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2004 EDITION

European business

Facts and figures

Part 5:

Trade and tourism

Data 1998-2002

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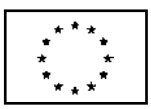

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European business, Facts & figures
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Guide to the publication

CONTENTS OF THE PUBLICATION

European business aims to provide a standard set of information for industrial and service activities within the EU. The data provided in European business present a snapshot of output (in terms of value added and turnover), employment and external trade. The commentaries concentrate largely on the two- and three-digit level of the NACE Rev. 1 classification of economic activities [(1)].

Publication format

The publication is available as a paper and electronic product (CD-ROM). The CD-ROM also contains a NewCronos database application with many additional series (longer time-series and breakdowns by Member State). The underlying statistics can be easily viewed using Eurostat's NewCronos software that is a dedicated database browser.

When the CD-ROM is started, two separate applications are launched. The first is an HTML application with the analysis and information, most of which is identical to the paper publication. The second application is the NewCronos database server, which launches a local server window from its start and close page. The start and close page should be left open at all times while using the product and should also be used to close a session when using the database application. If the start and close page or the server window are closed by accident then they can be located on the CD-ROM within the NC subdirectory (folder). This folder contains a file called setup.exe - by double-clicking on this icon the database application can be relaunched. Within NewCronos it is possible to extract and export data for manipulation within a database or spreadsheet application.

[(1)] Published by Eurostat, ISBN 92-826-8767-8, available from the usual outlets for Commission publications.

The CD-ROM also provides a large amount of additional background information on the underlying legislation, sources and classifications that have been used, as well as a glossary of terms. These can be found within the INFO component of the product.

Structure of the publication

The analysis component of the European business CD-ROM and the paper publication are divided into three main sections:

1. The first provides a general overview of the structure of the EU's business economy, looking at changes in output, employment and external trade;

2. The second provides a sectoral breakdown of industrial activities and is divided into 15 separate chapters, each of which contains a number of subchapters usually based on the three-digit level of the NACE classification. Each chapter concludes with a statistical annex presenting structural business statistics;

3. The third provides a sectoral breakdown of service activities and is divided into nine separate chapters (again with subchapters and a statistical annex, usually based on structural business statistics or alternatively a functional database specific to the subject area).

The chapters in European business are structured on the basis of their NACE coverage, starting with energy and the extractive industries and finishing with business services, the information society and media. Each chapter begins with a preliminary section explaining the sectoral coverage of the data presented.

NACE is a hierarchical classification made up of sections (one-letter codes), subsections (two-letter codes), divisions (two-digit codes), groups (three-digit codes) and classes (four-digit codes). NACE establishes a direct link between the European classification and the internationally recognised ISIC Rev. 3 developed under the auspices of the United Nations. These two classifications are directly compatible at the two-digit level and the lower levels of ISIC Rev. 3 can be calculated by aggregating the more detailed levels of NACE. Note that NACE has recently been revised, but the new NACE Rev. 1.1 classification is not yet being used for the main data sources that are presented in this publication. The external trade data are based on the CPA (classification of products by activity) rather than NACE, and this uses the 2002 version of the CPA.

The compilation of industrial data has followed a different historical development to that of other sectors of the business economy. It is generally easier to compile activity and product statistics about goods/merchandise than it is to collect information, for example, relating to knowledge or information-based services. Hence, the balance of this publication reflects to some degree the information that is currently available from official statistical sources. There has, however, been a rapid improvement in data availability for service sectors during the last few years and most EU Member States now compile annual statistics for these activities. As in previous years the proportion of the publication dedicated to services has been expanded.

For the energy and services sectors, data are often available from Eurostat's specialist databases and these have been used to complement the general sources used in most chapters.

Differences compared with the 2003 edition

This edition of European business continues the efforts made in recent years to focus this publication increasingly on official sources of information, as the European statistical system continues to make advances.

Although the activity definition of some subchapters has changed compared with previous editions, the main changes in 2004 are not in the structure, as in previous years, but in the coverage and the sources used. The most notable change is the transition from EU-15 to EU-25 as the main focus of analysis. The enlargement of the EU is presented in a special analysis on page 2 of the overview of the EU's business economy. The second change in relation to coverage is that the structural business statistics (SBS) data used in the manufacturing chapters covers enterprises of all sizes, rather than just those with 20 or more persons employed, as was the case in the past. This puts the size-class coverage of these chapters on the same basis as the services chapters which have always used this coverage, and the energy, mining and quarrying, water and construction chapters that moved to this coverage over the course of the last two editions. In terms of sources, the main change has been to stop using the SBS Ent_l database for the manufacturing chapters and to use only the SBS Enter database; this has resulted in the improvement in the size-class coverage mentioned above, but has had the drawback of reducing the time-series available. To make up for this loss of time-series, short-term business statistics (STS) have been used to show the development of industrial production in the industrial chapters and turnover in the services chapters, supplemented in some cases by an analysis of employment. As in previous years, STS is also used for an analysis of the development of domestic output prices.

GUIDE TO THE STATISTICS

Two main data sources should be distinguished when using this publication: those originating from official sources (collected normally by the national statistical institutes in each Member State) and those provided by professional trade associations (representative organisations of manufacturers and service providers) and other non-official bodies. Tables and graphs presenting data from non-official sources are easily recognised as they always appear in a shaded box.

Time frame

The majority of the data within this publication was extracted from various Eurostat databases during the first two weeks of February 2004. Fresher data is available on the CD-ROM. The accompanying text was written during the first and second quarters of 2004.

Data are generally available for 2001 from SBS and Prodcom, for 2002 from external trade and the labour force survey (LFS), and for either 2002 or 2003 from STS depending on the activity and the indicator.

Exchange rates

All data are reported in ECU/EUR terms, with national currencies converted using average exchange rates prevailing for the year in question. As of 1 January 1999, 11 of the Member States entered into an economic and monetary union (EMU). These countries formed what has become known as the euro-zone. Technically data available prior to that date should continue to be denominated in ECU terms, while data available afterwards should be denominated in euro. However, as the conversion rate was ECU 1 = EUR 1, for practical purposes the terms may be used interchangeably and this publication denotes all such monetary series in euro. On 1 January 2001, Greece also became a member of the euro-zone.

While the conversion to a common currency of data originally expressed in national currencies facilitates comparison, large fluctuations in currency markets are partially responsible for movements identified when looking at the evolution of a series in euro terms (especially at the level of an individual country). For the exchange rates used, please refer to Table 22 in the statistical annex of the overview chapter.

Geographical coverage

EU-15 totals cover the Member States up to the end of April 2004, and EU-25 totals the Member States from 1 May 2004.

It should be noted that all EU aggregates, both EU-15 and EU-25 for SBS data for services (NACE Sections G to K), exclude Greece. A footnote is added to tables, figures or analyses when a partial total is created from an incomplete set of country information.

Figures for Germany are on a post-unification basis, unless otherwise stated.

Non-availability

The colon (:) is used in tables to represent data that is not available, either because it has not been provided to Eurostat or because it is confidential. In figures (charts), missing information is footnoted as not available.

OFFICIAL DATA SOURCES

SBS

The main part of the analysis contained within European business is derived from structural business statistics (SBS). These data have been collected within the legal framework provided by the SBS regulation [2]. Structural business statistics for the 10 new Member States and the candidate countries were collected on a comparable basis, although data were provided to Eurostat on the basis of specific agreements rather than with a legal basis. With their accession on 1 May 2004, this situation changed for the 10 new Member States and new data will be transmitted on the basis of the requirements of the SBS regulation.

There are two main SBS data sets that have been used in this publication. The first is SBS Enter [3] which covers enterprises of all sizes and the data generally start in 1995. Not all Member States have transmitted data relating to this population. In particular, some Member States have only provided data for units with employment above a certain size threshold. Table 1 presents the main deviations from the standard population as laid down in the SBS regulation (all enterprises, regardless of their level of employment).

[2] Council Regulation (EC, EURATOM) No 58/97 of 20 December 1996 concerning structural business statistics.
[3] Public access to data for the Member States is available via Eurostat's NewCronos database.

Table 1

Country	Statistical unit and coverage used from 1995 onwards			
	Industry (NACE Sections C - E)	**Construction (NACE Section F)**	**Trade (NACE Section G)**	**Services (NACE Sections H - K)**
The Czech Republic	Sampling errors at 3-digit level are significant (due to low coverage). The 3-digit level is only an estimation based on the sample, but the sample differs between years. The sample is only representative for data at the 2-digit level 2001: several activities at the 3-digit level include results for enterprises that have only been classified at the 2-digit level, thus potentially overestimating these activities and underestimating other activities within the same 2-digit activity, but ensuring coherency between the results for the 2- and 3-digit levels			
Denmark	No major deviations	1995 to 1998: Class 45.21 includes data for Classes 45.23 and 45.24; Class 45.31 includes data for Class 45.34	No major deviations	
Germany	2001 for Sections D to F: major change in source for enterprises with less than 20 persons employed		No major deviations	1998 onwards: Class 60.24 data are not comparable with previous years 1999 for Sections I to K: the number of enterprises and turnover come from a different source than the other variables and the two groups of variables can not be compared 1999: for production value and value added Class 60.21 includes Class 60.23, Class 74.13 includes Class 74.14, Class 74.11 includes Classes 74.12 and 74.15 2000 for Sections I and K: data are not comparable with previous years
Estonia	1995: Section D data at the 2-digit level cover enterprises with 20 and more employees, except investment data which cover enterprises with 50 and more employees; data at the Section level cover all enterprises	No major deviations		1995: Division 71 includes Division 72
Greece	No data available		Covers only enterprises with a turnover of 15 million GRD or more	
Spain	1995 to 1998: enterprises with 1 employee or more	No major deviations	1995 to 1998: enterprises with 1 employee or more	
France	1995: Section D excludes Divisions 16 and 37; Subsection DA excludes Division 16; Subsection DN excludes Division 37	No major deviations		In some transport activities within Group 61.2 the coverage is only enterprises with 6 employees or more
Ireland	Enterprises with 3 persons employed or more 1995: Subsection DN includes Subsection DF	No data available	No major deviations	
Italy	Turnover from the principal activity at the 4-digit level: this data is supplied only for enterprises with 200 employees or more	No major deviations		
Cyprus	2001: Class 14.11 includes Class 14.12; Class 14.22 includes Group 14.3; Class 15.13 includes Group 15.2; Class 15.71 includes Class 15.72; Class 15.91 includes Classes 15.93 and 15.96; Class 17.21 includes Class 17.54 and Group 17.6; Class 17.71 includes Class 17.72; Group 19.1 includes Group 19.2; Class 20.51 includes Class 20.52; Class 22.22 includes Classes 22.11 and 22.15; Class 24.11 includes Class 24.13 and Group 24.2; Class 24.41 includes 24.42; Class 24.62 includes Class 24.66; Class 26.11 includes Classes 26.13 and 26.15; Class 27.22 includes Classes 27.42 and 27.44; Class 28.21 includes Group 28.3; Class 28.61 includes Class 28.62; Class 28.74 includes Class 28.75; Class 29.53 includes Class 28.54; Group 31.4 includes Class 31.62; Group 32.2 includes Group 32.3; Group 33.1 includes Groups 33.2 and 33.3; Class 36.21 includes Class 36.22; Group 36.3 includes Group 36.5 and Class 36.61; Class 55.21 includes Class 55.22			

Table 1 continued

Country	Statistical unit and coverage used from 1995 onwards			
	Industry (NACE Sections C - E)	**Construction (NACE Section F)**	**Trade (NACE Section G)**	**Services (NACE Sections H - K)**
Latvia	No major deviations		It is recommended not to use 4-digit level data as the sampling plan for the survey was designed at the 3-digit level only	No major deviations
Luxembourg	1996 onwards: kind-of-activity units with 1 person employed or more		No major deviations	1995 to 1998: Class 66.01 includes Class 66.02
Hungary	Covers only enterprises with 5 or more persons employed			
The Netherlands	Number of enterprises: data for this variable are rounded to multiples of 5; a 0 therefore means 2 or less enterprises			
	Covers only enterprises with 20 employees or more for Section E; total intramural R&D expenditure and total number of R&D personnel cover only enterprises with 10 employees or more	No major deviations		Class 74.15: enterprises with 5 employees or more
Portugal	1995: Subsection DN and Section D exclude Division 37	No major deviations		
Slovakia	1995 to 1998: covers enterprises with 20 or more persons employed as well as enterprises with less than 20 persons employed which were considered statistically important			
The United Kingdom	1996: Class 14.12 includes Class 14.13; Class 15.94 includes Class 15.95; Class 17.15 includes Class 17.14; Class 17.16 includes Class 17.17; Class 21.11 includes Class 21.12 1997: Group 10.3 includes Group 10.2; Group 13.2 includes Group 13.1; Class 14.12 includes Class 14.13; Class 17.15 includes Class 17.14: Class 17.16 includes 17.17; Class 21.12 includes Class 21.11 1998: Group 10.3 includes Group 10.2; Class 14.12 includes Class 14.13; Class 51.35 includes Classes 51.36 and 51.37			
Bulgaria	1996 to 1999: investment not representative below the 2-digit level			

The second collection covers information broken down by employment size-class. Again, not all Member States have transmitted data to Eurostat that relates to this statistical unit or population. In particular, some Member States have only provided data for units with employment above a certain size threshold. Table 2 summarises the main deviations from the standard statistical unit and coverage.

Table 2

Country	Statistical units and coverage			
	Industry (NACE Sections C - E)	**Construction (NACE Section F)**	**Trade (NACE Section G)**	**Services (NACE Sections H - K and M - 0)**
The Czech Republic	Sampling errors at 3-digit level are significant (due to low coverage). The 3-digit level is only an estimation based on the sample, but the sample differs between years; the sample is only representative for data at the 2-digit level			
	2001: several activities at the 3-digit level include results for enterprises that have only been classified at the 2-digit level, thus potentially overestimating these activities and underestimating other activities within the same 2-digit activity, but ensuring coherency between the results for the 2- and 3-digit levels			
Germany	1995 onwards: enterprises with 20 persons employed or more		No major deviations	
Estonia	1995: Section D data at the 2-digit level cover enterprises with 20 and more employees, except investment data which cover enterprises with 50 and more employees; data at the Section level cover all enterprises; 1995 to 1999: employment size classes are defined in terms of employees; 1995 to 1998: data for size class 500-999 includes data for size class 1000+; 1996 to 1999: the size class total is not equal to the sum of the size classes published as the total also includes data for the size class 0 employees	1995 to 1999: employment size classes are defined in terms of employees; 1995 to 1998: data for size class 500-999 includes data for size class 1000+ as well; 1996 to 1999: data for size class 1-9 employees also includes data for size class 0 employees	1995 to 1999: employment size classes are defined in terms of employees 1995 to 1998: data for size class 500-999 includes data for size class 1000+ as well 1996 to 1999: size classes 0 and 1-9 employees are provided instead of size classes 1, 2-4 and 5-9 employees; data for size class 0 are published under the size class 1 and data for size class 1-9 are published under the size class 5-9	1995 to 1999: employment size classes are defined in terms of employees; 1995 to 1998: data for size class 500-999 includes data for size class 1000+ as well; 1996 to 1999: size classes 0 and 1-9 employees are provided instead of size classes 1-4 and 5-9 employees; data for size class 0 are published under the size class 1-4 and data for size class 1-9 are published under the size class 5-9; 1995: Division 71 also includes Division 72
Spain	1995 onwards: enterprises with 1 employee or more	No major deviations		
France	1995: enterprises with 20 employees or more		No major deviations	
Ireland	1995 onwards: enterprises with 3 persons employed or more	1995 onwards: enterprises with 20 persons employed or more	No major deviations	1997: Group 60.1 includes Classes 60.21, 60.22 and 60.23; Group 74.6 includes Group 74.7
Cyprus	2001: data for size class 500-999 includes data for size class 1000+; data for size class 100-249 includes data for size class 250-499; Group 14.2 includes Group 14.3; Group 15.1 includes Group 15.2; Group 17.2 includes Groups 17.5 and 17.6; Group 19.1 includes Group 19.2; Group 24.1 includes Group 24.2; Group 27.2 includes Group 27.4; Group 28.2 includes Group 28.3; Group 31.4 includes Group 31.6; Group 32.2 includes Group 32.3; Group 33.1 includes Groups 33.2 and 33.3; Group 36.3 includes Groups 36.5 and 36.6			
Hungary	1998 to 2001: enterprises with 5 persons employed or more; data for size class 1-9 persons employed are not available; data for size class 5-9 persons employed have been provided; data for the total of the size classes refer to enterprises with 5 persons employed or more		1998 to 2001: enterprises with 5 persons employed or more; data for the total of the size classes refer to enterprises with 5 persons employed and more	
The Netherlands	1999 onwards: employment size classes are defined in terms of employees; size class 1-9 has been approximated with size class 0-9 employees; size class 500-999 includes size class 1000+		1999 onwards: employment size classes are defined in terms of employees; size class 1 has been approximated with size class 0 employee; size class 2-4 has been approximated with size class 1-4 employees; size class 500-999 includes size class 1000+	1999 onwards: employment size classes are defined in terms of employees; size class 1-4 has been approximated with size class 0-4 employees; size class 1-9 has been approximated with size class 0-9 employees; size class 500-999 includes size class 1000+
Portugal	1996 onwards: employment size classes are defined in terms of employees; size class 1-9 has been approximated with size class 0-9 employees		1996 onwards: employment size classes are defined in terms of employees	
Slovenia	1995 to 1998: employment size classes are defined in terms of employees, and exclude enterprises with 0 employees			
Slovakia	1995 to 1998: size classes are defined in terms of employees; data for the total of the size classes refer to enterprises with 20 and more employees			
Sweden	1996: employment size classes are defined in terms of employees; size class 1-9 has been approximated with size class 0-9 employees	No major deviations		
The United Kingdom	1995: enterprises with 20 persons employed or more; 1997: Group 10.3 includes Group 10.2; Group 13.2 includes Group 13.1	1995: enterprises with 20 persons employed or more	No major deviations	

Standard definitions of variables have been laid down. As such, the data presented are largely comparable across activities and countries. There are nevertheless some known divergences from the standard definitions. Until the reference year 1994 inclusive, EU-15 Member States transmitted their data to Eurostat according to either the legal basis preceding the SBS regulation for industry or on a voluntary basis for services. As far as possible Eurostat and the Member States worked to convert these data in line with the variable definitions as implemented following the adoption of the SBS regulation. However, the results of the conversion may not be of the same quality as the data collected from the 1995 reference year onwards. For France, this conversion is applied until the reference year 1995 inclusive. For Greece, this conversion is applied until the reference year 1996 inclusive. Table 3 presents the main discrepancies with respect to the standard variable definitions as regards data from Member States and the candidate countries.

Estimates

EU-15 and EU-25 data are estimated. Estimates are made using individual country information and short-term indicators such as indices of production and employment. The individual country estimates are not published. Data in this publication are generally available at the three-digit NACE level, while more detailed information is often available within the SBS Enter table at the four-digit NACE level. EU-15 aggregates are generally available at the four-digit level in SBS Enter and at the three-digit level in SBS Enter size-class, while EU-25 aggregates are generally available at the three-digit level in SBS Enter and at the two-digit level in SBS Enter size-class.

Table 3

SBS Enter			
Country	**Year**	**Variable**	**Discrepancy**
Belgium	1995-1998	Production value	The purchase of goods and services for resale are not removed, resulting in the values being overestimated
The Czech Republic	1995-1998	Number of enterprises	Average number of enterprises calculated on the basis of the length of the activity of the unit during the year; this means that an enterprise active only a part of the year is not counted as 1 but as a percentage (3 months=0.25 enterprises)
	1995-1998	Personnel costs and social security costs	Non-standard definitions
Germany	1999	Sections I to K: value added at factor cost	Does not include subsidies
Spain	1995-1998	Gross investment in tangible goods	Gross investment in land and gross investment in machinery and equipment
Ireland	1998-2000	Sections H, I and K: personnel costs	Wages and salaries
	1998/1999	Number of enterprises	Break in series due to a change in estimation method.
Cyprus	1995-1998	Change in stocks of finished products and work in progress manufactured by the unit	Includes change in stocks of all goods and services
Hungary	1998	Number of employees	Estimated as a fixed percentage (99.5%) of the number of persons employed
	2001	Total investment in tangible goods	Is inconsistent with its components as some investment is not included in the components, only in the total
Slovenia	1995-1998	Value added and wages and salaries	Non-standard definitions
Finland	1995	Value added at factor cost	Value added at market prices
		Gross operating surplus	Value added at market prices - personnel costs
Sweden	1995-1996	Number of persons employed	The number of persons employed and the number of employees are very close as self-employed persons are not included and for enterprises with less than 10 employees the number of employees is collected in full time equivalent units.
The United Kingdom	1996-1998	Gross investment in existing buildings and structures	Includes gross investment in land
	1997	Turnover from trading and intermediary activities	Turnover from trading activities of purchase and resale
Bulgaria	1996-1998	Changes in stocks	Concerns only changes in stocks of goods, and therefore excludes changes in stocks of services
	1996-1999	Investment in existing buildings and structures	Includes also investment in construction and alteration of buildings
	1999	Turnover and production value	Does not includes duties and taxes on services invoiced by the unit
	2000-2001	Investment in construction and alteration of buildings	Includes also investment in existing buildings and structures
Norway	1996-1997	For Sections C and D: investment	The definitions of variables 15 13 0 and 15 14 0 (concerning investment) are non-standard, however their sum is conform with the standard definitions
SBS Enter size class data			
Country	**Year**	**Variable**	**Discrepancy**
The Czech Republic	1995-1998	Number of enterprises	Average number of enterprises calculated on the basis of the length of the activity of the unit during the year; this means that an enterprise active only a part of the year is not counted as 1 but as a percentage (3 months=0.25 enterprises)
Denmark	1995-1996	Sections C to G: number of employees	Employees in full-time equivalents
Hungary	1998	Sections C to F: number of employees	Estimated as a fixed percentage (99.5%) of the number of persons employed
Slovenia	1995-1998	Value added	Non-standard definition
Slovakia	1995-1998	Sections G to K: number of persons employed	Number of employees
Sweden	1996	Sections C to E: number of persons employed	The number of persons employed and the number of employees are very close as self-employed persons are not included and for enterprises with less than 10 employees the number of employees is collected in full time equivalent units.
		Sections H to K: number of persons employed	Is in fact the number of employees
		Sections C to F: social security costs	Non-standard definition

Prodcom

In previous editions of this publication, Prodcom data was sourced from NewCronos. Recently Prodcom has been added to the Comext reference database, and the Prodcom tables on NewCronos are no longer updated. For this reason the Comext version of the database was preferred for this year's edition. As part of the move to Comext, a reprocessing of data was carried out, and for some Prodcom headings EU-15 totals are no longer available, although they were published on NewCronos. At the present time there are no EU-25 aggregates in Prodcom, as two of the new Member States do not yet compile Prodcom statistics. The legal basis of the Prodcom data is Council Regulation (EEC) No 3924/91 on the establishment of a Community survey of industrial production (Prodcom regulation). This regulation requires that production be recorded according to the product headings of the Prodcom list. The list is based on the Community's external trade classification, the Combined Nomenclature (CN). The list does not, however, cover all products. The list is divided into divisions corresponding to the (two-digit) divisions of NACE. Each Prodcom code is identified by an eight-digit code. The first six digits are the CPA code ('classification of products by activity'). The last two digits normally provide a reference to the Combined Nomenclature (CN), although there are exceptions to this rule.

The physical volume and the value of production are normally recorded for the products in the Prodcom list. Different production concepts are used in the survey, namely:

- production sold during the survey period;
- actual production (total production) during the survey period. This includes any production which is incorporated into the manufacture of other products. Such production is normally taken to mean own products which are either processed into another product or fitted into another product in the reporting unit itself, in another plant belonging to it, or under contract in another unit;
- production during the survey period which is intended for sale.

The value of production sold/production intended for sale should be calculated on the basis of the ex-works selling price obtained/obtainable during the reporting period. It also includes packaging costs, even if they are charged separately. However, the following are not included: any turnover tax and consumer tax charged; separately charged freight costs; any discounts granted to customers.

The particular physical units of the CN classification have normally been adopted for recording the volume of production. In exceptional cases a different and/or supplementary unit is recorded. All units belonging to the individual Prodcom headings are specifically indicated in the data set.

Prodcom statistics normally cover all enterprises/local units which manufacture products contained in the Prodcom list. Among the rules on representativeness, the regulation stipulates that all enterprises in Sections C, D and E of NACE Rev. 1 employing at least 20 persons must be included. In addition, at least 90 % of production in each (four-digit) class of NACE Rev. 1 must also be recorded.

External trade

EU external trade statistics are available in the Comext database, and can be compiled according to various classifications. For the purpose of this publication the classification of products by activity (CPA) has been used. The analysis focuses on external trade data for 2002 (while fresher data for reference year 2003 are included in the DATABASE application). No estimates are made for external trade statistics, although it is possible that subsequent revisions may occur. The data are processed by summing together product statistics (using a conversion table from CN to CPA - note that there have been extensive changes to the Combined Nomenclature (CN) between reference years 2001 and 2002.). The data for EU-25 are reported in terms of trade flows with the rest of the world, in other words extra-EU trade. However, for the individual Member States total trade flows are used (in other words intra-EU and extra-EU trade). All trade figures are given in current EUR terms.

The calculation of EU-25 trade flows has been done by subtracting the value of trade of the EU-15 with the 10 new Member States from the total trade of the EU-15 with all 'extra-EU-15' partners.

Short-term business statistics

Tracking the business cycle is indispensable for many economic actors. Short-term business statistics provide politicians, government agencies, bankers, business owners, consumers and trade unionists with information that is crucial when making decisions on whether industries grow, stagnate or decline. The legal base of the European system of quantitative short-term business statistics is Council Regulation (EC) No 1165/98, which was adopted on 19 May 1998.

Several variables from the EBT database are presented in this publication. To measure output the following are used: the industrial production index, the index of production in construction, the index of retail trade volume of sales, the services' turnover index. In manufacturing the domestic output price index is presented and in construction the construction costs index is also available. An employment index is available for many activities within industry, construction and services. In addition, indices are also available on new car registrations and on building permits.

Indices for the EU-15 and for the EU-25 have been estimated for several indicators for many activities.

Industrial production index

In line with traditional practice in business statistics, the production index should show the evolution of value added at factor cost, at constant prices. Value added at factor cost can be calculated from turnover (excluding VAT), plus capitalised production, plus other operating income, plus or minus the changes in stocks, minus the purchases of goods and services, minus other taxes on products and taxes linked to production. This index of production should take account of:

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

Turnover

The objective of the turnover index is to show the evolution of the market for goods and services. Turnover comprises the totals invoiced by the observation unit during the reference period. This corresponds to market sales of goods or services supplied to third parties. It includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover.

Employment

The number of persons employed is defined as the total number of persons working in an observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (for example, sales representatives, delivery personnel, repair and maintenance teams). It includes persons absent for a short period (for example sick leave, paid leave or special leave), and also those on strike, but not those absent for an indefinite period. It also includes part-time workers who are regarded as such under the laws of the country concerned and who are on the payroll, as well as seasonal workers, apprentices and home workers on the payroll. The number of persons employed excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the observation unit on behalf of other enterprises, as well as those on compulsory military service.

Domestic output prices

All price-determining characteristics of the products should be taken into account when compiling these indices, including the quantity of units sold, transport provided, rebates, service conditions, guarantee conditions and destination. The specification must be such that in subsequent reference periods, the observation unit is able to identify the product and to provide the appropriate price per unit. The appropriate price is the ex-factory price that includes all duties and taxes on the goods and services invoiced by the unit but excludes VAT invoiced by the unit vis-à-vis its customer and similar deductible taxes directly linked to turnover.

Labour force survey

The methodological basis and the contents of this survey are described in the publication Labour Force Survey - Methods and definitions, 2001 edition. The main statistical objective of the labour force survey is to divide the population of working age (generally 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 the reference period.

It is important to note that the information is not collected from enterprises (as with the SBS database) but through a survey addressed to individual households. The national statistical institutes are responsible for selecting the sample, preparing the questionnaires, conducting the interviews 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.

The Community labour force survey [(4)], is based upon a sample of the population. The results are therefore subject to the usual types of errors associated with sampling techniques. Eurostat implements basic guidelines intended to avoid the publication of figures which are statistically unreliable (see Table 4). Figures below these thresholds are not published. A second threshold is applied to data that may only be published with a warning concerning their reliability. For the purpose of this publication these data have also been omitted.

EU-25 aggregates are available for LFS data; however, the analysis of these data by NACE is only possible at the section level. EU-15 aggregates are available for most subsections and divisions.

[(4)] Council Regulation (EC) No 577/98 of 9 March 1998 on the organisation of a labour force sample survey in the Community.

Table 4

	A	B
EU-25 (1)	90 000	-
EU-15 (1)	61 500	-
Belgium	2 500	4 500
The Czech Republic	1 000	-
Denmark (2)	3 500	7 500
Germany	8 000	-
Estonia (3)	5 000	10 000
Greece	2 500	4 500
Spain	2 500	5 000
France (4)	7 000	21 000
Ireland	2 500	4 500
Italy	3 500	7 500
Cyprus	500	1 500
Latvia (5)	4 500	7 500
Lithuania	5 000	-
Luxembourg	500	1 500
Hungary	2 500	4 500
Malta	1 500	3 000
The Netherlands	4 500	10 000
Austria	2 000	-
Poland	5 000	20 000
Portugal	7 500	15 000
Slovenia	1 000	10 500
Slovakia	2 500	4 500
Finland	2 500	4 500
Sweden (6)	2 500	-
The United Kingdom	10 000	-
Bulgaria	5 500	10 000
Romania	2 000	-
Turkey	:	:

A: threshold for publishing data.
B: threshold for reliable data.

(1) The A limits applicable to data prior to 2003 are the sum of the country limit.
(2) The limits applicable to data between 1983 and 1993 are A 2 500, B 4 500.
(3) The limits applicable to data for 1997 are A 4 000, B 8 000; for 1998 and 1999 they are A 1 500, B 3 000.
(4) The limits applicable to data between 1983 and 2002 are A 3 500, B 8 500.
(5) The limits applicable to data prior to 1998 are A 2 500, B 4 500.
(6) The limits applicable to data between 1995 and 2000 are A 9 000, B -.

National accounts

The European system of national and regional accounts (1995 ESA, or simply ESA) is an internationally compatible accounting framework for a systematic and detailed description of a total economy (that is a region, country or group of countries), its components and its relations with other economies.

The 1995 ESA replaces the European system of integrated economic accounts published in 1970 (1970 ESA; a second, slightly modified, edition appeared in 1978).

The 1995 ESA is fully consistent with the revised world-wide guidelines on national accounting, the system of national accounts (1993 SNA, or simply SNA; these guidelines have been produced under the joint responsibility of the United Nations, the IMF, the Commission of the European Communities, the OECD and the World Bank). However, the ESA is focused more on the circumstances and data needs of the European Union. Like the SNA, the ESA is harmonised with the concepts and classifications used in many other, social and economic statistics. Cases in point are statistics on employment, statistics on manufacturing and statistics on external trade. The ESA can therefore serve as the central framework of reference for the social and economic statistics of the European Union and its Member States.

The ESA framework consists of two main sets of tables:

- the sector accounts;

- the input-output framework and the accounts by industry.

The sector accounts provide, by institutional sector, a systematic description of the different stages of the economic process: production, generation of income, distribution of income, redistribution of income, use of income and financial and non-financial accumulation. The sector accounts also include balance sheets to describe the stocks of assets, liabilities and net worth at the beginning and the end of the accounting period.

The input-output framework and the accounts by industry describe in more detail the production process (cost structure, income generated and employment) and the flows of goods and services (output, imports, exports, final consumption, intermediate consumption and capital formation by product group).

GLOSSARY OF TERMS

There follows a brief list of the main terms employed within this publication:

Annual average growth rate: constant rate of growth that would be required in each year to achieve the same overall growth rate as that observed between two periods.

Apparent labour productivity: value added at factor cost/number of persons employed (expressed in thousand EUR per person employed); care should be taken in the interpretation of this ratio between different activities and countries because of the use of a simple head count for the labour input measure, as a proxy for the volume of work done; values may exceptionally be negative.

Average personnel costs: personnel costs/number of employees (expressed in thousand EUR per employee).

Constant prices: data presented with the effect of price fluctuations over time removed from them (deflated series); note that, as these are expressed in EUR, time series are influenced by fluctuations in the exchange rate.

Cover ratio: exports/imports (expressed as a percentage).

Current prices: data presented including the effects of price changes.

Domestic output price index: an index of the prices of commodities produced and sold within any given country in national currency terms; output price indices are often used to deflate production and value added data (in value) in order to obtain production and value added in constant price terms; this index shows the change in ex-works selling prices of all products sold on domestic markets, excluding VAT and similar deductible taxes.

Employees: are defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind; employees include part-time workers, seasonal workers, persons on strike or on short-term leave, but exclude those persons on long-term leave and voluntary workers.

Enterprise: an enterprise is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources; an enterprise carries out one or more activities at one or more locations; an enterprise may be a sole legal unit.

Extra-EU exports: goods which leave the statistical territory of a Member State bound for a non-Community country.

Extra-EU imports: goods which enter the statistical territory of a Member State from a non-Community country.

Gross operating surplus: is the surplus generated by operating activities after the labour factor input has been recompensed; it can be calculated from value added at factor cost less personnel costs.

Gross operating rate: gross operating surplus/turnover (profitability measure, expressed as a percentage).

Local unit: the local unit is an enterprise or part thereof (e.g. a workshop, factory, warehouse, office, mine or depot) situated in a geographically identified place. At or from this place economic activity is carried out for which - save for certain exceptions - one or more persons work (even if only part-time) for one and the same enterprise.

Number of persons employed (employment): is defined as the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams); it includes persons absent for a short period (e.g. sick leave, paid leave or special leave), and also those on strike, but not those absent for an indefinite period; it also includes part-time workers who are regarded as such under the laws of the country concerned and who are on the pay-roll, as well as seasonal workers, apprentices and home workers on the pay-roll.

Personnel costs: the total remuneration, in cash or in kind, payable by an employer to an employee (regular and temporary employees as well as home workers) in return for work done by the latter during the reference period; personnel costs also include taxes and employees' social security contributions retained by the unit as well as the employer's compulsory and voluntary social contributions.

Production value: measures in value the amount actually produced by the unit, based on sales adjusted for changes in stocks and the resale of goods and services; the production value is defined as turnover, plus or minus the changes in stocks of finished products, work in progress and goods and services purchased for resale, minus the purchases of goods and services for resale, plus capitalised production, plus other operating income (excluding subsidies).

Simple wage adjusted labour productivity: value added at factor cost/personnel costs * 100 (expressed as a percentage).

Trade balance: exports - imports.

Turnover: comprises the totals invoiced by the observation unit during the reference period, corresponding to market sales of goods or services supplied to third parties; turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover; it also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice; reductions in prices, rebates and discounts as well as the value of returned packing must be deducted.

Value added at factor cost: can be calculated from turnover, plus capitalised production, plus other operating income, plus or minus the changes in stocks, minus the purchases of goods and services, minus other taxes on products which are linked to turnover but not deductible, minus the duties and taxes linked to production; alternatively it can be calculated from gross operating surplus by adding personnel costs; income and expenditure classified as financial or extra-ordinary in company accounts is excluded from value added.

Value added specialisation: relative index that compares the value added share of a given manufacturing activity in total manufacturing value added for a given country with the same ratio for the EU (expressed as a percentage - if a country displays a ratio above 100 then it is relatively more specialised than the average for the EU).

Wage adjusted labour productivity: (value added at factor cost/personnel costs) * (number of employees/number of persons employed) * 100 (expressed as a percentage).

NON-OFFICIAL SOURCES AND ABBREVIATIONS

Professional trade associations

ACEA	European Automobile Manufacturers Association
ACI	Airports Council International (European Region)
AEA	Association of European Airlines
AECMA	European Association of Aerospace Industries
AESGP	Association of the European Self-Medication Industry
AISE	International Association of the Soap & Detergent industry
APEAL	Association of European Producers of Steel for Packaging
APME	Association of Plastics Manufacturers in Europe
AWES/CESA	Committee of European Shipbuilders Association
CAEF	Committee of European Foundry Associations
CAOBISCO-IOCCC	Association of the Chocolate, Confectionery, Biscuit industries of the EU
CBMC	The Brewers of Europe
CECCM	Confederation of European Community Cigarette Manufacturers
CEPE	European Council of the Paint, Printing Inks and Artists' Colours Industry
CEPI	Confederation of European Paper Industries
CIAA	Confédération des Industries Agro-alimentaires de la CE (Confederation of the Food and Drink Industries of the EU)
CPDP	Association of oil refiners
EAO	European Audiovisual Observatory
EDA	European Dairy Association
EMF	European Mortgage Federation
EPF	European Panels Federation
ESBG	European Savings Bank Group
ESOMAR	European Society for Opinion and Marketing Research
ESTA	European Security Transport Association
EURATEX	European Apparel and Textile Organisation
EUROFINAS	European Federation of Finance House Associations
FBE	European Banking Federation
FEDIOL	EC Seed Crushers' and Oil Processors' Federation
FEDSA	Federation of European Direct Selling Associations
FEFSI	European Federation of Investment Funds
FEP	European Federation of Associations of the Parquet Industry
FESE	Federation of European Securities Exchanges
FIBV	International Federation of Stock Exchanges
FIEC	European Construction Industry Federation
GEBC	European Association of Cooperative Banks
IISI	International Iron and Steel Institute
IMACE	International Margarine Association of the Countries of Europe
STD	Swedish Federation of Consulting Engineers and Architects (Svensk Teknik och Design)
UIC	International Union of Railways
UNAFPA-UNIPI	Union of Organisations of Manufacturers of Pasta Products in the European Community
UNESDA-CISDA	Union of EU Soft Drinks Associations

Other organisations and publications

EITO	European Information Technology Observatory
EPO	European Patent Office
FAO	Food and Agriculture Organisation of the UN
IISI	International Iron and Steel Institute
LME	London Metal Exchange Limited
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of Petroleum Exporting Countries
UN	United Nations
USGS	US Geological Survey
WTO	World Trade Organization
WTO	World Tourism Organization
Hotels Magazine	
Meat Processing Global	
Media Salles	
PricewaterhouseCoopers	
The London Metal Exchange Limited	

Statistical abbreviations

AUVIS	Audiovisual Services
CIS	Community Innovation Survey
CIS	Commonwealth of Independent States
CN	Combined Nomenclature
CPA	Classification of Products by Activity
CVTS	Continual Vocational Training Survey
ECHP	European Community Household Panel
FDI	Foreign Direct Investment
LFS	Labour Force Survey
NACE	Nomenclature statistique des Activités économiques dans la Communauté Européenne (Statistical classification of economic activities in the European Community)
n.e.c.	not elsewhere classified
PRODCOM	PRODucts of the European COMmunity
SBS	Structural Business Statistics
STS	Short-Term Statistics
SME	Small and medium-sized enterprises

Other abbreviations

ADSL	Asymmetric Digital Subscriber Line
AM	After-Market
ATMs	Automatic teller machines
BER	Block Exemption Regulations
BME	Bolsas y Mercados Españoles
BSE	Bovine Spongiform Encephalopathy (Mad-cow disease)
B2B	Business-to-Business
B2C	Business-to-Consumer
CAP	Common Agricultural Policy
CDs	Compact discs
CD-ROM	Compact disc read-only memory
CFP	Common Fisheries Policy
CPD	Construction Products Directive
CPO	Competing Postal Operators
DTP	Desk-top Publishing
DVD	Digital Versatile Disc
EAMs	European Approvals of Materials
ECSC	European Coal and Steel Community
EDI	Electronic Data Interchange
EIB	European Investment Bank
FSAP	Financial Services Action Plan
F/OSS	Free and Open Source Software
GDP	Gross Domestic Product
ICT	Information and Communications Technologies
IT	Information Technology
JIT	Just In Time
JRC	Joint Research Centre
LAN	Local Area Network
LIFFE	London International Financial Futures and Options Exchange
MDF	Medium Density Fibreboard
MP3	MPEG-1/2 Audio Layer 3 (audio compression algorithm)
NASDAQ	National Association of Securities Dealers' Quotation System
NYSE	New York Stock Exchange
OE	Original Equipment
OJ	Official Journal (of the European Communities)
OPA	Other Postal Agents
OSB	Oriented Strand Board
PC	Personal Computer
PWS	Public Water Supply
R & D	Research and Development
REACH	System of Registration, Evaluation, and Authorisation of Chemicals
SARS	Severe Acute Respiratory Syndrome
SMS	Short Message Service
TV	Television
UCITS	undertakings for collective investment in transferable securities
USPs	Universal Services Providers
VAT	Value Added Tax

VCR	Videocassette Recorder
VHS	Video Home System

Weights and measures

DWT	Dead-weight-tonnes
GRT	Gross Registered Tonnage
GW	Gigawatt (10^6 kW)
Kg	Kilogram(s)
kgoe	Kilogram of oil equivalent
Km	Kilometre
Km^2	Square kilometre
MW	Megawatt (10^3 kW)
PPS	Purchasing Power Standard
pkm	Passenger-kilometre
t	Tonnes
tkm	tonnes-kilometre
TEU	Twenty Foot Equivalent Unit
Toe	Tonne of Oil Equivalent (41 868 kilojoules net calorific value per kilogram)
tU	Tonnes of contained Uranium
TW	Terawatt (10^9 kW)
TWh	Terawatt per hour (10^9 kW)

Countries

EU-25	25 Member States of the European Union
EU-15	BE, DK, DE, EL, ES, FR, IE, IT, LU, NL, AT, PT, FI, SE and UK
10 NMS	Ten new Member States
BE	Belgium
CZ	the Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
EL	Greece
ES	Spain
FR	France
IE	Ireland
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	the Netherlands
AT	Austria
PL	Poland
PT	Portugal
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	the United Kingdom
EEA	European Economic Area
BG	Bulgaria
RO	Romania
TR	Turkey
CN	China
HK	Hong Kong
JP	Japan
RU	Russia
US	United States (of America)

Currencies

EUR	Euro
BEF/LUF	Begian Franc
CZK	Czech Koruna
DKK	Danish Krone
DEM	German Mark
EEK	Estonian Kroon
GRD	Greek Drachma
ESP	Spanish Peseta
FRF	French Franc
IEP	Irish Pound
ITL	Italian Lira
CYP	Cyprus Pound
LVL	Latvian Lats
LTL	Lithuanian Litas
HUF	Hungarian Forint
MTL	Malta Lira
NLG	Dutch Guilder
ATS	Austrian Schilling
PLN	New Polish Zloty
PTE	Portuguese Escudo
SIT	Slovenian Tolar
SKK	Slovak Koruna
FIM	Finnish Markka
SEK	Swedish Krone
GBP	Pound Sterling
BGN	New Bulgarian Lev
ROL	Romanian Leu
TRL	Turkish Lira
JPY	Japanese Yen
USD	United States dollar

Symbols

:	not available
-	not applicable

Overview - the EU's business economy

INTRODUCTION

The Lisbon European Council of 23–24 March 2000 set the EU the objective of becoming 'the most competitive and dynamic knowledge-based economy in the world, capable of sustained economic growth with more and better jobs and greater social cohesion'.

In response, the European Commission laid out a proposal for a multiannual programme for enterprise policy, which was adopted by the European Council at the end of 2000. In a communication [(1)] entitled *Industrial policy in an enlarged Europe*, the European Commission outlined a three-pronged strategy to improve the competitiveness of the EU:

- by increasing efforts in the areas of education, vocational training and research, to spread knowledge, increase the use of new technologies and endow the labour force with necessary skills;
- by encouraging innovation to improve efficiency and competitiveness, as enterprises initiate, refine and improve their products, services and processes;
- by developing an entrepreneurial spirit and encouraging people to take risks and start new businesses, so as to stimulate innovative ideas and create employment opportunities.

[(1)] COM(2002) 714 final.

The topics of business demography (the creation, survival and death of enterprises) is treated in the second part of this overview, while the final section deals with information and communication technologies (ICTs) and intangibles, identified above as key elements for improving the competitiveness of the EU.

However, besides the challenge of stimulating economic growth, the EU also faces another major challenge during 2004, namely the smooth transition of moving from 15 to 25 Member States. The enlargement process is the first subject treated within this overview. The data presented concentrate on a comparative analysis of EU-15 and EU-25 data, looking at changes within the business economy [(2)] that resulted out of the accession of the 10 new Member States in May 2004.

[(2)] Defined for the purposes of this publication as NACE Sections C to K, covering mining and quarrying, manufacturing, electricity, gas and water supply, construction, distributive trades, hotels and restaurants, transport, storage and communications, financial intermediation, real estate, renting and business activities.

THE EFFECTS OF ENLARGEMENT

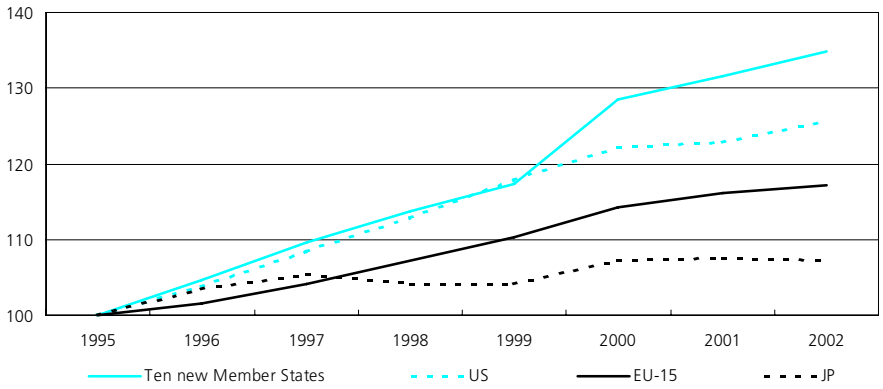
Rapid economic integration between the EU-15 and most of the 10 new Member States [3] started at the beginning of the 1990s, when market reforms were accompanied by the realignment of external trade relations. Up until this point the majority of the 10 new Member States (as well as Bulgaria and Romania) had planned economic systems and were characterised by geographic specialisation that focused on traditional, heavy industrial sectors, with ownership largely in the hands of the State.

During the 1990s the new Member States faced two challenges: privatisation of existing production structures (which had formerly been publicly owned) and providing economic stimuli to encourage the creation of new enterprises. Privatisation programmes were initiated alongside investment liberalisation, the elimination of administered prices and the creation of institutions to promote a business-orientated economy. The scale of these programmes was unparalleled, often covering thousands of enterprises. Frequently foreign direct investment (FDI) was seen to speed up this process of structural change, in particular in the Czech Republic, Hungary and Poland.

During the same period, there were increasing links between enterprises from EU-15 Member States and those in the new Member States. The predominant feature of cooperation agreements during the early 1990s was the outward processing of labour-intensive activities by EU-15 enterprises, allowing them to obtain substantial cost reductions and to remain competitive [4]. This strategy also benefited local producers from the 10 new Member States who obtained knowledge and technology transfers. Nevertheless, most commentators agree that as wages in the new Member States start to converge (at least to some degree) with those in the EU-15, standardised labour-intensive tasks will probably be driven to re-localise further east to countries such as the Ukraine and other members of the Commonwealth of Independent States (CIS). As a result, new economic models are starting to emerge regarding the industrial organisation of enterprise groups that have interests both in the EU-15 and the new Member States.

[3] Excluding Cyprus and Malta, and to a lesser degree Slovenia.
[4] For more information on foreign ownership, see *Characteristics of foreign-controlled enterprises*, Statistics in Focus 21/2004, Eurostat, KS-NP-04-021-EN-N..

Figure 1
Development of GDP in constant prices (1995=100)



Source: Eurostat, National Accounts - Breakdowns by branch of activity (theme2/aggs).

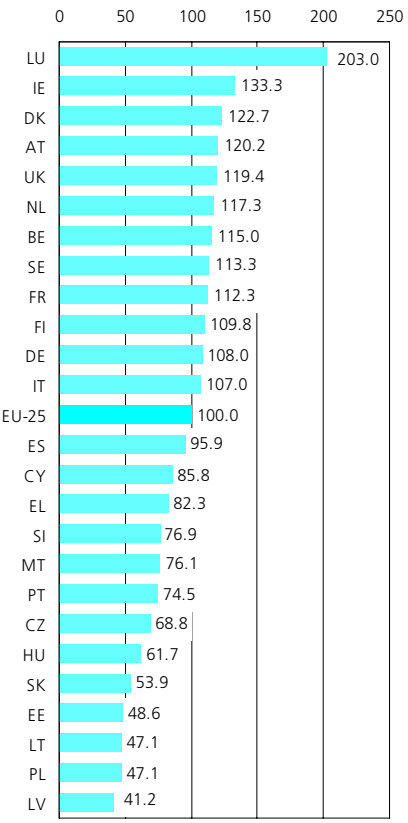
GDP AND POPULATION

EU-15 gross domestic product (GDP) in market prices was forecast at EUR 9 582 billion in 2004. The addition of the 10 new Member States added a further EUR 467 billion, such that EU-25 GDP was estimated to have totalled EUR 10 049 billion in 2004. This figure was just higher than the forecast for GDP in the United States, while it was more than 2.5 times greater than the forecast for GDP in Japan.

Constant price data for the period 1994–2004 show that GDP rose at an annual average rate of 2.1 % per annum in the EU-15, while the 10 new Member States reported average growth of 4.3 % per annum (see Figure 1). There were only five EU-15 Member States that reported GDP growth below the EU-15 average during the period considered; they were Belgium, Germany, France, Italy and Austria. The Baltic States and Poland were the only countries to report above average GDP growth among the 10 new Member States.

There were an estimated 380.7 million inhabitants in the EU-15 at the start of 2004 compared with 74.1 million within the 10 new Member States. As such, the 10 new Member States represented 16.3 % of the total EU-25 population, slightly less than the share recorded by Germany (18.1 %). The number of inhabitants in the EU-15 grew by 0.3 % between January 2003 and January 2004, while there was a contraction of 0.1 % in the number of inhabitants in the 10 new Member States. Poland had by far the largest population of the 10 new Member States, some 38.2 million persons (or 51.5 % of the total for the new Member States), while the Czech Republic and Hungary were the only other countries to report double-digit shares (just under 14 %).

Figure 2
GDP per inhabitant in relation to the EU average, 2004 (EU-25=100) (1)



(1) At current market prices using PPS; estimates.
Source: Eurostat, National Accounts - ESA95 - aggregates (theme2/aggs).

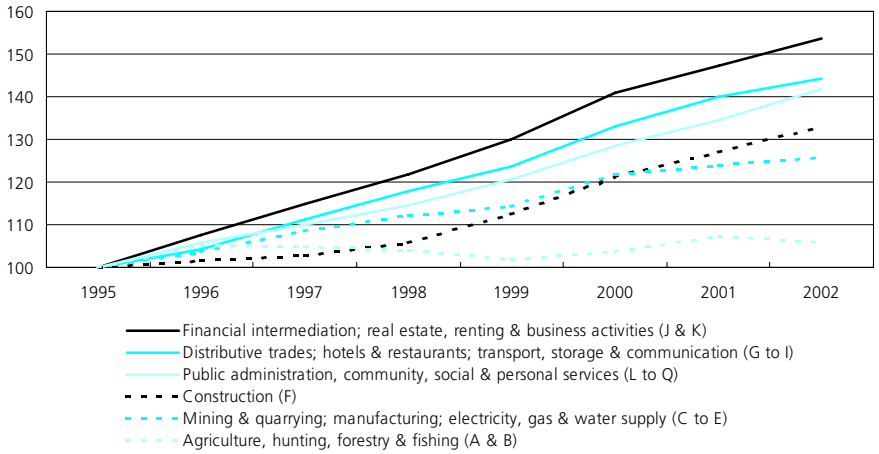
The level of GDP per inhabitant expressed in terms of purchasing power standards (PPS) is often used to compare the living standards of different countries. This indicator was forecast to be approximately twice as high in the EU-15 Member States (PPS 24 990) as in the 10 new Member States (PPS 12 330) in 2004. There were wide variations in living standards in the EU-15, from a high of PPS 46 560 in Luxembourg to PPS 17 100 in Portugal (see Figure 2). As such, GDP per inhabitant in Luxembourg was forecast to be 2.7 times more than in Portugal in 2004, while the same comparison made some ten years earlier in 1994 showed that living standards were 2.5 times higher in Luxembourg. Within the 10 new Member States the range in living standards was forecasted to be between PPS 19 690 in Cyprus and PPS 9 460 in Latvia. A similar analysis of the ratio of highest to lowest GDP per inhabitant reveals that between 1994 and 2004 the gap in living standards was reduced from 2.9 times higher to 2.1 times higher.

The economic structure of output has experienced marked changes in the last few decades within Europe. A complete time-series for EU-25 is only available back to the mid-1990s. However, even over this relatively short period, the share of the services sector (NACE Sections G to P) in EU-25 total value added increased from 67.6 % in 1995 to 70.7 % by 2002. Financial intermediation, real estate, renting and business activities (NACE Sections J and K) reported the most rapid growth of value added (see Figure 3). On the other hand, the relative importance of the industrial sector (NACE Sections C to E) declined from 24.1 % of total value added to 21.7 % during the same period.

The rate at which the structure of the economies of the 10 new Member States changed was even more rapid. The share of services in total value added rose by 7.8 percentage points to 64.9 % between 1995 and 2002, while the relative share of the industrial sector contracted by 5.1 percentage points to 25.3 %. The changes in the new Member States could also be associated with rapid growth within the business services sector. This was likely to have resulted from an increase in outsourcing, as well as changes in the business paradigm, whereby the creation of value added is increasingly linked to the use of intangible assets.

Figure 3

Breakdown of development of GDP in current prices, EU-25 (1995=100)



Source: Eurostat, National Accounts - Breakdowns by branch of activity (theme2/brkdowns).

ECONOMIC STRUCTURE OF THE EU-25'S BUSINESS ECONOMY BREAKDOWN BY ACTIVITY

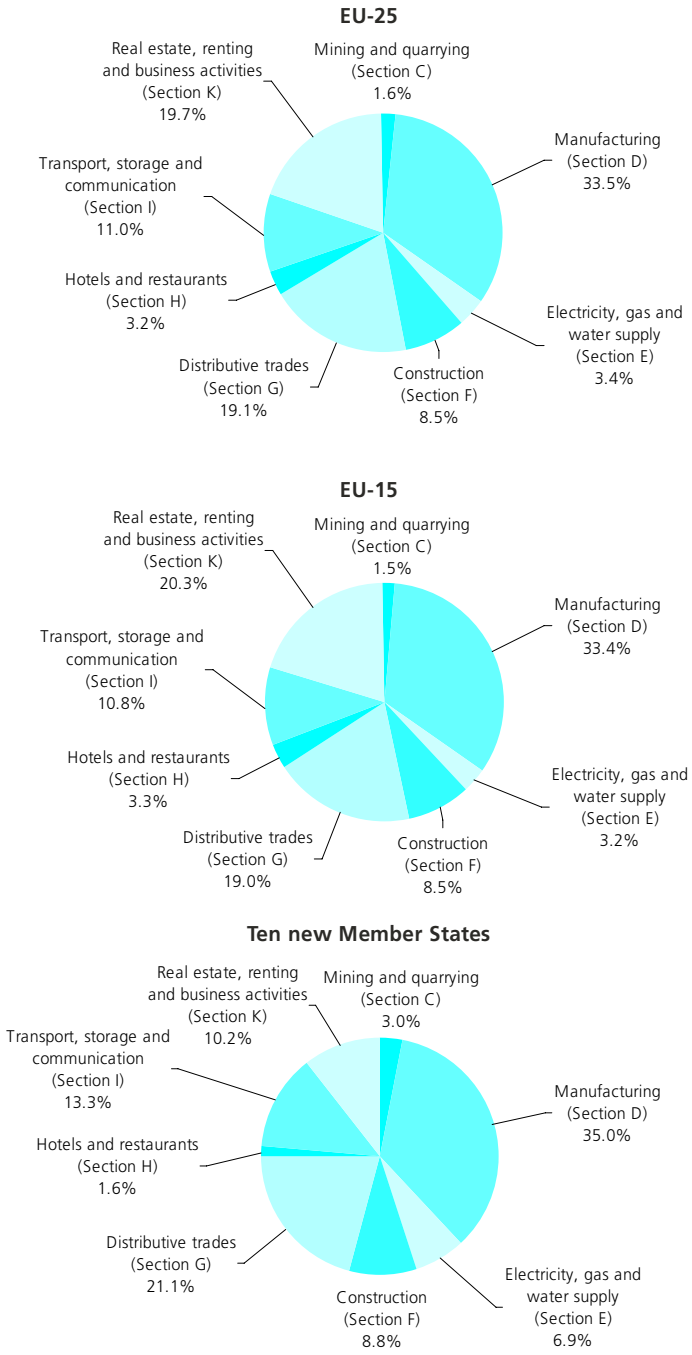
Value added in the EU-25's non-financial business economy (as defined by NACE Sections C to I and K) totalled EUR 4 585 billion in 2001. This figure could be broken down into EUR 4 341 billion among the EU-15 Member States (or 94.7 % of the EU-25 total) and EUR 244 billion among the 10 new Member States (or 5.3 % of the EU-25 total).

After more than a decade of reorganisation, the economic structure of the 10 new Member States resembled more closely those of the EU-15 Member States than they had done at the start of the 1990s. Nevertheless, there were still some notable differences that emerged when comparing the composition of value added in the non-financial business economies of the EU-15 and the 10 new Member States. Figure 4 provides a snapshot of the breakdown of value added in 2001. The 10 new Member States reported a higher proportion of their total value added being generated in six of the eight NACE sections for which data are available, when compared with the corresponding shares for the EU-15. The largest difference was recorded in the electricity, gas and water supply sector (Section E), where 6.9 % of total value added was generated in the non-financial business economy in the 10 new Member States (compared with 3.2 % in the EU-15). Transport, storage and communication (Section I), and real estate, renting and business activities (Section K) were the two NACE sections that were comparatively under-represented in the economies of the 10 new Member States. They accounted for 1.6 % and 10.2 % of total value added in the non-financial business economy in the 10 new Member States, compared with shares of 3.3 % and 20.3 % in the EU-15.

Looking at the importance of the largest mining and manufacturing sectors, it is possible to conclude that industrial activity was more diversified within the 10 new Member States than it was within the EU-15. The top five mining and manufacturing NACE subsections in the 10 new Member States accounted for 51.8 % of total mining and manufacturing value added in 2001, compared with a share of 56.1 % in the EU-15.

Figure 4

Breakdown of value added, 2001 (% share of non-financial business economy) (1)



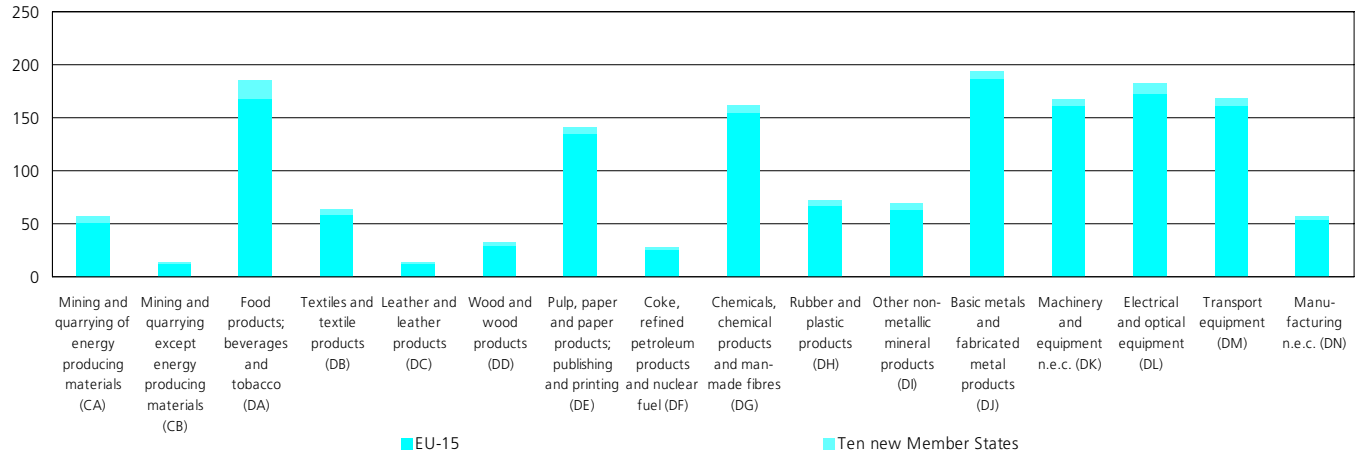
(1) Based on NACE Sections C to I and K; estimates.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

A more detailed comparison of the industrial structures of the EU-15 and new Member States economies reveals that industrial specialisation in several of the new Member States was centred on highly labour-intensive sectors. This was the case, for example, in the activities of mining and quarrying, the processing of food, beverages and tobacco, as well as the manufacture of textiles, wood products, and other non-metallic mineral products (see Figure 5). On the other hand, the EU-15 Member States reported a relatively high contribution to value added from the activities of chemicals, basic metals and fabricated metal products, machinery and equipment, and transport equipment.

Although it did not generate the highest amount of value added in the EU-25 in 2001, the food products, beverages and tobacco sector was the largest single mining and manufacturing NACE subsection in 11 of the 25 Member States in 2001. There were six Member States where the basic metals and fabricated metal products sector was largest in 2001 and these helped make this sector the largest mining and manufacturing NACE subsection in the EU-25 in 2001. Electrical and optical equipment was the largest sector in three countries, and chemicals, chemical products and man-made fibres in two countries. Three Member States reported a unique activity as their largest contributor to mining and manufacturing value added: they were Germany with the transport equipment sector, Portugal with textiles, and Sweden with pulp, paper, publishing and printing.

Figure 5

Breakdown of value added in mining and manufacturing sectors of the EU, 2001 (EUR billion)



Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Table 1

Three largest manufacturing sectors, 2001 (1)

	Largest	Second largest	Third largest
EU-25	Basic metals and fabricated metal products	Food products; beverages and tobacco	Electrical and optical equipment
BE	Chemicals, chemical products and man-made fibres	Basic metals and fabricated metal products	Food products; beverages and tobacco
CZ	Basic metals and fabricated metal products	Transport equipment	Electrical and optical equipment
DK (2)	Food products; beverages and tobacco	Machinery and equipment n.e.c.	Electrical and optical equipment
DE	Transport equipment	Machinery and equipment n.e.c.	Electrical and optical equipment
EE (2)	Food products; beverages and tobacco	Textiles and textile products	Wood and wood products
EL	Food products; beverages and tobacco	Basic metals and fabricated metal products	Coke, refined petroleum products and nuclear fuel
ES	Food products; beverages and tobacco	Basic metals and fabricated metal products	Chemicals, chemical products and man-made fibres
FR	Food products; beverages and tobacco	Electrical and optical equipment	Transport equipment
IE (3)	Chemicals, chemical products and man-made fibres	Electrical and optical equipment	Food products; beverages and tobacco
IT	Basic metals and fabricated metal products	Machinery and equipment n.e.c.	Electrical and optical equipment
CY	Food products; beverages and tobacco	Other non-metallic mineral products	Pulp, paper and paper products; publishing and printing
LV (4)	Food products; beverages and tobacco	Wood and wood products	Textiles and textile products
LT (2)	Food products; beverages and tobacco	Textiles and textile products	Electrical and optical equipment
LU	Basic metals and fabricated metal products	Rubber and plastic products	Other non-metallic mineral products
HU (2)	Food products; beverages and tobacco	Electrical and optical equipment	Transport equipment
MT (5)	Electrical and optical equipment	Food products; beverages and tobacco	Textiles and textile products
NL	Food products; beverages and tobacco	Pulp, paper and paper products; publishing and printing	Chemicals, chemical products and man-made fibres
AT (2)	Basic metals and fabricated metal products	Electrical and optical equipment	Machinery and equipment n.e.c.
PL (6)	Electrical and optical equipment	Transport equipment	Machinery and equipment n.e.c.
PT (7)	Textiles and textile products	Food products; beverages and tobacco	Other non-metallic mineral products
SI (2)	Basic metals and fabricated metal products	Electrical and optical equipment	Chemicals, chemical products and man-made fibres
SK (2)	Basic metals and fabricated metal products	Transport equipment	Electrical and optical equipment
FI	Electrical and optical equipment	Pulp, paper and paper products; publishing and printing	Machinery and equipment n.e.c.
SE	Pulp, paper and paper products; publishing and printing	Transport equipment	Basic metals and fabricated metal products
UK	Food products; beverages and tobacco	Pulp, paper and paper products; publishing and printing	Transport equipment

(1) Based on value added for NACE Subsections within Section D.
(2) NACE Subsections DC and DF, not available.
(3) NACE Subsections DF and DN, not available.
(4) NACE Subsections DA, DC and DF, not available.
(5) NACE Subsections DA and DF, not available.
(6) NACE Subsections DA and DI, not available.
(7) NACE Subsections DF and DH, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Table 1 confirms that several of the new Member States (in particular, the Baltic States, Cyprus and Malta) were reliant on traditional manufacturing sectors such as food processing, textiles, and wood processing. On the other hand, the Czech Republic, Hungary, Poland, Slovenia and Slovakia all had economic structures that more closely resembled that of the EU-15, with basic metals and fabricated metal products, electrical and optical equipment, and transport equipment often among the largest mining and manufacturing NACE subsections.

Relative specialisation ratios go a step further by looking within a particular country at the contribution of each activity to total manufacturing value added and comparing this to the same ratio for the whole of the EU-25 (in this case at the NACE group level). Table 2 shows that as well as being the largest sectors in a number of the new Member States, food processing, textiles, and wood processing activities also recorded some of the highest specialisation ratios; this was particularly true in the Baltic States. Hungary reported a relatively high degree of specialisation (compared with the EU-25 average) in the lighting equipment and electric lamps sector, and the manufacture of TV and radio receivers, sound or video recording equipment sector. Slovenia was relatively specialised in the manufacture of domestic appliances.

Among the EU-15 Member States, a similar pattern was seen, with the largest sector (in terms of value added) often one of the activities in which a country was most specialised. For example, Germany was relatively specialised in the manufacture of motor vehicles in 2001, while both Finland and Sweden were specialised in paper and wood activities. The three mining and manufacturing activities where Spain recorded its highest relative specialisation were all from the other non-metallic minerals sector. Italy and Portugal were both relatively specialised in the manufacture of leather products, while Portugal was also specialised in the textiles sector. As regards high-technology sectors, Finland was specialised in the manufacture of TV and radio transmitters and telephone apparatus and the United Kingdom was specialised in the manufacture of aircraft and spacecraft.

Table 2

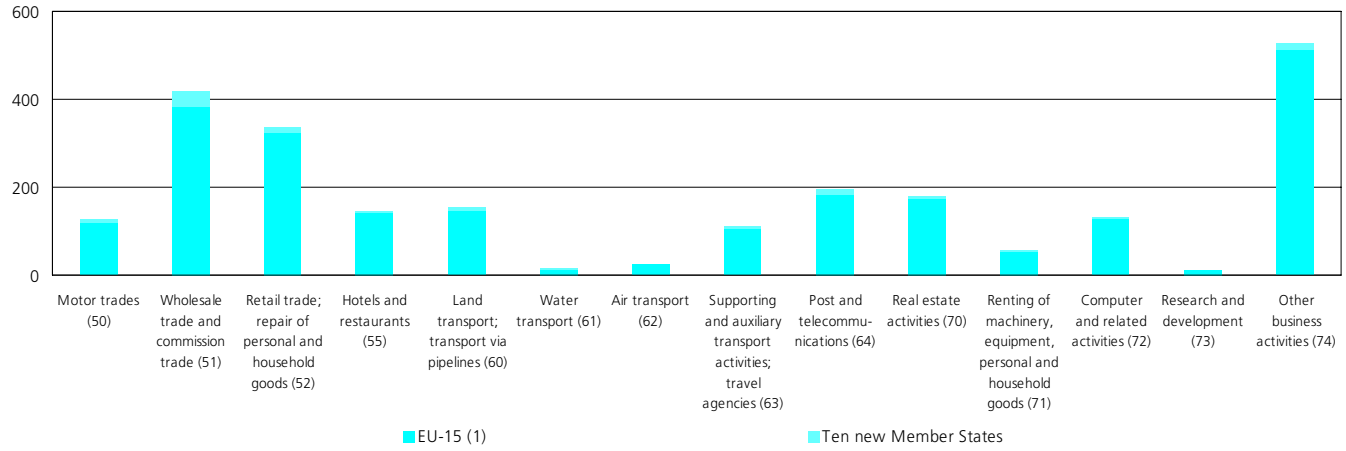
Relative specialisation ratios for value added in the manufacturing sector, 2001 (1)

BE	**CZ**	**DK**
Other textiles	Railway, tramway locomotives, rolling stock	Processing and preserving of fish and fish products
Other first processing of iron and steel non-ECSC ferro-alloys	Glass and glass products	Electric motors, generators and transformers
TV and radio receivers, sound or video recording	Textile weaving	Optical instruments and photographic equipment
DE	**EE**	**ES**
Electricity distribution and control apparatus	Sawmilling and planing of wood	Ceramic tiles and flags
Machine-tools	Processing and preserving of fish and fish products	Cutting, shaping and finishing of stone
Motor vehicles	Veneer sheets and boards	Cement, lime and plaster
FR	**IT**	**CY**
Steam generators, except central heating hot water boilers	Tanning and dressing of leather	Cement, lime and plaster
Industrial process control equipment	Footwear	Builders' carpentry and joinery
Soaps, detergents, cleaning products and toiletries	Ceramic tiles and flags	Jewellery and related articles
LV	**LT**	**LU**
Sawmilling and planing of wood	Knitted and crocheted articles	Other textiles
Veneer sheets and boards	Processing and preserving of fish and fish products	Basic iron and steel and of ferro-alloys (ECSC)
Processing and preserving of fish and fish products	Sawmilling and planing of wood	Rubber products
HU	**MT**	**NL**
Lighting equipment and electric lamps	Games and toys	Building and repairing of ships and boats
TV and radio receivers, sound or video recording	Electronic valves and tubes and other electronic components	Vegetable and animal oils and fats
Vegetable and animal oils and fats	Building and repairing of ships and boats	Prepared animal feeds
AT	**PL**	**PT**
Sports goods	Veneer sheets and boards	Footwear
Sawmilling and planing of wood	Processing and preserving of fruit and vegetables	Knitted and crocheted fabrics
Basic iron and steel and of ferro-alloys (ECSC)	Building and repairing of ships and boats	Other products of wood; cork, straw and plaiting materials
SI	**SK**	**FI**
Made-up textile articles	Other first processing of iron and steel non-ECSC ferro-alloys	TV and radio transmitters and telephone apparatus
Domestic appliances n.e.c.	Man-made fibres	Pulp, paper and paperboard
Tanning and dressing of leather	Railway, tramway locomotives, rolling stock	Sawmilling and planing of wood
SE	**UK**	
Pulp, paper and paperboard	Processing of nuclear fuel	
Sawmilling and planing of wood	Aircraft and spacecraft	
Tubes	Miscellaneous manufacturing n.e.c.	

(1) Three most specialised manufacturing activities per country; based on NACE Groups and their specialisation ratios in terms of value added at factor cost; only NACE Groups with a share > 0.5% of national manufacturing are included; table based on available NACE for each country; Greece and Ireland, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Figure 6

Breakdown of value added in the non-financial services sector, EU, 2001 (EUR billion)



(1) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

The EU-25 generated EUR 2 430 billion of value added in the non-financial services sector in 2001; some 95.4 % of this total was accounted for by the EU-15. Within the services sector (see Figure 6) the five largest non-financial services' divisions contributed 74.1 % to total non-financial services' value added in the 10 new Member States in 2001, compared with 67.9 % in the EU-15. This result was in contrast to that of the mining and manufacturing sector where there was more diversification in the 10 new Member States. The biggest difference was the comparatively high contribution of the wholesale trade sector to the non-financial services' total value added within the 10 new Member States and the relatively low contribution of other business activities within the economies of the 10 new Member States.

Within the EU-25 the largest services sectors (at the NACE division level) in 2001 were other business activities, wholesale trade, and retail trade (see Table 3). These activities often appeared among the three largest services sectors when looking at the largest sectors in each country. Indeed, this was the case in all but three of the EU-15 Member States for which data are available [(5)]. The exceptions were Denmark and Sweden, where real estate activities generated more value added than the retail trade sector and Luxembourg, where post and telecommunications generated more value added than the retail trade sector. This same sector (post and telecommunications) also played a relatively important role in the generation of value added in the non-financial services sector of 5 of the 10 new Member States. It was the largest non-financial services sector in Hungary in 2001, the second largest services sector in Latvia and Slovakia, and the third largest in the Czech Republic and Lithuania. The other main divergence in the ranking of services sectors among the new Member States was the elevated position of the hotels and restaurants sector in the two Mediterranean islands of Cyprus and Malta. Indeed, the hotels and restaurants sector was the largest contributor to non-financial services' value added in 2001 in both of these countries.

Table 3

Three largest non-financial services sectors, 2001 (1)

	Largest	Second largest	Third largest
EU-25 (2)	Other business activities	Wholesale trade	Retail trade
BE	Other business activities	Wholesale trade	Retail trade
CZ	Wholesale trade	Other business activities	Post and telecommunications
DK	Wholesale trade	Other business activities	Real estate activities
DE (3)	Other business activities	Wholesale trade	Retail trade
EE (4)	Wholesale trade	Auxiliary transport activities	Retail trade
EL	:	:	:
ES	Wholesale trade	Other business activities	Retail trade
FR	Other business activities	Retail trade	Wholesale trade
IE (5)	Other business activities	Retail trade	Wholesale trade
IT	Other business activities	Wholesale trade	Retail trade
CY (6)	Hotels and restaurants	Wholesale trade	Retail trade
LV	Wholesale trade	Post and telecommunications	Retail trade
LT	Wholesale trade	Land transport	Post and telecommunications
LU	Other business activities	Wholesale trade	Post and telecommunications
HU	Post and telecommunications	Wholesale trade	Land transport
MT (2) (7)	Hotels and restaurants	Wholesale trade	Air transport
NL (8)	Other business activities	Wholesale trade	Retail trade
AT	Wholesale trade	Other business activities	Retail trade
PL (9)	Wholesale trade	Other business activities	Land transport
PT	Wholesale trade	Retail trade	Other business activities
SI (10)	Wholesale trade	Other business activities	Retail trade
SK (4)	Wholesale trade	Post and telecommunications	Other business activities
FI	Wholesale trade	Other business activities	Retail trade
SE	Other business activities	Wholesale trade	Real estate activities
UK	Other business activities	Wholesale trade	Retail trade

(1) Based on value added for NACE Divisions within Sections G, H, I and K. (2) NACE Division 73, not available.
(3) 2000. (4) NACE Divisions 61 and 62, not available. (5) NACE Divisions 61, 62 and 63, not available.
(6) NACE Divisions 70, 71, 72, 73 and 74, not available. (7) NACE Division 71, 2000.
(8) NACE Division 73, 2000. (9) NACE Divisions 61, 62, 63 and 64, not available.
(10) NACE Divisions 60 and 61, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

[(5)] Greece, not available.

Specialisation ratios can also be produced for the services sector, looking at the proportion of non-financial services' value added accounted for by a particular activity within each country and comparing this to the same ratio for the whole of the EU-25 in 2001. The most specialised activities (at the NACE group level) in the majority of countries were within the distributive trades sector, spread across the activities of motor trades, wholesale trade, and retail trade. However, the data presented in Table 4 confirm the importance of the hotels and restaurants sector in Cyprus and Malta (as well as in Spain and Austria). The highest degree of specialisation in the services sector in Hungary was recorded for the telecommunications sector, which registered the third highest specialisation ratio in Slovakia.

Table 4

Relative specialisation in the non-financial services sector, 2001 (1)

BE	**CZ**	**DK**
Wholesale of machinery, equipment and supplies	Other wholesale	Wholesale of machinery, equipment and supplies
Labour recruitment and provision of personnel	Retail sale of automotive fuel	Wholesale of agricultural raw materials, live animals
Wholesale of household goods	Wholesale of non-agricultural intermediate products	Real estate activities
EE	**ES**	**FR**
Supporting and auxiliary transport activities; travel agencies	Retail sale of food, beverages, tobacco in specialized stores	Labour recruitment and provision of personnel
Retail sale of automotive fuel	Hotels; camping sites, other short-stay accommodation	Retail sale of pharmaceuticals, cosmetics & toiletries
Wholesale of non-agricultural intermediate products	Restaurants; bars; canteens and catering	Wholesale of agricultural raw materials, live animals
IE	**IT**	**CY (2)**
Wholesale of food, beverages and tobacco	Wholesale on a fee or contract basis	Hotels; camping sites, other short-stay accommodation
Computer and related activities	Maintenance and repair of motor vehicles	Restaurants; bars; canteens and catering
Hotels; camping sites, other short-stay accommodation	Industrial cleaning	Air transport
LV	**LT**	**LU**
Wholesale of non-agricultural intermediate products	Retail sale of automotive fuel	Air transport
Retail sale of automotive fuel	Transport via railways	Inland water transport
Retail sale not in stores	Sale of motor vehicle parts and accessories	Transport via railways
HU	**MT**	**NL**
Other wholesale	Air transport	Inland water transport
Telecommunications	Hotels; camping sites, other short-stay accommodation	Wholesale of agricultural raw materials, live animals
Retail sale of automotive fuel	Supporting and auxiliary transport activities; travel agencies	Wholesale of machinery, equipment and supplies
AT	**PL**	**PT**
Hotels; camping sites, other short-stay accommodation	Other wholesale	Air transport
Wholesale of agricultural raw materials, live animals	Retail sale of automotive fuel	Wholesale of household goods
Wholesale of machinery, equipment and supplies	Wholesale of food, beverages and tobacco	Wholesale of food, beverages and tobacco
SI	**SK**	**FI**
Wholesale on a fee or contract basis	Wholesale on a fee or contract basis	Wholesale of machinery, equipment and supplies
Other wholesale	Other wholesale	Other land transport
Retail sale of automotive fuel	Telecommunications	Air transport
SE	**UK**	
Real estate activities	Miscellaneous business activities n.e.c.	
Retail sale of automotive fuel	Air transport	
Computer and related activities	Labour recruitment and provision of personnel	

(1) Three most specialised non-financial services sectors per country; based on specialisation ratios in terms of value added at factor cost; only NACE with a share >0.5% of national non-financial services (NACE Sections G, H, I and K) are included; NACE Groups 60.3, 61.1, 74.2, 74.3 and 74.6 and NACE Division 73, not available; NACE 55.1 and 55.2 and NACE 55.3 to 55.5 are aggregated; no breakdown available for NACE Divisions 62, 63, 70, 71 and 72; table based on available NACE for each country; Germany and Greece, not available.
(2) Excluding NACE Section K.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Table 5

Breakdown of activity by enterprise size-class, EU-25, 2001 (% share of value added and employment in each NACE Section) (1)

	Value added				Employment			
NACE label (NACE Section)	Micro (1 to 9 persons employed)	Small (10-49 persons employed)	Medium (50-249 persons employed)	Large (250 or more persons employed)	Micro (1 to 9 persons employed)	Small (10-49 persons employed)	Medium (50-249 persons employed)	Large (250 or more persons employed)
Mining and quarrying (C)	11.3	8.7	17.5	62.5	4.6	13.7	13.2	68.5
Manufacturing (D)	7.3	15.8	22.0	54.9	9.6	20.6	25.2	44.5
Electricity, gas and water supply (E)	5.3	4.1	11.5	79.1	1.9	5.0	13.6	79.5
Construction (F)	31.5	32.2	17.8	18.5	30.4	36.0	18.3	15.3
Distributive trades (G)	26.8	24.4	17.9	30.8	39.6	21.2	12.4	26.8
Hotels & restaurants (H)	38.4	24.3	12.7	24.6	45.7	24.4	10.2	19.7
Transport, storage & communication (I)	11.1	11.9	10.6	66.4	17.0	14.4	11.7	56.9
Real estate, renting & business activities (K)	32.9	19.9	18.7	28.5	31.9	18.0	16.7	33.4

(1) Data are provided for the non-financial business economy (NACE Sections C to I and K); NACE Sections C to F, employment data relates to the number of employees instead of the number of persons employed.
Source: Eurostat, Structural Business Statistics (theme4/sbs/sizclass).

ECONOMIC STRUCTURE OF THE EU-25'S BUSINESS ECONOMY BREAKDOWN BY SIZE CLASS

There is, a priori, no optimum structure for the size of an enterprise. During the mid-1900s most economists agreed that economic modernisation was linked to increasing economies of scale. However, the subsequent rapid growth of the services sector, often on the back of an enterprise structure that was dominated by small and medium-sized enterprises (SMEs), led to a revision of these theories. The link between scale economies and increased productivity and competitiveness was further questioned when a large number of industrial conglomerates re-focused on their core activities during the 1980s and 1990s, while at the same time the complexity of production structures evolved, as industrial subcontracting and outsourcing emerged as new economic models alongside 'Just-in-Time' (JIT) production methods. However, it is clear that in some activities, particularly those characterised by network provision (for example, electricity supply or transport and communications), a minimum efficient scale of production exists.

Table 5 provides information on the breakdown of value added and employment according to enterprise size-class. While the vast majority of enterprises in the EU-25 are small (with less than 50 persons employed), they do not account for the majority of value added or employment. In 2001, large enterprises (with 250 or more persons employed) generated a majority of the value added in the mining and quarrying, manufacturing, electricity, gas and water supply, and transport, storage and communications sectors, their share of total value added rising as high as 79.1 % for electricity, gas and water supply. Large enterprises usually accounted for a lower proportion of total employment and as such it is possible to say that they were generally more productive than smaller enterprises. However, this relationship was not valid in three of the NACE sections for which data are available in Table 5: mining and quarrying, electricity, gas and water supply, and real estate, renting and business activities.

A more detailed breakdown of value added is presented in Table 6, with data provided at the level of NACE divisions. On average, large enterprises generated 43.3 % of the total value added generated in 2001 in the EU-25 within the non-financial business economy. This was considerably above the proportion of value added that was associated with each of the three other size-classes, which were all situated within the narrow range of 18 to 20 % of total value added.

Table 6

Breakdown of value added by enterprise size-class, EU-25, 2001 (% share of value added in each NACE Division) (1)

NACE label (NACE Division)	Micro (1 to 9 persons employed)	Small (10-49 persons employed)	Medium (50-249 persons employed)	Large (250 or more persons employed)
NON-FINANCIAL BUSINESS ECONOMY (Sections C to I and K)	19.5	19.0	18.2	43.3
Mining of coal and lignite; extraction of peat (10)	1.4	1.7	4.8	92.1
Extraction of crude petroleum and natural gas (11)	13.7	3.2	17.9	65.2
Mining of metal ores (13)	0.2	0.6	6.5	92.6
Other mining and quarrying (14)	11.8	36.0	27.6	24.6
Manufacture of food products and beverages (15)	8.7	15.1	23.0	53.1
Manufacture of tobacco products (16)	0.2	11.5	5.8	82.6
Manufacture of textiles (17)	9.8	23.8	35.4	31.0
Manufacture of wearing apparel; dressing; dyeing of fur (18)	17.4	28.4	27.3	26.9
Tanning, dressing of leather; manufacture of luggage (19)	17.5	30.3	28.6	23.6
Wood and products of wood and cork, except furniture (20)	22.1	31.3	25.3	21.2
Pulp, paper and paper products (21)	2.5	9.5	24.3	63.7
Publishing, printing, reproduction of recorded media (22)	13.9	22.7	23.7	39.7
Coke, refined petroleum products and nuclear fuel (23)	0.5	3.0	3.9	92.6
Chemicals and chemical products (24)	1.4	5.6	16.7	76.3
Rubber and plastic products (25)	5.1	18.4	32.5	44.0
Other non-metallic mineral products (26)	7.1	18.1	26.4	48.3
Basic metals (27)	1.6	7.5	19.7	71.2
Fabricated metal products, except machinery and equipment (28)	14.1	34.3	29.0	22.6
Machinery and equipment n.e.c. (29)	6.2	17.1	27.4	49.3
Office machinery and computers (30)	5.1	7.0	12.1	75.9
Electrical machinery and apparatus n.e.c. (31)	4.4	11.8	19.7	64.1
Radio, television and communication equipment and apparatus (32)	3.6	7.0	12.1	77.2
Medical, precision and optical instruments, watches and clocks (33)	10.7	18.1	24.1	47.1
Motor vehicles, trailers and semi-trailers (34)	0.8	3.1	8.1	88.0
Other transport equipment (35)	2.7	5.3	10.6	81.4
Furniture; manufacturing n.e.c. (36)	17.9	25.8	28.2	28.2
Recycling (37)	21.5	41.1	25.9	11.5
Electricity, gas, steam and hot water supply (40)	5.2	3.4	10.6	80.8
Collection, purification and distribution of water (41)	6.4	9.4	18.6	65.5
Construction (45)	31.5	32.2	17.8	18.5
Sale, maintenance and repair of motor vehicles (50)	27.6	27.9	20.6	23.9
Wholesale trade and commission trade (51)	24.0	29.2	22.1	24.7
Retail trade (52)	30.1	17.3	11.7	41.0
Hotels and restaurants (55)	38.4	24.3	12.7	24.6
Land transport (60)	22.5	21.2	14.3	42.0
Air transport (62)	1.7	2.9	10.6	84.8
Supporting and auxiliary transport activities; travel agencies (63)	12.4	18.7	18.7	50.2
Post and telecommunications (64)	1.7	1.3	2.0	95.0
Real estate activities (70)	53.3	18.1	16.9	11.6
Renting of machinery and equipment (71)	27.9	22.2	24.8	25.1
Computer and related activities (72)	20.7	17.8	20.2	41.3
Research and development (73)	8.0	9.2	27.9	54.9
Other business activities (74)	30.1	21.0	18.0	31.0

(1) Data are provided for the non-financial business economy (NACE Sections C to I and K); NACE Divisions 12 and 61, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/sizclass).

OUTPUT AND PRICE TRENDS

To study the evolution of the industrial economy over time, the short-term statistics (STS) database can be used to obtain annual indices for industrial production, output prices and turnover. These two concepts are linked to the production of branches and not to the production of sectors.

EU-25 industrial output (NACE Sections C to E) rose by 0.6 % between 2002 and 2003 (based on annual averages for both of these years), having recorded a contraction of 0.6 % in 2002 and a modest increase of 0.2 % in 2001 (see Figure 7). These figures could be contrasted with those for the period 1995 to 2000, when in four of the six years considered industrial output rose by upwards of 3 %, the highest growth rate being reported in 2000 when EU-25 industrial production grew by 4.8 %.

Industrial output in the 10 new Member States generally rose at a faster pace in recent years compared with the EU-15 Member States. Taking the five-year period from 1998 to 2003, industrial output rose, on average, by at least 3.9 % in Ireland, Estonia, Lithuania, Poland and Finland. There followed a group of three countries where industrial output rose on average by between 2.0 and 3.0 % over the same period: Latvia, Luxembourg and Slovenia. The United Kingdom was the only Member State to report declining industrial output during the period 1998 to 2003 [(6)].

[(6)] The Czech Republic, Greece, Cyprus, Hungary, Malta, Austria and Slovakia, not available.

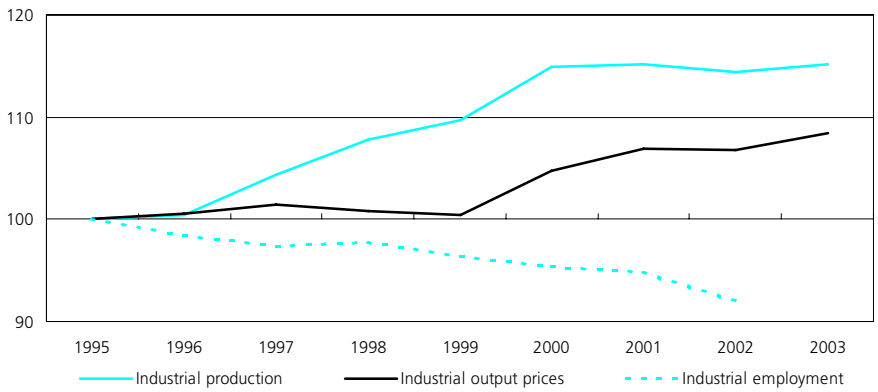
The evolution of EU-25 production across different manufacturing subsections showed wide variations (see Table 7). The fastest expanding sectors (with annual average growth of between 3.3 to 4.2 % during the period 1995 to 2003) included chemicals, chemical products and man-made fibres, electrical and optical equipment, and transport equipment. There was also fairly high growth (2.2 %) recorded in the rubber and plastic products sector. Moderate growth (of between 1.0 and 1.5 %) per annum was recorded for pulp, paper and paper products, publishing and printing, food products, beverages and tobacco, basic metals and fabricated metal products, wood and wood products, as well as machinery and equipment. At the other end of the range, textiles and textile products, and leather and leather products both reported annual average declines of close to 4 % during the period 1995 to 2003. The coke, refined petroleum products and nuclear fuels sector was the only other manufacturing NACE subsection to report that output fell.

Industrial output prices rose overall by 8.4 % between 1995 and 2003 within the EU-25. Having fallen by 0.1 % for both the EU-25 and the EU-15 in 2002, industrial output prices rose by 1.6 % in the EU-25 and by 1.5 % in the EU-15 in 2003. Between 2002 and 2003 prices fell in Lithuania (0.7 %) and the Czech Republic (0.3 %), while they increased by 4.0 % or more in Slovakia, Sweden, Hungary, the Netherlands and Luxembourg.

Manufacturing (NACE Section D) prices rose at an almost identical pace to industrial prices (8.2 %) during the period 1995 to 2003; this was equivalent to a 1.0 % increase per annum over the period considered. Over the same period the mining and quarrying sector (NACE Section C), and the electricity, gas and water supply sector (NACE Section E) had much higher price increases (22.0 % and 18.2 % respectively in the EU-25). The price of oil played an important role in determining prices in both of these sectors.

Figure 7

Evolution of main indicators for total industry (NACE Sections C to E), EU-25 (1995=100)



Source: Eurostat, European Business Trends.

Table 7

Development of industrial production, EU-25, growth rates (%)

NACE label (NACE code)	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL INDUSTRY (C-E)	3.2	0.5	3.9	3.3	1.7	4.8	0.2	-0.6	0.6
Mining and quarrying (C)	2.3	1.6	-2.2	-0.9	1.3	-2.8	-4.1	1.0	-3.1
Manufacturing (D)	3.2	0.1	4.5	3.6	1.6	5.2	0.2	-0.9	0.6
Food products; beverages and tobacco (DA)	1.5	1.5	3.1	0.9	1.3	0.9	1.1	1.9	0.8
Textiles and textile products (DB)	-1.9	-4.4	0.6	-2.3	-7.0	-1.4	-3.6	-7.5	-4.6
Leather and leather products (DC)	1.0	-3.4	1.1	-5.4	-3.9	-3.3	-4.0	-7.8	-8.7
Wood and wood products (DD)	-0.9	-3.4	4.4	3.3	2.6	5.4	-3.0	0.6	0.8
Pulp, paper and paper products; publishing and printing (DE)	-1.4	-0.7	4.2	3.5	3.2	2.4	-1.2	0.2	0.4
Coke, refined petroleum products and nuclear fuel (DF)	1.7	-0.2	-2.1	1.9	-5.6	2.4	-0.2	-2.5	2.1
Chemicals, chemical products and man-made fibres (DG)	3.6	2.7	6.4	3.2	4.6	5.2	2.8	4.8	2.1
Rubber and plastic products (DH)	3.0	-0.9	5.8	4.5	2.5	4.8	-0.7	0.1	1.7
Other non-metallic mineral products (DI)	2.0	-2.7	2.9	2.3	2.3	3.8	-0.9	-1.9	1.3
Basic metals and fabricated metal products (DJ)	5.1	-1.3	4.7	3.1	-0.7	5.8	0.1	-1.2	-0.1
Machinery and equipment n.e.c. (DK)	7.7	0.3	2.9	2.7	-2.5	5.7	1.6	-1.3	-1.1
Electrical and optical equipment (DL)	5.5	1.5	5.6	6.4	5.9	14.2	-1.4	-5.3	0.7
Transport equipment (DM)	3.1	2.4	8.0	9.0	3.9	5.7	1.9	-0.3	3.2
Manufacturing n.e.c. (DN)	-0.2	-0.9	1.9	5.1	2.7	2.9	0.1	-4.2	-2.1
Electricity, gas and water supply (E)	3.4	3.3	0.6	2.5	2.1	3.3	2.4	0.4	3.2

Source: Eurostat, European Business Trends.

Table 8

Development of domestic output prices, EU-25, growth rates (%)

NACE label (NACE code)	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL INDUSTRY (C-E)	4.3	0.5	0.9	-0.6	-0.4	4.3	2.0	-0.1	1.6
Mining and quarrying (C)	:	-2.1	4.1	0.2	0.2	8.8	5.5	1.1	2.7
Manufacturing (D)	4.8	1.1	0.6	-0.7	0.1	4.5	1.1	0.2	1.1
Food products; beverages and tobacco (DA)	:	2.3	1.4	-0.2	-0.7	1.7	4.0	1.1	1.6
Textiles and textile products (DB)	4.1	1.0	0.8	0.9	-0.1	1.2	1.5	0.4	0.5
Leather and leather products (DC)	4.7	2.0	1.5	1.3	0.3	2.0	4.4	2.2	0.7
Wood and wood products (DD)	5.0	-1.0	1.3	0.7	-0.6	0.9	0.9	-0.1	0.7
Pulp, paper and paper products; publishing and printing (DE)	:	-0.8	-1.1	0.9	-0.3	4.9	1.9	0.0	0.2
Coke, refined petroleum products and nuclear fuel (DF)	3.6	7.7	2.4	-10.4	10.9	36.0	-5.0	-2.2	3.5
Chemicals, chemical products and man-made fibres (DG)	7.4	-1.3	0.9	-1.7	-0.7	6.4	1.5	-0.7	1.9
Rubber and plastic products (DH)	6.7	0.0	-0.5	-0.7	-0.9	2.2	1.1	0.0	0.4
Other non-metallic mineral products (DI)	2.7	1.0	1.0	1.1	1.3	1.9	2.5	1.7	0.7
Basic metals and fabricated metal products (DJ)	:	-0.9	0.5	0.7	-2.2	4.3	0.4	-0.1	1.7
Machinery and equipment n.e.c. (DK)	3.3	2.7	1.5	1.1	0.8	1.0	1.5	1.3	0.9
Electrical and optical equipment (DL)	:	-0.9	-1.6	-2.3	-1.9	-0.8	-1.6	-1.4	-1.7
Transport equipment (DM)	:	1.9	0.2	0.9	0.6	0.3	0.6	1.2	0.8
Manufacturing n.e.c. (DN)	:	3.0	1.0	1.1	1.0	1.3	1.6	1.7	1.7
Electricity, gas and water supply (E)	:	-0.3	1.9	-2.1	-3.4	6.6	7.9	-0.3	7.4

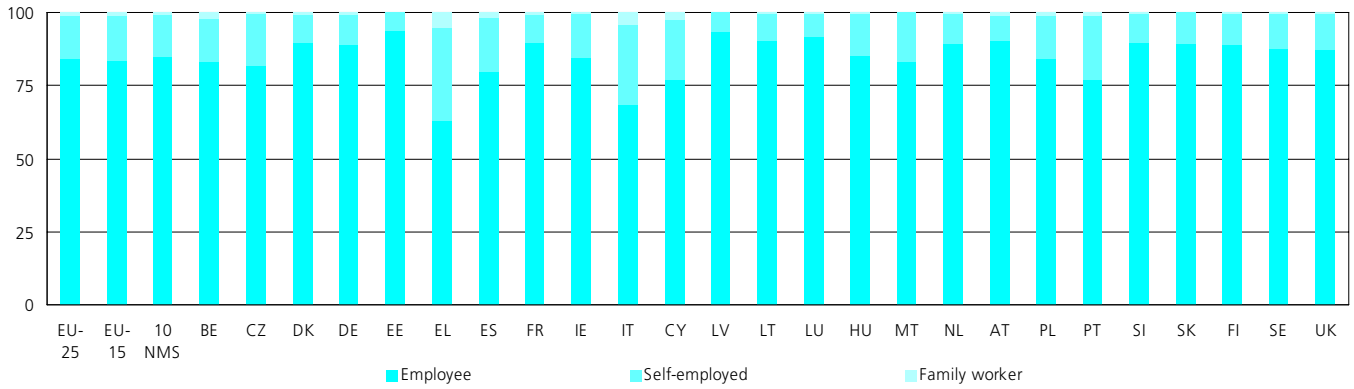
Source: Eurostat, European Business Trends.

With the exception of the coke, refined petroleum products and nuclear fuels sector (NACE Subsection DF), where price increases averaged 4.6 % per annum between 1995 and 2003 in the EU-25, none of the manufacturing subsections reported that output prices rose by more than 2 % per annum. Electrical and optical equipment was the only sector to report that output prices for the EU-25 fell, down by more than 11 % between 1995 and 2003 (see Table 8).

Lengthy time-series for annualised short-term statistics only exist for a limited number of service sectors, mainly within the area of distributive trades. These show that turnover in the EU-25 rose, on average, by 2.9 % per annum in the wholesale trade sector and by 3.4 % per annum in the hotels and restaurants sector between 1995 and 2002. Note that these growth rates are not deflated and hence include price changes. The index of the volume of sales (deflated turnover) in the retail trade sector (excluding repair of household goods) rose, on average, by 1.9 % per annum between 1995 and 2003.

Figure 8

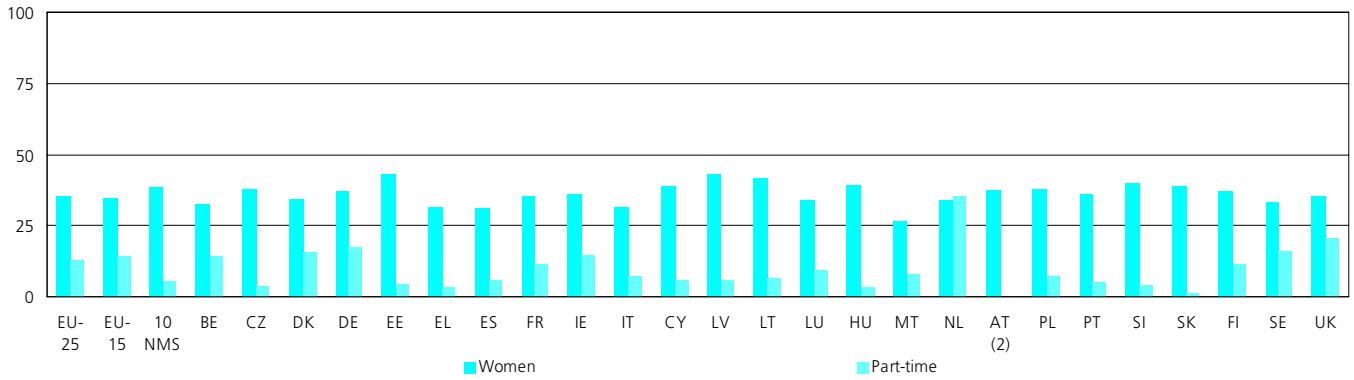
Labour force characteristics in the business economy (NACE Sections C to K) by employment status, 2002 (share of persons aged 15 or more) (%) (1)



(1) Non-response, not considered; 10 NMS, average for the ten new Member States.
Source: Eurostat, Labour Force Survey.

Figure 9

Labour force characteristics in the business economy (NACE Sections C to K), 2002 (% share of those employed aged 15 or more) (1)



(1) Non-response, not considered; 10 NMS, average for the ten new Member States.
(2) Part-time employment, not available.
Source: Eurostat, Labour Force Survey.

EMPLOYMENT TRENDS AND CHARACTERISTICS

According to the Labour Force Survey, in 2002 there were 192 million persons that made up the EU-25 workforce. The contribution of the 10 new Member States to this total was 15.1 %. Note that these figures cover the whole economy (NACE Sections A to Q). Restricting the analysis to the business economy activities (NACE Sections C to K), the EU-25 workforce was composed of 125 million persons. Of these, some 83.9 % were paid employees, 14.7 % were self-employed and the remaining 1.4 % were family workers (see Figure 8).

The main difference in the composition of the EU-15 and the 10 new Member States' workforces in terms of employment characteristics was the apparently low proportion (0.8 %) of family workers in the business economy workforce (NACE Sections C to K) of the 10 new Member States. However, closer inspection of the data reveals that the share of family workers in the 10 new Member States was not atypical. Rather, the difference was due to the relatively high proportion of family workers in the four southern EU-15 Member States of Greece, Spain, Italy and Portugal (where family workers accounted, on average, for 3.3 % of the total workforce). If these four countries are removed from the EU-15 aggregate, then the proportion of family workers in the total workforce of the 10 new Member States was identical to the other EU-15 Member States (0.8 %).

A breakdown by gender reveals that there were 81.1 million men and 43.9 million women working in the EU-25's business economy in 2002. As such, women accounted for 35.1 % of the business economy workforce, compared with 43.4 % within the whole economy (NACE Sections A to Q). This could be explained by a higher proportion of women working in areas such as education, health and social work, community and personal services. The 10 new Member States generally reported that women made up a higher proportion of the business economy workforce than in the EU-15 Member States, some 38.5 % compared with 35.1 % (see Figure 9). The Baltic States were the only Member States where the proportion of women in the business economy workforce rose to above 40 %. Malta was the only country where the proportion of women fell below 30 %, although Greece, Spain and Italy all registered shares that were between 30 and 32 %.

There were relatively large differences between the EU-15 and the 10 new Member States as regards the propensity to employ on a part-time basis (see again Figure 9). Some 14.3 % of the business economy workforce in the EU-15 had a part-time work contract in 2002, compared with just 5.3 % of the workforce in the 10 new Member States. All 10 of the new Member States had a part-time employment rate that was below 10 %, as did Greece, Spain, Italy, Luxembourg and Portugal. At the other end of the range, the Netherlands stood out as having by far the highest proportion of persons with a part-time work contract (35.1 %), followed by the United Kingdom (20.7 %).

According to structural business statistics (SBS), there were 113 million persons [7] working in the EU-25's non-financial business economy in 2001 (as covered by NACE Sections C to I and K). Of these, some 32.1 % were working in the industrial sector (NACE Sections C to E), while 10.5 % were working in the construction sector (NACE Section F) and the remaining 57.3 % in the non-financial services sector (NACE Sections G to I and K) - see Table 9. The 10 new Member States had a higher share of total EU-25 employment within the industrial sector (18.1 %) as compared with the construction (12.7 %) or non-financial services sectors (11.9 %).

[7] Slovenia, number of employees; Cyprus, excluding NACE Section K; Malta, excluding NACE Section E.

This pattern of relatively high proportions of the total number of persons employed within industrial activities was repeated in 9 of the 10 new Member States. Indeed, Cyprus was the only one of the new Member States to report a higher proportion of EU-25 persons employed in the non-financial services sector. Within the EU-15 Member States it was common to find a higher proportion of the EU-25 workforce within the non-financial services sector; this was particularly the case in the Benelux countries, Denmark, France, Austria and the United Kingdom. Spain and Portugal reported a relatively high proportion of the EU-25 workforce within the construction sector, while Germany accounted for 21.8 % of the industrial workforce compared with 15.7 % of the non-financial services workforce.

Table 9

Number of persons employed in the non-financial business economy, 2001 (1)

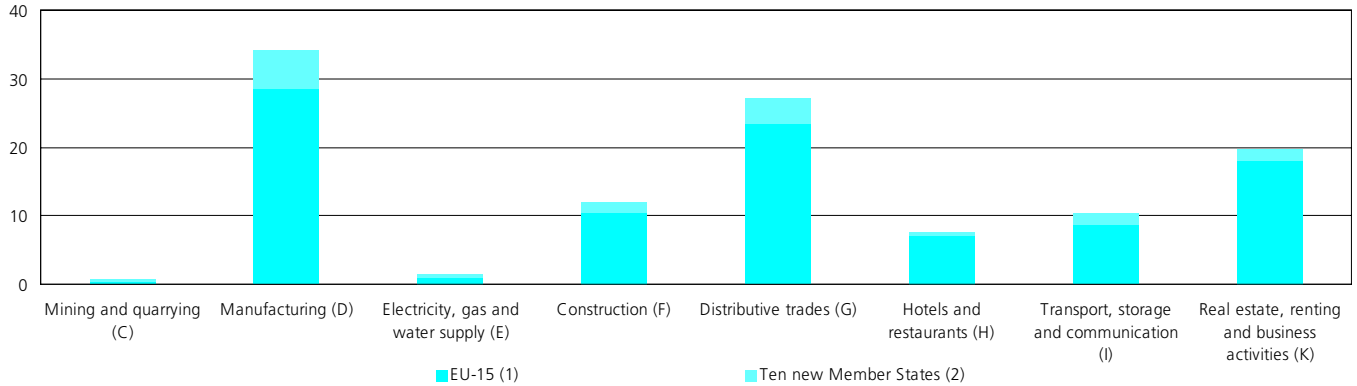
NACE label (NACE Section)	EU-25	EU-15	10 NMS	BE	CZ	DK	DE (2)	EE	EL (3)	ES	FR	IE (4)	IT	CY (5)
Non-financial business economy (C to I and K)														
Number of persons employed (thousands)	112 955	97 175	15 780	2 485	3 535	1 714	20 089	356	349	11 462	14 027	887	14 022	176
Share of EU-25 (%)	100.0	86.0	14.0	2.2	3.1	1.5	17.8	0.3	:	10.1	12.4	:	12.4	0.2
Mining and quarrying; manufacturing; electricity, gas and water supply (C to E)														
Number of persons employed (thousands)	36 294	29 736	6 559	709	1 518	498	7 917	140	257	2 762	4 312	271	5 003	39
Share of EU-25 (%)	100.0	81.9	18.1	2.0	4.2	1.4	21.8	0.4	0.7	7.6	11.9	0.7	13.8	0.1
Construction (F)														
Number of persons employed (thousands)	11 900	10 385	1 515	278	376	184	1 988	31	92	1 953	1 458	:	1 529	27
Share of EU-25 (%)	100.0	87.3	12.7	2.3	3.2	1.5	16.7	0.3	0.8	16.4	12.3	:	12.8	0.2
Non-financial services (G to I and K)														
Number of persons employed (thousands)	64 761	57 054	7 707	1 499	1 640	1 027	10 184	186	:	6 747	8 257	582	7 490	110
Share of EU-25 (%)	100.0	88.1	11.9	2.3	2.5	1.6	15.7	0.3	:	10.4	12.7	0.9	11.6	0.2

	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI (6)	SK	FI	SE	UK
Non-financial business economy (C to I and K)														
Number of persons employed (thousands)	496	699	179	1 665	108	5 027	2 215	7 254	2 813	549	942	1 216	2 617	18 145
Share of EU-25 (%)	0.4	0.6	0.2	1.5	0.1	4.4	2.0	6.4	2.5	0.5	0.8	1.1	2.3	16.1
Mining and quarrying; manufacturing; electricity, gas and water supply (C to E)														
Number of persons employed (thousands)	174	281	36	828	32	972	668	2 811	952	255	480	457	831	4 092
Share of EU-25 (%)	0.5	0.8	0.1	2.3	0.1	2.7	1.8	7.7	2.6	0.7	1.3	1.3	2.3	11.3
Construction (F)														
Number of persons employed (thousands)	43	69	27	117	8	496	235	709	382	62	74	126	237	1 367
Share of EU-25 (%)	0.4	0.6	0.2	1.0	0.1	4.2	2.0	6.0	3.2	0.5	0.6	1.1	2.0	11.5
Non-financial services (G to I and K)														
Number of persons employed (thousands)	280	350	116	719	68	3 559	1 312	3 735	1 479	232	387	633	1 549	12 687
Share of EU-25 (%)	0.4	0.5	0.2	1.1	0.1	5.5	2.0	5.8	2.3	0.4	0.6	1.0	2.4	19.6

(1) 10 NMS, ten new Member States.
(2) NACE Section G, 2000.
(3) Excluding NACE Sections G to I and K.
(4) NACE Section F, not available.
(5) NACE Section K, not available.
(6) Number of employees.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Figure 10

Breakdown of the number of persons employed in the non-financial business economy, 2001 (millions)



(1) Excluding Greece, NACE Sections G to I and K.
(2) Excluding Cyprus, NACE Section K; SI, number of employees.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

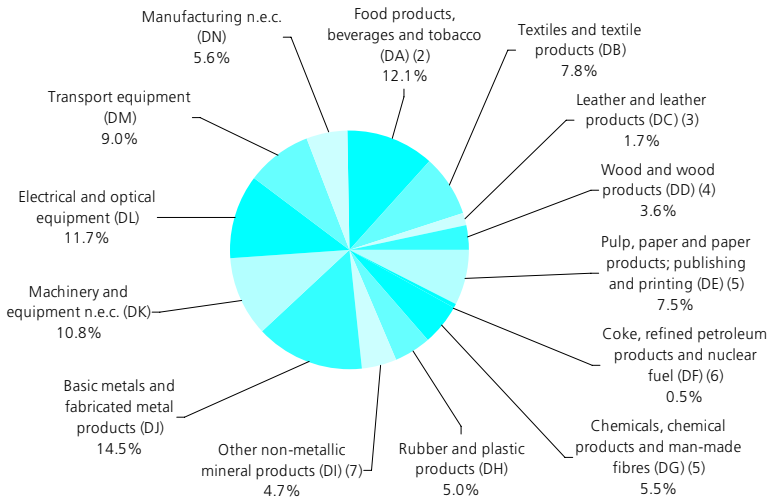
Figure 10 shows in more detail the breakdown of employment between the EU-15 and the 10 new Member States. The two NACE sections where the 10 new Member States had by far their highest share of total EU-25 employment were the activities of mining and quarrying (NACE Section C) and electricity, gas and water supply (NACE Section E). In these two sectors, the 10 new Member States accounted for 46.6 % and 32.2 % respectively of EU-25 employment in 2001, with the next highest proportion recorded in the manufacturing sector (NACE Section D), where the 10 new Member States occupied 16.9 % of the EU-25 workforce. Two services sectors stood out at the lower end of the ranking; they were real estate, renting and business activities (NACE Section K) and hotels and restaurants (NACE Section H), where the 10 new Member States occupied less than 1 in 10 of the EU-25's workforce (8.7% and 7.6 % respectively).

A breakdown of EU-25 employment in the manufacturing sector by NACE subsection is provided in Figure 11. This shows (as with the analysis of value added) that the largest manufacturing sector in the EU-25 in 2001 was the activity of basic metals and fabricated metal products (NACE Subsection DJ), which employed around 4.8 million persons, or 14.5 % of the non-financial business economy. The second and third largest activities in the EU-25's manufacturing sector, as measured by the number of persons employed, were also identical to the ranking by value added, namely, food products, beverages and tobacco (NACE Subsection DA) and electrical and optical equipment (NACE Subsection DL).

The main differences were recorded in the chemicals, chemical products and man-made fibres sector (NACE Subsection DG) which was the sixth largest in terms of value added (with a 10.6 % share of the manufacturing total), but the ninth largest in terms of employment (5.5 %). This resulted in the chemicals, chemical products and man-made fibres sector recording by far the highest apparent labour productivity in the EU-25's manufacturing sector, almost EUR 89 000 per person employed. On the other hand, the textiles and textile products sector (NACE Subsection DB) occupied 7.8 % of those employed in manufacturing, while generating 4.1 % of manufacturing value added. As such, each person employed generated an average of EUR 24 100, less than 3.5 times the level in the chemicals sector. It should be noted that employment data in SBS are a simple head count and that there may be large differences in the number of part-time employees between different sectors. As such, employment can be overestimated in sectors that display a high propensity to employ on a part-time basis, as employment levels in these sectors would be considerably lower if expressed as full-time equivalents.

Figure 11

Breakdown of the number of persons employed in the manufacturing sector, EU-25, 2001 (1)



(1) All NACE Subsections for Slovenia, number of employees.
(2) Excluding Poland; Slovakia, 2000.
(3) Excluding Estonia and Slovenia; Lithuania and Hungary, 1999; Latvia, number of employees.
(4) Malta, 2000.
(5) Excluding Poland.
(6) Excluding Estonia, Lithuania, Malta, Poland, Slovenia and Slovakia; Hungary, 1999; Latvia, number of employees.
(7) Poland, number of employees.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

EXTERNAL TRADE

The enlargement of the EU to 25 Member States resulted in approximately 75 million potential new customers within the single market, with the total number of customers rising to approximately 455 million with the accession of the new Member States. External trade statistics are based on products, as defined by the CPA (Classification of Products by Activity).

EU-25 exports of goods with non-Community countries (often called extra-EU trade, in other words, all trade with countries outside of the 25 Member States) totalled EUR 903 billion in 2002, which could be compared to EUR 942 billion of imports (see Table 10). It should be noted that, for many goods, the amount of trade that takes place within the EU is considerably higher than the flows that leave to or arrive from non-Community countries (for example, perishable goods, or goods with a low price/weight ratio). Furthermore, the data presented refer to the aggregate of all traded goods, (generally within CPA Sections A to E); as such, the data do not include trade in services, which have become an increasingly important part of the current account in most countries. The EU-25 ran a trade deficit of almost EUR 39 billion with non-Community countries in 2002, as exports covered imports by 95.9 %. The trade deficit in goods of the new Member States alone (with non-Community countries) was EUR -29 billion in 2002.

Some 80.7 % of the EUR 161 billion of exports made by the 10 new Member States in 2002 were destined for one of the other 25 Member States, while 68.9 % of the EUR 195 billion of the imports made by the new Member States originated from one of the other 25 EU countries. The growing importance of external trade between the new Member States and the EU-15 Member States means that, in particular, enterprises from the 10 new Member States are increasingly affected by economic developments within the EU-15, and vice versa, as the two economies become increasingly entwined.

Germany had the largest share of trade by EU Member States in 2002, accounting for 23.5 % of the goods that were exported (intra- and extra-EU trade combined). France, the United Kingdom, Italy, the Netherlands and Belgium all reported shares of between 13 and 8 %, while no other country had a share of more than 5 % of exports. Germany also reported the highest share of imports of goods (again from intra- and extra-EU partners), some 19.3 % of the total; the United Kingdom (13.6 %) and France (12.9 %) followed.

Table 10

External trade flows of all goods (CPA Sections A to E), 2002 (EUR million)

	Exports	Share in EU total (%)	Imports	Share in EU total (%)	Trade balance	Cover ratio (%)
EU-25 (1)	903 314	~	942 138	~	-38 824	95.9
BE	228 609	8.3	210 321	7.8	18 287	108.7
CZ	40 682	1.5	43 005	1.6	-2 323	94.6
DK	60 802	2.2	53 215	2.0	7 587	114.3
DE	651 259	23.5	518 488	19.3	132 771	125.6
EE	3 638	0.1	5 079	0.2	-1 441	71.6
EL	10 946	0.4	33 065	1.2	-22 118	33.1
ES	132 918	4.8	174 603	6.5	-41 685	76.1
FR	350 803	12.7	348 205	12.9	2 598	100.7
IE	93 337	3.4	55 429	2.1	37 909	168.4
IT	269 064	9.7	261 226	9.7	7 838	103.0
CY	449	0.0	3 903	0.1	-3 454	11.5
LV	2 417	0.1	4 279	0.2	-1 862	56.5
LT	5 537	0.2	7 958	0.3	-2 422	69.6
LU	10 814	0.4	13 907	0.5	-3 093	77.8
HU	36 503	1.3	39 927	1.5	-3 424	91.4
MT	2 144	0.1	2 799	0.1	-654	76.6
NL	258 099	9.3	231 879	8.6	26 220	111.3
AT	83 199	3.0	82 804	3.1	395	100.5
PL	43 499	1.6	58 480	2.2	-14 981	74.4
PT	28 098	1.0	42 414	1.6	-14 316	66.2
SI	10 962	0.4	11 574	0.4	-612	94.7
SK	15 234	0.6	17 517	0.7	-2 283	87.0
FI	47 742	1.7	36 187	1.3	11 556	131.9
SE	86 090	3.1	70 731	2.6	15 358	121.7
UK	296 315	10.7	366 240	13.6	-69 925	80.9

(1) Trade with non-Community countries only.
Source: Eurostat, Comext.

Among the new Member States the highest share of EU-25 trade was accounted for by Poland, which registered a 1.6 % share of all exports by EU Member States and a 2.2 % share of all imports. The only other new Member States that recorded more than 1 % of total EU exports or imports were the Czech Republic and Hungary. Every one of the 10 new Member States registered a trade deficit in goods in 2002, with only the Czech Republic, Hungary and Slovenia recording cover ratios (the ratio of exports to imports) above 90 %.

Table 11 presents information that relates uniquely to manufactured products (as covered by CPA Section D). The information presented concerns data for external trade flows with non-Community countries only. It shows that the largest sectors of the EU-25 economy as measured by value added (classified by NACE) were not always those for which the equivalent product groups (according to the CPA) had the largest trade flows. For example, the shares of food products, beverages and tobacco, and basic metals and fabricated metal products in EU-25 exports and imports of manufactured goods were considerably lower than the corresponding shares of the equivalent activities in manufacturing value added. On the other hand, there was a relatively high degree of importance for exports and imports of chemicals, and electrical and optical equipment when compared with the size of their equivalent activities in terms of value added.

A comparison of the breakdown of total manufactured imports and exports (CPA Section D) between the EU-25 and the new Member States shows that there was a higher propensity for the new Member States to export food products, beverages and tobacco, rubber and plastic products, other non-metallic mineral products, and basic metals and fabricated metal products. The EU-15 Member States were relatively specialised (in comparison with the new Member States) in exporting chemicals, chemical products and man-made fibres, machinery and equipment, and transport equipment.

In terms of imports, the new Member States imported a much higher share of electrical and optical equipment, while the EU-15 Member States imported relatively more textiles and textile products, transport equipment, and manufacturing goods not elsewhere classified (a division that includes jewellery, musical instruments, games and toys and sports goods).

Figure 12 provides information concerning the most important destinations and origin of EU-25 exports and imports of manufactured goods (CPA Section D) in 2002. These figures cover extra-EU trade with non-Community countries and do not take account of trade flows between the Member States. EU-25 exports were somewhat more diversified as the top five export partners represented 47.6 % of total exports, compared with 55.1 % for imports.

Table 11

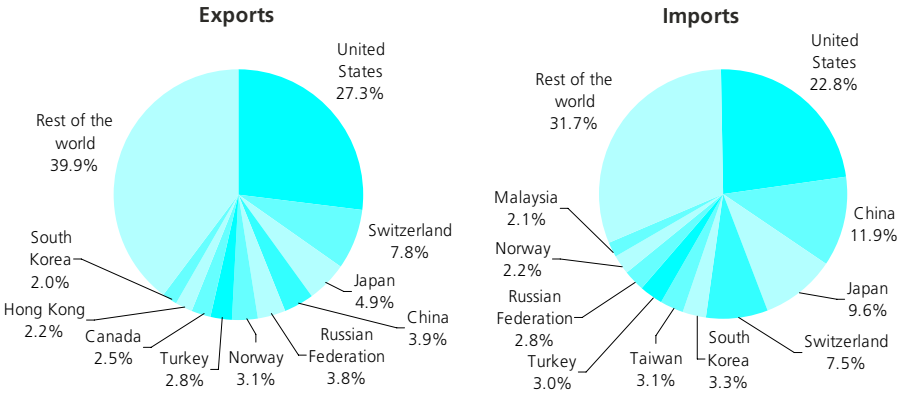
EU-25 external trade flows with non-Community countries (% share of all manufactured products)

	EU-25		Ten new Member States	
CPA label (CPA Subsection)	Exports	Imports	Exports	Imports
Food products, beverages and tobacco (DA)	5.7	5.3	9.7	4.9
Textiles and textile products (DB)	4.3	9.0	4.4	6.7
Leather and leather products (DC)	1.5	2.4	1.1	2.0
Wood and wood products (DD)	0.9	1.2	2.6	1.0
Pulp, paper and paper products; publishing and printing (DE)	2.7	1.9	4.3	1.4
Coke, refined petroleum products and nuclear fuel (DF)	2.1	3.0	1.4	3.7
Chemicals, chemical products and man-made fibres (DG)	16.3	11.3	11.0	10.0
Rubber and plastic products (DH)	2.3	2.2	4.4	2.6
Other non-metallic mineral products (DI)	1.9	1.0	4.3	1.1
Basic metals and fabricated metal products (DJ)	6.6	8.4	10.1	7.7
Machinery and equipment n.e.c. (DK)	14.9	7.8	9.5	7.5
Electrical and optical equipment (DL)	18.6	28.4	18.8	39.8
Transport equipment (DM)	18.8	13.6	14.2	9.3
Other manufactured goods n.e.c. (DN)	3.5	4.6	4.4	2.2

Source: Eurostat, Comext.

Figure 12

Destination and origin of EU-25 manufactured (CPA Section D) exports and imports, 2002



Source: Eurostat, Comext.

The United States stood out as being by far the most important trading partner of the EU-25 for manufactured goods (CPA Section D). The United States was the destination for over a quarter (27.3 %) of the EU-25's exports of manufactured goods in 2002 and was the origin of 22.8 % of the EU-25's imports. The EU-25 ran a trade surplus for manufactured goods of EUR 61.3 billion with the United States in 2002, which was more than five times the size of the next most important surpluses that were recorded with the United Arab Emirates, the Russian Federation, Australia, Saudi Arabia, Mexico, Norway, Switzerland and Hong Kong.

China was the second most important origin of imports of manufactured goods into the EU-25, with an 11.9 % share of total manufactured imports. This figure was 8 percentage points higher than China's share of EU-25 manufactured exports (3.9 %), evidence of a large trade surplus for China with the EU-25 in terms of manufactured goods (EUR 54.3 billion). Japan reported a similar pattern, accounting for 9.6 % of the EU-25's imports, compared with 4.9 % of the EU-25's exports and hence recorded a trade surplus with the EU-25 of EUR 29.7 billion. The EU-25 also ran trade deficits (for manufactured goods) of at least EUR 5 billion in 2002 with Taiwan, Malaysia, Korea (Republic of), the Philippines, Indonesia and Thailand.

BUSINESS DEMOGRAPHY

Data are available for a limited number of Member States for enterprise demography indicators (covering the birth, death and survival of enterprises). This limited data set currently reports data for 10 of the EU-15 Member States and Norway, although it has recently been expanded to include several of the new Member States (this information will become available shortly).

Business demography is of interest to policy makers as it provides measures that can be used to study entrepreneurship. Most commentators believe that new enterprises stimulate economic growth by creating jobs and making economies more dynamic. Many new enterprises are created to fill market niches. These can take the form of product markets, or alternatively, geographical markets.

For this data set the business economy is defined as NACE Sections C to K (excluding NACE Class 74.15). The birth rate in the EU [8] was 8.4 % in 1999, rising to 8.5 % in 2000, before declining to 8.3 % in 2001. This figure is derived as the ratio of the number of enterprise births to the total number of active enterprises in each reference period. There are some quite large discrepancies between countries, as birth rates in 2001 ranged between 6.6 % in Sweden and 12.2 % in Luxembourg (see Table 12).

Given that the stock of active enterprises does not vary greatly over time, it is not surprising to find that death rates are also roughly the same magnitude as birth rates. Hence, the number of enterprises that went out of business in the EU was similar in magnitude to the number of enterprises that were created. In 1998, some 7.2 % of enterprises in the EU's business economy died, a figure that fell to 7.0 % in 1999, before climbing once more to 7.3 % in 2000. There were again quite large differences between countries, as Sweden recorded the lowest death rates (5.5 % of enterprises died in that country in 2000), while the highest rates were registered in the United Kingdom, where 10.6 % of the total number of enterprises died in 2000 (see Table 13).

[8] For the whole of this section on business demography, the EU data refer to an average for Denmark, Spain, Italy, Luxembourg, the Netherlands, Finland and Sweden.

Table 12

Birth rates within the business economy (NACE Sections C to K) (enterprise births as a proportion of the total number of enterprises, %) (1)

	1998	1999	2000	2001
EU (2)	:	8.4	8.5	8.3
BE	:	:	7.0	:
DK	10.1	10.9	10.0	9.3
ES	9.7	9.6	9.7	9.1
IT	11.4	7.6	7.8	7.7
LU	13.2	13.4	12.4	12.2
NL	:	9.6	9.4	9.6
PT (3)	9.5	8.0	7.6	7.5
FI	8.5	7.6	7.3	7.2
SE	:	6.3	7.0	6.6
UK	9.1	9.6	8.9	:
NO	12.3	11.4	10.3	10.1

(1) Excluding NACE Class 74.15.
(2) Average for Denmark, Spain, Italy, Luxembourg, the Netherlands, Finland and Sweden only.
(3) Break in series, 2001, from when the data exclude sole proprietors.
Source: Eurostat, Structural Business Statistics (theme4/sbs/bus_demo).

Table 13

Death rates within the business economy (NACE Sections C to K) (enterprise deaths as a proportion of the total number of enterprises, %) (1)

	1997	1998	1999	2000
EU (2)	:	7.2	7.0	7.3
BE	:	6.7	8.7	:
DK	8.1	8.3	8.1	9.7
ES	7.7	8.0	6.9	7.2
IT	9.3	6.5	7.1	7.0
LU	8.7	9.0	9.4	9.2
NL	:	7.7	8.1	10.2
PT	7.0	6.5	6.3	:
FI	6.7	8.0	6.8	7.3
SE	7.1	5.9	5.1	5.5
UK	9.7	10.5	10.4	10.6
NO	:	:	7.6	8.3

(1) Excluding NACE Class 74.15.
(2) Average for Denmark, Spain, Italy, Luxembourg, the Netherlands, Finland and Sweden only.
Source: Eurostat, Structural Business Statistics (theme4/sbs/bus_demo).

Table 14

Survival rates within the business economy (NACE Sections C to K) (enterprises surviving as a proportion of the total number of enterprise births, %) (1)

	Enterprises born in 1998 that survived to:			Enterprises born in 1999 that survived to:	
	1999	2000	2001	2000	2001
EU (2)	:	:	:	85.2	73.6
BE	:	:	:	:	:
DK	80.6	63.8	53.5	79.7	61.9
ES	82.8	69.3	61.6	80.6	70.1
IT	83.3	71.3	62.3	88.4	76.6
LU	89.4	77.2	66.2	89.3	77.2
NL	:	:	:	84.6	71.0
PT	94.1	71.6	:	95.9	:
FI	83.0	68.4	59.2	84.2	70.6
SE	:	:	:	98.7	89.3
UK	91.8	77.8	:	93.4	:
NO	85.1	74.8	66.9	82.6	70.2

(1) Excluding NACE Class 74.15.
(2) Average for Denmark, Spain, Italy, Luxembourg, the Netherlands, Finland and Sweden only.
Source: Eurostat, Structural Business Statistics (theme4/sbs/bus_demo).

The business demography data set also allows a cohort of enterprises to be tracked over time, plotting the survival rates of a particular subset of enterprises. Table 14 shows the survival rates within the business economy of enterprises born in either 1998 or 1999. These rates are given as a proportion of the initial number of enterprise births in each of the years. As such, from the cohort of enterprises that were born in 1999 in the EU, some 85.2 % survived to the following year and by 2001 there 73.6 % of those initially born in 1999 were still surviving. For the cohort of enterprises that were born in 1998, only slightly more than half had survived to 2001 in Denmark (53.5 %), while the ratio was somewhat higher in Finland (59.2 %) Spain (61.6 %) and Italy (62.3 %), with the highest survival rates being registered in Luxembourg (66.2 %).

INFORMATION SOCIETY AND INTANGIBLES

The final section looks at the development of the knowledge-based society. Vocational training, research, innovation and the use of modern technologies are some of the ways that efficiency gains can be made in a modern economy, thus improving competitiveness. These topics have been addressed by the European Commission under various initiatives that are directed at moving the EU towards the Lisbon goal of becoming 'the most competitive and dynamic knowledge-based economy in the world' by 2010.

ICT AND E-COMMERCE USAGE AMONG ENTERPRISES

There was rapid change in the business economy during the 1990s, as telecommunications liberalisation, coupled with the growth of the Internet, led to the birth of the information society. While the buoyant growth of the ICT sector was halted abruptly in 2001, partnerships between enterprises, suppliers and consumers have continued to develop and e-business continues to provide opportunities for enterprises to access new markets.

The eEurope 2005 action plan was launched at the Seville European Council in June 2002. Its aim was to develop modern public services and 'a dynamic environment for e-business through the widespread availability of broadband access at competitive prices with a secure information infrastructure across the EU'.

The ICT usage and e-commerce survey of enterprises [9] shows that 95 % of enterprises in the EU-15 used a computer at the start of 2002, while four out of five (81 %) of these used the Internet as a working tool during 2001.

[9] The Community survey on ICT usage in enterprises was conducted in 2002. The target population for this survey was enterprises with 10 or more persons employed within the following activities: NACE Sections D and G, Groups 55.1 and 55.2, Section I, Division 67 and Section K. EU averages cover all EU-15 Member States except Belgium, France and the United Kingdom. Any additional divergences from the standard activity, size coverage or variable definitions for any of the individual Member States that are used to compile EU averages are also present in the EU averages. The results presented exclude NACE Division 67 for Denmark, Germany, Ireland and Italy, while they include NACE Divisions 65 and 66 and Groups 55.3 to 55.5 for the Netherlands. Size class data for the Netherlands are based on the distinction between medium-sized enterprises and large enterprises being made at 200 persons employed (and not the standard threshold of 250 persons that is used in the other Member States).

The most popular online application used by enterprises was e-banking (68 % of all enterprises using the Internet), while enterprises that had a web presence at the start of 2002 favoured using the Internet as a marketing tool (80 %) [10]. The supply of and the demand for web-based services generally increased with the average size of an enterprise (see Table 15).

[10] Note that this means the enterprise used the Internet to provide information concerning the goods or services they offered, while there was no direct attempt to make sales over the Internet.

Table 15

Proportion of enterprises using ICT (%)

	EU (1)	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
Proportion of enterprises using computers at the start of 2002																
All sizes	95	:	98	95	88	95	:	95	95	97	94	93	84	99	99	89
SME	94	:	98	94	88	95	:	95	95	97	94	93	84	99	99	88
Large	100	:	100	100	99	100	:	98	100	97	97	100	99	100	100	100
Proportion of PC-equipped enterprises that used the Internet during 2001																
All sizes	81	:	95	84	64	83	:	83	74	79	85	85	69	96	95	54
SME	81	:	95	83	64	82	:	82	74	78	85	84	68	96	95	53
Large	98	:	100	98	96	98	:	96	95	96	95	100	98	100	100	86
Enterprises using the Internet during 2001: proportion using the following Internet services																
For market monitoring (2)	46	:	44	41	77	54	:	40	38	55	63	66	43	61	53	:
To receive digital products	35	:	45	42	15	21	:	30	33	62	27	26	18	60	65	:
To obtain after-sales services	:	:	:	50	15	23	:	22	15	31	30	16	14	36	70	:
For banking and financial services (2)	68	:	72	65	60	78	:	69	52	54	78	68	71	85	75	:
Enterprises using the Internet during 2001: proportion with a web-site or homepage																
	67	:	80	78	52	46	:	64	62	65	68	75	55	72	84	100
Enterprises with a web-site or homepage in 2001: proportion offering the following Internet services																
Market products	80	:	96	82	97	54	:	90	88	69	88	88	58	86	97	:
Facilitate access to product catalogues & price lists (2)	45	:	39	40	43	60	:	45	43	51	40	47	58	42	43	:
Deliver digital products (3)	9	:	11	11	7	6	:	12	5	20	20	7	5	11	4	:
Provide after-sales support	26	:	27	45	11	18	:	18	7	23	30	12	16	31	35	:
Provide mobile Internet services	4	:	2	6	6	2	:	7	3	5	:	4	2	5	5	:

(1) Excluding Belgium, France and the United Kingdom.
(2) Sweden, wording of these services was different in the survey questionnaire.
(3) Denmark, wording of these services was different in the survey questionnaire.
Source: Eurostat e-commerce survey, 2002.

Table 16

Enterprise use of e-commerce

	EU (1)	BE	DK (2)	DE	EL (3)	ES	FR	IE	IT	LU	NL (4)	AT	PT (5)	FI	SE	UK
Enterprises having used the Internet during 2001: proportion that purchased products via the Internet in 2001																
All sizes	29	:	49	45	17	8	:	46	10	29	37	37	24	54	62	47
SME	29	:	48	45	16	8	:	45	10	29	37	36	24	53	62	47
Large	40	:	80	41	27	15	:	62	15	23	54	56	30	70	83	45
Enterprises having used the Internet during 2001: proportion that received orders via the Internet in 2001																
All sizes	14	:	25	19	14	3	:	26	5	15	40	25	11	17	14	19
SME	14	:	25	19	14	3	:	26	5	15	40	25	10	17	14	19
Large	20	:	36	18	17	7	:	33	7	13	47	29	27	27	27	22

(1) Excluding Belgium, France and the United Kingdom.
(2) Limited to purchases from web-sites; limited to own web-site for receiving orders.
(3) Only covers enterprises that made at least 1% of purchases via the Internet or generated at least 1% of turnover via the Internet.
(4) Includes transactions by all types of electronic networks.
(5) For orders received, only covers enterprises that generated at least 1% of turnover via the Internet; estimates.
Source: Eurostat e-commerce survey, 2002.

Three out of every 10 (29 %) enterprises using the Internet in the EU-15 made use of e-commerce in 2001 to purchase at least some of the products they needed for their activity (see Table 16). Enterprises within the services sector (particularly those within the business services sector) generally reported a higher recourse to Internet purchasing than enterprises within the manufacturing sector.

Data that relate to e-sales refer to both business-to-business (B2B) and business-to-consumer (B2C) markets. The survey shows that EU-15 enterprises were generally less active in the domain of e-selling as compared with e-purchasing, as just 14 % of the enterprises in the EU-15 that used the Internet during 2001 declared having received orders for their products or services via the Internet. A somewhat higher proportion of large enterprises recorded using e-sales (20 %), although this share was half the proportion of large enterprises that made some form of e-purchase (40 %).

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INNOVATION

Innovation activity is thought to be one of the main driving forces that increases knowledge and the use of technology within an economy. Innovation changes the pace of economic growth by opening up potentially new markets, be they for goods, services or industrial processes. Innovations may result in cost advantages for the enterprises that introduce them. Alternatively, when introducing products that are new to the market, it is likely that enterprises with innovation activity will, at least for a limited period of time, benefit from a monopolistic position. In both cases the enterprise that innovates benefits in relation to its competitors.

One important aspect of the innovation process is that it spreads information and knowledge. Often the costs of making this knowledge available to many users are considerably lower than the costs incurred by the enterprise introducing the innovation. As a result, many governments put in place policies that protect intellectual property rights, for example patents, copyrights and trademarks (see the following section for more information on patents). Without these forms of protection, some enterprises would likely cease to carry out their innovation activities for fear that they would never re-coup their costs, in terms of time and expenditure. This is particularly true when innovations are related to basic research where the potential use of an innovation is unclear (for example, a scientific discovery that could be used in a number of different fields). However, it is in these very areas that the public benefits of innovation can potentially be at their greatest (for example, medical discoveries). As such, many governments provide public funding for basic research activities.

Every four years a major innovation survey is conducted across Europe, called the Community innovation survey. The last time this took place was in 2000 and aggregated results of this exercise are available for 13 of the EU-15 Member States [(11)]. Results from the third Community innovation survey (CIS3) show that there were 233 200 enterprises with 10 or more employees within the business economy [(12)] that had some form of innovation activity during the period 1998–2000, some 43 % of the all enterprises. It is possible to provide a breakdown of this figure according to different types of innovator. This shows that enterprises were most likely to be both product and process innovators (23 % of all enterprises), while 10 % were product only innovators and 7 % were process only innovators. The survey also distinguished enterprises with only on-going and/or abandoned innovation activity; these accounted for 3 % of all enterprises (see Table 17).

[(11)] Data for Ireland and Luxembourg were not taken into account when creating EU aggregates. Hence, all EU data in this section refers to a sum or an average for the 13 remaining EU-15 Member States.
[(12)] For the purpose of this section on innovation the business economy is defined as NACE Sections C to E (industry) and NACE Division 51, Sections I and J, Divisions 72 and 73 and Groups 74.2 and 74.3 (services).

Table 17

Typology of innovators in the EU's business economy, 1998-2000 (1)

	Total number of enterprises (thousands)	Proportion of total number of enterprises (%)	Proportion of total number of industrial enterprises (%)	Proportion of total number of enterprises in the services sector (%)
Total	546.8	100	100	100
Enterprises with innovation activity	233.2	43	45	39
Successful innovators	212.3	41	42	34
Product only innovators	58.3	10	10	12
Process only innovators	39.2	7	9	5
Product and process innovators	114.7	23	23	17
Enterprises with only on-going and/or abandoned innovations	31.7	3	5	6
Enterprises without innovation activity	313.6	56	55	61

(1) Excluding Ireland and Luxembourg; business economy defined as NACE Sections C to E (industry) and NACE Division 51, Sections I and J, Divisions 72 and 73 and Groups 74.2 and 74.3 (services).
Source: Eurostat, Third Community Innovation Survey (theme9/innovat/inn_cis3).

A higher proportion of enterprises in the EU-15's industrial sector (45 %) engaged in innovation activities during the period 1998–2000, compared with those in the services sector (39 %). The difference was most noticeable among large enterprises, where 78 % of all enterprises in the industrial sector had some form of innovation activity, while the corresponding figure for services was 63 %. While the economic sector appears to explain some of the differences in the propensity to innovate, the average size of an enterprise also appeared to be an important factor. An increasing proportion of enterprises reported innovation activity as the average size of the enterprise grew in both the industrial and the services sector (see Table 18).

In order to measure the relative performance of enterprises with innovation activity, it is perhaps more revealing to look at the proportion of turnover or employment that is accounted for by enterprises with innovation activity. Enterprises with innovation activity in the EU-15 [13] accounted for 44 % of the total population of enterprises between 1998 and 2000; however, in contrast, their share of total employment and turnover reached 72 % and 75 % in 2000. The CIS3 survey provides one way of studying innovation output over time, by measuring the turnover growth of enterprises. This measure reveals that turnover grew on average by 9 % per annum during the period 1998–2000 among enterprises with innovation activity, compared with average annual growth of 3 % among enterprises without innovation activity. This pattern was reproduced in both the industrial and services sectors.

[13] All data in this paragraph also excludes the United Kingdom (in other words EU-15 excluding Ireland, Luxembourg and the United Kingdom).

Table 18

Proportion of enterprises with innovation activity in the EU, 1998-2000 (1)

	Industry	Services
All sizes	45	39
Small	39	35
Medium-sized	61	51
Large	78	63

(1) Excluding Ireland and Luxembourg; industry defined as NACE Sections C to E; services defined as NACE Division 51, Sections I and J, Divisions 72 and 73 and Groups 74.2 and 74.3.
Source: Eurostat, Third Community Innovation Survey (theme9/innovat/inn_cis3).

RESEARCH AND DEVELOPMENT

The Barcelona Council set the ambitious target of raising R & D expenditure within the EU to 3 % of GDP by 2010. The European Commission has initiated a number of policies to promote R & D expenditure, including cooperation with the European Investment Bank (EIB). This has resulted in an increase in the means with which the EIB can support research and innovation. The Commission is also working on extending the block exemption of State aid for R & D to SMEs, which should make access to finance for R & D more simple and efficient.

In 2002, R & D expenditure in the EU-15, relative to GDP, was 1.99 %; this was the same ratio that had been recorded in 1990. Within the EU-25, the ratio was slightly lower at 1.93 % in 2001. At the time of writing (spring 2004), there were only two Member States that had attained the Barcelona objectives, namely, Sweden (where R & D accounted for a 4.27 % share of GDP in 2001) and Finland (3.49 % in 2002). The next best-placed country to reach the 3 % threshold was Germany (2.51 % in 2002). Among the new Member States there were just two countries where the share of R & D expenditure rose above 1 % of GDP; they were Slovenia (1.57 % in 2001) and the Czech Republic (1.30 %). At the bottom end of the range, Greece, Spain and Portugal reported that their R & D expenditure accounted for less than 1 % of GDP, while among the 10 new Member States, Latvia and Cyprus recorded rates below 0.5 % [14].

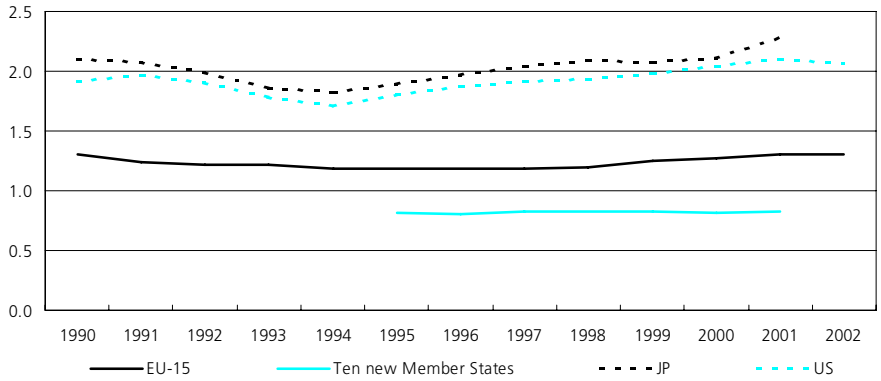
[14] Malta, not available.

In absolute terms, the EU-15 reported that EUR 119 billion of R & D expenditure was made in the business enterprise sector (which is defined by the OECD as including all firms, organisations and institutions whose primary activity is the market production of goods or services (other than higher education) for sale to the general public at an economically significant price, and private non-profit institutes serving them) in 2002, compared with EUR 105 billion in Japan in 2001 and EUR 225 billion in the US in 2002. Practically the whole of the R & D investment gap (relative to GDP) between the EU-15 and the two other members of the Triad could be attributed to the relative under-performance of the business enterprise (or private) sector (see Figure 13). Indeed, a comparison of the levels of expenditure that are recorded in the governmental and the higher educational sectors shows that EU-15 expenditure in these sectors was almost identical to the levels recorded in Japan or the US (see Table 19).

Tracing the development of business enterprise R & D expenditure (again as a proportion of GDP) over time shows that this ratio rose in the EU-15 from 1.19 % to 1.30 % between 1995 and 2001. Within the 10 new Member States there was almost no change in the relative importance of R & D expenditure made by the business enterprise sector, which accounted for 0.82 % of GDP in 1995 and 0.83 % in 2001. On the other hand, expenditure by the business enterprise sector rose from 1.89 % of GDP in Japan in 1995 to 2.28 % by 2001, while there was also growth in the US (1.80 % in 1995 to 2.06 % by 2002).

Figure 13

Business enterprise research and development expenditure (% of GDP) (1)



(1) Estimates.
Source: Eurostat, Research and Development expenditure and personnel (theme9/rd_ex_p/rd_nat/nat_exp and theme9/rd_cec/r_d/).

As such, it is perhaps not surprising to find that one of the main conclusions that came out of the Barcelona summit was that the Heads of State or Government asked for increased involvement from the private sector towards R & D funding. The gap in business enterprise sector funding may result from a lack of R & D investment by SMEs within Europe. Indeed, very large EU-15 enterprises performed comparably to the R & D expenditure performance of large enterprises from the US or Japan. Large enterprises in the EU-15 accounted for a growing share of R & D expenditure among the top 300 international enterprises in terms of R & D investment. It is important to note, however, that an increasingly important share of R & D expenditure that was made by large European enterprises was made outside of the EU-15 (for example, in Asia or in the US).

Table 19

Research and development expenditure in the EU, 2002 (EUR million) (1)

	EU-15	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV
Total R&D expenditure	182 387	5 515	744	4 265	51 539	37	:	6 227	33 414	1 339	:	25	38
Of which:													
Business enterprise sector	119 000	4 062	381	2 934	36 350	9	:	3 261	20 779	917	6 870	4	11
Government sector	23 949	331	331	503	6 923	22	:	989	5 664	128	2 657	16	16
Higher education sector	38 197	1 059	4	796	8 266	1	:	1 925	6 506	294	:	0	:
Private non-profit sector	1 240	62	5	32	:	1	:	52	465	:	:	1	:

	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Total R&D expenditure	73	:	405	:	8 090	4 217	1 197	1 038	297	143	4 873	10 459	30 501
Of which:													
Business enterprise sector	:	:	153	:	4 712	:	390	330	159	78	3 447	8 118	19 683
Government sector	:	33	201	:	1 194	:	759	216	119	61	521	297	3 683
Higher education sector	:	2	:	:	2 184	:	20	381	1	1	905	2 033	6 724
Private non-profit sector	:	:	1	:	44	:	5	112	0	0	:	10	412

(1) Estimates; Belgium, Denmark, Germany, Spain, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Sweden, 2001; the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Poland, Slovenia and Slovakia, 2000.
Source: Eurostat, Research and Development expenditure and personnel (theme9/rd_ex_p/rd_nat/nat_exp and rd_cec/r_d/gerdfund).

PATENTS

The previous sections on innovation and R & D have dealt with the measurement of two phenomenon that are often cited as being highly important within the context of the knowledge-based economy. A related issue is the protection of any innovations and research discoveries that are made.

Intellectual property rights are a key element in the transformation of knowledge into economic value and as such are an important dimension of European research policy. The protection of intellectual property rights has become an increasingly strategic issue for enterprises, universities and public research organisations that invest in research and innovation. Property rights provide an incentive for invention and the subsequent market development of new ideas.

A patent is a legal entitlement of property that grants the owner the exclusive rights to exploit an innovation commercially. This right usually refers to a specific geographical area and is granted for a limited period of time. In return for this exclusive right, its technical details are published hence, allowing the knowledge associated with the innovation to circulate freely even if the idea itself cannot be commercially developed.

In 2001, the EU-25 applied for 61 458 patents to the European Patent Office (EPO) - see Table 20. There were a significant number of patent applications made to the EPO in the same year from Japan (22 226) and the US (47 202). Patent applications at the EPO from Japan and the United States were particularly high within the field of high-technology applications, which accounted for more than 20 % of total patent applications from these two countries, whereas the corresponding proportion in the EU-25 was just over 10 %.

When expressed as a ratio per million inhabitants, Japan recorded the highest relative number of patent applications to the EPO (174.7), followed by the United States (169.8) and the EU-25 (161.1). Note that the number of patent applications is likely to be higher within the national territory than abroad and hence, the figures for both Japan and the United States are relatively high considering they relate to applications for patents within Europe.

As with the indicators presented for innovation and research, there were wide disparities between the levels of patent applications among the Member States. Germany had the highest number of patent applications in 2001 (25 489 or 41.9 % of the EU-15 total). However, in relative terms the highest ratios for patent applications per million inhabitants were reported in Finland and Sweden (the two countries that also recorded the highest R & D expenditure). Sweden (366.6), Finland (337.8) and Germany (309.9) were the only three Member States to make more than 300 patent applications to the EPO per million inhabitants in 2001.

Among the 10 new Member States the highest absolute number of patent applications made at the EPO was recorded by Hungary (190), followed by the Czech Republic (110). However, in relative terms the highest number of applications per million inhabitants was registered in Slovenia (40.7), followed by Hungary (19.0).

Table 20

Patent applications to the European Patent Office

	1995	1996	1997	1998	1999	2000	2001
Total number of patent applications (units)							
EU-25	34 487	36 465	43 230	49 084	53 301	60 328	61 458
EU-15	34 205	36 180	42 894	48 671	52 896	59 754	60 890
10 NMS (1)	282	284	337	414	405	574	568
JP	11 084	12 641	14 342	15 500	16 649	20 250	22 226
US	25 246	28 130	31 225	35 035	38 552	45 778	47 202
Patent applications per million inhabitants (units)							
EU-25	77.2	81.4	96.3	109.2	118.3	133.6	135.7
EU-15	92.1	97.1	114.8	130.0	141.0	158.7	161.1
10 NMS (1)	3.7	3.8	4.5	5.5	5.4	7.7	7.6
JP	88.3	100.7	115.1	122.9	131.7	159.5	174.7
US	96.5	106.5	117.2	130.2	141.9	166.2	169.8
High-technology patent applications (units)							
EU-25	3 902	4 385	5 695	7 321	8 759	11 126	12 017
EU-15	3 880	4 367	5 674	7 281	8 718	11 048	11 928
10 NMS (1)	23	18	21	39	42	78	89
JP	2 464	2 787	3 361	3 678	4 096	5 085	5 707
US	5 275	6 252	7 329	8 623	10 118	14 140	15 839

(1) 10 NMS: ten new Member States.

Source: Eurostat, European patenting systems (theme9/patents/pat_eu/pat_nat/nat_tot and nat_ht).

Table 21

Main indicators for training, 1999 (% of all enterprises)

	EU-15	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV
Proportion of enterprises providing training	62	70	69	96	75	63	18	36	76	79	24	:	53
Continuing vocational training	54	48	61	88	67	47	9	28	71	56	23	:	26
Other forms of training	53	67	59	87	72	57	15	27	41	75	22	:	50
Proportion of enterprises providing training (breakdown by enterprise size-class)													
Small	56	66	62	95	71	58	11	31	70	75	20	:	49
Medium-sized	81	93	84	98	87	85	43	58	93	98	48	:	70
Large	96	100	96	100	98	96	78	86	98	100	81	:	91

	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Proportion of enterprises providing training	43	71	37	:	88	72	39	22	48	:	82	91	87
Continuing vocational training	21	50	24	:	82	71	26	11	33	:	75	83	76
Other forms of training	39	65	30	:	70	27	36	20	46	:	72	78	83
Proportion of enterprises providing training (breakdown by enterprise size-class)													
Small	37	67	32	:	85	68	36	17	35	:	78	88	85
Medium-sized	60	83	51	:	96	91	52	46	72	:	97	99	91
Large	80	99	79	:	98	96	63	78	96	:	99	99	98

Source: Eurostat, Continuing Vocational Training (theme3/training/cvts/cvts2/tentn/tent03n and tents/tent03s).

TRAINING

As well as raising competitiveness, the Lisbon European Council also called for sustained economic growth with more and better jobs and greater social cohesion. To ensure their contribution to the Lisbon strategy, the ministers for education adopted, in 2001, a report on the future objectives of education and training systems within the EU. They agreed on three major goals to be achieved by 2010:

- to improve the quality and effectiveness of EU education and training systems;
- to ensure that these systems were accessible to all;
- to open up education and training to the wider world.

It was also agreed that the policies needed in each country would vary according to the circumstances encountered and as such would be developed according to national contexts and traditions, being driven forward through cooperation and shared experiences.

The European Commission adopted on 11 November 2003 a communication [15] that presented an interim evaluation of the implementation of the *Education and training 2010* programme. The communication stated that, 'if the Union as a whole is currently under-performing in the knowledge-driven economy in relation to some of its main competitors, this is due partly to an overall level of investment which is comparatively too low in human resources'.

The last reference year for the Continuing vocational training survey (CVTS) is 1999. This survey concerned enterprises with 10 or more employees. Table 21 presents some of the main results, namely, that training seemed to be more common in the northern Member States and that it was also more customary in large enterprises (as compared with SMEs).

[15] *Education and training 2010 - The success of the Lisbon strategy hinges on urgent reforms*, COM(2003) 685 final.

On average, 65 % of all enterprises in the EU-15 provided some form of training to their employees in 1999. This ranged from highs of more than 90 % of all enterprises in Denmark and Sweden, to less than one quarter of all enterprises in Greece, Italy and Portugal.

While just over half (56 %) of the small enterprises (10–49 employees) in the EU-15 provided some form of training in 1999 to their employees, this proportion rose as high as 96 % among large enterprises (with 250 or more employees). This pattern of an increasing propensity to provide training, as the average size of an enterprise grew, was reproduced in every country for which data are available.

Statistical annex

There follows a short set of tables giving some general information which may be of use in interpreting the data that follows in the remaining chapters. This data is generally of a macro-economic nature and may prove relevant for a number of chapters.

Table 22

Exchange rates, annual average rates (1 ECU/EUR=... national currency) (1)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
BEF/LUF	40.4713	39.6565	38.5519	39.2986	40.5332	40.6207	40.3399	40.3399	40.3399	-	-
CZK	34.1690	34.1509	34.6960	34.4572	35.9304	36.3196	36.8843	35.5995	34.0680	30.8040	31.8460
DKK	7.59359	7.54328	7.32804	7.35934	7.48361	7.49930	7.43556	7.45382	7.45210	7.43050	7.43070
DEM	1.93639	1.92453	1.87375	1.90954	1.96438	1.96913	1.95583	1.95583	1.95583	-	-
EEK	15.4911	15.3962	14.9900	15.2763	15.7150	15.7530	15.6466	15.6466	15.6466	15.6466	15.6466
GRD	268.568	288.026	302.989	305.546	309.355	330.731	325.820	336.678	340.750	-	-
ESP	149.124	158.918	163.000	160.748	165.887	167.184	166.386	166.386	166.386	-	-
FRF	6.63368	6.58262	6.52506	6.49300	6.61260	6.60141	6.55957	6.55957	6.55957	-	-
IEP	0.799952	0.793618	0.815525	0.793448	0.747516	0.786245	0.787564	0.787564	0.787564	-	-
ITL	1 841.23	1 915.06	2 130.14	1 958.96	1 929.30	1 943.65	1 936.27	1 936.27	1 936.27	-	-
CYP	0.582941	0.583931	0.591619	0.591904	0.582628	0.577418	0.578850	0.573924	0.575890	0.575300	0.584090
LVL	0.793600	0.664101	0.689537	0.699605	0.659401	0.660240	0.625601	0.559227	3.582300	3.459400	3.452700
LTL	5.08682	4.73191	5.23203	5.07899	4.53616	4.48437	4.26405	3.69516	0.56010	0.58100	0.64070
HUF	107.611	125.030	164.545	193.741	211.654	240.573	252.767	260.045	256.590	242.960	253.620
MTL	0.447021	0.448852	0.461431	0.458156	0.437495	0.434983	0.425773	0.404138	0.403000	0.408900	0.426100
NLG	2.17521	2.15827	2.09891	2.13973	2.21081	2.21967	2.20371	2.20371	2.20371	-	-
ATS	13.6238	13.5396	13.1824	13.4345	13.8240	13.8545	13.7603	13.7603	13.7603	-	-
PLN	2.12217	2.70153	3.17049	3.42232	3.71545	3.91784	4.22741	4.00817	3.67210	3.85740	4.39960
PTE	188.370	196.896	196.105	195.761	198.589	201.695	200.482	200.482	200.482	-	-
SIT	132.486	152.766	154.880	171.778	180.996	185.958	194.473	206.613	43.300	42.694	41.489
SKK	36.0317	38.1182	38.8649	38.9229	38.1061	39.5407	44.1229	42.6017	217.9797	225.9772	233.8493
FIM	6.69628	6.19077	5.70855	5.82817	5.88064	5.98251	5.94573	5.94573	5.94573	-	-
SEK	9.12151	9.16308	9.33192	8.51472	8.65117	8.91593	8.80752	8.44519	9.25510	9.16110	9.12420
GBP	0.779988	0.775903	0.828789	0.813798	0.692304	0.676434	0.658735	0.609478	0.621870	0.628830	0.691990
BGN	0.03231	0.06439	0.08787	0.22515	1.90157	1.96913	1.95584	1.94792	1.94820	1.94920	1.94900
ROL	885.8	1 971.6	2 661.8	3 922.2	8 111.5	9 984.9	16 345.2	19 921.8	26 004.0	31 270.0	37 551.0
TRL	12 879	35 535	59 912	103 214	171 848	293 736	447 237	574 816	1 102 425	1 439 680	1 694 851
JPY	130.148	121.322	123.012	138.084	137.077	146.415	121.317	99.475	108.680	118.060	130.970
USD	1.17100	1.18952	1.30801	1.26975	1.13404	1.12109	1.06578	0.92194	0.89560	0.94560	1.13120

(1) National currencies marked as not applicable were replaced by the euro on 1 January 2002.
Source: Eurostat, Exchange rates (theme2/exint/exchrt/eurer/eurer_an).

Table 23

Population, as of 1 January (thousands)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU-15	368 935	370 323	371 442	372 476	373 487	374 345	375 277	376 482	:	:	:
BE	10 068	10 101	10 131	10 143	10 170	10 192	10 214	10 239	10 263	10 310	10 356
CZ	10 326	10 334	10 333	10 321	10 309	10 299	10 290	10 278	10 267	10 206	10 203
DK	5 181	5 197	5 216	5 251	5 275	5 295	5 314	5 330	5 349	5 368	5 384
DE	80 975	81 338	81 539	81 817	82 012	82 057	82 037	82 163	82 260	82 440	82 537
EE	1 527	1 507	1 492	1 476	1 462	1 454	1 446	1 372	1 367	1 361	1 356
EL	10 349	10 410	10 443	10 465	10 487	10 511	10 522	10 554	:	:	:
ES	39 057	39 136	39 197	39 249	39 308	39 388	39 519	39 733	40 122	40 409	:
FR	57 369	57 565	57 753	57 936	58 116	58 299	58 497	58 749	59 043	59 342	59 630
IE	3 569	3 583	3 598	3 620	3 652	3 694	3 735	3 777	3 826	3 900	3 964
IT	56 960	57 138	57 269	57 333	57 461	57 563	57 613	57 680	57 844	:	:
CY	714	723	730	736	741	746	752	755	698	706	715
LV	2 606	2 566	2 530	2 502	2 480	2 458	2 439	2 380	2 364	2 346	2 331
LT	3 736	3 724	3 718	3 712	3 707	3 704	3 701	3 699	3 487	3 476	3 463
LU	395	401	407	413	418	424	429	436	440	444	448
HU	10 310	10 277	10 246	10 212	10 174	10 135	10 092	10 043	10 200	10 175	10 142
MT	363	366	369	371	374	377	379	380	391	395	:
NL	15 239	15 342	15 424	15 494	15 567	15 654	15 760	15 864	15 987	16 105	16 193
AT	7 962	8 015	8 040	8 055	8 068	8 075	8 083	8 103	8 021	8 039	8 067
PL	38 418	38 505	38 581	38 609	38 639	38 660	38 667	38 654	38 644	38 632	38 219
PT	9 965	9 983	10 013	10 041	10 070	10 108	10 150	10 198	10 263	10 329	10 407
SI	1 994	1 989	1 989	1 990	1 987	1 985	1 978	1 988	1 990	1 994	1 995
SK	5 314	5 336	5 356	5 368	5 379	5 388	5 393	5 399	5 379	5 379	5 379
FI	5 055	5 078	5 099	5 117	5 132	5 147	5 160	5 171	5 181	5 195	5 206
SE	8 692	8 745	8 816	8 837	8 844	8 848	8 854	8 861	8 883	8 909	8 941
UK	58 099	58 293	58 500	58 704	58 905	59 090	59 391	59 623	59 863	:	:
BG	8 485	8 460	8 427	8 385	8 341	8 283	8 230	8 191	7 929	7 892	7 846
RO	22 779	22 748	22 712	22 656	22 582	22 526	22 489	22 455	22 430	21 833	21 773
TR	:	:	:	:	:	:	:	:	:	:	:

Source: Eurostat, Demography - population (theme3/demo/dpop/pjan).

Table 24

Gross domestic product in constant prices, annual rate of change (%)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 (1)
EU-15	-0.4	2.8	2.4	1.6	2.5	2.9	2.8	3.4	1.5	1.0	0.7
BE	-1.0	3.2	2.4	1.2	3.6	2.0	3.2	3.7	0.8	0.7	0.8
CZ	0.1	2.2	5.9	4.3	-0.8	-1.0	0.5	3.3	3.3	2.0	2.9
DK	0.0	5.5	2.8	2.5	3.0	2.5	2.3	3.0	1.0	1.0	0.0
DE	-1.1	2.3	1.7	0.8	1.4	2.0	2.0	2.9	0.6	0.2	-0.1
EE	:	-2.0	4.3	3.9	9.8	4.6	-0.6	7.1	5.0	6.0	4.8
EL	-1.6	2.0	2.1	2.4	3.6	3.4	3.6	4.2	4.1	3.9	4.7
ES	-1.0	2.4	2.8	2.4	4.0	4.3	4.2	4.2	2.7	2.0	2.4
FR	-0.9	2.1	1.7	1.1	1.9	3.4	3.2	3.8	1.8	1.2	0.2
IE	2.7	5.8	9.9	8.1	10.9	8.8	11.1	10.0	5.7	6.9	1.2
IT	-0.9	2.2	2.9	1.1	2.0	1.8	1.6	2.9	1.8	0.4	0.3
CY	0.7	5.9	6.2	1.9	2.5	5.0	4.8	5.2	4.1	2.0	2.0
LV	-14.9	0.6	-1.6	3.7	8.4	4.8	2.8	6.8	7.7	6.1	7.4
LT	-16.2	-9.8	3.3	4.7	7.3	5.1	-3.9	3.8	5.9	6.8	8.9
LU	4.2	3.8	1.3	3.7	7.7	7.5	6.0	8.9	1.0	1.3	1.8
HU	:	:	1.5	1.3	4.6	4.9	4.2	5.2	3.7	3.5	2.9
MT	4.5	5.7	6.2	4.0	4.9	3.4	4.1	4.8	-0.4	1.7	0.4
NL	0.9	2.6	3.0	3.0	3.8	4.3	4.0	3.3	1.3	0.2	-0.8
AT	0.4	2.6	1.6	2.0	1.6	3.9	2.7	3.5	0.7	1.4	0.7
PL	:	:	:	6.0	6.8	4.8	4.1	4.0	1.1	1.4	3.7
PT	-2.0	1.0	4.3	3.5	3.9	4.5	3.5	3.5	1.7	0.4	-1.3
SI	2.8	5.3	4.1	3.5	4.6	3.8	5.2	4.6	3.0	2.9	2.3
SK	:	5.2	6.5	5.8	5.6	4.0	1.3	2.2	3.3	4.4	4.2
FI	-1.1	4.0	3.8	4.0	6.3	5.3	4.1	6.1	0.7	2.3	1.9
SE	-1.8	4.1	3.7	1.1	2.1	3.6	4.5	3.6	1.2	2.1	1.6
UK	2.5	4.7	2.9	2.6	3.4	2.9	2.4	3.1	2.0	1.6	2.2
BG	-1.5	1.8	2.9	-9.4	-5.6	4.0	2.3	5.4	4.0	4.8	4.3
RO	1.5	3.9	7.1	3.9	-6.1	-4.8	-1.2	1.8	5.3	4.9	4.9
TR	8.0	-5.5	7.2	7.0	7.5	3.1	-4.7	7.4	-7.4	7.8	5.8

(1) Forecasts for Belgium, Estonia, Ireland, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovenia, Slovakia, Bulgaria and Turkey.
Source: Eurostat, National Accounts - Aggregates (theme2/aggs/aggs_gdp/a_gdp_k).

Table 25

Gross domestic product in constant prices in the EU-15, annual rate of change (%)

NACE label (NACE code)	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total (A to Q)	-0.3	2.5	2.4	1.7	2.5	3.0	2.7	3.7	1.8	1.1
Agriculture, hunting, forestry and fishing (A & B)	-0.6	-0.5	2.2	4.1	0.5	1.7	2.6	-0.9	-2.0	-0.1
Mining & quarrying; manufacturing; electricity, gas & water supply (C to E)	-3.5	4.3	3.1	0.0	3.0	3.0	1.1	3.8	0.6	0.4
Construction (F)	-4.1	2.2	0.0	-1.1	-1.3	0.8	2.4	2.3	-0.1	0.1
Distributive trades; hotels & restaurants; transport, storage & comm. (G to I)	0.1	2.7	2.2	1.6	3.4	4.0	4.6	4.9	2.8	1.5
Financial intermediation; real estate, renting & business activities (J & K)	1.9	1.9	3.5	3.7	3.7	4.1	3.7	4.6	3.0	2.0
Public administration, community, social & personal services (L to Q)	1.4	1.6	1.4	1.7	1.0	1.6	1.5	1.9	1.4	0.8

Source: Eurostat, National Accounts - Breakdowns by branch of activity (theme2/brkdowns/b_a06_k).

Table 26

Long-term interest rate for government bond yields following the Maastricht Treaty, annual average rates (%)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU-15	8.3	8.5	8.9	7.5	6.3	4.9	4.7	5.4	5.0	4.9	4.2
BE	7.2	7.8	7.5	6.5	5.8	4.8	4.8	5.6	5.1	5.0	4.2
DK	7.3	7.8	8.3	7.2	6.3	4.9	4.9	5.6	5.1	5.1	4.3
DE	6.5	6.9	6.9	6.2	5.6	4.6	4.5	5.3	4.8	4.8	4.1
EL	23.3	20.7	17.0	14.5	9.9	8.5	6.3	6.1	5.3	5.1	4.3
ES	10.2	10.0	11.3	8.7	6.4	4.8	4.7	5.5	5.1	5.0	4.1
FR	6.8	7.2	7.5	6.3	5.6	4.6	4.6	5.4	4.9	4.9	4.1
IE	7.7	7.9	8.3	7.3	6.3	4.8	4.7	5.5	5.0	5.0	4.1
IT	11.2	10.5	12.2	9.4	6.9	4.9	4.7	5.6	5.2	5.0	4.3
LU	6.9	7.2	7.2	6.3	5.6	4.7	4.7	5.5	4.9	4.7	3.3
NL	6.4	6.9	6.9	6.2	5.6	4.6	4.6	5.4	5.0	4.9	4.1
AT	6.7	7.0	7.1	6.3	5.7	4.7	4.7	5.6	5.1	5.0	4.2
PT	11.2	10.5	11.5	8.6	6.4	4.9	4.8	5.6	5.2	5.0	4.2
FI	8.8	9.1	8.8	7.1	6.0	4.8	4.7	5.5	5.0	5.0	4.1
SE	8.5	9.7	10.2	8.0	6.6	5.0	5.0	5.4	5.1	5.3	4.6
UK	7.6	8.2	8.3	7.9	7.1	5.6	5.0	5.3	5.0	4.9	4.6

Source: Eurostat, Interest rates (theme2/exint/intrt/govyield/mcby/mcby_a).

Table 27

Harmonised consumer price indices, annual rate of change (%)

	1993 (1)	1994 (1)	1995 (1)	1996 (2)	1997 (2)	1998	1999	2000	2001	2002	2003
EU-15	3.4	2.8	2.8	2.4	1.7	1.3	1.2	2.1	2.2	2.1	2.0
BE	2.5	2.4	1.3	1.8	1.5	0.9	1.1	2.7	2.4	1.6	1.5
CZ	:	:	:	9.1	8.0	9.7	1.8	3.9	4.5	1.4	-0.1
DK	0.9	1.8	2.0	2.1	1.9	1.3	2.1	2.7	2.3	2.4	2.0
DE	:	:	:	1.2	1.5	0.6	0.6	2.1	1.9	1.3	1.0
EE	:	:	:	19.8	9.3	8.8	3.1	3.9	5.6	3.6	1.4
EL	:	:	:	7.9	5.4	4.5	2.1	2.9	3.7	3.9	3.4
ES	4.9	4.6	4.6	3.6	1.9	1.8	2.2	3.5	2.8	3.6	3.1
FR	2.2	1.7	1.8	2.1	1.3	0.7	0.6	1.8	1.8	1.9	2.2
IE	:	:	:	2.2	1.2	2.1	2.5	5.3	4.0	4.7	4.0
IT	4.5	4.2	5.4	4.0	1.9	2.0	1.7	2.6	2.3	2.6	2.8
CY	:	:	:	:	3.3	2.3	1.1	4.9	2.0	2.8	4.0
LV	:	:	:	:	8.1	4.3	2.1	2.6	2.5	2.0	2.9
LT	:	:	:	24.7	8.8	5.0	0.7	0.9	1.3	0.4	-1.1
LU	:	:	:	1.2	1.4	1.0	1.0	3.8	2.4	2.1	2.5
HU	:	:	:	23.5	18.5	14.2	10.0	10.0	9.1	5.2	4.7
MT	:	:	:	:	:	:	:	:	:	:	:
NL	1.6	2.1	1.4	1.4	1.9	1.8	2.0	2.3	5.1	3.9	2.2
AT	3.2	2.7	1.6	1.8	1.2	0.8	0.5	2.0	2.3	1.7	1.3
PL	:	:	:	:	15.0	11.8	7.2	10.1	5.3	1.9	0.7
PT	5.9	5.0	4.0	2.9	1.9	2.2	2.2	2.8	4.4	3.7	3.3
SI	:	:	:	9.9	8.3	7.9	6.1	8.9	8.6	7.5	5.7
SK	:	:	:	5.8	6.0	6.7	10.4	12.2	7.2	3.5	8.5
FI	3.3	1.6	0.4	1.1	1.2	1.4	1.3	3.0	2.7	2.0	1.3
SE	4.8	2.9	2.7	0.8	1.8	1.0	0.6	1.3	2.7	2.0	2.3
UK	2.5	2.0	2.7	2.5	1.8	1.6	1.3	0.8	1.2	1.3	1.4
BG	:	:	:	:	:	18.7	2.6	10.3	7.4	5.8	2.3
RO	:	:	:	38.8	154.9	59.1	45.8	45.7	34.5	22.5	15.3
TR	:	:	:	:	:	:	:	:	:	:	:

(1) EU-15, Belgium, Denmark, Spain, France, Italy, Portugal, Finland, Sweden and the United Kingdom, estimates.
(2) EU-15 and Ireland, estimates.
Source: Eurostat, Harmonized indices of consumer prices (theme2/price/hicp/haind and theme1/cc/cc_b/b_pri_cc/bpri02cc).

Table 28

Consumer confidence (balance) (1)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU-15	-25.7	-13.5	-8.0	-14.8	-10.2	-3.8	-2.5	1.2	-4.3	-8.8	-15.2
BE	-24.7	-10.3	-8.6	-13.1	-12.8	1.7	2.6	13.5	0.6	-2.7	-10.8
CZ	:		-7.8	-7.2	-26.3	-28.8	-31.0	-19.6	-3.5	-6.6	-15.7
DK	-2.6	11.3	14.3	8.0	14.0	10.3	4.3	11.3	9.2	8.8	3.5
DE	-25.3	-10.9	-6.0	-19.9	-18.0	-5.1	-1.6	2.9	-3.3	-11.4	-18.6
EE	:	-32.9	-22.0	-23.7	-27.2	-24.2	-35.8	-33.8	-21.8	-7.2	-8.7
EL	-31.1	-29.6	-37.3	-27.3	-29.9	-34.8	-27.0	-15.3	-26.6	-27.8	-39.7
ES	-30.9	-16.3	-12.8	-9.4	-2.9	0.1	1.7	2.2	-4.0	-11.6	-13.7
FR	-29.9	-18.6	-13.8	-29.8	-21.5	-11.6	-8.7	-2.8	-11.1	-15.8	-24.7
IE	-20.8	-10.3	-4.6	-0.2	11.7	12.4	14.0	12.5	-1.6	-7.5	-15.7
IT	-31.9	-13.1	-5.3	-12.0	-14.1	-7.7	-9.9	-7.6	-2.8	-8.6	-14.3
CY	:	:	:	:	:	:	:	:	:	-23.3	-25.4
LV	-13.3	-28.0	-33.0	-37.0	-32.8	-2.2	:	:	:	-12.6	-13.5
LT	:	:	:	:	:	:	:	:	:	-20.4	-10.3
LU	:	:	:	:	:	:	:	:	:	7.4	0.0
HU	:	-28.8	-51.4	-43.3	-31.8	-15.4	-27.6	-29.8	-20.0	-5.3	-23.8
MT	:	:	:	:	:	:	:	:	:	:	:
NL	-15.6	-2.3	7.2	7.9	19.5	23.2	19.3	24.4	3.8	-1.6	-14.9
AT	:	:	-6.7	-12.7	-9.2	-1.7	4.7	5.9	3.0	4.4	-3.3
PL	:	:	:	:	:	:	:	:	:	-35.0	-33.0
PT	-33.2	-30.9	-22.8	-25.1	-13.7	-14.8	-14.1	-18.0	-24.2	-33.7	-42.5
SI	:	:	:	:	:	:	:	:	-32.8	-30.3	-34.8
SK	:	:	:	:	:	:	:	:	:	:	:
FI	-8.3	8.8	11.8	12.0	18.3	18.2	17.4	19.7	11.9	13.2	11.4
SE	:	:	2.0	-4.8	4.4	10.0	12.4	21.8	5.0	9.6	4.9
UK	-17.8	-15.8	-10.4	-5.5	3.2	-1.8	-3.6	-3.8	-4.6	-3.8	-6.3
BG	:	:	:	:	:	:	:	:	:	:	:
RO	:	:	:	:	-20.2	-22.0	-20.3	-15.1	-13.9	-20.4	-19.8
TR	:	:	:	:	:	:	:	:	:	:	:

(1) Average of monthly seasonally adjusted data.
Source: Directorate-General for Economic and Financial Affairs, Business and consumer surveys (theme1/euroind/bs/bssi_m).

Table 29

Gross fixed capital formation as a percentage of GDP (%)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 (1)
EU-15	19.9	19.8	19.8	19.6	19.4	19.9	20.2	20.6	20.2	19.4	19.0
BE	20.0	19.5	19.9	19.9	20.4	20.6	20.9	21.2	20.9	19.8	19.4
CZ	28.4	28.7	32.0	32.0	30.6	29.1	27.8	28.3	27.5	25.9	26.0
DK	17.1	17.3	18.6	18.6	19.6	20.6	20.3	21.7	20.3	20.6	19.4
DE	23.0	23.1	22.4	21.8	21.4	21.4	21.5	21.6	20.3	18.6	17.7
EE	24.2	26.8	25.9	26.7	28.1	29.6	24.9	25.4	26.5	28.5	30.2
EL	20.3	18.6	18.6	19.5	19.8	21.1	21.7	22.6	23.9	23.9	26.0
ES	21.3	21.1	22.0	21.6	21.9	22.8	24.1	25.3	25.4	25.2	25.6
FR	19.4	19.1	18.8	18.5	18.0	18.4	19.2	20.1	20.1	19.5	19.3
IE	15.5	16.5	17.5	19.1	20.7	22.2	23.7	24.1	23.5	22.1	22.3
IT	18.4	18.0	18.3	18.3	18.3	18.5	19.1	19.8	19.7	19.8	19.1
CY	:	:	19.2	20.4	19.0	19.2	18.1	17.6	17.3	18.8	17.0
LV	13.8	14.9	15.2	18.3	18.8	27.3	25.2	26.5	27.0	26.4	25.3
LT	23.1	23.1	23.0	23.0	24.4	24.3	22.1	18.5	20.2	20.4	20.8
LU	23.7	22.4	21.6	21.3	22.3	22.6	24.0	20.5	22.9	22.5	21.7
HU	18.9	20.1	20.1	21.4	22.2	23.6	23.9	24.2	23.5	23.4	22.0
MT	29.5	29.7	31.9	28.7	25.3	24.5	23.4	26.3	4.4	5.0	5.4
NL	20.7	20.3	20.3	21.1	21.5	21.5	22.5	22.5	21.7	20.7	20.1
AT	23.2	23.5	23.3	23.3	23.6	23.6	23.5	23.9	23.2	22.1	22.7
PL	15.9	17.9	18.6	20.7	23.5	25.2	25.5	24.9	20.7	19.0	18.4
PT	22.2	22.3	22.8	23.3	25.6	26.9	27.4	28.6	27.1	24.6	22.1
SI	18.8	20.1	21.4	22.5	23.4	24.6	27.4	26.7	24.0	22.6	23.0
SK	30.4	26.6	25.2	32.4	34.3	36.2	30.3	29.3	28.8	27.6	25.8
FI	16.4	15.5	16.3	17.0	18.0	18.7	19.0	19.2	20.5	19.0	18.0
SE	15.3	15.1	15.5	15.7	15.2	16.0	17.0	17.3	17.5	16.7	15.7
UK	15.7	15.9	16.3	16.5	16.5	17.6	17.0	16.7	16.8	16.3	16.2
BG	13.0	13.8	15.3	13.5	11.0	13.0	15.1	15.7	18.2	18.1	19.4
RO	17.9	20.3	21.4	23.0	21.2	18.2	17.7	18.9	20.5	21.1	22.3
TR	26.5	24.6	23.8	25.1	26.4	24.6	21.9	22.4	18.2	16.7	17.7

(1) Belgium, France, Ireland, Cyprus, Latvia, Luxembourg, Malta, the Netherlands, Poland, Portugal, Slovenia, Bulgaria, Romania and Turkey, forecasts.
Source: Eurostat, National Accounts - ESA95 - aggregates (theme2/aggs).

Table 30

Business enterprise expenditure on R&D relative to GDP (%) (1)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
EU-15	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3
BE	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.5	1.6	1.6
DK	1.0	:	1.1	1.1	1.2	1.3	1.3	1.5	1.7	:
DE	1.6	1.5	1.4	1.5	1.6	1.6	1.7	1.7	1.8	1.7
EL	0.1	:	0.1	0.1	0.1	:	0.2	:	:	:
ES	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	:
FR	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
IE	0.8	0.9	1.0	0.9	0.9	0.9	0.9	0.8	0.8	:
IT	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	:
LU	:	:	:	:	:	:	:	1.6	:	:
NL	0.9	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	:
AT	0.8	:	:	:	:	1.1	:	:	:	:
PT	:	:	0.1	:	0.1	:	0.2	:	0.3	:
FI	1.4	1.5	1.4	1.7	1.8	2.0	2.2	2.4	2.4	2.5
SE	2.2	:	2.5	:	2.7	2.8	2.8	:	3.3	:
UK	1.4	1.4	1.3	1.2	1.2	1.2	1.3	1.2	1.3	1.2

(1) Estimates.
Source: Eurostat, R&D expenditure at the national level (theme9/rd_ex_p/rd_nat/nat_exp/nat_exp).

Table 31

Industrial confidence indicator (balance) (1)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU-15	-24.8	-3.6	-1.8	-14.5	-2.9	-2.7	-8.0	3.3	-10.1	-11.6	-11.1
BE	-28.8	-6.3	-9.1	-17.8	-2.9	-7.8	-8.6	1.9	-14.0	-11.9	-15.0
CZ	:	-7.2	2.9	-0.8	3.8	-8.7	-10.5	15.3	3.0	-0.5	2.8
DK	-9.5	12.5	5.4	-8.7	5.5	-0.8	-12.9	5.7	-1.7	-4.0	-6.4
DE	-31.6	-10.3	-6.5	-19.8	-7.4	-4.3	-13.4	-2.6	-16.2	-18.3	-16.8
EE	-4.1	8.1	7.2	-2.8	6.7	7.9	-7.5	3.5	9.7	13.5	11.2
EL	-6.0	-0.1	3.8	-2.4	3.6	4.3	1.3	8.8	4.3	3.1	-0.4
ES	-34.8	-8.7	-3.3	-14.4	-1.4	1.4	-3.1	3.2	-4.2	-5.7	-0.9
FR	-34.4	-3.3	-2.3	-17.5	-5.3	5.3	-2.2	11.8	-4.0	-9.2	-8.6
IE	-12.8	2.5	7.1	-1.1	3.3	3.2	5.0	9.8	-7.7	-7.2	-8.8
IT	-16.4	2.8	5.7	-12.5	1.0	-0.8	-2.8	11.8	-4.3	-3.5	-3.9
CY	:	:	:	:	:	:	:	:	0.3	1.9	1.3
LV	:	-23.1	-18.3	-18.8	-12.3	-15.7	-17.3	-9.0	-1.8	1.1	3.8
LT	:	-25.8	-6.9	-16.3	-17.8	-22.7	-26.0	-14.9	-7.6	-8.8	-10.2
LU	-25.0	-7.7	9.7	-22.0	4.2	6.7	-11.0	5.3	-15.5	-22.5	-16.9
HU	:	:	:	-2.1	4.3	0.8	-6.9	2.3	-4.3	-6.8	-6.4
MT	:	:	:	:	:	:	:	:	:	:	:
NL	-10.3	-0.9	1.5	-2.4	2.5	1.7	-0.4	4.1	-3.5	-4.8	-8.3
AT	-27.2	-7.5	-12.2	-23.9	-9.5	-8.6	-13.8	-2.8	-13.3	-15.8	-11.0
PL	:	:	:	:	:	-14.6	-20.0	-13.2	-21.8	-20.0	-13.2
PT	-24.8	-3.9	-3.9	-9.6	0.4	2.2	-4.3	2.1	-5.8	-12.0	-15.9
SI	:	:	:	-11.7	-0.1	-3.8	-8.5	7.0	-2.3	-4.6	-4.4
SK	2.8	4.5	1.6	2.7	1.6	6.4	-3.0	9.5	6.7	5.3	6.4
FI	-4.5	18.2	7.8	-11.3	11.2	2.0	-3.8	17.4	-6.8	-5.7	-5.8
SE	:	:	:	:	-0.9	3.1	-7.1	10.8	-18.7	-13.1	-6.8
UK	-10.9	1.8	2.6	-5.1	-1.4	-15.5	-14.3	-6.6	-15.6	-14.6	-17.2
BG	:	:	:	:	:	:	:	:	:	:	:
RO	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:

(1) Average of monthly seasonally adjusted data.
Source: Directorate-General for Economic and Financial Affairs, Business and consumer surveys (theme1/euroind/bs/bssi_m).

Table 32

Capacity utilisation rates for total industry (%) (1)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
EU-15	78.0	79.9	83.0	80.9	81.8	83.3	82.2	84.1	82.9	81.1	80.7
BE	74.8	77.6	80.9	79.5	81.4	82.7	80.9	84.0	82.3	79.6	78.7
CZ	76.2	78.5	80.4	81.6	82.8	82.6	81.5	84.6	85.7	83.3	85.1
DK	77.7	81.8	83.4	81.7	83.3	85.5	82.2	82.5	82.8	81.2	80.6
DE	78.8	82.6	84.8	82.0	84.5	85.7	84.7	86.4	84.4	82.3	82.0
EE	:	56.8	56.8	57.4	62.4	68.3	63.5	66.7	72.6	74.5	73.7
EL	76.0	74.5	76.6	75.6	74.4	75.8	75.7	78.1	77.6	77.0	76.5
ES	72.8	74.5	78.4	77.1	78.3	80.3	79.7	80.6	79.6	77.2	78.9
FR	81.4	80.4	85.4	83.5	82.3	83.8	85.3	87.5	87.4	85.3	84.8
IE	73.6	74.9	79.9	77.6	75.9	76.6	75.9	78.6	78.4	75.9	75.1
IT	74.4	75.2	78.1	76.5	76.4	78.5	76.0	78.8	78.9	77.3	76.3
CY	:	:	:	:	:	:	:	:	:	68.9	68.7
LV	:	48.1	50.3	53.7	56.2	61.8	57.1	59.4	63.3	71.0	69.9
LT	51.8	49.5	44.3	46.4	50.6	53.0	51.5	53.6	60.6	63.6	66.9
LU	80.1	81.3	82.9	79.0	82.4	88.0	84.9	87.8	88.7	85.1	84.7
HU	:	:	:	77.4	79.9	79.9	78.6	82.0	81.7	78.8	79.4
MT	:	:	:	:	:	:	:	:	:	:	:
NL	81.0	82.4	84.4	83.9	84.4	85.3	84.0	84.7	84.6	82.9	81.7
AT	:	:	:	80.2	82.0	83.7	81.9	84.5	83.1	80.2	80.0
PL	:	:	:	:	76.5	76.7	73.6	72.4	69.3	69.9	72.9
PT	73.9	77.3	79.7	78.9	80.9	81.4	80.8	81.2	81.7	79.4	79.0
SI	:	:	:	77.5	78.8	80.4	77.9	79.7	80.9	81.0	80.9
SK	:	74.3	74.0	78.0	80.0	82.3	79.5	84.5	84.9	78.4	74.2
FI	82.3	86.9	87.7	83.2	87.2	88.9	86.1	86.8	85.7	82.7	81.9
SE	:	:	:	85.0	85.7	85.1	85.8	87.5	83.6	83.1	83.6
UK	80.0	82.8	84.4	82.5	83.8	83.7	79.4	81.3	79.7	79.0	78.2
BG	:	:	:	:	:	:	:	:	:	:	:
RO	:	:	:	:	:	:	:	:	:	:	:
TR	:	:	:	:	:	:	:	:	:	:	:

(1) Average of quarterly seasonally adjusted data.
Source: Directorate-General for Economic and Financial Affairs, Business and consumer surveys (theme1/euroind/bs/bsin_q).

Table 33

Labour force characteristics, Q2-2002 (1)

	EU-25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Number of persons employed (thousands)															
Total	124 987	2 576	3 415	1 635	24 531	398	2 402	11 336	14 716	1 174	14 723	213	553	777	118
Male	43 914	839	1 289	558	9 087	171	753	3 537	5 182	423	4 640	83	237	322	40
Female	81 073	1 737	2 127	1 077	15 444	227	1 649	7 799	9 534	751	10 082	130	316	455	78
Full-time and part-time work (% share of persons employed)															
Full-time	87.0	86.0	96.2	84.6	82.4	95.5	97.0	93.9	88.8	85.6	92.5	94.0	94.1	93.4	90.8
Part-time	13.0	14.0	3.8	15.4	17.6	4.5	3.0	6.1	11.2	14.4	7.5	6.0	5.9	6.6	9.2
Unemployment rate (% share of labour force aged 15-64) (2)															
Total	7.7	6.9	7.1	4.3	8.6	9.6	9.8	11.1	8.7	4.3	9.3	3.4	13.4	13.2	2.6
Male	6.9	6.3	5.8	4.3	8.8	10.4	6.4	7.7	7.8	4.7	7.1	2.7	15.1	13.4	1.9
Female	8.7	7.8	8.6	4.4	8.3	8.9	14.9	16.3	9.8	3.8	12.7	4.2	11.7	13.0	3.6

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Number of persons employed (thousands)														
Total	2 633	105	4 687	2 612	8 001	3 298	633	1 435	1 502	2 606	18 910	1 833	4 565	:
Male	1 032	28	1 581	978	3 026	1 192	252	556	557	871	6 681	804	1 873	:
Female	1 600	77	3 106	1 634	4 975	2 107	381	879	945	1 735	12 229	1 028	2 693	:
Full-time and part-time work (% share of persons employed)														
Full-time	96.9	92.4	64.9	:	92.9	94.9	95.9	98.4	88.5	84.1	79.3	98.1	98.2	:
Part-time	3.1	7.6	35.1	:	7.1	5.1	4.1	1.6	11.5	15.9	20.7	1.9	1.8	:
Unemployment rate (% share of labour force aged 15-64) (2)														
Total	5.6	:	3.7	4.2	20.2	4.8	18.7	8.6	10.5	5.0	5.1	18.3	8.8	:
Male	6.1	:	3.8	3.7	19.6	4.1	18.7	7.0	10.7	5.4	5.6	19.0	9.1	:
Female	5.1	:	3.5	4.8	21.0	5.7	18.8	10.5	10.2	4.7	4.4	17.5	8.3	:

(1) NACE Sections C to K; France, Q1-2002.
(2) For the total population, not just those employed in NACE Sections C to K.
Source: Eurostat, Labour Force Survey.

Table 34

Average number of hours usually worked per week by persons aged 15-64, Q2-2002 (hours) (1)

NACE label (NACE Section(s))	EU-25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Industry and services (C to K)	38.5	38.2	41.8	36.0	38.1	41.0	44.0	39.4	38.6	38.0	37.3	38.7	43.6	40.1	39.7
Mining and quarrying (C)	40.9	:	39.2	:	40.4	:	41.3	39.1	39.5	:	36.3	:	:	:	:
Manufacturing (D)	38.5	37.1	40.0	35.9	38.2	40.0	42.5	38.8	38.1	38.6	36.4	37.6	42.9	39.6	39.4
Electricity, gas & water supply (E)	38.5	35.1	39.9	:	39.5	:	38.8	38.2	36.5	:	35.7	:	42.2	39.6	:
Construction (F)	40.4	39.1	45.3	37.3	40.8	41.2	41.7	39.6	39.9	41.3	37.8	37.0	45.4	40.8	40.5
Distributive trades (G)	37.6	39.1	42.8	34.1	35.8	42.2	45.1	39.8	38.5	35.3	39.1	39.8	44.3	40.3	39.2
Hotels and restaurants (H)	39.2	43.2	44.7	31.5	39.1	:	49.1	42.8	42.2	34.9	41.4	42.7	44.8	40.7	42.0
Transport, storage & communication (I)	40.0	38.3	42.6	37.8	40.4	42.4	45.6	40.1	38.1	40.9	37.1	39.3	44.0	41.7	40.5
Financial intermediation (J)	37.1	36.4	41.1	36.2	38.5	:	39.5	38.0	38.1	37.0	34.5	35.2	:	:	39.1
Real estate, renting & business activities (K)	37.1	37.7	41.8	37.6	37.2	40.9	42.1	36.9	38.2	37.3	35.4	37.5	42.1	38.4	39.0

NACE label (NACE Section(s))	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Industry and services (C to K)	41.7	40.7	32.0	38.0	41.9	40.4	40.2	41.0	36.9	35.5	37.1	41.7	42.9	:
Mining and quarrying (C)	41.6	45.5	:	38.5	40.7	:	:	39.0	:	:	47.5	40.3	40.6	:
Manufacturing (D)	40.7	41.4	33.2	38.0	41.3	39.2	39.5	39.9	37.5	35.7	39.6	40.9	41.6	:
Electricity, gas & water supply (E)	41.2	40.2	33.5	38.9	40.0	:	39.1	39.8	35.8	34.7	39.0	39.9	41.3	:
Construction (F)	43.2	41.5	36.7	39.3	44.4	40.0	42.1	43.1	39.5	36.9	41.8	41.9	45.8	:
Distributive trades (G)	41.7	40.4	29.2	36.1	42.7	40.9	40.3	41.4	35.8	34.9	32.7	43.0	45.2	:
Hotels and restaurants (H)	42.8	38.9	28.1	40.4	41.2	48.2	41.3	42.4	34.9	34.6	29.8	43.2	45.0	:
Transport, storage & communication (I)	42.9	40.9	34.3	39.9	43.0	41.1	42.1	41.6	38.6	36.6	40.9	41.6	43.2	:
Financial intermediation (J)	40.5	39.5	31.8	37.4	39.7	36.1	38.5	40.3	34.9	34.1	35.9	40.6	41.2	:
Real estate, renting & business activities (K)	42.2	40.7	32.1	37.1	40.0	37.5	40.1	42.1	35.1	34.8	36.9	41.1	42.4	:

(1) France, Q1-2002.
Source: Eurostat, Labour Force Survey (theme3/lfs/worktime/ewhana).

Motor trades

Motor vehicles and automotive fuel and lubricants are products with very different characteristics of purchase. While the latter may be bought frequently, the purchase of a motor vehicle normally implies a longer period of price and characteristics comparison from the part of the client and represents a major expenditure.

STRUCTURAL PROFILE

The EU-25 value added in the motor trades sector was EUR 125.8 billion in 2001 and represented 14.4 % of the distribution total (NACE Section G). For comparison, in the EU-15, value added was EUR 119.1 billion and represented the same share of the distribution total. The statistical impact of enlargement on employment in the motor trades sector can be seen in terms of the number of paid employees, where in the EU-15 there were 2.6 million employees in 2001, while in the EU-25 there were 2.9 million. The EU-25 motor trades sector accounted for 13.6 % of all employees in the distribution sector in 2001, less than its share of value added. As well as paid employees, there were a further 524 400 working proprietors and unpaid family workers in the EU-15 motor trades sector in 2001, bringing the total number of persons employed in the EU-15 to 3.1 million.

Within the EU-25 motor trades sector, the sale of motor vehicles (NACE Group 50.1) was the largest activity in terms of value added, representing 54.2 % of total value added of the sector in 2001. The maintenance and repair of motor vehicles (NACE Group 50.2) was the second largest activity (21.7 %). An analysis for EU-15 gives a very similar picture, with the share of value added for the sale of motor vehicles being 0.8 percentage points higher. In employment terms, the sale of motor vehicles accounted for 43.3 % of the number of persons employed in the EU-15's motor trades sector, while maintenance and repair of motor vehicles accounted for 30.5 %.

In 2001 the United Kingdom registered the highest value added of the EU-25 motor trades sector, at EUR 32.8 billion, followed by Germany (EUR 24.6 billion in 2000). The motor trades sector employed 609 400 persons in the United Kingdom in 2001 and 608 400 in Germany in 2000. Among the 10 new Member States Poland registered the highest value added (EUR 4.5 billion) and number of persons employed (206 300) in this sector.

Motor trades (NACE Division 50) covers the wholesale, retail sale and repair of motor vehicles and motorcycles, as well as the retailing of automotive fuel and lubricants.

NACE

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;
50.4: sale, maintenance and repair of motorcycles and related parts and accessories;
50.5: retail sale of automotive fuel.

Table 16.1

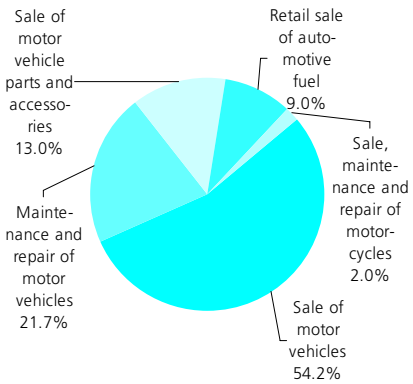
Sale, maintenance and repair of motor vehicles (NACE Division 50)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (32.8)	Portugal (150)	United Kingdom (609.4)
2	France (16.2)	Lithuania (145)	Italy (455.1)
3	Italy (12.1)	Slovenia (134)	France (450.4)
4	Spain (9.5)	Poland (122)	Spain (350.2)
5	Netherlands (6.4)	Hungary (111)	Poland (206.3)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Germany, Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 16.1

Sale, maintenance and repair of motor vehicles (NACE Division 50)
Share of value added at factor cost, EU-25, 2001



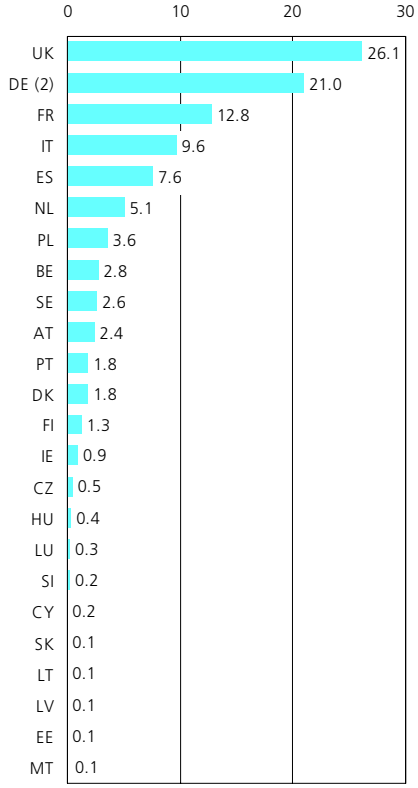
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

The motor trades sector is dominated by micro (less than 10 persons employed) and small enterprises (between 10 and 49 persons employed). Indeed each of these size-classes accounted for over one quarter of the sector's value added, collectively contributing 55.5 %. This proportion was more than these size-classes contributed in either wholesale or retail trade; in fact, looking at all of the non-financial services divisions, only real estate services and hotels and restaurants reported a larger share of value added generated by the two smallest size-classes in 2001. Among countries with available data, in Italy and Cyprus, micro enterprises represented more than half of the value added in the motor trades sector. A similar situation was observed in Ireland and Slovakia, but for small enterprises. Large enterprises contributed a particularly low proportion of total value added in Cyprus (0.0 %) and Italy (0.5 %) compared with the EU-25 average (23.9 %), and a relatively high share in the United Kingdom (38.9 %).

The largest part of the motor trades workforce was within enterprises with less than 10 persons employed, as they provided 42.6 % of EU-25 employment in 2001, a similar share to their counterparts in the retail trade sector. Micro enterprises accounted for more than 70 % of sectoral employment in Italy and Cyprus, while in Hungary more than 50 % of those employed were working in small enterprises.

Figure 16.2

Sale, maintenance and repair of motor vehicles (NACE Division 50)
Share of EU-25 value added, 2001 (%) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 16.2

Sale, maintenance and repair of motor vehicles (NACE Division 50)
Value added at factor cost and persons employed, by enterprise size-class, 2001 (% of total)

	Micro enterprises		Small enterprises		Medium-sized enterprises		Large enterprises	
	Share of value added	Share of persons employed	Share of value added	Share of persons employed	Share of value added	Share of persons employed	Share of value added	Share of persons employed
EU-25	27.6	42.6	27.9	30.2	20.6	16.3	23.9	10.8
EU-15	28.2	41.4	27.2	30.5	19.8	16.3	24.9	11.7

Source: Eurostat, Structural Business Statistics (theme4/sbs/sizclass).

LABOUR AND PRODUCTIVITY

According to LFS data, the motor trades sector is rather different from the distribution sector (NACE Section G) as a whole as regards its employment characteristics. This is notably the case regarding the gender breakdown and the incidence of full-time employment. In 2002 men represented 82.0 % of the persons employed in EU-15's motor trades sector, considerably higher than the equivalent share in wholesale trades, which was 13.7 percentage points lower, or in retail trade (41.7 points lower). This general pattern of a high male employment rate was observed in all of the countries for which data are available. Furthermore, full-time employment (90.7 %) was higher in the EU-15 motor trades sector than in both of the other distributive activities, and in all of the countries for which data are available motor trades showed a higher proportion of full-time employment than in retail trade, notable exception Latvia.

The EU-15 motor trades sector was also characterised by a relatively high share of self-employment (20.3 %), the fourth highest of any division in the non-financial services business economy, just below the retail trade sector.

In motor trades, apparent labour productivity was EUR 38 000 per person employed in the EU-15 in 2001. The activity that contributed the most to the productivity of the motor trades sector was the sale of motor vehicles (NACE Group 50.1). EU-15 average personnel costs were EUR 26 100 per employee in 2001; the highest average was recorded for the sale of motor vehicles (EUR 29 400) and the lowest for the retail sale of automotive fuel (EUR 17 700). Value added in the EU-15 motor trades sector represented 145.4 % of personnel costs (after adjustment for the ratio of the number of persons employed to the number of employees), with the sale of motor vehicles (164.7 %) and the retail sale of automotive fuel (163.1 %) recording higher ratios. Poland reported that value added represented 328.6 % of personnel costs in the motor trades sector, the highest ratio for any Member State, followed by Latvia [(1)].

[(1)] Germany, Greece and Slovenia, not available.

Table 16.3

Sale, maintenance and repair of motor vehicles (NACE Division 50)
Labour force characteristics, 2002

	Share of men		Share of full-time		Share of employees	
	Value (%)	Index (services=100)	Value (%)	Index (services=100)	Value (%)	Index (services=100)
EU-25	:	:	:	:	:	:
EU-15	82.0	145.5	90.7	113.2	77.2	95.6
BE	80.6	136.1	92.9	113.7	69.6	89.7
CZ	80.3	151.3	96.7	102.7	69.2	91.9
DK	76.3	128.0	82.6	104.3	84.5	96.4
DE	77.8	151.8	88.2	117.6	87.3	102.9
EE	86.8	167.4	100.0	105.6	79.4	86.8
EL	87.6	142.6	96.8	100.4	52.2	90.3
ES	87.2	151.1	96.3	105.8	78.0	104.8
FR	80.3	141.4	92.9	109.5	83.7	94.3
IE	80.3	151.7	86.8	109.4	76.2	90.4
IT	86.1	139.1	95.9	106.1	51.5	85.7
CY	83.4	157.7	91.1	97.9	62.7	83.0
LV	73.8	158.8	91.2	98.2	72.7	79.4
LT	87.9	168.3	91.2	99.8	83.1	99.0
LU	77.7	138.3	93.7	106.0	89.7	99.7
HU	83.0	154.4	98.4	102.5	82.2	101.9
MT	91.8	132.2	94.1	106.6	59.6	73.8
NL	83.1	141.8	74.3	128.2	82.6	94.1
AT	77.2	156.1	:	:	89.0	102.6
PL	:	:	:	:	:	:
PT	85.6	153.4	96.0	103.6	69.8	98.7
SI	87.7	166.2	98.7	104.3	81.9	94.3
SK	90.0	173.5	98.8	100.9	80.4	93.6
FI	82.9	156.0	91.9	110.4	82.5	94.5
SE	81.5	137.5	82.5	104.1	82.4	96.4
UK	81.4	145.1	87.2	121.5	83.2	94.9

Source: Eurostat, Labour Force Survey.

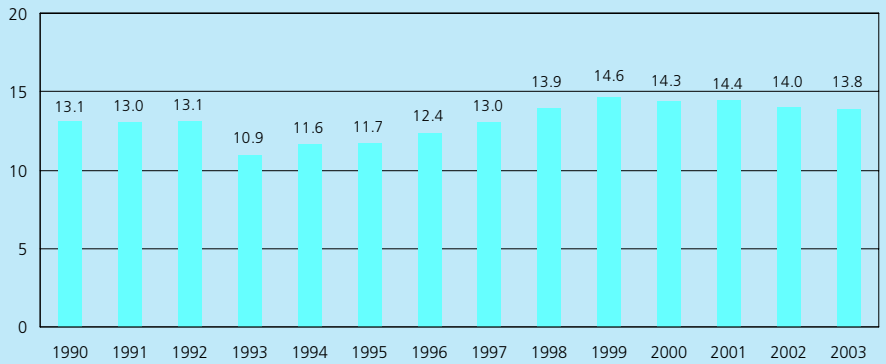
16.1: SALE AND REPAIR OF MOTOR VEHICLES

These activities cover the wholesale, retail and commission sale of new and used motor vehicles (NACE Group 50.1) and motorcycles (part of Group 50.4), as well as parts and accessories (Group 50.3). The distribution of lorries, trailers and caravans is also included.

This subchapter also covers the maintenance and repair of motorcycles (part of Group 50.4) and of motor vehicles (Group 50.2). This includes all types of repairs (mechanical, bodywork and electrical), spraying and painting, regular servicing, as well as the installation of replacement parts and accessories. Equally, the data presented cover tyre repair and fitting, towing, roadside assistance and car cleaning services. The renting of motor vehicles is not covered (see Chapter 22).

Figure 16.3

New car registrations, EU-15 (millions)



Source: ACEA.

Table 16.4

Sale, maintenance and repair of motor vehicles (NACE Groups 50.1 to 50.4) Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (30.2)	Portugal (150)	United Kingdom (546.4)
2	France (15.5)	Slovenia (111)	France (423.2)
3	Italy (10.7)	United Kingdom (111)	Italy (395.0)
4	Spain (8.2)	Belgium (105)	Spain (302.3)
5	Netherlands (6.0)	Austria (104)	Poland (175.5)

(1) Germany, Estonia and Greece, not available.
(2) Germany, Estonia, Greece, Cyprus and the Netherlands, not available.
(3) Germany, Estonia, Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

The various activities covered by this subchapter display different structural characteristics. The retail sale of motor vehicles is a sector that is highly influenced by multinational vehicle manufacturers which supply resellers. Two distinct markets can be distinguished: the final consumer (households) and large-scale business customers (who may buy directly from manufacturers). Demand for new vehicles is highly linked to the general level of the economy - see Figure 16.3 for information on the number of new car registrations that are made in the EU each year.

Changes in the sector are expected to come from the new block exemption regulations (BER) that came into effect in October 2003 [(2)]. The new BER deals with the way carmakers sell their vehicles in the EU, as well as how they are serviced and spare parts are sourced. The aim of this new BER is to provide better transparency for consumers and to increase competition in the sector.

The repair of motor vehicles and provision of parts and accessories, as well as being carried out by new vehicle resellers, is dominated by small enterprises, supplemented by specialised, fast, nationwide or even international enterprises.

[(2)] Commission Regulation (EC) No 1400/2002 of 31 July 2002 on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices in the motor vehicle sector.

STRUCTURAL PROFILE

Value added reached EUR 114.4 billion in the sale and repair of motor vehicles sector in the EU-25 in 2001, just over 90 % of total value added in the motor trades sector. There were 2.8 million persons employed in this sector in the EU-15 in 2001, just under 90 % of the motor trades total. Looking at the EU-25, there were 2.6 million employees, of which 2.3 million were accounted for by the EU-15 Member States.

As was noted in the overview, the sale (NACE Group 50.1) and maintenance and repair (NACE Group 50.2) of motor vehicles are the largest activities in motor trades in the EU-25 in terms of value added and employment. A comparison of the importance of these two groups between countries gives an indication of the importance of new and replacement car markets compared with repair and maintenance markets. In the EU-25, the sale of motor vehicles generated 2.5 times as much value added as maintenance and repair in 2001. This ratio was highest in Hungary (7.9 times), Luxembourg (6.0) and the Netherlands (5.4) and lowest in Italy and Cyprus where the repair and maintenance of vehicles generated slightly more value added than motor sales [(3)].

[(3)] Germany, 2000; Greece, not available.

The United Kingdom accounted for the highest proportion of EU-25 value added for the sale and repair of motor vehicles (26.4 %), followed by Germany (20.4 %, in 2000) and France (13.5 %); all remaining countries had shares below 10 %.

The structure of the subsector in terms of enterprise size-classes showed that micro (1 to 9 persons employed) and small (10 to 49 persons employed) enterprises were dominant in these activities. Indeed, more than 70 % of the persons employed in the EU-25 were working in these two enterprise size-classes, which was well above the 60.8 % average for the whole of distribution.

The latest survey on car prices [4] (in the EU-15) was carried out by the Directorate-General for Competition of the European Commission in May 2003. This was five months before the new competition rules had been fully implemented. According to this report, the scale of price changes was limited between the surveys conducted in November 2002 and May 2003. National price differences between the highest and lowest price were 2 percentage points lower (8.6 %) than in May 2002. This was due, at least in part, to the depreciation of the pound versus the euro, as the United Kingdom was no longer the most expensive country for buying a car in euro terms in May 2003. A comparison based on a pre-tax basis shows that car prices were lowest in Denmark, Greece and the Netherlands in May 2003. Within the euro-zone, Germany and Austria were the countries where prices were among the highest.

[4] For further information concerning the survey, see the Competition Directorate-General of the European Commission at: http://europa.eu.int/comm/competition/index_en.html.

LABOUR AND PRODUCTIVITY

Apparent labour productivity in the EU-15 sale and repair of motor vehicles sector was EUR 39 000 per person employed in 2001. For the same year, average personnel costs were EUR 27 100 per employee in the EU-15 and EUR 25 100 per employee in the EU-25. Those values were slightly higher than average personnel costs for the whole of the distribution sector. Value added represented 144.0 % of personnel costs in the sector in EU-15, less than the ratio for the retail sale of automotive fuel (NACE Group 50.5, 163.1 %), but very close to the average for the whole of the distribution sector.

Table 16.5

Sale, maintenance and repair of motor vehicles (NACE Groups 50.1 to 50.4)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Sale, maintenance and repair of motor vehicles	39.0	144.0	27.1
Sale of motor vehicles	48.4	164.7	29.4
Maintenance and repair of motor vehicles	27.3	119.7	22.8
Sale of motor vehicle parts and accessories	37.4	135.5	27.6
Sale, maintenance and repair of motorcycles and related parts and accessories	30.8	127.8	24.1

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

16.2: RETAIL SALE OF AUTOMOTIVE FUEL

This specialist subsector covers the retail sale of automotive fuel, lubricating and cooling products for motor vehicles and motorcycles (NACE Group 50.5). It does not include the wholesale trade of automotive fuel.

Activity within this sector is highly influenced by the price of raw materials (essentially crude oil) from upstream suppliers and government decisions concerning taxes. When the price of crude oil fluctuates, the price paid by retailers and consumers is also likely to change. One of the most significant changes in the retail sale of automotive fuel sector has been the evolution from the sale of a single product to a diverse range of products, such as fresh food, beverages, newspapers and other services (car washing, cash withdrawal).

STRUCTURAL PROFILE

The value added generated in the EU-25's retail sale of automotive fuel sector was EUR 11.4 billion in 2001, which represented 9.0 % of total value added in the motor trades sector. For comparison, the equivalent value for the EU-15 was EUR 9.5 billion, leading to a share of 8.0 % of the EU-15's value added in the motor trades sector. In the EU-15, the number of persons employed in the retail sale of automotive fuel sector reached 329 800, which represented 10.5 % of the motor trades total. There were 321 600 employees in the retail sale of automotive fuel sector in the EU-25, representing an 11.0 % share of the total number of employees in the motor trades sector.

Table 16.6

Retail sale of automotive fuel (NACE Group 50.5)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (2.7)	Lithuania (634)	United Kingdom (63.0)
2	Italy (1.5)	Poland (396)	Italy (60.0)
3	Poland (1.3)	Latvia (378)	Spain (47.9)
4	Spain (1.3)	Slovenia (357)	Germany (36.8)
5	France (0.7)	Czech Republic (268)	Poland (30.8)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

The United Kingdom registered the highest value added in 2001 (EUR 2.7 billion) while relatively low figures were observed in France, Germany (data available for 2000), and to some extent, Austria. Among the 10 new Member States, Poland (EUR 1.3 billion) registered value added that was equivalent to half the level recorded in the United Kingdom. In terms of employment the United Kingdom also had the largest share, with 63 000 persons employed in the retail sale of automotive fuel sector. Nonetheless, Italy (60 000) and Spain (47 900) registered relatively high levels of employment in this sector, while they recorded only about half as much value added as the United Kingdom.

Annual short-term statistics show that while the EU-25's turnover index for the whole of the motor trades sector rose between 2000 and 2002, there was a decline in turnover during the same period in the retail sale of automotive fuel sector. Indeed, the indices for the EU-25 and EU-15 were both at lower levels in 2002 than they had been in 2000 (falling respectively by around 4 and 6 percentage points). For comparison, turnover in the whole of the motor trades sector increased between 2000 and 2002 by about 5 percentage points in the EU-25 and by 4 points in the EU-15. Looking across countries, turnover in the retail sale of automotive fuel sector appeared to increase in the majority of the 10 new Member States, whereas it fell in most of the EU-15 countries. Nevertheless, France, Luxembourg, the Netherlands and, to a lesser extent, Sweden, reported rising turnover indices on the basis of a comparison between 2000 and 2002.

Turnover per enterprise (as shown in Figure 16.5) provides an indication of the average size of each enterprise. Slovenia, Slovakia and Luxembourg were at the top of the country ranking [5], indicating larger enterprises, on average, in these countries than elsewhere in the EU-25. Low figures registered in Germany (data for 2000) and Austria can in part be explained by some retailers acting as agents rather than resellers, so only their commissions are counted in turnover, not the value of the fuel that is sold. In the case of France, a high proportion of automotive fuel is sold by hypermarkets and supermarkets, in other words stores that are not specialised in the retail sale of motor fuels. For these enterprises, their turnover is considered as part of their main activity (which is normally retail trade).

[5] Germany, 2000; Greece, not available.

In terms of enterprise size-classes, the retail sale of automotive fuel had a majority of micro (with less than 10 persons employed) and small enterprises (between 10 and 49 persons employed), more so than the motor trades sector as a whole. Indeed, in some countries more than 60 % of total value added was generated by these two size-classes in 2001. In particular, micro enterprises tended to dominate the sector, and their contribution to value added was particularly high in Cyprus, Italy, Austria and Finland. In Italy micro and small enterprises together generated almost all of the value added and in Cyprus there were no medium-sized (between 50 and 249 persons employed) or large enterprises (with 250 or more persons employed) in this sector. In contrast, in Denmark and Lithuania, micro enterprises generated a smaller share of value added in this sector than in motor trades as a whole.

In terms of employment, the dominance of micro and small enterprises was confirmed by the fact that around 80 % of the EU-25's employment in the retail sale of automotive fuel sector was found in these two size-classes.

LABOUR AND PRODUCTIVITY

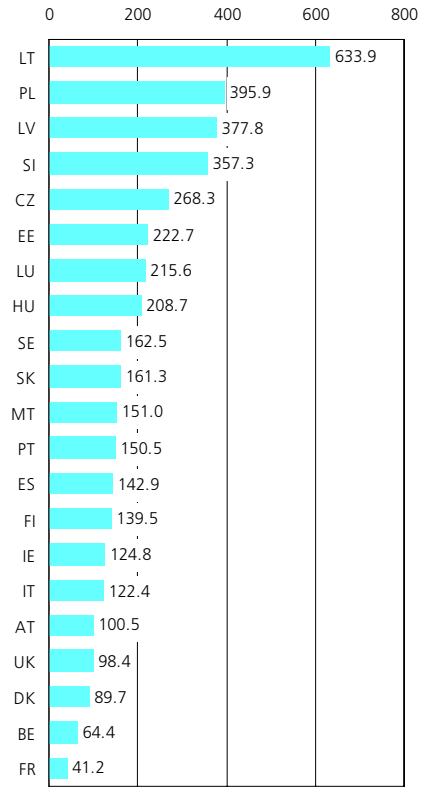
Apparent labour productivity was EUR 28 900 per person employed in the EU-15's retail sale of automotive fuel sector in 2001. Across countries, Luxembourg registered the highest apparent labour productivity in the retail sale of automotive fuel [6]. Average personnel costs were EUR 15 700 per employee in the EU-25 and EUR 17 700 in the EU-15 in 2001 in the retail sale of automotive fuel sector. The highest average personnel costs per employee were recorded in Sweden and the lowest in Lithuania [7]. Among the 10 new Member States, Slovenia was the only country to report higher average personnel costs than the EU-25 and the EU-15 averages.

Wage adjusted labour productivity was 163.1 % in the EU-15. This ratio (which represents the ratio of value added to personnel costs) was comparable to that recorded for the sale of motor vehicles (NACE Group 50.1) and was higher than that recorded for other activities in the motor trades sector. The lowest wage adjusted labour productivity ratios were recorded in France (110.2 %) and Italy (122.9 %) [8].

[6] Germany, 2000; Greece and Slovenia, not available.
[7] Germany, 2000; Greece, not available.
[8] Germany, 2000; Greece and Slovenia, not available.

Figure 16.4

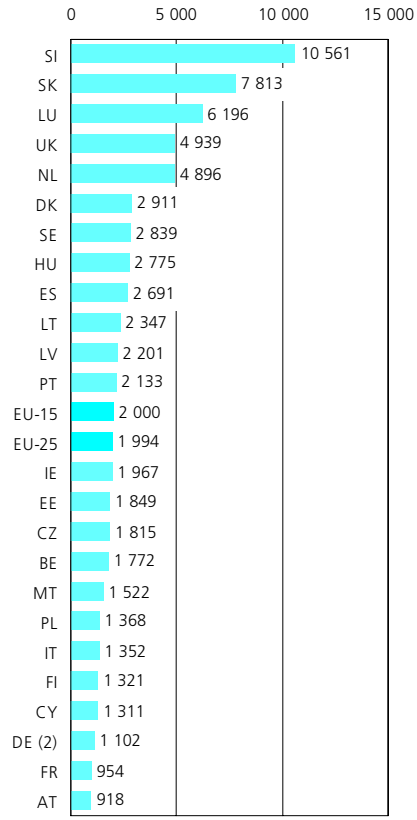
Retail sale of automotive fuel (NACE Group 50.5)
Value added specialisation ratio relative to non-financial services, 2001 (EU-25=100) (1)



(1) Germany, Greece, Cyprus and the Netherlands, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 16.5

Retail sale of automotive fuel (NACE Group 50.5)
Turnover per enterprise, 2001 (EUR thousand) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Table 16.7

Sale, maintenance and repair of motor vehicles (NACE Division 50)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	50 720	8 297	18 859	143 211	1 172	:	83 080	132 220	13 823	134 398	1 320	968	1 454	3 395
Value added at factor cost (EUR million)	3 485	633	2 282	24 550	104	:	9 518	16 158	1 145	12 125	199	126	160	317
Purchases of goods and services (EUR million)	47 460	7 572	14 486	116 810	1 090	:	74 869	117 075	12 512	125 096	1 002	871	1 306	3 079
Gross investment in tangible goods (EUR million)	789	239	265	2 447	32	:	2 022	1 905	196	1 907	29	64	50	:
Number of persons employed (thousands)	81	85	64	608	11	:	350	450	31	455	8	16	30	6
App. labour productivity (EUR thous./pers. emp.)	43.2	7.4	35.4	40.4	9.6	:	27.2	35.9	36.4	26.6	23.9	8.1	5.3	49.0
Average personnel costs (EUR thous./employee)	35.4	6.9	27.9	26.6	5.3	:	19.7	29.8	23.6	23.1	18.1	2.9	2.5	29.9
Wage adjusted labour productivity (%)	121.8	107.7	126.8	151.6	181.5	:	137.7	120.4	154.2	115.1	132.3	275.7	211.2	163.6
Gross operating rate (%)	2.8	3.0	3.6	6.7	4.1	:	4.5	2.7	3.8	5.0	6.4	8.5	6.3	4.2

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	6 421	465	66 157	24 069	16 162	25 044	3 824	2 386	13 242	29 510	217 827	1 640	2 826	:
Value added at factor cost (EUR million)	508	79	6 442	2 984	4 485	2 283	271	172	1 633	3 291	32 844	175	337	:
Purchases of goods and services (EUR million)	5 938	431	57 139	21 036	12 936	23 180	3 506	2 217	11 565	26 454	186 049	1 477	2 574	:
Gross investment in tangible goods (EUR million)	176	12	877	365	415	801	144	102	237	634	3 352	107	186	:
Number of persons employed (thousands)	41	4	157	80	206	125	:	13	35	80	609	35	73	:
App. labour productivity (EUR thous./pers. emp.)	12.4	21.2	41.0	37.4	21.7	18.2	:	12.8	46.0	41.2	53.9	5.0	4.6	:
Average personnel costs (EUR thous./employee)	5.7	11.2	28.2	29.7	6.6	13.1	13.3	5.2	31.0	33.3	27.0	1.8	2.1	:
Wage adjusted labour productivity (%)	217.5	189.4	145.2	126.1	328.6	138.8	:	244.8	148.6	123.8	199.9	275.0	214.9	:
Gross operating rate (%)	4.3	11.4	4.1	3.4	22.8	3.6	1.9	4.3	5.0	3.4	8.4	7.5	6.1	:

(1) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 16.8

Sale, maintenance and repair of motor vehicles (NACE Groups 50.1 to 50.4)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	46 720	5 831	16 416	137 163	:	:	69 153	126 648	12 008	102 225	1 009	470	851	2 050
Value added at factor cost (EUR million)	3 285	462	2 079	23 350	:	:	8 242	15 458	1 003	10 662	182	72	96	253
Purchases of goods and services (EUR million)	43 662	5 283	12 233	112 074	:	:	62 301	112 182	10 831	94 369	713	420	768	1 800
Gross investment in tangible goods (EUR million) (2)	687	146	245	2 388	:	:	1 701	1 801	164	1 704	28	45	29	:
Number of persons employed (thousands)	75	75	52	565	:	:	302	423	24	395	7	11	23	5
App. labour productivity (EUR thous./pers. emp.)	43.8	6.1	40.1	41.3	:	:	27.3	36.5	42.1	27.0	24.7	6.8	4.1	50.7
Average personnel costs (EUR thous./employee)	36.0	7.0	32.0	27.5	:	:	20.1	30.2	26.6	23.5	18.9	2.7	2.2	31.7
Wage adjusted labour productivity (%)	121.7	87.2	125.3	150.0	:	:	135.7	120.9	158.5	115.0	130.6	251.3	185.0	160.2
Gross operating rate (%)	2.8	2.2	3.8	6.6	:	:	4.8	2.8	3.9	5.5	7.8	9.6	6.0	5.3

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	5 222	334	58 348	22 400	11 461	20 735	2 166	1 800	11 758	23 702	187 783	649	1 830	:
Value added at factor cost (EUR million)	421	68	6 007	2 722	3 170	2 076	206	144	1 438	2 765	30 174	65	292	:
Purchases of goods and services (EUR million)	4 823	305	49 766	19 631	8 731	19 076	1 949	1 663	10 272	21 111	158 782	610	1 599	:
Gross investment in tangible goods (EUR million)	140	11	856	337	264	761	97	82	213	562	3 068	32	125	:
Number of persons employed (thousands)	35	3	141	70	175	109	:	12	29	66	546	22	59	:
App. labour productivity (EUR thous./pers. emp.)	11.9	19.8	42.5	38.8	18.1	19.0	:	12.4	49.5	41.6	55.2	3.0	4.9	:
Average personnel costs (EUR thous./employee)	5.8	11.2	29.2	30.8	6.8	13.7	11.9	5.3	32.8	34.6	28.2	1.7	2.2	:
Wage adjusted labour productivity (%)	206.4	176.1	145.3	125.7	267.1	139.2	:	233.8	150.9	120.5	196.0	175.6	223.9	:
Gross operating rate (%)	4.2	13.2	4.3	3.2	22.0	4.1	2.4	4.6	5.1	3.4	8.8	5.8	8.8	:

(1) 2000.
(2) The Czech Republic, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 16.9

Retail sale of automotive fuel (NACE Group 50.5)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	4 000	2 466	2 443	5 506	425	:	13 928	5 573	1 815	32 173	311	497	603	1 345
Value added at factor cost (EUR million) (1)	201	172	203	1 201	20	:	1 276	701	142	1 463	17	54	63	65
Purchases of goods and services (EUR million) (1)	3 799	2 288	2 252	4 736	403	:	12 569	4 893	1 681	30 727	289	452	538	1 279
Gross investment in tangible goods (EUR million) (1)	102	82	20	59	12	:	321	104	31	203	1	19	21	:
Number of persons employed (thousands)	6	10	12	37	3	:	48	27	8	60	1	5	7	2
App. labour productivity (EUR thous./pers. emp.) (1)	35.1	17.6	16.3	27.9	6.8	:	26.6	25.8	18.6	24.4	17.7	10.7	9.2	43.1
Average personnel costs (EUR thous./employee) (1)	24.9	6.2	12.4	14.1	4.2	:	17.8	23.4	14.1	19.8	12.9	3.4	3.3	23.8
Wage adjusted labour productivity (%) (1)	140.7	282.0	131.1	198.0	164.3	:	149.5	110.2	131.6	122.9	137.4	317.1	276.6	181.0
Gross operating rate (%) (1)	3.2	4.9	2.3	11.1	1.9	:	3.3	1.9	3.0	3.2	1.8	7.5	6.7	2.5

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	1 199	131	7 809	1 669	4 702	4 309	1 658	586	1 484	5 808	30 044	991	996	:
Value added at factor cost (EUR million)	87	12	435	263	1 315	208	66	28	195	527	2 670	110	46	:
Purchases of goods and services (EUR million)	1 116	126	7 373	1 406	4 205	4 105	1 558	555	1 293	5 343	27 267	867	974	:
Gross investment in tangible goods (EUR million)	36	2	21	28	151	40	47	20	24	71	284	75	61	:
Number of persons employed (thousands)	6	0	16	10	31	16	:	2	6	14	63	13	14	:
App. labour productivity (EUR thous./pers. emp.)	15.3	36.9	27.5	27.4	42.7	12.9	:	15.9	30.4	38.9	42.4	8.3	3.3	:
Average personnel costs (EUR thous./employee)	5.2	11.2	19.1	20.0	6.0	10.1	21.9	4.9	23.4	27.6	16.6	2.0	1.9	:
Wage adjusted labour productivity (%)	295.4	329.8	144.2	137.2	710.3	128.3	:	326.0	129.9	141.1	255.1	422.0	170.2	:
Gross operating rate (%)	4.8	6.8	2.3	6.3	25.0	1.2	1.2	3.3	3.5	3.0	5.8	8.6	1.2	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Wholesale trade

The wholesaling activity consists of selling to retailers or to industrial, commercial, institutional and professional users. Wholesalers can act on a fee or contract basis, as agents (which are covered in Subchapter 17.1) or for their own account, buying and selling goods (as covered by Subchapters 17.2 to 17.6). The own-account wholesale subchapters distinguish the type of product traded: agricultural products, consumer goods, intermediate goods, machinery and equipment and other products.

In the supply chain, wholesalers are located between producers and users, providing know-how and knowledge in markets for which they have expertise. Doing so, wholesalers therefore undergo pressure both from producers and from retailers. Their way of competing with other wholesalers is by providing more and more sophisticated value added services, for example using electronic exchange of data with their partners for stock management. The services they can provide range from basic storage and break of bulk, sorting, grading and logistics to pre- and post-production operations (for instance, labelling, packaging, bottling and installation). Nevertheless, manufacturers may try to increase their margins by limiting the intervention of intermediaries, and reaching the consumer directly; this trend has been helped by the development of e-commerce.

STRUCTURAL PROFILE

Value added in the wholesale trade sector was EUR 416.5 billion in the EU-25 and EUR 381.1 billion in the EU-15 in 2001, respectively 47.5 % and 46.2 % of total value added in the whole of the distribution sector. The employment level was 7.3 million employees in the EU-25 and 1 million less in the EU-15 (again in 2001). Adding working proprietors and unpaid family workers, there were 8.5 million persons employed in the EU-25's wholesale trade sector [(1)] and 7.3 million working in the EU-15. For comparison, this equated to 31.5 % of the total workforce in the distribution sector in the EU-25 [(2)] and 31.1 % of the total in the EU-15 (lower shares than those recorded in terms of value added).

[(1)] Slovenia, number of employees.
[(2)] Slovenia, number of employees.

The activities in NACE Division 51 cover all wholesale trade except that concerning motor trade. This chapter covers resale (sale without transformation) of new and used products, as well as wholesale activities carried out on a fee or contract basis.

NACE

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.

Table 17.1

Wholesale trade and commission trade, except of motor and motorcycles (NACE Division 51)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (83.7)	Poland (212)	United Kingdom (1 237.3)
2	France (55.1)	Latvia (175)	Italy (1 054.7)
3	Italy (43.5)	Czech Republic (148)	France (1 024.2)
4	Spain (33.2)	Slovakia (142)	Spain (968.8)
5	Netherlands (29.4)	Portugal (138)	Poland (644.9)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Germany, Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Among the activities that compose the wholesale trade sector, own-account wholesale trade accounted for 92.1 % of the EU-25's wholesale trade value added, and wholesale on a fee or contract basis for the remainder. Within own-account wholesaling, the wholesale of household goods (NACE Group 51.4), non-agricultural intermediate products, waste and scrap (NACE Group 51.5), and machinery, equipment and supplies (NACE Group 51.6) each accounted for slightly more than one fifth of turnover in the EU-25.

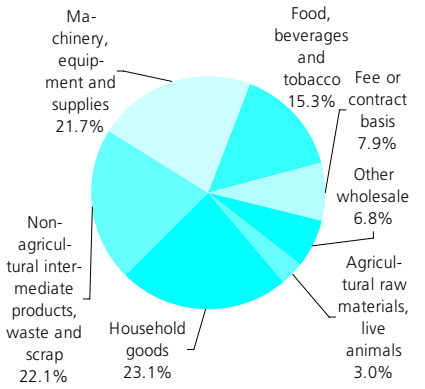
Among the Member States, wholesale trade value added was highest in the United Kingdom (EUR 83.7 billion, which equated to 20.1 % of the EU-25 total in 2001), Germany (2000: EUR 71.9 billion, 18.6 %) and France (EUR 55.1 billion, 13.2 %). Among the 10 new Member States, Poland had the largest wholesale trade sector generating EUR 25.8 billion of value added (6.2 % of the EU-25 total). In terms of employment, the five largest Member States each accounted for similar shares of total EU-25 employment in 2001, ranging from 11.4 % in Spain to 14.6 % in Germany (2000), while Poland accounted for 7.6 % of those employed in the EU-25.

Annual short-term statistics for the wholesale trade sector showed modest or no growth in recent years. Indeed, turnover increased at a subdued rate, while employment was declining. The EU-25's turnover index for wholesale trade grew by just over half a percent in 2001 and 2002, having grown by just over 10 % in 2000. Wholesale trade activities whose downstream clients were other enterprises tended to be hit hardest by the slowdown in economic activity in 2001 and 2002, while wholesale activities dealing with consumer goods tended to report positive rates of growth for turnover during the same period.

After several years of growth in excess of 1 %, the EU-25's employment index for wholesale trade decreased by 1.5 % in both 2001 and 2002. For comparison, the employment index for the whole of the distribution sector increased by 0.8 % in 2001 and by 1.0 % in 2002, extending a long run of positive year-on-year growth rates.

Figure 17.1

Wholesale trade and commission trade, except of motor and motorcycles (NACE Division 51)
Share of value added at factor cost, EU-25, 2001



Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Micro and small enterprises (with less than 50 persons employed) generated more than half of the value added in the EU-25's wholesale sector in 2001. Small enterprises (with between 10 and 49 persons employed) accounted for slightly more of the sector's value added than any other enterprise size-class and for a higher proportion than in the two other distribution activities (motor trades and retail trade). Indeed, small enterprises generated almost 30 % of the value added in the wholesale sector, whereas other size-classes accounted for a quarter or less. Among the Member States, more than half of the value added in the Italian wholesale trade sector was generated by micro enterprises, a situation similar to the Italian motor and retail trade sectors. In terms of employment, the picture was different as micro and small enterprises accounted together for more than 60 % of the total number of persons employed in the EU-25, more than their share of value added. Micro enterprises accounted for one third of the persons employed in the EU-25; nonetheless, in Italy almost two thirds of employment was in this enterprise size-class.

LABOUR AND PRODUCTIVITY

According to LFS data, there were some notable differences in the employment characteristics of the wholesale trade sector when compared with the characteristics observed in the two other distribution sectors. Men accounted for more than two thirds of the persons employed in the EU-15's wholesale trade sector in 2002, and in none of the Member States [3] was there a majority of women working in this sector, the nearest being Slovenia where the levels of female and male employment were almost equal. The full-time employment rate in the EU-15 wholesale trade sector (89.5 %) was almost the same as in the motor trade sector (90.7 %) and much higher than for retail trade (69.1 %), the latter situation being repeated in every Member State for which data are available [4]. The share of employees in total employment in the EU-15's wholesale trade sector (83.0 %) was higher than the rates observed in the two other distributive trade sectors. This pattern was repeated in the vast majority of countries, with the only exceptions being Germany, Ireland, Austria, Slovenia, and the United Kingdom [5]. In Greece, Lithuania and Malta, the share of employees in the number of persons employed was more than 23 percentage points higher in wholesale trade than in retail trade.

Apparent labour productivity was EUR 52 600 per person employed in the EU-15's wholesale trade sector in 2001, higher than in the other distribution activities, and, in fact, more than double the level in retail trade. The wholesale of machinery and equipment (NACE Group 51.6) registered the highest apparent labour productivity of all the NACE groups within the distribution sector, at EUR 60 900 per person employed. The lowest level of labour productivity within the wholesale subsectors was registered by agricultural wholesaling (NACE Group 51.2), at EUR 42 700 of value added per person employed.

[3] Poland, not available.
[4] Austria and Poland, not available.
[5] Poland, not available.

Table 17.2

Wholesale trade and commission trade, except of motor and motorcycles (NACE Division 51)
Value added at factor cost and persons employed, by enterprise size-class, 2001 (% of total)

	Micro enterprises		Small enterprises		Medium-sized enterprises		Large enterprises	
	Share of value added	Share of persons employed	Share of value added	Share of persons employed	Share of value added	Share of persons employed	Share of value added	Share of persons employed
EU-25	24.0	33.4	29.2	28.7	22.1	19.9	24.7	17.9
EU-15	24.4	32.0	28.3	29.0	21.5	19.9	25.8	19.1

Source: Eurostat, Structural Business Statistics (theme4/sbs/sizclass).

Average personnel costs in the wholesale trade sector were EUR 30 800 per employee in the EU-25 and EUR 34 400 in the EU-15 in 2001. In the EU-15 they were higher in the wholesale of machinery, equipment and supplies (NACE Group 51.6), at EUR 42 500, than in any other NACE group within the distribution sector and were as low as EUR 27 800 for the wholesale of food, beverages and tobacco (NACE Group 51.3).

Value added represented 152.7 % of EU-15 personnel costs (adjusted by the ratio of persons employed to employees) in the wholesale trade sector in 2001, the highest ratio recorded among the three distribution activities. The wholesale of intermediate products (NACE Group 51.5) recorded a ratio of 165.4 % and the wholesale of household goods (NACE Group 51.4) a ratio of 162.2 %, but both of these were lower than the 174.2 % recorded for the miscellaneous wholesale activity (NACE Group 51.7). Wholesale on a fee or contract basis (NACE Group 51.1) recorded a wage adjusted labour productivity ratio of 122.5 %, the lowest figure in the EU-15 among the NACE groups that make up the wholesale trade sector.

Among the Member States, Latvia and Poland recorded the highest wage adjusted labour productivity ratios in 2001 [6] within the wholesale trade sector, as added value exceeded personnel costs by more than four times.

[6] Germany, 2000; Greece and Slovenia, not available.

Table 17.3

Wholesale trade and commission trade, except of motor and motorcycles (NACE Division 51)
Labour force characteristics, 2002

	Share of men		Share of full-time		Share of employees	
	Value (%)	Index (services=100)	Value (%)	Index (services=100)	Value (%)	Index (services=100)
EU-25	:	:	:	:	:	:
EU-15	68.3	121.2	89.5	111.7	83.0	102.8
BE	62.7	105.9	84.8	103.7	82.6	106.6
CZ	58.8	110.7	96.6	102.6	73.1	97.0
DK	69.2	116.0	93.3	117.8	88.1	100.5
DE	64.0	124.8	84.5	112.7	85.7	101.0
EE	55.9	107.8	98.5	104.1	93.6	102.2
EL	70.5	114.7	98.3	102.0	69.7	120.5
ES	71.7	124.2	96.8	106.4	80.2	107.8
FR	67.8	119.3	92.7	109.3	92.4	104.1
IE	73.1	138.1	89.0	112.3	82.0	97.3
IT	69.3	112.0	92.9	102.9	59.5	99.0
CY	62.6	118.4	93.9	100.9	78.3	103.6
LV	65.9	142.0	97.2	104.6	95.3	104.1
LT	64.3	123.1	92.6	101.3	92.6	110.2
LU	69.1	123.0	92.1	104.1	92.3	102.7
HU	58.9	109.4	97.0	101.0	85.5	106.0
MT	74.9	107.9	95.8	108.5	86.3	106.7
NL	70.8	120.7	75.5	130.3	92.5	105.4
AT	63.2	127.7	:	:	88.4	101.8
PL	:	:	:	:	:	:
PT	72.6	130.2	94.6	102.0	75.4	106.7
SI	50.8	96.3	96.2	101.7	82.9	95.5
SK	58.7	113.1	99.4	101.5	84.3	98.0
FI	67.4	126.9	93.9	112.8	88.8	101.8
SE	72.1	121.7	89.5	113.0	86.6	101.4
UK	68.9	122.9	87.1	121.4	87.9	100.3

Source: Eurostat, Labour Force Survey.

Table 17.4

Wholesale trade and commission trade, except of motor and motorcycles (NACE Division 51)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Wholesale trade and commission trade, except of motor and motorcycles	52.6	152.7	34.4
Wholesale on a fee or contract basis	43.1	122.5	35.2
Wholesale of agricultural raw materials, live animals	42.7	146.1	29.3
Wholesale of food, beverages and tobacco	43.0	154.9	27.8
Wholesale of household goods	55.3	162.2	34.1
Wholesale of non-agricultural intermediate products, waste and scrap	56.4	165.4	34.1
Wholesale of machinery, equipment and supplies	60.9	143.3	42.5
Other wholesale	51.5	174.2	29.6

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

17.1: WHOLESALE ON A FEE OR CONTRACT BASIS

This wholesale sector covers agents trading on behalf and on account of others, those involved in bringing sellers and buyers together and those undertaking commercial transactions on behalf of a principal (NACE Group 51.1). It does not include financial intermediaries such as insurance or real estate agents, nor retail sale by agents.

Wholesalers acting as agents provide a service, acting to bring together the two parties to a transaction, namely the buyer and the seller. In doing so, their turnover is mainly composed of the fees and commissions they charge for their services; it does not reflect the value of the goods that they trade.

STRUCTURAL PROFILE

In 2001 value added for wholesale on a fee or contract basis was EUR 33.0 billion in the EU-25 (EUR 31.1 billion in the EU-15) and represented around 8 % of total value added in the wholesale trade sector. Using this measure, wholesale on a fee or contract basis was the third smallest NACE group in the wholesale trade sector, ahead of agricultural wholesaling and the residual sector of other wholesale. Wholesale on a fee or contract basis had 857 800 persons employed [7] in the EU-25 in 2001 and 723 200 in the EU-15, equivalent to 10.0 % of the total number of persons employed in the wholesale sector.

Among the nine NACE classes that compose this sector, agents involved in the sale of machinery, industrial equipment, ships and aircraft (NACE Class 51.14) represented 15.0 % of EU-15 value added; this was the third largest activity. The two residual categories of specialised agents not elsewhere classified (NACE Class 51.18, 25.0 %) and unspecialised agents (NACE Class 51.19, 15.3 %) were respectively the largest and second largest activities.

Italy had by far the largest wholesale on a fee or contract basis sector among the Member States, with EUR 10.9 billion of value added, representing one third of the EU-25 total in 2001.

[7] Slovenia, number of employees.

Table 17.5

Wholesale on a fee or contract basis (NACE Group 51.1) Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	Italy (10.9)	Slovenia (518)	Italy (333.2)
2	United Kingdom (4.6)	Slovakia (486)	France (74.8)
3	France (4.6)	Italy (314)	Spain (71.1)
4	Spain (2.2)	Estonia (132)	United Kingdom (67.4)
5	Netherlands (1.1)	Malta (122)	Poland (39.9)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Germany, Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

LABOUR AND PRODUCTIVITY

Apparent labour productivity was EUR 43 100 per person employed in the EU-15's wholesale trade on a fee or contract basis in 2001, one of the lowest levels when compared with the other NACE groups within the wholesale trade sector. It is likely that a high proportion of persons working part-time in this activity could account, in part, for the relatively low levels of apparent labour productivity. In Germany, for example, in 2000, 31.0 % of employees worked part-time in the wholesale on a fee or contract basis sector, according to SBS data, compared with 19.7 % in the wholesale trade sector as a whole. Apparent labour productivity [8] was particularly high in Luxembourg and the Netherlands (respectively EUR 80 700 per person employed and EUR 79 100). For the Netherlands, the level of apparent labour productivity in the wholesale trade on a fee or contract basis sector was the highest for all wholesale NACE groups in the Netherlands. In contrast a very low level of apparent labour productivity was registered in Lithuania (EUR 3 200), the lowest of all wholesale NACE groups in that country.

[8] Germany, 2000; Greece and Slovenia, not available.

Average personnel costs in 2001 were EUR 29 100 per employee in the EU-25 and EUR 35 200 in the EU-15, very close to the wholesale trade averages. Belgium and the Netherlands had the highest average personnel costs per employee [9], and in the case of the Netherlands, this average was again the highest among all wholesale NACE groups in that country.

Wage adjusted labour productivity in this sector showed that value added represented 122.5 % of personnel costs in the EU-15 in 2001, after adjusting personnel costs for the ratio of persons employed to paid employees. This percentage was the lowest of all NACE groups in the wholesale trade sector by some margin, as there were more than 20 percentage points difference before the next lowest ratio. Nonetheless, Denmark, Germany (2000), France, Lithuania, Luxembourg and the Netherlands [10] all reported a higher ratio for this sector than for wholesale trade as a whole.

[9] Germany, 2000; Greece, not available.
[10] Greece and Slovenia, not available.

Table 17.6

Wholesale on a fee or contract basis (NACE Group 51.1)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Wholesale on a fee or contract basis, (agents involved in the sale of)	43.1	122.5	35.2
Agricultural & textile raw materials, live animals & semi-finished goods	42.4	156.7	27.0
Fuels, ores, metals and industrial chemicals	64.0	160.9	39.8
Timber and building materials	45.1	159.9	28.2
Machinery, industrial equipment ships and aircraft	71.7	128.2	55.9
Furniture, household goods, hardware and ironmongery	40.3	142.6	28.3
Textiles, clothing, footwear and leather goods	39.7	140.3	28.3
Food, beverages and tobacco	40.9	132.0	31.0
Particular products or ranges of products n.e.c.	38.4	107.3	35.8
A variety of goods	35.5	115.7	30.7

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

17.2: AGRICULTURAL WHOLESALING

NACE Group 51.2 covers the wholesaling of raw materials for agricultural activities (such as seeds and animal feed) as well as live animals. It does not cover the wholesaling of outputs from farming other than hides, skins and leather and unmanufactured tobacco.

STRUCTURAL PROFILE

This sector was the smallest within own-account wholesale trade, whether measured in terms of turnover or employment. Indeed, the turnover generated by agricultural wholesaling was EUR 174.5 billion in the EU-25 and EUR 169.3 billion in the EU-15 in 2001, which represented around 5 % of total turnover for the wholesale trade sector. There were 313 000 persons employed in the EU-25 [11] and 280 900 in the EU-15, some 4.1 % of the total number of persons employed in own-account wholesaling in the EU-25 (slightly less than the turnover share).

Among the five NACE classes that compose this sector, the wholesale of grain, seeds and animal feeds (NACE Class 51.21) accounted for the largest proportion of turnover in the EU-15 (62.3 %) while the second largest subsector was the wholesale of live animals (NACE Class 51.23, 22.0 %).

[11] Slovenia, number of employees.

Table 17.7

Wholesale of agricultural raw materials, live animals (NACE Group 51.2)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	France (2.8)	Austria (219)	France (56.8)
2	Netherlands (1.8)	Slovakia (192)	Germany (49.8)
3	Spain (1.1)	Denmark (175)	Spain (38.1)
4	United Kingdom (1.1)	France (149)	Netherlands (34.9)
5	Italy (0.9)	Hungary (143)	Italy (27.5)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Among the Member States, France generated more than one quarter of the EU-25's turnover in the agricultural wholesale sector in 2001, the largest share of any country and also the largest own-account wholesaling NACE group in France. Germany was the second largest country accounting for slightly less than one fifth of the EU-25's turnover, followed by the Netherlands and Spain with just over 10 % of the total.

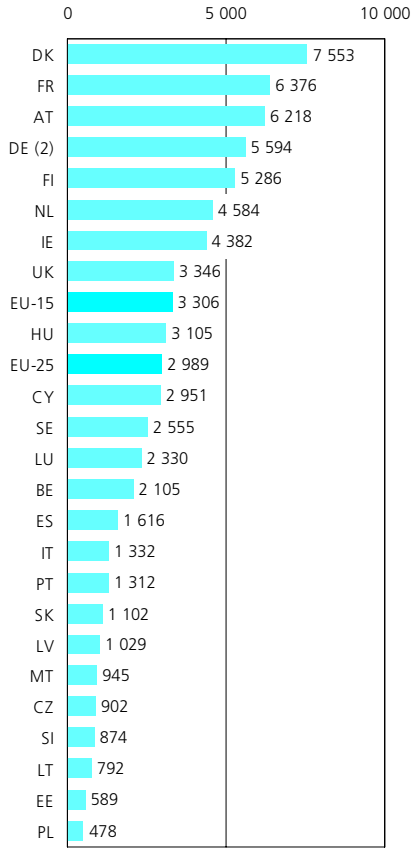
According to annual short-term statistics, after growth of 3.8 % in 2000, there was a decrease in turnover in the agricultural wholesaling sector in 2001 and 2002 in the EU-25. The pace of the decrease quickened as the index of turnover fell by 0.4 % in 2001 and by 2.5 % in 2002. For comparison, in the EU-15 the same index was unchanged between 2000 and 2001, with a more pronounced reduction (-2.7 %) between 2001 and 2002.

Figure 17.2 shows the average size of enterprises in terms of turnover in 2001. Poland and Estonia had the lowest average turnover per enterprise [12], reflecting their low specialisation in this activity: Poland accounted for 1.3 % of the EU-25's turnover and Estonia for less than 0.1 %. Of the 10 new Member States, only Cyprus and Hungary reported enterprises with an average turnover larger than some of the EU-15 Member States. Denmark recorded the highest average turnover per enterprise, EUR 7.6 million.

[12] Germany, 2000; Greece, not available.

Figure 17.2

Wholesale of agricultural raw materials, live animals (NACE Group 51.2) Turnover per enterprise, 2001 (EUR thousand) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

LABOUR AND PRODUCTIVITY

In 2001 the apparent labour productivity of the agricultural wholesaling sector was EUR 42 700 per person employed in the EU-15, the lowest value among the NACE groups that make up wholesale trade, but not far from the values reported in the wholesale of food, beverages and tobacco sector (NACE Group 51.3).

Average personnel costs were EUR 29 300 per employee in the EU-15, the second lowest value among the NACE groups within wholesale trade, but nevertheless higher than the distribution average. For comparison, average personnel costs in the EU-25 were EUR 27 200.

According to the wage adjusted labour productivity ratio, value added represented 146.1 % of adjusted personnel costs in the EU-15, the lowest share among the groups that make up the own-account wholesale trade sector, and some 9.3 percentage points below the average for own-account wholesaling. However, in several Member States the agricultural wholesaling sector recorded higher wage adjusted labour productivity than national own-account wholesaling averages [13], notably in Malta, where the ratio was more than double the average, and Slovakia, where it was more than 70 % higher.

[13] Germany, 2000; Greece and Slovenia, not available.

Table 17.8

Wholesale of agricultural raw materials, live animals (NACE Group 51.2) Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Wholesale of agricultural raw materials, live animals	42.7	146.1	29.3
Wholesale of grain, seeds and animal feeds	47.8	153.5	31.1
Wholesale of flowers and plants	35.5	133.9	26.5
Wholesale of live animals	34.6	130.9	26.4
Wholesale of hides, skins and leather	52.3	181.3	28.9
Wholesale of unmanufactured tobacco	57.3	159.4	35.9

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

17.3: WHOLESALING OF CONSUMER GOODS

The wholesaling of consumer products covers NACE Groups 51.3 and 51.4. The first of these groups includes food, beverages and tobacco and the latter household products, such as textiles, clothing, electrical appliances, games, toys, tableware, furniture and furnishings, as well as cleaning products and personal products. It should be noted that although these two categories are grouped together here as consumer products, these activities also include the wholesaling of food and beverage products as inputs for further processing.

STRUCTURAL PROFILE

The wholesaling of consumer goods generated EUR 1.4 trillion of turnover in 2001 in the EU-25 and EUR 69.4 billion less in the EU-15, representing 41.1 % of the EU-25's own-account wholesaling. In terms of the number of persons employed, this sector provided employment to 3.4 million persons [14] in the EU-25, equivalent to 44.2 % of the own-account wholesale total, and therefore slightly more than the turnover share.

In all of the Member States this sector (defined as the aggregate of NACE Groups 51.3 and 51.4) was the largest within own-account wholesale trade [15], except in the United Kingdom, Finland and Latvia, where the wholesale of intermediate products was larger (in terms of turnover). No single country dominated activity in this sector, as Germany (2000) had the highest share of value added, accounting for some 18.3 % of the EU-25 total, with the United Kingdom (16.0 %) and France (14.6 %) just a few percentage points lower. Several of the southern Member States were relatively specialised in this sector, most notably Malta, Portugal, Cyprus and Italy.

Among the two NACE groups that compose this sector, the wholesale of household goods (NACE Group 51.4) contributed slightly more (51.3 %) to total turnover in the EU-25 in 2001 than the wholesale of food, beverages and tobacco (NACE Group 51.3). Nevertheless, several countries showed the opposite pattern [16], most notably Ireland, Malta and Luxembourg, where the wholesale of food, beverages and tobacco subsector accounted for more than 60 % of the turnover generated within the consumer goods wholesaling sector. In contrast, less than one third of the turnover in Slovenia was derived from food, beverages and tobacco wholesaling.

[14] Slovenia, number of employees.
[15] Germany, 2000; Greece, not available.
[16] Germany, 2000; Greece, not available.

Table 17.9

Wholesale of food, beverages, tobacco and household goods (NACE Groups 51.3 and 51.4) Structural profile, 2001

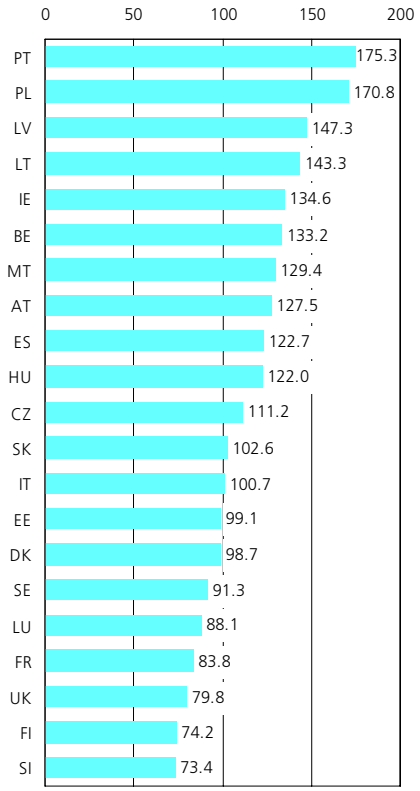
Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (30.4)	Portugal (175)	Germany (526.6)
2	France (20.0)	Poland (171)	Spain (502.9)
3	Italy (16.9)	Latvia (147)	United Kingdom (499.0)
4	Spain (15.4)	Lithuania (143)	Italy (390.9)
5	Netherlands (11.1)	Ireland (135)	France (376.5)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

An analysis of the evolution of turnover indices for consumer goods wholesaling can be made for each of the two NACE groups that compose this sector. The turnover index registered gains for both of these activities in 2001 and 2002. Compared with the general trend of moderately rising turnover within the wholesale trade sector, both of these activities recorded more pronounced growth, particularly the wholesaling of household goods. For the wholesale of food, beverages and tobacco there was more rapid turnover growth in 2001 (4.8 %) in the EU-25 than in 2002 (0.9 %), while the wholesaling of household goods recorded growth in excess of 3 % in both 2001 and 2002. The relatively low turnover growth rates registered in the wholesale of food, beverages and tobacco activity in 2002 resulted, in part, from a contraction of activity in the Netherlands (-1.7 %), the United Kingdom (-1.6 %) and Germany (-0.3 %). Among the 10 Member States with data available for the wholesale of household goods, Germany (-2.9 %) was one of only two that registered a negative evolution for turnover in 2002.

Figure 17.3

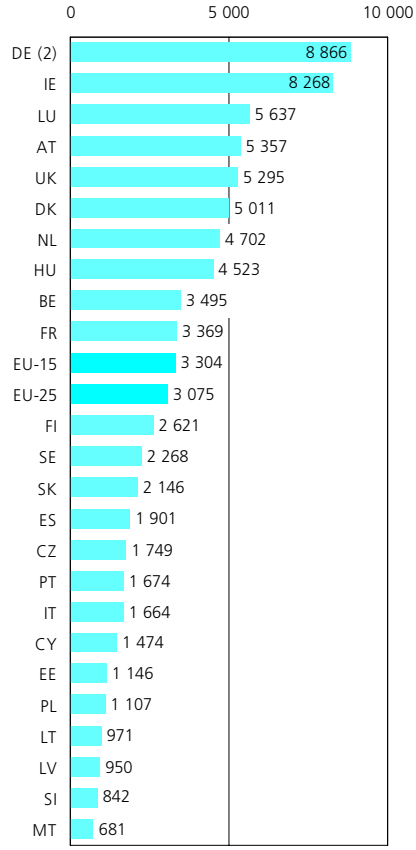
Wholesale of food, beverages, tobacco and household goods (NACE Groups 51.3 and 51.4) Value added specialisation ratio relative to non-financial services, 2001 (EU-25=100) (1)



(1) Germany, Greece, Cyprus and the Netherlands, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 17.4

Wholesale of food, beverages, tobacco and household goods (NACE Groups 51.3 and 51.4) Turnover per enterprise, 2001 (EUR thousand) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Figure 17.4 shows average enterprise size in terms of turnover in the wholesaling of consumer goods sector in 2001 [17]. In food, beverages and tobacco wholesaling (EUR 3.7 million per enterprise) the average size of enterprises in the EU-25 was above the average for own-account wholesaling (EUR 3.4 million), while in the wholesaling of household goods (EUR 2.6 million) it was below average. Germany (2000) and Ireland had by far the largest enterprises (using this measure), with an average turnover per enterprise that exceeded EUR 8.0 million.

LABOUR AND PRODUCTIVITY

Apparent labour productivity for consumer goods wholesaling was EUR 50 000 per person employed in the EU-15 in 2001, less than the average for own-account wholesaling. Ireland distinguished itself from the other Member States by virtue of its very high apparent labour productivity in this sector (EUR 76 500 per person employed), higher than in any of the other NACE groups that make up the Irish wholesale trade sector.

Average personnel costs were EUR 28 500 per employee in the EU-25, once again less than the own-account wholesaling average. For comparison, the average for the EU-15 was EUR 31 400.

[17] Germany, 2000; Greece, not available.

The result of these relatively low ratios for both apparent labour productivity and average personnel costs was a wage adjusted labour productivity ratio (adjusted for the ratio of persons employed to paid employees) of 159.4 % in the EU-15 in 2001. This was 4.1 percentage points higher than the own-account wholesaling average.

In several countries [18], notably the Baltic States and the Czech Republic, wage adjusted labour productivity in this sector was below the national own-account wholesaling average. However, in Ireland, high apparent labour productivity fed through into a high wage adjusted labour productivity ratio, with a value of 209.0 % compared with an own-account wholesaling average of 160.8 %.

[18] Germany, 2000; Greece and Slovenia, not available.

17.4: WHOLESALING OF INTERMEDIATE GOODS

The wholesaling of intermediate products (NACE Group 51.5) covers all products used as materials, except for agricultural products (which are treated in Subchapter 17.2). It includes, for example, the wholesaling of fuels, construction materials, hardware, chemical products, as well as the wholesaling of scrap.

Table 17.10

Wholesale of non-agricultural intermediate products, waste and scrap (NACE Group 51.5) Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (17.1)	Latvia (418)	Germany (317.5)
2	France (11.1)	Lithuania (197)	United Kingdom (258.8)
3	Italy (8.3)	Poland (195)	France (213.5)
4	Spain (7.5)	Estonia (177)	Spain (188.5)
5	Netherlands (5.4)	Czech Republic (173)	Italy (172.2)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

STRUCTURAL PROFILE

Turnover in the EU-25's wholesaling of intermediate goods sector was EUR 997.9 billion in 2001, compared with EUR 944.7 billion in the EU-15. This level of turnover corresponded to just less than one third (30.3 %) of total turnover in own-account wholesaling, making the wholesaling of intermediate goods the largest sector among the NACE Groups that make up own-account wholesale trade. In terms of employment, there were 1.7 million persons employed in the EU-25 [19] and 1.5 million in the EU-15, more than one fifth of the own-account wholesaling total.

The wholesale of solid, liquid and gaseous fuels and related products (NACE Class 51.51) represented the largest part (42.3 %) of the EU-15's turnover in this sector. Across the Member States [20], this was not the case in France, Latvia, Malta and the Netherlands, where the wholesale of wood, construction materials and sanitary equipment (NACE Class 51.53) was larger. The picture was different in terms of employment: the wholesale of solid, liquid and gaseous fuels and related products accounted for less than 10 % of the total number of persons employed in this sector in the EU-15. The two activities that accounted for most of the EU-15's employment in this sector were the wholesale of wood, construction materials and sanitary equipment (NACE Class 51.53, 39.6 %) and the wholesale of hardware, plumbing and heating equipment and supplies (NACE Class 51.54, 21.8 %).

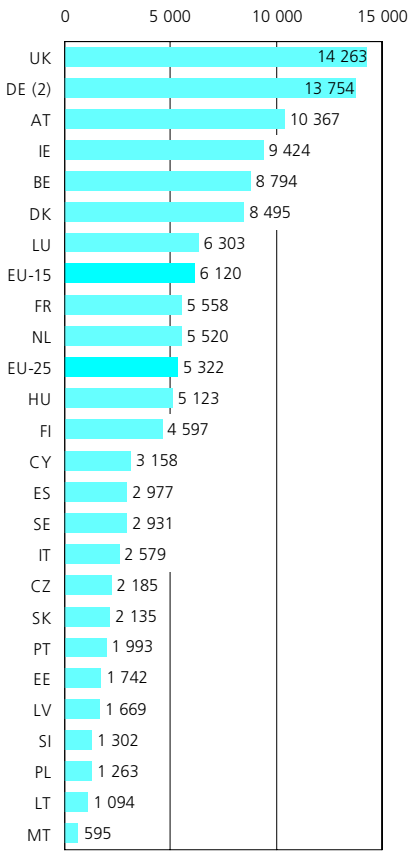
The United Kingdom accounted for just less than one quarter (24.0 %) of the EU-25's turnover in the wholesaling of intermediate goods sector and Germany for just over one fifth (20.9 %). All other countries recorded shares that were below 10 % of the EU-25 total. Among the 10 new Member States, Poland registered the highest contribution to turnover (2.5 % of the EU-25 total). Latvia, Estonia and the United Kingdom were the most specialised in this type of wholesale trade.

Annual short-term statistics provide information on the evolution of the turnover index for the wholesale of intermediate goods. This sector generally experienced declining turnover in 2001 and 2002. The decrease was larger in the EU-15 than it was in the EU-25, as turnover fell by 2.6 % in 2001 (compared with 2.4 % in the EU-25) and by 1.6 % in 2002 (compared with -1.0 % in the EU-25). These two successive years of contraction in turnover followed growth of over 20 % in 2000. Among the larger Member States, very different developments were observed in 2001 and 2002. In Germany, the turnover index for the wholesaling of intermediate goods fell by 9.1 % in 2002, while in the United Kingdom it grew by 5.4 %. France (-0.5 %) and Italy (1.4 %) recorded more modest rates of change.

Figure 17.5 shows the average enterprise size in terms of turnover in 2001 [21], highlighting the fact that enterprises in the wholesale of intermediate products sector were relatively large. The two Member States with the largest intermediate goods wholesaling sectors, the United Kingdom and Germany (2000), also had the biggest enterprises, in terms of turnover per enterprise.

[19] Slovenia, number of employees.
[20] Germany, 2000, the Czech Republic and Greece, not available.
[21] Greece, not available.

Figure 17.5
Wholesale of non-agricultural intermediate products, waste and scrap (NACE Group 51.5)
Turnover per enterprise, 2001 (EUR thousand) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

LABOUR AND PRODUCTIVITY

Apparent labour productivity in the EU-15 was EUR 56 400 per person employed in the wholesaling of intermediate goods sector in 2001, higher than the own-account wholesaling average and the second highest value among the NACE groups that make up the wholesale trade sector, behind machinery and equipment wholesaling. Average personnel costs were EUR 31 000 per employee in the EU-25 and EUR 34 100 in the EU-15, which was slightly higher than the own-account wholesaling average.

The relatively high apparent labour productivity, combined with fairly typical - for own-account wholesaling - average personnel costs, resulted in this sector having the second highest wage adjusted labour productivity ratio in the EU-15 own-account wholesaling sector. With value added at 165.4 % of adjusted personnel costs, the productivity ratio in the wholesaling of intermediate goods sector was 10.0 percentage points above the own-account wholesaling ratio. Only in Ireland [22] was wage adjusted labour productivity in this sector below the national average for the own-account wholesaling as a whole, while in Latvia it was one and a half times higher than the national average for own-account wholesaling.

[22] Germany, 2000; Greece and Slovenia, not available.

Table 17.11

Wholesale of non-agricultural intermediate products, waste and scrap (NACE Group 51.5)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Wholesale of non-agricultural intermediate products, waste and scrap	56.4	165.4	34.1
Wholesale of solid, liquid and gaseous fuels and related products	127.1	290.6	43.7
Wholesale of metals and metals ores	61.0	162.1	37.6
Wholesale of wood, construction materials and sanitary equipment	43.7	146.7	29.8
Wholesale of hardware, plumbing and heating equipment and supplies	44.0	135.3	32.5
Wholesale of chemical products	71.7	168.5	42.5
Wholesale of other intermediate products	61.7	152.7	40.4
Wholesale of waste and scrap	47.6	175.3	27.1

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

17.5: WHOLESALING OF MACHINERY AND EQUIPMENT

The wholesaling of machinery and equipment (NACE Group 51.6) concerns the wholesaling of all capital goods, except for those covered by motor trade. Wholesaling of installation equipment, as well as electrical and electronic products for industrial use and the wholesaling of office furniture are all included.

STRUCTURAL PROFILE

Turnover in the EU-25's wholesaling of machinery and equipment sector was EUR 580.9 billion in 2001, and EUR 568.9 billion in the EU-15. For the EU-25 this represented 16.7 % of the wholesale trade total and 17.6 % of the own-account wholesaling total, a smaller share than wholesaling of intermediate goods or the two consumer goods wholesaling NACE groups. The number of persons employed by the wholesaling of machinery and equipment sector reached 1.5 million persons in the EU-25 [23], corresponding to just over one fifth of the own-account wholesaling total, which was above the corresponding share of turnover.

[23] Slovenia, number of employees.

Table 17.12

Wholesale of machinery, equipment and supplies (NACE Group 51.6)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (22.9)	Denmark (190)	France (293.4)
2	France (16.2)	Finland (179)	United Kingdom (262.1)
3	Netherlands (8.6)	Belgium (164)	Germany (199.9)
4	Spain (6.7)	Austria (144)	Spain (161.5)
5	Italy (5.8)	Luxembourg (126)	Netherlands (149.2)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Wholesale of office machinery and equipment (NACE Class 51.64) and wholesale of other machinery for use in industry, trade and navigation (NACE Class 51.65) each accounted for around 43 % of the turnover generated in the EU-15's wholesaling of machinery and equipment sector. The other NACE classes that make up this activity each accounted for 6 % or less of total turnover. Almost half (49.8 %) of the persons employed in the EU-15's wholesaling of machinery and equipment sector were working in the wholesale of other machinery for use in industry, trade and navigation, more than this activity's turnover share, while less than one third (32.3 %) were working in the wholesale of office machinery and equipment.

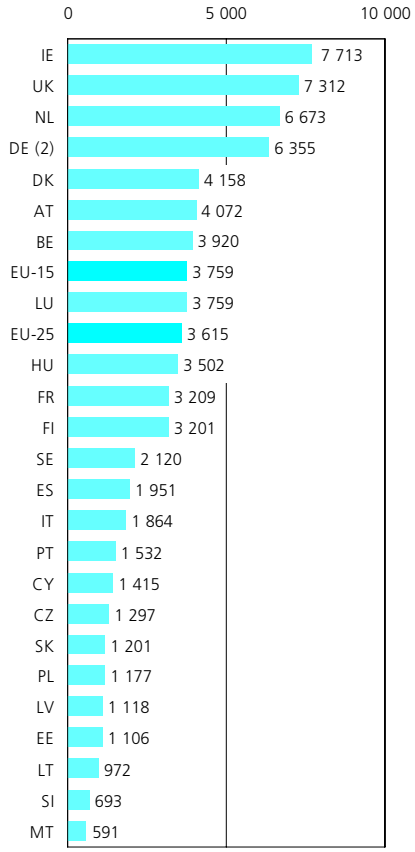
France and the United Kingdom each accounted for 19.0 % of the turnover generated in the EU-25's wholesaling of machinery and equipment sector, while the Netherlands accounted for 13.6 % of the total and Germany for 12.1 %. The contribution to total turnover in all other remaining countries was below 8 %. In terms of specialisation relative to the wholesale sector as a whole, the high EU-25 share of the Netherlands was indicative of this being the most specialised Member State [24], followed by the three Nordic Member States of Finland, Denmark and Sweden. Poland and Slovenia were the least specialised countries in the wholesaling of machinery and equipment.

[24] Germany, 2000; Greece and Cyprus, not available.

The evolution of turnover in the wholesale of machinery and equipment sector followed a negative evolution in 2001 and 2002. The EU-25 turnover index decreased by 4.3 % in 2001 and by a further 1.3 % in 2002. Corresponding growth rates for the EU-15 were similar (respectively -4.7 % and -1.5 %), following five consecutive years of growth, particularly during the period 1996 to 1998, when year-on-year growth exceeded 5 %. The negative rates of change in 2001 and 2002 were quite similar to those registered for the wholesale of intermediate goods (NACE Group 51.5), but were contrary to the positive growth rates recorded for the wholesale trade sector in general. Among the Member States with a large machinery and equipment wholesaling sector, France and Germany recorded slight contractions in turnover in 2002, although at a pace that was less than the EU-25 average, while the United Kingdom and Italy recorded growth. The decline in EU-25 turnover in 2002 was strongly influenced by the 6.6 % reduction in turnover in the Netherlands, the third largest Member State in this sector, and to a lesser extent by the -5.1 % change in Finland, one of the most specialised Member States.

Figure 17.6

Wholesale of machinery, equipment and supplies (NACE Group 51.6)
Turnover per enterprise, 2001
(EUR thousand) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Figure 17.6 provides information on the average size of enterprises in this sector in terms of their 2001 turnover [25]. The average size of each enterprise in the EU-25 was slightly larger than the own-account wholesale average. Ireland, the United Kingdom, the Netherlands and Germany all recorded average sizes that were notably above the EU-25 average.

LABOUR AND PRODUCTIVITY

This sector had the highest apparent labour productivity in 2001 (EUR 60 900 per person employed) of the NACE groups that make up the EU-15's wholesale trade sector. For comparison, apparent labour productivity was EUR 53 500 on average in own-account wholesaling and EUR 56 400 for the wholesale of intermediate products.

[25] Germany, 2000; Greece, not available.

Average personnel costs per employee in this sector were the highest of the wholesale NACE groups, and well above the average for own-account wholesaling which was EUR 30 900 in the EU-25. Indeed, at EUR 41 100 per employee in the EU-25 and EUR 42 500 in the EU-15, average personnel cost in the wholesaling of machinery and equipment sector were more than EUR 7 000 higher than in any other wholesale trade NACE group. In the vast majority of Member States [26] this sector reported the highest average personnel costs within own-account wholesaling. In Estonia and Slovakia, the differences between average personnel costs per employee in this sector and those for own-account wholesale trade were largest.

In the EU-15, value added represented 143.3 % of personnel costs (adjusted for the ratio of the number of persons employed compared with the number of employees). Whereas apparent labour productivity per person employed in this sector was the highest among NACE groups within the wholesale trade sector, the wage adjusted labour productivity ratio was below the own-account wholesaling average of 155.4 %. In fact, wholesaling of machinery and equipment recorded the lowest wage adjusted labour productivity of all of the own-account wholesale trade NACE groups, the result of the particularly high average personnel costs. Only in the Czech Republic, Cyprus, Lithuania and Hungary was the wage adjusted labour productivity ratio of this sector higher than the own-account wholesaling average [27]. In Ireland, value added did not cover adjusted personnel costs, as wage adjusted labour productivity was 42.1 %, the only country where the value of this ratio was below 100 %.

[26] Germany, 2000; Greece, not available.
[27] Germany, 2000; Greece and Slovenia, not available.

Table 17.13

Wholesale of machinery, equipment and supplies (NACE Group 51.6)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Wholesale of machinery, equipment and supplies	60.9	143.3	42.5
Machine tools	57.2	150.3	38.1
Construction machinery	59.0	154.0	38.3
Machinery for the textile industry and of sewing and knitting machines	46.0	146.7	31.3
Office machinery and equipment	70.3	140.2	50.2
Other machinery for use in industry, trade and navigation	59.0	145.7	40.5
Agricultural machinery and accessories and implements, including tractors	39.7	134.8	29.5

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

17.6: OTHER WHOLESALE

The other wholesale sector (NACE Group 51.7) covers specialised own-account wholesaling of products not covered in other parts of NACE Division 51, as well as non-specialised wholesaling, where enterprises resell a variety of products.

STRUCTURAL PROFILE

Turnover was EUR 188.2 billion in the EU-25 in this sector in 2001, which represented less than 6 % of the total generated in own-account wholesale trade, making this the second smallest NACE group within the own-account wholesaling sector, slightly larger than agricultural wholesaling. However, in this sector, Poland and Slovenia registered their highest shares of national turnover in own-account wholesale trade (respectively 40.3 % and 32.4 %). The difference in turnover (EUR 56.9 billion) between the EU-15 and the EU-25 value represented 30.2 % of the EU-25 value, and resulted from the importance of this sector in Polish wholesaling. In terms of employment, there were 691 000 persons employed [28] in the EU-25 and less than half this number in the EU-15 (315 300). The total number of persons employed in other wholesale activities corresponded to less than 10 % of the total number of persons employed in the EU-25's own-account wholesale sector and less than 5 % of the total in the EU-15; again the large disparity between the EU-15 and EU-25 values resulted from the very high specialisation of Poland (and Slovenia) in this wholesaling sector.

The United Kingdom accounted for almost one quarter of the EU-25's turnover in this sector, while Poland and Germany each accounted for more than one fifth of the total: all three of these Member States were relatively specialised in other wholesaling activities, relative to own-account wholesaling.

Annual short-term statistics for the other wholesale sector showed relatively little change in EU-25 turnover in 2001 (-0.1 %) and modest growth in 2002 (+0.3 %). In contrast, turnover in the EU-15 declined, with a 0.6 % reduction in 2001, accelerating to -1.6 % in 2002.

[28] Slovenia, number of employees.

Table 17.14

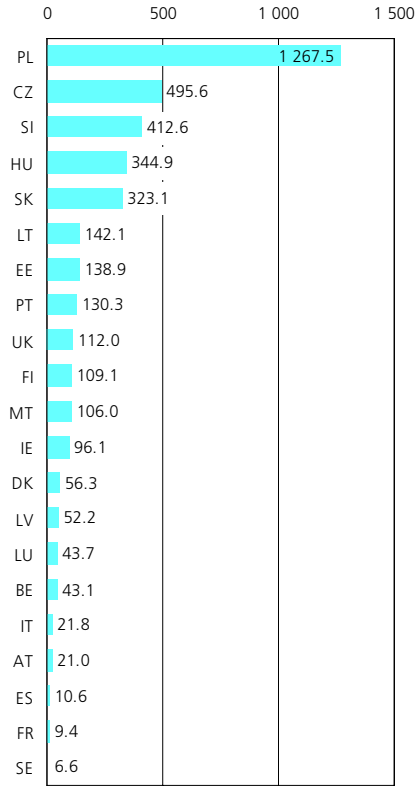
Other wholesale (NACE Group 51.7) Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	Poland (10.5)	Poland (1 267)	Poland (270.4)
2	United Kingdom (7.6)	Czech Republic (496)	United Kingdom (125.8)
3	Netherlands (1.4)	Slovenia (413)	Germany (84.8)
4	Czech Republic (0.8)	Hungary (345)	Czech Republic (45.6)
5	Italy (0.6)	Slovakia (323)	Netherlands (24.9)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 17.7

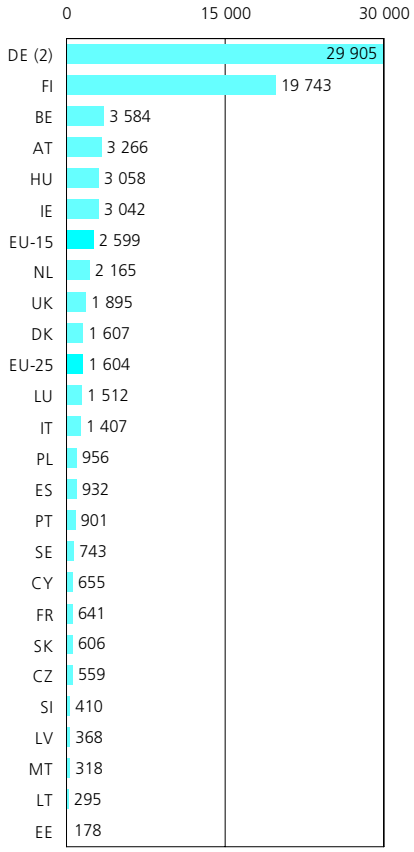
Other wholesale (NACE Group 51.7) Value added specialisation ratio relative to non-financial services, 2001 (EU-25=100) (1)



(1) Germany, Greece, Cyprus and the Netherlands, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 17.8

Other wholesale (NACE Group 51.7) Turnover per enterprise, 2001 (EUR thousand) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Figure 17.8 shows average turnover per enterprise [29], providing one measure of enterprise size. The EU averages for this ratio are particularly influenced by the high values reported in Germany and (to a lesser extent) Finland. Leaving these two countries aside, the average size of enterprises in the rest of the EU-25 was about 40 % of the average size of all own-account wholesaling enterprises.

LABOUR AND PRODUCTIVITY

Apparent labour productivity was EUR 51 500 per person employed in the EU-15's other wholesaling sector in 2001. This was slightly under the average for own-account wholesaling. In most Member States [30] this pattern was repeated, as apparent labour productivity for other wholesaling activities was lower than national averages for own-account wholesaling. Nonetheless, this pattern was not observed in Luxembourg, where there was a EUR 13 100 difference between the apparent labour productivity of the other wholesaling sector (EUR 87 500) and the average for own-account wholesaling (EUR 74 400).

[29] Germany, 2000; Greece, not available.
[30] Germany, 2000; Greece and Slovenia, not available.

Average personnel costs in the other wholesaling sector were EUR 19 100 per employee in the EU-25, equivalent to around two thirds of the EU-15 average (EUR 29 600). This very large difference was mainly due to the impact of relatively low average personnel costs in Poland. EU-25 personnel costs per employee in the other wholesale sector were less than two thirds of their average level for own-account wholesaling, and this sector clearly recorded the lowest average personnel costs within the wholesale trade sector. However, average personnel costs for the EU-15 were much closer to the own-account wholesaling average, and at a comparable level with those recorded for agricultural wholesaling and the wholesaling of food, beverages and tobacco. In some countries [31], average personnel costs per employee in the other wholesaling sector surpassed the average for own-account wholesale. This was the case in the Czech Republic, Spain, Italy, Luxembourg, Hungary, Poland and Portugal, with differences that varied between EUR 600 and EUR 2 600. Poland, which had the largest share of employment in this sector, recorded average personnel costs of EUR 9 200 per employee, considerably below the EU-25 average, but higher than the Polish own-account wholesaling average.

[31] Germany, 2000; Greece, not available.

Wage adjusted labour productivity measures the ratio of value added to personnel costs, adjusted by the share of paid employees in total employment. In the EU-15, value added generated in the other wholesaling activities in 2001 was 174.2 % higher than personnel costs, which was the highest such ratio across all wholesaling NACE groups. This difference with respect to the analysis for apparent labour productivity comes from relatively low average personnel costs. In Ireland and the United Kingdom [32], wage adjusted labour productivity ratios for other wholesaling were considerably above the average for own-account wholesaling, in both cases by more than 20 %. In contrast, the other wholesale trade sector in Poland recorded a lower wage adjusted productivity ratio than the Polish average for own-account wholesaling, with more substantial differences being registered in Italy, Hungary and Sweden.

[32] Germany, 2000; Greece and Slovenia, not available.

Table 17.15

Wholesale on a fee or contract basis (NACE Group 51.1)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	6 708	1 537	2 426	6 847	251	:	3 587	94 957	283	22 932	104	10	43	293
Value added at factor cost (EUR million)	548	226	407	5 113	34	:	2 208	4 598	80	10 877	54	3	10	53
Purchases of goods and services (EUR million)	6 129	1 257	2 109	1 429	223	:	1 391	88 210	206	12 557	13	8	33	239
Gross investment in tangible goods (EUR million)	73	33	57	121	27	:	224	456	9	1 681	3	1	1	:
Number of persons employed (thousands)	15	34	7	90	4	:	71	75	3	333	2	0	3	1
App. labour productivity (EUR thous./pers. emp.)	36.7	6.7	61.3	57.0	7.8	:	31.0	61.4	29.4	32.6	32.4	11.8	3.2	80.7
Average personnel costs (EUR thous./employee)	53.0	12.2	40.9	26.3	4.4	:	24.9	42.6	22.4	26.5	23.7	2.1	1.3	40.7
Wage adjusted labour productivity (%)	69.3	54.9	149.9	217.2	175.5	:	124.5	144.3	131.4	123.1	136.6	556.4	249.3	198.4
Gross operating rate (%)	4.6	5.2	6.9	55.9	7.0	:	43.5	1.6	13.3	43.2	15.3	25.1	17.0	12.3

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	1 810	117	3 862	1 028	4 108	2 106	1 908	2 946	952	2 799	15 091	100	1 463	:
Value added at factor cost (EUR million)	131	27	1 122	446	834	357	276	243	283	466	4 646	26	225	:
Purchases of goods and services (EUR million)	1 707	98	4 548	589	3 029	1 732	1 614	2 713	684	2 407	10 498	79	1 249	:
Gross investment in tangible goods (EUR million)	51	3	82	24	46	60	36	52	25	40	464	13	47	:
Number of persons employed (thousands)	10	2	14	10	40	23	:	25	5	10	67	6	32	:
App. labour productivity (EUR thous./pers. emp.)	12.8	17.4	79.1	46.3	20.9	15.3	:	9.6	51.9	48.0	68.9	4.5	7.1	:
Average personnel costs (EUR thous./employee)	7.0	10.8	50.4	44.5	10.2	14.7	13.3	5.2	37.0	39.7	42.5	2.7	1.5	:
Wage adjusted labour productivity (%)	183.5	161.4	157.1	103.9	205.3	104.6	:	185.8	140.3	120.7	162.1	164.8	461.8	:
Gross operating rate (%)	3.3	15.8	14.1	22.0	15.9	8.5	4.5	4.0	12.9	5.9	16.3	18.0	12.3	:

(1) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 17.16

Wholesale of agricultural raw materials, live animals (NACE Group 51.2)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	6 081	1 245	5 182	34 515	39	:	18 518	47 365	784	13 820	133	100	124	254
Value added at factor cost (EUR million) (1)	290	80	438	2 378	3	:	1 079	2 812	82	931	14	8	10	22
Purchases of goods and services (EUR million) (1)	5 790	1 179	4 792	29 094	37	:	17 478	44 799	708	13 043	164	96	115	237
Gross investment in tangible goods (EUR million) (1)	81	18	92	300	1	:	247	662	10	153	2	2	3	:
Number of persons employed (thousands)	7	7	8	50	0	:	38	57	2	28	0	1	1	0
App. labour productivity (EUR thous./pers. emp.) (1)	42.6	11.1	54.0	48.7	8.5	:	28.3	49.5	42.9	33.8	44.9	12.6	7.2	57.0
Average personnel costs (EUR thous./employee) (1)	35.3	7.9	36.2	29.9	4.1	:	17.6	34.6	23.2	24.6	25.8	3.2	2.4	33.9
Wage adjusted labour productivity (%) (1)	120.7	140.1	149.2	162.7	207.3	:	160.7	143.0	185.4	137.7	174.2	393.2	306.4	168.3
Gross operating rate (%) (1)	2.6	2.8	3.1	3.3	4.5	:	3.1	1.9	5.4	4.5	4.8	6.2	5.6	4.5

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	922	29	22 415	6 194	2 272	2 859	118	214	1 538	2 435	10 563	557	737	:
Value added at factor cost (EUR million)	66	5	1 800	633	369	152	11	37	98	250	1 054	27	102	:
Purchases of goods and services (EUR million)	857	29	20 244	5 579	2 042	2 718	104	182	1 455	2 227	9 494	557	767	:
Gross investment in tangible goods (EUR million)	16	0	187	77	29	33	3	6	8	40	143	18	59	:
Number of persons employed (thousands)	5	0	35	16	15	8	:	2	2	7	24	6	18	:
App. labour productivity (EUR thous./pers. emp.)	14.5	57.2	51.6	38.5	24.8	19.1	:	16.1	45.7	38.4	43.5	4.4	5.6	:
Average personnel costs (EUR thous./employee)	6.6	11.4	36.5	28.3	7.1	11.4	14.2	4.8	31.3	33.8	24.9	1.6	2.1	:
Wage adjusted labour productivity (%)	219.0	503.3	141.3	136.0	351.0	166.7	:	336.2	146.3	113.7	175.2	269.4	263.8	:
Gross operating rate (%)	3.9	15.0	3.4	3.1	13.6	2.7	2.8	12.1	2.2	2.0	5.0	3.4	8.3	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 17.17

Wholesale of food, beverages, tobacco and household goods (NACE Groups 51.3 and 51.4)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	57 879	13 959	29 818	247 286	1 606	:	143 784	196 993	14 610	155 086	1 677	2 198	2 711	5 547
Value added at factor cost (EUR million) (1)	5 825	1 000	3 141	29 838	125	:	15 401	20 024	2 143	16 917	286	297	201	371
Purchases of goods and services (EUR million) (1)	51 578	12 920	26 644	218 040	1 507	:	130 442	176 843	12 543	140 690	1 295	1 968	2 539	5 182
Gross investment in tangible goods (EUR million) (1)	810	161	307	2 165	33	:	2 733	1 802	171	1 756	50	52	53	:
Number of persons employed (thousands)	96	76	58	527	12	:	503	377	28	391	11	21	28	5
App. labour productivity (EUR thous./pers. emp.) (1)	60.4	13.1	53.9	56.9	10.4	:	30.6	53.2	76.5	43.3	27.0	14.0	7.3	69.9
Average personnel costs (EUR thous./employee) (1)	41.2	8.1	36.5	34.5	6.0	:	20.8	36.7	36.6	28.4	16.2	3.4	4.0	33.4
Wage adjusted labour productivity (%) (1)	146.6	162.0	147.6	165.0	172.7	:	147.1	145.0	209.0	152.2	166.8	408.1	183.5	209.0
Gross operating rate (%) (1)	4.4	3.2	3.8	5.0	3.5	:	4.2	3.3	8.0	6.1	7.1	10.3	3.6	3.8

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	9 250	809	101 097	32 794	32 099	30 668	1 776	3 279	12 229	36 530	216 464	3 768	9 983	:
Value added at factor cost (EUR million)	713	141	11 062	4 684	7 968	3 397	190	249	1 456	4 156	30 444	164	677	:
Purchases of goods and services (EUR million)	8 521	707	85 845	26 881	27 607	27 653	1 566	3 053	10 961	32 828	181 333	3 745	9 745	:
Gross investment in tangible goods (EUR million)	143	11	896	575	419	606	46	47	122	398	2 760	102	413	:
Number of persons employed (thousands)	48	5	180	85	188	118	:	23	24	84	499	53	135	:
App. labour productivity (EUR thous./pers. emp.)	14.9	27.8	61.3	55.0	42.4	28.9	:	10.9	59.5	49.7	61.0	3.1	5.0	:
Average personnel costs (EUR thous./employee)	7.7	11.5	36.4	36.0	7.6	16.3	15.3	5.7	36.9	39.5	32.5	1.5	2.4	:
Wage adjusted labour productivity (%)	194.3	242.5	168.4	152.9	554.9	176.7	:	190.9	161.3	125.9	187.9	206.4	209.8	:
Gross operating rate (%)	3.8	11.3	5.0	5.4	21.5	5.3	3.4	3.7	4.7	3.3	7.0	2.6	3.5	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 17.18

Wholesale of non-agricultural intermediate products, waste and scrap (NACE Group 51.5)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	55 984	13 445	21 679	208 359	1 573	:	85 722	98 367	7 492	88 931	1 033	2 287	1 772	3 656
Value added at factor cost (EUR million) (1)	3 124	894	2 266	19 762	129	:	7 548	11 064	911	8 314	123	485	159	251
Purchases of goods and services (EUR million) (1)	51 151	12 568	17 220	190 832	1 444	:	76 494	86 714	6 587	75 207	851	1 851	1 615	3 408
Gross investment in tangible goods (EUR million) (1)	541	186	376	2 107	33	:	2 048	1 220	161	1 942	24	74	53	:
Number of persons employed (thousands)	44	52	37	318	7	:	188	214	13	172	3	13	14	3
App. labour productivity (EUR thous./pers. emp.) (1)	70.5	17.1	61.2	61.4	17.8	:	40.0	51.8	68.1	48.3	40.0	36.6	11.5	86.3
Average personnel costs (EUR thous./employee) (1)	45.4	8.9	38.8	36.9	6.9	:	21.8	36.8	43.1	28.5	21.2	4.3	3.6	36.1
Wage adjusted labour productivity (%) (1)	155.2	191.7	157.6	166.3	258.4	:	183.5	140.7	158.1	169.3	189.0	844.1	315.5	239.3
Gross operating rate (%) (1)	2.5	3.7	4.0	3.9	5.1	:	4.4	3.3	4.8	5.4	5.8	18.7	6.2	4.2

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	4 831	155	46 395	30 033	24 563	13 317	1 648	1 858	12 522	29 971	239 882	4 707	2 924	:
Value added at factor cost (EUR million)	317	30	5 415	2 990	5 246	1 390	161	116	1 174	3 140	17 054	216	211	:
Purchases of goods and services (EUR million)	4 519	127	37 269	24 619	20 347	11 584	1 459	1 737	11 366	27 147	202 490	4 596	2 841	:
Gross investment in tangible goods (EUR million)	76	4	665	441	393	621	47	51	250	391	1 866	178	171	:
Number of persons employed (thousands)	16	1	87	42	112	45	:	9	16	55	259	29	33	:
App. labour productivity (EUR thous./pers. emp.)	20.3	26.9	61.9	71.0	46.7	31.1	:	12.9	72.9	57.0	65.9	7.5	6.4	:
Average personnel costs (EUR thous./employee)	8.7	11.1	38.5	40.2	8.3	16.0	15.3	6.1	39.4	40.7	36.1	2.1	2.1	:
Wage adjusted labour productivity (%)	232.4	241.9	161.0	176.4	563.1	193.8	:	211.5	185.1	139.8	182.5	360.9	301.4	:
Gross operating rate (%)	3.8	12.2	4.9	4.6	18.5	5.4	3.5	3.3	4.4	3.6	3.4	3.5	4.5	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 17.19

Wholesale of machinery, equipment and supplies (NACE Group 51.6)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	28 566	4 061	18 809	70 247	567	:	43 466	110 601	5 507	37 515	219	703	515	2 913
Value added at factor cost (EUR million) (1)	4 048	472	3 417	10 766	72	:	6 695	16 181	194	5 829	52	104	60	302
Purchases of goods and services (EUR million) (1)	24 689	3 591	15 533	61 566	494	:	36 836	94 919	5 314	32 358	157	639	459	2 596
Gross investment in tangible goods (EUR million) (1)	639	87	386	925	10	:	1 018	1 223	60	656	7	22	17	:
Number of persons employed (thousands)	62	24	57	200	4	:	161	293	11	112	1	5	5	4
App. labour productivity (EUR thous./pers. emp.) (1)	65.7	19.7	59.7	60.7	18.9	:	41.5	55.2	17.3	52.1	37.2	21.8	12.1	72.3
Average personnel costs (EUR thous./employee) (1)	53.7	11.2	47.7	42.8	9.6	:	27.7	43.1	41.0	38.2	18.8	5.6	5.1	45.0
Wage adjusted labour productivity (%) (1)	122.3	176.4	125.2	141.8	196.7	:	149.9	127.8	42.1	136.3	197.4	389.0	235.5	160.6
Gross operating rate (%) (1)	3.9	5.8	4.0	4.7	6.4	:	5.9	3.3	-4.4	7.1	11.7	11.0	6.8	4.3

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	1 464	85	79 172	16 290	3 171	7 556	264	923	11 774	21 595	110 078	799	860	:
Value added at factor cost (EUR million)	168	17	8 646	2 996	933	1 224	32	112	1 990	3 235	22 920	59	118	:
Purchases of goods and services (EUR million)	1 323	70	67 362	13 440	2 347	6 432	226	825	9 902	18 800	86 139	773	754	:
Gross investment in tangible goods (EUR million)	41	2	666	301	72	256	12	24	214	352	2 145	21	26	:
Number of persons employed (thousands)	7	1	149	44	19	41	:	7	30	61	262	12	10	:
App. labour productivity (EUR thous./pers. emp.)	22.4	22.0	58.0	67.6	48.6	29.6	:	16.7	66.5	52.7	87.4	4.9	12.2	:
Average personnel costs (EUR thous./employee)	10.5	13.0	40.2	47.5	12.5	18.7	16.3	8.7	44.2	47.3	51.9	2.5	3.8	:
Wage adjusted labour productivity (%)	213.8	168.3	144.4	142.3	388.1	158.3	:	190.8	150.4	111.4	168.4	194.1	323.6	:
Gross operating rate (%)	6.1	8.9	3.9	6.3	23.3	6.2	4.0	5.9	5.9	2.5	8.8	4.3	9.5	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 17.20

Other wholesale (NACE Group 51.7)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	3 623	6 305	1 885	42 399	259	:	1 786	3 922	1 804	7 626	137	92	264	401
Value added at factor cost (EUR million) (1)	333	788	317	4 059	31	:	235	396	271	647	25	19	35	33
Purchases of goods and services (EUR million) (1)	3 287	5 521	1 595	38 504	236	:	1 578	3 546	1 525	7 031	103	82	233	371
Gross investment in tangible goods (EUR million) (1)	43	96	27	338	25	:	20	39	17	148	6	4	10	:
Number of persons employed (thousands)	7	46	6	85	5	:	7	9	4	19	1	1	6	0
App. labour productivity (EUR thous./pers. emp.) (1)	49.0	17.3	54.0	48.4	5.7	:	34.8	43.4	61.6	34.1	31.3	17.8	6.4	87.5
Average personnel costs (EUR thous./employee) (1)	35.0	10.4	37.9	31.0	2.7	:	24.8	35.0	29.2	30.9	17.0	3.3	2.9	39.4
Wage adjusted labour productivity (%) (1)	139.9	165.8	142.5	156.2	209.4	:	140.4	124.0	211.0	110.4	184.3	532.5	220.5	222.2
Gross operating rate (%) (1)	3.6	6.9	6.0	3.5	6.8	:	5.6	2.4	8.7	3.6	8.7	16.5	7.8	5.5

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	4 413	116	8 304	2 375	41 989	2 977	1 822	1 553	8 173	330	45 222	625	2 951	:
Value added at factor cost (EUR million)	356	20	1 373	136	10 456	447	189	138	379	53	7 552	40	355	:
Purchases of goods and services (EUR million)	4 071	99	6 342	2 257	33 874	2 665	1 598	1 434	8 302	281	37 421	594	2 815	:
Gross investment in tangible goods (EUR million)	80	2	107	12	798	84	33	31	90	9	842	15	175	:
Number of persons employed (thousands)	21	1	25	3	270	17	:	16	7	1	126	8	44	:
App. labour productivity (EUR thous./pers. emp.)	17.2	25.0	55.2	41.4	38.7	26.7	:	8.7	54.3	40.5	60.0	4.9	8.2	:
Average personnel costs (EUR thous./employee)	11.1	10.8	35.5	29.7	9.2	17.4	13.9	5.0	35.1	38.9	27.4	2.5	1.9	:
Wage adjusted labour productivity (%)	155.2	230.9	155.3	139.6	418.8	153.5	:	175.5	154.6	104.0	218.9	201.0	418.6	:
Gross operating rate (%)	2.9	12.3	7.0	2.3	20.4	6.3	3.1	4.0	1.7	3.6	10.5	3.7	8.8	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Retail trade

The retail trade sector generally deals with private consumers as its main set of clients. Traditionally, the retail trade sector, in conjunction with the wholesale trade sector, acts as the interface between manufactures and final consumers. In terms of the activities that are carried out within the retail trade sector, most involve bundling the demand and wishes of the final consumer, in order to offer a demand-oriented range of goods, and balancing this with the offer from suppliers.

The adoption of new technology may allow retailers to automate their stock control, reordering and delivery procedures, and also permit them to be more precise and rapid in responding to information on changes to consumer preferences. Furthermore, for example through the Internet, information technology has expanded the range of possibilities available to retailers, thus reducing geographical barriers.

Another trend which can be observed since the development of the Internet is the increasing use of commerce via the web. As such, there has been a gradual shift from traditional methods of purchasing from stores or markets to purchasing remotely. According to the household survey on ICT usage and e-commerce that was carried out in 2002, between 5 % (Greece) and 43 % (the United Kingdom) of persons using the Internet made Internet purchases [1]. Buying books (including magazines and e-learning material) was particularly common: in Luxembourg 72.7 % of those persons making e-purchases through the Internet bought books, while in Germany the proportion was 47.9 %. The ICT survey classified persons making Internet purchases according to the amount that they spent during a three-month period on Internet e-commerce; in most countries for which data are available the highest proportion of persons made purchases totalling between EUR 30 and EUR 99.

[1] Belgium, Denmark, Germany, France, Ireland and the Netherlands, not available.

However, home shopping is not new as other remote formats, notably door-to-door and catalogue sales, have existed for a long time. Not all business-to-customer (B2C) Internet sales are part of the retail sector, as some manufacturers sell direct, alongside specialist Internet retailers and more traditional retailers using e-sales to complement their traditional store formats.

On 13 January 2004, the European Commission proposed a directive to reduce administrative barriers to improve the competitiveness of Europe in several service sectors, including retail trade. The directive is designed to create a general legal framework to make it easier to offer services across borders, as well as to set up an enterprise in other Member States - see Chapter 22 for more details.

STRUCTURAL PROFILE

EU-25 retail trade generated turnover of EUR 1 768 billion in 2001. In comparison, in the EU-15, turnover was EUR 1 676 billion, and employment some 12.8 million persons. Added value in the EU-15 retail trade sector was EUR 320.9 billion in 2001, some EUR 9.1 billion less than the EU-25 total. As such, the retail trade sector accounted for 38.9 % of value added in the EU-15's distribution sector (NACE Section G) and for 54.7 % of employment.

Among the Member States [2], the highest proportions of distributive trade employment accounted for by retail trade were recorded in the United Kingdom (62.4 %), Ireland (59.4 %), Latvia (58.8 %) and Germany (57.4 %, 2000), while the lowest proportions were registered in Slovakia (40.4 %), Sweden (44.2 %) and Denmark (45.7 %).

[2] Greece and Slovenia, not available.

Division 52 of NACE covers retail trade, as well as the repair of personal and household goods. The retail trade of motor vehicles and motorcycles (covered by NACE Division 50) is excluded (see Chapter 16). Retailing covers the resale without transformation of new and used goods to the general public for personal or household use and consumption. Note that the renting and hiring of personal and household goods to the public is excluded. In the overview for this chapter, repair (NACE Group 52.7) is not included in the coverage of the retail trade sector, unless expressly mentioned.

NACE

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 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 18.1

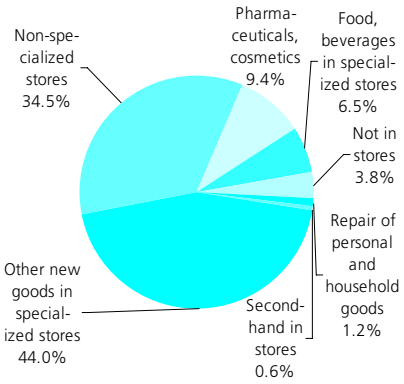
Retail trade, except of motor vehicles, motorcycles; repair of personal and household goods (NACE Division 52)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (76.3)	Portugal (112)	United Kingdom (3 154.1)
2	France (55.3)	Ireland (112)	Italy (1 709.3)
3	Italy (38.3)	Slovenia (111)	France (1 635.4)
4	Spain (29.2)	Spain (111)	Spain (1 509.0)
5	Netherlands (16.5)	France (111)	Poland (1 096.0)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Germany, Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 18.1

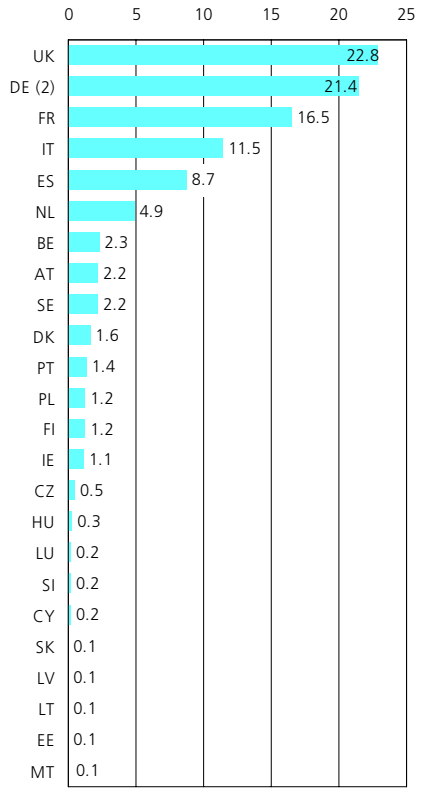
Retail trade, except of motor vehicles, motorcycles; repair of personal and household goods (NACE Division 52)
Share of value added at factor cost, EU-25, 2001



Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 18.2

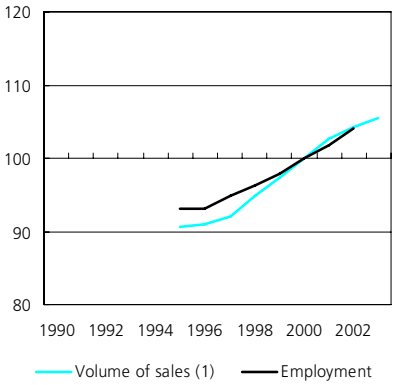
Retail trade, except of motor vehicles, motorcycles; repair of personal and household goods (NACE Division 52)
Share of EU-25 value added, 2001 (%) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 18.3

Retail trade, except of motor vehicles, motorcycles; repair of personal and household goods (NACE Division 52)
Main indicators, EU-25 (2000=100)



(1) Excluding Group 52.7.
Source: Eurostat, European Business Trends - Monthly and Quarterly Short Term Statistics (theme4/ebt).

A breakdown of retail trade activity shows that 51.0 % of retail trade turnover was generated by in-store non-food retailing (NACE Class 52.12 and Groups 52.3 to 52.5) in 2001, followed by in-store food retailing (NACE Class 52.11 and Group 52.2) with 43.8 % and retail sale not in stores (NACE Group 52.6) with 5.2 %. This pattern was reproduced in most of the Member States for which data are available [3], with the exception of France, Ireland, Lithuania and Slovenia, where in-store food retailing dominated. In terms of employment, the distribution between these three subsectors that make up the retail trade sector was similar to that for turnover. There was a relatively high proportion of employment within the activities that make up in-store food retailing in Lithuania, Ireland and Hungary, where almost 50 % of the retail trade workforce was employed.

The highest shares of EU-25 retail trade turnover were recorded in the United Kingdom (20.5 %), followed by Germany (18.4 %), France (17.9 %) and Italy (12.4 %). For value added Poland stood out from the other Member States, with retail trade accounting for just 11.7 % of the value added generated in the whole of distribution, whereas all other countries [4] reported shares in the range of 26.7 % (Latvia) to 43.1 % (France).

Annual short-term statistics for the volume of sales index in the EU-25's retail trade sector recorded increasing annual growth rates between 1996 (0.3 %) and 1998 (2.9 %). Since then, growth rates stabilised between 2.6 and 2.9 % through to 2001, while 2002 marked a slowdown, as turnover expanded by 1.7 %, which was confirmed in 2003, as turnover rose by 1.2 %. In the EU-15 a similar situation was observed, although annual growth was slightly lower in each of the three years to 2002. Whereas several of the EU-15 Member States recorded a fall in their respective volume of sales indices in 2002, Cyprus was the only one of the new Member States [5] in this position, whereas the Baltic States reported growth close to, or above, 10 %.

[3] Germany, 2000; the Czech Republic and Greece, not available.

[4] Germany, 2000; Greece, not available.
[5] Malta and Poland, not available.

Table 18.2

Retail trade, except of motor vehicles, motorcycles; repair of personal and household goods (NACE Division 52)
Value added at factor cost and persons employed, by enterprise size-class, 2001 (% of total)

	Micro enterprises		Small enterprises		Medium-sized enterprises		Large enterprises	
	Share of value added	Share of persons employed	Share of value added	Share of persons employed	Share of value added	Share of persons employed	Share of value added	Share of persons employed
EU-25	30.1	42.5	17.3	14.7	11.7	7.1	41.0	35.7
EU-15	30.9	39.6	16.7	14.8	11.3	6.7	41.1	38.9

Source: Eurostat, Structural Business Statistics (theme4/sbs/sizclass).

A size-class analysis for the whole of NACE Division 52 covering retail trade and repair shows that in 2001 value added in the EU-25 was split 41.0 % for large enterprises and 59.0 % for SMEs (with less than 250 persons employed). Among the SMEs, the highest proportion of value added was generated by micro enterprises (with less than 10 persons employed), which accounted for 30.1 % of those employed in the retail trade and repair sector. SMEs in retail trade and repair contributed a smaller proportion of value added than the corresponding proportions recorded by SMEs in either motor trades or wholesale trades.

In employment terms, some 35.7 % of those persons employed in the EU-25's retail trade and repair sector were employed by large enterprises in 2001. This figure could be contrasted with a 42.5 % share of total employment that was registered for micro enterprises. As with value added, SMEs in the retail trade and repair sector employed a lower proportion of the total number of persons employed than SMEs in the other distribution activities.

LABOUR AND PRODUCTIVITY

LFS data show that the EU-15's retail trade and repair sector had a higher share of female employment (59.7 % of the total). This result stands out from the average (43.7 %) for the whole of the services sector (NACE Sections G to K) and also from the average (47.1 %) for the whole of distributive trades (NACE Section G). Compared with all other NACE divisions in the business economy, retail trade had the second highest proportion of women in employment, after the manufacture of wearing apparel/ dressing/dyeing of fur (NACE Division 18, 76.2 %).

An analysis by Member State [6] confirmed this pattern of high female employment, as every country except Malta, Italy and Greece reported that there were more women than men working in the retail trade and repair sector. This was most evident in Sweden, where the share of women in total employment reached 63.9 %, compared with a services' average in that country of 40.8 %. The smallest difference was registered in Cyprus, where 54.1 % of those employed in the retail trade and repair sector were women, compared with an average of 47.1 % for the whole of services.

[6] Poland, not available.

Table 18.3

Retail trade, except of motor vehicles, motorcycles; repair of personal and household goods (NACE Division 52)
Labour force characteristics, 2002

	Share of men		Share of full-time		Share of employees	
	Value (%)	Index (services=100)	Value (%)	Index (services=100)	Value (%)	Index (services=100)
EU-25	:	:	:	:	:	:
EU-15	40.3	71.5	69.1	86.2	75.3	93.2
BE	42.4	71.6	73.6	90.0	66.1	85.3
CZ	30.7	57.9	91.2	96.9	71.4	94.8
DK	47.6	79.8	61.4	77.5	85.7	97.7
DE	31.2	60.9	61.4	81.8	85.9	101.2
EE	36.4	70.1	96.4	101.9	87.2	95.3
EL	52.1	84.8	96.0	99.6	43.7	75.6
ES	40.7	70.5	89.5	98.3	63.6	85.5
FR	40.6	71.5	74.9	88.3	82.2	92.7
IE	37.3	70.4	65.3	82.4	86.1	102.2
IT	53.6	86.6	89.8	99.4	46.0	76.5
CY	45.9	86.8	88.5	95.1	63.6	84.1
LV	24.1	51.9	91.5	98.4	88.8	97.0
LT	33.2	63.6	90.2	98.6	68.6	81.7
LU	35.9	63.9	81.7	92.4	83.7	93.0
HU	36.5	67.8	94.2	98.2	73.9	91.7
MT	60.9	87.7	86.9	98.5	60.5	74.8
NL	39.7	67.7	34.8	60.0	86.7	98.8
AT	29.5	59.7	:	:	87.7	101.0
PL	:	:	:	:	:	:
PT	42.5	76.2	89.7	96.8	57.3	81.1
SI	39.2	74.4	94.7	100.1	89.7	103.3
SK	31.0	59.7	97.4	99.5	81.7	95.1
FI	32.8	61.7	67.2	80.7	84.6	96.9
SE	36.1	60.9	58.8	74.2	82.8	96.9
UK	39.8	70.9	49.5	69.0	89.6	102.2

Source: Eurostat, Labour Force Survey.

A breakdown of employment into full-time and part-time work shows that 69.1 % of those persons employed in the EU-15's retail trade and repair sector worked on a full-time basis in 2002, some 11 percentage points lower than the corresponding figure for the services sector (80.1 %). Retail trade and repair showed the lowest proportion of full-time employment of any division in the EU-15's business economy, due at least in part to the need to provide staff across extended shopping hours, as well as at weekends. In almost all Member States [7] the proportion of full-time employment was lower in the retail trade and repair sector than the services' average. Exceptions to this rule were Estonia and Slovenia, where full-time employment rates in the retail trade and repair sector were comparable to those recorded in services. Differences in terms of full-time employment rates between the retail trade and repair sector and the services' average were largest in the Netherlands, where 58.0 % of those employed in services worked on a full-time basis, compared with just 34.8 % in the retail trade and repair sector.

[7] Austria and Poland, not available.

The proportion of paid employees in the total number of persons employed was lower in the retail trade and repair sector than it was in the services sector in the EU-15 in 2002. While 80.8 % of those employed in the EU-15's services sector were employees, this proportion was 75.3 % in the retail trade and repair sector.

This pattern of a lower proportion of paid employees (and consequently a higher proportion of self-employed and family workers) in the retail trade and repair sector was recorded in almost every Member State [8] in 2002, with the exception of Germany, Ireland, Austria, Slovenia and the United Kingdom. Malta, Lithuania, Greece, Italy and Portugal reported the largest differences in terms of having a lower proportion of paid employees in the retail trade and repair sector compared with the services' average.

[8] Poland, not available.

The retail trade sector (excluding repair activities) recorded a lower apparent labour productivity than either motor trades or wholesale trade in 2001. Apparent labour productivity per person employed was EUR 25 100 in the EU-15's retail trade sector, compared to EUR 38 000 for motor trades and EUR 52 600 for wholesale trade. Average personnel costs in the retail trade sector (EUR 18 700 per employee) were also lower than those registered for motor trades (EUR 26 100) and wholesale trade (EUR 34 400) in the EU-15. The lower values in terms of apparent labour productivity and average personnel costs may result, among other things, from the relatively high proportion of part-time workers within the retail trade sector. An analysis of wage adjusted labour productivity compensates for this to some extent, showing that in 2001 wage adjusted labour productivity was 134.4 % in the retail trade sector in the EU-15, compared with somewhat higher values that were posted in the other distribution activities; motor trades (145.4 %) and wholesale trade (152.7 %). Within most of the Member States with data available [9], the lowest wage adjusted labour productivity ratios (among distribution activities) were registered in the retail trade sector, although this was not the case in France or the Netherlands.

[9] Germany, 2000; Greece and Slovenia, not available.

Table 18.4

Retail trade, except of motor vehicles, motorcycles; repair of personal and household goods (NACE Division 52)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Retail trade, except of motor vehicles, motorcycles; repair of personal & household goods	25.0	134.2	18.7
Retail sale in non-specialized stores	25.1	139.5	18.0
Retail sale of food, beverages, tobacco in specialized stores	18.1	127.2	14.3
Retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles	34.1	161.0	21.2
Other retail sale of new goods in specialized stores	25.2	132.3	19.0
Retail sale of second-hand goods in stores	26.4	132.7	19.9
Retail sale not in stores	24.4	105.5	23.1
Repair of personal and household goods	19.9	94.2	21.1

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

18.1: RETAIL TRADE OF FOOD ITEMS IN-STORE

These activities cover the retail sale of food, beverages and tobacco, either in specialised stores (NACE Group 52.2) or in non-specialised stores which have a predominance of these products (NACE Class 52.11). These activities are referred to as specialised food retailing and non-specialised food retailing within this subchapter.

Specialised food retailing (NACE Group 52.2) includes fruit and vegetable shops, bakers, butchers and fishmongers. These specialised food retailers are generally small and independent retail outlets that do not belong to national or international chains. They may be exposed to competitive pressures from non-specialised food retailers which offer consumers the opportunity to buy different kinds of products at a sole point of purchase (supermarkets and hypermarkets), and often at more favourable prices. Non-specialised food retailers may have greater price flexibility by being able to accept lower margins on certain products, as well as being able to exert greater purchasing power on their suppliers; furthermore, they may even have their own integrated wholesale activities.

STRUCTURAL PROFILE

There were 472 500 enterprises in specialised food retailing in the EU-25 in 2001. Together they generated EUR 111.4 billion of turnover, an average of EUR 235 700 per enterprise. The EU-15 had 433 600 enterprises, 91.8 % of the EU-25 total, and a slightly higher (94.4 %) proportion of EU-25 turnover, such that average turnover per enterprise in the EU-15 was EUR 242 400.

In non-specialised food retailing there were 239 500 enterprises in the EU-15 in 2001, which generated EUR 628.4 billion of turnover, at an average of EUR 2.6 million per enterprise. Total turnover for non-specialised food retailing in the EU-25 [10] was EUR 655.1 billion.

As such, although there were relatively high numbers of specialised food retailers, their importance in terms of their contribution to turnover was less substantial, as non-specialised food retailing accounted for 85.7 % of the total turnover generated by in-store food retailing in the EU-15.

[10] The Czech Republic, not available.

Table 18.5

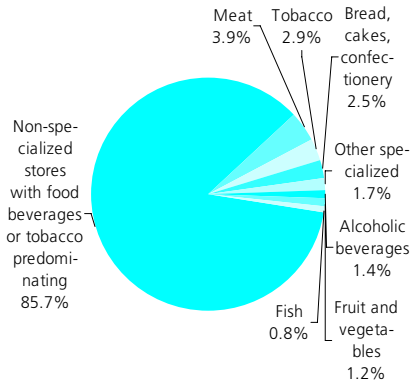
Retail sale of food beverages or tobacco (NACE Class 52.11 and Group 52.2) Structural profile, 2001

Rank	Largest turnover (EUR billion) (1)	Largest number of persons employed (thousands) (2)
1	France (168.2)	United Kingdom (1 260.3)
2	United Kingdom (157.8)	France (673.9)
3	Italy (90.6)	Italy (571.9)
4	Spain (66.5)	Spain (569.1)
5	Netherlands (27.6)	Netherlands (262.3)

(1) The Czech Republic, Germany and Greece, not available.
(2) The Czech Republic, Germany, Greece, Poland and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 18.4

Retail sale of food beverages or tobacco (NACE Class 52.11 and Group 52.2) Share of turnover, EU-15, 2001



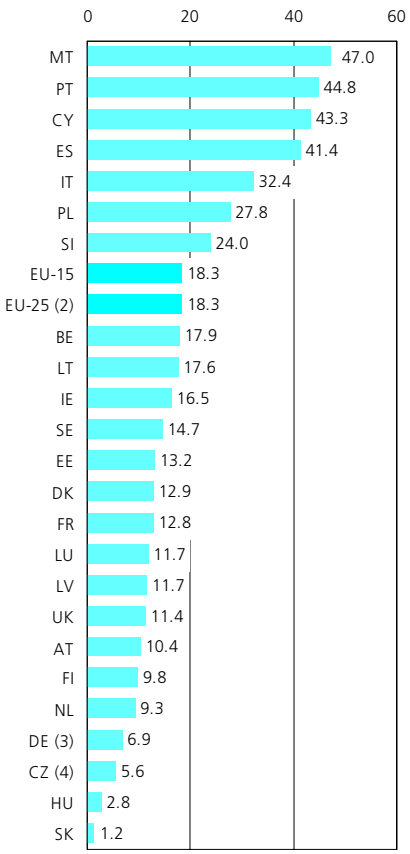
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

In terms of employment, there were 4.1 million persons employed [11] in the non-specialised food retailing sector in the EU-25 in 2001, which was more than three times higher than the number of persons employed [12] in specialised food retailing activities (1.3 million). As such, the relative importance of non-specialised food retailing in the EU-25 was less pronounced than in terms of turnover.

[11] Poland and Slovenia, number of employees; the Czech Republic, not available.
[12] Slovenia, number of employees.

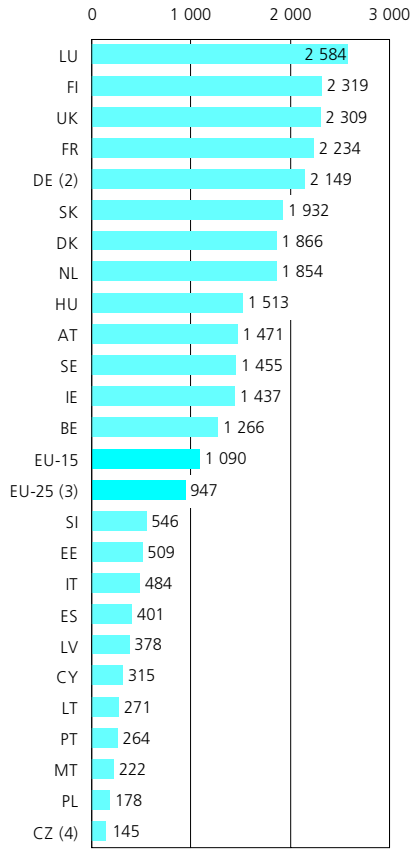
Figure 18.5

Retail sale of food beverages or tobacco (NACE Class 52.11 and Group 52.2) Enterprises per 10 000 inhabitants, 2001 (units) (1)



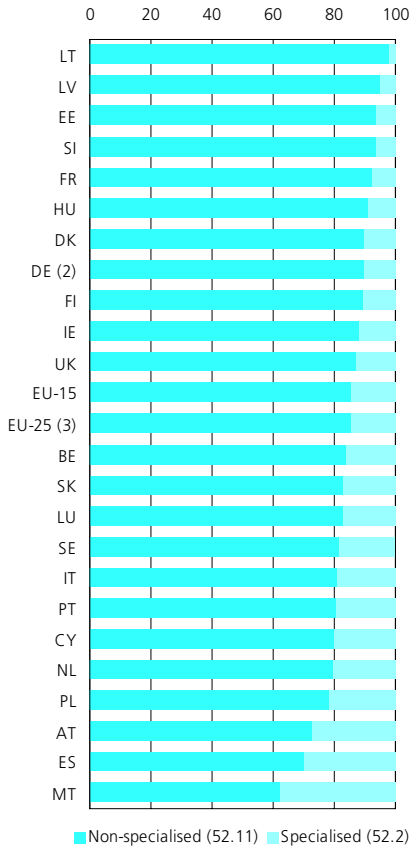
(1) Greece, not available.
(2) The Czech Republic, excluding NACE Class 52.12.
(3) 2000.
(4) Excluding NACE Class 52.11.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms) and Demography (theme3/demo/dgen/gind).

Figure 18.6
Retail sale of food beverages or tobacco (NACE Class 52.11 and Group 52.2) Turnover per enterprise, 2001 (EUR thousand) (1)



(1) Greece, not available.
(2) 2000.
(3) The Czech Republic, excluding NACE Class 52.11.
(4) Excluding NACE Class 52.11.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Figure 18.7
Breakdown of turnover of in-store food retailing, 2001 (%) (1)



(1) The Czech Republic and Greece, not available.
(2) 2000.
(3) Excluding the Czech Republic.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

Beyond the basic split between specialised and non-specialised food retailing, NACE provides a more detailed breakdown of specialised food retailing according to particular product specialisation. In the EU-15, the highest share of turnover in specialised food retailing activities was accounted for by enterprises that were specialised in the sale of meat and meat products (NACE Class 52.22, 27.1 %) and the sale of tobacco products (NACE Class 52.26, 20.0 %). A similar analysis in terms of employment confirms the retail sale of meat and meat products as the largest subsector (28.8 % of specialised food retailing), followed by the retail sale of bread, cakes, flour, confectionery and sugar confectionery (NACE Class 52.24, 15.8 %).

While the number of food retailers is related to the size of population in each country, there are other characteristics that influence the distribution of enterprises, such as the demographic profile of the population and the shopping patterns of consumers. In 2001, more than 50 % of the specialised food retailers in the EU-25 were located in Spain or Italy: Spain contributed 130 200 enterprises (27.6 % of the EU-25 total) and Italy 117 600 (24.9 % of the EU-25 total). In Poland there were 77 900 non-specialised food retailing enterprises, the highest number among the Member States [13]. Italy with 69 800 non-specialised food retailing enterprises, and considerably further behind, Spain with 35 900 enterprises, followed in the ranking.

[13] Germany, 2000; the Czech Republic and Greece, not available.

An alternative measure is the density of in-store food retailing enterprises relative to the population of each country. The highest density of food retailers in 2001 was recorded in the southern Member States, where values above 40 food retailers per 10 000 inhabitants were registered, for example, Malta (46.8), Cyprus (44.9), Portugal (44.6) and Spain (41.3). Note that these density figures are based on the number of enterprises, not the number of outlets. A low density may, for example, indicate that there are few shops, but that they are generally large, or that enterprises with multiple outlets (chains) are more common.

Comparing the number of specialised and non-specialised food retailers, the Baltic Member States [14] recorded the lowest proportion of specialised food retailers. The proportion of specialised food retailers in the total number of food retailers was 4.1 % in Lithuania, 6.1 % in Latvia and 9.7 % in Estonia. Spain (78.4 %) and the Netherlands (76.9 %) marked the other end of the range, registering by far the highest proportion of specialised food retailers.

A similar analysis in terms of turnover confirmed the relatively low importance of specialised food retailers in the Baltic States; in 2001, as 2.2 % of turnover in Lithuania was generated by specialised food retailers, 5.1 % in Latvia, and 6.2 % in Estonia [15]. Austria (27.3 %), Spain (29.8 %), and Malta (38.0 %) recorded the highest proportion of turnover generated by specialised food retailers. In contrast to the analysis by the number of enterprises, turnover data show that in all Member States non-specialised food retailing activities were more important than specialised food retailing activities.

The working day adjusted volume of sales index for the EU-25's food retailing sector rose year on year throughout the second half of the 1990s and through until 2003. In 2002, the rate of turnover growth for food retailing rose by 1.7 %, having grown by 2.0 % or more in each of the four previous years. In 2003 turnover expanded by a further 1.9 %.

[14] Germany, 2000; the Czech Republic and Greece, not available.
[15] Germany, 2000; the Czech Republic and Greece, not available.

LABOUR AND PRODUCTIVITY

The apparent labour productivity of the EU-15's specialised food retailing sector was EUR 18 100 per person employed in 2001 and was hence EUR 6 900 lower than the apparent labour productivity of the non-specialised food retailing sector.

Average personnel costs for enterprises within the non-specialised food retailing sector were higher, at EUR 17 800 per employee in the EU-15 in 2001, than for the specialised food retailing sector, where they stood at EUR 14 300 per employee.

The wage adjusted labour productivity ratio of non-specialised food retailing was 140.2 % in the EU-15 in 2001 and was therefore 13.0 percentage points higher than in specialised food retailing (127.2 %). When combined, the wage adjusted labour productivity ratio for the food retailing sector as a whole in the EU-15 was slightly lower (134.9 %) than the corresponding figure for non-food retailing (136.2 %) in 2001.

Table 18.6

Retail sale of food beverages or tobacco (NACE Class 52.11 and Group 52.2)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Retail sale of food beverages or tobacco	23.4	134.9	17.3
Retail sale in non-specialized stores with food beverages or tobacco predominating	25.0	140.2	17.8
Retail sale of fruit and vegetables	14.9	118.7	12.6
Retail sale of meat and meat products	18.7	117.1	15.9
Retail sale of fish, crustaceans and molluscs	15.5	112.5	13.8
Retail sale of bread, cakes, flour confectionery and sugar confectionery	16.3	121.2	13.5
Retail sale of alcoholic and other beverages	18.9	123.2	15.4
Retail sale of tobacco products	25.0	176.2	14.2
Other retail sale of food, beverages and tobacco in specialized stores	15.9	133.7	11.9

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

18.2: RETAIL TRADE OF NON-FOOD ITEMS IN-STORE

One of the activities covered by this subchapter is retail sale in non-specialised stores that do not have a predominance of food, beverages or tobacco (NACE Class 52.12). In particular this activity includes department stores with a general line of merchandise. Also covered by this subchapter are three NACE groups covering specialised non-food retailing: dispensing chemists, as well as specialised retailers of medical, orthopaedic, cosmetic and toilet articles (NACE Group 52.3); other specialised stores selling new goods (NACE Group 52.4), for example shops selling clothes, shoes, furniture, books or electrical items; and retail sale of second hand products (NACE Group 52.5), for example shops selling antiques, second-hand books or second-hand clothes.

Note that the retail sale of motor vehicles (see Chapter 16), whether new or second hand, is not covered by this subchapter, nor is renting and hiring of personal and household goods to the general public (see Chapter 22).

While food retailing, by definition, predominantly covers consumer non-durable goods, this subchapter deals with retailing of non-durables, semi-durables and durables. Examples of non-durable goods are pharmaceuticals, cosmetics and toilet articles. The retailing of new durable goods is mainly covered in NACE Group 52.4, but this also covers semi-durables like clothes and non-durables like newspapers; furthermore, it also includes living goods like pets. By definition, the retailing of second-hand goods covers only semi-durable and durable goods.

In contrast to the food retailing sector, where products are generally essential items, the retail trade of non-food items covers both essential and non-essential items. While clothes, and shoes are in their basic characteristic essential (covered by NACE Classes 52.42 and 52.43), electrical household appliances, and radio and television equipment (NACE Class 52.45) are rather non-essential and concern labour-saving or entertainment devices. Therefore, non-food retailing may be more strongly influenced by the general economic cycle, particularly for durable and other non-essential goods.

Alongside frequently (sometimes daily) purchased products like newspapers and magazines, the sale of non-food items also includes products with a strong seasonal component to their demand. In the period leading up to Christmas, higher turnover is often recorded and a general slack period in terms of sales can be observed in the first two months of the year and in August.

STRUCTURAL PROFILE

In-store non-food retailing in the EU-25 [16] was carried out by 1.8 million enterprises in 2001, equivalent to 57.0 % of the retail trade total. These enterprises generated EUR 900.2 billion of turnover and EUR 200.1 billion of value added, which was equivalent to 50.9 % of retail trade turnover and 60.6 % of retail trade value added. In 2001 the resulting average turnover per enterprise within the non-food retailing in stores sector was EUR 510 800 in the EU-25. In the EU-15, in-store non-food retailers generated an average turnover of EUR 567 500 per enterprise.

Within the EU-25, 7.9 million persons were employed [17] in the non-food retailing sector, of which 7.3 million were working in the EU-15. This was 57.1 % of all retail trade employment in the EU-15 in 2001, while the average enterprise employed 4.8 persons.

In 2001 Italy had the highest number of enterprises in non-food retailing among the Member States, with 412 200 enterprises. As such, almost one in four non-food retailing enterprises in the EU-25 [18] were in Italy. Studying the density of enterprises in comparison to the population, there were approximately 40 non-food retailers [19] for every 10 000 inhabitants in the EU-25. In 2001, the highest density among the Member States for which data are available, was registered in Malta (96 non-food retailers per 10 000 inhabitants), followed by Slovenia (77) and Spain (73). The lowest density was recorded in Hungary and Slovakia, where there were respectively six and eight non-food retailers per 10 000 inhabitants. As with the analysis for food retailing, it should be noted that these density figures are based on the number of enterprises, not the number of retail outlets.

A breakdown of in-store non-food retailing by activity [20] shows that the retail sale of other new goods in specialised stores (NACE Group 52.4) was by far the largest subsector in the in-store non-food retailing sector in the EU-25. In 2001 it accounted for 73.0 % of total turnover compared with 16.1 % for the retail sale of pharmaceuticals, medical goods, cosmetics and toilet articles (NACE Group 52.3) and 10.0 % for non-food retail sale in non-specialised stores (NACE Class 52.12). Retail sale of second-hand goods in stores (NACE Group 52.5) made the smallest contribution to turnover, accounting for just 0.8 % of the in-store non-food retailing total. Almost the same breakdown was observed when analysing the distribution across subsectors in terms of employment, although the retail sale of other new goods in specialised stores accounted for a higher share than for turnover, mainly at the expense of the retail sale of pharmaceuticals, medical goods, cosmetics and toilet articles.

[16] The Czech Republic, Class 52.12, not available.
[17] The Czech Republic, excluding NACE Class 52.12; Poland and Slovenia, number of employees.
[18] The Czech Republic, NACE Class 52.12, not available.
[19] The Czech Republic, NACE Class 52.12, not available.
[20] The Czech Republic, not available.

Table 18.7

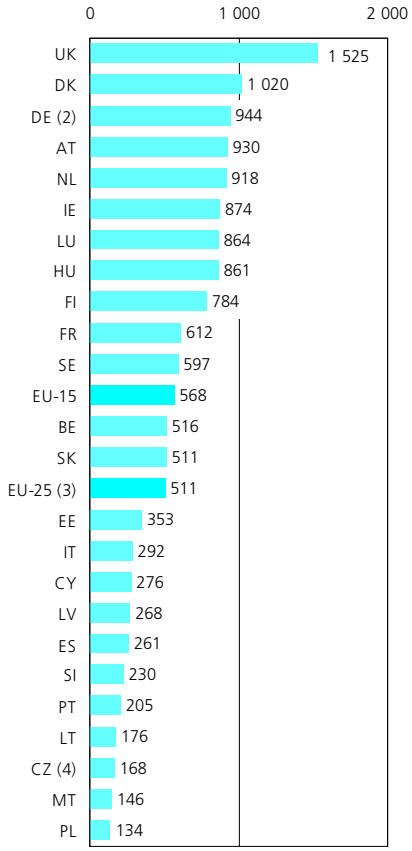
Retail sale of non food products in stores (NACE Class 52.12 and Groups 52.3, 52.4 and 52.5) Structural profile, 2001

Rank	Largest turnover (EUR billion) (1)	Largest number of persons employed (thousands) (2)
1	United Kingdom (177.0)	United Kingdom (1 732.6)
2	Germany (165.8)	Italy (944.0)
3	France (125.3)	France (842.9)
4	Italy (107.4)	Spain (835.1)
5	Spain (73.1)	Netherlands (436.1)

(1) The Czech Republic, Germany and Greece, not available.
(2) The Czech Republic, Germany, Greece, Poland and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 18.8

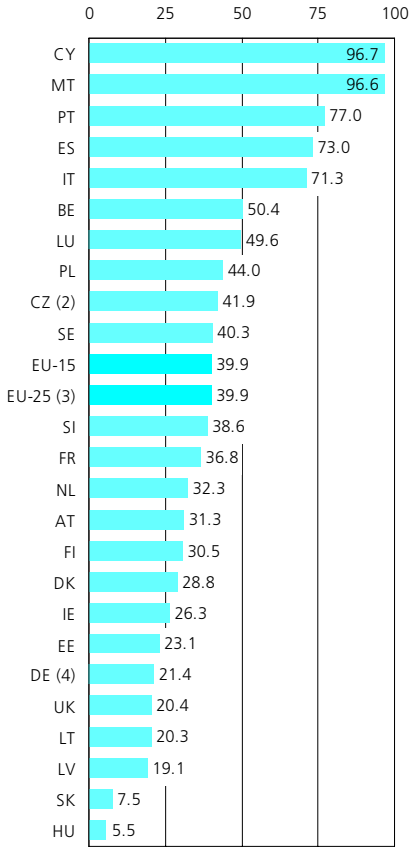
Retail sale of non-food items (NACE Class 52.12 and Groups 52.3 to 52.5) Turnover per enterprise, 2001 (EUR thousand) (1)



(1) Greece, not available.
(2) 2000.
(3) The Czech Republic, excluding NACE Class 52.12.
(4) Excluding NACE Class 52.12.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

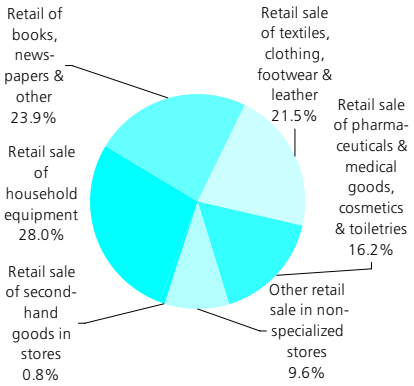
Figure 18.9

Retail sale of non-food items (NACE Class 52.12 and Groups 52.3 to 52.5) Enterprises per 10 000 inhabitants, 2001 (units) (1)



(1) Greece, not available.
(2) Excluding NACE Class 52.12.
(3) The Czech Republic, excluding NACE Class 52.12.
(4) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms) and Demography (theme3/demo/dgen/gind).

Figure 18.10
Retail sale of non food products in stores (NACE Class 52.12 and Groups 52.3, 52.4 and 52.5)
Share of turnover, EU-15, 2001



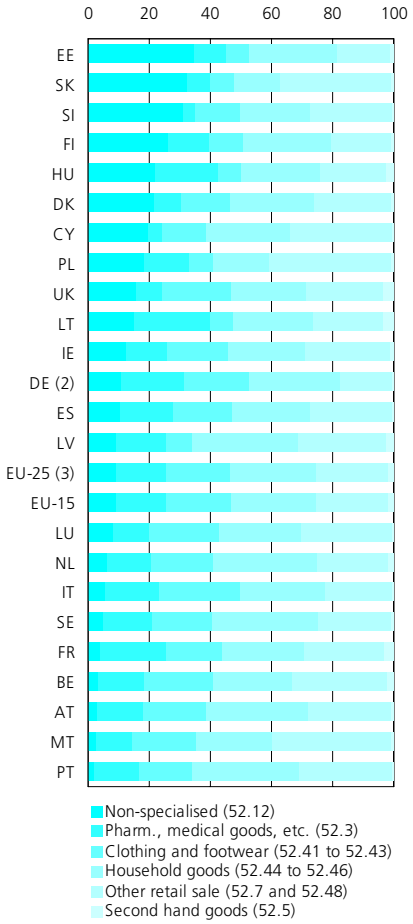
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

A more detailed analysis of turnover for the two largest groups, namely 52.3 and 52.4, provides a profile of the various types of products sold in such stores in the EU-15. The retail sale of household equipment in specialised stores (NACE Classes 52.44 to 52.46) generated 28.0 % of in-store non-food retail turnover in 2001. The retail sale of books, newspapers and other items in specialised stores (NACE Classes 52.47 and 52.48) generated one quarter (23.9 %) of total turnover, while the retailing of clothing, footwear and leather goods in specialised stores (NACE Classes 52.41 to 52.43) provided a slightly lower contribution (21.5 %). Dispensing chemists (NACE Class 52.31) was the largest activity in NACE Group 52.3, with 12.5 % of in-store non-food retail turnover, while the retail sale of medical, orthopaedic, cosmetic and toilet articles (NACE Classes 52.32 and 52.33) together generated 3.7 %.

An investigation of relative specialisation ratios within the in-store non-food retailing sector can be done for most Member States [21]. In Estonia, Slovakia, Slovenia and Finland the non-specialised part of in-store non-food retailing (NACE Class 52.12) generated more than one quarter of in-store non-food retailing turnover, which was more than double the EU-25 average; non-specialised in-store food retailing accounted for 2.5 % or less of all in-store non-food retailing turnover in Portugal and Malta. The retail sale of pharmaceutical and medical goods, cosmetics and toilet articles (NACE Group 52.3) was relatively important in Lithuania, France and Hungary, where it generated between one fifth and one quarter of in-store non-food retail turnover, whereas in Slovenia and Cyprus it generated less than 5 %.

[21] Germany, 2000; the Czech Republic and Greece, not available.

Figure 18.11
Breakdown of turnover of in-store non-food retailing, 2001 (%) (1)



(1) The Czech Republic and Greece, not available.
(2) 2000.
(3) Excluding the Czech Republic.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

As already noted, the other retail sale of new goods in stores (NACE Group 52.4) was the largest activity in every Member State, always accounting for more than half of in-store non-food retail turnover. The retailing of clothing, footwear and leather goods in specialised stores (NACE Classes 52.41 to 52.43) generated more than one quarter (26.7 %) of in-store non-food retail turnover in Italy, and was also relatively important in the United Kingdom and Belgium; this sector, however, generated less than 10 % of in-store non-food retail turnover in all of the new Member States with data available [22], except for Malta, Slovenia and Cyprus. The retail sale of household equipment in specialised stores (NACE Classes 52.44 to 52.46) generated one third or more of in-store non-food retail turnover in Latvia, Portugal, Sweden, the Netherlands and Austria, but its share was below one fifth in Slovakia and Poland. The share of the retail sale of books, newspapers and other items in specialised stores [23] (NACE Classes 52.47 and 52.48) was above one third of total turnover for in-store non-food retail turnover in Poland, Malta, Slovakia and Cyprus, while it was just under one fifth of the total in Finland. Finally, the retail trade of second-hand goods (Group 52.5) was a small activity in every Member State, but was relatively important in the United Kingdom, Lithuania and France, where it generated between 1.5 and 1.7 % of total in-store non-food retailing turnover.

[22] Estonia also not available.

The volume of sales index of the EU-25's non-food retailing sector, including also retail sales not in stores (NACE Group 52.6) [24], grew on average by 2.7 % per annum in the five years to 2002. Only in 2002 did the growth rate fall below 2.5 %, as deflated turnover rose by 1.8 % compared with the year before. This pattern continued in 2003, as the EU-25 growth rate for the volume of sales slowed to 0.7 %. Growth in 2002 was fairly widespread among the EU-25 Member States [25], although two of the larger Member States, Germany (-4.0 %) and Italy (-1.2 %), recorded a contraction in their respective indices of the volume of sales, as did Austria (-1.8 %). For 2003 a sales index is available for about half of the Member States and this shows that in Germany this sector continued to contract, as the index fell by 2.3 %, while Spain and the United Kingdom continued to report growth, both between 3 and 4 %. In 2003 the pattern of slowing growth rates in 2002 and 2003 was reproduced across most subsectors, while the retail sale of household equipment (NACE Classes 52.44 to 52.46) recorded stronger growth in the EU-25 in 2003.

[23] Estonia also not available.
[24] This activity accounted for 9.2 % of non-food retail sales (NACE Class 52.12 and Groups 52.3 to 52.6) in the EU-15 in 2001.
[25] Belgium, Cyprus, Malta and Poland, not available.

LABOUR AND PRODUCTIVITY

Apparent labour productivity for in-store non-food retailing activities in the EU-15 was EUR 26 300 per person employed in 2001. This was 4.8 % higher than the corresponding figure for the whole of the retail trade sector. This pattern was reproduced across the majority of the Member States for which data are available [26], with the exception of Belgium and Finland, where there was little difference between the two levels. The highest relative difference was recorded in the Baltic States, where apparent labour productivity in non-food retailing was 36.1 % higher than the retail trade average in Lithuania, 22.1 % higher in Estonia and 17.2 % higher in Latvia.

[26] Germany, 2000; the Czech Republic, Greece, Poland and Slovenia, not available.

Average personnel costs per employee in 2001 were EUR 19 300 for the EU-15 within non-food retailing activities, and therefore 3.4 % higher than the retail trade average. As well as Denmark and the Netherlands, the Baltic countries again recorded the biggest deviations between non-food retailing and the retail trade average [27].

Wage adjusted labour productivity gives a more comparable picture of productivity, looking at value added compared with personnel costs, rather than as a simple head-count, thus reducing the impact of differences in part-time work. The ratio also takes account of the share of employees in persons employed and hence adjusts for the proportion of employment whose compensation does not figure in personnel costs. Wage adjusted labour productivity in non-food retailing was 136.2 % in the EU-15 in 2001, which was a little higher (1.8 percentage points) than the average for the whole of the retail trade sector. Latvia accounted for the highest wage adjusted labour productivity ratio among the Member States in 2001 [28], namely 209.2 %, followed by the United Kingdom with 163.7 % and Lithuania (160.6 %). The lowest levels of wage adjusted labour productivity were reported in Italy (106.9 %) and Sweden (109.6 %). All of the 10 new Member States registered higher levels of wage adjusted labour productivity than the EU-15 average.

[27] Germany, 2000; the Czech Republic and Greece, not available.

[28] Germany, 2000; the Czech Republic, Greece, Poland and Slovenia, not available.

Table 18.8

Retail sale of non food products in stores (NACE Class 52.12 and Groups 52.3, 52.4 and 52.5)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Retail sale of non food products in stores	26.3	136.2	19.3
Other retail sale in non-specialized stores	25.7	136.4	18.8
Retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles	34.1	161.0	21.2
Retail sale of textiles, clothing, footwear and leather goods	23.7	138.6	17.1
Retail sale of household equipment	29.0	132.3	22.0
Retail of books, newspapers and other	23.3	126.6	18.4
Retail sale of second-hand goods in stores	26.4	132.7	19.9

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

18.3: RETAIL SALE NOT IN STORES

These activities cover retail sales via stalls, markets, and door to door, as well as remote retail sales via mail order, mobile sales and sales from vending machines. Enterprises specialising in retail sales via the Internet and via home shopping channels are also included. All of these activities are classified within NACE Group 52.6.

Retail sales via the Internet or home-shopping channels are comparatively new forms of retail sale. In particular, Internet retailing to consumers experienced rapid growth during the late 1990s and the beginning of the 21st century, although far less than business-to-business Internet sales. It should be noted that Internet retailing by enterprises whose principal activity is manufacturing or in-store retailing are not classified within NACE Group 52.6.

A specialised part of NACE Class 52.63 is concerned with direct selling, which is characterised as the retail trade of consumer goods or services taking place on a person-to-person basis away from a permanent retail outlet, which usually means within the home or the workplace. Party selling, home-delivery selling and order collectors are examples of direct selling. According to the Federation of European Direct Selling Associations (FEDSA) [29], the turnover generated by direct selling in the EU-15 was EUR 6.3 billion in 2002, with 43.1 % of this figure being accounted for by clothes, jewellery and personal care products, 28.7 % by household equipment and 16.0 % by food (including supplements and similar items) and fitness products. Employment among FEDSA members in the EU-15 was 80 % female and 90 % worked part-time.

[29] http://www.fedsa.be.

STRUCTURAL PROFILE

Retail sale not in stores generated EUR 92.1 billion of turnover in 2001, which equated to 5.2 % of the retail trade total in the EU-25. The 10 new Member States had a combined turnover of EUR 4.9 billion within the activity of retail sale not in stores, which was 5.3 % of the EU-25 total. There were 684 200 persons employed in the EU-15's retail sale not in stores sector in 2001, equivalent to 5.4 % of the retail trade total.

In 2001, retail sale via mail order houses (NACE Class 52.61) generated more than half (54.9 %) of the turnover within the EU-15 retail sale not in stores sector. Retail sales via stalls and markets (NACE Class 52.62) accounted for 16.9 % and other non-store retail trade (NACE Class 52.63) contributed the remaining 28.2 %. An analysis of the composition of this sector in the 10 new Member States showed a different picture, as none of the nine countries for which data are available [30] had the majority of their turnover generated within the retail sale via mail order houses subsector. In the three Baltic Member States, as well as in Poland, more than half of the turnover generated in this sector was accounted for by retail sales via stalls and markets, while in the remaining new Member States, other non-store retailing accounted for more than half of the turnover generated within this sector.

A similar analysis in terms of employment shows that, unlike for turnover, retailing via mail order houses was less important as a provider of employment opportunities in the EU-15. It accounted for a 33.7 % share of employment among the retail sale not in stores sector in 2001, behind the contribution of retailing via stalls and markets (38.3 %). This is not surprising as many enterprises operating markets or stalls may do so for only a few hours a day or for a few days per week, or in particular seasons of the year, and this is reflected in their turnover but not in the simple head-count used for employment figures. Furthermore, the lack of face-to-face contact with clients in remote selling activities means that there may be a delay between interactions with clients and delivery of the final product, which would be less acceptable for retailing forms that are concerned with face-to-face interaction; this in turn means that a more efficient use can be made of personnel, hence reducing employment levels. Additionally, retailing via stalls and markets by definition requires a local presence of sales persons, whereas remote trading can be more automated and hence rely on lower personnel levels.

Non-store retailing enterprises in Germany, France and the United Kingdom together generated EUR 66.2 billion of turnover in 2001, contributing almost three quarters of the EU-25 total (71.9 %). For comparison, this contribution was considerably more than the equivalent share of these three countries in retail trade turnover (56.7 %). Germany alone contributed EUR 33.5 billion of turnover (36.3 % of the EU-25 total). The relative importance of retail trade not in stores was highest in Germany, Latvia, Malta and Poland, which were all relatively specialised in this form of trading [31].

[30] The Czech Republic, not available.
[31] Greece, not available.

Table 18.9

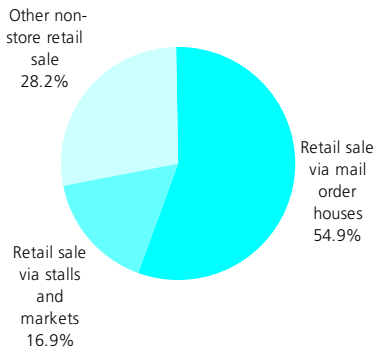
Retail sale not in stores (NACE Group 52.6)
Structural profile, 2001

Rank	Largest turnover (EUR billion) (1)	Largest number of persons employed (thousands) (2)
1	Germany (33.5)	Germany (164.8)
2	United Kingdom (17.6)	Poland (161.2)
3	France (15.2)	Italy (152.5)
4	Italy (8.3)	United Kingdom (129.1)
5	Spain (3.7)	France (89.3)

(1) Greece, not available.
(2) Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 18.12

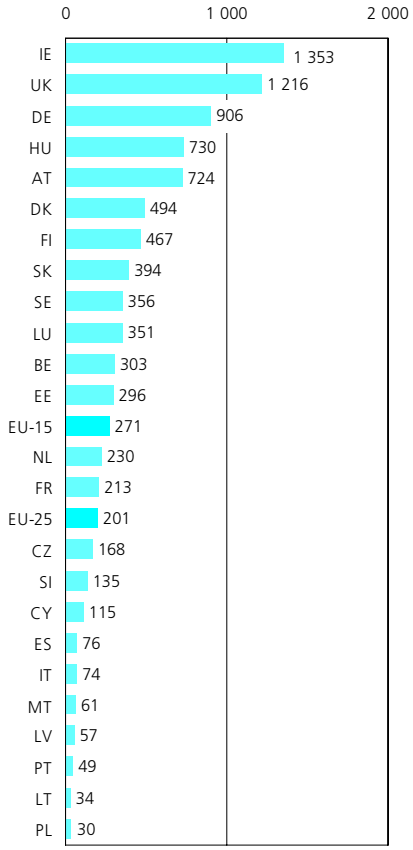
Retail sale not in stores (NACE Group 52.6)
Share of turnover, EU-15, 2001



Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 18.13

Retail sale not in stores (NACE Group 52.6)
Turnover per enterprise, 2001 (EUR thousand) (1)



(1) Greece, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr/enter_ms).

LABOUR AND PRODUCTIVITY

The apparent labour productivity of the EU-15's non-store retailing sector was EUR 24 400 per person employed in 2001, while average personnel costs were EUR 23 100 per employee. For the EU-25, average personnel costs were EUR 2 000 less than for the EU-15.

Non-store retailing recorded the lowest wage adjusted labour productivity ratio in the EU-15 among all NACE groups within the retail trade sector (excluding repair), at 105.5 % in 2001. A similar situation was observed in more than half of the Member States [32], with this productivity ratio often below 100 %.

[32] Germany, 2000; Greece and Slovenia, not available.

Table 18.10

Retail sale not in stores (NACE Group 52.6)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Retail sale not in stores	24.4	105.5	23.1
Retail sale via mail order houses	34.0	124.0	27.4
Retail sale via stalls and markets	13.6	109.5	12.5
Other non-store retail sale	27.6	126.5	21.8

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

18.4: REPAIR OF PERSONAL AND HOUSEHOLD GOODS

The repair of personal and household goods is quite different from the other activities covered in this chapter as it does not involve the buying and reselling of goods, but covers the provision of repair services. This activity (NACE Group 52.7) covers specialist repairers only, and excludes enterprises that carry out repair as a secondary activity in combination with another distribution or manufacturing activity. The repair of personal and household goods includes the repair of boots, shoes and leather articles (NACE Class 52.71), electrical household goods (NACE Class 52.72), watches, clocks and jewellery (NACE Class 52.73) and other repair, including bicycles, as well as the repair and alteration of clothing (NACE Class 52.74).

Production costs and the retail price of some products, notably electrical goods, may fall over time. This, combined with the increasing complexity of some electronic goods, may reduce the market for repairs, as consumers replace rather than repair broken goods. Furthermore, marketing campaigns, for example for new product launches, may take back old or broken products in exchange for a discount on sales of new products, again reducing the demand for repair services. Equally, when fashions change rapidly, for example with respect to clothing and footwear, goods may be replaced more rapidly and repaired less often. These factors all suppress demand for repair services.

STRUCTURAL PROFILE

In 2001 there were 116 000 enterprises classified within the repair of personal and household goods sector (hereafter referred to as repair). Together they generated EUR 4.0 billion of value added in the EU-25, and accounted for 3.6 % of enterprises and 1.2 % of the value added generated within the whole of retail trade and repair (NACE Division 52). The EU-15's repair sector employed 192 700 persons in 2001, equivalent to 1.5 % of the total retail and repair workforce. The average size of repair enterprises was 2.0 persons employed per enterprise in 2001, which was the second lowest value among retail and repair NACE groups, after retailing not in stores (NACE Group 52.6).

The repair of electrical household goods (NACE Class 52.72) was the largest contributor to the EU-15's repair sector in 2001, both in terms of value added and employment. It accounted for 47.3 % of value added and 44.6 % of employment within the repair sector. The miscellaneous repair activity (NACE Class 52.74) was the next largest subsector, generating 34.7 % of value added and providing 32.9 % of employment. The other two subsectors contributed together 18.0 % of value added and 22.5 % of employment.

Table 18.11

Repair of personal and household goods (NACE Group 52.7)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (0.9)	Slovenia (191)	Italy (40.9)
2	France (0.8)	Sweden (140)	United Kingdom (32.1)
3	Italy (0.5)	Spain (134)	Spain (30.7)
4	Spain (0.4)	Denmark (132)	France (29.2)
5	Netherlands (0.2)	France (127)	Poland (25.5)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Germany, Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

As with other sectors within retail trade, value added in the EU-25's repair sector was dominated by the four largest countries; together they generated 71.0 % of EU-15 value added in 2000, slightly lower than their share of in-store food and non-food retailing and much lower than their share of retailing not in stores. The United Kingdom had the highest level of value added within the repair sector [33], at EUR 874.2 million. Cyprus, Poland and Sweden were all relatively specialised in the repair sector in terms of its contribution to the retail trade and repair sector's value added. In employment terms, Poland was the fifth largest Member State, with 25 500 persons employed in 2001, ahead of Germany (23 000, 2000).

[33] Germany, 2000; Greece, not available.

LABOUR AND PRODUCTIVITY

Apparent labour productivity in the EU-15's repair sector was lower that in most retail and repair NACE groups, but was higher than for specialised food retailing. In 2001 the apparent labour productivity of this sector was EUR 19 900 per person employed in the EU-15, EUR 5 100 below the average for the whole of the retail trade and repair sector.

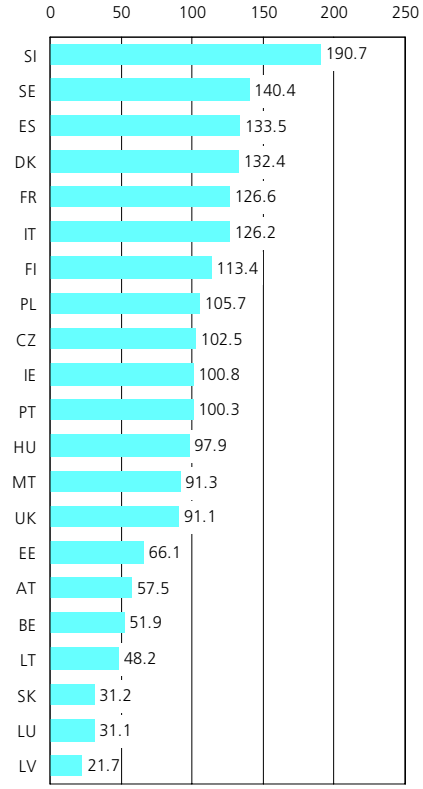
Average personnel costs in 2001 were EUR 18 900 per employee in the EU-25's repair sector, EUR 2 200 less than the corresponding figure for the EU-15. These values, both for the EU-25 and the EU-15, were slightly higher than the respective averages for the whole of the retail and repair sector.

Wage adjusted labour productivity in the EU-15 was 94.2 % in 2001, indicating that value added did not fully cover personnel costs (after adjusting for the proportion of paid employees in the total number of persons employed). This was the only NACE group within the retail trade and repair sector to record a value below 100 % for this indicator. An analysis of the data by Member State [34] shows that wage adjusted labour productivity for the repair sector was extremely low in the Czech Republic (48.0 %) and Cyprus (45.9 %) in 2001.

[34] Germany, 2000; Greece and Slovenia, not available.

Figure 18.14

Repair of personal and household goods (NACE Group 52.7)
Value added specialisation ratio relative to non-financial services, 2001 (EU-25=100) (1)



(1) Germany, Greece, Cyprus and the Netherlands, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.12

Repair of personal and household goods (NACE Group 52.7)
Labour productivity and personnel costs, EU-15, 2001

	Apparent labour productivity (EUR thousand per person employed)	Wage adjusted labour productivity (%)	Average personnel costs (EUR thousand per employee)
Repair of personal and household goods	19.9	94.2	21.1
Repair of boots, shoes and other articles of leather	16.9	82.3	20.5
Repair of electrical household goods	21.2	91.5	23.1
Repair of watches clocks and jewellery	13.6	79.8	17.1
Repair n.e.c.	20.9	109.4	19.1

Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.13

Retail trade, except of motor vehicles, motorcycles (NACE Division 52 excluding Group 52.7)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	51 212	18 168	28 879	324 865	2 104	:	146 799	316 262	18 130	219 248	3 277	2 482	2 981	3 281
Value added at factor cost (EUR million) (1)	7 792	1 533	5 253	67 899	228	:	28 761	54 496	3 677	37 767	534	380	292	606
Purchases of goods and services (EUR million) (1)	43 684	16 122	24 046	241 428	1 924	:	121 025	263 105	14 618	189 295	2 518	2 202	2 721	2 678
Gross investment in tangible goods (EUR million) (1)	1 772	560	509	6 493	94	:	5 281	7 602	1 103	7 197	115	138	88	:
Number of persons employed (thousands)	285	398	203	2 506	43	:	1 478	1 606	139	1 668	27	83	100	18
App. labour productivity (EUR thous./pers. emp.) (1)	27.4	3.9	25.9	26.8	5.3	:	19.5	33.9	26.5	22.6	19.5	4.6	2.9	33.7
Average personnel costs (EUR thous./employee) (1)	22.8	4.8	20.7	19.3	3.7	:	15.2	25.2	20.6	22.0	15.7	2.1	2.2	23.8
Wage adjusted labour productivity (%) (1)	120.3	79.9	125.5	139.3	142.5	:	127.9	134.6	128.2	102.7	124.2	215.5	130.6	141.9
Gross operating rate (%) (1)	6.3	1.7	5.1	7.3	3.5	:	9.5	5.7	6.8	10.2	6.3	8.5	3.2	7.2

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	9 339	1 059	78 575	37 216	44 883	28 881	4 451	3 463	24 588	41 921	361 719	2 195	8 451	:
Value added at factor cost (EUR million)	958	175	16 343	7 335	4 040	4 498	588	403	4 097	7 132	75 416	218	916	:
Purchases of goods and services (EUR million)	8 457	911	63 745	29 917	34 099	25 490	3 775	3 093	20 825	35 296	281 176	2 088	7 978	:
Gross investment in tangible goods (EUR million)	365	13	1 807	868	884	926	188	291	479	899	13 478	98	400	:
Number of persons employed (thousands)	146	13	721	277	1 071	365	:	65	119	241	3 122	201	431	:
App. labour productivity (EUR thous./pers. emp.)	6.5	13.2	22.7	26.5	3.8	12.3	:	6.2	34.4	29.6	24.2	1.1	2.1	:
Average personnel costs (EUR thous./employee)	5.0	8.7	15.0	21.1	5.3	10.8	11.0	4.0	24.4	26.8	15.4	1.2	1.4	:
Wage adjusted labour productivity (%)	130.1	152.9	150.7	125.5	71.6	114.5	:	155.9	140.9	110.7	157.2	92.1	152.4	:
Gross operating rate (%)	2.6	11.1	8.6	5.9	3.1	6.5	2.2	4.3	5.8	3.7	8.5	4.6	3.9	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.14

Retail sale in non-specialized stores with food beverages or tobacco predominating (NACE Class 52.11)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	19 432	:	11 514	108 683	858	:	46 706	155 674	7 974	73 280	855	990	1 619	1 105
Value added at factor cost (EUR million)	2 518	:	1 507	16 373	73	:	7 077	19 019	1 390	11 115	98	143	106	138
Purchases of goods and services (EUR million)	16 993	:	10 064	89 411	798	:	41 644	137 169	6 640	65 663	723	883	1 541	964
Gross investment in tangible goods (EUR million)	470	:	156	1 696	38	:	2 144	2 795	818	3 485	17	78	43	:
Number of persons employed (thousands)	83	:	68	684	18	:	333	573	59	365	5	32	48	5
App. labour productivity (EUR thous./pers. emp.)	30.3	:	22.2	23.9	4.0	:	21.2	33.2	23.6	30.5	18.7	4.4	2.2	30.0
Average personnel costs (EUR thous./employee)	24.9	:	17.7	18.5	3.3	:	15.2	22.5	20.7	23.6	17.2	2.0	2.1	21.6
Wage adjusted labour productivity (%)	121.7	:	126.0	129.7	120.8	:	139.9	147.3	113.6	129.0	109.1	221.3	103.8	139.0
Gross operating rate (%)	3.3	:	3.2	3.8	1.7	:	5.6	4.1	3.6	6.8	4.7	7.9	0.9	3.9

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	3 876	253	21 906	8 999	14 728	9 747	2 442	1 060	10 542	15 495	137 543	608	2 905	:
Value added at factor cost (EUR million)	380	27	3 363	1 375	2 467	1 271	308	125	1 499	2 247	22 184	58	267	:
Purchases of goods and services (EUR million)	3 505	229	19 963	7 632	12 384	9 217	2 070	939	9 163	13 424	113 299	575	2 776	:
Gross investment in tangible goods (EUR million)	190	2	548	186	283	269	129	41	228	312	5 927	:	180	:
Number of persons employed (thousands)	64	2	210	61	:	86	:	23	43	75	993	62	160	:
App. labour productivity (EUR thous./pers. emp.)	5.9	14.1	16.0	22.7	:	14.7	:	5.5	34.5	29.9	22.3	0.9	1.7	:
Average personnel costs (EUR thous./employee)	5.0	8.5	11.4	18.2	4.9	10.8	12.5	3.8	22.9	24.9	14.7	1.1	1.2	:
Wage adjusted labour productivity (%)	118.6	167.2	140.8	124.5	:	136.4	:	145.3	150.9	120.0	151.6	83.2	133.9	:
Gross operating rate (%)	1.8	7.1	4.8	3.7	9.9	5.6	1.7	3.7	5.2	2.9	5.8	2.9	2.5	:

(1) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.15

Other retail sale in non-specialized stores (NACE Class 52.12)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	903	:	3 400	17 921	376	:	8 147	5 192	1 096	6 448	415	118	190	152
Value added at factor cost (EUR million)	154	:	573	4 542	34	:	2 149	1 012	299	857	45	23	27	25
Purchases of goods and services (EUR million)	745	:	2 908	12 577	349	:	6 203	4 131	809	5 687	336	101	164	129
Gross investment in tangible goods (EUR million)	21	:	34	1 655	27	:	382	211	42	308	37	7	9	:
Number of persons employed (thousands)	5	:	26	159	5	:	61	28	9	37	2	5	8	0
App. labour productivity (EUR thous./pers. emp.)	29.7	:	21.8	28.6	6.7	:	35.1	35.8	31.6	23.3	18.4	4.9	3.4	53.3
Average personnel costs (EUR thous./employee)	24.7	:	18.8	23.3	3.8	:	23.4	27.5	26.4	24.1	12.4	2.3	2.2	23.5
Wage adjusted labour productivity (%)	120.1	:	115.9	122.6	174.1	:	150.0	130.0	119.7	96.4	148.1	212.9	156.1	226.8
Gross operating rate (%)	3.4	:	2.3	5.0	4.3	:	9.6	4.7	5.0	0.4	3.5	11.5	6.4	9.4

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	1 095	14	3 058	745	4 166	327	550	670	3 287	1 064	30 216	107	991	:
Value added at factor cost (EUR million)	114	2	783	147	882	54	77	68	569	209	7 160	15	118	:
Purchases of goods and services (EUR million)	987	12	2 280	597	3 443	287	469	605	2 765	858	22 498	96	925	:
Gross investment in tangible goods (EUR million)	27	0	109	13	52	9	16	180	90	24	1 280	:	39	:
Number of persons employed (thousands)	15	0	39	6	:	3	:	13	18	6	322	20	60	:
App. labour productivity (EUR thous./pers. emp.)	7.4	6.7	20.2	23.9	:	15.8	:	5.4	32.2	36.4	22.2	0.7	2.0	:
Average personnel costs (EUR thous./employee)	5.7	6.6	14.8	19.4	5.2	11.6	11.0	3.4	22.9	27.3	14.5	1.2	1.3	:
Wage adjusted labour productivity (%)	130.4	101.1	136.5	123.2	:	136.4	:	158.5	140.6	133.6	153.5	62.7	146.5	:
Gross operating rate (%)	2.5	13.0	6.9	5.7	14.3	6.7	2.0	3.9	5.0	5.2	8.9	7.1	3.7	:

(1) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.16

Retail sale of food, beverages, tobacco in specialized stores (NACE Group 52.2)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	3 790	829	1 319	12 056	57	:	19 833	12 538	1 081	17 318	215	53	36	228
Value added at factor cost (EUR million) (1)	650	64	288	2 950	5	:	3 427	2 917	219	3 298	28	4	2	51
Purchases of goods and services (EUR million) (1)	3 126	713	1 035	9 172	53	:	16 403	9 533	866	14 506	172	48	33	177
Gross investment in tangible goods (EUR million) (1)	202	25	18	205	1	:	232	463	27	514	6	1	1	:
Number of persons employed (thousands)	31	21	13	137	1	:	236	100	9	207	2	1	1	2
App. labour productivity (EUR thous./pers. emp.) (1)	21.2	3.1	21.6	19.7	3.9	:	14.5	29.0	24.5	15.9	17.1	3.1	1.6	27.9
Average personnel costs (EUR thous./employee) (1)	16.9	4.0	16.6	13.3	2.2	:	11.6	24.6	13.3	18.7	23.3	2.5	1.9	22.8
Wage adjusted labour productivity (%) (1)	125.3	78.8	130.3	148.5	181.8	:	125.6	118.0	183.7	85.2	73.1	125.4	83.7	122.6
Gross operating rate (%) (1)	9.7	1.0	9.0	10.4	4.5	:	11.2	9.0	12.7	14.4	4.0	2.7	-0.2	7.0

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	388	155	5 661	3 371	4 131	2 378	168	215	1 255	3 470	20 267	209	891	:
Value added at factor cost (EUR million)	49	24	1 197	624	622	267	18	15	156	496	4 462	19	67	:
Purchases of goods and services (EUR million)	353	147	4 463	2 746	3 377	2 112	148	200	1 111	3 014	15 500	199	886	:
Gross investment in tangible goods (EUR million)	28	1	76	56	103	59	1	3	13	68	429	6	48	:
Number of persons employed (thousands)	7	1	53	20	92	43	:	4	3	19	267	20	48	:
App. labour productivity (EUR thous./pers. emp.)	6.6	16.4	22.7	31.1	6.7	6.2	:	3.6	44.6	26.0	16.7	1.0	1.4	:
Average personnel costs (EUR thous./employee)	3.7	11.0	14.7	19.2	4.5	8.5	7.4	3.2	33.2	23.6	10.7	1.0	1.1	:
Wage adjusted labour productivity (%)	179.1	149.5	154.6	161.8	148.5	72.8	:	114.2	134.6	110.5	156.3	95.2	125.5	:
Gross operating rate (%)	5.8	12.5	10.9	9.7	9.8	5.1	2.3	0.9	4.7	4.5	10.4	5.1	1.3	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.17

Retail sale of pharmaceuticals and medical goods, cosmetic and toilet articles (NACE Group 52.3)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	4 057	1 095	1 447	37 508	106	:	13 078	29 243	1 189	21 585	99	197	315	222
Value added at factor cost (EUR million) (1)	807	125	311	8 250	17	:	3 019	7 055	287	4 049	16	39	42	58
Purchases of goods and services (EUR million) (1)	3 250	944	1 161	25 435	92	:	10 161	22 212	930	17 759	76	165	276	162
Gross investment in tangible goods (EUR million) (1)	153	22	16	413	3	:	227	489	38	356	2	8	7	:
Number of persons employed (thousands)	21	20	8	284	2	:	94	154	7	108	1	5	8	1
App. labour productivity (EUR thous./pers. emp.) (1)	38.1	6.2	38.6	30.1	7.2	:	32.0	45.8	41.0	37.5	19.4	8.0	5.2	58.9
Average personnel costs (EUR thous./employee) (1)	24.4	5.9	31.2	18.7	5.4	:	16.8	28.7	25.0	22.6	18.1	3.5	3.3	29.9
Wage adjusted labour productivity (%) (1)	156.3	105.1	123.6	160.6	134.3	:	190.7	160.0	164.0	166.2	107.1	229.8	156.6	196.9
Gross operating rate (%) (1)	10.6	2.8	5.2	10.2	4.4	:	14.9	10.7	11.0	13.8	4.9	11.3	5.3	14.6

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	992	66	6 899	3 493	3 367	2 365	65	165	1 630	3 420	15 346	225	500	:
Value added at factor cost (EUR million)	97	11	1 574	794	737	447	8	24	363	469	2 826	22	70	:
Purchases of goods and services (EUR million)	906	55	5 325	2 722	2 546	1 944	56	142	1 293	2 954	12 452	214	455	:
Gross investment in tangible goods (EUR million)	26	1	115	62	34	66	7	3	9	33	289	3	12	:
Number of persons employed (thousands)	12	1	46	27	49	16	:	2	8	13	110	12	18	:
App. labour productivity (EUR thous./pers. emp.)	7.8	14.6	34.3	29.1	15.2	28.3	:	12.0	45.4	35.0	25.6	1.8	3.9	:
Average personnel costs (EUR thous./employee)	6.1	8.1	19.5	21.9	7.5	16.1	3.4	5.9	28.4	35.0	17.0	1.5	2.6	:
Wage adjusted labour productivity (%)	127.7	180.9	175.2	133.2	202.9	176.2	:	202.2	159.7	100.0	150.6	118.9	148.1	:
Gross operating rate (%)	2.4	9.9	8.2	6.8	16.1	10.0	3.7	7.5	9.8	0.6	6.8	4.9	4.8	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.18

Other retail sale of new goods in specialized stores (NACE Group 52.4)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	21 468	6 032	10 786	111 083	628	:	55 227	96 401	6 431	91 983	1 581	884	720	1 505
Value added at factor cost (EUR million) (1)	3 441	503	2 507	29 371	90	:	12 130	21 604	1 413	16 426	328	125	100	322
Purchases of goods and services (EUR million) (1)	18 214	5 250	8 520	77 736	560	:	43 769	75 270	5 082	78 782	1 125	806	622	1 187
Gross investment in tangible goods (EUR million) (1)	878	192	270	2 045	24	:	2 066	3 303	170	2 223	51	39	27	:
Number of persons employed (thousands)	133	126	84	1 091	14	:	676	646	52	794	16	25	25	10
App. labour productivity (EUR thous./pers. emp.) (1)	25.8	4.0	30.0	27.1	6.4	:	17.9	33.4	27.0	20.7	20.5	5.1	4.0	33.7
Average personnel costs (EUR thous./employee) (1)	21.6	5.3	23.4	19.5	4.2	:	15.0	26.4	19.6	20.7	14.6	2.5	2.3	24.5
Wage adjusted labour productivity (%) (1)	119.5	75.5	127.9	139.0	152.1	:	119.8	126.8	137.6	100.1	140.8	200.5	168.4	137.2
Gross operating rate (%) (1)	7.5	1.1	7.6	9.4	5.2	:	10.3	6.7	9.0	11.3	8.4	7.7	6.3	8.4

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	2 710	472	37 020	19 255	14 871	13 497	1 143	1 235	7 395	16 790	137 598	961	2 782	:
Value added at factor cost (EUR million)	287	95	8 532	4 151	3 643	2 378	164	148	1 444	3 478	34 475	94	355	:
Purchases of goods and services (EUR million)	2 457	384	28 573	15 125	10 879	11 432	963	1 112	6 068	13 558	101 030	927	2 568	:
Gross investment in tangible goods (EUR million)	87	9	933	534	306	508	32	60	133	427	4 984	41	108	:
Number of persons employed (thousands)	42	7	344	154	317	202	:	21	44	115	1 279	65	122	:
App. labour productivity (EUR thous./pers. emp.)	6.8	13.9	24.8	27.0	11.5	11.8	:	7.0	32.9	30.2	27.0	1.4	2.9	:
Average personnel costs (EUR thous./employee)	4.8	8.7	17.0	22.2	5.6	10.5	10.2	4.4	25.3	27.1	16.2	1.2	1.5	:
Wage adjusted labour productivity (%)	144.1	159.6	145.5	121.5	206.8	112.5	:	157.7	130.1	111.3	166.4	118.7	188.5	:
Gross operating rate (%)	3.4	12.4	10.0	6.2	19.0	6.7	3.1	4.6	6.5	5.0	11.1	5.0	6.2	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.19

Retail sale of second-hand goods in stores (NACE Group 52.5)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	298	78	59	643	7	:	127	2 037	66	292	4	15	21	4
Value added at factor cost (EUR million) (1)	48	3	15	141	1	:	38	445	17	75	1	6	5	2
Purchases of goods and services (EUR million) (1)	259	69	45	284	7	:	92	1 935	49	237	2	10	16	3
Gross investment in tangible goods (EUR million) (1)	15	1	5	7	0	:	4	53	2	8	0	1	1	:
Number of persons employed (thousands)	3	4	1	9	0	:	3	15	1	5	0	2	3	0
App. labour productivity (EUR thous./pers. emp.) (1)	15.6	0.6	18.1	20.4	2.6	:	11.4	30.1	15.6	15.8	11.3	3.8	1.9	26.5
Average personnel costs (EUR thous./employee) (1)	16.6	4.3	19.2	11.1	2.1	:	15.8	29.0	16.2	24.4	33.3	1.3	1.4	22.8
Wage adjusted labour productivity (%) (1)	94.0	13.4	94.2	183.4	125.6	:	72.3	103.9	96.1	64.7	33.8	292.2	131.5	116.0
Gross operating rate (%) (1)	10.1	-4.7	15.5	19.4	5.0	:	10.9	9.7	7.6	18.7	3.9	25.3	11.6	22.2

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	61	2	388	120	83	51	4	7	60	98	3 146	9	86	:
Value added at factor cost (EUR million)	12	1	120	44	25	9	1	0	14	19	800	2	11	:
Purchases of goods and services (EUR million)	49	2	276	79	44	45	3	7	47	81	2 380	8	81	:
Gross investment in tangible goods (EUR million)	3	0	5	3	1	3	0	0	2	3	53	1	5	:
Number of persons employed (thousands)	2	0	7	2	13	1	:	0	1	2	21	2	6	:
App. labour productivity (EUR thous./pers. emp.)	6.7	9.0	17.5	23.7	1.9	8.9	:	0.9	20.4	9.9	38.4	0.9	1.9	:
Average personnel costs (EUR thous./employee)	5.6	7.1	10.6	18.5	4.0	12.2	7.2	2.8	25.4	17.4	20.4	0.8	1.5	:
Wage adjusted labour productivity (%)	118.7	126.6	164.7	128.0	48.8	72.5	:	32.3	80.5	57.2	188.2	109.9	128.3	:
Gross operating rate (%)	3.3	23.8	21.8	22.7	22.8	4.1	4.5	-10.5	11.7	12.3	16.0	10.0	3.6	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.20

Retail sale not in stores (NACE Group 52.6)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	1 266	350	355	33 458	73	:	3 681	15 176	292	8 343	110	225	81	65
Value added at factor cost (EUR million) (1)	174	42	52	6 272	8	:	922	2 445	53	1 946	18	40	10	10
Purchases of goods and services (EUR million) (1)	1 098	309	313	26 812	66	:	2 752	12 854	242	6 662	83	189	70	56
Gross investment in tangible goods (EUR million) (1)	32	4	9	472	2	:	225	288	6	304	1	4	1	:
Number of persons employed (thousands)	8	12	3	165	2	:	74	89	1	152	1	13	7	0
App. labour productivity (EUR thous./pers. emp.) (1)	21.7	3.6	20.2	36.6	4.9	:	12.5	27.4	42.3	12.8	15.4	3.0	1.5	22.7
Average personnel costs (EUR thous./employee) (1)	23.9	7.1	24.5	23.7	2.9	:	11.9	30.0	24.5	24.4	47.4	1.2	1.3	24.2
Wage adjusted labour productivity (%) (1)	90.5	50.6	82.3	154.9	171.2	:	104.6	91.2	172.8	52.3	32.4	252.9	110.4	93.7
Gross operating rate (%) (1)	7.2	3.7	4.5	8.8	4.8	:	16.6	3.1	9.7	18.1	3.9	10.9	4.8	5.5

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	219	97	3 644	1 232	3 537	517	78	111	420	1 584	17 603	76	297	:
Value added at factor cost (EUR million)	19	15	773	200	-4 335	72	12	22	53	215	3 509	10	29	:
Purchases of goods and services (EUR million)	201	82	2 866	1 017	1 426	454	65	88	378	1 407	14 018	69	287	:
Gross investment in tangible goods (EUR million)	4	0	23	15	105	12	3	5	4	32	516	0	9	:
Number of persons employed (thousands)	3	2	23	8	161	13	:	2	2	10	129	20	17	:
App. labour productivity (EUR thous./pers. emp.)	6.1	8.3	33.8	26.6	-26.9	5.5	:	11.3	26.2	20.7	27.2	0.5	1.7	:
Average personnel costs (EUR thous./employee)	5.3	7.7	16.5	26.6	6.0	14.8	9.6	4.7	25.6	32.8	21.2	1.3	1.4	:
Wage adjusted labour productivity (%)	116.0	107.1	205.4	100.2	-448.7	37.1	:	238.7	102.2	63.2	128.2	36.5	123.5	:
Gross operating rate (%)	1.4	12.8	14.6	3.8	-126.2	8.0	3.9	11.7	2.8	0.2	6.0	7.5	3.3	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 18.21

Repair of personal and household goods (NACE Group 52.7)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	164	173	264	1 345	6	:	896	1 720	90	1 438	26	5	3	11
Value added at factor cost (EUR million)	57	23	106	524	2	:	422	761	40	533	13	1	2	3
Purchases of goods and services (EUR million)	105	143	163	762	4	:	478	954	50	950	7	4	2	8
Gross investment in tangible goods (EUR million)	16	2	6	20	0	:	38	55	4	51	0	1	0	:
Number of persons employed (thousands)	3	8	3	23	0	:	31	29	2	41	1	1	1	0
App. labour productivity (EUR thous./pers. emp.)	21.9	2.8	33.3	22.8	4.3	:	13.7	26.0	22.0	13.0	14.4	1.2	1.9	15.7
Average personnel costs (EUR thous./employee)	29.9	5.9	30.6	18.6	2.9	:	15.4	28.5	20.2	18.9	31.3	1.2	1.7	22.2
Wage adjusted labour productivity (%)	73.1	48.0	108.9	122.8	149.9	:	89.0	91.3	109.2	69.2	45.9	94.2	112.1	70.6
Gross operating rate (%)	17.3	4.4	18.0	17.0	14.4	:	21.5	12.4	21.0	27.0	10.6	2.2	19.9	2.0

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	103	5	406	116	394	155	48	7	130	453	1 837	21	51	:
Value added at factor cost (EUR million)	14	3	190	53	124	49	12	2	56	161	874	7	15	:
Purchases of goods and services (EUR million)	92	3	213	63	166	108	34	6	75	296	930	15	38	:
Gross investment in tangible goods (EUR million)	6	0	8	6	4	8	1	0	5	10	104	1	3	:
Number of persons employed (thousands)	4	0	10	3	25	8	:	0	2	6	32	5	7	:
App. labour productivity (EUR thous./pers. emp.)	3.7	6.3	18.7	20.7	4.9	6.2	:	4.6	30.4	24.9	27.2	1.2	2.0	:
Average personnel costs (EUR thous./employee)	3.0	7.3	22.6	20.5	4.8	10.3	8.4	3.8	29.5	31.9	19.6	1.3	1.6	:
Wage adjusted labour productivity (%)	125.2	87.2	82.6	100.7	102.4	60.6	:	122.5	103.0	78.0	138.7	95.5	124.3	:
Gross operating rate (%)	3.0	37.7	29.1	19.2	24.7	13.2	6.6	5.8	20.1	10.1	19.2	17.7	7.4	:

(1) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Tourism

Tourism is a market in a constant state of evolution in direct response to the changing demands of customers, influenced both by economic factors, such as the evolution of the general economic environment, exchange rates or disposable income, and more subjective factors like evolving trends in tourist destinations or perceived security, health and safety concerns (for example, SARS, bird flu or terrorist threats). These factors affect the pattern of tourism consumption, shaped by a series of parameters including the purpose of the trip (business, leisure or visiting friends), its duration and the type of destination (domestic/short distance or international/long distance). According to the experts panel of the World Tourism Organisation (WTO), a United Nations' specialised agency, recent years have been clearly marked by the reinforcement of demand in domestic and nearby markets, at the expense of long-haul destinations, and by the increasing trend for late bookings and self-organised holidays [1].

[1] For further information, see the World Tourism Barometer, January 2004, available at http://www.world-tourism.org.

Recent trends in global flows of international tourists show that the sector lived through relatively difficult years in 2002 and 2003, mainly as a result of the conjunction of three negative factors: the war in Iraq, the outbreak of the SARS virus and the weak general economic environment. The WTO report states that the number of international tourist arrivals in the world decreased by 1.2 % in 2003 compared with the year before. Europe [2] confirmed its position as the most visited region in the world, representing 57.8 % of the world total.

[2] Geographical Europe.

Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year, for leisure, business or other purposes. On the supply side, tourism relies on enterprises from a variety of sectors, which can be summarised as the provision of accommodation, food and drink, transport facilities and services, and entertainment. This chapter covers two activities which make up a significant part of the tourism market: hotels and restaurants (NACE Division 55) and travel agencies (NACE Group 63.3). It should be noted, however, that these activities may also provide services for purposes other than tourism, while there are other activities, notably transport services (see Chapter 20), that also contribute to tourism that are covered elsewhere in this publication.

NACE

55:	hotels and restaurants;
55.1:	hotels;
55.2:	camping sites and other provision of short-stay accommodation;
55.3:	restaurants;
55.4:	bars;
55.5:	canteens and catering;
63.3:	activities of travel agencies and tour operators; tourist assistance activities n.e.c.

Table 19.1

Top 10 tourism earners, 2002 (1)

	International tourism receipts (EUR billion)	Change 2002/2001 (%) (2)	Change to Q3-2003 (%) (3)
US	70.4	-7.4	-1.5
ES	35.5	-2.9	4.1
FR	34.2	1.5	-2.0
IT	28.5	-2.7	-2.6
CN	21.6	14.6	-17.1
DE	20.3	-1.5	-2.3
UK	18.6	3.2	0.6
AT	11.9	3.8	1.5
HK	10.7	-1.8	-20.9
EL	10.3	-2.8	-8.2

(1) CN: China; HK: Hong Kong.
(2) Change in local currency, except China (USD).
(3) China, Q4-2003.
Source: World Tourism Organisation.

Table 19.2

Top 10 tourism spenders, 2002 (1)

	International tourism expenditure (EUR billion)	Change 2002/2001 (%) (2)	Change to Q3-2003 (%) (3)
US	61.4	-3.6	-2.1
DE	56.3	-4.3	-6.4
UK	42.7	18.0	6.4
JP	28.2	3.3	-2.0
FR	20.6	2.6	1.7
IT	17.9	7.6	3.9
CN	16.3	:	:
NL	13.7	1.8	-3.7
HK	13.1	-0.6	-10.4
RU	12.7	21.5	10.3

(1) CN: China; HK: Hong Kong; RU: Russia.
(2) Change in local currency, except China (USD).
(3) China, Q4-2003.
Source: World Tourism Organisation.

According to the WTO, the EU numbered six Member States among the top 10 countries in the world welcoming the largest number of international tourists arrivals (note that these figures may be subject to some over-estimation due to double-counting)

Tourism can have a significant impact on national and regional economies and according to the World Travel and Tourism Council, some 11 % of the wealth created in the world in 2001 originated in activities related to tourism [(3)]. Within the EU, receipts from international tourism in 2002 were highest in Spain (EUR 35.5 billion) and in France (EUR 34.2 billion), followed at a short distance by Italy (EUR 28.5 billion) – see Table 19.1. Two smaller Member States, Austria and Greece, also ranked among the top 10 tourism earners worldwide, with EUR 11.9 billion and EUR 10.3 billion of receipts respectively.

Looking at tourism expenditure, Germany and the United Kingdom were the second and third largest tourism spenders in the world in 2002 after the United States, with international expenditure of EUR 56.3 billion and EUR 42.7 billion respectively – see Table 19.2.

[(3)] See http://www.wttc.org.

Turning to EU policies in the field of tourism, since 1991 (Maastricht Treaty) the Treaty establishing the European Community includes 'measures in the sphere of tourism' in the list of activities foreseen in support of the Community's overall objectives, thereby recognising the role of tourism in a wide range of policy areas, notably employment, regional development, environment, consumer protection, new technologies, transport or culture. The current Commission's policy in the field of tourism is based on the Council resolution of 21 May 2002 on the future of European tourism, aiming in particular at quality, competitiveness and sustainability in European tourism and its enterprises, with actions focusing on five key issues: information, training, quality, sustainable development, and new technologies.

Table 19.3

International tourist arrivals in the EU-15 by region of departure, 2002 (% of arrivals in hotels) (1)

EU-15	65.0
CZ, HU, PL, SK (2)	1.6
EFTA	4.7
Other Europe (3)	3.5
Americas	13.4
Africa (4)	1.0
Asia	7.2
Australia/Oceania (5)	1.6

(1) Portugal, 2001; Greece and Ireland, 2000.
(2) Excluding Denmark (for the Czech Republic, Hungary and Slovakia), Germany (for Slovakia), Ireland (for Hungary and Slovakia) and Portugal (for the Czech Republic and Slovakia).
(3) Excluding Denmark.
(4) Excluding Denmark and Sweden.
(5) Excluding Denmark; France, 2001.
Source: Eurostat, Tourism (theme4/tour/sect_b/b_3).

STRUCTURAL PROFILE

The sector of hotels and restaurants (NACE Division 55) emerges as one of the largest in the EU's business economy when looking at the various activities at the level of NACE divisions. There were 1.4 million enterprises active in this sector in the EU-25 in 2001 that generated a total value added of EUR 145.4 billion, or 6.0 % of the total value added of the non-financial services sector (NACE Sections G to I and K). There were 53 900 travel agencies [4] in the EU-25 in 2001, and value added in this sector was EUR 18.5 billion (see Subchapter 19.1), bringing to 6.7 % the total contribution of the activities covered by this chapter to the non-financial services total.

Furthermore, hotels and restaurants employed a total of 7.5 million persons [5] in the EU-25 in 2001, which constituted the fifth largest sectoral labour market in the EU business economy at the level of NACE divisions, corresponding to 11.6 % of total employment in non-financial services [6]. Travel agencies accounted for an additional 448 700 persons employed [7] in the EU-25 in 2001.

In relative terms, tourism was relatively less developed in most of the 10 new Member States compared with the EU-15 Member States, as evidenced by the lesser importance of hotels and restaurants in the services economy of these countries, particularly in central and eastern Europe. On average, hotels and restaurants contributed only 2.7 % [8] to the total value added generated in non-financial services in the new Member States, against 6.1 % in the EU-15, with the lowest value being recorded in Poland (1.8 %). As a comparison, Denmark reported the lowest weight of hotels and restaurants in the non-financial services economy among EU-15 Member States [9] with a share of 3.8 %. Malta was a clear exception among the 10 new Member States with hotels and restaurants accounting for as much as 15.2 % of the non-financial services economy in that country, the highest share among available EU-25 countries. Note, however, that available SBS figures suggest an even greater role played by hotels and restaurants in the economy of Cyprus [10]. Among EU-15 countries, the hotels and restaurants sector was most important in the economies of Ireland, Spain and Austria, where it accounted for between 9 and 10 % of the value added in non-financial services; in the Netherlands, Belgium, Germany (2000) and the Nordic countries, in contrast, the sector was under-represented, relative to the EU-15 average.

[4] Cyprus, 2000; Poland, not available.
[5] Slovenia, not available.
[6] Cyprus and Slovenia, not available.
[7] Poland and Slovenia, not available.
[8] Cyprus, not available.
[9] Germany, 2000; Greece, not available.
[10] Cyprus, NACE Division 55 accounted for 40.6 % of the total value added of Sections G to I in 2001 (for comparison: EU-25, 10.5 %; Malta, 23.1 %).

Table 19.4

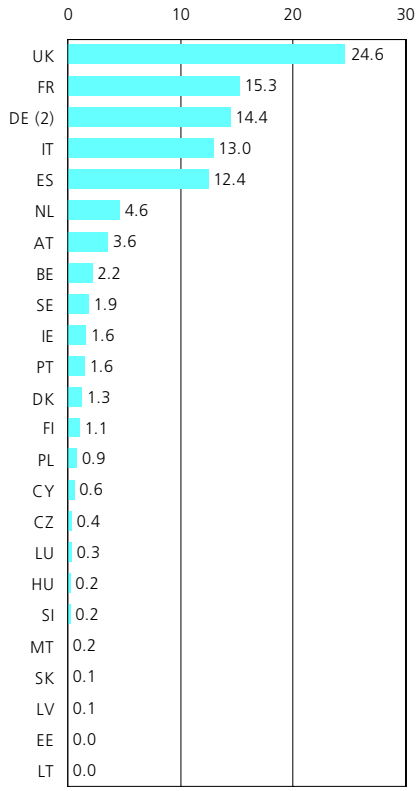
Hotels and restaurants (NACE Division 55)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (35.7)	Malta (254)	United Kingdom (1 792.1)
2	France (22.2)	Ireland (165)	Spain (1 073.7)
3	Italy (18.9)	Spain (158)	Germany (1 022.6)
4	Spain (18.1)	Austria (155)	Italy (905.0)
5	Netherlands (6.7)	Portugal (128)	France (796.4)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Greece and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 19.1

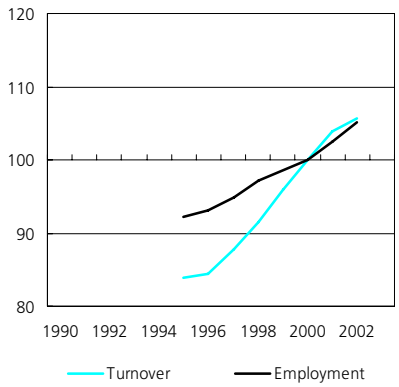
Hotels and restaurants (NACE Division 55)
Share of EU-25 value added, 2001 (%) (1)



(1) Greece, not available.
(2) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Figure 19.2

Hotels and restaurants (NACE Division 55)
Main indicators, EU-25 (2000=100)



Source: Eurostat, European Business Trends - Monthly and Quarterly Short Term Statistics (theme4/ebt).

Within the sector of hotels and restaurants, the provision of food and beverages was clearly the dominant activity compared with accommodation services. The activities of restaurants, bars and catering enterprises, covered by NACE Groups 55.3 to 55.5 (see Subchapter 19.3), accounted in the EU-25 for approximately two thirds of the wealth creation (63.5 %) in NACE Division 55 in 2001, against only 36.5 % for accommodation services (see Subchapter 19.2). This breakdown was nevertheless subject to great variation across the EU, whereby accommodation services accounted for a clearly higher share of value added in NACE Division 55 in countries which are popular holiday destinations, such as Spain (40.0 %), Cyprus (51.9 %), Austria (56.3 %) and Malta (84.1 %), hence leading to a higher demand for lodging facilities. The breakdown was also weighted in favour of accommodation services in all central and eastern European countries, although in this case the reason was to be found in the relatively small size of the restaurants, bars and catering sector.

Table 19.5

Hotels and restaurants (NACE Division 55)

Value added at factor cost and persons employed, by enterprise size class, 2001 (% of total)

	Micro enterprises		Small enterprises		Medium-sized enterprises		Large enterprises	
	Share of value added	Share of persons employed	Share of value added	Share of persons employed	Share of value added	Share of persons employed	Share of value added	Share of persons employed
EU-25	38.4	45.7	24.3	24.4	12.7	10.2	24.6	19.7
EU-15	38.7	45.1	24.4	24.6	12.5	10.1	24.5	20.2

Source: Eurostat, Structural Business Statistics (theme4/sbs/sizclass).

A distinctive characteristic of the hotels and restaurants sector is the prominent role played by small and medium-sized enterprises. Almost two thirds of the value added generated in the sector in the EU-25 in 2001 originated from enterprises numbering less than 50 persons employed, while the corresponding proportion was around 50 % within the activities of distributive trades and business services, and only around one third within transport services.

Micro enterprises (less than 10 persons employed) accounted for as much as 38.4 % of the value added generated in the hotels and restaurants sector of the EU-25 in 2001, and small enterprises (10 to 49 persons employed) some 24.3 % of the total, respectively 11.9 percentage points and 4.2 percentage points above their corresponding shares in non-financial services as a whole. Micro enterprises were of particular importance in the restaurants, bars and catering subsector, where they accounted for almost half of the wealth creation, more than twice the level recorded in accommodation services. Large enterprises employing more than 250 persons generated approximately one quarter of the value added both in the accommodation services and restaurants, bars and catering subsectors.

A country-by-country analysis [11] reveals that micro enterprises, in particular, were highly represented in France, Belgium and Austria when compared with the other non-financial services activities. In these three countries, the contribution of enterprises with less than 10 persons employed to the sector's value added was approximately twice as high as the national average for the non-financial services economy. In France, for example, micro enterprises generated 47.1 % of the value added within the hotels and restaurants sector, while the corresponding share in non-financial services was only 23.3 %. The opposite observation could be made in Latvia and Estonia, where the share of micro enterprises in sectoral value added was lower in hotels and restaurants than the national averages for non-financial services.

[11] The Netherlands, 2000; Germany, 1999; Greece and Slovakia, not available.

LABOUR AND PRODUCTIVITY

The tourism sector features irregular work patterns, generally influenced by a high seasonal component and atypical working hours, which require greater flexibility from the workforce. This is, for example, underlined by the Labour Force Survey results that show that as much as 26.2 % of the total number of persons in employment in hotels and restaurants in the EU-25 in 2002 worked part-time. This share was almost 8 percentage points above the average for services (18.3 %, NACE Sections G to K) and among the highest of all NACE divisions in the business economy. This pattern was evident both in the EU-15 and the 10 new Member States, where the share of part-time employment in hotels and restaurants reached 9.1 % against 7.3 % in services as a whole. Nationally, part-time employment was of particular importance in this sector in Denmark, Malta, Sweden and the United Kingdom, which reported the largest difference between the recourse to part-time employment in hotels and restaurants compared with the services economy as a whole. In contrast, in Germany, Hungary and the Czech Republic, the frequency of part-time employment in hotels and restaurants was closest to national services averages, while Cyprus and Portugal were the only countries where part-time employment was less frequent in hotels and restaurants than the average for services.

Hotels and restaurants reported a mostly female workforce, as women accounted for 54.3 % of their workforce in 2002 in the EU-25, practically 10 percentage points above the average for services as a whole (44.2 %). It could be noted that the difference was even more marked among the 10 new Member States, where women represented 62.2 % of persons employed in hotels and restaurants, against 47.4 % in services, a gap of 14.8 percentage points.

A further distinctive characteristic of the hotels and restaurants sector was the notable importance of family workers. These accounted for as much as 4.5 % of the workforce in the EU-25 in 2002, which was two and a half times more than the average of 1.8 % recorded in services as a whole. The difference was even higher in Germany and France, where the proportion of family workers was respectively three and four times greater than corresponding national averages for services. One fifth of the hotels and restaurants workforce was self-employed in 2002 (19.5 %), a proportion that was relatively close to the services average (17.6 %). Self-employment was relatively common in Belgium, France and Luxembourg (when compared with the other services activities in these countries), in contrast with the United Kingdom and most of the new Member States, where recourse to self-employment was significantly below the services average, particularly in Malta and Poland.

Average personnel costs in hotels and restaurants were generally lower than in other services sectors, which may to some degree be explained by the importance of part-time and seasonal employment, together with a high presence of low or unskilled manpower. In 2001, average personnel costs in hotels and restaurants were only EUR 14 300 per employee in the EU-25 (EUR 15 000 in the EU-15), which was not far from half the EUR 25 300 average recorded for non-financial services as a whole [12] (EUR 27 500 in the EU-15).

[12] Slovenia, 2000; Cyprus, not available.

The level of apparent labour productivity matched the low figures recorded for average personnel costs. In 2001, each person employed in the hotels and restaurants sector generated an average of EUR 20 300 of value added, approximately half the non-financial services average (EUR 40 600). A more revealing comparison of productivity, however, needs to take into consideration the relative level of wages and salaries and the proportion of employees in the total number of persons employed. As such, wage adjusted labour productivity averaged 134.7 % in the hotels and restaurants sector in the EU-25 [13] in 2001 (135.7 % in the EU-15), which was still well below the level of 147.9 % recorded for non-financial services [14] (147.6 % in the EU-15). In most of the new Member States, with the notable exception of Malta, wage adjusted labour productivity in hotels and restaurants was significantly below the non-financial services average, while the only Member State displaying a higher wage adjusted labour productivity level in the hotels and restaurants sector compared with the average for non-financial services was Belgium [15].

Looking at the recent evolution of the labour market in the hotels and restaurants sector underlines its important contribution to job creation in the EU's business economy. In the five years to 2000, the number of persons employed in hotels and restaurants increased on average by 1.6 % per annum, while it went up by 2.5 % in 2001. As a comparison, only business services reported higher net job creation within the non-financial services sector, while a decrease of employment was recorded in the industrial economy. Among the Member States with data available, only Germany reported decreasing employment in the hotels and restaurants sector over the whole period, 1995–2000, before recording a net increase in employment in 2001 as the number of persons employed rose by 1.3 %. Note also that job creation in hotels and restaurants was faster in the new Member States than in the EU-15.

[13] Cyprus and Slovenia, not available.
[14] Cyprus and Slovenia, not available.
[15] Germany, 2000; Greece, Cyprus and Slovenia, not available.

Table 19.6

Hotels and restaurants (NACE Division 55)
Labour force characteristics, 2002

	Share of men		Share of full-time		Share of employees	
	Value (%)	Index (services=100)	Value (%)	Index (services=100)	Value (%)	Index (services=100)
EU-25	:	:	:	:	:	:
EU-15	46.6	82.7	71.8	89.6	75.0	92.8
BE	48.6	82.0	72.5	88.6	61.8	79.7
CZ	44.9	84.6	94.1	99.9	76.6	101.8
DK	44.7	75.1	49.8	62.8	85.6	97.6
DE	42.8	83.6	70.5	93.9	76.1	89.7
EE	25.6	49.3	88.2	93.2	92.9	101.5
EL	53.8	87.6	93.9	97.4	57.4	99.3
ES	52.1	90.2	87.5	96.2	71.2	95.7
FR	50.8	89.5	77.2	91.0	77.7	87.5
IE	42.7	80.6	65.6	82.8	85.3	101.2
IT	52.1	84.1	84.1	93.1	56.1	93.4
CY	47.8	90.3	93.7	100.7	78.5	103.8
LV	20.8	44.7	88.0	94.7	98.7	107.8
LT	:	:	91.2	99.8	91.2	108.7
LU	49.4	87.9	83.0	93.9	81.4	90.6
HU	45.7	85.0	95.4	99.5	84.3	104.5
MT	62.2	89.6	74.6	84.5	90.0	111.3
NL	48.2	82.2	35.0	60.4	82.8	94.3
AT	36.5	73.7	:	:	78.4	90.3
PL	:	:	:	:	:	:
PT	39.2	70.3	93.7	101.0	66.2	93.6
SI	37.9	71.8	91.6	96.8	85.6	98.6
SK	39.1	75.3	96.7	98.8	89.1	103.7
FI	25.9	48.8	72.1	86.6	87.5	100.3
SE	44.9	75.8	62.8	79.3	81.7	95.6
UK	42.2	75.2	50.0	69.6	90.4	103.1

Source: Eurostat, Labour Force Survey.

19.1: TRAVEL AGENCIES

Travel agencies are enterprises that are engaged in arranging transport, accommodation and catering on behalf of travellers. The activity is covered by NACE Group 63.3 that encompasses providing travel information, advice and planning, arranging made-to-measure tours, accommodation and transportation for travellers and tourists, issuing tickets, the sale of packaged tours, and the activities of tour operators and tourist guides.

Travel agencies are specialised in bookings to medium and long-haul destinations, acting mainly as intermediaries for airlines, hotels, rental companies and tour operators, whereas domestic holidays and the bulk of rail and road transport bookings tend to bypass them. In recent years, travel agencies have faced increased competition from the development of direct sales, notably via the Internet. On the consumer side, the Internet has greatly facilitated the gathering of travel information, price comparisons and direct booking procedures. On the supplier side, fierce competition, notably on prices, has led travel providers (mainly airlines, hotels and tour operators) to find less expensive distribution channels and they have started to reduce or even suppress commissions paid to travel agents, while developing direct sales via the Internet. The Internet has also led to the emergence of purely online travel agencies, such as Expedia, Lastminute (both with approximately 3 million unique visitors per month in 2003) [16] or Opodo (approximately 2 million visitors per month in 2003). In Europe, the travel industry is expected to be one of the fastest growing sectors for on-line sales during the next few years, and the share of Internet sales in total travel sales is expected to rise from 3.6 % in 2002 to 7.4 % by 2006 [17].

Traditional travel agencies have tried to respond to the threat of direct distribution and on-line competitors by increasing the range of services they provide, notably to corporate clients, repositioning themselves as travel management companies, able to advise clients on their business travel policy by interpreting travel patterns and monitoring travel costs. Their financial resources have hence also evolved from being supplier-based (commissions) to client-based (price margins or handling fees).

[16] *Source:* http://www.nielsen-netratings.com.
[17] *Source: Trends in European Internet distribution of travel and tourism services*, April 2003, Centre for Regional and Tourism Research, available at: http://www.crt.dk/uk/staff/chm/trends.htm.

Table 19.7
Breakdown of holiday trips by organisational mode, 2002 (%)

	Direct reservation	Travel agent / tour operator	Other
BE	51.0	44.7	4.2
DK	47.9	52.1	0.0
DE	48.1	52.0	:
EL	52.0	47.9	:
ES (1)	11.4	28.9	58.9
FR	55.9	49.1	:
IE	:	:	:
IT	28.8	29.7	39.8
LU	38.8	41.8	19.2
NL	21.9	41.0	37.1
AT	53.2	46.7	:
PT	47.8	15.6	36.7
FI	14.1	32.2	53.5
SE	:	:	:
UK	35.7	65.1	:

(1) 2001.
Source: Eurostat, Tourism (theme4/tour/sect_c/c_2).

Table 19.8
Top European travel agencies, 2002

		Turnover (EUR billion)
TUI	DE	12.1
Thomas Cook	DE	8.0
My Travel	UK	7.0
Rewe Touristic	DE	4.4
First Choice	UK	3.6
Kuoni	CH	2.5
Club Med	FR	1.8
Hotelplan	IT	1.4
Alltours	DE	1.2
Alpitour	IT	1.1

Source: FVW International in Kuoni Annual Report 2002.

Table 19.9
Activities of travel agencies and tour operators; tourist assistance activities n.e.c. (NACE Group 63.3)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (5.3)	Malta (198)	United Kingdom (126.5)
2	France (1.7)	Ireland (152)	Spain (44.8)
3	Spain (1.2)	Slovakia (151)	France (44.1)
4	Italy (1.2)	Slovenia (146)	Italy (42.8)
5	Netherlands (0.7)	United Kingdom (119)	Netherlands (24.3)

(1) Germany, Greece and Poland, not available.
(2) Germany, Greece, Cyprus, the Netherlands and Poland, not available.
(3) Germany, Greece, Poland and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

STRUCTURAL PROFILE

There were 53 900 travel agencies in the EU-25 [18] in 2001 and value added for the sector was EUR 18.5 billion. Germany (EUR 5.5 billion in 2000) and the United Kingdom (EUR 5.3 billion) were by far the largest contributors to this total, reflecting their position as top tourist spenders in the EU and in the world (see the overview). Similarly, total employment in EU travel agencies reached 448 700 persons in 2001 [19], almost a third of which were working in the United Kingdom (126 500 persons) and one fifth in Germany (79 900 persons in 2000).

[18] Cyprus, 2000; Poland, not available.
[19] Poland and Slovenia, not available.

In relative terms, travel agencies contributed 0.8 % to the value added generated in the non-financial services economy of the EU-25, although the share of travel agencies was significantly higher in Malta (1.5 %), as well as in Germany (2000), Ireland and Slovakia (all 1.2 %) [20]. In a majority of the new Member States, however, travel agencies took a relatively small place in the services economy, reflecting the relatively low specialisation of these countries in tourism activities. Indeed, travel agencies had a share of non-financial services value added that was half or less of the EU average in the Czech Republic, Hungary, Lithuania (all 0.4 %) and Latvia (0.2 %).

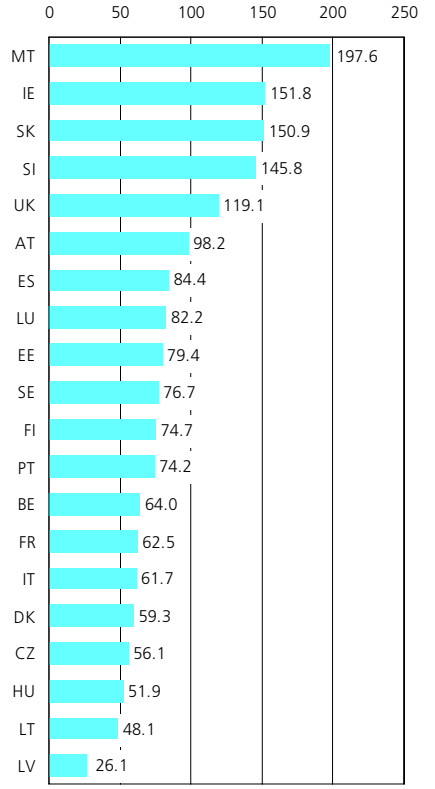
[20] Greece and Poland, not available.

The travel agencies sector is characterised by a high presence of enterprises employing between 10 and 49 persons, that accounted for one quarter (25.5 %) of the value added of this sector in the EU-25, 5.3 percentage points more than the average for non-financial services. In contrast, the relative contributions of micro enterprises (1 to 9 persons employed) and medium-sized enterprises (50 to 249 persons employed) to sectoral value added were similar to the non-financial services average, while the contribution of large enterprises (250 and more persons employed) was lower. In employment terms, a different picture emerges, with the travel agencies sector reporting a larger than average (for non-financial services) proportion of employment accounted for by small, medium-sized and large enterprises, with micro enterprises contributing only 29.1 % of employment compared with an average of 34.4 % for non-financial services. The relatively low importance of micro enterprises is further evidenced by the higher average number of persons employed per enterprise in travel agencies (8.5 persons) in the EU-25 [21] in 2001 than in non-financial services on average (5.8 persons).

[21] Cyprus, Poland and Slovenia, not available.

Figure 19.3

Activities of travel agencies and tour operators; tourist assistance activities n.e.c. (NACE Group 63.3)
Value added specialisation ratio relative to non-financial services, 2001 (EU-25=100) (1)



(1) Germany, Greece, Cyprus, the Netherlands and Poland, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

LABOUR AND PRODUCTIVITY

A distinctive characteristic of travel agencies when compared with other services activities is their greater reliance on paid employees, rather than self-employed persons or family workers. Indeed, employees constituted the bulk of the travel agencies workforce, accounting for 90.9 % of the persons employed in the EU-25 [22] in 2001, nearly 7 percentage points above the average for non financial services (84.0 %). The only countries [23] reporting a lower proportion of employees than the non-financial services average were Slovakia, Estonia and the Czech Republic.

EU-25 travel agencies generally faced higher average personnel costs (EUR 27 500 per employee in 2001) than other non-financial services enterprises (EUR 25 400 per employee) [24]. Apparent labour productivity failed in most countries to compensate for the higher personnel costs, which resulted in wage adjusted labour productivity being below the non-financial services average, at 142.0 % in the EU-25 [25] in 2001 against 147.9 % for non-financial services [26].

[22] Poland and Slovenia, not available.
[23] Germany, 2000; Greece, Cyprus, Poland and Slovenia, not available.
[24] Slovenia and Cyprus, not available.
[25] Poland and Slovenia, not available.
[26] Cyprus and Slovenia, not available.

19.2: ACCOMMODATION SERVICES

Accommodation services are covered by two NACE groups: Group 55.1 includes the provision of short-stay lodging in hotels, motels and inns, excluding the rental of long-stay accommodation and timeshare operations; Group 55.2 covers camping sites and other short-stay accommodation, including self-catering holiday chalets or cottages.

The sector of accommodation services covers enterprises which vary widely both in terms of size and services provided. At one end there are small, single location, family-run enterprises providing accommodation services, at the other there are large hotels, often part of a chain, providing a wide range of services, which may include catering, health and leisure facilities, and conference facilities.

Hotel demand is shaped by the two main types of customers: leisure travellers and business travellers. While both markets are strongly affected by the general level of economic activity, business travellers, and in particular the conference market, are more sensitive to economic downturns than tourists. Traditionally, business travellers are less price sensitive than tourists, but become more price conscious during economic downturns. This has been very evident in recent years and may have led to a permanent shift in attitudes towards corporate travel. Increasingly, the decision of whether or not a business trip is required is more carefully scrutinised and cheaper alternatives such as video-conferencing and the use of electronic communication techniques are preferred [27].

[27] See Hotels magazine, January 2004, available at: http://www.hotelsmag.com/0104/covstory.htm.

More generally, the accommodation sector has been greatly affected by technological developments. On the demand side this has, for example, been through the increase of Internet e-bookings. A recent Eurostat survey on e-commerce revealed, for example, that recourse to e-sales among hotels and other accommodation services enterprises equipped with an Internet connection was almost four times higher than the average in the business economy (see Table 19.11). On the supply side, a growing trend in hotels is the adoption of yield management tools aimed at improving occupancy and average revenue, in a very much similar fashion as airlines (real-time pricing).

Table 19.10

Main hotel chains, ranked by number of rooms, EU-15, 2002 (units)

		Number of rooms	Number of sites	World ranking	Brands
InterContinental Hotels	UK	514 873	3 333	2	InterContinental, Holiday Inn, Crowne Plaza
Accor	FR	440 807	3 829	4	Sofitel, Novotel, Mercure, Ibis, Etap Hôtel, Formule 1, Motel 6
Hilton Group plc (1)	UK	96 380	384	10	Hilton, Conrad
Sol Meliá	ES	81 096	325	13	Meliá Hotels, Sol Hotels, Paradisus, Tryp Hoteles
TUI Hotels & Resorts	DE	75 000	285	14	Grecotel, Iberotel, RIU, Magic Life, Sol y Mar
Société du Louvre	FR	67 990	900	15	Concorde, Campanile, Première Classe, Kyriad
Club Méditerranée	FR	39 114	140	22	Club Med, Jet tours
Le Méridien	UK	36 479	141	23	Le Méridien
NH Hoteles	ES	34 410	239	24	NH Hotel
Golden Tulip	NL	30 659	274	27	Golden Tulip, Tulip Inn

(1) Owns the rights to the Hilton name outside the United States.
Source: Hotels Magazine, July 2003.

Table 19.11

Proportion of enterprises having used Internet for e-commerce during 2001 (% share of enterprises using the Internet)

	EU-15 (1)	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL (2)	AT	PT	FI (3)	SE	UK
Purchased via Internet																
Average (NACE D, G, 55.1, 55.2, I, K)	29.6	:	49.1	45.3	16.7	7.9	:	:	9.8	29.2	37.3	37.2	23.9	54.4	62.3	47.0
Hotels and accommodation (NACE 55.1+55.2)	24.2	:	30.8	34.7	13.9	3.3	:	31.1	8.8	23.6	34.3	32.3	33.9	67.4	51.3	5.2
of which, proportion that purchased via specialised B2B Internet market places																
Average (NACE D, G, 55.1, 55.2, I, K)	:	:	:	18.7	24.6	35.6	:	:	7.5	35.0	20.1	12.7	26.8	29.8	22.3	:
Hotels and accommodation (NACE 55.1+55.2)	:	:	:	9.7	21.1	65.1	:	17.2	6.6	15.4	12.9	8.7	13.2	48.4	16.7	:
Sold via Internet (4)																
Average (NACE D, G, 55.1, 55.2, I, K)	12.6	:	25.4	19.0	13.8	2.8	:	:	5.1	15.6	40.1	25.3	10.7	17.5	14.2	19.3
Hotels and accommodation (NACE 55.1+55.2)	48.9	:	43.6	58.6	58.6	21.4	:	71.9	35.6	65.5	46.0	70.0	59.8	70.7	48.7	19.8
of which, proportion that sold via a presence on specialised B2B Internet market places																
Average (NACE D, G, 55.1, 55.2, I, K)	:	:	:	3.9	12.3	13.4	:	:	3.8	9.6	13.2	10.9	29.0	14.6	:	:
Hotels and accommodation (NACE 55.1+55.2)	:	:	:	2.7	10.6	18.9	:	11.3	4.5	5.6	6.2	15.1	46.0	16.9	11.2	:

(1) Average for available countries. (2) All electronic networks. (3) Average includes NACE Division 67. (4) Portugal, estimated.
Source: E-commerce database, Eurostat.

STRUCTURAL PROFILE

The value added generated by accommodation services enterprises in the EU-25 reached EUR 53.0 billion in 2001. More than one fifth was accounted for by the United Kingdom (EUR 11.0 billion) while the next four largest EU economies followed within a narrow range: Germany (EUR 7.9 billion, 2000), France (EUR 7.8 billion), Italy (EUR 7.5 billion) and Spain (EUR 7.2 billion). In relative terms, however, Malta clearly displayed the highest specialisation in accommodation services, as this sector contributed 12.8 % to non-financial services' value added, while the EU-25 average was 2.2 % [28]. Malta was joined above the EU-25 average by other popular holiday destinations including Austria (5.2 %), Spain (3.8 %), Ireland (3.7 %) and Italy (2.9 %). In addition, it should be noted that available data for Cyprus suggest a similar weight for the accommodation services sector in comparison with that recorded in Malta, with 15.0 % of value added in NACE Sections G to I being accounted for by accommodation services (compared with 15.8 % in Malta). In contrast, accommodation services represented 1.0 % or less of the non-financial services economy in Latvia (1.0 %), Poland (0.9 %) and Lithuania (0.9 %).

The accommodation services sector is a relatively labour-intensive one, with limited possibilities for capital substitution. It relies on a relatively large labour base, with some 1.9 million persons employed in the EU-25 in 2001, which represented 3.0 % of total employment in non-financial services [29]. The largest labour markets among the Member States were the United Kingdom (350 500 persons employed) and Germany (317 500 persons employed, 2000) while France, Spain and Italy all had more than 200 000 persons employed in this sector. In Malta, accommodation services occupied as many as 15.0 % of the persons working in non-financial services, while a significant proportion of the non-financial services workforce was also working in this sector in Austria (8.3 %) and Ireland (7.2 %) [30]. This was in stark contrast to the situation reported in Belgium, Lithuania and Latvia, where corresponding shares were 1.5 % or lower, less than half the EU-25 average.

[28] Germany, 2000; Greece, not available.
[29] Poland and Slovenia, number of employees.
[30] Germany, 2000; Greece, Poland and Slovenia, not available.

Table 19.12

Hotels; camping sites, other provision of short-stay accommodation (NACE Groups 55.1 and 55.2)
Structural profile, 2001

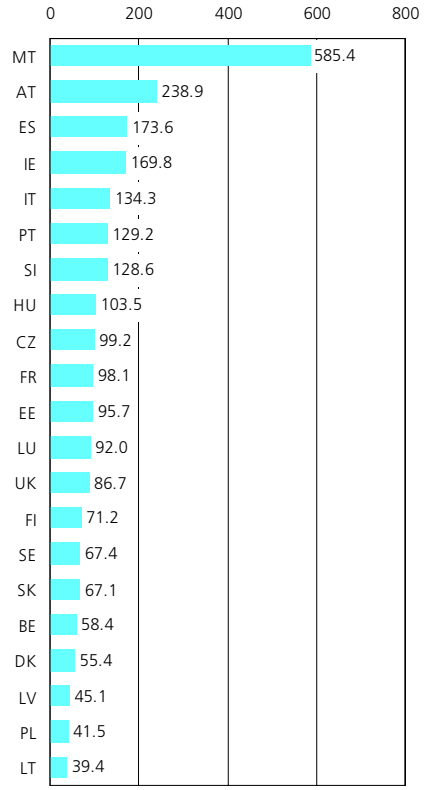
Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (11.0)	Malta (585)	United Kingdom (350.5)
2	France (7.8)	Austria (239)	Spain (264.8)
3	Italy (7.5)	Spain (174)	Italy (239.7)
4	Spain (7.2)	Ireland (170)	France (221.6)
5	Austria (2.9)	Italy (134)	Austria (108.4)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Germany, Greece, Poland and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

The size-class distribution of enterprises reveals the important role taken by small and medium-sized enterprises in this sector in comparison with the other services activities, at the expense of micro enterprises (1 to 9 persons employed) and large enterprises (more than 250 persons employed). Small enterprises were the largest contributors to sectoral value added, with a share in the total reaching 30.0 % in the EU-25 against a 20.2 % average for non-financial services. Medium-sized enterprises were also far more represented than in the other services activities, as they accounted for 22.5 % of the sector's value added against 16.4 % for the whole of the non-financial services.

Figure 19.4

Hotels; camping sites, other provision of short-stay accommodation (NACE Groups 55.1 and 55.2)
Value added specialisation ratio relative to non-financial services, 2001 (EU-25=100) (1)



(1) Germany, Greece, Cyprus and the Netherlands, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

According to the TOUR database, there were 200 700 hotels and similar establishments in the EU-25 in 2002 [31], with a capacity of some 10.3 million bed places among 5.2 million rooms – see Table 19.13. More than half of the hotels in the EU were concentrated in just three countries: the United Kingdom (43 800), Germany (38 100) and Italy (33 400). It is also interesting to note the large number of hotels in Austria (14 900), quite close to the figures reported by France (18 400) or Spain (16 700). The average establishment in the EU numbered 26 rooms and could welcome a maximum of 51 guests. The average size of establishments was considerably lower in Ireland and the United Kingdom [32] (27 bed places and respectively 11 and 13 rooms). In contrast, the average number of bed places per establishment approached or exceeded 100 in the Nordic countries (Sweden, 104; Finland, 121; and Denmark, 137) as well as in Cyprus (110), Portugal (125) and Malta (181). The number of bed places per room averaged 2.0 in the EU-25, although Hungary (2.5) and the Czech Republic (2.7) were significantly above this level.

[31] Ireland, Cyprus, Latvia, Lithuania and Malta, 2001.
[32] Note that bed and breakfasts are considered either as hotels or similar establishments or not, based on the level of services they provide.

Table 19.13

Main indicators for hotels and similar establishments, 2002 (thousands)

	Number of establish-ments (1)	Number of bedrooms (2)	Number of bed places (3)	of which, net rate of utilisation (%) (4)	Arrivals of residents (5)	Arrivals of non-residents (6)	Nights spent, residents (7)	Nights spent, non-residents (8)
BE	2.0	65.2	123.4	34.4	2 103.0	5 308.2	4 090.6	10 409.8
CZ	5.1	91.5	246.0	41.6	3 438.1	4 314.1	10 476.1	13 326.8
DK	0.5	33.5	65.5	39.5	1 694.1	1 283.7	4 743.4	4 483.2
DE	38.1	891.9	1 607.7	33.1	68 694.7	15 672.3	157 390.5	32 579.7
EE	0.2	8.2	15.9	:	250.2	936.7	450.1	1 886.6
EL	8.3	319.7	606.3	56.4	5 567.0	7 210.0	13 655.7	41 979.4
ES	16.7	713.5	1 395.4	53.6	33 289.5	26 687.4	86 549.0	136 122.4
FR	18.4	603.7	1 207.4	54.9	65 252.7	36 093.1	114 454.3	77 602.0
IE	5.2	59.5	140.0	48.5	2 773.0	3 577.0	7 679.0	17 321.0
IT	33.4	986.3	1 929.5	40.0	38 010.5	29 339.8	133 295.1	97 837.2
CY	0.8	46.2	87.8	74.0	330.9	2 335.1	726.8	18 066.1
LV	0.2	7.0	13.1	:	209.7	:	638.0	836.5
LT	0.2	5.8	11.1	:	140.8	:	292.8	671.8
LU	0.3	7.6	14.2	25.4	22.5	598.5	77.5	1 166.6
HU	2.2	62.4	154.6	:	2 273.1	2 658.7	5 574.1	8 260.0
MT	0.2	17.3	40.4	:	:	1 014.8	:	7 474.9
NL	2.9	86.2	177.4	45.5	7 570.8	7 501.1	13 643.8	15 026.3
AT	14.9	282.7	569.3	38.5	6 285.6	13 486.8	18 356.1	55 167.3
PL	1.5	65.7	127.6	:	4 580.4	2 535.6	8 381.8	4 999.3
PT	1.8	99.8	226.1	40.7	4 380.5	4 801.8	9 983.1	22 436.8
SI	0.4	15.1	28.2	:	463.0	1 005.6	1 713.8	3 049.4
SK	0.8	26.8	53.9	:	1 308.7	1 041.0	3 953.2	3 572.3
FI	1.0	54.9	117.9	34.4	5 327.3	1 796.5	9 552.2	3 720.6
SE	1.7	95.1	180.8	35.0	10 375.1	2 577.1	16 143.0	4 867.7
UK	43.8	584.9	1 166.5	43.5	57 680.0	14 176.0	130 560.0	48 377.0

(1) Ireland, Cyprus, Latvia, Lithuania and Malta, 2001.
(2) The Czech Republic, Ireland, Cyprus, Latvia, Lithuania and the United Kingdom, 2001; Malta, 1999.
(3) Cyprus, Latvia, Lithuania and Malta, 2001.
(4) France and Cyprus, 2001; Greece and Ireland, 2000.
(5) Cyprus, Latvia and Lithuania, 2001; Greece and Ireland, 2000.
(6) Ireland and Cyprus, 2001; Greece, 2000; Malta, 1999.
(7) Cyprus, Latvia and Lithuania, 2001; Greece, 2000.
(8) Cyprus, Latvia, Lithuania and Malta, 2001; Greece, 2000.
Source: Eurostat, Tourism (theme4/tour).

Accommodation services also include other types of establishments besides hotels, such as camping sites, holiday dwellings, youth hostels and collective dormitories for tourists – see Table 19.14. There were 192 500 such establishments in the EU-25 in 2002 [33], with a total capacity of 13.0 million bed places [34] outnumbering that of hotels. Almost two thirds of these establishments (121 700) [35] were holiday dwellings, most of which were located in Italy (61 500) and the United Kingdom (31 000), while there were some 26 300 tourist campsites [36], almost one third of which were in France alone (8 300). The breakdown of capacity between hotels and other types of establishments showed considerable variation across the EU. Indeed, hotels concentrated more than 85 % of the capacity in Austria, Greece, Cyprus and Malta, but less than 25 % in the Benelux countries, Poland, Denmark, Sweden and France.

Available figures for the EU-15 allow a trend of increasing average hotel capacity to be observed, with the average number of bed places per establishment rising from 45.3 to 50.4 between 1995 and 2002. This is the result of two factors: on the one hand, a growth in tourism supply with the opening of new and larger hotels, evidenced by growth in both the number of establishments and the number of bed places. On the other hand, some countries saw a reduction in the number of establishments while the number of bed places decreased at a slower rate or continued to rise, which could be interpreted as a sign of a consolidation within the sector, as smaller, and presumably less profitable, establishments ceased to exist. This was notably the case in France, Italy, Luxembourg and Austria.

One of the distinctive characteristics of the hotel market is the high seasonality of demand. The summer months are the busiest in every Member State. The highest number of nights spent is generally reached in August, with 176.9 million in the EU-15 in 2002, or 13.8 % of the yearly total, while winter months recorded the lowest attendance, particularly December and January, which accounted for less than 5.5 % of the total number of nights spent (see Figure 19.5). In some countries, a first surge in demand can be observed around Easter (March or April), particularly in the Benelux countries and the United Kingdom. Austria, Finland and Sweden also displayed a peak in February or March, probably linked to the winter sports season.

[33] Ireland, Cyprus, Latvia, Lithuania and Malta, 2001.
[34] Ireland, Cyprus, Latvia, Lithuania and Malta, 2001.
[35] Ireland, Cyprus, Latvia and Lithuania, 2001; Greece, Malta and Portugal, not available.
[36] Ireland, Cyprus, Latvia, Lithuania and Portugal, 2001; Malta, not available.

Table 19.14

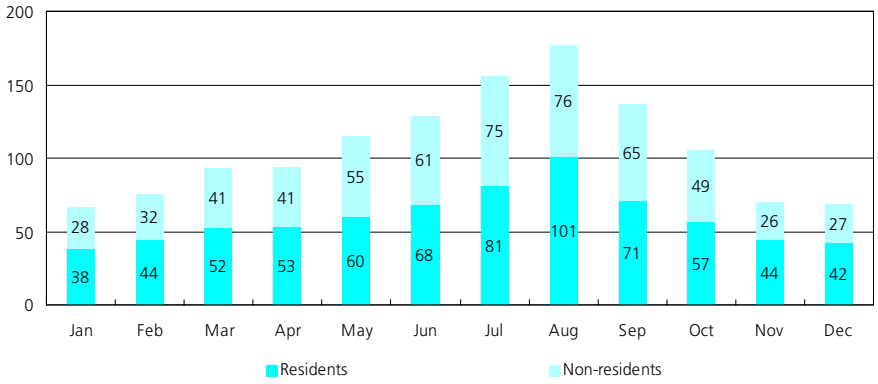
Main indicators for collective accommodation establishments other than hotels, 2002 (thousands)

	Number of establishments	of which, tourist campsites	of which, holiday dwellings	Total number of bed places
BE	1.6	0.5	0.1	504.9
CZ	4.0	0.5	0.4	388.5
DK	0.6	0.4	0.1	320.3
DE	17.5	2.4	10.8	1 437.0
EE	0.2	0.0	0.0	7.0
EL	0.4	0.4	:	31.5
ES	17.6	2.5	8.7	1 390.0
FR	10.3	8.3	1.1	3 401.5
IE (1)	2.8	0.1	2.4	64.0
IT	80.3	2.4	61.5	2 170.0
CY (1)	0.1	0.0	0.1	4.3
LV (1)	0.1	0.0	0.1	5.2
LT (1)	0.3	0.0	0.2	15.6
LU	0.3	0.1	0.1	49.1
HU	1.2	0.3	0.5	180.5
MT (1)	0.0	:	:	0.3
NL	3.7	2.2	0.7	973.9
AT	6.0	0.5	2.9	91.8
PL	5.6	0.4	0.4	473.8
PT (2)	0.3	0.2	:	181.0
SI	0.5	0.0	0.0	38.8
SK	1.2	0.1	0.1	104.7
FI	0.5	0.3	0.1	100.7
SE	2.0	1.1	0.3	539.7
UK	35.4	3.3	31.0	525.4

(1) 2001.
(2) Tourist campsites, 2001.
Source: Eurostat, Tourism (theme4/tour).

Figure 19.5

Number of nights spent in hotels and similar establishments, EU-15, 2002 (millions) (1)



(1) Greece, 2000; Ireland, excluding nights spent by residents.
Source: Eurostat, Tourism (theme4/tour/sect_b/b_4).

An analysis of arrivals in hotels by residence status reveals that the primary clients of hotels are, as a general rule, persons living in the country itself. Indeed, non-residents represented on average only 36.5 % of the persons checking in to hotels and similar establishments in the EU-25 in 2002 [37]. However, this proportion varied considerably across the EU, linked to the size of the country or the type of destination (holiday or business). As such, less than one fifth of the persons arriving in hotels in Sweden (19.9 %), the United Kingdom (19.7 %) or Germany (18.6 %) were people visiting from a foreign country, while non-residents accounted for the highest share of arrivals in countries such as Belgium (71.6 %), Estonia (78.9 %), Cyprus (87.6 %) and Luxembourg (96.4 %). Among the other new Member States, arrivals of non-residents outnumbered those of residents in Slovenia, the Czech Republic and Hungary, while the opposite was true in Slovakia and Poland.

In addition, non-resident guests generally tended to stay somewhat longer (3.4 nights on average) [38] than locals (2.3 nights) [39] – see Table 19.15. This difference may also be related to the type of trip (holiday or business), as evidenced by the noticeable differences between both ratios in the Mediterranean countries of Cyprus, Malta, Greece and Spain (which are popular international destinations for generally longer, summer holidays). In these countries, the average length of stay of non-residents was more than twice as long as that recorded for residents, and was the highest among the Member States: at 8.1 nights in Malta (1999), 7.7 nights in Cyprus, 5.8 nights in Greece and 5.1 nights in Spain.

[37] Cyprus, Latvia and Lithuania, 2001; Greece and Ireland, 2000; Latvia, Lithuania and Malta, not available.
[38] Cyprus and Malta, 2001; Greece, 2000; Latvia and Lithuania, not available.
[39] Cyprus, Latvia and Lithuania, 2001; Greece, 2000; Malta, not available.

Table 19.15

Arrivals and nights spent according to residence status, 2002

	Share of non-residents in total arrivals (%)	Average number of nights spent per arrival (units) Residents	Non-residents
BE	71.6	1.9	2.0
CZ	55.7	3.0	3.1
DK	43.1	2.8	3.5
DE	18.6	2.3	2.1
EE	78.9	1.8	2.0
EL (1)	56.4	2.5	5.8
ES	44.5	2.6	5.1
FR	35.6	1.8	2.2
IE (1)	66.4	2.4	3.2
IT	43.6	3.5	3.3
CY (2)	87.6	2.2	7.7
LV (2)	:	3.0	:
LT (2)	:	2.1	:
LU	96.4	3.5	1.9
HU	53.9	2.5	3.1
MT (3)	:	:	8.1
NL	49.8	1.8	2.0
AT	68.2	2.9	4.1
PL	35.6	1.8	2.0
PT	52.3	2.3	4.7
SI	68.5	3.7	3.0
SK	44.3	3.0	3.4
FI	25.2	1.8	2.1
SE	19.9	1.6	1.9
UK	19.7	2.3	3.4

(1) 2000.
(2) 2001.
(3) 1999.
Source: Eurostat, Tourism (theme4/tour/sect_b).

LABOUR AND PRODUCTIVITY

The sector of accommodation services is characterised by a higher recourse to paid employees if compared with the non-financial services average. In 2001, 89.2 % of the persons employed in the EU-25 [40] were employees, which was 5 percentage points above the corresponding share for non-financial services. The only Member State where the proportion of employees was noticeably below the national average for non-financial services was Austria (81.4 % compared with 88.1 %).

Apparent labour productivity in accommodation services was equal to EUR 28 400 of value added per person employed in the EU-25 in 2001 [41]. This was noticeably below the average for non-financial services activities (EUR 38 800) [42], which could partly be explained by the seasonal nature of the activity, and by the relatively high incidence of part-time employment.

[40] Cyprus, Poland and Slovenia, not available.
[41] Poland and Slovenia, not available.
[42] Cyprus, Poland and Slovenia, not available.

However, taking into consideration the relative level of wages and salaries and the incidence of paid employment, the low apparent labour productivity was matched by an equally low level of average personnel costs: EUR 17 900 per employee in the EU-25 in 2001, while the average for non-financial services reached EUR 25 400 per employee [43]. As a consequence, the ratio of wage adjusted labour productivity reached 156.6 % in the EU-25 in 2001 [44], which was almost 10 percentage points above the average level of 147.9 % recorded for the whole of non-financial services [45].

[43] Slovenia, 2000; Cyprus, not available.
[44] Poland and Slovenia, not available.
[45] Cyprus and Slovenia, not available.

19.3: RESTAURANTS, BARS AND CATERING

The activities of the sale of meals and beverages for consumption are classified under NACE Groups 55.3 (restaurants), 55.4 (bars) and 55.5 (canteens and catering). It is important to bear in mind that only enterprises for which the provision of drinks and meals is the principal activity are covered by the statistics presented in this subchapter. Enterprises offering food and drink as a complement to their core business are not included, for example, the sale of food and beverages in cinemas, recreation parks, or transport services' enterprises where, in some cases, meals and beverages may represent a significant secondary activity.

Table 19.16

Restaurants; bars; canteens and catering (NACE Groups 55.3 to 55.5)
Structural profile, 2001

Rank	Largest value added (EUR billion) (1)	Highest value added specialisation relative to non-financial services (EU-25=100) (2)	Largest number of persons employed (thousands) (3)
1	United Kingdom (24.8)	Ireland (162)	United Kingdom (1 441.7)
2	France (14.4)	Spain (149)	Spain (808.9)
3	Italy (11.4)	Portugal (128)	Italy (665.2)
4	Spain (10.8)	Luxembourg (127)	France (574.8)
5	Netherlands (4.8)	Italy (118)	Netherlands (265.8)

(1) Germany and Greece, not available.
(2) Germany, Greece, Cyprus and the Netherlands, not available.
(3) Germany, Greece, Poland and Slovenia, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

The restaurants, bars and catering sector comprises two main markets. On the one hand there are outlets selling food and beverages to final consumers that may be both tourists or local customers. Enterprises in this field may take very different forms, in terms of size, from small, family-run outlets to multinational franchises, and in terms of product, from snack outlets and fast-food chains to high-class establishments specialising in haute cuisine. On the other hand there are catering enterprises, that generally operate on a business-to-business level, to the point that they could be associated with other business services' enterprises (see Chapter 22). They are only related to tourism activities in so far that hotels or other tourism related enterprises have outsourced their catering supply to specialised external contractors. More generally, catering enterprises have greatly benefited from a trend that has seen enterprises, institutions (such as schools) and public administrations (who used to run their own restaurant facilities for their personnel or students) increasingly sub-contract this type of activity to specialised, independent enterprises.

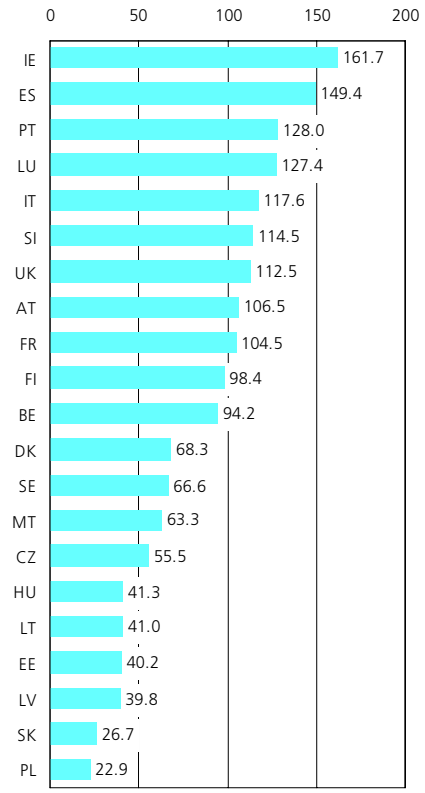
STRUCTURAL PROFILE

The 1.2 million restaurants, bars and catering enterprises present in the EU-25 in 2001 generated a total value added of EUR 92.4 billion, which represented 3.8 % of the non-financial services total. As such, this constituted the largest tourism related sector, although this sector also serves the local market. Nevertheless, the weight of the sector in the national non-financial services' economy showed considerable fluctuations across the Member States [46] and between the EU-15 and the new Member States. Ireland and Spain reported a relatively high specialisation in restaurants, bars and catering, evidenced by a noticeably higher contribution of this sector to non-financial services value added, respectively 6.1 % and 5.7 %. It should be noted, however, that available data for Cyprus indicate an even higher specialisation [47]. Among the new Member States, in contrast, only Slovenia reported that this sector had a higher share of non-financial services than the EU average, while all other central and eastern European countries were at the bottom of the ranking, with shares ranging from 2.1 % of non-financial services value added in the Czech Republic to 0.9 % in Poland.

[46] Germany and the Netherlands; 2000; Greece and Cyprus, not available.
[47] Restaurants, bars and catering accounted for 13.9 % of the total value added of Sections G to I in Cyprus in 2001, against an average of 6.0 % in the EU-25 and 9.5 % in Ireland.

Figure 19.6

Restaurants; bars; canteens and catering (NACE Groups 55.3 to 55.5)
Value added specialisation ratio relative to non-financial services, 2001 (EU-25=100) (1)



(1) Germany, Greece, Cyprus and the Netherlands, not available.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

More than two thirds of the EU's value added in the restaurants, bars and catering sector originated from just four countries: the United Kingdom (EUR 24.8 billion), France (EUR 14.4 billion), Germany (EUR 12.3 billion, 2000) and Italy (EUR 11.4 billion); Spain (EUR 10.8 billion) was the only other country accounting for more than 10 % of the EU-25 value added total.

The large workforce within the restaurants, bars and catering sector reflects the labour-intensive nature of the activity. A total of 5.6 million persons were employed in this sector in the EU-25 in 2001 [48], which represented approximately 8.8 % of the non-financial services workforce, or two and a half times more than its contribution in terms of value added. It is important to note that these figures are based on head-counts and do not take into account seasonal factors or the average length of work duration.

Furthermore, the distribution of employment across Member States reveals interesting patterns. Firstly, the United Kingdom alone accounted for more than one quarter of the total [49], with 1.4 million persons employed. Secondly, Ireland, Portugal and Spain reported a high concentration of employment in this sector, mirroring their specialisation in terms of value added. Spain (808 900 persons employed) reported a larger workforce in this sector than Germany (744 100 persons employed, 2000) or Italy (665 200 persons employed). Ireland, for example, accounted for 1.5 % of the EU's employment in restaurants, bars and catering activities [50], but only 1.0 % of total employment within the non-financial services economy [51]. The opposite situation was observed, notably in the Baltic States and in Slovakia.

[48] Poland and Slovenia, number of employees.
[49] Poland and Slovenia, number of employees.
[50] Poland and Slovenia, number of employees.
[51] Poland and Cyprus, not available; Slovenia, number of employees.

Small enterprises, and particularly those employing less than 10 persons (micro enterprises), are central in the activities of restaurants, bars and catering, perhaps more than any other sector. Indeed, micro enterprises accounted for as much as 47.3 % of the value added of this sector in the EU-25 in 2001, while their corresponding share of non-financial services' value added was 26.5 %. Furthermore, the role of medium-sized enterprises (50 to 249 persons employed) in this sector was significantly reduced, as they generated 7.1 % of sectoral value added against a non-financial services average of 16.4 %. The only countries significantly differing from this pattern were Estonia and Latvia, where the contribution of micro enterprises to wealth creation was in line with the national average for non-financial services, and Lithuania, Hungary and Slovakia, where medium-sized enterprises were relatively important.

Table 19.17

Main restaurant, bar and catering enterprises, EU-15

Company	Country	Turnover 2001/02 (EUR million)	Main activities
Compass Group	UK	7 953	Contract catering
Sodexho Alliance	FR	4 554	Contract catering
Elior	FR	2 036	Contract catering, restaurants
Whitbread	UK	1 832	Restaurants
Six Continents	UK	1 334	Hotels, restaurants, pubs
Accor	FR	1 323	Hotels, restaurants, contract catering
Autogrill	IT	1 133	Travel, roadside catering
LSG	DE	935	Travel, airline catering
GIB Group	BE	872	Restaurants
Scottish & Newcastle	UK	687	Pubs, hotels

Source: INFORMA, based on Neo-restauration and annual reports.

LABOUR AND PRODUCTIVITY

A distinctive characteristic of employment in restaurants, bars and catering activities was the low occurrence of paid employees, underlining the importance of self-employed persons and family workers. In 2001, only 78.9 % of the persons employed in the sector in the EU-25 [52] were employees, against 82.7 % in non-financial services as a whole [53]. Among the Member States, only Malta, Estonia, Sweden, and the United Kingdom reported a higher proportion of employees in this sector relative to their non-financial services' averages [54]. In the United Kingdom it should be noted that approximately one in four pubs are managed houses, meaning that they are owned by breweries, with the manager as a paid employee. Finally, Italy was the only country where paid employees were outnumbered by unpaid working proprietors and family workers.

Average personnel costs supported by restaurants, bars and catering enterprises were generally lower than in other services, which could be explained by relatively low average qualification levels among the workforce, the importance of part-time employment, and the seasonal nature of the activity. Personnel costs per employee were equal to EUR 13 000 in the EU-25 in 2001, not far from half the average for non-financial services (EUR 25 400) [55], although the difference was less marked in Finland, Italy, France and Luxembourg [56]. Despite the low level of average personnel costs, wage adjusted labour productivity also remained below the non-financial services average, at 127.7 % in the EU-25 in 2001 [57], 20 percentage points less than the non-financial services average (147.9 %) [58]. Belgium was the only country [59] where wage adjusted labour productivity in restaurants, bars and catering was above the national average for non-financial services, while in contrast the productivity gap was the largest in the Czech Republic, Hungary, Slovakia and the Baltic States.

[52] Poland and Slovenia, not available.
[53] Cyprus and Slovenia, not available
[54] Germany, 2000; Greece, Cyprus, Poland and Slovenia, not available.
[55] Cyprus and Slovenia, not available.
[56] Germany and Slovenia, 2000; Greece and Cyprus, not available.
[57] Poland and Slovenia, not available.
[58] Cyprus and Slovenia, not available.
[59] Germany and the Netherlands, 2000; Greece, Cyprus and Slovenia, not available.

Table 19.18

Hotels and restaurants (NACE Division 55)
Main indicators, 2001

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	8 627	2 684	4 405	41 137	215	:	41 393	51 826	6 592	47 996	1 592	212	199	862
Value added at factor cost (EUR million) (1)	3 225	584	1 840	20 238	69	:	18 052	22 184	2 383	18 872	907	76	52	439
Purchases of goods and services (EUR million) (1)	5 282	1 958	2 685	21 429	145	:	23 830	29 251	4 222	29 897	624	148	148	420
Gross investment in tangible goods (EUR million) (1)	963	130	272	1 538	24	:	3 616	4 908	502	3 592	132	63	22	:
Number of persons employed (thousands)	158	163	95	1 023	13	:	1 074	796	125	905	33	17	24	13
App. labour productivity (EUR thous./pers. emp.) (1)	20.4	3.6	19.4	19.1	5.2	:	16.8	27.9	19.0	20.9	27.3	4.5	2.1	34.7
Average personnel costs (EUR thous./employee) (1)	15.3	3.9	15.3	12.5	3.4	:	13.5	23.1	14.4	18.5	17.0	2.3	1.8	23.0
Wage adjusted labour productivity (%) (1)	133.7	92.3	127.5	152.6	155.3	:	125.0	120.7	132.3	112.9	160.5	193.9	117.5	150.9
Gross operating rate (%) (1)	18.0	5.3	12.5	21.8	12.2	:	17.4	11.6	13.2	19.8	27.3	17.7	5.6	23.5

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	1 071	444	15 195	10 512	3 085	7 021	814	254	4 275	7 250	80 244	543	742	:
Value added at factor cost (EUR million)	340	251	6 737	5 168	1 258	2 262	281	91	1 579	2 768	35 748	164	229	:
Purchases of goods and services (EUR million)	717	180	8 422	5 180	1 304	4 828	488	161	2 787	4 633	42 239	419	543	:
Gross investment in tangible goods (EUR million)	108	45	598	972	237	790	81	22	166	535	8 063	171	141	:
Number of persons employed (thousands)	58	15	325	212	200	239	:	20	53	109	1 792	83	80	:
App. labour productivity (EUR thous./pers. emp.)	5.8	16.4	20.7	24.4	6.3	9.5	:	4.5	29.8	25.3	19.9	2.0	2.9	:
Average personnel costs (EUR thous./employee)	4.6	7.9	13.7	18.1	5.4	8.5	8.4	3.4	23.9	21.7	12.6	1.3	1.9	:
Wage adjusted labour productivity (%)	127.3	208.6	151.4	135.2	116.1	111.2	:	131.0	125.0	116.8	158.7	146.6	154.4	:
Gross operating rate (%)	7.1	30.5	19.9	20.5	21.5	9.0	5.8	8.9	10.3	9.0	18.4	17.0	12.5	:

(1) Germany, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 19.19

Hotels; camping sites, other provision of short-stay accommodation (NACE Groups 55.1 and 55.2)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	1 812	773	1 244	14 740	84	:	13 002	18 114	2 040	14 458	723	53	54	232
Value added at factor cost (EUR million)	846	296	584	7 892	40	:	7 220	7 764	896	7 472	471	30	18	129
Purchases of goods and services (EUR million)	911	470	685	6 954	43	:	5 996	10 107	1 144	7 298	222	26	35	103
Gross investment in tangible goods (EUR million)	321	68	143	843	16	:	2 389	2 263	217	1 453	102	39	11	:
Number of persons employed (thousands)	23	32	23	317	4	:	265	222	42	240	15	3	4	3
App. labour productivity (EUR thous./pers. emp.)	37.5	9.3	25.4	24.9	10.5	:	27.3	35.0	21.3	31.2	30.6	10.7	4.2	42.1
Average personnel costs (EUR thous./employee)	26.2	5.9	18.5	15.4	5.1	:	16.9	25.7	18.2	21.0	16.2	4.6	3.3	24.9
Wage adjusted labour productivity (%)	142.9	158.1	137.0	160.9	206.8	:	161.2	136.6	116.9	148.6	189.1	231.7	127.9	168.8
Gross operating rate (%)	18.1	18.6	14.2	24.2	25.1	:	22.8	13.8	10.9	26.1	30.7	32.2	7.9	26.2

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	465	348	4 061	5 542	1 101	1 569	269	116	1 184	2 371	19 889	192	335	:
Value added at factor cost (EUR million)	200	211	1 978	2 908	642	830	110	54	463	1 017	10 959	73	146	:
Purchases of goods and services (EUR million)	250	131	2 057	2 530	353	782	130	61	747	1 397	8 324	145	199	:
Gross investment in tangible goods (EUR million) (2)	65	41	390	713	141	424	67	10	67	231	2 547	134	113	:
Number of persons employed (thousands)	19	10	59	108	:	46	:	8	13	31	350	19	32	:
App. labour productivity (EUR thous./pers. emp.)	10.5	20.8	33.2	26.8	:	18.1	:	6.5	36.7	33.1	31.3	3.9	4.6	:
Average personnel costs (EUR thous./employee)	7.0	9.2	19.8	18.5	7.0	12.4	11.1	4.1	26.0	25.3	16.9	2.1	2.3	:
Wage adjusted labour productivity (%)	150.2	225.6	167.6	144.8	:	146.1	:	159.9	141.0	130.7	184.5	184.8	196.7	:
Gross operating rate (%)	14.5	34.0	22.3	23.0	32.7	18.6	6.5	17.6	12.6	11.6	26.9	18.9	22.7	:

(1) 2000.
(2) The Netherlands, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 19.20

Restaurants; bars; canteens and catering (NACE Groups 55.3, 55.4 and 55.5)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	6 815	1 911	3 161	26 419	130	:	28 392	33 713	4 552	33 539	869	159	145	630
Value added at factor cost (EUR million)	2 378	288	1 256	12 346	29	:	10 832	14 420	1 487	11 401	436	46	33	310
Purchases of goods and services (EUR million)	4 371	1 488	2 000	14 475	103	:	17 835	19 144	3 078	22 600	402	122	112	317
Gross investment in tangible goods (EUR million)	643	63	129	695	9	:	1 226	2 645	284	2 139	30	24	10	:
Number of persons employed (thousands)	135	131	72	744	9	:	809	575	83	665	18	14	20	10
App. labour productivity (EUR thous./pers. emp.)	17.6	2.2	17.5	16.6	3.1	:	13.4	25.1	17.9	17.1	24.3	3.3	1.7	32.4
Average personnel costs (EUR thous./employee)	12.9	3.3	14.1	11.2	2.7	:	11.9	22.0	12.3	17.1	17.9	1.9	1.5	22.3
Wage adjusted labour productivity (%)	136.6	66.7	124.4	148.7	116.2	:	112.7	113.9	145.4	100.0	135.7	175.8	114.5	145.1
Gross operating rate (%)	18.0	-0.1	11.8	20.5	3.8	:	14.9	10.4	14.3	17.1	24.5	12.8	4.8	22.4

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	606	96	11 134	4 970	1 984	5 452	545	138	3 091	4 879	60 355	350	408	:
Value added at factor cost (EUR million)	140	40	4 759	2 260	616	1 432	171	37	1 116	1 751	24 789	91	83	:
Purchases of goods and services (EUR million)	467	49	6 365	2 650	951	4 046	358	100	2 040	3 236	33 914	274	344	:
Gross investment in tangible goods (EUR million) (2)	43	4	338	259	96	366	14	12	99	305	5 516	37	28	:
Number of persons employed (thousands)	39	5	266	103	:	193	:	12	40	79	1 442	64	48	:
App. labour productivity (EUR thous./pers. emp.)	3.6	7.8	17.9	21.9	:	7.4	:	3.1	27.7	22.2	17.2	1.4	1.7	:
Average personnel costs (EUR thous./employee)	3.4	5.0	12.1	17.5	4.5	7.4	7.3	3.0	23.1	20.1	11.5	1.0	1.5	:
Wage adjusted labour productivity (%)	104.9	156.9	147.4	124.8	:	100.5	:	104.2	119.7	110.7	149.7	145.0	113.1	:
Gross operating rate (%)	1.5	17.6	19.0	17.7	15.2	6.2	5.4	1.6	9.4	7.7	15.6	15.9	4.1	:

(1) 2000.
(2) The Netherlands, 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).

Table 19.21

Activities of travel agencies and tour operators; tourist assistance activities n.e.c. (NACE Group 63.3)
Main indicators, 2001

	BE	CZ	DK	DE (1)	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU
Turnover (EUR million)	4 850	1 054	2 356	19 442	130	:	11 466	11 819	1 742	12 743	119	68	60	227
Value added at factor cost (EUR million)	324	58	218	5 490	12	:	1 227	1 729	280	1 200	74	6	8	40
Purchases of goods and services (EUR million)	4 516	995	2 156	14 344	114	:	10 394	10 295	1 463	11 583	45	62	53	186
Gross investment in tangible goods (EUR million)	43	23	14	207	2	:	114	126	24	140	6	0	2	:
Number of persons employed (thousands)	9	13	6	80	1	:	45	44	6	43	3	1	2	1
App. labour productivity (EUR thous./pers. emp.)	38.0	4.6	38.1	68.7	8.3	:	27.4	39.2	49.8	28.0	23.7	5.5	5.0	60.8
Average personnel costs (EUR thous./employee)	33.2	6.8	33.3	28.7	6.9	:	20.9	34.5	29.8	27.0	14.1	2.6	2.8	28.5
Wage adjusted labour productivity (%)	114.5	66.8	114.6	239.0	121.6	:	130.9	113.9	167.2	103.9	167.9	216.3	182.8	213.2
Gross operating rate (%)	1.6	1.1	1.3	17.4	2.0	:	3.2	1.8	6.8	2.8	27.2	4.8	6.2	10.0

	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	BG	RO	TR
Turnover (EUR million)	384	121	4 542	3 541	:	2 068	270	479	1 102	4 440	61 331	100	252	:
Value added at factor cost (EUR million)	35	25	739	418	:	166	44	42	170	404	5 258	14	39	:
Purchases of goods and services (EUR million)	350	99	4 082	3 122	:	1 908	218	436	940	3 837	56 181	86	215	:
Gross investment in tangible goods (EUR million)	7	1	57	40	:	42	6	3	13	30	664	15	7	:
Number of persons employed (thousands)	3	1	24	11	:	8	:	2	5	14	126	3	7	:
App. labour productivity (EUR thous./pers. emp.)	10.1	21.0	30.4	36.4	:	20.9	:	19.4	32.6	28.3	41.6	4.3	5.5	:
Average personnel costs (EUR thous./employee)	7.1	10.4	23.6	29.6	:	17.0	16.3	6.2	30.1	30.5	32.1	2.3	3.3	:
Wage adjusted labour productivity (%)	142.3	202.7	128.6	122.7	:	123.0	:	314.2	108.5	92.9	129.5	184.1	164.5	:
Gross operating rate (%)	2.8	11.5	5.0	2.9	:	1.7	2.3	6.1	1.6	0.2	2.2	8.1	7.1	:

(1) 2000.
Source: Eurostat, Structural Business Statistics (theme4/sbs/enterpr).