

**Retail trade and repair**

**19**

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 as well as automotive fuel is covered by NACE Division 50 (see Chapter 17). 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.

In this chapter, a first distinction is made between non-specialised in-store retailers (Subchapter 19.1) and specialised in-store retailers; with the latter further split between food (Subchapter 19.2) and non-food retailers (Subchapter 19.3), and second-hand goods retailing (Subchapter 19.4). Retailing not in stores is treated in a separate analysis (Subchapter 19.5), as is the repair of personal and household goods (Subchapter 19.6).

Retailing is typically the final stage of distribution between producers and consumers. 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 12 % 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 2008. According to the same source, one quarter of the EU-27's population ordered or bought goods or services for private use through the Internet in 2008 (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.

In October 2008, the European Commission put forward a proposal for a Directive of the European Parliament and of the Council on consumer rights<sup>(1)</sup>, to try to make purchases easier and safer, whether in-store or not. The proposal covers the provision of price information, protection against late delivery and non delivery, as well as setting out rights on issues such as cooling-off periods, returns, refunds, repairs and guarantees and unfair contract term.

(1) COM(2008) 164.

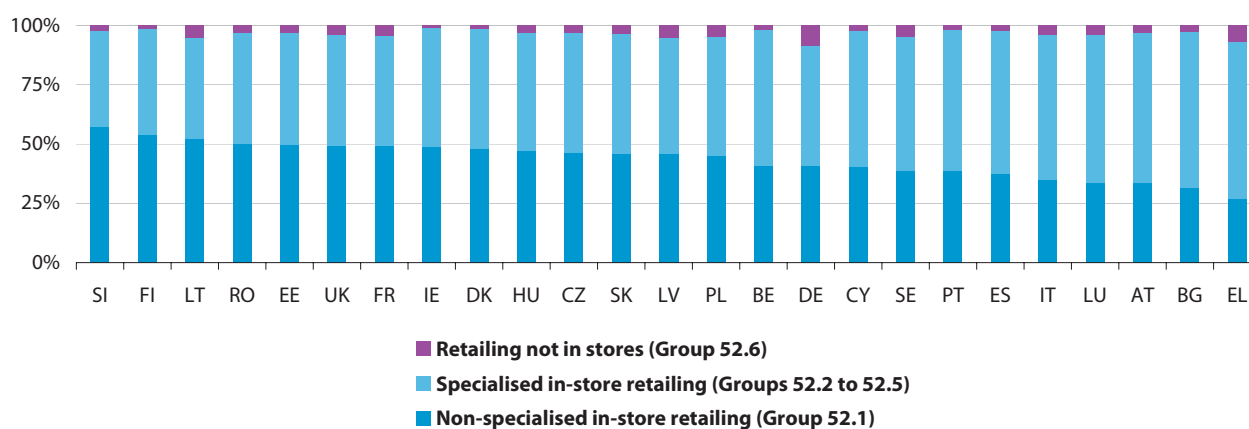
## Structural profile

The enterprise population of the EU-27's retail trade and repair (NACE Division 52) sector was around 3.8 million in 2006, close to one fifth (18.8 %) of all enterprises in the non-financial business economy (NACE Sections C to I and K). These enterprises employed 17.5 million persons, 13.5 % of the non-financial business economy workforce. With a 79.7 % share of paid employees in persons employed in 2006, the EU-27 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).

The retail trade and repair sector's turnover was valued at EUR 2 271.8 billion, from which EUR 418.4 billion value added was generated, equivalent to 10.2 % and 7.4 % of the non-financial business economy total. From these shares the main characteristics of the retail trade and repair sector can be derived: there were a very large number of enterprises, having a small average size, producing relatively high turnover but less value added, with a low apparent labour productivity. The retail trade and repair sector was the second largest of the sectoral chapters covered within this publication in terms of its number of enterprises, the size of its workforce, and its turnover – only lower than for business services (see Chapter 25) for the first two measures, and only lower than for wholesale trade (see Chapter 18) in terms of turnover; in value added terms, retail trade and repair was the fourth largest sector.

Based on an analysis at the level of the activities presented in Subchapters 19.1 to 19.6, 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 retail activities, using the measures of value added and employment. Specialised in-store new goods retailing other than food generated more than half (53.8 %, in 2005) of the EU-27's retail trade and repair sector's value added and employed close to half (49.0 %) of the sectoral workforce.

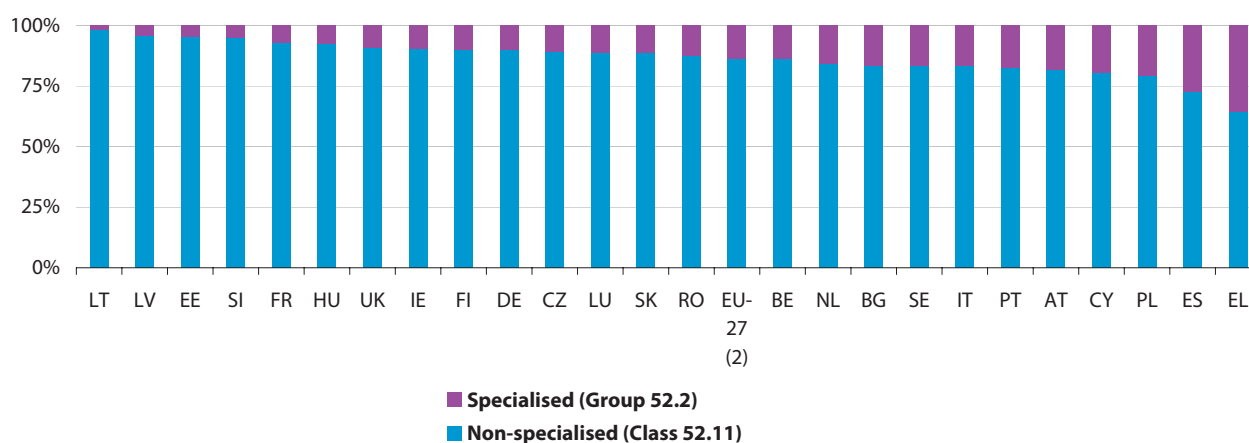
**Figure 19.1: Retail trade (NACE Groups 52.1 to 52.6)**  
Breakdown of turnover, 2006 (%) (1)



(1) Bulgaria, Luxembourg and Poland, 2005; Malta and the Netherlands, not available.

Source: Eurostat (SBS)

**Figure 19.2: In-store food retailing (NACE Class 52.11 and Group 52.2)**  
Breakdown of turnover, 2006 (%) (1)

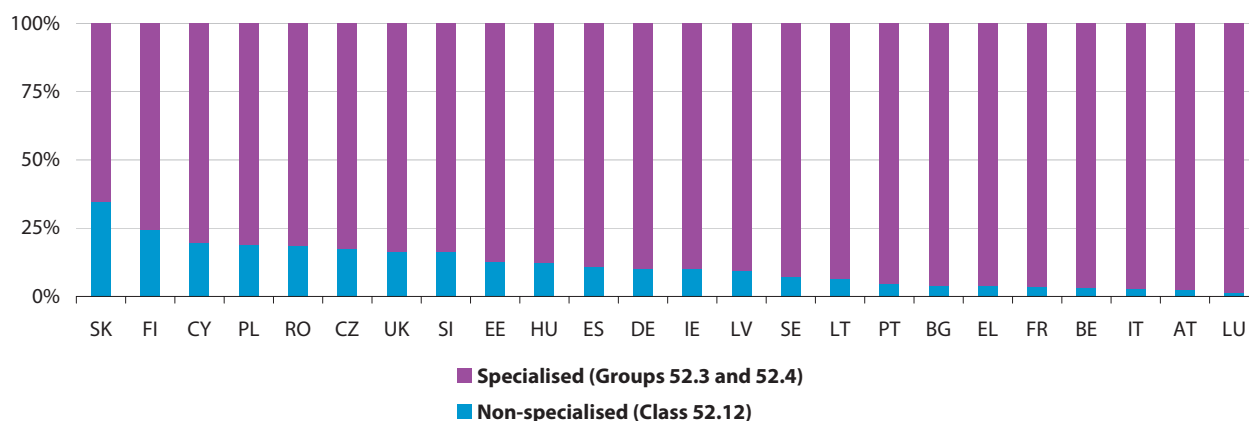


(1) EU-27, Bulgaria, Luxembourg and Poland, 2005; Denmark and Malta, not available.

(2) Rounded estimates based on non-confidential data for NACE Class 52.11.

Source: Eurostat (SBS)

**Figure 19.3: In-store new goods retailing other than food (NACE Class 52.12 and Groups 52.3 and 52.4)**  
Breakdown of turnover, 2006 (%) (1)



(1) Bulgaria and Poland, 2005; Denmark, Malta and the Netherlands, not available.

Source: Eurostat (SBS)

### FOCUS ON RETAIL TRADE TURNOVER

Specialised in-store retailing (NACE Groups 52.2 to 52.5) generated just over half (52.4 %) of retail trade (NACE Groups 52.1 to 52.6) turnover in 2006 in the EU (based on data for 25 of the Member States<sup>(2)</sup>), while non-specialised in-store retailing (NACE Group 52.1) generated 43.0 % of the total. Retailing not in-stores (NACE Group 52.6) accounted for the remainder (4.6 %). Germany, where mail order sales were particularly high, topped the rankings for this latter type of retailing, with 8.5 % of German retail trade turnover derived outside of stores.

In 12 of the 25 Member States with data available at least half of retail trade turnover was generated by specialised in-store retailers, while non-specialised in-store retailers generated half or more of retail trade turnover in just three Member States – Slovenia, Finland and Lithuania. The highest share for specialised in-store retailers was 66.0 % in Greece.

However, underlying the relatively even split between specialised and non-specialised in-store retail turnover are two quite different situations, when food, beverage and tobacco products are separated from all other new products. For food, beverages and tobacco products non-specialised retailers (NACE Class 52.11) were dominant relative to specialised retailers (NACE Group 52.2) in every Member State. In the EU (again based on an average for 25 of the Member States<sup>(3)</sup>), only 13.7 % of turnover was recorded in specialised food, beverages and tobacco retailers, a share that fell to 5 % or less in the Baltic Member States and Slovenia. 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 and Spain – as well as in Poland and Austria.

In contrast, the in-store retailing of other new products was dominated by specialised retailers. Only in Finland (24.3 %) and Slovakia (34.5 %) did the share of non-specialised retailers exceed even one fifth of total turnover for new goods other than food, beverages and tobacco, while the average for the EU (based on data for 24 of the Member States<sup>(4)</sup>) was 9.3 %.

With EUR 87.1 billion of value added, the United Kingdom was the largest contributor to the EU-27's retail trade and repair sector in 2006, followed by Germany (EUR 76.1 billion), and these two Member States had the largest workforces in this sector, approaching 3 million persons in each country. As a share of the non-financial business economy value added total, the retail trade and repair sector was the largest in Greece (12.0 % of the national total) and Cyprus (10.1 %). This sector contributed relatively high proportions to the national non-financial business economy workforce, particularly in Greece where it reached one fifth of the total – it should be noted that the high contributions of the retail trade and repair sector to non-financial business economy employment in many Member States are affected by the importance of part-time employment in this sector (see below).

The specialisation in each region (in some cases the whole country is treated as one region) can be seen from the map which shows the contribution of retail trade and repair employment to the non-financial business economy workforce. Even in the region with the highest share of non-financial business economy employment concentrated in the retail trade and repair sector, 27.1 % in Dytiki Ellada (Greece), this share was less than 3.5 times as high as the region with the lowest share, 7.8 % in Západné Slovensko (Slovakia); this was a lower range than for any of the other maps shown in the sectoral chapters of this publication. The specialisation of Greece in this sector is emphasised by the presence of seven Greek regions among the ten most specialised within the EU.

(2) EU average; Bulgaria, Luxembourg and Poland, 2005; excluding Malta and the Netherlands.

(3) EU average; Bulgaria, Luxembourg and Poland, 2005; excluding Denmark and Malta.

(4) EU average; Bulgaria and Poland, 2005; excluding Denmark, Malta and the Netherlands.

**Table 19.1:** Retail trade and repair (NACE Division 52)  
Structural profile, EU-27, 2006

|   | Enterprises |              | Turnover      |              | Value added   |              | Persons employed |              |
|---|-------------|--------------|---------------|--------------|---------------|--------------|------------------|--------------|
|   | (thousand)  | (% of total) | (EUR million) | (% of total) | (EUR million) | (% of total) | (thousand)       | (% of total) |
| <b>Retail trade and repair</b>                                      | 3 797.4     | 100.0        | 2 271 831     | 100.0        | 418 397       | 100.0        | 17 472.3         | 100.0        |
| <b>Non-specialised in-store retailing (1)</b>                       | 588.8       | 15.5         | 900 000       | 42.3         | 140 000       | 33.5         | 6 176.1          | 35.3         |
| <b>Specialised in-store food retailing (2)</b>                      | 500.5       | 13.2         | 130 000       | 5.7          | 26 000        | 6.2          | 1 450.0          | 8.3          |
| <b>Specialised in-store new goods retailing other than food (3)</b> | 1 966.6     | 51.8         | :             | :            | 210 878       | 53.8         | 8 553.2          | 49.0         |
| <b>Retail sale of second-hand goods in stores</b>                   | 65.7        | 1.7          | 8 096         | 0.4          | 2 029         | 0.5          | 120.4            | 0.7          |
| <b>Retail sale not in stores (2)</b>                                | 540.0       | 14.2         | 100 000       | 4.4          | 19 000        | 4.5          | 920.0            | 5.3          |
| <b>Repair of personal and household goods</b>                       | 135.7       | 3.6          | 11 695        | 0.5          | 4 795         | 1.1          | 255.3            | 1.5          |

(1) Rounded estimates based on non-confidential data; turnover, 2005.

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

(3) Value added, 2005.

Source: Eurostat (SBS)

**Figure 19.4:** Retail trade and repair (NACE Division 52)  
Share of retail trade and repair, EU-27, 2006 (%)



(1) Value added, 2005.

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

Source: Eurostat (SBS)

**Table 19.2:** Retail trade and repair (NACE Division 52)  
Structural profile: ranking of top five Member States, 2006

|          | Highest value added (1) |                            | Largest number of persons employed (1) |                         | Most specialised: share in the non-financial business economy (%) |                       |
|----------|-------------------------|----------------------------|--|-------------------------|---|-----------------------|
|          | Country                 | (EUR million) (% of EU-27) | Country                                | (thousand) (% of EU-27) | Value added (2)   | Persons employed (3)  |
| <b>1</b> | United Kingdom          | 87 116 20.8                | United Kingdom                         | 2 952.6 16.9            | Greece (12.0)   | Greece (20.0)         |
| <b>2</b> | Germany                 | 76 133 18.2                | Germany                                | 2 768.3 15.8            | Cyprus (10.1)   | Ireland (17.3)        |
| <b>3</b> | France                  | 65 855 15.7                | Italy                                  | 1 846.1 10.6            | France (8.3)  | United Kingdom (16.6) |
| <b>4</b> | Italy                   | 43 675 10.4                | Spain                                  | 1 777.5 10.2            | Portugal (8.3)  | Latvia (16.2)         |
| <b>5</b> | Spain                   | 42 362 10.1                | France                                 | 1 776.3 10.2            | United Kingdom (8.1)  | Poland (16.1)         |

(1) Malta, not available; Bulgaria and Poland, 2005.

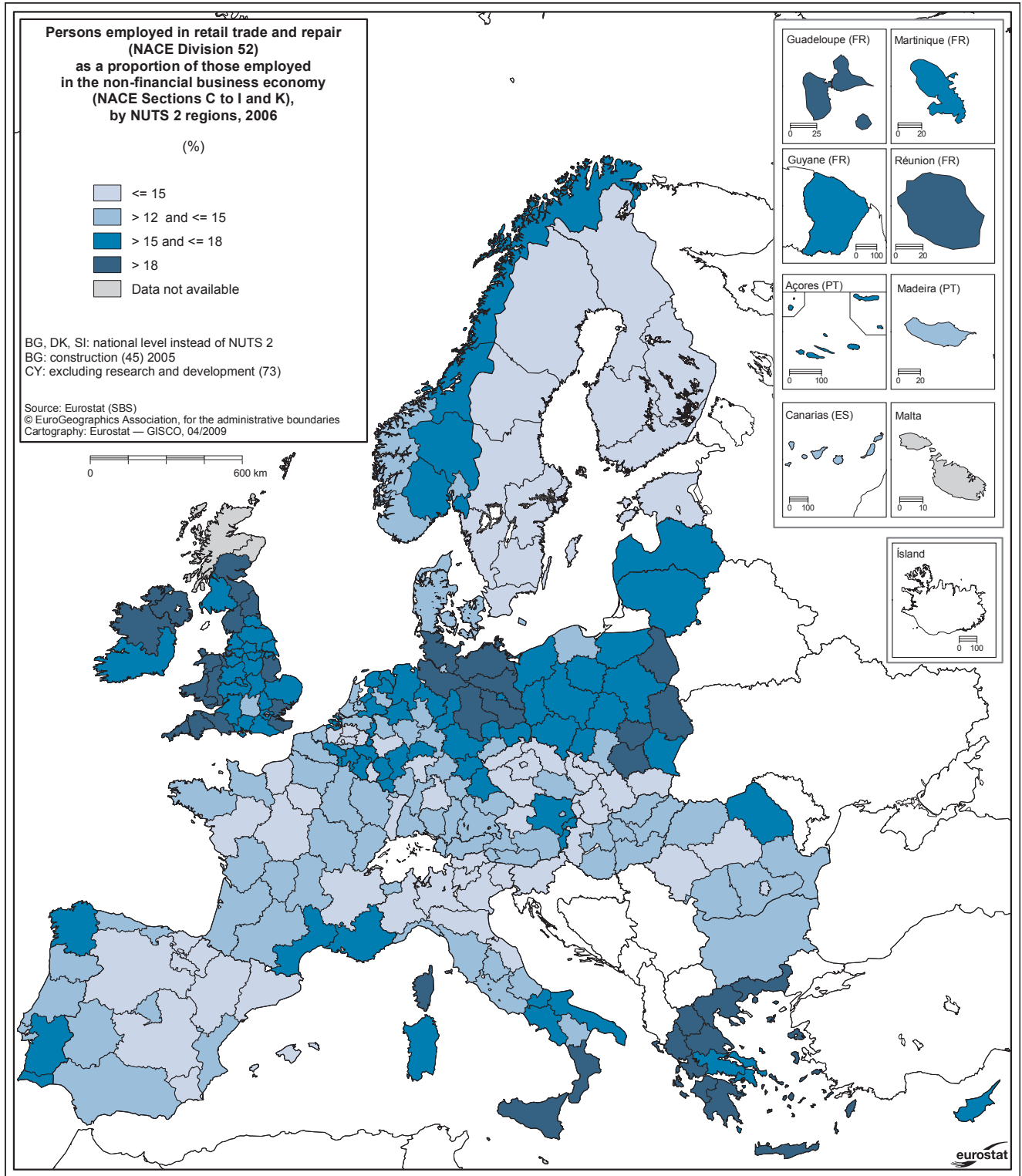
(2) Malta and the Netherlands, not available; Bulgaria, Cyprus, Poland and Romania, 2005.

(3) Malta, not available; Bulgaria, Cyprus, the Netherlands, Poland and Romania, 2005.

Source: Eurostat (SBS)

**Map 19.1:** Retail trade and repair (NACE Division 52)

Persons employed in retail trade and repair (NACE Division 52) as a proportion of those employed in the non-financial business economy (NACE Sections C to I and K) (%)



Source: Eurostat (SBS)

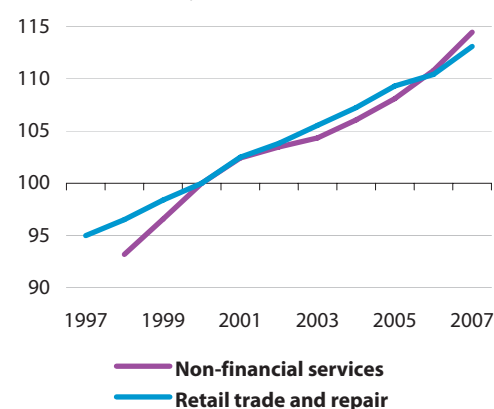
Annual short-term statistics show the development of this sector over several years. Between 1998 and 2007 the index of employment for retail trade and repair followed a roughly similar path to that for non-financial services (NACE Sections G to I and Divisions 72 and 74) as a whole, with slower growth at the beginning and end of this period. As a result, retail trade and repair employment grew by 1.8 % per annum, on average, between 1998 and 2007, whereas the rate for non-financial services was 2.3 % per annum.

The EU-27's turnover index for retail trade and repair rose every year between 1997 and 2007, with growth rarely below 3 %, reaching a maximum of 5.0 % in 2001. Turnover indices are also available for the four largest retail trade NACE groups (Groups 52.1 to 52.4), with a time series starting at least in 1998 for each of these activities. Over the period 1998 to 2007, turnover growth for retail trade and repair in the EU-27 averaged 3.6 % per annum, with the rate for specialised retailing of food, beverages and tobacco less than half this rate (1.4 %), while the retailing of pharmaceuticals, medical goods, cosmetics and toiletries was well above (4.8 %).

Average turnover per enterprise in the EU-27 varied greatly between the various parts of the retail trade and repair sector in 2006, ranging from EUR 1.5 million (2005) for non-specialised in-store retailing to less than one tenth of this size (EUR 123.2 thousand) for second-hand goods retailing (NACE Group 52.5); unsurprisingly, the repair of personal and household goods (NACE Group 52.7), which is not a retail trade activity, recorded an even lower average turnover per enterprise (EUR 86.2 thousand).

**Figure 19.5:** Retail trade and repair (NACE Division 52)

Index of employment, EU-27 (2000=100)



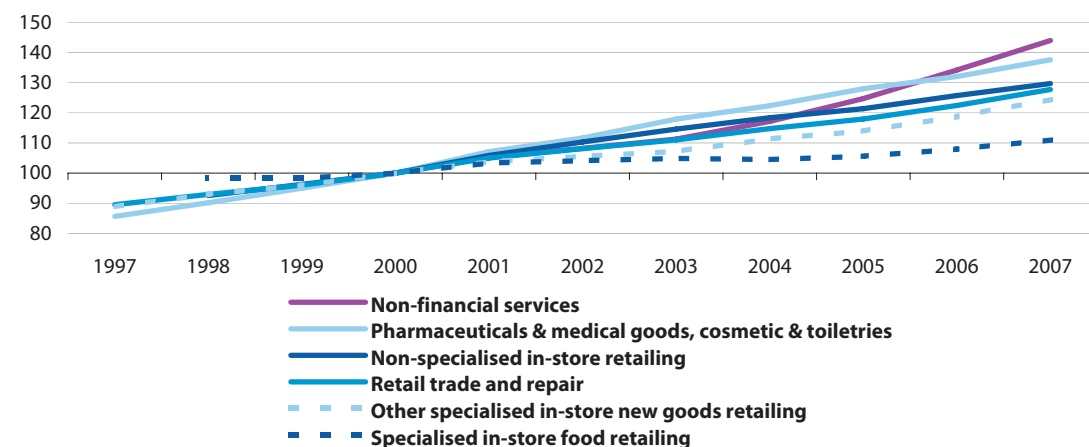
Source: Eurostat (STS)

A size class analysis for the EU-27's retail trade and repair sector for 2006 shows that small and medium-sized enterprises (SMEs, enterprises with less than 250 persons employed) generated 56.4 % of retail trade and repair value added and 65.1 % of the sector's employment. These shares were broadly comparable with the averages recorded for the whole of the non-financial business economy.

However, among SMEs, the contribution of micro, small and medium-sized enterprises was distinctly different in the retail trade and repair sector than in the non-financial business economy. Micro enterprises (with less than 10 persons employed) accounted for close to one third of retail trade and repair value added, and over two fifths of employment, well above the non-financial business economy averages. As a result,

**Figure 19.6:** Retail trade and repair (NACE Division 52)

Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

**Table 19.3:** Retail trade and repair (NACE Division 52)

Share of value added and persons employed by enterprise size class, EU-27, 2006 (%)

|                              | Value added                        |                         | Persons employed               |                         |
|------------------------------|------------------------------------|-------------------------|--------------------------------|-------------------------|
|                              | Non-financial business economy (1) | Retail trade and repair | Non-financial business economy | Retail trade and repair |
| 1 to 9 persons employed      | 21.0                               | 31.5                    | 29.7                           | 42.7                    |
| 10 to 49 persons employed    | 18.9                               | 16.3                    | 20.7                           | 15.0                    |
| 50 to 249 persons employed   | 17.8                               | 8.6                     | 17.0                           | 7.4                     |
| 250 or more persons employed | 42.1                               | 43.6                    | 32.6                           | 34.9                    |

(1) 1 to 9 persons employed and 50 to 249 persons employed, 2005.

Source: Eurostat (SBS)

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 below the non-financial business economy average, particularly in the case of medium-sized enterprises. As such, the retail trade and repair sector can be characterised as having a dominant micro enterprise subpopulation, alongside a significant subpopulation of large enterprises.

### Employment characteristics

According to results from the Labour Force Survey, a high proportion of the EU-27's retail trade and repair workforce were women (62.2 %) in 2007. This split between male and female workers was almost a mirror image of the average for the non-financial business economy, where 35.1 % of workers were female. 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, only less than for clothing manufacturing activities (NACE Division 18, see Subchapter 4.2). 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, rising to over twice as high in Luxembourg, Slovakia and Poland.

There was also a high incidence of part-time work (28.9 % of the workforce) in the EU-27's retail trade and repair sector in 2007, just over double the non-financial business economy average (14.3 %). The proportion of part-time employment in retail trade and repair activities was the highest among all of the NACE divisions that constitute the non-financial business economy. In relative terms, high part-time employment in this sector was particularly evident in Slovakia,

**Figure 19.7:** Retail trade and repair (NACE Division 52)  
Employment characteristics, 2007

Source: Eurostat (LFS)



the Nordic Member States, Ireland and the United Kingdom, where the part-time employment rate was at least 2.3 times as high as the national non-financial business economy average.

There was also a particularly high number of young persons employed in the EU-27's retail trade and repair workforce in 2007, as 31.2 % of those employed were aged between 15 and 29, compared with the 24.3 % average for the non-financial business economy. 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<sup>(5)</sup>, below the share recorded for hotels and restaurants. As a consequence the shares of the two other age groups were below average; persons aged 30 to 49 accounted for less than half the retail trade and repair workforce, making this one of only two non-financial business economy NACE divisions where this was the case.

### Expenditure, productivity and profitability

Typically for a distributive trade activity, the level of gross investment in tangible goods was low in the retail trade and repair sector, EUR 61.3 billion in the EU-27 in 2006. This was equivalent to 5.9 % of non-financial business economy total

investment, and resulted in an investment rate (gross tangible investment as a percentage of value added) of 14.7 %, higher than the two other distributive trades sectors, but still 3.7 percentage points below the non-financial business economy average. Among the retail trade and repair NACE groups only non-specialised in-store retailing recorded an investment rate above the non-financial business economy average, reaching 20.4 %. A small number of Member States recorded an investment rate in the retail trade and repair sector that were above their national non-financial business economy averages, notably Slovenia where the investment rate in this sector reached 47.4 %.

Also characteristic of an activity within distributive trades was the low share of personnel costs in total operating expenditure: the retail trade and repair sector's personnel costs represented 12.3 % of operating expenditure, admittedly higher than in motor or wholesale trades, but below the 16.1 % non-financial business economy average. The subsector concerning the repair of household goods (NACE Group 52.7) was the main exception for this indicator, as personnel costs amounted to 26.8 % of the operating expenditure total. It should be noted that any 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

(5) NACE Division 12, not available.

**Table 19.4:** Retail trade and repair (NACE Division 52)  
Expenditure, productivity and profitability, EU-27, 2006

|   | (EUR million)   |                               |                              | (EUR thousand per person)    |                         | (% )                              |                      |
|---|-----------------|-------------------------------|------------------------------|------------------------------|-------------------------|-----------------------------------|----------------------|
|   | Personnel costs | Purchases of goods & services | Investment in tangible goods | Apparent labour productivity | Average personnel costs | Wage adjusted labour productivity | Gross operating rate |
| <b>Retail trade and repair</b>                                      | 260 418         | 1 853 024                     | 61 300                       | 23.9                         | 18.7                    | 128.1                             | 7.0                  |
| <b>Non-specialised in-store retailing (1)</b>                       | 100 000         | 800 000                       | 28 620                       | 22.7                         | 17.8                    | 127.3                             | 4.1                  |
| <b>Specialised in-store food retailing (2)</b>                      | 13 300          | 103 000                       | 3 270                        | 17.9                         | 14.3                    | 125.4                             | 10.0                 |
| <b>Specialised in-store new goods retailing other than food (3)</b> | 122 500         | 749 861                       | 26 956                       | 25.4                         | 18.9                    | 134.9                             | :                    |
| <b>Retail sale of second-hand goods in stores</b>                   | 1 016           | 6 092                         | 182                          | 16.9                         | 14.6                    | 115.1                             | 12.5                 |
| <b>Retail sale not in stores (1)</b>                                | 9 700           | 90 000                        | 2 000                        | 20.7                         | 21.3                    | 96.9                              | 9.5                  |
| <b>Repair of personal and household goods</b>                       | 2 513           | 6 871                         | 312                          | 18.8                         | 18.6                    | 101.1                             | 19.5                 |

(1) Rounded estimates based on non-confidential data; gross operating rate, 2005.

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

(3) Personnel costs, purchases of goods and services, apparent labour productivity, average personnel costs and wage adjusted labour productivity, 2005.

Source: Eurostat (SBS)

within the retail trade and repair sector was relatively low. Furthermore, care should be taken when comparing 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. Average personnel costs in the retail trade and repair sector were EUR 18.7 thousand per employee in 2006 and apparent labour productivity was EUR 23.9 thousand per person employed. An analysis of the wage adjusted labour productivity ratio that combines these two ratios reduces the impact of the high rate of part-time employment. This ratio was 128.1 % for the EU-27's retail trade and repair sector in 2006, well below the level recorded in the other two distributive trades sectors and also far below the 151.1 % average for the non-financial business economy. Two of the subsectors had particularly low wage adjusted labour productivity ratios, namely retailing not in stores (NACE Group 52.6) and the repair of household goods, which registered ratios of 96.9 % and 101.1 % respectively: in the first of these two subsectors apparent labour productivity was less than average personnel costs (giving a ratio below 100 %),

while in the second it was only marginally higher. In fact, these two were the two lowest wage adjusted labour productivity ratios recorded by any NACE groups within the non-financial business economy in 2006.

All of the Member States<sup>(6)</sup> recorded a wage adjusted labour productivity ratio for their retail trade and repair sector below the average for their non-financial business economy: in the case of Italy a ratio of just 96.4 % was recorded, while in Greece the ratio was 98.8 %, in both cases indicating that average personnel costs exceeded apparent labour productivity.

Profitability for the EU-27's retail trade and repair sector, here measured by the gross operating rate, was 7.0 % in 2006, higher than in the two other distributive trades sectors, but still below the average rate for the non-financial business economy (10.8 %), influenced as for all distributive activities by the high levels of turnover. Unsurprisingly, as it is not a retail trade activity, the subsector concerning the repair of household goods recorded the highest gross operating rate in 2006, 19.5 %.

<sup>(6)</sup> Bulgaria, Cyprus, Poland and Romania, 2005; Ireland, Malta and the Netherlands, not available.

### 19.1: 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.

#### Structural profile

The EU-27's non-specialised in-store retailing sector (NACE Group 52.1) generated EUR 900 billion of turnover in 2006 and EUR 140 billion of value added while employing 6.2 million persons. As such, it accounted for 42.3 % of the turnover and 33.5 % of the value added created by retail trade and repair (NACE Division 52) in 2006, while some 35.3 % of the retail trade and repair workforce was concentrated in this sector. The non-specialised in-store retailing sector's workforce had a relatively high proportion of paid employees, 90.9 % in the EU-27, 11.2 % higher than the retail trade and repair average.

In total, almost 0.6 million enterprises were active in this sector, just 15.5 % of the retail trade and repair total, indicating a relatively large average size, particularly in turnover terms: in 2006, average turnover per enterprise in the EU-27's non-specialised in-store retailing sector was just over EUR 1.5 million, approximately two and a half times the average for retail trade and repair. With the exceptions of Bulgaria and Romania,

**Table 19.5:** Retail sale in non-specialized stores (NACE Group 52.1)  
Structural profile, EU-27, 2006

|   | Enterprises<br>(thousand) | Turnover<br>(EUR<br>million) | Value<br>added<br>(EUR<br>million) | Persons<br>employed<br>(thousand) | Share in total (%) |                     |
|---|---------------------------|------------------------------|------------------------------------|-----------------------------------|--------------------|---------------------|
|   |                           |                              |                                    |                                   | Value<br>added     | Persons<br>employed |
| <b>Non-specialised in-store retailing (1)</b>   | 588.8                     | 900 000                      | 140 000                            | 6 176.1                           | 100.0              | 100.0               |
| <b>Non-specialised in-store retailing, with food<br/>beverages or tobacco predominating (2)</b> | 479.1                     | 800 000                      | 110 000                            | 5 200.0                           | 84.6               | 84.2                |
| <b>Other non-specialised in-store retailing</b>   | 109.8                     | 109 891                      | 24 941                             | :                                 | 17.8               | :                   |

(1) Rounded estimates based on non-confidential data; turnover, 2005.

(2) Rounded estimates based on non-confidential data; turnover and value added, 2005.

Source: Eurostat (SBS)

**Table 19.6:** Retail sale in non-specialized stores (NACE Group 52.1)  
Structural profile: ranking of top five Member States in terms of value added and persons employed, 2006

|          | Highest<br>value added (1) |                  |                 | Largest number of<br>persons employed (2) |                 |                 | Most specialised: share in non-<br>financial business economy (%) (3) |                |
|----------|----------------------------|------------------|-----------------|---|-----------------|-----------------|---|----------------|
|          | Country                    | (EUR<br>million) | (% of<br>EU-27) | Country                                   | (thou-<br>sand) | (% of<br>EU-27) | Country   | Value<br>added |
| <b>1</b> | United Kingdom             | 34 147           | 24.4            | United Kingdom                            | 1 279.4         | 20.7            | Slovenia  | 3.9            |
| <b>2</b> | Germany                    | 23 991           | 17.1            | Germany                                   | 918.6           | 14.9            | Lithuania   | 3.7            |
| <b>3</b> | France                     | 22 843           | 16.3            | France                                    | 649.2           | 10.5            | United Kingdom  | 3.2            |
| <b>4</b> | Spain                      | 13 357           | 9.5             | Poland                                    | 503.6           | 8.3             | Latvia  | 3.0            |
| <b>5</b> | Italy                      | 11 258           | 8.0             | Italy                                     | 465.4           | 7.5             | Finland   | 2.9            |

(1) Malta and the Netherlands, not available; Bulgaria and Poland, 2005.

(2) Malta, not available; Bulgaria and Poland, 2005.

(3) Malta and the Netherlands, not available; Bulgaria, Cyprus, Poland and Romania, 2005.

Source: Eurostat (SBS)

in all Member States<sup>(7)</sup> the average turnover per enterprise was higher in the non-specialised in-store retailing sector than in the retail trade and repair sector as a whole. Luxembourg recorded the highest average turnover per enterprise (EUR 10.8 million). However, a comparison in relative terms showed French and Spanish non-specialised in-store retailers to be more than six times as large as the retail trade and repair average, while in Lithuania, Belgium and Luxembourg they were more than four times as large.

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 800 billion of turnover and EUR 110 billion of value added recorded in 2005, more than four fifths of the sectoral total in both cases. This subsector was dominant in all Member States<sup>(8)</sup> except for Slovakia, frequently generating more than four fifths of sectoral turnover.

The United Kingdom was by far the largest contributor to EU-27 value added and employment in the non-specialised in-store retailing sector, contributing more than one fifth of the EU-27 total for both of these measures; Germany and France were the only other Member States with 10 % of more of the EU-27 total. The dominance by the United Kingdom resulted in it being the third most specialised Member State<sup>(9)</sup> in this sector, in value added terms, as 3.2 % of its non-financial business economy value added was generated in the non-specialised in-store retailing sector, a share only surpassed in Slovenia and Lithuania. According to the same measure, the non-specialised in-store retailing sector was least developed in Bulgaria, where it contributed just 1.4 % (2005) of non-financial business economy value added.

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 averaged 3.8 % per annum, marginally above the

<sup>(7)</sup> Bulgaria and Poland, 2005; Malta and the Netherlands, not available.

<sup>(8)</sup> Bulgaria and Poland, 2005; Denmark, Malta and the Netherlands, not available.

<sup>(9)</sup> Bulgaria, Cyprus, Poland and Romania, 2005; Malta and the Netherlands, not available.

retail trade and repair average of 3.6 % per annum. Growth was faster in the subsector concerning non-specialised in-store retailing with food, beverages or tobacco predominating, where it averaged 4.4 % per annum, more than double the rate (2.1 % per annum) recorded for non-specialised in-store retailing with non-food products predominating.

### Expenditure and productivity

The EU-27 retail sales in non-specialised stores sector was responsible for a large part of retail trade and repair gross tangible investment: the level of investment reached EUR 28.6 billion in 2006, close to half (46.7 %) of the retail trade and repair total. The resulting investment rate (investment as a percentage of value added) was 20.4 %, the highest rate among the retail trade and repair NACE groups, and the only one of these to register an investment rate above the non-financial business economy average (18.4 %).

<sup>(9)</sup> Bulgaria and Poland, 2005; Malta and the Netherlands, not available.

## 19.2: 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 food retailing sector (NACE Group 52.2) consisted of 0.5 million enterprises in 2006 which generated EUR 130 billion of turnover and EUR 26 billion of value added. Therefore, specialised food retailing contributed 6.2 % of retail trade and repair

An analysis of expenditure in the EU-27 shows that personnel costs accounted for around 11.1 % of operating expenditure in this sector, slightly below the retail trade and repair average (12.3 %). The share of personnel costs was notably higher for non-specialised in-store retailing with non-food products predominating (15.9 %).

The apparent labour productivity ratio of the EU-27's non-specialised in-store retailing sector in 2006 was EUR 22.7 thousand per person employed, while average personnel costs were EUR 17.8 thousand per employee, resulting in a wage adjusted labour productivity ratio of 127.3 %. These figures were all similar to, but slightly lower than, those recorded for retail trade and repair as a whole. The subsector concerning non-specialised in-store retailing with non-food products predominating recorded a higher wage adjusted labour productivity ratio, 140.0 % in 2005, whereas in the larger subsector with food, beverage and tobacco products predominating the ratio was 126.0 %. The wage adjusted labour productivity ratio for non-specialised in-store retailing in 2006 ranged among the Member States<sup>(10)</sup> from below 100 % in Italy (97.5 %) to 177.4 % in Slovakia.

(NACE Division 52) value added, while its contribution to retail trade and repair turnover was 5.7 %: both of these shares were well below the sector's 13.2 % share of the total number of enterprises in retail trade and repair, indicating a large number of relatively small (on average) enterprises in the specialised food retailing sector.

The specialised food retailing sector employed 1.45 million people in the EU-27, equivalent to 8.3 % of the retail trade and repair workforce. The share of employees in persons employed was 64.1 %, substantially below the retail trade and repair average (79.7 %), and in fact, the fifth lowest rate of all NACE groups within the non-financial business economy.

The largest subsector in the EU-27's specialised food retailing sector was the retail sale of meat and meat products (NACE Class 52.22), which alone provided around one quarter of the total turnover, value added and employment.

Overall, specialised food retailing was particularly important in Spain and Italy, which had higher turnover, value added and employment than any other Member State. Unsurprisingly they were

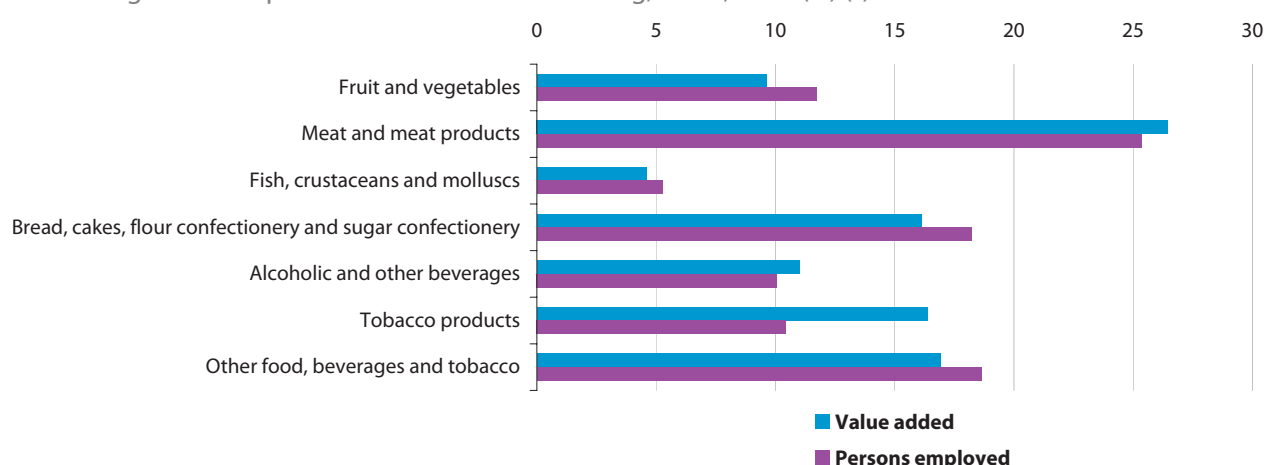
**Table 19.7:** Specialised in-store food retailing (NACE Group 52.2)  
Structural profile, EU-27, 2006 (1)

|  | Enterprises<br>(thousand) | Turnover<br>(EUR<br>million) | Value<br>added<br>(EUR<br>million) | Persons<br>employed<br>(thousand) | Share in total (%) |                     |
|--|---------------------------|------------------------------|------------------------------------|-----------------------------------|--------------------|---------------------|
|  |                           |                              |                                    |                                   | Value<br>added     | Persons<br>employed |
| <b>Specialised in-store food retailing</b>                   | 500.5                     | 130 000                      | 26 000                             | 1 450.0                           | 100.0              | 100.0               |
| Fruit and vegetables   | 74.0                      | 13 000                       | 2 500                              | 170.0                             | 9.6                | 11.7                |
| Meat and meat products                                       | 120.0                     | 32 356                       | 6 879                              | 367.6                             | 26.5               | 25.4                |
| Fish, crustaceans and molluscs                               | 34.9                      | 6 813                        | 1 198                              | 76.3                              | 4.6                | 5.3                 |
| Bread, cakes, flour confectionery<br>and sugar confectionery | 67.0                      | 13 300                       | 4 190                              | 264.0                             | 16.1               | 18.2                |
| Alcoholic and other beverages                                | 38.7                      | 20 375                       | 2 862                              | 145.9                             | 11.0               | 10.1                |
| Tobacco products   | 65.0                      | 22 205                       | 4 256                              | 151.4                             | 16.4               | 10.4                |
| Other food, beverages and tobacco                            | 96.0                      | 22 000                       | 4 400                              | 270.0                             | 16.9               | 18.6                |

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

Source: Eurostat (SBS)

**Figure 19.8:** Specialised in-store food retailing (NACE Group 52.2)  
Relative weight within specialised in-store food retailing, EU-27, 2006 (%) (1)



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

Source: Eurostat (SBS)

both among the most specialised of the Member States<sup>(11)</sup> in this sector, only behind Greece, where specialised food retailing contributed 1.3 % to the non-financial business economy in terms of value added.

Among the Member States<sup>(12)</sup> some individual subsections have a particular significance. The specialised retailing of beverages was important in Estonia, where it contributed more than three quarters of specialised food retailing turnover, slightly less than five times the EU-27 average. Specialised retailing of fruit and vegetables contributed nearly two fifths of Cypriot turnover in

this sector, close to four times the EU-27 average, while in Austria specialised retailing of tobacco generated 63.7 % of the sector's turnover, 3.7 times as much as the EU-27 average.

Annualised short-term statistics show generally weak growth in turnover for the EU-27's specialised food retailing sector over the period 1998 to 2007. Indeed, the index registered a negative rate of change in 2004 (-0.4 %) and only once, in 2001, did growth exceed 3 %. Over the whole period, the index averaged growth of 1.4 % per annum, just over one third of the average rate (3.6 %) for retail trade and repair during the same period.

<sup>(11)</sup> Bulgaria, Cyprus, Luxembourg, Poland and Romania, 2005; Malta and the Netherlands, not available.

<sup>(12)</sup> Bulgaria, Estonia, Lithuania, Luxembourg and Poland, 2005; Ireland, Slovakia, Finland and Sweden, incomplete; Malta, not available.

**Table 19.8:** Specialised in-store food retailing (NACE Group 52.2)  
Structural profile: ranking of top five Member States in terms of value added and persons employed, 2006

|   | Highest value added (1) |               |              | Largest number of persons employed (1) |            |              | Most specialised: share in non-financial business economy (%) (2) |             |
|---|-------------------------|---------------|--------------|--|------------|--------------|---|-------------|
|   | Country                 | (EUR million) | (% of EU-27) | Country                                | (thousand) | (% of EU-27) | Country   | Value added |
| 1 | Italy                   | 4 699         | 18.1         | Spain                                  | 265.2      | 18.3         | Greece  | 1.3         |
| 2 | Spain                   | 4 651         | 17.9         | Italy                                  | 213.1      | 14.7         | Spain   | 0.9         |
| 3 | United Kingdom          | 4 044         | 15.6         | United Kingdom                         | 194.0      | 13.4         | Italy   | 0.7         |
| 4 | France                  | 3 358         | 12.9         | Germany                                | 184.4      | 12.7         | Cyprus  | 0.6         |
| 5 | Germany                 | 3 344         | 12.9         | Poland                                 | 114.3      | 7.9          | Poland  | 0.5         |

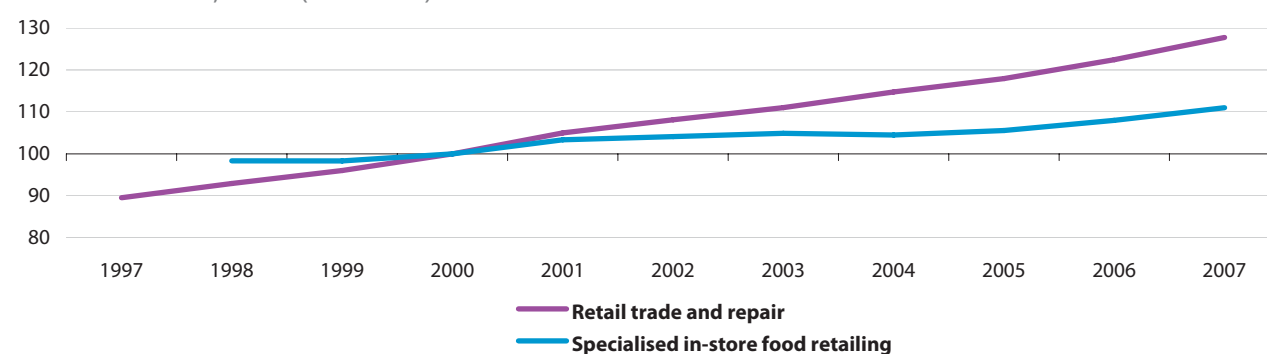
(1) Malta, not available; Bulgaria, Luxembourg and Poland, 2005.

(2) Malta and the Netherlands, not available; Bulgaria, Cyprus, Luxembourg, Poland and Romania, 2005.

Source: Eurostat (SBS)

**Figure 19.9:** Specialised in-store food retailing (NACE Group 52.2)

Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

### Expenditure and productivity

In 2006 specialised food retailing had a slightly lower than average (for retail trade and repair) investment rate in the EU-27, 12.6 %, resulting from investments valued at EUR 3.3 billion.

Personnel costs represented 11.4 % of the operating expenditure of specialised food retailers. The subsector of the retail sale of bread, cakes, flour confectionery and sugar confectionery (NACE Class 52.24) recorded a much higher share of personnel costs, 23.7 %, twice the sectoral average. On the other hand, a particularly low share of personnel costs (in operating expenditure) was recorded for the retail sale of tobacco products and of beverages (NACE Classes 52.25 and 52.26), both sectors where the share of the purchases of goods and services may be inflated by consumption taxes.

EU-27 apparent labour productivity for the specialised food retailing sector was EUR 17.9 thousand per person employed in 2006, while average

personnel costs were EUR 14.3 thousand per employee. Both values were particularly low: the productivity indicator was the seventh lowest of all non-financial business economy NACE groups, while average personnel costs were sixth lowest. Nevertheless the resulting wage adjusted labour productivity ratio for this sector was 125.4 % in 2006, only slightly below the retail trade and repair average (128.1 %). Among the NACE classes that compose the sector, particularly high apparent labour productivity was recorded for the retail sale of tobacco products (NACE Class 52.26), and despite higher than average personnel costs this subsector recorded the highest wage adjusted labour productivity ratio, 171.4 %.

Among the Member States<sup>(13)</sup>, wage adjusted labour productivity ratios for specialised food retailing were below national non-financial business economy averages in all of the Member States in 2006, while in Greece and Hungary this ratio was below 100 %, indicating that apparent labour productivity was lower than average personnel costs.

<sup>(13)</sup> Bulgaria, Cyprus, Luxembourg, Poland and Romania, 2005; Malta and the Netherlands, not available.

**Table 19.9:** Specialised in-store food retailing (NACE Group 52.2)  
Expenditure, productivity and profitability, EU-27, 2006

|  | (EUR million)   |                               |                              | (EUR thousand per person)    |                         |
|--|-----------------|-------------------------------|------------------------------|------------------------------|-------------------------|
|  | Personnel costs | Purchases of goods & services | Investment in tangible goods | Apparent labour productivity | Average personnel costs |
| <b>Specialised in-store food retailing (1)</b>                       | 13 300          | 103 000                       | 3 270                        | 17.9                         | 14.3                    |
| <b>Fruit and vegetables (2)</b>                                      | 1 100           | 10 300                        | 326                          | 14.7                         | 12.2                    |
| <b>Meat and meat products</b>  | 3 794           | 25 225                        | 901                          | 18.7                         | 16.1                    |
| <b>Fish, crustaceans and molluscs (1)</b>                            | 595             | 5 560                         | 144                          | 15.7                         | 13.7                    |
| <b>Bread, cakes, flour confectionery and sugar confectionery (1)</b> | 2 730           | 8 800                         | 398                          | 15.9                         | 14.1                    |
| <b>Alcoholic and other beverages (3)</b>                             | 1 686           | 17 169                        | 295                          | 19.6                         | 15.7                    |
| <b>Tobacco products</b>  | 1 192           | 18 211                        | 382                          | 28.1                         | 16.4                    |
| <b>Other food, beverages and tobacco (1)</b>                         | 2 100           | 18 000                        | 700                          | 16.3                         | 11.7                    |

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

(2) Rounded estimates based on non-confidential data; investment in tangible goods, 2005.

(3) Investment in tangible goods, 2005.

Source: Eurostat (SBS)

### 19.3: Specialised in-store retailing other than food

Two NACE groups are covered in this subchapter: 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. Collectively these are referred to in this subchapter as specialised retailing other than food. Retailing of second hand goods in stores is covered in Subchapter 19.4.

This subchapter deals with the retailing of consumer non-durable, semi-durable and durable goods. 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, non-food 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.

#### Structural profile

In 2006, the EU-27's sector of specialised retailing other than food (NACE Groups 52.3 and 52.4) consisted of 2.0 million enterprises which generated in excess of EUR 1 000 billion of turnover and EUR 210.9 billion of value added (2005). As such, this sector contributed more than half (53.8 %) of the total value added generated in the EU-27's retail trade and repair sector (NACE Division 52).

The sector of specialised retailing other than food employed 8.6 million persons in 2006, equivalent to 49.0 % of the EU-27's retail trade and repair total. Paid employees accounted for 78.6 % of all persons employed in 2006, close to the retail trade and repair average. The paid employment rate was highest (87.5 %) in the activity of dispensing chemists (NACE Class 52.31), and lowest (52.4 %) for the retail sale of textiles (NACE Class 52.41).

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

**Table 19.10:** Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)  
Structural profile, EU-27, 2006

|   | Enterprises<br>(thousand) | Turnover<br>(EUR<br>million) | Value<br>added<br>(EUR<br>million) | Persons<br>employed<br>(thousand) | Share in total (%) |                     |
|---|---------------------------|------------------------------|------------------------------------|-----------------------------------|--------------------|---------------------|
|   |                           |                              |                                    |                                   | Value<br>added     | Persons<br>employed |
| <b>Specialised in-store new goods<br/>retailing other than food (1)</b> | 1 966.6                   | :                            | 210 878                            | 8 553.2                           | 100.0              | 100.0               |
| Pharmaceuticals & medical goods,<br>cosmetics & toiletries              | 200.8                     | 204 320                      | 44 153                             | 1 262.4                           | 19.4               | 14.8                |
| Dispensing chemists (2)   | 126.3                     | 150 000                      | 32 000                             | 800.0                             | 15.2               | 9.4                 |
| Medical and orthopaedic goods (2)                                       | 21.6                      | 13 100                       | 4 120                              | 121.0                             | 2.0                | 1.4                 |
| Cosmetic and toilet articles  | 52.9                      | 37 188                       | 7 575                              | 331.9                             | 3.6                | 3.9                 |
| <b>Other specialised in-store<br/>new goods retailing (1, 2)</b>        | 1 765.8                   | :                            | 170 000                            | 7 290.8                           | 80.6               | 85.2                |
| Textiles  | 89.4                      | 13 000                       | 3 000                              | 210.0                             | 1.4                | 2.5                 |
| Clothing (2, 3)   | 360.8                     | 180 000                      | 41 803                             | 1 707.2                           | 19.8               | 20.0                |
| Footwear and leather goods  | 84.5                      | 38 959                       | 9 586                              | 409.2                             | 4.5                | 4.8                 |
| Furniture, lighting equipment<br>and household articles n.e.c.          | 179.8                     | 111 515                      | 24 735                             | 861.3                             | 11.7               | 10.1                |
| Electrical household appliances<br>and radio and television             | 102.3                     | 91 749                       | 14 217                             | 517.2                             | 6.7                | 6.0                 |
| Hardware paints and glass   | 141.3                     | 113 813                      | 21 943                             | 765.1                             | 10.4               | 8.9                 |
| Books, newspapers and stationery  | 133.5                     | 41 690                       | 8 649                              | 427.9                             | 4.1                | 5.0                 |
| <b>Other retail sale in specialized stores (1, 2)</b>                   | 669.5                     | :                            | 50 000                             | 2 337.3                           | 23.7               | 27.3                |

(1) Value added, 2005.

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

(3) Number of enterprises, value added and number of persons employed, 2005.

Source: Eurostat (SBS)

Turning to the Member States, specialised retailing other than food was largest in Germany in terms of value added and employment, followed by the United Kingdom. The contribution of both of these Member States was a little under one fifth of the EU-27 value added total, while they contributed less in employment terms. In terms of this sector's contribution to non-financial business economy value added, Greece and Cyprus were the most specialised Member States<sup>(14)</sup>, as this sector accounted for around 6.5 % of their non-financial business economy value added. When looking at a breakdown of retailing turnover among four main groupings of non-food activities<sup>(15)</sup>, the specialised retailing of household equipment (NACE Classes 52.44 to 52.46) was the largest in 14 of the Member States, reaching a 48.0 % share in Estonia. The specialised retailing of books, newspapers and other items (NACE Classes 52.47 and 52.48) was the largest in the remaining 11 Member States, with Poland recording a 43.5 % share of specialised retailing other than food in these activities. Turning

to the smaller groupings, specialised retailing of textiles, clothing, footwear and leather goods (NACE Classes 52.41 to 52.43) generated close to 30 % of turnover in the United Kingdom and Greece, while dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles (NACE Group 52.3) contributed more than one quarter of the sector's value added in Hungary and Germany.

Annualised short-term statistics show the turnover index in the two NACE groups covered by the EU-27's sector of specialised retailing other than food. In both activities there was uninterrupted growth over the period 1997 to 2007. Dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles recorded average turnover growth of 4.9 % per annum over the period observed. In contrast, sales grew at a somewhat slower pace for other specialised retailing of new goods, with average growth of 3.4 % per annum (below the 3.6 % average for the whole of retail trade and repair).

<sup>(14)</sup> Bulgaria, Cyprus, Poland and Romania, 2005; Malta and the Netherlands, not available.

<sup>(15)</sup> Bulgaria, Ireland and Poland, 2005; Malta and the Netherlands, not available.



**Table 19.11:** Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)  
Structural profile: ranking of top five Member States in terms of value added and persons employed, 2006

|   | Highest value added (1) |               |              | Largest number of persons employed (2) |            |              | Most specialised: share in non-financial business economy (%) (3) |             |
|---|-------------------------|---------------|--------------|--|------------|--------------|---|-------------|
|   | Country                 | (EUR million) | (% of EU-27) | Country                                | (thousand) | (% of EU-27) | Country   | Value added |
| 1 | Germany                 | 42 846        | 19.1         | Germany                                | 1 489.8    | 17.4         | Greece  | 6.5         |
| 2 | United Kingdom          | 42 748        | 18.2         | United Kingdom                         | 1 349.7    | 15.8         | Cyprus  | 6.4         |
| 3 | France                  | 35 682        | 16.3         | Italy                                  | 972.1      | 11.4         | Portugal  | 4.9         |
| 4 | Italy                   | 24 706        | 11.7         | Spain                                  | 941.8      | 11.0         | France  | 4.5         |
| 5 | Spain                   | 22 574        | 10.1         | France                                 | 889.1      | 10.4         | Latvia  | 4.2         |

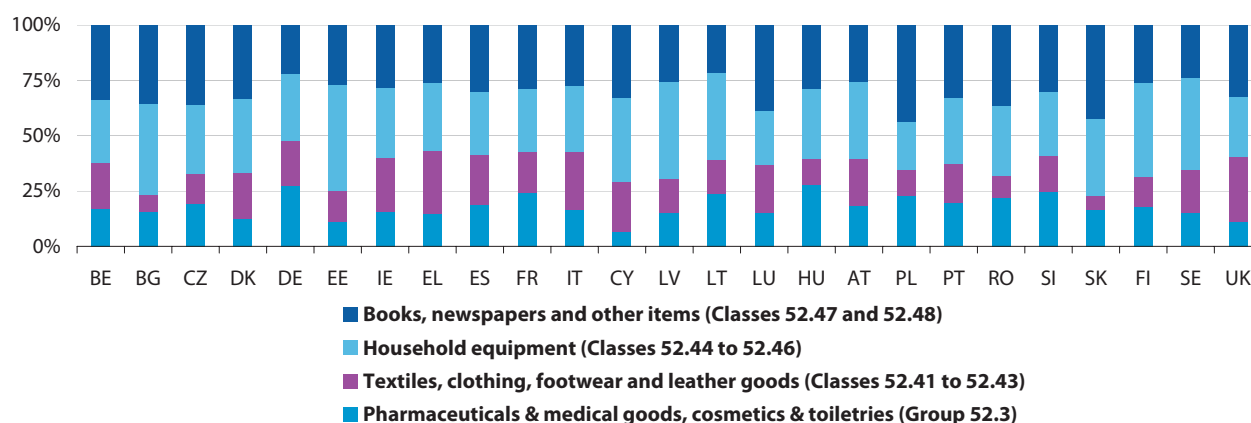
(1) Malta and the Netherlands, not available; value added, Bulgaria and Poland, 2005; share in EU-27, 2005.

(2) Malta, not available; Bulgaria and Poland, 2005.

(3) Malta and the Netherlands, not available; Bulgaria, Cyprus, Poland and Romania, 2005.

Source: Eurostat (SBS)

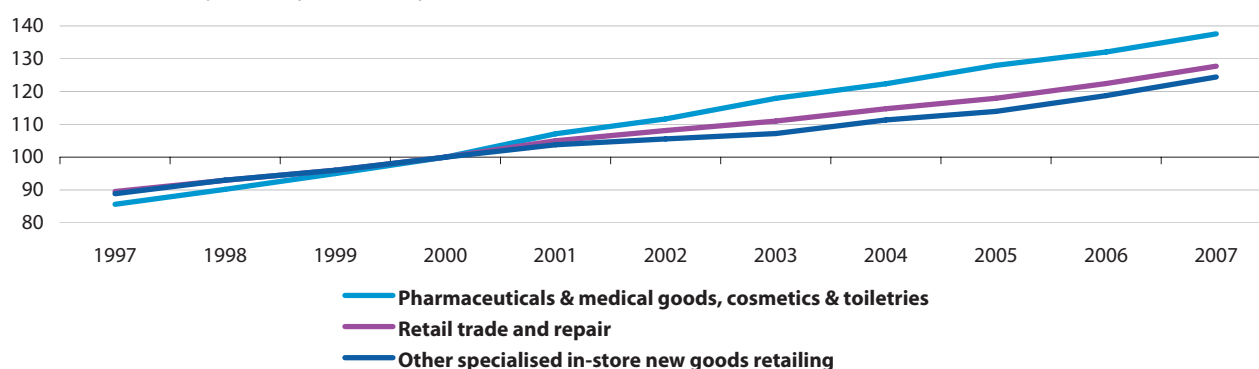
**Figure 19.10:** Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)  
Breakdown of turnover, 2006 (%) (1)



(1) Bulgaria, Ireland and Poland, 2005; Malta and the Netherlands, not available.

Source: Eurostat (SBS)

**Figure 19.11:** Specialised in-store new goods retailing other than food (NACE Groups 52.3 and 52.4)  
Index of turnover, EU-27 (2000=100)



Source: Eurostat (STS)

### Expenditure and productivity

Specialised retailing other than food had the second highest level of tangible investment in the EU-27's retail trade and repair sector in 2006, valued at EUR 27.0 billion, 44.0 % of the retail trade and repair total. The investment rate was 11.7 % in 2005, 3.0 percentage points below the retail trade and repair average. Dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles recorded an investment rate of just 6.6 % in 2006, in contrast to the rate of 13.0 % (in 2005) recorded for other specialised retailing of new goods.

An analysis of operating expenditure shows that in the EU-27's sector of specialised retailing other than food some 14.0 % of the total was dedicated to personnel costs in 2005, a share rising to 14.3 % for other specialised retailing of new goods, and dropping to 13.4 % in 2006 for dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles.

<sup>(6)</sup> Bulgaria and Poland, 2005; Malta and the Netherlands, not available.

### 19.4: 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: the retail sale of second-hand motor vehicles is not covered by this subchapter (see Chapter 17). The retailing of second-hand goods deals by definition with the sale of semi-durable and durable items only.

Turnover was EUR 8.1 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 was generated, the smallest level of output among the retail trade and repair subchapters covered in this publication. 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 65.7 thousand enterprises with second-hand goods retailing as their main activity, there were 120.4 thousand persons employed in the EU-27, therefore equating to 0.7 % of the retail trade and repair workforce.

<sup>(7)</sup> Bulgaria, Cyprus, Poland and Romania, 2005; Malta and the Netherlands, not available.

<sup>(8)</sup> Bulgaria and Poland, 2005; Malta, not available.

With apparent labour productivity of EUR 25.4 thousand per person employed in 2005 and personnel costs of EUR 18.9 thousand per employee, the wage adjusted labour productivity ratio in the EU-27's sector of specialised retailing other than food averaged 134.9 %: all three of these indicators were above the retail trade and repair average in the same year. The subsector concerning dispensing chemists, retailers of medical, orthopaedic, cosmetic and toilet articles recorded higher apparent labour productivity and average personnel costs in 2006, and the wage adjusted labour productivity ratio in this subsector reached 152.7 %.

Across all the Member States for which data are available <sup>(6)</sup>, the lowest wage adjusted labour productivity ratio for specialised retailing other than food was 101.5 %, recorded in Italy. None of the Member States recorded a wage adjusted labour productivity in specialised retailing other than food that was higher than the average for the non-financial business economy, the closest being in Slovakia and France.

The United Kingdom alone accounted for 32.0 % of the EU-27's turnover and 36.1 % of value added in second-hand goods retailing in stores, while its share of the EU-27's workforce was just 16.6 %. France was the second largest contributor in this sector in output terms, while Poland had the second largest workforce. Unsurprisingly, the United Kingdom was the most specialised Member State <sup>(7)</sup> in terms of the contribution of this sector to non-financial business economy value added, although this was still less than 0.1 %.

Within the second-hand goods retailing in stores sector the apparent labour productivity was exceptionally low in the EU-27 in 2006, just EUR 16.9 thousand per person employed, the fourth lowest level recorded among all of the NACE groups within the non-financial business economy (with 2005 or 2006 data available). Apparent personnel costs were also low, EUR 14.6 thousand per employee, resulting in a wage adjusted labour productivity ratio of just 115.1 %, below the retail trade and repair average of 128.1 %.

Approximately half of the Member States <sup>(8)</sup> recorded a wage adjusted labour productivity ratio below 100 % for their second-hand goods retailing in stores sector, indicating that average personnel costs were higher than the apparent labour productivity.

**Table 19.12:** Retail sale of second-hand goods in stores (NACE Group 52.5)

Structural profile: ranking of top five Member States in terms of value added and persons employed, 2006

|   | Highest value added (1) |               |              | Largest number of persons employed (1) |            |              | Most specialised: share in non-financial business economy (%) (2) |             |
|---|-------------------------|---------------|--------------|--|------------|--------------|---|-------------|
|   | Country                 | (EUR million) | (% of EU-27) | Country                                | (thousand) | (% of EU-27) | Country   | Value added |
| 1 | United Kingdom          | 733           | 36.1         | United Kingdom                         | 20.0       | 17.1         | Lithuania   | 0.1         |
| 2 | France                  | 432           | 21.3         | Poland                                 | 19.0       | 16.6         | Latvia  | 0.1         |
| 3 | Germany                 | 309           | 15.2         | Germany                                | 14.7       | 12.2         | United Kingdom  | 0.1         |
| 4 | Netherlands             | 125           | 6.2          | France                                 | 14.4       | 11.9         | Hungary   | 0.1         |
| 5 | Belgium                 | 64            | 3.2          | Netherlands                            | 11.6       | 9.7          | France  | 0.1         |

(1) Malta, not available; Bulgaria and Poland, 2005.

(2) Malta and the Netherlands, not available; Bulgaria, Cyprus, Poland and Romania, 2005.

Source: Eurostat (SBS)

## 19.5: 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 – these activities are classified within NACE Group 52.6. Enterprises specialising in retail sales via the Internet and via home shopping channels are also included; this subchapter does not include retail enterprises that also use remote-selling, but not as their principal activity.

### Structural profile

Retail sales not in-stores (NACE Group 52.6) was the main activity of an estimated 540.0 thousand enterprises, which generated EUR 100 billion of turnover in the EU-27 in 2006, representing 4.4 % of the turnover within the retail trade and repair sector (NACE Division 52). EU-27 value added

was EUR 19 billion, or 4.5 % of the retail trade and repair total and there were an estimated 920.0 thousand persons employed, equivalent to 5.3 % of the retail trade and repair workforce. Of this workforce, just 49.5 % were paid employees: this was the lowest share of paid employees of all of the NACE groups within the non-financial business economy (with 2005 or 2006 data available).

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 in 2005 with just over half the sectoral total. In contrast, retail sales via stalls and markets (NACE Class 52.62) had the smallest share of sectoral turnover. The activity of retail sales via mail order houses was relatively important in turnover terms in several of the larger Member States (France, Germany and the United Kingdom), as well as the Nordic Member States, and most of all Austria.

**Table 19.13:** Retail sale not in stores (NACE Group 52.6)

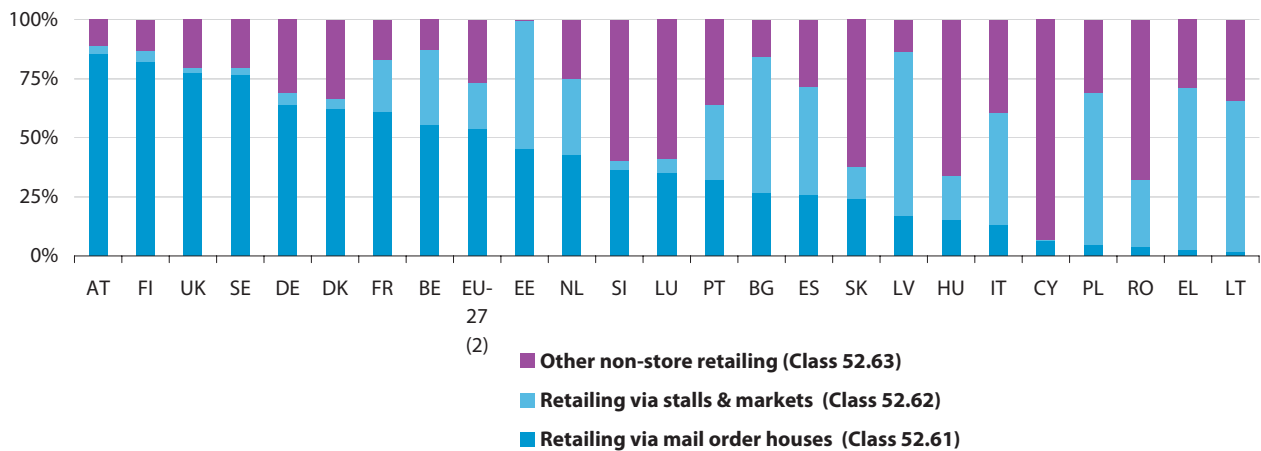
Structural profile, EU-27, 2006 (1)

|                                    | Enterprises (thousand) | Turnover (EUR million) | Value added (EUR million) | Persons employed (thousand) | Share in total (%) |                  |
|------------------------------------|------------------------|------------------------|---------------------------|-----------------------------|--------------------|------------------|
|                                    |                        |                        |                           |                             | Value added        | Persons employed |
| <b>Retail sale not in stores</b>   | 540.0                  | 100 000                | 19 000                    | 920.0                       | 100.0              | 100.0            |
| Retail sale via mail order houses  | 31.0                   | 50 000                 | 8 794                     | 194.4                       | 46.3               | 21.1             |
| Retail sale via stalls and markets | 366.0                  | 19 041                 | 3 999                     | 441.6                       | 21.0               | 48.0             |
| Other non-store retail sale        | 143.0                  | 31 000                 | 6 500                     | 280.0                       | 34.2               | 30.4             |

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

Source: Eurostat (SBS)

**Figure 19.12:** Retailing not in stores (NACE Group 52.6)  
Breakdown of turnover, 2006 (%) (1)



(1) EU-27, Bulgaria, Luxembourg, Poland and Portugal, 2005; Ireland and Malta, not available.

(2) Includes rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

**Table 19.14:** Retail sale not in stores (NACE Group 52.6)

Structural profile: ranking of top five Member States in terms of value added and persons employed, 2006

|   | Highest value added (1) |               |              | Largest number of persons employed (1) |            |              | Most specialised: share in non-financial business economy (%) (2) |             |
|---|-------------------------|---------------|--------------|--|------------|--------------|---|-------------|
|   | Country                 | (EUR million) | (% of EU-27) | Country                                | (thousand) | (% of EU-27) | Country   | Value added |
| 1 | Germany                 | 4 881         | 25.7         | Italy                                  | 156.2      | 17.0         | Greece  | 0.8         |
| 2 | United Kingdom          | 4 416         | 23.2         | Germany                                | 131.9      | 14.3         | Lithuania   | 0.5         |
| 3 | France                  | 2 839         | 14.9         | Poland                                 | 109.3      | 11.9         | Germany   | 0.4         |
| 4 | Italy                   | 2 380         | 12.5         | France                                 | 91.1       | 9.9          | United Kingdom  | 0.4         |
| 5 | Spain                   | 1 274         | 6.7          | United Kingdom                         | 84.7       | 9.2          | Latvia  | 0.4         |

(1) Malta, not available; Bulgaria, Luxembourg and Poland, 2005.

(2) Malta and the Netherlands, not available; Bulgaria, Cyprus, Luxembourg, Poland and Romania, 2005.

Source: Eurostat (SBS)

Among the Member States<sup>(19)</sup>, 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, more than one fifth. Both of these larger Member States figured among the most specialised in value added terms, behind Greece and Lithuania.

### Expenditure and productivity

Gross tangible investment in the EU-27's retail trade not in stores sector was EUR 2 billion in 2006, 3.3 % of the retail trade and repair total. The investment rate was 10.5 % and therefore 4.1 percentage points lower than the retail trade and repair average.

An analysis of expenditure shows that this sector had the highest share (90.3 %) of purchases of goods and services in operating expenditure among the retail trade and repair activities presented in Subchapters 19.1 to 19.6. The correspondingly low share dedicated to personnel costs can to a large extent be explained by the very low share of paid employees within the workforce. This characteristic of the sector may also account to some extent for the low wage adjusted labour productivity ratio: for retail sales not in stores this was 96.9 % in the EU-27 in 2006, reflecting a level of apparent labour productivity (EUR 20.7 thousand per person employed) that was insufficient to cover the average personnel costs (EUR 21.3 thousand). The activity of retail sales not in stores was the only NACE group within the whole of the non-financial business economy where this ratio was below parity (100 %) for the EU-27 in 2006.

<sup>(19)</sup> Bulgaria, Luxembourg and Poland, 2005; Malta, not available.

## 19.6: Repair of personal and household goods

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. Specialist repair activities include repairing footwear, electrical goods, and clocks and watches, as well as piano-tuning.

The repair of personal and household goods sector (NACE Group 52.7) differs from all of the other activities in this chapter in that it is not a retail activity, and as such does not consist in buying and selling goods. Within the EU-27 this sector had a population of 135.7 thousand enterprises in 2006 which employed 255.3 thousand persons and generated EUR 4.8 billion of value added, with tangible investment valued at EUR 311.9 million. By all of these measures this was the second smallest sector within retail trade and repair (NACE Division 52), larger only than the retail sale of second-hand goods in stores (see Subchapter 19.4).

An analysis at the NACE class level shows that the repair of electrical household goods (NACE Class 52.72) and the miscellaneous activity of repair

not elsewhere classified (NACE Class 52.74) were the two largest subsectors, together responsible for around four fifths of the sector's value added and employment in the EU-27.

Of the five largest Member States, the United Kingdom had the smallest workforce in the repair of personal and household goods sector, but generated the most value added. However, none of the larger Member States<sup>(20)</sup> were particularly specialised in this sector, and only Greece and Cyprus generated 0.2 % or more of their non-financial business economy value added through the repair of personal and household goods.

The wage adjusted labour productivity ratio for the EU-27's repair of personal and household goods sector was 101.1 % in 2006, indicating that apparent labour productivity was only marginally higher than average personnel costs. This was the second lowest wage adjusted labour productivity ratio among all of the non-financial business economy NACE groups (with 2005 or 2006 data available), higher only than for retail sales not in stores (see Subchapter 19.5). In only 12 of the Member States<sup>(21)</sup> for which data are available was the wage adjusted labour productivity ratio for these activities above 100 %.

<sup>(20)</sup> Bulgaria, Cyprus, Poland and Romania, 2005; Malta, not available.

<sup>(21)</sup> Bulgaria and Poland, 2005; Malta, not available.

**Table 19.15:** Repair of personal and household goods (NACE Group 52.7)  
Structural profile, EU-27, 2006

|  | Enterprises<br>(thousand) | Turnover<br>(EUR<br>million) | Value<br>added<br>(EUR<br>million) | Persons<br>employed<br>(thousand) | Share in total (%) |                     |
|--|---------------------------|------------------------------|------------------------------------|-----------------------------------|--------------------|---------------------|
|  |                           |                              |                                    |                                   | Value<br>added     | Persons<br>employed |
| <b>Repair of personal and household goods</b>        | 135.7                     | 11 695                       | 4 795                              | 255.3                             | 100.0              | 100.0               |
| Repair of boots, shoes and other articles of leather | :                         | 1 063                        | 512                                | 36.4                              | 10.7               | 14.3                |
| Repair of electrical household goods                 | 54.5                      | 5 472                        | 2 019                              | 112.7                             | 42.1               | 44.1                |
| Repair of watches clocks and jewellery (1)           | 9.0                       | 470                          | 199                                | 14.7                              | 4.2                | 5.8                 |
| Repair n.e.c. (1)                                    | 49.4                      | 4 700                        | 2 060                              | 90.0                              | 43.0               | 35.3                |

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

Source: Eurostat (SBS)

**Table 19.16:** Repair of personal and household goods (NACE Group 52.7)  
Structural profile: ranking of top five Member States in terms of value added and persons employed, 2006

|   | Highest value added (1) |               |              | Largest number of persons employed (1) |            |              | Most specialised: share in non-financial business economy (%) (2) |             |
|---|-------------------------|---------------|--------------|--|------------|--------------|---|-------------|
|   | Country                 | (EUR million) | (% of EU-27) | Country                                | (thousand) | (% of EU-27) | Country   | Value added |
| 1 | United Kingdom          | 1 030         | 21.5         | Italy                                  | 35.5       | 13.9         | Greece  | 0.4         |
| 2 | Germany                 | 762           | 15.9         | Spain                                  | 29.5       | 11.6         | Cyprus  | 0.2         |
| 3 | France                  | 702           | 14.6         | Germany                                | 29.1       | 11.4         | Sweden  | 0.1         |
| 4 | Italy                   | 581           | 12.1         | France                                 | 25.5       | 10.0         | Denmark   | 0.1         |
| 5 | Spain                   | 468           | 9.8          | United Kingdom                         | 24.8       | 9.7          | Hungary   | 0.1         |

(1) Malta, not available; Bulgaria and Poland, 2005.

(2) Malta and the Netherlands, not available; Bulgaria, Cyprus, Poland and Romania, 2005.

Source: Eurostat (SBS)

**Table 19.17:** Retail trade and repair (NACE Division 52)  
Main indicators, 2006 (1)

|                                    | BE     | BG     | CZ     | DK     | DE      | EE      | IE     | EL     | ES      | FR      | IT      | CY     | LV      | LT     |
|------------------------------------|--------|--------|--------|--------|---------|---------|--------|--------|---------|---------|---------|--------|---------|--------|
| <b>Enterprises</b>                 | 71.4   | 91.9   | 124.1  | 24.7   | 293.4   | 3.9     | 18.0   | 196.5  | 527.7   | 440.4   | 692.8   | 11.3   | 13.4    | 38.1   |
| <b>Persons employed</b>            | 298.7  | 250.1  | 360.1  | 220.3  | 2 768.3 | 44.9    | 188.3  | 518.7  | 1 777.5 | 1 776.3 | 1 846.1 | 34.5   | 104.0   | 143.5  |
| <b>Turnover</b>                    | 66 185 | 4 319  | 26 488 | 35 833 | 380 171 | 3 641   | 29 478 | 52 110 | 206 834 | 381 994 | 286 262 | 4 282  | 4 715   | 5 499  |
| <b>Production</b>                  | 20 110 | 964    | 7 370  | 11 732 | 135 059 | 932     | 9 174  | 14 144 | 64 197  | 123 826 | 131 961 | 1 191  | 1 346   | 1 388  |
| <b>Purch. of goods &amp; serv.</b> | 55 761 | 4 079  | 23 395 | 29 631 | 293 500 | 3 224   | 23 520 | 45 893 | 168 630 | 314 546 | 247 918 | 3 573  | 4 234   | 4 910  |
| <b>Value added</b>                 | 10 428 | 465    | 3 753  | 6 931  | 76 133  | 510     | 6 142  | 8 353  | 42 362  | 65 855  | 43 675  | 776    | 685     | 756    |
| <b>Personnel costs</b>             | 6 117  | 233    | 2 062  | 4 772  | 50 508  | 304     | 3 946  | 4 070  | 23 916  | 47 037  | 22 873  | 524    | 363     | 480    |
| <b>Average personnel costs</b>     | 27.3   | 1.4    | 8.3    | 23.4   | 20.7    | 7.0     | 22.7   | 16.3   | 18.9    | 28.9    | 24.5    | 18.5   | 3.5     | 4.4    |
| <b>Gross operating surplus</b>     | 4 312  | 232    | 1 691  | 2 159  | 25 626  | 206     | 2 196  | 4 365  | 18 446  | 18 818  | 20 802  | 252    | 323     | 276    |
| <b>Gross investment</b>            | 2 316  | 222    | 789    | 717    | 4 763   | 128     | 1 927  | 1 860  | 6 744   | 9 106   | 6 061   | 169    | 270     | 202    |
| <b>Apparent labour prod.</b>       | 34.9   | 1.9    | 10.4   | 31.5   | 27.5    | 11.4    | 32.6   | 16.1   | 23.8    | 37.1    | 23.7    | 22.5   | 6.6     | 5.3    |
| <b>Wage adj. labour prod.</b>      | 127.7  | 129.2  | 125.5  | 134.4  | 133.1   | 163.3   | 144.0  | 98.8   | 126.2   | 128.1   | 96.4    | 121.8  | 185.9   | 120.7  |
| <b>Gross operating rate</b>        | 6.5    | 5.4    | 6.4    | 6.0    | 6.7     | 5.7     | 7.4    | 8.4    | 8.9     | 4.9     | 7.3     | 5.9    | 6.8     | 5.0    |
| <b>Investment rate</b>             | 22.2   | 47.7   | 21.0   | 10.3   | 6.3     | 25.1    | 31.4   | 22.3   | 15.9    | 13.8    | 13.9    | 21.7   | 39.3    | 26.7   |
|                                    | LU     | HU     | MT     | NL     | AT      | PL      | PT     | RO     | SI      | SK      | FI      | SE     | UK      | NO     |
| <b>Enterprises</b>                 | 2.9    | 99.5   | :      | 82.7   | 43.0    | 394.2   | 180.8  | 133.5  | 7.2     | 7.8     | 22.8    | 59.0   | 200.1   | 28.5   |
| <b>Persons employed</b>            | 20.2   | 331.7  | :      | 750.9  | 328.2   | 1 221.9 | 438.4  | 501.2  | 52.9    | 86.0    | 142.1   | 282.1  | 2 952.6 | 192.1  |
| <b>Turnover</b>                    | 7 036  | 21 436 | :      | 81 675 | 46 374  | 57 438  | 38 136 | 18 221 | 6 712   | 7 086   | 29 756  | 53 467 | 409 100 | 37 430 |
| <b>Production</b>                  | 1 982  | 5 164  | :      | 28 517 | 16 248  | 37 885  | 10 903 | 5 182  | 2 002   | 2 149   | 9 348   | 18 233 | 155 435 | 12 658 |
| <b>Purch. of goods &amp; serv.</b> | 6 321  | 19 297 | :      | 64 441 | 37 862  | 48 697  | 33 573 | 16 839 | 5 650   | 6 084   | 25 019  | 44 568 | 314 365 | 30 749 |
| <b>Value added</b>                 | 943    | 2 384  | :      | 17 236 | 9 159   | 7 947   | 5 900  | 2 041  | 1 108   | 1 036   | 5 242   | 9 721  | 87 116  | 7 030  |
| <b>Personnel costs</b>             | 566    | 1 710  | :      | 10 295 | 6 747   | 3 201   | 3 929  | 1 125  | 721     | 534     | 3 421   | 7 484  | 52 858  | 5 038  |
| <b>Average personnel costs</b>     | 30.9   | 6.4    | :      | 15.7   | 23.5    | 4.3     | 9.4    | 2.4    | 14.8    | 6.3     | 26.0    | 31.3   | 19.1    | 27.6   |
| <b>Gross operating surplus</b>     | 378    | 674    | :      | 7 012  | 2 413   | 4 746   | 1 971  | 916    | 387     | 502     | 1 984   | 2 237  | 34 259  | 1 992  |
| <b>Gross investment</b>            | 78     | 538    | :      | 1 980  | 1 016   | 1 392   | 1 785  | 1 506  | 525     | 382     | 542     | 1 033  | 14 764  | 711    |
| <b>Apparent labour prod.</b>       | 46.7   | 7.2    | :      | 23.0   | 27.9    | 6.5     | 13.5   | 4.1    | 21.0    | 12.0    | 36.9    | 34.5   | 29.5    | 36.6   |
| <b>Wage adj. labour prod.</b>      | 151.2  | 111.9  | :      | 146.2  | 119.0   | 150.0   | 143.5  | 170.5  | 141.4   | 191.6   | 141.8   | 110.0  | 154.2   | 132.5  |
| <b>Gross operating rate</b>        | 5.4    | 3.1    | :      | 8.6    | 5.2     | 8.3     | 5.2    | 5.0    | 5.8     | 7.1     | 6.7     | 4.2    | 8.4     | 5.3    |
| <b>Investment rate</b>             | 8.3    | 22.6   | :      | 11.5   | 11.1    | 17.5    | 30.3   | 73.8   | 47.4    | 36.9    | 10.3    | 10.6   | 16.9    | 10.1   |

(1) Bulgaria and Poland, 2005; unless otherwise stated, values refer to EUR million; number of enterprises and number of persons employed are given in thousands; average personnel costs and apparent labour productivity are given in EUR thousand per person; wage adjusted labour productivity, gross operating rate and investment are ratios expressed as percentages.

Source: Eurostat (SBS)