

Indicator 9.3.1

Indicator Name, Target and Goal

Indicator 9.3.1 Proportion of small-scale industries in total industry value added

Target 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Definition and Rationale

○ Definition

The indicator is represented by the share of value added of small scale enterprises in total value added of enterprises, etc.

○ Concepts

“Enterprises, etc.” refers to corporations engaging in businesses/activities (excluding foreign companies) or establishments of individual proprietorships. When the same management agency runs multiple establishments of individual proprietorships, all of those establishments are regarded as a single, combined “enterprise, etc.” Specifically, enterprises, etc. are legal organizations which exist as stock companies, limited companies, mutual companies, general partnerships, limited partnerships, limited liability companies, corporations other than companies, and individual proprietorships. The whole consisting of a main office and branch offices is regarded as an enterprise. Single-unit establishments are considered as enterprises, etc. in their own right.

Small scale enterprises refers to enterprises, etc. with less than 20 regular employees.

Regular employees refers to those who are employed on a regular basis.

Value added refers to the value that is newly generated during the production activities of an enterprise, etc. It is calculated by subtracting the intermediate input value, including costs of raw materials, from the value of production. The following formulas were used in this survey to calculate the amount of added value concerning enterprises, etc.:

Added value = sales value – total cost + total wages and salaries + tax

and public imposition

○ Rationale and Interpretation:

Industrial enterprises are classified to small compared to large or medium for their distinct nature of economic organization, production capability, scale of investment and other economic characteristics. "Small-scale industries" can be run with a small amount of capital, relatively unskilled labor and using local materials. Despite their small contribution to total industrial output, their role in job creation, especially in developing countries is recognized to be significant where the scope of absorbing surplus labour force from traditional sectors such as agriculture or fishery is very high. "Small-scale industries" are capable of meeting domestic demand of basic consumer goods such as food, clothes, furniture, etc.

Data Sources and Collection Method

Economic Census for Business Activity

Method of Computation and Other Methodological Considerations

○ Computation Method

$(\text{Value added of small scale enterprises}) / (\text{Total value added of enterprises, etc.}) * 100$

○ Comments and limitations

The results of the Economic Census for Business Activity excludes establishments of national and local public entities.

Data Disaggregation

This indicator can be disaggregated by following categories: Industry major groups of enterprises.

References

<https://www.stat.go.jp/english/data/e-census.html> (Ministry of Internal Affairs and Communications)

<https://www.meti.go.jp/english/statistics/tyo/census/index.html> (Ministry of Economy, Trade and Industry)

Custodian Ministries of Data

Ministry of Internal Affairs and Communications

Ministry of Economy, Trade and Industry

Custodian Ministries of Related Policies

International Organizations

UN Industrial Development Organization (UNIDO)