

## **Explanatory methodological note for the ESTAT news release on retail trade (4 May 2017)**

Compared with the news release of 4 April 2017 the index of retail trade for Germany for May 2015 and subsequent months was revised as a result of restructuring operations in the German retail trade sector. In May 2015 a major European retailer opened a new branch in Germany. In the past the retailer had already sold merchandise in Germany but the turnover had been recorded in the country where the headquarter of the retailer is located. Starting with the reference month May 2015 Destatis, the Federal Statistical Office of Germany, included the retail turnover of the new branch in the German retail trade data.<sup>1</sup> This revision was undertaken in April/May 2017 and the respective data are now published for the first time by Eurostat.

Currently no reduction effect in the retail data of the country where the retailer's headquarter is located is observed. In line with the principle of subsidiarity National Statistical Institutes decide when they revise their published data in order to take into account restructuring processes in their statistical domain. Eurostat expects however that such an off-setting effect will take place in the third quarter of 2017.

The abovementioned restructuring will also impact other business statistics and National Accounts. For the latter the quantitative effects will be limited. Retail trade turnover data are an important input for the calculation of final national consumption in National Accounts. However, in the past National Accounts already made adjustments in national consumption data to take into account the merchandise delivered from the foreign retailer to German consumers.

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<sup>1</sup> For more information see the Destatis press release:

[https://www.destatis.de/EN/PressServices/Press/pr/2017/04/PE17\\_141\\_45212.html](https://www.destatis.de/EN/PressServices/Press/pr/2017/04/PE17_141_45212.html)