A Study on the Variation of Main Industry for Korean Enterprises Using the Panelized "Survey of Business Activities" Data

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Businesses today are continuously changing its face to respond to the rapidly changing economic environment caused by the development of industrial technologies. In this process, more and more businesses are changing their main industry to deal with the continuously changing economic environment. In this respect, this study investigates the variations of the main industry of Korean enterprises in order to provide information on the fluctuations of the industrial structure so that we might deal with the rapid change of the industrial structure found in Korea. To achieve this, this study first endeavors to create the panelized data of "Survey of Business Activities" using the annual "Survey of Business Activities" data, which is produced by Statistics Korea, between 2006 and 2010 on the basis of the identification number of each Korean enterprise. As a result, this study can compile the panelized data which consists of the 8,002 enterprise data (without missing any data) over a five year period. Using the panelized "Survey of Business Activities" data, this study analyzes the variation of the main industry and further investigates the turnover composition of Korean enterprises. Following the results of the analysis on the variation of the main industry for Korean enterprises, this study demonstrates that 1,051 enterprises changed the main industry more than once from 2006 to 2010, and also illustrates that the industrial change between "Manufacturing [C]' and 'Wholesale and Retail Trade [G]' is the most popular industrial change pattern of the main industry in Korea. Moreover, this study establishes that the main industry turnover's share of the total turnover is higher in 'Transportation [H]' and 'Electricity, Gas, Steam and Water Supply [D]' as compared with other industries when the size of the turnover is classified according to the 1st digit industrial classification codes, which are defined in the Korean Standard Industry Classification (KSIC), from the results of the analysis of the turnover composition for Korean enterprises.

Key Words: Change of industrial structure, compiling panelized data, industrial change pattern of main industry, turnover composition