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**LABOUR COSTS IN THE WHOLESALE AND RETAIL TRADE,  
BANKING AND INSURANCE IN 1974 (1)**

The preliminary results of a Community survey of labour costs in the wholesale and retail trade, banking and insurance conducted under the auspices of the Statistical Office of the European Communities are now available. The three new Member States took part in this survey for the first time.

The survey covered some 139,000 enterprises with at least 10 employees, employing in total almost 7 1/2 million persons (2,800,000 in the retail trade, 2,500,000 in the wholesale trade, 1,700,000 in banking and 500,000 in insurance).

There are significant differences between different sectors and in different member countries in the structure both of the enterprises and of their staff, particularly as regards the size of the former and the proportion of women and part-time workers. These differences must be taken into account in the interpretation of results. Additional information on differences in wage levels was also obtained through another Community survey carried out in parallel to the one in question (2).

- (1) Excluding the retail trade in cars, motor cycles, fuels and lubricants, and excluding central banking authorities.
- (2) Survey of the structure of wages in the wholesale and retail trade, banking and insurance in 1974. Eurostat, special series in 10 volumes to appear in 1977.



Differences in labour costs

- between activities

Table 1 shows that labour costs are the highest in banking and insurance where they are approximately 30 % above the level in the wholesale trade and from 40 to 50 % above that in the retail trade. A simple comparison suffices to show that the cost of labour in the wholesale trade is approximately the same as that in industry (1).

- between Member States

For the purposes of inter-country comparisons, the results have been converted to Eur (unit of account used for Eurostat statistics) to reflect the relationships between the currencies of the Member States (2).

With the exception of certain special situations, the position in each Member State as regards labour costs in the wholesale and retail trade, banking and insurance is similar to that in industry in general. Four countries have high labour costs; these are Denmark, the Federal Republic of Germany, the Netherlands and Belgium. These are followed by France, Italy and Luxembourg whose costs are lower by 25 to 35 %; in two countries, the United Kingdom and Ireland, the level is lower by 50 %.

- between groups of commercial activities

The highest costs are found in the group "wholesale dealing in fuels, ores and industrial chemicals" and in the groups "dispensing chemists" and "retail distribution of medical goods, cosmetics, cleaning materials". In both the wholesale and retail trade, the costs are the lowest for "clothing and footwear" and "food, drink and tobacco".

Structural differences in labour costs

In the wholesale and retail trade, the proportion of direct wages in overall costs is very similar to that in industry, i.e. between 72 and 75 % in Italy and France, from 80 to 85 % in Belgium, the Netherlands and the Federal Republic of Germany, rising to 83 to 94 % in the United Kingdom, Luxembourg and Denmark.

However, the situation is rather different in banking and insurance. In almost all the countries and particularly in the United Kingdom, the relative importance of direct wages to total remuneration in these sectors is considerably less than in the wholesale and retail trade owing to the far larger percentage of overall costs devoted to social security contributions under conventional, contractual or voluntary schemes.

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(1) Cf "Labour costs in industry, 1972-1975", Eurostat, Social Statistics, No 6/1975.

(2) Cf Eurostat, Monthly bulletin of general statistics, 1976, Table 753 "Conversion rates for national currencies into Eur, used in Eurostat statistics".



This survey has also shown up certain special situations.

- In banking for example, labour costs in Italy are approximately 20 % higher than in those countries where the highest costs are generally found. Italy alone employs around one quarter of all the persons in this sector of activity in the Community as a whole; furthermore, the proportion of women employed full time (14 % of all employees) amounts to scarcely one third of the proportion in most of the other countries. The situation in Belgium is similar; here the costs are 12 % higher than in countries which generally have the highest costs and the proportion of women employees is hardly 30 %. On the other hand, in this same banking sector, costs in the Netherlands are relatively low, even less than in France.
- In the retail trade, the United Kingdom is seen to employ 40 % of all the employees in this sector of activity in the Community. This probably reflects a far greater concentration of trading enterprises in this country. The fact that the Netherlands has more employees in this sector than Italy is due to the limitation of the investigation to enterprises having at least 10 employees. Small distributive enterprises in Italy of which there is a large number are therefore excluded.

Labour costs in the retail trade are 43 % lower in Luxembourg than in Denmark; Luxembourg also has the highest proportion of female employees in this sector (72 %).

The final results of the survey will be published in the first half of 1977. These will be broken down in particular by size of enterprise and by nature of commercial activity, and will also provide some additional information on numbers of employees and hours of work per annum.

Definition of Labour Costs

For the purposes of this survey, labour costs were defined as including the following costs borne by employers: direct pay, bonuses, holiday pay, employers' social security contributions both statutory and other, benefits in kind, and some taxes.



Table 1

Labour costs per month and number of employees  
in the distributive trades, banking and insurance in 1974 (1)

N A C E		BR Deutsch- land	France	Italia	Neder- land	Belgique België	Luxem- bourg	United Kingdom	Ireland	Danmark
		Labour costs per month in national currencies								
		DM	Ffr	100 Lit	Fl	Fb	Flx	£	£	Ekr
61	Wholesale trade	2.274	3.420	406	2.401	33.303	26.110	190	189	5.703
64/65	Retail trade	1.790	2.718	354	1.722	22.938	17.572	139	154	4.820
811/812	Banking	2.762	4.818	851	2.602	47.791	35.765	263	283	6.632
82	Insurance	2.769	4.129	693	2.510	38.754	36.035	255	266	7.547
		Labour costs per month in Eur.								
61	Wholesale trade	706	569	498	716	695	537	356	354	753
64/65	Retail trade	556	452	436	513	471	361	260	288	636
811/812	Banking	858	802	1.047	776	982	735	493	530	875
82	Insurance	860	687	852	748	797	741	478	498	996
		Sector in which the costs are highest = 100								
61	Wholesale trade	82	71	48	92	70	72	72	67	76
64/65	Retail trade	65	56	42	66	48	49	53	54	64
811/812	Banking	100	100	100	100	100	99	100	100	88
82	Insurance	100	86	81	96	81	100	97	94	100
		Country in which the costs are highest = 100								
61	Wholesale trade	94	76	66	95	91	71	47	47	100
64/65	Retail trade	87	71	69	81	74	57	41	45	100
811/812	Banking	82	77	100	74	94	70	47	51	84
82	Insurance	86	69	86	75	80	74	48	50	100
		Number of employees (in 1000) (2)								
61	Wholesale trade	718,5	568,8	195,5	209,2	115,2	5,6	567,6	29,8	99,2
64/65	Retail trade	758,9	498,7	113,4	155,8	113,3	3,1	1148,0	24,8	49,5
811/812	Banking	398,5	323,4	421,3	77,9	62,7	5,3	328,1	14,8	36,3
82	Insurance	173,4	85,0	61,0	28,1	24,2	0,5	149,5	6,9	11,2
		Females as % of all employees (3)								
61	Wholesale trade	27	30	34	18	30	28	27	22	20
64/65	Retail trade	59	57	50	52	58	72	55	55	51
811/812	Banking	48	47	14	40	31	44	53	52	46
82	Insurance	42	57	30	30	40	46	46	37	42

(1) Enterprises with 10 and more employees.

(2) Total full-time and part-time employees; annual average.

(3) Full-time employees.





Table 2

Labour costs per month in the distributive trades in 1974, by activity (1)

		in national currencies								
N A C E		DR Deutsch- land	France	Italia	Neder- land	Belgique België	Luxem- bourg	United Kingdom	Ireland	Danmark
		DM	Ffr	1000 Lit	Fl	Fb	Flx	£	£	Dkr
		Wholesale trade								
611	Agric. primary production, live-stock, textiles	2.210	3.378	403	2.431	29.216	.	185	160	5.263
612	Fuels, ores, industrial chemicals	2.747	3.904	500	2.978	40.548	30.577	244	281	6.547
613	Timber, building materials	2.181	3.290	368	2.331	30.026	27.963	190	185	5.472
614	Machinery, equipment, vehicles	2.358	3.750	491	2.472	37.456	29.583	204	200	6.170
615	Furniture, household goods, hardware	2.803	3.546	379	2.335	30.188	27.472	176	179	5.637
616	Textiles, clothing, footwear, leatherware	1.896	3.214	361	2.293	27.504	.	173	193	5.437
617	Food, drink, tobacco	1.952	3.001	319	2.134	29.432	22.242	174	167	5.037
618	Pharmaceutical, medical goods, cleaning materials	1.588	3.203	381	2.542	32.054	20.199	174	174	5.713
619	Other wholesale distribution	2.021	3.631	412	2.405	31.993	24.159	185	193	5.731
61	Wholesale trade	2.274	3.420	406	2.401	33.308	26.110	190	189	5.708
		Retail trade								
641/642	Food, drink, tobacco	1.679	2.630	334	1.491	21.033	15.708	136	155	4.489
643	Dispensing chemists	1.999	3.074	438	2.142	32.143	.	)	)	6.349
644	Medical goods, cosmetics, cleaning materials	1.606	3.367	405	1.691	26.971	.	) 154	) 138	4.616
645	Clothing	1.775	2.613	323	1.801	21.101	18.341	142	149	4.737
646	Footwear, leather goods	1.644	2.697	299	1.575	20.905	12.158	128	130	4.375
647	Furnishing fabrics, household textiles	1.950	2.971	382	1.631	24.041	.	)	) 136	4.966
648/649	Household fitments, appliances	2.027	3.126	360	1.925	28.394	19.609	) 151	)	5.317
653	Books, newspapers, stationery and office supplies	1.941	2.957	452	1.937	29.420	17.449	154	145	4.489
654/655	Other retail distribution	1.827	3.021	398	2.019	28.117	22.527	147	178	5.299
656	Various non-food products	1.799	2.548	354	1.773	23.343	.	136	154	4.490
64/65	Retail trade	1.790	2.718	354	1.722	22.938	17.572	139	154	4.820

(1) Enterprises with 10 and more employees.



Table 3

Labour costs per month in the distributive trades in 1974, by activity (1)

N A C E		BR Deutsch- land	France	Italia	Neder- land	Belgique België	Luxem- bourg	United Kingdom	Ireland	Danmark	in Eur
		Wholesale trade:									
611	Agric. primary production, live-stock, textiles	687	562	495	725	600	.	346	300	694	
612	Fuels, ores, industrial chemicals	853	650	615	858	833	628	457	526	864	
613	Timber, building materials	677	547	453	695	617	575	356	346	722	
614	Machinery, equipment, vehicles	733	624	604	737	770	608	382	375	814	
615	Furniture, household goods, hardware	808	590	467	696	620	565	330	335	744	
616	Textiles, clothing, footwear, leatherware	589	535	444	683	565	.	324	361	717	
617	Food, drink, tobacco	606	499	393	636	605	457	326	313	665	
618	Pharmaceutical, medical goods, cleaning materials	617	533	468	758	659	415	326	326	754	
619	Other wholesale distribution	628	604	506	717	658	497	346	361	756	
61	Wholesale trade	706	569	498	716	685	537	356	354	753	
		Retail trade									
641/642	Food, drink, tobacco	521	438	411	445	432	322	255	290	592	
643	Dispensing chemists	621	511	539	638	661	.	)	)	838	
644	Medical goods, cosmetics, cleaning materials	499	560	499	504	554	.	) 289	) 258	609	
645	Clothing	551	435	397	537	434	377	266	279	625	
646	Footwear, leather goods	511	449	367	470	430	250	240	243	577	
647	Furnishing fabrics, household textiles	606	494	470	486	494	.	)	255	655	
648/649	Household fittings, appliances	629	520	443	574	584	403	) 282	)	702	
653	Books, newspapers, stationery and office supplies	603	492	556	577	605	359	289	272	592	
654/655	Other retail distribution	567	503	490	602	578	463	275	333	699	
656	Various non-food products	559	424	436	528	480	.	255	288	593	
64/65	Retail trade	556	452	436	513	471	361	260	288	636	

(1) Enterprises with 10 and more employees.



Table 4

Number of employees in the distributive trades in 1974, by activity (1)

in 1000

N A C E		BR Deutsch- land	France	Italia	Neder- land	Belgique België	Luxem- bourg	United Kingdom	Ireland	Danmark
		Wholesale trade								
611	Agric. primary production, live-stock, textiles	52,6	21,7	16,3	13,5	2,2	.	17,1	6,0	8,5
612	Fuels, ores, industrial chemicals	98,7	72,0	33,8	17,1	15,2	0,5	72,4	2,9	8,6
613	Timber, building materials	77,8	49,9	15,5	24,3	9,7	0,7	70,8	5,2	18,8
614	Machinery, equipment, vehicles	127,6	114,3	27,7	51,5	27,0	0,7	64,3	4,4	27,2
615	Furniture, household goods, hardware	102,4	78,6	15,2	28,5	14,1	1,6	45,6	1,6	6,9
616	Textiles, clothing, footwear, leatherware	34,3	20,4	19,0	9,6	5,3	.	22,7	1,1	2,0
617	Food, drink, tobacco	133,6	163,4	42,4	34,1	20,6	1,4	194,3	5,9	15,9
618	Pharmaceutical, medical goods, cleaning materials	43,1	29,8	12,5	10,7	12,6	0,2	17,6	0,5	4,1
619	Other wholesale distribution	48,4	18,7	13,1	19,9	8,5	0,3	62,8	2,2	7,2
61	Wholesale trade	718,5	568,8	195,5	209,2	115,2	5,6	567,6	29,8	99,2
		Retail trade								
641/642	Food, drink, tobacco	218,5	235,4	26,1	53,2	62,1	0,9	362,8	8,0	14,8
643	Dispensing chemists	12,0	4,1	1,7	5,0	2,5	.	)	)	4,6
644	Medical goods, cosmetics, cleaning materials	12,8	5,9	1,4	2,4	0,9	.	) 53,5	) 0,2	0,3
645	Clothing	122,6	41,0	16,4	27,4	8,4	1,2	112,6	2,5	5,7
646	Footwear, leather goods	30,4	10,3	3,9	5,3	1,8	0,2	37,7	0,5	0,9
647	Furnishing fabrics, household textiles	11,5	3,6	1,7	2,4	0,4	.	)	) 0,6	0,9
648/649	Household fitments, appliances	91,5	64,2	18,7	19,7	10,7	0,5	) 113,8	)	2,2
653	Books, newspapers, stationery and office supplies	26,3	14,9	4,8	4,0	4,8	0,1	30,4	0,5	1,1
654/655	Other retail distribution	29,6	15,7	9,4	6,1	2,5	0,1	31,5	1,1	1,6
656	Various non-food products	203,7	103,6	29,3	30,3	19,2	.	405,7	9,2	13,9
64/65	Retail trade	758,9	498,7	113,4	155,8	113,3	3,1	1148,0	24,8	49,5

(1) Enterprises with 10 and more employees; annual average of full-time employees and part-time employees (converted to full-time equivalents).



Table 5

Structure of labour costs in the distributive trades,  
banking and insurance in 1974 (1)

Nature of expenditure	% of total cost								
	BR Deutsch- land	France	Italia	Neder- land	Belgique België	Luxem- bourg	United Kingdom	Ireland	Danmark
	Wholesale trade								
1. Cash payments (2)	85,3	75,1	72,0	81,2	80,5	88,2	87,9	89,0	94,9
2. Social security (3)	12,9	22,0	27,0	17,5	18,8	11,2	9,7	8,9	3,2
- Statutory contributions	(11,5)	(17,8)	(26,8)	(12,9)	(17,4)	(10,6)	(6,2)	(5,0)	(0,9)
- Contractual and ex gratia payments	(1,4)	(4,2)	(0,2)	(4,6)	(1,4)	(0,6)	(3,5)	(3,9)	(2,3)
3. Other expenditure (4)	1,8	2,9	1,0	1,3	0,7	0,6	2,4	2,1	1,9
4. Total cost	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
	Retail trade								
1. Cash payments (2)	84,2	74,1	72,5	80,8	80,5	87,4	88,2	88,0	94,0
2. Social security (3)	12,8	22,9	26,4	17,5	19,0	11,0	8,9	8,8	1,8
- Statutory contributions	(11,8)	(19,3)	(26,3)	(14,5)	(18,6)	(11,0)	(6,8)	(5,8)	(0,9)
- Contractual and ex gratia payments	(1,0)	(3,6)	(0,1)	(3,0)	(0,4)	(0,0)	(2,1)	(3,0)	(0,9)
3. Other expenditure (4)	3,0	3,0	1,1	1,7	0,5	1,6	2,9	3,2	4,2
4. Total cost	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
	Banking								
1. Cash payments (2)	80,0	68,4	72,8	76,6	79,1	89,2	73,2	71,9	88,0
2. Social security (3)	16,6	21,2	25,7	21,0	18,4	9,5	20,4	19,5	7,1
- Statutory contributions	(9,5)	(13,9)	(23,6)	(10,1)	(13,1)	(7,5)	(4,3)	(3,6)	(0,6)
- Contractual and ex gratia payments	(7,1)	(7,3)	(2,1)	(10,9)	(5,3)	(2,0)	(16,1)	(15,9)	(6,5)
3. Other expenditure (4)	3,4	10,4	1,5	2,4	2,5	1,3	6,4	8,6	4,9
4. Total cost	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
	Insurance								
1. Cash payments (2)	82,7	69,0	75,3	75,2	78,8	87,6	74,5	78,2	91,2
2. Social security (3)	15,1	22,8	23,8	22,8	19,9	10,6	18,1	13,9	7,0
- Statutory contributions	(10,0)	(15,2)	(23,3)	(9,9)	(14,5)	(8,1)	(4,5)	(3,5)	(0,6)
- Contractual and ex gratia payments	(5,1)	(7,6)	(0,5)	(12,9)	(5,4)	(2,5)	(13,6)	(10,4)	(6,4)
3. Other expenditure (4)	2,2	8,2	0,9	2,0	1,3	1,8	7,4	7,9	1,8
4. Total cost	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

(1) Enterprises with 10 and more employees.

(2) Direct pay, bonuses, holiday pay, contributions to employee saving schemes.

(3) Employers' contributions.

(4) Benefits in kind, apprentices' pay, expenses of vocational training, and other social expenditure.

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