

Hotels and restaurants



One of the main characteristics of tourism is the high income elasticity of demand, which increases or reduces more easily than for many other products or services. As such, tourism suppliers benefit from rising income with spending on tourism increasing proportionally faster than consumers' income. Moreover, political or economic uncertainties tend to lead to a diversion of tourism demand, leading for example to shifts between outbound tourism and domestic tourism.

On 17 March 2006, the European Commission adopted a communication ⁽¹⁾ titled 'a renewed European Union tourism policy: towards a stronger partnership for European tourism', focusing on the competitiveness of tourism suppliers and the creation of jobs through its growth, an approach that was approved by the Council in its conclusions on the 25th of September. In terms of legislation, a Commission working document ⁽²⁾ on package travel, package holidays and package tours sets out the main regulatory problems in the area of package travel. At the time of drafting for this publication, the Commission is collecting stakeholders' views on issues related to the Council Directive 90/314/EEC ⁽³⁾ on package travel, package holidays and package tours which is the main legislative framework, designed to protect consumers who contract

package travel in the EU. The directive regulates the liability of package organisers and retailers, who must accept responsibility for the performance of the services offered. The aim of reviewing this directive is to adapt those three tourism products to recent developments with an impact on tourism products, such as the development of the Internet, the entry of low cost air carriers, the growth within the cruise industry and the increasing trend of consumers putting together their own holiday components from different organisers, instead of opting for packages pre-arranged by an organiser or a retailer.

According to the World Tourism Organisation (WTO), Europe remains the world's most important tourist destination and tourism-generating region. Indeed, according to figures from the same source, more than half (54.8 %) of the worldwide international tourist arrivals in 2005 (estimated at 806 million) were recorded in Europe ⁽⁴⁾ (441.5 million international arrivals). Most of these were recorded within EU-27 Member States, as France, Spain, Italy, the United Kingdom, Germany and Austria all figured in the top 10 list of international tourist arrivals, altogether accounting for almost 30 % of the worldwide total - Table 19.1.

⁽⁴⁾ Figures for Europe include Northern, Western, Central/Eastern and Southern Europe.

This chapter covers activities that make up a significant part of the tourism supply (although partly serving also local clients), namely hotels and other provision of short-stay accommodation, restaurants, bars, canteens and catering (NACE Section H or Division 55).

NACE

- 55: hotels and restaurants;
- 55.1: hotels;
- 55.2: camping sites and other provision of short-stay accommodation;
- 55.3: restaurants;
- 55.4: bars;
- 55.5: canteens and catering.

Table 19.1

Top tourism destinations in the EU-27, 2005

Member States [world rank]	International tourist arrivals (millions)	World market share (%)
FR [1]	76.0	9.4
ES [2]	55.6	6.9
IT [5]	36.5	4.5
UK [6]	30.0	3.7
DE [8]	21.5	2.7
AT [10]	20.0	2.5

Source: World Tourism Organization (WTO) ©

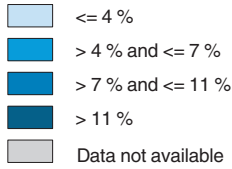
⁽¹⁾ COM(2006) 134.

⁽²⁾ For more information, see: http://ec.europa.eu/consumers/cons_int/safe_shop/pack_trav/comm_wd_20072007_en.pdf.

⁽³⁾ Council Directive 90/314/EEC of 13 June 1990.

**Persons employed in hotels and restaurants
(NACE Section H)
as a proportion of those employed
in the non-financial business economy
(NACE Sections C to I and K)**

2004 – NUTS 2



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

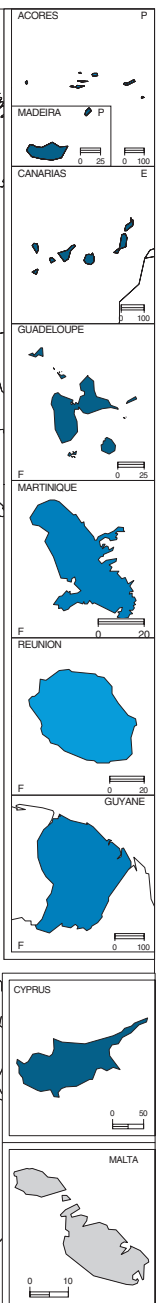
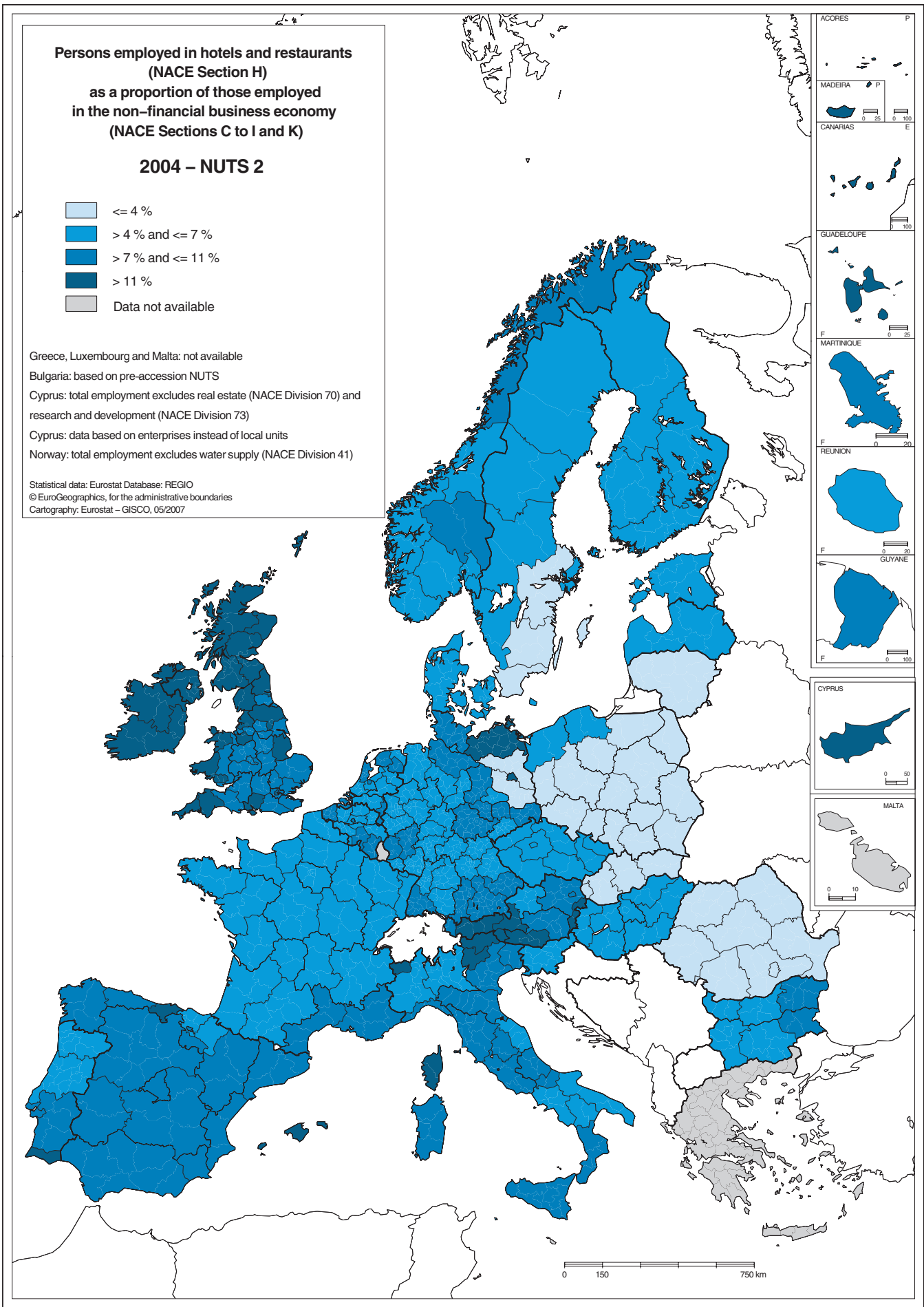
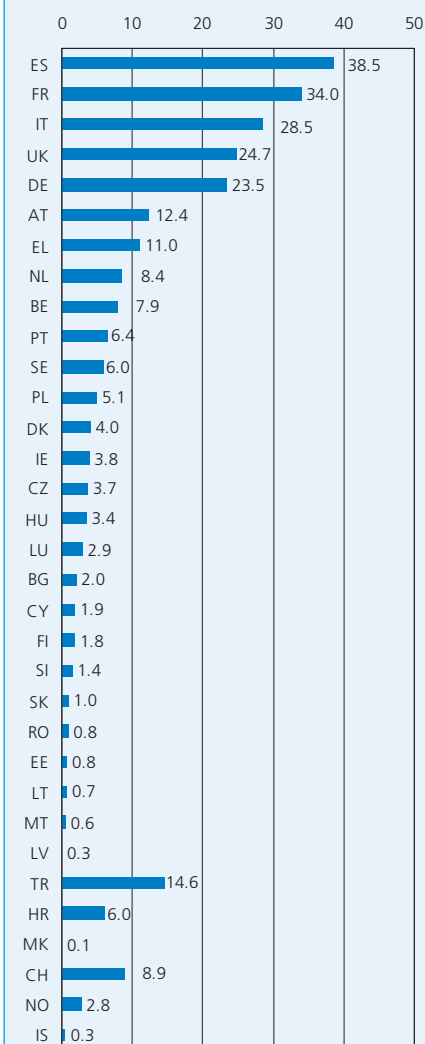


Figure 19.1
International tourist receipts, 2005
(EUR billion)



Source: World Tourism Organization (WTO) ©

In terms of receipts generated by tourism suppliers among the EU-27 Member States in 2005, the five largest economies occupied the top positions - see Figure 19.1. At the other end of the spectrum, the Baltic countries, Malta and Romania accounted for the lowest levels of receipts in absolute terms. However, relatively to the population of the country, Luxembourg recorded the largest per head receipt in tourism in 2005, followed by Cyprus and Malta. At the other end of the spectrum, Romania, Latvia, Poland and Slovakia stood out from the rest of the Member States as having the lowest per head tourism receipt.

STRUCTURAL PROFILE

The hotels and restaurants sector (NACE Section H) recorded value added of EUR 163.5 billion in the EU-27 in 2004, which represented 3.2 % of the total for the non-financial business economy (NACE Sections C to I and K). However, the contribution of this sector to total employment was about twice its share in total value added, as the 1.6 million enterprises in the hotels and restaurants sector employed 8.7 million people, which is equal to 6.9 % of the EU-27's non-financial business economy workforce. This latter share ranked the sector as the fifth largest employer among all the NACE divisions of the non-financial business economy. Among the two subsectors that make up the hotels and restaurants sector, the activities of restaurants, bars and catering (NACE Groups 55.3 to 55.5) contributed about two thirds (65.4 %) of the EU-27's sectoral value added in 2004, while providing around three quarters (75.4 %) of the sectoral workforce. Accommodation services (NACE Groups 55.1 and 55.2) made up the rest of the sector.

With EUR 40.2 billion of value added in 2004, the United Kingdom was by far the largest Member State in the hotels and restaurants sector, its value added 1.6 times the equivalent figure registered in France, the second largest contributor to the EU-27's sectoral value added. Moreover, across the Member States, the United Kingdom had also the largest workforce in hotels and restaurants, with 1.9 million persons employed in these activities, followed by Germany where some 1.2 million persons were employed - see Table 19.3. In terms of the value added contribution to national non-financial business economy, Spain was the most specialised in hotels and restaurants activities among the countries with data available in 2004 with a 4.9 % contribution. However, data availability for Cyprus is incomplete, but shows that hotels and restaurants contributed 13.8 % of the non-financial business economy value added in Cyprus excluding NACE Divisions 70 and 73, far ahead of the equivalent Spanish figure. Furthermore, data related to specialisation is not at all available for Greece or Malta, while these countries recorded high levels of international tourist receipts according to the WTO when considered on a per head basis. Indeed, per head tourist receipts were about EUR 1 547 per inhabitant in Malta and EUR 996 in Greece in 2005. These two figures were relatively high compared with similar ratios for the five largest EU economies that had the highest levels of tourism receipts in absolute values: Spain (EUR 894 per inhabitant), France (EUR 544), Italy (EUR 487), the United Kingdom (EUR 410) and Germany (EUR 285).

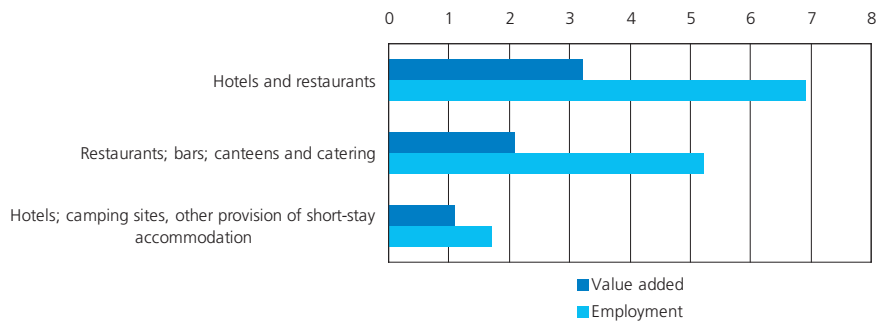
Table 19.2
Hotels and restaurants (NACE Section H)
Structural profile, EU-27, 2004

	No. of enterprises		Turnover		Value added		Employment	
	(thousands)	(% of total)	(EUR million)	(% of total)	(EUR million)	(% of total)	(thousands)	(% of total)
Hotels and restaurants	1 604.7	100.0	386 110	100.0	163 455	100.0	8 651.6	100.0
Hotels; camping sites, other provision of short-stay accommodation	248.4	15.5	116 239	30.1	56 627	34.6	2 127.8	24.6
Restaurants; bars; canteens and catering	1 356.3	84.5	269 872	69.9	106 829	65.4	6 523.8	75.4

Source: Eurostat (SBS)

Figure 19.2

Hotels and restaurants (NACE Section H) Share of non-financial business economy, EU-27, 2004 (%) (1)



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

Among all the Member States with available data ⁽⁵⁾, the contribution of hotels and restaurants activities to non-financial business economy value added was lower than the equivalent contribution in terms of employment, reflecting the labour intensive nature of these activities although employment figures are boosted by the high degree of part-time employment in this sector (see below).

The map on page 320 shows the contribution of the hotels and restaurants sector to employment within the non-financial business economy (NACE Sections C to I and K) of each region. The importance of this activity in several southern Member States is clear, and the highest proportions of non-financial business economy employment in the hotels and restaurants sector were recorded in the Illes Balears (27.7 %, Spain), the Algarve (23.3 %, Portugal) and the Provincia Autonoma Bolzano-Bozen (21.3 %, Italy). Nevertheless, this sector also provided an important contribution to non-financial business employment in several regions in the United Kingdom and Austria, in both Irish regions, as well as in Cyprus; note, in particular, that data is not available for the Greek regions and for Malta.

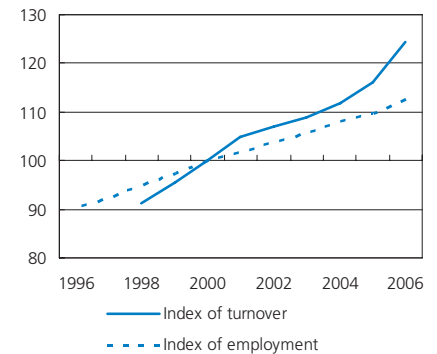
⁽⁵⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

Annual short-term statistics are available for the period 1998 to 2006 for the EU-27's turnover index for hotels and restaurants (NACE Section H), while a 10-years series (1996 to 2006) is available for the index of employment - see Figure 19.3. Both of these indices posted uninterrupted upward trends over the periods observed. The index of turnover grew on average by 3.9 % per annum between 1998 and 2006. The years 1999, 2000 and 2001 were characterised by a faster pace of annual growth, compared with more modest increases registered during the following years. However, the rate of growth accelerated steadily from a low 1.8 % in 2003 to 3.8 % by 2005, with the fastest pace of increase being recorded in 2006, when the turnover index went up by 7.2 %. The index of employment showed that there was average growth of 2.2 % per annum between 1996 and 2006. Over the period observed, the fastest annual development for the index of employment was recorded in 1998 (2.8 %) while the slowest increase was registered in 2005 (1.5 %). Among the Member States for which data is available for all of the five years from 2001 to 2006 ⁽⁶⁾, fast growth of the employment index for hotels and restaurants were recorded for the three Baltic

⁽⁶⁾ Belgium, Greece, Italy and the Netherlands, not included in the analysis.

Figure 19.3

Hotels and restaurants (NACE Section H) Evolution of main indicators, EU-27 (2000=100)



Source: Eurostat (STS)

countries and Bulgaria, where the number of persons employed grew on average by 8.5 % per annum or more over this period of time.

In terms of enterprise size, a large proportion of wealth created in the EU-27's hotels and restaurants sector was concentrated within small and medium-sized enterprises (SMEs, with less than 250 persons employed) as these enterprises generated about three quarters (75.8 %) of the sector's value added in 2004, above the 57.0 % average share in the non-financial business economy. The contribution of SMEs to sectoral employment was even more important than for value added, those enterprises employing 82.3 % of the total workforce, again well above the non-financial business economy average of 67.1 %.

In more detail, micro enterprises (with less than 10 persons employed) contributed the largest part of hotels and restaurants value added and employment. In the EU-27, these enterprises provided 36.5 % of sectoral value added and 45.4 % of the sectoral workforce. These two shares were well above the non-financial business economy averages (29.6 % and 20.2 % respectively).

Table 19.3

Hotels and restaurants (NACE Section H) Structural profile: ranking of top five Member States, 2004

Rank	Share of non-financial business economy					
	Value added (EUR million) (1)	Employment (thousands) (1)	No. of enterprises (2)	Turnover (2)	Value added (2)	Employment (2)
1	United Kingdom (40 152)	United Kingdom (1 923.0)	Austria (16.7 %)	Spain (3.0 %)	Spain (4.9 %)	United Kingdom (10.7 %)
2	France (25 620)	Germany (1 163.9)	Luxembourg (12.2 %)	United Kingdom (2.8 %)	Austria (4.6 %)	Austria (9.6 %)
3	Spain (22 254)	Spain (1 161.2)	Spain (11.4 %)	Portugal (2.8 %)	Portugal (4.2 %)	Spain (9.0 %)
4	Germany (20 852)	Italy (1 035.7)	Portugal (11.2 %)	Austria (2.7 %)	United Kingdom (4.2 %)	Portugal (8.0 %)
5	Italy (18 666)	France (884.4)	Belgium (10.6 %)	France (2.1 %)	Luxembourg (4.0 %)	Luxembourg (7.1 %)

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

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

Among the Member States, the United Kingdom (46.7 %) and to a lesser extent Poland (32.7 %) and Romania (32.1 %), stood out from the other countries with respect to the relatively high contribution of large enterprises (with 250 and more persons employed) to the hotels and restaurants sector's value added in 2004.

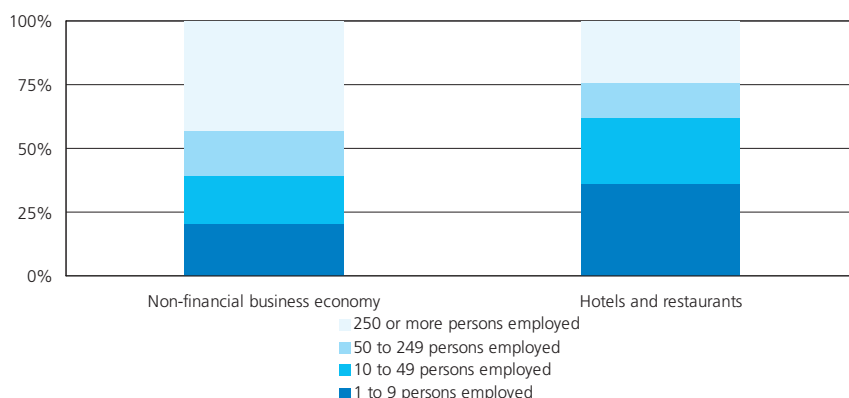
EMPLOYMENT CHARACTERISTICS

There was a majority of women among the hotels and restaurants workforce, as in 2006 they accounted for 55.7 % of those employed in this sector in the EU-27. This proportion was 20.7 percentage points higher than the non-financial business economy (NACE Sections C to I and K) average – see Figure 19.5. Moreover, this pattern was widespread as the proportion of female employment was higher than the non-financial business economy national average in every Member State (7). Among the EU-27's hotels and restaurants workforce in 2006 some 71.8 % worked on a full-time basis, a share that was clearly below that for the non-financial business economy as a whole (85.6 %). In fact, this was the second lowest full-time rate among all the NACE divisions of the non-financial business economy, higher only than in retail trade (NACE Division 52). This low proportion of full-time employment reflects the need for employment flexibility in this sector, including adaptability to atypical working hours. In all of the Member States the proportion of the persons working full-time in this sector was close to or below the national average for the non-financial business economy.

The hotels and restaurants workforce tended to be younger than in other activities of the non-financial business economy, a characteristic linked to the relatively low-skilled and low paid

(7) Latvia, Lithuania and Luxembourg, 2003; Estonia, not available.

Figure 19.4
Hotels and restaurants (NACE Section H)
Share of value added by enterprise size class, EU-27, 2004



Source: Eurostat (SBS)

nature of many of the jobs and the flexibility and irregularity of working hours and the seasonal nature of work in this sector, that often peaks during periods when higher education establishments are closed. Indeed, in 2006 those aged 15 to 29 accounted for over one third (35.8 %) of the sector's workforce in the EU-27, while the equivalent share for the non-financial business economy as a whole was 11.6 percentage points lower. Indeed, this was the highest share of younger workers in the workforce of all of the NACE divisions of the non-financial business economy. Among the Member States, the share of younger workers in the hotels and restaurant workforce was systematically higher than in the non-financial business economy as a whole except in Cyprus.

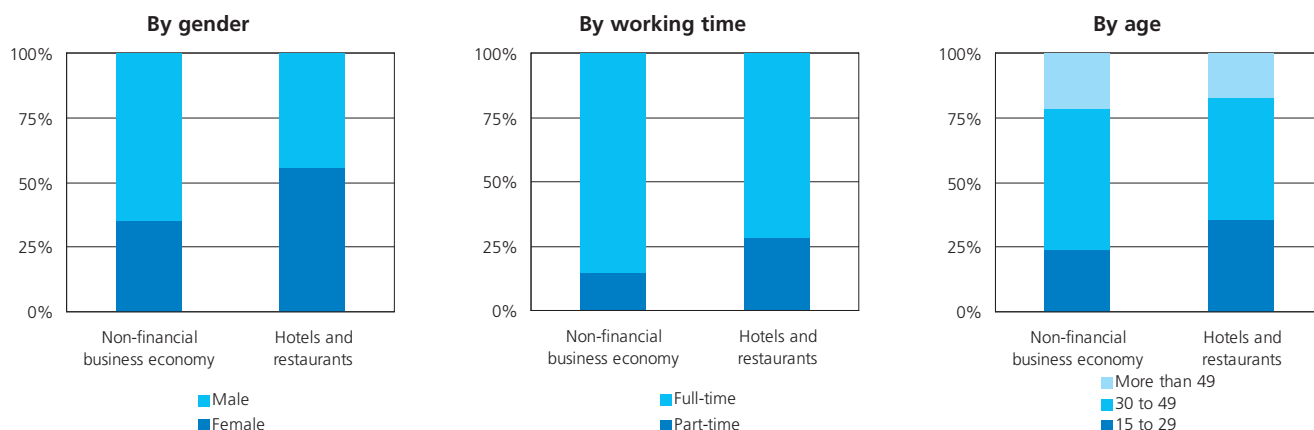
In 2004, according to structural business statistics data, the share of employees (paid workers) in persons employed was 80.6 % in the EU-27's hotels and restaurants sector, which was somewhat lower than for the non-financial

business economy as a whole (86.2 %) reflecting a higher incidence of working proprietors and unpaid family workers in this sector.

COSTS, PRODUCTIVITY AND PROFITABILITY

A breakdown of total expenditure shows that purchases of goods and services accounted for slightly more than three fifths (61.9 %) of the total in the EU-27's hotels and restaurants sector in 2006 – see Table 19.4. This share was significantly lower than the non-financial business economy average (78.7 %) and ranked among the lowest shares recorded across all the NACE divisions within the non-financial business economy. Instead, personnel costs accounted for three tenths (30.2 %) of the total expenditure, the fourth largest share dedicated to this category of expenditure among the non-financial business economy NACE divisions, almost twice the average share (16.4 %) for the non-financial business economy. The remaining category of expenditure for the breakdown considered in this

Figure 19.5
Hotels and restaurants (NACE Section H)
Labour force characteristics, 2006



Source: Eurostat (LFS)

Table 19.4

Hotels and restaurants (NACE Section H)
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
Hotels and restaurants	343 232	212 430	103 764	27 038	61.9	30.2	7.9
Hotels; camping sites, other provision of short-stay accommodation	104 861	56 713	34 805	13 344	54.1	33.2	12.7
Restaurants; bars; canteens and catering	238 373	155 720	68 959	13 694	65.3	28.9	5.7

Source: Eurostat (SBS)

Table 19.5

Hotels and restaurants (NACE Section H)
Productivity and profitability, EU-27, 2004

	Apparent labour productivity (EUR thousand)	Average personnel costs (EUR thousand)	Wage adjusted labour productivity (%)	Gross operating rate (%)
Hotels and restaurants	18.9	14.9	127.0	15.5
Hotels; camping sites, other provision of short-stay accommodation	26.6	18.4	144.9	18.8
Restaurants; bars; canteens and catering	16.4	13.6	120.6	14.0

Source: Eurostat (SBS)

analysis was that of gross investment in tangible goods, which represented 7.9 % of the total in the EU-27's hotels and restaurants sector, a share that was more than 60 % higher than the average share for the non-financial business economy. In the accommodation services subsector the share of purchases of goods and services was particularly low, as it represented only slightly more than half of the total expenditure; in this subsector the share of tangible investment was 12.7 %, a share that was higher than that recorded in most of the non-financial business economy NACE divisions and groups.

Apparent labour productivity in the EU-27's hotels and restaurants sector was EUR 18 900 per person employed in 2004, this low level reflecting to some extent the high use of part-time and seasonal employment. Equally, these characteristics and the relatively low or unskilled workforce have an impact on average personnel costs per employee which were EUR 14 900 in the hotels and restaurants sector. Both of these indicators were significantly lower than for the non-financial business economy average (EUR 40 900 and EUR 27 600 respectively) and in fact the average personnel costs were the third lowest among the non-financial business economy NACE divisions and the apparent labour productivity was the second lowest.

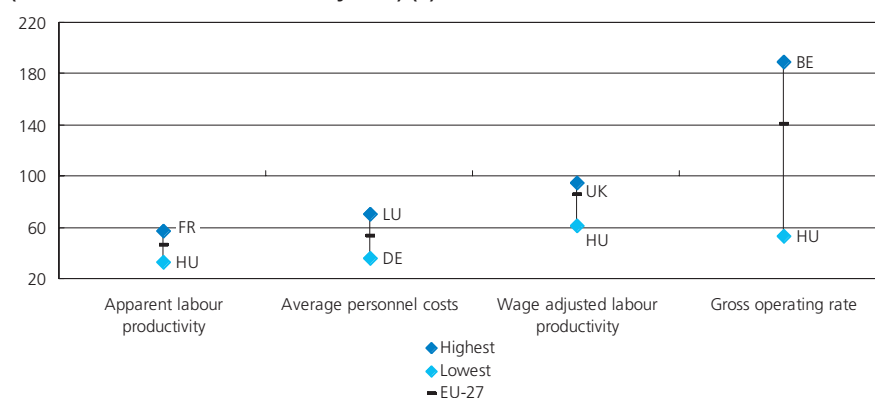
The wage adjusted labour productivity ratio is less affected by the incidence of part-time and seasonal employment. For the EU-27's hotels and restaurants sector this was 127.0 %, still

below the equivalent ratio for the non-financial business economy (148.0 %) but by a much smaller margin than for the two previous indicators. In all the Member States⁽⁸⁾ for which a comparison of this ratio between the hotels and restaurants sector and the non-financial business economy can be made, the ratio recorded by the hotels and restaurants sector was systematically lower – see Figure 19.6. Among the two subsectors that make up the hotels and restaurants sector, the EU-27's accommodations services recorded a wage adjusted labour productivity ratio (144.9 %) that was close to the non-financial business economy average while the activities of restaurants, bars and catering recorded a ratio of just 120.6 %. Despite the relatively low

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

productivity figures, in terms of profitability the EU-27's hotels and restaurants sector recorded a gross operating surplus (value added less personnel costs) equivalent to 15.5 % of turnover in 2004, some way above the non-financial business economy average (11.0 %). However, this was not the case in all the Member States for which data are available, as in Lithuania, Hungary, and Sweden and to a lesser extent in Finland, the gross operating rate for the hotels and restaurants sector were below the non-financial business economy average. Again, the highest level for this indicator was registered for the accommodation services subsector, at 18.8 % in the EU-27, while the rate for the activities of restaurants, bars and catering was lower at 14.0 % but nevertheless above the non-financial business economy average.

Figure 19.6

Hotels and restaurants (NACE Section H)
Productivity and profitability characteristics relative to national averages, 2004
(non-financial business economy=100) (1)


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

19.1: ACCOMMODATION SERVICES

Accommodation services are covered by two NACE groups: Group 55.1 includes the provision of short-stay lodging in hotels, motels and inns, excluding the rental of long-stay accommodation and timeshare operations; Group 55.2 covers camping sites and other short-stay accommodation, including self-catering holiday chalets or cottages.

One of the major developments both on the supply and demand side for accommodation services is the emergence in the last decade of new channels of purchase and sales coming from new information and communication technologies, for example on-line booking. This is reflected in the most recent results from the annual survey on e-commerce, with an increasing share of total turnover for accommodation services generated via the Internet. Indeed, in 2004 the EU-25 accommodation services (NACE Groups 55.1 and 55.2) generated just 3 % of their turnover via the Internet, while the

equivalent share for the business economy ⁽⁹⁾ was 9 %. In 2005, the share passed to 8 % for accommodation services, closer to the average for the business economy recorded at 10 % and in 2006 the difference narrowed further, 11 % for accommodation services and 12 % for the business economy. Note however that this survey is limited to enterprises with 10 persons employed and more and, as was shown earlier, micro enterprises (with less than 10 persons employed) are much more important in the hotels and restaurant sector than in other activities.

There are four main types of accommodation: hotels, camping sites, holiday dwellings and other collective establishments. The Member States that had the largest number of hotels and similar establishments in 2005 were Germany, Italy and the United Kingdom with

⁽⁹⁾ Defined as NACE Sections D to K and Division 92 for the purpose of this analysis.

over 32 000 establishments each, which combined accounted for close to half the total number in the EU-27 – see Table 19.6. In terms of the number of arrivals (combining resident and non-resident arrivals), France and Germany were the largest markets. A number of southern Member States recorded the longest average stays (nights per arrival) for non-residents, notably in Cyprus, Malta, Bulgaria and Greece where this exceeded 5 nights. Figure 19.7 shows the seasonality of demand for hotels and similar accommodation in the EU-27 through the months of the year 2005: the number of nights spent in August 2005 was 2.5 times that recorded in December the same year. Table 19.7 provides an overview of the supply of other types of collective accommodation, where there were approximately 13.7 million bed-places in the EU-27 in 2005, 1.2 times as many as in hotels and similar establishments.

Table 19.6

Main indicators for hotels and similar establishments, 2005

	Infrastructure (1)			Arrivals (thousands) (2)			Nights spent (thousands) (3)		Nights spent per arrival (2)	
	Establishments	Bedrooms	Bed places	Residents	Non-residents	Non-residents share (%)	Residents	Non-residents	Residents	Non-residents
EU-27	195 338	5 616 459	11 671 209	:	:	:	791 375	657 220	:	:
BE	1 899	54 226	120 668	2 364	5 409	69.6	4 313	10 297	1.8	1.9
BG	1 230	90 593	200 940	1 721	1 909	52.6	3 957	11 471	2.3	6.0
CZ	4 279	99 966	232 295	3 595	5 781	61.7	8 854	17 035	2.5	2.9
DK	480	35 659	69 932	1 903	1 350	41.5	5 328	4 787	2.8	3.5
DE	36 593	890 153	1 621 118	73 777	18 761	20.3	161 895	38 872	2.2	2.1
EE	317	12 312	25 228	428	1 358	76.0	751	2 791	1.8	2.1
IE	4 296	63 087	148 077	:	:	:	8 174	17 024	:	:
EL	9 111	364 179	693 252	5 933	7 143	54.6	13 942	40 075	2.4	5.6
ES	18 304	814 891	1 614 237	47 539	34 492	42.0	114 825	151 763	2.4	4.4
FR	19 811	629 597	1 739 518	72 930	32 304	30.7	123 105	68 821	1.7	2.1
IT	33 527	1 020 478	2 028 452	41 295	30 870	42.8	138 222	102 098	3.3	3.3
CY	785	45 209	91 264	449	1 750	79.6	1 040	13 899	2.3	7.9
LV	337	9 219	19 229	354	680	65.8	796	1 507	2.2	2.2
LT	331	10 134	19 940	347	623	64.2	728	1 334	2.1	2.1
LU	284	7 474	14 349	29	673	95.9	77	1 284	2.7	1.9
HU	1 921	64 769	154 060	2 778	3 140	53.1	6 622	9 127	2.4	2.9
MT	173	18 533	39 518	135	1 004	88.1	314	6 977	2.3	6.9
NL	3 099	94 509	192 067	8 301	8 081	49.3	14 375	15 143	1.7	1.9
AT	14 051	282 002	572 514	7 399	14 947	66.9	20 277	57 114	2.7	3.8
PL	2 200	84 865	169 609	6 805	3 723	35.4	12 464	7 869	1.8	2.1
PT	2 012	116 123	263 814	5 274	5 355	50.4	11 648	23 873	2.2	4.5
RO	4 125	110 937	226 383	:	:	:	:	:	:	:
SI	358	16 402	31 145	484	1 247	72.0	1 746	3 401	3.6	2.7
SK	885	28 231	57 071	1 244	1 203	49.1	3 183	3 650	2.6	3.0
FI	938	54 354	117 605	5 948	1 828	23.5	10 388	3 887	1.7	2.1
SE	1 857	100 155	197 470	11 096	2 736	19.8	17 518	5 382	1.6	2.0
UK	32 926	518 028	1 062 342	52 611	17 009	24.4	117 926	58 909	2.2	3.5
HR	1 015	80 743	203 464	1 002	3 744	78.9	2 862	18 415	2.9	4.9
IS	308	8 025	16 849	245	714	74.5	387	1 341	1.6	1.9
LI	46	646	1 263	1	55	97.6	3	115	2.0	2.1
NO	1 119	69 477	151 252	8 122	2 841	25.9	12 859	4 896	1.6	1.7
CH	5 643	139 941	259 004	:	:	:	:	:	:	:

(1) Ireland, Greece, Spain, Luxembourg, Hungary, Malta, the Netherlands, Austria, Romania, Slovenia, Iceland, Liechtenstein and Norway, 2006; Switzerland, 2002.

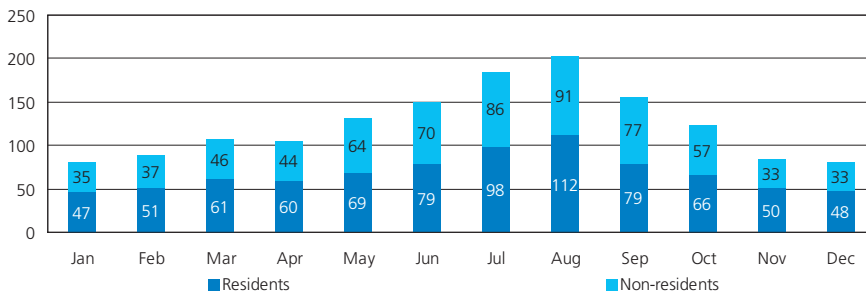
(2) The Czech Republic, Spain, France, Luxembourg, Malta, Austria, Slovenia, Iceland, Liechtenstein and Norway, 2006.

(3) EU-25 instead of EU-27; the Czech Republic, Spain, France, Luxembourg, Malta, Austria and Slovenia, 2006; Italy, provisional.

Source: Eurostat (Tourism)

Figure 19.7

Number of nights spent in hotels and similar establishments, EU-27, 2005 (millions)



Source: Eurostat (Tourism)

Table 19.7

Main indicators for collective accommodation establishments other than hotels, 2005 (1)

	Number of establishments (units)				Number of bed places: total
	Total	Tourist campsites	Holiday dwellings	Other collective accommodations	
EU-27	208 009	:	:	:	13 721 113
BE	1 550	554	75	921	294 501
BG	325	18	:	:	20 204
CZ	3 329	499	331	2 499	203 698
DK	608	430	77	101	320 832
DE	18 756	2 461	10 844	5 451	1 695 735
EE	467	80	143	244	12 860
IE	4 805	105	4 505	195	60 401
EL	333	333	:	:	93 639
ES	17 895	1 216	4 524	12 155	1 460 288
FR	9 244	8 138	922	184	3 039 178
IT	96 409	2 411	68 385	25 613	2 322 081
CY	134	4	130	0	4 128
LV	81	22	46	13	4 816
LT	193	7	173	13	11 314
LU	252	100	114	38	51 937
HU	940	235	365	340	146 331
MT	6	:	:	:	684
NL	4 055	2 462	806	787	994 826
AT	6 406	542	3 329	2 535	362 157
PL	4 523	136	315	4 072	400 287
PT	288	227	:	:	182 656
RO	585	68	:	:	60 775
SI	349	43	79	227	35 038
SK	1 131	73	66	992	103 124
FI	459	284	128	47	92 608
SE	2 089	1 065	309	715	537 381
UK	33 877	3 874	28 578	1 425	1 162 789
HR	515	224	126	165	295 678
IS	287	140	32	115	:
LI	111	2	100	9	:
NO	1 163	792	297	74	341 874

(1) Ireland, Greece, Spain, Luxembourg, Hungary, Malta, the Netherlands, Austria, Romania, Slovenia, Iceland, Liechtenstein and Norway, 2006; Hungary, provisional.

Source: Eurostat (Tourism)

Table 19.8

Hotels; camping sites, other provision of short-stay accommodation (NACE Groups 55.1 and 55.2)

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	United Kingdom (18.9)	United Kingdom (17.2)	Austria (224.3)	Austria (242.1)
2	France (15.1)	Germany (16.9)	Spain (160.1)	Spain (119.9)
3	Germany (14.5)	Italy (12.4)	Portugal (131.5)	United Kingdom (119.5)
4	Spain (14.4)	Spain (12.3)	Bulgaria (125.7)	Italy (105.5)
5	Italy (12.9)	France (11.3)	Italy (116.1)	Germany (102.0)

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

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

Source: Eurostat (SBS)

STRUCTURAL PROFILE

There were 248 400 enterprises in the accommodation services (NACE Groups 55.1 and 55.2) sector which generated EUR 116.2 billion of turnover in the EU-27 in 2004 and EUR 56.6 billion of value added, with a workforce of just over 2 million persons. The contribution of this sector to the hotels and restaurants (NACE Section H) total was about three tenths (30.1 %) for turnover, over one third (34.6 %) for value added, and a smaller share of the workforce, around one quarter (24.6 %). Among the Member States, the United Kingdom created the highest value added for accommodation services in 2004 (EUR 10.7 billion, 18.9 % of the EU-27 total), and had the largest workforce (17.2 % of the EU-27 total). In terms of the contribution of accommodation services to the non-financial business economy (NACE Sections C to I and K) value added in 2004 Austria stood out as being most specialised, as its accommodation services contribution (2.5 %) was more than twice (2.2 times) the EU-27's average (1.1 %) – see Table 19.8. Austria's specialisation on accommodation services was also evident from the contribution of this sector's workforce to its non-financial business economy workforce (4.1 %), some 2.4 times as high as the equivalent EU-27 average (1.7 %). The next most specialised Member State⁽¹⁰⁾ was Spain, both in terms of value added and employment, while Italy also appeared in the top five of the most specialised Member States for both measures.

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

COSTS, PRODUCTIVITY AND PROFITABILITY

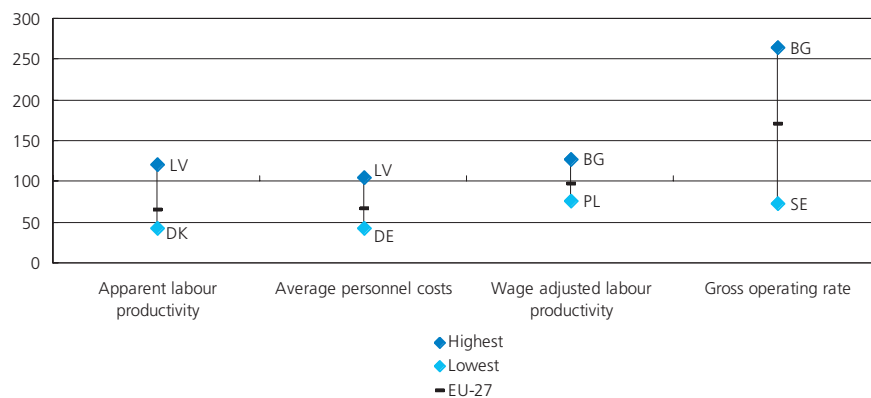
Purchases of goods and services accounted for about half of total expenditure (54.1 %) in the EU-27's accommodation services sector in 2004, a proportion that was about two thirds of that for the non-financial business economy as a whole (78.7 %). This relatively low proportion was balanced by the fact that one third (33.2 %) of total expenditure was accounted for by personnel costs and the remaining 12.7 % was accounted for by investments in tangible goods: both of these shares were among the highest recorded in the non-financial business economy.

In the EU-27's accommodation services sector each person employed generated on average EUR 26 600 of value added in 2004, while average personnel costs per employee reached EUR 18 400, in both cases far below the non-financial business economy average, but above the values recorded for the activities of restaurants, bars and catering. The combination of these indicators resulted in a wage adjusted labour productivity ratio for the sector of 144.9 %, well above (24.3 percentage points higher) that in the activities of restaurants, bars and catering, but still slightly below the non-financial business economy average (3.1 percentage points lower). Figure 19.9 shows the dispersion of the ratio of wage adjusted labour productivity in the accommodation services sector for the Member States ⁽¹⁾. The highest ratio in this sector was recorded in Latvia (266.6 %) which, while well above the EU-27's average for the sector, was only 15.9 % above the average in the Latvian non-financial business economy (230.1 %). Instead, Bulgaria stood out from the rest of the countries as its wage adjusted labour productivity ratio for the accommodation services sector was furthest above its national average for the non-financial business economy, some 27.3 % higher. At the other end of the spectrum, the Polish accommodation services sector recorded a ratio some 24.1 % below the Polish non-financial business economy average.

⁽¹⁾ Luxembourg, 2003; Ireland, Greece, Cyprus and Malta, not available.

Figure 19.8
Hotels; camping sites, other provision of short-stay accommodation (NACE Groups 55.1 and 55.2)

Productivity and profitability characteristics relative to national averages, 2004 (non-financial business economy=100) (1)



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

The gross operating rate for the EU-27's accommodation services sector was 18.8 % in 2004, meaning that the ratio of gross operating surplus (value added minus personnel costs) to turnover was higher than for the activities of restaurants, bars and catering (14.0 %) and relatively high compared with the non-financial business economy average (11.0 %). Again Latvia posted the highest level for this rate, recording a gross operating rate of 34.3 %, well above the average rate for the EU-27, and some 2.6 times the Latvian non-financial business economy average. However, relative to national non-financial business economy averages (Figure 19.8), Bulgaria recorded an exceptionally high gross operating rate for the accommodation services (23.2 %), around 2.7 times higher than the Bulgarian non-financial business economy average.

19.2: RESTAURANTS, BARS AND CATERING

The activities of the sale of meals and beverages for consumption are classified under NACE Groups 55.3 (restaurants), 55.4 (bars) and 55.5 (canteens and catering). It is important to bear in mind that only enterprises for which the principal provision of drinks and meals is the principal activity are covered by the statistics presented in this subchapter. Enterprises offering food and drink as a complement to their core business are not included, for example, the sale of food and beverages in cinemas or recreation parks (if these are not operated by separate enterprises), where, in some cases, meals and beverages may represent a significant secondary activity.

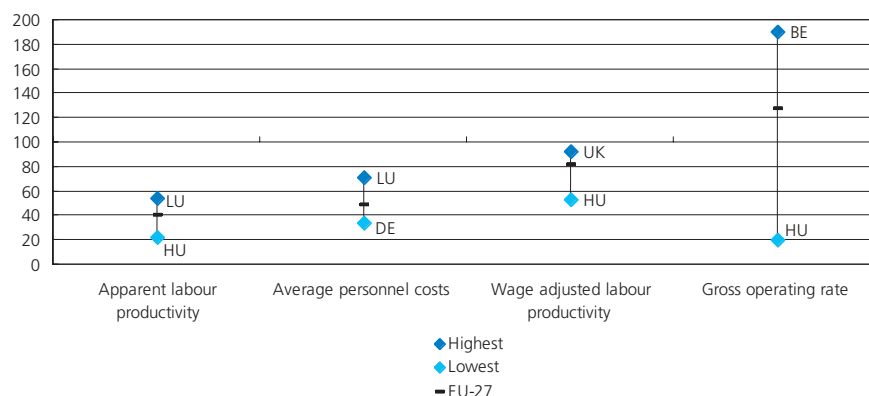
This subchapter covers the sale of food and beverages to final consumers that may be tourists or local customers. Included for example are fast-food stands, take away restaurants, self-service outlets, as well as traditional restaurants, pubs, bars and cafes, as well as catering enterprises which generally operate on a business-to-business basis.

STRUCTURAL PROFILE

Restaurants, bars and catering (NACE Groups 55.3 to 55.5) accounted for some 1.4 million enterprises, generating a total of EUR 269.9 billion of turnover in the EU-27 in 2004, resulting in EUR 106.8 billion of value added. These indicators represented respectively 69.9 % of the hotels and restaurants turnover and a slightly smaller share, 65.5 %, of its value added. The labour-intensive nature of restaurants, bars and catering was reflected through the 6.5 million persons employed in this sector in the EU-27 in 2004, slightly more than three quarters of the hotels and restaurants workforce. However, it should be kept in mind that this figure is based on headcounts of persons employed and does not take into account the seasonal or part-time nature of many positions.

Figure 19.9

Restaurants; bars; canteens and catering (NACE Groups 55.3, 55.4 and 55.5)
Productivity and profitability characteristics relative to national averages, 2004
(non-financial business economy=100) (1)



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

Among the Member States⁽¹²⁾, the United Kingdom had by far the largest restaurants, bars and catering sector, both in terms of value added (27.6 % of the EU-27's total) and employment (23.9 %). Unsurprisingly given its large share of the EU-27 total, the United Kingdom was the most specialised in terms of these activities' contribution (8.5 %) to the non-financial business economy workforce, which was 1.6 times the equivalent contribution for the EU-27 as a whole. Spain and Portugal followed, with the contribution of their restaurants, bars and catering sectors to national non-financial business economy employment respectively 1.3 times and 1.2 times that for the EU-27. However, in terms of the sector's value added contribution, Spain was the most specialised followed by the United Kingdom.

COSTS, PRODUCTIVITY AND PROFITABILITY

An analysis of total expenditure for the EU-27's restaurants, bars and catering sector shows that slightly more than two thirds (65.3 %) of total expenditure in 2004 was dedicated to purchases

of goods and services, most of the remaining proportion being accounted for by personnel costs (28.9 %), while the proportion of investment in tangible goods was less than 6 %.

Apparent labour productivity was EUR 16 400 per person employed in the EU-27's restaurants, bars and catering activities, while average personnel costs were EUR 13 600 per employee: compared with the NACE groups within the non-financial business economy there were very few with lower values for these two indicators in 2004, only in some of the textiles, clothing and leather manufacturing activities and in industrial cleaning. The resulting wage adjusted labour productivity ratio for restaurants, bars and catering was 120.6 %, notably lower than the 144.9 % recorded for accommodation services, which itself was below the non-financial business economy average. While the restaurants, bars and catering activities also recorded a lower gross operating rate, 14.0 % compared to 18.8 % for accommodation services, this was some way above the 11.0 % average rate for the non-financial business economy.

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

Table 19.9

Restaurants; bars; canteens and catering (NACE Groups 55.3, 55.4 and 55.5)
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 (27.6)	United Kingdom (23.9)	Spain (146.7)	United Kingdom (165.8)
2	France (16.0)	Spain (13.8)	United Kingdom (145.8)	Spain (134.2)
3	Spain (13.2)	Germany (12.3)	Luxembourg (142.6)	Portugal (122.3)
4	Germany (11.8)	Italy (11.8)	Portugal (133.1)	Belgium (107.9)
5	Italy (10.6)	France (9.9)	France (113.4)	Luxembourg (105.8)

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

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

Source: Eurostat (SBS)

Table 19.10

Hotels and restaurants (NACE Section H)

Main indicators, 2004

	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
No. of enterprises (thousands)	1 604.7	41.9	23.1	50.3	13.4	163.8	1.5	14.4	:	279.4	224.5	259.3	7.2	2.5	2.9
Turnover (EUR million)	386 110	9 016	773	3 371	4 566	43 223	318	8 173	:	51 229	60 826	49 707	1 459	277	298
Production (EUR million)	354 018	8 500	603	3 205	4 514	39 061	315	5 098	:	50 972	54 645	48 471	1 432	280	261
Value added (EUR million)	163 455	3 372	224	1 037	2 055	20 852	114	2 952	:	22 254	25 620	18 666	811	101	97
Gross operating surplus (EUR million)	59 691	1 413	113	427	635	8 421	43	915	:	7 957	6 003	7 671	321	47	22
Purchases of goods & services (EUR million)	212 430	5 519	612	2 362	2 709	18 126	210	5 220	:	29 700	34 712	31 348	612	181	210
Personnel costs (EUR million)	103 764	1 959	111	610	1 420	12 431	70	2 037	:	14 297	19 617	10 996	491	54	74
Investment in tangible goods (EUR million)	27 038	791	323	245	327	1 280	31	650	:	3 788	5 598	3 072	101	64	46
Employment (thousands)	8 652	154	106	172	95	1 164	16	141	:	1 161	884	1 036	32	24	30
Apparent labour prod. (EUR thousand)	18.9	22.0	2.1	6.0	21.6	17.9	7.1	20.9	:	19.2	29.0	18.0	25.0	4.2	3.2
Average personnel costs (EUR thousand)	14.9	18.2	1.3	5.2	16.6	12.9	4.5	16.2	:	16.4	24.8	18.0	17.8	2.3	2.6
Wage adjusted labour productivity (%)	127.0	120.5	160.3	114.8	130.0	138.4	158.4	129.6	:	116.9	116.7	100.3	140.2	180.1	123.4
Gross operating rate (%)	15.5	15.7	14.6	12.7	13.9	19.5	13.6	11.2	:	15.5	9.9	15.4	22.0	17.0	7.5
Investment / employment (EUR thousand)	3.1	5.2	3.0	1.4	3.4	1.1	1.9	4.6	:	3.3	6.3	3.0	3.1	2.6	1.5
	LU (1)	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO	
No. of enterprises (thousands)	2.7	33.6	:	36.3	44.2	56.6	65.6	17.2	6.7	1.3	10.0	24.1	126.1	10.1	
Turnover (EUR million)	901	2 320	:	14 203	11 691	3 172	8 093	1 087	966	338	4 354	7 931	89 428	4 949	
Production (EUR million)	894	1 617	:	14 035	11 547	2 929	7 082	853	850	311	3 941	7 902	76 339	4 875	
Value added (EUR million)	456	579	:	6 035	5 705	1 068	2 739	311	370	120	1 633	3 002	40 152	2 031	
Gross operating surplus (EUR million)	139	109	:	2 220	1 846	526	819	132	103	36	438	553	17 612	349	
Purchases of goods & services (EUR million)	436	1 696	:	4 420	6 033	1 731	5 451	808	583	215	2 804	5 061	46 841	2 935	
Personnel costs (EUR million)	317	470	:	3 815	3 859	543	1 921	178	267	84	1 195	2 449	22 539	1 681	
Investment in tangible goods (EUR million)	49	266	:	662	991	220	768	307	112	56	172	507	6 085	263	
Employment (thousands)	14	125	:	303	227	212	236	104	28	19	52	119	1 923	80	
Apparent labour prod. (EUR thousand)	32.3	4.6	:	19.9	25.2	5.0	11.6	3.0	13.1	6.2	31.5	25.3	20.9	25.5	
Average personnel costs (EUR thousand)	26.5	4.6	:	15.0	21.5	3.9	9.4	1.8	11.4	4.4	25.3	24.3	12.6	22.4	
Wage adjusted labour productivity (%)	121.9	101.7	:	132.9	117.2	128.1	123.3	168.9	115.0	141.1	124.4	104.1	165.9	113.8	
Gross operating rate (%)	15.4	4.7	:	15.6	15.8	16.6	10.1	12.2	10.6	10.8	10.1	7.0	19.7	7.1	
Investment / employment (EUR thousand)	3.5	2.1	:	2.2	4.4	1.0	3.2	2.9	4.0	2.9	3.3	4.3	3.2	3.3	

(1) 2003.

Source: Eurostat (SBS)

