

Statistics in focus

INDUSTRY, TRADE AND SERVICES

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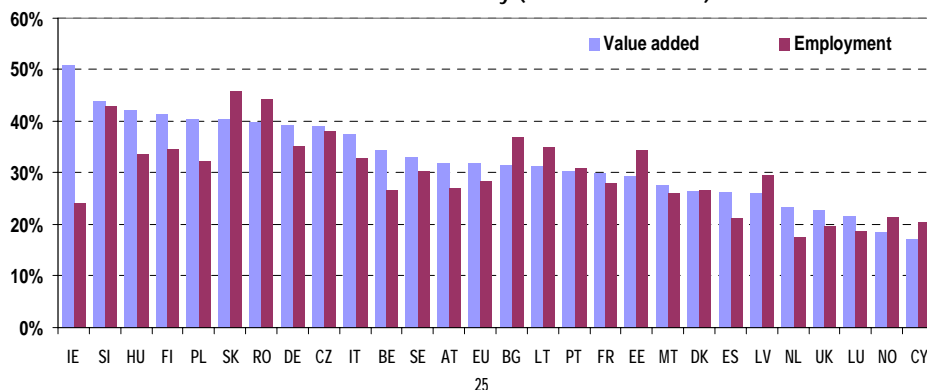


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The main features of the EU manufacturing industry

In 2003, manufacturing (NACE Section D) was the main activity of 2.2 million enterprises in the EU-25, which generated a turnover of EUR 5 762 billion. Producing a value added of EUR 1 529 billion, and employing 33.1 million persons, the industry represented respectively 31.8 % and 28.3 % of the total non-financial business economy (NACE Sections C to K, less J). As such, manufacturing was the largest of the eight main sectors that make up the non-financial business economy, around 1.5 times as large as 'real estate, renting and business activities' (NACE Section K) in terms of value added and employing nearly 16 % more people than the 'distributive trades' (NACE Section G).

Graph 1: Employment and value added in manufacturing (NACE Section D), 2003, as % of the non-financial business economy (NACE C-K excl. J)



MT, SE: 2002 data. – EL: data not available.

Source: (SBS)

When looking at manufacturing's importance in the Member States' economies, Ireland was most specialised in terms of value added, with the industry representing 51 % of its non-financial business economy (Graph 1). Readers should note, however, that the high value-added for Ireland is influenced by factors such as the foreign ownership of enterprises, outsourcing of activities and accounting practices of multinational enterprises. By contrast, the least specialised was Cyprus (17 %). In terms of employment, however, manufacturing was most important for Slovakia (46 %), and least important for the Netherlands (18 %).

The weight of manufacturing in the non-financial business economy was heavier for value added than for employment in 17 of the 24 Member States with data available (i.e. excluding Greece), which indicates relatively high apparent labour productivity (value added per person employed) compared with the non-financial business economy average. Ireland's specialisation was all the more conspicuous, as the weight of value added was more than double that of employment (24 %). The Member States in which the employment share was higher than that of value added were (in decreasing order of magnitude): Slovakia, Estonia, Lithuania, Latvia, Cyprus, Portugal and Denmark (only marginally).

As shown in Graph 2, Germany's contribution to the EU-25 manufacturing industry was considerable: amounting to almost 27 % of the total value added, around double that of the next-ranking contributors of France, the UK and Italy (with shares of between 13.2 % and 13.5 %). Also of note is that among the main contributors, the value-added shares of Germany but also Italy were substantially larger in the EU's manufacturing industry than the non-financial business economy as a whole (by respectively five and two percentage points).

Food industry largest sub-sector in value-added terms

Table 1: Importance of manufacturing activities in the EU-25 and Member States, 2003

	Total EU value added		Total EU employment		Member State where this sector is	
	(in EUR billion)	%	(in 1000s)	%	most important**	least important**
Manufacturing (NACE Section D)	1 529	100%	33 096	100%	Ireland	Cyprus
Food products; beverages and tobacco (DA)	192.0*	12.6%	4 490*	13.6%	Poland	Luxembourg
Textiles and textile products (DB)	55.0*	3.6%	2 370*	7.2%	Lithuania	Ireland
Leather and leather products (DC)	11.6	0.8%	517	1.6%	Portugal	Luxembourg
Wood and wood products (DD)	32.4*	2.1%	1 190*	3.6%	Latvia	Malta
Pulp, paper and paper products; publishing and printing (DE)	132.3	8.7%	2551	7.7%	Finland	Cyprus
Coke, refined petroleum products and nuclear fuel (DF)	30.0	2.0%	167	0.5%	Poland	Luxembourg
Chemicals, chemical products and man-made fibres (DG)	169*	11.1%	1 890*	5.7%	Ireland	Malta
Rubber and plastic products (DH)	72.6	4.7%	1670	5.0%	Luxembourg	Ireland
Other non-metallic mineral products (DI)	69.1*	4.5%	1 520*	4.6%	Czech Republic	Sweden
Basic metals and fabricated metal products (DJ)	190.0*	12.4%	4 800*	14.5%	Slovakia	Ireland
Machinery and equipment n.e.c. (DK)	163.5	10.7%	3 475	10.5%	Germany	Malta
Electrical and optical equipment (DL)	180.4	11.8%	3 611	10.9%	Finland	Cyprus
Transport equipment (DM)	172.1	11.3%	2 998	9.1%	Germany	Luxembourg
Manufacturing n.e.c. (DN)	53.9*	3.5%	1 900*	5.7%	Estonia	Luxembourg

* rounded estimate based on non-confidential data: note difference between aggregates and sub-components due to rounding.

Source: Eurostat (SBS)

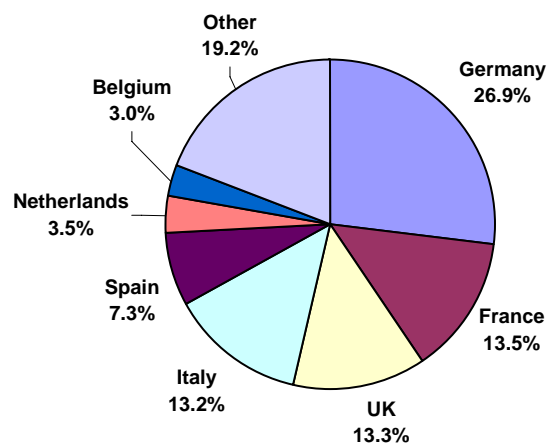
** most/least important (specialised): based on value-added share in non-financial business economy.

2002 data: HU, MT, SE. – EL not available.

The seven largest of the 14 manufacturing activities at NACE sub-section level accounted together for over 78 % of EU-25 manufacturing value added in 2003. The single largest activity in value added terms was 'food products, beverages and tobacco' (DA), followed by 'basic metals and fabricated metal products' (DJ). This order was reversed in terms of the persons employed (Table 1).

The difference in shares of EU value added and employment indicates differences in apparent labour productivity (value added per person employed) among the activities. EU-25 apparent labour productivity in manufacturing was EUR 46 200 in 2003 (Table 2), about 12 % more than the non-financial business economy average (EUR 41 200). Among the 14 activities, 'coke, refined petroleum products and nuclear fuel' displayed a level of EUR 179 600, almost four times as much as the manufacturing average.

Graph 2: Main contributing Member States to EU-25 Manufacturing (NACE Section D) value added, 2003



Source: Eurostat (SBS)

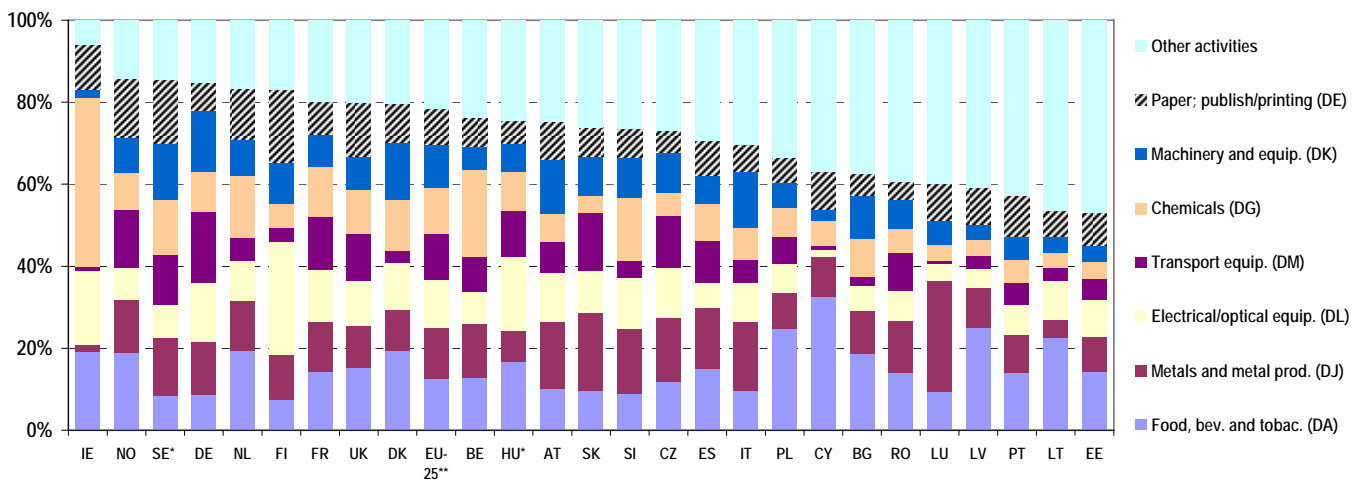
Table 2: Main indicators of manufacturing (NACE Section D), 2003

	EU-25	BE	CZ	DK	DE	EE	ES	FR	IE	IT	CY	LV	LT	LU
Value added at factor cost - in billion EUR	1 528.8	45.7	18.8	25.4	411.8	1.3	112.3	206.1	38.6	201.6	1.0	1.3	1.8	2.5
Persons employed - in thousands	33 096.1	631.9	1 371.7	437.6	7 293.2	128.3	2 618.2	3 940.7	230.0	4 771.5	40.4	162.0	270.5	37.2
Number of enterprises - in thousands	2 150.7	36.1	153.1	18.7	201.4	4.8	220.3	260.0	4.9	534.2	6.3	7.7	9.0	1.0
Turnover - in billion EUR	5 761.7	185.0	74.0	76.5	1 490.5	4.8	423.9	980.8	104.9	806.3	3.1	4.1	7.6	14.5
Average personnel costs in thousand EUR	32.3	47.3	8.1	41.0	44.3	6.2	27.7	39.9	37.5	30.8	16.5	3.7	4.1	44.5
Apparent labour productivity (value-added per person employed) - in thousand EUR	46.2	72.3	13.7	58.2	56.5	10.0	42.9	52.3	167.9	42.3	24.0	7.9	6.7	66.1
Wage adjusted labour productivity - in %	143.1	152.9	169.6	141.7	127.4	161.5	154.9	131.2	447.8	137.0	145.6	216.0	165.2	148.6
Gross operating rate - in %	9.1	9.5	12.4	10.2	6.4	10.3	10.3	5.3	28.7	9.8	11.2	17.0	9.6	5.7

* 2002 data.

Source: Eurostat (SBS)

Graph 3: Importance of the seven largest manufacturing activities at EU level based on value added, available countries, 2003



*HU and SE: 2002. – Not available: EL, MT. – **EU-25: including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

By contrast, productivity was around half of this average in 'textiles and textile products' (EUR 23 200) and 'leather and leather products' (EUR 22 400).

In the same year, personnel costs in manufacturing averaged around EUR 32 300 per employee, compared with EUR 28 200 in the non-financial business economy. Consequently, wage-adjusted labour productivity – which shows the relationship between value added per person employed and average personnel costs – was 143.1 %, some three percentage points less than the non-financial business economy average (146.2 %).

The gross operating rate – which is one indicator of profitability – was 9.1 % in 2003, compared with 11 % in the non-financial business economy. By this measure, the most profitable of the manufacturing activities were 'other non-metallic mineral products' (13.7 %), 'chemicals, chemical products and man-made fibres' (13 %) and 'pulp, paper and paper products; publishing and printing' (12.5 %), while the least gainful was 'transport equipment' (5.1 %).

Graph 3 compares the cumulative share of the seven main activities at EU level with their weight in individual countries. This shows clearly the difference in industrial structure among the Member States. These seven activities accounted for as much as 94 % of manufacturing value added in Ireland (predominantly because of the importance of 'chemicals, chemical products and man-made fibres' in this country), going down to as little as 53 % in Estonia.

When the cumulative share is lower than the EU average, the country is relatively specialised in other activities that are of less importance at EU level. For example, in Estonia, Lithuania and Portugal – the three Member States with the lowest cumulative shares – as well as in Bulgaria and Romania, shares of 'textiles and textile products' ranged from over 12 % to almost 17 %, while it accounted for under 4 % of manufacturing value added at EU-25 level. Another example is 'wood and wood products' which in Latvia and Estonia accounted for 20 % and 14 % respectively of the manufacturing value added, whereas the EU average was just over 2 %.

Table 2: Main indicators of manufacturing (NACE Section D), 2003 (continued)

	HU	MT*	NL	AT	PL	PT	SI	SK	FI	SE*	UK	BG	RO	NO
Value added at factor cost - in billion EUR	14.1	0.8	54.0	37.9	36.5	18.3	5.5	4.5	29.2	43.4	203.7	2.1	6.9	17.6
Persons employed - in thousands	851.5	31.7	795.3	624.5	2 374.6	886.3	243.7	411.4	422.3	790.6	3 533.8	635.9	1 736.7	260.7
Number of enterprises - in thousands	69.7	3.8	46.0	28.6	197.4	78.4	17.7	6.8	25.5	54.6	158.5	27.6	50.8	9.5
Turnover - in billion EUR	64.8	2.6	223.0	115.5	122.7	69.2	18.5	24.1	107.2	151.0	646.2	11.5	27.9	61.4
Average personnel costs in thousand EUR	8.4	14.2	43.3	40.8	6.8	13.4	15.2	6.1	39.7	42.0	35.91	2.1	2.4	47.9
Apparent labour productivity (value-added per person employed) - in thousand EUR	16.5	25.5	67.9	60.7	15.4	20.7	22.6	10.9	69.2	54.8	57.6	3.4	3.9	67.6
Wage adjusted labour productivity - in %	196.6	178.9	156.8	148.7	224.7	154.5	148.1	177.4	174.2	130.7	160.5	156.3	165.1	141.3
Gross operating rate - in %	11.1	15.3	9.3	11.5	18.3	10.1	10.6	8.1	12.6	7.6	12.5	7.3	9.9	8.5

* 2002 data.

Source: Eurostat (SBS)

German regions most specialised in five of 14 activities

Table 3: Most specialised regions in different manufacturing activities, based on the share of persons employed within the non-financial business economy, EU and acceding countries, 2003*

Manufacturing activity (NACE)	First most specialised	%	Second most specialised	%	Third most specialised	%
Manufacturing (NACE D)	Západné Slovensko (SK)	60.1	Centru (RO)	53.9	Východné Slovensko (SK)	53.3
Food, bev. and tobac. (DA)	Bretagne (FR)	c	Podlaskie (PL)	c	Dél-Alföld (HU)	c
Textiles (DB)	Norte (PT)	17.1	Nord-Est (RO)	16.8	Lódzkie (PL)	13.9
Leather (DC)	Marche (IT)	9.2	Vest (RO)	6.1	Nord-Vest (RO)	6.0
Wood and wood prod. (DD)	Itä-Suomi (FI)	6.6	Latvia	6.1	Lubuskie (PL)	5.1
Paper; publish/printing (DE)	Länsi-Suomi (FI)	6.8	Mellersta Norrland (SE)	6.5	Norra Mellansverige (SE)	6.2
Fuel processing (DF)	Cumbria (UK)	c	Yugoiztochen (BG)	c	Sud (RO)	c
Chemicals (DG)	Rheinessen-Pfalz (DE)	13.9	Prov. Brabant Wallon (BE)	7.8	Prov. Antwerpen (BE)	6.6
Rubber and plastics (DH)	Auvergne (FR)	9.8	Oberfranken (DE)	6.8	Koblenz (DE)	5.0
Other non-metal prod. (DI)	Centro (PT)	6.2	Swietokrzyskie (PL)	5.7	Oberfranken (DE)	5.1
Metals and metal prod. (DJ)	Arnsberg (DE)	15.2	Východné Slovensko (SK)	13.2	Moravskoslezsko (CZ)	12.9
Machinery and equip. (DK)	Tübingen (DE)	12.6	Unterfranken (DE)	12.5	Stuttgart (DE)	10.8
Electrical/optical equip. (DL)	Oberpfalz (DE)	12.4	Západné Slovensko (SK)	12.1	Mittelfranken (DE)	c
Transport equip. (DM)	Braunschweig (DE)	c	Stuttgart (DE)	14.7	Niederbayern (DE)	13.6
Other manufacturing (DN)	Warminsko-Mazurskie (PL)	6.9	Friuli-Venezia Giulia (IT)	6.6	Detmold (DE)	6.0

Source Eurostat (SBS)

* NOTES: 2001: BE; 2002: LU, MT, PL, SE, UK; Partial use of older data also in some regions in other countries – 'C' denotes confidential – EL not available.

Table 3 shows the diversity in regional specialisation of manufacturing, in terms of employment and by manufacturing activity. In addition to being the most specialised country in manufacturing, Slovakia also displayed the most specialised region, Západné Slovensko, in which manufacturing accounted for 60.1 % of the region's workforce. It was followed by

Centru in Romania, and in third place by another Slovakian region, Východné Slovensko.

The importance of manufacturing in Germany is evident also here, as a German region was the most specialised in five of the 14 activities, and among the top three a further 9 times.

Motor vehicles with a petrol engine larger than 1500 cm³: number-one product sold

Table 4: Selected top manufactured products produced in the EU-25 and sold in 2004*

	Product	NACE / CPA sub-section	Prodcom code	EUR bn
1	Motor vehicles with a petrol engine > 1500 cm ³ (inc. motor caravans of a capacity > 3000 cm ³) (exc. vehicles for transporting >= 10 pers.)	Transport equip. (DM)	34102230	123.5
2	Motor vehicles with a diesel or semi-diesel engine > 1500 cm ³ but <= 2500 cm ³ (excluding vehicles for transporting >= 10 persons)	Transport equip. (DM)	34102330	87.7
3	Newspapers; journals and periodicals; appearing less than four times a week; printed (including advertising revenue)	Paper; publish/printing (DE)	22131100	34.7**
4	Radio transmission apparatus with reception apparatus	Electrical/optical equip. (DL)	32201170	32.4**
5	Preparations for animal feeds (excluding dog or cat food)	Food, bev. and tobac. (DA)	15701073	29.9**
6	Beer made from malt (excluding non-alcoholic beer)	Food, bev. and tobac. (DA)	15961000	29.1
7	Fresh bread containing by weight in the dry matter state <= 5% of sugars and <= 5% of fat (exc. with added honey; eggs; cheese or fruit)	Food, bev. and tobac. (DA)	15811100	21.7**
8	Grated; powdered; blue-veined and other non-processed cheese (excluding fresh cheese; whey cheese and curd)	Food, bev. and tobac. (DA)	15514050	20.8**
9	Ready-mixed concrete	Other non-metal prod. (DI)	26631000	19.0
10	Motor vehicles with a diesel or semi-diesel engine <= 1500 cm ³ (excluding vehicles for transporting >= 10 persons)	Transport equip. (DM)	34102310	18.5
11	Cartons; boxes and cases of corrugated paper or paperboard	Paper; publish/printing (DE)	21211300	18.0
12	Plastic parts and accessories for all land vehicles (excluding for locomotives or rolling stock)	Rubber and plastics (DH)	25249060	17.6**
13	Parts for all types of aircraft excluding propellers	Transport equip. (DM)	35305090	16.9
14	Cake and pastry products; other baker's wares with added sweetening matter	Food, bev. and tobac. (DA)	15811200	16.5
15	Goods vehicles with a diesel or semi-diesel engine	Transport equip. (DM)	34104110	16.2

Source: Eurostat (PRODCOM)

* Excludes a few products: of a generic nature ('other'), sales of services such as repair, maintenance and installation, and one confidential product.

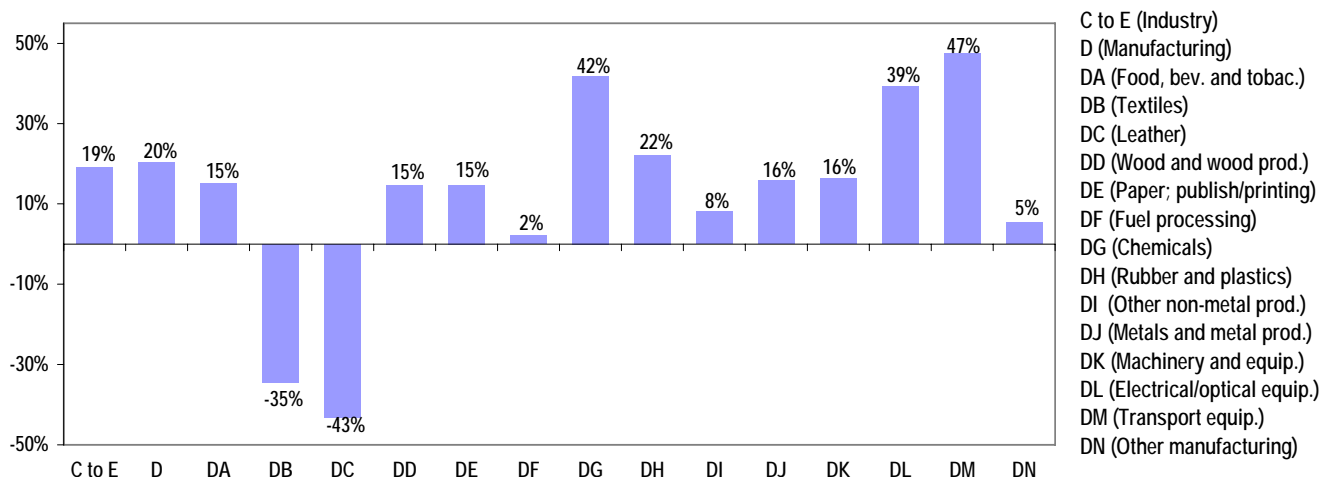
** estimated data.

Table 4 shows the top 15 products manufactured in the EU-25 and sold in 2004. As can be seen, most of the largest sales revenue originated from motor vehicles (NACE/CPA 34) of different sorts, and 'food, beverages and tobacco products' (NACE/CPA 15). The number-one product sold was motor vehicles

with a petrol engine larger than 1500 cm³, which generated EUR 123.5 bn in sales. Interestingly, the top 'food, beverages and tobacco' product was actually 'preparations for animal feeds' (EUR 29.9 bn), just ahead of 'beer made from malt' (EUR 29.1 bn)!

Production growth highest in 'transport equipment'

Graph 4: Development of production, by manufacturing activity, EU-25, 1995-2005



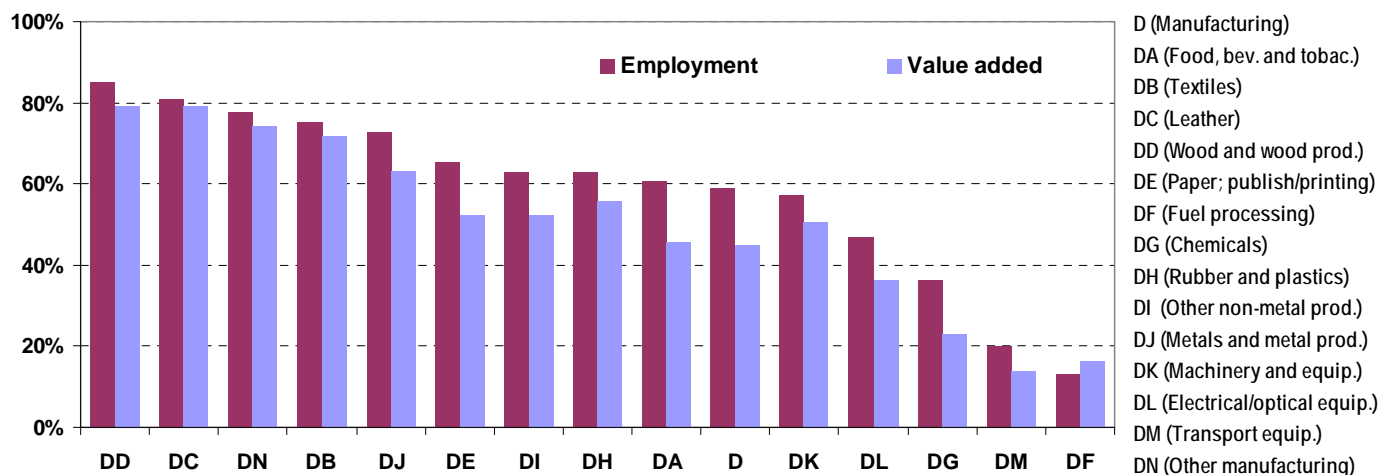
Source: Eurostat (STS)

The structure of the economy evolves over time as certain activities gain in importance and others decline. Production in the EU's manufacturing industry grew by 20 % between 1995 and 2005 on average: a growth that was fuelled by growths in all of the seven largest manufacturing activities, and notably in 'transport equipment' (47 %), 'chemicals' (42 %) and 'electrical and optical equipment' (39 %).

Only 'leather' (-43 %) and 'textiles' (-35 %) contracted during this period, two activities which were relatively small in the EU as a whole. This is part of the general economic trend whereby basic labour intensive and lower value-added manufacturing production is increasingly being performed by developing countries such as China or India where the costs of labour and other production factors are comparatively low.

SMEs accounted for 45 % of value added

Graph 5: Importance of SMEs in manufacturing, by manufacturing activity, based on value added, EU-25, 2003*



*Including rounded estimates based on non-confidential data. – DC and DA partly estimated using 2001 data.

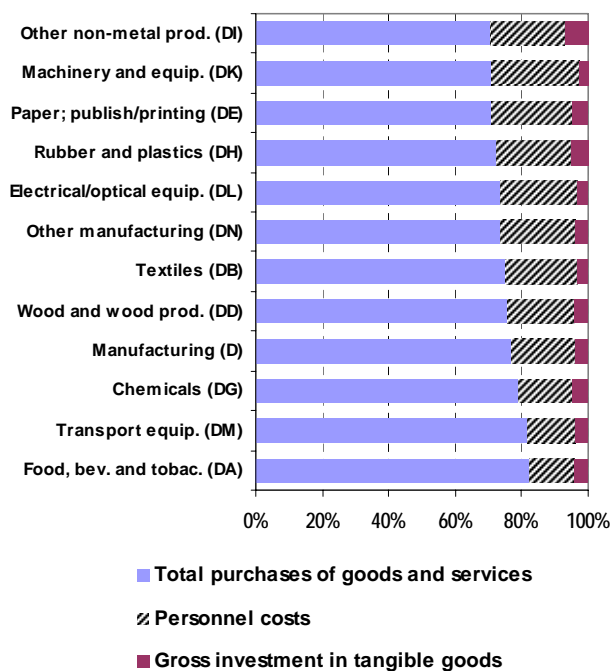
Source: Eurostat (SBS)

In 2003, 2.1 million enterprises or over 99 % of the business population in manufacturing were small and medium-sized enterprises (SMEs, employing between 1-249 persons). These enterprises accounted for 59 % of total employment and 45 % of value added, respectively three percentage points higher and 12 percentage points lower than the averages in the non-financial business economy.

Apparent labour productivity was generally lower in SMEs than in large enterprises in 2003. SMEs were also more important in terms of employment than value added in all of the manufacturing activities apart from the most productive activity: 'fuel processing' (DF: 'coke, refined petroleum products and nuclear fuel').

Cost structure: 77 % purchases, 19 % personnel cost and 4 % investments

Graph 6: Breakdown of total expenditure in manufacturing, by manufacturing activity*, EU average**, 2003



Source: Eurostat (SBS)

*Excluding NACE D sub-sections: DC, DF and DJ. - **Average based on 18 Member States accounting for about 90 % of EU-25 value added.

In 2003, operating expenditure accounted for about 96 % of total expenditure in the EU's manufacturing industry – made up of 77 % of purchases of goods and services and 19 % of personnel costs – while capital expenditure – gross investment in tangible goods – represented 4 % (Graph 6).

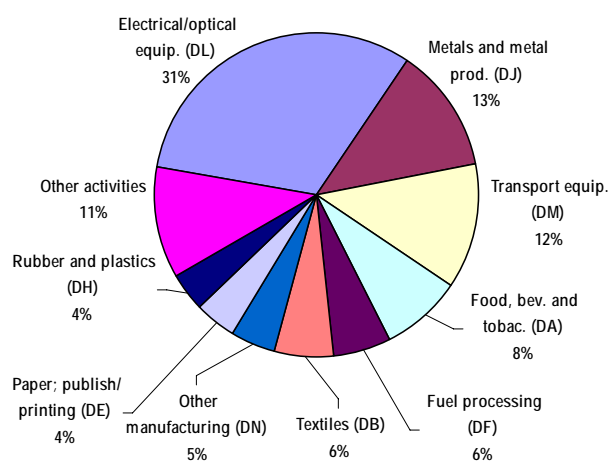
When comparing the cost structure across the manufacturing activities, what stands out most is the changeable balance between purchases of goods and services and personnel costs, which partly reflects differences in labour intensity. The highest share of personnel costs was in 'machinery and equipment' and the lowest in 'food, beverages and tobacco'. The share of capital expenditure did not vary much, but was highest in 'other non-metallic mineral products' (7 %); the activity with the lowest share of purchases of goods and services.

Readers should note, however, that the increased use of outsourcing as well as labour recruitment and personnel supply firms has an effect on the cost structure which distorts somewhat this analysis. For the enterprises/industry in question, this would lead to an increase in the purchases of services and a decrease in all other cost types.

'Electrical and optical equipment' the most exported

In 2005, EU-25 exports of manufactured goods generated EUR 606 billion in revenues, with imports valued at EUR 855 billion, yielding a trade deficit of EUR 249 billion. To give some idea of the importance of exports in turnover, exports of these products were equal to around 10 % of the turnover generated by the sector in 2003. Between 1999 and 2005, imports increased by 43.6 %, but while exports decreased over the same period by 2.8 %, production went up by 9.2 % (based on the production index), which seems to suggest an increased domestic use of these products.

Graph 7: EU-25 exports of manufactured products, by NACE/CPA sub-section, 2005

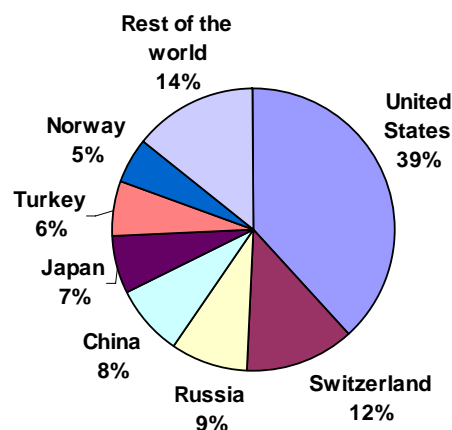


Source: Eurostat (Comext)

'Electrical and optical equipment' accounted for the largest share of manufacturing exports (31 %), far ahead of 'metals and metal products' (13 %), while 'food, beverages and tobacco' was only the fourth largest product group in terms of exports (Graph 7).

Looking finally at the main destinations of EU-25 exports of manufactured products in Graph 8, the United States was clearly the EU's top trading partner, accounting for 39 % of total exports, followed by Switzerland with around a third as much (12 %).

Graph 8: Main destinations of EU-25 exports of manufactured products, 2005



Source: Eurostat (Comext)

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

DATA SOURCES

The source of all figures presented is Eurostat (unless specifically stated otherwise). Most data sources are continually updated and revised where necessary. This publication reflects the state of data availability in Eurostat's reference database as of May/June 2006.

Structural Business Statistics (SBS) is the main data source for this publication. Two main SBS data sets have been used: annual enterprise statistics and annual enterprise statistics broken down by size classes. These and other SBS data sets are available under theme 'Industry, trade and services' on the Eurostat website <http://epp.eurostat.ec.europa.eu/> (select 'Data' / 'Industry, trade and services' / 'Horizontal view' / 'Structural Business Statistics'). Selected publications, data and background information are available in the section dedicated to European Business, located directly under the theme 'Industry, trade and services' on the Eurostat website.

PRODCOM provides detailed information on the production of about 4500 manufactured products (according to the Statistical Classification of Products by Activity: CPA). Data presented here relate to the value of production sold during the reference period.

COMEXT Eurostat's database on external trade supplied data on the value of exports and imports of products, by type of product (CPA), by reporting Member State and by destination.

Short-Term Statistics (STS) was used to complement SBS data with information on time series development based on the Industrial production index, which shows the evolution of value added at factor cost at constant prices.

COUNTRIES

This publication covers the European Union, including the 25 Member States (EU-25): Belgium (BE), the Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Greece (EL), Spain (ES), France (FR), Ireland (IE), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), the Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and the United Kingdom (UK). Also included are the Candidate Countries, EFTA and EEA countries with data available: Bulgaria (BG), Romania (RO) and Norway (NO).

EU-25

EU-25 aggregates include estimates for missing components where necessary. EU-25 aggregates from the SBS data set was supplemented by rounded estimates based on non-confidential data where necessary and appropriate. Some differences may exist between aggregates and sub-components due to the rounding. In some cases when no EU totals are available, averages of available countries are presented.

EXCHANGE RATES

All data are presented in ECU/EUR terms, with national currencies converted using average exchange rates prevailing for the year in question.

SYMBOLS

“..” not available or confidential.

SECTORS

Statistics are presented by sectors of activity according to the NACE Rev. 1.1 system of classification. Comparisons are made with the whole non-financial business economy. **Non-financial business economy** includes the Sections C (Mining and quarrying), D (Manufacturing), E (Electricity, gas and water supply), F (Construction), G (Wholesale and retail trade), H (Hotels and restaurants), I (Transport, storage and communication) and K (Real estate, renting and business activities). Note that these calculations for Cyprus exclude NACE K73, and for Ireland and Norway exclude Section E.

OBSERVATION UNIT

The observation unit is the enterprise. An enterprise carries out one or more activities at one or more locations. Enterprises are classified into sectors (by NACE) according to their main activity. The enterprise should not be confused with the local unit, which is an enterprise or part thereof situated in one geographically identified place.

STRUCTURAL BUSINESS STATISTICS VARIABLES

Variables are defined according to Commission Regulation No 2700/98 and include:

Number of enterprises

The number of enterprises active during at least part of the reference period.

Number of persons employed

The total number of persons who work in the observation unit, as well as persons who work outside the unit who belong to it and are paid by it. It includes working proprietors, unpaid family workers, part-time workers, seasonal workers etc.

Value added at factor cost

The gross income from operating activities after adjusting for operating subsidies and indirect taxes (including value added tax).

Turnover

The totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties.

Apparent labour productivity

This is a simple indicator of productivity calculated as value added divided by persons employed.

Average personnel costs

Personnel costs are the total remuneration, in cash or in kind, payable by an employer to an employee for work carried out. This is divided by the number of employees (paid workers), which includes part-time workers, seasonal workers etc, but excludes persons on long-term leave.

Wage adjusted labour productivity (%)

Value added divided by personnel costs, after the latter has been divided by the share of employees (paid workers) in the number of total persons employed. It can also be calculated by dividing apparent labour productivity by average personnel costs.

The gross operating rate (%)

This is an indicator of profitability where the gross operating surplus is related to the turnover generated. The gross operating surplus is the surplus generated by operating activities after the labour factor input has been recompensed. It can be calculated from the value added at factor cost less the personnel costs.

Further information:

Data: [Website EUROSTAT/Home page/Industry, trade and services/Data](http://www.eurostat.ec.europa.eu/home/page/industry_trade_and_services/Data)

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