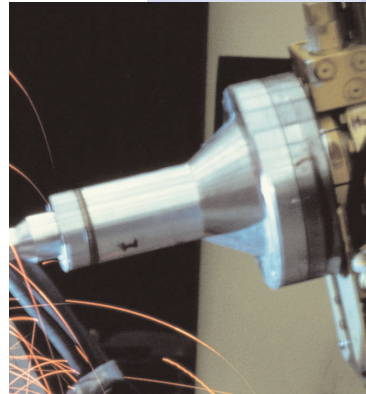
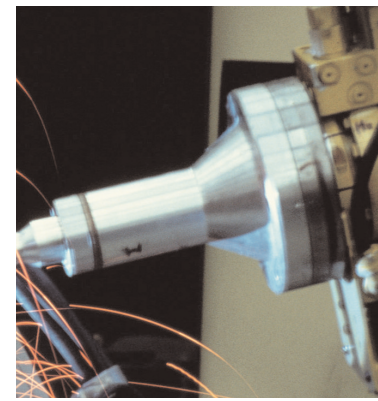
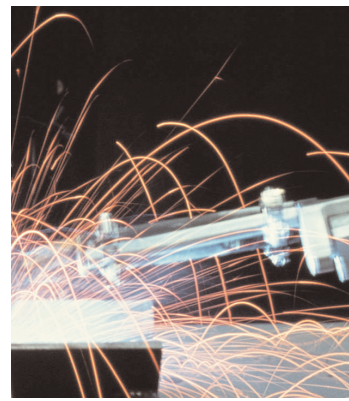


8.

INDUSTRY AND SERVICES



- Business structures**
- Industry and construction**
- Services**
- Distributive trades**
- Transport**
- Tourism**



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8. INDUSTRY AND SERVICES

The European Commission's enterprise policy aims at creating a favourable environment for enterprises and businesses to thrive within Europe, thus creating the productivity growth, jobs and wealth that are necessary to achieve the objectives set by the European Council in Lisbon in March 2000.

While competitiveness as a macroeconomic concept is understood to mean rising standards of living and employment opportunities for all who wish to work, at the level of individual enterprises or sectors, competitiveness is more concerned with the specific issue of productivity growth. Improving enterprise performance in this respect depends on a number of factors, such as the business environment, access to capital markets (in particular for venture capital), or investment in research and development or intangibles.

The legal basis for the European Commission's activities with respect to enterprise policy is Article 157 of the EC Treaty, which ensures that the conditions necessary for the industrial competitiveness exist, as well as encouraging entrepreneurial initiative, particularly among small and medium-sized enterprises (SMEs).

A report in November 2004 from the high level group chaired by Wim Kok, entitled '*Facing the challenge*'⁽³⁸⁾ assessed the current situation and identified measures which could form a consistent strategy for the European economies to achieve the Lisbon objectives and targets, among which the most important included:

⁽³⁸⁾ '*Facing the challenge — The Lisbon strategy for growth and employment*', report from the High Level Group chaired by Wim Kok, November 2004 http://ec.europa.eu/growthandjobs/pdf/kok_report_en.pdf.

Eurostat has a wide range of data within this area, including:

- data broken down at very detailed sectoral levels (according to the NACE Rev 1.1 classification) for industrial and service activities;
- short-term statistics for business-cycle analysis (such as the index of production, index of employment, or domestic output prices indices);
- annual structural business statistics for a variety of input indicators (such as the number of persons employed, personnel costs, or gross investment in tangible goods);
- annual structural business statistics for a variety of output indicators (such as turnover, value added at factor cost, or the gross operating rate (gross operating surplus/turnover));
- annual structural business statistics for a variety of derived ratios (such as average personnel costs, apparent labour productivity, or investment per person employed);
- structural business statistics for small and medium-sized enterprises;
- structural business statistics for different geographical regions;
- indicators for railway, road, inland waterway, oil pipeline, maritime, air and other transport;
- tourism statistics (on establishments, number of bed places, number of tourists, number of nights spent, or modes of transport used by tourists).

- reducing administrative burden;
- improving the quality of legislation;
- facilitating the rapid start-up of new enterprises; and
- creating an environment more supportive to businesses.

Despite the changing face of the business economy, manufacturing still plays a key role in Europe's prosperity. There is, however, some concern that the EU risks facing a process of de-industrialisation. In October 2005, the European Commission launched a new industrial policy to create better framework conditions for manufacturing industries in the coming years. In November 2005, the Commission adopted a new approach intended to provide a single coherent policy framework for EU actions in favour of SMEs.

BUSINESS STRUCTURES

Eurostat draws a comprehensive picture of the structure of the European business world and thus of the framework for entrepreneurial activity. Its data on business structures show developments over time within specific activities, as well as structural changes within the economy as a whole. Without this information, short-term data on the economic cycle would lack background and be hard to interpret.

These statistics are used by enterprises that want to determine their opportunities in a new market, or alternatively those enterprises who wish to put their performance into perspective (by benchmarking their own data against sectoral averages for their own region, country, or another Member State, in order to establish where competitive advantages lie). The data is also used by business associations, researchers, administrators and politicians.

Structural business statistics describe the economy by observing the activity of enterprises engaged in an economic activity. These data may be used to monitor the wealth created within an activity (value added), or how much labour input is required (number of persons employed), or profitability (the gross operating rate).

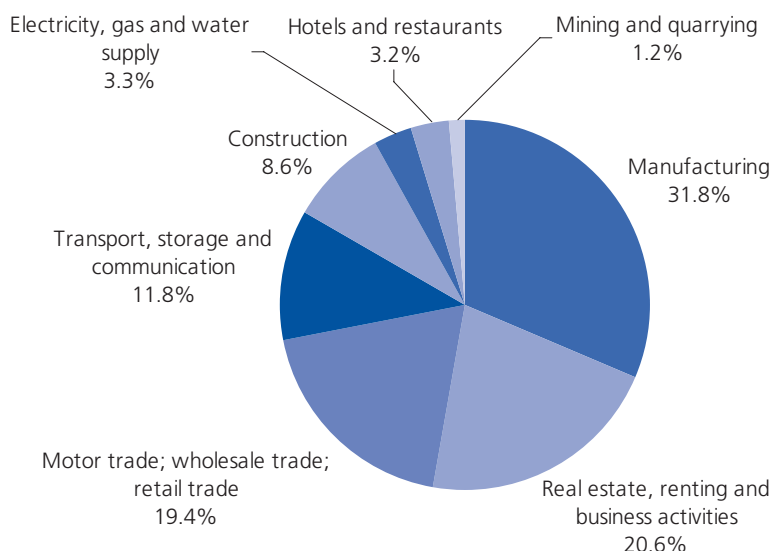
The Council regulation on structural business statistics (SBS) provides a harmonised legal framework for the annual collection of structural data from businesses in the EU. It defines the nomenclatures (NACE Rev. 1.1, NUTS) and the statistical units to be used, the coverage (without size threshold), the deadlines for the delivery of data, and various quality criteria. The SBS regulation covers all market activities (excluding agriculture), covering industry, construction, distributive trades and services within NACE Rev. 1.1 Sections C to K. Note that the breakdown of economic activities is very detailed and that the data included in the SBS domain of Eurostat's dissemination database goes into much more detail than the short set of information presented in this section of the yearbook.

Principally, the structural business statistics presented in this section relate to output or to employment. Among a number of variables describing the input and output sides of business activity, a selection of basic indicators is presented, including:

- gross value added at factor cost: which corresponds to the difference between the value of what is produced and the costs incurred for producing these goods and services (intermediate consumption), corrected for subsidies on production and costs, and assimilated taxes and levies; it can be interpreted as the wealth created by the enterprises of a sector and which is used to remunerate the production factors (capital in the form of the gross operating surplus, and labour in the form of the personnel costs);

Figure 8.1: Breakdown of value added at factor cost in the non-financial business economy, EU-25, 2003 (1)
(%)

TIN00002



(1) Includes rounded estimates based on non-confidential data; figures do not sum to 100 % due to rounding.

Value added represents the difference between the value of what is produced and intermediate consumption entering the production, less subsidies on production and costs, taxes and levies.

Non-financial business economy defined as NACE Sections C to I and K.



- personnel costs: are defined as the total amounts paid by the enterprises of a sector to remunerate the work of employees during the reference year; they cover wages and salaries and social contributions paid by employers;
- the number of persons employed: defined as the total number of persons who work for the enterprises of a sector, whether or not they are paid; this total excludes borrowed staff and agency workers.

Just under one third (about 32 %) of the EU-25's value added in the non-financial business economy (defined as industry, construction, distributive trades and services, and therefore excluding financial and public services) was generated in 2003 by the manufacturing sector, where about 28 % of the workforce was employed. The next largest activities (using a breakdown by NACE section) were distributive trades (composed of motor trades, wholesale trade, and retail trade), and real estate, renting and business activities. Distributive trades are relatively labour-intensive, as they accounted for a 25 % share of the total number of persons employed in the EU-25's non-financial business economy, but only 19 % of value added. It should be noted, though, that the employment data presented here are head counts and not, for example, full-time equivalents, and the proportion of persons working part-time in distributive trades (22 %) was well above the non-financial business economy average (14 %) in 2005. Real estate, renting and business activities generated about 21 % of the wealth created in the EU-25's non-financial business economy, and employed 18 % of the workforce.

Structural business statistics are also collected broken down by enterprise size class (defined in terms of the number of persons employed). These data show that the structure of enterprises

varies considerably within the EU depending upon the activity under consideration, with large enterprises particularly dominant within mining and quarrying, electricity, gas and water supply, and transport, storage and communication. These activities are characterised by relatively high minimum efficient scales of production and/or by (transmission) networks that are rarely duplicated due to their high fixed investment cost (for example, railway infrastructure, an electricity grid or a fixed telephone network).

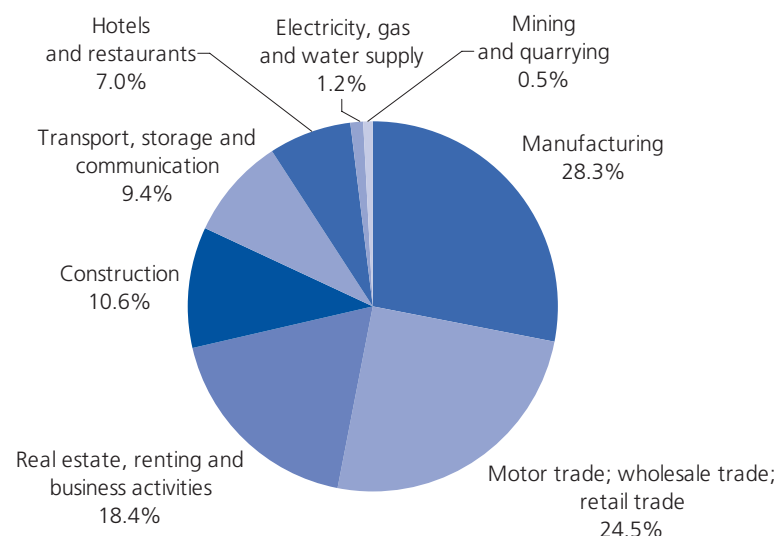
On the other hand, small and medium-sized enterprises (SMEs) were particularly important within the activities of construction and hotels and restaurants, where enterprises with less than 250 persons employed accounted for more than three quarters of the wealth created and the workforce.

Structural business statistics are being expanded from the three traditional areas of data collection (annual enterprise survey, enterprise size classes, and regional structural business statistics) into other areas. One of the development areas concerns business demography.

Business demography statistics present data on the active population of enterprises, their birth, survival (followed-up to five years after birth) and death. Special attention is paid to the impact of these demographic events on employment. While there is only a partial data set available, the statistics presented show that there are significant changes in the stock of enterprises, reflecting the level of competition and entrepreneurial spirit of the various economies. More than one out of every 10 enterprises was newly born in the Czech Republic, Estonia, Latvia, Luxembourg, Hungary and the United Kingdom in 2003.

Figure 8.2: Breakdown of number of persons employed in the non-financial business economy, EU-25, 2003 (1)
(%)

TIN00004

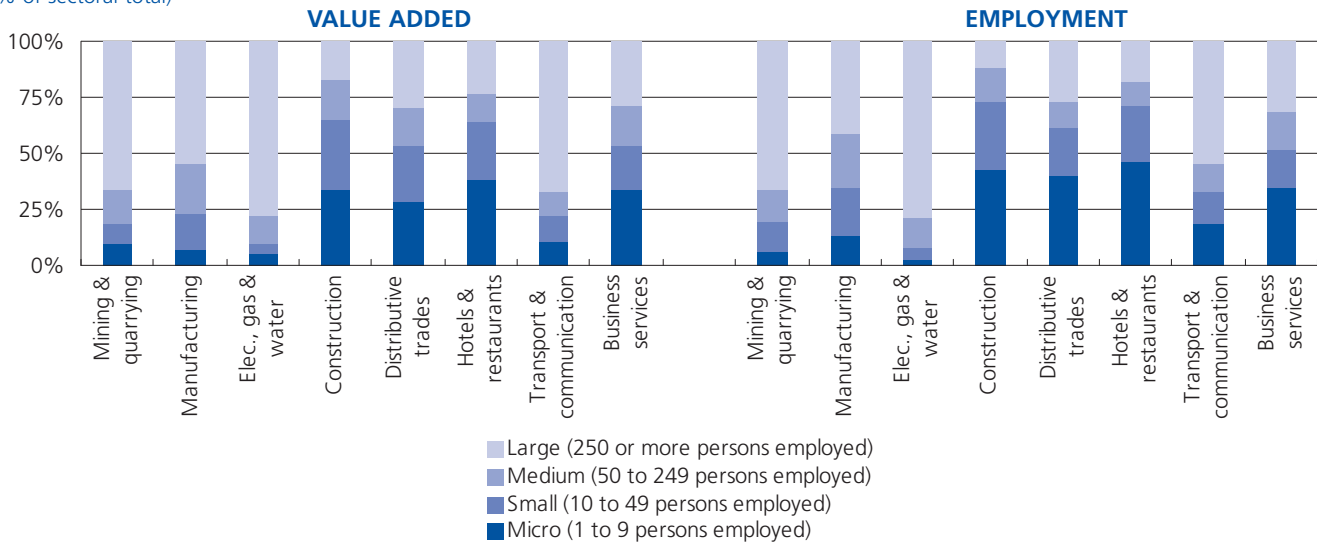


(1) Includes rounded estimates based on non-confidential data; figures do not sum to 100 % due to rounding.

The number of persons employed is defined as the total number of persons working in the various industries: employees, non employees (e.g. family workers, delivery personnel) with the exception of agency workers.

Figure 8.3: Breakdown of sectoral value added and employment by enterprise size class, EU-25, 2003 (1)

(% of sectoral total)



(1) Includes rounded estimates based on non-confidential data.

Value added represents the difference between the value of what is produced and intermediate consumption entering the production, less subsidies on production and costs, taxes and levies.

The number of persons employed is defined as the total number of persons working in the various industries: employees, non-employees (e.g. family workers, delivery personnel) with the exception of agency workers.

Table 8.1: Number of persons employed by enterprise size class in the non-financial business economy, 2003

(1 000)

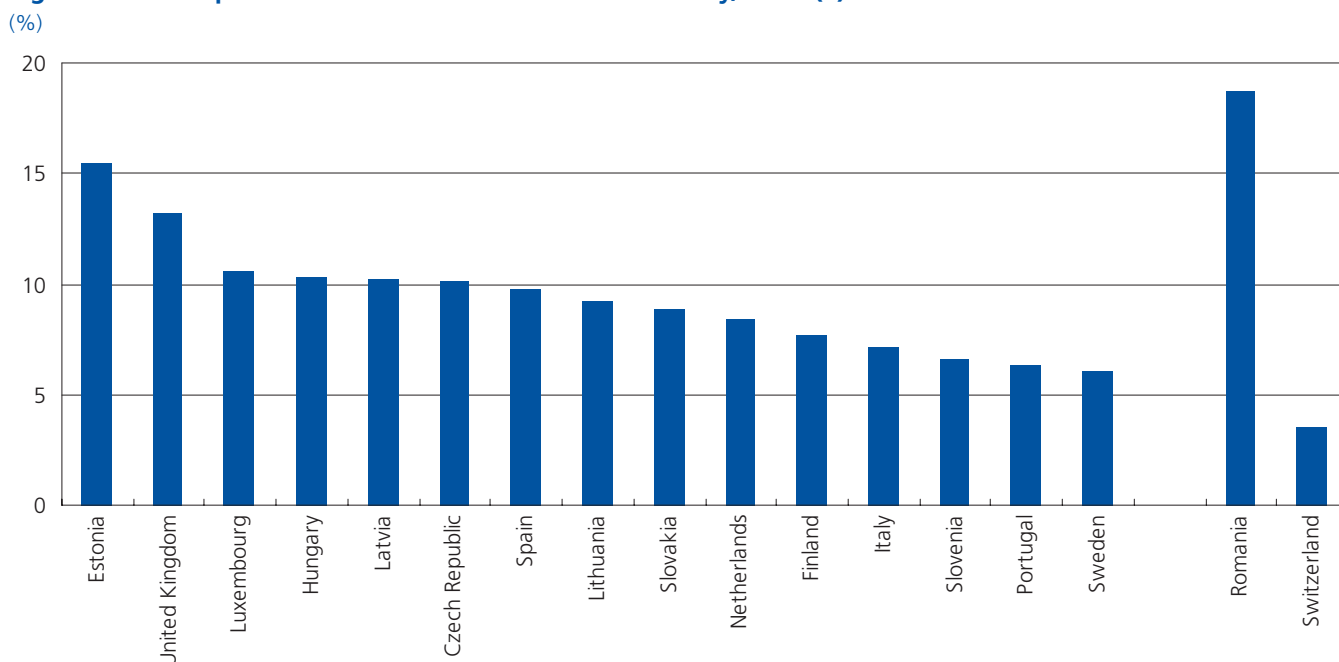
	Total	Micro (1 to 9 persons employed)	Small (10 to 49 persons employed)	Medium (50 to 249 persons employed)	Large (250+ persons employed)
EU-25	116 647	34 862	24 249	19 253	38 283
Belgium	2 366	686	:	377	:
Czech Republic	3 594	1 171	669	641	1 114
Denmark	1 636	321	407	:	:
Germany	20 672	4 059	4 518	3 861	8 235
Estonia	372	:	:	:	:
Greece	:	:	:	:	:
Spain	12 324	4 759	3 179	1 816	2 571
France	14 089	3 284	2 912	2 375	5 519
Ireland	:	:	:	:	:
Italy	14 513	6 837	3 191	:	:
Cyprus	:	:	:	:	:
Latvia	547	113	148	144	143
Lithuania	:	:	:	212	:
Luxembourg	:	:	:	:	:
Hungary	2 533	909	471	414	740
Malta	:	:	:	:	:
Netherlands	4 504	1 300	:	836	:
Austria	2 323	584	:	:	:
Poland	7 352	2 980	847	1 346	2 178
Portugal (1)	2 881	1 166	659	498	557
Slovenia	570	:	:	:	:
Slovakia	899	112	132	199	456
Finland	1 219	267	229	225	498
Sweden	:	:	:	:	:
United Kingdom	17 842	3 766	3 191	2 647	8 238
Bulgaria	1 730	523	348	359	500
Romania	3 922	630	653	870	1 770

(1) 2002.

Non-financial business economy defined as NACE Sections C to I and K.



Figure 8.4: Enterprise birth rates in the business economy, 2003 (1)



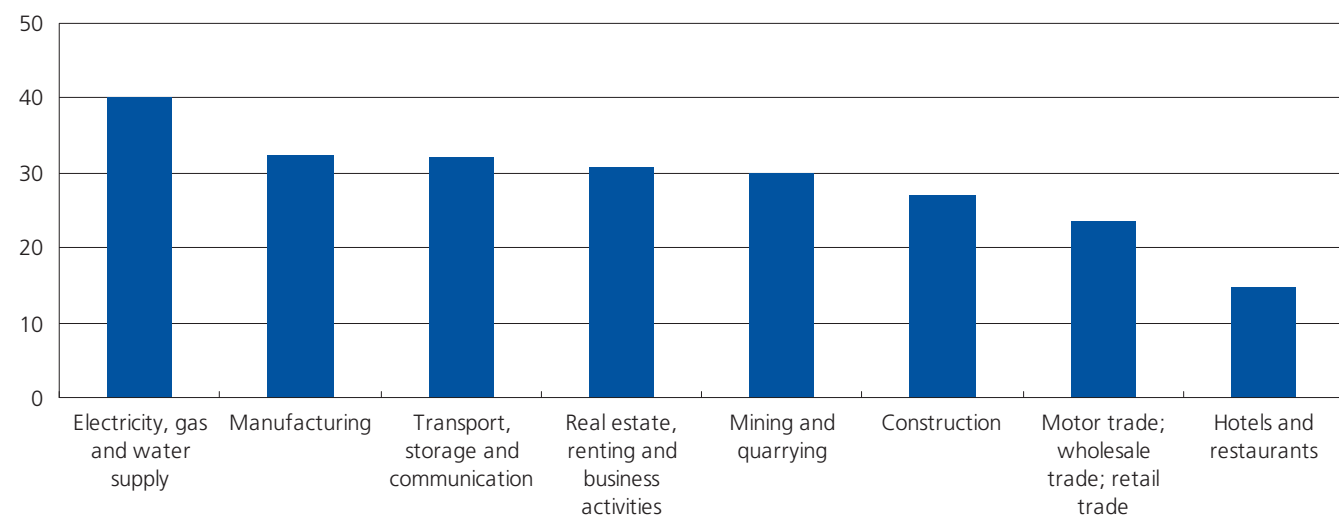
(1) No data available for those Member States not presented in the graph.

A birth amounts to the creation of a combination of production factors with the restriction that no other enterprises are involved in the event; births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises; it does not include entries into a sub-population resulting only from a change of activity; a birth occurs when an enterprise starts from scratch and actually starts activity; an enterprise creation can be considered an enterprise birth if new production factors, in particular new jobs, are created; if a dormant unit is reactivated within two years, this event is not considered a birth.

Business economy defined as NACE Sections C to K.

Figure 8.5: Average personnel costs, EU-25, 2003 (1)

(EUR 1 000 per employee)



(1) Includes rounded estimates based on non-confidential data.

Personnel costs/number of employees: personnel costs are defined as the total remuneration payable by an employer to an employee in return for work done by the latter, it includes taxes and employees' social security contributions; employees are defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

Table 8.2: Average personnel costs, 2003

(EUR 1 000 per employee)

TIN00011

	Mining and quarrying	Manu- facturing	Electricity, gas and water supply	Con- struction	Motor trade; wholesale trade; retail trade	Hotels and restau- rants	Transport, storage and commu- nication	Real estate, renting and business activities
EU-25	30.0	32.3	40.0	27.0	23.4	14.8	32.0	30.7
Belgium	44.2	47.3	80.5	34.8	36.4	18.4	44.0	41.6
Czech Republic	10.9	8.1	11.5	8.2	8.0	4.8	9.3	9.9
Denmark	55.9	41.0	36.8	37.9	32.7	16.8	42.0	37.9
Germany	47.9	44.3	60.9	32.3	26.8	12.9	34.0	30.3
Estonia	8.1	6.2	8.3	6.4	5.9	4.1	7.6	7.1
Greece	:	:	:	:	:	:	:	:
Spain	31.2	27.7	47.2	24.4	20.7	15.9	29.3	21.4
France	48.0	39.9	60.9	34.3	32.3	24.5	39.4	40.9
Ireland (1)	43.5	37.5	:	46.7	24.3	15.2	38.5	33.3
Italy	40.7	30.8	39.5	24.0	26.3	18.1	35.7	27.3
Cyprus	24.3	16.5	39.2	20.4	18.0	17.6	25.7	:
Latvia	4.6	3.7	6.9	3.3	2.9	2.3	5.2	4.1
Lithuania (2)	6.9	4.1	7.3	4.2	3.5	2.1	5.0	4.6
Luxembourg	40.8	44.5	68.6	33.1	32.6	26.5	47.5	35.7
Hungary	10.5	8.4	13.4	5.9	6.6	4.4	9.9	7.6
Malta (3)	10.2	14.2	17.8	9.2	10.4	7.6	15.2	11.5
Netherlands	67.5	43.3	50.0	44.0	26.6	14.5	37.9	31.4
Austria	47.3	40.8	60.8	34.9	30.3	21.3	38.0	36.1
Poland	13.3	6.8	10.8	6.2	5.9	4.8	8.5	7.4
Portugal	16.5	13.4	34.1	12.4	13.6	9.3	24.0	15.7
Slovenia	23.2	15.2	20.9	12.9	14.8	11.1	18.1	17.4
Slovakia	6.9	6.1	8.7	5.4	5.8	4.1	6.8	6.6
Finland	37.3	39.7	44.1	34.4	32.0	24.2	36.9	35.8
Sweden (4)	41.0	42.0	51.9	38.2	37.9	24.7	41.7	46.9
United Kingdom	57.4	35.9	46.0	34.9	21.7	11.7	36.7	35.1
Bulgaria	4.3	2.1	5.2	2.3	1.6	1.3	3.7	2.2
Romania	5.4	2.4	4.3	2.4	1.9	1.8	3.9	2.8
Norway	125.5	47.9	:	45.7	34.6	21.7	46.7	43.2

(1) Mining and quarrying, 2002.

(2) Transport, storage and communication, 2002.

(3) 2002.

(4) Mining and quarrying; manufacturing; electricity; gas and water supply; construction, 2002.

Personnel costs/number of employees: personnel costs are defined as the total remuneration payable by an employer to an employee in return for work done by the latter, it includes taxes and employees' social security contributions; employees are defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.



INDUSTRY AND CONSTRUCTION

On 5 October 2005 the European Commission launched a new industrial policy to create better framework conditions for manufacturing industries. Whether or not a business succeeds depends ultimately on the vitality and strength of the business itself, but the environment in which it operates can help or harm its prospects, in particular when faced with the challenges of globalisation and intense international competition.

This new industrial policy is designed to complement work within the Member States to encourage a strong and dynamic industrial base. It includes seven new initiatives on competitiveness, energy and the environment, intellectual property rights, better regulation, industrial research and innovation, market access, skills, and managing structural change. Seven additional initiatives are targeted at key strategic sectors, including pharmaceuticals, defence-related industries, and information and communication technologies. The approach adopted for the new industrial policy is based upon a detailed screening of 27 individual industrial and construction sectors, building upon several joint initiatives undertaken by the European Commission with, for example, the shipbuilding and motor vehicle industries.

The EU-25's industrial sector employed over 35 million people in 2003, while construction added a further 12.4 million persons. Manufacturing (which accounts for the lion's share of industrial activity) accounted for three quarters of the EU's exports and over 80 % of its private sector R & D expenditure.

The gross operating rate is defined as the share of the gross operating surplus in turnover - it is one measure that may be used to study the profitability of a particular economic activity. Turnover (often referred to as sales) is used to remunerate production factors: capital in the form of the gross operating surplus, and labour in the form of the personnel costs. Capital-intensive activities will tend to report higher shares of the gross

operating surplus in turnover (for example, the manufacture of chemicals, chemical products and man-made fibres).

The remainder of the statistics in this section are provided from the short-term business statistics (STS) data collection. Among these, some of the most important indicators are a set of principal European economic indicators (PEEIs) that are essential to the European Central Bank (ECB) for reviewing monetary policy within the euro area.

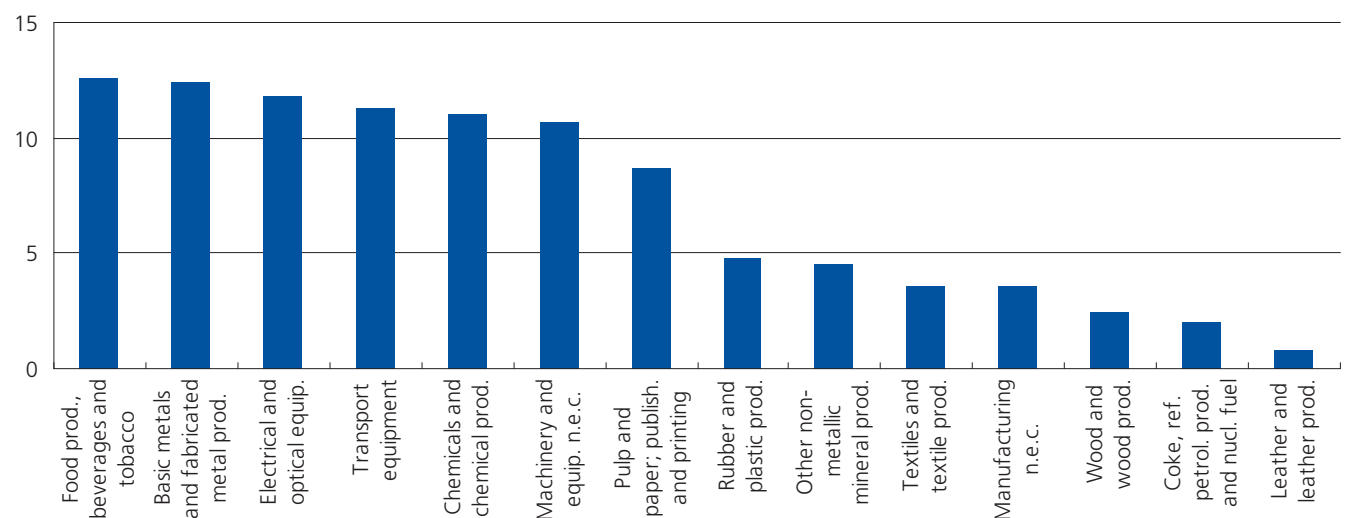
Short-term business statistics are collected within the scope of the STS regulation⁽³⁹⁾. Despite the major changes brought in by the STS regulation, and the great improvements in the availability and timeliness of indicators that followed its implementation, strong demands for further development were voiced even as the STS regulation was being adopted. The emergence of the ECB fundamentally changed expectations as regards STS. As a result, the STS regulation was amended by Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98 concerning short-term statistics. Among the main changes introduced were:

- new indicators for the purpose of analysis, namely the introduction of industrial import prices, services output prices, and the division of non-domestic turnover, new orders and industrial output prices between euro area and non-euro area countries;
- more timely data, by shortening deadlines for the delivery of the industrial and construction production indices, the retail trade and services turnover (and volume of sales) indices, and employment indices for all activities;
- more frequent data, increasing the frequency of the production in construction index to monthly from quarterly.

⁽³⁹⁾ Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics.

Figure 8.6: Breakdown of manufacturing value added, EU-25, 2003 (1)

(%)



(1) Includes rounded estimates based on non-confidential data.

Value added represents the difference between the value of what is produced and intermediate consumption entering the production, less subsidies on production and costs, taxes and levies.

Short-term business statistics are provided to Eurostat by the national statistical offices. Eurostat calculates the European aggregates for the EU-25 and euro area. Eurostat also performs some decomposition of the indices when these are not provided directly by the Member States, in order to produce other presentations of data (such as seasonally adjustment and trend-cycle series).

The production index provides a measure of the volume trend in value added at factor cost over a given reference period. Dependent on the approximation method used (see below), the index of production should take account of:

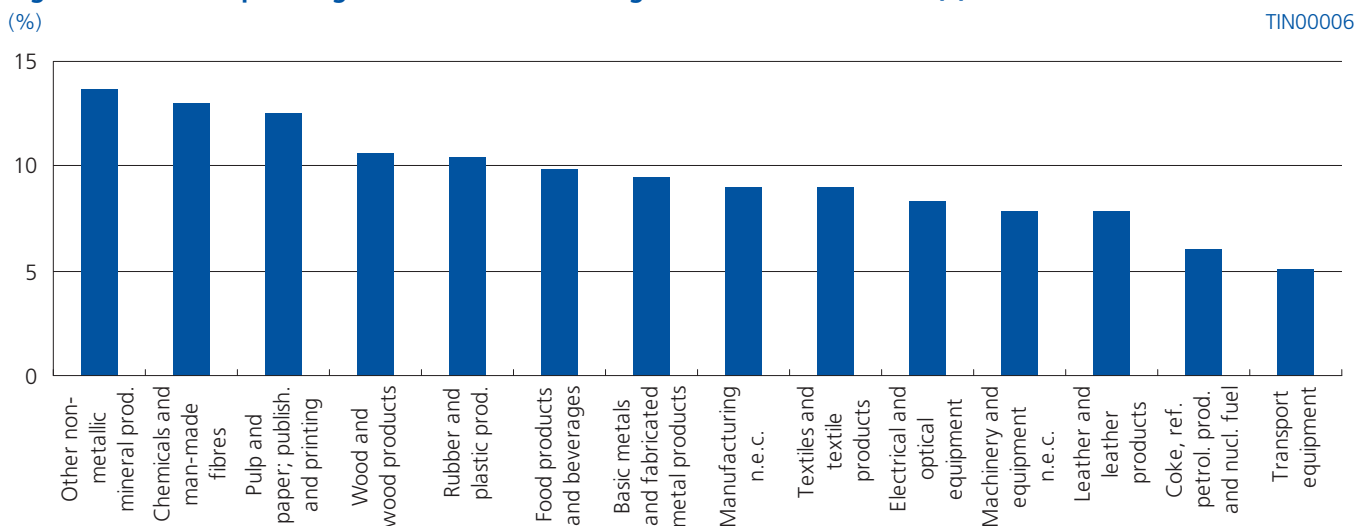
- variations in type and quality of the commodities and of the input materials;
- changes in stocks of finished goods and services and work in progress;
- changes in technical input-output relations (processing techniques);
- services such as the assembling of production units, mounting, installations, repairs, planning, engineering, creation of software.

The data necessary for the compilation of such an index are generally not available on a sub-annual basis. In practice, suitable proxy values for the compilation of the indices are needed. Within industry these may include gross production values (deflated), volume data, turnover (deflated), work input, raw material input, or energy input, while within construction they may include input data (consumption of typical raw materials, energy or labour) or output data (production quantities, deflated production values, or deflated sales values).

The output price index (sometimes referred to as the producer price index) shows monthly price changes in the industrial sector, which can be an indicator of inflationary pressure before it reaches the consumer. Output price indices are compiled for the domestic and the non-domestic market, with the latter further split between euro area and non-euro area markets. All price-determining characteristics of the products should be taken into account, including the quantity of units sold, transport provided, rebates, service conditions, guarantee conditions and destination. The price of period *t* should refer to the moment when the order is made, not the moment when the commodities leave the factory gates.

Industrial production and domestic output prices both followed an upward path during most of the last 15 years, although there was a decline in activity evident for the EU-25's index of production during 1992 and 1993 and again in 2001. Otherwise, there was a marked increase in prices from 2004 onwards, largely resulting from increases in the price of oil and associated energy-related and intermediate products. Industrial price increases in 2005 were most apparent in those economies that specialise in energy-related activities (either oil or gas — the price of which also rose at a rapid pace). The index of production for total industry rose at its most rapid pace among those Member States that joined the EU in 2004, perhaps reflecting a shift in the structure of industrial production from the EU-15 Member States.

Figure 8.7: Gross operating rate for manufacturing activities, EU-25, 2003 (1)



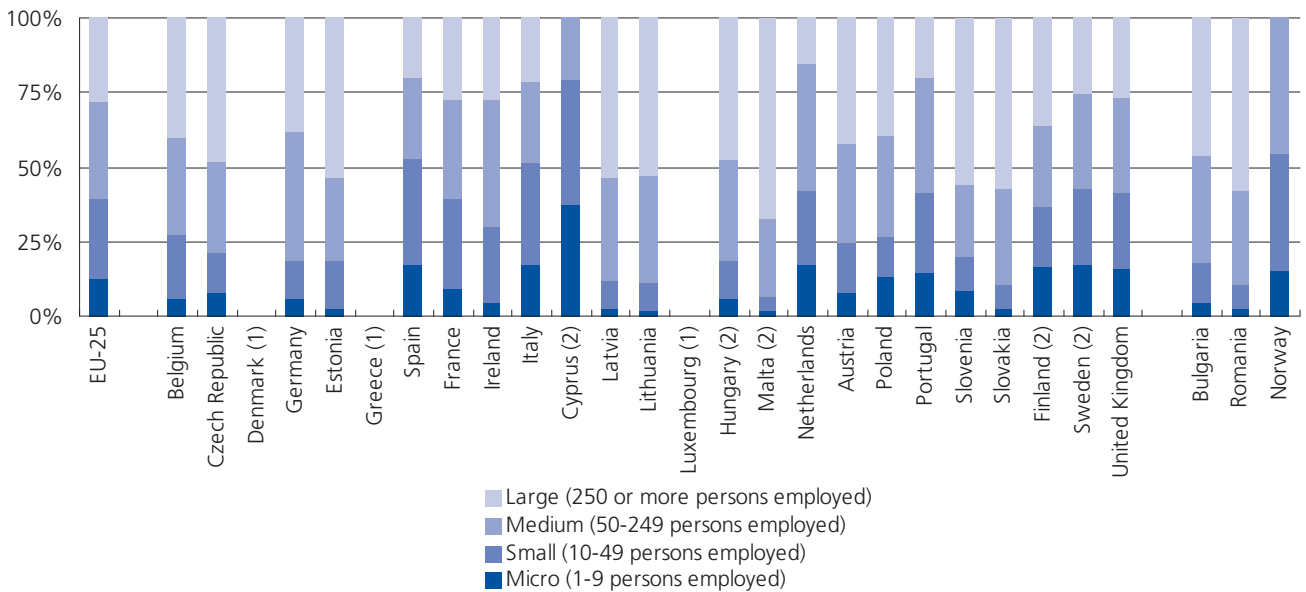
(1) Includes rounded estimates based on non-confidential data; gross operating rate defined as the gross operating surplus relative to turnover (this indicator is a measure of profitability).

Turnover is used to remunerate the production factors: capital in the form of the gross operating surplus, and labour in the form of the personnel costs; the share of the gross operating surplus in the turnover varies from sector to sector, the more capital-intensive the sector, the higher the share of gross operating surplus in turnover.



Figure 8.8: Breakdown of value added by enterprise size class, textiles and clothing, 2003

(%)



(1) Not available.

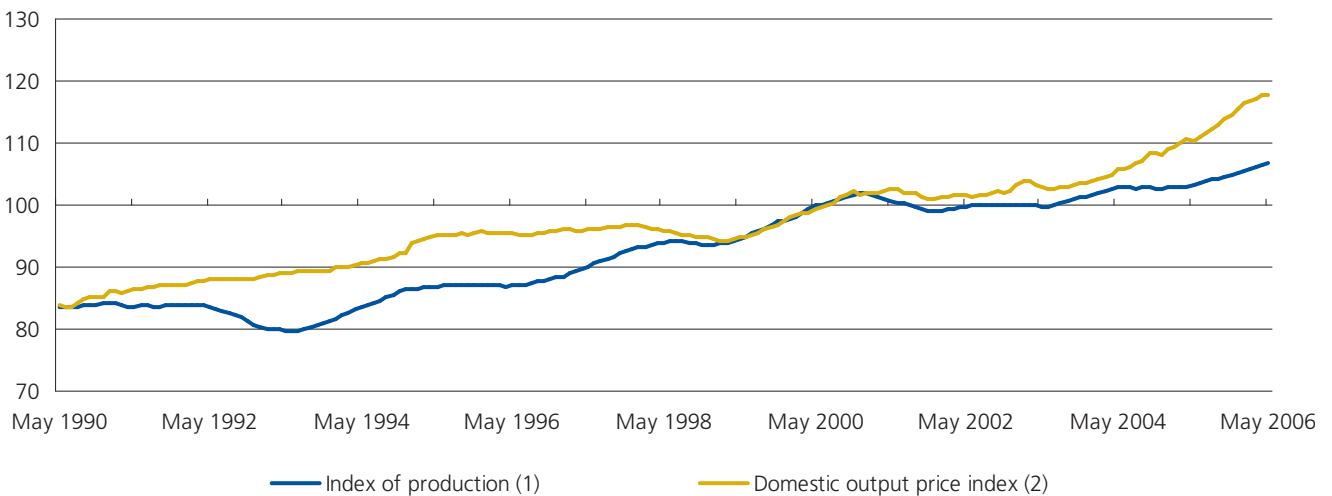
(2) 2002.

Value added represents the difference between the value of what is produced and intermediate consumption entering the production, less subsidies on production and costs, taxes and levies.

Textiles and clothing defined as NACE Subsection DB.

Figure 8.9: Production and domestic output price indices for industry, EU-25

(2000 = 100)



(1) Trend cycle.

(2) Gross series.

It is the objective of the production index to measure changes in the volume of output at close and regular intervals; it provides a measure of the volume trend in value added at factor cost over a given reference period.

It is the objective of the output price index to measure the monthly development of transaction prices of economic activities; the domestic output price index for an economic activity measures the average price development of all goods and related services resulting from that activity and sold on the domestic market.

Industry is defined as NACE Sections C to E.

Table 8.3: Annual growth rates for industry

(%)

	Production index (1)			Domestic output price index (2)		
	2003	2004	2005	2003	2004	2005
EU-25	0.6	2.2	1.1	1.5	2.8	5.2
EU-15	0.3	1.8	0.8	1.5	2.6	5.3
Euro area	0.3	2.0	1.2	1.4	2.3	4.1
Belgium	0.8	3.2	-0.3	0.6	4.5	2.2
Czech Republic	5.6	9.2	6.7	-0.3	5.7	3.0
Denmark	0.2	-0.1	1.8	3.0	3.0	9.4
Germany	0.4	3.0	3.4	1.7	1.6	4.6
Estonia	11.3	9.7	9.1	:	:	:
Greece	0.3	1.2	-0.9	2.3	3.5	5.9
Spain	1.4	1.6	0.7	1.4	3.4	4.9
France	-0.4	2.0	0.2	0.9	2.0	3.0
Ireland	4.7	0.3	3.0	0.9	0.5	2.1
Italy	-0.5	-0.6	-0.8	1.6	2.7	4.0
Cyprus	2.0	1.2	0.5	3.8	5.9	5.1
Latvia	6.9	6.4	6.2	:	:	:
Lithuania	16.1	10.8	7.3	-0.7	2.4	5.9
Luxembourg	5.4	5.5	5.6	3.6	9.0	3.9
Hungary	5.9	6.6	7.6	5.0	8.4	8.3
Malta	:	:	:	:	:	:
Netherlands	-1.4	2.5	-1.2	2.2	2.6	7.1
Austria	2.1	6.3	4.3	0.4	1.8	3.3
Poland	8.4	12.2	4.6	1.6	7.6	2.1
Portugal	0.1	-2.7	0.3	0.8	2.7	4.1
Slovenia	0.9	4.6	3.9	2.6	4.3	2.8
Slovakia	5.1	4.0	3.8	8.3	3.4	4.7
Finland	1.2	5.0	-2.4	0.2	-0.5	1.8
Sweden	1.5	3.9	1.8	2.7	2.0	3.8
United Kingdom	-0.3	0.5	-1.4	1.6	4.3	10.9
Bulgaria	13.8	17.3	6.8	4.9	6.0	6.9
Croatia	4.0	3.0	5.4	2.0	3.5	3.0
Romania	3.1	5.3	2.1	19.6	18.5	12.5
Turkey	8.7	9.8	5.7	5.9	3.6	6.0
Norway	-4.1	2.0	-0.5	:	:	:
Switzerland	0.1	4.4	2.7	:	:	:
United States	0.6	4.1	3.3	:	:	:
Japan	3.0	5.3	1.2	:	:	:

(1) Working day adjusted.

(2) Gross series.

It is the objective of the production index to measure changes in the volume of output at close and regular intervals; it provides a measure of the volume trend in value added at factor cost over a given reference period.

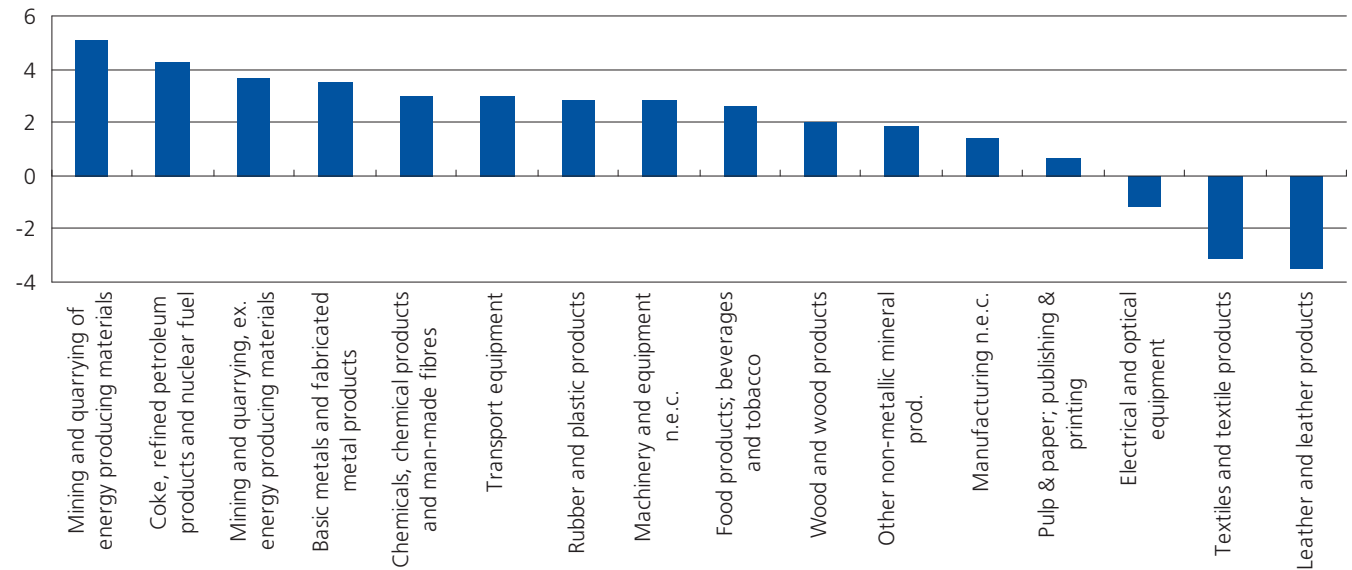
It is the objective of the output price index to measure the monthly development of transaction prices of economic activities; the domestic output price index for an economic activity measures the average price development of all goods and related services resulting from that activity and sold on the domestic market.

Industry is defined as NACE Sections C to E.



Figure 8.10: Average annual growth rate for the index of turnover, EU-25, 2000-05 (1)

(%)

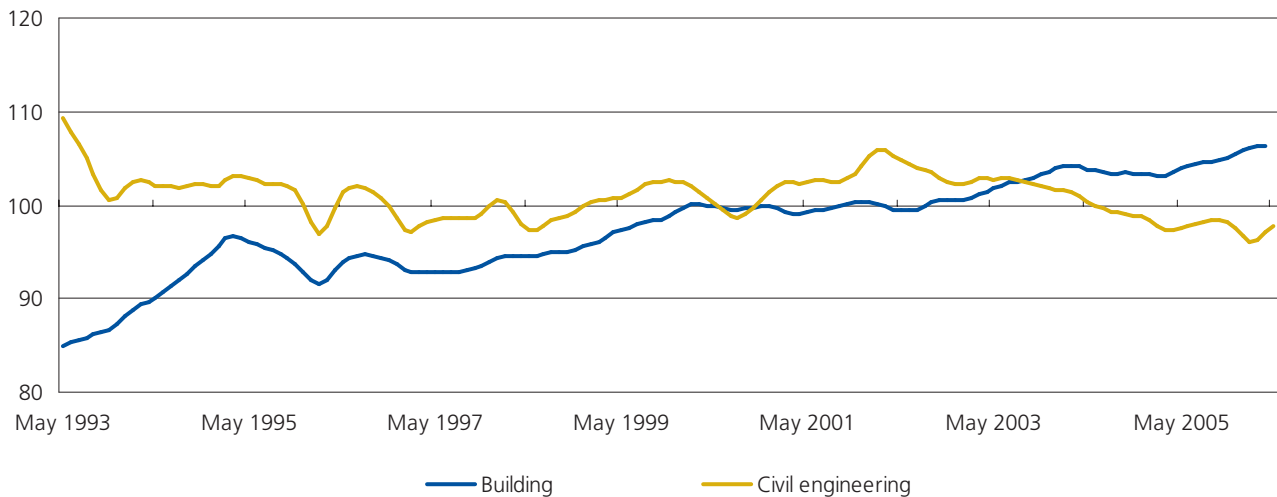


(1) Working day adjusted.

It is the objective of the turnover index to show the evolution of the market for goods and services; turnover comprises 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; turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover; turnover also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice.

Figure 8.11: Index of production, construction, EU-25 (1)

(2000 = 100)



(1) Trend cycle.

The division of production between building construction and civil engineering is based on the classification of types of construction (CC); these indices are calculated by assigning the basic information (deflated output, hours worked, authorisations/permits) to products in the CC and then aggregating the product indices in accordance with the CC to the section level.

Table 8.4: Annual growth rates for the index of production, construction (1)

(%)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	-2.2	-0.9	1.9	3.4	2.4	0.3	1.0	1.6	1.0	0.0
EU-15	-2.5	-1.3	1.7	3.5	2.4	0.5	1.1	1.6	0.9	-0.3
Euro area	-4.3	-2.0	1.4	4.1	3.2	0.3	0.5	0.7	0.3	-0.4
Belgium	0.3	2.4	1.4	3.7	5.0	-1.9	-2.7	-2.9	-1.9	-3.4
Czech Republic	:	:	-7.2	-6.9	7.9	8.4	1.1	7.8	7.4	2.5
Denmark	5.4	-1.8	9.0	6.1	0.0	-6.2	-1.1	2.1	5.6	4.3
Germany	-6.7	-4.7	-2.9	0.7	-3.2	-7.7	-4.3	-4.2	-5.0	-5.6
Estonia	5.9	11.6	26.1	-16.0	21.8	5.9	22.0	6.0	11.1	19.5
Greece	:	:	:	:	:	6.5	39.1	-5.7	-15.9	-38.8
Spain	-1.5	2.7	9.6	8.7	6.9	7.7	5.6	3.9	2.1	2.5
France	-7.2	-8.5	0.3	2.8	8.2	1.2	-2.6	4.1	3.4	3.1
Ireland	:	:	:	:	:	3.4	2.1	5.1	6.8	3.4
Italy	-1.6	1.4	-0.3	8.9	5.9	5.7	5.0	2.3	2.4	1.5
Cyprus	:	:	:	:	:	3.4	2.5	6.8	5.5	5.9
Latvia	5.5	8.0	16.5	7.8	8.3	5.7	11.7	13.1	13.4	15.1
Lithuania	:	:	23.3	-9.1	-18.2	7.1	21.7	27.8	6.8	11.4
Luxembourg	-7.2	2.3	0.6	3.8	4.2	4.4	1.9	1.2	-1.3	-0.4
Hungary	-0.3	9.4	13.1	7.9	8.3	8.4	17.8	1.7	5.4	16.7
Malta	:	:	:	:	:	11.9	4.7	4.1	4.2	12.7
Netherlands	-1.7	3.3	3.2	5.4	4.2	1.9	-3.3	-4.2	-1.7	1.9
Austria	:	8.5	14.8	1.6	0.0	-0.8	0.6	12.5	5.2	3.6
Poland	10.5	16.6	11.0	3.9	-1.0	-10.5	-9.6	-6.9	-1.0	9.3
Portugal	:	:	:	:	:	4.3	-1.3	-8.3	-4.7	-4.9
Slovenia	:	:	:	27.7	0.1	-7.1	5.4	8.0	2.5	3.0
Slovakia	4.0	9.1	-3.5	-25.8	0.0	0.2	4.4	5.9	5.6	14.3
Finland	8.4	11.8	8.2	2.1	7.2	2.4	1.6	3.8	3.6	4.3
Sweden	2.6	-8.6	4.7	1.9	-3.2	1.7	-4.4	1.7	-2.2	4.0
United Kingdom	3.8	2.4	1.5	1.3	0.6	2.0	4.2	5.1	3.1	-1.1
Bulgaria	:	:	:	:	:	12.8	3.9	5.8	35.2	1.0
Romania	:	:	:	:	:	4.1	5.3	6.9	8.9	8.6
Norway	:	:	:	:	:	:	-0.4	2.6	7.4	8.4

(1) Working day adjusted.

It is the objective of the production index to measure changes in the volume of output at close and regular intervals; it provides a measure of the volume trend in value added at factor cost over a given reference period; these indices are calculated by assigning the basic information (deflated output, hours worked, authorisations/permits) to products in the CC and then aggregating the product indices in accordance with the CC to the section level.



SERVICES

Services are crucial, accounting for between 60 % and 75 % of economic activity in the EU-25 Member States, and a similar (and rising) proportion of overall employment. The central principles governing the internal market for services are set out in the EC Treaty, which guarantees EU companies the freedom to establish themselves in other Member States, and the freedom to provide services on the territory of another Member State other than the one in which they are established. The principles of freedom of establishment and free movement of services are two of the so-called fundamental freedoms which are central to the EU internal market.

The principles of freedom of establishment and free movement of services have been clarified and developed over the years through the case-law of the European Court of Justice. In addition, important developments and progress in the field of services have been brought about through specific legislation in fields such as financial services, telecommunications, broadcasting, and the recognition of professional qualifications.

However, despite progress in some specific sectors, there remain areas where further liberalisation is required so that the market can function correctly, most notably a desire to remove cross-border barriers to services.

As the reasons why services are not frequently traded between Member States were complex and not well documented, the Commission spent some time on a legal and economic analysis

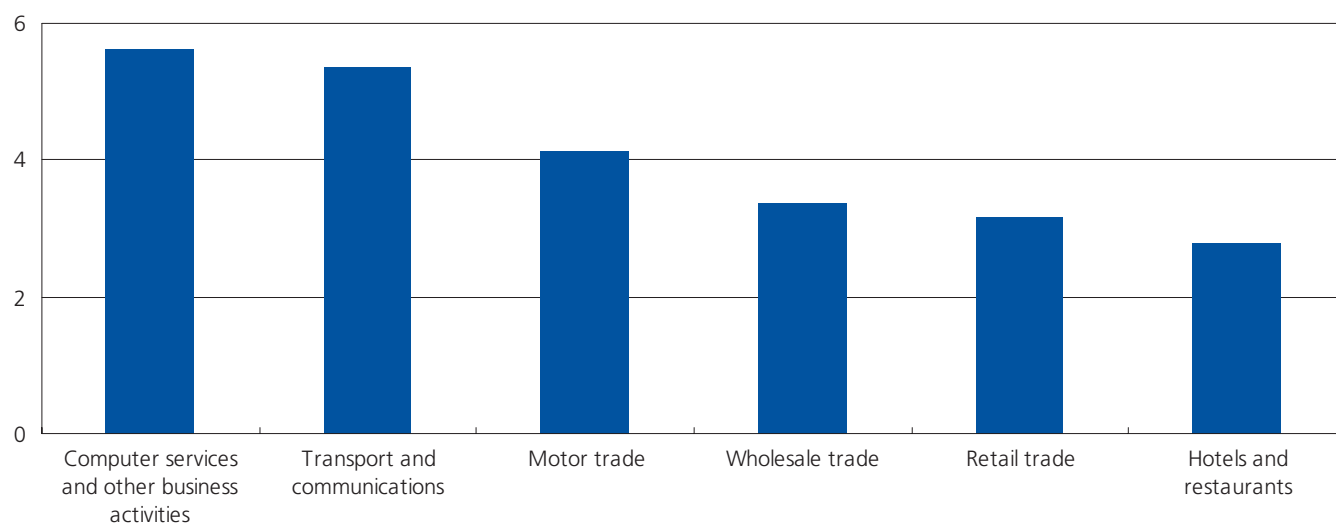
of the issues. This resulted in the publication of a report on the state of the internal market for services in July 2002. The report identified a series of barriers that may lead to negative effects on the cost and quality of final services delivered to enterprises and consumers. It was argued that barriers to trade in services penalise, in particular, small and medium-sized enterprises (SMEs), which are disproportionately affected by complex administrative and legal requirements, and are therefore more likely than larger enterprises to turn down cross-border opportunities. This problem is compounded due to the relatively high proportion of SMEs within many service sectors.

In January 2004 the European Commission made a proposal for a directive on services in the internal market. This proposal was aimed at eliminating obstacles to trade in services, thus allowing the development of cross-border operations. It was intended to improve competitiveness, not just of service enterprises, but also of European industry.

As shown in the tables and graphs that accompany this section, business services play a particularly important role in the services economy. Many of these activities have benefited from the outsourcing phenomenon, which may explain the rapid growth observed for this sector of the economy. Nevertheless, these activities also remain some of the most regulated, with considerable barriers to trade or market entry, suggesting that growth could be even faster within this area of the economy.

Figure 8.12: Average annual growth rate of turnover, selected service activities, EU-25, 2000-05 (1)

(%)



(1) Working day adjusted.

It is the objective of the turnover index to show the evolution of the market for goods and services; turnover comprises 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; turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover; turnover also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice.

Table 8.5: Annual growth rates for the index of turnover, selected service activities (1)

(%)

	Motor trade		Wholesale trade		Transport and communications		Computer services and other business activities	
	2004	2005	2004	2005	2004	2005	2004	2005
EU-25	6.5	3.5	6.0	7.5	6.0	6.0	4.0	6.1
EU-15	5.7	:	4.9	5.1	4.6	5.5	2.9	4.8
Euro area	5.7	:	4.9	5.1	4.6	5.5	2.9	4.8
Belgium	7.2	0.0	11.8	12.7	8.4	11.3	10.2	14.1
Czech Republic	7.1	7.6	12.8	5.9	8.3	3.3	7.0	6.0
Denmark	14.8	13.6	6.7	12.5	7.4	11.0	7.2	12.6
Germany	0.6	:	6.0	5.1	:	:	:	:
Estonia	10.1	27.5	39.9	33.1	:	:	8.9	18.8
Greece	:	:	:	:	:	:	:	:
Spain	11.9	7.4	6.8	7.9	7.0	6.5	3.1	7.8
France	6.5	4.7	4.2	3.3	5.0	5.7	5.9	4.7
Ireland	9.6	27.1	11.9	22.4	2.6	11.5	:	:
Italy	:	:	2.6	0.6	:	:	:	:
Cyprus	22.4	0.4	8.6	4.7	13.0	5.3	10.0	9.1
Latvia	30.0	51.0	19.7	37.1	16.8	27.9	14.1	27.3
Lithuania	9.6	21.0	18.5	20.7	12.3	33.5	13.6	32.3
Luxembourg	8.7	6.7	4.5	16.0	7.2	8.1	6.2	9.0
Hungary	:	:	:	:	:	:	:	:
Malta	6.0	99.0	-1.7	3.6	5.7	-10.5	2.0	5.9
Netherlands	:	:	:	:	:	:	:	6.2
Austria	3.6	-0.3	6.7	3.1	:	:	0.0	1.8
Poland	17.4	-7.1	21.3	6.5	15.5	:	6.7	21.0
Portugal	19.3	-5.8	-6.3	6.5	-0.5	2.4	18.5	-16.8
Slovenia	12.1	16.8	5.5	4.0	:	:	:	:
Slovakia	19.3	7.0	6.6	17.9	9.2	11.6	4.3	14.5
Finland	7.9	6.3	6.2	7.4	5.5	3.0	5.5	10.7
Sweden	6.3	8.2	2.6	9.3	4.5	5.4	-1.3	2.1
United Kingdom	5.2	-0.2	7.2	14.5	7.8	6.4	6.3	8.4
Bulgaria	27.8	25.5	16.3	15.5	13.8	19.4	:	:
Croatia	:	:	-1.0	4.8	:	:	:	:
Romania	29.6	60.5	:	:	:	:	:	:
Norway	15.1	4.0	10.7	8.7	8.0	:	:	:

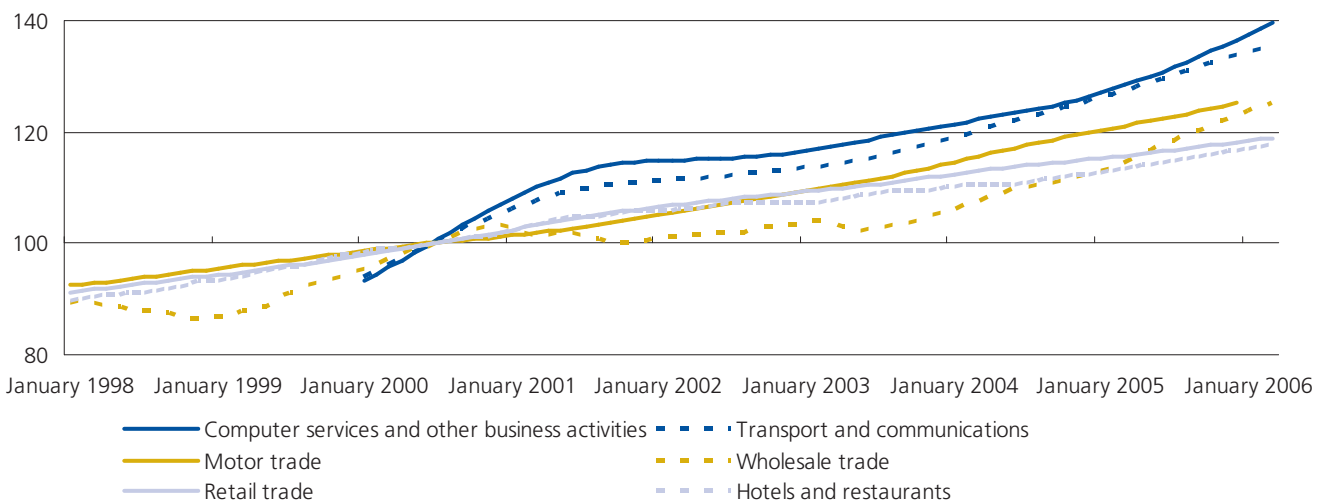
(1) Working day adjusted.

It is the objective of the turnover index to show the evolution of the market for goods and services; turnover comprises 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; turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover; turnover also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice.



Figure 8.13: Index of turnover, selected service activities, EU-25 (1)

(2000 = 100)



(1) Trend cycle.

DISTRIBUTIVE TRADES

Since 1995, structural business statistics have been collected in the area of distributive trades according to the SBS regulation's harmonised framework. Short-term indicators have been collected at an EU level in this area since 1998.

One of the most basic sets of information provided by structural business statistics relates to the relative size of activities. The size of a services activity may be measured in a variety of ways, including in terms of turnover or employment.

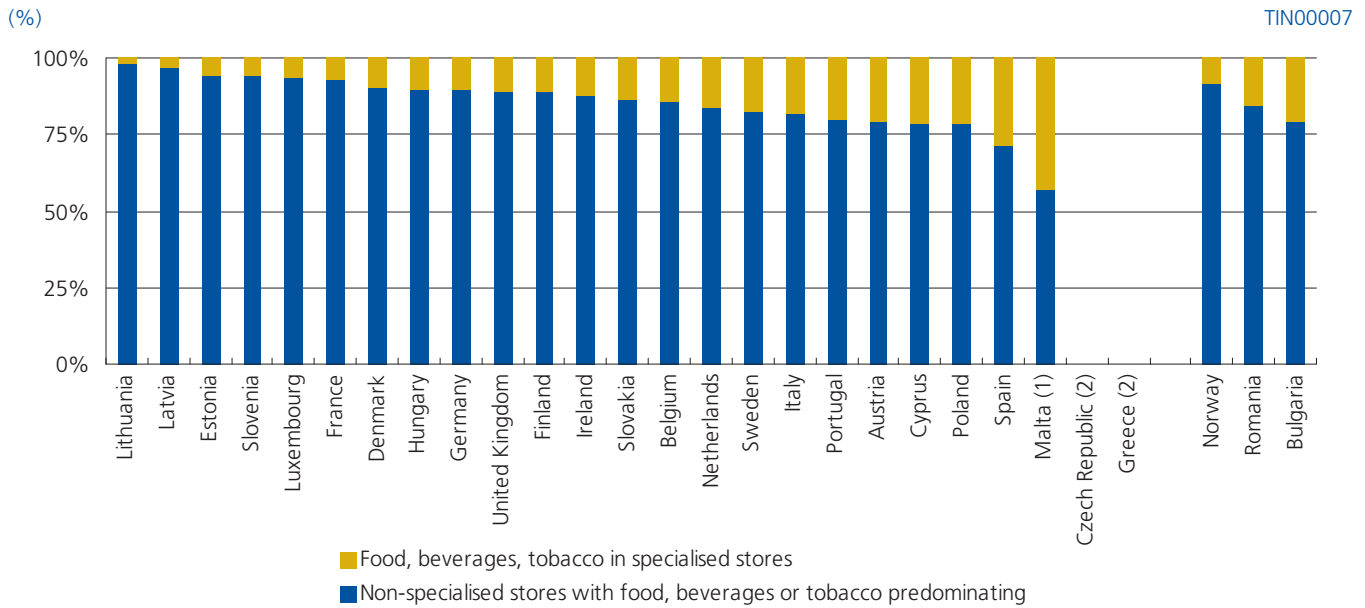
In 2003, total turnover within distributive trades amounted to around EUR 6 600 000 million in the EU-25. While retail trade provides more than half (56 %) of the jobs within all distributive trades, it accounts for less than one third (29 %) of turnover. As such, turnover per person employed is lower in retail trade than in distributive trades as a whole (note, however, that the propensity to employ on a part-time basis is higher for retail trade than for the other distributive trades activities and SBS data presented here are provided in simple head counts and not as full-time equivalents). By far the highest turnover per person employed was recorded for wholesale trade (note that within this activity it is quite normal for goods to pass between several traders before they are finally delivered to the customer or retail outlet).

Retail sales may be carried out in either specialised (for example, a butcher's or a pharmacy) or non-specialised stores (for example, supermarkets or department stores). The retail structure across the Member States varies considerably, with most of the southern Member States recording important shares for specialised retailers, whereas retail sales in the north of Europe tend to be more concentrated within large retail outlets (for example, the growth of hypermarkets and out-of-town shopping centres).



A breakdown for retail sales of food, beverages and tobacco shows that, on average, slightly less than 14 % of turnover in the EU comes from specialised stores, while the remainder comes from non-specialised stores. The highest share for specialised food retailers was recorded in Malta (43.1 %), while the lowest shares were in the Baltic States and Slovenia (less than 6 %). Note that turnover in non-specialised food stores could include a considerable proportion of non-food items.

Figure 8.14: Breakdown of turnover for the retail sale of food, 2003



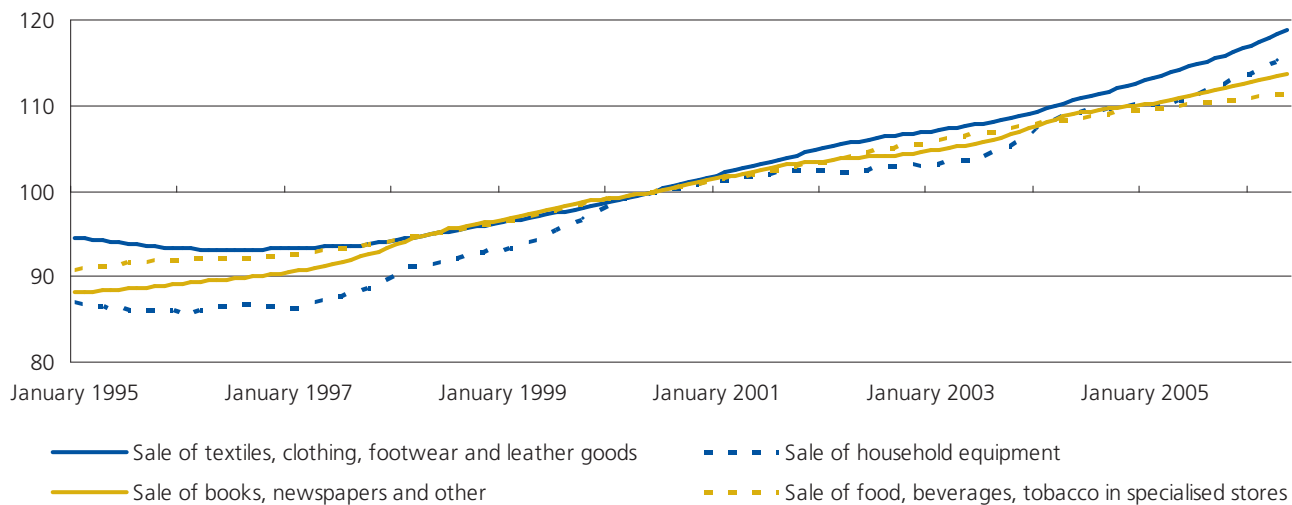
(1) 2002.

(2) Not available.

Turnover is the total of all sales (excluding VAT) of goods and services carried out by the enterprises of a given sector during the reference period; food products are sold on the retail market, either in non-specialised stores (hypermarkets, supermarkets) or in specialised stores (e.g. fruit and vegetable grocers); a greater proportion of sales in specialised stores is a sign for a more traditional trade pattern.

Figure 8.15: Volume of sales index, selected retail trade activities, EU-25 (1)

(2000 = 100)



(1) Trend cycle.

The volume of sales represents the value of turnover in constant prices and as such is a quantity index; it can be calculated as turnover at current prices, deflated by the deflator of sales, or as a quantity index derived directly from the quantity of goods sold.



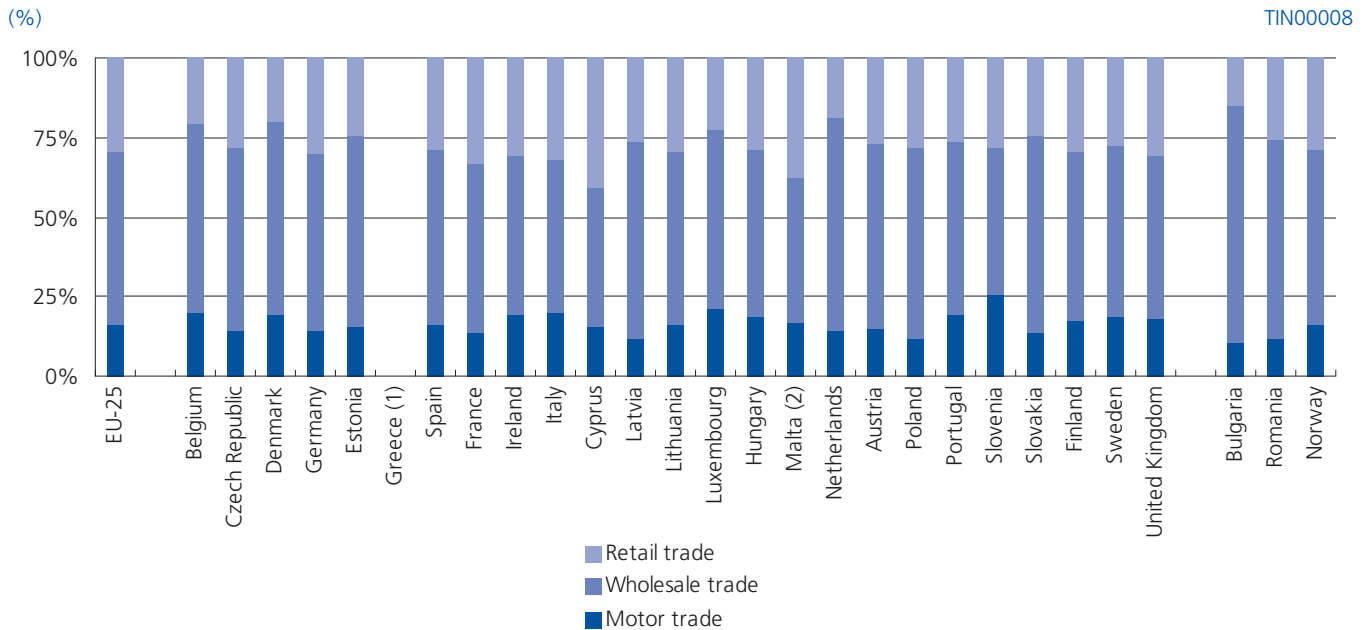
Table 8.6: Annual growth rates for the volume of sales index, retail trade (1)

(%)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	0.4	1.1	2.9	2.7	2.8	2.6	2.1	1.6	2.9	1.9
EU-15	0.4	1.2	3.1	2.7	2.7	2.6	2.1	1.4	2.8	1.8
Euro area	0.3	1.1	3.1	2.4	2.1	1.7	0.8	0.7	1.7	1.3
Belgium	1.3	2.9	5.6	1.4	4.8	0.2	-0.7	-0.9	1.7	1.4
Czech Republic	:	:	-6.5	2.9	5.7	3.2	3.1	3.9	2.7	3.9
Denmark	1.3	2.3	2.2	1.1	1.1	0.4	3.2	3.8	8.3	8.4
Germany	-1.1	-1.5	1.1	0.5	1.3	0.2	-1.4	-0.6	1.8	1.6
Estonia	:	:	:	11.8	8.5	22.8	14.1	0.7	12.2	14.6
Greece	2.4	3.1	2.6	1.8	9.3	3.8	4.9	4.4	4.4	3.5
Spain	-1.5	1.9	6.1	3.3	3.0	3.7	3.5	2.9	2.7	1.4
France	1.4	2.7	4.2	4.8	3.3	4.0	3.0	2.4	3.5	1.5
Ireland	:	:	:	:	:	8.1	2.2	2.4	4.2	5.5
Italy	0.5	1.1	1.2	0.9	-0.6	-0.7	-0.5	-0.7	-2.4	-0.6
Cyprus	:	:	:	:	:	9.3	2.6	-1.4	3.3	4.8
Latvia	:	:	:	6.2	17.3	2.6	12.4	13.6	12.4	21.6
Lithuania	:	:	8.1	-5.2	14.4	2.3	7.9	11.1	10.7	12.9
Luxembourg	7.9	-11.2	6.7	4.5	5.1	1.9	4.2	3.5	1.5	0.4
Hungary	:	:	:	5.9	1.0	4.3	8.5	9.0	5.4	5.6
Malta	:	:	:	:	:	:	:	:	:	:
Netherlands	2.9	4.2	4.1	3.5	3.9	1.9	0.3	-2.4	-1.0	0.8
Austria	:	:	:	:	1.6	-1.4	-0.3	0.2	1.3	1.5
Poland	:	:	:	:	:	2.5	-1.2	4.7	4.7	1.3
Portugal	4.4	2.3	9.5	6.3	3.2	2.8	0.0	-2.5	2.4	1.7
Slovenia	:	:	:	-15.0	25.4	15.6	4.0	3.0	2.7	7.6
Slovakia	6.5	-7.9	4.4	16.0	7.9	4.5	5.8	-5.3	6.3	9.7
Finland	4.1	4.2	5.5	3.0	4.9	4.1	2.8	4.1	4.3	5.1
Sweden	0.3	1.8	3.4	5.6	6.3	2.8	4.6	4.5	5.0	7.3
United Kingdom	:	:	:	3.5	4.4	5.7	6.0	3.5	5.9	2.1
Croatia	:	:	:	:	:	10.6	9.4	10.9	7.3	1.8
Romania	:	:	:	:	:	0.3	0.7	5.4	14.6	18.0

(1) Working day adjusted.

Figure 8.16: Breakdown of turnover within distributive trades, 2003

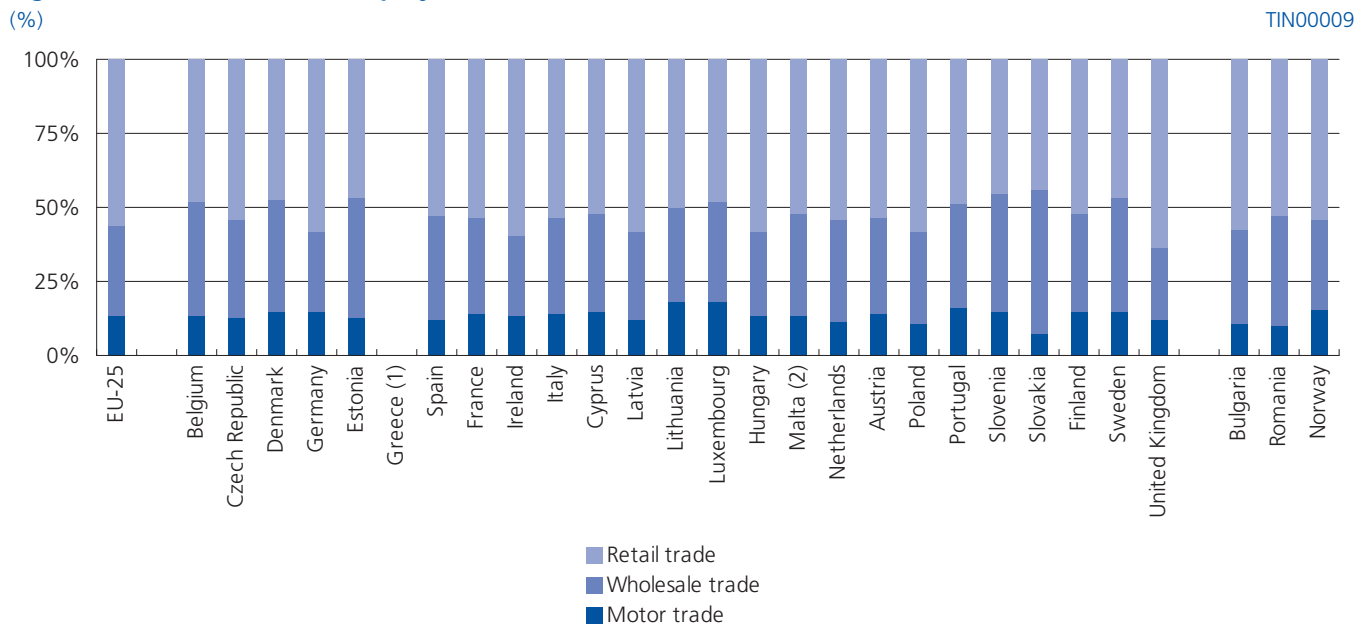


(1) Not available.

(2) 2002.

Turnover is the total of all sales (excluding VAT) of goods and services carried out by the enterprises of a given sector during the reference period. Distributive trades are defined as NACE Section G.

Figure 8.17: Breakdown of employment within distributive trades, 2003



(1) Not available.

(2) 2002.

The number of persons employed is defined as the total number of persons working in the various industries: employees, non employees (e.g. family workers, delivery personnel) with the exception of agency workers.



TRANSPORT

In adopting the White Paper entitled 'European transport policy for 2010: time to decide' ⁽⁴⁰⁾, the European Commission placed users' needs at the heart of its transport strategy, ensuring that the development of transport in Europe goes hand in hand with an efficient, high-quality and safe service for citizens. The White Paper and the proposals it contains also constituted the first practical contribution in terms of a sustainable development strategy for transport, in an attempt to reduce pressure on the environment and to prevent congestion, while maintaining the EU's economic competitiveness.

A mid-term review of the White Paper was released during the summer of 2006, in the form of a communication entitled '*Keep Europe moving - sustainable mobility for our continent*' ⁽⁴¹⁾. While the objectives of transport policy have remained stable, the general context has evolved, as a function of a number of factors, including:

- enlargement — allowing the possibility to expand trans-European networks to corridors that are particularly suitable for rail and waterborne transport;
- consolidation within the transport industry — especially in aviation and maritime transport, as well as the effects of globalisation leading to the creation of large logistics companies with worldwide operations;
- a greater focus on technology - research and innovation are increasingly important for the transport sector, for example, through the modernisation of air traffic management, decongesting European transport corridors, promoting urban mobility, inter-modality and inter-operability, safety and security in transport; among the most promising areas are: intelligent transport systems involving communication, navigation and automation; engine technology providing increased fuel efficiency; and promoting the use of alternative fuels;
- environmental commitments — such as those under the Kyoto Protocol, involving CO₂ emissions, air quality, noise pollution, and land use;
- changes in the international context — such as the threat of terrorism, or globalisation that has affected trade flows and increased demand for international transport services.

⁽⁴⁰⁾ White Paper entitled '*European transport policy for 2010: time to decide*', 12 September 2001, COM(2001) 370 final, more information is available at http://ec.europa.eu/transport/white_paper/index_en.htm.

⁽⁴¹⁾ Communication from the European Commission to the Council and the European Parliament, '*Keep Europe moving — Sustainable mobility for our continent*', mid-term review of the European Commission's 2001 Transport White Paper, 22 June 2006, COM(2006) 314 final, more information is available at http://ec.europa.eu/transport/transport_policy_review/index_en.htm.



Transport infrastructure is an integral part of the European Union, as it provides a basis for the mobility of both people and goods within and between the Member States. There are number of liberalisation policies within this domain, including efforts to harmonise technical standards and open-up access to railway networks and the integration of air traffic control systems into a single European sky, as well as the development of trans-European networks (TENs) for transport and energy.

Eurostat's transport statistics describe the most important features of transport, not only in terms of the quantities of freight and passengers that are moved each year, or the number of vehicles and infrastructure that are used, but also the contribution of transport services to the economy as a whole (as this sector contributes around 4 % of the EU-25's workforce). Data collection for transport statistics is supported by several legal acts obliging the Member States to report statistical data. In addition to this, there are voluntary agreements to supply additional data.

During the last 50 years, there have been significant changes in the modal breakdown of transport for passengers and freight. Sea, inland waterways and railways still play an important role, but the predominant mode of transport has clearly become road transport.

The increase in the use of road transport has been fuelled by demands for increased mobility from individuals and increased flexibility and timeliness being demanded by enterprises.

Approximately 50 % of all goods that are transported within the European Union, and 80 % of all passengers travel by road. Despite considerable improvements in transport technology and infrastructure, this places enormous stress on the road network and society as a whole, with congestion and air pollution commonplace, especially in urban areas and on some key transport axes. The competitiveness of the European Union may be affected by these delays and externalities.

Although motorways constitute only a small part of the entire road network, their length has more than tripled over the last 30 years. The number of passenger cars per 1 000 inhabitants is sometimes used as an indicator for the standard of living. The number of passenger cars in use within the EU-25 increased to almost one for each two inhabitants by 2004, with the highest ratio of 659 cars per 1 000 inhabitants in Luxembourg.

Table 8.7: Modal split of inland passenger and freight transport (1)



	(% of total inland passenger-km), 2003			(% of total inland freight transport in tonne-km), 2004		
	Passenger cars	Buses	All trains	Railways	Roads	Inland waterways
EU-25	:	:	:	17.6	76.5	5.9
EU-15 (2)	84.9	8.6	6.5	14.0	79.2	6.8
Belgium	83.3	10.4	6.3	12.0	74.9	13.1
Czech Republic	81.2	11.2	7.7	24.7	75.2	0.1
Denmark	80.4	11.9	7.7	8.6	91.4	-
Germany	85.3	7.6	7.1	19.1	66.9	14.0
Estonia	:	:	:	67.3	32.7	-
Greece	72.7	25.5	1.8	:	:	-
Spain	83.5	11.9	4.7	5.1	94.9	-
France	86.6	5.0	8.4	17.0	79.9	3.2
Ireland	74.8	20.2	5.0	2.3	97.7	-
Italy	83.3	11.4	5.3	10.5	89.5	0.0
Cyprus	:	:	-	-	100.0	-
Latvia (3)	66.5	25.5	8.0	71.6	28.4	-
Lithuania	84.6	13.5	1.9	48.7	51.3	0.0
Luxembourg	82.3	14.1	3.6	5.6	90.9	3.5
Hungary	61.6	24.9	13.5	28.0	65.9	6.1
Malta	:	:	-	-	100.0	-
Netherlands	87.3	4.5	8.2	3.8	65.0	31.2
Austria	77.9	14.1	7.9	31.4	65.6	2.9
Poland	77.6	13.5	8.8	33.5	65.8	0.7
Portugal	87.3	9.5	3.2	5.3	94.7	-
Slovenia	83.5	13.5	3.0	27.8	72.2	-
Slovakia	71.4	22.1	6.6	34.3	65.4	0.3
Finland	84.4	10.9	4.7	23.8	76.0	0.3
Sweden	82.9	9.0	8.1	36.1	63.9	-
United Kingdom (3)	88.1	6.4	5.5	11.8	88.1	0.1
Bulgaria	:	:	:	29.2	66.9	3.9
Croatia	:	:	:	21.7	76.7	1.6
Romania	:	:	:	25.6	66.7	7.7
Turkey	:	:	:	5.6	94.4	-
Iceland	88.8	11.2	-	-	100.0	-
Norway	88.7	7.0	4.3	13.8	86.2	-

(1) Surveys for passenger cars and buses and coaches are not harmonised at the EU level.

(2) Estimates for passenger-km data.

(3) Passenger-km data, 2002.

Source (road passenger data): Eurostat and the Directorate-General for Energy and Transport

Modal split of passenger transport: this indicator is defined as the percentage share of each mode of transport in total inland transport, expressed in passenger-kilometres (pkm); it is based on transport by passenger cars, buses and coaches, and trains; all data was asked to be based on movements on national territory, regardless of the nationality of the vehicle; however, data collection methodology is not harmonised at the EU level. Modal split of freight transport: this indicator is defined as the percentage share of each mode of transport in total inland transport, expressed in tonne-kilometres (tkm); it includes transport by road, rail and inland waterways; road transport is based on all movements of vehicles registered in the reporting country; rail and Inland waterways transport is generally based on movements on national territory, regardless of the nationality of the vehicle or vessel, but there are some variations in definitions from country to country.



Compared with the other transport modes, the volume of passengers and freight transported by rail has increased at a modest pace in recent years, although this marked a change from declining passenger and freight figures that were apparent up to the early 1990s. The increase in the use of rail as a mode of transport was in spite of a shrinking network, indicating increased efficiency. The high-speed rail network is currently being extended in a number of European countries.

Given that tonne-kilometre figures are not available, the performance of sea and air transport of goods is not easily comparable with those of the other (inland) transport modes.

The information available for the volume of goods handled is instead provided in terms of the weight transported to the major maritime ports of the EU. The total volume of goods handled in 2004 was over 3 500 million tonnes; a large part of the increase in recent years may be attributed to the increase in the import of oil and oil-related products.

Compared with maritime transport, the volume of freight and mail transported by air is comparatively low. However, the average unit price of goods transported by air tends to be considerably higher than for the other modes of transport.

Figure 8.18: Modal split of inland passenger transport, EU-15, 2002

(% of total inland passenger-km)

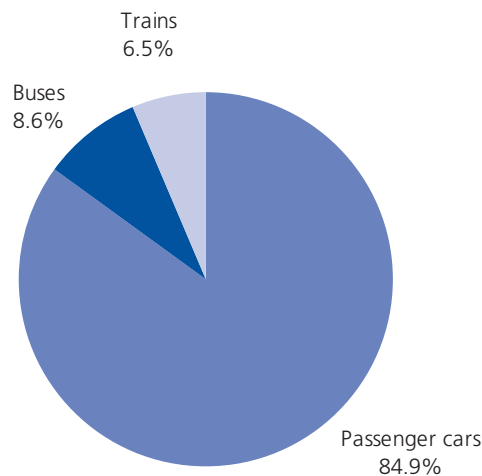


Figure 8.19: Modal split of inland freight transport, EU-25, 2004

(% of total inland freight tonne-km)

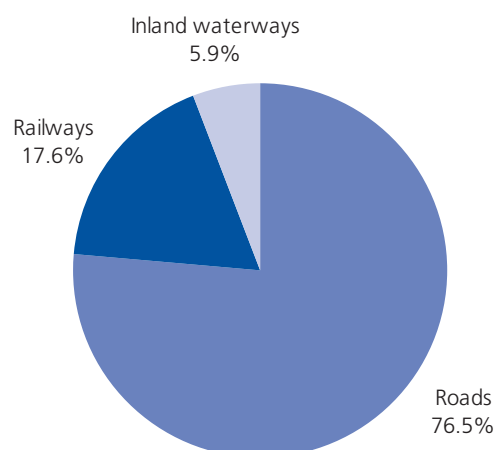


Table 8.8: Selected transport indicators (1)

TTR00002 TTR00004 TTR00005 TTR00013 TTR00014 TTR00015

	Density of motorways (km/ 100 km ²)		Passenger cars (per 1 000 inhabitants)		Passenger car transport (1 000 million passenger-km)		Bus transport of passengers (1 000 million passenger-km)		Rail passenger transport (1 000 million passenger-km)		Goods transported by road (1 000 million t-km)	
	1995	2003	1995	2004	1995	2003	1995	2003	1995	2002	2002	2005
EU-25	1.2	:	394	463	3 819	4 444	466	483	319	356	:	:
EU-15	1.4	:	430	495	3 553	4 072	382	408	268	317	1 115	:
Belgium	5.5	5.7	422	467	97	110	13	14	7	9	53	44
Czech Republic	0.5	0.7	295	373	55	69	12	9	8	7	44	43
Denmark	1.8	2.4	321	354	54	61	11	9	5	6	23	23
Germany	3.1	3.4	495	546	820	854	69	68	71	73	285	310
Estonia	0.1	0.2	267	350	7	10	2	2	0	0	:	6
Greece	0.3	:	207	348	37	64	20	23	2	2	15	:
Spain	1.4	2.0	362	454	250	346	40	49	15	20	185	233
France	1.5	1.9	434	491	640	739	42	43	56	74	204	205
Ireland	0.1	0.3	274	385	16	24	5	7	1	2	14	18
Italy	2.1	2.2	529	581	615	711	87	98	44	49	193	:
Cyprus	1.8	2.9	338	448	2	3	1	1	-	-	1	1
Latvia	-	-	134	297	5	10	2	3	1	1	6	8
Lithuania	0.6	0.6	198	384	10	19	3	3	1	0	:	16
Luxembourg	4.4	5.7	568	659	5	6	1	1	0	0	9	:
Hungary	0.4	0.6	217	280	45	46	17	19	8	10	18	25
Malta	-	-	488	525	1	2	0	0	-	-	:	:
Netherlands	5.3	6.1	366	429	131	146	8	7	13	14	77	91
Austria	1.9	2.0	452	501	71	81	15	15	10	9	38	37
Poland	0.1	0.1	195	314	111	172	34	30	27	18	:	112
Portugal	0.7	2.2	374	572	61	97	11	11	5	4	30	43
Slovenia	1.4	2.3	357	456	12	16	3	1	1	1	7	11
Slovakia	0.4	0.6	189	222	18	25	11	8	4	2	:	23
Finland	0.1	0.2	372	448	50	60	8	8	3	3	32	32
Sweden	0.3	0.4	411	456	87	96	9	11	7	9	37	39
United Kingdom	1.4	1.5	374	463	618	677	44	47	30	43	164	:
Bulgaria	0.3	0.3	196	314	:	:	12	13	5	3	:	:
Croatia	0.5	1.0	155	301	:	:	4	4	1	1	:	:
Romania	0.0	0.0	97	149	:	:	12	9	19	9	:	:
Turkey	0.2	0.2	51	75	53	:	86	0	6	5	:	:
Iceland	-	-	445	599	:	:	0	1	-	-	:	:
Liechtenstein	-	-	612	692	3	4	:	:	:	:	:	:
Norway	0.0	0.1	387	429	44	50	4	4	2	3	10	18
Switzerland	2.9	3.2	459	514	76	85	3	3	12	:	:	:

(1) Surveys for passenger cars and buses and coaches are not harmonised at the EU level.

Source (road passenger data): Eurostat and the Directorate-General for Energy and Transport

A motorway is a road, specially designed and built for motor traffic, which does not serve properties bordering on it, and which: (a) is provided, except at special points or temporarily, with separate carriageways for the two directions of traffic, separated from each other, either by a dividing strip not intended for traffic, or exceptionally by other means; (b) does not cross at level with any road, railway or tramway track, or footpath; (c) is specially signposted as a motorway and is reserved for specific categories of road motor vehicles.

The number of passenger cars per 1 000 inhabitants is also often used as a way of measuring the standard of living.

A passenger is defined as any person who makes a journey using a public or private conveyance by land or water or air; persons who are employed by transport enterprises such as drivers or pilots are not considered as passengers; drivers of personal cars are included under the generic term of passengers.

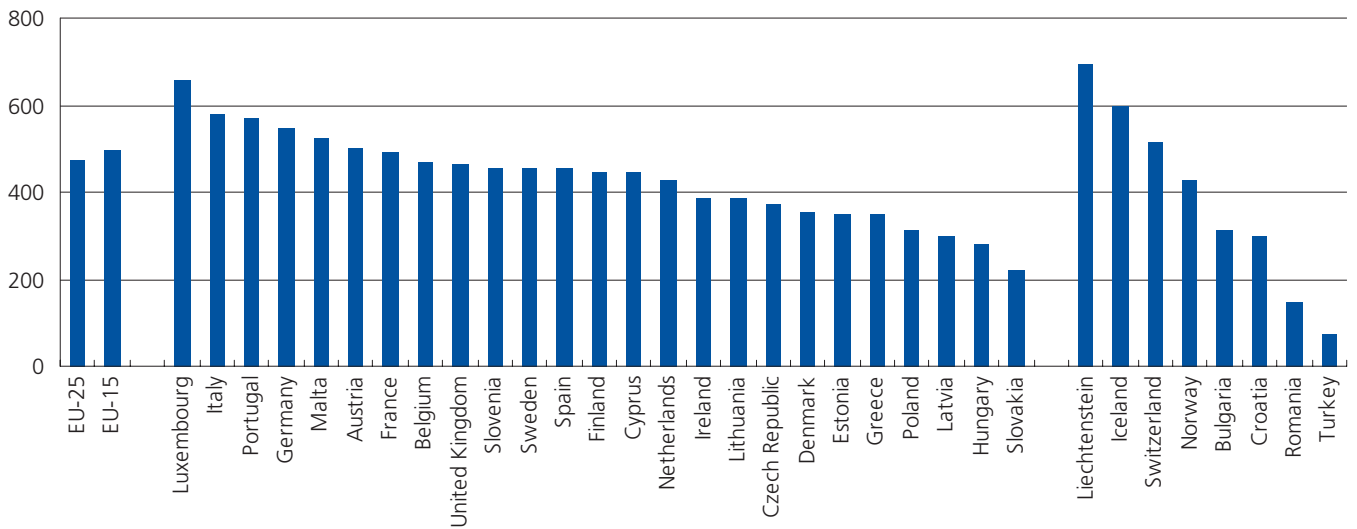
Goods carried by road: any goods moved by road goods vehicles; this includes all packaging and equipment such as containers, swap-bodies or pallets.



Figure 8.20: Passenger cars, 2004

(per 1 000 inhabitants)

TTR00004



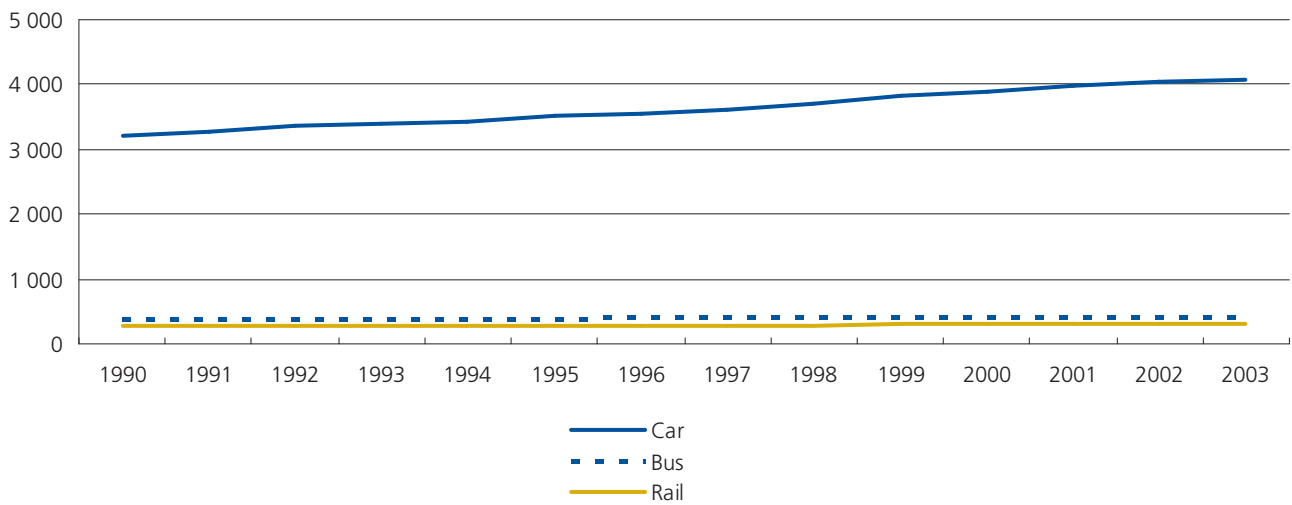
A passenger car is a road motor vehicle, other than a motorcycle, intended for the carriage of passengers and designed to seat no more than nine persons (including the driver); the term passenger car therefore covers microcars (need no permit to be driven), taxis and hired passenger cars, provided that they have fewer than 10 seats; this category may also include pick-ups; the number of passenger cars per 1 000 inhabitants is also often used as a way of measuring the standard of living.

8

Figure 8.21: Transport of passengers, EU-15

(1 000 million passenger-km)

TTR00013 TTR00014 TTR00015

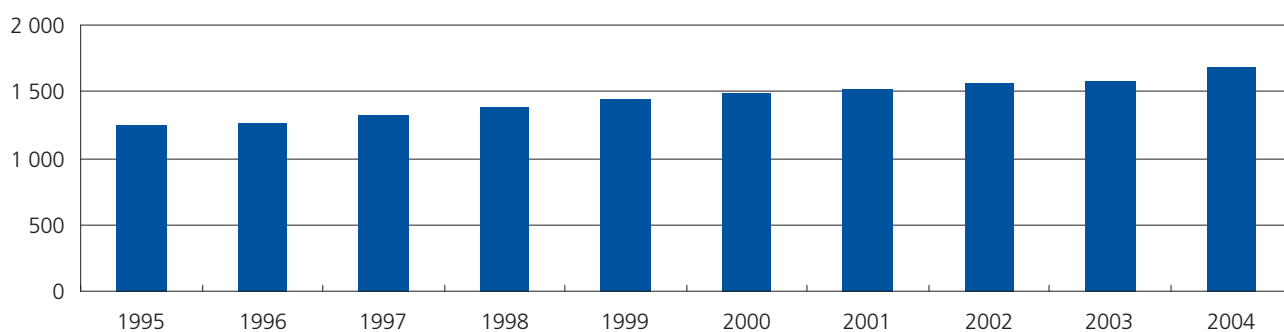


Road passenger-kilometre: unit of measure representing the transport of one passenger by road over one kilometre; the distance taken into consideration is the distance actually travelled by the passenger.
 Rail passenger-kilometre: unit of measure representing the transport of one rail passenger by rail over a distance of one kilometre; the distance to be taken into consideration should be the distance actually run by the passenger on the concerned network; if it is not available, then the distance charged or estimated should be taken into account.

Figure 8.22: Goods transport by road, EU-25

(1 000 million t-km)

TTR00005

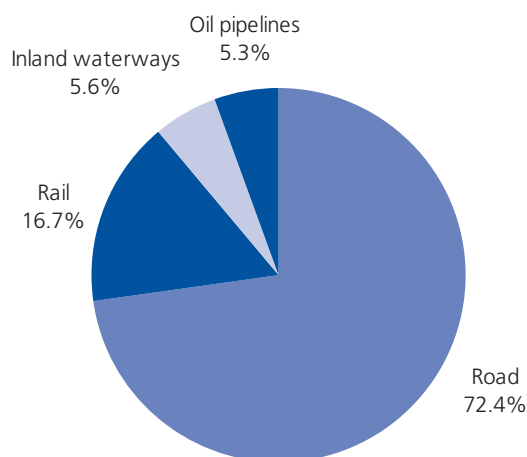


Goods carried by road: any goods moved by road goods vehicles; this includes all packaging and equipment such as containers, swap-bodies or pallets.

Figure 8.23: Transport of goods, by selected type of inland transport, EU-15, 2004

(%, based on data in million t-km)

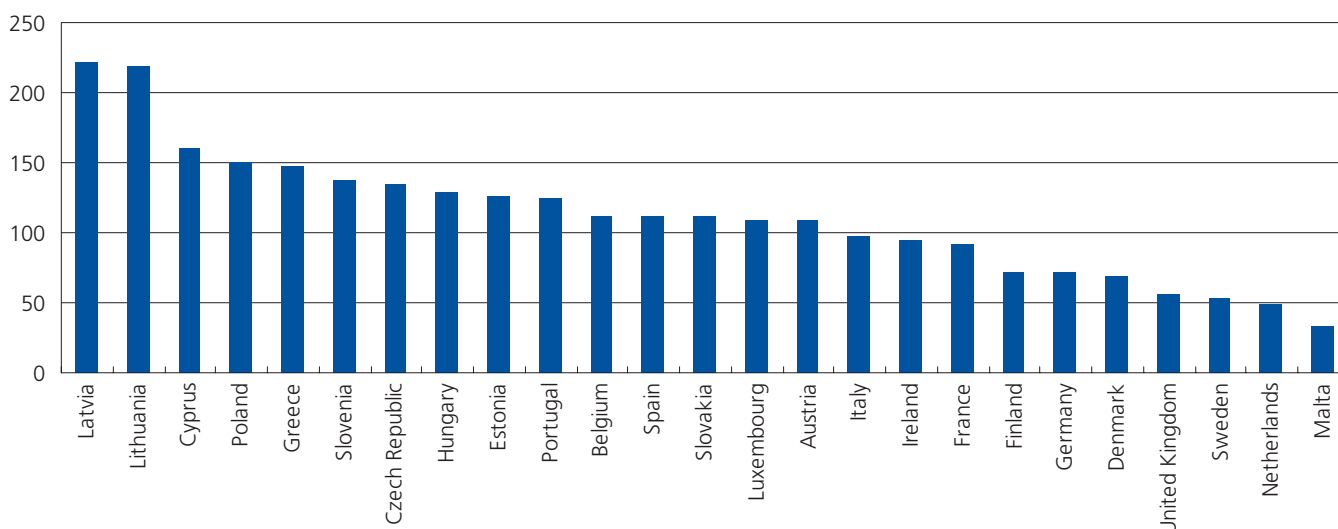
TTR00005 TTR00006 TTR00007 TTR00008



Modal split of freight transport: this indicator is defined as the percentage share of each mode of transport in total inland transport, expressed in tonne-kilometres (t-km); it includes transport by road, rail and inland waterways; road transport is based on all movements of vehicles registered in the reporting country; rail and inland waterways transport is generally based on movements on national territory, regardless of the nationality of the vehicle or vessel, but there are some variations in definitions from country to country.

Figure 8.24: People killed in road accidents, 2004

(persons killed per million inhabitants)



Fatalities caused by road accidents include drivers and passengers of motorised vehicles and pedal cycles as well as pedestrians, killed within 30 days from the day of the accident; for Member States not using this definition, corrective factors were applied.



Table 8.9: Rail transport

TTR00003 TTR00006 TTR00015

	Total length of railway lines (km)		Density of railway lines (km/100 km ²)		Rail transport of passengers (million passenger-km)		Goods transport by rail (million t-km)	
	1995	2003	1995	2003	1995	2004	1995	2005
EU-25	213 093	197 826	5.4	5.0	318 994	356 120	357 083	391 923
EU-15	161 743	150 476	5.0	4.6	268 194	316 735	220 179	262 455
Belgium	3 368	3 521	11.0	11.5	6 757	8 675	7 304	8 130
Czech Republic	9 430	9 612	12.0	12.2	8 005	6 580	22 623	14 823
Denmark	2 349	2 273	5.5	5.3	4 888	5 921	1 985	1 968
Germany	41 718	36 054	11.7	10.1	70 977	72 879	69 490	95 421
Estonia	1 021	959	2.3	2.1	421	193	3 845	10 639
Greece	2 474	2 414	1.9	1.8	1 568	1 668	292	613
Spain	16 336	14 387	3.2	2.8	15 313	20 328	10 419	11 635
France	31 940	29 269	5.9	5.4	55 563	74 359	48 137	40 701
Ireland	1 945	1 919	2.8	2.7	1 291	1 582	602	303
Italy	16 005	16 288	5.3	5.4	43 859	49 254	21 690	22 761
Cyprus	-	-	-	-	-	-	-	-
Latvia	2 413	2 269	3.7	3.5	1 373	811	9 760	19 779
Lithuania	2 002	1 774	3.1	2.7	1 130	283	7 200	12 457
Luxembourg	275	275	10.6	10.6	287	253	529	392
Hungary	7 632	7 950	8.2	8.5	8 441	10 165	8 400	9 090
Malta	-	-	-	-	-	-	-	-
Netherlands	2 813	2 812	6.8	6.8	13 000	14 097	3 100	5 025
Austria (1)	5 672	5 661	6.8	6.7	9 628	8 668	13 084	18 957
Poland	23 986	19 900	7.7	6.4	26 635	18 430	68 200	49 972
Portugal	3 065	2 818	3.3	3.1	4 840	3 693	2 019	2 422
Slovenia	1 201	1 229	5.9	6.1	595	695	3 076	3 245
Slovakia	3 665	3 657	7.5	7.5	4 200	2 228	13 800	9 463
Finland	5 859	5 851	1.7	1.7	3 184	3 352	9 600	9 706
Sweden	10 925	9 882	2.4	2.2	6 839	8 657	19 391	21 783
United Kingdom	16 999	17 052	7.0	7.0	30 200	43 349	12 537	22 638
Bulgaria	4 293	4 318	3.9	3.9	4 693	2 598	8 595	5 212
Croatia	2 726	2 726	4.8	4.8	1 139	1 169	1 974	2 835
Romania	11 376	11 364	4.8	4.8	18 879	8 501	24 254	17 022
Turkey	8 549	8 697	1.1	1.1	5 797	5 237	8 914	9 077
Iceland	-	-	-	-	-	-	-	-
Liechtenstein (1)	9	9	5.6	5.6	:	:	:	:
Norway	4 023	4 077	1.2	1.3	2 300	2 620	2 636	3 149
Switzerland	5 041	5 159	12.2	12.5	11 712	:	7 957	:

(1) In Liechtenstein the railways are owned and operated by ÖBB; transport figures are included in the Austrian statistics.

Railway lines: one or more adjacent running tracks forming a route between two points; where a section of network comprises two or more lines running alongside one another, there are as many lines as routes to which tracks are allotted exclusively.

Rail passenger: any person, excluding members of train crew, who makes a journey by railway vehicle.

Goods carried by rail: any goods moved by rail vehicles; this includes all packaging and equipment, such as containers, swap-bodies or pallets as well as road goods vehicles carried by rail.

Table 8.10: Air and sea transport

TTR00009 TTR00011 TTR00012

	Air		Sea	
	Goods, 2005 (1 000 tonnes) (1)	Passengers, 2005 (1 000) (2)	Goods handled in all ports, 2004 (million tonnes)	Passengers embarked and disembarked in all ports, 2004 (million)
EU-25 (3)	10 968	704 569	3 504.7	406.1
EU-15 (3)	10 868	681 300	3 304.6	396.8
Euro area (3)	8 746	549 967	2 463.8	282.1
Belgium	695	17 814	187.9	0.8
Czech Republic	56	11 266	-	-
Denmark	7	22 173	100.4	48.6
Germany	3 006	145 977	271.9	29.8
Estonia	10	1 393	44.8	6.5
Greece	106	30 798	157.9	96.4
Spain	526	143 680	373.1	21.7
France	1 477	107 955	334.0	27.1
Ireland	89	24 254	47.7	3.6
Italy	754	87 906	485.0	83.3
Cyprus	39	6 782	6.8	0.2
Latvia	15	1 872	54.8	0.1
Lithuania	10	1 434	25.8	0.1
Luxembourg	625	1 538	-	-
Hungary	55	8 049	-	-
Malta	15	2 762	4.0	0.2
Netherlands	1 551	46 433	440.7	2.0
Austria	182	19 685	-	-
Poland	31	7 080	52.3	2.0
Portugal	130	20 272	59.1	0.7
Slovenia	5	1 217	12.1	0.0
Slovakia	4	1 583	-	-
Finland	120	12 348	106.5	16.8
Sweden	:	22 899	167.4	33.3
United Kingdom	2 451	204 013	573.1	32.8
Bulgaria	17	5 023	23.1	0.0
Croatia	18	3 916	:	:
Romania	18	3 494	40.6	:
Turkey	334	53 516	:	:
Iceland	63	2 951	5.0	0.4
Norway	87	18 579	198.2	5.8
Switzerland	334	28 876	-	-

(1) Total freight and mail (loaded and unloaded for national and international).

(2) Total passengers carried (arrivals and departures for national and international).

(3) For air: aggregates exclude the double-counting impact of passengers flying between countries belonging to the same aggregate.

Goods carried by air: all freight and mail on board during each flight stage, including freight and mail loaded and direct transit freight and mail.

Air passenger: any person, excluding on-duty members of the flight and cabin crews, who makes a journey by air; infants in arms are included.

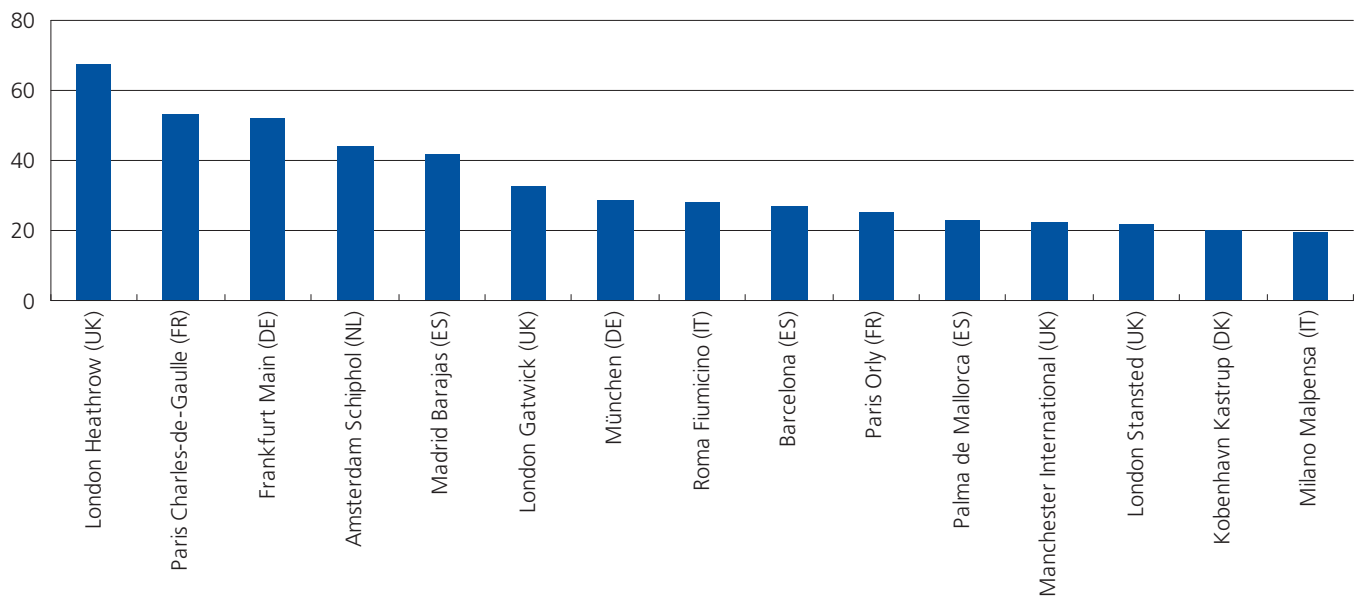
Goods carried by sea: mail is included; goods carried on or in wagons, lorries, trailers, semi-trailers or barges are also included; conversely, the following items are excluded: road passenger vehicles with drivers, bunkers and stores of vessels, fish landed from fishing vessels and fish-processing ships, goods carried internally between different basins or docks of the same port.

Sea passenger: any person who makes a voyage on a seagoing vessel; service staff assigned to seagoing vessels are not regarded as passengers.



Figure 8.25: Top 15 airports, passengers carried (embarked and disembarked), EU-25, 2005

(million passengers)



Community airport: a defined area on land or water in a Member State subject to the provisions of the treaty, which is intended to be used either wholly or in part for the arrival, departure and surface movement of aircraft and open for commercial air services.

Table 8.11: Worldwide commercial space launches

(satellite launches in the medium-to-large vehicle class)

TTR00010

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
United States	5	12	11	17	22	15	7	3	5	5	6	1
European Space Agency (ESA)	8	8	9	11	9	8	12	8	10	4	1	5
Russian Federation	0	0	2	7	5	13	13	3	8	5	5	8
China	2	3	2	3	4	1	0	0	0	0	0	0
Ukraine	0	0	0	0	1	0	0	0	0	0	0	0
Sea launch	-	-	-	-	-	2	3	2	1	3	3	4

Source: US DoT - BTS

Commercial, international completed (non-captive), satellite launches in the medium-to-large vehicle class; this means that several launches are excluded from this table but still the table gives an idea of Europe's role in the space industry; according to NASA, in 1999 there were 70 successful launches altogether compared with the 39 commercial launches listed in the table.

TOURISM

The demand for hotel services is split between that for business and that for leisure. Business demand tends to fluctuate with the economic cycle, as during periods of recession businesses try to reduce their expenditure. In a similar way, individuals are also more likely to curb their spending on tourism related activities during periods of low consumer confidence.

Although tourism grew rapidly during the latter part of the 20th century, this trend was reversed from 2000 as an economic slowdown, coupled with concerns over terrorist acts, health epidemics, and a series of natural disasters, contributed to reduced demand.

Europe remains however a major tourism region. After enlargement, Europe represents an even larger part of world tourism and its share of the world tourism market should increase in the coming years as the 10 Member States that joined the EU in 2004 intensify and modernise their tourism infrastructures.

Tourism can have an important impact on the economy and employment, as well as having social and environmental implications. These characteristics drive the demand for reliable and harmonised statistics within this field.

Tourism can be defined as the activities serving persons travelling to and staying in places outside their usual environment for not more than one consecutive year, for leisure or business purposes. On the supply side, tourism relies on enterprises from a variety of

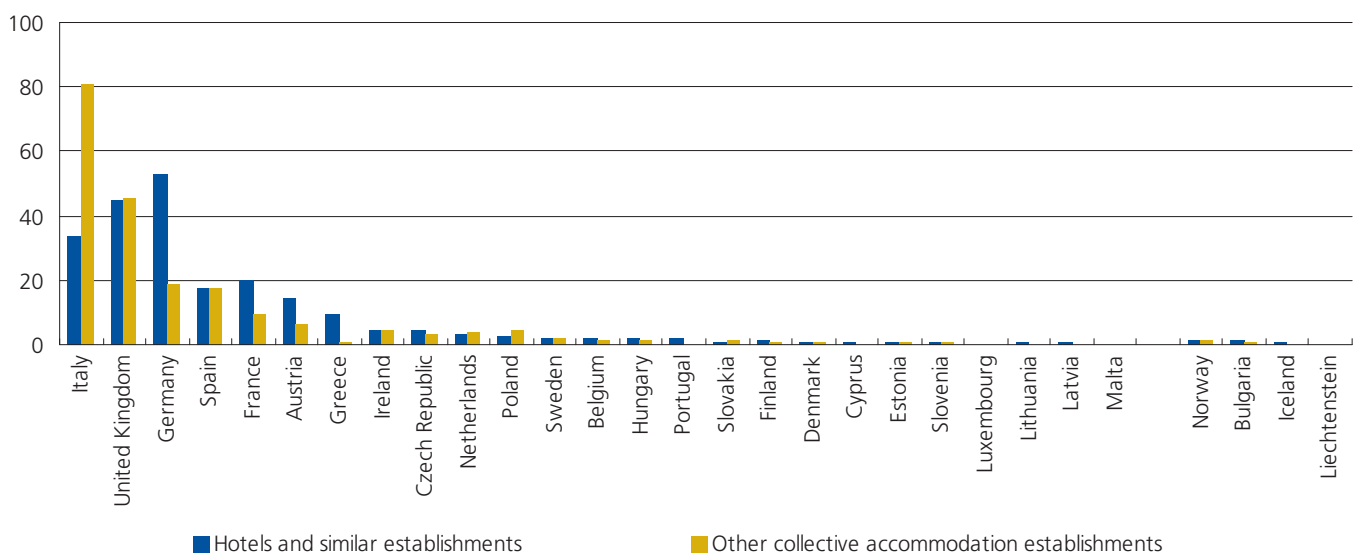
sectors, which can be summarised as the provision of accommodation, food and drink, transport facilities and services, and entertainment. Accommodation services are covered by two NACE groups (Group 55.1 which includes the provision of lodging in hotels, motels and inns, excluding the rental of long-stay accommodation and timeshare operations; and Group 55.2 which covers campsites and other short-stay accommodation, including self-catering holiday chalets or cottages). Travel services carried out by enterprises that are engaged in arranging transport, accommodation and catering on behalf of travellers, are classified within NACE Group 63.3, which encompasses the following activities: furnishing travel information, advice and planning; arranging custom-made tours, accommodation and transportation for travellers and tourists; furnishing tickets; selling package tours; tour operating; and organising tourist guides.

There were more than 218 000 hotels in the EU-25 in 2004, and just over 200 000 other collective accommodation establishments. There has been an increase in the capacity of hotels, as measured by the number of bed places available, which rose to more than 11 million by 2005. Occupancy rates for hotels and similar establishments vary considerably in main tourist destinations according to the seasonal factors, whereas in business centres demand is more evenly spread across the year (although it may be concentrated during the working week). In total there were almost 1 400 million nights spent in EU-25 hotels and similar establishments during 2005 by persons making trips of four nights or more.

Figure 8.26: Accommodation, 2005 (1)

(1 000)

TIN00039 TIN00040



(1) EU-25, 218 342 hotels and similar establishments, 202 814 other collective accommodation establishments; Italy, Portugal and the United Kingdom, 2004.

Hotels and similar establishments include hotels, apartment hotels, motels, roadside inns, beach hotels, residential clubs, rooming and boarding houses, tourist residences and similar accommodation.

Other collective accommodation establishments include holiday dwellings, tourist campsites, youth hostels, tourist dormitories, group accommodation, school dormitories and other similar accommodation.



Table 8.12: Leading tourism indicators

TIN00039 TIN00040 TIN00041 TIN00043 TIN00045

	Hotels and similar establishments (unit)		Other collective accommodation establishments (unit)		Bed places in hotels and similar establishments (1 000)		Nights spent in hotels and similar establishments (1 000) (1)		Number of tourists (1 000) (2)	
	2000	2005 (3)	2000	2005 (3)	2000	2005 (3)	2000	2005	2000	2005 (4)
EU-25	202 806	218 342	:	202 814	10 356	11 371	:	1 398 946	:	:
EU-15	192 867	206 703	162 614	191 582	9 635	10 532	1 321 511	1 295 770	:	:
Euro area	136 425	159 741	129 611	143 752	7 666	9 041	1 038 065	1 102 456	:	:
Belgium	1 998	1 899	1 635	1 550	119	121	14 229	14 610	:	4 308
Czech Republic	3 960	4 279	3 509	3 329	218	232	25 169	25 209	:	4 843
Denmark	466	480	622	608	62	70	9 210	10 115	3 307	2 814
Germany	38 551	52 877	17 032	18 694	1 590	1 621	198 070	200 767	53 490	57 955
Estonia	350	317	:	467	16	25	1 712	3 542	:	280
Greece	8 342	9 036	350	341	608	682	60 840	54 017	4 416	4 026
Spain	16 287	17 607	5 459	17 151	1 316	1 580	227 144	245 637	27 988	11 823
France	19 315	19 811	8 900	9 244	1 532	1 740	191 073	198 039	28 556	29 829
Ireland	5 449	4 407	2 482	4 458	139	149	24 160		:	3 695
Italy	33 361	33 518	83 858	81 009	1 854	2 000	233 613	234 020	22 834	24 316
Cyprus	583	785	35	134	84	91	17 387	14 939	:	499
Latvia	166	337	66	81	12	19	1 360	2 303	:	381
Lithuania	227	331	267	193	11	20	882	2 062	:	728
Luxembourg	315	292	291	255	14	14	1 263	1 358	217	234
Hungary	1 928	1 983	1 037	1 010	144	157	13 541	15 505	:	4 238
Malta	246	178	3	6	41	38	:	7 475	:	:
Netherlands	2 835	3 135	3 609	4 025	173	192	29 722	29 519	8 768	9 104
Austria	15 517	14 267	5 565	6 281	588	571	71 648	76 073	3 605	3 743
Poland	1 449	2 200	6 369	4 523	120	170	14 298	20 333	:	10 075
Portugal	1 786	1 954	263	285	223	254	33 795	34 141	2 626	2 512
Slovenia	448	344	398	358	31	30	4 618	4 975	:	1 014
Slovakia	582	885	977	1 131	44	57	5 604	6 833	:	3 809
Finland	1 011	938	517	459	117	118	13 348	14 275	2 216	2 511
Sweden	1 906	1 857	1 585	2 089	188	197	21 265	22 900	:	:
United Kingdom	45 728	44 625	30 446	45 133	1 111	1 223	192 131	160 299	21 609	29 340
Bulgaria	648	1 230	188	325	121	201	8 140	15 428	:	:
Croatia	:	:	:	:	199	203	18 074	21 277	:	1 423
Romania	2 533	:	588	:	199	:	15 947	:	:	:
Iceland	244	319	404	294	12	17	1 186	1 569	:	:
Liechtenstein	50	46	:	112	1	1	134	111	:	:
Norway	1 166	1 136	1 213	1 121	141	144	16 365	17 110	2 525	2 615
Switzerland	5 754	:	:	:	260	:	33 927	:	:	:

(1) Residents and non-residents.

(2) Number of persons from the reporting country making one or more holiday trips (domestic or outbound of four nights or more).

(3) Italy, Portugal and the United Kingdom, 2004.

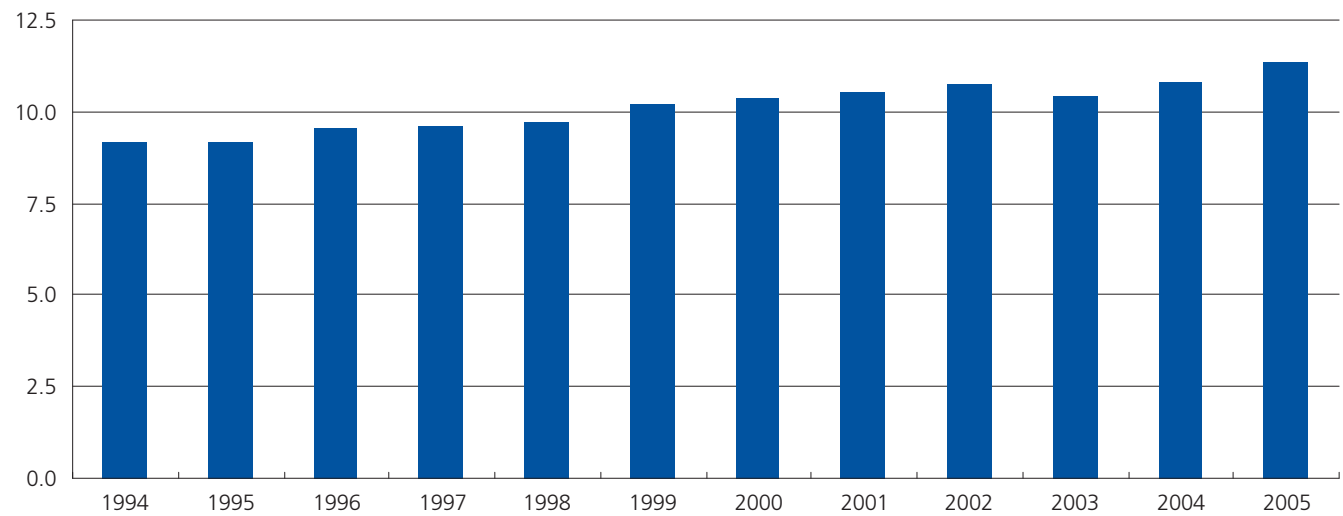
(4) Spain, France, Italy, Poland, the United Kingdom and Croatia, 2004; Greece and Ireland, 2003; Cyprus only outbound.

The number of bed places in an establishment is the number of persons who can stay overnight in the beds set up in the establishment, ignoring any extra beds that may have been set up on customer request.

Figure 8.27: Bed places in hotels and similar establishments, EU-25

(million)

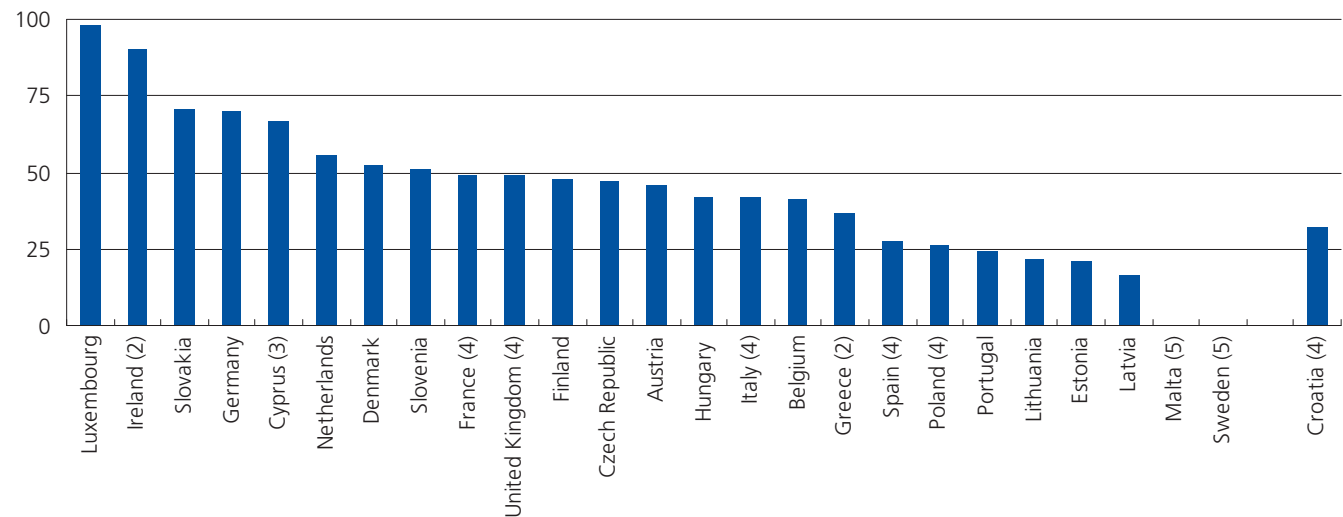
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The number of bed places in an establishment is the number of persons who can stay overnight in the beds set up in the establishment, ignoring any extra beds that may have been set up on customer request.

Figure 8.28: Proportion of the population going on holiday, 2005 (1)

(%)



(1) Number of tourists from the reporting country who go abroad and stay at least four nights in collective or private accommodation.

(2) 2003.

(3) Only outbound.

(4) 2004.

(5) Not available.