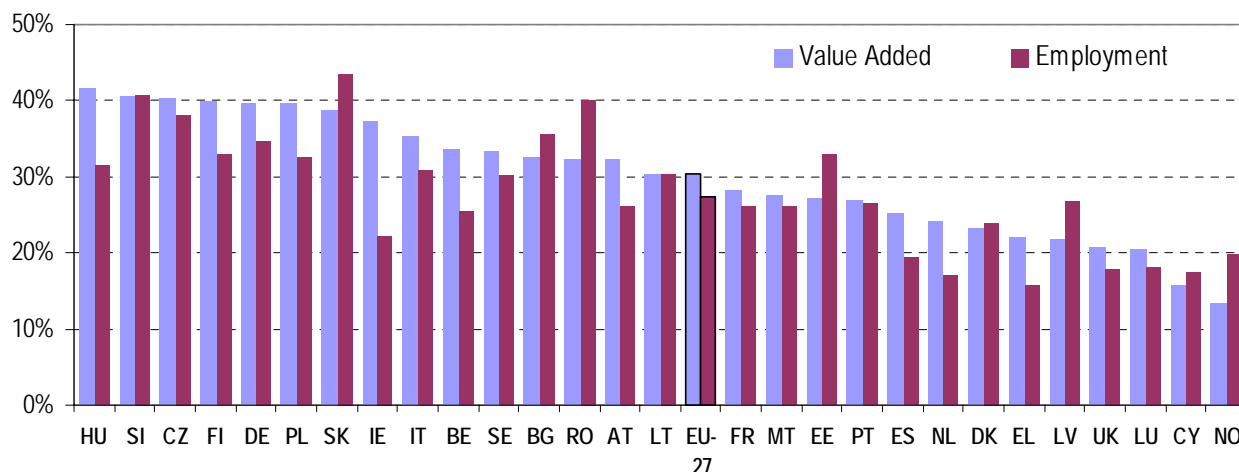


The main features of the EU manufacturing industry

In 2005, manufacturing (NACE Section D) was the main activity of 2.3 million enterprises in the EU-27, which generated a turnover of EUR 6 323 billion. Producing a value added of EUR 1 630 billion, and employing 34.6 million persons, this represented 30.4 % and 27.3 % respectively of the total non-financial business economy (NACE Sections C to I and K). As such,

manufacturing was the largest of the eight main sectors that make up the non-financial business economy, around 1.4 times as large as 'Real estate, renting and business activities' (NACE Section K) in terms of value added and employing nearly 12 % more people than the 'Distributive trades' (NACE Section G).

Fig.1 Value added and employment in manufacturing (NACE D), 2005
 % of the non-financial business economy (NACE C to I and K)



2004: CZ; NL; 2002: MT

Source: Eurostat, SBS

When looking at manufacturing's importance in the Member States' economies, Hungary was most specialised in terms of value added, with the industry representing 42 % of its non-financial business economy (Figure 1). In contrast, the least specialised was Cyprus (16 %). In terms of employment, however, manufacturing was most important for Slovakia (44 %), Slovenia (41 %) and Romania (40 %) and least important for Greece (16 %).

The weight of manufacturing in the non-financial business economy was heavier for value added than for employment in 19 of the 27 Member States, which indicates relatively high apparent labour productivity (value added per person employed) compared with the non-financial business economy average. In Ireland and the Netherlands, the weight of value added was respectively two thirds and two fifths more than that of employment. The Member States in which

the employment share was higher than that of value added were (in decreasing order of magnitude): Romania, Latvia, Estonia, Slovakia, Cyprus, Bulgaria, Denmark and Slovenia.

As shown in Figure 2, Germany's share of the EU-27 manufacturing industry was considerable: amounting to above 26 % of the total value added, around double that of the next-ranking contributors France, the UK and Italy. Also of note is that among the main contributors, the shares of Germany, Italy and Poland were larger than for the non-financial business economy as a whole (by respectively six, two and one percentage points). In contrast, the contribution of the United Kingdom, one of the Member States most specialised in services, was much smaller than for the non-financial business economy (by six percentage points).

Main indicators

Tab.1 Main indicators of Manufacturing, by subsector, EU-27, 2005

	Value added		Employment		Apparent labour productivity	Gross operating rate
	EUR billion	%	Thousand	%	EUR thousand	%
Manufacturing (NACE Section D)	1 629.9	100.0%	34 644	99.8%	47.0	8.3%
Food products; beverages and tobacco (DA)	199.1	12.2%	4 700	13.6%	42.0	9.2%
Textiles and textile products (DB)	53.3	3.3%	2 614	7.5%	20.4	8.1%
Leather and leather products (DC)	11.4	0.7%	564	1.6%	20.3	8.1%
Wood and wood products (DD)	35.1	2.2%	1 280	3.7%	27.5	9.9%
Pulp, paper and paper products; publishing and printing (DE)	134.7	8.3%	2 562	7.4%	52.6	11.5%
Coke, refined petroleum products and nuclear fuel (DF)	38.5	2.4%	170	0.5%	227.2	6.3%
Chemicals, chemical products and man-made fibres (DG)	178.5	10.9%	1 888	5.5%	94.5	12.0%
Rubber and plastic products (DH)	76.1	4.7%	1 700	4.9%	43.9	8.8%
Other non-metallic mineral products (DI)	73.5	4.5%	1 596	4.6%	46.0	12.5%
Basic metals and fabricated metal products (DJ)	221.9	13.6%	5 045	14.6%	44.0	9.2%
Machinery and equipment n.e.c. (DK)	178.4	10.9%	3 636	10.5%	49.1	6.9%
Electrical and optical equipment (DL)	189.8	11.6%	3 664	10.6%	51.8	7.9%
Transport equipment (DM)	181.9	11.2%	3 152	9.1%	57.7	3.1%
Manufacturing n.e.c. (DN)	57.7	3.5%	1 988	5.7%	29.0	8.7%

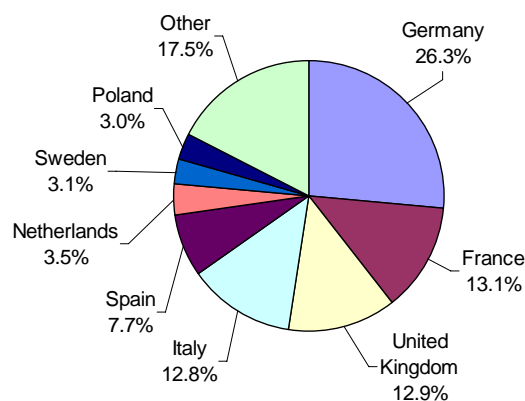
Note: Difference between totals and components are due to rounding

Source: Eurostat (SBS)

The seven largest of the 14 manufacturing activities at NACE sub-section level accounted together for over 79 % of EU-27 manufacturing value added in 2005. The single-largest activity in value added terms was 'Basic metals and fabricated metal products' (DJ), followed by 'Food products, beverages and tobacco' (DA). This order was the same in terms of the persons employed (Table 1).

The difference in shares of EU value added and employment indicates differences in apparent labour productivity (value added per person employed) among the activities. EU-27 apparent labour productivity in manufacturing was EUR 47 000 in 2005 (Table 1), about 11 % more than the non-financial business economy average (EUR 42 300). Among the 14 activities, 'Coke, refined petroleum products and nuclear fuel' displayed a level of EUR 227 200, almost five times as much as the manufacturing average, while in 'Chemicals, chemical products and man-made fibres' it was more than double (EUR 94 500).

Fig.2 Main contributing Member States to EU-27 Manufacturing (NACE D) value added, 2005



Source: Eurostat, SBS

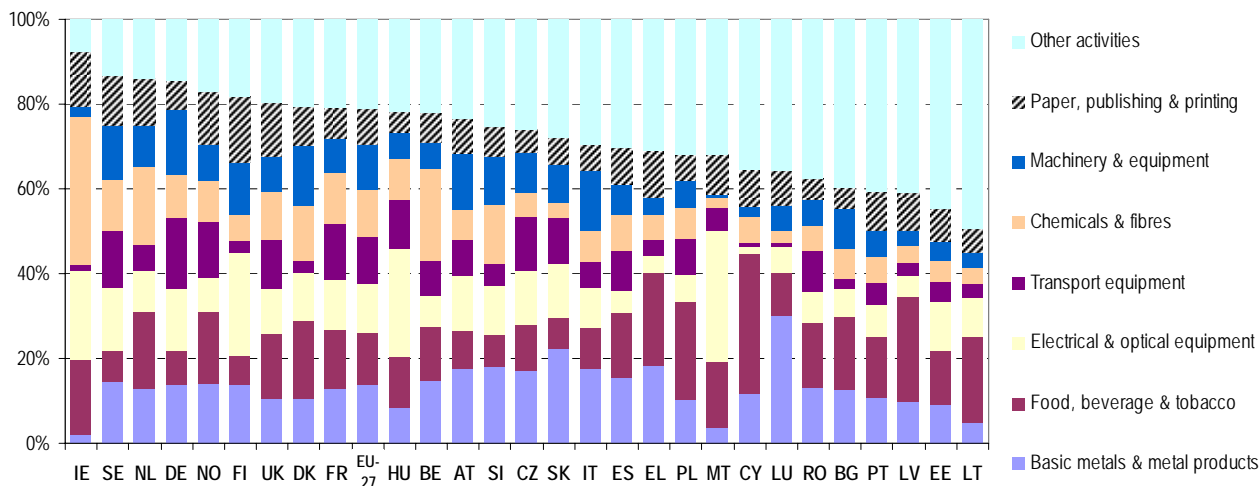
Tab.2 Main indicators of Manufacturing (NACE D), 2005

	EU-27	BE	BG	CZ*	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV
Value added at factor cost – EUR billion	1 629.9	48.1	3.2	21.2	25.7	429.5	1.6	34.1	14.3	125.0	214.0	208.9	1.1	1.5
Persons employed – thousand	34 643.8	614.8	645.2	1 363.2	409.9	7 171.5	130.9	217.1	389.7	2 599.3	3 737.2	4 610.3	36.8	166.8
Number of enterprises – thousand	2 322.3	36.6	28.7	151.3	18.6	203.9	5.1	4.3	91.2	219.9	256.0	519.3	5.6	7.6
Turnover – EUR billion	6 322.6	212.0	16.9	87.3	80.1	1 636.3	6.4	113.0	48.4	486.6	945.7	863.4	3.4	5.3
Average personnel costs – EUR thousand	33.9	49.4	2.4	8.8	44.5	55.0	7.6	41.9	24.3	29.7	42.8	33.1	19.4	4.2
Apparent labour productivity – EUR thousand	47.0	78.3	5.0	15.5	62.7	59.9	12.2	157.2	36.6	48.1	57.3	45.3	29.6	8.9
Wage adjusted labour productivity %	138.7	158.6	205.0	175.7	140.9	108.9	160.8	375.3	150.7	161.9	133.7	137.0	152.2	213.7
Gross operating rate %	8.3	9.2	10.1	12.1	9.8	6.6	9.6	22.2	14.7	10.6	6.0	9.5	12.5	15.1

* 2004

Source: Eurostat, SBS

Fig.3 Share of the seven largest manufacturing activities in the EU in total sectoral value added, 2005



2004: CZ & LT; 2003: LV; 2002: MT

Source: Eurostat, SBS

In contrast, productivity was below half of this average in 'Textiles and textile products' (EUR 20 400) and 'Leather and leather products' (EUR 20 300).

In the same year, personnel costs in manufacturing averaged around EUR 33 900 per employee, 17 % higher than the EUR 28 876 average in the non-financial business economy. Consequently, wage-adjusted labour productivity – which shows the relationship between apparent labour productivity and average personnel costs – was 138.7 %, close to eight percentage points less than the non-financial business economy average (146.5 %).

The gross operating rate (share of operating surplus in turnover) – which is one indicator of profitability – was 8.3 % in 2005, compared with 10.0 % in the non-financial business economy. By this measure, the most profitable of the manufacturing activities were 'Other non-metallic mineral products' (12.5 %), 'Chemicals, chemical products and man-made fibres' (12.0 %) and 'Pulp, paper and paper products; publishing and printing' (11.5 %), while the least profitable was 'Transport equipment' (3.1 %).

Figure 3 shows the weight of the seven main activities at EU level in individual countries. This illustrates clearly the difference in industrial structure among the Member States. These seven activities accounted for as much as 92 % of manufacturing value added in Ireland (predominantly because of the importance of 'Chemicals, chemical products and man-made fibres' in this country), going down to as little as 50 % in Lithuania.

When the cumulative share is lower than the EU average, the country is relatively specialised in other activities that are of less importance at EU level. For example, in Lithuania, Estonia, Latvia, Portugal, Bulgaria and Romania – the six Member States with the lowest cumulative shares – the shares of 'Textiles and textile products' in manufacturing were among the highest, ranging from 9.2 % to 13.4 %, while it accounted for 3.3 % of manufacturing value added at EU-27 level. Another example is 'Wood and wood products' which in Latvia and Estonia accounted for 21.6 % and 14.0 % respectively of the manufacturing value added, whereas the EU average was 2.2 %.

	LT	LU	HU	MT**	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
Value added at factor cost – EUR billion	2.5	2.7	16.8	0.8	57.6	41.6	48.3	18.5	9.1	5.8	5.9	30.1	49.9	210.7	19.8
Persons employed – thousand	266.3	37.1	794.3	31.7	767.6	619.8	2 473.5	868.9	1 621.0	232.9	404.8	406.7	797.0	3 245.6	253.9
Number of enterprises – thousand	15.6	1.0	65.0	3.8	45.6	28.4	191.6	104.3	57.9	17.0	6.8	25.2	60.4	153.4	19.7
Turnover – EUR billion	11.3	20.0	77.2	2.6	257.0	132.0	167.5	73.1	41.3	20.8	30.7	120.9	175.3	682.6	73.0
Average personnel costs – EUR thousand	5.0	47.6	10.4	14.2	46.1	42.8	7.6	13.6	3.4	17.2	7.7	43.0	46.2	39.5	54.9
Apparent labour productivity – EUR thousand	9.5	71.8	21.1	25.5	75.1	67.1	19.5	21.3	5.6	24.9	14.5	74.0	62.7	64.9	77.9
Wage adjusted labour productivity %	189.6	150.8	204.0	178.9	163.0	156.9	256.8	157.0	166.8	145.0	188.0	172.1	135.6	164.2	141.8
Gross operating rate %	11.1	4.6	11.6	15.3	9.4	12.1	18.6	9.5	9.0	9.5	9.0	11.7	9.1	12.7	8.5

** 2002

Source: Eurostat, SBS

Regional specialisation

Tab.3 Top three most specialised regions by subsection of manufacturing, EU-27, 2005 *
persons employed as share of total non-financial business economy (%)

Manufacturing activity (NACE)	First most specialised	%	Second most specialised	%	Third most specialised	%
Manufacturing (NACE D)	Zapadne Slovensko (SK)	59.8	Vychodne Slovensko (SK)	52.4	Centru (RO)	48.4
Food, bev. and tobac. (DA)	Bretagne (FR)	12.1	Podlaskie (PL)	10.9	Lubelskie (PL)	9.7
Textiles (DB)	Norte (PT)	14.1	Severozapaden (BG)	13.8	Nord-Est (RO)	13.7
Leather (DC)	Marche (IT)	7.9	Nord-Vest (RO)	5.7	Vest (RO)	5.1
Wood and wood prod. (DD)	Itä-Suomi (FI)	:c	Latvija (LV)	5.4	Eesti (EE)	4.8
Paper; publish/printing (DE)	Mellersta Norrland (SE)	6.5	Norra Mellansverige (SE)	6.3	Länsi-Suomi (FI)	6.1
Fuel processing (DF)	Cumbria (UK)	:c	Yugoiztochen (BG)	:c	Sud - Muntenia (RO)	1.9
Chemicals (DG)	Rheinessen-Pfalz (DE)	12.4	Prov. Brabant Wallon (BE)	9.3	Dessau (DE)	6.4
Rubber and plastics (DH)	Auvergne (FR)	9.1	Oberfranken (DE)	6.5	Koblenz (DE)	4.4
Other non-metal prod. (DI)	Swietokrzyskie (PL)	5.5	Centro (PT)	5.3	Oberfranken (DE)	4.7
Metals and metal prod. (DJ)	Arnsberg (DE)	14.7	Norra Mellansverige (SE)	14.4	Vychodne Slovensko (SK)	13.9
Machinery and equip. (DK)	Unterfranken (DE)	12.3	Tübingen (DE)	12.0	Schwaben (DE)	9.9
Electrical/optical equip. (DL)	Zapadne Slovensko (SK)	14	Oberpfalz (DE)	12.0	:c	:c
Transport equip. (DM)	Braunschweig (DE)	:c	Stuttgart (DE)	13.7	Niederbayern (DE)	13.1
Other manufacturing (DN)	Warminsko-Mazurskie (PL)	8.1	Friuli-Venezia Giulia (IT)	6.3	Nord-Vest (RO)	5.5

* Data based on NUTS 2003 - Level 2; BG according to preaccession NUTS; NO and CZ 2004; MT not available; :c=confidential

Source: Eurostat, SBS

Table 3 shows the diversity in regional specialisation of manufacturing in the EU-27, in terms of employment and by manufacturing activity. As the most specialised country in manufacturing, Slovakia displayed the two most specialised regions, Západné Slovensko and Východné Slovensko, in which manufacturing accounted for 59.8 % and 52.4 % of

the regions' workforces. They were followed in third place by the Romanian region Centru (48.4 %).

The importance of manufacturing in Germany is evident also here, as a German region was the most specialised in four of the 14 activities, and among the top three a further 9 times.

Main products

Tab.4 Selected top manufacturing products produced in the EU-27 and sold in 2006*

Rank	Product	NACE / CPA sub-section	Prodcom code	EUR bn
1	Motor vehicles with a petrol engine > 1500 cm ³ (incl. motor caravans of a capacity > 3000 cm ³) (excl. vehicles for transporting ≥ 10 persons)	Transport equip. (DM)	34102230	119.4
2	Motor vehicles with a diesel or semi-diesel engine > 1500 cm ³ but ≤ 2500 cm ³ (excl. vehicles for transporting ≥ 10 persons)	Transport equip. (DM)	34102330	96.6
5	Preparations for animal feeds (excluding dog or cat food, p.r.s.)	Food, bev. and tobac. (DA)	157010Z3	30.3 **
6	Beer made from malt (excluding non-alcoholic beer, beer containing ≤ 0.5% by volume of alcohol, alcohol duty)	Food, bev. and tobac. (DA)	15961000	29.4
7	Radio transmission apparatus with reception apparatus	Electrical/optical equip. (DL)	32201170	26.9
8	Fresh bread containing by weight in the dry matter state ≤ 5% of sugars and ≤ 5% of fat (excl. with added honey; eggs; cheese or fruit)	Food, bev. and tobac. (DA)	15811100	23.2 **
9	Ready-mixed concrete	Non-metallic mineral prod. (DI)	26631000	22.7
10	Grated; powdered; blue-veined and other non-processed cheese (excluding fresh cheese; whey cheese and curd)	Food, bev. and tobac. (DA)	15514050	21.7 **
11	Cartons; boxes and cases of corrugated paper or paperboard	Paper; publish/printing (DE)	21211300	18.8
12	Cake and pastry products; other baker's wares with added sweetening matter	Food, bev. and tobac. (DA)	15811200	18.2
13	Sausages not of liver	Food, bev. and tobac. (DA)	15131215	17.7 **
15	Goods vehicles with a diesel or semi-diesel engine, of a gross vehicle weight ≤ 5 tonnes (excluding dumpers for off-highway use)	Transport equip. (DM)	34104110	16.9
16	Motor vehicles with a diesel or semi-diesel engine ≤ 1500 cm ³ (excl. vehicles for transporting ≥ 10 persons)	Transport equip. (DM)	34102310	16.2
17	Grey Portland cement (including blended cement)	Non-metallic mineral prod. (DI)	26511230	15.3
18	Hot rolled flat products in coil (wide strip) of a width of 600 mm or more (of steel other than of stainless steel or of high speed steel)	Basic metals & fabr. met. (DJ)	27106020	14.8

* Excludes a few products of a generic nature ('other'), sales of services such as repair, maintenance and installation, and products ranked 3, 4 and 14 which are confidential; ** estimated

Source: Eurostat, PRODCOM

Table 4 shows some of the top 20 products manufactured in the EU-27 and sold in 2006. As can be seen, most of the largest sales revenues originated from motor vehicles (NACE/CPA DM) of different sorts, and 'Food, beverages and tobacco products' (NACE/CPA DA). The number-one product sold was 'Motor vehicles with a petrol engine larger than

1 500 cm³, which generated EUR 119.4 bn in sales. It was followed by 'Motor vehicles with a diesel or semi-diesel engine larger than 1 500 cm³ but ≤ 2 500 cm³' (EUR 96.6 bn). The top 'Food, beverages and tobacco' product was 'Preparations for animal feeds' (EUR 30.3 bn).

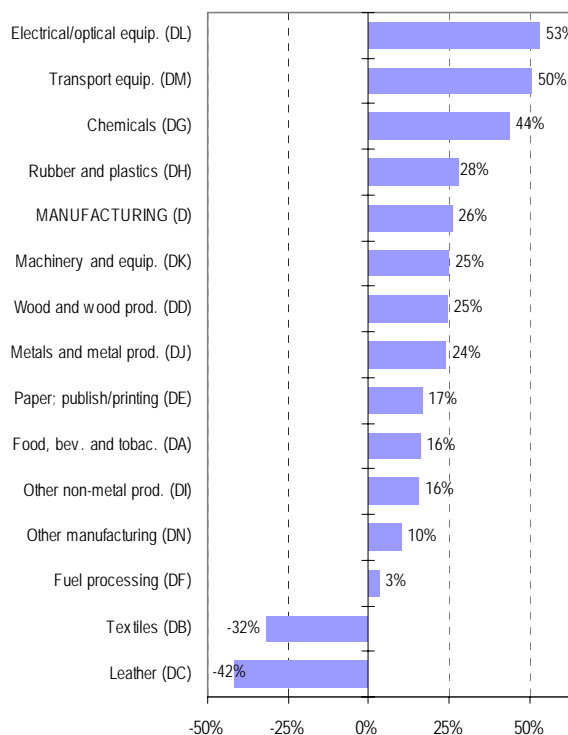
Production growth

The structure of the economy evolves over time as certain activities gain in importance and others decline. Production in the EU's manufacturing industry grew by 26 % between 1996 and 2006 on average, rising in 12 of the 14 manufacturing activities.

Progressing at rates that were well above the EU-27 manufacturing average, the activities 'Electrical and optical equipment' (53 %), 'Transport equipment' (50 %), and 'Chemicals' (44 %) displayed the strongest production increases. While the rise in production of 'Fuel processing' was small (3 %), only 'Leather' (-42 %) and 'Textiles' (-32 %) contracted during the 1996 to 2006 period, the two smallest activities in the EU as a whole. This is part of the general economic trend whereby basic labour intensive and lower value-added manufacturing production is increasingly being performed by developing countries such as China or India, where the costs of labour and other production factors are comparatively low.

The evolution of employment (not shown) is in stark contrast to that of production. With a reduction by 11 % between 1996 and 2006 on average in manufacturing, it decreased in all activities except for 'Rubber and plastics'. In all activities except for 'Textiles', growth in production was more positive (or less negative) than that of employment, indicating an increase in productivity.

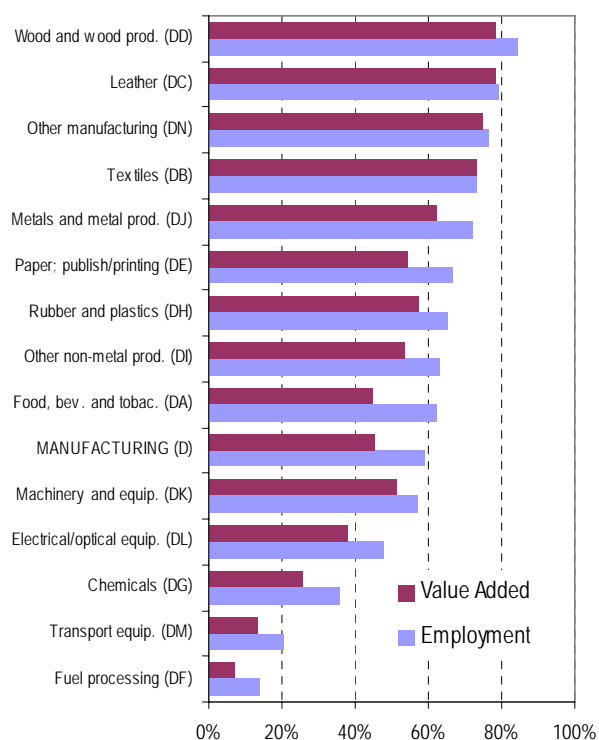
Fig.4 EU-27 production growth, 1996 to 2006 by manufacturing activity



Source: Eurostat, STS

Small and medium-sized enterprises

Fig.5 Share of SMEs in manufacturing, EU-27, 2005* by manufacturing activity



* Including rounded estimates based on non-confidential data

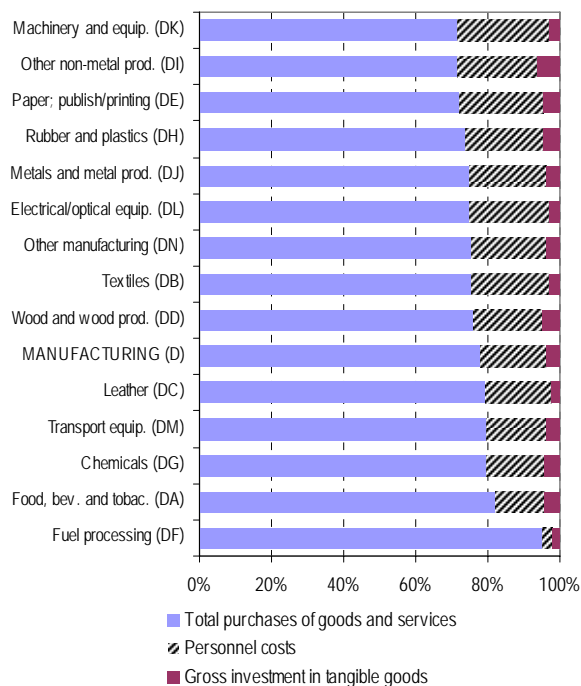
Source: Eurostat, SBS

In 2005, 2.3 million enterprises or over 99 % of the business population in manufacturing were small and medium-sized enterprises (SMEs, employing between 1 and 249 persons) in the EU-27. These enterprises accounted for 59 % of total employment and 45 % of value added, respectively eight percentage points (pp) and 12 pp lower than the averages for the non-financial business economy. SMEs dominated in particular in wood and leather manufacturing, where they accounted for 78 % of total value added, while fuel processing, transport equipment and chemicals manufacturing were sectors dominated by large enterprises (Figure 5).

Apparent labour productivity is generally lower in SMEs than in large enterprises, reflecting economies of scale. A sign of that is the fact that SMEs were more important in terms of employment than value added in all of the manufacturing activities apart from 'Textiles', where these ratios were close to equal. The difference was largest in 'Food beverages and tobacco' (17 pp) and in 'Pulp, paper, publishing and printing' (12 pp). In 2005, the average apparent labour productivity of SMEs in manufacturing was EUR 35 900 per person employed while it was EUR 63 300 in large enterprises. Manufacturing SMEs were a little less productive while large manufacturing enterprises were more productive than the non-financial business economy averages (EUR 36 400 thousand and EUR 54 400 thousand respectively).

Cost structure

Fig.6 Breakdown of total expenditure in manufacturing, EU-27, 2005 by manufacturing activity (%)



Source: Eurostat, SBS

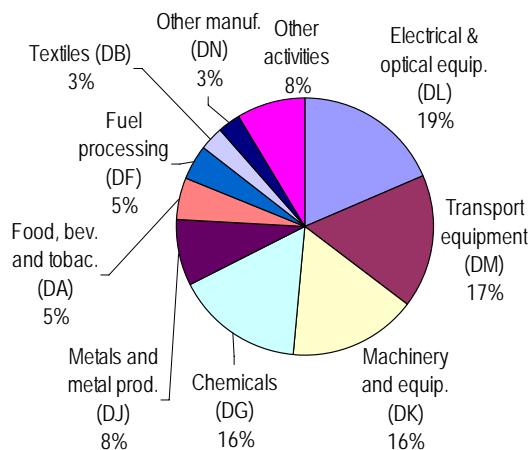
In 2005, operating expenditure accounted for about 96 % of total expenditure in the EU's manufacturing industry; made up of 77.8 % of purchases of goods and services and 18.5 % of personnel costs. Capital expenditure (gross investment in tangible goods) represented the remaining 3.7 % (Figure 6).

When comparing the cost structure across the manufacturing activities, what stands out most is the changeable balance between purchases of goods and services and personnel costs, which partly reflects differences in labour intensity. The highest share of personnel costs was in 'Machinery and equipment' (26 %) and the lowest in 'Fuel processing' (3 %). The share of capital expenditure did not vary that much, with the highest recorded in 'Other non-metallic mineral products' (6 %), in 'Wood and wood products' as well as in 'Pulp, paper, publishing and printing' (both 5 %).

Readers should note, however, that the increased use of outsourcing, as well as labour recruitment and personnel supply firms, has an effect on the cost structure which distorts somewhat this analysis. For the enterprises or industry in question, this would lead to an increase in the purchases of services and a decrease in all other cost types.

Foreign trade

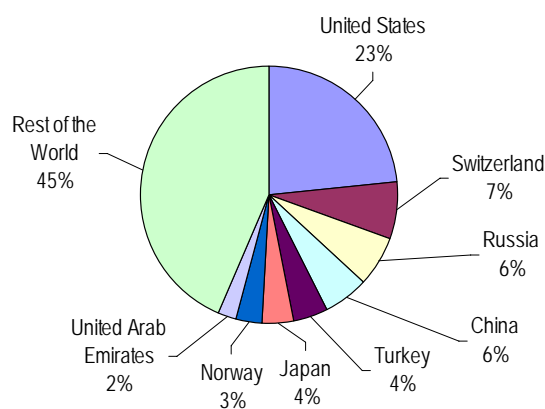
Fig. 7 EU-27 exports of manufactured products, 2006 by product group (NACE/CPA subsection)



Source: Comext

In 2006, EU-27 exports of manufactured goods generated EUR 1 061 billion in revenues, with imports valued at EUR 952 billion, yielding a trade surplus of EUR 109 billion. Between 2001 and 2006, exports of manufactured goods increased by 7.3 % yearly on average, while imports grew at a rate of 7.1 %. To give some idea of the importance of exports to total sales, exports of these products were equal to around 15 % of the turnover generated by the sector in 2005, compared to 16 % in 2004.

Fig.8 EU-27 exports of manufactured products, 2006 by main destination



Source: Comext

'Electrical and optical equipment' accounted for the largest share of manufacturing exports (19 %), ahead of 'Transport equipment' (17 %), 'Machinery and equipment' (16 %) and 'Chemicals' (16 %) (Figure 7).

Looking finally at the main destinations of EU-27 exports of manufactured products in Figure 8, the United States was clearly the EU's top trading partner, accounting for 23 % of total exports, followed by Switzerland (7 %), Russia (6 %) and China (6 %).

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

DATA SOURCES

The source of all figures presented is Eurostat (unless specifically stated otherwise). Most data sources are continually updated and revised where necessary. This publication reflects the state of data availability in Eurostat's reference database as of February 2008.

Structural Business Statistics (SBS) is the main data source for this publication. Two main SBS data sets have been used: annual enterprise statistics and annual enterprise statistics broken down by size classes. These and other SBS data sets are available under theme 'Industry, trade and services' on the Eurostat website <http://epp.eurostat.ec.europa.eu/> (select 'Data' / 'Industry, trade and services' / 'Horizontal view' / 'Structural Business Statistics').

Selected publications, data and background information are available in the section dedicated to European Business, located directly under the theme 'Industry, trade and services' on the Eurostat website (direct link: <http://ec.europa.eu/eurostat/europeanbusiness>).

PRODCOM provides detailed information on the production of about 4500 manufactured products (according to the Statistical Classification of Products by Activity: CPA). Data presented here relate to the value of production sold during the reference period.

COMEXT Eurostat's database on external trade supplied data on the value of exports and imports of products, by type of product (CPA), by reporting Member State and by destination.

Short-Term Statistics (STS) was used to complement SBS data with information on time series development based on the Industrial production index, which shows the evolution of value added at factor cost at constant prices.

COUNTRIES

This publication covers the European Union, including the 27 Member States (EU-27): Belgium (BE), Bulgaria (BG), the Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), the Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and the United Kingdom (UK). Also included is the EFTA country with data available: Norway (NO).

EU-27

EU-27 aggregates include estimates for missing components where necessary. EU-27 aggregates from the SBS data set include rounded estimates based on non-confidential data where necessary and appropriate. Some differences may exist between aggregates and sub-components due to the rounding.

EXCHANGE RATES

All data are presented in ECU/EUR terms, with national currencies converted using average exchange rates prevailing for the year in question.

SYMBOLS

“:c” confidential.

SECTORS

Statistics are presented by sectors of activity according to the NACE Rev. 1.1 system of classification. Comparisons are made with the whole non-financial business economy. **Non-financial business economy** includes the Sections C (Mining and quarrying), D (Manufacturing), E (Electricity, gas and water supply), F (Construction), G (Wholesale and retail trade), H (Hotels and restaurants), I (Transport, storage and communication) and K (Real estate, renting and business activities). Note that for Cyprus data for the non-financial business economy exclude NACE K73 (Research and development), and for Ireland exclude Section E.

OBSERVATION UNIT

The observation unit is the enterprise. An enterprise carries out one or more activities at one or more locations. Enterprises are classified into sectors (by NACE) according to their main activity. The enterprise should not be confused with the local unit, which is an enterprise or part thereof situated in one geographically identified place.

STRUCTURAL BUSINESS STATISTICS VARIABLES

Variables are defined according to Commission Regulation No 2700/98 and include:

Number of enterprises

The number of enterprises active during at least part of the reference period.

Number of persons employed

The total number of persons who work in the observation unit, as well as persons who work outside the unit who belong to it and are paid by it. It includes working proprietors, unpaid family workers, part-time workers, seasonal workers etc.

Value added at factor cost

The gross income from operating activities after adjusting for operating subsidies and indirect taxes (including value added tax).

Turnover

The totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties.

Apparent labour productivity

This is a simple indicator of productivity calculated as value added divided by persons employed.

Average personnel costs

Personnel costs are the total remuneration, in cash or in kind, payable by an employer to an employee for work carried out. This is divided by the number of employees (paid workers), which includes part-time workers, seasonal workers etc, but excludes persons on long-term leave.

Wage adjusted labour productivity (%)

Value added divided by personnel costs, after the latter has been divided by the share of employees (paid workers) in the number of total persons employed. It can also be calculated by dividing apparent labour productivity by average personnel costs.

The gross operating rate (%)






This is an indicator of profitability where the gross operating surplus is related to the turnover generated. The gross operating surplus is the surplus generated by operating activities after the labour factor input has been recompensed. It can be calculated from the value added at factor cost less the personnel costs.

Further information

Data: [Eurostat Website: http://ec.europa.eu/eurostat](http://ec.europa.eu/eurostat)

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-  **Industry, trade and services - horizontal view**
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 -  Annual enterprise statistics
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 -  Annual regional statistics

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