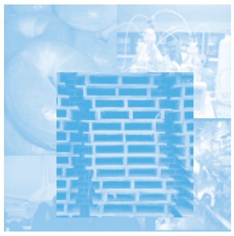
Wholesale trade



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 types of product in which the wholesaler is specialised: agricultural products, consumer goods, intermediate goods, machinery and equipment (as covered by Subchapters 17.2 to 17.5), while specialised wholesalers of other products are included in the final subchapter (Subchapter 17.6) along with non-specialised wholesalers.

In the supply chain, wholesalers are located between producers and users, providing know-how and knowledge in markets for which they have expertise. Competition within the wholesale trade activity is often centred on providing more efficient service or more sophisticated value added services. Wholesalers can provide a range of services from basic storage and break of bulk, sorting, grading and logistics to pre- and post-production operations (for instance, labelling, packaging, bottling and installation).

STRUCTURAL PROFILE

Value added generated by the 1.7 million enterprises that made up the EU-27's wholesale trade sector (NACE Division 51) was EUR 462.7 billion in 2004. As such, this was the second largest of all the sectoral chapters covered within this publication in terms of value added, with 9.1 % of the value added generated within the non-financial business economy (NACE Sections C to I and K). Compared with the distributive trades (NACE Section G) total, wholesale trade contributed almost half of the value added (46.4 %). Turnover in the wholesale trade sector was EUR 3 916.1 billion, the largest turnover recorded among all the sectors covered by the publication, accounting for 54.9 % of the distributive trade turnover and for 20.6 % of the non-financial business economy turnover. There were 9.6 million persons employed in the EU-27's wholesale trade sector in 2004, which equated to 7.6 % of the non-financial business economy workforce. Those main indicators showed that this sector's contribution to both distributive trades and non-financial services was much higher in value added and turnover terms than in employment terms, underlining high apparent labour productivity in this sector.

The activities in NACE Division 51 cover all wholesale trade except that concerning motor trade (see the previous chapter). 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;
51.8: wholesale of machinery, equipment and supplies;
51.9: other wholesale.

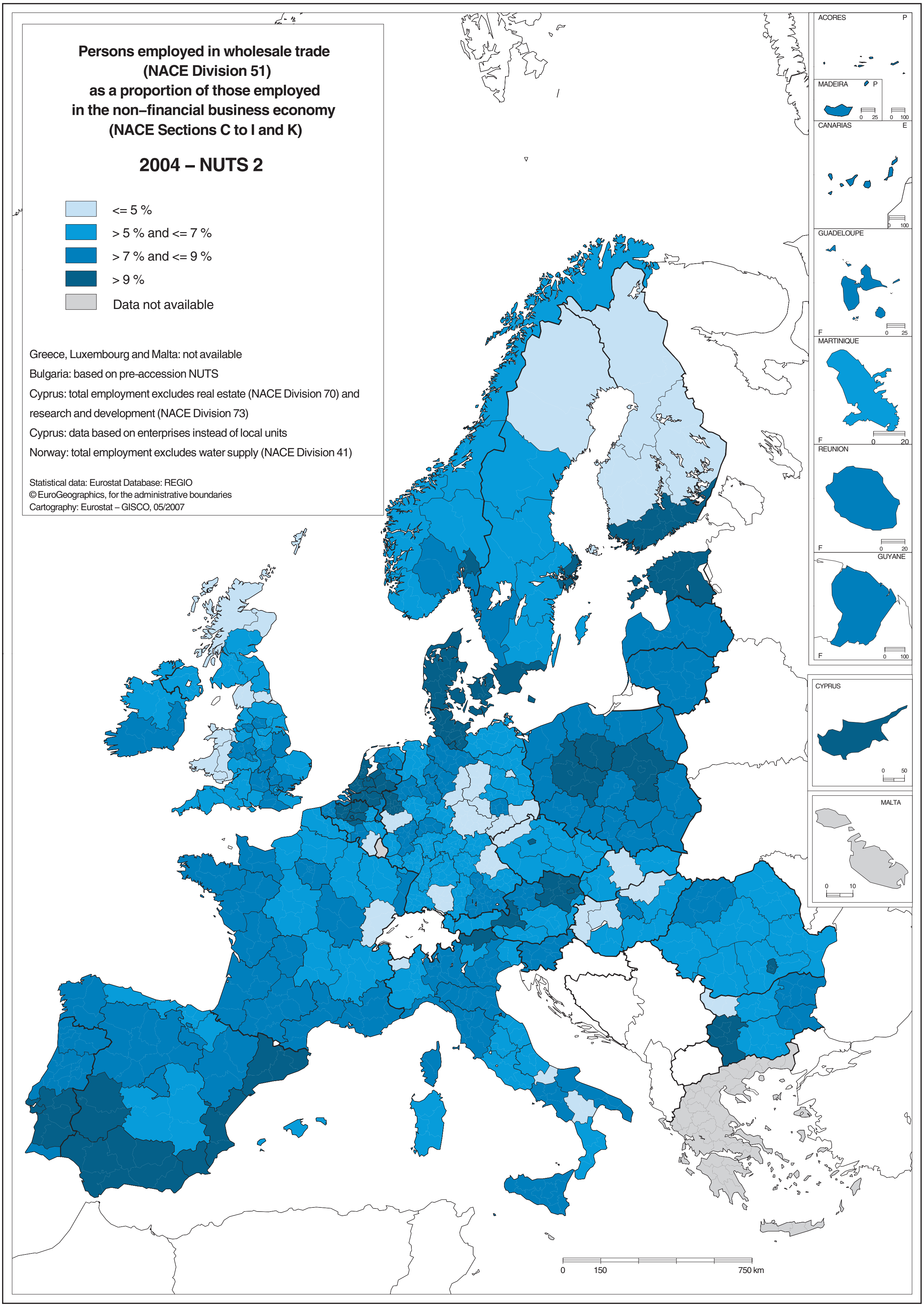

Persons employed in wholesale trade
(NACE Division 51)
as a proportion of those employed
in the non–financial business economy
(NACE Sections C to I and K)
2004 – NUTS 2
<= 5 %
> 5 % and <= 7 %
> 7 % and <= 9 %
> 9 %
Data not available
Greece, Luxembourg and Malta: not available
Bulgaria: based on pre-accession 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 17.1

Wholesale trade and commission trade (NACE Division 51)
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)
Wholesale trade and commission trade	1 682.2	100.0	3 916 076	100.0	462 707	100.0	9 554.2	100.0
Wholesale on a fee or contract basis	529.4	31.5	203 815	5.2	37 635	8.1	902.3	9.4
Agricultural wholesaling (1)	65.0	3.9	180 000	4.6	14 000	3.0	340.0	3.6
Wholesale of consumer goods	546.5	32.5	1 559 755	39.8	183 393	39.6	4 032.8	42.2
Wholesale of intermediate goods	235.7	14.0	1 182 673	30.2	111 230	24.0	1 988.6	20.8
Wholesale of machinery and equipment (1)	190.0	11.3	600 000	15.3	90 000	19.5	1 600.0	16.7
Other wholesale	118.7	7.1	183 500	4.7	23 507	5.1	669.8	7.0

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

Table 17.2

Wholesale trade and commission trade (NACE Division 51)
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	United Kingdom (83 996)	Germany (1 208.2)	Slovakia (23.5 %)	Bulgaria (31.9 %)	Latvia (18.5 %)	Netherlands (10.2 %)
2	Germany (78 514)	United Kingdom (1 201.3)	Estonia (22.1 %)	Latvia (31.7 %)	Estonia (13.2 %)	Estonia (10.1 %)
3	France (62 382)	Spain (1 119.6)	Luxembourg (14.6 %)	Netherlands (28.4 %)	Netherlands (13.1 %)	Denmark (9.9 %)
4	Italy (48 573)	Italy (1 076.3)	Romania (13.7 %)	Estonia (26.6 %)	Portugal (11.9 %)	Belgium (9.8 %)
5	Spain (44 125)	France (1 056.2)	Slovenia (12.7 %)	Belgium (25.7 %)	Lithuania (11.9 %)	Portugal (9.3 %)

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

Looking in more detail at the activities that make up the wholesale trade sector (in terms of the coverage used for each of the subchapters), the largest wholesale trade subsector in value added and employment terms was the wholesale trade of consumer goods (NACE Groups 51.3 and 51.4), followed by the wholesaling of intermediate goods (NACE Group 51.5) and the wholesaling of machinery and equipment (NACE Group 51.8). However, while the wholesale trade of consumer goods contributed a larger proportion to sectoral employment than to sectoral value added, both of the two other large subsectors made a larger contribution to sectoral value added than employment, indicating their higher apparent labour productivity.

Among the Member States [1] for which data is available for a breakdown of wholesale turnover activities, the share of consumer goods reached 53.5 % in Greece, and also exceeded 50 % in Romania and Portugal. In nine of the Member States, the wholesale of intermediate goods was the largest contributors to national wholesale trade. While the wholesale trade of machinery and equipment generated 15.3 % of the EU-27's wholesale trade, the importance of these activities reached 28.5 % in the Netherlands and this share was above 20 % in Sweden, Denmark, Finland and Luxembourg. Wholesale trade on a fee or contract basis (NACE Group 51.5) was relatively important in Slovenia (24.1 %), France (17.2 %) and Slovakia (15.1 %), compared with the EU-27 average (5.2 %).Other wholesale trade (NACE Group 51.9) accounted for 4.7 % of wholesale trade turnover in the EU-27, although this proportion rose to almost one third in Poland (32.1 %) and was also relatively high in Slovenia (18.9 %), Slovakia (17.9 %) and Finland (16.0 %). Agricultural wholesaling (NACE Group 51.2) was the smallest wholesale trade subsector, accounting for 4.6 % of turnover in the EU-27, while that proportion was 8.0 % in France and 7.9 % in Hungary, with the smallest national share that was recorded in the United Kingdom (1.5 %).

[1] Ireland and Luxembourg, 2003; the Czech Republic, other wholesale trade, not available; Malta, not available.

Among the Member States [2], the United Kingdom and Germany had the largest levels of value added, turnover and employment in the wholesale trade sector. However, relative to the whole non-financial business economy, the importance of the wholesale trade sector varied from just 7.3 % of the value added in Germany to 18.5 % in Latvia. For employment, this range was much narrower, the sectoral wholesale trade workforce accounting from 5.8 % of non-financial business economy employment in Germany to 10.2 % in the Netherlands.

[2] Luxembourg, 2003; Malta, not available.

Figure 17.2 shows the average turnover per enterprise of the EU-27's wholesaling subsectors. In 2004, the highest average for the EU-27 was recorded by the wholesale trade of intermediate goods at EUR 5.0 million per enterprise, while the lowest average was for the wholesale on a fee or contract basis (NACE Group 51.1) at EUR 0.4 million per enterprise. Across the subsectors shown in the figure, the widest range of values for this average was found in the miscellaneous activities of other wholesale, while wholesale on a fee or contract basis registered the narrowest range of values.

Regional employment specialisation (in some cases the whole country is treated as one region) can be seen from the map on page 284 which is based on the non-financial business economy employment share of the wholesale trade sector. Given the essential nature of many parts of wholesale trade, providing services directly to retailers and to industrial consumers, it is unsurprising that most regions tended towards the average. In the regions where the wholesale trade workforce accounted for its highest share of the non-financial business economy workforce (15 % and over in one Dutch and one Spanish region), the relative specialisation was around five times higher than in the least specialised regions (around 3 % in two Finnish and one Italian region).

Annualised short-term statistics for the EU-27's wholesale trade sector showed that the index of turnover grew by 9.8 % in 2006, compared with the previous year, the highest growth rate recorded for the sector since 2000 (when growth reached 10.3 %). During the period 1996-2006, the index of turnover rose on average by 4.4 % per annum. Employment for the EU-27's wholesale trade sector also increased in 2006, up 3.1 % compared with growth of 1.1 % in 2005 and 0.4 % in 2004. Over the period 1996-2006, the index of employment recorded two slight negative year on year rates of change, -0.2 % in 2001 and -0.5 % in 2003, in contrast to the uninterrupted growth of the employment index for the whole of distributive trades - see Figure 17.3.

Turnover indices are available for all of the wholesale trade NACE groups except for wholesale on a fee or contract basis - see Figure 17.4. Focusing only on the developments for the most recent five years, from 2001 to 2006, EU-27 agricultural wholesaling (NACE Group 51.2) maintained a relatively stable level of turnover, the slowest development across the NACE groups shown (average growth of 1.1 % per annum during this period). The two consumer oriented NACE groups, namely the wholesale of food, beverages and tobacco, and of household goods, recorded consecutive years of uninterrupted growth, resulting in average annual growth rates of 3.4 % and 4.3 % per annum respectively between 2001 and 2006. The turnover index for the wholesaling of intermediate goods developed quickly during the period considered, on average by 9.2 % per annum, the highest average annual growth rate over this period of all available non-financial services [3]. However, note that this activity covers the wholesaling of fuels, and such products have recorded large price increases in recent years and these are also reflected in the turnover index. The wholesaling of machinery, equipment and supplies, and the other wholesale activity showed rather similar average annual growth rates for the period 2001-2006, 3.2 % and 3.4 % respectively. However, the former subsector recorded a fall in its turnover index in the years 2001 through to 2003, followed by strong growth in the three following years up to 2006. In contrast, the latter subsector showed a mixture of periods of stability and stronger growth (7.1 % in both 2004 and 2006).

[3] Note that the services turnover indices are available at a mixture of NACE levels, sometimes, classes, groups, divisions, or special aggregates thereof.

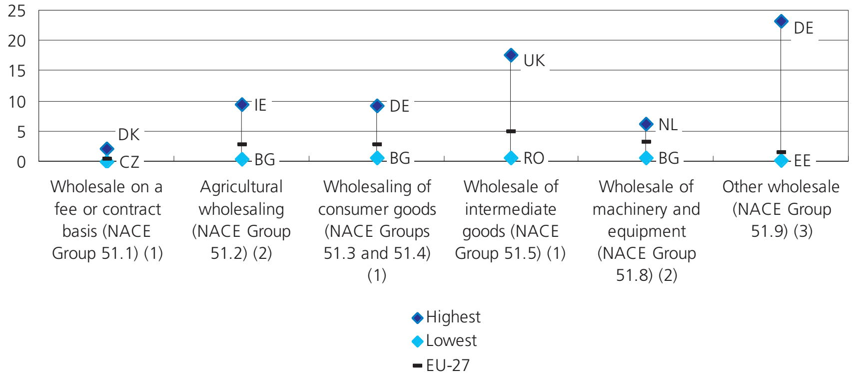
Figure 17.1

Wholesale trade and commission trade (NACE Division 51)
Share of non-financial business economy, EU-27, 2004 (%) (1)

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

Figure 17.2

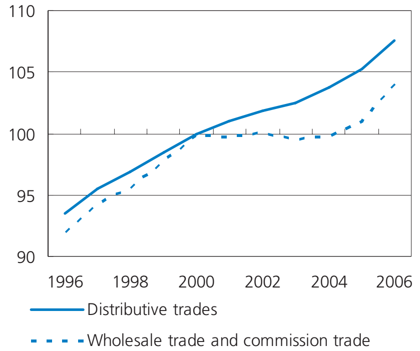
Wholesale trade and commission trade (NACE Division 51)
Turnover per enterprise, 2004 (EUR million)



(1) Ireland and Luxembourg, 2003; Malta, not available.
(2) Luxembourg, 2003; Malta, not available.
(3) Luxembourg, 2003; Czech Republic and Malta, not available.
Source: Eurostat (SBS)

Figure 17.3

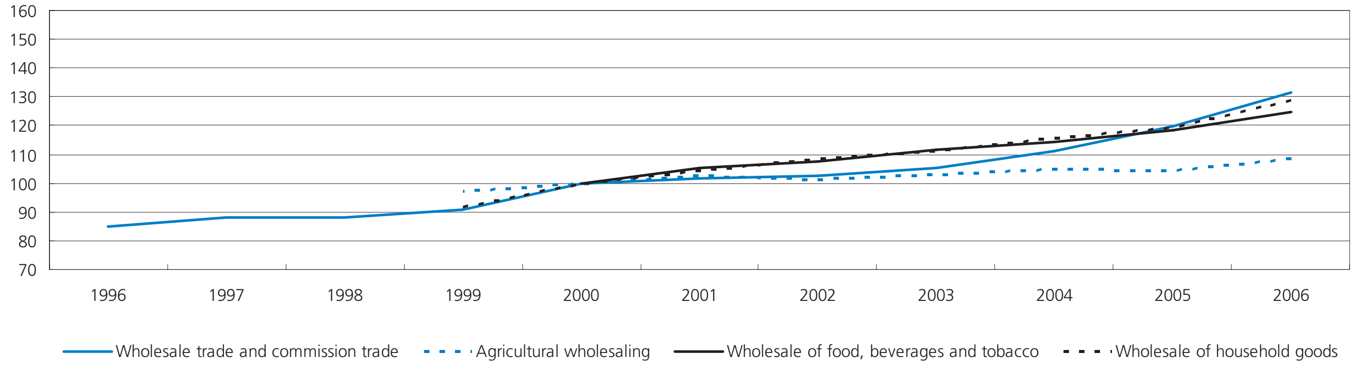
Wholesale trade and commission trade (NACE Division 51)
Index of employment, EU-27 (2000=100)

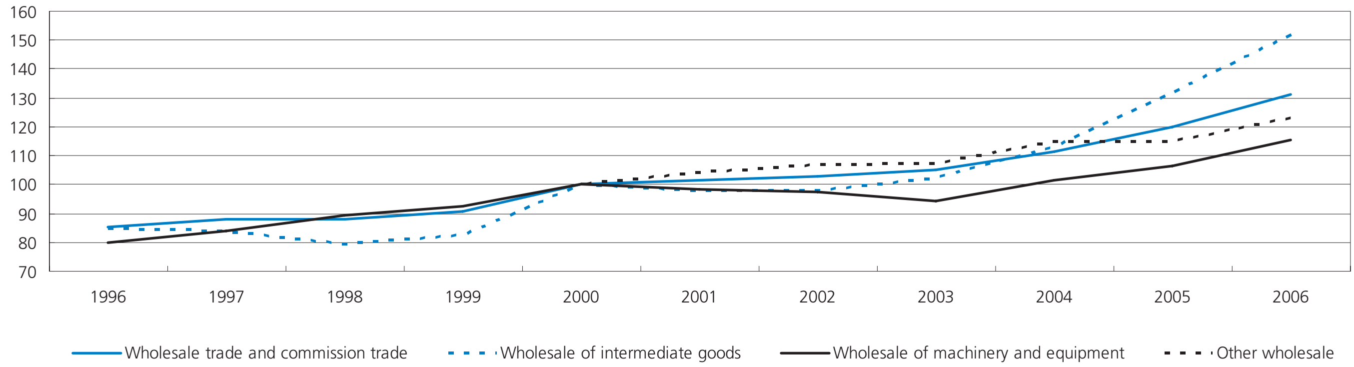


Source: Eurostat (STS)

Figure 17.4

Wholesale trade and commission trade (NACE Division 51)
Index of turnover, EU-27 (2000=100)





Source: Eurostat (STS)

The size class structure of the wholesale trade sector was quite similar to that of motor trades (NACE Division 50 - see Chapter 16), in that SMEs (enterprises with less than 250 persons employed) contributed just over three quarters (77.2 %) of the EU-27's wholesale trade sector's value added in 2004, the remaining share being generated by large enterprises (with 250 or more persons employed). For comparison, SMEs contribution to value added was smaller in the whole of the distributive trades (69.9 %), as well as in the non-financial business economy (57.0 %). All four of the size classes shown in Figure 17.5 contributed between one fifth and one third of the EU-27's wholesale trade sector's value added in 2004. Small enterprises (with between 10 and 49 persons employed) accounted more (30.3 %) of the sector's value added than any other enterprise size class. This size class structure was in contrast to that of the retail trade and repair sector (NACE Division 52), where the vast majority of sectoral value added was generated by large enterprises or micro enterprises (with less than 10 persons employed). In terms of employment, SMEs provided 83.7 % of the workforce in the wholesale trade sector, a sign of low apparent labour productivity for SMEs relative to large enterprises. However, this low apparent labour productivity resulted essentially from the predominance of micro enterprises (with less than 10 persons employed) that provided slightly more than one third of the workforce of the wholesale trade sector, while they contributed less than one quarter (23.8 %) of value added.

Figure 17.5

Wholesale trade and commission trade (NACE Division 51)
Share of value added by enterprise size class, EU-27, 2004

Source: Eurostat (SBS)

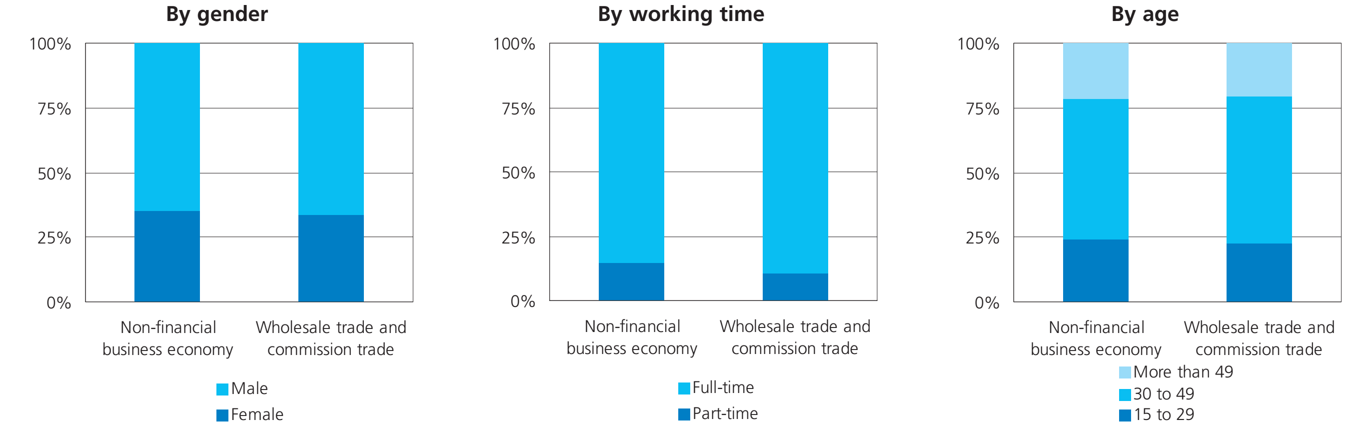
EMPLOYMENT CHARACTERISTICS

According to Labour Force Survey data for wholesale trade in 2006, men represented two thirds (66.2 %) of the EU-27's workforce, a share that was in line with the gender breakdown for the non-financial business economy as a whole, while this proportion of men employed in the wholesale trade was relatively high compared with the distributive trades average (51.5 %). However in half of the Member States with available data (4) the proportion of men working in the wholesale trade sector was below the average for the national non-financial business economy. Slightly less than nine tenths (89.3 %) of the persons employed in the EU-27's wholesale trade sector in 2006 worked full-time, a proportion that was 11.0 percentage points above the distributive trade average and slightly above the non-financial business economy average (85.6 %) as well. Among the Member States (5), only in Belgium and Bulgaria was the incidence of full-time work slightly lower in wholesale trade than in the non-financial business economy as a whole.

(4) Luxembourg, 2005.
(5) Luxembourg, 2005; Ireland, not available.

Figure 17.6

Wholesale trade and commission trade (NACE Division 51)
Labour force characteristics, EU-27, 2006



Source: Eurostat (LFS)

A breakdown by age of the workforce for the EU-27's wholesale trade sector in 2006 shows a quite similar contribution of all the three age classes analysed when compared with the non-financial business economy average. Indeed, 22.6 % of those employed were aged between 15 and 29, more than half (56.7 %) between 30 and 49, and the remaining one fifth (20.8 %) were persons aged 50 or more.

According to structural business statistics for 2004, the share of the number of paid employees in persons employed (85.9 %) for the EU-27's wholesale trade sector was very similar to what was registered for the non-financial business economy as a whole (0.3 percentage points above the share for the wholesale trade). Among the Member States (6), around two thirds recorded a higher share of employees in persons employed in wholesale trade than in the non-financial business economy as a whole, but the difference was slight except in Denmark, Spain and Hungary where the difference was more visible (at least 4.1 percentage points difference). In Italy, the total number of persons employed in the wholesale trade sector was almost equally distributed between paid employees (54.4 %) on one hand and working proprietors and unpaid family workers on the other hand (the counterpart of the share of the number of persons employed). In the Italian wholesale trade sector, this proportion of employees in persons employed was relatively low in contrast to the share for the Italian non-financial business economy as a whole (66.8 %).

(6) Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

COSTS, PRODUCTIVITY AND PROFITABILITY

Purchases of goods and services represented a high share (91.9 %) of total expenditure in the EU-27's wholesale trade sector, the largest share recorded in 2004 among all the non-financial business economy NACE divisions, just above the share for the motor trades sector (see previous chapter), underlining the high volume of purchases for resale characteristic of wholesale trade activities. Consequently the shares of personnel costs (6.8 %) and gross investment in tangible goods (1.3 %) were both particularly low, the lowest of all non-financial services NACE divisions. Among the subsectors that make up the wholesale trade sector, the purchases of goods and services constituted the highest share of total expenditure for agricultural wholesaling, and for wholesaling of intermediate goods, at least 94.0 %, while the lowest share (88.2 %) was recorded by the wholesaling of machinery and equipment.

Apparent labour productivity was EUR 48 400 per person employed in the EU-27's wholesale trade sector in 2004, EUR 7 500 higher than the non-financial business economy average. However, two of the six wholesale trade subsectors recorded apparent labour productivity ratios that were below the non-financial business economy average (EUR 40 900 per person employed), namely agricultural wholesaling and other wholesale trade, as did the part of consumer goods wholesaling concerned with food, beverages and tobacco wholesaling.

Average personnel costs in the wholesale trade sector were EUR 30 700 per employee in the EU-27 in 2004 which, as with apparent labour productivity, were higher than the non-financial business economy average. The wage adjusted labour productivity ratio was 157.6 % in 2004, below the non-financial business economy average.

The ratio of the gross operating surplus to turnover (the gross operating rate) was 5.4 % in the EU-27's wholesale trade sector in 2004, almost half the corresponding rate for the non-financial business economy as a whole (11.0 %), reflecting the high turnover (resale in the same condition as purchased) and relatively low margins typically associated with wholesale trade. Wholesale trade gross operating rates among the Member States (7) were systematically lower than the national non-financial business economy averages.

(7) Luxembourg, 2003; Malta, not available.

Table 17.3

Wholesale trade and commission trade (NACE Division 51)
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
Wholesale trade and commission trade	3 726 635	3 426 411	252 229	47 995	91.9	6.8	1.3
Wholesale on a fee or contract basis	179 843	163 482	12 798	3 563	90.9	7.1	2.0
Agricultural wholesaling (1)	180 149	170 000	7 700	2 449	94.4	4.3	1.4
Wholesale of consumer goods	1 498 943	1 375 973	103 916	19 054	91.8	6.9	1.3
Wholesale of intermediate goods	1 110 681	1 043 529	54 658	12 494	94.0	4.9	1.1
Wholesale of machinery and equipment (1)	578 007	510 000	60 000	8 007	88.2	10.4	1.4
Other wholesale	176 374	162 689	11 256	2 429	92.2	6.4	1.4

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

Table 17.4

Wholesale trade and commission trade (NACE Division 51)
Productivity and profitability, EU-27, 2004

	Apparent labour productivity (EUR thousand)	Average personnel costs (EUR thousand)	Wage adjusted labour productivity (%)	Gross operating rate (%)
Wholesale trade and commission trade	48.4	30.7	157.6	5.4
Wholesale on a fee or contract basis	41.7	29.4	142.0	12.2
Agricultural wholesaling (1)	40.0	27.0	150.0	3.3
Wholesale of consumer goods	45.5	28.8	157.8	5.1
Wholesale of intermediate goods	55.9	30.4	184.1	4.8
Wholesale of machinery and equipment (1)	56.3	40.0	140.0	5.2
Other wholesale	35.1	19.4	180.5	6.7

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

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.

STRUCTURAL PROFILE

The EU-27's wholesale on a fee or contract basis (NACE Group 51.1) consisted of close to 530 000 enterprises which generated EUR 37.6 billion value added in 2004 and EUR 203.8 billion turnover, representing respectively 8.1 % and 5.2 % of total value added and turnover in wholesale trade (NACE Division 51). Both of these shares ranked the wholesale on a fee or contract basis as the third smallest of the wholesale trade NACE groups, ahead of agricultural wholesaling and the residual activities of other wholesale. With 902 300 persons employed in the wholesale on a fee or contract basis sector in the EU-27 in 2004, the sector assembled 9.4 % of the total wholesale trade workforce, a higher proportion than for value added underlining the low apparent labour productivity for this activity. It is likely that a high proportion of persons work part-time in this activity and this could account, in part, for the relatively low level of apparent labour productivity.

Slightly less than one third of the value added generated by the EU-27's wholesale on a fee or contract basis sector in 2004 came from Italy (31.9 %) - see Table 17.6 [8]. Unsurprisingly, with such a large contribution to the EU-27 total, Italian wholesaling was very concentrated in this form of wholesaling, as this sector generated 2.1 % of Italian non-financial business economy value added in 2004. However, this share was even higher in Slovenia, where wholesale on a fee or contract basis accounted for 2.7 % of non-financial business economy value added, a share that was 3.7 times the corresponding share for the EU-27 average.

(8) Luxembourg, 2003; Malta, not available.

Table 17.5

Wholesale on a fee or contract basis (NACE Group 51.1)
Relative weight within wholesale on a fee or contract basis, EU-27, 2003 (%)

	No. of enterprises	Turnover	Value added	Employment
Agents involved in the sale of agricultural raw materials live animals, textile raw materials and semi-finished goods	2.7	:	2.8	3.5
Agents involved in the sale of fuels, ores, metals and industrial chemicals	3.1	:	5.5	4.1
Agents involved in the sale of timber and building materials	5.1	3.2	5.9	5.7
Agents involved in the sale of machinery, industrial equipment ships and aircraft	6.3	7.1	15.3	9.1
Agents involved in the sale of furniture, household goods, hardware and ironmongery	7.7	2.2	5.3	7.2
Agents involved in the sale of textiles, clothing, footwear and leather goods	9.2	3.9	8.9	9.9
Agents involved in the sale of food, beverages and tobacco	10.8	32.3	13.1	12.5
Agents specializing in the sale of particular products or ranges of products n.e.c.	28.6	13.6	23.0	24.0
Agents involved in the sale of a variety of goods	26.5	28.1	20.3	24.0

Source: Eurostat (SBS)

Table 17.6

Wholesale on a fee or contract basis (NACE Group 51.1)
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	Italy (31.9)	Italy (34.4)	Slovenia (369.5)	Slovenia (377.1)
2	United Kingdom (17.7)	France (8.8)	Italy (287.1)	Italy (293.1)
3	France (14.5)	Spain (8.5)	Slovakia (243.8)	Slovakia (243.0)
4	Germany (7.8)	United Kingdom (7.6)	Romania (188.2)	Czech Republic (136.3)
5	Spain (7.2)	Germany (5.6)	Czech Republic (155.5)	Romania (120.4)

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

COSTS, PRODUCTIVITY AND PROFITABILITY

There was no great difference between the structure of costs for the EU-27's wholesale trade on a fee or contract basis sector and wholesale trade as a whole in 2004. Nevertheless the slightly lower share of total expenditure accounted for by purchases of good and services (90.9 % compared to a wholesale trade average of 91.9 %), was mainly balanced by a higher share (2.0 % compared to 1.3 %) for investment in tangible goods, which although still small compared to the non-financial business economy average (4.9 %) was the highest for any of the wholesale trade groups. Wage adjusted labour productivity was 142.0 % for the sector, slightly below the non-financial business economy average. However, four of the five EU-27's largest economies recorded higher wage adjusted productivity ratios for their wholesale on a fee or contract basis sector than for their non-financial business economy, namely Germany, France, Italy and the United Kingdom.

Turning to one measure of profitability, the ratio of gross operating surplus to turnover, the gross operating rate in the EU-27's wholesale on a fee or contract basis equalled 12.2 %, well above the rates for the other wholesale trade NACE groups, and also slightly above that for the non-financial business economy as a whole.

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

Agricultural wholesaling (NACE Group 51.2) with its 65 000 enterprises was the smallest of the wholesale trade NACE groups, whether measured in terms of turnover, value added or employment. Indeed, the turnover generated by agricultural wholesaling was EUR 180.0 billion and value added EUR 14.0 billion in the EU-27 in 2004, which represented 4.6 % of wholesale trade turnover and 3.0 % of wholesale trade value added. The EU-27's sector of agricultural wholesaling employed some 340 000 persons in 2004, some 3.6 % of the total number of persons employed in wholesale trade. Among the activities (NACE Classes) that make up the sector, the wholesale of grain, seeds and animal feeds was the largest, both in terms of value added and employment, followed by the wholesale of flowers and plants. None of the other agricultural wholesaling subsectors accounted with more than EUR 2.0 billion value added or employed more than 80 000 persons in 2004.

Among the Member States [9], France and Germany recorded both the highest value added and number of persons employed in the agricultural wholesale sector - see Table 17.8. France's high shares made it the third most specialised Member States in the agricultural wholesale sector both in terms of the sector's contribution to non-financial business economy value added, while the most specialised was the Netherlands followed by Austria.

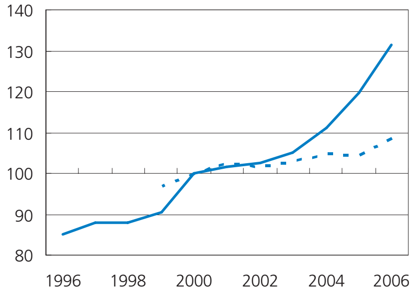
According to annualised short-term statistics, after a 3.1 % increase in the turnover index in 2000 (compared to the previous year), a series of modest increases and decreases in turnover were recorded from 2001 to 2005, when the evolution of sales for the agricultural wholesaling sector ranged from -1.0 % in 2002 to 2.5 % in 2001. However, turnover grew by 3.7 % in 2006, the fastest progression over the period observed. Nevertheless, with the exception of 2001, the agricultural wholesaling sector recorded a slower rate of growth in turnover than the wholesale trade average.

COSTS, PRODUCTIVITY AND PROFITABILITY

In 2004, total expenditure in the EU-27's agricultural wholesaling sector was dominated (94.4 %) by purchases of goods and services, with 4.3 % for personnel costs and the remaining 1.4 % for gross investment in tangible goods. The apparent labour productivity of the sector was EUR 40 000 per person employed in the EU-27, average personnel costs were EUR 27 000 per employee, while the share of employees in persons employed was 83.0 %, all these figures being below the corresponding wholesale trade averages. The resulting wage adjusted labour productivity ratio in this sector was 150.0 %, some 7.6 percentage points below the average for wholesale trade. The gross operating rate of the EU-27's agricultural wholesaling sector was also relatively low, at 3.3 % in 2004.

(9) Luxembourg, 2003; Malta, not available.

Figure 17.7
Wholesale of agricultural raw materials, live animals (NACE Group 51.2)
Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

Table 17.7
Wholesale of agricultural raw materials, live animals (NACE Group 51.2)
Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Agricultural wholesaling (1)	65.0	180 000	14 000	340.0
Wholesale of grain, seeds and animal feeds	28.1	119 149	8 561	192.6
Wholesale of flowers and plants (1)	13.0	19 900	2 720	80.0
Wholesale of live animals (1)	18.5	37 450	1 835	52.0
Wholesale of hides, skins and leather (2)	5.4	7 199	541	16.9
Wholesale of unmanufactured tobacco (1)	:	690	80	:

(1) Rounded estimates based on non-confidential data.
(2) Number of enterprises, turnover and value added, 2003.
Source: Eurostat (SBS)

Table 17.8
Wholesale of agricultural raw materials, live animals (NACE Group 51.2)
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	France (20.9)	France (15.8)	Netherlands (282.2)	Austria (264.2)
2	Germany (20.2)	Germany (15.4)	Austria (174.9)	Netherlands (256.0)
3	Netherlands (12.9)	Spain (10.5)	France (148.4)	France (138.2)
4	Italy (8.1)	Netherlands (9.4)	Bulgaria (148.1)	Denmark (126.9)
5	Spain (7.9)	Italy (7.9)	Hungary (137.2)	Hungary (126.2)

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

17.3: WHOLESALING OF CONSUMER GOODS

The wholesaling of consumer goods covers NACE Groups 51.3 and 51.4. The first of these groups includes the wholesaling of food, beverages and tobacco, while the latter includes 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 goods, these activities also include the wholesaling of food and beverage products as inputs for further processing.

STRUCTURAL PROFILE

Turnover from the 546 500 enterprises with wholesaling of consumer goods (NACE Groups 51.3 and 51.4) as their main activity was valued at EUR 1 560 billion in the EU-27 in 2004, representing 39.8 % of the wholesale trade total. With EUR 183.4 billion of value added in 2004 this was the largest of the wholesale trade activities presented in Subchapters 17.1 to 17.6, with a 39.6 % share of wholesale value added. However, the contribution to wholesale trade employment was even higher (42.2 %) as there were 4.0 million persons employed in the EU-27's wholesaling of consumer goods sector. The wholesale of household goods (NACE Group 51.4) was the largest of the two NACE groups in this sector, with more than half of the sector's employment and turnover and just over three fifths of the turnover, with the wholesale of food, beverages and tobacco (NACE Group 51.3) recording the smaller share for all three indicators.

Table 17.9

Wholesale of food, beverages, tobacco and household goods (NACE Groups 51.3 and 51.4)
Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Wholesale of consumer goods	546.5	1 559 755	183 393	4 032.8
Food, beverages and tobacco	213.8	728 831	70 518	1 819.1
Fruits and vegetables (1)	42.0	110 000	12 000	370.0
Meat and meat products (1)	22.0	70 000	6 300	170.0
Dairy produce, eggs and edible oils and fats	15.5	67 709	4 924	112.2
Alcoholic and other beverages	39.2	100 909	13 461	277.2
Tobacco products (1)	2.6	53 142	3 253	47.9
Sugar and chocolate and sugar confectionery (1)	11.0	28 957	2 449	67.1
Coffee, tea, cocoa and spices (1)	5.2	10 500	1 750	34.0
Other food including fish, crustaceans and molluscs (1)	43.6	100 000	9 900	260.0
Non-specialized wholesale of food beverages and tobacco	31.9	189 854	16 527	476.6
Household goods	332.7	830 924	112 875	2 213.7
Textiles	28.1	26 714	4 434	124.4
Clothing and footwear	69.8	89 325	14 823	322.6
Electrical household appliances and radio and television goods	38.8	174 362	18 340	328.6
China and glassware, wallpaper and cleaning materials (1)	19.6	27 000	4 800	116.0
Perfume and cosmetics (1)	16.6	36 000	7 100	147.0
Pharmaceutical goods	28.9	261 389	31 348	452.5
Other household goods	130.8	215 173	31 962	722.0

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

Table 17.10

Wholesale of food, beverages, tobacco and household goods (NACE Groups 51.3 and 51.4)
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 (18.3)	Spain (14.9)	Latvia (179.1)	Spain (145.1)
2	United Kingdom (17.4)	Germany (13.3)	Portugal (170.5)	Portugal (142.7)
3	France (12.7)	United Kingdom (12.5)	Netherlands (144.5)	Latvia (129.0)
4	Spain (11.1)	Italy (10.4)	Belgium (131.8)	Romania (128.4)
5	Italy (10.0)	France (9.8)	Lithuania (124.4)	Belgium (126.7)

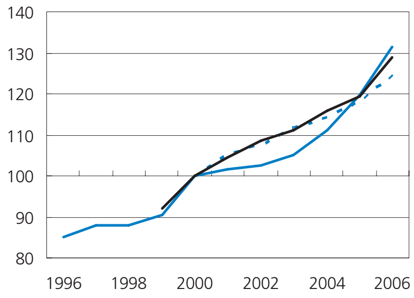
(1) Malta, not available; Luxembourg, 2003.
(2) Ireland, Greece, Cyprus and Malta, not available; Luxembourg, 2003.
Source: Eurostat (SBS)

Germany was to some extent the dominant Member State (10) in the wholesale of consumer goods, with just less than one fifth of both the EU-27 value added and turnover, although Spain had the largest workforce, slightly larger than Germany's. However, Latvia, Portugal, the Netherlands, Belgium, Lithuania and Spain were the most specialised Member States (11) in terms of this sector's contribution to non-financial business economy value added, while Spain and Portugal were the most specialised in employment terms.

Annualised short-term statistics are available for an analysis of the evolution of turnover indices for consumer goods wholesaling, for each of the two NACE groups that compose this sector - see Figure 17.8. The turnover index registered gains for both of these activities in all of the last years. However, turnover growth for both of these activities was higher than for the wholesale trade as a whole in the years 2001 to 2003. In the years 2004 to 2006, this pattern was reversed, namely there was a significantly slower progression of sales for each of the two NACE groups compared with fast growth in the wholesale trade sector.

Figure 17.8

Wholesale of food, beverages, tobacco and household goods (NACE Groups 51.3 and 51.4) Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

COSTS, PRODUCTIVITY AND PROFITABILITY

The expenditure structure of the EU-27's wholesaling of consumer goods sector was very similar to wholesale trade as a whole. Apparent labour productivity for consumer goods wholesaling was EUR 45 500 per person employed in the EU-27 in 2004 and average personnel costs were EUR 28 800 per employee, both figures standing below the wholesale trade average. There were significant differences between the two subsectors for these indicators, with the values recorded for the wholesaling of household goods approximately one third higher for both indicators than were recorded for the wholesale of food, beverages and tobacco. In more details, the wholesale of pharmaceutical goods (NACE Class 51.46) stood out from the rest of the wholesale of household goods activities and recorded the highest apparent labour productivity figure (EUR 69 300 per person employed) and personnel costs (EUR 44 000 per employee) among all NACE classes for the sector.

(10) Luxembourg, 2003; Malta, not available.

(11) Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

The ratio of wage adjusted labour productivity was almost identical in the wholesaling of consumer goods (157.8 %) and in wholesale trade as a whole (157.6 %). In the large majority of the Member States (12), the ratio for the sector was very similar or higher than national wholesale trade figures. By this measure of productivity, the two subsectors within the wholesaling of consumer goods did not notably diverge, as the ratio for wholesale trade of food, beverages and tobacco (160.2 %) was slightly above that for the wholesale trade of household goods (156.1 %).

(12) Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

The gross operating rate was 5.1 % in the EU-27's consumer goods wholesaling sector in 2004, marginally below the wholesale trade average of 5.4 %, while the rate was 2.2 times higher in the non-financial business economy as a whole. Among the Member States with available data, Bulgaria and Romania stood out as they posted gross operating rates for their non-financial business economies that were respectively 3.4 and 4.3 as high as their consumer goods wholesaling sector. According to this measure of profitability the two subsectors performed differently, as the wholesale of food, beverages and tobacco recorded a rate of 4.2 %, while that for the wholesale of household products was approximately 1.4 times as high at 5.9 %, and therefore above the wholesale trade average. Among the NACE classes, the gross operating rate reached 9.7 % for the wholesale of coffee, tea, cocoa and spices (NACE Class 51.37) and was 8.5 % or above for the wholesale of perfume and cosmetics (NACE Class 51.45) and the wholesale of clothing and footwear.

17.4: WHOLESALING OF INTERMEDIATE GOODS

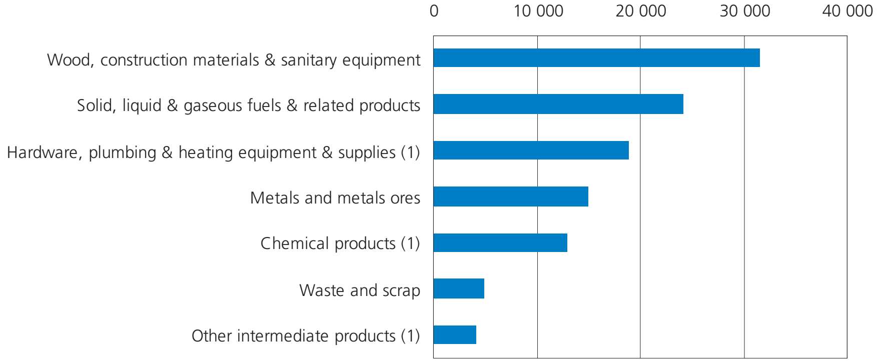
The wholesaling of non-agricultural intermediate products (NACE Group 51.5) (hereafter referred to as wholesaling of intermediate goods) covers the wholesale of all products used as production materials, fuel or other consumables, except for agricultural products (which are treated in Subchapter 17.2). It includes, for example, the wholesaling of fuels, construction materials, hardware and chemical products, as well as the wholesaling of scrap.

STRUCTURAL PROFILE

The EU-27's wholesaling of intermediate goods sector (NACE Group 51.5) consisted of 236 000 enterprises which generated EUR 111.2 billion of value added in 2004, slightly less than one quarter (24.0 %) of the wholesale trade (NACE Division 51) value added. With 2.0 million persons employed, the sector provided about one fifth (20.8 %) of the wholesale trade workforce. Turnover in this sector was valued at EUR 1 182.7 billion. This level of sales was the second highest of the wholesale trade activities, lower only than that of the wholesaling of consumer goods (NACE Groups 51.3 and 51.4), and was equivalent to 30.2 % of the wholesale trade total. Among the seven NACE classes that made up the wholesale of intermediate goods, almost half of the EU-27's turnover, but only one fifth of the value added was generated by the wholesale of solid, liquid and gaseous fuels and related products (NACE Class 51.51, while the wholesale of wood, construction materials and sanitary equipment (NACE Class 51.53) contributed close to one fifth of the wholesaling of intermediate goods turnover, but more than one quarter of its value added, and two fifths of its workforce.

Figure 17.9

Wholesale of non-agricultural intermediate products, waste and scrap (NACE Group 51.5)
Value added, EU-27, 2004 (million EUR)



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

Among the Member States [13], Germany and the United Kingdom were by far the largest contributors to the EU-27's turnover, value added and employment in intermediate goods wholesaling. However, these two Member States were among the least specialised countries in this activity in terms of their contribution to national non-financial business economy value added and

[13] Luxembourg, 2003; Malta, not available.

Table 17.11

Wholesale of non-agricultural intermediate products, waste and scrap (NACE Group 51.5)
Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Wholesale of intermediate goods	235.7	1 182 673	111 230	1 988.6
Solid, liquid & gaseous fuels & related products	19.1	531 820	24 175	181.2
Metals and metals ores	16.9	140 781	14 932	208.5
Wood, construction materials & sanitary equipment	102.1	202 369	31 529	797.7
Hardware, plumbing & heating equipment & supplies (1)	36.2	99 108	18 817	404.5
Chemical products (1)	26.0	114 000	13 000	200.0
Other intermediate products (1)	12.6	55 723	4 100	79.5
Waste and scrap	23.0	38 000	4 932	118.0

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

Table 17.12

Wholesale of non-agricultural intermediate products, waste and scrap (NACE Group 51.5)
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	Germany (19.9)	Germany (15.2)	Latvia (395.7)	Latvia (189.1)
2	United Kingdom (18.8)	United Kingdom (12.6)	Lithuania (207.5)	Lithuania (169.7)
3	France (11.8)	France (11.1)	Estonia (206.1)	Estonia (145.9)
4	Spain (9.8)	Spain (10.9)	Bulgaria (154.0)	Bulgaria (144.4)
5	Italy (9.1)	Italy (9.4)	Belgium (126.0)	Denmark (142.3)

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

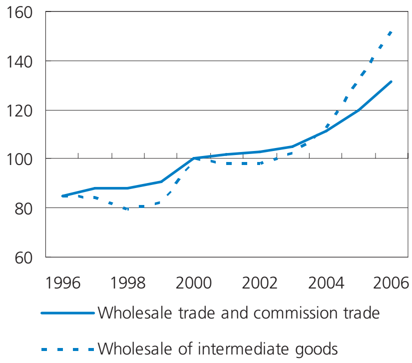
employment. Indeed, each generated no more than 2.2 % of their non-financial business economy value added in this sector, and no more than 1.5 % of the non-financial business economy workforce was occupied in this sector. In contrast, the Baltic States were the three most specialised Member States (14) in this activity, their intermediate goods wholesaling sectors contributing at least 4.5 % of non-financial business economy value added and at least 2.3 % of employment.

Annualised short-term statistics provide information on the evolution of the turnover index for the wholesale trade of intermediate goods - see Figure 17.10. Looking at the latest 10 year period available for this activity, from 1996 to 2006 the EU-27's index of turnover grew on average by 6.0 % per annum. However, a year on year analysis of the development of the turnover index shows that the wholesale trade of intermediate goods experienced high growth in 1996, almost 10 %, immediately followed by two consecutive years of reductions that reached -5.7 % in 1998. In 1999, the index recovered (3.8 %) and a strong turnover growth occurred in 2000, with an increase of 21.3 % registered for the EU-27. There was a sharp change in fortunes as turnover contracted by 2.1 % in 2001 followed by stagnation in 2002 (-0.1 %). The contraction and relative stagnation experienced in 2001 and 2002 reflected in part the development of output among clients of this sector, namely industrial activities. However, the year 2003 marked the start of an upward development, reinforced in 2004 and 2005 as the EU-27's index of turnover increased by 4.5 %, 10.6 % and 17.0 % respectively. While turnover growth slowed in 2006, it was still substantial at 14.8 %. These growth rates (2003 to 2006 inclusive) were above the corresponding rates for wholesale trade as a whole, which may well reflect in part above average price increases, notably those concerning the wholesaling of fuel which makes up a large part of intermediate goods wholesaling.

(14) Lithuania and Malta, 2002; Greece and Cyprus, not available.

Figure 17.10

Wholesale of non-agricultural intermediate products, waste and scrap (NACE Group 51.5)
Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

COSTS, PRODUCTIVITY AND PROFITABILITY

The proportion of total expenditure accounted for by purchases of goods and services in the EU-27's intermediate goods wholesaling sector was 94.0 %, the fourth highest proportion across all the non-financial business economy NACE groups in 2004. The wholesale of solid, liquid and gaseous fuels and related products recorded a particularly high share (98.3 %) of this category of expenditure.

Apparent labour productivity was EUR 55 900 per person employed in the EU-27's intermediate goods wholesaling sector, while average personnel costs stood at EUR 30 400 per employee. Those two indicators, resulted in a wage adjusted labour productivity ratio of 184.1 %, well above the wholesale trade ratio (157.6 %) and the non-financial business economy ratio (148.0 %), and the highest of the wholesale trade NACE groups. This ratio was remarkably high in the EU-27's wholesale of solid, liquid and gaseous fuels and related products subsector (402.3 %). Among the Member States (15), the wage adjusted labour productivity ratio was systematically higher for intermediate goods wholesaling than the non-financial business economy average.

The gross operating rate, as measured by the ratio of the gross operating surplus (value added less personnel costs) to turnover, was 4.8 % for the wholesaling of intermediate goods, and although this reached as high as 8.0 % for the wholesale of waste and scrap (NACE Class 51.57) this was still below the non-financial business economy average.

(15) Luxembourg, 2003; Ireland and Greece, not available.

17.5: WHOLESALING OF MACHINERY AND EQUIPMENT

The wholesaling of machinery, equipment and supplies concerns the wholesaling of capital goods and other final durable goods for industrial use, except 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. In NACE these activities are covered by Group 51.8.

STRUCTURAL PROFILE

Value added in the EU-27's wholesaling of machinery and equipment sector (NACE Group 51.8) was EUR 90.0 billion in 2004, and turnover EUR 600.0 billion. As such, the wholesaling of machinery and equipment represented 19.5 % of wholesale trade (NACE Division 51) value added and 15.3 % of wholesale turnover. The number of persons employed by the 190 000 enterprises with wholesaling of machinery and equipment as their main activity reached 1.6 million persons in the EU-27 in 2004, corresponding to 16.7 % of the wholesale trade workforce. Across the eight NACE classes that make-up the wholesaling of machinery and equipment sector, the miscellaneous category of wholesale of other machinery for use in industry, trade and navigation (NACE Class 51.87) was the largest, accounting for approximately one third of turnover and two fifths of value added and employment in the EU-27.

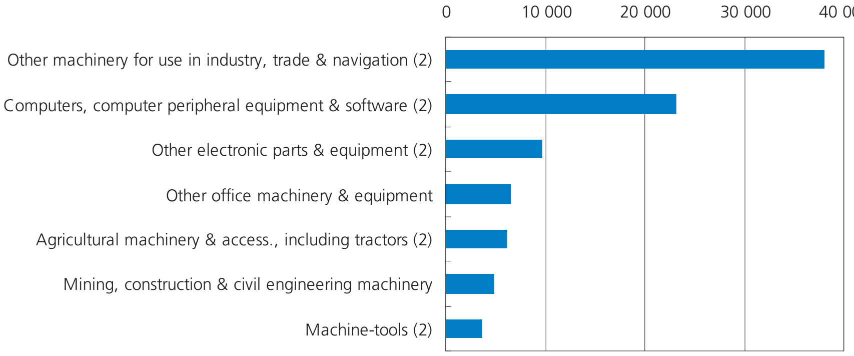
Among the Member States [16], the United Kingdom had the largest machinery and equipment wholesaling sector in value added terms, ahead of France, while the latter contributed the largest proportion to EU-27 turnover and employment. In value added terms, the Netherlands, Belgium, Latvia, as well as the Nordic Member States were all relatively specialised in machinery and equipment wholesaling [17], where these activities contributed at least 2.6 % to the non-financial business economy's value added.

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

[17] Lithuania and Malta, 2002; Greece and Cyprus, not available.

Figure 17.11

Wholesale of machinery, equipment and supplies (NACE Group 51.8)
Value added, EU-27, 2004 (million EUR) (1)



(1) Wholesale of machinery for the textile industry and of sewing and knitting machines, EUR 535 million; the value is too small to be represented in the graph.
(2) Rounded estimate based on non-confidential data.
Source: Eurostat (SBS)

Table 17.13

Wholesale of machinery, equipment and supplies (NACE Group 51.8)
Structural profile, EU-27, 2004 (1)

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Wholesale of machinery and equipment	190.0	600 000	90 000	1 600.0
Machine-tools	12.2	19 000	3 600	74.0
Mining, construction & civil engineering machinery	8.3	29 096	4 792	78.5
Machinery for the textile industry & of sewing & knitting machines	2.7	2 807	535	12.8
Computers, computer peripheral equipment & software	33.9	198 000	23 200	343.0
Other office machinery & equipment	15.9	39 796	6 512	130.0
Other electronic parts & equipment	14.7	68 100	9 620	153.8
Other machinery for use in industry, trade & navigation	80.0	200 000	38 000	680.0
Agricultural machinery & accessories & implements, including tractors	19.0	43 000	6 200	145.0

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

Table 17.14

Wholesale of machinery, equipment and supplies (NACE Group 51.8)
Structural profile: ranking of top five Member States, 2004

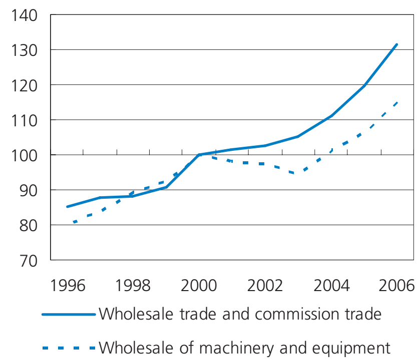
Rank	Share of EU-27 value added (%) (1)	Share of EU-27 employment (%) (1)	Value added specialisation ratio (EU-27=100) (2)	Employment specialisation ratio (EU-27=100) (2)
1	United Kingdom (18.9)	France (18.4)	Netherlands (210.1)	Denmark (237.0)
2	France (18.8)	United Kingdom (15.5)	Denmark (193.8)	Netherlands (217.9)
3	Germany (14.2)	Germany (12.2)	Belgium (176.4)	Belgium (194.0)
4	Spain (9.9)	Spain (11.6)	Sweden (160.9)	Sweden (187.3)
5	Netherlands (9.6)	Netherlands (8.0)	Latvia (149.2)	Finland (171.6)

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

According to annualised short-term statistics, the development over the period 1996-2006 of the turnover index in the EU-27's machinery and equipment wholesaling sector was in contrast with the uninterrupted upward path experienced by the index for wholesale trade as a whole. Indeed, after having decreased by 2.0 % in 1996, the index for machinery and equipment wholesaling grew by at least 3.7 % each year from 1997 to 2000, after which there were three years of contraction with sales falling on average by 1.9 % per annum. In the three following years, from 2004 to 2006, there was renewed turnover growth, as the index increased on average by 6.5 % per annum. The latest year on year growth rate recorded by the index of turnover was 8.1 % in 2006, therefore 1.7 percentage points below the growth rate recorded for wholesale trade as a whole.

Figure 17.12

Wholesale of machinery, equipment and supplies (NACE Group 51.8)
Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

COSTS, PRODUCTIVITY AND PROFITABILITY

The EU-27's machinery and equipment wholesaling sector had the lowest share of purchases of goods and services in total expenditure (88.2 %) across all the wholesale trade activities presented in Subchapters 17.1 to 17.6, while its share of expenditure dedicated to personnel costs was the highest (10.4 %), the remaining 1.4 % of the total concerning gross investment in tangible goods.

Apparent labour productivity in the EU-27's machinery and equipment wholesaling sector was EUR 56 300 per person employed in 2004, while average personnel costs were EUR 40 000 per employee and 92.9 % of persons employed in the sector were paid employees.

The resulting ratio of wage adjusted labour productivity for EU-27 machinery and equipment wholesaling (140.0 %) was the lowest of the wholesale trade NACE groups, standing below the ratio for the non-financial business economy average (148.0 %) as well. However, in half of the Member States the machinery and equipment wholesaling sector [18] recorded a wage adjusted labour productivity ratio above the national non-financial business economy average.

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

Among the eight NACE classes that make up the wholesaling of machinery and equipment sector, the wholesale of mining, construction and civil engineering machinery (NACE Class 51.82) had the highest ratio of wage adjusted labour productivity (156.1 %), while the wholesale of computers, computer peripheral equipment and software (NACE Class 51.84) recorded the lowest ratio (133.0 %). Profitability in the EU-27's machinery and equipment wholesaling sector, as measured here by the gross operating rate was 5.2 %, about half the rate for the non-financial business economy average (11.0 %). Among the eight NACE classes, gross operating rates were ranged from 3.4 % for computers, computer peripheral equipment and software to 8.8 % for machinery for the textile industry and of sewing and knitting machines.

17.6: OTHER WHOLESALE TRADE

The other wholesale trade sector covers specialised own-account wholesaling of products not covered in Subchapters 17.2 to 17.5, as well as non-specialised wholesaling, where enterprises resell a variety of products. These activities are covered by NACE Group 51.9.

STRUCTURAL PROFILE

Turnover in the EU-27's other wholesale trade (NACE Group 51.9) sector in 2004 was EUR 183.5 billion, therefore contributing 4.7 % of wholesale trade turnover. According to this measure, this was the second smallest wholesale trade NACE group. There were 669 800 persons employed in total in the 119 000 enterprises that make up the other wholesale trade sector in the EU-27 in 2004, equivalent to 7.0 % of the wholesale trade workforce. The other wholesale trade sector generated EUR 23.5 billion of value added and contributed 5.1 % of the wholesale trade total. The United Kingdom had the largest other wholesale trade sector among the Member States [19], accounting for more than a quarter (27.3 %) of the EU-27's value added, followed by Poland and Germany, both contributing less than one fifth of the sectoral total. In value added terms Poland was indeed the most specialised Member State in that the share of other wholesale trade (4.4 %) in the national non-financial business economy was 9.5 times as high as the corresponding average in the EU-27. Slovakia, Slovenia and Estonia were also relatively specialised, while Spain was the least specialised.

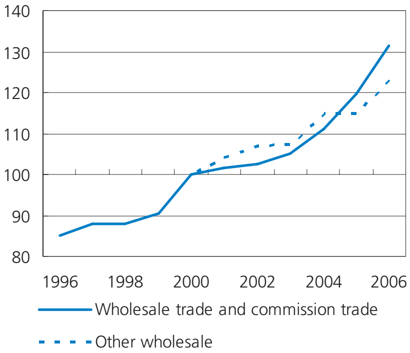
(19) Luxembourg, 2003; the Czech Republic and Malta, not available.

Annualised short-term statistics are available for the other wholesale trade turnover index from 2000 to 2006 and showed an uninterrupted upward trend. The index grew at a faster pace for these activities than for the wholesale trade average in the years 2001, 2002 and 2004. However, a period of relative stagnation of the turnover occurred in 2003 and 2005, while the latest figure available reflected a recovery for this sector, with growth of 7.1 % recorded in 2006 (compared with the previous year).

COSTS, PRODUCTIVITY AND PROFITABILITY

Unsurprisingly for a wholesale trade activity, a breakdown of total expenditure of the EU-27's other wholesale trade sector into the three main components shows that a high percentage (92.2 %) of the total is generated by the purchases of goods and services. Personnel costs constituted 6.4 % of that total and gross investment in tangible goods the remaining 1.4 %. Both apparent labour productivity (EUR 35 100 per person employed) and average personnel costs (EUR 19 400 per employee) were clearly the lowest among the wholesale trade subsectors, well below the non-financial business economy average. The latter more so. As a result, the EU-27's other wholesale trade sector had a wage adjusted labour productivity ratio of 180.5 %, 32.5 percentage points above the non-financial business economy ratio, and the second highest of the wholesale NACE groups. The ratio of the gross operating surplus to turnover was 6.7 % in the EU-27, also the second highest across the wholesale trade NACE groups.

Figure 17.13
Other wholesale (NACE Group 51.9)
Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

Table 17.15
Other wholesale (NACE Group 51.9)
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 (27.3)	Poland (34.7)	Poland (950.9)	Poland (578.8)
2	Poland (19.5)	United Kingdom (15.6)	Slovakia (459.4)	Estonia (439.7)
3	Germany (18.3)	Germany (10.8)	Slovenia (349.7)	Slovakia (400.6)
4	Netherlands (5.7)	Romania (4.2)	Estonia (327.0)	Slovenia (242.6)
5	Italy (4.7)	Netherlands (3.8)	Romania (294.6)	Hungary (157.3)

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

Table 17.16

Wholesale trade and commission trade (NACE Division 51)
Main indicators, 2004

	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
No. of enterprises (thousands)	1 682.2	43.0	23.1	61.6	16.1	93.5	7.9	7.2	75.6	201.8	183.3	406.8	2.3	6.5	6.6
Turnover (EUR million)	3 916 076	174 864	16 602	48 297	90 999	656 119	6 752	46 134	65 278	344 566	582 277	403 195	3 889	7 601	7 771
Production (EUR million)	1 087 729	49 606	2 376	11 158	31 748	139 850	1 465	10 106	18 590	81 090	157 045	202 515	939	1 698	1 785
Value added (EUR million)	462 707	16 217	744	4 950	11 445	78 514	672	5 683	11 824	44 125	62 382	48 573	623	986	827
Gross operating surplus (EUR million)	210 477	6 823	475	2 861	3 945	34 799	380	2 994	7 300	19 165	18 461	28 861	263	754	463
Purchases of goods & services (EUR million)	3 426 411	156 388	16 285	44 191	70 856	580 234	6 219	40 685	55 171	305 013	517 485	345 712	3 283	6 857	7 133
Personnel costs (EUR million)	252 229	9 394	268	2 089	7 500	43 787	292	2 689	4 524	24 960	43 922	19 712	361	231	365
Investment in tangible goods (EUR million)	47 995	2 106	453	688	1 306	4 242	152	607	2 038	6 948	5 305	6 444	87	241	194
Employment (thousands)	9 554	233	142	237	164	1 208	39	79	312	1 120	1 056	1 076	18	52	71
Apparent labour prod. (EUR thousand)	48.4	69.6	5.2	20.9	69.6	65.0	17.4	71.7	37.9	39.4	59.1	45.1	34.2	18.9	11.7
Average personnel costs (EUR thousand)	30.7	50.3	2.2	11.4	46.9	39.2	8.1	36.6	20.7	25.5	42.1	33.6	20.0	4.6	5.3
Wage adjusted labour productivity (%)	157.6	138.2	238.1	183.0	148.5	165.7	215.4	196.0	182.8	154.7	140.2	134.1	170.4	411.4	220.6
Gross operating rate (%)	5.4	3.9	2.9	5.9	4.3	5.3	5.6	6.5	11.2	5.6	3.2	7.2	6.8	9.9	6.0
Investment / employment (EUR thousand)	5.0	9.0	3.2	2.9	7.9	3.5	3.9	7.7	6.5	6.2	5.0	6.0	4.8	4.6	2.7

	LU (1)	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
No. of enterprises (thousands)	3.2	33.1	:	57.9	25.6	123.2	59.6	51.7	11.3	8.4	15.1	43.6	111.0	18.5
Turnover (EUR million)	10 827	35 597	:	280 314	94 009	111 303	63 478	27 187	8 902	12 363	50 825	97 397	666 024	65 151
Production (EUR million)	1 699	6 892	:	61 183	27 020	49 531	15 940	5 917	2 623	3 392	12 097	26 566	164 158	18 921
Value added (EUR million)	915	3 051	:	30 570	12 120	11 472	7 663	2 061	1 295	1 458	5 841	14 206	83 996	7 859
Gross operating surplus (EUR million)	395	1 481	:	13 483	4 784	7 719	3 216	1 275	627	872	2 343	4 608	41 991	2 768
Purchases of goods & services (EUR million)	9 931	32 536	:	250 189	79 042	101 711	56 467	25 831	7 709	11 006	46 393	84 318	562 616	55 276
Personnel costs (EUR million)	520	1 570	:	17 087	7 335	3 753	4 447	785	668	586	3 498	9 598	42 005	5 092
Investment in tangible goods (EUR million)	85	763	:	2 168	1 140	1 507	1 678	1 283	194	383	521	1 186	6 245	603
Employment (thousands)	14	169	:	469	193	679	274	311	42	79	82	220	1 201	105
Apparent labour prod. (EUR thousand)	65.9	18.1	:	65.2	62.9	16.9	28.0	6.6	30.7	18.6	71.0	64.4	69.9	75.0
Average personnel costs (EUR thousand)	40.8	9.9	:	39.9	42.1	7.2	17.6	2.6	17.9	7.6	43.9	49.0	37.5	50.8
Wage adjusted labour productivity (%)	161.5	183.6	:	163.5	149.5	233.8	159.2	251.6	171.5	242.7	161.6	131.5	186.6	147.5
Gross operating rate (%)	3.7	4.2	:	4.8	5.1	6.9	5.1	4.7	7.0	7.1	4.6	4.7	6.3	4.2
Investment / employment (EUR thousand)	6.1	4.5	:	4.6	5.9	2.2	6.1	4.1	4.6	4.9	6.3	5.4	5.2	5.7

(1) 2003.
Source: Eurostat (SBS)