

## Retail network, 31 December 2008

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In 2008, there was a further tightening in the domestic retail network with a decrease of 4300 in the number of shops over a year. Similarly to the prior years, there was an intensive fluctuation in the retail network, but instead of a continuous expansion in floor area seen in prior years there was a decrease of 229 thousand m<sup>2</sup> in the size of the domestic shop area by the end of 2008.

### Changes in the retail network

At the end of 2008, there were 158 200 shops in the country, 3% fewer than at the end of 2007, a 5% decrease in number compared with four years earlier. As a result of a slowdown in the rate of increase that lasted for years and an accelerating rate of decrease that was seen from 2006 onwards the size of the retail network was even below the level recorded at the end of 2001.

There was an intensive fluctuation in the domestic retail network. In 2008, 23 500 new shops started to operate, 1900 more than a year earlier, but along with this there were 27 800 shop closures, 3000 more than a year earlier.

Table 1

### Number of new and closed shops

Year	New	Closed	Change in shops, %	Change in the number of shops compared to the previous year	
				thousand shops	
				units	%
2005	25,0	24,5	14,7	+526	+0,3
2006	24,5	25,6	14,7	-1 092	-0,7
2007	21,6	24,8	13,1	-3 173	-1,9
2008	22,9	27,2	14,1	-4 322	-2,7

### The structure of the retail network

In 2008, stores with food dominance accounted for 29% of the newly opened shops, stores with non-food dominance for two thirds, while

motor traders as well as filling stations for the remaining 5%. At the end of 2008, stores with food dominance accounted for 27% of the total number of shops, stores with non-food dominance for 65%, while motor traders as well as filling stations for 7%.

Table 2

### The structure of the retail network, 31 December 2008

Type of shop	Number of shops 2008	Change in the number of shops compared to 2007	
		units	%
<b>Shops and stores with food dominance</b>	<b>43 442</b>	<b>-2 157</b>	<b>-4,7</b>
Hypermarket	136	+14	+11,5
Other non-specialised shops with food dominance	26 188	-2 737	-9,5
Specialised shops for food, beverages and tobacco	17 118	+566	+3,4
<b>Shops and stores with non-food dominance</b>	<b>103 416</b>	<b>-2 121</b>	<b>-2,0</b>
Non-specialised shops and stores with manufactured goods dominance	4 675	-428	-8,4
Textiles, clothes, footwear and leather goods shops	26 806	-972	-3,5
Furniture, electrical household articles and hardware shops	19 782	-84	-0,4
Book, newspaper, stationery and other articles shops	42 057	-753	-1,8
Cosmetics and orthopaedic goods shops, pharmacies for pets	3 496	+83	+2,4
Second-hand shops	6 600	+33	+0,5
<b>Total</b>	<b>146 858</b>	<b>-4 278</b>	<b>-2,8</b>
Motor vehicles, motor vehicle part, motorcycle and parts shops	9 294	+92	+1,0
Filling stations	1 999	-136	-6,4
<b>Total</b>	<b>11 293</b>	<b>-44</b>	<b>-0,4</b>
<b>Grand total</b>	<b>158 151</b>	<b>-4 322</b>	<b>-2,7</b>

### Enterprises

In 2008, there was an intensive fluctuation in the group of enterprises along with a decrease in the number of those enterprises that operated retail shops. Over this period 10 700 enterprises opened and 13 400 closed down shops. Out of this latter group 1900 enterprises ceased to work.

So at the end of 2008, the retail network was operated by 105 900 enterprises, 2700 less than a year earlier.

Over the years, there was a shift in the composition of enterprises by **legal form**. An ongoing decrease was seen in the share of sole proprietors in retailing, as a result of which companies/partnerships accounted for an ever increasing proportion of the total number of shops in this country. This trend was also seen in 2008.

Over this period, there was a decrease of 3300 in the number of sole proprietors, out of this 1200 enterprises were wound up.

Along with this an increase of nearly seven hundred was seen in the number of companies/partnerships and the number of dissolved companies/partnerships amounted to only half of those sole proprietors that ceased to work.

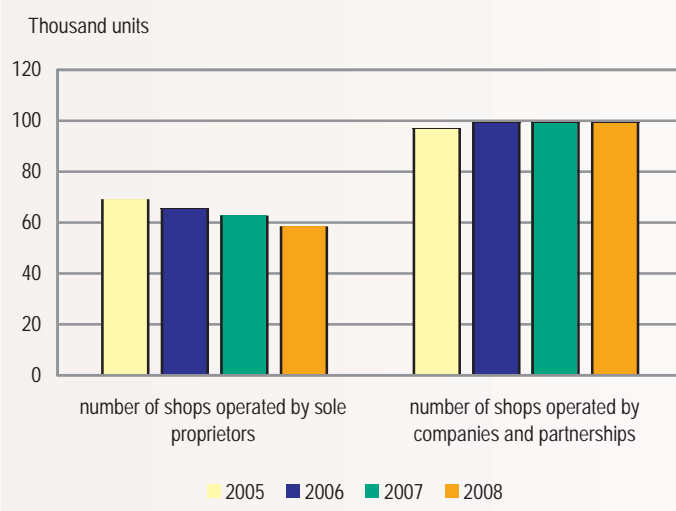
At the end of 2008, 46 400 sole proprietors, 59 200 companies/partnerships and 300 other non-profit organizations operated retail shops.

In 2008, along with a decrease of 4300 in the total number of shops a nearly similar decrease was seen in the number of those shops that were operated by sole proprietors, while essentially there was no change in the number of those shops that were operated by companies/partnerships.

At the end of the period, sole proprietors accounted for 36.9%, companies/partnerships for 62.8% and other organizations for 0.3% of the total number of retail shops in this country.

At the end of 2008 – just as a year earlier – sole proprietors accounted for an average of 1.26 shops, while a company/partnership for 1.68 shops (in 2007, this data was 1.69).

#### Number of those enterprises by legal form that operate retail shops



In our country, the retail network is still characterized by **fragmentation**, though one-shop enterprises have been over-represented among enterprise closures since years. At the end of 2008, there were 70 600 one-shop enterprises at domestic level, more than two thirds of the total number of enterprises.

At the end of 2008, 3400 **foreign and mainly foreign owned enterprises**

Table 3

#### Number of companies and partnerships and their shops

Categories of shop number	Number of		Change in the number of		Shops per enterprises	
	enterprises	shops	enterprises	shops	2007	2008
	2008		compared to 2007			
1	36 728	-5 818	36 728	-5 818	1,00	1,00
2 – 5	20 628	+5 796	40 528	+3 613	2,49	1,96
6 – 10	1 295	+531	6 743	+1 245	7,20	5,21
11– 20	368	+120	3 957	+454	14,13	10,75
21–	187	+43	11 317	+576	74,59	60,52
<b>Total</b>	<b>59 206</b>	<b>672</b>	<b>99 273</b>	<b>70</b>	<b>1,69</b>	<b>1,68</b>

were seen in the group of companies/partnerships, 200 fewer than in 2007. 6% of the domestic retail network, within this 3% of stores with food dominance, 7% of stores with non-food dominance and 8% of motor traders as well as filling stations were operated by them. Those shops which were operated by foreign and mainly foreign owned enterprises accounted for a very high proportion of stores with non-food dominance in the domestic retail sales of cosmetics and orthopaedic goods (21%) as well as those of textiles, clothes and footwear (14%).

At these enterprises the retail trade was characterized by large networks in Hungary too. While at the end of 2008, an enterprise accounted for 1.49 shops, a foreign or mainly foreign owned enterprise accounted for an average of 2.8 shops.

#### Territorial characteristics

Similarly to the prior years, the region of Central Hungary accounted for the highest proportion of the networks of stores with food dominance, of stores with non-food dominance and of motor traders as well as filling stations at the end of 2008.

27% of **stores with food dominance** were concentrated here, which was followed by the Northern Great Plain with 16%. The regions of Central and Western Transdanubia accounted for the lowest proportion (of 10–10 per cent) of the domestic network of stores with food dominance.

The region of Central Hungary accounted for 32% of the number of stores with **non-food** dominance, it was followed by Northern Great Plain with 15%, while, in addition to the Transdanubian regions, the region of Northern Hungary accounted for the smallest part (10–10%).

29% of **motor traders as well as filling stations** were concentrated in Central Hungary, while 14-14% of them in Southern and Northern Great Plain. Otherwise other regions accounted for an average of 10-11% of this type of shop.

When analyzing the **structure of the shop network by regions**, at the end of 2008, out of the total number of shops in the regions, food shops accounted for the lowest proportion in Central Hungary (within this for only 23% in the capital city) and for the highest proportion (33%) in Northern Hungary. Food shops accounted for 26-30% in the other regions.

Figure 1

Table 4

**Number of retail shops by regions, 31 December 2008**

Regions	Number of shops			Total
	with food dominance	with non-food dominance	for motor trade	
<b>Central Hungary</b>	11 691	32 654	3 320	47 665
of which: Budapest	7 338	22 097	2 059	31 494
Central Transdanubia	4 476	10 237	1 251	15 964
Western Transdanubia	4 388	10 815	1 203	16 406
Southern Transdanubia	4 746	10 216	1 095	16 057
<b>Transdanubia</b>	<b>13 610</b>	<b>31 268</b>	<b>3 549</b>	<b>48 427</b>
Northern Hungary	5 677	10 284	1 211	17 172
Northern Great Plain	6 833	15 025	1 626	23 484
Southern Great Plain	5 631	14 185	1 587	21 403
<b>Great Plain and North</b>	<b>18 141</b>	<b>39 494</b>	<b>4 424</b>	<b>62 059</b>
<b>Total</b>	<b>43 442</b>	<b>103 416</b>	<b>11 293</b>	<b>158 151</b>

**Further information, data (links):**
[Methodology](#)
[stADAT-tables](#)
[Map](#)
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