

# Hotels and Restaurants in Europe

## Statistics in focus

### INDUSTRY, TRADE AND SERVICES

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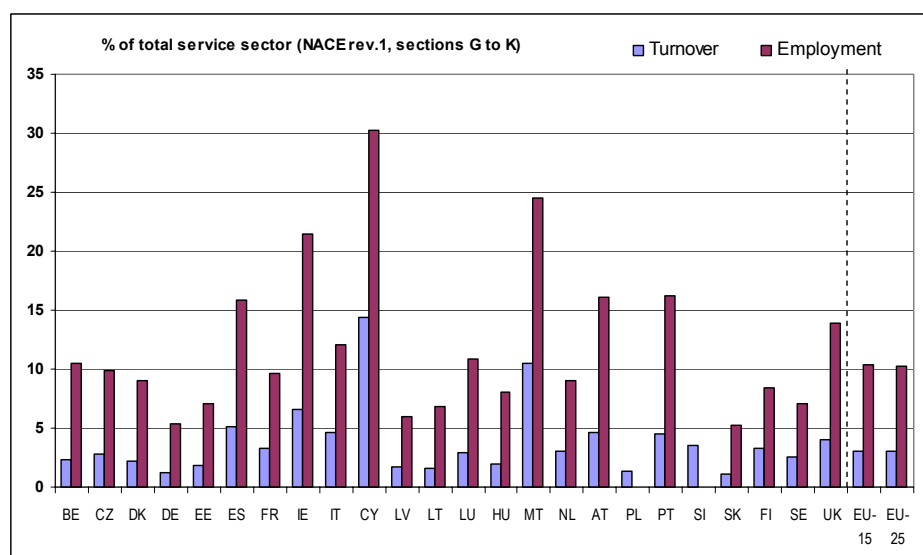
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Hotels and restaurants (section H of the NACE Rev.1 classification) represent a major service sector in the economy of Europe. They account for a significant part of the tourism market. Tourism is a vigorous social and economic activity which can be a factor for development in rural areas. However, a feature of the sector is that it can be influenced by short-term economic circumstances and it is therefore subject to fluctuations which can vary in size.

The hotel and restaurant sector – which mainly covers hotels, restaurants, cafés and bars, camping grounds, canteens and catering – has witnessed tremendous development in the European Union. Restaurant chains and fast-food restaurants, in particular, have experienced considerable growth.

### Major share of jobs in Cyprus and Malta

Figure 1: Employment and turnover in hotels and restaurants, by Member State, 2001



Note: EL: not available; PL and SI: NACE G,I and K – data not available for employment  
Source: Eurostat, unless otherwise indicated.

According to the structural business statistics (SBS) (\*), hotels and restaurants provided jobs for nearly 7.6 million people in 2001, or just over 10% of those working in the service sector (sections G to K of NACE Rev.1).

Hotels and restaurants accounted for the biggest share of jobs in Cyprus and Malta (30% and 25% respectively of all service sector jobs), followed by Ireland (22%) and Portugal, Austria and Spain (16%). Similarly, when it came to the percentage share of hotels and restaurants in the total turnover of service sector activities, Cyprus (14%), Malta (11%) and Ireland (7%) were again ahead of the other Member States. The figure was roughly the same (5%) in Spain, Austria and Italy.

On the other hand, the share of hotels and restaurants in service sector turnover was particularly low in Hungary, the three Baltic countries and Poland. The figures for Slovakia and Germany – 1.1% and 1.3% respectively – were even lower (Figure 1).

(\*) No estimates have been performed on SBS data that could possibly cover the black economy.

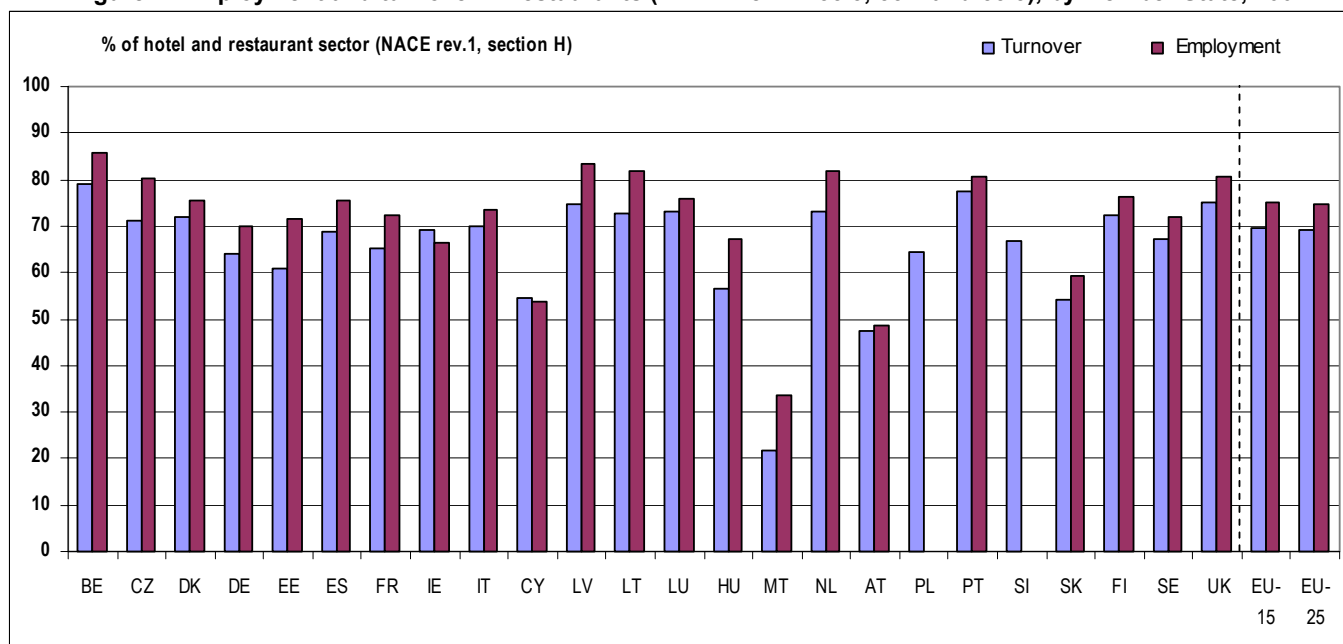
In 2001 the restaurant sector (divisions 55.3, 55.4 and 55.5 of NACE Rev.1) accounted for 75% of all jobs in the hotel and restaurant sector (NACE Rev.1, section H) across the Community. With figures of 86% and 84% respectively, Belgium and Latvia were well above the average. At the other extreme, Cyprus (54%), Austria (49%) and especially Malta (33%) were well under the average.

The Member States where restaurants, cafés, canteens and catering accounted for the highest share of this

sector in terms of turnover were Belgium (79%) and Portugal (78%), compared with an EU-25 average of 69%. In Malta the figure was only 22%.

In the case of Malta, and to a lesser extent of Cyprus, the low figures can be explained by the fact that both countries are holiday destinations where many hotels provide meals on a half-board or full-board basis. These establishments are counted as hotels and not as restaurants.

**Figure 2: Employment and turnover in restaurants (NACE Rev.1 - 55.3, 55.4 and 55.5), by Member State, 2001**

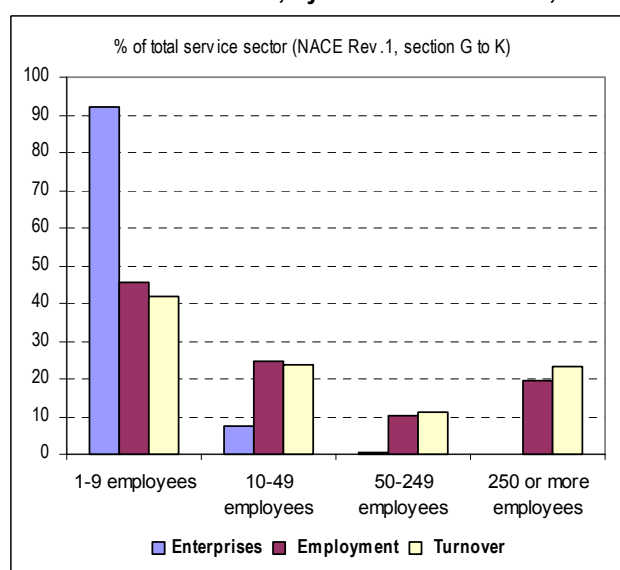


Note: EL: not available; PL and SI: NACE 55.3, 55.4 and 55.5: employment data not available; DE: data for 2000

## Sector dominated by small enterprises

In spite of the success of big chains and hotel franchises and the success of the fast-food and takeaway sector, the hotel and restaurant sector is still dominated by small independent restaurants. Throughout the European Union there is in fact a vast range of family-run restaurants and cafés. Small enterprises thus dominate this sector at Community level. The data for 2001 show that more than 90% of enterprises employ fewer than 10 people (Figure 3), and the figure tops 95% in the Czech Republic, France, Italy, Poland and Portugal. Enterprises with fewer than 50 employees accounted for 99% of all enterprises and generated 66% of total turnover. Only 0.1% of all enterprises were large in size, employing more than 250 people. On the other hand, these large enterprises provided 19% of jobs and accounted for 23% of turnover (Figure 3). With regard to large enterprises the United Kingdom stood out, with this category providing 40% of jobs and accounting for 46% of turnover. Next came Hungary (13% and 21%), Finland (27% and 26%) and Malta (18% and 32%).

**Figure 3: Share of enterprises, employment and turnover in hotels and restaurants, by size class in the EU, 2001**



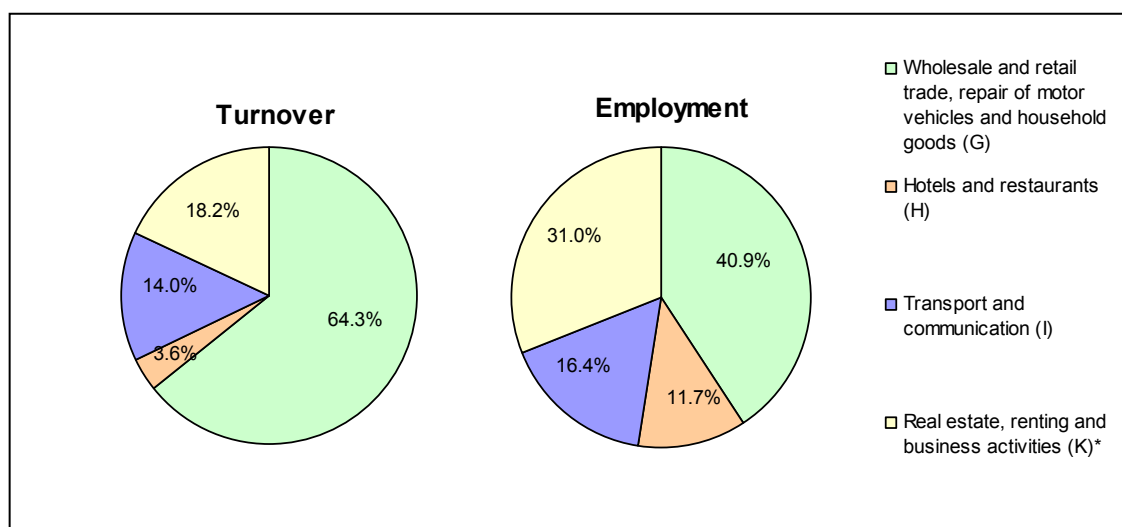
Note: EL and LU: data not available; NL: data for 2000.

In 2002 turnover per employee (EUR 46 600 per employee) was lower in the hotel and restaurant sector than in other service sectors (\*). In fact, hotels and restaurants accounted for only 3.6% of the total turnover generated by the service sector at Community level (Figure 4). The sectors of wholesale and retail trade and repair of motor vehicles and household goods (NACE Rev.1, section G), transport and communication (NACE Rev.1, section I) and real estate, renting and business activities (NACE Rev.1, section K) generated respectively EUR 238 900, 129 200 and 89 200 per employee. The figure varied in this sector among the EU Member States. France recorded a figure for

turnover per employee of EUR 82 000, followed by Finland (EUR 76 000) and Luxembourg (EUR 67 000). Most of the new Member States – such as Estonia, Latvia and Slovakia – recorded lower figures for turnover per employee.

Another point of note is that at Community level (EU-25), the turnover figures increase with the size of the enterprise (\*): hotels with 1 to 9 employees offered a value of EUR 49 770 per employee, those with 10 to 49 employees EUR 50 340, hotels with 50 to 249 employees generated a value of EUR 54 250 and finally large hotels (250 employees or more) a value of EUR 67 720.

**Figure 4: Breakdown of turnover and employment in service sectors in the EU, 2002**



Note: EL and PL: data not available. \* CY: data not available; NL: data on turnover not available.

### Widespread part-time working

In 2001 there were 1.4 million enterprises in the hotel and restaurant sector, providing jobs for 7.6 million people and generating turnover totalling EUR 338 billion. EU-15 accounted for 89% of all enterprises, 92% of jobs and 97% of turnover.

The Member States which accounted for the most enterprises were Spain (19% of all EU enterprises in the sector), France (15%) and Italy (18%). The same three countries provided jobs for 14%, 10% and 12% of those employed in the sector throughout the EU.

The United Kingdom, with 24% of jobs and turnover, nevertheless played a major role in the sector, followed by France and Italy (Table 1).

The countries with the highest number of employees per enterprise were Slovakia (18) and the United Kingdom (15). At the other extreme, the figure was below four employees per enterprise in Belgium, the Czech Republic, France, Italy, Hungary, Poland and Portugal. The United Kingdom in fact stands out for the number of large enterprises and hotel chains, such as the Forte group which targets business customers and offers a wide range of facilities, including health and fitness centres, car hire, shops and meeting rooms.

In many other countries the sector is dominated by small enterprises and family-run restaurants.

In 2001 hotel and restaurant enterprises in Europe had on average 1.1 local units per 1000 inhabitants. The figure reflects the dominant position of small enterprises (family-run restaurants). Spain had the most local units (281 000), followed by Italy (273 000) and France (233 000). At the bottom of the table were Estonia (1 514), Lithuania (2 678, in 2000) and Hungary (3 338). When the figures for the number of local units per 1000 inhabitants are analysed at regional level (NUTS 2), they reveal the regions which have the highest density of local units in each Member State (Figure 6). In 2001 the leading regions in each country were West-Vlaanderen in Belgium (5.87 local units per 1000 inhabitants), Oberbayern in Germany (3.98), Islas Baleares in Spain (12.26), Guadeloupe in France (9.56), Valle d'Aosta in Italy (13.94), Nyugat-Dunántúl in Hungary (0.75), Zeeland in the Netherlands (4.83), Tirol in Austria (11.92), Zachodniopomorskie in Poland (3.44), Algarve in Portugal (13.57), Itä-Suomi in Finland (2.47), Mellersta Norrland in Sweden (3.12) and Highlands and Islands in the United Kingdom (5.16).

(\*) No estimates have been performed on SBS data that could possibly cover the black economy.

Frequent features of jobs dependent on tourism are the seasonal nature of the work and lower wages than in other service sectors. There is a low proportion of salaried managers and owners of enterprises, as well as of intermediate professions. The labour force is much younger and less skilled than in other sectors and also has more women, with the latter occupying just over one in every two jobs in the sector.

The precise figures show that in 2002 women had 53% of the jobs in the sector, compared with 43% in the service sector as a whole. The biggest percentage was in Lithuania (about 85%), followed by Latvia (79%), Estonia and Finland (74% each). The figure was much lower in Greece (46%) and Malta (38%).

Part-time work is also particularly common in the this sector, for both permanent and seasonal jobs. In 2002 some 27% of employees in the sector were reported to be working part-time, compared with a figure of just 20% for the service sector as a whole. The Netherlands had the highest figure (65%), followed by Denmark and the United Kingdom. Part-time work was less common in the Czech Republic, Greece, Poland and Slovakia. It should be said that in these countries, and especially in the new Member States, part-time work in all sectors is generally not so common.

As for the level of qualifications of those working in the hotel and restaurant sector in 2002, fewer than one employee in ten had attained a high level of education and more than 41% of employees were relatively

unskilled. The percentage of unskilled workers was highest in Malta and Portugal, where the figure was about 85%. The countries with the highest proportion of highly qualified people were Estonia (18%), Ireland (16%) and Lithuania (32%).

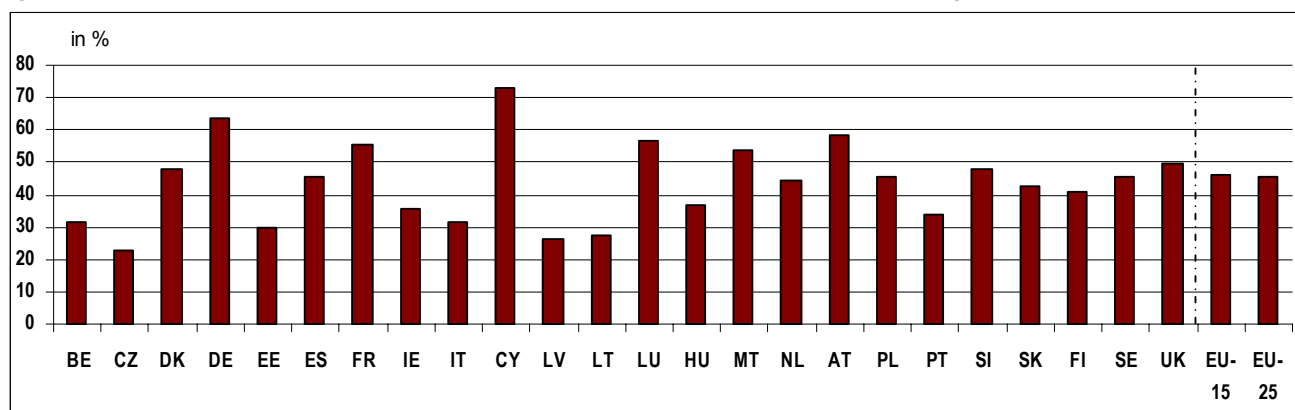
At Community level, personnel costs as a percentage of total purchases of goods and services in the hotel and restaurant sector amounted to 46% in 2001 (Figure 5). Cyprus and Germany recorded figures of 73% and 63% respectively, ahead of Austria, Luxembourg and France. In the case of the Czech Republic, Latvia and Lithuania, the figures were lower and were below 30%. The figures in most EU-15 countries are higher than those for EU-25.

**Table 1: Number of enterprises, employment and turnover in hotels and restaurants, by Member State, 2001**

	Enterprises		Employment		Turnover		Pers. employed per enterprise
	Number	% of total	Number	% of total	EUR mio	% of total	
BE	40 217	2.9	157 699	2.1	8 627	2.5	3.92
CZ	42 580	3.0	162 653	2.1	2 684	0.8	3.82
DK	13 442	1.0	94 597	1.2	4 405	1.3	7.04
DE	172 999	12.3	1 082 339	14.3	42 001	12.4	6.26
EE	1 338	0.1	13 268	0.2	215	0.1	9.92
ES	261 671	18.6	1 073 666	14.2	41 393	12.2	4.10
FR	207 326	14.7	796 433	10.5	51 826	15.3	3.84
IE	13 662	1.0	125 187	1.7	6 592	1.9	9.16
IT	255 739	18.2	904 973	11.9	47 996	14.2	3.54
CY	7 103	0.5	33 270	0.4	1 592	0.5	4.68
LV	1 876	0.1	17 018	0.2	212	0.1	9.07
LT	2 906	0.2	24 053	0.3	199	0.1	8.28
LU	2 570	0.2	12 643	0.2	862	0.3	4.92
HU	32 121	2.3	111 287	1.5	1 766	0.5	3.46
MT	2 135	0.2	17 080	0.2	497	0.1	8.00
NL	39 740	2.8	299 340	3.9	14 302	4.2	7.53
AT	38 679	2.7	211 670	2.8	10 512	3.1	5.47
PL	51 645	3.7	200 232	2.6	3 085	0.9	3.88
PT	62 083	4.4	239 142	3.2	7 021	2.1	3.85
SI	6 056	0.4	27 842	0.4	794	0.2	4.60
SK	1 161	0.1	20 482	0.3	254	0.1	17.64
FI	10 514	0.7	52 939	0.7	4 275	1.3	5.04
SE	21 383	1.5	109 436	1.4	7 250	2.1	5.12
UK	119 195	8.5	1 792 138	23.6	80 244	23.7	15.04
EU-15	1 259 377	89.4	6 952 336	91.7	327 126	96.7	5.52
EU-25	1 408 298	100.0	7 579 521	100.0	338 422	100.0	5.38

Note : EL : not available.

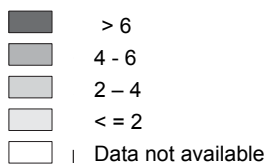
**Figure 5: Personnel costs in hotels and restaurants in relation to total purchases of goods and services, 2001**



Note: EL: not available.

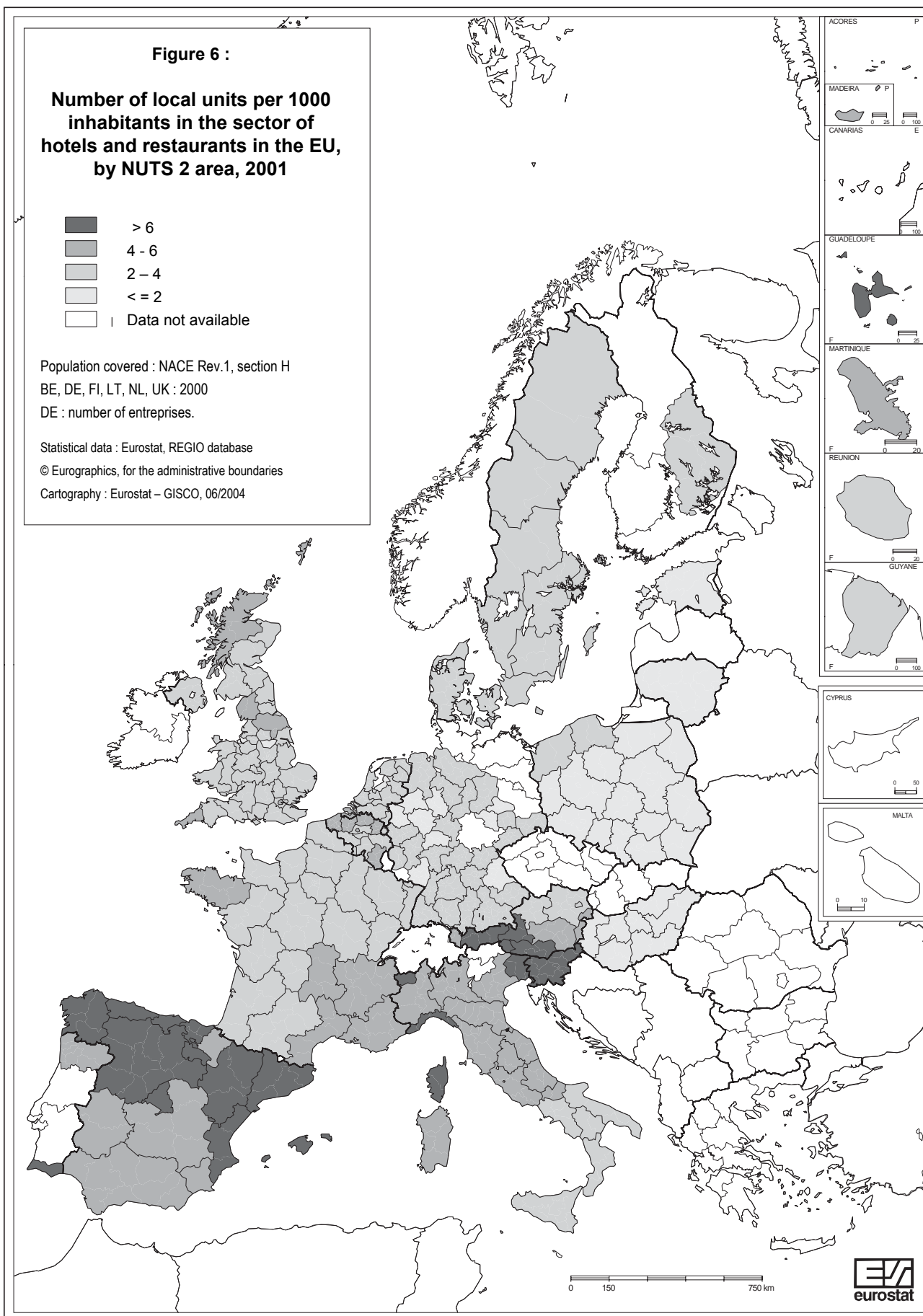
**Figure 6 :**

**Number of local units per 1000 inhabitants in the sector of hotels and restaurants in the EU, by NUTS 2 area, 2001**



Population covered : NACE Rev.1, section H  
 BE, DE, FI, LT, NL, UK : 2000  
 DE : number of enterprises.

Statistical data : Eurostat, REGIO database  
 © Eurographics, for the administrative boundaries  
 Cartography : Eurostat – GISCO, 06/2004



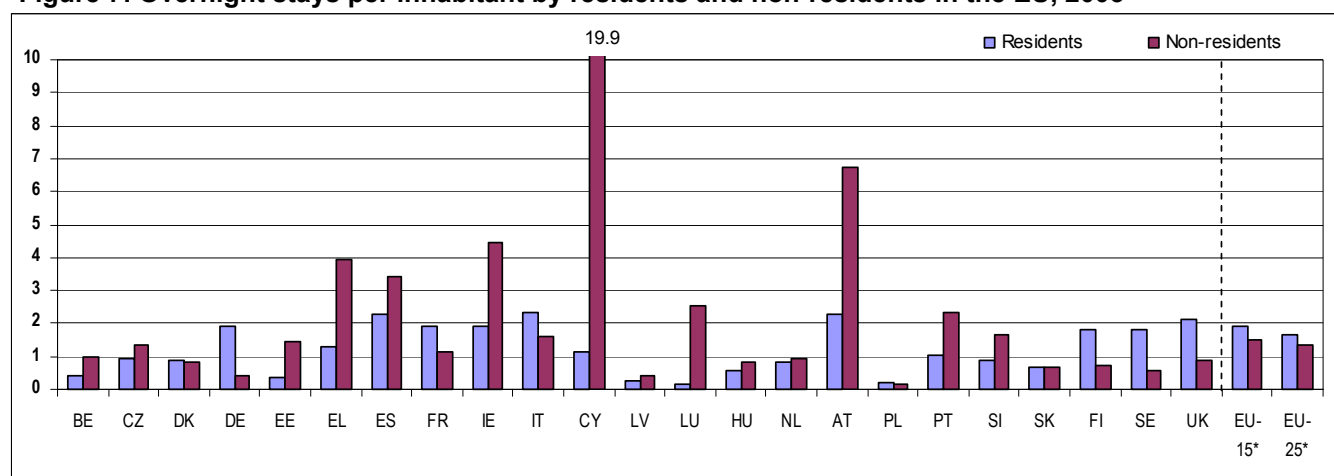
## Southern countries: long and busy tourist season

Cyprus was the country which in 2003 recorded the most overnight stays per inhabitant by non-residents (19.9), followed by Austria (6.7) and Ireland (4.5). Poland ranked last, with a figure of 0.1 nights per inhabitant. The European average came to 1.4 nights per inhabitant (Figure 7). In terms of total overnight stays by non-residents, Spain led the way in 2003, followed by Italy and France. This position is due mainly to seaside holidays. The average length of a stay at a seaside resort is in fact 2-3 days, which is longer than the average stay in regions offering urban and rural tourism. The total number of overnight stays by non-

residents in the European Union amounted to 614 million in 2003.

With regard to the number of overnight stays per inhabitant by residents, the highest figures occurred in Italy (2.32), Austria (2.28) and Spain (2.26), and the lowest in Luxembourg (0.18), Poland (0.23) and Latvia (0.28). The number of overnight stays by people in their own country totalled 755 million throughout the Community in 2003. Germany accounted for 20.8% of the European total, followed by Italy (17.8%), the United Kingdom (16.8%) and France (16.0%).

**Figure 7: Overnight stays per inhabitant by residents and non-residents in the EU, 2003**



Note: LT and MT: data not available; IE, CY, HU and NL: data for 2002; EL: data for 2000; \*: aggregates calculated using available data

In 2003 the hotel occupancy rate averaged 41.4% in Europe. The figure was below the European average in Luxembourg (24.9%), Latvia (31.6%), Belgium (33.1%) and Germany (33.2%). In Mediterranean countries, however, the rates were higher, with Cyprus recording 58.3%, France 54.9%, Greece 53.8% and Spain 52.7% (Table 2).

France, in addition to its high hotel occupancy rate, also ranked first in the world for total tourist flows (based on the number of tourists who spent at least one night in the country).

The share of the business-part is particularly high in Slovakia (36% of all 'tourists'), but also in Denmark and in Estonia, where close to one quarter of the persons registered were there for business purposes. Even in Austria, a country strongly linked with tourism, the share of persons travelling for business purposes reached 20%.

Between 1999 and 2003 hotel and restaurant prices went up by 7% in the capital cities of EU-15. Prices rose most steeply in Lisbon (26%), followed by Dublin and Madrid (13%). The increase was slight in Helsinki (1%), Paris (2%) and Berlin (2%). In Copenhagen prices actually fell by 3%.

**Table 2: Number of tourists\* and average hotel occupancy rate in the EU, 2003**

	Tourists* in 1000	of which : business part	Occupancy (in %)
BE	7 397	525	33.1
CZ	15 810	1 395	35.2
DK	6 116	1 446	38.4
DE	125 942	20 420	33.2
EE	900	216	44.4
EL	:	:	53.8
ES	32 961	1 416	52.7
FR	168 488	7 046	54.9
IE	:	:	44.5
IT	45 562	7 162	41.3
CY	:	:	58.3
LV	:	:	31.6
LU	686	32	24.9
NL	10 047	:	42.4
AT	9 472	1 870	41.8
PT	5 360	503	40.0
SI	1 836	255	46.0
SK	5 964	2 145 587	38.6
FI	10 305	1 714	35.6
SE	:	:	34.2
UK	30 102	5 368	44.6
EU-15**	:	:	41.0
EU-25**	:	:	41.4

Note: \*Tourists : persons having spent at least one night. DK: data 2002, ES: data 2001. Occupancy: LT, HU, MT, PL: non available. IE, CY: 2002; FR: 2001; EL: 2000. \*\* The aggregates have been calculated on the basis of available data.

## ➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

### ABBREVIATIONS

EU-25: European Union, comprising the 25 Member States BE, CZ, DK, DE, EE, EL, ES, FR, IE, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, SI, SK, FI, SE, UK).

EU-15: European Union, comprising the 15 Member States BE, DK, DE, EL, ES, FR, IE, IT, LU, NL, AT, PT, FI, SE, UK).

### SYMBOLS

“.” not available or confidential.

### DEFINITIONS

#### Subdivision of employment and turnover by branch of activity

In structural business statistics (SBS) the labour force and value added are broken down by branch of activity in NACE Rev.1, which is divided into sections (single-letter codes), subsections (two-letter codes), divisions (two-digit codes), groups (three-digit codes) and classes (four-digit codes). The hotel and restaurant sector comes under section H, division 55:

H	Hotels and restaurants
55-1	hotels
55-2	other short-stay accommodation
55-3	restaurants
55-4	cafés
55-5	canteens and caterers

SBS does not cover the black economy.

**Number of employed persons:** the number of employed persons is defined as the total number of persons working in a survey unit (including working proprietors, partners working regularly in the enterprise and unpaid family workers), as well as those working outside the unit but belonging to and paid by it (e.g. sales representatives, delivery workers, maintenance and repair teams). It includes part-time workers, seasonal workers, apprentices and home workers who are on the payroll. The survey unit for aggregating data is the enterprise, which is defined as "the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources".

**Turnover:** comprises the total invoiced by the survey unit during the reference period, i.e. market sales of goods or services supplied to third persons.

**Number of local units:** a local unit is an enterprise or part of an enterprise (workshop, factory, store, office, mine or depot) situated in a geographically identified place. At or from this place economic activity is carried out for which (save for certain exceptions) one or more persons work, even part-time, for a single enterprise.

**Number of enterprises:** an enterprise is defined as the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise may carry out one or more activities at one or more locations. An enterprise may be a single legal unit.

**Personnel costs:** defined as the total remuneration, in cash or in kind, payable by an employer to an employee (whether permanently or temporarily employed or a home worker) in return for work performed by the latter during the reference period. Personnel costs also include the taxes and social security contributions of the unit's employees, as well

as the compulsory and optional social security contributions of the employer.

**Overnight stay by residents and non-residents:** defined as a night spent by a traveller or for which a guest is registered (without necessarily being present) in a collective or private accommodation establishment. Overnight stays are calculated by guests' country of residence and by month.

**Hotel occupancy:** the gross occupancy rate of bed-places in a month is calculated by dividing the total number of overnight stays by the product of bed-places available and the number of days in the month (sometimes called "bed-nights") for the same group of establishments. The quotient is then multiplied by 100 to give a percentage.

**Level of education attained:** the levels of education attained are based on the International Standard Classification of Education (ISCED), revised in 1997, which divides the levels into seven main domains in three groups: lower secondary (levels 0-2), upper secondary (levels 3-4) and higher education (levels 5-6).

### DATA SOURCES

**Structural business statistics (SBS):** data collected in accordance with Council Regulation (EC, Euratom) No 58/97 of 20 December 1996 concerning structural business statistics. The SBS Regulation governs the transmission of data to Eurostat from reference year 1995 and covers, in principle, all market activities in sections C to K and M to O of NACE Rev.1, although in practice the available data are limited to sections C to K (apart from section J, financial activities). More detailed information may be found on the following website:  
[http://forum.europa.eu.int/Public/irc/dsis/bmethods/info/data/new/main\\_en.html](http://forum.europa.eu.int/Public/irc/dsis/bmethods/info/data/new/main_en.html)

The SBS data used for the analysis have been taken from the SBS\ENTER\_MS and SBS\ENTER\_CC series covering all enterprises since 1995. Long series on enterprises with 20 or more employees have been taken from the SBS\ENTER\_L\_MS table. The data used to study manpower in various industries are taken from the SBS\INDUS\_MS and SBS\INDUS\_CC series (theme 4 – Industry, trade and services).

**EU Labour Force Survey (LFS):** survey of private households, providing data on those living in each household with regard to nationality, employment status, age and sex. The main focus is on employment, unemployment and inactive status, and the various aspects of each, including the sector of activity in which people work and their highest level of education attained.

**TOUR data base:** comprises variables of tourist accommodation capacity and occupancy rates, as well as data on the tourism demand of residents. The data are collected in accordance with Council Directive 95/57/EC of 23 November 1995.

**REGIO data base:** Eurostat's data base of harmonised regional statistics. It covers the main aspects of economic and social life in the European Union according to the three regional levels of the NUTS classification (nomenclature of statistical territorial units).

The source for the data given in this publication is Eurostat and reflects the **availability of data** in Eurostat's reference data bank (NewCronos) at mid-May 2004.

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