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Distributive trades in Europe

Data 1995–99

4

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Preface

Distributive trades, often called 'commerce', create the necessary link between the production of a good in the economy and its final consumption. They make sure that consumers can access the widest possible range of goods wherever and whenever they want, and at the same time have access to more and better services. And we are all consumers - every day.

However, the commerce sector has to face numerous challenges: the Internal Market, Monetary Union and globalisation are speeding up international competition, and traders are forced to adapt quickly. More and more goods and services are needed, particularly in the new information technologies and new forms of commerce, like electronic commerce, are developing rapidly.

Effective policy measures in commerce to improve the market environment, strengthen competitiveness or promote entrepreneurship need reliable and up-to-date statistical data in this rapidly developing business environment.

Council Regulation n°58/97 of 20th December 1996 on Structural Business Statistics (SBS) together with its various implementing provisions is the legal framework with the objective to obtain these statistical data.

The analysis presented in this publication is mainly based on the data delivered in the frame of the above SBS regulation. It provides an overview of the importance of distributive trades sector and its different economic activities in Europe, which accounted in 1999 for around 5 million enterprises employing more than 22 million people.

The SBS data are complemented by a number of related data sets originating from different directorates within Eurostat like National Accounts or Labour Force Survey, in order to highlight further aspects of the commerce sector.

Additionally, special themes referring to recent phenomena or developments in the distributive trades sector are analysed in self-standing thematic chapters (e.g. electronic commerce, internationalisation and concentration) using data from other sources but Eurostat.

It is hoped that this publication meets the needs of professionals, academics, entrepreneurs, as well as policy makers, who are considered to be the main data users, and whose feedback will be a useful input for the data producers.

Yves FRANCHET
Director-General
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Contents

Abbreviations

EU-15	Total for Member States of the EU
B	Belgium
DK	Denmark
D	Germany
EL	Greece
E	Spain
F	France
IRL	Ireland
I	Italy
L	Luxembourg
NL	the Netherlands
A	Austria
P	Portugal
FIN	Finland
S	Sweden
UK	United Kingdom
IS	Iceland
NO	Norway
EEA	European Economic Area
US	United States
JAP	Japan
ECU	European currency unit
Mio.	Million
:	data not available

1. EXECUTIVE SUMMARY

Aim of the publication

The publication **'Distributive trades in Europe, edition 2001'** provides a detailed analysis of the distribution sector in Europe[1] and intends to fulfil the need for increased information both for decision makers and for analysts who are interested in this activity.

The large set of data presented in the publication aims at responding to the internal needs of the Commission, but may also be valuable for other policy makers and actors within governmental or administrational structures of the observed countries.

Data sources

The publication is mainly based on data delivered in the frame of **Council Regulation N°58/97 of 20. December 1996 concerning Structural Business Statistics (SBS),** which has been successively implemented since its adoption and where a special annex (Annex 3) is dedicated exclusively to distributive trades statistics.

The available SBS data cover the period from 1995 to 1998 – for 1999 preliminary data are available for most of the EEA countries. For some variables, the EU-15 aggregates have been estimated on the basis of the preliminary data[2].

The SBS data collection is based on the Statistical Classification of Economic Activities (NACE Rev. 1). **Distributive trades** are classified in Section G of this classification as *'wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods'* and are made up of the following three activities (NACE Rev. 1 Divisions):

[1] Within the aims of the publication, Europe is intended as the EEA.
[2] All EU-15 aggregates in this publication, which are based on SBS data, are estimated.

Motor trade: NACE Rev. 1 50, which is defined as 'sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel';

Wholesale trade: NACE Rev. 1 51, defined as 'wholesale trade and commission trade, except of motor vehicles and motor cycles';

Retail trade: NACE Rev. 1 52, defined as 'retail trade, except of motor vehicles and motor cycles; repair of personal and household goods'.

The SBS data is complemented by a number of related data sets originating from different directorates within Eurostat (e.g. data from National accounts, Labour Force Survey LFS, Population).

All Eurostat data are taken from Eurostat's reference data base New Cronos.

Additional information (mainly in the thematic analyses) has been taken from a variety of other sources (e.g. economic institutes), when no or very little official Eurostat data were available.

Methodological differences of the data sources

National accounts and LFS data use methodologies that are somewhat different from the SBS methodology and so do the data stemming from other external sources.

The data that are not taken from the SBS database are used to ***show particular economic trends or to provide complementary information to the SBS data****.* ***Neither the different Eurostat sources, nor the above 'other' sources may be used for direct data comparisons****, so as to avoid a misleading interpretation.*

Content of the publication

The content of the publication can be summarised as follows:

- The **structural analysis** (Chapter 2) highlights the importance of the distributive trade sector, its development over time, and the principal characteristics of employment and productivity. It also shows the principal disparities between the three economic activities (NACE Divisions) that make up distributive trades and the importance of foreign-owned enterprises for the sector.
- The **sectoral analysis** (Chapter 3) provides in-depth information of each distributive activity at division (two digit) and group (three digit) level of the NACE Rev. 1 (motor trade, wholesale trade and retail trade).
- In the **country analysis** (Chapter 4) a set of tables by country is provided in order to give a quick overview of the available distributive trades data and their recent trends for the main variables.
- The **thematic analysis** (Chapter 5) comprises four different self standing chapters on special themes related to distributive trades. In Chapter 5.1 *a* comparative overview of distributive trades in the Triad economies is provided. Chapters 5.2 to 5.4 focus on particular trends in the retailing sector. The developments of *internationalisation, town centre retailing, as well as aspects*

of electronic commerce are further analysed. The thematic analysis has to be contemplated separately from the other Chapters (2 to 4) of this publication as the data sources used in the different chapters are not comparable.

The key results of the analyses are presented hereafter.

1.1 Distributive trades' proportions in total economy

For the purpose of this analysis, the importance of distributive trades in total economy is measured by means of the two indicators *value added* and *employment* and their respective proportions in total economy.

Data from the National Accounts[3] show that in 1997 distributive trades accounted for about 13% of total value added of the EU. Across the Member States there are quite remarkable disparities, with proportions ranging between 9% in Finland to 16.7% in Portugal.

In the EU distributive trades account for 13% of total value added and for nearly 16% of employment

With regard to employment, in 1997, distributive trades accounted for nearly 16% of total employment in the EU. The respective country proportions ranged between 11% in Denmark and 18% in the Netherlands, and were higher than those for value added in distributive trades in all countries except Denmark and Portugal.

As a geographic tendency, it can be derived from the available data that the relative importance of distributive trades in total economy is generally higher in southern European Member States[4] than in most of the northern European countries[5].

These differences can be explained by the characteristics of the countries' economies; they are related to the development of the trade sector itself and to the general economic trend in the individual country. Countries with a high specialisation in industrial production (e.g. Germany or the UK) generally tend to have lower proportions of distributive trades in total economy.

[3] National Accounts data are collected under the NACE-CLIO classification system. One of its branches covers 'recovery and repair services, wholesale and retail trade services', which is also termed 'distributive trades' for the purposes of this publication. However, the information is not fully comparable with that provided in other chapters and sections of this publication, which are based on the NACE Rev. 1 classification. Nevertheless, the data have been used to indicate the importance of distributive trades in broad economic terms.

[4] Southern European Member States comprise Greece, Spain, Italy and Portugal. However, within the aims of this publication Southern European Member States do not always include Greece due to lack of data. In particular, data on Greece are not available in the SBS database.

[5] Within the aims of this publication, and depending on the availability of data, northern European countries are intended as the northern countries of the EEA.

Distributive trades: a sector dominated by small enterprises

Small and micro-enterprises clearly dominate distributive trades. In the countries that provide data, businesses with less than 20 persons employed, account for 95% or more of total enterprises in distributive trades.

Micro-enterprises (with less than 5 persons employed) still reach proportions ranging from 70% to 92%. The presence of large enterprises (with 50 or more persons employed) is negligible, even though they employ a major part of the distributive trades workforce in the majority of the observed countries.

Distributive trades are broken down into motor trade, wholesale trade and retail trade (NACE Divisions). The dominance of small sized enterprises is evident for all three activities, but particularly retail trade is characterised by a major fragmentation and a substantial presence of micro-enterprises (1-4 persons employed), with shares of over 80% in most of the countries observed.

1.2 The main activities of distributive trades

According to the NACE Rev. 1 classification, distributive trades distinguish in a first broad breakdown the three activities (NACE Rev. 1 Divisions): motor trade, wholesale trade and retail trade.

The main findings regarding the analysis of these activities are presented hereafter.

Motor trade

Within distributive trades, motor trade takes the lowest shares in the number of enterprises, employment and turnover

Motor trade businesses play a minor role for the number of enterprises in distributive trades. In the EU the number of motor traders in 1998 is roughly estimated to have been around 600 thousand enterprises.

With nearly 3.3 million person employed (provisional data for 1999) in the EU, motor trade also accounts for a relative low share in total employment in distributive trades (14.8%) Italy and France recorded the highest absolute figures (465 thousand and 382 thousand persons employed respectively).

Turnover in motor trade for 1999 was estimated at nearly 880 billion euro in the EU. The five largest Member States together account for more than 70% of this total. Also for this variable motor trade accounts for a low relative proportion of total distributive trades (16.2% in the EU) (Table 1.1).

Table 1.1
Distributive trades, main variables and their relative proportions (%) by activity

	Number of enterprises, 1998			Number of persons employed, 1999			Turnover, 1999		
	Motor trade	Wholesale trade	Retail trade	Motor trade	Wholesale trade	Retail trade	Motor trade	Wholesale trade	Retail trade
EU-15	:	:	:	14.8	33.5	51.6	16.2	54.2	29.6
B	:	:	:	14.1	37.7	48.2	19.2	59.6	21.2
DK	17.4	38.7	43.9	14.9	40.1	45.0	11.6	63.4	25.0
D	:	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:	:
E	:	:	:	12.0	34.2	53.8	16.2	55.5	28.3
F	13.0	25.7	61.3	15.4	36.1	48.5	13.7	53.2	33.1
IRL	16.5	16.0	67.4	14.2	23.6	62.2	20.7	46.3	33.0
I	12.6	30.7	56.7	14.4	32.8	52.8	19.4	49.3	31.3
L	12.6	44.4	43.0	16.5	35.1	48.3	19.5	57.6	22.9
NL	12.9	32.5	54.6	11.2	35.0	53.7	:	:	:
A	12.9	30.3	56.8	14.3	36.2	49.5	15.6	57.3	27.0
P	12.7	23.2	64.0	13.3	32.2	54.5	19.1	53.1	27.8
FIN	18.1	33.2	48.7	15.1	36.2	48.7	16.8	54.8	28.4
S	15.5	35.4	49.1	14.6	43.9	41.5	17.8	57.2	25.0
UK	17.7	29.4	52.9	:	:	:	17.9	49.2	32.8
IS	:	:	:	:	:	:	:	:	:
NO	14.4	31.1	54.5	15.2	31.9	52.9	18.9	55.5	25.7

DK: all data 1995; IRL, NO: all data 1997; I, S: 1997 data for number of enterprises;
L, NL: all data 1998
Source: Eurostat, SBS database

Sales of motor vehicles is the most important activity in motor trade for the majority of countries. Particularly for turnover, the figures exceed half the motor trade turnover in all data delivering countries, which is due to the high unit value of motor vehicles compared to the products sold or services rendered in the other motor trade activities.

Wholesale trade

Wholesale trade generates 54% of the turnover of total distributive trades

The EU figure for the number of enterprises operating in wholesale for 1998 is estimated to be higher than 1.2 million, thus doubling the number of businesses operating in motor trade and representing nearly 27% of total distributive trades' enterprises.

Wholesale businesses employ some 7.4 million persons in the EU (1999 provisional data), who represent about one third of total distributive trades employment.

The highest absolute figures for employment are recorded in Germany with 1.2 million persons employed in wholesaling (data exclude wholesale on a fee or contract basis - NACE Rev. 1 51.1); in Sweden wholesaling has the highest relative importance for employment with a proportion of 43.9% of total distributive trades employment.

With regard to turnover, wholesale is by far the most important activity within distributive trades. With over 2 000 billion euro in 1999, it accounts for 54% of the total distributive trades turnover in the EU; wholesaling dominates for this variable in all countries without exception.

Among the wholesaling activities, the following four are the most important and account together for 80% of employment and 84% of turnover at European level in 1999:

- wholesaling of food, beverages and tobacco (NACE Rev. 1 51.3)
- wholesaling of household goods (NACE Rev. 1 51.4)
- wholesaling of non-agricultural intermediate products (NACE Rev.1 51.5)
- and wholesaling of machinery (NACE Rev. 1 51.6).

Retail trade

Retail trade employs more than half the workforce of total distributive trades

In the EU, the number of retailers was estimated in 1998 to be at around 3 million enterprises, which represent the largest proportion of distributive trades businesses. In most countries more than half of the enterprises in distributive trades - and sometimes even two thirds - operate in retailing. These high proportions are in line with the principal characteristics of the retailing activity itself, which is constituted by a large number of small-sized enterprises. The northern European countries, tend to have lower proportions of enterprises in retailing, which can be explained by better-developed, large-scale distribution and a more intensive concentration process over time.

Retail trade dominates also for employment and employs more than half of the workforce in distributive trades in a number of countries; the EU average stands at around 52%.

The absolute figure for employment in retailing in the EU (1999) is estimated to nearly 11.4 million people. Germany alone employs more than 2.5 million people in retailing (figure without employment in repair of personal and household goods - NACE Rev. 1 52.7); in Italy there are still around 1.7 million people working in retailing.

The total turnover in retail trade is estimated to have reached nearly 1 600 billion euro in 1999. The EU average is around 30% and thus considerably lower than the respective wholesaling proportion in total distributive trades, but still it exceeds the respective proportion of motor trade.

Two activities clearly dominate in retail trade:

- 'retail sale in non-specialised stores' (NACE Rev. 1 52.1), which includes large scale distribution outlets, and

- 'other retail sale of new goods in specialised stores' (NACE Rev. 1 52.4), which encompasses retailing with various categories of non food goods (e.g. textiles, furniture and household goods).

These two groups account together for 75% of employment and for 80% of turnover in retailing at European level in 1999.

Across the three distributive trade activities, retail trade records the highest level of self-employment with 27.1% in the EU. One of the reasons is that retail trade is generally characterised by a larger presence of small-sized businesses, which are often run by the proprietor himself and his family members, who are not considered as employees. The southern European Member States, where the distribution sector is traditionally more fragmented, clearly stand out for high self-employment rates; this is valid for all the distributive trades activities but particularly for retailing. They reach about 60% in Italy and Greece, about 45% in Portugal and 43% in Spain.

Female employment is also substantially higher in retail than in the other two activities of distributive trades. In the EU, women account for nearly 60% of the total workforce of retail trade, for 32% of wholesale trade and for less than 18% of motor trade. Austria (68%) and Germany (67%) record the highest shares of female employment in retail trade employment.

For part-time employment the situation is similar to that of female employment, however at a lower level. On the EU average, retailing records 30% of part-time workers, while wholesale and motor trade stand both at around 10%. In the Netherlands the highest proportion of retailing part time workers in the EU is recorded, exceeding 50%.

Retail trade has high self-employment rates and employs more women and part-time workers than wholesale or motor trade

1.3 Performance in distributive trades

Turnover and value added per person employed

A simple measurement of the performance of an economic activity is to look at the value added generated in relation to employment. The value added of an economic activity is obtained after deducting from turnover the material costs and other charges related to production. Value added per person employed (apparent labour productivity) is thus related to the level of turnover and, in general, a higher turnover per person employed results in a higher labour productivity.

Wholesale trade is the distributive trades activity that features the highest productivity (measured as value added per person employed) and also the highest turnover per person employed. An explanation is given by the nature of wholesaling itself, which often involves the virtual purchase and resale of goods and thus a higher capital intensity and capital rotation.

Wholesalers have higher productivity than retailers or motor traders

Conversely, retail trade records the lowest productivity within distributive trades. A possible explanation can be found in the fact that this activity generally tends to be more labour-intensive and less automated than wholesale.

Motor trade stands at an intermediate level, with values that are often not much lower than those of wholesale.

At country level the highest productivity level (value added per person employed) in total distributive trades is reached in Luxembourg and Finland followed by France and Belgium.

Regarding the main distributive trades activities, Luxembourg reaches the highest values for motor trade (46 thousand ECU per person employed) and for wholesale trade (60 thousand ECU per person employed) in 1998. For retailing, Finland shows the highest productivity value (32 thousand ECU per person employed) in 1998. Portugal has the lowest productivity figures for all three distributive trades activities.

Unit labour costs

Wholesalers also have the highest unit labour costs, while retailers have the lowest

The economic success of an activity can be expressed by its operating result, which is calculated from the value added after compensating the employees. The unit labour cost (personnel costs per employee) represents the compensation of employees and compared to the value added per person employed (labour productivity), it appears that in distributive trades both indicators stand at a comparable level if the same country and the same activity is observed.

In the data providing countries, wholesale trade is the trade activity that records the highest unit labour costs (and also the highest productivity). A possible explanation can be found in the fact that persons employed in wholesaling need a higher educational skill to be able to carry out the administrative tasks involved in the wholesale activity. The respective salaries of these persons tend to be higher on average than those paid to people employed in motor trade or retail trade.

As already observed in the case of turnover and value added per person employed, motor trade ranks second also with regard to unit labour costs, while retail trade records the lowest values.

At country level, Belgium shows the highest figure for unit labour costs in total distributive trades in 1998 with 31 thousand ECU per employee.

In motor trade and wholesaling, Belgium again stands at the top with 31 thousand ECU an 41 thousand ECU per employee respectively in 1998, while France is top in retailing with 25 thousand ECU per employee (1998).

Portugal shows the lowest value for unit labour cost (personnel costs per employee) in all distributive trades activities in 1998.

Gross operating rates

Retailers generally operate with higher margins than operators in other distributive trades activities

The gross operating rate indicates the share of the gross operating surplus in turnover and can be considered as a success indicator of an economic activity.

Across the three distributive trade activities, and in all the countries providing data, the highest operating rates are recorded in retail trade.

It should be noted, however, that the operating rate in retailing can be somewhat inflated, because it includes the income of the self-employed, who play an important role in this activity.

Wholesale and motor trade have in general lower operating rates, however, at a somewhat similar level, which also can be explained by the nature of the activities. Both activities involve high unit value goods or purchase and resale of large quantities which results in a faster capital rotation than it is the case in retailing, Thus, low margins can still generate an acceptable economic profit.

Among the countries that provide data, the highest operating rate in total distributive trades is recorded in Italy with some 8% in 1998.

Regarding the main distributive trades activities, the United Kingdom stands out for motor trade with 7.6% (1998); Spain and Italy (both around 8%) record the highest values for wholesale trade - in retailing it is again Spain with the highest operating rate (11.2% - data of 1997).

France records the lowest operating rates for motor and wholesale trade (both around 3% - 1998), while for retail trade Sweden has the lowest operating rate in 1998 with 4.2%.

Investments

Distributive trades is a sector where investments are not particularly high in comparison to, for example, industrial activities. Across the various countries, investments (measured as a ratio to employment) vary considerably.

However, they tend to be higher in motor trade, although in some countries - northern Europe and Portugal - high values are also recorded in wholesale trade. Other fixed investments tend to be reduced to a minimum level in retail trade, which generally records the lowest values for this variable.

Among the data providing countries, the highest value for investment per person employed in total distributive trades is recorded in Belgium with 7 thousand ECU per person employed in 1998.

Regarding the various distributive trades activities, Norway (with 12.2 thousand ECU per person employed) stands out for motor trade; the highest values for wholesale trade are recorded in Belgium and Sweden (both with over 8 thousand ECU per person employed) and for retailing again Belgium shows the highest value in 1998 (5.3 thousand ECU per person employed).

1.4 Overview on the thematic analyses

In Chapter 5 of the publication (thematic analysis), the following distributive trades related topics are analysed.

Distributive trades in the Triad

Throughout the Triad, the shares of distributive trades in total economy are higher for employment than for value added

A comparison of some key variables and economic trends in distributive trades between the US, Japan and the EU is carried out with the following main findings.

In 1997, distributive trades accounted for around 13% of total value added in the European Union, 12% in Japan, with the United States highest at 14%. The shares in total employment are higher throughout the Triad: about 16% in the EU, 19% in the US and 18% in Japan.

Between 1985 and 1997, the real growth of value added has been higher in distributive trades than in the total economy both in the US and in Japan, while in the EU, it has been somewhat lower.

However, during the same period, employment in the EU grew faster in distributive trades than in the total economy. In the US the growth of employment in distributive trades was in line with that of the total economy, while in Japan employment grew at a lower pace in distributive trades than in the total economy.

Internationalisation and concentration in retail trade

The saturation of national markets compels retailers to seek for new opportunities in other countries

Retail internationalisation is increasing world-wide and in recent years European retailers have caught up with the expansion in foreign countries.

As national markets steadily became saturated, more and more businesses looked for new opportunities to expand into less developed markets. Later, new commercial legislation (such as in France and Spain) forced some businesses to look abroad. The enlargement of the EU and the deregulation of the world's economies, together with the creation of other large free trade areas (NAFTA, Mercosur, Asean), encouraged the globalisation of markets, first for the industrial sector and then for retailers. The falling costs of communication and information systems also facilitated the internationalisation of retailing activities.

European **food retailers**, mostly from Germany and France, hold ten of the top twenty positions in the world ranking in terms of sales. They were partly compelled to go abroad by the saturation of European national markets, but have at the same time to face strong competition, since the largest food retailer in the world, **Wal-Mart,** decided to set up business in Europe in 1997.

In the **specialist non-food sector**, superstores in Europe are only beginning to reach the saturation point in certain sectors of the market (e.g. toys, Do-it-yourself, household equipment, office furniture) and concentrations are becoming common, as are international operations.

Town-centre shopping

Retailers of all formats rediscover the advantages of town-centre location

Following important social and demographic changes, a new balance between **out-of-town** and **town-centre** shopping is becoming apparent in Europe. Saturation and restrictions on opening new suburban shopping centres are encouraging retailers to seek growth opportunities in town and city centres.

The most innovative aspects of these changes are the **rediscovery of local shopping** by large supermarket chains, the variety of ensigns of specialist retailers and the modernisation of large railway stations.

Although town-centre shopping develops rapidly, any growth must be consistent with the expectations and needs of citizens and consumers, seeking shopping facilities, comfort and pleasure at the same time. Product variety, environmental and cultural aspects have become crucial points.

Success also appears to depend on **associative management** of town-centre shopping. Only unified management is capable of predicting and avoiding the many pitfalls inherent in intensified commerce in towns and cities and exploiting its advantages. It is increasingly apparent that town-centre shopping needs to be unified, and that it is important to stimulate private initiative and set up managerial structures for all retail outlets in town centres.

E-commerce

E-commerce: an activity still of marginal importance but set to grow fast in the near future

This chapter discusses the subject of electronic commerce or e-commerce, i.e. all sales made through the Internet between businesses (business-to-business or **B2B**) or between a business and a consumer (business-to-consumer or **B2C**).

Internet commerce is still only of marginal importance, but there was a large rise in sales during 1999-2000. Moreover, forecasts for the year to come are highly positive, particularly for B2B, which will considerably benefit the businesses in the sector.

Electronic commerce in Europe is less developed than in the United States, mainly because use of the Internet is less widespread. However, European distributors are no less active than their American counterparts in B2B and B2C initiatives, and in some sectors, such as food products, they are developing well.

On-line commerce initially appeared as a threat to traditional commerce because of the effects of substitution and elimination, but it now appears more like a trump

card, as more and more multi-channel distributors are engaging in this form of sales and finding synergies with their in-shop sales.

Sales between businesses (B2B) are also increasing through the Internet, and 'virtual' purchasing centres now link the main distributors.

2. STRUCTURAL ANALYSIS

Distributive trades correspond to Section G of the NACE Rev. 1 classification and encompass three activities (NACE Rev. 1 Divisions): motor trade (NACE Rev. 1 50), wholesale trade (NACE Rev. 1 51) and retail trade (NACE Rev. 1 52).

This chapter aims to provide an outlook on distributive trades as a whole and across the three divisions, focusing on their importance within the total economy, their development over time and the principal characteristics of employment and productivity, as well as on foreign ownership in distributive trades.

Data are taken mainly from Eurostat's database on Structural Business Statistics (SBS).

National Accounts, Labour Force Survey (LFS) and data on Small and Medium Enterprises (SME) complement the available (SBS) information on distributive trades and are intended to highlight the different aspects of their analysis (e.g. long-term change, breakdowns by size class, employment characteristics).

These data sources apply methodologies, which are different from the SBS methodology and may therefore not be used for cross-comparisons.

A detailed analysis of the three activities is provided in Chapter 3 - Sectoral analysis.

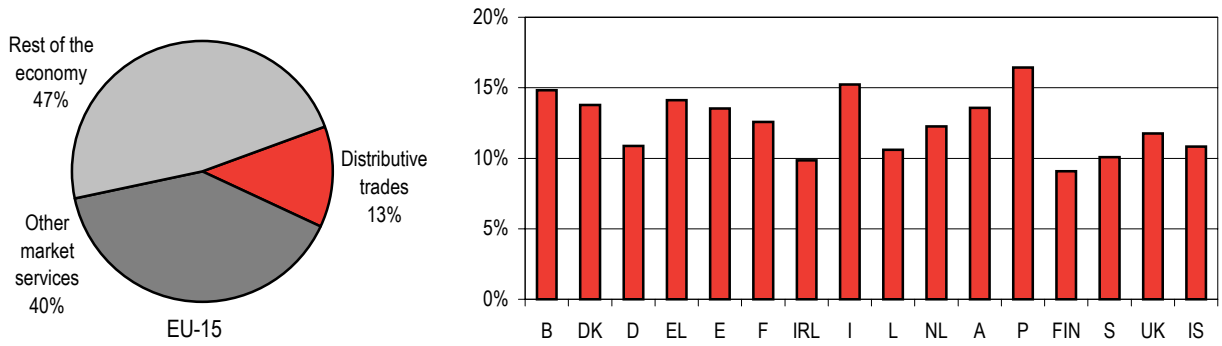
2.1 Distributive trades in the total economy and long-term evolution

The importance of distributive trades within the total economy and the comparisons with other areas, mainly other market services, are carried out by means of two principal indicators: value added and employment[1].

Value added

In 1997 the total value added at market prices generated in the EU amounted to nearly 6 700 billion ECU. Half was generated in market services and around 13% in distributive trades, which thus represents about 25% of market services (Figure 2.1).

Figure 2.1
Distributive trades: share of value added (at current prices) in total economy, EU-15 and countries, 1997



Source: Eurostat, National Accounts, HSEC2 database and estimates

Across the European countries there is some difference in the contribution of distributive trades to total value added, which ranges from 9% in Finland to 16.7% in Portugal. In the southern European Member States the relative importance of distributive trades to the total economy is generally higher than in most northern European countries.

These different shares are explained by the different characteristics of the countries' economies: they are related to the development of the trade sector itself and to the general economic trend in the individual country. The figures reveal that the shares of distributive trades in the total economy are lower in strongly industrialised countries (such as Germany or the United Kingdom), and higher in countries where industry is less highly developed or where commercial activities have not yet reached maturity.

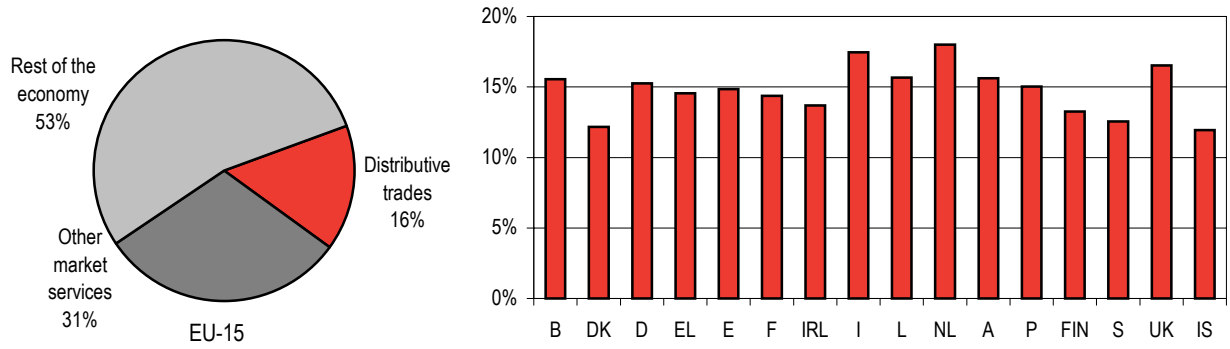
[1] The data in this section are taken from Eurostat's National Accounts database. This source of data contains information on a variety of branches, one of which covers 'recovery and repair services, wholesale and retail trade services', hereafter also called distributive trades. Information on this branch is collected under the NACE-CLIO classification system and is not fully comparable with that provided in other chapters and sections of this publication, which are based on the NACE Rev. 1 classification. Nevertheless, the data have been used to indicate the importance of distributive trades in broad economic terms.

Employment

Figure 2.2 shows that, in 1997, distributive trades accounted for about 16% of total employment at EU level, which is a share 3% higher than their share of value added.

Similarly to value added, distributive trades record the lowest employment shares, - between 12.2% and 13.2% - in the northern countries of Europe and in Ireland. The Netherlands record the highest distributive trades employment, at 18% of the total, and are followed by Italy at 17.5%. The figure for Italy may be explained by the typically fragmented structure of the distributive trades sector in southern Europe and Italy in particular, while specialisation due to historic and geographic factors is evident in the Netherlands.

Figure 2.2
Distributive trades: share of employment in total economy, EU-15 and countries, 1997



Source: Eurostat, National Accounts, HSEC2 database and estimates

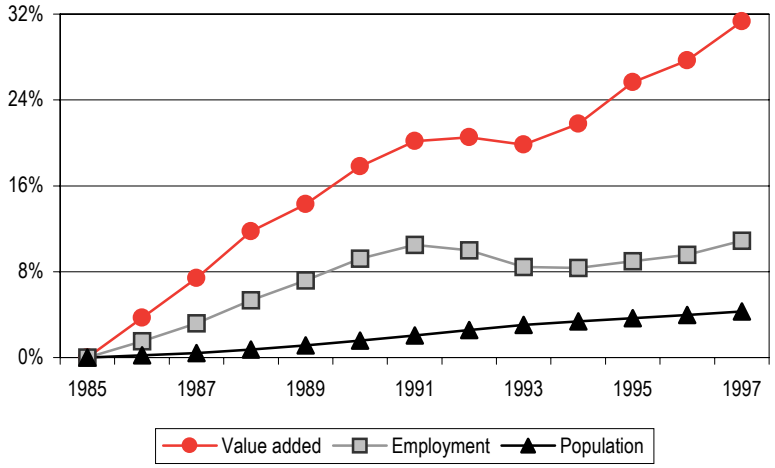
Long-term evolution of distributive trades

Over the 1985-1997 period, distributive trades in the EU performed well in terms of both value added and employment.

With a real increase of 31% in the period observed, value added in the distributive trades recorded the same growth as the total economies of the Member States. Employment increased by 11% at the same time, exceeding the evolution of the Member States' economies as a whole[2] by 3.5 percentage points.

[2] See also Chapter 5.1 - Distributive trades in the Triad.

Figure 2.3
Distributive trades: long-term evolution of value added (at constant prices) and employment in the EU-15, 1985-1997



Source: Eurostat, National Accounts, HSEC2 database and estimates; for population demo database

Figure 2.3 shows that there was no uniform rise during the period observed. Following sustained growth between 1985 and 1990, there was a downturn in the early 1990s which had a major effect on employment.

This downturn followed the general economic crisis and the consequent slowdown in the growth of consumer spending that affected most European countries in those years.

The recovery started in 1994, and until 1997 the distributive trades recorded positive growth rates for both value added and employment. After the crisis, value added rose at a faster pace than employment, which grew more or less in line with the population trend.

2.2 Enterprises in distributive trades

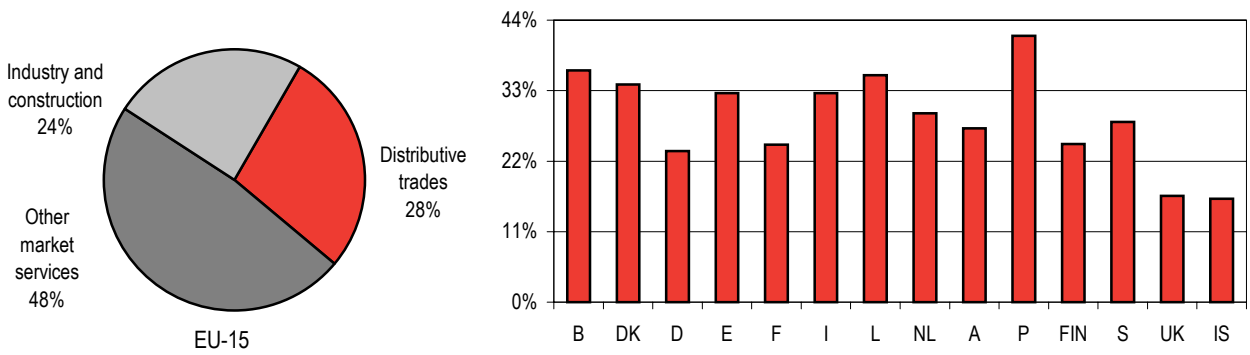
Importance to the whole economy

Estimates for 1997 (Figure 2.4) show that about three quarters of EU businesses operate in services, while the other quarter is engaged in industrial activities[3]. These different proportions are due mainly to the far greater fragmentation of the service sector than of industry. Industrial firms tend to be larger in terms of employee numbers, but there are fewer enterprises than in the service sector, where small businesses dominate.

[3] Since the data in Figure 2.4 do not cover agriculture and non-market services, the shares of distributive trade enterprises in the total economy are not directly comparable with the shares in terms of valued added and employment as presented in the previous paragraphs of this chapter.

More than one third of service enterprises, equivalent to 28% of all businesses operating in the EU, are in the distributive trades. The proportion of distributive trade enterprises in the total economy varies considerably from one country to the next.

Figure 2.4
Number of enterprises: share of distributive trades in total economy, EU-15 and countries, 1997



Data exclude agriculture and non-market services
Data by country: DK, F, I, NL, P, S, IS: 1996; L: 1994
Source: Eurostat, SME database and estimates

The highest shares, well above the European average, are recorded in Portugal (42%), Belgium (36%) and Luxembourg (35%). The main reasons for these high proportions may be the fragmentation of the distributive trades sector compared with other sectors of the economy in the individual country or, secondly, the higher relative importance of distributive trades - or services - in the country. This is particularly true of Luxembourg, whose economy is dominated by services (which alone account for nearly 87% of the country's businesses).

Iceland (16%) and the United Kingdom (16.5%), which have the lowest shares of distributive trade enterprises in the whole national economy, are examples of a particularly concentrated distributive trade sector.

Enterprise density

Another possible way of measuring the importance of an economic activity is the density of enterprises, which is to be looked at together with the average size.

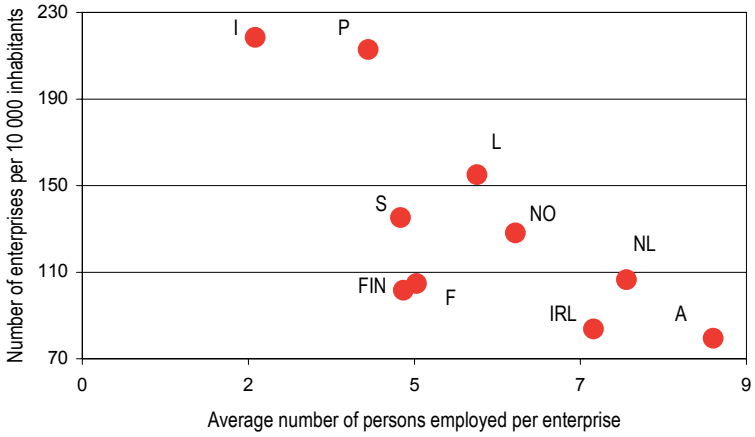
Figure 2.5 presents a cross-comparison between these two variables (density is expressed as the number of enterprises per 10 000 inhabitants)[4]. The expected trend is confirmed: enterprise density declines with an increasing average size.

The highest density and the smallest average size are recorded in Italy, with 218 enterprises per 10 000 inhabitants and an average of 2.3 persons employed per enterprise (1998 data). Portugal records a very similar enterprise density (213 enterprises per 10 000 inhabitants), but larger enterprises (3.9 persons employed).

[4] Germany does not provide SBS data for NACE Rev. 1 50.2 (maintenance and repair of motor vehicles), NACE Rev. 1 51.1 (wholesale on a fee or contract basis) and NACE Rev. 1 52.7 (repair of personal and household goods). It is therefore not included in direct comparisons.

The lowest densities, about 80 enterprises per 10 000 inhabitants, are recorded in Ireland and Austria, where businesses are larger (7 and 8.5 persons employed respectively).

Figure 2.5
Distributive trades: enterprise density and average size of enterprises, 1998



IRL, I, S, NO: 1997
Source: Eurostat, SBS database and estimates; for population: Eurostat, aux_ind database

Enterprises in the three distributive trade activities

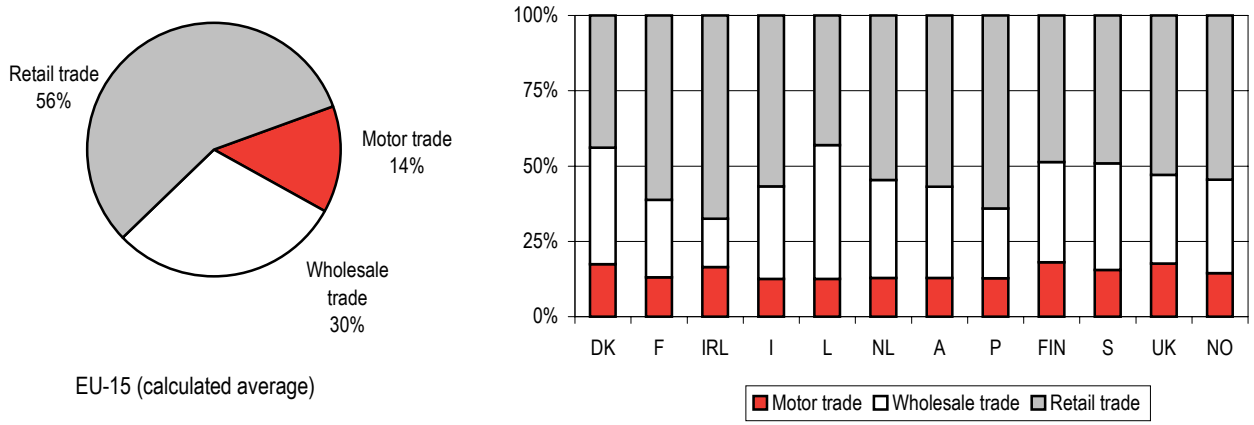
Figure 2.6 shows that, in terms of the number of enterprises, the retail trade is dominant in all countries providing data except Luxembourg (1998 data) and Denmark (1995), where it still accounts for 43-44% of distributive trade enterprises. In all other countries the shares of the retail trade range from 49% (Finland) to 67% (Ireland).

These high shares reflect the main characteristics of the retailing activity itself, which includes a large number of small firms.

In Luxembourg, wholesaling is slightly more important than retailing, with a share of 44% in total distributive trades enterprises, while Ireland records the lowest share for wholesaling (16%).

The motor trade plays a minor role in terms of the number of enterprises in distributive trades. Denmark (1995 data), Finland (1998) and the United Kingdom (1998) record the highest percentages, between 17% and 18%.

Figure 2.6
Distributive trades: number of enterprises broken down by activity, EU-15 and countries, 1998



The calculated average covers all Members States except B, DK, D, EL, E
Data by country: DK: 1995; IRL, I, S, NO: 1997
Source: Eurostat, SBS database and estimates

2.3 Employment in the distributive trades

Employment in the three distributive trade activities

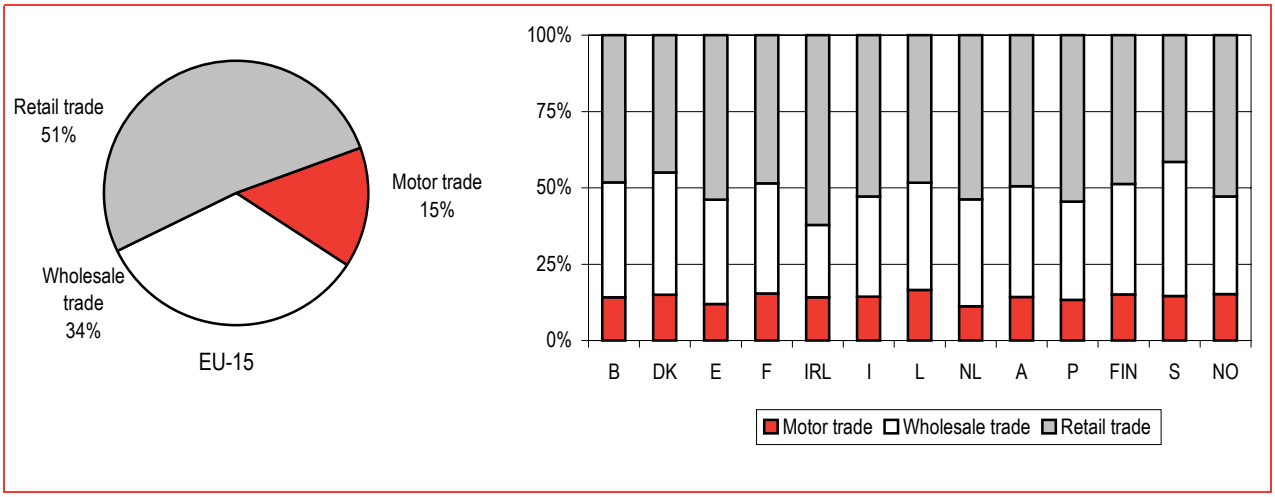
The relative importance of the different distributive trades activities to total distributive trades employment is similar to that of the number of enterprises. At EU level, half of the workforce employed in distributive trades works in retailing, while one third is employed in wholesaling (Figure 2.7).

As with its number of enterprises, Ireland records the highest share (62%) of total distributive trades employment for retailing and the lowest for wholesaling (24%).

Sweden is an exception: 44% of the workforce in distributive trades is employed in wholesaling, while retailing employs 42%.

As in the case of the number of enterprises, also for employment motor trade is the least important activity in distributive trades, with proportions ranging from 11% (the Netherlands) to 16.5% (Luxembourg).

Figure 2.7
Distributive trades: number of persons employed broken down by activity, EU-15 and countries, 1999



Data by country: DK: 1995, IRL, NO: 1997; L, NL: 1998
Source: Eurostat SBS database and estimates

Employment characteristics

Self-employment

Table 2.1 shows that, within the distributive trades, retailing is the activity that records the highest level of self-employment: 27.1% in the EU. One of the reasons is that, in a number of countries, there are more small businesses in the retail trade than in the other two activities. These businesses are often run by the proprietor and his family members, who are not considered as employees.

Table 2.1
Distributive trades: proportions of self-employed, female and part-time workers in total employment by activity, 1999 (%)

	Self-employment			Female employment			Part-time employment		
	Motor trade	Wholesale trade	Retail trade	Motor trade	Wholesale trade	Retail trade	Motor trade	Wholesale trade	Retail trade
EU-15	23.7	17.0	27.1	17.6	32.0	58.5	9.5	10.6	29.8
B	30.6	23.9	37.5	21.6	36.6	57.0	7.1	8.7	23.3
DK	16.8	12.5	12.2	20.9	27.4	57.0	23.7	8.6	34.9
D	13.2	13.1	14.5	21.0	37.1	66.8	9.6	15.6	36.0
EL	50.2	30.9	60.2	10.9	30.0	46.7	2.1	2.7	5.1
E	25.3	22.4	42.7	10.7	30.0	56.1	3.2	4.9	10.5
F	18.4	7.9	21.1	17.9	31.2	58.4	9.2	8.1	25.6
IRL	26.4	18.7	16.0	17.7	28.8	60.2	13.5	9.9	34.3
I	49.7	44.4	58.9	14.5	30.6	45.6	4.3	6.4	10.2
L	10.8	12.7	20.1	24.7	23.8	63.4	10.2	6.1	14.0
NL	17.0	8.2	14.7	18.8	26.8	60.3	24.8	17.7	59.3
A	11.7	11.3	13.9	21.5	39.3	68.0	10.0	13.7	32.0
P	25.7	26.1	45.6	10.9	23.7	54.1	2.5	5.3	9.0
FIN	21.8	13.3	18.2	19.8	32.8	65.4	6.5	6.5	31.9
S	25.3	8.8	19.9	13.4	33.1	61.7	12.2	10.8	40.0
UK	16.7	10.3	11.9	20.3	31.0	60.5	15.6	12.8	48.8
IS	17.5	22.9	14.3	21.0	24.5	62.0	19.8	19.5	44.3
NO	5.5	2.7	8.5	22.8	27.3	64.6	21.7	10.4	47.9

Source: Eurostat, Labour Force Survey

Wholesale trade records the lowest proportion of self-employment at EU level, at 17%, while the motor trade records 23.7%. The relatively high share of self-employment in the motor trade is due partly to the fact that this activity includes maintenance and repair activities, which are often small family-run businesses.

Southern European Member States, where the distribution sector is more fragmented than elsewhere, stand out for a remarkably high self-employment in all distributive trade activities, but particularly in retailing: about 60% in Italy and Greece, about 45% in Portugal and 43% in Spain. Belgium records levels of self-employment that are relatively high and exceed the EU average for the different distributive trade activities.

The other European countries record mostly lower figures for self-employment in the different distributive trade activities.

In most northern European countries there are more self-employed people in the motor trade than in the retail trade, the main reason being the higher concentration of the retail trade (which means larger enterprises) in these countries. Moreover, integrated forms of distribution are not dominant in the motor trade, where small or medium-sized businesses are prevalent.

Female employment

Female employment is substantially higher in retail than in the other two distributive trade activities. At EU level, women account for 58.5% of the total retail workforce, 32% of the wholesale workforce and less than 18% in the motor trade. The pattern is similar across the various countries, although the levels are somewhat different.

The typical pattern in the motor trade in particular is one of small and medium sized firms such as car dealers, where women are still a minority.

Austria stands out for high rates of female employment in all the distributive trade activities: 68% in retailing, 39% in wholesaling (both the highest of Europe) and 21.5% in the motor trade.

The southern European countries in general record relatively low female participation rates in the motor trade (Greece, Spain and Portugal below 11%) and in retailing (Greece and Italy at 46-47%) — figures very different from those of the other European countries. In wholesaling, however, there are proportionately more women in the workforce than in Luxembourg (24%) and some other northern European countries.

Part-time employment

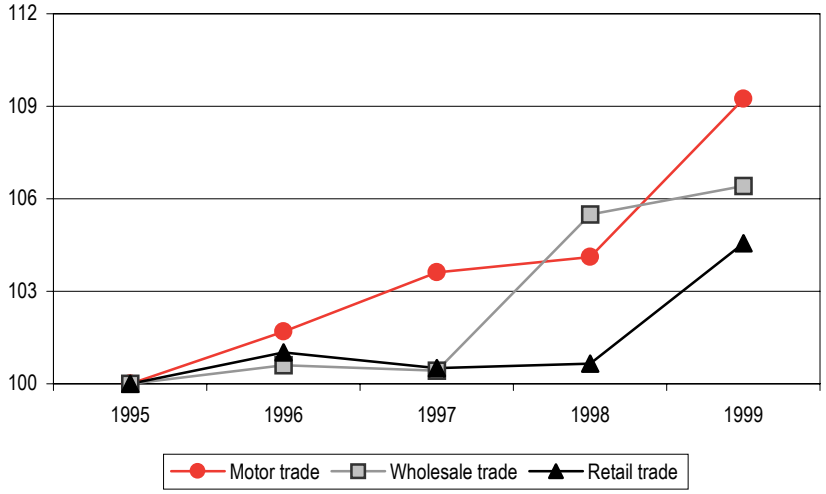
The pattern of part-time employment in the distributive trades is similar to that of female employment, but at a lower level. As an EU average, 30% of the persons employed in retailing and around 10% in both wholesaling and the motor trade are part-timers.

The Netherlands and the northern European countries have proportions clearly above the EU average, and in the motor trade Denmark and the Netherlands record higher shares for part-time than for female employment. This suggests that the traditional picture of women working part-time for family reasons is outdated in the latter two countries.

Evolution of female and part-time employment by activity

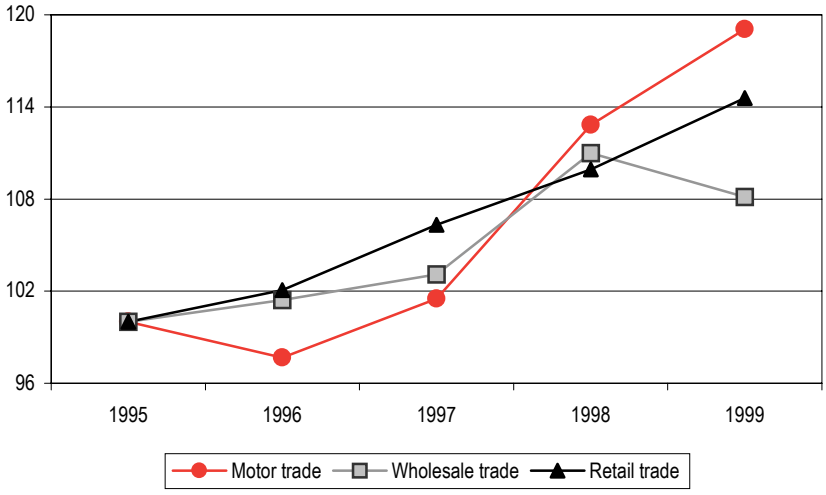
All distributive trades activities recorded a considerable increase in female employment between 1995 and 1999. While retailing already employed large numbers of female staff, the motor trade (with an increase of 9.2%) and the wholesale trade (+6.4%) have become more accessible work domains for women. As Figure 2.8 illustrates, there has been a particularly steep increase in female employment in these two activities after 1998. These rates confirm the increasing participation of women in the workforce, also in the so-called 'male domains'.

Figure 2.8
Distributive trades: evolution of female employment in the EU-15, by activity (1995=100)



Source: Eurostat, Labour Force Survey

Figure 2.9
Distributive trades: evolution of part-time employment in the EU-15, by activity (1995=100)



Source: Eurostat, Labour Force Survey

The liberalisation of the labour market has brought substantial growth in part-time employment over recent years, mainly in the motor and retail trades.

The retail trade in particular recorded an almost linear increase, reaching 14.5% over the entire period observed (1995-1999). The trend in part-time employment in the motor trade started its upturn a year later, after declining in 1995-1996, but the increase over the whole period was so remarkable (+19%) that it exceeded the total increase in retailing.

The pattern is different in the wholesale trade: an upward trend until 1998 and a downturn in 1999, which results in a change of +8% during the observed period of four years.

Weekend work

The fact that retail outlets are usually open on Saturdays and sometimes on Sundays affects the distributive trade sector as a whole. All countries providing data record high proportions of weekend workers.

Except in Sweden, more than 50% of the distributive trade workforce, and two-thirds in Greece, France, Italy and Iceland, works on Saturdays. Northern European countries tend to have lower shares of Saturday workers.

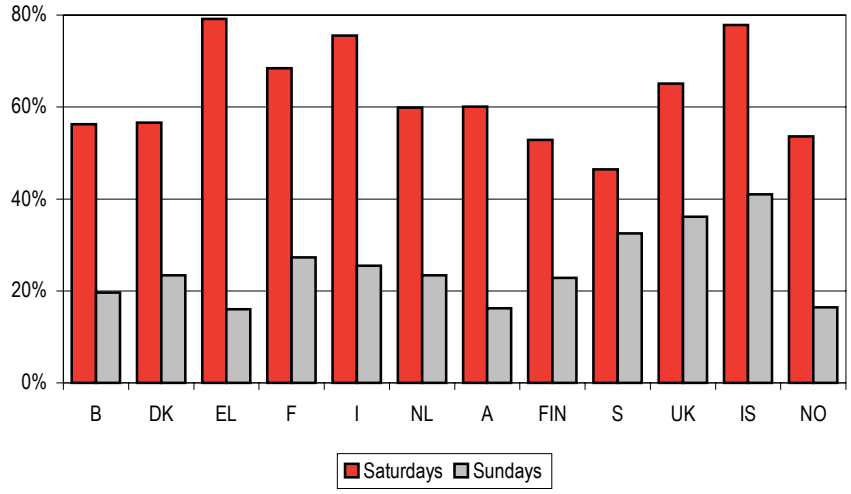


Figure 2.10
Distributive trades: proportions of weekend workers (1) employment, 1999

(1) Weekend workers are those having declared that they work either usually or sometimes on Saturdays or Sundays
Source: Eurostat, Labour Force Survey

As for Sunday work, the percentages of total employment are obviously lower and appear unrelated to Saturday work. Iceland and the United Kingdom rank first, at 41% and 36% respectively. Sweden follows at 33%.

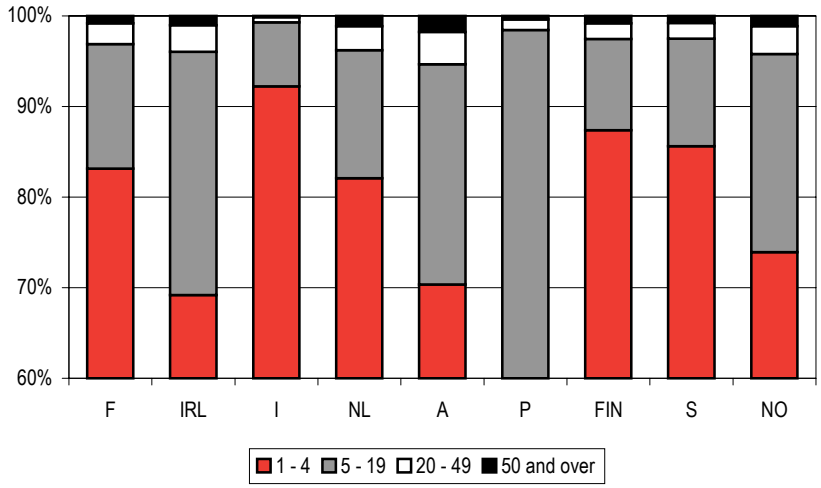
At the opposite end of the scale, Greece, Austria and Norway all record about 16%. Religion, climate and frequency of holiday resorts are the main influences that might explain these differences.

2.4 Size class aspects in distributive trades

Figure 2.11 shows that small firms clearly dominate distributive trades in the countries providing data: 95% (Austria) to 99% (Italy) of businesses employ fewer than 20 persons. The two countries quoted record the highest and lowest average size of enterprise respectively.

A further breakdown shows that very small businesses, employing fewer than 5 persons, dominate in all countries, accounting for roughly 92% in Italy and around 70% in Ireland and Austria, which show the lowest values.

Figure 2.11
Distributive trades: number of enterprises broken down by employment size class, 1998



For reasons of presentation, the scale starts at 60%
For Portugal, enterprises with fewer than 5 persons employed are included in the size class 5-19.
I, S, NO: 1997; IRL: 1996
Source: Eurostat, SBS database

The countries providing data have relatively few large enterprises (with 50 or more persons employed) in the distributive trades, even though these account for a substantial proportion of employment.

Figure 2.12 shows that enterprises employing 50 or more persons provide jobs for 46% of the distributive trade workforce in Austria, 44% in Finland and 38% in France. Such high shares are explained by the fact that the size class also includes some very large companies.

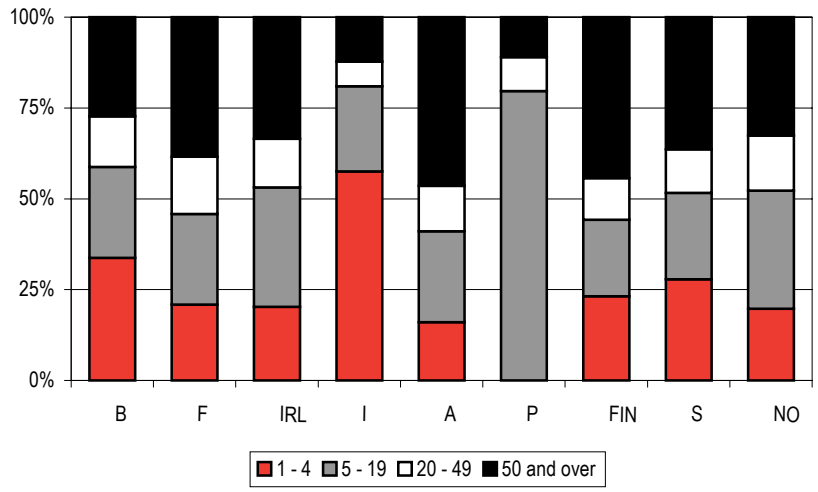


Figure 2.12
Distributive trades: number of persons employed broken down by employment size class of the enterprise, 1998

For Portugal, enterprises with fewer than 5 persons employed are included in the size class 5-19.
IRL, I, S, NO: 1997
Source: Eurostat, SBS database

In Portugal and Italy, however, relatively few people (11% and 12% respectively) work for large distributive trades enterprises (with more than 50 persons employed).

In Italy, distributive trade employment is dominated by very small businesses (with fewer than 5 persons employed), which provide 57% of jobs. This enterprise size class also accounts for a relatively high proportion of employment in Belgium (34%), but for the lowest employment share (16%) in Austria.

In the size class employing 5-19 persons there are few significant differences between the countries providing data: the shares of total employment range from 21% in Finland to 33% in Ireland. Relatively few people in distributive trades appear to work for businesses employing 20-49 persons.

Size classes in the distributive trade activities

The breakdown of enterprises and employment by employment size class is fairly similar across the three activities that make up distributive trades, with small businesses dominating in all countries.

Table 2.2 shows that, in the countries for which data are available, more than 75% of all enterprises in the motor and wholesale trades employ 1-4 persons except in Ireland and Austria (and Norway in the case of the motor trade), where these activities include substantial numbers of firms employing 5-19 persons.

Much fragmentation is evident in the retail trade, which has greater numbers of very small firms (1-4 persons employed): over 80% for all countries observed (Italy 94%) except Ireland, Austria and Norway. The size class 5-19 persons employed is considerable in these countries, which indicates a tendency towards concentration.

	B	DK	E	F	IRL	I	NL	A	P	FIN	S	NO
Motor trade												
Total	:	:	:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1 - 4 persons employed	:	:	:	75.5	65.9	87.3	76.1	56.2	:	88.3	84.8	66.4
5 - 19	:	:	:	20.3	28.8	11.7	19.5	35.3	:	9.5	12.8	27.8
20 - 49	:	:	:	3.1	4.5	0.9	3.3	6.5	2.1	1.4	1.4	4.5
50 and over	:	:	:	1.0	0.8	0.1	1.1	1.9	:	0.8	1.0	1.3
Wholesale trade												
Total	:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1 - 4 persons employed	:	77.7	78.1	77.4	56.5	90.4	76.3	67.7	:	86.1	82.1	77.5
5 - 19	:	15.0	18.5	16.9	33.3	8.5	17.1	24.0	:	10.6	13.9	17.6
20 - 49	:	4.8	2.5	4.1	7.2	0.9	4.5	5.2	2.7	2.2	2.8	3.2
50 and over	:	2.5	0.9	1.6	3.0	0.3	2.1	3.2	:	1.1	1.3	1.6
Retail trade												
Total	:	100.0	:	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1 - 4 persons employed	:	84.3	:	87.2	72.6	94.3	86.9	75.0	:	88.0	87.8	73.9
5 - 19	:	12.8	:	11.0	25.1	5.3	11.1	22.0	:	9.8	10.3	22.7
20 - 49	:	2.3	:	1.4	1.7	0.3	1.4	2.1	0.5	1.6	1.4	2.6
50 and over	:	0.7	:	0.4	0.7	0.1	0.6	1.0	:	0.6	0.5	0.8

IRL, I, NO: 1997 data
Source: Eurostat SBS database

Table 2.2
Distributive trades: number of enterprises broken down by employment size class and activity, 1998 (%)

Table 2.3
Distributive trades: number of persons employed broken down by employment size class of the enterprise and activity, 1998 (%)

Table 2.3 shows that the percentages of employment in small firms in all countries are, as expected, much smaller than the corresponding percentages of small firms.

In many countries, large companies provide substantial numbers of jobs in all distributive trade activities. Italy, where small firms mostly employ more than 50% of the workforce in the distributive trades activities, is a clear exception to this pattern. In wholesaling in particular, more people tend to work for larger businesses. Only in southern European Member States and, to a lesser extent in Belgium, do small businesses take a large share of employment.

	B	DK	E	F	IRL	I	NL	A	P	FIN	S	NO
Motor trade												
Total	100.0	:	:	100.0	100.0	100.0	:	100.0	100.0	100.0	100.0	100.0
1 - 4 persons employed	36.5	:	:	24.3	23.1	52.8	:	13.9	:	31.7	29.8	17.1
5 - 19	32.6	:	:	32.0	42.8	34.3	:	34.8	:	22.6	25.7	40.6
20 - 49	14.1	:	:	19.2	21.2	8.7	:	20.6	13.0	11.6	10.8	20.7
50 and over	16.8	:	:	24.5	12.8	4.2	:	30.7	:	34.1	33.7	21.6
Wholesale trade												
Total	100.0	100.0	100.0	100.0	100.0	100.0	:	100.0	100.0	100.0	100.0	100.0
1 - 4 persons employed	23.0	12.9	27.8	11.2	11.7	49.1	:	11.9	:	18.3	22.6	18.0
5 - 19	28.4	18.7	34.1	26.0	28.7	27.3	:	21.9	:	20.3	24.5	26.3
20 - 49	20.0	18.4	15.6	21.5	20.8	10.3	:	15.3	15.0	13.3	16.5	16.3
50 and over	28.6	50.0	22.6	41.3	38.8	13.3	:	50.8	:	48.1	36.4	39.5
Retail trade												
Total	100.0	100.0	100.0	100.0	100.0	100.0	:	100.0	100.0	100.0	100.0	100.0
1 - 4 persons employed	41.2	21.5	57.0	26.1	22.9	64.2	:	19.7	:	24.3	29.8	21.5
5 - 19	20.3	18.8	:	22.3	32.2	17.9	:	24.4	:	21.0	21.4	34.0
20 - 49	9.2	10.7	5.4	11.2	8.8	4.0	:	8.1	4.5	10.1	10.0	12.9
50 and over	29.3	48.9	:	40.4	36.1	13.8	:	47.7	:	44.6	38.9	31.6

E: 1997 data for retail trade; IRL, I, NO: 1997 data for the three activities
Source: Eurostat SBS database

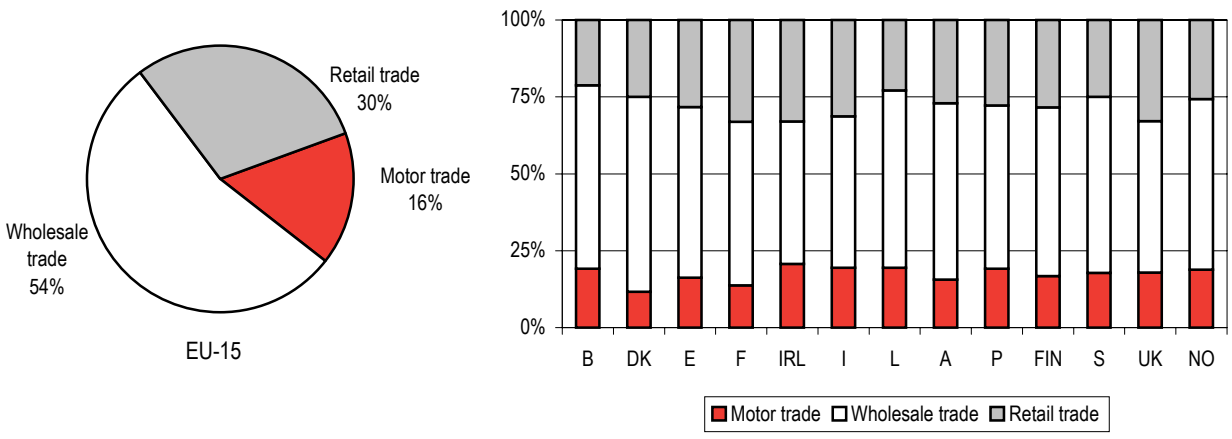
2.5 Performance

Turnover

At EU level, the wholesale trade generates more than 50% of total distributive trade turnover and is the dominant activity for this variable in all countries without exception. The share in total distributive trades turnover is particularly high in Denmark (63%), Belgium (60%) and Luxembourg (58%); the smallest share is recorded in Ireland (46%).

In Ireland, however, the motor trade appears to be more important than in the other countries observed, accounting for 21% of total distributive trades turnover - the highest share of all countries providing data.

Figure 2.13
Distributive trades: turnover broken down by activity,
EU-15 and countries, 1999



Data by country: DK: 1995; IRL, NO: 1997; L: 1998
Source: Eurostat SBS database and estimates

The motor trade generates the smallest proportion of distributive trade turnover, but its shares of enterprise and employment numbers are smaller still, which is a function of the high-value goods (mainly motor vehicles) traded in this activity.

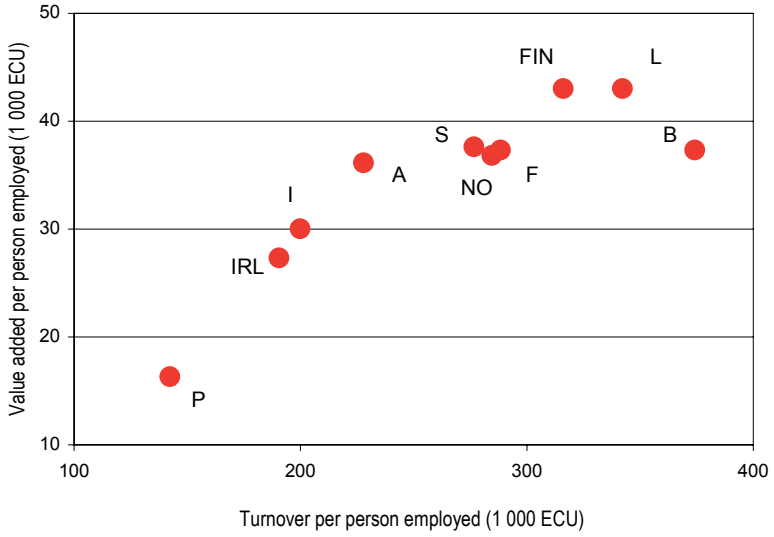
In retailing, which accounts for the majority of both enterprises and employment in the distributive trades, turnover is lower in relative terms, which is also due to the nature of the goods sold. The percentages range from 21-23% in Belgium and Luxembourg to 33% in the United Kingdom, France and Ireland.

Performance indicators

In order to measure the performance of an economic activity, the value added generated can be related to employment. The value added of an economic activity is obtained by deducting from turnover above all material costs and other charges related to production.

Value added per person employed (also called labour productivity) is thus related to the level of turnover. In general, higher turnover per person employed means higher labour productivity.

Figure 2.14
Distributive trades: turnover and value added per person employed, 1998



IRL, I, S, NO: 1997
Source: Eurostat, SBS database

Across the countries providing data, the highest labour productivity in the distributive trades is recorded in Finland and Luxembourg, at 43 thousand ECU per person employed in both countries in 1998 (Figure 2.14). In the same year, the values for turnover per person employed in these countries were 316 and 342 thousand ECU respectively[5]. The highest turnover was recorded in Belgium (374 thousand ECU per person employed in 1998), however, where labour productivity (37 thousand ECU per person employed, 1998) was slightly below the values for Luxembourg and Finland. This means that material costs and other production-related charges are on average higher in Belgium than in Luxembourg or Finland.

The lowest values for both labour productivity and turnover per person employed were recorded in Portugal (respectively 16 and 142 thousand ECU per person employed, in 1998).

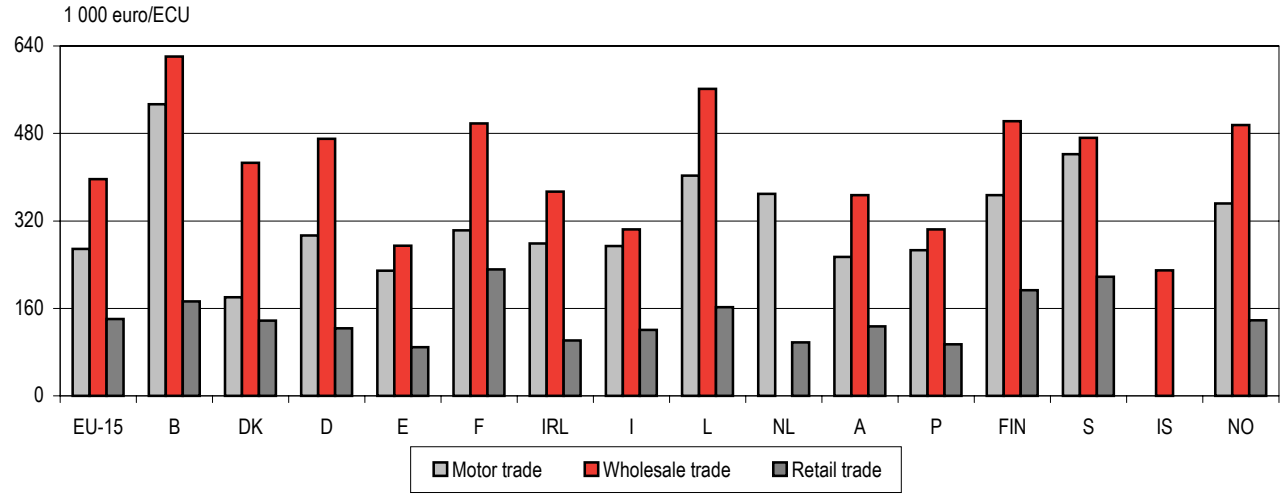
Performance in the distributive trade activities

Wholesale trade is the distributive trade activity that features the highest value added and turnover per person employed. The probable explanation is the nature of the activity, which often involves the virtual purchase and resale of goods and thus a higher capital intensity and capital rotation.

[5] For several countries, 1999 data for turnover per person employed are available, but for reasons of comparisons are not shown in the graph.

Figure 2.15 shows that this is a common characteristic of all countries providing data without exception.

Figure 2.15
Distributive trades: turnover per person employed by activity, 1999



IRL, NO: 1997; L, NL: 1998; IS: 1995; DK: 1995 data for motor trade
D: motor trade excludes NACE Rev. 1 50.2; wholesale trade excludes NACE Rev. 1 51.1; retail trade excludes NACE Rev. 1 52.7.
Data for 1999 are in euro; for previous years in ECU
Source: Eurostat SBS database

Turnover per person employed in wholesaling ranges from 229 thousand ECU in Iceland (1995) to 620 thousand euro in Belgium (1999).

The retail trade records the lowest productivity in the distributive trades, with values for turnover per person employed ranging from 89 thousand euro in Spain to 231 thousand euro in France (both in 1999). The explanation for this pattern is that this activity tends to be more labour-intensive and less automated than wholesaling.

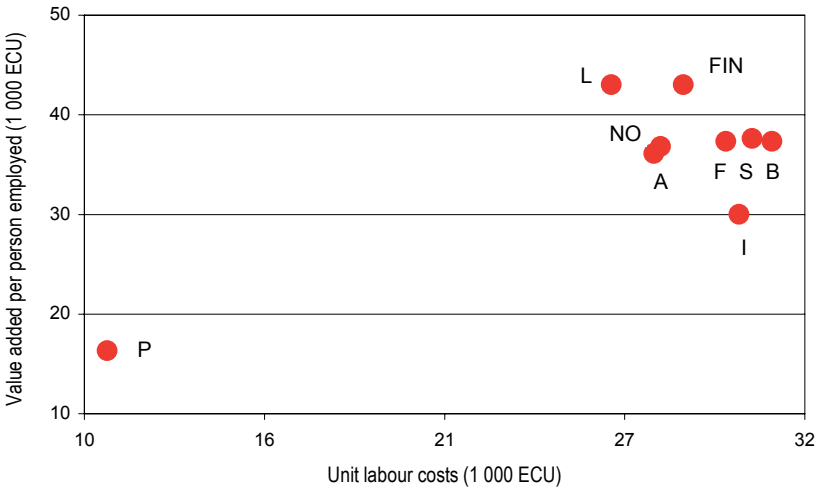
The motor trade stands at an intermediate level, with values often barely lower than those of wholesaling (e.g. in Belgium, Ireland, Sweden and the southern European Member States).

Labour costs

To assess the economic success of an activity one must compare value added (per person employed) with personnel costs per employee (unit labour cost).

A cross-comparison between labour productivity (value added per person employed) and unit labour costs in the distributive trades shows that all countries except Portugal record a high level of value added together with a high level of unit labour costs. Luxembourg and Finland show the highest labour productivity, but slightly lower labour costs than most other countries that provide data. Luxembourg is obviously the country with the best economic relationship between these two variables in distributive trades, with 26 thousand ECU per employee for unit labour cost and 43 thousand ECU per person employed for labour productivity in 1998 (Figure 2.16).

Figure 2.16
Distributive trades: unit labour cost and value added per person employed, 1998



I, S, NO: 1997
Source: Eurostat, SBS database

Italy ranks amongst the countries with the labour costs, but features a relatively low productivity, at 30 thousand ECU per employee/person employed for both variables (1997 data). In absolute terms, the highest unit labour costs are recorded in Belgium and Sweden and amount to 31-30 thousand ECU per employee respectively (1998 data).

Portugal is notable not only for its low productivity value, but also for its very low labour costs in distributive trades (less than 11 thousand ECU per employee), which can be partly explained by the lower salaries in this country than in other European countries.

Labour costs in the distributive trade activities

Figure 2.17 shows that, in the countries providing data, the wholesale trade is the distributive trade activity that records the highest unit labour costs (but also the highest labour productivity), which may be because the wholesale workforce needs better educational skills than, for example, retailing in order to perform the more complex administrative tasks in this activity. As already observed in the case of turnover per person employed, the motor trade ranks second in terms of unit labour costs and the retail trade third.

Figure 2.17
Distributive trades: unit labour cost by activity, 1998

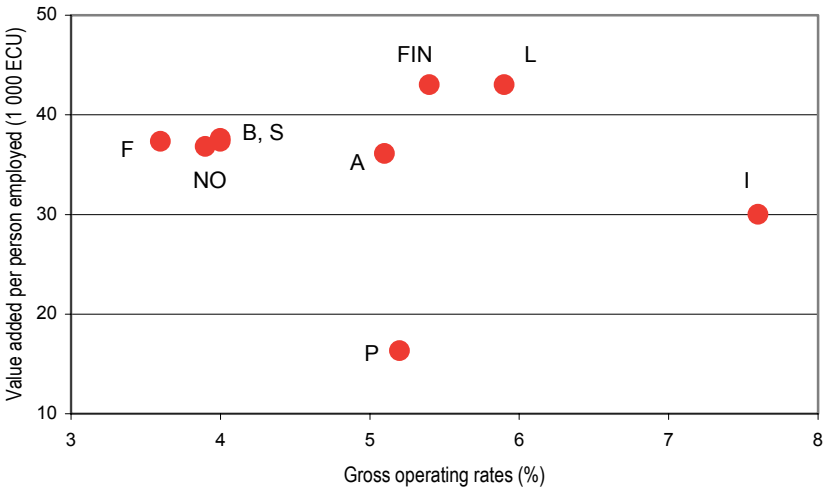
I, S, UK, NO: 1997; E: 1997 data for retail trade
Source: Eurostat, SBS database

Gross operating rates

The gross operating rate indicates the share of the gross operating surplus in turnover and can be considered a success indicator of an economic activity. High productivity alone does not ensure the economic success of an activity, however, as other cost factors are involved. Nevertheless, high productivity generally enables enterprises to operate with low margins, because labour costs take a minor percentage of sales income.

Figure 2.18 shows that gross operating rates in distributive trades are particularly low - between 3.6% and 4.0% - in some countries (Belgium, France, Sweden and Norway) with relatively high productivity (between 36 and 38 thousand ECU per person employed - 1997-1998 data). Italy, on the other hand, records relatively low productivity (30 thousand ECU per person employed) coupled with a high operating rate (7.6%). This can be explained first by its fragmented distributive trade system, meaning a high level of self-employment and an operating result relatively unaffected by personnel costs, or else generally lower personnel costs, and secondly by the weak penetration of foreign firms in this country, which means less competition and enables firms to achieve high margins despite low productivity.

Figure 2.18
Distributive trades: gross operating rates and value added per person employed, 1998

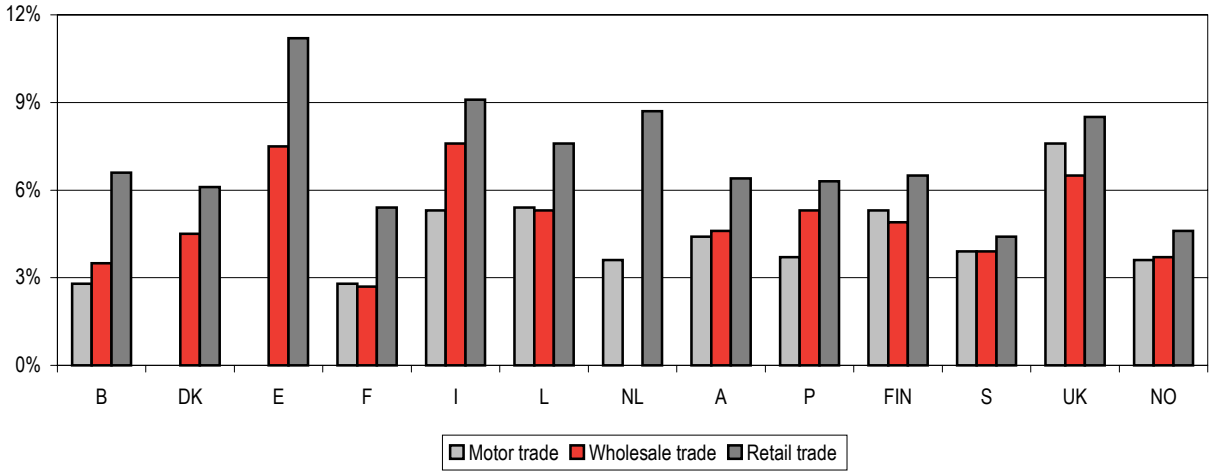


I, S, NO: 1997
Source: Eurostat, SBS database

Gross operating rates in the distributive trade activities

Figure 2.19 shows that across the three distributive trade activities, and in all countries providing data, the highest operating rates are recorded in the retail trade. Spain (11.2%), Italy (9.1%) and the Netherlands (8.7%) record the highest rates, while Sweden (4.4%) and Norway (4.6%) record the lowest for this activity.

Figure 2.19
Distributive trades: gross operating rates by activity, 1998



I, S, NO: 1997; E: 1997 data for retail trade
Source: Eurostat, SBS database

The wholesale and motor trades generally have similar operating rates, and the differences between them and retailing are wide in most observed countries. Spain, Italy and the United Kingdom record the highest level of gross operating rates for the three distributive trade activities.

The relatively low operating rates in wholesaling and the motor trade can be explained by the nature of these activities: the motor trade consists largely of sales of motor vehicles and motorcycles and, since these involve goods of high unit value, low margins still can generate a high operating surplus. Wholesaling generally involves the purchase and resale of large quantities, which includes higher capital rotation. As a result, the surplus can be high even though the operating margins are low.

It should be noted, however, that the operating result in retailing can be somewhat inflated, because it includes the income of the self-employed, who play an important role in this activity.

Investments

The distributive trades are a sector where investments are not particularly high compared with industrial activities.

Figure 2.20 illustrates the relationship between value added and investments per person employed in the distributive trades. In general, high value added would enable an entrepreneur to invest more in a given area provided, of course, that he considers it reasonable.

Some countries show slightly different tendencies, however. Across the countries providing data, the highest investments in the distributive trade sector amount to 7 thousand ECU per person employed and are recorded in Belgium in 1998, followed by Luxembourg and the northern European countries (5.5 - 6.4 thousand ECU, 1997-1998 data). Luxembourg and Finland also record the highest productivity values (value added per person employed).

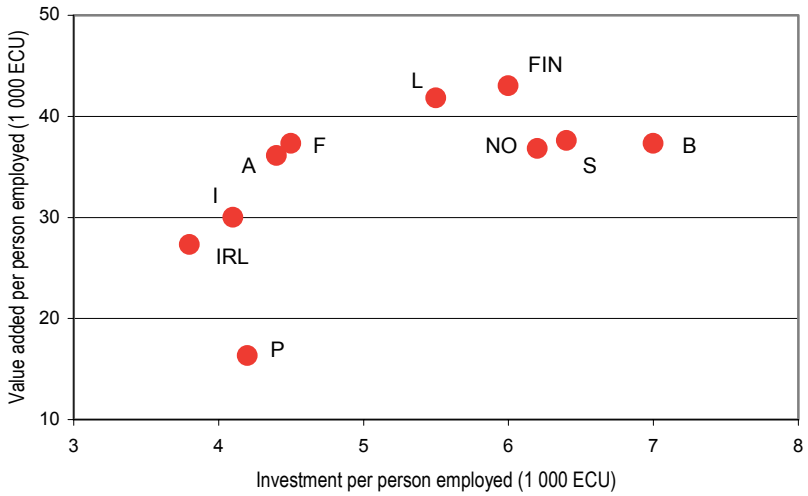


Figure 2.20
Distributive trades: investment and value added per person employed, 1998

IRL, I, S, NO: 1997; L: 1995
Source: Eurostat, SBS database

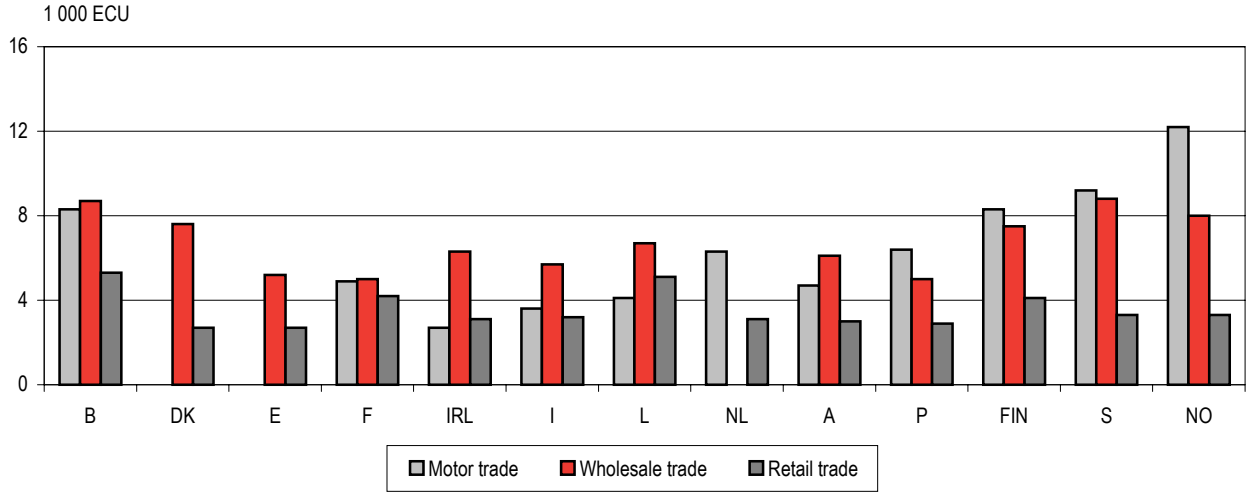
Investments in distributive trades appear to be low in France and Austria, however, at 4.4 - 4.5 thousand ECU per person employed, compared with the high labour productivity recorded in these two countries.

Portugal features investments that are just slightly lower than those recorded in Austria and France, but lags behind in terms of productivity.

Investments in the distributive trade activities

Figure 2.21 shows that, across the countries providing data, there are large gaps between the three distributive trade activities in terms of investment per person employed.

Figure 2.21
Distributive trades: investment per person employed by activity, 1998



IRL, I, S, NO: 1997; E: 1997 data for retail trade; L: 1995; NL: 1996 data for retail trade
Source: Eurostat, SBS database

Investments tend to be higher in the motor trade, particularly in Norway, which records 12.2 thousand ECU per person employed in 1998. However, in some cases - Belgium and Sweden in 1998 with over 8 thousand ECU per person employed - high values are also recorded in the wholesale trade. Investment is clearly lowest in the retail trade, where values are lower than 5.3 thousand ECU per person employed (Belgium, 1998 data) in all countries. An explanation can be found in the fact that the levels of stocks and other fixed investments In this sector tend to be reduced to a minimum.

2.6 Importance of foreign-owned enterprises in distributive trades

In late 1998, Eurostat launched a pilot study to collect data from a limited number of Member States to look more closely at statistics on foreign affiliates in market services. The scope of the study was extended further to include industry. In the meantime, most of the Member States taking part in the project (Denmark, Spain, Ireland, Italy, the Netherlands, Finland, Sweden and the United Kingdom) have supplied data for three consecutive years (1996-1998) on a selection of variables.

Eurostat has recently released two publications on the subject: a large-scale report, *Foreign-Owned Enterprises in the EU - Results for Eight Member States*, with the

data reference year 1997, and a short issue of Statistics in Focus, *Foreign-owned Enterprises,* analysing the data over the entire time period.
Both reports reveal that distributive trades are the economic activity with the highest incidence of foreign ownership within service activities.

Economic activities attractive to foreign-owned enterprises

Table 2.4 gives an overview of the importance of foreign-owned enterprises (measured by their share in valued added) for the various economic activities in the observed countries in 1998.

Manufacturing (NACE Rev. 1 Section D) and distributive trades (NACE Rev. 1 Section G) appear to be the most attractive economic activities for foreign-owned enterprises in most of the observed countries. In some cases they account for more than 30% of the total value added generated in the activity concerned.

In the United Kingdom in 1998, foreign-owned enterprises contributed a huge 47% share of value added in mining and quarrying (NACE Rev. 1 Section C).

Table 2.4
Industry and services: share of foreign-owned enterprises in total value added by activity (NACE section), 1998 (%)

	DK	IRL	NL	FIN	S	UK
Industry						
C - Mining and quarrying	:	:	15.4	12.5	10.7	47.0
D - Manufacturing	12.0	:	28.8	14.0	23.5	30.1
E - Electricity, gas and water supply	:	:	0.0	2.5	5.5	4.1
F - Construction	3.8	:	3.1	9.0	4.9	4.5
Services						
G - Distributive trades	14.5	31.7	15.1	19.1	20.9	13.6
H - Hotels and restaurants	5.6	:	13.5	7.4	12.9	6.4
I - Transport, storage and communication	:	4.9	5.0	3.4	7.9	8.7
K - Real estate, renting and business activities	9.5	10.3	10.2	9.8	9.8	9.4

IRL: 1997 data, covering only enterprises with 20 or more persons employed
Source: Eurostat, FATS database

Foreign ownership in distributive trades

Even though distributive trades are the most attractive economic activity in services for foreign-owned enterprises across all observed countries, their shares in value added vary widely. In Ireland, foreign businesses generate almost a third (31.7%) of the total value added in distributive trades, while values in the other observed countries range from 13.6% in the United Kingdom to 20.9% in Sweden. It should be noted that the data for Ireland and Italy are 1997 data and refer only to enterprises with more than 20 persons employed (Table 2.5).

The contribution made by foreign ownership to employment is always lower than its contribution to value added, which suggests that foreign-owned enterprises operate with high labour productivity (value added per person employed) in distributive

trades. This can be explained by the fact that only large and well-organised companies tend to penetrate the distributive trade markets of foreign countries.

Table 2.5
Distributive trades: relative contributions of foreign-owned enterprises to value added and employment by activity (NACE division), 1998 (%)

	Value added				Employment			
	Distributive trades	Motor trade	Wholesale trade	Retail trade	Distributive trades	Motor trade	Wholesale trade	Retail trade
DK	14.5	12.2	20.5	4.5	8.8	2.6	17.6	2.9
E	:	:	19.4	:	:	:	8.3	:
IRL	31.7	23.1	36.0	29.0	21.1	6.9	22.5	22.8
I	:	:	:	:	13.0	12.3	20.6	6.9
NL	15.1	11.6	21.7	4.0	8.2	7.6	15.6	3.2
FIN	19.1	16.6	33.1	1.6	12.6	10.3	27.9	1.9
S	20.9	10.0	32.2	6.4	12.3	6.2	22.9	4.6
UK	13.6	22.3	20.2	2.9	6.5	6.1	16.2	2.4

IRL, I: 1997 data, covering only enterprises with 20 or more persons employed
Source: Eurostat, FATS database

Within the three distributive trade activities, the **wholesale trade** is by far the most popular for foreign-owned enterprises. These generated about a third of total wholesale value added in Ireland (36%, 1997 data), Finland (33%) and Sweden (32%), and around 20% in the other countries observed.

The share of employment in the wholesale trade is always lower, following the pattern of total distributive trades, but varies widely across the countries observed (between 8.3% in Spain and 27.9% in Finland). Nevertheless, foreign-owned firms employ more people in wholesaling than in the other trade activities in relative terms; the only exception is Ireland, where slightly more are employed in retailing (22.8% of employment by foreign-owned distributive trade enterprises in 1997).

The level of foreign ownership in the **retail trade** is considerably lower than in wholesaling, except in Ireland, where it accounted for 29% of value added and 22.8% of employment in distributive trades in 1997. In all the other countries observed, foreign-owned enterprises play a minor role in retailing, with shares below 10% for both value added and employment.

In the **motor trade**, foreign-owned enterprises are again more important, at least in terms of value added. This is particularly evident in the United Kingdom, where they generated 22.3% of total value added for this activity in 1998 - the highest value in all distributive trade activities in this country.

Wholesale trade: the most attractive activity for foreign ownership within distributive trades

Tables 2.6 and 2.7 show the shares of foreign-owned enterprises in value added and employment for the various wholesale activities (NACE groups).

In most of the Member States observed, the highest shares of foreign ownership are recorded in **wholesale of machinery, equipment and supplies**

(NACE Rev. 1 51.6). Foreign-owned enterprises account for more than half of the value added for this activity in Ireland (1997) and for 46.0% in Finland. The figure is lowest in Spain, at 25.5%, and about one-third of the total in the remaining Member States observed. Employment values for machinery and equipment wholesaling range from 16.2% in Spain to 44.4% in Ireland (1997); in all countries, apart from Italy, the shares are the highest of all wholesale activities.

Table 2.6
Wholesale trade: relative contribution of foreign-owned enterprises to total value added by activity (NACE group), 1998 (%)

	DK	E	IRL	I	NL	FIN	S	UK
51 Wholesale trade	20.5	19.4	36.0	:	21.7	33.1	32.2	20.2
51.1 on a fee or contract basis	:	8.2	0.0	:	12.8	19.6	13.9	12.4
51.2 of agric. raw materials, live animals	:	16.9	0.0	:	8.1	:	6.8	7.6
51.3 of food, beverages and tobacco	11.0	6.4	25.6	:	9.6	28.9	7.4	5.1
51.4 of household goods	19.8	27.3	:	:	19.5	33.1	39.1	19.9
51.5 of non-agric. Interm. products, waste, scrap	16.7	21.2	:	:	20.9	33.5	34.1	16.8
51.6 of machinery, equip. and supplies	33.2	25.5	50.6	:	32.9	46.0	38.3	32.5
51.7 other wholesale	14.5	12.4	29.1	:	23.5	5.1	7.6	14.0

IRL, I: 1997 data, covering only enterprises with 20 or more persons employed
Source: Eurostat, FATS database

Table 2.7
Wholesale trade: relative contribution of foreign-owned enterprises to total employment by activity (NACE group), 1998 (%)

	DK	E	IRL	I	NL	FIN	S	UK
51 Wholesale trade	17.6	8.3	22.5	20.6	15.6	27.9	22.9	16.2
51.1 on a fee or contract basis	:	3.8	0.0	10.5	9.5	12.6	10.5	10.8
51.2 of agric. raw materials, live animals	:	5.1	0.0	20.0	6.2	0.0	4.5	4.2
51.3 of food, beverages and tobacco	10.7	3.4	7.6	3.2	7.1	20.6	6.2	8.0
51.4 of household goods	14.6	13.9	:	24.3	13.2	24.0	28.2	15.2
51.5 of non-agric. Interm. Products, waste, scrap	16.5	6.3	:	21.5	17.3	32.4	23.7	11.0
51.6 of machinery, equip. and supplies	27.1	16.2	44.4	27.9	23.1	41.5	28.8	33.3
51.7 other wholesale	12.0	5.7	21.2	46.0	21.9	4.6	5.6	11.6

IRL, I: 1997 data, covering only enterprises with 20 or more persons employed
Source: Eurostat, FATS database

The other two wholesale activities that record relatively high shares of foreign ownership in value added and employment overall are the **wholesale of household goods** (NACE Rev. 1 51.4) and the **wholesale of non-agricultural intermediate products, waste and scrap** (NACE Rev. 1 51.5). Other wholesaling activities, such as **wholesale of food, beverages and tobacco** in Finland and Ireland, appear to be of interest to foreign-owned companies in selected countries only.

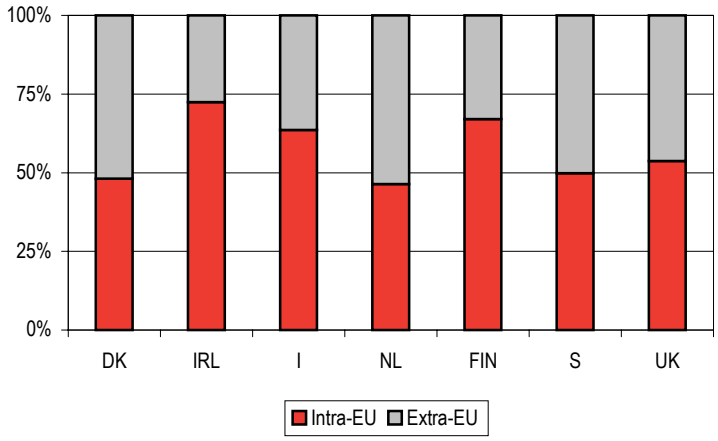
Origins of foreign ownership in distributive trades - Intra-EU and extra-EU

Information on the origins of foreign ownership can help to analyse the effects of the Internal Market. On the one hand, the single market may have made it more attractive for businesses in the EU to set up foreign affiliates in other EU Member States (intra-EU), thanks to the harmonisation of regulations. On the other hand, the creation of a single European market is also likely to have stimulated extra-EU ownership, as European markets have become less fragmented.

Figure 2.22 shows that intra-EU and extra-EU ownership generated roughly equal shares of value added in the distributive trades in 1998 in Denmark, the Netherlands, Sweden and the United Kingdom.

In the other countries observed, intra-EU ownership accounts for most of the value added (turnover for Italy) generated by foreign-owned enterprises: 72% in Ireland and 64% in Italy (both 1997 data), and 67% in Finland.

Figure 2.22
Distributive trades, value added of foreign-owned enterprises broken down by ownership, 1998



IRL: 1997 data, covering only enterprises with 20 or more persons employed
I: 1997 data, covering only enterprises with 20 or more persons employed. Value added is replaced by turnover
Source: Eurostat, FATS database

With regard to employment (Figure 2.23), intra-EU and extra-EU foreign ownership in distributive trades is fairly equally balanced in all countries except Finland (68% intra-EU) and Ireland (84% intra-EU - 1997 data), where there are far fewer foreign-owned enterprises from non-EU countries.

In Ireland (1997 data), the Netherlands, Sweden and, to a lesser extent, Finland, the shares of intra-EU ownership in distributive trades employment are higher than those in distributive trades value added, which suggests that enterprises from EU Member States operate with a lower labour productivity (value added per person employed) than their non-EU counterparts in these countries.

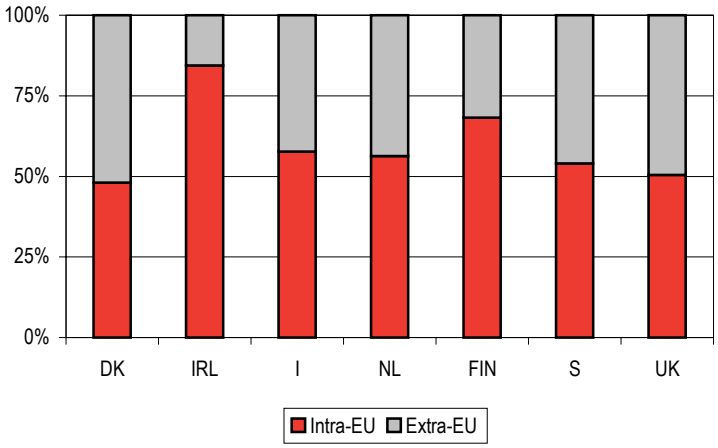


Figure 2.23
Distributive trades, employment in foreign-owned enterprises broken down by ownership, 1998

IRL, I: 1997 data, covering only enterprises with 20 or more persons employed
Source: Eurostat, FATS database

The opposite is true of Italy (1997 data) and the United Kingdom, where valued added per person employed (turnover for Italy) is higher in foreign-owned enterprises from EU countries than in companies with their origin in non-member countries. Denmark shows no significant difference between intra-EU and extra-EU ownership for this variable.

Table 2.8: Main variables, 1998

G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	22 010 500	5 400 304	:	:	:	:	:
B	:	579 032	227 293	215 731	21 486	12 843	8 643	4 024
DK	73 049	421 586	97 789	:	21 395	:	:	:
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	:	2 723 933	460 947	:	:	:	:	:
F	627 303	2 484 589	841 369	224 910	106 143	76 931	29 212	12 895
IRL	30 628	212 259	40 450	9 023	5 801	:	:	810
I	1 255 460	3 232 991	655 833	246 497	76 548	32 590	43 958	12 074
L	6 647	35 590	12 182	2 444	1 530	815	716	188
NL	166 940	1 231 565	:	:	:	:	:	:
A	64 039	561 341	130 340	38 564	19 748	13 421	6 327	2 403
P	212 080	860 605	159 025	81 177	13 392	7 241	6 151	3 444
FIN	52 270	231 779	76 793	16 530	9 787	5 871	3 915	1 363
S	119 521	433 036	156 814	37 342	19 367	13 624	5 743	3 290
UK	408 206	:	1 066 909	:	150 752	80 046	70 706	22 981
IS	:	:	:	:	:	:	:	:
NO	56 376	331 070	94 254	25 272	12 183	8 476	3 706	2 039

Number of persons employed and turnover: 1999 provisional data, except for DK (1995), IRL (1997), L (1998), NL (1998), NO (1997).
DK all data 1995; IRL, NO all data 1997; I,S all data 1997 except number of persons employed and turnover;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 2.9: Main indicators, 1998

G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	4.9	245.4	:	:	:	:	:
B	:	:	392.5	37.3	120.4	31.0	4.0	7.0
DK	139.9	5.8	232.0	50.7	:	:	:	:
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	:	:	169.2	:	:	:	:	:
F	104.7	4.5	338.6	37.3	126.3	29.6	3.6	4.5
IRL	83.7	6.9	190.6	27.3	:	:	:	3.8
I	218.3	2.3	202.9	30.0	103.8	30.0	7.6	4.1
L	154.9	5.4	342.3	43.0	164.8	26.1	5.9	5.5
NL	106.3	7.4	:	:	:	:	:	:
A	79.3	8.6	232.2	36.1	131.7	27.4	5.1	4.4
P	212.7	3.9	184.8	16.3	152.5	10.7	5.2	4.2
FIN	101.4	4.4	331.3	43.0	151.8	28.3	5.4	6.0
S	135.1	4.3	362.1	37.6	123.5	30.4	4.0	6.4
UK	68.9	:	:	:	:	:	7.3	:
IS	:	:	:	:	:	:	:	:
NO	128.0	5.9	284.7	36.8	133.6	27.6	3.9	6.2

Turnover per person employed: 1999 provisional data, except for DK (1995), IRL (1997), L (1998), NO (1997).
DK all data 1995; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed;
L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 2.10: Main variables, 1998

50 - Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	3 264 200	877 246	:	:	:	:	:
B	:	81 779	43 612	41 348	2 897	1 746	1 152	654
DK	12 726	62 997	11 377	:	2 731	:	:	:
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	:	326 550	74 768	:	:	:	:	:
F	81 777	381 754	115 635	27 530	14 180	11 096	3 084	2 061
IRL	5 061	30 089	8 378	1 348	865	:	:	81
I	157 960	464 526	127 323	39 366	10 620	4 860	5 760	1 563
L	836	5 885	2 372	380	269	141	128	24
NL	21 485	138 542	51 211	12 067	4 920	3 061	1 863	869
A	8 244	80 205	20 385	5 377	2 790	1 945	844	368
P	26 954	114 147	30 388	15 007	2 197	1 271	925	874
FIN	9 453	35 057	12 871	2 211	1 466	843	623	284
S	18 534	63 208	27 944	4 526	2 756	1 834	922	664
UK	72 105	:	191 209	:	25 085	11 324	13 760	2 995
IS	:	:	:	:	:	:	:	:
NO	8 133	50 455	17 767	3 658	2 032	1 391	641	617

Number of persons employed and turnover: 1999 provisional data, except for DK (1995), IRL (1997), L (1998), NL (1998), NO (1997). DK all data 1995; IRL, NO all data 1997; I,S all data 1997 except number of persons employed and turnover; L 1995 data for investment.

Source: Eurostat, SBS database

Table 2.11: Main indicators, 1998

50 - Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	5.1	268.7	:	:	:	:	:
B	:	:	533.3	36.6	115.5	31.7	2.8	8.3
DK	24.4	5.0	180.6	43.4	:	:	:	:
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	:	:	229.0	:	:	:	:	:
F	13.6	5.1	302.9	34.0	117.6	28.9	2.8	4.9
IRL	13.8	5.9	278.5	28.8	:	:	:	2.7
I	27.5	2.7	274.1	20.0	108.4	20.0	5.3	3.6
L	19.5	7.0	403.1	45.7	171.5	26.6	5.4	4.1
NL	13.7	6.4	369.6	35.5	130.3	27.3	3.6	6.3
A	10.2	9.5	254.2	35.6	130.1	27.3	4.4	4.7
P	27.0	5.0	266.2	16.2	152.3	10.6	3.7	6.4
FIN	18.3	3.6	367.2	43.0	151.8	28.3	5.3	8.3
S	21.0	3.9	442.1	38.2	128.3	29.8	3.9	9.2
UK	12.2	:	:	:	:	18.8	7.6	:
IS	:	:	:	:	:	:	:	:
NO	18.5	6.2	352.1	40.3	135.9	29.6	3.6	12.2

Turnover per person employed: 1999 provisional data, except for DK (1995), IRL (1997), L (1998), NL (1998), NO (1997). DK all data 1995; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed; L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 2.12: Main variables, 1998 — **51 - Wholesale trade and commission trade, except of motor vehicles and motorcycles**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	7 379 600	2 924 676	:	:	:	:	:
B	:	218 244	135 521	129 409	11 556	7 043	4 514	1 882
DK	22 733	179 530	76 581	23 501	9 487	6 158	3 329	1 345
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	183 124	930 651	255 688	51 756	30 775	14 029	16 746	4 562
F	161 287	898 068	447 418	113 849	45 848	34 039	11 809	4 697
IRL	4 914	50 157	18 732	3 992	2 517	:	:	316
I	385 128	1 061 389	323 076	136 416	36 741	14 804	21 938	5 584
L	2 953	12 499	7 018	1 220	744	369	375	79
NL	54 300	431 243	218 001	:	:	:	:	:
A	19 409	203 452	74 741	21 582	9 947	6 641	3 306	1 213
P	49 308	277 165	84 395	39 606	6 403	3 250	3 153	1 341
FIN	17 358	83 809	42 083	8 593	4 749	2 799	1 950	624
S	42 295	190 022	89 671	21 815	10 263	7 036	3 227	1 853
UK	120 101	:	525 232	:	66 487	34 521	31 966	7 778
IS	1 469	7 018	1 610	:	278	:	:	:
NO	17 521	105 576	52 289	14 406	6 053	4 093	1 960	847

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), IS (1995), NO (1997).
IRL, NO all data 1997; I,S all data 1997 except number of persons employed and turnover;
L 1995 data for investment; IS all data 1995.

Source: Eurostat, SBS database

Table 2.13: Main indicators, 1998 — **51 - Wholesale trade and commission trade, except of motor vehicles and motorcycles**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	5.7	396.3	:	:	:	:	:
B	:	:	621.0	53.7	130.9	41.0	3.5	8.7
DK	42.9	7.8	426.6	53.7	146.7	36.6	4.5	7.6
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	46.5	4.8	274.7	30.0	183.6	20.0	7.5	5.2
F	26.9	5.9	498.2	48.4	132.3	36.6	2.7	5.0
IRL	13.4	10.2	373.5	50.2	:	:	:	6.3
I	67.0	2.5	304.4	40.0	128.2	30.0	7.6	5.7
L	68.8	4.2	561.5	59.5	175.4	33.9	5.3	6.7
NL	34.6	7.9	:	:	:	:	:	:
A	24.0	10.3	367.4	49.9	138.4	36.1	4.6	6.1
P	49.5	5.4	304.5	24.0	178.4	13.5	5.3	5.0
FIN	33.7	4.8	502.1	57.2	162.2	35.3	4.9	7.5
S	47.8	5.0	471.9	49.0	131.3	37.3	3.9	8.8
UK	20.3	:	:	:	:	28.4	6.5	:
IS	55.0	4.8	229.4	39.6	:	:	:	:
NO	39.8	6.0	495.3	57.3	141.3	40.6	3.7	8.0

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NO (1997), IS (1995).
IRL, NO all data 1997; I, S all data 1997 except turnover per person employed; L 1995 data for investment per person employed;
UK 1997 data for unit labour cost; IS all data 1995.

Source: Eurostat, SBS database

Table 2.14: Main variables, 1998

52 - Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	11 366 800	1 598 382	:	:	:	:	:
B	:	279 009	48 160	44 974	7 033	4 055	2 978	1 489
DK	31 912	198 470	27 322	8 147	4 990	3 371	1 619	519
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	555 609	1 466 732	130 491	32 736	23 579	10 702	12 877	3 771
F	384 239	1 204 767	278 316	83 530	46 115	31 797	14 319	6 137
IRL	20 653	132 013	13 340	3 683	2 419	:	:	412
I	712 372	1 707 076	205 434	70 715	29 186	12 926	16 260	4 927
L	2 858	17 206	2 792	845	518	305	212	86
NL	91 155	661 780	68 005	23 069	13 079	7 418	5 661	1 960
A	36 386	277 685	35 214	11 605	7 011	4 835	2 177	822
P	135 818	469 293	44 242	26 565	4 792	2 719	2 073	1 229
FIN	25 459	112 913	21 838	5 726	3 572	2 229	1 343	455
S	58 692	179 806	39 199	11 001	6 348	4 754	1 594	773
UK	216 000	:	350 468	:	59 181	34 201	24 980	12 208
IS	1 670	7 742	:	:	:	:	:	:
NO	30 722	175 039	24 198	7 208	4 098	2 992	1 106	576

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), IS (1995 for number of persons employed), NO (1997).
E, I,S all data 1997 except number of persons employed and turnover; IRL, NO all data 1997;
L 1995 data for investment; NL 1996 data for investment; IS all data 1995.

Source: Eurostat, SBS database

Table 2.15: Main indicators, 1998

52 - Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	4.4	140.6	:	:	:	:	:
B	:	:	172.6	25.0	115.6	21.6	6.6	5.3
DK	60.2	6.1	137.7	25.5	130.7	19.5	6.1	2.7
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	141.3	2.5	89.0	20.0	128.4	10.0	11.2	2.7
F	64.1	3.9	231.0	31.2	126.4	24.7	5.4	4.2
IRL	56.4	6.4	101.1	18.3	:	:	:	3.1
I	123.9	2.2	120.3	20.0	85.7	20.0	9.1	3.2
L	66.6	6.0	162.3	30.1	148.5	20.3	7.6	5.1
NL	58.0	7.3	97.8	19.8	150.7	13.1	8.7	3.1
A	45.0	7.4	126.8	26.0	126.2	20.6	6.4	3.0
P	136.2	3.1	94.3	11.4	133.1	8.6	6.3	2.9
FIN	49.4	4.3	193.4	32.3	142.3	22.7	6.5	4.1
S	66.3	4.0	218.0	27.1	112.9	24.0	4.4	3.3
UK	36.5	:	:	:	:	:	8.5	:
IS	62.5	4.6	:	:	:	:	:	:
NO	69.7	5.7	138.2	23.4	125.1	18.7	4.6	3.3

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NL (1998), NO (1997).
E, I, S all data 1997 except turnover per person employed; IRL, NO all data 1997; L 1995 data for investment per person employed; NL 1996 data for investment per person employed; IS all data 1995.

Source: Eurostat, SBS database

3. SECTORAL ANALYSIS

3.1 Motor trade

Motor trade (NACE Rev. 1 Division 50) comprises the sale, maintenance and repair of motor vehicles and motorcycles, as well as the retail sale of automotive fuel.

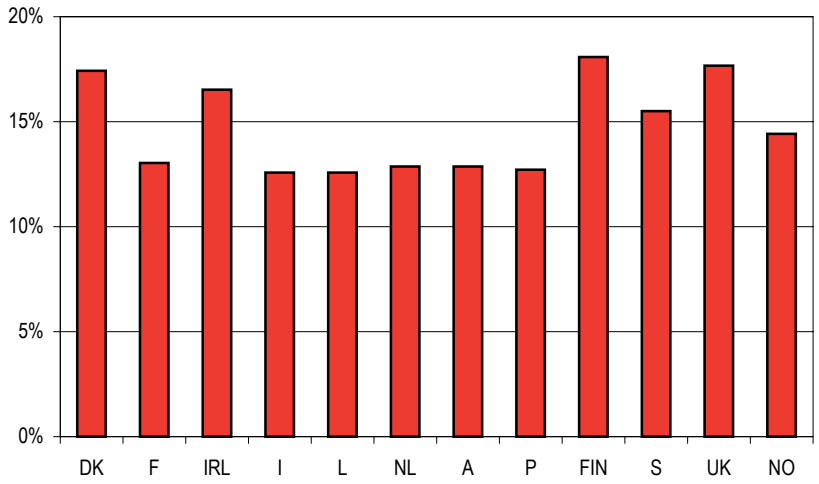
Motor vehicles represent a very important sector of the economy, with an enormous production capacity and a high level of competition.

Motor trade data cover wholesale and retail activities, both of which are a crucial part of the value chain of the final product sold.

Motor trade also includes several services related to motor vehicles (e.g. maintenance, repair) and allowing producers to maintain a continuous link with their clients, which is essential for planning their large investments.

3.1.1 Enterprises in the motor trade

Figure 3.1.1
Number of enterprises: share of motor trade in total distributive trades, 1998



IRL, I, S, NO: 1997; DK: 1995
Source: Eurostat, SBS database

In the EU the number of businesses operating in the motor trade in 1998 was estimated at around 600 thousand enterprises, representing about 13% of the enterprises in total distributive trade. Of the countries providing data[1], Italy recorded the highest absolute number of enterprises (nearly 158 thousand in 1997) followed by France, with over 81 thousand (1998). In these countries motor trade enterprises accounted for 12.6% and 13% respectively of total distributive trade. The relative importance of enterprises in motor trade, however, appears to be higher in the northern European countries: the share of total distributive trades ranges from 14.4% in Norway to 18.1% in Finland.

Two main networks in the motor trade

Motor trade in Europe is organised into two main networks.

The primary one is made up of dealers and producers' branches.

The secondary one is made up of agents attached to dealers and branches.

In France, as in Italy and Spain, the secondary networks are more important and account for about 70% of the points of sales, while in Germany and in the most Northern countries the primary networks predominate.

There is a general tendency towards the concentration of dealers and their size continues to increase, but the sector is still much more fragmented than, for example, food or non-food retailing.

The number of enterprises in the sale of motor vehicles is higher than in maintenance and repair in those countries where car-ownership is longer established (e.g. in France and the United Kingdom).

[1] Germany does not provide SBS data for NACE Rev. 1 50.2 (maintenance and repair of motor vehicles) and is therefore not included in direct comparisons.

The total number of enterprises operating in a country is directly related to its demographic size and to the size of the businesses. Hence, the relative importance of the sector can be better indicated using the ratio of the number of enterprises to the population (enterprise density).

The European average for this indicator in 1998 can be roughly estimated at over 16 enterprises per 10 000 inhabitants.

Among the countries observed, Italy, which has the highest absolute number of enterprises, also records the highest enterprise density in Europe (about 27.5). Portugal follows closely at 27.

An explanation for this pattern may be found in the highly fragmented Italian and Portuguese distributive trade structures.

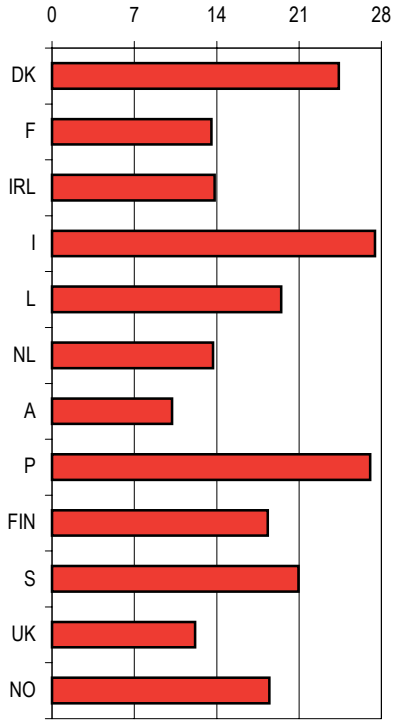


Figure 3.1.2
Motor trade: number of enterprises per 10 000 inhabitants, 1998

IRL, I, S, NO: 1997; DK: 1995
Source: Number of Enterprises: Eurostat, SBS database
Population: Eurostat, aux_ind database

The lowest enterprise densities are recorded in Austria and in the United Kingdom, at 10.2 and 12.2 enterprises per 10 000 inhabitants respectively.

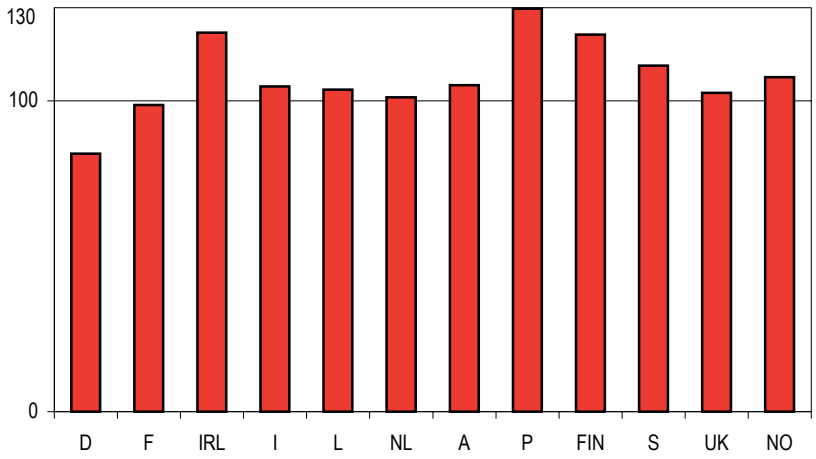


Figure 3.1.3
Motor trade: change in the number of enterprises, 1995-1998 (1995=100)

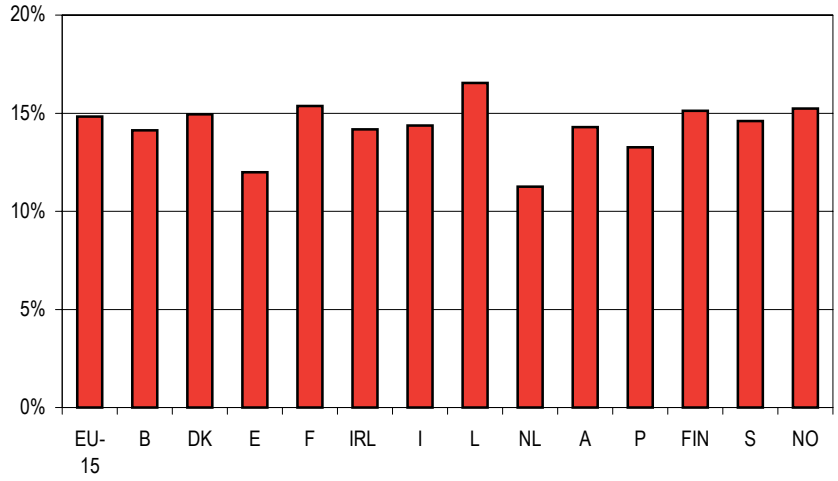
D excludes NACE Rev. 1 50.2
Source: Eurostat, SBS database and estimates

Between 1995 and 1998, the number of motor trade enterprises in Europe saw a variety of changes[2], which were positive in most cases. The highest growth rates were recorded in Portugal (nearly 30% over the period), in Ireland (estimated at 22%) and Finland (21.3%). In these countries, the rise in the number of enterprises in motor trade followed the growth of GDP and consumption over the same period.

Market saturation was another characteristic that determined the development of the number of enterprises. Countries with slower GDP or consumption growth in the reference period or with a higher level of saturation at the outset (e.g. Germany, France, Italy) thus showed lower growth rates or even declines for the number of enterprises in the motor trade.

3.1.2 Employment in the motor trade

Figure 3.1.4
Number of persons employed: share of motor trade in total distributive trades, 1999



L, NL: 1998; IRL, NO: 1997; DK: 1995
Source: Eurostat, SBS database

Provisional data for 1999 put the number of persons employed in the motor trade in the EU at nearly 3.3 million, representing 14.8% of total distributive trade employment. Italy and France recorded the highest absolute figures (465 thousand and 382 thousand respectively).

The average motor trade enterprise is *slightly* larger in terms of the number of persons employed than other distributive trade businesses. The relative importance of motor trade employment in total distributive trade in these countries providing data shows no substantial disparities: Luxembourg is highest with 16.5%, the Netherlands lowest (11.2%).

[2] Some countries do not provide data for the whole period. In order to allow comparisons across countries, in some cases their growth rates are estimated or calculated on the basis of the available data.

Figure 3.1.5 shows that the largest average motor trade businesses are in Austria with 9.5 persons employed per enterprise. The smallest average size is recorded in Italy (less than 3 persons employed), while the European average is estimated at about 5.

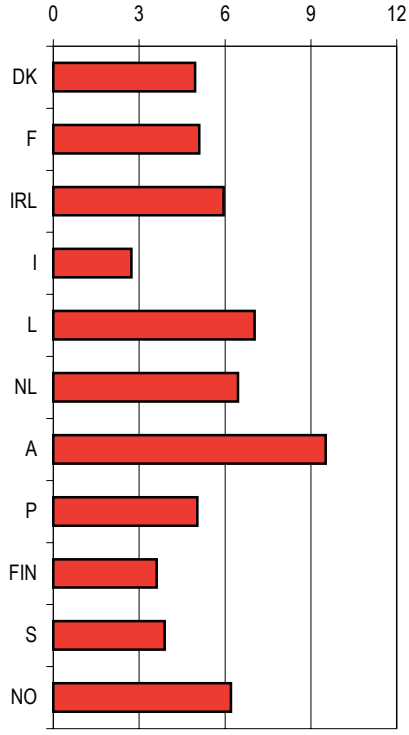


Figure 3.1.5
Motor trade: number of persons employed per enterprise, 1998

IRL, I, S, NO: 1997; DK: 1995
Source: Eurostat, SBS database

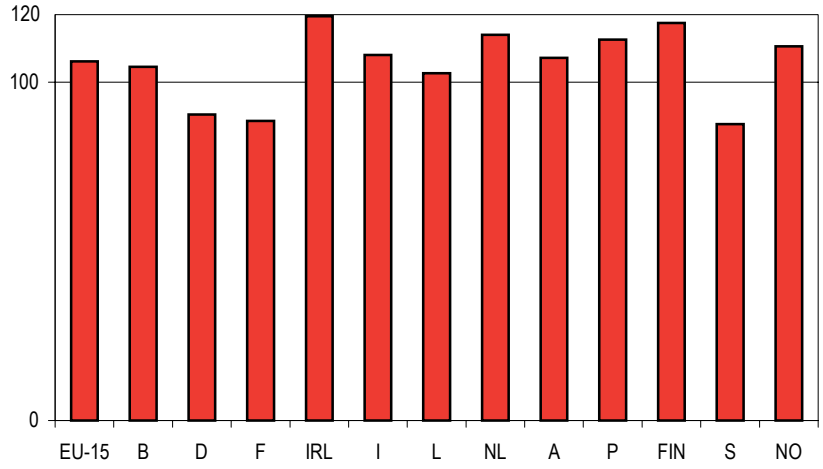


Figure 3.1.6
Motor trade: change in employment, 1995-1999 (1995 = 100)

D excludes NACE Rev. 1 50.2; IRL, NO: 1995-1997; S: 1997-1999
Source: Eurostat, SBS database and estimates,

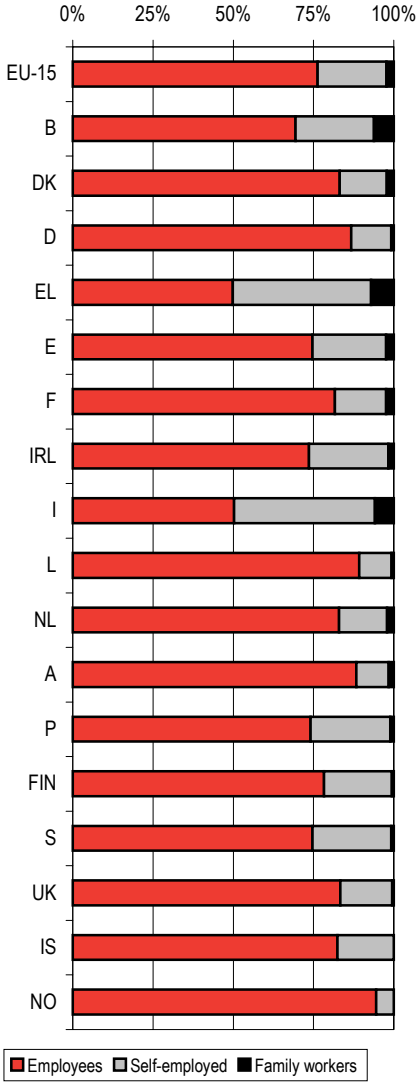
Employment in motor trade is estimated to have grown at EU level by about 6% during the 1995-1999 period (Figure 3.1.6)[3]. Between 1995 and 1997, Ireland recorded a growth of 19.5%; in Norway the growth stands at 10.7% in the same period. Finland (17.5%) and Portugal (12.6%) show double digit growth between

[3] Some countries do not provide data for the whole period. In order to allow comparisons across countries, in some cases their growth rates are estimated or calculated on the basis of the available data.

1995 and 1999, while values for Sweden (-12.4% from 1997 to 1999), France (-11.4%) and Germany (-9.5% - excluding maintenance and repair of motor vehicles - NACE Rev. 1 50.2) declined.

Employment characteristics

Figure 3.1.7
Motor trade: proportions of employees, self-employed and family workers in total employment, 1999



Source: Eurostat, Labour Force Survey

The motor trade is a sector where the level of self-employment is generally lower than in retail trade (but higher than wholesale). In 1999, the EU average was 76% for employees; whilst 24% of the work force was self-employed (21% self-employed, with 3% classified as family workers).

Greece, Italy (both at 50%) and to a lesser extent Belgium (31%) had proportions noticeably higher than the EU average for self-employment and family workers. Norway (6%), Luxembourg (11%), Austria (12%) and Germany (13%) had figures below that average, with the other countries being more or less in line.

Furthermore, motor trade appears to be a male preserve. Female employment is not very common, the EU average being around 18%. It is mainly the southern European Member States (as well as Sweden) that recorded figures below this average and it is probably for historical and cultural reasons. Among the other countries, Luxembourg stood out with 24% female employment.

Part-time employment is even less widespread (EU average 10%), and where women work in this area, it is often full time. In most countries there is a big

difference between female and part-time employment (the differences in Sweden, Iceland and Norway are not significant).

Denmark and the Netherlands are clear exceptions to this pattern however. The modern economies of these countries obviously also allow men employed in motor trade to work part time.

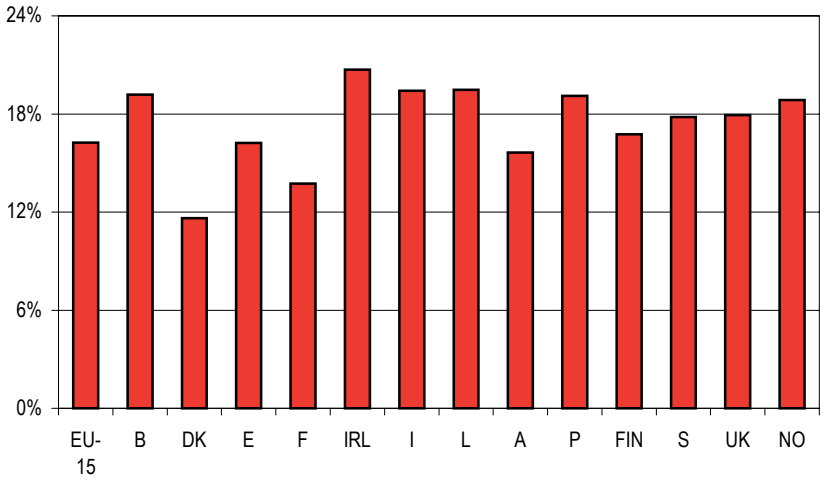
Figure 3.1.8
Motor trade: female and part-time employment, 1999

Source: Eurostat, Labour Force Survey

3.1.3 Turnover and productivity

The turnover generated by the motor trade in 1999 is estimated at nearly 880 billion euro for the EU. The five largest Member States together accounted for more than 70% of the total. The United Kingdom accounted for 191 billion euro (almost 22%); Germany (excluding NACE Rev. 1 50.2) 128 billion; Italy (which ranks first for employment and enterprises) followed with 127 billion, then France (115 billion) and Spain (75 billion).

Figure 3.1.9
Turnover: share of motor trade in total distributive trades, 1999



L: 1998; IRL, NO: 1997; DK: 1995
Source: Eurostat, SBS database

Figure 3.1.9 indicates the relative importance of the motor trade in total distributive trade turnover. The proportions of motor trade turnover in total distributive trades are generally 4 to 5% higher than those of employment. An explanation for the higher level of turnover may be found in the fact that the most important activity of motor trade, the sale of motor vehicles (NACE Rev. 1 50.1), involves high-price goods, compared to, for example retailing in general.

Of the countries providing data, the highest shares are recorded for Belgium, Ireland, Italy, Luxembourg and Portugal, all exceeding 19%. The lowest are for France at 13.7% and Denmark, which lags at 9.8%.

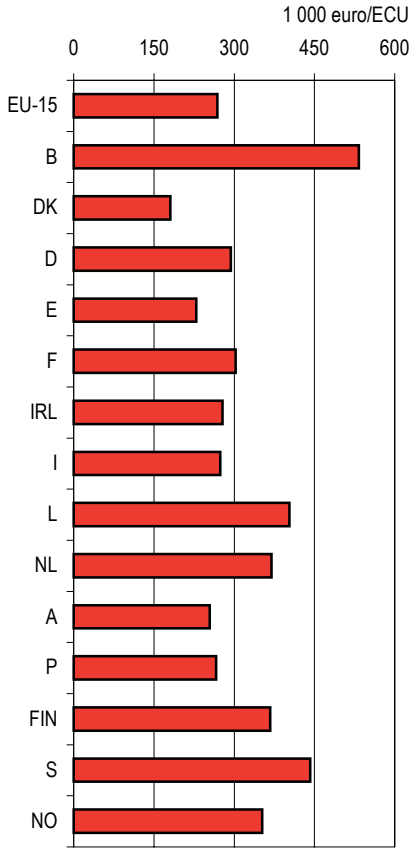
Commission regulation on motor vehicle distribution

Motor vehicle retailing is dominated by dealers.

For this market the European Commission produced a Regulation (No. 1475/95) which allows producers to select their dealers on the basis of qualitative criteria, which must nevertheless be objective and uniform. It also allows territorial and brand exclusiveness.

This selective and exclusive system (of retailing and wholesaling) is justified by the technological complexity of motor vehicles and the public importance of safety aspects/problems, because it is necessary to ensure that maintenance and services are carried out by skilled staff.

Figure 3.1.10
Motor trade: turnover per person employed, 1999



D excludes NACE Rev. 1 50.2
L, NL: 1998; IRL, NO: 1997; DK: 1995
1999 data are expressed in euro, data for previous years in ECU
Source: Eurostat, SBS database

At EU level, in 1999 each person employed in motor trade generated a turnover of about 275 thousand euro (Figure 3.1.10). Disparities across countries are substantial. Belgium is well above the EU average, with 533 thousand euro per person employed. Next is Sweden, at 442 thousand euro.

At the bottom of the scale are Austria, with 254 thousand euro per person employed, Spain (229 thousand euro) and Denmark (181 thousand ECU - 1995 data).

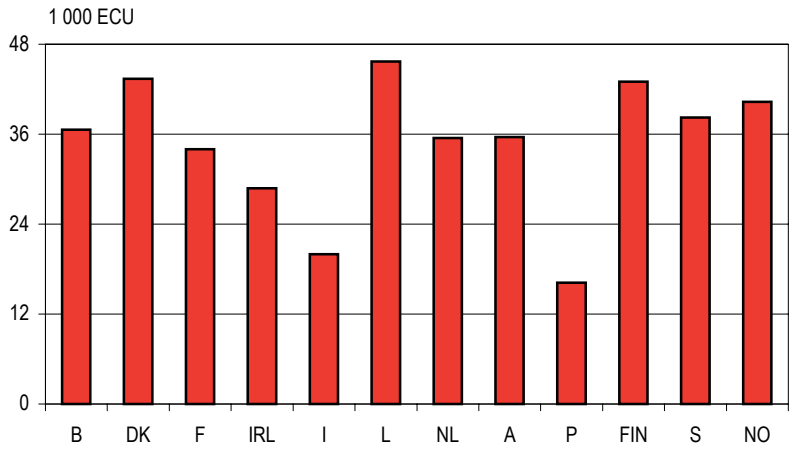


Figure 3.1.11
Motor trade: value added per person employed, 1998

IRL, I, S, NO: 1997; DK: 1995
Source: Eurostat, SBS database

The value added of an activity is calculated on the basis of turnover generated after adjusting for certain values (mainly purchases of goods and services, subsidies received and indirect taxes paid). Taken into relation with employment, it is an initial measure of productivity (it is also called apparent labour productivity – Figure 3.1.11).

Luxembourg (45.7 thousand ECU - 1998) and the northern European countries present the highest productivity rates among the countries observed and Italy (20 thousand ECU in 1997) and Portugal (16.2 thousand ECU in 1998) the lowest. Productivity rates in the motor trade are generally lower than in wholesaling, but higher than retailing.

Figure 3.1.12 shows that there is a general tendency for larger enterprises to have higher productivity rates and vice versa. Austria, Finland and Sweden, however, seem to be exceptions to this.

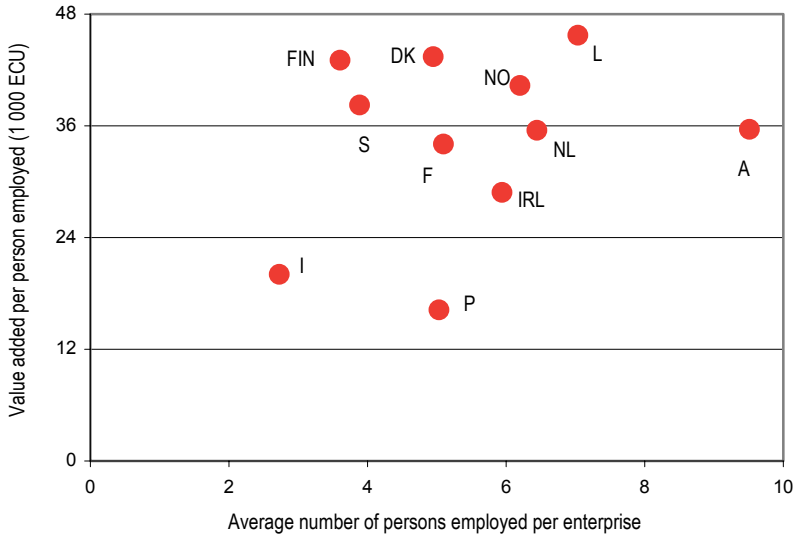
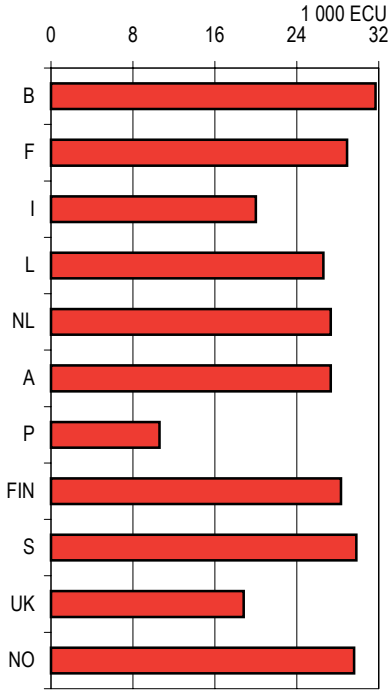


Figure 3.1.12
Motor trade: value added per person employed and average enterprise size, 1998

IRL I, S, NO: 1997; DK: 1995
Source: Eurostat, SBS database

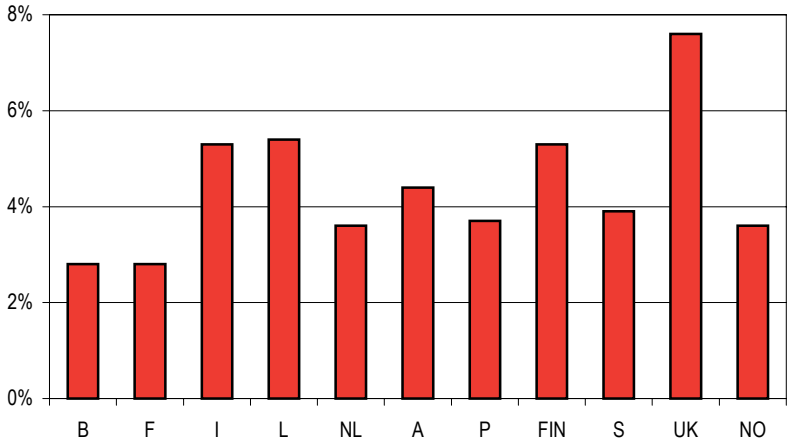
Figure 3.1.13
Motor trade: unit labour costs, 1998



I, S, UK, NO: 1997
Source: Eurostat, SBS database

The result from an economic activity (the operating surplus) is calculated as value added after compensation of employees (personnel cost); the latter is represented by the unit labour cost (personnel cost per employee). Thus, a high value added per person employed allows a higher unit labour cost without affecting the operating result. For the countries observed (Figure 3.1.13), Belgium (31 thousand ECU) and the northern European countries are characterised by particularly high labour costs, whilst labour cost per employee in Portugal (11 thousand ECU) and Italy (20 thousand ECU) is low and thus in line with the respective value added levels.

Figure 3.1.14
Motor trade: gross operating rates, 1998



I, S, NO: 1997
Source: Eurostat, SBS database

The gross operating rate (operating surplus as a percentage of turnover) - the indicator of the success of an economic activity - varies considerably for the countries observed. It ranges from 2.8% in France and Belgium, to about 5.4% in Luxembourg and is particularly high in the United Kingdom (nearly 8%).

Furthermore, operating rates are related to the level of concentration in a sector and to the size of the enterprises, which may explain the high rate in the United Kingdom. The majority of the dealers in that country belong to multinational diversified consortia or to groups which own several dealerships.

3.1.4 Motor trade activities

NACE Rev. 1 Division 50 (motor trade) is broken down into the following groups:

50.1: Sale of motor vehicles

50.2: Maintenance and repair of motor vehicles

50.3: Sale of motor vehicle parts and accessories

50.4: Sale, maintenance and repair of motorcycles and related parts and accessories

50.5: Retail sale of automotive fuel

Share of motor trade employment

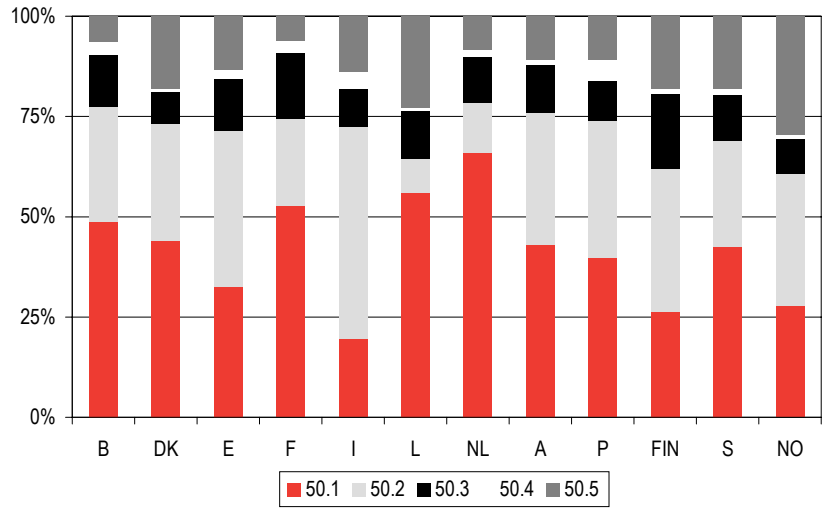


Figure 3.1.15
Motor trade: employment broken down by activity (NACE group), 1999

L, NL: 1998; NO: 1997; DK: 1995
Source: Eurostat, SBS database

Sale of motor vehicles (NACE Rev. 1 50.1) is the most important activity in the motor trade, with a EU average of 38% (average calculated from the countries providing data).

In France, Luxembourg and the Netherlands this activity accounts for more than half of motor trade employment. Southern European Member States, as well as Finland and Norway, have higher employment percentages for maintenance and repair of motor vehicles (NACE Rev. 1 50.2) - Italy stands out with 53.8%. This activity ranks second in all other countries, except Luxembourg, and accounts, on average, for 35% of motor trade employment.

Sale of motor vehicle parts (NACE Rev. 1 50.3 – Finland highest with 18.7%) and retail sale of automotive fuel (NACE Rev. 1 50.5 – Norway 29.5%) both account for around 12% of employment at European level. Sale, maintenance and repair of motorcycles and related parts and accessories (NACE Rev. 1 50.4) only accounts for 3% of motor trade employment on average at European level (Portugal and Italy have values of 13% and 10% respectively).

Share of motor trade turnover

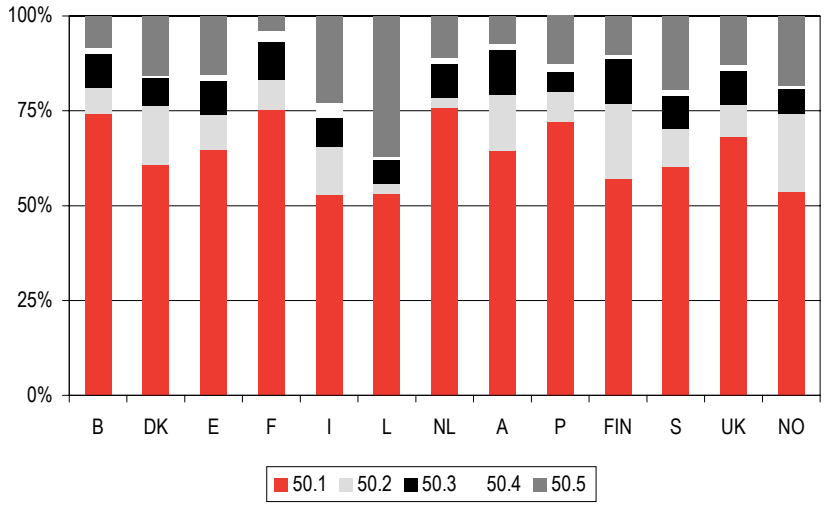
For turnover the situation is similar. The share of sale of motor vehicles (NACE Rev. 1 50.1) is higher than 50% in all countries providing data (about 75% in Belgium, France and the Netherlands – 1998 data); the European average is 67% (calculated from the data providing countries).

Unlike for employment, retail sale of automotive fuel (NACE Rev. 1 50.5), with a 13% share at European level, generates a higher turnover (Luxembourg has an outstanding 37.2%) than maintenance and repair of motor vehicles (NACE Rev. 1 50.2), which appears to be a labour intensive activity with a relatively low turnover (average 9%). However, disparities across the countries observed are substantial - maintenance and repair of motor vehicles generates more than 15% of motor trade turnover in Denmark, Finland and Norway, but less than 3% in Luxembourg and the Netherlands.

Sales of motor vehicle parts and accessories (NACE Rev. 1 50.3) record an average of 9% with figures ranging between 6.2% in Luxembourg 11.7% in Austria.

Sale, maintenance and repair of motorcycles and related parts and accessories (NACE Rev. 1 50.4) is also negligible with regard to turnover (2% share).

Figure 3.1.16
Motor trade: turnover broken down by activity (NACE group), 1999



L, NL: 1998; NO: 1997; DK: 1995
Source: Eurostat, SBS database

Focus on the activities

Sale of motor vehicles (NACE Rev. 1 50.1)

Enterprises operating in the sale of motor vehicles are generally larger than those operating in other motor trade activities (average size between 6 and 16 persons employed).

This activity also records the highest turnover per person employed in all countries except in the Netherlands and Luxembourg, where turnover of enterprises dealing with the retail sale of automotive fuel (NACE Rev. 1 50.5) is higher (in Luxembourg motorcycle dealers - NACE Rev. 1 50.4 - also have a higher level of turnover per person employed). Belgium stands out with nearly 790 thousand euro per person employed in 1999.

Investments are also generally higher than those of other motor trade activities, especially in the northern European countries (Norway is top with 23 thousand ECU per person employed in 1997), while the operating rates (gross operating surplus as a percentage of turnover) are generally lower in the sale of motor vehicles than in other motor trade activities (the highest are recorded in maintenance and repair of motor vehicles - NACE Rev. 1 50.2).

Maintenance and repair of motor vehicles (NACE Rev. 1 50.2)

Businesses engaged in this activity are generally small (highest average size for Austria - 8 persons employed per enterprise) and generally show the lowest turnover per person employed of all motor trade activities.

Value added per person employed (labour productivity) is also lower than in motor vehicles sales, but is offset by low labour costs. This results in higher operating rates (Italy, the Netherlands and the United Kingdom exceed 16.5%).

Low investment figures characterise most countries. The northern European countries are exceptions – Norway, where investments amount to 13 thousand ECU per person employed in 1997, stands out.

Sale of motor vehicle parts and accessories (NACE Rev. 1 50.3)

The size of enterprises operating in this activity varies considerably from country to country: from about 4 persons employed per enterprise in Italy and Finland to 10 in France and 12 in Germany and Austria, which record the largest enterprises for all activities[4] except for retail sale of automotive fuel.

[4] Excluding maintenance and repair of motor vehicles (NACE Rev. 1 50.2) for Germany: data not provided.

Turnover per person employed is far below that of sale of motor vehicles (NACE Rev. 1 50.1), but labour productivity (value added per person employed) is more or less in line with it (even higher in France, the Netherlands and Austria).
The operating rates that can be achieved in this activity are quite high in most countries. The United Kingdom records the highest figure (9.2%) for this indicator.

Sale, maintenance and repair of motorcycles and related parts and accessories (NACE Rev. 1 50.4)

Enterprises dealing with motorcycles are generally small. The largest ones are those operating in Germany and Austria, with an average size of 5 persons employed.

With nearly 470 thousand euro per person employed in 1999, Sweden has the highest turnover per person employed. The figures vary considerably across all countries providing data and Portugal is at the bottom with 89.7 thousand euro per person employed (1999). In all countries providing data turnover per person employed in this activity is lower than in motor vehicles, except in Luxembourg.

In several countries labour productivity (value added per person employed) and unit labour costs are quite low compared to other motor trade activities. Portugal again records the lowest levels.

There are, however, disparities in gross operating rates, which are under 4% in Belgium, France and Norway but as high as 11.9% in the United Kingdom.

Retail sale of automotive fuel (NACE Rev. 1 50.5)

There are large disparities between countries for this activity, particularly for turnover, productivity and operating rates. Luxembourg has high levels (1998 data) for turnover per person employed (658 thousand ECU, the highest figures of all motor trade activities in all countries observed) and for labour productivity (44 thousand ECU per person employed).

This is obviously a consequence of the low fuel prices in this country, which generates considerable border traffic to purchase fuel and results in a high density of petrol stations with a high turnover. On the other hand, France and Austria have low levels of turnover per person employed, but still a reasonable high productivity level; Austria records the highest operating rate of all countries, at 6.3% for this activity (even the operating rate of Luxembourg is only 4.2%).

France (1.6%) and Portugal (1.0%) have the lowest operating rates for this activity – these figures are the lowest of all motor trade activities.

Table 3.1.1: Main variables, 1998 **50.1 - Sale of motor vehicles**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	39 873	32 384	30 204	1 684	1 022	662	347
DK	3 670	27 789	6 913	:	1 382	:	:	:
D	21 523	304 159	101 973	:	:	:	:	1 811
EL	:	:	:	:	:	:	:	:
E	:	106 155	48 462	:	:	:	:	:
F	29 505	201 769	87 179	15 996	8 081	6 371	1 710	1 452
IRL	984	10 764	5 623	746	484	:	:	35
I	12 669	91 222	67 453	15 068	3 153	1 816	1 337	382
L	379	3 289	1 259	230	166	88	78	17
NL	13 610	91 356	38 787	9 048	3 310	2 082	1 230	695
A	2 094	34 450	13 137	2 690	1 331	971	360	174
P	4 227	45 486	21 954	7 662	1 213	609	604	564
FIN	1 497	9 195	7 343	894	567	292	274	132
S	3 819	26 825	16 813	2 161	1 304	847	457	385
UK	31 196	:	130 238	:	14 834	5 984	8 849	1 811
IS	:	:	:	:	:	:	:	:
NO	2 105	14 046	9 535	1 569	789	502	288	324

Number of persons employed and turnover: 1999 provisional data, except for DK (1995), IRL (1997), L (1998), NL (1998), NO (1997). DK all data 1995; D 1997 data for investment; IRL, NO all data 1997; I,S all data 1997 except number of persons employed and turnover; L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.1.2: Main indicators, 1998 **50.1 - Sale of motor vehicles**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	812.2	44.1	126.0	35.0	2.2	9.1
DK	7.0	7.6	248.8	49.7	:	:	:	:
D	2.6	14.3	335.3	:	:	:	:	5.9
EL	:	:	:	:	:	:	:	:
E	:	:	456.5	:	:	:	:	:
F	4.9	7.4	432.1	37.1	121.1	30.6	2.2	6.7
IRL	2.7	10.9	522.4	45.0	:	:	:	3.3
I	2.2	6.5	739.4	40.0	137.9	30.0	2.4	4.7
L	8.8	8.7	382.7	50.3	179.9	28.0	6.2	5.2
NL	8.7	6.7	424.6	36.2	125.1	29.0	3.2	7.6
A	2.6	16.1	381.3	39.5	129.4	30.5	2.9	5.2
P	4.2	11.0	482.7	26.2	192.3	13.6	3.7	12.2
FIN	2.9	6.0	798.6	63.0	188.2	33.5	4.0	14.7
S	4.3	7.3	626.8	46.7	143.1	32.6	3.2	13.8
UK	5.3	:	:	:	:	25.3	6.9	:
IS	:	:	:	:	:	:	:	:
NO	4.8	6.7	678.8	56.2	149.3	37.6	3.0	23.1

Turnover per person employed: 1999 provisional data, except for DK (1995), IRL (1997), L (1998), NL (1998), NO (1997) DK all data 1995; D 1997 data for investment per person employed; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed; L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 3.1.3: Main variables, 1998 **50.2 - Maintenance and repair of motor vehicles**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	23 444	2 992	3 275	602	344	258	173
DK	6 738	18 318	1 771	:	652	:	:	:
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	:	127 148	6 820	:	:	:	:	:
F	34 739	82 715	8 850	5 461	2 809	2 109	700	304
IRL	2 094	7 051	578	186	121	:	:	23
I	100 562	245 357	16 136	10 386	4 202	1 777	2 426	858
L	126	498	67	22	18	9	9	1
NL	3 390	17 371	1 325	1 268	562	342	220	70
A	3 272	26 397	3 018	1 600	803	554	249	96
P	14 908	38 888	2 319	1 672	458	310	148	146
FIN	5 017	12 518	2 566	585	412	245	167	102
S	10 089	16 770	2 842	1 083	666	450	217	130
UK	24 680	:	16 049	:	4 735	2 540	2 195	646
IS	:	:	:	:	:	:	:	:
NO	3 182	16 592	3 663	1 170	635	487	148	215

Number of persons employed and turnover: 1999 provisional data, except for DK (1995), IRL (1996), L (1998), NL (1998), NO (1997). DK all data 1995; IRL all data 1996; I,S all data 1997 except number of persons employed and turnover; L 1995 data for investment; NO all data 1997.

Source: Eurostat, SBS database

Table 3.1.4: Main indicators, 1998 **50.2 - Maintenance and repair of motor vehicles**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	127.6	26.5	105.2	25.2	7.9	7.6
DK	12.9	2.7	96.7	35.6	:	:	:	:
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	:	:	53.6	:	:	:	:	:
F	5.8	2.9	107.0	28.1	109.1	25.7	6.8	3.0
IRL	5.8	3.4	82.0	17.2	:	:	:	3.3
I	17.5	2.3	65.8	20.0	97.3	20.0	17.8	3.7
L	2.9	4.0	133.5	35.4	152.9	23.2	13.0	2.2
NL	2.2	5.1	76.3	32.4	130.8	24.7	16.6	4.0
A	4.1	7.9	114.3	31.1	129.1	24.1	8.4	3.7
P	15.0	3.2	59.6	9.6	113.4	8.5	8.3	3.1
FIN	9.7	2.4	205.0	34.4	126.0	27.3	8.0	8.5
S	11.4	2.3	169.4	29.2	106.2	27.5	7.7	5.7
UK	4.2	:	:	:	:	12.9	16.5	:
IS	:	:	:	:	:	:	:	:
NO	7.2	5.2	220.8	38.3	116.6	32.9	4.0	13.0

Turnover per person employed: 1999 provisional data, except for DK (1995), IRL (1996), L (1998), NL (1998), NO (1997). DK all data 1995; IRL all data 1996; I, S all data 1997 except turnover per person employed; L 1995 data for investment per person employed; UK 1997 data for unit labour cost; NO all data 1997.

Source: Eurostat, SBS database

Table 3.1.5: Main variables,1998 **50.3 - Sale of motor vehicle parts and accessories**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	10 594	3 933	4 292	400	287	114	50
DK	886	5 143	842	:	256	:	:	:
D	6 956	84 232	18 347	:	:	:	:	316
EL	:	:	:	:	:	:	:	:
E	:	42 126	6 650	:	:	:	:	:
F	6 167	62 314	11 797	4 035	2 244	1 767	477	208
IRL	:	:	:	:	:	:	:	:
I	10 843	44 018	9 551	3 438	1 384	686	698	119
L	112	714	147	33	24	20	4	2
NL	2 150	15 826	4 666	982	615	381	234	74
A	784	9 675	2 390	667	405	269	135	73
P	2 873	11 464	1 682	1 625	264	173	91	78
FIN	1 445	6 544	1 496	424	286	169	118	28
S	1 704	7 176	2 388	565	314	213	102	54
UK	7 187	:	17 682	:	3 400	1 910	1 490	266
IS	:	:	:	:	:	:	:	:
NO	979	4 412	1 161	328	208	146	63	30

Number of persons employed and turnover: 1999 provisional data, except for DK (1995), IRL (1996), L (1998), NL (1998), NO (1997). DK all data 1995; D 1997 data for investment; I,S all data 1997 except number of persons employed and turnover; L 1995 data for investment; NO all data 1997.

Source: Eurostat, SBS database

Table 3.1.6: Main indicators, 1998 **50.3 - Sale of motor vehicle parts and accessories**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	371.2	39.0	110.4	35.4	2.7	4.9
DK	1.7	5.8	163.6	49.7	:	:	:	:
D	0.8	11.9	217.8	:	:	:	:	4.0
EL	:	:	:	:	:	:	:	:
E	:	:	157.9	:	:	:	:	:
F	1.0	9.7	189.3	37.5	124.5	30.1	4.3	3.5
IRL	:	:	:	:	:	:	:	:
I	1.9	3.8	217.0	30.0	127.9	30.0	7.9	2.9
L	2.6	6.4	206.1	33.6	103.8	32.4	2.5	3.0
NL	1.4	7.4	294.8	38.8	142.8	27.2	5.0	4.7
A	1.0	12.1	247.0	42.8	140.0	30.6	5.8	7.7
P	2.9	6.1	146.7	15.0	145.9	10.3	4.6	4.4
FIN	2.8	4.5	228.6	44.3	157.8	28.1	7.8	4.4
S	1.9	4.3	332.7	43.2	130.7	33.0	4.7	7.4
UK	1.2	:	:	:	:	17.9	9.2	:
IS	:	:	:	:	:	:	:	:
NO	2.2	4.5	263.1	47.2	131.5	35.9	5.4	6.8

Turnover per person employed: 1999 provisional data, except for DK (1995), IRL (1996), L (1998), NL (1998), NO (1997). DK all data 1995; D 1997 data for investment per person employed ; I, S all data 1997 except turnover per person employed; L 1995 data for investment per person employed; UK 1997 data for unit labour cost; NO all data 1997.

Source: Eurostat, SBS database

Table 3.1.7: Main variables, 1998 — **50.4 - Sale, maintenance and repair of motorcycles and related parts and accessories**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	2 557	722	511	39	22	17	17
DK	142	355	78	:	24	:	:	:
D	1 857	8 925	2 557	:	:	:	:	49
EL	:	:	:	:	:	:	:	:
E	:	7 311	1 261	:	:	:	:	:
F	4 625	11 229	3 450	769	414	292	122	39
IRL	:	:	:	:	:	:	:	:
I	9 210	19 844	5 024	1 247	389	140	249	40
L	12	45	18	4	2	1	1	0
NL	705	2 408	814	170	100	51	49	8
A	229	1 055	357	72	38	23	15	4
P	2 938	5 810	580	633	83	44	39	27
FIN	183	422	155	24	13	7	7	1
S	630	1 059	497	75	43	25	18	6
UK	1 782	:	2 527	:	373	149	223	38
IS	:	:	:	:	:	:	:	:
NO	213	542	138	27	15	11	4	8

Number of persons employed and turnover: 1999 provisional data, except for DK (1995), IRL (1996), L (1998), NL (1998), NO (1997). DK all data 1995; D 1997 data for investment; I,S all data 1997 except number of persons employed and turnover; L 1995 data for investment; NO all data 1997.

Source: Eurostat, SBS database

Table 3.1.8: Main indicators, 1998 — **50.4 - Sale, maintenance and repair of motorcycles and related parts and accessories**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	282.5	21.2	81.3	26.1	3.3	9.1
DK	0.3	2.5	218.3	66.3	:	:	:	:
D	0.2	5.0	286.5	:	:	:	:	5.8
EL	:	:	:	:	:	:	:	:
E	:	:	172.4	:	:	:	:	:
F	0.8	2.7	307.2	32.8	117.1	28.0	3.7	3.1
IRL	:	:	:	:	:	:	:	:
I	1.6	2.0	253.2	20.0	99.3	20.0	7.1	2.2
L	0.3	3.8	409.4	44.5	193.1	23.0	6.0	3.3
NL	0.4	3.4	338.2	41.6	161.5	25.8	6.1	3.3
A	0.3	4.5	338.6	37.0	134.7	27.5	4.5	3.5
P	2.9	2.7	99.8	10.4	137.3	7.6	5.5	3.3
FIN	0.4	2.0	366.8	35.9	149.7	24.0	6.1	3.1
S	0.7	2.1	469.6	32.2	117.3	27.5	5.3	4.6
UK	0.3	:	:	:	:	11.0	11.9	:
IS	:	:	:	:	:	:	:	:
NO	0.5	2.5	253.7	28.2	113.6	24.9	3.1	15.2

Turnover per person employed: 1999 provisional data, except for DK (1995), IRL (1996), L (1998), NL (1998), NO (1997). DK all data 1995; D 1997 data for investment per person employed; I, S all data 1997 except turnover per person employed; L 1995 data for investment per person employed; UK 1997 data for unit labour cost; NO all data 1997.

Source:Eurostat, SBS database

Table 3.1.9: Main variables, 1998 **50.5 - Retail sale of automotive fuel**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	5 311	3 580	3 066	172	71	101	68
DK	1 290	11 392	1 774	:	419	:	:	:
D	6 839	39 176	5 218	:	:	:	:	151
EL	:	:	:	:	:	:	:	:
E	:	43 810	11 576	:	:	:	:	:
F	6 741	23 727	4 360	1 270	633	557	76	58
IRL	1 255	7 896	1 311	211	140	:	:	12
I	24 676	64 085	29 160	9 228	1 491	441	1 050	164
L	207	1 339	882	90	60	23	37	4
NL	1 630	11 581	5 619	599	334	205	128	23
A	1 865	8 626	1 483	349	213	129	85	22
P	2 008	12 499	3 853	3 414	179	135	44	59
FIN	1 311	6 378	1 312	284	188	131	57	20
S	2 292	11 378	5 404	642	429	300	129	89
UK	7 260	:	24 714	:	1 743	741	1 002	234
IS	:	:	:	:	:	:	:	:
NO	1 654	14 863	3 271	565	384	246	138	39

Number of persons employed and turnover: 1999 provisional data, except for DK (1995), IRL (1996), L (1998), NL (1998), NO (1997). DK all data 1995; D 1997 data for investment; IRL all data 1996; I,S all data 1997 except number of persons employed and turnover; L 1995 data for investment; NO all data 1997.

Source: Eurostat, SBS database

Table 3.1.10: Main indicators, 1998 **50.5 - Retail sale of automotive fuel**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	674.1	28.3	127.8	22.1	3.3	11.2
DK	2.5	8.8	155.7	36.8	:	:	:	:
D	0.8	8.1	133.2	:	:	:	:	2.8
EL	:	:	:	:	:	:	:	:
E	:	:	264.2	:	:	:	:	:
F	1.1	4.0	183.8	23.5	104.6	22.5	1.6	2.2
IRL	3.4	6.3	166.0	17.7	:	:	:	1.5
I	4.3	2.4	455.0	30.0	121.1	20.0	3.8	2.8
L	4.8	6.5	658.3	44.7	213.4	20.9	4.2	2.8
NL	1.0	7.1	485.2	28.8	149.6	19.3	2.3	2.0
A	2.3	4.5	171.9	25.3	132.5	19.1	6.3	2.6
P	2.0	8.1	308.2	11.1	128.2	8.6	1.0	3.7
FIN	2.5	4.8	205.7	29.9	132.1	22.6	4.4	3.2
S	2.6	5.6	475.0	33.6	133.5	25.2	3.1	7.0
UK	1.2	:	:	:	:	13.0	4.6	:
IS	:	:	:	:	:	:	:	:
NO	3.8	9.0	220.1	25.8	149.9	17.2	4.2	2.6

Turnover per person employed: 1999 provisional data, except for DK (1995), IRL (1996), L (1998), NL (1998), NO (1997). DK all data 1995; D 1997 data for investment per person employed; IRL all data 1996; I, S all data 1997 except turnover per person employed; L 1995 data for investment per person employed; UK 1997 data for unit labour cost; NO all data 1997.

Source: Eurostat, SBS database

3. SECTORAL ANALYSIS

3.2 Wholesale trade

Wholesale trade (NACE Rev. 1 51) is defined as wholesale and commission trade of all product categories except motor vehicles, motorcycles and accessories.

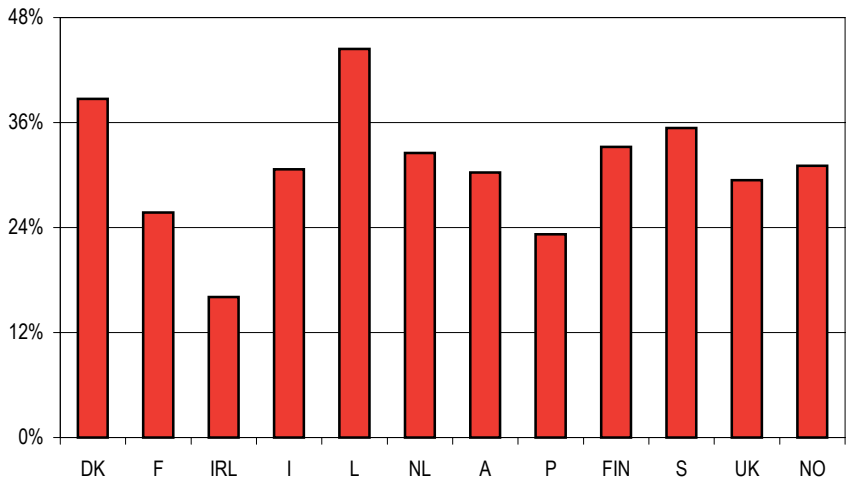
It is an important sector in the economy, and accounts for one third of total employment and more than half the turnover in total distributive trades.

Wholesale trade is a capital intensive activity, which explains why the productivity rates here are generally higher than in other distributive trade activities.

The sector plays an intermediary role in the movement of goods from production to customer, allowing the buyers to obtain products independently of the place and time of production. The purchase and selection of the range of goods is an equally important function of wholesaling.

3.2.1 Enterprises in the wholesale trade

Figure 3.2.1
Number of enterprises: share of wholesale trade in total distributive trades, 1998



IRL, I, S, NO: 1997; DK: 1995
Source: Eurostat, SBS database

The EU figure for wholesalers in 1998 is estimated at more than 1.2 million, double the number of enterprises operating in the motor trade and representing nearly 27% of total distributive trade enterprises.

Italy has by far the highest absolute number of wholesale businesses (385 thousand - 1997), nearly one third of total wholesalers in the EU, followed by Spain (183 thousand) and France (161 thousand)[1].

The relative importance of wholesalers, however, is highest in Luxembourg (44.4%) and the northern European countries (e.g. Denmark with 38.7%) (Figure 3.2.1).

The lower relative levels of Italy (30.6%) and France (25.7%) can be explained by the particularly high number of retailing enterprises in these countries.

[1] Germany does not provide SBS data for NACE Rev. 1 51.1 (wholesale on a fee or contract basis) and is therefore not included in direct comparisons.

Another indicator of the relative importance of an economic sector in a country is the enterprise density (Figure 3.2.2). In wholesaling, Luxembourg again holds the top position for this ratio (69 businesses per 10 000 inhabitants) among the countries providing data. In Italy, where the distributive trade sector is very fragmented, the figure is 67 (1997 data). The United Kingdom (20) and Ireland (13) record low values, which can be explained by the presence of fewer, but larger enterprises in these countries.

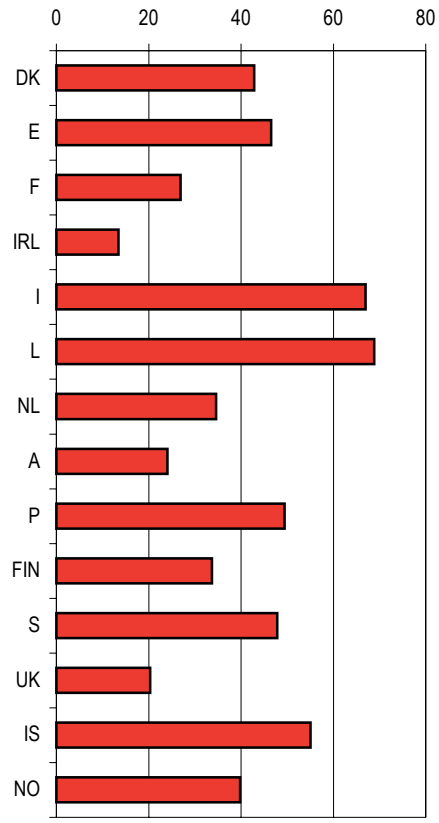


Figure 3.2.2
Wholesale trade: number of enterprises per 10 000 inhabitants, 1998

IRL, I, S, NO 1997
Source: Eurostat, SBS database
Population: Eurostat, aux_ind database

Over the period 1995-1998, the number of wholesale enterprises in most countries was relatively stable or even growing (Figure 3.2.3)[2]. Finland and Luxembourg recorded growth rates of over 19%. The steepest declines over the period were in Denmark (-20%) and Germany (-17%, data exclude NACE Rev. 1 51.1). Ireland had an increase of 12% between 1996 and 1997.

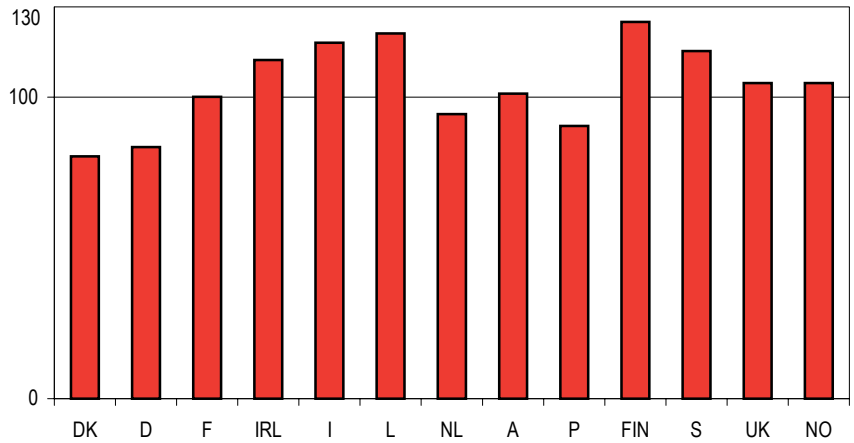


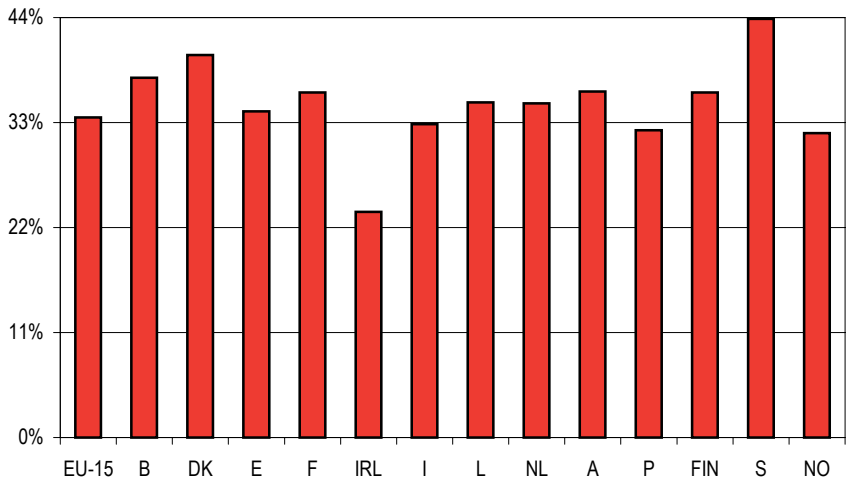
Figure 3.2.3
Wholesale trade: change in the number of enterprises, 1995-1998 (1995 = 100)

D excludes NACE Rev. 1 51.1; IRL: only 1996-1997 period
Source: Eurostat, SBS database and estimates

[2] Some countries do not provide data for the whole period. In order to allow comparisons across countries, in some cases their growth rates are estimated or calculated on the basis of the available data.

3.2.2 Employment in the wholesale trade

Figure 3.2.4
Number of persons employed: share of wholesale trade in total distributive trades, 1999



L, NL: 1998; IRL, NO: 1997; DK: 1995
Source: Eurostat, SBS database

The relative importance of wholesaling for employment and for the number of enterprises appears to be at a similar level across the countries observed (Figure 3.2.4). In the EU, one third of the workforce in total distributive trade is employed in wholesaling. Sweden is well above this average, with a figure of 43.9%; Ireland (23.6%) is the only country, where wholesaling accounts for less than 30% of employment in distributive trades.

In absolute terms, wholesale trade employment in the EU was estimated to be 7.4 million persons in 1999. Germany recorded 1.2 million persons employed (excluding NACE Rev. 1 51.1), followed by Italy (around 1.1 million), Spain (930 thousand) and France (898 thousand).

In Italy, a large number of operators are small businesses run by the proprietor himself and classified as wholesale intermediaries (NACE Rev. 1 51.1), and average employment per enterprise in wholesaling is particularly low in this country, at 2.5 persons (Figure 3.2.5).

Conversely, Germany has substantially larger enterprises (17 persons employed per enterprise on average, but the data provided do not include wholesale intermediaries).

The other countries range between 4 and 8 persons employed per enterprises in wholesaling. Only in Austria and Ireland do wholesaling enterprises tend to be slightly larger.

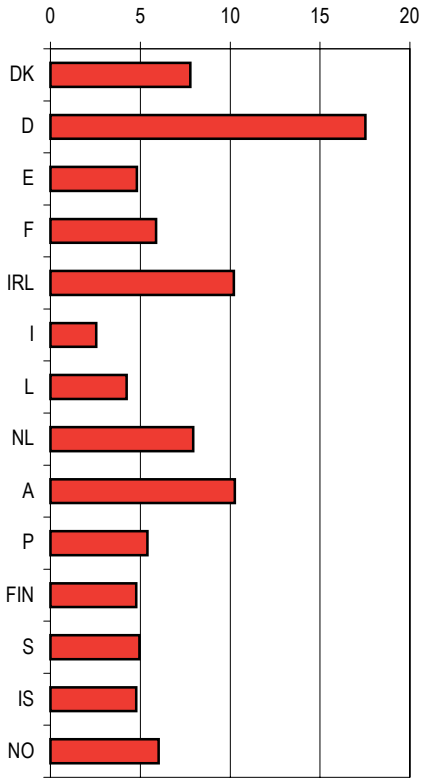


Figure 3.2.5
Wholesale trade: number of persons employed per enterprise, 1998

D excludes NACE Rev. 1 51.1
IRL, I, S, NO: 1997; IS: 1995
Source: Eurostat, SBS database

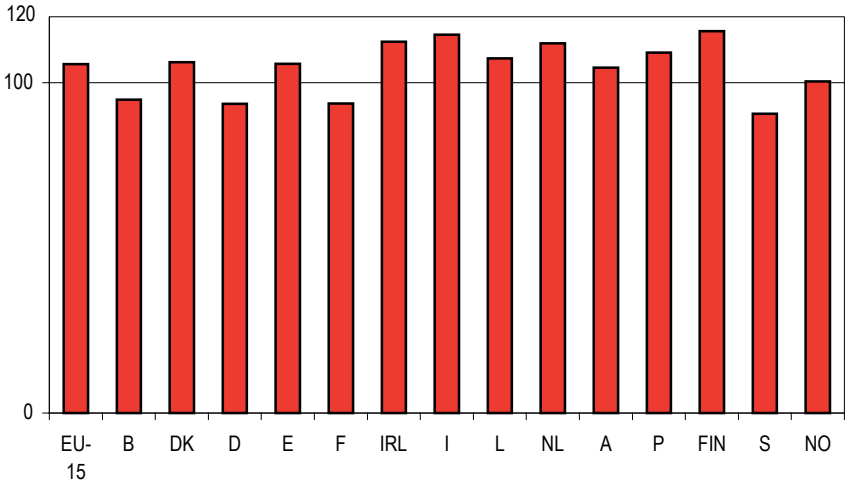


Figure 3.2.6
Wholesale trade: change in employment, 1995-1999 (1995 = 100)

D excludes NACE 51.1; E: 1998-1999; IRL: 1996-1997; S: 1997-1999; NO: 1995-1997
Source: Eurostat, SBS database and estimates

Changes in employment levels in wholesaling shows slightly rising figures between 1995 and 1999 for most countries observed[3]. Estimates put the growth of wholesale employment in the EU at about 1.4% per annum over the 1996-1999 period. From the countries providing data, Finland (+13% between 1996 and 1999) and Ireland

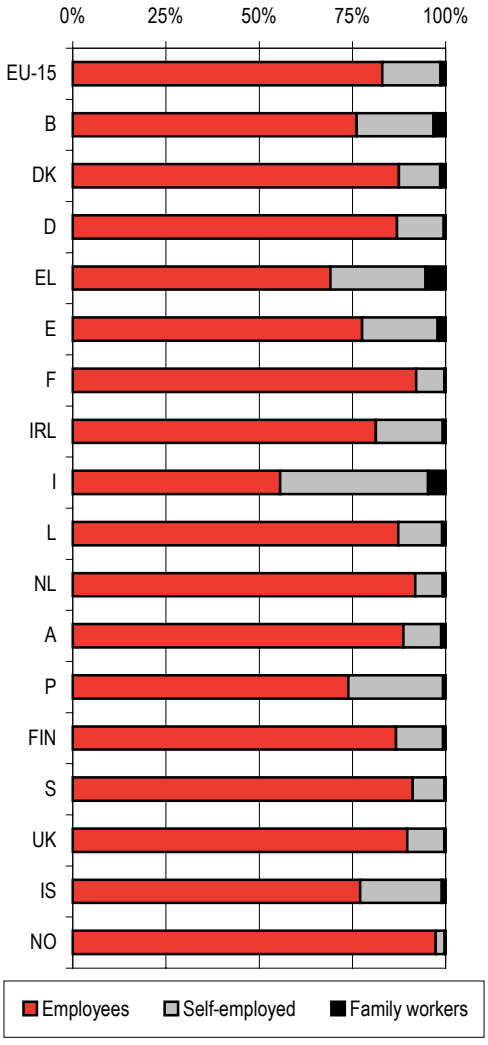
[3] Some countries do not provide data for the whole period. In order to allow comparisons across countries, in some cases their growth rates are estimated or calculated on the basis of the available data.

(+12% between 1996 and 1997) saw a double-digit growth. Belgium (-5%), France (-5% from 1996 to 1999) and Sweden (-9% between 1997 and 1999) saw declines.

These trends, however, were not always reflected in the number or enterprises. In Denmark and Portugal, for example, employment grew, but the number of enterprises in the sector declined in the reference period, which means that in these countries wholesale businesses probably increased in size. Conversely, in France wholesalers appear to be downsizing, because employment figures went down, while the number of enterprises remained stable.

Employment characteristics

Figure 3.2.7
Wholesale trade: proportions of employees, self-employed and family workers in total employment, 1999



Source: Eurostat, Labour Force Survey

Within the distributive trades, wholesaling is the activity with the lowest proportion of self-employment. In 1999, the EU average for self-employment stood at 16% (21% in motor trade and 24% in the retail trade) and family workers accounted for only 1%.

Southern European countries (Greece and Portugal higher than 25%) and Belgium have proportions above this average; Italy is out in front with 40%, due to the prevalence of small businesses run directly by the proprietor (mainly in wholesale intermediaries – NACE Rev. 1 51.1).

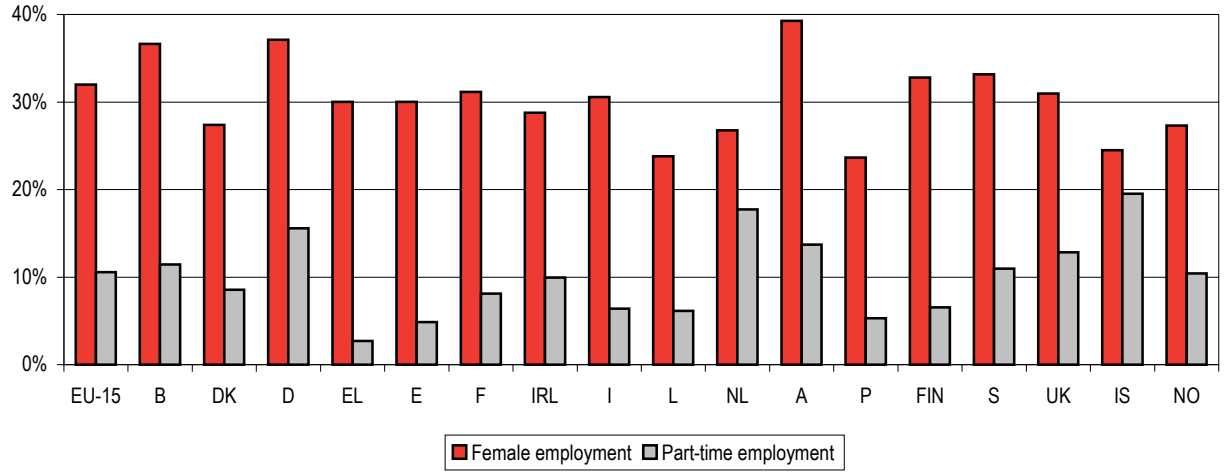
The proportions for family-workers are negligible in all countries except in Greece and Italy (both at 6%).

At EU level, most persons employed in wholesaling are men. However, female employment, at about one third, is considerably higher in wholesaling than in the motor trade (Figure 3.2.8). In retailing, the corresponding figure for female employment is over 58%.

There appear to be no substantial disparities across the countries observed: the proportions range from 24% in Luxembourg, Portugal and Iceland to 39% in Austria.

The EU average for part-time employment is 11%, as shown in Figure 3.2.8. The northern European countries recorded values around or slightly above the EU average. In southern Europe, part-time working is less common, so the national pattern is similar to that of the motor trade and retailing, even though the figures for the latter are generally higher.

Figure 3.2.8
Wholesale trade: female and part-time employment, 1999



Source: Eurostat, Labour Force Survey

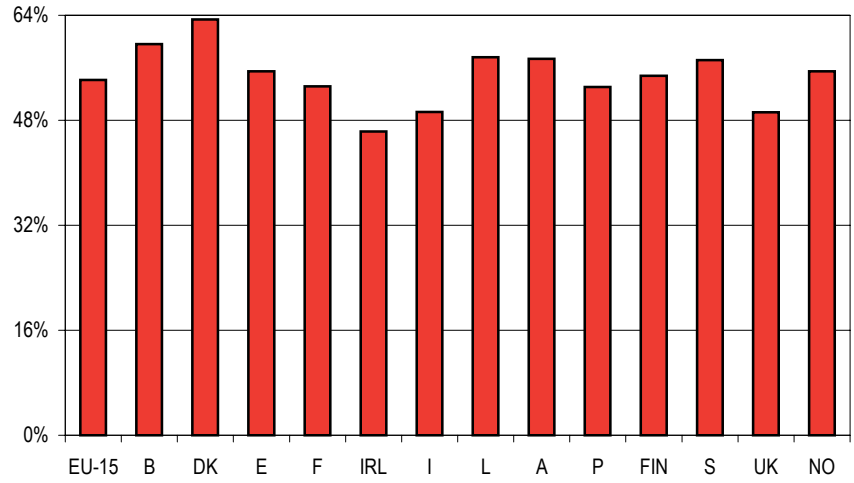
3.2.3 Turnover and productivity

With respect to turnover, wholesaling is by far the most important activity and at EU level accounted for 54% of total distributive trade in 1999.

The lowest turnover percentage figure was recorded in Ireland (46.3%), but was still around half of total turnover of distributive trade in this country. For the other countries, the figures mostly exceeded 50%, sometimes reaching almost two thirds of total distributive trade turnover (Denmark 63.4%).

In 1999, wholesaling turnover exceeded 2 900 billion euro in the EU. Germany accounted for one fifth of this total, with 570 billion euro (this value excludes data on NACE Rev. 1 51.1), followed by the United Kingdom and France with 525 billion euro and 447 billion euro respectively. The two other large countries were some distance behind: Italy 323 billion euro and Spain 256 billion euro.

Figure 3.2.9
Turnover: share of wholesale trade in total distributive trades, 1999



L: 1998; IRL, NO: 1997; DK: 1995
Source: Eurostat, SBS database

At 218 billion euro in 1999, the Netherlands recorded a considerable figure, showing that wholesaling has a high importance in that country[4], which is obviously due to its geographic position and the importance of the large harbours and related activities. The pattern is similar for Belgium.

The southern European Member States, which record a relatively high number of persons employed and a modest turnover, reconfirmed their high degree of market fragmentation, including wholesaling.

[4] The share of wholesale in total distributive trades cannot be calculated because data on motor trade turnover are not available.

Figure 3.2.10 confirms the above analysis, as it shows Italy, Spain and Portugal among the European countries with the lowest turnover per person employed.

The respective estimates for 1999 put this ratio at 304 thousand euro in Italy and Portugal and at 275 thousand euro in Spain, while the EU average is 396 thousand euro. Iceland has the lowest figure of all the countries providing data: 229 thousand ECU per person employed, but the latest available data are from 1995.

At 621 thousand euro per person employed (1999 data), Belgium has the highest figure, followed closely by Luxembourg at 561 thousand ECU (1998).

In comparison with previous years, turnover has been growing in nominal terms in all countries, with Spain, Ireland and Portugal recording the highest rates.

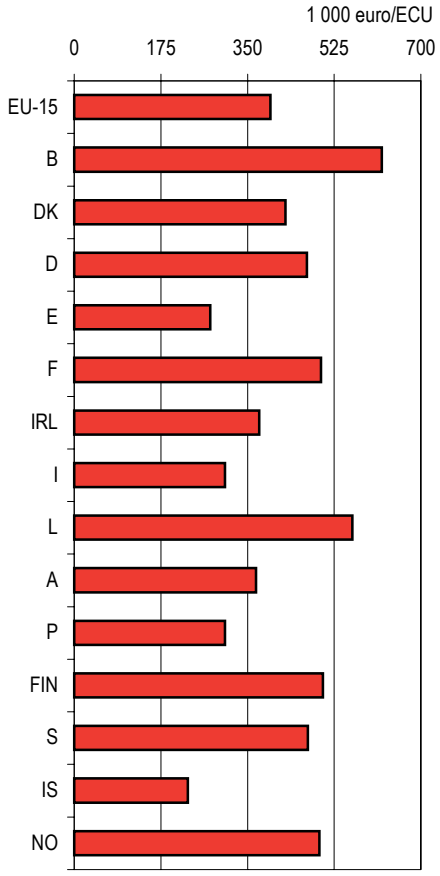


Figure 3.2.10
Wholesale trade: turnover per person employed, 1999

D excludes NACE Rev. 1 51.1
L: 1998; IRL, NO: 1997; IS: 1995
1999 data are expressed in euro, data for previous years in ECU
Source: Eurostat, SBS database

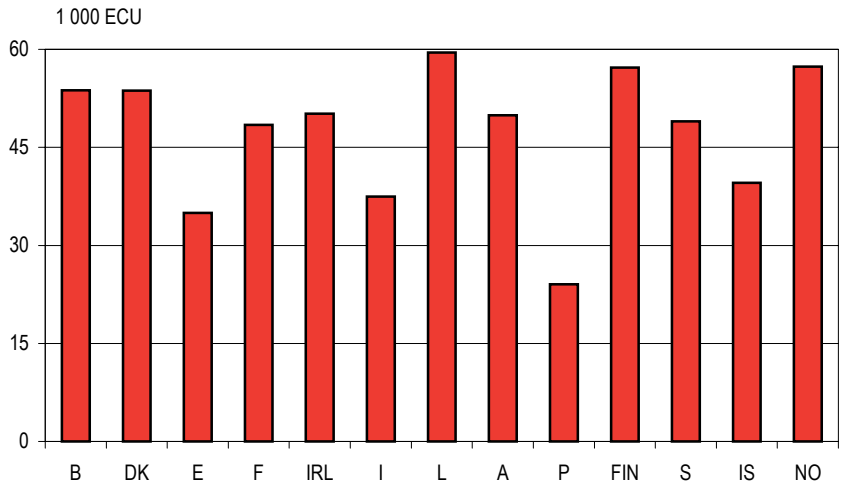


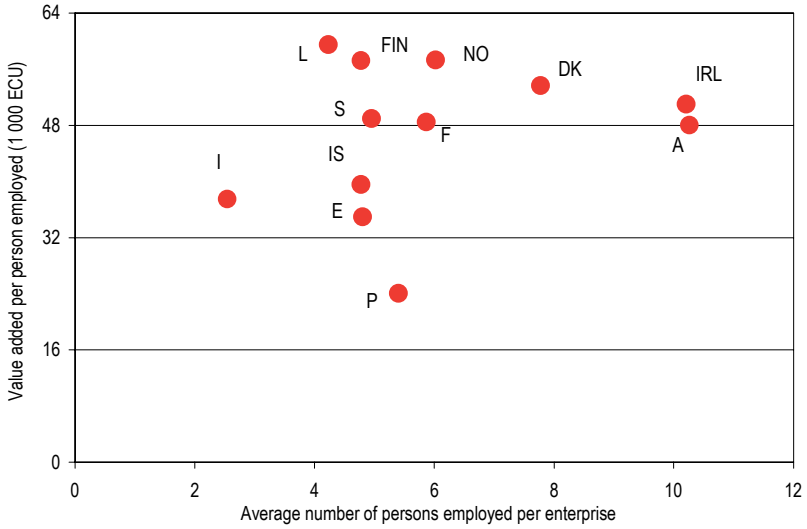
Figure 3.2.11
Wholesale trade: value added per person employed, 1998

IRL, I, S, NO: 1997; IS: 1995
Source: Eurostat, SBS database

With regard to the labour productivity (value added per person employed) the pattern in wholesaling is similar to that in the motor trade. Southern European Member States recorded low figures in 1998, whilst northern European countries came out top, together with Belgium and Luxembourg (Figure 3.2.11). The figures ranged from 24 thousand ECU per person employed in Portugal to 60 thousand ECU in Luxembourg[5]. Iceland (1995 data) shows the lowest figure of the northern European countries with 40 thousand ECU per person employed.

Enterprises in wholesaling are generally larger than in the other distributive trades. However, no trend can be discerned from the relationship between enterprise size and productivity (Figure 3.2.12), as, for example, in the motor trade.

Figure 3.2.12
Wholesale trade: value added per person employed and average enterprise size, 1998



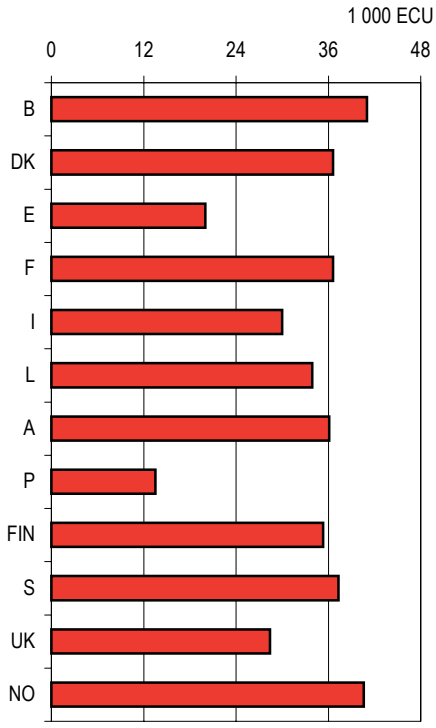
IRL, I, S, NO: 1997
Source: Eurostat, SBS database

It appears that in most countries no more than six persons are employed on average in wholesale enterprises. Regardless of enterprise size, southern European Member States have lower performance figures than the other countries providing data. The only countries with more than 10 persons employed per enterprise are Ireland and Austria. The latter has the largest enterprises in all the distributive trade activities.

[5] Germany and the United Kingdom do not provide the necessary data to calculate this figure.

In the wholesale trade, the level of unit labour cost varies considerably across the countries observed, ranging, in 1998, from 14 thousand ECU per employee in Portugal to 41 thousand ECU in Belgium and Norway. The largest difference between value added and labour cost per employee is recorded for Luxembourg and Finland among the countries providing data. However, these two countries recorded a negative trend between 1995 and 1998, whilst in the other countries the trend was slightly positive over this period.

Furthermore, the labour cost figures confirm that wholesalers operate with higher labour costs than businesses in the motor trade or retail trade.



I, S, UK, NO: 1997
Source: Eurostat, SBS database

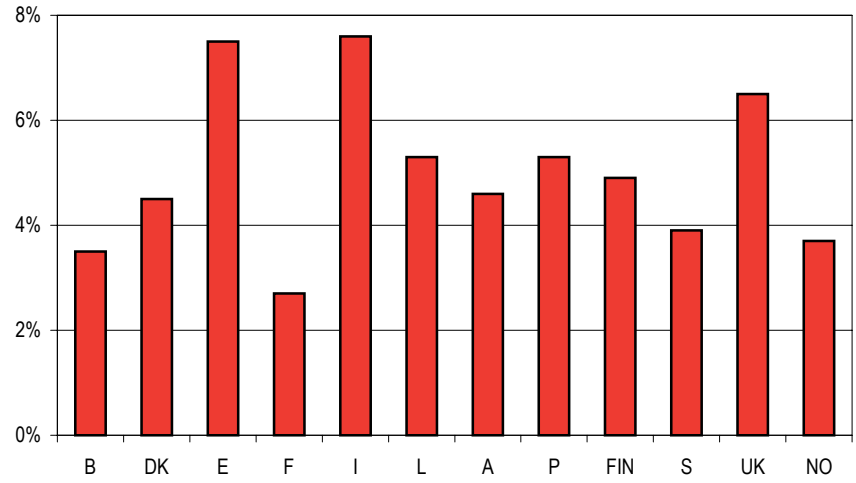
Figure 3.2.13
Wholesale trade: unit labour costs, 1998

An explanation may be found in the fact that persons employed in wholesaling need higher educational skills to be able to carry out the administrative tasks involved in wholesaling. The respective salaries of these persons tend to be higher on average.

Italy is a special case, with a substantial presence of wholesale intermediaries (NACE Rev. 1 51.1) in the sector, who work mostly as self-employed, with no employees. From a methodological point of view, these businesses operate with low labour costs; in reality, the proprietor, who is not considered as an employee, is compensated by a share of the operating result. His income, therefore, is not taken into account in the ratio of unit labour cost (personnel costs per employee).

This also seems to be the reason why Italy has the highest gross operating rate (gross operating surplus in turnover) for wholesaling in Europe, at 7.6%, (Figure 3.2.14).

Figure 3.2.14
Wholesale trade: gross operating rates, 1998



I, S, NO: 1997
Source: Eurostat, SBS database

High operating rates are also recorded in Spain (7.5%) and in the United Kingdom (6.5%). The latter, which also records high operating rates in the other distributive trade activities, is characterised by a particularly concentrated structure of the sector itself and the dominant service-oriented strategies.

Of the countries providing data, France has the lowest operating rate, at 2.7%.

In general, operating rates vary greatly across the countries observed. They tend to be lower in wholesaling than in retailing, while they are more or less in line with the figures for the motor trade.

3.2.4 Wholesale trade activities

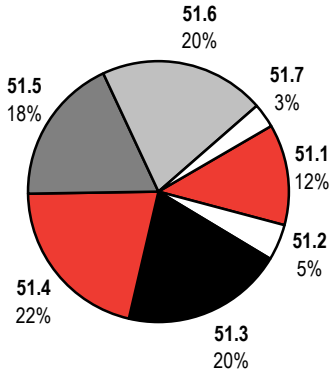
Wholesale trade breaks down into the following NACE groups:

- 51.1: Wholesale on a fee or contract basis
- 51.2: Wholesale of agricultural raw materials and live animals
- 51.3: Wholesale of food, beverages and tobacco
- 51.4: Wholesale of household goods
- 51.5: Wholesale of non-agricultural intermediate products, waste and scrap
- 51.6: Wholesale of machinery, equipment and supplies
- 51.7: Other wholesale

Figures 3.2.15 and 3.2.16 provide an aggregate picture of Europe (calculated average from the countries providing data) with regard to the relative importance of each wholesale activity (NACE group) in total wholesaling.

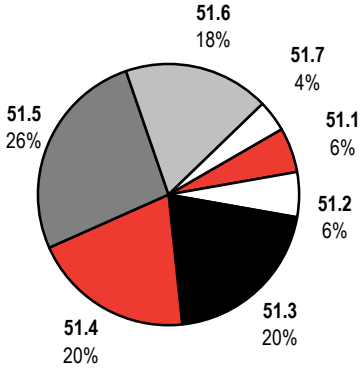
The four dominant activities, which account together for 80% of employment and 84% of turnover in the sector concern the wholesaling of: food, beverages and tobacco (NACE Rev. 1 51.3); household goods (NACE Rev. 1 51.4); non-agricultural intermediate products (NACE Rev. 1 51.5) and machinery (NACE Rev. 1 51.6).

The shares of each activity in employment and turnover are fairly even (ranging from 18% to 22%), except for wholesaling of non-agricultural intermediate products, which has 26% of wholesale turnover, but only 18% of wholesale employment.



Calculated average: data cover all EEA countries except D, EL, UK, IS
Source: Eurostat, SBS database and estimates

Figure 3.2.15
Wholesale trade: employment broken down by activity (NACE group) in the EEA, 1999



Calculated average: data cover all EEA countries except D, EL, IS
Source: Eurostat, SBS database and estimates

Figure 3.2.16
Wholesale trade: turnover broken down by activity (NACE group) in the EEA, 1999

Wholesaling on a fee or contract basis (NACE Rev. 1 51.1), however, shows a different pattern and accounts for a relatively high share of employment (12%), but only for 6% of total wholesale turnover. This is the result of the characteristics of this activity itself. There is a large number of very small businesses, which operate as intermediary between producer and retailer and not by 'purchase and resale of goods'. The turnover generated by these businesses includes only their services and not the value of the goods involved.

Agricultural raw materials (NACE Rev. 1 51.2) and other wholesale (NACE Rev. 1 51.7) appear to be marginal, with shares of 3-5% for employment and 4-6% for turnover regarding the average for the countries observed.

Focus on the activities

Wholesale on a fee or contract basis (NACE Rev. 1 51.1)

Most wholesalers on a fee or contract basis, also called wholesale intermediaries, are in Italy, where this activity encompasses over 232 thousand enterprises (1997 data) and nearly 319 thousand persons employed (1999). Spain is well behind, with less than 50 thousand businesses (1998) and about 80 thousand persons employed (1999)[6].

The reason for Italy 's high figures is the fact that the country's legislation classifies independent agents as wholesalers. These account for 60% of all Italian wholesale businesses and for 30% of employment, but only for 6% of wholesale turnover. In all other countries, wholesale intermediaries are less important.

The differences in turnover per person employed are particularly large across the countries observed. Spain, Italy (1999 data) and Ireland (1997), record values between 50 and 75 thousand ECU/euro per person employed, whilst Luxembourg (518 thousand ECU - 1998) and particularly France, over 1 million euro in 1999, came out top.

However, the differences in labour productivity (value added per person employed) are less marked; the figures range from 30 thousand ECU to 60 thousand ECU per person employed in all countries; except for Portugal with 17.3 thousand ECU in 1998.

Furthermore, the personnel costs per employee are far higher in France than in the other two countries, as the operating rates (operating surplus in turnover) seem to confirm. Spain (50.6% - 1998) and Italy (42.5% - 1997 data) have unusual figures, which need to be interpreted with caution. The likely reason is the inclusion of the proprietor's income in the operating result of the large number of self-run businesses in these two countries. In France, where the workforce in wholesaling are mainly dependent workers, this income counts as personnel costs, which ultimately lowers the operating rate (1.9% only). In general, operating rates for wholesale intermediaries are higher than for other wholesale activities.

Wholesale of agricultural raw materials and live animals (NACE Rev. 1 51.2)

The importance of this activity in wholesaling is relatively low in all the countries observed. The shares for employment and turnover are mostly under 5% of total wholesaling.

Turnover per person employed ranges from 316 thousand euro per person employed in Austria to 876 thousand euro in France (1999 data).

[6] Data on employment for Germany and the United Kingdom are not available.

Labour productivity (value added per person employed) is the lowest of all wholesale activities, except in Norway and Ireland. In Ireland it is over 65 thousand ECU per person employed (1997 data), which is not only the highest in the Irish wholesaling, but also the highest for all the countries observed for this activity.

As in the case of wholesale intermediaries, France again records the highest turnover per person employed and the lowest operating rates.

Across the countries providing data, gross operating rates range from 1.5% in France to 5.9% in Spain.

Wholesale of food, beverages and tobacco (NACE Rev. 1 51.3)

In various countries, the average enterprise size of wholesaling of food, beverages and tobacco exceeds 10 persons employed. Austria, which has the largest enterprises in almost all wholesaling activities, is out in front, with 20 persons employed per enterprise. Italy has the smallest businesses, with 4 persons employed.

In terms of employment, wholesaling of food, beverages and tobacco is particularly important in Spain, where it employs 307 thousand persons, representing one third of total employment in wholesaling in this country.

With regard to turnover, Spain, Ireland, Luxembourg and Norway have percentages of total wholesaling between 27% and 29%, while the European average stands at 20%.

Finland has the lowest percentage levels for food wholesaling for the above two variables, with 9% for employment and 11% for turnover in total wholesaling.

The highest labour productivity for food wholesaling is recorded in Luxembourg, with a value added of 62.7 thousand ECU per person employed in 1998. All other countries record values of between 40 and 50 thousand ECU, except the southern European Member States. However, productivity rates are generally lower in food wholesaling than in other wholesaling activities.

Wholesale of household goods (NACE Rev. 1 51.4)

Across Europe, Germany is first for the number of persons employed (316 thousand persons) and for turnover (over 120 billion euro) in the wholesaling of household goods (1999 data). The high figures of Germany are due not only to the country's demographic size, but also to the importance of non-food consumption and retailing in this country. German wholesalers of household goods are also the largest enterprises in Europe (in this activity), with an average size of nearly 16 persons employed.

The differences across the countries observed with respect to turnover and value added per person employed are less marked for wholesaling of household goods

than for the other wholesaling activities. The turnover figures range from 281 thousand euro per person employed in Spain to 548 thousand in Belgium in 1999. With regard to value added per person employed, figures are only available for previous years; they range from 28 thousand ECU per person employed in Portugal (1998) to around 58 thousand ECU in the Netherlands (1998) and in Norway (1997). The productivity level in this activity is generally higher than in the most of the other wholesaling activities. Only the wholesaling of non-agricultural products and machinery is higher. This can be explained by the relatively high unit value of the goods involved in this activity.

However, wholesalers of household goods also generally operate with higher labour costs than operators in other wholesaling activities, mainly because the goods they deal with require more technical skill and a greater level of service (technical advice and assistance, after-sales service, etc).

Wholesale of non-agricultural intermediate products, waste and scrap (NACE Rev. 1 51.5)

In terms of turnover, this is the most important activity in wholesale trade. At European level it accounts for 26% of total wholesaling and in several countries the proportions exceed 30% (Belgium, Italy, Luxembourg, Austria and the United Kingdom).

With a turnover of nearly 195 billion euro and a workforce of 339 thousand persons employed, Germany again has the highest absolute levels in Europe in 1999.

Turnover per person employed varies considerably across Europe. The figure for Germany is at only 575 thousand euro whilst Belgium records a stunning 1.08 million euro per person employed in 1999. Even Luxembourg had 850 thousand ECU (in 1998); Portugal had the lowest figure with 365 thousand euro (1999).

Labour productivity in wholesaling activities which are related to industrial production is generally higher than in those dealing with final consumption or agricultural goods. It is notable that, in Luxembourg, value added per person employed was over 72 thousand ECU in 1998 (highest value of all wholesale activities in all countries).

This advantage, however, is offset by higher unit labour costs for this activity. Only machinery wholesaling (NACE Rev. 1 51.6) generally has higher levels.

This ultimately results in relatively low operating rates, which in 1998 ranged from 2.2% in Belgium to 8.1% in Spain.

Wholesale of machinery, equipment and supplies (NACE Rev. 1 51.6)

At European level, this activity is more important for employment than for turnover. It accounts for the highest proportions of wholesale trade employment in all

countries providing data except the southern European Member States. The proportions are particularly high (exceeding 30%) in all the northern European countries.

Turnover per person employed is relatively low; in most countries machinery and supplies have the lowest levels of all wholesale activities (except wholesale intermediaries – NACE 51.1). These low values are a result of the labour intensity of this activity.

With regard to productivity (value added per person employed), the values recorded are, however, higher than in most other wholesaling activities. This is quite surprising, as high unit value goods are involved in this activity, which would normally lower the value added. But this pattern can be explained by the relatively high unit labour costs recorded in most countries. These costs reflect the higher salaries of the employed workforce, which needs a higher educational skill to be able to carry out this activity. Belgium (64 thousand ECU per person employed in 1998) and Norway (61 thousand ECU - 1997) do after all have the highest productivity levels.

However, the higher unit labour costs do not seem to affect very much the operating rates recorded for this activity in the countries observed. They are generally higher than for other wholesaling activities, ranging from 3.4% in France to 10.7% in the United Kingdom.

Other wholesale (NACE Rev. 1 51.7)

For this activity there are low proportions for turnover and employment in most European countries. It comprises specialised wholesaling not covered in the previous categories and wholesaling of a variety of goods with no any particular specialisation. Finland is the only country where this activity seems to play more than a minor role (10% of wholesale-trade employment and 20% of wholesale-trade turnover in 1999).

Germany stands out for the scale of the enterprises (average of 53 persons employed). Enterprises are also relatively large in Finland (16 persons employed), but in all other countries they have less than 7 persons employed.

Finland records the highest value for turnover per person employed, slightly above 1 million euro in 1999. The values for this variable are relatively high for this wholesaling activity. However, these do not lead to high productivity figures, which are generally below the wholesale trade average. Again Finland has the highest value, with 49 thousand ECU of value added per person employed in 1998.

The operating rates vary greatly for the countries observed: France is lowest with 1.4%, Spain and the United Kingdom have 7.5%.

Table 3.2.1: Main variables, 1998 **51.1 - Wholesale on a fee or contract basis**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	15 030	3 561	3 495	622	250	372	140
DK	1 980	6 320	1 893	757	325	200	125	37
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	48 947	80 478	5 964	2 642	1 832	420	1 413	147
F	38 538	58 961	60 194	11 449	3 509	2 390	1 119	310
IRL	510	1 931	102	92	61	:	:	2
I	232 763	318 589	19 825	14 708	7 827	746	7 081	1 084
L	479	618	320	84	37	13	24	2
NL	4 060	10 117	2 950	:	:	:	:	:
A	4 251	9 058	774	628	335	176	158	22
P	15 071	62 362	16 230	4 015	553	258	294	91
FIN	4 478	5 460	1 113	515	264	140	123	31
S	3 373	7 391	3 558	1 062	502	303	199	108
UK	15 734	:	17 619	:	3 088	1 561	1 527	324
IS	:	:	:	:	:	:	:	:
NO	1 992	3 592	411	372	153	93	60	15

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
IRL, NO all data 1997; I, S all data 1997 except number of persons employed and turnover; L 1995 data for investment.
Source: Eurostat, SBS database

Table 3.2.2: Main indicators, 1998 **51.1 - Wholesale on a fee or contract basis**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	236.9	47.9	78.0	61.5	10.6	10.8
DK	3.7	3.1	299.5	52.2	137.9	37.8	6.9	6.0
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	12.4	1.3	74.1	30.0	128.5	20.0	50.6	2.3
F	6.4	1.6	1 020.9	57.1	139.4	40.9	1.9	5.0
IRL	1.4	3.8	52.6	31.6	:	:	:	1.0
I	40.5	1.2	62.2	30.0	101.2	30.0	42.5	3.7
L	11.2	1.3	518.2	60.4	160.5	37.6	7.6	2.6
NL	2.6	2.5	:	:	:	:	:	:
A	5.3	2.1	85.5	37.7	105.2	35.9	21.4	2.5
P	15.1	2.1	260.3	17.3	134.2	12.9	5.6	2.9
FIN	8.7	1.2	203.9	48.7	142.5	34.2	21.5	5.7
S	3.8	3.0	481.4	49.8	136.2	36.6	5.7	10.7
UK	2.7	:	:	:	:	25.8	11.3	:
IS	:	:	:	:	:	:	:	:
NO	4.5	1.8	114.4	42.7	121.2	35.2	14.6	4.1

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NO (1997).
IRL, NO all data 1997; I, S all data 1997 except turnover per person employed; L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 3.2.3: Main variables, 1998 **51.2 - Wholesale of agricultural raw materials and live animals**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	7 174	5 585	5 749	291	123	167	97
DK	1 214	10 480	6 059	3 208	498	318	180	110
D	6 441	51 033	30 207	:	:	:	:	325
EL	:	:	:	:	:	:	:	:
E	10 478	45 236	14 488	1 930	1 145	369	776	197
F	7 979	50 415	44 141	8 417	2 503	1 776	727	522
IRL	200	1 617	850	172	105	:	:	16
I	9 222	27 681	11 279	4 728	865	337	528	143
L	103	388	203	33	20	9	11	6
NL	4 880	32 521	22 035	2 580	1 450	833	616	323
A	1 038	17 060	5 397	985	557	423	134	115
P	2 415	9 199	3 858	2 160	152	81	71	36
FIN	337	1 986	1 282	182	99	62	36	6
S	907	5 917	2 870	1 305	253	196	57	44
UK	2 721	:	9 755	:	871	479	392	114
IS	:	:	:	:	:	:	:	:
NO	383	3 417	1 901	473	160	126	34	29

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; IRL, NO all data 1997; I, S all data 1997 except number of persons employed and turnover;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.2.4: Main indicators, 1998 **51.2 - Wholesale of agricultural raw materials and live animals**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	778.5	37.6	121.5	30.9	2.9	12.6
DK	2.3	8.5	578.1	48.3	145.9	33.1	3.1	10.6
D	0.8	8.2	591.9	:	:	:	:	6.3
EL	:	:	:	:	:	:	:	:
E	2.7	3.2	320.3	30.0	227.2	20.0	5.9	5.9
F	1.3	6.9	875.5	45.7	134.2	34.0	1.5	9.5
IRL	0.5	8.1	525.8	65.2	:	:	:	9.8
I	1.6	2.9	407.4	30.0	128.3	30.0	4.5	5.4
L	2.4	3.8	523.1	50.4	164.2	30.7	5.2	14.7
NL	3.1	6.7	669.0	44.6	146.5	30.4	2.8	9.9
A	1.3	16.1	316.4	33.3	123.4	27.0	2.4	6.9
P	2.4	4.1	419.4	15.5	156.5	9.9	2.3	3.7
FIN	0.7	6.6	645.4	44.5	150.3	29.6	2.6	2.9
S	1.0	7.2	485.0	38.6	119.5	32.3	1.9	6.7
UK	0.5	:	:	:	:	20.2	3.9	:
IS	:	:	:	:	:	:	:	:
NO	0.9	8.9	556.4	46.9	121.9	38.4	1.8	8.5

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NO (1997).
D 1997 data for investment per person employed; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed;
L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 3.2.5: Main variables,1998 **51.3 - Wholesale of food, beverages and tobacco**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	36 257	23 365	22 163	1 351	838	513	268
DK	3 012	24 840	16 512	3 610	1 075	711	364	166
D	11 619	221 055	115 392	:	:	:	:	1 076
EL	:	:	:	:	:	:	:	:
E	43 299	307 075	67 797	11 367	6 358	3 606	2 752	1 498
F	20 579	161 582	90 070	22 814	7 446	5 398	2 049	880
IRL	1 016	11 045	5 468	789	485	:	:	66
I	37 405	175 901	68 071	19 002	5 120	2 666	2 455	853
L	332	2 614	1 922	241	164	68	96	11
NL	6 380	66 900	42 006	5 393	3 097	1 647	1 449	522
A	1 781	37 086	12 216	3 999	1 452	1 004	448	202
P	8 134	59 125	20 024	8 166	1 085	558	526	252
FIN	1 211	7 423	4 712	727	329	216	113	47
S	3 818	22 036	15 994	2 246	1 029	794	235	324
UK	15 446	:	94 899	:	8 323	4 774	3 550	1 576
IS	:	:	:	:	:	:	:	:
NO	1 646	16 330	15 145	3 101	857	571	286	200

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; IRL, NO all data 1997; I, S all data 1997 except number of persons employed and turnover;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.2.6: Main indicators, 1998 **51.3 - Wholesale of food, beverages and tobacco**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	644.4	38.6	128.3	30.0	2.3	7.7
DK	5.7	8.1	664.8	43.9	143.7	30.6	2.3	6.8
D	1.4	19.4	522.0	:	:	:	:	4.8
EL	:	:	:	:	:	:	:	:
E	11.0	6.7	220.8	20.0	154.8	10.0	4.4	5.2
F	3.4	8.3	557.4	43.7	135.7	32.2	2.2	5.2
IRL	2.8	10.9	495.1	43.9	:	:	:	5.9
I	6.5	4.3	387.0	30.0	127.6	20.0	4.0	5.3
L	7.7	7.9	735.2	62.7	222.4	28.2	5.0	3.9
NL	4.1	10.5	604.1	46.3	171.2	27.0	3.6	7.8
A	2.2	20.4	329.4	40.0	138.3	28.9	3.7	5.6
P	8.2	6.9	338.7	19.3	181.9	10.6	3.8	4.5
FIN	2.4	5.9	634.8	46.3	147.6	31.4	2.7	6.6
S	4.3	6.7	725.8	40.1	118.7	33.8	1.5	12.6
UK	2.6	:	:	:	:	24.2	3.9	:
IS	:	:	:	:	:	:	:	:
NO	3.7	9.9	927.4	52.5	146.2	35.9	1.9	12.2

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NO (1997).
D 1997 data for investment per person employed; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed;
L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 3.2.7: Main variables, 1998 **51.4 - Wholesale of household goods**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	55 212	30 269	30 298	3 083	1 914	1 168	401
DK	6 028	35 380	14 543	3 678	1 937	1 160	777	183
D	20 954	316 303	120 731	:	:	:	:	1 058
EL	:	:	:	:	:	:	:	:
E	31 940	195 799	55 143	13 467	7 806	3 611	4 194	750
F	36 303	171 713	76 545	21 900	8 882	6 511	2 371	702
IRL	850	9 627	3 067	817	508	:	:	46
I	47 677	225 922	79 663	29 498	9 542	4 424	5 117	1 319
L	559	1 838	662	169	103	48	56	13
NL	14 755	92 779	42 537	10 599	5 345	2 716	2 629	643
A	4 132	45 841	16 586	4 641	2 398	1 621	777	177
P	9 661	62 206	18 492	10 297	1 909	941	968	265
FIN	3 871	15 115	5 304	1 543	831	474	357	76
S	12 130	47 944	21 050	5 379	2 383	1 598	785	297
UK	27 344	:	99 616	:	15 586	7 511	8 075	1 555
IS	:	:	:	:	:	:	:	:
NO	4 140	21 682	8 905	2 454	1 254	787	467	130

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; IRL, NO all data 1997; I, S all data 1997 except number of persons employed and turnover;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.2.8: Main indicators, 1998 **51.4 - Wholesale of household goods**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	548.2	55.9	133.1	42.0	3.9	7.3
DK	11.4	5.8	411.0	55.6	156.3	35.6	5.6	5.3
D	2.6	15.7	381.7	:	:	:	:	3.2
EL	:	:	:	:	:	:	:	:
E	8.1	5.9	281.6	40.0	189.9	20.0	8.2	4.0
F	6.1	5.0	445.8	49.1	134.1	36.6	3.3	3.9
IRL	2.3	11.3	318.6	52.8	:	:	:	4.8
I	8.3	4.5	352.6	40.0	151.5	30.0	7.5	6.2
L	13.0	3.3	360.0	56.1	177.2	31.7	8.4	6.8
NL	9.4	6.3	421.3	57.6	179.4	32.1	6.7	6.9
A	5.1	10.9	361.8	53.4	138.1	38.7	5.0	4.0
P	9.7	7.0	297.3	28.1	192.1	14.6	6.4	3.9
FIN	7.5	3.9	350.9	55.7	166.1	33.5	6.9	5.1
S	13.7	4.1	439.0	47.7	129.0	37.0	4.7	6.0
UK	4.6	:	:	:	:	25.5	8.9	:
IS	:	:	:	:	:	:	:	:
NO	9.4	5.2	410.7	57.8	151.5	38.2	5.2	6.0

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NO (1997).
D 1997 data for investment per person employed; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed;
L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 3.2.9: Main variables, 1998 **51.5 - Wholesale of non-agricultural intermediate products, waste and scrap**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	44 404	47 887	44 557	2 572	1 572	1 000	406
DK	3 360	37 800	18 825	6 564	2 179	1 266	912	426
D	17 552	338 893	194 965	:	:	:	:	2 831
EL	:	:	:	:	:	:	:	:
E	26 109	153 915	71 151	13 423	7 691	2 873	4 818	1 335
F	17 628	187 332	83 314	21 175	9 353	6 861	2 491	1 009
IRL	766	10 017	5 280	978	593	:	:	125
I	30 665	168 418	97 713	52 224	7 155	3 362	3 793	1 446
L	509	3 011	2 560	359	217	92	126	33
NL	8 190	77 490	41 529	7 092	4 485	2 542	1 942	633
A	3 093	44 362	22 780	6 764	2 405	1 541	863	379
P	5 930	37 802	13 788	7 282	1 218	541	677	391
FIN	2 855	16 494	10 863	1 831	1 060	576	484	176
S	11 053	48 242	24 738	5 643	2 809	1 793	1 016	605
UK	17 657	:	167 884	:	12 384	7 285	5 099	1 595
IS	:	:	:	:	:	:	:	:
NO	2 687	21 457	13 163	4 507	1 295	850	444	209

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; IRL, NO all data 1997; I, S all data 1997 except number of persons employed and turnover;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.2.10: Main indicators, 1998 **51.5 - Wholesale of non-agricultural intermediate products, waste and scrap**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	1 078.4	56.8	140.9	40.3	2.2	9.0
DK	6.3	11.1	498.0	58.5	166.8	35.1	5.0	11.4
D	2.1	20.2	575.3	:	:	:	:	8.0
EL	:	:	:	:	:	:	:	:
E	6.6	6.1	462.3	50.0	238.0	20.0	8.1	8.4
F	2.9	11.0	444.7	48.1	135.1	35.6	3.0	5.2
IRL	2.1	13.1	527.1	59.2	:	:	:	12.5
I	5.3	5.1	580.2	50.0	154.2	30.0	4.1	9.3
L	11.9	5.9	850.3	72.2	215.1	33.6	4.9	12.2
NL	5.2	9.5	497.6	57.9	167.6	34.5	5.0	8.2
A	3.8	14.0	513.5	55.3	148.8	37.2	3.9	8.7
P	5.9	7.1	364.8	29.1	213.6	13.6	6.3	9.3
FIN	5.5	5.9	658.6	62.6	179.6	34.9	4.7	10.4
S	12.5	4.9	512.8	51.7	141.8	36.5	4.2	11.1
UK	3.0	:	:	:	:	27.9	3.4	:
IS	:	:	:	:	:	:	:	:
NO	6.1	8.0	613.5	60.3	148.0	40.8	3.4	9.8

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NO (1997).
D 1997 data for investment per person employed; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed;
L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 3.2.11: Main variables, 1998 **51.6 - Wholesale of machinery, equipment and supplies**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	54 114	21 705	20 267	3 353	2 167	1 186	529
DK	5 553	58 880	17 027	5 148	3 175	2 315	861	348
D	13 204	201 153	68 318	:	:	:	:	840
EL	:	:	:	:	:	:	:	:
E	20 632	127 837	36 070	8 353	5 615	2 991	2 625	601
F	34 460	265 496	91 764	27 340	13 880	10 888	2 993	1 242
IRL	813	11 032	2 943	829	565	:	:	42
I	15 328	91 661	27 500	10 495	4 238	2 283	1 954	505
L	688	3 498	1 216	312	188	127	60	14
NL	11 470	128 761	59 725	11 401	7 191	4 099	3 092	726
A	4 642	47 339	14 835	4 340	2 698	1 801	897	306
P	4 402	31 336	7 630	4 498	1 034	605	429	216
FIN	4 073	28 992	10 141	2 598	1 672	1 046	626	197
S	10 546	57 198	21 139	5 911	3 217	2 307	910	452
UK	15 124	:	96 122	:	20 312	10 422	9 890	2 043
IS	:	:	:	:	:	:	:	:
NO	5 491	36 098	11 938	3 196	2 186	1 554	633	254

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; IRL, NO all data 1997; I, S all data 1997 except number of persons employed and turnover;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.2.12: Main indicators, 1998 **51.6 - Wholesale of machinery, equipment and supplies**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	401.1	64.3	134.9	47.7	5.9	10.1
DK	10.5	10.4	289.2	54.8	133.0	41.2	5.3	6.0
D	1.6	15.4	339.6	:	:	:	:	4.2
EL	:	:	:	:	:	:	:	:
E	5.2	6.6	282.2	40.0	171.5	20.0	8.2	4.4
F	5.7	8.0	345.6	50.1	126.1	39.7	3.4	4.5
IRL	2.2	13.6	266.8	51.2	:	:	:	3.8
I	2.7	5.6	300.0	50.0	138.2	40.0	8.2	5.9
L	16.0	5.1	347.5	53.6	134.0	40.0	4.9	4.5
NL	7.3	11.2	393.5	55.9	165.9	33.7	6.1	5.6
A	5.7	10.0	313.4	58.2	139.4	41.8	6.6	6.6
P	4.4	8.6	243.5	27.2	166.5	16.3	6.1	5.7
FIN	7.9	6.8	349.8	60.1	155.7	38.6	6.6	7.1
S	11.9	5.8	369.6	52.4	129.4	40.5	4.8	7.4
UK	2.6	:	:	:	:	35.8	10.7	:
IS	:	:	:	:	:	:	:	:
NO	12.5	6.6	330.7	60.6	136.2	44.5	5.3	7.0

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NO (1997).
D 1997 data for investment per person employed; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed;
L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

Table 3.2.13: Main variables, 1998 **51.7 - Other wholesale**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	6 053	3 150	2 880	285	179	106	41
DK	1 586	5 830	1 722	537	298	188	110	75
D	1 583	84 968	40 801	:	:	:	:	408
EL	:	:	:	:	:	:	:	:
E	1 719	20 311	5 075	575	328	159	169	36
F	5 800	2 569	1 391	756	275	215	60	34
IRL	759	4 888	1 023	316	200	:	:	20
I	12 068	53 217	19 026	5 761	1 995	985	1 010	235
L	283	532	135	23	15	12	3	1
NL	4 565	22 675	7 220	1 639	1 060	547	513	151
A	472	2 706	2 153	224	103	75	29	11
P	3 695	15 135	4 373	3 188	453	265	188	90
FIN	533	8 339	8 669	1 197	495	284	211	90
S	468	1 294	323	270	70	46	25	24
UK	26 075	:	39 337	:	5 922	2 488	3 434	571
IS	:	:	:	:	:	:	:	:
NO	1 182	3 000	826	304	148	112	36	11

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; IRL, NO all data 1997; I, S all data 1997 except number of persons employed and turnover;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.2.14: Main indicators, 1998 **51.7 - Other wholesale**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	520.4	41.8	132.4	31.5	3.7	5.9
DK	3.0	3.6	295.4	52.0	146.1	35.6	6.7	13.1
D	0.2	53.4	480.2	:	:	:	:	4.9
EL	:	:	:	:	:	:	:	:
E	0.4	5.3	249.9	40.0	171.5	20.0	7.5	3.9
F	1.0	1.2	541.5	38.7	120.0	32.3	2.1	4.7
IRL	2.1	6.4	209.2	40.9	:	:	:	4.1
I	2.1	4.0	357.5	40.0	133.7	30.0	7.3	4.9
L	6.6	1.9	253.4	27.8	93.2	29.9	2.3	1.8
NL	2.9	5.0	316.0	46.7	177.8	26.3	7.2	6.7
A	0.6	5.6	795.6	39.0	119.6	32.6	1.4	4.1
P	3.7	5.5	288.9	22.2	159.0	13.9	4.6	4.4
FIN	1.0	16.1	1 039.5	57.9	172.2	33.6	2.5	10.6
S	0.5	3.5	249.5	42.8	130.2	32.8	5.1	14.7
UK	4.4	:	:	:	:	30.1	7.5	:
IS	:	:	:	:	:	:	:	:
NO	2.7	2.5	275.4	49.5	116.4	42.5	4.4	3.6

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NO (1997).
D 1997 data for investment per person employed; IRL, NO all data 1997; I, S all data 1997 except turnover per person employed;
L 1995 data for investment per person employed; UK 1997 data for unit labour cost.

Source: Eurostat, SBS database

3. SECTORAL ANALYSIS

3.3 Retail trade

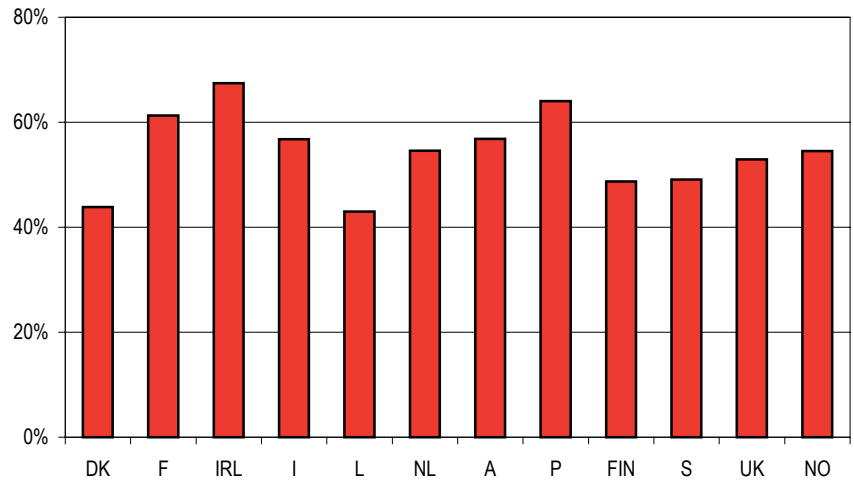
Retail trade corresponds to NACE Rev. 1 Division 52 and is defined as 'retail trade; except of motor vehicles and motorcycles; repair of personal and household goods'.

The sector comprises a large number of relatively small firms, employing nearly 11.4 million people in 1999, who represent about half of the total workforce in the distributive trades.

Because of the sector's fragmentation - and also high labour input in comparison to capital - productivity is generally lower than in the motor and wholesale trades. Retailing therefore generates only a moderate share (about 30% in the EU) of total turnover in the distributive trades.

3.3.1 Enterprises in the retail trade

Figure 3.3.1
Number of enterprises: share of retail trade in total distributive trades, 1998



IRL, I, S, NO: 1997; DK: 1995
Source: Eurostat, SBS database

With around 3 million enterprises, retail trade accounts for about 60% - and thus the largest proportion - of all businesses in the distributive trades in Europe.

In most countries observed more than half - sometimes even two-thirds - of businesses in the distributive trades operate in retailing. Italy records the highest absolute number of retail businesses (around 712 thousand)[1], while retailing shows the highest share of the distributive trades in Ireland (67.4%) and Portugal (64%). The northern European countries tend to have lower shares, which can be explained by better-developed, large-scale distribution and a more intensive concentration process over time.

[1] Germany does not provide SBS data for NACE Rev. 1 52.7 (repair of personal and household goods) and is therefore not included in direct comparisons.

Spain, Italy and Portugal also record a very high density of enterprises - between 124 and 142 businesses per 10 000 inhabitants (Figure 3.3.2). This confirms the fragmentation of the retail sector in these countries, which have large numbers of small specialised shops.

In most countries providing data, the enterprise density of the retail trade far exceeds that of the motor and wholesale trades, mainly because of the smaller average size of retailers. The United Kingdom records the lowest value, with 37 enterprises per 10 000 inhabitants.

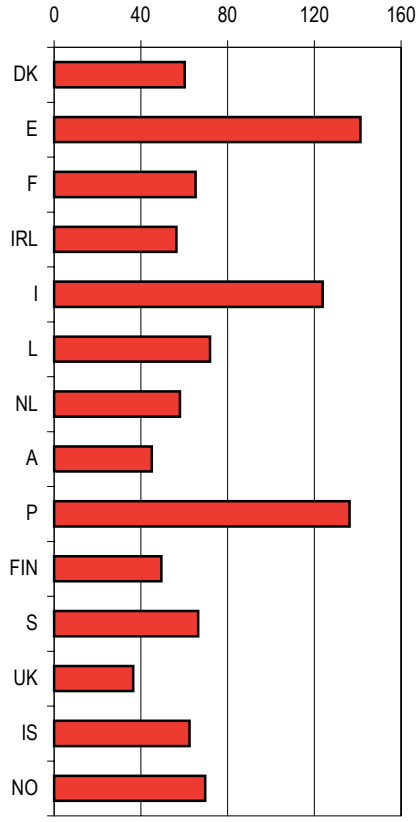


Figure 3.3.2
Retail trade: number of enterprises per 10 000 inhabitants, 1998

E, IRL, I, S, NO 1997; IS: 1995
Source: Eurostat, SBS database
Population: Eurostat, aux_ind database

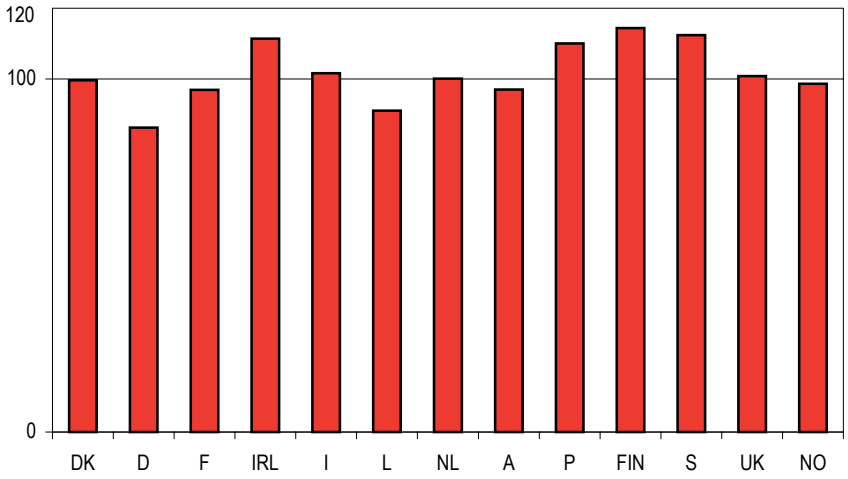


Figure 3.3.3
Retail trade: change in number of enterprises, 1995-1998 (1995 = 100)

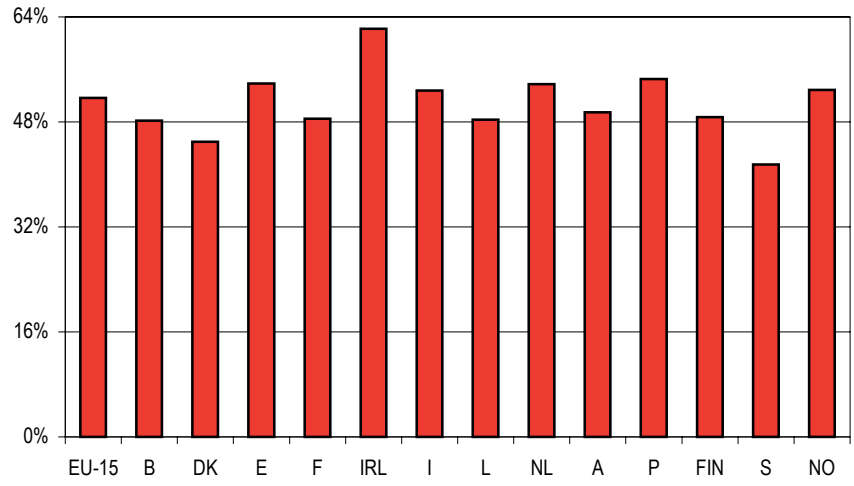
D excludes NACE Rev. 1 52.7
Source: Eurostat, SBS database and estimates

Between 1995 and 1998 the number of retail enterprises remained fairly stable in most observed countries (Figure 3.3.3)[2]. For the countries that saw increases or declines, these changes were smaller than in the other two distributive trades sectors.

Ireland, Finland and Sweden recorded high growth figures ranging from 11% to 14% over the 1995-1998 period, confirming the upward trend of commerce as a whole in these countries. In Ireland and Finland, the motor and wholesale trades recorded even higher growth rates. Portugal, too, saw the number of retail businesses growing considerably (estimated at 10%), wholesale activities declining and even higher growth in the motor trade.

3.3.2 Employment in the retail trade

Figure 3.3.4
Number of persons employed: share of retail trade in total distributive trades, 1999



L, NL: 1998; IRL, NO: 1997; DK: 1995
Source: Eurostat, SBS database

Estimates for 1999 put the number of persons employed in the retail trade at nearly 11.4 million people, who fill about half of all jobs in the distributive trades. Germany alone employs more than 2.5 million people in retailing (excluding NACE Rev. 1 52.7); in Italy there are still around 1.7 million.

Also in employment terms, retailing clearly dominates the distributive trades sector, and the disparities across Europe are not too significant. The lowest shares are recorded in Sweden (41.5%) and Denmark (43.0%), and the highest in Portugal (54.5%) and Ireland (62.2%).

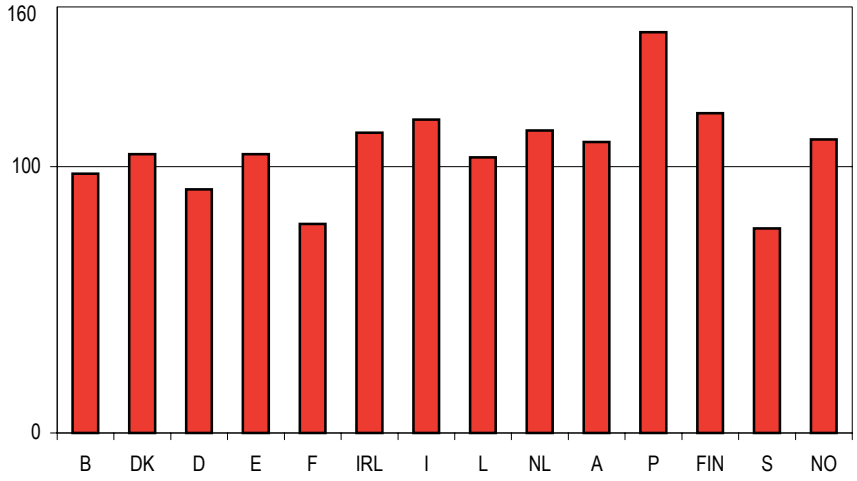
[2] Some countries do not provide data for the whole period. In order to allow comparisons across countries, in some cases their growth rates are estimated or calculated on the basis of the available data.

The average size of retail enterprises varies considerably across Europe. The smallest businesses tend to be in southern Europe; employers in Spain, Italy and Portugal employ on average up to three persons each (Figure 3.3.5). The largest businesses, with an average size of 7 to 9 employees, are located in Germany (data do not include NACE Rev. 1 52.7), the Netherlands and Austria.

Generally, retailers are smaller than enterprises in other distributive trade activities. In Ireland, the Netherlands, Finland and Sweden they are at least larger than motor traders, which is explained both by the characteristics of the retail sector itself (relatively large businesses in the Netherlands) and by the fragmentation of the motor trade in Finland and Sweden.

D excludes NACE Rev. 1 52.7;
E, IRL, I, S, NO: 1997; IS: 1995
Source: Eurostat, SBS database

Figure 3.3.5
Retail trade: number of persons employed per enterprise, 1998



D excludes NACE Rev. 1 52.7; E, S: 1997-1999; IRL, NO: 1995-1997
Source: Eurostat, SBS database and estimates

Figure 3.3.6
Retail trade: change in employment, 1995-1999 (1995 = 100)

Retail trade shows a trend towards larger firms, following the increase in large supermarkets and the concentration of businesses. This does not seem to have had a negative impact on employment, however, which increased in most countries over the 1995-1999 period (Figure 3.3.6)[3]. Besides, systems characterised by small businesses tend to have more self-employed workers, while employees

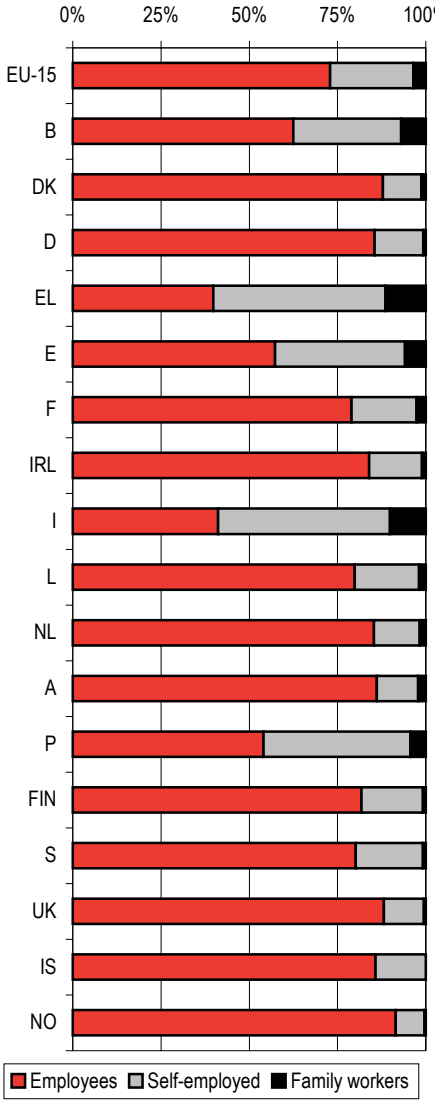
[3] Some countries do not provide data for the whole period. In order to allow comparisons across countries, in some cases their growth rates are estimated or calculated on the basis of the available data.

predominate where the average firm is larger. The upsizing of enterprises may therefore lead to a change in the characteristics of employment, with a decline in self-employment and an increase in the number of employees.

Portugal recorded the highest increase, with a whopping 50% between 1995 and 1999. Ireland, Italy and the Netherlands still showed double-digit growth during the observation period. Declines were recorded only in Belgium, France and Germany. Sweden, where employment also declined in the other distributive trade sectors, shows a dramatic fall of 23% between 1997 and 1999 alone.

Employment characteristics

Figure 3.3.7
Retail trade: proportions of employees, self-employed and family workers in total employment, 1999



Source: Eurostat, Labour Force Survey

Retail trade is the commercial activity that has the highest proportions of self-employed and family workers in its workforce. As in the motor and wholesale trades, there is more self-employment in Belgium (30% of retail employment) and in the southern European Member States: 37% in Spain and as much as 49% in Italy and Greece, which also show a high participation of family workers (10-11%), equivalent to around 60% of the independent workforce in retailing for these two countries.

Of the countries observed, Norway comes last in terms of the level of self-employment in retailing: 91% of its workforce are employees. The shares of family workers are negligible (1% or less) in all northern European countries.

Nearly 60% of those employed in the retail trade in Europe are women. In wholesaling (32%) and the motor trade (18%) female employment is far less significant.

Austria (68%) and Germany (67%) record the highest shares. The southern European Member States record lower figures, as in the other trade activities. All except Greece (47%) and Italy (46%) exceed 50%, however. This different pattern of female employment between the north and the south can be explained largely by the level of education of women and their role in the family according to religious and social traditions in the different regions.

The retail trade also has many part-time workers, with disparities across countries similar to those seen in the other trade activities. At EU level, part-time employment accounts for 30% of total employment, which is far higher than in the motor trade (10%) or in wholesaling (11%). Southern European Member States again record the lowest proportions of part-time workers, and the northern European countries rank at the top of the scale.

The Netherlands are the only country where the percentages of female and part-time employment are more or less the same (slightly over 50%).

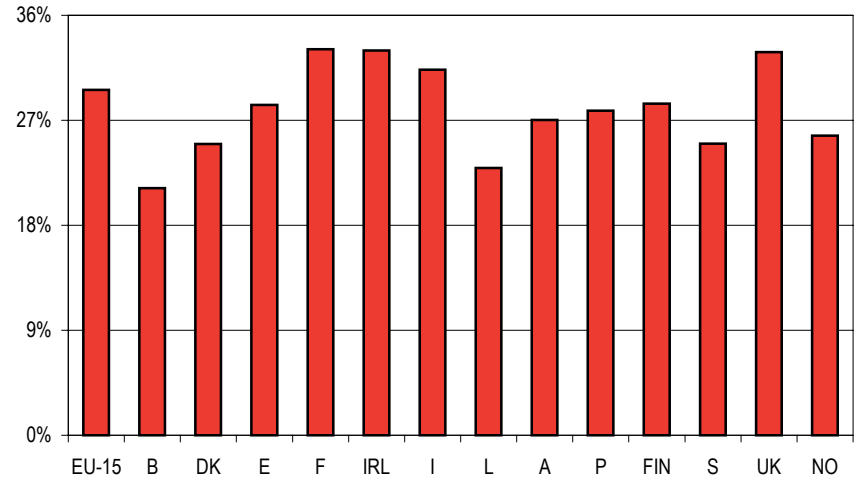
Figure 3.3.8
Retail trade: female and part-time employment, 1999

Source: Eurostat, Labour Force Survey

3.3.3 Turnover and productivity

Total turnover in the retail trade is estimated to have reached nearly 1 600 billion euro in 1999. Its EU average is around 30% of total turnover in the distributive trades, and the disparities across the countries observed are not significant. In turnover terms, therefore, retailing is considerably less important to the distributive trades than is wholesaling (over 50% of EU turnover on average), but it still outstrips the motor trade.

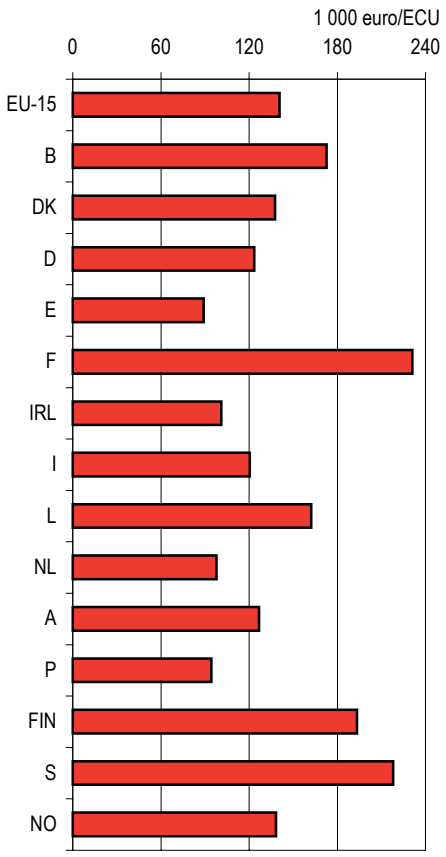
Figure 3.3.9
Turnover: share of retail trade in total distributive trades, 1999



L: 1998; IRL, NO: 1997; DK: 1995
Source: Eurostat, SBS database

The United Kingdom and Germany record the highest turnover in retailing, at 350 billion and 312 billion euro respectively in 1999 (the value for Germany does include NACE Rev. 1 52.7). France is some way behind, at 278 billion euro. France and the United Kingdom, together with Ireland, also record the highest relative shares of retailing in total distributive trades, at around a third (Figure 3.3.9).

Figure 3.3.10
Retail trade: turnover per person employed, 1999



D excludes NACE Rev. 1 52.7
L NL 1998; IRL, NO: 1997; IS: 1995
1999 data are expressed in euro, data for previous years in ECU
Source: Eurostat, SBS database

Turnover per person employed and labour productivity (value added per person employed) in the retail trade are lower than in the motor trade and the wholesale trade in all countries without exception. This is due mainly to the fact that the retail trade is more labour-intensive (and less capital-intensive), with a lower level of process automation than the other trade activities.

Disparities across countries are substantial, however (Figure 3.3.10). France records the highest value, with a turnover per person employed of 231 thousand euro in 1999; next come Sweden (218 thousand euro) and Finland (193 thousand euro). Spain, Portugal and the Netherlands (1998 data for the Netherlands) record values below the 'threshold' of 100 thousand euro/ECU per person employed.

Labour productivity values in retailing are generally lower than in wholesaling or the motor trade (Figure 3.3.11) and in 1998 ranged from 11.4 thousand ECU per person employed in Portugal to 32.3 thousand ECU in Finland. Luxembourg and France also record high values, exceeding 30 thousand ECU per person employed.

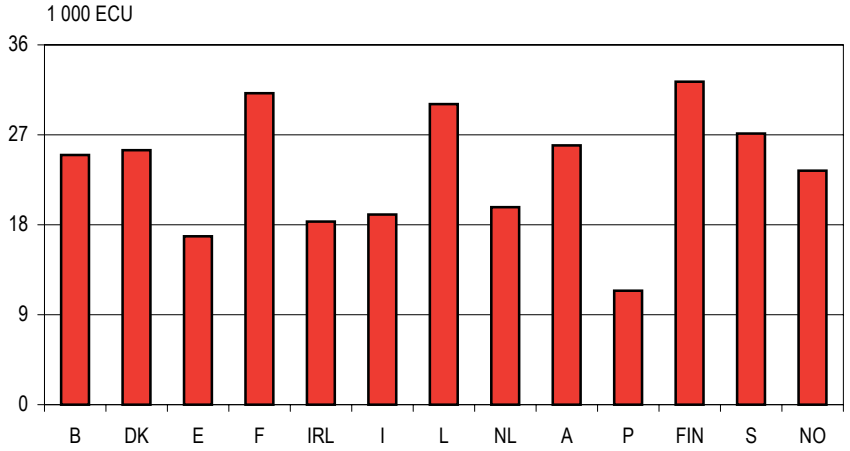


Figure 3.3.11
Retail trade: value added per person employed, 1998

E, IRL, I, S, NO: 1997
Source: Eurostat, SBS database

The good performance of French retailers can be explained mainly by the strong growth in this country of large shopping complexes, particularly hypermarkets. These stores, which are very attractive, achieve a high level of scale economy and therefore a higher productivity rate. Finland and Luxembourg record high productivity values for all trade activities.

Comparing productivity and the average enterprise size in retailing, the countries observed can be grouped into three broad categories (Figure 3.3.12): Southern European Member States tend to have low productivity (Portugal lowest, at 11.4 thousand ECU per person employed in 1998) and very small businesses (fewer than four persons employed on average).

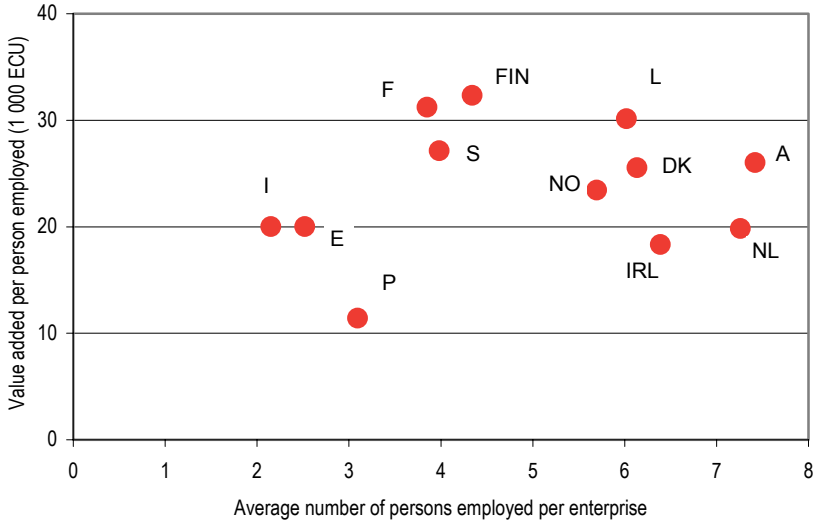
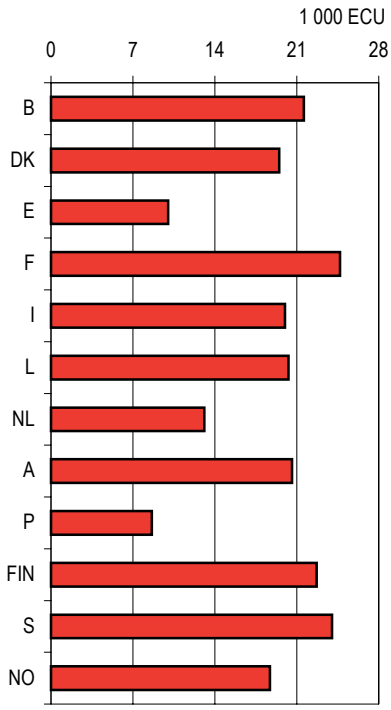


Figure 3.3.12
Retail trade: value added per person employed and average enterprise size, 1998

E, IRL, I, S, NO: 1997
Source: Eurostat, SBS database

France, Finland and Sweden constitute the second group, with the highest productivity values (Finland stands out at 31.7 thousand ECU in 1998) and a slightly higher average enterprise size (around 4 to 5 persons employed). The remaining countries have slightly larger enterprises (6-8 persons employed) and, except in Luxembourg, productivity values fall between those of the two other groups.

Figure 3.3.13
Retail trade: unit labour costs, 1998



E, I, S, NO: 1997
Source: Eurostat, SBS database

Unit labour costs (personnel costs per employee) in the retail trade are lower than in the other distributive activities (Figure 3.3.13), since retailing generally requires less skilled workers than other trade activities and also pays lower average salaries. The retail trade is also dominated by small firms and the methodology does not class a proprietor's income, which is generally part of the operating result, as a personnel cost. This has to be taken into consideration when the labour costs and performances of the different trade activities are compared.

Portugal and Spain record the lowest productivity values, but also the lowest labour costs in retailing, at 8.6 thousand ECU (1998 data) and 10 thousand ECU (1997 data) per employee respectively.

The Netherlands also show relatively low labour costs, at 13.1 thousand ECU per employee in 1998, but these are affected by the high level of self-employment in retailing for this country. Conversely, France has the highest unit labour cost (24.7 thousand ECU per employee) but, at 31.2 thousand ECU per person employed, records the second highest productivity value in retailing.

Nevertheless, the economic success of an activity (operating result) is ultimately measured by the difference between value added and personnel costs. Thus, a larger gap between labour costs and productivity values results in a higher operating rate (operating surplus in turnover), which can be considered as the economic success indicator (Figure 3.3.14).

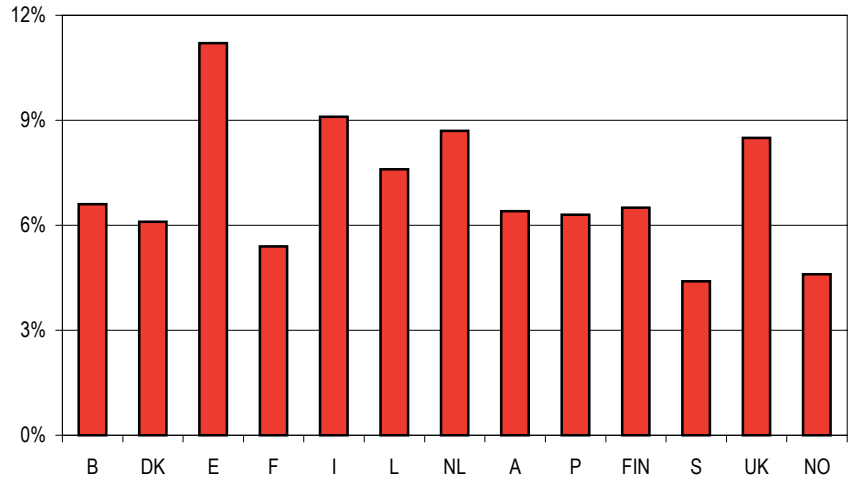


Figure 3.3.14
Retail trade: gross operating rates, 1998

E, I, S, NO: 1997
Source: Eurostat, SBS database

In all countries providing data, the retail trade records higher operating rates than wholesaling or the motor trade, but they should be interpreted with caution, as explained before.

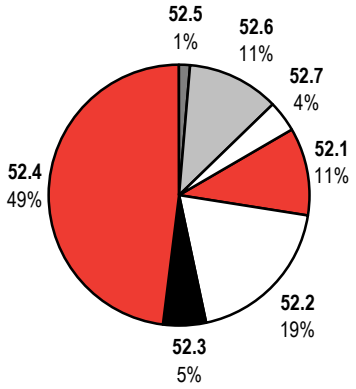
Spain (11.2%) and Italy (9.1%), which are countries where a large number of small-sized businesses dominate, record the highest gross operating rates in retailing as well as in the other two distributive trade activities.

3.3.4 Retail trade activities

NACE Rev. 1 Division 52 (retail trade, except of motor vehicles and motorcycles; repair of personal and household goods) breaks down into the following groups:

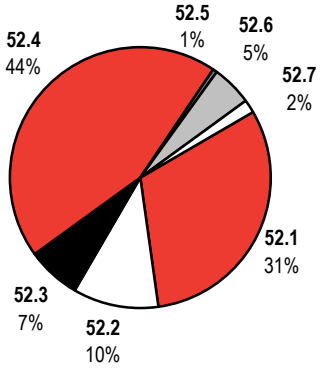
- 52.1: Retail sale in non-specialised stores
- 52.2: Retail sale of food, beverages and tobacco in specialised stores
- 52.3: Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles
- 52.4: Other retail sale of new goods in specialised stores
- 52.5: Retail sale of second-hand goods in stores
- 52.6: Retail sale not in stores
- 52.7: Repair of personal and household goods

Figure 3.3.15
Retail trade:number of enterprises broken down by activity (NACE group) in the EEA, 1998



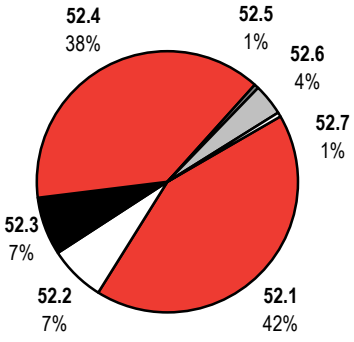
Calculated average:
data cover all EEA countries except B, D, EL, IS
Source: Eurostat, SBS database and estimates

Figure 3.3.16
Retail trade: employment broken down by activity (NACE group) in the EEA, 1999



Calculated average:
data cover all EEA countries except D, EL, UK, IS
Source: Eurostat, SBS database and estimates

Figure 3.3.17
Retail trade: turnover broken down by activity (NACE group) in the EEA, 1999



Calculated average:
data cover all EEA countries except D, EL, IS
Source: Eurostat, SBS database and estimates

The calculated average from the countries providing data shows that there are two activities that clearly dominate employment and turnover in the retail trade: 'retail sale in non-specialised stores' (NACE Rev. 1 52.1), which includes large-scale distribution outlets, and 'other retail sale of new goods in specialised stores' (NACE Rev. 1 52.4), which encompasses various categories of goods. These together account for 75% of employment and 80% of turnover in retailing.

New goods in specialised stores (NACE Rev. 1 52.4) also account for nearly half the businesses in the retail trade. This is not particularly surprising, since outlets in this activity are generally small. Conversely, on the average calculated from the countries providing data, only 11% of enterprises are non-specialised stores (NACE Rev. 1 52.1) because of the relatively large size of outlets in this category.

Another important activity in the retail trade is 'retail sale of food, beverages and tobacco in specialised stores' (NACE Rev. 1 52.2), accounting for 19% of all retail enterprises, 10% of employment and 7% of turnover (calculated average). 'Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles' (NACE Rev. 1 52.3) accounts for similar shares of employment and turnover (both 7%) but for fewer businesses (5%).

'Retail sale not in stores' (NACE Rev. 1 52.6) features a pattern somewhat similar to that of food retailing in specialised stores: a large number of enterprises with low shares in employment and turnover. The values are 11% for enterprises, 5% for employment and 4% for turnover.

The two remaining activities, 'retail sale of second-hand goods in stores' (NACE Rev. 1 52.5) and 'repair of personal and household goods' (NACE Rev. 1 52.7) account for marginal shares of the three variables (1-4% for enterprises, 1-2% for employment, 1% for turnover).

Focus on the activities

Retail sale in non-specialised stores (NACE Rev. 1 52.1)

Enterprises operating in retail sale in non-specialised stores make up the largest of all trade activities. This is not particularly surprising, since this NACE group includes large-scale distribution outlets. However, the average size of enterprises varies substantially across the EU. Businesses in southern European Member States are relatively small (between 4 and 8 persons employed), while those in the other countries employ 11-27 people on average. The Netherlands is an exception, with 56 persons employed per enterprise.

In Denmark, Finland and France, retail sales in non-specialised stores account for high proportions of both employment and turnover in total retailing: over 50% for both variables in Finland, and half of turnover and slightly less than half of employment in France and Denmark.

Non-specialised retailers are also generally ahead of other retail trade activities in terms of turnover per person employed. The highest value is recorded in France, at 296 thousand euro per person employed in 1999.

Retail sale of food, beverages and tobacco in specialised stores (NACE Rev. 1 52.2)

Specialised food retailers tend to be small firms. Across the countries providing data, Luxembourg and Germany record the largest enterprises, with an average size of around five persons employed. The smallest businesses (fewer than two persons employed) are located in the southern European Member States, where the distributive sector as a whole is more fragmented and specialised retailers are often family-run businesses.

These countries also show the lowest values for turnover per person employed and for labour productivity (value added per person employed). The highest values for these variables are recorded in Sweden (turnover per person employed of 287 thousand euro in 1999) and Finland (labour productivity of 37.5 thousand ECU in 1998).

Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles (NACE Rev. 1 52.3)

In terms of average size, businesses retailing pharmaceutical and medical goods, cosmetic and toilet articles rank next to large-scale retailers. This relatively large size is partly explained by the fact that this NACE group includes 'drugstores', or large stores selling not only pharmaceutical products but also over-the-counter (OTC) goods, cosmetics and perfumes. Drugstores are dominant in Germany, the United Kingdom and other northern European countries, while in southern Europe pharmacies tend to specialise in pharmaceuticals, and perfumeries in cosmetic articles.

The smallest enterprises (3-5 persons employed) are located in southern Europe and the largest in Austria (12) and Sweden (13).

Enterprises in this activity record high turnover per person employed: between 107 thousand ECU per person employed in Ireland (1997) and 294 thousand euro in Sweden (1999). They also stand out for the highest labour productivity values of retail trade activities in most countries.

Other retail sale of new goods in specialised stores (NACE Rev. 1 52.4)

This activity comprises the sale of a very wide range of consumer goods: textiles, clothing, furniture, electrical equipment, hardware, books etc.

Retailing of new goods in specialised stores generally takes place in relatively small businesses, with an average size between 2 (Italy) and 8 (Germany) persons employed.

The gaps between countries in turnover per person employed are less striking than in the other retailing activities. The values range from 74 thousand euro per person employed in Spain to 179 thousand euro in France (both 1999 data). For labour productivity Finland records the highest value, at 31.2 thousand ECU per person employed in 1998, followed by Denmark, France and Luxembourg, all at about 30 thousand ECU (1998).

Retail sale of second-hand goods in stores (NACE Rev. 1 52.5)

At an average size of around two persons employed, businesses dealing with second-hand goods are the smallest within the retail trade.

Since small retailers operate with small volumes and slow rotation, relatively low productivity and high operating rates (generally exceeding 12%) come as no surprise. Labour productivity in the retailing of second-hand goods is the lowest in all retail trade activities in all countries providing data except in the southern European Member States, where it is equal to or more than that of non-store retailing (NACE Rev. 1 52.6) and repair of household goods (NACE Rev. 1 52.7).

Labour productivity values range from 5.6 thousand ECU per person employed in Belgium to 23.3 thousand ECU in France (1998 data).

Turnover per person employed is also generally low. France and Sweden stand out with remarkably high values for this variable (over 212 thousand euro in 1999).

Retail sale not in stores (NACE Rev. 1 52.6)

Non-store retailing is made up of three different activities of a highly different nature: retail sale via mail-order houses, retail sale via stalls and markets and other non-store retailing (door-to-door selling, mobile sales, vending machines).

While mail-order houses have a reasonably high level of automatic procedures, stalls and markets are strongly based on personal services. This difference clearly affects the level of productivity, which features an opposite pattern between the two activities: mail-order houses generally show high turnover and valued added per person employed, high labour costs and relatively low operating rates, while stalls and markets show high operating rates but low turnover, value added per person employed and labour costs.

Mail-order houses are more common in northern Europe, France and Austria, while stalls and markets prevail in southern Europe.

Across Europe, Austria (1998 data) and Ireland (1997) record the highest value for labour productivity in non-store retail sales as a whole, at around 32 thousand ECU per person employed. Sweden ranks first for turnover per person employed (271 thousand euro) followed by France at 226 thousand euro (both 1999 data). The gross operating rates in these countries are fairly low: 2.2% in Sweden, 4.3% in France and 6.2% in Austria (1998 data).

In southern Europe, where stalls and markets dominate non-store retailing, turnover per person employed is below 62 thousand euro/ECU and labour productivity between 6 and 10 thousand ECU per person employed. Gross operating rates exceed 15% in Spain and Italy, but are relatively low in Portugal, at 6.8% (all 1998 data).

The Netherlands show a specific pattern: despite the prevalence of stalls and markets, it records high values for turnover and value added per person employed in non-store retailing.

Repair of personal and household goods (NACE Rev. 1 52.7)

This NACE group includes only those repair activities that are not carried out in combination with manufacture, wholesale or retail sale of goods.

Turnover per person employed in this activity is generally lower than that of enterprises involved with sales, mainly because it is due only to the repair services supplied and not to the final price of the goods sold.

Values for turnover on the repair of household goods range from 21 thousand euro per person employed in Portugal to 80 thousand euro in France in 1999 (Sweden is an exception at 121 thousand euro). In all countries except Denmark, turnover values are the lowest amongst all retail activities.

The characteristics of repair of personal and household goods are actually closer to those of other service activities than to other distributive trades. As opposed to the low turnover per person employed, service activities generally feature high labour productivity (value added per person employed) as well as high trade margins, mainly because they operate with low costs.

Across Europe the values for labour productivity in goods repair are more or less in line with those of other retailing activities. Gross operating rates are far higher, however - the highest in the entire retail trade, exceeding 18% in several countries and as high as 30% in the Netherlands.

Table 3.3.1: Main variables, 1998 **52.1 - Retail sale in non-specialised stores**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	76 886	18 148	17 185	2 460	1 773	687	355
DK	3 537	88 360	13 857	3 123	1 871	1 403	468	193
D	30 339	841 959	123 386	:	:	:	:	2 046
EL	:	:	:	:	:	:	:	:
E	39 390	406 157	50 134	9 357	6 565	3 954	2 611	1 731
F	33 913	478 404	141 536	30 300	16 972	12 039	4 933	2 663
IRL	5 795	63 416	6 864	1 612	1 118	:	:	259
I	82 296	416 351	69 949	19 256	7 993	5 744	2 249	1 695
L	257	4 852	1 022	218	131	90	42	44
NL	4 180	234 248	20 545	:	:	:	:	:
A	4 530	69 252	9 600	2 538	1 487	1 138	349	213
P	20 602	110 215	11 366	4 037	991	576	415	399
FIN	4 757	55 982	12 618	2 792	1 777	1 158	619	310
S	7 207	65 524	16 222	3 751	2 232	1 781	451	281
UK	38 360	:	162 371	:	26 615	14 930	11 685	6 855
IS	:	:	:	:	:	:	:	:
NO	5 885	67 607	11 180	2 617	1 502	1 045	456	324

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed and 1995 for turnover), NO (1997).
D 1997 data for investment; E, I, S all data 1997 except number of persons employed and turnover; IRL, NO all data 1997; L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.3.2: Main indicators, 1998 **52.1 - Retail sale in non-specialised stores**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	236.0	29.0	124.4	23.3	4.0	4.2
DK	6.7	24.7	156.8	21.5	128.2	16.7	3.5	2.2
D	3.7	27.3	146.5	:	:	:	:	2.3
EL	:	:	:	:	:	:	:	:
E	10.0	8.0	123.4	20.0	141.3	10.0	6.5	5.5
F	5.7	15.6	295.9	32.0	136.4	23.5	3.6	5.0
IRL	15.8	10.9	108.2	17.6	:	:	:	4.1
I	14.3	4.5	168.0	20.0	92.8	20.0	3.6	4.6
L	6.0	18.9	210.5	27.1	139.5	19.4	4.1	11.1
NL	2.7	56.0	97.6	:	:	:	:	:
A	5.6	14.9	138.6	22.1	121.4	18.2	3.7	3.2
P	20.7	4.1	103.1	11.7	132.6	8.8	4.9	4.7
FIN	9.2	11.6	225.4	32.2	146.1	22.1	5.1	5.6
S	8.1	11.4	247.6	27.3	119.9	22.7	2.9	3.4
UK	6.5	:	:	:	:	:	8.2	:
IS	:	:	:	:	:	:	:	:
NO	13.4	11.5	165.4	22.2	138.1	16.1	4.1	4.8

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NL (1995), NO (1997).
D 1997 data for investment per person employed; E, I, S all data 1997 except turnover per person employed; IRL, NO all data 1997; L 1995 data for investment per person employed.

Source: Eurostat, SBS database

Table 3.3.3: Main variables, 1998 **52.2 - Retail sale of food, beverages and tobacco in specialised stores**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	32 152	3 582	3 496	652	268	384	176
DK	4 617	16 520	1 479	549	327	188	139	19
D	32 945	152 460	12 503	:	:	:	:	279
EL	:	:	:	:	:	:	:	:
E	156 055	220 611	17 062	4 130	3 159	983	2 176	341
F	47 348	70 805	12 030	4 463	2 574	1 605	968	392
IRL	2 856	9 694	842	251	167	:	:	18
I	120 620	211 575	15 122	7 019	2 775	548	2 227	504
L	315	1 689	236	85	56	32	25	4
NL	13 005	56 578	4 778	1 466	949	455	494	162
A	4 981	18 758	3 175	779	551	262	290	65
P	30 730	57 637	3 642	3 318	369	212	157	99
FIN	1 443	3 937	824	234	140	88	52	14
S	7 555	11 951	3 430	748	463	310	153	69
UK	50 435	:	21 491	:	3 754	1 842	1 912	386
IS	:	:	:	:	:	:	:	:
NO	2 360	8 921	1 241	279	172	131	41	18

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; E, I, S all data 1997 except number of persons employed and turnover; IRL, NO all data 1997;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.3.4: Main indicators, 1998 **52.2 - Retail sale of food, beverages and tobacco in specialised stores**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	111.4	20.5	126.4	16.2	11.0	5.5
DK	8.7	3.5	89.5	20.1	133.6	15.0	9.7	1.1
D	4.0	5.0	82.0	:	:	:	:	1.6
EL	:	:	:	:	:	:	:	:
E	39.7	1.8	77.3	10.0	119.5	10.0	11.6	1.2
F	7.9	2.0	169.9	26.7	108.9	24.5	8.8	4.1
IRL	7.8	3.4	86.9	17.2	:	:	:	1.8
I	21.0	1.6	71.5	10.0	75.8	20.0	15.8	2.6
L	7.3	5.4	139.5	33.3	167.3	19.9	10.5	1.8
NL	8.3	4.4	83.0	16.8	150.1	11.2	10.5	2.9
A	6.2	3.7	169.2	30.2	157.9	19.1	9.6	3.6
P	30.8	1.9	63.2	6.4	91.8	6.9	4.6	1.7
FIN	2.8	2.6	209.2	37.5	129.6	28.9	8.2	3.9
S	8.5	2.6	287.0	23.6	109.4	21.6	4.7	3.5
UK	8.5	:	:	:	:	:	10.1	:
IS	:	:	:	:	:	:	:	:
NO	5.4	3.8	139.2	19.3	107.5	18.0	3.3	2.0

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NL (1998), NO (1997).
D 1997 data for investment per person employed; E, I, S all data 1997 except turnover per person employed; IRL, NO all data 1997;
L 1995 data for investment per person employed.

Source: Eurostat, SBS database

Table 3.3.5: Main variables,1998 52.3 - Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	20 491	3 913	3 632	722	323	398	107
DK	795	7 860	1 370	412	292	221	71	17
D	24 714	268 952	32 979	:	:	:	:	379
EL	:	:	:	:	:	:	:	:
E	32 366	86 564	10 584	2 939	2 469	806	1 664	176
F	29 270	109 814	25 908	7 936	5 991	3 388	2 602	402
IRL	1 132	7 085	755	243	173	:	:	14
I	32 840	124 179	20 549	5 191	3 141	1 048	2 093	211
L	132	888	175	51	38	19	19	2
NL	3 615	38 041	5 673	3 651	1 114	593	521	121
A	2 082	24 730	3 234	1 034	717	460	257	52
P	4 120	15 768	1 894	2 326	439	214	226	51
FIN	1 253	7 462	1 379	453	309	173	136	13
S	996	10 807	3 179	702	567	394	173	36
UK	7 383	:	12 833	:	1 941	1 187	754	217
IS	:	:	:	:	:	:	:	:
NO	1 066	7 498	1 074	290	209	164	45	15

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; E, I, S all data 1997 except number of persons employed and turnover; IRL, NO all data 1997;
L 1995 data for investment; NL 1996 data for investment.

Source: Eurostat, SBS database

Table 3.3.6: Main indicators, 1998 52.3 - Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	191.0	37.7	160.2	23.5	11.0	5.6
DK	1.5	9.8	174.3	37.6	123.4	30.5	5.4	2.1
D	3.0	10.7	122.6	:	:	:	:	1.5
EL	:	:	:	:	:	:	:	:
E	8.2	2.8	122.3	30.0	197.0	10.0	16.6	1.9
F	4.9	5.1	235.9	39.9	155.0	25.7	10.7	2.7
IRL	3.1	6.3	106.6	24.4	:	:	:	2.0
I	5.7	2.9	165.5	30.0	147.0	20.0	13.5	2.2
L	3.1	6.7	197.5	43.1	169.8	25.4	11.0	2.9
NL	2.3	10.5	134.8	29.3	174.0	16.8	10.2	3.6
A	2.6	11.6	130.8	29.8	141.9	21.0	8.5	2.2
P	4.1	4.6	120.1	23.4	185.9	12.6	9.5	2.7
FIN	2.4	6.2	184.7	39.9	158.1	25.3	10.7	1.6
S	1.1	13.0	294.2	43.7	136.2	32.1	6.5	2.8
UK	1.2	:	:	:	:	:	6.8	:
IS	:	:	:	:	:	:	:	:
NO	2.4	7.0	143.3	27.9	115.9	24.0	4.2	2.1

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NL (1998), NO (1997).
D 1997 data for investment per person employed; E, I, S all data 1997 except turnover per person employed; IRL, NO all data 1997;
L 1995 data for investment per person employed; NL 1996 data for investment per person employed.

Source: Eurostat, SBS database

Table 3.3.7: Main variables, 1998 **52.4 - Other retail sale of new goods in specialised stores**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	132 525	20 575	18 928	2 939	1 583	1 356	755
DK	18 320	77 880	9 924	3 737	2 329	1 469	860	262
D	149 952	1 090 614	111 675	:	:	:	:	2 515
EL	:	:	:	:	:	:	:	:
E	262 127	649 029	48 128	14 236	10 115	4 490	5 625	1 360
F	174 669	461 022	82 317	32 917	17 492	12 496	4 996	2 363
IRL	9 502	48 434	4 644	1 465	894	:	:	116
I	342 657	780 768	89 577	33 906	13 110	5 126	7 984	1 941
L	1 872	9 054	1 291	464	274	156	119	34
NL	45 050	295 408	31 812	10 961	6 645	3 733	2 912	1 060
A	21 268	153 259	17 843	6 524	3 948	2 778	1 170	472
P	66 732	256 831	26 378	16 215	2 868	1 650	1 218	661
FIN	14 660	41 044	6 503	1 994	1 230	746	484	108
S	35 055	82 535	14 475	4 908	2 725	1 998	727	344
UK	98 847	:	131 897	:	22 023	14 168	7 854	4 292
IS	:	:	:	:	:	:	:	:
NO	17 525	84 553	10 094	3 681	2 105	1 573	532	207

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; E, I, S all data 1997 except number of persons employed and turnover; IRL, NO all data 1997;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.3.8: Main indicators, 1998 **52.4 - Other retail sale of new goods in specialised stores**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	155.3	22.6	109.4	20.6	7.2	5.8
DK	34.5	4.2	127.4	30.3	135.2	22.4	8.9	3.4
D	18.3	7.5	102.4	:	:	:	:	2.2
EL	:	:	:	:	:	:	:	:
E	66.7	2.3	74.2	20.0	129.5	10.0	13.4	2.2
F	29.1	3.3	178.6	30.3	120.7	25.1	6.3	4.1
IRL	26.0	5.1	95.9	18.5	:	:	:	2.4
I	59.6	2.0	114.7	20.0	88.0	20.0	10.3	2.8
L	43.6	4.8	142.6	30.3	148.8	20.4	9.2	3.7
NL	28.7	6.6	100.5	22.5	145.3	15.5	9.8	3.6
A	26.3	7.0	116.4	26.5	123.0	21.5	6.8	3.2
P	66.9	3.6	102.7	12.0	143.9	8.4	6.8	2.8
FIN	28.4	2.7	158.4	31.2	138.0	22.6	8.1	2.7
S	39.6	2.9	175.4	26.4	109.7	24.1	5.5	3.3
UK	16.7	:	:	:	:	:	7.5	:
IS	:	:	:	:	:	:	:	:
NO	39.8	4.8	119.4	24.9	122.3	20.4	5.3	2.5

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NL (1998), NO (1997).
D 1997 data for investment per person employed; E, I, S all data 1997 except turnover per person employed; IRL, NO all data 1997;
L 1995 data for investment per person employed.

Source: Eurostat, SBS database

Table 3.3.9: Main variables, 1998 **52.5 - Retail sale of second-hand goods in stores**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	2 859	233	226	15	9	7	17
DK	1 062	1 310	78	30	20	7	13	3
D	3 265	7 150	509	:	:	:	:	28
EL	:	:	:	:	:	:	:	:
E	2 296	3 610	155	79	55	19	36	7
F	13 734	8 517	1 850	688	304	189	115	46
IRL	412	968	47	23	13	:	:	2
I	3 052	8 721	538	177	76	20	57	7
L	36	58	5	2	1	0	1	0
NL	2 995	6 627	262	132	65	15	50	15
A	983	1 844	119	62	37	16	21	3
P	503	1 033	38	53	9	7	2	2
FIN	804	717	52	24	11	5	7	2
S	1 476	428	91	66	32	15	17	6
UK	6 105	:	3 173	:	695	169	526	50
IS	:	:	:	:	:	:	:	:
NO	576	765	43	22	12	6	5	1

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed and 1995 for turnover), NO (1997).
D 1997 data for investment; E, I, S all data 1997 except number of persons employed and turnover; IRL, NO all data 1997; L, NL 1995 data for investment.

Source: Eurostat, SBS database

Table 3.3.10: Main indicators, 1998 **52.5 - Retail sale of second-hand goods in stores**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	81.4	5.6	37.5	14.8	2.9	6.1
DK	2.0	1.2	59.6	15.7	87.5	17.9	17.5	2.1
D	0.4	2.2	71.2	:	:	:	:	4.1
EL	:	:	:	:	:	:	:	:
E	0.6	1.7	43.0	10.0	110.9	10.0	24.7	1.8
F	2.3	0.9	217.2	23.3	84.8	27.5	7.7	3.6
IRL	1.1	2.3	48.3	13.9	:	:	:	2.5
I	0.5	1.5	61.7	20.0	67.2	20.0	24.6	1.4
L	0.8	1.6	76.8	19.6	132.4	14.8	15.5	3.4
NL	1.9	2.2	69.4	17.2	243.9	7.0	18.9	3.9
A	1.2	1.8	64.4	20.8	107.9	19.2	18.6	1.6
P	0.5	2.2	36.6	7.7	89.9	8.6	3.5	2.0
FIN	1.6	0.9	73.1	15.8	85.4	18.5	14.3	2.2
S	1.7	1.3	212.1	16.3	73.3	22.2	9.4	3.1
UK	1.0	:	:	:	:	:	18.4	:
IS	:	:	:	:	:	:	:	:
NO	1.3	1.3	56.2	15.2	74.2	20.5	12.6	0.8

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NL (1995), NO (1997).
D 1997 data for investment per person employed; E, I, S all data 1997 except turnover per person employed; IRL, NO all data 1997; L, NL 1995 data for investment per person employed.

Source: Eurostat, SBS database

Table 3.3.11: Main variables, 1998 **52.6 - Retail sale not in stores**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	10 287	1 523	1 345	186	70	116	41
DK	1 678	3 110	359	113	55	32	23	20
D	39 218	166 495	30 891	:	:	:	:	580
EL	:	:	:	:	:	:	:	:
E	46 666	70 108	3 583	1 297	811	249	563	116
F	67 605	58 608	13 264	5 999	2 069	1 565	505	218
IRL	141	895	133	52	29	:	:	2
I	103 852	132 050	8 144	4 115	1 600	309	1 292	476
L	170	456	56	16	10	5	5	1
NL	18 790	24 969	2 651	1 104	619	193	427	78
A	1 355	7 138	1 131	582	223	151	71	14
P	6 858	18 483	731	408	56	26	31	8
FIN	943	1 827	336	152	52	32	20	3
S	2 854	5 103	1 384	486	177	151	25	24
UK	10 373	:	17 095	:	3 728	1 588	2 141	334
IS	:	:	:	:	:	:	:	:
NO	1 800	3 192	425	193	50	39	11	6

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
D 1997 data for investment; E, I, S all data 1997 except number of persons employed and turnover; IRL, NO all data 1997;
L 1995 data for investment.

Source: Eurostat, SBS database

Table 3.3.12: Main indicators, 1998 **52.6 - Retail sale not in stores**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	148.1	18.7	80.1	23.4	8.6	4.1
DK	3.2	1.8	115.5	18.0	83.9	21.4	6.7	6.6
D	4.8	4.6	185.5	:	:	:	:	2.9
EL	:	:	:	:	:	:	:	:
E	11.9	1.5	51.1	10.0	89.6	10.0	17.2	1.7
F	11.3	1.2	226.3	24.8	91.3	27.2	4.3	2.6
IRL	0.4	6.3	149.1	32.6	:	:	:	2.1
I	18.1	1.3	61.7	10.0	49.4	20.0	15.6	3.5
L	4.0	2.7	122.0	21.9	111.7	19.6	8.6	1.7
NL	12.0	1.3	119.0	24.8	172.1	14.4	14.4	3.1
A	1.7	5.1	158.4	32.0	118.3	27.1	6.2	2.0
P	6.9	1.4	39.6	6.1	57.7	10.5	6.8	0.8
FIN	1.8	1.9	184.0	30.0	129.1	23.2	6.1	1.6
S	3.2	2.8	271.1	22.2	80.4	27.6	2.2	3.0
UK	1.8	:	:	:	:	:	15.7	:
IS	:	:	:	:	:	:	:	:
NO	4.1	1.8	133.3	15.7	74.8	21.0	2.5	1.8

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NL (1998), NO (1997).
D 1997 data for investment per person employed; E, I, S all data 1997 except turnover per person employed; IRL, NO all data 1997;
L 1995 data for investment per person employed.

Source: Eurostat, SBS database

Table 3.3.13: Main variables, 1998 **52.7 - Repair of personal and household goods**

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro / Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	3 809	186	163	59	29	30	39
DK	1 903	3 430	255	183	96	52	45	6
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	16 709	30 653	844	698	404	201	203	40
F	17 700	17 597	1 412	1 228	714	515	200	53
IRL	815	1 521	54	36	25	:	:	1
I	27 055	33 432	1 556	1 052	491	132	359	93
L	76	209	9	9	6	4	2	0
NL	3 520	5 909	341	202	146	60	86	20
A	1 188	2 704	112	85	49	30	19	3
P	6 273	9 326	193	208	61	36	25	10
FIN	1 599	1 944	127	77	53	27	26	6
S	3 549	3 458	418	340	152	104	48	14
UK	4 497	:	1 609	:	426	318	108	74
IS	:	:	:	:	:	:	:	:
NO	1 510	2 503	139	125	49	33	15	5

Number of persons employed and turnover: 1999 provisional data, except for IRL (1997), L (1998), NL (1998 for number of persons employed), NO (1997).
E, I, S all data 1997 except number of persons employed and turnover; IRL, NO all data 1997;
L, NL 1995 data for investment.

Source: Eurostat, SBS database

Table 3.3.14: Main indicators, 1998 **52.7 - Repair of personal and household goods**

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro / 1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
EU-15	:	:	:	:	:	:	:	:
B	:	:	48.7	20.1	80.2	25.1	18.3	13.3
DK	3.6	1.8	74.2	28.5	104.2	27.3	18.1	1.7
D	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:
E	4.2	1.9	27.5	10.0	92.2	10.0	26.0	1.3
F	3.0	1.7	80.2	24.0	84.9	28.3	12.6	1.8
IRL	2.2	1.9	35.8	16.2	:	:	:	0.5
I	4.7	1.5	46.5	10.0	67.6	20.0	22.6	2.4
L	1.8	2.8	42.0	30.6	141.9	21.5	27.9	0.6
NL	2.2	1.7	49.6	25.7	94.9	27.1	30.5	3.4
A	1.5	2.2	41.4	18.5	93.4	19.8	18.3	1.2
P	6.3	1.7	20.7	5.8	72.8	8.0	11.9	0.9
FIN	3.1	1.3	65.3	26.3	108.9	24.2	20.4	2.7
S	4.0	1.8	120.8	23.7	83.0	28.6	9.6	2.1
UK	0.8	:	:	:	:	:	10.2	:
IS	:	:	:	:	:	:	:	:
NO	3.4	1.7	55.7	19.4	76.1	25.5	11.0	2.0

Turnover per person employed: 1999 provisional data, except for IRL (1997), L (1998), NL (1995), NO (1997).
E, I, S all data 1997 except turnover per person employed; IRL, NO all data 1997; L 1995 data for investment per person employed;
NL 1995 data except number of enterprises per 10 000 inhabitants and turnover per person employed.

Source: Eurostat, SBS database

4. COUNTRY ANALYSIS

This chapter aims at providing information on the distributive trade activities in each country of the EEA. It is made up by a set of standard tables and graphs, one for each country, briefly described as follows:

- **Market leaders in retailing**: tables showing the total sales and number of outlets of the five top retailers. The data relate to three different product categories: a) food retailing; b) clothing, textiles and footwear; c) furniture, household and electrical goods. In most cases data on total sales include sales taxes (e.g. VAT) and are sometimes estimated (Source: Retail Intelligence).
- **Main variables and main indicators**: tables based on Eurostat SBS data presenting the most relevant figures on distributive trades (Section G of the NACE Rev. 1 classification). The data are broken down by activity at the three-digit level of the NACE Rev. 1 (NACE Rev. 1 Groups).
- **Average annual growth rates**: a series of graphs (based on SBS data) that allow to compare, for selected variables, the changes over time across the three principal distributive trade activities (NACE Rev. 1 Divisions): motor trade, wholesale trade and retail trade. The annual rates are calculated on the basis of the longest period for which the data are available, which might not always be the same for each variable of for each activity. In some cases, however, the rates might be biased due to the successive implementation of the SBS regulation and possible adaptations of national methodologies.

Table 4.1: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
GB Group	4 502	552	C&A	221	42	Blokker	:	275
Delhaize "Le Lion"	2 801	380	Hennes & Mauritz	141	31	Eldi	:	125
Colruyt	1 698	146	Vendex-KBB	134	180	CV Tera	:	120
Louis Delhaize	1 311	723	Superconfex	112	67	Belgacom	:	105
Aldi	1 282	315	Etam/1.2.3	107	85	Photo Hall	:	72
Total 5 market leaders	**11 594**	**2 116**	**Total 5 market leaders**	**714**	**405**	**Total 5 market leaders**	**:**	**697**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.2: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	:	579 032	227 293	215 731	21 486	12 843	8 643	4 024
Motor trade	:	81 779	43 612	41 348	2 897	1 746	1 152	654
50.1	:	39 873	32 384	30 204	1 684	1 022	662	347
50.2	:	23 444	2 992	3 275	602	344	258	173
50.3	:	10 594	3 933	4 292	400	287	114	50
50.4	:	2 557	722	511	39	22	17	17
50.5	:	5 311	3 580	3 066	172	71	101	68
Wholesale trade	:	218 244	135 521	129 409	11 556	7 043	4 514	1 882
51.1	:	15 030	3 561	3 495	622	250	372	140
51.2	:	7 174	5 585	5 749	291	123	167	97
51.3	:	36 257	23 365	22 163	1 351	838	513	268
51.4	:	55 212	30 269	30 298	3 083	1 914	1 168	401
51.5	:	44 404	47 887	44 557	2 572	1 572	1 000	406
51.6	:	54 114	21 705	20 267	3 353	2 167	1 186	529
51.7	:	6 053	3 150	2 880	285	179	106	41
Retail trade	:	279 009	48 160	44 974	7 033	4 055	2 978	1 489
52.1	:	76 886	18 148	17 185	2 460	1 773	687	355
52.2	:	32 152	3 582	3 496	652	268	384	176
52.3	:	20 491	3 913	3 632	722	323	398	107
52.4	:	132 525	20 575	18 928	2 939	1 583	1 356	755
52.5	:	2 859	233	226	15	9	7	17
52.6	:	10 287	1 523	1 345	186	70	116	41
52.7	:	3 809	186	163	59	29	30	39

Number of persons employed and turnover: 1999 provisional data. *Source: Eurostat, SBS database*

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

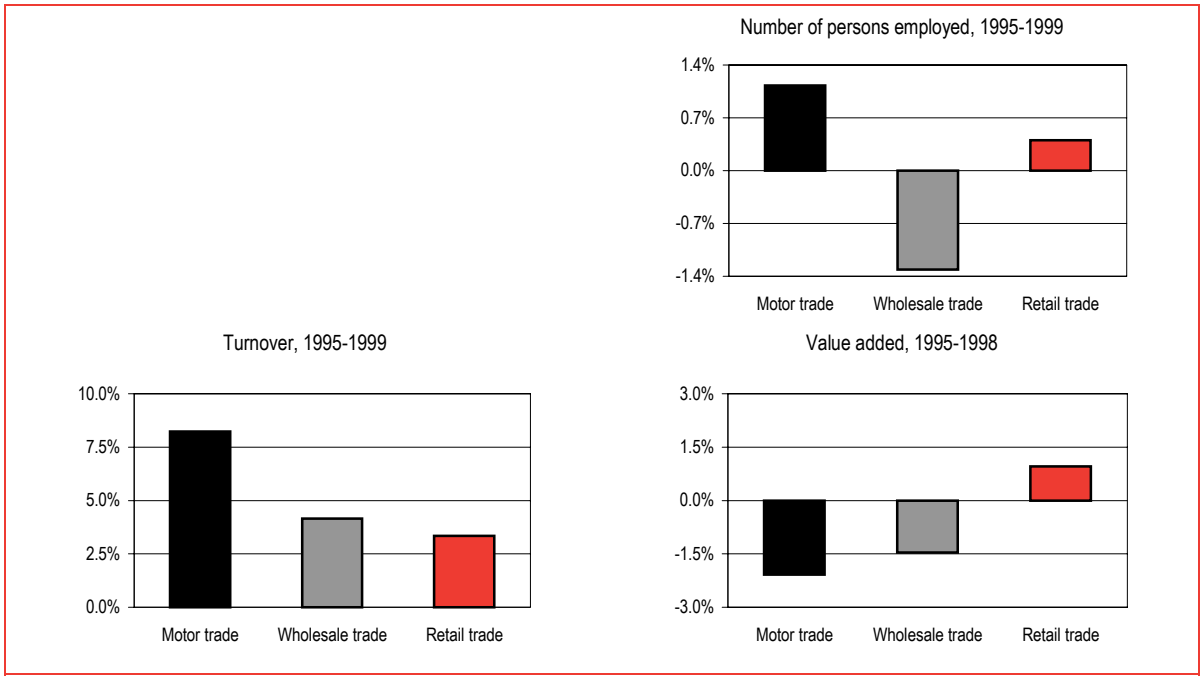
Table 4.3: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	:	:	392.5	37.3	120.4	31.0	4.0	7.0
Motor trade	:	:	533.3	36.6	115.5	31.7	2.8	8.3
50.1	:	:	812.2	44.1	126.0	35.0	2.2	9.1
50.2	:	:	127.6	26.5	105.2	25.2	7.9	7.6
50.3	:	:	371.2	39.0	110.4	35.4	2.7	4.9
50.4	:	:	282.5	21.2	81.3	26.1	3.3	9.1
50.5	:	:	674.1	28.3	127.8	22.1	3.3	11.2
Wholesale trade	:	:	621.0	53.7	130.9	41.0	3.5	8.7
51.1	:	:	236.9	47.9	78.0	61.5	10.6	10.8
51.2	:	:	778.5	37.6	121.5	30.9	2.9	12.6
51.3	:	:	644.4	38.6	128.3	30.0	2.3	7.7
51.4	:	:	548.2	55.9	133.1	42.0	3.9	7.3
51.5	:	:	1 078.4	56.8	140.9	40.3	2.2	9.0
51.6	:	:	401.1	64.3	134.9	47.7	5.9	10.1
51.7	:	:	520.4	41.8	132.4	31.5	3.7	5.9
Retail trade	:	:	172.6	25.0	115.6	21.6	6.6	5.3
52.1	:	:	236.0	29.0	124.4	23.3	4.0	4.2
52.2	:	:	111.4	20.5	126.4	16.2	11.0	5.5
52.3	:	:	191.0	37.7	160.2	23.5	11.0	5.6
52.4	:	:	155.3	22.6	109.4	20.6	7.2	5.8
52.5	:	:	81.4	5.6	37.5	14.8	2.9	6.1
52.6	:	:	148.1	18.7	80.1	23.4	8.6	4.1
52.7	:	:	48.7	20.1	80.2	25.1	18.3	13.3

Turnover per person employed: 1999 provisional data.

Source: Eurostat, SBS database

Figure 4.1: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates.
Retail trade: 1996-1999 for number of persons employed and turnover; 1996-1998 for value added.

Source: Eurostat, SBS database and estimates

Table 4.4: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
FDB	3 581	1 051	Din Tøjmand/Various	256	217	Elbodan	276	232
Dansk Supermarked	3 082	338	H&M	160	44	Fona Gruppen	250	61
Dagrofa	1 336	523	Tøjeksperten	144	159	Jysk Sengetøjslager	232	79
Centralkøb	672	122	TOPS/Various	129	183	Idé Møbler	193	52
Samkøb	444	43	Mr	126	106	HTH Køkken	175	35
Total 5 market leaders	**9 114**	**2 077**	**Total 5 market leaders**	**815**	**709**	**Total 5 market leaders**	**1 126**	**459**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.5: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	:	:	:	:	:	:	:	:
Motor trade	12 726	62 997	11 377	:	2 731	:	:	:
50.1	3 670	27 789	6 913	:	1 382	:	:	:
50.2	6 738	18 318	1 771	:	652	:	:	:
50.3	886	5 143	842	:	256	:	:	:
50.4	142	355	78	:	24	:	:	:
50.5	1 290	11 392	1 774	:	419	:	:	:
Wholesale trade	22 733	179 530	76 581	23 501	9 487	6 158	3 329	1 345
51.1	1 980	6 320	1 893	757	325	200	125	37
51.2	1 214	10 480	6 059	3 208	498	318	180	110
51.3	3 012	24 840	16 512	3 610	1 075	711	364	166
51.4	6 028	35 380	14 543	3 678	1 937	1 160	777	183
51.5	3 360	37 800	18 825	6 564	2 179	1 266	912	426
51.6	5 553	58 880	17 027	5 148	3 175	2 315	861	348
51.7	1 586	5 830	1 722	537	298	188	110	75
Retail trade	31 912	198 470	27 322	8 147	4 990	3 371	1 619	519
52.1	3 537	88 360	13 857	3 123	1 871	1 403	468	193
52.2	4 617	16 520	1 479	549	327	188	139	19
52.3	795	7 860	1 370	412	292	221	71	17
52.4	18 320	77 880	9 924	3 737	2 329	1 469	860	262
52.5	1 062	1 310	78	30	20	7	13	3
52.6	1 678	3 110	359	113	55	32	23	20
52.7	1 903	3 430	255	183	96	52	45	6

Number of persons employed and turnover: 1999 provisional data.
Motor trade and groups: 1995 data for all variables, turnover in ECU.

Source: Eurostat, SBS database

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

Table 4.6: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	:	:	:	:	:	:	:	:
Motor trade	24.4	5.0	180.6	43.4	:	:	:	:
50.1	7.0	7.6	248.8	49.7	:	:	:	:
50.2	12.9	2.7	96.7	35.6	:	:	:	:
50.3	1.7	5.8	163.6	49.7	:	:	:	:
50.4	0.3	2.5	218.3	66.3	:	:	:	:
50.5	2.5	8.8	155.7	36.8	:	:	:	:
Wholesale trade	42.9	7.8	426.6	53.7	146.7	36.6	4.5	7.6
51.1	3.7	3.1	299.5	52.2	137.9	37.8	6.9	6.0
51.2	2.3	8.5	578.1	48.3	145.9	33.1	3.1	10.6
51.3	5.7	8.1	664.8	43.9	143.7	30.6	2.3	6.8
51.4	11.4	5.8	411.0	55.6	156.3	35.6	5.6	5.3
51.5	6.3	11.1	498.0	58.5	166.8	35.1	5.0	11.4
51.6	10.5	10.4	289.2	54.8	133.0	41.2	5.3	6.0
51.7	3.0	3.6	295.4	52.0	146.1	35.6	6.7	13.1
Retail trade	60.2	6.1	137.7	25.5	130.7	19.5	6.1	2.7
52.1	6.7	24.7	156.8	21.5	128.2	16.7	3.5	2.2
52.2	8.7	3.5	89.5	20.1	133.6	15.0	9.7	1.1
52.3	1.5	9.8	174.3	37.6	123.4	30.5	5.4	2.1
52.4	34.5	4.2	127.4	30.3	135.2	22.4	8.9	3.4
52.5	2.0	1.2	59.6	15.7	87.5	17.9	17.5	2.1
52.6	3.2	1.8	115.5	18.0	83.9	21.4	6.7	6.6
52.7	3.6	1.8	74.2	28.5	104.2	27.3	18.1	1.7

Turnover per person employed: 1999 provisional data.
Motor trade and groups: 1995 data for all variables, turnover per person employed in ECU.

Source: Eurostat, SBS database

Figure 4.2: Average annual growth rates (% per annum)

For turnover and value added: nominal growth rates.
Growth rates for motor trade are not presented because the available data refer only to 1995.

Source: Eurostat, SBS database

Table 4.7: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Edeka/AVA Gruppe	21 353	11 703	C&A	3 122	195	Media Markt/Saturn	4 458	195
Rewe	20 926	8 477	Peek&Cloppenb./Anson's	1 189	74	Begros	3 579	100
Aldi	18 023	3 263	Hennes & Mauritz	978	156	VME Möbeleinkauf	2 558	330
Metro	15 545	845	SinnLeffers	812	39	Atlas	1 892	50
Lidl & Scwarz	10 791	2 111	Tengelmann	718	936	ElectronicPartner	1 861	3 021
Total 5 market leaders	**65 285**	**26 399**	**Total 5 market leaders**	**6 819**	**1 400**	**Total 5 market leaders**	**14 348**	**3 696**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.8: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	:	:	:	:	:	:	:	:
Motor trade	:	:	:	:	:	:	:	:
50.1	21 523	304 159	101 973	:	:	:	:	1 811
50.2	:	:	:	:	:	:	:	:
50.3	6 956	84 232	18 347	:	:	:	:	316
50.4	1 857	8 925	2 557	:	:	:	:	49
50.5	6 839	39 176	5 218	:	:	:	:	151
Wholesale trade	:	:	:	:	:	:	:	:
51.1	:	:	:	:	:	:	:	:
51.2	6 441	51 033	30 207	:	:	:	:	325
51.3	11 619	221 055	115 392	:	:	:	:	1 076
51.4	20 954	316 303	120 731	:	:	:	:	1 058
51.5	17 552	338 893	194 965	:	:	:	:	2 831
51.6	13 204	201 153	68 318	:	:	:	:	840
51.7	1 583	84 968	40 801	:	:	:	:	408
Retail trade	:	:	:	:	:	:	:	:
52.1	30 339	841 959	123 386	:	:	:	:	2 046
52.2	32 945	152 460	12 503	:	:	:	:	279
52.3	24 714	268 952	32 979	:	:	:	:	379
52.4	149 952	1 090 614	111 675	:	:	:	:	2 515
52.5	3 265	7 150	509	:	:	:	:	28
52.6	39 218	166 495	30 891	:	:	:	:	580
52.7	:	:	:	:	:	:	:	:

Number of persons employed and turnover: 1999 provisional data; gross investment in tangible goods: 1997 data.

Source: Eurostat, SBS database

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50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

Table 4.9: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	:	:	:	:	:	:	:	:
Motor trade	:	:	:	:	:	:	:	:
50.1	2.6	14.3	335.3	:	:	:	:	5.9
50.2	:	:	:	:	:	:	:	:
50.3	0.8	11.9	217.8	:	:	:	:	4.0
50.4	0.2	5.0	286.5	:	:	:	:	5.8
50.5	0.8	8.1	133.2	:	:	:	:	2.8
Wholesale trade	:	:	:	:	:	:	:	:
51.1	:	:	:	:	:	:	:	:
51.2	0.8	8.2	591.9	:	:	:	:	6.3
51.3	1.4	19.4	522.0	:	:	:	:	4.8
51.4	2.6	15.7	381.7	:	:	:	:	3.2
51.5	2.1	20.2	575.3	:	:	:	:	8.0
51.6	1.6	15.4	339.6	:	:	:	:	4.2
51.7	0.2	53.4	480.2	:	:	:	:	4.9
Retail trade	:	:	:	:	:	:	:	:
52.1	3.7	27.3	146.5	:	:	:	:	2.3
52.2	4.0	5.0	82.0	:	:	:	:	1.6
52.3	3.0	10.7	122.6	:	:	:	:	1.5
52.4	18.3	7.5	102.4	:	:	:	:	2.2
52.5	0.4	2.2	71.2	:	:	:	:	4.1
52.6	4.8	4.6	185.5	:	:	:	:	2.9
52.7	:	:	:	:	:	:	:	:

Turnover per person employed: 1999 provisional data; investment per person employed: 1997 data.

Source: Eurostat, SBS database

Figure 4.3: Average annual growth rates (% per annum)

For turnover: nominal growth rates.
Motor trade: excludes NACE Rev. 1 50.2;
Wholesale trade: excludes NACE Rev. 1 51.1;
Retail trade: excludes NACE Rev. 1 52.7.

Source: Eurostat, SBS database

Table 4.10: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Carrefour-Promodès	1 048	219	Prince Oliver	12	26	Kotsovolos	181	38
Elomas/Elomes	840	349	Marinopoulos (1)	:	46	Be Smart	114	17
Sklavenitis	497	32	Benetton	:	20	Expert	101	78
Euro/Hella/Discount Spar	452	160	Kookaï	:	20	Seios	74	130
Asteras	445	280	Damart	:	14	Radio Athinai (2)	43	15
Total 5 market leaders	**3 283**	**1 040**	**Total 5 market leaders**	**:**	**126**	**Total 5 market leaders**	**513**	**278**

(1) Includes cosmetics (2) 56% Kotsovolos
Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.11: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Contisa Continente	5 973	2 139	Inditex	1 040	507	Expert	822	840
Pryca	3 203	61	Cortefiel	427	436	Consorcio Euronics	357	625
Grupo Eroski	3 846	2 870	Mango	246	191	Master Cadena	280	1 128
Auchan	2 993	144	Benetton Espana	120	300	IKEA	240	6
El Corte Inglés	2 524	51	C&A Modas Espana	120	26	Merkamueble	168	28
Total 5 market leaders	**18 539**	**5 265**	**Total 5 market leaders**	**1 953**	**1 460**	**Total 5 market leaders**	**1 867**	**2 627**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.12: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	:	2 723 933	460 947	:	:	:	:	:
Motor trade	:	326 550	74 768	:	:	:	:	:
50.1	:	106 155	48 462	:	:	:	:	:
50.2	:	127 148	6 820	:	:	:	:	:
50.3	:	42 126	6 650	:	:	:	:	:
50.4	:	7 311	1 261	:	:	:	:	:
50.5	:	43 810	11 576	:	:	:	:	:
Wholesale trade	183 124	930 651	255 688	51 756	30 775	14 029	16 746	4 562
51.1	48 947	80 478	5 964	2 642	1 832	420	1 413	147
51.2	10 478	45 236	14 488	1 930	1 145	369	776	197
51.3	43 299	307 075	67 797	11 367	6 358	3 606	2 752	1 498
51.4	31 940	195 799	55 143	13 467	7 806	3 611	4 194	750
51.5	26 109	153 915	71 151	13 423	7 691	2 873	4 818	1 335
51.6	20 632	127 837	36 070	8 353	5 615	2 991	2 625	601
51.7	1 719	20 311	5 075	575	328	159	169	36
Retail trade	555 609	1 466 732	130 491	32 736	23 579	10 702	12 877	3 771
52.1	39 390	406 157	50 134	9 357	6 565	3 954	2 611	1 731
52.2	156 055	220 611	17 062	4 130	3 159	983	2 176	341
52.3	32 366	86 564	10 584	2 939	2 469	806	1 664	176
52.4	262 127	649 029	48 128	14 236	10 115	4 490	5 625	1 360
52.5	2 296	3 610	155	79	55	19	36	7
52.6	46 666	70 108	3 583	1 297	811	249	563	116
52.7	16 709	30 653	844	698	404	201	203	40

Number of persons employed and turnover: 1999 provisional data.
Retail trade and groups: 1997 data for all variables (in ECU) except turnover per person employed.

Source: Eurostat, SBS database

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

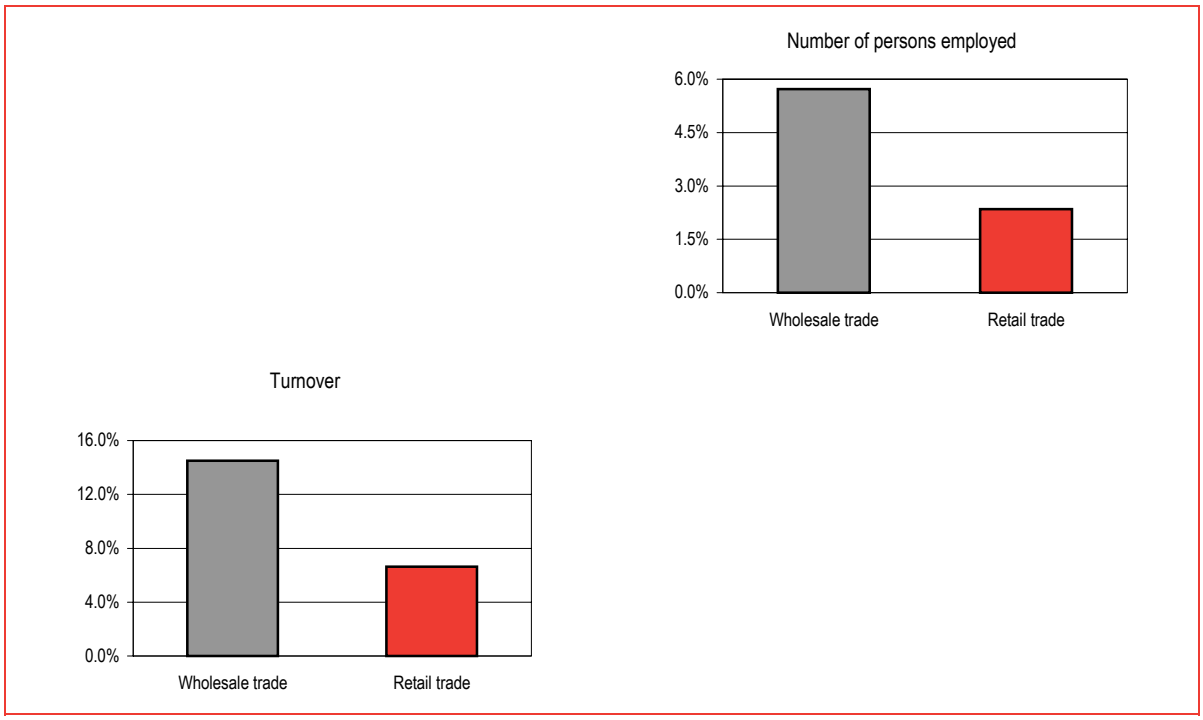
52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

Table 4.13: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	:	:	169.2	:	:	:	:	:
Motor trade	:	:	229.0	:	:	:	:	:
50.1	:	:	456.5	:	:	:	:	:
50.2	:	:	53.6	:	:	:	:	:
50.3	:	:	157.9	:	:	:	:	:
50.4	:	:	172.4	:	:	:	:	:
50.5	:	:	264.2	:	:	:	:	:
Wholesale trade	46.5	4.8	274.7	30.0	183.6	20.0	7.5	5.2
51.1	12.4	1.3	74.1	30.0	128.5	20.0	50.6	2.3
51.2	2.7	3.2	320.3	30.0	227.2	20.0	5.9	5.9
51.3	11.0	6.7	220.8	20.0	154.8	10.0	4.4	5.2
51.4	8.1	5.9	281.6	40.0	189.9	20.0	8.2	4.0
51.5	6.6	6.1	462.3	50.0	238.0	20.0	8.1	8.4
51.6	5.2	6.6	282.2	40.0	171.5	20.0	8.2	4.4
51.7	0.4	5.3	249.9	40.0	171.5	20.0	7.5	3.9
Retail trade	141.3	2.5	89.0	20.0	128.4	10.0	11.2	2.7
52.1	10.0	8.0	123.4	20.0	141.3	10.0	6.5	5.5
52.2	39.7	1.8	77.3	10.0	119.5	10.0	11.6	1.2
52.3	8.2	2.8	122.3	30.0	197.0	10.0	16.6	1.9
52.4	66.7	2.3	74.2	20.0	129.5	10.0	13.4	2.2
52.5	0.6	1.7	43.0	10.0	110.9	10.0	24.7	1.8
52.6	11.9	1.5	51.1	10.0	89.6	10.0	17.2	1.7
52.7	4.3	1.9	27.5	10.0	92.2	10.0	26.0	1.3

Turnover per person employed: 1999 provisional data.
Retail trade and groups: 1997 data for all variables (in ECU) except turnover per person employed.
Source: Eurostat, SBS database

Figure 4.4: Average annual growth rates (% per annum)



For turnover: nominal growth rates.
Growth rates for motor trade are not presented because the available data refer only to 1999.
Source: Eurostat, SBS database and estimates

Table 4.14: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
New Carrefour	32 347	1 699	Groupe André	1 633	1 689	Conforama	2 026	168
Auchan	20 276	940	Auchan Mulliez	1 174	552	Darty	1 614	163
ITM Intermarché	19 888	2 180	Eram	960	2 000	BUT International	1 479	226
Leclerc	17 532	501	Etam Développement	609	654	Atlas/Fly/Crozatier	633	275
Casino	12 193	4 549	C&A	473	51	IKEA	556	9
Total 5 market leaders	**102 236**	**9 869**	**Total 5 market leaders**	**4 849**	**4 946**	**Total 5 market leaders**	**6 307**	**841**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.15: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	627 303	2 484 589	841 369	224 910	106 143	76 931	29 212	12 895
Motor trade	81 777	381 754	115 635	27 530	14 180	11 096	3 084	2 061
50.1	29 505	201 769	87 179	15 996	8 081	6 371	1 710	1 452
50.2	34 739	82 715	8 850	5 461	2 809	2 109	700	304
50.3	6 167	62 314	11 797	4 035	2 244	1 767	477	208
50.4	4 625	11 229	3 450	769	414	292	122	39
50.5	6 741	23 727	4 360	1 270	633	557	76	58
Wholesale trade	161 287	898 068	447 418	113 849	45 848	34 039	11 809	4 697
51.1	38 538	58 961	60 194	11 449	3 509	2 390	1 119	310
51.2	7 979	50 415	44 141	8 417	2 503	1 776	727	522
51.3	20 579	161 582	90 070	22 814	7 446	5 398	2 049	880
51.4	36 303	171 713	76 545	21 900	8 882	6 511	2 371	702
51.5	17 628	187 332	83 314	21 175	9 353	6 861	2 491	1 009
51.6	34 460	265 496	91 764	27 340	13 880	10 888	2 993	1 242
51.7	5 800	2 569	1 391	756	275	215	60	34
Retail trade	384 239	1 204 767	278 316	83 530	46 115	31 797	14 319	6 137
52.1	33 913	478 404	141 536	30 300	16 972	12 039	4 933	2 663
52.2	47 348	70 805	12 030	4 463	2 574	1 605	968	392
52.3	29 270	109 814	25 908	7 936	5 991	3 388	2 602	402
52.4	174 669	461 022	82 317	32 917	17 492	12 496	4 996	2 363
52.5	13 734	8 517	1 850	688	304	189	115	46
52.6	67 605	58 608	13 264	5 999	2 069	1 565	505	218
52.7	17 700	17 597	1 412	1 228	714	515	200	53

Number of persons employed and turnover: 1999 provisional data. *Source: Eurostat, SBS database*

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

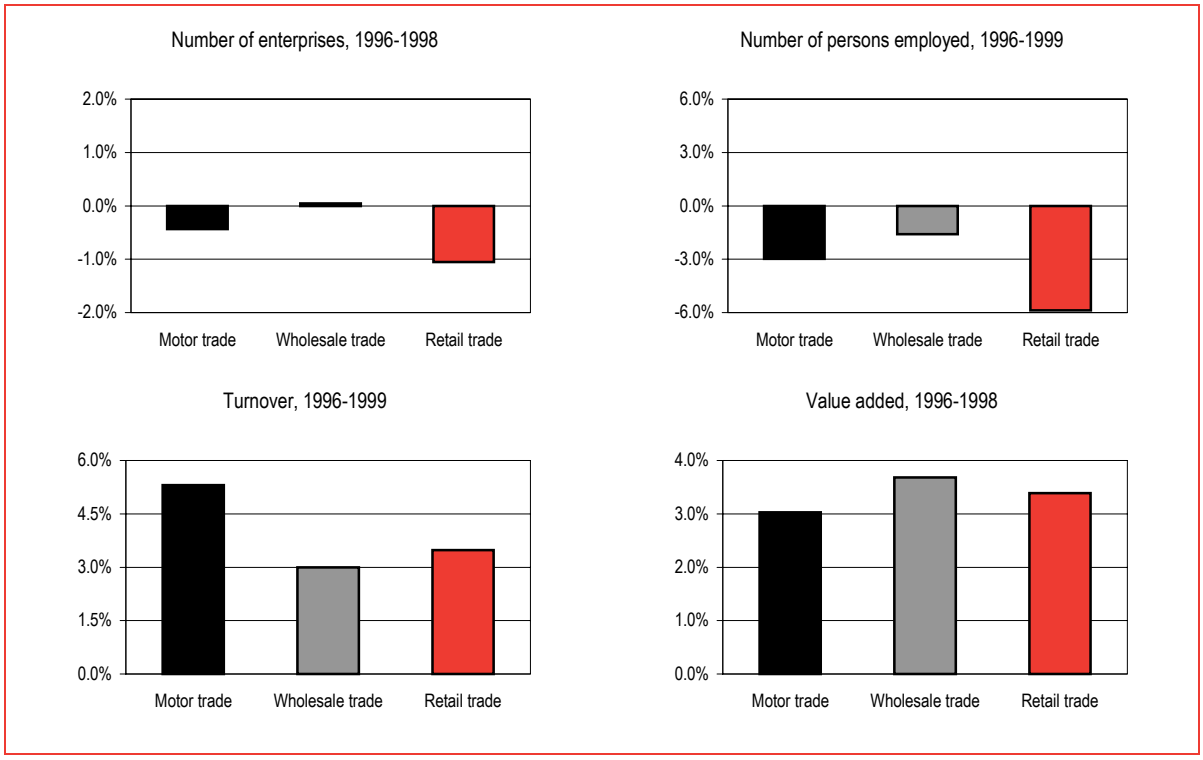
Table 4.16: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	104.7	4.5	338.6	37.3	126.3	29.6	3.6	4.5
Motor trade	13.6	5.1	302.9	34.0	117.6	28.9	2.8	4.9
50.1	4.9	7.4	432.1	37.1	121.1	30.6	2.2	6.7
50.2	5.8	2.9	107.0	28.1	109.1	25.7	6.8	3.0
50.3	1.0	9.7	189.3	37.5	124.5	30.1	4.3	3.5
50.4	0.8	2.7	307.2	32.8	117.1	28.0	3.7	3.1
50.5	1.1	4.0	183.8	23.5	104.6	22.5	1.6	2.2
Wholesale trade	26.9	5.9	498.2	48.4	132.3	36.6	2.7	5.0
51.1	6.4	1.6	1 020.9	57.1	139.4	40.9	1.9	5.0
51.2	1.3	6.9	875.5	45.7	134.2	34.0	1.5	9.5
51.3	3.4	8.3	557.4	43.7	135.7	32.2	2.2	5.2
51.4	6.1	5.0	445.8	49.1	134.1	36.6	3.3	3.9
51.5	2.9	11.0	444.7	48.1	135.1	35.6	3.0	5.2
51.6	5.7	8.0	345.6	50.1	126.1	39.7	3.4	4.5
51.7	1.0	1.2	541.5	38.7	120.0	32.3	2.1	4.7
Retail trade	64.1	3.9	231.0	31.2	126.4	24.7	5.4	4.2
52.1	5.7	15.6	295.9	32.0	136.4	23.5	3.6	5.0
52.2	7.9	2.0	169.9	26.7	108.9	24.5	8.8	4.1
52.3	4.9	5.1	235.9	39.9	155.0	25.7	10.7	2.7
52.4	29.1	3.3	178.6	30.3	120.7	25.1	6.3	4.1
52.5	2.3	0.9	217.2	23.3	84.8	27.5	7.7	3.6
52.6	11.3	1.2	226.3	24.8	91.3	27.2	4.3	2.6
52.7	3.0	1.7	80.2	24.0	84.9	28.3	12.6	1.8

Turnover per person employed: 1999 provisional data.

Source: Eurostat, SBS database

Figure 4.5: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates.

Source: Eurostat, SBS database

Table 4.17: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Tesco (1)	1 422	75	Dunnes Stores	:	77	Electricity Supply Board	:	80
Musgrave	1 385	487	Arcadia Group	:	77	Expert	:	45
Dunnes Stores	980	77	Japan/Angel etc	:	37	Eircom	:	21
BWG Foods	480	351	Lifestyle	:	36	Carphone Warehouse	:	19
Superquinn	432	16	Penneys	:	35	Des Kelly Carpets&Furnit.	:	15
Total 5 market leaders	**4 699**	**1 006**	**Total 5 market leaders**	**:**	**262**	**Total 5 market leaders**	**:**	**180**

(1) Includes Quinnsworth/Crazy Prices
Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.18: Main variables, 1997

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	30 628	212 259	40 450	9 023	5 801	:	:	810
Motor trade	5 061	30 089	8 378	1 348	865	:	:	81
50.1	984	10 764	5 623	746	484	:	:	35
50.2	2 094	7 051	578	186	121	:	:	23
50.3	:	:	:	:	:	:	:	:
50.4	:	:	:	:	:	:	:	:
50.5	1 255	7 896	1 311	211	140	:	:	12
Wholesale trade	4 914	50 157	18 732	3 992	2 517	:	:	316
51.1	510	1 931	102	92	61	:	:	2
51.2	200	1 617	850	172	105	:	:	16
51.3	1 016	11 045	5 468	789	485	:	:	66
51.4	850	9 627	3 067	817	508	:	:	46
51.5	766	10 017	5 280	978	593	:	:	125
51.6	813	11 032	2 943	829	565	:	:	42
51.7	759	4 888	1 023	316	200	:	:	20
Retail trade	20 653	132 013	13 340	3 683	2 419	:	:	412
52.1	5 795	63 416	6 864	1 612	1 118	:	:	259
52.2	2 856	9 694	842	251	167	:	:	18
52.3	1 132	7 085	755	243	173	:	:	14
52.4	9 502	48 434	4 644	1 465	894	:	:	116
52.5	412	968	47	23	13	:	:	2
52.6	141	895	133	52	29	:	:	2
52.7	815	1 521	54	36	25	:	:	1

NACE Rev. 1 50.2: 1996 data for all variables. *Source: Eurostat, SBS database*

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

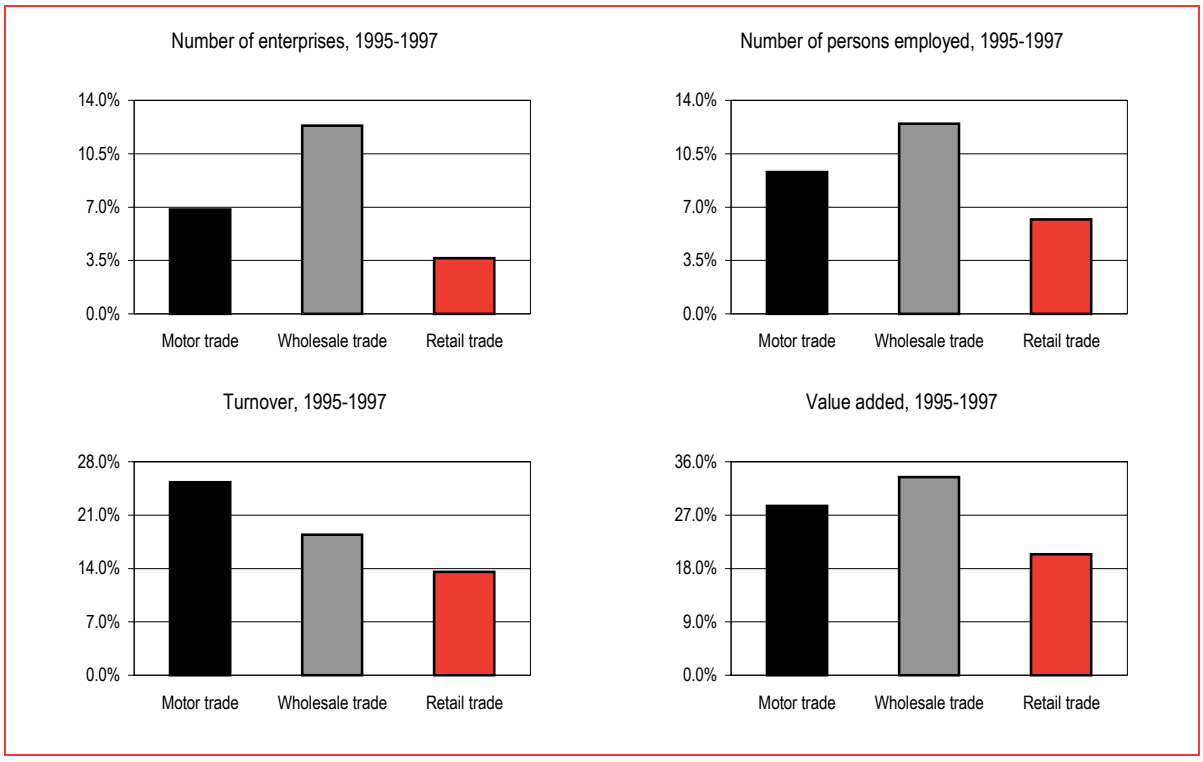
Table 4.19: Main indicators, 1997

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	83.7	6.9	190.6	27.3	:	:	:	3.8
Motor trade	13.8	5.9	278.5	28.8	:	:	:	2.7
50.1	2.7	10.9	522.4	45.0	:	:	:	3.3
50.2	5.8	3.4	82.0	17.2	:	:	:	3.3
50.3	:	:	:	:	:	:	:	:
50.4	:	:	:	:	:	:	:	:
50.5	3.4	6.3	166.0	17.7	:	:	:	1.5
Wholesale trade	13.4	10.2	373.5	50.2	:	:	:	6.3
51.1	1.4	3.8	52.6	31.6	:	:	:	1.0
51.2	0.5	8.1	525.7	65.2	:	:	:	9.8
51.3	2.8	10.9	495.1	43.9	:	:	:	5.9
51.4	2.3	11.3	318.6	52.8	:	:	:	4.8
51.5	2.1	13.1	527.1	59.2	:	:	:	12.5
51.6	2.2	13.6	266.8	51.2	:	:	:	3.8
51.7	2.1	6.4	209.2	40.9	:	:	:	4.1
Retail trade	56.4	6.4	101.0	18.3	:	:	:	3.1
52.1	15.8	10.9	108.2	17.6	:	:	:	4.1
52.2	7.8	3.4	86.9	17.2	:	:	:	1.8
52.3	3.1	6.3	106.6	24.4	:	:	:	2.0
52.4	26.0	5.1	95.9	18.5	:	:	:	2.4
52.5	1.1	2.3	48.3	13.9	:	:	:	2.5
52.6	0.4	6.3	149.1	32.6	:	:	:	2.1
52.7	2.2	1.9	35.8	16.2	:	:	:	0.5

NACE Rev. 1 50.2: 1996 data for all variables.

Source: Eurostat, SBS database

Figure 4.6: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates.
Wholesale trade: 1996-1997.

Source: Eurostat, SBS database and estimates

Table 4.20: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Co-op Italia	7 520	1 240	Benetton	611	1 900	GET Italia	1 541	370
Conad	7 360	5 150	Chicco Artsana	248	500	Expert Serta	675	207
New Carrefour	4 937	943	Bernardi	160	114	GRE	478	75
Rinascente/Auchan	3 533	478	Cisalfo gruppo	176	68	Media World	410	23
Esselunga	2 686	90	Compar Bata	119	184	Europiù	382	180
Total 5 market leaders	**26 035**	**7 901**	**Total 5 market leaders**	**1 314**	**2 766**	**Total 5 market leaders**	**3 486**	**855**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.21: Main variables, 1997

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	1 255 460	3 232 991	655 833	246 497	76 548	32 590	43 958	12 074
Motor trade	157 960	464 526	127 323	39 366	10 620	4 860	5 760	1 563
50.1	12 669	91 222	67 453	15 068	3 153	1 816	1 337	382
50.2	100 562	245 357	16 136	10 386	4 202	1 777	2 426	858
50.3	10 843	44 018	9 551	3 438	1 384	686	698	119
50.4	9 210	19 844	5 024	1 247	389	140	249	40
50.5	24 676	64 085	29 160	9 228	1 491	441	1 050	164
Wholesale trade	385 128	1 061 389	323 076	136 416	36 741	14 804	21 938	5 584
51.1	232 763	318 589	19 825	14 708	7 827	746	7 081	1 084
51.2	9 222	27 681	11 279	4 728	865	337	528	143
51.3	37 405	175 901	68 071	19 002	5 120	2 666	2 455	853
51.4	47 677	225 922	79 663	29 498	9 542	4 424	5 117	1 319
51.5	30 665	168 418	97 713	52 224	7 155	3 362	3 793	1 446
51.6	15 328	91 661	27 500	10 495	4 238	2 283	1 954	505
51.7	12 068	53 217	19 026	5 761	1 995	985	1 010	235
Retail trade	712 372	1 707 076	205 434	70 715	29 186	12 926	16 260	4 927
52.1	82 296	416 351	69 949	19 256	7 993	5 744	2 249	1 695
52.2	120 620	211 575	15 122	7 019	2 775	548	2 227	504
52.3	32 840	124 179	20 549	5 191	3 141	1 048	2 093	211
52.4	342 657	780 768	89 577	33 906	13 110	5 126	7 984	1 941
52.5	3 052	8 721	538	177	76	20	57	7
52.6	103 852	132 050	8 144	4 115	1 600	309	1 292	476
52.7	27 055	33 432	1 556	1 052	491	132	359	93

Number of persons employed and turnover: 1999 provisional data. *Source: Eurostat, SBS database*

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

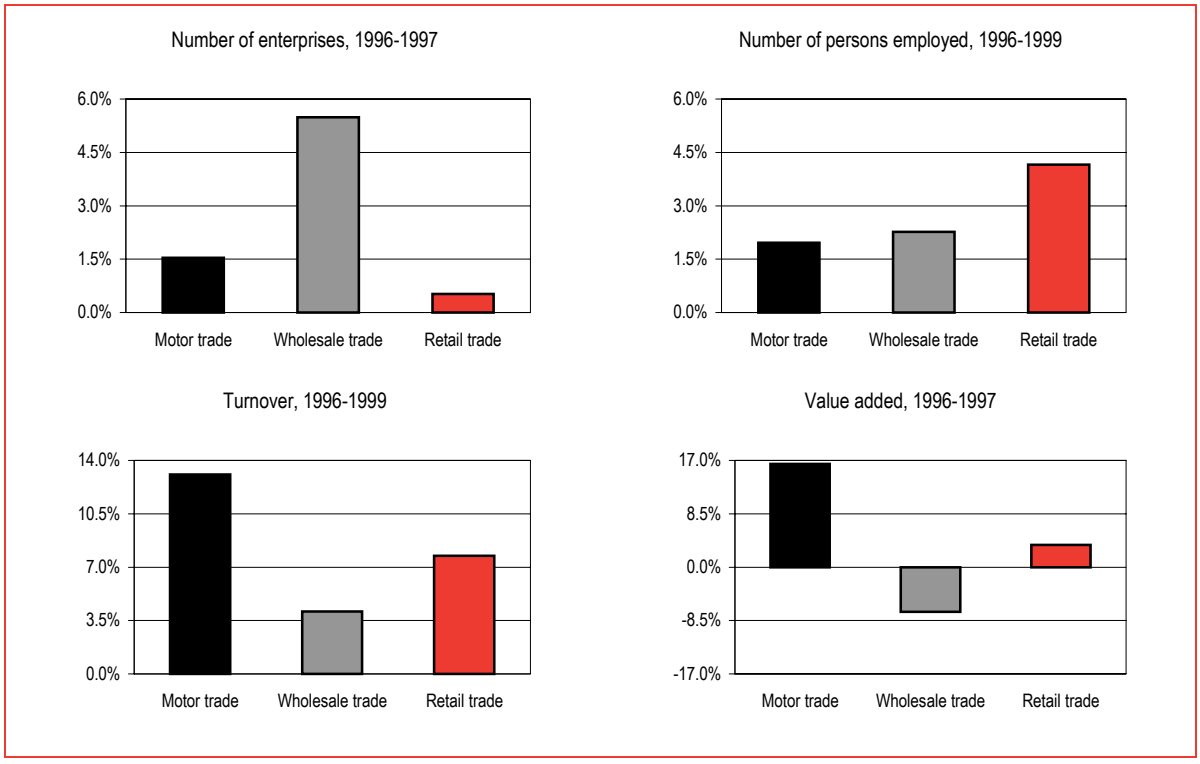
Table 4.22: Main indicators, 1997

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	218.3	2.3	202.9	30.0	103.8	30.0	7.6	4.1
Motor trade	27.5	2.7	274.1	20.0	108.4	20.0	5.3	3.6
50.1	2.2	6.5	739.4	40.0	137.9	30.0	2.4	4.7
50.2	17.5	2.3	65.8	20.0	97.3	20.0	17.8	3.7
50.3	1.9	3.8	217.0	30.0	127.9	30.0	7.9	2.9
50.4	1.6	2.0	253.2	20.0	99.3	20.0	7.1	2.2
50.5	4.3	2.4	455.0	30.0	121.1	20.0	3.8	2.8
Wholesale trade	67.0	2.5	304.4	40.0	128.2	30.0	7.6	5.7
51.1	40.5	1.2	62.2	30.0	101.2	30.0	42.5	3.7
51.2	1.6	2.9	407.4	30.0	128.3	30.0	4.5	5.4
51.3	6.5	4.3	387.0	30.0	127.6	20.0	4.0	5.3
51.4	8.3	4.5	352.6	40.0	151.5	30.0	7.5	6.2
51.5	5.3	5.1	580.2	50.0	154.2	30.0	4.1	9.3
51.6	2.7	5.6	300.0	50.0	138.2	40.0	8.2	5.9
51.7	2.1	4.0	357.5	40.0	133.7	30.0	7.3	4.9
Retail trade	123.9	2.2	120.3	20.0	85.7	20.0	9.1	3.2
52.1	14.3	4.5	168.0	20.0	92.8	20.0	3.6	4.6
52.2	21.0	1.6	71.5	10.0	75.8	20.0	15.8	2.6
52.3	5.7	2.9	165.5	30.0	147.0	20.0	13.5	2.2
52.4	59.6	2.0	114.7	20.0	88.0	20.0	10.3	2.8
52.5	0.5	1.5	61.7	20.0	67.2	20.0	24.6	1.4
52.6	18.1	1.3	61.7	10.0	49.4	20.0	15.6	3.5
52.7	4.7	1.5	46.5	10.0	67.6	20.0	22.6	2.4

Turnover per person employed: 1999 provisional data.

Source: Eurostat, SBS database

Figure 4.7: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates.
Motor trade: 1995-1997 for number of enterprises and value added; 1995-1999 for number of persons employed and turnover.

Source: Eurostat, SBS database and estimates

Table 4.23: Market leaders in retailing, 1999-2000

Supermarkets & department stores			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Cactus Leesch Frères	436	188	C&A	24	4	Hifi	53	12
Match Courthéoux	268	28	Adler	18	2	Roller	9	1
Auchan	149	1	Hennes & Mauritz	16	4	Vobis	5	2
Rosenstiel (1)	114	2	Vendex KBB	:	14	Magasins Jules Neuberg	:	4
Monopol/Markant	26	10	Brantano	:	4	Conforama	:	1
Total 5 market leaders	**992**	**229**	**Total 5 market leaders**	**:**	**28**	**Total 5 market leaders**	**:**	**20**

(1) Department stores.
Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.24: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	6 647	35 590	12 182	2 444	1 530	815	716	188
Motor trade	836	5 885	2 372	380	269	141	128	24
50.1	379	3 289	1 259	230	166	88	78	17
50.2	126	498	67	22	18	9	9	1
50.3	112	714	147	33	24	20	4	2
50.4	12	45	18	4	2	1	1	0
50.5	207	1 339	882	90	60	23	37	4
Wholesale trade	2 953	12 499	7 018	1 220	744	369	375	79
51.1	479	618	320	84	37	13	24	2
51.2	103	388	203	33	20	9	11	6
51.3	332	2 614	1 922	241	164	68	96	11
51.4	559	1 838	662	169	103	48	56	13
51.5	509	3 011	2 560	359	217	92	126	33
51.6	688	3 498	1 216	312	188	127	60	14
51.7	283	532	135	23	15	12	3	1
Retail trade	2 858	17 206	2 792	845	518	305	212	86
52.1	257	4 852	1 022	218	131	90	42	44
52.2	315	1 689	236	85	56	32	25	4
52.3	132	888	175	51	38	19	19	2
52.4	1 872	9 054	1 291	464	274	156	119	34
52.5	36	58	5	2	1	0	1	0
52.6	170	456	56	16	10	5	5	1
52.7	76	209	9	9	6	4	2	0

Gross investment in tangible goods: 1995 data. *Source: Eurostat, SBS database*

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50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

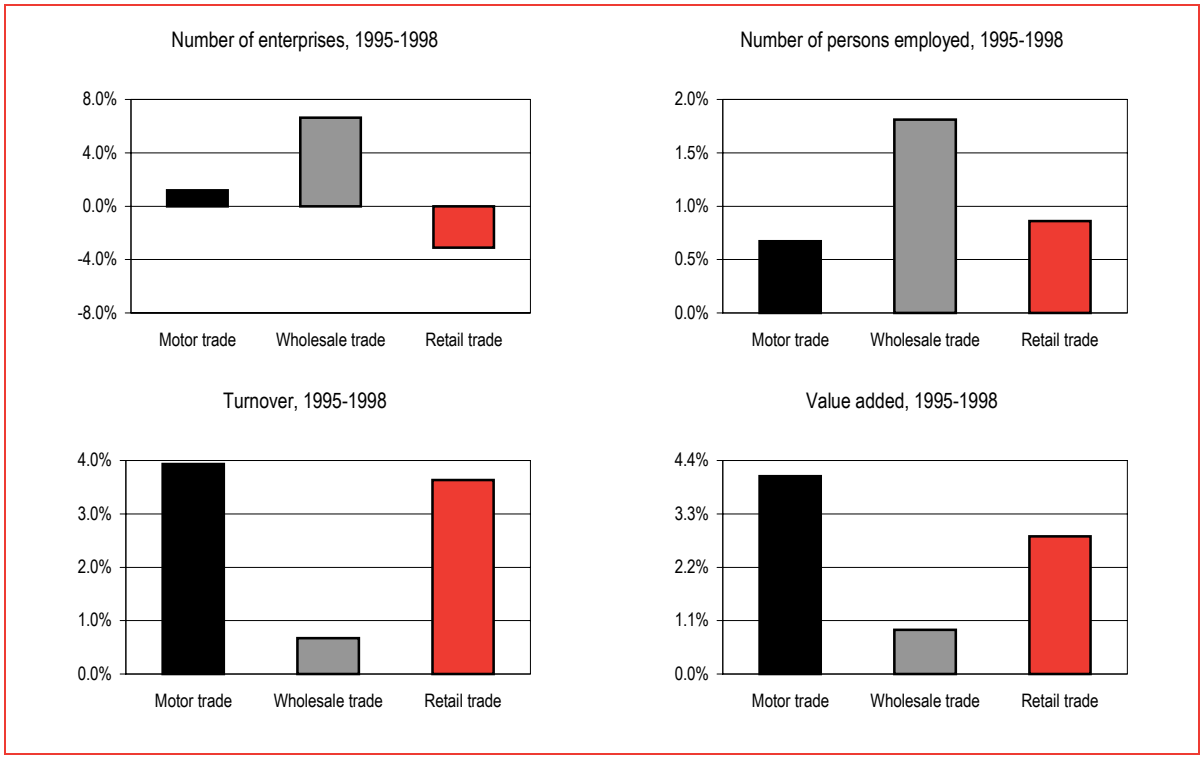
Table 4.25: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	154.9	5.4	342.3	43.0	164.8	26.1	5.9	5.5
Motor trade	19.5	7.0	403.1	45.7	171.5	26.6	5.4	4.1
50.1	8.8	8.7	382.7	50.3	179.9	28.0	6.2	5.2
50.2	2.9	4.0	133.5	35.4	152.9	23.2	13.0	2.2
50.3	2.6	6.4	206.2	33.6	103.8	32.4	2.5	3.0
50.4	0.3	3.8	408.9	44.5	193.1	23.0	6.0	3.3
50.5	4.8	6.5	658.3	44.7	213.4	20.9	4.2	2.8
Wholesale trade	68.8	4.2	561.5	59.5	175.4	33.9	5.3	6.7
51.1	11.2	1.3	518.3	60.4	160.5	37.6	7.6	2.6
51.2	2.4	3.8	523.2	50.4	164.2	30.7	5.2	14.7
51.3	7.7	7.9	735.2	62.7	222.4	28.2	5.0	3.9
51.4	13.0	3.3	360.0	56.1	177.2	31.7	8.4	6.8
51.5	11.9	5.9	850.3	72.2	215.1	33.6	4.9	12.2
51.6	16.0	5.1	347.5	53.6	134.0	40.0	4.9	4.5
51.7	6.6	1.9	253.4	27.8	93.2	29.9	2.3	1.8
Retail trade	66.6	6.0	162.3	30.1	148.5	20.3	7.6	5.1
52.1	6.0	18.9	210.5	27.1	139.5	19.4	4.1	11.1
52.2	7.3	5.4	139.6	33.3	167.3	19.9	10.5	1.8
52.3	3.1	6.7	197.5	43.1	169.8	25.4	11.0	2.9
52.4	43.6	4.8	142.6	30.3	148.8	20.4	9.2	3.7
52.5	0.8	1.6	77.6	19.6	132.4	14.8	15.5	3.4
52.6	4.0	2.7	121.9	21.9	111.7	19.6	8.6	1.7
52.7	1.8	2.8	42.1	30.6	141.9	21.5	27.9	0.6

Investment per person employed: 1995 data.

Source: Eurostat, SBS database

Figure 4.8: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates.

Source: Eurostat, SBS database

Table 4.26: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Ahold	7 912	1 766	Euretco	:	999	Blokker	:	1 037
Laurus	3 959	1 174	Vendex KBB	:	800	Intres	:	485
Aldi Nederland	1 180	359	Intres	:	793	Euretco	:	471
Dirk van den Broek	1 134	139	Various (Garant Schuh)	:	617	Profiel Verf&Behang	:	194
Makro	1 094	12	Zeeman	:	369	Interkleur	:	139
Total 5 market leaders	**15 279**	**3 450**	**Total 5 market leaders**	**:**	**3 578**	**Total 5 market leaders**	**:**	**2 326**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.27: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	166 940	1 231 565	:	:	:	:	:	:
Motor trade	21 485	138 542	51 211	12 067	4 920	3 061	1 863	869
50.1	13 610	91 356	38 787	9 048	3 310	2 082	1 230	695
50.2	3 390	17 371	1 325	1 268	562	342	220	70
50.3	2 150	15 826	4 666	982	615	381	234	74
50.4	705	2 408	814	170	100	51	49	8
50.5	1 630	11 581	5 619	599	334	205	128	23
Wholesale trade	54 300	431 243	218 001	:	:	:	:	:
51.1	4 060	10 117	2 950	:	:	:	:	:
51.2	4 880	32 521	22 035	2 580	1 450	833	616	323
51.3	6 380	66 900	42 006	5 393	3 097	1 647	1 449	522
51.4	14 755	92 779	42 537	10 599	5 345	2 716	2 629	643
51.5	8 190	77 490	41 529	7 092	4 485	2 542	1 942	633
51.6	11 470	128 761	59 725	11 401	7 191	4 099	3 092	726
51.7	4 565	22 675	7 220	1 639	1 060	547	513	151
Retail trade	91 155	661 780	68 005	23 069	13 079	7 418	5 661	1 960
52.1	4 180	234 248	20 545	:	:	:	:	:
52.2	13 005	56 578	4 778	1 466	949	455	494	162
52.3	3 615	38 041	5 673	3 651	1 114	593	521	121
52.4	45 050	295 408	31 812	10 961	6 645	3 733	2 912	1 060
52.5	2 995	6 627	262	132	65	15	50	15
52.6	18 790	24 969	2 651	1 104	619	193	427	78
52.7	3 520	5 909	341	202	146	60	86	20

Turnover: 1999 provisional data except for motor trade and groups (1998 data in ECU), NACE Rev. 1 52.1 and 52.5 (both 1995 data in ECU).
Retail trade and NACE Rev.1 52.3: 1996 data for investments.
NACE Rev. 1 52.5: 1995 data for all variables except for number of enterprises and number of persons employed (both 1998).
Source: Eurostat, SBS database

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

Table 4.28: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	106.3	7.4	:	:	:	:	:	:
Motor trade	13.7	6.4	369.6	35.5	130.3	27.3	3.6	6.3
50.1	8.7	6.7	424.6	36.2	125.1	29.0	3.2	7.6
50.2	2.2	5.1	76.3	32.4	130.8	24.7	16.6	4.0
50.3	1.4	7.4	294.8	38.8	142.8	27.2	5.0	4.7
50.4	0.4	3.4	338.2	41.6	161.5	25.8	6.1	3.3
50.5	1.0	7.1	485.1	28.8	149.6	19.3	2.3	2.0
Wholesale trade	34.6	7.9	:	:	:	:	:	:
51.1	2.6	2.5	:	:	:	:	:	:
51.2	3.1	6.7	669.0	44.6	146.5	30.4	2.8	9.9
51.3	4.1	10.5	604.1	46.3	171.2	27.0	3.6	7.8
51.4	9.4	6.3	421.3	57.6	179.4	32.1	6.7	6.9
51.5	5.2	9.5	497.6	57.9	167.6	34.5	5.0	8.2
51.6	7.3	11.2	393.5	55.9	165.9	33.7	6.1	5.6
51.7	2.9	5.0	316.0	46.7	177.8	26.3	7.2	6.7
Retail trade	58.0	7.3	97.8	19.8	150.7	13.1	8.7	3.1
52.1	2.7	56.0	97.6	:	:	:	:	:
52.2	8.3	4.4	83.0	16.8	150.1	11.2	10.5	2.9
52.3	2.3	10.5	134.8	29.3	174.0	16.8	10.2	3.6
52.4	28.7	6.6	100.4	22.5	145.3	15.5	9.8	3.6
52.5	1.9	2.2	69.4	17.2	243.9	7.0	18.9	3.9
52.6	12.0	1.3	119.0	24.8	172.1	14.4	14.4	3.1
52.7	2.3	1.7	49.6	25.7	94.9	27.1	30.5	3.4

Retail trade and NACE Rev. 1 52.3: 1996 data for investment per person employed.
NACE Rev. 1 52.1: 1995 data for turnover per person employed. NACE Rev. 1 52.5 and 52.7: 1995 data except for number of enterprises per 10 000 inhabitants (1998) and number of persons employed per enterprise (1998).

Source: Eurostat, SBS database

Figure 4.9: Average annual growth rates (% per annum)

For turnover and value added: nominal growth rates. Motor trade: 1995-1998 for number of enterprises; 1996-1998 for turnover. Retail trade: 1996-1999 for turnover. Wholesale trade: changes in turnover are not presented because the available data refer only to 1999; changes in value added are not presented due to lack of data. *Source: Eurostat, SBS database*

Table 4.29: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
BML	3 504	1 114	Hennes&Mauritz	337	33	Leiner-Kika	1 206	56
Spar Österreich	3 150	1 547	Palmers	289	425	Lutz	727	52
ADEG	1 624	1 181	Dominici/Top Schuh (1)	182	200	Media Markt	506	17
Hofer	1 562	220	Jello/Humanic	181	176	Ruefach/Elektr. Partner	327	800
Metro	908	11	Hervis	151	55	Funkberaterring-Redzac	298	300
Total 5 market leaders	**10 748**	**4 073**	**Total 5 market leaders**	**1 140**	**889**	**Total 5 market leaders**	**3 064**	**1 225**

(1) Includes Shoe 4 you.
Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.30: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	64 039	561 341	130 340	38 564	19 748	13 421	6 327	2 403
Motor trade	8 244	80 205	20 385	5 377	2 790	1 945	844	368
50.1	2 094	34 450	13 137	2 690	1 331	971	360	174
50.2	3 272	26 397	3 018	1 600	803	554	249	96
50.3	784	9 675	2 390	667	405	269	135	73
50.4	229	1 055	357	72	38	23	15	4
50.5	1 865	8 626	1 483	349	213	129	85	22
Wholesale trade	19 409	203 452	74 741	21 582	9 947	6 641	3 306	1 213
51.1	4 251	9 058	774	628	335	176	158	22
51.2	1 038	17 060	5 397	985	557	423	134	115
51.3	1 781	37 086	12 216	3 999	1 452	1 004	448	202
51.4	4 132	45 841	16 586	4 641	2 398	1 621	777	177
51.5	3 093	44 362	22 780	6 764	2 405	1 541	863	379
51.6	4 642	47 339	14 835	4 340	2 698	1 801	897	306
51.7	472	2 706	2 153	224	103	75	29	11
Retail trade	36 386	277 685	35 214	11 605	7 011	4 835	2 177	822
52.1	4 530	69 252	9 600	2 538	1 487	1 138	349	213
52.2	4 981	18 758	3 175	779	551	262	290	65
52.3	2 082	24 730	3 234	1 034	717	460	257	52
52.4	21 268	153 259	17 843	6 524	3 948	2 778	1 170	472
52.5	983	1 844	119	62	37	16	21	3
52.6	1 355	7 138	1 131	582	223	151	71	14
52.7	1 188	2 704	112	85	49	30	19	3

Number of persons employed and turnover: 1999 provisional data. *Source: Eurostat, SBS database*

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

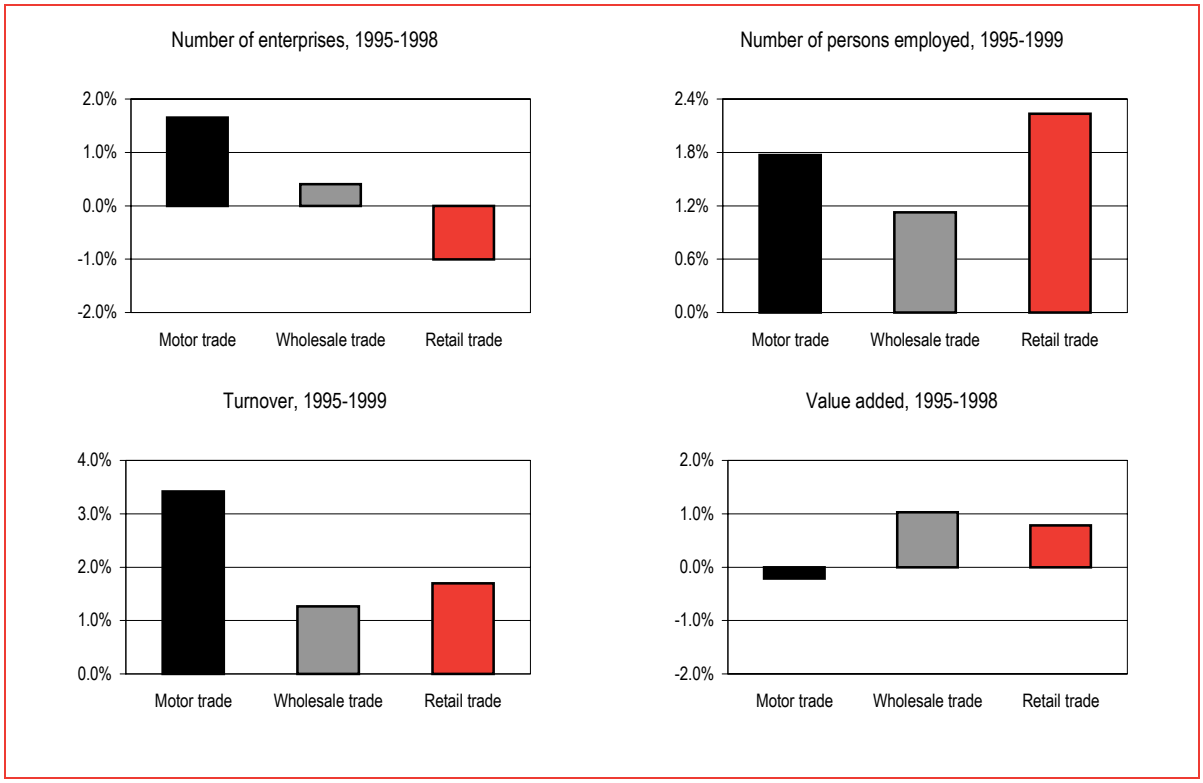
52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

Table 4.31: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	79.3	8.6	232.2	36.1	131.7	27.4	5.1	4.4
Motor trade	10.2	9.5	254.2	35.6	130.1	27.3	4.4	4.7
50.1	2.6	16.1	381.3	39.5	129.4	30.5	2.9	5.2
50.2	4.1	7.9	114.3	31.1	129.1	24.1	8.4	3.7
50.3	1.0	12.1	247.0	42.8	140.0	30.6	5.8	7.7
50.4	0.3	4.5	338.6	37.0	134.7	27.5	4.5	3.5
50.5	2.3	4.5	171.9	25.3	132.5	19.1	6.3	2.6
Wholesale trade	24.0	10.3	367.4	49.9	138.4	36.1	4.6	6.1
51.1	5.3	2.1	85.5	37.7	105.2	35.9	21.4	2.5
51.2	1.3	16.1	316.4	33.3	123.4	27.0	2.4	6.9
51.3	2.2	20.4	329.4	40.0	138.3	28.9	3.7	5.6
51.4	5.1	10.9	361.8	53.4	138.1	38.7	5.0	4.0
51.5	3.8	14.0	513.5	55.3	148.8	37.2	3.9	8.7
51.6	5.7	10.0	313.4	58.2	139.4	41.8	6.6	6.6
51.7	0.6	5.6	795.6	39.0	119.6	32.6	1.4	4.1
Retail trade	45.0	7.4	126.8	26.0	126.2	20.6	6.4	3.0
52.1	5.6	14.9	138.6	22.1	121.4	18.2	3.7	3.2
52.2	6.2	3.7	169.2	30.2	157.9	19.1	9.6	3.6
52.3	2.6	11.6	130.8	29.8	141.9	21.0	8.5	2.2
52.4	26.3	7.0	116.4	26.5	123.0	21.5	6.8	3.2
52.5	1.2	1.8	64.4	20.8	107.9	19.2	18.6	1.6
52.6	1.7	5.1	158.4	32.0	118.3	27.1	6.2	2.0
52.7	1.5	2.2	41.4	18.5	93.4	19.8	18.3	1.2

Turnover per person employed: 1999 provisional data. *Source: Eurostat, SBS database*

Figure 4.10: Average annual growth rates (% per annum)



Forturnover and value added: nominal growth rates. *Source: Eurostat, SBS database*

Table 4.32: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Modelo Continente	1 821	66	Inditex	118	93	Worten (Sonae)	:	20
Jerónimo Martius	1 739	189	Cortefiel	65	28	Singer	:	147
Jumbo/Pão de Açúcar	878	12	Modalfa (Sonae) (1)	:	26	Casa	:	27
Promodès	259	287	C&A	29	5	KA International	:	18
Grula	241	371	Lanidor	15	54	Tito Cunha	:	8
Total 5 market leaders	**4 938**	**925**	**Total 5 market leaders**	**:**	**206**	**Total 5 market leaders**	**:**	**220**

(1) Household textiles and clothing. Data include all types of organisations (chains, buying groups, co-operations).

Source: Retail Intelligence

Table 4.33: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	212 080	860 605	159 025	81 177	13 392	7 241	6 151	3 444
Motor trade	26 954	114 147	30 388	15 007	2 197	1 271	925	874
50.1	4 227	45 486	21 954	7 662	1 213	609	604	564
50.2	14 908	38 888	2 319	1 672	458	310	148	146
50.3	2 873	11 464	1 682	1 625	264	173	91	78
50.4	2 938	5 810	580	633	83	44	39	27
50.5	2 008	12 499	3 853	3 414	179	135	44	59
Wholesale trade	49 308	277 165	84 395	39 606	6 403	3 250	3 153	1 341
51.1	15 071	62 362	16 230	4 015	553	258	294	91
51.2	2 415	9 199	3 858	2 160	152	81	71	36
51.3	8 134	59 125	20 024	8 166	1 085	558	526	252
51.4	9 661	62 206	18 492	10 297	1 909	941	968	265
51.5	5 930	37 802	13 788	7 282	1 218	541	677	391
51.6	4 402	31 336	7 630	4 498	1 034	605	429	216
51.7	3 695	15 135	4 373	3 188	453	265	188	90
Retail trade	135 818	469 293	44 242	26 565	4 792	2 719	2 073	1 229
52.1	20 602	110 215	11 366	4 037	991	576	415	399
52.2	30 730	57 637	3 642	3 318	369	212	157	99
52.3	4 120	15 768	1 894	2 326	439	214	226	51
52.4	66 732	256 831	26 378	16 215	2 868	1 650	1 218	661
52.5	503	1 033	38	53	9	7	2	2
52.6	6 858	18 483	731	408	56	26	31	8
52.7	6 273	9 326	193	208	61	36	25	10

Number of persons employed and turnover: 1999 provisional data.

Source: Eurostat, SBS database

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

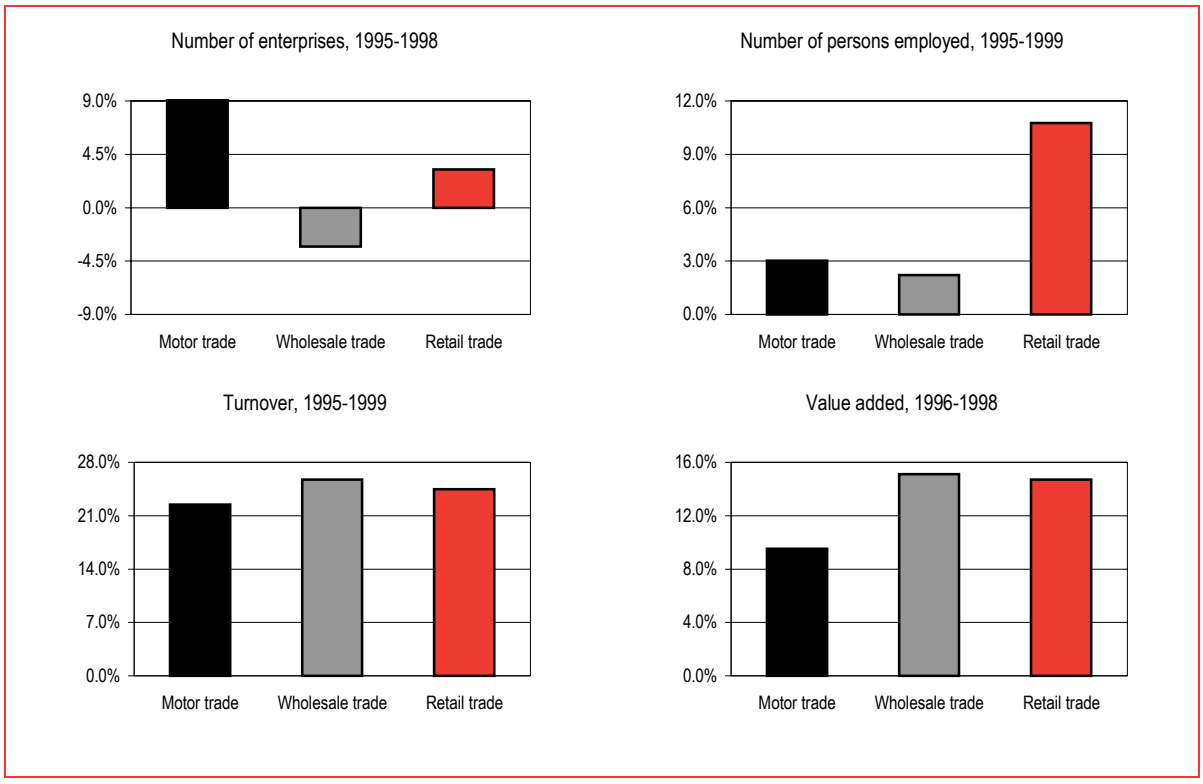
Table 4.34: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	212.7	3.9	184.8	16.3	152.5	10.7	5.2	4.2
Motor trade	27.0	5.0	266.2	16.2	152.3	10.6	3.7	6.4
50.1	4.2	11.0	482.7	26.2	192.3	13.6	3.7	12.2
50.2	15.0	3.2	59.6	9.6	113.4	8.5	8.3	3.1
50.3	2.9	6.1	146.7	15.0	145.9	10.3	4.6	4.4
50.4	2.9	2.7	99.8	10.4	137.3	7.6	5.5	3.3
50.5	2.0	8.1	308.2	11.1	128.2	8.6	1.0	3.7
Wholesale trade	49.5	5.4	304.5	24.0	178.4	13.5	5.3	5.0
51.1	15.1	2.1	260.3	17.3	134.2	12.9	5.6	2.9
51.2	2.4	4.1	419.4	15.5	156.5	9.9	2.3	3.7
51.3	8.2	6.9	338.7	19.3	181.9	10.6	3.8	4.5
51.4	9.7	7.0	297.3	28.1	192.1	14.6	6.4	3.9
51.5	5.9	7.1	364.8	29.1	213.6	13.6	6.3	9.3
51.6	4.4	8.6	243.5	27.2	166.5	16.3	6.1	5.7
51.7	3.7	5.5	288.9	22.2	159.0	13.9	4.6	4.4
Retail trade	136.2	3.1	94.3	11.4	133.1	8.6	6.3	2.9
52.1	20.7	4.1	103.1	11.7	132.6	8.8	4.9	4.7
52.2	30.8	1.9	63.2	6.4	91.8	6.9	4.6	1.7
52.3	4.1	4.6	120.1	23.4	185.9	12.6	9.5	2.7
52.4	66.9	3.6	102.7	12.0	143.9	8.4	6.8	2.8
52.5	0.5	2.2	36.6	7.7	89.9	8.6	3.5	2.0
52.6	6.9	1.4	39.6	6.1	57.7	10.5	6.8	0.8
52.7	6.3	1.7	20.7	5.8	72.8	8.0	11.9	0.9

Turnover per person employed: 1999 provisional data.

Source: Eurostat, SBS database

Figure 4.11: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates
Wholesale trade: 1996-1998 for number of enterprises; 1996-1999 for number of persons employed

Source: Eurostat, SBS database

Table 4.35: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Kesko	3 914	1 296	Kesko Gruop	189	203	Expert	219	140
SOK Corporation	2 843	595	Seppälä	135	119	Tekniset	199	103
Suomen Spar	1 001	349	Texmoda Fashion Group	131	122	Musta Pörssi	149	71
Tradeka	987	528	Sokos	57	14	Anttila Kodin Ykkönen	80	5
Wihuri	494	693	KappAhl	42	24	Academica	6	1
Total 5 market leaders	**9 239**	**3 461**	**Total 5 market leaders**	**553**	**482**	**Total 5 market leaders**	**652**	**320**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.36: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	52 270	231 779	76 793	16 530	9 787	5 871	3 915	1 363
Motor trade	9 453	35 057	12 871	2 211	1 466	843	623	284
50.1	1 497	9 195	7 343	894	567	292	274	132
50.2	5 017	12 518	2 566	585	412	245	167	102
50.3	1 445	6 544	1 496	424	286	169	118	28
50.4	183	422	155	24	13	7	7	1
50.5	1 311	6 378	1 312	284	188	131	57	20
Wholesale trade	17 358	83 809	42 083	8 593	4 749	2 799	1 950	624
51.1	4 478	5 460	1 113	515	264	140	123	31
51.2	337	1 986	1 282	182	99	62	36	6
51.3	1 211	7 423	4 712	727	329	216	113	47
51.4	3 871	15 115	5 304	1 543	831	474	357	76
51.5	2 855	16 494	10 863	1 831	1 060	576	484	176
51.6	4 073	28 992	10 141	2 598	1 672	1 046	626	197
51.7	533	8 339	8 669	1 197	495	284	211	90
Retail trade	25 459	112 913	21 838	5 726	3 572	2 229	1 343	455
52.1	4 757	55 982	12 618	2 792	1 777	1 158	619	310
52.2	1 443	3 937	824	234	140	88	52	14
52.3	1 253	7 462	1 379	453	309	173	136	13
52.4	14 660	41 044	6 503	1 994	1 230	746	484	108
52.5	804	717	52	24	11	5	7	2
52.6	943	1 827	336	152	52	32	20	3
52.7	1 599	1 944	127	77	53	27	26	6

Number of persons employed and turnover: 1999 provisional data. *Source: Eurostat, SBS database*

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

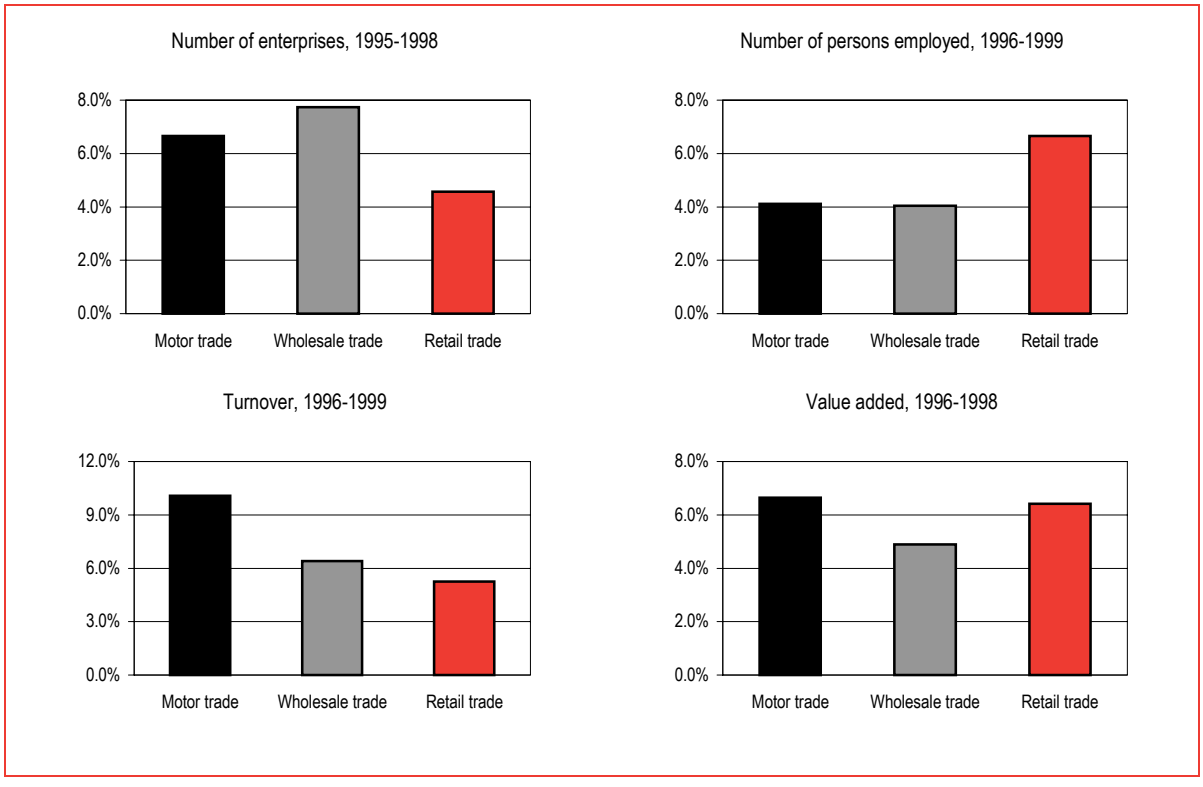
Table 4.37: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	101.4	4.4	331.3	43.0	151.8	28.3	5.4	6.0
Motor trade	18.3	3.6	367.2	43.0	151.8	28.3	5.3	8.3
50.1	2.9	6.0	798.6	63.0	188.2	33.5	4.0	14.7
50.2	9.7	2.4	205.0	34.4	126.0	27.3	8.0	8.5
50.3	2.8	4.5	228.6	44.3	157.8	28.1	7.8	4.4
50.4	0.4	2.0	366.8	35.9	149.7	24.0	6.1	3.1
50.5	2.5	4.8	205.7	29.9	132.1	22.6	4.4	3.2
Wholesale trade	33.7	4.8	502.1	57.2	162.2	35.3	4.9	7.5
51.1	8.7	1.2	203.9	48.7	142.5	34.2	21.5	5.7
51.2	0.7	6.6	645.4	44.5	150.3	29.6	2.6	2.9
51.3	2.4	5.9	634.8	46.3	147.6	31.4	2.7	6.6
51.4	7.5	3.9	350.9	55.7	166.1	33.5	6.9	5.1
51.5	5.5	5.9	658.6	62.6	179.6	34.9	4.7	10.4
51.6	7.9	6.8	349.8	60.1	155.7	38.6	6.6	7.1
51.7	1.0	16.1	1 039.5	57.9	172.2	33.6	2.5	10.6
Retail trade	49.4	4.3	193.4	32.3	142.3	22.7	6.5	4.1
52.1	9.2	11.6	225.4	32.2	146.1	22.1	5.1	5.6
52.2	2.8	2.6	209.2	37.5	129.6	28.9	8.2	3.9
52.3	2.4	6.2	184.7	39.9	158.1	25.3	10.7	1.6
52.4	28.4	2.7	158.4	31.2	138.0	22.6	8.1	2.7
52.5	1.6	0.9	73.1	15.8	85.4	18.5	14.3	2.2
52.6	1.8	1.9	184.0	30.0	129.1	23.2	6.1	1.6
52.7	3.1	1.3	65.3	26.3	108.9	24.2	20.4	2.7

Turnover per person employed: 1999 provisional data.

Source: Eurostat, SBS database

Figure 4.12: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates.
Motor trade: 1995-1999 for number of persons employed and turnover; 1995-1998 for value added.

Source: Eurostat, SBS database and estimates

Table 4.38: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
ICA Handlamas	7 448	2 029	Hennes&Mauritz	559	120	IKEA	580	14
D&D	2 975	924	Lindex	301	164	Onoff	379	66
KF	2 430	499	KappAhl	262	104	Expert	261	220
Systembolaget	2 169	397	JC Jeans&Clothes/Brother	215	165	Siba	196	27
Axel Johnson	954	135	The Stadium/MAP (1)	211	62	Aktiebolaget Mio	177	69
Total 5 market leaders	**15 975**	**3 984**	**Total 5 market leaders**	**1 548**	**615**	**Total 5 market leaders**	**1 594**	**396**

(1) Includes Sports Outlet.
Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.39: Main variables, 1997

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	119 521	433 036	156 814	37 342	19 367	13 624	5 743	3 290
Motor trade	18 534	63 208	27 944	4 526	2 756	1 834	922	664
50.1	3 819	26 825	16 813	2 161	1 304	847	457	385
50.2	10 089	16 770	2 842	1 083	666	450	217	130
50.3	1 704	7 176	2 388	565	314	213	102	54
50.4	630	1 059	497	75	43	25	18	6
50.5	2 292	11 378	5 404	642	429	300	129	89
Wholesale trade	42 295	190 022	89 671	21 815	10 263	7 036	3 227	1 853
51.1	3 373	7 391	3 558	1 062	502	303	199	108
51.2	907	5 917	2 870	1 305	253	196	57	44
51.3	3 818	22 036	15 994	2 246	1 029	794	235	324
51.4	12 130	47 944	21 050	5 379	2 383	1 598	785	297
51.5	11 053	48 242	24 738	5 643	2 809	1 793	1 016	605
51.6	10 546	57 198	21 139	5 911	3 217	2 307	910	452
51.7	468	1 294	323	270	70	46	25	24
Retail trade	58 692	179 806	39 199	11 001	6 348	4 754	1 594	773
52.1	7 207	65 524	16 222	3 751	2 232	1 781	451	281
52.2	7 555	11 951	3 430	748	463	310	153	69
52.3	996	10 807	3 179	702	567	394	173	36
52.4	35 055	82 535	14 475	4 908	2 725	1 998	727	344
52.5	1 476	428	91	66	32	15	17	6
52.6	2 854	5 103	1 384	486	177	151	25	24
52.7	3 549	3 458	418	340	152	104	48	14

Number of persons employed and turnover: 1999 provisional data. *Source: Eurostat, SBS database*

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

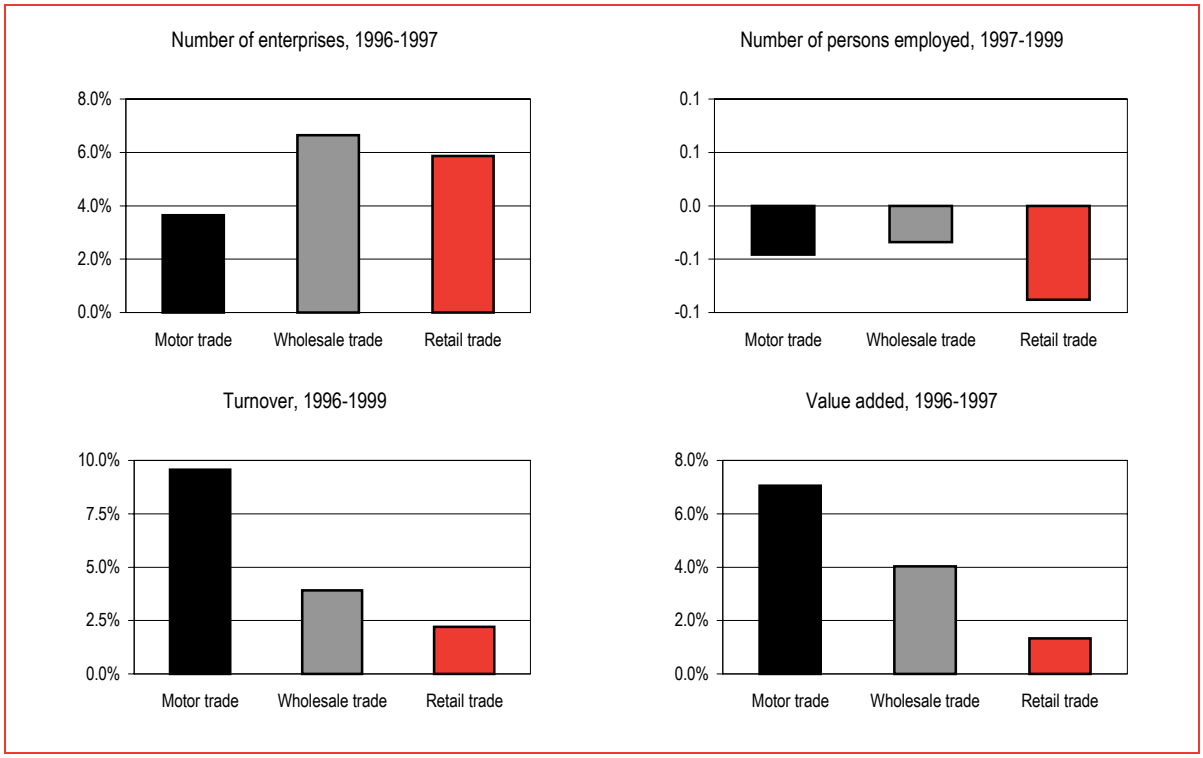
Table 4.40: Main indicators, 1997

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	135.1	4.3	362.1	37.6	123.5	30.4	4.0	6.4
Motor trade	21.0	3.9	442.1	38.2	128.3	29.8	3.9	9.2
50.1	4.3	7.3	626.8	46.7	143.1	32.6	3.2	13.8
50.2	11.4	2.3	169.4	29.2	106.2	27.5	7.7	5.7
50.3	1.9	4.3	332.7	43.2	130.7	33.0	4.7	7.4
50.4	0.7	2.1	469.6	32.2	117.3	27.5	5.3	4.6
50.5	2.6	5.6	475.0	33.6	133.5	25.2	3.1	7.0
Wholesale trade	47.8	5.0	471.9	49.0	131.3	37.3	3.9	8.8
51.1	3.8	3.0	481.4	49.8	136.2	36.6	5.7	10.7
51.2	1.0	7.2	485.0	38.6	119.5	32.3	1.9	6.7
51.3	4.3	6.7	725.8	40.1	118.7	33.8	1.5	12.6
51.4	13.7	4.1	439.0	47.7	129.0	37.0	4.7	6.0
51.5	12.5	4.9	512.8	51.7	141.8	36.5	4.2	11.1
51.6	11.9	5.8	369.6	52.4	129.4	40.5	4.8	7.4
51.7	0.5	3.5	249.5	42.8	130.2	32.8	5.1	14.7
Retail trade	66.3	4.0	218.0	27.1	112.9	24.0	4.4	3.3
52.1	8.1	11.4	247.6	27.3	119.9	22.7	2.9	3.4
52.2	8.5	2.6	287.0	23.6	109.4	21.6	4.7	3.5
52.3	1.1	13.0	294.2	43.7	136.2	32.1	6.5	2.8
52.4	39.6	2.9	175.4	26.4	109.7	24.1	5.5	3.3
52.5	1.7	1.3	212.1	16.3	73.3	22.2	9.4	3.1
52.6	3.2	2.8	271.1	22.2	80.4	27.6	2.2	3.0
52.7	4.0	1.8	120.8	23.7	83.0	28.6	9.6	2.1

Turnover per person employed: 1999 provisional data.

Source: Eurostat, SBS database

Figure 4.13: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates.
Motor trade: 1995-1997 for number of enterprises and value added; 1995-1999 for turnover.

Source: Eurostat, SBS database

Table 4.41: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
Tesco (1)	25 743	659	Arcadia Group	2 224	2 795	Dixon/Currys/PCWorld (2)	5 394	1 058
Sainsbury's/Savacentre	18 742	446	Next	1 495	337	Comet	1 491	262
ASDA	12 445	233	Clarks/K Shoes/Ravel	717	625	MFI Homeworks	908	186
Safeway	11 627	488	C&A	683	119	Homestyle	820	792
Somerfield	8 298	1 371	Matalan	657	99	IKEA	732	8
Total 5 market leaders	**76 855**	**3 197**	**Total 5 market leaders**	**5 776**	**3 975**	**Total 5 market leaders**	**9 344**	**2 306**

(1) Includes Tesco Metro, Tesco Express and Tesco Extra.
(2) Includes The Link and @jacarta.
Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.42: Main variables, 1998

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. euro)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	408 206	:	1 066 909	:	150 752	80 046	70 706	22 981
Motor trade	72 105	:	191 209	:	25 085	11 324	13 760	2 995
50.1	31 196	:	130 238	:	14 834	5 984	8 849	1 811
50.2	24 680	:	16 049	:	4 735	2 540	2 195	646
50.3	7 187	:	17 682	:	3 400	1 910	1 490	266
50.4	1 782	:	2 527	:	373	149	223	38
50.5	7 260	:	24 714	:	1 743	741	1 002	234
Wholesale trade	120 101	:	525 232	:	66 487	34 521	31 966	7 778
51.1	15 734	:	17 619	:	3 088	1 561	1 527	324
51.2	2 721	:	9 755	:	871	479	392	114
51.3	15 446	:	94 899	:	8 323	4 774	3 550	1 576
51.4	27 344	:	99 616	:	15 586	7 511	8 075	1 555
51.5	17 657	:	167 884	:	12 384	7 285	5 099	1 595
51.6	15 124	:	96 122	:	20 312	10 422	9 890	2 043
51.7	26 075	:	39 337	:	5 922	2 488	3 434	571
Retail trade	216 000	:	350 468	:	59 181	34 201	24 980	12 208
52.1	38 360	:	162 371	:	26 615	14 930	11 685	6 855
52.2	50 435	:	21 491	:	3 754	1 842	1 912	386
52.3	7 383	:	12 833	:	1 941	1 187	754	217
52.4	98 847	:	131 897	:	22 023	14 168	7 854	4 292
52.5	6 105	:	3 173	:	695	169	526	50
52.6	10 373	:	17 095	:	3 728	1 588	2 141	334
52.7	4 497	:	1 609	:	426	318	108	74

Turnover: 1999 provisional data. *Source: Eurostat, SBS database*

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

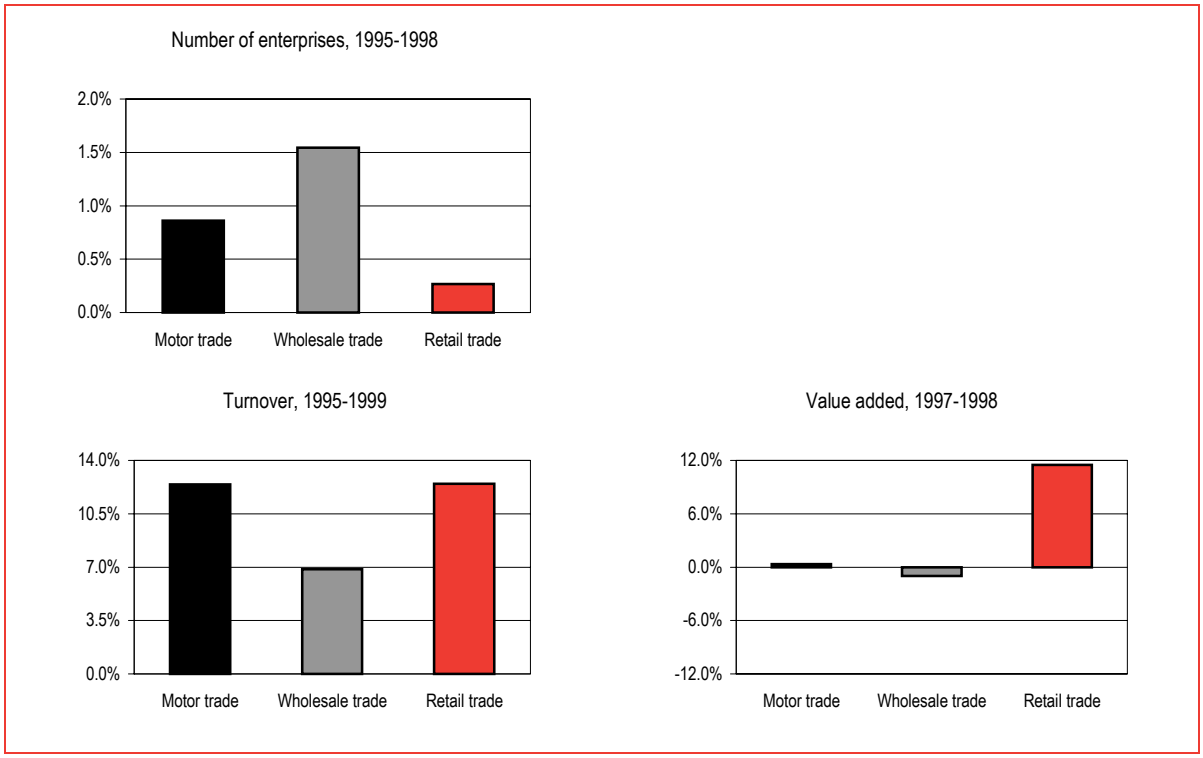
Table 4.43: Main indicators, 1998

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 euro)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	68.9	:	:	:	:	:	7.3	:
Motor trade	12.2	:	:	:	:	18.8	7.6	:
50.1	5.3	:	:	:	:	25.3	6.9	:
50.2	4.2	:	:	:	:	12.9	16.5	:
50.3	1.2	:	:	:	:	17.9	9.2	:
50.4	0.3	:	:	:	:	11.0	11.9	:
50.5	1.2	:	:	:	:	13.0	4.6	:
Wholesale trade	20.3	:	:	:	:	28.4	6.5	:
51.1	2.7	:	:	:	:	25.8	11.3	:
51.2	0.5	:	:	:	:	20.2	3.9	:
51.3	2.6	:	:	:	:	24.2	3.9	:
51.4	4.6	:	:	:	:	25.5	8.9	:
51.5	3.0	:	:	:	:	27.9	3.4	:
51.6	2.6	:	:	:	:	35.8	10.7	:
51.7	4.4	:	:	:	:	30.1	7.5	:
Retail trade	36.5	:	:	:	:	:	8.5	:
52.1	6.5	:	:	:	:	:	8.2	:
52.2	8.5	:	:	:	:	:	10.1	:
52.3	1.2	:	:	:	:	:	6.8	:
52.4	16.7	:	:	:	:	:	7.5	:
52.5	1.0	:	:	:	:	:	18.4	:
52.6	1.8	:	:	:	:	:	15.7	:
52.7	0.8	:	:	:	:	:	10.2	:

Unit labour cost: 1997 data.

Source: Eurostat, SBS database

Figure 4.14: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates.

Source: Eurostat, SBS database

Table 4.44: Main variables, 1995

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	:	:	:	:	:	:	:	:
Motor trade	:	:	:	:	:	:	:	:
50.1	:	:	:	:	:	:	:	:
50.2	:	:	:	:	:	:	:	:
50.3	:	:	:	:	:	:	:	:
50.4	:	:	:	:	:	:	:	:
50.5	:	:	:	:	:	:	:	:
Wholesale trade	1 469	7 018	1 610	:	278	:	:	:
51.1	:	:	:	:	:	:	:	:
51.2	:	:	:	:	:	:	:	:
51.3	:	:	:	:	:	:	:	:
51.4	:	:	:	:	:	:	:	:
51.5	:	:	:	:	:	:	:	:
51.6	:	:	:	:	:	:	:	:
51.7	:	:	:	:	:	:	:	:
Retail trade	1 670	7 742	:	:	:	:	:	:
52.1	:	:	:	:	:	:	:	:
52.2	:	:	:	:	:	:	:	:
52.3	:	:	:	:	:	:	:	:
52.4	:	:	:	:	:	:	:	:
52.5	:	:	:	:	:	:	:	:
52.6	:	:	:	:	:	:	:	:
52.7	:	:	:	:	:	:	:	:

Source: Eurostat, SBS database

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

Table 4.45: Main indicators, 1995

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	:	:	:	:	:	:	:	:
Motor trade	:	:	:	:	:	:	:	:
50.1	:	:	:	:	:	:	:	:
50.2	:	:	:	:	:	:	:	:
50.3	:	:	:	:	:	:	:	:
50.4	:	:	:	:	:	:	:	:
50.5	:	:	:	:	:	:	:	:
Wholesale trade	55.0	4.8	229.4	:	:	:	:	:
51.1	:	:	:	:	:	:	:	:
51.2	:	:	:	:	:	:	:	:
51.3	:	:	:	:	:	:	:	:
51.4	:	:	:	:	:	:	:	:
51.5	:	:	:	:	:	:	:	:
51.6	:	:	:	:	:	:	:	:
51.7	:	:	:	:	:	:	:	:
Retail trade	62.5	4.6	:	:	:	:	:	:
52.1	:	:	:	:	:	:	:	:
52.2	:	:	:	:	:	:	:	:
52.3	:	:	:	:	:	:	:	:
52.4	:	:	:	:	:	:	:	:
52.5	:	:	:	:	:	:	:	:
52.6	:	:	:	:	:	:	:	:
52.7	:	:	:	:	:	:	:	:

Source: Eurostat, SBS database

Table 4.46: Market leaders in retailing, 1999-2000

Food retailing			Clothing, textiles and footwear			Furniture, household and electrical goods		
	Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets		Total sales Mio. euro	Number of outlets
NorgesGruppen	3 660	3 400	Hennes&Mauritz	319	55	El-kjeden	694	210
Hakon Gruppen	2 451	1 151	Varner-Gruppen	304	327	Elkjøp Norge	376	101
NKL Co-op	2 406	1 079	Scandinavian Retail Group	177	397	Bohus Kjeden	185	53
Rema 1000	1 479	281	KappAhl	148	88	Skeidar Detalj	145	26
Vinmonopolet	729	120	Euro Sko	129	235	Serviceringen	124	92
Total 5 market leaders	**10 725**	**6 031**	**Total 5 market leaders**	**1 076**	**1 102**	**Total 5 market leaders**	**1 525**	**482**

Data include all types of organisations (chains, buying groups, co-operations). *Source: Retail Intelligence*

Table 4.47: Main variables, 1997

	Number of enterprises (units)	Number of persons employed (units)	Turnover (Mio. ECU)	Production value (Mio. ECU)	Value added at factor cost (Mio. ECU)	Personnel costs (Mio. ECU)	Gross operating surplus (Mio. ECU)	Gross investment in tangible goods (Mio. ECU)
Total	56 376	331 070	94 254	25 272	12 183	8 476	3 706	2 039
Motor trade	8 133	50 455	17 767	3 658	2 032	1 391	641	617
50.1	2 105	14 046	9 535	1 569	789	502	288	324
50.2	3 182	16 592	3 663	1 170	635	487	148	215
50.3	979	4 412	1 161	328	208	146	63	30
50.4	213	542	138	27	15	11	4	8
50.5	1 654	14 863	3 271	565	384	246	138	39
Wholesale trade	17 521	105 576	52 289	14 406	6 053	4 093	1 960	847
51.1	1 992	3 592	411	372	153	93	60	15
51.2	383	3 417	1 901	473	160	126	34	29
51.3	1 646	16 330	15 145	3 101	857	571	286	200
51.4	4 140	21 682	8 905	2 454	1 254	787	467	130
51.5	2 687	21 457	13 163	4 507	1 295	850	444	209
51.6	5 491	36 098	11 938	3 196	2 186	1 554	633	254
51.7	1 182	3 000	826	304	148	112	36	11
Retail trade	30 722	175 039	24 198	7 208	4 098	2 992	1 106	576
52.1	5 885	67 607	11 180	2 617	1 502	1 045	456	324
52.2	2 360	8 921	1 241	279	172	131	41	18
52.3	1 066	7 498	1 074	290	209	164	45	15
52.4	17 525	84 553	10 094	3 681	2 105	1 573	532	207
52.5	576	765	43	22	12	6	5	1
52.6	1 800	3 192	425	193	50	39	11	6
52.7	1 510	2 503	139	125	49	33	15	5

Source: Eurostat, SBS database

NACE Rev. 1

50: sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

50.1: sale of motor vehicles; 50.2: maintenance and repair of motor vehicles; 50.3: sale of motor vehicles parts and accessories; 50.4: sale, maintenance and repair of motorcycles and related parts and accessories; 50.5: retail sale of automotive fuel;

51: wholesale trade and commission trade, except of motor vehicles and motorcycles

51.1: wholesale on a fee or contract basis; 51.2: wholesale of agricultural raw materials and live animals; 51.3: wholesale of food, beverages and tobacco; 51.4: wholesale of household goods; 51.5: wholesale of non-agricultural intermediate products, waste and scrap; 51.6: wholesale of machinery, equipment and supplies; 51.7: other wholesale;

52: retail trade, except of motor vehicles and motorcycles

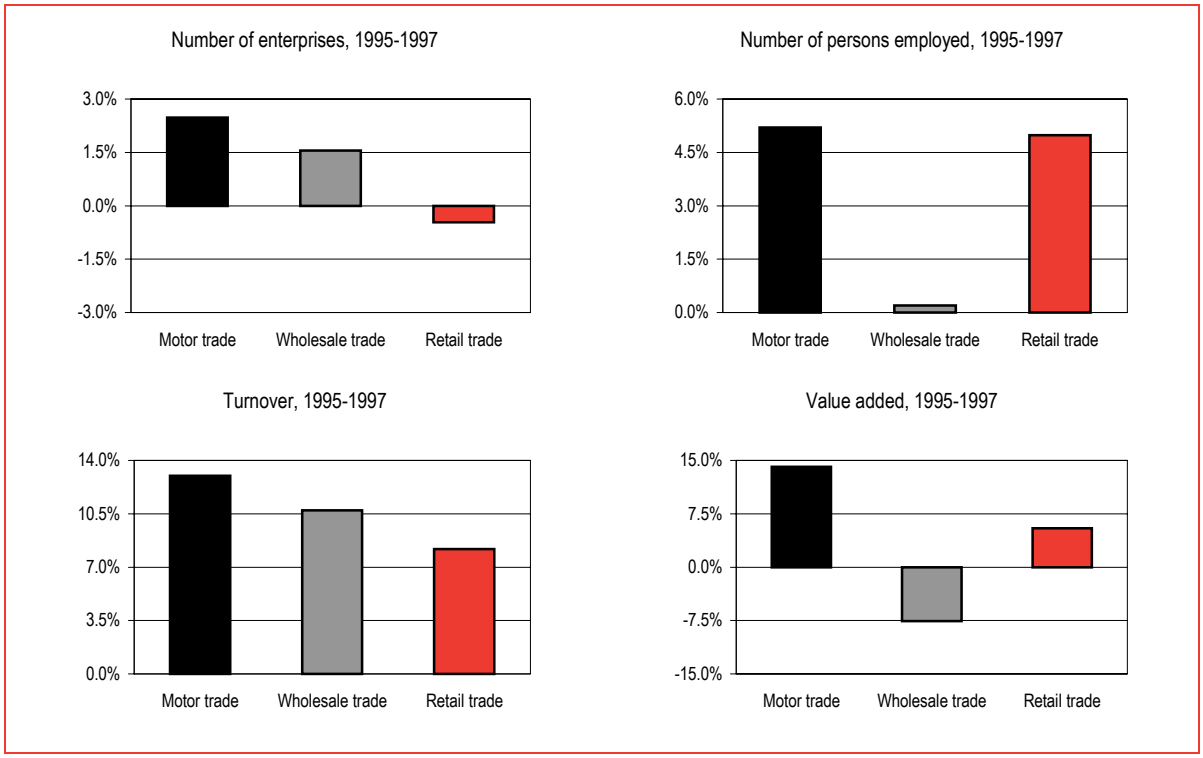
52.1: retail sale in non-specialised stores; 52.2: retail sale of food, beverages and tobacco in specialised stores; 52.3: retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles; 52.4: other retail sale of new goods in specialised stores; 52.5: retail sale of second-hand goods in stores; 52.6: retail sale not in stores; 52.7: repair of personal and household goods.

Table 4.48: Main indicators, 1997

	Number of enterprises per 10 000 inhabitants (units)	Number of persons employed per enterprise (units)	Turnover per person employed (1 000 ECU)	Apparent labour productivity (1 000 ECU)	Wage-adjusted labour productivity (%)	Unit labour cost (1 000 ECU)	Gross operating rate (%)	Investment per person employed (1 000 ECU)
Total	128.0	5.9	284.7	36.8	133.6	27.6	3.9	6.2
Motor trade	18.5	6.2	352.1	40.3	135.9	29.6	3.6	12.2
50.1	4.8	6.7	678.8	56.2	149.3	37.6	3.0	23.1
50.2	7.2	5.2	220.8	38.3	116.6	32.9	4.0	13.0
50.3	2.2	4.5	263.1	47.2	131.5	35.9	5.4	6.8
50.4	0.5	2.5	253.7	28.2	113.6	24.9	3.1	15.2
50.5	3.8	9.0	220.1	25.8	149.9	17.2	4.2	2.6
Wholesale trade	39.8	6.0	495.3	57.3	141.3	40.6	3.7	8.0
51.1	4.5	1.8	114.4	42.7	121.2	35.2	14.6	4.1
51.2	0.9	8.9	556.5	46.9	121.9	38.4	1.8	8.5
51.3	3.7	9.9	927.4	52.5	146.2	35.9	1.9	12.2
51.4	9.4	5.2	410.7	57.8	151.5	38.2	5.2	6.0
51.5	6.1	8.0	613.5	60.3	148.0	40.8	3.4	9.8
51.6	12.5	6.6	330.7	60.6	136.2	44.5	5.3	7.0
51.7	2.7	2.5	275.4	49.5	116.4	42.5	4.4	3.6
Retail trade	69.7	5.7	138.2	23.4	125.1	18.7	4.6	3.3
52.1	13.4	11.5	165.4	22.2	138.1	16.1	4.1	4.8
52.2	5.4	3.8	139.1	19.3	107.5	18.0	3.3	2.0
52.3	2.4	7.0	143.3	27.9	115.9	24.0	4.2	2.1
52.4	39.8	4.8	119.4	24.9	122.3	20.4	5.3	2.5
52.5	1.3	1.3	56.2	15.2	74.2	20.5	12.6	0.8
52.6	4.1	1.8	133.3	15.7	74.8	21.0	2.5	1.8
52.7	3.4	1.7	55.7	19.4	76.1	25.5	11.0	2.0

Source: Eurostat, SBS database

Figure 4.15: Average annual growth rates (% per annum)



For turnover and value added: nominal growth rates

Source: Eurostat, SBS database

5. THEMATIC ANALYSIS

5.1 Distributive trades in the Triad

In 1997, the distributive trades accounted for around 13% of total value added in the European Union, 12% in Japan, with the United States highest at 14%.

The sector also accounted for considerable share of total employment: 16% in the EU, 19% in the US and 18% in Japan.

Since 1985 the real growth of value added has been higher in this sector than in the total economy both in US and in Japan, while in the EU it has been slightly lower.

However, between 1985 and 1997 employment in the EU grew faster in the distributive trades than in the total economy. In the US the growth of employment in the distributive trades was in line with that of the total economy, while in Japan it was lower.

Considering the three activities that make up the distributive trades, wholesale trade is by far the most important in terms of value added, especially in Japan. Retail trade however dominates with regard to employment throughout the Triad, employing more than half the workforce in the distributive trades.

Turnover per person employed is higher in the wholesale trade than in the other two sectors, with Japan and the US ahead of the EU. Retail trade however has the lowest value, but here the EU exceeds the US and Japan.

5.1.1 The Triad economies

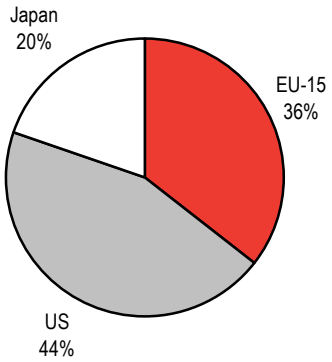
The Triad is constituted by the 15 Member States of the EU, the US and Japan. With a population that is estimated to reach over 379 million inhabitants in 2001, the EU represents the largest market, followed by the US with 278 million and Japan with 127 million.

Forecast 2001: the US has the highest GDP per capita in the Triad

Forecasts for the year 2001 put the gross domestic product of the Triad economies at about 24 800 billion euro, of which 44% is generated by the US, 36% by the EU and 20% by Japan.

With a forecast of 40 000 euro per inhabitant in 2001, the US has the highest per capita GDP in the triad. Japan follows closely, with 38 500 euro per inhabitant; the EU lags behind at 23 300 euro.

Figure 5.1.1
Triad countries' share of GDP at market prices, 2001



Source: Eurostat, National Accounts, AGGS database

Table 5.1.1
GDP and population in the Triad, forecast 2001

	Total GDP (Mio. euro)	Per capita GDP (1 000 euro)	Population (1 000)
EU-15	8 846 544	23.3	379 174
US	11 099 177	40.0	278 064
Japan	4 868 859	38.5	126 889

Source: GDP: Eurostat, National Accounts, AGGS database; Population: Eurostat, aux_ind database

5.1.2 Distributive trades' share the total Triad economies

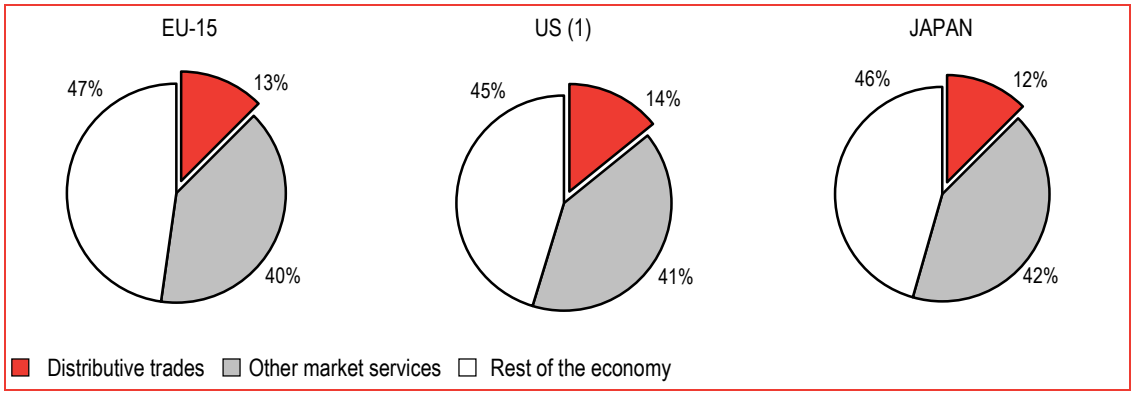
Owing to population size, the European and US economies exceed the Japanese in absolute terms both for the economy as a whole and for the distributive trades sector.

The actual importance of distributive trades, however, measured by its share in the total economy, shows the US ahead both for value added and employment.

Value added

The value added at current prices by the distributive trades[1] in the US in 1996 was 855 billion ECU, representing 14% of the economy as a whole. In 1997 the EU recorded 834 billion ECU, Japan 471 billion ECU. Both values represent about 12-13% of the total economy.

Figure 5.1.2
Share of distributive trades in total value added in the Triad, 1997



(1) US: 1996 data
Source: Eurostat, National Accounts, HSEC2 database and estimates

Table 5.1.2
Value added at market prices in the Triad, at current prices, 1997

	EU-15	US (1)	Japan
Total economy (Mio. ECU)	6 660 779	6 024 493	3 780 523
of which (%)			
Distributive trades	13	14	12
Other market services	40	41	42
Rest of the economy	47	45	46

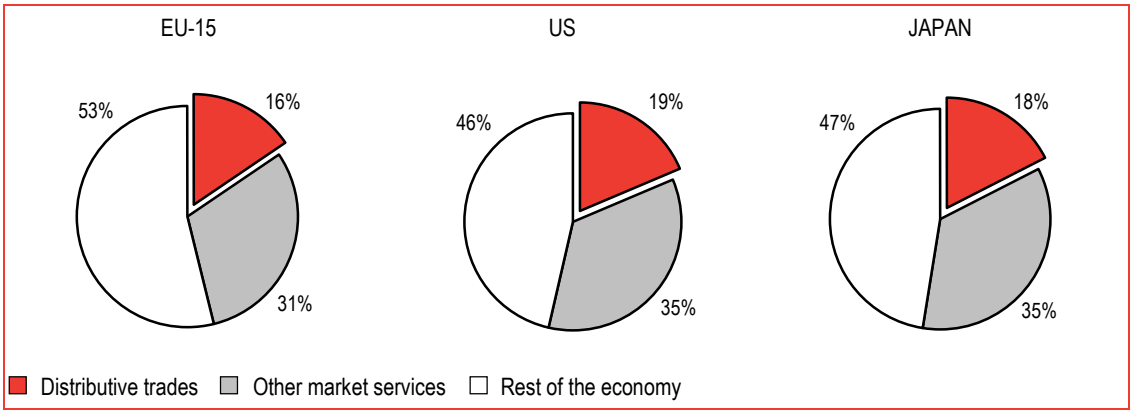
(1) 1996 data
Source: Eurostat, National Accounts, HSEC2 database and estimates

[1] National Accounts data are collected under the NACE-CLIO classification system. One of its branches covers 'recovery and repair services, wholesale and retail trade services', which is also termed 'distributive trades' for the purposes of this publication. However, the information is not fully comparable with that provided in other chapters and sections of this publication, which are based on the NACE Rev. 1 classification. Nevertheless, the data have been used to indicate the importance of distributive trades in broad economic terms.

Employment

With about 23.6 million persons employed in the distributive trades in 1997, accounting for 19% of the total work force, the US economy had the highest share for this sector across the Triad countries. Japan ranked second with 18% (corresponding to 11.6 million persons employed), while in the EU the share of distributive trades in the total economy was 16% (22.7 million people).

Figure 5.1.3
Share of distributive trades in total employment in the Triad, 1997



Source: Eurostat, National Accounts, HSEC2 database and estimates

Table 5.1.3
Employment in the Triad, 1997

	EU-15	US	Japan
Total economy (1 000)	145 814	127 254	66 006
of which (%)			
Distributive trades	16	19	18
Other market services	31	35	35
Rest of the economy	53	46	47

Source: Eurostat, National Accounts, HSEC2 database and estimates

5.1.3 Long term trend of distributive trades in the Triad (1985 to 1997)

Value added

Over the 1985-1997 period Japan recorded the highest growth of total economy and distributive trades

As Table 5.1.4 illustrates, the Japanese economy experienced the best evolution between 1985 and 1997 with value added at constant prices growing by 43.9%, which corresponds to an average annual growth rate of 3.1%. The US followed closely with 42.2% and an annual growth rate of 3.0% while EU recorded 32.9% (2.4% per year).

Japan saw a high average growth in the distributive trades and other market services[2], both increasing by over 52% in the reference period.

A comparison between the US and the EU however shows a different pattern. During the reference period the EU saw growth of 53.7% in market services - excluding distributive trades, while in the US the increase in market services was only 27.6%. As for distributive trades themselves, the growth in the US was substantially higher (+48.3%) than in the EU (+31.3%).

Table 5.1.4
Growth of value added in the Triad, at constant prices, 1985-1997

	EU-15	US (1)	Japan
	growth over the period (%)		
Distributive trades	31.3	48.3	52.4
Other market services	53.7	27.6	52.3
Total economy	32.9	42.2	43.9
	average annual growth rate (%)		
Distributive trades	2.3	3.3	3.6
Other market services	3.6	2.1	3.6
Total economy	2.4	3.0	3.1

(1) Growth over the 1997-98 period is estimated
Source: Eurostat, National Accounts, HSEC2 database and estimates

Trend in the EU

Valued added in the distributive trades and in the overall economy grow at the same pace

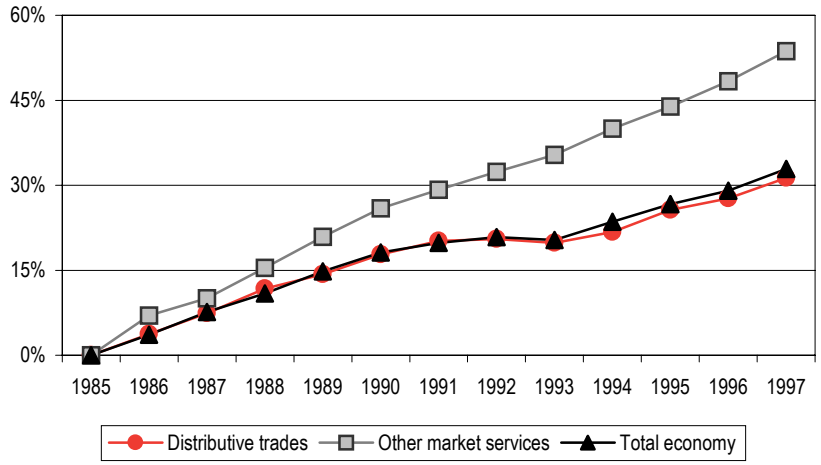
Figure 5.1.4 shows the trend of value added within the EU for the economy as a whole as well as for the distributive trades and other market services. Over the 1985-1997, period the distributive trades sector's growth was almost identical to that of the total economy.

Between 1985 and 1990 both increased at a constant rate, and slowed down in the early '90s. After a decline in 1993, they recovered again until 1997.

Other market services (market services excluding distributive trades) however recorded constant growth and exceeded, at the end of the period, distributive trades and the rest of the economy by over 20 percentage points. This good performance may be mainly due to the development of new high-technology service activities.

[2] NACE CLIO 68 (market services) excluding NACE-CLIO 56 (recovery and repair services, wholesale and retail trade services).

Figure 5.1.4
Growth in value added in the EU-15, at constant prices, 1985-1997



Source: Eurostat, National Accounts, HSEC2 database and estimates

Trend in the US

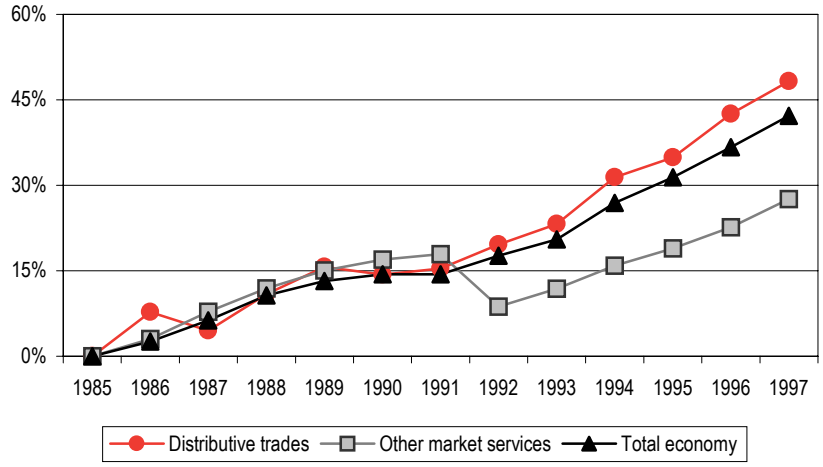
US: distributive trades show higher growth rates than the total economy and other market services

While the EU saw similar trends for the economy as a whole and the distributive trades, in the US there was a different picture. Over the 1985-1997 period, the value added by the distributive trades grew at higher rates than those of the overall economy and other market services.

Figure 5.1.5 illustrates the trends in value added in the US over the reference period. Real growth for distributive trades increased to 48.3%, while value added for the overall economy was 42.2%.

Market services (excluding distributive trades) however were less positive, mainly because of a decline in 1991-1992. The recovery started in 1992 but was not sufficient to catch up with the overall economy or the distributive trades. The growth in other market services over the whole period remained below 28%.

Figure 5.1.5
Growth in value added in the US, at constant prices, 1985-1997



Source: Eurostat, National Accounts, HSEC2 database and estimates

Trend in Japan

Figure 5.1.6 shows that two different situations which characterised the Japanese economy during the reference period. Between 1985 and 1992, the value added in the distributive trades increased by 48.7%, corresponding to an average annual growth rate of 5.8%, while other market services and the economy as a whole recorded lower rates - 3.4% and 3.8% per annum respectively (figures at constant prices).

From 1992 onwards the real growth in the distributive trades slowed down, while the value added by the overall economy recovered, due to the good performances of other economic activities, in particular other market services.

Over the 1985-1997 period, the distributive trades and other market services eventually recorded nearly the same performance, with growth rates of about 52%, while the economy as a whole increased by 43.9%.

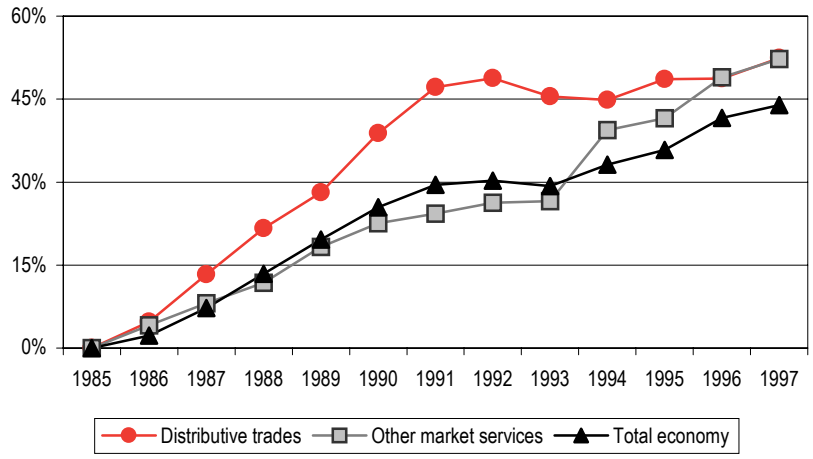


Figure 5.1.6
Growth in value added in Japan, at constant prices, 1985-1997

Source: Eurostat, National Accounts, HSEC2 database and estimates

Employment

Over the 1985-1997 period employment in the total economy increased by 23.4% in the US, 10.5% in Japan and 7.5% in the EU.

As regards the distributive trades, Japan had the lowest growth rate for employment among the Triad countries: 2.9% over the period (far behind the growth rate for the Japanese economy as a whole).

The EU however recorded an increase of 10.9% in the distributive trades, but the US ranked first, with an increase in employment in the distributive trades of 23% - in line with the overall economy (Table 5.1.5). Within the Triad, the EU is the only area where the growth in employment was higher in the distributive trades than in the overall economy.

The EU has higher employment growth rates in the distributive trades than in the overall economy

However, other market services recorded the highest absolute growth rates in all the Triad countries. Again the US was ahead, with employment increasing by 42.7% over the period. The respective EU and Japan figures were 39.1% and 31.4%.

Table 5.1.5
Growth in employment in the Triad, 1985-1997

	EU-15	US	Japan
	growth over the period (%)		
Distributive trades	10.9	23.0	2.9
Other market services	39.1	42.7	31.4
Total economy	7.5	23.4	10.5
	annual growth rate (%)		
Distributive trades	0.9	1.7	0.2
Other market services	2.8	3.0	2.3
Total economy	0.6	1.8	0.8

Source: Eurostat, National Accounts, HSEC2 database and estimates

Trend in the EU

The distributive trades grew more than the overall economy but other market services recorded the highest rates

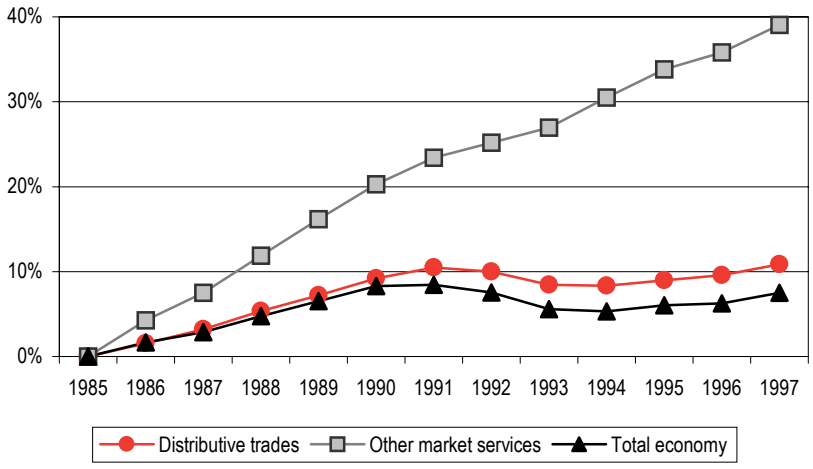
The trend in employment in the EU between 1985 and 1997 can be divided into two main periods.

Between 1985 and 1991 it was characterised by constant growth in the distributive trades, other market services and the overall economy (Figure 5.1.7).

However, in 1992-1993 the level of employment - in the economy as a whole and in the distributive trades - saw a downturn and remained relatively stable over the subsequent years.

Other market services however grew constantly - and at a faster pace - since 1985.

Figure 5.1.7
Growth of employment in the EU-15, 1985-1997



Source: Eurostat, National Accounts, HSEC2 database and estimates

Trend in the US

Highest growth of employment in other market services

In the US too, the early '90s was a period of slowdown in employment growth. Other market services (excluding the distributive trades) were not substantially affected by

this negative trend and, because of a faster increase during the late '80s, they recorded - as in Europe - a better performance over the whole reference period.

Employment in the distributive trades saw trends similar to those of the overall economy: a steady increase between 1985 and 1989, a downturn between 1990-1992 and, after the 1993 recovery, positive growth up to 1997.

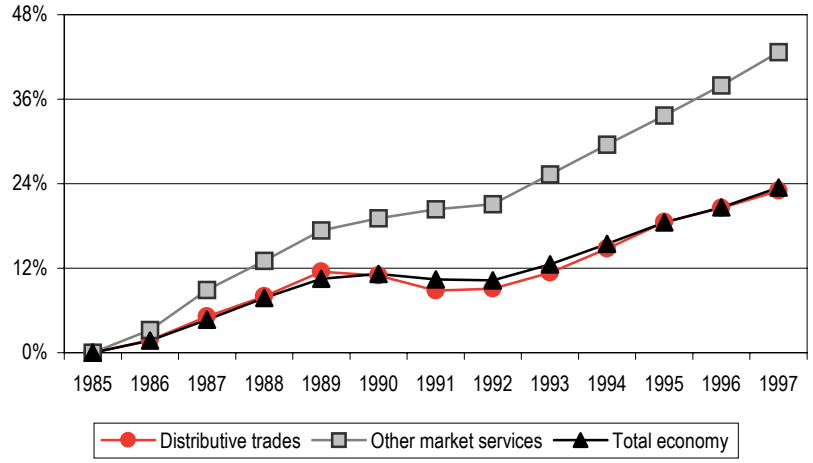


Figure 5.1.8
Growth in employment in the US, 1985-1997

Source: Eurostat, National Accounts, HSEC2 database and estimates

Trend in Japan

Figure 5.1.9 shows that total employment in Japan increased constantly from 1985 to 1993 and, after a decline in 1994, is slowly recovering.

Distributive trades: employment grew by only 2.9%

However, while total employment grew by 10.5% over the whole period, other market services (excluding the distributive trades) recorded a better performance, increasing constantly and at a higher rate (31.4% between 1985 and 1997).

On the other hand, there was stability in the level of employment in the distributive trades, which changed by only 2.9% over the reference period.

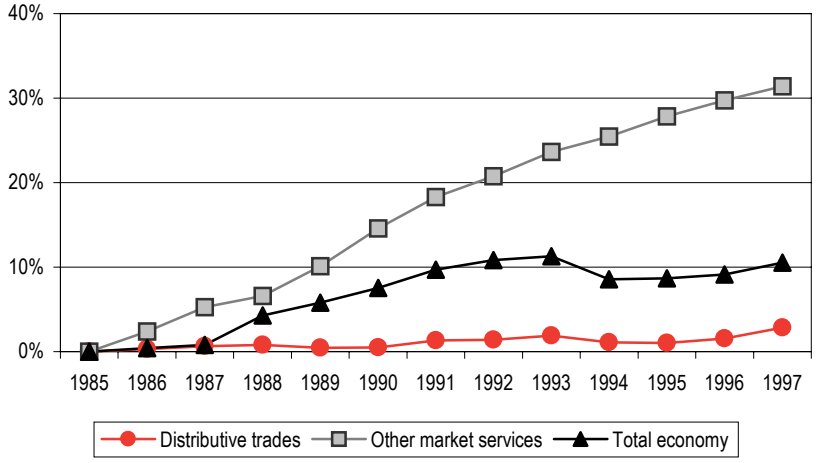


Figure 5.1.9
Growth of employment in Japan, 1985-1997

Source: Eurostat, National Accounts, HSEC2 database and estimates

5.1.4 Motor trade, wholesale trade and retail trade in the Triad

In al the Triad economies, retailing accounts for the highest share of employment and wholesaling for the highest share of turnover

Employment and turnover

Employment

EU statistics use the NACE Rev. 1 classification[3], where distributive trades are broken down into three main activities[4] motor trade, wholesale trade and retail trade. Motor trade (NACE Rev. 1 50) covers the sale, maintenance and repair of motor vehicles and motorcycles, as well as the retail sale of automotive fuel; wholesale trade (NACE Rev. 1 51) covers as wholesale and commission trade of all product categories except motor vehicles, motorcycles and accessories; retail trade (NACE Rev. 1 52) covers all categories of products and repair of personal and household goods. Motor vehicles and motorcycles are excluded.

In the statistics of the US and Japan motor trade is included in the wholesale and retail trade main activities. In particular, some motor trade activities are classified within retail trade as 'Motor vehicles and part dealers' and 'Gasoline stations'[5] in the US and 'Motor vehicles, bicycles and carts' and 'Fuel' in Japan.

Tables 5.1.6 and 5.1.7 provide an approximate picture of the three distributive trade activities in the three economies with regard to employment and turnover. However, since data are taken from different sources - which apply different methodologies in data collection of definition of variables - and refer to different years, care should be taken when comparing the figures.

Table 5.1.6
Employment in the distributive trade activities in the Triad, 1999 and 1997 (1 000)

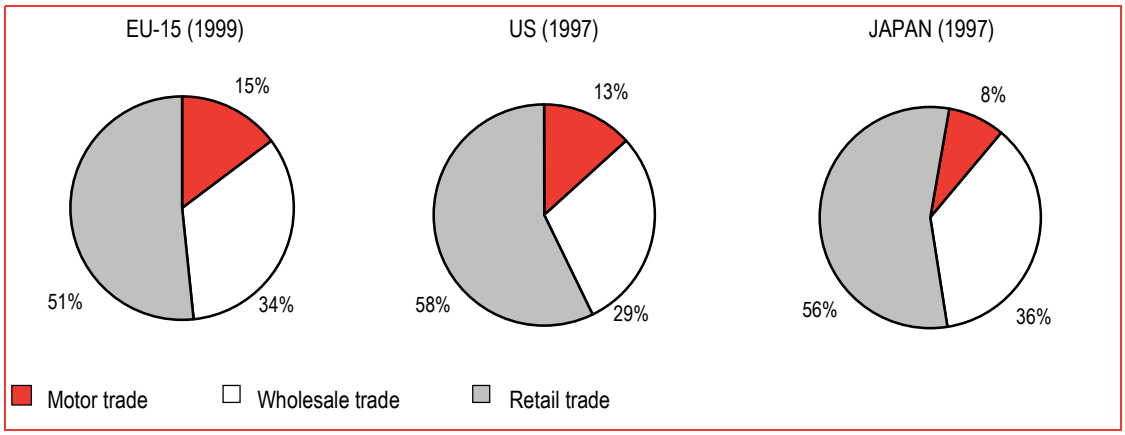
	EU-15 (1)	US (2)	Japan (3)
	1999	1997	1997
Total trade	22 011	19 788	11 516
Motor trade	3 264	2 641	971
Wholesale trade	7 380	5 797	4 165
Retail trade	11 367	11 350	6 380

(1) Number of persons employed, preliminary data
(2) Number of paid employees
(3) Number of employees
Source: Eurostat SBS database; US Census Bureau 'Statistical Abstract of the United States, 1999'; MITI, Japan

[3] Statistical Classification of economic activities in the European Community, in compliance with Council Regulation (EEC) 3037/90 of 9 October 1990 and subsequent amendments.
[4] The NACE classification defers to the three activities as divisions.
[5] NAICS codes 441 and 447 respectively.

Focusing on the proportion of each activity in total distributive trade employment, the data show that retail trade largely predominates, accounting for more than half of the total in each of the Triad economies. Wholesale trade employs approximately one third of the persons working in the distributive trades, while motor trade accounts for the lowest proportions, ranging from nearly 15% of total distributive trade employment in the EU and slightly more than 8% in Japan.

Figure 5.1.10
Distributive trades employment broken down by activity



Sources: Eurostat, SBS database; US Census Bureau 'Statistical Abstract of the United States, 1999'; MITI, Japan

Turnover

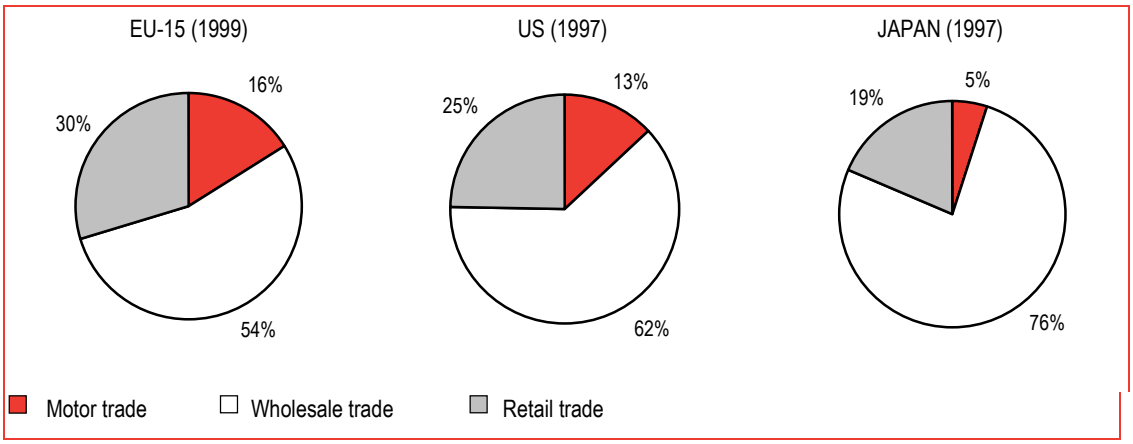
As regards the share of each activity in total distributive trade turnover, the figures indicate that wholesale trade stands well above the other two activities in all three economies and especially in Japan, where wholesaling accounts for three quarters of total distributive trade turnover. However, data on US and Japanese wholesale trade also include certain activities that in the EU are recorded under the motor trade category.

Table 5.1.7
Turnover in the distributive trade activities in the Triad, 1999 and 1997

	EU-15 1999 (Mio. euro)(1)	US 1997 (Mio. ECU) (2)	Japan 1997 (Mio. ECU)(3)
Total trade	5 400 304	5 749 836	4 578 128
Motor trade	877 246	743 831	229 324
Wholesale trade	2 924 676	3 579 819	3 500 317
Retail trade	1 598 382	1 426 186	848 487

(1) Preliminary data
(2) 1 ECU = $ 1.13404 (Source: New Cronos, National accounts)
(3) 1 ECU = Yen 137.077 (Source: New Cronos, National accounts)
Sources: Eurostat, SBS database; US Census Bureau 'Statistical Abstract of the United States, 1999'; MITI, Japan

Figure 5.1.11
Distributive trades turnover broken down by activity



Sources: Eurostat, SBS database; US Census Bureau 'Statistical Abstract of the United States, 1999'; MITI, Japan

Structure and performance

The three activities of the distributive trades show different features in the three economies of the Triad: Japan is characterised by a strong presence of wholesale intermediary and by a very fragmented retail sale sector, which is dominated by small outlets. In the US, the average size of enterprises, especially in the retail sector, is much larger: supermarkets employ more than twice the number of persons than in EU or in Japan.

Enterprise density

As regards the density of enterprises[6], in all the Triad economies the retail trade records the highest values while motor trade records the lowest (Figure 5.1.12). The US show the lowest values for all the three activities and Japan the highest ones, except for motor trade.

For the motor trade the density of enterprises in the EU is higher than that in the US and Japan. This may be due to the high number of small family-owned dealerships or repair shops located in the southern European Member States (particularly in Italy).

Japan, with a very fragmented retailing sector, has 100 outlets per 10 000 inhabitants, compared with 71 enterprises per 10 000 inhabitants in the EU and 32 in the US. Similarly, in wholesale trade the highest density is in Japan, with 31 outlets per 10 000 inhabitants. The EU stands slightly below Japan, with 30 enterprises while the US is again lowest with 17 enterprises per 10 000 (Figure 5.1.12).

[6] Measured by the number of enterprises per 10 000 inhabitants.

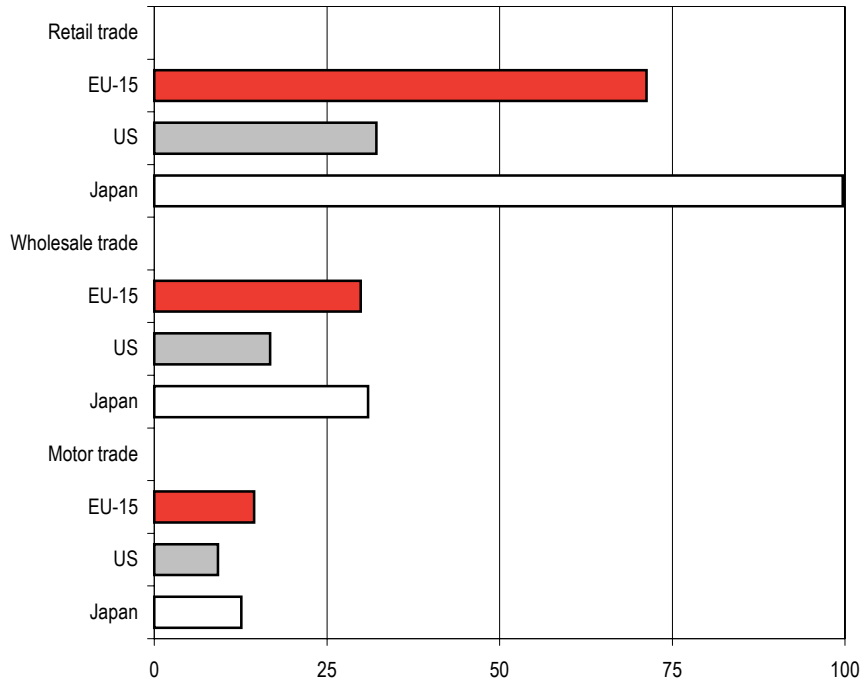


Figure 5.1.12
Number of enterprises per 10 000 inhabitants, 1997

Source: based on data from Eurostat, SBS database; US Bureau of Census; Japanese MITI

Enterprise size

The largest establishments are located in the US, the smallest enterprises operate in the EU

Data for 1997 show that both for the distributive trades as a whole and for the three activities separately, the largest enterprises are in the US while the smallest ones are in the EU. In the US the average size is 12.6 employees per enterprise, in Japan 6.4 and in the EU 4.7 person employed per enterprise.

However, these figures may be influenced by different methodologies in data collection. In US and Japan the size of enterprises is based on the number of employees while in the EU the size of enterprises also comprises the self-employed, which might give the impression that the gap is even higher. However, while data in the US cover only those enterprises with at least one paid employee, data for EU cover all types of enterprises.

Table 5.1.8
Average size of enterprises, 1997

	EU-15 (1)	US (2)	Japan (3)
Total trade	4.7	12.6	6.4
Motor trade	5.5	10.6	6.1
Wholesale trade	4.3	12.8	10.6
Retail trade	4.7	13.1	5.1

(1) Persons employed per enterprise in the EU
(2) Paid employees per establishment in the US
(3) Employees per establishment in Japan
Sources: Eurostat, SBS database; US Census Bureau 'Statistical Abstract of the United States, 1999'; MITI, Japan

Turnover indicators

Across all the Triad countries turnover per person employed is higher in wholesaling than in retailing or motor trade

Wholesale trade is an activity that, in comparison to retailing, is more capital intensive and has a higher level of automated procedures, factors which generally contribute to increasing turnover and productivity. Turnover per person employed[7] are therefore higher in wholesaling than in retailing or motor trade. In the EU this value is approximately three times that of retailing, in the US nearly five times and in Japan about six times.

However, the level of turnover per person employed in the wholesale trade varies considerably across the three areas: in the EU each person employed generates a turnover of 396 thousand euro (in 1999) while the respective values for the US and Japan are 618 thousand ECU and 840 thousand ECU (1997). Conversely, retail trade and motor trade remain on a similar level in the Triad countries (Table 5.1.9). They range from 126 thousand ECU to 141 thousand euro per person employed in retail trade and from 236 thousand ECU to 282 thousand ECU in the motor trade.

Across the Triad, the US has the highest value for turnover per person employed in the motor trade, and the EU has the highest level in retailing.

Table 5.1.9
Turnover per person employed (employee), (1 000 euro/ECU)

	EU-15 (1) 1999	US (2) 1997	Japan (3) 1997
Total trade	245	291	398
Motor trade	269	282	236
Wholesale trade	396	618	840
Retail trade	141	126	133

(1) Turnover per person employed, preliminary data
(2) Turnover per paid employee.
(3) Turnover per employee.
Sources: Eurostat, SBS database; US Census Bureau 'Statistical Abstract of the United States, 1999'; MITI, Japan

Similarly, turnover per enterprise[8] is much higher in the wholesale trade than in the other two activities, especially in the US and in Japan. In the EU it is more than four times that of retailing, in the US twelve times and in Japan nearly five times (Table 5.1.10).

The level of turnover per unit also varies considerably across the three economies, particularly in wholesaling. In the EU, each enterprise in this activity generates a turnover of 2.1 million ECU while the respective values for the US and Japan are 8.9 million and 7.9 million ECU (1997 data). The variations in retail trade and motor trade are less pronounced across the Triad economies. They range from 0.5 million to 1.6 million ECU per unit in retail trade and from 1.2 million to 3 million ECU per unit in the motor trade.

[7] Turnover per employee in Japan and turnover per paid employee in US.
[8] Turnover per establishment in the US and Japan.

In the distributive trades as a whole, Japan has the highest level of turnover per person employed and per enterprise, due to the remarkably high values for wholesaling.

Table 5.1.10
Turnover per enterprise (establishment), 1997

	EU-15 (1) (Mio. ECU)	US (2) (Mio. ECU)	Japan (2) (Mio. ECU)
Total trade	1.1	2.5	3.7
Motor trade	1.2	1.4	3.0
Wholesale trade	2.1	8.9	7.9
Retail trade	0.5	0.7	1.6

(1) Turnover per enterprise in the EU
(2) Turnover per establishment in the US and Japan
Sources: Eurostat; US Census Bureau 'Statistical Abstract of the United States, 1999'; MITI, Japan

5. THEMATIC ANALYSIS

5.2 Internationalisation and concentration in retail trade

Retail internationalisation is increasing worldwide. In recent years, European retailers have caught up with the expansion in foreign countries.

As national markets steadily became saturated, more and more businesses looked for new opportunities to expand into less developed markets. Later, new commercial legislation (such as in France and Spain) forced some businesses to look abroad. The enlargement of the European Union and the deregulation of the world's economies, together with the creation of other large free trade areas (NAFTA, Mercosur, Asean), encouraged the globalisation of markets, first for the industrial sector and then for retailers. The falling costs of communication and information systems also facilitated the internationalisation of retailing activities.

Competitiveness is an important motivating factor for businesses. Pre-emptive strategies (i.e. anticipating the competition) and imitation are steadily becoming more common and are some of the reasons for the rapid acceleration of foreign business operations. Since retailers are better informed about their national rivals, companies from the same country and with the same retail format tend to concentrate on a small number of countries. For this reason, internationalisation by groups of businesses are analysed in a number of countries.

5.2.1 Internationalisation of food retailers

Table 5.2.1 shows that European[1] **food retailers**, mostly from Germany and France, hold ten of the top twenty positions in the world ranking in terms of sales.

One reason for this is the size of European companies' domestic markets: US grocery firms are more fragmented than European ones. The development of chains such as Aldi and Tengelmann in neighbouring Eastern and Western European countries is another important factor.

Besides, Carrefour is venturing far beyond its domestic market, to Latin America (Brazil, Argentina, Chile, Colombia, Mexico) and the Far East (China, Korea, Malaysia, Singapore, Taiwan, Thailand).

Table 5.2.1
Market leaders in food retailing, and their international activity, 1998

Enterprises	Country of origin	Sales (Mio. euro)	Number of countries	Number of stores in foreign countries
Wal-Mart	United States	144 920	10	944
Carrefour+Promodès (1)	France	54 000	25	3 407
Metro AG	Germany	46 884	19	248
Kroger	United States	41 425	-	-
Sears Roebuck	United States	36 704	3	:
ITM Enterprises	France	35 000	7	1 511
Albertson's	United States	34 492	-	-
Ahold	The Netherlands	33 369	16	2 290
Kmart	United States	32 378	6	:
Dayton Hudson	United States	29 761	-	-
JC Penney	United States	29 284	2	:
Home Dépôt	United States	29 056	2	:
Rewe	Germany	28 990	10	1 827
Tengelmann	Germany	27 504	9	1 602
Edeka	Germany	26 587	7	637
Tesco	United Kingdom	26 397	9	180
Aldi	Germany	26 092	11	2 204
Safeway	United Kingdom	26 048	3	292
Ito-Yokado	Japan	26 020	3	5 658
Costco	United States	22 914	7	88

(1) Carrefour has 495 stores in foreign countries and Promodès 2 912
Sources: Négocia, Enrico Colla, on the basis of Pricewaterhouse Cooper's data on sales, Cies's data on countries and stores

European food retailers abroad

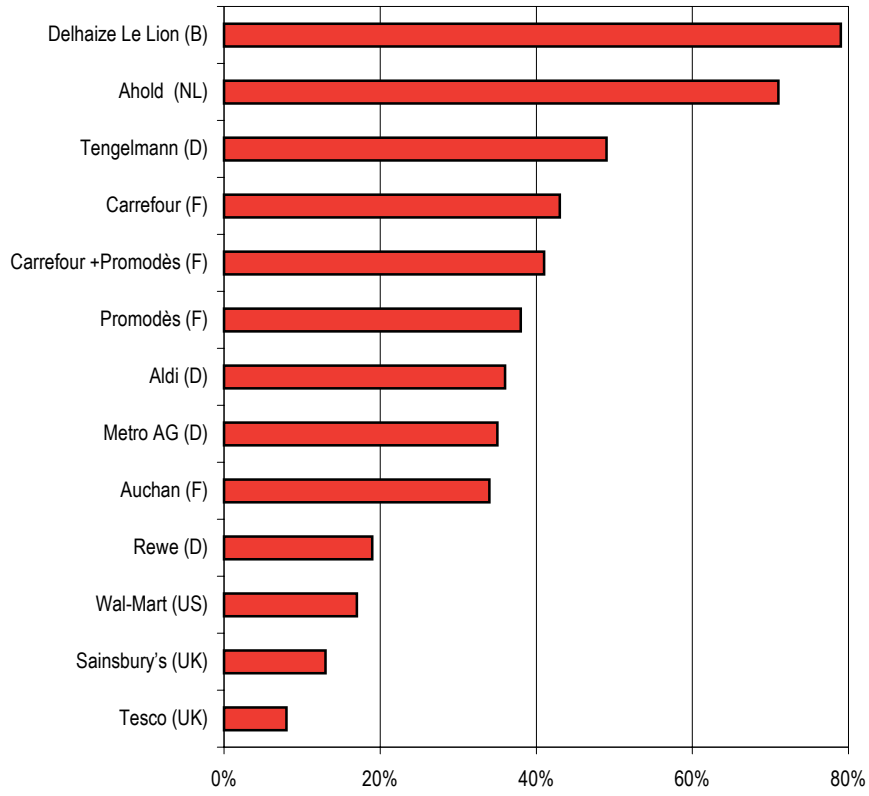
European retailers have a much more global approach than their North American counterparts. They were partly compelled to go abroad by the saturation of European national markets (Table 5.2.2). Their presence in Latin American countries may be an expression of cultural affinity.

[1] Europe is referred to in the geographical sense and includes non-EEA countries.

Group	Country of origin	% domestic sales	% sales in Europe	% sales in other countries
Wal-Mart	United States	83.0	11.0	6.0
Carrefour+Promodès	France	59.0	23.0	18.0
Metro AG	Germany	65.0	34.3	0.7
Ahold	The Netherlands	29.0	26.0	45.0
Rewe	Germany	81.0	19.0	0.0
Tengelmann	Germany	51.0	30.0	19.0
Tesco	United Kingdom	92.0	7.9	0.1
Aldi	Germany	64.0	32.0	4.0
Carrefour	France	57.0	14.0	29.0
Sainsbury's	United Kingdom	87.0	11.0	2.0
Auchan	France	66.0	33.3	0.7
Delhaize Le Lion	Belgium	21.0	21.0	58.0
Promodès	France	62.0	35.0	3.0

Source: Négocia, Enrico Colla, on the basis of data from Elsevier Food International, Lsa, Point de Vente

Table 5.2.2
Market leaders in food retailing: sales, broken down by area, 1998



Source: Négocia, Enrico Colla, based on data from Elsevier Food International, Lsa, Point de Vente

Figure 5.2.1
Market leaders in food retailing: sales on the non domestic market as % of total sales, 1998

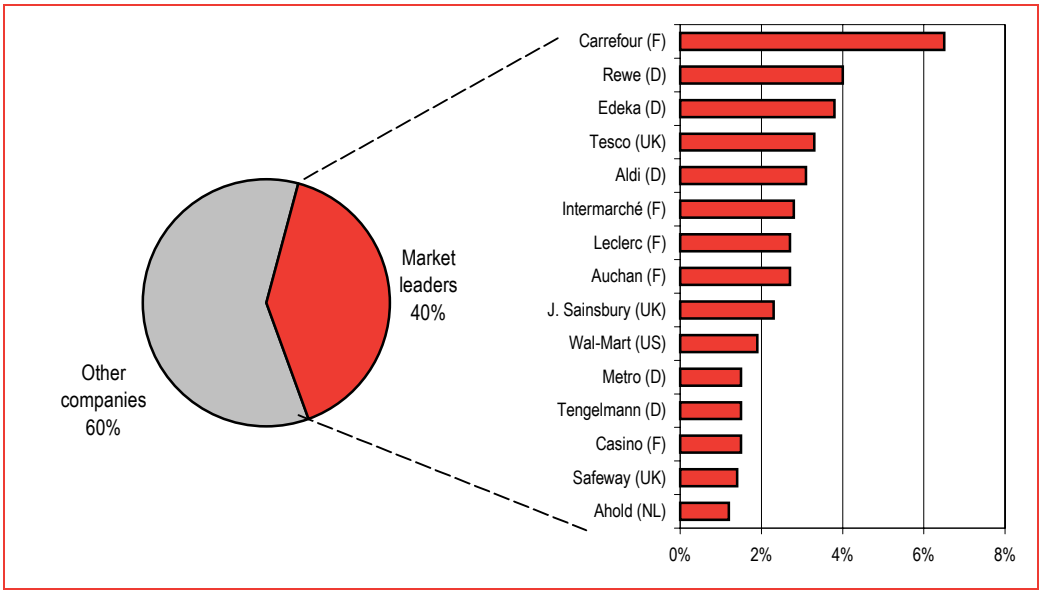
Retailers in the United Kingdom have a cautious approach towards internationalisation

Different pattern in the United Kingdom

Among the world's top twenty food retailers, there is only one UK company: Tesco, which holds the 16th position (Table 5.2.1). This suggests that UK multiples have adopted a cautious approach to international development. Even relatively liberal legislation did not prompt UK enterprises to expand abroad. Rather, it caused them to continue investing in the domestic market until saturation point was reached in the 1990s, when they were finally induced to more active internationalisation.

At European level, **Carrefour** is presently the leader (Figure 5.2.2). However, almost all major European food retailing enterprises have a substantial presence in other countries, while no American group is truly internationalised.

Figure 5.2.2
Market leaders in food retailing: shares in the European grocery market, 1998



Source: M+M Eurodata

Wal-Mart - the world's leading company in retailing - now in Europe:

Sam Walton founded the company, which has since become the largest retailer in the world, in 1962. Thanks to the size of the North American market, and having chosen a strategy of diversification of the stores' format, Wal-Mart has become a success story.

Format diversification

The *discount department stores (DDS-Wal-Mart Stores)* are large stores selling non food goods and products in out-of-town locations at low prices. At the end of the 1960s, Wal-Mart owned 18 discount stores, increasing to 276 in 1980, 1 402 in 1990 and 1 827 in 1999.

Wholesale membership clubs (WMC-Sam's stores) are a Cash & Carry type store, selling food & non-food products at discount prices. Clients are small enterprises (small independent stores, restaurants, canteens etc.) and individual consumers who have a membership card. In 1984, the first three Wholesale Membership Club 'Sam's' opened their doors, rising to 123 in 1990 and 460 in 1999.

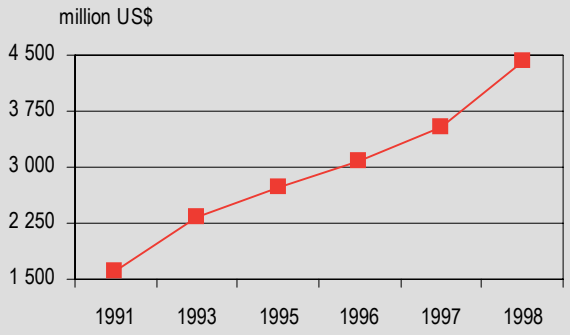
Following the failure of the French hypermarket chains in the United States, the leading North American retailer took over this concept and adapted it to the local market. According to the new formula, a wider range of goods (food) is offered at low prices in *Wal-Mart Supercenters*, whose growth between 1992, when the first store opened, and 1999, when the number of stores reached 715, has been impressive.

Wal-Mart sales evolution by sector of activity (million US$)

Divisions	1991	1993	1995	1996	1997	1998	1999
Wal-Mart (DDS)	31 342	44 900	54 611	56 000	58 002	58 800	:
Supercenters	600	3 500	11 512	19 300	25 775	36 595	48 600
Sam's (WMC)	9 430	14 749	19 100	19 700	20 668	22 880	:
International	:	:	3 700	4 500	7 500	12 000	16 600
McLane	2 515	3 977	4 704	5 000	5 200	:	:
TOTAL	43 887	67 345	93 627	104 500	117 900	137 600	165 394

Source: DSN

Wal-Mart: evolution of total operating result



Source: DSN

A revolution and a bruising price battle are taking place: supermarket chains are under attack from the new ***Wal-Mart Supercenter's*** formula. For the first time in the United States, after the break-up of the big grocery chains in the 1920s and the decline of A&P, Wal-Mart has unified the national market.

Particularly important for the development of ***Wal-Mart Supercenter's*** was also the acquisition of ***McLane***, a wholesaler specialised in the sale of food products. This enabled Wal-Mart to obtain know-how and logistic structures specific to the food sector.

Although the American market is very large, almost all food retailers are regional. Only Wal-Mart, with the development of its supercenters formula, is creating a national grocery chain, as it did before with the ***discount department stores*** (DDS-non food) and the ***wholesale membership clubs*** (WMC).

Wal-Mart goes international

Wal-Mart formed its international division in 1994, and since then has opened many stores abroad.

Apart from the American continent (first: Canada, Mexico and Puerto Rico, then Argentina and Brazil), Wal-Mart has started to open stores with different formats in Asia (Indonesia and China).

The penetration of the European Market started in 1997

Wal-Mart has also penetrated the European market by purchasing the German hypermarket chains WERTKAUF in December 1997 and INTERSPAR one year later. In 1999, Wal-Mart bought ASDA, the fourth-biggest grocery group in the United Kingdom.

Wal-Mart's increased presence in Europe may cause problems for European chains which have chosen to focus more on developing countries than on Europe (e.g. Carrefour and Ahold). However, sales figures (Figure 5.2.2) still show European chains ahead.

Wal-Mart international, 1998

Country	Formats	Number of stores
Argentina	10 Supercenter Wal-Mart 3 WMC Sam's	13
Brasil	9 Supercenter Wal-Mart 5 WMC Sam's	14
Mexico (ownership 53% of Cifra)	27 Supercenter Wal-Mart 31 WMC Sam's + 129 Stores Cifra	416
Puerto Rico	9 Wal-Mart DDS 6 WMC Sam's	15
Canada	Wal-Mart DDS 5 WMC Sam's	153
South Korea	4 Supercenters	4
China	4 Wal-Mart DDS 1 WMC Sam's	5
Germany	74 Interspar (Hypermarkets) 21 Wertkauf (Hypermarkets)	95
United Kingdom	Asda (Hypermarkets)	229

Source: Food Business News, October 1999, various issues

5.2.2 Retail internationalisation of leading non-food brands

Non-food retailing: new players are entering the market and international operations are becoming commonplace

In the specialist non-food sector, superstores in Europe are only beginning to reach saturation point in certain sectors of the market (toys, DIY, household equipment, office furniture) and concentrations are becoming common, as are international operations.

New players, such as Home Depot and Office Depot, have started activities at international level, with possible merger and acquisition activities in Europe. The new operators are catching up with the traditional market leaders.

Table 5.2.3
Internationalisation of market leaders in non-food retailing, 1998

Group	Country of origin	Number of outlets	Number of countries
Benetton	Italy	7 000	100
The Body Shop	United Kingdom	1 486	45
Levi's	United States	570	15
Nike	United States	35	6
Reebok	United States	58	120
Ikea	Sweden	130	25
Blockbuster	United States	4 000	22
Toys 'R' Us	United States	1 032	18
Zara	Spain	471	7
Timberland	United States	612	60
Marks & Spencer	United Kingdom	441	26
Hugo Boss	Italy	139	12
The Gap	United States	1 582	5
Esprit	United States	1 080	:
Hennes & Mauritz	Sweden	357	9
Disney	United States	436	9
Warner	United States	244	3

Source: Retail Week, various issues

The toy market

In the **toy market segment, *Toys 'R' US*** has achieved impressive penetration of European markets, but since 1997 its advance has been stopped in Italy and its market share in France is actually declining.

New concepts are emerging in the **sports, clothing and leisure** sectors. In sports, the integration of manufacturers of leading brands (Nike, Reebok, etc.) can be observed. Warner and Disney are examples of leisure stores which are beginning to become established outside the North American market.

Clothing

In **clothing**, Spanish chains (Zara, Mango) are appearing on the market and top designers are starting to open retail outlets, which seems to be an important strategic move to promote their products.
Numerous **designers** (Prada, Thierry Mugler, Ferragamo, Giorgio Armani, Dolce & Gabbana, Calvin Klein, Versace, Tommy Hilfiger, Ralph Lauren) have started integration activities.

While the European retail landscape has long been populated by these kinds of shop, the development is unprecedented in the United States. The shops tend to present their goods more satisfactorily: they have a comprehensive and increasingly diversified range, and better control of the designer's image.

Beauty products

In the **beauty products** sector, a trend towards integration can be seen at the French group LVMH, which recently acquired DFS (Duty Free Shoppers, the largest chain of duty-free shops and shopping centres on the Asian market), Sephora of France and Germany's Douglas International. Presentation of the product range and control over image, plus the expansion of foreign sales via captive networks, are the main objectives of these acquisitions.

5.2.3 Facing international competition

National concentration

The progressive saturation of national markets by modern formats is increasingly leading to concentrations of operators with the same formula, and of different formulas within the same group. Direct competition between operators in a fragmented market encourages price competition and efforts to achieve a range of savings (economies of scale, standardisation, diversification). By going for volume, businesses are pushed towards concentration via mergers and acquisitions (Table 5.2.4).

Concentration at national level in the US and Europe boosts internationalisation

Table 5.2.4
National concentration: market share of the three leading groups, by country, 1999

Country	Groups	Market share (%)
Sweden	Ica , KF, D Group	95
The Netherlands	A. Heyn, Super Unie, Vendex	83
France	Carrefour, Leclerc, Intermarché	66
Belgium	Gib, Delhaize, Aldi	62
Austria	BML, Spar, Adeg	56
Germany	Rewe, Edeka, Aldi	53
United Kingdom	Tesco, Sainsbury, Asda	52
Spain	Pryca, Continente, Alcampo	44
Italy	Coop, Auchan, Carrefour	32

Source: Nielsen

1996 was a record year for business mergers, acquisitions and other forms of concentration in retailing. Since then, these activities have proliferated in both the United States and Europe, and are expected to continue doing so in the years to come.

Increasing concentration at national level tends to slow down once four or five operators have acquired large market shares in various European countries, thus showing the international dimension of the concentration process.

French and German operators penetrate other national markets in Europe

French and German operators continue to enter the markets of other European countries, confirming their ability to strengthen their market position, while their UK counterparts still show a lack of interest in continental markets.

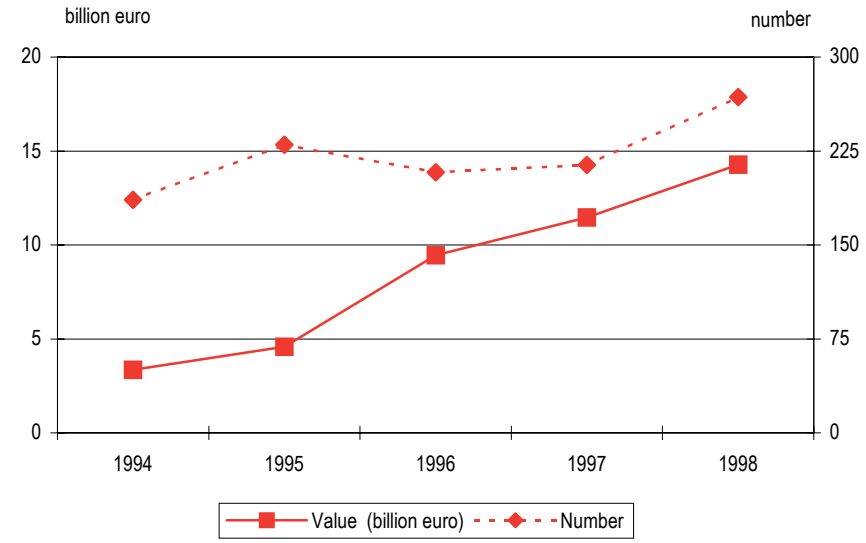
French firms are going for hypermarkets and supermarkets, while the Germans tend to prefer discount stores. Italian, Spanish and Portuguese operators at national level are suffering particularly badly from the expansive policies of French and German chains of supermarkets and discount stores. The Coop group continues to be the national leader in Italy, but there is little likelihood of it being able to use its market position in that country as a springboard to other European markets, as recent attempts to do so have ended in failure.

International alliances

Retailers have adopted different strategies for tackling foreign markets, depending on their objectives and market position.

Organic growth or direct ventures (developing the sales network abroad by directly opening branches and outlets) provide a business with maximum control over management of its formula. Nevertheless, barriers to market entry may force companies to choose other strategies, like acquisitions (Figure 5.2.3), joint ventures or franchising.

Figure 5.2.3
Evolution of international mergers and acquisitions, 1994-1998



Source: Thomson Financial Securities Data

An intermediate strategy between direct expansion and takeovers consists in setting up **joint ventures,** where foreign and national operators form a joint company to manage their joint activities. European enterprises have often used this approach, especially in southern Europe, Latin America and Asia. This strategy is widely used as a means of penetrating both near and remote geographical regions with cultural differences or a similar culture but difficult access for various reasons (e.g. trade or legal barriers).

Joint ventures: a strategy widely used by European enterprises to enter foreign markets

Local enterprises try to acquire the necessary skills relating to retail formats or management techniques, which are considered to be useful for future expansion.

In exchange, foreign operators need information on consumer and market characteristics (such as consumer habits, competition or legislation) and expertise in dealing with the local business world (suppliers, staff unions, banks, etc.).

Diversification

Success in foreign markets comes with perfect mastery of a concept via organisational expertise, the quality of exclusive brands, and the management of purchasing or dominance in a product category (Table 5.2.5).

Table 5.2.5
Global retailers' expertise

Basic strategy, key success factors, main expertise	Retailers
Cost leadership, logistics, relationships with suppliers	Aldi, Lidl
Design of a wide range of mass consumption products tailored to consumers, logistical organisation	Carrefour, Wal-Mart/Sam's, Auchan, Makro/Metro
Strong own brand, format innovation	Marks & Spencer, The Gap, Next, Body Shop
Fashion differentiation, consumers segmentation and targeting	Hennes & Mauritz, Zara, The Gap/Banana Republic, C&A
Domination of a product category, selection	Toys 'R' Us, IKEA, Staples, Office Depot, Blockbuster
Company name large awareness, communication	Warner Bros., Disney

Source: Négocia, Enrico Colla, 'Market Management', n. 1-2 2000

As a first step, retailers generally 'export' (via direct expansion) the concept in which they have gained dominance through long experience on their domestic market, a phenomenon that applies particularly to discount chains and hypermarkets in the food sector and chains of small specialist shops in non-food.

Saturation of domestic markets and the need to explore international ones fosters diversification

A strong specialisation in one formula favours a 'global' strategy, offering the same retail formula in different countries with a minimum of modification. Hence, businesses can achieve a high degree of economic standardisation by concentrating on identical segments across different markets.

At a later stage, once domestic markets have become saturated, the need to explore non-domestic markets fosters diversification. The economic situation of the sector, which, at the beginning of internationalisation, favoured focusing on a single 'core business', now tends to favour diversification of formulas.

Moreover, being diversified in foreign countries allows enterprises to gain more market power and synergies in the same country. Acquisitions and joint ventures are, in these cases, the best way for businesses to risk diversifying abroad (Table 5.2.6).

Table 5.2.6
Internationalisation strategies of selected European groups, 1998

Operation	Same format	Adapted format	Different format
Organic growth	Aldi, Lidl, Penny	Carrefour, Continent, Auchan (S), Intermarché (I, S), Leclerc (I, P)	
Acquisitions		Delhaize (F), Continent (D), Carrefour (I)	Delhaize (US), Tesco (F, P), Sainsbury (US), Ahold (US), Tengelmann (US), Casino (US), Docks de France (US), Intermarché (F), Wal-Mart (D)
Joint-ventures		Ahold (P) Continent (B, EL, I, P) Champion (B, EL, E) Carrefour (China) Plus (I) Auchan (I)	

Letters in brackets indicate country of destination
Source: Négocia, Enrico Colla, 'Proceedings of the seminar on the development of commerce in Europe', European Commission 1999

5.2.4 New target regions for investment

Competition in large markets (particularly food and household goods) has attained a global dimension. Companies have begun to take strategic decisions in the light of their need to achieve a particular strategic position on the global market.

Four main regions where many companies prefer to have a massive presence can be identified:

- Europe
- United States
- South America
- Asia.

The competitive position of the individual operator depends on his financial resources, as well as on his management.

France, Germany, the United Kingdom, Belgium and the Netherlands are the main countries of origin of international retailers, while Italy, Spain and the central European countries (namely Poland, Hungary, the Czech Republic and Slovakia) are the main target countries (Table 5.2.7).

Table 5.2.7
European food retailers:
Countries of origin and destination of investment in Europe

Origin	Germany	France	United Kingdom	Belgium	The Netherlands
Destination					
Germany		Promodès, Intermarché			
France	Aldi, Lidl Norma, Rewe Edeka		Tesco	Delhaize, Colruyt	
United Kingdom	Aldi, Lidl, Rewe				
Belgium	Aldi, Lidl	Promodès, Cora, Intermarché			Vendex
The Netherlands	Aldi, Tengelmann				
Spain	Tengelmann, Lidl, Rewe	Carrefour, Promodès, Auchan, Docks de France, Compt Mod, Leclerc, Intermarché			
Italy	Rewe, Lidl, Aldi, Tengelmann	Carrefour, Auchan, Intermarché, Promodès			
Portugal		Carrefour, Promodès, Intermarché, Leclerc, Auchan			Ahold
Greece		Promodès		Delhaize	
Turkey		Carrefour, Promodès			
Czech Republic	Tengelmann, Aldi, Rewe, Norma, Lidl, Edeka			Delhaize	Ahold
Hungary	Tengelmann, Aldi		Tesco		
Poland	Aldi, Rewe, Dohle	Leclerc, Auchan	Tesco		
Austria	Tengelmann				
Denmark	Aldi				

Source: Négocia, Enrico Colla, 'Proceedings of the seminar on the development of commerce in Europe', European Commission 1999

Internationalisation in Southern Europe: Spain and Italy

Since its merger with Promodès, Carrefour is the leading hypermarket chain in Spain and Italy

Foreign enterprises (particularly French) traditionally hold a very strong position in Spain and Italy. The penetration of the Spanish market began in the 1970s and was fostered by local legislation. In the meantime, the leading French hypermarket chains have gained the leadership (Table 5.2.8). The recent merger between Carrefour and Promodès has increased concentration in the Spanish market and given the leadership to the new group.

Table 5.2.8
Leading retailers in Spain: sales and market shares, 1998

Hypermarkets	Sales (Mio. euro)	Market share (%)	Supermarkets	Sales (Mio. euro)	Market share (%)
Continente - Promodès (F)	5 443	14.4	Mercadona	2 174	5.2
Eroski	3 588	8.7	Unigro	1 082	2.6
Pryca - Carrefour (F)	3 456	8.3	Caprabo	914	2.2
Alcampo - Auchan (F)	3 185	7.6	Supersol	874	2.1
Hypercor - Corte Ingles	2 735	6.6	Comptoirs Modernes (F)	481	1.1
Makro (D)	787	1.9	Ahold (NL)	421	1.0
Leclerc (F)	168	0.4	Intermarché (F)	120	0.3

Source: Distribución Quinzenal

Retailers from foreign countries enter Italy mainly by means of joint ventures

In Italy, foreign retailers only recently succeeded in penetrating the market and were obliged to choose a policy of joint venture with local partners. Auchan and Rinascente, Promodès (Carrefour) and Gruppo GS (Benetton) have recently entered into two joint ventures that have allowed French retailers (with their local partners) to hold the second and third places amongst leading retailers in Italy (Table 5.2.9).

Table 5.2.9
French and Italian retailers: market shares in the Italian grocery sector, 1999

Group	Market share (%)	Group	Market share (%)
Coop Italia	17.3	Standa Commerciale	2.9
Gruppo Gs (Carrefour)	9.5	Crai	2.3
Rinascente (Auchan)	9.0	Sigma	2.1
Conad	8.4	DI.TEX.AL	1.7
Esselunga	7.6	Lombardini	1.1
Selex	5.8	Independents	0.9
Interdis	4.8	Carrefour Hypermarkets	0.8
Pam	3.8	Il Gigante	0.8
MDO (Gea, Gigad, Italmec)	3.5	Billa Italia	0.6
Sintesi	3.5	Unvo	0.6
Sisa	3.4	AL.GRO	0.3
C3	3.1	Conitcoop	0.1
Finiper	2.9	Itm Italia	0.1
S.U.N.	2.9		

Source: IRI Infoscan

Central Europe

German and Austrian companies dominant in Central Europe – French firms about to catch up

In the food sector, Eastern Europe and several Asian countries have opened up to competition in the past few years.

European chains have moved into these markets *en masse*. German and Austrian enterprises were the first to hold market positions. French operators, which were a little slow off the mark, are now catching up with some important moves, particularly in Poland.

After the fall of the Iron Curtain, many European enterprises decided to invest on a long-term basis in Central Europe.

German (Metro, Tengelmann and Rewe) and Austrian enterprises (Julius Meinl, Dohle), Ahold of the Netherlands and Sweden's Ikea made optimistic starts in the early 1990s. UK enterprises tended to be more cautious, although Littlewoods, Marks & Spencer and Tesco made some important moves, as did some Italian enterprises (e.g. Benetton and Stefanel). French retailers (e.g. Leclerc, Auchan and Carrefour) began to open supermarkets and hypermarkets in Poland only from 1995 onwards. France's Casino has also entered the Central European market recently (Tables 5.2.10 and 5.2.11).

Table 5.2.10
Market leaders in Poland and Hungary, 1999

POLAND			HUNGARY		
Enterprise	Total turnover (Mio. euro)	Market share (%)	Enterprise	Total turnover (Mio. euro)	Market share (%)
Metro (D)	2 188	10.5	Metro (D)	940	19.8
Spolem	1 658	8.0	Coop Hungaria	792	16.7
Jeronimo Martins (NL)	692	3.3	CBA	772	16.3
Carrefour (F)	513	2.5	Cora (F)	740	15.6
Rewe (D)	405	1.9	Tengelmann (D)	615	12.9
Géant (F)	389	1.9	Honiker	440	9.3
Auchan (F)	346	1.7	Tesco-Globàl (D)	329	6.9
Hit (D)	339	1.6	SPAR Hungaria (A)	293	6.2
Tengelmann (D)	320	1.5	Rewe (D)	281	5.9
Leclerc (F)	249	1.2	BEE	116	2.4
Ahold Polska (NL)	242	1.2	Mecsek Füszért	72	1.5
KFD	237	1.1	A-Walhalla	71	1.5
CBZ	190	0.9	Hèliker Trading	71	1.5
DSH	184	0.9	Tisza Coop	65	1.4
McLane (US)	159	0.8	Alföld Pro-Coop	59	1.2
Savia - Tesco (UK)	148	0.7	Sláger	58	1.2
Multi-Ex	112	0.5	Eszak-Kelet Pro-Coop	57	1.2
Eldorado	97	0.5	Auchan (F)	55	1.2
Bos	89	0.4	Hadjù-Bèt	51	1.1
Polo Market	81	0.4	Csopak	48	1.0

Source: M+M Eurodata

Table 5.2.11
Market leaders in retailing, Czech Republic and Slovakia, 1999

CZECH REPUBLIC			SLOVAKIA		
Enterprise	Total turnover (Mio. euro)	Market share (%)	Enterprise	Total turnover (Mio. euro)	Market share (%)
Coop Ceskych	923	14.0	Coop Centrum Slovakia	536	17.9
Makro (D)	516	7.8	Spona	165	5.5
Ahold (NL)	495	7.5	Tesco (UK)	144	4.8
Rewe (D)	457	6.9	Prima Zdroj	86	2.9
Kaufland - Lidl (D)	375	5.7	SLOVPOS	85	2.8
Delvita - Delhaize (B)	319	4.8	Billa - Rewe (D)	79	2.7
Plus - Tengelmann (D)	307	4.7	Zdroj	77	2.6
Tesco (UK)	271	4.1	Opal Fytos	64	2.1
Vega	204	3.1	Zdroj-Hos	63	2.1
Globus (D)	192	2.9	Smoker	57	1.9
Cepos	176	2.7	Euroholding Verex	48	1.6
Meinl (A)	173	2.6	M-Market	41	1.4
Ardanas	153	2.3	Kon-Rad	40	1.3
Enapo	119	1.8	Essex	39	1.3
Interkontakt Group	109	1.6	Labaš	36	1.2
SVOP	92	1.4	Jednota Nové Zámky	35	1.2
SPAR Ceskych (A)	91	1.4	Sintra	32	1.1
Hopi	73	1.1	Jednota Trencín	31	1.0
Spar Ceska (A)	66	1.0	Nitra Zdroj	29	1.0
Carrefour (F)	62	0.9	Jednota Nitra	25	0.8

Source: M+M Eurodata

Strengths and weaknesses of Central European countries

Joint ventures and franchising are strategies for penetrating Central European markets

In addition to prospects for growth and profits, Central European Countries may present difficulties for enterprises trying to become established in them.

Limited local competition, industrial production vulnerability, high inflation and unemployment, with the attendant risk of political instability, can be **weaknesses**.

On the other hand, there are also some **strengths** to be considered: rising demand and high consumption growth rates leading to good prospects for market growth, the low cost of real estate and labour, and opportunities for partnerships with local suppliers.

Enterprises willing to set up a business in Central European countries must be prepared for certain **difficulties**. An ineffective wholesale and logistical distribution system linked to an information and telecommunication system under development, insufficient language skills or weak management skills (particularly in marketing) can be problems. Certain macro-economic and socio-political problems must also be mentioned: monetary and political instability and the presence of a pervasive black market can greatly increase the financial risk to investors. To enter the market, investors have been using strategies aimed at minimising those risks; in particular, they have developed joint ventures with local entrepreneurs and franchising agreements.

Latin America

Increasing competition in Latin America; Carrefour dominant

Carrefour is retailing market leader in Argentina and Brazil

European retailers, mainly from France, have made significant inroads into South American markets, particularly Argentina and Brazil. **Carrefour** was the first to enter the region in the 1970s. From 1974 to 1985, it opened at least one hypermarket every year in Brazil, and has since accelerated, with a network of 67 stores in 1998.

In Argentina, market penetration by Carrefour took place later (1982) and at a slower pace. Four hypermarkets were opened in Buenos Aires within ten years. In 1998, Carrefour disposed of 21 Argentinian stores. Since its merger with Promodès in 1999, the 'new' Carrefour has established itself as the Argentinian market leader, with a share of more than 30% (Table 5.2.12).

Table 5.2.12
Market shares of leading retailers in Argentina and Brazil, 1998

ARGENTINA		BRAZIL	
Enterprise	Market shares (%)	Enterprise	Market shares (%)
Carrefour + Promodès (F)	33.2	Carrefour (F)	33.9
Disco - Ahold (NL)	16.9	Pão de Açúcar	26.0
Coto/Cicsa	11.7	Sonae	10.2
Jumbo	4.8	Bompreço	10.1
Wal-Mart (US)	4.4	Sendas Mendonça	8.2
La Anonima	4.3	Wal-Mart (US)	3.1
Casino - Lib (F)	3.8	Cia Zaffari	2.6
Other	20.9	Sé	2.3
		Cooperhodia	1.9
		G. Barbosa	1.7

Source: LSA

In the recent past, **Casino** took over a stronger position in some of the Latin American countries, with a series of acquisitions in Argentina (28 stores), Brazil (349 stores, following the acquisition of the Brazilian retailer Pão de Açúcar), Mexico (Smart and Final supermarket acquisition), Uruguay (21 Disco Stores) and Venezuela (50 stores).

Asia

The Asia crisis has created opportunities for European retailers to expand towards the East

In Asia, the financial crisis of 1997-98 has left some opportunities for the most dynamic operators to establish themselves there.

The crisis, and the resulting fall in domestic demand, has slowed down the growth and delayed the opening of stores in some sectors. On the other hand, the currency devaluation and the liquidity crisis have increased the attraction of local takeovers.

Governments were pressured to liberalise their investment legislation, as an immediate consequence of the economic crisis.

Retailers were allowed (even encouraged) to enter some countries for the first time in many years (e.g. Thailand and the Philippines). Changes in ownership legislation permitted a big increase in the number of retailers actually being acquired or controlled by enterprises from other Asian countries, Europe or the US.
The retail chains already present were able to expand, as they benefited from their knowledge of local market structures.

European retailers, backed by their home and other overseas store networks, expanded into Asia, driven by the pressure of the saturation of domestic markets and benefiting from their experience of devolving management to local levels. Finally, they were more successful in expanding within Asian markets than their US or Japanese counterparts.

Carrefour is dominant among the European retailers in Asia, with outlets in Taiwan, Thailand, Hong Kong, Singapore, China and Malaysia (Table 5.2.13). Delhaize (Belgium), Ahold and Makro (the Netherlands), Tesco, Marks & Spencer, Body Shop, Kingfisher and Boots (United Kingdom), have also increased their presence in Asia.

Table 5.2.13
Foreign retailers in Asia

	Japan	Hong Kong	Singapore	Taiwan	Corea	Thaïland	Malaysia	Indonesia	China
Carrefour (F)		4	1	21	9	8	5	1	14
Auchan (F)						1			
Tesco (UK)					2	14			
Casino (F)				2		20			
Makro (NL)				7	1	16	7	8	4
Ahold (NL)			14			39	45		15
Marks & Spencer (UK)		8	7		1	2	2	6	
Body Shop (UK)	x	x	x	x		x	x	x	
Otto Versand (D)	J.V.								J.V
Ikea (S)		5	1	1					
Wal-Mart (US)		3			4	1		2	5
Toys'R'Us (US)	76	4	4	6			4		
Delhaize (B)			22			11		13	

N.B. 'x' indicates a presence in the country, but the number of outlets is not available
'J.V. = joint venture
Source: Négocia, Enrico Colla, 'Market Management', n. 1-2 2000

European investments in the North American market on rise

In North America, particularly in the US, superstores have been dominating the food market, while wholesale membership clubs and supercenters (US style hypermarkets) are expanding strongly. While French chains have not succeeded in gaining a direct foothold with their hypermarkets, other European enterprises (Tengelmann, Ahold, Delhaize, Sainsbury, Docks de France) have made some major acquisitions of local chains, mostly supermarkets (Table 5.2.14).

European food retailers entered the market by acquisition of US supermarket chains

Enterprise	Country of origin	Assets
Ahold	The Netherlands	906 stores: Stop & Shop, Edwards, Giant Foods, Tops, Finast, Bi-lo
Aldi	Germany	400+limited assortment stores; 27 Trader Joe's; 11% of Albertson's
Auchan France	France	One hypermarket in Houston
Carrefour	France	11% of Price-Costco
Casino	France	53% of Smart & Final
Delhaize	Belgium	Control of Food Lion; interest in Super Discount Market
Docks de France	France	501 Lil' Champ convenience stores
Ito Yokado	Japan	Southland (7-Eleven stores)
Marks & Spencer	United Kingdom	19 Kings supermarkets
Metro	Germany	40% of Makro manager of Jetro stores
Tengelmann	Germany	54% of A&P
Yaohan	Hong Kong	8 supermarkets

Table 5.2.14
Foreign Food Retailers in the United States, 1996

Source: CIES, June 1996

5.2.5 Development of European buying groups

On the European continent, multinational retailers tend to set up their own integrated buying centres. Retailing chains operating only at national level have created affiliated buying groups.

Buying groups: a strategy to face price competition

As price competition steadily increases, European buying centres have an important role in distributing and retailing their own brands and 'first price products'. However, they are not able to negotiate prices with leading multinational brands.

Buying centres are believed to be playing an increasingly important role, particularly for small independent organisations (e.g. voluntary unions, purchasing groups, small chains) which find the idea of developing a wider range of own brands a good reason for progressive centralisation of decisions.

Table 5.2.15
Main European buying groups in food retailing, 1998

Groups	Year (1)	
Associated		
AMS (Zug, Switzerland)	1988	A. Heijn (NL), Allkauf (D), Argyll (UK), Casino (F), Edeka (D), Hakon (NO), Ica (S), Kesko (FIN), La Rinascente (I), Mercadona (E), Jmr Pingo Doce (P), Superquin (IRL).
BIG'S (Amsterdam, the Netherlands)	1990	Bergag Ovag (S), Dagrofa (DK), Despar (I), Spar Autriche (A), Spar Landmark (UK), Tuko Spar (F), Unigro (E), Hella Spar (EL), Bwg Foods (IRL).
EMD (Pfäffikon, Switzerland)	1989	Leclerc (F), Markant (D,CH), Nisa Toda's (UK), Selex (I), Euromadi Iberica (E), Zev Markant (A), Superkob (DK), Uniarme (P), Daumb Ab (S), Unk As (NO), Musgrave (IRL).
EUROGROUP (Brussels, Belgium)	1988	Coop Suisse (CH), Vendex Food (NL), Rewe (A), Bml Group (A).
EUROPARTNER (Amsterdam, the Netherlands)	1995	Cora (F), Superuni (NL), Somerfield (UK).
NAF (Denmark)	1988	Coop Italia (I), Cws (UK), Inex (FIN), Fdb (DK), Kf (S), Nkl (NO).
SEDD	1993	Delhaize le Lion (B), Docks De France (F), Esselunga (I), Sainsbury (UK).
Integrated		
Aldi (Germany)		Germany, Austria, Belgium, Denmark, France, United Kingdom, Italy, the Netherlands.
Promodès World Trade (Switzerland)		Germany, Spain, France, Greece, Italy, US.
Carrefour Marchandises Internationales (Paris, France)		France, Italy, Spain, Turkey, Argentina, Brazil, Taiwan, Malaysia, Thailand, China.
Eurolec (Leclerc, France)	1997	France, Spain, Poland.

(1) Year of foundation
Source: L.S.A. n. 1481, updated by Enrico Colla, Négocia

5. THEMATIC ANALYSIS

5.3 Town-centre shopping: current trends and commercial policy in Europe

This analysis of town-centre shopping includes:

- a brief history of town-centre shopping and an appraisal of the reasons for its decline;
- an analysis of the current trends towards town-centre renovation in the main countries of Europe;
- a list of the main strengths and weaknesses of town-centre shopping.

Examples are given of the active policies being pursued in various European countries for revitalising town and city centres, plus an analysis of the approach taken, the players and the methods applied.

5.3.1 A brief history of town-centre shopping

Social change and technological and commercial innovation foster town-centre shopping

From the beginning to 1960

Town or city centres are shaped by many factors - economic, demographic, sociological and technological - which differ according to the country and the historical period.

Socio-economic development

Before the 19th century there were very few cities with more than 100 000 inhabitants. People bought what they needed in their own villages or urban localities.

Demographic growth, concentration of the population in large urban centres and the development of a rich *bourgeoisie* stimulated an ever-increasing **demand for commercial services** in town centres.

City-centre shops attracting customers not only from the centre but also from other parts of the city began to appear above all in **London** and **Paris** in the first decade of the 19th century.

Innovations

A whole series of **innovations** fostered this process:

- Transport
  - the development of public transport above all, with electric and horse-drawn buses and carriages;
  - railway lines linking the centre with the suburbs and vice-versa;
  - metropolitan lines and motor buses in the largest cities.
- Construction
  - use of steel and later concrete;
  - use of lifts.
- Introduction of electricity
- New glass-making technology (e.g. to manufacture large shop windows).

The first department stores

The mid-19th century saw the first **department stores**, which then expanded both horizontally and vertically. The main advantage they offered was to keep rising rents within acceptable limits.

Department stores were the forerunners of the **first commercial revolution** with their innovations: **low trade margins, high volumes, fixed prices, free entry** and **extensive choice.**

The 20th century

In the 20th century, public and private transport alike - buses and cars - became increasingly **motorised** between the wars. This boosted the **commercial significance of medium-sized towns,** which were now more accessible, and began to foster the movement of population to the suburbs.

The economic crisis of the 1920s and 1930s added to the phenomenon by fostering the growth of **variety stores**.

The 1960-1990 period

Supermarkets take over from traditional shops

Population movement to urban fringes and suburbs; town centres eroded by the 'commercial revolution'

From the 1960s, the 'baby boom' and the mass migration to industrial towns had a radical effect on the urban landscape. **Demographic growth** and prosperity brought ever-increasing **traffic** to town centres, with the attendant access and parking problems. **Urban centres** quickly became **saturated,** fuelling the haphazard growth of the suburban sprawl. More working women, technological innovation and above all the **growth in domestic refrigeration** spearheaded the **supermarket revolution**. Supermarkets and superstores concentrated product ranges in a single location, offered free choice, low trade margins, discount prices and free parking, and were **located out of town** in order to cut costs.

The growth in food supermarkets, specialist superstores, shopping centres and even mail-order shopping revolutionised distributive trade: numbers of 'traditional' **specialist shops** fell dramatically and **department stores** saw their market shares dwindle.

More damagingly still, **suburban shopping malls,** consisting not only of shops but also of restaurants, cinemas, game centres and leisure facilities, **attracted customers** by offering entertainment, pleasure and relaxation.

Commercial policy in European countries has reacted only sluggishly to this phenomenon, encouraged it in order to combat inflation (France in the 1960s; United Kingdom in the 1980s), or proved unable to stem it. **Town-centre** retailers have rarely succeeded in voicing their collective interests or in developing a strategy for **beating the competition.**

5.3.2 The current trend towards town-centre revival

The strengths and weaknesses of town-centre shopping: range of goods and services on offer; traffic and environmental problems

Strengths and weaknesses of town-centre shopping

From the point of view of the citizen/consumer, the **advantages** of town centres are often as follows:

+ wealth of formulae and ensigns;
+ wide choice of products, customer services, price ranges;
+ opening hours of shops and services; opportunity to combine commercial services with other town-centre activities;
+ easy access to public transport;
+ a safe, clean, high-quality environment;
+ variety of activities, including economic services (restaurants, banks etc.) and associated leisure services (cultural events, museums etc.);
+ a multicultural social mix.

When some of these elements are inadequate or incomplete and hence unsatisfactory, the **advantage** becomes a disadvantage far as the citizen/consumer is concerned.

The **disadvantages** sometimes characteristic of town-centre shopping are as follows:

- shortage of parking spaces;
- crowded shops, traffic jams, travel time from the suburbs;
- high prices;
- inability to adapt to consumer demand;
- un-down physical environment;inadequate financial resources, conflicting interests and lack of a single responsible organisation.

A disparate picture from country to country

Town-centre shopping in Europe has for some years seen **encouraging trends,** but the situation **differs from one country to the next**, despite a tendency to converge through concentration, internationalisation and globalisation.

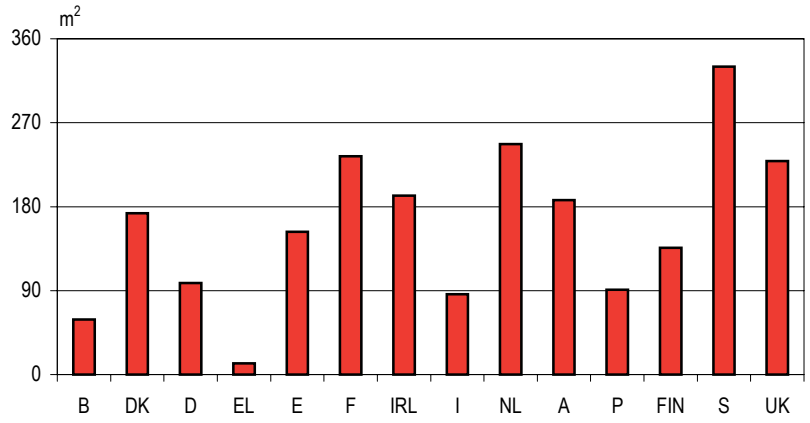


Figure 5.3.1
Shopping centres in the EU-15, 1999
(m^2 / 1 000 inhabitants)

Source: Healey & Baker

The distribution of shopping centres in a country may thus be an indicator of political and consumer preferences. Figure 5.3.1 shows the differences between countries: Sweden, the Netherlands, France and the United Kingdom have far more shopping centres (in terms of m^2/inhabitant) than Germany or Italy, for example.

Shopping centres also **differ in type** according to the commercial set-up in the country concerned, the importance of supermarkets and hypermarkets/superstores to the food trade and specialist hypermarkets to the non-food trade, and the position of chains, purchasing groups and independent stores.

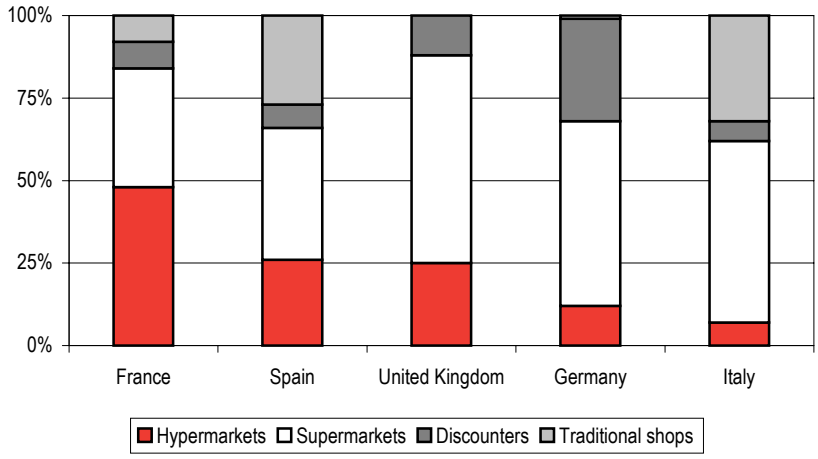
Food hypermarkets and specialist ensigns in the larger EU Member States

Food hypermarkets

Food hypermarkets, usually out of town, are approaching saturation point in some countries

Where **food** is the dominant commodity, the proportion of **hypermarkets** is highest in **France** and the **United Kingdom**, high in Spain and low in Italy. Hypermarkets are the driving force behind suburban shopping malls in France, as are **superstores** in the **United Kingdom**. The strong position of ***hard-discount stores*** in **Germany**, where department stores and mail-order have also maintained larger market shares, favours **town-centre shopping**. Hypermarkets are not widespread In **Italy,** above all central and southern Italy, but their accelerated growth in the 1990s is at the root of a sharp **fall in numbers of traditional shops** and an impact on town-centre shopping.

Figure 5.3.2
Market shares of food-based retailing, 1999



Source: McKinsey analyses of Nielsen data

Specialist ensigns and local shops

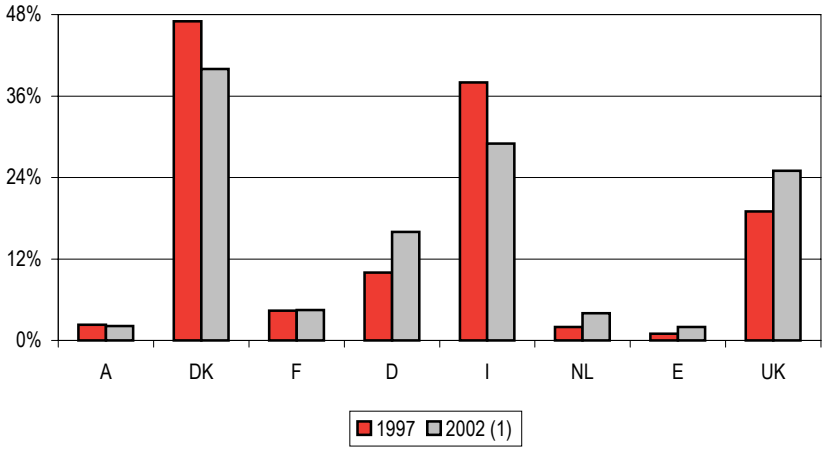
Rapid internationalisation of specialist ensigns, more and more frequent in town centres

The increasing tendency for chains of small, medium-sized and large shops to establish themselves at international level and concentrate on town centres and shopping streets has brought new life to town centres.

This process has reached the point at which local shops such as ***convenience stores*** and even ***small supermarkets*** (such as Sainsbury Local and Tesco Express in the United Kingdom) are **returning to the town centre**.

In **Denmark**, **small local shops** based on a wide but shallow product range have a very high market share; Italy, a country with highly fragmented distribution, is in second place. Even in the **United Kingdom**, which has a very heavy concentration of superstore ensigns, ***convenience stores*** retain a substantial share of the market.

Figure 5.3.3
% of food expenditure in local shops, 1997



(1) Estimates
Source: The Ebeltoft Group, Global Convenience Store Retailing, Financial Times, 1998

Revitalisation strategies

Renovation of large railway stations

One trend apparent in several European countries is the **renovation of large railway stations** which, for historical reasons, are often located in city centres. The aim is to make them more and more like modern airports, particularly where information services and safety standards are concerned.

Renovation of large railway stations ultimately fosters city-centre development

Shopping concourses able to attract a wider clientele than travellers alone play an **essential** role.

The two examples (Italy and Germany) below illustrate this development:

Italy:

New shopping concourse at Roma Termini

A **new company**, **Grandi Stazioni**, has recently been set up to manage the concourses of Italy's 13 leading railway stations.

The leading shareholder in this new company is the **Benetton** group.

The renovation of the **Roma Termini** station in Rome, with a total surface area of 225 000 m² and 400 000 visitors per day, was recently completed.

The **new** 12 000 m² **shopping concourse** has a hundred shops, a selection of restaurants and a 1 200 m² bookshop spread over two floors.

Work began in 2000 at the Milan central station and in Naples; next it will be the turn of Turin, Florence, Bologna, Venice, Genoa, Verona, Bari and Palermo: a total surface area of 900 000 m², visited by 600 million people per year.

Germany:

Leipzig station in Saxony

An important new development in **Germany** is the **station in Leipzig**, the Saxon city with a population of 500 000: Europe's biggest terminus, with 24 platforms and a throughput of 70 000 travellers per day.

Leipzig city centre lost a third of its customers between 1992 and 1996 and the heart of the city today contains only 15% of the shopping areas of the urban agglomeration, compared with the usual 20-30%.

The station, built around a central concourse 300m long and 60m wide on three levels (two underground), now boasts 140 shops spread across a 30 000 m² shopping complex, a 600-space car park inside the station and 700 more spaces available nearby. **Saturn** (leisure electronics and electrical household appliances), acts as a magnet with its 3 900 m² on three levels and 60 000 items on sale, while **Aldi** (770 m²) and **Minimal-Markt** (1 700 m²) are the food ensigns.

Exhibitions, musical events, fashion shows and open days for older people help to make the station sufficiently **attractive** to draw customers back to the area. The shops have also obtained authorisation **to stay open until 10 p.m. seven days a week.**

Town centre variety

Town-centre shopping and above all its revitalisation depend on **a variety of shopping opportunities.**

Centres differ from one town to the next in terms of size (cities, small towns, art cities etc.), the position of the centre in the inner city (real town centre, shopping district, stations etc.) and the type of town (its history, culture etc.). These factors often give a town a unique character which is crucial to potential revitalisation strategies.

The centre of Hamburg, the Hanseatic metropolis in northern Germany, is a shining example of revitalisation which made the most of a **combination** of **shopping areas** and **leisure areas**.

Revitalisation of Hamburg city centre (D)

Hamburg (D) several months ago saw the arrival of the biggest **Saturn** (white and brown goods) store in the country, directly opposite Europe's biggest sports retail outlet (10 000 m² on seven floors), which opened on 3 November 1999 under the **Karstadt Sport** ensign. The Karstadt basement level is devoted entirely to **games** and the top floor has a **restaurant** with a relaxed atmosphere and an **arena for sports** ranging from skating to basketball, also providing a spectacular view over the roofs of Hamburg.

The catchment area of the Hanseatic city is estimated at between two and three million inhabitants.

The role of commercial policy

Commercial legislation is converging towards restrictions on suburban shopping malls

Commercial policy plays an important role in the development of the distributive trades in European countries. In the 1970s it had a relatively restrictive effect on new hypermarket developments in Italy, the United Kingdom, Austria, the Netherlands and the Nordic countries. Policies were more liberal in Belgium, France, Spain and Germany. During the 1980s, commercial policy became less restrictive in the United Kingdom and more restrictive in Belgium and Germany.

The **1990s** saw increased **restrictions** on the development of **food superstores** in several countries, above all **France**, **the United Kingdom, the Netherlands and Italy** (where the liberalisation taking place is aimed at small and medium-sized outlets). In **Spain,** new developments of superstores of over 2 500 m² have been subject since 1995 to seek **authorisation** from regional government and to impact studies on existing commerce.

Opening hours, including Saturday and Sunday (apart from the traditional differences between Germany and Austria and the other Member States), are tending to be **liberalised** (above all in Germany, Italy and the Netherlands).

All of these **restrictions** have tended to **foster** the development of businesses **distributing abroad,** but may now also favour **town-centre shopping** and the **smaller shops** which are more likely to be established in town centres.

5.3.3 Examples of revitalisation policies

The United Kingdom and Town-Centre Management

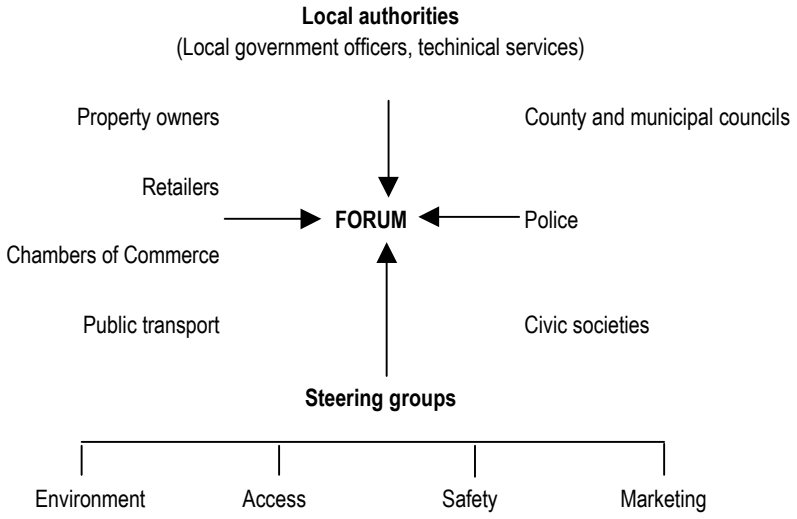
Revitalisation of town centres in the United Kingdom through Town-Centre Management projects

In the United Kingdom, the last few years have been dominated by the policy set out in Planning and Policy Guidance Note PPG6 on Town Centres and Retail Developments (1996). This plan reflects a change in government policy vis-à-vis the 1980s, since it regards town centres as the preferred location for shops and recognises the **adverse effects** of the growth in **superstores** and **out-of-town shopping centres.**

The **Association of Town-Centre Management (ATCM**) was launched in 1991 and spearheaded a rapid development of projects in this field (more than 200 **town-centre renovation schemes** during the 1990s).

The initiative involves partnerships between the **public sector** (local government), the **private sector** (distributors) and the **community sector** and is geared towards the vast range of town-centre interests (economic, cultural, leisure etc), functions and activities and the importance of involving all stakeholders in towns and cities.

Town-Centre Management schemes in the United Kingdom



The **financing results** are **encouraging:**

85% of Town-Centre Management schemes received funding from distributors, 74% in the form of services.

All schemes stress the **importance** of marketing the **innovations** and **environmental improvements** to town centres in order to boost numbers of visitors.

Historic towns and cities in the United Kingdom are successfully reviving their centres

Historic towns and cities in the United Kingdom have consistently won the British Council Shopping Centre Environmental Award, a prize inaugurated in 1991 to reward the efforts made by towns and cities to renew their centres, as illustrated by the examples below:

- **Hereford** won the first award in 1991 with a **renovation** programme which included pedestrian zones, improved access for the disabled and a better commercial infrastructure.
- In **Wolverhampton**, the 1993 winner, the **town-centre management** scheme introduced pedestrian zones and trees and the first closed-circuit TV installation and replaced street furniture.
- In **Hemel Hempstead**, the 1995 winner, improvements to the quality of service provided under cleaning contracts resulted in the removal of graffiti and other unauthorised notices soon after they appeared.

Revitalisation through open-air shopping complexes in Spain

The appearance of new shopping centres in **Spain** has been slowing down for some years, thanks largely to a new and more restrictive law passed in 1995. New shopping centres are now geared less towards hypermarkets than to **leisure**, **fashion boutiques and sports retailers**.

Town-centre shopping complexes are increasing in numbers, and stations, ports and open-air markets are increasingly being renovated.

There are more and more open-air shopping complexes, usually set up by retail associations under the umbrella of a single organisation or street.

The complexes set up an **operational management unit** (UGO) in the legal form of an **economic interest association** (AIE), run by a director answering directly to the Chair of the retail association which founded the project. The operational management unit analyses the physical space available and the supply and demand relationship and prepares and executes plans for improving the environment, improving and upgrading the supply side and marketing the complex through promotion, advertising, creation of captive customer bases, special events, merchandising etc.

Two examples of open-air shopping complexes are Martorell, with 102 shops, and Maragall, with 460. Projects are funded jointly by retailers, Chambers of Commerce and public authorities.

New legislation and revitalisation programmes in Italy

Italy has a **new law** to stimulate the revitalisation of town-centre shopping areas, primarily by liberalising commercial activity for small and medium-sized outlets in particular (Bersani decree, 1998).

There are also plans for renovating historic town centres.

PRUSST **(Urban Sustainable Development Programmes)** provide public funding for town-centre renovation projects, excluding the construction work (EUR 930 million, of which EUR 362 million comes from private sources).

There are also **Ministry of Public Works Plans** encouraging the demolition and reconstruction of illegal or unsound dwellings.

The basic concepts behind these interventions are the transition from the appearance to the functionality of space, variety of activities and the importance of intermediate areas.

Perugia, Pavia, Trento, Piacenza and Reggio Emilia are some examples of recent town renovation, marketing and promotion projects.

Conclusions

- Following radical **socio-demographic changes**, a new **balance** between **out-of-town** and town-centre shopping is becoming apparent in **Europe**. Saturation and restrictions on opening new suburban shopping centres are encouraging retailers to seek growth opportunities in town and city centres.
- The most innovative aspects of these changes are the **rediscovery** of **local shopping** by **large supermarket chains**, the **variety** of **ensigns** of **specialist retailers** and the **renovation** of large **railway stations.**
- Although it is full speed ahead for town-centre shopping, any growth must be consistent with the expectations and needs of citizens and consumers, who seek time, sense, comfort and pleasure. Variety, environment and culture are crucial assets.
- Success also appears to depend on **associative management** of town-centre shopping. Only unified management is capable of predicting and avoiding the many pitfalls inherent in intensified commerce in towns and cities and **exploiting its advantages.**
- It is increasingly apparent that town-centre shopping needs to be unified, and that it is important to **stimulate private initiative** and set up managerial structures for all retail outlets in town centres.

5. THEMATIC ANALYSIS

5.4 Electronic commerce: distribution, sectors and businesses

This chapter discusses the subject of electronic commerce or e-commerce, i.e. all sales made through the Internet between businesses (business-to-business or B2B) or between a business and a consumer (business-to-consumer or B2C).

Internet commerce is still only of marginal importance, but there was a large rise in sales during 1999-2000. Moreover, forecasts for the year to come are highly positive, particularly for B2B, which will considerably benefit the businesses in the sector.

Electronic commerce in Europe is less developed than in the United States, mainly because use of the Web is less widespread. However, European distributors are no less active than their American counterparts in B2B and B2C initiatives, and in some sectors, such as food products, they are even taking the lead.

On-line commerce initially appeared as a threat to traditional commerce because of the effects of substitution and disintermediation, but it now appears more like a trump card (more and more multi-channel distributors are engaging in this form of sales and finding synergies with their in-shop sales).

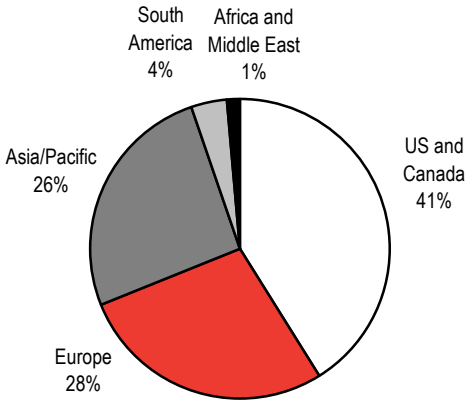
Sales between businesses, B2B, are also increasing through the Internet, and 'virtual' purchasing centres now link the main distributors.

5.4.1 The spread of the Web

The first condition for being able to engage in electronic commerce is to have a computer with an Internet connection. Information sources distinguish between **Internet hosts** (with their own IP address and unlimited reciprocal access to certain points of the network - the .com or .uk, .fr etc.) and **Internet users** or **surfers**, of whom there are far more, since the figure is based on household surveys and relates to persons who have accessed the Internet.

In November 2000, the number of surfers in the world was estimated at 407.1 million, unevenly distributed over the different regions (Figure 5.4.1).

Figure 5.4.1
Distribution of surfers throughout the world, 2000



Source: Nua Internet Surveys

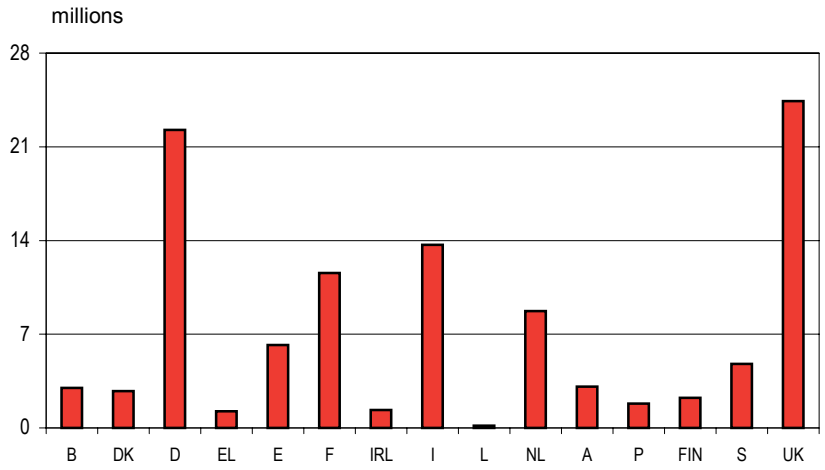
North America (US and Canada) clearly predominates, but Europe and the Asian/Pacific region have major shares. Table 5.4.1 shows a strong concentration of the number of surfers in certain countries, with the 15 main ones accounting for more than 85% of the world total.

Pays	Number of surfers (millions)	% of total	Number of Internet hosts (units)	% of total
United States	153.8	37.8	75 414	66.0
Japan	38.6	9.5	5 623	4.9
Germany	20.1	4.9	3 529	3.1
United Kingdom	20.0	4.9	3 797	3.3
China	16.9	4.2	135	0.1
South Korea	16.4	4.0	532	0.5
Italy	13.4	3.3	2 179	1.9
Canada (1)	13.3	3.3	5 066	4.4
Brazil	9.8	2.4	742	0.6
Russia	9.2	2.3	295	0.3
France	9.0	2.2	1 455	1.3
Australia	8.4	2.1	1 671	1.5
Netherlands	7.3	1.8	1 648	1.4
Taiwan	6.4	1.6	1 462	1.3
Spain	5.5	1.3	938	0.8
World	**407.1**	**100.0**	**114 296**	**100.0**

(1) 1999 figure for number of surfers
Source: Nua Internet Surveys, Telcordia - Internet Netsizer

Table 5.4.1
The 15 main countries using the Internet, number of surfers and number of Internet hosts, 2000

In the European Union, Figure 5.4.2 shows that the large countries (with the notable exception of the Netherlands) lead the field in absolute numbers of surfers accessing the Internet from home.



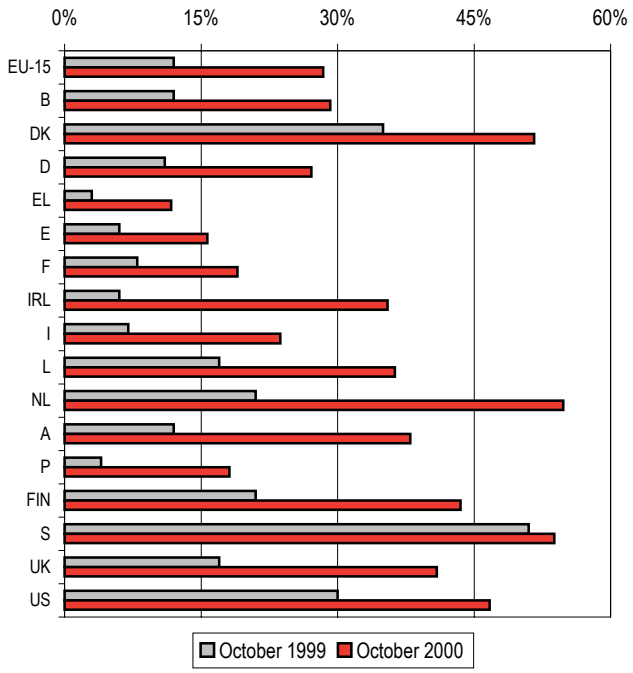
Source: Eurostat estimates based on data from DG INFSO

Figure 5.4.2
EU-15 citizens who have Internet access at home, October 2000

However, a better indicator of the spread of the Web is the percentage of the population connected to the Internet.

The countries of northern Europe are the pioneers and the main users of the Internet in Europe. In contrast, the other large countries are lagging considerably behind compared with the development of the Internet and, hence, of e-commerce in the United States (Figure 5.4.3).

Figure 5.4.3
Citizens who have Internet access at home as % of total population, EU-15 and US, 1999 and 2000



Source: European Commission, DG INFSO

5.4.2 The spread of electronic commerce in the United States

Strong growth forecast for the next few years, particularly in B2B

'Traditional' distributors - or 'brick and mortar' distributors, as they are sometimes known - have recently stepped up their activities on the Web, and some statistics are now available on the sector.

According to the **'Census Bureau'** of the American Department of Commerce, retail sales through the Internet (on-line sales - B2C) in 2000 amounted to 28 billion euro[1] or 0.8% of total sales.

Up till now, the data available on electronic commerce had come mainly from private firms, such as **Forrester Research**, which estimated the volume of on-line sales (B2C) at 42.1 billion euro in 2000, compared with 16.9 billion euro in 1999 and 7.1 billion euro in 1998.

The estimates of the **Boston Consulting Group** (BCG) are more upbeat: in 2000, according to the Group, on-line sales (B2C) in the United States reached 66.3 billion euro - 1.2% of total retail sales, compared with 33.8 billion euro in 1999. However, other consultants or research firms give less optimistic estimates (Figure 5.4.4).

[1] Data in this chapter have been converted into euro according to the exchange rates in Eurostat database New Cronos, aux_ind.

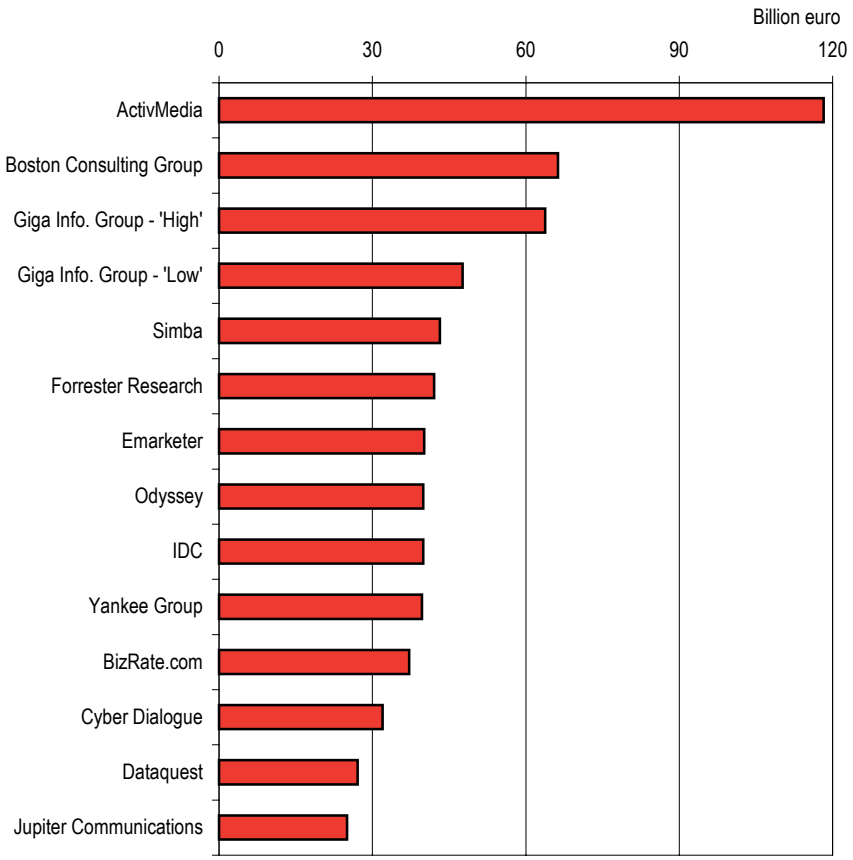


Figure 5.4.4
Different estimates of on-line sales (B2C) in the US, 2000

Source: eMarketer, 2000

Although the current data show a very limited level of sales, the forecasts indicate major growth over the next few years (Figure 5.4.5).

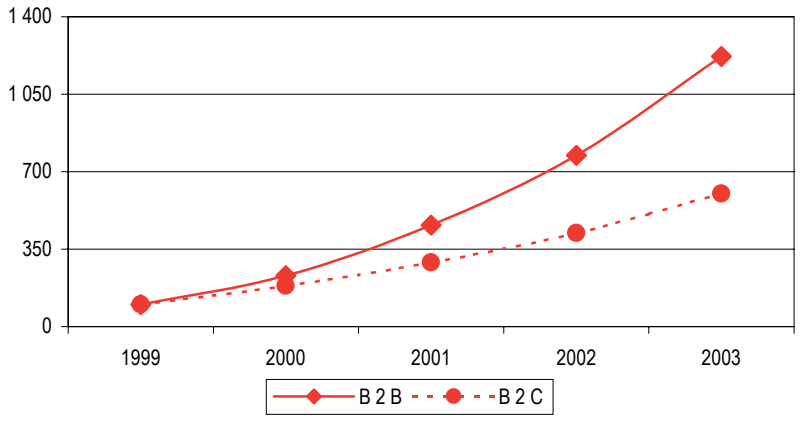


Figure 5.4.5
Estimated growth of turnover in electronic sales in the US (1999=100)

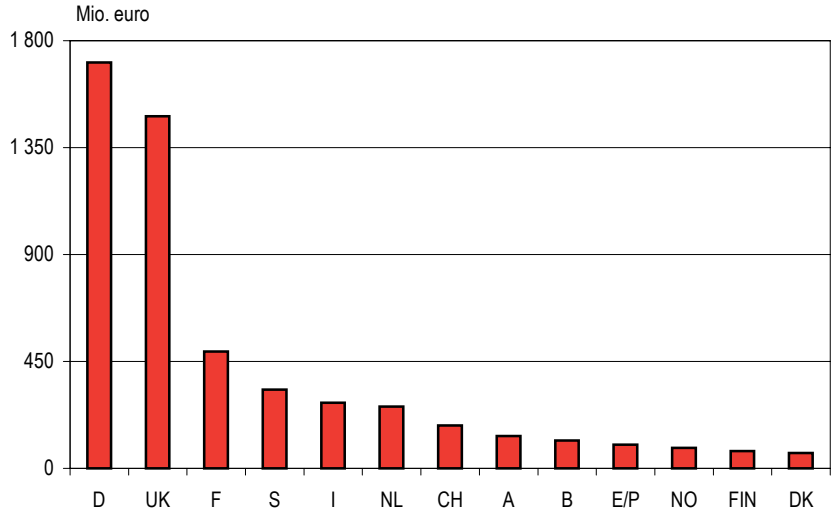
Source: Forrester Research

5.4.3 Electronic commerce in Europe and the trend

Current situation

In western Europe[2], according to the Boston Consulting Group (BCG), turnover on retail sales via the Internet (B2C) in 1999 was 5.3 billion euro, i.e. about 0.2% of total retail sales. Forecasts indicate that this figure will rise to 13.6 billion euro in 2000 and 68.3 billion euro in 2002. The market shares in the various countries of Europe vary widely, with Germany and the United Kingdom together accounting for a market share of 60%. Europe is lagging considerably behind the United States - by 18 months according to the BCG (Figure 5.4.6).

Figure 5.4.6
Electronic commerce in western Europe, 1999



Source: BCG, Boston Consulting Group

Possible reasons for the time-lag in electronic commerce in Europe

This disparity is only partly the result of the number of Internet users, which rose from 79 million to some 154 million between the start of 1999 and the end of 2000 in the United States, and from 60.6 million to 96 million in western Europe. The earlier spread of the Net allowed American businesses to develop their websites ahead of their European counterparts.

However, other barriers may explain the time-lag, such as the higher cost of Internet access and transactions, lower consumer confidence, the scarcity of venture capital and a certain inertia on the part of traditional distributors.

- *Higher cost*: On average, Europeans spend almost twice as much as Americans, since they have to pay for the local call to access the Internet. Added to this are the charges for payment by traditional methods: about half of on-line customers pay in cash upon receipt of the goods or ask to be billed before paying. Only the United Kingdom has a percentage for on-line payment

[2] EEA and Switzerland.

by credit card which is comparable with that of the United States: 93%, compared with 70-75% in France and Italy and 20% in Germany and the countries of northern Europe.

- *Lower consumer confidence*: at European level, efforts aiming at legal regulations in the e-commerce field have been carried out. However, consumers are still uncertain as to the extent of their rights when they buy on-line, particularly from a different country.
- *Scarcity of venture capital*: European entrepreneurs have greater difficulty in finding start-up financing. In 1999, for example, venture capital investment in Europe was 45% of that in the United States (concerning the expansion and replacement part). For what concerns the share of start-up capital in total venture capital investments the comparison between Europe and the United States was even less favourable (23%)[3].
- *Inertia on the part of traditional distributors*: Finally, few traditional distributors have yet developed an on-line range, because they fear conflicts between channels and a cannibalisation of their shops.

Europe ahead of the United States in 'groceries' thanks to initiatives by businesses in the United Kingdom

The situation is improving: in the United Kingdom, one is beginning to see Internet connection offers including the cost of the telephone, and secure methods of payment (such as Set - Secure Electronic Transaction) have been tested. After the Lisbon summit, the European Union announced a series of measures on electronic commerce aimed at improving the transparency of communications, the reliability of intermediaries and contractual conditions. In addition, the amount of venture capital is rising rapidly - more so than in the United States - and more and more distributors are going onto the Web.

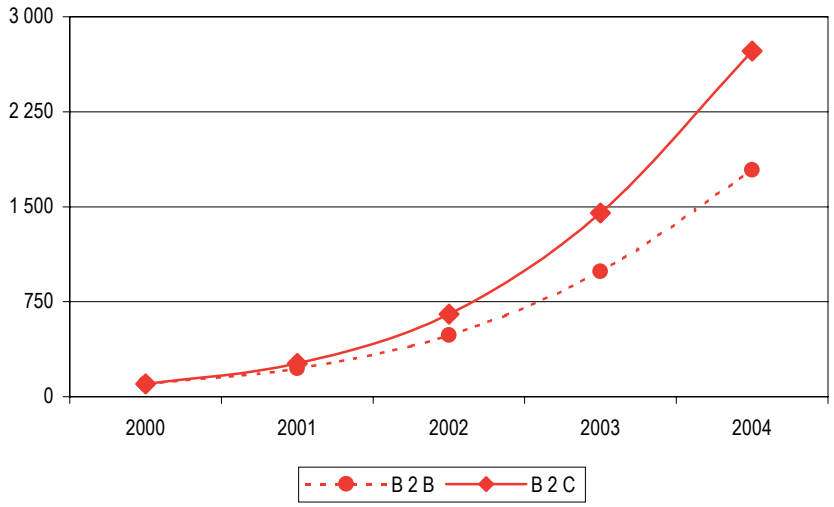
However, Europe will have to move faster if it wants to catch up. For the moment, there is only one sector in which the Europeans are ahead of the United States: grocery distribution, particularly thanks to the initiatives by **Tesco and Asda** (United Kingdom).

Forecasts for electronic commerce in Europe

According to Forrester Research, electronic commerce is set to expand enormously over the next few years at European level. B2B (electronic commerce between businesses), which currently accounts for some 90% of total on-line commerce, will grow more slowly than B2C (business-consumer electronic commerce) which, according to the forecasts, will rise from 10% of total electronic commerce in 2000 to 15% in 2004 (Figure 5.4.7).

[3] Source: Eurostat Website - Structural Indicators (figures expressed in % of GDP).

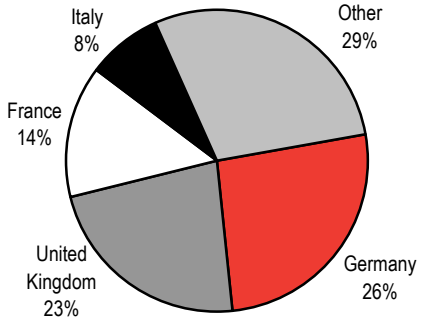
Figure 5.4.7
Estimated growth of turnover in electronic commerce in Europe (2000=100)



Source: Forrester Research

According to these forecasts, the volume of electronic commerce in Europe should reach 1 550 billion euro in 2004, of which 1 318 in B2B and 232 in B2C. Germany alone would account for 26% of this total (Figure 5.4.8).

Figure 5.4.8
Forecasts of the volume of electronic commerce in Europe in 2004



Source: Forrester Research 2000

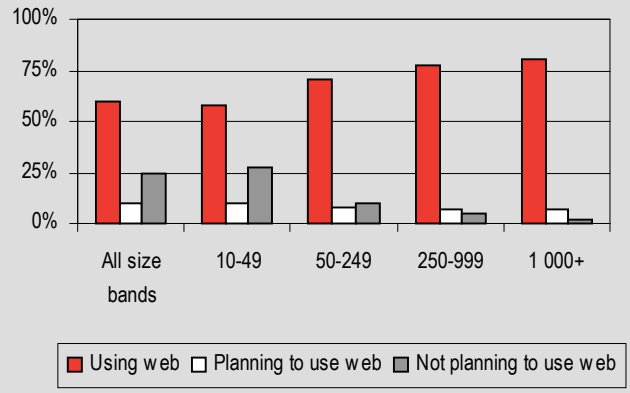
Germany and the United Kingdom are ahead of France and Italy partly because of their larger population (at least for Germany). In France, the presence of 'Minitel' explains the lower development of the Internet - and therefore of e-commerce. Italy has always been characterised by very low sales via mail order, due to deficiencies in the distribution system. In Italy consumers still prefer proximity and personal contact.

United Kingdom: e-commerce survey of business, 2001

In order to obtain comparable and reliable statistical data at EU level, Eurostat, the statistical office of the EU has started a pilot survey on e-commerce (B2B and B2C) in 2001 for 13 Member States. The sample size is about 100 000 enterprises for the observed Member States. Provisional results for 5 countries are expected to be available by end of June 2001. The publication of a final report on the survey is foreseen for autumn 2001.

For the United Kingdom, the first results of this survey have been released in May 2001 by the ONS, Office for National Statistics. The UK survey covered 9 000 businesses randomly sampled from the Interdepartmental Business Register, stratified by employment size class. The estimates produced cover most economic sectors and all businesses with 10 or more employees.

Planned web access



Use of the Internet

The results of the inquiry show that 92% of UK businesses now use PCs, workstations or terminals and 63% have web access.

The picture is consistent across most industries and most size of businesses and the only exceptions appear in smaller businesses in the manufacturing and hotel and catering sectors where the figure is around 70%.

The overall percentage web access is lower at 63%. This masks major variations. For example, less than half of some manufacturing and retail sectors have access, while the figure for the largest businesses across all sectors is 94%. Just over 10% of businesses plan to get web access over the next year.

Sales by e-commerce

Overall, 16% of businesses use a computer-mediated network for sales, with a further 12% planning to start doing so in the next year. Nearly 70% of businesses have no intention of using computer-mediated networks for sales in the next year. This however varies with the size of business. The insurance, air travel and computing and office machinery manufacturing sectors carry out much higher levels of e-commerce – around 30 to 40% of their sales are via electronic networks.

The average length of time that business has carried out e-commerce for sales is only a matter of months and even for the very largest companies, the average is still less than a year.

When asked about the barriers they faced in making sales using e-commerce, 40% or more of respondents said that uncertainty with contracts and/or the cost of developing and maintaining the system were of most importance. The most commonly perceived benefit of e-commerce sales for all sizes of companies was the potential to reach more customers, but far fewer smaller companies saw any benefits.

Purchases by e-commerce

Twice as many businesses (33%) use e-commerce for purchases than they do for sales. A further 9% intend to use it in the next year, while 58% do not. The computing (74%) and insurance (60%) sectors use the highest level of e-commerce for purchases. Once again the average length of time that e-commerce has been used for placing orders is less than a year.

Value of e-commerce sales split by sizeband and sector

	Internet Sales		All electronic networks	
	Billion euro	%	Billion euro	%
Sizeband of business				
10-49 employees	5.63	0.12	9.80	0.21
50-249	13.31	0.29	39.82	0.87
250-999	38.08	0.84	95.44	2.10
1 000+	35.90	0.79	120.35	2.64
Sector of business				
Manufacturing	6.55	0.14	81.15	1.78
Wholesale/retail/catering/travel	12.49	0.27	48.65	1.07
Financial and insurance	71.77	1.58	131.10	2.88
Computing and other business services	2.10	0.05	4.51	0.10
Total	92.87	2.04	265.39	5.83

Estimates of the value of e-commerce

The results indicate that in 2000 internet sales are estimated to be worth 92.9 billion euro. This represents 2.04% of total sales for the sectors covered. The larger businesses account for nearly 80% of all of e-commerce sales, while the financial sector alone accounts for 77% of all of e-commerce sales. If the financial sector is removed, the value of ithe value of interned sales drops to 21.2 billion euro (0.94% of total sales).

Less than one fifth of internet sales were to households (B2C), with an estimated value of 16.4 billion euro. The financial sector again accounts for most of this and, when removed, internet sales to households are 2 billion euro which represents 0.09% of all sales.

As for internet purchases (without the financial sector), these are estimated at 27.2 billion euro, which is 1.78% of total purchases. Respondents in the financial sector estimated that 10% of their purchases were via the internet.

Source:
The data and information presented were released by ONS - Office for National Statistics, UK (www.statistics.gov.uk)
Figures were converted into euro according to the exchange rates published in Eurosat New Cronos, aux_ind database

5.4.4 On-line sales (B2C): motivating factors for buying and most-sold products

Table 5.4.2 shows the possible motives for buying on-line and the demotivating factors. As with all other novelties, the Internet has to convince a hesitant potential market. There are several motivating factors - amongst them the fact that electronic commerce is open every day all day. On the other hand, there are also a lot of demotivating factors, one example being the absence of personal contact.

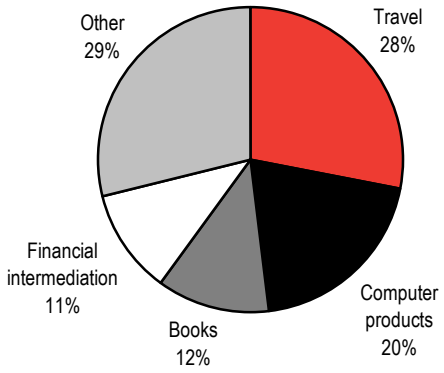
Table 5.4.2
Motivating and demotivating factors for buying on-line, 1999

Motivating factors	(%)	Demotivating factors	(%)
Convenient	59	Risks involved in using credit cards	75
Fast	41	Doubts about after-sales service	67
Greater variety	35	Need to see the product 'in the flesh'	59
Price	27	Payment made before the product is obtained	58

Source: Computer Industry Almanac, 1999

In view of these considerations and of the different nature of the goods and services which can be marketed, the on-line retail sales market is dominated by certain categories of product or service. In Europe, and indeed in the United States, travel, computer products (hardware and software), books and financial intermediation services together account for two thirds of the on-line market (B2C) (Figure 5.4.9).

Figure 5.4.9
On-line sales of the main product categories, 1999



Source: BCG, Boston Consulting Group

However, electronic commerce's penetration of the retail sales market is still weak, albeit rising (Table 5.4.3).

Table 5.4.3
Penetration rate in the different product categories, 1999

Category	on-line sales as % of total sales	
	Europe	United States
Financial intermediation	5.3	15.2
Computer products	3.5	9.2
Books	1.6	5.1
Music/video	1.2	1.8
Travel	0.8	1.8
Consumer electronics	0.3	2.3
Ticket services	0.2	0.1
Food/wine	0.1	<0.1
Toys	0.1	5.0
Flowers/cards/gifts	0.1	Na
Clothing	0.1	0.3
Home/garden	<0.1	0.1
Average	**0.2**	**1.2**

Source: BCG, Boston Consulting Group

The disparities between Europe and the United States are not substantial. However, Europe records relatively high percentages in music-video, travel, ticket services and food-wine. Conversely, the market shares are relatively higher in the United States with regard to consumer electronics and toys. These differences are explained by the different consumption and shopping habits and by the presence of particularly active - and innovating - enterprises on the national markets. Examples of these are Tesco in food retailing in the United Kingdom and Dell in the computer sector in the United States. As regards the toy sector, the higher consumption in the united States in comparison to Europe favoured the competition among e-commerce specialists (such as E-Toys), the 'category killers' (Toys-R-Us) and the discounters (Wal-Mart).

France: Minitel and electronic commerce

On-line sales in France

Although Europe is lagging behind the United States in electronic commerce, the situation in France is unique in Europe. Internet penetration was 15% of the population in 2000, compared with 13% in 1999. This is far less than in the Scandinavian countries (54%) and Germany (24%), but the percentage rises to 34% if Minitel is added.

Internet sales totalled 324 million euro in 1999, i.e. 0.14% of retail sales, but this rises to 1.6 billion euros if Minitel sales are added, or 0.7% of turnover in the retail trade, compared with 1.2% in the United States and an average of 0.2% in Europe (BCG data).

If one takes total sales on Minitel and the Internet, France leads the countries of Europe in terms of market share. On the other hand, it is behind all other countries in Europe - except Italy, Spain and Portugal - if only Internet sales are considered.

The sectoral breakdown of sales in electronic commerce is also strongly influenced by the presence of Minitel. Whereas, at European level, the main sectors are travel, computers and books, the order in France is textiles/clothing, travel and furniture / white goods.

Electronic commerce and Minitel

The buyers and leading players in the two channels are different. On Minitel, mail order houses account for 75% of sales. This corresponds to 21% of total turnover on Minitel, with the strongest growth in the market. The largest operators are the 'pure' virtual distributors, who hold 40% of the market, while multi-channel operators (excluding mail order houses) account for 39%.

'Pure' virtual operators have market a share in France (34%) that is higher than the European average, and lower only than in Italy. Dégriftour, in the travel and leisure sector, is an example which was first on Minitel and then on the Internet. On the other hand, the development of new 'pure' virtual distributors starting up directly on the Internet is more limited in France than in other countries of Europe, and even more so compared with the United States.

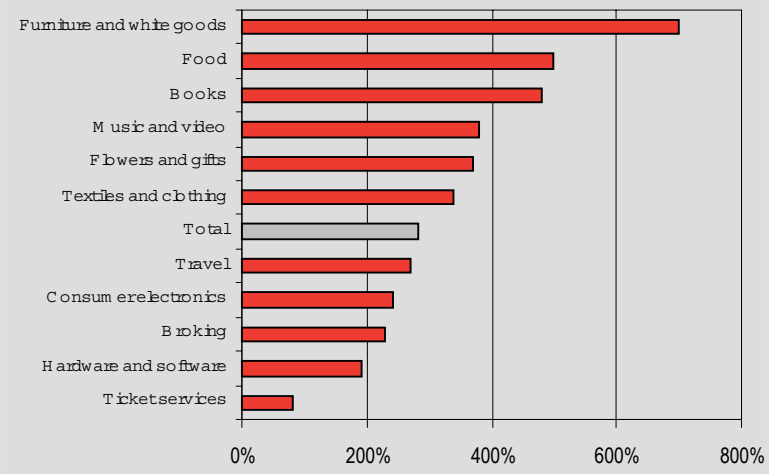
The level of concentration is fairly high, since the first five distributors account for 34% of the market in all activities, and the first ten for 49%. However, the concentration is much higher in each sector of activity: the first three distributors in a sector account for an average of 65% of its sales. Competition is therefore fierce, and the market leaders have already taken up strong positions.

Trends in sales on Minitel and the Net

The growth in Internet sales is thus linked partly to the decline of Minitel. In 1999, sales on Minitel fell by 6% and amounted to 1.3 billion euros. The decline in sales varies according to sector: sharper in foodstuffs and less sharp for textiles/clothing, broking and travel.

In France, all sectors are experiencing strong growth on the Internet .

Internet turnover of French distributors.
Growth rates 1998-1999



Source: BCG Boston Consulting Group

However, the decline is slow, and the substitution effect is not clear. Nevertheless, businesses selling on Minitel have started transferring to the Internet, in may cases by setting up electronic commerce sites. However, it must be pointed out that the customers which have Minitel do not have the same profile as those buying in the Internet and will therefore continue to use Minitel. It is easy to use, and the connections are fast, without the waiting time in the Internet. Finally, France Telecom's transfers cover or exceed the operating costs of Minitel and thus ensure the profitability of this channel, on which more than 400 operators are active.

Minitel will undoubtedly have to reduce its activities and, in the face of the competition from the Internet, concentrate on the functions for which it is most effective, e.g. mail ordering and the provision of basic information. However, while the strong position of Minitel initially appeared to have hampered the development of the Internet, it can now also be said that Minitel accustomed some users and operators to on-line commerce.

5.4.5 On-line sales (B2C): market structure and business strategies

The various players in B2C

There are two main kinds of businesses operating on the virtual market: the pure players born on the Web, such as Amazon.com, and the traditional (brick-and-mortar) businesses which are beginning to set up their virtual services and become 'click and mortar' businesses.

Players on the Web: Net specialists and traditional businesses

Since electronic commerce is going to grow strongly, it is particularly interesting to consider which players could benefit. Will the Web specialists gradually replace traditional distributors, or will the latter also take advantage of the Internet to develop their on-line sales?

Specialisation on the Net or multi-channel for the distributors of tomorrow?

In this context, a recent study by the Boston Consulting Group (BCG) shows us that multi-channel distributors account for two thirds of on-line sales in Europe (data for 1999), while specialists (the e-tailers) account for a third. However, these percentages vary widely depending on the product categories (Figure 5.4.10).

Multi-channel distributors control two thirds of the on-line sales market

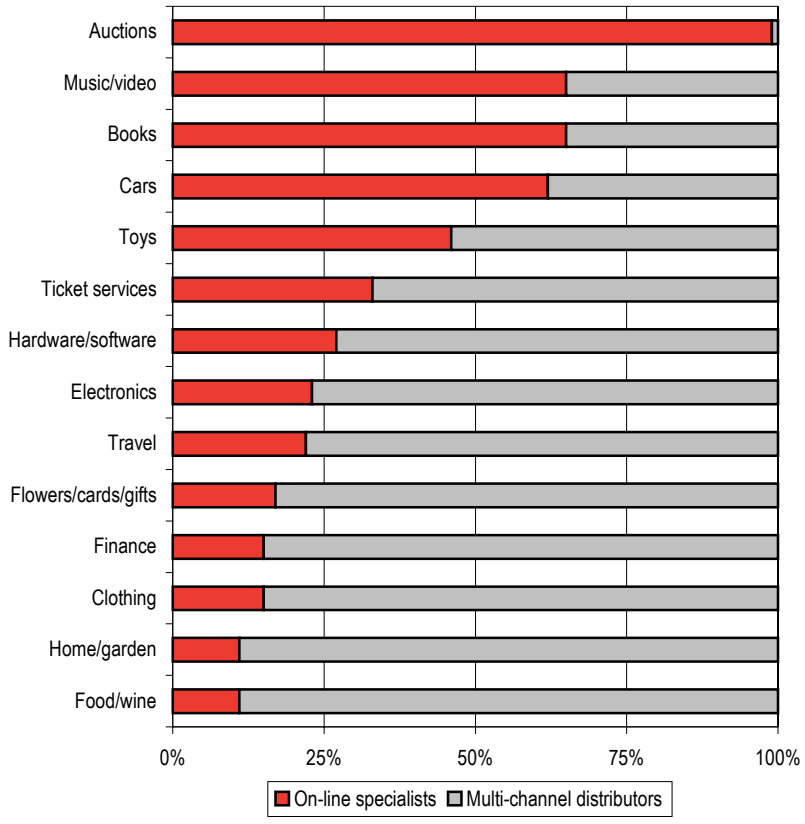


Figure 5.4.10
Market shares of on-line retail sales
By specialists (e-tailers) and multi-channel distributors in Europe, 1999

Source: BCG, Boston Consulting Group

However, on-line transmission of products providing major savings is limited. Nor are genuine innovations very frequent.

In the other categories, the specialists are having greater trouble outplaying the multi-channel distributors. Table 5.4.4 shows the leaders in on-line sales in Europe.

In financial intermediation, travel and clothing, powerful traditional distributors have succeeded in exploiting their brand names and logistical skills on the Net. In books, music/video and auctions, on the other hand, the specialists have won the day.

These are essentially products or services which can be transmitted directly on-line (music, software), which are genuine innovations made possible by the Net (auctions), or for which the information and data-processing component is very large (books, hardware, ticket services).

In the case of the first and second categories, the specialist can offer consumers a greater price and service advantage than that offered by traditional distributors.

Table 5.4.4
European leaders in on-line sales (B2C), 1999

		Turnover in million euro				
Business	Country of origin	< 200	200-400	400-600	600-800	> 800
Dell	United States					X
Lufthansa	Germany				X	
Minitel	France				X	
Airtours	United Kingdom			X		
British Airways	United Kingdom		X			
Avis	United States		X			
Trader	United Kingdom		X			
Tesco	United Kingdom		X			
Comdirect	Germany	X				
Consors	Germany	X				
Ryanair	Ireland	X				
Schwab Europe	United States	X				
Merita/NordBanken	Sweden	X				
Egg	United Kingdom	X				
Ebay	United States	X				
Amazon	United States	X				
Carphone Warehouse	United Kingdom	X				
Iberia	Spain	X				
SEBanken	Sweden	X				
Direkt Anlage Bank	Germany	X				
Bank 24	Germany	X				
Cortal	France	X				
Direct Line	United Kingdom	X				
QXL – Ricardo	United Kingdom	X				
EasyJet	United Kingdom	X				

Source: *European Retail Analyst*

On-line sales by the producer

The case of the producer selling on the Net is quite exceptional (e.g. in computer hardware). To succeed, he must have (like Dell) a product with a high information content and a high added value, a strong brand and a highly customised service. However, the producers normally have a small market share and cannot hope to sell exclusively on the Net.

There may be a risk of conflict between channels. The example of Levi's is significant in this context: they had to stop selling on their website and reassure their traditional distributors. In such cases, the site may well be used as a means of communication, of establishing customer loyalty and of after-sales service, while the actual sale will essentially be made through the distributors.

Factors for success in on-line/off-line competition

The logistical skills of (traditional) multi-channel distributors play a major role in competitiveness

On-line distributors also have trouble replacing the traditional distributors. In the bookselling sector, for instance, the range offered on-line by the specialists is much larger than that of traditional distributors, who are limited by the size of the shops and warehouses. However, the latter have reacted and are now on the Net and enlarging their range there.

These multi-channel distributors have shops as well, unlike the specialists. Mail order houses, in particular, have major resources and logistical skills. They often have brands with high market recognition, and they have good experience of customer management and the various aspects of customer service. All these factors can be made into competitive advantages.

Logistics has been neglected by the specialists in electronic commerce, although it is something which has to be tackled

Building up market awareness involves large investment in marketing and communication, and this can skew the balance sheets of Net specialists. In contrast, because of their established brand names, multi-channel distributors can attract consumers to their sites with more limited investment.

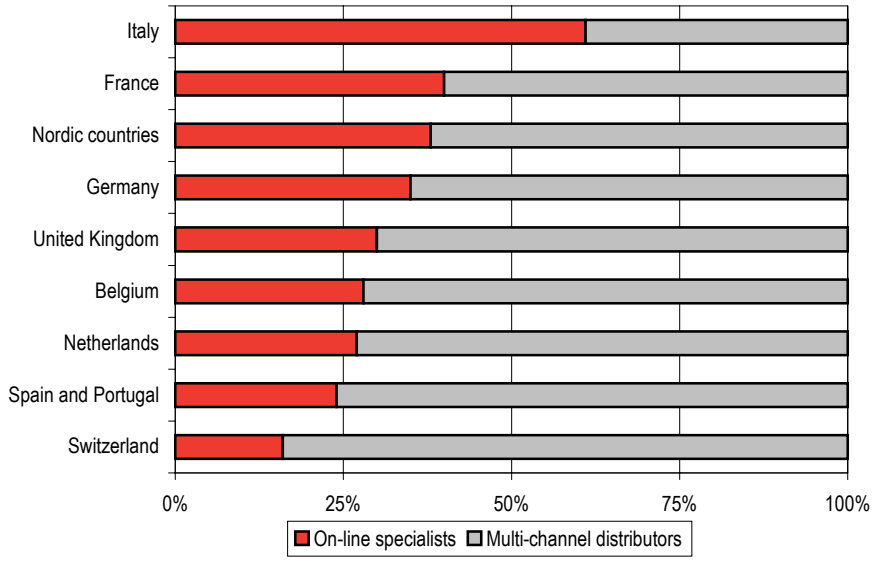
Logistics has often been particularly neglected by specialists, who are all busy attracting consumers to their sites. The marketing and logistics costs largely explain the losses of certain operators in electronic commerce. The difference is that these costs are essentially variable and do not fall as turnover grows. In this field, mail order houses hold a considerable trump card, since they have undeniable experience in managing warehouses and home-delivery systems. Even the traditional distributors, however, have more experience in this area. The examples of Tesco and Sainsbury, the leaders in on-line sales in the grocery sector in the United Kingdom, are proof of this.

On-line selling offers the consumers convenience and choice, but shops allow the products to be seen and touched and promote impulse buying

And then there are shops. On-line selling may offer flexibility, choice and customised service, but shops add the human dimension, promote impulse buying and, above all, offer the physical presence of the products, which the consumers always want to see. The desire to see, touch and smell the products is the principal element attracting consumers to sales outlets and keeping them away from the Net.

All these factors explain the strength of multi-channel distributors in on-line sales in Europe. They accounted for two thirds of B2C commerce in Europe in 1999.

Figure 5.4.11
Market shares of multi-channel distributors and on-line specialists in Europe, 1999



Source: BCG; Boston Consulting Group

On-line/off-line complementarity

Survival strategies of Net specialists and multi-channel distributors

The complementarity of 'on-line' and 'off-line', i.e. 'click-and-mortar', is becoming clear to distribution operators and stock market investors. Those who have grasped it (Gap, Office Dépôt, Fnac) provide Web access from their shops and encourage consumers to go the shops to return products purchased on-line. They make their customers' buying experience easier by leaving them free to choose the channel through which to buy, return the product, collect information or ask for advice.

The Net specialists also recognise the value of a 'physical' presence - which has in fact led some of them to conclude partnerships or purchase traditional distributors.

If the 'click and mortar' approach is more effective, the traditional distributors should rapidly introduce their websites and learn to manage the on-line/off-line combination.

In the case of most products, they hold higher trump cards: established networks, logistical know-how, familiar brands, data on customers and a strong purchasing power *vis-à-vis* suppliers. The risk of cannibalisation should not hold them back, particularly if they realise that the competitive threat will come more and more from the multi-channel players than from the pure 'e-tailers'.

There is a danger of the latter disappearing or retaining limited market shares in most product categories, as reflected in the forecasts contained in Table 5.4.5.

Table 5.4.5
Forecasts for the on-line retail (B2C) turnover of the main distributors

Undertaking	Country of origin	Turnover in million euro				% total turnover
		1999	2000	2001	2002	en 2002
Ahold	the Netherlands	61	240	500	950	1.59
Carrefour	France	0	15	46	250	0.34
Casino	France	0	31	70	150	0.68
Colruyt	Belgium	0	1	4	12	0.42
Delhaize	Belgium	12	21	54	90	0.78
Galeries Lafayette	France	42	58	105	164	3.76
GIB	Belgium	2	8	25	62	1.10
Kingfisher	United Kingdom	135	363	644	893	4.00
Laurus	Belgium	0	5	25	50	0.77
Metro	Germany	0	5	38	200	0.36
Pinault Printemps	France	38	150	450	1 130	4.35
Tesco	United Kingdom	206	380	660	1 238	3.00
Vendex KBB	the Netherlands	9	20	35	70	1.28

Source: Meeschaert-Rousselle (Fortis Bank), forecasts for the 2000 to 2002 data

Conclusions on the on-line retailing market (B2C)

- The on-line retail sales market is dominated by certain categories of product or service. In Europe, and indeed in the United States, travel, computer products (hardware and software), books and financial intermediation services together account for two thirds of the on-line market (B2C).
- The situation in France is unique in Europe. Internet sales totalled 324 million euro in 1999, i.e. 0.14% of retail sales, but this rises to 1.6 billion euro if Minitel sales are added, or 0.7% of turnover in the retail trade, compared with 1.2% in the United States and an average of 0.2% in Europe (BCG data).
- There are two main kinds of businesses operating on the virtual market: the pure players born on the Web, such as Amazon.com, and the traditional (brick-and-mortar) businesses which are beginning to set up their virtual services and become 'click and mortar' businesses.
- Multi-channel distributors account for two thirds of on-line sales in Europe (data for 1999), while specialists (the e-tailers) account for a third. However, these percentages vary widely depending on the product categories In financial intermediation, travel and clothing, powerful traditional distributors have succeeded in exploiting their brand names and logistical skills on the Net. In books, music/video and auctions, on the other hand, the specialists have won the day.
- On-line distributors have trouble replacing the traditional distributors, whose logistical skills play a key role for their competitiveness. Logistics has often been particularly neglected by e-commerce specialists, who are all busy attracting consumers to their sites. On-line selling may offer flexibility, choice and customised service, but shops add the human dimension, promote impulse buying and, above all, offer the physical presence of the products.

5.4.6 Distributors' B2B: creation of virtual purchasing centres

The principal distributor purchasing centres

According to estimates by various consultants, B2B currently accounts for between 80% and 90% of turnover in electronic commerce. The forecasts also show extraordinary growth rates.

In 2000, while initiatives in B2C were clearly growing strongly, the major distribution businesses made large strides in the management of relations between buyers and suppliers and in logistical management.

Virtual B2B Market Places:
Worlwide Retail Exchange
GlobalNetxchange

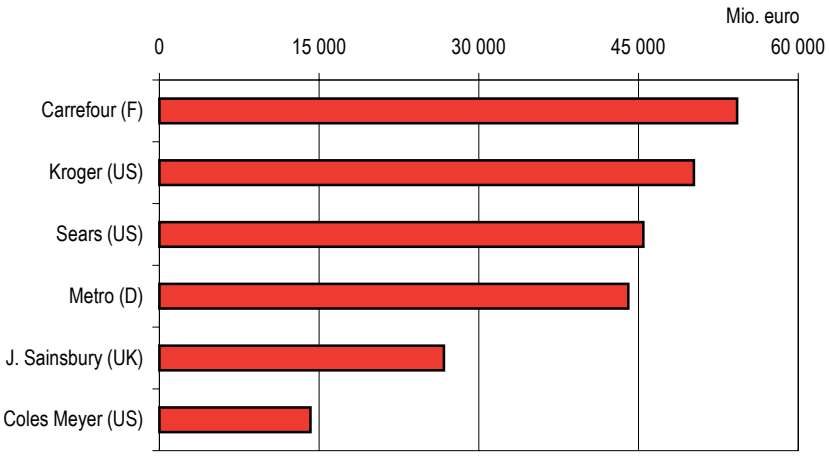
World distribution saw the establishment of two important platforms for electronic B2B trade which are expected to offer major advantages: Worlwide Retail Exchange and GlobalNetxchange (Table 5.4.6 and Figure 5.4.12).

Table 5.4.6
Worldwide Retail Exchange, 1999

Business	Country of origin	Turnover (Mio. euro)
Albertson's	United States	41 481
Kmart	United States	39 762
Target	United States	37 302
JC Penney	United States	34 744
Ahold	the Netherlands	33 560
Safeway	United States	31 942
Tesco	United Kingdom	30 558
Auchan	France	24 000
CVS	United States	20 031
Walgreen	United States	19 744
Kingfisher	United Kingdom	17 696
Casino	France	15 637
Jusco	Portugal	15 000
Delhaize	Belgium	14 310
Best Buy	United States	13 828
Marks & Spencer	United Kingdom	13 331
Total		**402 926**

Source: Auchan

Figure 5.4.12
Breakdown of the turnover of Global Netxchange, 1999



Source: Carrefour

Advantages and potential of purchasing centres

The various participants' approach to these centres naturally reflect a highly strategic interest and an effort to cut costs.

Several possible fields of intermediation within the virtual markets can be distinguished:

- *The purchasing flow:*

This comprises above all the catalogues and product sheets put on-line by named suppliers. The consultation and ordering procedures are fully computerised and largely involve what was already being done via EDI (Electronic Data Interchange).

- *The establishment of a supply chain between the partners:*

This comprises the computer systems of the providers of the logistics chain and allows orders to be processed in real time. The processing goes from the manufacturer to the exit of the product at the cash desk, the aim being to reduce stocks at all levels of the chain.

- *The development of common standards:*

Common standards for all partners may lead to new products, own brands or loss leaders.

These main aspects provide a whole series of advantages such as: cost-cutting through increasing the profitability of the supply chain, real-time monitoring of supplies, the increased speed and efficiency of transactions, the possibility of looking for global ‘sourcing’ of products, the possibility of holding auctions, and cheaper and much easier access than with EDI.

Explanatory texts

The section explanatory texts contains information about the methodology and data sources used for the compilation of this publication. The Eurostat data sets presented and analysed in this publication are taken from the following sources within Eurostat's reference database New Cronos:

- Structural Business Statistics - SBS database
- National Accounts - HSEC2 database
- Labour Force Survey - LFS database
- Small and Medium-sized Enterprises - SME database

It also includes information on the SBS variables presented, and the categorisation of the distributive trade activities according to the NACE Rev. 1 classification.

Sources

Structural Business Statistics (SBS)

The SBS database contains structural business statistics on industrial and service businesses in Europe. Data on distributive trades is collected within the legal framework provided by the **SBS Regulation** (Council Regulation No. 58/97 of 20.12.1996), **Annex 3** and the implementing provisions.

The **SBS Regulation** lays down the necessary norms, standards and definitions without detailing the actual collection methods to be used. As such, the national statistical authority in each Member State may conduct the data-collection exercise in the manner most appropriate to its own situation. Through its Committee procedure the SBS Regulation provides a degree of flexibility whereby measures for adjustment to economic and technical developments can be taken by the Commission after consulting the Member States.

The data from SBS presented in this publication reflect the situation of the database as of 7 March 2001. All SBS data relating to the EU-15 are estimated. The figures for 1999 are provisional. No data are available for the countries or EU aggregates that are not shown in the graphs.

A few important points should also be highlighted.

Many distributive trade activities are characterised by a dynamic business population and a large number of small businesses. Care has to be taken, therefore, when comparing the absolute number of businesses between countries, as small methodological differences may cause inconsistencies.

Employment is mainly based on head counts and hence does not take account of differences in working time or the incidence of part-time employment; which vary greatly between activities and countries.

The turnover concept does not always give a good indication of the economic weight or importance of an activity. For example, in wholesale trade, large amounts of turnover can pass through businesses with few persons employed, and the same commodities can be invoiced several times. In the motor trade, there is a mixture of wholesale and retail trade activity.

Measures of productivity are generally presented using value added at factor costs per person employed. Income and expenditure classified as financial or extraordinary in company accounts is excluded. Since employment data are not calculated as full-time equivalents, there are consequences for ratios such as value added per person employed when comparing across activities and between countries.

Most countries are changing their collection methods to comply with the SBS regulation, hence care has to be taken in the analysis of growth rates.

The information in this publication derives mainly from three data collections in the SBS database[1] as follows:

- **ENTERPR - Annual enterprise statistics (series ENTER and PRELIM)**.

  - **ENTER**:
    This database contains detailed data covering all enterprises, (in general from 1995 onwards). The series cover all business activities apart from financial services. The data have been collected according to the provisions of the SBS Regulation. They are broken down to the 4-digit level of the activity classification NACE Rev. 1.

  - **PRELIM**:
    1999 preliminary results on all enterprises (NACE Rev. 1 C-K) - main indicators. PRELIM data cover all enterprises without any size threshold. This series covers EU totals for enterprises of manufacturing industry (NACE Rev. 1 Section D) and Trade (NACE Rev. 1 Section G) without any size threshold.

- **SIZCLASS - Annual enterprise statistics broken down by size classes**

  The collection contains five series that all start in 1995, first year of implementation of the regulation. The series used for this publication is stored in the file **TRADEMPL**, which contains employment size class data covering enterprises whose main activity is in distributive trades (Section G of NACE Rev. 1). Data are broken down according to employment size classes defined in terms of persons employed: 1, 2-4, 5-9, 10-19, 20-49, 50-99, 100-249, 250-499, 500-999, 1000+. The data are broken down to the 3-digit level of the activity classification NACE Rev. 1 and they only relate to a limited number of main indicators.

- **FATS - Foreign affiliates trade statistics**

  These Statistics describe the overall activity of foreign controlled enterprises and can be developed for both inward and outward FATS. Inward FATS - foreign owned affiliates *in* the reporting economy are termed as inward FATS. Outward FATS - foreign affiliates *of* the reporting economy are termed as outward FATS. All the FATS statistics published in this collection relate to inward FATS. The term foreign found in the title of FATS is used to refer to non-residents. Non-residents may be natural or legal persons. For the purposes of the FATS study, the non-resident entity may be a single non-resident or a group of non-residents who are all resident in the same country and who act collectively.

[1] In one case data from SME database have been used for estimations. This database contains structural enterprise data, which have been provided by the Member States on a voluntary basis and have ben successively replaced by SBS data.

More info on business statistics methodology can be found at http://europa.eu.int/comm/eurostat/ramon/ or at http://forum.europa.eu.int/Public/irc/dsis/bmethods/info/data/new/main_en.html

National Accounts

The following databases of Eurostat's National Accounts domain (Reference database New Cronos - Theme 2) are used in this publication:

The HIST-HSEC2 database

This **HIST-HSEC2** database contains data on branches of production, investment goods and final consumption of households in accordance with the ESA-79 (European System of Integrated Economic Accounts), which is the European Union version of the United Nations' system of national accounts (SNA). It gives common definitions for the complete set of national accounts, input-output tables and financial (flow or funds) accounts. The basic classification NACE-CLIO, which is used to build the input-output tables is used to detail the aggregates by branch. For each branch, the gross value added is the difference between the value of actual output and the value of intermediate consumption.

As for employment, the occupied population covers all the persons engaged in some activity which is considered as productive (in the national accounts sense) whether these persons are civilian or military personnel. It comprises both the residents and the non-residents (wage and salary earners, self-employed persons, unpaid family workers, armed forces) who work for resident producer units.

The AGGS database

This database contains data on the main National Accounts aggregates, such as Gross Domestic Product (GDP), final consumption, the balancing items of the accounts, etc. The data are available in current and constant prices and as price indices. The concept used is based on Council Regulation (EC) No 2223/96 on the European system of national and regional account in the community (ESA 95). The ESA 95 is the legal act, which replaced ESA 79.

The AUX_IND database

Data on population used in ratios to population are taken from the **AUX_IND** database, which contains indicators on population, employment and exchange rates according to national accounts concepts. Data are available for the EU Member States as well as for a large number of non-member countries. In the case of long-term growth of the population (from 1985), data have exceptionally been taken from the DEMO database (theme 3, Population and Social conditions), where time series for the EU-15 are available.

Labour Force Survey (LFS)

The first Community Labour Force Survey was organised in the six original Member States in 1960 by the Statistical Office of the European Communities. In 1992 a number of changes were introduced with the aim of improving the quality of the data and their reliability at national and regional level. Council Regulation (EEC) 3711/91 of 16th December 1991 specified the contents and reliability criteria for the new survey, to be conducted annually from 1992 until further notice. The concepts and definitions used remain essentially those adopted by the thirteenth International Conference of Labour Statisticians of 1982 and used in the Community surveys from 1983 to 1991, so that a high degree of comparability is assured between the results from the two series. The methodological basis and the contents of this new series of surveys are described in the publication “Labour Force Survey - Methods and Definitions - 1996”.

In 1998 the Council Regulation No. 57/98 was adopted so as to take into account new statistical requirements. The methodological basis for and the contents of this new series of surveys are described in the publication ‘Labour Force Survey - Methods and Definitions - 1998 edition’. The LFS database presents the main results from the Community surveys between 1983 and the present, in time-series form.

The main statistical objective of the Labour Force Survey is to divide the population of working age (15 years and above) into three mutually exclusive and exhaustive groups (persons in employment, unemployed persons and inactive persons) and to provide descriptive and explanatory data on each of these categories. Respondents are assigned to one of these groups on the basis of the most objective information possible, obtained through a survey questionnaire, which relates principally to their actual activity within a defined reference week.

The National Statistical Institutes are responsible for selecting the sample, preparing the questionnaires, conducting the interviews among households, and forwarding the results to Eurostat in accordance with a common coding scheme. Eurostat devises the programme for analysing the results and is responsible for processing and disseminating the information forwarded by the National Statistical Institutes.

Perfect comparability across 15 countries is difficult to achieve, even if it were to be by means of a single direct survey, in other words, a survey carried out at the same time, using the same questionnaire and a single method of recording. Nevertheless, the degree of comparability of the Community Labour Force Survey results is considerably higher than that of any other existing set of statistics on employment or unemployment available for the Member States. This is due to:

a) the recording of the same set of characteristics in each country;

b) a close correspondence between the Community list of questions and the national questionnaires;

c) the use of the same definitions for all countries;

d) the use of common classifications (for example, NACE Rev. 1 as the economic activity);

e) the data being centrally processed by Eurostat.

The Community Labour Force Survey, although subject to the constraints of the Community's statistical requirements, is a joint effort by Member States to co-ordinate their national employment surveys, which must serve their own national requirements. Therefore, in spite of the close co-ordination between the National Statistical Institutes and Eurostat, there inevitably remain some differences in the survey from country to country.

Since 1983 improved comparability between results of successive surveys has been achieved, mainly due to the greater stability of content and the higher frequency of surveys, and this continuity will be maintained in the new series of surveys from 1992. However, the following factors may somewhat detract from perfect comparability:

a) the population figures used for the population adjustment are revised at intervals on the basis of new population censuses;

b) the reference period may not remain the sarne for a given country;

c) in order to improve the quality of results, some countries may change the content or order of their questionnaire;

d) countries may modify their sample designs;

e) the manner in which certain questions are answered may be influenced by the political or social circumstances at the time of interview.

As far as they are known, Eurostat will indicate the main factors affecting the comparability of the data for successive surveys in the publications containing the results. It is also possible that, from one year to the next, a sampling error may in certain cases exceed the magnitude of variations resulting in an estimated change which is in fact in the opposite direction to the 'true' change.

Other sources

In addition to Eurostat data, Chapter 4 (Country Analysis) and Chapter 5 (Thematic analysis) of this publication also contain data from some non-Eurostat sources, which are listed below:

Auchan

BCG, Boston Consulting Group

Carrefour

CIES, the Food Business Forum

Computer Industry Almanac

Distribución Quinzenal

DSN, Discount Store News

EMarketer

European Retail Analyst

Financial Times

Food Business News

Forrester Research

Global Convenience Store Retailing

Healey & Baker

IRI Infoscan

LSA, Libre Service Actualités

M+M Eurodata

Market Management

McKinsey analyses of Nielsen data

Meeschaert-Rousselle (Fortis Bank)

MITI (Ministry of Trade and Industry), Japan

Négocia, on the basis of data from Pricewaterhouse Cooper, Cies, Elsevier Food International, Lsa, Point de Vente

Nielsen

Nua Internet Surveys

ONS, Office for National Statistics, UK

Retail Intelligence

Retail Week

Telcordia - Internet Netsizer

The Ebeltoft Group

Thomson Financial Securities

US Census Bureau, Statistical Abstract of the United States,1999

SBS variables

The **SBS** variables are laid down in Commission Regulation (EC) No. 2700/98 of 17 December 1998. Included in this publication are:

Number of enterprises:

a count of the number of enterprises registered to the population concerned in the business register corrected for errors, in particular frame errors. Dormant units are excluded.

Number of persons employed:

the total number of persons who work in the observation unit (employees receiving remuneration, working proprietors and unpaid family workers) as well as persons working outside who belong to the unit and are paid by it.

Turnover:

totals invoiced by the observation unit during the reference period, which corresponds to market sales of goods or services supplied to third parties. It includes all duties and taxes on the goods and services invoiced by the unit, with the exception of the VAT invoiced by the unit vis-à-vis its customers and other similar deductible taxes directly linked to turnover.

Production value:

the amount produced based on sales after deduction of the purchases of merchandise and of changes in stocks.

Value added at factor cost:

gross income from operating activities after adjusting for operating subsidies and indirect taxes. It is equal to turnover + capitalised production + other operating income +/- changes in stocks - purchases of goods and services - taxes on products and production.

Personnel costs:

total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the reference period. They include taxes and employees' social security contributions retained by the unit as well as the employer's compulsory and voluntary social contributions.

Gross operating surplus:

surplus generated by operating activities after compensation of labour. It is equal to value added minus personnel costs.

Gross investment in tangible goods:

investment in all tangible goods (new and existing), bought from third parties or produced for own use, having a useful life of more than one year, including non-produced tangible goods such as land. Capital goods used under rental/lease contracts are excluded.

Number of employees:

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. Includes part-time and seasonal workers.

Apparent labour productivity:

value added per person employed.

Wage-adjusted labour productivity:

(value added at factor cost/personnel costs) * (number of employees/number of persons employed) * 100.

Unit labour cost:

personnel costs per employee.

Gross operating rate:

gross operating surplus in turnover.

Statistical classification of economic activities

Industries and services are categorised according to the statistical classification of economic activities in the European Community, NACE Rev. 1, which was adopted in order to establish a common statistical classification of economic activities within the European Community and to ensure comparability between national and Community classifications and hence national and Community statistics. NACE Rev. 1 replaced NACE '70 and established a direct link between the European classification and the internationally recognised ISIC Rev. 3 developed under the auspices of the United Nations. The NACE Rev. 1 classification is laid down in Council Regulation (EEC) No. 3027/90 amended by Commission Regulation (EEC) No. 761/93.

The NACE Rev. 1 classification is composed of different levels of activities:

First level: Section - identified by an alphabetical code

Intermediate level: Subsection - identified by a two-character alphabetical code

Second level: Division - identified by a two-digit numerical code

Third level: *Group* - identified by a three-digit numerical code

Fourth level: *Class* - identified by a four-digit numerical code

Distributive Trades correspond to Section G of the NACE Rev. 1 Classification which breaks down as follows:

Section G: Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods

50 Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel

- 50.1 Sale of motor vehicles
- 50.2 Maintenance and repair of motor vehicles
- 50.3 Sale of motor vehicle parts and accessories
- 40.4 Sale, maintenance and repair of motorcycles and related parts and accessories
- 50.5 Retail sale of automotive fuel

51 Wholesale trade and commission trade, except of motor vehicles and motorcycles

- 51.1 Wholesale on a fee or contract basis
- 51.2 Wholesale of agricultural raw materials and live animals
  These groups include only wholesale on own account
- 51.3 Wholesale of food, beverages and tobacco
- 51.4 Wholesale of household goods
- 51.5 Wholesale of non-agricultural intermediate products, waste and scrap
- 51.6 Wholesale of machinery, equipment and supplies
- 51.7 Other wholesale

52 Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods

- 52.1 Retail sale in non-specialised stores
- 52.2 Retail sale of food, beverages and tobacco in specialised stores
- 52.3 Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles
- 52.4 Other retail sale of new goods in specialised stores
- 52.5 Retail sale of second-hand goods in stores
- 52.6 Retail sale not in stores
- 52.7 Repair of personal and household goods