

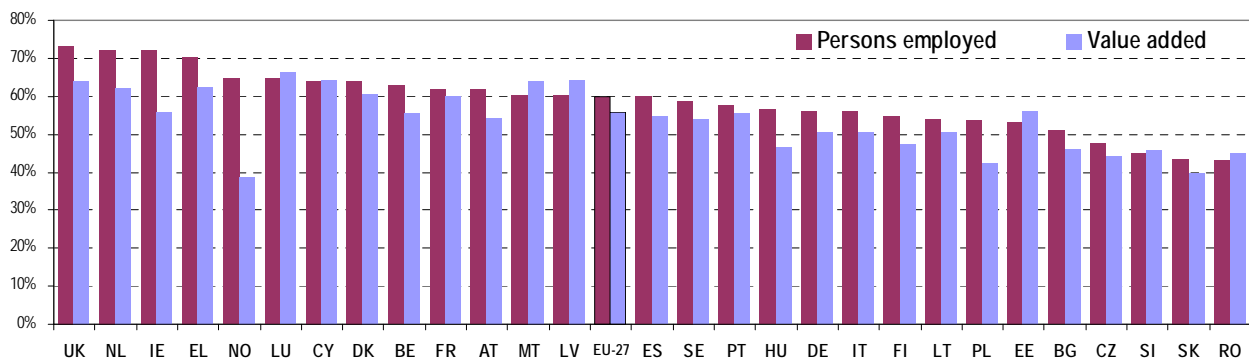
Main features of the EU-27 services sector

Overview

Services* were the main activity of 14.5 million enterprises in the EU-27 in 2005, which generated a turnover of EUR 11 974 billion. Producing a value added of EUR 2 991 billion and employing 76 million persons, Services accounted for respectively 56 % and 60 % of

the non-financial business economy (NACE Sections C to I and K). In terms of employment, it was the largest sector, well ahead of Industry (NACE C to E) and Construction (NACE F), which had shares of 29 % and 11 % respectively.

Figure 1: Country specialisation in Services (NACE Sections G to I and K), 2005
% of the non-financial business economy (NACE C to I and K)



2004: CZ & NL; 2002: MT

Source: Eurostat, SBS

When one looks at the contribution made by Services to the Member States' non-financial business economies (Figure 1), the United Kingdom, the Netherlands, Ireland and Greece were clearly the most specialised in terms of employment as the Services sector made up more than 70 % of their non-financial business economies. In contrast, Romania and Slovakia were the least specialised with shares of 43.2 % and 43.7 % respectively. When one examines regional data at NUTS 2 level, in several regions this sector accounted for an even larger share of the non-financial business workforce, reaching as much as 89.6 % in Inner London.

The importance of Services in the non-financial business economy was greater in terms of employment than of value added in 20 of the 27

Member States, indicating lower apparent labour productivity (value added per person employed) than in the non-financial business economy as a whole. This was particularly the case in Norway, Ireland and Poland, where the share of employment was between 1.7 and 1.3 times that of value added. In the Member States Latvia, Malta, Estonia, Romania, Luxembourg, Slovenia and Cyprus, the weight of value added exceeded that of employment, indicating relatively high apparent labour productivity in Services.

Considering the size of the Services sector, an indicator such as 'apparent labour productivity' that differs from the average of the non-financial business economy is at the same time a clear indication that it is significantly different in industry and construction.

* The Services sector as analysed in this publication corresponds to NACE Rev. 1.1 Sections G to I and K: 'Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods' (NACE G), 'Hotels and restaurants' (NACE H), 'Transport, storage and communication' (NACE I) and 'Real estate, renting and business activities' (NACE K). 'Financial intermediation' (NACE J) is excluded.

Focus on employment

Table 1: Main indicators of Services in the EU-27, by subsection, 2005

	Value added		Employment		Wage adjusted labour productivity	Gross operating rate
	(EUR billion)		(Thousand)			
Services (G to I and K)	2 991.3 *	100.0%	76 133.0 *	100.0%	150% *	11% *
Distributive trades (G)	1 022.4	34.2%	30 963.9	40.7%	142%	6%
Sale, maintenance/repair of motor vehicles (G50)	150.9	5.0%	4 106.7	5.4%	148%	5%
Wholesale/commission trade, exc. for motor (-cycles) (G51)	479.7	16.0%	9 732.4	12.8%	157%	5%
Retail trade (exc. motor vehicles), repair of personal goods (G52)	391.8	13.1%	17 124.8	22.5%	127%	7%
Hotels and restaurants (H)	167.8	5.6%	8 845.9	11.6%	124%	15%
Transport and communications (I)	629.9	21.1%	11 823.7	15.5%	164%	17%
Land transport, transport via pipelines (I60)	180.0 *	6.0%	5 500.0 *	7.2%	122% *	13% *
Water transport (I61)	25.0 *	0.8%	213.5	0.3%	280% *	20% *
Air transport (I62)	27.2	0.9%	400.0 *	0.5%	120% *	4% *
Supporting transport activities, travel agencies (I63)	147.9	4.9%	2 612.1	3.4%	170%	13%
Post and telecommunications (I64)	250.9	8.4%	3 075.2	4.0%	221%	27%
Real estate, renting & business activities (K)	1 171.2	39.2%	24 499.5	32.2%	157%	24%
Real estate activities (K70)	248.0 *	8.3%	2 690.0 *	3.5%	320% *	38% *
Renting of machinery, and of pers. & househ. goods (K71)	75.0 *	2.5%	600.0 *	0.8%	400% *	40% *
Computer and related activities (K72)	170.0 *	5.7%	2 700.0 *	3.5%	130% *	16% *
Research and development (K73)	21.8 *	0.7%	400.0 *	0.5%	110% *	8% *
Other business activities (K74)	655.5	21.9%	18 102.4	23.8%	132%	19%

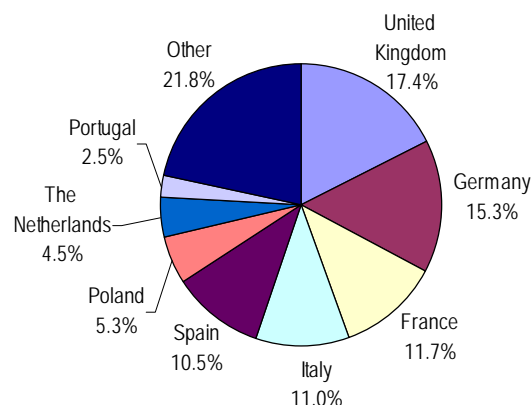
* estimate. Note: differences between components and totals are due to rounding.

Source: Eurostat, SBS

The largest contributors to employment in EU-27 Services were the United Kingdom and Germany, accounting for 17.4 % and 15.3 % respectively (Figure 2). The importance of Services in the United Kingdom's economy is highlighted by the fact that, in terms of employment, they had a share in the non-financial business economy which was 13.2 percentage points above the EU-27 average.

Looking at the four main activities (NACE Sections) that make up the EU-27 Services sector, and based on employment, the activity 'Distributive trades' (G) was the largest in 2005, making up 40.7 % of Services total (Table 1). 'Real estate, renting and business activities' was the second largest activity (32.2 %), due mainly to the size of 'Other business activities' (K74: 23.8 %), which for example include legal, accounting and management services as well as labour recruitment. 'Transport and communications' (I) ranked third while 'Hotels and restaurants' (H) was the smallest activity in terms of employment.

Figure 2 : Main contributing Member States to EU-27 employment in Services, 2005



Source: Eurostat, SBS

Table 2: Main indicators of Services (NACE Sections G to I and K), 2005

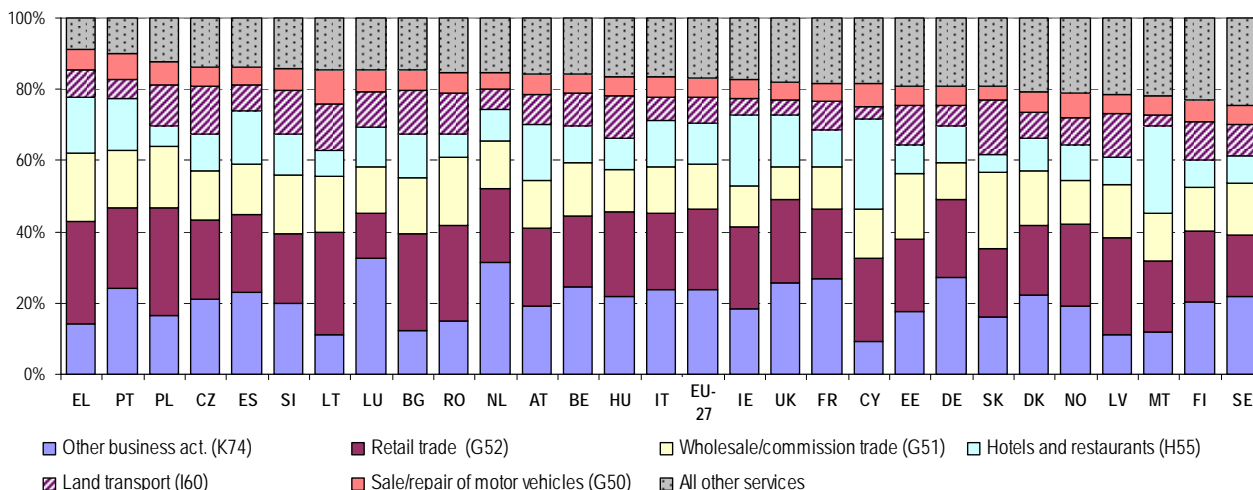
	EU-27	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV
Value added at factor cost – EUR billion	2 991.3	79.4	4.6	23.2	66.7	548.4	3.3	51.0	40.4	269.8	455.3	299.0	4.5	4.4
Persons employed – thousand	76 133.0	1 513.1	925.4	1 702.8	1 094.8	11 617.2	210.8	702.7	1 754.6	8 024.6	8 883.2	8 406.2	135.4	375.2
Number of enterprises – thousand	14 482.5	299.9	198.2	576.4	148.6	1 254.4	29.0	80.5	618.4	1 916.0	1 622.8	2 711.8	31.7	49.9
Turnover – EUR billion	11 973.9	449.7	36.0	120.3	268.1	1 921.5	19.8	179.7	195.9	1 079.2	1 849.4	1 331.7	14.6	21.3
Average personnel costs – EUR thousand	26.2	39.8	2.6	9.1	35.1	28.0	7.9	29.5	22.3	22.9	38.1	28.7	21.4	4.2
Apparent labour productivity EUR thousand	39.3	52.5	4.9	13.6	60.9	47.2	15.7	72.6	23.0	33.6	51.3	35.6	33.1	11.7
Wage adjusted labour productivity (%)	150	132	192	149	173	169	199	246	103	147	135	124	155	279
Gross operating rate (%)	11.1	7.1	7.5	10.1	11.6	13.5	8.7	18.2	9.5	11.7	7.4	11.8	13.4	13.6

CZ: 2004, AT: (Gross operating rate) 2004, MT: 2002

Source: Eurostat, SBS

Figure 3: Share of the six largest subsections in Services employment, 2005

EU-27, Member States and Norway



CY excluding K73 ('Research and development')
CZ, IE: 2004; MT: 2002

Source: Eurostat, SBS

The inequality in the EU-27's Service sector's shares of value added and employment indicates differences in apparent labour productivity among the activities. The apparent labour productivity of EU-27 Services was EUR 39 300 per person employed in 2005, which was 7 % less than the non-financial business economy average of EUR 42 300. It should however be noted that this indicator is based on a simple head count of labour input and that Services consist of many activities with a high share of part-time employment (see page 5).

Wage adjusted labour productivity compensates for this effect by measuring labour input in terms of average personnel cost. According to this measure, productivity was actually higher in Services (149.8 %) than it was in the non-financial business economy as a whole (146.5 %). The important role played by part-time work in the Services sector also, in part, explains why personnel costs in Services (EUR 26 200) were lower than the non-financial business economy average (EUR 28 900).

Figure 3 compares the cumulative share of the six largest Services activities (NACE Divisions) in terms of employment on average in the EU-27. While these six activities accounted for 83 % of employment in Services in the EU-27, they accounted for as much as 91 % in Greece, but as little as 76 % in Sweden.

The remainder, varying between 9% in Greece to 24% in Sweden, is an indication of an atypical and more heterogeneously structured Services sector: countries with a cumulative share of these six main services activities below the EU-27 average are relatively specialised in other services that have less weight at the EU-27 level such as 'Post and telecommunications', 'Computer and related activities' and 'Real estate activities'. For example, in Sweden, the share of 'Computer and related activities' (K72: 6.6 %) was more than three percentage points above the EU-27 average of 3.5 %. Another example is Latvia where 'Real estate activities' accounted for 8.9 % of Services employment, more than two and a half times the EU-27 average (3.5 %).

Table 2: Main indicators of Services (NACE Sections G to I and K), 2005 (continued)

	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
Value added at factor cost – EUR billion	4.2	8.7	18.7	1.9	151.4	69.7	51.9	38.3	12.7	6.6	6.0	35.6	81.1	651.9	57.2
Persons employed – thousand	472.8	132.8	1 427.8	73.2	3 404.9	1 460.3	4 059.9	1 887.9	1 745.9	257.7	406.2	675.2	1 549.9	13 274.1	831.3
Number of enterprises – thousand	79.5	19.5	419.7	25.4	373.3	219.0	1 052.2	622.1	322.9	57.1	31.4	128.5	397.0	1 212.9	182.4
Turnover – EUR billion	23.2	37.4	115.0	5.4	660.8	282.0	282.0	187.8	75.8	32.5	33.3	153.8	326.5	2 254.1	222.2
Average personnel costs – EUR thousand	4.9	39.6	9.2	10.8	28.9	32.7	6.9	12.8	3.3	19.0	8.0	35.7	41.5	28.6	42.4
Apparent labour productivity EUR thousand	8.9	65.3	13.1	25.7	44.5	47.7	12.8	20.3	7.3	25.5	14.8	52.7	52.3	49.1	68.8
Wage adjusted labour productivity (%)	182	165	143	237	154	146	186	158	221	134	184	148	126	172	162
Gross operating rate (%)	9.4	10.1	7.3	24.6	9.6	10.0	11.6	8.2	9.4	7.1	8.4	8.6	8.1	13.4	11.0

AT (Gross operating rate): 2004; MT: 2002

Source: Eurostat, SBS

Regional specialisation

Table 3: Top three most specialised regions by subsection of Services, 2005
persons employed as a share of the non-financial business economy (%)

	First most specialised	%	Second most specialised	%	Third most specialised	%
Services (G to I and K)	Inner London (UK)	89.6	Outer London (UK)	82.9	Ionia Nisia (EL)	82.7
Distributive trades (G)	Kentriki Makedonia (EL)	40.1	Dytiki Ellada (EL)	40.0	Ciudad Autónoma de Melilla (ES)	39.8
Sale, maintenance/repair of motor vehicles (G50)	Réunion (FR)	6.8	Brandenburg - Südwest (DE)	6.7	Guyane (FR)	6.5
Wholesale and commission trade, exc. for motor (-cycles) (G51)	Attiki (EL)	15.4	Flevoland (NL)	14.5	Kentriki Makedonia (EL)	14.1
Retail trade, exc. motor vehicles, repair of personal goods (G52)	Kriti (EL)	24.9	Ciudad Autónoma de Melilla (ES)	24.7	Ionia Nisia (EL)	23.2
Hotels and restaurants (H)	Ionia Nisia (EL)	29.8	Notio Aigaio (EL)	29.2	Illes Balears (ES)	24.8
Transport and communications (I) *	Åland (FI)	50.4	Köln (DE)	32.9	Bratislavský kraj (SK)	21.8
Land transport, transport via pipelines (I60)	Bratislavský kraj (SK)	14.9	Mazowieckie (PL)	13.2	Kozep-Magyarország (HU)	9.1
Water transport (I61)	Åland (FI)	41.3	Vestlandet (NO)	4.0	Nord-Norge (NO)	3.3
Air transport (I62)	Corse (FR)	7.2	Noord-Holland (NL)	c	Outer London (UK)	3.5
Supporting transport activities, travel agencies (I63)	Bremen (DE)	11.9	Darmstadt (DE)	8.8	Hamburg (DE)	6.4
Post and telecommunications (I64)	Köln (DE)	25.7	Stredné Slovensko (SK)	c	Île de France (FR)	8.3
Real estate, renting & business activities (K)	Inner London (UK)	48.1	Utrecht (NL)	36.5	Berlin (DE)	36.3
Real estate activities (K70)	Latvija (LV)	5.4	Inner London (UK)	5.3	Algarve (PT)	5.2
Renting of machinery, and of pers. & househ. goods (K71)	Hamburg (DE)	1.7	Guadeloupe (FR)	1.7	North Eastern Scotland (UK)	1.6
Computer and related activities (K72)	Berkshire, Bucks & Oxfordshire (UK)	7.8	Utrecht (NL)	7.7	Stockholm (SE)	7.3
Research and development (K73)	Oberbayern (DE)	2.2	Trøndelag (NO)	2.0	Berkshire, Bucks & Oxfordshire (UK)	1.7
Other business activities (K74)	Inner London (UK)	36.9	Bruxelles / Brussel (BE)	27.7	Berlin (DE)	27.5

Based on NUTS 2003, level 2. CZ and NO: 2004; BG: pre-accession regions; MT: not available.

Source: Eurostat, SBS Regio

Table 3 shows the diversity in regional specialisation in Services, in terms of employment and by service activity. In addition to being the Member State that specialised most in Services, the United Kingdom was home to the two most specialised regions, led by Inner London, where Services accounted for almost 90 % of the region's workforce.

Three of the EU-27's major capital cities were the most specialised regions in 'Other business

activities', reflecting the concentration of these types of services – legal, accounting, management consultancy, but also architectural services and labour recruitment etc. – in important economic centres, where many large enterprises have their headquarters.

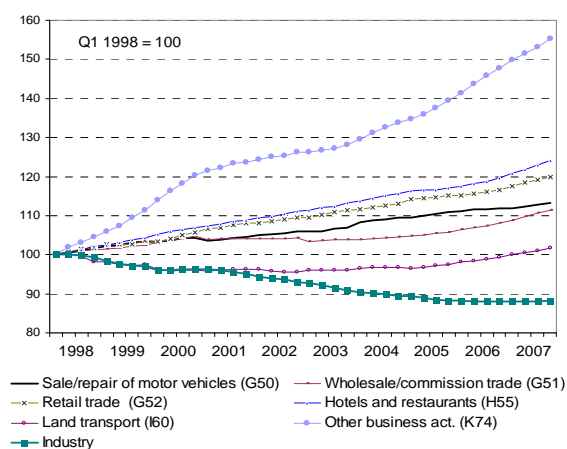
Driven by tourism, the regions most specialised in the activity 'Hotels and restaurants' were the two Greek regions of Ionia Nisia and Notio Aigaio, and the Spanish Illes Balears.

Employment growth in Services

The structure of the economy evolves through time as certain sectors become more important and others decline. Based on SBS data, employment in EU-25 Services grew by 12 % overall from 2000 to 2004 compared to 6 % in the non-financial business economy as a whole and -5 % in Industry. The latter is especially explained by the automation of tasks, the relocation of industrial activities to countries with lower cost bases, and the increased use of outsourcing by enterprises calling on external service providers for non-core activities (eg. transport, accounting or marketing services) or even for production (eg. through temporary labour provision services).

Employment in Services, in contrast, rose strongly due to the above reasons, especially in "Other business activities". Figure 4 is based on STS data and illustrates longer-term trends in employment in the six main Service activities shown in Figure 3. Employment in 'Other business activities' (K74) displayed strong growth before 2001 and after mid-2003.

Figure 4: Employment trends in the main subsections of EU-27 Services and Industry, 1998 to 2007



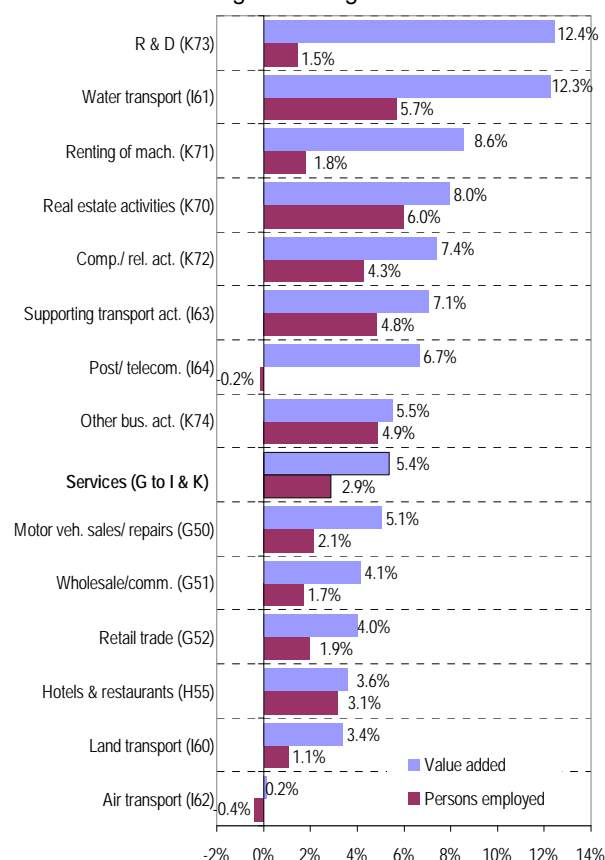
Source: Eurostat, STS (Quarterly growth rates)

The Services sector is increasingly seen as an engine of economic growth and employment in the EU-27, for example in the Lisbon Strategy adopted in 2000.

The Services Directive of the European Parliament and of the Council (2006/123/EC) further encourages job creation in services and removes barriers to competition within the internal services market. Annual average growth rates in EU-25 Services and subsectors between 2000 and 2005 are shown in Figure 5. While employment in Services rose at a yearly average 2.9 %, it grew most in Real estate activities (6.0 %), 'Water transport' (5.7 %), 'Other business activities' (4.9 %) and 'Supporting transport activities' (4.8 %). Value added grew at an annual average of 5.4 % in Services, driven by R & D (12.4 %), Water transport (12.3 %), Renting of machinery (8.6 %) and Real estate activities (8.0 %).

The gross operating rate – which is one indicator of profitability – is calculated as gross operating surplus relative to turnover. It stood at 11 % in Services in the EU-27 in 2005, which is one percentage point above the non-financial business economy average. The most profitable Service activities by far were 'Renting of machinery' (40 %), 'Real estate activities' (38 %), 'Post and telecommunications' (27 %) and 'Water transport' (20 %). Those same activities were also the most productive both in terms of wage adjusted labour productivity (see Table 1), as in terms of apparent labour productivity, generating a value added of EUR 125 000, EUR 92 200, EUR 81 600 and EUR 117 100 respectively per person employed in 2005.

Figure 5: Employment and value added of EU-25 Services and subsections, 2000 to 2005
% average annual growth rates



Source: Eurostat, SBS

Shares of women, part-time workers and self-employed in Services

Table 4: Shares of women, part-time workers and self-employed in EU-27 Services employment, 2006

	Women	Part-time	Self-employed
	%	%	%
Non-financial business economy (C to I and K)	35%	14%	16%
Services (G to I and K)	44%	20%	19%
Distributive trades (G)	49%	22%	19%
Motor veh. sales/repairs (G50)	18%	9%	20%
Wholesale/comm. trade (G51)	34%	11%	16%
Retail trade (G52)	62%	29%	20%
Hotels and restaurants (H)	55%	28%	18%
Transport, stor. and communication (I)	26%	11%	11%
Land transport (I60)	14%	7%	18%
Water transport (I61)	17%	6%	5%
Air transport (I62)	41%	17%	1%
Supporting transport activities (I63)	33%	12%	8%
Post and telecommunications (I64)	39%	15%	4%
Real estate, renting & business act. (K)	45%	21%	23%
Real estate activities (K70)	50%	22%	21%
Renting of machinery (K71)	32%	17%	15%
Computer and related activities (K72)	23%	9%	18%
Research and development (K73)	43%	13%	7%
Other business activities (K74)	49%	23%	25%

Source: Eurostat (LFS)

When looking more closely at employment in Services, the sector clearly displayed a high share of women, part-time workers and self-employed. According to the Labour Force Survey, women accounted for 44 % of persons employed in Services in 2006, which was nine percentage points more than the non-financial business economy average (Table 4). This share reached as much as 62 % of the workforce in 'Retail trade'.

20 % of persons employed were working part-time, compared with 14 % in the non-financial business economy. This share was as much as 29 % in 'Retail trade'. Of those working part-time, 74 % were women, which was two percentage points more than the average in the non-financial business economy (data not shown).

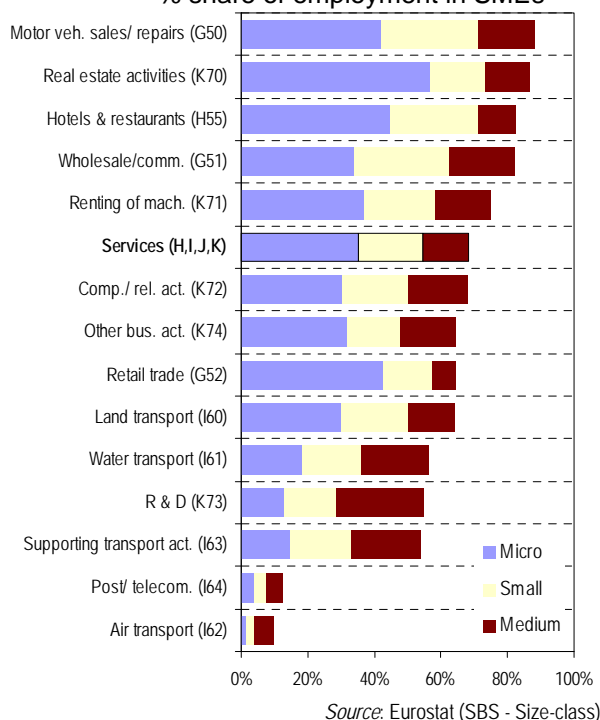
The share of self-employed (19 %) in the Services workforce was also three percentage points higher than the non-financial business economy average. This share reached as much as 25 % in 'Other business activities' and 21 % in 'Real estate activities'.

Small and medium-sized enterprises

In 2005, 14.5 million enterprises or 99.9 % of the business population in Services were small and medium-sized enterprises ('SMEs', employing between 1 and 249 persons). With 26.9 million persons employed in enterprises employing one to nine persons, 14.6 million employed in enterprises of the size-class 10 to 49 and 10.3 million employed in enterprises of the size-class 50 to 249, SMEs accounted for 68.1 % of employment and for 63.4 % of value added in Services in the EU-27, more than the averages in the non-financial business economy of 67.1 % and 57.6 % respectively (Figure 6).

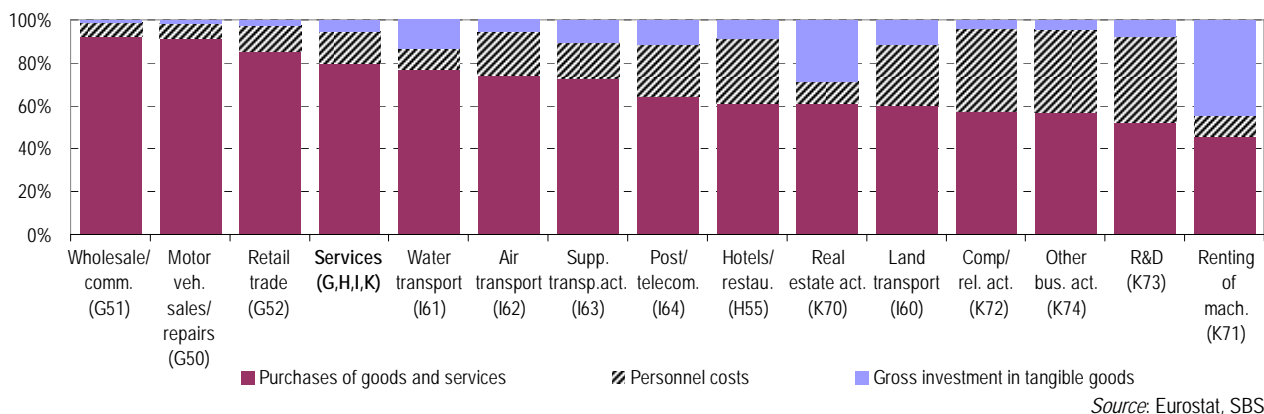
In terms of employment, SMEs were most important in the 'Sale maintenance and repair of motor vehicles' (88 %) and in 'Real estate activities' (87 %), and least important in 'Air transport' (10 %) and 'Post and telecommunications' (12 %). Because of their greater weight in employment terms, apparent labour productivity was generally lower in SMEs than it was in large enterprises in 2005, apart from in 'Air transport', 'Other business activities' and 'Real estate activities'.

Figure 6: EU-27 Services and subsections, 2005
% share of employment in SMEs



Cost structure

Figure 7: Breakdown of total expenditure in EU-27 Services, by subsection, 2005



In 2005, the cost structure of the EU-27's Services sector was closely in line with that of the non-financial business economy. Operating expenditure accounted for close to 95 % of total expenditure, of which 80 % were contributed by Purchases of goods and services and 15 % by Personnel costs (Figure 7). Capital expenditure – Gross investment in tangible goods – made up 5 % of costs in Services.

Among the individual Services activities, the lowest shares of Purchases of goods and services were displayed by services that are part of 'Real estate, renting and business activities' (NACE K). As these are activities where

personnel expertise, such as that of IT and management consultancy specialists, scientists, etc. is the business' core marketable asset, the shares of Personnel costs also tended to be the highest.

The distributive trades (NACE G) displayed the highest shares of Purchases of goods and services in their cost structures as they are activities whose principal business activity is the resale of purchased goods.

In 'Renting of machinery' (K71) and 'Real estate activities' (K70), high shares of costs consisted of Gross investment in tangible goods.

➤ 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 June 2008.

Structural Business Statistics (SBS) is the main data source for this publication. Three main SBS data sets have been used: annual enterprise statistics, annual enterprise statistics broken down by size classes and annual regional statistics. 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: <http://ec.europa.eu/eurostat/europeanbusiness>.

Labour Force Survey (LFS): The EU-LFS is a large household sample survey providing annual and quarterly results on labour participation of people aged 15 and over as well as on persons outside the labour force. For further information, visit: http://forum.europa.eu.int/irc/dsis/employment/info/data/eu_lfs/index.htm.

COUNTRIES

This publication covers 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 are the EFTA and EEA countries with data available: Switzerland (CH) and Norway (NO).

EU AGGREGATES

At the time of data processing for this publication, some EU aggregates had been compiled for the EU-25 only and therefore exclude Bulgaria and Romania. EU aggregates include estimates for missing components where necessary; EU-25 aggregates from the SBS data set were supplemented by rounded estimates based on non-confidential data where necessary and appropriate. Some differences may exist between aggregates and sub-components due to rounding.

EXCHANGE RATES

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

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 Cyprus excludes division K73, and Ireland excludes Section E.

SYMBOLS

“.” not available, “:c” confidential.

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.

Gross operating surplus

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.

Gross operating rate (%)

This is an indicator of profitability where the gross operating surplus (above) is related to the turnover generated.

Purchases of goods and services

All goods and services purchased for resale or consumption in the production process, excluding capital goods the consumption of which is registered as consumption of fixed capital.

Gross investment in tangible goods

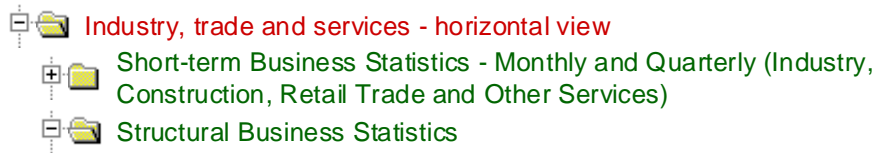
All new and existing tangible capital goods, whether bought from third parties or produced for own use, having a useful life of more than one year including non-produced tangible goods such as land.

Further information

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

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