

2. THE EUROPEAN CONTEXT

As is the case for business lawyers, the situation for public accountants in EC countries is widely contrasted. These 12 nations may be divided into two groups.

The first group includes Mediterranean European countries, France and West Germany. Accounting is closely tied to taxation, so that until recently, consolidated financial statements were hardly developed; the profession was generally divided into two organizations (statutory auditors and public accountants) and generally was not concentrated.

The second group includes the U.K., the Netherlands and Ireland. Accounting is

more related to the information requirements of capital markets. Consolidated financial statements, greatly appreciated by investors, have been used for a long time; auditing is traditionally more developed; and the profession is more sophisticated, internationalized and concentrated.

The following tables present the revenue of the 15 largest firms in 12 countries and the geographical breakdown of the "big eight" partners in the 10 major countries in the world. The predominance of British and Dutch firms in Europe is illustrated. Additionally, their superior work methods and more extensive international experience must also be considered.

TABLE 7
Revenue of the 15 Largest
Public Accounting Firms in 12 Countries

<u>Country</u>	<u>Ratio of Revenue (per thousand) of the GNP</u>	<u>Staff</u>	<u>Revenue in ECUs* per person</u>
Netherlands	4.57	16 000	52 528
United Kingdom	3.59	47 000	42 800
Australia	3.57	16 200	38 124
Switzerland	2.79	6 200	64 805
Canada	2.57	23 158	39 629
U.S.	2.12	126 000	72 000
Sweden	1.96	6 300	40 842
F.R.G.	0.71	10 000	65 370
France	0.68	9 300	54 054
Spain	0.62	2 900	49 201
Italy	0.27	3 000	54 795
Japan	0.15	6 000	50 506

Source: *La Profession comptable*, No.69 (September 30, 1988).

* On June 12, 1990, the ECU was worth C\$1.42.