

Overview .....	1
Germany, the United Kingdom and France accounted for 64% of the EU-25 value added .....	2
General growth in both turnover and employment despite drop in first-time car registrations .....	3
Profitability lower than in distributive trades, but increasing .....	4
Above-average wages in the sale of motor vehicles .....	5
SMEs: largest contributors to value added and employment.....	6

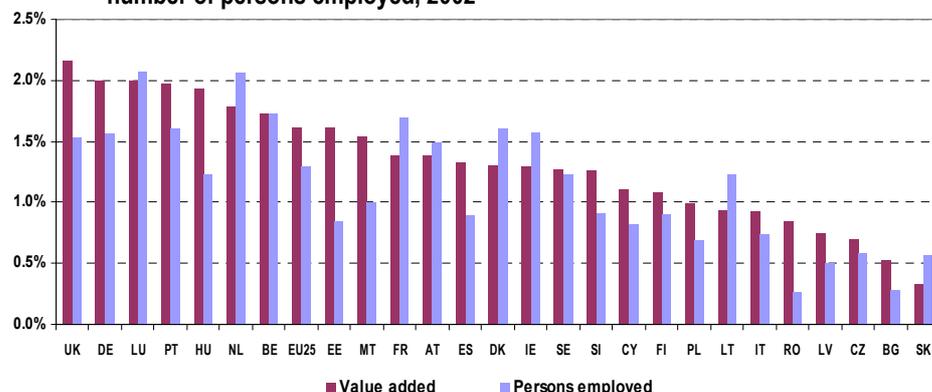


# Sales of motor vehicles in the European Union

## Overview

The sale of motor vehicles (see box below) was the largest and most productive activity within the motor trades sector (NACE Division 50) in the EU-25 in 2002, according to Eurostat's Structural Business Statistics (SBS). The sector generated a value added of EUR 76.9 billion, which represents 1.6 % of total value added of the non-financial business economy and 8.6 % of the whole distributive trades sector (NACE Section G). The sale of motor vehicles was the main activity of 162 763 enterprises in 2001. Enterprises with this as their main activity generated a turnover of EUR 707.5 billion and provided jobs to a total of over 1.5 million persons in 2002, corresponding to 1.3 % of the non-financial business economy and 5.4 % of the distributive trades workforce.

**Graph 1: Importance of the sale of motor vehicles (NACE 50.10) in the non-financial business economy as a whole (NACE C-K, excl. J), in terms of value-added and number of persons employed, 2002**



Source: Eurostat (SBS)

\*Note: 2003 data: DK, EE, ES, IT, CY, LT, AT, PT, SK, UK, BG, RO / 2001 data: BE and CZ / Not available: EL

There was considerable variation in the weight of motor vehicle sales in the total non-financial business economy across the Union (Graph 1), with the largest shares in value added and employment being respectively around 7 and 4 times the smallest. In terms of value added, the United Kingdom was the most specialised Member State. There, the sector accounted for 2.2 % of the total value added generated in the country's non-financial business economy, over a third more than the EU-25 average.

At the other end of the spectrum came the Slovak Republic in which the sector accounted for just 0.3 % of the non-financial business economy value added, a fifth of the EU-25 average. However, in terms of employment, Luxembourg and the Netherlands were the most specialised (each 2.1 %), and Latvia the least (0.5 %). This said, when including Candidate Countries Romania and Bulgaria, employment shares were in fact smallest in these economies, at around 0.3 % in each.

Moreover, although the share of value added was higher than that of employment in most Member States, this was not the case in a third of them, including France and the Netherlands, two of the main contributing countries to the sector EU-wide. In these Member States therefore, apparent labour productivity (value added per person employed) was relatively low in the motor vehicle sales sector.

The **sale of motor vehicles** corresponds to the classification NACE Rev.1.1, Class 50.10, 'Sale of motor vehicles' which covers the wholesale and retail sale of new and used motor vehicles. Readers should note that in business statistics, enterprises are classified by their main activity, in this case motor vehicle sales. These enterprises could be involved also in other ancillary activities such as the maintenance and repair of vehicles. Those enterprises whose main activity is the maintenance and repair of vehicles are however excluded.

Apparent labour productivity (value added per person employed), was EUR 51 100 in the EU-25 in 2002, the highest productivity level within the motor trades sector and about 60 % more than the distributive trades average (EUR 32 200). It was highest in the UK (EUR 72 000), followed by Finland (EUR 68 200) and Germany (EUR 62 900).

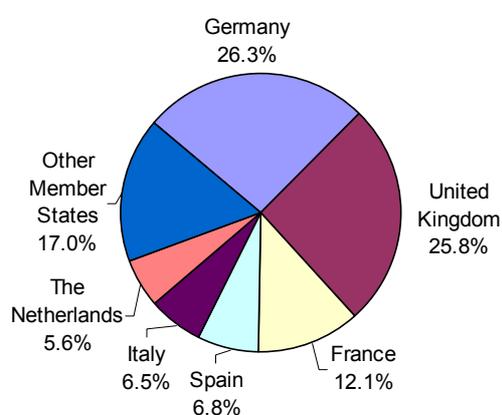
However, higher apparent labour productivity was matched by higher average personnel costs, at EUR 27 668 per employee in the EU-25 in 2002, about a quarter more than the distributive trades average. It was also the highest of the groups in

the motor trades sector. The three countries with the highest costs were Norway (EUR 47 777), Belgium (EUR 39 171, in 2001), and Sweden (EUR 38 526).

The combination of these two ratios gives a wage adjusted labour productivity (which takes into account average personnel cost) which was 184.6 % in the EU-25 in 2002, around 40 percentage points more than the ratio for the distributive trades. The three Member States with the highest productivity levels, by this measure, were Malta (286.4 %), Latvia (259.6 %) and the United Kingdom (235.4 %, in 2003).

## Germany, the United Kingdom and France accounted for 64% of the EU-25 value added

Graph 2: Main contributing Member States\* to EU-25 value added in the sale of motor vehicles, 2002\*\*



\* limited to MS contributing more than 5 % in value-added to the sector  
\*\*DE, NL: 2002; for 'Other Member States', see Table 1

Source: Eurostat (SBS)

Partly reflective of their economic weight, in the motor vehicle sales sector, three Member States were consistently the largest contributors to EU-25 value added, turnover, persons employed and

number of enterprises: Germany, France and the United Kingdom. In terms of value added, these three Member States accounted for 64 % of the EU-25 total, while they accounted for slightly over half of persons employed.

As shown in Graph 2, Germany was the largest contributor to EU-25 value added (a 26.3 % share), closely followed by the UK (25.8 %) and France with less than half these shares (12.1 %). This ranking was also the same for persons employed, with Germany employing 21.4 %, the UK 18.3 % and France 15.8 %.

The country ranking was different however when looking at turnover. Of the total EUR 707.5 billion generated in the EU-25 in 2002, the UK accounted for the largest share (21.2 %), followed almost equally by France (14.8 %) and Germany (14.7 %).

Of the 162 763 enterprises whose main activity was the sale of motor vehicles in the EU-25 in 2001, most enterprises could be found in France (18.4 %), the UK (15.3 %) and Germany (13.3 %).

Table 1: Main indicators of the sale of motor vehicles (NACE 50.10), 2002

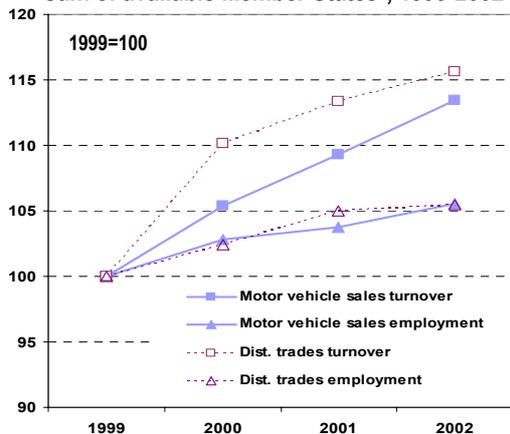
	EU-25	BE*	CZ*	DK**	DE	EE**	ES**	FR**	IE	IT**	CY**	LV	LT**	LU
Value-added at factor cost – in million EUR	76 880	2 186	243	1 251	20 247	70	5 203	9 292	886	4 978	57	35	54	204
Country's share in total EU-25***		2.8%	0.3%	1.6%	26.3%	0.1%	6.8%	12.1%	1.2%	6.5%	0.1%	0.0%	0.1%	0.3%
Turnover – in million EUR	707 549	39 412	3 809	21 676	103 793	843	60 199	104 796	10 010	89 633	642	335	731	1 958
Country's share in total EU-25***		5.6%	0.5%	3.1%	14.7%	0.1%	8.5%	14.8%	1.4%	12.7%	0.1%	0.0%	0.1%	0.3%
Persons employed	1 505 600	42 516	20 534	26 290	321 690	3 137	109 128	237 954	14 624	107 147	1 526	2 797	9 449	3 781
Country's share in total EU-25***		2.8%	1.4%	1.7%	21.4%	0.2%	7.2%	15.8%	1.0%	7.1%	0.1%	0.2%	0.6%	0.3%
Number of enterprises	162 763 *	7 646	2 588	2 155	21 715	299	10 511	30 027	1 184	16 357	293	194	933	414
Country's share in total EU-25***		4.7%	1.6%	1.3%	13.3%	0.2%	6.5%	18.4%	0.7%	10.0%	0.2%	0.1%	0.6%	0.3%
Average personnel cost – in thousand EUR	27.7	39.2	8.6	35.5	31.0	11.3	26.9	33.3	31.1	30.6	20.2	4.8	3.0	34.5
Apparent labour productivity (value-added per person employed) – in thousand EUR	51.1	51.4	11.8	47.6	62.9	22.4	47.7	39.1	60.6	46.5	37.5	12.5	5.7	54.0
Wage-adjusted labour productivity – in %	184.6	131.2	137.1	128.8	203.0	198.6	177.2	117.2	194.6	151.8	186.1	259.6	191.3	156.2
Gross operating rate (gross operating surplus/turnover) – in %	5.6	2.2	2.4	1.4	10.7	4.2	4.0	1.5	4.6	2.7	4.4	6.4	3.8	4.2

\*2001 data / \*\* 2003 data / \*\*\* Shares based on available data / Data unavailable for Greece.

Source: Eurostat (SBS)

## General growth in both turnover and employment despite drop in first-time car registrations

Graph 3: Growth in turnover in the sale of motor vehicles, sum of available Member States\*, 1999-2002



Source: Eurostat (SBS)

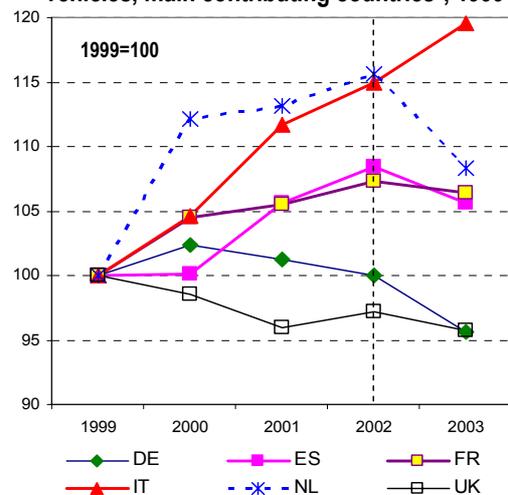
\* Based on a sum of available 15 Member States accounting for about 88 % of turnover and 89 % of employment in 2002 in motor vehicle sales and for 88 % of turnover and over 83 % of persons employed in the distributive trades.

Based on a sum of 15 Member States representing in 2002 about 88 % of turnover in the motor vehicle sales sector in the EU-25, turnover increased between 1999 and 2002 by about 13.4 %, less than the distributive trades average by over 2 percentage points (Graph 3). However, based on this same aggregate, employment growth was much lower at just over 5 %, very close to the distributive trades average.

Growth in turnover was noticeably lower than in distributive trades between 1999 and 2000, when growth of only 5 % was registered, some 5 percentage points less. Turnover then picked up between 2000 and 2002, growing about 1.5 times faster than in the distributive trades.

Looking more closely at employment in the motor vehicle sales sector (Graph 4), France and Spain followed approximately the same pattern as the sum of those 15 Member States shown in Graph 3 up to 2002.

Graph 4: Growth in employment in the sale of motor vehicles, main contributing countries\*, 1999-2003



Source: Eurostat (SBS)

Note: DE 2003: preliminary data

\*limited to MS contributing more than 5 % in value added to the sector

However, for the other Member States (limited to Member States contributing more than 5 % to EU-25 value added), there was huge variance, in terms of overall or annual evolution. Employment grew fastest for example in the Netherlands and Italy, by almost 5 % annually. The fastest annual change was in the Netherlands with almost +12 % between 1999 and 2000. Still up until 2002, the UK was the only country of this group to register a general decline of about 2.8 %, despite a slight rebound in 2002. However, in 2003 drops in employment were recorded in all these Member States, apart from Italy.

A number of factors have probably affected growth in the motor vehicles sales sector, which is dominated by car sales (over that of lorries, buses or coaches, for example). These include changing car ownership patterns, more competitive pricing by car dealers and consumers' purchasing power.

Table 1: Main indicators of the sale of motor vehicles (NACE 50.10), 2002 (continued)

	HU**	MT	NL	AT**	PL	PT**	SI	SK**	FI	SE	UK**	BG**	RO**	NO
Value-added at factor cost – in million EUR	567	45	4 292	1 649	965	1 198	128	37	750	1 674	19 834	35	147	866
Country's share in total EU-25***	0.7%	0.1%	5.6%	2.1%	1.3%	1.6%	0.2%	0.0%	1.0%	2.2%	25.8%			
Turnover – in million EUR	8 165	286	48 005	15 152	8 538	14 884	1 832	1 291	8 890	17 885	149 864	492	943	8 115
Country's share in total EU-25***	1.2%	0.0%	6.8%	2.1%	1.2%	2.1%	0.3%	0.2%	1.3%	2.5%	21.2%			
Persons employed	33 355	1 213	99 946	34 673	51 526	46 120	5 475	5 070	11 002	31 911	275 654	4 860	10 341	13 979
Country's share in total EU-25***	2.2%	0.1%	6.6%	2.3%	3.4%	3.1%	0.4%	0.3%	0.7%	2.1%	18.3%			
Number of enterprises	5 044	191	14 635	2 715	11 691	5 322	650	248	1 498	3 907	24 936	732	833	2 503
Country's share in total EU-25***	3.1%	0.1%	9.0%	1.7%	7.2%	3.3%	0.4%	0.2%	0.9%	2.4%	15.3%			
Average personnel cost – in thousand EUR	7.4	13.0	28.9	35.9	16.5	17.5	15.9	7.4	37.6	38.5	30.6	3.9	3.7	47.8
Apparent labour productivity (value-added per person employed) – in thousand EUR	17.0	37.2	42.9	47.5	18.7	26.0	23.3	7.4	68.2	52.4	72.0	7.2	14.2	62
Wage-adjusted labour productivity – in %	230.2	286.4	148.7	132.5	113.8	148.7	146.8	99.8	181.4	136.1	235.4	184.5	386.8	130
Gross operating rate (gross operating surplus/turnover) – in %	4.0	10.8	3.8	3.2	4.7	2.8	2.3	0.0	3.9	2.9	8.1	3.8	11.7	3

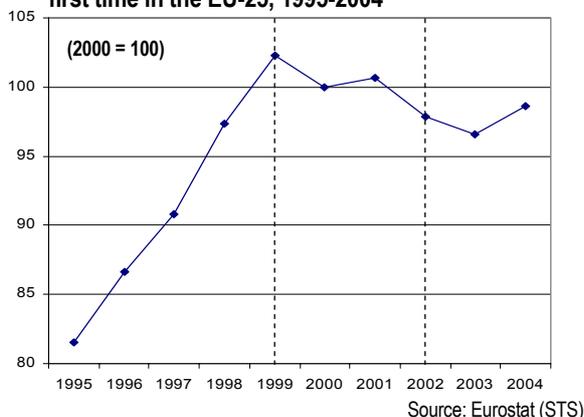
\*\* 2003 data

Source: Eurostat (SBS)

Data from Eurostat's transport statistics, for example, show that the number of passenger cars per 1000 inhabitants in the EU-25 grew by 7.2 % over these same years, from 432 in 1999 to 463 by 2002. The stock of cars increased in almost every country, rising to a total of 208 million cars in the EU-25 by 2002.

Interestingly, part of the increase in EU-25 motor vehicle sales turnover would seem to come from sources other than new cars. This is suggested by the Cars Registration Index which shows in fact a drop of 4.3 % in the number of cars registered for the first time between 1999 and 2002 (Graph 5). Possible explanations are an increase in sales of other motor vehicles such as lorries or second-hand cars, a relative shift to more expensive models, or possibly sales of cars which are shipped (and registered) outside the EU.

**Graph 5: Evolution in the number of cars registered for the first time in the EU-25, 1995-2004**



The price development over these years would probably rather have boosted car sales. According to Eurostat's Harmonised Index of Consumer Prices (HICP), the price of buying a motor car in the EU-25 increased by just 1.2 % between 1999 and 2002, an increase which was six times smaller than that of the general all-items index of 7.2 %.

According to the European Commission's latest report on car prices<sup>1</sup>, prices continue to converge across the enlarged EU, in particular in the New Member States. However, for particular models, the difference between the cheapest and most expensive Member States can still be substantial: of the almost 1900 price quotes in the report, almost a third exceeded the lowest price by more than 20%. Generally, pre-tax prices are lowest in Denmark and highest in Germany.

The car sales market is expected to be affected by the new Block Exemption regime on vehicle distribution and servicing agreements, which has been fully effective since 2005<sup>2</sup>. Briefly, this allows dealers to advertise anywhere in the EU, use new distribution techniques (such as Internet sales and multi-branding), and open up sales or delivery outlets in other Member States. According to the European Commission<sup>3</sup>, car owners will also benefit from a wider choice of after sales service providers, i.e. authorised and independent repair shops. These changes further add to the benefits of greater price transparency brought by the euro and the growing popularity of e-commerce.

<sup>1</sup> See the car sector web pages of the Competition Directorate General of the European Commission at: [http://europa.eu.int/comm/competition/car\\_sector/](http://europa.eu.int/comm/competition/car_sector/)  
<sup>2</sup> Commission Regulation (EC) No 1400/2002 of 31 July 2002  
<sup>3</sup> Commission Press Release IP/03/1318, 30/09/2003

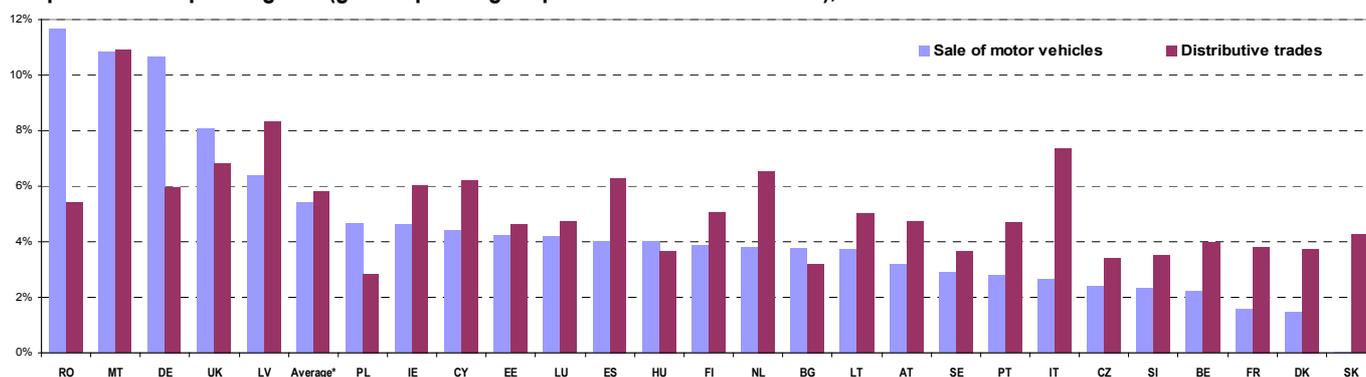
## Profitability lower than in distributive trades, but increasing

In 2002, purchases of goods and services – essentially cars bought from manufacturers – represented a slightly larger share of turnover than in the distributive trades sector. Based on an aggregate of 22 Member States accounting for about 93 % of EU-25 turnover in the motor vehicle sales sector, this share was 87.2 %, well over 2 percentage points more than the distributive trades average. By contrast, the share of personnel costs (the sum of

wages and social security costs) in turnover was lower at 5.8 %, two and a half percentage points less than the distributive trades average.

As a result, the gross operating rate an indicator of profitability, averaged 5.4 % for these same 22 Member States in 2002, under half a percentage point less than the distributive trades average (Graph 6).

**Graph 6: Gross operating rate (gross operating surplus as a share of turnover), 2002\***



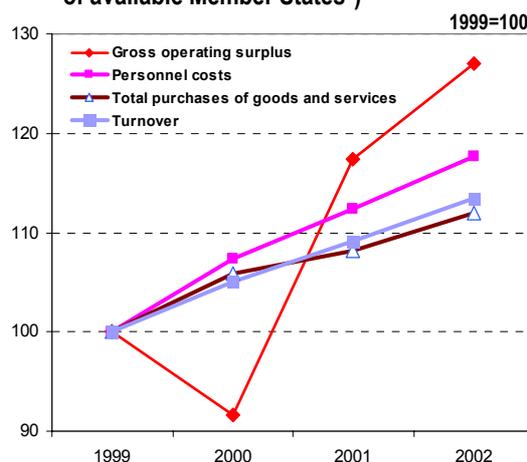
\* 'Average' based on 2002 for 22 Member States accounting for close to 93 % of turnover; 2003 data: DK, EE, ES, IT, CY, LT, HU, AT, PT, UK, BG, RO / 2001 data: EU-25, BE and CZ / Not available: EL  
Source: Eurostat (SBS)

The sector was less profitable than distributive trades in the vast majority of Member States. Only in Germany, the UK, Poland and Hungary the opposite was true. Romania and Bulgaria can also be added to this list.

The highest gross operating rates in the motor vehicle sales sector could be found in Romania at close to 12 %, followed by Malta and Germany (both close to 11 %). It is interesting to note at the same time that Germany displayed not only the highest personnel costs as a share of turnover but also the highest car prices, according to a recent report published by the European Commission (see page 4). The lowest gross operating rates were in the Slovak Republic (0.02 %), Denmark (1.4 %) and France (1.5 %).

Graph 7 shows the evolution of turnover, costs and gross operating surplus in the motor vehicle sales sector between 1999 and 2002, based on data available for 17 Member States accounting for about 88 % of turnover in the sector. All of these increased over the period, with the most notable growth in gross operating surplus (+27 %), despite falling by 8.3 % between 1999 and 2000. Of course, gross operating surplus is much smaller than the other variables and therefore more volatile.

**Graph 7: Evolution of turnover, costs and gross operating Surplus in the motor vehicle sales, 1999-2002 (sum of available Member States\*)**



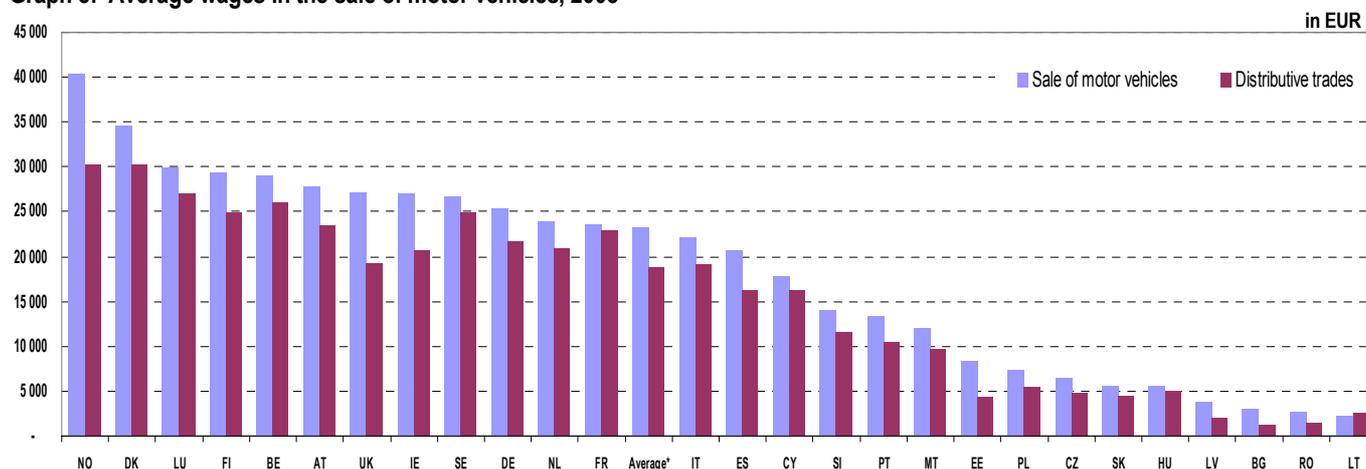
Source: Eurostat (SBS)

\* Sum based on an aggregate of 17 Member States accounting for 88 % of turnover in 2002.

Its evolution seems here to be mostly affected by the development of the largest cost item – purchases of goods and services – in relation to turnover. Personnel costs registered the second fastest growth (17.7 %), but as was shown, these are much smaller than purchases of goods and services in the motor vehicle sales sector.

## Above-average wages in the sale of motor vehicles

**Graph 8: Average wages in the sale of motor vehicles, 2003+**



Source: Eurostat (SBS)

\* Note 2001 data: BE, CZ / 2002 data: DE, FI, LV, LU, MT, PL, SL, SE / EL not available

\* 'Average' based on 2002 for 21 Member States accounting for close to 93 % of turnover

At EUR 23 262, average wages (personnel costs less social security costs) in the motor vehicle sales sector were about 24 % higher than those in the distributive trades, based on an aggregate total of 21 Member States in 2002 (representing close to 93 % of EU-25 turnover) (Graph 8).

The highest average wages in the motor vehicle sales sector were in Norway (EUR 40 277), Denmark (EUR 34 626) and Luxembourg (EUR 29 949). Wages were over EUR 25 000 in nine Member States

(disregarding Norway), and under EUR 10 000 in seven others (excluding Bulgaria and Romania).

Average wages were higher than in the distributive trades sector in all Member States, except in Lithuania, where the average wage was about 87 % of that of distributive trades. The largest differences could be found in Estonia where average wages were about 192 % of those in the distributive trades, followed by Latvia (181 %) and the United Kingdom

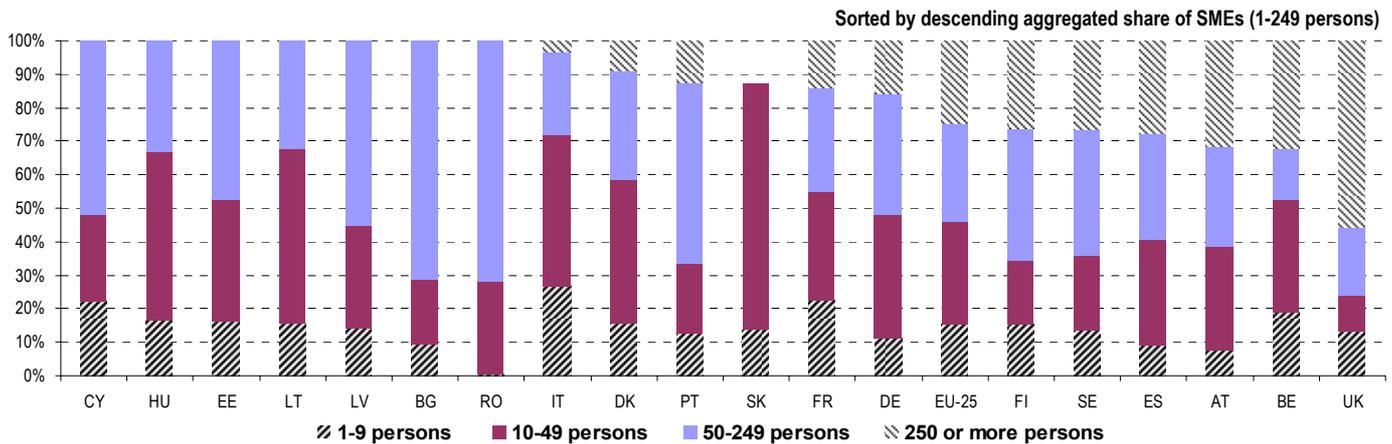
(140 %). By contrast, it was in France that the difference was smallest: only approximately 2% more.

Eurostat's SBS data also show that in most Member States, employees working in the motor vehicle sales sector were more likely to be in a full-time job, compared with the distributive trades average. This was the case in all the main contributing countries. In

Spain, for instance, the share of part-time employees in the distributive trades was five times that in the sale of motor vehicles (3 % against 16 %, in 2003). In main contributing countries Germany and the United Kingdom, this relative share was respectively about a third (13 % against 39 %, in 2002) and a quarter (11 % against 42 %, in 2003) of the distributive trades average.

## SMEs: largest contributors to value added and employment

Graph 9: Value added in the sale of motor vehicles by enterprise size class, 2003\*



Source: Eurostat (SBS)

\*Note: 2002 data: DE, LV, SE, UK and BG / 2001 data: EU-25, BE and HU / Not available: CZ, EL, IE, NL, LU, MT, PL, SL

Small and medium-sized enterprises (SMEs) with 1-249 persons employed are very prominent in the motor vehicle sales sector. In 2001, they accounted for over 75 % of the total value added generated in the sector in the EU-25, compared with a little under 70 % in the distributive trades (Graph 9).

The contribution of SMEs to total sectoral value added was above the EU average in 11 Member States, reaching 100 % in 5 of these. By contrast, it was lowest in the United Kingdom (45 %); also the only Member State in which the contribution of large enterprises employing 250+ persons accounted for more than half of total value added.

In terms of the share of persons employed, the difference between the motor vehicle sales sector and the distributive trades was even more marked, with an SME share of respectively 87 % and 73 % in the EU-25 in 2001. Therefore, as is often the case, SMEs in the motor vehicle sales sector accounted for a far larger share of employment than value added.

Consequently, in the EU-25, apparent labour productivity (gross value added per person employed) was considerably lower on average in SMEs (EUR 42 149), than that recorded for large enterprises (EUR 89 053), although still 39 % higher than that for SMEs in the distributive trades. However, in large enterprises, productivity was 2.4

times higher in the motor vehicle sales sector than in the distributive trades.

Within SMEs, micro enterprises (1-9 persons employed) were considerably less important than in the distributive trades, accounting for 15 % of total EU-25 value added in 2001, against 28 % in the distributive trades. Small (10-49 persons employed) and also medium-sized enterprises (50-249 persons employed) contributed approximately 30 % each.

The relatively low importance of micro enterprises is also confirmed by the average number of persons employed per enterprise in the sector overall. In the EU-25, enterprises in the motor vehicle sales sector employed an average of 9 persons in 2001, nearly twice as many as in the distributive trades; a pattern which was more or less repeated in nearly all Member States.

Moreover, this situation also influenced the share of employees (paid workers) of the total persons employed in the sector. In 2002, 90 % of persons employed in the motor vehicle sales sector in the EU-25 were employees, 10 percentage points more than the distributive-trades average, a pattern which again was more or less repeated throughout the Union. Among the 8 Member States where shares were larger by more than 10 points, in Italy and Malta the margin was about 30 points.

## ➤ 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 November 2005.

**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://europa.eu.int/comm/eurostat/> (select 'Data' / 'Industry, trade and services' / 'Horizontal view' / 'Structural Business Statistics'). Selected publications and data are available in the section dedicated to European Business, located directly under the theme 'Industry, trade and services' on the Eurostat website.

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

**Other sources** include the Harmonised Index of Consumer Prices, transport statistics and also the Commission's report on car prices.

### COUNTRIES

This publication covers the European Union, including the 25 Member States (EU-25): Belgium (BE), the Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Greece (EL), Spain (ES), France (FR), Ireland (IE), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), the Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and the United Kingdom (UK). Also included are the Candidate Countries, EFTA and EEA countries with data available: Bulgaria (BG), Romania (RO) and Norway (NO).

### EU-25

EU-25 aggregates include estimates for missing components where necessary. In the absence of EU-25 aggregates, averages of available countries are presented where appropriate.

### 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

“.” not available or 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 and/or the whole distributive trade (NACE Section G: 'Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods') and/or the motor trades sector (NACE Division 50: Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel).

**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). Please note that for such comparisons in this publication aggregate for: IE excludes Section E; CY excludes Section K.

### 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.

#### **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.

#### **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.

#### **Purchases of goods and services**

The value of all goods and services purchased during the accounting period for resale or consumption in the production process, excluding capital goods.

#### **Gross operating surplus**

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.

#### **Degree of specialisation**

Specialisation is here defined based on the share of the value added or employment accounted for by an activity (NACE) in relation to the total non-financial business economy (NACE Sections C-K excl. J) of a country.

## ***Further information:***

### **Data:**

[EUROSTAT Website/Industry, trade and services/Industry, trade and services - horizontal view/Structural Business Statistics \(Industry, Construction, Trade and Services\)/Annual enterprise statistics/Annual detailed enterprise statistics on trade](#)

---

### **Journalists can contact the media support service:**

Bech Building Office A4/017  
L - 2920 Luxembourg

Tel. (352) 4301 33408  
Fax (352) 4301 35349

E-mail: [eurostat-mediasupport@cec.eu.int](mailto:eurostat-mediasupport@cec.eu.int)

### **European Statistical Data Support:**

Eurostat set up with the members of the 'European statistical system' a network of support centres, which will exist in nearly all Member States as well as in some EFTA countries.

Their mission is to provide help and guidance to Internet users of European statistical data.

The complete details concerning this support network can be found on our Internet site:

[www.europa.eu.int/comm/eurostat/](http://www.europa.eu.int/comm/eurostat/)

---

A list of worldwide sales outlets is available at the:  
**Office for Official Publications of the European Communities.**

2, rue Mercier  
L - 2985 Luxembourg

URL: <http://publications.eu.int>

E-mail: [info-info-opoce@cec.eu.int](mailto:info-info-opoce@cec.eu.int)

---