

- In general, (and as might be expected), the larger member states tend to have more retail outlets. However, the number does not rise proportionately with population size, and this means that, when judged by the number of inhabitants served by each outlet, Germany, UK and France have the highest rankings, and Portugal, Greece and Ireland the lowest.

Given that a larger inhabitant per outlet ratio will translate, *ceteris paribus*, into higher turnover per outlet, there are obvious implications of this for the differential ability of retailers from the different member states to achieve scale economies. Quite obviously, this suggests that full exploitation of scale economies in the smaller member states may only be possible for a limited number of firms, giving rise to the possibility that there will be natural oligopolies. Moreover, some members currently record an “inhabitants per outlet” rating which is relatively low, given the size of the national market. This is especially true for Italy and (to a slightly lesser extent) Spain. (The reverse is true for Austria and, to a lesser extent, Netherlands and the Scandinavian countries.) This is sometimes ascribed historically to cultural north-south factors, but, whatever the reason, there might be the *a priori* expectation that future consolidation of outlet size will be greatest in Italy and Spain.

To add a wider perspective, Table 6.3 compares the EU as a whole with Japan and the USA. Judged on this evidence, EU15 has “too many” retail outlets compared to the USA, given their comparative sizes. However, “too many” is an ambiguous term, and this comparison probably only carries much meaning if one believes that the current level of integration within the states of the USA provides a useful indicator of what is to come with ongoing European integration. Japanese outlets, on the other hand, serve far fewer inhabitants than their European counterparts - as might be expected given the smaller population, although there is far less difference when judged by average turnover.

Table 6.3: Comparison of the EU retail sector with Japan and the USA

	population (mn)	number of enterprises (000)	population per enterprise	turnover (mn ecu)	turnover per enterprise (000 ecu)
EU15	372.3	2553	146	1261	494
USA	263.1	1530	171	1350	883
Japan	125.2	1519	82	682	449

Sources: Derived using “Panorama of EU Industry, 1997”, p.21-15, Table 5.