

## Turnover in the wholesale trade and business services

Turnover indexes for wholesale trade and support for companies are monthly indexes in value.

### Scope

Turnover indices in the wholesale trade and business activities cover the Wholesale trade, except of motor vehicles and motorcycles (division 46) and the sections Transportation and storage (section H), Information and communication (J), Real-estate activities (L), Professional, scientific and technical activities (M) and Administrative and support service activities (N) of the NAF rev. 2 classification of activities, 2008.

### Dissemination

Indexes are disseminated in *Informations Rapides* for division 46 and for sections H, J, L, M and N of the NAF rev. 2. An index is calculated for a specific group covering Support for companies, which combines sections M and N. Some infra levels (divisions or groups) are also available.

The more detailed levels of NAF rev. 2, i.e. divisions, groups, classes and sub-classes, are disseminated on the INSEE website:

- <http://www.indices.insee.fr/>
- <http://www.bdm.insee.fr>

Turnover indexes are also disseminated by Eurostat according to European classifications.

### Sources

Turnover indexes are calculated using a tax source, form CA3, which companies fill in for the payment of value added tax (VAT). The form provides turnover excluding VAT of the declaring companies, all activities combined, classified according to their principal activity.

### Base 2010

The raw data indexes are calculated at the most detailed level of the French classification of activities: sub-classes of NAF rev. 2. At the finest level, the index of the month M is calculated by linking the index of the month M-12 to the variation of the turnover between M-12 and M. All the companies that have declared VAT for the month M are contributing to calculation of this variation.

Indexes for the broader sectors are calculated as Laspeyres indexes (with constant weightings over time) from the most detailed indexes. They are rebased every 5 years; indexes currently published use base 2010, i.e. the weightings of the different levels correspond to values calculated for the year 2010. They are also published with a reference of 100 in 2010, i.e. the indexes have a mean of 100 in 2010.

The constant weightings of the elementary indexes relate to production sold in the branches in 2010 at basic prices. By definition, production at basic prices excludes taxes on the products, but includes subsidies on products; transport services are not included. Weightings are calculated using data from national accounts and the annual sector survey 2010.

## Corrections for seasonal variations and working days

The series are corrected for seasonal adjustments (SA) and calendar effects (working day adjustments WDA). An estimate of these effects is produced with the X12-Arima software in JDemetra+ (supplied by Eurostat) at the sub-classes level of NAF rev. 2. SA-WDA indexes for higher levels are obtained by aggregating the SA-WDA indexes of the sub-classes that make up the level.

The annual mean of the SA-WDA indexes can slightly differ from that of the raw indexes because it takes into account variations from one year to the next in the annual composition in working days: presence of leap years, position in the week of various public holidays, and so on.

## Periodic corrections and updates

Companies returns are not always fully available when the index is first published. Late responses are incorporated into the index later, and thus the raw data are revised.

The SA-WDA coefficients calculation is updated monthly for the whole dissemination period (from January 1999 onwards). In addition, all of the SA-WDA models are revised annually. This updating may also modify all the values in the SA-WDA series.

## Processing company declarations

The tax authority provides INSEE with VAT returns every month. Until the publication of December 2015 indexes in February 2016, turnover indexes were built based on a sample of roughly 150 000 companies in metropolitan France which declare the VAT monthly. This sample was renewed every year.

Since the publication of January 2016 indexes in March 2016, turnover indexes are calculated over all monthly VAT returns. This new methodology enables to produce turnover indexes of better quality. It takes better into account companies' demography and so, reflects more specifically the economic reality. On one hand, it frees itself from annual samples using all the monthly VAT returns, the information technology enables now to process huge volumes of data. Until then, turnover indexes calculated for any given year (Y) did not take into account nor companies start-ups or bankruptcies, movements in the scope, neither changes of sector occurred during the year Y, because the corresponding sample was drawn on December 31st of the year (Y-1). On the other hand, this new methodology is built on statistical register SIRUS (instead of administrative register SIRENE) to take into account more quickly and more automatically the most recent demographic events which have impacted the companies.

## Processing restructuring

Structural modifications (or restructuring) likely to affect the sectoral outline of the VAT declarations are processed specifically: companies that have undergone a structural modification during the current year are reconstituted to the way they were before restructuring for the period following this modification, and companies that have undergone restructuring in the previous year are reconstituted to the way they were after the restructuring for the period preceding this modification.

## The different VAT assessment systems

Type of activity and amount of turnover are the two main criteria which determine a company's VAT assessment system. However, if they prefer, companies have the possibility of opting for a higher assessment system.

Companies are covered by:

- either the basic exemption system;
- or the simplified real assessment system;
- or the normal real assessment system.

Companies subject to the normal real tax system have to declare their turnover on form CA3 every month except if the annual VAT payment is less than €4,000. In that case, the company is allowed to declare quarterly.

## Detailed documentation

- Turnover indexes: description and methodology  
<http://www.insee.fr/en/methodes/default.asp?page=sources/ope-ica.htm>
- A better taking into account of companies demography in monthly turnover indexes by a complete exploitation of monthly VAT returns  
INSEE, March 2016  
[http://www.insee.fr/en/methodes/sources/pdf/ICA\\_demographie-entreprises.pdf](http://www.insee.fr/en/methodes/sources/pdf/ICA_demographie-entreprises.pdf)
- *Rénovation de la méthodologie de calcul des indices de chiffres d'affaires – Présentation et analyse des impacts, Insee, mars 2016, 8 p*  
[http://www.insee.fr/fr/methodes/sources/pdf/ICA\\_Analyse\\_impacts\\_nouvelle\\_methodologie\\_2016.pdf](http://www.insee.fr/fr/methodes/sources/pdf/ICA_Analyse_impacts_nouvelle_methodologie_2016.pdf)