

**ANNEX III. Identifying the principal activity of a reporting unit using the top-down method within wholesale and retail trade**

**EXAMPLE**

A reporting unit may carry out the following activities:

Section	Division	Group	Class	Description of the class	Share of value added (percentage)
G	46	465	4651	Wholesale of computers, computer peripheral equipment and software	10
	47	474	4741	Retail sale of computers, peripheral units, software and telecommunications equipment in specialized stores	8
			4742	Retail sale of audio and video equipment in specialized stores	15
		475	4759	Retail sale of electrical household appliances, furniture, lighting equipment and other household articles in specialized stores	4
		476	4761	Retail sale of books, newspapers and stationary in specialized stores	3
			4762	Retail sale of music and video recordings in specialized stores	12
		479	4791	Retail sale via mail order houses or via Internet	35
	N	77	772	7722	Renting of video tapes and disks

The principal activity is then determined as follows:

**Step 1. Identify the section**

Section G	Wholesale and retail trade; repair of motor vehicles and motorcycles	<b>87</b>
Section N	Administrative and support service activities	13

**Step 2. Identify the division (within section G)**

Division 46	Wholesale trade, except of motor vehicles and	10
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	motorcycles	
Division 47	Retail trade, except of motor vehicles and motorcycles	77

**Step 3. Identify the group (within division 47)**

*Step 3a. Identify store or non-store trade (within division 47)*

Groups 471-477	Retail trade in stores	42
Groups 478-479	Retail trade not in stores	35

*Step 3b. Identify specialized or non-specialized trade (within groups 471-477)*

Recalculate shares of value added relative to total retail trade:

4741	= 8% / 77%	10
4742	= 15% / 77%	19
4759	= 4% / 77%	5
4761	= 3% / 77%	4
4762	= 12% / 77%	16

Only four classes account for a share of 5% or more. Therefore the unit is classified to specialized retail sale.

**Step 3c. Identify the group (within specialized retail trade)**

Group 474	Retail sale of information and communications equipment in specialized stores	23
Group 475	Retail sale of other household equipment in specialized stores	4
Group 476	Retail sale of cultural and recreation goods in specialized stores	15

**Note:** To identify the largest share, it does not matter if the original or recalculated figures for value added are being used.

**Step 4. Identify the class (within group 474)**

Class 4741	Retail sale of computers, peripheral units, software and	8
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	telecommunications equipment in specialized stores	
Class 4742	Retail sale of audio and video equipment in specialized stores	15

The principal activity is therefore **4742: Retail sale of audio and video equipment in specialized stores.**