

Retail trade and repair



In this chapter, a first distinction is made between non-specialised in-store retailers (Subchapter 18.1) and specialised in-store retailers; with the latter further split between food (Subchapter 18.2) and non-food retailers (Subchapter 18.3). In addition, a separate analysis is dedicated to the activity of second-hand goods retailing (Subchapter 18.4), as well as to retailing not in stores (Subchapter 18.5). The last subchapter covers the repair of personal and household goods (Subchapter 18.6).

While the structure of in-store retailing closely follows the NACE classification, the distinction between food and non-food retailing is of analytical interest, and for this reason Subchapter 18.2 contains a special analysis (see Box 18.2) focused on food retailing, contrasting specialised and non-specialised food retailers, while in Subchapter 18.3 there is a similar analysis (see Box 18.3) for non-food items.

Retail trade services are covered by the Directive of the European Parliament and of the Council of 12 December 2006 ⁽¹⁾ on services in the internal market, dealing with the right of establishment and the freedom to provide services in a genuine internal market, by removing legal and administrative barriers to the development of service activities between Member States, facilitating the provision and use of cross-border services in the EU.

⁽¹⁾ Directive 2006/123/EC.

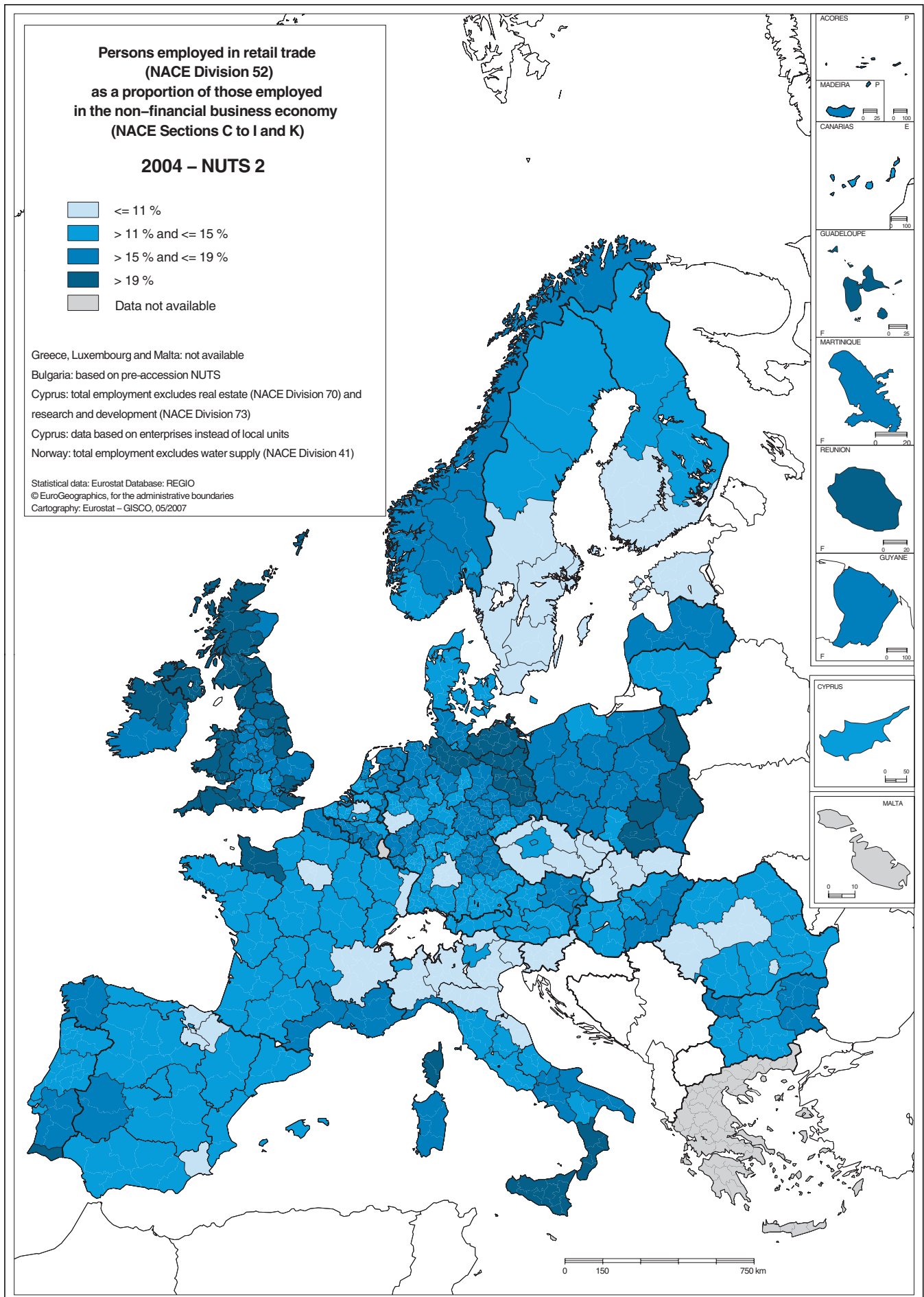
Retail trade provides an interface between producers and consumers. Typically, one or several distributors intervene before a product which leaves the factory gate reaches the final consumer, the last of which is a retailer. Retailers represent the largest proportion of enterprises within distributive trades (NACE Section G) activities, accounting for slightly over 60 % of all distribution enterprises in the EU-27 in 2004.

Since the development of the Internet, there has been an increasing use of commerce via the web. As such, there has been a gradual shift from traditional methods of purchasing from stores or markets to purchasing remotely. According to Eurostat's information society statistics, some 10 % of the turnover of distributive trades (including motor trades (NACE Division 50) and wholesale trades (NACE Division 51), as well as retail trade and repair) enterprises with ten or more persons employed was derived from e-commerce in 2006. According to the same source 20 % of the EU-27's population ordered or bought goods or services for private use through the Internet in 2006 (during the three months preceding the survey). Note that these figures refer to goods and services supplied to individuals by all sectors of the economy, not just enterprises that are specialised in retail sales.

Division 52 of NACE covers retail trade as well as the repair of personal and household goods (hereafter referred to as retail trade and repair); the retail trade of motor vehicles and motorcycles is covered by NACE Division 50 (see Chapter 16). The activity of retailing covers the resale without transformation of new and used goods to the general public for personal or household use and consumption; note that the renting and hiring of personal and household goods to the public is excluded.

NACE

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



In terms of technology, developments in Electronic Data Interchange (EDI) have provided retailers the possibility to ensure that information on orders, schedules and invoices need only to be entered once into their information systems and information can flow rapidly and accurately down the supply chain to all of the parties involved in the delivery of a product to market. A widespread implementation and use of EDI in retail trade might lead to a cut in some operating costs (as the number of intermediaries may be reduced) and an increase in quality.

Box 18.1: focus on retail trade turnover

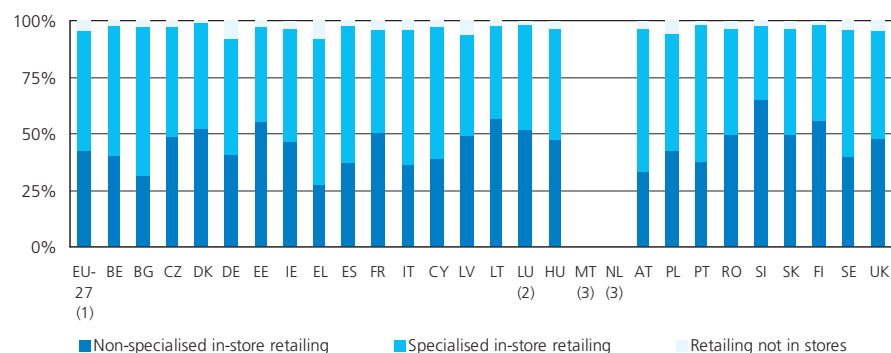
Figure 18.1 shows the breakdown of retail trade turnover (NACE Groups 52.1 to 52.6) between specialised (NACE Groups 52.2 to 52.5) and non-specialised in-store retailing (NACE group 52.1) as well as retailing not in-stores (NACE Group 52.6) for the year 2004 (2003 for EU-27).

Specialised in-store retailing was predominant in EU-27 retailing (2003), generating 53.0 % of retail trade turnover, some 10.7 percentage points more than the share of non-specialised in-store retailing. In 14 of the 25 Member States ⁽²⁾ with data available at least 50 % of their retail trade turnover was generated by specialised in-store retailers, while non-specialised in-store retailers generated 50 % or more of retail trade turnover in nine Member States. The highest share for specialised in-store retailers was 65.2 % in Bulgaria, while many other southern Member States, as well as Austria, also had a majority of their turnover accounted for by specialised in-store retailers. The highest proportion of turnover generated by non-specialised in-store retailers was recorded in Slovenia (65.1 %).

Retailing not in-stores represented 4.6 % of the EU-27's retail trade turnover. In Germany, this proportion reached 8.2 % (where mail order sales were particularly high) while the lowest share was 1.2 % in Denmark.

⁽²⁾ Luxembourg, 2003; Malta and the Netherlands, not available.

Figure 18.1
Retail trade (NACE Groups 52.1 to 52.6)
Breakdown of sectoral turnover, 2004 (%)



(1) 2003, including rounded estimates based on non-confidential data for NACE Group 52.1 and NACE Groups 52.3 and 52.4.

(2) 2002.

(3) Not available.

Source: Eurostat (SBS)

STRUCTURAL PROFILE

In 2004, value added generated by the 3.7 million enterprises that make up the retail trade and repair sector (NACE Division 52) in the EU-27 was EUR 384.4 billion, from a turnover of EUR 2.0 trillion. Some 17.0 million persons were employed in these activities in the EU-27. The retail trade and repair sector accounted for 7.5 % of the non-financial business economy (NACE Sections C to I and K) value added, while it accounted for a larger part in terms of turnover (10.7 %). Moreover, the sector engaged 13.6 % of the non-financial business economy workforce. Compared with the other two distributive trade sectors, namely motor trades (NACE Division 50, see Chapter 16) and wholesale trade (NACE Division 51, see Chapter 17), retail trade and repair was the second largest sector in terms of value added and employment, while it was the largest in terms of employment, underlining the low apparent labour productivity (value added per person employed) associated with these activities.

Based on an analysis at the level of the activities presented in Subchapters 18.1 to 18.6, specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4) and non-specialised in-store retailing (NACE Group 52.1) were the largest activities, using the measures of turnover, value added and employment: specialised in-store new goods retailing other than food alone generated about half of the output of the EU-27's retail trade and repair services sector (44.2 % of turnover and 52.0 % of value added) and employed half of the sectoral workforce.

With EUR 82.4 billion value added, the United Kingdom was the largest contributor to the EU-27's retail trade and repair sector in 2004, followed by Germany (EUR 71.1 billion). Moreover, the United Kingdom's retail trade and repair sector employed 3.2 million persons, therefore 600 000 persons above the level recorded in Germany. Italy and France had very similar levels of employment in retail trade and repair, respectively 1.8 million and 1.7 million persons employed. As a share of the non-financial business economy value added total, the retail trade and repair sector was the largest ⁽³⁾ in France (8.8 % of the national total), the United Kingdom and Portugal (both 8.5 %), Latvia and Spain (both 8.0 %), all above the EU-27 average (7.5 %). In terms of turnover, the retail trade and repair sector accounted for a significant part of the national non-financial business economy in two of the Baltic countries (12.8 % in Latvia and 12.2 % in Lithuania), in France (12.3 %) and the United Kingdom (12.1 %). The sector contributed also in relatively high proportions to the national non-financial business economy employment, particularly in the United Kingdom (17.7 %), Latvia (16.7 %), Poland (16.0 %) and the Netherlands (15.3 %). It should be noted that these high contributions of retail trade and repair employment to the non-financial business economy total are affected by the high importance of part-time employment in this sector (see below).

⁽³⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

Table 18.1

Retail trade and repair of personal and household goods (NACE Division 52)
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)
Retail trade and repair of personal and household goods	3 735.0	100.0	2 038 052	100.0	384 355	100.0	16 970.0	100.0
Non-specialised in-store retailing (1)	593.8	15.9	872 704	42.8	127 674	33.2	6 031.4	35.5
Specialised in-store food retailing	513.0	13.7	122 843	6.0	26 099	6.8	1 452.6	8.6
Specialised in-store new goods retailing other than food	1 921.2	51.4	900 000	44.2	200 000	52.0	8 164.8	48.1
Second-hand goods retailing in stores	63.2	1.7	7 317	0.4	2 009	0.5	113.3	0.7
Retailing not in stores	512.4	13.7	94 603	4.6	18 930	4.9	939.7	5.5
Repair of personal & household goods	131.4	3.5	11 703	0.6	4 957	1.3	268.1	1.6

(1) Turnover and value added, estimate based on the sum of data for the NACE Classes.

Source: Eurostat (SBS)

Table 18.2

Retail trade and repair of personal and household goods (NACE Division 52)
Structural profile: ranking of top five Member States, 2004

Rank	Value added (EUR million) (1)	Employment (thousands) (1)	Share of non-financial business economy			
			No. of enterprises (2)	Turnover (2)	Value added (2)	Employment (2)
1	United Kingdom (82 371)	United Kingdom (3 176.1)	Bulgaria (39.0 %)	Latvia (12.8 %)	France (8.8 %)	United Kingdom (17.7 %)
2	Germany (71 080)	Germany (2 590.1)	Romania (33.6 %)	France (12.3 %)	United Kingdom (8.5 %)	Latvia (16.7 %)
3	France (62 898)	Italy (1 780.2)	Poland (28.3 %)	Lithuania (12.2 %)	Portugal (8.5 %)	Poland (16.0 %)
4	Italy (40 308)	France (1 736.2)	Portugal (24.9 %)	United Kingdom (12.1 %)	Latvia (8.0 %)	Netherlands (15.3 %)
5	Spain (36 547)	Spain (1 697.7)	Lithuania (24.2 %)	Portugal (11.8 %)	Spain (8.0 %)	Bulgaria (14.2 %)

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

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

Source: Eurostat (SBS)

The average turnover per enterprise in the EU-27 varied greatly between the various parts of the sector in 2004, from a low of EUR 89 100 in repair of personal and household goods and EUR 115 700 in second-hand goods retailing in stores (NACE Group 52.5) to EUR 1 350 700 for non-specialised in-store retailing (2003). Bulgaria had the smallest average enterprise size (in turnover terms) in all but one of the retail trade activities, while according to the same measure Luxembourg recorded considerably larger enterprises in non-specialised in-store retailing than the average in the EU-27.

The specialisation in each region (in some cases the whole country is treated as one region) can be seen from the map on page 302 which shows the retail trade and repair employment as a share of the non-financial business economy. Even in the regions with the highest share of non-financial business economy employment concentrated in the retail trade and repair sector (around 22 % to 24 % in several regions of the United Kingdom), this share was only around 4 times higher than in the regions with the lowest share (around 5 % to 8 % in several regions in Slovakia), a much lower range than for most of the activities shown in the maps in the other chapters.

Figure 18.2

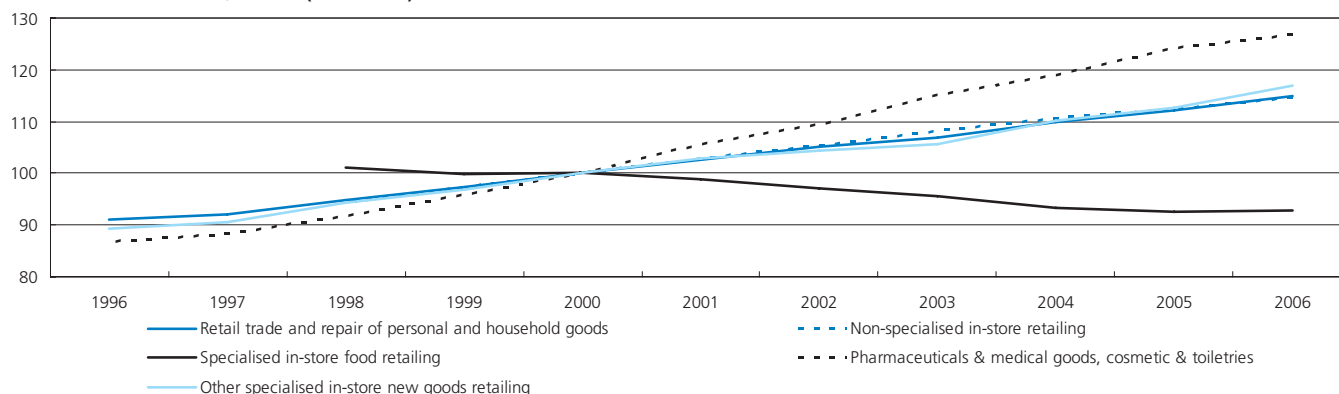
Retail trade and repair of personal and household goods (NACE Division 52)
Breakdown of sectoral value added and employment, EU-27, 2004 (%) (1)


(1) Rounded estimate based on non-confidential data.

(2) Value added, estimate based on the sum of data for the NACE classes.

Source: Eurostat (SBS)

Figure 18.3
Retail trade and repair of personal and household goods (NACE Division 52)
Volume of sales index, EU-27 (2000=100)



Source: Eurostat (STS)

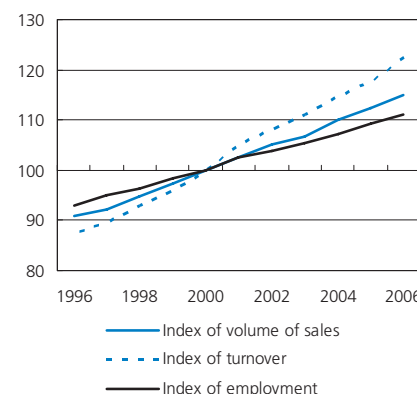
Annual short-term statistics on the volume of sales, turnover and employment for the retail trade and repair sector are available for the period 1996 to 2006. The index of the volume of retail sales is the retail trade turnover index deflated by appropriate price indices to remove the effect of price changes. The EU-27's volume of sales index for retail trade and repair rose every year between 1996 and 2006, with a modest rate of development in 1996 and 1997, after which the pace of growth was recorded at a faster rhythm, with year on year growth rates ranged between 1.7 % and 3.0 %. In 2006, sales went up by 2.4 % compared to the previous year. At a more detailed level, among the seven NACE groups that make up the retail trade and repair sector, the EU-27's volume of sales index is available for the NACE Groups 52.1 to 52.4. All of these four groups had positive developments for their sales between 2005 and 2006, with growth rates between 2.0 % and 4.0 % for three of the four activities (NACE groups), with the most rapid gains recorded for other retail sale of new goods in specialised stores (NACE Group 52.4). However, the index remained virtually unchanged (0.3 % growth) in specialised in-store food retailing (NACE Group 52.2). Over a longer period, from 2001 to 2006, sales went up on average by 2.2 % per annum for non-specialised in-store retailing, by 2.6 % per annum for other retail sale of new goods in specialised stores, by 3.7 % per annum for the retail sale of pharmaceutical and medical goods, cosmetic and toilet articles, and these rates contrasted with a contraction of sales for specialised in-store food retailing (an average of -1.2 % per annum), which might be explained by consumers opting to shop through other retail formats, for example, non-specialised stores or markets.

The index of employment followed a similar path to that for the volume of sales, with EU-27 growth rates for retail trade and repair between 1.3 % and 2.5 % each year during the period 1997 to 2006, while a slight contraction was recorded in 2006. A peak in the growth of the annualised employment index was reached in the middle of the period considered, as annual growth was 2.5 % in 2001.

A size class analysis for the EU-27's retail trade and repair sector for 2004 shows that small and medium-sized enterprises (SMEs) (with less than 250 persons employed) generated 57.3 % of retail trade and repair value added, the remaining part of sectoral value added being generated by large enterprises (with 250 or more persons employed). This share recorded by SMEs was smaller than the average for distributive trades (12.6 percentage point lower), while it was very similar to the average for non-financial business economy. However, the contribution of micro enterprises (with less than 10 persons employed) to retail trade and repair value added (32.8 %) was well above the distributive trades and the non-financial business economy averages. As a result, the contribution of small enterprises (with 10 to 49 persons employed) and medium-sized enterprises (with 50 to 249 persons employed) to retail trade and repair value added was particularly low; in the case of medium-sized enterprises it was less than half the average for the non-financial business economy. In 10 of the 13 Member States⁽⁴⁾ for which data is available, the share of SMEs in retail trade and repair value added was higher than the equivalent share for the non-financial business economy.

⁽⁴⁾ Bulgaria and Germany, 2003; Belgium, Denmark, Estonia, Ireland, Greece, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Austria, Portugal, Slovenia and Finland, not available.

Figure 18.4
Retail trade and repair of personal and household goods (NACE Division 52)
Evolution of main indicators, EU-27 (2000=100)



Source: Eurostat (STS)

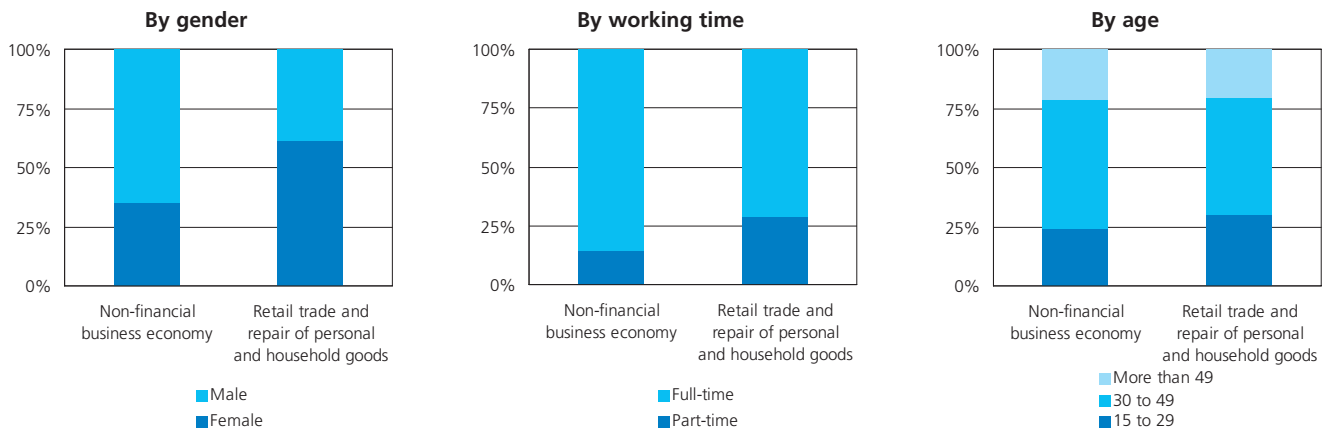
Figure 18.5
Retail trade and repair of personal and household goods (NACE Division 52)
Share of value added by enterprise size class, EU-27, 2004



Source: Eurostat (SBS)

Figure 18.6

Retail trade and repair of personal and household goods (NACE Division 52) Labour force characteristics, EU-27, 2006



Source: Eurostat (LFS)

EMPLOYMENT CHARACTERISTICS

According to results from the Labour Force Survey, the EU-27's retail trade and repair workforce had a relatively high proportion of women (61.7 %) employed in the sector in 2006, compared with the other two distributive trade sectors (women did not represent more than one third of the workforce for motor trades and wholesale trade). The female workforce in the retail trade and repair sector was also considerably more important than for the non-financial business economy (35.0 %) as a whole. Indeed, the retail trade and repair workforce had the second highest proportion of women in its workforce among all of the NACE divisions that make up the non-financial business economy, just after clothing activities (NACE Division 18, see Subchapter 3.2). The female share of retail trade and repair employment was systematically higher than the average recorded for the non-financial business economy in each of the Member States ⁽⁵⁾, at least 1.5 times as high in Cyprus, Bulgaria, Slovenia, Romania and Portugal and over two times as high in Poland and Luxembourg.

⁽⁵⁾ Luxembourg, 2005.

There was also a high incidence of part-time work (29.0 % of the workforce) in the EU-27's retail trade and repair sector in 2006, when compared with the other two distributive trades sectors where this share stood around 10 %, and also when compared with the non-financial business economy average (14.4 %). The proportion of part-time employment in retail trade and repair activities was the highest among all of the NACE divisions ⁽⁶⁾ that constitute the non-financial business economy. In relative terms, high part-time employment in this sector was particularly evident in the Nordic Member States, the United Kingdom and Slovakia, where the part-time employment rate was 2.1 times or more the national non-financial business economy average.

There was a relatively high number of young persons employed in the EU-27's retail trade and repair workforce in 2006, as 30.4 % of those employed were aged between 15 and 29, compared with the 24.2 % average for the non-financial business economy. Again this share was higher than the corresponding proportions recorded for the other two distributive trades sectors, while the difference with the motor trades sector share was less evident than for the wholesale trade sector. The retail trade and repair sector reported the second highest share of younger workers among all the NACE divisions of the non-financial business economy ⁽⁷⁾, just below the share recorded for hotels and restaurants.

⁽⁶⁾ NACE Division 12, not available.

⁽⁷⁾ NACE Divisions 12, 13 and 13 not available.

With a share of paid employees in persons employed at 78.5 % in 2004 according to structural business statistics, the retail trade and repair sector posted the second highest proportion of self-employed and unpaid family workers of all the non-financial business economy NACE divisions, just after real estate activities (NACE Division 70).

COSTS, PRODUCTIVITY AND PROFITABILITY

Typically for a distributive trade activity, the level of gross investment in tangible goods relative to total expenditure was low in the retail trade and repair sector, at just 2.8 % in the EU-27, in 2004. This was about half the average recorded for the non-financial business economy, although higher than the equivalent ratios for motor trades or wholesale trade. This low share of gross investment reflects the high level of operating expenditure associated with distributive trades activities, boosted by high expenditure on goods purchased for resale in the same condition. An analysis of operating expenditure confirms that purchases of goods and services accounted for 85.1 % of total expenditure in the EU-27's retail trade and repair sector (somewhat below the corresponding ratios for motor trades or wholesale trade). The share of personnel costs within total expenditure in the retail trade and repair sector was 12.1 %, therefore 4.3 percentage points below the non-financial business economy ratio, while well above the equivalent figures for the other two distributive trade sectors. However, note that an analysis of personnel costs only reflects the cost of paid employees, and that the proportion of paid employees in the total number of persons employed within the retail trade and repair sector was relatively low in 2004, both compared with the other two distributive trade sectors and the non-financial business economy average.

Table 18.3

Retail trade and repair of personal and household goods (NACE Division 52)
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
Retail trade and repair of personal and household goods	1 938 548	1 650 471	233 896	54 181	85.1	12.1	2.8
Non-specialised in-store retailing (1)	:	:	90 000	26 464	:	:	:
Specialised in-store food retailing (1)	111 163	96 525	12 078	2 560	86.8	10.9	2.3
Specialised in-store new goods retailing other than food (1)	843 000	700 000	120 000	23 000	83.0	14.2	2.7
Second-hand goods retailing in stores	6 423	5 335	910	179	83.1	14.2	2.8
Retailing not in stores	87 894	76 459	9 722	1 713	87.0	11.1	1.9
Repair of personal & household goods (1)	9 483	6 700	2 471	312	70.7	26.1	3.3

(1) Rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Table 18.4

Retail trade and repair of personal and household goods (NACE Division 52)
Productivity and profitability, EU-27, 2004

	Apparent labour productivity (EUR thousand)	Average personnel costs (EUR thousand)	Wage adjusted labour productivity (%)	Gross operating rate (%)
Retail trade and repair of personal and household goods	22.6	17.6	129.0	7.4
Non-specialised in-store retailing (1)	21.2	16.0	130.0	4.5
Specialised in-store food retailing	18.0	13.7	131.5	11.4
Specialised in-store new goods retailing other than food (1)	24.0	20.0	132.0	9.1
Second-hand goods retailing in stores	17.7	15.5	114.4	15.0
Retailing not in stores	20.1	21.0	96.1	9.7
Repair of personal & household goods	18.5	17.4	106.2	21.2

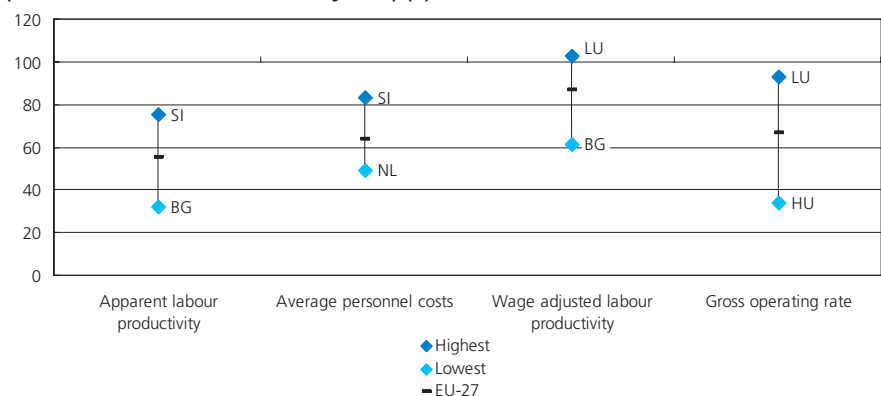
(1) Rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Apparent labour productivity in the retail trade and repair sector was EUR 22 600 in 2004 and average personnel costs were EUR 17 600 per employee in the same year. However, care should be taken when comparing these ratios based on simple head counts across Member States or activities because of the high incidence of part-time employment in the retail trade and repair sector. The resulting wage adjusted labour productivity ratio, which takes into account the share of employees in persons employed, was 129.0 % for the EU-27's retail trade and repair sector in 2004. For comparison, the ratio was above 150 % in the other two distributive trades sectors and was 148.0 % in the non-financial business economy as a whole. In the same year and among the Member States with available data ⁽⁸⁾, only France and Luxembourg (2003) recorded a wage adjusted labour productivity ratio for their retail trade and repair sector above that for their non-financial business economy. Profitability for the EU-27's retail trade and

repair sector, here measured by the gross operating rate, was 7.4 %, above the other two distributive trades sectors. Nevertheless this was below the average rate for the non-financial business economy (11.0 %), influenced as for all distributive activities by the high levels of turnover.

Figure 18.7

Retail trade and repair of personal and household goods (NACE Division 52)
Productivity and profitability characteristics relative to national averages, 2004
(non-financial business economy=100) (1)


⁽⁸⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

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

18.1: NON-SPECIALISED IN-STORE RETAILING

This subchapter covers retail sales in non-specialised stores, either with food, beverages and tobacco predominating (NACE Class 52.11) or with non-food products predominating (NACE Class 52.12). The latter NACE class principally includes department stores that stock a general line of merchandise. Together, these activities are referred to as non-specialised in-store retailing within this subchapter.

Non-specialised retailers offer consumers the opportunity to buy a broader range of products at a sole point of purchase (for example, supermarkets, hypermarkets or convenience stores). Large, non-specialised food retailers, in particular, may have greater price flexibility, as they are able to accept lower margins on certain products, as well as exerting greater purchasing power on their suppliers; furthermore, they may have their own integrated wholesale activities. While the number of pan-European brands has increased significantly and consumers can find some of them in a wide range of Member States, it is important to bear in mind that food retailers also work with local suppliers, often reflecting local supply as well as social and cultural characteristics, all of which influence the choice of food and beverages that are available within a particular region.

STRUCTURAL PROFILE

The EU-27's non-specialised in-store retailing sector (NACE Group 52.1) consisted of 594 000 enterprises in 2004 which generated EUR 872.7 billion of turnover and EUR 127.7 billion of value added while employing 6.0 million persons. As such, the EU-27's non-specialised in-store retailing sector accounted for 42.8 % of the turnover and 33.2 % of the value added created by retail trade and repair (NACE Division 52) in 2004. Some 35.5 % of the retail trade and repair workforce was concentrated in this sector.

Turning to the two NACE classes that make up the sector, the wealth generated within non-specialised in-store retailing mainly came from retailers with food, beverages or tobacco predominating (NACE Class 52.11), with EUR 772.7 billion turnover and EUR 105.7 billion value added recorded in 2004. This subsector was dominant in all of the Member States for which data are available ⁽⁹⁾, frequently generating more than four fifths of sectoral turnover, and only in Slovakia was its share as low as around half, see Figure 18.8.

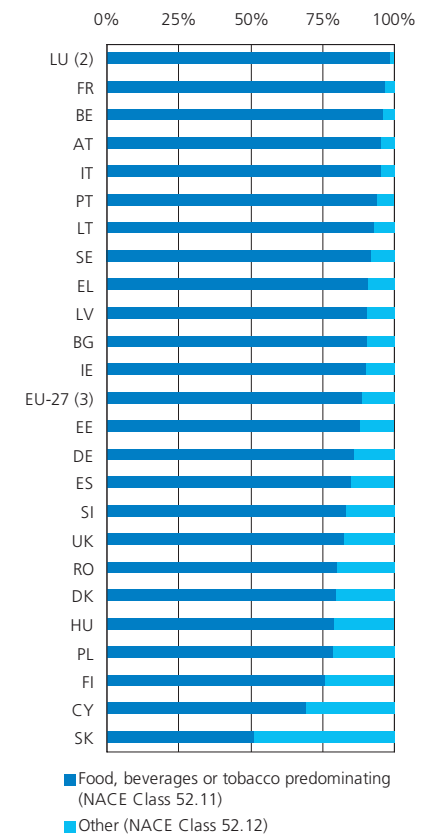
With EUR 30.4 billion of value added and 1.4 million persons employed in 2004, the United Kingdom was by far the largest contributor to EU-27 value added and employment in this sector. In 2004 the contribution of non-specialised in-store retailing to non-financial business economy value added among the Member States ⁽¹⁰⁾ reached 4.1 % in Slovenia, followed by Lithuania (3.9 %), Latvia (3.6 %) and France and the United Kingdom (both 3.2 %). According to the same measure the non-specialised in-store retailing sector was least developed in Bulgaria where it contributed just 1.4 % of non-financial business economy value added.

⁽⁹⁾ Luxembourg, 2003; the Czech Republic, Malta and the Netherlands, not available.

⁽¹⁰⁾ Luxembourg, 2003; Ireland, Greece, Cyprus, Malta and the Netherlands, not available.

Figure 18.8

Non-specialised in-store retailing (NACE Group 52.1) Breakdown of turnover, 2004 (%) (1)



(1) Netherlands, incomplete data; Czech Republic and Malta, not available.

(2) 2003.

(3) Rounded estimates based on non-confidential data for NACE Class 52.12.

Source: Eurostat (SBS)

Table 18.5

Retail sale in non-specialized stores (NACE Group 52.1) Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Non-specialised in-store retailing (1)	593.8	872 704	127 674	6 031.4
Retail sale in non-specialised stores with food beverages or tobacco predominating	479.4	772 704	105 674	5 030.9
Other retail sale in non-specialised stores (2)	114.4	100 000	22 000	1 000.5

(1) Turnover and value added, estimate based on the sum of data for the NACE Classes.

(2) Rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Table 18.6

Retail sale in non-specialized stores (NACE Group 52.1)**Structural profile: ranking of top five Member States, 2004**

Rank	Share of EU-27 value added (%) (1)	Share of EU-27 employment (%) (2)	Value added specialisation ratio (EU-27=100) (3)	Employment specialisation ratio (EU-27=100) (4)
1	United Kingdom (24.3)	United Kingdom (22.9)	Slovenia (163.4)	United Kingdom (158.9)
2	Germany (19.0)	Germany (14.3)	Lithuania (157.6)	Lithuania (156.3)
3	France (18.7)	France (10.6)	Latvia (142.1)	Latvia (151.5)
4	Spain (9.0)	Poland (8.0)	United Kingdom (125.9)	Poland (133.5)
5	Italy (8.7)	Italy (7.3)	France (125.8)	Romania (128.2)

(1) All Member States, 2003, except for Greece, Malta and Netherlands, not available.

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

(3) All Member States, 2003, except for Ireland, Greece, Cyprus, Lithuania, Malta, Netherlands and Sweden, not available.

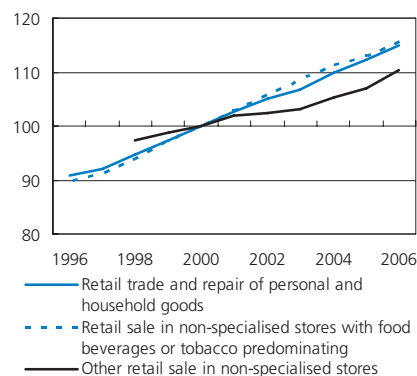
(4) Ireland, Greece, Cyprus and Malta, not available; Luxembourg, 2003.

Source: Eurostat (SBS)

Short-term statistics show that over the period 1998 to 2006 there was consecutive year on year growth in the volume of sales index for EU-27 non-specialised in-store retailing. This growth was recorded at a faster rhythm than for retail trade and repair average in 1999, as well as in the years 2001 to 2003. However, the contrary was observed in the years 2000 and 2004 to 2006.

One indicator of enterprise size is the average turnover generated per enterprise (note the use of the number of enterprises not the number of outlets for which data availability is weak). In 2004, average turnover per enterprise in the EU-27's non-specialised in-store retailing sector was close to EUR 1.5 million. The largest average enterprise size (in turnover terms) was recorded in Luxembourg (2003), at just under EUR 10 million, nearly double the next highest value recorded in France. Relatively high turnover per enterprise was also recorded in some of the north-western Member States, notably in the United Kingdom, Denmark and Germany.

Figure 18.9
Retail sale in non-specialized stores (NACE Group 52.1)
Volume of sales index, EU-27 (2000=100)



Source: Eurostat (STS)

COSTS, PRODUCTIVITY AND PROFITABILITY

A breakdown of total expenditure into its three components, namely: purchases of goods and services, personnel costs, and gross tangible investment is available in 2004 for retail sales in non-specialised stores for the EU-25. This breakdown shows that operating expenditures (personnel costs and purchases of goods and services) accounted for 96.8 % of the EU-27's total expenditure, a share that was only slightly below the retail trade and repair share. The 3.2 % share of gross tangible investment was around 15 % higher than the retail trade and repair average.

The apparent labour productivity ratio of the EU-27's non-specialised in-store retailing sector in 2004 was EUR 21 200 per person employed, while average personnel costs were EUR 16 000 per employee, resulting in a wage adjusted ratio of 130 % for the sector. These figures were rather similar to those recorded for retail trade and repair as a whole. In contrast the EU-27's non-specialised in-store retailing sector recorded a 90.5 % share of paid employees in persons employed, significantly higher (12 percentage points above) than the retail trade and repair average.

The wage adjusted labour productivity ratio for non-specialised in-store retailing in 2004 ranged among the Member States ⁽¹¹⁾ from slightly below 100 % in Italy and Bulgaria to just over 180 % in Luxembourg (in 2003). The gross operating rate was 4.5 % in the EU-27's non-specialised in-store retailing sector in 2004, well below the 7.4 % average for retail trade and repair. The gross operating rates in 2004 ⁽¹²⁾ were lowest in Hungary, Slovakia and Italy (2.0 % or below), while the highest level by far was observed in Greece (11.5 %).

⁽¹¹⁾ Luxembourg, 2003; Malta and the Netherlands, not available.

⁽¹²⁾ Luxembourg, 2003; Malta and the Netherlands, not available.

18.2: SPECIALISED IN-STORE FOOD RETAILING

The activities covered by this subchapter are retail sale in specialised stores of food, beverages or tobacco (NACE Group 52.2).

Food retailing specialists are generally small retail outlets that do not belong to national or international chains, for example, fruit and vegetable shops, bakers, butchers and fishmongers. Contrary to many non-food items, food is a typically inelastic good, which means that when prices rise, consumers generally do not cut back as much on the total quantity purchased, although price changes may influence the choice of brand or retailer chosen by individual customers.

STRUCTURAL PROFILE

The EU-27's specialised in-store food retailing sector (NACE Group 52.2) consisted of 513 000 enterprises in 2004 which generated EUR 122.8 billion of turnover, EUR 26.1 billion of value added while employing 1.5 million people. Therefore, specialised in-store food retailing contributed 6.8 % of retail trade and repair (NACE Division 52) value added and 8.6 % of the workforce, while its contribution to retail trade and repair turnover was 6.0 %.

The specialised in-store food retailing sector was particularly important in Spain which had the highest turnover and employment among the Member States in 2004 ⁽¹³⁾. However, Italy generated the largest value added within the EU-27 (19.9 %). Unsurprisingly, Spain was the most specialised of the Member States ⁽¹⁴⁾ in this sector as regards its contribution to non-financial business economy in terms of value added and employment, immediately followed by Italy. Indeed, in both Spain and Italy the

⁽¹³⁾ Luxembourg, 2003; Malta, not available.

⁽¹⁴⁾ Luxembourg, 2003; Ireland, Greece, Cyprus, Luxembourg and Malta, not available.

proportion of value added generated by these activities in the national non-financial business economy was 1.8 times that for the EU-27 average. In terms of employment specialisation, the proportion of persons employed in these activities in Spain within the national non-financial business economy workforce was again 1.8 times that for the EU-27, while this ratio was 1.3 in Italy.

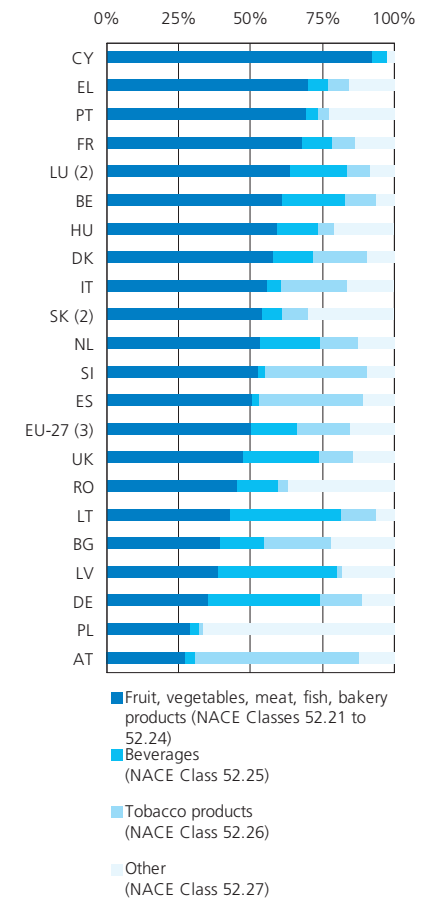
Box 18.2: food, beverage and tobacco retailing

Note that in-store food, beverages and tobacco retailing is split between Subchapters 18.1 and 18.2, distinguishing specialised (NACE Group 52.2) from non-specialised (NACE Class 52.11) retailers. Among the Member States ⁽¹⁵⁾, the Baltic States had the lowest proportion of in-store food, beverages and tobacco retailing turnover from specialised retailers (under 5 % of the total), while the share was also very low in Slovenia (5.6 %). At the other end of the spectrum, specialised retailers generated relatively high shares of turnover in some of the southern Member States – particularly in Greece, Spain and Cyprus – they also accounted for more than one fifth of the turnover generated by the in-store retailing of food, beverages and tobacco in Poland and Austria.

⁽¹⁵⁾ Luxembourg, 2003; the Czech Republic and Malta, not available.

Half of the turnover generated in the EU-27's specialised in-store food retailing sector in 2004 was generated by enterprises with the main activity selling fruit, vegetables, meat, fish and bakery products – see Figure 18.10. The sale of tobacco products generated 18.7 % of total turnover, while beverages and other in-store food products both accounted for slightly more than 15 %. Among the Member States with available data for the same year, the activities of specialised in-store retailing of tobacco

Figure 18.10.
Specialised in-store food retailing
(NACE Group 52.2)
Breakdown of turnover, 2004 (%) (1)



(1) Estonia, Ireland, Finland and Sweden, incomplete data; Czech Republic and Malta, not available.

(2) 2003.

(3) Rounded estimates based on non-confidential data for NACE Classes 52.21 to 52.24.

Source: Eurostat (SBS)

products was particularly important in Austria, where the contribution to its specialised in-store food retailing sector turnover was slightly more than 4 times the EU-27 average.

Table 18.7

Retail sale of food, beverages, tobacco in specialized stores (NACE Group 52.2) Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Specialised in-store food retailing	513.0	122 843	26 099	1 452.6
Retail sale of fruit and vegetables (1)	74.4	12 000	2 370	167.0
Meat and meat products (1)	131.2	31 000	6 800	384.0
Fish, crustaceans and molluscs (1)	36.5	5 960	1 220	77.8
Bread, cakes, flour confectionery & sugar confectionery (1)	67.1	12 300	4 030	257.0
Alcoholic and other beverages (1)	38.0	19 525	2 841	144.2
Tobacco products (1)	66.2	22 865	5 251	151.8
Other specialised in-store food retailing	99.9	18 812	3 551	270.7

(1) Rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Table 18.8

Retail sale of food, beverages, tobacco in specialized stores (NACE Group 52.2)**Structural profile: ranking of top five Member States, 2004**

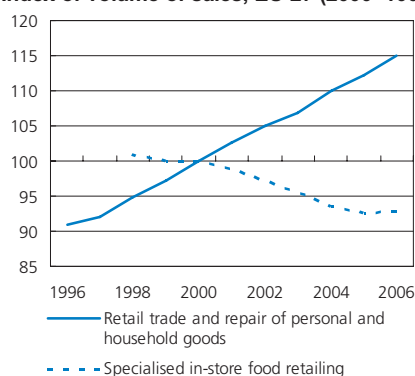
Rank	Share of EU-27 value added (%) (1)	Share of EU-27 employment (%) (1)	Value added specialisation ratio (EU-27=100) (2)	Employment specialisation ratio (EU-27=100) (2)
1	Italy (19.9)	Spain (18.3)	Spain (182.0)	Spain (178.1)
2	Spain (16.4)	United Kingdom (15.1)	Italy (179.0)	Italy (126.9)
3	United Kingdom (15.8)	Italy (14.9)	Belgium (107.4)	Portugal (126.7)
4	Germany (12.9)	Germany (11.3)	Portugal (104.4)	Poland (121.0)
5	France (12.6)	France (7.3)	Austria (100.2)	Belgium (118.0)

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

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

Source: Eurostat (SBS)

Figure 18.11

Retail sale of food, beverages, tobacco in specialized stores (NACE Group 52.2)**Index of volume of sales, EU-27 (2000=100)**

Source: Eurostat (STS)

Annualised short-term statistics show a general downward trend for the volume of sales index for the EU-27's specialised in-store food retailing sector over the period 1998 to 2006. Indeed, the index contracted nearly every year, with the exception of the years 2000 and 2006. The average decline in the volume of sales index during the period observed was 1.0 % per annum, with the sharpest reduction in 2004 when the index dropped by 2.3 %.

COSTS, PRODUCTIVITY AND PROFITABILITY

The breakdown of total expenditure shows that 86.8 % of the total was allocated to the purchase of goods and services in the EU-27's specialised in-store food retailing, while another 10.9 % was used for personnel costs and the remaining was accounted for by gross investment in tangible goods (2.3 %). The subsector of the retail sale of bread, cakes, flour confectionery and sugar confectionery (NACE Class 52.24) recorded that slightly less than one quarter (74.7 %) of the total expenditure was used for the purchases of goods and services, the lowest proportion recorded within the seven NACE classes that make up the sector. The counterpart of this low figure was a high proportion of expenditure going to personnel costs (21.9 %), the highest across these NACE classes. In contrast purchases of goods and services were predominant in the retail sale of tobacco products, accounting for more than nine tenths (93.1 %) of total expenditure.

The share of employees in persons employed was 60.9 %, substantially below the retail trade and repair average (78.5 %), and lower than the share recorded in both of the other NACE groups concerning specialised in-store retailing of new goods (52.3 and 52.4 - see Subchapter 18.3). EU-27 apparent labour productivity for the specialised in-store food retailing sector was EUR 18 000 per person employed in 2004, while average personnel costs were EUR 13 700 per employee. Both values were below the retail trade and repair (NACE Division 52) average. Nevertheless the resulting wage adjusted labour productivity ratio for this sector

was 131.5 % in 2004, slightly above the retail trade and repair average (129.0 %). Among the NACE classes that compose the sector, particularly high wage adjusted labour productivity ratio (230.0 %) was recorded by retail sale of tobacco products. Among the Member States ⁽¹⁶⁾, wage adjusted labour productivity in 2004 in specialised in-store food retailing was below national non-financial business economy in all of the Member States except Italy, while in Sweden and Slovenia this ratio was below 100 %, indicating that apparent labour productivity was lower than average personnel costs.

The gross operating rate shows that the ratio of gross operating surplus to turnover for the EU-27's specialised in-store food retailing sector was equivalent to 11.4 % in 2004, higher than the retail trade and repair average (7.4 %), as well as the average of the total non-financial business economy (11.0 %). Again, retail sale of tobacco products recorded the highest ratio (18.6 %) among the NACE classes that make up the sector. However, in 19 of the 23 Member States for which this ratio was available ⁽¹⁷⁾ for specialised in-store food retailing, the gross operating rate stood below the national non-financial business economy average. Indeed, only Belgium, France, Italy and Luxembourg (2003) had a higher than average operating rate.

⁽¹⁶⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

⁽¹⁷⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

Table 18.9

Retail sale of food, beverages, tobacco in specialized stores (NACE Group 52.2)
Productivity and profitability, EU-27, 2004

	Apparent labour productivity (EUR thousand)	Average personnel costs (EUR thousand)	Wage adjusted labour productivity (%)	Gross operating rate (%)
Specialised in-store food retailing (1)	18.0	13.7	131.5	11.4
Retail sale of fruit and vegetables (1)	14.2	12.5	113.0	11.0
Meat and meat products (1)	17.8	15.8	113.0	10.0
Fish, crustaceans and molluscs (1)	15.6	13.4	117.0	11.2
Bread, cakes, flour confectionery & sugar confectionery (1)	15.7	13.3	118.0	12.9
Alcoholic and other beverages	19.7	15.2	129.8	6.0
Tobacco products	34.6	14.9	230.0	18.6
Other specialised in-store food retailing	13.1	9.9	132.1	10.0

(1) Rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

18.3: SPECIALISED IN-STORE NEW GOODS RETAILING OTHER THAN FOOD

The activities covered by this subchapter are retail sale in specialised stores, other than food, beverages and tobacco. Two NACE groups are covered: dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles (NACE Group 52.3); and other specialised in-store retailing of new goods (NACE Group 52.4), for example, shops selling clothes, shoes, furniture, books or electrical items.

This subchapter deals with the retailing of consumer non-durable, semi-durable and durable goods, contrary to the previous subchapter that only covered food items that are by definition non-durables. Among the retailing of non-durable goods are pharmaceuticals, cosmetics and toilet articles, while semi-durable goods include items such as clothing and footwear. Electrical household appliances and radio and television equipment are examples of durable goods.

Compared with food retailing, other new goods retailing is more strongly influenced by the general economic cycle. Most non-food items are bought less frequently or at a certain period of the year, although there are examples (such as newspapers) of non-durable non-food products that are purchased on a frequent basis. For the retail sale of clothes and footwear, promotional sales or changes in seasons determine cycles, while the purchase of some other goods (for example, games and toys) may be concentrated around special events (like Christmas).

Table 18.10

Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)
Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Specialised in-store new goods retailing other than food (1)	1 921.2	900 000	200 000	8 164.8
Pharmaceuticals & medical goods, cosmetic & toiletries	200.0	183 450	40 111	1 196.4
Dispensing chemists	130.0	140 000	30 000	800.0
Medical and orthopaedic goods	19.7	11 153	3 336	105.0
Cosmetic and toilet articles	52.4	33 000	7 000	310.0
Other specialised in-store new goods retailing (2)	1 721.2	704 287	164 780	6 968.4
Textiles	91.2	12 308	3 049	208.4
Clothing	350.4	156 274	39 011	1 660.5
Footwear and leather goods	84.5	32 818	7 958	394.2
Furniture, lighting equipment and household articles n.e.c.	175.7	99 475	21 640	807.8
Electrical household appliances and radio and television	104.0	83 848	13 587	515.8
Hardware paints and glass	136.1	102 395	20 820	742.3
Books, newspapers and stationery	134.0	41 414	8 717	430.7
Other retail sale in specialized stores	645.2	:	50 000	2 208.7

(1) Rounded estimates based on non-confidential data.

(2) Turnover, 2003; value added, estimate based on the sum of data for the NACE Classes.

Source: Eurostat (SBS)

STRUCTURAL PROFILE

In 2004, the EU-27's sector of specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4) consisted of 1.9 million enterprises which generated around EUR 900 billion of turnover, which represented more than two fifths of retail trade and repair (NACE Division 52) turnover. In 2004 around EUR 200 billion of value added was recorded by these activities, 52 % of the retail trade and repair total and 8.2 million persons employed, which equated to 48 % of the retail trade and repair total.

Among the two NACE groups that make up specialised in-store new goods retailing other than food, other specialised in-store retailing of new goods (NACE Group 52.4) was by far the largest activity in terms of turnover, value added and employment, contributing at least four-fifths of the sectoral total for each of these indicators.

Turning to the Member States, specialised in-store new goods retailing other than food were largest in the United Kingdom in terms of value added and employment, followed by Germany. The contribution of both of these Member States was about one fifth of the EU-27 value added total, while they contributed slightly less to total employment – see Table 18.11. In terms of this sector's contribution to non-financial business economy value added, Portugal and France were the most specialised Member States ⁽¹⁸⁾, while the Baltic Member States were among the least specialised, along with Slovenia and Slovakia.

⁽¹⁸⁾ Luxembourg, 2003; Ireland, Greece, Cyprus, Malta and the Netherlands, not available.

Box 18.3: in-store retailing of new goods other than food, beverages and tobacco

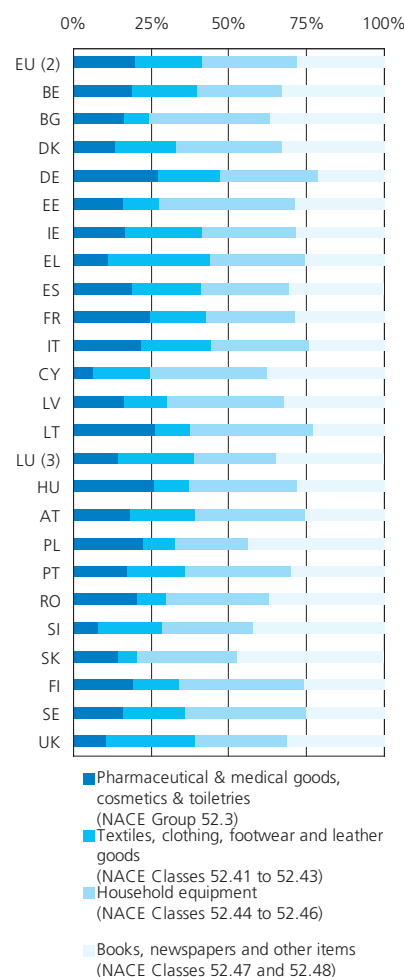
In-store retailing of new goods other than food, beverages and tobacco has been split across Subchapters 18.1 and 18.3, distinguishing specialised (NACE Groups 52.3 and 52.4) from non-specialised (NACE Class 52.12) retailers. Data for 2004 ⁽¹⁹⁾ shows that in Luxembourg (1.4 %, 2003), Austria (2.7 %), Belgium and Italy (3.1 % for both countries) non-specialised retailers generated the lowest proportion of turnover from the in-store retailing of new goods other than food, beverages and tobacco; they were followed by France (3.7 %), Portugal (4.0 %) and Greece (4.6 %). In the other Member States, the proportion of turnover generated by non-specialised retailers was at least 5.0 %, with the highest shares being recorded in Slovenia (27.1 %) and Slovakia (35.9 %).

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

Figure 18.12 provides a breakdown of in-store retailing turnover among four main groupings of non-food activities. The specialised in-store retailing of household equipment (NACE Classes 52.44 to 52.46) generated 30.5 % of the sector's turnover in the EU ⁽²⁰⁾ in 2004, slightly more than the share (27.9 %) accounted for by specialised in-store retailing of books, newspapers and other items (NACE Classes 52.47 and 52.48). The specialised in-store retailing of textiles, clothing, footwear and leather goods (NACE Classes 52.41 to 52.43) generated a little more than one fifth (21.8 %) of sectoral turnover, while dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles (NACE Group 52.3) had a share just under one fifth (19.8 %).

⁽²⁰⁾ EU average; Luxembourg, 2002; excluding the Czech Republic, Malta and the Netherlands.

Figure 18.12
Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)
Breakdown of turnover, 2004 (%) (1)



(1) Czech Republic and Netherlands, incomplete data; Malta, not available.
(2) EU average; Luxembourg, 2002; excluding Czech Republic, Malta and Netherlands.
(3) 2003.
Source: Eurostat (SBS)

Table 18.11
Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)
Structural profile: ranking of top five Member States, 2004

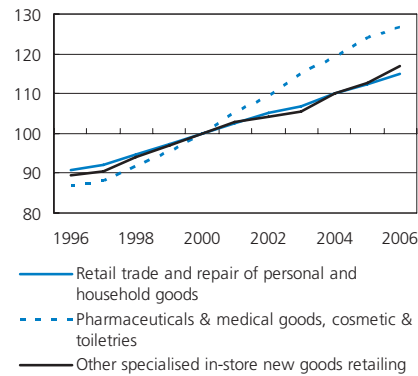
Rank	Share of EU-27 value added (%) (1)	Share of EU-27 employment (%) (2)	Value added specialisation ratio (EU-27=100) (3)	Employment specialisation ratio (EU-27=100) (4)
1	United Kingdom (20.9)	United Kingdom (17.3)	Portugal (127.6)	Austria (125.1)
2	Germany (19.7)	Germany (17.0)	France (117.6)	Netherlands (121.4)
3	France (16.6)	Italy (11.4)	Austria (112.7)	United Kingdom (120.2)
4	Italy (10.9)	Spain (10.8)	United Kingdom (110.4)	Portugal (119.3)
5	Spain (9.6)	France (10.5)	Spain (106.2)	Spain (104.9)

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

Specialised in-store retailing of household equipment accounted for the highest share of sectoral turnover in Estonia (43.3 %). In contrast, the subsector of specialised in-store retailing of books, newspapers and other items recorded its highest share of sectoral turnover in Slovakia (47.3 %). Specialised in-store retailing of textiles, clothing, footwear and leather goods accounted for its largest proportion of sectoral turnover in Greece (32.7 %), followed by the United Kingdom (28.8 %). The subsector of dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles contributed between 6.2 % of sectoral turnover in Cyprus to over 25 % of the total in Hungary, Lithuania and Germany.

Annualised short-term statistics show the evolution of the volume of sales index in the two NACE groups covered by the EU-27's sector of specialised in-store new goods retailing other than food. In both activities there was uninterrupted growth over the period 1996-2006. Dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles recorded average growth for their volume of sales index of 3.9 % per annum over the period observed, while sales grew at a somewhat slower pace for other specialised in-store retailing of new goods, with average growth of 2.7 % per annum. However, both activities reported faster growth than the retail trade and repair average which was 2.4 % per annum over the same period.

Figure 18.13
Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)
Index of volume of sales, EU-27 (2000=100)



Source: Eurostat (STS)

COSTS, PRODUCTIVITY AND PROFITABILITY

A breakdown of total expenditure in 2004 shows that in the EU-27's sector of specialised in-store new goods retailing other than food some 83.0 % of the total was dedicated to purchases of goods and services, the proportion of personnel costs was 14.2 %, and the remaining 2.7 % was for investment in tangible goods – see Table 18.12. These shares were similar to that recorded for the retail trade and repair as a whole, with the most notable difference being the share of personnel costs which was 2.2 percentage points higher.

Paid employees accounted for 77.3 % of all persons employed in this sector in 2004, close to the retail trade and repair average, although this rate was notably higher in the dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles subsector, at 83.0 %. With apparent labour productivity of EUR 24 000 per person employed in 2004, personnel costs of EUR 20 000 per employee, the wage adjusted labour productivity ratio in the EU-27's sector of specialised in-store new goods retailing other than food averaged 132.0 %. Across all the Member States for which data is available ⁽²¹⁾, the wage adjusted labour productivity ratio for national specialised in-store new goods retailing other than food was systematically lower than the non-financial business economy. Nevertheless this ratio reached 157.1 % for the EU-27's dispensing chemists and retailers of medical, orthopaedic, cosmetic and toilet articles subsector, the highest level of this ratio for any of the retail trade and repair NACE groups, and the only one above the non-financial business economy average (148.0 %).

The sector of specialised in-store new goods retailing other than food recorded a gross operating rate of 9.1 %, which was somewhat higher than for retail trade and repair as a whole (7.4 %), although still lower than the non-financial business economy average of 11.0 %. However, there was some difference between the levels of profitability as measured by this rate in the two subsectors as in the dispensing chemists and retailers of medical, orthopaedic, cosmetic and toilet articles subsector the rate reached 10.3 %.

⁽²¹⁾ Luxembourg, 2003; Ireland, Greece, Cyprus, Malta and the Netherlands, not available.

Table 18.12
Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)
Total expenditure, EU-27, 2004 (1)

	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
Specialised in-store new goods retailing other than food	843 000	700 000	120 000	23 000	83.0	14.2	2.7
Pharmaceuticals & medical goods, cosmetic & toiletries	166 929	142 872	21 207	2 850	85.6	12.7	1.7
Other specialised in-store new goods retailing	718 108	600 000	98 000	20 108	83.6	13.6	2.8

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

18.4: SECOND-HAND GOODS RETAILING IN STORES

The retail sale of second hand products (NACE Group 52.5) includes for example, shops selling antiques, or second-hand books or clothes. Note that the retail sale of second-hand motor vehicles is not covered by this subchapter (see Chapter 16). The retailing of second-hand goods deals by definition with the sale of semi-durable and durable items only.

Turnover was EUR 7.3 billion in the EU-27's sector of second-hand goods retailing in stores (NACE Group 52.5), from which EUR 2.0 billion of added value were generated, the smallest values among the retail trade and repair subchapters. For each of these measures the relative weight of second-hand goods retailing in the retail trade and repair (NACE Division 52) total was 0.5 % or below. Across the 63 000 enterprises with second-hand goods retailing as their main activity there were 113 300 persons employed in the EU-27, therefore equating to 0.7 % of the retail trade and repair workforce.

The United Kingdom alone accounted for 34.9 % of the EU-27's turnover and 47 % of value added in second-hand goods retailing in stores, the largest contributor ahead of France (respectively 27.1 % and 19.7 %). However, the United Kingdom employed only around one fifth of the EU-27's workforce and France 13.0 %. Unsurprisingly, the United Kingdom was the most specialised Member State ⁽²²⁾ in terms of the contribution of this sector to non-financial business economy value added.

⁽²²⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

The wage adjusted labour productivity ratio was 114.4 % in the EU-27's second-hand goods retailing in stores sector in 2004, compared with a retail trade and repair average of 129.0 % and a non-financial business economy average of 148.0 %. Among the Member States ⁽²³⁾, almost all the countries had a lower ratio for their second-hand goods retailing in stores sector than for their non-financial business economy average. The gross operating rate in this sector reached 15.0 % in 2004, double the retail trade and repair average, and this was the highest level of this rate in the EU-27 among the retail trade NACE groups.

⁽²³⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

Table 18.13

Retail sale of second-hand goods in stores (NACE Group 52.5) 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 (47.1)	United Kingdom (18.7)	United Kingdom (248.9)	Lithuania (393.4)
2	France (19.7)	Poland (15.5)	Lithuania (236.7)	Latvia (333.5)
3	Germany (10.6)	France (13.0)	Latvia (199.7)	Hungary (261.5)
4	Netherlands (5.6)	Germany (10.3)	Hungary (150.5)	Poland (258.7)
5	Italy (2.5)	Netherlands (6.7)	France (140.0)	Bulgaria (201.0)

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

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

Source: Eurostat (SBS)

18.5: RETAIL SALES NOT IN STORES

These activities cover retail sales via stalls, markets, and door to door sales, as well as remote sales made via mail order, mobile sales or through vending machines. Enterprises specialising in retail sales via the Internet and via home shopping channels are also included. All of these activities are classified within NACE Group 52.6 and are collectively referred to as the retail trade not in stores sector.

Note that the retailers covered by this subchapter are those which generate the largest part of their output outside of stores. As such, this subchapter does not include retail enterprises that also use remote-selling, but not as their principal activity.

Table 18.14

Retail sale not in stores (NACE Group 52.6) Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Retailing not in stores	512.4	94 603	18 930	939.7
Retail sale via mail order houses (1)	17.9	50 506	8 781	214.3
Retail sale via stalls and markets (1)	357.0	18 600	4 150	450.0
Other non-store retail sale (1)	137.0	25 000	6 000	280.0

(1) Rounded estimates based on non-confidential data.

Source: Eurostat (LFS)

STRUCTURAL PROFILE

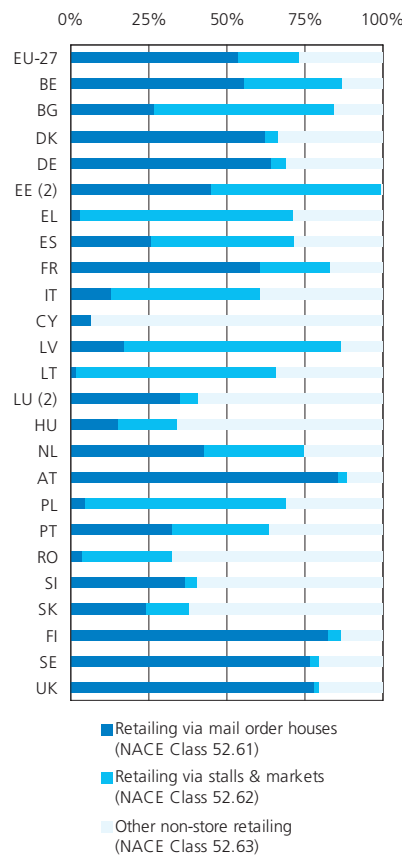
Retail sales not in-stores (NACE Group 52.6) was the main activity of 512 000 enterprises which generated EUR 94.6 billion of turnover in the EU-27 in 2004, which represented 4.6 % of the total turnover for retail trade (NACE Division 52). EU-27 value added was EUR 18.9 billion, or 4.9 % of the retail trade and repair total and there were 939 700 persons employed in this sector in 2004, equivalent to 5.5 % of the retail trade and repair workforce.

Among the Member States ⁽²⁴⁾, Germany contributed more than one quarter of the EU-27's turnover and value added, and the United Kingdom also had a relatively high share for these two indicators, close to one fifth. However, the largest proportion of the retail sales not in-stores workforce was found within Italy (16.3 % of the EU-27 total) and Poland (15.2 %) in 2004.

Across the three NACE classes that make up retail sales not in stores, retail sales via mail order houses (NACE Class 52.61) was the largest activity in terms of turnover and value added in 2004 with around half the sectoral total, while its share of the sector's workforce was just over one fifth. In contrast retail sales via stalls and markets (NACE Class 52.62) had the smallest share of sectoral turnover and value added but its workforce of 450 000 persons employed represented just under half the retail sales not in-stores total. The activity of retail sales via mail order houses was relatively most important in turnover terms in several of the larger Member States (France, Germany and the United Kingdom), the Nordic Member States, and most of all in Austria.

⁽²⁴⁾ Luxembourg, 2003; Malta, not available.

Figure 18.14
Retailing not in stores (NACE Group 52.6)
Breakdown of turnover, 2004 (%) (1)



(1) Czech Republic, Ireland and Malta, not available.

(2) 2003.

Source: Eurostat (SBS)

COSTS, PRODUCTIVITY AND PROFITABILITY

The retail sales not in stores sector recorded a share of paid employees in persons employed that was particularly low, just 49.4 %, the lowest of all retail trade and repair NACE groups. The wage adjusted labour productivity ratio was 96.1 % in the EU-27's retail sales not in stores in 2004, reflecting a level of apparent labour productivity (EUR 20 100 per person employed) that was just insufficient to cover the average personnel costs (EUR 21 000): retail sales not in stores was the only retail trade and repair NACE group where the wage adjusted labour productivity ratio for the EU-27 was below parity (100 %) in 2004. However, the wage adjusted labour productivity was above 100 % in a large majority of Member States for which data is available. The gross operating rate was 9.7 % in the EU-27's retail sales not in store, below the non-financial business economy average of 11.0 %.

Table 18.15

Retail sale not in stores (NACE Group 52.6)

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 (27.1)	Italy (16.3)	Latvia (164.0)	Latvia (314.7)
2	United Kingdom (20.9)	Poland (15.2)	Germany (129.2)	Poland (253.7)
3	France (14.7)	Germany (14.8)	Poland (121.4)	Bulgaria (151.7)
4	Italy (12.2)	United Kingdom (11.2)	United Kingdom (110.5)	Italy (138.9)
5	Spain (6.3)	France (9.8)	Italy (109.3)	Hungary (135.1)

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

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

Source: Eurostat (SBS)

18.6: REPAIR OF PERSONAL AND HOUSEHOLD GOODS

The repair of personal and household goods is quite different from the other activities covered in this chapter as it does not involve the buying and reselling of goods, but covers the provision of repair services. This activity (NACE Group 52.7) covers specialist repairers only, and excludes enterprises that carry out repair as a secondary activity in combination with other activities.

STRUCTURAL PROFILE

The EU-27's repair of personal and household goods sector (NACE Group 52.7) consisted of 131 000 enterprises in 2004 which employed 268 100 persons and generated EUR 5.0 billion of value added, equivalent to 1.6 % and 1.3 % respectively of retail trade and repair (NACE Division 52).

An analysis at the NACE class level shows that the repair of electrical household goods (NACE Class 52.72) was the largest of the three classes.

The United Kingdom, Germany and France were the largest contributors to the EU-27's total value added in repair of personal and household goods. However, Hungary stood out from the rest of the Member States ⁽²⁵⁾ as being the most specialised in these activities, in terms of its contribution to non-financial business economy value added.

⁽²⁵⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

COSTS, PRODUCTIVITY AND PROFITABILITY

The wage adjusted labour productivity ratio for the EU-27's repair of personal and household goods sector was 106.2 % in 2004. Among the Member States ⁽²⁶⁾ for which data are available, the wage adjusted labour productivity for these activities was below that for the non-financial business economy average in all but one country, with the United Kingdom recording a ratio of 214.2 %. The gross operating rate in this sector was 21.2 % in the EU-27 in 2004, the highest of all of the retail trade and repair NACE groups.

⁽²⁶⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

Table 18.16
Repair of personal and household goods (NACE Group 52.7)
Structural profile, EU-27, 2004

	No. of enterprises (thousands)	Turnover (EUR million)	Value added (EUR million)	Employment (thousands)
Repair of personal & household goods	131.4	11 703	4 957	268.1
Repair of boots, shoes and other articles of leather (1)	22.4	1 100	540	38.0
Repair of electrical household goods	53.7	5 592	2 177	122.2
Repair of watches clocks and jewellery (1)	9.3	500	210	15.0
Repair n.e.c. (1)	46.0	4 469	2 035	93.4

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

Table 18.17
Repair of personal and household goods (NACE Group 52.7)
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 (23.2)	United Kingdom (14.1)	Hungary (136.5)	Hungary (228.1)
2	Germany (15.8)	Italy (14.0)	Sweden (123.3)	Latvia (135.5)
3	France (14.3)	Spain (11.0)	United Kingdom (122.7)	Poland (133.1)
4	Italy (11.9)	Germany (10.9)	Denmark (113.4)	Bulgaria (127.2)
5	Spain (9.1)	France (10.1)	Italy (106.8)	Italy (119.2)

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

Table 18.18

Retail trade and repair of personal and household goods (NACE Division 52)

Main indicators, 2004

	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
No. of enterprises (thousands)	3 735.0	72.8	93.7	134.0	24.2	274.2	4.1	17.8	196.3	531.1	427.4	703.6	14.0	13.1	12.9
Turnover (EUR million)	2 038 052	60 536	3 617	21 442	32 182	348 146	2 637	23 052	42 112	183 464	358 325	244 035	3 633	3 062	3 954
Production (EUR million)	724 513	18 671	827	5 419	10 082	125 144	622	7 847	13 014	54 763	115 466	107 107	981	792	960
Value added (EUR million)	384 355	9 504	383	2 926	5 923	71 080	313	5 251	9 161	36 547	62 898	40 308	640	428	515
Gross operating surplus (EUR million)	150 460	4 150	178	1 376	1 715	23 400	106	2 294	6 021	16 246	20 041	20 442	245	191	185
Purchases of goods & services (EUR million)	1 650 471	51 086	3 436	18 710	26 731	266 271	2 383	17 962	36 420	150 375	294 384	208 302	3 055	2 732	3 542
Personnel costs (EUR million)	233 896	5 355	205	1 550	4 208	47 707	207	2 957	3 140	20 301	42 857	19 866	395	237	331
Investment in tangible goods (EUR million)	54 181	1 915	188	599	590	4 165	76	1 146	944	5 891	8 129	6 509	92	134	123
Employment (thousands)	16 970	292	251	377	203	2 590	42	162	479	1 698	1 736	1 780	29	99	113
Apparent labour prod. (EUR thousand)	22.6	32.5	1.5	7.8	29.2	27.4	7.5	32.3	19.1	21.5	36.2	22.6	21.9	4.3	4.6
Average personnel costs (EUR thousand)	17.6	25.2	1.3	6.4	22.7	21.0	5.1	20.5	15.0	17.3	27.2	23.4	17.0	2.5	3.2
Wage adjusted labour productivity (%)	129.0	129.3	117.2	121.9	129.0	130.9	147.5	157.9	127.4	124.3	133.0	97.0	128.9	174.2	143.4
Gross operating rate (%)	7.4	6.9	4.9	6.4	5.3	6.7	4.0	10.0	14.3	8.9	5.6	8.4	6.7	6.2	4.7
Investment / employment (EUR thousand)	3.2	6.6	0.7	1.6	2.9	1.6	1.8	7.1	2.0	3.5	4.7	3.7	3.2	1.4	1.1
	LU (1)	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO	
No. of enterprises (thousands)	2.9	108.4	:	78.9	41.6	412.5	145.2	126.3	7.2	4.5	22.1	57.5	200.8	29.8	
Turnover (EUR million)	4 353	18 639	:	77 978	43 582	49 733	33 937	10 672	5 380	5 040	27 201	48 720	382 562	32 561	
Production (EUR million)	1 307	4 436	:	26 850	15 164	34 113	9 589	2 712	1 584	1 305	8 313	15 440	142 019	10 752	
Value added (EUR million)	823	1 992	:	16 376	8 726	6 665	5 491	1 094	866	579	4 717	8 767	82 371	6 120	
Gross operating surplus (EUR million)	353	563	:	6 277	2 308	4 019	2 068	494	269	219	1 659	1 909	33 762	1 812	
Purchases of goods & services (EUR million)	3 548	16 644	:	61 693	35 281	41 508	29 349	10 110	4 514	4 529	22 770	40 478	294 621	26 742	
Personnel costs (EUR million)	471	1 429	:	10 099	6 418	2 646	3 423	600	597	360	3 058	6 858	48 609	4 307	
Investment in tangible goods (EUR million)	47	658	:	1 899	928	1 220	1 163	734	279	385	611	1 048	14 662	747	
Employment (thousands)	20	341	:	707	320	1 197	392	440	48	71	131	265	3 176	188	
Apparent labour prod. (EUR thousand)	41.4	5.8	:	23.2	27.3	5.6	14.0	2.5	18.0	8.2	35.9	33.1	25.9	32.5	
Average personnel costs (EUR thousand)	26.4	5.3	:	16.5	22.9	3.8	10.8	1.5	13.6	5.2	25.1	29.9	16.4	24.4	
Wage adjusted labour productivity (%)	156.6	109.3	:	140.3	119.2	145.4	129.8	170.5	132.0	158.1	143.1	110.4	158.3	132.8	
Gross operating rate (%)	8.1	3.0	:	8.0	5.3	8.1	6.1	4.6	5.0	4.3	6.1	3.9	8.8	5.6	
Investment / employment (EUR thousand)	2.3	1.9	:	2.7	2.9	1.0	3.0	1.7	5.8	5.4	4.6	3.9	4.6	4.0	

(1) 2003.

Source: Eurostat (SBS)