

**Accommodation and
food services**

20

This chapter covers activities that make up a significant part of the tourism supply, although also serving local clients, namely hotels and other provision of short-stay accommodation, restaurants, bars, canteens and catering (NACE Section H or Division 55). For the purposes of this publication these activities are referred to as accommodation and food services.

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, spending on tourism generally decreases proportionally

faster than consumers' income during times of economic slowdown. 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, for example when exchange rates change rapidly. Furthermore, a downturn in economic fortunes is also likely to result in reduced business activity; likely to be reflected in fewer business trips and nights spent in hotels, as well as less business lunches and dinners.

Germany and France recorded the largest number of tourists in 2007, each with just over 127 million tourist arrivals (including both residents and non-residents). Spain, Italy and France welcomed the most non-residents in absolute terms, whereas as a proportion of all tourist arrivals, non-residents were highest in the three smallest Member States (Luxembourg, Malta and Cyprus), followed by Austria.

Structural profile

Accommodation and food services (NACE Section H) recorded value added of EUR 181.9 billion in the EU-27 in 2006, which represented 3.2 % of the total for the non-financial business economy (NACE Sections C to I and K). However, it was in terms of the number of enterprises and also employment that this sector's contribution to the non-financial business economy total was greatest. In total, 1.7 million enterprises employed 9.3 million people, equal to 7.1 % of the non-financial business economy workforce and 8.3 % of the enterprise population; by these two measures the accommodation and food services sector was the sixth largest in terms of the coverage used for the sectoral chapters in this publication.

This large workforce contained a relatively low share of paid employees in the EU-27, 82.1 %, indicating a large number of working proprietors and unpaid family workers. A more detailed analysis shows that the subsector concerning restaurants, bars and catering (NACE Groups 55.3 to 55.5) had a particularly low share of paid employees, just 79.6 %, while the 89.9 % share recorded for accommodation services (NACE Groups 55.1 and 55.2) was in fact above the non-financial business economy average.

Restaurants, bars and catering was the larger of these two subsectors, as it contributed about two thirds (64.0 %) of the value added in the EU-27's accommodation and food services sector in 2006, while providing around three quarters (75.3 %) of the sectoral workforce.

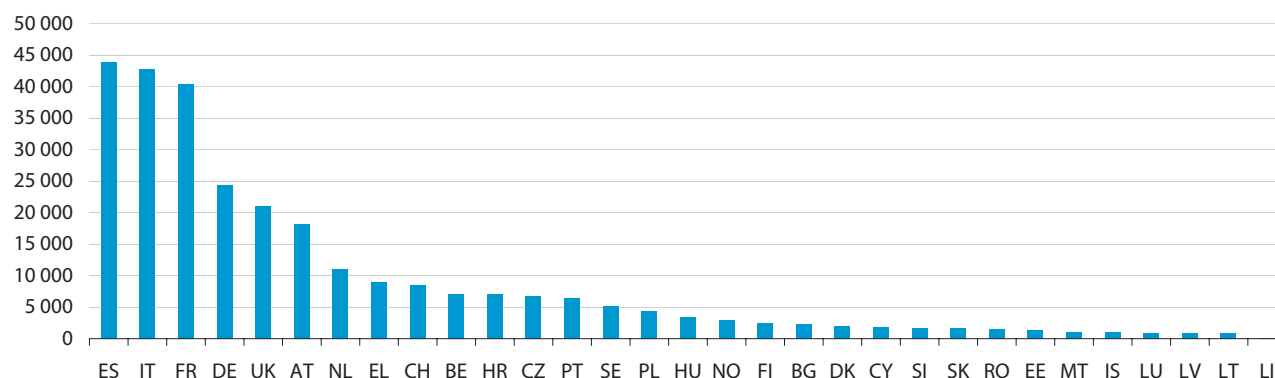
Table 20.1: Accommodation and food services
Tourist arrivals (thousands), 2007 (1)

	Residents	Non-residents	Non-residents share in total (%)
BE	5 068	7 045	58.2
BG	2 537	2 227	46.7
CZ	6 281	6 680	51.5
DK	4 056	2 027	33.3
DE	103 281	24 393	19.1
EE	963	1 380	58.9
IE	:	:	:
EL	7 084	8 954	55.8
ES	57 828	43 953	43.2
FR	86 588	40 417	31.8
IT	53 041	42 829	44.7
CY	541	1 785	76.7
LV	643	845	56.8
LT	746	805	51.9
LU	64	916	93.5
HU	4 023	3 451	46.2
MT	143	1 091	88.4
NL	19 252	11 008	36.4
AT	9 450	18 113	65.7
PL	14 560	4 387	23.2
PT	6 697	6 349	48.7
RO	5 421	1 551	22.2
SI	901	1 704	65.4
SK	2 074	1 665	44.5
FI	7 627	2 472	24.5
SE	17 962	5 128	22.2
UK	64 424	21 037	24.6
HR	1 592	7 028	81.5
IS	483	1 036	68.2
LI	5	73	93.9
NO	8 446	2 899	25.6
CH	7 197	8 436	54.0

(1) Portugal, 2006; Norway and Switzerland, hotels and similar establishments only.

Source: Eurostat (Tourism)

Figure 20.1: Accommodation and food services
Non-resident tourist arrivals, 2007 (thousands) (1)



(1) Portugal, 2006; Norway and Switzerland, hotels and similar establishments only.

Source: Eurostat (Tourism)

Table 20.2: Accommodation and food services (NACE Section H)
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)
Accommodation and food services	1 681.9	100.0	433 696	100.0	181 912	100.0	9 266.3	100.0
Accommodation services	259.3	15.4	135 108	31.2	65 413	36.0	2 287.6	24.7
Restaurants, bars and catering	1 423.0	84.6	298 588	68.8	116 499	64.0	6 978.7	75.3

Source: Eurostat (SBS)

Table 20.3: Accommodation and food services (NACE Section H)
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)
1	United Kingdom	41 710	22.9	United Kingdom	1 926.6	20.8	Cyprus (12.2)	Cyprus (16.1)
2	France	28 529	15.7	Germany	1 315.6	14.2	Greece (5.0)	Ireland (13.6)
3	Spain	25 172	13.8	Spain	1 259.4	13.6	Spain (4.7)	Greece (11.7)
4	Germany	23 225	12.8	Italy	1 115.4	12.0	Austria (4.6)	United Kingdom (10.9)
5	Italy	21 993	12.1	France	915.4	9.9	Portugal (4.3)	Austria (10.0)

(1) Malta, not available; Cyprus 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)

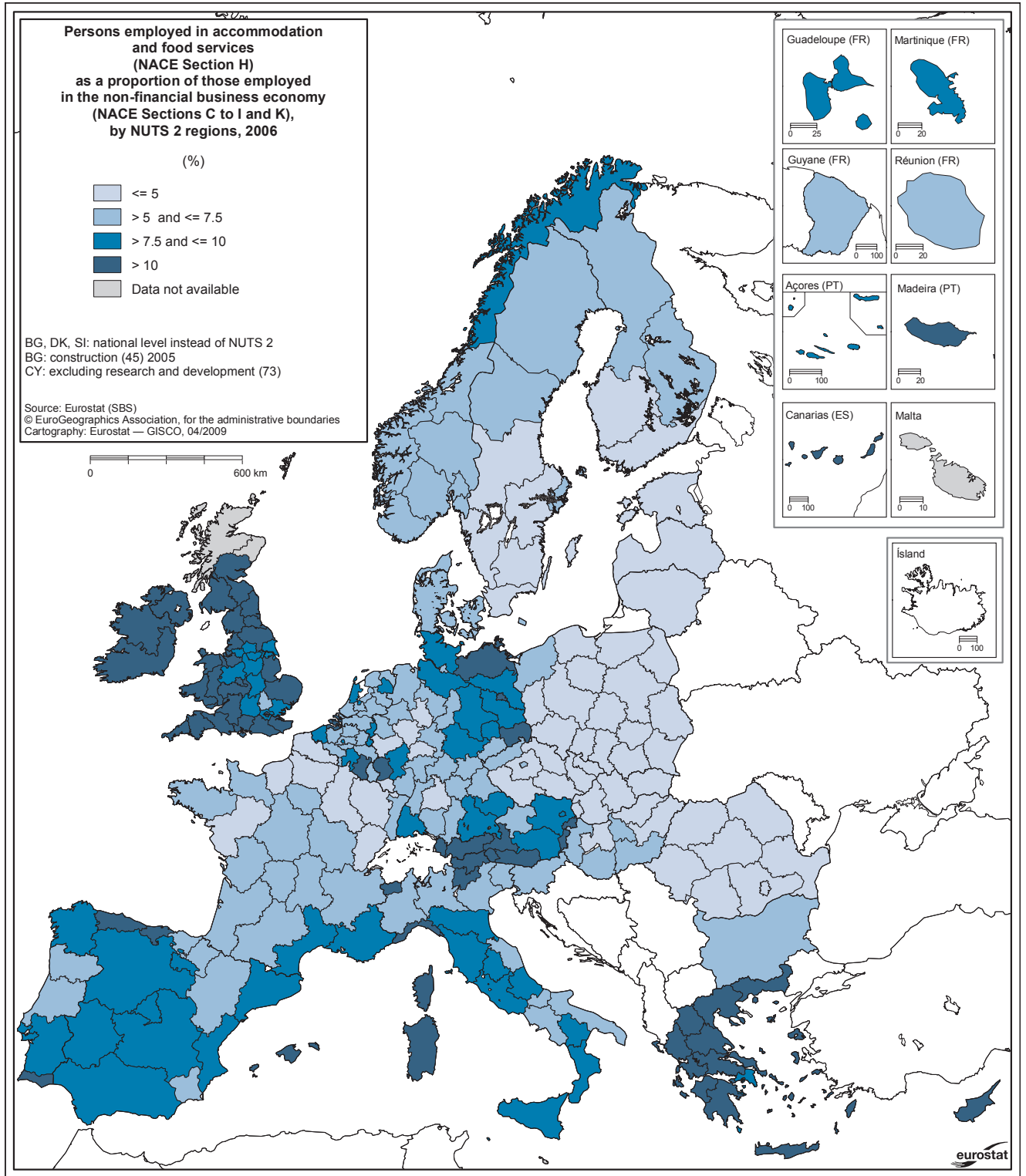
With EUR 41.7 billion of value added and 9.3 million persons employed in 2006, the United Kingdom was by far the largest Member State in the accommodation and food services sector, contributing more than a fifth of the EU-27 total for these two measures. In terms of the value added contribution to national non-financial business economy, Cyprus (2005) was by a very large margin the most specialised Member State⁽¹⁾ in

accommodation and food services, with 12.2 % of its non-financial business economy value added generated in this sector. In fact, based on the coverage of the sectoral chapters in this publication, accommodation and food services was the second largest sector in Cyprus in value added terms. A number of other southern European Member States figured in the list of Member States most specialised in this sector, along

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

Map 20.1: Accommodation and food services (NACE Section H)

Persons employed in accommodation and food services (NACE Section H) as a proportion of those employed in the non-financial business economy (NACE Sections C to I and K) (%)



Source: Eurostat (SBS)

with Austria. It should be noted that recent data related to specialisation is not available for Malta, while older data also imply a high specialisation rate for Malta in this sector. Among all the Member States the contribution of accommodation and food services 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 shows the contribution of the accommodation and food services 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 accommodation and food services sector were recorded in Ionia Nisia (33.8 %) and Notio Aigaio (29.9 %), both in Greece, followed by regions in Portugal, Spain and Italy. Nevertheless, this sector also provided 15.0 % or more of non-financial business employment in a few regions in the United Kingdom and Austria, one Irish and one German region, as well as in Cyprus.

As regards the development of the accommodation and food services sector in the EU-27 over approximately ten years, in terms of turnover and employment, both of these measures posted uninterrupted growth. The index of turnover grew on average by 3.7 % per annum between 1998 and

2007, with the lowest year on year growth recorded in 2003 (1.8 %) and the highest (5.6 %) in 2006. Among the Member States for which the turnover index is available from 2000 to 2007⁽²⁾, a rapid increase for accommodation and food services was observed for the three Baltic Member States, Bulgaria and Romania, all recording average growth in excess of 14 % per annum.

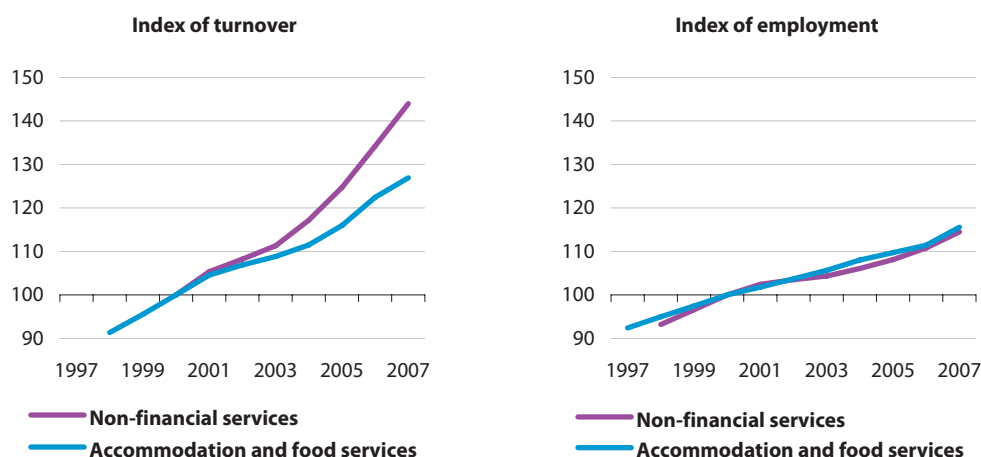
The index of employment for accommodation and food services recorded average growth of 2.2 % per annum in the EU-27 between 1998 and 2007, roughly in line with the 2.3 % average growth recorded for non-financial services (NACE Sections G to I and Divisions 72 and 74). In 2007, EU-27 employment growth of 3.7 % was recorded in this sector, the fastest rate of growth throughout this period.

In terms of enterprise size, a large proportion of wealth created in the EU-27's accommodation and food services sector was concentrated within micro and small enterprises (with less than 10 and 10 to 49 persons employed respectively): micro and small enterprises generated 62.8 % of the sector's value added in 2006, and employed 70.9 % of the workforce in 2005, approximately 20 percentage points higher than the equivalent shares for the non-financial business economy as a whole. Among the Member States⁽³⁾, the United Kingdom (44.9 %) and to a lesser extent the Netherlands (34.6 %) stood out from the other countries, as large enterprises (with 250 and more persons employed) made significant contributions to the accommodation and food services sector's value added in 2006.

(2) Greece, France and Italy, not available; Portugal, unadjusted data rather than working-day adjusted.

(3) Cyprus, Poland and Slovakia, 2005; Malta, not available.

Figure 20.2: Accommodation and food services (NACE Section H)
Evolution of main indicators, EU-27 (2000=100)



Source: Eurostat (STS)

Table 20.4: Accommodation and food services (NACE Section H)
Share of value added and persons employed by enterprise size class, EU-27, 2006 (%)

	Value added		Persons employed	
	Non-financial business economy (1)	Accommodation and food services (2)	Non-financial business economy	Accommodation and food services (2)
1 to 9 persons employed	21.0	36.6	29.7	44.3
10 to 49 persons employed	18.9	26.2	20.7	26.6
50 to 249 persons employed	17.8	13.4	17.0	11.3
250 or more persons employed	42.1	23.8	32.6	17.7

(1) 1 to 9 persons employed and 50 to 249 persons employed, 2005.
(2) 2005.

Source: Eurostat (SBS)

Employment characteristics

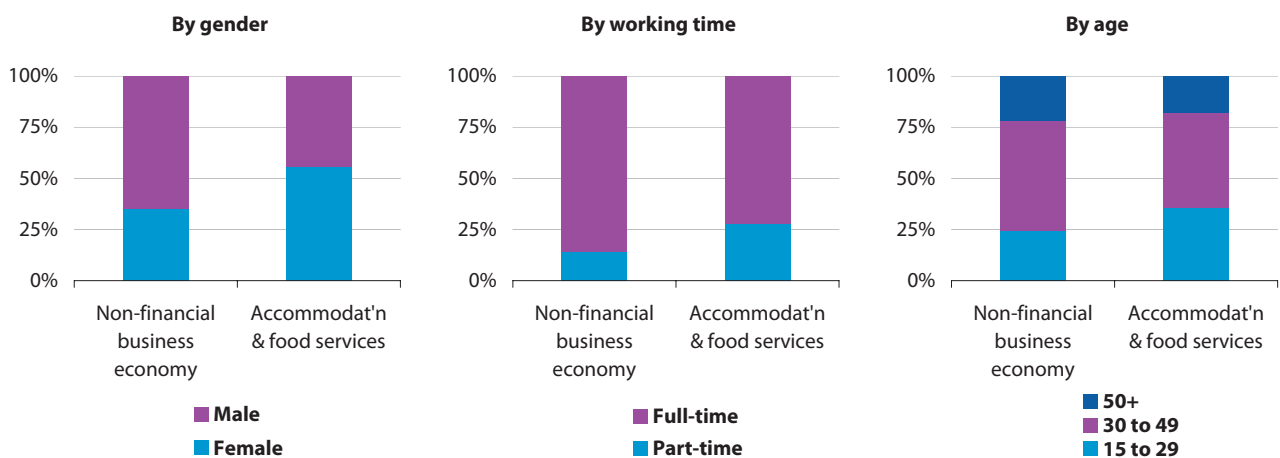
The accommodation and food services workforce was atypical, with high proportions of women, part-time workers, and younger workers in the workforce. In 2007 women made up 55.6 % of the workforce in this sector in the EU-27, a share that was 20.5 percentage points higher than the non-financial business economy average. 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.

Among the EU-27's accommodation and food services workforce in 2007 some 71.9 % worked on a full-time basis, a share that was clearly below the non-financial business economy average (85.6 %). In fact, this was the second lowest full-time employment rate among all the NACE

divisions within 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, except for Romania, the proportion of the persons working full-time in the accommodation and food services sector was below the national average for the non-financial business economy.

The workforce in this sector tended to be younger than in other activities within the non-financial business economy, a characteristic linked to the relatively low-skilled and low paid nature of many of the jobs, as well as to the flexibility and irregularity of working hours, and to the seasonal nature of work in this sector that often peaks during periods when higher education establishments are closed.

Figure 20.3: Accommodation and food services (NACE Section H)
Employment characteristics, 2007



Source: Eurostat (LFS)

In 2007, those aged 15 to 29 accounted for over one third (35.7 %) of the sector's workforce in the EU-27, the highest share of younger workers in the workforce of all of the NACE divisions within the non-financial business economy. The share of younger workers in the workforce of accommodation and food services was systematically higher than the average in the non-financial business economy in all of the Member States, except in Cyprus.

Expenditure, productivity and profitability

Investment by the accommodation and food services sector was relatively high in 2006, EUR 35.2 billion. This was equivalent to 3.4 % of the non-financial business economy total, slightly more than the sector's value added share and as a result the investment rate in the accommodation and food services sector (19.4 %) was above the non-financial business economy average (18.4 %). A more detailed analysis reveals that the accommodation services subsector recorded a particularly high level of investment, equivalent to 29.8 % of its own value added, while the restaurants, bars and catering subsector had an investment rate of 13.5 %. Lithuania and Greece both recorded relatively high rates of investment in the accommodation and food services sector, to the extent that the investment rate recorded here was approximately 1.7 times the rate recorded for the non-financial business economy. However, the highest investment rates were recorded in Bulgaria and Romania, and were in excess of 100 %, indicating that in this sector investment outstripped value added in 2006.

An analysis of expenditure shows that personnel costs accounted for slightly less than one third (32.7 %) of the total operating expenditure in the EU-27's accommodation and food services sector

in 2006. This share was approximately double the non-financial business economy average (16.1 %), and was the third highest share in terms of the coverage used for the sectoral chapters in this publication, underlying the labour-intensive nature of accommodation and food services. In the accommodation services subsector the share of personnel costs was particularly high, reaching 37.4 %, compared with 30.7 % for restaurants, bars and catering.

Apparent labour productivity in the EU-27's accommodation and food services sector was EUR 19.6 thousand per person employed in 2006, this low level reflecting, at least 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 15.6 thousand in the accommodation and food services sector. For both of these indicators the accommodation and food services sector recorded the lowest values among all of the sectors covered by the sectoral chapters in this publication; both of these indicators were even lower in the restaurants, bars and catering subsector.

The wage adjusted labour productivity ratio is less affected by the incidence of part-time and seasonal employment. For the EU-27's accommodation and food services sector this ratio was 126.2 % in 2006, still well below the equivalent ratio for the non-financial business economy (151.1 %). Again this ratio was lower for restaurants, bars and catering than it was for accommodation services. In all Member States⁽⁴⁾ this ratio was lower in the accommodation and food services sector than in the non-financial business economy as a whole, although only the Greek ratio of 79.5 % was below parity (100 %).

(⁴) Bulgaria, Cyprus, Poland and Romania, 2005; Ireland, Malta and the Netherlands, not available.

Table 20.5: Accommodation and food services (NACE Section H)
Expenditure, productivity and profitability, EU-27, 2006

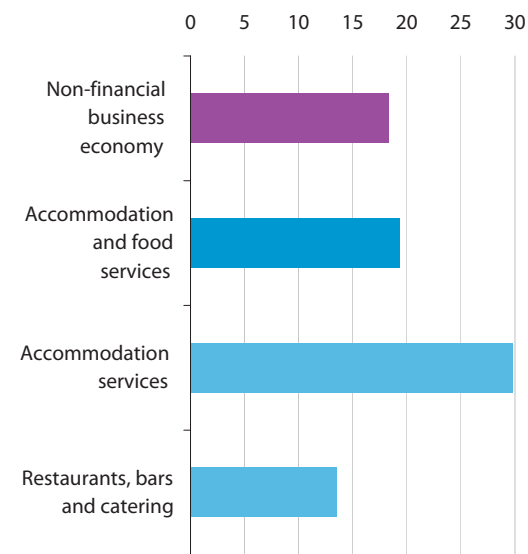
	(EUR million)			(EUR thousand per person)		(%)	
	Personnel costs	Purchases of goods & services	Investment in tangible goods	Apparent labour productivity	Average personnel costs	Wage adjusted labour productivity	Gross operating rate
Accommodation and food services	118 410	244 021	35 243	19.6	15.6	126.2	14.6
Accommodation services	40 139	67 045	19 494	28.6	19.5	146.5	18.7
Restaurants, bars and catering	78 271	176 975	15 749	16.7	14.1	118.5	12.8

Source: Eurostat (SBS)

Despite the relatively low productivity figures, the EU-27's accommodation and food services sector recorded a gross operating surplus (value added less personnel costs) equivalent to 14.6 % of turnover in 2006. Once more, a lower level for this indicator was registered for the restaurants,

Figure 20.4: Accommodation and food services (NACE Section H)

Investment rate, EU-27, 2006 (%)



Source: Eurostat (SBS)

20.1: 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 time-share operations; Group 55.2 covers camping sites and other short-stay accommodation, including self-catering holiday chalets or cottages.

On-line booking has grown to account for a significant proportion of revenue for the accommodation services sector. According to Eurostat's annual survey on e-commerce, the share of turnover generated via the Internet in the accommodation services sector (NACE Groups 55.1 and 55.2) rose from just 3 % in 2004 to 14 % by 2008; over the same period the share within the non-financial business economy⁽⁵⁾ as a whole increased more moderately from 9 % to 12 %. Note that this survey is limited to enterprises with 10 persons employed and more.

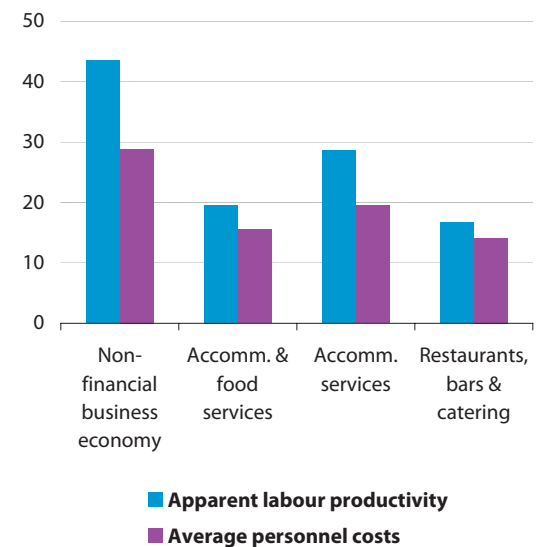
(5) Defined as NACE Sections D to G, I, K, Groups 55.1 and 55.2, and Division 92 for the purpose of this analysis.

bars and catering subsector, but at 12.8 % it was still above the non-financial business economy average of 10.8 %.

Figure 20.5: Accommodation and food services (NACE Section H)

Labour output and costs, EU-27, 2006

(EUR thousand per capita)



Source: Eurostat (SBS)

Hotels and similar establishments are one of four main types of accommodation, the others being camping sites, holiday dwellings and other collective establishments. The Member States that had the largest number of hotels and similar establishments in 2007 were the United Kingdom, Germany and Italy with over 34 thousand establishments each, which combined accounted for more than half the total number in the EU-27.

In terms of the number of arrivals in hotels and similar establishments, 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, Greece and Bulgaria where this exceeded 5 nights.

An analysis of the seasonality of demand for hotels and similar accommodation shows the lowest point in January and a peak in August: the number of nights spent in hotels and similar

Table 20.6: Main indicators for hotels and similar establishments, 2007 (1)

	Infrastructure			Arrivals (thousands)			Nights spent (thousands)			Nights spent per arrival	
	Establishments	Bed-rooms	Bed places	Resi-dents	Non-resi-dents	Total	Resi-dents	Non-resi-dents	Total	Resi-dents	Non-resi-dents
EU-27	201 168	5 772 670	11 540 646	:	:	:	819 704	705 304	1 525 008	:	:
BE	2 013	56 693	124 811	2 877	5 713	8 590	5 220	10 976	16 197	1.8	1.9
BG	1 526	103 841	231 303	2 228	2 206	4 434	4 867	11 868	16 736	2.2	5.4
CZ	4 559	106 907	248 077	3 795	6 098	9 893	9 206	17 838	27 044	2.4	2.9
DK	477	37 098	73 384	2 302	1 308	3 610	6 445	4 635	11 080	2.8	3.5
DE	35 941	899 068	1 643 748	79 283	21 449	100 732	170 234	44 442	214 675	2.1	2.1
EE	346	13 875	28 634	676	1 286	1 962	1 175	2 668	3 843	1.7	2.1
IE	4 087	67 355	156 775	:	:	:	:	:	28 282	:	:
EL	9 207	367 992	700 933	6 950	8 746	15 696	16 675	47 410	64 086	2.4	5.4
ES	17 827	821 143	1 642 417	48 641	35 783	84 423	116 597	155 093	271 689	2.4	4.3
FR	18 135	626 981	1 253 962	76 201	33 463	109 664	131 117	73 152	204 269	1.7	2.2
IT	34 037	1 058 543	2 141 952	43 242	34 757	77 999	141 117	112 959	254 076	3.3	3.2
CY	735	43 799	87 804	535	1 775	2 310	1 169	13 129	14 298	2.2	7.4
LV	318	11 457	20 685	541	765	1 305	979	1 780	2 759	1.8	2.3
LT	348	10 973	21 871	567	767	1 334	1 082	1 509	2 591	1.9	2.0
LU	273	7 639	14 559	31	706	738	78	1 360	1 438	2.5	1.9
HU	1 999	65 638	154 088	3 188	3 131	6 319	7 662	8 635	16 297	2.4	2.8
MT	160	17 792	39 985	143	1 080	1 223	336	7 581	7 917	2.4	7.0
NL	3 196	98 966	200 254	10 516	8 713	19 229	17 831	16 328	34 159	1.7	1.9
AT	14 204	285 558	573 726	7 875	15 348	23 223	21 285	57 882	79 167	2.7	3.8
PL	2 443	93 944	190 387	8 652	3 833	12 486	15 898	8 409	24 307	1.8	2.2
PT	2 028	117 565	264 037	5 438	5 883	11 321	12 350	25 216	37 566	2.3	4.3
RO	4 163	112 177	228 123	5 186	1 531	6 717	16 259	3 497	19 756	3.1	2.3
SI	396	17 251	33 040	523	1 354	1 876	1 839	3 707	5 546	3.5	2.7
SK	1 249	32 766	67 178	1 320	1 350	2 670	3 264	3 969	7 233	2.5	2.9
FI	909	54 924	119 397	6 520	2 188	8 708	11 182	4 635	15 817	1.7	2.1
SE	1 893	103 793	207 439	12 459	2 993	15 452	19 574	5 842	25 416	1.6	2.0
UK	40 130	615 986	1 250 536	47 010	18 671	65 681	105 231	64 209	169 440	2.2	3.4
HR	800	76 087	163 171	1 111	3 910	5 020	2 951	17 988	20 940	2.7	4.6
IS	294	8 717	18 437	274	782	1 056	437	1 480	1 917	1.6	1.9
LI	47	645	1 265	1	58	60	3	126	129	1.9	2.2
NO	1 112	70 965	154 311	8 446	2 899	11 345	13 458	5 052	18 510	1.6	1.7
CH	5 635	141 596	270 146	7 197	8 436	15 633	15 473	20 892	36 365	2.2	2.5

(1) EU-27 and Portugal, 2006; Italy and the United Kingdom, provisional.

Source: Eurostat (Tourism)

establishments in the EU-27 in August 2007 was 2.5 times that recorded in January of the same year. An overview of the supply of other types of collective accommodation shows there were approximately 15.8 million bed-places in the EU-27 in 2006, around 36 % more than in hotels and similar establishments.

Structural profile

There were 259.3 thousand enterprises in the EU-27's accommodation services (NACE Groups 55.1 and 55.2) sector in 2006, and they employed 2.3 million persons. This was equivalent to 15.4 % of all enterprises classified within the whole of the accommodation and food services (NACE Section H) and to 24.7 % of the workforce. In output terms, the accommodation services sector's contribution was greater, reaching 31.2 % of accommodation and food services' turnover and 36.0 % of value added.

Table 20.7: Main indicators for collective accommodation establishments other than hotels, 2007 (1)

	Number of establishments (units)				Number of bed places (units)
	Total	Tourist campsites	Holiday dwellings	Other collective accommodation	
EU-27	221 483	:	:	:	15 773 977
BE	1 503	538	64	901	247 616
BG	492	15	206	271	35 310
CZ	3 286	516	344	2 426	203 630
DK	598	419	79	100	304 961
DE	17 817	2 531	10 600	4 686	1 566 665
EE	638	90	221	327	15 977
IE	4 890	101	4 607	182	59 704
EL	324	324	:	:	90 023
ES	19 696	1 220	4 843	13 633	1 474 524
FR	10 643	8 052	2 406	185	4 483 004
IT	96 957	2 583	61 801	32 573	2 310 701
CY	167	4	163	:	4 765
LV	82	18	40	24	5 011
LT	181	10	144	27	11 423
LU	235	98	99	38	51 519
HU	957	252	353	352	160 654
MT	6	:	:	:	844
NL	4 072	2 452	837	783	1 011 574
AT	6 526	540	3 388	2 598	375 234
PL	4 275	127	310	3 838	391 718
PT	296	230	:	66	191 106
RO	531	62	:	469	55 578
SI	423	41	115	267	35 447
SK	1 426	71	77	1 278	93 981
FI	449	270	134	45	102 015
SE	2 083	1 064	296	723	545 100
UK	40 878	5 071	34 467	1 340	1 843 926
HR	1 011	235	129	647	319 060
IS	286	140	31	115	:
LI	113	2	101	10	:
NO	1 153	783	304	66	344 052

(1) EU-27 and Portugal, 2006; Italy and the United Kingdom, provisional.

Source: Eurostat (Tourism)

Table 20.8: Accommodation services (NACE Groups 55.1 and 55.2)

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	United Kingdom	12 386	18.9	Germany	395.5	17.3	Cyprus	6.1
2	France	9 653	14.8	United Kingdom	391.2	17.1	Greece	2.5
3	Germany	9 450	14.4	Italy	279.4	12.2	Austria	2.5
4	Italy	9 054	13.8	Spain	273.2	11.9	Spain	1.6
5	Spain	8 773	13.4	France	248.4	10.9	Bulgaria	1.6

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

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

Source: Eurostat (SBS)

The United Kingdom created the highest value added for accommodation services among the Member States in 2006, but its workforce was smaller than that in Germany. In Cyprus, 6.1 % of the value added in the non-financial business economy (NACE Sections C to I and K) was derived from accommodation services, making this by far the most specialised Member State in this activity⁽⁶⁾. Greece and Austria were also relatively highly specialised in accommodation services.

Expenditure and productivity

The accommodation services sector recorded a particularly high level of investment, a total of EUR 19.5 billion within the EU-27 in 2006. This was equivalent to 29.8 % of the sector's own value added, 11.4 percentage points higher than the non-financial business economy average. Turning to operating expenditure, the share of personnel costs in total operating expenditure was particularly high in accommodation services, reaching 37.4 %, one of the highest shares in the non-financial business economy. Indeed, this share exceeded 40 % in several Member States, reaching a maximum of 49.3 % in Cyprus (2005).

⁽⁶⁾ Bulgaria, Cyprus, Poland and Romania, 2005; Malta and the Netherlands, not available.

⁽⁷⁾ Bulgaria, Cyprus, Poland and Romania, 2005; Ireland, Malta and the Netherlands, not available.

In the EU-27's accommodation services sector each person employed generated on average EUR 28.6 thousand of value added in 2006, while average personnel costs per employee reached EUR 19.5 thousand. For both of these indicators the levels recorded for accommodation services were far greater than in the restaurants, bars and catering sector, but were nevertheless only around one third of the non-financial business economy averages. The low average personnel costs roughly compensated for the low apparent labour productivity; when combined the resulting wage adjusted labour productivity ratio for the accommodation services sector (146.5 %) was only slightly below the non-financial business economy average (151.1 %), and well above the ratio for restaurants, bars and catering (118.5 %).

None of the Member States⁽⁷⁾ recorded a wage adjusted labour productivity ratio below parity (100 %) in this sector, and the lowest ratio was recorded in Sweden (112.6 %). In a few Member States the level of this ratio in accommodation services was above that in the non-financial business economy, most notably in Latvia where it was nearly 20 % higher.

20.2: 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 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, and in some cases, meals and beverages may represent a significant secondary activity – for example, the sale of food and beverages in cinemas or recreation parks (if these are not operated by separate enterprises).

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

More than 1.4 million enterprises were active in the restaurants, bars and catering sector (NACE Groups 55.3 to 55.5) in the EU-27 in 2006. The labour-intensive nature of restaurants, bars and catering activities was reflected through the 7.0 million persons employed in the EU-27 in 2006, three quarters of the accommodation and food services (NACE Section H) workforce. However, it should be kept in mind that this figure is based on head-counts of persons employed and does not take into account the seasonal or part-time nature of many positions. The restaurants, bars and catering sector had a particularly low share of paid employees, just 79.6 %, indicating that approximately one fifth of the persons employed in this sector were working proprietors or unpaid family workers.

Restaurants, bars and catering enterprises generated a total of EUR 298.6 billion of turnover in the EU-27 in 2006, resulting in EUR 116.5 billion of value added; these indicators represented around two thirds of the accommodation and food services total. The United Kingdom had by

Table 20.9: Restaurants, bars and catering (NACE Groups 55.3, 55.4 and 55.5)

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	29 324	25.2	United Kingdom	1 535.4	22.0	Cyprus	6.1
2	France	18 875	16.2	Spain	986.1	14.1	Spain	3.1
3	Spain	16 399	14.1	Germany	920.1	13.2	Portugal	2.8
4	Germany	13 775	11.8	Italy	836.0	12.0	United Kingdom	2.7
5	Italy	12 939	11.1	France	667.0	9.6	Greece	2.5

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

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

Source: Eurostat (SBS)

far the largest restaurants, bars and catering sector within the EU-27, both in terms of value added and employment. Unsurprisingly, given its large share of the EU-27 value added total, the United Kingdom was one of the most specialised Member States⁽⁸⁾ in these activities. Restaurants, bars and catering generated 2.7 % of the total value added in the United Kingdom's non-financial business economy, the fourth highest share among the Member States, slightly less than in Spain and Portugal, although less than half the share in Cyprus (6.1 %). The least specialised Member State, by quite a large margin, was Slovakia, where just 0.4 % of non-financial business economy value added was generated by restaurants, bars and catering enterprises.

Expenditure and productivity

Gross tangible investment by EU-27 restaurants, bars and catering enterprises amounted to EUR 15.7 billion in 2006, less than half of the total for accommodation and food services. The investment rate in the restaurants, bars and catering sector was 13.5 %, some 4.8 percentage points lower than the non-financial business economy average, and less than half the rate recorded for accommodation services.

The apparent labour productivity and average personnel costs of the EU-27's restaurants, bars and catering sector were both extremely low, explained, to a large extent, by a high degree of part-time work. Apparent labour productivity in the restaurants, bars and catering sector was EUR 16.7 thousand per person employed in 2006, while average personnel costs were EUR 14.1 thousand per employee. When compared with the NACE groups within the non-financial business economy (with data available for 2005 or 2006) there were very few with lower values for these two indicators in 2006, only in some of the textiles, clothing and leather manufacturing activities and in industrial cleaning. The resulting wage adjusted labour productivity ratio for the restaurants, bars and catering sector was 118.5 %, considerably below the ratio for accommodation services (146.5 %).

Greece, Italy and Hungary all recorded a wage adjusted labour productivity ratio below parity (100 %) in the restaurants, bars and catering sector in 2006, indicating that average personnel costs were higher than the apparent labour productivity in these Member States⁽⁹⁾. Only in one Member State, Ireland, was the wage adjusted labour productivity ratio higher in the restaurants, bars and catering sector than in the accommodation services sector.

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

(9) Cyprus and Poland, 2005; Malta, not available.

Table 20.10: Accommodation and food services (NACE Section H)
Main indicators, 2006 (1)

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Enterprises	42.3	22.6	49.7	13.5	179.8	1.8	13.1	103.7	284.6	226.8	269.6	7.0	2.7	3.7
Persons employed	165.9	114.8	158.5	104.5	1 315.6	18.5	148.6	303.7	1 259.4	915.4	1 115.4	34.0	30.6	38.6
Turnover	10 179	1 077	3 969	5 352	48 989	434	8 531	9 475	58 406	66 493	60 364	1 579	509	476
Production	9 637	835	3 685	5 138	43 327	428	5 557	9 378	58 117	59 667	59 369	1 550	536	444
Purch. of goods & serv.	6 331	823	2 993	3 172	20 607	281	5 130	6 139	34 033	37 502	37 480	692	323	341
Value added	3 723	328	1 259	2 298	23 225	160	3 407	3 457	25 172	28 529	21 993	847	225	165
Personnel costs	2 194	156	795	1 593	13 922	104	2 443	2 231	17 051	22 246	13 737	524	102	121
Average personnel costs	18.1	1.6	6.7	16.8	12.6	5.7	18.0	14.3	17.6	26.9	19.5	17.8	3.3	3.3
Gross operating surplus	1 529	172	464	705	9 304	56	964	1 226	8 121	6 283	8 256	323	123	44
Gross investment	772	391	273	336	1 605	44	740	1 323	4 228	7 053	5 847	93	148	110
Apparent labour prod.	22.4	2.9	7.9	22.0	17.7	8.6	22.9	11.4	20.0	31.2	19.7	25.0	7.4	4.3
Wage adj. labour prod.	124.0	176.3	118.5	130.9	139.8	151.7	127.2	79.5	113.8	116.1	100.9	140.2	220.4	129.3
Gross operating rate	15.0	15.9	11.7	13.2	19.0	12.9	11.3	12.9	13.9	9.4	13.7	20.4	24.2	9.3
Investment rate	20.7	119.3	21.7	14.6	6.9	27.6	21.7	38.3	16.8	24.7	26.6	11.0	65.7	66.9
	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
Enterprises	2.8	32.0	:	36.7	46.0	57.1	87.5	20.6	7.2	1.8	10.8	25.6	131.8	10.1
Persons employed	15.5	126.9	:	344.9	242.6	223.9	276.0	121.5	32.0	21.7	55.1	124.4	1 926.6	83.5
Turnover	1 027	2 569	:	15 578	13 143	3 945	8 880	2 030	1 228	453	4 855	8 688	94 309	5 848
Production	1 016	1 862	:	15 402	12 974	3 682	8 317	1 545	1 111	420	4 753	8 729	78 128	5 781
Purch. of goods & serv.	537	1 892	:	8 929	6 833	2 509	6 003	1 508	752	280	3 139	5 558	49 950	3 434
Value added	492	702	:	6 610	6 390	1 361	3 072	564	462	174	1 806	3 294	41 710	2 448
Personnel costs	331	560	:	3 896	4 083	642	2 286	302	346	112	1 339	2 578	24 426	1 983
Average personnel costs	24.6	5.3	:	12.9	21.0	4.3	8.9	2.6	12.8	5.2	27.1	24.9	13.5	25.1
Gross operating surplus	161	142	:	2 714	2 307	719	786	262	116	63	467	717	17 285	465
Gross investment	23	166	:	668	1 136	260	1 246	599	234	110	181	630	6 860	279
Apparent labour prod.	31.7	5.5	:	19.2	26.3	6.1	11.1	4.6	14.4	8.0	32.8	26.5	21.6	29.3
Wage adj. labour prod.	128.9	105.2	:	148.3	125.5	140.4	124.9	181.3	112.8	155.0	121.2	106.4	160.5	116.8
Gross operating rate	15.7	5.5	:	17.4	17.6	18.2	8.9	12.9	9.5	13.8	9.6	8.3	18.3	7.9
Investment rate	4.7	23.6	:	10.1	17.8	19.1	40.6	106.2	50.6	63.1	10.0	19.1	16.4	11.4

(1) Cyprus 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)

