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KEY FIGURES ON EUROPEAN BUSINESS

This publication has been prepared by Eurostat unit G1 responsible for structural business statistics. The opinions expressed are those of the individual authors alone and do not necessarily reflect the position of the European Commission.

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The European business dedicated section contains a comprehensive presentation of European structural business statistics with links to all recent publications, data and background information, regarding regular annual business statistics, as well as a number of special topics (SMEs, foreign-controlled enterprises, business demography, factors of business success, etc.). This dedicated section is located directly under the theme Industry, trade and services on the Eurostat website or from the following link: http://ec.europa.eu/eurostat/europeanbusiness.

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Contents

Introduction

This publication summarises the main features of European business and its different activities in a concise and simple manner. It consists of 13 short chapters, each of which focuses on a particular aspect of the European business economy: from the size and structure of business sectors to the importance of foreign-controlled enterprises. This edition also includes a special feature on the factors of business success (FOBS), which presents an analysis of the characteristics of successful entrepreneurs. It is based on the results of an ad-hoc survey of enterprises born in 2002, which had survived to 2005, and which were still managed by the original entrepreneur or founder. The survey gives an insight into the issues that determine the success and growth of newly born enterprises, as well as the motivation of entrepreneurs and the difficulties they face.

The publication is intended to function as a showcase for and introduction to the data available in this field. The focus is on structural business statistics: both traditional business statistics which are disseminated regularly, as well as specific information compiled on a multi-yearly basis and the latest results from development projects on topics of key political interest.

Structural business statistics (SBS) describe the structure, conduct and performance of economic activities, down to the most detailed activity level (several hundred sectors). In this publication, due to space limitations, data are presented for a standard set of around 30 activities: NACE subsections for manufacturing, NACE divisions for services, NACE sections for mining and quarrying, electricity, gas and water supply, and construction.

For each activity, a comprehensive set of basic variables are available, describing business demographic, employment and monetary characteristics, as well as a set of derived indicators based on these, for example on productivity and profitability.

This publication presents only a small selection of the most important data available. Readers who are interested in knowing more about a certain topic or sector, or who would like to download the latest available data or publications free of charge, are encouraged to consult the European business dedicated section on Eurostat's website: http://ec.europa.eu/eurostat/europeanbusiness.

1

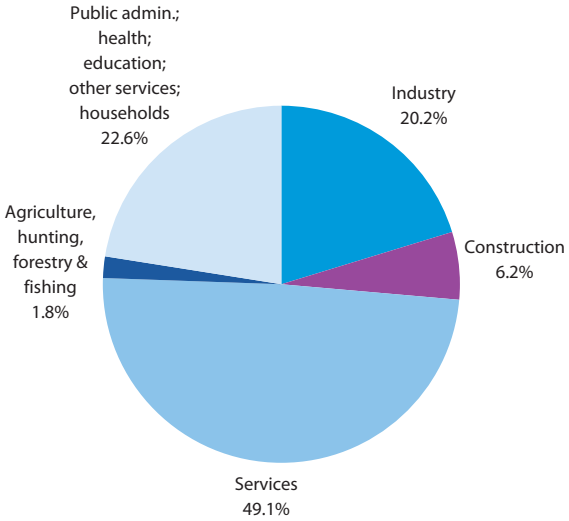
Size and structure of the economy

Macro-economic overview

In 2006 a total of EUR 10 324 billion of gross value added was generated in the EU-27. The business economy (industry, construction and services), which is the focus of this publication, contributed three quarters (75.5 %) of this total – see Figure 1.1 (financial services are covered separately in Chapter 13). The contribution of services to the total was 49.1 %, more than double that of industry (20.2 %), with construction accounting for just over 6 %.

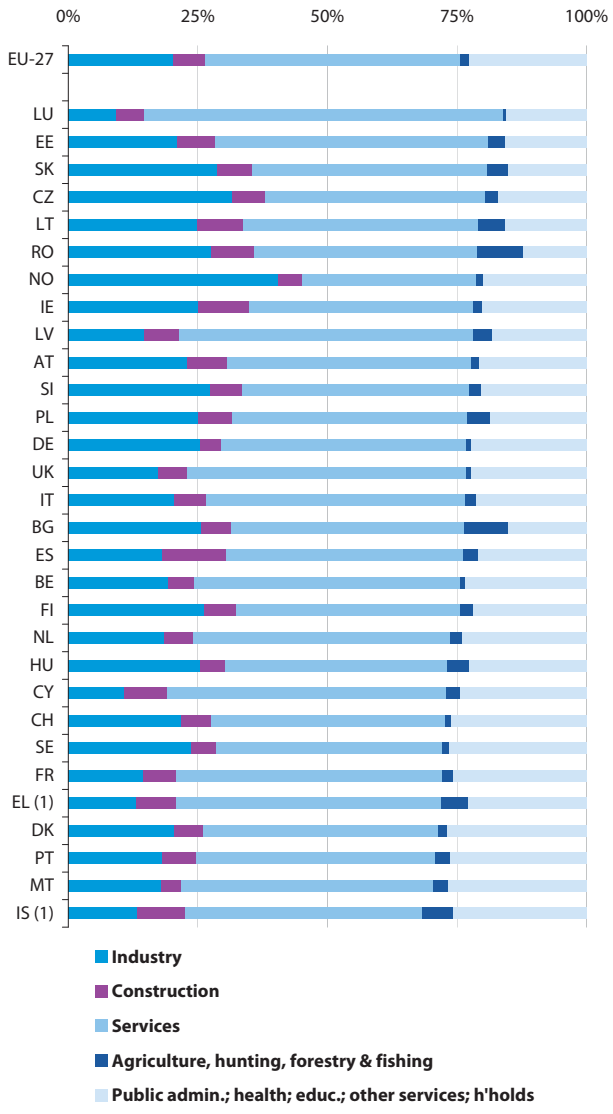
The proportion of value added accounted for by the business economy ranged from just over 70 % in Malta and Portugal to over 80 % in Luxembourg, Estonia, Slovakia and the Czech Republic (see Figure 1.2). The importance of industry was particularly high in the Czech Republic, Slovakia, Romania and Slovenia, although industry's share in the total economy was higher still in Norway. Luxembourg was clearly most focused on services, followed by Latvia, the United Kingdom and Cyprus, while the importance of construction in the business economy was particularly high in Spain.

Figure 1.1: Share of value added in the total economy, EU-27, 2006 (%)



Source: Eurostat (National accounts)

Figure 1.2: Share of value added in the total economy, 2006 (%)



(1) 2005.

Source: Eurostat (National accounts)

Structure of the non-financial business economy

Close to 20 million enterprises made up the EU-27's non-financial business economy (NACE Sections C to I and K) in 2005, employing 126.7 million persons, and generating EUR 5 400 billion of value added. The contribution of an activity to the non-financial business economy varies quite substantially according to the measure used – see Figure 1.3.

In general, industrial activities (mining, manufacturing, and electricity, gas and water supply) are capital-intensive, high value added activities dominated by large enterprises. Therefore, these activities account for relatively few enterprises, but a higher proportion of employment, and an even larger proportion of output (whether measured by turnover or value added).

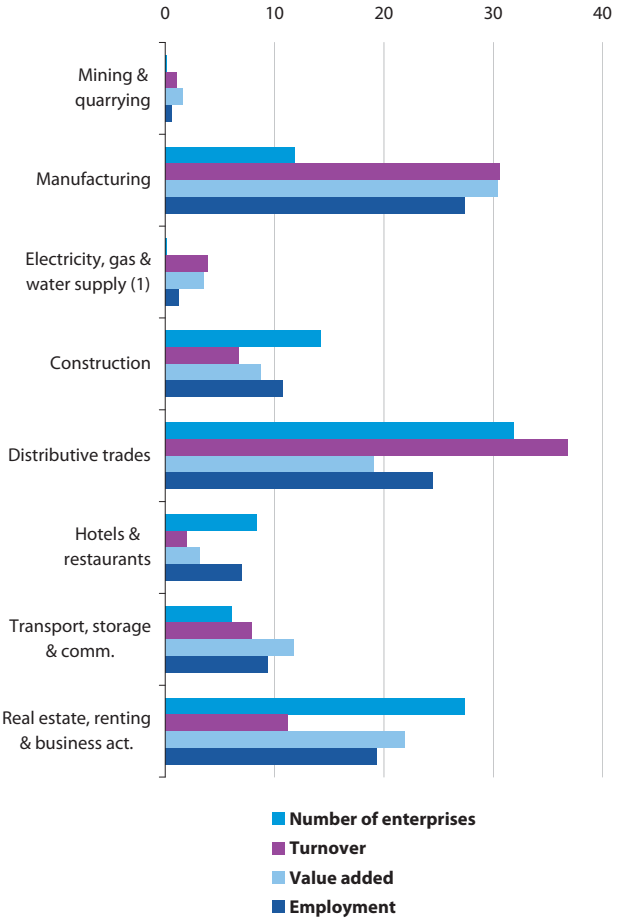
Among the non-financial services sectors, transport and communications had a similar profile to that displayed by the majority of the industrial sectors. The remaining services tend to be relatively labour-intensive activities with a large number of small and medium-sized enterprises (SMEs), which explains the relatively large proportions of the number of enterprises and employment. In terms of output, the contribution of services varied greatly, with a high turnover share for distributive trades (reflecting the buying and (re-)selling nature of this activity), a high value added share in real estate, renting and business activities, and low shares of both output measures for hotels and restaurants.

As well as showing a more detailed analysis of the structure of the EU-27's non-financial business economy, Figure 1.4 gives a first impression of the labour productivity in each sector (see Chapter 7 for more details): activities with a higher employment share than value added share have a relatively low apparent labour productivity, for example hotels and restaurants. However, it should be noted that employment data used here is a head-count of the persons employed, without distinction between full-time and part-time workers; partly because of this, those activities with a large part-time workforce, such as retail trade and hotels and restaurants, recorded high levels and shares of employment.

Italy dominated the EU-27's non-financial business enterprise population, with over 3.8 million enterprises (see Table 1.2), whereas Germany had the largest workforce and output (turnover and value added). From Figure 1.5 it is clear that several Members States' contributions to the EU-27's non-financial business economy vary greatly, whether measured in terms of employment

or value added, with Bulgaria, Romania, and several of the Member States that joined the EU in 2004 recording a much greater contribution to employment. A more detailed picture of the structure of the business economies of each Member State is provided in Table 1.3.

Figure 1.3: Structure of the non-financial business economy, EU-27, 2005 (%)



(1) Electricity, gas and water supply (Section E): including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

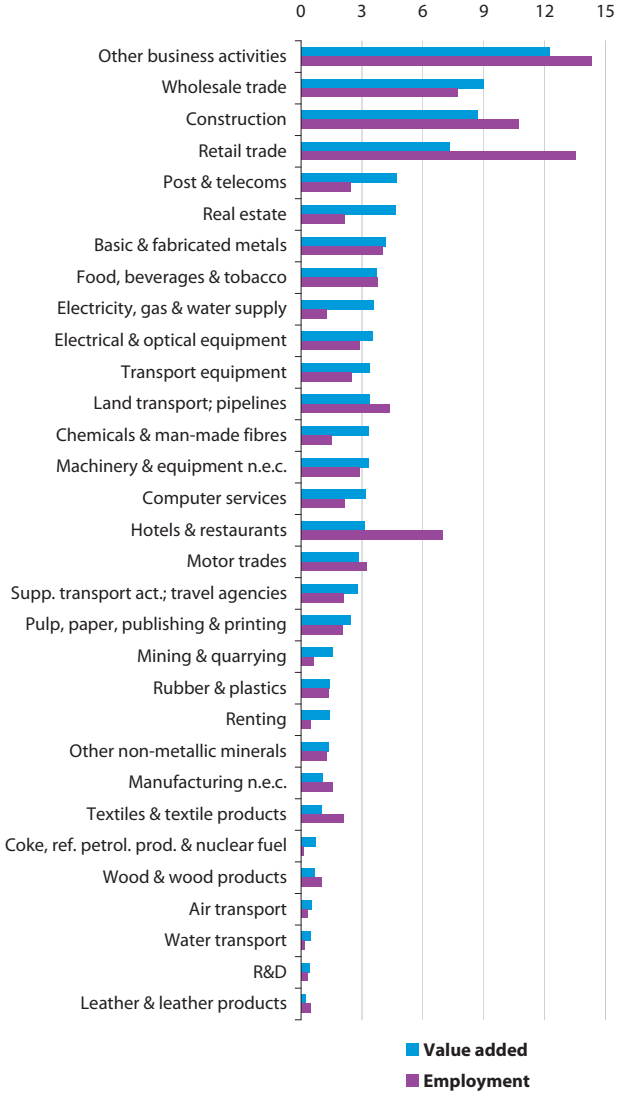
Table 1.1: Key indicators of the non-financial business economy, EU-27, 2005 (1)

	Enter-prises (1000)	Turnover (EUR billion)	Value added (EUR billion)	Employ-ment (1000)
Non-fin. bus. econ.	19 647	20 700	5 400	126 700
Mining & quarrying	21	220	83	772
Food, bev. & tob.	310	917	199	4 752
Textiles & textile prod.	228	190	53	2 620
Leather & leather prod.	45	45	11	564
Wood & wood prod.	198	124	35	1 280
Pulp, paper, printing	238	403	130	2 560
Ref. petr.; nuclear fuel	1	440	39	170
Chem. & man-made fib.	34	659	178	1 888
Rubber & plastics	66	256	76	1 700
Other non-metal. min.	106	220	73	1 596
Basic & fabric. metals	418	752	222	5 050
Mach. & equip. n.e.c.	176	563	178	3 636
Elec. & optical equip.	205	659	190	3 664
Transport equip.	45	900	181	3 153
Manufacturing n.e.c.	251	200	57	1 942
Elec., gas & water	28	800	190	1 600
Construction	2 793	1 384	466	13 548
Motor trades	790	1 257	151	4 107
Wholesale trade	1 712	4 237	480	9 732
Retail trade	3 758	2 127	392	17 125
Hotels & restaurants	1 644	401	168	8 846
Land trans.; pipe.	900	420	180	5 500
Water transport	19	88	25	214
Air transport	4	110	27	400
Other trans.; travel ag.	182	497	148	2 612
Post & telecoms	69	522	251	3 075
Real estate	1 010	500	248	2 690
Renting	146	150	75	600
Computer services	520	340	170	2 700
R&D	39	43	22	400
Other business act.	3 660	1 266	656	18 102

(1) Including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Figure 1.4: Share of value added and employment in the non-financial business economy, EU-27, 2005 (%) (1)



(1) Including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

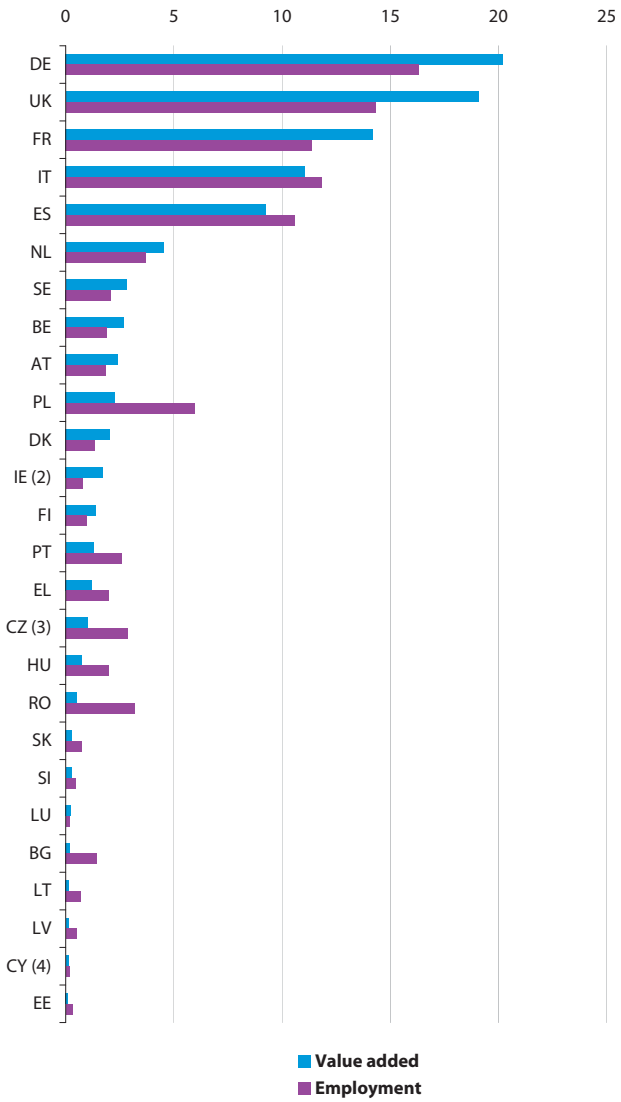
Table 1.2: Key indicators of the non-financial business economy, 2005

	Enterprises (1000)	Turnover (EUR billion)	Value added (EUR billion)	Employment (1000)
EU-27 (1)	19 647	20 700	5 400	126 700
BE	396	727	143	2 407
BG	240	62	10	1 816
CZ (2)	880	239	52	3 573
DK	202	396	110	1 714
DE	1 665	3 934	1 081	20 672
EE	38	30	6	397
IE (3)	86	309	92	975
EL	821	266	65	2 492
ES	2 545	1 880	495	13 387
FR	2 279	3 060	760	14 388
IT	3 822	2 573	592	14 987
CY (4)	43	21	7	211
LV	62	30	7	623
LT	107	39	8	875
LU	23	62	13	205
HU	557	218	40	2 520
MT	:	:	:	:
NL	494	1 042	242	4 679
AT	274	462	129	2 367
PL	1 407	514	122	7 576
PT	850	306	69	3 276
RO	412	140	28	4 038
SI	89	60	14	572
SK	42	75	15	929
FI	190	304	75	1 230
SE	524	558	150	2 638
UK	1 589	3 337	1 021	18 111
NO	242	433	148	1 285

(1) Including rounded estimates based on non-confidential data.
(2) 2004.
(3) Electricity, gas, steam and hot water supply (Division 40), not available.
(4) Research and development (Division 73), not available.

Source: Eurostat (SBS)

Figure 1.5: Share of EU-27 value added and employment, non-financial business economy, 2005 (%) (1)



(1) Including rounded estimates based on non-confidential data; Malta, not available.
(2) Electricity, gas, steam and hot water supply (Division 40), not available.
(3) 2004.
(4) Research and development (Division 73), not available.

Source: Eurostat (SBS)

Table 1.3: Share of value added in the non-financial business economy, 2005 (%) (1)

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Mining & quarrying	0.2	3.9	2.0	5.5	0.6	1.5	0.7	1.3	0.5	0.5	1.3	0.6	0.5	1.0
Food, bev. & tob.	4.3	5.8	4.4	4.3	3.2	3.4	6.5	4.9	3.8	3.9	3.4	5.2	4.3	5.6
Textiles & textile prod.	1.3	4.5	1.6	0.4	0.6	2.5	0.3	1.6	0.9	0.8	2.7	0.5	1.7	3.3
Leather & leather prod.	0.1	0.4	0.1	:	0.1	0.2	0.0	0.2	0.2	0.2	0.9	0.1	0.0	0.1
Wood & wood prod.	0.6	0.7	1.3	0.7	0.6	3.8	0.4	0.3	0.6	0.5	0.9	1.1	4.7	2.2
Pulp, paper, printing	2.3	1.6	2.1	2.2	2.6	2.1	4.8	2.5	2.2	2.0	2.2	1.3	1.8	1.6
Ref. petr.; nucl. Fuel	1.4	:	0.3	:	0.5	0.4	:	1.7	1.4	0.8	0.5	0.1	:	5.0
Chem. & man-made fib.	7.3	2.4	2.3	3.1	4.1	1.3	13.1	1.3	2.2	3.4	2.6	1.0	0.9	1.8
Rubber & plastics	1.4	1.0	2.4	1.2	1.9	1.0	0.6	0.7	1.2	1.5	1.6	0.5	0.6	1.2
Other non-metal. min.	1.6	2.5	3.0	1.0	1.2	2.2	1.0	1.7	2.3	1.1	2.1	2.5	1.1	1.4
Basic & fabric. metals	4.9	4.2	6.9	2.4	5.5	2.5	0.8	4.0	3.9	3.6	6.2	1.8	2.1	1.6
Mach. & equip. n.e.c.	2.1	3.2	3.9	3.3	6.1	1.2	0.8	0.8	1.8	2.3	5.0	0.4	0.8	1.0
Elec. & optical equip.	2.4	2.2	5.1	2.6	5.8	3.2	7.8	0.8	1.4	3.3	3.3	0.2	1.2	1.7
Transport equip.	2.7	0.8	5.1	0.7	6.6	1.2	0.5	0.9	2.3	3.7	2.1	0.1	0.8	1.0
Manufacturing n.e.c.	0.9	1.0	1.6	1.3	1.0	2.1	:	0.6	1.0	1.0	1.7	0.9	1.3	2.0
Elec., gas & water	3.7	10.1	5.8	2.6	3.9	5.7	:	5.0	2.8	3.1	3.2	3.9	4.7	7.1
Construction	7.1	7.4	7.8	8.0	5.1	9.3	6.4	9.0	16.9	8.3	9.8	15.4	8.6	10.6
Motor trades	2.8	3.1	2.1	2.6	3.4	3.1	1.5	3.1	2.8	2.4	2.5	3.3	4.2	3.6
Wholesale trade	10.5	9.9	9.4	11.5	7.5	13.0	9.0	14.9	9.3	8.3	8.7	9.3	16.5	10.8
Retail trade	7.0	4.9	5.6	5.7	6.4	6.3	5.6	11.7	8.1	8.3	7.2	10.1	8.1	7.0
Hotels & restaurants	2.6	2.9	2.0	1.9	1.9	2.3	3.6	4.9	4.7	3.5	3.2	12.2	2.3	1.6
Land trans.; pipe.	4.7	5.2	5.5	3.4	2.3	4.5	1.4	4.1	3.8	4.2	3.6	1.2	6.4	7.6
Water transport	0.5	1.0	:	3.4	0.6	-0.1	:	1.7	0.1	0.2	0.5	2.1	0.3	0.7
Air transport	0.3	0.3	:	0.3	-0.2	0.3	:	0.2	0.5	0.7	0.4	1.4	1.0	0.1
Other trans.; travel ag.	2.8	3.5	1.4	2.5	3.3	5.6	2.1	2.8	2.6	2.5	2.6	4.4	7.3	3.1
Post & telecoms	5.7	9.5	4.7	3.6	4.4	5.0	6.4	6.1	3.9	4.9	5.1	5.7	5.7	4.6
Real estate	2.2	1.2	2.2	11.3	5.6	6.2	2.4	0.4	6.1	4.7	2.9	6.2	4.5	4.1
Renting	1.6	0.3	0.4	0.7	1.6	1.0	0.7	0.7	1.0	1.4	0.6	0.7	0.9	0.4
Computer services	2.6	1.3	2.0	3.2	2.8	1.3	3.3	1.1	1.7	3.1	2.7	1.1	1.4	1.1
R&D	0.4	0.0	0.1	0.2	0.5	0.1	0.2	0.4	0.2	0.4	0.2	:	0.3	0.1
Other business act.	11.8	4.3	8.4	10.0	10.5	7.6	8.9	10.3	9.8	15.3	10.5	6.6	5.8	6.2

(1) The Czech Republic, 2004; data not available for some Member States in 2005 were substituted by information for 2004.

Source: Eurostat (SBS)

Table 1.3: Share of value added in the non-financial business economy, 2005 (%) (1) (continued)

	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
Mining & quarrying	0.2	0.4	:	2.4	0.7	4.7	0.8	8.2	0.8	1.2	0.4	0.9	3.5	39.2
Food, bev. & tob.	2.1	4.9	:	4.5	2.9	9.2	3.9	5.0	3.2	2.8	2.8	2.4	3.2	2.3
Textiles & textile prod.	1.4	1.2	:	0.4	0.7	1.3	3.3	4.1	2.1	1.4	0.6	0.3	0.5	0.2
Leather & leather prod.	0.0	0.2	:	0.0	0.2	0.2	0.9	1.1	0.6	0.6	0.1	0.0	0.0	0.0
Wood & wood prod.	0.4	0.6	:	0.4	1.4	1.1	1.2	1.1	1.3	0.9	1.7	1.3	0.4	0.6
Pulp, paper, printing	1.6	2.0	:	2.7	2.6	2.4	2.5	1.5	2.8	2.4	6.3	3.8	2.6	1.7
Ref. petr.; nuclear fuel	:	2.9	:	0.2	:	4.3	:	0.6	0.0	:	1.0	0.3	0.3	0.3
Chem. & man-made fib.	0.6	4.0	:	4.4	2.2	2.9	1.6	2.0	5.7	1.4	2.5	4.0	2.3	1.3
Rubber & plastics	3.3	1.8	:	0.8	1.3	1.9	1.0	1.2	2.6	2.1	1.3	0.9	1.1	0.2
Other non-metal. min.	2.0	1.7	:	0.8	2.0	2.2	2.5	2.1	1.8	2.4	1.6	0.7	0.7	0.6
Basic & fabric. metals	6.1	3.5	:	3.1	5.7	4.1	2.9	4.2	7.3	8.7	5.5	4.9	2.2	1.9
Mach. & equip. n.e.c.	1.2	2.6	:	2.4	4.4	2.6	1.7	2.0	4.6	3.4	4.8	4.3	1.7	1.1
Elec. & optical equip.	0.2	10.7	:	2.3	4.1	2.5	2.0	2.4	4.5	5.0	9.7	5.0	2.1	1.1
Transport equip.	0.2	4.8	:	1.5	2.8	3.3	1.4	3.1	2.3	4.2	1.2	4.5	2.4	1.8
Manufacturing n.e.c.	0.2	0.7	:	0.7	1.5	1.7	1.2	1.8	1.9	1.4	0.9	0.9	0.9	0.5
Elec., gas & water	1.8	5.7	:	2.0	3.8	7.2	4.6	7.3	4.4	14.8	3.9	4.3	3.0	2.9
Construction	11.2	5.8	:	9.6	9.0	5.9	12.2	7.0	8.3	5.4	8.7	7.3	9.0	5.9
Motor trades	3.0	2.5	:	2.6	2.7	2.1	3.4	3.0	3.4	1.4	2.7	2.7	3.1	1.9
Wholesale trade	9.1	8.5	:	13.6	10.0	11.1	11.7	10.2	9.0	9.5	8.0	9.2	8.3	6.0
Retail trade	5.3	5.4	:	6.9	6.9	6.5	8.3	5.5	7.9	5.5	6.5	5.9	8.0	4.5
Hotels & restaurants	3.6	1.7	:	2.7	4.6	1.1	4.1	1.5	3.1	1.0	2.2	2.1	3.8	1.5
Land trans.; pipe.	5.9	5.2	:	3.9	4.3	4.2	3.4	4.4	3.7	4.4	4.5	3.7	2.5	3.3
Water transport	0.1	0.1	:	1.0	0.0	0.1	0.2	:	0.1	0.1	0.7	0.7	0.3	2.7
Air transport	3.5	0.2	:	1.2	0.4	0.2	0.9	:	0.3	0.0	0.8	0.3	1.0	0.5
Other trans.; travel ag.	1.1	1.9	:	2.7	3.6	1.2	3.2	2.2	1.9	1.6	2.1	2.2	3.0	1.9
Post & telecoms	9.2	6.5	:	4.7	3.4	5.3	5.2	7.2	4.5	6.2	3.5	3.8	4.7	2.6
Real estate	:	3.8	:	4.9	4.5	3.1	2.9	1.8	1.5	1.5	4.2	7.4	4.3	4.4
Renting	1.4	0.8	:	1.6	1.9	0.4	1.1	0.5	0.1	0.6	0.5	0.8	1.7	0.5
Computer services	2.5	2.0	:	3.4	2.2	1.2	1.4	1.7	1.9	1.9	3.3	4.7	5.1	2.1
R&D	:	0.2	:	0.7	0.3	0.1	0.0	0.5	0.5	0.2	0.2	0.3	0.7	0.3
Other business act.	16.4	7.6	:	14.0	9.4	5.9	9.5	6.2	8.1	5.8	7.9	9.9	17.2	6.5

(1) The Czech Republic, 2004; data not available for some Member States in 2005 were substituted by information for 2004.

Source: Eurostat (SBS)

2

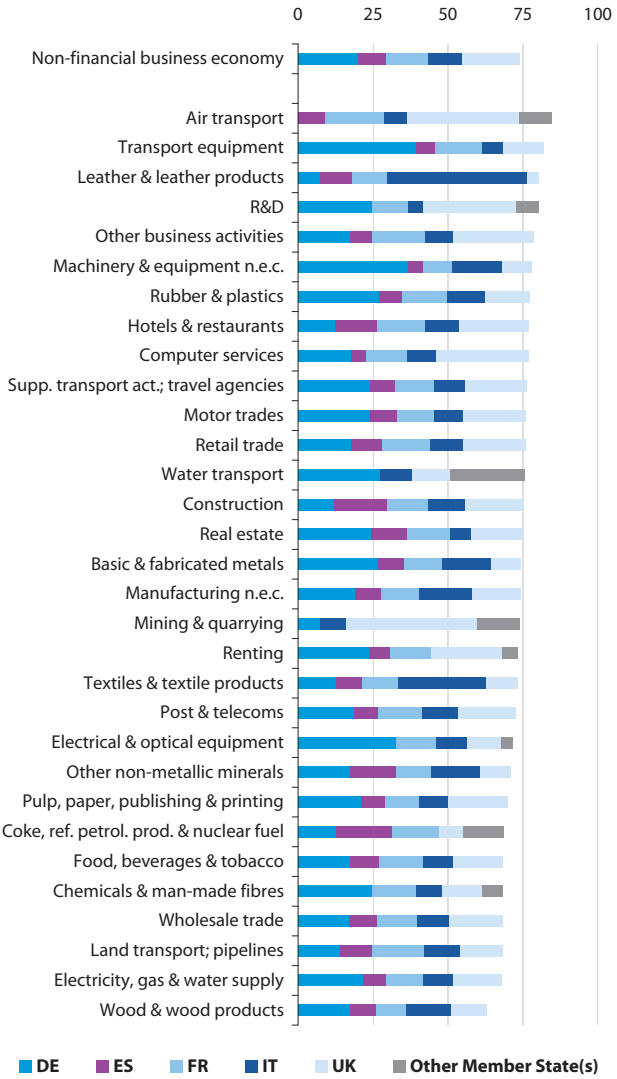
National specialisation and concentration

An analysis of the importance of various activities in the Member States can give an idea of concentration of some activities in a few, larger Member States, and also the degree of specialisation in the Member States in particular activities. The share of the five largest Member States in the EU-27's value added gives a first idea of geographical concentration; the average share for the non-financial business economy as a whole reached 73.8 %. An analysis at the level of detail shown in Figure 2.1 indicates that the highest concentration was in air transport (where the share from the United Kingdom was high); the second highest concentration was for transport equipment manufacturing (where the German share was high), and the third highest concentration was in leather and leather products manufacturing (where the Italian share was high).

Whereas the concentration measures shown in Figure 2.1 focus on the larger Member States, an analysis of the most specialised Member State in each activity often identifies smaller and medium-sized Member States: in only five of the 31 activities presented in Table 2.1 were large Member States the most specialised, Spain in construction, Germany in two manufacturing activities, and the United Kingdom twice in services. Some specialisations are due to the availability of natural resources, such as mining and quarrying in Romania, or wood and wood products manufacturing, as well as pulp, paper, publishing and printing in densely forested Latvia and Finland. A more detailed regional analysis of specialisation is presented in the next chapter.

Table 2.2 shows the activities in which each of the Member States are the most specialised, relative to the EU-27 as a whole, based on value added shares in the non-financial business economy. It should be noted that some activities are relatively small across the EU, which means that even in a Member State with a high specialisation relative to the EU-27 average this activity may in fact only contribute a small proportion of non-financial business economy value added in that Member State. Four Member States reported that their most specialised activity was water transport services, although it should be noted that there are five land-locked Member States that therefore contribute very little to EU-27 value added in this sector. Of the remaining countries most were specialised in one of the industrial activities, notably five Member States in wood and wood products manufacturing. Only two other Member States were most specialised in a service activity, France in other business activities, and Luxembourg in air transport.

Figure 2.1: Business concentration within the non-financial business economy, 2005 (% share of EU-27 value added accounted for by the five countries with the biggest output) (1)



(1) Including rounded estimates based on non-confidential data; the Czech Republic, 2004; Malta, not available; data not available for some Member States in 2005 were substituted by information for 2004; there are a limited number of activity-country pairings for which no information was available.

Source: Eurostat (SBS)

Table 2.1: Most specialised Member States by activity, 2005 (% of national value added in the non-financial business economy) (1)

	1st	Share (%)	2nd	Share (%)
Mining & quarrying	RO	8.2	DK	5.5
Food, bev. & tob.	PL	9.2	IE	6.5
Textiles & textile prod.	BG	4.5	RO	4.1
Leather & leather prod.	RO	1.1	IT	0.9
Wood & wood prod.	LV	4.7	EE	3.8
Pulp, paper, printing	FI	6.3	IE	4.8
Coke, ref. petr.; nucl. fuel	LT	5.0	PL	4.3
Chem. & man-made fib.	IE	13.1	BE	7.3
Rubber & plastics	LU	3.3	SI	2.6
Other non-metal. min.	CZ	3.0	BG	2.5
Basic & fabric. metals	SK	8.7	SI	7.3
Mach. & equip. n.e.c.	DE	6.1	IT	5.0
Elec. & optical equip.	HU	10.7	FI	9.7
Transport equip.	DE	6.6	CZ	5.1
Manufacturing n.e.c.	EE	2.1	LT	2.0
Elec., gas & water	SK	14.8	BG	10.1
Construction	ES	16.9	CY	15.4
Motor trades	LV	4.2	LT	3.6
Wholesale trade	LV	16.5	EL	14.9
Retail trade	EL	11.7	CY	10.1
Hotels & restaurants	CY	12.2	EL	4.9
Land trans.; pipe.	LT	7.6	LV	6.4
Water transport	DK	3.4	CY	2.1
Air transport	LU	3.5	CY	1.4
Other trans.; travel ag.	LV	7.3	EE	5.6
Post & telecoms	BG	9.5	LU	9.2
Real estate	DK	11.3	SE	7.4
Renting	AT	1.9	UK	1.7
Computer services	UK	5.1	SE	4.7
R&D	NL	0.7	UK	0.7
Other business act.	UK	17.2	LU	16.4

(1) Including rounded estimates based on non-confidential data; the Czech Republic, 2004; Malta, not available; data not available for some Member States in 2005 were substituted by information for 2004; there are a limited number of activity-country pairings for which no information was available.

Source: Eurostat (SBS)

Table 2.2: Most specialised activities per Member State, 2005 (% of national value added in the non-financial business economy, EU-27=100) (1)

	1st	2nd
BE	Chem. & man-made fib. (220.3)	Ref. petr.; nuclear fuel (205.1)
BG	Textiles & textile prod. (410.0)	Elec., gas & water (304.5)
CZ	Other non-metal. min. (220.7)	Wood & wood prod. (200.3)
DK	Water transport (766.2)	Mining & quarrying (410.0)
DE	Transport equip. (186.5)	Mach. & equip. n.e.c. (180.7)
EE	Wood & wood prod. (558.4)	Textiles & textile prod. (229.2)
IE	Chem. & man-made fib. (393.0)	Elec. & optical equip. (209.5)
EL	Water transport (384.8)	Ref. petr.; nuclear fuel (234.2)
ES	Ref. petr.; nuclear fuel (203.8)	Construction (198.9)
FR	Other business act. (133.5)	Air transport (127.5)
IT	Leather & leather prod. (384.1)	Textiles & textile prod. (244.0)
CY	Water transport (470.9)	Hotels & restaurants (381.0)
LV	Wood & wood prod. (692.1)	Other trans.; travel ag. (262.5)
LT	Ref. petr.; nuclear fuel (715.9)	Wood & wood prod. (319.7)
LU	Air transport (632.7)	Rubber & plastics (221.2)
HU	Ref. petr.; nuclear fuel (417.0)	Elec. & optical equip. (288.7)
MT	:	:
NL	Water transport (227.2)	Air transport (225.8)
AT	Wood & wood prod. (208.8)	Renting (145.5)
PL	Ref. petr.; nuclear fuel (605.1)	Mining & quarrying (348.8)
PT	Leather & leather prod. (364.7)	Textiles & textile prod. (298.3)
RO	Mining & quarrying (605.1)	Leather & leather prod. (477.7)
SI	Leather & leather prod. (263.7)	Wood & wood prod. (192.2)
SK	Elec., gas & water (445.3)	Leather & leather prod. (263.8)
FI	Elec. & optical equip. (260.0)	Wood & wood prod. (253.1)
SE	Wood & wood prod. (194.3)	Real estate (171.8)
UK	Mining & quarrying (262.0)	R&D (184.5)

(1) Including rounded estimates based on non-confidential data; the Czech Republic, 2004; data not available for some Member States in 2005 were substituted by information for 2004; there are a limited number of activity-country pairings for which no information was available.

Source: Eurostat (SBS)

3

Regional specialisation and concentration

The importance of an activity to a region's non-financial business economy can be gauged from the proportion of the workforce engaged in that activity. The reasons for relative specialisation are varied and include, among others, the availability of natural resources (for example, for mining and quarrying activities and forest-based manufacturing activities), the availability of skilled employees, costs, infrastructure, legislation, climatic and topographic conditions (particularly regarding tourism-related activities) and proximity to markets.

Figure 3.1 suggests that the widest spread in the weight of an activity in each region's non-financial business economy workforce concerned manufacturing activities. In contrast, the employment spread for activities like construction and distributive trades, which tend to serve more local clients and are basic activities present in each region, were much narrower.

The proportion of the non-financial business economy workforce occupied within the industrial sector in 2005 is shown in Map 3.1. In ten regions within the EU-27, nine of which were in Slovakia and Romania, a majority of the workforce were employed in industrial activities. Indeed, in the Slovakian region of Západné Slovensko industrial activities occupied almost two thirds (63.5 %) of the local workforce. Other regions that had industrial employment that accounted for over 40 % of the workforce were largely located in the Czech Republic, Germany, Hungary and Poland.

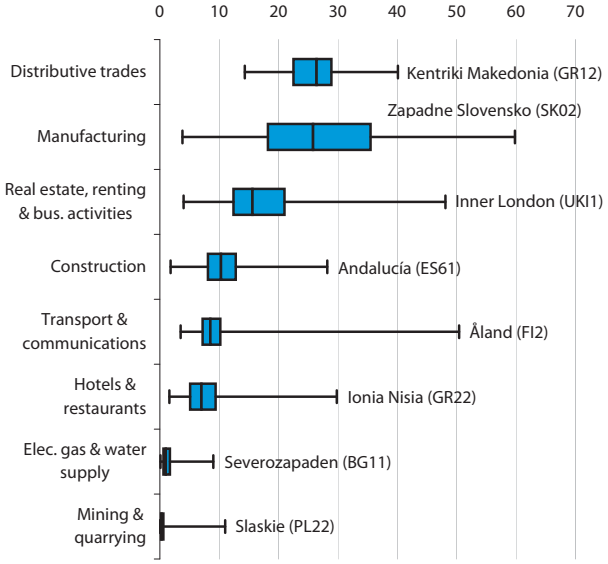
In a similar manner, Map 3.2 shows the proportion of the workforce occupied within non-financial services. In seven regions, more than 80 % of people in the workforce were employed in non-financial services, four of these regions being in the United Kingdom.

Map 3.3 is based on the aggregate employment share of the five largest NACE divisions in each region, providing an analysis of activity concentration by region. It shows that the most concentrated regions – by this measure – were generally either in countries traditionally associated with tourism, notably Spain, Greece, Portugal (underlining the importance of construction, retail trade, and hotels and restaurants in tourism-oriented regions) or in urban areas like Brussels (Belgium) and inner London (United Kingdom).

The most specialised region in the EU-27 for each of the main activities within the non-financial business economy is shown in Table 3.1, along with the median employment share of all regions.

For more information, see the special topic 'Regional structural business statistics' on the European business dedicated section of the Eurostat website: http://ec.europa.eu/eurostat/europeanbusiness.

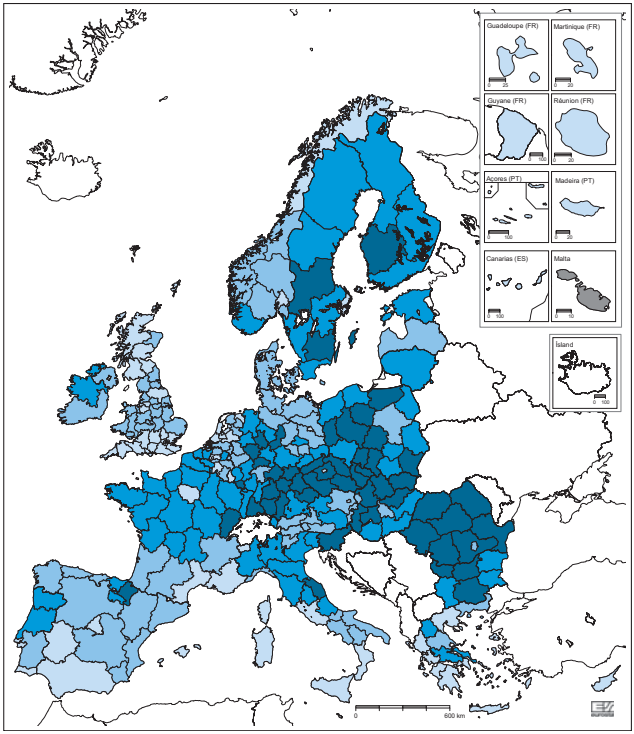
Figure 3.1: Regional employment shares in non-financial business economy employment, EU-27 Member States and Norway, NUTS 2, 2005 (%) (1)



(1) The region with the highest share is presented in the graph for each activity; minimum to maximum share (horizontal line), inter-quartile range covering half of all regions (box), median share (vertical line in box); NUTS 2003 classification; Bulgaria, pre-accession NUTS; the Czech Republic and Norway, 2004; Luxembourg, national series based on enterprises and not local units; Malta, not available.

Source: Eurostat (SBS)

Map 3.1: Persons employed in industry as a proportion of those employed in the non-financial business economy, NUTS 2, 2005 (%)

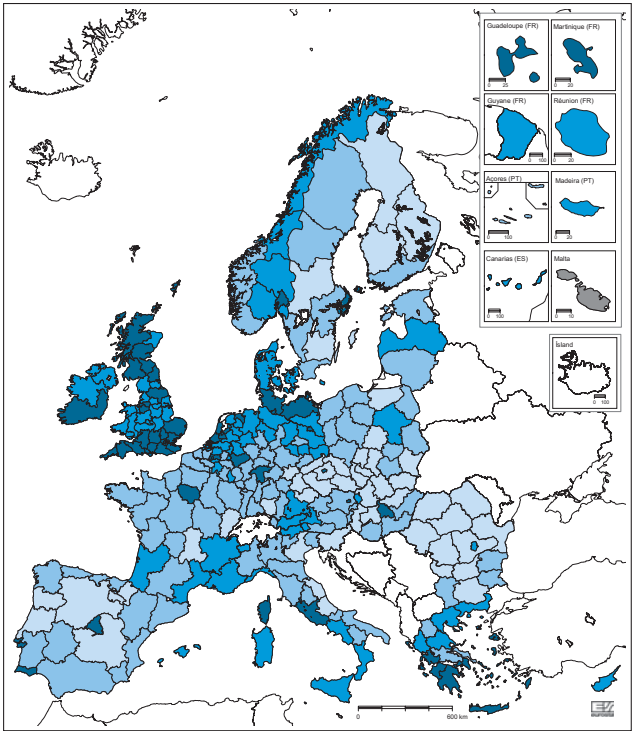


(1) NUTS 2003 classification. Bulgaria, pre-accession NUTS. Czech Republic, 2004. Cyprus, excluding research and development. Luxembourg, national series based on enterprises and not local units. Norway, 2004 and excluding collection, purification and distribution of water (Division 41).

Source: Eurostat (SBS)

Cartography: Eurostat — GISCO, 03/2008

Map 3.2: Persons employed in non-financial services as a proportion of those employed in the non-financial business economy, NUTS 2, 2005 (%)

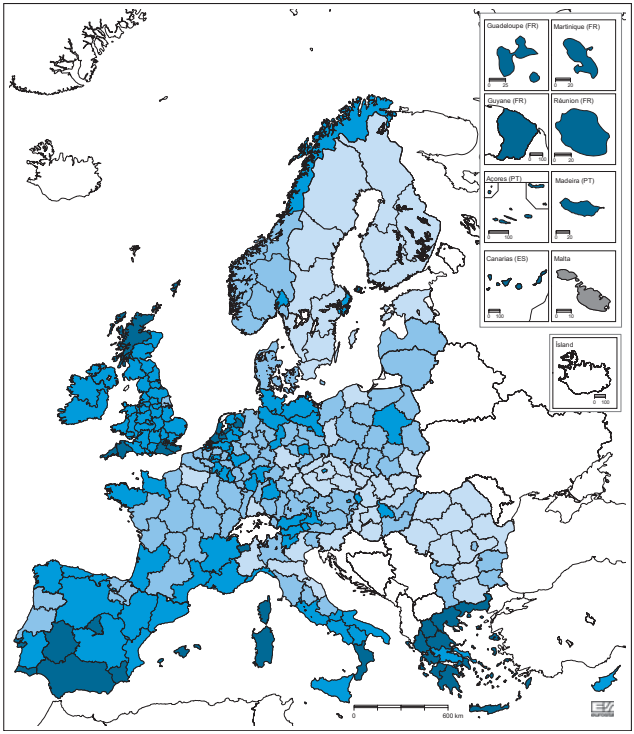


(1) NUTS 2003 classification. Bulgaria, pre-accession NUTS. Czech Republic, 2004. Cyprus, excluding research and development. Luxembourg, national series based on enterprises and not local units. Norway, 2004 and excluding collection, purification and distribution of water (Division 41).

Source: Eurostat (SBS)

Cartography: Eurostat — GISCO, 03/2008

Map 3.3: Business concentration: proportion of those employed in the five largest NACE divisions within the non-financial business economy, NUTS 2, 2005 (%)



less than 48 %
48 % to 56 %
56 % to 64 %
greater than 64 %
not available

(1) NUTS 2003 classification. Bulgaria, pre-accession NUTS. Czech Republic, 2004. Cyprus, excluding research and development. Luxembourg, national series based on enterprises and not local units. Norway, 2004 and excluding collection, purification and distribution of water (Division 41).

Source: Eurostat (SBS)

Cartography: Eurostat — GISCO, 03/2008

Table 3.1: Most specialised regions in different activities, 2005 (% of non-financial business economy employment) (1)

	Median share (%) (2)	Most specialised region (NUTS code)	(%)
Mining & quarrying	0.3	Slaskie (PL22)	11.0
Food, bev. & tob.	3.9	Bretagne (FR52)	12.1
Textiles	0.8	Norte (PT11)	14.1
Leather	0.1	Marche (ITE3)	7.9
Wood & wood prod.	0.9	Itä-Suomi (FI13)	c
Pulp, paper, printing	1.7	Mellersta Norrland (SE07)	6.5
Ref. petr.; nuc. fuel	0.0	Cumbria (UKD1)	c
Chem. & man-m. fib.	1.0	Rheinhessen-Pfalz (DEB3)	12.4
Rubber & plastics	1.2	Auvergne (FR72)	9.1
Oth. non-metal. min.	1.2	Swietokrzyskie (PL33)	5.5
Basic & fabr. metals	3.5	Arnsberg (DEA5)	14.7
Mach. & equip. n.e.c.	2.2	Unterfranken (DE26)	12.3
Elec. & optical equip.	2.2	Západné Slovensko (SK02)	14.0
Transport equip.	1.6	Braunschweig (DE91)	c
Manufacturing n.e.c.	1.2	Warmińsko-Mazurskie (PL62)	8.1
Elec., gas & water	1.0	Severozapaden (BG11)	9.0
Construction	10.3	Andalucía (ES61)	28.2
Motor trades	3.6	Réunion (FR94)	6.8
Wholesale trade	7.2	Attiki (GR30)	15.4
Retail trade	14.6	Kriti (GR43)	24.9
Hotels & rest.	7.0	Ionia Nisia (GR22)	29.8
Land trans.; pipe.	4.5	Bratislavsky kraj (SK01)	14.9
Water transport	0.1	Åland (FI20)	41.3
Air transport	0.0	Corse (FR83)	7.2
Oth. trans.; trav. ag.	1.7	Bremen (DE50)	11.9
Post & telecoms	1.8	Köln (DEA2)	25.7
Real estate	1.9	Latvija (LV)	5.4
Renting	0.4	Hamburg (DE60)	1.7
Computer serv.	1.3	Berks., Bucks. and Oxon (UKJ1)	7.8
R&D	0.2	Oberbayern (DE21)	2.2
Other business act.	11.6	Inner London (UKI1)	36.9

(1) NUTS 2003 classification; Bulgaria, pre-accession NUTS; the Czech Republic and Norway, 2004; Luxembourg, national series based on enterprises and not local units; Malta, not available; c, confidential.
(2) The median share is the share of the middle region when ranking all regions by their employment share.

Source: Eurostat (SBS)

4

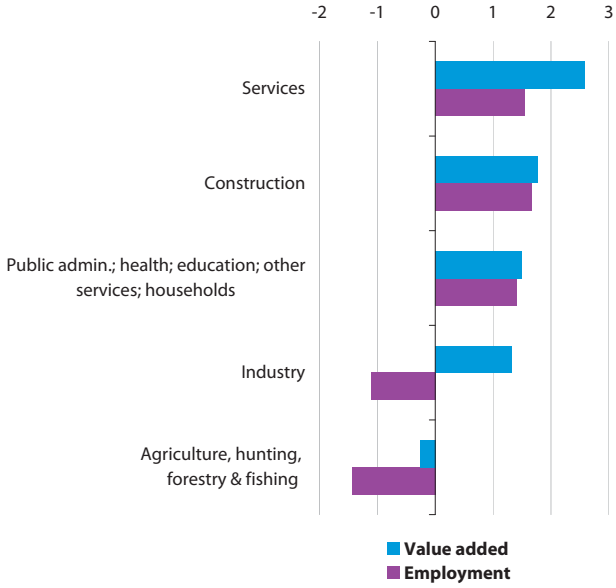
Change in the business economy

Macro-economic overview

Figure 4.1 highlights that service activities and construction were the main drivers for growth within the EU-27's economy during the period between 2000 and 2006, in terms of both value added and employment. A restructuring of the economy's workforce is indicated by the decline in employment levels within industry, as well as agriculture, hunting, forestry and fishing (NACE Sections A and B). The remarkable difference in developments for industrial employment and value added reflect a large increase in labour productivity in this sector.

Table 4.1 indicates that several Member States recorded strong growth in most activities (generally apart from agriculture, hunting, forestry and fishing), particularly the Baltic Member States and Romania. Others recorded strong growth in services activities, most notably Ireland. Slovakia stood apart from other Member States, with its strongest growth coming from industrial activities and agricultural, hunting, forestry and fishing activities.

Figure 4.1: Average annual growth rate of value added at constant prices and employment, EU-27, 2000-2006 (%)



Source: Eurostat (National accounts)

Table 4.1: Average annual growth rate of value added at constant prices, 2000-2006 (%)

	Industry	Constr-uction	Services	Agric., hunt., forest. & fish.	Public admin.; health; educ.; other serv.; househ.
EU-27	1.3	1.8	2.6	-0.3	1.5
BE	0.7	2.7	2.6	-2.6	1.2
BG	4.5	6.3	7.1	-1.2	2.0
CZ	6.5	1.5	4.2	1.9	1.5
DK	-0.5	1.6	2.6	1.2	0.9
DE	1.8	-3.0	1.5	-0.8	0.5
EE	9.9	9.1	10.2	0.1	3.6
IE	5.1	5.4	7.1	-3.9	2.8
EL (1)	2.7	4.7	3.6	-2.1	5.7
ES	1.7	5.8	3.6	-1.8	3.6
FR	1.4	1.5	2.0	-0.7	1.2
IT	-0.7	2.6	1.2	-1.0	1.2
CY	1.6	5.4	3.7	-1.3	3.3
LV	6.9	12.1	11.1	3.4	4.1
LT	9.9	13.4	8.7	0.2	3.2
LU	1.6	3.8	5.1	-6.0	3.1
HU	3.6	3.5	5.2	6.7	2.2
MT	:	:	:	:	:
NL	0.8	-0.5	2.1	0.3	1.7
AT	3.1	1.6	1.9	-0.5	1.1
PL	4.9	0.5	3.7	3.8	2.2
PT	0.4	-3.1	1.8	0.6	1.2
RO	5.0	11.4	10.1	4.1	-3.2
SI	4.9	4.3	4.5	0.0	3.1
SK	10.2	5.2	4.3	10.9	-0.4
FI	5.1	1.3	2.9	0.1	0.5
SE	4.0	3.0	3.2	3.3	1.0
UK	-0.8	2.9	4.2	0.9	2.1
IS (2)	2.6	2.9	3.4	1.2	2.3
NO	0.6	-0.1	3.6	2.3	1.5

(1) 2000-2005.
(2) 2000-2004.

Source: Eurostat (National accounts)

Activity development

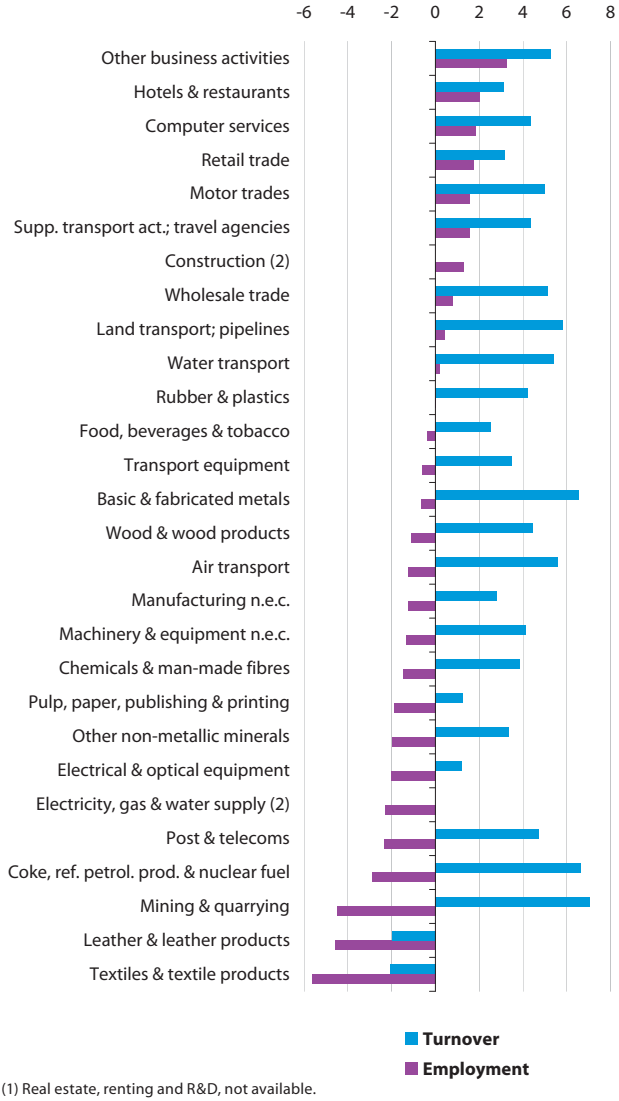
The structural developments in the EU-27's business economy in the five years through to 2006 are shown in Figure 4.2. There was widespread growth in turnover (in current prices) throughout the EU-27's business economy, the exceptions being for leather and leather products, and textiles and textile products manufacturing.

The strongest rate of growth in the turnover index during this period (an average 7.0 % per annum) was for mining and quarrying activities. However, this growth appears to largely reflect rising prices as the production index declined steadily (see Figure 4.3). This was also an activity in which employment levels dropped sharply (on average by 4.5 % per annum in the five years through to 2006), one of the fastest rates within the EU-27's business economy.

Within the manufacturing sector, there were increases in the production (volume) indices for most activities in the ten years through until 2006. As shown in Figure 4.3, growth in EU-27 manufacturing output over this period was strongest (on average 4.4 % per annum) for electrical and optical equipment, despite a downturn in 2001 and 2002. There was also strong and steady growth in the output of transport equipment and chemicals and man-made fibres. In contrast, the output of textiles and textile products and leather and leather products declined sharply (on average by 3.8 % per annum and 5.2 % per annum respectively). However, across all 14 manufacturing activities (NACE subsections) there were declines in the employment index in the five years to 2006 (see Figure 4.2).

In the five years through to 2006, employment growth within the EU-27's business economy was limited to service activities and construction. The strongest rate of employment growth (on average 3.3 % per annum) was for other business activities. There was also relatively strong employment growth for hotels and restaurants and computer services. As can be seen in Figure 4.4, this broad growth in employment within services sectors was accompanied by relatively strong and steady growth in turnover.

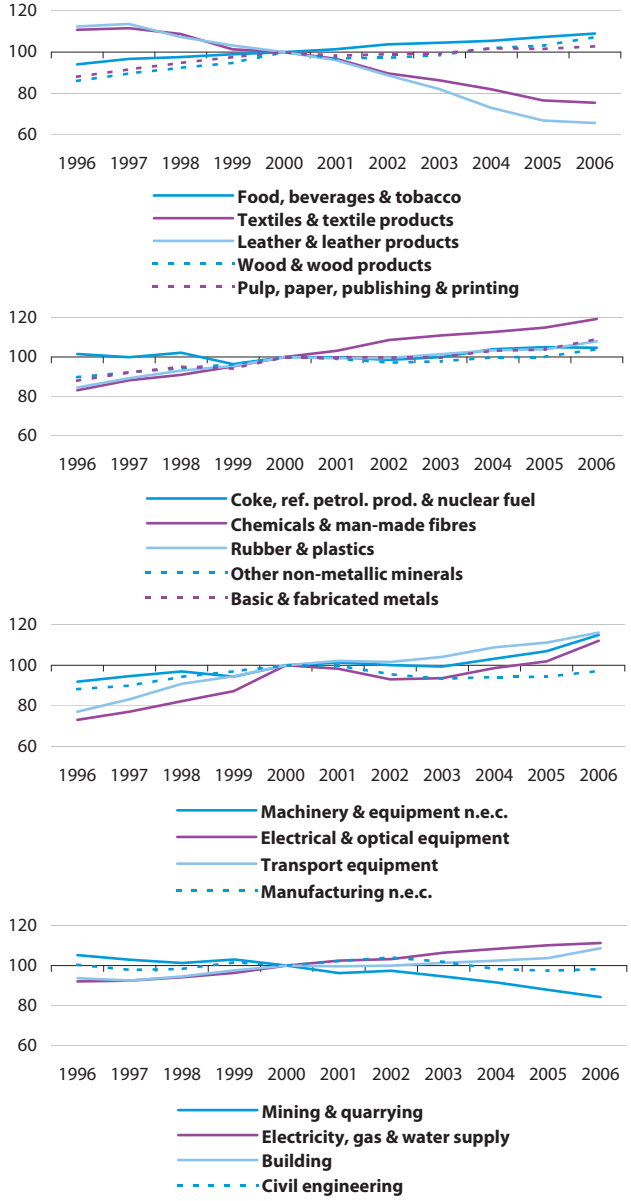
Figure 4.2: Evolution of the indices of employment and turnover within the non-financial business economy, EU-27, 2001-2006 (average annual growth rate, %) (1)



(1) Real estate, renting and R&D, not available.
(2) Turnover, not available.

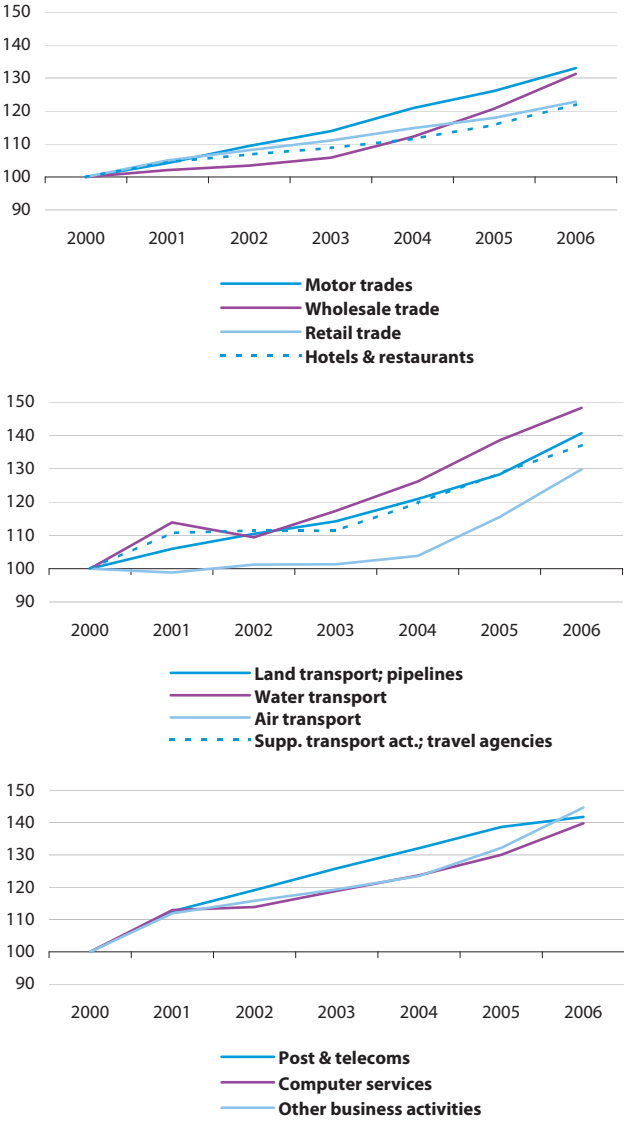
Source: Eurostat (Short-term business statistics)

Figure 4.3: Evolution of the index of production within industry and construction, EU-27 (2000=100)



Source: Eurostat (Short-term business statistics)

Figure 4.4: Evolution of the index of turnover for non-financial services, EU-27 (2000=100)



Source: Eurostat (Short-term business statistics)

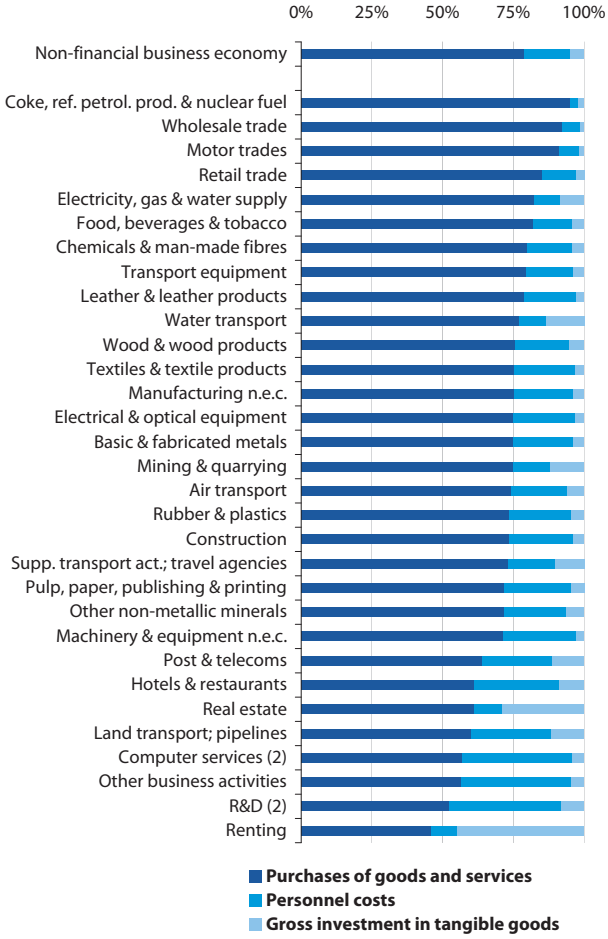
5

Costs

Cost structure

Figure 5.1 shows a breakdown of expenditure between purchases of goods and services, personnel costs, and gross tangible investment. In nearly all the activities, purchases of goods and services accounted for a majority of expenditure. Personnel costs tended to account for the next highest proportion, accounting

Figure 5.1: Breakdown of expenditure, EU-27, 2005 (% of total expenditure) (1)



(1) Including rounded estimates based on non-confidential data.
(2) 2004.

Source: Eurostat (SBS)

for as much as 30 % in the labour intensive activity of hotels and restaurants and close to 40 % in computer services (2004), other business activities, and research and development (2004). In relative terms, investment typically accounted for the smallest share of expenditure (on average 4.9 % across the EU-27's non-financial business economy), although this was clearly not the case for capital-intensive renting activities (45 %).

Table 5.1 shows that the share of expenditure accounted for by investment tended to be highest among Member States that joined the EU in 2004 or 2007.

Table 5.1: Breakdown of expenditure, non-financial business economy, 2005 (% of total expenditure)

	Purchases of goods and services	Personnel costs	Gross investment in tangible goods
EU-27 (1)	78.9	16.2	4.9
BE	83.5	12.2	4.3
BG	84.6	6.6	8.8
CZ (2)	83.6	11.0	5.4
DK	76.8	16.9	6.3
DE	76.2	20.0	3.8
EE	82.6	10.5	7.0
IE (3)	81.4	11.1	7.4
EL	81.6	13.3	5.0
ES	79.8	15.1	5.2
FR	76.8	18.1	5.1
IT	83.0	12.7	4.3
CY (4)	74.3	20.7	4.9
LV	81.0	8.7	10.3
LT	81.3	10.4	8.3
LU	84.0	13.3	2.7
HU	84.1	9.6	6.4
MT	:	:	:
NL	81.4	14.9	3.7
AT	75.7	17.4	6.9
PL	85.2	9.7	5.1
PT	79.7	13.1	7.2
RO	77.2	9.5	13.4
SI	76.3	15.6	8.1
SK	81.6	9.9	8.5
FI	80.5	15.2	4.3
SE	75.7	17.9	6.5
UK	76.9	18.0	5.1
NO	73.7	15.6	10.7

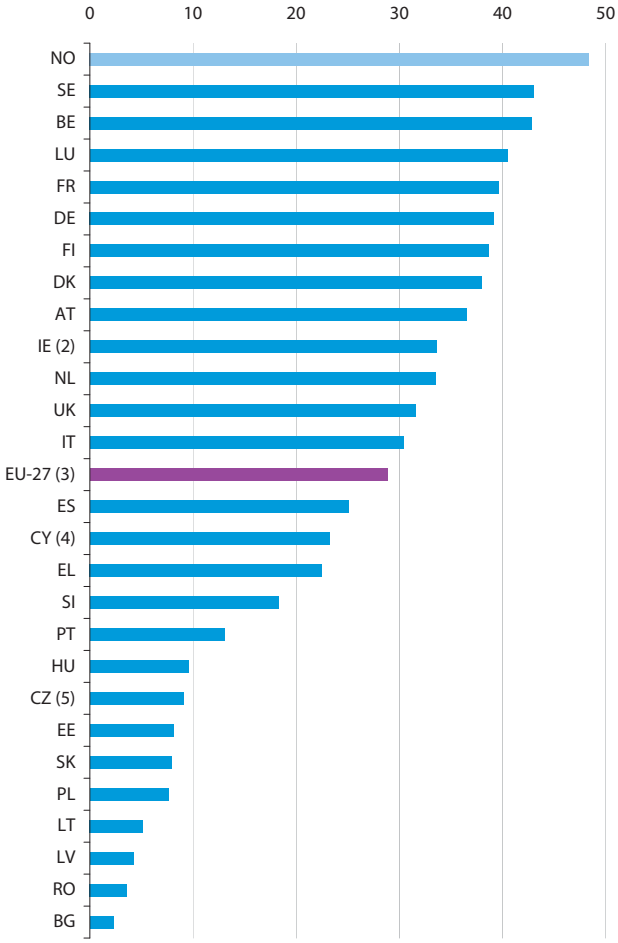
(1) Including rounded estimates based on non-confidential data.
(2) 2004.
(3) Excluding electricity, gas, steam and hot water supply (Division 40).
(4) Excluding research and development (Division 73).

Source: Eurostat (SBS)

Personnel costs

Figure 5.2 shows that personnel costs in the non-financial business economy varied from an average EUR 2 297 per employee in Bulgaria to EUR 43 040 per employee in Sweden in 2005. There were also large differences between activities: Figure 5.3 shows that

Figure 5.2: Average personnel costs, non-financial business economy, 2005 (EUR 1 000 per employee) (1)

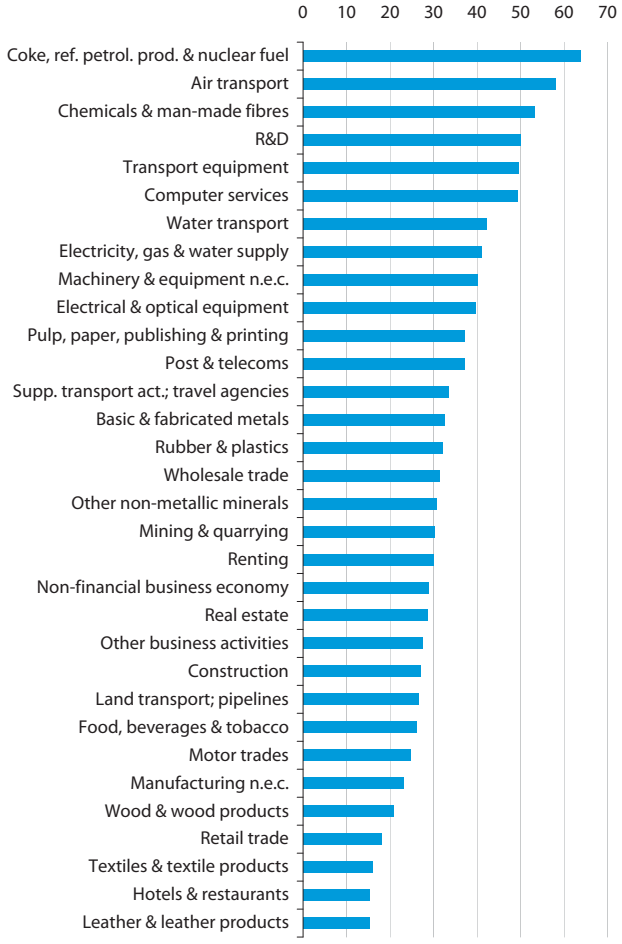


(1) Malta, not available.
(2) Excluding electricity, gas, steam and hot water supply (Division 40).
(3) Including rounded estimates based on non-confidential data.
(4) Excluding research and development (Division 73).
(5) 2004.

Source: Eurostat (SBS)

average personnel costs within coke, refined petroleum products and nuclear fuel manufacturing were about four times the average for leather and leather products manufacturing, hotels and restaurants, as well as textiles and textile products manufacturing in 2005.

Figure 5.3: Average personnel costs, EU-27, 2005 (EUR 1 000 per employee) (1)

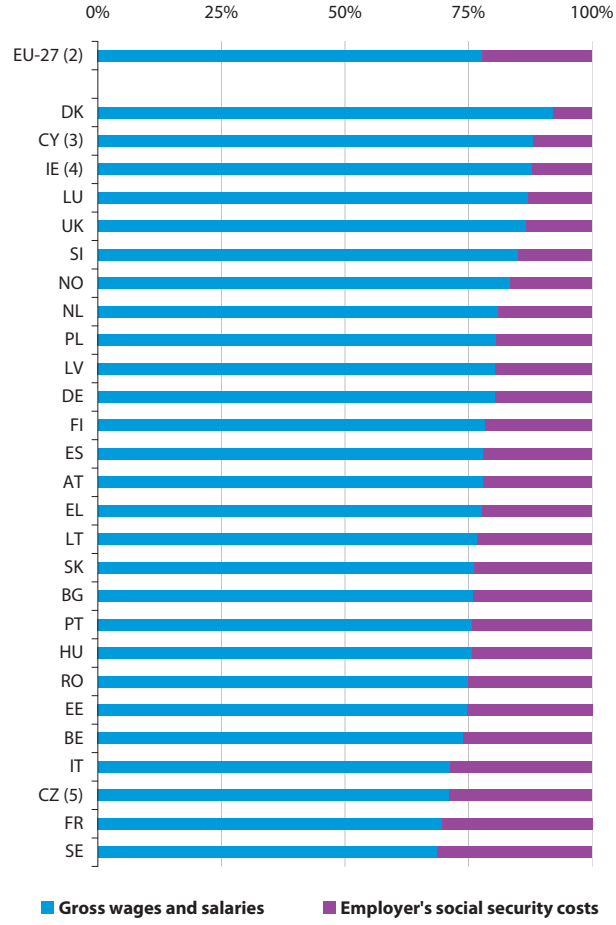


(1) Including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Personnel costs include gross wages and salaries as well as employer's compulsory and voluntary social contributions: Figure 5.4 shows that wages and salaries typically represented at least three quarters of total personnel costs in the majority of Member States, with social security costs accounting for the largest share (over 30 %) in Sweden and France.

Figure 5.4: Breakdown of personnel costs, non-financial business economy, 2005 (%) (1)



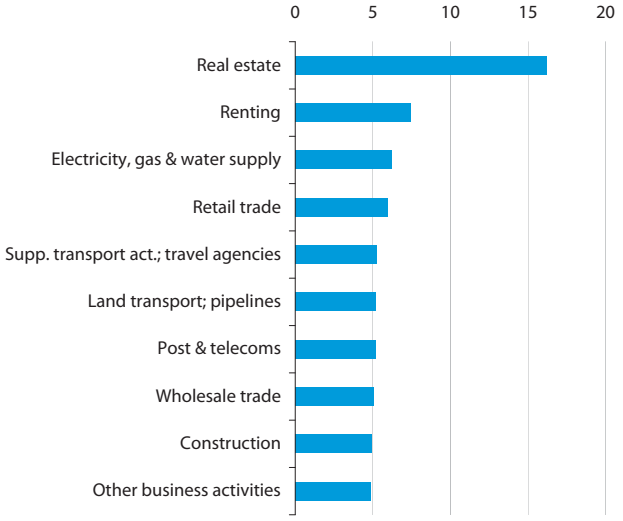
(1) Malta, not available.
(2) Including rounded estimates based on non-confidential data.
(3) Excluding research and development (Division 73).
(4) Excluding electricity, gas, steam and hot water supply (Division 40).
(5) 2004.

Source: Eurostat (SBS)

Investment

Almost two thirds of the tangible investment within the EU-27's non-financial business economy was concentrated in the ten activities shown in Figure 5.5. Real estate activities and renting recorded high shares, which is not surprising as these activities rely on capital goods that are then sold, rented or leased. Investment intensity is reflected in the ratio of investment to value added, as shown in Figure 5.6. Apart from real estate and renting, activities that were relatively investment-intensive included those requiring specialist machinery and equipment or investment in infrastructure, for example, the various transport activities, electricity, gas and water supply, and post and telecommunications. It should be noted that the level of investments can be volatile with sometimes large investments followed by a period with little or no investment. Figure 5.7 shows the ratio of investment to value added across the non-financial business economy in each of the Member States, with the highest ratios again tending to be recorded in Member States that joined the EU in either 2004 or 2007.

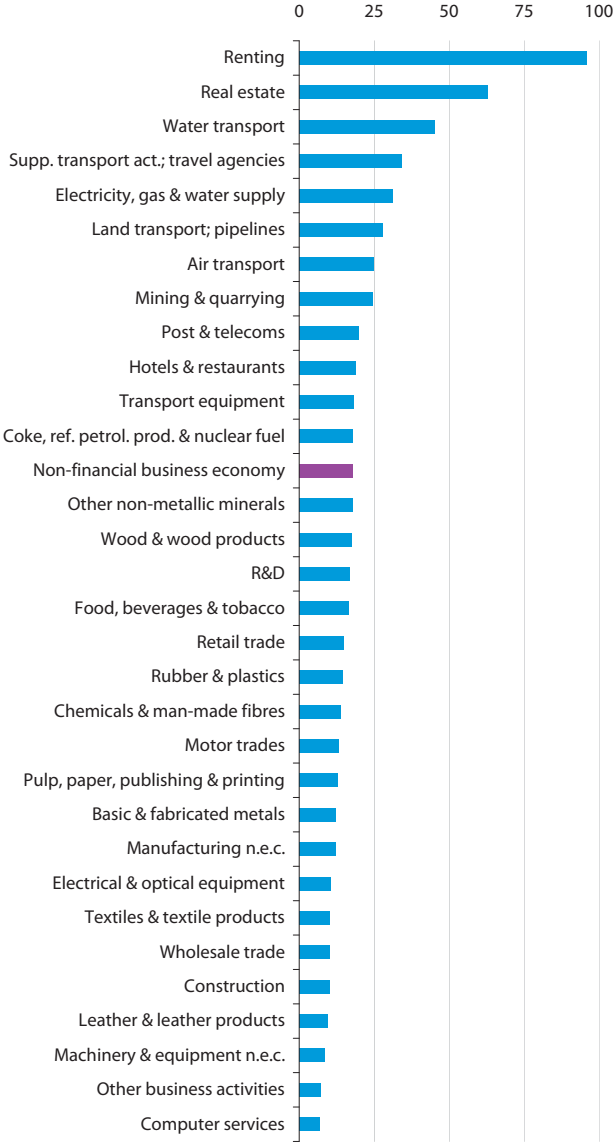
Figure 5.5: Top 10 activities: share of non-financial business economy investment, EU-27, 2005 (% of total) (1)



(1) Including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

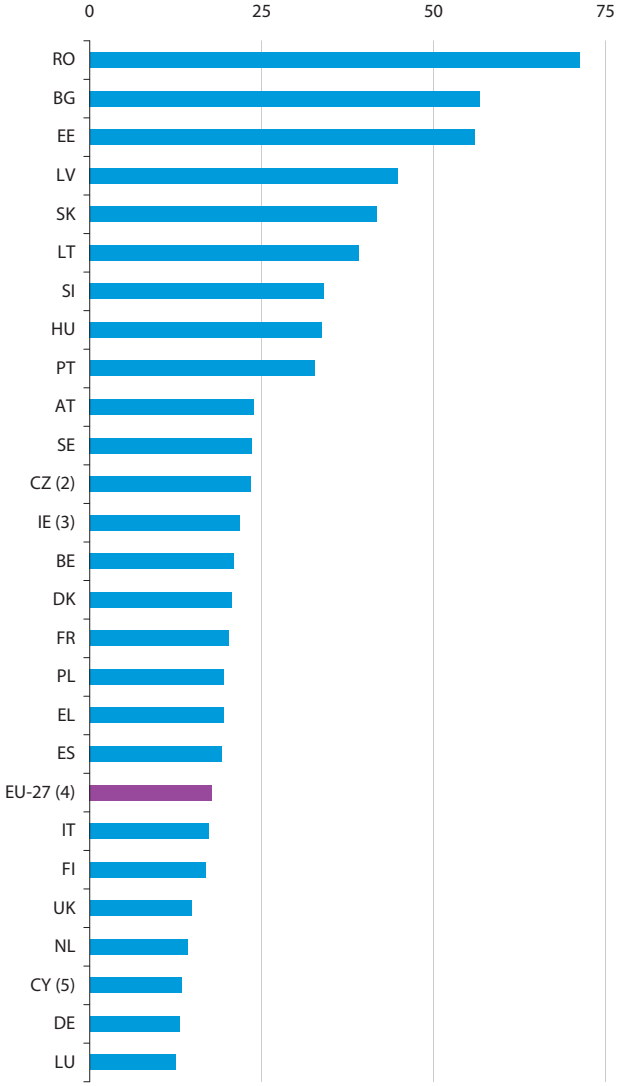
Figure 5.6: Ratio of investment to value added, EU-27, 2005 (%) (1)



(1) Including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Figure 5.7: Ratio of investment to value added, non-financial business economy, 2005 (%) (1)



(1) Malta, not available.
(2) 2004.
(3) Excluding electricity, gas, steam and hot water supply (Division 40).
(4) Including rounded estimates based on non-confidential data.
(5) Excluding research and development (Division 73).

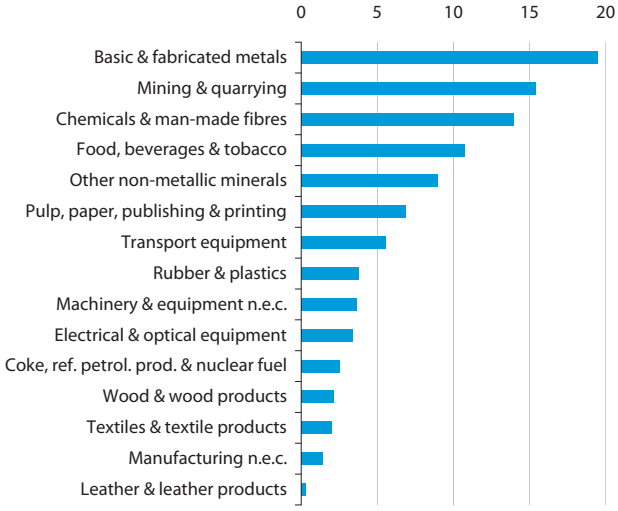
Source: Eurostat (SBS)

Energy costs

Energy and mineral products have increasingly come under the spotlight because of strong price rises and issues about the security of supply. As many of these raw materials are imported, security of supply is considered as an important factor determining the competitiveness of the European economy.

Almost one fifth (19.5 %) of all energy purchased for fuel purposes by mining, quarrying and manufacturing enterprises was accounted for by basic and fabricated metals manufacturing – see Figure 5.8 – with mining and quarrying (15.4 %) and chemicals and man-made fibres manufacturing (14.0 %) accounting for the next highest shares. Figure 5.9 shows the relative importance of energy costs in total expenditure across the industrial and construction sectors (see the start of this chapter for more details on total

Figure 5.8: Breakdown of purchases of energy for fuel purposes among mining, quarrying and manufacturing enterprises, average of available countries (%) (1)

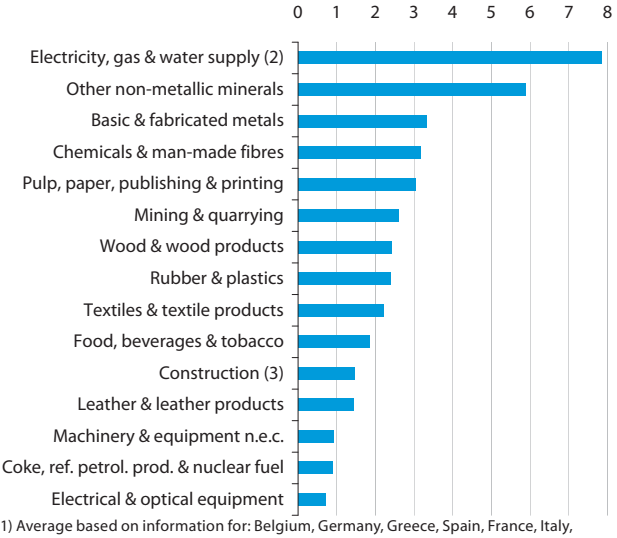


(1) Average based on information for: Germany, Estonia, Greece, Spain, France, Cyprus, Hungary, Austria, Romania and Sweden (all 2005), and the Czech Republic (2004).

Source: Eurostat (SBS)

expenditure – or the cost structure – of European enterprises). After electricity, gas and water supply activities, the most energy-intensive activity was the manufacture of other non-metallic mineral products, where energy costs accounted for almost 6 % of total expenditure. This share was almost double that for the next most energy-intensive activities, namely, the production of basic and fabricated metals, the manufacture of chemicals and man-made fibres and the manufacture of pulp, paper, publishing and printing.

Figure 5.9: Purchases of energy for fuel purposes as a proportion of total expenditure, average of available countries, 2005 (%) (1)



(1) Average based on information for: Belgium, Germany, Greece, Spain, France, Italy, Luxembourg, Hungary, the Netherlands, Austria, Romania, Finland, Sweden and the United Kingdom.
(2) Excludes Germany and includes the Netherlands (2004).
(3) Excludes France.

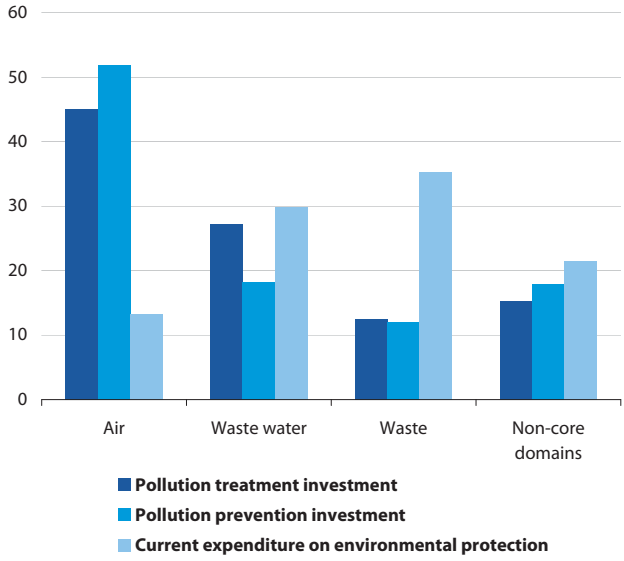
Source: Eurostat (SBS)

Environmental protection expenditure

Protecting, preserving and improving the environment for present and future generations, and promoting sustainable development has become a key mission of the EU. The Directive concerning integrated pollution prevention and control (IPPC) is a cornerstone of EU legislation addressing industrial installations with a high pollution potential.

Figure 5.10 provides an overview of environmental protection expenditure within manufacturing. More than half of pollution prevention investment, designed to prevent or reduce the amount of pollution created at the source, was applied to air protection measures. Air protection also accounted for the highest proportion of pollution treatment investment (45.1 %), with a substantial part also in the wastewater domain. Waste accounted for the lowest proportions of both pollution treatment and prevention investment in manufacturing but a little over one third (35.3 %) of

Figure 5.10: Breakdown of environmental protection expenditure by environmental domain within manufacturing, average of available countries (%) (1)



(1) Average based on information for: Belgium, Bulgaria, Germany, Estonia, Greece, Spain, France, Cyprus, Latvia, Lithuania, Hungary, the Netherlands, Austria, Poland, Portugal, Slovakia, Sweden and the United Kingdom (all 2005), the Czech Republic, Slovenia and Finland (all 2004); data not available for some Member States for current expenditure in 2005 were substituted by information for 2004.

Source: Eurostat (SBS)

current expenditure; this includes expenditure related to internal waste management as well as payments for waste collection and disposal.

Table 5.2 shows that environmental expenditure typically accounted for less than 1 % of total expenditure across industrial activities (see the start of this chapter for more details on total expenditure – or the cost structure – of European enterprises). Preventative investment represented as much as 34.9 % of total environmental expenditure for other manufacturing activities but only 5.8 % of total environmental expenditure for basic metals and fabricated metal products manufacturing. Pollution treatment investment represented as much as 26.5 % of total environmental expenditure for other non-metallic mineral products manufacturing.

Table 5.2: Environmental protection expenditure in industry by cost type and as a share of total expenditure, average of available countries (%) (1)

	Relative share (%)			Total environ. exp. as % of total exp.
	Pollution treatm. invest.	Pollution prevent. invest.	Current exp. on environ. prot.	
Mining & quarrying	20.0	7.3	72.7	0.6
Food, bev. & tob.	9.8	11.2	78.9	0.4
Textiles & textile prod.	8.1	15.0	76.9	0.2
Leather & leather prod.	13.4	10.7	75.9	0.3
Wood & wood prod.	17.0	10.7	72.3	0.2
Pulp, paper, printing	16.5	11.3	72.2	0.4
Ref. petr.; nuclear fuel	19.7	6.9	73.4	0.8
Chem. & man-made fib.	14.5	8.7	76.8	0.9
Rubber & plastics	11.5	15.7	72.8	0.3
Other non-metal. min.	26.5	12.8	60.7	0.4
Basic & fabric. metals	16.0	5.8	78.2	0.5
Mach. & equip. n.e.c.	11.3	11.6	77.1	0.1
Elec. & optical equip.	14.0	11.9	74.1	0.1
Transport equip.	12.9	13.8	73.3	0.2
Manufacturing n.e.c.	7.8	34.9	57.3	0.2
Elec., gas & water	16.3	11.4	72.3	1.5

(1) Average based on information for: Cyprus, the Netherlands, Portugal and Slovenia (all 2005), the Czech Republic, Germany, Estonia, Greece, Spain, France, Latvia, Lithuania, Hungary, Austria, Poland, Romania, Slovakia, Finland, Sweden and the United Kingdom (all 2004), and Italy (2003); there are a limited number of activity-country pairings for which no information was available.

Source: Eurostat (SBS)

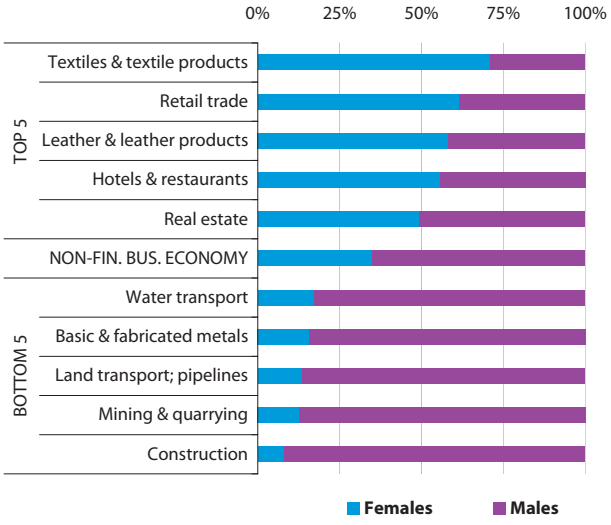
6

Employment characteristics

In 2006 just under two thirds (65.0 %) of the non-financial business economy's workforce in the EU-27 were male, according to the labour force survey (LFS). Generally services, along with the manufacture of textiles and textile products, and leather and leather products, recorded the highest female employment shares, as can be seen from Figure 6.1. Although low female employment shares were recorded in some services activities such as land and water transport, and to a lesser extent in motor trades and computer services, the lowest proportions were usually recorded in construction and industrial activities. A similar analysis in Figure 6.2 shows that the lowest shares of part-time employment were also in industrial activities, and the highest shares in services, particularly retail trade, and hotels and restaurants; overall some 14.4 % of persons in the non-financial business economy workforce worked on a part-time basis in the EU-27. Hotels and restaurants also employed a large proportion of younger workers (aged less than 30), as did several other services activities. In contrast, real estate services employed a large proportion of older workers (aged 50 or more), as did some energy-related industrial activities, and water and land transport activities (see Figure 6.3). Table 6.1 presents the same indicators for each of the Member States across the non-financial business economy as a whole. The highest proportions of women in the workforce were recorded in the Baltic Member States and in Bulgaria and Romania, while part-time employment was highest by far in the Netherlands. Ireland and Malta reported the highest proportions of younger workers in their respective workforces, while Sweden, Finland and Estonia recorded the highest proportions of older workers.

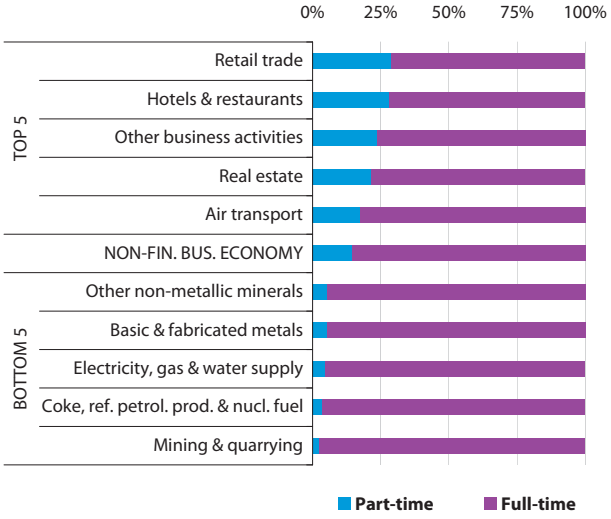
Structural business statistics show another characteristic of the workforce, namely the proportion of persons employed that are paid employees (86.4 % for the EU-27's non-financial business economy), the remainder being unpaid working owners and unpaid family workers that receive compensation directly or indirectly from any surplus (profits) rather than in the form of wages and salaries. The proportion of paid employees was generally lower in services and construction than in industry, and was particularly low in real estate services (70.6 %), see Figure 6.4. The main exceptions to this general rule were the very high proportion of paid employees in air transport (100.0 %), and to a lesser extent in post and telecommunications (97.3 %). Particularly low proportions of paid employees in the non-financial business economy were recorded in Greece and Italy, and high proportions in Slovakia (Figure 6.5).

Figure 6.1: Top five and bottom five activities: share of women employed, EU-27, 2006 (% share of total sectoral employment)



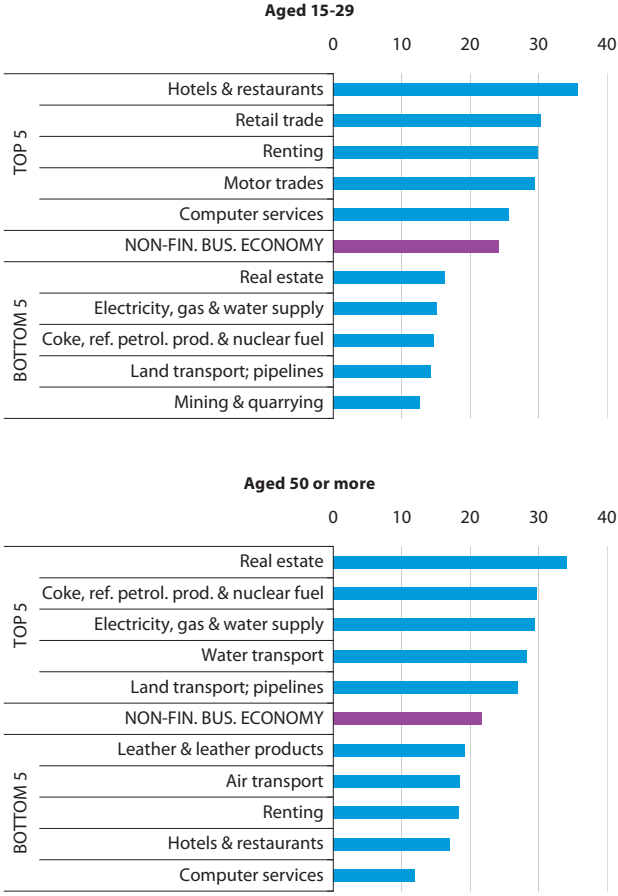
Source: Eurostat (LFS)

Figure 6.2: Top five and bottom five activities: share of part-time employed, EU-27, 2006 (% share of total sectoral employment)



Source: Eurostat (LFS)

Figure 6.3: Age breakdown of employment, EU-27, 2006
(% share of total sectoral employment)



Source: Eurostat (LFS)

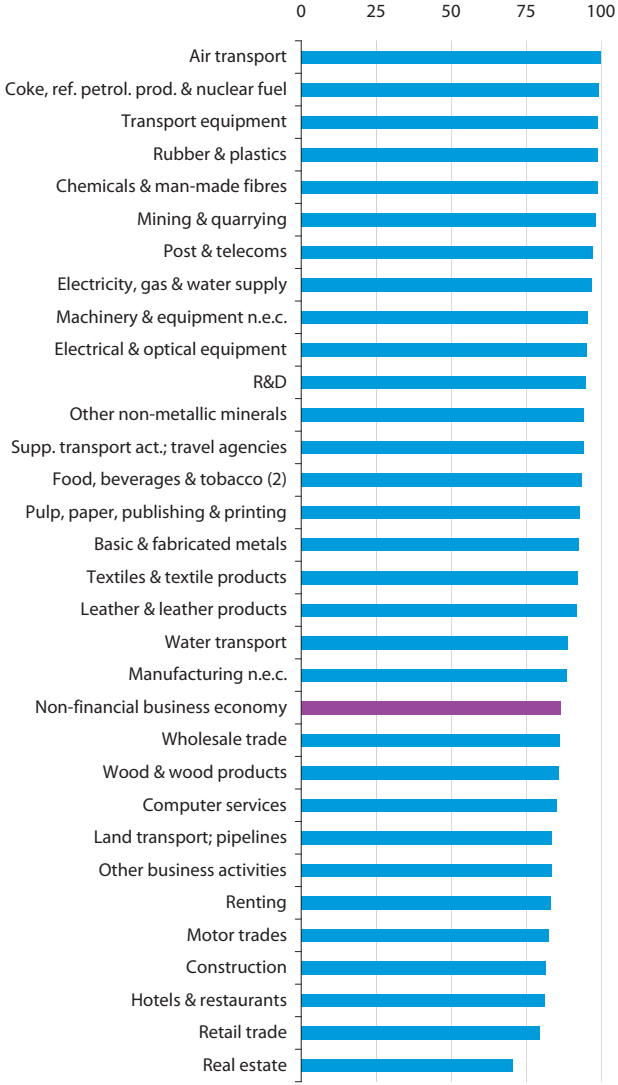
Table 6.1: Labour force characteristics, non-financial business economy, 2006 (% share of total employment)

	Women	Part-time	Younger workers (aged 15-29)	Older workers (aged 50 or more)
EU-27	35.0	14.4	24.2	21.6
BE	31.8	17.0	22.1	19.2
BG	42.0	1.5	20.9	22.0
CZ	36.2	3.9	22.4	25.9
DK	34.4	19.5	26.4	24.6
DE	36.9	22.2	21.1	24.2
EE	42.4	5.7	24.4	26.5
IE (1)	33.1	14.7	35.6	17.7
EL	31.1	4.1	22.9	21.0
ES	32.7	10.0	27.2	18.5
FR	34.3	11.8	23.0	20.6
IT	31.6	12.1	20.3	19.4
CY	35.2	7.1	23.8	25.4
LV	45.9	3.5	26.5	23.7
LT	41.2	5.8	25.3	18.3
LU (2)	32.0	11.7	20.2	17.9
HU	37.8	3.7	23.5	23.2
MT	23.3	9.0	34.3	19.9
NL	33.4	38.3	30.3	20.1
AT	37.5	19.2	26.6	17.6
PL	35.3	6.8	27.8	18.9
PT	36.4	4.9	26.2	20.4
RO	40.8	1.7	24.4	16.0
SI	38.1	6.9	23.7	18.1
SK	36.3	2.0	27.3	18.8
FI	35.3	12.4	25.7	26.7
SE	31.4	17.8	23.1	27.7
UK	34.8	21.8	26.5	25.9
NO	32.9	23.5	26.3	24.7

(1) Part-time, 2004.
(2) 2005.

Source: Eurostat (LFS)

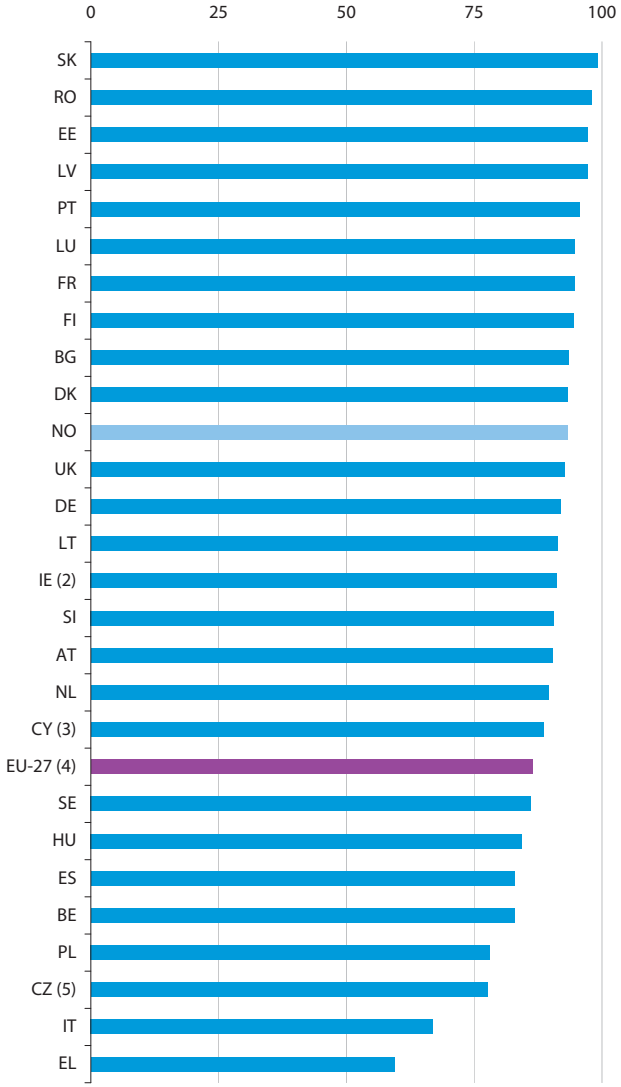
Figure 6.4: Paid employment as a share of total employment, EU-27, 2005 (%) (1)



(1) Including rounded estimates based on non-confidential data.
(2) 2004.

Source: Eurostat (SBS)

Figure 6.5: Paid employment as a share of total employment, non-financial business economy, 2005 (%) (1)



(1) Malta, not available
(2) Excluding electricity, gas, steam and hot water supply (Division 40).
(3) Excluding research and development (Division 73).
(4) Including rounded estimates based on non-confidential data.
(5) 2004.

Source: Eurostat (SBS)

7

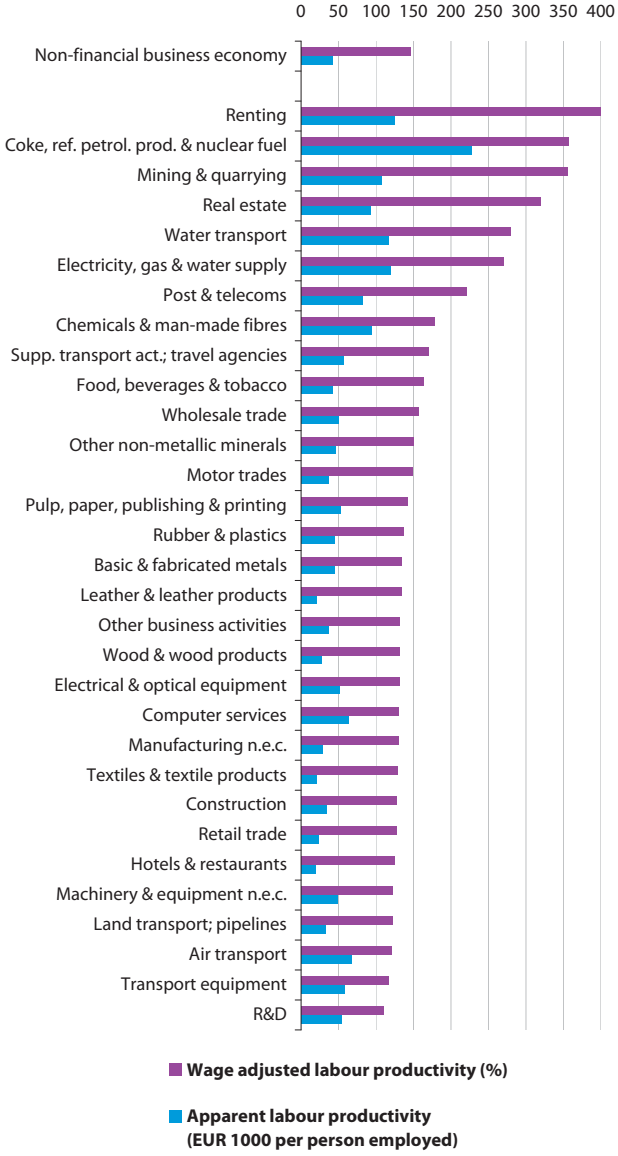
Productivity and profitability

Apparent labour productivity is shown in Figure 7.1, indicating how much value added is generated on average per person employed (EUR 42 000 for the EU-27's non-financial business economy). The figure also shows the wage adjusted labour productivity ratio which compares (in percentage terms) apparent labour productivity to average personnel costs (see Chapter 5 for more details on personnel costs); this ratio is less influenced by differences between countries and activities in the extent of part-time employment and the general level of wages. This ratio was 146 % for the EU-27's non-financial business economy in 2005. Two industrial activities, namely mining and quarrying, and the manufacture of coke, refined petroleum products and nuclear fuel, recorded high wage adjusted labour productivity ratios (356 % and 357 % respectively), reflecting to some extent high productivity in these sectors but also the high prices of fossil fuels and their derivatives in recent years. Renting and real estate also recorded high ratios (400 % and 320 % respectively), partly because the main cost for these two capital-intensive services is often financial expenditure and depreciation.

Figure 7.2 shows the gross operating rate, which is a measure of profitability: this is calculated as the ratio of gross operating surplus relative to turnover, where the gross operating surplus can be calculated as value added minus personnel costs; the EU-27 average for the non-financial business economy in 2005 was 10.6 %. Industrial activities, particularly processing ones, and some distributive trades ranked notably lower in terms of their gross operating rates than they did based on wage adjusted labour productivity ratios, either because of high turnover, or high average personnel costs. In contrast, construction and most other services, particularly computer services, land transport, and hotels and restaurants, ranked higher in terms of this measure of profitability. Mining and quarrying was the only industrial activity that was near the top of both rankings.

Countries with low average personnel costs showed a big difference between their ranking in terms of apparent labour productivity and wage adjusted labour productivity as can be seen in Table 7.2. While output per head was low, the value of output per unit of personnel costs was high: the clearest examples being Bulgaria and Romania which had the lowest apparent labour productivity, but were sixth and seventh respectively in terms of wage adjusted labour productivity.

Figure 7.1: Wage adjusted labour productivity and apparent labour productivity, EU-27, 2005 (1)



(1) Including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Table 7.1: Wage adjusted labour productivity, 2005 (%) (1)

	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	IT	CY	LV	LT
Non-fin. bus. econ. (2)	139	205	162	169	134	183	280	115	147	134	130	147	257	184
Mining & quarrying	199	251	191	3 424	106	172	230	161	179	234	372	239	250	350
Food, bev. & tob.	161	208	203	148	122	158	327	153	180	141	143	150	206	188
Textiles & textile prod.	132	147	128	135	110	128	172	110	120	122	129	118	162	132
Leather & leather prod.	125	126	111	:	119	114	179	112	125	134	130	141	:	103
Wood & wood prod.	166	192	129	137	110	167	179	88	135	128	121	117	263	155
Pulp, paper, printing	140	198	181	137	118	148	490	172	158	120	139	149	190	169
Ref. petr.; nuclear fuel	297	:	434	:	212	359	:	401	1 308	268	307	:	:	688
Chem. & man-made fib.	216	239	264	197	128	281	833	156	181	159	159	190	254	279
Rubber & plastics	158	229	193	147	116	158	158	184	153	128	144	156	243	209
Other non-metal. min.	146	313	211	147	108	236	193	161	189	145	146	210	247	171
Basic & fabric. metals	141	202	170	127	115	155	135	210	149	130	140	149	235	147
Mach. & equip. n.e.c.	140	155	144	125	106	152	175	103	140	125	136	141	167	151
Elec. & optical equip.	141	226	160	135	106	156	336	133	141	121	133	133	224	132
Transport equip.	137	152	220	102	91	153	154	108	143	132	127	126	159	147
Manufacturing n.e.c.	139	:	149	128	107	138	:	78	126	120	127	136	178	134
Elec., gas & water	246	288	388	424	187	394	:	292	420	197	322	397	248	267
Construction	112	:	116	121	114	129	249	118	124	112	122	138	249	149
Motor trades	124	256	129	135	198	175	145	104	142	120	112	124	379	169
Wholesale trade	128	260	183	157	173	206	261	144	151	136	133	164	407	206
Retail trade	129	129	122	131	133	151	145	95	126	130	96	127	196	116
Hotels & restaurants	120	172	115	129	140	157	140	82	114	116	97	140	212	138
Land trans.; pipe.	114	136	141	124	139	170	108	78	125	114	106	57	209	201
Water transport	633	355	:	490	479	-24	:	175	229	191	233	165	149	221
Air transport	142	275	:	83	-43	123	:	82	117	117	156	92	451	36
Other trans.; travel ag.	159	155	168	193	198	270	251	161	159	167	134	170	432	223
Post & telecoms	195	360	290	175	210	362	494	147	348	184	274	239	420	331
Real estate	290	211	253	672	412	455	239	203	323	262	204	951	224	300
Renting	420	577	282	288	718	377	251	209	257	336	274	226	361	243
Computer services	104	155	116	123	128	119	207	124	116	114	106	139	177	173
R&D	119	104	93	80	125	128	122	99	119	114	83	:	149	153
Other business act.	116	149	125	132	139	147	183	91	127	119	130	136	191	168

(1) The Czech Republic, 2004; data not available for some Member States in 2005 were substituted by information for 2004.
(2) Ireland, excluding electricity, gas, steam and hot water supply (Division 40); Cyprus, excluding R&D (Division 73).

Source: Eurostat (SBS)

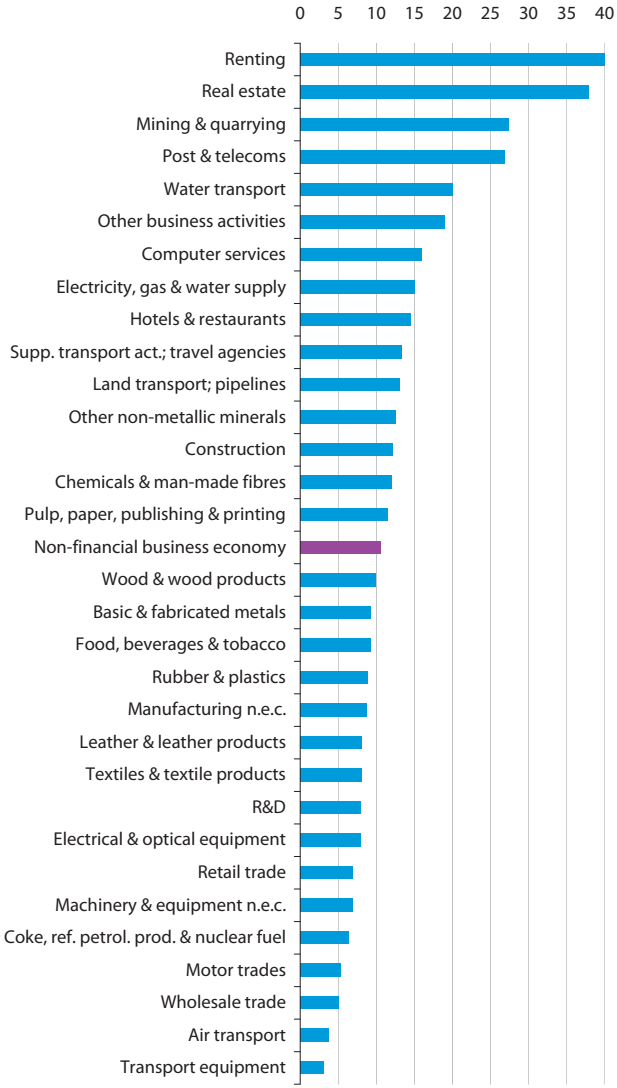
Table 7.1: Wage adjusted labour productivity, 2005 (%) (1) (continued)

	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE	UK	NO
Non-fin. bus. econ.	157	167	:	154	149	211	161	194	137	205	159	132	179	238
Mining & quarrying	202	224	:	1 077	293	183	236	216	112	248	226	290	764	1 359
Food, bev. & tob.	156	173	:	196	149	362	178	216	133	154	149	130	201	145
Textiles & textile prod.	260	122	:	121	129	140	122	131	114	115	138	118	154	125
Leather & leather prod.	:	112	:	127	144	149	:	126	124	:	136	116	168	103
Wood & wood prod.	215	136	:	128	142	195	153	177	117	168	137	127	168	124
Pulp, paper, printing	149	155	:	139	165	218	175	208	138	228	162	133	159	132
Ref. petr.; nuclear fuel	:	399	:	85	:	1 956	409	282	79	:	493	235	193	88 729
Chem. & man-made fib.	128	266	:	265	199	284	192	203	194	185	216	231	200	193
Rubber & plastics	130	173	:	150	149	227	161	220	168	201	160	118	154	134
Other non-metal. min.	191	208	:	148	159	245	172	232	155	208	179	126	173	146
Basic & fabric. metals	139	161	:	147	163	199	154	161	153	225	170	133	148	168
Mach. & equip. n.e.c.	135	142	:	141	149	184	148	122	140	152	142	112	144	120
Elec. & optical equip.	170	258	:	141	148	191	151	159	132	165	217	156	159	130
Transport equip.	178	269	:	166	171	240	148	149	160	200	133	124	146	119
Manufacturing n.e.c.	145	140	:	117	131	176	133	160	123	175	135	85	162	129
Elec., gas & water	312	245	:	299	220	328	358	221	217	510	398	383	462	466
Construction	124	148	:	108	129	170	150	159	103	173	133	109	179	118
Motor trades	139	157	:	133	125	178	136	269	160	178	143	118	181	128
Wholesale trade	150	183	:	168	152	239	165	250	159	186	162	125	181	153
Retail trade	137	106	:	139	121	150	147	169	135	186	143	106	151	133
Hotels & restaurants	133	109	:	138	122	140	123	164	117	151	123	104	153	115
Land trans.; pipe.	132	122	:	129	132	147	133	181	100	139	125	115	136	195
Water transport	306	169	:	229	163	290	287	:	173	217	140	132	245	284
Air transport	173	58	:	152	91	239	136	:	122	-27	140	76	209	126
Other trans.; travel ag.	96	193	:	172	168	175	204	147	150	246	146	119	180	170
Post & telecoms	469	261	:	275	200	314	322	333	222	339	178	140	196	215
Real estate	:	248	:	386	399	283	272	384	283	175	379	356	280	498
Renting	562	430	:	443	705	358	428	971	157	275	302	270	329	236
Computer services	95	109	:	125	113	129	133	184	119	139	124	108	161	119
R&D	:	85	:	108	119	148	55	115	103	91	89	69	107	103
Other business act.	142	101	:	121	126	167	129	221	102	166	124	104	163	126

(1) Data not available for some Member States in 2005 were substituted by information for 2004.

Source: Eurostat (SBS)

Figure 7.2: Gross operating rate, EU-27, 2005 (%) (1)



(1) Including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Table 7.2: Productivity and profitability indicators, non-financial business economy, 2005

	Apparent labour productivity (EUR 1000 per person employed)	Wage adjusted labour productivity (%)	Gross operating rate (%)
EU-27 (1)	42.0	146.0	10.6
BE	59.6	139.1	11.4
BG	5.4	204.7	9.2
CZ (2)	14.7	161.6	14.3
DK	64.3	169.4	18.8
DE	52.3	133.5	9.4
EE	14.8	182.6	12.7
IE (3)	94.0	279.8	25.7
EL	25.9	115.3	17.7
ES	36.9	147.4	14.4
FR	52.8	133.5	9.4
IT	39.5	129.9	13.4
CY (4)	35.3	146.9	22.1
LV	10.9	257.4	19.6
LT	9.5	184.4	14.9
LU	63.6	157.2	11.2
HU	16.0	166.8	12.1
MT	:	:	:
NL	51.7	154.4	9.8
AT	54.3	148.9	15.0
PL	16.1	210.7	20.2
PT	21.0	161.0	12.3
RO	7.0	194.4	13.2
SI	25.0	137.1	9.6
SK	16.3	205.3	13.3
FI	61.3	158.8	12.6
SE	56.8	131.9	12.2
UK	56.4	178.8	20.4
NO	115.3	238.4	20.8

(1) Including rounded estimates based on non-confidential data.
(2) 2004.
(3) Excluding electricity, gas, steam and hot water supply (Division 40).
(4) Excluding research and development (Division 73).

Source: Eurostat (SBS)

8

Production and trade

Statistics by product (PRODCOM)

PRODCOM provides information on the value and quantity of sold production: the measurement is done at the time of sale by the producer, and so the sale may be to an intermediary (distributor) or to a consumer, and as such may be destined for domestic or export markets. Commodities are specified in the PRODCOM list, which includes around 4 500 products and which is updated each year. Table 8.1 illustrates the information that is available in quantity terms, where the measurement unit used varies depending on the nature of the product. For example, in the EU-27 producers sold around 14 million flat panel colour televisions in 2006, with a total value of EUR 8.2 billion. Table 8.2 shows products with the highest values of production sold in the EU-27 in 2006: note that this ranking excludes a few products. Tables 8.3 and 8.4 both give an idea of the detail available from this source, each providing information on the sold production of all specific products within a particular subcategory, in one case hand-held power tools and in the other chocolate.

Table 8.1: Selected manufactured products - sold production, EU-27, 2006

Code	Product name	Unit	Quantity (million)	Value (EUR million)
27.10.32.10	Flat semi-finished products (slabs) (of stainless steel)	kg	600	1 214
26.51.12.30	Grey Portland cement (including blended cement)	kg	216 207	15 345
15.93.11.30	Champagne (important: excluding alcohol duty)	litres	242	4 181
24.52.11.50	Perfumes	litres	35	470
24.11.11.70	Oxygen	m^3	27 278	2 049
20.10.10.34	Coniferous wood; sawn or chipped lengthwise; sliced or peeled; of a thickness > 6mm; planed (excluding end-jointed or sanded)	m^3	19	3 566
16.00.11.50	Cigarettes containing tobacco or mixtures of tobacco and tobacco substitutes (excluding tobacco duty)	units	802 726	13 215
32.30.20.60	Flat panel colour TV receivers, LCD/plasma, etc. excluding television projection equipment, apparatus with video recorder/player, video monitors, television receivers with integral tube	units	14	8 187

Source: Eurostat (PRODCOM)

Table 8.2: Largest manufactured products in terms of sold production, EU-27, 2006 (1)

Code	Product name	Value (EUR million)
34.10.22.30	Motor vehicles with a petrol engine > 1500 cm^3 (including motor caravans of a capacity > 3000 cm^3) (excl. vehicles for transporting >= 10 persons, snowmobiles, golf cars and similar vehicles)	119 405
34.10.23.30	Motor vehicles with a diesel or semi-diesel engine > 1500 cm^3 but <= 2500 cm^3 (excl. vehicles for transporting >= 10 persons, motor caravans, snowmobiles, golf cars and similar vehicles)	96 646
15.70.10.Z3	Preparations for animal feeds (excl. dog or cat food) (2)	30 386
15.96.10.00	Beer made from malt (excl. non-alcoholic beer, beer containing <= 0.5% by volume of alcohol, alcohol duty)	29 359
32.20.11.70	Radio transmission apparatus with reception apparatus	26 906
15.81.11.00	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) (2)	23 233
26.63.10.00	Ready-mixed concrete	22 682
15.51.40.50	Grated; powdered; blue-veined and other non-processed cheese (excl. fresh cheese; whey cheese and curd) (2)	21 672
21.21.13.00	Cartons; boxes and cases of corrugated paper or paperboard	18 813
15.81.12.00	Cake and pastry products; other baker's wares with added sweetening matter	18 219
15.13.12.15	Sausages not of liver (2)	17 704
34.10.41.10	Goods vehicles with a diesel or semi-diesel engine, of a gross vehicle weight <= 5 tonnes (excl. dumpers for off-highway use)	16 850
34.10.23.10	Motor vehicles with a diesel or semi-diesel engine <= 1500 cm^3 (excl. vehicles for transporting >= 10 persons, snowmobiles, golf cars and similar vehicles)	16 241
26.51.12.30	Grey Portland cement (including blended cement)	15 345
34.10.13.00	Vehicle compression-ignition internal combustion piston engines (diesel or semi-diesel) (excl. for railway or tramway rolling stock)	14 712
27.10.60.20	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)	13 801

(1) 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.
(2) Estimates.

Source: Eurostat (PRODCOM)

Table 8.3: Sold production of chocolate and food preparations containing cocoa, EU-27, 2006

Code	Product name	Value (EUR million)	Quantity (tonnes)
15.84.22.33	Filled chocolate blocks; slabs or bars consisting of a centre (including of cream, liqueur or fruit paste; excluding chocolate biscuits)	3 284	790 053
15.84.22.39	Chocolate blocks; slabs or bars (excl. filled, with added cereal; fruit or nuts, chocolate biscuits)	3 061	567 751
15.84.22.45	Chocolates (excl. those containing alcohol, in blocks; slabs or bars)	2 813	463 429
15.84.22.53	Filled chocolate confectionery (excl. in blocks; slabs or bars, chocolate biscuits, chocolates)	2 010	356 925
15.84.22.35	Chocolate blocks; slabs or bars with added cereal; fruit or nuts (excl. filled, chocolate biscuits)	1 857	410 123
15.84.22.55	Chocolate confectionery (excl. filled, in blocks; slabs or bars, chocolate biscuits, chocolates)	1 681	327 607
15.84.22.70	Chocolate spreads	1 330	445 192
15.84.22.43	Chocolates containing alcohol (excl. in blocks; slabs or bars)	682	108 343
15.84.22.60	Sugar confectionery and substitutes thereof made from sugar substitution products; containing cocoa (including chocolate nougat) (excl. white chocolate)	615	177 478
15.84.22.90	Food products with cocoa (excl. cocoa paste, butter, powder, blocks, slabs, bars, liquid, paste, powder, granular, other bulk form in pack>2kg, to make beverages, chocolate spreads)	462	186 547
15.84.22.80	Preparations containing cocoa for making beverages	431	178 118
15.84.22	**Total for chocolate and food preparations containing cocoa (except sweetened cocoa powder), other than in bulk**	**18 313**	**4 011 566**

Source: Eurostat (PRODCOM)

Table 8.4: Sold production of portable hand held power tools, EU-27, 2006

Code	Product name	Value (EUR million)	Quantity (1000)
29.41.11.07	Chainsaws with a self-contained non-electric motor	695	c
29.41.11.03	Pneumatic rotary-type hand tools (including combined rotary-percussion)	277	795
29.41.11.51	Electro-mechanical angle grinders	270	c
29.41.11.17	Electro-mechanical hand drills of all kinds (excl. those operated without an external source of power, electropneumatic)	254	2 843
29.41.11.15	Electropneumatic hand drills (including drilling, tapping or reeming machines, boring machines and rock drills)	160	1 878
29.41.11.09	Handtools, hydraulic or with a self-contained non-electric motor (excl. chainsaws)	152	2 812
29.41.11.55	Electro-mechanical hand-held grinders and sanders (excl. angle grinders, belt sanders)	93	2 347
29.41.11.27	Electro-mechanical handsaws (excl. chainsaws, circular saws)	87	1 246
29.41.11.25	Electro-mechanical circular saws	83	629
29.41.11.13	Electro-mechanical hand drills operated without an external source of power	79	c
29.41.11.53	Electro-mechanical belt sanders	77	466
29.41.11.05	Pneumatic hand tools (excl. rotary type)	76	747
29.41.11.35	Electro-mechanical hand tools operated without an external source of power (excl. drills, saws, those used for working textile materials)	71	c
29.41.11.23	Electro-mechanical chainsaws	71	854
29.41.11.80	Electro-mechanical hedge trimmers and lawn edge cutters	40	1 074
29.41.11.33	Electro-mechanical hand tools used for working textile materials (excl. drills, saws)	12	11
29.41.11.57	Electro-mechanical hand-held planers (excl. those operated without an external source of power)	11	148
29.41.11.90	Other electric tools	465	4 855
29.41.11	**Total for portable hand held power tools**	**2 971**	-

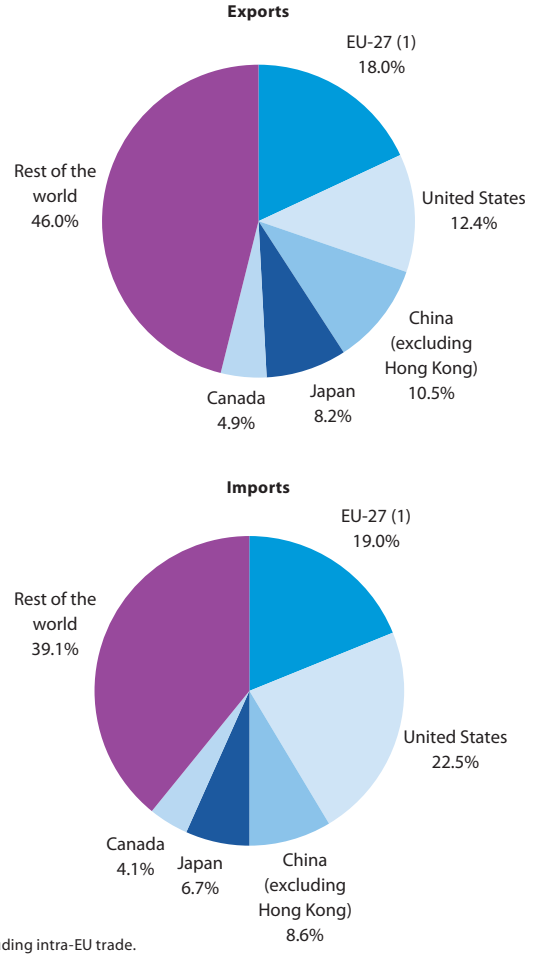
Source: Eurostat (PRODCOM)

Position in world trade

Figure 8.1 shows the importance of the EU-27 as a trading entity (its share in world trade): not counting intra-Community trade it accounted for 18.0 % of world exports of goods in 2005 and 19.0 % of imports. This is a larger share of world exports than the United States, China or Japan, while in terms of imports the United States was ahead of the EU as the most important destination for goods.

In 2006 EU-27 exports of goods were valued at EUR 1 157 billion, and imports at EUR 1 350 billion: resulting in a cover ratio (exports

Figure 8.1: Share of world trade in industrial goods, 2005



(1) Excluding intra-EU trade.

Source: Eurostat (Comext); IMF

as a percentage of imports) of 85.7 %. Note that for the EU-27 external trade is measured with the rest of the world whereas for Member States the trade statistics that are presented include trade carried out between the Member States (intra-EU) as well as that carried out with non-Community countries (extra-EU). Table 8.5 shows the share of EU exports and imports of goods of each Member State, as well as their share of intra-Community trade. Denmark, Germany, Ireland, Finland and Sweden all recorded a cover ratio above 100 % in both intra- and extra-EU trade, indicating a trade surplus in both markets.

Table 8.5: External trade of industrial goods, 2006 (%)

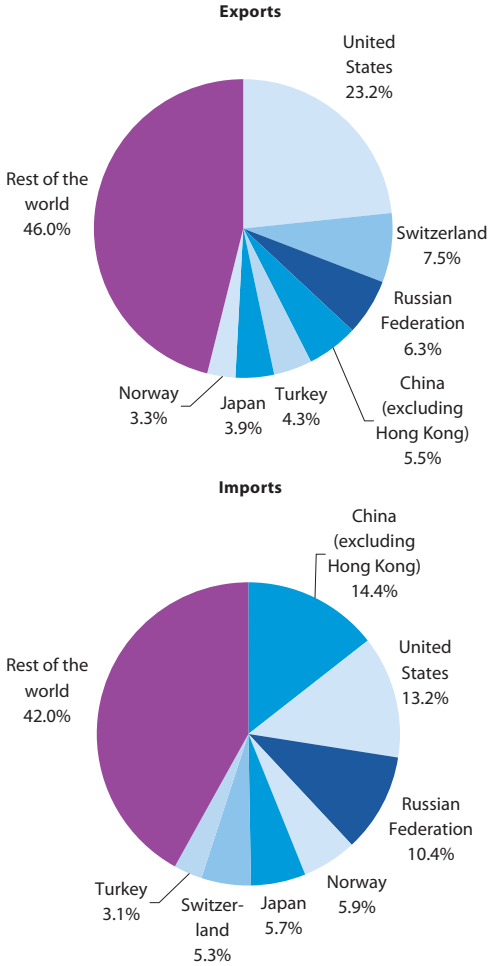
	Intra-EU			Extra-EU		
	Share of exports by EU-27 Member States	Share of imports by EU-27 Member States	Cover ratio	Share of EU-27 exports	Share of EU-27 imports	Cover ratio
EU-27	100.0	100.0	-	100.0	100.0	85.7
BE	9.0	8.4	111.3	5.9	5.8	86.3
BG	0.3	0.4	74.5	0.4	0.4	79.6
CZ	2.6	2.5	108.4	0.9	1.1	75.5
DK	2.1	2.1	106.0	1.9	1.4	111.3
DE	22.7	19.2	122.3	27.8	19.4	122.4
EE	0.2	0.3	63.5	0.2	0.2	93.4
IE	2.3	1.6	142.2	2.8	1.4	174.5
EL	0.4	1.2	36.4	0.5	1.6	28.6
ES	4.7	6.4	75.7	4.1	7.3	48.1
FR	10.2	12.2	86.8	11.7	9.8	102.4
IT	7.9	8.2	99.6	11.2	11.1	86.3
CY	0.0	0.2	19.8	0.0	0.1	18.5
LV	0.1	0.3	50.6	0.1	0.2	62.5
LT	0.3	0.4	74.2	0.4	0.4	71.3
LU	0.7	0.6	109.5	0.2	0.5	29.6
HU	1.9	1.8	109.6	1.1	1.4	67.2
MT	0.0	0.1	49.8	0.1	0.1	102.9
NL	11.7	6.8	177.2	6.6	12.4	45.6
AT	3.3	3.7	90.6	2.6	1.6	138.3
PL	2.8	3.0	95.1	1.6	2.0	67.6
PT	1.1	1.7	66.5	0.7	1.0	60.3
RO	0.7	1.1	70.4	0.7	1.1	51.4
SI	0.5	0.6	84.9	0.5	0.3	136.9
SK	1.2	1.1	104.4	0.4	0.7	49.0
FI	1.4	1.5	100.3	2.3	1.5	132.2
SE	2.8	2.9	100.3	4.0	2.3	153.1
UK	9.1	11.8	79.7	11.4	15.0	65.4

Source: Eurostat (Comext)

Main trading partners

In 2006 the United States remained the EU-27's largest single export market for goods, accounting for just under a quarter (23.2 %) of the EU-27's exports. Switzerland was the second largest export market, followed by the Russian Federation and China. The origin of EU-27 imports of goods has changed in recent years, with a marked increase in imports from China the most notable change, reaching a 14.4 % share by 2006, pulling away from the United States. The Russian Federation and Norway, both exporters of oil

Figure 8.2: EU-27 trading partners for industrial goods, 2006 (%)

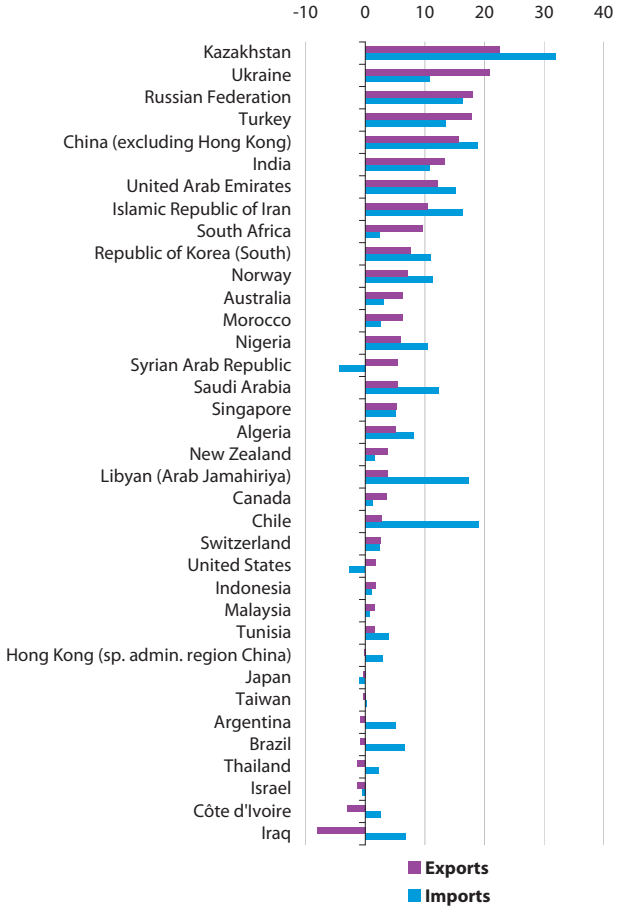


Source: Eurostat (Comext)

and gas, were the next largest providers of EU-27 imports of goods in 2006.

Figure 8.3 shows the annual average growth rate between 2001 and 2006 of the value of EU-27 exports and imports of goods with selected partners. The largest increases in exports have mainly been to countries of the Confederation of Independent States, and to Turkey, China and India. The largest increases in imports have been from oil and gas producing countries, as well as from China, Turkey, South Korea and India.

Figure 8.3: Main trade partners for industrial goods, average annual growth of exports and imports, EU-27, 2001-2006 (% per annum)

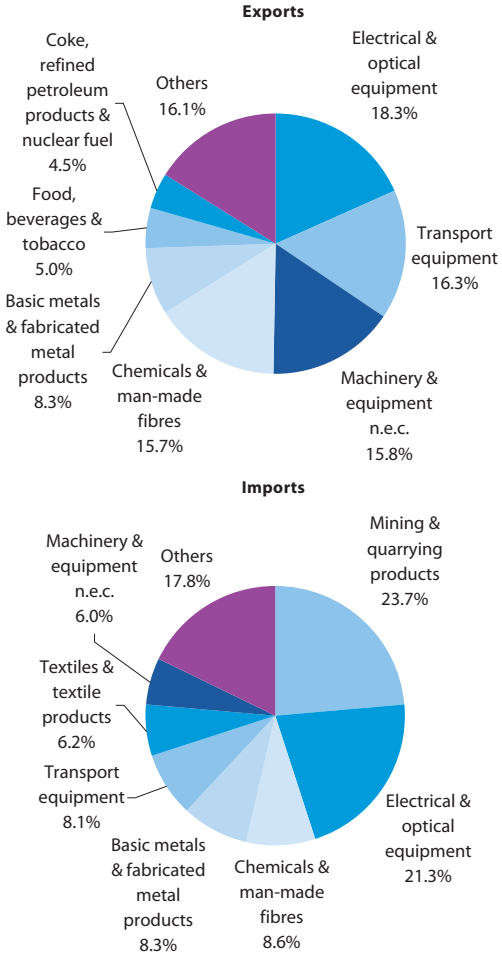


Source: Eurostat (Comext)

Main traded products

Mining and quarrying products, including oil, gas, metals and other minerals, accounted for close to one quarter of all imported industrial goods in 2006, while a large share of the EU-27's exports and imports of industrial goods were made-up of electrical and optical equipment and chemicals and chemical products. Transport equipment and other machinery and equipment were also among the largest export product groups.

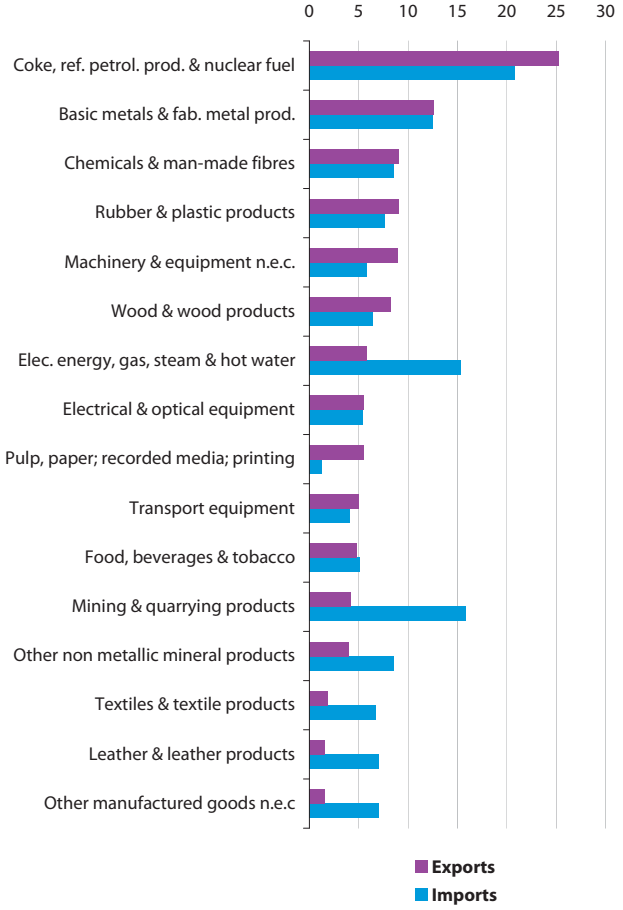
Figure 8.4: Breakdown of EU-27 trade in industrial goods, 2006 (%)



Source: Eurostat (Comext)

As can be seen from Figure 8.5 the high share of mining and quarrying products in imports is in part the result of high growth in the last few years, with other energy-related product groups recording large increases as well as basic metals and metal products. The strongest growth in exports was recorded for processed energy products (coke, refined petroleum products and nuclear fuel) as well as for basic metals and metal products.

Figure 8.5: Average annual growth of exports and imports of industrial goods, EU-27, 2001-2006 (% per annum)



Source: Eurostat (Comext)

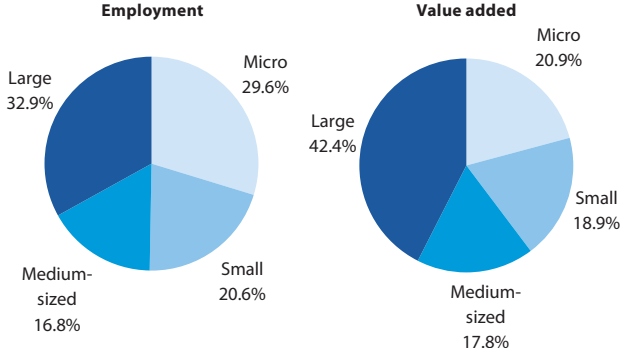
9

Size class analysis

Enterprises, value added and employment

Large enterprises with over 250 persons employed made up just 0.2 % of the non-financial business population in 2005, but provided nearly one third of employment and over two fifths of value added. As can be seen from Table 9.1 small and medium-sized enterprises (SMEs), with between 1 and 249 persons employed, accounted for a very large proportion of value added in the construction sector, and also in several services sectors, most notably real estate services. Within industry, the activities with the highest contribution of SMEs to value added were the manufacture of leather and leather products, and of wood and wood products. SMEs' contribution to value added was smallest for fuel processing, and for post and telecommunications, in both cases less than 10 %. SMEs were most common in Italy, where nearly one fifth of the EU-27's SMEs were located, whereas less than 10 % were in Germany and the United Kingdom (see Table 9.2); Cyprus, Portugal and Greece had a larger proportion of their national employment in SMEs than did Italy, while Slovakia had the lowest share, just below the United Kingdom – see Figure 9.3. For more information, see the special topic 'Small and medium-sized enterprises (SMEs)' on the European business dedicated section of the Eurostat website: http://ec.europa.eu/eurostat/europeanbusiness.

Figure 9.1: Employment and value added by enterprise size class, non-financial business economy, EU-27, 2005 (1)



(1) Including rounded estimates based on non-confidential data; micro enterprises (1-9 persons employed); small enterprises (10-49 persons employed); medium-sized enterprises (50-249 persons employed); large enterprises (250 or more persons employed).

Source: Eurostat (SBS)

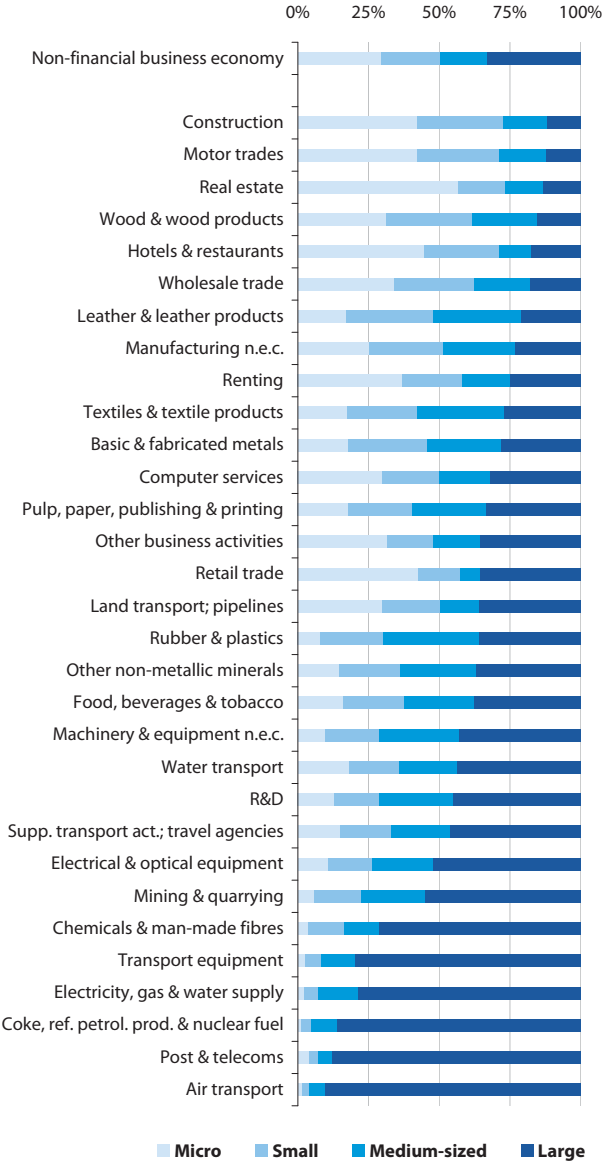
Table 9.1: Main indicators for SMEs (1-249 persons employed) and shares in sectoral totals, EU-27, 2005 (1)

	Enterprises		Employment		Value added	
	(1000)	(%)	(1000)	(%)	(EUR billion)	(%)
Non-fin. bus. econ.	19 602	100	85 000	67	3 090	58
Mining & quarrying	21	99	234	30	28	34
Food, bev. & tob.	307	99	2 960	62	89	45
Textiles & textile prod.	227	99	1 905	73	39	73
Leather & leather prod.	45	100	446	79	9	78
Wood & wood prod.	197	100	1 080	84	27	78
Pulp, paper, printing	237	99	1 706	67	73	55
Ref. petr.; nuclear fuel	1	90	24	14	3	7
Chem. & man-made fib.	32	96	671	36	46	26
Rubber & plastics	65	99	1 110	65	44	58
Other non-metal. min.	105	99	1 009	63	39	53
Basic & fabric. metals	416	99	3 640	72	138	62
Mach. & equip. n.e.c.	174	99	2 077	57	91	51
Elec. & optical equip.	204	99	1 750	48	72	38
Transport equip.	43	96	650	21	24	13
Manufacturing n.e.c.	250	100	1 525	77	43	75
Elec., gas & water	27	96	346	22	40	21
Construction	2 791	100	11 942	88	386	83
Motor trades	789	100	3 606	88	120	80
Wholesale trade	1 710	100	7 991	82	370	77
Retail trade	3 755	100	11 029	64	223	57
Hotels & restaurants	1 643	100	7 280	82	127	76
Land trans.; pipe.	925	100	3 540	64	106	59
Water transport	18	100	120	56	14	56
Air transport	3	94	40	10	5	19
Other trans.; travel ag.	181	99	1 409	54	68	46
Post & telecoms	69	99	375	12	21	8
Real estate	1 009	100	2 340	87	220	89
Renting	145	100	464	75	57	76
Computer services	520	100	1 800	67	98	57
R&D	39	99	223	56	10	46
Other business act.	3 650	100	12 000	66	459	70

(1) Data in percentage terms relate to the share of SMEs in the activity of all enterprises in the sector (i.e. including large enterprises); including rounded estimates based on non-confidential data.

Source: Eurostat (SBS)

Figure 9.2: Share of employment by size class, EU-27, 2005 (%) (1)



(1) Including rounded estimates based on non-confidential data; micro enterprises (1-9 persons employed); small enterprises (10-49 persons employed); medium-sized enterprises (50-249 persons employed); large enterprises (250 or more persons employed).

Source: Eurostat (SBS)

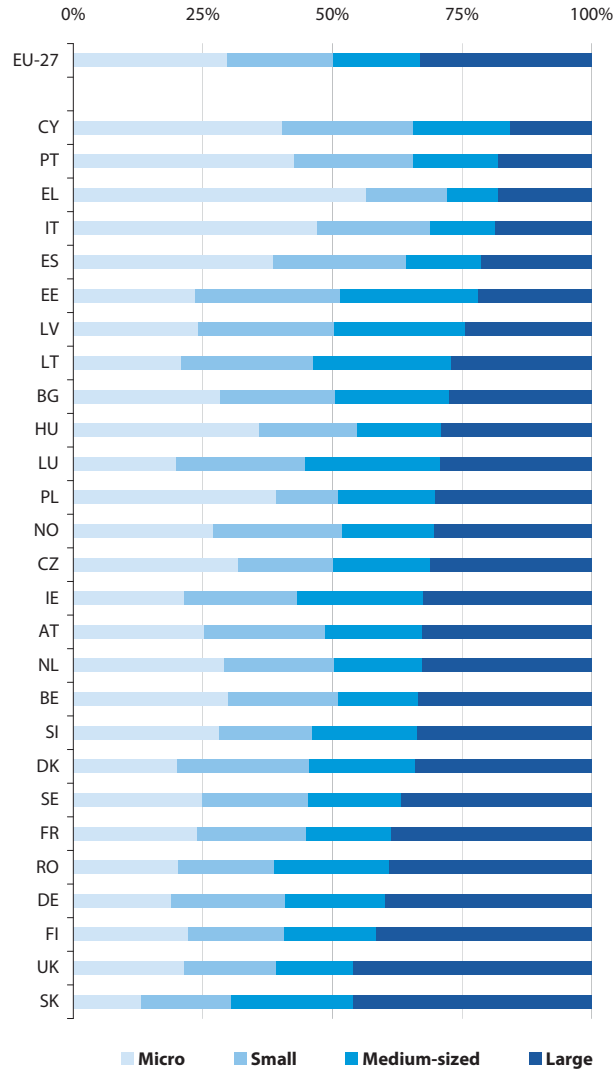
Table 9.2: Main indicators for SMEs (1-249 persons employed) in the non-financial business economy and shares of SMEs in total activity in the non-financial business economy, 2005 (1)

	Enterprises		Employment		Value added	
	(1000)	(%)	(1000)	(%)	(EUR billion)	(%)
EU-27	19 602	99.8	85 000	67.1	3 090.0	57.6
BE	395	99.8	1 602	66.6	82.8	57.8
BG	240	99.7	1 318	72.6	5.2	53.2
CZ	878	99.8	2 461	68.9	29.8	56.7
DK	202	99.7	1 129	66.0	67.5	64.8
DE	1 654	99.5	12 357	60.6	553.2	53.2
EE	38	99.6	305	78.1	4.3	75.1
IE	85	99.5	654	67.5	53.0	58.2
EL	820	99.9	2 031	81.9	44.4	69.6
ES	2 542	99.9	10 538	78.7	339.0	68.5
FR	2 274	99.8	8 834	61.4	412.2	54.2
IT	3 819	99.9	12 182	81.3	419.9	70.9
CY	43	99.9	174	84.3	5.2	80.0
LV	62	99.7	469	75.6	4.8	71.1
LT	93	99.7	619	72.9	4.6	58.5
LU	23	99.6	144	66.8	8.7	58.5
HU	556	99.8	1 783	70.9	20.1	50.2
MT	:	:	:	:	:	:
NL	492	99.7	3 146	67.6	145.9	61.5
AT	272	99.7	1 589	67.4	76.5	60.0
PL	1 405	99.8	5 289	69.8	59.1	48.4
PT	848	99.9	2 676	82.0	46.6	67.8
RO	410	99.5	2 463	60.8	13.4	48.4
SI	88	99.7	371	66.4	8.3	60.6
SK	42	98.8	501	54.0	6.7	44.5
FI	187	99.7	717	58.5	40.2	53.9
SE	523	99.8	1 667	63.2	83.2	55.6
UK	1 535	99.6	9 636	54.0	500.7	51.0
NO	241	99.8	895	69.6	101.5	68.6

(1) Data in percentage terms relate to the share of SMEs in the total activity of all enterprises in the non-financial business economy (i.e. including large enterprises); EU-27: including rounded estimates based on non-confidential data; data not available for some Member States in 2005 were substituted by information for 2004; there are a limited number of activity-country pairings for which no information was available.

Source: Eurostat (SBS)

Figure 9.3: Share of employment by size class, non-financial business economy, 2005 (%) (1)



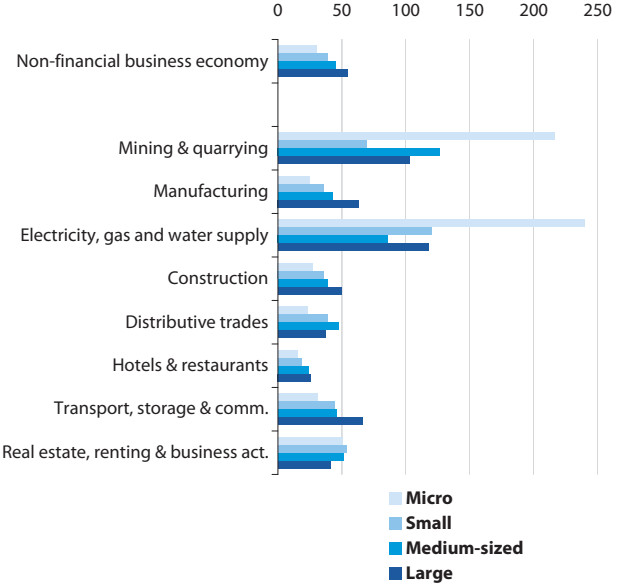
(1) EU-27: including rounded estimates based on non-confidential data; micro enterprises (1-9 persons employed); small enterprises (10-49 persons employed); medium-sized enterprises (50-249 persons employed); large enterprises (250 or more persons employed); data not available for some Member States in 2005 were substituted by information for 2004; there are a limited number of activity-country pairings for which no information was available.

Source: Eurostat (SBS)

Productivity by enterprise size class

As has been seen, large and medium-sized enterprises generally contribute a higher share of sectoral value added than employment, while the reverse is true for micro and small enterprises. This indicates a relatively high apparent labour productivity (value added per person employed) among medium-sized and large enterprises, which is confirmed by Figure 9.4, where apparent labour productivity steadily increases across the four size classes shown for the non-financial business economy. This pattern is repeated for manufacturing, construction, hotels and restaurants, and transport and communications. In contrast, distributive trades and also real estate, renting and business activities recorded a peak in apparent labour productivity among medium-sized and small enterprises respectively. For mining and quarrying, and for electricity, gas and water supply, micro enterprises had by far the highest apparent labour productivity, however it should be noted that there are relatively few enterprises in these activities and their share of total sectoral value added and employment is small (as can be seen in Figure 9.2).

Figure 9.4: Apparent labour productivity by size class, EU-27, 2005 (EUR 1 000 per person employed) (1)



(1) Including rounded estimates based on non-confidential data; micro enterprises (1-9 persons employed); small enterprises (10-49 persons employed); medium-sized enterprises (50-249 persons employed); large enterprises (250 or more persons employed); data not available for 2005 were substituted by information for 2004.

Source: Eurostat (SBS)

Table 9.3: Apparent labour productivity by size class, EU-27, 2005 (EUR 1 000 per person employed) (1)

	SME	Micro	Small	Med.-sized	Large
Non-fin. bus. econ.	36.4	29.9	38.7	44.8	54.4
Mining & quarrying	119.0	216.1	69.2	126.6	102.6
Food, bev. & tob.	30.2	21.0	28.1	37.6	61.3
Textiles & textile prod.	20.4	16.4	21.8	21.5	20.4
Leather & leather prod.	20.1	17.9	21.2	20.0	21.1
Wood & wood prod.	25.4	19.4	27.5	30.9	38.8
Pulp, paper, printing	43.0	30.7	42.2	52.0	71.6
Ref. petr.; nuclear fuel	113.2	37.0	116.7	121.8	245.7
Chem. & man-made fib.	68.1	40.0	57.6	76.6	109.1
Rubber & plastics	39.3	29.3	38.0	42.5	52.0
Other non-metal. min.	38.9	22.8	40.3	46.3	58.3
Basic & fabric. metals	37.8	28.5	39.0	43.0	59.9
Mach. & equip. n.e.c.	44.0	33.3	43.5	48.1	55.8
Elec. & optical equip.	41.3	29.1	40.9	47.6	61.5
Transport equip.	38.0	15.1	38.2	43.0	60.0
Manufacturing n.e.c.	28.2	21.2	31.0	32.4	32.0
Elec., gas & water	110.0	239.3	120.1	86.0	117.8
Construction	32.4	27.4	35.9	38.8	49.4
Motor trades	33.0	24.5	40.0	48.0	61.0
Wholesale trade	46.1	34.1	50.7	60.0	64.0
Retail trade	20.2	17.2	25.9	26.4	27.7
Hotels & restaurants	17.5	15.4	18.6	23.6	25.8
Land trans.; pipe.	30.0	25.0	34.4	34.6	36.6
Water transport	115.0	113.0	132.9	102.5	120.0
Air transport	130.0	72.5	150.0	142.1	60.0
Other trans.; travel ag.	48.3	44.0	50.7	49.8	66.4
Post & telecoms	55.5	40.7	73.8	54.9	85.2
Real estate	94.0	93.0	91.3	105.7	78.8
Renting	120.0	120.0	99.5	157.9	120.4
Computer services	53.0	40.0	57.4	71.9	85.6
R&D	44.6	38.0	41.2	49.9	64.8
Other business act.	39.4	37.5	45.3	37.3	30.0

(1) Including rounded estimates based on non-confidential data; SME (1-249 persons employed); micro enterprises (1-9 persons employed); small enterprises (10-49 persons employed); medium-sized enterprises (50-249 persons employed); large enterprises (250 or more persons employed); data not available for 2005 were substituted by information for 2004.

Source: Eurostat (SBS)

10

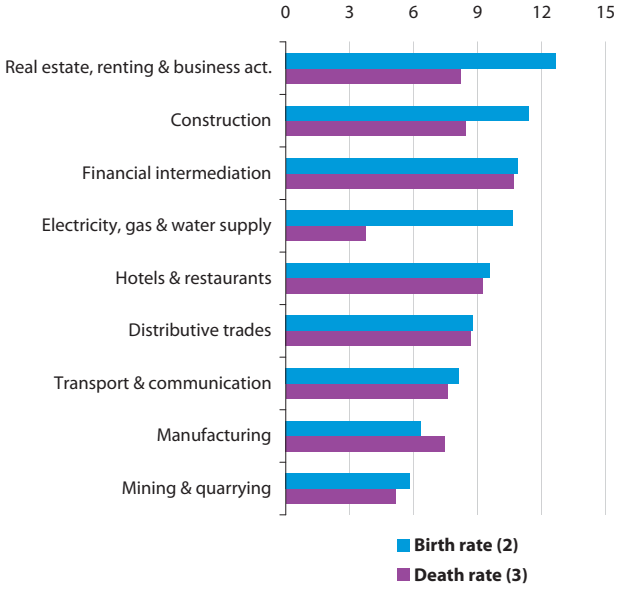
Business demography

Enterprise birth and death rates

Business demography statistics provide information on the births, deaths and survival rates of enterprises, and the employment impact of those events. Business demography data has been collected on a voluntary basis since 2002. From 2009 onwards, the business demography data collection will become part of the regular annual data collection of SBS. For more information, see the special topic 'Business demography' on the European business dedicated section of the Eurostat website: http://ec.europa.eu/eurostat/europeanbusiness.

Figure 10.1 shows the average enterprise birth and death rates in 2005. Real estate, renting and business activities, as well as construction recorded the highest enterprise birth rates, while electricity, gas and water supply recorded the largest difference

Figure 10.1: Enterprise birth and death rates, average of available countries, 2005 (%) (1)

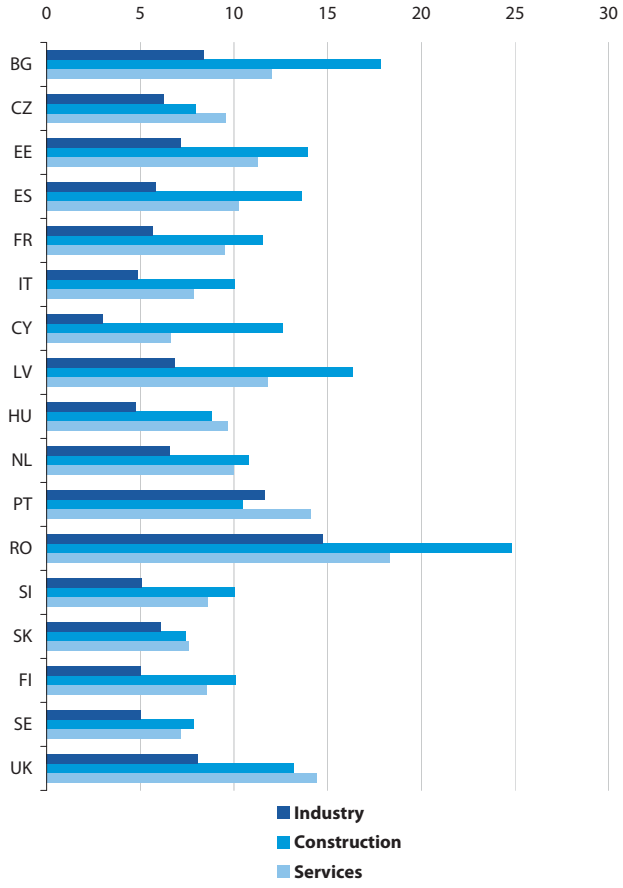


(1) Average based on information for: Bulgaria, the Czech Republic, Estonia, Spain, France, Italy, Cyprus, Latvia, Hungary, the Netherlands, Portugal, Romania, Slovakia, Finland, Sweden and the United Kingdom; financial intermediation (Section J), excluding France.
(2) Also including Slovenia, 2004; transport and communications and financial intermediation (Sections I and J), 2004 for Bulgaria.
(3) Excluding Cyprus; Bulgaria, the Czech Republic, Italy, Hungary, the Netherlands, Portugal, Slovakia and Finland, 2004.

Source: Eurostat (SBS)

between enterprise birth and death rates. Manufacturing was the only sector (at the NACE section level) where the enterprise death rate exceeded the birth rate. Relatively low enterprise birth rates in industry were common: Figure 10.2 shows that this sector had consistently the lowest enterprise birth rate when compared with construction and services, with the exception of Portugal. In many Member States the construction sector recorded the highest enterprise birth rate. Romania stood out with the highest enterprise birth rates for each of the three sectors, with Portugal second in industry, Bulgaria in construction, and the United Kingdom in services.

Figure 10.2: Enterprise birth rates, 2005 (%) (1)



(1) Slovenia, 2004; France, services excluding financial intermediation.

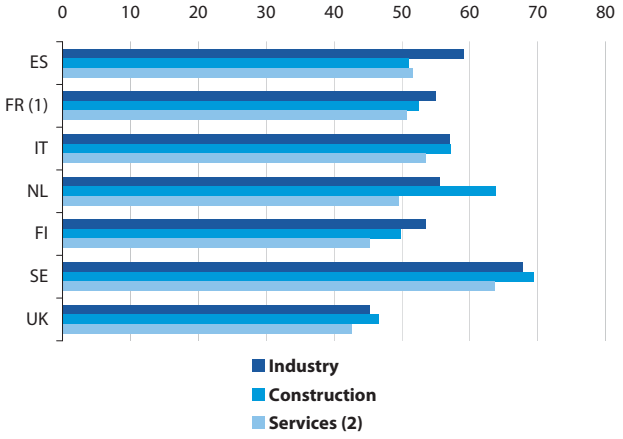
Source: Eurostat (SBS)

Survival and employment effects

European business demography statistics have been compiled long enough such that a five year analysis of survival rates of newly created enterprises is available for the Member States that have contributed to the project since its inception. Figure 10.3 shows the proportion of enterprises that were born in 1999 that had survived until 2004. In all three of the broad sectors presented, Sweden reported the highest survival rates and the United Kingdom the lowest. Apart from in Spain, the lowest survival rates were consistently recorded in services, while the Netherlands reported the largest range in survival rates between the three sectors.

Whereas Figure 10.1 showed the enterprise birth and death rates in terms of a plain count of the number of enterprises, Figure 10.4 shows the employment impact of these enterprise births and deaths. The most notable difference is the relatively low employment impact in electricity, gas and water supply, indicating a small average size of births and deaths in this sector. While real estate, renting and business activities clearly recorded the highest enterprise birth rate, the employment impact of these births (as measured by the share of persons employed in newly born enterprises in total employment) was less than in construction, and comparable with that recorded for hotels and restaurants. Nevertheless, the net impact on employment (as measured by the number of persons employed in newly born enterprises minus those employed in enterprises that died) was highest for real estate, renting and business activities. Furthermore, while manufacturing was the only sector that recorded a higher enterprise death rate than birth rate, several other sectors also recorded a negative net employment impact, with employment loss through enterprise deaths outweighing additional jobs from enterprise births: this was the case for distributive trades, for transport, storage and communications, and for mining and quarrying.

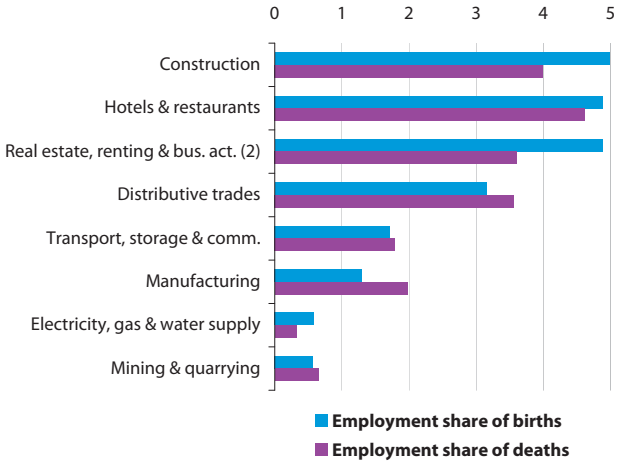
Figure 10.3: Proportion of enterprises born in 1999 having survived to 2004 (%)



(1) Excluding financial intermediation within services.
(2) Excluding management activities of holding companies.

Source: Eurostat (SBS)

Figure 10.4: Employment change resulting from enterprise births and deaths of enterprises, average of available countries, 2005 (%) (1)



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Estonia, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, the Netherlands, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom; data not available for some Member States in 2005 were substituted by information for 2004; financial intermediation, not available.
(2) Excluding management activities of holding companies.

Source: Eurostat (SBS)

11

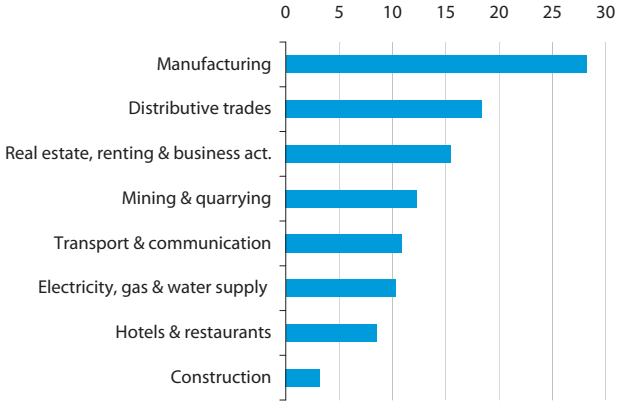
Foreign-controlled enterprises (FATS)

Importance in the EU economy

Inward Foreign Affiliates Statistics (inward FATS) describe the activity of foreign-controlled enterprises in an economy. Control over an enterprise is defined here as the ability to determine its general corporate policy, but this is difficult to establish and, in practice, the share of ownership is often used as a proxy. Inward FATS are generally compiled based on the ultimate controlling institutional unit (UCI), which is the first institutional unit in an ownership chain which is not majority-owned by another person. Data on inward FATS has been collected on a voluntary basis since reference year 1996. A new Regulation ensures the availability, at an EU level, of annual data on foreign affiliates from reference year 2007 onwards. For more information, see the special topic 'Foreign-controlled enterprises' on the European business dedicated section of the Eurostat website: http://ec.europa.eu/eurostat/europeanbusiness.

Foreign-controlled enterprises are generally few in number, but have a significant economic impact: Figure 11.1 shows that such enterprises generated more than one quarter of manufacturing value added. Only in construction, and hotels and restaurants

Figure 11.1: Share of sectoral value added generated by foreign-controlled enterprises, average of available countries (%) (1)

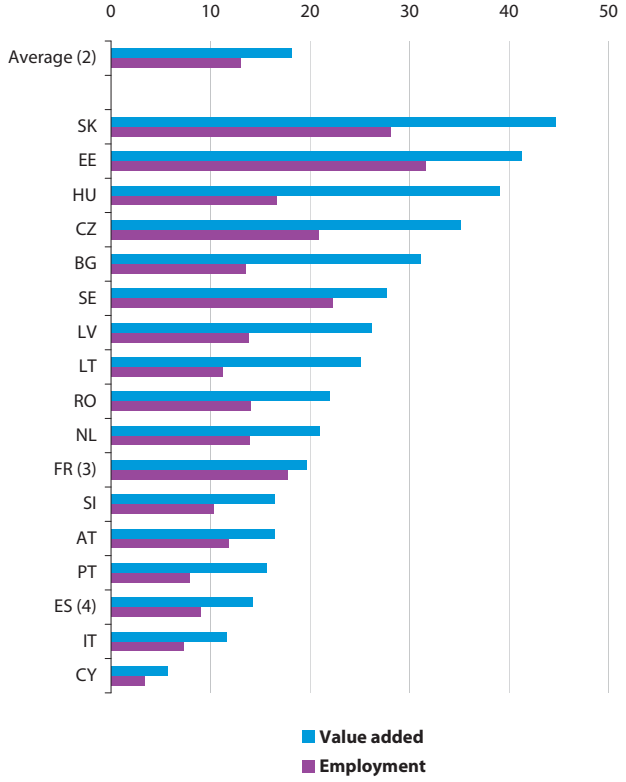


(1) Estimates; averages based on information for: Spain, France, Cyprus, Lithuania, Hungary, Portugal, Romania, Slovakia and Sweden (all 2005), Bulgaria, the Czech Republic, Estonia, Italy, Latvia, the Netherlands and Slovenia (all 2004) and Austria (2003).

Source: Eurostat (SBS)

was the value added share of foreign-controlled enterprises less than 10 %. The importance of foreign-controlled enterprises varies greatly between Member States as can be seen from Figure 11.2, although in all cases the contribution of foreign-controlled enterprises to value added was greater than to employment, indicating a higher apparent labour productivity among foreign-controlled enterprises (when compared with nationally-controlled enterprises) that may in part be due to their larger average size.

Figure 11.2: Share of value added and employment generated by foreign-controlled enterprises, non-financial business economy (%) (1)



(1) Spain, France, Cyprus, Lithuania, Hungary, Portugal, Romania, Slovakia and Sweden, all 2005; Bulgaria, the Czech Republic, Estonia, Italy, Latvia, the Netherlands and Slovenia, all 2004; Austria, 2003.
(2) Averages based on information as detailed in the other footnotes.
(3) Number of employees instead of number of persons employed.
(4) Excluding construction (Section F).

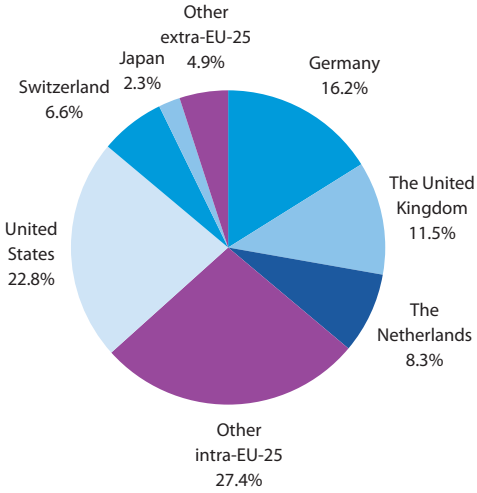
Source: Eurostat (SBS)

Country of origin and activity specialisation

More than 60 % of the value added generated by foreign-controlled enterprises was generated by enterprises controlled from other EU (in this case EU-25) Member States, with Germany, the United Kingdom and the Netherlands most likely to be the home of the ultimate controlling institutional unit. Outside of the EU-25, by far the largest share of the value added generated by foreign-controlled enterprises came from enterprises whose controlling interest was in the United States.

Information on the main activities of foreign-controlled enterprises and main partner countries is given in Table 11.1. The analysis of activity specialisation was made based on a list of 30 activities. Of the 17 Member States for which information

Figure 11.3: Value added generated by foreign-controlled enterprises, breakdown by country of origin, non-financial business economy, average of available countries (%) (1)



(1) Averages based on information for: Spain, France, Cyprus, Lithuania, Hungary, Portugal, Romania, Slovakia and Sweden (all 2005), Bulgaria, the Czech Republic, Estonia, Italy, Latvia, the Netherlands and Slovenia (all 2004), and Austria (2003).

Source: Eurostat (SBS)

is available, the highest share of sectoral value added generated by foreign-controlled enterprises was often in a manufacturing activity; two Member States reported that renting had the highest share, and two reported that water transport had the highest share. Although Germany and the United States were often the leading partner in terms of value added generated by foreign-controlled enterprises, a number of smaller countries also figured in the list of main partners, for example, Finland in nearby Estonia, and Austria in Bulgaria.

Table 11.1: Main sectors and partners for foreign-controlled enterprises (1)

	Highest proportion of sectoral value added generated by foreign-controlled enterprises (2)	Main partner in terms of value added generated by foreign-controlled enterprises, non-financial business economy (%)	
BG	Refined petroleum; nuclear fuel	Austria	31.7
CZ	Transport equipment	Germany	30.9
EE	Water transport	Finland	28.2
ES (3)	Transport equipment	France	20.4
FR	Water transport	United States	26.5
IT	Chemicals & man-made fibres	United States	25.8
CY	Computer & related activites	Greece	22.5
LV	Other non-metal. mineral prod.	Sweden	16.7
LT	Refined petroleum; nuclear fuel	Russian Federation	27.1
HU	Transport equipment	Germany	28.4
NL	Chemicals & man-made fibres	United States	32.0
AT	Chemicals & man-made fibres	Germany	44.5
PT	Electrical & optical equipment	Spain	16.8
RO	Renting	Netherlands	23.5
SI	Chemicals & man-made fibres	Switzerland	c
SK	Refined petroleum; nuclear fuel	Germany	26.6
SE	Chemicals & man-made fibres	United States	21.8

(1) Spain, France, Cyprus, Lithuania, Hungary, Portugal, Romania, Slovakia and Sweden, all 2005; Bulgaria, the Czech Republic, Estonia, Italy, Latvia, the Netherlands and Slovenia, all 2004; Austria, 2003.
(2) Based on NACE subsections in manufacturing (Section D), NACE sections for mining and quarrying, electricity, gas and water supply, and construction (Sections C, E and F) and NACE divisions for non-financial services (Sections G-I, K).
(3) Excluding construction (Section F).

Source: Eurostat (SBS)

12

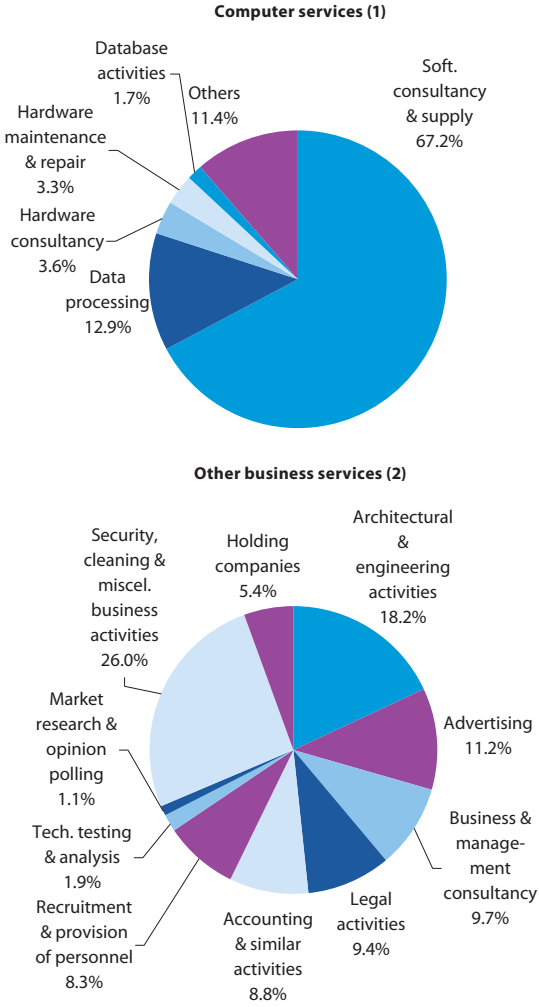
Business services

Business services are performed in-house or outsourced, and the increase in outsourcing has led to growth in the business services sector. Business services are defined for the purpose of this section as computer and related activities (NACE Division 72) and knowledge-intensive parts of other business activities (NACE Groups 74.1 to 74.5 other than Class 74.15), hence, excluding management activities of holding companies, security services, industrial cleaning and miscellaneous business activities. Detailed data on business services has been collected on a voluntary basis since 2000. From the reference year 2008 onwards, the business services data collection will become part of the regular annual data collection of SBS. For more information, see the special topic 'Business services' on the European business dedicated section of the Eurostat website: http://ec.europa.eu/eurostat/europeanbusiness.

As can be seen from Figure 12.1 software consultancy and supply dominated the computer services sector with around two thirds of this sector's turnover. Generally the public sector, and in particular households, accounted for only a small proportion of turnover among business services enterprises. Legal services recorded the largest share of turnover derived from households, and data processing the largest share from the public sector. Enterprises in manufacturing, real estate, renting and business activities accounted for a smaller share of the turnover for computer and related activities than the proportion recorded for other business activities.

The importance of exports in relation to the total turnover of business services can be seen in Figure 12.3. Overall, computer services had a greater share of exports in relation to turnover than other business services, although the share was particularly low for computer activities related to hardware and data processing. Among other business services, market research and public opinion polling enterprises had the largest non-resident market, while enterprises providing recruitment and personnel services were most concentrated on national clients. Enterprises providing architectural and engineering services had the highest proportion of their exports outside of the EU. The most numerous reason given by exporters for engaging in cross-border trade was that they had a particular product (cutting-edge or niche market) – see Figure 12.4. Of the barriers to exporting specified in the second part of Figure 12.4, those cited by the largest proportion of enterprises included difficulties in identifying clients and language and cultural barriers.

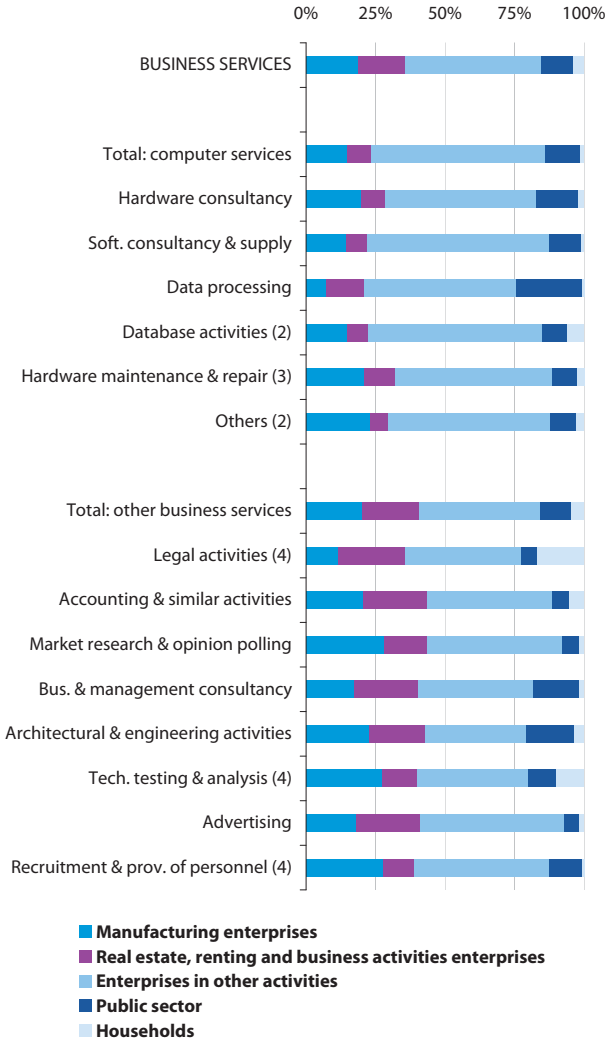
Figure 12.1: Breakdown of business services turnover by activity, average of available countries



(1) Average based on information for: Denmark, Spain, Portugal, Romania, Slovenia and Sweden (all 2005), Germany, Ireland, Greece, Latvia, Lithuania, Malta, Slovakia, Finland and the United Kingdom (all 2004), Estonia and Poland (2003); Denmark, provisional; Ireland and Sweden, including estimates.
(2) Average based on information for: Denmark, Spain, Romania, Slovenia and Sweden (all 2005), Germany, Ireland, Greece, Latvia, Lithuania, Slovakia, Finland and the United Kingdom (all 2004); Denmark, provisional.

Source: Eurostat (SBS)

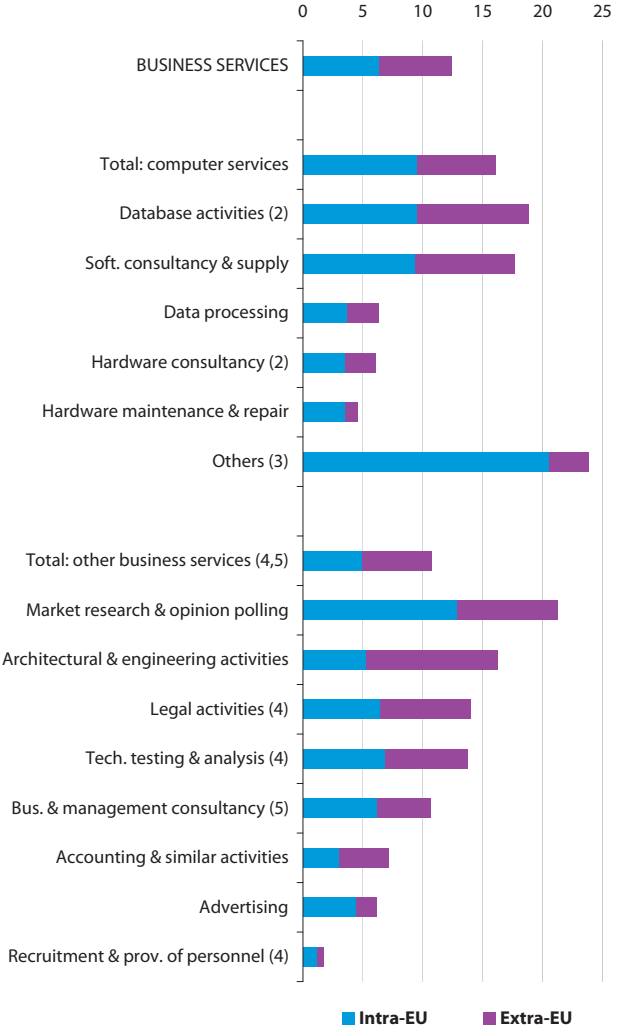
Figure 12.2: Turnover breakdown by type of client in business services, average of available countries (%) (1)



(1) Average based on information for: Denmark, Germany, Spain, Lithuania, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden (all 2004), Latvia, Luxembourg, Poland and the United Kingdom (all 2003).
(2) Excluding Spain.
(3) Excluding Luxembourg.
(4) Excluding Portugal.

Source: Eurostat (SBS)

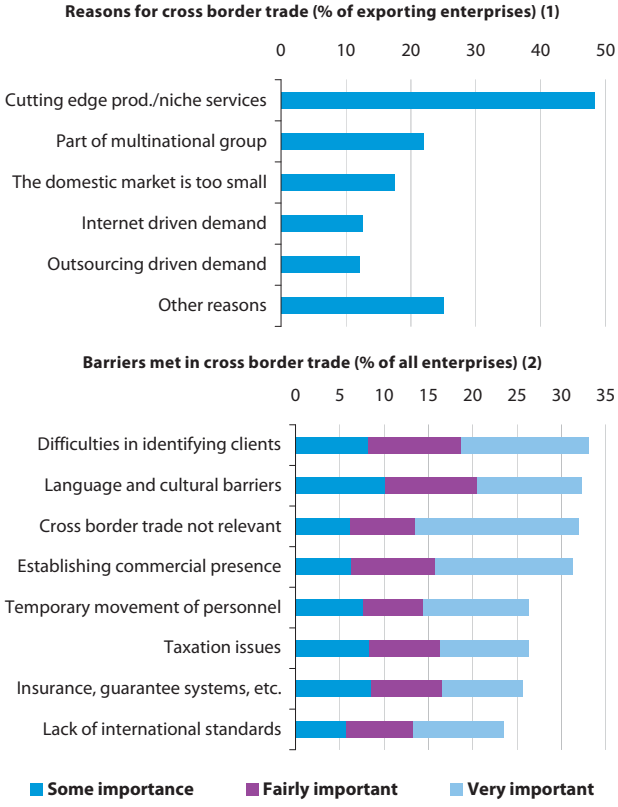
Figure 12.3: Share of exports in business services turnover, average of available countries (%) (1)



(1) Average based on information for: Denmark, Spain, Portugal, Romania, Slovenia and Sweden (all 2005), Germany, Lithuania, Slovakia, Finland and the United Kingdom (all 2004), Estonia, Latvia and Poland (all 2003); Denmark, provisional; Poland and Sweden, including estimates.
(2) Excluding Lithuania.
(3) Excluding Spain.
(4) Excluding Portugal.
(5) Excluding Estonia.

Source: Eurostat (SBS)

Figure 12.4: Focus on cross border trade for business services, average of available countries, 2004



(1) Average based on information for: Denmark, Germany, Greece, Spain, Latvia, Lithuania, Malta, Poland, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.
(2) Average based on information for: Denmark, Germany, Greece, Spain, Latvia, Lithuania, Poland, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

Source: Eurostat (SBS)

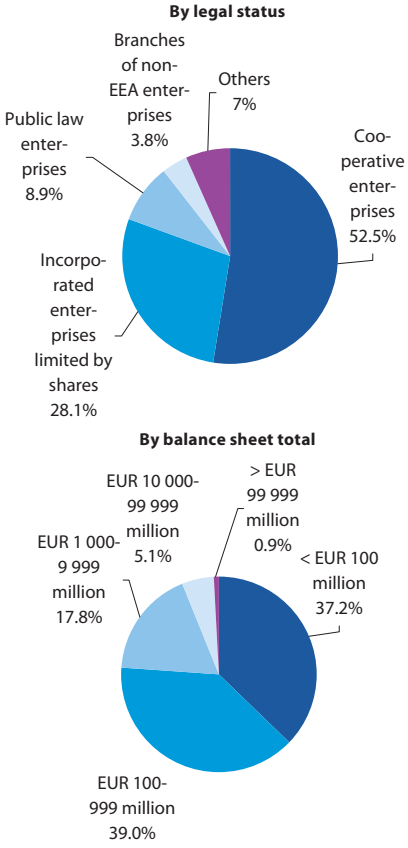
13

Financial services

Banking

Credit institutions are undertakings whose business is to receive deposits or other repayable funds from the public and grant credits for their own account. Three quarters of credit institutions in the EU reported a balance sheet total of less than EUR 1 billion, and half of all credit institutions were cooperative enterprises – see Figure 13.1.

Figure 13.1: Breakdown of the number of credit institutions (banks), average of available countries (%) (1)



(1) Averages based on information for: Belgium, the Czech Republic, Denmark, Germany, Estonia, Greece, France, Cyprus (excluding public law enterprises and braches of non-EEA enterprises; excluding EUR 10 000-99 999 million and EUR 1 000-9 999 million), Latvia, Lithuania, Luxembourg, Hungary (by balance sheet total), Austria, Poland, Portugal, Romania, Slovenia, Sweden and the United Kingdom (all 2006), Bulgaria, the Netherlands and Finland (all 2005), Ireland, Italy and Hungary (by legal status) (all 2004).

Source: Eurostat (SBS)

Capital and reserves in British credit institutions were valued at EUR 532.7 billion in 2006, notably above the next largest figures recorded in France, Germany and Italy, see Table 13.1. The combined net income of interest and commissions was particularly low relative to capital and reserves in Sweden, the Netherlands, Finland, France and the United Kingdom, whereas it was highest in Bulgaria, Romania, Greece and the Czech Republic. In all Member States, except Luxembourg, net income from interest (income from lending) was higher than net income from commissions (fee-based business).

Table 13.1: Credit institutions (banks): key indicators, 2006 (EUR billion) (1)

	Net interest	Net commissions	Total of capital & reserves	Balance sheet total (CI) (EUR billion)	Balance sheet total (CI) Rel. to GDP (%)
BE	7.9	2.8	37.3	1 121.6	354.2
BG	0.7	0.2	2.0	16.8	76.8
CZ	2.6	1.2	8.1	107.9	94.6
DK	6.6	2.4	45.9	780.6	354.7
DE	65.5	26.7	259.5	7 289.9	313.9
EE	0.3	0.1	1.8	15.3	115.7
IE	7.5	3.0	44.0	722.5	486.6
EL	7.5	1.5	19.6	314.6	147.0
ES	28.7	12.5	180.1	2 515.5	256.4
FR	26.1	22.1	266.0	5 415.0	302.2
IT	32.8	19.9	276.6	2 679.9	187.6
CY	1.2	0.3	7.4	75.0	512.7
LV	0.5	0.2	2.0	22.7	140.4
LT	0.3	0.1	1.6	17.2	72.6
LU	3.6	3.7	35.2	839.6	2 480.1
HU	2.7	1.1	9.2	82.7	92.0
MT	:	:	:	:	:
NL	16.4	5.1	126.5	1 752.3	344.3
AT	7.1	3.8	56.6	774.1	300.2
PL	5.3	2.3	18.1	175.2	64.5
PT	5.4	2.2	33.8	398.4	256.7
RO	1.6	0.9	5.2	49.0	50.2
SI	0.7	0.3	3.2	33.8	110.9
SK	0.9	0.3	:	37.8	84.8
FI	2.9	0.9	21.4	234.5	149.2
SE	5.4	3.0	69.0	720.8	230.0
UK	59.1	37.6	532.7	9 517.2	497.7
NO	5.2	1.4	27.4	424.9	158.6
CH	0.6	12.6	87.5	1 307.7	423.1

(1) Bulgaria, Italy, the Netherlands and Finland, 2005; Ireland, 2004.

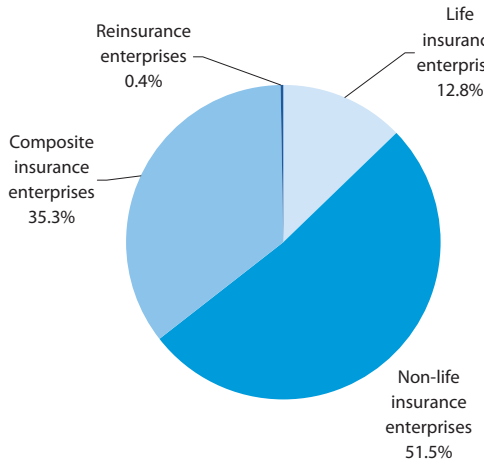
Source: Eurostat (SBS)

Insurance

The workforce of non-life insurance enterprises is approximately four times that of life insurance enterprises among the countries with data available – see Figure 13.2. In some Member States composite insurance enterprises are common, providing life and non-life cover, and such enterprises accounted for just over one third of the insurance workforce.

One measure often used to indicate the size of insurance activity is the value of gross premiums written (which may be viewed as a proxy for turnover, an indicator that is commonly used for other parts of the business economy). Table 13.2 shows the data available for life and non-life insurance business where the business of composite enterprises has been split between life and non-life business. Relative to population, the level of gross premiums written was highest in Luxembourg both for life and non-life insurance, followed by Sweden and the Netherlands. In most countries gross premiums written for non-life insurance were greater than for life insurance, although there are some exceptions, notably Luxembourg.

Figure 13.2: Employment, analysed by type of insurance enterprise, 2005, average of available countries (%) (1)



(1) Averages based on information for: the Czech Republic, Luxembourg, Hungary, Poland and Sweden (all 2006), Bulgaria, Greece, Italy, Cyprus, Latvia, Lithuania, the Netherlands, Portugal, Romania and Finland (all 2005), Estonia and Slovakia (2004); Cyprus, provisional.

Source: Eurostat (SBS)

Table 13.2: Insurance gross premiums written (1)

	Life insurance		Non-life insurance	
	(EUR million)	(EUR/ inhabitant)	(EUR million)	(EUR/ inhabitant)
BE	:		:	:
BG	76	10	471	61
CZ	1 664	162	2 639	257
DK	:	:	:	:
DE	:	:	:	:
EE	52	38	153	113
IE	:	:	:	:
EL	1 901	171	2 048	184
ES	:	:	:	:
FR	:	:	:	:
IT	75 708	1 292	37 564	641
CY (2)	362	478	320	422
LV	24	10	201	87
LT	82	24	222	65
LU	11 575	24 490	1 372	2 903
HU	1 541	153	1 479	147
MT	:	:	:	:
NL	24 824	1 521	23 710	1 453
AT	7 081	860	8 302	1 008
PL (3)	5 418	142	4 216	111
PT	9 066	859	4 373	415
RO (3)	249	12	971	45
SI (4)	311	155	:	:
SK	483	90	719	134
FI (3)	3 095	590	3 163	603
SE (3)	18 339	2 020	10 770	1 186
UK	:	:	:	:
IS	34	116	328	1 104
NO (3)	7 519	1 626	4 332	937

(1) The Czech Republic, Luxembourg, Hungary, Poland and Sweden, 2006; Bulgaria, Greece, Italy, Cyprus, Latvia, Lithuania, the Netherlands, Austria, Portugal, Romania, Finland, Iceland and Norway, 2005; Estonia, Slovenia and Slovakia, 2004.
(2) Provisional.
(3) Excluding composites.
(4) Non-life insurance, confidential.

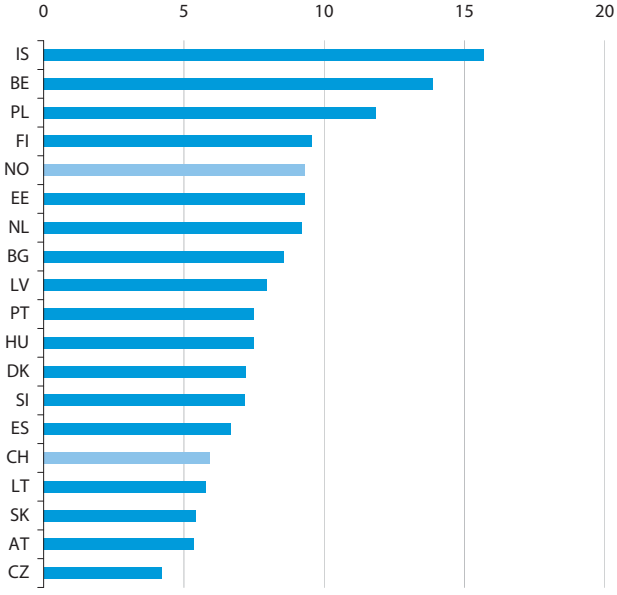
Source: Eurostat (SBS)

Pension funds

Pension funds are normally authorised and registered by national financial supervisory authorities. In the frame of prudential supervision, pension funds are obliged to submit comprehensive sets of data to the supervisory authorities and structural business statistics on pension funds are to a large extent based on this information.

Official statistics on autonomous pension funds are currently only available for a limited set of countries as can be seen from Table 13.3. The information presented indicates that Spain, Hungary, the Netherlands and the United Kingdom were among the Member States where this activity was most important, and Ireland (no recent data available) also appears to be particularly specialised in this activity. Figure 13.3 shows that investment income was relatively high in Iceland, Belgium and Poland in 2005, while it was lowest in the Czech Republic (2006).

Figure 13.3: Autonomous pension funds, investment income as a percentage of total investments (%) (1)



(1) The Czech Republic, Hungary, Austria, Norway and Switzerland, 2006; Belgium, Bulgaria, Estonia, Spain, Latvia, Lithuania, Poland, Portugal, Slovenia, Finland and Iceland, 2005; Denmark, the Netherlands, Slovakia and the United Kingdom, 2004.

Source: Eurostat (SBS)

Table 13.3: Autonomous pension funds, key indicators (EUR million) (1)

	Pension contributions receivable		Total expenditure on pensions	Number of members (1000)
	From members	From employers		
BE	119	619	1 097	374
BG	28	20	17	552
CZ	834	168	477	3 619
DK	12	99	216	19
DE	:	:	:	:
EE	38	0	0	481
IE	:	:	:	:
EL	:	:	:	:
ES	6 144	1 415	8 658	9 454
FR	:	:	:	:
IT	:	:	:	:
CY	:	:	:	:
LV	4	9	1	68
LT	78	0	0	675
LU	:	:	:	:
HU	1 167	233	263	4 015
MT	:	:	:	:
NL	5 612	19 666	19 902	16 941
AT	66	539	487	527
PL	1	30	4	62
PT	128	3 241	1 212	389
RO	:	:	:	:
SI	0	0	1	179
SK	43	41	36	617
FI	3	35	535	123
SE	:	:	:	:
UK	8 773	50 791	71 778	:
IS	242	503	432	257
NO	59	790	613	276
CH	10 687	13 270	30 740	4 362

(1) The Czech Republic, Hungary, Austria, the United Kingdom, Norway and Switzerland, 2006; Belgium, Bulgaria, Estonia, Spain, Latvia, Lithuania, the Netherlands, Poland, Portugal, Slovenia, Finland and Iceland, 2005; Denmark and Slovakia, 2004.

Source: Eurostat (SBS)

14

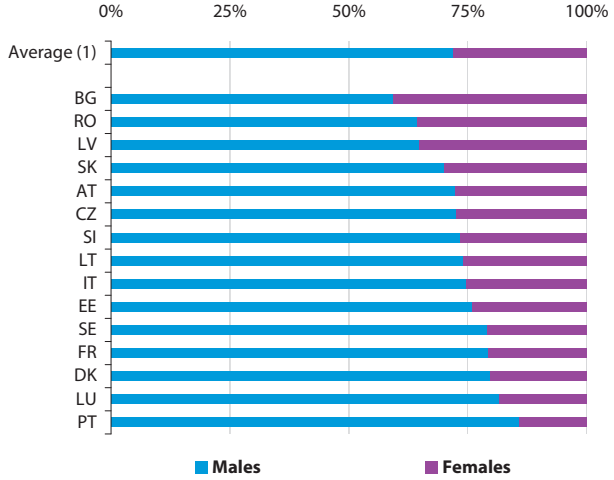
Special focus - factors of business success

Profile of the entrepreneur

The results of the voluntary ad-hoc survey on factors of business success (FOBS) give an insight into the issues that determine the success and growth of newly born enterprises, as well as the motivation of entrepreneurs and the difficulties they face. The target population for this survey was enterprises born in 2002, which had survived to 2005, and which were still managed by the original entrepreneur or founder: all of the tables and figures presented in this chapter relate to this sub-population of three year-old surviving enterprises born in 2002. The survey was carried out by 15 Member States – see the following figures for the coverage. For more information, see the special topic 'Factors of business success' on the European business dedicated section of the Eurostat website: http://ec.europa.eu/eurostat/europeanbusiness.

Figures 14.1 to 14.5 provide a snapshot of some of the characteristics of entrepreneurs. It should be noted that the FOBS survey did not look at the profile of entrepreneurs when they started up, only at the ones that had survived from 2002 to 2005; as such it is not possible to say, for example, whether the dominance of men is because more men start-up enterprises than women, or because more male entrepreneurs survived their first three years in business. However, the figures do show differences between countries and that women are more likely to be entrepreneurs in most of the newer Member States (that joined the EU in 2004 or 2007), and this is particularly true in Bulgaria. At least two thirds (the Czech Republic) of entrepreneurs are aged 30 or over, and this proportion rises to above 90 % in France and Lithuania. Figure 14.3 shows very marked differences in the education level of entrepreneurs between countries, with a high proportion of entrepreneurs in the Baltic Member States having a tertiary level of education. In all countries, except Luxembourg, the majority of entrepreneurs had no previous management experience: on average around one quarter of entrepreneurs had some management experience. In contrast, the majority of entrepreneurs had some experience of working in the sector in which they chose to start-up their business. Again the highest share with branch experience was recorded in Luxembourg, with Portugal also reporting a high proportion. The lowest shares of entrepreneurs with branch experience were in the two newest Member States, Bulgaria and Romania.

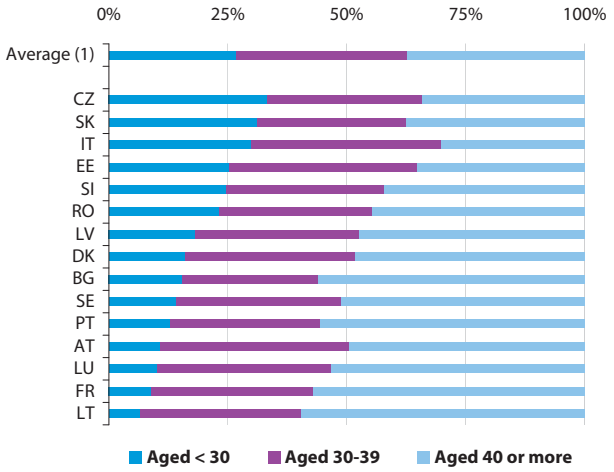
Figure 14.1: Enterprises born in 2002 having survived to 2005: entrepreneur's gender (%)



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

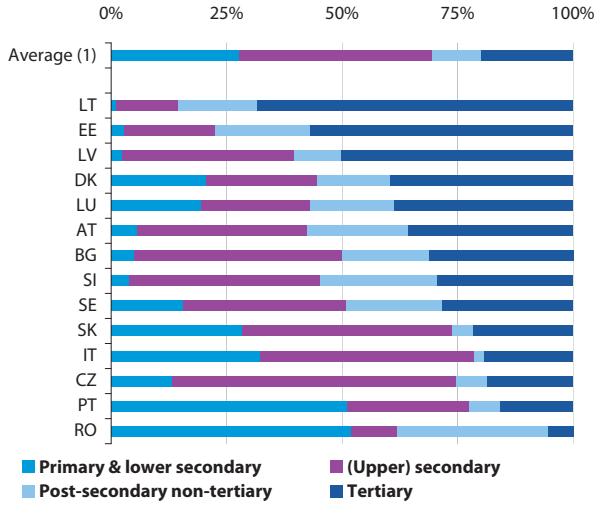
Figure 14.2: Enterprises born in 2002 having survived to 2005: entrepreneur's age (%)



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

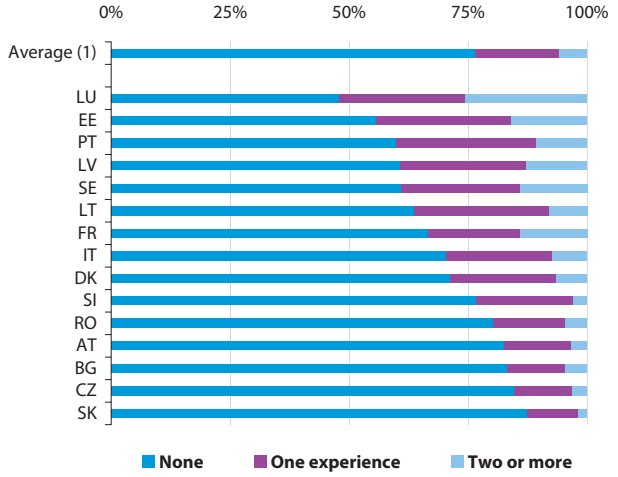
Figure 14.3: Enterprises born in 2002 having survived to 2005: entrepreneur's education level (%)



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

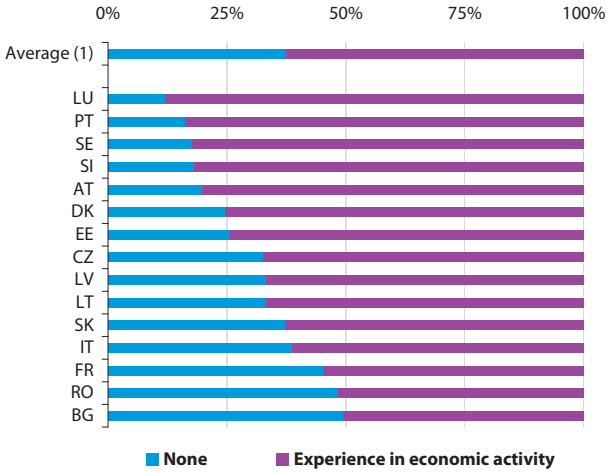
Figure 14.4: Enterprises born in 2002 having survived to 2005: entrepreneur's management experience (%)



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Figure 14.5: Enterprises born in 2002 having survived to 2005: entrepreneur's experience in economic activity (%)



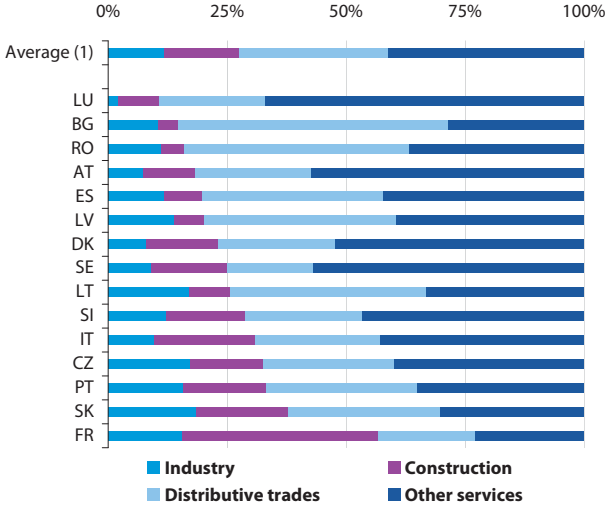
(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Profile of the business sector

Figure 14.6 shows that the vast majority of entrepreneurs set-up in distributive trades and other services, with France the only Member State participating in the survey not showing this pattern. The high proportion of entrepreneurs in these sectors reflects their high share in the total population of business economy enterprises and may also reflect relatively low barriers to entry in certain distributive and services sectors. Tables 14.1 to 14.5 provide a further analysis of these overall figures, providing an insight into the characteristics of entrepreneurs that may influence their choice of sector. In all Member States a greater proportion of male (as opposed to female) entrepreneurs set-up business in construction, and the same was true for the majority of Member States in industry, with female entrepreneurs more likely to set-up enterprises in distributive trades or other services. In terms of age, the main difference was that older workers were less likely to set-up construction enterprises, and the same sector also registered a big difference concerning the education level of entrepreneurs, with entrepreneurs with higher levels of education less likely to set-up an enterprise in the construction sector. In terms of branch experience, entrepreneurs with such experience were more likely to set-up a business in industry or construction, while those without branch experience were particularly concentrated in distributive trades.

Figure 14.6: Enterprises born in 2002 having survived to 2005: proportion in each main activity (%)



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Table 14.1: Enterprises born in 2002 having survived to 2005: proportion in each main activity, by entrepreneur's gender (%)

		Industry	Con-struction	Distributive trades	Other services
Average (1)	Males	13.1	21.0	27.4	38.5
	Females	8.6	2.2	41.4	47.9
BG	Males	12.5	5.2	52.3	29.9
	Females	7.6	2.6	63.4	26.3
CZ	Males	21.1	20.8	25.2	33.0
	Females	7.4	0.6	33.7	58.3
DK	Males	8.0	18.7	22.7	50.7
	Females	8.1	1.9	32.2	57.9
EE	Males	11.8	9.6	39.1	39.4
	Females	11.3	3.2	34.5	51.1
FR	Males	14.6	45.6	19.7	20.1
	Females	21.1	15.0	25.3	38.6
IT	Males	9.5	27.5	22.8	40.3
	Females	10.3	3.1	36.7	50.0
LV	Males	16.9	8.0	37.1	38.0
	Females	8.6	2.9	46.6	41.9
LT	Males	18.7	10.6	39.2	31.4
	Females	12.0	2.9	47.4	37.7
LU	Males	1.7	10.1	20.1	68.2
	Females	3.8	2.9	31.8	61.5
AT	Males	8.2	14.3	23.2	54.2
	Females	5.0	2.1	27.5	65.4
PT	Males	15.9	19.5	29.9	34.6
	Females	14.9	5.0	42.4	37.7
RO	Males	13.6	6.3	42.8	37.3
	Females	6.7	1.6	55.6	36.1
SI	Males	14.0	21.4	23.0	41.6
	Females	7.1	3.2	29.5	60.2
SK	Males	22.4	27.2	27.5	22.9
	Females	9.6	1.3	41.7	47.5
SE	Males	8.8	19.3	17.5	54.4
	Females	9.6	4.2	20.6	65.7

(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Table 14.2: Enterprises born in 2002 having survived to 2005: proportion in each main activity, by entrepreneur's age (%)

	Age	Industry	Con-struction	Distributive trades	Other services
Average (1)	< 30	12.3	17.0	32.2	38.5
	30-39	11.0	16.9	31.4	40.7
	40+	12.2	13.6	30.9	43.3
BG	< 30	6.7	6.2	59.6	27.5
	30-39	9.8	2.6	58.8	28.8
	40+	12.0	4.4	55.1	28.5
CZ	< 30	20.1	17.9	28.2	33.8
	30-39	17.0	14.6	32.5	35.9
	40+	15.0	13.3	22.1	49.7
DK	< 30	11.2	19.7	22.3	46.8
	30-39	7.5	18.1	22.2	52.1
	40+	7.2	11.6	27.2	53.9
EE	< 30	7.2	6.8	40.7	45.3
	30-39	11.0	7.3	40.5	41.2
	40+	15.6	9.9	33.4	41.0
FR	< 30	14.9	46.3	18.9	19.8
	30-39	14.9	49.2	17.4	18.5
	40+	16.0	35.5	22.7	25.8
IT	< 30	9.8	19.7	29.6	40.9
	30-39	8.9	22.1	25.6	43.4
	40+	10.6	21.8	23.9	43.6
LV	< 30	11.6	6.2	40.5	41.6
	30-39	15.7	7.5	41.3	35.5
	40+	13.5	5.2	39.9	41.4
LT	< 30	15.0	6.1	38.3	40.6
	30-39	16.2	8.0	41.1	34.7
	40+	17.7	9.3	41.8	31.3
LU	< 30	0.0	5.3	25.8	68.9
	30-39	4.4	6.9	20.6	68.0
	40+	0.9	10.7	22.6	65.9
AT	< 30	6.1	14.4	18.4	61.1
	30-39	7.5	13.5	22.2	56.8
	40+	7.5	8.2	27.6	56.8
PT	< 30	18.8	19.8	33.7	27.7
	30-39	19.2	19.1	29.5	32.2
	40+	13.1	16.0	32.5	38.4
RO	< 30	7.4	3.1	47.8	41.7
	30-39	10.5	7.0	48.9	33.6
	40+	13.6	3.8	46.3	36.2
SI	< 30	12.1	21.2	25.1	41.5
	30-39	12.1	17.2	25.8	44.9
	40+	12.2	13.3	23.7	50.7
SK	< 30	18.1	24.6	30.1	27.1
	30-39	18.6	18.0	34.4	29.0
	40+	18.9	16.3	30.9	33.9
SE	< 30	8.0	22.1	22.1	47.7
	30-39	8.6	17.9	17.6	55.9
	40+	9.5	13.3	17.4	59.8

(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Table 14.3: Enterprises born in 2002 having survived to 2005: proportion in each main activity, by entrepreneur's education level (%)

	ISCED (1)	Industry	Con-struction	Distributive trades	Other services
Average (2)	1-2	10.6	20.2	43.8	25.3
	3	9.5	11.7	53.2	25.7
	4-6	6.6	4.4	69.3	19.8
BG	1-2	5.9	1.4	52.6	40.0
	3	5.6	2.5	54.5	37.4
	4-6	7.9	2.9	54.5	34.8
CZ	1-2	18.3	21.6	42.5	17.6
	3	15.4	13.6	48.4	22.6
	4-6	6.8	3.0	69.8	20.4
DK	1-2	7.8	19.3	53.6	19.3
	3	6.2	16.7	56.1	21.0
	4-6	6.0	7.6	67.0	19.4
EE	1-2	3.8	14.1	52.6	29.5
	3	9.5	4.4	57.5	28.7
	4-6	8.4	5.9	58.5	27.2
IT	1-2	9.3	41.9	33.0	15.7
	3	14.0	39.9	31.0	15.1
	4-6 (3)	14.4	14.0	49.2	22.5
LV	1-2	11.5	32.1	37.0	19.4
	3	6.9	12.2	55.4	25.4
	4-6	3.2	3.7	81.8	11.2
LT	1-2	8.1	6.5	56.5	29.0
	3	10.8	4.2	51.7	33.3
	4-6	9.4	4.5	60.4	25.7
LU	1-2	:	:	:	:
	3	16.1	3.2	51.9	28.8
	4-6	11.3	6.7	52.7	29.4
AT	1-2	2.0	9.5	71.5	17.0
	3	3.1	11.2	64.1	21.6
	4-6	1.0	4.5	77.4	17.1
PT	1-2	4.7	10.3	65.8	19.3
	3	4.0	9.2	62.5	24.3
	4-6	7.3	8.4	67.9	16.4
RO	1-2	14.8	21.1	43.9	20.2
	3	10.1	7.1	52.8	30.0
	4-6	8.3	4.1	62.7	24.9
SI	1-2	6.1	2.2	54.5	37.3
	3	7.4	3.6	54.3	34.7
	4-6	10.0	4.6	62.4	23.0
SK	1-2	6.3	16.4	55.0	22.2
	3	11.0	17.0	49.6	22.4
	4-6	9.0	10.0	63.4	17.6
SE	1-2	22.5	32.0	28.1	17.3
	3	13.7	11.1	48.3	26.8
	4-6	6.4	4.2	63.4	26.0

(1) Primary and lower secondary (ISCED 1-2), (upper) secondary (ISCED 3), post-secondary and tertiary (ISCED 4-6).
(2) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.
(3) Tertiary education (ISCED 5-6) only.

Source: Eurostat (FOBS)

Table 14.4: Enterprises born in 2002 having survived to 2005: proportion in each main activity, by entrepreneur's management experience (%)

	Experience	Industry	Construction	Distributive trades	Other services
Average (1)	Zero	12.1	15.0	32.1	40.8
	1	10.9	17.4	30.3	41.3
	2+	10.9	20.2	25.2	43.7
BG	Zero	9.7	3.8	58.3	28.2
	1	14.4	5.3	52.5	27.8
	2+	15.3	8.5	42.3	33.9
CZ	Zero	18.5	15.5	26.8	39.1
	1	10.9	16.4	30.0	42.6
	2+	9.5	2.0	37.0	51.5
DK	Zero	9.1	17.5	24.3	49.1
	1	5.2	8.8	27.8	58.1
	2+	5.2	12.6	17.1	65.1
EE	Zero	11.9	8.1	37.4	42.6
	1	12.5	8.3	38.0	41.2
	2+	9.3	7.7	40.6	42.5
FR	Zero	15.4	46.0	18.9	19.7
	1	16.6	34.5	23.8	25.1
	2+	14.6	27.5	23.9	33.9
IT	Zero	9.6	19.9	26.7	43.8
	1	10.0	22.7	26.8	40.5
	2+	10.1	30.4	20.5	39.0
LV	Zero	12.4	6.3	42.0	39.3
	1	16.5	6.0	41.5	36.0
	2+	16.1	5.6	31.5	46.8
LT	Zero	15.7	9.3	40.9	34.1
	1	18.4	7.5	44.0	30.2
	2+	22.3	7.4	35.3	34.9
LU	Zero	2.9	8.2	23.6	65.4
	1	1.7	11.6	24.9	61.8
	2+	0.9	6.6	16.9	75.5
AT	Zero	7.7	11.6	23.9	56.8
	1	5.4	9.3	24.7	60.6
	2+	5.8	2.9	36.6	54.8
PT	Zero	14.6	18.1	31.4	35.9
	1	19.5	18.0	34.0	28.5
	2+	11.8	12.4	27.0	48.8
RO	Zero	9.9	4.0	49.3	36.8
	1	15.4	7.1	42.6	35.0
	2+	18.7	10.1	28.6	42.6
SI	Zero	12.9	18.9	22.6	45.6
	1	10.7	8.8	33.0	47.5
	2+	3.7	8.4	23.4	64.5
SK	Zero	18.9	19.9	31.4	29.8
	1	16.9	16.8	33.1	33.2
	2+	11.8	11.8	39.6	36.8
SE	Zero	9.1	18.3	15.3	57.2
	1	9.0	14.5	20.8	55.6
	2+	8.2	9.5	25.4	56.9

(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Table 14.5: Enterprises born in 2002 having survived to 2005: proportion in each main activity, by entrepreneur's branch experience (%)

	Exper-ience	Industry	Con-struction	Distributive trades	Other services
Average (1)	Yes	13.6	19.6	24.6	42.2
	No	8.7	9.3	42.6	39.4
BG	Yes	12.9	5.4	49.5	32.3
	No	8.2	3.0	64.4	24.5
CZ	Yes	20.4	17.9	21.8	39.9
	No	11.0	9.8	39.2	39.9
DK	Yes	8.4	17.8	18.6	55.2
	No	6.7	7.4	43.1	42.9
EE	Yes	11.2	9.0	36.2	43.7
	No	13.2	5.5	43.3	38.0
FR	Yes	15.7	51.4	16.2	16.8
	No	15.4	26.2	26.9	31.5
IT	Yes	11.0	27.4	19.8	41.7
	No	7.6	11.7	36.5	44.3
LV	Yes	13.9	7.1	38.8	40.3
	No	14.0	4.5	43.9	37.6
LT	Yes	18.0	9.3	40.6	32.0
	No	14.8	7.3	42.7	35.2
LU	Yes	2.4	9.4	21.6	66.6
	No	0.0	4.4	26.3	69.4
AT	Yes	7.7	12.7	21.5	58.1
	No	5.7	4.0	36.2	54.1
PT	Yes	16.6	19.9	32.0	31.5
	No	11.2	4.6	30.4	53.8
RO	Yes	14.0	6.8	41.2	38.0
	No	8.0	2.6	53.7	35.8
SI	Yes	11.9	18.0	22.1	48.0
	No	13.4	10.3	36.4	40.0
SK	Yes	21.3	18.9	25.9	33.9
	No	14.0	20.3	41.6	24.1
SE	Yes	8.6	16.6	15.4	59.4
	No	10.7	13.9	30.6	44.8

(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Issues facing entrepreneurs

The FOBS survey looked at a wide range of issues facing entrepreneurs. Figure 14.7 provides an analysis of start-up motivation, difficulties faced, and sources of advice, in each case analysed by one characteristic of entrepreneurs: Eurostat's website provides a full set of data showing each of these issues analysed by a wider range of characteristics.

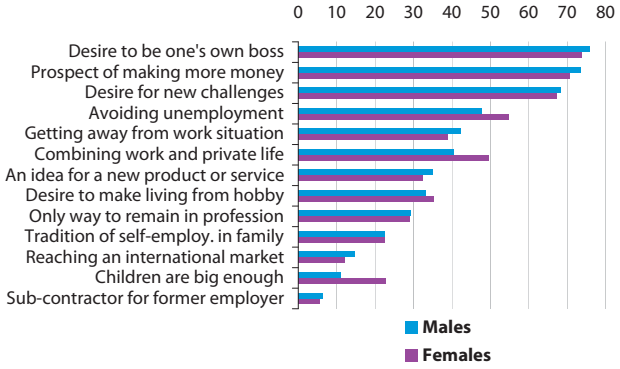
An analysis of start-up motivation shows that the main motivations, regardless of gender, were the desire to be one's own boss, to make more money, and to take on a new challenge. Nevertheless, becoming an entrepreneur was clearly more important for women than men in terms of avoiding unemployment, being able to combine work and private life, and in relation to children being old enough.

The greatest difficulties faced by entrepreneurs included dealing with bureaucracy, establishing contacts with customers, and financing. Figure 14.7 also shows that younger entrepreneurs had greater difficulty regarding nearly all of the issues surveyed than older entrepreneurs, the most notable exceptions being effective use of IT and finding suitable personnel.

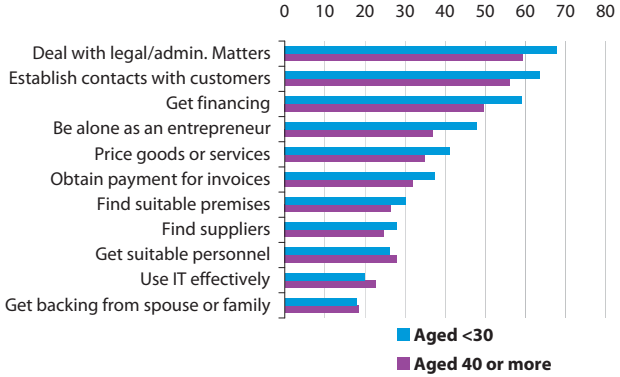
In terms of seeking advice, entrepreneurs without management experience were most likely to turn to family and friends, whereas those with management experience were more likely to consult professional acquaintances. The next most common source of advice was professional consultants, and again this was much more likely to be used by entrepreneurs with management experience. Interestingly, a larger proportion of entrepreneurs with management experience felt that they did not need advice or that relevant advice was not available.

Figure 14.7: Enterprises born in 2002 having survived to 2005 (%) (1)

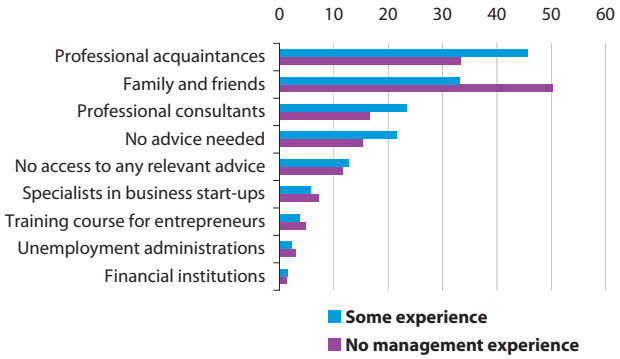
Proportion of entrepreneurs reporting specified start-up motivations, by gender, average of available countries



Proportion of entrepreneurs reporting specified start-up difficulties, comparison of younger and older entrepreneurs, average of available countries



Proportion of entrepreneurs reporting specified sources of advice, by management experience, average of available countries



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

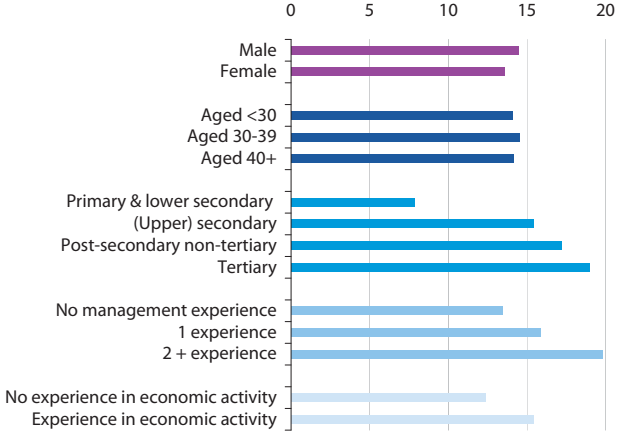
Entrepreneurs and innovation

The questions on innovation in the FOBS survey were based on entrepreneurs' assessment of innovation in their enterprise, distinguishing four types of innovation. In general, most entrepreneurs that considered their enterprise to be innovative did so on the basis of product innovation (14 % of all surviving enterprises), followed by marketing innovation (10 %), process innovation (7 %) and organisational innovation (6 %).

In terms of product innovation the age of the entrepreneur does not appear to be a factor, and nor does gender to a great extent. However, the likelihood of entrepreneurs indicating a product innovation in their enterprise increases with the level of the entrepreneur's education, and also the amount of management and branch experience they possess.

For process innovation there are some similarities, notably the higher propensity to innovate among entrepreneurs with branch experience and with two or more experiences of management; however, entrepreneurs with just one experience of management were no more likely to process innovate than those with none. In contrast to product innovation, the propensity to process innovate was notably influenced by gender and age, with men and persons aged less than 30 more likely to process innovate; in this respect it should be noted that process innovation is often associated with industry and construction, activities in which women are less likely to be entrepreneurs. With respect to education level there was no clear pattern in terms of the propensity to process innovate, although the lowest propensity was again recorded for those with primary and lower secondary education (ISCED levels 1 and 2).

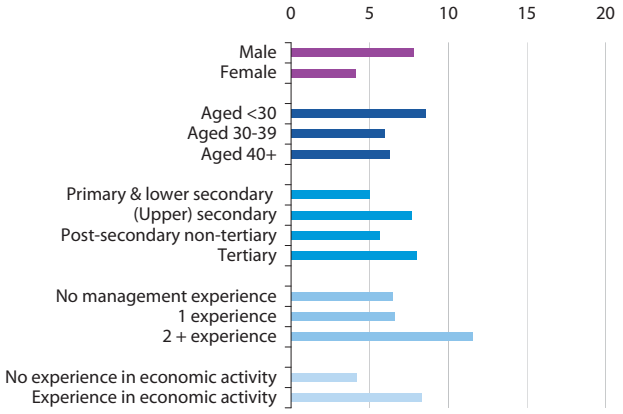
Figure 14.8: Enterprises born in 2002 having survived to 2005: proportion of entrepreneurs reporting having introduced product innovations, average of available countries (%) (1)



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Figure 14.9 Enterprises born in 2002 having survived to 2005: proportion of entrepreneurs reporting having introduced process innovations, average of available countries (%) (1)



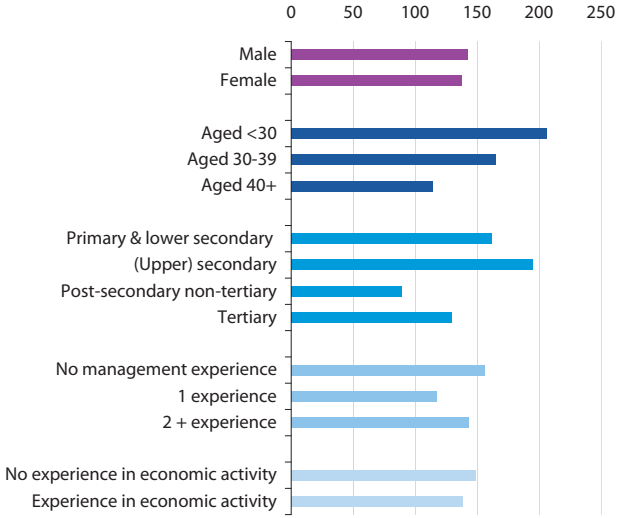
(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Successful entrepreneurs in terms of growth

The FOBS survey recorded employment in 2002 which was the year of birth and also in 2004, from which a measure of growth can be compiled. Employment among these enterprises more than doubled, increasing by an average of around 140 %, with similar growth rates for enterprises managed by either male or female entrepreneurs. Figure 14.10 shows the different employment growth rates according to a range of other characteristics. Employment expanded faster at the hands of younger entrepreneurs, with growth averaging in excess of 200 % for those aged less than 30. Somewhat surprisingly, entrepreneurs with just one management experience averaged lower employment growth than those with no management experience or those with two or more experiences of management. In terms of education level there was no clear pattern, although the employment growth rates for the two upper categories post-secondary non-tertiary and tertiary education (together covering ISCED levels 4 to 6) were both lower than the rates for the two lower categories of education covering primary and lower secondary and upper secondary education (see ISCED levels 1 to 3).

Figure 14.10: Enterprises born in 2002 having survived to 2005: growth in the number of paid employees from 2002 to 2005, average of available countries (%) (1)



(1) Average based on information for: Bulgaria, the Czech Republic, Denmark, Italy, Lithuania, Luxembourg, Austria, Romania, Slovakia and Sweden.

Source: Eurostat (FOBS)

Methodological notes

Data sources

The vast majority of the data used in this pocketbook come from structural business statistics (SBS). A number of other Eurostat sources are used to complement these, namely: short-term statistics (STS), the labour force survey (LFS), national accounts, external trade and PRODCOM. All sources are detailed under each table or figure.

The data presented were extracted from a wide variety of Eurostat databases in January and February 2008. The text that accompanies the tables and figures was drafted during February 2008. Most data sources are continuously updated and revised where necessary. The freshest data are available within Eurostat's freely available dissemination database.

Introduction to structural business statistics

Structural business statistics describe the structure, conduct and performance of economic activities, down to the most detailed activity level (several hundred sectors): from mining and quarrying, and the manufacture of food, beverages and tobacco, to real estate, renting and research and development services. They provide information on output and employment; national and regional specialisation; productivity and performance; an analysis of the importance of small and medium-sized enterprises (SMEs) and large enterprises. SBS data are collected within the framework of a Regulation on structural business statistics, according to the definitions and breakdowns specified in the Commission Regulations implementing it.

In addition to the regular SBS, a number of development projects are run by Member States, usually on a voluntary basis, implementing methodology developed together with Eurostat: the results of such projects are used as the basis for deciding whether or not to pursue the data collection effort and to formalise it within law. The results of many of these development projects are presented in this pocketbook, including data on business demography in Chapter 10, foreign-controlled enterprises (FATS) in Chapter 11, business services in Chapter 12 and factors of business success in Chapter 14.

The European business dedicated section provides access to a selection of publications, data and background information describing European business, compiled by Eurostat's structural

business statistics unit. In particular, the European business dedicated section provides information on development projects under a heading 'Special topics'.

This dedicated section is located directly under the theme Industry, trade and services on the Eurostat website or from the following link: http://ec.europa.eu/eurostat/europeanbusiness.

The main type of statistical unit used for SBS and many of the development projects 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 (or principal) activity. In contrast, the local unit is an enterprise or part thereof at one location, and is the most commonly used type of statistical unit for regional SBS.

Throughout this publication data are presented using the NACE Rev. 1.1 classification, the Statistical Classification of Economic Activities in the European Community, Rev. 1.1. The diagram below shows the relationship between the aggregates most commonly used in this publication and the NACE sections that make-up the business economy as defined for this publication. In this publication, data are presented for a standard set of activities: NACE subsections for manufacturing, NACE divisions for non-financial services, NACE sections for mining and quarrying, electricity, gas and water supply and construction.

<table>
<tr><td colspan="4">Business economy (C to K)</td></tr>
<tr><td colspan="3">Non-financial business economy (C to I and K)</td><td></td></tr>
<tr><td rowspan="2">Industry (C to E)</td><td rowspan="2">Construction (F)</td><td colspan="2">Services (G to K)</td></tr>
<tr><td>Non-financial services (G to I and K)</td><td>Financial services (J)</td></tr>
<tr><td>Mining and quarrying (C); manufacturing (D); electricity, gas and water supply (E)</td><td></td><td>Distributive trades (G); hotels and restaurants (H); transport, storage and communication (I); real estate, renting and business activities (K)</td><td></td></tr>
</table>

Definitions of variables

Structural business statistics

A count of the number of enterprises registered to the population concerned in the business register corrected for errors, in particular frame errors. This statistic should include all units active during at least a part of the reference period.

Turnover comprises 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. Turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover.

Value added at factor cost can be calculated from turnover, plus capitalised production, plus other operating income, plus or minus the changes in stocks, minus the purchases of goods and services, minus other taxes on products which are linked to turnover but not deductible, minus the duties and taxes linked to production. This is calculated 'gross' as value adjustments (such as depreciation) are not subtracted.

The number of persons employed is defined as the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams). It includes part-time workers as well as seasonal workers, apprentices and home workers on the pay-roll.

Employees are those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind. A worker from a temporary employment agency is considered to be an employee of the temporary employment agency and not of the unit (customer) in which they work.

Personnel costs are defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter, including taxes and employees' social security contributions retained by the unit as well as the employer's compulsory and voluntary social contributions.

Purchases of goods and services include the value of all goods and services purchased during the accounting period for resale or consumption in the production process, excluding capital goods the consumption of which is registered as consumption of fixed capital. The goods and services concerned may be either resold with or without further transformation, completely used up in the production process or, finally, be stocked. Purchases of goods and services are valued at the purchase price excluding deductible VAT and other deductible taxes linked directly to turnover.

Gross tangible investment includes 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. Goods acquired through restructurations (such as mergers, takeovers, break-ups, split-off) are excluded.

Apparent labour productivity is calculated as value added divided by the number of persons employed.

Average personnel costs are calculated as personnel costs divided by the number of employees.

The wage adjusted labour productivity ratio can be calculated by dividing apparent labour productivity by average personnel costs and expressing the result as a percentage.

The gross operating rate is defined as the gross operating surplus (value added minus personnel costs) divided by turnover; the result is expressed as a percentage.

Energy costs relate to the purchase of fuel; energy products purchased as raw materials or for resale without transformation should be excluded.

Environmental protection expenditures is the money spent on all purposeful activities directly aimed at the prevention, reduction and elimination of pollution or any other degradation of the environment. This does not include: activities that primarily satisfy technical needs or health and safety requirements; expenditure linked to mobilisation of natural resources (for example, water supply); items such as depreciation or the cost of capital, interest, fines and penalties.

Pollution treatment investments (investment in equipment and plant for pollution control) concern investments in distinct, identifiable components supplementing existing equipment, which are implemented at the end of or completely outside the production line ('end-of pipe' equipment), as well as investments

in, for example, filters or separate cleaning steps which compose or extract pollutants within the production line.

Pollution prevention investments (investment in equipment and plant linked to cleaner technology) concern new or adaptation of existing methods, technologies, processes, equipment (or parts thereof) designed to prevent or reduce the amount of pollution created at the source (for example, air emissions, effluents or solid waste).

Total current expenditure on environmental protection is the sum of 'in-house expenditure' and 'purchases of environmental protection services'. In-house expenditure includes labour costs, use of raw materials and consumables related to, for example, operation and maintenance of environmental equipment and measurement and monitoring of pollution levels. Purchases of environmental protection services include, for example, payments for collection and treatment of waste and wastewater, payments related to decontamination of soil, regulatory charges, and payments to environmental consultants related to, for example, environmental information, certification or operation of environmental equipment.

Size class definitions

For the purposes of SBS size class data the following size classes are used:

micro enterprises – with less than 10 persons employed;

small enterprises – with 10 to 49 persons employed;

medium-sized enterprises – with 50 to 249 persons employed;

large enterprises – with 250 or more persons employed.

SMEs are defined as enterprises with less than 250 persons employed.

Business demography

An active enterprise is defined as an enterprise that had either turnover or employment at any time during the reference period, even for a limited time.

An enterprise birth amounts to the creation of a combination of production factors with the restriction that no other enterprises are involved in the event. A birth occurs when an enterprise starts from scratch and actually starts activity.

An enterprise death amounts to the dissolution of a combination of production factors with the restriction that no other enterprises are involved in the event. An enterprise is included in the count of deaths only if it is not reactivated within two years.

Factors of business success: innovation

Product innovation is defined as the introduction of new and significantly improved goods and/or services with respect to their fundamental characteristics, technical specifications, incorporated software or other immaterial components, intended uses, or user friendliness.

Process innovation is defined as the implementation of new and significantly improved production technologies or new and significantly improved methods of supplying services and delivering products.

Organisational innovation is defined as the launch of a new and significantly improved organisation of management.

Marketing innovation is defined as the introduction of a new and significantly improved way of selling goods or services.

Financial services

Net interest is compiled from interest and similar income less interest payable and similar charges, and is also known as the interest margin.

Net commissions are compiled from commissions receivable less commissions payable.

The balance sheet total represents the total assets or the total liabilities as recorded on the balance sheet.

Gross premiums written comprise all amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to a later financial year.

The number of active members includes persons whose pension schemes are under the administration of pension funds; this excludes the number of deferred members and retired persons. The number of members includes members of defined benefit schemes, defined contribution schemes, and hybrid schemes.

Pension contributions receivable from members are those due during the financial year, in respect of pension contracts, including

all mandatory contributions, other regular contributions and voluntary additional contributions.

Total expenditure on pensions includes all kinds of expenditure to the members of the pension scheme and their dependants, outgoing transfers, etc. Expenditure, which is also income related to risks ceded to insurance enterprises, is covered here.

Investment income for pension funds comprises income from investments, value re-adjustments on investments and income from realised and unrealised capital gains and losses. It includes rents receivable, interest income, dividends and realised and unrealised capital gains and losses.

Total investments by pension funds is the sum of investments in: land and buildings, affiliated enterprises and participating interests, shares and other variable-yield securities, units in undertakings for collective investment in transferable securities, debt securities and other fixed-income securities, participation in investment pools, loans guaranteed by mortgages and other loans not covered elsewhere, and other investments.

Short-term statistics

The production index should show the evolution of value added, at constant prices. This index should take account of: variations in type and quality of the commodities and of the input materials; changes in stocks of finished goods and work in progress; changes in technical input-output relations (processing techniques) and; services such as the assembling of production units, mounting, installations, repairs, planning, engineering, creation of software.

The turnover index reflects the totals invoiced by the observation unit during the reference period. This corresponds to market sales of goods or services supplied to third parties. Turnover excludes VAT and other similar deductible taxes directly linked to turnover as well as all duties and taxes on the goods or services invoiced by the unit.

The employment index shows the evolution of the number of persons employed. Member States can use an index of the number of employees as an approximation of the index of the number of persons employed.

PRODCOM

Production sold is the production carried out which has been sold (invoiced) during the reference period. The value of production sold should be calculated on the basis of the ex-works selling price

obtained/obtainable during the reporting period. It also includes packaging costs, even if they are charged separately. However, the following are not included: VAT and consumer taxes charged; separately charged freight costs; discounts granted to customers.

National accounts

Gross value added is final output minus intermediate consumption. Output is valued at basic prices and intermediate consumption at purchaser's prices, and as such value added does not include taxes less subsidies on products.

External trade

External trade data is valued at current prices, including the market value of the goods and the additional costs (freight, insurance, etc.). External trade data are based upon the special trade system and include all the exchanges of goods between the reporting country and other countries having as object: imports of goods directly for consumption, imported goods taken out of customs warehouses or free zones in order to be consumed, export of national products, as well as export of imported goods declared for domestic consumption. Also included: temporary imports of foreign goods for processing inside the country (active processing) and exports of compensatory goods after processing inside the country; temporary exports of goods for processing in other countries (passive processing) and imports of compensatory goods after processing outside the country and imports and exports of goods in financial leasing. Exports and imports do not include transit goods, temporary goods admitted (taken out), inside/outside the country (excepting those for processing), goods purchased by international organisations for own uses in a country and goods for repairs. The cover ratio is calculated as the value of exports divided by the value of imports, expressed as a percentage.

Geographical coverage: EU-27 aggregates

EU aggregates always cover the 27 Member States (EU-27), either as the sum or average of all 27 Member States, as appropriate, or alternatively a figure that includes estimates to cover missing data. Data for EU-27 aggregates from the SBS data set were supplemented where necessary and appropriate by rounded EU estimates based on non-confidential data: some differences between aggregates and their components may exist due to rounding. In some cases when no EU-27 totals are available, averages of available countries are presented.

Note that for external trade statistics the partner for the EU-27 is extra-EU, whereas for the individual Member States it is all countries of the world.

Abbreviations and symbols

EU Member States

EU	European Union
EU-27	27 Member States of the European Union
EU-25	25 Member States of the European Union until 31 December 2006
BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
FR	France
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom

Other country codes

IS	Iceland
NO	Norway
CH	Switzerland

Abbreviations

CPA	statistical classification of products by activity in the European Economic Community
FATS	foreign affiliates statistics
GDP	gross domestic product
LFS	labour force survey
NACE	statistical classification of economic activities in the European Community (Revision 1.1 in this publication).
SBS	structural business statistics
SME	small and medium-sized enterprise
STS	short-term statistics
UCI	ultimate controlling institutional unit

Units and measures

billion	thousand million
EUR	euro
kg	kilogramme
m^2	square metre
m^3	cubic metre
-	not applicable
:	not available
%	percent
0.0	real zero or value less than 0.05

European Commission

Key figures on European business – with a special feature on the factors of business success

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with a special feature on the factors of business success

This publication summarises the main features of European business and its different activities in a concise and simple manner. It consists of 13 short chapters, each of which focuses on a particular aspect of the European business economy: from size and structure of the business sectors to the importance of foreign-controlled enterprises. This edition includes also a special feature on the factors of business success (FOBS), which presents an analysis of the characteristics of successful entrepreneurs. It is based on the results of an ad hoc survey of enterprises born in 2002, which had survived to 2005, and which were still managed by the original entrepreneur or founder. The survey gives an insight into the issues that determine the success and growth of newly born enterprises, as well as the motivation of entrepreneurs and the difficulties they face.

The publication is intended to function as a showcase for and introduction to the data available in this field. The focus is on structural business statistics: both traditional business statistics which are disseminated regularly, as well as specific information compiled on a multi-yearly basis and the latest results from development projects on topics of key political interest.

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