

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	13

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	87
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**.