Motor trades

The generally high level of competition and the importance of the legislative framework (mainly concerning relations between manufacturers and distributors, environmental issues, as well as taxes) are common characteristics to most of the motor trades activities presented in the following pages. There is a strong link between motor vehicles manufacturers and distributors (see Subchapter 16.1) and also between the main oil suppliers and automotive fuel distributors (see Subchapter 16.2).

The services of motor trades are covered by the European Parliament and the Council Directive on services in the internal market [(1)], adopted at the end of 2006, with the objective to achieve a genuine internal market in services by breaking down barriers to trade in services across the EU - see Chapter 22 for more information.

STRUCTURAL PROFILE

The motor trades (NACE Division 50) sector had a value added of EUR 150.6 billion in the EU-27 in 2004 and employed 4.1 million persons, equivalent to 3.0 % of the non-financial business economy's (NACE Sections C to I and K) value added and 3.3 % of its employment, underlining the generally low level of apparent labour productivity (value added per person employed) in this sector. However, the wealth generated by the EU-27's motor trades sector represented 15.1 % of distributive trades (NACE Section G) value added and provided a slightly lower share of the workforce (13.3 %). Among all the non-financial business economy sectors covered by Chapters 2 to 23 of this publication the motor trades sector was one of the smallest in value added terms (ranked 16th), while in turnover terms it was the fifth largest, unsurprisingly, given the distributive nature of many parts of the motor trades sector.

In excess of three quarters of a million enterprises were classified with motor trades as their main activity in the EU-27 in 2004, of which a large majority (approximately 90 %) sold, repaired or maintained motor vehicles and motorcycles as their main activity (NACE Groups 50.1 to 50.4, see Subchapter 16.1), the remainder being enterprises with the retail of automotive fuel as their main activity (NACE Group 50.5, see Subchapter 16.2).

Motor vehicles and motorcycles distribution also accounted for more than nine tenths (91.0 %) of the EU-27's value added for the motor trades sector, while employing a somewhat lower share of the motor trades workforce (88.0 %). As a counterpart, the share of value added generated by the retail sale of automotive fuel was 9.0 %, while the share of total motor trades' workforce was somewhat higher (12.0 %), indicating lower apparent labour productivity in this subsector. Unsurprisingly, given that the retail sale of automotive fuel subsector is a pure retail activity, whereas motor vehicles and motorcycles distribution involves a mixture of distributive trade and repair activities, the retail sale of automotive fuel subsector had an even higher share (13.0 %) of the sector's EUR 1 185 billion of turnover.

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

[(1)] Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market.

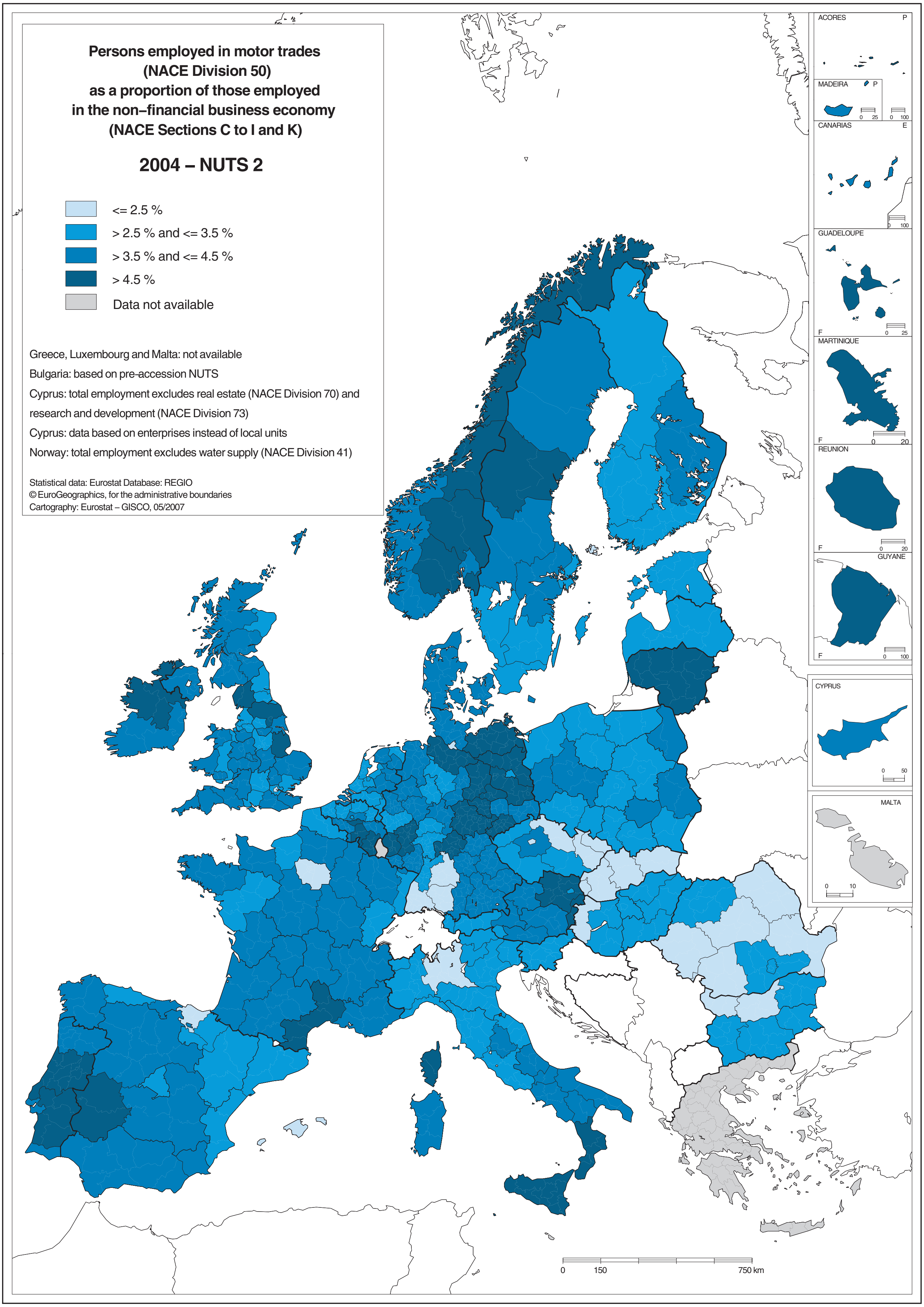

Persons employed in motor trades
(NACE Division 50)
as a proportion of those employed
in the non–financial business economy
(NACE Sections C to I and K)
2004 – NUTS 2
<= 2.5 %
> 2.5 % and <= 3.5 %
> 3.5 % and <= 4.5 %
> 4.5 %
Data not available
Greece, Luxembourg and Malta: not available
Bulgaria: based on pre-accession NUTS
Cyprus: total employment excludes real estate (NACE Division 70) and research and development (NACE Division 73)
Cyprus: data based on enterprises instead of local units
Norway: total employment excludes water supply (NACE Division 41)
Statistical data: Eurostat Database: REGIO
© EuroGeographics, for the administrative boundaries
Cartography: Eurostat – GISCO, 05/2007
ACORES
MADEIRA
CANARIAS
GUADELOUPE
MARTINIQUE
REUNION
GUYANE
CYPRUS
MALTA
0 150 750 km

Table 16.1

Motor trades (NACE Division 50)
Structural profile, EU-27, 2004

	No. of enterprises		Turnover		Value added		Employment	
	(thousands)	(% of total)	(EUR million)	(% of total)	(EUR million)	(% of total)	(thousands)	(% of total)
Motor trades	782.3	100.0	1 185 418	100.0	150 599	100.0	4 066.6	100.0
Motor vehicles and motorcycles distribution (1)	709.0	90.6	1 030 000	86.9	137 000	91.0	3 578.7	88.0
Retail sale of automotive fuel	73.6	9.4	154 284	13.0	13 650	9.1	487.9	12.0

(1) Rounded estimates based on non-confidential data.
Source: Eurostat (SBS)

Table 16.2

Motor trades (NACE Division 50)
Structural profile: ranking of top five Member States, 2004

			Share of non-financial business economy			
Rank	Value added (EUR million) (1)	Employment (thousands) (1)	No. of enterprises (2)	Turnover (2)	Value added (2)	Employment (2)
1	Germany (35 485)	Germany (665.9)	Lithuania (8.1 %)	Belgium (9.7 %)	Slovenia (3.7 %)	Lithuania (5.1 %)
2	United Kingdom (34 444)	United Kingdom (611.3)	Portugal (5.2 %)	Slovenia (9.2 %)	Portugal (3.7 %)	Portugal (4.6 %)
3	France (17 802)	Italy (472.4)	Poland (5.2 %)	Denmark (9.0 %)	United Kingdom (3.6 %)	Denmark (3.8 %)
4	Italy (14 048)	France (462.8)	Finland (4.9 %)	Portugal (8.5 %)	Lithuania (3.5 %)	Luxembourg (3.8 %)
5	Spain (12 755)	Spain (390.2)	Belgium (4.8 %)	Luxembourg (8.5 %)	Latvia (3.4 %)	Austria (3.6 %)

(1) Malta, not available; Luxembourg, 2003.
(2) Ireland, Greece, Cyprus and Malta, not available; Luxembourg, 2003.
Source: Eurostat (SBS)

Among the Member States with available data [2], Germany recorded both the highest levels of value added and employment, while the United Kingdom had the highest level of turnover. However, in terms of relative shares in their non-financial business economy value added [3], Slovenia and Portugal had the largest motor trades' sector (both 3.7 %), closely followed by the United Kingdom (3.6 %), Lithuania (3.5 %) and Latvia (3.4 %). In terms of turnover, Belgium ranked first [4], posting almost one tenth (9.7 %) of its non-financial business economy total generated by the motor trades sector, while this share was slightly lower in Slovenia (9.2 %) and in Denmark (9.0 %). Turning to the impact of motor trades in the workforce, this sector concentrated 5.1 % of non-financial business economy employment in Lithuania, while no other Member State [5] recorded a share above 5.0 %.

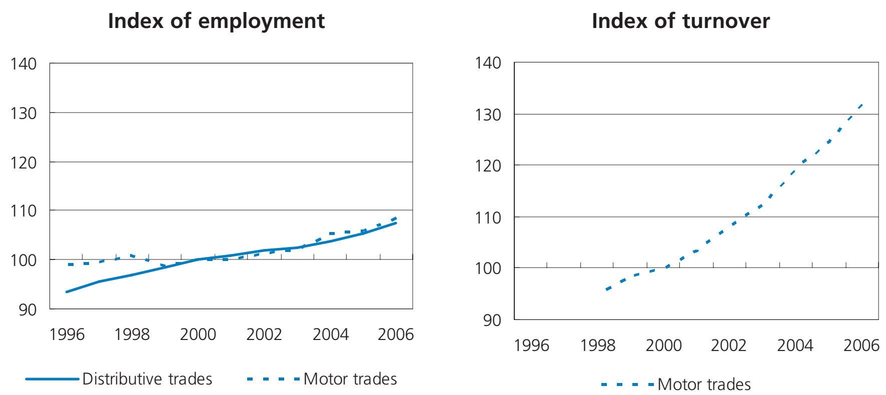
Regional specialisation (in some cases the whole country is treated as one region) can be seen from the map on page 272 which is based on the employment share of this sector in the whole non-financial business economy. Motor trades share of non-financial business economy employment was highest (at the level of detail shown in the map) in Brandenburg (both Südwest and Nordost) and in Magdeburg, all in Germany, while the French islands of Réunion, Guadeloupe and Martinique, as well as Guyane also recorded high shares. It should be noted that specialisation ratios in small regions (and small activities) can be heavily influenced by the location of a few specific producers.

Short-term statistics provide a picture of the evolution of the motor trades sector in the EU-27 over the period 1998 to 2006, in terms of turnover and employment indices. The annual growth rate for the EU-27's motor trades turnover index (in current prices and in working days adjusted data) was between 1.8 % and 6.3 % each year during this period with the slowest growth being recorded in 2000 and the fastest in 2004 – see Figure 16.1.

The index of employment for motor trades in the EU-27 is available for a ten-year period, starting in 1996, see Figure 16.1. After respective year on year growth by 0.7 % and 1.3 % in 1997 and 1998, the index contracted by 2.1 % between 1998 and 1999. Thereafter, the index of employment increased every year. Average employment growth between 1999 and 2006 was 1.3 % per annum, boosted by growth in excess of 2 % in 2004 and 2006. These developments for the index of employment of the motor trades sector contrasted with the EU-27's distributive trades sector as a whole. Indeed, steady and uninterrupted year on year employment growth was recorded from 1997 through to 2006 for the distributive trades sector, never exceeding 2.2 % in any year.

Figure 16.1

Motor trades (NACE Division 50)
Evolution of main indicators, EU-27 (2000=100)



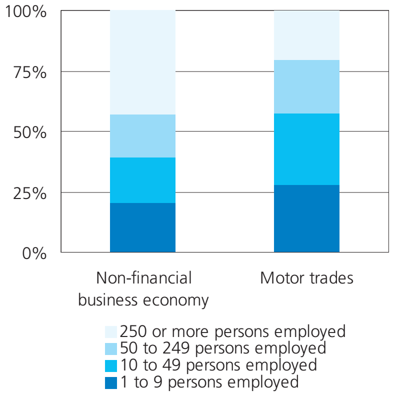
Source: Eurostat (STS)

(2) Luxembourg, 2003; Malta, data not available.
(3) Luxembourg, 2003; Cyprus, Greece, Ireland and Malta, not available.
(4) Luxembourg, 2003; Cyprus, Greece, Ireland and Malta, not available.
(5) Luxembourg, 2003; Cyprus, Greece, Ireland and Malta, not available.

Figure 16.2

Motor trades (NACE Division 50)

Share of value added by enterprise size class, EU-27, 2004

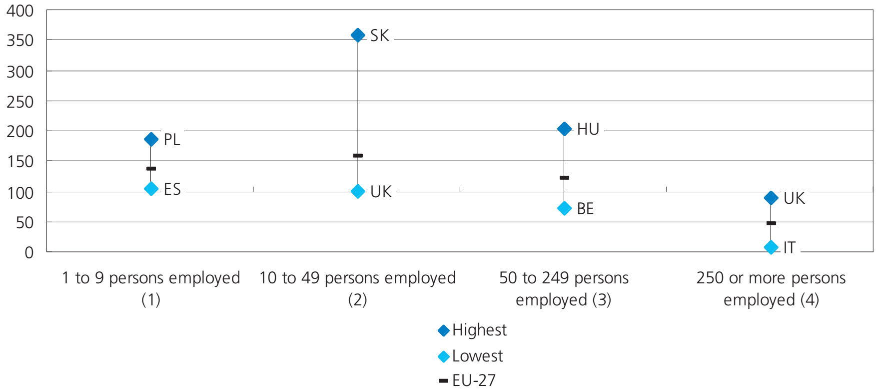


Source: Eurostat (SBS)

Figure 16.3

Motor trades (NACE Division 50)

Distribution of value added by size class relative to national averages, 2004 (non-financial business economy=100)



(1) Belgium, Denmark, Estonia, Ireland, Greece, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland, not available; Bulgaria, Germany and Hungary, 2003.
(2) Belgium, Ireland, Greece, Cyprus, Luxembourg, Malta, Netherlands, Slovenia and Finland, not available; Denmark, Latvia, Hungary, Portugal and Slovakia, 2003.
(3) Estonia, Ireland, Greece, Cyprus, Luxembourg, Malta, Austria, Portugal and Finland, not available; Germany, Latvia and Hungary, 2003.
(4) Belgium, Denmark, Estonia, Ireland, Greece, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Austria, Portugal, Slovenia, Slovakia and Finland, not available; Bulgaria and Germany, 2003.
Source: Eurostat (SBS)

An analysis by enterprise size-classes shows that small and medium-sized enterprises (with less than 250 persons employed, namely SMEs) generated four fifths (79.7 %) of the EU-27's motor trades value added and almost nine tenths (88.5 %) of the employment in 2004. Those shares are significantly higher than for the distributive trades as a whole (respectively 69.9 % and 73.7 %) or compared with the non-financial business economy average (respectively 57.0 % and 67.1 %). All of the Member States with data available had a higher value added share of SMEs within motor trades than the non-financial business economy average. In more details, small enterprises (with between 10 and 49 persons employed) were particularly of note, as these enterprises contributed 29.9 % of sectoral value added in the EU-27, a proportion that was only exceeded in wholesale trade when considering all of the non-financial services NACE divisions. Large enterprises (with 250 or more persons employed) generated 20.4 % of sectoral value added, which was the second lowest share among the non-financial services NACE divisions, higher only than in real estate activities. However, large enterprises provided just 11.6 % of total employment in motor trades, underlining significantly higher apparent labour productivity than for SMEs.

EMPLOYMENT CHARACTERISTICS

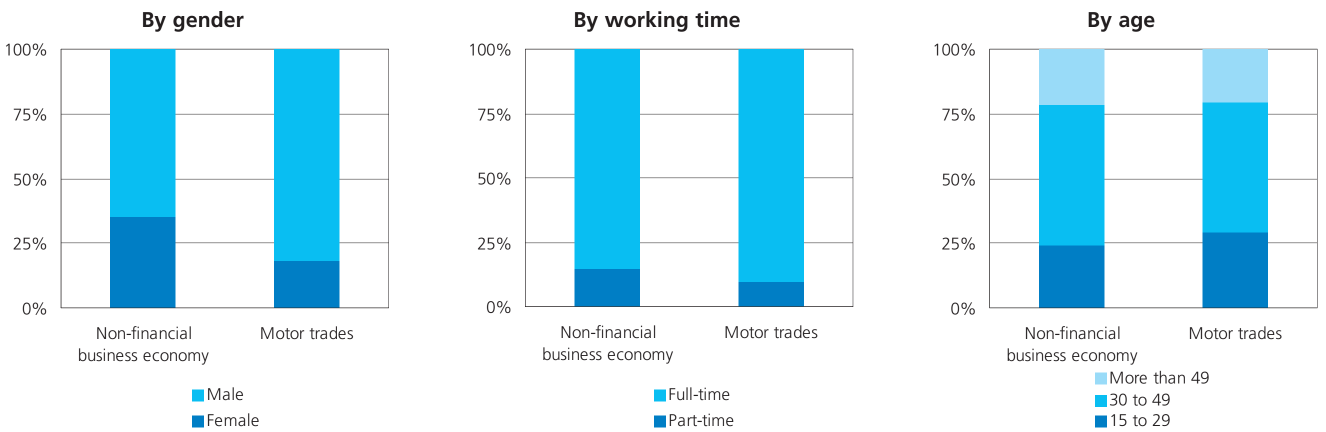
The sector showed atypical employment characteristics compared with both the other distributive trades activities and with the non-financial business economy as a whole, particularly concerning the gender breakdown and the importance of full-time employment. Indeed, according to Labour Force Survey data for motor trades (NACE Division 50) in 2006, men represented 82.0 % of the EU-27's workforce, therefore 30.5 percentage points above the corresponding share for distributive trades (NACE Section G) average and 17.0 points above the corresponding share for the non-financial business economy average. The high proportion of men that were employed in the motor trades sector was apparent across all the Member States [6], where men accounted for at least 9.5 percentage points more of the workforce in motor trades than for non-financial business economy as a whole.

[6] Luxembourg, 2005.

Figure 16.4

Motor trades (NACE Division 50)

Labour force characteristics, EU-27, 2006



Source: Eurostat (LFS)

Slightly more than nine tenths of the persons employed in the EU-27's motor trade sector in 2006 worked full-time (90.4 %), while this concerned about three quarters (78.3 %) of the distributive trade average and again was well above the non-financial business economy average (85.6 %). Among the Member States [7], only in Bulgaria, Denmark and Romania was the incidence of full-time work lower in motor trades than the non-financial business economy average, and in all three cases the difference was of less than 2 percentage points.

Turning to a breakdown by age of the workforce for the EU-27's motor trades sector in 2006, 29.4 % of those employed were aged between 15 and 29, around half (50.3 %) between 30 and 49, and the remaining one fifth (20.4 %) were persons aged 50 or more. The share of young workers were 20 % higher than the average for the non-financial business economy while these proportions were generally in line with the averages for distributive trades as a whole.

In 2004, the share of the number of paid employees in persons employed for the EU-27's motor trades sector (81.7 %) was very similar to what was registered for the distributive trades as a whole (81.2 %), while these proportions tended to be somewhat below the corresponding share for the non-financial business economy (86.2 %).Among the Member States [8], only in Spain, Latvia, Hungary, Portugal and Slovakia was the share of the number of employees in persons employed higher in motor trades than in the non-financial business economy as a whole, and in all cases it was only slightly higher.

[7] Luxembourg, 2005; Ireland, not available.
[8] Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

COSTS, PRODUCTIVITY AND PROFITABILITY

Typically for a distributive trades activity, the share of purchases of goods and services relative to total expenditure was high for motor trades (NACE Division 50) in the EU-27 in 2004 (91.0 %), more than 12 percentage points above the non-financial business economy average. This reflects the high purchases and turnover associated with distributive trades (NACE Section G) activities, which generally buy and resell products without transformation. The retail sale of automotive fuel subsector (NACE Group 50.5) recorded a particularly high share for this indicator (94.5 %), while the corresponding share for the motor vehicles and motorcycles distribution subsector (NACE Groups 50.1 to 50.4) was somewhat lower (90.5 %). Among the Member States [9], purchases of goods and services in the Belgian motor trades sector accounted for more than 95 % of total expenditure.

Gross investment in tangible goods in the EU-27's motor trades sector represented 1.8 % of total expenditure in 2004 (4.9 % in the non-financial business economy for comparison), the second lowest share of the activities in the chapters covered in this publication, after wholesale trade. Among national motor trades sectors [10], this share reached 9.1 % in Romania, however four of the five largest EU economies posted a ratio that was lower than the EU-27 average.

[9] Luxembourg, 2003; Malta, not available.
[10] Luxembourg, 2003; Malta, not available.

Apparent labour productivity in the EU-27's motor trades was EUR 37 000 per person employed and average personnel costs were EUR 24 500 per employee, both indicators were below the non-financial business economy average (by at least EUR 2 100). However, wage adjusted labour productivity (the ratio of apparent labour productivity to average personnel costs) was 151.3 % in the EU-27's motor trades sector, slightly above the non-financial business economy average (148.0 %). Nevertheless, this ratio was quite different between the two subsectors, as motor vehicles and motorcycles distribution recorded 148 %, while the corresponding figure for the retail sale of automotive fuel was 186.2 %. Turning to national motor trades sectors, this ratio was above 100 % among all the Member States [11] and reached more than 250 % in Romania and Latvia.

The gross operating rate (the ratio of gross operating surplus to turnover) in the EU-27's motor trades sector was 5.8 % in 2004, ranking as the third lowest rate among all the sectors covered in this publication, after transport equipment and wholesale trade. The gross operating rate in the motor trades sector was low, compared with the non-financial business economy average in all the Member States [12]. The relatively high turnover inherent in the retail sale of automotive fuel subsector resulted in a relatively low gross operating rate for this subsector (4.9 %), compared with a rate of 6.0 % for the motor vehicles and motorcycles distribution subsector.

[11] Luxembourg, 2003; Malta, not available.
[12] Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

Table 16.3

Motor trades (NACE Division 50)
Total expenditure, EU-27, 2004

	Value (EUR million)				Share (% of total expenditure)		
	Total expenditure	Purchases of goods and services	Personnel costs	Investment in tangible goods	Purchases of goods and services	Personnel costs	Investment in tangible goods
Motor trades	1 129 916	1 028 556	81 317	20 043	91.0	7.2	1.8
Motor vehicles and motorcycles distribution (1)	983 000	890 000	75 000	18 000	90.5	7.6	1.8
Retail sale of automotive fuel (1)	148 709	140 578	6 131	2 000	94.5	4.1	1.3

(1) Rounded estimates based on non-confidential data.
Source: Eurostat (SBS)

Table 16.4

Motor trades (NACE Division 50)
Productivity and profitability, EU-27, 2004

	Apparent labour productivity (EUR thousand)	Average personnel costs (EUR thousand)	Wage adjusted labour productivity (%)	Gross operating rate (%)
Motor trades	37.0	24.5	151.3	5.8
Motor vehicles and motorcycles distribution (1)	38.3	25.8	148.0	6.0
Retail sale of automotive fuel	28.0	15.0	186.2	4.9

(1) Rounded estimates based on non-confidential data.
Source: Eurostat (SBS)

16.1: MOTOR VEHICLES AND MOTORCYCLES DISTRIBUTION

These activities cover the wholesale, retail and commission sale of new and used motor vehicles (NACE Group 50.1), parts and accessories (NACE Group 50.3), as well as motorcycles (part of NACE Group 50.4). Note that motor vehicles include not just passenger cars, but also other passenger vehicles, lorries, trailers and caravans.

This subchapter also covers the maintenance and repair of motor vehicles (NACE Group 50.2) and motorcycles (the remainder of NACE Group 50.4). 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 23).

The market for vehicles and motorcycles distribution is divided in different segments: passenger cars, motorcycles and caravans are often purchased by households, while large-scale business customers sometimes buy cars directly from manufacturers. However, business customers dominate the market for commercial vehicles and lorries. Taxes strongly influence demand for motor vehicles and motorcycles, including taxes for the registration of a vehicle (13) as well as annual circulation taxes. The demand for new passenger cars is closely linked to the general health of the economy. One way to follow the development of the passenger car market is to look at the annual number of new car registrations, which is shown in Table 16.5.

In terms of environment, the EU strategy for reducing emissions from cars has been based on voluntary commitments by car manufacturers, legislative controls, consumer information (car labelling) and fiscal measures to encourage purchases of more fuel-efficient cars..

According to the European Commission's latest report (14) on car prices based on figures from the second half of 2006, pre-tax prices in the EU-25 (this report does not include results for Bulgaria and Romania) were lowest in Denmark on average followed by Hungary, which was the cheapest market among the ten Member States that joined the EU in 2004. According to the same source, between December 2005 and December 2006, car prices (reflecting actual prices paid by consumers, including VAT and registration taxes) increased by just 0.7 % in the EU-25, well below the overall average for consumer prices. Among the large markets (in terms of volume), car prices increased somewhat more in Spain (1.8 %) than in Germany (1.3 %), France and Italy (both by 1.2 %), but always to a lower extent than for the overall average for consumer prices. Car Prices in the United Kingdom were virtually unchanged (0.2 %).

In terms of legislation on competition, since 30 September 2005, location clauses set in the block exemption from EC competition rules (15) that applied to motor vehicles supply, distribution and servicing arrangements have been abolished and dealers are now free to set-up secondary sales outlets in other areas of the EU, as well as their own countries. Dealers may also sell more than one brand of car at the same site, namely multi- franchising.

Table 16.5

New registrations of passenger cars in Western Europe by selected manufacturer, 2006 (1)

Group	Main brands	Units	Market share (%)
BMW	BMW	670 379	4.5
	MINI	113 655	0.8
	Others	138	0.0
DAIMLER -	CHRYSLER	58 156	0.4
CHRYSLER	JEEP	38 399	0.3
	MERCEDES	713 711	4.8
	SMART	101 744	0.7
	Others	10 386	0.1
FIAT	ALFA ROMEO	143 448	1.0
	FIAT	854 906	5.8
	LANCIA	115 978	0.8
	IVECO and others	5 783	0.0
FORD	FORD	1 214 751	8.2
	JAGUAR	40 593	0.3
	LAND ROVER	83 140	0.6
	VOLVO	236 454	1.6
	Others	3 844	0.0
GM	CHEVROLET	153 047	1.0
	OPEL	1 257 559	8.5
	SAAB	88 183	0.6
	Others	4 244	0.0
JAPAN	(2)	2 098 242	14.2
KOREA	(3)	553 731	3.8
MG ROVER	ROVER	7 783	0.1
PSA	CITROEN	875 927	5.9
	PEUGEOT	1 067 355	7.2
RENAULT	DACIA	35 071	0.2
	RENAULT	1 230 060	8.3
VOLKSWAGEN	AUDI	627 970	4.3
	SEAT	368 721	2.5
	SKODA	308 198	2.1
	VOLKSWAGEN	1 613 666	10.9
	Others	3 966	0.0
OTHERS		62 586	0.4

(1) EU-15, Iceland, Norway and Switzerland.
(2) Honda, Mazda, Mitsubishi, Nissan, Suzuki, Toyota and others.
(3) Daewoo, Hyundai, Kia and others.
Source: ACEA, http://www.acea.be

(13) Most, but not all, Member States have a registration tax.
(14) See 'Car Price Report' from 1/5/2006, available at: http://ec.europa.eu/comm/competition/sectors/motor_vehicles/prices/report.html.
(15) Commission Regulation 1400/2002 of 31 July 2002.

Table 16.6

Sale, maintenance and repair of motor vehicles (NACE Groups 50.1, 50.2, 50.3 and 50.4)
Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Motor vehicles and motorcycles distribution (1)	709.0	1 030 000	137 000	3 578.7
Sale of motor vehicles	182.0	787 909	81 140	1 587.4
Maintenance & repair of motor vehicles	396.5	102 472	32 632	1 315.0
Sale of motor vehicle parts & accessories (1)	95.0	117 000	20 000	577.8
Sale, maintenance & repair of motorcycles (1)	35.0	23 000	3 100	98.4

(1) Rounded estimates based on non-confidential data.
Source: Eurostat (SBS)

Table 16.7

Sale, maintenance and repair of motor vehicles (NACE Groups 50.1, 50.2, 50.3 and 50.4)
Structural profile: ranking of top five Member States, 2004

Rank	Share of EU-27 value added (%) (1)	Share of EU-27 employment (%) (1)	Value added specialisation ratio (EU-27=100) (2)	Employment specialisation ratio (EU-27=100) (2)
1	Germany (24.1)	Germany (17.1)	Portugal (120.9)	Lithuania (141.7)
2	United Kingdom (22.7)	United Kingdom (15.4)	United Kingdom (119.9)	Portugal (139.6)
3	France (12.4)	France (12.2)	Germany (115.2)	Belgium (110.3)
4	Italy (9.3)	Italy (11.5)	Slovenia (107.1)	Austria (110.1)
5	Spain (8.0)	Spain (9.4)	Belgium (106.1)	Denmark (107.6)

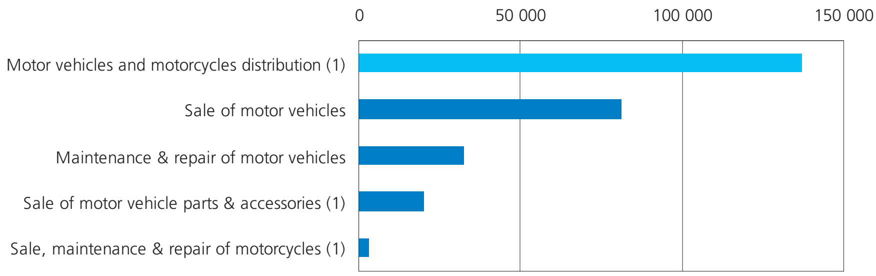
(1) Malta, not available; Luxembourg, 2003.
(2) Ireland, Greece, Cyprus and Malta, not available; Luxembourg, 2003.
Source: Eurostat (SBS)

STRUCTURAL PROFILE

The EU-27's motor vehicles and motorcycles distribution sector (NACE Groups 50.1 to 50.4) had approximately 709 000 enterprises which generated EUR 137.0 billion of value added in 2004 and therefore dominated (91.0 % of the total) motor trades (NACE Division 50). Turnover recorded by the sector was EUR 1 030.0 billion, equivalent to 86.9 % of the motor trades total. There were 3.6 million persons employed by the vehicles and motorcycles distribution sector, some 88.0 % of total motor trades employment.

Figure 16.5

Sale, maintenance and repair of motor vehicles (NACE Groups 50.1, 50.2, 50.3 and 50.4)
Value added, EU-27, 2004 (million EUR)



(1) Rounded estimate based on non-confidential data.
Source: Eurostat (SBS)

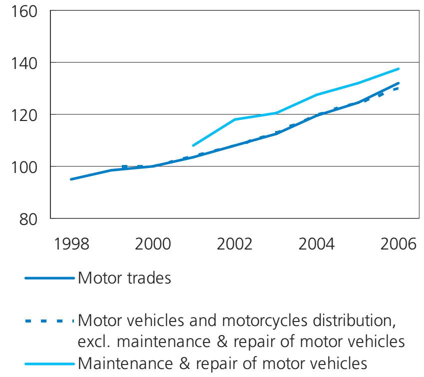
Alone, the sale of motor vehicles (NACE Group 50.1) generated three fifths (59.2 %) of the motor vehicles and motorcycles distribution value added, while the maintenance and repair of motor vehicles (NACE Group 50.2) contributed more than two fifths of the total (23.8 %). In terms of turnover, the importance of the sale of motor vehicles was even more evident, as the activity totalled about three quarters (76.5 %) of the motor vehicles and motorcycles distribution. The main contributors to the employment in motor vehicles and motorcycles distribution were the sale of motor vehicles (for 44.4 %) and the maintenance and repair of motor vehicles (for 36.7 %). A comparison of these employment and turnover shares indicates the different characteristics of these activities, particularly between the sale of motor vehicles (which concerns the sale of expensive capital goods) and the maintenance and repair of motor vehicles (which provides labour-intensive services). Among the four NACE groups that make up the motor vehicles and motorcycles distribution sector, the smallest activity was that of sale, maintenance and repair of motorcycles and related parts and accessories (NACE Group 50.4), generating less than 3 % of the sector's total for the main indicators, namely value added, turnover and employment.

Germany and the United Kingdom were the two largest Member States in the motor vehicles and motorcycles distribution sector in terms of value added and employment in 2004. While together they accounted for less than one third of the EU-27's employment (32.5 %), their combined value added share was close to half (46.8 %) the EU-27 total. This high share of value added resulted in both of these large Member States appearing in the top four most specialised Member States [16] in terms of this sector's contribution to non-financial business economy value added; however, Portugal was the most specialised of all.

[16] Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

Figure 16.6

Motor vehicles and motorcycles distribution
(NACE Groups 50.1, 50.2, 50.3 and 50.4)
Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

Short-term statistics for the index of turnover for motor vehicles and motorcycles distribution (NACE Groups 50.1 to 50.4) as a whole and for some of its parts is shown in Figure 16.6. Motor vehicles and motorcycles distribution, excluding maintenance and repair (NACE Groups 50.1, 50.3 and 50.4) presented in the figure recorded year on year growth from 2001 to 2006. The development of the index for the maintenance and repair (NACE Group 50.2) activity showed the same pattern while the series start a year later, namely continuous year on year growth, with a strikingly faster growth (9.5 %) recorded between 2001 and 2002.

COSTS, PRODUCTIVITY AND PROFITABILITY

Typically for a distributive trades activity, total expenditure dedicated to purchases of goods and services was important (90.5 %) within the EU-27's motor vehicles and motorcycles distribution sector in 2004. Gross investment in tangible goods represented just 1.8 % of this total expenditure. In contrast with the other three NACE groups that make up the motor vehicles and motorcycles distribution sector, maintenance and repair of motor vehicles (NACE Group 50.2) recorded that purchases of goods and services accounted for threequarters of total expenditure, a significantly lower proportion than the sectoral average.

Apparent labour productivity per person employed in the EU-27's motor vehicles and motorcycles distribution sector was EUR 38 300 in 2004 and average personnel costs were EUR 25 800, some EUR 1 300 higher than for motor trades as a whole for both indicators. The wage adjusted labour productivity ratio in the EU-27's motor vehicles and motorcycles distribution sector (148.0 %) was in line with the non-financial business economy average, while the gross operating rate (6.0 %) was in line with the average for distributive trades (NACE Section G) as a whole.

Table 16.8

Sale, maintenance and repair of motor vehicles (NACE Groups 50.1, 50.2, 50.3 and 50.4)
Total expenditure, EU-27, 2004

	Value (EUR million)				Share (% of total expenditure)		
	Total expenditure	Purchases of goods and services	Personnel costs	Investment in tangible goods	Purchases of goods and services	Personnel costs	Investment in tangible goods
Motor vehicles and motorcycles distribution (1)	983 000	890 000	75 000	18 000	90.5	7.6	1.8
Sale of motor vehicles (1)	755 659	701 777	42 382	11 500	92.9	5.6	1.5
Maintenance & repair of motor vehicles	92 411	69 287	19 077	4 047	75.0	20.6	4.4
Sale of motor vehicle parts & accessories (1)	110 205	96 000	12 100	2 105	87.1	11.0	1.9
Sale, maintenance & repair of motorcycles (1)	22 915	21 000	1 600	315	91.6	7.0	1.4

(1) Rounded estimates based on non-confidential data.
Source: Eurostat (SBS)

Table 16.9

Sale, maintenance and repair of motor vehicles (NACE Groups 50.1, 50.2, 50.3 and 50.4)
Productivity and profitability, EU-27, 2004

	Apparent labour productivity (EUR thousand)	Average personnel costs (EUR thousand)	Wage adjusted labour productivity (%)	Gross operating rate (%)
Motor vehicles and motorcycles distribution (1)	38.3	25.8	148.0	6.0
Sale of motor vehicles	51.1	29.6	172.6	4.9
Maintenance & repair of motor vehicles	24.8	20.7	119.8	13.2
Sale of motor vehicle parts & accessories (1)	35.0	25.0	142.0	6.8
Sale, maintenance & repair of motorcycles (1)	32.0	24.2	131.0	6.5

(1) Rounded estimates based on non-confidential data.
Source: Eurostat (SBS)

16.2: RETAIL SALE OF AUTOMOTIVE FUEL

This 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.

Various business models are found in this sector, the most important being: dealer owned and operated service stations, supplier owned and dealer operated service stations (through exclusive purchasing or agency contracts), and supplier owned and operated service stations (which are owned and operated by the petroleum supplier whose brand they bear).

Table 16.10 provides information on the retail (pump) price of unleaded petrol and automotive diesel. The price of a litre of diesel (including VAT and other taxes) varied considerably between the Member States during the second half of 2006, from a high of EUR 1.44 in the United Kingdom to EUR 0.88 in Estonia. The range of prices for unleaded petrol (95 RON) was rather similar, with the highest price per litre in the Netherlands (EUR 1.54) and the lowest prices again recorded in Estonia (EUR 0.95), closely followed by Latvia (EUR 0.96) and Lithuania (EUR 0.99). Note that the tax and VAT levied on diesel was lower (as a proportion of the final price) than for unleaded petrol in each of the Member States; this helps to explain why diesel prices were lower than unleaded petrol prices in all Member States except for the United Kingdom.

Table 16.10

At the pump prices of petroleum products, second half of 2006

	Premium unleaded gasoline, 95 Ron		Automotive diesel oil	
	EUR/litre	of which, taxes (%)	EUR/litre	of which, taxes (%)
BE	1.41	59.3	1.07	48.0
CZ	1.11	53.3	1.06	49.1
DK	1.39	58.8	1.15	51.9
DE	1.38	61.4	1.15	54.8
EE	0.95	45.5	0.88	43.0
EL	1.17	55.3	1.13	50.0
ES	1.08	45.8	1.01	42.1
FR	1.13	49.8	1.00	44.0
IE	1.32	60.9	1.12	53.7
IT	1.39	57.4	1.21	50.9
CY	1.01	43.1	0.94	39.4
LV	0.96	44.1	0.91	41.1
LT	0.99	44.5	0.92	41.9
LU	1.18	50.6	0.95	42.2
HU	1.11	51.2	1.05	46.9
MT	1.16	42.1	1.02	39.4
NL	1.54	59.3	1.14	49.5
AT	1.16	53.5	1.05	48.7
PL	1.08	50.4	1.00	47.7
PT	1.36	58.4	1.08	48.7
SI	1.04	53.2	0.98	47.6
SK	1.11	51.9	1.09	50.8
FI	1.40	60.0	1.07	48.0
SE	1.37	63.8	1.21	52.8
UK	1.41	66.1	1.44	59.9

Source: Eurostat (Energy)

Other factors influencing the retail sale of automotive fuel include competition in the petroleum retailing market (both among fuel retailers and from other retailers, such as supermarkets), social changes (for example, in terms of the demand for shopping outside of traditional hours), legal requirements relating to environmental protection, and health and safety issues. Some of these have resulted in an expansion of the variety of goods and services retailed alongside automotive fuels, automated payments outside of normal opening hours, and longer opening hours.

One of the main energy policy targets of the EU is to double the share of the Renewable Energy Sources (RES) in gross inland consumption, from 5.4 % in 1997 up to 12.0 % by 2010. By the start of the year 2007 the European Commission made proposals for a new Energy Policy for Europe, including a renewable energy roadmap proposing a binding 10 % target for the share of biofuels in petrol and diesel in each Member State in 2020, to be accompanied by the introduction of a sustainability scheme for biofuels. At the time of drafting, a public consultation is currently open with the aim for the European Commission to draft proposals to incorporate these targets in legislation [17].

STRUCTURAL PROFILE

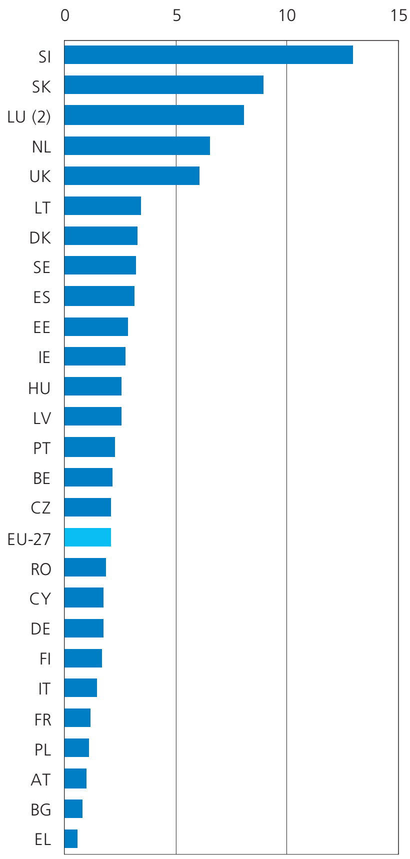
Value added generated by the 73 600 enterprises with the retail sale of automotive fuel (NACE Group 50.5) as their main activity in the EU-27 was EUR 13.6 billion in 2004, derived from EUR 154.3 billion of turnover; corresponding to 9.1 % of motor trades (NACE Division 50) value added and 13.0 % of turnover, while with 487 900 persons employed, the sector generated some 12.0 % of the motor trades total.

[17] For more information, see the European Commission Directorate-General for Energy and Transport at: http://ec.europa.eu/energy/energy_policy/index_en.htm

The United Kingdom, Germany, Spain and Italy were systematically in the top four Member States in terms of shares of the EU-27's retail sale of automotive fuel value added, turnover and employment in 2004. However, the contribution of the German sector to the EU-27's turnover was relatively low compared with the other EU large economies. Note that the contribution of France did not exceed 5.6 % for any of these three main variables. In Germany and some other Member States a significant proportion of enterprises that retail automotive fuel do so on a commission basis, and as such their turnover only reflects the commission they receive on sales, and not the value of the fuel itself; whereas in France (and a number of other Member States) a large proportion of fuel is sold through service stations (particularly in out-of-town shopping locations) that belong to retailers classified within retail trade (NACE Division 52) rather than the retailing of automotive fuels. These structural characteristics impact on the analysis that is made of the relative importance of Member States for this sector. This can also be seen in Figure 16.7

Figure 16.7

Retail sale of automotive fuel (NACE Group 50.5) Turnover per enterprise, 2004 (EUR million) (1)

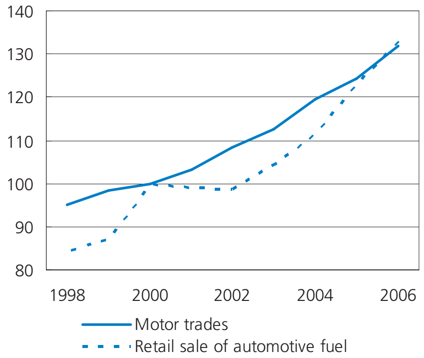


(1) Malta, not available.
(2) 2003.
Source: Eurostat (SBS)

where an analysis of enterprise size is obtained by studying the average turnover per enterprise in 2004. Slovenia, Slovakia and Luxembourg (2003) stood out from the rest of the Member States as having the highest average turnover per enterprise, in excess of EUR 12 million per enterprise for Slovenia and EUR 8 million for the other two Member States, while unsurprisingly Germany and France were among the Member States with the lowest average turnover per enterprise.

Figure 16.8

Retail sale of automotive fuel (NACE Group 50.5) Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

The evolution of the EU-27 turnover index for the retail sale of automotive fuels was more volatile than that of motor trades as a whole. Indeed, the subsector recorded a strong growth in 2000 compared with the previous year, then contracted slightly in the two following years to 2002, and then accelerated in the three years to 2005, before posting growth of 8.0 % in 2006. Note that the turnover index can only be provided in current prices and therefore reflects price changes. As such, changes in oil prices have to be considered when analysing this data, as the volume of automotive fuel may have fallen while sales in value terms rose (due to significant price increases).

Annual short-term statistics for the index of turnover for retail sale of automotive fuels (NACE Group 50.5) was more volatile than for the motor trades as a whole, growing strongly in 2000, contracting slightly in 2001 and 2002, and then growing increasingly strongly in the three years to 2005 – see Figure 16.8. A slow down in the rhythm of growth was nonetheless registered in 2006 compared with the increase registered the previous year. Note that these indices for turnover need to be interpreted with some care, as they include the effects of price changes as well as changes in volumes (they are therefore likely, at least to some degree to follow the evolution of oil prices).

COSTS, PRODUCTIVITY AND PROFITABILITY

Purchases of goods and services represented 94.5 % of total expenditure for the EU-27's retail sale of automotive fuel, therefore slightly above the motor trades average. This share was the highest recorded among all the subchapters covered in this publication. As a result, personnel costs for the sector accounted for a relatively low share of the total (4.1 %), as did gross investment in tangible goods (1.3 %).

Given the high incidence of part-time work associated with retailing, it is more relevant to consider wage adjusted labour productivity than apparent labour productivity, the former being less influenced by this characteristic of the workforce than the latter. This ratio was equivalent to 186.2 % in the EU-27's automotive fuel retail sector, above the motor trades ratio of 151.3 %. However, in terms of profitability, the ratio of gross operating surplus to turnover (the gross operating rate) for automotive fuel retailing showed a lower rate (4.9 %) than for the motor trades as a whole (5.8 %) and the non-financial business economy average (11.0 %), reflecting the relatively high turnover inherent in this retail activity. Moreover, among the Member States, the gross operating rate for automotive fuel retailing was above the national non-financial business economy average only in Germany, again reflecting the particular structure of this sector in Germany which results in a relatively low turnover.

Table 16.11

Retail sale of automotive fuel (NACE Group 50.5) Structural profile: ranking of top five Member States, 2004

Rank	Share of EU-27 value added (%) (1)	Share of EU-27 employment (%) (1)	Value added specialisation ratio (EU-27=100) (2)	Employment specialisation ratio (EU-27=100) (2)
1	United Kingdom (24.6)	Italy (12.5)	Latvia (474.5)	Lithuania (266.4)
2	Germany (17.7)	United Kingdom (12.3)	Bulgaria (462.6)	Bulgaria (265.9)
3	Spain (13.0)	Germany (11.1)	Slovenia (302.0)	Latvia (231.0)
4	Italy (9.5)	Spain (10.9)	Lithuania (294.7)	Luxembourg (225.7)
5	France (5.6)	Poland (9.0)	Luxembourg (293.4)	Denmark (179.4)

(1) Malta, not available; Luxembourg, 2003.
(2) Ireland, Greece, Cyprus and Malta, not available; Luxembourg, 2003.
Source: Eurostat (SBS)

Table 16.12

Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel (NACE Division 50)
Main indicators, 2004

	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
No. of enterprises (thousands)	782.3	19.0	8.7	31.8	8.5	77.0	1.6	5.8	33.5	76.2	83.8	149.7	3.4	2.6	4.3
Turnover (EUR million)	1 185 418	65 954	2 610	11 402	32 613	171 884	1 799	15 192	17 511	107 760	151 394	154 031	1 631	1 383	2 262
Production (EUR million)	336 744	10 197	524	3 013	18 287	52 652	339	2 053	4 227	23 909	36 214	67 065	390	363	529
Value added (EUR million)	150 599	4 180	222	1 082	2 652	35 485	162	1 229	2 710	12 755	17 802	14 048	233	181	242
Gross operating surplus (EUR million)	69 282	1 792	137	525	857	18 892	71	389	1 774	5 117	3 693	7 452	100	116	108
Purchases of goods & services (EUR million)	1 028 556	62 682	2 473	10 525	17 475	136 248	1 671	14 218	15 763	97 775	134 237	142 932	1 417	1 244	2 044
Personnel costs (EUR million)	81 317	2 388	85	556	1 795	16 654	92	840	936	7 638	14 109	6 596	133	65	134
Investment in tangible goods (EUR million)	20 043	764	143	289	402	2 601	61	304	528	2 447	1 840	2 273	24	77	84
Employment (thousands)	4 067	81	49	95	63	666	12	38	100	390	463	472	9	20	40
Apparent labour prod. (EUR thousand)	37.0	51.6	4.5	11.4	42.3	53.3	13.4	32.4	27.0	32.7	38.5	29.7	27.4	9.0	6.0
Average personnel costs (EUR thousand)	24.5	39.3	2.0	8.9	31.5	28.9	7.8	25.4	17.8	23.4	32.3	25.4	19.5	3.3	3.5
Wage adjusted labour productivity (%)	151.3	131.2	221.8	128.6	134.2	184.2	172.2	127.8	151.7	139.7	118.9	117.1	140.8	271.6	170.0
Gross operating rate (%)	5.8	2.7	5.2	4.6	2.6	11.0	3.9	2.6	10.1	4.7	2.4	4.8	6.1	8.4	4.8
Investment / employment (EUR thousand)	4.9	9.4	2.9	3.0	6.4	3.9	5.1	8.0	5.3	6.3	4.0	4.8	2.8	3.8	2.1

	LU (1)	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
No. of enterprises (thousands)	0.9	19.6	:	21.5	9.7	75.3	30.4	13.1	3.7	1.0	9.1	20.2	70.3	8.9
Turnover (EUR million)	4 202	13 165	:	64 541	25 636	22 441	24 604	5 486	5 084	3 158	17 637	33 095	228 049	19 605
Production (EUR million)	582	2 455	:	15 521	6 961	9 168	4 626	1 447	1 034	539	3 244	7 267	64 013	5 911
Value added (EUR million)	353	1 002	:	6 236	3 480	2 341	2 354	632	498	222	1 967	3 986	34 444	2 699
Gross operating surplus (EUR million)	120	523	:	2 365	1 043	1 516	708	420	268	112	765	1 191	19 229	788
Purchases of goods & services (EUR million)	3 866	12 127	:	53 373	22 394	20 312	22 806	5 008	4 681	2 991	15 983	29 362	194 138	17 181
Personnel costs (EUR million)	233	479	:	3 871	2 437	824	1 646	213	230	110	1 203	2 796	15 214	1 910
Investment in tangible goods (EUR million)	37	406	:	725	377	479	639	522	112	175	298	786	3 618	541
Employment (thousands)	7	80	:	150	86	250	134	90	16	14	39	86	611	56
Apparent labour prod. (EUR thousand)	47.1	12.5	:	41.4	40.6	9.4	17.5	7.0	31.6	15.4	50.2	46.4	56.3	48.6
Average personnel costs (EUR thousand)	33.6	6.8	:	30.0	31.7	5.1	13.3	2.4	17.3	7.7	33.9	38.1	27.9	36.8
Wage adjusted labour productivity (%)	140.1	184.6	:	138.0	128.4	182.7	132.0	289.3	182.3	200.8	148.3	121.8	201.7	132.0
Gross operating rate (%)	2.9	4.0	:	3.7	4.1	6.8	2.9	7.7	5.3	3.6	4.3	3.6	8.4	4.0
Investment / employment (EUR thousand)	4.9	5.1	:	4.8	4.4	1.9	4.8	5.8	7.1	12.1	7.6	9.2	5.9	9.7

(1) 2003.
Source: Eurostat (SBS)