

An alternative method for turnover and production volume in wholesale trade

Dennis Matthijs – Voorburg Group 2026



**Centraal Bureau
voor de Statistiek**

Background of our research

- Since 2024, all EU countries calculate production volume for services, alongside production volume for industry and construction.
- Production volume for trade is still not mandatory.
- However, Eurostat does calculate production volume for trade by deflating turnover and uses it to calculate the Total Market Production Index (TMPI).

Background of our research

This led us to think about two questions:

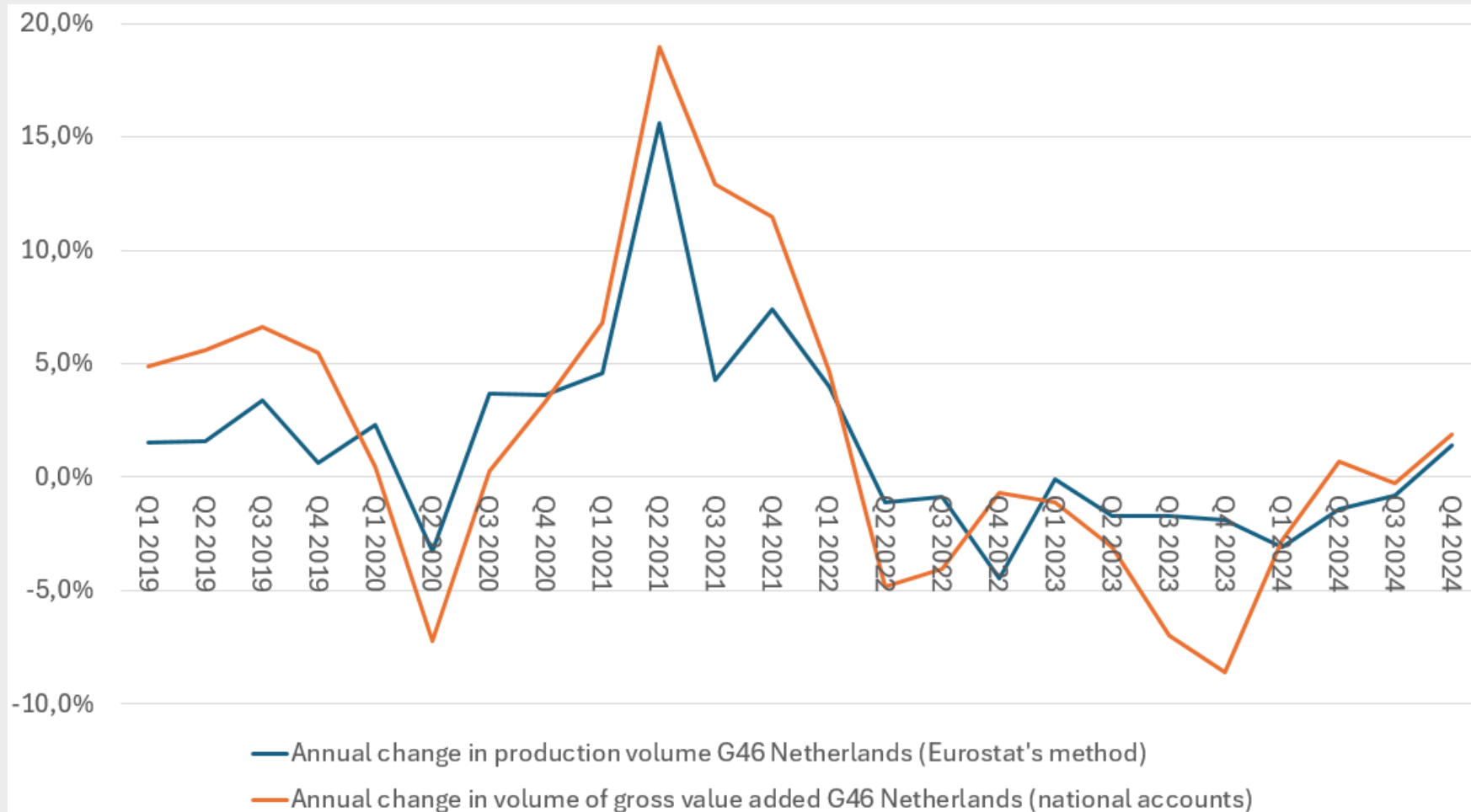
1. Is deflated turnover a suitable approximation for volume of gross value added in trade?
2. Are there any other feasible methods to calculate production volume for trade?

Although these questions are also relevant for retail trade (NACE 47), our study focuses exclusively on wholesale trade (NACE 46).

Suitability of deflated turnover

- *Theory:* According to NA guidelines, deflating turnover is a B-method for wholesale trade, while for services it is an A-method. This may explain Eurostat's position.
- *Practice:* We have confronted Eurostat's production volume for wholesale trade with final NA estimates for wholesale trade (see next slide).

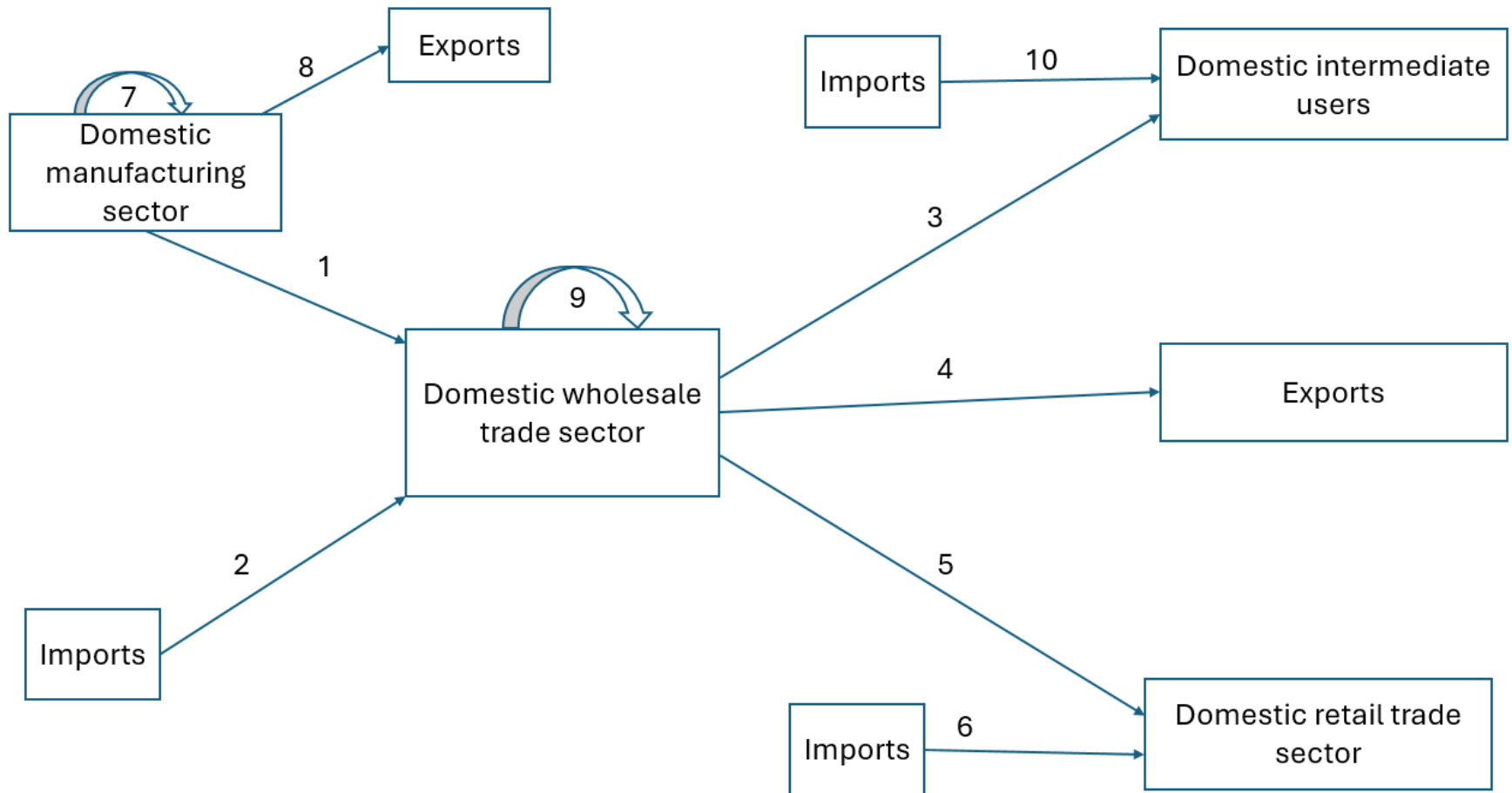
Suitability of deflated turnover



Can we do better?

- According to NA guidelines, the A-method for wholesale trade would be to take the difference between deflated turnover and deflated corresponding purchases (double deflation).
- This method requires data on trade margins and inventory changes.
- We do not have these data for wholesale trade businesses, but we can still approximate turnover and purchases by reusing existing economic statistics.

The proxy method



Example for G46.32 (wholesale of meat)

The turnover index is calculated as a weighted average of:

Flow	Proxy	Weight
Domestic intermediate users	Turnover index for NACE 56.1 (restaurants)	0.1
Exports	Exports index for NACE 46.32	0.7
Domestic retail trade sector	Turnover index for NACE 47.22 (retail sale of meat)	0.2

The index of purchases is calculated as a weighted average of:

Flow	Proxy	Weight
Domestic manufacturing sector	Domestic turnover index for NACE 10 (food manufacturing)	0.6
Imports	Imports index for NACE 46.32	0.4

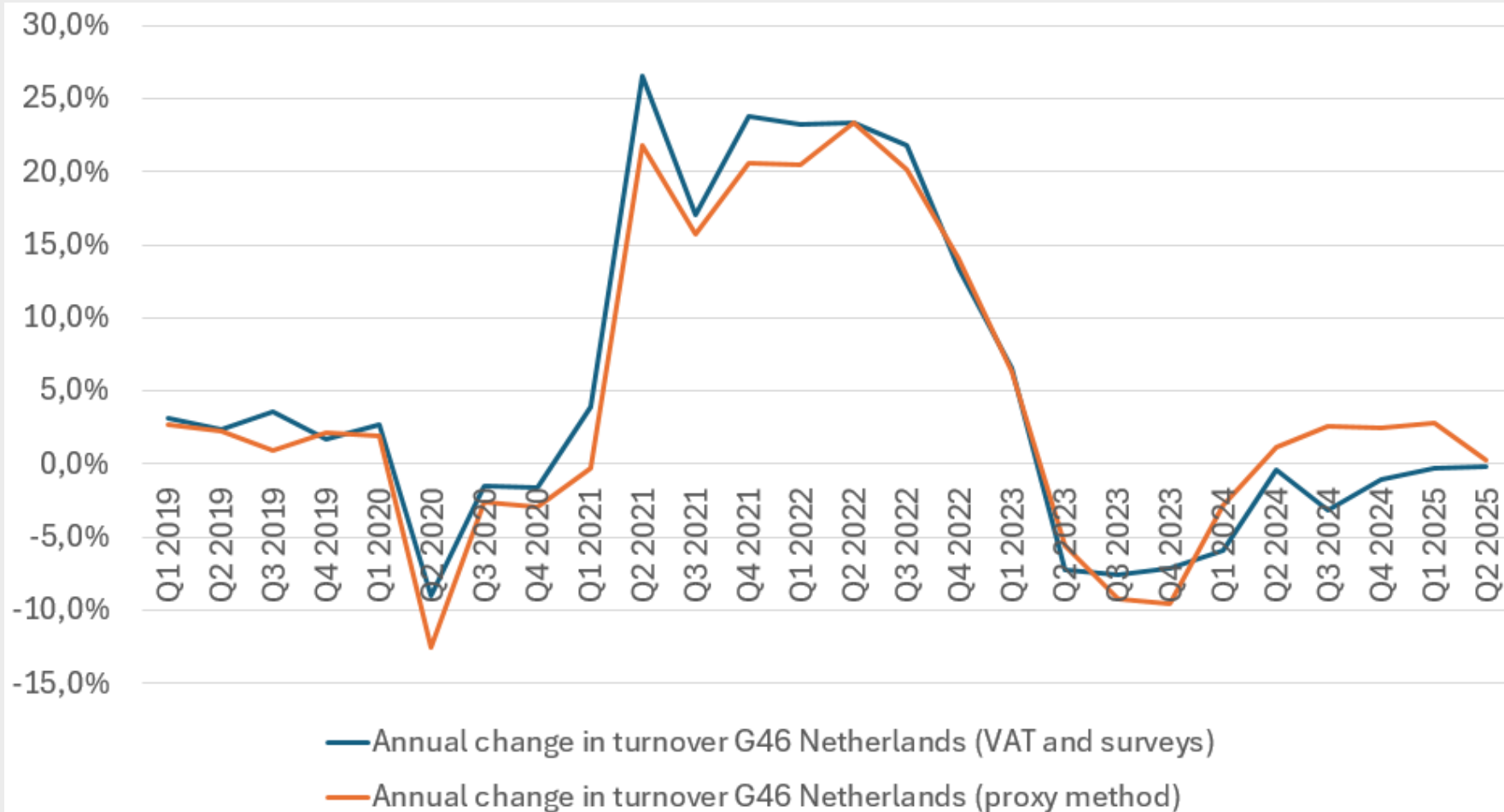
NA approach for wholesale trade

- Our NA colleagues basically apply a more sophisticated version of our proxy method in their early estimates for wholesale trade.
- They derive trade margins from the other columns in the supply and use tables.

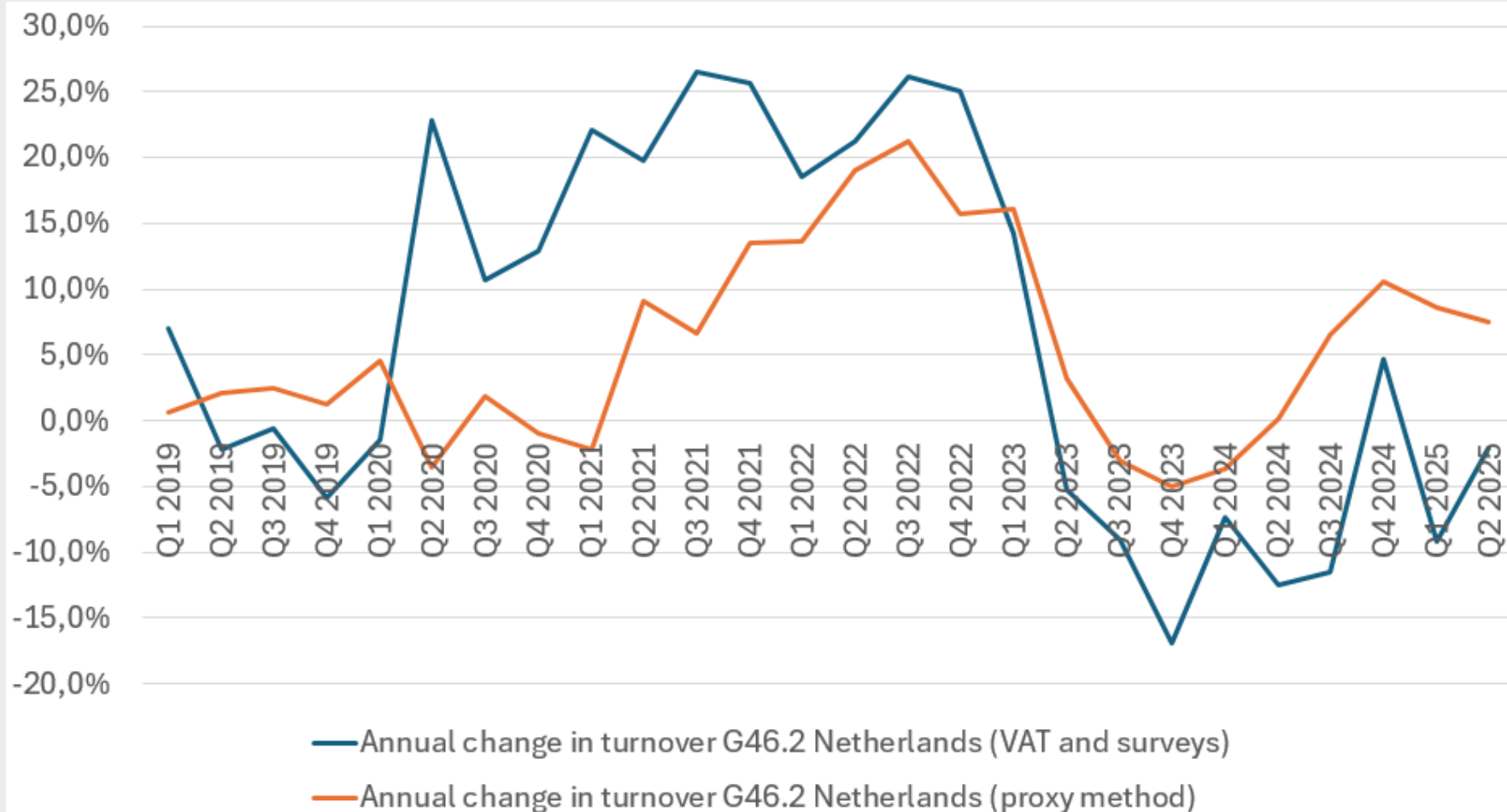
Our plan

- From 2028 onward, we will use the proxy method to calculate our official turnover index for wholesale trade. The proxy method will replace our traditional method (VAT and surveys).
- In order to calculate the TMPI, we will calculate production volume for wholesale trade by deflating turnover (where turnover is estimated using the proxy method).
- Double deflation of turnover and corresponding purchases (both estimated using the proxy method) should theoretically yield even better production volume estimates.

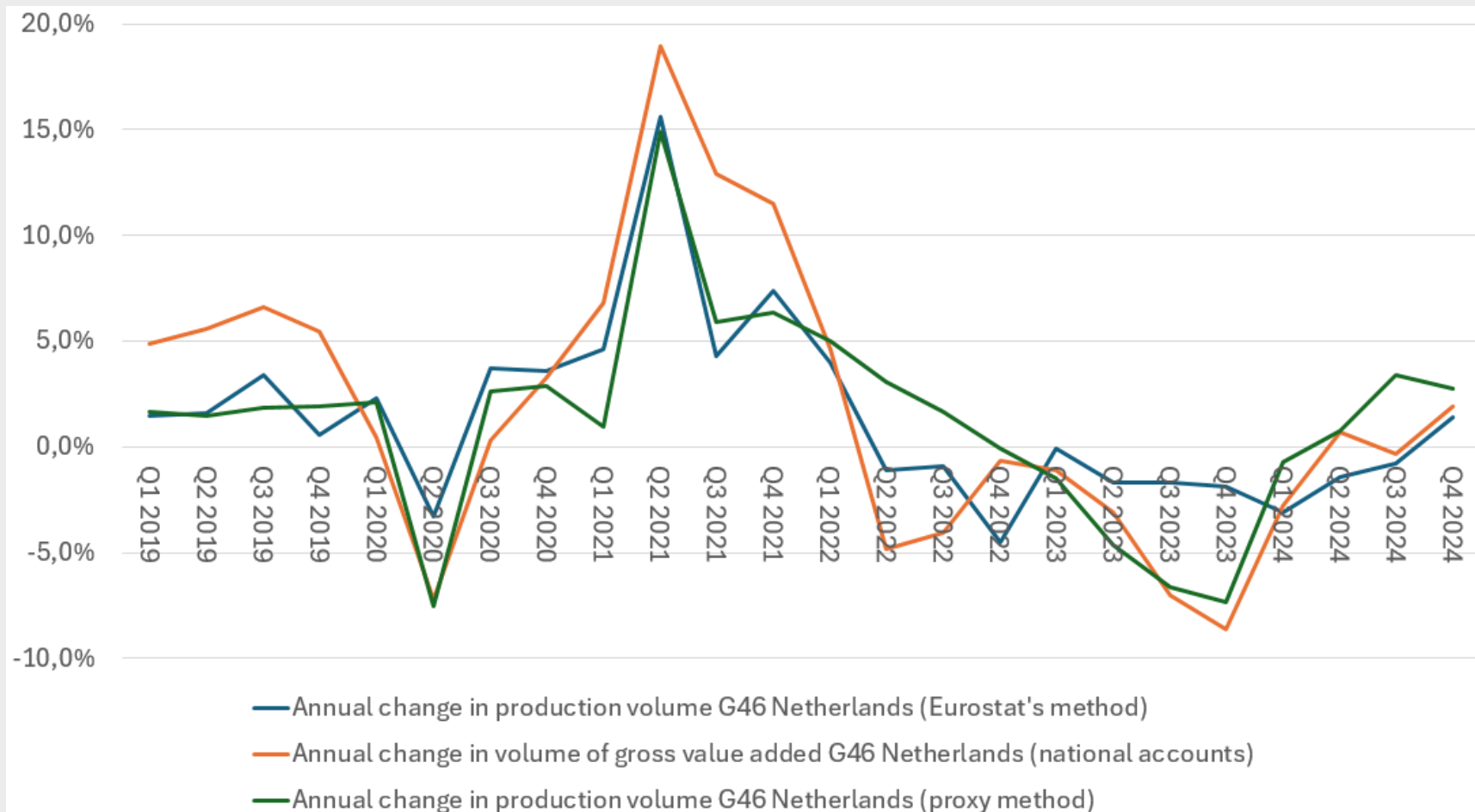
Impact on turnover quality



Impact on turnover quality



Impact on production volume quality



Justification for our plan

- The proxy method does not yield a theoretically perfect turnover index, while a traditional method with VAT and surveys does.
- Justification to still use the proxy method: it is cost-efficient, it reduces the administrative burden on businesses, turnover is less important than production volume.

Discussion

How does your NSI estimate real output in wholesale trade? (In business statistics, not national accounts)

- a) I am not sure
- b) We do not estimate it
- c) Deflated turnover approach (where turnover comes from VAT or surveys)
- d) Double deflation of turnover and corresponding purchases (collected through surveys)
- e) Any other method

Discussion

Would you consider using our proxy method to calculate **production volume** (real output) for wholesale trade? Provided that, like in our case, no direct data on trade margins are available.

- a) Yes
- b) No – we should deflate turnover if no direct data on trade margins are available

Discussion

Would you consider using our proxy method to calculate your official **turnover** index for wholesale trade? Provided that, like in our case, it saves significant costs and administrative burden.

- a) Yes – if it gives a reasonable approximation of actual turnover
- b) No – we should use actual turnover data for turnover statistics