



Mandate Reference Group: Wholesale, retail trade and rental and leasing

1. About ESCO and its review process

1.1. ESCO

The objective of ESCO is to develop a multilingual, structured terminology of skills/competences, qualifications and occupations. By providing a tool for identifying, sorting, connecting and applying relevant terms, ESCO is expected to facilitate the dialogue between the labour market and the education/training sector. The structure of ESCO will consist out of three different pillars covering occupations, skills/competences and qualifications. The three pillars will be linked to make interrelations between them visible.

1.2. Development of ESCO and ongoing revision

The ESCO project takes as its starting point the EURES taxonomy that initially has been developed by the Swedish public employment service (PES), translated into 22 languages. However, substantial changes and improvements concerning both structure and content are required, to make ESCO a tool that is adapted to the reality of European education/training systems and the labour markets.

1.3. Reference Groups

The development and continuous revision of ESCO will be done based on the input from expert reference groups.



a) Sectoral Reference Groups:

Sectoral Reference Groups will cover the main occupational areas addressed by ESCO. These Sectoral Reference Groups will develop and revise the content of the ESCO occupations pillar and skills/competences pillar and will contribute to the development of the qualifications pillar. Each reference group will cover a specific industry sector or field of economic activity.

b) Transversal Reference Group:

The work of the Sectoral Reference Groups will be accompanied and supported by a horizontal Transversal Reference Group dealing with transversal (non-job specific) skills/competences.

The aim of the work of the Reference Groups is to include in ESCO the common denominator of the terminology used on the European Labour Market with the level of detail that is needed to perform qualitative skill-based job matching. Richly detailed and more specific occupational profiles are to be created and managed at a national level when necessary.

The input for the Reference Groups will be pre-ESCOv0. In this pre-version of ESCO, already some qualitative and structural changes to the EURES taxonomy will be realised:

- ISCO-88 will be replaced by ISCO-08
- A first check on linguistic and terminological consistencies is done and inconsistencies have been removed
- Some skills are being added.

2. The Reference Group on "Wholesale, retail trade and rental and leasing"

In the NACE Rev.2 Methodology and Working paper, EUROSTAT states that "Section G: Wholesale and retail trade"¹ includes wholesale and retail sale (i.e. sale without transformation) of any type of goods, and rendering services incidental to the sale of merchandise. Wholesaling and retailing are the final steps in the distribution of merchandise.

Also included in this section are the repair of motor vehicles and motorcycles.

¹ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF, pg 217.

Sale without transformation is considered to include the usual operations (or manipulations) associated with trade, for example sorting, grading and assembling of goods, mixing (blending) of goods (for example sand), bottling (with or without preceding bottle cleaning), packing, breaking bulk and repacking for distribution in smaller lots, storage (whether or not frozen or chilled).

The section "Wholesale and retail trade" contains three divisions:

- 1) Wholesale and retail trade and repair of motor vehicles and motorcycles
- 2) Wholesale trade, except of motor vehicles and motorcycles
- 3) Retail trade, except of motor vehicles and motorcycles

"Wholesale and retail trade and repair of motor vehicles and motorcycles"² includes all activities (except manufacture and renting) related to motor vehicles and motorcycles, including

lorries and trucks, such as the wholesale and retail sale of new and second-hand vehicles, the repair and maintenance of vehicles and the wholesale and retail sale of parts and accessories for motor vehicles and motorcycles. Also included are activities of commission agents involved in wholesale or retail sale of vehicles. This division also includes activities such as washing, polishing of vehicles etc. It does not include the retail sale of automotive fuel and lubricating or cooling products or the renting of motor vehicles or motorcycles.

"Wholesale trade, except of motor vehicles and motorcycles"³ is the resale (sale without transformation) of new and used goods to retailers, business-to-business trade, such as to industrial, commercial, institutional or professional users, or resale to other wholesalers, or involves acting as an agent or broker in buying merchandise for, or selling merchandise to, such persons or companies.

This group includes activities of commission agents, commodity brokers and all other wholesalers who trade on behalf and on the account of others; and activities of those involved in bringing sellers and buyers together or undertaking commercial transactions on behalf of a principal, including on the Internet.

This group also includes activities of wholesale auctioneering houses, including Internet wholesale auctions.

² http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF, pg 127.

³ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF, pg 219.



"Retail trade, except of motor vehicles and motorcycles"⁴ includes the resale (sale without transformation) of new and used goods mainly to the general public for personal or household consumption or utilisation, by shops, department stores, stalls, mail-order houses, door-to-door sales persons, hawkers, consumer cooperatives etc.

Retail trade is classified first by type of sale outlet:

- 1) Retail trade in stores includes the retail sale of used goods. For retail sale in stores, there exists a further distinction between specialised retail sale and non-specialised retail sale. Both groups are further subdivided by the range of products sold.
- 2) Retail trade not via stores is subdivided according to the forms of trade, such as retail sale via stalls and markets and other non-store retail sale, e.g. mail order, door-to-door, by vending machines etc.

The goods sold in this division are limited to goods usually referred to as consumer goods or retail goods. Therefore goods not normally entering the retail trade, such as cereal grains, ores, industrial machinery etc. are excluded. This division also includes units engaged primarily in selling to the general public, from displayed merchandise, products such as personal computers, stationery, paint or timber, although these products may not be for personal or household use.

Handling that is customary in trade does not affect the basic character of the merchandise and may include, for example, sorting, separating, mixing and packaging. This division also includes the retail sale by commission agents and activities of retail auctioning houses.

Not included are sale of farmers' products by farmers, manufacture and sale of goods, which is generally classified as manufacturing, trade in cereal grains, ores, crude petroleum, industrial chemicals, iron and steel and industrial machinery and equipment, sale of food and drinks for consumption on the premises and sale of takeaway food and renting of personal and household goods to the general public.

"Rental and leasing"⁵ includes the renting and leasing of tangible and non-financial intangible assets, including a wide array of tangible goods, such as automobiles, computers, consumer goods,

⁴ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF, pg 227.

⁵ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-RA-07-015/EN/KS-RA-07-015-EN.PDF, pg 274.



and industrial machinery and equipment, to customers in return for a periodic rental or lease payment.

"Rental and leasing" is subdivided into:

- 1) The renting of motor vehicles;
- 2) The renting of recreational and sports equipment and personal and household equipment;
- 3) The leasing of other machinery and equipment of the kind often used for business operations, including other transport equipment;
- 4) The leasing of intellectual property products and similar products.
- 5) Only the provision of operating leases is included in this division.
- 6) Financial leasing, renting of real estate and renting of equipment with operator are not included in this division.

3. The mandate

The Reference Group is expected to

- 1) Review the existing terminology with regards to occupations, both transversal and job-specific skills/competences and, where relevant, qualifications in the relevant sector. This includes deleting obsolete occupations or skills/competences and adding newly emerged occupations or skills/competences in the European labour market. The Reference group will assess which skills/competences are part of specific occupations and look into relations with relevant qualifications.
- 2) Review the semantic structure of ESCO for their sector by grouping occupations and skills/competences and qualifications in ESCO's structure.
- 3) Organise the actual work to be done for their field of expertise, the relations with other Sectoral Reference Groups (e.g.. when working on similar topics), relations with other organisations, such as national and European skills councils, and the reaching of the time goals as described in point 5.

Additionally all Reference Group members are the preferred expert partners to inform stakeholder's organisations on the evolutions of ESCO.

4. Timeline for the revision

Month	Task
n	Appointing decision
n+1	ESCO Secretariat proposal for occupations transmitted to the Reference Group
n+2	Introductory meeting of the Reference Group
n+4	First meeting to discuss occupations
n+6	Second meeting to discuss occupations
n+9	Third meeting to discuss occupations
n+11	Fourth meeting to discuss occupations
n+11	Proposal for occupations transmitted from Reference Groups to ESCO Secretariat
n+13	ESCO Secretariat proposal for skills/competences
n+14	First meeting to discuss skills/competences/qualifications
n+16	Second meeting to discuss skills/competences/qualifications
n+19	Third meeting to discuss skills/competences/qualifications
n+22	Fourth meeting to discuss skills/competences/qualifications
n+22	Proposal for skills/competences/qualifications transmitted from Reference Groups to ESCO Secretariat
n+22	Proposal for complete sectoral revision transmitted to the Maintenance Committee
n+24	Maintenance Committee decision on the proposal
n+25	Terms formulation and validation process
n+28	Update data in the ITM taxonomy management system
n+30	Endorsement by the ESCO Board

5. Organisation of the Reference Groups

5.1. Appointment

Reference groups (members and chair) are appointed by the ESCO Secretariat and endorsed by the ESCO Board. Reference groups will be appointed for the duration of the revision of a sector of the ESCO taxonomy and would cease to exist on completion of their task.

5.2. Size

The size of each reference group should be such that the group can function efficiently and effectively (e.g. up to 15 members).

5.3. Meetings and Conferences

- 1) An introductory meeting on 3 and 4 July 2012. This meeting will require 2 working days plus travel time for the meeting itself and a half working day afterwards to process the event.



- 2) A total of maximum 4 face-to-face reference group meetings per year. Each meeting requires about 1 working day for preparation of the meeting and 1 working day for the meeting itself. This estimation is indicative and may depend on the sector.
- 3) Stakeholders Conferences. This participation will require 2 working days per conference. Members that are participating in the organisation of a Stakeholders Conference will require more preparation time, depending on the level of involvement. The next Stakeholders Conference is scheduled for the third quarter of 2012.
- 4) A Reference Group may decide to have additional E-meetings. The ESCO Secretariat can organise these meetings upon request.

5.4. Estimation of workload

Based on the above mentioned assumptions the involvement into a Reference Group will come with a workload for every individual member, estimated at one to two working days a month

5.5. Reimbursement

The Commission will, via the ESCO Secretariat, cover travel costs of all Reference Group members and accommodation for the private experts for the meetings that will take place in Brussels.

6. Input from ESCO Secretariat

The ESCO Secretariat will support the Reference Groups on the following matters:

- Logistical support through organising the meetings of the Reference Group: find an appropriate date for the members and provide a location. An option will be provided to not only meet face-to-face, but also via e-meetings;
- Technical support through granting access to the ESCO database and providing documentation on national and sectoral classifications, and when requested a more concrete proposal, which can both serve as a source of inspiration and best practices;
- Communication between the Reference Group and the Maintenance Committee and the ESCO Board;
- Terminological guidelines, developed by the Maintenance Committee in close cooperation with the ESCO Secretariat;



Annex General profile

Experts in a specific field of economic activity with the following profile could become part of a Reference Group:

- Sound knowledge of the terminology related to education/training and labour market in a specific sector, in particular the terminology on occupations and skills/competences;
- Good understanding of relevant skills/competences and occupations of at least one particular industrial sector/field of economic activity;
- Up-to-date knowledge and understanding of education-training and qualifications systems in Europe, in particular within the relevant sector;
- Experience with classifications, taxonomies, controlled vocabularies;
- Good understanding of the employment and skills related standards and classifications (ISCO, ISCED, NACE, etc.);
- Very good English language skills.