

25

Business services

In this chapter, the term 'business services' is used to refer to the aggregate of two NACE divisions: computer and related activities (NACE Division 72, as covered by Subchapter 25.1) and other business activities (NACE Division 74, the components of which are covered in Subchapters 25.2 to 25.6).

Business services consist of many different activities. These include professional business services such as legal services, consultancy services such as management consultancy, technical services such as engineering consultancy, marketing services such as advertising or market research, and operational services such as cleaning and security services. Business services are mainly supplied to other enterprises and/or the public administration, while households can also make use of some of these services, especially legal, architectural, engineering, and technical testing activities. Many of these services could be provided in-house by enterprises themselves, but by purchasing (outsourcing) them from service providers they can focus on core activities and take advantage of the specialisation offered by service providers. As such, an efficient and successful business services sector can contribute to the overall competitiveness of the business community.

The freedom to provide services and the freedom of establishment are central principles to the internal market for services and are set out in the EC Treaty. They guarantee EU enterprises the freedom to establish themselves in other Member States, and the freedom to provide services on the territory of another EU Member State. The Directive⁽¹⁾ on services in the internal market aims to achieve a genuine internal market in services, removing legal and administrative barriers to the development of services activities between Member States. The

Directive will have to be implemented by Member States by the end of 2009 at the latest. As well as covering most business services (but notably not services of temporary work agencies) the Directive applies to a wide variety of services including industrial and construction activities, as well as distributive trades, hotels and restaurants, travel agents, real estate and renting services.

Structural profile

In 2006, the EU-27's business services (NACE Divisions 72 and 74) sector comprised 4.4 million enterprises, more than one in every five enterprises in the whole of the non-financial business economy (NACE Sections C to I and K). The sector's workforce included 22.2 million persons, making it the largest workforce in the non-financial business economy (based on the sectoral aggregates used for the chapters in this publication), with a 17.1 % share of the non-financial business economy workforce. This workforce generated EUR 1 763.3 billion of turnover in 2006 leading to EUR 892.1 billion of value added. As such, the business services sector accounted for 7.9 % of the turnover in the non-financial business economy, while accounting for twice as much of value added, a 15.8 % share. In turnover terms business services was the third biggest sector within the EU-27's non-financial business economy, smaller only than wholesale trade and retail trade and repair, whereas in value added terms it was the largest sector. In 15 of the 26 Member States with recent value added data available (no Malta) business services was the largest sector, while it was second largest in three more: seven of the eight Member States where business services was not one of the two largest sectors were Member States that joined the EU in 2004 or 2007, the one exception being Greece.

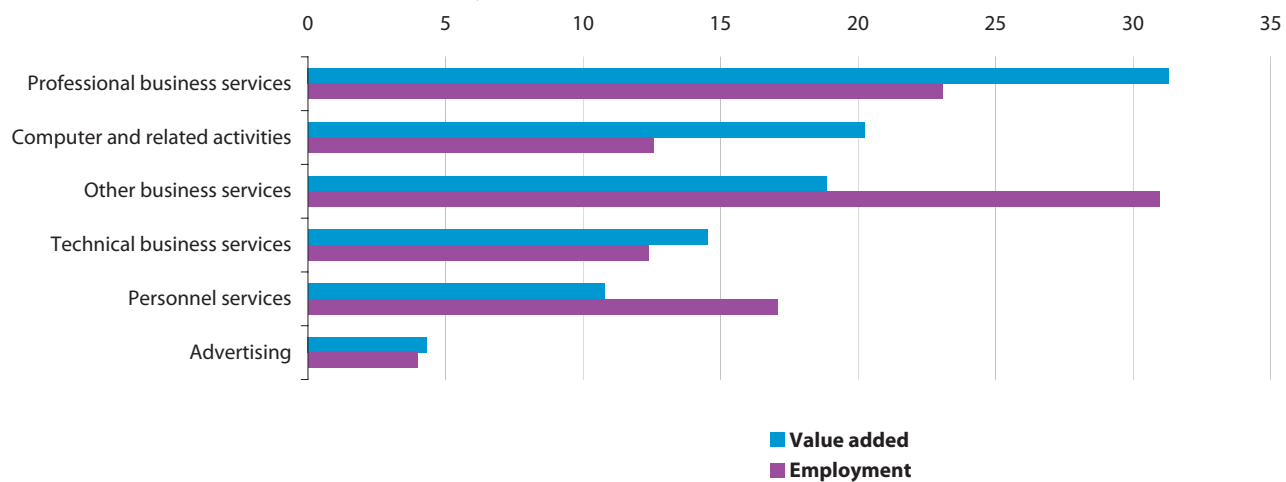
(1) Directive (EC) no 2006/123 of the European Parliament and of the Council.

Table 25.1: Business services (NACE Divisions 72 and 74)
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)
Business services	4 371.8	100.0	1 763 333	100.0	892 078	100.0	22 201.6	100.0
Computer and related activities	551.2	12.6	369 811	21.0	180 443	20.2	2 789.4	12.6
Other business activities	3 820.6	87.4	1 393 522	79.0	711 636	79.8	19 412.2	87.4
Professional business services	1 603.3	36.7	525 233	29.8	279 235	31.3	5 124.3	23.1
Technical business services	926.3	21.2	269 591	15.3	129 576	14.5	2 744.3	12.4
Advertising	210.1	4.8	144 447	8.2	38 585	4.3	882.0	4.0
Personnel services	71.1	1.6	127 884	7.3	96 166	10.8	3 788.7	17.1
Other business services	1 009.7	23.1	326 368	18.5	168 075	18.8	6 872.9	31.0

Source: Eurostat (SBS)

Figure 25.1: Business services (NACE Divisions 72 and 74)
Share of non-financial business economy, EU-27, 2006 (%)



Source: Eurostat (SBS)

Table 25.2: Business services (NACE Divisions 72 and 74)
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	241 015 27.0	United Kingdom	3 969.1 17.9	United Kingdom (22.5)	Netherlands (25.6)
2	Germany	154 996 17.4	Germany	3 856.1 17.4	Luxembourg (21.9)	Luxembourg (22.8)
3	France	149 622 16.8	France	2 896.1 13.0	France (18.8)	United Kingdom (22.4)
4	Italy	83 915 9.4	Italy	2 430.4 10.9	Belgium (16.0)	Belgium (19.9)
5	Spain	62 957 7.1	Spain	2 217.6 10.0	Sweden (14.9)	France (19.8)

(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)

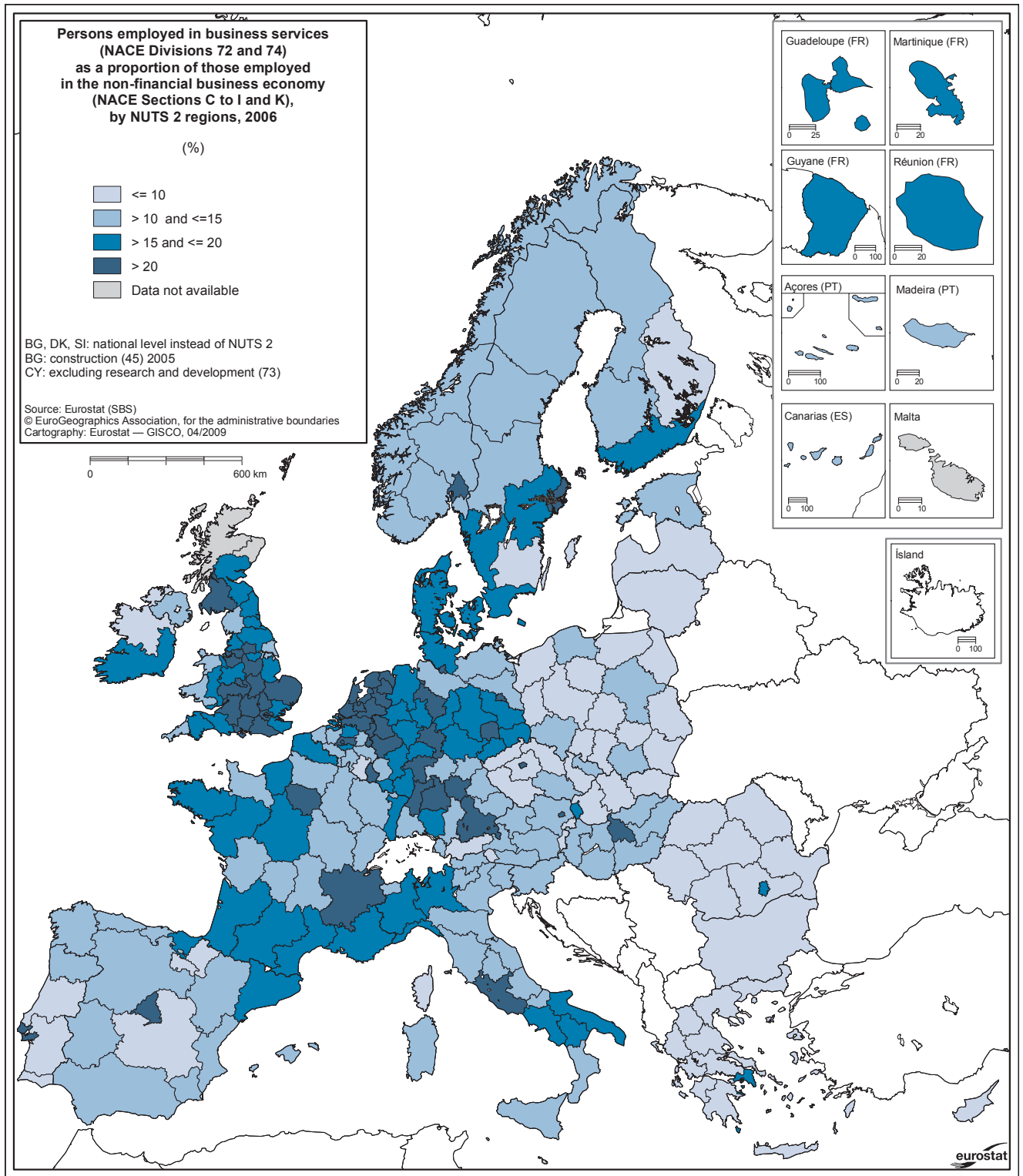
Among the two NACE divisions that make up the business services sector, computer and related activities (NACE Division 72, see Subchapter 25.1) accounted for about one fifth of sectoral value added in 2006. Other business activities (NACE Division 74, as presented in Subchapters 25.2 to 25.6) accounted for the remainder of the output. Of these activities, the largest was professional business services (NACE Group 74.1) which alone provided 31.3 % of all business services value added – see Subchapter 25.2 – but just 23.1 % of the workforce. The other business services (NACE Groups 74.6 to 74.8), presented in Subchapter 25.6, together contributed 18.8 % of business services value added. However, in employment terms, this subsector was the largest, providing employment for 31.0 % of the business services workforce. Looking at the employment and value added contributions of each subsector, by both of

these measures advertising (NACE Group 74.4) was the smallest subsector. Personnel services (NACE Group 74.5) made a considerably greater contribution in employment rather than in value added terms, unsurprising given that one part of this activity involves providing workers through employment agencies.

In value added terms, the United Kingdom was by far the largest contributor to the EU-27's business services sector in 2006, and in fact was the largest contributor to each and every one of the subsectors presented in Subchapters 25.1 to 25.6. With EUR 203.5 billion of value added in the business services sector in 2006 the United Kingdom generated 27.0 % of the EU-27's business services value added, and also 22.5 % of all value added in the non-financial business economy in the United Kingdom, making it also the most specialised Member State in business services. Germany

Map 25.1: Business services (NACE Divisions 72 and 74)

Persons employed in business services (NACE Divisions 72 and 74) as a proportion of those employed in the non-financial business economy (NACE Sections C to I and K) (%)



Source: Eurostat (SBS)

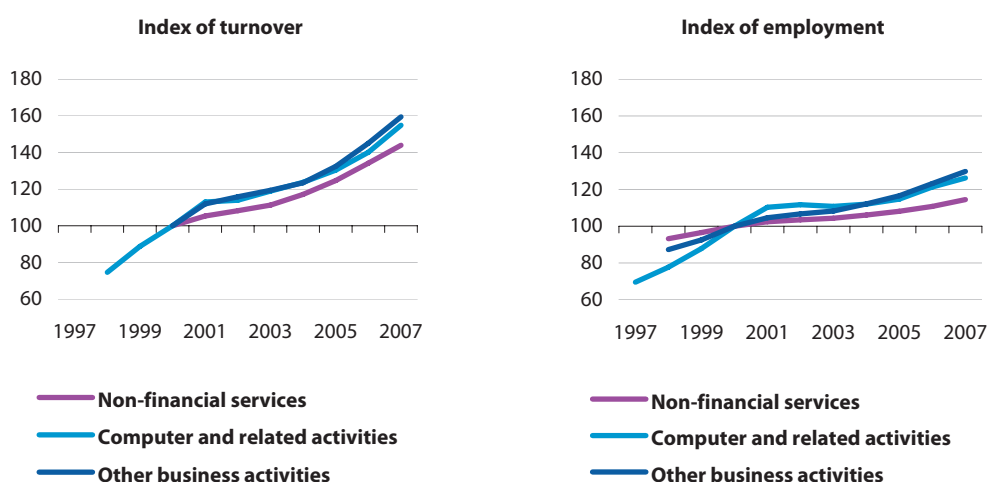
contributed 17.4 % of the EU-27's value added and employment in business services, making it the second largest Member State according to both of these measures. France, Italy and Spain were the only other Member States that recorded more than EUR 50 billion of value added in 2006 in this sector as well as workforces in excess of 2 million persons.

The regional specialisation in business services is shown in the map which is based on the non-financial business economy employment share of this sector. The region with the highest specialisation in business services in 2006 was Inner London where more than two fifths (43.2 %) of non-financial business economy employment was within this sector. As well as parts of the United Kingdom, several other countries had many regions specialised in these services, notably in the Netherlands and Germany. In a number of countries one region was particularly specialised in

these services, typically around the capital city. The regions least specialised in business services (in employment terms) were mainly in Slovakia, Romania and Greece, along with Åland (Finland) and Ciudad Autónoma de Ceuta (Spain).

Data availability for the development of business services based on annual short-term statistics starts in 1998 for computer and related activities and 2000 for other business activities, with the turnover index recording uninterrupted year on year growth (in current prices) for both of these activities. Combined, their growth rate exceeded the average for non-financial services (NACE Sections G to I and Divisions 72 and 74) every year except for 2004. Both of these activities recorded double digit annual growth in 2001, and also in the latest year available, 2007. Between 2000 and 2007, other business activities averaged growth of 6.9 % per annum, and computer and related activities averaged 6.5 % per annum: for

Figure 25.2: Business services (NACE Divisions 72 and 74)
Evolution of main indicators, EU-27 (2000=100)



Source: Eurostat (STS)

Table 25.3: Business services (NACE Divisions 72 and 74)
Share of value added and persons employed by enterprise size class, EU-27, 2006 (%)

	Value added		Persons employed	
	Non-financial business economy (1)	Business services	Non-financial business economy	Business services
1 to 9 persons employed	21.0	29.1	29.7	31.3
10 to 49 persons employed	18.9	20.1	20.7	16.7
50 to 249 persons employed	17.8	17.5	17.0	16.6
250 or more persons employed	42.1	33.4	32.6	35.5

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

Source: Eurostat (SBS)

comparison the non-financial services average was 5.3 %. The employment index also followed an upward development. Business services as a whole averaged growth of 4.6 % per annum between 1998 and 2007, double the non-financial services average. Employment growth for computer and related activities averaged 5.5 % per annum, despite a fall of 0.8 % in 2003. This one negative rate of change and the relatively low growth of 1.1 % in 2004 were the only years where the rate of change in the employment index for computer and related activities was below the average rate for non-financial services. In contrast, the growth in the employment index for other business activities outstripped the non-financial services average each and every year from 1999 to 2007.

In 2006, a size class breakdown of the EU-27's business services value added showed that large enterprises (with more than 250 persons employed) generated about one third (33.4 %) of the total, a somewhat lower share than the non-financial business economy average (42.1 %). However, micro enterprises (with less than 10 persons employed) brought some 29.1 % of value added to the sector in 2006, around 8 percentage points above the non-financial business economy average in 2005. A more detailed analysis, comparing computer and related activities with other business activities, shows that these activities had quite different size structures. Large enterprises played a greater role in computer and related activities, providing 44.6 % of value added in 2006, slightly above the non-financial business economy average. In contrast, in other business activities, large enterprises generated just three tenths (30.5 %) of value added, while micro enterprises dominated in this activity with a 32.1 % share of value added in 2006, far higher than the equivalent 21.0 % (in 2005) for the non-financial business economy. However, an analysis based on employment gives a different picture. Large enterprises classified to the business services sector employed over one third of the sector's workforce, slightly above the non-financial business economy average. In total 7.9 million persons worked for large enterprises in the EU-27's business services sector in 2006, nearly one in five (18.6 %) of all persons working for large enterprises in the non-financial business economy. This high incidence of employment in large enterprises was due in large part to the importance of labour intensive activities among several of the other business activities, for example industrial cleaning and personnel services.

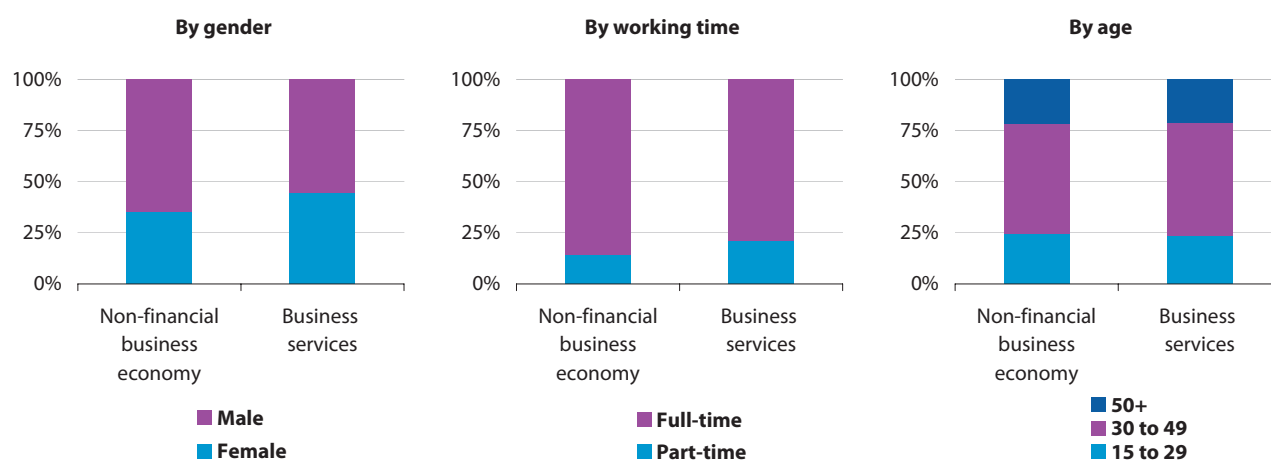
Employment characteristics

According to Labour Force Survey data, male employment represented 55.3 % of the total number of persons employed in the EU-27's business services sector in 2007; a share that was 9.6 percentage points lower than that for the non-financial business economy as a whole, but in line with the non-financial services (NACE Sections C to I and K) average. However, among the two NACE divisions that compose the business services sector, male employment was considerably higher (77.3 %) for computer and related activities, but much lower (51.0 %) for other business activities. The share of the workforce that was male was as low as 39.8 % for other business activities in Cyprus, and was below 50 % in around half of the Member States. In contrast, in computer and related activities, the lowest share of male employment was 67.8 % in Luxembourg, and this share reached as high as 84.8 % in the Netherlands.

Close to four fifths (78.8 %) of those employed in the EU-27's business services sector worked on a full-time basis, again very similar to the non-financial services average. Once more this average disguised very different characteristics between the two NACE divisions that compose the sector: nine tenths (90.5 %) of the computer and related activities' workforce worked full-time, compared with three quarters (76.4 %) for other business activities.

The age structure of the EU-27's business services workforce was quite similar to that of the non-financial business economy as a whole in 2007, although the proportions of young persons (aged less than 30) and older persons (aged 50 or more) were both somewhat lower in business services, balanced by a slightly higher proportion of those aged between 30 and 49. In the computer and related activities' workforce this age class was significantly more represented, 61.4 % compared with 53.7 % on average in the non-financial business economy, while the proportion of older persons (12.8 %) was considerably below the non-financial business economy (21.9 %) average.

Figure 25.3: Business services (NACE Divisions 72 and 74)
Employment characteristics, 2007



Source: Eurostat (LFS)

Expenditure, productivity and profitability

Gross tangible investment by the EU-27's business services sector was valued at EUR 66.6 billion in 2006, around 6.4 % of all investment in the non-financial business economy. Professional business services accounted for two fifths (40.9 %) of this total, and computer and related activities a further one fifth (20.1 %). Overall the business services sector recorded an investment rate (investment as a percentage of value added) of 7.5 % in the EU-27, less than half the non-financial business economy

average. The EU-27 recorded investment rates for most of the subsectors within a narrow range, from 6.8 % for advertising to 9.7 % for professional business services: the one exception was personnel services that had a very low investment rate, just 1.2 %, that was in fact the lowest investment rate of all NACE groups within the EU-27's non-financial business economy in 2005 or 2006. A very low investment rate was recorded for business services in Luxembourg (1.5 %), while none of the Member States⁽²⁾ recorded an investment rate higher in business services than in the non-financial business economy as a whole.

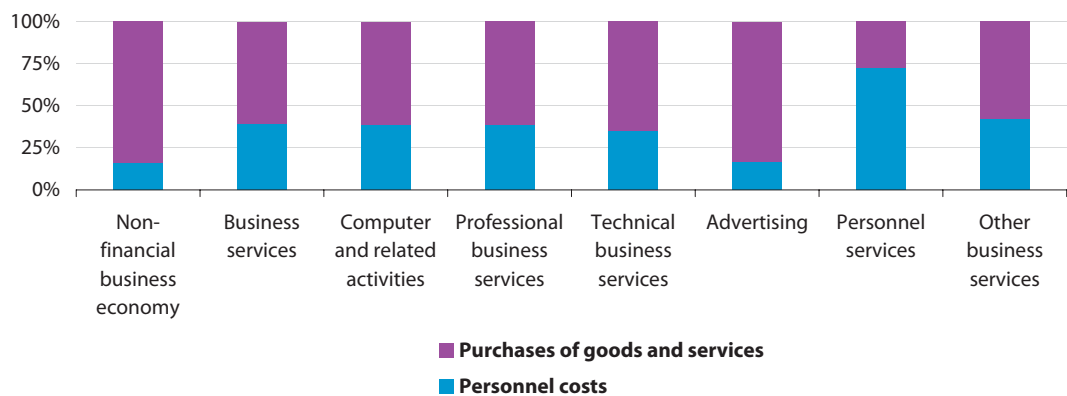
(²) Bulgaria, Cyprus, Poland and Romania, 2005; Ireland, Malta and the Netherlands, not available.

Table 25.4: Business services (NACE Divisions 72 and 74)
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
Business services	582 544	891 682	66 571	40.2	31.1	129.4	17.6
Computer and related activities	123 693	193 080	13 381	64.7	51.1	126.5	15.3
Other business activities	458 851	698 602	53 190	36.7	28.1	130.5	18.1
Professional business services	160 965	255 081	27 216	54.5	41.5	131.4	22.5
Technical business services	78 749	145 970	10 350	47.2	40.0	118.2	18.9
Advertising	22 027	106 987	2 639	43.7	30.9	141.5	11.5
Personnel services	80 527	30 454	1 185	25.4	21.6	117.5	12.2
Other business services	116 582	160 111	11 800	24.5	19.3	126.8	15.8

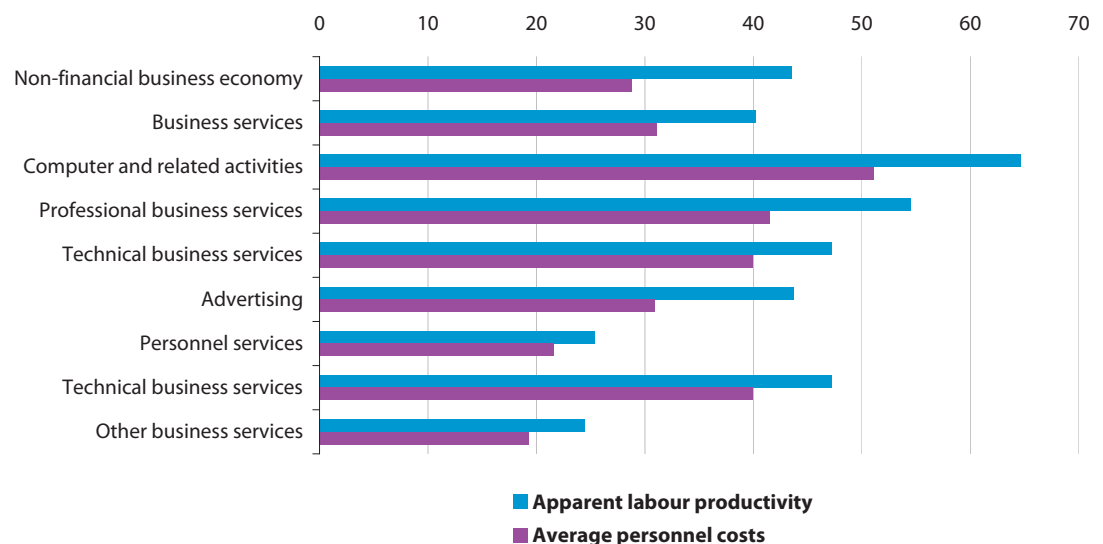
Source: Eurostat (SBS)

Figure 25.4: Business services (NACE Divisions 72 and 74)
Analysis of operating expenditure, EU-27, 2006 (%)



Source: Eurostat (SBS)

Figure 25.5: Business services (NACE Divisions 72 and 74)
Labour output and costs, EU-27, 2006 (EUR thousand per capita)



Source: Eurostat (SBS)

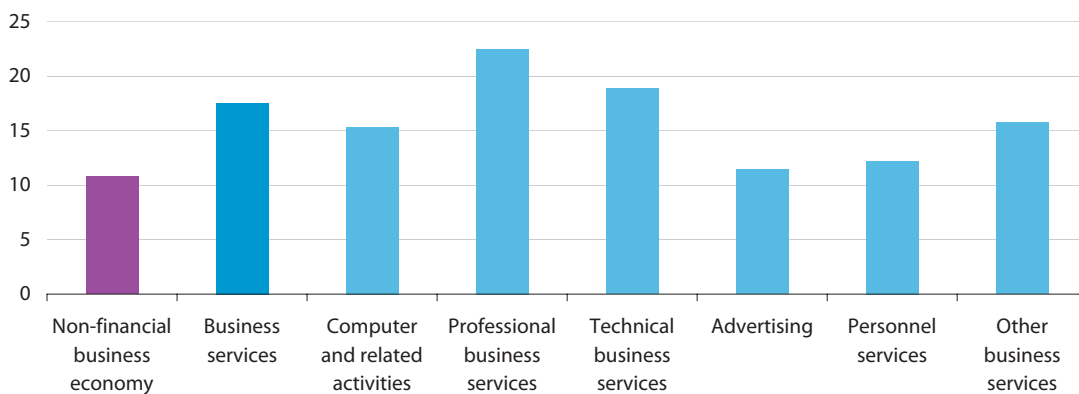
An analysis of operating expenditure for the EU-27's business services sector shows that close to two fifths (39.5 %) was dedicated to personnel costs in 2006, around two and a half times the average share within the non-financial business economy. This share was particularly high for the personnel services subsector, where the share reached 72.6 %, while the lowest share was 17.1 % for advertising. Average personnel costs were EUR 31.1 thousand per employee for business services in the EU-27 in 2006, but this average varied greatly between the subsectors. The lowest average was EUR 19.3 thousand per employee for other business services, while for personnel services the average was only slightly higher,

EUR 21.6 thousand per employee. All other subsectors recorded average personnel costs above the non-financial business economy average, reaching their highest level at EUR 51.1 thousand per employee for computer and related activities. A similar pattern could be seen for apparent labour productivity with the same two subsectors recording the lowest averages and all other subsectors above the non-financial business economy average with computer and related activities at the top of the ranking. However, the overall average for the business services sector was EUR 40.2 thousand of value added per person employed, below the non-financial business economy average of EUR 43.5 thousand per person employed.

The combination of below average apparent labour productivity and above average personnel costs per employee led to a wage adjusted labour productivity ratio of 129.4 % for the EU-27's business services sector in 2006, some 21.8 percentage points below the non-financial business economy average. In fact none of the subsectors recorded a wage adjusted labour productivity ratio above the non-financial business economy in 2006, the highest being 141.5 % for advertising, and the lowest being 117.5 % for personnel services and

118.2 % for technical services. Despite these low ratios, the business services sector recorded a relatively high gross operating rate (ratio of gross operating surplus to turnover) of 17.6 % in 2006, significantly higher than the non-financial business economy average of 10.8 %. Furthermore, all of the subsectors recorded a rate above the non-financial business economy average, ranging from 11.5 % for advertising and 12.2 % for personnel services, up to 22.5 % for professional business services.

Figure 25.6: Business services (NACE Divisions 72 and 74)
Gross operating rate, EU-27, 2006 (%)



Source: Eurostat (SBS)

25.1: Computer and information services

Computer and related activities (NACE Division 72) include consultancy activities for hardware or software, data processing activities, database activities and the maintenance and repair of office and information technology machinery. Note that although this subchapter includes the repair of computers it does not cover their actual manufacture (NACE Class 30.02), nor their wholesaling, retailing, or renting (NACE Classes 51.84, 52.48 and 71.33).

Computer and related activities are at the forefront of the information society along with telecommunications – see Subchapter 22.4. Computer and related activities have one of the highest levels of expenditure on research and development among services. An average from the 22 Member States for which data are available⁽³⁾ shows a 5.5 % share for computer and related activities, a substantial share bearing in mind that manufacturing activities account for 78.5 % of the total.

It is quite common for enterprises to outsource their requirements for hardware, software and data processing services to specialist providers. The ability of such services to be traded across borders has been assisted by improved telecommunications.

Structural profile

The EU-27's computer and related activities (NACE Division 72) sector generated EUR 180.4 billion of value added from EUR 369.8 billion of turnover in 2006, therefore contributing around one fifth of business services (NACE Divisions 72 and 74) output. The computer and related activities workforce comprised 2.8 million persons, one eighth (12.6 %) of the business services total, working in just over half a million enterprises.

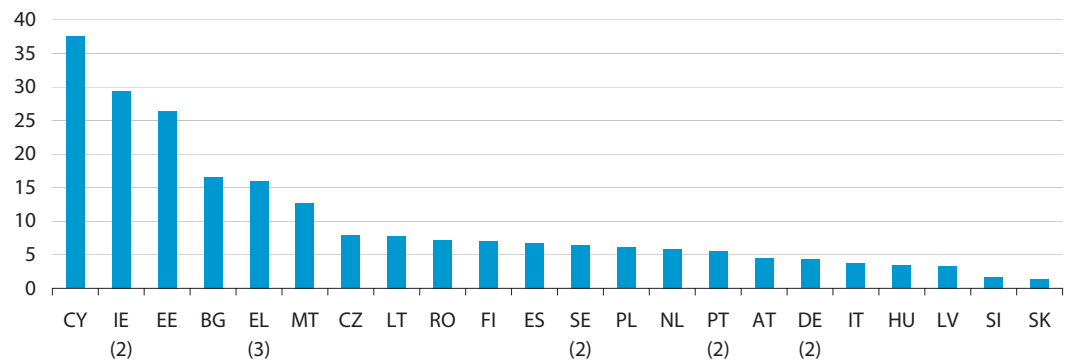
An analysis of the breakdown of turnover in computer and related activities is available for a subset of Member States⁽⁴⁾, based on the data from a development project compiled on a voluntary basis. The results show that software consultancy

⁽³⁾ Belgium, Denmark, France, Luxembourg and the United Kingdom, not available.

⁽⁴⁾ Denmark, Germany, Greece, Spain, Lithuania, Malta, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

Figure 25.7: Computer and related activities (NACE Division 72)

Share of business enterprise research and development expenditure , 2006 (%) (1)



(1) Belgium, Denmark, France, Luxembourg and the United Kingdom, not available.

(2) 2005.

(3) 2005, provisional.

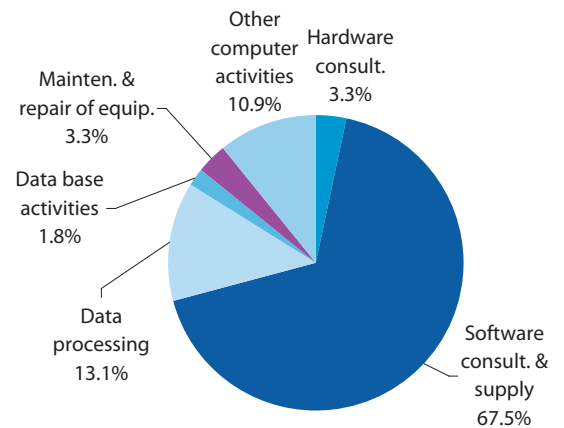
Source: Eurostat (Statistics on research and development)

and supply (NACE Group 72.2) generated the largest share (68 %) of the sector's turnover, followed by data processing services (NACE Group 72.3, 13 %).

The United Kingdom had by far the largest computer and related activities sector within the EU-27 in 2006, providing about three tenths of the EU-27's value added and one fifth of the employment total. By the same two measures Germany had the next largest computer and related activities workforce, significantly smaller than in the United Kingdom. Given its extremely high share of EU-27 value added in 2006, the United Kingdom was the most specialised Member State⁽⁵⁾ within computer and related activities, as this sector contributed 4.9 % of non-financial business economy (NACE Sections C to I and K) value added in the United Kingdom. The next most specialised Member States included Ireland and the three Nordic Member States, which all generated at least 3.5 % of their non-financial business economy value added in this sector. By the same measure the least specialised Member States in computer and related activities were Cyprus and Bulgaria (both 2005), Greece and the Baltic Member States that all generated 1.5 % or less of their non-financial business economy value added in this sector.

Figure 25.8: Computer services (NACE Division 72)

Breakdown of turnover in computing services by activity, average, 2005 (%) (1)



(1) Weighted average based on: 2005 data for Denmark (provisional), Spain, Portugal, Romania, Slovenia and Norway, 2004 data for Germany, Greece, Latvia, Lithuania, Malta, Slovakia, Finland, Sweden and the United Kingdom, and 2003 data for Estonia and Poland.

Source: Eurostat (SBS)

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

Table 25.5: Computer and related activities (NACE Division 72)

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	53 073	29.4	United Kingdom	560.5	20.1	United Kingdom	4.9
2	Germany	31 573	17.5	Germany	416.0	14.9	Sweden	4.4
3	France	25 516	14.1	Italy	368.5	13.2	Ireland	4.3
4	Italy	17 551	9.7	France	366.4	13.1	Denmark	3.6
5	Spain	9 754	5.4	Spain	218.2	7.8	Finland	3.5

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

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

Source: Eurostat (SBS)

Expenditure and productivity

Apparent labour productivity in the EU-27's computer and related activities sector was EUR 64.7 thousand per person employed in 2006 and average personnel costs were EUR 51.1 thousand per employee, the highest levels for both of these indicators among the business services subsectors presented in Subchapters 25.1 to 25.6. In several other respects the EU-27's computer and related activities sector was typical of business services, with a wage adjusted labour productivity ratio

(126.5 %) and share of personnel costs in operating expenditure (39.0 %) both just below the business services averages.

Computer and related activities accounted for one fifth of gross tangible investment in EU-27 business services in 2006, valued at EUR 13.4 billion. The resulting investment rate was 7.4 %, typical for a business services activity, and as such around two fifths of the non-financial business economy average.

25.2: Professional business services

This subchapter extends across a variety of professional activities that include legal services, accounting, book-keeping, auditing, tax consultancy, market research, public opinion polling, business and management consultancy services, as well as management activities relating to holding companies. These are all classified within NACE Group 74.1, and in this publication are referred to as professional business services.

Legal services cover the activities of advocates, barristers, solicitors, notaries, registered lawyers and legal consultants. Enterprises in this sector are generally small, and a common legal form is that of partnerships. Another characteristic of these activities is that they are used by households, for instance when they need an accountant, a lawyer, a notary or a tax adviser.

Structural profile

The 1.6 million enterprises active in the EU-27's professional business services sector (NACE Group 74.1) employed 5.1 million persons in 2006. As such this sector accounted for more than one third (36.7 %) of all enterprises in the business services (NACE Divisions 72 and 74) population in 2006, and provided employment for just under one quarter (23.1 %) of the business services workforce. Paid employees accounted for a relatively low proportion (75.7 %) of the EU-27's professional services workforce, indicating a large proportion of working proprietors and unpaid family workers: the average proportion of paid employees for all business services was 84.5 %.

This sector's contribution to business services was greater when measured in output rather than employment terms: professional business services generated EUR 525.2 billion of turnover and EUR 279.2 billion of value added in 2006, accounting for 29.8 % of the business services turnover and 31.3 % of its value added. Professional business services had therefore the largest turnover and value added among the business services activities covered in Subchapters 25.1 to 25.6.

Table 25.6: Legal, accounting, book-keeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consultancy; holdings (NACE Group 74.1)
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	75 488	27.0	United Kingdom	970.7	18.9	Luxembourg	9.2
2	France	48 999	17.5	Germany	855.5	16.7	United Kingdom	7.0
3	Germany	48 662	17.4	France	677.2	13.2	Belgium	6.6
4	Italy	28 239	10.1	Italy	589.3	11.5	France	6.2
5	Spain	16 568	5.9	Spain	446.4	8.7	Ireland	5.0

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

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

Source: Eurostat (SBS)

Table 25.7: Legal activities (NACE Class 74.11)
Breakdown of turnover by product, 2005 (%) (1)

	Average (2)	DK	DE	EL	ES	LV	LT	MT	PL	RO	SI	SK	FI	SE	UK	NO
Legal advisory & representation services	66	92	61	59	45	26	7	33	52	63	48	87	35	65	76	86
Other legal advisory & information services	7	2	9	10	13	9	80	13	19	8	19	11	0	5	4	2
Patent & copyright consultancy services	5	1	11	0	2	20	11	2	4	:	7	1	57	18	2	2
Other products	21	5	19	31	39	46	3	53	24	:	26	1	8	12	18	11

(1) Germany, Greece, Latvia, Lithuania, Malta, Poland, Slovakia, Finland and the United Kingdom, 2004; Denmark and Norway, provisional.

(2) Average based on countries appearing in the table, excluding Romania.

Source: Eurostat (SBS)

The United Kingdom generated more than one quarter (27.0 %) of the EU-27's value added in this sector in 2006, the largest contribution among the Member States, followed by France and Germany that each contributed between 17 % and 18 %. Along with Italy, the only other Member State with a double digit share of EU-27 value added, the four largest Member States dominated this sector, collectively accounting for 72.1 % of EU-27 value added; for comparison, their share within business services was 70.6 % and within the non-financial business economy (NACE Sections C to I and K) as a whole it was 64.6 %. These four Member States were also the largest employers in the sector. This activity was also particularly important in Belgium and Luxembourg: indeed, the professional business services sector accounted for 9.2 % of non-financial business economy value added in Luxembourg, some way ahead of the 7.0 % share in the United Kingdom and the 6.6 % share in Belgium.

A product analysis

Data are available for a limited set of countries to allow a product analysis for three of the five NACE classes covered by the professional business services sector. Legal advisory and representation services accounted for the highest proportion of turnover in all of the countries concerning the legal activities subsector, except in Latvia, Lithuania and Malta. For enterprises in accounting, book-keeping, auditing and tax consultancy activities, four fifths of turnover was derived from the main products associated with these activities, with a further 13 % derived from business and management consultancy. The turnover derived by those enterprises operating within business and management consultancy activities was spread across a wide range of products, with just over three fifths of turnover derived from the main business and management consultancy services.

Table 25.8: Accounting, book-keeping and auditing activities; tax consultancy (NACE Class 74.12)
Breakdown of turnover by product, 2005 (%) (1)

	Average (2)	DK	DE	EL	ES	LV	LT	MT	PT	RO	SI	SK	FI	SE	UK	NO
Accounting, book-keeping & auditing; tax consultancy	80	88	93	93	91	92	85	>78	85	86	88	71	92	82	60	92
Business & management consultancy services	13	10	5	5	5	5	10	18	13	13	5	14	4	8	27	5
Other products	7	2	2	2	4	4	5	<4	3	1	7	14	4	10	13	3

(1) Germany, Greece, Latvia, Lithuania, Malta, Slovakia, Finland and the United Kingdom, 2004; Denmark and Norway, provisional.

(2) Average based on countries appearing in the table, excluding Malta.

Source: Eurostat (SBS)

Table 25.9: Business and management consultancy activities (NACE Class 74.14)
Breakdown of turnover by product, 2005 (%) (1)

	Average (2)	DK	DE	EL	ES	LV	LT	MT	PT	RO	SI	SK	FI	SE	UK	NO
Business & management consultancy services	62	81	93	91	92	88	84	78	68	89	51	80	53	91	35	78
Accounting, book-keeping & auditing services; tax consultancy	10	0	0	5	3	3	4	:	8	6	4	6	1	1	18	1
Training services	2	10	4	0	1	1	5	:	1	0	4	1	16	1	0	14
Computer services	2	5	1	1	1	:	1	:	3	0	4	7	7	1	1	1
Other	24	3	2	2	2	:	7	22	20	5	37	7	22	7	45	6

(1) Germany, Greece, Latvia, Lithuania, Malta, Slovakia, Finland and the United Kingdom, 2004; Denmark and Norway, provisional.

(2) Average based on countries appearing in the table, excluding Latvia and Malta.

Source: Eurostat (SBS)

Expenditure and productivity

The EU-27's professional business services sector invested around EUR 27.2 billion in 2006, approximately two fifths (40.9 %) of the business services total, a greater share than this sector contributed in value added terms. Consequently this sector recorded an above average investment rate, 9.7 % compared with the business services average of 7.5 %. As for computer and related activities, professional business services also reported above average apparent labour productivity (EUR 54.5 thousand per person employed)

and average personnel costs (EUR 41.5 thousand per employee), in both cases the second highest among the business services activities presented in Subchapters 25.1 to 25.6. The wage adjusted labour productivity ratio that resulted from the combination of these two indicators was 131.4 %, marginally above the business services average. Among the Member States⁽⁶⁾ only the Hungarian professional business services sector had a wage adjusted labour productivity ratio below 100 % in 2006, meaning that apparent labour productivity was lower than average personnel costs.

(6) Cyprus and Poland, 2005; Malta, not available

25.3: Technical business services

Architectural and engineering activities covered by NACE Group 74.2 include architectural consulting activities (such as building design and drafting, supervision of construction, town and city planning, and landscape architecture) and various engineering and technical activities related to construction, as well as geological and prospecting activities, weather forecasting activities and geodetic surveying. Technical testing and analysis activities (NACE Group 74.3) include environmental measuring, testing of food hygiene, buildings and equipment, as well as the periodic testing of vehicles for roadworthiness. In this publication these activities are referred to as technical business services

The ten largest architectural enterprises (groups) in the EU are presented, based on information compiled by the Swedish Federation of Consulting Engineers and Architects (STD). As can be seen, the United Kingdom dominated this activity in 2007, as the six largest groups were British. However, even the largest groups were relatively small, with only the two largest having 1 000 or more employees.

Structural profile

Some EUR 129.6 billion of added value was generated in 2006 by the EU-27's technical business services sector (NACE Groups 74.2 and 74.3), from a turnover of EUR 269.6 billion. This

corresponded to 15.3 % of the total turnover for business services (NACE Divisions 72 and 74) and 14.5 % of the value added. There were 2.7 million persons employed across the 926.3 thousand enterprises that were active in this sector, equivalent to 12.4 % of the EU-27's business services' workforce and more than one fifth (21.2 %) of the business services' enterprise population. Among the persons employed in this sector, 71.8 % were paid employees, the lowest level of this share among the business services sectors presented in Subchapters 25.1 to 25.6, indicating a high incidence of working proprietors and unpaid family workers.

The United Kingdom contributed the greatest share (23.4 %) of value added in the EU-27's technical business services sector, the second largest contribution being recorded by Germany (17.4 %). However, Germany had a larger workforce in this sector than the United Kingdom. In value added terms, the United Kingdom, Sweden and France were the most specialised Member States in these activities in 2006, as this sector contributed between 2.7 % and 2.8 % to national non-financial business economy (NACE Sections C to I and K) value added. Bulgaria (2005) was the least specialised in this activity, generating just 1.0 % of its non-financial business economy value added in technical business services, with Poland, Cyprus (both 2005), Slovakia, Portugal and Latvia also recording shares below 1.5 %.

Table 25.10: Architectural and engineering activities and related technical consultancy
Top ten architectural groups, EU-27 (1)

		Number of employees (units)	Turnover (EUR million)
ADEAS Architects group	UK	1 900	150
Foster & Partners Ltd	UK	1 018	200
RMJM	UK	696	68
SMC Group plc	UK	631	65
Chapman Taylor LLP	UK	510	71
Broadway Malyan Ltd	UK	470	60
White Architects AB	SE	445	49
gmp-Architekten von Gerkan, Marg und Partner	DE	380	42
3DReid Architects Ltd (proforma - merger)	UK	370	29
SWECO FFNS	SE	367	46

(1) The ranking is based on available data - information is not available for all groups; data concerns the calendar year 2007 or financial years 2006/2007 or 2007/2008.

Source: Swedish Federation of Consulting Engineers and Architects (STD), Sector Review, December 2008

Table 25.11: Architectural and engineering activities and related technical consultancy; technical testing and analysis (NACE Groups 74.2 and 74.3)

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	30 354	23.4	Germany	426.3	15.5	United Kingdom	2.8
2	Germany	22 520	17.4	United Kingdom	411.1	15.0	Sweden	2.7
3	France	21 414	16.5	Italy	370.7	13.5	France	2.7
4	Spain	12 062	9.3	France	350.6	12.8	Slovenia	2.5
5	Italy	11 442	8.8	Spain	290.5	10.6	Luxembourg	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)

Expenditure and productivity

The share of personnel costs in operating expenditure was 35.0 % for the EU-27's technical services sector in 2006, 4.5 percentage points below the business services average, but nevertheless far above the non-financial business economy average (16.1 %). Average personnel costs were relatively high, EUR 40.0 thousand per employee, while apparent labour productivity was EUR 47.2 thousand of value added per person employed, also above the business services average. The resulting wage adjusted labour productivity ratio

was low, 118.2 %, reflecting the high average personnel costs. This was the second lowest ratio among the business services activities presented in Subchapters 25.1 to 25.6. Italy and Belgium both recorded ratios below parity (100 %) indicating that average personnel costs were higher than apparent labour productivity⁽⁷⁾. Only in Greece was the wage adjusted labour productivity ratio for the technical business services sector above the national average for the non-financial business economy.

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

25.4: Advertising

Advertising is covered by NACE Group 74.4 which includes the creation and placing of outdoor advertising, the sale of advertisement time and space, and the distribution or delivery of advertising material, as well as direct marketing, sponsorship and sales promotion services. Note that advertising enterprises buying and reselling sales time or space tend to have a relatively high level of turnover (and therefore a relatively low gross operating rate), while purchases of goods and services tend to be high relative to personnel costs, reflecting the distributive nature of this part of their activity.

Advertising and direct marketing are among the activities for which expenditures tend to rapidly decrease when the economic climate is not favourable. Nonetheless, when an upturn is foreseen, expenditure on these services tends to increase faster than the economy in general. This

sector was affected by the slowdown observed in the EU's economy in 2001 and 2002, and again by the recession that started in the second half of 2008.

Advertising and direct marketing enterprises engage in services aimed at promoting goods, services and information, be it to the general public, specific target groups, or other enterprises. Advertising maintains or raises awareness about an issue, event, person, product or brand, and so can support choice and competition.

Structural profile

The 210.1 thousand enterprises that were classified to advertising activities (NACE Group 74.4) in the EU-27 in 2006 employed an estimated 882.0 thousand persons and generated EUR 38.6 billion of value added. By all of these measures the contribution of advertising to the business services (NACE Divisions 72 and 74) total was between 4.0 % and 4.8 %. In turnover terms, however,

Table 25.12: Advertising (NACE Group 74.4)

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 (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	7 672	19.9	Germany	203.7	23.1	Sweden	0.9
2	Germany	7 644	19.8	France	113.1	12.8	France	0.9
3	France	7 005	18.2	Spain	108.3	12.3	Latvia	0.9
4	Spain	3 552	9.2	United Kingdom	83.8	9.5	Czech Republic	0.8
5	Italy	2 719	7.0	Netherlands	56.8	6.4	United Kingdom	0.7

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

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

Source: Eurostat (SBS)

advertising made a greater contribution to business services: its EUR 144.4 billion of turnover in 2006 was equivalent to 8.2 % of the business services total. This high turnover reflected the fact that some parts of advertising involve buying and reselling advertising space, effectively a distributive trade activity, which therefore involves high turnover with relatively low margins.

The United Kingdom and Germany were the two largest contributors to the EU-27's value added in advertising activities in 2006, both contributing just under one fifth of the total. The contribution of France (18.2 %) was only slightly lower, but was itself nearly twice as high as the next highest share, from Spain. Nevertheless, in employment terms, Germany, France and Spain all had larger workforces in the advertising sector than were recorded in the United Kingdom. Few Member States⁽⁸⁾ were strongly specialised in this sector, with Sweden, France and Latvia recording the highest shares (0.9 %) of advertising activities in non-financial business economy value added. Using this measure, the least specialised Member State was Luxembourg, with advertising generating 0.3 % of non-financial business economy value added.

Expenditure and productivity

A large share of operating expenditure within EU-27 advertising activities was accounted for by purchases of goods and services, as the share of personnel costs was just 17.1 %, the lowest of all of the business services sectors presented in Subchapters 25.1 to 25.6. Nevertheless the share of personnel costs was slightly higher than the average for the non-financial business economy (16.1 %). Tangible investment by the advertising sector was low, EUR 2.6 billion in 2006, resulting in an investment rate of 6.8 %.

Average personnel costs for the advertising sector were EUR 30.9 thousand per employee, almost exactly the same as the business services average, while the apparent labour productivity was EUR 43.7 thousand per person employed, some EUR 3.6 thousand per person above the business services average. As a result the advertising sector had the highest wage adjusted labour productivity ratio of all business services sectors, at 141.5 %, although this was still 9.6 percentage points below the non-financial business economy average.

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

25.5: Personnel services

The activities covered in this subchapter include personnel search, selection referral, head-hunting and job placement services; these activities are included in NACE Group 74.5. Personnel services may be supplied to persons looking for work or to an enterprise trying to hire. The data presented also cover labour-contracting activities (for example, temporary work agencies); however, they do not comprise farm labouring or the performing arts.

Personnel services have grown mainly as a consequence of the outsourcing trend, using the flexibility and expertise provided by enterprises in this sector (for example, knowledge of the employment market and selection procedures) instead of trying to employ personnel directly.

On 27 June 2007, the European Commission proposed in a Communication the establishment of eight common principles of flexicurity⁽⁹⁾, a policy approach that gains growing importance as an instrument that combines labour market flexibility with employment security and the need to respect workers rights and working conditions. This policy is a response to the challenges posed by globalisation, with the aim of making EU labour markets more flexible while providing employment security at the same time. In this framework, enterprises acting in personnel services are directly concerned.

Structural profile

The EU-27's personnel services sector (NACE Group 74.5) generated EUR 96.2 billion of value added in 2006 from EUR 127.9 billion of turnover,

equivalent to 10.8 % of the wealth that was created in the business services (NACE Divisions 72 and 74) sector and 7.3 % of the turnover. In turnover terms this was the smallest of the business services activities presented in Subchapters 25.1 to 25.6, and it was the second smallest in value added terms. However it was with respect to employment that the 71.1 thousand enterprises in the personnel services sector made their greatest contribution: the personnel services workforce consisted of 3.8 million persons, equivalent to 17.1 % of the business services total, making it the third largest workforce within business services. The significant differences in the contribution of personnel services to the business services total depending on the indicator studied can be largely explained by the nature of a much of this sector, namely, to employ people to undertake work for clients in other sectors.

Among the Member States, close to one third of the EU-27's value added came from the United Kingdom (32.1 %), the largest market for personnel services, as well as the largest employer. France and Germany were respectively the second and third largest contributors, both in terms of value added or employment. These three Member States dominated this sector, collectively accounting for 69.7 % of EU-27 value added; for comparison, their share within business services was 61.2 % and within the non-financial business economy as a whole it was 53.5 %. The Netherlands was the fourth largest Member State in personnel services, ahead of both Italy and Spain. In particular, the size of the Dutch workforce was remarkable, with over half a million persons employed in personnel services. In value added terms the United Kingdom and France were the

⁽⁹⁾ For more information, see: http://ec.europa.eu/employment_social/news/2007/jun/flexicurity_en.pdf.

Table 25.13: Labour recruitment and provision of personnel (NACE Group 74.5)

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	30 885	32.1	United Kingdom	773.2	20.4	United Kingdom	2.9
2	France	22 705	23.6	France	677.1	17.9	France	2.9
3	Germany	13 463	14.0	Germany	581.1	15.3	Belgium	2.6
4	Netherlands	6 660	6.9	Netherlands	549.4	14.5	Luxembourg	1.8
5	Italy	5 115	5.3	Spain	273.1	7.2	Austria	1.5

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

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

Source: Eurostat (SBS)

most specialised⁽¹⁰⁾ in this sector, both registering 2.9 % of their non-financial business economy (NACE Sections C to I and K) value added in this sector. Cyprus, Bulgaria (both 2005), Greece, Latvia and Lithuania were the least specialised in this sector, all generating 0.2 % or less of their non-financial business economy value added in personnel services.

Product analysis and type of personnel

A breakdown of turnover by product for the personnel services sector shows that in 2005 supply services of personnel generated the largest share of turnover in most of the Member States for which data are available, as compared with placement services. Only in Latvia and Lithuania did the placement services of personnel (such as executive search services) generate more than half of the total sales. It should be borne in mind that turnover for placement services tends to correspond to a fee for the placement, whereas the turnover for the supply of personnel involves both a fee for arranging the supply as well as the payments made to the personnel supplied.

Expenditure and productivity

In several respects concerning expenditure and productivity the EU-27's personnel services sector is atypical for business services. This sector recorded by far the lowest investment rate, just 1.2 % in 2006, from investments valued at EUR 1.2 billion. This was not only the lowest rate within business services, but it was also the

lowest investment rate of all NACE groups within the non-financial business economy in 2005 or 2006. In contrast, expenditure on personnel costs was high, as these costs accounted for 72.6 % of all operating expenditure in this sector; this was 1.8 times as high as the average share in business services and 4.5 times as high as the average share for the non-financial business economy, and unsurprisingly was the highest share for all NACE groups within the non-financial business economy in 2005 or 2006.

Apparent labour productivity and average personnel costs were both lower in the EU-27's personnel services sector than respective averages for business services in 2006. Indeed, apparent labour productivity was EUR 25.4 thousand per person employed for personnel services (EUR 40.2 thousand for the business services) and average personnel costs were EUR 21.6 thousand per employee (EUR 31.1 thousand for business services), and in both cases these were the second lowest levels among the business services sectors. It should be noted that these ratios are to some extent influenced by the high incidence of part-time and temporary work in the personnel services sector, as both of these measures are based on simple head counts of persons employed or employees. These characteristics of the personnel services' workforce do not affect the wage adjusted labour productivity ratio as much, but nevertheless this ratio was just 117.5 % for personnel services in 2006, the lowest ratio among all of the business services sectors.

⁽¹⁰⁾ Bulgaria, Cyprus, Poland and Romania, 2005; Malta and the Netherlands, not available.

Table 25.14: Labour recruitment services (NACE Group 74.5)
Breakdown of turnover of by product, 2005 (%) (1)

	Average (2)	DK	DE	EL	ES	LV	LT	PL	RO	SI	SK	FI	SE	UK	NO
Placement services of personnel	11	14	3	38	11	76	60	30	34	23	22	3	14	12	5
Executive search services	2	9	2	12	4	8	17	19	19	4	15	0	7	2	2
Office support personnel & other workers	8	4	1	26	6	67	42	11	15	19	7	3	7	11	3
Supply services of personnel	85	84	94	51	88	18	30	48	59	74	76	91	85	82	92
Commercial/trade	8	1	4	8	6	6	2	4	1	6	8	7	1	11	4
Industrial/manufacturing	25	31	37	1	47	7	19	7	50	40	49	17	27	19	27
Hotels, restaurants & catering	2	3	1	:	6	0	0	1	0	7	0	20	1	2	3
Medical	4	27	3	0	0	0	0	2	0	1	0	0	7	5	10
Others	25	5	41	:	6	:	0	31	1	6	12	33	15	24	13
Computer & telecommunication	7	1	2	3	4	:	0	2	2	4	2	5	13	9	5
Other office support personnel	12	16	5	19	18	0	9	2	5	10	4	11	22	13	29
Other products	5	2	3	11	1	6	10	22	7	2	3	6	1	6	3

(1) Germany, Greece, Latvia, Lithuania, Poland, Slovakia, Finland and the United Kingdom, 2004; Denmark and Norway, provisional.

(2) Average based on countries appearing in the table, excluding Greece and Latvia.

Source: Eurostat (SBS)

25.6: Other business services

The business services covered here include security services, such as the transport of valuables and security guard/watchman activities (NACE Group 74.6), industrial cleaning, including interior and exterior cleaning of buildings of all types as well as cleaning of public means of transport (NACE Group 74.7), and miscellaneous business activities (NACE Group 74.8) which includes professional business services such as photographic, secretarial and translation activities, and operational business services such as packaging services.

Structural profile

The other business services sector (NACE Groups 74.6 to 74.8) created EUR 168.1 billion of value added in the EU-27 in 2006 from total turnover of EUR 326.4 billion. These values represented 18.8 % of the business services (NACE Divisions 72 and 74) value added and 18.5 % of its turnover. This output was generated by just over 1.0 million enterprises employing 6.9 million persons, approximately one quarter (23.1 %) and three

tenths (31.0 %) of the business services totals respectively. Among the three subsectors (NACE groups) covered by the other business services sector, miscellaneous business activities (NACE Group 74.8) was the largest in turnover and value added terms accounting for more than half or the sectoral total. However, industrial cleaning (NACE Group 74.7) had the largest workforce of the three subsectors covered, employing 3.1 million persons.

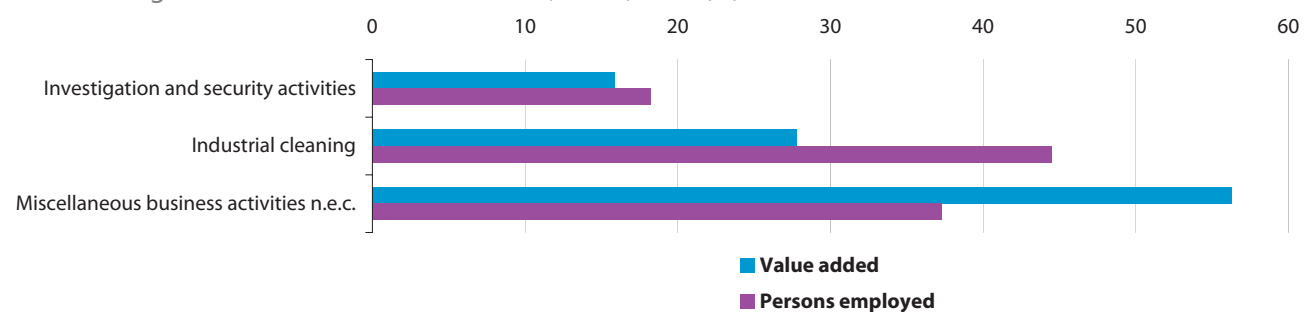
More than one quarter of the EU-27's value added in the other business services sector came from the United Kingdom (25.9 %), which was also the second most specialised Member State in terms of this sector's share of non-financial business economy (NACE Sections C to I and K) value added after Luxembourg. Germany had the largest workforce in other business services. At a more detailed level, the United Kingdom was the largest Member State (in value added terms) in two of the subsectors, but was only fourth largest in industrial cleaning, where Germany, France and Italy were larger.

Table 25.15: Other business services (NACE Groups 74.6, 74.7 and 74.8)
Structural profile, EU-27, 2006

	Enterprises (thousand)	Turnover (EUR million)	Value added (EUR million)	Persons employed (thousand)	Share in total (%)	
					Value added	Persons employed
Other business services	1 009.7	326 368	168 075	6 872.9	100.0	100.0
Investigation and security activities	53.6	37 967	26 730	1 251.1	15.9	18.2
Industrial cleaning	171.7	66 597	46 740	3 058.7	27.8	44.5
Miscellaneous business activities n.e.c.	784.4	221 803.9	94 604.6	2 563.1	56.3	37.3

Source: Eurostat (SBS)

Figure 25.9: Other business services (NACE Groups 74.6, 74.7 and 74.8)
Relative weight within other business services, EU-27, 2006 (%)



Source: Eurostat (SBS)

Table 25.16: Other business services (NACE Groups 74.6, 74.7 and 74.8)

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	43 544	25.9	Germany	1 373.5	20.0	Luxembourg	5.5
2	Germany	31 134	18.5	United Kingdom	1 169.8	17.0	United Kingdom	4.1
3	France	23 983	14.3	Spain	881.0	12.8	Greece	3.2
4	Italy	18 848	11.2	Italy	785.6	11.4	Spain	3.1
5	Spain	16 749	10.0	France	711.7	10.4	France	3.0

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

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

Source: Eurostat (SBS)

Table 25.17: Other business services (NACE Groups 74.6, 74.7 and 74.8)

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
Other business services	116 582	160 111	11 800	24.5	19.3
Investigation & security activities	22 726	11 219	930	21.4	18.9
Industrial cleaning	39 125	19 282	1 749	15.3	13.6
Miscellaneous business activities n.e.c.	54 731	129 610	9 122	36.9	27.9

Source: Eurostat (SBS)

Expenditure and productivity

An analysis of expenditure and productivity within the EU-27's other business services sector shows very different situations between the investigation and security activities and industrial cleaning subsectors on one hand, and the miscellaneous business activities subsector on the other hand. Investment by the EU-27's miscellaneous business activities subsector was valued at EUR 9.1 billion in 2006, leading to an investment rate of 9.6 %, far above the 3.5 % rate for investigation and security activities and 3.7 % rate for industrial cleaning.

An analysis of operating expenditure showed an equally remarkable difference, with personnel costs accounting for 67.0 % of operating expenditure for the investigation and security activities subsector and the industrial cleaning subsector, while these costs represented less than half this share, just 29.7 %, for the miscellaneous business activities subsector.

The EU-27's miscellaneous business activities subsector recorded the highest apparent labour productivity and average personnel costs of the three subsectors in 2006, as well as the highest wage adjusted labour productivity ratio (132.4 %). The apparent labour productivity ratio and the average personnel costs for the industrial cleaning subsector were particularly low, respectively the second and fourth lowest levels of these two ratios among all NACE groups within the non-financial business economy in 2005 or 2006, reflecting the high incidence of part-time work in this subsector. The wage adjusted labour productivity ratio is less influenced by the incidence of part-time work, and this ratio was 112.4 % for industrial cleaning and 113.0 % for investigation and security activities, both among the five lowest ratios within the non-financial business economy NACE groups in 2005 or 2006.

Table 25.18: Computer and related activities (NACE Division 72)
Main indicators, 2006 (1)

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Enterprises	12.9	2.9	22.4	7.9	51.8	1.2	4.4	6.2	31.7	57.8	91.0	0.2	1.3	1.5
Persons employed	56.0	16.6	55.5	52.2	416.0	5.7	34.8	20.7	218.2	366.4	368.5	1.9	6.7	7.5
Turnover	9 675	356	4 041	8 705	61 582	213	15 398	1 926	21 146	53 545	38 518	120	284	292
Production	9 266	339	3 426	7 391	51 558	185	8 766	1 725	17 180	49 792	37 631	113	267	230
Purch. of goods & serv.	5 665	211	2 482	4 756	31 576	109	11 585	1 108	11 801	28 212	21 221	45	163	202
Value added	4 061	158	1 658	4 175	31 573	102	3 875	861	9 754	25 516	17 551	76	128	102
Personnel costs	2 946	97	985	3 193	21 689	82	1 767	486	7 303	21 732	10 737	54	74	57
Average personnel costs	67.2	6.9	22.6	66.2	58.3	15.9	55.6	31.4	37.6	60.0	41.4	29.4	11.1	8.5
Gross operating surplus	1 116	61	673	983	9 884	20	2 108	375	2 451	3 784	6 815	22	54	44
Gross investment	630	27	133	297	2 414	14	994	163	656	1 258	1 392	6	14	14
Apparent labour prod.	72.5	9.5	29.9	80.0	75.9	17.9	111.3	41.6	44.7	69.6	47.6	40.8	18.9	13.6
Wage adj. labour prod.	107.9	138.1	132.1	120.9	130.2	112.7	200.2	132.6	118.7	116.0	115.0	139.0	170.0	159.6
Gross operating rate	11.5	17.2	16.7	11.3	16.1	9.5	13.7	19.5	11.6	7.1	17.7	18.4	19.0	15.2
Investment rate	15.5	16.8	8.0	7.1	7.6	13.7	25.7	18.9	6.7	4.9	7.9	7.9	10.6	14.1
	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
Enterprises	1.1	23.3	:	21.0	13.4	28.3	13.0	11.8	2.6	1.6	5.1	32.2	103.3	9.3
Persons employed	5.9	58.3	:	140.5	49.7	80.0	37.2	49.7	9.4	15.3	41.7	105.8	560.5	38.1
Turnover	3 904	3 480	:	18 400	6 559	3 982	3 129	1 577	797	882	5 615	16 149	88 858	6 828
Production	3 427	1 769	:	17 637	5 108	2 963	2 785	1 166	611	757	5 439	14 019	82 324	6 429
Purch. of goods & serv.	3 513	2 540	:	9 336	3 649	2 480	2 087	1 004	472	480	2 928	9 455	35 494	3 377
Value added	390	928	:	9 108	3 053	1 471	1 202	579	319	402	2 892	7 044	53 073	3 475
Personnel costs	379	628	:	6 640	2 057	690	842	337	227	245	2 229	5 995	31 971	2 778
Average personnel costs	68.3	14.3	:	54.0	53.9	14.3	23.5	7.1	28.6	16.4	54.8	65.3	62.3	77.8
Gross operating surplus	11	300	:	2 468	996	781	360	242	92	157	662	1 049	21 102	697
Gross investment	13	113	:	378	215	123	194	282	33	30	148	372	3 433	225
Apparent labour prod.	66.6	15.9	:	64.8	61.4	18.4	32.3	11.6	34.0	26.3	69.3	66.6	94.7	91.2
Wage adj. labour prod.	97.5	111.3	:	120.2	113.9	128.7	137.5	163.4	118.7	159.8	126.5	101.9	151.9	117.1
Gross operating rate	0.3	8.6	:	13.4	15.2	19.6	11.5	15.4	11.5	17.8	11.8	6.5	23.7	10.2
Investment rate	3.3	12.2	:	4.2	7.0	8.3	16.2	48.7	10.2	7.6	5.1	5.3	6.5	6.5

(1) Cyprus, investment rate, 2005; 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 rate are ratios expressed as percentages.

Source: Eurostat (SBS)

Table 25.19: Other business activities (NACE Division 74)
Main indicators, 2006 (1)

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Enterprises	79.3	21.5	182.0	37.2	363.1	7.0	20.6	127.2	407.3	425.9	750.8	2.6	9.1	11.5
Persons employed	431.3	130.4	374.5	264.8	3 440.1	43.4	149.0	292.0	1 999.4	2 529.6	2 061.9	12.8	45.7	58.8
Turnover	50 053	1 719	14 136	26 550	219 086	1 114	16 993	18 418	102 143	266 181	134 134	710	1 359	1 355
Production	49 807	1 654	13 689	25 594	196 294	1 098	12 181	17 934	77 443	256 040	135 646	703	1 370	1 365
Purch. of goods & serv.	29 407	1 231	9 884	16 043	104 128	544	8 223	11 787	51 324	149 990	68 805	224	866	857
Value added	20 540	521	5 315	11 584	123 423	565	8 768	6 784	53 203	124 106	66 363	473	534	587
Personnel costs	14 827	284	2 959	8 386	77 719	383	4 967	3 600	35 383	100 384	30 410	286	254	343
Average personnel costs	42.6	2.6	12.0	34.5	25.8	9.4	38.2	22.0	21.5	42.0	24.7	26.8	6.0	6.7
Gross operating surplus	5 713	237	2 356	3 198	45 704	181	3 801	3 184	17 820	23 723	35 953	181	281	244
Gross investment	2 542	205	442	973	7 552	92	460	702	4 876	13 707	3 920	26	179	123
Apparent labour prod.	47.6	4.0	14.2	43.7	35.9	13.0	58.8	23.2	26.6	49.1	32.2	36.8	11.7	10.0
Wage adj. labour prod.	111.7	155.8	117.8	126.6	138.9	137.7	154.2	105.7	123.7	116.8	130.3	137.5	195.4	148.5
Gross operating rate	11.4	13.8	16.7	12.0	20.9	16.3	22.4	17.3	17.4	8.9	26.8	25.4	20.7	18.0
Investment rate	12.4	39.3	8.3	8.4	6.1	16.3	5.2	10.3	9.2	11.0	5.9	5.5	33.5	21.0
	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
Enterprises	5.3	136.3	:	117.8	53.8	204.9	174.9	58.0	17.6	8.6	33.7	142.1	416.5	44.6
Persons employed	42.0	338.5	:	1 311.6	306.5	673.6	491.6	306.5	56.6	73.5	149.9	372.3	3 408.6	174.5
Turnover	4 390	12 016	:	82 404	25 924	17 518	15 924	6 329	4 161	2 905	12 687	34 732	316 302	22 384
Production	3 983	7 109	:	81 979	21 394	16 425	15 367	5 729	2 989	2 673	12 068	34 632	315 727	22 266
Purch. of goods & serv.	1 639	8 471	:	40 264	14 217	11 398	9 592	4 002	2 863	1 725	6 191	18 313	125 991	11 079
Value added	2 774	3 440	:	37 198	13 315	7 167	6 932	2 330	1 269	1 125	6 759	17 030	187 942	11 542
Personnel costs	1 668	2 305	:	27 283	9 172	2 848	5 013	982	845	618	5 009	13 403	108 369	8 230
Average personnel costs	42.5	9.9	:	22.4	35.3	6.4	10.6	3.3	18.2	8.6	36.3	43.2	34.6	52.1
Gross operating surplus	1 106	1 135	:	9 915	4 143	4 319	1 919	1 348	424	507	1 750	3 627	79 573	3 312
Gross investment	36	326	:	2 602	1 203	515	1 406	859	273	378	361	1 336	7 925	1 154
Apparent labour prod.	66.0	10.2	:	28.4	43.4	10.6	14.1	7.6	22.4	15.3	45.1	45.7	55.1	66.2
Wage adj. labour prod.	155.5	102.3	:	126.6	123.1	167.1	132.7	230.2	123.0	178.1	124.1	105.9	159.4	127.0
Gross operating rate	25.2	9.4	:	12.0	16.0	24.7	12.1	21.3	10.2	17.5	13.8	10.4	25.2	14.8
Investment rate	1.3	9.5	:	7.0	9.0	7.2	20.3	36.9	21.5	33.6	5.3	7.8	4.2	10.0

(1) Cyprus, investment rate, 2005; 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)