1
20 - 50 m. Euros	6.7	4.8	6.2	4.4	6.1	4.2	7.4	4.6	6.6	4.2	6.6	3.8	6.8	3.9	6.5	3.3	5.5	2.7	5.0	2.4	4.5	2.1
50 - 100 m. Euros	6.9	5.5	6.5	5.2	6.1	4.4	6.2	3.7	5.9	3.6	5.4	3.0	5.7	2.7	6.1	2.4	5.3	1.7	4.7	1.2	4.6	0.8
> 100 m. Euros	7.8	4.6	7.1	4.3	5.3	3.4	4.5	2.8	4.3	2.4	4.6	1.7	4.1	1.3	3.7	0.9	2.8	0.6	2.5	0.3	2.5	0.1

Germany

Total firms			3.1	0.7	2.9	1.0	2.9	1.2	2.8	1.0	2.7	0.9	2.8	1.0	3.0	1.1	2.6	1.2	2.3	1.1		
By size of company :																						
< 5m. Euros			7.2	0.6	7.2	0.9	7.1	1.0	6.9	0.7	7.2	0.6	7.5	0.8	9.0	1.2	8.2	1.3	8.0	1.0		
5 - 20 m. Euros			5.1	0.8	5.5	1.1	5.6	1.5	5.3	1.3	5.6	1.1	5.9	1.3	6.3	1.3	6.5	1.8	6.2	1.9		
20 - 50 m. Euros			4.4	0.7	4.7	0.7	4.6	0.9	5.0	1.5	4.7	1.0	4.7	1.1	5.2	0.9	5.4	1.0	5.0	0.9		
50 - 100 m. Euros			5.0	1.6	4.6	1.3	4.6	1.3	4.0	1.0	4.4	1.0	4.4	0.8	5.1	0.5	4.4	0.3	4.3	0.3		
> 100 m. Euros			2.4	0.7	2.2	0.6	2.2	0.8	2.1	0.5	2.0	0.6	2.0	0.5	2.1	0.3	1.7	0.2	1.4	0.1		

Italy

Total firms	7.3	1.9	7.1	1.7	6.5	1.4	6.9	1.3	7.3	1.0	7.5	1.1	8.1	1.5	6.6	0.5	6.2	0.9	5.7	1.3	6.1	2.0
By size of company :																						
< 5m. Euros	6.5	1.3	6.5	0.6	5.9	0.0	7.1	0.0	5.9	0.0	6.7	0.0	7.8	0.0	9.8	0.0	8.2	0.0	7.7	0.0	9.3	0.0
5 - 20 m. Euros	5.1	1.8	5.3	2.0	5.1	1.8	5.1	1.8	5.4	1.7	6.5	1.7	6.9	2.2	5.8	0.6	5.2	0.9	5.0	1.1	5.7	1.8
20 - 50 m. Euros	5.8	3.1	5.7	2.9	5.7	2.9	6.2	2.9	6.5	3.2	7.0	3.2	7.5	3.5	6.0	2.0	6.0	2.3	5.4	2.2	6.1	2.9
50 - 100 m. Euros	6.3	3.3	6.4	3.7	5.6	3.2	6.5	3.1	7.2	3.4	7.7	3.2	8.8	3.8	7.3	2.5	6.6	2.1	6.0	2.3	6.6	3.4
> 100 m. Euros	9.3	3.6	8.8	3.6	7.6	3.1	7.9	3.7	8.6	3.9	8.1	3.8	8.7	3.9	6.6	2.7	6.5	2.7	5.9	2.2	6.1	2.1

Spain

Total firms	10.1	0.0	7.8	0.0	6.4	0.0	5.5	0.0	5.7	0.0	5.7	0.0	6.6	0.0	5.7	0.1	4.5	0.5	4.7	0.6	3.3	0.9
By size of company :																						
< 5m. Euros	8.3	0.0	7.8	0.0	7.5	0.0	8.3	0.0	7.8	0.0	5.9	0.0	8.1	0.0	7.9	0.0	8.2	0.7	8.0	1.0	9.0	1.4
5 - 20 m. Euros	4.8	0.0	4.2	0.0	5.2	0.0	4.5	0.0	4.1	0.0	3.5	0.0	4.4	0.1	5.3	0.2	4.9	0.7	4.5	0.7	4.5	1.1
20 - 50 m. Euros	8.9	0.3	6.3	0.0	6.7	0.0	4.6	0.0	4.6	0.0	3.4	0.0	3.6	0.0	4.3	0.0	6.7	0.3	5.8	0.2	4.4	0.3
50 - 100 m. Euros	8.3	0.8	8.2	0.8	3.1	0.0	5.4	0.0	4.4	0.0	4.9	0.0	4.6	0.0	4.8	0.3	2.6	0.0	2.0	0.0	2.5	0.0
> 100 m. Euros	12.9	3.7	9.1	1.4	7.3	1.2	5.6	0.4	6.3	0.7	6.7	0.7	7.8	0.8	6.0	0.0	4.3	0.0	4.9	0.0	3.0	0.0

wm : weighted mean

med : median

PROVISIONS FOR RISK AND CHARGES / TOTAL ASSETS

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	22.3	12.7	20.5	12.2	21.0	12.5	21.2	12.6	20.9	12.5	20.7	12.8	20.4	13.7	18.4	13.5	17.9	12.8	17.5	12.6	17.2	12.6
By size of company :																						
< 5m Euros	9.6	8.2	8.6	7.8	9.0	8.0	8.8	8.4	9.6	8.9	8.4	8.9	8.6	9.1	7.8	7.8	10.3	8.4	8.0	7.8	9.4	8.6
5m - 20m Euros	12.1	10.4	12.8	11.4	13.2	11.4	12.5	11.2	12.9	11.7	12.9	11.4	14.6	13.0	13.9	13.1	12.8	11.9	12.9	11.9	13.0	12.0
20m - 50m Euros	17.3	16.9	16.9	15.2	15.6	14.0	16.9	15.1	15.4	14.4	15.2	13.8	15.4	13.8	15.4	13.8	14.0	13.3	14.2	13.2	15.2	13.0
50m - 100m Euros	16.0	15.1	16.8	15.7	18.2	16.6	16.8	15.5	17.4	16.1	16.3	14.0	17.4	17.0	16.0	16.6	16.6	16.6	16.6	16.0	16.8	15.3
> 100m Euros	30.2	21.6	26.8	23.2	26.6	22.0	26.7	22.8	25.3	18.7	24.9	19.4	24.1	17.6	21.4	19.0	20.4	18.0	19.6	15.8	18.6	16.5

France

Total firms	5.2	0.7	4.9	0.6	4.6	0.4	4.8	0.4	5.2	0.3	5.3	0.3	5.4	0.3	5.5	0.4	5.3	0.4	5.1	0.4	5.6	0.4
By size of company :																						
< 5m. Euros	1.5	0.3	1.7	0.2	1.5	0.0	1.4	0.0	1.4	0.0	1.4	0.0	1.5	0.0	1.6	0.0	1.5	0.0	1.5	0.0	1.7	0.0
5 - 20 m. Euros	2.0	0.8	2.4	0.7	1.8	0.6	2.0	0.5	1.9	0.5	1.9	0.5	2.2	0.5	2.3	0.6	2.2	0.6	2.3	0.6	2.4	0.6
20 - 50 m. Euros	3.7	1.3	2.9	1.3	2.9	0.9	2.4	0.9	2.4	1.0	2.8	1.1	2.9	1.2	3.4	1.4	3.2	1.4	3.2	1.4	3.2	1.5
50 - 100 m. Euros	3.5	1.5	3.3	1.6	3.1	1.6	3.4	1.6	4.1	1.5	3.3	1.7	3.8	1.9	4.0	2.1	3.9	2.0	3.9	2.1	4.3	2.0
> 100 m. Euros	6.2	2.5	6.0	2.6	5.6	2.3	5.9	2.2	6.5	2.4	6.8	2.5	6.9	2.7	6.8	3.1	6.4	2.9	6.1	3.0	6.7	3.0

Germany

Total firms			30.2	11.5	31.0	11.6	30.1	11.8	29.9	11.9	29.7	12.3	30.5	12.3	31.1	12.1	31.3	12.1	31.8	12.2		
By size of company :																						
< 5m. Euros			12.0	7.6	12.5	8.0	12.5	8.2	12.4	8.2	12.6	8.6	12.5	8.7	12.6	8.5	12.5	8.2	12.7	8.0		
5 - 20 m. Euros			16.1	13.8	15.9	13.0	15.5	13.1	15.4	13.1	15.5	13.1	15.3	12.8	15.9	12.7	15.9	12.5	15.5	12.1		
20 - 50 m. Euros			19.3	16.9	19.4	16.8	19.1	15.7	17.6	14.9	18.2	15.2	18.6	15.6	19.1	16.1	19.1	15.3	19.0	15.1		
50 - 100 m. Euros			22.9	21.1	22.7	19.8	21.3	18.5	21.1	18.2	21.0	18.7	21.0	18.8	22.0	18.2	22.4	18.5	20.5	17.2		
> 100 m. Euros			33.0	25.3	34.0	25.3	33.2	24.3	33.0	24.0	32.7	23.9	33.5	24.2	34.1	25.8	34.2	25.4	34.6	24.0		

Italy

Total firms	6.9	4.4	6.7	4.5	7.4	4.6	6.8	4.8	6.9	5.2	7.1	5.4	7.1	5.7	7.8	6.2	7.7	5.9	7.5	5.5	7.7	5.8
By size of company :																						
< 5m. Euros	5.1	4.0	5.1	4.1	5.3	4.4	5.9	4.6	6.0	5.2	6.3	5.7	6.5	6.1	6.7	6.7	7.1	6.6	6.8	6.2	7.3	6.4
5 - 20 m. Euros	5.9	4.7	5.9	4.7	5.7	4.6	5.8	4.8	6.0	5.0	6.0	5.0	6.1	5.1	6.8	5.8	6.7	5.5	6.7	5.3	7.6	5.7
20 - 50 m. Euros	6.5	5.3	6.1	5.1	6.1	5.0	6.0	4.8	6.2	5.2	6.1	5.3	6.3	5.5	7.1	5.9	7.1	5.6	6.4	5.2	6.5	5.4
50 - 100 m. Euros	7.4	6.2	7.3	6.1	6.9	6.0	6.2	5.4	6.3	5.5	6.6	5.6	6.6	5.8	7.4	6.6	8.8	6.1	8.7	5.9	6.9	5.7
> 100 m. Euros	7.7	7.3	7.4	7.3	8.8	7.5	7.6	6.9	7.6	7.3	7.9	6.8	8.0	6.8	8.8	7.1	8.1	6.9	7.9	6.6	8.4	7.0

Spain

Total firms	1.6	0.0	1.5	0.0	1.8	0.0	2.7	0.0	3.9	0.0	4.5	0.0	4.9	0.0	5.6	0.0	5.4	0.0	5.5	0.0	5.2	0.0
By size of company :																						
< 5m. Euros	0.3	0.0	0.3	0.0	0.3	0.0	0.9	0.0	1.0	0.0	2.4	0.0	3.6	0.0	0.6	0.0	0.5	0.0	1.0	0.0	11.1	0.0
5 - 20 m. Euros	1.1	0.0	1.0	0.0	0.4	0.0	0.6	0.0	0.8	0.0	0.8	0.0	1.1	0.0	1.4	0.0	1.2	0.0	1.2	0.0	0.8	0.0
20 - 50 m. Euros	0.7	0.0	0.7	0.0	0.9	0.0	0.9	0.0	1.3	0.0	1.4	0.0	1.7	0.0	2.6	0.0	2.5	0.0	2.9	0.0	2.5	0.0
50 - 100 m. Euros	0.7	0.0	1.0	0.0	1.2	0.0	2.0	0.0	2.0	0.0	2.2	0.2	2.7	0.3	3.2	0.5	3.0	0.6	3.0	0.6	2.9	0.6
> 100 m. Euros	2.3	0.0	2.2	0.0	2.7	0.0	3.8	0.1	5.6	0.6	6.4	1.7	6.7	1.8	7.7	2.6	7.3	3.2	7.4	2.3	6.3	2.3

wm : weighted mean

med : median

PROVISIONS FOR RISK AND CHARGES / NET TURNOVER

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	17.8	8.5	16.9	8.2	17.3	8.4	17.4	8.1	18.1	8.4	18.8	9.5	18.7	10.2	16.5	9.9	16.8	9.7	15.7	9.5	15.6	9.5
By size of company :																						
< 5m Euros	7.9	6.4	7.6	6.1	7.1	5.7	7.3	5.9	8.0	6.1	10.1	7.1	9.9	7.0	8.3	6.7	9.2	6.0	7.7	5.3	8.5	6.2
5m - 20m Euros	9.0	6.9	9.7	7.3	10.0	7.7	9.4	7.2	9.5	7.5	10.0	7.8	11.3	9.2	11.7	9.2	10.7	8.2	10.6	8.7	10.6	8.5
20m - 50m Euros	13.4	10.7	13.0	10.3	12.2	10.0	13.1	10.1	12.4	10.0	12.1	10.0	12.9	10.5	12.5	10.3	11.8	10.7	11.8	9.7	12.6	9.8
50m - 100m Euros	12.6	10.6	13.0	9.6	13.1	9.6	12.5	9.0	14.0	10.5	15.1	12.3	17.2	14.2	16.0	12.9	17.0	13.1	14.5	11.9	14.6	11.7
> 100m Euros	25.0	17.0	24.3	15.8	24.2	14.6	23.9	15.0	23.9	13.3	24.0	14.0	22.8	13.2	19.3	14.3	20.0	13.1	18.5	13.4	18.1	13.3

France

Total firms	4.1	0.4	3.8	0.3	3.6	0.3	3.7	0.2	4.3	0.2	4.2	0.2	4.4	0.2	4.7	0.2	4.5	0.2	4.2	0.3	4.6	0.3
By size of company :																						
< 5m. Euros	1.0	0.2	1.1	0.1	1.0	0.0	0.9	0.0	0.9	0.0	0.9	0.0	1.0	0.0	1.1	0.0	1.0	0.0	1.0	0.0	1.1	0.0
5 - 20 m. Euros	1.2	0.5	1.6	0.4	1.2	0.3	1.3	0.3	1.3	0.3	1.3	0.3	1.5	0.3	1.7	0.4	1.5	0.4	1.6	0.4	1.6	0.4
20 - 50 m. Euros	2.9	0.8	2.0	0.8	2.0	0.6	1.7	0.6	1.6	0.6	2.0	0.7	2.1	0.7	2.5	1.0	2.3	0.9	2.2	0.9	2.2	0.9
50 - 100 m. Euros	2.7	1.0	2.2	1.0	2.2	1.0	2.4	1.0	3.5	1.0	2.4	1.1	2.8	1.2	3.1	1.5	3.1	1.4	3.0	1.5	3.2	1.4
> 100 m. Euros	5.3	1.5	5.0	1.7	4.6	1.6	4.8	1.5	5.6	1.7	5.9	1.6	6.1	1.9	6.3	2.2	5.8	2.1	5.4	2.1	6.0	2.1

Germany

Total firms			22.6	5.3	22.7	5.4	21.8	5.5	21.2	5.5	21.4	5.6	22.4	5.6	24.6	5.8	24.5	5.8	24.5	5.8		
By size of company :																						
< 5m. Euros			6.4	3.4	7.0	3.7	6.6	3.7	6.8	3.8	6.6	3.8	6.6	3.8	7.3	4.0	6.9	3.9	6.9	3.8		
5 - 20 m. Euros			8.8	6.3	8.7	6.2	8.6	6.2	8.4	5.9	8.2	5.8	8.3	5.7	9.0	5.8	9.3	5.9	8.5	5.6		
20 - 50 m. Euros			12.0	9.4	11.9	9.3	11.5	8.7	10.7	7.7	11.1	7.8	11.7	7.8	12.2	8.4	12.0	8.1	11.6	7.6		
50 - 100 m. Euros			14.9	12.3	15.1	11.5	13.9	10.8	13.0	10.4	13.5	10.6	13.6	10.5	14.5	10.8	14.6	10.5	13.4	9.7		
> 100 m. Euros			26.3	16.5	26.2	16.1	25.4	15.5	24.8	15.2	24.9	15.0	26.0	15.9	28.8	17.2	28.5	16.6	28.3	15.9		

Italy

Total firms	6.4	3.6	6.3	3.7	6.9	3.8	6.3	3.9	6.6	4.3	7.0	4.7	7.3	5.0	7.8	5.6	7.7	5.2	7.0	4.6	7.2	4.8
By size of company :																						
< 5m. Euros	4.7	3.4	4.8	3.6	4.9	3.7	5.6	4.0	5.7	4.4	6.4	5.0	6.9	5.5	8.0	6.4	8.8	6.6	7.8	5.8	8.8	6.0
5 - 20 m. Euros	4.9	3.6	4.9	3.7	4.9	3.7	5.0	3.7	5.2	4.0	5.4	4.1	5.7	4.4	6.5	4.9	6.2	4.6	5.8	4.3	6.7	4.6
20 - 50 m. Euros	5.4	4.3	5.3	4.2	5.4	4.1	5.2	4.0	5.6	4.3	5.7	4.6	6.1	4.8	6.7	4.9	6.7	4.7	5.5	4.2	5.7	4.5
50 - 100 m. Euros	6.8	5.5	6.7	5.4	6.1	5.0	5.6	4.7	6.0	5.0	6.4	5.1	7.1	5.6	7.7	5.8	8.4	5.3	7.9	4.9	6.3	5.0
> 100 m. Euros	7.8	6.7	7.5	6.8	8.7	6.7	7.5	6.3	7.8	6.7	8.3	6.5	8.4	6.7	8.9	7.0	8.6	6.3	7.8	5.9	8.0	6.2

Spain

Total firms	1.5	0.0	1.4	0.0	1.6	0.0	2.3	0.0	3.5	0.0	4.1	0.0	4.6	0.0	5.6	0.0	4.7	0.0	4.4	0.0	4.0	0.0
By size of company :																						
< 5m. Euros	0.3	0.0	0.3	0.0	0.3	0.0	0.8	0.0	1.0	0.0	2.1	0.0	3.4	0.0	0.6	0.0	0.4	0.0	0.9	0.0	9.3	0.0
5 - 20 m. Euros	1.0	0.0	0.8	0.0	0.3	0.0	0.5	0.0	0.7	0.0	0.7	0.0	1.0	0.0	1.3	0.0	1.1	0.0	1.0	0.0	0.7	0.0
20 - 50 m. Euros	0.7	0.0	0.7	0.0	0.8	0.0	0.8	0.0	1.2	0.0	1.3	0.0	1.7	0.0	2.6	0.0	2.4	0.0	2.5	0.0	2.3	0.0
50 - 100 m. Euros	0.7	0.0	1.0	0.0	1.1	0.0	2.0	0.0	2.1	0.0	2.4	0.2	2.7	0.2	3.5	0.4	3.1	0.5	2.7	0.5	2.7	0.5
> 100 m. Euros	2.2	0.0	1.9	0.0	2.3	0.0	3.1	0.1	4.9	0.6	5.7	1.2	6.1	1.2	7.4	1.9	6.1	1.7	5.6	1.6	4.6	1.6

wm : weighted mean

med : median

PROVISIONS FOR RISK AND CHARGES / FINANCIAL CREDITORS + PROVISIONS FOR RISK AND CHARGES

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	47.0	29.8	46.1	31.2	46.5	30.9	45.7	31.6	46.1	31.5	45.8	31.4	45.0	32.2	41.4	31.0	42.1	31.0	41.1	30.1	41.0	30.1
By size of company :																						
< 5m Euros	21.3	20.7	17.4	17.2	19.7	19.8	19.5	19.3	19.7	18.2	20.2	18.3	20.6	20.4	19.4	17.0	18.8	17.1	14.1	16.3	17.5	18.3
5m - 20m Euros	25.5	23.9	27.6	28.3	28.1	27.7	25.9	26.8	26.7	27.1	26.2	27.9	29.5	29.7	28.4	28.8	26.3	25.8	27.2	28.4	26.4	27.1
20m - 50m Euros	35.6	41.1	36.4	38.0	34.4	36.3	36.3	39.5	33.6	34.5	33.2	34.1	33.5	34.7	32.4	31.3	30.2	32.6	28.5	28.3	30.6	30.9
50m - 100m Euros	35.9	38.1	38.5	39.1	42.1	44.8	39.6	43.7	37.9	40.6	36.0	41.0	36.6	37.2	34.8	37.8	39.3	39.6	39.0	36.9	37.0	37.6
> 100m Euros	62.6	50.2	62.3	60.5	58.7	54.1	56.3	58.4	57.2	52.8	56.2	49.1	55.3	50.9	50.8	52.4	51.8	50.7	49.8	45.3	50.3	56.5

France

Total firms	15.3	2.6	17.0	2.2	18.0	1.7	19.0	1.4	20.3	1.4	22.0	1.2	23.6	1.3	24.3	1.5	25.6	1.7	25.8	2.0	29.0	2.1
By size of company :																						
< 5m. Euros	5.2	1.1	6.0	0.5	5.6	0.0	5.0	0.0	5.2	0.0	5.1	0.0	5.6	0.0	6.2	0.0	6.5	0.0	6.7	0.0	7.4	0.0
5 - 20 m. Euros	6.4	2.8	8.2	2.5	6.7	2.2	7.5	2.2	6.8	2.0	7.1	2.1	7.9	2.3	9.4	2.8	9.5	2.9	9.9	3.2	10.3	3.5
20 - 50 m. Euros	9.6	4.5	10.0	5.1	10.2	4.1	8.4	4.0	8.9	4.3	10.8	5.1	11.3	5.8	14.1	8.4	14.6	8.3	14.9	8.5	15.8	10.6
50 - 100 m. Euros	11.1	6.7	11.7	6.4	12.5	7.3	12.8	7.2	13.3	7.6	14.7	9.4	16.6	10.5	17.2	12.4	18.0	13.4	18.2	13.7	20.5	16.7
> 100 m. Euros	18.3	10.2	20.6	11.5	22.3	12.8	24.2	12.0	26.5	13.7	29.1	15.8	31.8	19.5	30.6	24.4	32.3	26.8	32.7	28.9	37.1	31.6

Germany

Total firms			82.7	49.6	83.7	48.6	83.0	49.3	84.3	50.5	83.7	52.1	83.4	51.9	84.5	52.2	84.2	52.3	85.7	52.0		
By size of company :																						
< 5m. Euros			73.2	18.0	69.9	19.2	72.5	21.0	71.4	22.2	73.1	24.4	71.0	25.4	70.5	26.2	68.9	24.9	69.5	24.3		
5 - 20 m. Euros			66.2	41.5	65.5	40.2	65.3	39.7	65.8	41.0	65.9	41.2	66.1	40.1	65.6	40.3	66.2	38.7	65.7	37.8		
20 - 50 m. Euros			67.5	54.0	68.6	52.8	68.9	50.5	68.4	50.2	69.3	51.3	70.8	51.1	70.0	51.5	69.1	50.7	69.3	48.7		
50 - 100 m. Euros			72.0	62.0	72.6	59.8	71.7	57.1	69.5	54.5	71.1	57.5	71.6	59.8	72.3	58.4	74.1	57.0	72.3	57.9		
> 100 m. Euros			85.0	69.3	86.2	69.1	85.4	68.0	87.0	67.6	86.2	68.6	85.5	71.4	86.9	70.1	86.4	69.8	88.0	70.0		

Italy

Total firms	21.2	14.4	20.8	15.4	22.6	15.8	20.3	15.5	20.2	16.4	20.8	16.5	20.1	16.2	21.3	17.5	22.0	17.3	22.2	16.4	23.1	17.1
By size of company :																						
< 5m. Euros	14.4	13.1	14.5	14.2	15.2	14.9	15.9	15.5	16.1	17.1	16.0	17.5	16.0	17.3	16.1	18.4	17.5	18.5	16.3	16.4	17.5	17.1
5 - 20 m. Euros	16.9	15.4	17.0	16.3	15.9	15.8	15.8	15.1	15.9	15.4	15.3	15.3	15.2	14.9	17.0	16.4	17.2	16.4	17.6	16.0	19.5	16.8
20 - 50 m. Euros	18.2	16.6	17.5	16.7	17.4	16.7	16.3	14.8	16.1	15.0	15.8	15.3	16.0	14.9	17.9	17.0	18.9	16.7	17.6	15.6	17.7	16.1
50 - 100 m. Euros	21.1	20.9	20.5	20.5	20.8	20.3	18.0	18.1	18.1	17.7	17.9	16.6	18.2	18.3	19.9	19.6	22.1	19.6	23.1	19.4	20.1	19.6
> 100 m. Euros	25.8	27.2	25.5	27.9	29.2	29.7	24.9	26.4	24.5	25.3	26.5	26.3	25.3	25.0	26.3	24.5	26.5	25.4	26.4	25.4	28.0	26.3

Spain

Total firms	4.2	0.0	4.6	0.0	6.5	0.0	9.9	0.0	13.0	0.0	15.9	0.0	16.7	0.0	20.3	0.0	20.3	0.0	22.1	0.0	24.3	0.0
By size of company :																						
< 5m. Euros	0.8	0.0	1.0	0.0	1.0	0.0	2.7	0.0	3.4	0.0	1.3	0.0	1.7	0.0	1.9	0.0	1.7	0.0	3.1	0.0	29.5	0.0
5 - 20 m. Euros	3.4	0.0	3.1	0.0	1.2	0.0	1.8	0.0	2.7	0.0	2.8	0.0	4.1	0.0	5.4	0.0	4.6	0.0	4.8	0.0	3.1	0.0
20 - 50 m. Euros	2.1	0.0	2.4	0.0	3.0	0.0	3.3	0.0	4.7	0.0	5.4	0.0	7.1	0.0	10.3	0.0	8.4	0.0	10.7	0.0	10.2	0.0
50 - 100 m. Euros	2.1	0.0	3.1	0.0	5.5	0.0	7.6	0.0	6.9	0.0	9.0	1.2	11.2	2.0	13.8	3.7	16.2	4.8	16.8	6.2	18.2	4.4
> 100 m. Euros	5.7	0.0	6.2	0.0	9.2	0.3	14.1	0.6	18.3	4.2	22.1	9.6	22.2	11.4	25.4	18.8	26.5	20.7	29.3	22.8	31.1	29.6

wm : weighted mean

med : median

GROUP AND ASSOCIATED COMPANIES/ TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	2.3	0.0	4.6	0.1	6.0	0.2	6.3	0.3	7.5	0.5	6.7	0.4	6.8	0.8	7.1	0.7	7.2	0.8	8.2	0.8	7.1	0.7
By size of company :																						
< 5m Euros	2.8	0.0	1.9	0.0	2.6	0.0	6.9	0.0	2.9	0.0	2.6	0.0	4.5	0.0	5.3	0.0	4.5	0.0	4.2	0.0	4.3	0.0
5m - 20m Euros	3.2	0.0	5.7	0.0	4.9	0.0	4.7	0.0	5.0	0.0	4.7	0.0	4.0	0.0	5.1	0.0	4.5	0.0	5.1	0.0	4.8	0.0
20m - 50m Euros	3.4	0.0	5.9	1.3	6.9	1.3	7.2	2.1	6.8	1.9	6.6	2.0	7.4	2.1	6.2	1.4	6.2	1.5	6.2	1.5	5.7	1.5
50m - 100m Euros	3.2	0.0	5.1	2.5	6.5	2.1	5.8	1.9	6.3	1.3	5.5	1.7	5.5	1.3	6.9	2.6	5.7	1.7	7.1	2.3	6.2	2.1
> 100m Euros	1.2	0.0	3.7	2.4	5.8	3.7	6.6	3.6	8.8	5.0	7.4	3.4	7.4	3.7	8.0	4.2	8.7	4.7	9.7	4.2	8.2	4.4
France																						
Total firms	9.5	2.8	9.8	2.7	10.2	2.5	10.8	2.5	11.5	2.4	11.6	2.5	12.7	2.3	13.2	2.4	12.0	2.3	13.0	2.4	13.2	2.5
By size of company :																						
< 5m. Euros	6.1	3.4	6.9	3.0	5.8	2.8	6.4	2.6	6.1	2.4	6.4	2.3	6.5	2.2	6.6	2.2	6.4	2.2	6.2	2.2	6.1	2.1
5 - 20 m. Euros	5.6	2.0	7.4	1.7	5.6	1.7	6.1	1.7	6.6	1.7	6.6	1.8	6.7	1.8	12.6	1.8	7.2	1.7	7.2	1.9	7.3	2.0
20 - 50 m. Euros	6.6	2.5	7.9	2.9	7.7	2.7	7.8	2.8	7.7	2.9	8.4	3.2	9.3	2.9	10.4	3.5	10.2	3.5	10.5	3.6	9.9	3.5
50 - 100 m. Euros	11.5	4.3	9.8	4.0	10.1	4.2	9.1	3.8	11.6	4.1	10.9	4.7	11.6	4.5	11.7	4.8	11.4	4.9	12.1	5.2	10.9	5.0
> 100 m. Euros	10.3	6.9	10.6	7.5	11.4	7.3	12.2	8.6	13.0	8.7	13.4	9.2	14.8	9.7	14.3	9.3	13.3	9.3	14.7	9.5	15.1	8.7
Germany																						
Total firms			6.4	2.1	7.7	2.8	9.0	2.9	9.1	3.1	10.2	3.3	10.3	3.6	10.9	4.1	10.9	4.8	11.1	5.0		
By size of company :																						
< 5m. Euros			9.8	1.6	10.5	1.8	10.2	1.8	10.1	1.8	9.6	1.8	10.2	2.2	11.4	2.8	12.6	3.5	12.5	3.7		
5 - 20 m. Euros			10.3	2.4	10.8	3.2	11.3	3.5	11.9	3.6	12.4	3.4	13.3	3.7	13.0	4.1	13.6	4.7	13.5	4.6		
20 - 50 m. Euros			10.2	3.2	11.7	5.1	12.0	4.6	12.9	4.9	13.9	5.4	13.2	4.7	14.1	5.7	14.1	6.8	13.0	6.4		
50 - 100 m. Euros			8.9	2.8	10.2	5.0	12.4	5.0	12.1	4.6	14.5	7.0	13.5	6.6	14.9	7.7	14.8	8.2	15.4	8.5		
> 100 m. Euros			5.6	3.2	7.0	4.5	8.3	5.3	8.4	6.0	9.4	6.4	9.6	6.8	10.3	7.1	10.2	7.0	10.5	7.7		
Italy																						
Total firms	6.6	0.0	6.0	0.0	7.1	0.0	6.6	0.0	6.8	0.0	7.6	0.0	8.8	0.0	7.5	0.0	7.4	0.0	8.1	0.0	8.7	0.0
By size of company :																						
< 5m. Euros	1.4	0.0	1.2	0.0	1.4	0.0	1.3	0.0	1.4	0.0	1.9	0.0	2.4	0.0	4.6	0.0	5.5	0.0	4.2	0.0	4.9	0.0
5 - 20 m. Euros	2.2	0.0	1.7	0.0	2.3	0.0	1.9	0.0	1.9	0.0	2.6	0.0	2.9	0.0	4.1	0.0	3.8	0.0	4.0	0.0	8.4	0.0
20 - 50 m. Euros	3.2	0.0	3.6	0.0	4.2	0.0	4.0	0.0	4.1	0.0	3.9	0.0	5.4	0.0	5.4	0.3	5.6	0.3	5.3	0.3	6.1	0.2
50 - 100 m. Euros	7.4	1.0	6.0	0.8	6.2	0.7	6.0	0.4	7.1	0.7	7.6	0.6	8.7	0.7	9.7	1.7	12.7	1.3	14.4	1.6	7.4	1.5
> 100 m. Euros	10.1	3.5	9.4	4.4	10.9	4.1	9.9	4.0	9.8	4.4	11.1	4.3	13.0	4.4	9.6	4.2	8.4	3.6	9.2	3.8	10.1	4.3
Spain																						
Total firms	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.3	0.0	13.5	0.0	18.1	0.0	15.9	0.0	14.1	0.0	13.8	0.0
By size of company :																						
< 5m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.2	0.0										
5 - 20 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.3	0.0	3.2	0.0	5.1	0.0	4.1	0.0	3.3	0.0	3.2	0.0
20 - 50 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.9	1.7	8.6	1.6	9.8	2.4	8.8	1.8	10.8	1.3	8.4	0.8
50 - 100 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.9	2.7	13.5	5.8	16.1	7.2	14.7	5.5	12.2	4.7	13.4	6.9
> 100 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.4	7.5	16.5	9.8	23.0	11.4	20.0	10.1	17.4	8.3	16.9	7.6

wm : weighted mean

med : median

n.a. : not available.

Information by size of companies is not available from 1992 for companies less than 100 employees.

GROUP AND ASSOCIATED COMPANIES/ NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	1.8	0.0	3.8	0.1	5.0	0.2	5.2	0.2	6.5	0.4	6.1	0.4	6.2	0.7	6.4	0.7	6.8	0.6	7.4	0.5	6.5	0.6
By size of company :																						
< 5m Euros	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5m - 20m Euros	2.4	0.0	4.3	0.0	3.7	0.0	3.5	0.0	3.7	0.0	3.6	0.0	3.1	0.0	4.3	0.0	3.7	0.0	4.2	0.0	3.9	0.0
20m - 50m Euros	2.6	0.0	4.5	0.9	5.4	1.1	5.5	1.6	5.4	1.3	5.3	1.5	6.2	1.7	5.0	0.9	5.3	1.2	5.2	1.1	4.8	1.4
50m - 100m Euros	2.5	0.0	4.0	1.7	4.7	1.3	4.3	1.3	5.0	0.9	5.1	1.3	5.4	1.4	6.9	2.1	5.6	1.8	6.2	1.8	5.4	1.7
> 100m Euros	1.0	0.0	3.3	1.5	5.3	3.4	5.9	2.7	8.3	4.4	7.2	3.4	7.1	3.6	7.2	4.2	8.5	4.5	9.2	4.4	8.0	3.8
France																						
Total firms	7.6	1.6	7.6	1.6	7.9	1.5	8.3	1.4	9.3	1.4	9.2	1.5	10.3	1.4	11.3	1.5	10.1	1.4	10.7	1.4	10.7	1.4
By size of company :																						
< 5m. Euros	4.1	1.9	4.5	1.7	3.7	1.6	4.3	1.5	3.9	1.4	4.2	1.4	4.3	1.3	4.5	1.3	4.4	1.3	4.0	1.2	4.0	1.2
5 - 20 m. Euros	3.5	1.1	4.9	1.0	3.7	1.0	4.0	1.0	4.4	1.0	4.4	1.1	4.6	1.1	9.8	1.0	5.0	1.0	4.9	1.1	5.0	1.2
20 - 50 m. Euros	5.2	1.5	5.4	1.7	5.3	1.5	5.5	1.6	5.3	1.7	5.9	1.9	6.7	2.0	7.6	2.3	7.4	2.2	7.5	2.3	6.8	2.2
50 - 100 m. Euros	8.8	2.6	6.6	2.5	7.1	2.8	6.4	2.4	10.0	2.6	7.9	3.1	8.7	2.7	9.1	3.0	8.8	3.3	9.2	3.5	8.1	3.1
> 100 m. Euros	8.7	4.7	8.9	4.8	9.4	5.0	10.0	5.7	11.2	5.7	11.6	6.3	13.1	7.1	13.2	6.1	12.1	6.3	13.0	6.5	13.4	5.8
Germany																						
Total firms			4.8	1.1	5.7	1.4	6.5	1.4	6.5	1.5	7.3	1.6	7.6	1.7	8.6	2.0	8.5	2.4	8.5	2.5		
By size of company :																						
< 5m. Euros			5.2	0.8	5.9	0.8	5.4	0.8	5.5	0.8	5.1	0.8	5.4	1.0	6.6	1.3	6.9	1.7	6.8	1.7		
5 - 20 m. Euros			5.6	1.2	5.9	1.5	6.3	1.6	6.5	1.6	6.5	1.6	7.2	1.7	7.3	1.9	7.9	2.3	7.4	2.3		
20 - 50 m. Euros			6.4	1.8	7.2	2.7	7.3	2.5	7.8	2.5	8.5	3.0	8.3	2.6	9.0	3.1	8.8	3.4	8.0	3.2		
50 - 100 m. Euros			5.8	1.6	6.8	3.0	8.1	3.1	7.5	2.9	9.4	3.6	8.7	3.7	9.9	4.2	9.6	4.1	10.0	4.8		
> 100 m. Euros			4.5	2.1	5.4	3.2	6.3	3.3	6.3	4.0	7.2	4.4	7.5	4.5	8.7	5.0	8.5	5.0	8.6	4.8		
Italy																						
Total firms	6.1	0.0	5.6	0.0	6.6	0.0	6.1	0.0	6.6	0.0	7.6	0.0	9.0	0.0	7.5	0.0	7.5	0.0	7.6	0.0	8.1	0.0
By size of company :																						
< 5m. Euros	1.3	0.0	1.2	0.0	1.3	0.0	1.3	0.0	1.3	0.0	1.9	0.0	2.5	0.0	5.4	0.0	6.8	0.0	4.8	0.0	5.8	0.0
5 - 20 m. Euros	1.8	0.0	1.4	0.0	2.0	0.0	1.7	0.0	1.7	0.0	2.3	0.0	2.7	0.0	3.9	0.0	3.5	0.0	3.4	0.0	7.4	0.0
20 - 50 m. Euros	2.6	0.0	3.1	0.0	3.6	0.0	3.5	0.0	3.7	0.0	3.7	0.0	5.2	0.0	5.1	0.3	5.3	0.3	4.6	0.2	5.4	0.1
50 - 100 m. Euros	6.7	0.8	5.5	0.6	5.5	0.5	5.3	0.4	6.7	0.7	7.4	0.5	9.3	0.6	10.1	1.8	12.1	1.1	13.0	1.3	6.8	1.2
> 100 m. Euros	10.2	2.8	9.5	4.0	10.7	3.5	9.7	3.5	10.1	4.0	11.7	3.7	13.7	3.8	9.7	3.7	9.0	3.1	9.1	3.5	9.7	3.2
Spain																						
Total firms	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.5	0.0	12.6	0.0	17.8	0.0	13.8	0.0	11.1	0.0	10.8	0.0
By size of company :																						
< 5m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.6	0.0	2.0	0.0	1.5	0.0	1.0	0.0	1.7	0.0	0.7	0.0
5 - 20 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.9	0.0	2.9	0.0	4.8	0.0	3.5	0.0	2.8	0.0	2.8	0.0
20 - 50 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.6	1.4	8.7	1.5	9.7	2.3	8.5	1.6	9.3	1.3	7.6	0.6
50 - 100 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.7	2.6	13.7	4.1	17.9	5.9	15.0	4.0	10.8	3.7	12.5	4.5
> 100 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.7	6.0	15.1	7.9	22.3	8.8	16.6	7.6	13.1	6.3	12.3	6.3

wm : weighted mean

med : median

AMOUNTS OWED TO GROUP & ASSOCIATED COMPANIES / TOTAL CREDITORS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	4.2	0.0	8.7	0.2	11.2	0.4	11.9	0.5	14.2	1.0	13.2	0.8	14.0	1.7	14.4	1.5	14.4	1.6	16.0	1.6	14.0	1.4
By size of company :																						
< 5m Euros	4.1	0.0	2.7	0.0	3.9	0.0	10.0	0.0	4.5	0.0	4.9	0.0	8.7	0.0	9.4	0.0	6.5	0.0	6.1	0.0	6.2	0.0
5m - 20m Euros	4.9	0.0	9.0	0.0	7.8	0.0	7.2	0.0	7.9	0.0	7.6	0.0	6.8	0.0	8.8	0.0	7.5	0.0	8.6	0.0	8.2	0.0
20m - 50m Euros	6.1	0.0	10.5	2.3	12.0	2.5	13.1	3.9	12.1	3.7	12.0	4.0	13.6	4.5	11.4	3.3	11.3	2.5	11.0	2.7	10.3	3.4
50m - 100m Euros	5.7	0.0	9.9	4.3	12.5	4.2	11.2	3.5	12.2	3.1	10.8	4.0	11.0	3.8	14.2	5.5	12.1	4.8	15.3	6.1	12.9	5.8
> 100m Euros	2.4	0.0	7.5	5.3	11.9	7.3	13.3	8.2	17.2	9.8	15.6	7.4	17.0	9.3	17.1	10.4	18.3	12.4	19.5	11.0	16.9	10.0
France																						
Total firms	12.8	4.0	14.0	3.8	15.4	3.6	16.7	3.5	18.1	3.4	18.8	3.8	20.9	3.7	21.8	3.8	20.4	3.7	22.1	3.9	22.5	4.0
By size of company :																						
< 5m. Euros	8.6	4.5	9.4	4.2	8.0	3.8	9.0	3.6	8.6	3.4	9.2	3.5	9.5	3.4	9.9	3.4	9.6	3.3	9.3	3.3	9.4	3.3
5 - 20 m. Euros	7.8	2.7	10.3	2.4	8.1	2.4	8.8	2.5	9.4	2.4	9.8	2.8	10.2	2.8	19.5	2.8	11.3	2.7	11.3	3.0	11.6	3.3
20 - 50 m. Euros	9.3	3.6	11.5	4.3	11.5	4.1	11.6	4.4	11.7	4.6	13.1	5.3	14.9	4.8	17.1	6.3	16.9	6.0	17.1	6.4	16.7	6.4
50 - 100 m. Euros	16.8	6.7	14.8	5.8	15.5	7.2	14.0	5.9	17.9	6.7	17.9	8.1	19.5	8.0	19.8	8.5	19.2	9.5	20.4	9.7	19.0	9.8
> 100 m. Euros	13.5	11.2	15.0	12.9	17.4	11.7	19.5	14.1	21.1	14.9	22.3	15.9	24.9	17.4	24.0	17.5	23.1	16.1	25.5	18.8	26.2	17.7
Germany																						
Total firms			16.2	3.7	19.8	4.8	22.1	5.0	22.6	5.3	25.5	5.6	25.7	6.0	28.1	6.9	28.3	8.0	29.5	8.4		
By size of company :																						
< 5m. Euros			13.6	2.0	14.7	2.5	13.8	2.4	13.7	2.4	12.9	2.1	13.7	2.6	15.2	3.3	16.4	4.3	16.1	4.4		
5 - 20 m. Euros			17.1	4.1	17.1	5.0	17.6	5.3	18.4	5.2	18.8	5.0	20.0	5.2	20.0	6.3	20.5	6.8	20.1	6.8		
20 - 50 m. Euros			19.4	7.0	22.1	9.8	21.9	10.0	22.3	9.5	23.8	9.7	22.8	10.0	25.3	10.4	24.8	11.8	22.9	11.3		
50 - 100 m. Euros			19.1	7.0	20.8	11.3	23.8	12.4	23.4	13.0	28.0	14.9	25.9	15.4	29.5	17.9	29.4	19.3	29.4	19.7		
> 100 m. Euros			15.6	11.1	20.0	16.5	22.9	16.9	23.4	17.1	26.7	19.2	27.2	20.1	29.8	20.9	30.0	20.5	31.7	21.0		
Italy																						
Total firms	9.7	0.0	8.8	0.0	10.3	0.0	9.4	0.0	9.8	0.0	10.9	0.0	12.3	0.0	10.6	0.0	10.5	0.0	11.5	0.0	12.6	0.0
By size of company :																						
< 5m. Euros	2.0	0.0	1.8	0.0	2.0	0.0	1.9	0.0	2.0	0.0	2.7	0.0	3.4	0.0	6.4	0.0	7.7	0.0	5.9	0.0	7.0	0.0
5 - 20 m. Euros	3.2	0.0	2.5	0.0	3.3	0.0	2.7	0.0	2.8	0.0	3.6	0.0	4.0	0.0	5.7	0.0	5.3	0.0	5.6	0.0	11.3	0.0
20 - 50 m. Euros	4.8	0.0	5.3	0.0	6.0	0.0	5.7	0.0	5.8	0.0	5.6	0.0	7.5	0.0	7.7	0.4	8.0	0.4	7.7	0.4	8.9	0.3
50 - 100 m. Euros	11.1	1.1	8.9	1.3	9.2	1.0	8.6	0.6	10.2	1.2	10.9	0.9	12.3	1.0	13.9	2.9	17.2	2.1	19.7	2.3	11.3	2.4
> 100 m. Euros	14.7	5.4	13.7	7.7	15.7	6.5	14.0	6.6	14.1	7.2	16.1	6.7	18.1	6.4	13.7	7.0	12.2	6.4	13.3	6.2	14.9	6.9
Spain																						
Total firms	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	19.8	0.0	22.3	0.0	28.9	0.0	27.8	6.0	27.2	6.0	28.6	7.0
By size of company :																						
< 5m. Euros	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	6.8	0.0	n.r.	0.0	n.r.	0.0	n.r.	0.0	n.r.	0.0	n.r.	0.0
5 - 20 m. Euros	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	7.6	0.0	5.8	0.0	9.2	0.0	14.1	0.0	13.8	0.0	13.6	0.0
20 - 50 m. Euros	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	14.1	4.0	13.5	5.0	16.7	4.5	15.3	6.0	16.6	6.0	16.1	5.0
50 - 100 m. Euros	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	15.7	7.2	24.0	10.8	31.5	17.1	29.9	11.0	24.1	12.0	29.0	17.0
> 100 m. Euros	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	n.a.	0.0	24.5	14.7	26.7	18.0	34.2	19.1	30.8	20.0	29.2	19.0	31.9	18.5

wm : weighted mean

med : median

TRADE CREDITORS (EXCLUDING GROUP) / TOTAL ASSETS

Manufacturing industry

1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med

Austria

Total firms	14.2	13.7	11.3	12.0	11.8	13.1	11.0	12.5	10.2	11.6	9.2	10.9	8.0	8.9	8.3	8.6	8.5	8.9	8.0	8.3	8.0	8.1
By size of company :																						
< 5m Euros	16.5	12.9	15.8	15.6	16.4	14.0	15.6	14.6	14.3	12.5	9.5	12.5	9.7	10.2	11.8	11.1	11.4	9.9	11.8	10.4	11.8	9.5
5m - 20m Euros	16.6	15.6	14.5	13.3	15.3	14.7	15.1	13.7	15.1	13.9	13.1	12.9	11.1	9.7	9.9	9.2	10.6	9.6	10.2	8.5	10.7	8.9
20m - 50m Euros	13.6	12.1	11.0	9.4	11.7	10.8	11.2	10.2	11.2	10.5	10.7	10.0	10.1	9.4	9.7	8.9	10.0	9.1	9.0	8.1	8.6	7.8
50m - 100m Euros	12.4	11.9	10.9	9.0	11.9	12.5	11.3	11.5	10.5	9.9	9.2	8.1	7.3	6.6	7.2	6.4	7.7	7.8	7.6	6.9	7.1	6.9
> 100m Euros	14.5	14.8	10.5	10.5	10.7	10.3	9.7	9.5	8.8	8.5	8.1	8.1	7.1	6.5	7.9	7.3	7.9	8.4	7.5	7.6	7.7	7.5

France

Total firms	14.9	21.9	15.6	22.5	16.2	23.7	16.2	23.6	15.5	23.3	15.2	22.2	14.7	21.3	14.0	20.7	15.5	22.5	15.5	22.9	15.3	21.9
By size of company :																						
< 5m. Euros	21.6	23.4	23.6	23.5	25.2	24.8	23.9	24.8	23.8	24.3	22.5	23.1	21.7	22.4	21.2	22.1	22.9	23.5	23.7	23.9	22.5	22.7
5 - 20 m. Euros	21.9	22.5	22.2	23.3	23.4	24.4	24.0	25.0	23.2	24.2	22.1	23.0	21.1	22.1	18.2	21.0	22.1	23.1	22.4	23.5	21.6	22.6
20 - 50 m. Euros	16.4	18.9	19.6	20.2	20.7	21.3	20.0	21.0	20.2	20.4	18.8	19.4	17.6	19.0	17.0	18.0	19.3	20.2	19.6	20.5	19.3	20.7
50 - 100 m. Euros	15.2	17.5	17.9	18.2	18.6	19.1	18.7	18.9	15.2	19.0	17.5	17.5	16.6	17.0	15.6	16.5	17.0	17.2	17.5	18.2	17.0	18.1
> 100 m. Euros	13.4	14.9	13.4	15.0	13.8	15.8	14.0	15.7	13.4	15.2	12.7	14.7	12.4	14.3	12.3	13.6	13.4	15.3	13.3	15.0	13.2	14.9

Germany

Total firms			7.7	13.3	8.3	13.7	8.4	13.8	8.8	14.0	8.1	12.4	7.5	11.7	6.8	10.8	7.3	11.9	7.5	12.0		
By size of company :																						
< 5m. Euros			18.0	16.0	17.5	16.3	18.7	16.6	18.3	16.5	17.5	14.6	17.0	13.8	15.6	13.0	16.9	14.1	16.8	14.5		
5 - 20 m. Euros			14.5	13.2	15.3	13.8	14.9	14.0	15.2	14.6	14.4	12.9	13.7	12.3	12.8	11.1	13.8	12.7	14.5	13.3		
20 - 50 m. Euros			11.3	9.8	12.1	10.3	12.4	10.6	13.1	11.5	11.9	10.5	11.2	9.7	10.1	8.8	11.2	9.9	11.8	10.1		
50 - 100 m. Euros			9.8	8.5	10.7	9.0	11.4	9.7	11.6	9.6	10.0	8.4	9.6	8.5	8.9	8.2	9.7	8.2	10.0	8.7		
> 100 m. Euros			6.6	7.4	7.1	7.8	7.1	7.5	7.5	7.6	7.0	7.1	6.4	6.9	5.9	6.1	6.3	6.9	6.6	6.9		

Italy

Total firms	18.9	24.6	19.5	25.2	19.7	26.0	19.7	26.0	18.7	25.0	18.2	24.0	18.4	23.6	18.9	23.3	19.9	25.6	20.4	26.7	19.2	24.7
By size of company :																						
< 5m. Euros	24.3	24.9	24.6	25.4	25.4	26.4	24.6	26.2	24.6	25.4	23.5	24.3	22.7	23.6	21.2	22.5	21.8	23.8	21.0	24.1	20.5	22.2
5 - 20 m. Euros	24.4	25.7	25.1	26.4	25.2	27.1	26.0	27.0	24.8	26.1	23.8	25.3	23.4	24.9	23.4	25.1	25.9	27.9	26.5	28.6	24.3	26.1
20 - 50 m. Euros	21.1	22.1	21.4	22.5	22.4	23.7	23.0	24.5	21.7	23.2	21.3	22.4	20.8	22.0	21.1	22.4	23.3	24.9	24.3	25.8	22.7	24.0
50 - 100 m. Euros	17.8	18.0	19.2	19.8	19.8	20.2	19.7	20.8	18.7	19.3	18.1	18.9	16.6	18.7	17.0	18.9	19.9	21.7	20.7	22.8	19.6	21.2
> 100 m. Euros	15.4	16.7	15.7	17.3	16.0	17.8	15.9	17.9	15.0	16.3	14.8	15.8	15.6	16.4	16.2	16.5	16.1	19.2	16.7	20.0	16.1	19.0

Spain

Total firms	15.7	18.1	16.5	18.7	16.2	19.0	16.2	18.9	15.8	18.1	13.9	18.3	13.0	16.2	13.1	16.9	14.5	19.2	15.1	19.0	15.5	18.3
By size of company :																						
< 5m. Euros	18.4	19.2	17.7	20.0	18.5	20.2	17.8	19.6	15.7	19.0	19.3	21.4	15.8	17.3	17.4	17.8	19.0	20.3	18.8	20.1	18.8	18.7
5 - 20 m. Euros	18.0	18.5	17.8	19.1	18.4	19.9	18.3	20.2	17.3	19.2	18.0	18.5	16.8	17.4	16.9	18.5	19.3	20.6	19.0	20.0	18.0	19.3
20 - 50 m. Euros	15.0	15.0	15.0	16.2	14.4	15.3	16.0	16.8	17.2	16.2	14.9	14.2	14.1	14.9	14.8	15.1	16.1	17.1	16.6	17.9	16.8	18.5
50 - 100 m. Euros	13.7	14.7	13.6	13.7	13.5	13.8	13.8	14.1	14.4	14.0	12.8	14.5	12.2	13.1	11.2	11.8	13.0	14.9	13.5	14.7	13.0	13.5
> 100 m. Euros	15.4	12.9	17.2	13.5	16.6	13.7	16.2	14.2	15.6	14.3	13.0	11.6	12.3	11.6	12.3	12.2	13.6	13.9	14.3	13.8	15.3	13.5

wm : weighted mean

med : median

TRADE CREDITORS (EXCLUDING GROUP) / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	11.3	9.7	9.4	8.7	9.7	8.9	9.0	8.7	8.9	8.3	8.3	7.9	7.4	6.7	7.4	6.6	8.0	7.2	7.2	6.3	7.3	6.2
By size of company :																						
< 5m Euros	13.6	11.2	14.0	12.5	12.9	10.2	13.0	11.5	12.0	9.8	11.3	9.4	11.1	8.4	12.5	8.2	10.2	8.5	11.5	8.8	10.7	7.3
5m - 20m Euros	12.3	10.4	10.9	9.8	11.5	10.0	11.3	9.4	11.1	8.5	10.1	8.5	8.6	6.8	8.3	6.5	8.8	7.2	8.4	6.5	8.8	6.2
20m - 50m Euros	10.5	9.1	8.5	7.1	9.1	7.5	8.6	7.4	9.0	8.0	8.6	7.4	8.4	7.3	7.9	6.9	8.4	7.3	7.5	6.4	7.2	6.4
50m - 100m Euros	9.8	7.6	8.5	6.1	8.6	7.4	8.4	7.1	8.4	7.1	8.5	7.0	7.2	5.6	7.2	5.5	7.5	6.7	6.6	5.5	6.2	5.5
> 100m Euros	12.0	10.8	9.5	7.5	9.7	8.4	8.7	7.2	8.3	7.2	7.8	7.0	6.7	5.5	7.1	6.6	7.8	6.9	7.1	6.2	7.5	6.2
France																						
Total firms	12.0	12.7	12.1	13.4	12.5	14.3	12.5	14.3	12.6	14.0	12.1	13.3	11.9	13.0	12.0	12.8	13.0	13.9	12.7	13.9	12.5	13.1
By size of company :																						
< 5m. Euros	14.7	13.2	15.2	13.7	16.1	14.6	15.9	14.5	15.4	14.1	15.0	13.4	14.6	13.2	14.5	13.0	15.5	14.0	15.2	14.0	14.6	13.2
5 - 20 m. Euros	13.8	13.0	14.7	13.9	15.3	14.8	15.8	15.1	15.5	14.8	14.7	14.1	14.4	13.6	14.0	13.3	15.3	14.5	15.1	14.6	14.7	13.7
20 - 50 m. Euros	12.8	11.8	13.4	12.4	14.2	13.4	14.0	13.2	13.9	12.9	13.2	12.3	12.7	12.1	12.5	11.9	14.1	13.3	13.9	13.2	13.2	12.4
50 - 100 m. Euros	11.6	10.7	12.1	11.3	13.1	12.1	13.1	12.3	13.2	12.3	12.6	11.9	12.4	11.5	12.1	11.6	13.2	12.5	13.3	12.4	12.6	11.9
> 100 m. Euros	11.4	9.9	11.2	10.0	11.4	10.8	11.4	10.7	11.6	10.7	11.0	10.2	10.9	10.3	11.3	10.0	12.2	11.3	11.8	10.6	11.7	10.6
Germany																						
Total firms			5.8	6.3	6.0	6.6	6.1	6.7	6.2	6.7	5.8	5.8	5.5	5.6	5.4	5.4	5.7	5.9	5.8	5.9		
By size of company :																						
< 5m. Euros			9.7	7.2	9.8	7.4	9.9	7.6	10.0	7.4	9.2	6.4	9.0	6.1	9.1	6.1	9.3	6.7	9.1	6.5		
5 - 20 m. Euros			7.9	6.1	8.4	6.6	8.2	6.5	8.3	6.7	7.6	5.8	7.4	5.6	7.3	5.3	8.0	6.1	8.0	6.3		
20 - 50 m. Euros			7.0	5.6	7.4	5.8	7.5	5.9	7.9	6.3	7.2	5.5	7.0	5.2	6.4	4.9	7.0	5.3	7.2	5.5		
50 - 100 m. Euros			6.3	4.8	7.2	5.6	7.4	6.0	7.1	5.4	6.4	5.1	6.2	4.9	5.9	4.7	6.3	4.7	6.6	5.0		
> 100 m. Euros			5.2	4.8	5.5	5.0	5.4	5.1	5.6	5.2	5.3	4.7	5.0	4.6	5.0	4.4	5.2	4.7	5.4	4.6		
Italy																						
Total firms	17.6	19.4	18.2	20.3	18.3	21.0	18.4	21.0	18.0	20.2	18.2	20.2	18.8	20.2	19.0	20.7	20.0	22.6	19.1	21.6	17.8	20.2
By size of company :																						
< 5m. Euros	22.7	20.5	22.8	21.1	23.6	21.6	23.5	21.5	23.3	20.6	23.8	20.6	24.1	20.7	25.2	21.3	26.9	23.2	24.2	22.5	24.5	21.0
5 - 20 m. Euros	20.2	19.2	20.9	20.1	21.8	21.2	22.3	21.4	21.5	20.5	21.7	20.7	21.9	20.6	22.4	21.3	23.8	23.3	22.9	22.4	21.4	20.8
20 - 50 m. Euros	17.5	16.9	18.5	18.1	19.6	19.1	20.1	19.7	19.6	18.8	20.1	19.2	20.2	19.1	20.0	19.1	21.9	21.2	21.0	20.4	19.9	19.4
50 - 100 m. Euros	16.2	15.4	17.5	16.2	17.6	16.3	17.6	17.1	17.8	16.9	17.5	16.6	17.7	17.4	17.7	16.6	18.9	18.1	18.7	18.2	18.0	17.5
> 100 m. Euros	15.6	13.9	15.9	15.4	15.7	15.2	15.7	16.2	15.4	15.7	15.6	15.6	16.5	15.4	16.5	15.9	17.2	17.0	16.6	15.9	15.4	16.0
Spain																						
Total firms	15.0	14.2	14.9	14.2	14.4	14.0	13.9	13.4	14.4	13.4	12.9	13.6	12.2	12.4	12.9	13.4	12.6	14.5	11.9	13.4	12.2	13.4
By size of company :																						
< 5m. Euros	18.2	14.4	16.9	14.4	16.4	14.0	16.5	13.4	15.7	12.7	16.8	14.2	15.1	12.2	16.6	13.2	16.7	14.9	16.7	13.7	15.8	13.4
5 - 20 m. Euros	15.9	14.7	15.3	14.3	15.8	14.4	15.2	14.1	15.5	14.4	16.4	14.0	15.0	13.2	16.1	14.8	16.6	15.3	15.9	14.5	15.8	14.4
20 - 50 m. Euros	14.7	12.8	14.5	13.6	13.9	13.1	14.3	13.1	15.7	13.8	14.4	12.2	14.3	12.1	14.8	13.2	15.6	13.9	14.4	12.5	15.1	14.1
50 - 100 m. Euros	13.6	13.1	13.3	12.2	12.7	12.2	14.0	12.4	14.8	14.0	14.0	13.0	12.4	11.3	12.4	11.7	13.3	12.1	12.0	11.6	12.1	11.5
> 100 m. Euros	14.8	11.4	15.1	13.0	14.3	12.7	13.4	11.9	13.8	13.1	11.6	10.7	11.3	11.0	11.9	10.9	11.3	11.1	10.7	10.4	11.2	10.5

wm : weighted mean

med : median

TOTAL ASSETS / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	80.0	70.0	83.0	70.0	82.0	70.0	82.0	69.0	87.0	70.0	91.0	73.0	92.0	76.0	90.0	76.0	94.0	76.0	90.0	75.0	91.0	74.0
By size of company :																						
< 5m Euros	83.0	77.0	89.0	75.0	79.0	70.0	83.0	73.0	84.0	73.0	120.0	76.0	115.0	79.0	106.0	74.0	89.0	77.0	97.0	77.0	91.0	73.0
5m - 20m Euros	74.0	66.0	75.0	68.0	76.0	67.0	75.0	66.0	73.0	66.0	77.0	69.0	77.0	71.0	84.0	72.0	84.0	73.0	82.0	73.0	82.0	71.0
20m - 50m Euros	77.0	73.0	77.0	73.0	78.0	71.0	77.0	72.0	80.0	71.0	80.0	73.0	83.0	76.0	81.0	75.0	84.0	76.0	83.0	74.0	83.0	74.0
50m - 100m Euros	79.0	65.0	77.0	66.0	72.0	67.0	75.0	67.0	80.0	71.0	93.0	81.0	98.0	85.0	100.0	89.0	98.0	83.0	88.0	78.0	87.0	79.0
> 100m Euros	83.0	75.0	91.0	81.0	91.0	77.0	89.0	76.0	94.0	78.0	96.0	83.0	95.0	85.0	90.0	79.0	98.0	88.0	94.0	81.0	97.0	79.0
France																						
Total firms	80.2	59.4	77.6	60.5	77.3	61.2	77.2	61.2	81.3	60.7	79.5	61.0	81.2	61.5	85.7	62.2	83.9	62.2	81.8	61.0	81.5	60.5
By size of company :																						
< 5m. Euros	68.1	57.5	64.6	58.6	64.0	59.7	66.5	59.3	64.9	58.9	66.6	58.8	67.2	59.1	68.5	60.0	67.7	60.0	64.4	58.7	65.0	58.6
5 - 20 m. Euros	62.9	59.8	66.0	61.5	65.3	61.6	65.6	61.8	66.8	61.4	66.8	61.9	68.5	62.7	77.2	63.4	69.2	64.0	67.7	62.4	67.9	61.4
20 - 50 m. Euros	77.8	64.1	68.5	64.1	68.4	63.6	70.1	64.5	68.7	64.2	70.1	65.2	72.1	66.0	73.2	66.8	72.7	66.0	70.8	64.3	68.3	63.7
50 - 100 m. Euros	76.5	62.9	67.4	64.1	70.4	65.5	70.5	64.0	86.3	65.2	72.4	67.3	74.6	66.0	78.0	69.0	77.7	69.0	75.9	67.5	74.5	66.6
> 100 m. Euros	84.9	64.8	84.0	65.6	82.7	67.2	82.0	68.2	86.5	68.2	86.4	69.2	88.2	68.0	92.2	70.0	90.7	69.4	88.5	67.8	88.7	68.2
Germany																						
Total firms			74.7	48.3	73.2	48.5	72.2	48.4	71.0	48.4	71.9	47.8	73.6	47.8	78.9	50.3	78.2	50.2	76.9	49.6		
By size of company :																						
< 5m. Euros			53.6	43.5	56.1	43.8	53.0	44.4	54.9	44.2	52.8	43.9	53.0	43.7	58.1	46.6	55.3	45.8	54.4	45.3		
5 - 20 m. Euros			54.5	39.9	54.6	40.2	55.3	40.2	54.3	39.4	52.9	37.9	54.2	38.3	56.6	39.6	58.1	39.3	55.0	38.8		
20 - 50 m. Euros			62.2	47.8	61.3	48.6	60.5	47.8	60.7	47.3	60.9	46.0	63.0	45.8	63.6	46.4	62.7	45.6	61.2	44.5		
50 - 100 m. Euros			64.8	51.4	66.7	52.5	65.4	51.7	61.7	51.8	64.4	50.7	64.8	49.2	66.1	50.8	65.2	49.7	65.3	49.5		
> 100 m. Euros			79.6	57.2	77.2	56.8	76.4	57.0	75.1	56.1	76.1	54.5	77.7	56.6	84.4	60.6	83.3	57.1	81.6	55.9		
Italy																						
Total firms	92.8	78.1	93.2	79.3	92.8	79.3	93.2	80.0	96.2	80.1	99.7	82.8	102.1	85.2	100.3	87.5	100.7	85.9	93.8	79.9	92.7	80.4
By size of company :																						
< 5m. Euros	93.2	81.6	92.8	81.9	92.8	81.3	95.8	82.1	94.5	81.1	101.3	83.5	105.9	85.9	119.0	92.7	123.4	95.0	115.1	91.9	119.6	93.3
5 - 20 m. Euros	82.8	74.4	83.6	76.1	86.4	76.4	85.8	77.7	86.4	78.2	91.2	81.3	93.9	83.6	95.7	84.3	92.2	82.1	86.4	78.0	88.0	78.9
20 - 50 m. Euros	82.9	76.3	86.4	78.0	87.5	79.7	87.3	80.0	90.1	80.9	94.2	84.4	97.4	86.9	94.4	85.1	94.1	83.3	86.3	78.0	88.0	79.8
50 - 100 m. Euros	91.3	78.9	91.0	81.2	88.9	79.1	89.7	78.6	95.3	83.9	96.9	87.3	106.4	90.5	104.2	87.9	95.3	83.1	90.4	77.1	91.9	79.9
> 100 m. Euros	101.6	78.0	101.2	79.7	98.3	80.8	98.8	83.8	102.6	85.8	105.3	87.9	105.6	86.1	101.4	84.7	106.7	82.7	99.6	75.6	95.7	76.9
Spain																						
Total firms	98.2	76.2	91.4	73.2	88.5	72.1	85.5	70.9	91.6	72.1	91.9	72.8	93.7	75.0	97.4	79.5	87.1	75.3	79.1	71.5	78.4	73.6
By size of company :																						
< 5m. Euros	100.0	74.7	97.0	71.5	90.2	69.3	93.6	67.3	101.1	66.6	87.0	66.4	94.6	69.5	96.4	76.3	88.2	72.8	88.5	69.2	83.8	70.4
5 - 20 m. Euros	89.0	76.6	85.6	73.9	86.2	74.0	83.3	71.2	90.3	74.5	90.4	74.3	89.2	76.6	96.3	80.6	85.9	77.2	83.4	74.6	87.7	76.4
20 - 50 m. Euros	100.4	81.9	98.0	81.5	97.1	79.1	89.0	78.7	92.2	81.9	95.3	83.9	102.6	83.5	97.5	82.8	96.8	78.5	86.6	71.5	90.1	76.2
50 - 100 m. Euros	101.8	82.4	98.6	77.2	93.2	77.4	100.9	86.3	104.2	90.0	109.3	88.4	105.0	88.6	115.0	88.7	102.3	80.2	88.7	74.6	93.6	76.2
> 100 m. Euros	99.4	85.4	89.0	77.1	85.7	82.3	81.6	80.7	88.5	82.3	88.4	87.8	90.2	91.7	94.6	86.8	83.1	80.5	75.2	73.2	73.0	77.8

wm : weighted mean

med : median

FIXED ASSETS / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	34.4	34.1	36.7	34.7	36.2	34.5	36.7	35.0	36.5	34.9	39.8	37.5	44.2	40.1	46.1	41.3	43.5	40.4	44.8	41.1	45.7	41.2
By size of company :																						
< 5m Euros	39.2	38.7	35.9	37.4	37.0	36.5	39.9	37.2	41.2	38.4	50.9	36.4	56.1	41.1	45.7	38.8	42.1	35.9	48.4	42.3	49.5	43.8
5m - 20m Euros	37.8	34.7	37.7	34.8	37.7	34.6	37.3	34.6	38.5	35.1	40.4	39.6	42.0	40.2	42.8	41.1	41.8	40.9	42.9	41.6	45.2	41.8
20m - 50m Euros	36.8	34.7	35.8	35.6	36.5	33.9	39.0	36.1	36.1	33.8	39.0	34.7	42.8	39.0	43.8	39.9	43.3	40.3	42.0	39.0	42.8	39.0
50m - 100m Euros	40.0	30.0	36.6	29.9	35.3	30.6	36.6	32.2	39.9	34.0	41.2	34.4	43.2	39.7	48.5	45.3	45.4	40.2	44.5	40.4	47.7	43.0
> 100m Euros	30.0	32.3	37.0	35.3	35.9	36.1	35.7	35.2	35.2	35.1	39.4	42.9	45.1	43.0	46.5	42.8	43.2	43.9	45.9	44.2	46.0	45.7
France																						
Total firms	27.1	18.5	28.5	18.7	30.9	19.0	32.5	18.8	34.7	19.4	34.3	19.9	34.6	20.1	36.6	20.4	35.3	19.4	35.1	18.9	35.3	19.3
By size of company :																						
< 5m. Euros	23.7	17.5	20.8	17.7	20.8	17.8	21.0	17.8	22.2	18.3	22.6	18.5	22.9	18.9	22.9	19.1	22.0	17.9	20.8	17.3	21.7	17.9
5 - 20 m. Euros	20.3	18.0	21.0	18.3	20.8	18.4	20.7	18.2	22.0	18.5	22.7	19.2	23.4	19.7	24.5	20.2	22.6	18.9	22.2	18.6	22.6	18.9
20 - 50 m. Euros	23.3	19.4	23.5	19.5	24.4	20.7	26.4	21.7	25.0	21.9	26.3	23.0	27.2	23.7	27.8	23.9	26.1	22.5	25.2	22.3	25.3	22.5
50 - 100 m. Euros	29.4	23.2	26.8	23.9	26.3	23.5	26.6	23.3	31.4	24.2	29.3	25.9	30.2	27.5	31.4	28.3	29.8	27.1	29.2	25.2	29.8	26.1
> 100 m. Euros	28.3	24.6	31.0	26.0	34.2	27.6	36.3	28.7	39.1	28.9	39.0	29.6	39.1	29.9	41.3	31.6	39.8	31.1	39.9	30.5	39.9	31.1
Germany																						
Total firms			34.5	22.5	34.9	22.2	34.7	22.1	37.0	22.1	39.4	22.8	40.2	23.6	41.0	23.6	40.0	22.7	40.6	22.7		
By size of company :																						
< 5m. Euros			29.7	19.3	28.6	19.2	28.1	18.7	27.7	18.4	28.3	19.3	29.3	19.4	29.6	19.8	27.8	18.3	27.7	18.5		
5 - 20 m. Euros			28.2	21.9	27.3	21.6	27.8	21.3	28.1	21.0	28.9	21.6	30.0	22.3	29.8	21.9	28.6	21.4	28.2	20.6		
20 - 50 m. Euros			31.4	27.7	30.9	26.7	29.9	25.2	31.1	27.0	30.9	27.2	30.9	27.4	32.8	28.1	31.6	27.1	30.4	25.3		
50 - 100 m. Euros			35.7	31.5	31.9	30.6	31.7	30.2	32.8	29.4	35.3	31.9	34.7	32.9	34.9	33.1	34.9	32.3	34.8	30.7		
> 100 m. Euros			35.2	32.8	36.1	33.2	35.9	32.5	38.6	34.5	41.3	35.7	42.2	37.2	43.0	38.5	42.0	37.2	42.6	36.6		
Italy																						
Total firms	25.4	22.7	24.5	21.6	25.0	21.1	24.7	20.7	25.4	21.7	28.5	23.4	29.4	23.7	31.2	25.9	30.0	24.4	29.2	23.8	30.5	24.9
By size of company :																						
< 5m. Euros	28.4	25.5	27.1	24.0	26.5	23.0	26.1	22.2	27.2	22.5	29.8	23.6	30.4	23.8	35.5	26.8	32.0	26.5	31.3	25.5	32.6	27.6
5 - 20 m. Euros	21.6	20.3	21.0	19.6	19.9	19.5	20.7	19.6	22.4	20.9	25.2	22.5	25.6	22.9	28.0	24.6	26.1	22.8	25.4	22.7	26.5	24.0
20 - 50 m. Euros	21.0	20.6	20.1	19.3	20.3	19.2	21.0	19.0	22.2	20.1	25.5	23.5	26.1	24.5	28.5	26.0	26.9	24.2	26.1	24.0	26.5	24.2
50 - 100 m. Euros	24.5	20.6	23.0	21.1	22.5	20.3	22.6	20.8	25.1	24.1	28.1	26.4	28.4	27.8	30.9	28.0	31.8	27.5	30.4	26.6	31.8	27.9
> 100 m. Euros	27.8	22.1	27.2	23.0	28.6	23.1	27.5	24.9	27.1	24.8	30.4	29.2	32.0	30.0	33.1	32.3	32.1	31.1	31.1	31.7	32.9	31.6
Spain																						
Total firms	38.2	26.0	37.9	25.6	39.0	25.5	39.6	25.6	40.8	26.5	43.3	27.5	44.5	28.9	44.0	28.7	43.0	28.2	40.3	27.9	43.1	28.5
By size of company :																						
< 5m. Euros	29.8	24.0	31.0	23.3	29.6	23.4	31.4	23.3	30.6	23.4	29.9	24.7	32.8	26.2	31.7	25.0	30.6	25.7	31.4	25.9	30.1	25.2
5 - 20 m. Euros	31.5	25.9	30.4	25.7	30.5	25.2	31.1	25.8	31.8	26.0	33.1	26.7	34.3	28.8	35.9	29.7	32.7	26.6	31.9	26.0	32.8	27.1
20 - 50 m. Euros	35.8	31.3	36.7	30.6	36.3	28.9	35.6	28.7	34.6	30.7	35.5	31.1	35.3	30.1	37.2	32.1	34.3	31.0	35.0	29.9	37.9	32.3
50 - 100 m. Euros	39.9	35.3	40.0	33.4	37.6	33.1	39.5	34.7	41.6	35.9	45.0	37.2	40.8	37.9	44.1	38.2	43.9	38.0	41.6	36.7	44.7	36.1
> 100 m. Euros	41.6	41.3	40.6	36.7	42.7	39.0	42.6	39.2	44.0	39.0	46.7	43.9	49.2	43.0	47.3	41.7	46.5	42.2	42.8	37.7	45.6	40.9

wm : weighted mean

med : median

FIXED ASSETS / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	27.5	22.3	30.3	23.8	29.8	23.3	30.1	23.3	31.6	24.5	36.3	26.7	40.4	28.8	41.4	29.9	40.9	29.9	40.3	29.6	41.6	30.4
By size of company :																						
< 5m Euros	32.5	30.2	31.9	29.1	29.2	27.3	33.3	25.7	34.6	26.4	61.0	29.8	64.3	29.8	48.6	28.1	37.6	29.3	47.2	32.9	44.8	29.1
5m - 20m Euros	28.1	20.6	28.4	22.4	28.5	22.8	27.8	22.1	28.2	23.6	31.2	25.8	32.5	26.4	36.2	28.5	35.0	28.3	35.2	27.8	36.8	29.2
20m - 50m Euros	28.5	22.9	27.6	24.3	28.5	23.8	30.1	24.0	29.0	23.7	31.1	24.5	35.6	28.2	35.4	28.6	36.6	29.3	34.9	28.4	35.6	28.0
50m - 100m Euros	31.5	18.7	28.3	19.5	25.4	18.6	27.3	21.7	32.1	25.4	38.2	29.2	42.5	33.3	48.5	38.1	44.6	33.1	39.1	33.7	41.4	34.4
> 100m Euros	24.8	21.4	33.5	24.1	32.7	23.9	31.9	26.7	33.2	28.7	38.0	33.5	42.7	34.3	41.9	31.7	42.3	34.6	43.4	33.6	44.7	35.5
France																						
Total firms	21.7	10.5	22.1	10.9	23.9	11.2	25.1	11.1	28.2	11.3	27.3	11.6	28.1	11.8	31.4	12.1	29.6	11.4	28.8	10.9	28.8	11.1
By size of company :																						
< 5m. Euros	16.2	9.6	13.5	10.0	13.3	10.5	14.0	10.2	14.4	10.6	15.1	10.6	15.4	10.7	15.7	11.0	14.9	10.3	13.4	9.8	14.1	10.1
5 - 20 m. Euros	12.8	10.4	13.9	10.9	13.6	11.1	13.6	10.8	14.7	11.0	15.1	11.5	16.0	11.7	18.9	12.0	15.6	11.5	15.0	11.1	15.3	11.1
20 - 50 m. Euros	18.1	11.9	16.1	12.0	16.7	12.4	18.5	13.4	17.2	13.3	18.4	14.1	19.6	14.4	20.4	14.6	19.0	14.1	17.9	13.2	17.3	13.1
50 - 100 m. Euros	22.5	14.1	18.0	14.2	18.5	14.1	18.8	14.9	27.1	14.9	21.2	16.1	22.6	16.7	24.5	18.1	23.2	17.1	22.2	16.0	22.2	15.8
> 100 m. Euros	24.1	14.6	26.0	15.4	28.3	16.8	29.8	16.8	33.8	18.0	33.7	17.9	34.5	18.8	38.1	19.8	36.1	19.4	35.3	19.1	35.4	19.6
Germany																						
Total firms			25.8	10.4	25.5	10.3	25.0	10.2	26.3	10.2	28.3	10.4	29.6	10.6	32.4	11.3	31.3	10.8	31.3	10.7		
By size of company :																						
< 5m. Euros			15.9	8.1	16.0	8.0	14.9	7.9	15.2	7.8	14.9	8.0	15.6	8.1	17.2	8.9	15.4	8.1	15.1	8.0		
5 - 20 m. Euros			15.4	10.1	14.9	9.8	15.4	9.7	15.3	9.3	15.3	9.3	16.3	9.6	16.9	9.9	16.6	9.9	15.5	9.6		
20 - 50 m. Euros			19.5	15.2	18.9	14.7	18.1	14.4	18.9	14.6	18.9	14.3	19.4	14.9	20.8	15.7	19.8	14.9	18.6	13.8		
50 - 100 m. Euros			23.1	17.9	21.3	17.4	20.7	16.7	20.3	16.5	22.7	17.5	22.5	17.4	23.1	19.0	22.7	17.7	22.7	17.2		
> 100 m. Euros			28.0	20.3	27.8	19.3	27.5	19.6	29.0	20.9	31.5	20.5	32.8	21.9	36.3	23.7	35.0	22.7	34.8	22.1		
Italy																						
Total firms	23.5	17.2	22.8	16.4	23.2	16.0	23.0	15.9	24.4	16.7	28.4	18.7	30.0	19.4	31.3	21.8	30.3	20.2	27.4	18.4	28.3	19.2
By size of company :																						
< 5m. Euros	26.5	20.4	25.1	18.8	24.6	17.9	25.0	17.4	25.7	17.8	30.1	19.0	32.2	19.7	42.2	23.9	39.5	24.3	36.1	22.9	39.0	24.8
5 - 20 m. Euros	17.8	14.7	17.5	14.4	17.2	14.4	17.7	14.7	19.4	15.6	23.0	17.8	24.1	18.4	26.8	20.1	24.1	17.8	22.0	17.0	23.3	18.3
20 - 50 m. Euros	17.4	14.5	17.3	14.4	17.8	14.6	18.3	14.5	20.0	15.8	24.1	19.0	25.5	20.5	26.9	21.8	25.3	20.2	22.6	18.1	23.3	18.7
50 - 100 m. Euros	22.4	17.0	20.9	15.9	20.0	15.6	20.3	16.5	23.9	18.7	27.2	21.9	30.2	23.7	32.2	23.7	30.3	21.6	27.5	19.9	29.2	20.6
> 100 m. Euros	28.2	17.5	27.5	17.9	28.1	19.2	27.2	20.1	27.8	21.4	32.0	24.4	33.8	24.3	33.5	27.2	34.2	25.6	31.0	23.0	31.5	24.4
Spain																						
Total firms	36.6	18.4	34.3	17.5	34.6	17.6	34.1	17.3	37.1	18.5	40.0	18.9	41.8	20.2	43.4	21.1	37.4	19.4	31.9	18.8	33.7	19.8
By size of company :																						
< 5m. Euros	29.5	16.3	29.6	15.6	26.3	15.3	29.1	15.1	30.7	15.5	26.1	15.8	31.3	17.2	30.2	18.3	27.0	17.6	27.8	17.2	25.2	17.1
5 - 20 m. Euros	27.9	18.9	26.1	17.6	26.3	18.1	25.9	17.7	28.5	18.7	30.0	18.7	30.6	20.3	34.1	22.4	28.1	19.0	26.6	18.2	28.8	19.4
20 - 50 m. Euros	35.0	23.5	35.5	22.7	34.9	22.2	31.8	21.1	31.7	22.6	34.2	24.8	35.7	23.8	37.0	25.1	33.2	22.9	30.3	20.9	34.1	23.2
50 - 100 m. Euros	39.7	26.8	39.1	24.9	35.5	24.2	40.0	27.7	42.7	29.7	49.3	30.1	41.4	30.8	49.0	33.9	44.9	29.0	36.9	25.6	41.8	30.1
> 100 m. Euros	40.0	31.4	35.6	25.2	36.8	27.3	35.2	29.6	38.8	30.5	41.5	35.2	45.1	37.0	45.8	32.2	38.6	31.8	32.2	27.6	33.3	31.6

wm : weighted mean

med : median

TANGIBLE FIXED ASSETS / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	26.6	27.6	28.5	28.7	27.2	28.4	27.2	29.2	27.2	29.1	28.5	30.6	30.3	33.0	31.2	33.0	30.1	32.0	29.4	32.8	30.4	32.6
By size of company :																						
< 5m Euros	35.7	35.3	32.7	33.7	33.1	33.0	34.2	31.9	33.8	32.4	26.4	32.7	27.9	34.8	28.3	35.6	37.0	32.2	37.5	35.1	41.7	37.6
5m - 20m Euros	31.8	29.3	32.8	29.1	32.6	30.4	31.4	30.5	33.6	31.5	34.2	34.2	36.0	34.3	35.8	35.0	34.9	35.6	35.2	36.8	37.4	35.6
20m - 50m Euros	29.5	26.2	28.7	27.8	29.7	26.7	30.1	26.9	28.6	26.8	30.9	28.0	32.8	31.8	33.0	30.4	32.8	30.3	30.6	30.2	29.4	29.0
50m - 100m Euros	31.8	23.6	25.9	23.2	25.5	22.4	26.6	24.1	26.3	26.6	26.4	26.1	27.8	28.2	30.3	29.3	29.6	30.1	29.2	29.0	30.7	29.8
> 100m Euros	21.6	26.5	28.0	28.0	25.2	26.6	25.2	25.7	25.8	26.0	27.7	29.8	29.5	29.1	30.2	31.9	28.6	29.7	28.2	28.4	29.5	30.0
France																						
Total firms	17.5	15.5	18.0	15.6	18.5	15.8	18.8	15.6	19.4	15.9	20.0	16.1	19.9	16.3	19.0	16.3	17.9	15.3	17.5	14.9	17.4	15.1
By size of company :																						
< 5m. Euros	16.5	14.9	17.9	15.1	18.1	15.2	17.7	15.2	19.1	15.6	18.8	15.6	18.8	15.9	18.9	15.7	17.5	14.7	17.4	14.1	18.2	14.6
5 - 20 m. Euros	17.1	15.3	17.3	15.3	17.5	15.6	17.3	15.1	17.6	15.2	18.5	15.6	18.8	15.9	17.2	15.9	17.9	15.1	17.5	14.9	17.7	14.7
20 - 50 m. Euros	16.4	16.3	18.6	15.9	18.9	16.4	18.3	16.9	19.0	17.4	20.0	18.2	20.4	17.9	20.3	18.0	19.1	16.9	18.6	16.2	18.8	17.0
50 - 100 m. Euros	17.9	18.0	20.1	18.6	19.0	18.1	19.5	18.0	16.4	17.2	19.9	18.0	20.4	18.9	20.3	18.6	18.9	18.0	19.0	17.6	19.3	18.1
> 100 m. Euros	17.7	17.4	17.8	18.2	18.5	18.3	19.0	18.2	20.1	18.4	20.3	19.7	20.0	19.4	18.9	20.1	17.6	18.7	17.2	18.1	16.9	17.3
Germany																						
Total firms			22.7	18.3	22.3	18.1	22.1	18.1	23.1	18.0	23.5	18.6	23.1	18.7	21.9	18.5	19.9	17.6	19.0	17.4		
By size of company :																						
< 5m. Euros			25.7	15.5	23.9	15.4	24.5	14.9	23.7	14.6	24.8	15.2	24.8	15.2	24.9	15.0	23.6	14.4	23.8	14.1		
5 - 20 m. Euros			24.3	18.5	24.2	18.4	24.3	18.5	24.3	18.0	25.4	18.2	26.0	18.6	25.5	18.5	23.8	17.7	23.6	17.2		
20 - 50 m. Euros			24.9	22.2	24.6	22.2	24.2	21.3	25.0	22.1	24.8	22.3	24.8	22.1	25.8	22.6	24.9	21.2	23.6	20.0		
50 - 100 m. Euros			26.4	24.6	25.6	24.9	25.8	24.6	26.7	23.4	27.0	24.6	26.8	25.4	26.8	25.1	26.0	24.5	25.0	23.2		
> 100 m. Euros			22.0	24.1	21.7	23.0	21.4	22.5	22.6	23.9	23.0	23.9	22.5	23.7	20.9	23.6	18.8	22.2	18.0	21.8		
Italy																						
Total firms	19.5	19.8	18.6	18.6	18.0	17.9	17.1	17.7	18.2	18.4	21.4	20.0	22.1	20.2	22.4	20.5	21.0	19.2	20.0	18.7	20.5	19.5
By size of company :																						
< 5m. Euros	27.7	23.5	25.9	21.9	25.1	20.7	24.5	19.9	25.8	20.4	27.9	21.2	28.1	21.3	30.8	22.4	27.0	21.9	26.2	20.4	27.9	22.2
5 - 20 m. Euros	20.3	17.6	20.0	17.0	19.0	16.6	19.7	16.7	21.0	17.6	23.3	19.5	23.9	19.7	24.2	19.6	22.4	18.3	22.0	18.4	22.8	19.7
20 - 50 m. Euros	18.2	16.2	16.8	14.6	17.2	14.7	17.9	15.2	18.8	15.8	21.5	18.9	22.0	18.6	22.5	19.2	20.7	17.9	20.2	17.9	20.8	18.3
50 - 100 m. Euros	19.2	14.8	17.3	14.1	16.3	13.4	16.7	14.3	18.3	15.8	21.8	19.3	20.7	20.0	21.6	19.5	21.1	18.0	19.9	17.9	20.1	18.3
> 100 m. Euros	18.1	14.4	17.5	13.8	17.1	13.8	15.1	13.7	16.2	15.2	19.8	18.5	20.9	18.5	20.6	18.7	19.8	19.8	18.9	18.8	19.5	19.7
Spain																						
Total firms	32.3	24.1	32.3	23.6	31.9	23.3	31.2	23.3	32.0	23.8	32.9	24.3	34.0	25.3	33.2	24.9	31.5	23.9	29.9	24.1	33.1	24.7
By size of company :																						
< 5m. Euros	27.6	23.2	29.1	22.1	27.7	22.3	28.9	22.2	26.8	22.1	27.9	22.9	30.1	24.7	29.4	23.5	28.3	23.6	27.8	24.0	28.0	23.3
5 - 20 m. Euros	27.7	23.8	27.8	23.6	27.4	22.9	28.3	23.4	28.2	23.4	28.8	23.7	30.4	24.8	30.5	26.1	27.8	22.2	27.3	22.2	28.6	24.1
20 - 50 m. Euros	29.8	26.7	30.6	27.4	30.8	25.7	29.8	25.3	30.3	26.7	29.2	25.7	26.6	24.7	28.3	24.9	25.9	24.9	25.8	25.6	29.3	27.3
50 - 100 m. Euros	33.7	28.7	32.3	28.5	28.3	23.9	27.2	23.8	29.5	27.0	29.7	28.3	31.9	30.3	29.3	28.1	27.8	25.9	27.5	27.0	31.9	27.9
> 100 m. Euros	34.6	33.7	34.4	29.9	34.4	29.7	33.2	29.6	34.0	30.7	35.4	30.9	36.7	29.3	35.6	30.4	34.1	28.3	31.6	27.1	34.8	30.1

wm : weighted mean

med : median

TANGIBLE FIXED ASSETS / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	21.2	17.9	23.5	19.9	22.4	19.4	22.3	19.2	23.6	20.4	26.0	21.9	27.7	23.8	28.0	24.0	28.3	23.8	26.5	23.6	27.7	23.4
By size of company :																						
< 5m Euros	29.6	28.2	29.1	26.1	26.1	23.2	28.6	22.4	28.4	22.5	31.6	26.2	32.0	27.4	30.0	25.4	33.0	23.2	36.5	28.4	37.8	23.8
5m - 20m Euros	23.7	17.6	24.7	19.2	24.7	19.7	23.5	19.1	24.6	21.0	26.5	23.0	27.9	23.8	30.2	24.7	29.1	24.0	28.9	24.5	30.5	26.3
20m - 50m Euros	22.8	17.9	22.1	19.8	23.1	18.4	23.3	19.1	23.0	19.5	24.7	20.0	27.3	23.4	26.7	22.4	27.7	23.8	25.4	21.5	24.4	20.9
50m - 100m Euros	25.0	16.8	20.0	16.3	18.4	15.9	19.8	16.6	21.1	18.0	24.5	20.6	27.4	22.3	30.3	24.1	29.0	23.3	25.6	23.9	26.7	23.5
> 100m Euros	17.9	17.5	25.4	18.6	23.0	18.5	22.5	18.9	24.4	20.4	26.7	23.5	28.0	20.8	27.2	22.1	28.0	22.6	26.6	22.8	28.6	22.7
France																						
Total firms	14.0	8.9	14.0	9.1	14.3	9.4	14.5	9.2	15.7	9.3	15.9	9.6	16.1	9.7	16.3	9.8	15.0	9.2	14.3	8.8	14.2	8.9
By size of company :																						
< 5m. Euros	11.2	8.2	11.6	8.5	11.6	8.9	11.8	8.8	12.4	8.9	12.5	8.9	12.6	9.0	12.9	9.2	11.8	8.5	11.2	8.1	11.8	8.3
5 - 20 m. Euros	10.8	8.8	11.4	9.1	11.5	9.1	11.4	8.9	11.8	9.1	12.3	9.4	12.9	9.7	13.3	9.7	12.4	9.1	11.8	9.0	12.0	8.9
20 - 50 m. Euros	12.8	9.7	12.8	9.4	13.0	10.2	12.8	10.6	13.1	10.5	14.0	11.0	14.7	11.0	14.9	11.1	13.9	10.5	13.1	10.0	12.9	10.1
50 - 100 m. Euros	13.7	11.1	13.6	11.4	13.4	11.1	13.8	11.2	14.2	11.3	14.4	11.9	15.2	12.7	15.8	13.2	14.7	12.4	14.4	11.8	14.4	11.6
> 100 m. Euros	15.0	10.8	14.9	11.2	15.3	11.9	15.5	12.0	17.4	12.2	17.5	12.4	17.6	12.8	17.4	13.8	16.0	13.1	15.2	11.9	15.0	11.9
Germany																						
Total firms			17.0	8.6	16.3	8.6	16.0	8.5	16.4	8.5	16.9	8.5	17.0	8.7	17.3	9.0	15.6	8.6	14.7	8.4		
By size of company :																						
< 5m. Euros			13.8	6.4	13.4	6.5	13.0	6.4	13.0	6.3	13.1	6.3	13.1	6.3	14.5	6.6	13.1	6.4	12.9	6.0		
5 - 20 m. Euros			13.3	8.8	13.2	8.5	13.5	8.5	13.2	8.1	13.5	7.8	14.1	8.2	14.5	8.3	13.8	8.1	13.0	7.8		
20 - 50 m. Euros			15.5	12.6	15.1	12.8	14.6	12.4	15.2	12.5	15.1	12.4	15.6	12.6	16.4	12.9	15.6	11.7	14.4	11.2		
50 - 100 m. Euros			17.1	14.5	17.1	14.6	16.9	13.7	16.5	13.6	17.4	14.4	17.3	14.4	17.7	14.6	16.9	13.8	16.3	13.5		
> 100 m. Euros			17.6	15.5	16.7	14.6	16.4	14.5	17.0	14.6	17.5	15.0	17.5	15.2	17.6	15.4	15.7	14.2	14.7	13.7		
Italy																						
Total firms	18.1	14.9	17.3	14.2	16.7	13.7	16.0	13.6	17.6	14.3	21.3	16.1	22.5	16.6	22.5	17.5	21.1	16.0	18.8	14.5	19.0	15.2
By size of company :																						
< 5m. Euros	25.8	18.7	24.0	17.2	23.2	16.4	23.5	15.7	24.4	16.1	28.2	17.1	29.7	17.8	36.7	20.2	33.3	20.2	30.1	18.4	33.4	20.5
5 - 20 m. Euros	16.8	12.6	16.7	12.4	16.4	12.3	16.9	12.6	18.1	13.4	21.2	15.5	22.4	16.0	23.2	16.1	20.6	14.6	19.0	14.0	20.0	15.0
20 - 50 m. Euros	15.1	11.5	14.5	11.1	15.1	11.2	15.6	11.5	16.9	12.6	20.2	15.1	21.4	15.7	21.2	16.1	19.5	15.0	17.4	13.8	18.3	14.3
50 - 100 m. Euros	17.5	11.7	15.7	11.2	14.4	10.5	15.0	11.2	17.5	12.7	21.1	15.7	22.0	16.7	22.5	16.2	20.1	14.8	18.0	14.0	18.4	14.2
> 100 m. Euros	18.4	11.5	17.7	11.3	16.8	11.4	15.0	11.5	16.7	13.0	20.8	15.6	22.1	14.8	20.8	15.6	21.1	15.2	18.8	13.7	18.6	14.5
Spain																						
Total firms	30.9	17.3	29.2	16.4	28.3	16.2	26.9	15.8	29.1	16.8	30.4	16.7	31.9	17.8	32.7	18.8	27.4	17.0	23.6	16.2	25.9	17.3
By size of company :																						
< 5m. Euros	27.3	15.8	27.8	14.7	24.5	14.5	26.8	14.3	26.9	14.5	24.3	14.7	28.8	16.3	28.0	17.2	24.9	16.6	24.6	16.1	23.5	15.7
5 - 20 m. Euros	24.5	17.5	23.8	16.0	23.6	16.4	23.6	16.2	25.2	16.8	26.2	16.6	27.1	17.6	29.0	19.4	23.9	15.8	22.8	15.2	25.1	17.0
20 - 50 m. Euros	29.2	21.8	29.6	20.2	29.6	20.3	26.6	18.7	27.7	20.6	28.2	19.7	26.9	19.9	28.2	21.5	25.0	18.9	22.3	16.8	26.4	19.5
50 - 100 m. Euros	33.5	23.2	31.6	20.1	26.7	18.2	27.6	19.0	30.3	22.8	32.5	21.8	32.3	24.1	32.6	25.0	28.4	21.5	24.4	20.7	29.8	21.6
> 100 m. Euros	33.3	25.1	30.1	22.5	29.7	22.8	27.4	23.5	30.0	24.8	31.4	25.3	33.7	23.7	34.4	23.4	28.3	20.1	23.8	18.6	25.4	21.5

wm : weighted mean

med : median

FINANCIAL ASSETS / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	3.5	1.4	8.3	3.2	8.9	3.2	9.5	3.2	9.3	3.0	11.2	3.2	13.2	3.5	14.0	3.9	12.8	3.7	14.8	3.9	14.5	4.2
By size of company :																						
< 5m Euros	1.8	0.6	3.2	2.2	3.9	2.4	5.7	2.5	7.4	2.5	24.5	2.2	28.2	1.9	17.5	2.0	5.1	1.9	10.8	1.8	7.8	2.0
5m - 20m Euros	4.0	1.4	4.9	2.7	5.1	3.0	5.8	2.7	4.9	2.5	6.2	2.7	5.9	2.9	7.0	3.5	6.6	3.3	7.3	3.1	6.9	3.3
20m - 50m Euros	6.0	2.0	7.1	3.8	6.8	3.4	8.8	3.9	7.4	3.4	8.0	3.2	9.7	3.6	9.8	4.1	10.1	3.9	11.0	4.2	12.5	4.7
50m - 100m Euros	4.6	0.3	10.7	3.3	9.8	3.9	10.1	3.8	13.7	4.2	14.7	5.6	15.1	5.4	17.4	6.8	15.5	6.1	14.3	6.3	16.2	7.4
> 100m Euros	1.9	1.5	8.9	4.6	10.7	5.9	10.5	5.4	9.4	5.8	11.6	8.4	14.6	9.1	15.2	7.9	13.7	8.5	17.4	9.6	15.8	9.4
France																						
Total firms	8.4	0.8	9.4	0.8	11.5	0.7	13.1	0.7	14.7	0.7	13.6	0.7	14.0	0.7	16.8	0.7	16.7	0.7	16.9	0.7	17.1	0.7
By size of company :																						
< 5m. Euros	6.8	0.6	2.4	0.6	2.2	0.5	2.8	0.5	2.5	0.5	3.2	0.5	3.4	0.6	3.3	0.6	3.8	0.6	2.7	0.6	2.9	0.6
5 - 20 m. Euros	2.8	0.9	3.3	0.8	2.8	0.7	2.9	0.7	3.7	0.7	3.5	0.7	3.9	0.7	6.6	0.8	4.1	0.7	4.0	0.7	4.2	0.8
20 - 50 m. Euros	6.6	1.4	4.5	1.4	5.0	1.3	7.6	1.3	5.4	1.2	5.7	1.2	6.1	1.2	6.7	1.1	6.2	1.1	5.9	1.0	5.7	1.1
50 - 100 m. Euros	11.2	1.9	6.1	2.1	6.8	1.8	6.5	1.9	14.4	1.8	8.7	2.4	9.0	2.4	10.2	2.7	10.2	2.7	9.4	2.4	9.7	1.8
> 100 m. Euros	9.1	2.9	11.9	3.7	14.7	3.9	16.6	4.1	18.3	4.3	17.9	3.5	18.4	3.7	21.6	4.2	21.5	4.1	22.0	4.3	22.2	4.9
Germany																						
Total firms			11.7	0.0	12.5	0.0	12.4	0.0	13.7	0.0	15.7	0.1	16.9	0.1	19.0	0.1	20.0	0.1	21.5	0.1		
By size of company :																						
< 5m. Euros			3.1	0.0	3.7	0.0	2.5	0.0	3.0	0.0	2.4	0.0	3.4	0.0	3.4	0.0	3.1	0.0	2.9	0.0		
5 - 20 m. Euros			3.5	0.1	2.7	0.1	3.0	0.0	3.3	0.0	3.0	0.1	3.6	0.1	3.6	0.1	4.2	0.1	4.1	0.1		
20 - 50 m. Euros			6.3	0.5	6.1	0.5	5.5	0.5	5.9	0.5	5.9	0.5	5.8	0.5	6.7	0.7	6.3	0.7	6.5	0.6		
50 - 100 m. Euros			9.1	1.8	6.3	1.5	5.9	1.0	6.0	1.2	8.1	1.2	7.8	1.1	8.0	1.4	8.8	1.2	9.7	1.4		
> 100 m. Euros			13.1	4.6	14.3	4.5	14.4	4.2	15.9	4.6	18.2	5.0	19.7	5.4	22.0	6.2	23.1	6.3	24.6	6.0		
Italy																						
Total firms	5.9	0.2	5.9	0.2	7.0	0.2	7.5	0.2	7.1	0.2	7.1	0.2	7.3	0.2	8.8	0.9	9.1	1.0	9.2	1.1	10.0	1.1
By size of company :																						
< 5m. Euros	0.7	0.1	1.2	0.1	1.4	0.1	1.6	0.1	1.4	0.1	1.9	0.1	2.4	0.1	4.6	0.5	5.0	0.5	5.2	0.7	4.7	0.6
5 - 20 m. Euros	1.2	0.2	1.0	0.2	0.9	0.2	1.0	0.2	1.4	0.2	1.9	0.2	1.8	0.2	3.8	0.9	3.8	0.9	3.5	0.8	3.7	0.9
20 - 50 m. Euros	2.7	0.6	3.2	0.7	3.1	0.7	3.1	0.6	3.4	0.6	4.1	0.6	4.1	0.7	6.1	1.8	6.1	1.8	6.0	1.7	5.7	1.6
50 - 100 m. Euros	5.3	1.4	5.7	2.0	6.2	1.6	5.9	1.5	6.8	2.1	6.3	1.4	7.7	1.7	9.4	2.7	10.7	3.1	10.5	3.1	11.7	3.8
> 100 m. Euros	9.7	2.4	9.7	2.7	11.5	2.8	12.4	3.5	10.9	3.9	10.6	3.7	11.1	3.9	12.5	5.8	12.3	5.1	12.2	4.8	13.4	6.0
Spain																						
Total firms	6.0	0.0	5.6	0.0	7.1	0.0	8.3	0.0	8.7	0.0	10.4	0.2	10.4	0.0	10.8	0.0	11.5	0.0	10.4	0.0	10.0	0.0
By size of company :																						
< 5m. Euros	2.2	0.0	1.9	0.0	2.0	0.0	2.5	0.0	3.8	0.0	2.0	0.0	2.7	0.0	2.3	0.0	2.3	0.0	3.6	0.0	2.1	0.0
5 - 20 m. Euros	3.8	0.1	2.6	0.1	3.1	0.1	2.8	0.1	3.6	0.2	4.3	0.4	3.9	0.1	5.3	0.2	4.9	0.2	4.6	0.1	4.2	0.1
20 - 50 m. Euros	6.0	0.5	6.1	0.4	5.5	0.4	5.8	0.5	4.3	0.4	6.3	1.0	8.7	1.2	8.8	1.3	8.5	1.7	9.2	0.9	8.5	0.9
50 - 100 m. Euros	6.2	1.2	7.7	1.6	9.3	1.5	12.3	1.5	12.1	1.4	15.3	2.6	8.9	1.6	14.8	1.8	16.1	1.5	14.1	2.6	12.8	2.3
> 100 m. Euros	7.0	3.0	6.3	2.7	8.3	3.6	9.4	3.2	10.0	2.6	11.3	4.2	12.5	5.2	11.7	4.4	12.5	5.4	11.2	4.8	10.8	5.2

wm : weighted mean

med : median

FINANCIAL ASSETS / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	2.8	0.9	6.8	2.2	7.4	2.2	7.8	2.0	8.1	2.0	10.2	2.2	12.1	2.5	12.6	2.7	12.0	2.6	13.3	2.6	13.2	2.8
By size of company :																						
< 5m Euros	1.5	0.6	2.8	2.0	3.1	1.9	4.8	1.9	6.2	1.8	29.4	1.8	32.3	1.5	18.6	1.5	4.6	1.5	10.5	1.5	7.0	1.6
5m - 20m Euros	3.0	0.9	3.7	1.9	3.9	1.9	4.4	1.7	3.6	1.6	4.8	1.8	4.6	2.0	5.9	2.3	5.5	2.2	6.0	2.2	5.6	2.2
20m - 50m Euros	4.6	1.4	5.5	2.6	5.3	2.3	6.8	2.4	6.0	2.5	6.4	2.1	8.1	2.6	7.9	2.8	8.5	2.7	9.1	2.9	10.4	3.1
50m - 100m Euros	3.6	0.1	8.3	2.4	7.1	2.7	7.5	2.5	11.0	3.3	13.7	4.6	14.8	4.6	17.4	5.9	15.2	4.9	12.5	4.6	14.1	6.6
> 100m Euros	1.6	0.7	8.1	3.8	9.7	4.8	9.4	4.2	8.9	4.4	11.2	5.6	13.8	7.6	13.7	6.6	13.4	6.7	16.4	6.8	15.4	7.2
France																						
Total firms	6.7	0.5	7.3	0.5	8.9	0.4	10.1	0.4	12.0	0.4	10.8	0.4	11.3	0.4	14.4	0.4	14.0	0.4	13.8	0.4	13.9	0.4
By size of company :																						
< 5m. Euros	4.6	0.3	1.6	0.3	1.4	0.3	1.9	0.3	1.6	0.3	2.1	0.3	2.3	0.3	2.3	0.3	2.6	0.3	1.7	0.3	1.9	0.3
5 - 20 m. Euros	1.8	0.5	2.2	0.5	1.8	0.4	1.9	0.4	2.5	0.4	2.4	0.4	2.7	0.4	5.1	0.5	2.8	0.5	2.7	0.4	2.9	0.4
20 - 50 m. Euros	5.1	0.8	3.1	0.9	3.4	0.8	5.3	0.8	3.7	0.7	4.0	0.7	4.4	0.8	4.9	0.7	4.5	0.7	4.2	0.6	3.9	0.6
50 - 100 m. Euros	8.6	1.1	4.1	1.2	4.8	1.1	4.6	1.2	12.5	1.2	6.3	1.4	6.7	1.5	8.0	1.8	7.9	1.7	7.2	1.5	7.3	1.2
> 100 m. Euros	7.7	1.9	10.0	2.6	12.2	2.6	13.6	2.7	15.8	2.9	15.5	2.3	16.2	2.3	19.9	2.7	19.5	2.6	19.5	2.8	19.7	3.4
Germany																						
Total firms			8.8	0.0	9.1	0.0	8.9	0.0	9.7	0.0	11.3	0.0	12.5	0.0	15.0	0.0	15.6	0.0	16.5	0.1		
By size of company :																						
< 5m. Euros			1.6	0.0	2.1	0.0	1.3	0.0	1.6	0.0	1.3	0.0	1.8	0.0	2.0	0.0	1.7	0.0	1.6	0.0		
5 - 20 m. Euros			1.9	0.0	1.5	0.0	1.7	0.0	1.8	0.0	1.6	0.0	1.9	0.0	2.0	0.0	2.4	0.0	2.2	0.0		
20 - 50 m. Euros			3.9	0.3	3.7	0.2	3.4	0.2	3.6	0.2	3.6	0.2	3.7	0.2	4.3	0.3	3.9	0.4	4.0	0.3		
50 - 100 m. Euros			5.9	1.0	4.2	0.9	3.8	0.6	3.7	0.6	5.2	0.6	5.0	0.5	5.3	0.7	5.7	0.6	6.3	0.8		
> 100 m. Euros			10.4	2.8	11.1	2.8	11.0	2.5	11.9	2.8	13.9	3.0	15.3	3.4	18.6	4.1	19.2	4.4	20.0	4.1		
Italy																						
Total firms	5.5	0.1	5.5	0.1	6.5	0.1	7.0	0.2	6.9	0.2	7.1	0.2	7.5	0.2	8.8	0.8	9.2	0.8	8.6	0.8	9.3	0.9
By size of company :																						
< 5m. Euros	0.7	0.1	1.1	0.1	1.3	0.1	1.5	0.1	1.3	0.1	1.9	0.1	2.5	0.1	5.5	0.4	6.2	0.5	6.0	0.6	5.7	0.6
5 - 20 m. Euros	1.0	0.1	0.8	0.1	0.8	0.2	0.8	0.2	1.2	0.2	1.7	0.2	1.7	0.2	3.6	0.7	3.5	0.7	3.0	0.6	3.3	0.7
20 - 50 m. Euros	2.3	0.4	2.8	0.5	2.7	0.5	2.7	0.5	3.1	0.5	3.8	0.5	4.0	0.6	5.7	1.4	5.8	1.5	5.2	1.3	5.0	1.2
50 - 100 m. Euros	4.9	1.2	5.2	1.5	5.6	1.3	5.3	1.1	6.5	1.7	6.1	1.2	8.2	1.4	9.8	2.2	10.2	2.4	9.5	2.1	10.8	2.9
> 100 m. Euros	9.9	2.0	9.8	2.2	11.3	2.2	12.3	2.7	11.2	3.5	11.2	3.6	11.7	3.5	12.7	5.0	13.1	4.5	12.1	3.8	12.8	4.5
Spain																						
Total firms	5.7	0.0	5.1	0.0	6.3	0.0	7.2	0.0	7.9	0.0	9.6	0.1	9.8	0.0	10.6	0.0	10.0	0.0	8.3	0.0	7.8	0.0
By size of company :																						
< 5m. Euros	2.1	0.0	1.8	0.0	1.7	0.0	2.3	0.0	3.8	0.0	1.8	0.0	2.6	0.0	2.1	0.0	2.1	0.0	3.2	0.0	1.8	0.0
5 - 20 m. Euros	3.4	0.1	2.2	0.1	2.7	0.1	2.3	0.1	3.3	0.1	3.9	0.3	3.5	0.1	5.1	0.1	4.2	0.1	3.8	0.1	3.7	0.1
20 - 50 m. Euros	5.8	0.4	5.9	0.3	5.3	0.3	5.2	0.5	3.9	0.4	6.0	0.9	8.8	1.1	8.8	1.1	8.2	1.3	8.0	0.6	7.7	0.6
50 - 100 m. Euros	6.2	1.0	7.6	1.2	8.8	0.8	12.5	1.2	12.4	1.1	16.8	1.8	9.1	1.4	16.5	1.7	16.5	1.2	12.5	1.4	12.0	1.6
> 100 m. Euros	6.7	2.3	5.5	2.0	7.1	2.8	7.8	1.9	8.8	1.8	10.1	3.7	11.5	4.2	11.3	3.4	10.4	4.2	8.4	3.3	7.9	3.9

wm : weighted mean

med : median

GROUP AND ASSOCIATED COMPANIES / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	3.1	0.0	6.2	0.5	6.8	0.4	9.1	0.5	11.2	0.7	13.8	0.7	13.1	1.4	13.9	2.4	13.7	2.2	12.6	2.2	11.9	2.3
By size of company :																						
< 5m Euros	5.3	0.0	5.2	0.0	3.7	0.0	4.2	0.0	4.9	0.0	3.1	0.0	3.7	0.0	9.8	0.0	5.2	0.0	3.1	0.0	4.1	0.0
5m - 20m Euros	3.2	0.0	5.7	0.0	4.9	0.0	4.4	0.0	4.7	0.0	5.6	0.0	4.9	0.0	7.3	0.5	6.0	0.2	6.6	0.3	7.3	0.1
20m - 50m Euros	5.1	0.0	5.8	1.3	8.0	2.4	7.3	1.8	8.2	2.0	9.0	2.6	9.5	3.7	11.2	4.7	10.2	4.2	9.5	3.7	11.6	5.2
50m - 100m Euros	3.1	0.0	6.3	3.9	7.9	4.8	8.2	3.9	8.7	4.3	11.2	6.5	13.1	5.6	12.9	6.4	10.7	5.0	14.2	6.4	10.1	4.9
> 100m Euros	2.2	0.1	6.6	3.0	6.6	3.7	11.4	6.4	14.2	9.4	17.4	9.0	15.8	9.0	16.5	8.7	17.6	10.5	14.1	9.9	13.4	13.2
France																						
Total firms	10.6	0.0	9.2	0.0	10.8	0.0	11.4	0.0	11.8	0.0	10.8	0.0	11.8	0.0	12.8	0.0	14.2	0.0	13.6	0.0	14.0	0.0
By size of company :																						
< 5m. Euros	5.8	0.0	3.0	0.0	2.7	0.0	4.4	0.0	3.0	0.0	3.5	0.0	3.6	0.0	4.3	0.0	3.8	0.0	3.6	0.0	3.4	0.0
5 - 20 m. Euros	4.2	0.1	5.6	0.0	4.3	0.0	4.3	0.0	5.0	0.0	5.0	0.0	5.7	0.1	7.3	0.4	6.1	0.3	6.1	0.3	6.2	0.3
20 - 50 m. Euros	14.7	2.5	7.6	2.5	7.2	2.1	6.8	2.1	7.2	2.2	7.7	2.9	8.6	3.3	9.3	3.9	9.1	3.5	8.8	3.0	9.1	3.4
50 - 100 m. Euros	12.2	3.8	7.8	3.5	8.8	4.6	9.9	4.8	15.3	5.0	10.4	5.8	11.1	5.4	11.5	6.1	11.3	5.7	11.4	6.1	11.5	6.3
> 100 m. Euros	10.8	6.2	10.4	6.8	12.9	7.8	13.5	7.2	13.3	7.9	12.8	8.4	14.0	8.9	14.9	9.2	17.0	9.4	16.1	9.6	16.6	9.7
Germany																						
Total firms			9.1	0.1	12.7	0.5	13.8	0.6	13.2	0.7	12.8	0.8	14.1	1.0	15.1	1.0	15.1	1.0	15.6	1.2		
By size of company :																						
< 5m. Euros			6.5	0.0	8.3	0.0	6.9	0.0	8.5	0.0	7.1	0.0	7.3	0.0	7.6	0.0	7.1	0.0	6.8	0.0		
5 - 20 m. Euros			6.3	0.2	6.7	0.5	8.0	0.6	7.2	0.5	7.1	0.6	8.1	0.7	9.3	0.8	9.9	0.6	9.3	0.6		
20 - 50 m. Euros			7.3	1.8	8.5	3.2	8.9	3.1	8.7	3.0	9.8	3.0	11.2	3.3	11.5	4.0	12.0	4.2	12.1	3.7		
50 - 100 m. Euros			8.0	3.6	9.3	4.3	10.0	4.9	8.8	5.1	10.7	5.2	12.3	5.9	14.5	7.5	14.8	7.6	13.5	7.3		
> 100 m. Euros			9.6	5.5	13.8	7.4	15.1	7.8	14.5	8.7	13.7	8.9	14.9	9.3	16.0	10.0	15.8	10.2	16.4	10.5		
Italy																						
Total firms	7.8	0.0	7.8	0.0	8.7	0.0	7.7	0.0	8.4	0.0	8.1	0.0	9.1	0.0	7.4	0.0	8.3	0.0	9.0	0.0	8.8	0.0
By size of company :																						
< 5m. Euros	2.9	0.0	3.1	0.0	2.9	0.0	3.9	0.0	2.9	0.0	2.8	0.0	3.3	0.0	3.3	0.0	4.9	0.0	4.4	0.0	4.3	0.0
5 - 20 m. Euros	4.0	0.0	4.1	0.0	6.3	0.0	4.2	0.0	4.2	0.0	4.1	0.0	4.2	0.0	5.2	0.0	4.5	0.0	4.5	0.0	4.9	0.0
20 - 50 m. Euros	5.6	0.0	5.9	0.0	6.0	0.0	5.8	0.0	5.8	0.0	6.1	0.0	6.5	0.0	6.6	0.7	6.7	0.7	6.8	0.7	7.5	0.6
50 - 100 m. Euros	7.7	1.4	8.2	1.6	7.7	1.2	7.3	0.9	7.3	1.0	7.1	0.9	8.4	1.5	8.3	2.1	8.7	2.5	7.9	2.5	8.0	2.7
> 100 m. Euros	10.9	4.2	10.7	3.7	11.5	4.2	10.1	4.2	11.5	4.9	10.9	5.2	12.7	5.5	9.1	5.2	10.7	4.9	12.0	4.7	11.0	4.6
Spain																						
Total firms	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.1	0.0	9.3	0.0	11.7	0.0	11.6	0.0	12.4	0.0	13.0	0.0
By size of company :																						
< 5m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.2	0.0										
5 - 20 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.6	0.0	6.2	0.1	6.7	0.2	6.1	0.2	5.2	0.2	6.1	0.2
20 - 50 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.1	1.5	9.2	2.5	7.2	2.8	9.7	3.6	9.5	2.9	9.5	2.6
50 - 100 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.6	2.4	8.7	3.1	10.4	4.8	9.7	4.7	10.8	5.3	10.9	5.0
> 100 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.4	4.9	10.2	6.8	14.0	8.3	13.6	9.7	14.7	8.6	15.4	10.2

wm : weighted mean

med : median

GROUP AND ASSOCIATED COMPANIES / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	2.5	0.0	5.1	0.3	5.6	0.2	7.5	0.4	9.7	0.5	12.6	0.6	12.0	1.2	12.5	1.9	12.9	1.7	11.3	1.7	10.9	1.7
By size of company :																						
< 5m Euros	4.4	0.0	4.6	0.0	2.9	0.0	3.5	0.0	4.1	0.0	3.7	0.0	4.2	0.0	10.4	0.0	4.6	0.0	3.1	0.0	3.7	0.0
5m - 20m Euros	2.4	0.0	4.3	0.0	3.7	0.0	3.3	0.0	3.4	0.0	4.3	0.0	3.8	0.0	6.2	0.3	5.0	0.2	5.4	0.2	6.0	0.1
20m - 50m Euros	4.0	0.0	4.5	0.9	6.2	1.9	5.6	1.2	6.6	1.2	7.2	1.9	7.9	2.9	9.1	3.5	8.7	2.6	7.9	3.0	9.7	3.7
50m - 100m Euros	2.4	0.0	4.9	2.8	5.7	2.9	6.1	2.4	7.0	2.8	10.4	4.2	12.9	4.6	12.9	5.8	10.5	4.0	12.5	4.8	8.8	3.9
> 100m Euros	1.9	0.1	6.0	2.4	6.0	2.8	10.2	5.2	13.4	6.8	16.8	7.7	15.0	7.7	14.8	7.7	17.3	10.5	13.3	8.2	13.0	9.5
France																						
Total firms	8.5	0.0	7.1	0.0	8.4	0.0	8.8	0.0	9.6	0.0	8.6	0.0	9.6	0.0	11.0	0.0	11.9	0.0	11.1	0.0	11.4	0.0
By size of company :																						
< 5m. Euros	3.9	0.0	2.0	0.0	1.8	0.0	2.9	0.0	1.9	0.0	2.3	0.0	2.4	0.0	3.0	0.0	2.6	0.0	2.3	0.0	2.2	0.0
5 - 20 m. Euros	2.6	0.0	3.7	0.0	2.8	0.0	2.9	0.0	3.4	0.0	3.3	0.0	3.9	0.1	5.6	0.2	4.2	0.2	4.2	0.1	4.2	0.2
20 - 50 m. Euros	11.5	1.7	5.2	1.6	5.0	1.3	4.8	1.3	5.0	1.4	5.4	1.9	6.2	2.0	6.8	2.6	6.6	2.3	6.2	1.8	6.2	2.0
50 - 100 m. Euros	9.3	2.9	5.3	2.2	6.2	3.1	7.0	3.4	13.2	3.2	7.5	3.7	8.3	3.7	9.0	4.4	8.8	4.1	8.6	3.9	8.6	4.2
> 100 m. Euros	9.2	4.1	8.8	4.5	10.7	5.1	11.0	4.8	11.5	5.4	11.1	5.9	12.3	6.2	13.7	6.7	15.4	6.6	14.3	7.1	14.8	6.3
Germany																						
Total firms			6.8	0.0	9.3	0.2	10.0	0.3	9.4	0.3	9.2	0.4	10.3	0.4	11.9	0.5	11.8	0.5	12.0	0.6		
By size of company :																						
< 5m. Euros			3.5	0.0	4.7	0.0	3.7	0.0	4.7	0.0	3.7	0.0	3.9	0.0	4.4	0.0	3.9	0.0	3.7	0.0		
5 - 20 m. Euros			3.4	0.1	3.7	0.2	4.4	0.2	3.9	0.2	3.8	0.2	4.4	0.3	5.2	0.4	5.8	0.3	5.1	0.3		
20 - 50 m. Euros			4.5	1.0	5.2	1.7	5.4	1.8	5.2	1.6	6.0	1.6	7.0	1.8	7.3	2.2	7.5	2.3	7.4	2.0		
50 - 100 m. Euros			5.2	2.1	6.2	2.6	6.5	2.8	5.4	2.7	6.9	2.8	8.0	3.4	9.6	4.3	9.6	4.3	8.8	4.1		
> 100 m. Euros			7.6	3.5	10.7	4.3	11.5	5.0	10.9	5.6	10.4	5.7	11.6	6.0	13.5	6.8	13.1	6.7	13.4	6.5		
Italy																						
Total firms	7.3	0.0	7.3	0.0	8.1	0.0	7.2	0.0	8.1	0.0	8.1	0.0	9.3	0.0	7.4	0.0	8.4	0.0	8.5	0.0	8.2	0.0
By size of company :																						
< 5m. Euros	2.7	0.0	2.9	0.0	2.7	0.0	3.8	0.0	2.7	0.0	2.8	0.0	3.4	0.0	4.0	0.0	6.0	0.0	5.0	0.0	5.1	0.0
5 - 20 m. Euros	3.3	0.0	3.4	0.0	5.5	0.0	3.6	0.0	3.6	0.0	3.7	0.0	4.0	0.0	5.0	0.0	4.2	0.0	3.9	0.0	4.3	0.0
20 - 50 m. Euros	4.7	0.0	5.1	0.0	5.3	0.0	5.1	0.0	5.2	0.0	5.8	0.0	6.4	0.0	6.2	0.6	6.3	0.6	5.9	0.5	6.6	0.5
50 - 100 m. Euros	7.0	1.3	7.4	1.2	6.8	1.0	6.6	0.7	6.9	0.8	6.9	0.8	9.0	1.4	8.6	2.0	8.3	2.2	7.1	2.1	7.3	2.0
> 100 m. Euros	11.1	3.3	10.9	3.1	11.3	3.5	10.0	3.7	11.8	4.4	11.4	4.9	13.4	5.6	9.2	4.6	11.4	4.4	12.0	3.9	10.5	3.4
Spain																						
Total firms	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.4	0.0	8.7	0.0	11.5	0.0	10.1	0.0	9.8	0.0	10.2	0.0
By size of company :																						
< 5m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.8	0.0	3.6	0.0	4.0	0.0	3.1	0.0	5.3	0.0	3.9	0.0
5 - 20 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.1	0.0	5.5	0.1	6.4	0.2	5.3	0.2	4.3	0.2	5.4	0.1
20 - 50 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.9	1.3	9.3	1.9	7.2	2.2	9.3	3.2	8.2	2.1	8.6	1.8
50 - 100 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.2	1.8	8.8	3.3	11.5	4.7	9.9	3.9	9.6	4.2	10.2	3.4
> 100 m. Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.1	4.8	9.4	5.9	13.5	6.9	11.3	7.5	11.0	6.9	11.3	7.4

wm : weighted mean

med : median

STOCKS / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	26.8	26.9	23.0	24.5	21.1	23.7	20.9	24.2	21.1	23.9	19.9	22.6	18.1	21.1	18.4	19.9	17.4	19.6	18.3	20.0	17.8	19.5
By size of company :																						
< 5m Euros	28.1	29.0	28.6	23.9	27.7	23.2	26.2	26.0	25.4	26.4	23.1	26.6	19.3	26.2	23.5	26.4	25.7	24.5	21.7	18.7	19.4	19.3
5m - 20m Euros	26.1	28.2	24.4	24.7	23.8	24.4	24.7	24.5	26.1	25.2	25.0	23.6	23.3	22.8	22.0	21.1	22.6	21.0	23.2	21.6	21.4	21.5
20m - 50m Euros	25.9	26.0	25.4	25.0	23.4	22.2	23.0	22.4	22.3	22.6	21.4	21.5	21.3	20.6	20.5	20.6	18.8	19.7	20.2	20.8	20.1	20.1
50m - 100m Euros	26.1	27.0	24.4	25.8	24.8	25.6	22.5	24.2	22.2	24.1	20.3	22.8	18.4	19.5	15.2	15.5	16.0	16.9	16.5	17.1	16.4	15.5
> 100m Euros	27.6	24.6	20.5	21.5	18.0	20.9	18.6	18.9	19.4	20.2	18.6	17.8	16.2	16.2	18.2	17.1	16.5	14.9	17.6	16.3	17.0	15.6
France																						
Total firms	26.1	23.3	24.6	21.8	22.2	21.1	21.3	21.1	20.5	20.6	20.7	19.7	20.3	19.2	18.5	18.7	18.2	18.9	18.2	19.3	18.3	19.0
By size of company :																						
< 5m. Euros	24.2	22.5	25.3	21.0	24.5	20.8	23.2	20.2	23.3	19.5	22.4	19.0	21.9	18.4	21.5	18.2	21.6	18.3	22.4	18.3	22.2	18.1
5 - 20 m. Euros	27.5	24.1	25.5	23.0	25.2	21.7	25.6	22.2	24.7	22.0	24.3	21.0	23.5	20.6	21.1	19.8	23.1	19.8	23.5	20.5	24.1	20.6
20 - 50 m. Euros	23.6	24.3	24.8	22.5	24.3	21.9	24.0	21.7	24.8	21.5	23.9	19.6	23.3	19.7	21.8	18.8	22.5	19.5	23.7	20.5	22.7	20.2
50 - 100 m. Euros	21.6	21.8	24.1	21.6	23.4	20.4	22.7	20.6	17.9	20.0	21.6	19.7	21.4	19.0	20.6	17.5	21.2	17.8	21.7	18.4	20.9	18.4
> 100 m. Euros	27.1	23.0	24.5	20.6	21.3	19.0	20.0	19.3	19.5	18.3	19.4	17.9	19.1	17.1	17.1	15.7	16.3	16.3	16.0	17.3	16.3	16.9
Germany																						
Total firms			22.7	28.6	22.4	28.8	23.0	28.7	22.5	28.4	21.8	28.0	21.1	26.9	19.3	26.2	18.3	26.5	18.6	27.6		
By size of company :																						
< 5m. Euros			29.7	27.5	28.5	27.6	29.8	27.2	28.8	26.6	30.4	27.0	28.8	26.0	29.6	26.4	30.4	26.9	31.7	28.2		
5 - 20 m. Euros			30.9	30.9	31.5	30.7	30.4	30.7	30.8	30.8	30.4	29.6	29.1	28.4	28.5	28.2	28.2	28.5	29.5	29.6		
20 - 50 m. Euros			30.1	30.5	29.9	30.7	30.4	30.9	29.5	29.8	29.1	29.2	28.2	28.1	26.9	26.7	26.8	27.0	27.7	28.3		
50 - 100 m. Euros			27.1	28.0	28.0	28.2	28.5	29.0	28.4	28.8	27.3	26.9	26.4	26.1	23.5	23.1	23.0	22.9	24.8	23.8		
> 100 m. Euros			21.1	25.4	20.6	25.4	21.2	25.0	20.7	23.9	20.0	24.1	19.4	22.2	17.7	20.1	16.5	19.8	16.8	20.9		
Italy																						
Total firms	23.8	21.4	24.0	20.9	23.6	20.8	24.5	20.8	25.0	20.5	23.7	19.8	22.2	19.2	21.0	18.2	21.9	18.4	22.5	19.2	22.2	18.8
By size of company :																						
< 5m. Euros	24.5	22.0	23.6	21.2	23.4	20.8	23.2	20.3	22.9	20.1	21.9	19.4	21.4	19.0	19.4	18.4	19.9	18.0	20.1	18.8	20.3	19.4
5 - 20 m. Euros	23.5	21.2	22.9	21.0	22.9	21.5	23.3	21.5	23.0	21.3	22.1	20.6	21.6	19.8	20.4	18.8	20.6	19.1	21.2	19.8	20.7	19.1
20 - 50 m. Euros	22.4	20.2	22.6	19.7	22.2	19.5	22.4	20.7	22.5	20.3	21.2	19.1	21.3	18.9	19.6	17.4	20.8	18.4	21.1	19.1	20.7	19.1
50 - 100 m. Euros	21.7	19.6	21.3	19.3	21.6	18.8	23.4	19.1	22.7	18.5	21.2	17.4	22.3	16.8	20.4	16.0	16.8	15.6	18.1	17.2	20.0	17.6
> 100 m. Euros	24.6	19.2	25.6	18.3	24.8	18.5	26.0	18.7	27.1	18.7	25.8	17.3	22.7	16.1	22.2	15.6	24.3	16.0	24.5	16.7	23.8	16.0
Spain																						
Total firms	18.8	18.6	18.1	18.6	18.5	19.6	18.4	19.5	17.6	18.8	16.6	18.1	16.2	18.1	15.2	17.0	14.3	17.3	15.6	17.9	14.8	16.8
By size of company :																						
< 5m. Euros	18.1	18.3	19.3	18.6	19.8	19.7	19.4	19.4	18.6	18.5	20.8	19.1	19.9	18.7	21.7	18.4	20.7	18.6	21.0	18.7	21.0	17.9
5 - 20 m. Euros	20.9	19.5	21.1	19.1	22.3	20.7	22.3	20.4	21.1	19.8	21.1	19.6	19.8	19.1	18.2	16.8	18.9	17.8	20.2	19.0	19.5	18.1
20 - 50 m. Euros	18.7	17.4	18.0	17.1	18.5	17.8	20.0	19.4	20.5	19.7	20.7	17.5	19.4	17.4	18.1	15.7	18.0	16.2	17.4	17.6	16.6	15.6
50 - 100 m. Euros	19.3	19.0	16.6	17.6	18.4	17.2	17.6	16.7	17.8	16.3	14.6	13.9	16.6	14.9	14.5	14.4	13.3	14.1	15.0	15.2	13.7	14.1
> 100 m. Euros	18.2	18.7	17.7	18.5	17.7	18.0	17.5	17.7	16.4	16.5	15.4	15.2	14.8	14.6	13.9	13.7	12.9	13.3	14.4	14.4	13.9	13.3

wm : weighted mean

med : median

STOCKS / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	21.4	18.3	18.9	16.9	17.4	16.0	17.2	16.0	18.3	15.9	18.2	16.0	16.6	15.6	16.5	14.9	16.3	14.9	16.5	14.9	16.2	13.9
By size of company :																						
< 5m Euros	23.3	19.8	25.4	15.8	21.8	16.6	21.9	18.6	21.3	16.7	27.7	19.6	22.1	19.2	25.0	17.0	23.0	20.3	21.1	16.3	17.5	14.7
5m - 20m Euros	19.4	17.5	18.4	16.7	18.0	15.5	18.4	15.6	19.2	15.9	19.3	15.4	18.0	15.3	18.6	15.1	18.9	15.1	19.1	15.0	17.5	14.6
20m - 50m Euros	20.0	18.1	19.6	17.3	18.2	15.6	17.8	15.5	17.9	15.6	17.1	15.2	17.7	15.6	16.6	15.1	15.9	14.9	16.8	15.1	16.7	14.7
50m - 100m Euros	20.5	20.0	18.9	18.2	17.9	18.2	16.8	15.2	17.8	16.6	18.8	17.4	18.1	15.6	15.2	13.8	15.7	13.7	14.5	13.6	14.2	12.4
> 100m Euros	22.9	19.1	18.6	17.4	16.4	16.2	16.6	16.0	18.4	16.0	17.9	15.8	15.4	15.4	16.4	13.9	16.1	13.2	16.6	14.0	16.5	12.3
France																						
Total firms	20.9	13.4	19.1	12.7	17.2	12.7	16.4	12.5	16.6	12.3	16.5	11.8	16.5	11.6	15.9	11.3	15.2	11.5	14.9	11.5	14.9	11.2
By size of company :																						
< 5m. Euros	16.5	12.1	16.3	11.6	15.6	11.6	15.4	11.2	15.1	10.7	14.9	10.7	14.7	10.4	14.7	10.4	14.6	10.5	14.4	10.3	14.4	10.1
5 - 20 m. Euros	17.3	14.1	16.9	13.7	16.5	13.4	16.8	13.6	16.5	13.4	16.3	12.8	16.1	12.6	16.3	12.2	16.0	12.6	15.9	12.5	16.3	12.3
20 - 50 m. Euros	18.4	15.3	17.0	14.0	16.6	14.1	16.8	14.1	17.1	14.1	16.8	13.1	16.8	13.1	16.0	12.7	16.3	12.8	16.8	13.0	15.5	12.2
50 - 100 m. Euros	16.5	14.3	16.2	13.6	16.5	13.3	16.0	13.4	15.4	13.7	15.6	13.0	15.9	12.9	16.1	12.3	16.5	12.6	16.5	12.5	15.6	12.3
> 100 m. Euros	23.0	14.4	20.6	13.7	17.6	12.9	16.4	13.0	16.9	13.0	16.8	12.7	16.8	12.8	15.8	11.8	14.8	11.7	14.1	11.7	14.5	11.1
Germany																						
Total firms			17.0	13.1	16.4	13.2	16.6	13.3	16.0	13.1	15.7	12.9	15.5	12.4	15.3	12.7	14.3	12.8	14.3	13.2		
By size of company :																						
< 5m. Euros			15.9	11.5	16.0	11.6	15.8	11.4	15.8	11.4	16.0	11.2	15.3	10.7	17.2	11.5	16.8	11.7	17.2	11.8		
5 - 20 m. Euros			16.8	14.0	17.2	14.2	16.8	14.0	16.7	13.7	16.1	13.0	15.8	12.7	16.1	13.1	16.4	13.1	16.2	13.5		
20 - 50 m. Euros			18.7	16.5	18.3	16.4	18.4	16.2	17.9	15.6	17.7	15.2	17.7	14.9	17.1	14.7	16.8	14.8	16.9	14.9		
50 - 100 m. Euros			17.6	15.5	18.7	15.9	18.6	15.5	17.5	15.8	17.6	15.6	17.1	14.4	15.5	13.8	15.0	12.8	16.2	14.2		
> 100 m. Euros			16.8	15.4	15.9	15.0	16.2	14.9	15.6	14.9	15.2	14.8	15.1	14.2	14.9	13.6	13.8	12.9	13.7	13.4		
Italy																						
Total firms	22.1	16.4	22.4	16.0	21.9	16.2	22.8	16.1	24.0	16.0	23.7	16.0	22.6	16.0	21.1	15.6	22.1	15.5	21.1	15.1	20.6	14.7
By size of company :																						
< 5m. Euros	22.8	17.6	21.9	16.8	21.7	16.6	22.2	16.0	21.6	15.6	22.1	16.1	22.7	16.1	23.0	16.9	24.6	17.4	23.1	17.1	24.3	17.7
5 - 20 m. Euros	19.4	15.5	19.1	15.5	19.8	16.2	20.0	16.4	19.8	16.3	20.2	16.3	20.3	16.1	19.6	15.5	19.0	15.3	18.3	15.2	18.2	14.6
20 - 50 m. Euros	18.6	15.1	19.5	15.4	19.5	15.6	19.6	16.1	20.3	17.0	19.9	15.9	20.8	16.2	18.5	14.3	19.6	15.0	18.2	14.6	18.3	14.8
50 - 100 m. Euros	19.8	15.4	19.4	15.5	19.2	14.5	21.0	15.1	21.6	15.2	20.6	14.9	23.8	14.7	21.2	13.8	16.0	12.9	16.4	13.3	18.3	13.2
> 100 m. Euros	25.0	14.6	25.9	14.3	24.4	14.8	25.7	15.5	27.8	15.0	27.1	14.8	24.0	14.3	22.6	12.7	26.0	12.8	24.4	12.6	22.8	12.4
Spain																						
Total firms	18.0	14.1	16.4	13.7	16.4	14.1	15.8	13.6	16.0	13.8	15.4	13.3	15.2	13.4	14.9	13.5	12.5	12.9	12.3	12.7	11.6	12.5
By size of company :																						
< 5m. Euros	17.9	13.1	18.4	12.9	17.5	13.1	18.0	12.6	18.7	12.7	18.1	12.4	19.1	12.3	20.7	13.8	18.2	13.6	18.6	12.8	17.6	12.6
5 - 20 m. Euros	18.5	14.3	18.1	14.0	19.2	14.8	18.6	15.0	18.9	14.8	19.2	14.2	17.7	14.2	17.3	13.2	16.2	13.0	16.9	13.7	17.1	13.4
20 - 50 m. Euros	18.3	15.3	17.4	14.9	17.8	15.6	17.9	15.9	18.7	15.7	20.0	15.0	19.6	14.4	18.0	13.3	17.4	12.7	15.0	12.9	15.0	12.2
50 - 100 m. Euros	19.2	16.6	16.2	15.3	17.4	14.8	17.8	14.4	18.3	13.7	16.0	12.6	16.8	13.8	16.1	12.4	13.6	11.5	13.3	10.9	12.8	10.7
> 100 m. Euros	17.5	15.8	15.5	15.2	15.2	15.0	14.4	14.7	14.4	14.5	13.7	13.6	13.5	13.8	13.4	12.3	10.7	10.3	10.8	10.2	10.1	10.2

wm : weighted mean

med : median

TRADE DEBTORS / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	21.8	21.6	17.5	19.5	18.4	20.4	17.5	20.9	15.9	20.8	13.0	17.9	13.0	16.4	12.8	16.1	13.0	16.6	12.8	16.7	12.1	15.6
By size of company :																						
< 5m Euros	18.1	19.8	17.1	17.2	21.3	19.8	20.8	20.7	19.7	21.6	14.1	17.4	13.2	18.1	13.6	16.8	17.1	17.9	15.8	18.1	17.5	17.1
5m - 20m Euros	21.8	22.7	20.4	20.5	21.3	21.8	22.2	22.5	20.8	21.8	19.4	19.9	19.4	19.9	17.6	17.7	19.4	19.1	17.8	18.3	17.0	17.4
20m - 50m Euros	21.4	20.2	20.9	19.5	19.3	19.2	18.3	19.1	19.5	20.4	17.6	18.1	15.1	15.1	15.2	16.1	15.5	16.4	16.4	17.4	15.3	15.5
50m - 100m Euros	19.7	19.1	17.7	18.6	18.8	20.2	17.8	20.0	17.2	20.2	14.9	15.7	14.2	14.2	13.1	13.3	13.7	13.7	13.8	13.6	13.2	13.7
> 100m Euros	22.9	20.7	15.0	18.1	17.0	18.6	15.9	17.1	13.4	15.4	10.1	12.0	10.8	11.7	11.0	11.8	10.7	11.7	10.6	11.8	10.0	12.1
France																						
Total firms	24.6	39.0	25.2	39.5	24.6	39.8	23.7	39.5	22.1	38.4	22.8	37.6	21.6	36.6	19.7	35.7	20.2	37.3	20.7	37.6	20.2	36.5
By size of company :																						
< 5m. Euros	34.6	40.1	37.8	40.9	39.0	41.3	36.8	41.4	37.2	40.8	35.8	39.4	35.2	38.8	34.6	38.0	36.2	39.9	37.4	40.1	36.2	38.8
5 - 20 m. Euros	37.3	40.4	36.5	40.4	37.4	40.8	36.8	40.1	35.3	39.1	34.7	38.5	33.7	37.5	29.4	36.0	34.3	37.5	34.4	37.7	33.4	36.9
20 - 50 m. Euros	28.9	37.3	33.3	37.8	33.0	36.7	31.8	36.5	31.5	35.5	30.2	33.5	28.6	32.6	27.8	30.7	29.2	32.4	29.7	32.7	29.9	32.6
50 - 100 m. Euros	27.5	32.8	30.6	33.6	29.7	32.4	29.4	33.3	23.6	32.7	27.6	30.9	26.6	29.6	25.1	28.3	25.6	28.7	26.1	29.1	25.6	29.0
> 100 m. Euros	21.4	28.5	20.9	28.4	20.4	27.4	19.3	26.3	17.9	25.4	18.2	24.7	16.8	22.8	15.3	21.7	15.3	22.8	15.9	23.9	15.4	22.4
Germany																						
Total firms			14.0	22.6	14.3	23.3	14.6	23.5	14.3	23.5	13.8	21.9	13.5	21.3	12.5	21.0	13.2	22.1	12.8	22.3		
By size of company :																						
< 5m. Euros			22.4	22.9	22.9	23.7	23.4	24.2	23.3	24.3	22.1	22.4	22.1	22.3	20.8	22.0	22.5	23.2	22.4	23.1		
5 - 20 m. Euros			22.7	23.8	23.7	24.7	23.1	24.6	23.3	25.0	22.4	23.5	21.5	22.7	21.2	22.7	21.9	23.8	22.6	24.2		
20 - 50 m. Euros			20.6	21.1	21.0	22.0	21.1	22.4	21.2	22.2	19.9	21.2	18.9	19.7	18.3	19.0	19.7	20.9	20.2	21.2		
50 - 100 m. Euros			18.7	19.6	19.3	20.7	19.8	21.2	20.8	21.0	18.5	19.0	17.9	18.9	17.4	18.1	17.5	19.3	17.9	19.2		
> 100 m. Euros			12.4	17.5	12.5	17.6	12.8	18.1	12.4	17.0	12.2	16.7	12.1	15.6	11.0	14.9	11.7	15.7	11.3	15.7		
Italy																						
Total firms	28.9	35.6	29.3	36.3	29.0	36.5	29.6	37.3	28.0	35.7	27.4	35.2	27.1	35.4	27.8	35.2	27.2	36.5	27.5	37.2	26.6	36.3
By size of company :																						
< 5m. Euros	31.8	32.9	32.9	34.4	33.0	34.7	32.9	35.5	32.4	34.2	30.9	33.9	31.1	34.4	28.2	33.6	30.1	34.2	30.2	34.5	29.5	33.4
5 - 20 m. Euros	36.8	38.7	36.8	39.0	35.8	38.9	37.2	39.3	35.6	38.0	34.6	37.2	34.5	37.0	33.4	37.1	35.1	38.3	36.1	39.0	34.7	37.7
20 - 50 m. Euros	34.7	37.4	34.5	38.1	35.1	37.9	35.3	38.4	34.1	37.0	32.8	35.6	32.3	35.9	31.8	34.6	32.7	36.7	33.2	36.6	32.7	35.8
50 - 100 m. Euros	31.5	34.5	31.6	33.7	31.7	35.2	30.8	35.1	29.9	32.5	30.5	33.5	28.4	32.6	29.3	33.2	29.8	33.0	30.1	34.2	28.0	32.8
> 100 m. Euros	23.0	28.7	23.4	29.0	23.4	29.1	24.4	30.5	22.8	28.0	22.2	25.9	21.9	26.6	23.5	28.4	21.3	29.0	21.7	29.5	21.4	28.5
Spain																						
Total firms	34.2	40.9	32.3	38.9	31.0	38.2	28.3	36.6	28.1	36.3	21.7	32.5	20.8	28.6	20.4	29.2	21.0	30.5	21.2	30.0	19.6	29.2
By size of company :																						
< 5m. Euros	43.1	41.4	40.0	39.1	39.3	37.8	31.6	36.8	28.4	35.6	29.3	32.9	24.4	27.8	26.7	28.6	28.7	29.8	26.4	29.8	28.3	29.9
5 - 20 m. Euros	39.2	43.0	38.7	41.1	37.5	40.2	35.2	38.8	34.1	38.8	30.2	35.3	27.9	31.4	27.1	31.7	29.4	33.5	29.2	32.0	28.1	31.9
20 - 50 m. Euros	36.7	37.9	34.5	36.4	35.5	38.2	32.9	36.1	33.9	37.6	27.4	32.4	26.3	31.8	27.1	32.4	27.6	33.1	28.1	32.4	26.2	29.8
50 - 100 m. Euros	32.6	33.5	31.2	29.4	31.9	33.9	30.7	32.6	30.4	30.2	24.0	26.6	25.2	24.3	21.0	23.5	23.0	26.1	23.2	26.4	22.1	25.9
> 100 m. Euros	31.3	29.9	29.3	29.2	27.4	27.6	25.2	27.1	25.3	27.1	18.3	20.4	17.6	20.1	17.6	20.2	17.7	20.1	17.9	22.4	16.4	20.0

wm : weighted mean

med : median

TRADE DEBTORS / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	17.4	14.0	14.5	13.4	15.2	13.9	14.4	13.9	13.8	13.5	11.8	12.9	11.9	12.1	11.5	12.2	12.2	12.7	11.5	12.1	11.1	11.8
By size of company :																						
< 5m Euros	15.0	14.3	15.2	13.8	16.8	14.9	17.4	14.9	16.5	14.3	16.8	13.2	15.1	12.9	14.5	13.9	15.3	13.1	15.4	13.7	15.9	13.3
5m - 20m Euros	16.2	14.6	15.3	13.7	16.1	14.4	16.6	15.1	15.2	13.9	15.0	13.9	15.0	13.4	14.9	13.4	16.2	14.4	14.6	13.0	13.9	12.6
20m - 50m Euros	16.5	13.9	16.1	14.0	15.0	13.0	14.1	13.1	15.6	13.5	14.0	12.8	12.5	11.6	12.3	11.4	13.1	12.0	13.6	11.7	12.7	11.7
50m - 100m Euros	15.5	11.9	13.7	11.4	13.6	13.1	13.3	12.7	13.8	13.1	13.8	11.0	14.0	11.2	13.1	10.4	13.5	11.6	12.1	10.9	11.5	10.5
> 100m Euros	19.0	12.6	13.6	10.9	15.5	12.6	14.2	12.8	12.7	11.8	9.8	10.8	10.3	9.8	9.9	10.6	10.4	10.7	10.0	9.8	9.7	10.3
France																						
Total firms	19.7	23.1	19.5	23.8	19.0	24.2	18.3	24.1	18.0	23.4	18.2	23.0	17.6	22.7	16.8	22.7	16.9	23.5	16.9	23.0	16.4	22.5
By size of company :																						
< 5m. Euros	23.6	23.4	24.4	24.2	25.0	25.1	24.5	24.6	24.2	24.1	23.9	23.7	23.6	23.4	23.7	23.5	24.5	24.4	24.1	23.8	23.5	23.3
5 - 20 m. Euros	23.5	24.0	24.1	24.5	24.4	24.7	24.2	24.8	23.5	24.0	23.2	23.4	23.1	23.2	22.7	23.0	23.7	23.9	23.3	23.4	22.7	22.9
20 - 50 m. Euros	22.5	23.3	22.8	23.7	22.6	23.2	22.3	23.1	21.7	22.3	21.2	21.4	20.6	20.9	20.3	20.8	21.2	21.7	21.0	21.4	20.4	20.4
50 - 100 m. Euros	21.1	20.1	20.6	20.7	20.9	21.0	20.7	21.4	20.4	20.3	20.0	18.7	19.8	19.2	19.6	19.4	19.9	19.8	19.8	20.1	19.1	18.6
> 100 m. Euros	18.1	18.1	17.6	17.5	16.8	18.2	15.9	17.3	15.5	16.8	15.7	16.4	14.8	15.5	14.1	15.5	13.9	16.0	14.1	15.4	13.7	14.5
Germany																						
Total firms			10.5	10.5	10.4	10.9	10.5	11.1	10.2	11.1	10.0	10.2	10.0	10.0	9.9	10.3	10.3	10.9	9.9	10.8		
By size of company :																						
< 5m. Euros			12.0	10.1	12.8	10.4	12.4	10.7	12.8	10.7	11.7	9.7	11.7	9.9	12.1	10.1	12.4	10.8	12.2	10.6		
5 - 20 m. Euros			12.4	10.9	12.9	11.3	12.8	11.3	12.6	11.3	11.9	10.5	11.7	10.0	12.0	10.6	12.7	11.0	12.4	11.1		
20 - 50 m. Euros			12.8	11.3	12.8	11.4	12.7	11.5	12.9	11.5	12.1	10.8	11.9	10.3	11.7	10.3	12.3	11.1	12.3	11.1		
50 - 100 m. Euros			12.1	10.8	12.9	11.5	12.9	11.3	12.8	11.6	11.9	10.9	11.6	10.5	11.5	10.3	11.4	10.5	11.7	10.6		
> 100 m. Euros			9.9	11.3	9.7	11.3	9.8	11.3	9.3	10.9	9.3	10.5	9.4	10.1	9.3	10.1	9.7	10.3	9.2	10.0		
Italy																						
Total firms	26.9	27.7	27.3	28.7	26.9	28.8	27.6	29.6	27.0	28.5	27.3	29.3	27.7	29.8	27.9	30.5	27.4	31.3	25.8	29.4	24.7	29.1
By size of company :																						
< 5m. Euros	29.7	27.3	30.6	28.3	30.6	28.5	31.5	29.4	30.6	28.1	31.3	29.2	32.9	29.8	33.6	31.8	37.1	33.8	34.7	31.9	35.3	31.2
5 - 20 m. Euros	30.5	28.6	30.8	29.4	30.9	29.6	32.0	30.2	30.8	29.2	31.5	29.8	32.4	30.2	32.0	30.5	32.3	31.3	31.2	30.0	30.6	29.8
20 - 50 m. Euros	28.8	27.5	29.8	29.2	30.7	29.5	30.8	29.8	30.7	29.3	30.9	29.6	31.5	30.1	30.0	29.1	30.7	30.0	28.7	28.0	28.8	28.1
50 - 100 m. Euros	28.7	27.1	28.7	27.7	28.2	27.8	27.7	26.3	28.5	26.9	29.6	27.9	30.2	28.4	30.5	28.4	28.4	27.4	27.2	26.4	25.7	25.7
> 100 m. Euros	23.4	23.7	23.6	24.8	23.0	24.2	24.1	25.6	23.4	24.4	23.4	23.6	23.1	23.7	23.8	23.9	22.8	24.8	21.6	23.4	20.4	23.0
Spain																						
Total firms	32.8	31.7	29.2	29.6	27.4	27.8	24.3	26.0	25.6	26.4	20.1	24.0	19.6	21.6	20.1	22.7	18.3	23.0	16.7	21.8	15.4	22.1
By size of company :																						
< 5m. Euros	42.6	31.6	38.2	29.2	34.8	26.6	29.3	25.3	28.5	24.8	25.6	22.6	23.3	19.3	25.4	21.3	25.4	22.4	23.4	21.3	23.7	22.0
5 - 20 m. Euros	34.8	32.5	33.2	31.1	32.3	30.0	29.3	28.1	30.5	28.5	27.4	26.3	24.9	24.7	25.7	25.4	25.2	25.0	24.3	23.9	24.6	24.6
20 - 50 m. Euros	35.9	32.0	33.3	30.1	34.1	29.7	29.4	27.2	31.0	27.6	26.4	25.7	26.7	24.8	27.0	26.2	26.7	25.5	24.3	22.3	23.6	22.1
50 - 100 m. Euros	32.4	30.4	30.5	27.4	30.1	27.4	31.2	28.3	31.2	28.0	26.3	23.5	25.5	21.5	23.3	22.1	23.5	21.9	20.6	18.8	20.7	18.9
> 100 m. Euros	30.1	24.2	25.7	21.8	23.7	22.7	20.8	20.8	22.3	20.6	16.2	17.8	16.2	17.2	17.0	18.5	14.7	16.1	13.5	15.9	12.0	15.4

wm : weighted mean

med : median

TRADE DEBTORS – TRADE CREDITORS / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	6.1	3.8	5.1	4.1	5.5	4.2	5.4	4.5	4.9	4.6	3.5	3.9	4.5	4.3	4.1	4.5	4.2	5.0	4.3	4.8	3.7	4.7
By size of company :																						
< 5m Euros	1.4	1.2	1.2	1.7	3.9	3.7	4.4	3.9	4.5	3.9	5.5	2.5	4.0	2.6	2.0	2.3	5.1	4.7	3.9	3.9	5.2	6.5
5m - 20m Euros	3.9	3.5	4.4	3.9	4.6	4.1	5.3	4.4	4.1	4.4	4.9	4.6	6.5	5.1	6.6	5.8	7.4	6.3	6.2	5.2	5.1	5.3
20m - 50m Euros	6.0	5.4	7.7	6.9	5.9	5.1	5.5	5.2	6.6	5.1	5.5	5.1	4.1	3.4	4.4	4.2	4.7	4.5	6.1	4.5	5.6	4.7
50m - 100m Euros	5.7	5.7	5.3	5.1	5.0	5.0	4.9	4.5	5.4	4.4	5.3	3.4	6.8	4.7	5.9	3.7	6.0	4.2	5.4	4.8	5.3	4.7
> 100m Euros	7.0	3.0	4.1	2.4	5.8	3.2	5.5	4.3	4.3	5.0	1.9	2.8	3.5	3.3	2.8	4.0	2.7	2.5	2.9	3.0	2.2	2.9
France																						
Total firms	7.8	9.3	7.4	9.2	6.5	8.8	5.7	8.5	5.4	8.4	6.1	8.7	5.6	8.7	4.8	8.9	3.9	8.5	4.2	8.3	4.0	8.4
By size of company :																						
< 5m. Euros	8.9	9.0	9.2	9.3	8.9	9.1	8.6	8.9	8.7	8.8	8.9	9.4	9.1	9.2	9.1	9.3	9.1	9.3	8.9	9.1	8.9	9.2
5 - 20 m. Euros	9.7	9.8	9.4	9.4	9.2	9.1	8.4	8.5	8.0	8.2	8.4	8.6	8.7	8.9	8.7	9.1	8.5	8.5	8.2	8.1	8.0	8.2
20 - 50 m. Euros	9.7	10.1	9.4	9.6	8.4	8.6	8.3	8.6	7.8	8.4	8.0	8.2	7.9	7.6	7.9	8.0	7.2	7.1	7.1	6.8	7.2	6.7
50 - 100 m. Euros	9.4	8.6	8.5	8.6	7.8	8.5	7.6	7.7	7.2	7.2	7.3	6.9	7.4	7.6	7.4	7.5	6.7	6.5	6.5	7.1	6.5	6.1
> 100 m. Euros	6.8	8.2	6.4	7.4	5.4	7.0	4.4	6.4	3.9	5.9	4.7	5.6	3.9	5.0	2.8	4.5	1.7	4.2	2.3	4.1	1.9	3.6
Germany																						
Total firms			4.7	3.5	4.4	3.7	4.5	3.7	4.0	3.6	4.2	3.8	4.5	3.8	4.5	4.1	4.6	4.2	4.1	4.1		
By size of company :																						
< 5m. Euros			2.4	0.8	3.0	0.8	2.5	0.8	2.7	0.5	2.4	0.6	2.7	1.2	3.1	1.4	3.1	1.3	3.0	1.1		
5 - 20 m. Euros			4.5	3.2	4.6	3.4	4.5	3.2	4.4	2.6	4.2	2.5	4.3	2.8	4.7	2.9	4.7	2.8	4.4	2.7		
20 - 50 m. Euros			5.8	4.4	5.5	4.0	5.2	4.2	4.9	3.8	4.9	3.8	4.8	3.8	5.2	4.0	5.3	4.0	5.1	4.0		
50 - 100 m. Euros			5.8	5.1	5.7	5.1	5.5	5.0	5.7	5.1	5.5	4.9	5.4	4.3	5.6	4.4	5.1	4.4	5.1	4.1		
> 100 m. Euros			4.6	4.7	4.2	4.7	4.3	4.4	3.7	4.4	4.0	4.3	4.4	4.3	4.3	4.6	4.5	4.6	3.9	4.5		
Italy																						
Total firms	10.1	7.2	9.2	8.2	8.8	7.7	9.3	8.3	9.3	8.2	9.5	8.7	9.7	9.4	9.7	9.3	8.4	8.7	7.6	8.2	7.8	9.2
By size of company :																						
< 5m. Euros	7.0	5.4	7.8	6.8	7.1	6.2	9.0	7.2	7.7	7.0	7.6	7.7	9.3	8.5	8.3	9.1	10.6	9.5	10.8	9.1	11.4	10.1
5 - 20 m. Euros	10.5	8.5	10.0	9.0	9.5	8.3	10.0	8.7	9.7	8.6	10.2	9.0	10.7	9.8	10.1	9.2	9.0	8.1	8.6	8.1	9.7	9.1
20 - 50 m. Euros	12.1	10.3	11.9	10.6	11.6	10.3	11.5	10.3	11.6	10.5	11.8	10.5	12.2	11.2	11.0	10.3	9.6	9.2	8.5	8.1	9.9	9.4
50 - 100 m. Euros	13.3	11.9	12.1	11.2	11.4	10.4	10.9	10.6	11.4	10.4	12.7	11.3	12.3	10.7	13.4	11.3	9.9	9.0	9.5	8.9	9.2	9.1
> 100 m. Euros	8.9	9.2	7.2	8.3	7.1	8.3	8.0	8.8	8.2	8.9	8.0	8.8	7.8	8.9	8.3	8.4	7.1	8.2	6.1	6.8	5.9	7.4
Spain																						
Total firms	17.8	16.1	14.2	14.4	12.9	12.9	10.4	11.6	11.2	12.2	7.3	9.2	7.4	7.9	7.7	8.2	6.3	7.7	5.2	7.3	3.5	7.7
By size of company :																						
< 5m. Euros	24.4	15.4	20.9	13.5	15.0	11.4	12.5	10.6	10.1	10.5	8.7	7.6	8.3	6.1	8.8	7.3	8.6	6.6	6.7	6.5	8.0	7.6
5 - 20 m. Euros	18.9	17.1	17.9	15.7	16.4	13.8	13.9	12.6	15.0	13.5	11.0	11.1	10.0	9.3	9.7	9.5	8.6	8.8	8.5	8.3	9.0	8.9
20 - 50 m. Euros	21.2	18.5	18.8	15.6	20.2	15.3	15.1	13.6	15.3	14.5	12.1	12.6	12.4	11.0	12.3	11.8	11.1	11.3	10.1	9.5	8.5	8.2
50 - 100 m. Euros	18.8	15.4	17.2	14.9	17.3	14.0	17.2	13.3	16.5	12.3	12.3	9.8	13.1	8.6	11.4	10.5	10.2	9.3	8.7	6.9	8.7	6.7
> 100 m. Euros	15.4	10.9	10.6	10.7	9.3	9.3	7.4	9.6	8.7	9.0	4.7	6.8	5.0	6.6	5.9	6.7	4.4	5.3	3.3	4.8	1.2	3.7

wm : weighted mean

med : median

NET WORKING CAPITAL REQUIREMENTS / NET TURNOVER

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	20.9	18.6	16.5	17.0	17.2	16.4	17.2	16.7	17.0	18.2	16.8	17.3	17.0	17.9	15.8	17.2	15.6	17.4	15.6	17.2	14.2	16.9
By size of company :																						
< 5m Euros	19.1	17.5	20.9	13.1	18.6	15.2	20.3	16.6	20.4	18.5	25.6	17.8	23.1	16.8	22.5	18.9	23.4	20.8	23.4	17.2	18.8	18.6
5m - 20m Euros	19.6	18.0	18.9	17.0	17.9	16.7	18.9	17.1	19.2	18.1	20.1	18.0	20.4	18.6	20.7	18.6	21.6	17.8	20.0	18.0	18.8	16.9
20m - 50m Euros	21.2	19.5	22.5	19.5	18.2	16.2	19.0	17.3	20.1	18.4	19.3	17.3	19.0	17.7	17.9	17.1	17.6	17.4	20.0	18.4	19.2	17.7
50m - 100m Euros	20.8	21.3	20.1	22.0	19.5	21.8	16.6	15.2	20.2	19.1	20.2	19.1	20.4	18.4	18.3	15.9	18.8	16.8	17.4	16.5	17.5	16.7
> 100m Euros	21.3	17.7	10.3	14.1	15.5	14.3	16.2	15.2	14.1	14.9	14.1	13.7	14.3	12.9	13.0	14.8	12.2	14.8	12.6	14.8	10.5	14.1
France																						
Total firms	15.7	16.5	14.2	16.0	12.7	15.4	12.7	15.4	12.8	15.1	13.6	15.2	13.0	15.1	10.8	14.8	9.1	14.3	9.9	14.1	9.1	13.9
By size of company :																						
< 5m. Euros	17.2	14.7	17.0	14.7	16.8	14.5	16.8	14.0	16.2	14.0	16.7	14.2	16.6	14.1	16.2	14.2	15.7	13.9	15.4	13.3	15.7	13.5
5 - 20 m. Euros	19.6	17.5	19.1	17.0	18.7	16.2	18.4	16.8	18.2	16.5	18.7	16.7	18.9	16.7	18.3	16.3	17.4	15.8	17.4	15.5	17.4	15.5
20 - 50 m. Euros	20.9	18.9	19.3	18.4	18.6	17.7	18.8	17.9	18.6	16.5	18.2	16.3	18.3	16.2	17.3	15.6	16.9	14.9	17.0	15.9	16.0	14.4
50 - 100 m. Euros	18.3	18.5	18.1	17.2	16.7	16.2	16.8	15.8	16.3	16.3	16.5	15.7	17.2	16.2	17.0	15.0	15.9	13.6	16.3	14.8	15.2	13.2
> 100 m. Euros	13.6	16.9	11.5	16.1	9.8	14.4	9.9	14.8	10.0	13.4	10.9	13.5	9.6	12.8	6.7	11.4	4.7	10.0	5.9	10.7	4.9	10.0
Germany																						
Total firms			11.7	14.1	9.8	14.7	10.9	14.7	10.8	14.3	12.2	14.3	10.7	14.4	10.0	15.1	9.0	15.4	8.6	15.5		
By size of company :																						
< 5m. Euros			14.5	11.4	15.3	11.9	14.9	11.6	13.9	11.1	14.5	10.9	15.2	11.5	17.3	12.7	18.0	12.9	18.0	12.8		
5 - 20 m. Euros			18.8	13.5	19.0	14.2	18.6	14.2	18.7	13.4	18.6	13.3	18.4	13.4	18.7	14.3	18.4	14.3	18.5	14.0		
20 - 50 m. Euros			20.6	15.6	21.5	16.5	20.9	17.0	20.9	15.9	20.2	16.0	18.2	14.9	19.1	15.0	18.9	15.1	18.0	15.7		
50 - 100 m. Euros			18.3	14.6	19.5	16.4	20.6	16.2	20.4	16.8	20.7	16.8	18.3	15.2	17.8	14.9	15.7	15.0	17.5	14.5		
> 100 m. Euros			9.5	10.3	6.8	11.9	8.0	12.5	8.0	12.8	9.8	13.3	8.4	12.1	7.2	11.9	6.4	11.6	5.9	11.7		
Italy																						
Total firms	13.2	20.4	11.8	21.0	11.8	21.1	13.1	22.0	13.6	21.9	13.7	22.5	13.4	22.9	11.4	21.3	8.7	20.6	7.7	19.8	7.3	20.0
By size of company :																						
< 5m. Euros	22.8	20.4	23.0	21.2	23.0	21.0	24.5	21.8	24.2	21.6	25.0	22.8	26.1	23.3	24.9	23.7	25.2	24.2	24.7	23.6	27.2	24.7
5 - 20 m. Euros	22.5	20.5	22.6	21.2	23.0	21.5	24.3	22.3	24.2	22.2	24.9	22.8	25.3	23.3	21.9	21.0	20.9	20.0	20.4	20.1	21.2	20.4
20 - 50 m. Euros	21.2	21.0	21.3	21.1	21.8	21.8	23.2	23.6	24.3	24.0	22.8	23.2	22.9	23.0	19.5	19.2	17.7	19.4	18.2	18.9	18.3	20.0
50 - 100 m. Euros	19.2	20.4	18.7	20.5	17.0	19.0	18.1	20.1	17.9	20.1	19.7	21.5	19.2	20.5	14.5	18.1	13.6	14.8	15.3	15.5	11.9	14.9
> 100 m. Euros	2.5	14.2	-0.9	12.6	0.5	13.3	2.2	15.2	3.6	14.4	3.5	14.1	1.8	11.9	0.9	12.2	-3.2	11.6	-4.5	12.0	-3.6	12.2
Spain																						
Total firms	26.8	24.8	22.1	22.2	20.7	21.5	19.8	20.5	21.8	21.6	18.6	20.4	18.9	19.3	17.4	19.4	13.8	18.5	13.9	17.2	11.5	17.4
By size of company :																						
< 5m. Euros	33.4	22.9	28.1	20.5	30.9	19.7	28.6	18.5	34.3	19.0	25.6	18.0	25.2	16.5	22.6	17.9	21.0	17.5	18.1	15.4	18.7	16.8
5 - 20 m. Euros	29.3	26.6	27.4	24.3	26.8	24.3	25.6	23.2	28.0	23.9	25.4	23.8	22.8	21.5	21.9	20.4	20.4	19.6	20.3	19.6	21.0	20.0
20 - 50 m. Euros	29.5	27.9	26.4	24.7	27.5	24.6	25.4	24.8	26.8	26.5	26.6	24.5	27.2	24.1	24.1	23.5	21.6	21.9	20.6	20.2	18.4	17.9
50 - 100 m. Euros	28.8	24.8	27.3	24.7	25.6	24.0	27.3	24.3	26.8	21.8	23.6	20.5	24.3	20.2	24.9	21.1	20.7	18.0	18.5	16.1	18.3	16.3
> 100 m. Euros	24.0	22.8	17.8	21.9	15.8	19.2	15.5	18.9	17.9	18.5	14.7	19.2	15.5	20.1	13.7	16.2	10.1	13.2	10.9	14.6	8.2	12.8

wm : weighted mean

med : median

SHORT TERM INVESTMENT AND CASH / TOTAL ASSETS

Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	9.7	2.4	12.0	2.7	12.4	3.0	11.3	2.7	10.7	2.2	8.0	2.5	8.6	2.4	7.1	2.3	9.1	2.7	8.6	2.3	9.3	3.0
By size of company :																						
< 5m Euros	3.1	0.6	6.9	1.2	5.4	1.1	3.8	0.9	4.2	1.3	4.7	1.3	4.2	0.9	3.7	0.8	4.4	0.9	4.3	0.6	4.2	0.9
5m - 20m Euros	6.3	2.2	7.3	2.4	7.7	2.9	7.0	2.5	5.5	1.4	5.5	1.8	6.2	1.5	6.3	2.1	6.4	2.3	6.1	2.0	5.8	2.6
20m - 50m Euros	6.8	4.3	7.5	4.4	9.2	4.4	8.7	4.2	9.5	4.2	8.5	4.0	7.7	3.3	7.0	2.7	8.7	3.2	8.8	3.1	7.8	3.8
50m - 100m Euros	7.3	2.1	10.1	3.4	8.2	2.5	10.8	3.8	7.7	2.7	8.2	4.0	8.1	3.8	7.7	3.6	10.8	4.9	8.6	3.8	9.3	3.1
> 100m Euros	13.1	7.9	16.7	7.0	16.5	6.3	13.6	5.0	13.1	2.7	8.3	2.1	9.4	2.5	7.1	3.3	9.1	2.7	9.0	2.5	10.4	4.1
France																						
Total firms	6.0	3.0	7.0	3.3	6.6	3.5	6.0	3.4	5.9	3.4	6.1	3.3	6.5	3.3	7.4	3.7	7.4	4.3	7.2	4.0	7.1	4.1
By size of company :																						
< 5m. Euros	8.0	3.2	8.9	3.5	8.8	3.5	9.9	3.7	9.8	3.5	10.9	3.5	11.6	3.5	12.2	3.7	12.3	4.5	11.5	4.4	11.9	4.6
5 - 20 m. Euros	6.6	2.9	7.2	3.2	7.9	3.6	7.8	3.4	8.2	3.4	8.3	3.5	8.8	3.6	13.4	4.0	9.9	4.6	9.7	4.3	9.5	4.2
20 - 50 m. Euros	5.2	3.0	6.4	3.3	6.6	3.2	6.4	3.1	6.9	3.2	7.1	3.3	7.6	3.2	8.9	3.8	8.9	3.9	8.4	3.6	9.0	3.6
50 - 100 m. Euros	5.1	2.6	6.5	3.0	7.3	3.5	6.5	3.0	7.0	3.3	6.3	2.8	6.0	2.9	6.9	3.5	8.0	4.0	7.6	3.5	7.9	3.3
> 100 m. Euros	6.1	2.3	7.0	2.5	6.2	2.8	5.4	2.7	5.1	2.3	5.2	1.7	5.7	1.4	6.1	1.6	6.5	2.0	6.4	1.9	6.1	1.9
Germany																						
Total firms			11.6	2.0	11.1	1.8	9.7	1.8	9.0	2.0	8.0	1.9	7.3	1.8	7.8	1.7	9.3	1.7	8.6	1.6		
By size of company :																						
< 5m. Euros			6.5	1.8	6.4	1.6	6.8	1.7	6.6	2.0	6.9	1.8	6.9	1.7	6.6	1.5	6.2	1.6	6.1	1.5		
5 - 20 m. Euros			7.0	2.3	6.4	2.1	6.4	2.1	6.4	2.3	6.7	2.2	6.6	2.0	6.4	2.0	6.7	2.0	5.8	1.8		
20 - 50 m. Euros			6.3	2.0	5.9	2.0	5.9	1.8	5.4	1.8	5.8	1.7	6.3	2.0	6.2	2.0	5.8	1.8	5.5	1.8		
50 - 100 m. Euros			6.0	1.9	6.6	1.5	5.8	1.4	5.7	1.9	4.4	1.3	4.8	1.1	5.4	1.4	5.8	1.4	5.6	1.3		
> 100 m. Euros			12.9	2.5	12.2	2.1	10.6	1.8	9.8	1.6	8.6	1.3	7.6	1.4	8.2	1.2	10.1	1.2	9.3	1.2		
Italy																						
Total firms	8.0	3.0	7.8	3.3	6.8	3.2	6.2	2.9	5.8	2.7	5.1	2.3	4.9	2.1	5.2	2.2	5.1	2.6	4.8	2.5	4.8	2.7
By size of company :																						
< 5m. Euros	6.3	2.2	6.6	2.5	6.9	2.6	6.7	2.5	6.6	2.4	6.5	2.0	5.7	1.7	5.6	1.7	6.3	1.9	6.7	1.8	5.9	1.8
5 - 20 m. Euros	7.8	3.8	8.5	4.1	8.0	3.7	7.0	3.1	7.2	3.0	6.4	2.7	6.5	2.5	6.6	2.6	7.1	3.1	6.6	2.8	6.6	2.9
20 - 50 m. Euros	9.6	4.6	9.6	4.5	8.4	4.0	7.2	3.4	7.0	3.1	6.3	2.8	6.0	2.4	6.6	2.5	6.5	3.0	6.0	2.8	6.4	3.1
50 - 100 m. Euros	8.2	3.6	8.6	3.4	8.7	3.7	7.9	3.5	7.1	2.5	5.6	1.8	5.2	2.0	4.9	2.2	5.6	2.8	5.3	2.4	5.3	2.5
> 100 m. Euros	7.9	3.9	7.1	3.9	5.5	3.0	5.2	2.4	4.7	2.3	4.1	1.6	3.8	1.7	4.2	1.7	3.5	1.7	3.6	1.7	3.5	1.8
Spain																						
Total firms	5.1	4.9	6.9	5.0	7.2	4.9	7.2	4.5	6.1	3.9	5.3	4.2	4.3	3.6	4.5	3.8	5.3	4.1	6.2	4.1	5.6	4.5
By size of company :																						
< 5m. Euros	6.7	5.7	7.8	5.9	9.0	5.7	8.4	5.8	9.8	5.3	9.8	5.6	9.4	4.9	9.8	4.8	11.3	4.9	10.7	5.0	11.4	5.5
5 - 20 m. Euros	6.1	4.2	7.1	4.4	7.1	4.3	7.7	4.1	8.1	3.4	7.2	3.7	7.7	3.4	8.1	4.0	8.7	4.0	9.7	4.7	9.8	5.0
20 - 50 m. Euros	6.5	3.8	6.9	4.0	6.7	3.6	6.9	3.3	6.5	2.7	6.4	2.6	5.3	2.4	6.4	2.5	6.2	2.8	6.5	2.4	6.6	2.6
50 - 100 m. Euros	4.9	3.0	6.4	3.3	8.0	3.2	5.8	2.6	5.2	2.1	6.5	2.6	4.9	1.5	5.3	1.5	6.2	1.7	6.1	1.5	5.7	1.3
> 100 m. Euros	4.2	1.9	6.8	2.3	7.0	2.1	7.4	2.3	5.6	1.8	4.3	1.4	3.2	0.8	3.1	0.9	4.1	1.0	5.3	1.3	4.5	1.4

wm : weighted mean

med : median

SHORT TERM INVESTMENT AND CASH / NET TURNOVER

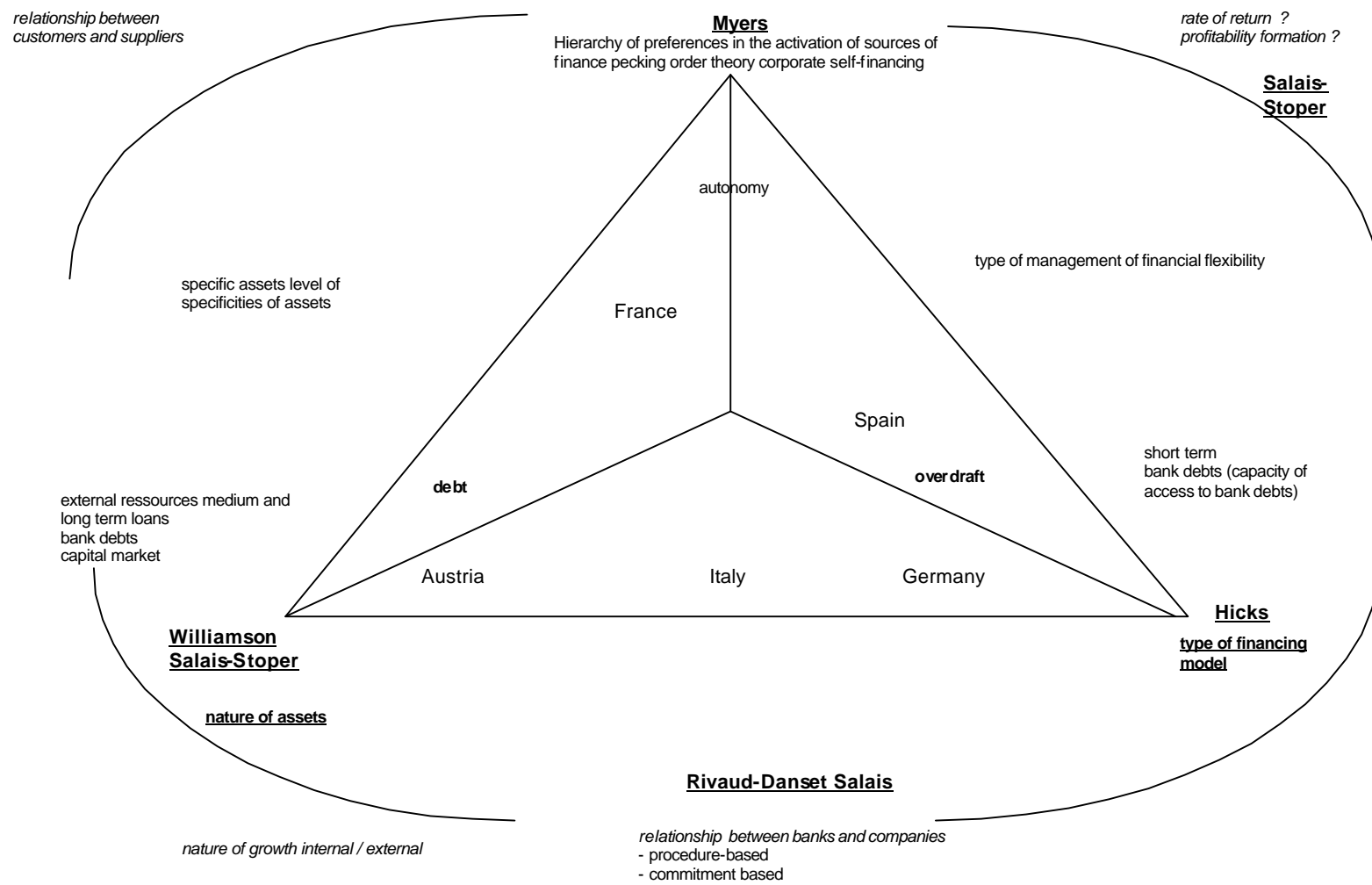
Manufacturing industry

	1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996	
	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med	wm	med
Austria																						
Total firms	7.8	1.7	9.9	1.8	10.2	2.0	9.3	1.8	9.3	1.6	7.3	1.9	7.8	1.7	6.4	1.7	8.6	1.9	7.7	1.8	8.5	2.1
By size of company :																						
< 5m Euros	2.5	0.6	6.2	1.1	4.3	0.9	3.1	0.7	3.6	0.8	5.6	0.8	4.8	0.7	3.9	0.8	3.9	0.8	4.2	0.6	3.8	0.5
5m - 20m Euros	4.7	1.4	5.5	1.6	5.8	2.0	5.3	1.5	4.1	1.1	4.3	1.2	4.8	1.1	5.3	1.4	5.3	1.6	5.0	1.5	4.8	1.8
20m - 50m Euros	5.3	3.0	5.7	2.8	7.2	3.4	6.7	3.1	7.7	2.9	6.8	3.0	6.4	2.6	5.6	1.9	7.4	2.3	7.3	2.5	6.5	2.6
50m - 100m Euros	5.7	1.7	7.8	1.7	5.9	1.4	8.1	2.9	6.2	2.2	7.6	2.8	8.0	2.5	7.7	3.1	10.6	4.0	7.6	2.8	8.1	2.6
> 100m Euros	10.9	4.3	15.2	4.4	15.1	4.7	12.2	2.7	12.4	2.1	8.0	1.7	8.9	2.4	6.4	1.8	8.9	1.8	8.5	2.1	10.1	3.2
France																						
Total firms	4.8	1.7	5.4	1.9	5.1	2.0	4.6	2.0	4.8	2.0	4.8	2.0	5.3	1.9	6.4	2.2	6.2	2.5	5.9	2.4	5.8	2.4
By size of company :																						
< 5m. Euros	5.4	1.8	5.7	2.0	5.6	2.1	6.6	2.0	6.3	2.0	7.3	2.0	7.8	2.0	8.3	2.2	8.3	2.5	7.4	2.4	7.8	2.5
5 - 20 m. Euros	4.2	1.6	4.7	1.9	5.2	2.1	5.1	2.0	5.5	2.0	5.5	2.1	6.0	2.1	10.4	2.5	6.9	2.8	6.6	2.5	6.5	2.4
20 - 50 m. Euros	4.1	1.8	4.4	2.1	4.5	1.9	4.5	1.9	4.8	2.0	5.0	2.1	5.5	2.0	6.5	2.3	6.5	2.3	5.9	2.2	6.2	2.2
50 - 100 m. Euros	3.9	1.6	4.3	1.7	5.2	2.2	4.6	1.8	6.1	2.0	4.6	1.9	4.5	1.8	5.4	2.2	6.2	2.5	5.7	2.3	5.9	2.0
> 100 m. Euros	5.2	1.5	5.9	1.7	5.1	1.6	4.4	1.7	4.4	1.7	4.5	1.1	5.1	0.9	5.6	1.2	5.9	1.5	5.7	1.4	5.4	1.3
Germany																						
Total firms			8.7	1.0	8.1	0.9	7.0	0.9	6.4	1.0	5.8	0.9	5.4	0.9	6.2	0.8	7.3	0.9	6.7	0.8		
By size of company :																						
< 5m. Euros			3.5	0.8	3.6	0.7	3.6	0.8	3.6	0.9	3.6	0.8	3.7	0.8	3.8	0.7	3.4	0.8	3.3	0.7		
5 - 20 m. Euros			3.8	1.1	3.5	1.0	3.6	1.0	3.5	1.0	3.5	1.0	3.6	0.9	3.6	0.9	3.9	1.0	3.2	0.9		
20 - 50 m. Euros			3.9	1.1	3.6	1.1	3.6	0.9	3.3	0.9	3.6	0.9	3.9	1.0	3.9	1.1	3.6	1.0	3.3	1.0		
50 - 100 m. Euros			3.9	1.0	4.4	0.9	3.8	0.8	3.5	1.0	2.9	0.8	3.1	0.7	3.6	0.8	3.8	0.7	3.6	0.7		
> 100 m. Euros			10.3	1.4	9.4	1.1	8.1	1.0	7.3	1.0	6.6	0.8	5.9	0.9	7.0	0.8	8.4	0.8	7.6	0.8		
Italy																						
Total firms	7.5	2.3	7.3	2.6	6.3	2.5	5.8	2.3	5.6	2.2	5.1	1.9	5.0	1.8	5.3	1.9	5.1	2.3	4.5	2.0	4.5	2.1
By size of company :																						
< 5m. Euros	5.9	1.9	6.1	2.1	6.4	2.2	6.4	2.1	6.3	2.0	6.6	1.8	6.0	1.5	6.7	1.7	7.8	1.9	7.8	1.8	7.0	1.8
5 - 20 m. Euros	6.5	2.7	7.1	3.1	6.9	2.8	6.0	2.4	6.2	2.3	5.8	2.1	6.1	2.0	6.3	2.2	6.6	2.5	5.7	2.1	5.8	2.2
20 - 50 m. Euros	8.0	3.2	8.3	3.4	7.3	3.0	6.2	2.6	6.3	2.4	5.9	2.3	5.8	2.1	6.2	2.1	6.1	2.5	5.2	2.1	5.6	2.3
50 - 100 m. Euros	7.5	2.6	7.9	3.2	7.7	3.1	7.1	2.6	6.8	2.0	5.5	1.6	5.5	1.8	5.2	1.9	5.4	2.2	4.8	1.8	4.8	1.9
> 100 m. Euros	8.1	2.8	7.2	2.7	5.4	2.4	5.1	1.8	4.8	1.9	4.3	1.5	4.0	1.4	4.3	1.3	3.7	1.6	3.6	1.4	3.4	1.3
Spain																						
Total firms	4.9	3.7	6.2	3.8	6.4	3.4	6.2	3.1	5.5	2.8	4.9	2.9	4.0	2.7	4.4	3.0	4.6	3.1	4.9	2.8	4.4	3.1
By size of company :																						
< 5m. Euros	6.7	4.1	7.5	4.3	8.0	3.9	7.8	3.7	9.8	3.6	8.5	3.6	9.0	3.3	9.4	3.5	10.0	3.7	9.5	3.3	9.6	3.6
5 - 20 m. Euros	5.4	3.4	6.1	3.4	6.2	3.0	6.4	2.7	7.2	2.3	6.6	2.6	6.9	2.6	7.7	3.2	7.5	2.8	8.1	3.2	8.6	3.3
20 - 50 m. Euros	6.3	3.0	6.7	3.3	6.5	3.0	6.2	2.5	5.9	2.0	6.1	2.3	5.3	1.6	6.4	2.0	6.0	2.1	5.6	1.7	5.9	1.9
50 - 100 m. Euros	4.9	2.5	6.3	2.8	7.6	2.4	5.9	2.1	5.4	1.8	7.1	2.3	4.9	1.3	5.9	1.5	6.3	1.8	5.4	1.2	5.3	1.1
> 100 m. Euros	4.0	1.6	6.0	1.9	6.1	1.9	6.1	1.8	4.9	1.5	3.8	1.2	2.9	0.8	3.0	0.9	3.4	1.0	4.0	1.1	3.3	0.9

wm : weighted mean

med : median

Annex 2: A graph presenting the micro-economic determinants of the financial structure



Annex 3: FINANCIAL FEATURES OF ITALIAN MANUFACTURING COMPANIES

CORPORATE INCOME TAX IN ITALY

The corporate tax reforms of 1998 profoundly changed the income tax rules applicable to joint-stock companies.

Corporate income tax up to 1998:

The income of joint-stock companies was taxed on the basis of Irpeg - Income tax of bodies corporate - at 37% and Ilor - Local income tax - to the extent of 16.2%.

The Irpeg percentage underwent several changes: in 1973, it was at 25%, in 1982 it was raised to 30%, in 1983 it was further increased to 36% and as from 1995, it stands at the current rate of 37%.

Ilor was first established at the rate of 15%. In 1986, this rate was raised to 16.2%.

Considering that Ilor is not tax deductible from company income, the overall fiscal pressure is around 53.2%.

The amount subjected to the Irpeg tax is obtained by referring to the result indicated in the financial statements drafted in application of the Italian Civil Code, and then rectifying that figure by increasing or reducing it on the basis of specific taxation provisions pertaining to the tax deductibility or taxability of certain costs or income.

The term “double track” is often used to explain this concept, since two profit and loss accounts must be drafted: one for the purposes of the Italian Civil Code and the other for tax purposes.

In 1992, a “capital levy” was introduced to the extent of 7.5 per thousand on the company’s net assets (in the case of joint-stock and limited liability companies, partnerships and sole proprietorships).

The new corporate income tax

As from 2009, joint-stock and limited liability companies are subjected to Irpeg and Irap - Regional tax on productive activities.

Furthermore, in 1997, a tax facilitation mechanism known as “Dual Income Tax” (DIT) was introduced, on profits reinvested in the company and on capital gains with regard to values at the end of 1996.

Dual Income Tax (DIT)

DIT is a facilitated corporate income tax regime aimed at providing companies with incentives to capitalise.

The overall net income of the company is ideally subdivided into two parts: one taxed at the Irpeg at the rate of 37% and the other at a reduced rate of 19 per cent. The application of the reduced rate cannot be used to bring the mean Irpeg part at lower than 27%.

The part subjected to reduced taxation is the part of overall income made up of the ordinary remuneration of the “gain in value” of invest capital with regard to capital in trade at the end of the financial year underway on September 30, 1996.

The gain in value as calculated as the algebraic sum of increases and decreases in net equity,

Increases in equity as those that arise from the conferment of cash actually paid-in or by setting aside profits to provisions and reserve funds.

Decreases in equity are represented by reductions in capital or the fund to which profits were paid, with attribution to shareholders and by distribution of provisions or reserve funds.

The rate of ordinary remuneration of capital is determined annually by decree of the Minister of Finance (acting in concert with the Minister of the Treasury), bearing in mind the mean financial yield of government bonds, that may be increased by up to three percentage points. For the years 1997 and 1998, the rate was fixed at 7 per cent.

To accelerate the effects of DIT, income for the years 1999 and 2000 may benefit from discounts in keeping with investments in capital goods made using profits to top up reserve funds and increase the company's own means of production.

This facilitation is part of the DIT mechanism: income corresponding to net investments is taxed at 19 per cent while the residual part is taxed on the basis of ordinary DIT.

To determine the mean rate of 27%, no account is taken of the income corresponding to net investments and the applicable tax. As a result of this, the combination of the two mechanisms brings down the mean Irpeg fiscal burden to less than 27%.

Irap introduced as from January 1, 1998, applies to the company's net production value generated in the region. The taxation rate is 4.25%.

With the introduction of Irap, certain other taxes have been abolished: health contributions, health tax, Ilor, Iciap, capital levy, tax on VAT registration.

“Net production value” (term that indicates added value) is calculated on the basis of the following items in the financial statements:

(+) PRODUCTION VALUE

- 1) income from sales and services
- 2) movements in stock of goods under processing, semi-finished goods and stock in trade
- 3) movements of works underway on commission
- 4) increases in fixed assets arising from in-house works
- 5) other income (including contributions to working capital)

(-) PRODUCTION COST

- 6) for raw materials, auxiliary materials, expendables and goods
- 7) for services
- 8) for use of third party property
- 10.a) amortisation of intangible fixed assets

10.b) amortisation of tangible fixed assets

11) movements in stock of goods under processing, semi-finished goods and stock in trade

14) sundry operating costs

(not including "remuneration paid for co-ordinated and continuous collaboration relationships")

FEATURES OF THE ITALIAN BANKING SYSTEM

1 The Italian banking system in light of the new single text

Before the introduction of the new single text on banking and credit (1994), banks were divided into two large categories: on the one hand, ordinary credit companies entitled to transact lending and borrowing operations with a maximum maturity of 18 months, the period defining short term transactions, and on the other, special credit institutions, entitled to transact operations with an original duration of over 18 months, the limit beyond which operations are considered mid-to-long term transactions. Under the new rules, this distinction no longer exists and at present, all banks may undertake short as well as medium to long term transactions.

The removal of term related restrictions could result in increased risk, since entry into new sectors such as medium and long term credit to companies, and the joint management of lending and borrowing with various maturity terms, increases the degree of complexity of operating management.

At the end of 1997, there were 935 banks in Italy, including 195 dealing in short term deposits, 32 in medium to long term deposits, 69 credit societies, 583 co-operative credit banks, 6 central specialised institutions and 55 branch offices of foreign banks.

The Bank of Italy classifies banks on the basis of their legal form and size.

The principle of freedom to set up counters and branch offices is respected in Italy. All banks, except co-operative credit banks, can open counters both in Italy and in other EU member states.

On the other hand, before opening branch offices in non-EU countries, banks must obtain permission from the Bank of Italy.

Alternative distribution channels are becoming increasingly popular in the banking market since they reduce transaction costs and allow banks to avail of all the opportunities provided by technological development.

Counters still however remain the main point of the bank/customer relationship, although the conventional network tends to free resources aimed at promoting sales and at the same time, new channels such as phone banking are being developed. Over 100 companies now offer phone banking services.

1.1 Participating interests:

In Italy, permission from the Bank of Italy must be obtained before acquiring a controlling interest or a 5% stake in the share capital of joint-stock banking companies.

Industrial companies cannot hold a shareholding of over 15% of the share capital of banks or acquire a controlling interest.

Banks can acquire shareholdings in industrial companies in keeping with the following guiding principles:

- A maximum limit for the acquisition of shareholdings in industrial companies is fixed on the basis of the bank's assets.

The limit varies in function of the type of bank: for ordinary banks it is 15%; the limit goes up to 50% in the case of qualified banks and groups (with minimum assets of 2,000 billion Italian Lire), with a high solvency coefficient, considerable experience in providing financial assistance within the industrial sector and a reasonable concentration of on-going overdraft facilities; the limit rises to 60% in the case of specialised banks, with a borrowing structure mainly based on medium to long term deposits, minimum assets of 2,000 billion Italian Lire and a satisfactory solvency coefficient.

- With regard to the assets of individual banks, the shareholding may not exceed 3% of the assets of ordinary banks. This limit rises to 6% in the case of qualified banks and 15% in the case of specialised banks.

- Specific rules govern the acquisition of shareholdings in companies in temporary difficulty.

The bank must place the transaction within the framework of a procedure that includes the drafting of a recovery plan over a period not exceeding five years. The plan must be presented by banks that feature a high level of overall exposure.

At least one of the banks must be a leading bank. Alternatively, the plan must be subjected to revision by reputed independent party.

The plan must be controlled in its intermediate phases and in its final aim. The acquisition of shareholdings must involve newly issued stock and not shares already in circulation.

Receivables from these companies are no longer classified as outstanding in the bank's financial statements. The risk funds appear larger and there is the general impression that the bank's assets have improved.

2 Large overdrafts and the Risk Central Office

In Italy, it is common practice for companies, especially small companies, to seek multiple overdraft facilities. Even if the mean number of company relationships with banks is falling, it is still high when compared to that in other countries. From a banking viewpoint, it has long been felt that this practice promotes risk spreading.

Risk concentration is governed by the rules applicable to large overdrafts, introduced after the European directive on large risks was enacted into national legislation.

“Large overdrafts” are defined as all those exposures that, after weighting similar to that used for calculating the solvency coefficient, are equal to or greater than 10 per cent of the supervisory asset margin.

For this purpose, risks involving the individual customers of the same bank are considered as a single risk, if there are legal or economic links between the customers.

The rules lay down an *individual* and a *global* limit to risk exposure.

- the individual limit for individual customers or groups of linked customers is placed at 25% of the supervisory asset margin.

- the global limit of large risks is eight times the supervisory asset margin of the bank.

- In the case of financial brokers belonging to banking groups, the individual limit is 40% of the supervisory asset margin.

At the end of 1997, the overall consistency of lending to customers was 1,160,916 BILLION Italian Lire, including 590,716 in the short term and 570,200 in the medium to long term. The same year, outstanding loans amounted to 120,000 billion (9.4% of overall lending).

The overall amount of large risks in September 1997 was 116,900 billion Italian Lire, including 8,700 billion in excess of 40% of the supervisory asset margin, to be reabsorbed during the course of the year.

A Risk Centre, with the task of recording data pertaining to loans granted to customers and the use of the loans has been set up at the Bank of Italy, in a bid to monitor the overall risk exposure of the banking system.

For each customer to whom an overdraft facility has been granted, the Risk Central Office provides banks with a summary of the loans already granted to the customer, indicating the overall amount of the loans and the amount used, in each category, without providing the names of the lending banks.

Such information is provided only in the case of overdraft facilities that for the individual notifying bank, exceed 150 million Italian Lire (77,469 Euro).

Lenders other than banks subjected to the supervision of the Bank of Italy, such as banks operating outside Italy and domestic and foreign non-banking institutions, are not obliged to notify the Risk Centre. Consumer credit and personal loans are not subjected to notification.

To fill in these loop holes, several banking groups have set up "private" Risk Centres, expanding the limits of notification to include lending of lower amounts, non-banking financial bodies and leasing and factoring companies.

3 Banking groups

Banking groups and their composition are defined in the single text on banking and credit.

A banking group may be made up of a holding bank and its banking, financial and business-oriented subsidiaries or by a financial holding company and its banking, financial and business-oriented subsidiaries, if the banking component is preponderant within the group.

Banking groups are registered on rolls maintained at the Bank of Italy that supervises them in a consolidated manner.

At the end of 1997, 87 banking groups operated in Italy. There is a tendency towards mergers in the country as the largest banking institutions aim at setting up groups capable of competing at the European level in terms of size and the range of products offered.

In 1997, 42% of the investments within the Italian banking system had to do with banks involved in mergers.

The merger between Istituto Bancario San Paolo and IMI created a group with about 350,000 billion Lire in assets. The merger between Banca CRT, the banks belonging to the Unicredito group and Credito Italiano led to the setting up of the Unicredit group (285,000 billion in assets).

The setting up of the Banca Intesa group led to a body that manages 295,000 billion Lire in assets.

Certain acquisitions were brought about to resolve crisis situations in Southern Italian banks, such as, for instance, the transfer of Banco di Napoli to INA and BNL and the acquisition of the assets and liabilities of Sicilcassa by Banco di Sicilia.

DEALING WITH CRISES IN ITALY

Crisis management in Italy is based both on legal proceedings and out-of-court settlements, that because of their popularity, have led to the privatisation of bankruptcy, an institution that dates back to 1942.

The *legal framework* tends more towards defending creditors' rights rather than salvaging the company, although there are laws that take both aspects into account (for instance, the Prodi Law).

Legal proceedings for solving crises are divided into two distinct categories: bankruptcy, settlement with creditors, temporary receivership, compulsory winding-up and special management of large companies in crisis (the Prodi Law).

The aims of these proceedings range from the liquidation and dismemberment of the company to its continuation and recovery, safeguarding employment levels and corporate continuity.

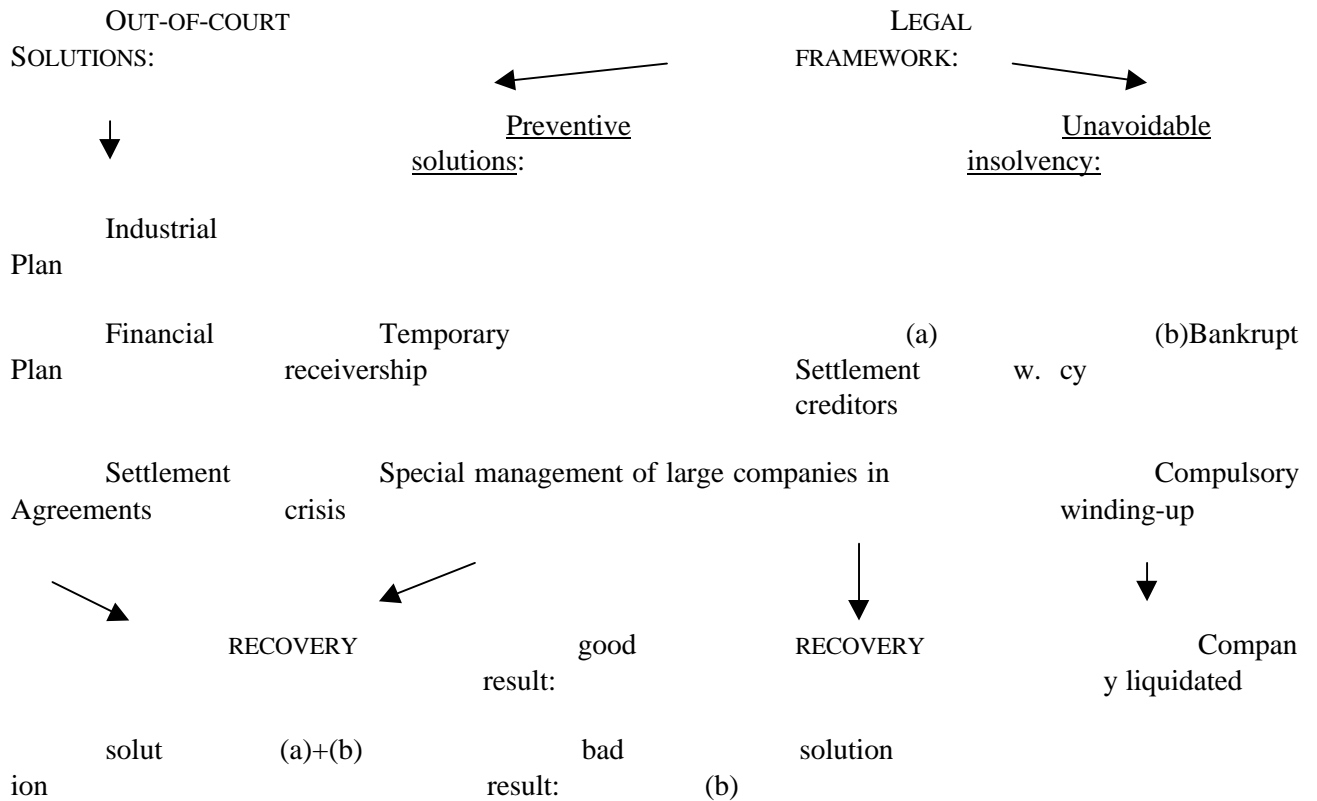
The mean duration of legal proceedings and the cost/result ratio heavily penalise creditors. Objective research on a sample of Italian companies involved in proceedings in the period 1981-1995 has revealed that in the case of bankruptcy, proceedings last five years on an average, recovery levels for unsecured and preferential creditors are respectively at 10 and 36 per cent, with high direct costs (over 18% of the amount due). Special management lasts about eight years, with mean recovery levels of 22% for unsecured creditors and 54% for preferential creditors.

In the case of minor creditor protection proceedings (temporary receivership and settlements with creditors), the aim of recovering the company is reached in only 13-14% of the cases and about half the companies involved in settlements with creditors end up in bankruptcy.

These figures explain the growing popularity of out-of-court work-outs that can be concluded much faster and provide for better credit recovery (mean duration of 19 months and credit recovery of 60%). These work-outs are used to manage the crises of large groups where there is a need to act quickly to safeguard the value of corporate complexes that simply cannot be allowed to go bankrupt.

The guidelines for the management of corporate crises are presented in the following chart:

CORPORATE CRISES



(A) Out-of-court solutions

Out-of-court work-outs follow a standardised process that can be summarised in the following phases:

-*choice of an advisor*, with the task of guiding the process. In general, it is a merchant bank, a firm of consultants or professionals. The main tasks of the advisor involve the valuation of the feasibility of recovery and in the case of a positive valuation, the setting up of a financial restructuring plan, leaving management to define the industrial plan. The advisor co-ordinates negotiations with creditors to renegotiate debts already incurred and to find new sources of funding.

-*finding temporary funding*, to ensure the company operations during the period required to prepare the restructuring plan and reach agreements with creditor banks.

-*completion of the recovery plan*, that includes the industrial and financial restructuring plans.

The industrial restructuring plan is of fundamental importance to the recovery plan in crisis situations arising from errors in operating policy. The main aim of the plan is to recover the company with regard to its core business. The industrial restructuring plan is the basis on which the financial restructuring plan is designed.

The financial restructuring plan translates the results of the industrial plan into a series of decisions that make it financially sustainable.

To implement restructuring plans, banks stipulate *settlement agreements* with creditors, an atypical concept in the Italian legal system.

Interbank agreements govern the various methods adopted to restructure financial indebtedness through the consolidation of debts to banks in the medium to long term, the writing-off of loans in terms of capital and/or interest, and re-capitalisation operations.

Consolidation of debts existing at a certain date in the medium to long term is the most frequently adopted measure.

The banks also stipulate agreements to check the implementation of the plan, reserving the right to appoint members to the Board of Directors of the companies in crisis and requiring periodical reports on the implementation of the plan.

Should it not be possible to restructure and salvage the company in this way, the next natural step is recourse to legal proceedings.

(B) The legal framework of crisis management

Bankruptcy law in Italy is based on the principle of *par condicio creditorum*: equal treatment of the creditors allowed to participate in the proceedings. Italian bankruptcy law applies to commercial concerns and is not applicable to public bodies or sole proprietorships.

Bankruptcy:

The main effect of the sentence declaring bankruptcy is the dispossession of the bankrupt of his goods. All actions carried out by the bankrupt after the declaration of bankruptcy, including payments, are invalid and without effect with regard to the group of creditors.

Once bankruptcy is declared, creditors are estopped from commencing or continuing individual executory proceedings seeking the seizure of the bankrupt's goods.

Bankruptcy gives creditors the right to jointly partake of the bankrupt's assets. Cash debts are deemed to have expired and from the time of the sentence of bankruptcy no longer yield interest.

Preferential creditors may exercise their right of pre-emption on the price of the goods liened, to cover capital, interest and expenses. If they are not totally satisfied, they may participate, for the residual amount, in the distribution of the assets together with other unsecured creditors.

Should the debtor engage in actions that are prejudicial to the creditors, such actions are declared null and void and the goods transferred are brought back into the bankrupt company's assets.

The receivables included in the proceedings are classified in the following order:

- Receivables pertaining to expenses incurred to manage the bankruptcy (tax debts, debts for continuing the company's business);
- Preferential receivables according to order assigned under law;
- Unsecured receivables in proportion to their amount.

Settlement with creditors

Settlement with creditors is a facility granted to insolvent companies that have not yet been declared bankrupt, allowing such companies to offer unsecured creditors payment of a percentage of their credit, to an extent of at least 40% within six months, failing which the company concedes all the goods that make up the company's assets.

The aim of the proceedings is to avoid bankruptcy in a bid to recover the company by redeeming it from its debts.

The procedure is made available to companies deemed meritorious. Merit is evaluated on the basis of subjective and objective criteria.

Temporary receivership:

Temporary receivership is a procedure that applies to companies in *temporary difficulty* and consists in subjecting corporate management and the administration of the company's assets to court control for a maximum period of two years.

To avail of the procedure, the company must show that there are real possibilities for recovery and that the company satisfies the same subjective requirements applicable in the case of settlement with creditors.

The aim of the procedure is to obtain a *delay in payment* from creditors for a maximum period of two years, in an attempt to avoid liquidation.

Compulsory winding-up

Compulsory winding up is a procedure in liquidation similar to bankruptcy, undertaken under the supervision of the competent administrative authority.

Special laws indicate the companies to which compulsory winding-up is applicable: these are companies that, by reason of their business activities, affect general interests. Such companies include, consortia and co-operative societies, insurance companies, credit institutions, trust companies and firms of auditors as well as stock brokerage firms.

In the case of credit institutions, Italian law provides for special regulation of compulsory winding-up proceedings, under the supervision of the Bank of Italy.

Special management of large companies in crisis:

Special management applies to companies that by reason of the number of employees and their debt exposure, involve large interests from an economic and employment standpoint.

These are companies with at least 300 employees (including those receiving redundancy benefits) and a debt exposure towards credit institutions and social security bodies of at least 84,266 million Italian Lire, (limit updated to 1/5/1998, equivalent to 43,520 thousand Euro) and in excess of 5 times the paid-up share capital carried in the last financial statements. In calculating the amount of the debts, account must be taken of the cases of companies that control other companies for at least a year previously, by reason of facilitated funding obtained by the controlled companies.

Special management may also be imposed on companies with at least 300 employees, in which the state of insolvency arises from the obligation to repay the state, public bodies or state-controlled companies, an amount equivalent to at least 51% of the paid-up share capital, amounting to a minimum of 50 billion Italian Lire (25,822 thousand Euro).

From the date of publication in the Official Gazette, of the decree that provides for the special management of a company, all the *companies in the group* are automatically subjected to the procedure, even if they do not satisfy the necessary requirements.

The continuation of the company's business may be ordered by the commissioner for a period not exceeding two years. Such period may be extended twice at most for an overall period not exceeding two years.

This procedure involves transition to liquidation only when it is clear that it is not possible to recover the company.

Since its institution at the end of 1996, the procedure has been used in the case of 60 corporate groups, involving nearly 500 companies.

TECHNICAL OUTLINE OF RISK FUNDS

Before the introduction of the 4th EEC directive, the contents of the balance sheet were defined under article 2424 of the Italian Civil Code. The liabilities carried in the balance sheet included amortisation funds, renewal funds and funds covering the devaluation risk of goods.

The assets carried in the balance sheet were indicated without taking into account "value adjustments": the amortisation of *tangible assets* was carried out by carrying the amount of the amortisation amongst the liabilities, in an amortisation fund (article 2451 of the Italian civil Code before the 4th EEC directive), while the amortisation of *intangible assets* could be carried out in the account by directly reducing the indicated value of the asset, or outside the account, by setting up an amortisation fund.

Renewal funds were set up and replenished through the distribution of profits, to integrate the amortisation fund, calculated on the basis of the historical cost of the assets, so as to place it at the replacement cost of assets subjected to amortisation. These are funds constituted by setting aside a part of the profits, very close in nature to net equity reserves.

The devaluation of asset items could be carried as items carried amongst the liabilities, separately for each devalued asset item.

Funds covering the devaluation risk of assets were reflected for instance, in the fund for credit, stock, securities devaluation, etc. The only fund governed by tax rules was the credit devaluation fund. The other funds did not give rise to provisions deductible from corporate income.

Companies had the habit of setting up general risk funds, to cover general business risks through provisions totally devoid of economic justification, depressing the result of the financial year and setting up hidden asset reserves.

Following the enactment into national legislation of the 4th EEC directive, the item "Fund for risks and expenses" only includes provisions made to cover losses or liabilities of a *specific nature*, the existence of which is *certain or probable* and the *amount* or the *date of occurrence* of which is *not determined* at the time of closure of the financial year (article 2424-bis, paragraph 3).

The risk and expense fund may contain provisions made to cover losses or costs that, at the end of the financial year appear to be "certain" (even if their amount or the time of their occurrence is unknown) or "probable", featuring an amount that can be estimated with a certain degree of reasonableness.

Liability funds cannot be used to adjust asset values: *corrective items* or *value adjustments* (for instance, technical amortisation fund, credit devaluation fund, fund for the devaluation of shareholdings, etc.) must be deducted directly from the asset items to which they refer.

Risk funds cannot be used to implement *accounting policies*, through the setting up of general risk funds without economic justification. The strengthening of a company's assets must take place in a transparent manner through the setting aside of profits into reserves and not through provisions to the fund for risks and expenses, unjustifiably depressing the result of the financial year.

Funds cannot be used to carry value adjustments or provisions arising from the application of taxation rules or provisions that cannot be justified from the standpoint of the financial statements drafted in keeping with the requirements of the Italian Civil Code (for instance, fund for advance amortisation, contribution fund, etc.).

Classification:

The rules under the Civil Code (article 2424) provides a minimum classification of risk funds:

- funds for pensions and similar obligations
- tax funds
- other risk funds

Contents of the main items of funds for risks and expenses:

1 Funds for pensions and similar obligations

The item includes staff provident funds other than severance indemnity, such as for instance: pension funds set up in addition to the provident funds required under law for employees, supplementary pension funds set up as a result of company or collective agreements, in favour of employees, indemnity fund for termination of co-ordinated and continuous collaboration relationships (directors and statutory auditors), indemnity funds for the termination of agency relationships, supplementary indemnity funds for customers.

2 Tax funds

The tax fund includes only probable tax liabilities, the amount or date of occurrence of which are unknown. The fund also includes tax debts related to probable checks or disputes underway, valued on the basis of their presumable result.

Tax debts that are certain (such as the balance of taxes due on the basis of the income tax returns or taxes due as a result of checks already carried out) must be carried under item D.11 tax debts.

3 Deferred tax fund

Deferred taxes arise from temporary differences between the result as per the financial statements drafted in keeping with the Civil Code and the result obtained from the financial statements drafted for tax purposes and value adjustments and provisions made solely for tax purposes.

Examples of temporary differences arise from advance amortisation, fragmented capital gains, representation expenses (subjected to straight line deduction over three years), contributions to trades

unions and trade associations (deductible upon payment and not on the basis of the year in which they arise).

4 Other risk and expense funds

Risk and expense funds also include the product guarantee fund, the cyclic maintenance fund, the fund for discount coupons and prize competitions, the fund for the maintenance and replacement of freely usable goods, the expense fund for corporate goods used under rental, the for commissioned work costs, the fund covering losses of subsidiary companies, the environment recovery fund, funds for early pensions and corporate restructuring, the exchange risk fund.

There are other risk funds not governed by specific statutory provisions, such as, for instance, the testing risk fund, the guarantee risk fund, the risk fund for unsecured credit granted to third parties, the risk fund for pending litigation, the risk fund for contracts with deferred performance.

SEVERANCE INDEMNITY FUNDS IN ITALY BEFORE AND AFTER THE REFORM OF LAW 297/82

Severance indemnity is a peculiar concept of Italian labour law and dates back to Royal Decree Law no. 1825 of 1924.

Initially, the indemnity was a sort of loyalty bonus paid by the employer to the employee at the end of his employment and was not due in the case of voluntary resignation or redundancy by reason of the employee's fault or for just cause.

It is only through law no. 604 of 1966 that the seniority indemnity became due to employees in all cases where the employment relationship was terminated, binding all employers, regardless of the number of employees.

It is still referred to as the "seniority indemnity", although it is no longer an indemnity or loyalty bonus in the strict sense, but has acquired the nature of a full-fledged remunerative element featuring "deferred encashment".

Severance indemnity is a form of remuneration that is paid at the time of termination of the employment relationship. It accumulates in proportion to the duration of the employment relationship and constitutes an additional element of the cost of labour to be carried each financial year on the basis of the principle of time-related accounting.

The 4th EEC directive (Legislative Decree no. 127/91) stipulates that "severance pay due to employees" must be carried, after deduction of any and all advances paid and must be indicated separately under item C of the liabilities in the financial statements.

It is now widely held, after some uncertainty, that in nature, the severance indemnity is akin to debt, the existence and amount of which are certain but with an unspecified maturity date.

With regard to manner in which the annual quota of the seniority indemnity is calculated, it would perhaps be useful to distinguish between two periods: before the reform introduced by law no. 297 dated May 25, 1982 and the period from that reform to date.

Calculation of the seniority indemnity before law no. 297/82

The amount of the indemnity was calculated on the basis of the duration of the period of employment and the last remuneration and did not take into account the various categories (for

instance, worker, intermediate level employee, office employee) through which an employee passed, with the effect that the basis of the calculation was the last remuneration in the last category. Departure from the general legal principle was possible through collective labour contracts, custom and usage and by the courts on the basis of equity.

The prevailing practice before the reform consisted in determining at the end of each financial year, the value of the severance indemnity fund (on the basis of the last remuneration and the number of employees) and in calculating the amount to be set aside during the year on the basis of the difference observed when comparing the value to that of the severance indemnity value of the previous financial year.

Considering that remuneration increased from year to year as a result of improved contractual conditions, career dynamics and mechanisms of automatic remuneration adjustment upon changes in prices (the old "mobile scale" system), the normal quota was not always sufficient to set up a suitable indemnity fund. There was therefore the problem of determining the ordinary (or normal) amount of the indemnity from the overdue amount required to adjust the fund.

The previous legal framework left a great margin of freedom and discretion in the calculation of the debt. The old article 2429 of the Italian Civil Code (abrogated with the entry into force of the 1982 reform), very generally stated that the provision to the seniority fund had to be paid "gradually to the right extent" and the courts widely supported the practice of carrying out partial and incomplete provisions, with important consequences when the time came to pay the debt. This was further aggravated by the lack of uniformity of treatment of the overdue part of the indemnity, the amount of which was generally considerable, creating problems in managing the items in the financial statements.

Calculation of the seniority indemnity after law no. 297/82

These problems were resolved with the reform, introduced by law no. 297 dated May 25, 1982. The method used to calculate the severance benefit quota and past outstanding quotas was clearly regulated, leaving nothing to the discretion of individual companies.

The adoption of the accrual accounting principle in drafting financial statements required a severance indemnity quota to be calculated according to law and carried for each administrative period, so that the value of the fund reflected the company's debt to its employees.

The mechanism for calculating the amount of the annual provision to be set aside, requires it to be divided into two amounts:

- an annual amount equal to the sum of the remuneration due during the year divided by 13.5 (after deduction of a contribution of 0.5% due by employees but paid in advance by the employer);
- the revaluation of the pre-existing fund on a compound basis as on December 31 of each year on the basis of the sum of the following parameters: a fixed part of 1.5% and a variable part amounting to 75% of the annual increase in the cost of living as recorded in the Istat index.

The decree that governed complementary pensions (Legislative Decree no. 124/93) made it possible to transfer all or part of the severance indemnity fund to pension funds.

The amounts so transferred must be set aside in a special net equity fund referred to by the name of the law ("Reserve pursuant to article 13(6) of Legislative Decree no. 124/93"). The amount set aside in the fund constitutes a valid increase of capital for DIT purposes. The deduction is aimed at

compensating companies for the loss of the part of the severance indemnity used for supplementary pension plans.

OUTLINE OF MONETARY REVALUATION LAWS

In Italy, the basic principle used for the valuation of items in the financial statements of a company in operation, is “cost”, that is to say, the complex of expenses sustained with a view to obtain a given production factor (including accessory costs and all the costs directly imputable to the product). Valuation criteria cannot be changed from one financial year to the next.

Departure from the “cost” criterion is allowed only in “exceptional cases”: this term replaces the “special reasons” previously indicated in the third paragraph of article 2425 of the Italian Civil Code.

These could include for instance, agricultural land for which a construction permit has been obtained, or the sale of a good concluded just before the end of the financial year, but becoming effective in the following financial year.

Italy has chosen to leave the ordinary parliament with the task of dealing with the problem of inflation, through the promulgation of specific monetary revaluation measures. The most recent laws that have allowed departure from the cost principle to revalue certain categories of goods were the revaluation laws no. 74 dated February 11, 1952, no. 576 of 1975, law no. 72 of 1983, law no. 408 of 1990 and law no. 413 of 1991.

1) Revaluation on the basis of law no. 408 dated 29/12/90:

Compared with previous revaluation laws, law no. 408/90 (that entered into force on January 1, 1991) was a freely optional revaluation against payment with tax advantages deferred over time.

The goods subjected to revaluation were tangible fixed assets (buildings, plants, machinery and furniture), intangible fixed assets (industrial patent rights, rights to use original work, concession and trade mark rights) and shareholding in subsidiary and associate companies, acquired before the end of the 1989 financial year and carried in the financial statements for 1989. The measure applied to the financial statements for the 1990 and 1991 financial years.

The revaluation was “against payment” : in fact, on the highest values of the goods carried in the financial statements, companies paid a tax in replacement of the income tax applicable in Italy (Irpeg and Ilor).

The residual amount of the revaluation must be imputed to the capital account or set aside in a special reserve fund known as “Reserve pursuant to law no. 408/90”.

2) Revaluation on the basis of law no. 413 dated 30/12/91

This is a revaluation against payment to which companies were subjected compulsorily. The goods subjected to revaluation were buildings and building plots, with the exclusion of moveable property, tangible goods and shareholdings.

The parties required to carried out the revaluation of their buildings and building plots included all companies, regardless of their legal form.

The residual value resulting from the revaluation had to be placed in the capital account or set aside to a special reserve fund.

Annex 4: FINANCING CHARACTERISTICS OF SPANISH MANUFACTURING COMPANIES

BANKRUPTCY LAW REGULATIONS IN SPAIN

The motivation behind the legal regulation of general business insolvency is for two main reasons:

The need to harmonise the rights of all creditors involved, so that if there is any difference in treatment, this must be justified objectively, avoiding favouritism and advantageous positions, in order to group all creditors into a collective attachment.

To prevent a disorderly attachment from ruining the possibility of the firm's continuity, with the subsequent damage this entails for the economy in general and employment. This involves giving opportunities to the firm to continue through the collective attachment procedure.

Under Spanish law, the system turns on two main figures: suspension of payments and bankruptcy.

Suspension of payments

Suspension of payments is a vehicle to prevent bankruptcy. It can only be voluntarily requested by the debtor, and entails a stop to individual actions by creditors. The latter become involved in the collective procedure whose aim is to reach an agreement with the debtor that allows the insolvency to be resolved at the lowest financial cost possible for the parties, avoiding the possibility of liquidation of the firm, which occurs in bankruptcy. In the event of failure, the most natural way is to leave the way clear for action for whichsoever creditors should request bankruptcy.

Bankruptcy

Bankruptcy is a judicial procedure which attempts to secure settlement of the debtor's net worth in order to share it amongst a group of creditors ranked according to objective rules of preference.

As well as this traditional liquidatory character, it is becoming increasingly necessary to open up other means of solution which do not result in the winding up of the firm. Thus, the Commercial Code envisages the possibility of creditors and debtor reaching an agreement that satisfies the parties' interests as best possible.

To initiate bankruptcy proceedings, several conditions must be met:

Entrepreneurial status of the debtor.

Debtor's suspension of current payment of obligations.

The declaration shall be made by a judge.

The application may be at the request of the debtor or any other legitimate creditor.

Once the bankruptcy has been testified, there are a series of personal effects for the debtor which, in terms of net worth, essentially involve ineligibility to manage his/her assets.

Being a collective procedure, bankruptcy requires a series of transactions affecting both the debtor's assets as a whole and the creditors as a group. The first consequence of the declaration of bankruptcy for creditors is the loss of the right freely to take individual action, which is replaced by joint action. There is room in the group of creditors for all those affected by the solution given to the bankruptcy procedure; i.e. for all those who have no separate right of execution on specific assets of the debtor. There is also a series of specific changes in creditors' rights:

Suspension of interest from the bankruptcy declaration date, except in mortgage loans and pledged loans, to the respective guarantee end-date.

Maturity of deferred loans.

Offsetting of creditor's and bankrupt party's loans.

In the event of the bankruptcy of one or more joint debtors, the common creditor may take part in all the bankruptcies for the total amount of the credit, until the total is met.

Resolution of bilateral contracts in the course of execution.

As to the effects on the debtor's overall assets, there are two main transactions: delimitation and repayment. The main aim of these is to leave in the overall assets only those which, being the debtor's own, can be executed, and to repay into the overall assets those that should be available for execution.

The transactions proper to bankruptcy are those aimed at liquidating the debtor's net worth to pay the creditors, following the preference and order set by the legal rules. Liquidation involves three transactions: the examination and recognition of credits, their ordering, and payment to creditors. The second of these is of particular relevance in determining the preference or order to be assigned to what has been obtained from the liquidation to the payment of the various credits. In sum, Spanish law gives three possibilities to assigning creditor seniority when making the liquidation.

Right of abstention. The creditor will not be affected by the agreement; accordingly, if he does not take part in the agreement, his right will remain whole and will not be affected by the possible "quitas" (legal reduction of debt) agreed. Privileged, singularly privileged and mortgage creditors have this right.

Right of separation. Some creditors are able to encash their credits on assets belonging in principle to the overall assets, but which can be separated to satisfy those credits.

This right is enjoyed by the following credits:

Creditors who have pledges made through notarised deed or loan document with the intercession of a broker. The creditor will be able to execute it separately, selling the item on the stock exchange, if it is quoted, or otherwise with the broker's intercession.

In the event of a chattel mortgage and non-displacement pledge, when they are made through a notarised deed or a loan document with the intercession of a broker and officially registered, the mortgaged or pledged assets will not be included in the overall bankruptcy assets unless the guaranteed credit is satisfied.

The naval mortgaged creditor can exercise his right against the affected ship or ships if the debtor is declared bankrupt.

The creditor with a chattel mortgage who had begun the mortgage execution before the bankruptcy declaration can act in the same way. And if his credit is not covered with the sale of the property, he will be considered as a scriptural creditor as regards the rest.

Common privilege. This is the right to collect in preference to other creditors, moving to the head of the queue of those who expect to collect on the proceeds from the bankruptcy assets. This privilege comes down specifically to the ordering of credits which are executed by means of a general creditors' meeting called to this end. The ordering consists of a classification of the credits after having ranked them, so that the liquid credit of the bankruptcy is not equally shared among the creditors, but must be placed in the related order. Classification is carried out by dividing the credits into two sections: the first includes the credits satisfied with the result of the chattel assets of the bankruptcy; the second includes those which must be paid with the proceeds of the property assets. Article 913 of the Commercial Code establishes the order of the credits that must be satisfied with the proceeds of the chattel goods:

Credits of employees for the last thirty days' work for an amount not exceeding twice the official minimum wage, the Social Security credits and the Tax Authorities' credits.

Creditors with any preferential entitlement included in the Commercial Code.

Credits recognised in notarised deed or loan document intervened by a broker.

Common creditors, firstly for mercantile transactions and subsequently for civil transactions.

Article 914 indicates the order for paying the credits of the second section, i.e. those which are the outcome of the property assets:

Creditors with real right, in the terms and order established in the Mortgage Act.

Singularly privileged, privileged and other creditors envisaged in article 913, in the order established therein.

Once the ordering has been carried out, payment can begin. This must be made observing the above-mentioned classification in the two sections. In each section the order established in articles 913 and 914 shall be observed, avoiding paying credits from one range before having paid those preceding it. In each class, creditors will receive their credits irrespective of dates, and if there is not enough to meet payments to an entire class, a pro rata basis shall be used. There is an exception in this rule for mortgage and scriptural creditors, who will collect by order of the dates of their securities.

INFLUENCE OF THE TAX SYSTEM ON THE FINANCING OF SPANISH COMPANIES

The tax system, and more specifically personal and corporate income tax, can influence companies' investments and the way these are financed. In the Spanish case, certain tax regulations directly influence these areas (investment and financing), although their effect is not estimated to be substantial, or at least no higher than that recorded in our main trading partners. Certain differences are worth highlighting:

The treatment of double taxation has a certain influence on profit distribution. In connection with corporation tax, double taxation is avoided whenever the shareholder's participation in the capital of the company distributes dividends is at least 5% (25% under the former corporation tax regulations) and this participation has been held during the previous year. Otherwise, only 50% of the full dividend received may be deducted. In this second case, there could be some indirect incentive for companies not to distribute dividends, but its effect is not considered important since this would only take place in

investments involving small amounts (less than 5%) or temporary duration (less than a year). Additionally, the tax rate is significantly higher under personal income tax than under corporate income tax. This leads company owners to prefer not to distribute dividends and receive the profit by means of a capital gain.

The tax regulations for accelerated depreciation of purchased productive goods have an impact both on the investment made and on corporate self-financing. The first regulation was promulgated in 1985 and was aimed at promoting the purchase of new fixed assets. This regulation provided for complete freedom in depreciation. The second regulation, dated 1988, allowed for accelerated depreciation of investment made in fulfilment of the plans laid down for the preparation of the 1992 events (the Olympic Games and the World Fair). Finally, three bodies of rules were approved (three Royal Decrees dated 1993, 1994 and 1995), applicable to goods purchases enabling employment creation, i.e. when, at least during the two following years from the beginning of the tax period in which the purchased goods started to work, the number of permanent staff increased in relation to the previous period; moreover, this increase had to be sustained for an additional 24-month period. The new regulation (valid from 1996) set a similar system in place, but only for companies considered as small (turnover not higher than 1.5 million euro during the previous tax period).

Another aspect that may have influenced corporate investment policy is the fiscal treatment of profits obtained through the sale of fixed assets when these are reinvested in similar assets. The previous corporate income tax legislation (in force until 1996) offered total exemption for these profits. The new regulations have changed this treatment by replacing the exemption by a deferral of the payment of the tax associated with these reinvested benefits; in exchange, however, it has extended its application not only to tangible fixed assets but also to intangible fixed assets and financial assets. The condition that must be met is that the reinvestment should take place between the year previous to and the three years following the delivery date of the asset sold. Finally, it should be pointed out that the exemption for reinvestment rule remains in place, but only in companies considered to be small by the law.

There has been a permanence to the tax rate applied in recent years, despite the regulatory changes in corporate income tax. Rates have actually differed depending on the legal nature of the company.

Corporate income tax rate

PREVIOUS REGULATION														NEW REGULATION	
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
General Rate	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Savings Banks	22	26	35	35	35	35	35	35	35	35	35	35	35	35	35
Co-operative saving banks	22	26	26	26	26	26	26	26	26	26	26	26	26	25	25
Fiscally protected co-operatives		18	18	18	18	20	20	20	20	20	20	20	20	20	20
Mutual insurance societies	22	26	26	26	26	26	26	26	26	26	26	26	26	25	25
Mutual guarantee companies		26	26	26	26	26	26	26	26	26	26	26	26	25	25
Professional associations and joint ventures														25	25
Small-sized companies ¹²														30/35	30/35
Hydrocarbon research, extraction and trading companies	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40

Source: Prepared in-house drawing on ISTB.

FINANCIAL INSTRUMENTS FOR THE SPANISH COMPANIES

The venture capital companies: are limited companies which dedicate themselves to invest their own resources in temporal financing, and with less importance, of innovating small and medium enterprises, that are not finance companies and they are not listed, giving also a value added as a managing support. Therefore it is about the contribution of long and medium term resources that make themselves real by the authorized capital shares and by loan concession. The desinvestment is a necessary condition for the existence of this financing activity. This can be done of several forms:

Repurchase of the shares by the originary shareholders and/ or by the managers.

Sale the company to third persons

Introduction in the security markets

Settlement of the company

This kind of investment is directed to new creation companies that have a high growth potential and with a maturing period of the long period investment, but they do not count with the necessary funds to develop their business project. By activity sectors, inside the manufacturing industry the capital risk investment is directed to industrial products and services and to consumption products.

The legal regulation of this kind of financing in Spain started on 1986 (Royal Decret law 1/1986, 14th March), together with the creation of the Second Market of the Stock Exchange (Royal Decret Law 710/1986, 4th April) to let the venture capital companies and the small and medium enterprises (SME) be quoted, desinvest their shares and go to a traditional financing source. The Royal Decret Law makes a difference between corporations and venture capital funds. The second ones are properties administrated by a managing corporation, having the same main activity that a venture capital company. The legal regulation has been modified frequently (Law 33/1987 of the State General Budget for 1988, Royal Decret Law 5/1992, 21st July of urgent budgeting measures, Law 3/1994, 14th April for the adaptation of the Spanish Regulation to the II Directive of Banking coordination). Spite of all these measures trying to improve the venture capital in Spain, this kind of financing has not succeeded, because the concept of SME was not clearly defined (making investment for even

¹² From the standpoint of this legislation, the company is considered as small when its net turnover in the previous tax period was less than 1.5 million euro. Notable among the fiscal incentives for these companies is the fact that for the first 90,000 euro of taxable income, the tax rate will be 30%, the general rate being applied to the rest.

companies with more than 500 employees), due to the lack of clarity in what we understand by innovating and technologic companies, because the desinvestment had priority fiscaly over the appreciation given by the participation sold between the 3rd and the 6th year counting from the moment (desincentiving investment that adquisition need a more long term maturity period), for the rigidity of the investment ratio between shares and loans portfolio (it started being 75% in companies shares that were not listed in the primary markets), for the incorrect fiscal treatment of the dividends,...

Venture Capital in Spain

mm. pta.

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	Memorandum Item	
											1997	1998
Number of Venture Capital Companies	26	28	33	39	41	45	48	48	48	46	48	51
Total Resources (a):												
a) Absolut Value	53,7	65,9	76,6	110,1	129,3	152,6	170,3	175,4	184,9	188,9	229,1	280,0
b) Growth rate	n.d.	22,7	16,2	43,7	17,4	18,0	11,6	3,0	5,4	2,2	21,3	22,2
Resources net fluctuation	22,3	12,7	16,9	33,5	19,2	24,1	29,5	9,6	23,1	8,6	67,7	70,0
Investment (b)	n.d.	n.d.	n.d.	n.d.	20,3	17,0	16,7	18,5	26,5	31,0	43,2	45,0
Desinvestment (b)	n. d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	9,0	13,6	17,4	33,6	n.d.

Accumulated balance of shares and sharing and loans. In shares.

Source: Spanish Association of Venture Risk Entities

This problems have been tried to be improved with the Law 1/1999, 5th January, stating among other newnesses, the concession of share loans, the deduction of 100% of the dividends percived, the possibility that the management companies of institutions of collective investment manage capital venture funds, it includes a disposition to potentiate the factoring as a source of financing, it softens the investment rate (it reduces it to 60%, but a 30% can be under a share loan), ... The effects of this loans could be analysed in next years.

Mutual guarantee companies (MGC): they are an instrument of business promotion which give loans to Small and Medium Enterprises (SME), so that they lead, promote and incentivate the investment financing for them guaranteed. Its main activity consists in giving guaranties by guarantee or by any other method admitted for their members before the financing institutions, with the goal of getting privileges financing lines or better loan conditions that they would get in the market, and they also get consulting on financing options of investment projects. They can not give directly any kind of loans to their members. Their partners can be any kind of SME, no matter the activity they realize.

The first MGC regulation in Spain was written in the Royal Decret-Law 15/1997, 25th February, about tax, finance and public investment measures. The legal changes of this activity have been important (the majority of them by Royal Decret and by Ministerial Orders). The most important change in the legal frame was introduced by the Law 1/1994, 11th March, about MGC legal regulation, that widened the main activity, including the consulting function, stating the possibility of refinancing their operations and qualifying this societies as financing entities, that is why they are under the supervision of the Banco de España (BE).

Mutual guarantee companies. Guarantees

mm. pta.

											Me	
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	
Living Risk (a)	56,1	65,7	72,9	81,0	85,9	90,0	104,0	130,7	165,0	189,6	237,3	
By sectors (%):	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	
- Primary	10,4	9,8	8,7	7,9	7,0	6,8	4,8	3,3	2,6	2,3	2,4	
- Industrial	33,0	33,9	36,0	37,0	38,5	37,2	37,3	35,8	36,9	36,9	37,0	
- Construction	7,8	10,7	9,1	10,0	10,2	11,4	12,4	13,8	15,0	15,4	15,2	
- Tertiary	48,9	45,6	46,2	45,1	44,4	44,6	45,5	47,1	45,5	45,4	45,4	
Formalized by year	26,2	30,7	30,3	32,6	35,0	36,9	53,7	67,6	89,4	94,4	123,8	
Average guarantee (b)	n.d.	9,6	10,8	12,0	12,0	12,5	12,2	12,9	14,1	12,6	12,7	
Average live (years)	n.d.	5,4	5,2	5,3	5,0	5,4	5,3	5,6	6,1	6,2	5,5	

Accumulative balance of operative guarantees

Average guarantee conceded, in millions of pta.

Source: Banco de España.

An interesting fact is that all the guaranteed loans received by the Spanish SME are, in majority, in long term, being the average loan guaranteed around 75.000 euro (12,5 million pta.) The amount guaranteed by the MGC in Spain starts to be outstanding from 1996, being in 1998 in barely significant facts. Out of the total financing formalized operations by the intermediation of the MGC, even if the manufacturing companies have more than the third part, they are not the ones who get more profits, so that the main financing operations guaranteed happened in the service companies.

Official loan: actually, this is canalized, fundamentally, by the ICO, in the autonomic communities (CCAA) agreements and the BEI.

The ICO is a credit institution that is public and realizes every kind of financing operations. It acts as state financing agency (between others, it manages the export financing incentive instruments), it is also an investment and development bank, giving long and medium term funds to finance productive investments (big substructure projects, telecommunications, energy or transport, and also important business investment projects). In this way, they are fundamentally their financing lines: the SME line, and the internationalization spanish business line. In particular, for the SME financing, it eases the financing in credit institutions in better conditions, for the development of investment projects with the goal of making better the competitiveness of the spanish companies. The conditions to be a SME are the ones that states the EU (less than 250 employees, sales less than 40 million euros – 6.655 million pta- or the assets less than 27 million euros- 4'492 million pta- and not be shared by big companies in more than 25% of the capital). It is financed until 70% of the investment, and the amortization term is 5 years (the first one in blank) or 7 years (the two first one in blank) the ICO helps are not compatible with the investment helps in every CCAA, and also with the guaranteed loans with a MGC guarantee they can get a subsidy with 3 points in the interest rate

El crédito oficial (variación neta anual)

mm.pta.

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	Memorandum item 1997
Total :	164,4	-118,2	n.d.	10,6	111,0	-42,1	60,9	203,7	309,8	284,6	191,9
- SME (a)	22,7	1,6	-4,8	n.d.	n.d.	n.d.	60,4	162,7	165,0	159,1	192,6
- Rest (b)	79,8	-21,1	8,5	n.d.	n.d.	n.d.	64,2	24,6	119,5	15,8	-30,6
- C.O.E. (c)	22,9	-138,6	-71,0	-73,3	-44,3	-20,0	-39,4	-50,5	-42,7	-26,8	-31,3
- C.A.R.I. (d)	39,0	39,9	n.d.	70,6	238,7	-215,3	-24,3	66,9	68,0	136,5	61,2
Weight over I.I.F.F. (e)	193,4	-6,9	n.d.	0,4	3,6	-3,6	-6,4	21,7	18,3	19,9	5,5

It includes mediation credit, orderly with the credit institutions..

It brings direct credits (industrial reversion, BEI loans and productive investment financing) and mediation credit.

Official credit for the exports. Disappears officialy in 1993.

Interest reciprocal adjust contract. Sussialy between the fix interest rate and the market rate, to make longer the loan average terms for export given by the credit institutions. Created in 1983.

In percentage about the net variation of credits of financing institutions (I.I.F.F) of the sector of non financing companies.

Source: ICO report.

Above cuadro's data show an important net variation of the oficial credit to no financial firms in 1987, going down in the following years and showing a substancial improving since 1994. In 1995 Oficial share in credit expansion to the whole sector just made easier SMC access to financiación, that kept on the increase began in 1993.

CCAA develop their own financial help programs to SMC and manage, all together with Central Administration, communitary programs. CCAA have agreements with ICO on interest bonus for long term productive invests, making apilabe priority interest rates of the ICO credit with CCAA bonuses.

Among BEI aims is the finantiation of proyects that contribute to an equilibrated develop of the UE. These credits are given to less developed areas of UE trying to improve transport and telecommunications infractures, a higher enviroment protection, etc., and SMC improvement also. To reach these goals, BEI has agrements with a dozen of Spanish financial institutions and comercial banks to increase investment in SMC, so they manage BEI credits. These credits can reach 50% of the proyect cost, and they can be: a) individual credit (with at least a 25 millions euros –4160 millions ptas.-), given directly by BEI, between 4 and 20 years long and negotiable carencia period, and b) Global credit, for bellow 25 millions euro proyects and given by BEI to banks and finanfial dealers, specially designed for small and medium firms. The amount is between 20.000 euros (3,3 million ptas.) and 12,5 millions euros (2.080 millions ptas.), given to firms with less of 500 employees, assets bellow 75 millions euros (12.479 millions ptas) and not owned by a big firm. Companies with less of 100 employees and having environment and energetic saving proyects are priority. More than 7.500 SMCs companies and local firms have been financiaded with 2.400 millions euros (399.000 millions pta) since Spain got into UE.

Share credits: is a financial instrument to finance long and medium term projects, that lets match financing and invests terms, helping to keep firm's financial balance. The main characteristics of this credits are:

The lender gets a variable interest rate, in relation to activity evolution, measurable through firm's results, reserves, total assets or any other measure indicator agreed between parts. Parts can agree a fix interest rate also.

A penalization clause can be agreed in case of advanced amortization. Borrower only can act this way when amortization is compensated with a capital increase in the same amount, capital increase that can not come from an assets actualization.

Lender go below regular creditors. For that reason, it is considered accountant property in case of capital decrease and firm's settlement.

This kind of credits were used in Spanish industrial restructuring in the first half of the eighty's and affected mainly big firms but had no important effects on SMC. In 1996, share credits were regulated by some laws, trying to extend these credits to SMC (Real Decret-Law 7/1996, about urgent tasks in fiscality, development and liberalization of economic activity, and Law 10/96 about urgent tax tasks to avoid inter company double taxation and giving tax internalization incentives).

Securitization: it is not a very developed financial market in Spain, in opposite to English markets. Securitization consists in the become of assets into securities that can be transmitted, transferred or sold. First specific regulation about securitization had place in 1981 and it was in relation of Mortgage market. First regulation that affected no financial companies were Law 3/94, April 14th, and Law 40/94, December 30th, about national electric regulation, that allowed those firms to securitize assets in their balance from nuclear delay. This operation reached 9.270 millions euros (711.000 millions pta.) Finally, Real Decret 9261/1998, May 14th, regulated securitization funds and securitization funds management companies, trying to extend these practices to all the firms. Since then, any asset in the balance sheet can be securitized (trading and personal assets, customers from credit cards, balances in default and future credit rights when certainty in regular payments (for example, from payment rail ways; construction companies credit rights in Public Administration). The effects of this regulation are still unclear, but it will not become easily an important financing way for manufacturing companies and even less for SMC.

Security markets access: Applicable Spanish Law in this matter is Law 241/1988, July 28th, about security market, changed by Law 37/1998, November 16th. Main security markets related important (shares, bonds notes, etc., issues) in no financial Spanish companies financing can be seen in the cuadro below:

No financial Companies. No financial activities (liabilities net variation)

Estructure

	1988	1989	1990	1991	1992	1993	1994	1995	1996	Pro memoria	
										1997	Media
Liabilities variation	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
<u>Short term securities (a)</u>	16,8	-0,6	14,6	-4,9	-1,5	-21,0	-6,5	-0,5	-3,7	0,8	0,7
<u>Bonds</u>	-0,7	-2,3	-1,0	4,2	3,6	13,0	-2,6	-4,7	-2,5	-4,2	0,3
<u>Shares:</u>	19,0	11,9	13,5	13,3	20,4	54,0	24,7	18,5	17,6	9,5	20,2
- Manufacturing	1,6	1,6	2,2	4,4	4,3	5,9	6,1	5,8	2,8	0,2	3,5
- quoted companies	11,8	4,0	3,0	2,1	2,1	15,5	4,6	2,7	0,7	0,7	4,7
<u>Credits (b):</u>	57,8	81,1	61,9	75,9	66,0	7,4	58,7	81,0	53,1	83,4	62,6
- Crédit institutions	39,3	51,5	37,6	47,2	23,7	-60,8	21,3	36,3	34,1	54,2	28,4
<u>Other liabilities (c)</u>	7,0	9,8	11,0	11,5	11,5	46,6	26,0	5,8	35,6	10,5	17,5
<u>Memorandum item:</u>											
Primary markets	27,9	1,1	16,6	1,4	4,2	7,5	-4,5	-2,5	-5,5	-2,7	4,4

(a) Mainly, commercial paper net issues.

(b) From credit institutions, Public Administrations, Insurance companies, no financial firms and families.

(c) Tecnical reserves (internal pension funds), interests to pay and residual items.

Source: Bank of Spain. Spanish Economy Financial accounts and estatistic bulleting.

Primary markets have a low importance in no financial companies finantiation, specially fixed imcome securities, both long and short term ones. This way, last years net issue has been negative, as amortized quantities have been higher than issues. Prospects are more positive about short term issues (commercial papers issue tax incentives since 1999, and interest rates are withholding free for companies that buy them). In other hand, shares issued by manufacturing companies have reached no significant related importance among all the firms. Net liabilities variation of Spanish no financial companies shows how firm's finantiation is not leaded to securities market, but to the crediting system in its different ways; loans have been the most used finantiation source, except for 1993 owe to the big fall of banking finantiation that is the most important finantiation source.

Quotating entry requirements are mainly based in the Stock General Reglament of 1967. It requires Board of Directors and General meeting of share-holders agreement and no articles of association restrictions to free shares transmtion. It also requires:

A floor of 200 millions pta. (1,2 millions euros) share.

A least 100 share-holders, without taking in account those that hold a share over 25%. This requirement does not aply to familiar companies when making a public offering before entring to quote, but it is an important disvantage for SMC.

Profits got in the last two years or in three no consecutive years in a five years period. As an additional requirement, but not needed, those profits ore asked to have been enough to pay a 6% paid up capital dividend, once legal reserve requirements are covered. Real dividend payment is not needed, it is just required dividend payment could have been able. This benefits familiar companies that use to aply self finance policies. Profits requirement has been soften by Command June 19th in

1997, when justified this profits will be reached in the future next years, in case of companies born from mergers, demergers or from a business transferring as well as these companies in a privatization or restructuration process.

Three last years' auditorship. This requivement is especially expensive for familiar companies.

At least two years working.

All the company shares should be quoting.

In future capital increases they shoud ask for authorization for the new shares to quote.

In Spain, as well as in the rest of EU, SMC have been almost excluded of those markets, as they dont reach investors' minimun requirements to accept the risk from these companies' fixed income securities (commential paper, fonds, etc.) or from variable income securities (new shares suscriptions in the primary market or share dealing in the secondary market). In addition to the primary market, in 1986 a Second Market was created traying to increase SMC access to this kind of finantiation; It had a limited success both in number of companies involved and over capitalization, as it is shown in the cuadro bellow:

Second Market Significance

	mm.euros								
	1989	1990	1991	1992	1993	1994	1995	1996	1997
Number of companies	36	33	33	30	31	34	35	32	35
Capitalization (a)	0,10	0,08	0,08	0,08	0,11	0,11	0,12	0,13	0,12
Total Stock (b)	81,6	69,8	86,0	79,9	124,9	122,1	138,2	190,4	267,4

(a) From Second Market quoting companies.

(b) Spanish stock quoted firms capitalization.

Source: CNMV.

The Securities Market reform in 1998 mentioned before, tries to improve quoted companies finantiation, establishing the preferential rights for no voting stock (preferential dividends reception) and giving the chance of issuing saveable shares in quoted companies (whit a maximum of 25% of the stock, not savable for the company). At the same time, preferential suscription right in bonds conversion into shares and in mergers is removed in quoted companies when required for the General shave-holders meeting when deciding about capital increases. The new law does not include especific dispositions to make easier SMC access to these markets, that are still mainly for big companies.

INTERNAL PENSION FUNDS: REGULATION

The law 8/1987 of pension funds and plans regulation specify the nature of pension funds and stablishes as the funds target to provide the worker, at the momment he starts to receive the pension, a similar standard of living that he had until that momment. In the first additional disposition it stablishes that pensions compromises assumed by companies must be scored by assurance contracts, or by the formulation of a pension plan, or both.

Afterwards, the law 30/1995 of 8th november, about supervision and organization of private assurance, in its 14th transitory disposition, stablishes that companies that, in the momment of law application, mantained pension plans and funds regulation, should proceed, in no more than three years from the law application, to adapt that materialization to what's stablished in the aditional disposition. In practice, it's obligatory for this funds to be constituted out of the non financial companias. The same transitory disposition exceptionally allows fore some kind of companias a larger term.

Afterwards, this terms have been extended until 1st of the budget law of 1999.

In 1990, the General Accounting Plan in its fourth transitory disposition, stablished that companies deficit between accrued compromises for pensions and the secured and accounting covered until the year before the application of the adapt and partial reform of the commercial legislation to the European Directive about companias, must transfer the appropriate provisions until they complete the deficit in the next teams, counted from the first year ended after 30th of Juny 1990:

a) For provisions corresponding to pensions caused at the beginning of the refered year: 7 years.

b) For provisions corresponding to pensions not caused at the beginning of the refered year: 15 years.

Afterwards, this terms have been aproved for some sectors.

Annex 5: Germany and France (Sauvé and Scheuer, 1999).

The conventions of insolvency law

Generally speaking, bankruptcy procedures are collective legal conventions for the recovery of debts by creditors. But national jurisdictions on this issue are very different, so that the existing insolvency proceedings can be roughly divided into pro-creditor and pro-debtor related systems (Wood, 1995). Pro-creditor related systems are systematically oriented towards the protection of creditors resulting from a debtor default. This kind of proceedings is primarily concentrated on the liquidation of the debtor's assets and the distribution of the proceeds realized to the creditors involved. Therefore, these insolvency regulations are currently classified as liquidation procedures. In contrast to that, pro-debtor related systems intend to save defaulters and their employees from the viewpoint that the creditors, too, have to contribute to this rescue. That kind of proceedings is commonly called a restructuring or rehabilitation insolvency procedure, as the maintenance of economic activity, with the goal of finally rehabilitating the ailing enterprise and safeguarding the jobs at risk, has priority over the detrimental effect on creditor rights. The degree of protection granted to creditors' rights constitutes another important criterion for ranking insolvency proceedings into pro-debtor and pro-creditor related systems. The goal of maintaining the activity of the bankrupt firm within a restructuring insolvency procedure makes it necessary to shield the enterprise that is experiencing difficulties from the legal measures of its creditors in order to prevent an early destruction of the insolvent's estate. Imposing a freeze on the enforcement of secured debt or a debt moratorium, which amount to a certain temporary destruction of creditors' rights, are the logical consequence of such an approach. Furthermore, as bankruptcy systems in general have to establish a ladder of payment, the systems differ systematically with respect to deciding who are the super-priority or priority creditors who are largely outside the bankruptcy procedure and are paid in full. Major differences have to be recognised concerning the secured creditors' position in relation to competing interests. In pro-creditor related systems, secured creditors have absolute priority over all other categories of existing claims, while in pro-debtor related systems the insolvency administrator can often raise super-priority moratorium loans to finance the rehabilitation but which downgrade existing security. In addition, employees' salaries, bankruptcy administration costs and taxes often enjoy preferential treatment before secured debt is paid. As this regime favours a special class of unsecured creditors, it devalues the purposes of security in enterprise financing: security is designed to be a fair exchange for the credit, it protects against insolvency losses, as it allows the payer the right to the asset. It appears evident that pro-creditor related systems, in which the secured creditor rights are fully respected and prioritised, encourage excessive bank financing of enterprises as the probable insolvency losses of banks are minimised. Under such conditions it may be expected that own funds lose much of their function as credit guarantees, as in cases of financial distress securities provide a safer cover for loans than own funds do owing to the insolvency-proofness of collateral. Therefore, cross-country differences in the level of capitalisation and leverage of companies tend to depend directly on the legal conventions concerning the degree of protection of creditors' rights provided by the national insolvency procedures.

Principles of insolvency law in France and Germany

The insolvency regimes of the two countries differ fundamentally concerning:

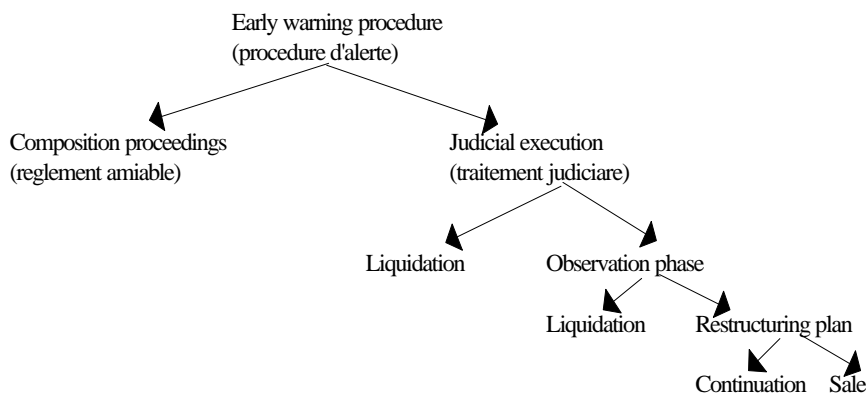
- (1) the overall objective,
- (2) the structure and sequence of the proceedings
- (3) and the material implications for creditors.

France

(1) The basic objective of the French restructuring insolvency procedure is to save the ailing enterprise. The maintenance of economic activity and hence the safe guarding of the jobs involved is the second most important goal, whereas satisfying creditors comes only in third place (Biais and Malécot, 1996). Despite the marked strengthening of creditors' rights introduced by the reform of 1994 (Law No. 94-475), creditor interests remain explicitly subordinated under French insolvency proceedings.

(2) The fact that French insolvency law is geared primarily towards preventing liquidation is shown by the structure and sequence of the proceedings.

Structure and sequence of French insolvency proceedings



Law No. 84-148 introduced in 1985 created a special early warning procedure to be applied whenever an enterprise is manifestly in financial difficulties. This procedure, which essentially entails a legal obligation on the part of the external auditor, is designed to draw the management board's attention to looming financial problems without notifying a third party.

The same law introduced a procedure for the enterprise to reach an amicable settlement with its creditors by way of a voluntary composition agreement (eased payment terms and partial debt forgiveness) so as to avoid debt enforcement through a court. If the enterprise fails to reach an amicable settlement with its creditors and is no longer able to meet its obligations and is technically insolvent, the restructuring insolvency proceedings can be initiated. Following a preliminary examination by a court (commercial court or regional court), an adjudication on the initiation of bankruptcy proceedings is given. This procedure was instituted by Law no. 85-98 of January 25, 1985. As a result either the liquidation of the enterprise is ordered (if the situation is completely hopeless) or an observation phase is initiated. Under the general procedure the observation period lasts 6 months and may be renewed twice; under the simplified procedure (applicable to companies with fewer than 50 employees and less than FRF 20 million annual sales, excluding VAT) the observation period lasts 4 months and may be renewed once. A court-appointed receiver (general procedure) or bankruptcy judge (simplified procedure) carries out a diagnosis of the company's condition with a view to proposing a

rehabilitation plan. The firm's financial situation and restructuring capability are examined in detail. This procedure substantially changes the situation of the creditors, who are no longer constituted as a body which has legal personality and owns assets. They are merely a group whose interests are collectively defended by a court-appointed representative. As of the order initiating the procedure, individual legal action by creditors and enforcement procedures are suspended. The rule

whereby claims arising prior to the initiating order may not be paid without special authorisation continues to apply to the two unsecured and preferential creditors. At the end of the observation period a business and social assessment of the enterprise is presented containing a plan for restructuring or liquidation. The judicially approved restructuring plan lays down the modalities either for the continued operation of the enterprise by the debtor or its sale to a third party. However, a plan for continued operation is approved only if there is a genuine prospect of restructuring the enterprise and satisfying the claims of its creditors (article 69). The debt owed to the creditors is restructured. Debtholders agree to write off a fraction of their loan and may also agree to reschedule payments. By contrast, if the sale of the firm is ordered, the firm as such disappears. The debt and equity are totally written off. The assets of the firm are sold. The price paid by the company rescuer is used to repay the creditors, who cannot necessarily expect their claims to be satisfied in full or even in part. They share in the proceeds of the sale in accordance with their creditor ranking (precedence of "superprivilèges" and claims of new creditors). The same priority ranking prevails in the case of liquidation which the court orders when there is no hope of rescuing the firm. On completion of the liquidation procedure, the debtor is discharged from his remaining liabilities. Unpaid creditors may take individual legal action against the debtor solely in the event of fraud or personal bankruptcy. Debts are paid in the following order: senior preferential creditors, secured creditors, unsecured creditors, holders of subordinated debt, shareholders.

(3) The implications of French insolvency law for the position of creditors (especially grantors of credit) are different in the various phases of the insolvency proceedings. During the observation phase the enterprise is shielded from the measures of its creditors, old debts are frozen and a general prohibition is imposed on payments in order to grant the enterprise a breathing space. However, claims which arise after the bankruptcy adjudication is issued are excluded from this rule so as to provide a financial incentive to creditors who participate in the further financing of the enterprise. For the grantors of (old) credit these provisions result in an interruption of the interest stream (article 55). Collateral in the form of real security loses its function as a lien relating directly to the claim in question and merely secures a ranking function in the proceedings (article 57). On the other hand, the legal prohibition of payment does not cover goods delivered under reservation of ownership. Under French law there is a general obligation for the debtor to surrender goods supplied which the debtor can overcome only through payment of the purchase price (which must be authorised by the supervising judge).

If the enterprise is permitted to carry on its business, it must meet its payment commitments in full. The payment modalities of old debts which have been declared in good time or entered in the register are fixed with consideration to the creditor ranking stipulated by law and in accordance with the reductions and payment terms agreed with the creditors. Pursuant to Article 40 of the 1985 version of the Insolvency Law, new debts that are payable have to be settled first. Employee claims bearing the status of "privilège" or "superprivilège" and very small amounts (as defined by article 76) likewise have to be paid immediately. Furthermore creditors in possession of collateral can achieve premature satisfaction when the asset is sold with the proceeds of the sale being shared out in line with the ranking of old creditors bearing claims secured by real collateral as stipulated by law.¹³

A new law, Law n° 94-475, on the prevention and treatment of difficulties affecting businesses was passed on June 10, 1994. It introduced two main changes to bankruptcy law:

– modernisation of the procedure, including greater transparency and tighter ethical standards for business reorganizations and disposals,

¹³ Precedence of "privilèges généraux" which include the "superprivilège" of the employees and the preferential claim of the social security funds, and of "privilèges spéciaux" which above all comprise security interests in the form of liens.

– restoration of creditors' rights and hence of the confidence of credit institutions, often justified by the need to encourage business lending.

The second aspect of the reform took the form of an extension of creditors' powers during the procedure by allowing them to take individual action and by improving the situation of creditors holding security interests on property. As well as introducing measures in favour of secured creditors, the law also sought to improve the lot of unsecured creditors.

For the eventuality of liquidation, the ranking of old and new creditors was defined differently in the amendment of the law adopted in 1994 (Law No. 94-475). Thus whereas the satisfaction of new creditors likewise takes precedence, their claims are nevertheless ranked below the (old) claims of the following creditor groups:

1. the employees
2. the judiciary for costs incurred by the legal proceedings
3. creditors holding claims secured by real property
4. creditors holding claims secured by movable goods
5. creditors holding liens on production facilities and machinery

In order not to compromise the success of restructuring plans, however, the priority of claims under Article 40 is maintained if the business is continued. Additionally it should be pointed out that, within the category of new creditors, restructuring loans granted by credit institutions are ranked third below the claims of the employees and the judiciary (Damann, 1996).

In the law of 1985 the precedence of old debt had been confined exclusively to employee claims with the status of "superprivilège"; this led to the systematic depreciation of old claims compared with new claims, it consequently undermined the function of credit collateral, and had an adverse effect on the distribution of credit to businesses. The greater risk burden for banks caused a deterioration of their operating accounts, since their action in passing the increase in the "cost of risk" on to the cost of borrowing was both tardy and piecemeal. The new law created uncertainty as to the future value of guarantees and hence of bank loans, causing a number of banks to stop lending to small and medium-sized businesses. With the rise in the number of business failures came a corresponding increase in administrative costs resulting from the requirement to assert claims, two-thirds of them in connection with leasing business. In addition, the observation period introduced by this law meant that creditors had to wait longer before they could recover leased assets and collateral for loans. The increase in risk borne by credit institutions led to a rise in the cost of borrowing for businesses. Whereas for SMEs the cost of risk was estimated to be less than half a point on the interest rate in 1986, the figure had risen to over 1.3 % by mid-1993. Furthermore the banks, faced with deteriorating operating accounts, tightened their selection criteria, contributing further to a slowdown in lending (Conseil National du Credit, 1993).

Germany

(1)The insolvency procedure which currently applies in Germany (1990 version of the Bankruptcy and Composition Code¹⁴) distinguishes between bankruptcy proceedings and composition

¹⁴ In Germany - in contrast to France - no substantial changes or amendments were made to insolvency law until 1999, when a reform of insolvency law was introduced which is quite similar to US insolvency

proceedings. The aim of the judicial composition proceedings is to avoid bankruptcy by reaching a composition agreement. Under this procedure the economic interests of the debtor are more to the fore than in the case of bankruptcy proceedings which - even if the enterprise carries on business for a time - is aimed solely at liquidating the debtor's assets and distributing the proceeds realized to the creditors. As composition proceedings play virtually no role in Germany today, the German insolvency regulations can essentially be classified as a liquidation procedure.

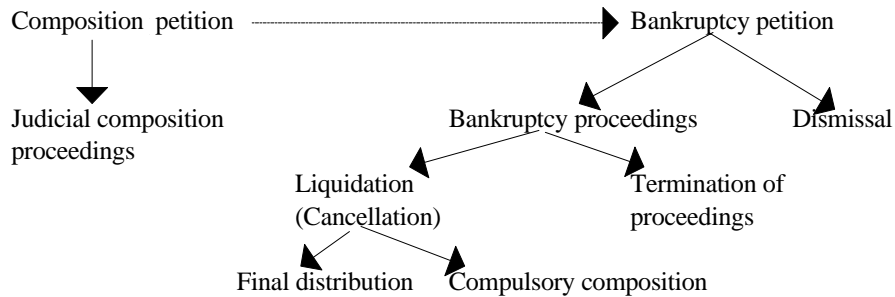
(2) Judicial composition proceedings, as regulated by the Composition Code, can only be instituted at the request of the debtor. Unlike bankruptcy proceedings, the debtor's assets remain free from sequestration and continue to be administered by him. Before composition proceedings can be instituted a composition proposal has to be made which guarantees fulfilment of at least 35 % of the claims of the creditors with whom a composition is being sought (at least 40 % in the case of payment terms of more than one year). All creditors who are entitled to separate and recover property belonging to them from the debtor's estate ("Aussonderung") or who are entitled to separate satisfaction from the asset ("Absonderung") are excluded from composition proceedings because their claims have to be satisfied in full in advance. Owing to these preferential rights, the assets remaining hardly ever suffice to meet the statutory composition quotas of creditors who do not have preferential rights to the debtor's estate. Consequently, composition proceedings usually develop into bankruptcy proceedings.

Bankruptcy proceedings can be initiated upon the application either of a creditor or of the debtor himself if he is insolvent or (in the case of legal persons) over-indebted.¹⁵ However, bankruptcy proceedings are initiated only if the available assets suffice to cover the cost of the proceedings (a condition which today is not met in more than 80 % of cases because the pre-emptive rights under separation and netting deplete the bankrupt's estate) or if the creditor pays a corresponding advance. The proceedings are terminated if it becomes apparent that the available assets do not suffice to cover the cost of the proceedings or if all the creditors agree not to seek a declaration of bankruptcy. Once bankruptcy proceedings are initiated, the debtor is deprived of access to and control over all his assets that belong to the estate, although his rights of ownership and possession are not affected. The liquidator appointed to administer the bankruptcy proceedings controls and manages the debtor's assets in his place. In parallel with this the court issues instructions to secure all the available assets, i.e. it places a general ban on sales of assets and seizes all the goods it can find. Any attachment or debt enforcement orders in favour of individual creditors are suspended for the duration of the bankruptcy proceedings. All that the creditors concerned can do for the time being is to ensure that their claims are recorded in the schedule of creditors.

proceedings. As a result, the current German regulations are based on the Bankruptcy Code of 1877 and the Composition Code of 1935.

¹⁵ The executive board/board of management of an incorporated enterprise is actually legally obliged to submit a petition for bankruptcy immediately the enterprise becomes over-indebted; failure to do so may have consequences under civil and criminal law.

Structure and sequence of German insolvency proceedings



Creditors with the right of separate satisfaction ("Absonderung") - especially pledgees and owners of collateral - can assert their claims first, i.e. they can have the asset in question sold straight-away and satisfy their claim out of the proceeds. Creditors who do not have preferential rights have to wait for the final distribution. Before that, however, priority debts (court and realisation costs and maintenance for the debtor) and priority costs incurred in connection with the bankruptcy proceedings (claims in respect of the activities of the liquidator, employee claims relating to the period immediately prior to or during the proceedings etc.) have to be met. Only after the preferential claims of the employees, state, churches and public bodies have been satisfied are the claims of non-preferential creditors considered. Instead of the final distribution the debtor can also propose a compulsory composition to the non-privileged creditors; unlike the composition procedure under the Composition Code, this composition settlement does not have to meet any minimum quotas. In such a compulsory composition the creditors waive that part of their claim that cannot be satisfied and in this way may be able to speed up the proceedings, although this rarely occurs in practice. It should be noted that even if bankruptcy proceedings are set aside, the creditors whose claims have not been satisfied are free to assert their outstanding claims against the debtor without restriction since under German bankruptcy proceedings, in contrast to the situation in France, the debtor is not freed from his residual debt (see Jahn, 1997; Herbst, 1996).

(3) Under the German insolvency procedure the claims of creditors are protected to a very large extent by the legal concepts of separation (Aussonderung) and separate satisfaction from the asset (Absonderung). Whereas the right to separation enables the creditor to claim that the asset in question does not form part of the bankrupt's estate at all, the right of a separate satisfaction from the asset enables the creditor to obtain immediate satisfaction in respect of an asset that does form part of the bankrupt's estate. The basic difference between the two legal concepts is that creditors with a right to a separation are able to extract the asset in question completely from the estate, whereas creditors with a right to separate satisfaction from the asset have a lien to a particular asset as the basis for satisfying their claim and may enforce such lien to the assets under the provisions applicable outside the insolvency proceedings. Any excess proceeds above the amount of the secured claim are automatically returned to the bankrupt's estate. Pursuant to section 4 of the Bankruptcy Code, however, separate satisfaction from the asset occurs outside the actual bankruptcy proceedings. Hence the right of separation - which is ultimately based on the principle that, in the final analysis, compulsory debt enforcement measures may not exceed the bankrupt's assets - is restricted to cases in which the debtor possesses an asset of which he is not the lawful owner. Such a situation prevails whenever an asset has been transferred under simple reservation of ownership ("einfacher Eigentumsvorbehalt") as the transfer of ownership is deferred until the purchaser has paid for it in full. If the purchaser then becomes bankrupt, the liquidator has the choice of paying the sum still owed for the asset in question or segregating the asset from the bankrupt's estate. However, if the seller of the asset granted the purchaser the right to resell or further process it, and in the process agreed an extended or expanded

reservation of ownership ("verlängerter oder erweiterter Eigentumsvorbehalt"), i. e. an anticipated transfer of claims resulting from the sale of the asset delivered under the extended reservation, this normally grants the seller a claim in the event of the purchaser's bankruptcy to a right of separate satisfaction from the asset. All other types of security in the form of movable goods (transfer and assignment of ownership by a lien and pledges through a legal transaction or legal act) likewise entitle the creditor to preferential satisfaction. The same applies to security in the form of real property (liens to land, mortgages, charges on land and priority notices protecting a claim for transfer of title to land). The separate satisfaction related to real estate is executed by way of an action for a judgement by which the right to preferential satisfaction is enforced, however, in accordance with the general rules applicable to forced sales of real estate outside insolvency proceedings. Furthermore, sections 48 and 49 of the Bankruptcy Code stipulate that security rights in assets of the insolvent established by agreement between the parties and security rights established otherwise (i. e. by operation of law as in the case of statutory liens or by a measure of individual execution) will benefit from the same treatment in a subsequent insolvency, i. e. grant a right to preferential satisfaction.¹⁶

In contrast to the provisions of French insolvency law, certain categories of creditors in Germany - notably the banks - enjoy extensive protection against bad debt losses in the event of bankruptcy since, by making use of the provisions of current bankruptcy legislation, they can limit their default risk to a large extent (not least to the detriment of unsecured creditors) by establishing liens to real property and movable goods. In France a comparable protection from bad debt losses in the event of bankruptcy exists only for the simple reservation of ownership and (at least following the reform of 1994) for creditors with rights of lien. It is therefore not surprising that the insolvency losses of French banks are considerably larger than those of their German competitors. An estimate made by "Société Française d'Assurances Crédit" (SFAC, 1993) suggests that banks involved in restructuring actions - given a comparable degree of securitisation as in Germany - suffered an average annual loss on bad debts of around 60 %. A similar study for Germany for the years 1981 and 1982 arrives at an average loss on bad debts of only about 16 % (Drukarczyk et al., 1985). If the growing trend towards the over-securitisation of lending risks that has been evident in recent years is also taken into account, the real loss rates sustained by German institutions is probably even lower. The downside of the extremely creditor-friendly provisions of German insolvency legislation, however, is that the bankrupt's estate is systematically depleted by the right to separation and the right to preferential satisfaction enjoyed by privileged creditors, with the result that fewer than 0.5 % of insolvency cases lead to composition proceedings (the data are for western Germany in 1996), in more than 70 % of cases the bankruptcy proceedings are dismissed for lack of assets and the vast majority of those bankruptcy proceedings that are initiated are terminated because of a lack of assets.

Basic differences in the corporation tax system

A precise quantitative assessment of the influence of the corporation tax regimes in France and Germany is hardly possible and would go far beyond the scope of this analysis. Therefore only the basic constructs of the tax systems in the two countries are described as far as they tend to influence enterprises' decisions to distribute or retain earnings (see Sass, 1993; BMF, 1996; BDO, 1994).

a) Germany

The German corporation tax system ("Körperschaftsteuersystem") is based on a full tax credit system with a split tax rate regime, a standard rate for retained earnings (currently 45 % plus 3.38 % solidarity surcharge) and a reduced rate for distributed profits (currently 30 % plus 2.25 % solidarity surcharge). The full tax credit system was introduced in 1977 in order to avoid the problem

¹⁶ First the costs of bringing the action and realizing the value of the security, then the interest and last of all the principal of the loan have to be satisfied.

of double taxation for distributed profits, firstly at the level of the company through corporation tax and additionally at the level of the shareholder through personal income tax. The imputation system works as follows: If the corporate profits are distributed, the standard tax rate of the corporation of 45 % is reduced to 30 %. To arrive at a tax rate of 30 % on amounts distributed, a reduction or an increase in tax is made (under the condition that tax-free amounts or dividends subject to a higher tax rate are distributed), depending on how much tax has been levied on these amounts previously. When receiving the dividend the shareholder has to gross up the amount and is then entitled to credit the underlying corporation tax (30/70 of the dividend) together with already levied withholding tax against his income tax liability. The spreading of the retention and distribution tax rate has above all historical reasons. It was especially designed to promote capital market-based financing activities of enterprises in the early fifties as most German businesses in the period of economic recovery after the currency reform predominantly relied on self-financing via thesaurisation of profits owing to the underdeveloped state of the capital markets. The underlying philosophy of the German tax system can be described by the pay out - take back principle ("Schütt-aus-hol-zurück-Methode"): the higher rate for retained profits should provide an incentive to firms to distribute earnings which subsequently, by using the allocational function of capital markets, should try to reabsorb the distributed amounts via capital increases.

b) France

The French corporation tax system ("impôts sur les sociétés"), following several reforms, developed in 1993 into a full tax credit system. Between the mid-sixties and that time, only a partial imputation system had existed. The main difference compared with the German tax system is that the French system taxes profits at an identical rate, irrespective of whether profits are distributed or retained. Only in the period from 1989 to 1991 did a slight spread exist between the retention and the distribution rate, but, in contrast to Germany, it was conversely conceived by subjecting distribution to the higher corporation tax rate than profit retention. This could be interpreted as an additional indication that the French system is primarily designed to promote the direct retention of corporate profits without bypassing capital markets. Under the current version of the French corporation tax system, dividends and retained earnings (as a rule) are subject to a standard tax rate of 33.3 %. As a countermove to that, the shareholder receives a tax credit of 50 % of the dividend which corresponds to the 33.3 % corporation tax already levied at the company level.

c) Effects on enterprises' profit appropriation decisions

Whereas the German system systematically tends to promote profit distribution via the pay out - take back mechanism, the French system clearly provides incentives for a direct retention of profits at the company level. The retention of profits was made particularly attractive in France by the tax authorities during the period under review as the standard rates were continuously reduced from 50 % in 1987 to 33.3 % in 1993, thus creating a wide spread (more than 20 percentage points) between the top rate of income tax of 56.8 % and the respective profit retention rate. But an even more important factor appears to be the reversed spread in the period 1989 to 1992. During these years the reserves of French firms increased very distinctly, as the retention rate was reduced to 34 % whereas the distribution rate remained unchanged at 42 %, a fact which seems to have significantly influenced French firms' profit appropriation decisions. From 1995 onwards a special contribution of 10 % and later 15 % was enforced on larger businesses, so that the corporation tax rate was raised to 36.7 % and 41.6 % respectively, whereas it was reduced to 19 % for small businesses (turnover less than FRF 50 million). In Germany the respective reductions in corporation tax rates were introduced later (beginning in 1990) and, as far as distributed profits are concerned, did not reach the low French level (45 % against 33.3 %). As a consequence, the spread between the retention rate and the top rate of income tax was much less pronounced and therefore, unlike in France, did not provide strong incentives for the improvement of the capital structure of German businesses.

Evolution of corporation and income tax rates in France and Germany 1987 - 1995

Year	France				Germany			
	Distributed corporation tax rate	Retained corporation tax rate (1)	Top income tax rate (2)	Spread between (1) and (2)	Distributed corporation tax rate	Retained corporation tax rate (1)	Top income tax rate (2)	Spread between (1) and (2)
1987	50.00	50.00	56.80	6.80	36.00	56.00	56.00	0.00
1988	42.00	42.00	56.80	14.80	36.00	56.00	56.00	0.00
1989	42.00	39.00	56.80	17.80	36.00	56.00	56.00	0.00
1990	42.00	37.00	56.80	19.80	36.00	50.00	53.00	3.00
1991	42.00	34.00	56.80	22.80	38.70	53.75	56.97	3.22
1992	34.00	34.00	56.80	22.80	38.70	53.75	56.97	3.22
1993	33.33	33.33	56.80	23.47	36.00	50.00	53.00	3.00
1994	33.33	33.33	56.80	23.47	30.00	45.00	53.00	8.00
1995	33.33	33.33	56.80	23.47	32.25	48.38	56.97	8.59

The relationship between banks and enterprises in France and Germany

Traditionally, the financing systems of France and Germany are classified as typical credit-based and bank-oriented systems, owing to the fact that the capital markets are less important for corporate finance than is the case in market-based Anglo-Saxon countries. Despite that general similarity, bank-company relations in the two countries have historically developed quite distinctly, which is clearly visible in the fact that in the German economy banks are still the most important source of external financing for the non-financial sector, whereas French companies are significantly less dependent on bank loans than on other sources of external financing such as inter-company credits.

Nature and origins of German preferential banking ("Hausbank" relationship)

The role German banks play - especially in the financing of SMEs - is commonly characterised by the system of relationship lending ("Hausbank" relation or main bank relationship). This refers to the fact that most German SMEs give priority in their business activities to one bank (especially the bank of the "first hour"), which runs the core of their banking transactions and which for its part provides preferential treatment and a long-term commitment to its "Hausbank" customers. This close and stable working relationship, which does not necessarily exclude the simultaneous use of other credit institutions, establishes a climate of confidence and a kind of co-operation between the companies and banks involved which is frequently described as a sort of partnership. For German small and medium-sized businesses the "Hausbank" is of outstanding importance not only with regard to their current financial transactions (Gröschel, 1993; Quack and Hildebrand, 1995; Homé, 1991; Dietsch, 1993; Fischer, 1990; Edwards and Fischer 1994):

It ensures easy and flexible access to short-term loans according to the financing needs during the asset conversion cycle by providing overdrafts in the form of permanent credit facilities or general operating loans, frequently collateralised by way of general assignment.

It encourages long-term finance and thus facilitates reorganization and growth of the company. This kind of financing is especially important for investment in R&D, labour force skill development, and collaboration with other firms.

It helps the company to access subsidised loans and start-up capital distributed through public banks in the context of the government's "Mittelstandpolitik".

It provides a number of business services - notably financial and management consulting - to its "Hausbank" client.

In the event of financial distress, in particular, it plays an active role in keeping the business running through the assumption of equity, cancellation or restructuring of debts, extension of new credits and even temporary involvement in the company's decision-making process.

It frequently also acts as the trustee of the private assets of the managers, or firm owners, and their families.

The system of preferential banking has developed from the period of industrialization within an economic and institutional context which has substantially supported the evolution of stable long-term relationships between banks and companies. An important feature is the high degree of decentralization of the German universal banking system and the segmentation of the banking sector, which has caused a clear division of labour and a reduction of competition within financial services. Whereas the smaller and medium-sized public savings and co-operative mutual bank segment (belonging to a large network) confine their financing services primarily to SMEs and are strongly engaged in the development of the local economy, the large commercial banks concentrate primarily on the financing of large corporate customers or the mid-sized German "Mittelstand" sector.

Market share of loans granted to non-banks by type of bank in Germany

Bank category / year	1990	1994
Commercial banks	29.8	25.0
of which:		
big banks	10.0	9.3
regional and other commercial banks	17.7	14.1
private bankers	1.2	0.9
Regional giro institutions	12.6	14.9
Savings banks	21.4	22.8
Regional institutions of credit cooperatives	2.4	1.6
Credit cooperatives	11.8	13.4
Other financial institutions	23.0	22.3

Source: Deutsche Bundesbank (1998).

With regard to large companies, the major factor for their direct links to the German banking system is to be found in the typical German corporate governance structures. The large German commercial banks not only control companies' access to capital markets but also own large shares of their equity capital, have delegated proxy voting rights (Depotstimmrecht) as well as interlocked directorships (extensive representation on supervisory boards). But that explanation does not apply to the situation of SMEs. In their case, the banks' consulting services, in particular, tend to establish an efficient channel of influence. These expertise-based relations allow banks to exert considerable influence on companies' management strategies and investment decisions (Sherman and Kaen, 1997). Business advice from banks has taken on outstanding importance, so that many German banks in the meantime have established their own corporate consulting departments. An additional important stabilising factor of the house bank system can be found in German insolvency law, which gives considerable priority to bank creditors, so that insolvency losses of German banks are comparatively low (for details see Box 1).

Establishing close company relationships also has a number of advantages for the banks involved:

It favours the accumulation of a maximum of credit-decision relevant information and thus lowers the existing information asymmetries between lenders and borrowers as well as the

monitoring problem, a fact which leads to a substantial reduction of the credit risk for the banks involved.

It minimises the transaction costs of banks via economies of scale and scope with respect to production and use of information and via the accumulation of a kind of "reservoir of trust".

It produces client loyalty towards the "Hausbank" puts the banks involved in a quasi monopolistic situation, and thus assures that rescue finance will be adequately compensated in future and not eroded by competition from other banks.

To sum up, the house bank system appears to be an efficient instrument for banks and their corporate clients alike to achieve optimal loan contracts, thus lowering aggregate financing costs and preventing credit rationing, a vital concern, especially for SMEs. But it must also be pointed out that the German "Hausbank" model has been the subject of continuous controversial debate in financial literature. It is sometimes argued that the influence of German banks on businesses is excessive with the result that Germany's general economic performance is adversely affected (see for an overview Sherman and Kaen, 1997). Some main arguments put forward by the critics are:

competition within the banking sector is seriously limited, so that banks are able to realize monopoly profits,

the far-reaching influence on companies' investment-making processes produces considerable competition distortions, which predominantly result from the fact that, in contrast to capital market-based financing, no incentives for risky R & D activities and an assessment of management efficiency are provided (only a model for financing traditional industries),

house banks also systematically influence company decisions with regard to the choice between own and borrowed funds. In this context it is argued that banks only have a limited interest in increasing the capital market-based external finance of corporations. Therefore they define very restrictive selection criteria for companies, judged to be quotable, and impose large fees for the registration procedure.

The "fournisseur" financing relation between French banks and companies

In France the relationships between banks and enterprises are traditionally looser than in Germany. This appears to be primarily a result of the specific market structures in the banking sector and the divergent institutional context in which they operate. From the mid-forties to the mid-eighties the French banking system was very specialised and compartmentalised: there were 391 deposit banks, 45 finance banks and 8 banks providing medium and long-term loans. Loans had to be matched by resources with the same maturity. During the reconstruction period, the government favoured the channelling of funds towards certain types of business equipment investment. The allocation of resources was not always very efficient. At the beginning of the eighties, the poor profitability of French banks paved the way for a restructuring of the banking system. The years 1984 and 1985 were really crucial for the French financial and banking system. The credit ceiling system was abolished in 1984 and resorting to subsidised interest rates as an instrument of government industrial policy was gradually abandoned, and since then an increasing part of loans has been indexed on market-based interest rates. Moreover, a number of government initiatives have aimed to develop capital markets and encourage financial innovations such as negotiable short-term instruments that could be held by all economic agents, both financial and non-financial and investment funds. As a result there has been a rapid securitisation and a significant degree of disintermediation.

Banking and financial activities in France have been completely reformed and liberalised in the course of the last fifteen years. In 1984, all financial institutions were grouped under the same legal framework. Under the French Banking Act of 1984, authorisation as a credit institution is required for a broad range of operations: deposit-taking, providing loans, guarantees or payment services. As a result of the broad definition of banking operations, the French banking system includes a large number of institutions: at the end of 1996, there were 1,382 authorised credit institutions in France. The Banking Act distinguishes several categories of institutions. Out of the 1,382 institutions established in France itself, 570 have full banking authorisation and may therefore engage in all types of banking and financial operations. These institutions or "universal banks" are divided into four types: banks organized under the Companies Act (387 at the end of 1996, including 89 branches of foreign banks), mutual and co-operative banks (129 at the end of 1996, including the 32 "Banques populaires", the 59 "Caisses Régionales de Crédit Agricole" and the 26 "Caisses Fédérales de Crédit Mutuel"), savings banks (34 at the end of 1995) and municipal credit banks (20 at the end of 1995). The 812 other credit institutions are granted a restricted authorisation: they may only take certain categories of deposits or provide certain categories of loans or services, such as housing or consumer credit, equipment loans, leasing, factoring, portfolio management, placement of securities or money and capital market transactions. 781 of those institutions are authorised as "financial holding companies" and, among them, 140 "securities houses". The other 31 are "specialised financial institutions" which are governed by special statutes and undertake operations on behalf of the State. In addition to the credit institutions, there were, in June 1997¹⁷, 140 investment firms, as defined by the Financial Activity Modernisation Act of 2 July 1996 in France.

The number of banks has decreased markedly during the past ten years. This was the result of banks' poor profitability owing to the sharp decline in deposits and the development of OPCVM ("Organisme de Placement Collectif en Valeurs Mobilières", which are collective investment schemes) and the difficulties some banks had to face because of the real estate crisis. Moreover, during the period under review in that study, more and more companies resorted to the financial markets in order to meet their business cycle requirements and equipment investments instead of doing business with banks. The competition between credit institutions has led to a selective policy of credit allocation to corporate customers and of limited risk-taking in a market characterised by declining profit margins (Chanel-Reynaud, 1994).

The relationship between banks and corporations also depends upon the firm size. Large companies have direct access to capital and money markets and exert pressure on banks' prices and conditions. SMEs are much more affected by the banks' new cautiousness in awarding loans. In order to overcome the shortage of bank loans for SMEs, government policy was directed towards strengthening incentives. Firstly, the government introduced a tax-privileged savings deposit ("CODEVI, Comptes pour le développement industriel"). Banks have to transfer the major part of it into subsidised loans to SMEs. Secondly, "SOFARIS" ("Société française de garantie de financements des PME"), a credit guarantee institution with the State and commercial banks as its main shareholders, was created with the purpose of providing security for the financing of SMEs. In 1997, it provided a security to 20 % of the medium and long-term bank credits granted to SMEs. Another institution, the "CEPME" ("Crédit d'équipement des petites et moyennes entreprises") created in 1980 used to offer medium and long-term loans (3-20 years) to finance SMEs' equipment investments, with the funds provided by the CODEVI. A regrouping of SOFARIS and CEPME took place in January 1997, the new institution was called "La Banque de développement des petites et moyennes entreprises" – "BDPME" (the Bank for the development of SMEs). It proposed a new product: a medium and long-term loan without guarantees. Moreover the interest is very low during the first years and partially indexed on the turnover of the businesses. In addition, another institution

¹⁷ The Financial Activity Modernisation Act is the transposition into French law of the European Communities Directive 93/22 of May 10, 1993 relating to investment services in the securities field.

"ANVAR" ("Agence nationale pour la valorisation de la recherche") plays an important role in the financing of innovative SMEs. It grants loans which are only paid back in the event of success. If the company fails, the risks are assumed by the tax payer since this institution distributes funds provided by the State.

The market share of the main banking institutions shows the important role played by the AFB banks, a category of universal banks belonging to the "Association Française des Banques" which are comparable to the private commercial banks in Germany, the mutual and co-operative banks and the savings banks. It appears that the market share of AFB banks and mutual and cooperative banks increased during the last two years under review, whereas it tended to decline for other credit institutions and specialised financial institutions. This trend may correspond to the ability of those banks to offer financial services and advice to firms, in particular to SMEs (Belletante, 1991). In addition, it appears that mutual and co-operative banks are more likely to lend to SMEs. This is due to historical reasons. Thanks to their branches, they develop proximity relations with local firms.

It is not always very easy to appreciate the quality of the relationships between banks and enterprises in France. Recent studies published by the Banque de France show that in 1995, 80 % of all French companies were provided with credit banking and loans from only one bank. This high proportion of firms can be explained by the large number of small or very small corporations.

Market share of loans granted by type of bank in France

Bank category / year	1988	1989	1990	1991	1992	1993	1994	1995	1996
AFB-banks	49.5	50.1	51.5	51.0	50.9	50.1	48.5	48.8	49.4
Mutual and co-operative banks	20.9	21.7	21.9	22.5	22.3	22.4	22.8	22.9	24.2
Savings banks	4.2	4.2	4.3	4.2	4.6	4.8	5.2	5.3	5.9
Municipal credit banks	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.2	0.1
Other credit institutions	7.6	7.3	7.4	7.4	7.3	7.4	8.5	8.2	8.0
Specialised financial institutions	17.5	16.4	14.6	14.7	14.7	15.1	14.9	14.6	12.4

Source: Commission bancaire (several years).

Conversely, large companies (with a turnover of more than FRF 50 million) work with several banks. According to these findings, there was a strong correlation between the number of banks in relation to a corporation and its rating. The sound enterprises (rating 3 or 4) tended to increase the number of their bankers during the period 1992-1995, whereas this number gradually declined in companies with a bad rating. That may reflect intense competition on the market for good firms as well as a sort of rationing for rather fragile firms.

Comparison of the right of reservation of ownership in France and Germany

It was only at a very late stage that reservation of ownership established itself in the French legal system (insertion into insolvency law in 1980 with Supplementary Law No. 80 - 335). The reason for this was that the prevailing legal thinking in France for a long time regarded the concept of a non-possessive right of lien as inadmissible since, under the Code Civil, ownership is automatically transferred to the buyer if the buyer is in agreement with the seller about the object and transaction (consensual principle). In principle, therefore, French law does not distinguish between ownership and possession, which is also attested by the fact that in France non-possessive liens have to be explicitly

registered. The 1980 amendment made it clear that a different form of the transfer of ownership - dependent on the full payment of the purchase price - may be agreed between the contracting parties. The principle of abstraction that is enshrined in German law, which is based on an a priori distinction under the law of property between the transfer of ownership and the transfer of possession, means that the general legal position for agreeing reservation of ownership is especially favourable in Germany (see von Bernstorff, 1993; Litaudon, 1987; Klein, 1991)

a) Reservation of ownership in Germany

The German right of reservation of ownership is characterised by the fact that, in addition to simple reservation of ownership, more complex forms of reservation - extended reservation of ownership and expanded reservation of ownership - have been devised as legal concepts for securitising trade credits.

Simple reservation of ownership ("einfacher Eigentumsvorbehalt")

Under German law, simple reservation of ownership implies, when considered under the law of obligations, that the purchase price claim is deferred in whole or in part and that the seller of the object under reservation has the right to cancel the contract of sale if the purchaser is in default with the payment. Considered under the law of property, the purchaser of the object under reservation obtains possession of the object through the transfer transaction but has only a contingent right to ownership of it, since the transfer of ownership is deferred until the purchase price has been paid in full. Until that condition has been met, the seller remains the owner (section 455 of the German Civil Code). This means that the seller of the object under reservation can, in the event of the purchaser's bankruptcy, assert a claim to recover the asset in question by applying for it to be separated from the bankrupt's estate as it is still the rightful property of the seller. First of all, however, the liquidator appointed to administer the bankruptcy proceedings has the choice, under section 17 of the Bankruptcy Code, of requiring the seller to honour the contract or of cancelling the contract. If the liquidator opts for the former solution, he must pay the outstanding purchase price, thus also acquiring ownership of the object in question, which then becomes part of the bankrupt's estate. If the liquidator cancels the contract, the seller of the object under reservation has the right to have the asset separated from the estate and to file a claim for damages for positive breach of contract, which automatically becomes a claim under the bankruptcy proceedings.

Extended reservation of ownership ("verlängerter Eigentumsvorbehalt")

If the goods supplied under reservation are further processed by the purchaser, the seller can protect himself from the loss of the simple reservation of ownership by making his consent dependent on being given (joint) ownership of the product created by the further processing, blending, or compounding (agreement of a processing clause). In the event that the object in question is resold by the buyer, an anticipatory assignment clause may be agreed with the same effect, which results in the claim arising from the sale being assigned in advance to the supplier of the object under reservation. However, the legal validity of this clause is dependent on the capability of the claims affected by the general anticipatory assignment to be sufficiently individualised, i.e. unambiguously definable.

Expanded reservation of ownership ("erweiterter Eigentumsvorbehalt")

If a current account banking connection or a current business relationship exists between the purchaser of the object under reservation and his supplier, a current account or business association clause may take the place of the simple reservation of ownership. This has the effect that the object supplied under reservation remains the property of the seller until all claims arising from the current account connection or business association are completely settled. There is an even more extensive

agreement for trade credits of enterprises belonging to a group. In this case, the reservation of ownership can be extended by a group clause such that the object supplied under reservation does not become the property of the purchaser until the latter has settled all the claims which the group members have on him.

In contrast to simple reservation of ownership, the extended and expanded forms of this reservation clause do not establish a right of separation and recovery ("Aussonderung") but a right to separate satisfaction from the asset ("Absonderung"). This distinction in treatment results from the fact that the primary purpose of such modified reservation of ownership clauses is to establish securitisation, so that in formal legal terms they are considered to constitute a transfer secured by a lien. In conclusion, it should be pointed out that the agreement of reservation of ownership clauses in Germany is not bound to any special formal requirements. It is sufficient for the clause to be contained as part of the general terms and conditions of business in the "small print" of contracts.

b) Reservation of ownership in France

Since the insertion of the reservation of ownership into French insolvency law in 1980, this legal concept has become more and more widespread and is increasingly being incorporated into the general terms and conditions of business of French firms. The Insolvency Law Amendment grants the seller of the object under reservation - irrespective of his right to recovery in the event of judicial cancellation of the sale ("résolution judiciaire de la vente") and his right of retention - a right to have the object in question separated from the estate in the event of the purchaser's bankruptcy (simple reservation of ownership). So far the concepts of extended or expanded reservation of ownership, as they have been developed in German law, are unknown in the French legal system. The validity of the reservation of ownership in France is subject to a number of conditions. The clause must be agreed in a document and be known to the purchaser not later than when the goods are delivered, i.e. the purchaser must be cognisant of the clause and declare his tacit approval (requirement of consent), with the onus of proof being on the seller. This requires the clause to be clearly marked and emphasized on the front page of the contractual document. If it forms part of the general terms and conditions of business, there must be an explicit reference to this on the front of the invoice or delivery note. There is no obligation for disclosure that goes beyond this. Nevertheless, entry in a register is not unusual in order to rule out any dispute concerning the validity of the clause from the outset. For the claim for recovery to be enforced, the object sold under reservation must remain in an unaltered condition ("en nature") at the purchaser. Any compounding, blending and mixing with other products regularly leads to the loss of the seller's right of reservation of ownership if it is not possible to separate the object supplied from the processed product without damaging it. The problem of the identity of the object sold under reservation cannot be circumvented by the agreement of an extended reservation of ownership - which is the essential difference from the situation under German law. However, Article 122 of the French Insolvency Law does stipulate that, in the event that the object sold under reservation is resold by the purchaser, the supplier may claim from the third-party purchaser that portion of the purchase price which has not been paid by the time the insolvency proceedings are initiated.

c) Implications for trade credit in the two countries

One could think that the reservation of the ownership clause operates as a guarantee given by the debtor to the creditor. According to French bankers, the improvement and enlargement of the reservation of ownership might encourage the development of trade credit to the detriment of bank lending since it could reduce the guarantee of credit institutions and especially factoring companies (CNCT, 1998). This is probably due to the different payment practices in France and is mainly explained by the restrictive lending practice of the banks, which compels French enterprises - to a much greater extent than their German competitors - to use trade credit as a financing substitute in the

short-term range. Besides the obvious differences in the terms of payment there is much to suggest that the more extensive legal enforcement granted under German law in the form of more complex forms of reservation of ownership is a major reason for the significant difference between the two countries in terms of payment behaviour in commercial business transactions (and thus also their respective portfolios of accounts payable and receivable). The extension of the scope of these reservation clauses under German law, giving the creditor direct rights of access to the processed product and the claim arising from resale, provide very effective economic leverage for compelling defaulting debtors to comply with the contractual terms of payment.

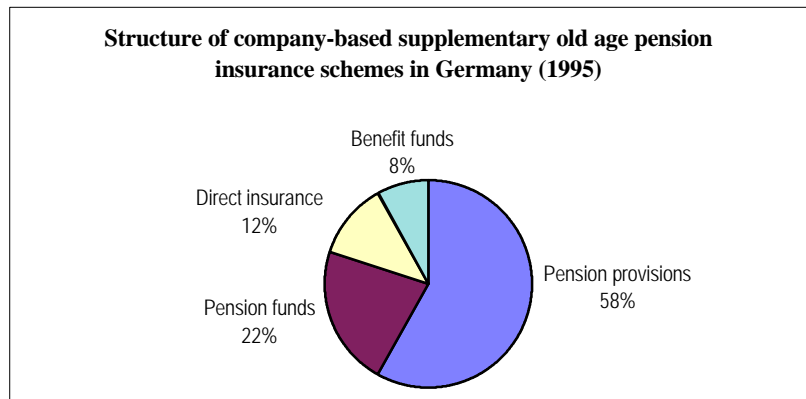
Concept and significance of employer-based pension systems in Germany

a) Basic principles

Whereas in France company-based supplementary old age pension schemes play only a minor role, since French personnel policy attaches greater importance to involving employees in profit-sharing schemes as an incentive to improve their work performance¹⁸, such employer-based schemes have a long tradition in Germany. Such company-based schemes have an exclusively supplementary character, which means they are designed to supplement the compulsory state pension insurance system. They are an additional benefit to the employee provided by the employer on a voluntary basis so as to cushion the inevitable drop in income which an employee suffers on retirement. As can be seen in the chart below showing the different types of employer-based supplementary old age pension systems in Germany, schemes operated by the employer directly continue to account for the vast bulk of all such company-based schemes (measured by the volume of covering funds accumulated to date). This is a German peculiarity, encouraged by special tax and commercial accounting rules and it explains why e. g. in France, where tax deductibility of transfers to provisions is not provided by tax and accounting law, indirect pension arrangements tend to predominate, either through the mediation of life assurance enterprises or in the form of pension funds that are operated outside of and separately from the enterprise (Deutsche Bank Research, 1995; Deutsche Bundesbank, 1984).

Supplementary old age pension insurance schemes operated by the employer directly represent (as do the other forms of company-based supplementary pension insurance schemes, too) a part of the overall remuneration package of the employee along with his salary to which he earns entitlement by virtue of working for the enterprise. The difference, however, is that this pension entitlement is not paid out with the salary but is instead retained by the enterprise as a kind of in-house savings scheme. In effect the enterprise performs the function of a pension insurance firm with respect to its employees. Through its direct pension commitment it enters into a contractual pledge to provide a promised pension benefit to the beneficiary as soon as that benefit falls due which is normally the case when the employee reaches the statutory retirement age and so stops working. Through the commitment undertaken by his enterprise, the employee obtains a claim on his employer to a benefit resembling entitlements under an insurance policy. The employer must therefore set up pension provisions in the cumulative amount of the claims during the term of the pension insurance agreement (since the introduction of the Fourth EC Directive this has been mandatory, whereas before it was optional) in order to earmark within the balance sheet a separate amount of assets sufficient to satisfy the employees' future pension entitlements. The amount of the pension provisions is calculated as the actuarially computed present value of the pension benefits promised by the enterprise.

¹⁸ Where they do exist they largely take the form - as in the US - of pension funds operated outside of and separate from the enterprise.



The Act Improving Employer-based Pension Schemes (Company Pension Act) which was passed in 1974 laid down certain minimum standards for such pension benefits provided by the employer. Key points of these statutory requirements were the principle of non-forfeitability (minimum requirement: the claimant must be at least 35 years old and the pension commitment must have existed for at least ten years or, alternatively, the claimant must have been employed by the firm for at least twelve years and the pension commitment must have existed for at least three years), the safeguarding of the pension entitlement in the event of the enterprise's insolvency through an insolvency insurance arrangement (pension guarantee fund) and the prohibition of offsetting other pension payments against the defined payments of the employer-based supplementary pension insurance scheme ("non-deductibility").

b) Accounting for and valuation of pension provisions

Since 1987 pension commitments made by the employer to the employee directly have to be shown in both the commercial balance sheet and the tax balance sheet at their present value, which must be computed according to actuarial principles (i.e. taking into account mortality rates, invalidity risks etc.). Whereas the commercial balance sheet allows two different methods of computing the appropriate level of provisions - the going-concern value method and the present-day value method - and permits a range of 3 - 6 % as the imputed interest rate for discounting the present value, the tax accounting rules stipulate the use of the going-concern value method using an imputed interest rate of 6 %. In computing the required amount of provisions, the going-concern value method (which has to be used for tax accounting purposes) assumes a uniform distribution of the pension cost from the day the employee joins the firm up to his retirement. The present value of future pension payments is been accumulated in the form of equal annual premia from the day the employee joins the firm up to the day he leaves, and the amount that has already been accumulated is discounted using the imputed rate of interest. Consequently, the annual amount transferred to the pension provisions comprises a constant premium amount plus an interest amount which grows over time, so that the provisions increase up to retirement. By contrast, the present-day value method permitted as an option under commercial accounting rules assumes a uniform distribution of the pension cost from the day on which the pension commitment begins up to the start of retirement. This shorter period of calculation means that the annual amounts transferred to the pension provisions are considerably higher than under the going-concern value method which, by starting to accumulate pension provisions as soon as the employee joins the firm (rather than the day on which the pension commitment begins), shifts a considerable part of the formation of provisions forward (to the time before the pension commitment actually begins).

c) Significance from the enterprise's point of view

Only to the extent that the pension provisions, using the going-concern value method stipulated for tax accounting purposes, are computed on the basis of the currently valid (for tax purposes) imputed interest rate (6 %) do they constitute a tax-deductible expense and so correspondingly reduce the assessment base for income tax, corporation tax and trade earnings tax. The later payment of the pension takes the form of a release of the pension provisions and hence has no effect on the profit. Hence pension provisions allow enterprises to internally accumulate amounts destined for expenditure long before they become due and thereby reduce the stated profit (advance tax reduction), at the same time allowing the accumulated resources to be used freely by the enterprise over the long-term as an internally generated cash flow (financing effect through reinvestment of the funds within the enterprise). Besides the advantage of a temporary tax saving, additional advantages can be achieved by investing these resources in tangible fixed assets or financial assets or using the amounts to repay debt. If, as a result, a return is generated on the investment or interest payments are avoided which exceed the imputed interest rate applied, the pension provisions yield additional income for the enterprise; given the high stocks of pension provisions in the balance sheets of German enterprises, that is undoubtedly a significant factor. A further consideration is that pension provisions give firms great financial flexibility, as the resources are available without restriction and for prolonged periods for funding corporate requirements and will only be needed to actually cover the pension claims in the distant future and then only in small instalments. Despite these major attractions of employer-based direct pension commitments, however, enterprises have shown some hesitation recently about making new pension commitments. The main reason for this was (besides relative low market interest rates) the progressive raising of the imputed interest rate applicable for tax accounting purposes from 3.5 % to 6 %, which not only substantially reduced the amount of the annually transferred premium share but also imposed on enterprises which do not achieve a corresponding overall return on the capital a considerable extra interest charge in order to augment the pension provisions. Moreover, the system of direct employer-based supplementary old age pensions has increasingly become a cost risk for German firms that is difficult to quantify. The reasons for this are, firstly, the longer life expectancy of the working population (which for quite a long time had been disregarded in the computation of the required covering amounts) and, secondly, a recent legal ruling by the Federal Labour Court which extended the coverage requirements by obliging enterprises to adjust employer-based pension payments to the changing cost of living every three years in future - without enabling enterprises to adjust for this dynamisation of expenditure in advance in their formation of provisions.

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