COMMISSION OF THE EUROPEAN COMMUNITIES

STUDIES

Market structures and conditions of competition in the wholesale trade in the countries of the EEC

SERIES 'COMMERCE AND DISTRIBUTION' – 1976 **1**

The importance of the wholesale trade in European distribution varies from one country to another. For some years major changes have occurred as a result of which the role and functions of the traditional wholesale trade have been considerably modified. In comparing the situation in different Member States of the Community this study tries to take stock of the current position of the wholesale trade as well as of the adaptations which are necessary.

The heterogeneity of the quantitative data and, at times, the scarcity or absence of such data have not helped the work. It is necessary, therefore, to try to obtain a global view of the problems with which this part of the distribution sector is faced rather than a searching analysis of an economic activity which is rapidly changing and still poorly understood.

Market structures and conditions of competition in the wholesale trade in the countries of the EEC

Summary of a study carried out by

IFO-Economic Research Institute
Distribution Division

Munich, September 1975

STUDIES SERIES
Series: Commerce and Distribution no 1
Brussels, 1976

C O N T E N T S

Foreword

This publication, which is available in German, English and French, is an up-to-date synthesis of studies which have been carried out at different times by the IFO Institute of Munich for each of the nine Member States of the Community, viz :

- the part concerning the Federal Republic of Germany was financed in 1973 by the "Bundesministerium für Wirtschaft"

- the parts concerning on the one hand, the five other Member States of the Community of Six and, on the other hand, the three new Member States (Denmark, Ireland and the United Kingdom) were initiated and financed in 1973 and in 1975 respectively by the Commission of the European Communities.

1. Preliminary notes

The following report provides a survey of the results of the study "Market Structures and Conditions of Competition in Wholesale Trade in the Countries of the EC". The study was initiated and authorized by the Commission of the European Community.

The object of the study was to investigate the present and future role and importance of the wholesale trade in the distribution of goods. A comparison of the situation prevailing in the individual countries was made to show the present level of development and depict the necessary process of adaptation. An analysis of the processes of change taking place in both supply and demand, and in the attitudes towards management policy and planning, was carried out to give an indication of the development prospects of wholesale trade.

The sources of information and data for the study were the official offices of statistics, and other official statistics surveys and investigations of research institutes and institutions, together with written surveys and interviews involving selected federations of industry and trade.

Considerable difficulty was presented by the data basis, for the official statistics in the individual countries were partly obtained by different survey basis, frequently outdated and incomplete, and inadequate for the purpose of tracing chronological developments. Accordingly, adjustments, estimates and computer predictions became necessary, which was frequently only possible for total data series, or global figures. This also explains why the data in synoptical tables partly have a more recent basis year than the more differentiated observations made in the text. In cases where the different statistical results for the individual countries deviate from one another, those values have been taken which on closer examination prove to be the most plausible.

2. General appraisal of the stage of development of distribution as a whole

The structure of the distribution system in the countries of the European Community has partly undergone a fundamental change over the past two decades. Striking features of this process of structural change were a noticeable selection combined with a pronounced concentration, considerable shifts in the importance of sectors, types of firms and offers, changes in the structure of location, together with the introduction and establishment of new forms of organisation, types of offer and forms of agglomeration.

In the past years, the pace of the process of structural change has increased further, especially in recent years. Indicators of this development are: expansion of the areas of competition, the increase in the number of competitors, the extension of the instruments of competitive policy and a more intensive use of them, the pronounced use of pricing policy in certain sectors and commodity groups, the pace of the innovation and assimilation process, i.e. the speed with which new types of offers, forms of organisation and commercial practices are introduced and orientate or adapt to established forms.

Despite these partly parallel tendencies, such as selection and concentration, and despite efforts to rationalise and increase the efficiency of the distribution system in all countries, the levels of development of distribution vary considerably.

In the Federal Republic of Germany this sector is one of the most efficient in Western Europe as a result of its high level of rationalisation and organisation as well as by its mixed structure as to the size and type of firms and the kinds of offers made. In spite of the high level which has been attained, an important process of selection can still be noted, both at the stage of retail and wholesale trade. The wholesale trade holds a preeminent place in distribution as a whole; it plays a determing role not only as the supplier of the retail trade but also as the intermediary between the stages of production and in foreign trade. It is especially as a result of the great diversity of commodity lines and the considerable differentiation at the level of production that the German wholesale trade has very widespread activities.

In the Netherlands, distribution has also reached a relatively high level of modernisation and rationalisation, although its structure is still largely characterised by small- and medium-sized firms. The medium-sized commercial firms cooperate to a large extent within the framework of associations. The large companies and large-scale forms of distribution have undergone an above-average expansion and perceptibly increased their share if the market largely at the cost of the smaller and non-organised firms. Considerable rationalisation has been carried out in the fields of warehousing and external organisation, which has accelerated the handling of products and the productivity of distribution. Further changes are to be expected in the processes of structural change in the system of distribution in the future, however, with respect to the demands made on distribution.

In France, great efforts have been made over the past few years to modernise the distribution system and to increase its efficiency. In spite of the considerable progress made in this field, due to the "concerted" measures taken by the Government, associations and groups of firms, there is still a very varied level of efficiency and a large gap between agglomerations and rural areas. The trade is still very fragmented, and the position of wholesale trade within the entire distribution system still relatively weak. The system is dominated by small firms and family businesses. Close to half of total wholesale turnover is realised by only 3% of the wholesale firms. However, 32% of all wholesale firms account for only 2% of wholesale turnover.

In Belgium, the trade continues to be very overcrowded. The results of the latest "Recensement de l'Industrie et du Commerce" clearly confirm the pronounced numerical superiority of the small firms at both the wholesale and retail stages. The number of large and productive firms is still relatively small. At the beginning of 1971, for instance, the provisions and fine foods sector had ca. 3,000 wholesale firms with up to 9 employees, compared with only 36 firms with a staff of more than 100 persons. A large proportion of the small firms in almost every branch operate at both the wholesale and retail stage. Accordingly, they are unable to concentrate fully on the performance of either the retail or wholesale function. Relatively intensive competition between the firms is only to be found in the agglomeration centres. The process of selection observed since the beginning of the 60's has, on the whole, not yet led to a substantial reduction of overcrowding in the trade. Import and export trade plays a relatively important role in Belgium.

The importance of wholesale trade in Luxembourg is also not very large. It is characterised by a large number of "minor" businesses with a low level of efficiency, and a relatively small share of genuine and productive wholesale enterprises. At present, the Grand Duchy of Luxembourg probably has only around 300 genuine wholesale firms, the large majority of which are located in the capital.

Compared with other major industrial nations such as the USA and the F.R. Germany, Great Britain launched a sweeping process of rationalisation and modernisation in trade relatively late, i.e. towards the end of the 50's. Nor was it carried out at the same rapid pace. Among other things it was impeded by traditional practices, a striking example in case being the cooperative societies.

In Great Britain's retail trade, large chains play a very important role in comparison to other EC countries. This applies to both the food and non-food sectord. The development of chain stores was considerably more dynamic than in all other types of business, to a large extent to the disadvantages of small scale retail trade. Cooperation among the "small" businesses to strengthen their competitiveness vis-à-vis the large retail firms and forms did not have an impact on the market until the 60's.

Institutional wholesale trade as a whole in Great Britain is not of very great importance compared with other European countries, such as the Netherlands and the F.R. Germany. This applies equally to consumer-goods wholesale trade and for inter-industry trade. In the consumer goods sector the scope of activity of wholesale trade is substantially more limited for the very reason of the predominance of large retail firms and forms. In the production and capital goods sector a considerably greater role is played by direct selling to the producer. In many instances "mixed activities" are to be observed in trade, i.e. there is simultaneous wholesaling and retailing. As far as genuine wholesale firms are concerned, these are substantially larger on the average than in the other Western European countries.

Taken as a whole, Ireland's distribution system has not yet reached the level of the advanced industrial countries of the continent nor that of Great Britain. While virtually all modern forms of enterprise and types of supply are represented, conventional small-scale trade is still predominant. Almost 2/3 of total retail turnover is still realised by independant, mainly small- and medium-size businesses.

The structure of the trade system is naturally determined to a great extent by the social economic conditions. The population is concentrated in the few large cities. The rural exodus noticeable in recent years has increased the formation of agglomerations still further. Accordingly, the modern supply types of retail trade are also concentrated in the cities. The growing mobility of consumers has increased further the importance of trade in the agglomeration centre and deprived rural trade of turnover potential. This development will continue.

Food wholesale trade was affected most by this trend, for its customer potential is recruited mainly from the large number of small food shops, particularly those in the country areas. Due to the shift in importance of the population and consumption to the cities the businesses faced a growing threat of elimination, which in part also weakened the position of the wholesale trade. This gave rise to the introduction of larger and more efficient firms in the food sector in Ireland in line with the idea of voluntary chains and groups. The wholesale trade managed to successfully counter the selection and put up resistance to the chains and other large form of retail trade firms. In the non-food branch of the consumer-goods sector, however, wholesale trade was unable to maintain its position. Particularly in the rural areas, it lost considerable ground which could not be compensated for in the urban centres since retail trade is substantially more orientated to direct purchasing in the towns.

Since industry as a whole in Ireland is also of little importance, inter-industry trade does not play the same part as in other Western European countries. Only in very few branches is there a significant number of genuine wholesale firms. The import of production and capital goods largely takes place direct via the manufacturer.

Danish trade is still characterised by a high share of small businesses at both the wholesale and retail stage. Competition between the individual supplier groups was relatively weak up to the beginning of the 60's, after which keen competition set in, initially in the food sector. The process of structural change is still proceeding at full pace.

It is the Italian distribution which has the lowest level of rationalisation in Western Europe despite increased efforts to carry out rationalisation and modernisation in recent years. One of the essential reasons for this is the licence system, a practice introduced by the guilds in the Middle Ages, by which the authorisation to exercise a commercial activity was granted by the municipal authorities or the prefecture of the province. Its application in practice has prevented the development of modern forms of large-scale distribution and has also restricted the activities of small firms. By an amendment to the licencing laws, carried out in the summer of 1971, it is hoped to put an end to a further fragmentation of the trade and to remove the impediments of administrative origin to the modernisation of trade. According to experts, however, only very little success has been achieved so far. As far as the municipalities submitted commercial development plans, practically all of them imposed an expansion freeze on large-sized firms in favour of traditional small-scale trade. Recently, however, there have been signs that selection and rationalisation tendencies are taking effect in retail trade.

The fact that, the further south one goes, the further the level of industrialisation and revenues falls, is another important factor explaining an insufficient rationalisation of the distribution system. Large firms are only possible in limited areas. It is without doubt the small family business which holds the most important place. Cooperative forms have not gained very much importance hitherto. Compared with other countries, modern distribution techniques such as the self-service or the cash and carry system have been introduced only very slowly. Because of this situation, itinerant trade in Italy plays a more important role than in the remaining countries of Western Europe. The wholesale trade's position in distribution is relatively weak. The wholesalers' range of products is, in most cases very spezialized. Only in recent years has assorted line wholesale gained some importance, which has been induced by the cooperation centres and the C & C supermarkets. There have been recent indications that location associations and cooperations are being considered as basic steps for rationalising and increasing the efficiency of wholesale trade.

3. Place of wholesale trade in the economy

The importance of the wholesale trade, seen from the angle of its part in the total national product, is quite different from one country to another - this is due to the different level of development of the economy and as a result, that of productivity and the total national product, as well as to different distribution costs and trade margins. It is the Dutch wholesale trade which supplies the most important contribution to the total national product, followed by that of France, Denmark, Ireland and F.R. Germany. The contribution of the wholesale trade in Belgium and Italy is the lowest.

Table 1

The quantitative importance of the wholesale trade as part of the larger sector of industry, craft and services, varies considerably in the different countries. Although the possibility of making valid comparisons between the figures given for the different countries in question are limited due to too large a gap between the years of reference and to different methods from one country to another in the carrying out of enquiries, the available figures nevertheless give a certain idea of the situation. It is shown that the Dutch wholesale trade takes first place with respect to its share in the total number of firms and numbers employed in industry and trade. Then comes Belgium with a relatively high percentage which is the result of the strong overcrowding and the structure (small firms) of the trade. In F.R. Germany, Denmark, France, Great Britain and Italy, the proportion of the wholesale trade in the total figure of the firms in the industrial, craft and services sector corresponds in the main, to the percentage of persons employed, so that it can be said that the wholesale trade does not employ less persons than the rest of the firms in this sector in these countries. In Ireland, the wholesale trade plays a relatively important role as an employment factor in the economy. In Luxembourg, however, wholesale trade has no practically significance in this connection.

Table 1

Contribution of the wholesale trade to the total national product in the countries of the E C

Country	Year	Contribution
Belgium	1972	2.0 % of gross national product
Denmark	1972	6.0 % of gross national product
F.R. Germany	1974	6.0 % of gross internal product
France	1970	6.2 % of gross internal product
Great Britain	1972	4.0 % of gross internal product
Ireland	1972	6.0 % of gross internal product
Italy	1973	3.0 % of gross internal product
Luxembourg	1969	3.7 % of gross national product
Netherlands	1968	10.7 % of net internal product

Source : See the corresponding paragraphs in the reports per country

Table 2

The rate of insertion of the wholesale trade into the buying and selling networks of the economy is a good indication of the importance of the intermediary function of the wholesale trade. In F.R. Germany, almost 2/5 of the industry's sales within the country are realised through traditional wholesale firms. In the consumer-goods sector, in the food industry, the raw materials and the production goods sector, the degree of insertion is even higher; it is, however, less high as concerns capital goods. If one also considers, besides the traditional individual wholesale firms, the other wholesale firms and the firms of other economic sectors, there is a total degree of insertion of almost 50 %. The part of the independent German wholesale trade in foreign trading is about 15 %, its share of the imports being 1/5 higher than its share of the exports (12 %). The real importance of the function of the independent foreign trade is, however, much larger if one considers, besides the transactions which it concludes directly and on its own account, its role as a representative and agent and its activities in partly independent trading stations in foreign countries. About 4/5 of the imports from these countries and 20-25 % of the exports destined for them pass through these firms.

The rate of insertion of Dutch wholesale trade in the buying and selling channels of the economy of close to 2/5 is also not very high. Foreign trade constitutes a domain of wholesale trade here, where wholesale accounts for ca. 2/3 of all imports and more than 2/5 of all exports. The total insertion of wholesale trade in total import will probably continue to grow because domestic wholesale trade has started to import goods itself to an increasing extent.

In France also, an important part of the goods distributed are handled by the wholesale trade. It is however, not possible to calculate the total rate of insertion in France since the statistics available are incomplete. The fact that about 3/5 of the retailers buy their products mostly from the wholesale trade is an indication of a relatively high rate of insertion. Approximately 2/5 of the turnover of the retail trade is realised by the sale of goods supplied by the traditional wholesale trade. If one attributes the central purchasing offices of buying groups to the wholesale trade, the rate of insertion is only slightly below 50 %. The insertion of the wholesale trade is clearly above the average if one considers the inland sales of household electrical appliances and construction materials. The participation of the wholesale trade in foreign trade is relatively important, according to the estimates by the experts, especially as concerns imports, but the exact proportion is indeterminable.

In Belgium, the wholesale trade is relatively well established in distribution, especially in foodstuffs, domestic goods, hardware and stationnery. The degree of insertion reaches, on average, a good 1/3 in the food sector, but there are considerable differences according to the categories of products.

Independent wholesale trade participates, for instance, in the distribution of margarine with a share of 10 %, compared with a share of ca. 70 % in the marketing of chocolate. Increasing efforts on the part of wholesale trade to insert itself in the import of goods are particularly noticeable in the food sector.

Wholesale plays no important part in the marketing of textiles and wearing apparel. There is an extremely pronounced fluctuation in its rate of insertion in the production-goods sector. In Belgium's raw material and inter-industry trade, those firms play a particularly important role which, besides an intensive customer service, are able to perform financing functions.

Table 2

Part of the wholesale trade in the number of firms and the persons employed

in the industrial, craft and services sector

Country	Year	Number of firms	%age of the total number of industrial, craft and service firms	Year	Number of persons employed	%age of the total number of persons employed in the industrial, craft and service sector
Belgium	1970	31,000	c. 7	1970	130,000	c. 5
Denmark	1972	20,835	6.0	1973	125,600	5.1
F.R. Germany	1970	132,000	5.8	1970	1,240,000	5.1
France	1970	81,000	4.0	1968	716,000	3.5
Great Britain	1965	41,000	c. 4	1965	778,600	c. 4
Ireland	1971	2,500	4-5	1971	32,200	c. 7
Italy	1971	92,988	c. 4	1971	464,440	c. 4
Luxembourg	1972	350	4-5	1970	1,675	1
Netherlands	1972	22,600	c. 9	1972	c.230,000	c. 8

Source : See corresponding paragraphs and the tables in the reports per country

In Luxembourg, the food wholesale trade is very important as an intermediary in distribution. Wholesale trade also occupies an important market position in the case of pharmaceuticals. In the production-goods sector, it has come to play an important part in the distribution of building materials due to improved organisation and intensive marketing. Luxembourg's traditional wholesale trade is not strongly inserted in either the export or import trade. International transactions are performed mainly by industrial firms, retail cooperative organisations, and chains.

The insertion of wholesale trade in the channels of distribution has declined as a whole in Great Britain during the past two decades. In 1950, the bulk of industry sales went through wholesale trade; at the beginning of the 60's, the share was probably already under the 50 % mark. The current insertion quota in domestic sales of industry is scarcely higher than 1/3. A number of reference values can be determined for several branches and commodity groups of the consumer-goods sector by means of a regional analysis carried out for North-East England. According to this, an average of 26 % of the total purchases of retail trade falls to the share of wholesale trade. The purchases from wholesale are considerably above average in retail of assorted foodstuffs, and substantially below average in the case of textiles and wearing apparel. In other important commodity groups, such as retail of electrotechnical articles and household goods, the purchasing quotas via wholesale trade conform approximately to the average.

In Ireland, the total degree of insertion of wholesale trade as a whole is very low, but shows considerable variation by branches. In the distribution of food, wholesale trade plays the leading part as intermediary. Its insertion is well below average in most of the non-food branches of the consumer-goods sector and in the production and capital goods sector.

In Denmark, there is a large degree of insertion of wholesale trade in the buying and distributing channels of the economy. A good 3/10 of domestic sales subject to VAT are accounted for by wholesale trade. It achieves a still higher insertion quota with a good 35 % of export sales subject to VAT. This is an indication of the marked orientation of Danish wholesale trade to export.

For Italy also, it is not possible to determine the rate of insertion of the wholesale trade. The part of the wholesale trade in the sales of foodstuffs is relatively important, particularly for fruits and vegetables, fresh fish and poultry. Approximately half of the preserved foods are sold through the wholesale trade. The rate of insertion can be estimated at at least 60 % for textiles and clothing, 25-30 % for household electrical appliances.

Tendencies towards an elimination of wholesale trade have become less effective again in the past few years. Above all the high distribution costs have caused many industrial and agricultural manufacturers to increase again the insertion of wholesale enterprises - as far as they are efficient - in their channels of distribution.

4. Structure and development of wholesale trade

Despite a general acceleration of the structural changes taking place in wholesale trade in the countries of the European Community in recent years, these changes were very varied in form and scope. The main reasons for this are to be found in the different level of development in the overall distribution of commodities, in the different need for structural changes, and in the different socio-economic conditions.

The outward form of wholesale trade in F.R. Germany has been decisively changed primarily by concentration and selection. The number of firms has declined by about one quarter since the beginning of the 60's.

Of the ca. 115,000 wholesale firms operating in 1974 according to statistics, ca. 52 % were in the raw material and inter-industry trade sector and the rest in the consumer-goods sector. The number of wholesale firms is in fact already considerably lower than indicated by the statistics, as shown by recent surveys of the Ifo-Institute. If we take the results of the different statistical institutions and adjust the most obvious discrepancies, we obtain a figure of only ca. 95,000 firms for 1974.

As concerns turnover, the most important branches of the F.R. Germany wholesale trade are the food, tobacco and alcohol trade the collecting trade of agricultural products, the trade in minerale, iron, non-ferrous metals and semi-finished metal products, the coal and mineral oil products' trade, the trade in wood and construction materials as well as the wholesale trade in motor vehicles and machines. The following subsectors have shown an above average increase in turnover in the last few years: scrap and refuse, electro-technical and optical products, clocks and watches as well as pharmaceutical products and cosmetics. The increase in turnover in the following subsectors was far below average: textiles, raw materials, semi-finished and leather goods, coal and mineral oil products as well as ores, iron, non-ferrous metals and semi-finished metal products.

Since the beginning of the 60's there has been a substantial shift in the share of turnover in the direction of firms with annual turnovers of over DM 10 millions. Whereas these firms accounted for a good half of total wholesale turnover in 1962, their share had already risen to 2/3 in 1974. Firms in the lower turnover categories - below DM 250 000 - continue to play a large role numerically (representing 1/3 of the wholesale firms), but they are scarcely important in terms of turnover. In 1974, they accounted for only ca. 1 % of total turnover. The causes of this concentration process have been, besides the above average growth of the larger companies, above all the growing number of mergers, the increasing importance of firms legally independent but controlled by another company and the elimination from the market of the small businesses in particular. The development towards a higher turnover concentration of the individual firms can be noted in the two principal sectors of the wholesale trade and in nearly all the branches.

In the consumer-goods sector, the average size of the firms has increased more in some branches than in the production and investment goods sector as a result of the strong selection.

In the same way as in the economic structure, there are quite clear difference between the regions as concerns the structure of the wholesale trade. The wholesale trade's activities are particularly concentrated on North Germany and North Rhine/Westphalia. In these two regions, the average size of the firm is clearly above average.

The degree of organisation and cooperation in the wholesale trade in F.R.Germany is already very high though it varies according to the branches and the commodity lines. The integration of the wholesale trade into the distribution system of the industry has taken many forms, and the links are extremely varied. They range from very great integration such as the contractual dealer system, to more flexible forms of distribution agreements. About 1/4 of producers have concluded distribution agreements with the wholesale trade. The products sold within the framework of these agreements represent about 7 % of the industry's total turnover. In the food industry, the share of the wholesale trade in the industry's total turnover is clearly above average (about 1/5).

Compared to the other countries of the EC, cooperation in the wholesale trade is very important. At the end of the 60's, at least 10 % of the wholesale firms, i.e. a considerable part of the real and efficiently working wholesale trade, belonged to either individual or cooperative forms of cooperation. The part of these firms in the total turnover of the wholesale trade was about 1/5.

It is in the wholesale trade in foodstuffs, tobacco and alcohol that the degree of cooperation is the highest, followed by the wholesale trade in pharmaceutical products and cosmetics.

A similar system to that of self-service was introduced in the wholesale trade in foodstuffs, tobacco and alcohol by the "cash and carry" firms. In 1974 there were 656 cash and carry warehouses in F.R. Germany with a selling-area of 1.95 million square metres. The rhythm of expansion of this form of selling has, however, notably slowed down during the past few years. Too large capacities are reduced, the less profitable cash and carries disappear from the market. The structure of their clientele is undergoing considerable changes. The catering industry and the large-scale consumer play an ever-increasing role. In the non-food sector, the rack-jobbing system has already gained much ground. The articles preferred for this form of distribution are problem-free non-foods of everyday use.

A noticeable process of selection and concentration has also taken place in the Netherlands during the past two decades. It gathered speed at the end of the 60's and is still proceeding at full pace. Small firms in particular are being ousted from the market, but the structure of Dutch wholesale trade is still characterised largely by small firms. At present, probably only about 5 % of all the firms employ more than 50 persons. Viewed strictly in terms of business organisation only about 1/3 of the total number of firms are large enough to cope with future wholesale functions.

The voluntary chains are the most widespread form of cooperation. But - as in other Western European countries - they are found almost without exception in the provisions and fine food sector. By comparison, rural trade is a domain of the cooperatives. There has been a considerable concentration of firms in this sector over the past years through the merger of local and regional cooperatives, and by the formation of central cooperative organisations. As a result, the cooperatives have developed their position in virtually every market. Whereas vertical fusion can be regarded as being completed, further mergers are expected to take place on a horizontal plane.

Table 3

The principal sphere of activity of the Dutch wholesale trade is the distribution of national industrial products and also foreign trade. The trade in agricultural products is third in importance and plays a greater role than is the case in the majority of the countries of the EC.

The process of selection in French wholesale trade has recently become more intensive. The number of firms declined by only ca. 10 % between the mid-60's and 1975. The relatively greatest process of reorganisation in wholesale trade is in fuel and oil, and in the meat products and textile sectors. Contrary to the general tendency, the number of wholesale firms in machines and equipment has noticeably increased. In this case, the wholesale firms were apparently able to meet the demands of manufacturers and buyers for extensive customer services.

Trade in foodstuffs as a whole is still the dominant sector in the French wholesale trade. It represents about 1/3 of the total number of the wholesale firms. The process of selection has been slightly more evident in this sector over the past years than on the whole.

Contrary to the other stages of distribution, the number of persons employed in the wholesale trade is scarcely increasing in France. In the process of selection among the small businesses and the expansion of others it is above all the number of independents which diminishes further while that of dependent workers and employees increases.

The French wholesale trade is also principally an intermediary, however, between the national industry and the retail trade. A large proportion of the wholesale firms supply almost exclusively the processing industries and the institutional consumers. The most important forms of cooperation in France are also the voluntary chains and the retail buying groups. Cooperation is above all to be found in the foodstuffs sector. Contrary to the F.R. Germany, the forms of cooperation in France are generally only of regional importance. The degree of organisation is usually also not as high as in the F.R. Germany, which is shown, for example, by the much lesser degree of concentration in the field of purchasing. The main difficulty preventing a more efficient cooperation is probably the mixed structure of the firms as concerns their size and efficiency.

The promotion of wholesale centres is also characteristic of the efforts to improve the standard of performance and adaptation to modern market requirements in France. The firms participating are achieving considerable cost-cutting and rationalisation effects by the joint performance of a series of largely technical functions. A further expansion of this form of location cooperation is expected to take place in coming years.

The cash and carry firms in France are gaining in importance. Already about 15 % of the total turnover in provisions and fine food is realised by them. The total number of these firms is already about 400, most of which are relatively small. The non-foods are of growing importance in the range of goods carried by the cash and carries.

Belgium continues to have an above-average density of wholesale trade among the countries of the EC. According to figures compiled by the Belgian Office of Statistics. there were 21.5 wholesale firms per 100 retail businesses at the end of 1970. The density of wholesale trade scarcely changed during the 60's, but the intensification of the selection process expected in the next few years will certainly lead to a reduction of overcrowding in the trade.

The focal point of wholesale trade activity in Belgium still lies in the consumer-goods sector, notably in provisions and fine foods, textiles, wearing apparel and footwear. At the beginning of the 70's, provisions and fine foods had a share of ca. 30 % in the total number of wholesale firms, textiles, wearing apparel and footwear a share of close to 10 %. During the same period, the share of raw material and inter-industry trade was slightly below 40 %.

In the Grand Duchy of Luxembourg there are about 300 wholesale firms. They are above all active in the food and textile sectors. The inter-industry and raw material trade plays practically no role.

The cooperation movement in the Belgian wholesale trade is very different from that in Germany or in the Netherlands. On the one hand there is not only a cooperation between the wholesale and the retail trade, or in the retail trade in the framework of purchasing groups, but also large stores of subsidiaries or cooperatives of the independent retail trade cooperate; on the other hand, the links are less strong. In general, there is no written convention about a firm's membership of a chain. Trade relations are mainly based on voluntary agreements. As result, the efficiency of these forms of cooperation is natably less than in the F.R. Germany. Within individual forms of cooperation, however, there have recently been signs of a selection process taking place with the object of increasing efficiency.

Tab. 3

Structures and development in the wholesale trade in the countries of the E C

Country	Number of wholesale firms	Development of number of firms during last few years	Structure of the size of firms	Density of wholesale trade	Principal fields of activity of wholesale trade	Importance of inter-industry and raw materials trade	Branches with strong selection among the firms	Importance of cooperation	Importance of the cash and carry	Degree of insertion	Competition
Belgium	about 25,000 (1975)	in regression	on the whole small firms, tendency towards expansion	overcrowded	consumer-goods, especially foodstuffs, tobacco and alcohol, textiles and clothing	minimal	foodstuffs, tobacco and alcohol	relatively high, up to now strong organisation rare tendency towards stronger cooperation	increasing; cash and carry very widespread	high on the whole; strongly differentiated according te products; no increase in view	relatively strong, increasing intensity
Federal Republic of Germany	about 117,000 (1975)	in regression	considerable differences in size, some trends towards expansion	slight overcrowding which will be reduced	raw materials inter-industry trade, consumer-goods	very great	foodstuffs, tobacco, raw materials semi-manufactured goods, skins, paper stationery, printers goods	considerable; strong concentration and selection within the groups	C&C totally confirmed; still some trends towards growth, buyers tend to become "large consumers"	high on the whole, some trends towards increase	very marked; some trends towards intensification
Denmark	about 20,800 (1972)	slight progression	on the whole small firms, high concentration of sales in a small number of firms	onvercrowded large number of non-viable firms	raw material and capital goods imports, foodstuffs	large	goods of every-day consumption, especially foodstuffs, general export trade	relatively large, tendency towards concentration	totally confirmed, no further expansion	on the whole high, especially in foreign trade	marked, with trends towards intensification
France	about 67,000 (1975)	in regression	on the whole small firms; expansion of large firms above the average	overcrowding especially in food, tobacco and alcohol sector, some trends towards decreasing density	foodstuffs, tobacco and alcohol,animals and animal products	less than that of wholesale trade in consumer- goods, but importance growing	meat products, collecting agricultural trade, fuel and oil	relatively small; nostly only regional importance, rarely strong organisation	increasing, especially in the hands of voluntary chains, sales areas still small	very high on the whole; no reduction envisaged	relatively weak some trends towards increase
Great Britain	about 38,000 (1971)	in regression	medium-size firms, tendency towards expansion, Average size higher than EC countries	overcrowded	consumer goods especially foodstuffs, mineral oil products, textiles and clothing	less than that of wholesale in consumer goods	foodstuffs, textile and clothing	relative important, tendency towards stronger cooperation and concentration	totally confirmed tendency towards consolidation	not very high, trend towards consolidation	very marked, trend towards increase
Ireland	about 2,500 (1971)	in regression	high share of small and not completely viable firms, but large firms above the average	overcrowded	consumer goods, especially foodstuffs	relatively low	textiles and clothing, foodstuffs	very large in foodstuffs	considerable importance, tendency to further expansion	on the whole relatively low, with marked differences according to groups of products	intensive, with tendency towards increale
Italy	about 105,000 (1974)	in progression	small firms; development of larger units sluggish	severe overcrowding, less density in foodstuffs than in non-foodstuff sectors	foodstuffs, tobacco and alcohol, textiles and clothing, hardware, domestic electrical appliances and machines	minimal	agricultural products, leather and furs, glassware, porcelain and ceramics	cooperative movement only beginning degree of cooperation minimal	growing; not all are true C&C; especially ander control of chains, expansion sluggish	small on the whole strong differentiation according to groups of products, trends towards greater insertion	relatively weak, intensification expected
Netherlands	about 22,600 (1972) (companies; dependent firms not included)	constant	small firms, some trends towards increase in size	overcrowded	foodstuffs,tobacco and alcohol, agricultural sector	minimal	shoes and leather, textiles (not including home textiles) foodstuffs, tobacco and alcohol	very important, strict selection within the groups continuing development, horizontal cooperation	relatively small, no large increase in view	relatively high, especially in foreign trade; still increasing	very marked, continuously increasing
Luxembourg	about 300 (1975)	in regression	small firms; only slow development towards larger units	very overcrowded	consumer-goods especially foodstuffs, tobacco and alcohol, textiles and clothing	minimal	foodstuffs, tobacco and alcohol	relatively small, cooperation mostly beyond frontiers	insignificant	relatively high, no increase envisaged	only weak, some trends towards increase

Common purchasing of wholesalers who are members of a chain is very high slight or non-existent. The wholesale firms are most often members of a larger buying organisation which also supplies other groups. The retailers belonging to the voluntary chains purchase on an average 1/3 of their articles from their chain wholesale firms. The purchasing quota is considerably higher in the food sector.

The C & C system has established itself on a broad footing in Belgium. In recent years, there has been a slight decline in the number of firms, but a substantial increase in the average size of unit. The forms of cooperation are also very active in the C & C business.

At the beginning of the 70's, there were about 38,000 wholesale firms of the most diverse type in Great Britain. From 1959 to 1965 the number of wholesale firms fell by a good 5 %; sales increased by over 1/5 over the same period. Statements can only be made on the development since 1965 by making use of expert opinions and information on individual branches, and by means of analogical conclusions from the development in retail trade. This indicates that the number of wholesale firms declined by a further 5 % from 1965 to 1971. Following this, the selection tendencies apparently increased further in the 70's. This applies in particular to consumer-goods wholesale, since its customer potential shrank considerably further due to the vigorous expansion of the large firms and forms of retail trade.

The focal point of wholesale activity in Great Britain lies - in contrast the F.R. Germany for instance - in the consumer-goods sector. Of the ca. 41,000 wholesale firms existing in 1965, about 58 %, or 23,600, were operating in the consumer-goods sector. Over 17,000 firms, or 42 % operated as dealers in the raw material and inter-industry trade. A considerable number of these firms are in the branches coal, building materials, farm machinery and agricultural requirements, and animal husbandry, in many cases also performing retail functions. Of the total wholesale turnover in the mid-sixties, the consumer-goods sector accounted for a good 3/5, and the inter-industry trade in the broadest sense of the term for 2/5.

Although the selection of firms in the raw material and inter-industry trade was as a whole still stronger than consumer-goods trade over the past 15 years, the relative importance of this sector in terms of turnover has increased, which is to be explained by the above average development of demand in the field of equipment capital goods.

By far the greater part of wholesale firms - a good 4/5 - is engaged in a more or less marked form of warehousing. A good 10 % of the firms are engaged in trading without stocks. In terms of total turnover, trading without stocks accounts for close to 1/10. The focal points of trading without stocks lie in the food sector, agricultural sector, ores and metals, and general export trade.

The largest number of firms are in the consumer-goods sector, in the branches foodstuffs and groceries, textiles and wearing apparel, and ironware and electrical articles. The numerically dominant group in the foodstuff sector comprises fruit and vegetable wholesalers, followed by wholesale of assorted products. In terms of the number of firms, the major group in raw material and inter-industry trade comprises the special branches coal, machinery, scrap and refuse, landborne trade. In Great Britain's food wholesale trade the concentration of firms and turnover, and the selection of firms, increased considerably in the 60's. The concentration in assorted line wholesale was very pronounced and considerably greater than in specialised wholesale trade.

At that time the number of assorted line wholesale businesses probably represented only 1/5 of the total number of firms in food wholesale. The share of turnover of these businesses, however, was already well over the 50 % mark.
The focal point of wholesale activity in Great Britain's food sector also shifted

increasingly towards assorted line wholesale, but this development is proceeding much more slowly than in the F.R. Germany for instance.

Although the scope of cooperation at the retail trade stage is considerably narrower due to the relatively smaller importance of small-scale retail business compared with other European countries, notable group activities have succeeded in developing in Great Britain.

In the food sector about 20 voluntary chains and groups are operating, which comprise about 140 wholesale firms and 29,000 retailers. The retail businesses affiliated in the voluntary chains realise about 1/5 of the total turnover of the assorted food wholesale trade. Their share in the market increased up to 1970, since when it has slightly declined. Voluntary chains have also established themselves in the non-food sector, where they have only a narrow scope of activity, but for the most part operate very effectively. This form of cooperation is to be found foremost in the branches of ironware, paints and wallpaper, and textiles. The total number of affiliated retailers is currently over 4,000.

The traditional form of cooperation of the buying association is developed on an extensive basis in Great Britain, but its importance is comparatively small.

In Great Britain, too, the cash and carry principle already came into wholesale trade at the beginning of the 60's and subsequently made rapid advances. In 1973, there were over 600 C & C stores with a combined turnover of over £ 900 millions. The number of stores has increased more than fivefold since 1962, turnover increasing about tenfold. It is estimated that C & C firms today already account for about 1/5 of the total turnover of food wholesale trade. By far the largest part of the C & C stores is largely orientated to food distribution, but there are also firms which have specialised in the distribution of non-food articles. In Ireland, there were about 2,500 wholesale firms at the beginning of the 70's, with a combined turnover of ca. £ 594 million and 32,000 employees. The total number of firms declined by close to 4 % between 1966 and 1971. There has been an above average decline in the number of firms in the branches textiles and wearing apparel, wines and spirits, foodstuffs, in motor vehicles, spare parts and accessories and in machinery and equipment. On the other hand, a marked increase was registered in the number of firms in the specialised branches of mineral oil products, and in several other non-food commodity groups.

A tendency is also noticeable in Ireland towards a shift from specialised wholesale trade to assorted line wholesale. The rise in turnover in assorted line wholesale during the last decade was probably about twice as high as in specialised wholesale. The number of assorted line wholesalers considerably declined within the framework of a pronounced concentration and formation of groups. Larger business units were formed, the commodity lines extended, thereby increasing the productivity of the firms.

If the structure of wholesale trade in Ireland is considered in terms of size of turnover, the numerical importance of the small businesses and the turnover of a relatively small number of large firms can still be seen to dominate. Only ca. 15 % of the firms account for about 2/3 of wholesale turnover. On the other hand, about half of the firms account for only ca. 8 % of the turnover. The structure of the size of businesses and firms indicates that a a substantial part of the wholesale firms are not genuine and productive wholesale businesses. A considerable number of them carry on mixed activies, i.e. are partly involved in retail trade.

The cooperation movement in Ireland has hitherto virtually concentrated on the food sector. It began around the midfifties as the small food retail businesses increasingly came under the pressure of competition from the large firms and forms of retail trade, thereby also depriving the wholesale trade of turnover potential.

Traditional wholesale which sustained a new curtailment of business opportunities due to these precautionary measures of the small retailers, was induced to take the initiative to prevent the loss of further ground on the market. By means of close cooperation with the retail trade within the scope of voluntary chains it was intended to cut buying costs and to actively promote sales.

The C & C system has grown considerably in importance during the past few years. The number of stores today is probably over 60. The importance of the C & C system should continue to increase substantially in the years ahead. Signs of this development have also become noticeable in the non-food sector.

Whereas the number of firms in trade and industry in Denmark has declined as a whole in recent years, there has been a slight increase in the number of wholesale firms, which increased from 20,194 to 20,835 from 1970 to 1972. This development was due especially to a considerable increase in the number if firms in the branches furniture and household goods, and other consumer goods. In contrast, the number of wholesale firms in the important specialised branche groceries and fine foods remained unchanged.

This number of wholesale firms specified in the official statistics, however, is too high if the firms are strictly classified according to definition and function. It can be safely said that there are currently less than 10,000 genuine wholesale firms in Denmark. The number of businesses run by individual entrepreneurs amounts to ca. 70 %, but their share in turnover is less than 20 %. This relation indicates that a considerable number of "petty" businesses are involved. Only about 7,000 wholesale firms had annual turnovers of over 25,000 kronen in 1972.

Joint stock companies are very important in Danish wholesale trade. Almost 2/10 of all the firms operate as such, and accounted for ca. 55 % of the total turnover in wholesale trade in 1971. The firms with the highest turnovers are run by cooperatives.

Inter industry trade accounts for close to 3/5 of wholesale turnover, consumer-goods wholesale trade for 2/5. Import trade has an important share of 2/5 of supplies to the home market.

The importance of cooperation (buying associations, voluntary chains and groups) and the cooperatives is increasing steadily in Denmark. Its greatest importance is in the assorted foods trade, but it also plays a significant part in the branches textiles and wearing apparel, and ironware and household goods. About 90 % of the total wholesale turnover of provisions and fine foods is realised by buying associations, voluntary chains and groups, and the wholesale purchasing company of the cooperative societies. The importance of wholesale of assorted foods can be rated even higher. Cooperative wholesale has a share of about 70 % in the turnover of goods for everyday consumption.

There are currently about 40 C & C firms in Denmark. The phase of distribution of this type of firm has been largely completed in the meantime. The focal point of this activity is in the food sector, but there are also special non-food C & C stores. Average size and scope of assorted lines are lower than in most other EC countries due to specific Danish conditions.

Whereas in most West European countries the number of wholesale firms has been considerably reduced over the last 15 years - partly as a result of mergers into larger units and partly because of the fact that the retail trade and industry began to fulfil wholesale functions, which had led to a certain elimination of the institutional wholesale trade - the number of wholesale firms registered in Italy has increased considerably. Between 1951 and 1974 the number of firms increased by almost 2/5. The greatest expansion was in Central Italy, as against a below-average rate of increase in Northern Italy. In the industrial conurbations the increase in the number of firms has come to a halt. In the areas far from these industrialised areas, however, there has been a considerable increase in the number of firms. Parallel to this has been a noticeable increase in the number of persons employed in the wholesale trade. It has approximately doubled since 1951.

Of the ca. 105,000 wholesale firms existing in Italy in 1974, close to 3/5 were in Northern Italy, a good 1/5 in Southern Italy (plus islands), and almost 1/5 in Central Italy. The density of wholesale trade, i.e. the number of wholesale firms per 100 retail businesses, in Northern Italy is well above the average for the country in both the food and non-food sectors. Considered as a whole, the structure of wholesale trade in Italy is very fragmented. At the beginning of the 70's, a good quarter of the existing firms were one-man-businesses which were unable to perform a genuine wholesale function.

If one looks at the different sectors of the wholesale trade one notices differences as concerns the size of the wholesale firms. It is the very small business which still predominates in the wholesale trade in agricultural and food products. In the manufactured goods sector, the medium and larger firms are of above average importance. The number of food wholesalers is by far the most important. The majority of them distribute agricultural produce, livestock and meat, wine, vinegar and oil. The independent wholesalers with these products also play a certain role in foreign trade whereas the importance of the wholesalers with manufactured goods in foreign trade is infinitesimal.

In the 60's, forms of cooperation played only a secondary role in Italy, despite the pronounced increase in the number of organisations. The number of wholesale firms which are members of a voluntary chain and the retail buying groups out of the total number of wholesale firms is minimal. Far less than 1 % of all the wholesalers are cooperating. The voluntary chains are exclusively active in the foodstuffs and grocery sectors. Up to the present time, they have not had the success in Italy that could have been expected, given the experience in other West European countries. The buying groups are active mainly in the foodstuffs sector. As concerns non-foods, their importance is very small. Some cooperative organisations have already started to control membership at the retail stage to increase the efficiency of the groups.

Over the last few years the cash and carry system has been adopted more and more in distribution in Italy. The number of cash and carries available for retailers, caterers, and institutional consumers has, meanwhile, exceeded the hundred mark. These firms are not all true cash and carry warehouses fulfilling the typical cash and carry functions. The main promoters of the cash and carry system in Italy are, wholesalers who already cooperate in a voluntary chain. The warehouses which they constructed are, however, not only at the disposal of the members of the chain, but also of the other groups of buyers at the resale stage. In addition, chains and the Standa department store are also engaged in the C & C sector, in line with their measures of differentiation. The structure of the cash and carry clientele in Italy is quite distinct, from that in the F.R. Germany. About 9/10 of the clients are retailers, 1/10 are caterers and institutional consumers. The large cash and carry warehouses carry a range of food products which numbers between 5,000 and 6,000 items. They try to offer the most complete range possible.

5. Conditions and situation of competition in wholesale trade

In the F.R. Germany competition in the wholesale trade is quite strong. There are indications which allow it to be said that competition is still increasing. The competitive relations among the firms have become more differentiated and more intensive. Today, the single enterprise firm is competing with a substantially greater number of forms of organisation and types of offer than a number of years ago. Manufacturers' own sales organisations are increasingly entering into competition with single enterprise, independent wholesale firms. Regional and local central planning organisations of forms of cooperation and large-sized firms are gaining importance.

In spite of a general intensification of competition in the German wholesale trade, the situation and the development of the conditions of competition are extremely diverse according to the groups of firms, the size and the location. Whereas the situation of competition has deteriorated considerably over the last years for a certain number of firms, an improvement has been noticeable for others. A precise relationship between the size of firms, and the development in the situation of competition cannot be noted. The latter has developed positively during the past few years in the furniture and optical sectors, but in contrast, it has been particularly negative in the wholesale trade in photografic, drugs and pharmaceutical products. In the foodstuffs tobacco and alcohol wholesale trade as in the sector of televisions, radios, record-players, tape-recorders, etc., bicycles and accessories, the situation of competition has improved for a considerable number of firms whilst deteriorating for an equally large number of firms. In the inter-industry and raw materials trade a considerable number of firms in spare parts, car accessories, installation equipment for heating, fuels and petrol products, non-ferrous metals, leather and furs, felt the increased pressure of competition.

The wholesale trade has adapted to the development of competition by a reorientation and a new definition of its main policies, for example by a more flexible policy with regard to prices and costs, by a reorientation of the range of goods carried by offering no longer only the traditional categories of products but "packages" of products and services adapted to certain needs and objectives by more efficient cooperation and a concentration on the main fields of activity, by a change of the location as well as by a profound reform of the distribution network and the delivery systems.

The competitive situation in Dutch wholesale trade has also become much keener in the past years. The structural changes within Dutch wholesale trade, which are basically characterised by processes of concentration and cooperation, accompanied by a noticeable selection of firms, must primarily be viewed as a result of keener competition. Whereas particularly the larger and well organised wholesale firms succeed in improving their competitive position, the smaller non-organised businesses increasingly encountered danger of elimination, or were actually ousted from the market.

The increase of competition was due to several factors. For instance, on the buying side of wholesale activity, i.e. in the sphere of industry, mergers and concentrations have narrowed the scope of activity of wholesale trade on the domestic market, particularly that of inter-industry trade. In many cases, this has led to a competitive struggle for existence within the wholesale trade. The growing tendency of industry to intensify cooperation with efficient wholesale firms has greatly accelerated the selection process among the smaller, less efficient businesses. But concentration of firms at the retail stage also had the effect of increasing competition within wholesale trade. Traditional wholesale trade has been deprived of substantial sales potential by the pronounced expansion of the large forms of organisation. The increasing concentration of buying in numerous non-food branches of medium-sized retail trade observed in the past years, has promoted the cooperatively organised sector of wholesale trade at the expense of single enterprise wholesale, and similarly sparked off extensive processes of structural change.

In France wholesale trade competition remained weak for some time due to the predominance of small-sized firms and a clientele fragmented into extremely small business units. Meanwhile, the competition situation has noticeably changed. Following an increase in concentration, cooperation and efficiency of the larger firms, competition has intensified especially in urban areas. The development shows a tendency to be reinforced by the present exogenous influences. The State has also tried to stimulate development towards larger and more efficient units.

Processes of concentration have been observed among the buyers and suppliers of Belgian wholesale trade for many years, which are also partly accompanied by the fusion of buying and selling organisations, and cause a reduction of the insertion of independent wholesale trade. The rapid growth of large forms of retail trade also promotes processes of concentration at the wholesale stage. The independent wholesale trade in Belgium has found itself both at local and central level in relatively strong competition with a large number of other distribution bodies and organisations which also fulfil some of the wholesale functions.

There is a tendency in the individual branches for wholesale functions to be divided among producers and wholesalers. In the consumer-goods sector, industry has endeavoured to completely eliminate wholesale trade in the marketing of certain products over the past few years. These tendencies have recently diminished, however, and in some cases it is even possible to discern an increased insertion of wholesale trade again.

The institutional wholesale trade in Luxembourg is confronted not only by the distribution bodies of the manufacturers which are in quite a strong competitive position, but also, and especially, by the cooperatives of the different handicrafts. Competition in the wholesale trade is, on the whole, quite intense, and will probably become even more so in the coming years.

As the other western industrial countries, the position in the market and the situation of competition of wholesale trade in Great Britain is also influenced by numerous exogenous and endogenous factors, which are undergoing considerable change with respect to the scope of their effect. Several of them are particularly relevant for the situation of English wholesale trade with respect to both type and effect.

The slower economic growth has placed substantially narrower limits on the expansion of wholesale trade than hitherto. In industry as in retail trade the development is characterised among other things by a pronounced process of concentration which is expressed in above average growth of the large firms, in mergers and in the formation of conglomerates. In industry there is a certain tendency towards the elimination of wholesale trade and the taking up of wholesale functions.

In retail trade, the above average expansion of the types of such firms such as chains reduces the market potential of the wholesale trade. One endogenous influencing factor has a particularly negative effect on a country's wholesale trade, in this case the price controls in the distribution sector. Although a certain relaxing of these price controls has been observed recently, they still prevent trade from being able to raise its selling prices. This causes a perceptible narrowing of the trade margins with a corresponding impairment of returns, liquidity and investment possibilities.

The influencing factors referred to, generally cause a further rise in the pressure of competition in wholesale trade. This particularly hits the less productive firms with smaller turnovers, of which a considerable number will be eliminated from the market.

In Ireland, there has been a noticeable change in the demands on type and scope of the function performed in the last few years, which has led to a perceptible stepping up of competition.

There has been a considerable increase in the demands on quantity turnover, scope and depth of the assorted lines, readiness and ability to supply, and on services in the wholesale trade. A sizeable number of the firms could not meet these demands and found themselves increasingly in difficulties. The pressure of competition will by no means fall off in the years ahead.

In Denmerk, the scope of wholesale trade activity is basically determined by three factors, namely the predominance of the small- and medium-sized firms in industry, the changes at the retail stage with the tendency towards concentration and large business units, and the marked orientation of the Danish economy towards foreign trade.

In Denmark, an important part is played in purchasing production and marketing by cooperatives, which are a strong competitor of institutional wholesale at all stages. In addition, the central purchasing companies of the chain stores and voluntary chains are of great importance at the wholesale stage.

In the foreign trade sector, the traditional and particularly the non-specialised export merchants are deprived of a section of their field of activity by industry setting up its own export departments.

In Italy, competition has been, up to now, very weak on the whole. During the 60's it was to a certain extent characterised by complete immobility. The "dispersal" at the two stages of distribution reduced the zones of competition from regional to merely local ones. The scope and rapidity of the innovations in the wholesale trade, for which the appearance and the propagation of new types of offers and new forms of firms as well as the realisation of special conceptions in distribution are examples, are considered, apart from the prices, as the most important indications of the intensity of competition. Up to the present, innovations of this type could only be found in Italy to a very limited extent. The structure of the wholesale trade characterised by small firms and the inflation of the commercial apparatus have prevented the appearance of more important forces to stimulate competition. It is only in the urban areas, where the progressive wholesale firms are established, where the increased effects of more efficient organisations and reinforced competition can be noted.

The prerequisite for rationalisation, i.e. the creation of efficient forms of cooperation and integration, is not yet fully given and can only be observed in partial sectors. The chances for a long-term intensification of group competition are therefore not very great. It is hoped that central wholesale organisations will help to stimulate competition and increase efficiency. In a number of cities, projects have been set up on the model of the location cooperative in Bologna. Even though cooperative elements have only been realised to a modest extent so far, this form of cooperation is considered as being very important within the scope of rationalisation measures. As in other countries, the best prospects are not considered to lie in forms of cooperation extending beyond the varied economic sectors and branches, but in special branch centres and consumer group centres (e.g. provisions and fine foods).

6. Future role and importance of wholesale trade

The present changes in supply and demand with which the wholesale trade is confronted have as a consequence in all the countries of the EC that the wholesale trade has to fulfil quantitively more important and qualitatively more differentiated functions than in the past. The functions of the wholesale trade permitting the overcoming of time and space are increasing in importance. As a result, higher productivity and efficiency of the wholesale trade are becoming more and more necessary. In all countries the necessity to become more productive and efficient is recognised. Efforts are made by the firms, the professional organisations and the authorities to adapt distribution and especially the wholesale trade, to the changing situation in improving its structure and efficiency. The conditions for this are, however, quite different as a result of the different levels of evolution and the geographical, economic and social situation of the country in question. The rapidity with which the measures of rationalisation and modernisation will be effected in the wholesale trade will thus continue to differ noticeably from one country to another.

In the F.R. Germany, there are good prospects for the independent wholesale trade in spite of the growing involvement in wholesaling of the firms and groups of firms of other economic sectors, especially of industry with its own (legally dependent or independent) distribution units. The plans of industry indicate on the one hand the setting up or extension of its own distribution network especially to fulfil the wholesale functions, but on the other hand, a considerable reinforcement of the cooperation with the traditional individual wholesale trade. A trend towards stronger cooperation between industry and the wholesale trade is particularly noticeable in the foods, tobacco and alcohol industries, where the degree of cooperation with the wholesale trade is already very high. In the consumer goods and capital goods industry, it is also probable that, according to the plans of the manufacturers, cooperation with the wholesale trade will intensify. More and more it will only be the efficient wholesale firms whose turnover is high, which will be able to fulfil in an intensive way a large package of functions and which will have good market prospects. The future market only offers good possibilities to the small and medium-sized businesses if they are integrated into efficient forms of cooperation or system of distribution.

The pronounced differentiation of supply and demand, the increasing division of labour, and the growing foreign trade linkages of the Dutch economy, indicate that wholesale trade will maintain its strong position in the distribution system. Industry's plans to increase its cooperation with efficient wholesale firms even point to a greater insertion in the flow of goods. On the other hand, if the structural change continues as expected, it is not improbable that in the long term the main tasks of distribution in the Netherlands will be performed by a relatively small number of firms. This development is favoured by the country's small area and well developed communications system.

In France, the wholesale functions will also be more and more fulfilled by firms from other sectors. Surveys made in industry have shown that numerous manufacturers try, particularly for economic reasons, to fulfil the wholesale functions themselves. The greater part of the manufacturing firms, however, continues to prefer the wholesale trade as an intermediary in distribution. The prerequisite for the consolidation of the market position of wholesale trade is an increased concentration within its sphere of activity.

The new demands of the market necessitate above all a reorientation of the policy concerning the range of products carried as well as the location policy of firms. As for the range, a trend towards larger offers covering the needs of complete categories of customers can be noted. On the other hand, those which have completely specialized will continue to play a large role in the French wholesale trade. An efficient rationalisation will often not be possible without moving the firms to the outskirts of towns. The wholesale centres which are already in existence or planned or under construction are, in this context, very promising.

The future of independent traditional wholesale trade in Belgium will depend to a large extent on how far the firms succeed in meeting the changed demands placed on the function of wholesale by the market partner. A survey in the Belgian industry showed that some of the manufacturers plan, for the next few years, a reduction or the complete abandoning of the cooperation with the wholesale trade. The main reason for this reorientation is that the wholesale trade is not capable enough, according to the manufacturers, to fulfil the physical and planning functions in a satisfactory manner. Accordingly,, one can expect that the trend towards the elimination will continue for the present.

Due to Great Britain's entry into the EC and the resulting reorientation of trade relations there will be a greater demand for wholesale trade in the future than hitherto. Despite this quite favourable outlook for wholesale trade, however, the unsatisfactory situation and development of independent institutional wholesale trade in Great Britain will persist in the coming years, due to the predominance of the negative influencing factors referred to. An improvement of its position is only possible in the long term. It presupposes that development of the part of wholesale trade which is productive and capable of expansion will proceed more dynamically than hitherto, thereby a more interesting partner for industry and for retail trade. In the consumer-goods sector this implies in concrete terms a reorientation with respect to the consumer groups and a shift of emphasis in the performance of function. As far as the consumers are concerned it is absolutely necessary to establish closer and in part quite special relations to the large groups and forms of distribution of retail trade.

In the long-term view there are signs of a situation in which, compared with today, a substantially lower number of viable and efficient wholesale firms are again taking up indispensable intermediary functions in a series of branches and important commodity groups.

In Ireland, the institutional assorted line wholesale trade will consolidate its position further. Due to the expansion and differentiation of the range of commodities now in progress among the assorted line wholesalers, specialized wholesale is likely to lose still further ground in the years ahead. Marked elimination tendencies for independent wholesale trade are still taking effect in the non-food consumer-goods sector. Its position in the market, which is not particularly important anyway, is being weakened further by various factors. On the one hand, industry is tending towards more direct marketing and retail trade towards more direct purchasing; on the other hand, assorted foods wholesale is becoming more active in the non-food sector in line with the concentration of its assortments.

In the raw materials, semifinished and capital goods sector, the marked tendency towards direct purchasing and marketing in industry will scarcely lose importance, but will rather tend to increase further. In comparison, new possibilities are partly opening up for wholesale in foreign trade both in the capital goods and consumer-goods sector, which can only be utilised, however, if the efficiency can be substantially increased within the framework of larger business units. Without doubt, Irelands's entry to the EC and the anticipated expansion of the exchange of commodities with the Community have clearly improved the chances of wholesale orientated to foreign trade.

In Denmark, there have been no signs so far of serious efforts on the part of industry to detour institutional wholesale trade in domestic business, nor are any such signs expected in the forseeable future. There will be a continuation of the trend, however, towards cooperation with as few efficient large-scale wholesale firms as possible. This will promote the concentration just the same as the steadily increasing capital requirements for rationalisation measures. During the next few years wholesale should remain relatively well inserted in the importation of goods, particularly in the raw materials and inter-industry trade sector. In the export, however, wholesale trade will be perceptibly forced back by the manufacturers' own marketing organs.

The development of trade in Denmark will be characterised in the next few years by an increased process of concentration and selection. The number of genuine wholesalers will decline further, and will probably amount to only ca. 5,000 by 1980. The numbers employed in wholesale trade, however, will decline only slightly.

In Italy, the wholesale trade will undergo in the next few years a steady if only a belated rationalisation, due to the reinforced efforts, especially by the State, to rationalise. But competition wil be encouraged especially by the wholesale firms which belong to integration and cooperation forms. It thus becomes more and more evident that the Italian wholesale trade has an important role to play if it fulfils all the functions of a modern intermediary in distribution. The "function package" of the wholesale trade will increase and will no longer be limited to a few tasks linked directly to the physical distribution of goods. The independent wholesale trade, on the whole, will increase its importance on the market in the next few years. A process of rationalisation will probably take place at the same time but - compared to the other countries of Western Europe - at a slow pace, which among other things is also strongly characterised by selection and development at the retail stage. According to the structural forecasts of the INDIS, there will only be a slight reduction in overcrowding as a whole. A noticeable decline in the number of firms in the food sector constrasts with a considerable increase in the consumer durables sector. The government's rationalisation programme will certainly contribute to an acceleration of the process. An important impulse may, however, also come from the wholesale trade itself through an intensification of cooperation, the introduction of modern techniques in distribution and concerning the goods and services offered, and greater use of the possibilities offered by wholesale centres.

7. Consequences for management policy in wholesale trade

Despite the considerable structural changes which wholesale trade has undergone in almost all the EC countries in the past years, and the increased adaptation to the changed demands on the part of the market partner, wholesale trade must continue to substantially change its performance of function and services if it is to secure its position in distribution. This will require the fulfilment of several basic prerequisites within the framework of an adaptable and constructive management policy:

- The size of operating unit adequate for performing the future tasks will have to substantially exceed the present dimensions. Considering all the differences with respect to the demands placed on size of firm according to branches, location, structure of buyers, assortment etc., it is evident that in most branches the existing size of firm is no longer adequate for performing the tasks on hand. The formation of larger regional or supra-regional operating units, and the further modernisation and rationalisation of the organisations and operating methods is indispensable for guaranteeing a position in the market in the long term. This naturally demands a substantially higher input of financing and trading capital.

- With the development of larger operating units, management in the wholesale trade will be faced with much more difficult tasks than in the past. The solely responsible businessman will have to be joined or replaced to an increasing extent by management comprising qualified specialists. The development of organisation plans and systems is necessary which are flexible enough to effect rapid adaptation.

- With respect to its assortment policy, wholesale trade can no longer rely on buying and offering traditional product lines. Its task is to now offer ranges of products and services which are adapted to demand and target groups, and in part extend beyond previous branch limits. If the prerequisites are given with regard to size of firm, then so is the possibility of forming assorted lines with a scope and depth aimed at covering the overall requirements of the most varied consumer groups, and suited to maximum exploitation of sales potential. But it is still necessary to form specialised product lines for the various target groups. In cases where the formation of product lines of such a scope and depth is not possible - due to capacity reasons, for instance - commodity selection or specialisation is necessary. Commodity selection involves a concentration on a special homogeneous consumer group; specialisation is the formation of a narrow, refined special assortment to serve the most varied customer groups. Closely linked with this is the question of marketing policy - the orientation towards different buying groups in retail trade.

- In the long term, wholesale marketing can only be successful if it maintains a very close, responsible relationship with the customer. The success of wholesale trade depends on that of its customers. This leads to the necessity of providing support in the management policy and business affairs of the customer. Detailed customer information and advice is the best instrument for gaining the customer's confidence. Customer information and advisory services firstly help to make visible the wholesaler's own function of acquainting the customer with relevant developments relating to new products, trends in taste and market situation, and secondly to support the firms at the next trading stage with own ideas on organisation of the essential market sectors. The areas of advice for the retail customer include questions of organising and selling the product lines, pricing, advertising, sales promotion, location planning, storing, etc.

- In past years there has been a growing recognition that the instrument of sales promotion can not only be reserved for the manufacturing stage, but that the tasks of promoting sales lie to a large extent with wholesale trade in the scope of its marketing activities. This shift of function is closely linked with the far-reaching transition in wholesale trade from a goods transit station to a central marketing organisation. This development was boosted by the increasing integration and group formation in trade, in which wholesale trade has to largely play the part of a central control organ. Since the pull towards integration and group formation in trade, linked with a corresponding change of role in wholesale trade, will become stronger, sales promotion on the part of wholesale trade also gains importance.

- The development trends in the demands of the market partner indicate that wholesale trade will mainly - and partly to a greater degree - have to be a customer serving wholesale trade with clearly-defined customer service functions. Besides this, however, special forms of supply and marketing techniques for meeting the demands of special customer groups will have to be developed further.

- Efficient market performance demands close cooperation with other wholesale firms, as well as with manufacturers and retailers. Within the framework of such cooperation, wholesale trade enterprises must be increasingly developed as a type of "central marketing organisation". On the one hand, this requires the adaption of functions of such a scope and intensity as industry is entitled to expect, on the other hand, it must exert an increasingly constructive, advisory and controlling influence on the basic fields of activity of the customers.

An interesting partial sector in this context is cooperation of wholesale firms located in so-called trade centres. As a whole, this form of agglomeration is still in its early stages, to some extent in an experimental phase, but it will gain importance in the years ahead due for instance to reorganisation programmes in town planning, and to problems of space and traffic. Location cooperation is based on the consideration that it is not necessary for every firm to perform all functions itself, but that certain work processes can be more rationally carried out via joint facilities such as typing and correspondence pools, forwarding offices, loading and storage depots, central data processing plants, sample and show rooms etc. Decisive for the success of trading is a careful selection of the members, exact planning of location, building lay-out, technical installations and a dynamic cooperation management. Only this form of relocation of firms in agglomerative structures facilitates modernisation and a far-reaching rationalisation and decreasing trend in costs.

- Cooperation in trade will increasingly shift from the form of relatively loose cooperation and move towards system building, the strict division of functions between the central organisation and cooperating members (for example, in the form of franchising, or system leasing). It also offers small, highly productive firms good possibilities of survival and success. The function of the central wholesale system lies in the development of compact clearly defined product supply programmes and in the development of marketing measures. The function of the integrated wholesalers and retailers is to realise these measures in the market. By means of this strict division of function and re-allocation of responsabilities, successful rationalisation can be achieved and the way opened for a substantial increase in the efficiency of the cooperation system and thereby the competitiveness of the member firms.

The employment of set of such reactions and measures of management policy, which are well aligned with one another and correspond to the specific situation of the individual firm, opens up good future prospects for the productive wholesale and retail firms and helps the less productive but productive-minded firms to escape the danger of elimination by competition.

Due to the increasing expansion and differentiation of the channels of supply and distribution, the functions of wholesale trade are fundamentally gaining importance because the markets are becoming increasingly more difficult to gauge for suppliers and buyers alike, due to the growth and tightening of the network of relations between them, despite the improved structure of information. Due to this very fact, industrial society depends on the fulfilment of wholesale functions for maintaining and increasing its own viability, to a greater degree than a practically any other time. Single-enterprise wholesale also has good opportunities here, partly better opportunities than ever before, but this only applies to firms capable of efficient market performance.

APPENDIX

a) Definitions of important terms

Wholesale trade : This term partly has varying definitions. In this study, it does not only refer to the wholesale firms (institutional wholesale trade) but to the total field of wholesale activity (functional wholesale trade). A distinction is made according to stages between central wholesale and local wholesale trade, and according to commodity groups between raw material and inter-industry trade, and consumer-goods wholesale trade (and between these sectors according to the numerous specialised branches). Depending on the scope of assortment, we speak of assorted line wholesale trade and specialised wholesale trade, and according to forms of single-firm and cooperative wholesale trade we refer to dependent and independent wholesale trade. Finally, we speak of customer service wholesale and cash and carry wholesale trade according to the sales technique employed.

Value added of wholesale trade : This is the index for the contribution of wholesale trade to the economy's total production. It is obtained from the difference between wholesale turnover and change in stocked goods on the one hand, and input of goods and outside services on the other.

Wholesale trade density : The index for the density of wholesale firms in relation to the number of retail trade business or to the area of a specific region. The index is intended to express, for instance, the number of wholesale firms per 100 retail trade businesses in order to also indicate the efficiency and productivity of the performance of function at the wholesale stage.

Insertion : Index for the importance of institutional wholesale trade in the market. It expresses the share in terms of value of the total supplies of industry and other producers which go to trade buyers and retail businesses via wholesale trade firms.

Marketing : Basic commercial attitude, according to which overall management policy is orientated to the market. It is expressed in the formulation and realisation of marketing strategies, in which all measures are related to the interests of the customer.

Rack-jobbing : Selling form of wholesale trade. The rack jobber untertakes, for his own account, to keep the shelves of retail businesses (particularly supermarkets) stocked with specific non-food lines. The firm leasing out the racks and effecting encashment is paid a commission on sales. The rack jobber's assortment mainly comprises household articles, textiles, stationery, toys, chemists' supplies and cosmetics etc.

Selection process : This term is used here in a narrower sense to denote total elimination of a firm from the market.

Overcrowding in trade : The number of trading firms is too large, for instance in relation to the population. A large number of them do not have the amounts of turnover necessary for an efficient performance of function.

Buying associations : Associations of retailers, wholesalers, tradesmen, etc. - mostly in the legal form of a cooperative - for the purpose of joint purchasing of goods and for marketing. The central organisations of the associations are wholesale firms in the functional sense.

Voluntary chains : Associations of independent wholesale firms with a large number of independent retailers for the purpose of concentration in the field of buying, and for centralising basic marketing decisions. Voluntary chains play the dominant part in the food sector.

Large forms of retail trade : A collective term for department stores and cut-price firms, large mail-order firms, consumer markets, mass chain stores and cooperative societies.

b) Institutions contacted for information

E C

- Centre International du Commerce de Gros Intérieur et Extérieur, Brussels
- Comité des Organisations Commerciales de la CEE, Brussels
- Statistisches Amt der Europäischen Gemeinschaften, Brussels/Luxembourg
- Union Européenne des Commerces de Gros en papier, cartons et emballages, Brussels
- Union des Fédérations Nationales des Négociants en matériel de construction de la CEE, Brussels

Belgium/Luxembourg

- Chambre de Commerce belge-luxembourgeoise-allemande, Brussels
- Chambre de Commerce, Luxembourg
- Comité Belge de la Distribution, Brussels
- Confédération Belge du Commerce de Gros, Brussels
- Fédération Belge du Commerce Alimentaire, Brussels
- Fédération du Commerce de l'appareillage électrique, Brussels
- Fédération Luxembourgeoise des Négociants en Gros, Luxembourg
- Institut National de Statistique, Brussels
- Service Central de la Statistique et des Etudes Economiques, STATEC, Luxembourg
- Studiencentrum voor Economisch en Sozial Onderzoek, Antwerp
- Syndicat Belges des Grossistes et Importeurs en quincaillerie, Brussels

Federal Republic of Germany

- Bundesverband der Deutschen Industrie, Köln
- Bund Deutscher Baustoffhändler e.V., Bonn
- Bundesarbeitsgemeinschaft der Mittel- und Grossbetriebe des Einzelhandels e.V., Köln
- Bundesverband des Deutschen Gross- und Aussenhandels e.V., Bonn
- Bundesverband des Elektrogrosshandels e.V., Dortmund
- Bundesverband des Sanitär-Fachhandels e.V., Bonn

- Deutscher Industrie- und Handelstag, Bonn

- Edeka Verband kaufmännischer Genossenschaften e.V., Hamburg

- Fachverband des Deutschen Maschinen- und Werkzeuggrosshandels e.V., Frankfurt/M.

- Gemeinschaft Deutscher Einkaufskontore des Nahrungsmittelgrosshandels, Frankfurt/M.

- Gesamtverband des Deutschen Textilgrosshandels e.V., Dusseldorf

- Hauptgemeinschaft des Deutschen Einzelhandels e.V., Köln

- Verband des Deutschen Nahrungsmittelgrosshandels e.V., Bonn

Denmark

- Danmarks Statistik, Copenhagen

- Foreningen af Dagligvaregrossister, Copenhagen

- Grosserer-Societetet, Copenhagen

- Institut for Erhvervsøkonomi c/o Handelshøjskole i København, Copenhagen

- Provinshandelskammeret, Copenhagen

- Textilgrossist foreningen, Copenhagen

- The Nordic Statistical Secretariat, Copenhagen

France

- A.F.R.E.S.C.O. - Association Française de Recherches et Etudes Statistiques Commerciales, Paris

- Chambre Officielle de Commerce Franco-Allemande, Paris

- Confédération Nationale des Commerce de Gros, Paris

- C R E D O C - Centre de Recherches et de Documentation sur la Consommation, Paris

- Ecole Pratique des Hautes Etudes, Paris

- I N S E E - Institut National de la Statistique et des Etudes Economiques, Paris

- La Commission de la Distribution du VIè Plan, Paris

- La Société Générale des Coopératives de Consommation, Paris

- Ministère de l'Economie et des Finances, Paris

- Ministère du Commerce et de l'Artisanat, Paris

Great Britain

- Board of Trade, London
- British Stationery and Office Products Federation, London
- City Business Library, London
- Department of Trade and Industry, London
- Economic Intelligence Unit, London
- Electrical Wholesalers Federation, London
- Export-House, London
- Federation of Wholesale Organisation, Caterham
- Lintas Information Centre Ltd., London
- Millinery Distributors Association, Caterham
- MPC & Associates Ltd., Marketing and Planning Consultants, Worcester
- National Institue of Economic and Social Research, London
- NEDO - National Economic Development Office, London
- Pottery and Glass Wholesalers Association, London
- Radio Wholesale Federation, London
- Textile Distributors Association, London
- The Motor Factors Association, London
- The National Federation of Wholesale Grocers and Provision Merchants, London
- Wholesale Footwear Distributors Association, London

Ireland

- Association of Voluntary Groups, Dublin
- Central Statistics Office, Dublin
- Department of Industry and Commerce, Dublin
- Irish Hardware Association, Dublin
- Irish National Productivity Committee, Dublin
- National Wholesale Grocers' Alliance, Dublin
- Radio and Television Retailers Association, Dublin
- Society of the Irish Motor Industry, Dublin

- The Federation of Trade Associations, Dublin

Italy

- Confederazione Generale Italiana del Commercio, Rome
- Confederazione Italiana dei Grossisti Italiani, Rome
- Deutsch-Italienische Handelskammer, Milan, Rome
- Infratest Italiano S.p.A., Milan
- Istituto Italiano Alimenti Surgelati, Milan
- Istituto Nationale della Distribuzione (INDIS), Rome
- Ministero dell Industria e Commercio, Rome
- Sistemi Distributivi S.p.A., Milan
- SORIS S.p.A., Studi economici Ricerche di mercato, Turin

Netherlands

- Associatie van Makelaars en Importagenten in Overzese Producten, Amsterdam
- Attwood Statistics (Nederland) N.V., Rotterdam
- Bedrijfschap van de Groothandel en de Tussenpersonen in Groenten en Fruit, The Hague
- Centraal Bureau voor de Statistiek, Abt. 4. The Hague
- Centrale Kamer van Handelsbevordering CHK, The Hague
- Centrale Vereniging voor de Cooperatieve Handel, The Hague
- Centrale Vereniging voor de Cooperatieve Industrie, The Hague
- Deutsch-Niederländische Handelskammer, The Hague
- Direktie voor de Economische Voorlichting en Exportbevordering, The Hague
- Economisch Instituut voor het Midden- en Kleinbedrijf (E.J.M.) The Hague
- Federatie van Organisaties van Groothandelsbedrijven in Kruidenierswaren, The Hague
- Ministerie van Economische Zaken, The Hague
- Nationale Coöperatieve Raad, The Hague
- Nederlands Economisch Instituut, Rotterdam
- Nederlandse Stichting voor Statistiek, The Hague
- N.V. Uitgevers - Mij De Gelderlander Redactie "Groothandel",Nijmegen

- R.S. Stokvis & Zonen N.V., Rotterdam
- Stiching Economisch Instituut voor de Groothandel, The Hague
- Stiching Economisch Onderzoek van de Universiteit, Amsterdam
- Verbond van de Nederlandse Groothandel, The Hague
- Verbond van Nederlandse Ondernemingen, The Hague

Sales Offices

Belgique — België

Moniteur belge — Belgisch Staatsblad
Rue de Louvain 40-42 —
Leuvenseweg 40-42
1000 Bruxelles — 1000 Brussel
Tél. 5120026
CCP 000-2005502-27 —
Postrekening 000-2005502-27

Sous-dépôt — Agentschap
Librairie européenne —
Europese Boekhandel
Rue de la Loi 244 — Wetstraat 244
1040 Bruxelles — 1040 Brussel

Danmark

J.H. Schultz — Boghandel
Montergade 19
1116 Kobenhavn K
Tel. 141195
Girokonto 1195

BR Deutschland

Verlag Bundesanzeiger
Breite Straße — Postfach 108006
5000 Köln 1
Tel (0221) 210348
(Fernschreiber Anzeiger Bonn 08882595)
Postscheckkonto 83400 Koln

France

Service de vente en France des publications des Communautés européennes
Journal officiel
26, rue Desaix
75732 Paris — Cedex 15
Tél. (1) 5786139 — CCP Paris 23-96

Ireland

Stationery Office

Beggar's Bush
Dublin 4
Tel. 688433

Italia

Libreria dello Stato
Piazza G Verdi 10
00198 Roma — Tel (6) 8508
Telex 62008
CCP 1/2640
Agenzie
00187 Roma - Via XX Settembre (Palazzo Ministero del Tesoro)
20121 Milano - Galleria Vittorio Emanuele 3 — Tel 806406

Grand-Duché de Luxembourg

Office des publications officielles des Communautés européennes

5, rue du Commerce
Boîte postale 1003 — Luxembourg
Tél 490081 — CCP 191-90
Compte courant bancaire:
BIL 8-109/6003/300

Nederland

Staatsdrukkerij- en uitgeverijbedrijf

Christoffel Plantijnstraat,
's-Gravenhage
Tel. (070) 814511
Postgiro 425300

United Kingdom

H.M. Stationery Office

P.O. Box 569
London SE 1 9NH
Tel. 01-9286977, ext. 365
National Giro Account: 582-1002

United States of America

European Community Information Service

2100 M Street, N.W.
Suite 707
Washington, D.C. 20037
Tel. (202) 8728350

Schweiz — Suisse — Svizzera

Librairie Payot

6, rue Grenus
1211 Genève
Tél. 318950
CCP 12-236 Genève

Sverige

Librairie C.E. Fritze

2 Fredsgatan
Stockholm 16
Post Giro 193, Bank Giro 73/4015

España

Librería Mundi-Prensa

Castelló 37
Madrid 1
Tel. 2754655

Other countries

Office for Official Publications of the European Communities

5, rue du Commerce
Boîte postale 1003 — Luxembourg
Tél. 490081 — CCP 191-90
Compte courant bancaire:
BIL 8-109/6003/300

FB 45,– Dkr 7,10 DM 3,– FF 5,50 Lit. 800 Fl. 3,10 £ 0.55 $ 1.30 8714

OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES 7286
Boîte postale 1003 – Luxembourg