6 Other non-financial services

Structure

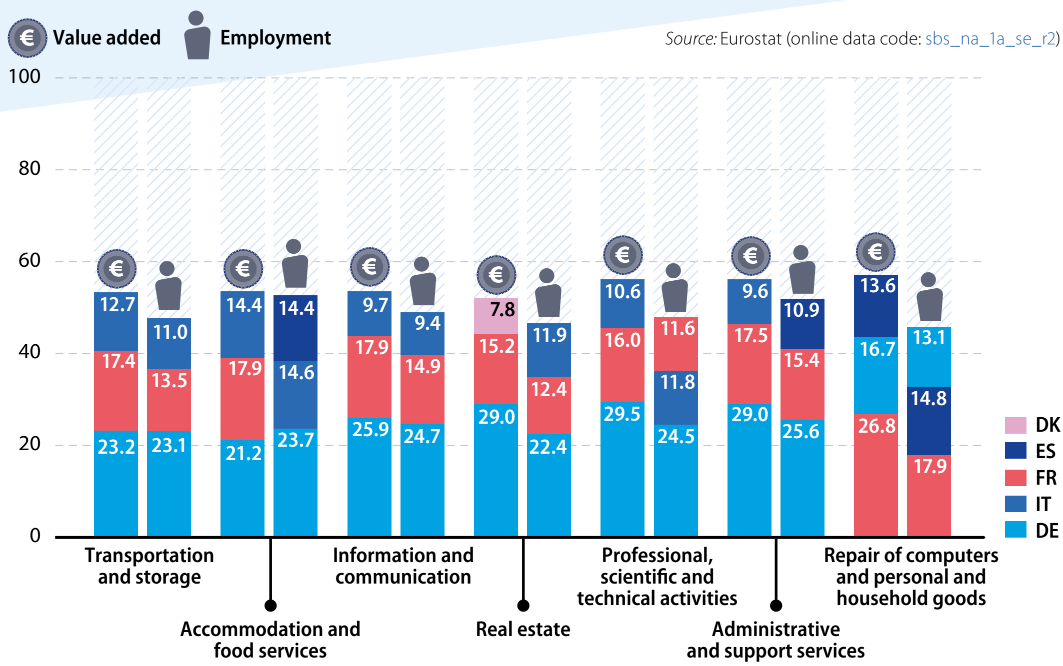
Other non-financial services include activities in transportation and storage; accommodation and food services; information and communication; real estate; professional, scientific and technical services; administrative and support services; repair of computers and personal and household goods. In value added terms, the largest of these activities in the EU-27 in 2018 was professional, scientific and technical activities, with a 22.5 % share of the total.

Concentration of other non-financial services activity — top three EU Member States

(% share of EU-27 employment and value added for each activity, 2018)

EU-27 other non-financial services in 2018
11.4 million enterprises
54.9 million persons employed
EUR 2.5 trillion value added

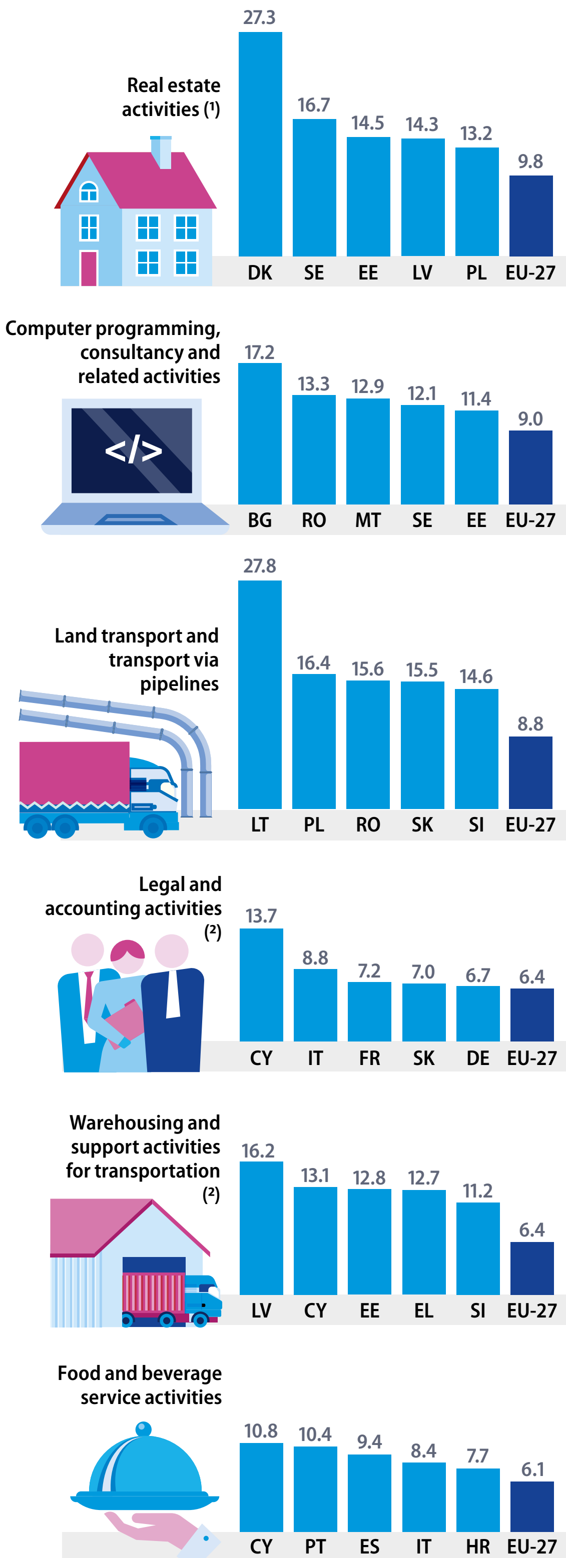
In 2018, Germany had the highest share of EU-27 value added for six out of the seven subsectors included within other non-financial services aggregate and was followed by France. The order of these two EU Member States was reversed for the relatively small activity of repair of computers and personal and household goods, as France had the largest share of EU-27 value added and Germany the second largest. In terms of employment, four of the other non-financial services subsectors featured Germany and then France recording the highest shares of EU-27 employment. However, for accommodation and food services and for professional, scientific and technical activities, Italy had the second largest share of employment, behind Germany. The repair of computers and personal and household goods was atypical, in that Spain had the second largest employment share after France.



Source: Eurostat (online data code: sbs_na_1a_se_r2)

Value added specialisation — top five EU Member States

(% share of other non-financial services value added, 2018)



In value added terms, the largest other non-financial service divisions in the EU-27 in 2018 were: real estate activities; computer programming, consultancy and related activities; land transport and transport via pipelines; legal and accounting activities; warehousing and support activities for transportation; and food and beverage services.

Denmark was highly specialised in real estate activities; Bulgaria, Romania and Malta were the most specialised in computer programming, consultancy and related activities. By far, the most specialised EU Member State in land transport and transport via pipelines was Lithuania, as 27.8 % of its value added in other non-financial services in 2018 was added in this sector; for comparison, the average for the EU-27 was 8.8 %. The most specialised EU Member State in legal and accounting activities was Cyprus, generating 13.7 % of its value added in non-financial services in this sector, more than double the EU-27 average (6.4 %). Latvia was the most specialised Member State in warehousing and support activities for transportation, as 16.2 % of its value added in non-financial services in 2018 was in this sector, 2.5 times the EU-27 average (6.4 %). There was less specialisation in food and beverage service activities: the highest share was 10.8 % in Cyprus, compared with the EU-27 average of 6.1 %.

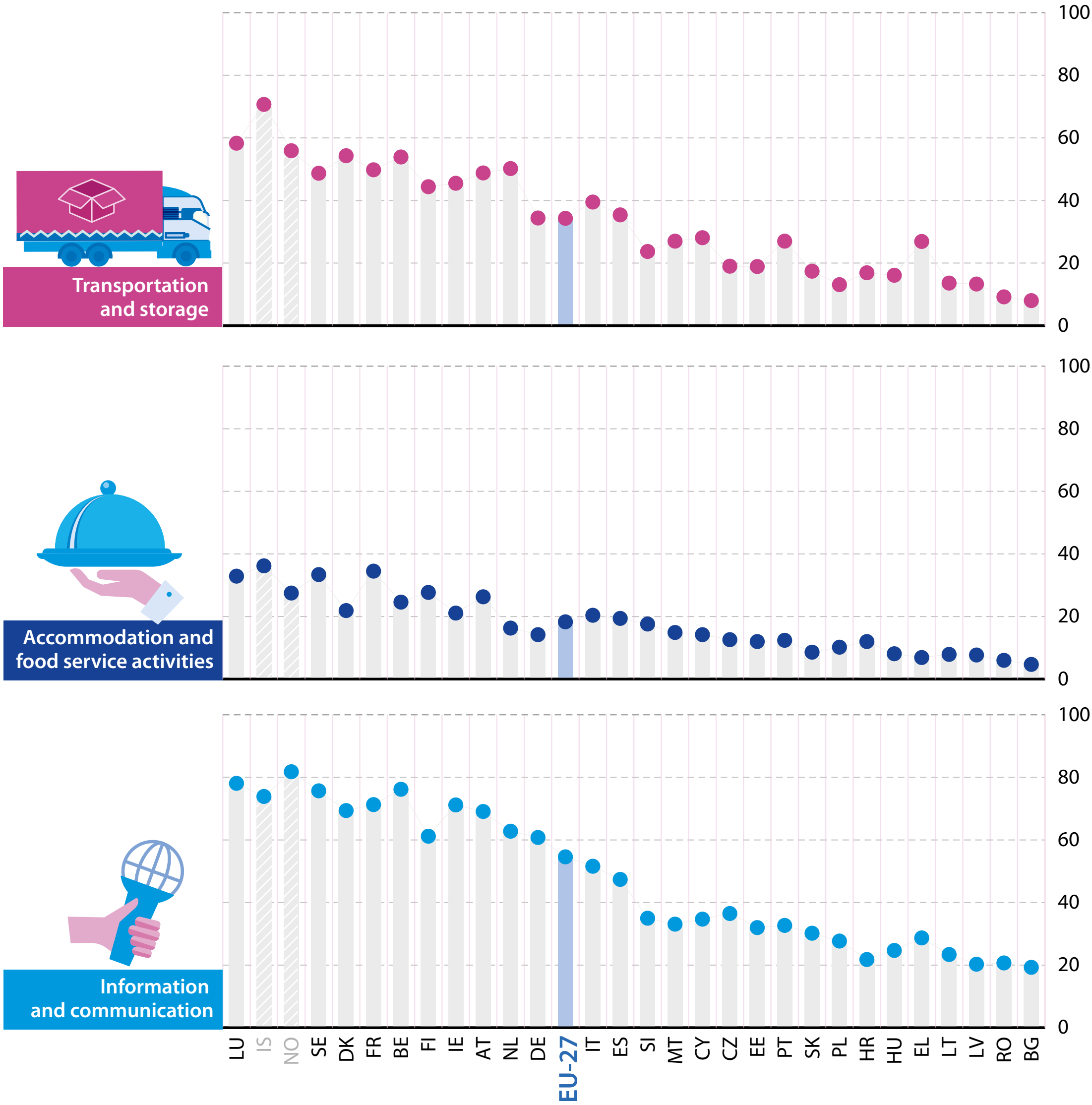
Note: data are shown for the six largest other non-financial services based on EU-27 value added for other non-financial service divisions. (1) FI: not available. (2) LU: not available.

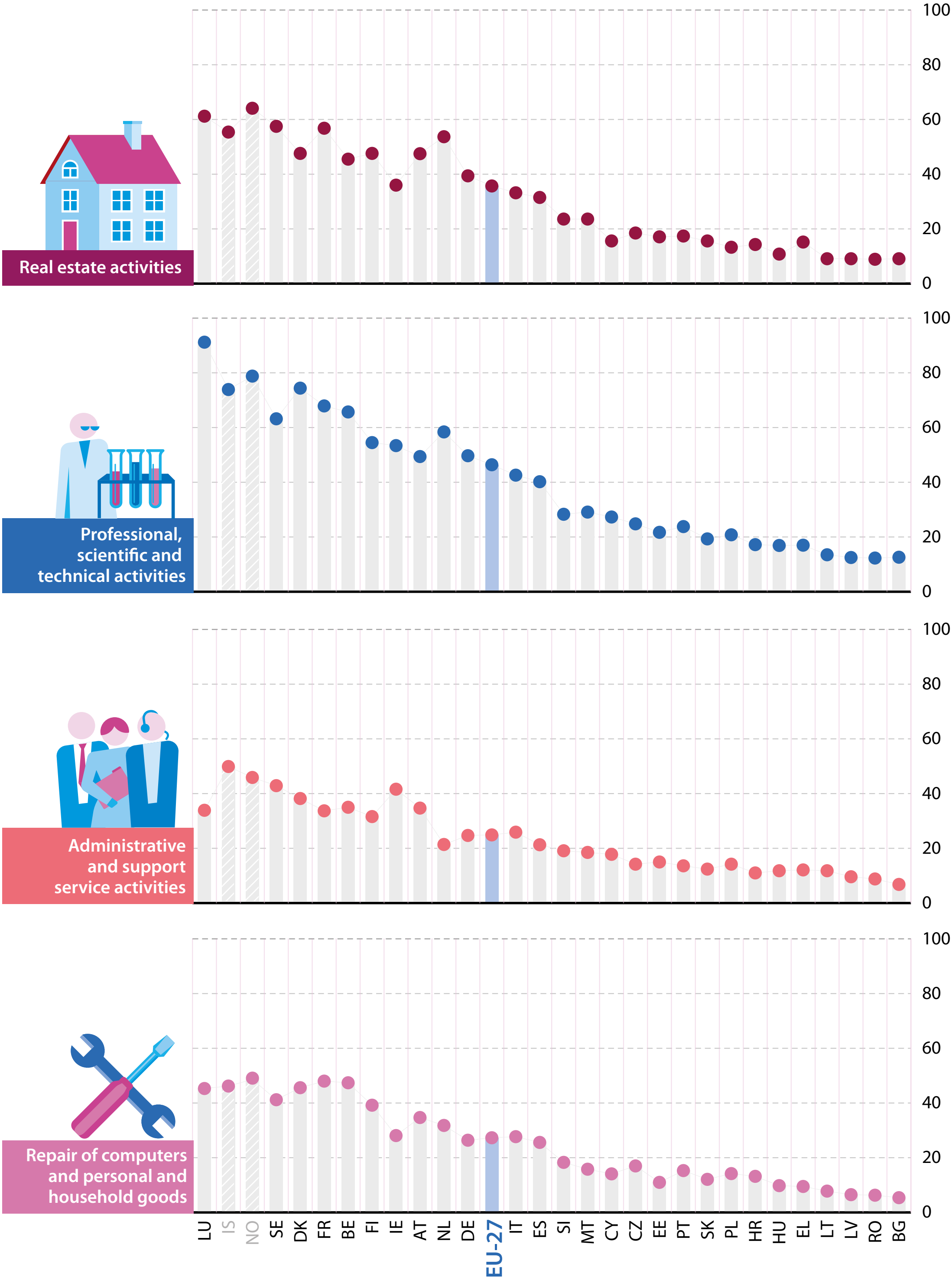
Source: Eurostat (online data code: sbs_na_dt_r2)

Average personnel costs within other non-financial service sections

(EUR thousand per employee, 2018)

Typically, the lowest average personnel costs across the EU-27 can be observed in sectors with a high incidence of part-time and seasonal work, such as accommodation and food services (EUR 18.3 thousand per employee) or administrative and support service activities (EUR 24.9 thousand per employee), whereas higher ratios can be seen for information and communication services (EUR 54.6 thousand per employee) or professional, scientific and technical activities (EUR 46.4 thousand per employee).





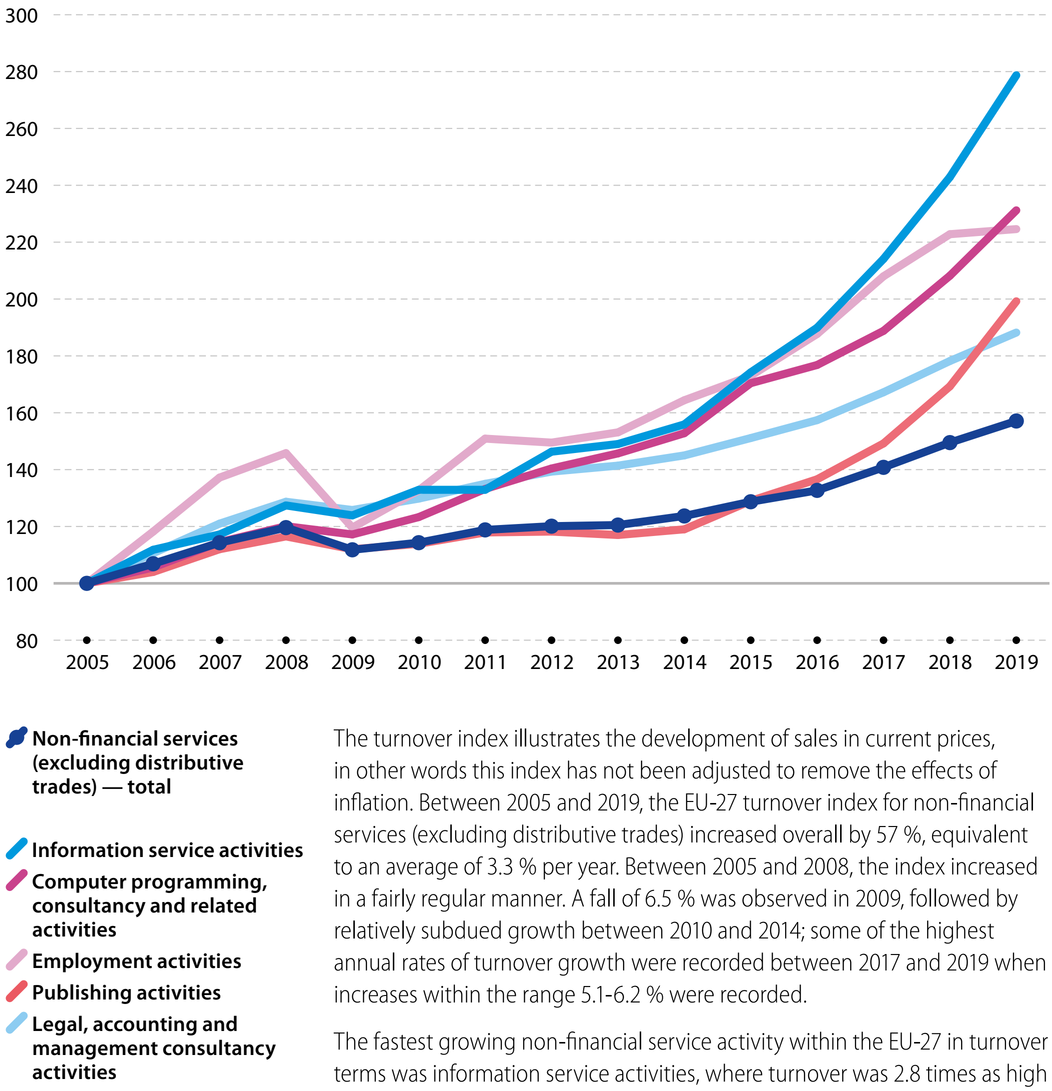
Note: ranked on average personnel costs for other non-financial services. IS: 2017.

Source: Eurostat (online data code: sbs_na_1a_se_r2)

Developments

Turnover index for high-growth non-financial services

(2005 = 100, EU-27, 2005-2019)



Note: based on turnover value indices; shows the five non-financial service divisions with the highest rates of change for the EU-27 during the period 2005-2019.

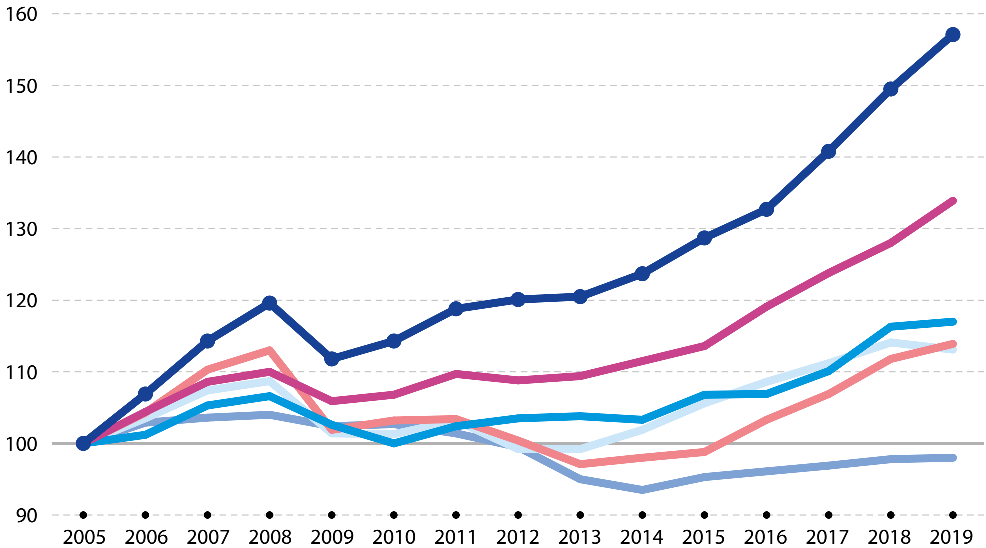
Source: Eurostat (online data code: sts_setu_a)

The turnover index illustrates the development of sales in current prices, in other words this index has not been adjusted to remove the effects of inflation. Between 2005 and 2019, the EU-27 turnover index for non-financial services (excluding distributive trades) increased overall by 57 %, equivalent to an average of 3.3 % per year. Between 2005 and 2008, the index increased in a fairly regular manner. A fall of 6.5 % was observed in 2009, followed by relatively subdued growth between 2010 and 2014; some of the highest annual rates of turnover growth were recorded between 2017 and 2019 when increases within the range 5.1-6.2 % were recorded.

The fastest growing non-financial service activity within the EU-27 in turnover terms was information service activities, where turnover was 2.8 times as high in 2019 as it had been in 2005, an annual average increase of 7.6 %. Turnover for the related computer programming, consultancy and related activities also increased strongly, 2.3 times as high in 2019 as in 2005. Employment activities more than doubled their turnover, while the turnover of publishing activities doubled and that of legal, accounting and management consultancy activities rose by nearly 90 %.

Turnover index for low-growth non-financial services

(2005 = 100, EU-27, 2005-2019)



Non-financial services (excluding distributive trades) — total

Postal and courier activities

Audio-visual activities

Advertising and market research

Programming and broadcasting activities

Telecommunications

Note: based on turnover value indices; shows the five non-financial service divisions with the lowest rates of change for the EU-27 during the period 2005-2019.

Source: Eurostat (online data code: sts_setu_a)

Telecommunications was the only non-financial service activity within the EU-27 with lower turnover in 2019 than in 2005, down 2 %. Among the activities with relatively slow growth during the period from 2005 to 2019, sales across the EU-27 increased overall within the range of 13 % to 17 % for programming and broadcasting activities, advertising and market research, as well as motion picture, video and television programme production, sound recording and music publishing activities (hereafter referred to as audio-visual activities). Growth was somewhat stronger (up 34 % overall) for postal and courier activities.

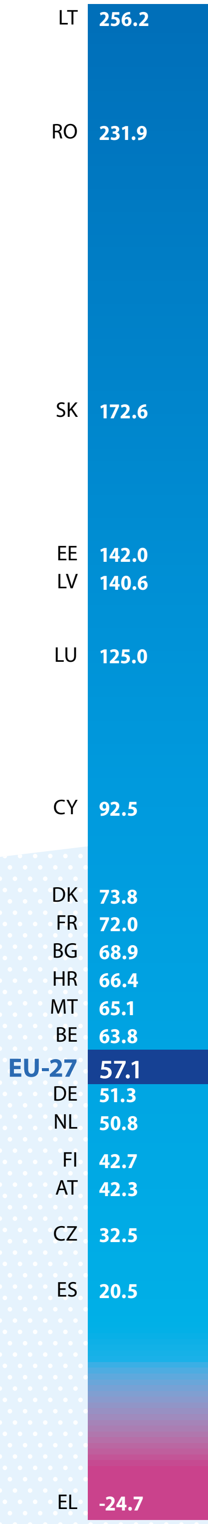
Overall change in the non-financial services turnover index

(%, 2005-2019)

Among the EU Member States for which data are available, Greece was the only one that reported lower turnover for non-financial services in 2019 than in 2005 (down 25 %). Turnover growth was highest in Lithuania and Romania, as sales more than tripled between 2005 and 2019, while the turnover index increased in the range of 125-173 % in Luxembourg, Latvia, Estonia and Slovakia.

Note: based on turnover value indices. BG: 2008-2019. MT and FI: 2010-2019. IE, IT, HU, PL, PT, SI and SE: not available.

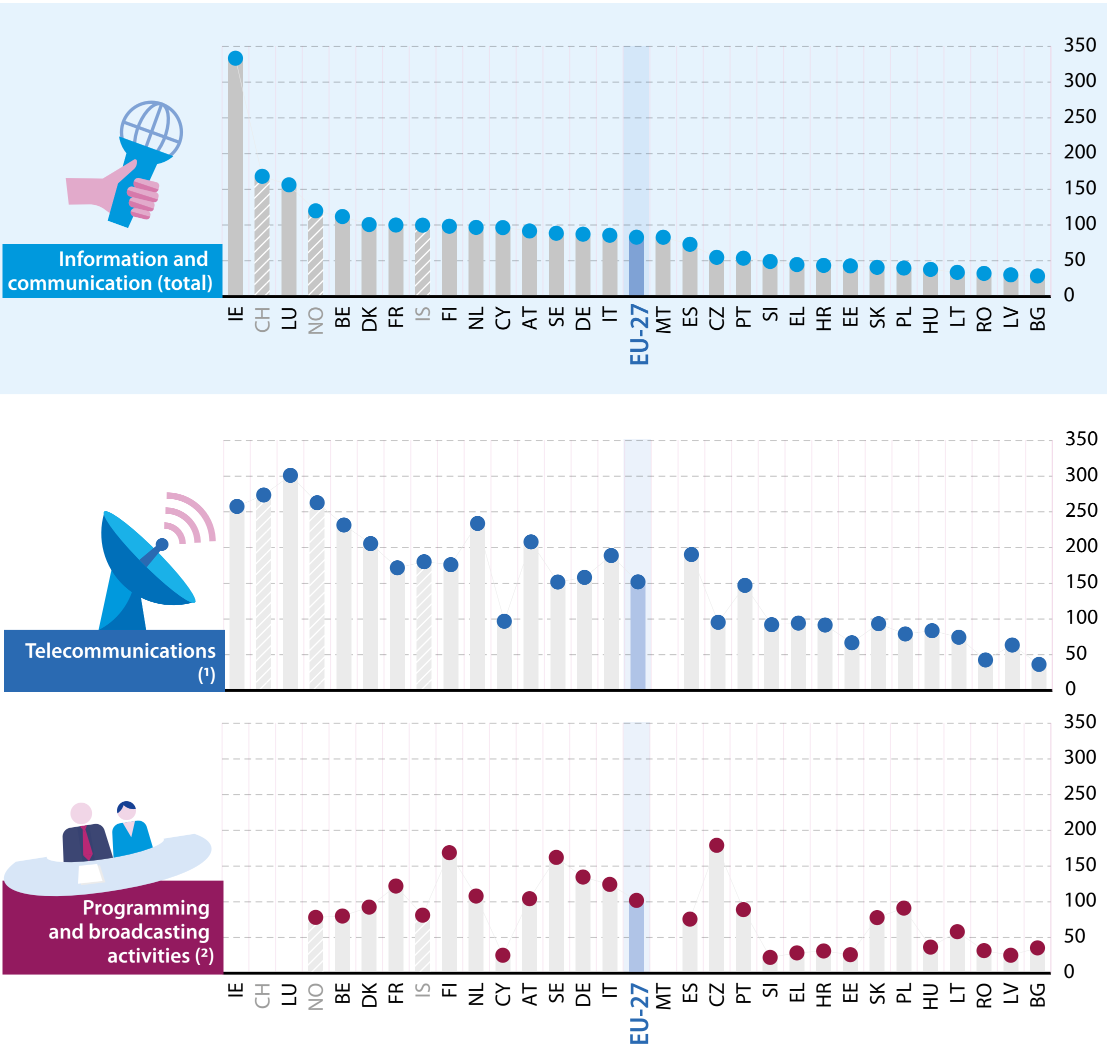
Source: Eurostat (online data code: sts_setu_a)

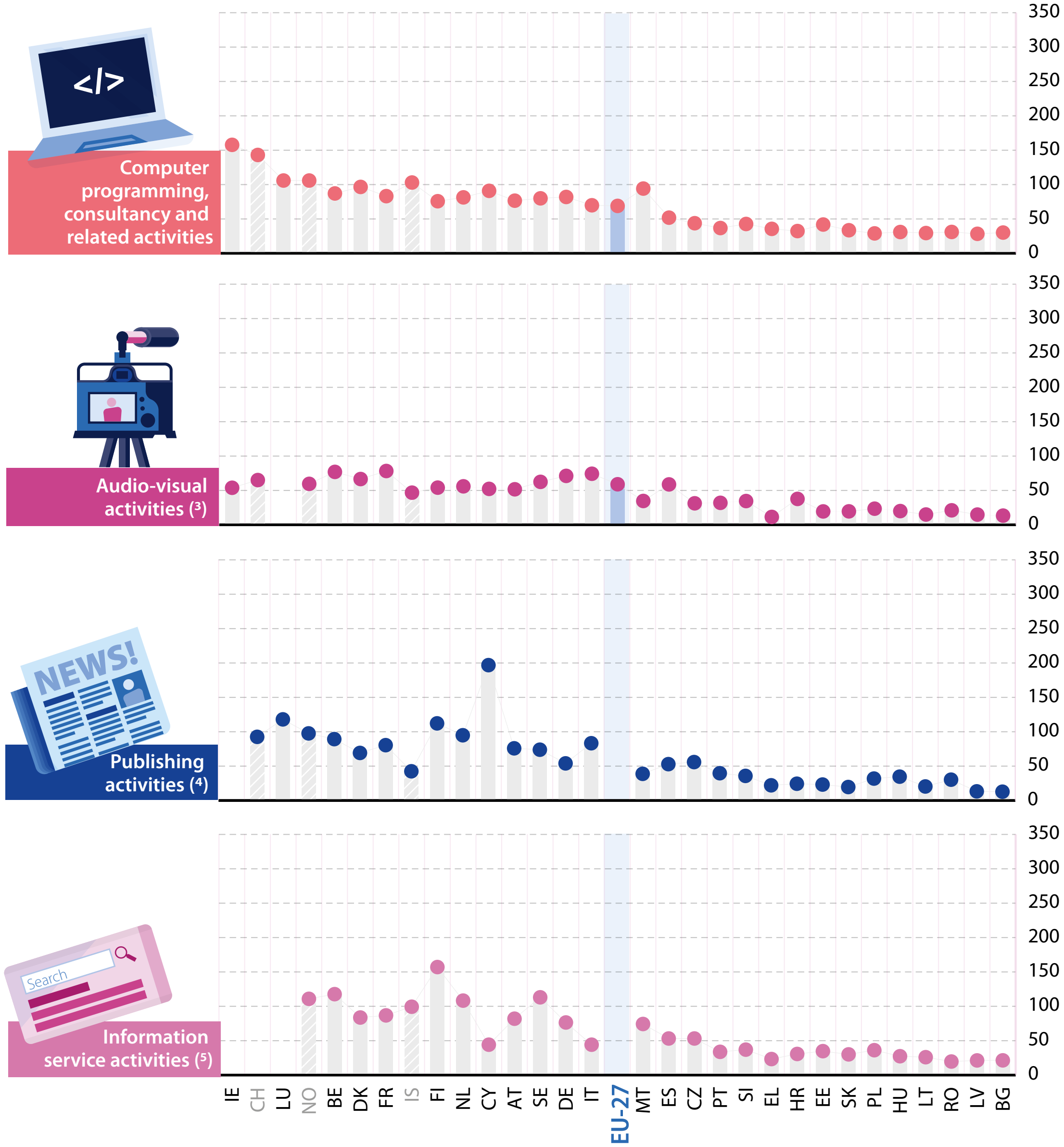


Focus on information and communication services

Apparent labour productivity for information and communication services

(EUR per person employed, 2018)





Apparent labour productivity is calculated from value added divided by the number of persons employed. While this ratio is clearly influenced by the value that employed persons add, it is also influenced by the extent of part-time and seasonal work and this may vary between sectors, between EU Member States and over time.

The EU-27's information and communication services had the second highest apparent labour productivity of all other non-financial services sections in 2018, lower only than that in the capital-intensive real estate section. At a more detailed level, the highest levels of apparent labour productivity within information and communication services were observed for telecommunications as well as programming and broadcasting activities.

Note: ranked on apparent labour productivity for information and communication services.
(1) IE: 2017. EE: 2016. MT: not available.
(2) EE: 2016. IE, LU, MT and CH: not available.
(3) LU: not available.
(4) EU-27 and IE: not available.
(5) EU-27, IE, LU and CH: not available. IS: 2017.

Source: Eurostat (online data code: sbs_na_1a_se_r2)

53.0	IE
36.3	FI
20.7	RO
19.5	SE
18.3	CY
16.0	BG
15.2	LV
15.1	CZ
14.4	EU-27
13.9	SK
12.6	EE
12.3	PL
11.5	BG
11.0	AT
10.4	NL
10.1	CH
9.5	ES
9.3	DE
9.1	HU
7.4	SL
7.3	IT
7.2	DK
6.9	FR
5.7	HR
5.3	IS
5.0	PT
4.4	LT
3.8	LU
2.7	EL

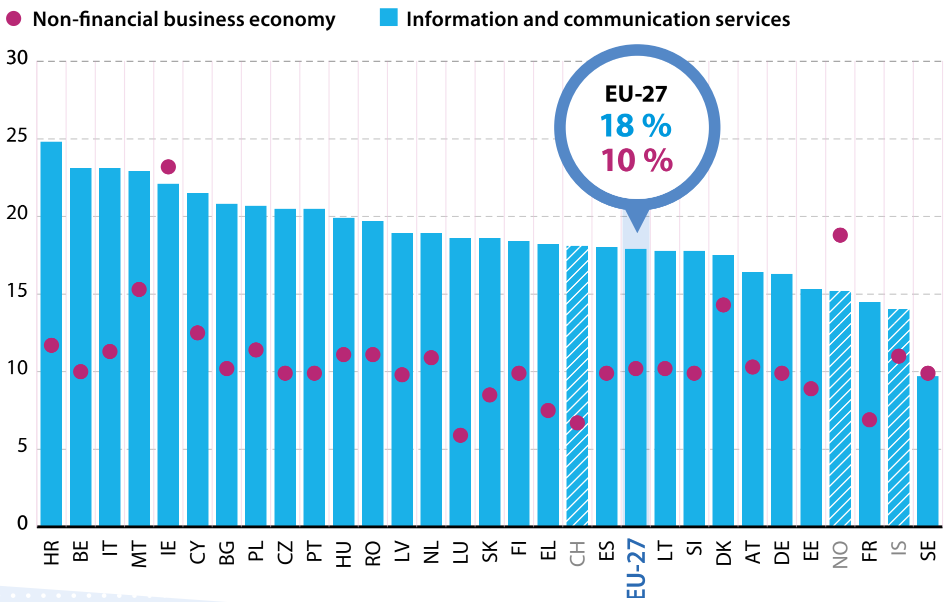
Gross operating rate for information and communication services

(%, 2018)

The gross operating rate is a measure of profitability and is defined as value added at factor cost minus personnel costs (the gross operating surplus) divided by total turnover. In nearly all EU Member States — Sweden and Ireland were the only exceptions — information and communication services recorded a gross operating rate in 2018 that was above the non-financial business economy average. Belgium and Croatia had particularly high rates for information and communication services, some 13.1 percentage points above their non-financial business economy averages. In relative terms, the difference was greatest in Luxembourg, as the gross operating rate for information and communication services was 18.6 %, which was 3.2 times as high as the non-financial business economy average (5.9 %).

Note: the gross operating rate for the EU-27's non-financial business economy is an estimate made for the purpose of this publication.

Source: Eurostat (online data codes: sbs_na_1a_se_r2 and sbs_na_sca_r2)



Exports of telecommunications, computer and information services

(% share of total exports of services, 2019)

Telecommunications, computer, and information services represented 14 % of all exports of services from the EU-27 to non-member countries in 2019. Exports of telecommunications, computer, and information services contributed 53 % of all services exports from Ireland, by far the highest share among the EU Member States. These services contributed 36 % of total exports of services in Finland, and one fifth in Sweden and Romania. By contrast, in Lithuania, Luxembourg and Greece telecommunications, computer, and information services contributed less than 5 % of all services exports.

Note: telecommunications, computer and information services form part of the current account for services. The data presented covers total exports of services to the rest of the world. MT: not available. CH and IS: 2018. LT: 2016.

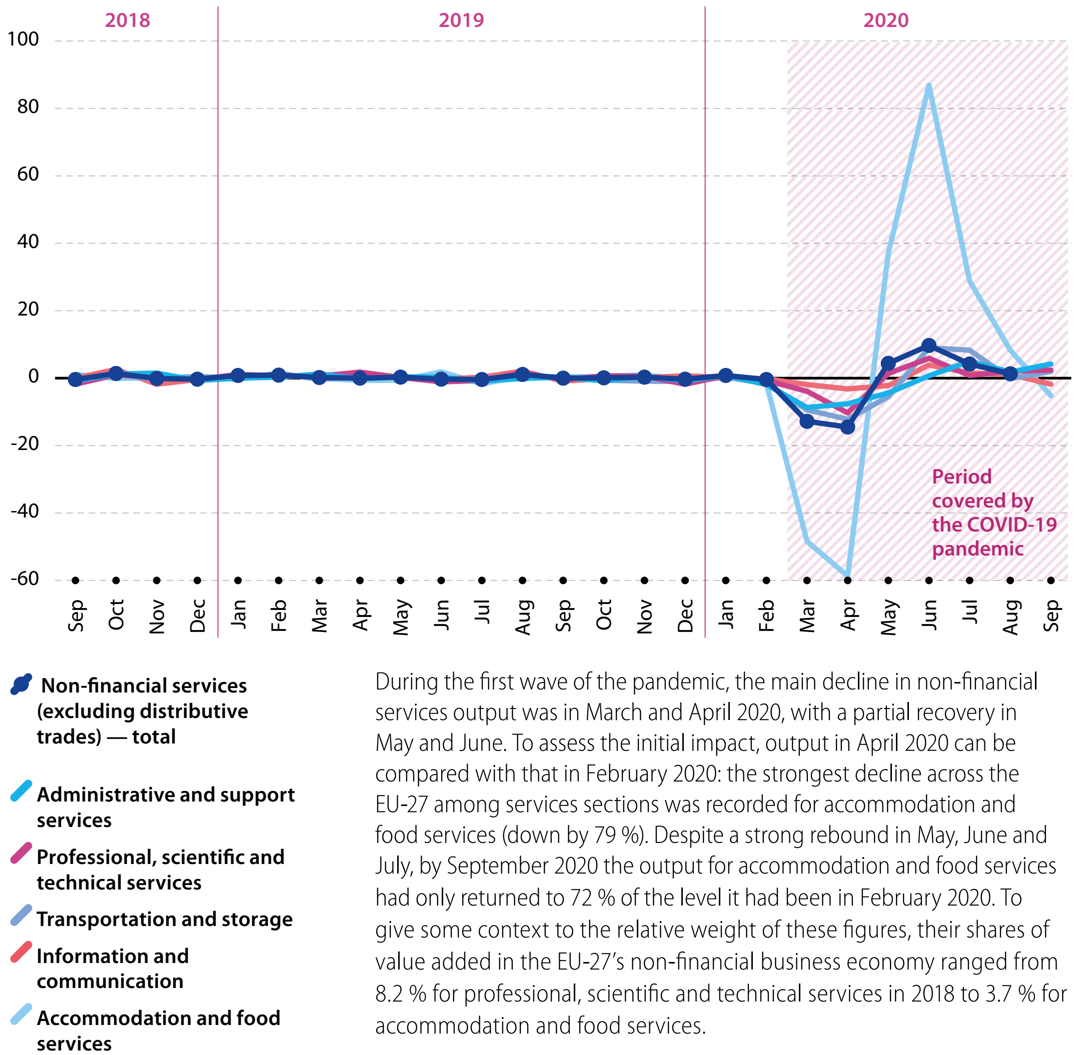
Source: Eurostat (online data code: bop_its6_det)

Impact of COVID-19 pandemic

During the early months of the COVID-19 pandemic in spring 2020, several services were particularly hard hit by containment measures/restrictions (as well as indirectly by falling demand). Hospitality services such as those providing accommodation, food and drinks were among the most affected along with transport services, particularly those providing international passenger services.

Non-financial services production indices

(% change compared with the previous month, EU-27, September 2018-September 2020)



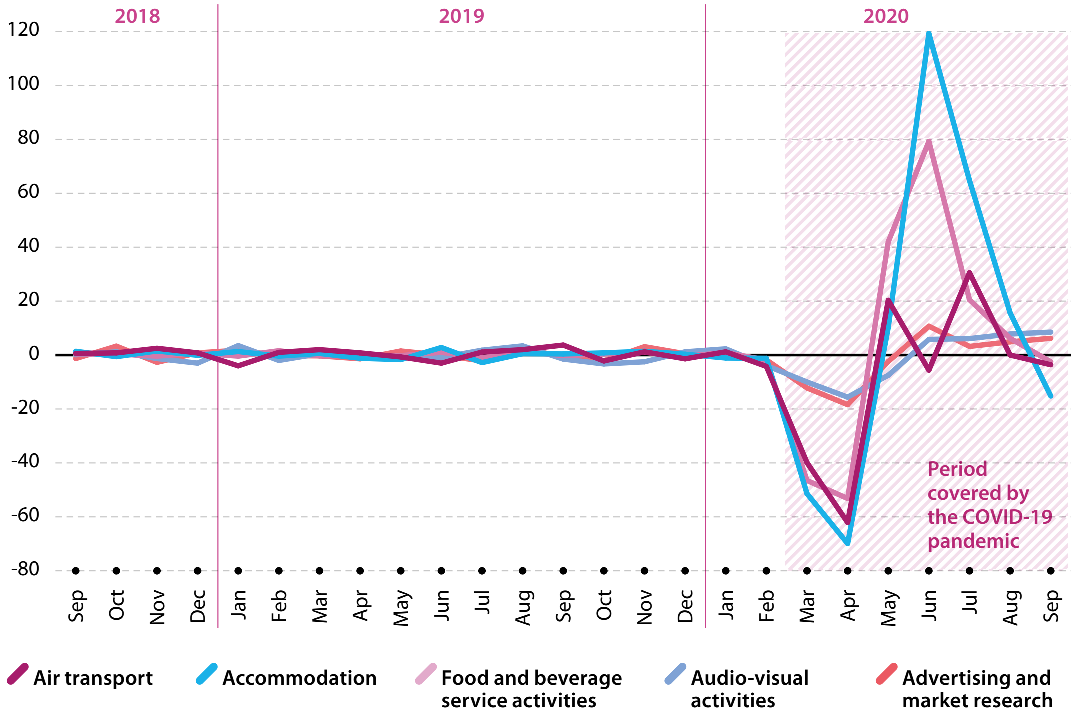
During the first wave of the pandemic, the main decline in non-financial services output was in March and April 2020, with a partial recovery in May and June. To assess the initial impact, output in April 2020 can be compared with that in February 2020: the strongest decline across the EU-27 among services sections was recorded for accommodation and food services (down by 79 %). Despite a strong rebound in May, June and July, by September 2020 the output for accommodation and food services had only returned to 72 % of the level it had been in February 2020. To give some context to the relative weight of these figures, their shares of value added in the EU-27's non-financial business economy ranged from 8.2 % for professional, scientific and technical services in 2018 to 3.7 % for accommodation and food services.

Note: September 2020, not available for non-financial services — total.

Source: Eurostat (online data codes: sts_sepr_m, sbs_na_sca_r2 and sbs_na_1a_se_r2)

Production indices for the five non-financial services divisions most impacted during the COVID-19 pandemic

(% change compared with the previous month, EU-27, September 2018-September 2020)



Note: the five non-financial services (excluding distributive trades) divisions most impacted by the COVID-19 pandemic were selected on the basis of the change in EU-27 production indices between February and April 2020.

Source: Eurostat (online data codes: sts_sepr_m and sbs_na_sca_r2)

Looking in more detail, namely at non-financial services divisions, there were three activities which experienced a sharp fall in output. Between February and April 2020, EU-27 production fell by 85 % for accommodation services, by 77 % for air transport services, and by 75 % for food and beverage service activities. By contrast, the least affected non-financial services during the first wave of the pandemic were: water transport; telecommunications; computer programming, consultancy and related activities; information service activities. While there was a partial recovery in late spring / early summer 2020, the picture was mixed, with hospitality and transport services (among others) continuing to face a range of restrictions in some EU Member States. By September 2020, EU-27 output for air transport services was 33 % of the level it had been in February, while output in the accommodation sector had returned to 57 % of its February level. Note these figures cover the period prior to the second wave of the pandemic, and that many EU Member States strengthened restrictions on hospitality and transport businesses (and others) in the autumn of 2020.

To give some context to the relative importance of these figures, food and beverage service activities accounted for 2.4 % of value added in the EU-27's non-financial business economy in 2018, while the share for accommodation was 1.3 % and that for air transport was 0.5 %.

For more and updated information on other non-financial services during the pandemic