

# Consumers in Europe

## Facts and figures

**Data 1999-2004**



EUROPEAN  
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THEME  
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The launch of this second edition of *Consumers in Europe – Facts and figures* is another important step forward in improving EC policy-making in the domain of consumer affairs. As with the first edition, which proved very successful, this one is the result of the continuing co-operation between the Directorate-General for Health and Consumer Protection and Eurostat in building a suitable 'knowledge base' as an essential tool for the development of consumer policy.

The aim of *Consumers in Europe - Facts and figures* is to bring together the most relevant and useful information to provide a foundation for the evaluation and development of consumer policy. The material includes data from various sources including Eurostat, other Commission services as well as other surveys and studies.

Although the prime objective of this publication is to help policy-makers at European level to better understand the needs of consumers in general, the publication should also be of use to anyone interested in consumer affairs, such as consumer organisations, other public authorities and even suppliers of goods and services.

This is the second edition of a series of publications started in 2001. This new edition updates and improves the contents of the first one in several ways. A new approach shifts the main focus from consumption to consumers. Information has been updated with the latest available data, new Member States are now fully covered and last but not least, most chapters have been extensively reworked in order to give a more comprehensive picture of the topics covered. In spite of these improvements, we are aware that there is still more to be done. Subsequent editions will enlarge, update and improve this information to provide an even more solid and up-to-date 'knowledge base'.

We hope that you will find that this initiative makes consumer-related statistics available in an accessible way to a wide public.



**Joaquin  
Almunia**



**Markos  
Kyprianou**



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#### Consumers in Europe - Facts and figures - 2005 Edition

This publication has been managed by Unit D2 of Eurostat, responsible for living conditions and social protection, Head of Unit Ms Anne Clémenceau. The opinions expressed are those of the individual authors alone and do not necessarily reflect the position of the European Commission.

#### Co-ordinators and internal reviewers:

Antonio Puente Rodero (Eurostat Unit D2)  
Statistical Office of the European Communities  
Bâtiment Joseph Bech  
Rue Alphonse Weicker, 5  
L-2721 Luxembourg  
antonio.puente-rodero@cec.eu.int

Marie-Luise Altmutter (Directorate General of the European Commission for Health and Consumer Protection, Unit B1)  
European Commission,  
Rue de la Loi, 200  
B-1049 Brussels  
marie-luise.altmutter@cec.eu.int

#### Production:

Data processing, statistical analysis, design and desktop publishing  
Ariane II - Groupe SOGETI-TRANSICIEL  
Jelle Bosch, Mohamed Bzioui, Linda Delamaire, Maria Gonzalez, Nassima Hamzaoui, Valérie Walch.

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EBMA (European Bicycle Manufacturers Association)  
Electrabel  
EDF (Electricité de France) and OFGEM (Office of Gas and Electricity Markets, United Kingdom)  
Eurofinas (European Federation of Finance House Associations)  
ECB (European Central Bank)  
EMF (European Mortgage Federation)  
EMOTA (European Mail Order and Distance Selling Trade Association)

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FAO (Food and Agriculture Organisation of the United Nations)  
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IFPI (International Federation of the Phonographic Industry)  
IP Group (CMI - International Marketing Committee)  
IPC (International Post Corporation)  
IVF (International Video Federation)  
ITU (International Telecommunication Union)  
M+M euroData  
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A great deal of additional information on statistics relating to the European Union is available on the Internet. It can be accessed through the Europa server at <http://europa.eu.int/comm/eurostat>.

More information concerning consumer issues is available on the European Commission Directorate-General of the European Commission for Health and Consumer Protection web-site at [http://europa.eu.int/comm/consumers/index\\_en.htm](http://europa.eu.int/comm/consumers/index_en.htm).

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## STRUCTURE OF THE PUBLICATION

The aim of this publication is to present a comprehensive collection of the most important data available from different sources on consumption patterns, including expenditure and prices, and on consumer attitudes and quality indicators in the European Union, as well as providing some details of European policy initiatives. It examines the realities of the European economy and the European single market from the consumer's viewpoint. It provides an essential source of information to policy-makers concerned with consumer protection and with the impact of European and national policies on consumers; to advertisers and other businesses interested in European wide markets; indeed, to anybody interested in Europe's spending patterns and consumption habits.

Compared to the first edition that appeared in 2001, the attempt was made to enhance those aspects that put forward the consumer's point of view. In this respect, citizens' and consumers' attitudes, as 'measured' in recent Eurobarometer surveys have been included where appropriate. At various occasions, main EU policy initiatives have been outlined.

The first chapter begins with a general overview of consumers and consumption (section 1.1), whilst more detail regarding consumption expenditure patterns is provided in section 1.2. The profile of the European consumer plays an important role in shaping consumption trends, with major demographic changes such as an increasing number of elderly people, a growing number of single person households, more working women and increased leisure time, all influencing not only household consumption but also the ways in which Europeans shop. Consumer attitudes and satisfaction also have a bearing on expenditure patterns across Europe (section 1.4), as do prices, which crucially influence consumption, along with the relative purchasing powers and the levels of indirect taxation within each Member State.

Beyond in-store retailing, there exist a growing number of alternative trading forms, such as mail-order and business-to-consumer (B2C) e-commerce (section 1.3). Choice, competition and innovation also play a vital role in stimulating demand and driving household expenditure. This is particularly the case in goods markets, whilst the same cannot always be said in the service sector. The on-going liberalisation of service and utility markets in the EU (for example, telecommunications, energy and financial services) may further increase household consumption and/or reduce prices in these areas.

The main body of statistical information presented within *Consumers in Europe - Facts and figures* is found within Chapters 2 to 7. These chapters aim to present data in a harmonised manner, and with this purpose in mind each chapter ends with a section containing a collection of key indicators in table format (derived from household budget surveys). Chapters 2 to 4 cover some of the essentials of life, namely, food, beverages, clothing, footwear and housing.

After housing, the second most important expenditure item for most households is the purchase of a car, covered within Chapter 5, that also deals with other means of personal transport and transport services. This same chapter includes items that take an increasingly large share of the household budget in recent years: communications services and the information society. Culture, leisure and tourism (Chapter 6) are other items to which households dedicate an increasing part of their budget. The last of the product/service-orientated chapters is devoted to financial services (Chapter 7). One aspect here are savings, which may be viewed as a choice between consumption today and consumption tomorrow. In other words, savings are future or deferred consumption.

Finally, a statistical annex of key indicators available for the EU candidate countries is provided (Chapter 8). Whereas data for Bulgaria and Romania are relatively well covered, figures for Turkey but especially Croatia remain fairly scarce.

## DATA INTERPRETATION

The following section offers some general notes of how to interpret the data presented within this publication. For more detailed methodological notes that relate to the principal data sources employed, please refer to page 297.

### Timeframe

The Eurostat data used in this publication were extracted from a wide variety of databases during the months of October, November and December 2004. The text that accompanies the tables and figures was written between December 2004 and April 2005. Fresher data (than that published) may be available in Eurostat's reference database, NewCronos, where it may also be possible to find more detailed data. The NewCronos domain from which data were extracted is identified as part of the source for each table and figure compiled using Eurostat data. As the structure of NewCronos has changed in the meantime, a conversion table pointing to the current structure is included at the end of the publication.

### COICOP classification

Data have been compiled using the COICOP (Classification Of Individual Consumption by Purpose) classification. In March 1999, the United Nations accepted a new version of the COICOP, which is the basis of the main data sources presented throughout this publication.

The COICOP is structured hierarchically in three levels. The chapter headings within this publication are usually based on the division level of COICOP (level 1), whilst more detailed information is provided within each chapter. Although the COICOP classification officially goes to a third level, readers will find that a fourth level has been added for some consumption items. The COICOP classification (as well as many other classifications) is available through RAMON, Eurostat's classification server:  
<http://europa.eu.int/comm/eurostat/ramon>.

### Geographical entities

Data published often include two totals: the sum or average of the 15 Member States before the May 2004 enlargement (EU-15) and that of all 25 Member States (EU-25). Sometimes, these aggregates might include estimates to cover missing country data. When EU aggregates cannot be computed using a full set of country data, appropriate footnotes have been added. Figures for Germany are on a post-unification basis, unless otherwise stated.

## Monetary values

All nominal financial/monetary values are expressed in ECU/euro terms, with national currencies converted using average exchange rates prevailing for the year in question. As of 1 January 1999, 11 of the Member States entered into economic and monetary union (EMU), forming what has become known as the euro-zone. Technically, data available prior to this date should continue to be denominated in ECU terms, whilst data available after this date should be denominated in euro (EUR) terms. However, as the conversion rate was 1 ECU=1 EUR, for practical purposes the two terms are used interchangeably when referring to a series that covers both periods. As of 1 January 2001, Greece also became a member of the euro-zone.

The conversion of data expressed in national currencies to a common currency facilitates comparison; however, fluctuations in currency markets may be responsible for at least some of the movements identified when looking at the evolution of a time-series in ECU/euro terms.

### Average exchange rates (1 ECU / EUR =...national currency) (1)

	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
BE	1.051705	0.95567	0.97418	1.00479	1.00696	1	1	1	1	1	1
CZ		34.696	34.4572	35.9304	36.0487	36.884	35.599	34.068	30.804	31.846	31.891
DK	7.85652	7.32804	7.35934	7.48361	7.4993	7.4355	7.4538	7.4521	7.4305	7.4307	7.4399
DE	1.04921	0.95803	0.97633	1.00436	1.00679	1	1	1	1	1	1
EE		14.9844	15.273	15.713	15.7481	15.6466	15.6466	15.6466	15.6466	15.6466	15.6466
EL	0.59108	0.88918	0.89668	0.90786	0.97059	0.95618	0.98804	1	1	1	1
ES	0.77777	0.97964	0.96611	0.99699	1.00479	1	1	1	1	1	1
FR	1.05405	0.99473	0.98985	1.00808	1.00637	1	1	1	1	1	1
IE	0.97486	1.03550	1.00747	0.94914	0.99832	1	1	1	1	1	1
IT	0.78603	1.10012	1.01171	0.99640	1.00380	1	1	1	1	1	1
CY	0.58195	0.59162	0.59190	0.58243	0.57934	0.57884	0.57392	0.57589	0.57530	0.58409	0.58185
LV		0.68953	0.69960	0.65940	0.66024	0.6256	0.5592	0.5601	0.581	0.6407	0.6652
LT		5.23202	5.07899	4.53615	4.48437	4.2641	3.6952	3.5823	3.4594	3.4527	3.4529
LU	1.051705	0.95567	0.97418	1.00479	1.00696	1	1	1	1	1	1
HU	130.522	164.545	193.758	211.654	240.573	252.77	260.04	256.59	242.96	253.62	251.66
MT	0.40363	0.46143	0.45768	0.43749	0.43498	0.4258	0.4041	0.403	0.4089	0.4261	0.428
NL	1.04919	0.95244	0.97096	1.00322	1.00724	1	1	1	1	1	1
AT	1.04938	0.958	0.97632	1.00463	1.00684	1	1	1	1	1	1
PL	1.96177	3.17049	3.42232	3.71545	3.91647	4.2274	4.0082	3.6721	3.8574	4.3996	4.5268
PT	0.90336	0.97816	0.97645	0.99055	1.00605	1	1	1	1	1	1
SI		154.88	171.778	180.986	185.948	194.4732	206.6127	217.9797	225.9772	233.8493	239.0874
SK		38.8649	38.9229	38.1129	39.5407	44.123	42.602	43.300	42.694	41.489	40.022
FI	0.81655	0.96011	0.98023	0.98905	1.00619	1	1	1	1	1	1
SE	7.52051	9.33192	8.51472	8.65117	8.91593	8.8075	8.4452	9.2551	9.1611	9.1242	9.1243
UK	0.713851	0.828789	0.813798	0.692304	0.676434	0.65874	0.60948	0.62187	0.62883	0.69199	0.67866
CA	1.4854	1.79483	1.73147	1.5692	1.66506	1.584	1.3706	1.3864	1.4838	1.5817	1.6167
CH	1.76218	1.54574	1.5679	1.644	1.62203	1.6003	1.5579	1.5105	1.467	1.5212	1.5438
JP	183.66	123.012	138.084	137.076	146.415	121.32	99.47	108.68	118.06	130.97	134.44
NO	7.94851	8.28575	8.19659	8.01861	8.46587	8.3104	8.1129	8.0484	7.5086	8.0033	8.3697
US	1.27343	1.30801	1.26975	1.13404	1.12109	1.0658	0.9236	0.8956	0.9456	1.1312	1.2439

(1) BE, DE, ES, FR, IE, IT, LU, NL, AT, PT and FI became members of the euro-zone as of 1 January 1999; EL became a member of the euro-zone as of 1 January 2001.

Source: Eurostat, bilateral exchange rates (theme2/exint/exchrt)

## Non-official data sources

Whilst the majority of the data in this publication comes from official sources (supplied to Eurostat by national statistical authorities) there has also been the need to source data from alternative sources. Particular care should be taken when interpreting data from non-official sources, as data collection, survey techniques and compilation methods may not be fully harmonised, nor coverage representative.



## FURTHER INFORMATION

The 2005 edition of *Consumers in Europe - Facts and figures* is available only in English, both as a paper publication and in PDF format. The publication may be purchased through the usual retail outlets for Commission publications (<http://publications.eu.int>). More information concerning consumer issues is available on the Directorate-General of the European Commission for Health and Consumer Protection web-site: [http://europa.eu.int/comm/consumers/index\\_en.htm](http://europa.eu.int/comm/consumers/index_en.htm).

Eurostat and the Directorate-General of the European Commission for Health and Consumer Protection would gratefully receive any comments from readers that may help improve future editions of this publication (contact details may be found on page 3).

## ABBREVIATIONS AND SYMBOLS

### EU MEMBER STATES

EU	European Union
EU-15	Fifteen Member States of the European Union
EU-25	Twenty-five Member States of the European Union
Euro-zone	Geographical entity covered by the Member States participating in the euro
BE	Belgium
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
EL	Greece
ES	Spain
FR	France
IE	Ireland
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom

### CANDIDATE COUNTRIES

BG	Bulgaria
HR	Croatia
RO	Romania
TR	Turkey

### EEA COUNTRIES

IS	Iceland
LI	Liechtenstein
NO	Norway

### OTHER COUNTRIES

CH	Switzerland
CA	Canada
JP	Japan
US	United States of America

## ABBREVIATIONS

ADR	Alternative Dispute Resolution	OECD	Organisation for Economic Co-operation and Development
ADSL	Asynchronous Digital Subscriber Line	PC	Personal Computer
ATFM	Air Traffic Flow Management	PLI	Price Level Indices
ATM	Automatic Teller Machine	PPP	Purchasing Power Parity
BIS	Bank for International Settlements	PPS	Purchasing Power Standard
BMI	Body Mass Index (kg/m <sup>2</sup> )	PSTN	Public Switched Telephone Network
BSE	Bovine Spongiform Encephalopathy	RAPEX	Rapid Alert System for Non-Food Products
B2B	Business-to-Business	SGI	Services of General Interest
B2C	Business-to-Consumer	TV	Television
CD	Compact Disc	UNESCO	United Nations Educational, Scientific and Cultural Organisation
CEC	Central European Countries	VAT	Value Added Tax
COICOP	Classification Of Individual Consumption According to Purpose	VCR	Video Cassette Recorder
DSL	Digital Subscriber Line	WWW	World Wide Web
DVD	Digital Versatile Disc or Digital Video Disc		
ECB	European Central Bank		
ECC Net	European Consumer Centres Network		
EEJ-Net	European Extra-Judicial Network		
EFTPOS	Electronic Funds Transfer Point-Of-Sale		
EICP	European Index of Consumer Prices		
EMU	Economic and Monetary Union		
ESA-95	European System of National and Regional Accounts, 1995		
ESCB	European System of Central Banks		
GDP	Gross Domestic Product		
GM	Genetically Modified		
HFMCE	Household Final Monetary Consumption Expenditure		
ISDN	Integrated Services Digital Network		
ISP	Internet Service Provider		
ITC	Information Technology and Communications		
ITU	International Telecommunication Union		
LP	Long Play sound recording		
MC	Music cassette		
MUICP	Monetary Union Index of Consumer Prices		
NACE Rev. 1	Statistical Classification of Economic Activities in the European Community, Revision 1.		
NA-HC	National Accounts breakdowns of final consumption expenditure of Households by Consumption purpose		
NewCronos	Eurostat's reference database		
NPISH	Non-Profit Institutions Serving Households		
NSI	National Statistical Institute		
NUTS	Nomenclature of Territorial Units for Statistics		

## UNITS AND MEASURES

billion	Thousand million
ECU	European Currency Unit
EUR	Euro
GJ	Gigajoule (billion joules)
g/kg	Grams per kilogram
ha	Hectare
kg	Kilogram
kgoe	Kilogram of oil equivalent
km	Kilometre
km <sup>2</sup>	Square kilometre
km/h	Kilometres per hour
kWh	Kilowatt hour
m	Metre
m <sup>3</sup>	Cubic metre
MJ	Megajoule (million joules)
mg/ml	Milligrams per millilitre
pkm	Passenger-kilometre
toe	Tonne of oil equivalent
trillion	Thousand billion

## SYMBOLS

€	Euro
-	Not applicable
:	Not available
%	Percent
0	Real zero or value less than 0.5
0.0	Real zero or value less than 0.05



# 1. Consumers and consumption expenditure



# 1 CONSUMERS AND CONSUMPTION EXPENDITURE

## CONSUMERS AND CONSUMPTION: A DEFINITION

Viewed in the perspective of a country's economy as a whole, there are only three classes of final consumers: individuals, non-profit institutions serving households and government. Any consumption by enterprises is regarded as intermediate consumption - intermediate in the sense that it is an input into the production of goods and services.

Consumption figures mentioned in this publication only deal with the consumption of individuals. Consumption patterns of individuals are of policy interest in that they provide evidence of comparative living standards over time, between Member States, and between different groups of people within Member States. Consumption is not identical to monetary expenditure. People's monetary expenditure is often supplemented by various non-monetary consumption. For example:

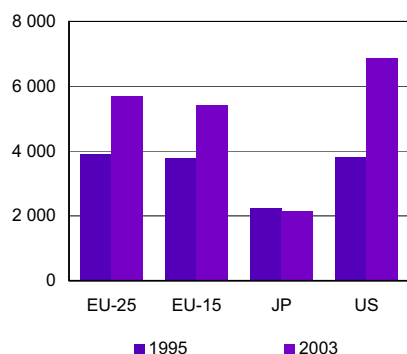
- an employee may receive a company car for personal use as part of their employment contract;
- some people grow and then consume their own fruit and vegetables, or raise their own animals for eggs and meat.

The value of these items is included in the national accounts final consumption expenditure of households and is also estimated in the Household Budget Surveys' measures of household consumption expenditure.

In all Member States, governments provide services to households such as health and education free (or at greatly reduced prices) at the point of use. The value of these services is generally omitted from this publication. However, the extent of government provision will have an impact on the amount that individuals have to spend from their own resources on such services.

Expenditure data in this publication are invariably presented aggregated across households, rather than for individuals. This is because, for example, although one person may buy all the food for a household, it will then be consumed by all household members and indeed its purchase may be financed through the pooling of their incomes. Consumption of individuals cannot therefore be estimated by reference to the expenditure they incur, rather it is generally assumed to be shared across a household.

**Figure 1.1: Consumer markets in the EU, Japan and USA (€ billion)**



Source: Eurostat, National Accounts (including GDP) - GDP and main aggregates (theme2/aggs\_gdp)

**Table 1.2: Total final consumption expenditure of households and NPISH, 2003 (billions)**

Purchasing Power Standard (PPS)

Region	Consumption (billions PPS)
EU-25	5 685
EU-15	5 182
BE	141
CZ	80
DK	67
DE	1 116
EE	8
EL	125
ES	479
FR	823
IE	51
IT	796
CY	9
LV	13
LT	22
LU	9
HU	71
MT	4
NL	200
AT	117
PL	247
PT	103
SI	18
SK	32
FI	64
SE	107
UK	984

Source: Eurostat, National Accounts (including GDP) - GDP and main aggregates (theme2/aggs\_gdp)

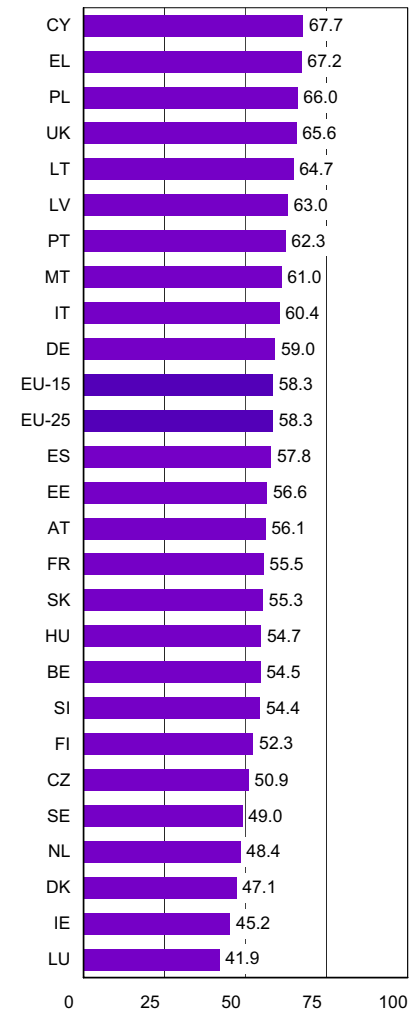
## THE EUROPEAN CONSUMER MARKET

Figure 1.1 places the European Union consumer market in a world context, comparing the size of final household consumption expenditure between the EU, Japan and the USA. In 2003, the EU consumer market was valued at EUR 5.68 trillion, 163% greater than that of Japan, and 17% lower than that of the USA. In 2003, just four countries accounted for 72% of the EU's consumer market: Germany, the United Kingdom, Italy and France (Table 1.2). Spain accounted for 14.5% of consumption within the EU, Poland for 4.3% and the Netherlands for 3.5%, whilst the other Member States each accounted for less than 3% of the total.

Average growth between 1995 and 2003 in constant prices (in other words, in volume) was equal to 2.3% per annum for the EU, compared with 3.9% for the USA. Between 2002 and 2003, final consumption expenditure in the EU grew by 1.4% in constant price terms, to reach EUR 4.7 trillion.

The level of final consumption expenditure of households is determined both by the overall level of economic activity - measured by gross domestic product (GDP) - and by the distribution of GDP between households and government. On average, final consumption expenditure formed 58.3% of the EU's GDP in 2003, but Figure 1.3 shows that this proportion varied considerably between Member States. Where the proportion is high - for example, in Cyprus (67.7%) - this implies less State activity than in countries where it is low - for example, Luxembourg (41.9%).

**Figure 1.3: Final consumption expenditure of households and non-profit institutions serving households (NPISH) as a proportion of GDP, 2003 (%)**



Source: Eurostat, National Accounts (including GDP) - GDP and main aggregates (theme2/aggs\_gdp)

Due to the link between final consumption expenditure of households and GDP, in times of economic downturn, the real (or in other words, deflated) growth rate of household consumption is likely to fall, and in severe recession consumption as a whole may be reduced in real terms (in other words, in volume). The economic cycle can have an impact on the pattern of consumption: as in times of economic recession, consumer confidence often falls, and with it the sums of money available for consumption. This generally results in fewer purchases of luxury goods and services, as well as fewer purchases of the more expensive consumption items such as cars and domestic appliances. The consumer confidence index measures consumers' opinions on a range of economic decisions, such as whether they consider it a good time to purchase expensive goods, and represents the proportion of households with an optimistic view minus the share with a pessimistic view. The index shows that in most Member States, 1992 and 1993 were years in which consumer confidence was at a low. Since then it has recovered, so that by 2000 EU consumers generally took a much less pessimistic view of the economy, though it decreased again in the following years (see Table 1.4). Notable exceptions to this rule were Denmark and Finland.

**T**able 1.4: Consumer confidence index in the EU (1)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004 (2)	
<b>EU (3)</b>	-15	-9	-10	-9	-6	-10	-15	-20	-25	-13	-9	-15	-10	-4	-3	1	-5	-9	-15	-12	
<b>BE</b>	-24	-14	-11	-6	1	0	-6	-13	-24	-10	-10	-12	-12	1	3	13	0	-2	-11	-3	
<b>CZ</b>	:	:	:	:	:	:	:	:	:	:	-8	-7	-27	-28	-31	-20	-4	-7	-15	-15	
<b>DK</b>	1	-3	-11	-15	-12	-7	-4	-3	-2	11	14	8	14	10	5	11	9	9	4	10	
<b>DE (4)</b>	-5	3	-3	-6	1	-2	-10	-15	-25	-10	-7	-19	-17	-5	-2	3	-4	-11	-18	-16	
<b>EE</b>	:	:	:	:	:	:	:	:	-49	-33	-22	-24	-26	-24	-35	-34	-22	-8	-9	-13	
<b>GR</b>	-10	-24	-32	-24	-17	-26	-32	-37	-31	-31	-36	-27	-30	-34	-26	-17	-26	-28	-39	-26	
<b>ES</b>	:	-13	-15	-11	-7	-11	-13	-27	-30	-16	-14	-9	-2	0	2	2	-4	-11	-13	-11	
<b>FR (5)</b>	-30	-20	-24	-16	-13	-16	-27	-27	-30	-18	-15	-29	-21	-13	-8	-3	-12	-15	-24	-14	
<b>IE</b>	-28	-28	-29	-19	-10	-10	-23	-25	-21	-11	-5	0	12	12	15	12	-2	-7	-15	-1	
<b>IT</b>	-17	-10	-11	-11	-10	-10	-15	-22	-31	-13	-6	-12	-13	-8	-10	-7	-3	-9	-14	-18	
<b>CY</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-22	-23	-25	-36
<b>LV</b>	:	:	:	:	:	:	:	:	-39	-28	-33	-37	-33	-25	-24	-20	-11	-13	-14	-18	
<b>LT</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-28	-20	-10	-8
<b>LU</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	7	0	3	
<b>HU</b>	:	:	:	:	:	:	:	:	-43	-29	-51	-43	-32	-16	-27	-29	-20	-7	-24	-26	
<b>MT</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-10	-15	-27
<b>NL</b>	2	8	1	3	11	6	-4	-5	-15	-2	7	8	20	22	20	23	4	-1	-15	-6	
<b>AT</b>	:	:	:	:	:	:	:	:	:	:	-6	-12	-9	-2	5	6	3	5	-3	-2	
<b>PL</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-35	-35	-33	-27
<b>PT</b>	:	-13	-6	-9	-10	-7	-4	-14	-32	-30	-23	-26	-16	-16	-14	-18	-24	-34	-41	-34	
<b>SI</b>	:	:	:	:	:	:	:	:	:	:	:	-19	-20	-22	-20	-15	-14	-20	-20	-19	
<b>SK</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	-43	-33	-33	-30	-25	
<b>FI</b>	:	:	:	:	:	:	:	:	:	:	13	13	18	18	18	19	12	13	11	14	
<b>SE</b>	:	:	:	:	:	:	:	:	:	:	3	-5	4	10	13	21	5	10	4	6	
<b>UK</b>	-17	-15	-1	-2	-11	-20	-17	-18	-17	-16	-10	-6	3	-2	-3	-4	-5	-3	-6	-3	

(1) The consumer confidence indicator is the arithmetic average of the balances (in percentage points) of the answers to the questions on the financial situation of households, the general economic situation, unemployment expectations (with inverted sign) and savings, all over the next 12 months. It represents the balance between the percentage of households with an optimistic view minus the percentage of households with a pessimistic view.

(2) Estimate.

(3) EU aggregate computed using available data with a readjustment of weights.

(4) Including former East Germany from 1995 onwards.

(5) Possible break in the series in 2004.

Source: European Economy, Directorate-General of the European Commission for Economic and Financial Affairs

## 1.1 CONSUMER PROFILE

The evolution of and changes in the structure of consumption follow consumer attitudes and consumer satisfaction. On the supply side this may be because of the arrival of new products or changes in the availability of existing products. Viewing consumers as a group, their demand for particular products may evolve due to changes in the attitudes of individuals within the group or because of modifications in the composition of the group.

### PEOPLE AND HOUSEHOLDS

There were 455.8 million people living in the EU in 2003<sup>1</sup>, of whom almost three-fifths were living in just four countries - Germany, the United Kingdom, France and Italy (see Figure 1.5). Between 2000 and 2003, the EU's population grew by 0.9%, or 4.3 million people. However, as average household size has been falling, the number of households in the EU was found to be growing at a faster rate than the population, increasing by 1.7% between 2000 and 2002. In 2002, the latest year for which data are available for all Member States, there were 157.6 million households in the EU (see Table 1.6). In 1999, average household size ranged from 2.14 persons in Denmark to 3.26 in Cyprus (see Figure 1.7).

(1) EL and FI, 2002; UK, 2000.

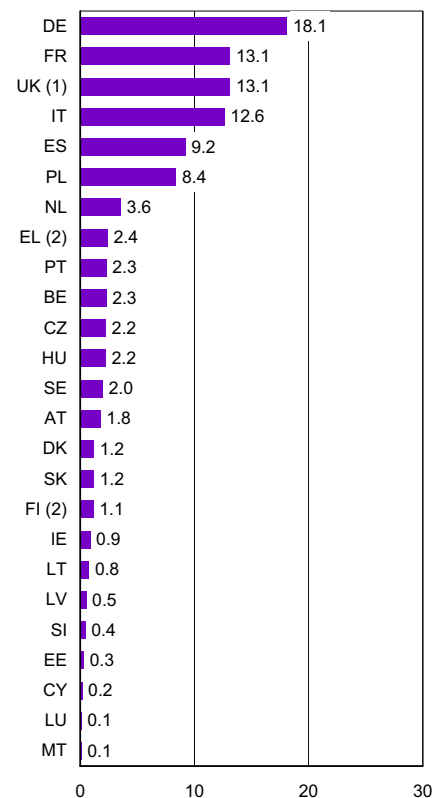
**Table 1.6: Number of households in the EU (millions)**

	1995	1996	1997	1998	1999	2000	2001	2002
<b>EU-15 (1)</b>	<b>147</b>	<b>148.1</b>	<b>149.3</b>	<b>151.4</b>	<b>152.8</b>	<b>154.2</b>	<b>156</b>	<b>157.6</b>
BE	4.1	4.1	4.1	4.2	4.2	4.3	4.3	4.1
CZ	3.7	3.7	3.8	3.8	3.8	3.9	3.9	4.0
DK	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5
DE	36.4	36.8	36.8	37.1	37.3	37.5	37.9	38.2
EE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
EL	3.8	3.8	3.9	3.8	3.8	3.9	4.0	4.0
ES	12.1	12.2	12.4	12.6	12.8	13.1	13.4	13.7
FR	23.0	23.3	23.5	23.7	23.9	24.1	24.5	24.7
IE	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2
IT	20.4	20.2	20.2	21.3	21.5	21.7	22.0	22.2
CY	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
LV	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.8
LT	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.2
LU	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
HU	3.8	3.8	3.8	3.8	3.7	3.7	3.7	3.7
MT	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
NL	6.4	6.5	6.6	6.8	6.8	6.8	6.9	6.9
AT	3.1	3.2	3.2	3.2	3.2	3.3	3.3	3.3
PL	11.9	12.0	12.1	12.3	12.4	12.5	12.4	12.4
PT	3.3	3.4	3.4	3.3	3.4	3.4	3.4	3.5
SI	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7
SK	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
FI	2.3	2.3	2.3	2.3	2.4	2.3	2.4	2.4
SE	4.1	4.1	4.1	4.1	4.2	4.2	4.3	4.4
UK	24.5	24.7	25.1	25.2	25.5	25.7	26.0	26.2

(1) Eurostat estimate.

Source: Eurostat and EAO in Cinema, TV and radio in the EU, European Commission, 2003

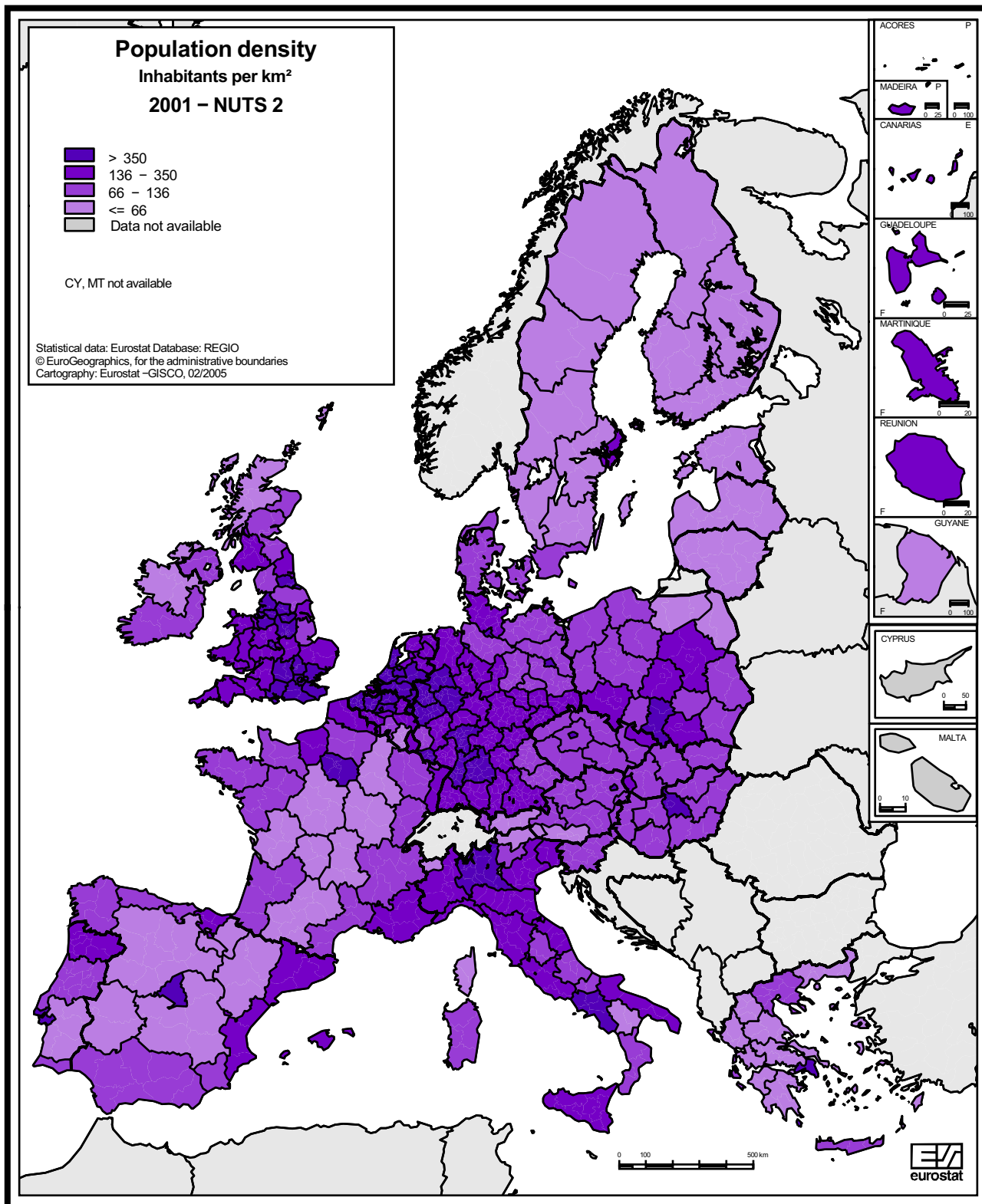
**Figure 1.5: Population of the EU by Member State, 2003 (% share of total)**



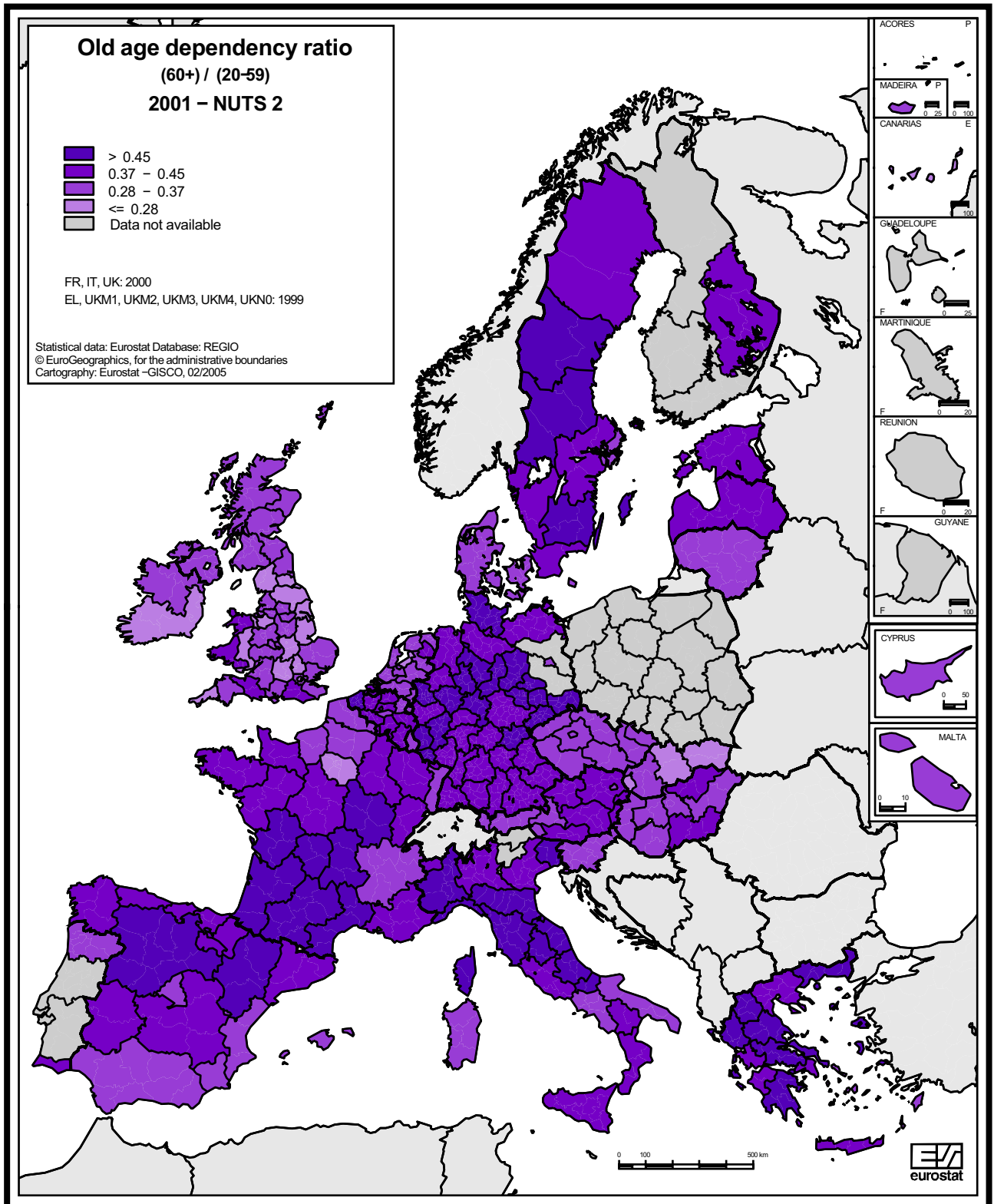
(1) 2000.

(2) 2002.

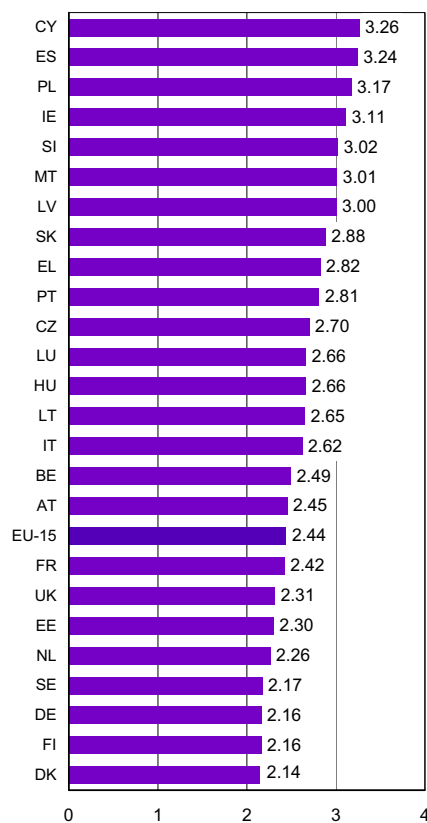
Source: Eurostat, Population and social conditions - demography (theme3/demo)





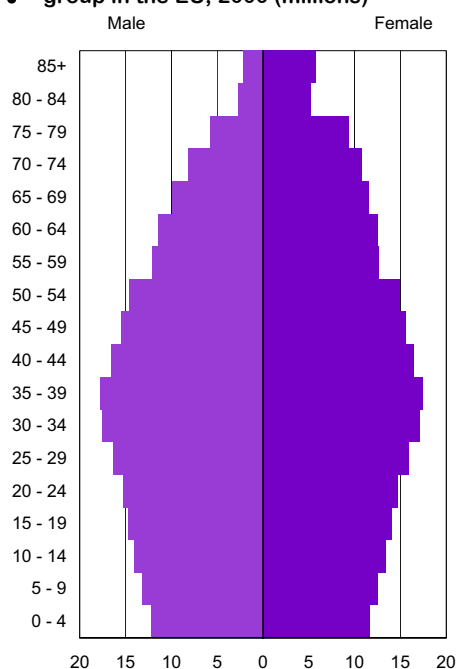


**Figure 1.7: Average number of members per household, 1999 (units)**



Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 1.8: Population breakdown by age group in the EU, 2000 (millions)**



Source: Eurostat, Population and social conditions - demography (theme3/demo)

Some 55.4% of the EU population was aged between 20 and 59 in 2000, with 23.4% aged under 20 and a slightly lower proportion (21.1%) aged over 59 (see Figure 1.8). Between a fifth and a quarter of the population of all Member States (except Ireland, Cyprus, Lithuania, Malta, Poland and Slovakia) were aged under 20: Ireland and Cyprus have a much younger age structure, with nearly a third of their population under 20, while Lithuania, Malta, Poland and Slovakia have between 27 and 28% of their population aged under 20. Although there were more young people aged under 20 than there were people aged over 59, the EU has an ageing population (see Table 1.9). Between 2000 and 2003, the number of young people fell in most Member States except Denmark, Estonia (2000 to 2002), Greece (2000 to 2002), Luxembourg, the Netherlands and Sweden, whilst the number of people aged over 59 rose in all Member States. Growth in the number of people aged over 59 was highest in Cyprus (11.2%), followed by Austria (6.6%), Slovenia (5.8%) and Germany (5.6%).

**Table 1.9: Change in the number of inhabitants aged under 20 and aged over 60 between 2000 and 2003 (2000=100)**

	Less than 20 years old	More than 59 years old
BE	99.7	100.7
CZ	94.1	103.6
DK	103.0	103.7
DE	97.3	105.6
EE (1)	104.2	102.0
EL (1)	106.8	101.9
ES	98.8	103.7
FR	99.9	101.7
IE	98.8	105.3
IT	99.1	104.3
CY	95.4	111.2
LV	92.2	101.9
LT	93.5	103.7
LU	103.0	102.4
HU	94.8	102.5
MT	96.0	105.2
NL	102.3	104.3
AT	98.1	106.6
PL	91.5	101.3
PT	97.1	103.6
SI	93.2	105.8
SK	92.8	101.7
FI (1)	99.4	103.3
SE	100.3	103.1
UK	:	:

(1) 2002 instead of 2003.

Source: Eurostat, Population and social conditions - demography (theme3/demo)

## ECONOMIC ACTIVITY

In 2003, across the EU, employment rates amongst men of working age were higher than amongst women. The gap has been generally narrowing, except for women aged between 60 and 64 (see Table 1.10). Between 2000 and 2003 women's employment rates increased in most age ranges, except between the ages of 15 and 24. On the contrary, men's employment rates decreased in most age ranges, except after 50. Employment rates peaked between the ages of 35 and 39 for men (at 88.8%) and between the ages of 40 and 44 for women (71.1%). However, for both males and females, employment rates were relatively flat between the ages of 30 and 49.

It should be noted that the proportion of 15 to 24 year-olds in employment is affected by the propensity to take part in full-time upper secondary and higher education.

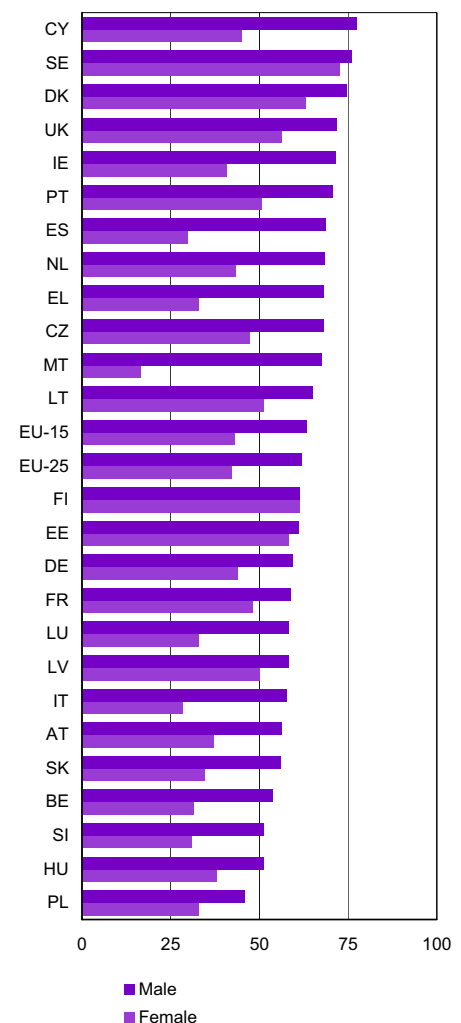
Once people reach the age of 50, employment rates decline with age, as they retire from work. This decline has become more rapid in recent years as retirement before State pensionable age has become more common. However, here are considerable differences between Member States: 45.8% of Polish men aged between 50 and 64 were still in employment in 2003, compared with 77.3% in Cyprus (see Figure 1.11). The differences were even greater for women, ranging from an employment rate of 16.4% in Malta to 72.5% in Sweden.

**Table 1.10: Employment rates of men and women broken down by age group in the EU (%)**

	2000		2003	
	Female	Male	Female	Male
15 - 19	18.4	22.6	17.2	21.2
20 - 24	49.4	58.9	49.2	57.4
25 - 29	64.7	81.0	65.9	79.4
30 - 34	66.3	88.5	68.0	87.5
35 - 39	68.4	89.2	70.0	88.8
40 - 44	69.5	88.5	71.1	88.0
45 - 49	67.7	86.4	69.6	85.6
50 - 54	58.6	80.6	61.6	80.7
55 - 59	38.9	62.2	43.7	65.0
60 - 64	14.5	30.1	16.6	33.6
65 - 69	4.6	10.0	5.0	10.2

Source: Eurostat, Labour Force Survey (theme3/lfs)

**Figure 1.11: Employment rates of persons aged between 50 and 64, 2003 (%)**



Source: Eurostat, Labour Force Survey (theme3/lfs)

**Table 1.12: Mean equivalised net income, by main income source, 2001 (PPS)**

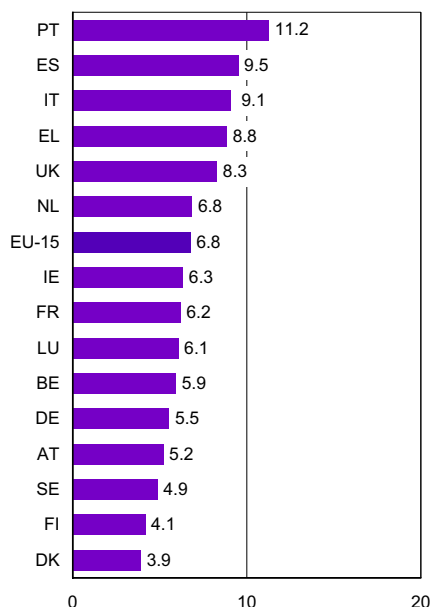
	Total	Private income	Social transfers	Income from work
<b>EU-15</b>	15 499	17 014	12 279	16 741
<b>BE</b>	17 785	37 819	12 434	19 550
<b>DK (1)</b>	17 823	16 777	12 921	19 241
<b>DE</b>	17 812	20 258	14 745	19 048
<b>EL</b>	10 546	12 275	8 258	11 288
<b>ES</b>	12 776	13 101	9 278	13 809
<b>FR</b>	16 189	12 368	13 650	17 232
<b>IE</b>	14 366	13 570	8 490	16 025
<b>IT</b>	12 779	11 702	11 058	13 445
<b>LU</b>	27 336	56 163	22 166	28 773
<b>NL</b>	15 549	15 609	13 476	16 271
<b>AT</b>	17 146	12 386	13 713	18 221
<b>PT</b>	10 565	17 921	7 864	11 215
<b>FI</b>	13 970	35 046	10 152	14 988
<b>SE (2)</b>	14 040	16 719	11 230	15 313
<b>UK</b>	17 272	19 148	12 070	19 643

Source: Eurobarometer 60.2 (Financial services), European Commission, 2003

## INCOME LEVELS AND DISTRIBUTION

Nearly seven out of 10 persons in the EU live in a household where the main source of income is work. However, this ratio varies from four out of 10 in the bottom income decile group to over eight out of 10 in the top income decile group. In the bottom decile group, the majority of people live in households where the main source of income is social transfers. Mean equivalised net income per household in the EU was equal to 15 499 PPS (purchasing power standard) in 2001, but ranged from 10 546 PPS in Greece to 27 336 PPS in Luxembourg (see Table 1.12). Households where the main source of income was work had incomes that were, on average, 36.3% higher than households where the main source of income was social transfers. However, in Ireland the income of working households was almost 90% higher than that of households relying mainly on social transfers. In Italy and the Netherlands working households had incomes that were only about 21% higher than those relying mainly on social transfers.

The ratio of average income for households in the top decile group to the average income of households in the bottom decile group provides a measure of the distribution of income. Figure 1.13 shows that this ratio varied between 3.9 in Denmark (the most equal distribution amongst the Member States) to 11.2 in Portugal.

**Figure 1.13: Ratio of the average income of the highest decile group to that of the lowest decile group, 2001**

Source: Eurostat, European Community Household Panel (theme3/ilc)

## 1.2 CONSUMPTION EXPENDITURE

Average expenditure per household varies considerably between EU Member States, even when expenditure is adjusted for differing purchasing powers (see the methodological notes on page 297). Table 1.14 shows that although Luxembourg had one of the smallest consumer markets within the EU (as witnessed in Table 1.2 on page 10), its average consumption expenditure per household was the highest in the EU in 1999 at 43.2 thousand PPS, nearly eight times that of Latvia (5.5 thousand PPS). The differences are even greater when adjusted for household size, in other words, when expressed in terms of equivalised household expenditure, as households tend to be larger in Latvia than in Luxembourg. For the majority of the Member States, average expenditure per household was within the range 10 thousand PPS to 30 thousand PPS per year.

**T**able 1.14: Average consumption expenditure per household, 1999 (units)

	€	National currency	Purchasing Power Standard (PPS)
<b>EU-15</b>	25 114	-	24 772
<b>BE</b>	27 188	27 188	27 405
<b>CZ</b>	4 838	178 464	11 302
<b>DK</b>	29 255	217 511	23 439
<b>DE</b>	25 228	25 228	23 575
<b>EE</b>	3 320	51 939	7 144
<b>EL</b>	19 147	18 206	23 401
<b>ES</b>	17 076	17 076	20 238
<b>FR</b>	25 876	25 876	24 597
<b>IE</b>	28 709	28 709	29 749
<b>IT</b>	24 081	24 081	27 220
<b>CY</b>	22 520	13 035	29 378
<b>LV</b>	2 780	1 739	5 545
<b>LT</b>	3 170	13 515	7 208
<b>LU</b>	44 190	44 190	43 247
<b>HU</b>	3 697	934 513	8 056
<b>MT</b>	18 038	7 680	20 785
<b>NL</b>	24 607	24 607	25 657
<b>AT</b>	28 145	28 145	26 453
<b>PL</b>	4 479	18 935	8 982
<b>PT</b>	13 418	13 418	18 527
<b>SI</b>	13 684	2 661 204	19 815
<b>SK</b>	3 790	167 236	10 545
<b>FI</b>	21 571	21 571	18 211
<b>SE</b>	28 883	236 669	21 673
<b>UK</b>	29 850	20 148	27 646

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 1.15: Average household expenditure broken down by income quintile group, 1999 (thousand PPS)**

	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	Total
<b>EU-15</b>	15.0	19.4	23.6	28.2	37.6	24.8
<b>BE</b>	18.7	23.8	25.7	30.1	38.7	27.4
<b>DK</b>	13.6	17.8	22.9	28.5	34.4	23.4
<b>DE</b>	12.5	17.9	22.2	27.3	38.1	23.6
<b>EL</b>	12.6	17.1	21.7	27.1	38.6	23.4
<b>ES</b>	14.0	16.5	18.9	22.1	29.8	20.2
<b>FR</b>	15.5	19.5	23.4	28.3	36.3	24.6
<b>IE</b>	27.1	25.6	27.9	33.3	34.9	29.7
<b>IT</b>	19.3	22.9	26.1	29.9	38.0	27.2
<b>LU</b>	26.9	36.5	39.7	47.6	65.5	43.2
<b>NL</b>	17.5	20.2	24.5	29.8	36.2	25.7
<b>AT</b>	17.1	23.1	25.8	28.5	37.7	26.5
<b>PT</b>	8.2	12.3	17.6	21.2	33.3	18.5
<b>FI (1)</b>	10.0	14.0	18.1	21.5	27.4	18.2
<b>SE</b>	14.0	19.3	21.9	24.1	29.1	21.7
<b>UK</b>	14.3	20.1	26.9	32.1	44.8	27.6

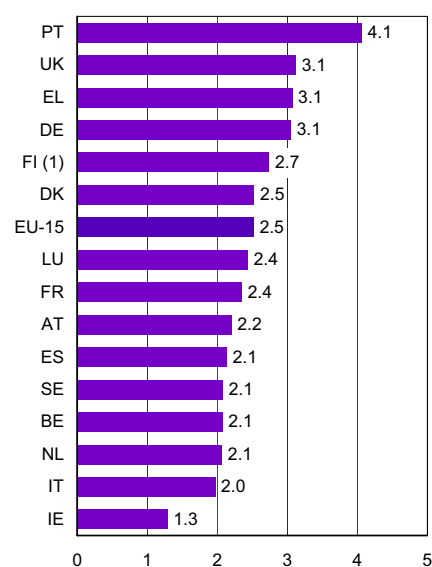
(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)

Average expenditure also varies between different types of household within countries. Many of these differences are linked to income. Table 1.15 shows average expenditure per household by quintile group of income - in other words, households have been ranked by their income and then divided into five groups of equal size. This breakdown shows, perhaps unsurprisingly, that expenditure increases as income increases. However, the rate of increase is much steeper for some EU-15 Member States than others. The ratio of average expenditure by the highest quintile group to average expenditure by the lowest quintile group gives an indication of the distribution of household expenditure, high values indicating a lower degree of equality. This ratio ranged from 4.1 in Portugal to 1.3 in Ireland (see Figure 1.16).

Given the link with income, it is also no surprise to find that in all Member States it is households containing no economically active person that have the lowest average expenditure (see Table 1.17). The extent to which expenditure rises when an economically active person is present differs between Member States. In Cyprus it resulted in a multiplication of expenditure by factor 2.5, but in Slovakia expenditure rose by only a small margin. These figures reflect the differing incomes from social benefits that are available to the economically inactive.

**Figure 1.16: Ratio of the average household expenditure of the highest quintile group to that of the lowest, 1999 (units)**



(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 1.17: Average household expenditure broken down by the number of economically active people, 1999 (thousand PPS)**

	Zero	1	2	3 or more	Total
<b>EU-15</b>	17.5	23.7	32.7	37.8	24.8
<b>BE</b>	19.6	25.6	36.7	43.5	27.4
<b>CZ</b>	6.2	10.3	14.9	20.1	11.3
<b>DK</b>	15.8	21.9	32.5	41.8	23.4
<b>DE</b>	18.5	21.7	30.9	36.2	23.6
<b>EE</b>	3.9	6.4	10.7	11.9	7.1
<b>EL</b>	14.2	24.2	29.4	30.8	23.4
<b>ES</b>	12.3	19.6	24.5	26.6	20.2
<b>FR</b>	17.8	22.0	32.3	35.6	24.6
<b>IE</b>	16.0	27.2	37.5	49.2	29.7
<b>IT</b>	20.2	30.6	37.2	38.8	27.2
<b>CY</b>	10.9	26.6	37.0	45.6	29.4
<b>LV</b>	3.5	5.0	7.4	8.2	5.5
<b>LT</b>	4.1	5.9	9.0	9.6	7.2
<b>LU</b>	32.2	43.0	53.4	57.8	43.2
<b>HU</b>	5.1	8.8	11.1	12.7	8.1
<b>MT</b>	11.4	20.5	28.8	35.1	20.8
<b>NL</b>	18.6	24.1	34.2	42.4	25.7
<b>AT</b>	18.1	26.2	32.9	36.8	26.5
<b>PL</b>	6.1	8.5	10.7	11.1	9.0
<b>PT</b>	9.8	17.3	24.8	27.2	18.5
<b>SI</b>	12.0	17.5	24.2	27.1	19.8
<b>SK</b>	10.3	10.4	10.6	11.4	10.5
<b>FI</b>	11.6	16.3	26.5	29.4	18.2
<b>SE</b>	16.3	17.6	29.1	33.1	21.7
<b>UK</b>	17.7	25.9	36.8	47.5	27.6

Source: Eurostat, Household Budget Survey (theme3/hbs)

Table 1.18 confirms that households headed by someone in work have the highest expenditures and also shows that within this group those who are in non-manual work or those who are self-employed have higher expenditures than those in manual work. Amongst those not working, it is in the majority of the countries those who are economically inactive or unemployed who have the lowest expenditures, although in Cyprus, Latvia, Hungary, Austria and Portugal it was the retired.

**T**able 1.18: Average household expenditure broken down by socio-economic category of the head of household, 1999 (thousand PPS)

	Manual workers in industry & services (1)	Non manual workers in industry & services	Self-employed	Retired	Other inactive (2)	Unemployed	Total
<b>EU-15</b>	26.1	19.5	32.4	14.7	16.0	17.1	24.8
<b>BE</b>	27.0	32.9	36.0	20.4	21.6	14.3	27.4
<b>CZ</b>	12.6	13.7	15.3	6.2	:	:	11.3
<b>DK</b>	24.5	29.5	34.4	16.5	14.0	16.2	23.4
<b>DE</b>	26.3	:	32.4	:	14.4	16.0	23.6
<b>EE</b>	7.0	11.3	11.0	4.1	5.9	3.7	7.1
<b>EL</b>	22.8	32.7	26.9	17.8	16.4	18.5	23.4
<b>ES</b>	20.2	28.0	21.7	15.6	12.4	17.0	20.2
<b>FR</b>	23.5	30.1	32.5	19.8	14.4	16.8	24.6
<b>IE</b>	32.1	35.3	33.3	17.6	14.8	16.6	29.7
<b>IT</b>	32.1	:	34.0	22.7	19.2	21.3	27.2
<b>CY</b>	30.5	42.0	28.5	14.4	22.3	25.7	29.4
<b>LV</b>	5.9	7.5	8.2	3.7	4.5	4.1	5.5
<b>LT</b>	8.8	:	7.8	4.6	5.2	4.5	7.2
<b>LU</b>	37.1	56.5	55.9	38.7	30.3	29.4	43.2
<b>HU</b>	9.8	12.5	12.8	6.2	6.4	6.7	8.1
<b>MT</b>	25.3	:	24.1	14.2	:	11.0	20.8
<b>NL</b>	27.5	31.1	30.5	21.7	16.8	15.7	25.7
<b>AT</b>	28.0	31.3	33.5	20.3	21.6	22.8	26.5
<b>PL</b>	9.1	11.7	10.0	6.6	6.4	5.4	9.0
<b>PT</b>	18.6	29.4	18.3	11.4	12.6	14.0	18.5
<b>SI</b>	18.9	25.7	23.5	13.5	15.2	12.4	19.8
<b>SK</b>	9.5	10.6	12.3	10.3	:	:	10.5
<b>FI</b>	20.1	23.2	24.7	12.3	11.3	11.8	18.2
<b>SE</b>	20.6	25.0	34.2	18.0	16.4	15.7	21.7
<b>UK</b>	28.0	36.1	38.6	18.9	17.5	16.7	27.6

(1) Including the use of the Internet and Minitel.

Source: Eurobarometer 60.2 (Financial services), European Commission, 2003

**Table 1.19: Average household expenditure broken down by the age of the head of household, 1999 (thousand PPS)**

	Less than 30 years	Between 30 and 44 years	Between 45 and 59 years	60 years and over	Total
EU-15	21.6	27.6	29.6	19.4	24.8
BE	23.8	31.5	31.4	20.6	27.4
CZ	10.4	13.9	13.4	6.8	11.3
DK	18.7	28.5	27.2	17.3	23.4
DE	18.2	24.8	27.8	20.5	23.6
EE	8.3	9.1	7.8	4.7	7.1
EL	19.5	27.7	29.2	17.1	23.4
ES	17.1	22.2	24.9	15.1	20.2
FR	21.3	27.6	29.0	19.2	24.6
IE	30.9	32.3	36.2	19.2	29.7
IT	26.8	30.8	33.0	21.5	27.2
CY	32.1	35.0	36.1	16.5	29.4
LV	6.8	6.7	5.8	3.8	5.5
LT	8.3	8.7	7.6	5.0	7.2
LU	39.1	46.2	50.3	36.1	43.2
HU	8.6	9.9	9.4	5.3	8.1
MT	24.0	22.8	24.8	14.1	20.8
NL	21.4	28.0	30.4	20.4	25.7
AT	20.8	31.4	29.8	20.1	26.5
PL	9.4	10.1	9.7	6.7	9.0
PT	20.4	22.8	23.6	11.7	18.5
SI	21.0	22.5	23.0	12.9	19.8
SK	10.1	9.8	12.3	10.3	10.5
FI	15.8	22.0	21.1	12.8	18.2
SE	15.5	23.0	25.0	20.0	21.7
UK	25.8	31.6	33.6	19.6	27.6

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 1.20: Average household expenditure broken down by degree of urbanisation, 1999 (thousand PPS)**

	Densely populated area (1)	Inter-mediate urbanised area (2)	Sparsely populated area (3)	Total
BE	26.9	28.7	23.5	27.4
DK	22.7	24.8	24.0	23.4
DE	:	:	:	23.6
EL	:	:	:	23.4
ES	22.3	19.6	17.4	20.2
FR	25.1	25.2	23.0	24.6
IE	34.9	27.1	:	29.7
IT	28.5	26.5	24.2	27.2
LU	40.5	44.2	45.0	43.2
NL	:	:	:	25.7
AT	26.3	27.2	26.1	26.5
PT	21.1	17.5	12.6	18.5
FI	18.5	19.6	16.7	18.2
SE	22.5	22.0	21.2	21.7
UK	27.2	28.1	28.4	27.6

(1) At least 500 inhabitants/km<sup>2</sup>.

(2) Between 100 and 499 inhabitants/km<sup>2</sup>.

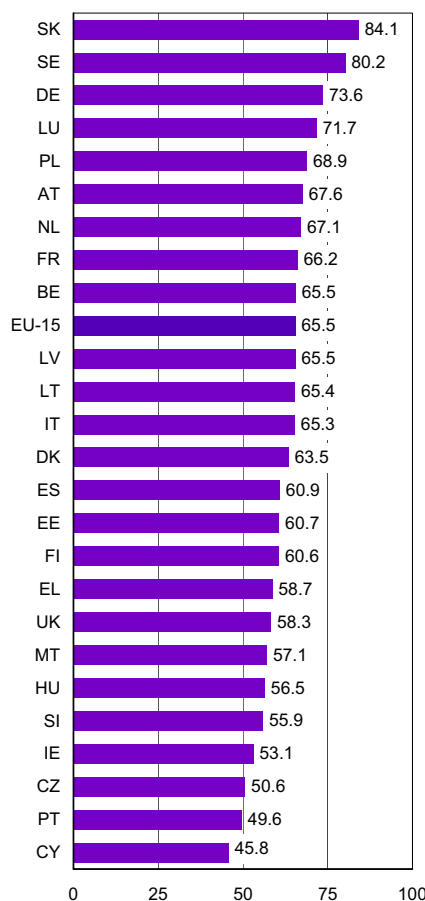
(3) Less than 100 inhabitants/km<sup>2</sup>.

Source: Eurostat, Household Budget Survey (theme3/hbs)

Expenditure also depends on life-cycle effects in incomes. In the youngest age groups, incomes, and therefore expenditures, are relatively low as careers are being built. Towards the end of normal working life incomes tend to peak, while in later years income and expenditure fall as people leave the labour force (see Table 1.19). The extent of this reduction largely depends on the level of pension provision: in Slovakia, the average expenditure of households whose head was aged over 59 was 84.1% of that of households with heads aged between 45 and 59, whereas in Cyprus this proportion fell to 45.8% (see Figure 1.21). For the majority of Member States this ratio lay between 55% and 70%.

Member States differ in the extent to which expenditure is affected by the level of urbanisation of the areas in which households live. In Portugal, households living in sparsely populated areas spent on average less than half the amount spent by those living in densely populated areas (see Table 1.20). As well as the fact that incomes may be lower, it may also be that persons living in rural areas produce more of their own food, the value of which may not be completely captured in the Household Budget Survey (HBS). Amongst the other countries for which data are available, the differences according to degree of urbanisation are much less marked.

**Figure 1.21: Ratio of the average household expenditure of the households with their head aged over 59 to that of households with their head aged between 45 and 59, 1999 (%) (1)**



Source: Eurostat, Household Budget Survey (theme3/hbs)



Apart from income, the other main determinant of household expenditure is household composition. Table 1.22 shows that in general, the larger the household the higher its average expenditure. This relationship is not a linear one however, because of the economies of scale that can be achieved when people live together. Thus, expenditure of two adult households was always less than twice that of a single person living alone. The presence of dependent children raised the average expenditure of two adult households by between 16.4% (Germany) and 88.6% (Cyprus). These figures are affected not only by the average number of children per household, but also by the extent to which costs such as childcare are met through social transfers rather than household expenditure.

**T**able 1.22: Average household expenditure broken down by household composition, 1999 (thousand PPS)

	Single person	Single parent with dependent children	Two adults	Two adults with dependent children	Three or more adults	Three or more adults with dependent children	Total
<b>EU-15</b>	14.8	20.7	25.0	32.4	32.6	37.5	24.8
<b>BE</b>	16.4	22.7	26.7	37.6	31.4	42.7	27.4
<b>CZ</b>	5.4	10.3	10.9	14.7	19.0	18.7	11.3
<b>DK</b>	14.0	22.0	25.5	34.3	33.8	39.1	23.4
<b>DE</b>	14.6	18.6	26.5	30.8	34.2	37.9	23.6
<b>EE</b>	4.0	6.4	7.0	10.6	9.8	11.7	7.1
<b>EL</b>	13.7	24.5	18.2	30.2	26.7	29.9	23.4
<b>ES</b>	10.1	16.9	15.2	23.7	21.5	25.9	20.2
<b>FR</b>	14.6	20.9	24.6	33.5	30.1	35.3	24.6
<b>IE</b>	14.5	20.8	24.5	35.7	40.0	45.7	29.7
<b>IT</b>	16.6	27.9	24.6	33.2	32.3	37.0	27.2
<b>CY</b>	9.7	21.3	18.9	35.7	35.1	46.5	29.4
<b>LV</b>	3.1	5.5	5.4	7.9	6.8	8.4	5.5
<b>LT</b>	3.7	6.0	6.5	9.5	8.4	10.1	7.2
<b>LU</b>	27.4	35.9	44.0	52.0	47.9	56.1	43.2
<b>HU</b>	4.0	8.0	7.1	8.8	1.5	7.7	8.1
<b>MT</b>	10.7	16.5	17.0	23.8	24.6	29.9	20.8
<b>NL</b>	16.3	21.1	28.4	33.2	37.4	40.5	25.7
<b>AT</b>	17.2	24.3	26.3	33.5	32.7	37.6	26.5
<b>PL</b>	5.0	7.8	8.1	10.6	9.8	11.2	9.0
<b>PT</b>	8.4	17.8	14.1	24.1	23.1	25.4	18.5
<b>SI</b>	9.5	17.9	16.1	23.9	22.7	26.0	19.8
<b>SK</b>	13.2	10.3	11.7	9.7	13.1	10.2	10.5
<b>FI</b>	10.5	15.8	19.8	27.8	24.7	31.6	18.2
<b>SE</b>	14.3	17.3	24.5	29.7	29.9	32.3	21.7
<b>UK</b>	16.2	18.8	29.6	37.2	40.0	46.6	27.6

Source: Eurostat, Household Budget Survey (theme3/hbs)

## EXPENDITURE PATTERNS BETWEEN DIFFERENT CONSUMPTION ITEMS

Table 1.23 shows the broad structure of expenditure in each Member State in 1999. In all EU-15 countries, housing and utilities form the highest proportion of expenditure, ranging from 31.3% of total expenditure in Germany to 19.8% in Portugal. In the new Member States, food and non-alcoholic beverages took the highest share, except for Cyprus. In the EU-15 countries, food and non-alcoholic beverages or transport took either second or third place. If taken together, housing, food and non-alcoholic beverages and transport accounted for between 46.6% (Malta) and 66.2% (Lithuania) of total expenditure.

Education accounted for 3.4% (Cyprus) or less of total expenditure in all Member States, reflecting the fact that the vast majority of these services are provided by governments free at the point of use. Expenditure on health accounted for a somewhat higher share, ranging from 1.1% (the Netherlands and the United Kingdom) to 6.3% (Greece), again depending to some degree on the extent of government provision. It is important to underline that the comparability between and within countries of household expenditure on education and health is limited by the importance of these services provided free at the point of use.

**T**able 1.23: Structure of consumption expenditure per household, 1999 (% of total expenditure) (1) (2)

	EU-15	BE	CZ	DK	DE	EE (3)	EL	ES	FR	IE	IT	CY	LV
Food and non-alcoholic beverages	13.8	13.3	23.2	13.1	11.0	34.0	16.6	18.3	15.4	15.7	19.0	17.8	39.1
Alcoholic beverages and tobacco	2.7	2.3	3.4	4.2	2.8	4.0	3.5	2.7	2.6	<b>7.8</b>	1.9	<b>1.6</b>	2.4
Clothing and footwear	6.1	5.4	7.0	5.5	5.7	7.0	8.6	7.4	5.8	6.3	7.5	7.6	6.7
Housing, water, electricity, gas and other fuels	27.8	26.2	17.5	28.4	<b>31.3</b>	18.0	21.9	27.5	27.7	27.3	24.7	19.8	17.7
Furnishings, household equip. & routine maintenance	6.8	6.5	7.7	6.4	7.6	5.0	7.5	5.0	5.5	4.6	7.6	6.6	5.0
Health	3.1	4.7	1.6	2.4	3.6	2.0	<b>6.3</b>	2.5	3.9	1.6	4.4	4.7	3.8
Transport	13.4	12.5	11.3	14.1	13.3	<b>6.0</b>	11.2	12.5	13.9	13.3	13.7	<b>18.0</b>	7.6
Communication	2.4	2.2	2.5	2.1	2.4	4.0	3.3	2.0	2.4	2.5	2.5	<b>1.7</b>	4.3
Recreation and culture	9.9	10.7	11.3	11.2	11.9	7.0	4.5	6.2	7.4	9.2	6.3	6.0	5.7
Education	0.8	0.5	0.5	0.4	0.5	1.0	2.4	1.4	0.4	1.4	0.8	<b>3.4</b>	1.0
Restaurants and hotels	6.1	5.7	4.8	4.1	4.9	3.0	8.8	9.2	5.8	5.2	4.6	6.3	2.3
Miscellaneous goods and services	7.0	10.0	9.2	8.1	5.0	6.0	5.5	5.1	9.3	5.0	7.1	6.8	4.4

	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Food and non-alcoholic beverages	<b>45.7</b>	<b>10.1</b>	25.0	21.1	10.5	13.4	32.3	18.7	24.0	29.8	14.2	15.4	10.5
Alcoholic beverages and tobacco	4.2	2.0	5.1	2.7	2.1	2.6	3.3	2.8	2.9	3.6	2.9	2.9	3.0
Clothing and footwear	7.7	5.9	6.7	8.3	6.0	6.6	6.3	6.6	8.6	<b>9.3</b>	<b>4.6</b>	5.2	5.5
Housing, water, electricity, gas and other fuels	12.9	27.4	20.0	<b>9.0</b>	26.7	23.9	19.1	19.8	10.7	15.8	28.1	26.8	28.3
Furnishings, household equip. & routine maintenance	4.7	8.2	5.3	<b>10.6</b>	7.2	7.2	6.5	7.2	7.0	6.2	<b>4.5</b>	5.0	7.3
Health	3.6	2.4	3.0	3.0	<b>1.1</b>	2.4	4.5	5.2	1.7	1.5	3.7	3.0	<b>1.1</b>
Transport	7.6	15.5	11.5	16.5	10.3	14.4	9.6	15.0	17.6	8.6	17.0	13.4	13.6
Communication	2.3	2.1	<b>5.0</b>	2.9	2.2	2.6	2.9	3.3	2.4	2.6	2.8	2.6	2.3
Recreation and culture	<b>3.6</b>	8.7	6.8	10.0	10.4	12.3	7.0	4.8	8.7	8.3	10.7	<b>14.6</b>	13.4
Education	0.6	<b>0.1</b>	1.2	1.2	1.2	0.3	1.2	1.3	0.7	0.5	0.2	<b>0.1</b>	1.3
Restaurants and hotels	4.1	<b>9.6</b>	2.7	7.0	7.0	5.4	<b>1.4</b>	9.5	5.8	5.5	4.1	3.8	7.9
Miscellaneous goods and services	<b>3.0</b>	8.0	7.7	7.7	<b>15.3</b>	8.9	5.4	6.1	9.8	8.3	7.1	7.2	5.8

(1) Bold indicates the country with the lowest proportion of total expenditure; purple indicates the country with the highest proportion of total expenditure.

(2) Figures of CZ, EE, LV, LT, HU and PL do not account for owner-occupier imputed rent. Since this component of household final consumption expenditure is quantitatively very significant, the comparability of the structure of consumption expenditure of these countries is limited. For more information, please refer to chapter 4 "Housing".

(3) 3% corresponding to non-monetary consumption expenditure on non-food items could not be broken down by COICOP divisions.

Source: Eurostat, Household Budget Survey (theme3/hbs)

Expenditure on goods and services which might be regarded more as luxuries than necessities - for example, recreation and culture and restaurants and hotels - might be expected to form a higher proportion of expenditure in those Member States where total expenditure per household is highest. However, this was not always the case, as, for example, although the proportion of expenditure on restaurants and hotels was highest in Luxembourg, at 9.6%, it was only slightly less in Spain, Portugal and Greece. The relative share of expenditure on recreation and culture was highest in Sweden, the United Kingdom, Austria and Germany.

Evidence from the national accounts shows how the share of each category of goods and services in total household expenditure has changed in real terms over the period 1997 to 2002. For each Member State for which data are available, the proportion of expenditure on food, alcohol and tobacco was falling or rising slightly, whilst the share of total expenditure accounted for by communications (notably influenced by Internet connections and mobile telephony) was rising at a rapid pace (see Table 1.24).

**Table 1.24: Average annual growth rate of final consumption expenditure of households by main expenditure category, 1997-2002 (%)**

	BE	CZ	DK	DE	EE	GR	ES	FR	IE	IT	CY	LV	LT
Food and non-alcoholic beverages	1.1	-0.5	1.6	1.4	0.9	2.7	1.1	0.0	0.8	2.7	1.2	2.5	
Alcoholic beverages, tobacco and narcotics	1.5	-0.4	1.6	9.5	2.2	3.5	0.3	5.1	1.2	-0.7	3.1	1.5	
Clothing and footwear	1.7	2.0	0.1	4.7	2.5	2.6	0.8	13.7	1.2	5.6	6.4	6.4	
Housing, water, electricity, gas and other fuels	1.7	0.4	1.4	1.0	0.8	3.2	1.9	4.0	0.7	3.9	4.8	1.6	
Furnishings, household equip. & routine maintenance	0.4	1.5	0.4	8.5	4.2	3.4	1.8	7.4	1.7	4.9	8.5	8.6	
Health	4.9	4.3	2.6	13.7	3.9	4.9	3.6	4.2	0.7	2.2	6.9	16.9	
Transport	2.4	-2.5	0.5	3.7	2.6	3.6	3.5	5.3	0.6	4.9	3.8	10.3	
Communications	11.2	7.8	15.0	12.1	21.4	14.4	15.2	23.3	11.8	19.8	27.1	4.7	
Recreation and culture	1.8	2.4	1.7	8.6	5.0	4.2	5.8	6.8	3.2	6.0	15.7	13.1	
Education	9.5	-0.3	-0.7	3.3	0.8	1.1	0.9	4.6	0.5	5.9	20.9	7.2	
Restaurants and hotels	1.8	1.2	-1.1	9.4	3.1	3.0	2.9	5.4	3.3	1.6	2.9	-1.3	
Miscellaneous goods and services	1.4	1.9	2.4	8.3	7.3	5.9	-1.7	10.0	3.4	2.4	4.6	11.9	
	LU	HU	MT (1)	NL	AT	PL	PT (2)	SI	SK	FI	SE	UK	
Food and non-alcoholic beverages	:	:	0.1	1.0	0.5	:	2.1	1.8	2.0	2.0	1.4	1.6	
Alcoholic beverages, tobacco and narcotics	:	:	0.9	0.2	1.6	:	1.5	-0.7	1.0	3.2	2.9	-0.2	
Clothing and footwear	:	:	1.7	2.9	12.3	:	5.6	5.8	-5.5	2.8	4.9	8.5	
Housing, water, electricity, gas and other fuels	:	:	4.8	1.1	0.9	:	4.2	1.3	4.0	1.9	0.5	1.1	
Furnishings, household equip. & routine maintenance	:	:	5.0	3.2	2.6	:	7.3	6.7	6.7	5.0	5.3	5.8	
Health	:	:	2.1	3.3	34.1	:	-16.2	6.7	14.3	4.0	2.8	1.2	
Transport	:	:	-1.5	3.3	2.7	:	6.7	-2.8	6.6	1.6	2.4	3.0	
Communications	:	:	11.6	19.8	13.2	:	13.0	9.8	7.7	13.8	9.8	11.1	
Recreation and culture	:	:	3.8	4.8	5.7	:	10.4	4.1	6.8	3.9	6.3	8.0	
Education	:	:	7.3	0.3	-43.3	:	-6.8	3.5	12.6	-2.0	3.8	1.2	
Restaurants and hotels	:	:	-2.2	1.1	138.1	:	8.1	1.2	6.2	0.6	3.4	1.9	
Miscellaneous goods and services	:	:	10.5	3.7	0.0	:	3.6	3.3	5.1	4.3	3.5	3.2	

(1) Average annual growth rate between 1999 and 2002.

(2) Average annual growth rate between 1997 and 2000.

Source: Eurostat, National Accounts (including GDP) - breakdowns (theme2/brkdowns)

**Table 1.25: Expenditure on food and non-alcoholic beverages as a proportion of total household expenditure, broken down by quintile group of income, 1999 (%)**

	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile
<b>EU-15</b>	18.4	16.4	14.9	13.4	10.5
<b>BE</b>	16.9	14.9	14.0	12.9	10.6
<b>DK</b>	15.5	14.8	13.7	12.8	11.2
<b>DE</b>	15.4	13.4	12.1	10.7	8.1
<b>EL</b>	24.0	20.6	18.4	15.8	12.1
<b>ES</b>	24.9	21.7	19.6	17.4	13.3
<b>FR</b>	18.2	17.4	16.7	15.0	12.4
<b>IE</b>	18.4	17.0	16.1	14.5	13.6
<b>IT</b>	25.1	22.4	20.1	18.0	14.0
<b>LU</b>	14.2	12.4	10.5	9.3	7.4
<b>NL</b>	13.0	12.8	10.8	9.8	8.4
<b>AT</b>	17.9	15.5	13.9	13.4	9.7
<b>PT</b>	29.0	24.5	21.0	18.1	13.0
<b>FI (1)</b>	17.0	17.0	14.9	13.8	11.5
<b>SE</b>	17.5	16.5	16.8	15.0	12.8
<b>UK</b>	15.1	12.9	11.3	10.2	7.6

(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)

## EXPENDITURE PATTERNS ACCORDING TO HOUSEHOLD INCOME

The level of household expenditure has already been shown to be strongly linked with the level of household income and Table 1.25 (EU-15) shows that this is also true for the structure of expenditure<sup>2</sup>. For those categories of expenditure which may be considered as necessities - food and housing - the proportion of expenditure decreases as income increases. The rate of change differs between Member States however: in Portugal expenditure on food for the lowest income group was equal to 29.0% of total expenditure, compared with only 13.0% for the highest income group, whereas the equivalent figures for Denmark were 15.5% and 11.2%. In most EU-15 Member States the proportion of expenditure on food by the highest income group was between 40% and 70% of that of the lowest income group.

The extent to which transport may be regarded as a necessity or luxury depends on the situation of individual households. Table 1.26 shows that although transport accounted for a high proportion of expenditure in all EU-15 Member States, within each country the importance of transport within total expenditure increased steeply as a function of income. In Finland, for example, transport accounted for 17.0% of total expenditure averaged over all households. However this share varied between 9.7% for the lowest income quintile group and 20.8% for the highest income quintile group.

(2) FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

**Table 1.26: Expenditure on transport as a proportion of total household expenditure, broken down by quintile group of income, 1999 (%)**

	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile
<b>EU-15</b>	9.7	11.0	12.6	13.9	16.1
<b>BE</b>	9.5	12.4	12.6	11.7	14.4
<b>DK</b>	9.1	10.2	15.1	16.4	15.6
<b>DE</b>	8.4	10.4	11.4	12.7	17.8
<b>EL</b>	7.8	8.8	10.0	11.8	13.5
<b>ES</b>	11.7	12.3	12.2	12.7	13.2
<b>FR</b>	9.6	11.6	13.7	16.0	15.5
<b>IE</b>	13.0	11.5	12.7	14.0	14.6
<b>IT</b>	12.1	12.4	13.1	14.1	15.3
<b>LU</b>	13.7	15.1	14.4	15.7	17.0
<b>NL</b>	8.5	8.2	10.1	11.8	11.2
<b>AT</b>	10.2	12.5	14.4	13.9	17.8
<b>PT</b>	8.3	12.2	15.5	16.6	16.3
<b>FI (1)</b>	9.7	13.5	16.7	18.0	20.8
<b>SE</b>	8.8	13.0	11.7	15.4	15.4
<b>UK</b>	9.3	9.4	12.9	13.8	17.1

(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)

Expenditure on clothing and footwear on the other hand, which might also be regarded a necessity, varied little as a proportion of total expenditure either between or within Member States, ranging between 5% and 8% for the majority of EU households (see Table 1.27). Indeed, higher income groups generally spent more on these items.

Expenditure on luxuries became more important as income rose. Thus, expenditure on recreation and culture rose as a proportion of total expenditure as income rose in all Member States other than Denmark. In Greece the lowest income group spent 2.8% of their total expenditure on recreation and culture compared to 5.7% for the highest income group, and in Sweden the equivalent figures were 14.1% and 16.4%.

### EXPENDITURE PATTERNS ACCORDING TO HOUSEHOLD COMPOSITION

The other main determinant of the level of household expenditure noted above was household composition. Table 1.29 shows that the proportion of expenditure accounted for by housing was much higher for single people living alone than for larger households, indicating the economies of scale which larger living units can bring. On the other hand, expenditure on food, which depends more heavily on the number of people in the household, tended to increase as a proportion of total expenditure for larger households (see Table 1.30). Expenditure on clothing and footwear did not vary much between one, two and three or more adult households, but was almost always a higher proportion for households with children (see Table 1.31).

Single people, whether living alone or with dependent children, spent a lower proportion of their expenditure on transport than other household types. This was particularly marked in the United Kingdom, where single parent families spent only 6.8% of their expenditure on transport compared with between 13.9% and 14.8% for families with two or more adults; this may in part be explained by the ownership and use of more than one car in the household (see Table 1.32).

**Table 1.27: Expenditure on clothing and footwear as a proportion of total household expenditure, broken down by quintile group of income, 1999 (%)**

	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile
<b>EU-15</b>	5.9	6.0	6.2	6.2	6.3
<b>BE</b>	4.8	4.5	5.5	6.2	5.6
<b>DK</b>	5.7	5.5	5.4	5.8	5.4
<b>DE</b>	5.3	5.8	5.8	5.8	5.6
<b>EL</b>	7.2	7.9	8.5	8.6	9.4
<b>ES</b>	7.2	7.7	7.6	7.5	7.2
<b>FR</b>	5.6	5.7	5.4	5.7	6.2
<b>IE</b>	5.9	6.1	6.8	6.5	6.2
<b>IT</b>	7.6	7.0	7.5	7.3	7.9
<b>LU</b>	5.4	5.7	5.7	6.0	6.4
<b>NL</b>	5.6	5.3	6.1	6.0	6.4
<b>AT</b>	6.5	6.1	6.1	7.0	7.2
<b>PT</b>	6.1	6.3	6.8	6.6	6.8
<b>FI (1)</b>	4.1	4.2	4.6	4.6	5.2
<b>SE</b>	5.5	5.2	5.3	4.4	5.8
<b>UK</b>	5.0	5.5	5.7	5.6	5.5

(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 1.28: Expenditure on recreation and culture as a proportion of total household expenditure, broken down by quintile group of income, 1999 (%)**

	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile
<b>EU-15</b>	8.5	9.2	9.6	10.1	10.9
<b>BE</b>	8.8	9.8	9.8	11.2	12.3
<b>DK</b>	11.7	10.6	10.4	11.2	11.9
<b>DE</b>	10.7	11.7	11.9	12.1	12.2
<b>EL</b>	2.8	3.6	4.0	4.5	5.7
<b>ES</b>	4.8	5.3	5.7	6.7	7.4
<b>FR</b>	6.3	6.6	6.9	7.4	8.5
<b>IE</b>	8.8	9.1	9.1	9.7	9.5
<b>IT</b>	5.0	5.6	6.2	6.4	7.3
<b>LU</b>	7.0	8.0	8.8	9.2	9.4
<b>NL</b>	9.4	9.5	10.3	10.5	11.3
<b>AT</b>	10.7	11.3	12.1	12.3	14.0
<b>PT</b>	2.9	3.0	3.8	4.7	6.6
<b>FI (1)</b>	10.0	9.8	10.0	11.1	11.7
<b>SE</b>	14.1	13.4	13.2	15.1	16.4
<b>UK</b>	10.8	12.4	13.2	13.8	14.6

(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**T**able 1.29: Expenditure on housing, water, electricity, gas and other fuels as a proportion of total household expenditure, broken down by household type, 1999 (%)

	Single person	Single parent with dependent children	Two adults	Two adults with dependent children	Three or more adults	Three or more adults with dependent children
<b>EU-15</b>	36.1	30.4	28.6	24.8	25.2	23.4
BE	35.4	28.3	27.3	22.1	25.1	21.5
DK	34.3	29.7	28.3	25.3	23.4	23.7
DE	35.6	32.8	30.2	29.6	30.3	30.2
EL	29.0	23.6	25.5	19.8	19.7	18.8
ES	43.1	31.8	33.2	26.0	25.9	22.7
FR	37.6	31.5	27.8	23.6	24.3	23.0
IE	45.7	31.5	31.9	24.7	23.5	19.9
IT	33.0	23.0	27.2	21.2	23.9	21.0
LU	34.5	28.2	27.3	25.2	27.3	23.3
NL	32.9	28.9	25.9	24.4	22.6	18.7
AT	28.5	22.9	23.1	22.2	24.3	21.8
PT	26.2	19.6	22.9	19.5	17.4	15.7
FI	34.6	32.1	27.7	24.6	25.6	23.8
SE	30.6	33.8	26.7	23.7	23.2	22.7
UK	39.2	34.1	28.6	23.9	22.3	19.7

Source: Eurostat, Household Budget Survey (theme3/hbs)

**T**able 1.30: Expenditure on food and non-alcoholic beverages as a proportion of total household expenditure, broken down by household type, 1999 (%)

	Single person	Single parent with dependent children	Two adults	Two adults with dependent children	Three or more adults	Three or more adults with dependent children
<b>EU-15</b>	12.2	14.5	13.8	14.3	14.8	15.4
BE	11.0	13.4	13.1	14.2	15.7	14.3
DK	12.2	14.4	12.6	13.9	13.6	14.5
DE	9.5	12.7	10.6	12.4	11.4	12.2
EL	13.1	13.9	18.3	16.0	17.2	18.1
ES	15.7	15.6	18.8	17.1	19.7	19.9
FR	13.0	15.0	16.3	15.2	19.1	19.2
IE	12.7	18.2	14.8	17.0	13.8	16.8
IT	18.9	19.0	19.0	18.9	19.2	19.7
LU	8.0	9.4	9.4	10.6	11.6	12.1
NL	9.0	11.8	10.1	11.7	10.1	11.4
AT	10.7	13.6	12.8	13.5	15.8	17.0
PT	17.3	15.5	21.7	16.7	18.3	20.5
FI	13.0	16.1	13.6	14.9	16.1	15.4
SE	14.3	15.4	14.7	16.5	15.3	19.3
UK	9.0	13.2	10.1	11.3	10.6	11.1

Source: Eurostat, Household Budget Survey (theme3/hbs)

**T**able 1.31: Expenditure on clothing and footwear as a proportion of total household expenditure, broken down by household type, 1999 (%)

	Single person	Single parent with dependent children	Two adults	Two adults with dependent children	Three or more adults	Three or more adults with dependent children
<b>EU-15</b>	5.0	6.9	5.5	7.0	6.0	6.8
BE	3.5	6.4	4.5	6.7	4.6	4.8
DK	4.7	7.0	5.1	6.2	4.6	8.0
DE	5.1	6.3	5.5	6.2	5.8	6.3
EL	7.8	9.0	8.1	9.3	8.1	9.0
ES	6.9	7.8	6.9	8.0	7.1	7.3
FR	4.2	6.5	4.7	7.1	5.4	5.6
IE	3.7	6.3	4.5	6.9	6.8	8.0
IT	6.4	8.4	6.6	8.6	7.0	7.9
LU	4.3	5.9	5.9	6.5	6.0	6.7
NL	4.8	6.3	5.7	6.9	6.4	5.5
AT	5.8	6.5	6.9	6.8	6.5	7.3
PT	6.0	8.0	5.5	6.8	7.2	7.0
FI	4.5	5.3	3.7	5.7	3.3	4.2
SE	5.0	6.1	4.8	5.6	5.1	5.3
UK	3.9	6.6	5.0	6.4	5.8	8.1

Source: Eurostat, Household Budget Survey (theme3/hbs)

**T**able 1.32: Expenditure on transport as a proportion of total household expenditure, broken down by household type, 1999 (%)

	Single person	Single parent with dependent children	Two adults	Two adults with dependent children	Three or more adults	Three or more adults with dependent children
<b>EU-15</b>	9.9	9.6	13.3	14.6	14.9	15.1
BE	9.1	11.0	12.0	14.2	9.6	15.1
DK	10.2	9.2	15.7	15.1	20.3	15.1
DE	10.4	10.1	13.9	14.3	15.7	15.6
EL	8.8	8.3	9.8	12.2	11.9	11.9
ES	5.2	7.5	10.3	13.3	13.2	14.7
FR	10.1	10.8	14.0	15.7	13.8	15.3
IE	8.2	9.5	13.8	13.6	15.2	14.3
IT	9.1	12.1	12.6	15.4	14.8	14.9
LU	11.9	15.0	15.8	16.1	16.1	18.3
NL	8.9	7.7	10.8	10.2	13.6	16.1
AT	13.0	10.2	14.0	15.3	14.3	17.4
PT	6.0	13.7	12.1	15.5	18.1	18.6
FI	10.7	12.4	18.5	19.2	20.0	24.2
SE	9.3	8.1	14.2	15.6	23.1	13.4
UK	12.0	6.8	14.0	14.8	14.9	13.9

Source: Eurostat, Household Budget Survey (theme3/hbs)

## EXPENDITURE PATTERNS OF SELECTED POPULATION SEGMENTS

### Older people

As people grow older not only does their expenditure fall (see Table 1.19 on page 22) but their expenditure patterns change too. A much lower proportion of expenditure of households headed by a person aged over 59 is accounted for by transport (in particular the purchase and operation of motor vehicles) when compared with households of all ages. This difference amounted to between 1.9 (Sweden) and 6.0 (Finland) percentage points in 1999 (see Table 1.33). Clothing and footwear, recreation and culture, and restaurants and hotels also played a less important part in the expenditure patterns of people aged over 59. On the other hand, housing and utilities increased in importance, as did expenditure on health.

### Low income households

Households in the lowest quintile group of the income distribution generally spent between 50% and 70% of the average spent by all households. Portugal was an exception to this rule with low income households spending 44.2% of average expenditure (see Table 1.15 on page 20). Unsurprisingly the expenditure patterns of low income households are weighted towards food, housing and utilities (see Table 1.34). A higher than average proportion of housing expenditure is accounted for by payments of rent, rather than imputed rent (an estimation of the rent the owner would pay in the case of rented accommodation), showing that this group are less likely to be owneroccupiers. Low income households also spend a higher proportion of total expenditure on tobacco products, though not on alcohol. On the other hand, like households headed by a person aged over 59, the purchase and operation of motor vehicles features less prominently in expenditure patterns, as do recreation and culture and restaurants and hotels.

**T**able 1.33: Difference in structure of expenditure between households headed by a person aged over 59 and all households, 1999 (percentage point difference compared to all households)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
Food and non-alcoholic beverages	1.4	0.5	0.4	-0.6	3.1	2.9	2.6	1.1	2.4	1.5	0.8	1.9	3.8	2.3	0.7	1.6
Alcoholic beverages and tobacco	-0.3	0.2	0.4	-0.2	-0.5	-0.2	-0.4	-1.8	-0.1	-0.1	0.0	-0.4	-0.5	-0.8	-0.2	-0.5
Clothing and footwear	-1.3	-1.9	-1.2	-0.6	-1.4	-0.4	-2.3	-2.0	-1.5	-0.6	-0.7	-0.9	-1.3	-1.5	-0.6	-1.7
Housing, water, electricity, gas and other fuels	5.8	6.5	7.5	3.5	4.1	5.0	6.1	10.9	4.7	5.1	5.9	3.9	3.7	8.3	4.2	9.5
Furnishings, household equip. & routine maintenance	0.2	0.5	-0.9	0.2	0.2	0.1	0.7	-0.3	-0.3	-1.0	0.2	0.0	0.6	-0.7	-0.1	0.5
Health	1.2	2.1	1.1	1.6	2.1	0.3	1.3	0.3	1.2	0.6	0.4	0.9	3.4	3.6	2.3	0.4
Transport	-3.4	-4.9	-3.5	-3.2	-2.6	-3.9	-4.2	-3.0	-3.3	-3.9	-2.1	-4.0	-5.3	-6.0	-1.9	-3.0
Communication	-0.1	-0.2	0.0	-0.1	-0.2	0.2	-0.1	0.0	0.1	-0.3	-0.1	-0.1	-0.1	-0.3	-0.5	-0.2
Recreation and culture	-1.0	-1.0	-1.2	-0.1	-1.0	-1.3	-1.3	-1.6	-1.3	-0.8	-1.2	-1.2	-0.9	-1.4	-0.1	-1.4
Education	-0.6	-0.5	-0.2	-0.3	-1.7	-0.9	-0.3	-0.7	-0.3	0.0	-1.0	-0.2	-0.9	-0.1	-0.1	-1.1
Restaurants and hotels	-1.7	-0.6	-1.2	-0.4	-1.3	-1.8	-2.6	-1.8	-1.3	0.0	-1.0	-0.8	-2.0	-2.6	-1.7	-3.2
Miscellaneous goods and services	-0.3	-0.7	-1.2	0.1	-0.7	0.1	0.5	-0.8	-0.4	-0.5	-1.2	1.0	-1.0	-0.8	-2.0	-0.8

Source: Eurostat, Household Budget Survey (theme3/hbs)



### What difference do children make?

Table 1.35 compares the expenditure patterns in 1999 of two adult households with and without dependent children. Some general points can be drawn, though these are also confounded by other life-cycle effects (for example, the group of two adult households will include young couples prior to having children, as well as older couples whose children are no longer dependent).

Housing and utilities take a lower share of expenditure for households with children in all Member States, as does health to a lesser extent. A higher share of expenditure goes on clothing and footwear (except Austria) and transport (though this is not the case in Denmark, Ireland or the Netherlands). In most Member States the share of food in the expenditure of households with children is higher than in those without children, although in Portugal, Greece, Spain, France and Italy it is lower (in Portugal by 5.0 percentage points). The impact of children on the share of expenditure accounted for by restaurants and hotels also differs between Member States. In five Member States there was less than 0.5 percentage points difference, but in Portugal, Spain, France and Greece, the share was more than 1 percentage point higher for households with children, whereas for the Netherlands it was 2 percentage points lower.

**Table 1.34: Difference in structure of expenditure between low income households and all households, 1999 (percentage point difference compared to all households)**

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI (1)	SE	UK
Food and non-alcoholic beverages	4.6	3.6	2.4	4.4	7.4	6.6	2.8	2.7	6.1	4.1	2.5	4.5	10.3	2.8	2.1	4.6
Alcoholic beverages and tobacco	1.0	0.6	0.7	1.1	1.6	1.0	0.6	-0.5	0.6	0.9	0.4	0.6	0.5	1.0	0.7	1.8
Clothing and footwear	-0.3	-0.6	0.2	-0.4	-1.4	-0.2	-0.2	-0.5	0.1	-0.5	-0.4	-0.1	-0.5	-0.5	0.3	-0.5
Housing, water, electricity, gas and other fuels	2.8	3.1	3.7	4.5	2.3	-2.3	4.5	0.3	-2.1	0.8	4.1	2.6	0.5	5.5	4.3	4.1
Furnishings, household equip. & routine maintenance	-1.1	-1.1	-1.7	-1.6	-1.6	-0.8	-1.0	-0.5	-0.4	-1.1	-1.2	-0.7	-2.0	-0.6	-1.4	-1.2
Health	-0.4	1.3	0.0	-1.3	0.0	0.1	-0.4	-0.4	0.3	0.4	-0.4	-0.3	1.9	0.2	-0.8	-0.3
Transport	-3.7	-3.0	-5.1	-4.9	-3.4	-0.8	-4.3	-0.4	-1.6	-1.8	-1.8	-4.2	-6.7	-7.3	-4.6	-4.3
Communication	0.7	0.5	1.0	1.1	0.1	-0.1	0.7	0.2	0.5	0.8	0.6	0.7	0.1	1.4	1.1	0.7
Recreation and culture	-1.4	-1.9	0.5	-1.2	-1.8	-1.4	-1.1	-0.4	-1.3	-1.7	-1.0	-1.6	-2.0	-0.8	-0.5	-2.6
Education	-0.1	-0.1	0.2	0.1	-0.9	-0.6	0.1	0.1	0.0	0.1	0.8	0.2	-1.0	0.0	0.0	-0.3
Restaurants and hotels	-1.2	-1.2	-0.3	-1.2	-1.5	-0.4	-1.3	-0.4	-1.8	-1.7	-2.4	-1.2	0.2	-0.4	0.7	-1.0
Miscellaneous goods and services	-0.8	-1.1	-1.8	-0.6	-0.9	-0.9	-0.5	-0.1	-0.3	-0.2	-1.2	-0.4	-1.6	-1.2	-1.9	-1.0

(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 1.35: Difference in structure of expenditure between 2-adult households and 2-adult households with children, 1999 (percentage point difference compared to 2-adult households with children)**

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
Food and non-alcoholic beverages	-0.5	-1.0	-1.3	-1.8	2.3	1.8	1.1	-2.1	0.1	-1.2	-1.6	-0.7	5.0	-1.3	-1.8	-1.3
Alcoholic beverages and tobacco	0.1	0.5	1.6	-0.5	0.1	-0.2	0.4	1.0	0.1	0.2	0.6	0.4	0.0	0.4	0.8	0.4
Clothing and footwear	-1.4	-2.2	-1.1	-0.7	-1.2	-1.1	-2.5	-2.4	-2.1	-0.6	-1.3	0.1	-1.2	-2.0	-0.8	-1.4
Housing, water, electricity, gas and other fuels	3.7	5.2	3.0	0.7	5.7	7.2	4.2	7.2	6.0	2.1	1.5	0.9	3.4	3.1	3.1	4.7
Furnishings, household equip. & routine maintenance	0.4	-0.3	-1.1	0.7	0.8	0.3	0.8	-0.6	0.3	-1.0	0.1	-0.4	0.0	0.2	0.0	0.3
Health	0.9	1.3	1.3	1.4	1.3	0.6	0.5	-0.1	1.0	0.5	0.2	0.6	3.5	2.1	2.1	0.5
Transport	-1.3	-2.2	0.6	-0.4	-2.4	-3.0	-1.7	0.3	-2.8	-0.3	0.7	-1.3	-3.4	-0.8	-1.4	-0.8
Communication	0.0	-0.4	0.2	0.0	0.3	0.3	0.0	0.1	0.1	-0.2	0.0	-0.4	0.0	0.1	-0.3	-0.1
Recreation and culture	-0.1	-0.3	0.4	0.5	-1.2	-1.6	-0.7	-1.1	-1.2	-0.4	0.1	0.3	-1.2	-0.1	1.2	1.0
Education	-1.2	-0.8	-0.4	-0.6	-4.1	-2.2	-0.6	-1.1	-1.0	-0.2	-1.2	-0.5	-2.0	-0.1	0.2	-2.2
Restaurants and hotels	-0.3	0.7	0.1	0.8	-1.1	-2.3	-1.8	-0.6	-0.4	0.7	2.3	0.9	-2.7	-0.4	0.3	-0.3
Miscellaneous goods and services	-0.4	-0.5	-3.3	-0.2	-0.4	0.2	0.3	-0.6	-0.1	0.4	-1.3	0.1	-1.5	-1.2	-3.5	-0.8

Source: Eurostat, Household Budget Survey (theme3/hbs)

### PRICES

This section looks at why prices may vary between countries in the EU and at consumer price inflation. Part of the price of a product, sometimes a significant share, is made up of indirect taxes (VAT, excise or other taxes) and this phenomenon is dealt with in the second part.

Prices show how much a purchaser has to pay for an item. The rate of change of prices of goods and services reflects the price inflation faced by consumers. As well as being interested in rising or falling prices, consumers may also be interested in price comparisons between suppliers, for example between different types of retailers (supermarkets, corner shops or e-commerce) or between geographical regions or countries. This interest may be from an abstract perspective, to compare a consumer's own cost of living with that of someone in another country, or more practically to target locations for better prices. Consumer interest in better prices may relate to either big ticket items such as cars (that may justify a specific trip) or to bargains on smaller items, which may be purchased whilst on holiday or during occasional cross-border shopping trips. Methodological notes on the compilation of the price level indices, the harmonised index of consumer prices and scanner data used to look at price comparisons over time and between markets can be found at the end of this publication.

#### **Price dispersion - why is there not just one price for each product in the EU?**

Prices of products in different countries could be compared simply by converting them into a common currency using ordinary exchange rates. The introduction of the euro (EUR) helped consumers to make cross-border comparisons within the euro-zone. However, a comparison based on the use of purchasing power standards (PPS)<sup>3</sup> and resulting price level indices (PLIs) reflects more accurately the relative price level differences between the countries. In reality, consumers can rarely pick and choose in which country to purchase goods and services on a regular basis.

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(3) See methodological notes on page 299 for an explanation of PPSs.

The creation of the single market on 1 January 1993 was accompanied by convergence in prices across national borders. However, despite the existence of the single market for several years, price levels still differ between Member States. In 2002, price levels for private final consumption in the EU, measured by price level indices, ranged from 45% of the EU average in Slovakia to 136% in Denmark (see Figure 1.37). Between 1999 and 2002 there was convergence in relative price levels in the EU (see Figure 1.36).

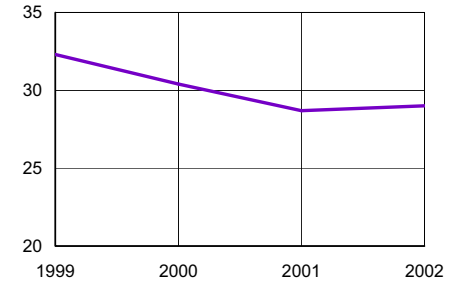
Price dispersion remains in the EU for a number of reasons, amongst which are tax differentials, transportation and information costs, regional and national preferences, different retail structures and the degree of market competition. The relative price levels of household final consumption of goods and services are shown in Table 1.38. This shows low prices in east European countries and a high price group of the three Nordic countries. However, a majority of countries have a relative price levels close to the EU average (of 100).

**Greater price convergence for goods than for services**

Price dispersion can be measured by the standard deviation of the price level indices of the fifteen Member States. Results for 1998 and provisional results for 1999 show that price dispersion is generally lower for goods than for services, and generally lower for durable and semi-durable goods than for non-durables. This can be clearly seen when looking at the price levels of transport services or certain food and beverage items in Table 1.38.

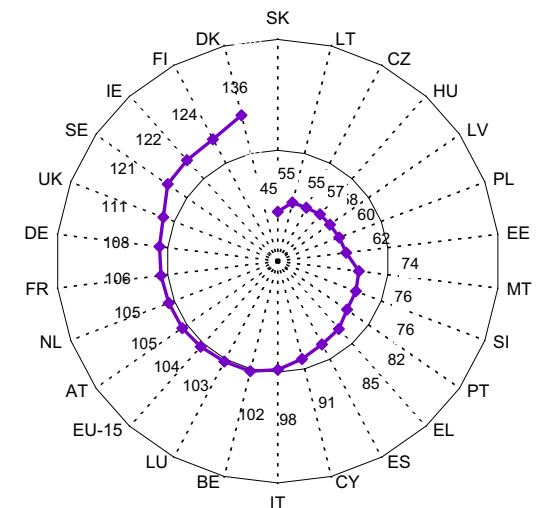
Goods and services that are regulated also tend to have high levels of price dispersion, as markets may be protected from competition and prices may be set independently of market conditions (for example, fuel and power). Products with a strong national (or regional) preference may also be expected to show high price dispersion.

**Figure 1.36: Price dispersion, standard deviation of the price level index for private final consumption in the EU-25 (%)**



Source: Eurostat, Price level indices (theme2/price)

**Figure 1.37: Price level indices for private final consumption, 2002 (EU-25=100)**



Source: Eurostat, Price level indices (theme2/price)

Table 1.38: Price level indices, 2002 (EU-25=100) (1)

	EU-15	BE	CZ	DE	DK	EE	EL	ES	FR	IE	IT	CY	LV
<b>Final consumption by private households</b>	104	103	55	108	136	63	83	86	104	123	99	86	56
<b>Food and non-alcoholic beverages</b>	105	105	60	106	137	75	88	88	114	120	105	102	69
<b>Food</b>	105	105	59	105	135	73	87	89	116	119	105	99	68
Bread and cereals	106	106	45	111	144	69	91	108	114	113	104	100	58
Meat	108	105	53	125	132	63	69	75	126	111	102	71	61
Fish	101	121	68	106	130	79	99	90	108	103	103	112	67
Milk, cheese and eggs	104	109	66	86	116	68	107	93	113	124	121	122	68
Oils and fats	103	105	76	89	127	86	103	91	125	105	101	94	84
Fruits, vegetables, potatoes	104	101	64	102	141	93	74	90	113	136	108	107	78
Other food	103	98	70	93	147	80	120	92	107	121	97	130	80
<b>Non-alcoholic beverages</b>	103	98	70	108	152	87	102	71	93	127	94	130	84
<b>Alcoholic beverages, tobacco, narcotics</b>	105	93	60	90	141	66	86	69	103	172	87	115	65
Alcoholic beverages	101	90	69	82	138	97	101	67	89	174	91	150	105
Tobacco	106	95	53	98	143	44	78	69	115	169	85	88	36
<b>Clothing and footwear</b>	101	113	80	109	115	85	114	111	94	85	103	93	74
Clothing including repairs	101	113	83	109	117	84	114	114	95	87	101	95	71
Footwear including repairs	102	112	71	112	108	87	113	98	91	80	111	86	79
<b>Gross rents, fuel and power</b>	109	113	43	130	143	54	78	83	118	154	95	52	36
Rentals for housing	109	114	32	130	128	55	83	88	125	167	89	44	30
Maintenance, household services	111	125	58	161	214	55	52	61	105	148	87	76	51
Electricity, gas and other fuels	105	106	77	113	174	53	73	88	101	101	141	72	49
<b>Furnishings, equipment, maintenance</b>	102	96	68	99	116	69	86	98	94	105	100	93	69
Furniture, floor coverings, textiles	102	95	60	97	95	61	93	94	89	109	104	106	65
Household appliances and repairs	100	112	99	96	118	91	87	94	103	99	97	116	94
Other household goods and services	102	94	67	102	144	69	80	103	96	103	97	80	64
<b>Health</b>	106	110	46	128	139	50	64	84	97	113	113	106	41
<b>Transport</b>	102	93	66	106	144	64	74	86	94	114	91	88	64
Personal transport equipment	100	96	95	96	173	85	92	93	95	126	96	149	86
Operation of transport equipment	102	93	65	111	133	65	78	84	93	107	95	64	64
Purchased transport services	106	91	45	116	131	48	56	80	97	113	74	76	51
<b>Communications</b>	100	105	88	91	91	76	97	95	110	99	113	59	118
<b>Recreation and culture</b>	102	96	59	100	126	74	89	91	100	109	101	96	66
Recreational equipment and repairs	100	97	87	98	116	91	95	99	100	110	104	109	89
Recreational and cultural services	104	97	46	100	123	65	82	88	109	106	99	79	55
Newspapers, books and stationery	104	95	46	109	172	66	100	88	84	119	105	120	50
<b>Education</b>	114	122	29	151	196	31	64	68	116	141	119	98	28
<b>Restaurants and hotels</b>	102	99	49	92	147	71	89	89	92	130	101	111	66
<b>Miscellaneous goods and services</b>	102	104	54	105	142	60	81	76	104	112	94	74	57

	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Final consumption by private households</b>	53	104	57	75	106	106	60	77	76	<b>45</b>	128	122	112
<b>Food and non-alcoholic beverages</b>	63	113	68	85	103	106	60	89	91	<b>56</b>	120	121	111
<b>Food</b>	62	115	67	81	102	108	58	88	91	<b>55</b>	119	120	109
Bread and cereals	50	114	52	73	94	107	56	95	99	<b>41</b>	138	131	93
Meat	57	120	64	75	122	120	<b>47</b>	78	89	49	119	117	107
Fish	74	111	79	93	100	114	75	90	91	73	102	106	105
Milk, cheese and eggs	63	109	81	96	106	98	<b>57</b>	98	82	66	108	113	114
Oils and fats	77	122	76	87	98	117	83	100	117	<b>70</b>	114	<b>128</b>	107
Fruits, vegetables, potatoes	72	128	62	73	98	102	59	70	86	<b>55</b>	122	118	118
Other food	70	103	81	100	89	105	74	123	97	<b>66</b>	117	135	119
Non-alcoholic beverages	76	92	74	128	102	91	75	103	86	<b>69</b>	123	122	127
<b>Alcoholic beverages, tobacco, narcotics</b>	63	80	60	113	96	97	77	80	66	<b>54</b>	162	144	<b>189</b>
Alcoholic beverages	92	90	72	146	101	90	113	101	75	<b>58</b>	<b>192</b>	158	158
Tobacco	<b>34</b>	74	50	91	92	101	49	67	59	51	129	131	<b>216</b>
<b>Clothing and footwear</b>	77	<b>122</b>	74	80	110	110	81	83	87	<b>66</b>	109	113	88
Clothing including repairs	71	<b>122</b>	73	82	109	112	82	83	91	<b>65</b>	110	117	88
Footwear including repairs	95	<b>121</b>	79	71	119	104	76	82	76	<b>69</b>	109	98	88
<b>Gross rents, fuel and power</b>	<b>27</b>	139	39	46	126	102	41	45	70	29	143	128	94
Rentals for housing	<b>15</b>	154	30	35	127	95	29	33	65	23	158	135	94
Maintenance, household services	54	116	49	110	145	133	59	54	76	<b>29</b>	139	118	120
Electricity, gas and other fuels	54	92	71	56	113	107	69	110	91	50	90	111	79
<b>Furnishings, equipment, maintenance</b>	65	107	64	88	102	106	68	76	69	<b>61</b>	110	<b>124</b>	120
Furniture, floor coverings, textiles	58	105	<b>55</b>	94	105	104	60	70	63	58	101	107	<b>121</b>
Household appliances and repairs	98	115	94	95	115	107	98	87	85	<b>75</b>	113	110	103
Other household goods and services	60	106	61	79	94	107	66	81	69	<b>60</b>	120	<b>152</b>	124
<b>Health</b>	43	107	44	70	99	116	56	76	72	<b>41</b>	122	119	115
<b>Transport</b>	64	86	78	75	108	106	70	94	80	<b>58</b>	120	119	119
Personal transport equipment	83	88	93	121	110	102	86	117	91	<b>82</b>	132	97	107
Operation of transport equipment	65	86	81	68	108	109	67	90	77	<b>61</b>	108	129	119
Purchased transport services	49	83	56	50	103	108	63	66	72	<b>34</b>	131	140	<b>149</b>
<b>Communications</b>	<b>142</b>	74	89	128	86	97	126	110	63	97	99	72	113
<b>Recreation and culture</b>	64	100	65	87	93	106	72	86	87	<b>48</b>	<b>127</b>	119	109
Recreational equipment and repairs	88	101	96	<b>121</b>	90	98	103	96	96	<b>82</b>	120	113	100
Recreational and cultural services	52	101	51	72	94	112	58	76	71	<b>32</b>	118	121	121
Newspapers, books and stationery	46	100	51	71	99	110	60	91	115	<b>41</b>	<b>181</b>	135	112
<b>Education</b>	<b>20</b>	164	30	96	123	145	39	97	69	23	<b>222</b>	131	145
<b>Restaurants and hotels</b>	64	105	55	78	103	103	68	79	68	<b>34</b>	132	127	128
<b>Miscellaneous goods and services</b>	54	88	55	73	103	116	63	82	74	<b>44</b>	129	132	108

(1) Bold indicates the country with the lowest price level, purple indicates the country with the highest price level.

Source: Eurostat, Purchasing power parities (theme2/price)

## COMPARISON OF PRICES OF BRANDED PRODUCTS, 2003

The Directorate General Health and Consumers Protection has commissioned a study on the price of branded products in 14 EU Member States (EU-15 countries except Luxembourg). In the frame of this publication, only a fraction of the information available can be presented. The choice of the product presented in the following table was made on the basis of the broadest availability in the various countries. The denomination of the product can slightly differ from one country to the other. In a couple of cases, the weight or the volume of the selected products slightly differs. However, since the price in these cases is given by unit (liter or kilogram) this has only a very limited distorting effect. The prices of the products are the median prices of 2003 expressed in Euro, including the applicable national VAT rate.

## Median prices of branded products, 2003 (€/unit, including VAT)

Product	Brand	Unit	BE	DK	DE	EL	ES	FR	IE	IT	NL	AT	PT	FI	SE	UK
Aftershave	NIVEA for men 100 ml	Litre	54.29		53.00	59.58	49.27	58.37		58.14	91.57	78.27	29.10	58.66	71.07	
Auto dishwash	CALGONIT powder	Kilogram	2.55		3.56	4.38	2.49	2.35			2.72		3.01			
Baby food	HIPP Vegetables & Chicken 190 gr	Kilogram	5.96	6.25	5.54		4.05	5.58				5.54			4.64	
Body care	DOVE Body Lotion 400 ml	Litre	9.10		9.32	10.24	8.76		12.34	10.42			9.04		12.09	16.40
Butter	KERRYGOLD 250 gr	Kilogram	5.09		4.79	8.30	7.20	5.93	4.72				5.94			4.89
Carbon. drinks	FANTA Orange 1500 ml	Litre	0.83	1.23	0.70	0.91	0.65	0.78	1.00	1.10	0.73	0.76	0.76	1.23	0.97	1.17
Cat food	WHISKAS Chicken can 400 gr	Kilogram	1.87	0.98	1.34	2.28	2.13	2.20		2.39	2.01	1.91	2.12	2.32	2.34	1.91
Chocolate bar	MARS 54 gr	Kilogram	7.42	13.03	10.24	10.01		12.01	9.31			9.31	9.73	10.35	9.24	10.47
Deodorant	REXONA for men 150 ml	Litre	13.37	37.49	19.67	22.40	17.71	14.81			17.40	16.92	20.18	18.95		
Disp. razors fem.	GILLETTE Agilite 5 cubes/blade	per razor	0.67	0.84	0.52	0.62	0.64			0.68	0.70	0.65	0.78	0.77	0.73	0.53
Dog food	CESAR Beef Liver tray 150 g	Kilogram	5.67		5.00	6.52				5.56	6.95	5.57		8.12	8.17	
Dry pasta	BARILLA 500 gr	Kilogram	1.99		1.88	1.44	1.80	1.62	1.98	1.06		1.70	2.15	1.94	2.20	1.96
Face care	PLENITUDE Active 50 ml	Litre	168.49	190.85			209.76		253.05	180.62	228.16	191.53	183.32	218.79	195.63	220.49
Ground coffee	LAVAZZA Espresso 250 gr	Kilogram	10.14	20.22	11.74	13.52		10.23	16.78	6.54	12.59	9.93	18.13	16.33	15.07	13.83
Hair conditioner	FRUCTIS Normal 200 ml	Litre	14.07	13.55	8.92	15.82		15.68	15.88		14.47	13.75	14.77	14.90	11.84	
Hair spray	PANTENE Normal 250 ml	Litre	14.20		9.87	16.06	13.22	15.60	14.16	13.21	15.81	11.19	16.43	15.19		
Ice cream	CARTE D'OR (Cremissimo) Tiramisu 900 ml	Litre	3.32	3.81	2.88	5.56	4.06	3.91				4.43	4.15	4.02		3.66
Instant coffee	NESCAFE Gold 100 gr	Kilogram		44.61	46.00		62.54	32.09	37.57		35.56	49.77		40.04		34.04
Jam, strawberry	BONNE MAMAN 370 gr	Kilogram	5.67	6.77	4.33	5.45	4.02	4.04	6.31	4.69	4.74		6.48			5.56
Ketchup	HEINZ Glass 342 gr	Kilogram	3.99	6.02	3.56	3.36		3.76	3.01	4.47	3.58	4.32	3.84	2.56	1.57	2.81
Kitchen roll	BOUNTY White 2 rolls	per roll			0.52	0.69			1.13		0.84	0.81				2.67
Min. water spark.	PERRIER 0.75 litre	Litre	1.10	1.85	1.30	1.57	1.19	0.69		1.47	1.45	1.34	1.14	2.61	1.96	1.62
Min. water still	EVIAN 1.5 litres	Litre	0.51	1.09	0.60	0.57	0.57	0.35	0.87	0.48	0.84	0.80	0.60	1.34	1.17	0.63
Mints	MENTOS Mint 38 gr	Kilogram	8.86		15.17	14.97	16.17		14.54	26.98	19.50	14.08	37.58	14.08		24.62
Non-disp. razor fem.	GILLETTE Sensor Excel 1 cube/blade	per razor	3.79	8.70	3.16	4.92	4.63	4.96	5.82	4.84	5.00	5.83	5.61	7.36	5.22	4.73
Non-disp. razor male	WILKINSON Protector 3D Diamond 1 blade	per razor		6.12			5.50	5.16	6.19			6.09	5.76			
Olive oil	BERTOLLI Extra virgin 500 ml	Litre	7.57		7.29			6.06	7.26	3.91	6.75	6.92		9.65	8.49	7.99
Pasta sauce	BARILLA Bolognese 400 gr	Litre			5.07	4.16	12.10	4.82		4.68		4.10		5.25	2.70	
Rice	UNCLE BEN'S 1000 gr	Kilogram	2.67		2.91	2.34	2.67	4.49	3.60			2.56	3.23	2.95	3.78	
Cereals	WEETABIX 430 gr	Kilogram	5.84	6.64	6.18	6.77	5.55	5.67	7.34	7.72		6.96	6.84	5.82	8.01	5.90
Shampoo	HEAD & SHOULDERS Normal 200 ml	Litre	20.83	19.29	14.63	14.94		14.88	17.53	14.05	14.11		6.64	16.98	14.39	14.01
Shaving foam	NIVEA Foam for men 200 ml	Litre	16.19		10.99	9.36	8.26	11.92			15.44	13.17	12.49	41.59	19.53	
Soft drink still	CAPRI SUN Orange foil 200 ml	Litre	1.42		2.01		2.21	1.01	1.92		0.84	1.66	1.30			
Sweeteners	CANDEREL Powder 75 gr	Unit	2.31	4.30	3.42	55.71		2.37			2.93		3.39	3.74	3.31	3.15
Tinned corn	BONDUELLE 150 gr	Kilogram	4.45				4.36	3.06		3.53	4.56	4.84	5.20	6.25	3.31	
Tinned pineapple	DEL MONTE Slices 220 gr	Kilogram	3.21	4.59	2.11			4.08		4.02	3.14	3.24		4.76	5.21	3.24
Toilet soap	PALMOLIVE 125 gr	Kilogram	8.47			5.36		4.35	7.98	3.48	3.34	4.38	4.08	8.89	8.71	3.49
Toothpaste	COLGATE Total 75 ml	Litre	21.47		23.46	50.01		23.32		26.98	28.30		25.81	59.80		25.17

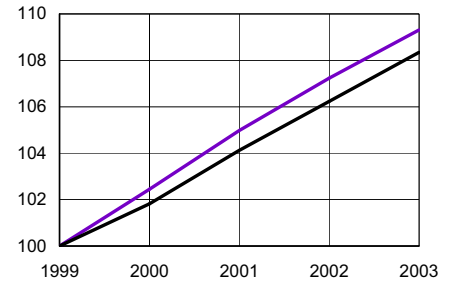
Source: Study commissioned by DG SANCO

### Consumer price inflation

Care has to be taken when comparing changes in prices. When based on prices in a common currency, such as the euro, changes may result from real changes in the underlying prices faced by consumers or because of movements in exchange rates.

The all-items harmonized index of consumer prices grew by 9.3% between 1999 and 2003 in the EU and by 8.3% in the EU-15 (see Figure 1.39). Prices had risen constantly in the EU during this period, except in the Czech Republic and in Lithuania in 2003 (see Table 1.40).

**Figure 1.39:** Development of the all-items harmonized index of consumer prices (1999=100)



Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Table 1.40:** Harmonized index of consumer prices, growth rates for the all-items index (%)

	1999	2000	2001	2002	2003
<b>EU-25</b>	1.6	2.4	2.5	2.1	1.9
<b>EU-15</b>	1.2	1.9	2.2	2.1	2.0
BE	1.1	2.7	2.4	1.6	1.5
CZ	1.8	3.9	4.5	1.4	-0.1
DE	0.6	1.4	1.9	1.3	1.0
DK	2.1	2.7	2.3	2.4	2.0
EE	3.1	3.9	5.6	3.6	1.4
EL	2.1	2.9	3.7	3.9	3.4
ES	2.2	3.5	2.8	3.6	3.1
FR	0.6	1.8	1.8	1.9	2.2
IE	2.5	5.3	4.0	4.7	4.0
IT	1.7	2.6	2.3	2.6	2.8
CY	1.1	4.9	2.0	2.8	4.0
LV	2.1	2.6	2.5	2.0	2.9
LT	0.7	0.9	1.3	0.4	-1.1
LU	1.0	3.8	2.4	2.1	2.5
HU	10.0	10.0	9.1	5.2	4.7
MT	2.3	3.0	2.5	2.6	1.9
NL	2.0	2.3	5.1	3.9	2.2
AT	0.5	2.0	2.3	1.7	1.3
PL	7.2	10.1	5.3	1.9	0.7
PT	2.2	2.8	4.4	3.7	3.3
SI	6.1	8.9	8.6	7.5	5.7
SK	10.4	12.2	7.2	3.5	8.5
FI	1.3	3.0	2.7	2.0	1.3
SE	0.6	1.3	2.7	2.0	2.3
UK	1.3	0.8	1.2	1.3	1.4

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

### Falling prices in communication goods and services

Decomposing the all-items index it is possible to identify two groups of products and services where prices were rising most and least. From 1999 to 2003, education services recorded a 18.5% price increase in the EU, alcoholic beverages and tobacco 15.4%, hotels and restaurants 15.2%, housing and utilities 13.4%, miscellaneous goods and services 11.7% and health 11.4% (see Table 1.41). The six other divisions all saw prices rise by less than 11% over this period or, as in the case of communication, actually fall (-9.3%). Looking at the communication figures in more detail, it is possible to note that the prices in this division fell by 5.7% between 1999 and 2000.

Table 1.42 shows the classes that have seen the fastest rising prices over the period 1999 to 2003, and Table 1.43 shows the headings for which prices have fallen or increased the least. Durable and semi-durable goods, particularly electronic goods, dominate the list of headings with falling prices. Near the top of this list are two of the classes that make up the communication division, namely telephone and telefax equipment and telephone and telefax services. Gas, liquid fuels and heat energy all feature in Table 1.42 with the highest rising prices. This table is exclusively composed of services and non-durable goods.

**T**able 1.41: Development of the harmonized index of consumer prices (1999=100)

	EU-25					EU-15				
	1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
<b>All items</b>	100.0	102.4	105.0	107.2	109.3	100.0	101.8	104.1	106.2	108.3
Food and non-alcoholic beverages	100.0	101.8	106.8	109.2	110.9	100.0	101.0	105.8	108.4	110.5
Alcoholic beverages, tobacco and narcotics	100.0	103.2	106.5	110.4	115.4	100.0	102.7	105.8	109.5	114.9
Clothing and footwear	100.0	99.8	99.3	100.0	100.1	100.0	99.5	98.8	99.6	99.8
Housing, water, electricity, gas and other fuels	100.0	104.4	108.2	110.3	113.4	100.0	103.6	106.6	108.2	111.0
Furnishings, household equip. & routine maintenance	100.0	100.8	102.4	103.9	104.9	100.0	100.6	102.1	103.7	104.7
Health	100.0	103.6	105.7	108.7	111.4	100.0	101.9	103.5	106.3	108.7
Transport	100.0	105.3	106.3	107.9	110.7	100.0	104.8	105.8	107.4	110.1
Communications	100.0	94.3	91.0	91.1	90.7	100.0	93.2	89.1	89.0	88.6
Recreation and culture	100.0	100.5	102.1	103.7	103.7	100.0	100.1	101.6	102.9	102.9
Education	100.0	104.5	108.7	113.3	118.5	100.0	103.8	107.5	112.0	117.3
Restaurants and hotels	100.0	103.1	107.0	111.5	115.2	100.0	103.0	106.6	111.2	114.6
Miscellaneous goods and services	100.0	102.4	106.0	109.0	111.7	100.0	102.1	105.3	108.3	111.0

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)



**Table 1.42: Development of the harmonized index of consumer prices in the EU for headings with the highest price increases between 1999 and 2003 (1999=100)**

		1999	2000	2001	2002	2003
Liquid fuels	Non-durable	100.0	142.5	134.1	126.9	133.1
Gas	Non-durable	100.0	110.2	124.6	123.8	129.4
Heat energy	Non-durable	100.0	111.2	124.7	127.7	129.2
Insurance connected with health	Service	100.0	111.4	116.8	121.8	127.6
Tobacco	Non-durable	100.0	104.8	109.3	115.1	123.3
Insurance connected with transport	Service	100.0	107.8	116.1	119.5	121.8
Maintenance and repair of other major durables for recreation and culture	Service	100.0	104.7	109.1	116.0	121.6
Package holidays	Service	100.0	105.2	112.8	118.8	121.2
Electricity, gas and other fuels	Non-durable	100.0	109.2	115.9	116.8	121.0
Services related to package holidays and accomodation	Service	100.0	105.1	111.5	117.1	120.2
Insurance	Service	100.0	106.3	111.8	115.7	119.3
Energy	Non-durable	100.0	112.6	115.3	115.3	119.2
Social protection	Service	100.0	107.3	110.8	114.4	119.1
Accommodation services	Service	100.0	104.6	110.0	115.1	119.1
Education	Service	100.0	104.5	108.7	113.3	118.5
Solid fuels	Non-durable	100.0	105.5	112.3	116.4	118.3
Passenger transport by sea and inland waterway	Service	100.0	104.7	109.9	114.9	117.9
Passenger transport by road	Service	100.0	104.3	109.2	112.7	117.4
Fruit	Non-durable	100.0	100.0	107.8	112.2	116.8
Fuels and lubricants for personal transport equipment	Non-durable	100.0	117.2	114.3	113.4	116.8

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Table 1.43: Development of the harmonized index of consumer prices in the EU for headings with falling prices or the lowest price increases between 1999 and 2003 (1999=100)**

		1999	2000	2001	2002	2003
Information processing equipment	Durable	100.0	81.4	65.5	54.9	44.2
Audio-visual, photographic and information processing equipment	Durable	100.0	92.9	87.1	82.3	76.2
Telephone and telefax equipment	Durable	100.0	93.5	88.6	85.3	79.6
Equipment for the reception, recording and reproduction of sound and pictures	Durable	100.0	94.8	91.9	88.1	82.6
Photographic and cinematographic equipment and optical instruments	Durable	100.0	97.0	94.7	91.2	86.0
Telephone and telefax services	Service	100.0	92.9	89.4	88.9	88.6
Telephone and telefax equipment and services	Service	100.0	93.4	89.7	89.7	89.2
Services related to communication	Service	100.0	93.9	90.7	90.8	90.3
Communications	Service	100.0	94.3	91.0	91.1	90.7
Games, toys and hobbies	Semi-Durable	100.0	98.3	97.9	95.9	92.7
Coffee, tea and cocoa	Non-durable	100.0	98.6	97.4	95.9	95.6
Major household appliances and small electric household appliances	Durable, Semi-durable	100.0	98.5	97.9	97.3	95.8
Recording media	Durable	100.0	98.3	97.8	97.6	96.1
Household appliances	Durable	100.0	99.0	98.8	98.6	97.7
Equipment for sport, camping and open-air recreation	Semi-Durable	100.0	99.8	99.6	98.9	97.8
Garments	Semi-Durable	100.0	99.4	98.2	98.4	98.2
Non-energy industrial goods, durables only	Durable	100.0	99.0	98.7	98.8	98.3
Clothing	Semi-Durable	100.0	99.5	98.5	98.8	98.8
Clothing and footwear	Semi-Durable	100.0	99.8	99.3	100.0	100.1
Non-energy industrial goods, semi-durables only	Semi-Durable	100.0	99.9	99.9	100.6	100.8

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

### Consumer price inflation in the Member States

An analysis of the rate of change of the all-items consumer price index for each of the Member States (see Table 1.40) shows that between 1999 and 2003 the inflation rate faced by Slovakian and Hungarian consumers exceeded that faced by consumers across the EU. Between 1999 and 2003 the inflation rates in the remaining 23 EU Member States diverged somewhat. In 2003, Slovenia (5.7%) Ireland (4.0%) and Cyprus (4.0%) recorded the highest annual inflation rates.

Like consumers in Slovakia and Hungary, those in Slovenia and Poland have also consistently faced higher inflation rates than the EU average between 1999 and 2003, while consumers in Germany, Lithuania, Austria and the United Kingdom have generally, if not always, faced lower rates.

### Price trends in the EU

An analysis of inflation rates for each Member State at the division level shows that there were considerable price variations between 1999 and 2003. The all-items harmonised index of consumer prices grew by between 1.7% in Lithuania and 35.0% in Slovakia during this period.

Looking at the three items forming the highest proportion of consumption expenditure by households (food and non-alcoholic beverages, housing and utilities and transport), prices increased in all Member States between 1999 and 2003, except in Lithuania for food and non-alcoholic beverages. Particularly high price increases were recorded for housing and utilities in Slovakia (104.7%), Slovenia (46.5%), Hungary (39.7%), Cyprus (36.1%), Poland (33.9%) and the Czech Republic (29.9%), whilst lower price increases were recorded in Malta (7.5%), France (7.7%), the United Kingdom (8.4%) and Austria (8.8%). The largest price rises for transport were recorded in Slovenia (40.8%), Poland (26.0%), Slovakia (25.6%) and Hungary (25.2%), compared with the lowest price rises in Lithuania (6.0%), Malta (6.1%), the United-Kingdom (6.7%), Finland (7.5%), France (8.3%) and Sweden (8.6%). For food and non-alcoholic beverages prices rose most in Hungary (30.5%), Slovenia (29.3%), Cyprus (22.1%) and Greece (19.4%), whilst they fell in Lithuania (-3.3%).

The falling price of communication between 1999 and 2003 in the EU as a whole resulted from a reduction in prices experienced in most Member States, ranging from -35.7% in Cyprus to -5.0% in the Netherlands. Among the countries for which prices rose for communication (the Czech Republic, Estonia, Lithuania, Hungary, Malta, Poland, Slovenia, Slovakia and Finland), the largest price rises were recorded in Slovakia (58.0%), Lithuania (41.5%) and Slovenia (36.4%).

**T**able 1.44: Absolute change in the harmonized index of consumer prices, 1999 to 2003 (%)

	BE	CZ	DE	DK	EE	EL	ES	FR	IE	IT	CY	LV	LT
<b>All-items</b>	8.4	10.2	5.8	9.7	15.3	14.6	13.7	8.0	19.2	10.7	14.3	10.4	1.7
Food and non-alcoholic beverages	9.7	1.9	4.8	9.4	11.7	19.4	17.4	13.2	15.2	12.9	22.1	12.1	-3.3
Alcoholic beverages and tobacco	9.8	10.7	13.0	4.1	11.0	23.1	16.2	21.3	33.2	13.3	45.5	14.7	-5.6
Clothing and footwear	0.5	-10.8	0.8	-2.6	12.8	11.1	10.8	1.3	-15.0	8.2	-9.8	5.0	-10.8
Housing, water, electricity, gas and other fuels	12.7	29.9	9.5	15.1	26.1	18.5	13.0	7.7	25.2	13.4	36.1	13.5	18.3
Furnishings, household equip. & routine maintenance	6.5	-1.2	2.3	6.8	1.8	7.5	8.8	5.3	8.1	8.0	6.3	5.1	-9.2
Health	5.6	17.2	3.1	5.1	45.9	14.8	9.8	5.6	34.1	9.4	22.0	18.9	-1.6
Transport	11.4	11.9	11.4	11.8	16.5	12.0	12.4	8.3	13.0	10.6	9.5	11.1	6.0
Communication	-8.1	11.9	-14.2	-9.8	12.4	-23.1	-11.3	-10.0	-7.8	-8.6	-35.7	-6.1	41.5
Recreation and culture	3.8	9.0	-0.9	7.5	9.5	9.7	9.1	-0.1	20.5	6.7	1.4	9.1	-5.9
Education (1)	6.6	15.2	8.7	37.9	26.1	16.8	18.6	9.7	45.3	11.9	17.1	19.8	-0.1
Restaurants and hotels	13.5	12.4	8.0	10.9	24.1	22.9	19.9	11.4	27.3	16.6	26.6	10.1	3.6
Miscellaneous goods and services	10.4	15.3	9.5	16.8	22.8	11.5	13.1	9.5	27.1	14.1	20.4	8.1	0.9

	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>All-items</b>	11.2	32.1	10.5	14.2	7.5	19.0	14.9	34.3	35.0	9.2	8.6	4.8
Food and non-alcoholic beverages	13.2	30.5	9.5	12.9	7.8	12.9	12.8	29.3	16.0	9.3	7.8	5.2
Alcoholic beverages and tobacco	19.2	48.3	23.3	18.9	12.4	12.4	14.5	41.6	40.3	7.5	5.6	12.1
Clothing and footwear	6.3	20.5	-8.4	0.8	-0.7	3.5	6.0	19.1	12.0	0.0	3.9	-23.4
Housing, water, electricity, gas and other fuels	12.8	39.7	7.5	22.3	8.8	33.9	15.8	46.5	104.7	14.3	18.5	8.4
Furnishings, household equip. & routine maintenance	7.8	15.0	-0.6	13.1	4.9	12.1	11.0	26.6	4.7	4.9	6.6	-2.3
Health	5.5	66.1	16.4	20.1	13.1	25.6	14.0	46.2	31.0	14.0	16.8	14.5
Transport	9.2	25.2	6.1	14.4	9.6	26.0	20.3	40.8	25.6	7.5	8.6	6.7
Communication	-22.4	15.8	4.6	-5.0	-7.2	8.1	-7.2	36.4	58.0	0.7	-8.1	-9.1
Recreation and culture	9.2	26.8	7.3	6.7	3.9	20.3	8.0	27.8	17.4	9.1	2.7	2.9
Education (1)	20.8	49.9	26.3	15.0	44.6	26.4	22.1	37.2	26.0	15.6	-23.5	27.5
Restaurants and hotels	13.8	51.4	25.6	19.7	10.6	19.6	20.0	32.9	34.3	12.2	12.0	14.3
Miscellaneous goods and services	9.2	29.2	9.1	16.2	9.2	21.2	20.2	33.1	34.0	12.0	7.5	9.5

(1) BE, 2000 to 2003.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## INDIRECT TAXATION

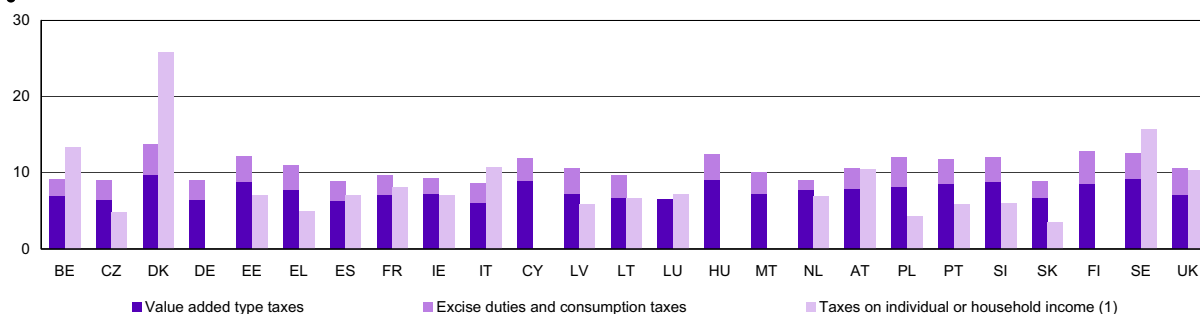
Taxation is an instrument that can be used by governments to affect consumption and savings patterns by shaping the way in which individuals and companies behave. Direct taxes are paid and borne by the taxpayer (for example, income tax, corporation tax, wealth tax and most local taxes), whilst indirect taxes are levied on the production and consumption of goods and services. Indirect taxation is often described as being "regressive" when it results in lower income groups paying relatively more tax.

### Are Europeans aware that they pay as much tax of their consumption as they do on their income?

Revenues from indirect and direct taxation are approximately equal in the EU (see Figure 1.45). Taxes on individual and household incomes equated to between 3.5% (Slovakia, 2000) and 25.8% (Denmark<sup>4</sup>) of GDP in 2003, with an EU average of 8.6%<sup>5</sup>.

- (4) The Danish figure is particularly high as the welfare state is largely financed through direct taxation, rather than social security contributions.
- (5) Excluding DE, CY, HU, MT and FI; CZ and PL, 2002; ES, 2001; SK, 2000.

**F**igure 1.45: Share of taxation in GDP, 2003 (%)



(1) CZ and PL, 2002; ES, 2001; SK, 2000.

Source: Eurostat, Government statistics - tax aggregates (theme2/gov)

### Indirect tax receipts

Household budget survey data includes indirect taxation, as the collection of expenditure data are based on the price actually paid by households to acquire goods and services. There are a number of different ways that indirect taxes are levied: as a percentage of the sales price (which is the case with VAT), as a fixed amount per unit of product (as with most excise duties), or as a flat rate (as with a licence fee). Indirect taxes are usually collected by industrial, service or distribution enterprises on behalf of the government. The two main sources of indirect tax revenue in the EU are VAT and excise duties. Other forms, such as stamp duties; taxes on entertainment, lotteries, gambling and betting; television licence fees or car registration taxes equate, on average, to less than 1.0% each of GDP.

Regarding the share of indirect taxes in the total tax burden, Cyprus (49.4%), Hungary (42.3%) and Portugal (41.9%) recorded the highest shares compared to the EU average of 33.8%, while Belgium (28.8%), Germany (29.7%) and the Czech Republic (31.4%) registered the lowest shares.

### Value added tax

VAT is a general consumption tax paid by the consumer. VAT rates are not applied systematically to all goods and services as Table 1.46 shows. VAT was adapted in 1992 to meet the requirements of the single market. In terms of raising revenues, VAT is the most important form of indirect taxation, equivalent to between 6.1% (Italy) and 9.7% (Denmark) of GDP in 2003, with an EU average of 7.7%. The standard rate of VAT applied within the Member States ranged between 15% in Cyprus and Luxembourg and 25% in Denmark, Hungary and Sweden in September 2004.

**Table 1.46: VAT rates generally applied in the Member States of the European Community as of 1 September 2004 (%) (1)**

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV
<b>Standard rate</b>	21	19	25	16	18	18	16	19.6	21	20	15	18
<b>Foodstuffs (2)</b>	6/12/21	5	25	7/16	18	8	4/7	5.5/19.6	0/4.4/13.5	4/10	0/5/15	18
<b>Spirits</b>	21	19	25	16	18	18	16	19.6	21	20	15	18
<b>Wine</b>	21	19	25	16	18	18	16	19.6	21	20	15	18
<b>Beer</b>	21	19	25	16	18	18	16	19.6	21	20	15	18
<b>Adults' clothing</b>	21	19	25	16	18	18	16	19.6	21	20	15	18
<b>Children's clothing</b>	21	19	25	16	18	18	16	19.6	0	20	15	18
<b>Tobacco</b>	21	19	25	16	18	18	16	19.6	0	20	15	18
<b>Books</b>	6/21	5	25	7	5	4	4/16	5.5/19.6	0	4/20	5	5
<b>Daily newspapers</b>	0/6/21	5	0/25	7	5	4	4/16	2.1/19.6	13.5	4	5	5
<b>Household elec. app.</b>	21	19	25	16	18	18	16	19.6	21	20	15	18
<b>Water (3)</b>	6	5	25	7	18	8	7	5.5	[ex]	10	5/15	5/18
<b>Gas (4) (5)</b>	21	19	25	16	18	8	16	19.6/5.5	13.5	10	5	18
<b>Electricity (4)</b>	21	19	25	16	18	8	16	19.6/5.5	13.5	10	15	18
<b>Heating oil (4)</b>	21	19	25	16	18	18	16	19.6	13.5	20	15	18
<b>Phone and fax services</b>	21	19	25	16	18	18	16	19.6	21	20	15	5
<b>Motor vehicles</b>	21/6	19	25	16	18	18	16	19.6	20	20	15	18
<b>Unleaded petrol</b>	21	19	25	16	18	18	16	19.6	21	20	15	18
<b>Diesel</b>	21	19	25	16	18	18	16	19.6	21	20	15	18
<b>Hotels</b>	6/[ex]	5	25	16	5	8	7	5.5	13.5	10	5	5
<b>Restaurants (6)</b>	21	19	25	16	18	8	7	19.6	13.5	10	5	18

	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Standard rate</b>	18	15	25	18	19	20	22	19	20	19	22	25	17.5
<b>Foodstuffs (2)</b>	5/18	3	15	0	6	10	3/7	5/12/19	8.5	19	17	12/25	0/17.5
<b>Spirits</b>	18	15	25	18	19	20	22	19	20	19	22	25	17.5
<b>Wine</b>	18	12	25	18	19	20/12	22	12	20	19	22	25	17.5
<b>Beer</b>	18	15	25	18	19	20	22	19	20	19	22	25	17.5
<b>Adult' clothing</b>	18	12/5	25	18	19	20	22	19	20	19	22	25	17.5
<b>Children's clothing</b>	18	3	25	18	19	20	22	19	20	19	22	25	0
<b>Tobacco</b>	18	3	25	18	19	20	22	19	20	19	22	25	17.5
<b>Books</b>	5	3	5	5	6	10	0	5	8.5	19	8	6	0
<b>Daily newspapers</b>	5	3	15	5	6	10	7	5	8.5	19	0/22	6	0
<b>Household elec. app.</b>	18	15	25	18	19	20	22	19	20	19	22	25	17.5
<b>Water (3)</b>	18	3	15	0	6	10	7	5	8.5	19	22	25	0/17.5
<b>Gas (4) (5)</b>	18	6	15	[-]/15	19	20	22	5	20	19	22	25	5
<b>Electricity (4)</b>	18	6	15	5	19	20	22	5	20	19	22	25	5
<b>Heating oil (4)</b>	18	12	25	18	19	20	22	12	20	19	22	25	5
<b>Phone and fax services</b>	18	15	25	18	19	20	22	19	20	19	22	25	17.5
<b>Motor vehicles</b>	18	15	25	18	19	20	22	17	20	19	22	25	17.5
<b>Unleaded petrol</b>	18	12	25	18	19	20	22	19	20	19	22	25	17.5
<b>Diesel</b>	18	15	25	18	19	20	22	12/19	20	19	22	25	17.5
<b>Hotels</b>	5	3	15	5	6	10	7	5	8.5	19	8	12	17.5
<b>Restaurants (6)</b>	18	3	15/25	18	6	10	7	12	8.5	19	22	25	17.5

(1) Ex, exemption.

(2) LV, a 5% rate is applied to products for infant; MT, a 5% rate is applied to some confectionery.

(3) LV, a 18% rate is applied to drinking water supplies.

(4) IE, parking rate applied.

(5) MT, outside the scope if supplied by Public Authority and a 15% rate is applied to cylinders.

(6) HU, a 15% rate is applied to food and a 25% rate to drinks; AT, a 10% rate is applied to food, milk and chocolate and a 20% rate is applied to coffee, tea and other alcoholic or not alcoholic beverages.

Source: VAT rates applied in the Member States of the European Community, Directorate-General of the European Commission for Taxation and Customs Union

## Excise duties

Excise duties are taxes levied on three main categories of consumer items: mineral oils (petrol and diesel), alcoholic drinks and manufactured tobacco. Since their harmonisation across the EU at the start of 1993, excise duties have become an important source of revenue. Excise duties may be used to achieve health, consumer protection or environmental goals, in the belief that such taxes will discourage the abuse of tobacco or alcoholic products or alternatively dissuade people from using their car. They may also simply be an alternative to direct taxation in raising revenue.

Duties are usually, though not always, levied as a fixed amount per unit and hence the revenues collected do not increase (or decrease) as the price of an item rises (or falls). Consumers may be unaware of the proportion of the retail price that is accounted for by excise duties when purchasing an item. Table 1.47 shows the excise duties collected in the EU in 2002. The highest revenue per capita figures are generally found in the Nordic countries, Ireland and the United Kingdom (particularly for alcoholic items). Luxembourg shows particularly high per capita figures for petrol, diesel and cigarettes: here, it should be noted that Luxembourg has a relatively high number of cross-border workers and that the price levels for these items are below those of the neighbouring countries.

**T**able 1.47: Tax receipts from selected excise duties, May 2004

	Beer		Strong alcohols		Petrol		Diesel		Cigarettes	
	(€ million)	(€/inhabitant)	(€ million)	(€/inhabitant)	(€ million)	(€/inhabitant)	(€ million)	(€/inhabitant)	(€ million)	(€/inhabitant)
<b>BE</b>	202	19.5	213	20.6	1 430	138.4	2 002	193.8	1 255	121.5
<b>DK</b>	194	36.0	229	42.6	1 405	261.3	742	138.0	924	171.8
<b>DE</b>	809	9.8	2 149	26.1	22 727	275.5	14 732	178.6	13 346	161.8
<b>EL (1)</b>	60	5.4	210	19.1	1 426	129.8	825	75.1	2 127	193.6
<b>ES</b>	227	5.5	907	22.0	4 058	98.5	6 667	161.8	5 145	124.9
<b>FR (2)</b>	291	4.9	1 954	32.9	9 991	168.0	12 988	218.3	8 629	145.0
<b>IE</b>	477	121.4	266	67.8	854	217.3	756	192.3	1 121	285.1
<b>IT (3)</b>	261	4.6	469	8.2	11 491	201.7	8 601	150.9	7 385	129.6
<b>LU</b>	4	9.8	26	59.2	263	590.1	331	742.2	352	789.0
<b>NL (2)</b>	323	20.0	430	26.6	3 497	216.6	2 358	146.0	1 380	85.5
<b>AT (4)</b>	202	25.0	111	13.8	3 109	384.6	:	:	1 297	160.4
<b>PT</b>	87	8.4	114	11.0	1 276	123.1	1 546	149.1	1 191	114.9
<b>FI</b>	551	106.0	546	105.0	1 395	268.3	686	131.9	535	102.9
<b>SE</b>	284	31.8	551	61.7	2 742	307.2	1 188	133.2	764	85.7
<b>UK</b>	4 674	78.2	3 491	58.4	20 497	343.1	14 462	242.1	12 239	204.9

(1) Intermediate alcohol production included within strong alcohols; cigars included within cigarettes.

(2) Cigars included within cigarettes.

(3) 2001.

(4) Diesel included within petrol; cigars included within cigarettes.

Source: Excise duty tables, Directorate-General of the European Commission for Taxation and Customs Union

## 1.3 RETAIL NETWORK, ADVERTISING AND DIRECT MARKETING

This section provides an insight into the options open to consumers in terms of where and how they buy goods and services. The first part looks at the retail network and contrasts the importance of in-store and non-store retailing, specialised and non-specialised retailing and food and non-food retailing. Focus is then turned to a number of non-store retail formats, such as business-to-consumer (B2C) e-commerce. The section concludes with information on advertising and direct marketing, two techniques that are used to encourage purchases, as well as to shape consumer attitudes and opinions.

### 1.3.1 THE EUROPEAN RETAIL NETWORK IN-STORE RETAILING

A special study based on data for 1997/2002 focused on the products sold by retail enterprises. Results for eight European countries show that 77% of food products were sold in non-specialised stores (such as supermarkets) and 17% in specialised food stores (see Table 1.48). Conversely, three-quarters of nonfood products were sold in specialised stores. There were a number of products that were sold predominantly, if not exclusively, through specialised stores, for example 94% of pharmaceutical products were sold in pharmacies and 75% of clothing in clothes stores (see Table 1.49). At the other end of the scale, only 15% of bakery products were sold through specialist stores.

**T**able 1.48: Retail sales by activity, 1997/2002 (%) (1)

	NACE Rev. 1	Share of all retail sales	Share of retail sales of food products
<b>Retail trade</b>	<b>52</b>	<b>100.0</b>	<b>100.0</b>
<b>Retail sale in non-specialised stores</b>	52.1	42.2	77.4
<b>Food, beverages or tobacco predominating</b>	52.11	37.0	75.2
<b>Other</b>	52.12	5.2	2.1
<b>Retail sale in specialised stores</b>	52.2, 52.3, 52.4	51.0	19.1
<b>Retail sale of food, beverages and tobacco in specialised stores</b>	52.2	7.0	17.3
<b>Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialised stores</b>	52.3	7.2	0.4
<b>Other retail sale of new goods in specialised stores</b>	52.4	36.8	1.4
<b>Other retail activities</b>	52.5, 52.6, 52.7	6.7	3.5

(1) Data covers DK, DE, ES, FR, IT, CY, HU, NL, PT, SE, UK, Bulgaria and Norway; DK, DE, ES, FR, IT, NL, PT, SE, UK and Norway, 1997; CY, HU and Bulgaria, 2002; DE and Norway, excluding NACE Rev. 1 52.7; NL, excluding NACE Rev. 1 52.12, 52.3, 52.5 and 52.7.

Source: Eurostat, Structural Business Statistics (theme4/sbs)



## INTERNATIONALISATION OF THE RETAIL NETWORK

Traditionally national retail markets within Europe have been served by a mixture of local shops and national chains. An expansion by national groups from EU countries into other markets within the EU and into eastern Europe has been witnessed in recent years, particularly during the 1990s.

In 2002 the world's 30 largest grocery retailers had combined sales in excess of EUR 1.2 trillion<sup>6</sup>. These food multiples, collectively accounted for 10% of the global retail market. Recently the EU retail market has seen competition from groups originating from outside of the EU, most notably the arrival of the world's largest retailer in Germany in January 1998 and in the United Kingdom in July 1999 (see Table 1.50).

(6) M+M Planet Retail.

**Table 1.50: Ranking of the top 30 international grocery retailers, 2002**

Country	Sales (€ million) (1)	Grocery sales (%)	Foreign sales (%)	
Wal-Mart	US	258 591	34	16
Carrefour	FR	68 500	70	49
Ahold	NL	62 677	84	85
Kroger	US	54 738	84	0
Metro Group	DE	51 355	50	46
Target	US	46 444	17	0
Tesco	UK	41 795	72	18
Costco	US	40 179	61	16
Albertsons	US	37 676	84	0
Rewe	DE	37 305	74	23
Aldi	DE	35 652	85	38
JCPenney	US	34 208	17	0
Safeway (USA)	US	33 947	89	10
ITM	FR	33 388	77	29
Kmart	US	32 532	10	0
Walgreens	US	30 331	41	0
Ito-Yokado	JP	28 805	71	41
Edeka	DE	28 640	85	8
Auchan	FR	27 470	57	40
Sainsbury	UK	27 458	73	17
Aeon	JP	26 097	63	17
Tengelmann	DE	25 816	72	56
CVS	US	25 573	32	0
Leclerc	FR	23 422	60	4
Schwarz Group	DE	22 894	83	31
Casino	FR	22 781	73	23
Delhaize Group	BE	20 619	77	23
Daiei	JP	18 736	53	1
Publix	US	16 848	80	0
Rite Aid	US	16 686	37	0

(1) Aldi, ITM, Ito-Yokado, Edeka, Sainsbury, Aeon, Tengelmann, Leclerc, Schwarz Group and DAIEI, estimates.

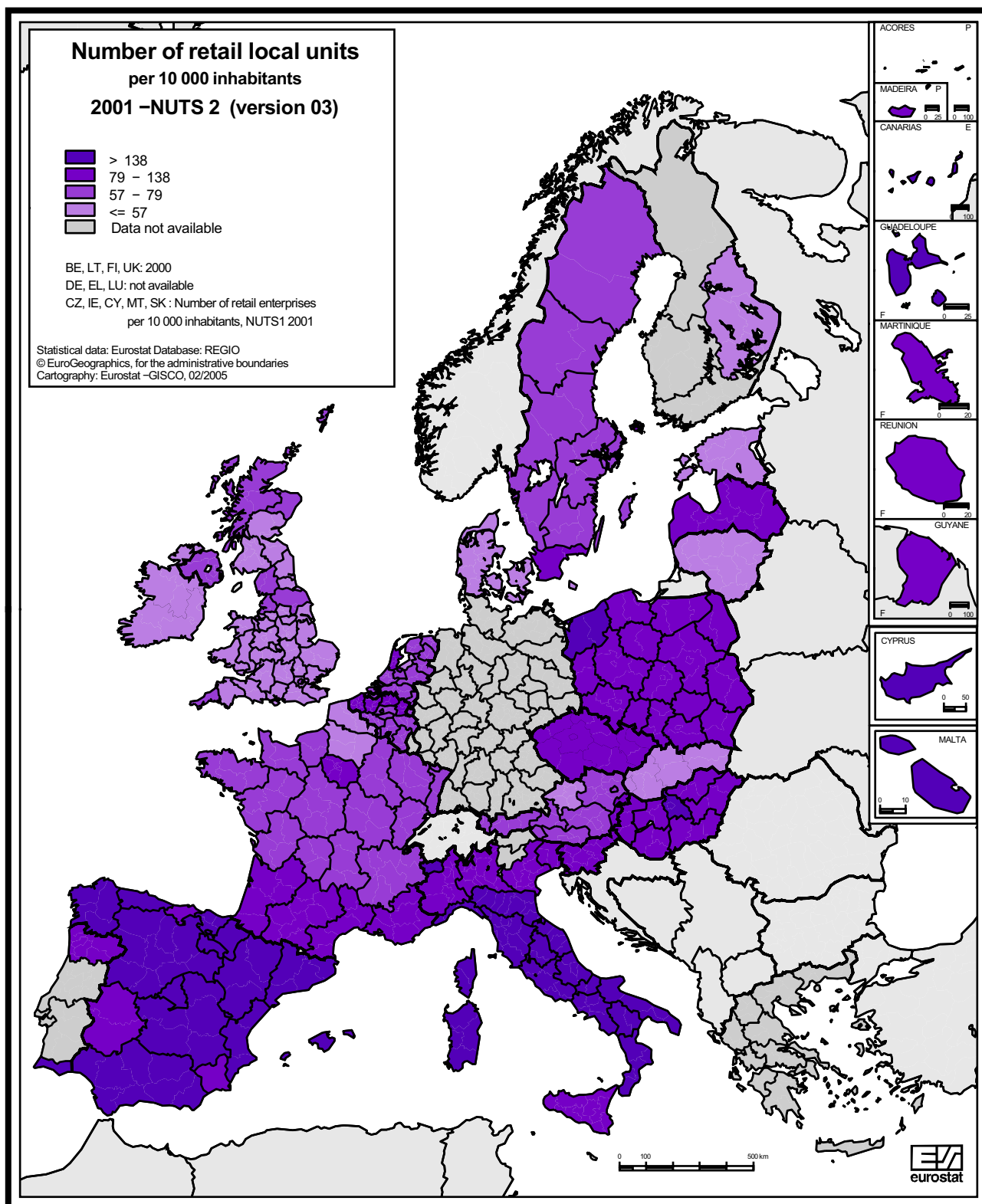
Source: M+M Planet Retail

**Table 1.49: Share of retail trade turnover generated by stores specialising in these products, 1997/2002 (%) (1)**

Fruit and vegetables	15.1
Meat and meat products	27.0
Fish, crustaceans and molluscs	26.6
Bread, cakes and confectionery	15.5
Beverages	20.1
Tobacco products	41.1
Other food, including dairy products	7.4
Pharmaceuticals	93.8
Medical and orthopaedic products	70.4
Perfumes and beauty products	38.4
Textiles	62.1
Clothing	75.6
Footwear and leather goods	79.4
Furniture, household equipment	74.0
Household electrical appliances, radios and televisions	70.8
Hardware, paint and glass	75.2
Books, magazines, stationery	59.9

(1) Data presented covers DK, DE, ES, FR, IT, CY, HU, NL, PT, SE, UK, Bulgaria and Norway; DK, DE, ES, FR, IT, NL, PT, SE, UK and Norway, 1997; CY, HU and Bulgaria, 2002.

Source: Eurostat, Structural Business Statistics (theme4/sbs)



**FOCUS ON CROSS-BORDER TRADE**

The frequency of trips abroad and the growth in the number of people having access to the Internet increases the opportunity for European Union citizens to make purchases beyond their national borders. This notion of 'cross-border trade' merits a closer look, for despite the completion of the internal market and the adoption of the euro in most EU-15 countries, cross-border trade has been slow to take off.

Based on available data for the EU-15 in 2003 (Eurobarometer 59.2), only one in eight Europeans (12.4%) had bought or ordered products or services for private use from shops or sellers located in another EU country during the last year. Luxembourg (48.5%), the Netherlands (31.0%) and Denmark (28.1%) were those countries in which respondents shopped abroad the most often. In Luxembourg's case, this is not that surprising given its geographical location at the crossroads of three European countries whose immediate regions can also vie for custom.

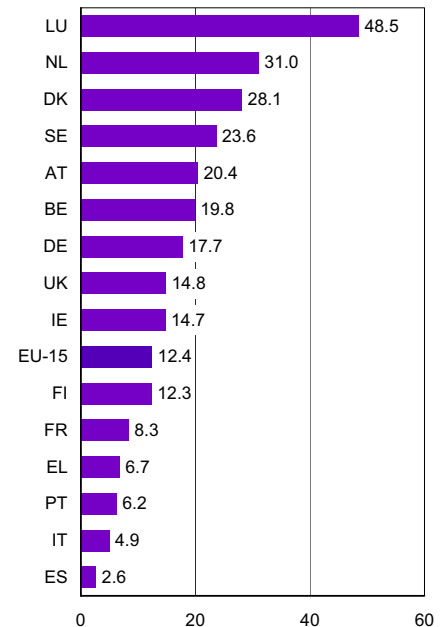
In contrast, shoppers of southern European countries were the least likely to leave their own high street: Greece (6.7%), Portugal (6.2%), Italy (4.9%) and Spain (2.6%) had the lowest percentage of shoppers who shopped abroad in other EU 15 countries (see Figure 1.51).

For the 12.4% of citizens surveyed who did shop abroad, the most common means of shopping in another EU-15 country was while on holiday or a business trip, with 54.2% of those who shopped having done so (data not shown here). The second-most common means of shopping was a trip taken primarily for shopping purposes (37.5%) and the third was by Internet shopping, with 23%. Mail order, catalogue and telephone sales accounted for 10.4%, while purchases from a sales representative from a seller in another EU-15 country in one's home or place of work accounted for just 3.5%.

With regard to Internet shopping, and based on 2002 data from Flash Eurobarometer 135, most on-line buyers (56%) polled in the EU-15 purchased from Internet sites located in their own country, while 28% did so in other EU-15 countries, 18% in North America, and only 5% in European countries outside the Union (see Figure 1.52).

These results come as quite a surprise, given the potential of the World Wide Web to transcend national borders. On the contrary, we would expect the WWW to encourage on-line buyers to purchase goods and services from websites based outside their own country.

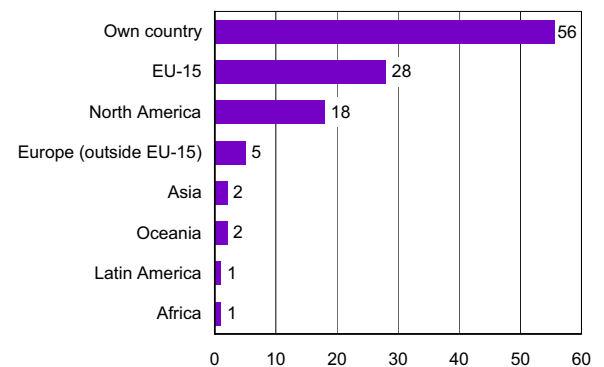
**Figure 1.51: Percentage of Europeans having made cross-border purchases, 2003 (%) (1)**



(1) "Over the last 12 months, have you bought or ordered products or services for private use from shops or sellers located in another European Union country, or not?"

Source: Eurobarometer 59.2, European Commission, 2003

**Figure 1.52: Location of websites that Europeans (EU-15) used to make online purchases, 2002 (%)**



Source: Flash Eurobarometer 135, European Commission, 2002

**Table 1.53: Proportion of Europeans using the telephone or the Internet for e-commerce transactions, 2002-2003 (%) (1)**

	Phone		Internet	
	EU-15	New Member States	EU-15	New Member States
Order a product or service	43	27	23	10
Pay for something	23	6	18	5
Make a bank transaction	17	7	15	6
Make use of other financial transactions	11	4	9	3

(1) "Have you ever used the phone, Internet to...?" (see above categories); proportion answering "yes".

Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), 2002-2003

**Table 1.54: Share of mail-order in total retail trade sales (%) (1)**

	Year	Share
DE	2001	5.5
UK	2001	3.8
FR	2001	3.0
AT	2001	2.9
SE	2001	2.6
MT	2001	2.0
NL	2001	1.7
EE	2002	1.5
FI	2001	1.5
BE	2001	1.4
DK	2001	0.8
LU	1998	0.8
LV	2001	0.7
SI	2002	0.6
ES	2001	0.6
PT	2001	0.6
SK	2002	0.5
HU	2001	0.4
IT	2001	0.4
CY	2002	0.2
PL	2001	0.1
LT	2002	0.1
CZ	:	:
EL	:	:
IE	:	:

(1) Share of NACE Rev. 1 Class 52.61 in Division 52; data not available for CZ, EL and IE.

Source: Eurostat, Structural Business Statistics (theme4/sbs)

## NON-STORE RETAILING

### E-commerce

Care has to be taken with any estimates of the size of e-commerce, as attempts to collect this information from business surveys suffer from intrinsically outdated survey frames and from the various definitions that can be applied to e-commerce. Internationally harmonised and comparable statistics in this area are few and far between (but are undergoing major development work). The basic working definition of e-commerce is that it includes all goods and services ordered over computer mediated networks (such as the Internet); the payment and/or delivery of the products may or may not be made over such a network.

Citizens of the EU-15 Member States use the telephone and the Internet more often to order a product or a service, than their counterparts in the new Member States, according to two Eurobarometer surveys carried out between 2002 and 2003 (60.2 and 2003.5).

Looking at Table 1.53, 27% of consumers in the new Member States had ordered a product or service (from pizza to catalogue clothes) over the telephone and 10% had done so over the Internet. In comparison, among the EU-15 countries, almost half (43%) of the population had ordered a product or service on the telephone, and nearly one quarter (23%) had done so over the Internet.

Regarding the other categories, EU-15 citizens were between two and three times more likely to use the telephone or the Internet to pay for something, make a bank transaction, or make use of other financial transactions, than their counterparts from the new Member States.

### Mail order

Table 1.54 shows that mail order accounted for an important share of retail sales in Germany, the United Kingdom, Austria and France. A longer time-series from the European Mail Order and Distance Selling Trade Association (EMOTA) for 12 Member States<sup>7</sup>, shows that mail order sales in the EU were stable or growing in each year between 1992 and 1998, with an annual average growth rate of 4% over the period.

(7) EL, IE and LU were not covered.

## Direct selling

Direct selling can be defined as the marketing of consumer goods and services directly to consumers on a person-to-person basis, generally in their homes or the homes of others, at their workplace and other places away from permanent retail locations.

The FEDSA (Federation of European Direct Selling Associations) estimate that each European made an average of EUR 16.8 of purchases through direct sales in 2003. Germany (EUR 25.3) and the United Kingdom (EUR 23.7) registered the largest amount of purchases per inhabitant in value terms, the same two countries that had the highest propensity to use mail-order shopping (see Table 1.55).

According to the FEDSA, the most common product categories for direct selling purchase in 2003 were either household goods (for example, cleaning products) or personal goods (for example, cosmetics) (see Table 1.56).

**Table 1.55: Average value of direct selling, 2003 (€ per inhabitant, excluding VAT)**

DE	25.3
UK	23.7
AT (1)	21.0
FR	20.6
EU (2)	16.8
IT	16.8
FI	15.8
HU	13.3
SE	13.2
SI	12.5
ES	11.1
CZ	9.3
DK (1)	9.3
BE	8.8
PL	8.1
EE	7.9
NL	7.7
IE	7.3
SK	6.9
EL	6.5
PT	5.6
LT	4.6
LU	3.3
CY	:
LV	:
MT	:

**Table 1.56: Direct selling by product category, 2003 (% of total)**

	Personal care	Food and wellness	Household	Family	Utilities and services	Home improvement	Financial Services	Others
EU (1)	45	13	31	6	3	1	0	1
BE	35	15	35	10	5	0	0	0
CZ	78	4	18	0	0	0	0	:
DK (2)	30	30	20	10	10	0	0	0
DE	15	18	42	7	8	4	6	0
EE	78	11	11	0	0	0	0	0
EL	65	0	35	0	0	0	0	0
ES	40	5	50	5	0	0	0	0
FR	13	10	42	10	1	22	0	2
IE	41	28	28	2	1	0	0	0
IT	14	12	68	0	0	0	0	6
CY	:	:	:	:	:	:	:	:
LV	:	:	:	:	:	:	:	:
LT	73	0	27	0	0	0	0	0
LU	50	0	50	0	0	0	0	0
HU	72	8	17	0	0	0	0	3
MT	:	:	:	:	:	:	:	:
NL	29	13	48	1	9	0	0	0
AT (2)	28	8	42	25	0	0	0	0
PL	92	3	5	0	0	0	0	0
PT	52	22	25	0	0	0	0	1
SI	45	30	15	3	0	2	0	5
SK	50	10	30	0	0	0	0	10
FI	35	30	25	5	0	0	0	5
SE	32	25	30	13	0	0	0	0
UK	26	11	14	17	32	0	0	0

(1) DK and AT, 2002; excluding CY, LV and MT.

(2) 2002.

Source: FEDSA (Federation of European Direct Selling Associations)

(1) 2002.

(2) DK and AT, 2002; excluding CY, LV and MT.

Source: FEDSA (Federation of European Direct Selling Associations)

**T**able 1.57: Share of outdoor markets in total retail trade sales (%) (1)

	2000	2001
BE	0.7	0.7
CZ	:	:
DK	0.1	0.1
DE	0.9	0.8
EE	1.8	1.9
EL	:	:
ES	1.2	1.2
FR	1.1	1.0
IE	:	:
IT	2.3	2.0
CY	0.2	0.0
LV	9.4	7.9
LT	2.0	2.0
LU	:	:
HU	0.6	0.7
MT	2.2	2.2
NL	:	1.7
AT	0.1	0.1
PL	4.6	5.1
PT	0.8	0.7
SI	0.1	0.1
SK	0.7	0.6
FI	0.1	0.1
SE	0.1	0.1
UK	0.1	0.1

(1) Share of NACE Rev. 1 Class 52.62 in Division 52.  
Source: Eurostat, Structural Business Statistics (theme4/sbs)

### Outdoor markets

In the statistical classification of activities, markets and stalls are grouped together within NACE Rev. 1 Class 52.62. From the data available in Table 1.57 it is possible to note that these activities accounted for a significantly higher proportion of retail trade sales in Latvia and Poland than, for example, in the Nordic countries.

### 1.3.2 ADVERTISING AND DIRECT MARKETING

Advertising and direct marketing are techniques used to influence consumer choice. They help to shape opinions and attitudes, as well as to encourage purchases. The data presented in this section come from non-official sources and it is important to note that there may be differences between national methodologies. Furthermore, the activities of advertising and direct marketing overlap to some degree and hence there is likely to be some double-counting in the figures presented.

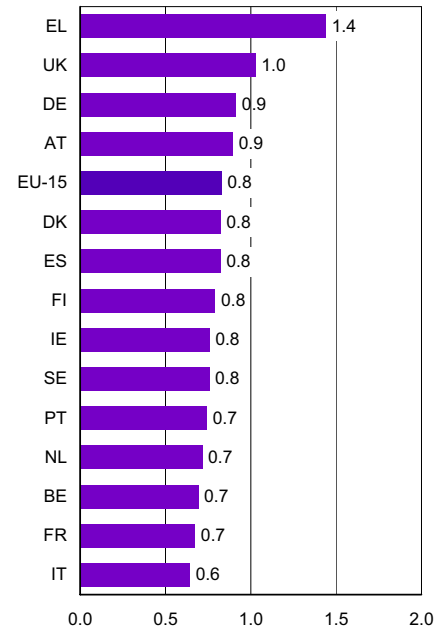
## ADVERTISING

Advertising expenditures accounted for between 0.6% (Italy) and 1.4% (Greece) of GDP in the EU-15 in 2001 (see Figure 1.58). Total expenditure on advertising in the EU-15 is estimated to have been equal to EUR 67.9 billion in 2001, equivalent to EUR 180 for each inhabitant.

There are many ways to categorise the activity of advertising: a distinction can be made between brand advertising and product advertising, or between regular advertising (to maintain awareness) and special one-off campaigns (employed for product launches). No matter which is employed, a broad range of enterprises use advertising to promote their products and services (for example, from retail groups to manufacturers and from financial service providers to travel agencies).

There are a large number of media available to advertisers, although during the past decade there has been a progressive movement away from mass media advertising towards target-specific advertising. Nevertheless, national daily newspapers and commercial television stations remain the most popular mediums for disseminating advertisements and increasing consumer awareness (see Table 1.59). The broad range of media available to advertisers allows them to reach niche markets, targeted as closely as possible to the profile of consumers, in terms of age, sex, occupation and income group. Advertisers will weigh the costs of reaching a large number of consumers against the likelihood that they are targeting the correct audience (see Table 1.60).

**Figure 1.58: Advertising expenditure as a percentage of GDP, 2001 (%) (1)**



(1) No adjustment for different measures of compilation, therefore figures are not always directly comparable; L, not available.

(2) Excluding LU.

Source: Western Europe Market and MediaFact, ZenithOptimedia

**Table 1.59: Breakdown of total advertising expenditure by medium, 2001 (share of total adspend, %) (1)**

	advertising expenditure (€ million)	Daily newspapers	Commercial television	Magazines	Outdoor sites	Commercial radio	Internet	Cinema
<b>EU-15 (2)</b>	<b>67 893</b>	<b>34.0</b>	<b>32.2</b>	<b>19.9</b>	<b>5.9</b>	<b>5.4</b>	<b>1.2</b>	<b>0.8</b>
BE	1 629	22.4	43.0	13.5	8.9	10.2	0.7	1.4
DK (3)	1 326	50.5	16.5	3.5	3.1	1.9	0.0	0.4
DE	17 813	43.7	23.6	23.6	3.7	3.7	0.8	0.9
EL	1 631	18.2	37.1	26.9	13.2	3.9	0.0	0.7
ES	5 061	29.9	40.9	13.0	5.4	8.9	0.9	1.0
FR	9 247	17.5	29.5	31.9	11.4	6.9	2.1	0.8
IE	696	55.4	25.7	1.9	8.9	7.1	0.2	0.8
IT	7 209	22.6	51.3	14.4	3.9	5.6	1.6	0.6
LU	:	:	:	:	:	:	:	:
NL	2 702	23.7	45.6	14.3	4.8	10.2	0.9	0.5
AT	1 694	31.2	25.3	28.7	5.9	8.3	0.0	0.6
PT	868	10.2	53.5	18.6	10.2	6.3	0.5	0.6
FI	989	56.4	19.3	16.6	3.2	3.4	1.1	0.2
SE	1 770	51.1	21.6	13.7	4.2	3.2	5.7	0.4
UK	15 256	40.2	31.4	16.2	5.6	4.3	1.2	1.0

(1) No adjustment for different measures of compilation, therefore figures are not always directly comparable.

(2) Excluding LU.

(3) Outdoor sites include free magazines, directories, annuals and trade press.

Source: Western Europe Market and MediaFact, ZenithOptimedia

Table 1.60: Cost and reach of advertising, 2001

	Most viewed commercial television channel (1)		Most popular national daily newspaper (3)		Most listened to commercial radio channel (4)	
	Cost of a 30 second prime time advert (2)	Cost of reaching 1 000 inhabitants	Cost of a full page black and white advert	Cost of reaching 1 000 inhabitants	Cost of a 30 second prime time advert (5)	Cost of reaching 1 000 inhabitants
BE	8 786	16.8	22 638	24.1	1 830	3.6
DK	9 417	18.2	15 435	21.6	827	1.8
DE	45 507	4.0	213 229	18.5	30 167	2.6
EL	4 223	7.0	7 924	30.2	556	5.4
ES	16 954	5.0	15 780	10.4	8 326	6.6
FR	71 479	10.1	72 800	37.4	8 456	6.0
IE	2 100	10.6	26 250	23.8	862	4.0
IT	166 967	13.9	113 891	40.3	7 747	4.2
LU	:	:	:	:	:	:
NL	10 775	11.7	40 535	18.8	1 203	2.5
AT	10 400	19.9	22 727	7.7	2 907	3.7
PT	15 889	15.4	7 233	9.2	945	3.5
FI	5 382	10.8	15 080	13.0	275	1.7
UK	60 476	11.3	69 146	29.1	1 753	5.5

(1) BE: VTM; DK: TV2; DE: RTL; EL: Mega; ES: TVE1; FR: TF1; IE: RTE/Net2; IT: Rai1; NL: RTL 4; AT: ORF 1; PT: TVI; FI: MTV3; UK: ITV.

(2) ES, cost of a 20 second prime time advert.

(3) BE: Het Laatste Nieuws/De N. Gaz.; DK: JyllandsPosten; DE: Bild; EL: Ta Nea; ES: El Pais; FR: L'Equipe; IE: Sunday Independent; IT: Corriere della Sera; NL: De Telegraaf; AT: Kronen Zeitung; PT: Jornal de Notícias; FI: Helsingin Sanomat (d); UK: Daily Telegraph.

(4) BE: Radio 2; DK: Nordisk Radio Reklame; DE: ARDKombi 2; EL: Skai; ES: SER; FR: Europe 1; IE: RTE Radio 1; IT: Radio Rai1; NL: Sky Radio; AT: Ö3; PT: R. Renasc. Canal 1; FI: Radio Nova; UK: Virgin.

(5) NL, cost of a 20 second prime time advert.

Source: Western Europe Market and MediaFact, ZenithOptimedia

## DIRECT MARKETING

Direct marketing is defined by the FEDMA (Federation of European Direct and Interactive Marketing) as, "part of the commercial communications sector... used to sell products at a distance, provide customer care, raise funds, inform customers of offers (sales promotion), etc". As such, the activity is a hybrid that includes elements of advertising, retail distribution, customer database management and customer services.

Direct marketing operations may be categorised as: direct mail (any piece of promotional material delivered to a consumer via a postal operator); teleservices (the use of the telephone to generate sales or maintain a relationship with a consumer); or direct response advertising (commercials spread over a variety of mediums with a response mechanism, such as a coupon, freephone number or Internet address).



The FEDMA estimates that total direct marketing activities in the EU<sup>8</sup> were worth EUR 45.5 billion in 2001, equivalent to EUR 103 per inhabitant. The Netherlands was the most mailed country in the EU in 2001, with each person receiving an average of 680 pieces of direct mail (585 of which were unaddressed). In neighbouring Belgium, each inhabitant received an average of 108 items of addressed mail, which was the highest figure recorded in the EU. At the other end of the scale, Polish residents received an average of only 9.9 items of unaddressed mail and Slovakian citizens an average of 9.3 items of addressed mail. There was rapid growth in on-line (Internet) and telephone marketing during the late 1990s, although this form of direct marketing is still a distant second to direct mail in the majority of Member States, the exceptions being those with high Internet penetration rates, such as the Netherlands (see Table 1.61).

(8) Excluding EE, CY, LV, LT, LU, MT and SI.

**Table 1.61: Summary of direct marketing spend and volume of direct marketing per capita, 2001**

	Direct mail volume per capita (items)			All direct marketing spend per capita (€)		
	Addressed	Unaddressed	Total (1)	Direct mail (1)	Teleservices	Total (2)
BE	108.1	:	108.1	69.4	:	70.5
CZ	13.6	145.8	159.4	20.5	1.6	22.4
DK	41.4	360.3	401.6	167.5	10.4	185.7
DE	78.9	189.1	268.0	104.2	36.4	156.4
EE	:	:	:	:	:	:
EL	:	:	:	5.2	2.8	8.1
ES	:	:	:	61.7	16.4	79.4
FR	72.1	314.7	388.3	111.3	10.7	124.0
IE	32.6	60.6	93.1	12.8	7.2	20.0
IT	29.0	:	29.0	33.8	12.6	46.5
CY	:	:	:	:	:	:
LV	:	:	:	:	:	:
LT	:	:	:	:	:	:
LU	:	:	:	:	:	:
HU	11.5	121.6	133.1	15.5	1.9	18.3
MT	:	:	:	:	:	:
NL	95.6	585.2	680.8	149.5	118.6	270.9
AT	80.5	468.3	548.8	142.5	36.9	195.4
PL	7.9	9.9	17.9	12.0	4.5	16.5
PT	19.9	33.1	53.0	5.7	:	5.7
SI	:	:	:	:	:	:
SK	9.3	46.3	55.5	5.6	2.8	8.8
FI	95.9	198.1	293.9	93.9	:	96.5
SE	79.9	348.2	428.4	86.5	:	97.4
UK	84.0	157.3	241.4	61.0	79.9	153.2

(1) Includes catalogues where available.

(2) Includes internet data where available.

Source: 2002 Survey on Direct and Interactive Marketing Activities in Europe, FEDMA (Federation of European Direct and Interactive Marketing)

## 1.4 CONSUMER ATTITUDES AND SATISFACTION

Consumer attitudes affect the demand for goods and services and hence, together with supply, determine the price and level of consumption. A multitude of factors determine attitudes, for example consumer satisfaction, expectations in terms of quality and safety (see Section 1.5), environmental concerns, fashion and the availability and reliability of information.

### FOCUS ON SERVICES OF GENERAL INTEREST (SGI)

Services of general interest (SGIs)<sup>9</sup> may be defined as market and non-market services which public authorities class as being of general interest and subject to specific public service obligations. SGIs include in particular telephone services (fixed and mobile), energy services (electricity and gas), transport services (air, rail, maritime and urban), water supply services and postal services. They are services that European consumers may use everyday and for which, therefore, consumer attitudes and consumer satisfaction are key indicators for service providers and policy-makers.

In the past, universal access to these services was guaranteed by obligations on publicly owned suppliers of these services. Cross-subsidisation between different services or markets was often permitted. Since then, the situation has changed greatly in a large number of Member States, be it because of technological changes, privatisation, liberalisation, the introduction of regulatory bodies, easier market entry and the breaking-up of vertically integrated industries/services.

In an attempt to gauge access and consumer satisfaction, two Eurobarometer surveys, carried out between 2002 and 2003, questioned users' access to eight SGIs across the EU-15 and the new Member States (58.0 and 2003.3 respectively), to produce some perhaps unsurprising but also thought-provoking results.

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(9) Services of general interest are defined in the Commission communication on 'Services of general interest in Europe' (COM/2000/580 final of 20 September 2000).

Table 1.62 shows that electricity supply, postal services, and water supply were deemed to be the most easily accessible services, each by around 90% of citizens surveyed, while the opposite held true for inter-city rail services (close to 60% of respondents).

Satisfaction with services was measured according to five criteria: price; quality of the product; clarity of information; fairness of terms and conditions; and customer service. A simple average of these criteria for the eight SGIs shows that, regarding consumer satisfaction overall, there is an almost negligible difference between the EU-15 and the new Member States.

However, as illustrated by Table 1.62, five services were rated somewhat higher in the new Member States (postal services, electricity, water and gas supply services, and urban transport), while three services were considered globally in a better way in the EU-15: mobile and landline telephony, and inter-city rail services. The largest divergence in opinion concerned access to gas supply services (respectively 67% and 84%).

Overall, Consumers with access to these services were most satisfied with postal services (79%) and least satisfied with both inter-city rail and urban transport services (60% and 62% respectively). Irrespective of the service, satisfaction was generally highest concerning quality and clarity of information and lowest concerning price.

**T**able 1.62: User satisfaction with services of general interest, 2002-2003 (% of users) (1)

	Electricity supply services	Postal services	Water supply services	Gas supply services (2)	Fixed phone services	Mobile phone services	Transport services within towns/cities	Rail services between towns/cities
<b>OVERALL SATISFACTION (3)</b>								
EU-15	73	74	71	65	71	63	58	52
New Member States	74	78	74	72	61	57	63	53
<b>EASE OF ACCESS</b>								
EU-15	88	87	86	67	89	75	69	61
New Member States	96	93	93	84	83	75	70	59
<b>PRICE</b>								
EU-15	55	68	56	54	44	44	47	38
New Member States	44	60	51	49	35	35	48	38
<b>QUALITY</b>								
EU-15	91	82	89	84	90	84	66	59
New Member States	95	87	90	91	84	76	70	58
<b>CLARITY OF INFORMATION RECEIVED</b>								
EU-15	73	78	72	68	75	67	68	62
New Member States	82	86	82	81	75	66	77	70
<b>TERMS AND CONDITIONS OF CONTRACTS</b>								
EU-15	68	70	66	63	64	59	57	51
New Member States	67	73	68	67	51	53	61	54
<b>CUSTOMER SERVICE</b>								
EU-15	76	72	72	57	73	63	53	47
New Member States	84	82	78	73	68	56	57	47

(1) The population has been filtered to exclude those respondents who had spontaneously answered that they did not have access to the service in question.

(2) EU-15, excluding EL; New Member States, excluding CY.

(3) Overall satisfaction is based on the average percentage of satisfaction across five criteria among each sector: price, quality of the service, clarity of the information received, fairness of the terms and conditions of the contract, and customer service. Access to the service is therefore not included.

Source: Eurobarometer 58.0 (Consumers and general interest services) and 2003.3 (Consumers' opinions on services of general interest), European Commission, 2002-2003

## FOCUS ON CONSUMER COMPLAINTS

Asked whether they had made a complaint about one of the services of general interest, very few consumers (of those surveyed) answered in the affirmative, but those that did cited mobile telephone services and fixed line telephone services most often, according to Eurobarometers 58.0 and 2003.3. A total of 5% of all Europeans complained about their mobile telephone provider, and the same proportion (a bit more, 6% on EU-15 level) filed a complaint about their fixed telephone providers.

There were more marked differences in how successful people were with the handling of their complaints. Of those respondents who had filed a complaint against a service provider, the general level of satisfaction was rather mediocre, with most dissatisfaction being expressed with urban transport services and rail services between cities (see Table 1.63).

According to another Eurobarometer survey (60.0: EU citizens and access to justice), a large majority of EU citizens (73%) in 2003 preferred to make their complaint about a product or service in person to the salesperson, retailer, or service provider. Twenty-six percent were willing to do so over the phone and 12% by fax/mail. The percentage of those who preferred to complain in person to the salesperson/retailer/service provider reached 85% in Portugal and Greece, just ahead of Spain (83%), Italy (81%) and Denmark (80%). The telephone was chiefly used in the United Kingdom (44%), Luxembourg (38%), Sweden and Denmark (34% each). A substantial proportion of Dutch, German (17% each) and UK people (16%) were prepared to complain by post or fax.

**T**able 1.63: User complaints about services of general interest, 2002-2003 (1)

	Percentage of persons having made a complaint (%)		Rating of how complaint was handled (2)	
	EU-15	New Member States	EU-15	New Member States
Electricity supply services	3	4	2.5	2.5
Postal services	4	3	2.5	2.3
Water supply services	2	2	2.5	2.4
Gas supply services (3)	2	2	2.5	2.7
Fixed phone services	6	5	2.4	2.6
Mobile phone services	5	5	2.6	2.7
Transport services within towns/cities	2	1	2.3	2.3
Rail services between towns/cities	2	2	2.3	2.1

(1) Complaints made in the 12 months prior to the survey.

(2) Score equals the average of a four-point scale: 1=very badly, 2= fairly badly, 3= fairly well, 4=very well.

(3) EU-15, excluding EL; New Member States, excluding CY.

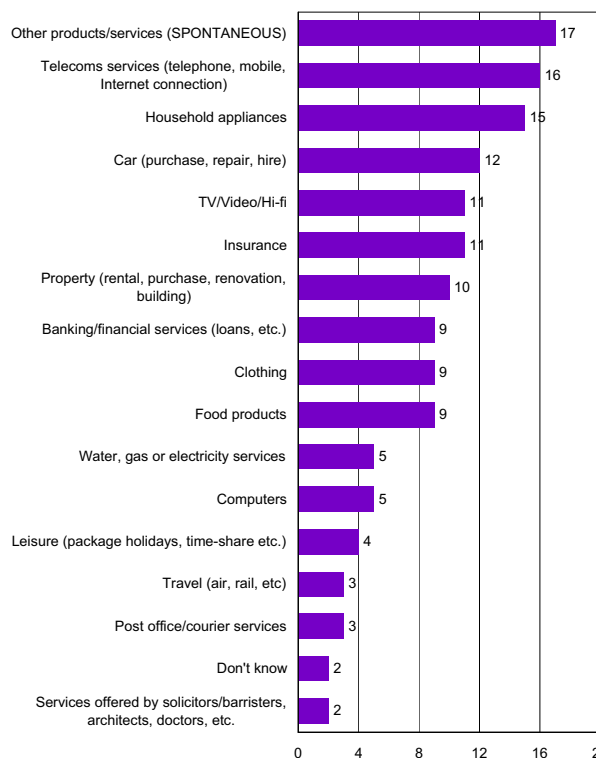
Source: Eurobarometer 58.0 (Consumers' opinions about services of general interest) and 2003.3 (Consumers' opinions on services of general interest), 2002-2003

The same survey established that less than a 10th of European Union citizens were unable to find an amicable settlement to their problem. In 2003, only 8% of people surveyed admitted that they had problems when they purchased a product or service, which they could not resolve amicably in the last five years. Of those that did, certain types of products or services were cited more often than others (see Figure 1.64).

Telecommunications services head this list (16% of respondents could not settle their problem amicably), ahead of household appliances (15%), cars (12%), insurance and television/video/hi-fi (11% each). 17% spontaneously named another product or service which they could not find on the list given to them (17% of replies were for "other products or services").

On the other hand, almost a third of those surveyed settled their problem amicably. This is particularly the case in Luxembourg, where the figure reaches 50%, in Austria (47%), in Germany (44%) and in Denmark (43%). However, it should be noted that a large majority of European Union citizens have never had a problem buying a product or service (59%). This is particularly the case in Portugal, the Netherlands and Greece (81%, 76% and 75% of the respective samples).

**Figure 1.64: Products or services giving rise to problems, EU-15, 2003 (%)**



Source: Eurobarometer 60.0 (European Union citizens and access to justice), European Commission, 2004

**T**able 1.65: Reasons for not shopping on-line, 2002-2003 (% of population) (1)

	EU-15	New Member States
I do not use the Internet	55	55
I am not interested in paying that way	17	21
Paying for something on the Internet is not safe	13	6
I do not have a payment card	3	5
I do not know where to find something on the Internet	2	2
Paying for something on the Internet is too complicated	2	2

(1) Question: "Why have you never used the Internet to pay for something such as books, hotel or travel reservations?" (see above categories).

Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), European Commission, 2002-2003

### FOCUS ON CONSUMER ATTITUDES REGARDING E-COMMERCE

Although the reasons for not shopping on-line (using e-payment methods) included disinterest, lack of a payment card, technical barriers, and fears, the most often cited reason was that people did not use the Internet (55%) (see Table 1.65).

Interestingly, the greatest divergence between citizens of the EU-15 countries and the new Member States concerned Internet safety (respectively 13% and 6%). Europeans of the EU-15 seemed therefore to be more aware of the dangers of making payments over the Internet.

In a Flash Eurobarometer survey (60.0) dealing with the EU-15 in 2003, 'security of payment' was the most frequently cited reason for distrusting on-line shopping by over 70% of respondents. However, this was not the only concern. Other reasons were also given by between 20% and over 40% of respondents covering credibility of information on the Web, delivery conditions, consumer rights, ability to obtain a warranty or refund and anonymity of sellers.

**F**igure 1.66: Reasons for distrusting on-line purchases in the EU-15, 2003 (% of responses)



Source: Eurobarometer 60.0 (Issues relating to business and consumer e-commerce), European Commission, 2003

Not surprisingly, online shopping depends on the product or service being bought. As illustrated in Table 1.67, high confidence levels are observed in Sweden, Finland and Denmark, countries in which e-shopping seems to have become a habit. At the other end of the scale, low confidence levels were recorded in Greece, Portugal and Spain.

On closer inspection, citizens of the EU-15 were most likely to go online to buy train or theatre tickets (both 48%) then plane tickets (45%) or to book a hotel (46%). Buying antiques however inspired the least confidence (10%), followed closely by purchasing a car (13%) and financial products (16%). Other items or services which aroused suspicion include food, furniture/decoration and computer software or hardware.

**T**able 1.67: Consumer confidence relating to e-shopping in the EU-15, 2003 (as a % of responses)

Product/service	EU-15 average	Highest confidence level Country	%	Lowest confidence level Country	%	Don't know Country	%
Train ticket	48	Sweden	76	Portugal/Greece	26	Portugal	26
Plane ticket	45	Sweden	74	Portugal	23	Portugal	26
Theatre ticket	48	Sweden	77	Greece	25	Portugal	25
Hotel booking	46	Sweden	74	Portugal	23	Portugal	27
Car rental	35	Sweden	59	Portugal	16	Portugal	27
Clothes/shoes	26	Sweden	37	Ireland	11	Portugal	26
Books, DVDs	39	Sweden	62	Greece	16	Portugal	26
PC, laptop/software	21	Sweden	32	Greece	9	Portugal	27
Furniture/decoration	19	Sweden	50	Italy	7	Portugal	27
Food	19	United Kingdom	33	Greece	8	Portugal/Austria	26
Financial products/services	16	Sweden	38	Italy/Greece	8	Portugal	28
Antiques	10	Finland/United Kingdom	15	Italy	4	Portugal/Austria	28
Car	13	Austria/United Kingdom	20	Greece	5	Portugal	27
Package tour	31	Sweden	60	Greece	13	Portugal	27
D.I.Y. products	29	Sweden	44	Greece	12	Portugal	27
Domestic electric appliances	25	Sweden	41	Greece	10	Portugal	27

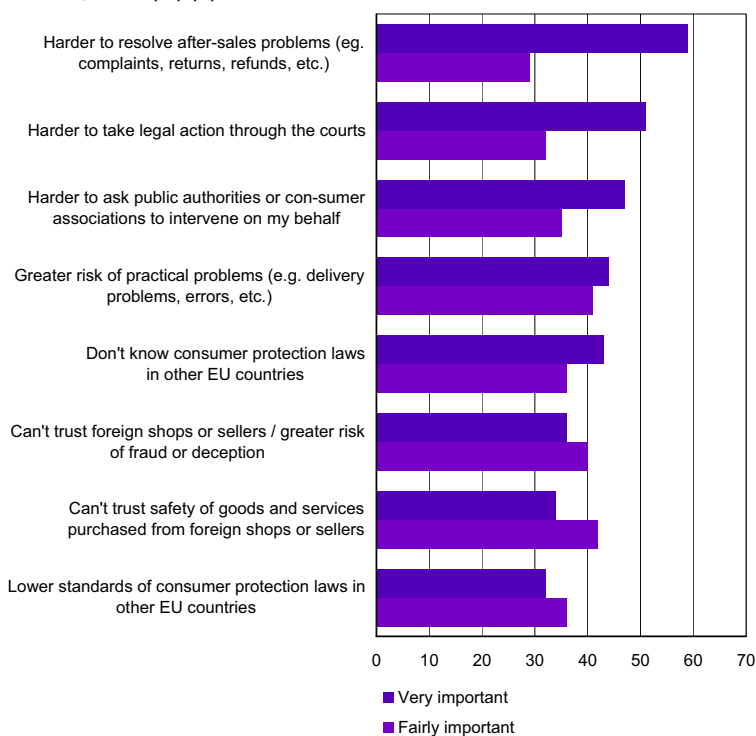
Source: Eurobarometer 60.0 (Issues relating to business and consumer e-commerce), European Commission, 2003

### FOCUS ON CONSUMER CONFIDENCE CONCERNING CROSS-BORDER TRADE

The reasons for consumers' lack of confidence in cross-border purchases was an issue raised in Eurobarometer 57.2. As shown in Figure 1.68, respondents' answers reveal that the top reasons for lack of confidence are difficulties to resolve after-sales problems and to take legal action.

That it was harder to resolve after-sales problems such as complaints, returns and refunds was a 'very important reason' for lack of confidence for 59% of respondents. Similarly, that it was harder to take legal action through the courts was also found as a very important reason by 51%.

**Figure 1.68: Reasons for lack of confidence in cross-border purchases, EU-15, 2002 (%) (1)**



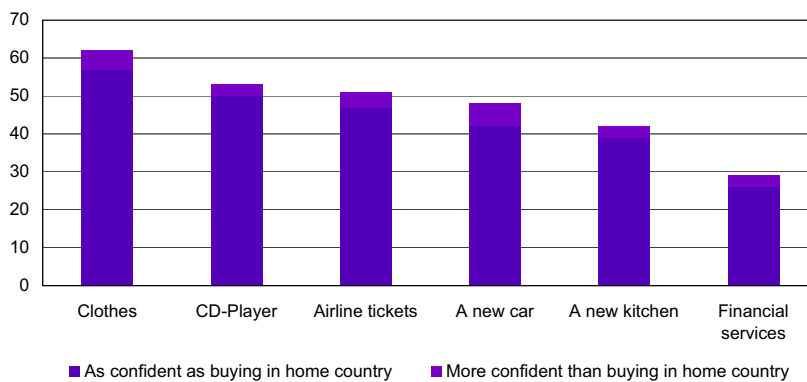
(1) Question: "For each of the following, please tell me if you think it is a very important, fairly important, not very important or not at all important reason for your lack of confidence?"  
 Source: Eurobarometer 57.2 (Views on Business-to-Consumers cross-border trade), European Commission, 2002



Consumer confidence in buying from a shop or seller located in another EU country differs depending on the type of product or service, as Figure 1.69 shows. The share of respondents indicating that they were as confident about buying abroad in this way ranges between 57% (for clothes) and 26% (for financial services). Even if consumers are generally less confident in this respect, they are more likely to buy clothes and least likely to purchase financial services in this way.

Perhaps unsurprisingly, there were very few consumers who were 'more confident'. There was however some variation in terms of products or services that they would be more confident about buying from a shop or seller located in another EU country. Thus, consumers were twice as confident about buying a new car (6%) in another EU country, than a CD-player, a new kitchen or financial services (all 3%) - which most probably reflects the attraction of lower car prices practised in certain countries.

**F**igure 1.69: Consumer confidence in purchasing another EU country, compared to purchasing in their own, by type of product or service, EU-15, 2002 (%)



Source: Eurobarometer 57.2 (Views on Business-to-Consumers cross-border trade), European Commission, 2002

Zooming in on financial services, levels of cross-border trade in this sector were, for the most part, very low in Europe in 2003, based on the findings of Eurobarometer 60.2.

With 61% reporting that they had no problems using financial services elsewhere in the EU, the Danish were most likely to look beyond their own borders for financial services. And at the other end of the scale, perhaps untypically, consumers in southern Europe were not the least keen: Germany, with only 15%, was the country finding cross-border financial services most problematic. In fact, Germans were generally the most hesitant across the majority of problem categories, with security concerns and language problems ranking especially high. Interestingly, for respondents from the new Member States of eastern Europe, apart from Slovenia, language problems and the necessity of having large sums to invest were more often obstacles when compared with their counterparts in the EU-15 and Cyprus and Malta (see Table 1.70).

**T**able 1.70: Obstacles to cross-border trade in financial services, 2003 (%) (1)

	EU-15	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV
No obstacles	28	26	19	61	15	33	28	34	19	33	26	29	26
Lack of information	24	24	32	11	31	14	22	21	27	23	24	21	19
Bad information	9	7	9	3	16	6	6	5	8	3	11	3	7
Too risky	23	23	9	7	42	3	10	10	30	19	13	14	7
Necessary to have large amounts to invest	8	8	10	4	11	24	13	8	13	9	8	13	21
Difficulties due to distance	19	25	16	4	26	7	22	13	32	17	17	13	14
Poor legal protection in the event of problems	15	14	8	5	29	5	5	5	19	9	13	3	7
Language problems	22	23	27	8	31	22	18	18	25	19	22	10	22
Other reasons	6	9	13	6	5	8	12	6	6	4	3	5	18
Don't know	9	6	:	9	5	:	8	18	4	11	16	:	:

	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
No obstacles	18	42	28	33	39	28	34	25	41	33	44	42	47
Lack of information	22	16	27	18	20	25	18	17	19	31	23	22	19
Bad information	1	7	2	2	8	16	8	6	15	10	4	8	2
Too risky	9	21	11	19	21	22	13	10	7	13	16	16	16
Necessary to have large amounts to invest	33	4	18	19	4	6	27	16	9	28	4	4	3
Difficulties due to distance	11	11	20	14	15	18	13	10	10	23	9	9	10
Poor legal protection in the event of problems	6	12	7	6	15	18	9	3	9	10	10	16	8
Language problems	23	3	32	13	17	15	25	15	15	38	23	22	18
Other reasons	8	11	9	5	6	8	7	8	1	11	7	5	7
Don't know	:	6	:	:	5	10	:	25	:	:	3	4	7

(1) Question: "Are there any obstacles, preventing you from using financial services elsewhere in the European Union?"; multiple answers allowed.

Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), European Commission, 2003

## 1.5 SAFETY OF SERVICES AND PRODUCTS

Consumer services cover a wide variety of categories including financial services, telecommunications, health services, beauty care, travel and tourism, organised leisure activities, cultural events, and so on. The service sector accounts for a significant share of economic activity in the EU: 70% of gross value-added, 69% of total employment and EUR 710 billion of cross-border trade.

Some services involve risks for the health and physical safety of the consumer, for example injuries caused by a lack of information, poor supervision of organised adventurous sport activities or skin damage by beauty treatment. But despite this, there is currently no general EU legal framework to address the safety risks, although specific EU policy and legislation covers aspects of the safety of services in certain sectors, notably transport.

To remedy this situation the Commission adopted a report on the safety of services for consumers to provide a basis for future EU initiatives on the safety of services. On this basis, the Commission is currently working on improving the knowledge base to better assess the different types of accidents/injuries linked to consumer services and related problem areas in terms of safety. Once a comprehensive data collection system is in place to allow to have a complete picture of the situation, the Commission may envisage the introduction of a legislative framework to support and complete national consumer policies in this area.

### FOCUS ON PHYSICAL SAFETY

With respect to a guarantee of the safety of services, in 2003 slightly over half (50.4%) of Europeans surveyed believed that these were guaranteed in their own country, according to Eurobarometer 59.2. There was however a regional distinction, with southern Europeans, for the most part, having less confidence in this guarantee: 35.8% of the Portuguese agreed that the safety of services was guaranteed, while 31.4% of Italians, and 22.2% of Greeks did so. The Spanish were, however, above the EU-15 average with 56.3 per cent. The Finns, with 79.0%, had the highest confidence in the guarantee of the safety of services in their own country, followed by the Austrians with 64.4% and the French with 62.7 per cent.

European consumers' confidence in the guarantee of the safety of services in other EU-15 countries' was about half of what it was for confidence in their own countries (24.3% for other EU countries, 50.4% for own countries). Spain (39.5%), Portugal (32.6%) and Belgium (32.5%) were those with the highest confidence in a guarantee of the safety of services in other EU countries. The United Kingdom (17.0%), Denmark (16.1%) and Sweden (9.1%) showed the least confidence.

(10) The report was discussed in Council and on 1 December 2003 Council adopted Resolution 2003/C 299/01 on the safety of services for consumers.

**Table 1.71: Number of products notified as dangerous for consumers under RAPEX by product category, EU-25, 2004 (units) (1)**

Total	388
Electrical appliances	105
Toys	101
Children's equipment	30
Motor vehicles	25
Cosmetics and hygiene products	23
Other	18
Lighters	16
Household appliances	12
Hobby/sports equipment	9
Clothing	9
Kitchen/Cooking accessories	8
Furniture	8
Gadgets	6
Computer hardware	4
Childcare articles	4
Garden equipment	4
Laser pointers	3
Percussion caps	2
Chemical subb.	1

(1) Categories of products notified under Article 12 (1st January-31st December 2004).

Source: 2004 RAPEX Report, Directorate-General of the European Commission for Health and Consumer Protection

**Table 1.72: Number of products notified as dangerous for consumers under RAPEX by type of danger, EU-25, 2004 (1)**

Total	313
Electric shock	110
Choking/suffocation	80
Fire risk/burns	64
Other	22
Presence of carcinogenic substances	20
Health	5
Chemical substances	5
Skin lesion/irritation	4
Explosion	2
Cuts	1

(1) Categories of products notified under Article 12 (1st January-31st December 2004).

Source: 2004 RAPEX Report, Directorate-General of the European Commission for Health and Consumer Protection

## FOCUS ON RAPEX: THE ALERT NETWORK OF DANGEROUS CONSUMER PRODUCTS

RAPEX serves as a single rapid alert system for dangerous consumer products. All non-food products intended for consumers or likely under reasonably foreseeable conditions to be used by consumers are included within the scope of RAPEX, with the exception of pharmaceutical and medical products.

The objective is to ensure the rapid exchange of information among Member States and the Commission on measures taken in the Member States to prevent, restrict or impose specific conditions on the marketing or use of consumer products by reason of serious risk to the health and safety of consumers.

Enlargement, the revised Directive on General Product Safety and the various initiatives taken to support the application of the system contributed to a significant expansion of RAPEX in 2004 with almost a triple amount of notifications submitted in 2004 in comparison to 2003: from 139 notifications submitted in 2003 to 388 for 2004.

More than half of the 388<sup>11</sup> circulated notifications concerned two categories of products: electrical appliances (27%) and toys (26%). These were followed by children's equipment (8%), motor vehicles (6%), cosmetics and hygiene products (6%). Interestingly, electric appliances were the main cause of notification in 2004, while they were almost inexistent in notifications in 2003 (only 5%).

Considering the main categories of danger identified in the notifications, four categories emerge: injury (29%), electric shock (28%), choking/suffocation (20%) and fire risks/burns (16%). Putting these results in parallel with the statistics on the categories of products notified, it is worrying to notice that many of these hazards apply to products intended for children.

With regard to the origin of products concerned, the highest number of notifications concerned products originating from China (36%) followed by a country of the EU-25 (35%).

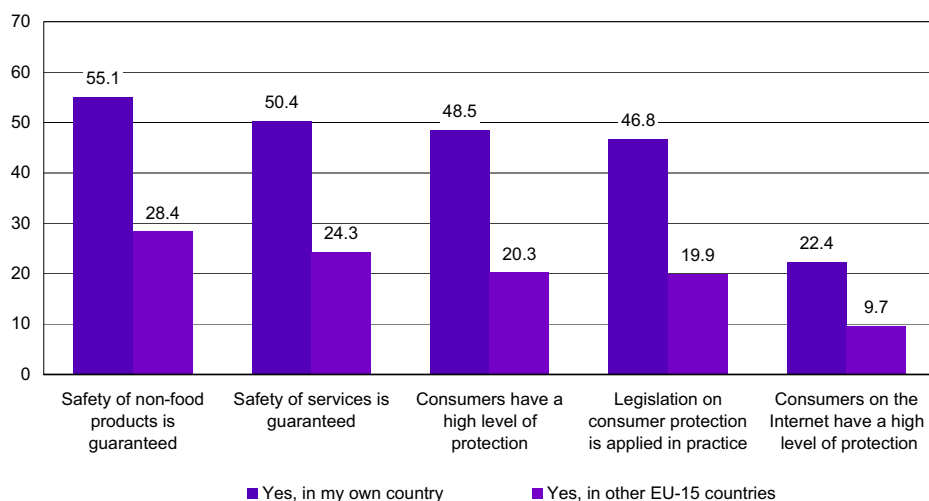
(11) Although the new Member States joined RAPEX only as of the 1st May 2004, countries such as the Czech Republic, Hungary, Lithuania or the Slovak Republic have notified extensively. In total, the EU-15 has submitted 242 notifications and the new Member States 146.

## CONSUMER CONCERNS ON RISKS

Reading still the results of Eurobarometer 59.2, a series of five different questions on consumer safety, protection and rights shows quite a range of consumer confidence across the EU-15 (see Figure 1.73). In 2003 Europeans showed most confidence in the safety of non-food products and the least in consumer protection for purchases made on the Internet. For all aspects, European consumers showed more confidence in consumer protection in their own countries than in other countries of the European Union.

When asked generally as to whether they believed they had a high level of protection as consumers (not taking food safety into account) in their own countries, nearly half (48.5%) of Europeans answered positively. Northern Europeans had a stronger level of consumer confidence than the EU 15 average, with 83.6% of Finns saying they believed they had a high level of consumer protection along with 72.4% of Swedes and 71.6% of Danes. At the other end of the scale, just 19.9% of Greeks, 21.9% of Italians and 29.7% of Portuguese believed so (the Spanish were the fourth lowest, with 43.8%), showing a clear regional differentiation.

**F**igure 1.73: Europeans' opinions on consumer safety and protection, EU-15, 2003 (%) (1)



(1) Europeans finding that they had a high level of safety in either their own country or another EU-15 country.

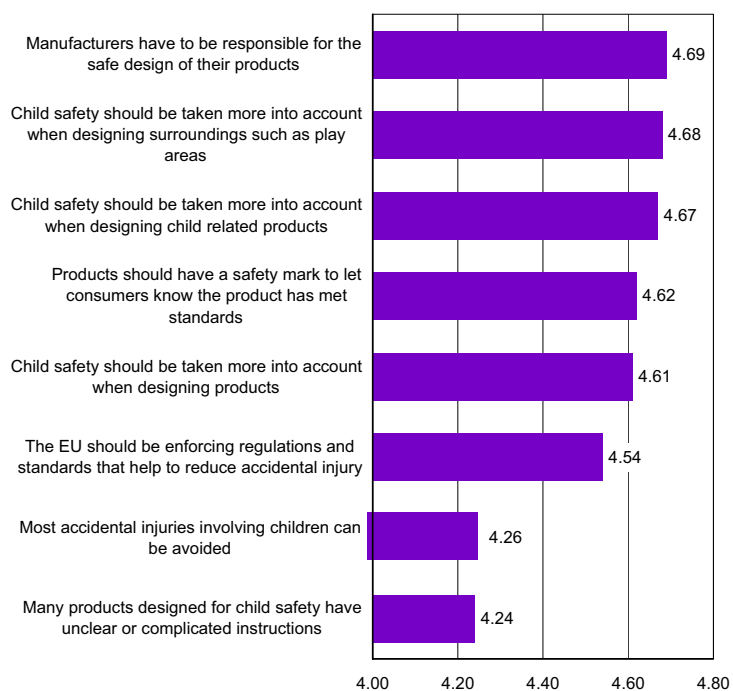
Source: Eurobarometer 59.2, European Commission, 2003

Figure 1.74 shows that citizens of the EU-15 agreed fairly strongly on a range of statements concerning child safety and manufacturing. They agreed that manufacturers should bear the responsibility for the safety of their products and that they should take children's safety into account when designing play areas, child-related products and other products.

Consumers agreed slightly less strongly that the EU should enforce standards and regulations to help reduce accidental injury. At the bottom of the list, but still well above "tend to agree", were the statements that most accidental injuries concerning children can be avoided and that many products designed for child safety had unclear or complicated instructions. There was little variation at the national level on these statements.

The BSE (Bovine Spongiform Encephalopathy) scare, the Tchernobyl nuclear plant accident, numerous oil spillages such as that of the Erika, various railway accidents, the chemical plant explosion in Toulouse, among others, remind us of just how real such risks are to our physical safety, and also of our exposure to risks beyond national borders.

**F**igure 1.74: Europeans' attitudes towards safety, EU-15, 2002  
(agreement on a scale of 1-5) (1)



(1) The scale is 5=strongly agree, 4=tend to agree, 3=neither agree nor disagree, 2=tend to disagree, 1=strongly disagree.

Source: Eurobarometer 59.0 (Health, food and alcohol and safety), European Commission, 2003

Queried on which areas they think their governments should take action on, consumers cited nuclear safety most often in 2002, according to a Eurobarometer survey (57.0: Energy: Issues, options and technologies). Looking at Table 1.75, the scores were 50% for nuclear installations and 47% for radioactive waste. In southern European Member States, in particular Portugal, this priority was a little less pronounced.

By contrast, road accidents were, relatively speaking, considered to be the least important, accounting for 19% of answers in the European Union as a whole. This seems somewhat paradoxical given that so far, nuclear power has caused least harm to people and material damage generally, while road accidents have caused more damage and loss of life. Possibly, the reason for this contradiction is that respondents are drivers themselves and therefore feel more immediately in control of this risk; nuclear power is in the hands of others.

Food safety (52%) ranked second among consumers' concerns, followed by safety at work (43%) and three closely related areas: chemical plants and the transport of dangerous substances (35%), oil transport (16%) and oil refineries (5%). Between them, these three categories, all of which evidently bring to mind the risk of spectacular accidents, thus obtained a score of 56%.

With regard to chemical plants, oil refineries and associated transport operations, there was again a difference between Member States in northern Europe, where people are more inclined to be cautious, and countries in southern Europe, where people are less concerned.

By contrast, where food safety is concerned, people in Member States in both southern and northern Europe express great concern (Belgium, Greece, Denmark, Italy) and, at the other end of the scale, are less concerned (Ireland, Sweden, Great Britain).

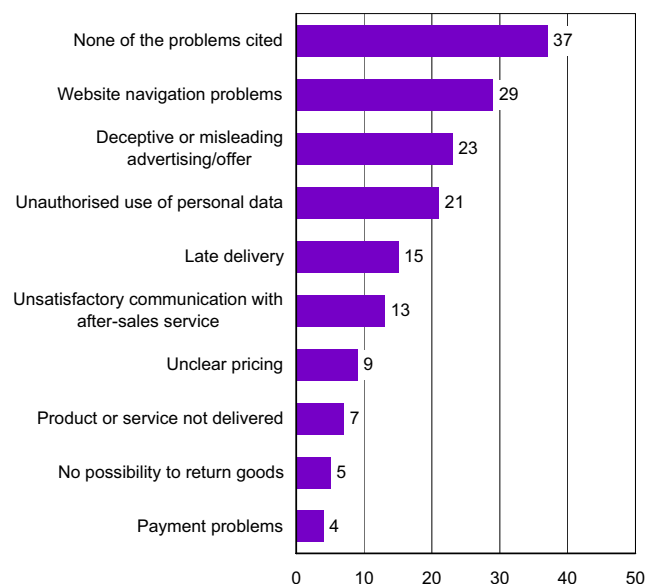
**T**able 1.75: Europeans' views regarding safety priorities necessitating governmental action, 2002 (%) (1)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
Health and safety at work	43	37	40	32	63	66	40	39	57	47	31	42	57	29	30	34
The safety of chemical plants and the transport of chemical substances	35	33	38	36	30	19	44	36	29	36	50	31	29	34	42	37
The safety of nuclear power stations	50	41	40	62	46	35	51	54	44	55	50	58	21	60	59	53
The management and disposal of radioactive waste	47	40	51	51	34	35	46	44	43	34	51	42	26	59	65	55
Food safety	52	67	60	49	62	56	52	32	59	53	49	53	55	52	39	46
The safety of oil refineries	5	4	2	5	7	4	5	8	5	3	4	6	8	7	3	5
The safety of oil and gas transport (tankers, pipelines, etc.)	16	15	24	20	7	12	16	12	13	12	15	11	14	19	27	15
Road accidents	19	35	19	9	16	27	22	23	17	19	22	16	27	13	18	26
Other	1	1	1	1	0	2	1	2	1	0	1	1	1	1	0	1
Don't know	3	2	1	3	4	4	1	5	2	3	2	4	6	3	1	3

(1) Question: "From the following list, which do you think should be the three top priorities governments in the European Union should take more action about?"; multiple answers allowed.

Source: Eurobarometer 57.0 (Energy: issues, options and technologies), European Commission, 2002

**Figure 1.76: Problems encountered when shopping on-line, EU-15, 2002 (%)**



(1) Question: "When shopping for your private use on the Internet, did you encounter the following problems?"

Source: Flash Eurobarometer 135, European Commission, 2002

## FOCUS ON ECONOMIC SAFETY: FRAUD AND ABUSE

Unfair business practices by rogue traders and corruption are also the target of the Commission's actions for consumer safety. And they are no less of a problem in an enlarged Europe, with supply and distribution chains often involving different countries, and different legal systems.

Going by one Eurobarometer survey (60.1) based on 2003 data, corruption was, on average, the problem which was the greatest worry to EU-15 citizens. A total of 55% of them cited this as their prime concern ahead of 46% for whom fraud relating to the quality of food and agricultural products was their number one concern.

The second most cited concern on an EU-15 basis related to fraud relating to the quality of food and agricultural products. The issue which concerned the third largest number of EU citizens and was cited by 39% of them concerned commercial fraud, i.e. cheating on prices, weights, goods, etc.

This is also the suitable place to consider e-commerce, for because of the Internet's virtual and international nature, consumers can expose themselves to a catalogue of problems and legal loopholes, even if the majority of online purchases are trouble-free.

Based on the findings of Flash Eurobarometer 135, the problem of "deceptive or misleading advertising / offer" was a matter that concerned 23% of online buyers in the second half of 2002. A related item referring to "unclear pricing" was confirmed as problematic by 9% of interviewees. On the subject of delivery, 7% of online buyers polled did not receive their purchased product or service at all, while 15% did not receive their purchased product or service on time.

13% of online buyers were dissatisfied with the communication with after-sales service. 5% of online buyers claimed that there was "no possibility to return faulty or unwanted goods". On data protection, "unauthorised use of personal data" affected 21% of online buyers.



**CONSUMER REPRESENTATION**

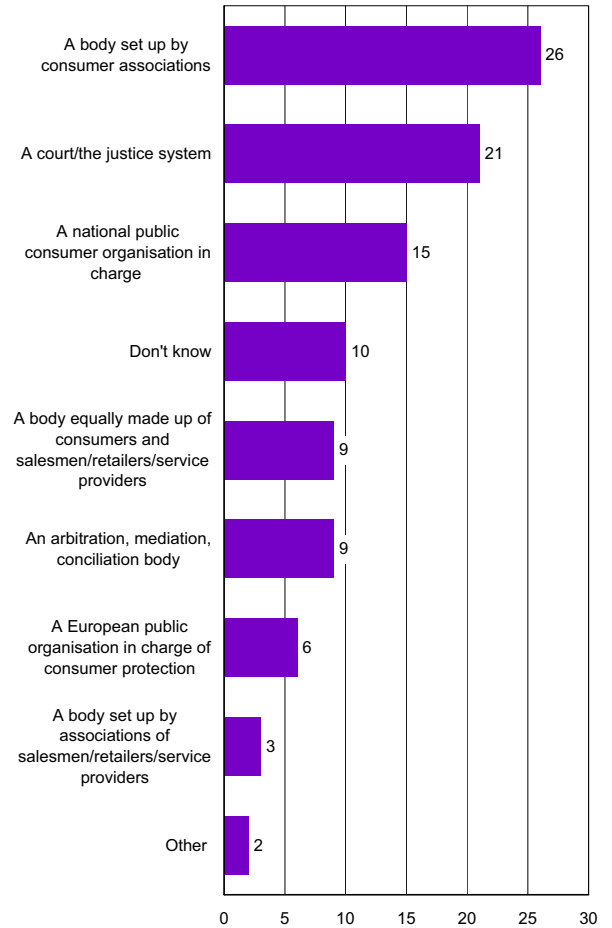
Finally, it seems fitting to close this chapter with a few words on consumer representation, all the more so because the Commission's consumer policy strategy for 2002 to 2006 places much emphasis on stimulating greater involvement of consumer organisations in policy-making.

Data from Eurobarometer survey 60.0 (EU citizens and access to justice) show that 26% of consumers thought in 2003 that a body set up by consumer associations was the best way to guarantee the protection of their rights (see Figure 1.77). 21% were in favour of the justice system/court option and 15% cited a national public organisation in charge of consumer protection. The remaining propositions were chosen by less than a tenth of the population.

Results of the same 2003 survey show that 67% of EU-15 citizens were more willing to defend their rights before a court if they could join with other consumers who were complaining about the same thing. People also polled trusted consumer associations as much as barristers when it comes to the defence of several consumers in court: the two responses obtained 33% each in the poll.

EU consumers also showed strong interest in accessing information from an EU network to help them resolve cross-border disputes. Nearly 60% of respondents were aware of the existence of alternative dispute resolution (ADR) schemes - such as ombudsmen, mediators and complaint systems - for settling consumer disputes and that offer a cost effective and speedy way of resolving disputes between consumers and traders.

**Figure 1.77: Consumers' views on the best representation body for their interests, EU-15, 2003 (%) (1)**



(1) Question: "Who do you think can best protect your interests as a consumer?" (see above categories).  
 Source: Eurobarometer 60.0 (EU citizens and access to justice), European Commission, 2002

### EUROPEAN CONSUMER CENTRES NETWORK

Readers should note that the European Consumer Centres Network (ECC-Net) is a new EU-wide network to advise citizens on their rights as consumers in the Internal Market and to provide easy access to redress, particularly in cross-border cases. It provides consumers with information on available alternative dispute resolution (ADR) schemes, as well as legal advice and practical help in pursuing a complaint by this means. The aim is to ensure that consumers feel as confident when shopping in another country as they do at home. This one-stop shop service has been created by merging two previously existing networks: the European Consumer Centres or 'Euroguichets' and the European Extra-Judicial Network or 'EEJ-Net':

[www.europa.eu.int/comm/consumers/redress/ecc\\_network/index\\_en.htm](http://www.europa.eu.int/comm/consumers/redress/ecc_network/index_en.htm)



## 2. Food, beverages and tobacco



## 2 FOOD, BEVERAGES AND TOBACCO

Food and beverages are amongst the most important consumption items, satisfying the basic physiological needs of hunger and thirst and forming one of the most recurrent expenditure items for the majority of EU households. However, the increasing share of Europe's population in active employment and the growing number of large supermarkets has generally led to a reduction in the average number of shopping trips that are made for food each week.

There are considerable differences in the regional trends of consumption of food and beverages, which are driven by the diversity of produce available within the EU. Increased leisure, in the form of more foreign holidays and a larger number of trips to restaurants has resulted in higher consumer awareness as regards foreign foods and drinks. Coupled with improved distribution networks, this has led to a convergence in consumption patterns (for example, rising wine consumption in northern Europe and rising beer consumption in southern Europe).

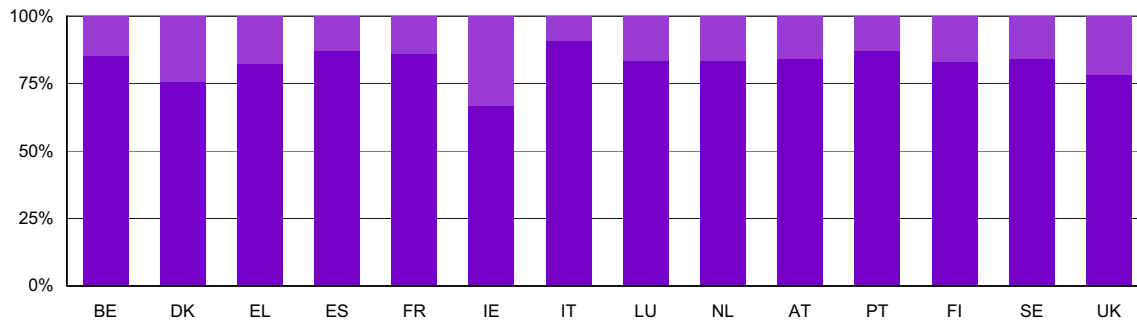
Together food, beverages and tobacco accounted for between 12.0% (Luxembourg) and 23.5% (Ireland) of total household expenditure in 1999 (see Table 2.21). It is important to note that the HBS data covered in this chapter does not include food or beverages sold for immediate consumption by hotels, restaurants, cafés and bars, nor cooked dishes prepared by restaurants or catering contractors (whether collected by the customer or delivered to the customer's home). Furthermore, the data does not always take account of self-production of food and beverages, which may account for a considerable share of household consumption<sup>1</sup>. Indeed, INSEE estimate that in 1999, some 11% of the fresh fruit and vegetable market in France was satisfied by self-production (9% of which was accounted for by vegetables and 2% by fruits)<sup>2</sup>.

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(1) Consumption of own production is generally thought to be underestimated within the HBS; SE, no consumption of own production; DK, consumption of own production only recorded when >1 000 Danish crowns.

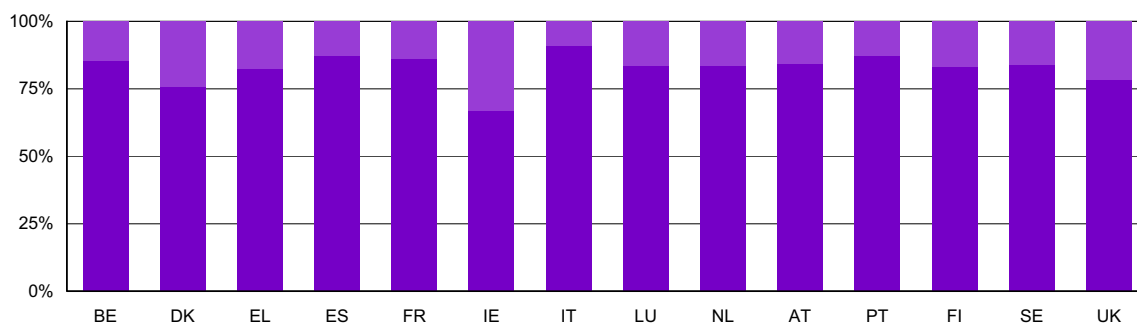
(2) La consommation des ménages en 1999, Infos - Ctifl -no. 166, November 2000.

**Figure 2.1: Food, beverages and tobacco**  
Mean consumption expenditure, 1999 (PPS per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 2.2: Food, beverages and tobacco**  
Breakdown of consumption expenditure, 1999 (%) (1)



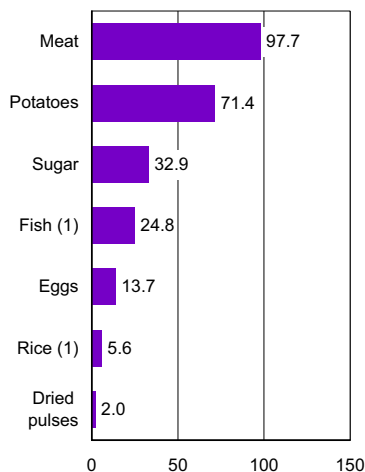
(1) DE, not available.

(2) SE, including part of beer and take-away food and beverages.

(3) AT, data for alcoholic beverages are unreliable; SE, excluding part of beer.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 2.3: Human consumption of selected food products in the EU, 2002 (kg/inhabitant)**



(1) 2001.  
 Source: Eurostat, Agriculture and fisheries  
 (theme5/zpa1 & theme5/fish)

## CONSUMPTION

Figure 2.3 shows the breakdown, in volume terms, of consumption of selected food items in 2002. On average Europeans ate almost four times as much meat (98 kg/inhabitant) as they did fish (25 kg), whilst consuming almost 33 kg of sugar.

Looking in more detail, Table 2.4 shows the wide disparities that still exist between the consumption of certain food and beverage items within the EU. These patterns are usually related to whether or not a product can be supplied locally. For example, the principal consumers of vegetable oil are Greece, Spain and Italy, whilst the highest per capita consumption of meat is in Denmark, Spain and Austria (a land-locked country) and the largest volume of fish and seafood is eaten in Spain and Portugal.

According to the FAO, Europeans consumed on average more than 3 500 calories per day in 2001. More than two-thirds of this total could be accounted for by vegetable products, whilst the daily intake of calories from meat was, on average, just over 400 and that from fish below 50 (see Table 2.5). The range of the calorific intake of EU inhabitants spread from 2 809 calories in Latvia to 3 799 calories in Austria.

Table 2.4: Per capita supply of food per year, 2001 (kg) (1)

	EU-15	BE/LU	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV
Cereals	116.0	107.7	112.6	127.1	101.7	138.1	153.7	101.3	117.1	129.1	162.1	111.1	113.1
Starchy roots	78.1	113.0	81.3	81.5	77.8	131.6	73.5	82.9	66.9	119.8	<b>39.7</b>	45.4	99.6
Sugar & sweeteners	40.2	52.2	38.5	51.4	46.6	32.8	35.8	32.6	40.9	44.1	31.6	42.5	31.4
Pulses	3.7	2.4	1.5	1.1	1.6	0.6	4.5	5.7	2.0	2.7	5.5	4.4	<b>0.0</b>
Treenuts	4.9	5.0	1.5	4.8	5.0	1.0	<b>11.9</b>	7.3	4.1	0.9	6.1	3.3	1.7
Oilcrops	4.0	3.0	3.6	2.0	3.7	<b>0.4</b>	<b>15.1</b>	6.0	2.7	3.1	3.3	9.7	1.0
Vegetable oils	21.5	24.4	17.5	6.9	22.8	11.1	27.9	<b>28.1</b>	17.7	15.3	27.5	15.9	13.6
Vegetables	125.7	140.4	75.1	99.8	92.7	76.3	<b>271.9</b>	154.2	129.9	80.8	177.9	163.8	86.2
Fruits	114.3	84.4	66.9	95.6	119.6	77.8	<b>145.4</b>	122.6	97.3	99.7	139.9	127.6	59.0
Stimulants	8.3	<b>3.6</b>	7.1	<b>14.3</b>	9.4	12.1	5.4	6.8	9.6	5.7	7.2	6.5	6.2
Spices	0.4	0.6	0.6	0.7	0.5	0.4	0.4	0.4	0.2	0.6	<b>0.1</b>	0.3	0.6
Alcoholic beverages	112.8	131.9	168.5	156.1	144.0	89.3	68.0	107.9	95.7	<b>214.6</b>	83.4	60.8	60.0
Meat	91.8	89.7	75.9	116.8	83.1	58.6	91.5	<b>118.1</b>	102.4	88.3	91.2	104.0	<b>38.7</b>
Edible offal	4.2	4.3	4.3	1.7	2.9	2.9	3.1	4.0	9.1	<b>19.2</b>	3.7	5.2	3.9
Animal fats	14.0	24.9	9.5	<b>27.5</b>	21.8	4.8	<b>3.1</b>	4.7	19.0	13.9	10.8	5.8	15.6
Milk	246.2	228.1	201.7	257.8	240.8	218.5	242.4	164.7	272.3	288.5	247.1	179.2	194.8
Eggs	12.6	12.8	15.8	16.3	12.5	12.5	9.2	12.0	15.6	<b>7.8</b>	12.0	11.6	10.4
Fish & seafood	26.2	21.6	12.7	26.5	14.5	22.1	25.1	44.7	31.1	15.9	24.7	25.1	20.0
Other aquatic products	0.1	0.1	<b>0.0</b>	:	<b>0.0</b>	:	<b>0.0</b>	0.1	0.1	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	:

	LT	LU (2)	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Cereals	167.6	:	125.6	<b>185.7</b>	<b>77.0</b>	117.9	155.5	132.2	136.2	128.4	112.8	103.4	102.5
Starchy roots	130.8	:	67.8	86.1	86.8	69.0	<b>132.2</b>	123.7	59.1	67.9	70.6	52.6	110.9
Sugar & sweeteners	43.0	:	50.4	<b>56.5</b>	46.5	50.1	43.1	34.1	<b>14.5</b>	40.3	36.7	47.5	38.9
Pulses	0.5	:	3.0	3.2	1.9	0.9	2.0	3.9	1.1	3.5	1.4	1.5	<b>6.7</b>
Treenuts	1.4	:	<b>0.6</b>	4.2	5.9	6.2	<b>0.6</b>	4.2	3.0	1.7	1.1	2.2	1.9
Oilcrops	1.0	:	1.5	5.3	3.6	3.6	1.9	2.4	1.7	0.9	1.4	3.0	4.3
Vegetable oils	12.3	:	15.9	<b>5.5</b>	14.7	17.3	14.1	16.8	9.0	17.4	11.2	17.0	18.2
Vegetables	94.9	:	110.8	151.5	89.7	97.9	119.2	187.5	<b>55.2</b>	80.5	70.2	74.3	89.5
Fruits	69.8	:	62.3	63.9	129.3	125.6	54.9	132.0	108.3	<b>53.9</b>	93.6	101.5	91.4
Stimulants	5.1	:	6.8	7.1	11.3	9.9	5.0	6.3	11.2	3.8	12.4	11.6	7.2
Spices	0.2	:	<b>5.5</b>	0.4	0.8	0.7	0.2	0.2	1.1	0.4	0.3	0.5	0.6
Alcoholic beverages	76.4	:	112.5	<b>39.4</b>	91.8	155.5	79.6	127.0	81.5	101.9	96.2	77.1	116.6
Meat	46.6	:	81.6	68.2	91.4	110.1	70.5	88.6	94.2	55.4	66.4	70.6	77.8
Edible offal	4.4	:	2.9	2.7	2.1	<b>1.1</b>	2.9	5.9	6.6	2.9	1.5	1.3	2.8
Animal fats	10.8	:	26.8	11.6	10.0	17.8	14.0	12.9	18.6	13.5	11.3	16.7	6.9
Milk	228.1	:	176.1	197.7	342.7	290.8	176.8	226.7	249.6	<b>119.8</b>	355.5	<b>357.7</b>	227.2
Eggs	10.4	:	16.8	<b>17.6</b>	17.1	12.7	11.0	10.7	10.3	13.1	8.8	12.6	10.5
Fish & seafood	20.3	:	<b>4.4</b>	37.6	20.5	14.5	13.1	<b>76.1</b>	7.7	7.4	32.1	30.9	21.6
Other aquatic products	:	:	<b>0.0</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	0.1	:	<b>0.0</b>	:	:	<b>0.0</b>

(1) Bold indicates the country with the lowest per capita supply; purple indicates the country with the highest per capita supply.

(2) Included in BE/LU.

Source: Food and Agriculture Organization of the United Nations (FAO)

## 2: Food, beverages and tobacco

**T**able 2.5: Per capita supply of calories per day, 2001 (units) (1)

	EU-15	BE/ LU	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV
<b>Total</b>	3 539	3 682	3 097	3 454	3 567	3 048	3 754	3 422	3 629	3 666	3 680	3 302	<b>2 809</b>
<b>Vegetal products (3)</b>	2 467	2 542	2 281	2 090	2 533	2 281	<b>2 929</b>	2 483	2 277	2 545	2 749	2 311	2 031
Cereals	877	757	843	807	800	1 030	1 074	753	886	962	1 165	866	866
Starchy roots	140	203	147	145	142	237	133	149	120	203	<b>70</b>	85	182
Sugar & sweeteners	385	496	358	436	453	321	345	316	384	406	301	410	287
Pulses	34	22	14	10	14	6	42	53	18	26	52	42	<b>0</b>
Treenuts	31	37	13	38	39	8	<b>66</b>	42	25	6	39	30	12
Oilcrops	29	18	33	9	34	<b>3</b>	54	35	21	25	14	<b>87</b>	13
Vegetable oils	523	558	426	159	550	264	677	<b>681</b>	428	367	662	360	331
Vegetables	87	133	52	74	68	54	<b>159</b>	107	92	71	107	107	57
Fruits	132	99	81	105	146	88	<b>178</b>	149	97	91	171	138	74
Stimulants	26	<b>6</b>	35	51	34	<b>77</b>	21	15	31	30	15	36	45
Spices	4	6	5	6	5	3	4	3	2	6	<b>1</b>	3	6
Alcoholic beverages	194	209	273	250	248	182	148	180	173	<b>351</b>	147	114	155
<b>Animal products</b>	1 071	1 140	816	<b>1 365</b>	1 035	767	824	939	1 352	1 121	931	991	777
Meat	427	330	295	472	351	253	355	480	<b>542</b>	389	403	423	<b>181</b>
Edible offal	13	15	13	7	9	9	10	12	28	<b>57</b>	11	16	12
Animal fats	217	396	167	<b>451</b>	319	79	<b>33</b>	64	296	183	161	112	206
Milk	321	308	261	320	281	330	351	254	384	437	266	353	314
Eggs	49	50	60	66	48	48	36	46	60	<b>30</b>	47	45	40
Fish & seafood	44	41	19	48	26	48	41	83	43	25	45	41	24

	LT	LU (2)	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Total</b>	3 384	:	3 520	3 496	3 282	<b>3 799</b>	3 397	3 752	2 935	2 894	3 202	3 164	3 368
<b>Vegetal products (3)</b>	2 581	:	2 418	2 567	2 090	2 559	2 532	2 658	<b>1 953</b>	2 242	2 059	2 119	2 362
Cereals	1 301	:	943	<b>1 328</b>	<b>602</b>	929	1 189	1 030	1 068	951	909	788	818
Starchy roots	240	:	124	143	160	117	<b>243</b>	223	106	123	138	92	198
Sugar & sweeteners	373	:	493	<b>539</b>	452	484	417	313	<b>131</b>	379	358	467	371
Pulses	4	:	28	30	18	8	19	37	11	33	13	14	<b>62</b>
Treenuts	10	:	<b>4</b>	31	32	38	5	22	24	11	8	16	11
Oilcrops	12	:	19	46	29	35	15	10	18	9	14	24	44
Vegetable oils	294	:	389	<b>133</b>	352	428	347	405	218	424	264	405	470
Vegetables	71	:	89	104	77	64	80	117	<b>42</b>	52	47	53	67
Fruits	87	:	85	77	132	155	70	175	139	<b>64</b>	93	100	102
Stimulants	27	:	19	71	67	19	9	39	59	<b>6</b>	27	18	21
Spices	<b>1</b>	:	9	3	7	6	2	2	<b>10</b>	4	3	5	6
Alcoholic beverages	156	:	216	<b>56</b>	165	271	136	273	130	182	180	132	183
<b>Animal products</b>	803	:	1 102	928	1 192	1 240	865	1 093	982	<b>652</b>	1 143	1 044	1 006
Meat	219	:	359	262	438	479	346	392	372	218	486	310	442
Edible offal	13	:	9	8	7	<b>3</b>	9	18	21	9	5	4	9
Animal fats	151	:	421	225	193	327	217	235	215	213	133	189	140
Milk	339	:	240	304	<b>440</b>	361	213	314	321	<b>149</b>	425	418	342
Eggs	40	:	65	<b>68</b>	66	49	43	41	39	51	34	49	40
Fish & seafood	42	:	<b>8</b>	60	48	21	37	<b>93</b>	15	12	61	73	34

(1) Bold indicates the country with the lowest per capita supply; purple indicates the country with the highest per capita supply.

(2) Included in BE/LU.

(3) Includes miscellaneous products in the total that are not presented in the breakdown.

Source: Food and Agriculture Organization of the United Nations (FAO)



### Healthy eating?

According to a Eurobarometer survey (59.0) conducted in January and February 2003, EU-15 citizens believed that their eating habits were fairly good for them. Indeed, only 13% of the population considered its eating habits as 'not very good' and 2% of the population said that it was 'not at all good'. However, nearly one-third (29%) of EU citizens had changed what they ate or drank in the past three years. Nordic countries such as Denmark, Finland and Sweden counted the higher shares of population having changed their eating or drinking habits (see Table 2.6). Approximately one-third of the population (33.9%) made dietary changes to stay healthy, approximately another third (30.1%) did so to lose weight and just under one-fifth (18.4%) did so because of a disease or health problem (see Table 2.7). More fruit and vegetables and less fat were amongst the most frequently mentioned items by respondents when asked to name food characteristics that would form the basis of a healthy diet (see Table 2.8).

Many nutritionists and health experts believe that healthy eating habits should be established from an early age and for this reason the consumption habits of students are of particular interest. Table 2.9 shows some eating habits of students, aged 15. In all countries but Belgium (Flemish), less than 50% of all young people report eating vegetables daily, and girls report eating vegetables more often than boys in all countries. From 20% of girls in Estonia to 48% of girls in Poland report eating fruit daily, and in all countries except Italy boys report eating fruit less often than girls. This difference exceeds 10% in seven countries. Dieting and weight control behaviour show clear gender differences, with higher levels in girls (from 13% in the Netherlands to 36% in Denmark and Hungary) than boys (from 2% in Portugal to 11% again in Denmark and Hungary).

**Table 2.6: Self-assessment of eating habits and change in eating habits, 2002**

	Self-assessment of eating habits (1)	Percentage of those having changed their eating habits in the last three years (2) (%)
<b>EU-15</b>	3.1	29.0
<b>BE</b>	3.1	28.9
<b>DK</b>	3.3	41.9
<b>DE</b>	3.0	24.5
<b>EL</b>	2.8	32.2
<b>ES</b>	3.1	21.3
<b>FR</b>	3.1	27.3
<b>IE</b>	3.2	26.7
<b>IT</b>	3.0	29.0
<b>LU</b>	3.2	32.1
<b>NL</b>	3.2	34.8
<b>AT</b>	3.1	21.2
<b>PT</b>	3.1	23.6
<b>FI</b>	3.2	42.5
<b>SE</b>	3.1	46.1
<b>UK</b>	3.1	37.6

(1) The scale is 4=very good, 3=fairly good, 2=not very good, 1=not at all good.

(2) This opinion poll has been carried out between 15th January and 19th February 2003.

Source: Eurobarometer 59.0 (Health, food and alcohol and safety), European Commission, 2003

**Table 2.7: Reasons for dietary changes, 2002**  
(proportion of respondents in each category, %)

	Stay healthy	Lose weight	Because of a disease or health problem	Other reason	Keep weight steady	Put on weight
<b>EU-15</b>	33.9	30.1	18.4	10.4	4.4	1.6
<b>BE</b>	23.0	37.6	13.3	5.9	16.7	3.4
<b>DK</b>	30.7	32.3	13.6	13.9	4.3	2.9
<b>DE</b>	40.5	25.8	20.1	4.4	6.0	1.7
<b>EL</b>	36.4	22.6	18.7	14.8	2.4	2.2
<b>ES</b>	28.3	34.8	24.0	7.5	2.1	2.4
<b>FR</b>	24.6	39.2	19.8	11.0	4.2	0.8
<b>IE</b>	43.1	31.3	13.2	3.5	7.1	0.3
<b>IT</b>	32.9	24.8	20.7	15.3	3.4	1.0
<b>LU</b>	39.3	27.1	16.4	11.0	4.3	0.8
<b>NL</b>	29.2	29.9	12.3	20.6	3.3	1.6
<b>AT</b>	38.6	33.2	17.5	5.3	4.8	0.5
<b>PT</b>	28.3	20.8	41.0	5.7	2.9	0.9
<b>FI</b>	45.1	21.5	15.6	9.7	4.6	0.0
<b>SE</b>	37.4	28.5	12.2	13.8	4.9	1.2
<b>UK</b>	37.5	31.6	14.2	10.6	3.5	2.1

Source: Eurobarometer 59.0 (Health, food and alcohol and safety), European Commission, 2003

**Table 2.8: Dietary changes made by respondents during the last three years, 2002** (proportion of respondents indicating a change in their eating habits, %) (1)

	More fruit and vegetables	Less fat	More water	Fewer calories	Less sugar
<b>EU-15</b>	61.1	61.0	50.0	42.8	41.0
<b>BE</b>	44.2	56.9	46.8	44.6	41.8
<b>DK</b>	71.4	66.3	64.8	48.0	39.0
<b>DE</b>	71.4	69.2	61.4	46.4	43.1
<b>EL</b>	48.1	53.0	37.2	35.5	42.9
<b>ES</b>	54.8	57.8	41.7	46.7	31.4
<b>FR</b>	50.6	64.6	45.7	44.6	47.7
<b>IE</b>	71.6	51.3	54.4	40.6	40.4
<b>IT</b>	62.9	59.4	47.2	48.5	35.4
<b>LU</b>	60.7	69.0	57.3	40.2	43.8
<b>NL</b>	45.3	45.5	41.8	33.1	31.1
<b>AT</b>	66.1	67.6	65.3	49.6	46.2
<b>PT</b>	45.9	59.0	37.1	29.1	40.0
<b>FI</b>	62.6	69.5	52.6	46.5	43.5
<b>SE</b>	70.5	65.1	64.2	39.8	49.6
<b>UK</b>	65.5	56.6	47.7	36.6	42.3

(1) Multiple responses allowed.

Source: Eurobarometer 59.0 (Health, food and alcohol and safety), European Commission, 2003

**T**able 2.9: Eating habits of students aged 15 years old, 2001/2002 (%)

	Engaged in dieting and weight control behaviour		Eat breakfast every school day		Eat sweets every day		Drink soft drinks every day		Eat vegetables every day		Eat fruit every day	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
<b>BE (1)</b>	5	18	72	62	33	27	55	36	46	60	16	28
<b>CZ</b>	9	29	56	38	27	24	35	27	20	30	29	45
<b>DK</b>	11	36	73	62	12	11	16	7	21	28	18	36
<b>DE (2)</b>	6	19	64	56	29	31	38	26	24	36	33	43
<b>EE</b>	4	16	76	67	21	27	10	6	10	12	12	20
<b>EL</b>	10	25	42	31	17	19	25	14	13	22	25	32
<b>ES</b>	5	19	72	55	21	25	38	26	7	10	31	35
<b>FR</b>	6	21	73	57	32	26	34	25	36	41	28	30
<b>IE</b>	6	24	73	55	52	56	49	41	39	44	26	33
<b>IT</b>	7	27	64	51	41	41	29	20	19	30	42	40
<b>CY</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>LV</b>	3	16	79	66	24	31	22	14	25	26	21	24
<b>LT</b>	4	21	77	61	13	18	12	8	23	28	16	22
<b>LU</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>HU</b>	11	36	52	43	29	34	34	34	11	14	21	29
<b>MT</b>	10	24	53	43	50	53	45	36	12	15	38	44
<b>NL</b>	4	13	74	61	42	36	58	41	34	45	20	27
<b>AT</b>	8	21	57	45	21	20	32	22	11	14	21	32
<b>PL</b>	7	25	70	60	33	35	29	18	30	37	36	48
<b>PT</b>	2	14	79	71	23	22	31	26	18	23	36	46
<b>SI</b>	8	28	40	36	26	27	46	42	20	28	27	40
<b>SK (3)</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>FI</b>	4	16	66	55	9	9	12	5	14	29	14	27
<b>SE</b>	5	15	72	60	17	14	21	8	28	32	21	23
<b>UK (4)</b>	9	25	62	40	33	33	45	36	26	32	21	28

(1) Flanders only.

(2) Regional data.

(3) The sample size for Slovakia was considered too small to be included in the 2001/2002 international data file.

(4) England only.

Source: adapted from Currie, C, et al., ed. Young people's health in context in Health Behaviour in School-aged Children: a WHO Cross-national study (HBSC); International report; Copenhagen, WHO Regional Office for Europe, 2004 (ISBN 92-890-1372-9)

**Table 2.10: Body image and body weight of students aged 15 years old, 2001/2002 (%)**

	Dissatisfied with body weight		Pre-obese according to BMI (1)		Obese according to BMI (1)	
	Male	Female	Male	Female	Male	Female
BE (2)	25.3	54.8	10.7	7.2	2.0	1.9
CZ	16.3	39.0	11.5	5.0	1.6	0.5
DK	22.8	48.2	12.8	8.6	1.4	0.9
DE (3)	32.2	51.9	13.7	5.5	2.1	1.1
EE	9.4	34.9	8.1	3.8	1.2	0.8
EL	24.0	33.2	20.3	7.5	2.7	1.1
ES	27.8	49.0	17.7	10.0	2.9	0.7
FR	20.6	41.8	10.3	7.6	1.8	2.4
IE	21.4	48.3	9.6	10.8	1.4	1.8
IT	18.9	37.1	17.1	6.6	2.5	1.1
CY	:	:	:	:	:	:
LV	10.6	38.8	7.9	3.5	0.7	0.7
LT	9.0	42.5	4.4	3.0	0.6	0.3
LU	:	:	:	:	:	:
HU	21.1	41.2	11.7	7.5	3.7	1.8
MT	22.7	31.7	18.6	11.9	9.3	4.8
NL	23.7	50.6	8.8	7.1	1.0	0.8
AT	25.9	44.9	10.0	7.5	3.3	0.7
PL	19.3	56.5	7.0	4.2	0.8	1.1
PT	24.1	48.0	15.1	6.4	1.7	0.8
SI	24.4	59.9	16.6	6.2	1.9	0.8
SK (4)	:	:	:	:	:	:
FI	19.8	43.3	14.3	7.9	2.8	1.4
SE	18.0	41.9	12.7	6.0	1.9	1.1
UK (5)	24.4	46.4	11.8	10.1	4.5	2.8

(1) Body mass index (BMI) is calculated as weight (kg)/height (m)<sup>2</sup>; pre-obese, 25 - 29.9; obese, >=30.

(2) Flanders only.

(3) Regional data.

(4) The sample size for Slovakia was considered too small to be included in the 2001/2002 international data file.

(5) England only.

Source: adapted from Currie, C, et al., ed. Young people's health in context in Health Behaviour in School-aged Children: a WHO Cross-national study (HBSC); International report; Copenhagen, WHO Regional Office for Europe, 2004 (ISBN 92-890-1372-9)

Table 2.10 shows the proportions of 15-year-old young people reporting dissatisfaction with their bodies (i.e. feeling a bit too fat or much too fat) and of overweight 15-year-old young people. There are clear gender differences in the reporting of dissatisfaction with body weight: there are more girls (from 31.7% in Malta to 59.9% in Slovenia) than boys (from 9% in Lithuania to 32.2% in Germany). The percentage of overweight boys and girls (the combined total of pre-obese and obese young people) varies from 5% for boys and 3.3% for girls in Lithuania to 27.9% for boys and 16.7% for girls in Malta. There is a clear relationship between the prevalence of pre-obesity and the development of obesity: countries with higher percentages of pre-obesity also report a higher prevalence of obesity. All countries except France, Ireland, Latvia and Poland report a higher prevalence of obesity for boys: levels for boys are on average two times higher.

## ALCOHOL AND TOBACCO

In the extension of healthy eating, it is interesting to study drinking and smoking habits of Europeans. The Eurobarometer survey (59.0) conducted in January and February 2003 gives some details on the alcohol consumption in the EU-15 Member States (see Table 2.11). It appears that Denmark, Sweden and Luxembourg have the highest percentage of persons who have drunk alcohol (wine, beer, spirits and other alcoholic drinks) in the previous four weeks, with 81%, 75% and 74% respectively, whilst the EU-15 average is 61%. Portugal leads the EU-15 for the number of days in the previous four weeks upon which alcohol was drunk, with an average of 23 days, followed by Italy and Spain with 19 days. These three countries, which have the highest average number of days upon which alcohol was drunk, have also the lowest percentage of persons who have drunk alcohol in the previous four weeks. On the other hand, countries with a high percentage of persons who have drunk alcohol have low drinking frequency. However the intensity of drinking, that is to say the average number of drinks consumed at one sitting, varies across the EU-15. While Finland, Sweden and Ireland present the lowest average number of days when alcohol was consumed, Ireland and Finland, with an average of 4.0 drinks per days, rank first and second as regards the number of drinks per day and Sweden ranks fifth, with 2.8 drinks per day. Denmark (which has the highest percentage of the population having drunk in the previous four weeks with 81%) ranks third for the average number of drinks per day, with 3.4 drinks per day. Portugal, Austria and Italy rank last, with respectively 2.0, 1.9 and 1.5 drinks per day.

**T**able 2.11: Alcohol consumption, 2002

	Percentage of those who have drunk alcohol in previous 4 weeks (1) (%)	Total number of days in the previous 4 weeks upon which alcohol was drunk (units)	Average number of drinks per day (2) (units)
<b>EU-15</b>	61.0	15	2.4
<b>BE</b>	62.1	15	2.8
<b>DK</b>	81.2	14	3.4
<b>DE</b>	60.4	12	2.3
<b>EL</b>	62.9	12	2.0
<b>ES</b>	49.9	19	2.1
<b>FR</b>	63.2	17	2.3
<b>IE</b>	60.1	10	4.0
<b>IT</b>	55.4	19	1.5
<b>LU</b>	73.8	18	2.2
<b>NL</b>	70.3	14	2.6
<b>AT</b>	56.2	14	1.9
<b>PT</b>	50.9	23	2.0
<b>FI</b>	66.5	8	4.0
<b>SE</b>	74.6	9	2.8
<b>UK</b>	67.8	12	3.2

(1) This opinion poll has been carried out between 15th January and 19th February 2003.

(2) On a day when alcohol is drunk.

Source: Eurobarometer 59.0 (Health, food and alcohol and safety), European Commission, 2003

**T**able 2.12: Tobacco consumption, 2002

	Percentage of smokers (1) (%)	Average number of cigarettes per day (units)
<b>EU-15</b>	39.4	16.4
<b>BE</b>	34.3	18.4
<b>DK</b>	42.6	16.6
<b>DE</b>	36.7	15.7
<b>EL</b>	42.0	23.2
<b>ES</b>	40.4	16.3
<b>FR</b>	44.1	16.2
<b>IE</b>	34.2	17.5
<b>IT</b>	35.1	15.1
<b>LU</b>	33.8	18.0
<b>NL</b>	42.1	14.6
<b>AT</b>	39.2	17.6
<b>PT</b>	29.3	18.3
<b>FI</b>	39.9	15.6
<b>SE</b>	33.0	11.7
<b>UK</b>	45.1	17.0

(1) Includes smokers of packaged cigarettes, roll-your-own cigarettes, cigars or pipes as well as tobacco chewers and snuff takers.

Source: Eurobarometer 58.2 (Smoking and the environment: actions and attitudes), European Commission, 2003

Concerning smoking habits, a Eurobarometer survey (58.2) conducted in all EU-15 Member States between October and December 2002 allows to present some results on the percentage of smokers and the daily consumption of cigarettes (see Table 2.12). Nearly 40 % of Europeans smoke<sup>3</sup> with a variation of nearly 16 percentage points between the country with the most smokers (the United Kingdom with 45%) and that with the fewest smokers (Portugal with 29%). Interestingly, with the exception of Greece, it seems that the majority of countries having a large percentage of smokers present relatively low average cigarette consumption per day. More particularly, smokers are the most numerous in the United Kingdom, France and Denmark in proportion to the whole population of these countries (representing respectively 45%, 44% and 43% of the population), but consume an average number of cigarettes per day in line with the EU-15 average of 16.4 cigarettes per day (respectively 17.0, 16.2 and 16.6 cigarettes per day). In fact, cigarette consumption is consistently higher for countries where there are fewer smokers, such as Belgium, Ireland, Luxembourg and Portugal. Greece is the only country where a high percentage of smokers (42%) and high cigarette consumption (23.2 cigarettes per day) overlap.

## CONSUMPTION EXPENDITURE

### Food as a necessity

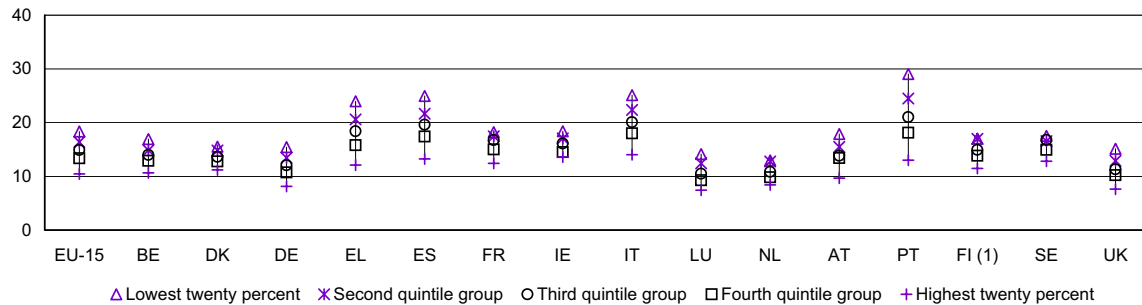
There was a relative decline in the importance of food and non-alcoholic beverages within total household expenditure between 1994 and 1999 in all EU-15 countries, for which data were available, except Belgium. The largest reductions were recorded in Ireland and the United Kingdom, where spending on food and non-alcoholic beverages as a proportion of total expenditure fell by 2.8 percentage points.

Figure 2.13 shows the breakdown of food and non-alcoholic beverages consumption expenditure by income quintile group in 1999<sup>4</sup>. As food may be regarded as a necessity, the share of expenditure on food and non-alcoholic beverages in total expenditure is inversely related to income. As a result, the breakdown of expenditure by income quintile group is influenced by income distribution. The proportion of total expenditure accounted for by food and non-alcoholic beverages shows similar proportions amongst different income groups in Denmark, Ireland and Sweden and wider variations in Portugal.

(3) This figure includes all those who smoke - those who smoke packaged cigarettes, roll-your-own cigarettes, cigars or pipes - as well as those who chew tobacco or take snuff.

(4) For the whole of this section on consumption expenditure: FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

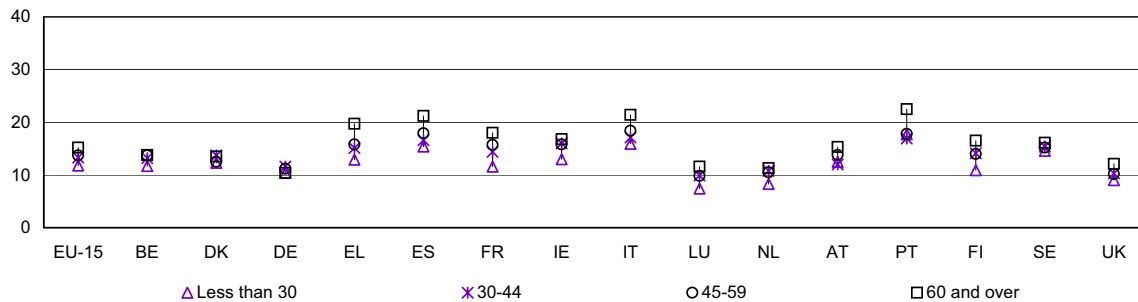
**Figure 2.13: Food and non-alcoholic beverages**  
Share of total consumption expenditure, breakdown by income distribution, 1999 (%) (1)



(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)

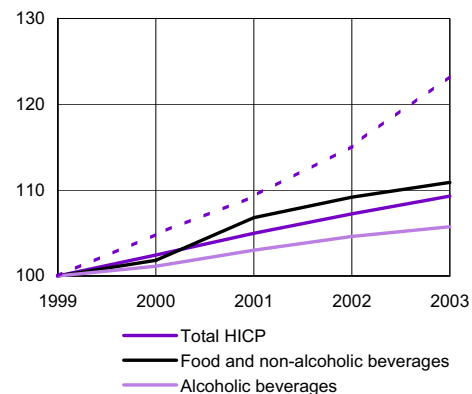
**Figure 2.14: Food and non-alcoholic beverages**  
Share of total consumption expenditure, breakdown by age of head of household, 1999 (%)



Source: Eurostat, Household Budget Survey (theme3/hbs)

Figure 2.14 shows that households headed by a person aged 60 and over generally spent a higher proportion of their expenditure on food and non-alcoholic beverages. Expenditure on food and non-alcoholic beverages by households headed by a person aged under 30 was generally between two thirds and four fifths of the proportion for households headed by a person aged 60 and over (although in Denmark, Germany and Sweden the ratio was over nine-tenths).

**Figure 2.15: Food, beverages and tobacco**  
Development of harmonized indices of consumer prices in the EU (1999=100)



Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## PRICES

The harmonised index of consumer prices for food and non-alcoholic beverages rose in the EU by 10.9% between 1999 and 2003, equivalent to less than 3% per annum on average (see Figure 2.15). This was slightly higher than the rate of increase recorded for the all-items consumer price index, which gained, in absolute terms, 9.3% between 1999 and 2003.

For means of comparison, consumer price indices for alcoholic drinks and tobacco products are also provided in Figure 2.15. Whilst consumer prices for alcoholic drinks grew by less than the all-items average (up 5.7% between 1999 and 2003), the price index for tobacco goods rose by 23.3% over the same period (equivalent to an average annual increase of 5.4%).

A more detailed breakdown of the evolution of consumer price indices of food, beverage and tobacco items is provided in Table 2.16. For the vast majority of items, price increases followed closely the pattern observed for the aggregate of all food, beverage and tobacco items. There were however more rapid price increases for fruit and fish and seafood, up on average by respectively 3.9% and 3.6% per annum between 1999 and 2003, whilst the price of oils and fats rose on average by 1.6% per annum between 1999 and 2003. On the other hand, the price of coffee fell on average by 1.1% per annum between 1999 and 2003. Figure 2.17 gives an insight on the development of consumer prices of the various items by Member States.

In general terms, price level indices show that food was cheaper in the eastern and southern Member States (Czech Republic, Estonia, Greece, Spain, Latvia, Lithuania, Hungary, Malta, Poland, Portugal and Slovakia), although this did not hold for all items (see Table 1.38 on page 35). When comparing the most and least expensive countries in 2002, price levels normally varied between a factor of 1.7 and 3.5. However, for tobacco products this ratio was higher than 6.

The Nordic countries, Ireland, Cyprus, Malta and the United Kingdom were the most expensive countries for purchasing alcoholic beverages in 2002, with indirect taxation having an important influence on price in the Nordic countries, Ireland and the United Kingdom (see Table 1.47 on excise revenues in the Member States of the European Union as of May 2004). The same countries except Cyprus and Malta reported the highest relative price levels for tobacco products, with the United Kingdom the most expensive country, followed by Ireland, Denmark, Sweden and Finland.



Alcoholic beverages were cheapest in Slovakia, Spain, the Czech Republic, Hungary and Slovenia (with price levels respectively some 58%, 67%, 69%, 72% and 75% of the EU average), whilst the cheapest tobacco products were found in Lithuania (34% of the EU average), Latvia (36%), Estonia (44%), Poland (49%) and Hungary (50%).

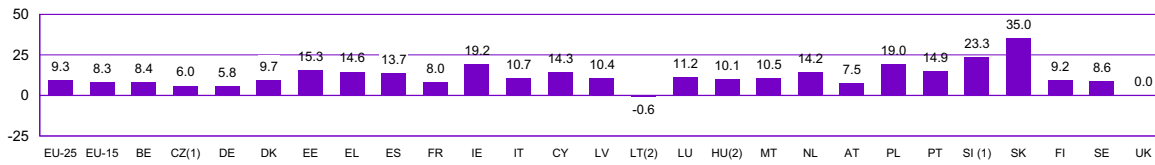
Just as the largest price increases between 1999 and 2003 were for fruit, there was a relatively high degree of variation in the price of fresh fruit, vegetables and potatoes between countries. Slovakia and Poland reported the lowest price levels for fresh fruit, vegetables and potatoes in 2002 (more than 40% below the EU average), whilst Denmark had the highest price level (41% above the EU average). There was a somewhat lower variation in the price of fish, with Latvia and the Czech Republic reporting price levels nearly one-third lower than the EU average, whilst the Danish price level was 30% higher. In general, Denmark had some of the highest price levels in the EU for food items, more than one third above the EU average with only milk, cheese and egg products more in line with the EU average price level.

**T**able 2.16: Food, beverages and tobacco  
Development of harmonized indices of consumer prices in the EU (1999=100)

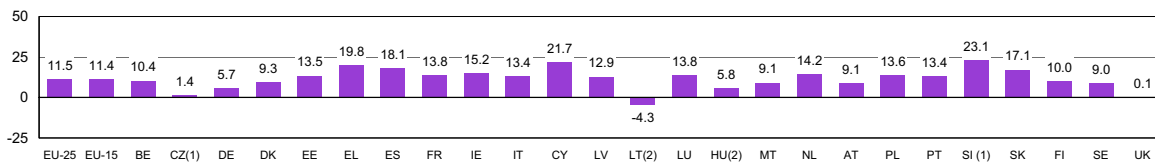
	1999	2000	2001	2002	2003
<b>Total HICP</b>	100	102	105	107	109
<b>Food &amp; non-alcoholic beverages</b>	100	102	107	109	111
<b>Food</b>	100	102	107	110	112
<b>Non-alcoholic beverages</b>	100	100	101	102	102
<b>Food</b>	100	102	107	110	112
<b>Bread &amp; cereals</b>	100	102	106	108	111
<b>Meat</b>	100	103	110	111	111
<b>Fish &amp; seafood</b>	100	103	108	113	115
<b>Milk, cheese &amp; eggs</b>	100	102	106	109	111
<b>Oils &amp; fats</b>	100	101	100	104	106
<b>Fruit</b>	100	100	108	112	117
<b>Vegetables</b>	100	100	106	111	113
<b>Sugar, jam &amp; confectionery</b>	100	102	104	107	110
<b>Food products n.e.c.</b>	100	101	104	107	109
<b>Non-alcoholic beverages</b>	100	100	101	102	102
<b>Coffee, tea &amp; cocoa</b>	100	99	97	96	96
<b>Mineral water, soft drinks &amp; juices</b>	100	101	103	105	106
<b>Alcoholic beverages</b>	100	101	103	105	106
<b>Spirits</b>	100	102	105	106	105
<b>Wine</b>	100	101	102	103	105
<b>Beer</b>	100	101	103	105	107

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

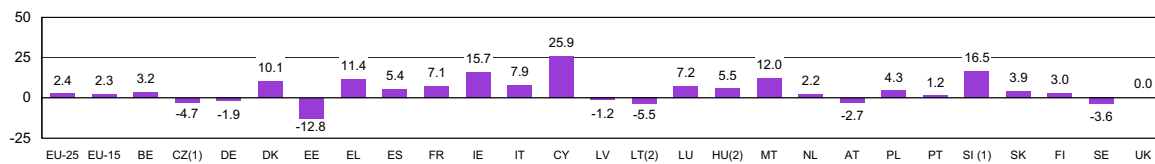
**Figure 2.17: Food, beverages and tobacco**  
**Absolute growth in consumer prices, 1999-2003 (%)**



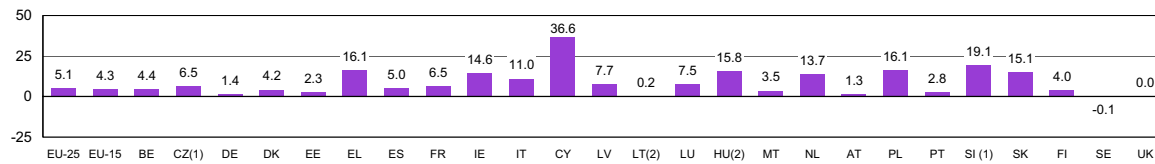
**All-items consumer price index**



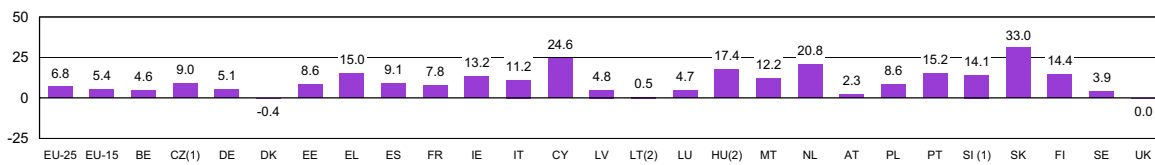
**Food**



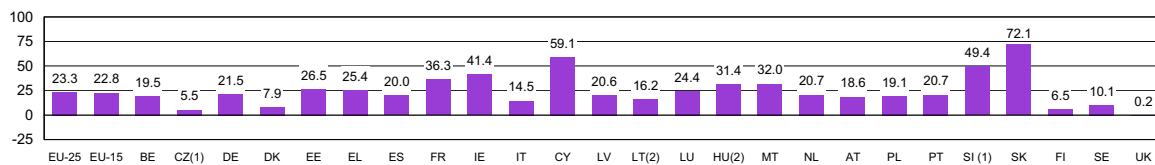
**Non-alcoholic beverages**



**Wine**



**Beer**



**Tobacco**

(1) CZ and SI, 2000 instead of 1999

(2) LT and HU, 2001 instead of 1999

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## SAFETY AND QUALITY: THE TWO MOST IMPORTANT INGREDIENTS OF FOOD

It is the responsibility of the European Commission, in the field of food safety and quality, to set-up, at a European level, a regulatory framework aimed at achieving the highest possible level of consumer health protection and the utmost standards of food safety. This framework is implemented and enforced by Member States. The Commission is also responsible for integration of food safety and quality concerns into policy areas such as the common agricultural policy and for the monitoring of the performance of Member States in controlling food safety.

Important actions have been developed to further improve the food safety legislative framework. Since the adoption of the White Paper on food safety in January 2000, the European Commission has now put into place a coherent and comprehensive approach to food safety based on the principle of farm to fork. Moreover the general principles of food law (in the frame of Regulation EC 178/2002) entered into force in February 2002. The food law, both at national and EU level, establishes the rights of consumers to safe food and to accurate and honest information. It aims to harmonise existing national requirements in order to ensure the free movement of food and feed in the EU.

Food safety and quality improvements are necessary in all sectors of the food chain: feed production, primary production, food processing, storage, transport and retail sale, in other words from farm to table. The aim of the legislative framework is to put safe food and quality food at the heart of the European food chain. Two other important cornerstones of the policy are increased information for consumers and the traceability of food products. The bovine spongiform encephalopathy (BSE) crisis in the 1990s emphasised this policy.

The capacity of the Union's scientific and management systems to respond rapidly to emerging and reoccurring food safety threats in full co-operation and co-ordination with Member States' activities has been reinforced. One of the key measures outlined in the Commission's White Paper was the establishment of the European Food Safety Authority (EFSA) at the beginning of 2002. As an independent legal entity, it provides the European Commission with scientific advice on all matters with a direct or indirect impact on food safety. The EFSA's scientific advice system guarantees a high level of human health and consumer protection. Networks and structural arrangements to reinforce co-operation with the Member States have also been established. The Union's scientific and management systems are also actively involved in research within this domain. Efforts to promote better education of consumers on food safety, as well as nutrition policy are also being developed.

**Table 2.18: Number of products registered under Community legislation as PDOs and PGIs as of August 2004 (units)**

	PDO (Protected Designation of Origin)	PGI (Protected Geographical Indication)
<b>EU</b>	<b>389</b>	<b>270</b>
BE	2	2
CZ	0	3
DK	0	3
DE	37	32
EL	61	22
ES	45	30
FR	69	70
IE	1	1
IT	91	46
LU	2	2
NL	6	0
AT	8	4
PT	53	38
FI	1	0
SE	0	2
UK	13	15

Source: Directorate-General of the European Commission for Agriculture

In August 2004, a new advisory group on the food chain was created. Reflecting the above-mentioned Commission's "farm to fork" approach to food safety, the group, composed of consumers, food industry, retailers and farmers, will be consulted on a wide range of food policy matters. Debate and dialogue with the various stakeholders should strengthen the quality of the Commission's policy.

Specific instruments have been developed to have food of a particular quality recognised and these include rules on the protection of geographical indications (PGI) and designations of the origin of agricultural products and foodstuffs (PDO), covered by Regulation (EEC) No 2081/92. In addition, there are rules on certificates of specific character for agricultural products and foodstuffs (TSG), covered by Regulation (EEC) No 2082/92. These rules were created in 1992 with the aim to protect specific product names from misuse and imitation and to help consumers by giving them information concerning the specific characteristics of products. The names of more than 600 cheeses, meats, fruit and vegetable products are currently registered as either PDOs or PGIs (see Table 2.18).

For more details concerning consumers' attitudes to food safety, please refer to section 1.5 on safety of services and products. One indicator that may be used to monitor the success of food safety policy is the incidence rate of selected communicable diseases such as botulism, campylobacteriosis, salmonellosis and shigellosis (see Table 2.19 and box with definitions).

**T**able 2.19: Incidence rates for selected diseases related to food and water borne diseases (persons having declared a communicable disease per 100 thousand inhabitants), 2002

	Botulism (1)	Campylo- bacteriosis (2)	Salmonellosis (3)	Shigellosis (4)
BE	0.00	69.9	97.7	3.4
CZ	0.08	226.0	272.3	2.8
DK	0.02	81.6	38.7	2.6
DE	0.01	68.4	87.8	1.4
EE	0.29	8.3	24.7	24.6
EL	0.00	2.4	5.1	0.2
ES	0.01	15.5	19.8	0.8
FR	0.06	:	12.6	1.6
IE	:	33.6	9.5	0.7
IT	0.00	3.1	18.5	4.9
CY	:	:	16.6	0.0
LV	0.00	0.1	39.5	33.0
LT	0.17	13.9	38.0	15.0
LU	:	:	84.7	0.2
HU	:	60.4	103.9	4.1
MT	0.00	7.9	17.0	0.8
NL	0.01	21.2	9.1	1.5
AT	0.00	57.0	91.9	1.4
PL	0.19	:	51.4	0.3
PT	0.02	:	3.2	0.0
SI	0.05	67.0	126.7	0.5
SK	0.06	24.8	292.8	18.5
FI	0.00	72.0	45.4	1.6
SE	0.00	80.1	43.7	4.3
UK	0.00	106.8	24.7	1.9

(1) UK, 1998; EL, 1999; IT, MT, PL and SI, 2000; BE, PT and SK, 2001.

(2) EL and IT, 1999; MT, SI, SK and UK, 2000; ES and IE, 2001.

(3) HU and PL, 2001.

(4) CY, FR and MT, 2000; HU, PL, SI and SK, 2001.

Source: Eurostat, Health and safety (theme3/health)

**Botulism** is caused by botulinum toxin, a natural poison produced by certain bacteria in the Clostridium genus. Exposure to the botulinum toxin occurs mostly from eating contaminated food, or in infants, from certain clostridia growing in the intestine. Botulinum toxin blocks motor nerves' ability to release acetylcholine, the neurotransmitter that relays nerve signals to muscles, and flaccid paralysis occurs. As botulism progresses, the muscles that control the airway and breathing fail.

**Campylobacteriosis** refers to infection by the group of bacteria known as Campylobacter. The term comes from the Greek word meaning "curved rod" referring to the bacteria's curved shape. The most common disease caused by these organisms is diarrhea, which most often affects children and younger adults. Campylobacter infections account for a substantial percent of food-borne illness encountered each year.

**Salmonella** food poisoning is a bacterial food poisoning caused by the Salmonella bacterium. It results in the swelling of the lining of the stomach and intestines (gastroenteritis). While domestic and wild animals, including poultry, pigs, cattle, and pets such as turtles, iguanas, chicks, dogs, and cats can transmit this illness, most people become infected by ingesting foods contaminated with significant amounts of Salmonella.

**Shigellosis** is an infection of the intestinal tract by a group of bacteria called Shigella. The bacteria are named in honour of Shiga, a Japanese researcher, who discovered the organism in 1897. The major symptoms are diarrhea, abdominal cramps, fever, and severe fluid loss (dehydration). Four different groups of Shigella can affect humans; of these, *S. dysenteriae* generally produces the most severe attacks, and *S. sonnei* the mildest.

Source: Gale Encyclopedia of Medicine, Published December, 2002 by the Gale Group

## ORGANIC AND GENETICALLY MODIFIED ASPECTS OF FOOD PRODUCTION

Eurostat estimates that almost 2% of agricultural land was devoted to organic farming practices in 1998. Council Regulation 2092/91 sets out strict guidelines that need to be respected before an agricultural product may be deemed as organic. The regulation particularly restricts the use of fertilisers and pesticides. Whilst it is true that organic farming still accounts for a marginal share of total agricultural output, the number of organic farms increased by more than 40% in 1998 in Denmark, Belgium and Portugal. Organic farming was most prevalent (in terms of area covered) in Italy and France (see Table 2.20).

EU legislation concerning genetically modified organisms (GMOs) and genetically modified (GM) food and feed is based on the following principles: GMOs and GM food and feed must be safe; proper information must be given to enable consumers to exercise freedom of choice; there must be careful monitoring of GMOs. GMOs, including seeds, and GM-derived food and feed cannot be authorised unless they have undergone a comprehensive scientific risk assessment and it is concluded that they are safe for human health, animal health and the environment.

The overall EU legislative framework regulating GM food and feed which is being implemented and further developed, provides for comprehensive food and environmental safety assessment, time limited authorisation and mandatory post market monitoring of GMOs, transparency of scientific advice, as well as harmonised traceability and comprehensive labelling requirements in order to provide consumers and users with precise information.

**T**able 2.20: Breakdown of crops grown on organic land in selected Member States, 2001 (ha of land) (1)

	BE (2)	DK	DE	EL (2)	ES (2)	FR (2)	IE (2)	IT (2)	LU	NL	AT (2)	PT	FI	SE (2)	UK (2)
<b>Cereals</b>	2 581	57 036	:	2 086	48 950	54 556	505	194 616	312	5 166	24 571	16 315	:	52 018	27 499
<b>Dried pulses</b>	:	34 290	:	137	:	16 862	:	13 451	39	102	4 074	:	:	156	3 234
<b>Potatoes</b>	:	973	:	-	:	:	:	797	18	1 310	1 652	:	:	1 569	2 081
<b>Sugar beet</b>	:	115	:	-	:	:	:	152	-	981	162	:	:	208	177
<b>Industrial crops</b>	:	750	:	222	3 598	:	:	34 435	-	167	1 658	29	:	1 674	1 630
<b>Nuts</b>	-	:	:	858	24 901	:	:	16 299	4	-	-	2 146	:	-	-
<b>Citrus fruit</b>	-	:	:	1 758	901	:	:	15 384	-	:	-	:	:	-	-
<b>Vines</b>	-	:	:	2 369	10 804	12 364	:	31 249	1	:	749	705	:	-	18
<b>Olives</b>	-	:	:	13 045	71 351	350	:	93 863	-	:	-	23 089	:	-	-
<b>Fodder</b>	:	37 859	:	646	:	:	:	402 086	386	4 274	21 470	8 034	:	68 871	5 967
<b>Permanent pasture</b>	17 254	20 735	:	4 013	167 474	248 012	24 593	156 826	1 175	18 890	202 135	20 266	:	34 812	525 438
<b>Flowers and ornamental plants</b>	0	-	:	4	:	:	:	6	0	102	1	:	:	:	124
<b>Horticulture</b>	361	1 105	:	362	2 288	7 371	320	16 865	12	1 966	734	238	:	438	2 639
<b>Seeds and seedlings</b>	23	2 635	:	-	13	:	:	896	27	:	125	0	:	:	169
<b>Fresh fruits and berries</b>	251	:	:	-	:	:	:	31 364	19	483	372	:	:	:	:

(1) Missing countries, not available.

(2) BE, EL, ES, FR, IE, IT, AT, SE, UK, 2000

Source: Eurostat, Environment statistics (theme8/milieu)

A Eurobarometer survey (Eurobarometer 58.0) carried out in the fifteen Member States of the EU-15 during September and October 2002 provides comparative data on the subject of biotechnology. In particular, respondents were asked if they would buy or consume GM foods if they contained less pesticide residues, were more environmentally friendly, tasted better, contained less fat, were cheaper, or were offered in a restaurant. For all the 'reasons' offered there were more Europeans saying they would not buy or eat GM foods than those saying they would. The most persuasive reason for buying GM foods was the health benefit of lower pesticide residues, closely followed by an environmental benefit. Somewhat surprisingly, of the range of benefits included in this question set, price was apparently the lowest incentive for buying GM foods. However, what people say and what they do are sometimes rather different, and it can be assumed that respondents were here thinking as citizens rather than as consumers. In the different countries surveyed, between 30% and 65% rejected all the reasons for buying GM foods. Greece, Ireland and France displayed the highest percentages of rejecters whilst the United Kingdom, Austria and Finland had the lowest percentages. Nevertheless, amongst the non-rejecters for buying or consuming GM foods, the mean number of acceptable reasons was relatively high, ranging from 2.5 in Luxembourg to 3.6 in Portugal.

## 2: Food, beverages and tobacco

**Table 2.21: Food, beverages and tobacco**  
Mean consumption expenditure and structure of household expenditure, 1999

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>MEAN CONSUMPTION EXPENDITURE (PPS PER HOUSEHOLD)</b>																
<b>Food, beverages and tobacco (1)</b>	4 115	4 298	4 060	3 256	4 706	4 260	4 414	7 004	5 684	5 221	3 232	4 213	3 979	3 116	3 964	3 722
<b>Food</b>	: 3 303	2 725	:	3 680	3 508	3 519	4 169	4 748	3 911	2 437	3 181	3 321	2 351	:	2 638	
Bread and cereals	: 647	511	:	459	572	656	798	891	708	455	576	496	443	:	561	
Meat	: 981	666	:	939	1 043	964	1 143	1 268	1 172	568	768	959	490	:	651	
Fish and seafood	: 209	129	:	304	496	225	114	438	219	67	81	584	91	:	103	
Milk, cheese and eggs	: 442	434	:	591	509	527	616	753	569	416	477	425	449	:	361	
Oils and fats	: 92	87	:	354	137	87	105	237	143	69	120	159	71	:	61	
Fruit	: 233	174	:	320	290	239	221	477	338	207	264	260	175	:	187	
Vegetables	: 339	296	:	455	291	418	519	457	378	322	277	317	235	:	402	
Sugar, jam, chocolate, confectionery	: 248	355	:	223	121	214	411	184	265	187	272	98	204	:	202	
Food products n.e.c.	: 113	74	:	35	49	189	242	44	119	147	346	21	194	:	111	
<b>Non-alcoholic beverages</b>	: 354	348	:	212	202	260	511	431	450	260	354	135	230	:	259	
Coffee, tea and cocoa	: 85	130	:	81	75	84	103	171	144	93	128	41	98	:	85	
Mineral waters, soft drinks, juices	: 269	218	:	131	126	177	408	260	306	168	226	94	132	:	174	
<b>Alcoholic beverages, Tobacco (2)</b>	662	641	987	651	814	550	635	2 324	505	860	535	678	523	535	635	825
Spirits	: 52	91	:	51	30	82	248	19	75	74	35	16	93	:	87	
Wine	: 256	243	:	53	84	234	232	171	336	142	123	188	92	:	189	
Beer	: 100	197	:	42	47	39	1 195	49	100	109	119	25	150	:	121	
Tobacco	: 233	456	:	668	389	281	649	267	348	206	400	292	201	224	428	
<b>STRUCTURE OF EXPENDITURE (% of TOTAL HOUSEHOLD EXPENDITURE)</b>																
<b>Food, beverages and tobacco (1)</b>	16.5	15.7	17.3	13.8	20.1	21.0	18.0	23.5	20.9	12.0	12.6	15.9	21.4	17.1	18.3	13.4
<b>Food</b>	: 12.1	11.6	:	15.7	17.3	14.3	14.0	17.4	9.0	9.5	12.0	17.9	12.9	:	9.5	
Bread and cereals	: 2.4	2.2	:	2.0	2.8	2.7	2.7	3.3	1.6	1.8	2.2	2.7	2.4	:	2.0	
Meat	: 3.6	2.8	:	4.0	5.2	3.9	3.8	4.7	2.7	2.2	2.9	5.2	2.7	:	2.4	
Fish and seafood	: 0.8	0.6	:	1.3	2.4	0.9	0.4	1.6	0.5	0.3	0.3	3.2	0.5	:	0.4	
Milk, cheese and eggs	: 1.6	1.9	:	2.5	2.5	2.1	2.1	2.8	1.3	1.6	1.8	2.3	2.5	:	1.3	
Oils and fats	: 0.3	0.4	:	1.5	0.7	0.4	0.4	0.9	0.3	0.3	0.5	0.9	0.4	:	0.2	
Fruit	: 0.8	0.7	:	1.4	1.4	1.0	0.7	1.8	0.8	0.8	1.0	1.4	1.0	:	0.7	
Vegetables	: 1.2	1.3	:	1.9	1.4	1.7	1.7	1.7	0.9	1.3	1.0	1.7	1.3	:	1.5	
Sugar, jam, chocolate, confectionery	: 0.9	1.5	:	1.0	0.6	0.9	1.4	0.7	0.6	0.7	1.0	0.5	1.1	:	0.7	
Food products n.e.c.	: 0.4	0.3	:	0.1	0.2	0.8	0.8	0.2	0.3	0.6	1.3	0.1	1.1	:	0.4	
<b>Non-alcoholic beverages</b>	: 1.3	1.5	:	0.9	1.0	1.1	1.7	1.6	1.0	1.0	1.3	0.7	1.3	:	0.9	
Coffee, tea and cocoa	: 0.3	0.6	:	0.3	0.4	0.3	0.3	0.6	0.3	0.4	0.5	0.2	0.5	:	0.3	
Mineral waters, soft drinks, juices	: 1.0	0.9	:	0.6	0.6	0.7	1.4	1.0	0.7	0.7	0.9	0.5	0.7	:	0.6	
<b>Alcoholic beverages, Tobacco (2)</b>	2.7	2.3	4.2	2.8	3.5	2.7	2.6	7.8	1.9	2.0	2.1	2.6	2.8	2.9	2.9	3.0
Spirits	: 0.2	0.4	:	0.2	0.1	0.3	0.8	0.1	0.2	0.3	0.1	0.1	0.5	:	0.3	
Wine	: 0.9	1.0	:	0.2	0.4	0.9	0.8	0.6	0.8	0.6	0.5	1.0	0.5	:	0.7	
Beer	: 0.4	0.8	:	0.2	0.2	0.2	4.0	0.2	0.2	0.4	0.5	0.1	0.8	:	0.4	
Tobacco	: 0.8	1.9	:	2.9	1.9	1.1	2.2	1.0	0.8	0.8	1.5	1.6	1.1	1.0	1.5	

(1) SE, including part of beer and take-away food and beverages.

(2) AT, data for alcoholic beverages are unreliable; SE, excluding part of beer.

Source: Eurostat, Household Budget Survey (theme3/hbs)



**T**able 2.22: Food, beverages and tobacco  
Structure of household expenditure, 1999 (%)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>BROKEN DOWN BY INCOME DISTRIBUTION (1)</b>																
Lowest twenty percent	22.0	19.8	20.4	19.3	29.1	28.6	21.4	25.7	27.6	17.0	15.5	21.1	32.3	20.9	21.1	19.9
Second quintile group	19.6	17.2	19.9	16.8	25.0	24.8	20.3	24.6	24.4	14.8	15.0	18.3	27.9	19.8	19.2	16.9
Third quintile group	17.7	16.2	18.1	15.1	22.2	22.5	19.3	24.6	22.0	12.5	13.0	16.6	24.5	17.8	19.6	14.2
Fourth quintile group	16.0	15.3	16.7	13.4	19.2	20.0	17.4	23.1	19.8	11.2	11.9	15.9	21.2	16.9	18.1	13.0
Highest twenty percent	12.6	12.7	14.8	10.2	14.5	15.3	14.7	20.7	15.5	8.9	10.2	11.7	15.0	14.0	15.5	9.8
<b>BROKEN DOWN BY AGE OF REFERENCE PERSON OF HOUSEHOLD</b>																
Less than 30	14.7	13.8	16.0	13.0	16.9	19.2	14.5	25.1	17.7	9.3	9.9	14.8	21.6	13.8	17.8	12.4
Between 30 and 44	16.0	15.3	17.4	14.5	18.7	19.4	17.0	23.2	18.9	11.8	12.6	14.5	19.9	17.2	18.1	13.3
Between 45 and 59	16.5	16.3	17.3	14.0	19.5	20.7	18.4	23.7	20.4	12.0	13.1	16.7	20.4	17.3	18.4	13.3
60 and over	17.6	16.3	18.1	13.0	22.7	23.7	20.2	22.8	23.2	13.5	13.4	17.5	24.8	18.6	18.8	14.6
<b>BROKEN DOWN BY TYPE OF HOUSEHOLD</b>																
1 adult without dependent children	14.7	13.5	17.2	11.8	15.5	17.0	15.5	18.7	20.6	10.2	11.3	13.3	19.0	16.1	17.7	12.0
2 adults without dependent children	16.5	15.7	17.2	13.3	21.6	21.2	19.1	21.9	20.9	11.5	12.4	15.4	24.3	16.7	17.9	13.0
3+ adults without dependent children	17.9	19.0	18.6	14.2	21.5	22.9	21.9	25.1	21.2	13.7	12.4	18.9	21.8	19.6	17.9	14.5
Single parent with dependent child(ren)	17.2	15.7	18.0	15.9	16.2	17.7	17.6	24.7	20.8	11.6	13.5	16.1	17.4	18.9	17.8	16.4
2 adults with dependent child(ren)	16.9	16.3	17.0	15.5	19.2	19.6	17.6	23.1	20.7	12.5	13.5	15.7	19.3	17.6	18.9	13.9
3+ adults with dependent child(ren)	18.6	16.9	20.0	15.3	22.6	23.2	22.2	27.6	21.7	13.9	13.6	19.7	23.8	18.2	22.1	14.9
<b>BROKEN DOWN BY SOCIO-ECONOMIC CATEGORY OF REFERENCE PERSON OF HOUSEHOLD</b>																
Manual workers (2)	17.6	17.3	17.9	14.0	22.7	22.9	20.3	27.0	19.7	14.4	12.3	18.0	25.1	18.8	19.8	15.4
Non-manual workers	8.8	14.9	16.3	:	16.0	17.0	15.9	22.3	:	9.4	11.8	12.9	16.1	15.1	16.8	11.8
Self-employed	15.7	14.7	15.5	12.4	20.8	21.8	18.2	24.2	18.7	11.0	12.7	16.1	22.9	16.7	17.1	12.3
Unemployed	20.0	18.0	22.0	16.8	23.6	24.4	19.8	30.3	24.8	15.1	13.3	20.1	28.2	22.1	20.6	18.1
Retired	14.5	16.5	18.6	:	22.5	24.2	20.4	22.0	22.9	13.9	13.5	17.8	25.7	19.1	18.6	14.4
Other inactive (3)	18.1	17.0	18.7	14.7	18.1	22.5	18.9	26.3	22.9	13.3	14.6	16.7	21.7	15.3	19.7	17.1
<b>BROKEN DOWN BY DEGREE OF URBANISATION</b>																
Dense (>500 inhabitants/km <sup>2</sup> )	:	15.7	17.5	:	:	19.6	16.7	20.7	20.2	11.8	:	14.2	19.5	16.3	17.4	13.4
Intermediate (100-499 inhabitants/km <sup>2</sup> )	:	15.6	16.0	:	:	21.2	18.9	25.4	21.4	12.1	:	16.1	23.3	17.5	17.9	13.4
Sparse (<100 inhabitants/km <sup>2</sup> )	:	16.8	18.8	:	:	24.0	20.1	:	22.3	12.3	:	17.9	26.8	19.4	18.9	13.7

(1) FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

(2) DE, including non-manual workers; IT including all non-agricultural persons in employment.

(3) DE, including retired.

Source: Eurostat, Household Budget Survey (theme3/hbs)



### 3. Clothing and footwear; personal care and personal effects



## 3 CLOTHING AND FOOTWEAR; PERSONAL CARE AND PERSONAL EFFECTS

The items covered by this chapter bring together a diverse range of goods and services that are used by individuals, rather than collectively by households. In recent years, clothing and footwear has accounted for a declining share of consumer spending in Europe. National accounts estimate that the share of clothing and footwear in total household expenditure fell from 9.3% in 1970 to 6.2% by 2001<sup>1</sup>. Whilst clothing remains a necessity for some people, the growing importance of fashion means that purchases can often be viewed as discretionary (or even luxury) acquisitions. According to the latest Household Budget Survey, clothing and footwear together accounted for around 6% of total household expenditure in the EU-15 in 1999, which was, in most countries, at least twice as high as spending on personal care and personal effects (see Table 3.8 and Figure 3.2).

A similar dichotomy exists for personal care items and personal effects, where necessities such as hairdressing services, razors and soap are found alongside luxury items such as jewellery and perfumes. As with clothing and footwear, expenditure patterns between men and women can vary significantly.

### 3.1 CLOTHING AND FOOTWEAR

This section on clothing and footwear also includes data covering the cleaning, repair and hire of these items, as well as their purchase<sup>2</sup>.

#### CONSUMPTION

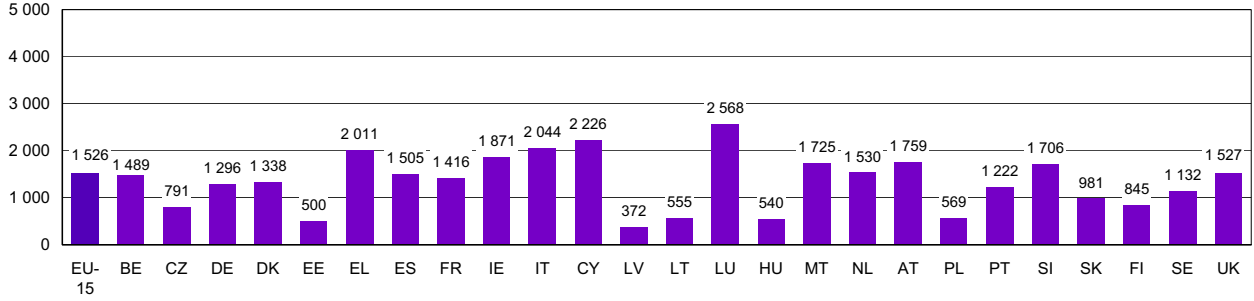
Demand for clothing is influenced by demographic changes, lifestyle choices and relative prices. One of the most important demographic changes in recent years has been the increasing proportion of women in full-time work, particularly those in white collar, service industries, where particular standards of dress code are often required. At the same time casual menswear has also become an important market as dress codes have become more relaxed. More working women, smaller family sizes and older parenthood means that in many households there is now a higher level of per capita spending on children's clothing. This trend is reinforced by the fact that parents may choose the same brands for their children as themselves, whilst older children are becoming increasingly fashion conscious.

Consumers are price sensitive towards necessity items, whilst designer and branded clothing is relatively price inelastic (in other words, price changes have less of an effect on demand). This polarisation of clothing and footwear markets has had a significant impact on retail formats (see the end of this section for more details).

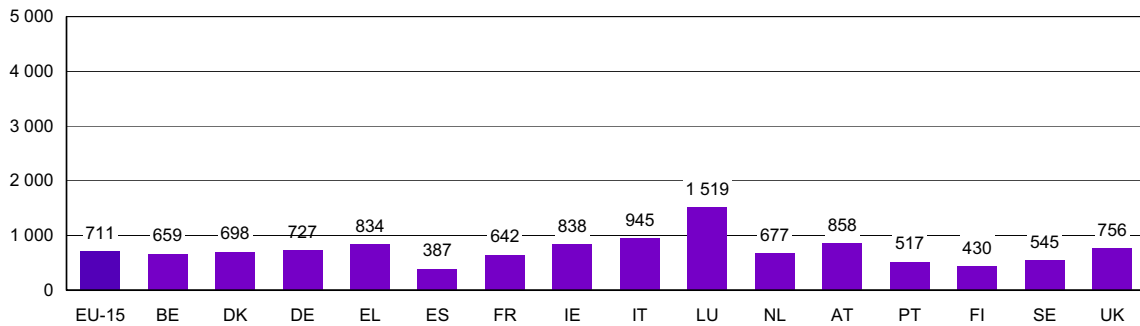
(1) Data coverage reflects the changing membership of the EU during the period.  
(2) Although the importance of repair and hire has lessened in recent years.

Information in this section is mainly based on the European Household Budget Surveys carried out in 1999. These surveys are organised approximately every five years. The next surveys are planned for 2005, with first results likely to be available from 2006 onwards. The expenditure structure of households does not tend to change drastically over time; hence, the information taken from the 1999 surveys is still largely valid today.

**Figure 3.1: Clothing and footwear; personal care and personal effects n.e.c.**  
**Mean consumption expenditure, 1999 (PPS per household)**



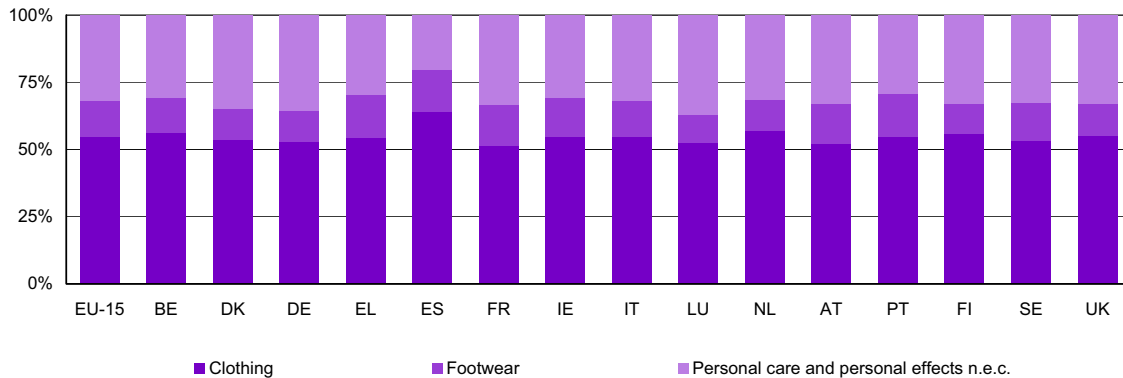
**Clothing and footwear**



**Personal care and personal effects n.e.c. (1)**

(1) New Member States, not available.  
 Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 3.2: Clothing and footwear; personal care and personal effects n.e.c.**  
**Breakdown of consumption expenditure, 1999 (%) (1)**



(1) Breakdown not available for new Member States.  
 Source: Eurostat, Household Budget Survey (theme3/hbs)

### CONSUMPTION EXPENDITURE

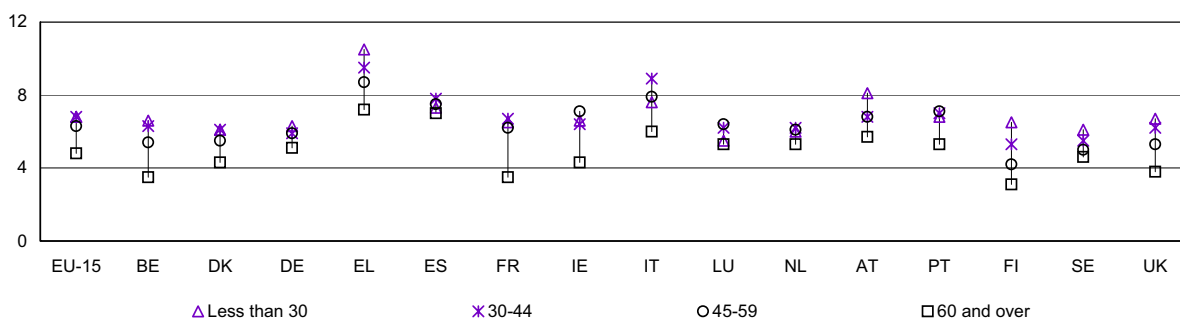
Mean household consumption expenditure on clothing and footwear ranged between 372 PPS (Latvia) and 2 568 PPS (Luxembourg) in 1999. In relative terms, clothing and footwear accounted for between 4.6% (Finland) and 8.6% (Greece) of total household expenditure<sup>3</sup>. Europeans spent between 3.3 (Greece and France) and 5 times (Luxembourg) as much on clothes as they did on footwear in 1999.

By far the most important item of the goods and services covered by this chapter was the purchase of garments, which represented between 3.5% (Finland) and 6.1% (Greece) of total household spending in 1999. Greece also had the highest relative share of expenditure on footwear (2.0%), which was equivalent to 470 PPS per household (the highest level in the EU-15). Spending on materials to make clothes; clothing accessories (such as ties, scarves, hats and gloves); and the cleaning, repair and hire of clothing never exceeded 0.3% of total household expenditure, other than in Italy (where cleaning, repair and hire accounted for 0.6%).

Clothing and footwear expenditure follows to some degree the business cycle, although shorter-term, seasonal volatility is found in fashion markets, particularly for women's clothing (for example, around the release dates of new collections). In times of recession, falling income or insecurity can affect consumption expenditure, as most clothing purchases can be deferred (particularly for adults). As with food (another essential of life - see Chapter 2), the proportion of income spent on necessity clothing will generally decrease as income increases. In the latest Household Budget Survey in 1999, the lowest income quintile group spent a smaller proportion of their expenditure on clothing and footwear than the highest income quintile group in every Member State except Denmark and Italy, suggesting that discretionary purchases had a greater importance than necessity items.

(3) Breakdown not available for new Member States.

**Figure 3.3: Clothing and footwear**  
Share of total consumption expenditure, breakdown by age of reference person of household, 1999 (%) (1)



(1) Breakdown not available for new Member States.  
Source: Eurostat, Household Budget Survey (theme3/hbs)

Life-cycle effects are another important factor in relation to clothing and footwear expenditure patterns. The ratio of the proportion of spending devoted to clothing and footwear by households headed by a person aged 60 or over compared to spending by households with a reference person aged 30 or less showed that older persons spent relatively less on clothing and footwear. This ratio was below 75% in eight of the EU-15 Member States, supporting the view that fashion is one of the driving forces of expenditure for younger persons (see Figure 3.3).

#### PRICES

One of the main trends in clothing and footwear markets since the second half of the 1990s has been the slow growth of prices. This may be attributed to a number of factors: for example, intense retail competition<sup>4</sup>. However, perhaps the principal reason is the increasing penetration of imports from low-cost countries outside the EU.

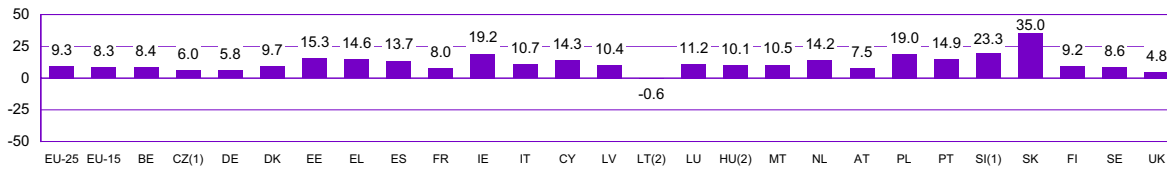
Between 1999 and 2003 clothing and footwear prices increased by just 0.1% in the EU-25 and decreased by 0.2% in the EU-15. In keeping with other repair services, the price of cleaning, repairing and hiring clothes rose at a lower pace, up 9.9% in the EU-25 and 9.2% in the EU-15. The most significant price reductions were registered in the Czech Republic, Ireland, Cyprus, Lithuania, Malta and the United Kingdom (see Figure 3.4).

The price of clothing as well as footwear items across the EU showed a relatively low degree of variation in 2002 (see Table 1.38 on page 34 and 35), as would be expected for such semi-durable goods. Slovakia reported the lowest relative price levels for both clothing and footwear (65% of the EU average for clothing and 69% for footwear). Clothing and footwear were most expensive in Luxembourg, with price levels some 22% and 21% respectively above the EU average.

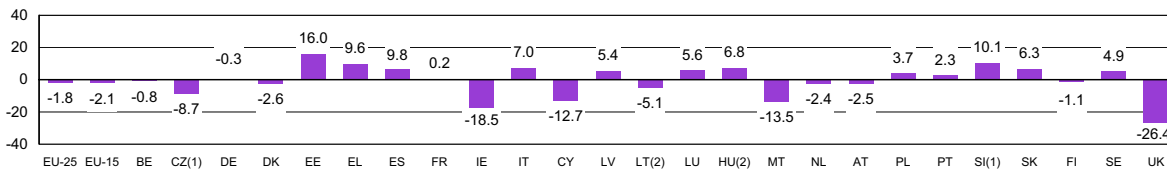
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(4) The Long-term Scenarios for the EU Textile and Clothing Industry - Consumption and Distribution Update; OETH (L'Observatoire Européen du Textile et de l'Habillement) states that the growing importance of large retailers has resulted in economies of scale and subsequently price inflation has been kept low.

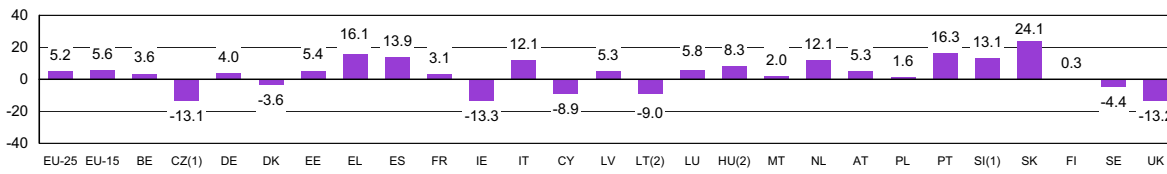
**Figure 3.4: Clothing and footwear**  
**Absolute growth in consumer prices, 1999-2003 (%) (1)**



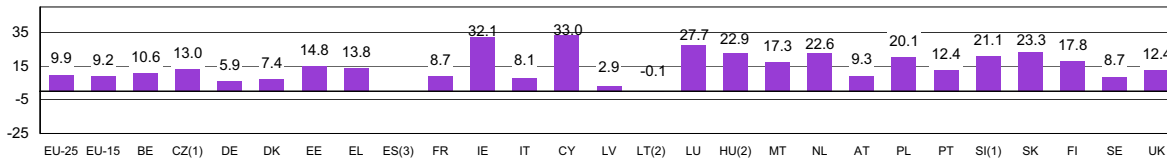
**All-items consumer price index**



**Garments**



**Footwear**



**Cleaning, repair and hire of clothing (1)**

(1) CZ and SI, 2000 instead of 1999.  
 (2) LT and HU, 2001 instead of 1999.  
 (3) ES, not available for cleaning, repair and hire of clothing.  
 Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## 3.2 PERSONAL CARE AND PERSONAL EFFECTS

In the previous section, the increasing importance of clothes and footwear branding was noted. Many personal care items, such as soaps, toiletries and perfumes also have strong brand images that differentiate products in the eyes of the consumer. Personal effects cover a miscellaneous group of durable and semi-durable items, including jewellery, clocks and watches, travel goods, sunglasses and umbrellas.

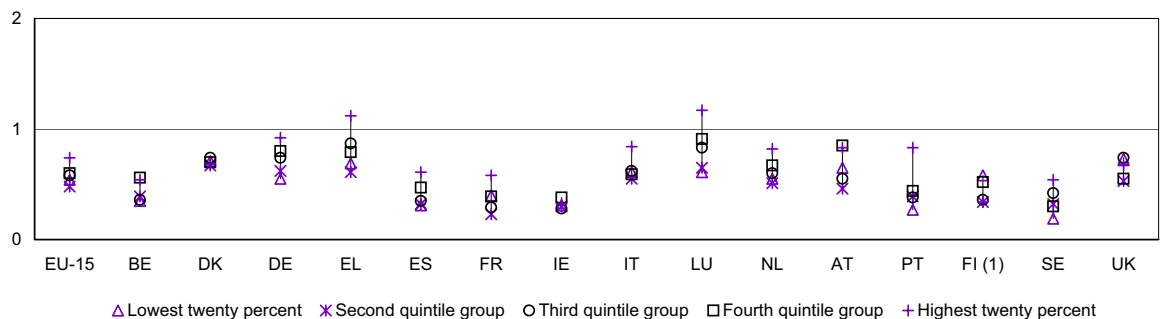
### CONSUMPTION EXPENDITURE

Mean household consumption expenditure on personal care items and personal effects ranged between 500 PPS and 1 000 PPS in the majority of Member States in 1999, with Spain and Finland on the low side of this range and Luxembourg (1 519 PPS) well above it. In terms of their relative weight in total expenditure, these items represented between 1.9% (Spain) and 3.6% (Greece) of all purchases. Personal care (and in particular personal hygiene and beauty products) accounted for the majority of spending, whilst average expenditure on personal effects (such as jewellery and watches) never exceeded 1% of the total.

Households headed by a person aged 30 and under or households in a higher income quintile group (see Figure 3.5) tended to spend more on personal effects. Seven EU-15 Member States reported that mean household consumption expenditure for jewellery, clocks and watches rose above 100 PPS in 1999. Greece, France and Finland were the only countries to record household spending on other personal effects higher than that on jewellery, clocks and watches<sup>5</sup>.

(5) IE, not available.

**F**igure 3.5: Personal effects n.e.c.  
Share of total consumption expenditure, breakdown by income distribution, 1999 (%) (1)



(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families; breakdown not available for new Member States.

Source: Eurostat, Household Budget Survey (theme3/hbs)



Table 3.6 gives a more detailed breakdown of consumption expenditure within European cosmetic, toiletry and perfumery markets in 2003. It should be noted that this data is not from the Household Budget Survey but from COLIPA, the European Cosmetic, Toiletry and Perfumery Association and it reports average expenditure of individuals rather than households. Europeans on average spent EUR 147 in 2003 on cosmetics, toiletries and perfumes (2002: EUR 142), 25% of which was on hair products and toiletries respectively. In the EU-15 in 2003, France held first place with EUR 174 spent on average on cosmetics, toiletries and perfumes, as has been the case for many years now (2002: EUR 169). Above average per capita spending could also be seen in Belgium/Luxembourg, Denmark, Spain, the Netherlands and Austria. The United Kingdom slowed down under the average for EU-15 with EUR 144 in 2003 (2002: EUR 140).

**Table 3.6: Per capita consumption expenditure on cosmetics, toiletries and perfumes, 2003 (1)**

	€ per inhabitant	Breakdown by product category (%)					Total
		Fragrances and perfumes	Decorative cosmetics	Skin care products	Hair care products	Toiletries	
<b>EU-15</b>	147	14.9	11.7	23.5	25.1	24.7	100
<b>BE (2)</b>	153	18.3	10.9	22.4	28.8	19.5	100
<b>DK</b>	156	11.0	13.4	19.0	31.7	24.9	100
<b>DE</b>	136	11.3	11.4	22.2	25.5	29.5	100
<b>EL</b>	111	11.1	10.7	24.9	34.8	18.6	100
<b>ES</b>	157	24.4	8.7	23.7	23.7	19.5	100
<b>FR</b>	174	17.9	10.2	29.1	23.7	19.1	100
<b>IE</b>	130	14.4	14.3	21.2	20.5	29.5	100
<b>IT</b>	145	13.1	13.1	26.1	21.5	26.2	100
<b>LU (3)</b>	:	:	:	:	:	:	100
<b>NL</b>	150	13.5	11.7	21.7	26.2	26.9	100
<b>AT</b>	148	10.8	16.2	21.1	25.8	26.1	100
<b>PT</b>	100	18.8	5.8	18.5	29.0	27.9	100
<b>FI</b>	123	5.0	15.6	21.8	36.3	21.2	100
<b>SE</b>	139	7.9	17.4	19.6	29.8	25.4	100
<b>UK</b>	144	13.2	14.0	18.2	26.1	28.5	100

(1) At retail sales price; new Member States, not available.

(2) Including LU.

(3) Included within BE.

Source: Colipa (European Cosmetic, Toiletry and Perfumery Association)

#### RETAIL NETWORK

COLIPA states that the type of outlet for purchases of cosmetics, toiletries and perfumes varies widely across Europe. The differences seen between the distribution channels in different countries are due to their individual historical backgrounds, and to their national legislation that resulted in different policies regarding the distribution channels. The mass market is usually the main outlet for personal care products. It is the distribution channel with the most constant trend over the years. It does not only handle toiletries, but also more often specific, sophisticated products. Indeed consumers increasingly pay attention to prices. However, they often seek advice as well. Hence, it is not surprising that distribution channels offering such advice (pharmacies, specialised perfumeries and drugstores) continued a positive trend in 2003.

Data from the Family Expenditure Survey in 1999/2000 in Great Britain shows that consumers spent approximately twice as much on soap in supermarkets as they did in other stores, equal amounts on toiletries, whilst perfumes were five times more likely to be purchased in non-supermarket outlets.

One clear change to the retail network in recent years has been the abolition of duty-free sales for European consumers embarking on a trip to another Member State. The creation of the single market took away the possibility for retailers to exempt or reimburse tax on perfumes and toiletries. Through decisions in 1991 (VAT) and 1992 (excise duties)<sup>6</sup>, a transitional period was allowed until 30 June 1999. Intra-EU duty-free sales of perfumes and cosmetics were estimated to be valued at EUR 0.9 billion in 1996 (an average of just over EUR 6 per household). COLIPA estimates that duty free sales accounted for approximately 3.8% of all cosmetics, toiletries and perfumery sales before such sales were abolished.

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(6) Council Directive 91/680/EEC of 16 December 1991 and Council Directive 92/12/EEC of 25 February 1992.

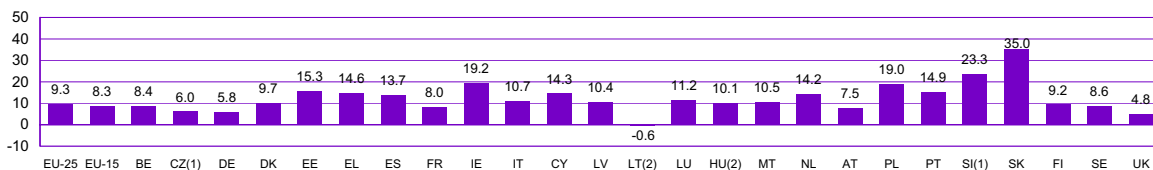
**Table 3.7: Personal care and personal effects n.e.c.**  
Development of harmonized indices of consumer prices in the EU (1999=100)

	1999	2000	2001	2002	2003
<b>Total HICP</b>	100	102	105	107	109
<b>Personal care</b>	100	102	104	107	109
Hairdressing & similar estab.	100	103	106	110	113
Electrical appliances	100	101	104	105	106
<b>Personal effects n.e.c.</b>	100	101	102	104	106
Jewellery, clocks & watches	100	101	103	105	107
Other personal effects	100	101	102	104	104

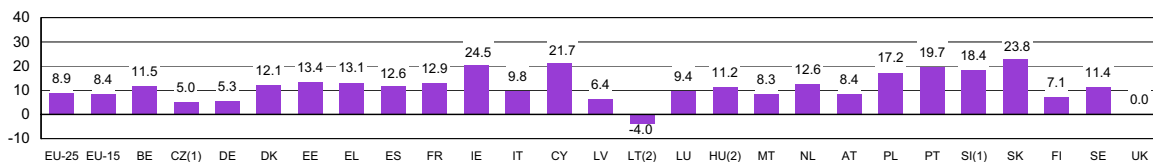
**PRICES**

The highest price variations between 1999 and 2003 were recorded for hairdressing salons and personal grooming establishments (see Table 3.7). Hairdressing prices in the EU rose at an average annual rate of 3.2% per annum (or 13% in total over the four years). On the other hand, the price of appliances, articles and products for personal care (6.3%); jewellery, clocks and watches (the only durable goods in this section) (6.8%); and other personal effects (4.2%) rose over the four-year period at a slower pace than the all-items consumer price index (9.3%) (see Figure 3.8).

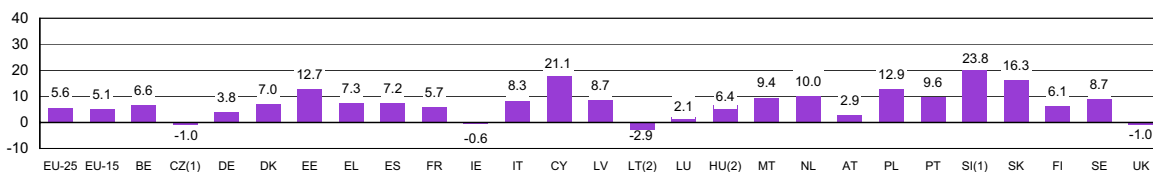
**Figure 3.8: Personal care and personal effects n.e.c.**  
Absolute growth in consumer prices, 1999-2003 (%)



**All-items consumer price index**



**Personal care**



**Personal effects n.e.c.**

(1) CZ and SI, 2000 instead of 1999.  
(2) LT and HU, 2001 instead of 1999.  
Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Table 3.9: Clothing and footwear; personal care and personal effects n.e.c.**  
**Mean consumption expenditure and structure of household expenditure, 1999 (1)**

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>MEAN CONSUMPTION EXPENDITURE (PPS PER HOUSEHOLD)</b>																
<b>Clothing &amp; footwear; pers. care &amp; effects</b>	<b>2 237</b>	<b>2 148</b>	<b>1 994</b>	<b>2 065</b>	<b>2 845</b>	<b>1 892</b>	<b>2 058</b>	<b>2 709</b>	<b>2 989</b>	<b>4 087</b>	<b>2 207</b>	<b>2 617</b>	<b>1 739</b>	<b>1 275</b>	<b>1 677</b>	<b>2 283</b>
<b>Clothing and footwear</b>	<b>1 526</b>	<b>1 489</b>	<b>1 296</b>	<b>1 338</b>	<b>2 011</b>	<b>1 505</b>	<b>1 416</b>	<b>1 871</b>	<b>2 044</b>	<b>2 568</b>	<b>1 530</b>	<b>1 759</b>	<b>1 222</b>	<b>845</b>	<b>1 132</b>	<b>1 527</b>
<b>Clothing</b>	<b>1 205</b>	<b>1 210</b>	<b>1 067</b>	<b>1 093</b>	<b>1 541</b>	<b>1 205</b>	<b>987</b>	<b>1 494</b>	<b>1 627</b>	<b>2 153</b>	<b>1 264</b>	<b>1 369</b>	<b>950</b>	<b>705</b>	<b>890</b>	<b>1 243</b>
<b>Clothing materials</b>	:	14	11	16	13	14	7	12	11	5	21	6	10	11	15	:
<b>Garments</b>	<b>1 097</b>	<b>1 119</b>	<b>966</b>	<b>997</b>	<b>1 429</b>	<b>1 162</b>	<b>921</b>	<b>1 441</b>	<b>1 374</b>	<b>2 009</b>	<b>1 154</b>	<b>1 279</b>	<b>915</b>	<b>639</b>	<b>831</b>	<b>1 147</b>
<b>Other clothing &amp; accessories</b>	<b>50</b>	<b>43</b>	<b>56</b>	<b>50</b>	<b>46</b>	<b>19</b>	<b>36</b>	<b>36</b>	<b>76</b>	<b>91</b>	<b>70</b>	<b>55</b>	<b>19</b>	<b>45</b>	<b>42</b>	<b>58</b>
<b>Cleaning, repair and hire of clothing</b>	<b>47</b>	<b>33</b>	<b>34</b>	<b>30</b>	<b>53</b>	<b>9</b>	<b>23</b>	<b>5</b>	<b>167</b>	<b>48</b>	<b>18</b>	<b>29</b>	<b>6</b>	<b>10</b>	<b>1</b>	<b>38</b>
<b>Footwear</b>	<b>299</b>	<b>279</b>	<b>229</b>	<b>245</b>	<b>470</b>	<b>300</b>	<b>295</b>	<b>377</b>	<b>417</b>	<b>415</b>	<b>266</b>	<b>389</b>	<b>272</b>	<b>140</b>	<b>242</b>	<b>284</b>
<b>Shoes and other footwear</b>	<b>289</b>	<b>268</b>	<b>225</b>	<b>233</b>	<b>467</b>	<b>297</b>	<b>289</b>	<b>372</b>	<b>384</b>	<b>401</b>	<b>255</b>	<b>385</b>	<b>269</b>	<b>138</b>	<b>240</b>	<b>280</b>
<b>Repair and hire of footwear</b>	<b>11</b>	<b>11</b>	<b>3</b>	<b>12</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>4</b>	<b>33</b>	<b>14</b>	<b>11</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>4</b>
<b>Personal care and personal effects n.e.c.</b>	<b>711</b>	<b>659</b>	<b>698</b>	<b>727</b>	<b>834</b>	<b>387</b>	<b>642</b>	<b>838</b>	<b>945</b>	<b>1 519</b>	<b>677</b>	<b>858</b>	<b>517</b>	<b>430</b>	<b>545</b>	<b>756</b>
<b>Personal care</b>	<b>559</b>	<b>533</b>	<b>534</b>	<b>544</b>	<b>628</b>	<b>298</b>	<b>543</b>	<b>743</b>	<b>765</b>	<b>1 133</b>	<b>509</b>	<b>675</b>	<b>416</b>	<b>355</b>	<b>463</b>	<b>579</b>
<b>Hairdressing &amp; similar estab. (2)</b>	<b>216</b>	<b>242</b>	<b>207</b>	<b>219</b>	<b>91</b>	<b>145</b>	<b>207</b>	<b>198</b>	<b>352</b>	<b>567</b>	<b>181</b>	<b>283</b>	<b>131</b>	<b>135</b>	<b>198</b>	<b>171</b>
<b>Electrical appliances</b>	:	12	13	325	2	4	7	:	12	28	14	15	2	4	7	:
<b>Other appliances &amp; products</b>	:	278	314	:	535	149	329	544	401	537	313	377	283	215	258	408
<b>Personal effects n.e.c.</b>	<b>152</b>	<b>126</b>	<b>164</b>	<b>183</b>	<b>206</b>	<b>89</b>	<b>99</b>	<b>95</b>	<b>180</b>	<b>386</b>	<b>168</b>	<b>183</b>	<b>101</b>	<b>75</b>	<b>82</b>	<b>177</b>
<b>Jewellery, clocks and watches</b>	<b>90</b>	<b>63</b>	<b>102</b>	<b>114</b>	<b>59</b>	<b>60</b>	<b>46</b>	<b>95</b>	<b>109</b>	<b>265</b>	<b>101</b>	<b>105</b>	<b>54</b>	<b>34</b>	<b>48</b>	<b>117</b>
<b>Other personal effects</b>	:	62	62	69	147	30	53	:	71	121	67	78	47	40	34	60
<b>STRUCTURE OF EXPENDITURE (% of TOTAL HOUSEHOLD EXPENDITURE)</b>																
<b>Clothing &amp; footwear; pers. care &amp; effects</b>	<b>8.9</b>	<b>7.8</b>	<b>8.5</b>	<b>8.8</b>	<b>12.2</b>	<b>9.3</b>	<b>8.4</b>	<b>9.1</b>	<b>11.0</b>	<b>9.4</b>	<b>8.7</b>	<b>9.9</b>	<b>9.3</b>	<b>6.9</b>	<b>7.7</b>	<b>8.2</b>
<b>Clothing and footwear</b>	<b>6.1</b>	<b>5.4</b>	<b>5.5</b>	<b>5.7</b>	<b>8.6</b>	<b>7.4</b>	<b>5.8</b>	<b>6.3</b>	<b>7.5</b>	<b>5.9</b>	<b>6.0</b>	<b>6.6</b>	<b>6.6</b>	<b>4.6</b>	<b>5.2</b>	<b>5.5</b>
<b>Clothing</b>	<b>4.8</b>	<b>4.4</b>	<b>4.6</b>	<b>4.6</b>	<b>6.6</b>	<b>6.0</b>	<b>4.0</b>	<b>5.0</b>	<b>6.0</b>	<b>5.0</b>	<b>4.9</b>	<b>5.2</b>	<b>5.1</b>	<b>3.9</b>	<b>4.1</b>	<b>4.5</b>
<b>Clothing materials</b>	:	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	:
<b>Garments</b>	<b>4.4</b>	<b>4.1</b>	<b>4.1</b>	<b>4.2</b>	<b>6.1</b>	<b>5.7</b>	<b>3.7</b>	<b>4.8</b>	<b>5.0</b>	<b>4.6</b>	<b>4.5</b>	<b>4.8</b>	<b>4.9</b>	<b>3.5</b>	<b>3.8</b>	<b>4.1</b>
<b>Other clothing &amp; accessories</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
<b>Cleaning, repair and hire of clothing</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.6</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
<b>Footwear</b>	<b>1.2</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>	<b>1.5</b>	<b>1.2</b>	<b>1.3</b>	<b>1.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>	<b>0.8</b>	<b>1.1</b>	<b>1.0</b>
<b>Shoes and other footwear</b>	<b>1.2</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0</b>	<b>1.5</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>0.9</b>	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>	<b>0.8</b>	<b>1.1</b>	<b>1.0</b>
<b>Repair and hire of footwear</b>	:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Personal care and personal effects n.e.c.</b>	<b>2.8</b>	<b>2.4</b>	<b>3.0</b>	<b>3.1</b>	<b>3.6</b>	<b>1.9</b>	<b>2.6</b>	<b>2.8</b>	<b>3.5</b>	<b>2.7</b>	<b>3.3</b>	<b>2.7</b>	<b>3.3</b>	<b>2.7</b>	<b>2.3</b>	<b>2.5</b>
<b>Personal care</b>	<b>2.2</b>	<b>1.9</b>	<b>2.3</b>	<b>2.3</b>	<b>2.7</b>	<b>1.5</b>	<b>2.2</b>	<b>2.5</b>	<b>2.8</b>	<b>2.6</b>	<b>2.0</b>	<b>2.6</b>	<b>2.2</b>	<b>1.9</b>	<b>2.1</b>	<b>2.1</b>
<b>Hairdressing &amp; similar estab. (2)</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.4</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>	<b>1.3</b>	<b>1.3</b>	<b>0.7</b>	<b>1.1</b>	<b>0.7</b>	<b>0.7</b>	<b>0.9</b>	<b>0.6</b>
<b>Electrical appliances</b>	:	0.0	0.1	1.4	0.0	0.0	0.0	:	0.0	0.1	0.1	0.1	0.0	0.0	0.0	:
<b>Other appliances &amp; products</b>	:	1.0	1.3	:	2.3	0.7	1.3	1.8	1.5	1.2	1.2	1.4	1.5	1.2	1.2	1.5
<b>Personal effects n.e.c.</b>	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.7</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.6</b>
<b>Jewellery, clocks and watches</b>	<b>0.4</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>
<b>Other personal effects</b>	:	0.2	0.3	0.3	0.6	0.1	0.2	:	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2

(1) Breakdown not available for new Member States.

(2) DK, including personal care n.e.c.

Source: Eurostat, Household Budget Survey (theme3/hbs)

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**T**able 3.10: Clothing and footwear; personal care and personal effects n.e.c.  
Structure of household expenditure, 1999 (%) (1)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>BROKEN DOWN BY INCOME DISTRIBUTION (2)</b>																
Lowest twenty percent	8.7	6.8	9.1	8.2	10.2	8.9	8.1	8.6	11.3	9.1	8.0	10.1	8.2	6.6	7.7	7.9
Second quintile group	8.8	6.9	8.5	8.8	10.9	9.6	8.1	8.9	10.6	9.2	7.9	9.0	8.7	6.4	7.9	8.2
Third quintile group	9.1	8.0	8.3	8.9	12.0	9.5	8.0	9.6	11.1	9.2	8.6	9.2	9.2	7.1	7.9	8.8
Fourth quintile group	9.0	8.8	8.8	9.0	12.5	9.5	8.3	9.4	10.7	9.4	8.7	10.5	9.2	7.0	6.9	8.2
Highest twenty percent	9.1	8.1	8.2	8.7	13.2	9.3	8.9	9.0	11.2	9.9	9.2	10.3	10.2	7.4	8.2	8.1
<b>BROKEN DOWN BY AGE OF REFERENCE PERSON OF HOUSEHOLD</b>																
Less than 30	9.9	9.6	9.6	9.5	14.7	9.5	9.1	9.6	11.4	9.3	8.5	11.6	9.4	9.4	8.2	9.8
Between 30 and 44	9.6	8.7	9.2	8.8	13.4	9.6	9.3	9.5	12.6	9.6	8.9	9.9	9.9	7.9	8.2	9.1
Between 45 and 59	9.1	7.8	8.4	8.9	12.4	9.3	8.8	10.0	11.2	9.8	8.8	9.9	10.2	6.4	7.5	8.0
60 and over	7.6	5.8	6.8	8.3	10.2	9.0	6.1	6.5	9.4	8.9	7.9	9.3	7.7	4.9	7.2	6.2
<b>BROKEN DOWN BY TYPE OF HOUSEHOLD</b>																
1 adult without dependent children	7.8	5.6	7.6	8.5	11.0	9.3	6.7	5.6	9.9	7.5	7.2	9.6	8.9	6.6	7.5	5.9
2 adults without dependent children	8.4	7.0	7.9	8.7	11.5	9.0	7.2	6.9	10.1	9.8	8.5	10.2	8.0	5.8	7.2	7.8
3+ adults without dependent children	8.8	6.6	7.0	8.8	11.7	9.1	7.8	9.6	10.4	9.3	8.6	9.5	10.1	5.2	7.4	8.7
Single parent with dependent child(ren)	10.0	8.8	10.6	9.4	12.8	9.9	9.4	9.6	12.1	9.9	9.3	9.6	11.0	8.4	9.1	9.8
2 adults with dependent child(ren)	9.8	9.2	9.4	9.0	13.0	9.8	9.8	10.0	12.1	9.9	9.7	9.9	9.7	8.3	8.3	9.3
3+ adults with dependent child(ren)	9.7	7.3	10.7	9.1	12.6	9.0	8.6	11.1	11.2	9.7	7.6	10.1	9.7	6.9	7.4	11.2
<b>BROKEN DOWN BY SOCIO-ECONOMIC CATEGORY OF REFERENCE PERSON OF HOUSEHOLD</b>																
Manual workers (3)	9.2	8.1	7.5	9.1	12.4	9.6	8.3	9.3	12.0	9.2	8.4	9.8	9.5	6.6	7.2	8.5
Non-manual workers	5.7	8.8	9.4	:	13.9	9.3	9.5	10.4	:	10.2	9.2	10.6	10.2	8.2	8.5	9.0
Self-employed	9.3	7.9	9.4	9.1	12.4	9.6	8.9	8.9	11.7	9.7	9.4	9.1	8.3	7.1	7.4	8.2
Unemployed	8.5	9.2	7.0	7.4	11.1	8.6	8.2	7.1	11.5	7.8	3.1	11.6	8.4	5.2	6.6	8.4
Retired	5.6	5.9	6.8	:	10.2	8.8	6.1	5.7	9.5	8.9	7.7	9.3	8.4	5.0	7.1	6.2
Other inactive (4)	8.4	7.5	10.7	8.1	11.0	9.2	7.2	6.6	10.0	8.4	8.1	9.7	9.7	8.0	7.5	7.6
<b>BROKEN DOWN BY DEGREE OF URBANISATION</b>																
Dense (>500 inhabitants/km <sup>2</sup> )	:	7.7	9.0	:	:	8.7	8.9	9.1	10.4	9.4	:	10.8	9.6	7.4	8.6	8.4
Intermediate (100-499 inhabitants/km <sup>2</sup> )	:	8.1	8.1	:	:	9.9	8.0	9.1	11.5	9.6	:	9.2	9.1	6.5	7.6	8.2
Sparse (<100 inhabitants/km <sup>2</sup> )	:	6.4	7.4	:	:	10.3	7.3	:	11.7	9.3	:	9.3	8.7	6.0	7.4	8.0

(1) Breakdown not available for new Member States.

(2) FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

(3) DE, including non-manual workers; IT including all non-agricultural persons in employment.

(4) DE, including retired.

Source: Eurostat, Household Budget Survey (theme3/hbs)

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## 4. Housing



## 4 HOUSING

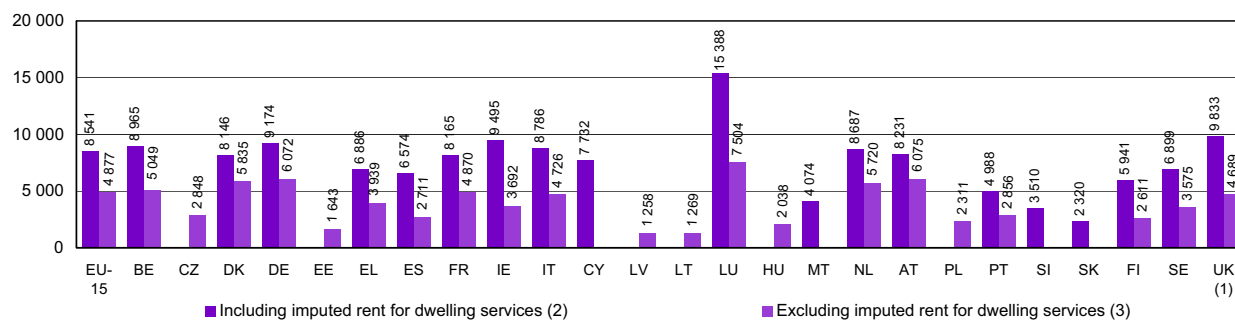
The largest share of household consumption is dedicated to the home. Consumption expenditure and price data on "housing" are treated in this chapter, in their broadest sense, as covered by housing, water, electricity, gas and other fuels, as well as furnishings, household equipment and routine maintenance of the house.

Following this definition, EU-15 households devoted, on average, around 8 541 PPS per annum to their dwellings including imputed rent for dwelling services (see the methodological note in the box). This mean housing expenditure falls to 4 877 PPS, per annum when excluding imputed rent for dwelling services. This distinction is necessary because some countries have imputed some rents for dwelling services of owner-occupiers and rent-free tenants while others have not. For the EU-15 countries, both sets of figures (with and without imputed rents) are available, but only four new members have supplied their figures including this imputation. In absolute terms, households spent, including imputed rent, an average of between 5 941 PPS (Finland) and 9 833 PPS (United Kingdom) per annum to have a home, equip and decorate it, maintain and heat it and when excluding imputed rent, an average ranging between 2 038 PPS (Hungary) and 6 075 PPS (Austria) was spent. Only Malta (4 074 PPS), Portugal (4 988 PPS), Slovenia (3 510 PPS) and Slovakia (2 320 PPS) lay outside the lower band of the range for the data including imputed rent; and only Estonia (1 643 PPS), Latvia (1 258 PPS) and Lithuania (1 269 PPS) for the data excluding imputed rent. For both data sets, Luxembourg reached the highest values (see Figure 4.1).

Housing itself accounted for the largest proportion of spending, generally around twothirds of the expenditure on the items covered within this chapter, the rest being more or less equally distributed between furnishings and household durables and energy and water services (see Figure 4.2).

Methodological note: In addition to households' traditional expenditure (purchase in shops, payment of invoices, etc.), "consumption expenditure" in Household Budget Survey includes the own production of households and benefits in kind received. National rents are also imputed to owner-occupiers and households accommodated free of charge. All EU-15 countries, Cyprus, Malta, Slovenia and Slovakia have proceeded to this imputation in 1999 (the latter four countries however not applying the recommended Eurostat methodology), but the other eight countries have not. Consequently, the data supplied by the new members are not fully comparable.

**Figure 4.1: Housing, water, electricity, gas and other fuels; furnishings, household equipment and routine household maintenance**  
Mean consumption expenditure, 1999 (PPS per household)



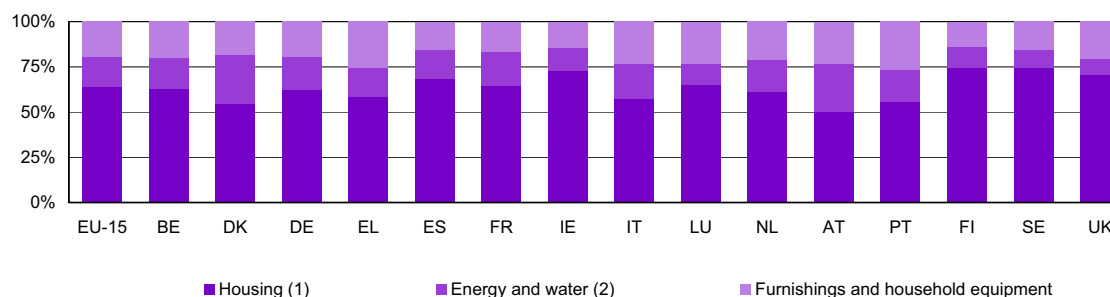
(1) Includes insurance for dwellings.

(2) CZ, EE, LV, LT, HU and PL, not available.

(3) CY, MT, SI and SK, not available.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 4.2: Housing, water, electricity, gas and other fuels; furnishings, household equipment and routine household maintenance**  
Breakdown of consumption expenditure, 1999 (%)



(1) DE, estimated; FI, including heating; SE, including water supply, sewerage and heating and miscellaneous services related to the dwelling; UK, including insurance for dwellings.

(2) FI and SE, excluding heating.

Source: Eurostat, Household Budget Survey (theme3/hbs)



## 4.1 DWELLING COSTS

**Table 4.3: Types of dwelling in the EU-15, 2001**  
(% of households)

	House	Flat	Other (1)
<b>EU-15</b>	51.6	41	7.4
<b>Socio-economic status</b>			
Employed	57.5	37.9	4.6
Unemployed	42.2	50.2	7.7
Retired	54.9	38.1	7.0
Other	47.2	48.1	4.7
<b>Type of household</b>			
One adult younger than 30 years	26.4	67.9	5.7
One adult aged between 30 and 64 years	36.6	58.0	5.3
One adult older than 65 years	44.5	47.1	8.4
Single parent with dependent children	44.0	54.2	1.8
Two adults with one dependent child	59.1	37.2	3.7
Two adults with two dependent children	65.2	31.0	3.8
Two adults with three or more dependent children	68.1	28.5	3.4
Two adults, at least one aged 65 years and over	62.5	31.7	5.8
<b>Income group (2)</b>			
High	55.9	40.8	3.3
Mid-high	57.4	37.9	4.7
Mid-low	55.0	38.5	6.5
Low	51.8	39.9	8.4

(1) For example hotel, institution or campsite.

(2) Income breakdown expressed in relation to median income: low income, less than 60%; mid-low income, 60% to 100%; mid-high income, 100% to 140%; high income, more than 140%.

Source: Eurostat, European Community Household Panel (theme3/housing)

This section will address various aspects of housing consumption of European households. When analysing the statistics provided, it is very important to keep in mind that international comparisons in this area should be made with great caution because of the different traditions in the individual countries.

**Table 4.4: Housing tenure in the EU-15, 2001**  
(% of households)

	Owner-occupied	Rental	Rent free
<b>EU-15</b>	64.0	32.1	3.9
<b>Socio-economic status</b>			
Employed	67.0	29.6	3.4
Unemployed	40.3	55.3	4.5
Retired	64.6	31.0	4.4
Other	50.2	43.8	6.0
<b>Type of household</b>			
One adult younger than 30 years	21.1	69.4	9.5
One adult aged between 30 and 64 years	47.7	46.9	5.4
One adult older than 65 years	53.1	39.2	7.7
Single parent with dependent children	37.1	56.3	6.6
Two adults with one dependent child	68.0	28.3	3.7
Two adults with two dependent children	74.4	22.2	3.4
Two adults with three or more dependent children	70.6	25.6	3.8
Two adults, at least one aged 65 years and over	72.9	24.3	2.7
<b>Income group (1)</b>			
High	73.5	23.5	3.1
Mid-high	68.8	28.2	3.0
Mid-low	59.7	36.2	4.1
Low	50.1	43.3	6.5
<b>Type of housing</b>			
Flat	39.5	57.7	2.8
House	79.6	16.1	4.3
Other living quarter (hotel, institution, campsite)	47.9	33.7	18.4

(1) Income breakdown expressed in relation to median income: low income, less than 60%; mid-low income, 60% to 100%; mid-high income, 100% to 140%; high income, more than 140%.

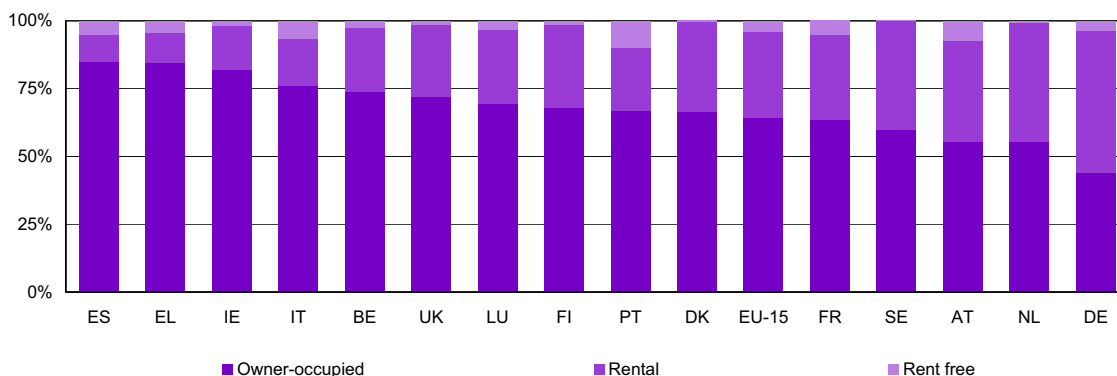
Source: Eurostat, European Community Household Panel (theme3/housing)

## CONSUMPTION: HOUSE OR FLAT - OWNED OR RENTED?

In 2001, the majority of Europeans lived in houses (51.6%) rather than flats (41%), and most (64.0%) owned the dwelling they lived in. Houses tended to be owner-occupied (79.6%), whilst flats were more likely to be rented (57.7%) - see Table 4.4. Obviously, there was a clear link between the level of income and the proportion of owners, from 73.5% owner-occupation for high-income households down to 50.1% for low-income households. The link was less clear as regards the housing type, although low-income households were more likely to live in a flat.

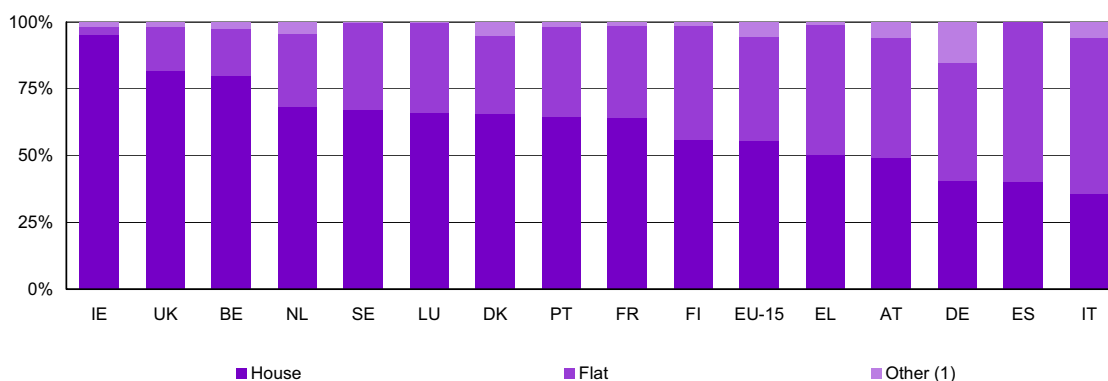
In 2001, more than three-quarters of Spanish (84.8%), Greek (84.6%) and Irish (81.9%) households owned the dwelling they lived in (see Figure 4.5). Whilst the Irish lived predominantly in houses (94.0%), Germans, Spaniards and Italians showed a marked preference for flats (44.4%, 59.8% and 58.4% respectively) - see Figure 4.6. The only country where less than half of the households owned the dwelling they lived in was Germany (43.8%).

**F**igure 4.5: Housing tenure, 2001 (%)



Source: Eurostat, European Community Household Panel (theme3/housing)

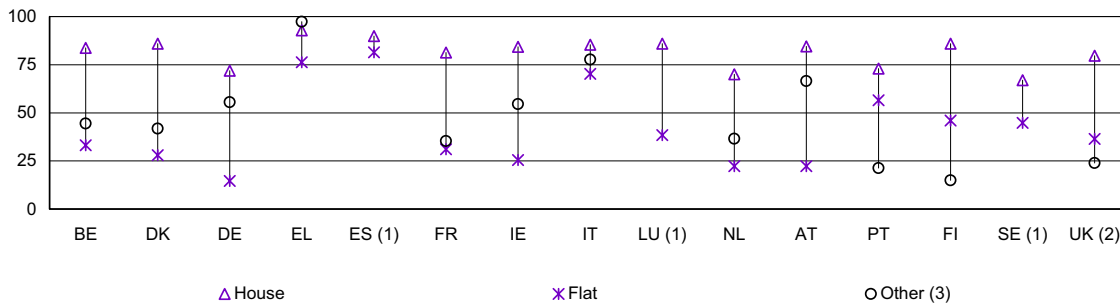
**F**igure 4.6: Types of dwelling, 2001 (%)



(1) For example hotel, institution or campsite.

Source: Eurostat, European Community Household Panel (theme3/housing)

**Figure 4.7: Proportion of households owning their own dwelling, breakdown by housing type, 2001 (%)**



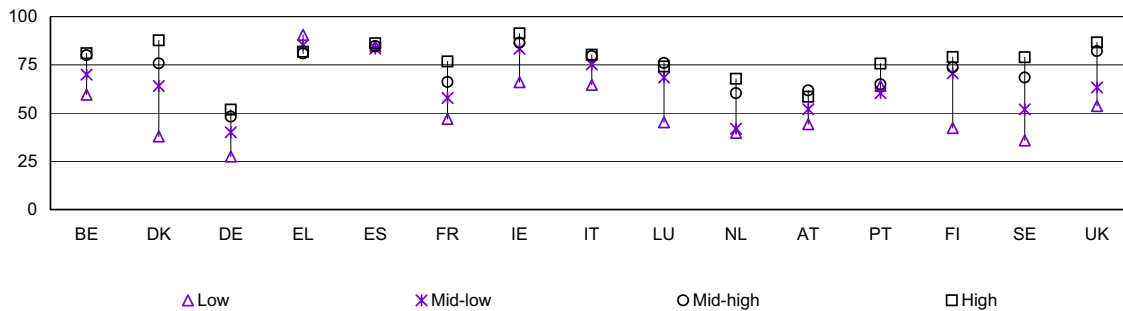
(1) Other, not available.

(2) Other, 1999.

(3) For example hotel, institution or campsite.

Source: Eurostat, European Community Household Panel (theme3/housing)

**Figure 4.8: Proportion of households owning their own dwelling, breakdown by income group, 2001 (%) (1)**



(1) Income breakdown expressed in relation to median income: low income, less than 60%; mid-low income, 60% to 100%; mid-high income, 100% to 140%; high income, more than 140%.

Source: Eurostat, European Community Household Panel (theme3/housing)

## CONSUMPTION EXPENDITURE

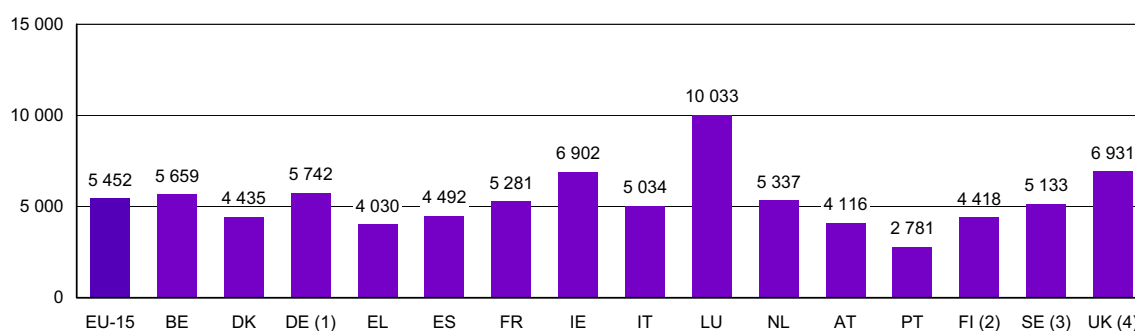
When studying consumption expenditure of housing, the aim is to analyse how much European households spend to have a roof over their heads. Whereas the cost of housing was presented in the first section of this chapter included, apart from the rent (imputed or not), all other costs related to housing, such as energy, water, furnishings, and routine maintenance, the following section is limited to the rents only. It should be noted that the purchase of a dwelling (regarded as gross fixed capital formation) and major improvements to housing (for example building, rebuilding, modernisation and extensions) are not included in the consumption expenditure of households and can be regarded as investment expenditure; whilst decorating, maintenance and repair are treated as consumption.

Secondly, a distinction can be made between the cost of occupying a dwelling and the operational costs associated with living in a dwelling. Whilst the latter is mainly independent from the type of tenure (rented or owned), the former is linked. For families renting a dwelling, it is quite simply reflected in the rental cost of the flat or apartment, but in the case of ownership, no such expenditure is directly made. In order to compare consumption between both types of households, an estimation (referred to as an imputed rent) is calculated for owner-occupied dwellings<sup>1</sup>. Unfortunately, data may not be fully comparable across Member States in the absence of a common estimation method.

In 1999, housing expenditure in the individual countries (including both rentals and operational costs) roughly varied between 4 030 PPS (Greece) and 6 931 PPS (the United Kingdom). Luxembourg and Portugal stood outside this range and recorded the highest (10 033 PPS) and lowest (2 781 PPS) average levels of expenditure respectively (see Figure 4.9). In most countries, housing expenditure represented around one-fifth of total expenditure, ranging from 15.0% in Portugal up to 25.1% in the United Kingdom. It is interesting to note that this share does not vary much according to the income level of the household. In contrast, the type of household (number of persons, with or without dependent children) appears to be an important discriminating factor, with the proportion of total expenditure dedicated to housing generally decreasing as the size of the household increases. The share of total expenditure accounted for by housing was also quite high for the elderly. However, in reality, the elderly are likely to pay less for their accommodation than the estimated rent.

(1) For Household Budget Surveys, the usual practice is to consider such an imputed rent only for principal residences, in other words, excluding holiday homes and other secondary residences.

**Figure 4.9: Actual and imputed rentals for housing; maintenance and repair of the dwelling**  
Mean consumption expenditure, 1999 (PPS per household)



(1) Estimated.

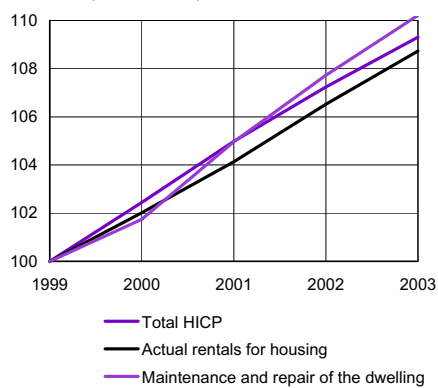
(2) Including heating.

(3) Including water supply, sewerage and heating and miscellaneous services related to the dwelling.

(4) Including insurance for dwellings.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 4.10: Actual rentals for housing; maintenance and repair of the dwelling**  
Development of harmonized indices of consumer prices in the EU (1999=100)



Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## PRICES

The relative price level of rentals for housing in 2002 was highest in Ireland (67% above the EU average) but Finland and Luxembourg were almost as high (see Table 1.38 on page 34 and 35). Regarding maintenance and household services, the price level in Denmark revealed the highest. Slovakia had the lowest level of prices for both, rentals and maintenance-household services, standing at only 33% of the EU-25 average for rentals and 29% for maintenance and household services.

**Table 4.11: Average price of dwellings (2000=100) (1)**

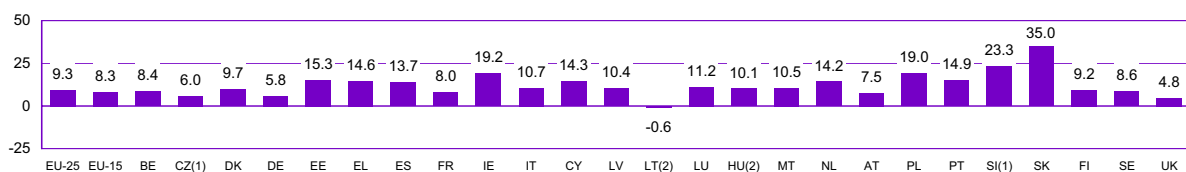
	1998	1999	2000	2001	2002	2003
<b>BE</b>	83.3	93.9	100.0	102.8	112.2	120.6
<b>CZ</b>	:	:	:	:	:	:
<b>DK</b>	86.1	92.8	100.0	107.8	112.2	119.4
<b>DE</b>	95.8	97.9	100.0	97.9	97.9	98.6
<b>EE</b>	:	:	:	:	:	:
<b>EL</b>	83.1	90.5	100.0	114.6	129.5	136.9
<b>ES</b>	79.4	87.5	100.0	117.5	138.8	162.5
<b>FR</b>	86.2	92.7	100.0	108.1	117.9	131.4
<b>IE</b>	72.0	86.7	100.0	108.0	111.9	127.6
<b>IT</b>	86.3	92.1	100.0	107.9	118.7	131.4
<b>CY</b>	:	:	:	:	:	:
<b>LV</b>	:	:	:	:	:	:
<b>LT</b>	:	:	:	:	:	:
<b>LU</b>	:	:	:	:	:	:
<b>HU</b>	59.5	77.9	100.0	108.6	107.4	:
<b>MT</b>	:	:	:	:	:	:
<b>NL</b>	73.3	87.4	100.0	106.9	112.1	117.0
<b>AT</b>	99.0	99.0	100.0	97.1	98.1	99.0
<b>PL</b>	:	:	:	:	:	:
<b>PT (2)</b>	:	:	:	100.0	100.0	121.5
<b>SI</b>	:	:	:	:	:	:
<b>SK</b>	:	:	:	:	:	:
<b>FI</b>	86.8	94.4	100.0	99.1	106.5	113.3
<b>SE</b>	82.3	90.0	100.0	107.7	114.6	122.3
<b>UK</b>	78.4	87.5	100.0	108.4	127.9	146.8

(1) Not all house prices are measured using the same methodology and care must therefore be taken when comparing trends across countries.

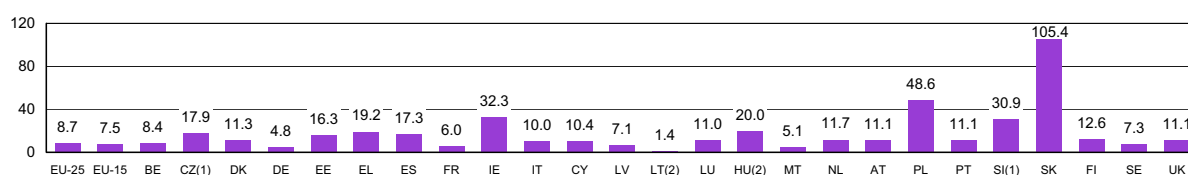
(2) Index, 2001=100.

Source: European Mortgage Federation

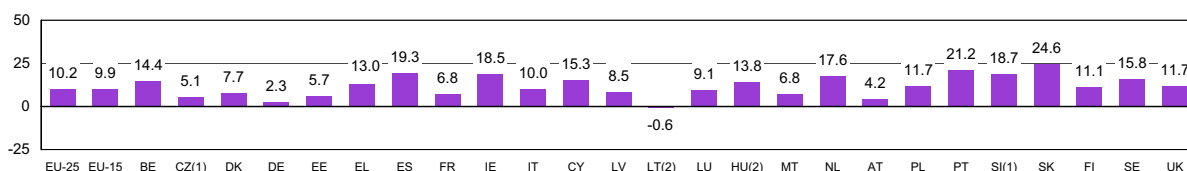
**Figure 4.12: Actual rentals for housing; maintenance and repair of the dwelling**  
**Absolute growth in consumer prices, 1999-2003 (%)**



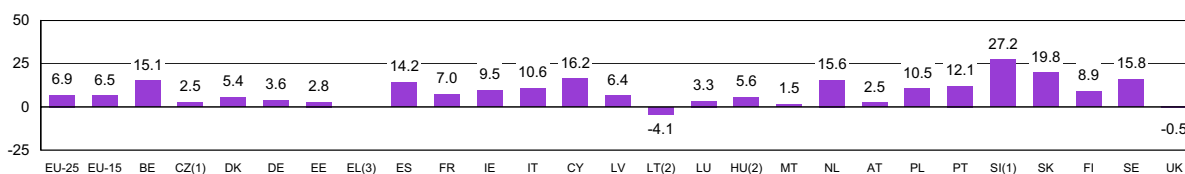
#### All-items consumer price index



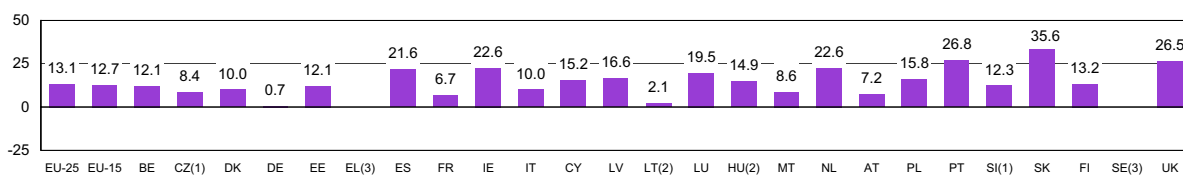
#### Actual rentals for housing



#### Maintenance and repair of the dwelling



#### Materials for the maintenance and repair of the dwelling



#### Services for the maintenance and repair of the dwelling

(1) 2000 instead of 1999.

(2) 2001 instead of 1999.

(3) Not available.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## QUALITY

The quality of housing can be associated with a variety of parameters: the existence of amenities in the dwelling (such as running or hot water, a bathroom or central heating), the available space, the quality of the building (is there damp or a leaking roof) or the environment (for example noise, darkness, pollution, crime or vandalism). Some of these parameters may be very subjective feelings connected to individual preferences.

As can be seen in Table 4.13, 32.2% of the Greeks and 27.3% of the Italians voiced dissatisfaction over the quality of their housing in 2001, the highest rates in the EU-15; households in Austria (6.1%) and the Netherlands (7.5%) were the least dissatisfied with their living conditions. The most frequent problem area, cited by 26.0% of respondents, was noise. This was particularly the case in Italy and the Netherlands. Next came safety, which was a problem for 16.7% of households (especially in Finland and Portugal) and the bad quality of the building, cited by 15.8% of households on average, but 35.7% in Portugal.

In general, households living in a flat or a rented dwelling were more often dissatisfied than those living in their own dwelling or those living in a house. Single adults (with or without children) tended to express greater dissatisfaction than couples with children (see Table 4.14).

**T**able 4.13: Share of households dissatisfied with their housing, and main reasons, 2001 (%)

	Dissatisfaction	Noise (1)	Safety (2)	Bad quality building (3)	Lack of space	Pollution	Not adequate heating	Darkness
<b>EU-15 (4)</b>	13.6	26.0	16.7	15.8	14.5	12.0	8.2	8.3
<b>BE</b>	10.9	23.6	17.8	14.6	9.3	10.2	5.6	6.7
<b>DK</b>	8.3	14.5	9.0	11.0	14.3	4.2	3.0	3.5
<b>DE</b>	:	:	:	:	14.3	:	:	:
<b>EL</b>	32.2	22.6	6.0	16.9	19.3	14.7	20.3	5.8
<b>ES</b>	17.6	28.0	14.7	17.2	16.2	9.7	3.3	11.9
<b>FR</b>	8.9	23.2	20.2	20.3	12.2	16.5	8.0	9.2
<b>IE</b>	11.8	10.8	9.5	9.5	7.2	6.5	5.6	2.0
<b>IT</b>	27.3	33.7	14.2	11.9	16.0	15.4	13.5	10.7
<b>LU</b>	:	:	:	:	:	:	:	:
<b>NL</b>	7.5	34.9	19.0	17.3	11.3	11.2	5.5	5.8
<b>AT</b>	6.1	20.2	5.3	8.0	10.6	4.5	4.8	5.7
<b>PT</b>	24.1	27.7	22.3	35.7	22.0	18.7	34.6	14.3
<b>FI</b>	11.1	22.5	23.0	4.2	14.1	14.4	2.1	3.9
<b>SE</b>	:	:	:	:	:	:	:	:
<b>UK (5)</b>	10.5	22.4	18.8	14.6	:	6.9	3.8	5.7

(1) From neighbours or outside.

(2) Vandalism or crime.

(3) Rot in the house, damp or leaking roof.

(4) Excluding DE, LU, SE and UK for dissatisfaction; excluding DE, LU and SE for noise, safety, bad quality building, pollution, not adequate heating and darkness; excluding LU, SE and UK for lack of space.

(5) Dissatisfaction, 2000.

Source: Eurostat, European Community Household Panel (theme3/housing)

**T**able 4.14: Share of households dissatisfied with their housing, and main reasons, EU-15 (%)

	Dissatis- faction	Noise (1)	Safety (2)	Bad quality building (3)	Lack of space	Pollution	Not adequate heating	Darkness
<b>EU-15 (4)</b>	13.6	26.0	16.7	15.8	14.5	12.0	8.2	8.3
<b>Type of housing (1997)</b>								
House	11.2	21.9	13.2	19.1	12.6	11.0	9.5	8.3
Flat	16.9	39.4	26.4	17.7	21.9	21.0	11.5	11.4
<b>Socio-economic status (2001)</b>								
Employed	15.9	26.1	15.9	15.3	17.5	11.8	7.6	8.2
Unemployed	27.9	34.7	23.7	24.8	24.7	13.7	15.5	14.5
Retired	14.9	23.3	16.1	14.7	6.3	11.6	7.8	7.3
<b>Tenure type (1997)</b>								
Owner-occupied	10.4	24.9	15.8	14.4	12.5	14.3	7.6	7.7
Rental	25.4	39.4	26.1	24.8	24.8	18.8	14.6	14.4
<b>Type of household (2000)</b>								
One adult younger than 30 years	17.2	31.0	15.8	16.1	22.6	11.2	13.4	11.9
One adult aged between 30 and 64 years	17.4	30.3	17.5	18.8	14.0	14.6	10.5	10.4
One adult older than 65 years	15.5	21.4	17.6	17.9	5.2	11.9	9.3	7.6
Single parent with dependent children	20.0	32.1	21.6	19.1	21.3	14.2	10.6	10.2
Two adults with one dependent child	12.1	27.1	16.4	14.7	19.5	12.5	7.2	7.2
Two adults with two dependent children	12.8	23.2	14.9	13.5	24.0	11.8	7.0	7.7
Two adults with three or more dependent children	15.9	24.9	20.4	17.9	25.8	13.4	9.5	9.6
Two adults, at least one aged 65 years and over	10.8	23.6	14.5	13.8	5.6	13.5	7.4	7.2
<b>Income group (2000) (5)</b>								
High	8.0	24.8	16.0	10.8	11.7	13.1	4.3	6.2
Mid-high	11.5	24.8	16.1	13.9	13.6	12.9	6.8	7.5
Mid-low	15.6	25.2	16.7	17.5	15.1	12.5	9.6	9.2
Low	22.2	27.3	17.5	23.4	19.7	12.0	15.8	11.9

(1) From neighbours or outside.

(2) Vandalism or crime.

(3) Rot in the house, damp or leaking roof.

(4) 2001; excluding DE, LU, SE and UK for dissatisfaction; excluding DE, LU and SE for noise, safety, bad quality building, pollution, not adequate heating and darkness; excluding LU, SE and UK for lack of space.

(5) Income breakdown expressed in relation to median income: low income, less than 60%; mid-low income, 60% to 100%; mid-high income, 100% to 140%; high income, more than 140%.

Source: Eurostat, European Community Household Panel (theme3/housing)



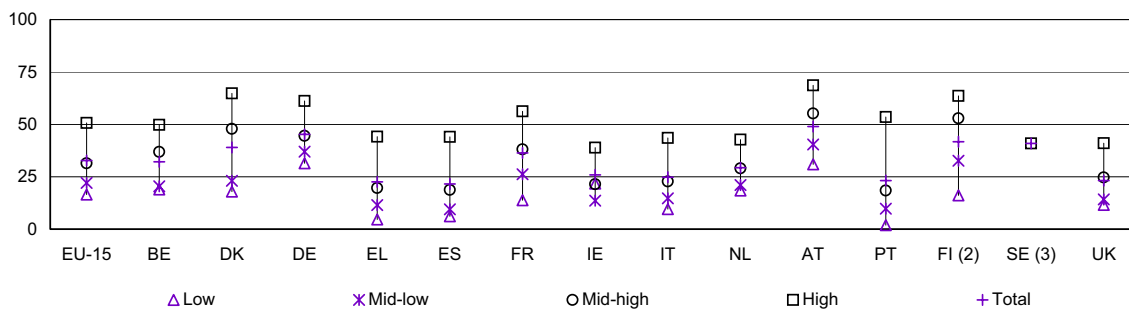
## 4.2 HOUSEHOLD FURNISHINGS AND APPLIANCES

The durable goods covered in this chapter exclude the goods used in conjunction with a service (for example, television sets or video-recorders), as these are treated in the specific chapters that relate to the corresponding service (mainly found in Chapter 6). As such, the coverage in this section is restricted to furniture, furnishings and decoration items, household textiles, heating and cooking appliances and similar white goods.

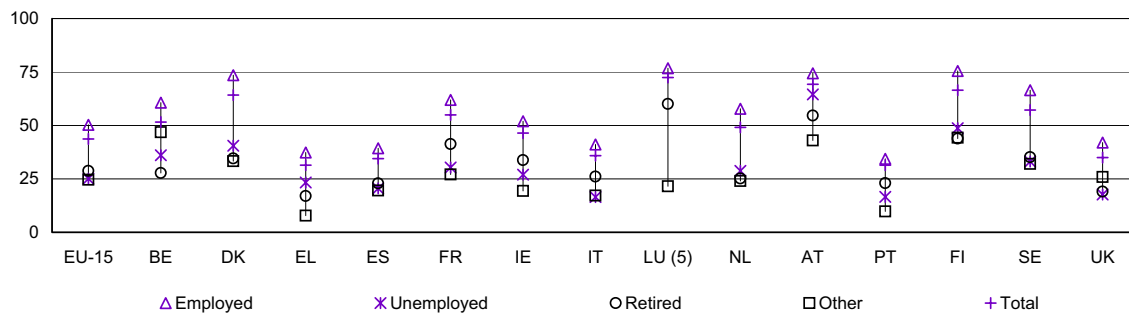
### OWNERSHIP: HOUSEHOLD APPLIANCE PENETRATION RATES

Detailed data for dishwashers and microwave ovens are available from the European Community Household Panel for 1998 (see Figures 4.15 and 4.16). It shows that the employment status of the head of household and his/her income level were two highly discriminating factors that influenced ownership. In the case of dishwashers, the ownership rate varied between 21.6% (Spain) and 49.0% (Austria) in paid employment and between 38.9% (Ireland) and 68.6% (Austria) for high-income households, but it was as low as 16.1% amongst the unemployed and 12.3% within low-income households. Similarly, microwave ovens were found in 54.6% of homes where the head of household was employed and 57.7% of high-income households, but in only 35.9% of households headed by an unemployed person.

**Figure 4.15: Proportion of households owning a dishwasher, 1998 (%) (1)**



#### Breakdown by income group



#### Breakdown by employment status (4)

(1) Income breakdown expressed in relation to median income: low income, less than 60%; mid-low income, 60% to 100%; mid-high income, 100% to 140%; high income, more than 140%; LU, not available.

(2) 1997.

(3) Low, mid-low and mid-high, not available.

(4) DE, not available

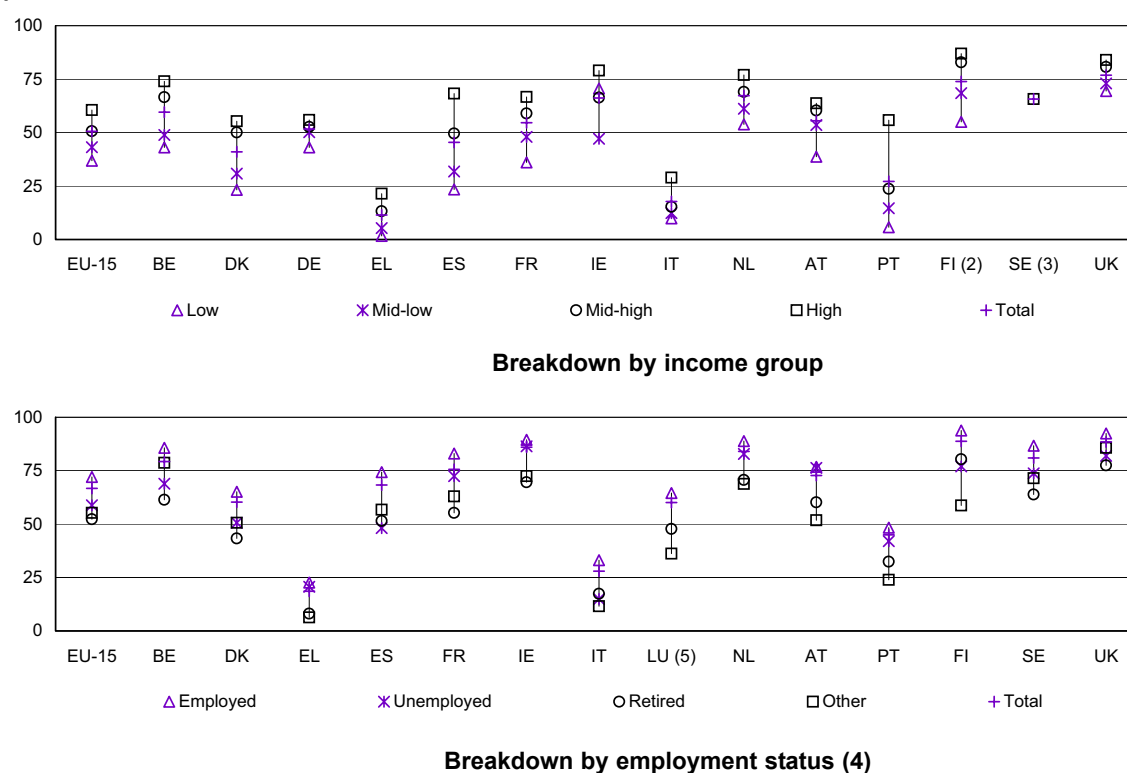
(5) Unemployed, not available

Source: Eurostat, European Community Household Panel (theme3/housing)

When asked why they were not equipped with a dishwasher, 11.1% of Europeans said they could not afford one, a share that got larger amongst the unemployed (19.3%) and low-income households (14.7%). But financial reasons were not the most frequent argument given, as more than half of the respondents said that they simply did not want a dishwasher<sup>2</sup>. Very similar patterns can be observed for microwave ovens.

(2) It is important to note that psychological factors may play a role, making the respondent reply to the interviewer they do not want something they actually cannot afford.

**Figure 4.16: Proportion of households owning a microwave, 1998 (%) (1)**



(1) Income breakdown expressed in relation to median income: low income, less than 60%; mid-low income, 60% to 100%; mid-high income, 100% to 140%; high income, more than 140%; LU, not available.

(2) 1997.

(3) Low, mid-low and mid-high, not available.

(4) DE, not available

(5) Unemployed, not available

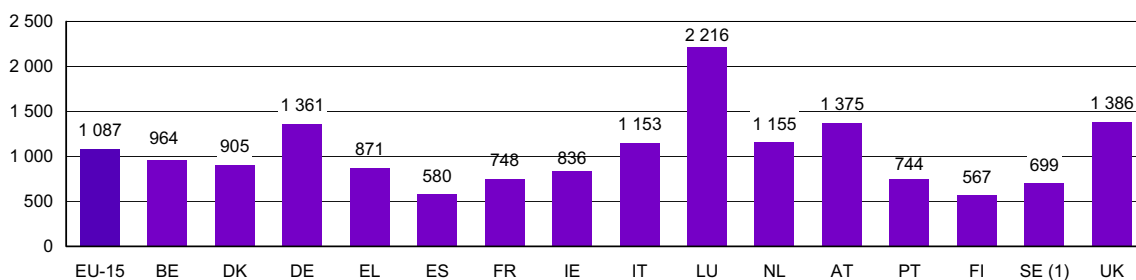
Source: Eurostat, European Community Household Panel (theme3/housing)

### CONSUMPTION EXPENDITURE

In a majority of Member States in 1999, average consumption expenditure for household furnishings, textiles and appliances ranged between 836 PPS in Ireland and 1 386 PPS in the United Kingdom. Amongst the countries outside this bracket, notably low values were recorded in Finland (567 PPS) and Spain (580 PPS) - almost four times less than the highest value that was recorded in Luxembourg (2 216 PPS) (see Figure 4.17). In relative terms, purchases of these items represented between 2.9% (Spain) and 5.8% (Germany) of total household expenditure (see Figure 4.17).

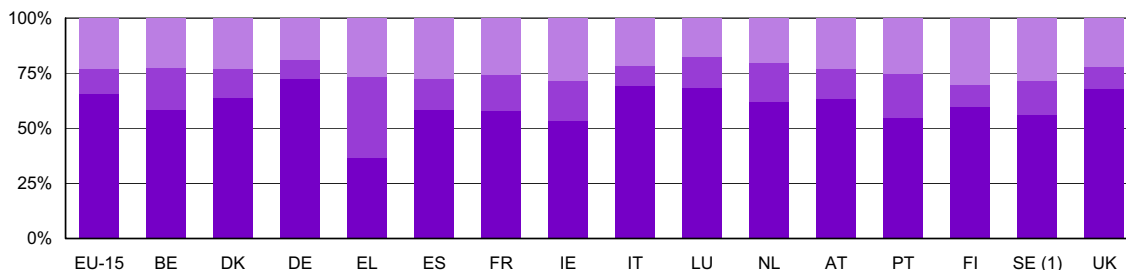
Looking at the different categories of durable goods: furnishing was of particular importance in Germany (980 PPS or 4.2% of total expenditure) and Luxembourg (1 515 PPS or 3.5% of total expenditure), whilst household textiles were relatively significant in Greece (319 PPS or 1.4%). As for household appliances, they generally represented around 1.0% of total expenditure, with spending between 167 PPS in Spain and 379 PPS in Luxembourg (see Figure 4.18).

**Figure 4.17: Furniture and furnishings, carpets and other floor coverings, household textiles and appliances**  
**Mean consumption expenditure, 1999 (PPS per household)**



(1) Includes part of non-specified expenditure on furnishings, household equipment and routine household maintenance.  
 Source: Eurostat, Household Budget Survey (theme3/hbs)

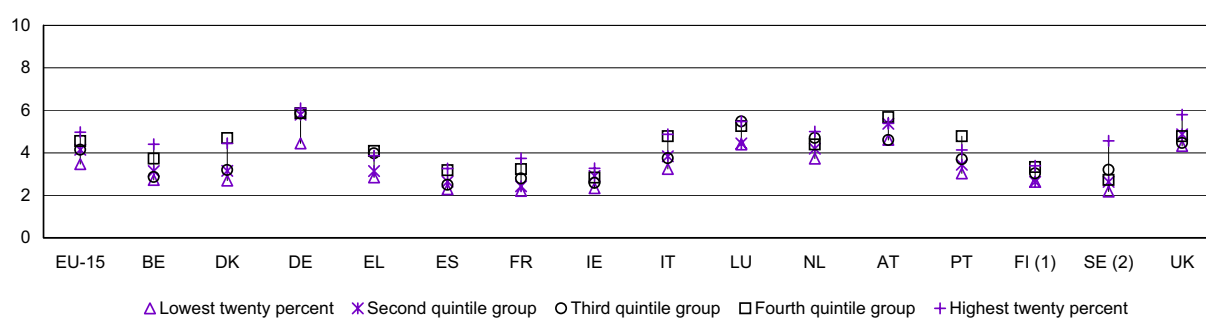
**Figure 4.18: Furniture and furnishings, carpets and other floor coverings, household textiles and appliances**  
**Breakdown of consumption expenditure, 1999 (%)**



(1) SE, includes part of non-specified expenditure on furnishings, household equipment and routine household maintenance.  
 Source: Eurostat, Household Budget Survey (theme3/hbs)

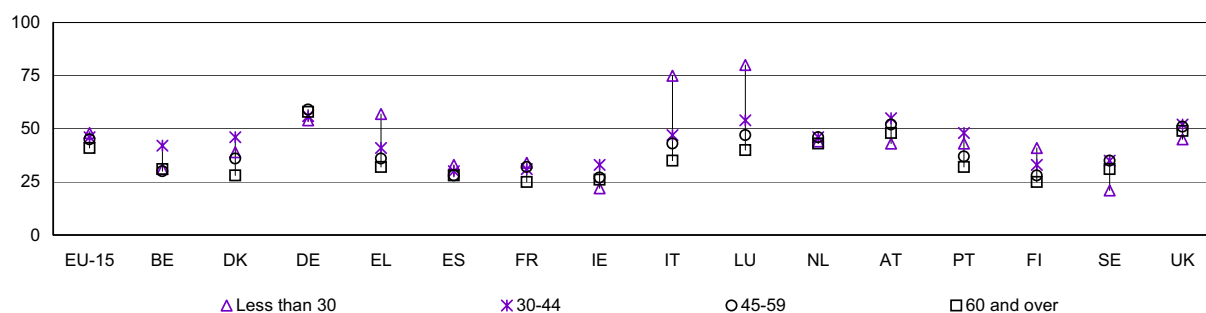
As household income rises, expenditure on furnishings, textiles and appliances increases at an even faster rate. Household furnishings, textiles and appliances accounted for between 2.2% (Sweden) and 4.6% (Austria) of total household expenditure within the lowest income quintile group of households, a proportion that rose to between 3.3% (Spain) and 6.1% (Germany) within the highest income quintile group (see Figure 4.19). Households with a relatively young head usually dedicated a larger share of their total expenditure to furnishings, textiles and appliances (see Figure 4.20).

**Figure 4.19: Furniture and furnishings, carpets and other floor coverings, household textiles and appliances**  
Share of total consumption expenditure, breakdown by income distribution, 1999 (%)



(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.  
(2) Includes part of non-specified expenditure on furnishings, household equipment and routine household maintenance.  
Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 4.20: Furniture and furnishings, carpets and other floor coverings, household textiles and appliances**  
Share of total consumption expenditure, breakdown by age of reference person of household, 1999 (%)



Source: Eurostat, Household Budget Survey (theme3/hbs)

## FREQUENCY OF PURCHASE

The results of the latest HBS provide some indication on the frequency of purchase of furnishings, textiles and household appliances in 1999, by measuring the proportion of households that bought a particular item at least once during the reference period. In most countries, more than a third of households bought furniture and more than a quarter bought major household appliances (see Table 4.21) during this 12-month period. In contrast, most Member States reported that less than 15% of households purchased carpets or small electric appliances.

**Table 4.21: Furniture and furnishings, carpets and other floor coverings, household textiles and appliances**  
Consumption characteristics, 1999 (%)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>PERCENTAGE OF HOUSEHOLDS HAVING BOUGHT AN ITEM IN 1999</b>																
<b>Furniture and furnishings (1)</b>	<b>35.0</b>	24.0	61.0	36.0	23.0	47.0	35.0	27.0	10.0	60.0	76.0	33.0	23.0	51.0	56.0	37.0
<b>Carpets and other floor coverings (2)</b>	<b>8.0</b>	5.0	7.0	13.0	12.0	5.0	1.0	4.0	1.0	26.0	21.0	2.0	7.0	19.0	2.0	14.0
<b>Repair of furniture &amp; furnishings</b>	:	0.0	2.0	9.0	1.0	6.0	0.0	0.0	1.0	:	5.0	0.0	1.0	4.0	0.0	:
<b>Major household appliances</b>	<b>18.0</b>	5.0	30.0	13.0	23.0	28.0	28.0	27.0	5.0	44.0	41.0	20.0	27.0	36.0	30.0	8.0
<b>Small electric household appliances</b>	<b>14.0</b>	4.0	3.0	32.0	10.0	17.0	2.0	3.0	5.0	48.0	26.0	3.0	14.0	31.0	2.0	7.0
<b>Repair of household appliances</b>	<b>8.0</b>	10.0	1.0	15.0	6.0	20.0	1.0	2.0	6.0	17.0	13.0	1.0	3.0	2.0	0.0	4.0

(1) SE, including part of non-specified expenditure on furnishings, household equipment and routine household maintenance.

(2) FI, excluding wall to wall carpets and plastic or other floor coverings.

Source: Eurostat, Household Budget Survey (theme3/hbs)

## PRICES

Differences in price levels of furniture (including living-room and dining-room, kitchen and bedroom furniture), floor coverings and textiles were not that significant in 2002 for most EU-25 countries (see Table 1.38 on pages 34 and 35). Hungary, Lithuania and Slovakia were the cheapest countries, some 45%, 42% and 42% respectively below the EU-25 average, whilst the United Kingdom was the most expensive country (21% above average).

Price level indices for household appliances (such as refrigerators, freezers, washing machines and other smaller electric appliances) were usually within a 15% range of the EU-25 average, except for Denmark and Cyprus (which were the most expensive countries reaching respectively 16% and 18% above the average) and Slovakia (the cheapest country some 25% below the EU-25 average). For all of these items, it is important to note that the limited price level differences reported do not exclude more significant variations at the level of individual products.

### Recent price developments

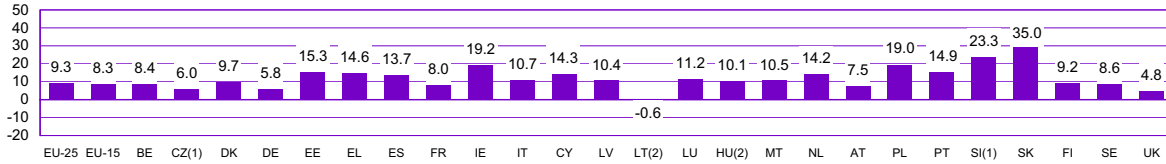
Between 1999 and 2003, the price of household durables has generally risen at a slower pace than inflation, in contrast with repair services for these items. Whilst the harmonised index of consumer prices for all-items displayed an average increase of 2.2% per annum, the price of furniture rose on average by 1.4% per annum (5.7% in total) - the highest increase recorded amongst household goods. The price of major household appliances fell on average by 0.6% per annum (or 2.3% in total). There was a different evolution for the price of repair services, rising on average by 2.6% per annum for the repair of furnishings and by 3.0% per annum for the repair of household appliances (see Table 4.22).

**T**able 4.22: Furniture and furnishings, carpets and other floor coverings, household textiles and appliances  
Development of harmonized indices of consumer prices in the EU (1999=100)

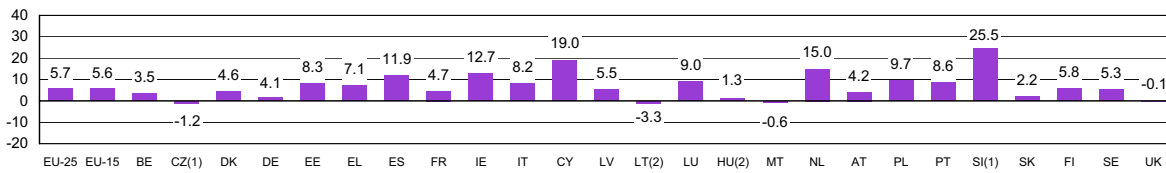
	1999	2000	2001	2002	2003
<b>Total HICP</b>	100	102	105	107	109
Household textiles	100	100	101	101	102
Carpets & floor coverings	100	101	102	103	104
Furniture and furnishings	100	101	103	105	106
Repair of furniture, furnishings	100	102	105	108	111
Household appliances	100	99	99	99	98
Repair of household appliances	100	103	107	110	113

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

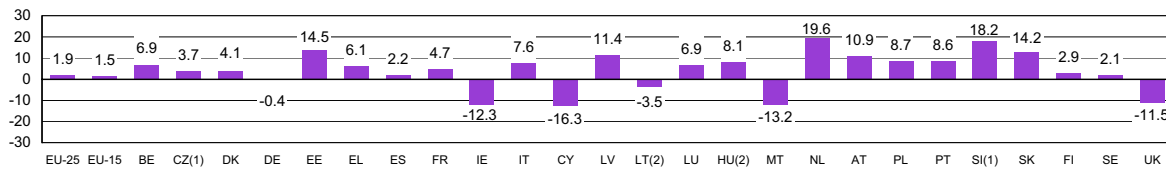
**Figure 4.23: Furniture and furnishings, carpets and other floor coverings, household textiles and appliances**  
**Absolute growth in consumer prices, 1999-2003 (%)**



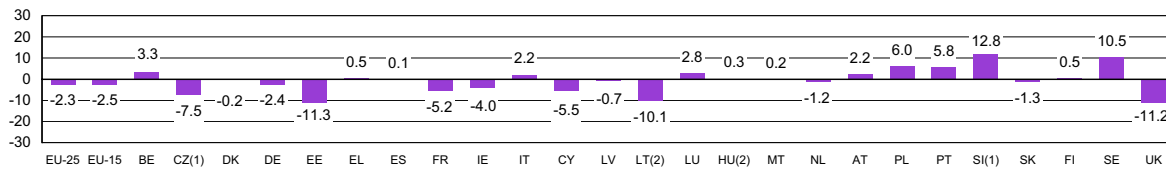
**All-items consumer price index**



**Furniture and furnishings, carpets and other floor coverings**



**Household textiles**



**Household appliances (including repair)**

(1) 2000 instead of 1999.

(2) 2001 instead of 1999.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

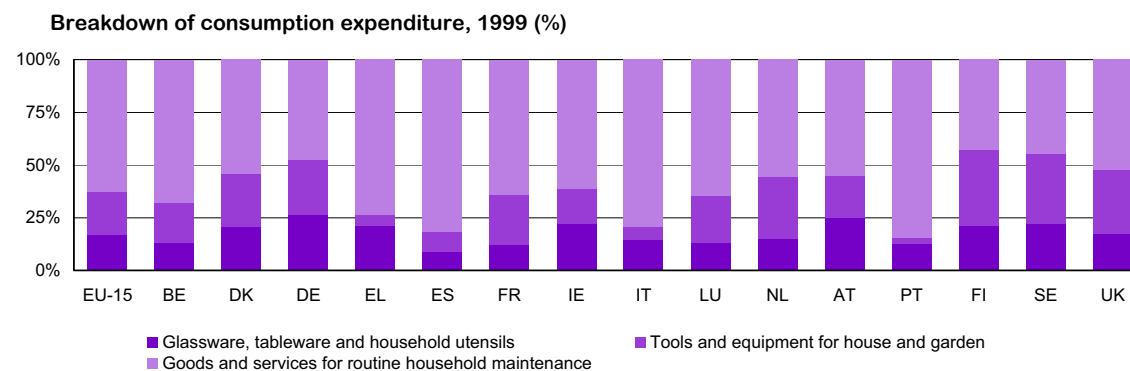
## 4.3 HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE

This section covers a vast array of generally small everyday items that are used regularly at meal times or for household chores such as cooking, cleaning and ironing, as well as products used for DIY (do-it-yourself) and gardening. It also covers household services, such as babysitting and window cleaning, as well as products that are used to clean household textiles and carpets.

### CONSUMPTION EXPENDITURE

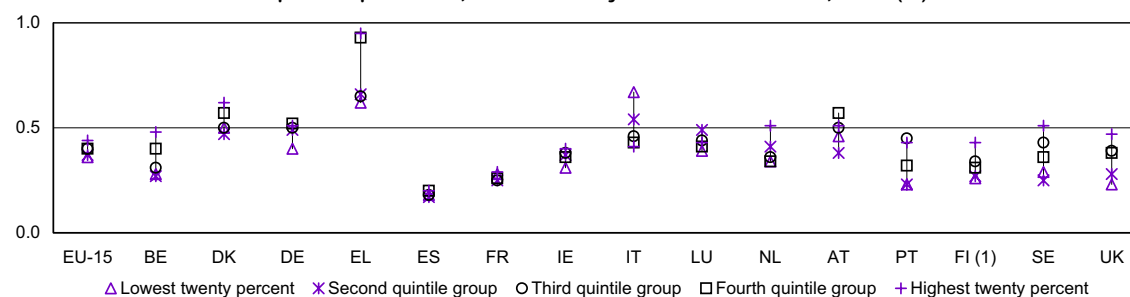
Expenditure on household equipment and routine maintenance in 1999 accounted for between 1.4% (in Finland) and 3.8% (in France) of average household expenditure. In terms of PPS per household this represented, for example in Luxembourg, which had the highest level of expenditure on these items, 1 343 PPS. Products for routine household maintenance alone accounted for almost two thirds of average household expenditure on these items in 1999 (see Figure 4.24), whilst glassware, tableware and household utensils; and tools and equipment for the house and garden, both accounted for about one sixth of expenditure.

**Figure 4.24: Household equipment (excluding appliances); goods and services for routine household maintenance**



Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 4.25: Glassware, tableware and household utensils**  
Share of total consumption expenditure, breakdown by income distribution, 1999 (%)

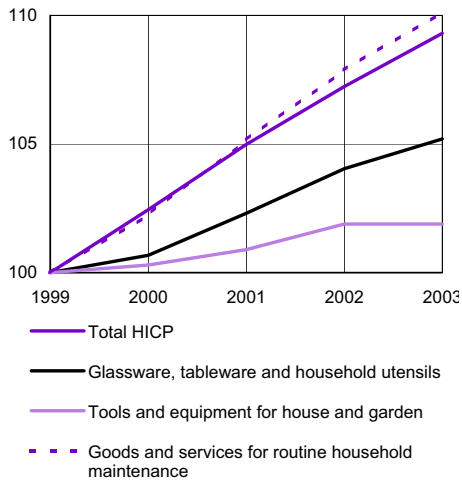


(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)



**Figure 4.26: Household equipment (excluding appliances); goods and services for routine household maintenance**  
**Development of harmonized indices of consumer prices in the EU (1999=100)**



Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## PRICES

Between 1999 and 2003 the consumer price index of goods and services for routine household maintenance rose faster (10% in total) than the price index for all-items (9% in total), whilst the price of tools and equipment for the house and garden remained almost unchanged (2% in total) (see Figure 4.26). The former is partly due to very high rises in excess of 15% in Denmark, Ireland, the Netherlands, Poland and Portugal, mainly as a result of steep price increases for domestic and household services.

## 4.4 HOUSEHOLD ENERGY CONSUMPTION

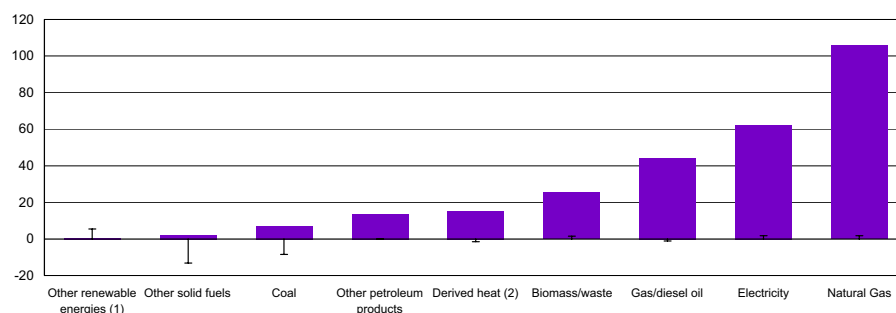
Households were one of the largest final energy consumers in the EU, accounting for 25.5% of the total energy consumption in 2002 (which can be compared with 28.3% for industrial use). European households spent, on average, 4.1% of their total expenditure on energy in 1999. Energy consumption within the home is, in the short-term, a relatively inelastic expenditure item, as reactions to price fluctuations can often only be made through investment in new equipment. As energy consumption has risen, there has at the same time been an increase in energy-conserving items (such as double-glazing or insulation), as well as more frequent replacement of equipment (resulting in higher energy efficiency).

### CONSUMPTION - THE ENERGY MIX

European households consumed 276.4 million toe of energy in 2002, which was 6.5% more than in 1990.

European households relied on three types of fuel for more than three-quarters of their energy needs - besides natural gas (38.3%), the most important products in the energy mix were electricity (22.5%) and gas/diesel oil (16.0%). During the 1990s households changed their energy mix, switching from solid fuels and petroleum products to natural gas and (to a lesser extent) electricity - see Figure 4.27. The share of natural gas in the total energy consumed by EU-25 households in 2002 was some 6 percentage points more than in 1992. Whilst natural gas and electricity consumption increased between 1992 and 2002 (reaching 105.9 million toe and 62.3 million toe respectively), gas/diesel oil consumption fell to 44.2 million toe.

**Figure 4.27: Total energy consumption of households in the EU, 2002 (million TOE) and annual average rate of change in the level of household energy consumption in the EU between 1992 and 2002 (% per annum)**



(1) Solar energy, geothermal energy and others.

(2) District heating.

Source: Eurostat, Energy statistics (theme8/sirene)

Within the Member States there was a low level of natural gas used in Greece, Finland and Sweden (with respective shares of 0.2%, 0.5% and 0.6% in total energy consumption in 2002). In certain countries, the share of gas could be slightly higher, as other types of gas (butane, propane) may also be used.

Renewable fuels played a small role in the energy mix, but displayed one of the highest growth rates during the 1990s: for example, solar energy consumption grew by an average of 9.0% per annum between 1992 and 2002.

### CONSUMPTION EXPENDITURE

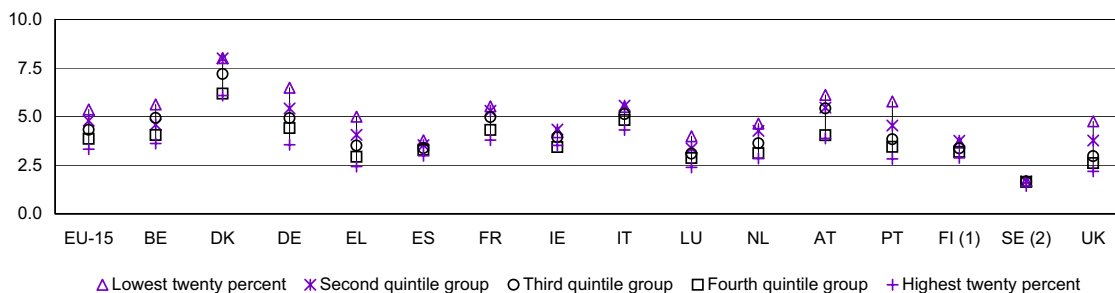
European households spent between 2.9% (United Kingdom) and 6.8% (Denmark) of their total consumption expenditure on electricity, gas and other fuels in 1999<sup>3</sup> (see Table 4.47). Mean consumption expenditure varied from 673 PPS per household in Spain to 1 604 PPS per household in Denmark.

Electricity accounted for in excess of 47.6% of energy expenditure in the majority of the Member States in 1999, whilst Dutch and Italian households spent a higher proportion on gas (52.8% and 42.0%). Solid fuels accounted for more than a fifth (20.5%) in Ireland.

With increasing income, the proportion of expenditure devoted to energy tends to decrease, because energy consumption does not increase once certain needs are covered (see Figure 4.28). Considering the link between rising income and a reduced share of energy in total expenditure, it was not surprising to find that households spending proportionally more on energy included those whose head was unemployed, retired or otherwise inactive.

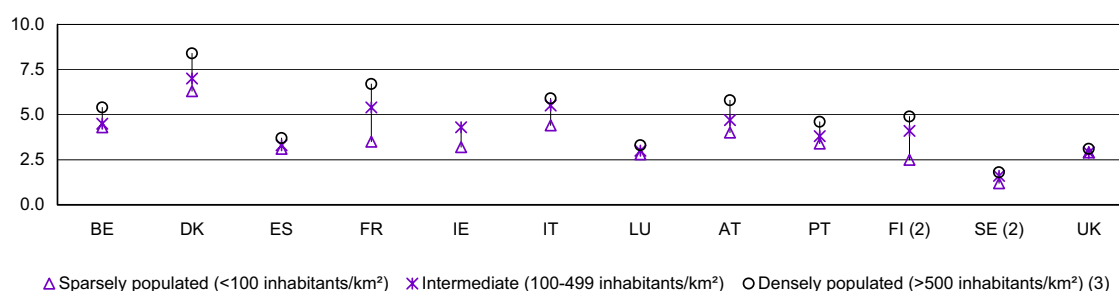
(3) For the whole of this section on consumption expenditure: FI and SE, excluding heating.

**Figure 4.28: Electricity, gas and other fuels**  
Share of total consumption expenditure, breakdown by income distribution, 1999 (%)



(1) Excluding heating; income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.  
 (2) Excluding heating.  
 Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 4.29: Electricity, gas and other fuels**  
Share of total consumption expenditure, breakdown by degree of urbanisation, 1999 (%) (1)



(1) DE, EL and NL, not available.

(2) Excluding heating.

(3) IE, not available.

Source: Eurostat, Household Budget Survey (theme3/hbs)

The degree of urbanisation was another important determinant with households in urban areas more likely to spend proportionally more of their total budget on energy. The ratio of the share of energy in total expenditure for households in sparsely populated areas to that for households in densely populated areas was between 0.5 in Finland and 0.9 in the United Kingdom<sup>4</sup> (see Figure 4.29).

## PRICES

Energy prices have long- and short-term signals for consumers. Investment in equipment is based upon price expectations in the future, as well as affordability (income) and choice (whether the chosen fuel network is established in the area). When energy prices rise, consumers may become more aware of their everyday consumption and try to avoid consuming excessive amounts of energy. Alternatively, consumers may look for energy-saving measures. It is generally agreed that consumers are more responsive to rising prices (asymmetric price elasticity)<sup>5</sup>.

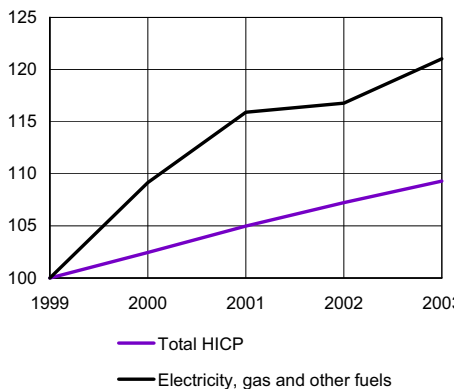
Gross rents, fuel and power taken (electricity, gas, liquid and solid fuels and heat energy) displayed significant price level variations between Member States mainly because of countries with extreme price levels (see Table 1.38 on pages 34 and 35): Irish households paid more than five times as much for their energy as households in Slovakia.

(4) DE, EL, IE and NL, not available.

(5) Environmental Outlook, OECD, 2001.

**Figure 4.30: Electricity, gas and other fuels**

Development of harmonized indices of consumer prices in the EU (1999=100)



Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Table 4.31: Electricity, gas and other fuels**  
Development of harmonized indices of consumer prices in the EU (1999=100)

	1999	2000	2001	2002	2003
<b>Total HICP</b>	100	102	105	107	109
<b>Electricity, gas and other fuels</b>	100	109	116	117	121
<b>Electricity</b>	100	100	104	106	111
<b>Gas</b>	100	110	125	124	129
<b>Liquid fuels</b>	100	143	134	127	133
<b>Solid fuels</b>	100	106	112	116	118
<b>Heat energy</b>	100	111	125	128	129

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

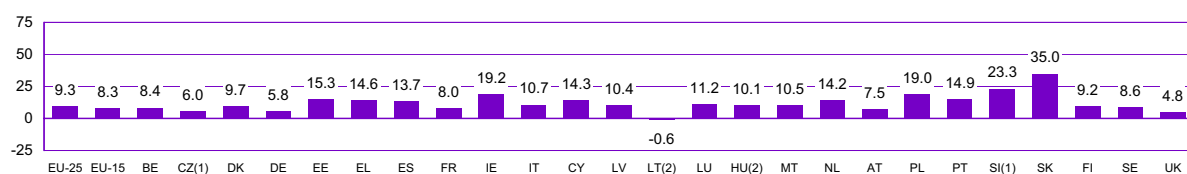
The price of energy products has risen constantly since 2000, resulting in the harmonised consumer price index for energy overtaking the all-items index (see Figure 4.30 and Table 4.31). Between 1999 and 2003, the absolute change in energy prices varied between a 64.2% increase in Cyprus and a 4.6% increase in the United Kingdom. Only, Slovakia reached a higher value, a 123.9% increase.

Between the different energy options, there was also a wide variation in price developments between 1999 and 2003 (see Figure 4.32), as the price of electricity in the EU increased on average by 2.6% per annum, whilst the price of liquid fuels rose on average by 7.4% per annum. These absolute changes are strongly influenced by the evolution of prices between 1999 and 2000, when electricity prices remained the same and those of liquid fuels rose by as much as 42.5% (the latter reflecting the imbalance between supply and demand in crude oil markets). The ongoing process of liberalisation of electricity markets may well be influencing the trend of electricity prices.

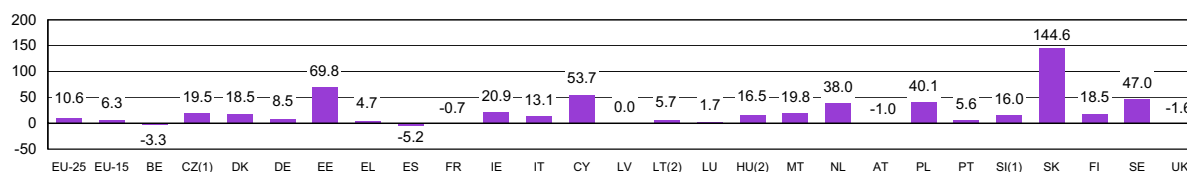
Taxes can be used to make energy prices higher, with the aim of influencing consumer choice. Taxation is regarded as a flexible instrument to encourage changes in consumption behaviour and combined with subsidies it can be used to stimulate a wider use of alternative energy products (in particular renewable energy sources). Energy taxes are justified on the grounds of externalities (such as air and water pollution or greenhouse gas emissions), following the polluter pays principle. Considering that the consumption of energy products is relatively inelastic, changes to taxation are normally made in progressive steps in order to give consumers time to adapt to the resulting price levels. The inelasticity of energy consumption is shown by a study<sup>6</sup> on the impact of existing fuel taxation on heating systems chosen by households, where it was found that central heating equipment using natural gas was cheaper, whether considering the price with or without excise duties.

(6) Towards a European strategy for the security of energy supply, Directorate-General of the European Commission for Transport and Energy, Green Paper, November 2000.

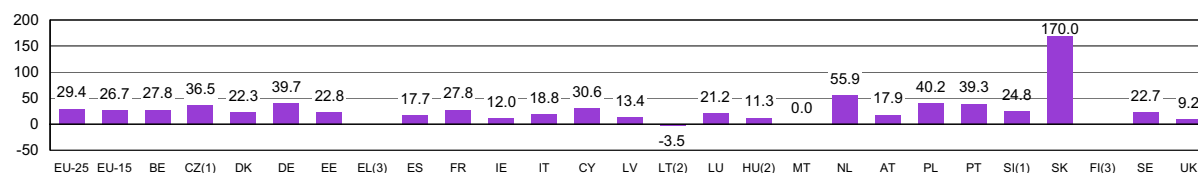
**Figure 4.32: Electricity, gas and other fuels**  
**Absolute growth in consumer prices, 1999-2003 (%)**



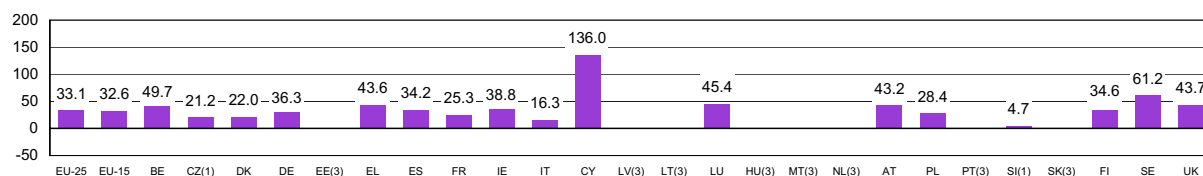
### All-items HICP



### Electricity



### Gas



### Liquid fuels

(1) 2000 instead of 1999.

(2) 2001 instead of 1999.

(3) Not available.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

Table 4.33 shows the energy prices European households had to face at the beginning of 2004, with the applicable tax rates of the Member States shown in Table 4.34. The correlation between high taxes and high prices becomes obvious. For example, adding electricity taxes, the price of electricity more than doubled (147.2%) in Denmark, but resulted in a 4.9% increase in the United Kingdom.

**T**able 4.33: Price of natural gas, electricity and heating gas oil for households, all taxes included, 1<sup>st</sup> half-year 2004 (1)

	Natural gas (2)	Electricity (3)		Heating gas oil (4)	
	(€ per GJ)	(€ per 100 kWh)	(€ per GJ)	(€ per thousand litres)	(€ per GJ)
EU-25	10.8	13.1	36.4	:	:
EU-15	12.4	13.5	37.5	:	:
BE	11.7	14.2	39.5	302.7	8.3
CZ	7.3	8.1	22.4	:	:
DK	21.2	<b>22.6</b>	<b>62.8</b>	719.9	19.8
DE	13.7	17.0	47.2	334.4	9.2
EE	5.2	6.5	18.0	:	:
EL	:	6.7	18.6	329.3	9.1
ES	12.8	10.8	30.0	374.2	10.3
FR	12.3	11.4	31.7	393.4	10.8
IE	10.0	12.6	34.9	443.8	12.2
IT	18.7	19.5	54.2	<b>851.1</b>	<b>23.4</b>
CY	:	10.7	29.6	:	:
LV	<b>4.7</b>	<b>5.8</b>	<b>16.0</b>	:	:
LT	6.1	6.3	17.6	:	:
LU	7.9	13.7	37.9	300.0	8.2
HU	6.4	9.9	27.6	:	:
MT	:	5.9	16.3	:	:
NL	14.7	18.3	50.8	608.0	16.7
AT	13.6	14.2	39.3	427.1	11.7
PL	7.0	8.0	22.2	:	:
PT	13.4	13.5	37.5	425.0	11.7
SI	10.7	10.1	28.1	:	:
SK	8.1	12.4	34.5	:	:
FI	9.2	10.8	30.0	381.6	10.5
SE	<b>21.7</b>	14.4	40.0	777.7	21.4
UK	7.6	8.8	24.4	<b>273.8</b>	<b>7.5</b>

(1) Underlying prices are half-yearly data; data relate to national average or regional prices according to the country; bold indicates the country with the lowest price, blue indicates the country with the highest price.

(2) Standard consumers are households consuming 93 GJ per year for cooking, water heating and central heating; FR, IE and AT, 2<sup>nd</sup> half-year 2003; FI, 2<sup>nd</sup> half-year 1999.

(3) Households consuming 3 500 kWh (or 12.6 GJ) per year among which 1300 kWh (or 4.7 GJ) overnight for a standard dwelling of 90 m<sup>2</sup>; SK, 2<sup>nd</sup> half-year 2004.

(4) Households with deliveries between 2 000 and 5 000 litres (or between 72.8 and 181.9 GJ) annually.

Source: Eurostat, Energy statistics (theme8/sirene)

The tax burden consists of VAT, excise duties and other indirect environmental taxes. Several Member States applied reduced VAT rates to energy products, such as the United Kingdom or Portugal, whilst the Nordic countries applied their standard rates (see page 44 for a list of VAT rates applied to energy products). Excise duties applied to heating gas oil ranged from EUR 10.0 per thousand liters in Luxembourg to EUR 405.5 per thousand litres in Denmark, with nine Member States reporting duties between EUR 40 and EUR 90 per thousand litres (as of September 2004).

The pricing/tariff structure for electricity is dependent upon the degree of market opening, the number of utilities in an area and the time of day (as most networks have excess capacity during the night). For example, in the London electricity region, one of the largest suppliers in the deregulated market of the United Kingdom offered final consumers a night rate that was 61.3% below day rates in June 2001. In Belgium and France (where liberalisation was limited), the respective figures were 56.2% lower in August 2004 and 41.2% lower in January 2004 (see Table 4.35).

**Table 4.35: Day and night tariffs for electricity**  
(€ per kWh) (1)

	Day rate	Night rate
<b>BE (2)</b>	0.0751	0.0329
<b>FR (3)</b>	0.0765	0.0450
<b>UK (4)</b>	0.0409	0.0158

(1) Annual standing charge excluded.

(2) Data for August 2004; representative prices, including VAT (21%) and energy tax levy (€0.0024 per kWh), for a yearly day consumption lower than 2 000 kWh.

(3) Data for January 2004; prices exclude energy tax (19.6%).

(4) Data for June 2001, London Electricity Region, Powergen; electricity charges for a medium user (average house, gas central heating).

Source: Electrabel, EDF and OFGEM

**Table 4.34: Tax rate on natural gas, electricity and heating gas oil for households, 1st half-year 2004**  
(% of pre-tax price) (1)

	Natural gas (2)	Electricity (3)	Heating gas oil (4)
<b>EU-25</b>	20.6	31.0	:
<b>EU-15</b>	33.9	31.1	:
<b>BE</b>	25.6	24.2	30.7
<b>CZ</b>	22.1	22.3	:
<b>DK</b>	<b>126.3</b>	<b>147.2</b>	144.9
<b>DE</b>	35.5	34.9	47.4
<b>EE</b>	18.1	18.0	:
<b>EL</b>	:	8.1	29.4
<b>ES</b>	16.1	21.9	57.1
<b>FR</b>	17.5	26.2	44.5
<b>IE</b>	13.5	19.1	31.1
<b>IT</b>	72.8	36.0	178.1
<b>CY</b>	:	14.9	:
<b>LV</b>	17.9	18.1	:
<b>LT</b>	18.0	18.1	:
<b>LU</b>	6.0	12.3	<b>16.3</b>
<b>HU</b>	14.9	24.9	:
<b>MT</b>	:	<b>0.0</b>	:
<b>NL</b>	61.4	77.2	97.4
<b>AT</b>	38.5	44.3	71.0
<b>PL</b>	21.9	30.3	:
<b>PT</b>	5.0	5.2	46.6
<b>SI</b>	33.3	20.1	:
<b>SK</b>	19.0	18.9	:
<b>FI</b>	30.6	33.2	58.2
<b>SE</b>	95.5	60.4	<b>201.7</b>
<b>UK</b>	<b>4.8</b>	4.9	37.0

(1) Underlying prices are half-yearly data; data relate to national average or regional prices according to the country; bold indicates the country with the lowest tax rate, blue indicates the country with the highest tax rate.

(2) Based on consumption of 93 GJ per year for cooking, water heating and central heating; FR, IE and AT, 2<sup>nd</sup> half-year 2003; FI, 2<sup>nd</sup> half-year 1999.

(3) Based on consumption of 3 500 kWh (or 12.6 GJ) per year among which 1 300 kWh (or 4.7 GJ) overnight for standard dwelling of 90 m<sup>2</sup>; SK, 2<sup>nd</sup> half-year 2004.

(4) Based on consumption of between 2 000 and 5 000 litres (or between 72.8 and 181.9 GJ) per year.

Source: Eurostat, Energy statistics (theme8/sirene)



## CHOICE

Comparing natural gas, electricity and heating gas oil, electricity seems to be a more comfortable source of energy for households for heating and cooking. It is indeed an easy source of energy, implying lower infrastructural costs and less danger than natural gas. However, despite these advantages, electricity remains far more expensive than natural gas. At least for heating purposes, gas oil offers an alternative to natural gas as the price level is globally comparable. In some countries the price of heating gas oil scored under the price level of natural gas in 2004 (see Table 4.33).

Most of the dwellings in the EU are equipped with space and water heating using natural gas to heat their water. A Eurobarometer survey (58.0) on services of general interest in 2002 showed that 67% of the people questioned considered that they had easy access to gas supply services<sup>7</sup>; 7% had difficult access and 14% no access. Difficult access to gas supply services was most often mentioned in Italy (11%), in Portugal (11%), in Austria (9%) and in Finland (9%), as opposed to Greece (3%), Ireland (3%), Luxembourg (3%) and Sweden (1%).

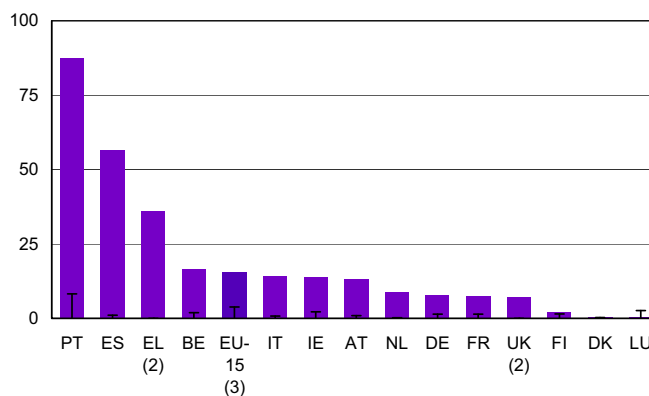
### Household amenities - a question of cost?

Data regarding energy amenities shows that four fifths (84.4%) of European households were living in dwellings with central heating, whilst almost all (91.8%) households had hot running water in 2001<sup>8</sup> - see Figure 4.36. At a certain extent, variations between Member States can be explained as a result of climatic differences (there is often less or no need for heating in southern Member States) and general income levels, differences also occur due to the penetration of alternative heating systems. For example, the relatively low percentage of Danish and Finnish households without central heating reflects the importance of district heating in these countries. The proportion of dwellings in the EU-15 without central heating or hot water was higher when the head of the household was inactive or unemployed (28.1% and 3.9% respectively in 1998).

(7) These results include the percentages recorded in Sweden, Greece and Finland where 77%, 58% and 57% respectively of the people questioned say that they do not have access to gas.

(8) Excluding SE for central heating; excluding UK and SE for hot running water.

**Figure 4.36: Households with no central heating (bars) or no hot running water (lines) on the premises, 2001 (%) (1)**



(1) SE, not available.

(2) Hot running water, not available.

(3) Excluding SE for central heating; excluding EL, SE and UK for hot running water.

Source: Eurostat, European Community Household Panel (theme3/housing)

### Satisfaction with electricity and gas supply

The Eurobarometer survey (58.0) on services of general interest provides information on consumer satisfaction in relation to electricity and gas distribution services. In the survey, satisfaction was measured according to four criteria: price, quality of the product, clarity of information, as well as fairness of terms and conditions. European consumers were most satisfied with the quality of electricity (91%) and gas (86%) services, whilst the lowest satisfaction ratings were given to price, where 39% and 34% of respondents were unsatisfied (see Table 4.37).

The Italians were the least satisfied consumers in Europe, as they gave one of the three lowest ratings for all four criteria, resulting in the lowest overall satisfaction level for electricity services (58%) and the third lowest for gas services (58%), ahead of Sweden and Finland. On the other hand, consumers in the United Kingdom gave one of the three highest ratings for all four criteria, including the highest satisfaction rates for electricity prices (87%) and gas prices (86%). As regards the handling of complaints, 38% of respondents in the EU-15 were dissatisfied in the case of gas distribution and 34% in the case of electricity distribution.

### ENVIRONMENT

Whilst public awareness of the environmental impact of energy use in the industrial and transport sectors is high, the same cannot always be said for air emissions that result from energy consumption within households. Public perception of emissions is often influenced by the distance between energy generation and energy use. For example, a heating boiler in the cellar of a house may smell or smoke when combusting oil, whilst district heated households are clearly separated from their energy source. A shift towards sustainable energy consumption patterns and therefore changes in lifestyle can be expected in the future, with energy prices increasingly likely to reflect environmental costs.

In fact, the willingness to pay more for energy produced from renewable sources has been the topic of a Eurobarometer survey (57.0) conducted in all EU-15 Member States in March 2003 (see Table 4.38). Fifty-four percent of the respondents said they would not be prepared to do so. However, a not insignificant proportion of Europeans claimed to be prepared to pay more for energy from renewable energy sources. In fact, 24% of respondents would accept an increase of 5% and 13% an even higher increase, making a total of 37% in favour of such a measure. This willingness to pay more varies from country to country: 58% in Luxembourg, 57% in the Netherlands, 53% in Denmark, but only 34% in Germany, 29% in France, 28% in Spain and 17% in Portugal. This survey reveals the emergence of a market for "green" energy amongst consumers in northern Europe.

**Table 4.37: Overall satisfaction with electricity and gas supply services, 2002**  
(% EU-15 filter on access) (1)

	Electricity supply services		Gas supply services	
	Satisfied	Unsatisfied	Satisfied	Unsatisfied
<b>EU-15 (2)</b>	<b>73.0</b>	<b>19.0</b>	<b>68.0</b>	<b>16.0</b>
<b>BE</b>	78.0	15.0	72.0	12.0
<b>DK</b>	82.0	11.0	73.0	7.0
<b>DE</b>	73.0	16.0	59.0	15.0
<b>EL</b>	66.0	29.0	:	:
<b>ES</b>	65.0	25.0	66.0	19.0
<b>FR</b>	77.0	17.0	70.0	14.0
<b>IE</b>	83.0	9.0	67.0	7.0
<b>IT</b>	58.0	31.0	58.0	28.0
<b>LU</b>	84.0	9.0	79.0	6.0
<b>NL</b>	74.0	11.0	74.0	10.0
<b>AT</b>	77.0	15.0	59.0	14.0
<b>PT</b>	71.0	23.0	71.0	19.0
<b>FI</b>	77.0	16.0	24.0	6.0
<b>SE</b>	66.0	24.0	27.0	8.0
<b>UK</b>	87.0	8.0	86.0	8.0

(1) The population has been filtered to exclude those respondents who had spontaneously answered that they did not have access to the service in question; figures do not add up to 100% because of the "Do not know", "Not applicable" or "No answer" categories.

(2) Excluding EL for gas supply service.

Source: Eurobarometer 58.0 (Consumers and general interest services)

Other results from the Eurobarometer survey (57.0) confirmed this emergence. Indeed, a question dealing with the popularity of measures which could be taken to save energy showed that almost half of all Europeans supported two of the seven measures, namely stricter regulations and checks for industry (47%) and financial incentives for people who buy energy-saving products (47%). The third choice is public information campaigns (31%). Two policies had the support of about a quarter of respondents, namely stricter regulations for private car drivers (27%) and stricter regulations for individuals, such as insulation in buildings. The least popular measures were those of a strictly fiscal nature, i.e. higher taxes of charges, whether for industry (22%) or, in particular, for individuals (10%).

**T**able 4.38: Would you be prepared to pay more for energy produced from renewable sources than for energy produced from other sources?

If YES, how much would you be prepared to pay?

	EU-15	BE	DK	DE	EL	E	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
No, I am not prepared to pay more	54.4	64.3	43.7	58.9	49.7	57.1	63.3	44.7	45.3	37.3	38	44.8	71.9	47.5	44.2	52.3
Yes, I would pay up to 5 more	23.7	21.4	23.9	23.7	28.9	19.9	18	21.9	28	32.2	32.5	30.3	14.2	31	29.4	24
Yes, I would pay 6 to 10 more	11.1	8	22.5	8.6	10	6.6	9.5	10.5	13	21.1	21.3	13.3	2.4	15.9	18.7	13.9
Yes, I would pay 11 to 25 more	1.7	0.6	4.5	1.1	2.4	0.7	1.1	1.7	2.5	3.2	2.9	1.2	0.7	2	2.7	2.4
Yes, I would pay more than 25 more	0.5	0.4	1.9	0	1.2	0.5	0.4	0.4	0.6	1.2	0.7	0.2	0	1	1.3	1.1
Do Not Know	8.6	5.3	3.5	7.8	7.7	15.3	7.8	20.7	10.6	5	4.6	10.1	10.8	2.7	3.7	6.4

Source: Eurobarometer 57.0 (Energy: Issues, Options and Technologies), European Commission, 2003

**T**able 4.39: Which of the following energy-saving measures would you support? (1)

	EU-15	BE	DK	DE	EL	E	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
Higher taxes on energy for industry, other taxes decrease and overall amount of taxes don't increase	22.4	25.0	26.6	23.2	29.5	20.3	22.3	16.2	14.2	32.7	31.7	34.6	15.0	29.5	31.1	24.4
Higher taxes on energy for individuals, other taxes decrease and overall amount of taxes don't increase	10.4	11.8	19.4	11.6	7.9	7.0	9.8	10.1	5.7	13.9	15.7	20.1	7.9	9.3	14.7	12.5
Stricter regulations for individuals (insulation in buildings)	24.2	22.2	25.4	24.9	22.8	13.3	24.4	34.3	23.6	25.7	27.1	24.8	22.3	18.8	16.5	31.8
Stricter regul. for private car drivers (speed limits, restr. on access of cars to certain places, etc.)	26.5	31.9	27.2	26.7	28.8	14.0	32.4	24.8	25.5	36.1	23.6	27.5	19.6	21.3	25.5	31.4
Stricter regulations and checks for industry	47.3	52.8	28.8	55.8	60.7	31.0	56.6	37.9	45.6	58.5	52.2	41.2	21.8	47.1	51.6	40.7
Public information campaigns	31.4	27.1	28.6	23.5	30.6	41.9	33.4	26.2	33.7	32.1	42.9	17.9	33.2	37.1	48.5	28.4
Financial incentives for people who buy energy-saving products	46.9	44.5	67.2	57.9	28.1	31.6	38.5	40.6	45.4	50.7	58.3	43.9	20.1	49.6	63.1	52.8
Other (SPONTANEOUS)	0.7	0.3	0.5	0.6	0.0	0.8	0.6	0.2	1.3	2.1	1.2	0.5	0.8	0.6	0.7	0.5

(1) Multiple answers allowed.

Source: Eurobarometer 57.0 (Energy: Issues, Options and Technologies), European Commission, 2003

Concerning the regulation of energy consumption, the Eurobarometer survey (57.0) also allows to present some results on the significant impact of the different authorities on the amount of energy used (see Table 4.40). Nearly 51.9 % of Europeans considered the industry as the main actor in the regulation of energy consumption. This perception was even more common in the Netherlands, Sweden and Austria (75%, 74% and 74% respectively). National governments was the second answer, given by 38% of respondents, to which should be added the 18% who answered local or regional authorities. Combining the percentages of both answers, the United Kingdom, France and Sweden reached the highest scores (73%, 72% and 63% respectively). The EU institutions were cited by 31.5% of the Europeans but by 46% of the Spaniards and 42% of the Swedes. Individual citizens were perceived as being essential in this area by only 37% of the respondents on average, but by a higher proportion in Luxembourg (48%), Germany (45%) and Finland (42%).

**T**able 4.40: Who do you think can make a significant impact on the amount of energy used in the European Union? (1)

	EU-15	BE	DK	DE	EL	E	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>Citizens</b>	37.2	41.6	38.4	45.4	30.0	24.9	40.7	37.2	32.1	48.0	33.5	37.7	27.6	42.3	41.7	36.7
<b>Industry</b>	51.9	61.7	56.5	63.7	58.2	28.8	45.2	46.8	46.6	65.4	74.6	73.9	40.6	69.8	73.6	47.1
<b>The European Union institutions (the European Commission, the European Parliament, etc.)</b>	31.5	34.1	40.2	28.7	35.8	45.6	33.1	34.1	24.9	31.3	26.2	24.4	31.1	37.2	41.8	29.4
<b>National governments</b>	38.2	34.3	41.3	37.4	46.3	39.2	43.0	39.4	24.8	31.7	30.6	20.7	33.4	38.9	42.5	51.5
<b>Local or regional authorities</b>	17.6	15.9	12.5	16.5	15.6	14.6	29.3	21.2	10.8	15.4	9.0	9.3	12.2	15.3	20.9	21.9
<b>Other (SPONTANEOUS)</b>	0.9	0.9	0.6	1.3	0.3	0.8	0.5	1.8	0.9	0.5	0.7	1.0	0.9	0.7	0.7	0.8
<b>None of these (SPONTANEOUS)</b>	1	0.5	0.1	1.7	1.0	0.6	1.3	0.2	0.2	1.2	0.2	1.1	1.6	0.1	0.1	1.6
<b>Do Not Know</b>	9.3	8.5	3.1	7.7	4.5	18.1	5.2	12.2	15.0	4.0	5.4	6.5	12.0	3.2	3.2	7.5

(1) Multiple answers allowed.

Source: Eurobarometer 57.0 (Energy: Issues, Options and Technologies), European Commission, 2003

**Table 4.41: Water consumption in the domestic sector (1)**

	Year	Million m <sup>3</sup>	m <sup>3</sup> per capita per year
BE	1998	381	37
CZ	2002	343	34
DK	2001	251	47
DE	2001	3 779	46
EE	:	:	:
EL	1997	670	62
ES	2001	2 460	61
FR	:	:	:
IE	:	:	:
IT	1999	4 258	74
CY	:	:	:
LV	:	:	:
LT	:	:	:
LU	1999	24	55
HU	2002	381	38
MT	:	:	:
NL	2001	714	44
AT	1997	456	57
PL	2002	1 284	33
PT	1998	680	67
SI	2001	88	44
SK	:	:	:
FI	1999	404	78
SE	2002	526	59
UK (2)	2001	91	54

(1) Domestic sector covers households and small businesses with equivalent services.

(2) Northern Ireland only.

Source: Eurostat, Environment statistics (theme8/milieu)

## 4.5 WATER SUPPLY

Water is a natural resource on which human health and development depends; in return human activities have an impact on this resource in terms of quality and availability.

European water policies place great attention on water quality, whether for drinking or other purposes, and Community legislation in these areas dates from the 1970s and 1980s. In 2000, a long-term framework for Community action in the field of water policy<sup>9</sup> was established with broader aims, including the promotion of sustainable water use. Notably this framework promotes a gradual implementation of the use of pricing and taxation, alongside other measures, as incentives for consumers to modify their consumption patterns towards a sustainable level with the aim of recovering the full costs of water services.

### CONSUMPTION: WATER USING AMENITIES

Table 4.41 shows that average water consumption per inhabitant is high in several southern Member States and several Nordic countries; Italy, Spain, Portugal and Greece, as well as Finland and Sweden all record average annual consumption in excess of 59 m<sup>3</sup> per inhabitant, whilst consumption in the more centrally located countries like Belgium, the Czech Republic, Hungary and Poland, was below this level.

(9) Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000.

**Table 4.42: Basic housing amenities in the EU, 2001 (%)**

	Hot running water	Bath or shower	Flushing toilet	All three
BE	98.1	98.3	98.3	82.6
DK	99.7	99.2	99.6	98.8
DE	98.6	98.8	98.7	91.1
GR	20.8	95.7	94.0	63.3
ES	98.9	99.5	99.7	43.5
FR	98.6	97.8	98.3	90.9
IE	97.8	98.7	98.9	86.0
IT	99.2	99.1	99.2	85.4
LU	97.4	98.8	98.1	84.7
NL	99.8	99.7	99.7	90.8
AT	99.1	98.3	97.1	85.1
PT	91.8	92.0	92.5	12.6
FI	98.5	98.6	98.6	97.1
SE	:	99.1	:	:
UK	:	99.1	99.5	91.7

Source: Eurostat, European Community Household Panel (theme3/housing)

Table 4.42 shows that basic water consuming amenities, such as running hot water, indoor flushing toilets or baths or showers are available in more than 90% of the dwellings in nearly every Member State.

One of the most obvious environmental impacts of the household use of water is the generation of waste water. Table 4.43 shows that in most EU Member States around three quarters of the dwellings are connected to public sewerage systems, with only Spain, Cyprus, Hungary, Poland, Slovenia and Slovakia falling below this level. In the Nordic countries, Luxembourg, the Netherlands, Austria and Cyprus, all public sewerage involves treatment, whereas in the other Member States up to 87% of dwellings may be connected to a public sewerage system where waste water is still not treated.

**Table 4.43: Proportion of dwellings connected to public sewerage (%)**

	Year	All public sewerage	Public sewerage without treatment
BE	1998	82	44
CZ	2001	75	7
DK	1998	89	0
DE	1998	93	2
EE	2000	70	1
EL	1997	:	11
ES (1)	1995	48	:
FR (2)	1999	79	2
IE	1990	66	22
IT (1)	1995	75	:
CY	2000	35	0
LV	:	:	:
LT	:	:	:
LU	1999	93	0
HU	2000	51	19
MT	2001	100	87
NL	2000	98	0
AT (2)	2001	86	0
PL	1999	57	7
PT	1998	82	36
SI	1999	53	23
SK	1998	54	5
FI	2001	81	0
SE (2)	2000	86	0
UK (3)	2000	97	2

(1) Percentage connected to public sewerage with treatment.

(2) Percentage without treatment, 1998.

(3) England and Wales.

Source: Eurostat, Environment statistics (theme8/milieu)

## PRICES: A ROLE IN LONG-TERM WATER MANAGEMENT?

The use of pricing to promote sustainable water use, as foreseen in the framework directive for Community action in the field of water policy<sup>10</sup>, presumes that users must pay in relation to their level of consumption and pollution. It also implies that users must pay a price that covers environmental costs and the depletion of limited resources, as well as the operating and investment costs of the distribution infrastructure. As an example of the price structure, one may cite the basic structure of pricing in France that dates from 1964 and is based on the 'polluter pays' principle. Table 4.44 shows the increasing proportion of an average bill accounted for by water treatment and other charges including specific taxes used to contribute to a sustainable management of water resources.

**T**able 4.44: Structure of water bills in France (%) (1)

	1991	1999
Water distribution	53	42
Collect and treatment of waste water	31	31
Payments to the water agencies (2)	8	17
Taxes (3)	7	10

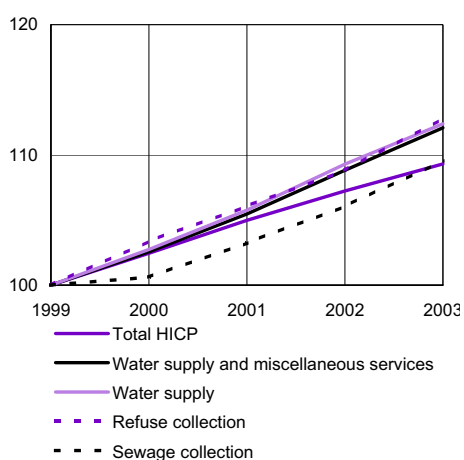
(1) Average water bill for a typical consumption of 120m<sup>3</sup> per year per inhabitant at the end of the year.

(2) Intended to ensure the quality and sustainability of the water supply.

(3) Fonds National de Développement des Adductions d'Eau, Voies Navigables de France France and VAT at 5.5%.

Source: Ministère de l'écologie et du développement durable (France)

**F**igure 4.45: Water supply and miscellaneous services relating to the dwelling  
Development of harmonized indices of consumer prices in the EU (1999=100)



Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

Harmonised consumer price indices show that water prices have risen each year in the EU-25 between 1999 and 2003. Up until 2003 price increases for water followed (in percentage terms) the rise seen in the all-items consumer price index (see Figure 4.45). Over the period 1999 to 2003, the consumer price index for water rose in all of the EU Member States<sup>11</sup> especially for Slovakia, where it increased by as much as 121%.

(10) Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000.

(11) CZ, ES, HU, IE, LT and SI, not available.

## SATISFACTION

In December 2002, a Eurobarometer survey (58.0) looked at consumer access and satisfaction with the water distribution as one of eight services of general interest (see page 57 for a comparison between the different services). Satisfaction was measured according to four criteria: price; quality of the product; clarity of information; and fairness of terms and conditions (see Table 4.46). Across the EU-15, water distribution scored a satisfaction rate in excess of 55% for each of these measures, with the highest satisfaction concerning quality (89%) and the lowest concerning price (56%). As regards information and terms of conditions, the satisfaction rates were 72% and 66% respectively. The French and the Italians expressed the highest level of dissatisfaction (49%) in terms of price, followed by the Portuguese (42%). The overall satisfaction indicator ranked water third highest out of the eight services studied, behind postal and electricity distribution services.

**Table 4.46: Overall satisfaction with water supply services, 2002**  
(% EU 15\* filter on access) (1)

	Satisfied	Unsatisfied
<b>EU-15</b>	71.0	18.0
<b>BE</b>	77.0	14.0
<b>DK</b>	81.0	9.0
<b>DE</b>	69.0	18.0
<b>EL</b>	74.0	21.0
<b>ES</b>	69.0	19.0
<b>FR</b>	69.0	22.0
<b>IE</b>	78.0	5.0
<b>IT</b>	59.0	29.0
<b>LU</b>	86.0	6.0
<b>NL</b>	77.0	7.0
<b>AT</b>	77.0	11.0
<b>PT</b>	73.0	20.0
<b>FI</b>	76.0	9.0
<b>SE</b>	74.0	6.0
<b>UK</b>	83.0	10.0

(1) The population has been filtered to exclude those respondents who had spontaneously answered that they did not have access to the service in question; figures do not add up to 100% because of the "Do not know", "Not applicable" or "No answer" categories.

Source: Eurobarometer 58.0 (Consumers and general interest services), European Commission, 2002



**Table 4.47: Housing, water, electricity, gas and other fuels; furnishings, household equipment and routine household maintenance****Mean consumption expenditure and structure of household expenditure, 1999**

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>MEAN CONSUMPTION EXPENDITURE (PPS PER HOUSEHOLD)</b>																
House and gardens (1)	8 541	8 965	8 146	9 174	6 886	6 574	8 165	9 495	8 786	15 388	8 687	8 231	4 988	5 941	6 899	9 833
Housing, water & energy (1)	6 849	7 178	6 654	7 375	5 130	5 566	6 805	8 134	6 719	11 830	6 849	6 331	3 663	5 118	5 814	7 820
Actual rentals for housing (2)	1 358	1 319	1 608	1 962	700	329	1 709	686	686	1 832	1 975	1 134	364	1 055	1 479	1 352
Imputed rentals for housing (3)	3 664	3 916	2 311	3 102	2 947	3 863	3 295	5 803	4 060	7 884	2 967	2 156	2 132	3 330	3 324	5 144
Maintenance and repair (1)	430	424	516	678	383	300	277	413	288	317	395	826	285	33	330	435
Water supply and services	379	312	616	548	337	401	392	89	334	503	607	951	205	104	334	78
Electricity, gas and other fuels (4)	1 018	1 207	1 604	1 084	764	673	1 131	1 144	1 350	1 293	905	1 265	677	596	347	810
Furnishings, hhld equip. & maintenance	1 692	1 787	1 492	1 799	1 756	1 008	1 360	1 361	2 067	3 558	1 838	1 900	1 325	823	1 085	2 013
Furniture & furnishings, carpets (5)	721	564	585	980	327	336	448	456	797	1 515	720	866	410	331	392	953
Household textiles (5)	128	179	108	113	319	77	111	151	119	322	215	184	145	63	118	134
Household appliances	238	221	212	268	225	167	189	229	237	379	220	325	189	173	189	299
Glassware, tableware & utensils	101	100	128	117	191	38	66	109	132	187	103	130	67	62	84	106
Tools & equip. for house & garden	118	155	152	111	40	31	150	93	58	308	195	115	17	85	130	187
Goods and services for maintenance	385	568	307	210	654	359	396	322	724	848	385	279	498	110	172	334
<b>STRUCTURE OF EXPENDITURE (% of TOTAL HOUSEHOLD EXPENDITURE)</b>																
House and gardens (1)	34.6	32.7	34.8	38.9	29.4	32.5	33.2	31.9	32.3	35.6	33.9	31.1	27.0	32.6	31.8	35.6
Housing, water & energy (1)	27.8	26.2	28.4	31.3	21.9	27.5	27.7	27.3	24.7	27.4	26.7	23.9	19.8	28.1	26.8	28.3
Actual rentals for housing (2)	5.6	4.8	6.9	8.3	3.0	1.6	6.9	2.3	2.5	4.2	7.7	4.3	2.0	5.8	6.8	4.9
Imputed rentals for housing (3)	14.8	14.3	9.9	13.2	12.6	19.1	13.4	19.5	14.9	18.2	11.6	8.2	11.5	18.3	15.3	18.6
Maintenance and repair (1)	1.8	1.5	2.2	2.9	1.6	1.5	1.1	1.4	1.1	0.7	1.5	3.1	1.5	0.2	1.5	1.6
Water supply and services	1.5	1.1	2.6	2.3	1.4	2.0	1.6	0.3	1.2	1.2	2.4	3.6	1.1	0.6	1.5	0.3
Electricity, gas and other fuels (4)	4.1	4.4	6.8	4.6	3.3	3.3	4.6	3.8	5.0	3.0	3.5	4.8	3.7	3.3	1.6	2.9
Furnishings, hhld equip. & maintenance	6.8	6.5	6.4	7.6	7.5	5.0	5.5	4.6	7.6	8.2	7.2	7.2	7.2	4.5	5.0	7.3
Furniture & furnishings, carpets (5)	2.9	2.1	2.5	4.2	1.4	1.7	1.8	1.5	2.9	3.5	2.8	3.3	2.2	1.8	1.8	3.4
Household textiles (5)	0.5	0.7	0.5	0.5	1.4	0.4	0.5	0.5	0.4	0.7	0.8	0.7	0.8	0.3	0.5	0.5
Household appliances	1.0	0.8	0.9	1.1	1.0	0.8	0.8	0.8	0.9	0.9	0.9	1.2	1.0	0.9	0.9	1.1
Glassware, tableware & utensils	0.4	0.4	0.5	0.5	0.8	0.2	0.3	0.4	0.5	0.4	0.4	0.5	0.4	0.3	0.4	0.4
Tools & equip. for house & garden	0.5	0.6	0.6	0.5	0.2	0.2	0.6	0.3	0.2	0.7	0.8	0.4	0.1	0.5	0.6	0.7
Goods and services for maintenance	1.5	2.1	1.3	0.9	2.8	1.8	1.6	1.1	2.7	2.0	1.5	1.1	2.7	0.6	0.8	1.2

(1) UK, includes insurance for dwellings.

(2) DE, estimated; FI, including heating; SE, including water supply, sewerage and heating and miscellaneous services related to the dwelling.

(3) FI and SE, including heating.

(4) FI and SE, excluding heating.

(5) SE, including part of non-specified expenditure on furnishings, household equipment and routine household maintenance.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 4.48: Housing, water, electricity, gas and other fuels; furnishings, household equipment and routine household maintenance**

Structure of household expenditure, 1999 (%)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK (1)
<b>BROKEN DOWN BY INCOME DISTRIBUTION (2)</b>																
Lowest twenty percent	36.3	34.7	36.9	41.8	30.1	29.4	36.8	31.7	29.8	35.2	36.8	33.0	25.5	37.5	34.7	38.5
Second quintile group	35.8	32.5	37.4	40.1	30.3	30.7	34.7	33.8	31.4	34.1	36.8	32.8	26.7	35.9	31.8	38.9
Third quintile group	34.9	33.0	33.3	40.5	29.9	32.6	33.1	32.1	31.8	36.8	34.2	30.9	25.6	32.8	32.4	35.4
Fourth quintile group	34.4	32.2	33.1	39.9	29.0	32.5	31.9	30.5	32.9	36.0	31.4	31.1	26.2	31.3	30.7	34.9
Highest twenty percent	33.6	32.1	34.9	35.8	28.9	34.8	32.0	31.9	33.9	35.5	32.6	29.4	28.5	30.1	31.0	33.7
<b>BROKEN DOWN BY AGE OF REFERENCE PERSON OF HOUSEHOLD</b>																
Less than 30	32.2	30.8	30.9	34.9	28.9	32.8	31.4	29.5	31.6	34.0	30.4	29.6	23.9	29.8	31.2	32.4
Between 30 and 44	32.5	30.4	33.1	37.2	28.3	31.1	31.1	31.1	29.7	34.5	32.8	29.9	25.8	30.1	30.6	32.5
Between 45 and 59	32.9	30.8	33.9	38.2	26.9	29.9	30.8	28.4	30.0	33.6	32.3	30.1	25.7	31.6	30.8	33.6
60 and over	40.6	39.7	41.4	42.6	33.7	37.6	40.0	42.5	36.7	39.7	40.0	35.0	31.3	40.2	35.9	45.6
<b>BROKEN DOWN BY TYPE OF HOUSEHOLD</b>																
1 adult without dependent children	42.4	41.4	39.2	42.2	37.0	48.6	42.8	50.0	39.1	41.7	39.4	35.1	35.6	38.4	34.9	46.5
2 adults without dependent children	35.9	33.9	34.6	38.5	33.5	38.6	34.0	36.6	35.4	35.6	33.4	30.2	30.3	32.6	32.2	36.6
3+ adults without dependent children	31.8	29.5	30.2	38.6	27.5	30.8	30.5	27.2	31.5	33.9	30.0	31.5	23.8	29.5	27.8	27.6
Single parent with dependent child(ren)	36.7	34.5	35.5	39.4	34.0	36.8	36.1	36.2	30.5	35.9	35.7	33.6	27.2	36.3	36.8	40.3
2 adults with dependent child(ren)	31.8	29.0	32.7	37.1	27.1	31.1	29.0	29.9	29.1	34.5	31.7	29.7	26.9	29.3	29.1	31.6
3+ adults with dependent child(ren)	29.3	26.8	30.1	36.9	24.8	27.1	27.5	23.9	28.3	30.6	24.6	28.2	21.9	27.5	28.0	25.6
<b>BROKEN DOWN BY SOCIO-ECONOMIC CATEGORY OF REFERENCE PERSON OF HOUSEHOLD</b>																
Manual workers (3)	32.0	28.3	33.5	36.7	27.5	29.3	30.6	28.7	29.9	34.6	31.3	29.9	25.4	30.6	31.6	31.9
Non-manual workers	19.1	30.0	32.4	0.0	27.9	31.9	30.4	30.5	0.0	33.4	31.2	29.4	25.7	29.7	30.1	32.7
Self-employed	32.9	33.1	36.0	39.3	26.9	28.8	29.8	28.7	30.3	36.9	35.1	30.2	25.6	31.9	30.5	32.0
Unemployed	37.7	36.8	38.1	43.2	29.8	32.4	37.6	38.3	29.4	35.1	39.3	28.5	27.8	37.2	38.1	41.8
Retired	30.0	39.4	41.2	0.0	33.4	36.7	39.1	45.9	35.4	37.9	39.0	35.0	31.0	39.9	37.1	46.5
Other inactive (4)	40.6	33.4	32.7	44.2	36.9	41.9	43.3	47.0	38.6	39.0	39.3	30.1	34.4	33.8	33.8	40.2
<b>BROKEN DOWN BY DEGREE OF URBANISATION</b>																
Dense (>500 inhabitants/km <sup>2</sup> )	:	33.4	33.6	:	:	33.9	34.1	34.6	33.6	34.4	:	29.7	27.3	32.3	31.4	35.8
Intermediate (100-499 inhabitants/km <sup>2</sup> )	:	31.6	37.7	:	:	32.2	32.4	30.1	31.1	36.0	:	31.1	26.2	31.5	31.8	35.2
Sparse (<100 inhabitants/km <sup>2</sup> )	:	31.7	34.0	:	:	29.7	31.5	0.0	30.0	35.9	:	32.9	26.7	34.4	32.1	35.4

(1) Includes insurance for dwellings.

(2) FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

(3) DE, including non-manual workers; IT, including all non-agricultural persons in employment.

(4) DE, including retired.

Source: Eurostat, Household Budget Survey (theme3/hbs)



## 5. Services of general interest and personal transport



## 5 SERVICES OF GENERAL INTEREST AND PERSONAL TRANSPORT

**Table 5.1: Passenger kilometres per person by mode of transport, 2002 (units)**

	Passenger cars (1)	Powered two-wheelers (2)	Buses and coaches (3)	Tram and metro (4)	Railways (5)	Air transport (6)
<b>EU-25</b>	:	:	1 072	:	774	681
<b>EU-15</b>	10 258	415	1 085	126	814	741
<b>BE</b>	10 590	102	1 320	87	799	505
<b>CZ</b>	6 391	:	879	814	646	212
<b>DK</b>	11 139	146	14 076	-	1 069	1 267
<b>DE</b>	8 495	217	271	99	865	443
<b>EE</b>	:	:	36 838	:	130	:
<b>EL</b>	7 930	2 052	3 691	124	168	1 804
<b>ES</b>	8 341	363	158	137	484	1 485
<b>FR</b>	12 331	207	1 639	175	1 231	462
<b>IE</b>	9 467	99	229	-	414	1 562
<b>IT</b>	12 322	1 208	125	92	796	462
<b>CY</b>	:	:	18 864	-	-	8 545
<b>LV</b>	2 630	:	4 233	252	318	68
<b>LT</b>	4 622	:	2 220	-	144	61
<b>LU</b>	11 767	134	22 637	-	800	1 165
<b>HU</b>	4 636	:	4 528	59	1 037	158
<b>MT</b>	:	:	1 450	-	-	5 089
<b>NL</b>	8 929	56	599	90	960	649
<b>AT</b>	8 661	204	289	344	1 031	582
<b>PL</b>	4 356	:	486	:	540	45
<b>PT</b>	9 134	769	228	58	355	958
<b>SI</b>	4 853	:	1 026	-	376	80
<b>SK</b>	4 644	:	19	56	499	19
<b>FI</b>	11 210	173	5 633	106	638	1 071
<b>SE</b>	10 510	112	187	249	1 020	1 347
<b>UK</b>	10 612	84	138	138	668	1 037

- (1) NL, based on the movements of the Dutch inhabitants on Dutch territory and therefore excluding movements in foreign vehicles; UK, Great Britain only.
- (2) CZ, LT, HU, PL and SK, data are included in the "Passenger cars" pkm data; UK, Great Britain only.
- (3) LT, only public sector vehicles on national territory and abroad; HU, including trolleybuses; NL, based on the movements of the Dutch inhabitants on Dutch territory and therefore excluding movements in foreign vehicles; PL, including international, excluding urban transport; SI, including urban passenger transport, excluding transport by independent entrepreneurs and taxis; SK, only transport enterprises enrolled in the Business register (taxi and urban transport excluded); UK, Great Britain only.
- (4) DK, IE, CY, LT, LU, MT and SI, no tram or metro network; FR, including metro and RER (Réseau Express Régional), UK, Great Britain only.
- (5) CY and MT, no passenger railway network; DE, LT, HU, SI, FI and SE, including transit transport; DK, Banestyrelsen (ex DSB) only; NL, based on the movements of the Dutch inhabitants on Dutch territory and therefore excluding movements in foreign vehicles.
- (6) Intra-EU plus domestic flights; EU-15, intra-EU-15 plus domestic flights.

Source: Eurostat, ECMT, National Offices and Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

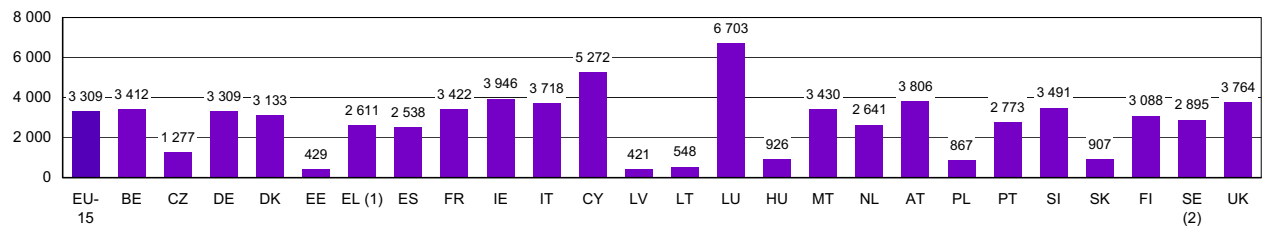
The services covered in this chapter are classified according to five areas: personal transport equipment, transport services (including road, railway, air and maritime transport), energy, information society (including telephone and telefax equipment, telephone and telefax services and Internet connection services) and postal services.

Regarding transport, which is the first topic covered in this chapter, a vast array of generally everyday facts is presented.

As a matter of fact, each European travelled, on average, almost 13 500 kilometres during 2002<sup>1</sup>. Three quarters of this distance was covered by car. The car is by far the most widely used mode of transport in every Member State (see Table 5.3) and its use has expanded at a rapid pace across the European Union. The total number of passenger kilometres (pkm) travelled by car increased, on average, by 1.7% per year between 1991 and 2002. Air transport<sup>2</sup> recorded an even faster growth, with the number of passenger kilometres increasing at an average annual rate of 4.9%. On average, private households spent between 6 700 PPS in Luxembourg and 400 PPS in Estonia and Latvia on transport in 1999.

- (1) Including passenger cars, powered two-wheelers, buses and coaches, tram and metro, railway and air transport (only intra-EU-15 and domestic flights are included for air transport).
- (2) Intra-EU and domestic flights only.

**Figure 5.2: Transport**  
Mean consumption expenditure, 1999 (PPS per household)

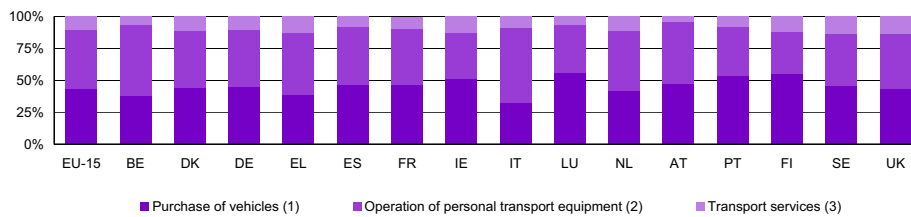


(1) Excluding circulation fees.

(2) Excluding interest payments for car loans.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 5.3: Transport**  
Breakdown of consumption expenditure, 1999 (%)



(1) SE, excluding interest payments for car loans.

(2) EL, excluding circulation fees.

(3) AT, excluding holiday travel.

Source: Eurostat, Household Budget Survey (theme3/hbs)

## 5.1 PERSONAL TRANSPORT EQUIPMENT

This section covers the purchase of new and used cars, motorcycles, mopeds and bicycles, as well as the operational costs associated with keeping these vehicles on the road. The purchase of a car is usually the second most important household expenditure decision, after the acquisition of a flat or a house. The average expenditure of those households that purchased a car in 1999 rose to 27% in Ireland and in Luxembourg (see Table 5.4). Eurostat's TERM database estimates that the average age of a car in the EU in 1999 was 7.6 years.

### OWNERSHIP

When analysing the data on personal transport equipment it is important to note that it is often difficult to distinguish between private and business use of vehicles. A related issue is the different number of fleet purchases<sup>3</sup> made in each Member State and the respective share of business and private use. Pecuniary benefits received by employees may also cover items such as fuel, breakdown or servicing costs, all of which may distort comparisons between countries.

- (3) Traditional fleet car operators include rental companies and public administrations, however this term also includes purchases made by lease and contract hire companies that provide company cars.

**T**able 5.4: Purchase of vehicles  
Consumption characteristics, 1999

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE (1)	UK
<b>PERCENTAGE OF HOUSEHOLDS HAVING BOUGHT AN ITEM IN 1999 (%)</b>																
Purchase of motor cars	10	4	14	4	7	9	18	27	2	27	18	16	10	17	19	16
Purchase of motor cycles	1	1	2	1	1	2	2	1	1	2	2	2	1	4	2	1
Purchase of bicycles	5	2	12	4	0	3	8	:	1	6	21	7	2	16	13	1
<b>AVERAGE EXPENDITURE OF THOSE HOUSEHOLDS WHO BOUGHT AN ITEM IN 1999 (PPS)</b>																
Purchase of motor cars	21 628	29 401	9 412	35 071	14 993	13 554	8 472	7 473	45 791	13 198	5 324	10 579	14 485	9 365	6 743	10 144
Purchase of motor cycles	4 921	7 667	4 176	8 272	2 455	1 564	2 199	3 733	9 102	4 908	1 768	3 031	2 586	1 332	1 340	3 093
Purchase of bicycles	1 044	1 141	411	1 102	238	234	233	:	1 101	433	418	741	225	256	273	2 818

(1) Excluding interest payments for car loans.

Source: Eurostat, Household Budget Survey (theme3/hbs)

### Passenger cars in use

The number of passenger cars in use has grown at a rapid pace in the EU during the last three decades. There were 62.5 million cars registered in the EU-15 in 1970 and this figure had almost tripled by 2002, when there were nearly 185.8 million cars on the roads. The most spectacular growth was recorded in Lithuania (nearly 27 times as many cars over the period over) and Poland (nearly 23 times as many cars over the period) (see Table 5.6).

There were, on average, 459 cars per thousand inhabitants in the EU-25 in 2002. Motorisation rates in Luxembourg (646 cars per thousand inhabitants), Italy (591), Germany (542) and Malta (519) were above the level of one car for every two persons.

**Table 5.6: Main indicators relating to passenger car use**  
(millions)

	Number of passenger cars in use				Passenger cars per thousand inhabitants, 2002 (units) (1)
	1970	1980	1990	2002 (1)	
<b>EU-25</b>	:	:	:	208.0	459.1
<b>EU-15</b>	62.5	103.9	143.2	185.8	491.2
<b>BE</b>	2.1	3.2	3.9	4.8	464.3
<b>CZ</b>	0.7	1.8	2.4	3.6	357.3
<b>DK</b>	1.1	1.4	1.6	1.9	351.7
<b>DE</b>	15.1	25.9	35.5	44.7	541.7
<b>EE</b>	0.0	0.1	0.2	0.4	294.4
<b>EL</b>	0.2	0.9	1.7	3.7	339.5
<b>ES</b>	2.4	7.6	12.0	18.7	458.5
<b>FR</b>	11.9	19.1	23.6	29.2	491.4
<b>IE</b>	0.4	0.7	0.8	1.5	374.4
<b>IT</b>	10.2	17.7	27.4	33.7	591.4
<b>CY</b>	0.1	0.1	0.2	0.3	407.7
<b>LV</b>	0.0	0.2	0.3	0.6	263.9
<b>LT</b>	0.0	0.2	0.5	1.2	339.5
<b>LU</b>	0.1	0.1	0.2	0.3	646.3
<b>HU</b>	0.2	1.0	1.9	2.5	248.7
<b>MT</b>	:	:	:	0.2	519.5
<b>NL</b>	2.6	4.6	5.5	6.9	425.3
<b>AT</b>	1.2	2.2	3.0	4.0	496.0
<b>PL</b>	0.5	2.4	5.3	11.0	285.5
<b>PT</b>	0.4	0.9	1.8	3.9	377.6
<b>SI</b>	0.2	0.4	0.6	0.9	458.4
<b>SK</b>	0.2	0.6	0.9	1.3	247.3
<b>FI</b>	0.7	1.2	1.9	2.2	421.6
<b>SE</b>	2.3	2.9	3.6	4.0	453.9
<b>UK</b>	11.9	15.6	20.7	26.5	447.4

(1) EU-25, EU-15, EL, IE, HU, MT, PT and UK, estimates.

Source: Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

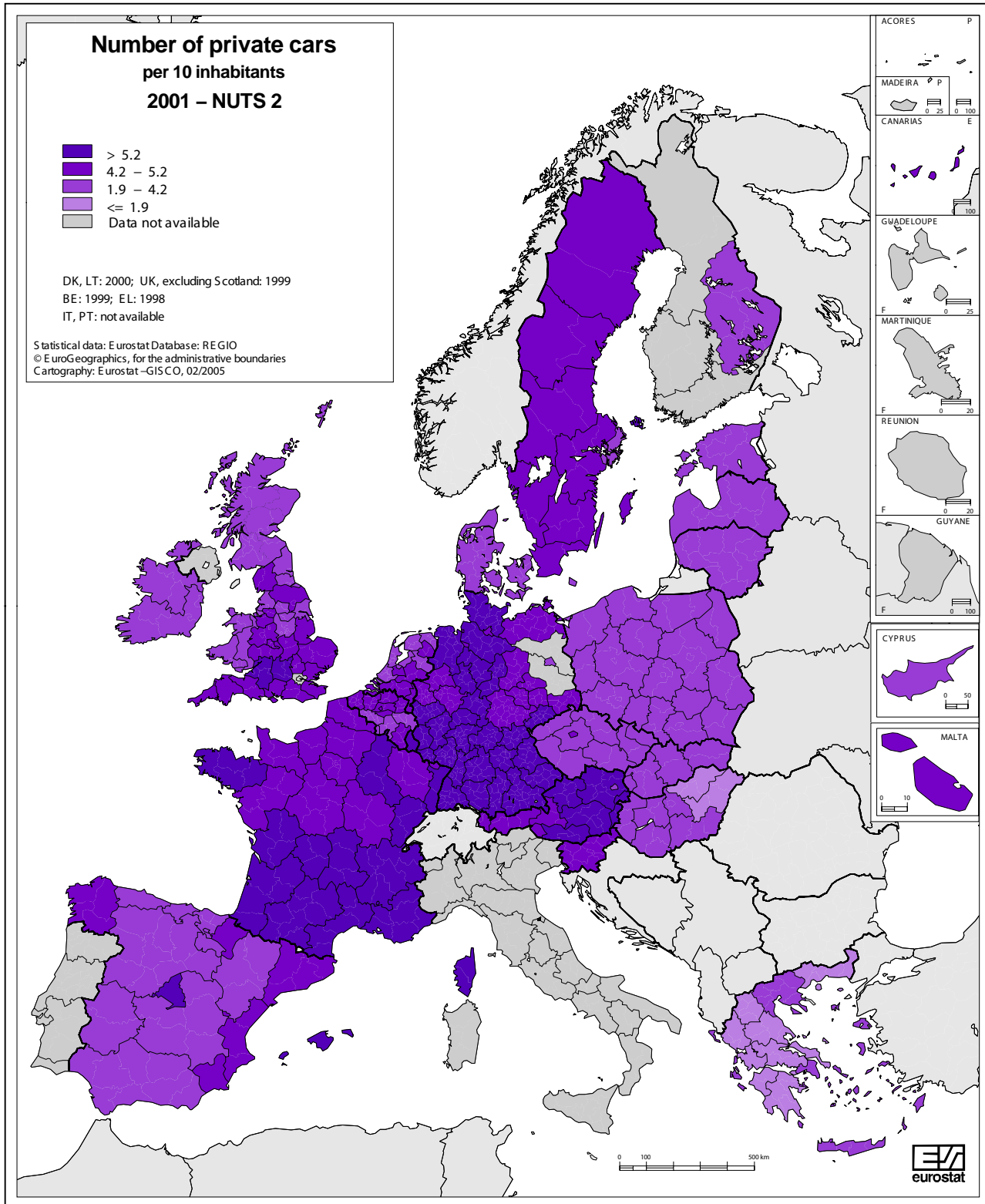
**Table 5.5: Number of powered two-wheelers in use per thousand inhabitants, 2002 (units)**

	Motorcycles (1)	Mopeds (2)
<b>BE</b>	29.2	:
<b>DK</b>	15.4	0.0
<b>DE</b>	44.0	19.2
<b>EL</b>	:	:
<b>ES</b>	37.7	49.9
<b>FR</b>	17.7	23.3
<b>IE</b>	:	:
<b>IT</b>	70.1	105.7
<b>LU</b>	27.1	48.9
<b>NL</b>	30.6	31.5
<b>AT</b>	36.3	37.6
<b>PT</b>	14.4	43.9
<b>FI</b>	22.2	20.5
<b>SE</b>	20.1	16.9
<b>UK</b>	21.4	3.0

(1) LU and SE, 2001; ES, number of inhabitants, 2001; IT and UK, number of inhabitants, 2000.

(2) DK, 1998; DE, LU and SE, 2001; ES, number of inhabitants, 2001; IT and UK, number of inhabitants, 2000.

Source: Energy & Transport in Figures, Directorate-General of the European Commission for Energy and Transport





### Consumer attitudes to owning a car

The European Community Household Panel estimates that 7.8% of households in the EU<sup>4</sup> did not want to own a car in 2001 (see Table 5.7). The highest shares were found in the Netherlands (18.0%) and the United Kingdom (19.9%). A further 4.1% of EU households could not afford to own a car, a share which rose to above 10% in Greece and Portugal, whilst remaining below 3% in Italy, the Netherlands and Austria.

As one may expect, the percentage of households owning a car increases with household income. Less than half of those households with a low income (less than 60% of the median) possessed a car in 1996, whilst nine out of 10 households with a high income (at least 140% of the median) possessed one. In terms of household composition, the most likely to possess a car were those with two adults and two dependent children (94.8%).

(4) For the whole of this section on consumer attitudes to owning a car:  
2001: EU-15 excluding UK.

**T**able 5.7: Ownership of cars broken down by household characteristics (%)

	All households (2001) (1)			Households owning a car (1998)					
	Own a car	Do not want a car	Cannot afford a car	Less than 60% of the median income (2)	More than 140% of the median income (3)	Composed of a single adult aged less than 30 (3)	Composed of two adults and two dependent children (3)	Composed of a single adult aged 65 or more (3)	Head of household is retired (4)
<b>EU-15</b>	88.1	7.8	4.1	48.0	87.6	58.5	94.8	21.4	73.2
<b>BE</b>	89.7	7.4	3.0	61.4	90.6	68.1	96.7	26.2	74.2
<b>DK</b>	82.2	11.5	6.2	31.7	88.4	22.4	89.3	23.5	61.7
<b>DE</b>	84.5	9.4	6.1	42.8	85.4	64.5	95.2	19.5	61.3
<b>EL</b>	74.3	12.6	13.1	27.2	82.9	39.3	89.5	7.6	48.3
<b>ES</b>	82.8	11.1	6.1	50.3	84.2	48.4	93.0	7.7	55.5
<b>FR</b>	91.2	5.4	3.4	59.2	92.5	68.0	97.4	34.5	80.6
<b>IE</b>	84.1	7.7	8.2	71.3	89.3	50.7	90.3	24.0	70.1
<b>IT</b>	90.0	7.5	2.5	61.9	88.4	64.8	98.8	14.7	76.1
<b>LU</b>	100.0	-	-	58.2	92.5	82.6	98.7	34.1	100.0
<b>NL</b>	79.1	18.0	2.9	40.5	81.2	24.8	89.4	28.5	73.8
<b>AT</b>	86.6	10.6	2.9	41.3	91.8	72.6	94.4	19.4	70.9
<b>PT</b>	76.3	7.1	16.6	23.4	90.3	76.5	87.2	8.8	52.4
<b>FI</b>	83.2	13.4	3.4	38.0	87.2	35.9	96.2	16.4	62.1
<b>SE</b>	82.3	17.7	-	:	72.2	48.0	95.7	35.9	67.7
<b>UK</b>	80.1	19.9	-	48.2	91.2	52.3	92.6	23.0	55.9

(1) EU-15 aggregate excluding UK; UK, 1999.

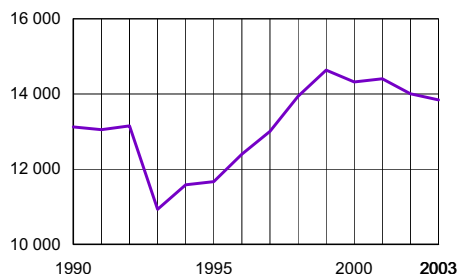
(2) EU-15 aggregate excluding LU, FI and SE; LU, 1996; FI, 1997.

(3) EU-15 aggregate excluding LU and FI; LU, 1996; FI, 1997.

(4) 2001; EU-15 aggregate excluding UK; UK, 1999.

Source: Eurostat, European Community Household Panel (theme3/housing)

**Figure 5.8:** Number of new passenger car registrations in the EU-15 (thousands)



Source: ACEA (Association des Constructeurs Européens d'Automobiles)

### New vehicle registrations and used car sales

During the 1990s and early 2000s there were generally between 13 and 14 million new car registrations each year in the EU-15 (see Figure 5.8). The number of registrations fluctuates with economic activity and the reduction in household disposable income during the recession of the early 1990s resulted in the number of registrations falling to 10.9 million units in 1993. By 2000, the number of new car registrations in the EU-15 had recovered to over 14.3 million. In 2003, new car registrations stood at 13.8 million (see Table 5.9).

More than 14.66 million bicycles were purchased at the EU-15 level in 1998, whilst over 2 million mopeds and motorcycles were registered (see Table 5.9).

**Table 5.9:** New vehicle registrations (thousands)

	Passenger cars, 2003 (1)	Motorcycles, 2003 (2)	Mopeds, 2003 (2) (3)	Bicycles, 1998 (4)
<b>EU-25</b>	14 713	:	:	:
<b>EU-15</b>	13 842	1 796	278	14 666
<b>BE (5)</b>	459	21	5	415
<b>CZ</b>	153	:	:	:
<b>DK</b>	96	:	:	430
<b>DE</b>	3 237	191	9	4 500
<b>EE</b>	16	:	:	:
<b>EL</b>	257	59	:	210
<b>ES</b>	1 382	75	110	620
<b>FR</b>	2 009	176	71	2 076
<b>IE</b>	145	3	2	120
<b>IT</b>	2 247	407	17	1 350
<b>CY</b>	:	:	:	:
<b>LV</b>	9	:	:	:
<b>LT</b>	8	:	:	:
<b>LU (6)</b>	44	:	:	:
<b>HU</b>	208	:	:	:
<b>MT</b>	:	:	:	:
<b>NL</b>	489	17	16	1 350
<b>AT</b>	300	18	20	430
<b>PL</b>	358	:	:	:
<b>PT</b>	190	11	:	350
<b>SI</b>	60	:	:	:
<b>SK</b>	60	:	:	:
<b>FI</b>	147	1	1	225
<b>SE</b>	261	23	20	440
<b>UK</b>	2 579	119	7	2 150

(1) EU-25 total is the sum of available countries.

(2) EU-15 total is the sum of available countries.

(3) Deliveries.

(4) Consumption.

(5) Includes bicycle consumption for LU.

(6) Bicycle consumption included in BE.

Source: ACEA (Association des Constructeurs Européens d'Automobiles), ACEM (Association des Constructeurs Européens de Motocycles) Yearbook 2000, EBMA (European Bicycle Manufacturers Association)

## DISTANCE TRAVELLED

Indicators on vehicle use reinforce the ownership figures that show that the car dominates the personal transport modal breakdown. Indeed, cars accounted for 96.1% of the passenger kilometres travelled in the EU-15 in 2002<sup>5</sup> whereas powered two-wheelers represented 3.9% (see Table 5.10).

There was only one Member State where the car accounted for a share of less than 90% of in 2002: Greece reported an important use of powered two-wheelers, with a share between five and six times the EU average.

(5) Kilometres travelled by car and powered two-wheelers.

**Table 5.10: Distance travelled by transport mode, 2002 (billion passenger-kilometres)**

	Passenger cars	Powered two-wheelers
<b>EU-15</b>	<b>3874.9</b>	<b>156.7</b>
BE	109.42	1.05
CZ	65.22	:
DK	59.88	0.78
DE	700.76	17.90
EE	:	:
EL	86.58	22.40
ES	335.87	14.62
FR	733.50	12.30
IE	37.22	0.39
IT	711.73	69.80
CY	:	:
LV	6.15	:
LT	16.03	:
LU	5.25	0.06
HU	47.10	:
MT	:	:
NL	144.20	0.90
AT	69.75	1.64
PL	167.40	
PT	94.70	7.97
SI	9.68	:
SK	24.98	:
FI	58.30	0.90
SE	93.80	1.00
UK	634.00	5.00

Source: Eurostat, ECMT, National Offices and Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

## CONSUMPTION EXPENDITURE

### Expenditure on vehicles

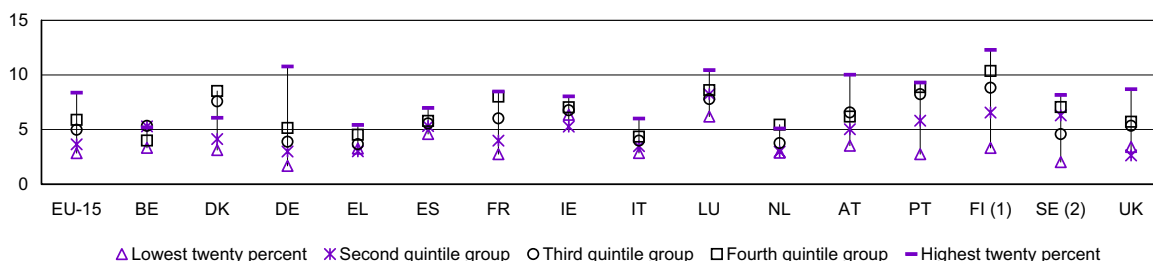
Europeans spent on average around 5.8% of their total household budget on the purchase of personal transport equipment in 1999<sup>6</sup>, the overwhelming share on cars. In contrast, powered two-wheelers and bicycles accounted for very low shares of total household expenditure, never more than 0.3% of the total.

The highest mean consumption expenditure for cars was registered in Luxembourg, where each household spent an average of 3 741 PPS in 1999, considerably above the next highest figures recorded in Ireland (2 021 PPS).

There was a large degree of variation in the share of total household expenditure devoted to the purchase of vehicles in 1999 when broken down by income level (see Figure 5.11), whilst the operation of personal transport equipment (which can be treated to some degree as a necessity) generally showed less variation (see Figure 5.12).

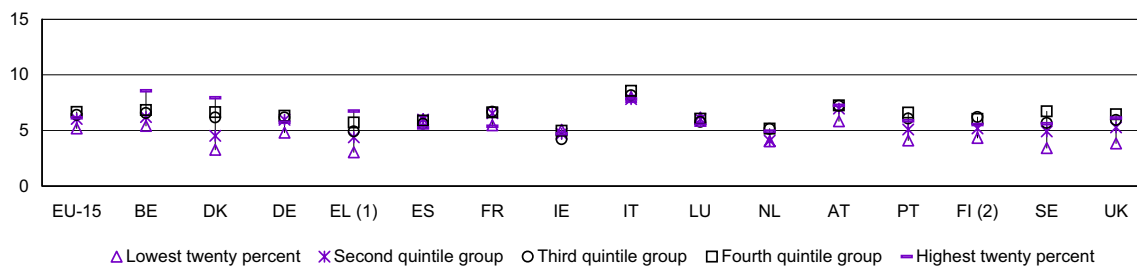
(6) For the whole of this section on consumption expenditure: income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

**Figure 5.11: Purchase of vehicles**  
Share of total consumption expenditure, breakdown by income distribution, 1999 (%)



(1) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.  
(2) Excluding interest payments for car loans.  
Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 5.12: Operation of personal transport equipment**  
Share of total consumption expenditure, breakdown by income distribution, 1999 (%)



(1) Excluding circulation fees.  
(2) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.  
Source: Eurostat, Household Budget Survey (theme3/hbs)

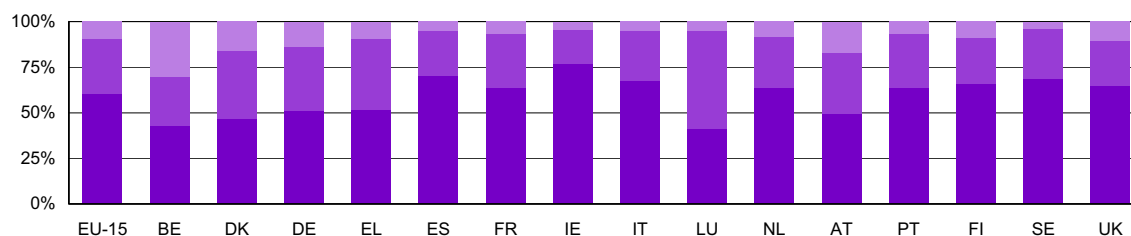
The percentage of EU households buying a car in 1999 ranged between 2% (Italy) and 27% (Luxembourg and Ireland) - see Table 5.4 on page 150.

### Expenditure on the operation of personal transport equipment

Europeans spent between 4.7% (Ireland and the Netherlands) and 8.0% (Italy) of their total household expenditure on the operation of personal transport equipment in 1999. Motoring costs are largely a function of the distance travelled and the price of fuel, to which are added the cost of spare parts, servicing and the repair of vehicles. Of these, the purchase of fuel and lubricants was the largest expenditure item in every Member State in 1999 (see Figure 5.13). Some 5.4% of the household expenditure in Italy was dedicated to the purchase of fuel and lubricants, whilst the lowest share was recorded in Luxembourg (2.4%). Considering that the average distance travelled by car each year is fairly uniform across Member States, these shares are largely a function of the price of fuel and average total household expenditure in each country.

Spare parts, accessories, maintenance and repairs generally accounted for between 1.3% (the Netherlands) and 2.4% (Austria) of total household expenditure, with the exception of Ireland (0.9%) at the bottom end of the range and Luxembourg (3.1%) at the top end of the range.

**F**igure 5.13: Operation of personal transport equipment  
Breakdown of consumption expenditure, 1999 (%)

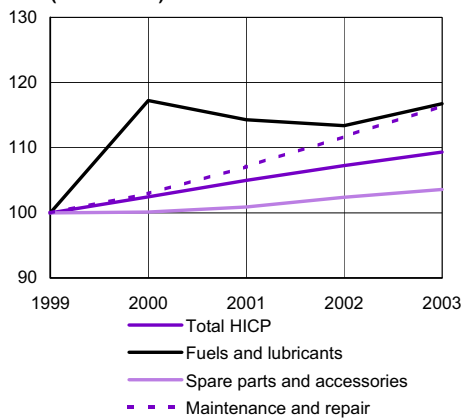


(1) EL, excluding circulation fees.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 5.14: Operation of personal transport equipment**

Development of harmonized indices of consumer prices in the EU (1999=100)



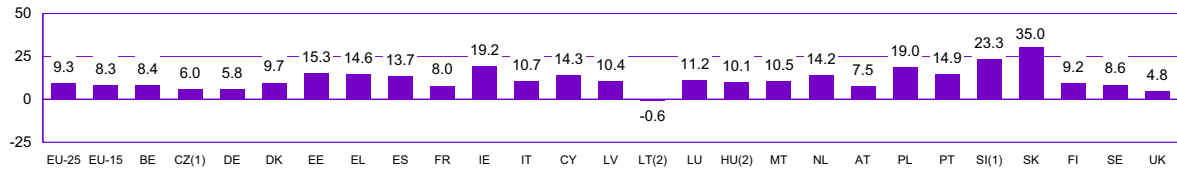
Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## PRICES

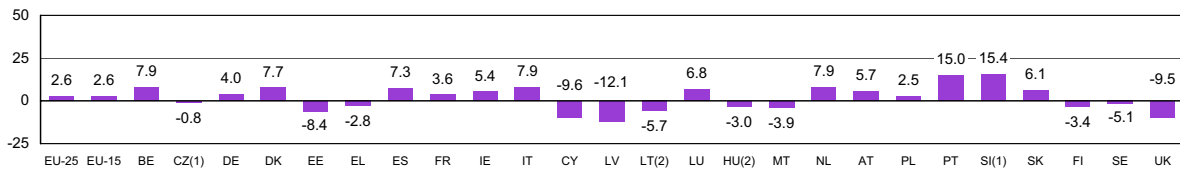
The variation in the price of passenger cars between countries and the rapid increase in the price of fuel during 2000 have led to increasing scrutiny from consumers, their representative consumer groups and legislators. The relative price of transport rose at a faster pace than the all-items consumer price index in more than half of the countries between 1999 and 2003. However, the differential between the two indexes is negative for 10 countries, Slovakia, Hungary and Ireland reaching the most extreme values (with respectively -9.4%, -6.9%, -6.2%). The index of consumer prices for transport (including transport services) gained 10.7% in the EU, whilst general consumer price inflation was equal to 9.3%.

The general consumer price index for transport hides considerable differences, as the price of vehicles rose by just 2.6% between 1999 and 2003, whilst motoring costs grew by 14.2%. Even greater disparities existed within the Member States, in particular in Cyprus, where the price of vehicles fell by 9.6%, as motoring costs rose by 31.1% and in Latvia where the price of vehicles fell by 12.1%, as motoring costs rose by 15.7% (see Figure 5.15).

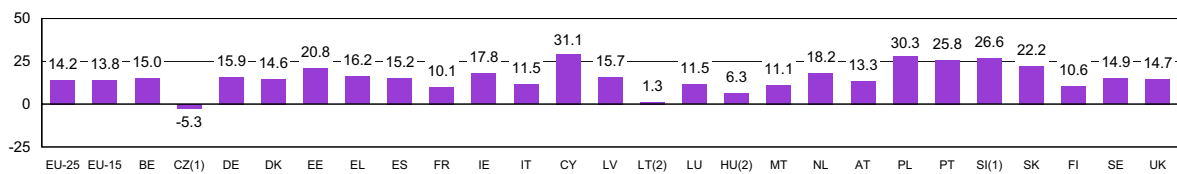
**Figure 5.15: Personal transport equipment**  
Absolute growth in consumer prices, 1999-2003 (%)



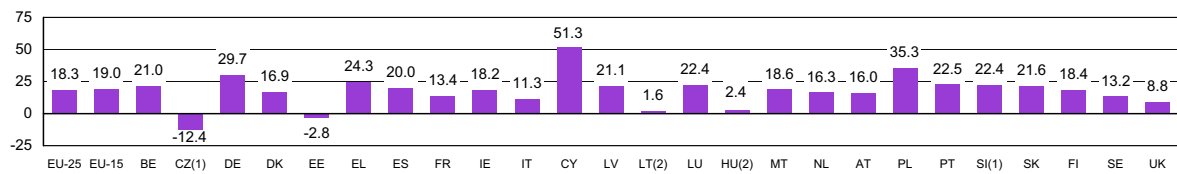
#### All-items HICP



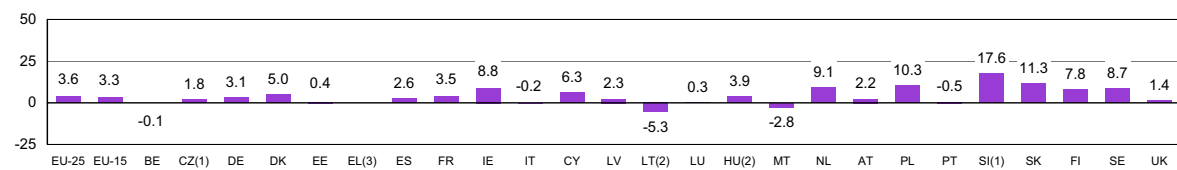
#### Purchase of vehicles



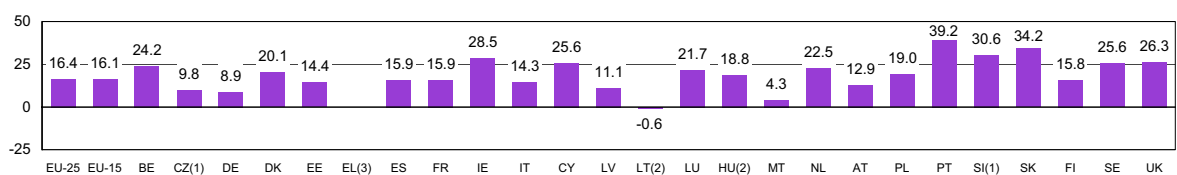
#### Operation of personal transport equipment



#### Fuels and lubricants for personal transport equipment



#### Spare parts and accessories for personal transport equipment



#### Maintenance and repair of personal transport equipment

(1) 2000 instead of 1999.

(2) 2001 instead of 1999.

(3) Not available.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## Price of personal transport equipment

## Car price differentials

The European Commission Directorate-General for Competition carries out a twice-yearly study of car price differentials in EU Member States as part of its work to evaluate the implementation of Regulation (EC) No. 1475/95 concerning motor vehicle distribution and servicing. According to 1 May 2004 figures, this on-going study shows a further price convergence for new cars across markets in the euro-zone. In the euro-zone, net of taxes, cars are generally cheaper in Finland and more expensive in Germany. Considering the EU-25, cars are less expensive, on average, in the new Member States, with Poland being the cheapest market (see Table 5.16).

**T**able 5.16: Price of selected cars as of 1 May 2004 (€) (1)

	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT
<b>Audi A4</b>	20 943	20 806	20 398	22 957	22 810	21 406	21 370	22 894	21 913	22 863	20 867	22 810	22 810
<b>BMW 318i</b>	21 153	21 986	21 073	22 371	20 318	21 967	20 834	21 892	21 629	21 737	21 815	22 431	22 431
<b>FIAT Punto</b>	8 884	7 351	7 959	9 310	:	7 685	8 590	8 349	8 639	8 357	8 645	7 657	:
<b>Ford Focus</b>	14 492	14 031	12 257	13 935	:	13 006	13 081	13 393	14 267	13 194	:	:	:
<b>Ford Mondeo</b>	20 587	20 934	17 762	21 207	:	18 836	18 598	20 485	18 904	19 761	:	:	:
<b>Mercedes C180</b>	24 100	22 705	24 061	24 050	22 689	23 810	23 315	23 438	23 468	23 329	<b>20 568</b>	24 046	22 577
<b>Opel Corsa</b>	8 921	8 397	8 564	<b>9 909</b>	8 507	8 519	9 631	8 856	9 018	9 178	8 476	8 507	8 511
<b>Opel Astra</b>	13 136	12 987	<b>10 099</b>	13 565	11 767	11 985	12 633	13 127	13 726	13 354	10 248	11 767	11 767
<b>Peugeot 206</b>	10 186	9 059	9 008	<b>10 436</b>	8 963	9 028	10 368	10 117	9 756	9 427	8 227	9 276	9 115
<b>Peugeot 307</b>	14 019	13 695	12 365	<b>15 428</b>	13 143	13 126	13 961	14 967	13 460	14 316	11 960	13 324	13 194
<b>Renault Clio</b>	8 555	7 343	8 139	9 180	7 593	7 626	8 891	9 323	9 649	8 705	8 419	7 593	7 593
<b>Renault Mégane</b>	13 486	12 119	11 249	14 439	11 457	12 657	13 181	14 340	13 830	13 195	13 298	11 457	11 457
<b>VW Polo</b>	8 875	7 716	8 490	<b>9 634</b>	8 524	:	8 898	9 297	8 210	9 269	:	9 201	8 582
<b>VW Golf</b>	12 785	10 960	10 460	13 121	10 931	11 402	11 852	12 450	11 821	<b>13 172</b>	:	11 688	11 639
<b>VW Passat</b>	17 072	16 380	<b>13 126</b>	<b>18 664</b>	15 373	14 269	16 833	16 400	14 485	18 063	14 386	16 677	15 672

	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Audi A4</b>	21 270	22 704	20 867	21 712	<b>23 108</b>	<b>18 675</b>	22 242	20 559	21 275	21 772	21 521	20 582
<b>BMW 318i</b>	21 258	<b>22 864</b>	:	20 393	22 263	20 496	22 414	<b>19 784</b>	20 771	19 927	20 111	21 967
<b>FIAT Punto</b>	8 884	7 563	:	8 232	8 175	<b>6 415</b>	7 917	7 104	7 708	8 165	<b>9 354</b>	9 071
<b>Ford Focus</b>	14 492	12 155	:	13 146	13 958	<b>10 554</b>	12 246	:	:	12 080	13 721	<b>14 998</b>
<b>Ford Mondeo</b>	20 587	<b>21 726</b>	:	20 202	20 532	<b>15 703</b>	18 005	:	:	21 643	20 994	20 677
<b>Mercedes C180</b>	24 098	23 382	22 194	23 256	<b>24 105</b>	21 394	23 707	22 603	23 819	23 619	23 160	22 222
<b>Opel Corsa</b>	8 921	8 701	9 405	9 429	9 548	7 981	8 802	<b>7 724</b>	8 726	8 573	9 572	9 167
<b>Opel Astra</b>	13 136	12 119	11 989	13 183	13 162	11 188	12 360	10 323	12 623	11 771	12 600	<b>14 694</b>
<b>Peugeot 206</b>	10 186	8 580	<b>7 913</b>	9 633	10 024	7 926	9 266	8 496	9 074	9 370	10 227	10 260
<b>Peugeot 307</b>	14 019	12 253	<b>11 141</b>	14 110	14 995	11 160	13 776	13 667	13 710	13 135	13 889	14 988
<b>Renault Clio</b>	8 555	8 215	<b>10 553</b>	8 696	9 094	<b>7 047</b>	8 556	8 029	7 670	7 599	9 353	9 611
<b>Renault Mégane</b>	13 486	11 523	<b>15 470</b>	13 228	13 975	<b>10 285</b>	13 278	13 331	11 869	12 093	13 802	14 775
<b>VW Polo</b>	8 707	8 960	:	8 747	9 091	7 838	:	<b>7 274</b>	7 511	8 336	9 398	7 831
<b>VW Golf</b>	13 139	12 025	10 826	12 932	12 421	10 437	12 800	12 461	11 802	<b>10 266</b>	12 066	12 731
<b>VW Passat</b>	16 864	17 764	:	16 903	16 643	13 657	17 208	17 875	15 623	15 740	18 253	15 642

(1) Bold indicates the country with the lowest pre-tax price; purple indicates the country with the highest pre-tax price.

Source: Car prices within the European Union on 1 May 2004, Directorate-General of the European Commission for Competition



In the framework of this study, a total of 18 European and eight Japanese manufacturers supplied the Commission with their recommended retail prices, as of 1 May 2004, for 90 among the best-selling models. The reference price for the calculation of differentials for any model is that of the cheapest country within the euro zone. Prices are adjusted for differences in standard equipment, and are given in euro and, where applicable, local currency<sup>7</sup>, both before and after tax. Prices for major options and for right-hand drive specification are also supplied, together with other information. For some models, further options and variations in standard equipment may exist on certain national markets. It should also be noted that actual retail prices may differ from recommended list prices, as dealers must be free to propose lower prices and to offer additional financial benefits to customers, depending on the market.

Data from the May 2004 survey shows that Germany and, to a lesser extent Austria, ranked as the most expensive markets in the Union for the models surveyed. Price differences were smaller than those recorded in previous surveys (see Table 5.17). Nonetheless, price differentials between the cheapest and the most expensive euro-zone Member States sometimes remained substantial. Among the 90 models covered in the study, 25 models still had differences exceeding 20 %. In Germany, 23 models were sold to consumers at the highest prices in the euro-zone, and 18 were between 20% and 31% more expensive than in the cheapest national market within the euro-zone. In Austria, 10 models were at least 20% more expensive than in the cheapest euro-zone country. Within the euro-zone, the cheapest market was Finland, where virtually one out of four models was sold at the lowest price in the euro-zone. Substantial savings were thus still possible for cross-border shoppers. In EU-15 prices in Denmark were the lowest: 7% below those in Finland.

(7) The euro rates used for conversion are those published in the Official Journal C 128 of 4.05.2004, p.1.

**Table 5.17: Price differentials of selected cars (percentage difference between the country with the lowest pre-tax price and the country with the highest pre-tax price, € terms)**

	May 2003	November 2003	May 2004
<b>Small sized cars - segments A and B</b>			
Opel Corsa	16.8	13.6	16.3
FIAT Punto	29.1	23.1	21.1
Renault Clio	14.0	17.3	27.0
Peugeot 206	19.4	24.6	15.6
VW Polo	17.8	19.3	17.3
<b>Medium sized cars - segment C</b>			
VW Golf	28.3	28.0	32.9
Opel Astra	16.6	17.6	27.6
Ford Focus	20.0	22.7	18.1
Renault Mégane	19.4	19.6	18.5
Peugeot 307	17.5	16.9	18.9
<b>Large sized cars - segment D, E and F</b>			
BMW 318i	15.8	12.7	12.5
Audi A4	10.4	9.1	10.3
Ford Mondeo	22.6	21.0	20.2
Mercedes C180	5.9	5.9	3.7
VW Passat	36.4	39.0	30.8

Source: Car prices within the European Union on 1 May 2004, Directorate-General of the European Commission for Competition

Cars in the new Member States were, on average, less expensive than in the euro-zone. Prices differences for a car model between the new Member States were greater compared with the situation prevailing in the euro-zone. Thus, for 72 out of 90 models the price difference between the most expensive country in the EU-25 and the least expensive country in the EU-25 exceeded 20%. The cheapest country among the new Member States was Poland, with prices 9% lower than in Finland.

Nevertheless, cars in the new Member States were not always cheaper than in the euro-zone. In the luxury car segment - executive and multi-purpose or sports utility vehicles - cars in the euro-zone were cheaper than in Poland (e.g., the Audi TT was more expensive in Poland than anywhere else in the EU-25). But in general, prices in the new Member States were not that different from those prevailing in the EU-15. Car prices in Hungary, the Czech Republic and Slovakia were comparable to the cheaper euro-zone countries.

According to Eurostat figures on inflation, the convergence as shown by the study took place in a context of relative price stability in the EU as a whole and in most of the individual.

### **Taxation on passenger cars and parallel trade**

All Member States impose VAT upon the purchase of vehicles, with rates between 15% (Luxembourg) and 25% (Denmark and Sweden) in September 2004. In addition, a number of countries in the European Union also impose one-off registration or sales taxes. In contrast to all other goods, taxes on new passenger cars are paid in the country of destination (and not the country of purchase). This creates an incentive for consumers to re-export cars from Member States where pre-tax prices are relatively low.

### Price of operating personal transport equipment

Motoring costs are partly determined by the price of fuel and lubricants, which are subject to substantial fluctuations. The price of fuels and lubricants rose, in absolute terms, by 18.3% in the EU between 1999 and 2003. The main increase was registered between 1999 and 2000, spurred on by rising crude oil prices (see Figure 5.8 above). Prices rose by as much as 51.3% in Cyprus between 1999 and 2003<sup>8</sup>, whilst the Czech Republic (12.4%) and Estonia (2.8%) were the only Member States to report price decreases and Lithuania, Hungary and the United Kingdom the only countries with an increase of less than 10% (see Figure 5.15 earlier).

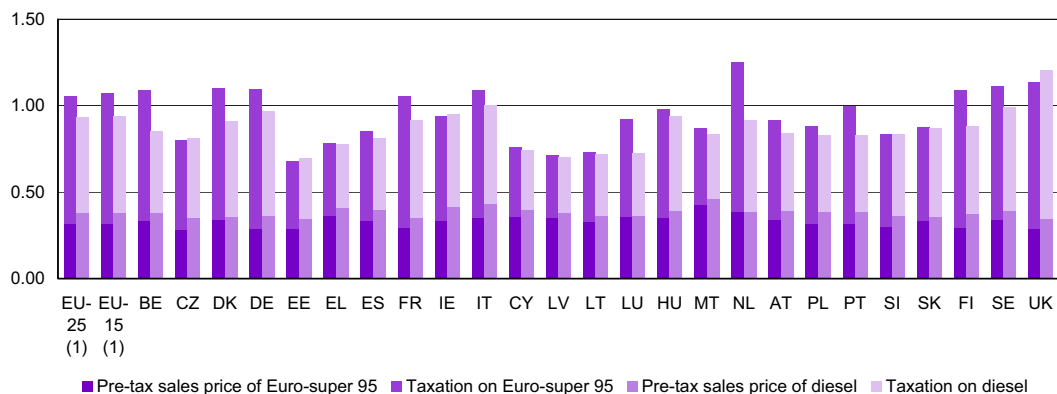
### Taxation on motor fuels

The retail price of motor fuel is subject to a number of different taxes, including VAT, excise duties and (in some countries) environmental taxes.

Taxation accounted for as much as 74.6% of the retail price of unleaded petrol in the United Kingdom in January 2005, whilst the lowest proportion was in Latvia (50.3%). There was even more dispersion when studying the tax incidence applied to diesel, with Malta reporting the lowest share of tax in the retail price of diesel (44.6%) and the United Kingdom (71.1%) again the highest share (see Figure 5.18).

(8) For the Czech Republic: 2000-2003; for Lithuania and Hungary: 2001-2003.

**F**igure 5.18: Price of petrol and diesel as of 24 January 2005 (€/litre)



(1) Average resulting from the weighting of the quantities consumed during the year

Source: Oil Bulletin, no. 1247, Directorate-General of the European Commission for Energy and Transport

### Other price issues relating to motoring

The price of motoring is not determined solely by the price of petrol and diesel. Taxes on ownership (circulation taxes and annual registration fees) and insurance premiums are other examples of costs faced by motorists. Registration tax (payable at the time of acquisition of the car) exists in 10 of the 15 Member States, ranging in 1999 from an average of EUR 267 in Italy to EUR 15 659 in Denmark. Usually Member States applying no, or low, registration tax compensate by applying higher fuel tax levels. All Member States apart from France apply annual road tax at national level. Tax bases and tax levels applied vary greatly: the average annual road tax paid in 1999 ranged from EUR 30 per vehicle per year in Italy to EUR 463 in Denmark.

The price of spare parts and accessories was almost unchanged between 1999 and 2003 (up by 3.6%) - see Figures 5.14 and 5.15 above. On the other hand, the price of maintenance and repair costs rose at a relatively rapid pace, up 16.4% in the EU (and by at least 25% in Ireland, Cyprus, Portugal, Slovenia, Slovakia, Sweden and the United Kingdom<sup>9</sup>).

As for the operation of personal transport equipment, the United Kingdom, Sweden and Denmark were the most expensive countries in the EU in 2002 (with prices between 33% and 19% above the EU average) - see Table 1.38 on pages 34 and 35. The lowest relative price levels were recorded in Slovakia (61% below the EU average), followed by Cyprus and Latvia.

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(9) CZ and SI, variation between 2000 and 2003; LT and HU, variation between 2001 and 2003; EL, not available.

## THE RETAIL NETWORK

Dealerships make the majority of new car sales in the EU, however it is important to note that the exclusive distribution system (SED) only concerns about a third of total car sales in Europe, due to the large number of fleet and used car sales.

Dealerships are generally tied to a single manufacturer who enforces brand exclusivity at the point of sale. Consumers in turn are tied to dealerships, as their warranty stipulates that they must use an authorised dealer or service centre. Once the warranty period for a new car has expired, consumers face the choice of entrusting the repair and service of their vehicle to the original dealer or switching to an independent repair shop or fast-fit chain. Dealer retention of these customers is generally reduced the older the car becomes.

The car is one of only a few consumer items where consumers ask for a discount when purchasing a new model, or alternatively for additional equipment options or a price based upon trading in a vehicle (giving their old vehicle to a dealer in part-exchange for a new one). Most Europeans opt to trade in their old car, as opposed to making a private sale.

The rules of car sales and servicing have changed considerably. The new rules that became effective as of 1 October 2003 opened the way to new distribution techniques, such as Internet sales and multi-branding introducing more competition between different retail channels. The new rules also tore down residual barriers to cross-border purchases and allow dealers to place advertisements or mail shots throughout the single market. Car owners have a wider choice of after sales service providers be it through authorised repair shops or fully independent repair shops. No repair shop may now be prevented from servicing several brands and repair shops are no longer obliged to operate a dealership as well.

## SAFETY

The key role that the motor vehicle plays in the majority of European consumers' lives is reflected in legislation to protect the driver and passengers (safety aspects) and to limit emissions and waste products (environmental concerns and recycling).

**T**able 5.19: Road safety in the EU, 2004

	Speed limit, cars (in general, km/h) (1)			Blood alcohol limit (grams of alcohol in 1 litre of blood)
	Built-up areas	Outside built up areas	Motorways	
BE	50	90	120	0.5
CZ	50	90	130	0.0
DK	50	80	110	0.5
DE	50	100	(130)	0.5
EE	50	90	-	0.2
EL	50	90	120	0.5
ES	50	90	120	0.5
FR	50	80-90	110-130	0.5
IE	48	96	112	0.8
IT	50	90	110-150	0.8
CY	50	80	100	0.9
LV	60	90	110	0.5
LT	50	90	110-130	0.4
LU	50	90	130	0.8
HU	50	80	120	0.0
MT	40	64	-	0.8
NL	50	80	120	0.5
AT	50	100	130	0.5
PL	60	90	130	0.5
PT	50	90-100	120	0.5
SI	50	90	130	0.5
SK	60	90	130	0.0
FI	50	80-100	100-120	0.5
SE	30-50	70	110	0.2
UK	48	96	112	0.8

(1) DE, motorways, no general speed limit, recommended speed limit is 130 km/h (more than half the network has a speed limit of 120 km/h or less); FR, dual carriageways 110 km/h and if road is wet, motorways 110 km/h, dual carriageways 100 km/h, national roads 80 km/h; IT, 150 km/h on certain 2x3 lane motorways and if road is wet, motorways 110 km/h, dual carriageways 90 km/h; FI, in winter, 100 km/h on motorways, 80 km/h on other roads.

Source: Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

**Table 5.20: Number of persons killed in road accidents (units) (1)**

	1995	2002	2003
<b>EU-25</b>	58 997	49 719	:
<b>EU-15</b>	46 098	38 604	:
<b>BE</b>	1 449	1 315	:
<b>CZ</b>	1 588	1 431	1 447
<b>DE</b>	582	463	432
<b>DK</b>	9 454	6 842	6 613
<b>EE</b>	332	224	164
<b>EL</b>	2 412	1 654	1 615
<b>ES</b>	5 749	5 347	5 394
<b>FR</b>	8 892	7 655	6 058
<b>IE</b>	437	376	339
<b>IT</b>	7 020	6 736	6 015
<b>CY</b>	118	94	97
<b>LV</b>	611	518	493
<b>LT</b>	672	697	709
<b>LU</b>	70	62	53
<b>HU</b>	1 589	1 429	1 326
<b>MT</b>	14	16	16
<b>NL</b>	1 334	987	1 028
<b>AT</b>	1 210	956	931
<b>PL</b>	6 900	5 827	5 640
<b>PT</b>	2 711	1 655	1 546
<b>SI</b>	415	269	242
<b>SK</b>	660	610	:
<b>FI</b>	441	415	379
<b>SE</b>	572	560	529

(1) Persons killed are all persons deceased within 30 days of the accident; for Member States not using this definition - EL (3 days for 1995), FR (6 days), IT (7 days) and PT (1 day) - corrective factors were applied (EL 1.18, FR 1.057, IT 1.078 and PT 1.3).

Source: Transport in Figures, Directorate-General of the European Commission for Energy and Transport

Given the high proportion of Europeans that use the car as their preferred means of transport, it is not surprising to find that the largest number of transport-related fatalities involve cars (see Tables 5.20 and 5.21). However, if a ratio of the number of deaths per passenger kilometre is calculated, then powered two-wheelers clearly become the most dangerous means of personal transport in Europe, ahead of walking and the passenger car.

Despite the ever increasing road transport performance, the number of deaths on Europe's roads fell from 59.0 thousand persons in 1995 to 49.7 thousand by 2002 (a net reduction of 16%) - see Table 5.20. The number of fatalities was reduced by over 25% in Denmark, Estonia, Greece, the Netherlands, Portugal and Slovenia during the period considered.

**Table 5.21: Breakdown of persons killed in road accidents by type of road user, 2002 (units)**

	Killed (up to 30 days following the accidents)	of which			
		Cars and taxis	Pedestrians	Bicycles	Powered two-wheelers
<b>BE (1)</b>	1 486	899	158	130	210
<b>DK</b>	463	246	63	52	62
<b>DE</b>	6 842	4 005	873	583	1 044
<b>EL (1)</b>	1 880	803	338	29	503
<b>ES</b>	5 347	3 117	776	96	784
<b>FR</b>	7 655	4 864	866	223	1 450
<b>IE</b>	378	202	86	18	44
<b>IT</b>	6 736	3 515	1 188	364	1 191
<b>LU</b>	62	52	6	1	0
<b>NL</b>	987	479	97	169	191
<b>AT (2)</b>	931	524	132	56	156
<b>PT</b>	1 655	712	333	57	357
<b>FI</b>	415	267	40	53	29
<b>SE</b>	560	379	58	42	49
<b>UK (3)</b>	3 431	1 740	775	130	609

(1) 2001.

(2) 2003.

(3) Excluding Northern Ireland.

Source: Transport in Figures, Directorate-General of the European Commission for Energy and Transport

## ENVIRONMENT

The social costs of transport also include environmental consequences, such as energy depletion, exhaust emissions and resulting air quality. Whilst fuel efficiency has improved significantly over the last two decades, these gains have been largely outweighed by an increase in the number and size of cars.

There has been a marked change in the proportion of petrol deliveries that are accounted for by unleaded petrol during the 1990s. From the 1 January 2000 onwards, leaded petrol was banned from the gasoline stations in most EU countries. Only Greece, Spain and Italy continued to receive deliveries of leaded petrol up to the end of 2001.

The number of petrol cars fitted with a catalytic converter has grown rapidly since its mandatory introduction for new cars in 1993. As a result, some 67% of all passenger cars in the EU-15 had a catalytic converter by 2000 (see Table 5.22).

Emission standards for passenger cars are set by European directives. Since the beginning of 2005, these stand at 1.0g/km of carbon monoxide and 0.08g/km of nitrogen oxide for petrol cars and 0.50g/km of carbon monoxide and 0.25g/km of nitrogen oxide for diesel cars, which corresponds by and large to half the thresholds effective since 2000.

**T**able 5.22: Estimated share of petrol-engined cars fitted with catalytic converter (%)

	1990	2000
<b>EU-15</b>	<b>13</b>	<b>67</b>
BE	3	77
DK	2	64
DE	38	87
EL	9	62
ES	4	39
FR	3	61
IE	5	84
IT	3	62
LU	5	92
NL	32	90
AT	24	87
PT	1	30
FI	2	60
SE	26	73
UK	3	57

Source: Eurostat, Transport and Environment Reporting Mechanism (TERM) (theme8/milieu)

## 5.2 TRANSPORT SERVICES

The end of the 20th century has seen an explosion in demand for certain transport services. The transport services covered in this section include passenger transport by rail, road, air, sea and inland waterway, as well as combined passenger transport and a miscellaneous group of other purchased transport services.

### NETWORK ACCESS

Accessibility can be measured as the ratio of network length to the surface area of a given country. However, such an indicator should be interpreted with care as a result of different population densities between countries (for example, the Netherlands with 388 inhabitants per km<sup>2</sup> and Finland with 15 inhabitants per km<sup>2</sup>).

A better measure is to compare network length with population, which reveals that there were 8.3 metres of roads per inhabitant in Italy in 2000, almost five times less than in Estonia (38.0 m). Sparsely populated countries such as Sweden or Finland, which displayed a low density of roads in relation to surface area, reported high levels of road accessibility in terms of this measure (both over 15 m per inhabitant), which was more than in densely covered Belgium (14.5 m) and the Netherlands (7.9 m). However, difficulties in the exact definition of "road" does not allow for a precise comparison in this respect. "Motorways" and "Railway lines" are less problematic to define. It appears that in 2000, motorways accounted for the smallest density among the different road types. There were 0.37 metres of roads per inhabitant in Cyprus in 2000 against 0.01 metres in Poland. Regarding railway lines, Sweden reported the highest level of accessibility with 1.33 metres per inhabitant whereas the Netherlands represented the lowest density with 0.18 metres per inhabitant.



**T**able 5.23: Transport services - length of network (kilometres)

	Road, 2000 (1)					Railways, 2003		
	Motorways	Motorways per inhabitant (metres)	Highways, Main or National Roads	Secondary or Regional Roads	Other Roads	Length of lines	Rail lines per inhabitant (metres)	Share electrified (%)
<b>EU-25</b>	54631	0.12	360550	1351174	:	199660	0.44	50.2
<b>EU-15</b>	51768	0.14	273270	1211344	:	152421	0.40	52.4
BE	1702	0.17	12600	1349	132540	3521	0.34	83.1
CZ	517	0.05	20727	34183	72300	9501	0.92	31.0
DK	922	0.17	718	9986	60018	2273	0.43	27.5
DE	11712	0.14	41321	177899	:	36054	0.44	55.0
EE	94	0.07	3902	12439	35603	959	0.70	13.7
EL	707	0.06	9100	31300	75600	2414	0.22	3.4
ES	9049	0.23	24124	139656	489698	14387	0.36	56.6
FR	9766	0.17	27500	358500	586000	29269	0.50	49.6
IE	103	0.03	5326	11628	78657	1919	0.50	2.7
IT	6621	0.11	46009	114909	312149	16288	0.28	68.6
CY	257	0.37	2178	:	8973	-	-	-
LV	-	-	6962	13358	49412	2289	0.96	11.3
LT	417	0.12	1307	19592	55258	1774	0.51	6.9
LU	115	0.26	837	1911	2347	275	0.63	95.3
HU	448	0.04	30060	23057	105233	7950	0.78	35.8
MT	-	-	185	196	1873	-	-	-
NL	2289	0.14	6650	57500	59400	2812	0.18	73.4
AT	1633	0.20	10280	23086	98000	5661	0.71	58.7
PL	399	0.01	17637	28381	318280	19900	0.51	60.5
PT	1482	0.14	11991	58990	:	2818	0.28	38.2
SI	435	0.22	1101	4796	13904	1229	0.62	41.0
SK	296	0.05	3221	3828	35611	3657	0.68	42.5
FI	549	0.11	13271	28633	35993	5851	1.13	41.0
SE	1506	0.17	15349	82892	114720	11827	1.33	69.1
UK	3612	0.06	48194	113105	207256	17052	0.29	30.6

(1) The definition of road types varies from country to country.

Source: Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

Another measure that can be used to determine network accessibility is the availability of vehicles or transport nodes in relation to population levels. When asked how they judge accessibility to transport services in 2002, some 23% of respondents to a Eurobarometer survey (58) on services of general interest said they had difficult or no access to urban transport services and 27% difficult or no access to inter-city rail services. Accessibility was generally better than average in Greece (12%), Luxembourg (10%) and Spain (9%), whilst it was below average in Portugal (24%), in Italy (23%) and in the Netherlands (20%) for urban transport. Difficult access to rail services between towns/cities was most often mentioned in Portugal (30%), in Italy (23%) and in the Netherlands (22%), as opposed to the United Kingdom (15%), Sweden (15%), Spain (11%) and Greece (9%).

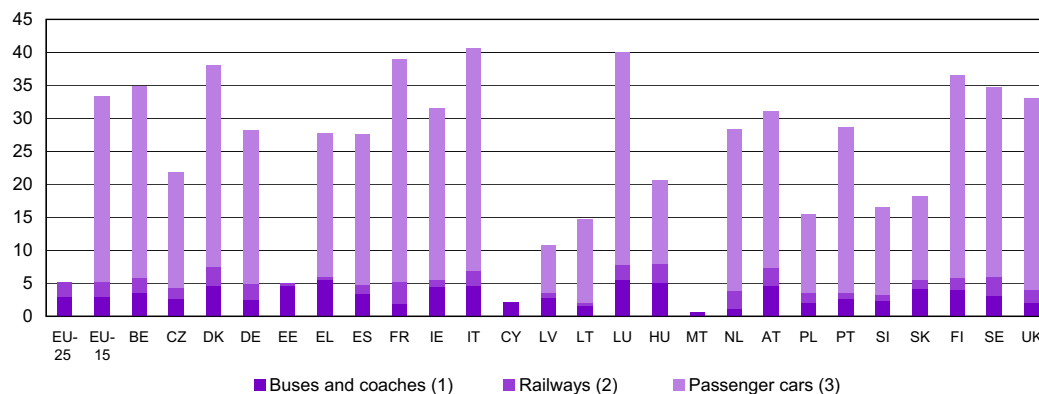
### DISTANCE TRAVELLED

The standard measure of consumption for transport services is the number of passenger kilometres (pkm), defined as the number of passengers transported multiplied by the number of kilometres travelled. This indicator allows a comparison of traffic between different transport modes.

Total passenger traffic for the main transport services (bus, train, urban rail, air transport) exceeded 1073 billion pkm within the EU in 2002. This represented approximately one sixth of total passenger transport performance (5 104 billion pkm) when including cars and motorcycles. The other transport services are generally not well covered by official statistics but taxis represent an important part of them.

Combining traffic and demographic data, each European citizen travelled an average of 5.05 days using rail or bus services in 2002, compared days with 4.7 km in 1970 and up from 5.6 km in 1980. A modal breakdown reveals that the average person travelled 2.9 km by bus and 2.1 km by rail (see Figure 5.24). Nevertheless, European citizens most frequently travelled by car with an EU-15 average of 28.1 km.

**F**igure 5.24: Average daily distance travelled per inhabitant in the EU, 2002 (kilometers/day)



(1) HU, including trolleybuses; PL, including international; SI, including urban transport; UK, Great Britain only.

(2) CY and MT, no passenger railway network; DE, LT, HU, SI, FI and SE, including transit transport.

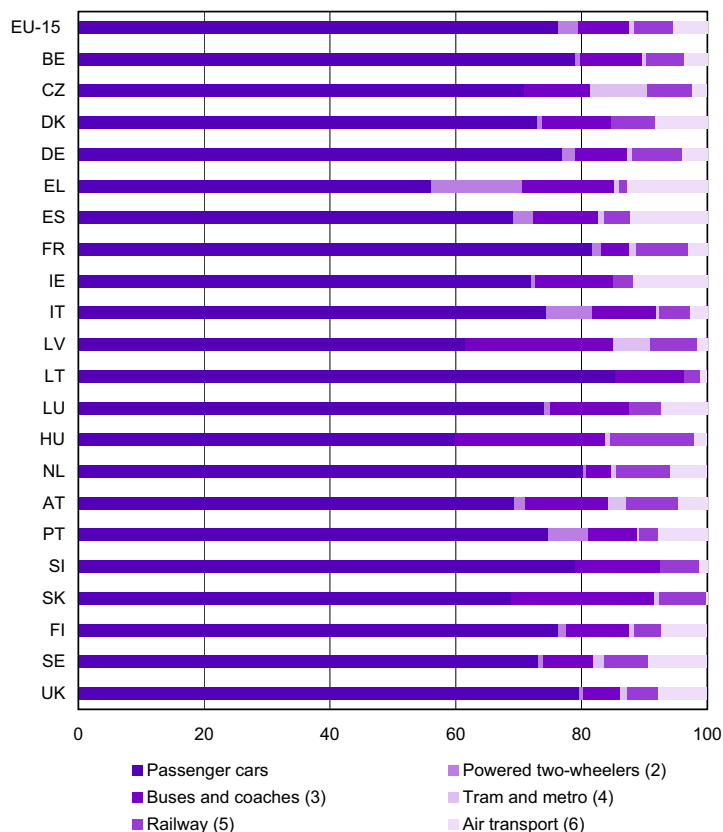
(3) EU-25, EE, CY and MT, not available; UK, Great Britain only.

Source: Eurostat, ECMT, National Offices and Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

## Road transport

Buses and coaches were the principal passenger transport service in the EU in 2002, accounting for 8% of total passenger transport or an average of 1 085 km travelled per inhabitant during the year. Growth in bus and coach traffic has remained stable in the EU since the 1990s.

**Figure 5.25: Share of transport modes in total passenger traffic, 2002 (%) (1)**



- (1) Share of total passenger traffic, including passenger cars, powered two-wheelers, buses and coaches, tram and metro, railway and air transport (only intra-EU and domestic flights are included for air transport); EU-25, EE, CY, MT and PL, not available.
- (2) LV and SI, not available; CZ, LT, HU and SK, data are included in the "Passenger cars" pkm data; NL, series revised; UK, Great Britain only.
- (3) HU, including trolleybuses; SI, including urban transport; UK, Great Britain only.
- (4) DK, IE, LT, LU and SI, no tram or metro network; FR, including metro and RER (Réseau Express Régional), UK, Great Britain only.
- (5) DE, LT, HU, SI, FI and SE, including transit transport.
- (6) Intra-EU plus domestic flights.

Source: Eurostat, ECMT, National Offices and Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

**Table 5.26: Buses and coaches - evolution of passenger transport (billion pkm)**

	1990	2000	2001	2002
<b>EU-25</b>	:	488.4	490.8	485.0
<b>EU-15</b>	:	410.1	412.8	410.0
<b>BE</b>	10.9	13.2	13.5	13.6
<b>CZ (1)</b>	:	9.4	10.6	9.7
<b>DK</b>	7.6	9.1	9.0	9.0
<b>DE</b>	:	77.3	77.0	75.7
<b>EE</b>	4.5	2.6	2.5	2.3
<b>EL</b>	17.7	21.7	22.0	22.4
<b>ES</b>	33.4	50.3	51.7	50.1
<b>FR</b>	41.3	43.0	41.3	40.3
<b>IE</b>	3.9	6.1	6.3	6.4
<b>IT</b>	84.0	94.0	95.8	97.5
<b>CY</b>	:	0.6	0.6	0.6
<b>LV</b>	5.9	2.3	2.3	2.4
<b>LT (2)</b>	7.9	2.2	2.1	2.0
<b>LU</b>	0.9	0.9	0.9	0.9
<b>HU (3)</b>	19.3	18.7	18.6	18.7
<b>MT</b>	:	0.1	0.1	0.1
<b>NL (4)</b>	13.0	7.5	7.6	7.2
<b>AT</b>	8.7	13.1	13.2	13.4
<b>PL (5)</b>	46.3	31.7	31.0	29.3
<b>PT</b>	10.3	11.8	11.2	9.9
<b>SI (6)</b>	7.4	2.2	2.0	1.7
<b>SK (7)</b>	:	8.4	8.3	8.2
<b>FI</b>	8.5	7.7	7.7	7.7
<b>SE</b>	8.0	9.3	9.6	10.1
<b>UK (8)</b>	46.2	45.0	46.0	46.0

(1) Until 1999 data refer to survey of enterprises with 20 or more employees, in addition enterprises with less than 20 employees are estimated; since 2000 change in the data collection, all enterprises are included.

(2) Only public sector vehicles on national territory and abroad.

(3) Including trolleybuses since 1994.

(4) Based on the movements of the Dutch inhabitants on Dutch territory and therefore excluding movements in foreign vehicles.

(5) Including international, excluding urban transport.

(6) Including urban passenger transport, excluding transport by independent entrepreneurs and taxis.

(7) Only transport enterprises enrolled in the Business register (taxi and urban transport excluded).

(8) Great Britain only.

Source: Eurostat, ECMT, National Offices, Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

According to the Flash Eurobarometer 150 of the European Commission, published in 2003, European users of local public transport considered that the main service that could be improved was the punctuality. The countries that complained the most were Portugal (31%), Ireland (28%) and the United Kingdom (28%). The frequency of services was the second answer mentioned by 20% of the respondents. This percentage was the highest in Greece (40%), Spain (33%), Finland (31%) and Ireland (30%). An improvement in the cleanliness and conditions of vehicles was the answer of 17% of the users. It reached 23% in the United Kingdom.

**Table 5.27: Public opinion: improvement of services supplied by local public transport company (in % of respondents asked what services should be improved the most)**

	Punctuality of services	Frequency of services	Connections time and accessibility	Cleanliness and conditions of vehicles	Service provided by employees	Ease to know and purchase tickets	Don't know and no answer
<b>EU-15</b>	23.9	19.9	9.6	17.0	7.8	8.9	12.9
<b>BE</b>	22.3	11.4	13.6	19.1	8.8	6.5	18.3
<b>DK</b>	21.7	23.0	11.1	8.1	8.4	9.5	18.2
<b>DE</b>	24.9	10.9	12.9	15.5	11.1	16.9	7.8
<b>EL</b>	24.6	40.4	5.9	12.5	5.1	4.4	7.0
<b>ES</b>	21.2	33.1	6.1	11.4	5.4	2.9	20.0
<b>FR</b>	23.1	23.5	11.4	21.9	5.8	8.9	5.4
<b>IE</b>	27.5	30.0	9.2	15.5	5.8	3.4	8.7
<b>IT</b>	25.4	12.7	9.2	19.3	8.6	8.4	16.5
<b>LU</b>	17.3	14.7	17.3	7.7	14.3	8.6	20.0
<b>NL</b>	23.1	19.3	19.2	11.6	7.0	9.2	10.5
<b>AT</b>	9.7	17.8	7.0	16.2	7.7	7.7	33.7
<b>PT</b>	30.7	11.4	13.5	20.0	4.5	4.4	15.4
<b>FI</b>	7.5	30.8	8.4	8.2	10.9	4.8	29.4
<b>SE</b>	17.0	23.4	5.7	9.7	3.4	9.4	31.4
<b>UK</b>	28.3	23.2	2.9	22.6	6.9	3.0	13.1

Source: Flash Eurobarometer 150, European Commission, 2003

## Railways

Rail remains an important mode of transport that accounted for 6% of passenger transport in 2002 (see Figure 5.25). Each EU citizen travelled an average of 774 km by train in 2002. However, for the EU-15, the average was 814 km in 2002 compared to an average of 773 km in 1998. The French (1 231 km) and Danish (1 069 km) were the most active train users, as opposed to the Estonians (130 km) and Lithuanians (144 km). Urban rail transport (such as trams or metros) accounted, on average, for an additional 126 km per inhabitant of trips in the EU-15 in 2002.

**Table 5.29: Railways - evolution of passenger transport (billion pkm) (1)**

	1990	2000	2001	2002	2003
<b>EU-25</b>	:	351.3	353.8	350.4	345.5
<b>EU-15</b>	:	304.9	309.1	307.7	304.2
<b>BE</b>	6.5	7.7	8.0	8.3	8.3
<b>CZ</b>	13.3	7.3	7.3	6.6	6.5
<b>DK (2)</b>	3.6	5.5	5.7	5.7	5.8
<b>DE (3)</b>	:	75.4	75.8	71.4	71.3
<b>EE</b>	1.5	0.3	0.2	0.2	0.2
<b>EL</b>	2.0	1.9	1.7	1.8	1.6
<b>ES</b>	15.5	18.6	19.2	19.5	19.3
<b>FR</b>	64.0	69.6	71.2	73.2	71.9
<b>IE</b>	1.2	1.4	1.5	1.6	1.6
<b>IT</b>	44.7	47.1	46.8	46.0	45.3
<b>CY</b>	0.0	0.0	0.0	0.0	0.0
<b>LV</b>	5.4	0.7	0.7	0.7	0.8
<b>LT</b>	3.6	0.6	0.5	0.5	0.4
<b>LU</b>	0.2	0.3	0.3	0.4	0.3
<b>HU</b>	11.4	9.7	10.0	10.5	10.7
<b>MT</b>	0.0	0.0	0.0	0.0	0.0
<b>NL (4)</b>	:	15.4	15.5	15.5	13.8
<b>AT</b>	8.6	8.2	8.2	8.3	8.2
<b>PL</b>	50.4	24.1	22.5	20.7	19.6
<b>PT</b>	5.7	3.6	3.7	3.7	3.6
<b>SI</b>	1.4	0.8	0.7	0.7	0.8
<b>SK</b>	6.4	2.9	2.8	2.7	2.3
<b>FI</b>	3.3	3.4	3.3	3.3	3.3
<b>SE</b>	6.6	8.3	8.8	9.1	9.4
<b>UK</b>	:	38.4	39.3	39.9	40.5

(1) DE, LT, HU, SI, FI and SE, including transit transport.

(2) Break in 1993; Banestyrelsen (ex DSB) only, excluding S-tog (commuter trains) for the period up to 1992.

(3) Due to conceptual changes, figures from 1990 till 1992 are not comparable with figures from 1993.

(4) Based on the movements of the Dutch inhabitants on Dutch territory and therefore excluding movements in foreign vehicles (National Travel Survey) for 1990-2002. In 2003, break in the series.

Source: Eurostat, ECMT, National Offices, Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

**Table 5.28: Tram and metro - evolution of passenger transport (billion pkm) (1)**

	1990	2000	2001	2002
<b>EU-15</b>	41.6	46.8	47.6	47.5
<b>BE</b>	0.7	0.9	0.9	0.9
<b>CZ</b>	:	8.1	8.2	8.3
<b>DK</b>	-	-	-	-
<b>DE</b>	8.5	8.3	8.5	8.2
<b>EE</b>	:	:	:	:
<b>EL</b>	0.8	1.2	1.3	1.4
<b>ES</b>	4.4	5.2	5.3	5.5
<b>FR (1)</b>	9.7	10.1	10.3	10.4
<b>IE</b>	-	-	-	-
<b>IT</b>	4.6	5.4	5.4	5.3
<b>CY</b>	-	-	-	-
<b>LV</b>	:	0.6	0.6	0.6
<b>LT</b>	-	-	-	-
<b>LU</b>	-	-	-	-
<b>HU</b>	:	0.6	0.6	0.6
<b>MT</b>	-	-	-	-
<b>NL</b>	1.3	1.4	1.4	1.5
<b>AT</b>	2.1	2.8	2.8	2.8
<b>PL</b>	:	:	:	:
<b>PT</b>	0.7	0.6	0.6	0.6
<b>SI</b>	-	-	-	-
<b>SK</b>	:	0.3	0.3	0.3
<b>FI</b>	0.4	0.5	0.5	0.6
<b>SE</b>	2.0	2.1	2.2	2.2
<b>UK (2)</b>	6.5	8.3	8.3	8.3

(1) Metro and RER (Réseau Express Régional).

(2) Great-Britain only.

Source: Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

Concerning services supplied by rail transport companies, the Flash Eurobarometer survey (150) also allows to present some results on the needs of improvement in the quality of those services (see Table 5.30). In fact, according to European users, the main improvement in rail transport should be punctuality (31%). It was strongly confirmed in the Netherlands with a percentage of 47% and in the United Kingdom with a percentage of 43%. "Cleanliness and comfort of trains" was also a main concern for 17% of users. Thirty-two percent of Greeks and Italians expected an improvement.

**Table 5.30: Public opinion: improvement of services supplied by rail transport company (in % of respondents asked what service should be improved the most)**

	Punctuality of arrivals and departures	Cleanliness and comfort of trains	Speed and convenience of ticketing services	On-board services	Frequency of trains	Trains speed	Information about timetables and fares	Don't know and no answer
<b>EU-15</b>	30.7	16.6	9.8	5.0	8.4	4.6	11.4	13.5
<b>BE</b>	24.6	18.3	9.1	3.1	10.8	1.8	9.8	22.5
<b>DK</b>	28.9	14.5	9.2	5.4	8.3	3.1	6.9	23.6
<b>DE</b>	33.4	8.7	15.3	6.5	3.6	5.5	18.0	8.9
<b>EL</b>	15.0	31.9	3.5	8.8	16.8	12.4	4.4	7.1
<b>ES</b>	13.9	9.7	4.3	3.9	19.4	9.5	3.1	36.1
<b>FR</b>	34.3	17.6	11.5	3.9	10.1	3.0	13.5	6.0
<b>IE</b>	13.9	27.7	5.4	7.2	14.5	7.8	15.7	7.8
<b>IT</b>	27.0	32.5	8.8	4.2	5.7	3.7	5.3	13.0
<b>LU</b>	19.0	22.2	3.0	3.8	7.7	8.1	11.7	24.4
<b>NL</b>	46.9	10.0	9.5	6.6	6.0	3.0	12.5	5.4
<b>AT</b>	8.0	11.4	8.5	4.5	14.8	9.5	13.9	29.4
<b>PT</b>	16.6	17.8	8.9	1.7	16.5	6.6	7.7	24.2
<b>FI</b>	8.9	7.8	12.1	11.2	12.3	7.7	10.0	30.1
<b>SE</b>	27.6	6.9	9.7	4.3	9.3	2.8	5.4	34.0
<b>UK</b>	42.7	20.3	2.4	3.7	8.0	1.8	9.8	11.4

Source: Flash Eurobarometer 150, European Commission, 2003

## WATER TRANSPORT

Of the main transport services, water transport was the smallest in all of the Member States, other than in Greece, where water transport services accounted for a larger share of total transport traffic than rail. Indeed, Greek figures have roughly doubled between 2001 and 2002<sup>10</sup>, putting Italy at second rank (see Table 5.31). The top 15 ports are detailed in Table 5.32 below, for the total of passengers embarked and disembarked. Certain parts display similar or identical figures. These correspond to port pairs linked by a ferry connection (Rio-Antirio, Paloukia Salaminas-Perama, Helsingborg-Helsingor, Messina-Regio Di Calabria). It should be noted that the Rio-Antirio connection has become obsolete in 2004 as a fixed link now connects mainland Greece to the Peloponese.

(10) This sudden increase for Greece is explained by a couple of ports that have not been reporting earlier (and notably the ports of Rio and Antirio as well as Perama and Paloukia).

**Table 5.31: Passenger transport by Member States: passengers embarked and disembarked in all ports, 2002 (thousands)**

	Inwards	Outwards
BE	550	575
DK	24 090	24 088
DE	16 749	16 473
EL	50 637	50 546
ES	10 132	8 814
FR	14 566	14 544
IE	1 935	1 958
IT	41 394	41 306
NL	1 104	1 098
PT	251	251
FI	8 336	8 241
SE	16 164	15 948
UK	17 835	17 788

Source: Maritime transport of goods and passengers 1997-2002, Statistics in focus, Transport 8/2004, Eurostat, 2004

**Table 5.32: Top-15 ports in passenger transport - number of passengers embarked and disembarked, 2002 (thousands)**

		Number of passengers (thousands)	
1	Dover	UK	16 449
2	Calais	FR	14 991
3	Antirio	EL	14 210
4	Rio	EL	14 210
5	Paloukia Salaminas	EL	12 133
6	Perama	EL	12 133
7	Helsingborg	SE	11 666
8	Helsingor	DK	11 609
9	Messina	IT	10 256
10	Regio Di Calabria	IT	10 137
11	Helsinki	FI	8 871
12	Piraeus	EL	8 633
13	Stockholm	SE	6 826
14	Napoli	IT	6 708
15	Puttgarden	DE	6 592

Source: Maritime transport of goods and passengers 1997-2002, Statistics in focus, Transport 8/2004, Eurostat, 2004

**Table 5.33: Top 20 airports in EU-25 in terms of passengers in total transport, 2002**

			Total transport (million passengers)
1	London/Heathrow	UK	63.0
2	Paris/Charles-de-Gaulle	FR	48.3
3	Frankfurt/Main	DE	48.1
4	Amsterdam/Schiphol	NL	40.6
5	Madrid/Barajas	ES	33.7
6	London/Gatwick	UK	29.5
7	Roma/Fiumicino	IT	24.2
8	Paris/Orly	FR	23.1
9	München	DE	22.9
10	Barcelona	ES	21.2
11	Manchester/Intl	UK	18.6
12	Kobenhavn/Kastrup	DK	18.2
13	Palma de Mallorca	ES	17.8
14	Milano/Malpensa	IT	17.3
15	Stockholm/Arlanda	SE	16.6
16	London/Stansted	UK	16.0
17	Dublin	IE	14.8
18	Düsseldorf	DE	14.6
19	Bruxelles/National	BE	14.3
20	Wien/Schwechat	AT	11.9

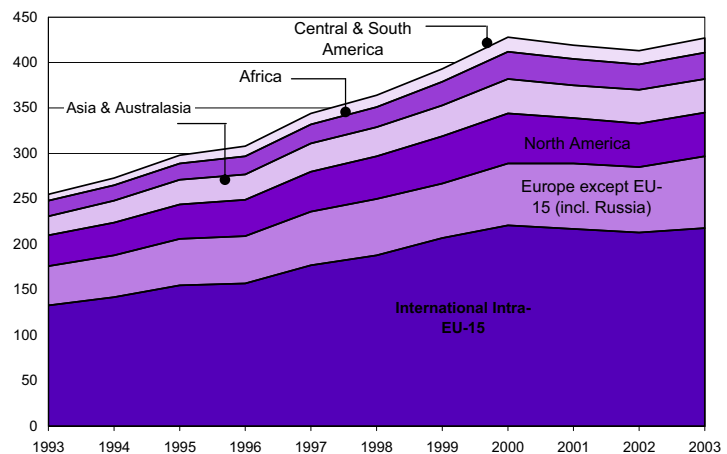
Source: Passenger air transport 2001-2002, Statistics in focus, Transport 11/2004, Eurostat, 2004

**Air transport**

Passenger traffic on intra-EU-15 flights increased at an average annual rate of 5.6% between 1990 and 2001 but decreased slightly in 2002.

Limited to international air transport (both intra-EU-15 and extra EU-15), Figure 5.34 shows clearly how the passenger volumes by 'world region' have developed over time. A massive decrease in passenger numbers was noted for the second half of 2001 following the terrorist attacks of September 11 2001. International intra-EU-15 transport was however less touched than the various extra-EU-15 'world regions'. Especially passenger volumes to and from North America have decreased. Nevertheless, in 2003, international air transport was globally recovering, including passenger volumes to and from North America.

**Figure 5.34: Airborne transport - development of international passenger air transport by world region, 1993-2003 (million passengers)**



Source: Passenger air transport statistics, Eurostat, 2005

**Table 5.35: International extra-EU-15 air transport to world regions in 2002 (shares of individual Member States, %)**

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
Total extra-EU-15 transport	100	2.0	3.2	21.6	:	5.7	16.6	1.0	6.6	0.1	9.1	2.9	1.3	1.0	1.7	27.2
Europe except EU-15	100	2.9	6.6	28.5	:	6.8	9.2	0.7	5.4	0.2	7.8	5.1	1.1	1.9	3.7	20.2
America	100	1.1	1.3	16.1	:	7.9	15.2	2.2	5.7	0.0	10.5	0.6	2.0	0.3	0.4	36.5
Asia and Australasia	100	0.4	2.2	22.1	:	1.4	16.6	0.0	6.9	0.0	11.3	3.2	0.0	1.1	1.1	33.7
Africa	100	3.5	0.4	15.7	:	3.5	38.4	0.3	11.5	0.2	6.3	1.5	1.8	0.2	0.4	16.3

Source: Passenger air transport 2001-2002, Statistics in focus, Transport 11/2004, Eurostat, 2004



**Table 5.36: Public opinion: improvement of services supplied by air company**  
(in % of respondents asked what service should be improved the most)

	Punctuality of departure and arrival	Flights frequency	Offers of direct flights to your destinations	Number of destinations	Airport service before and after flight	On-board service	Access to the airport	Don't know and no answer
<b>EU-15</b>	27.8	4.5	10.2	4.3	11.5	6.0	15.7	19.9
<b>BE</b>	36.6	2.2	9.8	3.7	9.7	3.5	15.1	19.4
<b>DK</b>	15.5	6.3	12.3	4.2	6.8	8.2	9.6	37.2
<b>DE</b>	21.4	3.7	8.8	3.0	13.3	4.4	22.6	22.8
<b>EL</b>	40.9	13.1	8.0	2.2	3.6	5.8	14.6	11.7
<b>ES</b>	38.6	6.8	13.9	6.3	8.1	6.2	5.0	14.9
<b>FR</b>	41.7	5.3	12.6	5.1	11.2	3.4	14.9	5.8
<b>IE</b>	25.3	6.5	16.1	8.6	15.1	7.5	13.7	7.2
<b>IT</b>	28.8	1.8	7.1	3.1	13.2	4.1	13.7	28.2
<b>LU</b>	12.0	3.2	21.9	10.6	9.5	6.4	9.0	27.4
<b>NL</b>	32.4	4.0	3.4	2.9	15.4	8.4	14.5	19.1
<b>AT</b>	9.3	3.5	6.3	3.5	5.8	3.4	17.0	51.3
<b>PT</b>	44.1	4.5	8.2	2.9	13.5	6.8	6.1	14.1
<b>FI</b>	12.9	4.3	16.5	4.5	5.2	7.7	10.9	38.0
<b>SE</b>	14.9	6.2	16.8	7.1	7.1	4.6	8.2	35.1
<b>UK</b>	21.6	5.1	11.5	6.1	11.0	11.9	13.1	19.7

Source: Flash Eurobarometer 150, European Commission, 2003

Regarding air transport, a Flash Eurobarometer survey (150) points out the aspects that need to be improved according to Europeans (see Table 5.36). Punctuality of departure and arrival was the first service that needed to be improved (28%). This was especially mentioned in Portugal (44%), in France (42%) and in Greece (41%). On the other hand, it was not a priority in Austria (9%). The second point mentioned was the access to the airport (16%). In Germany, 23% of users thought this should be improved.

## CONSUMPTION EXPENDITURE

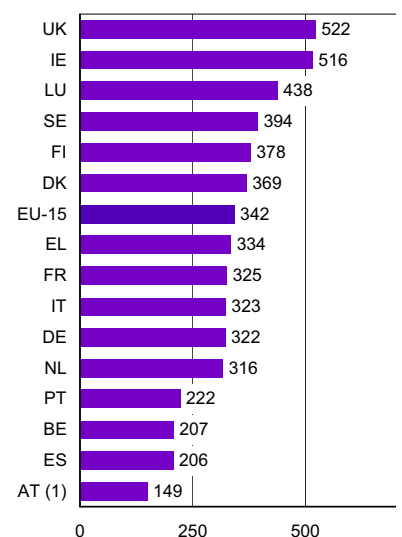
From the methodological point of view, it is important to keep in mind that transport expenditure may be associated with a variety of activities, including tourism (see page 247). It may not always be easy to make a distinction between accommodation and travel expenditure, especially in the case of package holidays. Although estimations can often be made, this was not the case in Austria, where expenditure on transport services from the HBS excludes holiday travel, hence underestimating mean expenditure levels. Similarly in Denmark, data for passenger transport by railway are aggregated with bus transport and recorded as combined passenger transport.

European households generally spent between 206 PPS (Spain) and 438 PPS (Luxembourg) on transport services in 1999, with the exception of Austria<sup>11</sup> (149 PPS), Ireland (516 PPS) and the United Kingdom (522 PPS) that displayed values outside this range (see Figure 5.37). Transport by bus or coach and rail accounted for the largest proportion of total expenditure in each Member State. Rail was the largest transport service expenditure item in Belgium, Germany, France, the Netherlands and Austria<sup>12</sup>.

(11) Excluding holiday travel.

(12) DK, not available.

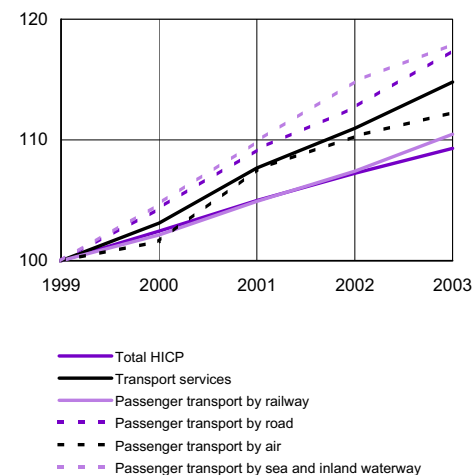
**Figure 5.37: Transport services**  
Mean consumption expenditure,  
1999 (PPS per household)



(1) Excluding holiday travel.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 5.38: Transport services**  
Development of harmonized indices of consumer prices in the EU (1999=100)



Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## PRICES

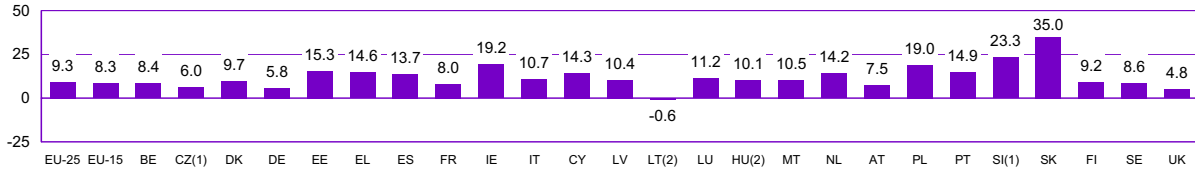
Transport prices rose at a faster pace than inflation between 1999 and 2003 (see Figures 5.38 and 5.39). Price level indices underline the considerable difference in passenger transport tariffs that exist within the EU-25 (see Table 1.38 on pages 34 and 35). These differences may reflect a wide range of costs, as well as different policies with respect to subsidising public transport. As a general rule, transport services tariffs are higher in northern Europe than in eastern Europe. The Czech Republic, Greece, Lithuania and Slovakia displayed the lowest price levels compared with the EU average for all of the main transport modes in 2002, whilst consumers in the United Kingdom faced the highest price levels for transport services (some 63% above the EU average). Price levels were also relatively high in Sweden (53% above the EU average), Denmark and Finland (both 44%).

The Eurobarometer survey (58) on services of general interest conducted during the autumn of 2002 revealed that 42% of Europeans felt that the price of transport services within urban areas was unfair or excessive. More precisely, more than one out of three persons questioned (35%) deemed the price is unfair and 7% of consumers thought the price to be excessive. However, 47% of the respondents thought that the price of transport services within towns/cities is fair.

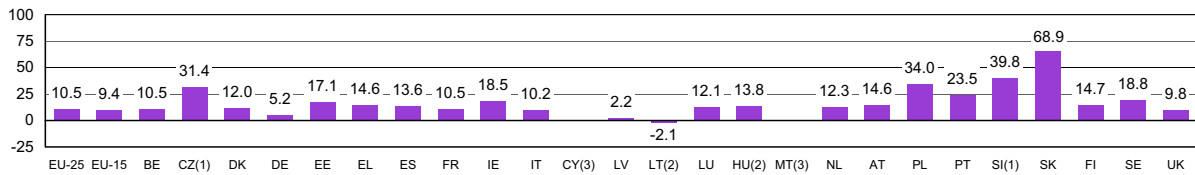
The belief that too high a price is paid for transport services within towns/cities was most often mentioned in the Netherlands (55%), in Germany (52%) and in Austria (49%). This is as opposed to Denmark (25%), Ireland (24%) and Luxembourg (16%).

Regarding rail services, almost four consumers out of ten (38%) considered that the price of rail services between towns/cities was fair. A slightly lower proportion (36%) thought this price is unfair and 9% of the people questioned said that this price was excessive. The highest levels of dissatisfaction were recorded in the Netherlands (66%), in Germany (54%) and in Italy (53%). This is as opposed to Denmark (27%), Greece (22%) and Luxembourg (19%).

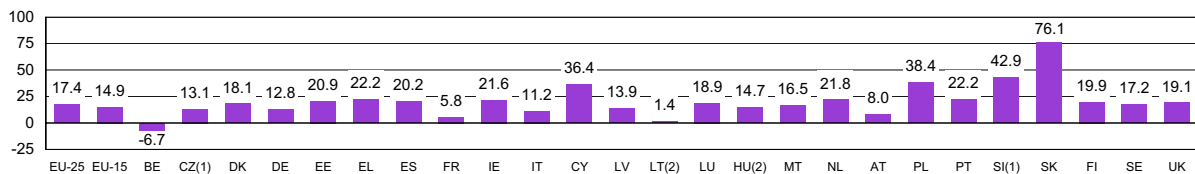
**Figure 5.39: Transport services**  
**Absolute growth in consumer prices, 1999-2003 (%)**



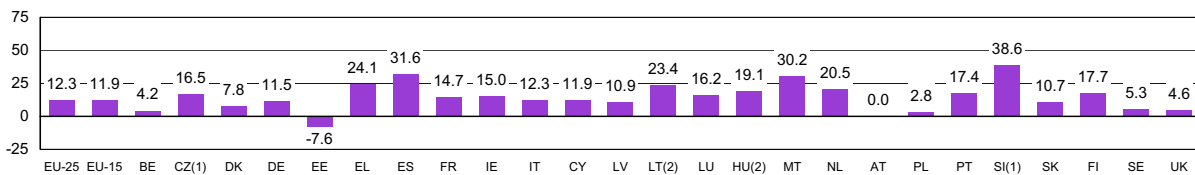
**All-items HICP**



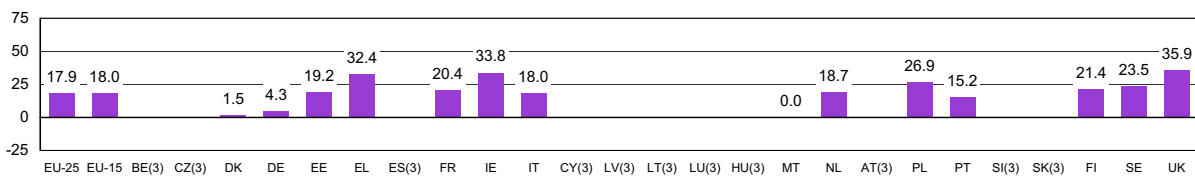
**Passenger transport by railway**



**Passenger transport by road**



**Passenger transport by air**



**Passenger transport by sea and inland waterway**

- (1) 2000 instead of 1999.
- (2) 2001 instead of 1999.
- (3) Not available.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Table 5.40: Fatalities by mode of transport in the EU, 2003**

Fatalities (units)	
Airlines (1)	12
Railways (2)	91
Road (3)	49719
Water transports	197

(1) Onboard fatalities only.

(2) EU-15.

(3) Persons killed are all persons deceased within 30 days of the accident.

Source: Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

**Table 5.41: Victims in aviation accidents (1)**

	Over EU-25 territory by any operator	By EU-25 operators anywhere
1970-1979	2841	2883
1980-1989	2416	1366
1990-1999	574	549

(1) Onboard fatalities only.

Source: Energy and Transport in Figures, Directorate-General of the European Commission for Energy and Transport

## QUALITY

The concept of quality can be associated with a variety of parameters: availability, accessibility, information to customers, time (length of trip, adherence to schedule), customer service, comfort, safety, as well as environmental impact. Some of these can be objectively measured, such as accessibility, punctuality or safety and they are addressed elsewhere in this chapter. But others may be more subjective feelings that also help to shape consumers' opinions of the general quality of the services being offered.

In the autumn of 2002, a Eurobarometer survey (58) revealed that 16% of consumers judged the quality of the transport services within towns/cities that they used to be very good and 49% found it fairly good. Twenty percent of them found it fairly bad and 5% very bad. People most frequently mentioned a poor quality of transport services within towns/cities in Italy (35%), in the Netherlands (29%) and in Germany (27%). This is as opposed to Sweden (15%), Denmark (15%), Belgium (15%), Finland (15%) and Luxembourg (11%).

Concerning rail services between cities, some 13% of Europeans expressed satisfaction with the information that was available and 46% thought it is fairly good. On the other hand 20% of them considered it to be fairly bad and 6% very bad. The Netherlands (47%), Italy (36%) and Germany (31%) are the countries least satisfied by the quality of rail services between towns/cities. On the contrary, Finland (12%), Denmark (12%) and Greece (11%) are the most satisfied by the quality of the rail services.

For intra-urban transport services, some 15% of Europeans expressed dissatisfaction with the information that was available, the Dutch, the Italians and the Portuguese being the most dissatisfied at 20%, 23% and 17% respectively. Consumers show the highest rates of satisfaction ("information is clear") in Luxembourg (81%), in Sweden (75%) and in Greece (74%).

For rail transport services within towns/cities, 62% of the consumers think that they get clear information from the providers of their rail services. This information does not appear to be clear to 17% of respondents. Consumers show the highest rates of satisfaction ("information is clear") in Luxembourg (79%), in Denmark (71%) and in Austria (69%). The strongest expressions of dissatisfaction ("information is not clear") are recorded in Italy (23%), in the Netherlands (20%) and in Germany (18%).

Regarding terms and conditions of the contract, 57% of consumers considered that their contract with their transport within towns/cities service provider was fair. On the other hand, 19% did not think so. Twenty-four percent could not answer this question. Consumers show the highest rates of satisfaction ("contracts are fair") in Luxembourg (80%), in Sweden (72%) and in the United Kingdom (70%). The strongest expressions of dissatisfaction ("contracts are unfair") are recorded in Italy (37%), in Spain (24%) and in France (20%).

Concerning rail services, 51% of the consumers considered that the terms and conditions of the contract with their rail between towns/cities service provider were fair. On the other hand 22% did not think so. Another 27% could not answer this question. Consumers showed the highest rates of satisfaction ("contracts are fair") in Luxembourg (75%), in Denmark (65%), in Sweden (64%) and, in the United Kingdom (64%). The strongest expressions of dissatisfaction ("contracts are unfair") are recorded in Italy (40%), in France (23%) and in Spain (23%).

Over the last 12 months, 2% of the people questioned at EU level had personally lodged a complaint, either with a complaint-handling body or with their transport within towns/cities service provider. Sweden showed the highest percentage (6%), three times the European average (2). Regarding rail services between towns/cities, the United Kingdom (4%), Sweden (4%) and above all the Netherlands (5%) were the countries where the most complaints were lodged.

Conversely, transport services within towns/cities (8% "very good", 26% "fairly good") and rail services between towns/cities (9% "very good", 25% "fairly good") generated rates of satisfaction below 40% in the handling of complaints of which they have been notified. This was the highest rate of dissatisfaction for any of the services of general interest covered by the Eurobarometer survey.

## SAFETY

Transport services safety has greatly improved in recent decades. The number of fatalities has been falling since 1997 for all modes of transport service, both in relative and absolute terms, despite the considerable rise in traffic. Measured in fatalities per billion pkm, air transport was the safest mode of transport in 1997/99, followed by railways (see Tables 5.40 to 5.42).

It should be noted that the minority of rail accident fatalities are actually passengers traveling in trains (see Table 5.42). Most fatalities involving railways are recorded in accidents occurring at railway level crossings and in shunting procedures as well as track maintenance works. In such accidents, passengers traveling in the trains rarely die.

## ENVIRONMENT

Aviation accounted for 12.8% of final energy consumption of the transport sector in the EU in 2002, or 43.4 million toe (tonne of oil equivalent). The share of railways amounted to 2.5%, or 8.63 million toe in 2002. When related to passenger numbers, air transport becomes the most energy-intensive mode of transport, as 150 kgoe (kilogramme oil equivalent) were required to transport one person over a thousand kilometers in the EU-15 (141 kgoe for EU-25), six times more than needed by railways (24 kgoe in EU-15 and 25 kgoe in EU-25).

**Table 5.42: Railway fatalities: railway passengers killed in accidents involving railways (units per billion pkm)**

	1997	1998	1999
<b>EU-15</b>	<b>0.5</b>	<b>0.7</b>	<b>0.4</b>
BE	0.1	0.4	0.4
CZ	:	:	:
DK	0.0	0.0	0.4
DE	0.4	1.9	0.4
EE	:	:	:
EL	1.1	0.0	0.6
ES	1.2	0.1	0.0
FR	0.4	0.2	0.2
IE	0.7	0.0	0.0
IT	0.3	0.4	0.5
CY	:	:	:
LV	:	:	:
LT	:	:	:
LU	0.0	0.0	0.0
HU	:	:	:
MT	:	:	:
NL	0.0	0.0	0.1
AT	0.1	0.5	1.0
PL			
PT	3.0	1.7	1.8
SI	:	:	:
SK	:	:	:
FI	0.3	2.9	0.3
SE	1.1	0.0	0.0
UK	0.8	0.5	1.0

Source: Panorama of Transport - Statistical overview of transport in the European Union - Data 1970-2001, European Commission, 2003

**Table 5.43: Transport**  
**Mean consumption expenditure and structure of household expenditure, 1999**

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>MEAN CONSUMPTION EXPENDITURE (PPS PER HOUSEHOLD)</b>																
Purchase of vehicles (1)	1 426	1 295	1 484	1 422	1 008	1 185	1 593	2 021	1 195	3 741	1 101	1 802	1 475	1 690	1 316	1 637
Motor cars (1)	1 358	1 229	1 357	1 330	977	1 153	1 526	2 000	1 135	3 605	978	1 691	1 441	1 591	1 251	1 594
Motor cycles	42	39	76	51	29	26	48	22	53	109	35	62	29	58	30	22
Bicycles	26	27	51	41	1	6	19	0	7	28	88	48	5	41	35	22
Operation of transport equipment (2)	1 542	1 910	1 457	1 389	1 270	1 147	1 504	1 409	2 200	2 523	1 224	1 855	1 077	1 020	1 185	1 604
Spare parts and accessories	138	102	157	131	302	22	139	96	198	415	107	186	70	133	136	147
Fuels and lubricants	937	827	680	719	662	807	960	1 072	1 480	1 035	776	913	686	665	796	1 026
Maintenance and repair	317	416	377	362	177	259	302	167	420	925	227	439	247	133	203	255
Other services (2)	150	565	244	177	128	60	104	74	102	148	114	317	73	89	50	176
Transport services (3)	342	207	369	322	334	206	325	516	323	438	316	149	222	378	394	522
Railway (3)	111	83	0	146	9	40	122	60	99	48	207	95	23	45	48	132
Road (3)	102	43	42	85	222	115	37	335	89	145	13	36	112	141	66	216
Air (3)	64	35	52	59	51	27	57	93	105	172	0	5	40	5	31	106
Sea and inland waterway (3)	12	3	49	10	41	2	4	11	19	11	0	1	1	87	36	9
Combined and other services (3) (4)	53	42	227	22	11	21	106	17	11	62	96	12	46	100	213	59
<b>STRUCTURE OF EXPENDITURE (% of TOTAL HOUSEHOLD EXPENDITURE)</b>																
Purchase of vehicles (1)	5.8	4.7	6.3	6.0	4.3	5.9	6.5	6.8	4.4	8.7	4.3	6.8	8.0	9.3	6.1	5.9
Motor cars (1)	5.5	4.5	5.8	5.6	4.2	5.7	6.2	6.7	4.2	8.3	3.8	6.4	7.8	8.7	5.8	5.8
Motor cycles	0.2	0.1	0.3	0.2	0.1	0.1	0.2	0.1	0.2	0.3	0.1	0.2	0.2	0.3	0.1	0.1
Bicycles	0.1	0.1	0.2	0.2	0.0	0.0	0.1	0.0	0.0	0.1	0.3	0.2	0.0	0.2	0.2	0.1
Operation of transport equipment (2)	6.2	7.0	6.2	5.9	5.4	5.7	6.1	4.7	8.1	5.8	4.8	7.0	5.8	5.6	5.5	5.8
Spare parts and accessories	0.6	0.4	0.7	0.6	1.3	0.1	0.6	0.3	0.7	1.0	0.4	0.7	0.4	0.7	0.6	0.5
Fuels and lubricants	3.8	3.0	2.9	3.0	2.8	4.0	3.9	3.6	5.4	2.4	3.0	3.5	3.7	3.7	3.7	3.7
Maintenance and repair	1.3	1.5	1.6	1.5	0.8	1.3	1.2	0.6	1.5	2.1	0.9	1.7	1.3	0.7	0.9	0.9
Other services (2)	0.6	2.1	1.0	0.8	0.5	0.3	0.4	0.2	0.4	0.3	0.4	1.2	0.4	0.5	0.2	0.6
Transport services (3)	1.4	0.8	1.6	1.4	1.4	1.0	1.3	1.7	1.2	1.0	1.2	0.6	1.2	2.1	1.8	1.9
Railway (3)	0.5	0.3	0.0	0.6	0.0	0.2	0.5	0.2	0.4	0.1	0.8	0.4	0.1	0.2	0.2	0.5
Road (3)	0.4	0.2	0.2	0.4	0.9	0.6	0.1	1.1	0.3	0.3	0.0	0.1	0.6	0.8	0.3	0.8
Air (3)	0.3	0.1	0.2	0.3	0.2	0.1	0.2	0.3	0.4	0.4	0.0	0.0	0.2	0.0	0.1	0.4
Sea and inland waterway (3)	:	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.5	0.2	0.0
Combined and other services (3) (4)	0.3	0.1	1.0	0.1	0.0	0.1	0.4	0.1	0.0	0.1	0.3	0.0	0.2	0.5	1.0	0.2

(1) SE, excluding interest payments for car loans.

(2) EL, excluding circulation fees.

(3) AT, excluding holiday travel.

(4) DK, including railway.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**T**able 5.44: Transport  
Structure of household expenditure, 1999 (%)

	EU-15	BE	DK	DE	EL (1)	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE (2)	UK
<b>BROKEN DOWN BY INCOME DISTRIBUTION (3)</b>																
Lowest twenty percent	9.7	9.5	9.1	8.4	7.8	11.7	9.6	13.0	12.1	13.7	8.5	10.2	8.3	9.7	8.8	9.3
Second quintile group	11.0	12.4	10.2	10.4	8.8	12.3	11.6	11.5	12.4	15.1	8.2	12.5	12.2	13.5	13.0	9.4
Third quintile group	12.6	12.6	15.1	11.4	10.0	12.2	13.7	12.7	13.1	14.4	10.1	14.4	15.5	16.7	11.7	12.9
Fourth quintile group	13.9	11.7	16.4	12.7	11.8	12.7	16.0	14.0	14.1	15.7	11.8	13.9	16.6	18.0	15.4	13.8
Highest twenty percent	16.1	14.4	15.6	17.8	13.5	13.2	15.5	14.6	15.3	17.0	11.2	17.8	16.3	20.8	15.4	17.1
<b>BROKEN DOWN BY AGE OF REFERENCE PERSON OF HOUSEHOLD</b>																
Less than 30	15.8	14.5	17.4	17.0	11.1	13.9	17.9	12.9	17.9	23.1	12.0	14.4	19.4	17.7	11.7	13.4
Between 30 and 44	14.6	14.2	13.9	14.7	12.6	14.2	14.7	14.0	15.6	16.4	10.6	16.1	16.6	18.3	13.2	14.7
Between 45 and 59	14.3	13.3	15.2	13.9	12.1	13.9	14.9	14.0	15.0	15.3	10.7	15.3	15.8	19.0	15.1	14.5
60 and over	10.0	7.6	10.6	10.1	8.6	8.6	9.7	10.3	10.4	11.6	8.2	10.4	9.7	11.0	11.5	10.6
<b>BROKEN DOWN BY TYPE OF HOUSEHOLD</b>																
1 adult without dependent children	9.9	9.1	10.2	10.4	8.8	5.2	10.1	8.2	9.1	11.9	8.9	13.0	6.0	10.7	9.3	12.0
2 adults without dependent children	13.3	12.0	15.7	13.9	9.8	10.3	14.0	13.8	12.6	15.8	10.8	14.0	12.1	18.5	14.2	14.0
3+ adults without dependent children	14.9	9.6	20.3	15.7	11.9	13.2	13.8	15.2	14.8	16.1	13.6	14.3	18.1	20.0	23.1	14.9
Single parent with dependent child(ren)	9.6	11.0	9.2	10.1	8.3	7.5	10.8	9.5	12.1	15.0	7.7	10.2	13.7	12.4	8.1	6.8
2 adults with dependent child(ren)	14.6	14.2	15.1	14.3	12.2	13.3	15.7	13.6	15.4	16.1	10.2	15.3	15.5	19.2	15.6	14.8
3+ adults with dependent child(ren)	15.1	15.1	15.1	15.6	11.9	14.7	15.3	14.3	14.9	18.3	16.1	17.4	18.6	24.2	13.4	13.9
<b>BROKEN DOWN BY SOCIO-ECONOMIC CATEGORY OF REFERENCE PERSON OF HOUSEHOLD</b>																
Manual workers (4)	14.8	12.7	17.1	15.3	12.4	14.6	16.0	13.3	15.2	17.0	11.7	15.7	15.5	19.1	13.2	13.8
Non-manual workers	9.1	14.8	15.4	:	12.4	14.0	15.7	13.2	:	17.7	11.6	15.9	18.1	19.3	14.4	15.1
Self-employed	14.6	13.0	12.5	13.4	12.5	15.4	13.6	16.1	16.1	14.6	7.1	16.4	15.6	18.7	16.1	16.7
Unemployed	10.4	8.8	7.3	10.7	8.2	11.2	11.6	8.3	13.5	12.8	:	13.7	12.8	12.2	9.3	7.0
Retired	7.8	7.7	10.3	:	8.8	9.1	10.3	8.5	11.3	12.5	9.0	10.6	8.8	10.6	9.3	11.0
Other inactive (5)	8.6	7.9	9.1	8.1	7.5	6.9	8.3	5.7	9.3	12.0	7.5	13.6	9.0	12.7	11.6	8.8
<b>BROKEN DOWN BY DEGREE OF URBANISATION</b>																
Dense (>500 inhabitants/km <sup>2</sup> )	:	11.4	13.3	:	:	12.0	13.2	11.9	13.2	16.4	:	13.3	14.2	16.4	10.9	13.0
Intermediate (100-499 inhabitants/km <sup>2</sup> )	:	13.9	14.5	:	:	12.5	14.8	14.2	14.0	14.9	:	14.7	16.9	19.6	13.8	13.7
Sparse (<100 inhabitants/km <sup>2</sup> )	:	14.9	16.2	:	:	13.6	15.4	:	14.7	15.5	:	15.4	14.4	16.8	14.3	15.3

(1) Excluding circulation fees.

(2) Excluding interest payments for car loans.

(3) FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

(4) DE, including non-manual workers; IT, including all non-agricultural persons in employment.

(5) DE, including retired.

Source: Eurostat, Household Budget Survey (theme3/hbs)

## 5.3 OVERALL ENERGY CONSUMPTION

This takes a look at overall energy consumption, which comprises fuel, electricity, gas and other energies. As regards households' consumption, more details can be found in the specific section of Chapter 4 relating to the energy use by households for housing.

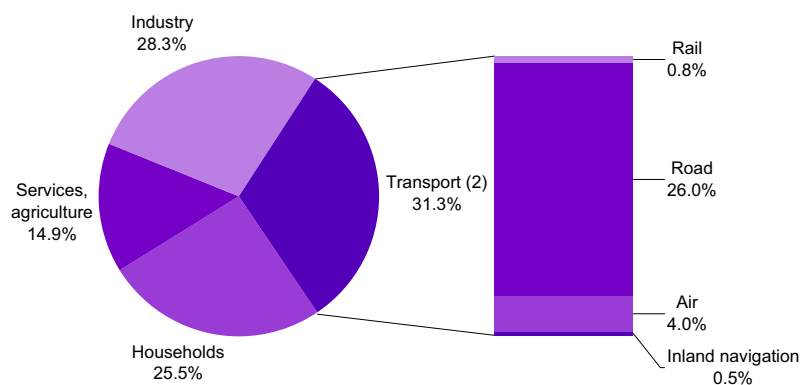
### CONSUMPTION

Households were one of the largest final energy consumers in the EU, accounting for 25.5% of the total energy consumption in 2002, which can be compared with 28.3% for industrial use - see Figure 5.45.

Since 1960 the share of transport (road, rail, inland navigation and aviation) in total final energy consumption has been steadily increasing. At the beginning of the 1990s, it overtook the share of industry and reached at 31.3% in 2002 (1960: 17%). As can be seen in Table 5.46, road transport alone accounted in 2002 for over 280 million 'tonnes of oil equivalent' (toe) at EU level, corresponding to 26% of the EU's total final energy consumption.

Within the transport sector (excluding international maritime transport and pipelines), road transport's share was more than 83% in 2002 (1960: 57%). Rail transport stood at 3% (1960: 31%) and transport via inland waterways at 1% (1960: 5%). Air transport accounted for the remaining 13%.

**F**igure 5.45: Final energy consumption in the EU, 2002 (all products) (% of toe) (1)



(1) Provisional values.

(2) Including personal transport.

Source: Eurostat, Energy statistics (theme8/sirene)



Table 5.46: Final energy consumption, 2002 (all products) (1)

	EU-25	EU-15	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY
<b>Final energy consumption (2)</b>	1 082 742	959 926	35 816	23 829	14 708	<b>210 485</b>	2 586	19 497	85 379	152 686	11 038	125 163	1 647
<b>Industry (2)</b>	306 114	268 403	12 678	9 659	2 917	<b>55 630</b>	524	4 458	28 074	36 511	2 223	39 529	369
<b>Transport (2)</b>	338 873	314 220	9 604	5 169	4 719	<b>64 138</b>	679	7 460	34 882	51 407	4 384	42 382	897
<b>Rail (3)</b>	8 639	7 365	156	268	99	<b>1 933</b>	60	60	923	1 281	41	856	<b>2</b>
<b>Road (4)</b>	281 883	259 877	7 986	4 695	3 749	<b>54 980</b>	588	5 642	28 253	42 840	3 542	38 096	584
<b>Air (4)</b>	43 401	42 052	1 251	203	742	6 991	20	1 154	4 308	6 534	783	3 196	310
<b>Inland navigation (5)</b>	4 949	4 926	211	3	130	234	11	604	<b>1 399</b>	752	18	234	:
<b>Services/households/agriculture (2)</b>	437 755	377 303	13 535	9 001	7 072	<b>90 717</b>	1 383	7 579	22 422	64 768	4 430	43 252	382
<b>Services/agriculture (2)</b>	161 379	138 505	4 258	3 651	2 850	<b>30 356</b>	429	2 681	9 621	26 217	1 808	14 788	149
<b>Households (2)</b>	276 376	238 798	9 277	5 350	4 222	<b>60 361</b>	954	4 898	12 801	38 551	2 622	28 464	233

	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Final energy consumption (2)</b>	3 620	3 902	3 732	16 915	<b>445</b>	50 641	24 990	54 418	18 342	4 589	10 864	25 489	33 668	148 294
<b>Industry (2)</b>	657	749	885	3 749	<b>69</b>	13 686	7 342	16 594	5 812	1 296	4 047	12 065	12 683	33 909
<b>Transport (2)</b>	870	1 175	2 126	3 482	<b>266</b>	14 578	7 283	8 982	7 126	1 390	1 743	4 548	7 968	51 614
<b>Rail (3)</b>	80	71	11	158	:	175	313	525	71	47	62	94	274	1 079
<b>Road (4)</b>	762	1 069	1 740	3 114	<b>173</b>	10 705	6 428	8 026	6 225	1 314	1 681	3 806	6 823	39 063
<b>Air (4)</b>	28	31	375	208	93	3 399	534	427	744	29	<b>0</b>	496	725	10 821
<b>Inland navigation (5)</b>	<b>0</b>	4	:	2	:	299	8	3	87	:	:	153	146	651
<b>Services/households/agriculture (2)</b>	2 093	1 978	720	9 684	<b>110</b>	22 377	10 364	28 842	5 404	1 903	5 075	8 875	13 017	62 771
<b>Services/agriculture (2)</b>	664	599	106	3 757	<b>48</b>	12 242	3 368	10 741	2 282	713	2 121	3 688	5 418	18 820
<b>Households (2)</b>	1 429	1 379	614	5 927	<b>62</b>	10 135	6 996	18 101	3 122	1 190	2 954	5 187	7 599	43 951

## In thousand toe

	EU-25	EU-15	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY
<b>Final energy consumption (2)</b>	2 392	2 541	3 466	2 335	2 736	2 552	1 903	1 786	2 120	2 567	2 807	2 167	2 319
<b>Industry (2)</b>	676	711	1 227	947	543	674	386	408	697	614	565	684	519
<b>Transport (2)</b>	749	832	929	507	878	778	500	683	866	864	1 115	734	1 263
<b>Rail (3)</b>	19	19	15	26	18	23	<b>44</b>	5	23	22	10	15	<b>3</b>
<b>Road (4)</b>	623	688	773	460	697	667	433	517	702	720	901	660	822
<b>Air (4)</b>	96	111	121	20	138	85	15	106	107	110	199	55	436
<b>Inland navigation (5)</b>	11	13	20	<b>0</b>	24	3	8	<b>55</b>	35	13	5	4	:
<b>Services/households/agriculture (2)</b>	967	999	1 310	882	1 315	1 100	1 018	694	557	1 089	1 127	749	538
<b>Services/agriculture (2)</b>	357	367	412	358	530	368	316	246	239	441	460	256	210
<b>Households (2)</b>	611	632	898	524	785	732	702	449	318	648	667	493	328

	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Final energy consumption (2)</b>	1 548	<b>1 125</b>	<b>8 364</b>	1 665	1 132	3 136	3 103	1 416	1 769	2 301	2 020	4 901	3 772	2 482
<b>Industry (2)</b>	281	216	1 984	369	<b>176</b>	847	912	432	561	650	752	<b>2 320</b>	1 421	568
<b>Transport (2)</b>	372	339	<b>4 765</b>	343	677	903	904	<b>234</b>	687	697	324	875	893	864
<b>Rail (3)</b>	34	20	25	16	:	11	39	14	7	24	12	18	31	18
<b>Road (4)</b>	326	308	<b>3 900</b>	307	440	663	798	<b>209</b>	600	659	313	732	764	654
<b>Air (4)</b>	12	9	<b>840</b>	20	237	210	66	11	72	15	<b>0</b>	95	81	181
<b>Inland navigation (5)</b>	<b>0</b>	1	:	<b>0</b>	:	19	1	<b>0</b>	8	:	:	29	16	11
<b>Services/households/agriculture (2)</b>	895	570	1 614	953	<b>280</b>	1 386	1 287	751	521	954	943	<b>1 707</b>	1 458	1 051
<b>Services/agriculture (2)</b>	284	173	238	370	<b>122</b>	<b>758</b>	418	280	220	357	394	709	607	315
<b>Households (2)</b>	611	398	<b>1 376</b>	583	<b>158</b>	628	869	471	301	597	549	997	851	736

## In kgoe per inhabitant (6)

(1) Bold indicates the country with the lowest final energy consumption; purple indicates the country with the highest final energy consumption.

(2) EU-25, EU-15, DE, ES and MT, provisional value.

(3) EU-25, EU-15, DE and ES, provisional value.

(4) EU-25, EU-15, ES and MT, provisional value.

(5) EU-25, EU-15 and ES, provisional value.

(6) Number of inhabitants: ES and MT, 2001; EU-25, EU-15, EL, IT and UK, 2000.

Source: Eurostat, Energy statistics (theme8/sirene)

Going into details, energy consumption per inhabitant was the highest in Luxembourg in 2002 with 8 364 kgoe per inhabitant, whereas Lithuania and Malta had the lowest rates of energy consumption per capita (respectively 1 125 and 1 132 kgoe per inhabitant). Luxembourg ranked first as regards energy consumption for transport (4 765 kgoe per inhabitant), especially for road and air transport (respectively 3 900 (boosted by relatively low fuel prices and a considerable amount of cross-border workers) and 840 kgoe per inhabitant), and for households use (1 376 kgoe per inhabitant). It ranked second as regards energy consumption for industrial use (1 984 kgoe per inhabitant, notably influenced by the presence of the energy-intensive steel industry), just behind Finland with 2 320 kgoe per inhabitant.

## QUALITY

According to a Eurobarometer survey (58) from 2002, 74% of Europeans were satisfied overall by their electricity supply service and 67% by their gas supply service.

When asked in a 2003 Flash Eurobarometer survey (150) which services supplied by their electricity company needed to be improved the most, Europeans mainly answered "how electricity is produced regarding the environment" (29% of answers). France recorded the highest percentage for this answer (41% of people surveyed), while only 10% of Finnish gave this answer. The second answer most given on average concerned the understanding of electricity bills (16%), reaching 41% in Sweden. The possibility to measure their own electricity consumption should be improved for 13% of respondents, and more particularly for French consumers (20% of answers).

**T**able 5.47: Public opinion: improvement of services supplied by the electricity company  
(in % of respondents asked what service should be improved the most)

	How electricity is produced in environmental terms	Number of power cuts	The repair service in case of power cuts or network problems	Understanding of electricity bills	Possibility to measure your own electricity consumption	Handling of complaints	Don't know and no answer
<b>EU-15</b>	29.1	6.8	7.3	15.7	12.6	6.0	22.5
<b>BE</b>	25.9	7.2	7.0	15.2	11.9	7.8	25.0
<b>DK</b>	27.6	5.2	6.9	23.4	6.2	2.3	28.3
<b>DE</b>	36.9	2.0	4.4	18.2	14.8	4.6	19.2
<b>EL</b>	18.8	18.8	13.8	25.4	9.0	4.0	10.2
<b>ES</b>	20.6	9.6	10.2	10.6	13.7	4.5	30.7
<b>FR</b>	40.9	5.9	7.9	9.1	20.0	5.4	10.9
<b>IE</b>	35.6	9.4	9.8	9.2	15.2	6.4	14.4
<b>IT</b>	24.6	6.3	6.8	21.6	9.6	7.2	24.1
<b>LU</b>	37.1	3.9	4.5	11.1	15.6	1.0	26.8
<b>NL</b>	33.2	8.2	4.9	19.1	5.8	7.3	21.5
<b>AT</b>	20.1	2.5	2.5	14.9	7.5	3.4	48.9
<b>PT</b>	13.6	20.4	14.9	10.7	11.7	3.7	25.0
<b>FI</b>	9.6	12.4	9.2	24.0	12.5	1.5	30.7
<b>SE</b>	14.3	4.9	1.5	41.1	10.3	1.9	25.9
<b>UK</b>	25.7	8.5	8.6	10.0	8.5	10.3	28.3

Source: Flash Eurobarometer 150, European Commission, 20003

Concerning natural gas companies, the possibility to measure their own consumption and the understanding of bills were considered by the EU-15 consumers as the two main aspects that needed to be improved (19% of respondents for both). However, these results vary according to countries. The better understanding of bills was most important for the Netherlands (28% of answers) and Germany (27%) whereas the possibility to measure the consumption was the priority for France (32%) and Ireland (30%). The repair service needed to be improved according to 14% of users. This was especially mentioned in Portugal (25%), in the United Kingdom (23%), in Spain and in Ireland (both 21%).

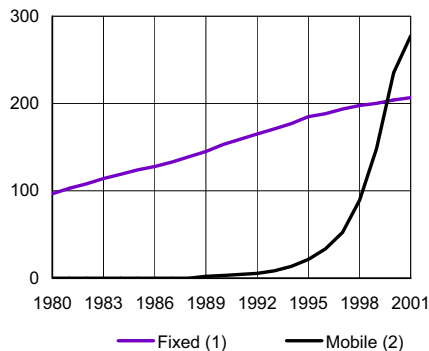
**Table 5.48: Public opinion: improvement of services supplied by the natural gas company (in % of respondents asked what service should be improved the most)**

	Continuity of service	The repair service in case of problem	Understanding of bills	Possibility to measure your own gas consumption	Don't know and no answer
<b>EU-15</b>	7.8	14.4	18.5	19.3	39.9
<b>BE</b>	7.5	17.2	16.1	16.6	42.6
<b>DK</b>	0.0	15.6	17.7	2.5	64.2
<b>DE</b>	5.1	8.9	27.2	24.5	34.3
<b>EL</b>	0.0	20.0	20.0	0.0	60.0
<b>ES</b>	3.6	21.5	8.2	15.3	51.4
<b>FR</b>	14.1	20.0	16.1	31.8	18.0
<b>IE</b>	8.1	21.1	16.1	29.8	24.8
<b>IT</b>	3.7	7.0	19.1	16.1	54.0
<b>LU</b>	3.8	8.5	11.8	20.1	55.8
<b>NL</b>	5.7	13.0	27.9	10.5	42.9
<b>AT</b>	3.7	5.9	19.8	12.1	58.5
<b>PT</b>	14.2	25.4	16.4	13.2	30.8
<b>FI</b>	6.3	23.7	11.1	18.3	40.6
<b>SE</b>	0.0	0.0	22.0	11.8	66.2
<b>UK</b>	14.2	22.8	11.6	14.9	36.6

The use of natural gas is extremely reduced in Sweden (2%), in Finland (2%) and in Greece (1%), Those members can't be considered for this analyse.

Source: Flash Eurobarometer 150, European Commission, 2003

**Figure 5.49: Evolution of fixed and mobile telephone lines in the EU-15 (millions)**



(1) Estimated values from 1980 to 1995.

(2) Estimated values from 1989 to 1994.

Source: Eurostat, Communications (theme4/coins)

## 5.4 INFORMATION SOCIETY

Until the 1980s, most European telecommunications markets were based around State-controlled enterprises with a legal and economic monopoly. However, following the first liberalisation moves at the start of the 1980s - initially concerning value added services and business users - the liberalisation of the sector has progressed at a faster pace in the 1990s. Since January 1998 telecommunication services have been fully liberalised in the majority of EU countries. All countries witnessed an outright boom in the number of mobile telephone subscriptions (the number of subscriptions per 100 inhabitants passed from 5 in 1995 to 80 in 2003) and increased competition has generally caused mobile telephony prices to gradually drop.

One of the most-documented events in the explosion of communications and information technology is the rapid pace of growth that has been witnessed with respect to the Internet. Some 5% of Europeans still did not know what the Internet was in 2000<sup>13</sup>. For the purposes of this publication, the Internet is considered primarily as a communications service, as it relies on the same infrastructure as telecommunications.

### OWNERSHIP AND NETWORK ACCESS

#### Fixed telephony

When analysing data on network dimensions, it is important to bear in mind that it may be difficult to distinguish between private and business use of the telephone. As an indication, Eurostat's COINS database reports that approximately three-quarters of main telephone lines were residential, as opposed to professional, ranging between 59% in the Czech Republic (2002) and 88% in Italy (1999).

The number of fixed telephone lines in the EU has more than doubled over the past 20 years to reach 205.1 million by 2003 in the EU-15 and 229.3 million in the EU-25, up from 96.6 million in 1980 in the EU-15 (see Figure 5.49). Growth was fairly stable over this period, with an average of 5.2 million lines being added to the network each year.

(13) E-commerce data report, Empirica, 2000 (<http://www.empirica.com>).

(14) Eurostat's COINS database: AT, ES, FR, EL, IE, LU MT, NL and PL, not available.

Denmark and Germany displayed one of the highest connectivity rates in 2003, with 67 and 66 lines per 100 inhabitants respectively, whilst the EU average stood at 54 lines (see Table 5.50). Denmark and Germany were ahead of Cyprus, Latvia, Austria (62 lines/100 inhab.) and Sweden (61 lines/100 inhab.). In the case of Sweden, it is interesting to note that network expansion has been slower than population growth during the 1990s. As a consequence, Sweden's connectivity rate has decreased from 68.3 lines per 100 inhabitants in 1990, a sign that an upper limit has been reached (with Sweden's connectivity rate the highest within the EU between 1980 and 1998) and that a substitution effect towards mobile subscribers has begun.

The digitalisation of the fixed line infrastructure is virtually complete across the EU. On the customer side (businesses and households), the number of ISDN lines has witnessed rapid growth. From virtually no ISDN subscriptions in 1990, their number soared to 30.4 million by 2001<sup>14</sup>. Household use of ISDN is slowly gaining momentum, in particular as a means for high-speed Internet access, where it competes with digital subscriber lines (DSL) and cable modems. Some 17% of respondents to the November 2002 Flash Eurobarometer survey (135) declared that they used an ISDN line at home. The share was highest in Luxembourg (50%) and Germany (47%).

**T**able 5.50: Fixed telephone lines and mobile telephone subscriptions per 100 inhabitants (units)

	Fixed (1)					Mobile (2)				
	1985	1990	1995	2000	2003	1985	1990	1995	2000	2003
<b>EU-25</b>	:	:	44	:	50	:	:	5	:	80
<b>EU-15 (1)</b>	35	42	50	54	54	:	1	6	62	83
<b>BE</b>	31	39	46	52	49	0	0	2	51	84
<b>CZ</b>	:	:	23	38	36	:	:	0	42	95
<b>DK</b>	50	57	61	71	67	1	3	16	63	89
<b>DE</b>	33	40	52	61	66	0	0	5	59	79
<b>EE</b>	:	:	28	38	34	:	:	2	41	77
<b>EL</b>	31	39	49	54	47	:	:	3	54	85
<b>ES</b>	24	32	39	44	43	:	0	2	61	90
<b>FR</b>	42	50	56	58	57	:	1	2	49	70
<b>IE</b>	20	28	36	42	49	0	1	4	63	86
<b>IT</b>	31	39	43	47	46	0	0	7	76	96
<b>CY</b>	:	:	48	58	62	:	:	6	31	77
<b>LV</b>	:	:	29	31	28	:	:	1	17	52
<b>LT</b>	:	:	25	32	24	:	:	0	15	62
<b>LU</b>	42	48	58	76	55	0	0	7	69	120
<b>HU</b>	:	:	21	37	36	:	:	3	30	78
<b>MT</b>	:	:	46	54	53	:	:	3	29	73
<b>NL</b>	40	46	53	62	62	0	1	3	68	77
<b>AT</b>	36	42	47	47	39	0	1	5	78	88
<b>PL</b>	:	:	15	28	32	:	:	0	17	46
<b>PT</b>	14	24	36	42	40	:	0	3	65	90
<b>SI</b>	:	:	31	40	41	:	:	1	57	94
<b>SK</b>	:	:	21	31	24	:	:	0	21	68
<b>FI</b>	45	54	55	55	49	1	5	20	71	91
<b>SE</b>	63	68	68	65	61	1	5	23	72	98
<b>UK</b>	38	44	50	53	:	0	2	10	67	:

(1) EU-15 aggregate, estimated values from 1980 to 1995.

(2) EU-15 aggregate, estimated values from 1989 to 1994.

Source: Eurostat, Communications (theme4/coins)

**Table 5.51: Number of mobile pre-paid subscriptions, 2001**  
(thousands)

	Number (thousands)	Share of mobile subscriptions (%)
<b>EU-15</b>	<b>171 187</b>	<b>60.9</b>
BE	4 614	60.0
CZ	3 016	43.4
DK	1 474	37.2
DE	28 123	50.0
EE	:	:
EL	5 029	63.1
ES	19 172	65.0
FR	18 061	48.8
IE	1 967	71.0
IT	38 640	77.4
CY	:	:
LV	:	:
LT	:	:
LU	179	41.5
HU	3 585	72.2
MT	:	:
NL	8 580	66.0
AT	3 372	49.9
PL	5 120	47.6
PT	6 366	79.8
SI	:	:
SK	1 536	71.5
FI	84	2.0
SE	3 536	49.4
UK	31 991	69.1

Source: Communications Outlook, OECD, 2003

### Mobile telephony

There has been a widespread adoption of cellular wireless technology in recent years. The number of mobile subscribers reached 364.2 million in the EU in 2003, equivalent to 80% of the population, up from 3.1 million in 1990. In all countries the penetration of mobile phones exceeds now that of fixed lines. The penetration of mobile phones is approximately 1.5 times higher on average than that of fixed lines in the EU, this ratio having almost doubled in the Czech Republic, in Lithuania and in Slovakia (see Table 5.50).

Luxembourg boasted the highest penetration rate of mobile phones in 2003, with 120 subscriptions per 100 inhabitants, ahead of Sweden (98) and Italy (96). The penetration rate can reach more than 100 subscriptions per 100 inhabitants since one person can have more than one subscription. As in the case of fixed lines, it should indeed be borne in mind that once again these figures include phones acquired for professional purposes, which may account for a significant share of mobile subscriptions.

An important development within the sphere of mobile telephony in recent years has been the introduction of prepaid access. Pre-paid cards constitute a convenient solution for persons claiming "not to need" a mobile phone or deeming it "too expensive". Pre-paid cards grant subscribers the basic benefits of mobile network access (being reachable or being able to make emergency calls), whilst giving them greater control over expenditure without feeling burdened by a subscription. According to the OECD<sup>15</sup>, "with the exception of Finland, the [mobile penetration] rankings of different countries have been increasingly affected by how actively operators have marketed pre paid cards. In countries such as Italy and Portugal, the overwhelming majority of users are pre paid", with levels between 77% and 80% (see Table 5.51). In contrast, the post-paid model still represents the vast majority of subscriptions in Finland.

(15) Communications Outlook, OECD, 2001.

## Internet

Internet use grew at a rapid pace between 2000 and 2002 according to the Flash Eurobarometer surveys (88 and 135) on measuring the use of Internet by the public at large, rising from 28% in 2000 to 43% in 2002 (see Tables 5.52 and 5.53). It should be noted from the way the survey questions were formulated<sup>16</sup>, these figures refer specifically to home Internet usage, hence excluding access from work, school or cyber-café.

Accessing the Internet requires basic computer equipment and a telephone line of some sort. The Flash Eurobarometer survey (135) carried out in November 2002 confirmed that 92% of households having access to Internet declared that they used a desktop PC and 15% a laptop. These figures cannot be added without the risk of double counting, but it appears that 98% of Internet connections were made through a computer (no distinction being made between desktops and laptops). According to the same survey, 69% of homes were fitted with a standard telephone line.

The main reasons given for not being connected to the Internet in 2000<sup>17</sup> were a lack of interest in what the Internet offers: 44.4 % of the persons surveyed were "not interested" and 40.4% did not "need" it. In between appears the reason "no PC or means of connecting" (43.5%), but this technical impossibility leads us to suspect that, for some part at least, the lack of interest can itself explain the absence of a PC. Twenty percent of the persons surveyed raised financial reasons for not being connected.

(16) In both surveys, "Does your household have access to the Internet?".

(17) Flash Eurobarometer 88 (Internet and the public at large), European Commission, October 2000.

**T**able 5.52: Household penetration of Internet, 2000-2002 (%)

	2000	2002
<b>EU-15</b>	<b>28</b>	<b>43</b>
BE	29	43
DK	52	67
DE	27	46
EL	12	14
ES	16	31
FR	19	36
IE	36	57
IT	24	35
LU	36	54
NL	55	68
AT	38	54
PT	18	31
FI	44	55
SE	54	66
UK	41	50

Source: Flash Eurobarometer 88 and 135 (Internet and the public at large), European Commission, 2000-2002

**T**able 5.53: Household penetration of Internet, EU-15, 2002 (%)

EU-15	43
<b>Sex</b>	
Male	48
Female	38
<b>Age</b>	
15-24	57
25-39	56
40-54	50
55+	19
<b>Age when finished full time education</b>	
15 or less	20
16-20	47
21 or more	64
<b>Occupation</b>	
Self employed	57
Employee	60
Manual workers	40
Without professional activity	30
<b>Household size (1)</b>	
One	28
Two	42
Three	50
Four	55
Five or more	53
<b>Urbanisation</b>	
Metropolitan	46
Urban zone	43
Rural zone	38

(1) People aged 15 or more.

Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002

**Other telecommunications services**

There were 1.2 million public payphones in the EU<sup>18</sup> in 2001 (see Table 5.54), a number that remained pretty stable since 1995. Hungary and Portugal had the densest networks, with more than four public phones per thousand inhabitants.

Some 9.2% of the EU-15 households declared that they owned a stand-alone fax machine in 2000<sup>19</sup>. Luxembourg (22.2%) and the Netherlands (18.1%) reported significantly higher levels of penetration. In 2002 the proportion of persons having access to or using a fax among the new Member States ranged from 11% in Latvia, Lithuania, Hungary and Poland to 20% in the Czech Republic and Slovenia<sup>20</sup>.

(18) EE, CY, LV, LT, MT, SI and SE, not available.

(19) Eurobarometer 53 (Measuring Information Society), European Commission, 2000.

(20) Candidate Countries Eurobarometer 2002.2, European Commission, 2002.

**T**able 5.54: Number of public payphones (thousands)

	1995	1998	1999	2000	2001
BE	14.9	15.9	16.7	19.2	16.7
CZ	21.1	37.4	36.9	36.4	34.5
DK	8.1	7.8	6.3	5.9	5.9
DE	165.0	148.0	137.0	113.3	112.0
EE	:	:	:	:	:
EL	40.5	62.1	64.5	64.0	69.5
ES	52.5	64.4	66.9	:	:
FR	206.0	242.9	243.3	231.0	215.5
IE	6.6	8.4	9.3	11.0	9.6
IT	383.9	380.8	361.3	295.0	277.8
CY	:	:	:	:	:
LV	:	:	:	:	:
LT	:	:	:	:	:
LU	0.4	0.5	0.5	0.4	0.5
HU	36.5	43.9	43.2	43.9	44.5
MT	:	:	:	:	:
NL	19.0	22.6	19.2	:	13.0
AT (1)	33.8	29.3	28.7	27.7	26.8
PL	58.9	69.9	91.0	98.0	99.5
PT	33.1	40.0	44.2	47.7	45.5
SI	:	:	:	:	:
SK	8.4	13.2	13.7	14.4	15.1
FI (1)	25.3	21.3	16.3	12.4	8.9
SE (2)	:	:	14.0	:	:
UK (1)	140.1	143.0	152.0	152.0	155.0

(1) Including public payphones installed in private places.

(2) Telia card phones only.

Source: Communications Outlook, OECD, 2003



## CONSUMPTION

### Mobile and fixed telephony

Telephone consumption can be measured by the total duration of all telephone calls made in one country during a given period. In Italy, an average of almost 31 minutes of national calls were made on each telephone line every day in 2002, whilst the EU figure lay around 12 minutes (see Figure 5.55). The duration of national calls is primarily influenced by price, whilst Internet access has also become an important factor, as most households still connect to their service provider through a modem<sup>21</sup>.

International calls, including both intra and extra-EU calls, were much shorter than national calls, averaging just 31 seconds per line per day in 2001<sup>22</sup> (see Table 5.56), or 3 minutes and 41 seconds per week. Smaller countries naturally reported longer average duration for international calls, with the highest figures in Luxembourg (169 seconds per day in 1999), Ireland (169 seconds per day in 2000) and Cyprus (92 seconds per day in 2001). Amongst the larger Member States, particularly low levels of international calls were recorded in Poland (9 seconds per day in 2002) and France (15 seconds per day in 1999), but other countries such as the Czech Republic, Latvia, Lithuania and Hungary reported no more than 15 seconds per day for international calls between 2001 and 2002. It must be noted that the above figures do not differentiate between calls made by households and those made by businesses, which represent a particularly large share of international traffic.

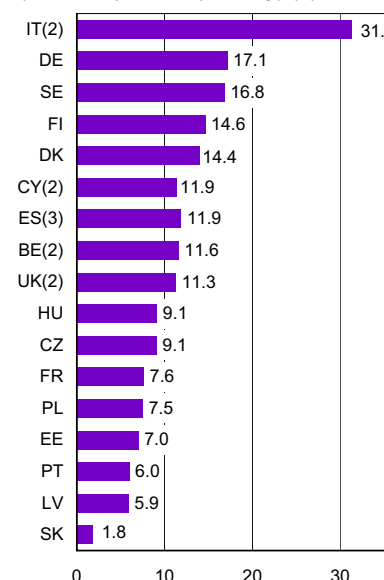
According to the Eurostat's COINS database, mobile telephony use, as measured by the average number of minutes of calls per subscriber, was highest in the EU<sup>23</sup> in Slovakia (4.7 minutes per day in 1999), Finland (3.7 minutes per day in 1999), France and Portugal (both 3.7 minutes per day in 2002). Spain (1.6 minutes in 2001), Lithuania (1.6 minutes in 1999), Luxembourg (1.1 minutes in 1999) and Ireland (less than 1 second per day in 2001) had the lowest use of mobile phones. It should be noted that as the number of personal subscriptions increases, the average use tends to decrease.

(21) According to the OECD, in 1999 the Internet accounted for 38% of all local telecom traffic in SE, 32% of local calls of KPN in NL, and traffic generated by Internet access grew by 154% in PT.

(22) EL, ES, FR, IE, LU and AT, not available.

(23) Excluding BE, EE, EL, CY, LV, MT, NL, AT and PL.

**Figure 5.55: Average duration of national telephone calls, 2002 (minutes per line per day) (1)**



(1) EL, IE, LT, LU, MT, NL, AT and SI, not available.

(2) 2001.

(3) 2000.

Source: Eurostat, Communications (theme4/coins)

**Table 5.56: Average duration of international outgoing telephone calls (seconds per line per day)**

	1998	1999	2000	2001	2002
<b>EU-15</b>	<b>23</b>	<b>29</b>	<b>:</b>	<b>:</b>	<b>:</b>
BE	47	39	48	57	:
CZ	15	19	15	14	:
DK	27	30	30	31	29
DE	21	27	30	26	29
EE	23	23	24	15	27
EL	20	21	:	:	:
ES	15	19	24	:	:
FR	16	15	:	:	:
IE	91	94	169	:	:
IT	16	22	23	30	:
CY	61	63	73	92	:
LV	12	13	14	14	15
LT	9	9	9	10	14
LU	165	169	:	:	:
HU	15	16	15	14	15
NL	32	37	42	43	:
AT	46	50	49	:	:
PL	15	10	10	10	9
PT	19	21	19	21	20
SI	50	39	46	51	:
SK	16	16	16	18	20
FI	23	25	27	32	:
SE	35	42	47	50	56
UK	28	37	41	41	:

Source: Eurostat, Communications (theme4/coins)

**Table 5.57: Number of Internet users**  
(thousands)

	2000	2001	2002
<b>EU-15</b>	<b>92 790</b>	<b>117 981</b>	<b>135 107</b>
BE	3 000	3 200	3 400
CZ	1 000	1 500	:
DK	2 090	2 300	2 500
DE	24 800	30 800	35 000
EE	392	430	560
EL	1 000	1 400	2 000
ES	5 486	7 388	7 856
FR	8 460	15 653	18 716
IE	679	895	1 065
IT	13 200	15 600	17 000
CY	120	150	210
LV	150	170	310
LT	225	250	:
LU	100	160	165
HU	715	1 480	1 600
MT	51	99	:
NL	7 000	7 900	8 590
AT	2 700	3 150	3 340
PL	2 800	3 800	:
PT	2 500	2 900	3 700
SI	300	600	800
SK	507	674	863
FI	1 927	2 235	2 650
SE	4 048	4 600	5 125
UK	15 800	19 800	24 000

Source: ITU in Statistics on the information society in Europe, European Commission, 2003

## Internet

### User base

There were 63.4 million subscribers to Internet service providers in the EU-15 in 2001<sup>24</sup>, and almost double this figure in terms of users<sup>25</sup>, taking into account access from home and other locations. Indeed, the total number of Internet users in the EU-15 was estimated at 118.0 million in 2001 and 135.1 million in 2002 (equivalent to one third of the population), compared with 92.8 million in 2000<sup>26</sup> (see Table 5.57). These figures represent an average annual growth rate of 20.7%, ranging from 6.5% in Belgium up to 41.4% in Greece and 48.7% in France. The number of Internet users in the EU reached 139.5 million in 2002<sup>27</sup> against 99.1 million in 2000. Slovenia, with 63.3%, displayed a particularly high average annual growth rate between 2000 and 2002.

(24) Communications Outlook, OECD, 2003.

(25) The term subscriber has a more specific meaning than user; for most carriers the term subscriber means a registered Internet account that has been used during the previous three months.

(26) ITU and Statistics on the information society in Europe, European Commission, 2003.

(27) Excluding CZ, LT, MT and PL.

## User profile

The Flash Eurobarometer survey (135) allows the profile to be drawn of the typical Internet user in 2002 (see Table 5.53 above). Internet users were more frequently found to be male (48% had an Internet connection), employees (60%) with a high education level (64%), as opposed to being female (38%), without professional activity (30%) or having a low education level (20%). One interesting fact to come out of the survey is that Internet usage was virtually the same across all age classes up to 54 years (50% to 57%), although it fell to 19% amongst people aged 55 and above. This survey also reveals that Internet access was higher within households located in metropolitan areas (46%) than in rural ones (38%), whilst it was considerably higher in households with four (55%) or five or more members (53%) than it was in one-person households (28%).

**T**able 5.58: Place of use of Internet and mobile access, 2002 (% share of Internet users) (1)

	At home	At work	At a friend's or relative's home	At school, college, university	From a public access point	In a cyber café	On the move, from mobile phone	On the move, from laptop	On the move, from handheld / pocket PC	Else- where
<b>EU-15</b>	71	43	33	19	13	9	8	7	1	0
<b>BE</b>	71	47	33	25	14	6	6	9	1	0
<b>DK</b>	83	50	15	15	8	3	1	2	0	2
<b>DE</b>	72	37	40	17	11	11	14	6	1	0
<b>EL</b>	50	26	21	24	4	20	1	2	0	0
<b>ES</b>	61	36	21	21	10	16	2	2	0	0
<b>FR</b>	64	44	40	20	15	6	5	10	1	0
<b>IE</b>	74	42	30	23	19	14	7	10	2	0
<b>IT</b>	68	40	20	15	7	5	2	4	0	0
<b>LU</b>	84	44	27	17	9	8	7	8	1	0
<b>NL</b>	87	50	32	18	14	9	7	6	1	0
<b>AT</b>	77	44	17	13	4	4	2	4	1	0
<b>PT</b>	64	42	20	24	12	4	4	4	0	0
<b>FI</b>	74	50	22	23	17	4	3	4	0	1
<b>SE</b>	84	57	26	19	12	5	6	10	2	0
<b>UK</b>	74	51	41	24	18	9	11	14	3	0

(1) Multiple answers allowed.

Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002

Among households with Internet access, 71% of Internet users "surf" at home, and the workplace (43%) or a friend's or relative's home (33%) were the favoured external points of access - see Table 5.58. Naturally, the pattern of Internet access was greatly dependent on socio-economic factors, as can be seen in Table 5.59. Persons aged 55 and above were more likely to have an exclusive home access since they were under the average percentages of Internet users in all external points of access. On the other hand, friends' homes (51%), school (51%), public access points (21%) and cyber cafés (16%) were particularly frequented to use Internet by people aged between 15 and 24, who also used the most mobile phones to "surf" (11%). People without professional activity more particularly favoured a friend's home (40%), school (showing the large proportion of students in this occupation bracket with 40%) and a public access point (18%).

**T**able 5.59: Place of use of Internet and mobile access, EU-15, 2002 (% share of Internet users) (1)

	At home	At work	At a friend's or relative's home	At school, college, university	From a public access point	In a cyber café	On the move, from mobile phone	On the move, from laptop	On the move, from handheld / pocket PC	Elsewhere
<b>EU-15</b>	71	43	33	19	13	9	8	7	1	0
<b>Sex</b>										
Male	74	45	33	18	12	10	8	9	2	0
Female	67	42	33	21	13	7	7	6	1	0
<b>Age</b>										0
15-24	66	20	51	51	21	16	11	5	1	
25-39	73	52	31	9	10	7	7	8	1	0
40-54	73	59	22	9	10	6	6	9	1	0
55+	72	32	24	6	10	4	7	7	1	0
<b>Age when finished full time education</b>										
15 or less	68	28	33	22	12	8	8	5	0	1
16-20	69	38	36	19	12	9	9	6	1	0
21 or more	76	57	28	19	14	9	6	11	2	0
<b>Occupation</b>										
Self employed	77	59	25	6	9	9	8	11	3	0
Employee	70	67	28	11	10	6	7	9	2	0
Manual workers	69	30	39	10	13	11	9	5	0	0
Without professional activity	72	10	40	40	18	11	8	5	0	0
<b>Household size (2)</b>										
One	64	47	39	14	14	10	8	9	1	0
Two	73	49	29	10	10	6	8	8	1	0
Three	73	37	32	27	13	10	8	7	1	0
Four	70	34	35	36	15	12	8	6	1	0
Five or more	73	34	37	36	16	9	6	4	1	0
<b>Urbanisation</b>										
Metropolitan	71	47	36	20	13	11	9	10	1	0
Urban zone	72	42	31	19	12	8	7	6	1	0
Rural zone	70	40	32	19	13	7	7	6	1	0

(1) Multiple answers allowed.

(2) People aged 15 or more.

Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002

## Frequency of use

The Flash Eurobarometer survey (135) shows that within the EU-15, 69% of Internet users went on-line at least several times a week in 2002, which confirms that the majority of those using the Internet do so on a very regular basis (see Table 5.60). This constant commitment to the Internet has been evident since the question was first asked in June 2001 and the frequency of Internet use in the EU-15 as a whole has hardly changed since. The Nordic countries, together with the Netherlands, stood out for the high proportion of Internet users going on-line every day. In all Member States, it is clear that those using the Internet did so at least several times a week.

From a general point of view, the social and demographic features of respondents have little influence on the frequency of Internet use in the sense that no truly specific profile can be drawn. However, certain characteristics can be highlighted for the item "every day or nearly every day": daily users are more often male than female, more highly educated and/or living in metropolitan zones. While the results also show that daily users are more often self-employed or employees, it is probably due to the fact that Internet access at work inflates the total frequency of those connecting to the Internet for personal reasons - see Table 5.61.

**T**able 5.60: Frequency of use of the Internet, 2002 (% share of Internet users)

	Every day or nearly	Several times a week	Approximately once a week	Approximately once a month	Less often
<b>EU-15</b>	44	25	15	9	7
<b>BE</b>	49	19	15	9	7
<b>DK</b>	58	20	11	7	4
<b>DE</b>	41	23	17	9	11
<b>EL</b>	35	30	16	12	7
<b>ES</b>	44	27	13	10	6
<b>FR</b>	40	22	18	11	10
<b>IE</b>	36	28	20	10	7
<b>IT</b>	35	35	16	11	4
<b>LU</b>	46	28	15	7	3
<b>NL</b>	55	23	12	6	4
<b>AT</b>	45	30	14	7	4
<b>PT</b>	40	29	16	6	9
<b>FI</b>	53	23	16	6	2
<b>SE</b>	55	22	15	7	2
<b>UK</b>	49	24	12	8	7

Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002

**T**able 5.61: Frequency of use of the Internet, EU-15, 2002 (% share of Internet users)

	Every day or nearly	Several times a week	Approximately once a week	Approximately once a month	Less often
<b>EU-15</b>	44	25	15	9	7
<b>Sex</b>					
Male	49	25	14	7	5
Female	38	25	16	11	10
<b>Age</b>					
15-24	42	25	17	9	6
25-39	46	25	14	8	6
40-54	45	24	14	8	8
55+	37	26	13	12	12
<b>Age when finished full time education</b>					
15 or less	33	25	19	12	10
16-20	40	25	15	10	9
21 or more	52	24	13	7	4
<b>Occupation</b>					
Self employed	52	25	11	7	5
Employee	48	24	14	8	6
Manual workers	34	27	16	10	12
Without professional activity	28	25	17	11	8
<b>Household size (1)</b>					
One	43	25	13	9	10
Two	44	24	15	10	7
Three	43	26	15	10	6
Four	44	25	16	7	7
Five or more	44	28	17	7	4
<b>Urbanisation</b>					
Metropolitan	50	23	13	8	6
Urban zone	42	26	15	9	7
Rural zone	38	26	16	9	10

(1) People aged 15 or more.

Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002

## Internet activities

In 2002, e-mail communication was by far the most popular activity on the Internet, closely followed by the search for news and topical items. Indeed, an average of 78% of persons having an Internet connection at home said they used it to "send / retrieve their e-mail" and 73% said using it to "look for news / topical items". A large proportion of people used the Internet to plan their holidays (64%). Other common activities included the search for educational material (47%) and health-related information (40%), as well as doing on-line banking operations (33%), or obtaining job advertisements (32%) - see Table 5.62.

Table 5.63 provides material to help analyse the on-line activity of Internet users according to a number of socio-demographic criteria. It can be noticed that activities such as searching for educational material, taking part in forums and finding job advertisements are very popular amongst people aged between 15 and 24 (respectively 59%, 45% and 35% of young Internet users) compared to older people, over 55 years old (respectively 32%, 8% and 9% of Internet users). On the other hand, activities such as planning holidays, seeking health-related advice, doing on-line banking operations and booking shows or events tickets were most popular among the 25-54 age category. For more details on e-commerce, please refer to Chapter 1, pages 60 and 61.

**T**able 5.62: On-line activities, 2002 (% share of Internet users) (1)

	Send / retrieve your e-mail	Look for news / topical items	Seek information on travel	Improve training / education	Seek health- related advice	On-line banking operations	Find job ads	Book shows / events tickets	Take part in forums / discussions	Do not use Internet for private use	Other private use
<b>EU-15</b>	78	73	64	47	40	33	32	29	24	4	2
<b>BE</b>	79	65	60	45	40	35	30	30	27	3	3
<b>DK</b>	87	84	66	26	39	54	36	40	16	2	7
<b>DE</b>	75	74	65	52	46	33	35	31	22	5	1
<b>EL</b>	59	50	35	40	19	11	15	9	19	9	3
<b>ES</b>	81	92	60	55	37	21	27	22	44	2	0
<b>FR</b>	70	65	59	44	28	31	29	24	26	8	3
<b>IE</b>	84	75	82	46	48	28	33	43	14	2	1
<b>IT</b>	75	76	56	63	37	16	22	16	24	5	2
<b>LU</b>	85	75	72	47	51	43	21	39	22	2	14
<b>NL</b>	91	77	76	30	54	49	36	36	19	1	1
<b>AT</b>	84	86	52	45	36	36	19	23	24	3	2
<b>PT</b>	80	85	44	62	30	31	22	17	29	4	2
<b>FI</b>	80	67	58	48	36	67	35	24	21	4	7
<b>SE</b>	88	82	72	22	29	56	42	49	19	1	1
<b>UK</b>	82	65	72	41	43	36	38	39	17	5	1

(1) "For your private use, do you also [other than contact a public administration or buy products or services through the Internet] use the Internet to: ...?"; multiple answers allowed.

Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002

**T**able 5.63: On-line activities, EU-15, 2002 (% share of Internet users) (1)

	Send / retrieve your e-mail	Look for news / topical items	Seek information on travel	Improve training / education	Seek health- related advice	On-line banking operations	Find job ads	Book shows / events tickets	Take part in forums / discussions	Do not use Internet for private use	Other private use
<b>EU-15</b>	78	73	64	47	40	33	32	29	24	4	2
<b>Sex</b>											
Male	80	76	64	49	38	36	31	30	26	4	2
Female	75	71	63	45	42	29	32	29	21	5	2
<b>Age</b>											
15-24	82	78	53	59	33	21	35	26	45	2	2
25-39	79	75	68	47	43	39	39	33	20	4	2
40-54	74	72	67	42	42	36	28	30	15	6	1
55+	73	60	62	32	40	32	9	24	8	7	2
<b>Age when finished full time education</b>											
15 or less	71	69	49	39	34	22	18	23	25	5	3
16-20	75	71	61	45	40	30	30	28	25	5	2
21 or more	85	78	74	53	42	41	38	34	22	3	2
<b>Occupation</b>											
Self employed	81	71	71	46	40	43	24	33	18	2	2
Employee	78	74	70	47	43	38	33	33	18	6	1
Manual workers	72	71	62	41	38	28	40	27	25	4	2
Without professional activity	79	74	53	50	36	24	28	23	34	4	2
<b>Household size (2)</b>											
One	74	70	65	42	37	32	30	31	21	7	2
Two	78	72	67	44	44	39	30	31	17	5	2
Three	79	75	60	50	37	28	32	27	29	3	2
Four	80	77	58	56	36	26	34	28	36	3	1
Five or more	81	77	57	55	35	23	34	26	36	4	1
<b>Urbanisation</b>											
Metropolitan	81	75	67	47	40	36	36	32	27	4	2
Urban zone	77	73	63	48	40	31	29	28	22	4	2
Rural zone	75	71	60	45	39	31	31	28	22	5	2

(1) "For your private use, do you also [other than contact a public administration or buy products or services through the Internet] use the Internet to: ...?"; multiple answers allowed.

(2) People aged 15 or more.

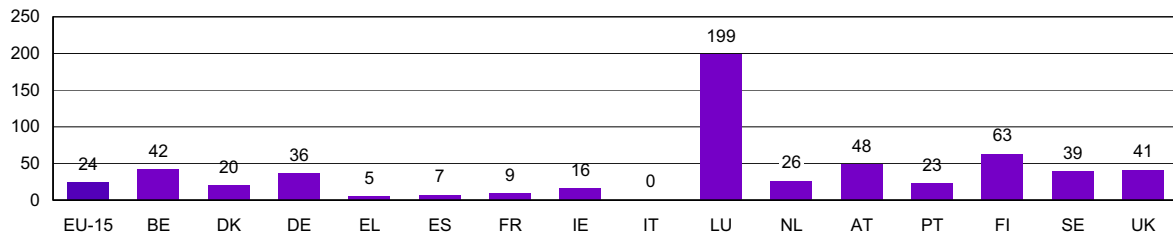
Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002



## CONSUMPTION EXPENDITURE

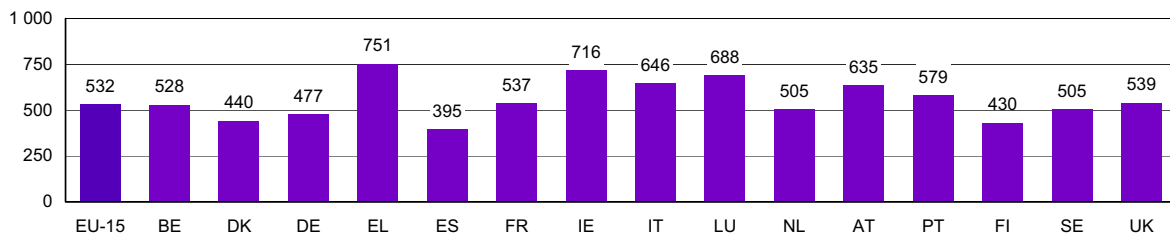
Telecommunications consumption expenditure can be broken down between equipment and services (see Figures 5.64 and 5.65). As a general rule, equipment represents a marginal share of total expenditure and is limited to the occasional acquisition of home phones, answering machines, mobile phones or fax machines. On average, consumption expenditure on telecommunications equipment was below 40 PPS per household per year in 1999. The very high value displayed by Luxembourg (199 PPS) can probably be attributed to exceptional local circumstances (and notably the high number of cross-border workers that buy telecommunication equipment in Luxembourg).

**F**igure 5.64: Telephone and telefax equipment  
Mean consumption expenditure, 1999 (PPS per household)



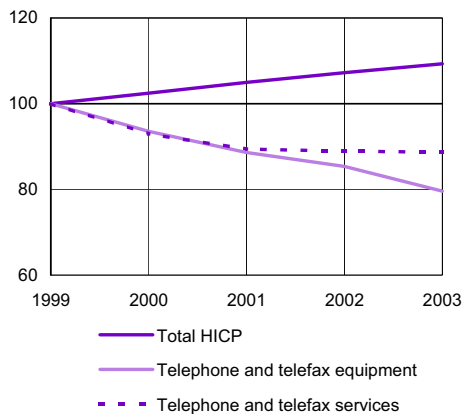
Source: Eurostat, Household Budget Survey (theme3/hbs)

**F**igure 5.65: Telephone and telefax services  
Mean consumption expenditure, 1999 (PPS per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 5.66: Telephone and telefax equipment and services**



Development of harmonised indices of consumer prices in the EU (1999=100)

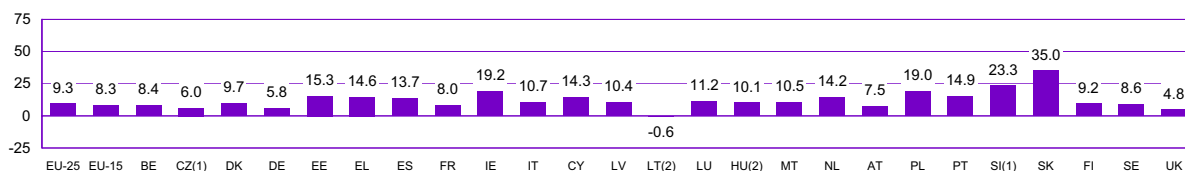
Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

Household consumption expenditure on telecommunication services ranged between 315 PPS (Spain) and 751 PPS (Greece) in 1999. In relative terms, consumers in Greece and Portugal dedicated the highest share of their household budget to telecommunication services (3.3%), in contrast with Spain (2.0%), whilst for most other countries the average stood at around 2.4%. The weight of telecommunication services in total consumption expenditure was higher in households from lower income and age brackets. Similarly, it was notably higher for single revenue households, such as persons living alone or single parents with dependent children.

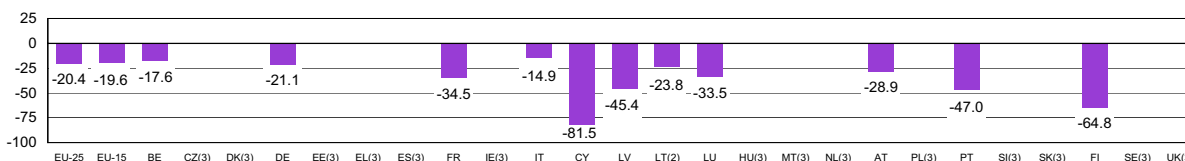
**PRICES**

The price of telecommunication equipment and services fell between 1999 and 2003 in the EU by 20.4% and 11.4% respectively. All Member States saw a price decrease, except Lithuania, Hungary, Slovakia and Finland as regards telephone and telefax equipment, for which the price of telecommunication services rose by respectively 8.8%, 3.8%, 59.9% and 6.0% between 1999 and 2003. (see Figures 5.66 and 5.67).

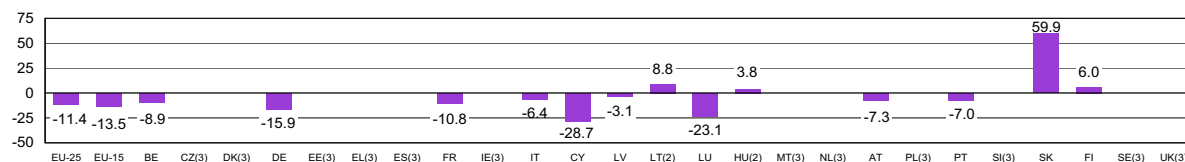
**Figure 5.67: Telephone and telefax equipment and services**  
Absolute growth in consumer prices, 1999-2003 (%)



**All-items consumer price index**



**Telephone and telefax equipment**



**Telephone and telefax services**

- (1) 2000 instead of 1999.
- (2) 2001 instead of 1999.
- (3) Not available.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

Tables 5.68 to 5.71 present the results of a European Commission report on telephone charges faced by residential users in 2002. The tariffs collected were those of the incumbent operators, and they showed great divergence within the EU on the basis of a three-minute call. For each tariff category considered (local, long distance, to mobile or international), prices varied by a factor of at least two between the cheapest country and the most expensive. The extreme case was that of a mobile call at economy tariff that cost EUR 0.09 for three minutes in the United Kingdom against EUR 0.87 in Greece. In contrast, Greek local calls were generally at a lower level than the average European price.

Calls to mobile phones were priced, on average, more than 6.7 times the price of local calls during any given time period, and they were approximately two times the price of a long distance national call. As an average, they were cheapest in Denmark (EUR 0.59 peak and EUR 0.31 off-peak and economy) and highest in Greece (EUR 0.87 peak, off-peak and economy) and France (EUR 0.89 peak and off-peak and EUR 0.54 economy).

**Table 5.68: Residential annual telephone charges, December 2002 (€)**

	Consumption basket (1)				
	Very low	Low	Medium	High	Very high
BE	110	298	401	533	878
DK	208	283	360	461	753
DE	128	255	354	488	841
EL	187	237	335	469	900
ES	43	248	328	435	736
FR	175	264	380	530	940
IE	280	315	392	497	805
IT	77	245	336	461	849
LU	251	276	326	395	600
NL	206	278	350	446	722
AT	68	258	338	445	736
PT	203	302	437	616	1 108
FI	206	261	369	511	909
SE	214	249	318	410	676
UK	107	239	345	490	927

(1) Very low: the phone is mainly kept for security reasons; Low: mostly domestic fixed line usage, a small proportion of the calls is international, to mobile phones and the Internet; Medium: median residential user; High: higher level of usage than Medium, with national fixed line calls dominating; Very high: highest level of usage, with a reasonable amount of international calling, and many calls to mobile phones.

Source: Teligen in Report on Telecoms Tariff Analysis - Volume 1: Residential, European Commission, 2003

**Table 5.69: Connection and monthly rental charges for fixed telephone lines, 2002 (€, excluding VAT)**

	Standard connection charge (1)	Standard monthly rental (2)	ISDN connection charge (3)	ISDN monthly rental (3)
<b>Average</b>	72.91	12.48	140.95	23.00
BE	54.54	13.39	66.93	29.00
DK	102.29	12.60	150.74	17.98
DE	44.46	11.49	44.45	25.55
EL	29.34	9.98	44.02	13.20
ES	59.50	11.68	168.28	22.84
FR	38.56	10.87	103.00	33.60
IE	107.43	16.20	202.47	30.99
IT	100.00	12.14	100.00	16.53
LU	50.00	16.00	75.00	22.00
NL	37.82	14.44	61.37	20.92
AT	130.80	13.32	130.80	22.16
PT	71.83	11.85	143.65	23.89
FI	81.96	9.65	218.64	13.85
SE	85.71	10.99	217.03	21.98
UK	99.41	12.59	387.85	30.49

(1) Excluding VAT; ES, lower connection charge for disabled and elderly customers; FI, tax free.

(2) Charges may vary according to location or low-usage schemes; excluding VAT.

(3) Basic residential ISDN (two 64 kbits/s channels); excluding VAT; DE, monthly rental including 20 units per month; ES, metropolitan areas; FR, excluding Euro-Numeris; NL, monthly rental for 'BelBasis' package; UK, 'Low Start' package.

Source: Teligen in Report on Telecoms Tariff Data as of December 2002, European Commission, April 2003

Table 5.70: Price of a three-minute fixed line telephone call, 2002 (€, excluding VAT) (1)

	Local			Long-distance national			To mobile			Intra-EU-15		
	Peak time (2)	Off-peak time (3)	Economy (4)	Peak time (2)	Off-peak time (3)	Economy (4)	Peak time (2)	Off-peak time (3)	Economy (4)	Peak time (2)	Off-peak time (3)	Economy (4)
<b>Average</b>	0.11	0.08	0.07	0.22	0.15	0.12	0.71	0.57	0.47	0.70	0.63	0.60
<b>BE</b>	0.12	0.06	0.06	0.12	0.06	0.06	0.70	0.47	0.34	0.62	0.44	0.44
<b>DK</b>	0.11	0.07	0.07	0.11	0.07	0.07	0.59	<b>0.31</b>	0.31	0.71	0.71	0.71
<b>DE</b>	0.10	0.10	0.05	0.32	0.16	0.08	0.64	0.64	0.64	<b>0.34</b>	0.34	0.34
<b>EL</b>	<b>0.08</b>	0.08	0.05	0.21	0.21	0.21	0.87	0.87	<b>0.87</b>	0.75	0.75	0.75
<b>ES</b>	<b>0.08</b>	0.07	0.07	0.29	0.20	0.20	0.65	0.65	0.41	0.48	0.48	0.48
<b>FR</b>	0.13	0.11	0.11	0.32	0.25	<b>0.25</b>	<b>0.89</b>	<b>0.89</b>	0.54	0.62	0.39	0.39
<b>IE</b>	0.13	<b>0.03</b>	<b>0.03</b>	0.23	0.15	<b>0.03</b>	0.63	0.48	0.48	1.05	0.92	0.87
<b>IT</b>	0.10	0.08	0.08	<b>0.35</b>	0.14	0.14	0.84	0.45	0.45	0.74	0.74	0.74
<b>LU</b>	<b>0.08</b>	0.04	0.04	<b>0.08</b>	<b>0.04</b>	0.04	0.49	0.42	0.42	0.37	<b>0.31</b>	<b>0.31</b>
<b>NL</b>	0.11	0.07	0.06	0.15	0.09	0.09	0.79	0.60	0.36	0.36	0.36	0.36
<b>AT</b>	0.14	0.05	0.05	0.17	0.08	0.08	<b>0.48</b>	0.43	0.43	0.78	0.78	0.78
<b>PT</b>	0.12	0.12	0.10	0.33	<b>0.33</b>	0.21	0.87	0.87	0.77	0.82	0.82	0.53
<b>FI</b>	0.13	<b>0.13</b>	<b>0.13</b>	0.26	0.17	0.17	0.72	0.49	0.49	1.16	0.77	0.77
<b>SE</b>	0.10	0.07	0.07	0.10	0.07	0.07	0.66	0.40	0.40	0.48	0.48	0.48
<b>UK</b>	<b>0.16</b>	0.06	0.04	0.31	0.16	0.08	0.75	0.52	<b>0.09</b>	<b>1.25</b>	<b>1.12</b>	<b>0.99</b>

(1) Bold indicates the country with the lowest pre-tax price; purple indicates the country with the highest pre-tax price.

(2) 11:00 weekdays.

(3) 20:00 weekdays.

(4) Cheapest rate possible, regardless of time of day; for local calls, rates for night-time weekdays are the lowest in all countries, except UK; for long-distance national calls, rates for night-time weekdays and Sunday are the same (and lowest) in all countries except DE and FI (lowest on weekdays night-time) and IE and UK (lowest on Sundays); for intra-EU calls, rates for night-time weekdays and weekends are the same (and lowest) in all countries.

Source: Teligen in Report on Telecoms Tariff Data as of December 2002, European Commission, April 2003

Table 5.71: Price of a three-minute fixed line intra-EU-15 call at peak-time, 2002 (€, excluding VAT) (1)

From	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>To BE</b>	-	0.67	0.32	0.75	0.48	0.62	0.94	0.74	0.37	<b>0.21</b>	0.76	0.83	<b>1.23</b>	0.36	1.13
<b>DK</b>	0.70	-	0.32	0.75	0.48	0.63	<b>1.20</b>	0.74	0.37	0.30	0.76	0.83	0.49	<b>0.29</b>	1.13
<b>DE</b>	0.53	0.50	-	0.75	0.48	0.62	0.94	0.74	0.37	<b>0.19</b>	0.62	0.83	<b>1.23</b>	0.30	1.13
<b>EL</b>	0.70	1.08	0.64	-	0.48	0.63	1.20	0.74	<b>0.37</b>	0.72	0.94	0.83	<b>1.43</b>	0.96	1.41
<b>ES</b>	0.53	1.08	<b>0.32</b>	0.75	-	0.62	1.20	0.74	0.37	0.35	0.76	0.75	1.23	0.56	<b>1.41</b>
<b>FR</b>	0.53	0.67	0.32	0.75	0.48	-	0.94	0.74	0.37	<b>0.21</b>	0.76	0.80	<b>1.23</b>	0.36	1.13
<b>IE</b>	0.70	0.96	<b>0.32</b>	0.75	0.48	0.62	-	0.74	0.37	0.38	0.94	0.83	<b>1.23</b>	0.56	0.91
<b>IT</b>	0.53	0.67	<b>0.32</b>	0.75	0.48	0.62	1.20	-	0.37	0.35	0.62	0.83	1.23	0.56	<b>1.41</b>
<b>LU</b>	0.53	0.80	<b>0.32</b>	0.75	0.48	0.62	0.94	0.74	-	<b>0.32</b>	0.76	0.83	<b>1.23</b>	0.36	1.13
<b>NL</b>	0.53	0.67	<b>0.32</b>	0.75	0.48	0.62	0.94	0.74	0.37	-	0.76	0.83	<b>1.23</b>	0.36	1.13
<b>AT</b>	0.70	0.67	<b>0.32</b>	0.75	0.48	0.63	1.20	0.74	0.37	0.46	-	0.83	1.23	0.56	<b>1.53</b>
<b>PT</b>	0.70	1.08	<b>0.32</b>	0.75	0.48	0.63	1.20	0.74	0.37	0.71	0.94	-	<b>1.43</b>	0.96	1.41
<b>FI</b>	0.70	0.38	0.32	0.75	0.48	0.63	1.20	0.74	0.37	0.38	0.76	0.83	-	<b>0.29</b>	<b>1.53</b>
<b>SE</b>	0.70	<b>0.20</b>	0.32	0.75	0.48	0.63	<b>1.20</b>	0.74	0.37	0.26	0.76	0.83	0.49	-	1.13
<b>UK</b>	0.53	0.50	0.32	0.75	0.48	0.62	0.38	0.74	0.37	<b>0.17</b>	0.76	0.80	<b>1.23</b>	0.30	-

(1) Bold indicates the country with the lowest pre-tax price; purple indicates the country with the highest pre-tax price.

Source: Teligen in Report on Telecoms Tariff Data as of December 2002, European Commission, April 2003

International intra-EU calls were generally most expensive when made from Ireland or the United Kingdom, either during peak, off-peak and economy hours, whilst Luxembourg and Denmark offered the cheapest rates.

The Eurobarometer survey (58) on services of general interest that was conducted in the autumn of 2002 reports that one respondent out of two (51%) said that he or she was paying a fair price for fixed telephone services. More than a third (36%) thought the contrary and almost one out of 10 (9%) considered the price paid to be excessive. The belief that too high a price is paid for fixed telephone services was most often mentioned in Italy (73%), in Greece (65%) and in Spain (61%). This is as opposed to Sweden (31%), the United Kingdom (25%) and Denmark (22%).

Increasingly, consumers are offered the choice for their fixed telephone service provider. Furthermore, specific service providers can be chosen for individual calls (see below).

**Table 5.72: Connection charges, monthly rental and operation charges for low volume digital mobile services, 2002 (€, excluding VAT) (1)**

Operator	Package (2)	Connection	Monthly rental	3 minute call to same mobile network		3 minute call to fixed network		3 minute intra-EU-15 call	
				Peak (3)	Economy (4)	Peak (3)	Economy (4)	Peak (3)	Economy (4)
BE	Proximus ProxiFun	30.58	10.74	0.37	0.25	1.24	0.37	2.18	1.47
	Mobistar Optimum for Me	0.00	20.24	0.36	0.36	0.94	0.36	2.46	1.23
DK	Tele Danmark Mobil Mobil45	10.66	10.66	1.00	0.43	1.00	0.43	1.67	1.67
	Sonofon Variant 1	75.37	2.69	0.67	0.67	0.67	0.67	1.88	1.88
DE	T-Mobil D-1 Telly	22.02	11.00	0.91	0.52	1.32	0.21	3.03	1.98
	Vodafone Fun	21.51	8.58	0.75	0.49	1.27	0.23	2.97	2.07
EL	Cosmote Privileged 1	0.00	7.33	0.63	0.63	0.63	0.63	1.38	1.38
	Vodafone Vodafone 1	0.00	8.80	0.63	0.63	0.63	0.63	1.60	1.60
ES	Movistar Plus Eleccion	21.03	0.00	0.81	0.33	0.81	0.33	1.78	1.78
	Vodafone Tarde	0.00	0.00	0.87	0.30	1.47	0.30	1.74	1.56
FR	Orange Forfait 2h	0.00	25.91	0.56	0.56	0.75	0.75	1.20	1.20
	SFR Formulae 16	0.00	13.38	0.80	0.80	0.80	0.80	1.28	1.28
IE	Vodafone Light	0.00	15.87	0.77	0.37	1.26	0.32	2.01	1.61
	O2 Select 1	0.00	12.70	0.38	0.38	1.32	0.38	1.97	1.60
IT	Telecom Italia Mobile TIM Menu Family	0.00	4.30	0.46	0.46	1.14	1.14	2.11	2.11
	Omnitel Euro Italy	0.00	4.30	0.37	0.37	0.37	0.37	1.50	1.50
LU	LuxGSM Liberty	0.00	5.39	0.32	0.19	0.65	0.32	1.02	0.65
	Tango Hip Hop	0.00	0.00	0.31	0.31	1.23	0.31	0.42	0.42
NL	KPN GSM Mobile 120	44.11	19.75	0.73	0.73	0.73	0.73	1.83	1.33
	Vodafone Vodafone 60	44.11	13.87	0.80	0.47	0.67	0.29	1.40	1.28
AT	Mobilkom A-1 Fun	33.33	17.50	0.18	0.18	0.71	0.35	1.29	1.29
	T-Mobile EuroFreizeit	33.33	12.50	0.25	0.25	0.75	0.38	0.59	0.59
PT	TMN TMN Basic	0.00	9.50	0.36	0.36	0.63	0.63	0.86	0.59
	Vodafone Privado 120	0.00	14.21	0.42	0.36	1.32	0.36	1.32	0.48
FI	Sonera GSM Private	6.73	2.50	0.42	0.32	0.98	0.32	2.06	1.03
	Radiolinja Tandem Pro	6.47	2.73	0.42	0.42	0.42	0.42	1.20	1.12
SE	TeliaMobile Plus	21.98	6.59	0.96	0.17	0.96	0.17	1.51	1.51
	Comviq Kväll	17.58	6.95	1.09	0.14	1.09	0.14	1.90	1.90
UK	O2 O2 Leisure	46.40	19.89	1.39	0.08	1.39	0.08	3.58	3.58
	Vodafone Vodafone 20	0.00	17.21	0.40	0.20	0.59	0.20	3.30	1.93

(1) Bold indicates the country with the lowest pre-tax price; purple indicates the country with the highest pre-tax price.

(2) Packages with a figure attached (120 or 6H) will normally include the corresponding number of minutes or hours as free calls.

(3) Peak calls are at 11:00 on weekdays.

(4) Economy calls are the cheapest call charges available, regardless of time of day.

Source: Teligen in Report on Telecoms Tariff Data as of December 2002, European Commission, April 2003

Turning to mobile telephony, Table 5.72 shows the price of low-volume user packages for some of the main operators in the EU. It should be analysed in parallel with the price of prepaid services shown in Tables 5.73 and 5.74. Mobile telephony prices show a similar divergence, with the most expensive rates being three to 10 times higher than the cheapest on offer for each call type (national, within the same mobile network or international) and time band (peak, off-peak, economy).

**T**able 5.73: Fixed charges for pre-paid packages, 2002

	Operator	Package	Card price (€)	Card validity (months)
BE	Proximus	Pay & Go Original	10.33	12
DK	Tele Danmark Mobil	VidTid	5.38	12
DE	T-Mobil	XtraOne	12.93	7
EL	Cosmote	Cosmokarta	6.22	12
ES	Movistar	Activa Club	17.24	9
FR	Orange	Mobicarte Classic	12.54	2
IE	Vodafone	Ready to go	16.53	12
IT	Telecom Italia Mobile	Autoricarica 190	4.17	12
LU	LuxGSM	Tip Top	8.70	3
NL	KPN GSM	Hi Pre Pay	16.80	6
AT	Mobilkom	B-Free Classic Plus	16.66	12
PT	TMN	Mimo	4.27	1
FI	Sonera GSM	Easy	13.78	6
SE	TeliaMobile	Refill	8.79	12
UK	O2	Pay+Go	13.26	unlimited

Source: Teligen in Report on Telecoms Tariff Data as of December 2002, European Commission, April 2003

**T**able 5.74: Call charges for pre-paid packages, 2002 (€) (1)

	3 minute call to fixed network			3 minute call to same mobile network			3 minute intra-EU call	
	Peak	Off-peak	Economy	Peak	Off-peak	Economy	Peak	Off-peak
BE	1.86	0.60	0.60	0.90	0.60	0.60	2.48	1.86
DK	1.64	0.83	0.83	<b>1.64</b>	0.83	0.83	2.64	1.63
DE	<b>2.04</b>	0.99	0.21	0.99	0.48	0.48	5.13	5.13
EL	1.21	1.21	1.21	1.21	1.21	1.21	2.08	2.08
ES	0.48	0.48	0.48	0.48	0.48	0.48	1.78	1.78
FR	1.25	<b>1.25</b>	<b>1.25</b>	1.25	<b>1.25</b>	<b>1.25</b>	1.74	1.74
IE	1.59	0.64	0.32	1.12	0.32	0.32	2.52	2.52
IT	<b>0.42</b>	0.42	0.42	0.43	0.43	0.43	1.52	1.52
LU	0.65	0.32	0.32	<b>0.32</b>	<b>0.19</b>	0.19	1.11	0.79
NL	0.93	0.93	0.93	0.93	0.93	0.93	2.96	2.96
AT	1.77	0.75	0.75	0.75	0.75	0.75	1.77	1.77
PT	0.65	0.65	0.43	0.65	0.65	0.43	<b>1.02</b>	<b>0.51</b>
FI	0.84	0.84	0.84	0.84	0.84	0.84	1.68	1.21
SE	1.62	<b>0.25</b>	0.25	1.62	0.25	0.25	1.62	1.44
UK	1.39	0.40	<b>0.08</b>	0.40	0.40	<b>0.08</b>	<b>5.96</b>	<b>5.96</b>

(1) Bold indicates the country with the lowest price; purple indicates the country with the highest price; peak time, 11:00h; off-peak time, 20:00h; economy time calls are the cheapest rates available, only in DE, IE and UK are these lower than the off-peak rates; PT, the peak rate also applies at 20:00h weekdays, the reduced rate starts at 21:00h.

Source: Teligen in Report on Telecoms Tariff Data as of December 2002, European Commission, April 2003

The Eurobarometer survey (58) reports that 44% of the people questioned thought that the price of mobile telephone services was fair. Thirty-eight percent thought the opposite and 11% considered this price to be excessive. The belief that too high a price is paid for mobile telephone services was most often mentioned in France (63%), in Spain (62%) and in Italy (55%). This is as opposed to Denmark (36%), Sweden (36%), the United Kingdom (36%) and Luxembourg (33%).

Regarding the Internet, the traditional way for households to connect to is to use a modem between their computer and the telephone line. In this case the user has to dial the telephone number of their Internet service provider, usually at the same price as a regular, local voice call, although some telephone service providers offer special rates for Internet numbers. Table 5.75 presents the costs associated with an annual Internet access of 400 hours (400 calls per year of one hour each), which corresponds to almost eight hours per week. During off-peak hours, when most residential access takes place, charges for local calls in 2002 varied between EUR 199 in Portugal and EUR 513 in Belgium.

**Table 5.75: Cost of 400 hours of local telephone Internet access, 2002 (€, excluding VAT) (1)**

	Connection mode	Peak	Economy
BE	Local	1 008	513
BE	Internet	845	348
DK	Local	657	334
DK	Internet	734	269
DK	Opasia Plus	631	217
DK	Tele2	631	321
DK	Telia	629	319
DE	Local	827	496
DE	Internet	310	310
EL	Local	624	312
EL	Internet	146	73
ES	Local	578	252
FR	Local	691	384
IE	Local	1 006	250
IE	Internet	386	192
IT	Local	371	223
IT	Wind 24 Ore	271	271
IT	Wind Family	351	192
LU	Local	646	322
LU	Internet	595	324
NL	Local	578	316
AT	Local	1 121	401
AT	Internet	499	259
PT	Local	384	199
FI	Local	240	240
SE	Local	501	258
UK	Local	1 256	471
UK	Internet g4	636	318
UK	Surftime g5	318	191

(1) 400 calls of 1 hour each; cost of telephone calls only, not including ISP fees; peak time: 11:00 weekdays; economy: 20:00; not including free access or reduced rates linked to specific ISP subscriptions.

Source: Teligen in Report on Telecoms Tariff Data as of December 2002, European Commission, April 2003

**Table 5.76: Internet access using discounted telephone rates, 2002 (€, including VAT) (1)**

	20 hours		40 hours	
	Daytime	Evening (2)	Daytime	Evening (2)
<b>EU-15</b>	40.69	30.82	61.02	43.30
<b>BE</b>	67.01	37.09	117.86	58.03
<b>CZ</b>	41.75	16.77	76.72	27.79
<b>DK</b>	34.37	34.37	55.85	55.85
<b>DE</b>	28.05	28.05	36.96	36.96
<b>EE</b>	:	:	:	:
<b>EL</b>	37.25	33.10	45.52	37.25
<b>ES</b>	40.41	26.66	65.29	32.62
<b>FR</b>	27.92	27.92	32.90	32.90
<b>IE</b>	55.74	33.12	76.73	46.69
<b>IT</b>	32.02	27.49	44.18	40.78
<b>CY</b>	:	:	:	:
<b>LV</b>	:	:	:	:
<b>LT</b>	:	:	:	:
<b>LU</b>	56.93	41.38	91.04	59.93
<b>HU</b>	38.20	25.54	62.00	33.99
<b>MT</b>	:	:	:	:
<b>NL</b>	47.08	33.09	77.23	49.24
<b>AT</b>	28.38	28.38	43.75	41.56
<b>PL</b>	26.13	26.13	31.35	31.35
<b>PT</b>	41.62	23.73	69.32	33.64
<b>SI</b>	:	:	:	:
<b>SK</b>	24.16	20.88	36.54	33.26
<b>FI</b>	26.77	26.77	41.13	41.13
<b>SE</b>	46.79	31.91	77.51	47.76
<b>UK</b>	39.96	29.29	39.96	35.25

(1) Access basket as of September 2002, including both telephone and Internet service provider charges.

(2) 20:00 on a weekday.

Source: Communications Outlook, OECD, 2003

The above figures cover only the telephone access charges, and exclude any other connection charge, such as ISP monthly subscriptions. The OECD has defined a basket of Internet access services that includes line rental, telephone usage charges and ISP fees (see Table 5.76). In September 2002, the average EU-15 consumer would have paid EUR 40.7 for 20 hours of Internet use during daytime hours and EUR 30.8 during evening hours. For 40 hours, the cost would have risen to EUR 61.0 for daytime use and EUR 43.3 during the evening.

**Table 5.77: Cost of Internet access by ADSL, 2002 (€) (1)**

	Company	Bitrate (kbit/s)	Connection charge	Monthly rental
<b>BE</b>	Belgacom	128/750	92.19	25.09
<b>DK</b>	Tele Danmark	128/256	53.30	51.57
<b>DE</b>	Deutsche Telekom	128/750	74.95	41.27
<b>EL</b>	:	:	:	:
<b>ES</b>	Terra	128/256	96.16	42.04
<b>FR</b>	France Telecom	64/128	126.19	25.08
<b>IE</b>	Eircom	128/512	165.00	89.00
<b>IT</b>	Telecom Italia	128/256	129.00	30.80
<b>LU</b>	P&T	64/256	130.00	43.00
<b>NL</b>	Planet Internet	64/256	200.03	29.32
<b>AT</b>	Telekom	64/512	109.00	27.95
<b>PT</b>	IP	128/512	99.76	38.00
<b>FI</b>	Sonera	256/256	105.74	41.50
<b>SE</b>	Telia	512/512	43.52	32.97
<b>UK</b>	BT	256/512	83.05	39.75

(1) Best prices in each country.

Source: Teligen in Report on Telecoms Tariff Data as of December 2002, European Commission, April 2003



## CHOICE

With the progressive liberalisation of telecommunications, consumer choice has expanded at a rapid pace over the past decade. A number of new communications providers (as opposed to incumbent, national providers) have entered the EU market and started to compete on price and service, attracting many households with respect to the telephony and Internet markets (see Tables 5.78 and 5.79).

**Table 5.79: Number of telephone network operators, 2002 (units)**

	Fixed national (1)	Fixed international (2)	Mobile
BE	49	49	3
CZ	44	44	3
DK	31	28	18
DE	496	496	4
EE	25	25	4
EL (3)	4	4	4
ES (3)	120	120	4
FR	25	27	12
IE (3)	10	10	3
IT (3)	36	:	4
CY	1	1	1
LV	1	4	3
LT	1	1	3
LU	7	11	2
HU	5	5	4
MT (3)	1	1	2
NL (3)	:	40	7
AT	:	:	:
PL	6	1	3
PT	14	14	3
SI	3	10	3
SK	1	1	2
FI	12	13	13
SE	21	16	13
UK	200	107	4

(1) Operators offering national telecommunications.

(2) Operators offering international telecommunications.

(3) 2001

Source: Eurostat, Communications (theme4/coins)

**Table 5.78: Number of Internet service providers, 2003 (units)**

BE	104
CZ (1)	1 815
DK	39
DE	800
EE	120
EL	173
ES	672
FR (2)	238
IE	:
IT (3)	333
CY	6
LV	101
LT	60
LU	31
HU	117
MT	14
NL	:
AT	220
PL	:
PT	25
SI	65
SK	131
FI	98
SE	120
UK (3)	700

(1) Number of licence holders.

(2) 2001.

(3) 2002.

Source: Eurostat, Communications (theme4/coins)

**T**able 5.80: Waiting time for a new connection (days)

	1993	1994	1995	1996	1997	1998	1999	2000	2001
BE	28	:	7	5	4	5	5	5	5
CZ	2 170	1 183	847	523	218	58	38	25	25
DK	8	9	8	:	:	:	:	:	:
DE	:	:	:	:	:	:	:	:	:
EE	:	:	:	:	:	:	:	:	:
EL	:	220	30	9	5	7	7	:	6
ES	8	5	3	4	5	5	5	:	:
FR	8	8	7	6	6	:	:	:	:
IE	:	:	13	:	11	:	:	:	:
IT	12	10	8	:	:	:	10	9	:
CY	:	:	:	:	:	:	:	:	:
LV	:	:	:	:	:	:	:	:	:
LT	:	:	:	:	:	:	:	:	:
LU	30	30	30	:	:	:	16	11	11
HU	1 058	839	803	657	475	115	63	47	13
MT	:	:	:	:	:	:	:	:	:
NL	:	:	5	:	1	:	:	:	:
AT (1)	:	45	40	:	:	6	:	:	:
PL	:	:	:	:	:	1 080	810	:	:
PT	60	19	8	9	9	4	6	4	3
SI	:	:	:	:	:	:	:	:	:
SK (2)	:	:	:	296	175	280	149	240	20
FI	5	5	6	4	5	5	4	5	:
SE	:	:	5	:	:	:	:	:	:
UK (3)	:	:	:	:	:	:	:	:	:

(1) Number of days for 95% of connections.

(2) Working days.

(3) 97% of orders are met at the time agreed upon with the customer.

Source: Communications Outlook, OECD, 2003

**T**able 5.81: Fault incidence and repair times, 2001

	Faults per 100 lines per year (units) (1)	Percentage of faults repaired within 24 hours (%) (2)
BE	4.8	80.5
CZ	10.0	98.0
DK	0.0	91.0
DE	8.7	85.9
EE	:	:
EL	12.1	86.9
ES	15.4	95.5
FR	6.2	87.3
IE	15.0	76.0
IT	17.1	86.2
CY	:	:
LV	:	:
LT	:	:
LU	5.0	95.0
HU	0.8	98.0
MT	:	:
NL	2.7	98.0
AT	5.2	90.4
PL	26.0	:
PT	12.1	76.3
SI	:	:
SK	27.5	90.6
FI	8.0	74.1
SE	4.0	77.0
UK	11.0	78.0

(1) CZ, including customer premise equipment; DE, 1995; EL, including public payphone faults; FR, IE and SE, 1997; PL, NL and FI, 1998; ES, 1999.

(2) DK (within 12 working hours), 1996; FR, IE (within 2 working days) and SE (within 2 working days), 1997; NL (within 48 hours), 1998; DE (within 3 working days), ES and FI (in one working day), 1999; AT, within 24 working hours; PT, within 12 working hours; UK, within 5 or 9 working hours.

Source: Communications Outlook, OECD, 2003

## QUALITY

### Mobile and fixed telephony

In the eyes of the EU consumer, both cost and quality of telecommunications services are generally improving. In a Eurobarometer survey (58) carried out in autumn 2002, most of respondents said they were satisfied with their telecommunications services. Indeed, 20% of consumers judge the quality of the mobile telephone services that they use to be "very good" and 64% consider it "fairly good". It was confirmed for the fixed telephone where 30% of consumers think that the quality of fixed telephone services is very good and 60% that it is fairly good.

Several indicators illustrate the improved quality of European telecommunication services. Waiting times for new connections have been considerably reduced (see Table 5.80) and more than 87% of line faults were repaired within 24 hours in the majority of EU countries (see Table 5.81). The waiting time for a new telecommunication connection is negligible in most EU countries. Nevertheless, for a number of countries, they continue to show remarkable progress from a decade earlier. In the Czech Republic, the average waiting time was reduced from 2170 days in 1993 to 25 days in 2001. More recently, number portability<sup>29</sup> and carrier pre-selection<sup>30</sup> are being implemented.

(29) Number portability is the possibility for customers to retain their existing number if they decide to change operator (non-geographic portability) or if they decide to move (geographic portability).

(30) Carrier pre-selection is the possibility for customers to have their telephone line directly routed to their preferred operator when picking-up the handset without having to follow a routing procedure (for example, dialling a routing prefix).

The Eurobarometer survey (58) on services of general interest reports that the quality of telephone services was generally appreciated by European consumers: some 90% were satisfied with the quality of fixed telephony services and 84% with the quality of mobile phone services.

Information received from mobile telephony providers was considered to be clear by 67% of Europeans, whilst 23% were unsatisfied. The highest levels of satisfaction ("information is clear") were recorded in Ireland (83%), in Luxembourg (82%) and in the United Kingdom (82%). The strongest expressions of dissatisfaction ("information is not clear") were recorded in France (34%), in Italy (30%) and in Spain and Denmark (27%). In the case of fixed phone providers, the satisfaction figure for the clarity of information was equal to 75% in the EU as a whole, whilst a fifth of European consumers were unsatisfied (20%). As with fixed telephony services, the Irish expressed the highest level of satisfaction (89%), followed by the Luxembourgish (85%) and the UK respondents (85%). The Italians (35%), the Greeks (27%) and the Spanish (27%) were the least satisfied.

Terms and conditions of contracts were considered as being fair by almost 60% of Europeans (69% for mobile telephony and 64% for fixed telephony services). The dissatisfaction rate was 27% for mobile phones and 26% for fixed phone. For mobile phones, consumers showed the highest rates of satisfaction ("contracts are fair") in the United Kingdom (80%), in Luxembourg (80%) and in Finland (78%). The strongest expressions of dissatisfaction ("contracts are unfair") were recorded in Italy (43%), in France (43%) and in Spain (36%). For fixed phones, the highest rates of satisfaction were in the United Kingdom (86%), in Denmark (84%), in Sweden (81%) and in Ireland (81%). The most dissatisfied countries were Italy (63%), Portugal (38%) and Spain (37%).

**Table 5.82: Satisfaction index of mobile phone customers, 2002 (1)**

	DK	EL	IE	PT	FI (2)	SE	IS	RU
<b>Image</b>	66	82	71	78	:	65	68	75
<b>Expectations</b>	73	82	77	73	:	76	68	77
<b>Product Quality</b>	69	81	74	76	:	70	72	78
<b>Service Quality</b>	63	84	:	:	:	70	:	77
<b>Value</b>	63	79	64	58	:	61	54	74
<b>Loyalty</b>	63	82	73	68	:	71	66	75
<b>CSI (3)</b>	66	78	74	73	75	65	67	70

(1) Index on a scale from 0 (lowest) to 100 (highest).

(2) 2000.

(3) CSI: Customer Satisfaction Index.

Source: Pan European CSI Report, EPSI Rating, 2002

**Table 5.83: Public opinion: improvement of services supplied by fixed phone company (in % of respondents asked what service should be improved the most)**

	Access to complementary services such as voice mail, redirection of calls...	The repair service in case of interruptions	Understanding of phone bills	Sound quality of the phone line	Waiting time to have a new line installed	Cost to have a new line installed	Services to contact the phone company	Don't know and no answer
<b>EU-15</b>	3.9	10.5	11.8	7.2	6.0	18.6	14.3	27.7
<b>BE</b>	5.4	10.5	13.9	10.1	8.1	12.6	10.9	28.6
<b>DK</b>	3.9	8.1	11.5	3.1	10.2	11.7	19.8	31.9
<b>DE</b>	2.4	9.4	10.0	6.0	9.2	26.5	13.9	22.6
<b>EL</b>	4.6	16.2	25.2	10.8	5.4	8.2	13.2	16.4
<b>ES</b>	3.3	9.2	12.4	5.6	5.6	21.1	8.9	33.9
<b>FR</b>	5.0	12.7	13.4	12.2	4.2	19.3	19.9	13.3
<b>IE</b>	6.4	11.4	8.4	13.2	10.4	18.2	14.0	18.0
<b>IT</b>	2.5	12.8	16.2	3.0	4.5	11.9	14.0	35.1
<b>LU</b>	4.4	5.9	10.0	8.5	11.1	16.7	5.5	37.9
<b>NL</b>	6.7	10.0	6.1	7.5	4.9	22.0	18.1	24.6
<b>AT</b>	3.6	4.6	7.2	1.8	4.8	13.2	10.8	54.1
<b>PT</b>	3.6	13.4	9.8	5.7	3.9	24.1	7.9	31.6
<b>FI</b>	2.7	6.8	10.6	5.4	4.2	17.3	5.3	47.5
<b>SE</b>	2.7	5.2	5.5	3.9	3.2	11.6	17.8	50.0
<b>UK</b>	6.1	9.0	9.1	9.8	5.2	15.5	14.4	30.9

Source: Flash Eurobarometer 150, European Commission, 2003

Dissatisfaction with complaint handling was highest in France, Denmark and Spain for mobile telephone services and in Austria, France and Italy for fixed telephony services.

Over the past 12 months preceding the survey, 5% of the people questioned had personally lodged a complaint, either with a complaint-handling body or with their mobile phone service provider compared with 6% as regards fixed phone services. Proportionally more Swedes and Danes (11%) made complaints about mobile telephone services than any of the other nationalities. The fewest complaints were made by the Portuguese (2%) and the Greeks (3%). The rates of lodging complaints about fixed telephone services varied from 2% in Luxembourg to five times that amount in Italy (10%) and in Sweden (11%).

According to Europeans, the cost of having a new line installed was the major aspect that needed to be improved by fixed phone companies (19%). This was especially the case in Germany (27%). Then, the percentages were pretty similar for the service when contacting the phone company (14%), the understanding of phone bills (12%) and the repair service (11%) - see Table 5.83.

The main aspect that needed to be improved according to mobile phone users was the network coverage of mobile phone providers (29%). Spanish (44%), Greeks (41%) and Swedish (40%) users confirmed strongly this position. Sixteen percent of Europeans agreed that the quality of the service when contacting mobile phone providers could be improved. This percentage was even larger in Denmark where it reached 25%. "Roaming" (13%) and sound quality (11%) were, for more than 10% of respondents, aspects that needed to be improved (see Table 5.84).

**Table 5.84: Public opinion: improvement of services supplied by mobile phone company**  
(in % of respondents asked what service should be improved the most)

	Network coverage of your mobile phone provider	Understanding of mobile phone bills	Access to complementary services such as voice mail, redirection of calls, etc	The sound quality of mobile phone lines abroad [roaming]	The possibility of using your mobile phone abroad	Service to contact your mobile phone provider	Don't know and no answer
<b>EU-15</b>	28.9	7.4	3.7	11.0	13.3	15.8	19.9
<b>BE</b>	26.0	9.3	4.9	13.6	16.1	6.1	24.1
<b>DK</b>	23.0	10.1	2.1	8.9	9.3	24.9	21.7
<b>DE</b>	21.8	7.4	4.0	11.3	18.3	18.6	18.7
<b>EL</b>	41.3	12.9	3.2	14.2	7.1	6.5	14.8
<b>ES</b>	43.6	3.7	3.3	8.0	9.1	13.4	18.9
<b>FR</b>	34.5	7.6	3.7	14.1	12.9	22.5	4.7
<b>IE</b>	29.2	3.8	6.9	16.2	20.8	11.5	11.5
<b>IT</b>	18.3	10.4	1.0	4.0	10.4	0.0	55.9
<b>LU</b>	33.4	4.5	3.4	14.8	9.3	4.9	29.8
<b>NL</b>	28.1	11.5	5.3	14.3	11.9	8.7	20.1
<b>AT</b>	20.7	2.7	0.6	6.6	6.2	10.6	52.6
<b>PT</b>	37.4	5.0	1.1	12.4	11.5	9.8	22.8
<b>FI</b>	15.5	6.6	2.4	11.1	5.5	13.0	46.0
<b>SE</b>	40.0	2.3	4.5	5.4	6.4	5.5	35.8
<b>UK</b>	27.8	8.9	4.8	9.5	14.6	14.7	19.7

Source: Flash Eurobarometer 150, European Commission, 2003

## Internet

According to the Flash Eurobarometer survey (135), 48% of Internet users in the EU-15 claimed in November 2002 to have never experienced security problems on the Internet. Security problems have been multiplying at a steady rate since June 2001, when the proportion still reached 66%. Security problems are primarily due to unsolicited e-mail and computer viruses. Unsolicited e-mail (spamming) is the biggest security problem and continues to become more widespread: 40% of Internet users had encountered this problem in November 2002 (up by 16 points since June 2001). The second major problem is that of computer viruses which increased by 12 points between June 2001 (15% of Internet users) and November 2002 (27%). On a more positive note, Internet buyers should continue to be comfortable using their credit card for their purchases as only 1% of those polled claimed to have had their credit card used fraudulently (see Table 5.85).

**T**able 5.85: Security problems encountered while using the Internet, 2002 (% share of Internet users) (1)

	Unsolicited mails (spamming)	A computer virus	Fraudulent use of credit card number	Other security problems	Never experienced security problems	Don't know and no answer
<b>EU-15</b>	40	27	1	1	48	3
<b>BE</b>	42	37	1	1	39	5
<b>DK</b>	37	36	0	2	47	2
<b>DE</b>	39	20	1	1	51	3
<b>EL</b>	12	18	0	0	74	2
<b>ES</b>	31	19	0	0	62	0
<b>FR</b>	38	28	1	1	52	0
<b>IE</b>	41	30	2	1	45	3
<b>IT</b>	44	31	1	0	46	0
<b>LU</b>	50	31	3	2	42	0
<b>NL</b>	63	46	1	0	27	1
<b>AT</b>	29	27	1	0	56	3
<b>PT</b>	20	19	0	1	69	1
<b>FI</b>	49	40	1	2	38	1
<b>SE</b>	47	33	1	1	41	1
<b>UK</b>	40	28	4	0	42	9

(1) "While using the Internet, have you ever encountered security problems such as ...?"; multiple answers allowed.  
Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002

**T**able 5.86: Security systems used, 2002 (% share of households connected to Internet) (1)

	Anti-virus software	Firewall software	Encryption software	Smart card reader, authentication device	Electronic signature software	Another security feature	No: none	Don't know and no answer
<b>EU-15</b>	79	25	16	12	9	6	8	9
<b>BE</b>	83	25	9	16	15	3	6	8
<b>DK</b>	78	31	16	9	12	4	7	10
<b>DE</b>	75	29	21	12	4	11	10	10
<b>EL</b>	66	24	22	17	18	1	10	21
<b>ES</b>	82	20	10	11	9	2	6	10
<b>FR</b>	82	15	8	6	5	4	10	5
<b>IE</b>	75	13	12	12	9	5	6	16
<b>IT</b>	81	19	12	9	9	1	11	7
<b>LU</b>	84	28	30	16	14	3	4	8
<b>NL</b>	86	41	14	24	25	7	4	5
<b>AT</b>	77	32	22	10	11	0	10	9
<b>PT</b>	82	30	11	9	6	0	5	11
<b>FI</b>	79	24	17	9	5	2	8	9
<b>SE</b>	86	34	16	19	12	1	3	7
<b>UK</b>	78	25	18	12	10	6	6	12

(1) "Does [the] computer [through which your home connects to the Internet] have any of the following security features: ...?"; multiple answers allowed.

Source: Flash Eurobarometer 135 (Internet and the public at large), European Commission, 2002

In order to assess under what circumstances security violations occur, the results of those who had household access to the Internet (see Tables 5.52 and 5.53) were first crossed with the circumstances of use (see Tables 5.58 and 5.59), and then these results were crossed with the question on security issues encountered. The outcome shows that when Internet was used at home, it seems as if security problems such as viruses and spamming were less likely to arise, compared with when using the Internet at work.

At least 83% of households who accessed the Web from a computer at home used a security system, the most common being an "anti-virus software" programme, used by 79% of households at the EU-15 level (see Table 5.86). Next in line was "firewall software", which was currently used by one in four households. "Encryption software", "smart card readers or other authentication devices" and "electronic signature software" programmes had lower penetration rates and were used respectively by 16%, 12% and 9% of households.

## 5.5 POSTAL SERVICES

Postal services were the first communications service offered to consumers, allowing them to correspond with relatives, businesses and administration, by way of letters, postcards and small parcels. With the development of technology, postal services have progressively had to face increasing competition from new ways of communicating, first of all from the telephone and telex, then the fax, and now electronic mail and the Internet.

### NETWORK ACCESS

Consumer access to postal services relies to a large degree on permanent post offices that are open to the public, of which there were some 101.6 thousand in the EU in 2003 (see Table 5.87). This number has decreased in most Member States during the past decade, which could be to the detriment of the consumer interest (especially in remote areas). Each permanent office served on average 4.5 thousand persons in the EU in 2003, ranging between almost one per seven hundred inhabitants in Cyprus, up to close to one for every 12 000 inhabitants in Spain. Consumers post their correspondence in one of 696 000 post-boxes spread across the EU, equivalent to one for each 653 persons (see figure 5.88).

**T**able 5.87: Postal services - network access, 2003 (units)

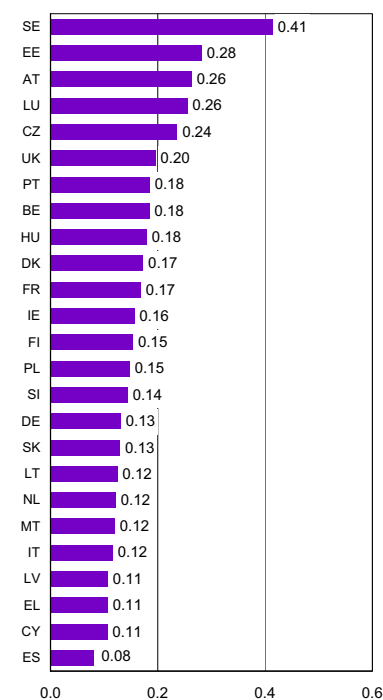
	Permanent post offices (1)	Average number of inhabitants served by a permanent post office (1)	Post-boxes (2)
BE	1 301	7 931	19 000
CZ	3 430	2 984	24 203
DK	1 019	5 264	9 274
DE	13 514	6 103	108 000
EE	549	2 410	3 735
EL	2 218	4 949	11 690
ES	3 343	12 283	33 084
FR	16 992	3 540	100 000
IE	1 658	2 386	6 200
IT	13 728	4 183	66 800
CY	1 123	714	850
LV	964	2 394	2 464
LT	965	3 628	4 290
LU	108	4 196	1 156
HU	3 102	3 184	17 739
MT	50	7 885	472
NL	2 577	6 267	19 633
AT	2 007	4 044	21 356
PL	8 304	4 647	56 906
PT	3 537	2 845	18 583
SI	554	3 581	2 848
SK	1 617	3 341	7 009
FI	1 346	3 868	8 000
SE	1 720	5 145	36 676
UK	15 868	3 734	116 000

(1) LT, 2000; SE, 1996.

(2) FR and IT, 2002; SE, 1996.

Source: UPU (Universal Postal Union)

**F**igure 5.88: Number of post-boxes per 100 inhabitants, 2003 (units) (1)



(1) FR and IT, 2002; SE, 1996.

Source: UPU (Universal Postal Union)

## CONSUMPTION

Approximately 102 billion letter-post items were handled in 2003 by European postal services. This figure includes letters, postcards, printed matter and small packets, but excludes parcels or newspapers. Most posted items are addressed to domestic recipients, as national traffic accounted for 94% of the total (sum of domestic traffic, international dispatch and international receipt). Most postal traffic in circulation in Europe originates from business. It is generally estimated that only a 10th of all mail that is posted in the EU is from households, whilst two thirds of all mail is addressed to them<sup>31</sup>.

Combining postal traffic with demographic data, there were, on average, some 225 letter-post items sent per inhabitant in 2003, ranging from 40 items in Lithuania up to more than 500 in Sweden (see Table 5.89). It is important to note that these figures relate to the number of letter-post items treated by the national post for domestic service and international dispatch, and they do not distinguish between private and business use.

(31) Post 2005, Universal Postal Union, 1997.

**T**able 5.89: Postal traffic, 2003

	Number of letter-post items posted per inhabitant (units) (1)	Number of letter post items treated by the national post (millions)		
		Domestic service (2)	International dispatch (3)	International receipt (4)
BE	344	3 533	194	200
CZ	269	2 723	29	50
DK	335	1 153	130	78
DE	249	20 840	403	702
EE	141	39	4	6
EL	53	528	52	42
ES	118	5 248	230	151
FR	445	17 201	598	468
IE	183	635	88	107
IT	109	6 344	108	219
CY	79	52	11	11
LV	66	46	4	4
LT	40	41	5	5
LU	429	107	44	28
HU	148	1 150	14	20
MT	125	43	5	8
NL	:	5 384	:	312
AT	:	873	:	:
PL	55	2 464	40	49
PT	156	980	56	46
SI	344	674	8	12
SK	62	321	10	14
FI	484	820	24	39
SE	502	4 360	86	125
UK	361	20 749	627	469

(1) EE, IT, LV, LU and SK, 2002; ES, FR and PL, 2000; BE, 1998; DE, 1997; SE, 1996; DK, 1995.

(2) BE, 1999.

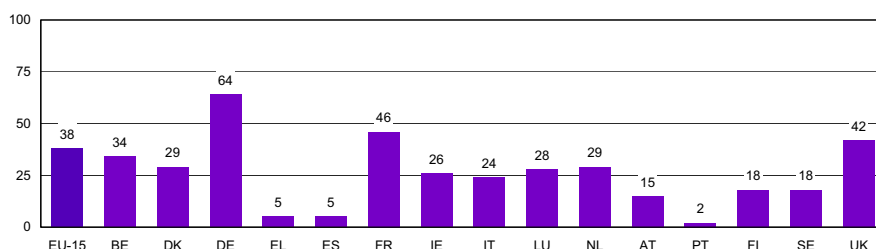
(3) IT, 2002; FR, 2000; BE, 1998; DE, 1997; SE, 1996; DK, 1995.

(4) IT and NL, 2002; FR, 2000; BE, 1998; DE, 1997; SE, 1996; DK, 1995.

Source: UPU (Universal Postal Union)



**Figure 5.90: Postal services**  
Mean consumption expenditure, 1999 (PPS per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

## CONSUMPTION EXPENDITURE

Postal services are far from being one of the important items as regards the household budget. According to figures from the latest Household Budget Survey, the highest mean consumption expenditure per household on postal services in 1999 was registered in Germany (64 PPS), well ahead of the United Kingdom (42 PPS). At the other end of the scale, Portugal (2 PPS), Greece and Spain (both 5 PPS) reported the lowest levels (see Figure 5.90).

## PRICES

On average, EU customers sending standard letters to national destinations via priority mail were required to place the equivalent of a EUR 0.42 stamp on them in 2005. An additional EUR 0.17 was generally required to send them crossborder to another EU country via priority mail. However, as shown in Table 5.91, stamp prices vary considerably across the EU, often by a factor of three. The Czech Republic, Malta and Portugal offered the lowest national rates, at EUR 0.20, EUR 0.16 and EUR 0.19 per item respectively, whilst the highest prices were found in Denmark (EUR 0.60), Italy (EUR 0.60), Finland (EUR 0.65) and Sweden (EUR 0.60). For intra-EU cross-border traffic, the highest prices were found in Sweden (EUR 0.84), almost four times the Czech tariff (EUR 0.28). However it can be noticed that the price for intra-EU cross-border traffic in the new Member States was relatively high, exceeding always EUR 0.40 per item, with the exception of the Czech Republic (EUR 0.28) and Malta (EUR 0.37).

**Table 5.91: Price of a postage stamp for a letter in the EU, 2005 (€) (1)**

	National (2)	EU (3)
BE	0.50	0.60
CZ	0.20	0.28
DK	0.60	0.87
DE	0.55	0.55
EE	0.28	0.42
EL	0.47	0.65
ES	0.28	0.53
FR	0.53	0.55
IE	0.48	0.65
IT	0.60	0.62
CY	0.36	0.53
LV	0.23	0.45
LT	0.29	0.49
LU	0.50	0.60
HU	0.36	0.75
MT	0.16	0.37
NL	0.39	0.61
AT	0.55	0.55
PL	0.42	0.57
PT	0.45	0.57
SI	0.19	0.65
SK	0.37	0.57
FI	0.65	0.65
SE	0.60	1.10
UK (4)	0.41	0.59

(1) Ordinary mail, letter of standard size and less than 20 g; CZ, DK, EE, CY, LV, LT, HU, MT, PL, SI, SK, SE and UK, average exchange rates for 2004 were used.

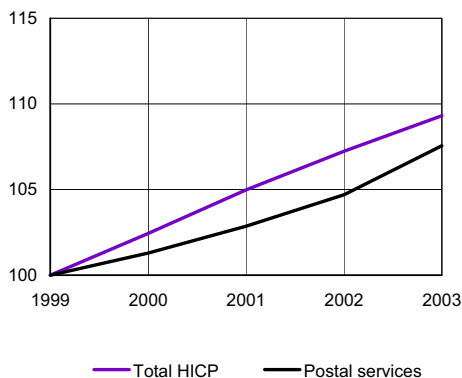
(2) HU, Letter of standard size and less than 30g; BE, DK, EL, IT, HU, PL, PT, SK, FI, SE and UK, priority mail.

(3) BE, CZ, DK, EL, FR, IE, IT, LV, LT, HU, NL, AT, PL, PT, SI, SK, FI and SE, priority mail.

(4) Great Britain.

Source: SOGETI - TRANSICIEL

**Figure 5.92: Postal services**  
Development of harmonized indices of consumer prices in the EU (1999=100)

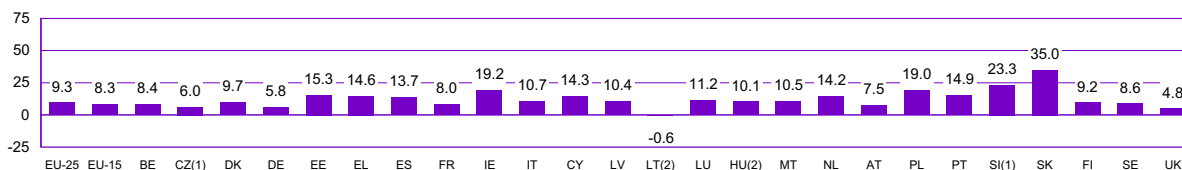


Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

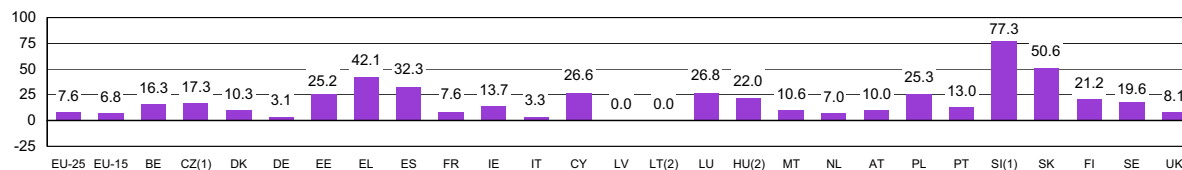
The Eurobarometer survey (58) conducted in the autumn of 2002 on services of general interest reports that 27% of Europeans expressed dissatisfaction with the price level of postal services, with the highest levels of dissatisfaction being recorded in Germany (44%), Sweden (42%), Austria (38%), Italy (31%) and Finland (27%) and the lowest levels in Denmark (15%), the United Kingdom (10%) and Ireland (7%).

The price of postal services rose by 7.6% between 1999 and 2003, a rate below the average increase observed for all-items (9.3%). Nevertheless, in some countries such as Greece (42.1%), Slovenia (77.3%) and Slovakia (50.6%), the price increase was substantial.

**Figure 5.93: Postal services**  
Absolute growth in consumer prices, 1999-2003 (%)



**All-items consumer price index**



**Postal services**

(1) 2000 instead of 1999.

(2) 2001 instead of 1999.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

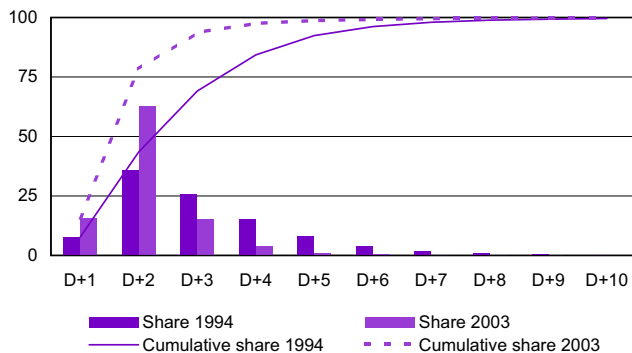
## QUALITY

Practically the entire EU population had their mail delivered directly to their homes in 2003 (see Table 5.94), and there was at least one delivery per day in urban areas (including Saturdays), and almost as many in rural areas.

As regards delivery speed, the current postal directive (97/67/EC) establishes cross-border quality targets that should be met for the benefit of consumers. These targets are 85% delivery within three days and 98% delivery within five days. According to the International Post Corporation, the actual performance of postal operators surpasses these objectives (see Figure 5.95). They state that in 2000, some 93.7% of cross-border priority mail was delivered within three days of posting, up from 69.1% in 1994. The average delivery time in Europe was 2.2 days, an enhancement of half a day since 1998 and almost one full day since 1994.

More generally, 16% of Europeans surveyed in the autumn of 2002 by the Eurobarometer (58) regarding services of general interest said that they were not satisfied with postal services. The Czech Republic was the most critical with regards to their postal services (28% were unsatisfied), followed by Slovakia (25.4%) and Italy (21.6%), whilst Malta, Cyprus and Hungary voiced their dissatisfaction by only 4% (see Table 5.99).

**Figure 5.95: Delivery days of international first class mail in the EU (% share of mail arriving) (1)**



(1) D is the day of posting and + X expresses the number of days required for collection, transportation and distribution to the receiver; the accuracy of the statistics ranges between 1% and 5% within a 95% level of confidence; the method of calculation is based on a five days business week - that excludes Saturdays and Sundays, as well as national and regional public holidays in the destination country; the following countries have Saturday mail deliveries, DK, FR, DE, IT, NL and UK.

Source: UNEX - Unipost External Monitoring System, International Post Corporation, 2004

**Table 5.94: Postal delivery indicators, 2003**

	Percentage of the population having mail delivered at home (1)	Average number of deliveries per day in urban areas (2)	Average number of deliveries per week in rural areas (3)
BE	100.0	1.0	5.0
CZ	99.9	1.3	5.0
DK	100.0	1.0	6.0
DE	100.0	1.0	6.0
EE	96.7	1.5	6.0
EL	100.0	1.0	3.6
ES	99.7	1.0	5.0
FR	100.0	1.0	6.0
IE	100.0	1.0	5.0
IT	99.8	1.0	6.0
CY	97.0	1.0	6.0
LV	97.0	2.0	6.0
LT	99.9	1.4	1.0
LU	100.0	1.0	5.0
HU	100.0	1.0	5.0
MT	100.0	1.0	6.0
NL	100.0	1.0	6.0
AT	99.0	1.0	5.0
PL	:	1.0	5.0
PT	99.9	1.0	5.0
SI	100.0	1.0	5.0
SK	99.0	1.0	5.0
FI	100.0	1.0	5.0
SE	99.0	1.0	5.0
UK	100.0	1.0	6.0

(1) IT, 2002; LV, 2001; SE, 1996.

(2) BE, two deliveries per working day in Brussels, Antwerp, Charleroi, Ghent and Liège; ES, two deliveries per day in Madrid; IT, 2002; SE, 1996.

(3) IT, 2002; SE, 1996.

Source: UPU (Universal Postal Union)

Information received from postal service providers was considered to be clear by 87% of Europeans. Dissatisfaction regarding the level of information was especially high in Italy (20%), Spain (16%) and Sweden (17%). General terms and conditions applicable to postal services were judged to be fair by 59.0% of the Europeans with the highest levels of dissatisfaction again recorded in Italy (26%), followed by Spain (20%) and Austria (18%). As regards the proportion of consumers who had made a complaint during the previous 12-month period, 58% of Europeans were satisfied with how it was dealt. The handling of complaints was dealt with in the most unsatisfactory way in Italy, Austria and Germany. All of the data above are based upon replies from those respondents who actually used postal services, in other words non-users of postal services were filtered from the results.

According to a Flash Eurobarometer survey (150) conducted in October 2003, the service offered by the post company that needed to be improved the most was the service in the post office itself (20%). This requirement was often mentioned in France (36%), in Italy (34%) and in Portugal (33%). The second main answer was the time of delivery (17%), especially in Belgium (29%) and France (27%). Thirteen percent of the respondents were not satisfied by the proximity of post offices: they represented 25% in the Netherlands and 20% in Germany (see Table 5.96).

**T**able 5.96: Public opinion: improvement of services supplied by the post company  
(in % of respondents asked what service should be improved the most)

	Time delivery	Proximity of post offices	Proximity of mailboxes	Accessibility to stamps, envelopes or boxes	Service provided in post offices (for instance queuing time at post office)	Frequency of mail delivery	Arrangements for collecting parcels	Don't know and no answer
<b>EU-15</b>	16.5	13.2	9.6	6.7	19.8	6.0	7.0	21.1
<b>BE</b>	29.2	9.1	6.7	7.7	15.9	6.4	4.5	20.5
<b>DK</b>	12.3	7.1	8.4	6.8	10.1	5.4	15.3	34.5
<b>DE</b>	10.3	19.9	17.7	14.9	13.5	3.4	6.8	13.5
<b>EL</b>	19.9	12.8	10.6	6.7	23.7	8.7	2.9	14.7
<b>ES</b>	17.5	12.5	14.4	2.1	12.7	7.4	6.6	26.8
<b>FR</b>	26.6	11.3	4.3	3.8	36.3	6.0	3.5	8.2
<b>IE</b>	16.2	8.3	10.3	7.5	20.7	11.1	10.3	15.6
<b>IT</b>	16.2	4.1	4.9	1.6	33.7	4.7	2.0	32.7
<b>LU</b>	6.7	5.6	5.2	9.6	22.7	5.9	3.5	40.8
<b>NL</b>	13.3	25.2	7.2	6.4	11.9	4.6	9.7	21.6
<b>AT</b>	17.8	7.6	4.3	4.3	8.7	3.5	5.6	48.2
<b>PT</b>	11.0	12.1	6.0	6.2	33.1	8.5	3.8	19.2
<b>FI</b>	15.2	18.4	7.2	3.7	9.2	3.8	6.0	36.5
<b>SE</b>	5.6	14.7	4.3	10.3	21.7	1.7	9.8	32.0
<b>UK</b>	15.7	11.0	6.5	3.3	7.1	11.5	16.1	28.8

Source: Flash Eurobarometer 150, European Commission, 2003

**Table 5.97: Communication**  
Mean consumption expenditure and structure of household expenditure, 1999

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>MEAN CONSUMPTION EXPENDITURE (PPS PER HOUSEHOLD)</b>																
Communication	594	603	489	577	761	407	591	758	671	914	560	699	604	511	561	623
Postal services	38	34	29	64	5	5	46	26	24	28	29	15	2	18	18	42
Telephone and telefax equipment	24	42	20	36	5	7	9	16	0	199	26	48	23	63	39	41
Telephone and telefax services	532	528	440	477	751	395	537	716	646	688	505	635	579	430	505	539
<b>STRUCTURE OF EXPENDITURE (% of TOTAL HOUSEHOLD EXPENDITURE)</b>																
Communication	2.4	2.2	2.1	2.4	3.3	2.0	2.4	2.5	2.5	2.1	2.2	2.6	3.3	2.8	2.6	2.3
Postal services	0.2	0.1	0.1	0.3	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.2
Telephone and telefax equipment	0.1	0.2	0.1	0.2	0.0	0.0	0.0	0.1	:	0.5	0.1	0.2	0.1	0.3	0.2	0.1
Telephone and telefax services	2.1	1.9	1.9	2.0	3.2	2.0	2.2	2.4	2.4	1.6	2.0	2.4	3.1	2.4	2.3	2.0

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 5.98: Communication**  
Structure of household expenditure, 1999 (%)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>BROKEN DOWN BY INCOME DISTRIBUTION (1)</b>																
Lowest twenty percent	3.1	2.7	3.1	3.5	3.4	1.9	3.1	2.7	3.0	2.9	2.8	3.3	3.4	4.2	3.7	3.0
Second quintile group	2.7	2.2	2.6	2.8	3.5	2.1	2.6	2.6	2.7	2.2	2.5	3.2	3.3	3.2	2.9	2.7
Third quintile group	2.4	2.2	2.0	2.5	3.2	2.0	2.3	2.4	2.5	2.0	2.1	2.8	3.1	3.0	2.5	2.2
Fourth quintile group	2.3	2.0	1.8	2.3	3.2	2.0	2.2	2.5	2.3	2.0	2.0	2.3	3.4	2.6	2.5	2.1
Highest twenty percent	2.1	2.2	1.7	2.0	3.2	2.0	2.2	2.6	2.1	2.0	1.9	2.2	3.3	2.1	2.0	1.9
<b>BROKEN DOWN BY AGE OF REFERENCE PERSON OF HOUSEHOLD</b>																
Less than 30	2.9	2.7	2.6	3.3	4.3	2.3	2.9	2.7	2.3	2.7	2.7	3.6	3.0	3.9	4.0	2.7
Between 30 and 44	2.3	2.2	2.0	2.5	3.2	1.9	2.3	2.5	2.3	2.1	2.2	2.6	3.1	2.7	2.6	2.2
Between 45 and 59	2.3	2.2	2.0	2.3	3.3	1.9	2.4	2.6	2.4	2.1	2.1	2.6	3.5	2.7	2.4	2.2
60 and over	2.3	2.0	2.1	2.3	3.1	2.2	2.3	2.5	2.6	1.8	2.1	2.5	3.2	2.5	2.1	2.1
<b>BROKEN DOWN BY TYPE OF HOUSEHOLD</b>																
1 adult without dependent children	2.9	2.7	2.8	3.3	3.7	2.5	3.0	2.6	3.0	2.3	2.9	3.0	3.8	3.4	3.2	2.5
2 adults without dependent children	2.2	1.8	1.9	2.2	3.3	2.2	2.2	2.6	2.4	1.9	1.9	2.4	3.3	2.6	2.2	2.0
3+ adults without dependent children	2.3	2.2	1.8	2.2	3.3	2.1	2.3	2.6	2.4	2.0	2.1	2.4	3.1	2.8	2.1	2.3
Single parent with dependent child(ren)	3.2	3.0	2.6	3.1	4.3	2.8	3.3	3.3	2.8	2.4	3.0	3.4	4.0	3.4	3.5	3.5
2 adults with dependent child(ren)	2.2	2.2	1.8	2.2	3.0	1.9	2.2	2.5	2.3	2.2	1.9	2.8	3.2	2.5	2.4	2.1
3+ adults with dependent child(ren)	2.4	2.5	1.7	2.1	3.2	1.9	2.6	2.4	2.4	2.3	2.1	2.4	3.1	3.3	3.1	2.3
<b>BROKEN DOWN BY SOCIO-ECONOMIC CATEGORY OF REFERENCE PERSON OF HOUSEHOLD</b>																
Manual workers (2)	2.4	2.3	2.0	2.4	3.1	1.8	2.4	2.5	2.4	2.4	2.3	3.0	2.9	2.9	2.7	2.3
Non-manual workers	1.4	2.1	1.9	:	3.2	2.0	2.4	2.6	:	2.1	2.1	2.5	3.4	2.6	2.4	2.2
Self-employed	2.3	2.8	1.7	2.4	3.4	2.1	2.2	2.7	2.4	2.0	1.8	2.3	3.6	2.9	2.1	2.0
Unemployed	3.1	2.9	2.9	3.2	3.9	2.0	3.5	2.6	2.8	3.9	2.7	3.9	3.5	3.8	4.0	3.1
Retired	1.7	1.9	2.3	:	3.1	2.1	2.2	2.3	2.5	1.9	2.0	2.6	3.2	2.6	2.1	2.0
Other inactive (3)	3.1	2.8	3.6	3.5	3.9	2.4	3.2	2.7	2.9	2.1	2.7	3.4	3.9	4.4	3.2	3.0
<b>BROKEN DOWN BY DEGREE OF URBANISATION</b>																
Dense (>500 inhabitants/km <sup>2</sup> )	:	2.2	2.3	:	:	2.1	2.6	2.6	2.4	2.3	:	2.7	3.4	2.7	2.9	2.3
Intermediate (100-499 inhabitants/km <sup>2</sup> )	:	2.1	1.9	:	:	2.0	2.2	2.5	2.5	2.1	:	2.7	3.0	2.6	2.4	2.2
Sparse (<100 inhabitants/km <sup>2</sup> )	:	3.2	1.8	:	:	1.9	2.1	:	2.5	1.9	:	2.5	3.1	3.1	2.5	2.2

(1) FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

(2) DE, including non-manual workers.

(3) DE, including retired.

Source: Eurostat, Household Budget Survey (theme3/hbs)

### **PUBLIC OPINION OF THE VARIOUS SERVICES OF GENERAL INTEREST**

The 2002 Eurobarometer survey (58) regarding services of general interest concluded that almost 70% of Europeans were generally overall satisfied with this kind of services, including mobile phone, fixed phone, electricity supply, gas supply, water supply, postal, transport within town/cities and rail between town/cities services. More precisely, the level of satisfaction was the highest for postal services (79%) whereas it did not exceed 60% as regards rail services between towns and cities and 62% for transport services within towns and cities. Water and electricity supply services recorded a high level of satisfaction in the EU with both 74% of respondents satisfied, as well as fixed phone services with a rate of 70%. Mobile phone services (69%) and gas supply services (67%) were deemed a little bit less satisfying, but still more satisfying than transport services within or between towns and cities. Considering countries individually, the results are pretty similar and in no country the satisfaction rate is lower than the dissatisfaction rate, even if these two rates are sometimes very close (e.g. in Italy, the Netherlands and Slovakia for rail services between towns and cities) - see Table 5.99.

**T**able 5.99: Overall consumer satisfaction percentage for services of general interest (%) (1)

	EU-25 (2)	EU-15 (3)	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY
<b>Mobile phone services</b>													
Satisfied	69	65	73	72	67	64	73	65	56	55	72	62	77
Unsatisfied	18	23	17	16	22	18	15	19	30	34	17	29	11
<b>Fixed phone services</b>													
Satisfied	70	71	75	62	82	64	63	61	73	53	83	53	82
Unsatisfied	23	22	17	27	13	31	28	31	21	42	10	42	12
<b>Electricity supply services</b>													
Satisfied	74	73	78	66	82	73	70	66	65	77	83	58	67
Unsatisfied	18	19	15	22	11	16	23	29	25	17	9	31	27
<b>Gas supply services</b>													
Satisfied	67	68	72	63	73	59	68	:	66	70	67	58	:
Unsatisfied	13	16	12	23	7	15	13	:	19	14	7	28	:
<b>Water supply services</b>													
Satisfied	74	71	77	65	81	69	67	74	69	69	78	59	83
Unsatisfied	16	18	14	22	9	18	23	21	19	22	5	29	9
<b>Postal services</b>													
Satisfied	79	74	81	62	89	69	78	79	67	79	89	65	76
Unsatisfied	13	16	12	28	7	20	12	11	17	15	4	24	4
<b>Transport services within towns/cities</b>													
Satisfied	62	59	68	57	66	56	62	67	61	57	68	50	49
Unsatisfied	20	23	16	26	13	25	23	19	21	21	15	33	13
<b>Rail services between towns/cities</b>													
Satisfied	60	52	64	57	65	50	62	63	58	50	62	42	49
Unsatisfied	21	25	18	26	12	29	23	13	20	23	17	35	13

	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Mobile phone services</b>														
Satisfied	68	67	78	75	79	64	71	45	71	75	74	76	74	78
Unsatisfied	17	19	14	14	13	23	17	15	18	15	15	16	19	15
<b>Fixed phone services</b>														
Satisfied	59	49	82	66	83	74	73	60	64	76	62	73	81	85
Unsatisfied	29	34	14	23	14	16	17	25	26	19	28	21	15	11
<b>Electricity supply services</b>														
Satisfied	83	70	84	74	78	74	77	76	71	84	67	77	66	87
Unsatisfied	12	19	9	17	18	11	15	19	23	13	26	16	24	8
<b>Gas supply services</b>														
Satisfied	78	69	79	70	87	74	59	76	71	77	64	24	27	86
Unsatisfied	14	15	6	18	5	10	14	15	19	9	25	6	8	8
<b>Water supply services</b>														
Satisfied	70	61	86	75	79	77	77	78	73	84	66	76	74	83
Unsatisfied	21	27	6	16	17	7	11	16	20	13	25	9	6	10
<b>Postal services</b>														
Satisfied	81	70	88	77	91	79	70	83	81	88	85	82	69	85
Unsatisfied	10	16	8	11	4	9	21	12	11	9	27	13	22	8
<b>Transport services within towns/cities</b>														
Satisfied	73	57	78	59	65	51	59	67	62	69	48	62	70	65
Unsatisfied	15	23	10	20	21	25	22	17	21	21	36	16	15	18
<b>Rail services between towns/cities</b>														
Satisfied	73	57	74	59	65	44	57	67	58	89	48	58	63	58
Unsatisfied	15	23	11	20	21	32	23	17	17	21	36	14	18	20

(1) The population has been filtered to exclude those respondents who had spontaneously answered that they did not have access to the service in question; figures do not add up to 100% because of the "Do not know", "Not applicable" or "No answer" categories.

(2) Excluding EL and CY for gas supply services.

(3) Excluding EL for gas supply services.

Source: Eurobarometer 58 (Consumers and general interest services) and 2003.3 (Consumers' opinions on services of general interest), European Commission 2002-2003.



## 6. Culture, leisure and tourism

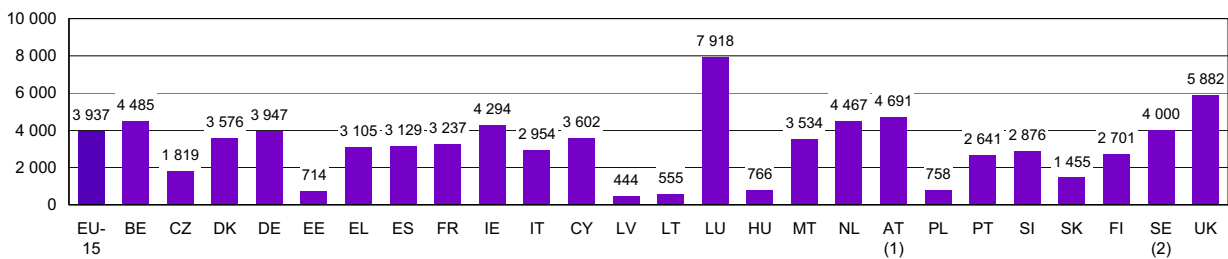




## 6 CULTURE, LEISURE AND TOURISM

Lifestyle changes such as a reduction in working time and the relative ageing of the population means that a growing share of Europe's population has more time to participate in leisure and entertainment activities. Reading books, watching television, eating out, going on holiday, as well as practising a sport are all examples of activities that take an increasing share of leisure time.

**Figure 6.1: Recreation and culture; restaurants and hotels**  
Mean consumption expenditure, 1999 (PPP per household)

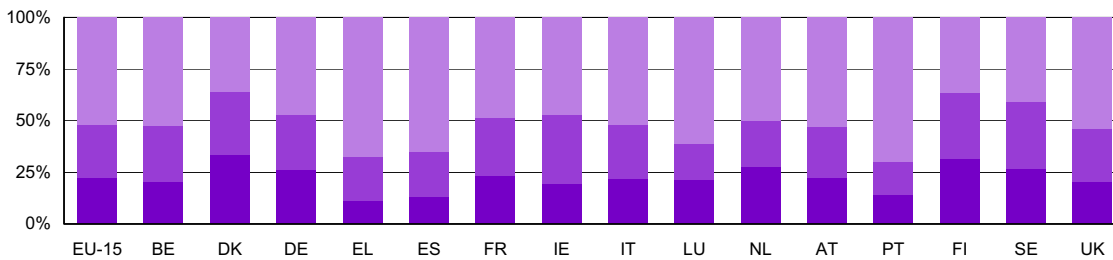


(1) Including holiday travel.

(2) Excluding take-away food and beverages.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 6.2: Recreation and culture; restaurants and hotels**  
Breakdown of consumption expenditure, 1999 (%)



■ Package holidays, restaurants and hotels (1)

■ Recreational and cultural services; newspapers, books and stationery

■ Audio-visual, photographic & information processing equipment; other major durables for recreation & culture; other recreational items & equipment, gardens & pets

(1) AT, including holiday travel; SE, excluding take-away food and beverages.

Source: Eurostat, Household Budget Survey (theme3/hbs)

## 6.1 NEWSPAPERS AND BOOKS

Newspapers, magazines and books provide information and entertainment to European households. In most cases, consumption remains essentially national (or regional for a large number of newspapers), as the 20 different (official) languages of the EU pose a sometimes considerable barrier to market expansion.

### CONSUMPTION

#### Newspapers

When buying their daily newspaper, European consumers could choose between some 1 328 titles in 2003. In most Member States, more than half of all adults read at least one newspaper each day (see Table 6.3), a share that was generally higher amongst men than women. It should be noted that whilst the majority of daily newspapers are targeted at a regional audience, national dailies generally record the highest circulation figures (see Table 6.4).

**T**able 6.3: Daily newspapers - main indicators, 2003 (1)

	Number of titles (units)		Circulation (thousands)		Readership (% share of adults)			Web sites (units) (2)
	Total	National	Total	National titles	All adults	Men	Women	
BE	28	12	1	1	50.7	55.4	46.3	17
CZ	65	7	2	1	49.5	26.3	23.3	8
DK	30	9	1	783	79.7	82.8	76.8	32
DE	372	10	23	2	76.2	77.7	74.8	264
EE	11	6	251	199	66.6	66.6	66.6	10
EL	42	39	622	:	54.6	63.5	46.0	15
ES	135	:	4	:	39.7	50.0	30.0	100+
FR	84	23	8	2	45.3	49.3	41.5	41
IE	7	:	772	:	90.8	91.5	90.0	3
IT	91	21	6	4	39.3	50.0	29.4	91
CY (3)	8	:	46	:	:	:	:	2
LV	23	15	358	302	51.0	52.9	49.4	14
LT	:	:	:	:	51.6	50.9	52.2	:
LU	6	:	115	:	65.0	67.4	62.7	3
HU	34	9	2	750	52.6	56.1	49.5	:
MT (3)	4	4	:	:	:	:	:	:
NL	32	11	4	2	71.4	71.7	71.1	32
AT	15	8	2	2	75.2	77.6	72.9	14
PL	47	12	4	2	31.8	35.1	27.9	45
PT	29	11	571	523	38.7	59.2	27.4	12
SI (4)	6	5	344	:	45.1	49.6	40.7	3
SK	15	11	506	461	58.0	68.0	52.0	:
FI	53	8	2	924	87.0	:	:	49
SE	90	4	4	912	88.0	87.0	88.0	71
UK	101	10	18	12	32.8	34.9	30.7	100

(1) Daily newspapers defined as those published at least four times a week (UNESCO definition); without free dailies.

(2) EL and PT, 2002.

(3) 2000.

(4) 2002.

Source: World Press Trends, WAN, 2004

In recent years a large number of newspapers have embraced the Internet as a new way of reaching their readership, often giving free access. In 1999, around two-thirds of the EU's dailies had an on-line edition. A Flash Eurobarometer survey (135) on measuring the use of Internet by the public at large (autumn 2002) revealed that 73% of EU-15 Internet users looked on-line for news or topical items (see pages 199 and 200). For some people, the use of the Internet has resulted in spending less time reading (paper) newspapers than they used to.

Concerning magazines, more than 60% of Europeans read a magazine at least once a month. More than a third of the citizens of the European Union (34.8%) read magazines once a week or more often. This is especially the case in Finland and Luxembourg where 61.5% and 51.7% respectively of the population affirmed this. On the other hand, about 20% of Europeans do not read magazines. It is in Greece (46.3%) and in Portugal (36.7%) where there is a higher proportion of people who do not read magazines.

**T**able 6.4: Most popular newspapers by circulation, 2003

BE	EL	CY	MT	SI
Het Laatste Nieuws/De Nieuwe Gazet	Ta Nea	Phileletheros	L-Orizzont	Slovenske novice
Het Nieuwsblad/De Centenaar	Eleftherotypia	Simerini	The Times	Delo
La Meuse/La Capitale/La Nouvelle Gazette/La Province	Ethnos	Alithia	The Malta Independent	Dnevnik
Gazet Van Antwerpen	To Vima	Charavgi	In-Nazzjon	Vecer
Le Soir	Kathimerini	Politis	:	Ekipa
CZ	ES	LV	NL	SK
Blesk	El Pais	Lauku Avize	De Telegraaf	Novy cas
MF Dnes	Marca	Diena	de Volkskrant	Sme
Pravo	El Mundo del Siglo XXI	Vesti Segodna	Algemeen Dagblad	Pravda
Deniky Moravia Total	ABC	Neatkariga Rita Avize	NRC Handelsblad	Sport
Lidove noviny	La Vanguardia	Chas	De Gelderlander	Korzar (5)
DK	FR	LT	AT	FI
Jyllands-Posten	Ouest France	Vakaro zinios	Kronen Zeitung	Helsingin Sanomat
Berlingske Tidende	Le Monde	Lietuvos rytas	Kleine Zeitung	Ilta-Sanomat
Politiken	Le Parisien	Respublika	Kurier	Aamulehti
Ekstra Bladet	Le Figaro	Kauno diena	U-Express	Iltalehti
B.T.	L'Equipe	Respublika	OO Nachrichten	Turun Sanomat
DE	IE	LU	PL	SE
Bild	Irish Independent	Luxemburger Wort	Fakt	Aftonbladet
WAZ Mediengruppe (1)	The Irish Times	Tageblatt	Gazeta Wyborcza	Dagens Nyheter
Zeitungsgruppe Köln Gesamt (2)	Irish Daily Sun	Letzeburger Journal	Super Express	Expressen inklusive GT och Kvallopssten
Sueddeutsche Zeitung	The Irish Daily Star	La Voix du Luxembourg	Rzeczpospolita	Goteborgs-Posten
Zeitungsgruppe Thüringen (3)	Irish Daily Mirror	Le Quotidien	Dziennik Sportowy	Svenska Dagbladet
EE	IT	HU	PT	UK
SL Ohtuleht	Corriere della Sera	Metro (4)	Correio da Manha	The Sun
Postimees	Repubblica	Blikk	Jornal de Noticias	The Daily Mail
Eesti Paevaleht	La Gazzetta dello Sport	Nepszabadsag	Record	Daily Mirror
Aripaev	Il Sole 24 Ore	Nemzeti Sport	Publico	Daily Express
Parnu Postimees	La Stampa	Kisalfold	Diario de Noticias	The Daily Telegraph

(1) Westdeutsche Allgemeine Zeitung, Neue Ruhr Zeitung/Neue Rhein Zeitung, Westfalenpost, Westfälische Rundschau.

(2) Kölner Stadtanzeiger/Kölner Rundschau.

(3) Thüringer Allgemeine, Thüringische Landeszeitung, Ostthüringer Zeitung.

(4) Free newspaper.

(5) A chain of six regional dailies.

Source: World Press Trends, WAN, 2004

## Books

Reading has long been amongst the most popular entertainment activities, in addition to providing educational and reference material. However, the emergence of new media in the course of the last century has reduced the time many people spend reading books.

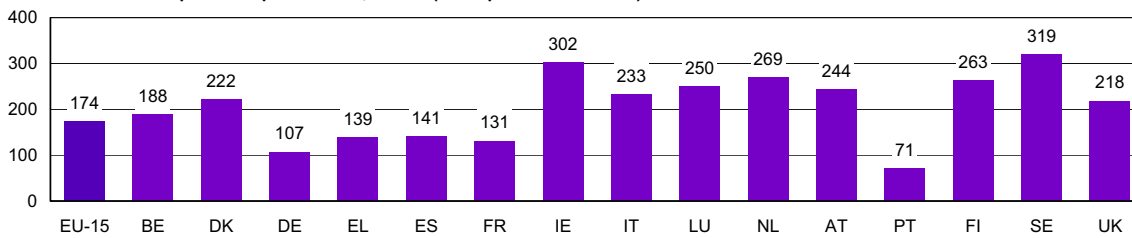
In the Eurobarometer survey (56.0) on leisure activities carried out in the summer of 2001, to the question "Have you read any books in the last 12 months?", a majority of Europeans answered positively. Most of them (44.8%) read books for reasons other than work or study. A smaller percentage of respondents (14.5%) read for educational purposes (non compulsory texts). Nevertheless, 42.1% of them stated they had not read any book in the past 12 months. The country-by-country analysis shows that in most northern European countries, there is a higher tendency to read than in other regions, mostly for leisure: 71.8% of people in Sweden, 66.2% in Finland and 63.2% in the United Kingdom declared reading for other reasons than for work or study. Belgium is the only country that stands out from the others as 58.3% of its citizens stated not to have read any books in the last 12 months. Belgium follows Portugal where this proportion reached 67.3% and it precedes Greece (54.3%) and Spain (52.7%). Among those having declared to have read books during the last 12 months for other reasons than work or school, one third had read one to three books and one fifth had read more than one book a month.

## CONSUMPTION EXPENDITURE

In most Member States, European households spent between 313 PPS (Spain) and 497 PPS (the Netherlands) on newspapers, books and stationery in 1999. Portugal (184 PPS) at one end and Ireland (533 PPS) and Luxembourg (572 PPS) at the other were the only countries outside of this range. In relative terms, households generally spent around 1.6% of their total expenditure on newspapers, books and stationery, although this share rose to above 2.0% in Finland (2.1%) and Sweden (2.3%).

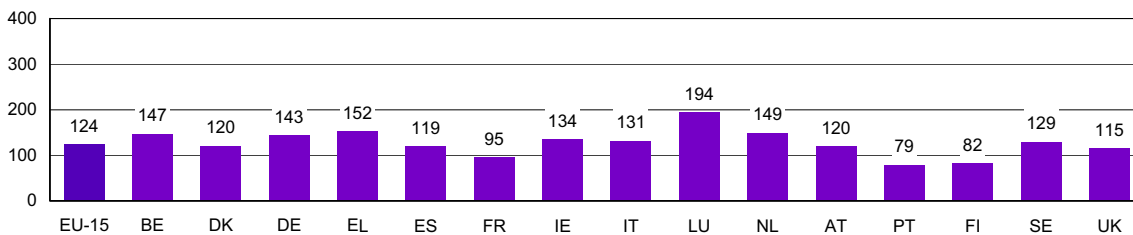
In all countries except Denmark, Greece and Portugal, households spent more on newspapers and periodicals than on books (see Figures 6.5 and 6.6). Only a marginal share of expenditure was dedicated to other printed matters or stationery and drawing materials.

**Figure 6.5: Newspapers and periodicals**  
Mean consumption expenditure, 1999 (PPP per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 6.6: Books**  
Mean consumption expenditure, 1999 (PPP per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 6.7: Newspapers, books and stationery**  
Development of harmonized indices of consumer prices in the EU (1999=100)

	1999	2000	2001	2002	2003
<b>Total HICP</b>	100	102	105	107	109
<b>Newspapers, books &amp; stationery</b>	100	102	106	109	112
<b>Books</b>	100	102	105	107	110
<b>Newspapers and periodicals</b>	100	102	107	111	115
<b>Stationery &amp; drawing materials</b>	100	102	104	107	108

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## PRICES

Households in the Nordic countries generally faced the highest relative prices for printed material and stationery in 2002 (see Table 1.38 on pages 34 and 35). Denmark was the most expensive country for books, newspapers and magazines with a price level index 72% above the EU average, whilst Slovakia displayed the lowest price level, 59% below the EU average. As regards books, it is important to bear in mind that a certain degree of price regulation is applied in some countries, notably France and Germany, whereby a single price for any given title (fixed by the publisher or the importer) has to be applied throughout the retail network, with limited room for discount practices.

## 6.2 AUDIO-VISUALS AND PERSONAL COMPUTERS

This section addresses a very dynamic area, which is regarded as part of the emergence of the so-called "information society". The items covered in this section include all main home audio-visual devices (for example, television sets, video recorders and hi-fi systems), as well as personal computers and their accessories.

### OWNERSHIP: EQUIPMENT RATES

#### Television sets

Virtually every European household is equipped with at least one television set. According to the latest available figures, there were 150 million television households in 2001 in the EU, 97% of the total. Furthermore, some 45% of these were equipped in 2003 with a second television set and some 70% had access to teletext (see Tables 6.8 and 6.9). Data from the European Community Household Panel for 1998 shows that the penetration of colour television sets was generally lower amongst one-person households than households that were inhabited by couples. Low-income households or households headed by an unemployed person were also more likely than the average not to have a colour television.

**Table 6.9: Household penetration of television sets and video recorders, 2001**

	Televisions		Video recorders (1)	
	Number of households (millions)	(% of households)	Number of households (millions)	(% of households)
<b>EU-15</b>	<b>150.33</b>	<b>97</b>	<b>113.84</b>	<b>73</b>
BE	4.13	96	3.20	74
CZ	3.94	100	2.46	62
DK	2.38	98	2.06	86
DE	37.69	100	26.38	70
EE	0.52	100	0.18	35
EL	3.97	99	1.47	38
ES	13.05	97	9.30	69
FR	22.90	94	18.70	77
IE	1.24	98	0.94	74
IT	21.02	96	14.57	68
CY	0.22	99	:	:
LV	0.93	97	:	:
LT	1.44	97	0.28	19
LU	0.16	98	0.12	74
HU	3.62	97	1.45	39
MT	:	:	:	:
NL	6.80	99	5.30	77
AT	3.23	98	2.72	83
PL	12.08	97	8.80	71
PT	3.04	99	1.91	62
SI	0.68	99	0.33	48
SK	1.57	99	:	:
FI	2.28	96	1.71	72
SE	4.05	98	3.50	85
UK	24.40	97	20.60	80

(1) EU-15, Eurostat estimate; EL, 1999; UK, 2000.

Source: Cinema, TV and radio in the EU, European Commission, 2003

**Table 6.8: Penetration characteristics of television households, 2003**  
(% share of television households)

	Colour television (1)	Multi-set	Teletext
BE	99.0	30.3	72.0
CZ	98.9	26.9	67.6
DK	100.0	50.0	96.0
DE	94.4	:	89.0
EE	99.1	27.8	54.0
EL	97.6	54.8	27.0
ES	100.0	66.3	52.5
FR	99.0	43.0	:
IE	99.0	50.0	75.0
IT	99.8	55.3	78.6
CY	:	:	:
LV	97.2	25.9	26.5
LT	92.5	36.3	23.6
LU	100.0	:	:
HU	96.8	33.0	62.0
MT	:	:	:
NL	98.5	46.5	91.1
AT	98.6	46.0	84.0
PL	98.2	33.9	72.4
PT	93.8	71.1	:
SI	98.5	37.1	72.0
SK	99.5	42.4	72.6
FI	95.0	47.0	86.0
SE	100.0	46.0	92.0
UK	99.7	63.2	86.8

(1) PT, 2002; FI, 2001.

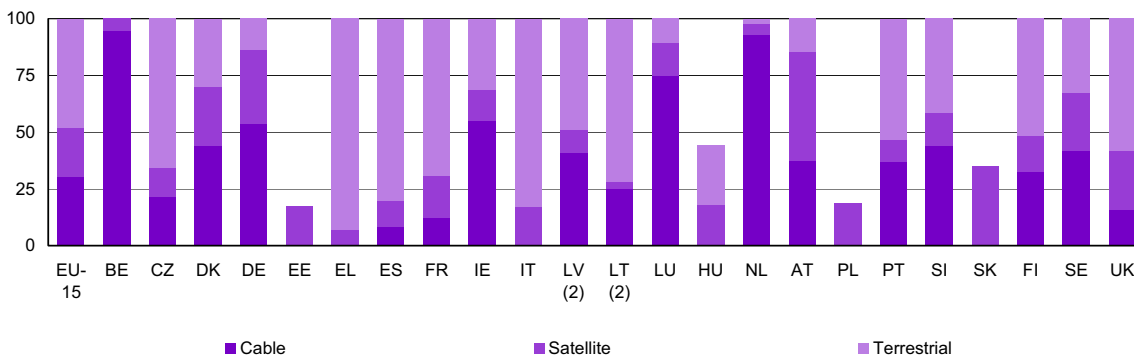
Source: International Key Facts Television, IP/CMI, 2004

A Eurobarometer survey (56.0) carried out in summer 2001 and dealing with leisure activities in the EU-15 points out that almost all Europeans (97.6%) watch television. More precisely, the four types of programmes that Europeans mostly watch are news and current affairs (88.9%), films (84.3%), documentaries (61.6%) and sport (50.3%). Moreover, more than two thirds of Europeans watch video cassettes or DVDs, one fifth (20%) one to three times a month, another fifth (22.9%) less often than that.

**Terrestrial, cable or satellite?**

The reception of television services has traditionally been achieved through terrestrial Hertzian signals, but cable and satellite have emerged as important alternatives. They often provide better quality reception and a wider choice of programmes, with sometimes additional services such as for example telephony services or high-speed Internet access. In the EU, 30.2% of television households were subscribing to cable networks in 1997, whilst 20.8% had satellite dishes. In some countries cable has become prevalent, notably in the Benelux where it was the preferred means of receiving television programmes for approximately nine out of 10 households in 2001. Cable also accounted for a majority of television households in Germany (53.9%) and Ireland (55.1%). Satellite reception was most popular in Slovakia (35%) and Austria (48.3%). With marginal cable and satellite penetration rates, countries such as Greece, Italy and Spain relied most on Hertzian transmission (see Figure 6.10).

**F** Figure 6.10: Means of receiving television services, 2001 (1)

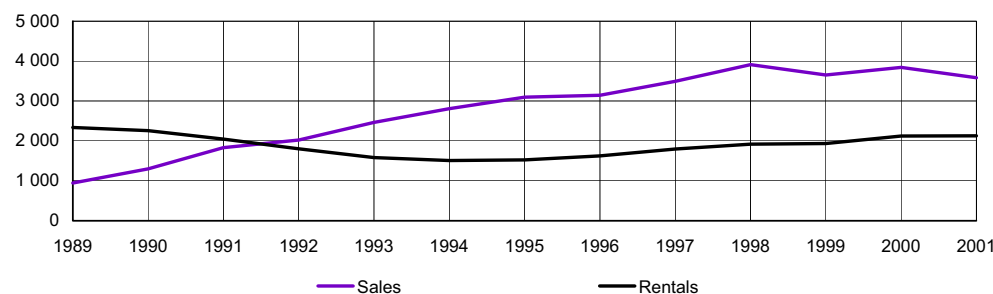


(1) CY and MT, not available; estimation method: terrestrial = 100% less share of satellite and cable households, if terrestrial share < 0 in the calculation above then it is set to 0 and cable households = 100% less share of satellite households.

(2) 1998.

Source: Cinema, TV and radio in the EU, European Commission, 2003

**F** Figure 6.11: Evolution of sales and rentals of pre-recorded videos in the EU-15 (million €)



Source: Cinema, TV and radio in the EU, European Commission, 2003

### Video cassette recorders

Over the last twenty years, the video cassette recorder (VCR) has become an increasingly popular complement to the television set. In 2001, 73% of EU households were equipped with a VCR, ranging between 19% in Lithuania and 85% in Sweden. According to the European Community Household Panel in 1998, the penetration of VCRs into homes was particularly dependent on the age of the head of household, as the lowest rates were found amongst adults aged over 65, either single (24.3%) or in a couple (51.5%). Equipment rates generally increased with revenue, from 49.9% amongst low-income households up to 78.8% for high-income households.

Receipts from sales and rentals of pre-recorded videos reached EUR 5.7 billion in 2001, or more than EUR 50.07 per VCR household. An important evolution within this market has been a clear shift from rentals to sales (see Figure 6.11). In 1989, more than two-thirds of spending on pre-recorded videos was dedicated to rentals, whilst by 2001 the proportion had been reversed in favour of video sales. This evolution is reflected in the size of the retail network: there was a 40% decline in the number of rental outlets in the EU during the 1990s, from around 40 000 in 1990 to some 24 000 in 2001 (see Table 6.12). Denmark and Sweden disposed of the densest retail network for pre-recorded videos in 2001, with 29.2 video shops and 41.8 resellers per 100 000 inhabitants for Denmark and 56.3 video shops and 8.9 resellers for Sweden. The Nordic countries displayed higher than average network density.

**Table 6.12: Number of outlets selling and renting pre-recorded videos, 2001 (units)**

	Sales		Rentals	
	(units)	(units per 100 000 inhabitants)	(units)	(units per 100 000 inhabitants)
<b>EU-15 (1)</b>	41 676	11.0	24 423	6.5
<b>BE</b>	1 750	17.1	700	6.8
<b>CZ</b>	:	:	:	:
<b>DK</b>	1 564	29.2	2 236	41.8
<b>DE</b>	10 000	12.2	4 564	5.5
<b>EE</b>	:	:	:	:
<b>EL</b>	:	:	:	:
<b>ES</b>	3 400	8.5	:	:
<b>FR</b>	5 200	8.8	1 200	2.0
<b>IE</b>	:	:	:	:
<b>IT</b>	3 000	5.2	2 000	3.5
<b>CY</b>	:	:	:	:
<b>LV</b>	:	:	:	:
<b>LT</b>	:	:	:	:
<b>LU</b>	:	:	:	:
<b>HU</b>	2 100	20.9	1 300	12.9
<b>MT</b>	:	:	:	:
<b>NL</b>	2 500	15.6	1 150	7.2
<b>AT</b>	:	:	:	:
<b>PL</b>	850	2.2	1 700	4.4
<b>PT</b>	275	2.7	583	5.7
<b>SI</b>	:	:	:	:
<b>SK</b>	:	:	:	:
<b>FI</b>	1 500	29.0	1 000	19.3
<b>SE</b>	5 000	56.3	795	8.9
<b>UK</b>	5 000	8.4	3 700	6.2

(1) Eurostat estimate based on extrapolation of Screen Digest/IVF data where Eurostat data are not available.

Source: Eurostat AUVIS domain and Screen Digest/IVF in Cinema, TV and radio in the EU, European Commission, 2003



### The emergence of DVD

DVD, or digital versatile disc, is a video format based on the compact disc with much larger storage capacity than a conventional video-tape. Since its formal launch in Europe in 1998, it has rapidly gained momentum and is now replacing the VCR. In 2001, 9% of households equipped with at least one television set also owned a DVD player<sup>1</sup>. The average price of the discs themselves was EUR 24, from EUR 17 in Poland up to EUR 29 in France (see Table 6.13).

(1) Cinema, TV and radio in the EU, European Commission, 2003.

**T**able 6.13: Key data for the DVD market, 2001

	DVD player households (1)	Number of DVDs sold (thousands)	Average price of a DVD (€)
<b>EU-15 (2)</b>	12 884	118 020	24
BE	425	4 980	23
CZ	170	310	24
DK	260	1 770	20
DE	3 153	18 900	22
EE	:	:	:
EL	160	100	26
ES	850	6 300	21
FR	2 888	26 400	29
IE	90	650	21
IT	605	5 600	21
CY	:	:	:
LV	:	9	:
LT	64	:	:
LU	:	:	:
HU	98	360	24
MT	:	:	:
NL	672	4 880	24
AT	250	1 350	22
PL	200	1 260	17
PT	100	1 797	22
SI	:	:	:
SK	:	:	:
FI	95	1 200	20
SE	317	2 793	19

(1) Number of private households equipped with at least one DVD player.

(2) Excluding LU.

Source: Cinema, TV and radio in the EU, European Commission, 2003

## Radios

In 2001, more than nine out of 10 households had at least one radio receiver in the EU, as a portable transistor radio or a walkman, or integrated as part of an alarm clock, hi-fi system or car audio system (see Table 6.14).

**Table 6.14: Household penetration of radio equipment, 2001**  
(% share of households)

	Total	Alarm clocks	Transistors/ cassette players	Hi-fi tuners	Car sets	Walkmans
BE (1)	97.1	73.6	73.3	81.6	67.0	15.9
CZ	94.4	:	:	40.3	48.1	32.3
DK	98.3	53.1	28.6	70.9	70.4	22.0
DE	98.4	52.4	44.6	73.7	78.6	10.2
EE	:	:	:	:	:	:
EL	:	:	:	:	:	:
ES	96.3	36.3	60.9	61.7	65.4	32.2
FR	98.8	81.1	89.9	79.3	80.9	27.7
IE	96.0	77.0	67.0	:	82.0	51.0
IT	:	:	:	:	:	:
CY	:	:	:	:	:	:
LV	:	:	:	:	:	:
LT	:	:	:	:	:	:
LU	:	:	:	:	:	:
HU	93.9	:	72.0	38.3	36.9	33.1
MT	:	:	:	:	:	:
NL	94.3	:	74.1	:	78.0	:
AT	:	:	:	:	:	:
PL	:	:	:	:	:	:
PT	:	:	:	:	:	:
SI	:	:	:	:	:	:
SK	83.2	:	81.9	82.4	82.4	82.2
FI	92.0	:	66.0	63.0	:	45.0
SE	:	:	:	:	:	:
UK	:	:	17.1	:	31.7	18.2

(1) Average of data available separately for the French & Dutch speaking regions.  
Source: International Key Facts Radio, IP/CMI, 2002

## Personal computers

There were 117 million PCs in use in the EU-15 in 2001, which was equivalent to 31 per 100 inhabitants. The average number of PCs per 100 inhabitants rose to over 50 in Denmark (57.7, 2002), Luxembourg (51.7, 2001), and Sweden (56.1, 2001), while the Czech Republic, Greece, Lithuania, Hungary, Poland and Portugal reported an average of less than 15 PCs per 100 inhabitants (see Table 6.15).

**Table 6.15: Penetration of personal computers, 2002 (1)**

	Total number of PCs (millions)	PCs per 100 inhabitants (units)
EU-15	117.0	31.0
BE	2.5	24.2
CZ	1.5	14.7
DK	3.1	57.7
DE	35.9	43.5
EE	0.3	21.0
EL	0.9	8.1
ES	6.8	16.8
FR	20.7	34.7
IE	1.5	39.1
IT	11.3	19.5
CY	0.2	24.7
LV	0.4	17.2
LT	0.3	7.1
LU	0.2	51.7
HU	1.1	10.8
MT	0.1	23.0
NL	6.9	42.8
AT	2.7	33.5
PL	3.3	8.5
PT	1.2	11.7
SI	0.6	30.1
SK	1.0	18.0
FI	2.3	44.2
SE	5.0	56.1
UK	22.0	36.6

(1) EU-15, CZ, EL, ES, IE, IT, CY, LT, LU, MT, NL, AT, PL, PT, SE and UK, 2001.

Source: ITU estimates in Statistics on the information society in Europe, European Commission, 2003

**Table 6.16: Average daily television viewing time per individual (minutes)**

	Target group	2001	2002	2003
BE (1)	15+	193	193	190
CZ	15+	202	225	214
DK	12+	162	166	167
DE	14+	205	215	217
EE (2)	18+	253	266	239
EL	15+	229	234	243
ES	16+	217	220	222
FR	15+	209	212	213
IE	15+	184	189	184
IT	15+	241	245	245
CY	:	:	:	:
LV	18+	184	204	207
LT	15+	197	201	210
LU	12+	143	142	142
HU	18+	262	268	274
MT	:	:	:	:
NL	13+	169	178	185
AT	12+	152	162	161
PL	16+	246	246	250
PT	15+	195	187	211
SI	15+	175	182	178
SK (2)	12-79	222	220	235
FI	10+	167	172	173
SE	15+	159	159	162
UK	16+	231	228	239

(1) Average of data available separately for the French and Dutch speaking regions.

(2) 2001 and 2002 data are not comparable with 2003 data due to changes either in measurement system, in panel, in definition of age group or other definitions.

Source: International Key Facts Television, IP/CMI, 2004

## CONSUMPTION

### Time spent watching television

With an average of almost three hours and a half per person per day within the EU (see Table 6.16), watching television is one of the most popular leisure activities. Viewing time varied from two hours and 22 minutes per day in Luxembourg up to four hours and 34 minutes in the Hungary.

Figures show that people in southern Europe (especially Italy, Greece and Spain) spent on average one hour more per day in front of the television than in Scandinavia. Whilst the usual viewing pattern shows a single peak for prime time between 18.00 and 22.00, southern European countries - as well as France and Belgium - tend to have a second peak around lunchtime.

**Table 6.17: Audience share of public television channels, 2003 (1)**

	Channels	Target group	Audience share (%)
BE (NL)	TV 1, Ketnet/Canvas	15+	38.0
BE (FR)	La Une, La Deux	15+	20.1
CZ	CT 1+2	15+	29.6
DK	DR 1+2, TV 2	12+	69.2
DE	ARD, ZDF, Kinderkanal, ARD III (2)	14+	42.7
EE	ETV	18+	18.0
EL	ET 1, NET, ET 3	15+	14.3
ES	TVE 1, LA 2, Regional Channels	16+	49.2
FR	France 2+3, La Cinquieme	15+	41.5
IE	RTÉ 1, Network 2, TG 4	15+	41.0
IT	RAI 1+2+3	15+	45.7
CY	:	:	:
LV	LTV 1, LTV 7 (3)	18+	19.9
LT	LRT	15+	12.5
LU	RTL Télé Lëtzebuerg (4)	12+	14.4
HU	MTV, M2, Duna TV	18+	21.0
MT	:	:	:
NL	Nederland 1+2+3	13+	35.3
AT	ORF 1+2	12+	51.7
PL	TVP 1+2, TV Polonia	16+	48.5
PT	RTP 1+2	15+	30.0
SI	SLO 1+2	15+	35.2
SK	STV 1+2	12-79	19.7
FI	YLE 1+2	10+	43.4
SE	SVT 1+2	15+	40.5
UK	BBC 1+2, Channel 4	16+	47.4

(1) Average audience for the whole day, except BE (FR) (17.00-23.00), LU (7.00-1.00) and SK (5.00-2.30); BE (NL) - Belgium, Dutch speaking; BE (FR) - Belgium, French speaking.

(2) Without 3SAT and Arte.

(3) Former name LTV 2.

(4) Télé Lëtzebuerg: private channel with public service function.

Source: International Key Facts Television, IP/CMI, 2004

**Table 6.18: Audience share of leading television channels, 2003 (1)**

	Channel	Adults		Young adults			Children (2)		
		Target group	Audience share (%)	Channel	Target group	Audience share (%)	Channel	Target group	Audience share (%)
<b>BE (NL)</b>	TV 1	15+	29.2	TV 1	15-34	22.5	Ketnet/Canvas	4-14	38.8
<b>BE (FR)</b>	RTL TVI	15+	23.2	RTL TVI	15-34	22.4	Club RTL	4-14	20.4
<b>CZ</b>	Nova	15+	43.4	Nova	15-54	44.0	Nova	4-14	43.6
<b>DK</b>	TV 2	12+	36.2	TV 2	12-30	32.2	DR 1	3-11	43.1
<b>DE</b>	RTL	14+	15.0	RTL	14-49	18.2	Super RTL	3-13	23.1
<b>EE</b>	TV 3	18+	22.1	TV 3	18-30	21.5	TV 3	4-17	34.7
<b>EL</b>	Antenna	15+	22.5	Antenna	15-45	21.4	Antenna	4-14	22.3
<b>ES</b>	TVE 1	16+	24.0	Tele 5	13-24	24.3	Antena 3	4-12	21.7
<b>FR</b>	TF 1	15+	30.6	TF 1	15-34	33.7	TF 1	4-10	34.6
<b>IE</b>	RTÉ 1	15+	27.4	RTÉ 1	15-34	20.0	Network 2	4-14	21.6
<b>IT</b>	RAI 1	15+	24.2	Canale 5	15-34	28.0	Italia 1	4-14	28.7
<b>CY</b>	:	:	:	:	:	:	:	:	:
<b>LV</b>	LNT	18+	22.2	LNT	18-30	22.1	LNT	4-14	33.5
<b>LT</b>	LNK	15+	27.0	LNK	15-34	31.4	LNK	4-14	35.8
<b>LU</b>	RTL Télé Lëtzebuerg	12+	14.4	PRO 7	12-24	15.0	:	:	:
<b>HU</b>	RTL Klub	18+	29.5	RTL Klub	18-49	33.1	TV 2	4-14	32.0
<b>MT</b>	:	:	:	:	:	:	:	:	:
<b>NL</b>	RTL 4	13+	16.8	RTL 4	20-34	17.2	Fox Kids	6-12	19.1
<b>AT</b>	ORF 2	12+	29.8	ORF 1	12-29	27.3	ORF 1	3-11	26.3
<b>PL</b>	TVP 1	16+	25.8	TVP 1	16-49	22.8	TVP 1	4-15	23.2
<b>PT</b>	SIC	15+	29.3	SIC	15-24	36.2	SIC	4-14	38.3
<b>SI</b>	Pop TV	15+	29.0	Pop TV	15-24	27.4	Pop TV	4-14	30.8
<b>SK</b>	Markiza	12-79	45.9	Markiza	12-19	51.5	:	:	:
<b>FI</b>	MTV 3	10+	38.1	MTV 3	15-34	43.5	MTV 3	4-14	42.9
<b>SE</b>	TV 4	15+	25.6	TV 4	15-34	22.7	SVT 1	3-14	30.9
<b>UK</b>	BBC 1	16+	26.3	BBC 1	16-34	21.3	BBC 1	4-15	19.9

(1) Average audience for the whole day, except BE (FR) (17-23h), LU (7-1h) and SK (5-2:30h); BE (NL) - Belgium, Dutch speaking; BE (FR) - Belgium, French speaking.

(2) BE (NL), average audience for the timeslot 16-20h; BE (FR), average audience for the timeslot 16-20:30h.

Source: International Key Facts Television, IP/CMI, 2004

### Time spent listening to the radio

The average time spent by Europeans listening to the radio in 2001 was comparable to the time they spent watching television, ranging from two hours and 43 minutes per day in Sweden to five hours and 25 minutes in Poland (see Table 6.19). Radio listening patterns generally show a peak in the morning between 7.00 and 9.00, although a second period can be observed in the late afternoon in some countries. Contrary to television, radio is considered more as an accompanying media, in the sense that listening to it goes along with everyday activities, for example having a meal, driving the car or working (see Figure 6.20).

The Eurobarometer survey (56.0) conducted in summer 2001 reveals that almost 60% of citizens within the European Union listen to the radio every day. The radio programmes they prefer to listen to are music (86.3%), news and current affairs (52.9%) and sport (17.4%).

**Table 6.19: Daily reach and average listening time to radio, 2001**

	Target group	Daily reach (%) (1)	Daily weekend reach (%)	Weekly reach (%) (2)	Average listening time (minutes) (3)
BE (4)	15+	72.5	63.1	:	322
CZ	14-79	70.6	67.5	88.6	252
DK	12+	84.2	:	:	225
DE	14+	81.8	:	:	218
EE	:	:	:	:	:
EL	13+	64.1	61.2	87.5	:
ES	14+	56.0	43.6	52.5	185
FR	15+	83.6	75.4	93.8	191
IE	:	88.0	:	:	:
IT	:	67.8	60.2	78.0	182
CY	:	:	:	:	:
LV	:	:	:	:	:
LT	:	:	:	:	:
LU (5)	:	70.7	63.6	92.8	212
HU	15+	87.2	86.0	92.7	302
MT	:	:	:	:	:
NL	15+	78.2	67.8	90.6	229
AT	14+	84.8	80.9	:	251
PL	15+	77.4	70.1	93.6	325
PT	:	57.4	:	82.4	:
SI	:	:	:	:	:
SK	:	81.0	78.8	:	:
FI	9+	87.0	77.0	97.0	200
SE	9-79	77.5	:	:	163

(1) Average daily reach from Monday to Friday, except DK and SE (Monday to Saturday) and IE (whole week).

(2) CZ, ES, IT, LU, PT, FI and UK, average weekly reach on a seven-day basis; EL, FR, HU, NL and PL, average weekly reach on a five-day basis; PT, 2000.

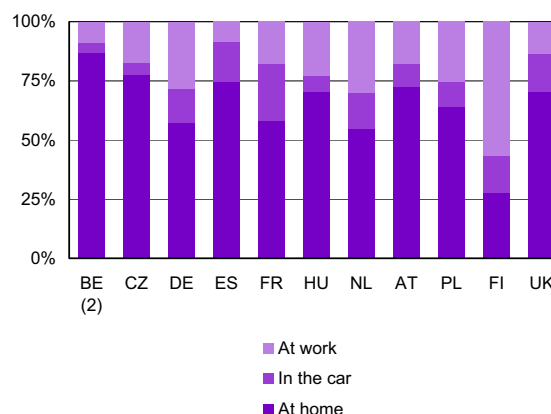
(3) Average daily listening time from Monday to Friday, except DK, FI, SE and UK (Monday to Saturday).

(4) Average of data available separately for the French and Dutch speaking regions.

(5) Daily weekend reach on Saturday instead of weekends.

Source: International Key Facts Radio, IP/CMI, 2002

**Figure 6.20: Radio listening broken down by location, 2001 (%) (1)**



(1) DK, EE, EL, IE, IT, CY, LV, LT, LU, MT, PT, SI, SK and SE, not available.

(2) Average of data available separately for the French and Dutch speaking regions.

Source: International Key Facts Radio, IP/CMI, 2002

### Pre-recorded video sales and rentals

Each household equipped with a VCR bought on average 2.4 pre-recorded videos (cassettes or discs) in 2001, about one more than in 1990. As a result there were 275 million units sold. In addition, households rented an average of 5.7 videos per year (see Table 6.21), about 10 fewer than in 1990 (although a resurgence in the rental market was seen in the second half of the decade). The most videos were bought in the United Kingdom (5.5 per video household) and Denmark (3.6), whilst rental was particularly popular in Ireland (28.5 rentals per video household) and Greece (11.7 rentals) in 2001.

**Table 6.21: Number of video cassettes and discs sold and rented, 2001**

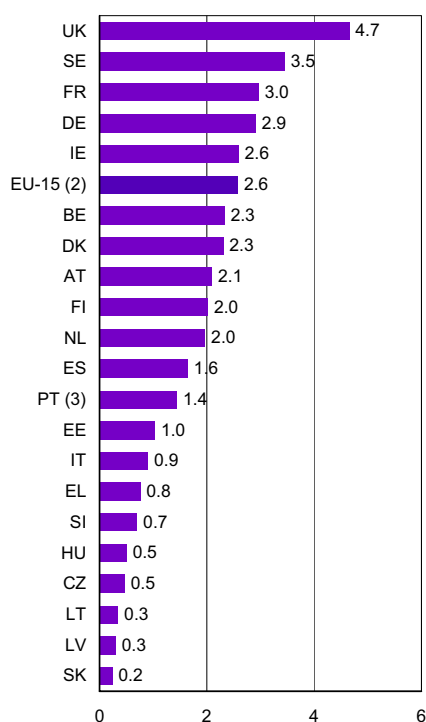
	Sales		Rentals	
	Units (millions)	Average per VCR household (units)	Units (millions)	Average per VCR household (units)
<b>EU-15 (1)</b>	274.8	2.4	647.5	5.7
<b>BE</b>	5.8	1.8	19.5	6.1
<b>CZ</b>	1.1	0.4	16.4	6.7
<b>DK</b>	7.4	3.6	18.1	8.8
<b>DE</b>	31.7	1.2	119.3	4.5
<b>EE</b>	:	:	:	:
<b>EL (2)</b>	0.4	0.3	15.5	11.7
<b>ES</b>	13.0	1.4	92.4	9.9
<b>FR</b>	54.7	2.9	62.0	3.3
<b>IE</b>	2.5	2.7	26.8	28.5
<b>IT</b>	35.8	2.5	54.0	3.7
<b>CY</b>	:	:	:	:
<b>LV</b>	0.2	:	0.4	:
<b>LT</b>	:	:	:	:
<b>LU</b>	:	:	:	:
<b>HU</b>	1.3	0.9	14.5	10.0
<b>MT</b>	:	:	:	:
<b>NL</b>	9.0	1.7	34.9	6.6
<b>AT</b>	3.8	1.4	8.8	3.2
<b>PL</b>	3.4	0.4	11.6	1.3
<b>PT</b>	5.8	3.1	5.4	2.8
<b>SI</b>	:	:	:	:
<b>SK</b>	:	:	:	:
<b>FI</b>	3.3	1.9	9.0	5.3
<b>SE</b>	7.9	2.2	19.8	5.7
<b>UK (3)</b>	93.7	5.5	162.0	9.0

(1) Estimates, excluding LU.

(2) For sales and rentals: average per VCR households, 1999.

(3) For sales and rentals: average per VCR households, 2001.

Source: Cinema, TV and radio in the EU, European Commission, 2003

**Figure 6.22: Number of sound recordings sold per inhabitant, 2002 (units) (1)**

(1) Sum of singles, LPs, CDs and MCs; CY, LU, MT and PL, not available.

(2) Excluding LU.

(3) Excluding LPs sold.

Source: International Federation of Phonographic Industry in Cinema, TV and radio in the EU, European Commission, 2003

## Music recordings

On average Europeans bought 2.6 sound recordings in 2002 (see Figure 6.22), including singles, compact discs (CDs), music cassettes (MCs) and a limited amount of vinyl long plays (LPs). As a result, more than one billion units were sold. The switch from analogue to digital media is now virtually complete, as CDs (79.3%) and singles<sup>2</sup> (16.3%) accounted together for almost all units sold. Vinyl LPs sales in the EU plummeted from over 140 million units in 1990 to a mere 4.3 million by 2002 (see Table 6.23). Music cassettes peaked at 274 million units in 1991, declining to 38.5 million units by 2002. In contrast, the number of long format CDs sold almost tripled between 1990 and 2002 reaching 772 million units, up from 270 million units in 1990 (see Figure 6.24).

(2) Mainly short play CDs, although vinyl and music cassette singles are also included.

**Table 6.23: Number of sound recordings sold, 2002 (millions)**

	Total (1)	Singles	LPs	CDs	MCs
<b>EU-15 (2)</b>	<b>973.6</b>	<b>158.5</b>	<b>4.3</b>	<b>772.3</b>	<b>38.5</b>
BE	24.1	6.2	0.0	17.8	0.0
CZ	4.8	0.0	:	3.6	1.2
DK	12.4	0.6	0.0	11.8	0.0
DE	240.2	39.2	1.0	178.2	21.8
EE	1.4	:	:	0.9	0.5
EL	8.3	1.1	0.0	7.0	0.2
ES	66.3	2.2	0.0	61.7	2.4
FR	176.4	40.5	0.5	130.4	5.0
IE	10.2	2.0	0.0	8.0	0.2
IT	52.4	3.6	0.1	44.7	4.0
CY	:	:	:	:	:
LV	0.7	:	:	0.4	0.3
LT	1.2	0.0	:	0.8	0.4
LU	:	:	:	:	:
HU	5.1	0.3	:	3.0	1.8
MT	:	:	:	:	:
NL	31.8	3.6	0.2	27.9	0.1
AT	16.9	2.1	0.1	14.5	0.2
PL	:	0.2	:	:	4.2
PT	15.0	0.3	:	12.5	2.2
SI	1.4	:	:	1.1	0.3
SK	1.3	0.0	:	1.0	0.3
FI	10.5	0.6	0.0	9.8	0.1
SE	30.8	4.0	0.1	26.4	0.3
UK	278.2	52.5	2.2	221.6	1.9

(1) PT, excluding LPs sold.

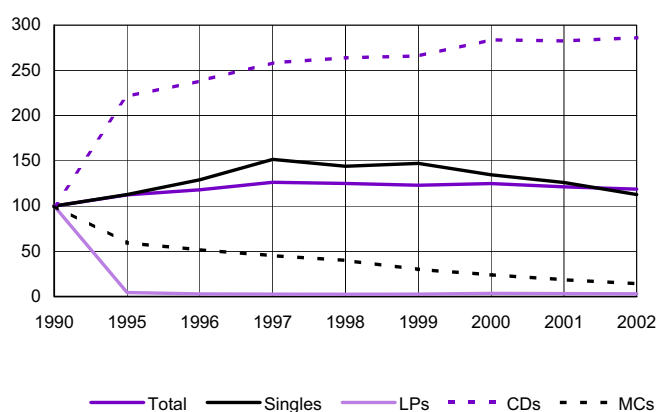
(2) Excluding LU.

Source: International Federation of Phonographic Industry in Cinema, TV and radio in the EU, European Commission, 2003

According to the IFPI (International Federation of the Phonographic Industry), music sales in the EU-15 fell by 2.1% in volume terms in 2002. Whilst CDs unit sales increased by 1.3%, sales volumes for singles and MCs dropped by 10.6% and 23.0% respectively. The IFPI attributes this evolution (in part) to illegal music copying facilitated by on-line file sharing services. Indeed, new formats based on PC compression technologies (such as MPEG-1 layer 3<sup>3</sup>) have also gained momentum in recent years, with the introduction of portable MP3 players in 1998.

(3) Also known after its file extension, MP3; MPEG is an ISO/IEC sound compression algorithm standard developed by the Moving Picture Experts Group (MPEG), it is widely used over the Internet and allows music files to be compressed to about a tenth of their original size, whilst keeping near-perfect reproduction quality.

**Figure 6.24: Evolution of the number of music recordings sold in the EU-15 (1990=100) (1)**

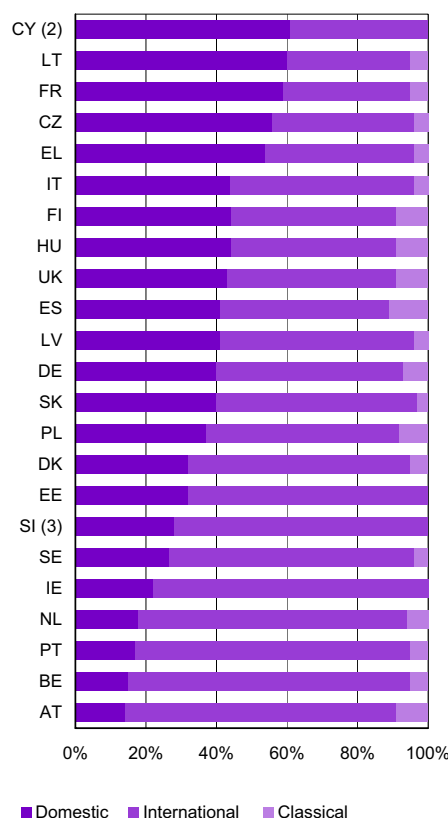


(1) Excluding LU.

Source: Cinema, TV and radio in the EU, European Commission, 2003

According to the Eurobarometer survey (56.0) (summer 2001), 61.3% of the citizens of the European Union listen to music every day. This percentage is the highest in Denmark, Sweden and in the Netherlands (82.5%, 79.2% and 75.1% respectively). The vast majority of the interviewees (88.6%) listen to music on the radio or on television. However, 62.3% of them also use cassettes, records, CDs and DVDs (not connected to a computer) to listen to music. The majority of European citizens (55.1%) listen to rock and pop music. This tendency is mostly found in Denmark (69.9%), France (69.1%) and Belgium (64.8%). On the other hand, the lowest rate of people listening to this kind of music is found in Austria, Finland, Portugal and Greece (43.8%, 42.9%, 36.7% and 24.6% respectively). The second type of music most listened to by 32.1% of Europeans is easy listening music. It is especially in Finland that a high majority of people (70.5%) listen to this kind of music. One third of the respondents (29.9%) also mentioned folk and traditional music. This is the kind of music that is most listened to in Portugal, Greece and Austria (65.1%, 62.5%, and 44.8% respectively of the interviewees). It can also be noticed that in Sweden, the New German Länder and Spain, traditional music is the second type of music most listened to by respectively 45.7%, 44.1% and 41.2% of the population. Finally, one third of the citizens of the European Union (28%) listen to classical music. It is in Luxembourg (45.8%), Sweden (41.3%) and the United Kingdom (40.9%) that the highest rate of people confirm this tendency.

**Figure 6.25: Breakdown of music sales by music genre, 2001 (% of market value) (1)**



(1) LU and MT, not available.

(2) 2000.

(3) 1999.

Source: International Federation of Phonographic Industry in Cinema, TV and radio in the EU, European Commission, 2003



### **Music piracy**

According to the International Organisation of Phonographic Industry (IFPI), the global pirate market for recorded music totaled 1.7 billion units in 2003. Disc piracy increased by 45 million units, a rise of 4% on 2002. An estimated 35% of music CD's sold worldwide in 2003 were pirate products. Pressed discs continue to dominate the market in Asia and Russia, but CD-R (copied from an original) accounts for the vast majority of pirate products in Latin America, North America and Europe.

Price, cheap technologies for illegal commercial copies (CD burning machines can now burn a 74-minute disc in approximately three minutes) and inadequate enforcement by governments are believed to be the main reasons for piracy growth. In addition, users of the Internet can use file-swapping techniques to freely download music. The music industry is increasingly selling CD's embedded with audio copy protection. Should a consumer try to play such a CD on a computer, it will likely crash.

European-wide anti-piracy legislation has been strengthened by the adoption in April 2004 of the EU enforcement directive, which enforces intellectual property rights throughout the EU. The directive is the result of a five-year collaborative effort and provides strict enforcement rules such as injunctions and surprise searches to gather evidence and prevent continued infringement, the freezing of assets used in illegal activities, guidelines to the courts on awarding damages and ensuring that infringements are treated as criminal offences. From April 2004, Member States have two years to implement the directive into national law.

### Use of computer

According to the Eurobarometer survey (56.0), a majority of Europeans (53.3%) did not use a computer in 2001. This was especially the case in Greece (75.3%) and Portugal (74.7%). On the other hand, more than one fifth (22.5%) used one every day. This proportion reached 36.7% in Sweden, 36.6% in Denmark and 32.2% in the Netherlands. A smaller proportion (14%) used it several times a week.

Men used the computer more than women (52.4% for men and 40.9% for women). The same observation could be made for young people (76.2% of users in the category "15-24 years old"). Moreover, the education level influenced the usage rate, since highly educated people (83.2% for those having finished full time education at 20 years old or more) were more likely to use a computer than people less highly educated. Among the occupational categories, managers (92.5%) and students (90.4%) were the most frequent computer users (see Table 6.26).

The computer was mostly used at home (average of 3.41<sup>4</sup>). It was also used outside home for work or study (average of 3.24). In the first case, results show that 25% of people used it several times a week and that 15.8% used it every day. In the second case, 16.1% worked or studied with a computer several times a week and 23.8% every day. It should be pointed out that 16.5% of citizens from the EU-15 used a computer several times a week at home for work or study.

A relatively recent activity concerns the time spent on the Internet. The same Eurobarometer survey showed that 34.5% of interviewees surfed the Internet, 13.5% several times a week and another 8.8% every day. The Internet was used more by the Swedes (66.5%), the Danes (59.4%), the Dutch (53.8%) and the Finns (51.4%) than other Europeans. On the other hand, the proportion of Internet usage was the lowest in Portugal and Greece (14.8% and 15.1% respectively). Europeans used the Internet most frequently for exchanging e-mails with their family, friends or colleagues (57.8%), searching for information on a specific product (41.5%), work (40.3%), searching for educational material and documents (37%), searching for information on sports or leisure activities (33.2%) and preparing or considering a holiday by searching for places to visit, accommodation, and so on (30.8%).

(4) Respondents have been asked to position themselves on a 6-point scale where 1 = 'never' and 6 = 'every day'. The central position is 3.5.

**Table 6.26: Use of a computer in the EU-15, 2001 (%)**

<b>EU-15</b>	46.4
<b>Sex</b>	
Male	52.4
Female	40.9
<b>Age</b>	
15-24	76.2
25-39	61.5
40-54	52.3
55+	14.6
<b>Age when finished full time education</b>	
15 or less	22.2
16-19	56.5
20 or more	83.2
<b>Occupation</b>	
Manager	92.5
Retired	9.6
Student	90.4
House person	17.9

Source: Eurobarometer 56.0, Europeans' participation in cultural activities, European Commission, 2001

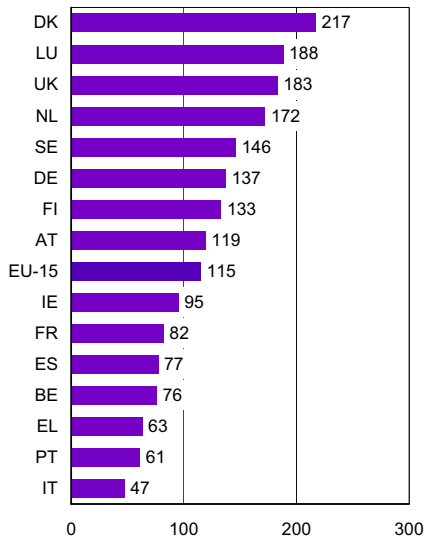
CONSUMPTION EXPENDITURE

European households spent on average between 156 PPS in Greece and 633 PPS in Luxembourg on audio-visual, photographic and information processing equipment in 1999, with most countries recording values between 300 PPS and 550 PPS. As a general rule these items accounted for between 1.1% and 2.0% of total household expenditure. It is important to note that these figures are restricted to the purchase of equipment and exclude services such as television and radio licence fees or cable and pay-television subscriptions.

More than four-fifths of audio-visual and PC spending was split more or less equally between the three main product categories of: audio-visual equipment (televisions, VCRs, DVD players, hi-fi systems) - see Figure 6.27; information technology equipment (PCs including printers and accessories) - see Figure 6.28; and media (pre-recorded or not) - see Figure 6.29. The remainder was distributed between photographic and cinematographic equipment and repair

Figure 6.27: Equipment for the reception, recording and reproduction of sound and pictures

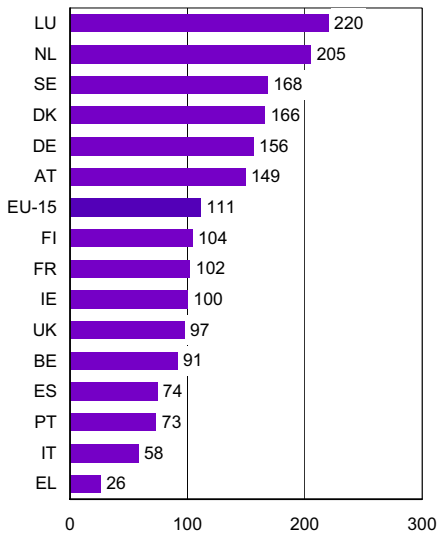
Mean consumption expenditure, 1999 (PPS per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

Figure 6.28: Information processing equipment

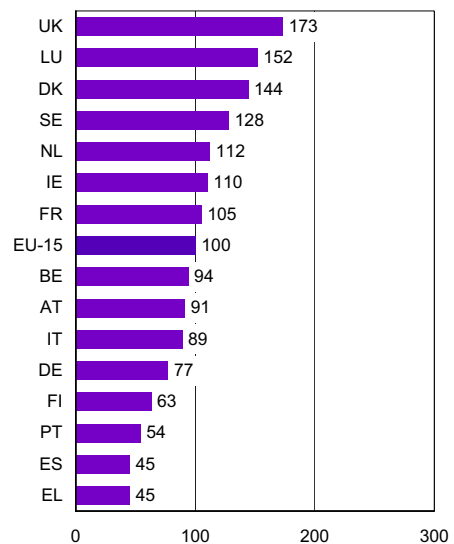
Mean consumption expenditure, 1999 (PPS per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

Figure 6.29: Recording media

Mean consumption expenditure, 1999 (PPS per household) (1)



(1) Including pre-recorded and unrecorded tapes, cassettes and CDs, as well as unexposed films.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**T**able 6.30: Main price indicators for audio-visual services, 2001

	Colour television licence fee (1) (€)	Evasion rate for television licence (2) (%)	Average price of a video rental (€)	Average price of a video (€)	Average price of a music recording (€) (3)
<b>EU-15 (4)</b>	161.0	25.7	3.3	13.0	9.7
BE	190.0	13.8	3.0	11.9	9.9
CZ	:	:	0.7	11.2	7.7
DK	265.0	8.1	3.6	12.8	14.3
DE	194.0	5.8	3.0	12.1	8.8
EE	:	:	:	:	5.0
EL	0.0	0.0	1.5	21.5	10.2
ES	0.0	0.0	2.0	9.8	8.7
FR	115.0	1.7	3.4	16.5	7.8
IE	89.0	22.6	2.8	16.5	12.7
IT	92.0	22.6	3.1	10.2	11.2
CY	:	:	:	:	:
LV	:	:	2.8	5.5	8.6
LT	:	:	:	:	4.2
LU	0.0	0.0	:	:	:
HU	35.0	:	1.4	9.7	9.4
MT	:	:	:	:	:
NL	0.0	0.0	3.0	9.1	13.3
AT	212.0	22.8	2.7	13.3	15.4
PL	:	:	1.0	6.0	4.1
PT	0.0	0.0	2.4	12.4	9.8
SI	:	8.8	:	:	9.3
SK	:	94.9	:	:	5.4
FI	165.0	11.8	2.7	12.7	11.2
SE	180.0	16.5	4.0	10.5	9.7
UK	180.0	5.8	4.6	14.5	10.9

(1) BE and IE, 2000; AT, 1998.

(2) DK, IT, AT and SI, 2000.

(3) 2002; FR and PL, 2001; receipts divided by units sold for singles, CDs, LPs and MCs.

(4) Eurostat estimate; average price of a video rental, of a video and of a music recording, excluding LU.

Source: International Federation of Phonographic Industry in Cinema, TV and radio in the EU, European Commission, 2003

**Table 6.31: Recreation and culture**  
Development of harmonized indices of consumer prices in the EU (1999=100)

	1999	2000	2001	2002	2003
<b>Total HICP</b>	100	102	105	107	109
Audio-visual photo. & IT equip.	100	93	87	82	76
Audio-visual	100	95	92	88	83
Photo. & cinematographic	100	97	95	91	86
Information processing	100	81	66	55	44
Recording media	100	98	98	98	96
Repair	100	103	107	111	113

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Table 6.32: Number of radio channels, 2001 (units)**

	National coverage		
	Total (1)	Public (2)	Private (3)
<b>EU-15 (4)</b>	5 400	350	5 050
BE	256	7	249
CZ	:	:	:
DK	567	13	554
DE	253	69	184
EE	30	5	25
EL	266	25	241
ES	1 193	:	:
FR	1 129	54	1 075
IE	35	4	23
IT	1 718	4	1 714
CY	:	:	:
LV	:	:	:
LT	17	3	14
LU	24	1	23
HU	139	27	112
MT	:	:	:
NL	363	330	33
AT	13	11	2
PL	:	5	:
PT	376	10	366
SI	70	3	67
SK	30	6	24
FI	101	34	67
SE	86	3	83
UK	346	47	299

(1) EU-15, DE, EL, NL, SE and UK, 2000; ES, 1999; IE, 1998; BE and AT, 1996.

(2) EU-15, DE, EL, IE, NL and UK, 2000; BE and AT, 1996.

(3) EU-15, DE, EL, NL, SE and UK, 2000; IE, 1999; BE and AT, 1996.

(4) Eurostat rough estimates.

Source: Cinema, TV and radio in the EU, European Commission, 2003

services.

## PRICES

Prices of audio-visual products and services are provided in Table 6.30, where Portugal generally appears amongst the cheapest countries and Denmark amongst the most expensive. Price differences between Member States remain significant, with prices in the most expensive countries often double those in the cheapest (although it should be noted that the public service provision of television and radio varies considerably between Member States).

The price of recreational equipment fell between 1999 and 2003, most notably in the information technology sector, where the consumer price index fell on average by 18.5% per annum. Over the same period, the price of audio-visual equipment and photographic and cinematographic equipment also decreased (on average by 4.7% and 6.6 % per annum respectively). Repair services was the only category covered by this section to report price increases between 1999 and 2003, up on average by 3.1% per annum (see Table 6.31).

## CHOICE

With the liberalisation of the television market over the last two decades, Europe's television landscapes have undergone quite a change. Where a national market used to consist of two to three public channels, there is now a variety of public and private, general and special interest channels available to the audience. This fragmentation has been accelerated by the dispersion of up-to-date technology, such as cable, satellite and digital television. Their progress has made a wide choice of channels accessible to the majority of the European people, offering a programme selection nobody would have dreamed of 15 years ago. As regards radio broadcasting, there were approximately 7 000 radio stations active in the EU in 2001, mostly established in Spain, France and Italy (see Table 6.32).

## 6.3 TOURISM, HOTELS AND RESTAURANTS

Official statistics define tourism as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. Tourism has greatly benefited from the rapid development of personal mobility as well as a general reduction in working time and it takes an increasing share of the household budget in European countries. It should be noted that the distinction between business and leisure use of lodging or catering services is not always easy to make, particularly for hotels and restaurants.

### NETWORK ACCESS: ACCOMMODATION INFRASTRUCTURE

The main types of collective tourist accommodation are hotels, campsites and holiday dwellings. Other collective accommodation establishments include health establishments, holiday camps, boats and conference centres. All of these are covered by the statistics presented below. Some data are also provided on private tourist accommodation, such as rented dwellings, secondary residences or accommodation provided without charge by relatives or friends, which may account for an important share of tourism accommodation in certain regions and countries.

According to official statistics (Eurostat's Tour database) there were 202 000 hotels and similar establishments in the EU in 2001, representing a total of 10 million bed-places (see Table 6.33). On average EU-15 establishments had 25 rooms in 2002, compared with only 12 rooms in Ireland in 2002 and 114 in Malta in 2003.

In addition to hotels, there were almost 24 000 campsites in the EU in 2003 that could accommodate, on average, approximately 350 campers each, for a total capacity of more than 8.2 million persons, of which more than one third were found in France alone (see Table 6.34).

Greece, Cyprus, Malta and Austria showed the most dense accommodation infrastructure in relation to national population. In these countries, if all available bed-places were occupied simultaneously, the population would grow by 12.6% in Cyprus (2003), 9.8% in Malta (2003), 7.0% in Austria (2003) and 5.5% in Greece (2002).

**T**able 6.33: Main indicators for hotels and similar establishments, 2003 (thousands)

	and similar establishments (1)	Number of rooms (2)	Number of bed-places (1)	Residents (3)	Non-residents (4)	Residents (5)	Non-residents (6)
<b>EU-25</b>	202.2	:	10 532.1	:	:	:	642 537
<b>EU-15</b>	190.5	4 845.1	9 963.3	309 149	176 271	721 068	569 641
<b>BE</b>	2.0	65.7	122.4	2 119	5 261	4 061	10 281
<b>CZ</b>	4.4	97.3	225.3	3 462	4 485	9 779	13 688
<b>DK</b>	0.5	34.2	66.8	1 654	1 294	4 631	4 507
<b>DE</b>	38.1	891.9	1 607.7	67 931	15 979	156 673	33 294
<b>EE</b>	0.2	9.1	18.4	306	1 009	558	2 086
<b>EL</b>	8.3	319.7	606.3	5 567	7 210	14 052	41 788
<b>ES</b>	17.1	740.1	1 450.5	35 223	27 267	91 037	136 834
<b>FR</b>	19.9	603.7	1 625.5	66 365	32 520	115 536	69 323
<b>IE</b>	5.0	62.5	145.0	2 770	3 577	7 395	17 321
<b>IT</b>	33.4	986.3	1 929.5	39 014	27 984	135 010	93 599
<b>CY</b>	0.8	44.9	91.4	400	1 818	957	13 424
<b>LV</b>	0.3	7.6	15.0	257	402	669	963
<b>LT</b>	0.3	7.4	14.3	175	385	342	766
<b>LU</b>	0.3	7.6	14.6	24	581	80	1 144
<b>HU</b>	2.2	62.4	154.6	2 380	2 599	5 824	8 046
<b>MT</b>	0.2	18.4	39.1	:	:	:	7 475
<b>NL</b>	2.9	87.8	180.2	7 515	7 433	13 593	14 922
<b>AT</b>	14.7	282.6	566.3	6 437	13 748	18 667	55 200
<b>PL</b>	1.5	68.6	134.3	4 834	2 701	8 813	5 450
<b>PT</b>	1.9	108.4	245.8	4 714	4 906	10 661	23 215
<b>SI</b>	0.4	15.5	29.2	463	1 053	1 725	3 166
<b>SK</b>	0.8	27.4	55.3	1 234	1 043	3 796	3 560
<b>FI</b>	1.0	55.8	120.1	5 415	1 800	9 671	3 758
<b>SE</b>	1.8	96.4	184.8	10 359	2 552	16 235	4 833
<b>UK</b>	43.8	569.1	1 166.5	55 550	13 542	126 780	51 704

(1) EU-25, 2001; EU-15, DE, EL, FR, IE, IT, HU and UK, 2002.

(2) EU-15 and UK, 2000; DE, EL, FR, IE, IT and HU, 2002.

(3) EU-15 and EL, 2000; IE and NL, 2002.

(4) EU-15 and EL, 2000; IE, 2001; NL, 2002.

(5) EU-15, EL, IE and NL, 2002.

(6) EU-25 and MT, 2001; EU-15, EL, IE and NL, 2002.

Source: Eurostat, Tourism (theme4/tour).

**T**able 6.34: Main indicators for establishments other than hotels, 2003 (thousands)

	EU-15	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV
<b>ESTABLISHMENTS OTHER THAN HOTELS (1)</b>													
Number	173.0	1.6	3.8	0.6	17.5	0.3	0.4	13.6	9.2	2.8	80.3	0.1	0.1
Bed-places	11 609.8	501.5	222.2	322.1	1 437.0	9.1	31.5	1 397.5	3 022.9	55.1	2 170.0	3.8	4.0
<b>Arrivals</b>													
Residents	741	2 263	144	5	2 809	23 491	1 576	142	7 997	78 730	1 031	10 302	397
Non-residents	41 427	1 429	591	721	2 400	104	802	9 483	6 835	462	6 757	8	13
<b>Nights spent</b>													
Residents	423 604	9 028	13 054	11 859	95 148	259	353	33 413	63 816	4 258	69 340	11	155
Non-residents	239 324	5 649	2 823	5 352	8 314	182	549	81 922	34 421	2 636	45 342	66	20
<b>OF WHICH: TOURIST CAMPSITES (2)</b>													
Number	23.6	0.5	0.5	0.4	2.4	0.0	0.4	1.3	8.3	0.1	2.4	0.0	0.0
Bed-places	8 238.7	343.9	25.9	271.8	715.7	1.2	31.5	788.5	2 762.7	29.6	1 329.3	2.8	0.7
<b>Arrivals</b>													
Residents	39 256	301	906	975	4 583	25	127	4 698	10 302	293	4 432	5	41
Non-residents	:	440	210	377	992	7	245	2 401	6 835	56	3 643	1	10
<b>Nights spent</b>													
Residents	218 669	1 549	2 690	8 498	18 287	34	353	16 942	63 816	1 706	37 946	9	46
Non-residents	97 297	1 883	600	3 557	2 895	10	549	14 685	34 421	:	25 779	2	14
<b>OF WHICH: HOLIDAY DWELLINGS (3)</b>													
Number	:	0.1	0.3	0.1	10.8	0.1	2.5	4.2	0.9	:	61.5	0.1	0.0
Bed-places	:	61.8	28.3	39.2	326.0	1.0	12.3	537.6	260.2	:	525.9	1.0	2.9
<b>Arrivals</b>													
Residents	:	863	203	351	4 099	15	18	1 973	:	211	1 703	0	39
Non-residents	:	615	7	199	189	3	39	6 936	:	125	1 610	12	2
<b>Nights spent</b>													
Residents	:	3 438	977	2 709	29 947	26	47	12 741	:	1 254	17 152	2	91
Non-residents	:	2 983	54	1 418	1 181	8	322	66 491	:	:	12 506	64	3
	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>ESTABLISHMENTS OTHER THAN HOTELS (1)</b>													
Number	0.2	0.3	1.2	0.0	3.8	6.2	5.6	0.3	0.4	1.2	0.5	2.0	:
Bed-places	14.9	53.3	180.5	1.4	974.1	352.7	462.1	176.9	37.5	104.3	99.1	538.8	:
<b>Arrivals</b>													
Residents	987	750	8 509	:	131	1 613	31	88	8 054	6 478	1 187	385	5 035
Non-residents	26	283	349	:	2 163	2 535	631	477	272	326	248	1 716	1 531
<b>Nights spent</b>													
Residents	483	139	2 747	:	42 411	8 355	28 707	6 053	1 478	3 259	2 080	18 104	63 110
Non-residents	69	1 373	1 994	2	11 446	13 017	2 378	1 655	830	1 324	573	4 882	20 690
<b>OF WHICH: TOURIST CAMPSITES (2)</b>													
Number	0.0	0.1	0.3	:	2.2	0.5	0.1	0.2	0.0	0.1	0.3	1.1	3.3
Bed-places	1.0	49.3	106.4	:	717.2	193.6	25.0	167.9	16.7	57.0	88.0	458.1	294.8
<b>Arrivals</b>													
Residents	12	6	176	:	2 583	282	161	913	144	81	894	3 244	9 080
Non-residents	4	216	237	:	899	882	53	410	153	138	182	1 316	418
<b>Nights spent</b>													
Residents	25	63	475	:	17 378	1 176	537	4 997	593	315	1 681	13 462	36 760
Non-residents	7	1 148	1 483	:	4 090	4 346	122	1 495	496	424	376	3 677	2 545
<b>OF WHICH: HOLIDAY DWELLINGS (3)</b>													
Number	0.2	0.1	0.5	0.0	0.8	3.1	0.4	:	0.0	0.1	0.1	0.3	31.0
Bed-places	13.0	1.8	24.0	1.0	200.3	64.8	24.6	:	3.0	7.0	8.8	46.1	85.3
<b>Arrivals</b>													
Residents	98	4	260	:	4 266	166	219	:	75	52	105	745	4 870
Non-residents	12	17	53	:	1 144	741	12	:	30	28	32	185	39
<b>Nights spent</b>													
Residents	415	27	783	:	21 550	966	934	0	327	187	345	2 785	25 210
Non-residents	42	107	304	:	6 621	5 422	51	:	136	123	134	787	295

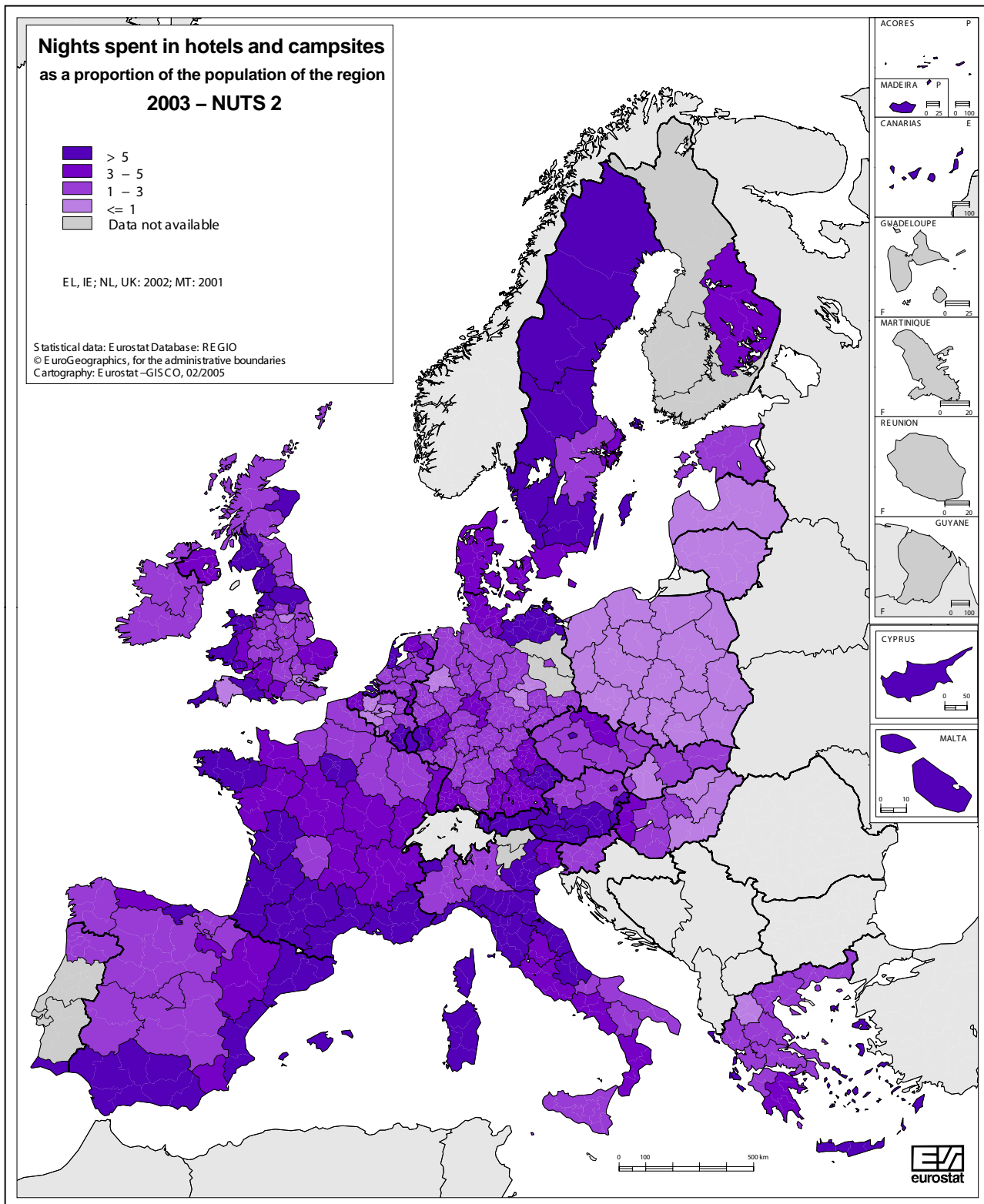
(1) EU-15 and EL, 2000; IE and NL, 2002.

(2) EU-15, nights spent by non-residents, 2000; DE, IE, NL and UK, 2002.

(3) EU-15, nights spent by non-residents, 2000; DE, NL and UK, 2002; EL, 2000 (except arrivals of residents: 2003); IE, 2002 (except arrivals of non-residents: 2003)

Source: Eurostat, Tourism (theme4/tour)





## CONSUMPTION: PROFILE OF THE EUROPEAN TOURIST

A majority of European tourists generally choose their own country as their holiday destination: approximately 60% of Europeans who went on holiday (defined as longer than four nights) in 2003 stayed in their country, whilst only 40% went abroad (see Table 6.35). The most popular destinations for Europeans going on holiday outside of their home country were Spain and France (see Table 6.36)

There is a high seasonality of demand for tourism services, as shown in Figure 6.37. The peak months in every European country are between July and September, and the maximum is generally reached in August. In some countries (mainly in the Benelux countries and in the United Kingdom), a first surge in demand can be observed around Easter (March, April), whilst in Austria, Finland and Sweden there is also a peak in February or March due to the winter ski season. The long-term trend towards multiple holidays and an increasing number of minibreaks may well smooth the seasonality of demand in the future. Shorter holidays were most popular in the Scandinavian countries (see Figure 6.38).

**T**able 6.35: Number of holiday trips, 2003 (thousands) (1)

Origin	Domestic		International	
	Number (thousands)	Share of population (%)	Number (thousands)	Share of population (%)
BE	1 444	13.9	5 136	49.6
CZ	5 884	57.7	4 457	43.7
DK	1 927	35.8	3 269	60.7
DE	47 994	58.1	68 024	82.4
EE	116	8.6	149	11.0
EL (2)	2 300	21.2	203	1.9
ES	20 580	49.5	2 493	6.0
FR	66 705	111.9	12 493	21.0
IE (3)	703	18.0	1 980	50.8
IT	27 538	48.0	8 496	14.8
CY	:	:	407	56.8
LV	:	:	:	:
LT	:	:	:	:
LU	3	0.7	634	141.4
HU	:	:	:	:
MT	:	:	:	:
NL	6 996	43.2	11 032	68.1
AT	2 960	36.7	5 062	62.7
PL	:	:	:	:
PT	2 959	28.4	608	5.8
SI	418	21.0	1 108	55.6
SK	2 841	52.8	1 965	36.5
FI	4 441	85.3	1 610	30.9
SE (4)	12 275	138.8	5 280	59.7
UK (3)	37 100	62.7	40 600	68.7

(1) Trips of at least four nights; as some persons may take more than one holiday trip per year, the share of population may rise above 100%.

(2) 1999.

(3) 2002.

(4) 1997.

Source: Eurostat, Tourism (theme4/tour)

**T**able 6.36: Favourite international destinations for Europeans on holiday, 2003  
(% of the trips to a given destination) (1)

Origin	Favourite destination (2)		Next favourite destination (2)		Percentage of trips to EU-15 (%)
	Destination	Percentage of all trips (%)	Destination	Percentage of all trips (%)	
BE	France	31	Spain	16	76
CZ	Slovakia	18	Italy	12	40
DK	Spain	12	France	11	67
DE	Italy	16	Spain	16	68
EE	:	:	:	:	31
EL (3)	Italy	12	Germany	8	43
ES	France	19	Italy	13	61
FR	Spain	17	Italy	11	51
IE	Spain	32	United Kingdom	18	78
IT	France	17	Spain	14	59
CY	Greece	44	United Kingdom	14	67
LV	Germany	11	Sweden	7	42
LT	:	:	:	:	:
LU	France	22	Spain	11	84
HU	:	:	:	:	:
MT	:	:	:	:	:
NL	France	16	Spain	13	75
AT (3)	Italy	24	Greece	9	52
PL	Germany	29	Italy	8	66
PT	Spain	34	France	20	70
SI	Italy	5	Greece	2	17
SK	Italy	12	Czech Republic	11	36
FI	Spain	19	Sweden	8	60
SE (4)	Spain	17	Greece	13	67
UK (3)	Spain	33	France	13	71

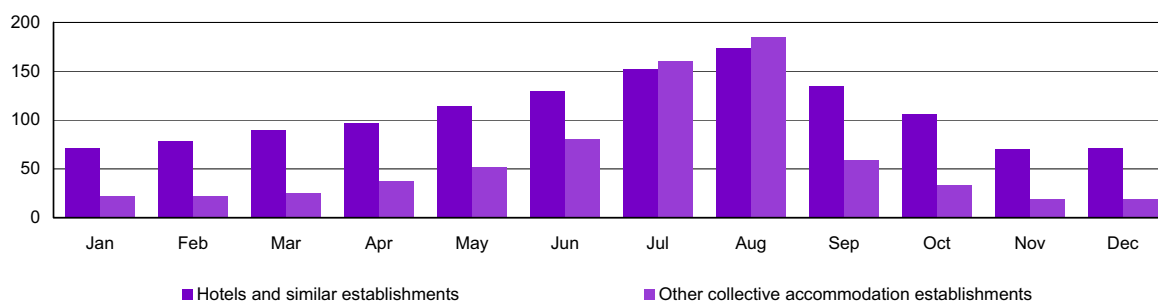
(1) Trips of at least four nights, excluding stays in home country.

(2) Excluding trips to Estonia, Cyprus, Latvia, Lithuania, Malta and Slovenia.

(3) 2002.

(4) 1997.

Source: Eurostat, Tourism (theme4/tour)

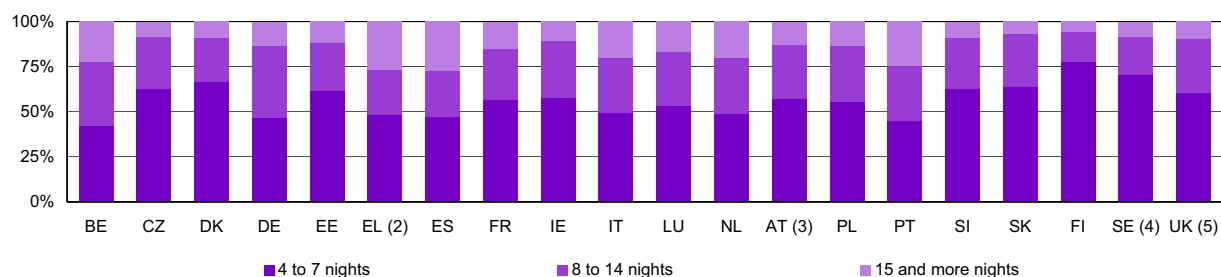
**F**igure 6.37: Number of nights spent in collective accommodation establishments in the EU, 2003 (millions) (1)

(1) Nights spent by residents and non-residents; excluding EL, IE, LT, HU and MT; excluding IE for nights spent by residents; excluding FR for nights spent in other collective accommodation.

Source: Eurostat, Tourism (theme4/tour)

Concerning collective accommodation establishments, the Luxembourg population generally preferred hotels (89%, 2003) for their holiday trips, whilst two thirds of the Dutch (67.7%, 2003) chose a campsite or holiday dwelling (see Figure 6.39). Regarding private accommodation, 68.3% of the Finnish choosing this type of lodging (2003) for their holiday trip rented a dwelling and 51.4% of the Germans (2003) went to their second residence (see Figure 6.40). Whilst the Spanish preferred to rely on an intermediary to organise their holiday trips, the Portuguese and the Czechs favoured making their own arrangements (see Figure 6.41).

**Figure 6.38: Breakdown of holiday trips by origin of holidaymaker according to the number of nights spent, 2003 (%) (1)**



(1) Trips of at least four nights, excluding length not determined; CY, LV, LT, HU and MT, not available.

(2) 1999.

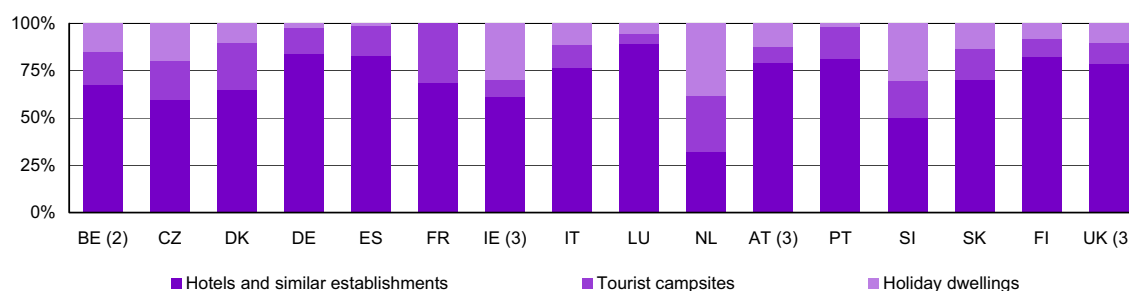
(3) 2001.

(4) 1997.

(5) 2002.

Source: Eurostat, Tourism (theme4/tour)

**Figure 6.39: Breakdown of holiday trips by type of collective accommodation, 2003 (%) (1)**



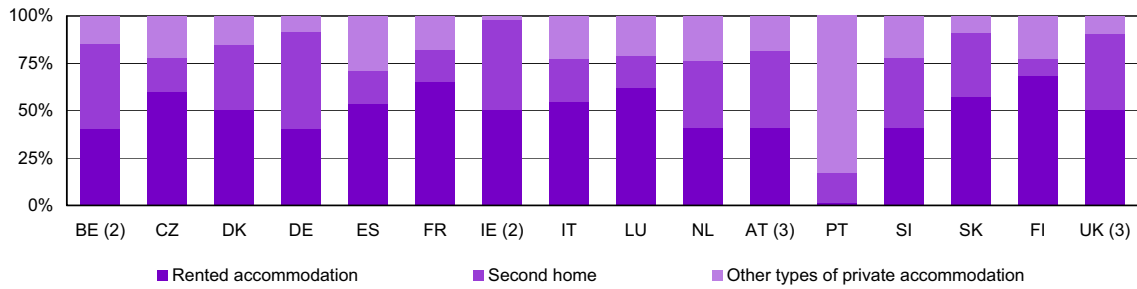
(1) Trips of at least four nights, excluding other types of accommodations or type not determined.

(2) 1998.

(3) 2002.

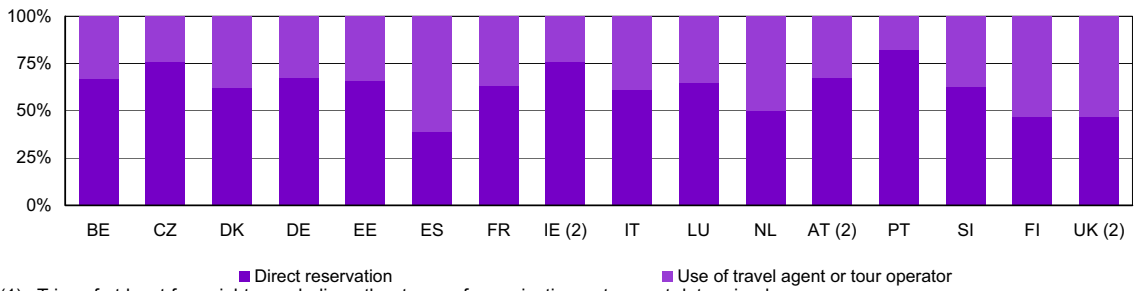
Source: Eurostat, Tourism (theme4/tour)

**F**igure 6.40: Breakdown of holiday trips by type of private accommodation, 2003 (%) (1)



(1) Trips of at least four nights, excluding other types of accommodations or type not determined.  
 (2) 1998.  
 (3) 2002.  
 Source: Eurostat, Tourism (theme4/tour)

**F**igure 6.41: Breakdown of holiday trips by organisational planning, 2003 (%) (1)



(1) Trips of at least four nights, excluding other types of organisation or type not determined.  
 (2) 2002.  
 Source: Eurostat, Tourism (theme4/tour)

As regards travel arrangements, the car was the most favoured mode of transport in every Member State, ahead of aircraft (see Table 6.42). Buses and coaches were quite popular in Germany, rail in France and the proportion of sea transport was significant only in Italy.

**Table 6.42: Number of holiday trips, breakdown by mode of transport, 2003 (thousands) (1)**

Origin	Air	Sea	Railway	Bus/coach	Private and hired vehicles
BE	1 693	73	338	504	3 968
CZ	1 040	27	1 102	2 167	5 843
DK	1 687	158	268	490	2 562
DE	28 659	:	9 066	12 703	64 318
EE	48	19	:	36	26
EL (2)	0	1	0	1	3
ES	3 553	386	1 508	2 867	19 452
FR	8 640	620	9 514	2 046	58 229
IE (3)	1 792	116	42	44	672
IT	6 436	2 042	3 003	1 859	22 665
CY	:	:	:	:	:
LV	:	:	:	:	:
LT	:	:	:	:	:
LU	228	4	35	36	333
HU	:	:	:	:	:
MT	:	:	:	:	:
NL	3 982	232	598	938	12 214
AT (3)	1 333	24	273	446	2 791
PL	:	:	:	:	:
PT	539	48	111	313	2 555
SI	100	23	38	103	1 261
SK	468	6	618	1 371	2 283
FI	1 233	301	588	385	3 498
SE (4)	4	0	1	1	11
UK (3)	33 500	1 400	3 900	4 600	32 200

(1) Trips of at least four nights.

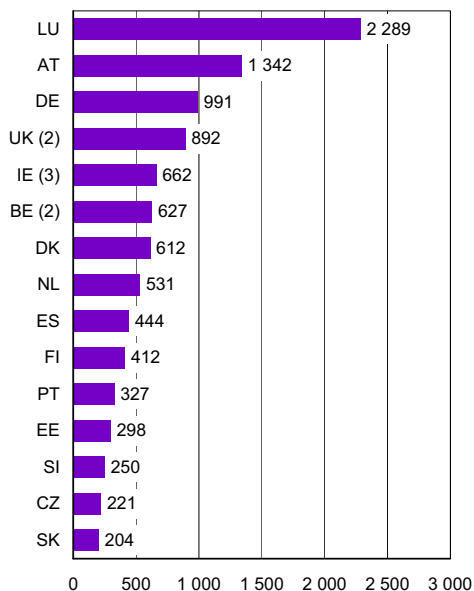
(2) 1998.

(3) 2002.

(4) 1997

Source: Eurostat, Tourism (theme4/tour)

**Figure 6.43: Average expenditure per holiday trip, 2003 (€) (1)**



- (1) Expenditure for holidays of at least four nights divided by the number of domestic and outbound trips.
- (2) 2002.
- (3) 2000.

Source: Eurostat, Tourism (theme4/tour)

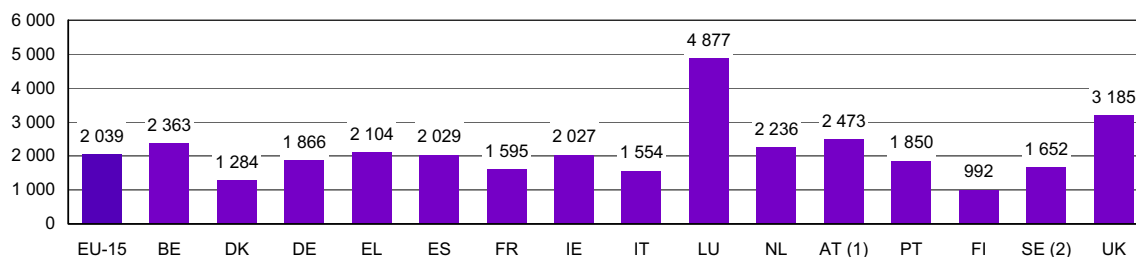
## CONSUMPTION EXPENDITURE

Average expenditure of households on tourism activities can be broken down into three main consumption categories of package holidays, catering services (which includes restaurants and bars) and accommodation services. It is important to note that these categories are not exclusively linked to holidays<sup>6</sup>.

Package holidays, restaurants and accommodation services represented a significant share of total household expenditure for European households in 1999, ranging from 5.4% in Finland to 11.5% in the United Kingdom. In absolute terms, this represented between 992 PPS (Finland) and 4 877 PPS (Luxembourg), with most countries falling within the bracket of 1 500 PPS to 2 500 PPS (see Figure 6.44). In a majority of countries, restaurants took at least two-thirds of the spending in this area, accounting for between 687 PPS per year in Finland and 3 397 PPS in Luxembourg (see Figure 6.45).

(6) For some countries, expenditure data for hotels and restaurants is classified within package holidays within the framework of the Household Budget Survey.

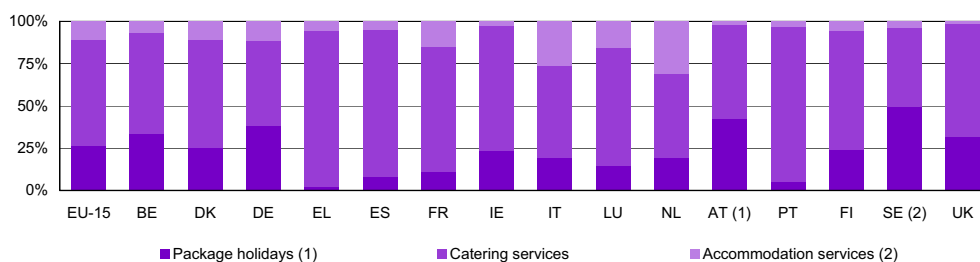
**Figure 6.44: Package holidays, restaurants and hotels**  
Mean consumption expenditure, 1999 (PPS per household) (1)



- (1) Including holiday travel.
- (2) Excluding take-away food and beverages.

Source: Eurostat, Household Budget Survey (theme3/hbs)

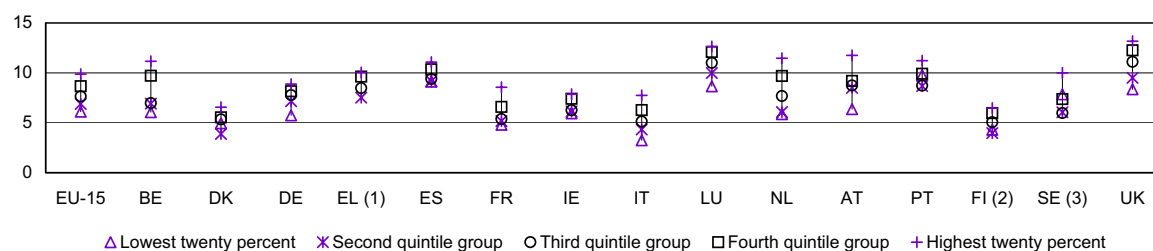
**Figure 6.45: Package holidays, restaurants and hotels**  
Breakdown of consumption expenditure, 1999 (%)



- (1) AT, including hotels and holiday travel.
- (2) AT, excluding hotels.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 6.46: Package holidays, restaurants and hotels**  
Share of total consumption expenditure, breakdown by income distribution, 1999 (%)



(1) Lowest twenty percent, not available.

(2) Income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

(3) Excluding take-away food and beverages.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 6.47: Package holidays, restaurants and hotels**  
Consumption characteristics, 1999

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>PERCENTAGE OF HOUSEHOLDS HAVING BOUGHT AN ITEM IN 1999 (%)</b>																
Package holidays (1)	25	23	30	27	5	33	28	38	3	37	59	55	8	46	50	19
Catering services (2)	81	89	84	91	88	86	71	80	64	95	91	81	79	67	73	90
Restaurants, cafés and the like (2)	77	88	75	89	87	85	64	74	62	95	91	79	77	61	:	89
Canteens	29	23	54	31	25	27	36	52	11	15	:	29	21	34	:	45
Accommodation services (3)	17	5	24	20	24	23	21	12	9	44	64	2	3	25	8	5
<b>AVERAGE EXPENDITURE OF THOSE HOUSEHOLDS WHO BOUGHT AN ITEM IN 1999 (PPS)</b>																
Package holidays (1)	3 185	3 523	1 106	2 638	1 051	473	629	1 277	8 652	1 924	725	1 894	1 196	531	1 630	5 187
Catering services (2)	1 577	1 575	977	1 025	2 213	2 059	1 659	1 863	1 306	3 571	1 222	1 686	2 155	1 024	1 051	2 354
Restaurants, cafés and the like (2)	1 386	1 499	1 009	926	2 131	2 015	1 168	1 484	1 234	3 466	1 222	1 557	1 971	823	:	2 162
Canteens	509	338	118	349	357	157	1 164	755	622	666	:	501	844	540	:	416
Accommodation services (3)	1 691	3 023	540	1 086	462	476	1 193	473	4 835	1 717	1 092	3 102	1 939	245	730	1 208

(1) AT, including hotels and holiday travel.

(2) SE, excluding take-away food and beverages.

(3) AT, excluding hotels.

Source: Eurostat, Household Budget Survey (theme3/hbs)



## PRICES

Price level indices show that Nordic countries, especially Denmark, were the most expensive countries in relative terms for restaurants, cafes and hotels (47% above the EU average) - see Table 1.38 on pages 34 and 35. Within this broad definition, Slovakia was by far the cheapest location in the EU, as price level indices were 66% below the EU average.

In recent years, prices for holidays, hotels and restaurants have increased at a faster pace than the harmonised index of consumer prices for all-items. Between 1999 and 2003, package holidays witnessed the highest price increases, equal to 4.9% per annum on average, just above the increase recorded for accommodation services (4.5%). Prices in restaurants rose at a somewhat slower pace, up on average by 3.4% per annum.

**T**able 6.48: Package holidays, restaurants and hotels  
Development of harmonised indices of consumer prices in the EU (1999=100)

	1999	2000	2001	2002	2003
<b>Total HICP</b>	100	102	105	107	109
<b>Package holidays</b>	100	105	113	119	121
<b>Catering services</b>	100	103	106	111	114
<b>Restaurants, cafés and the like</b>	100	103	106	111	114
<b>Canteens</b>	100	103	106	110	114
<b>Accommodation services</b>	100	105	110	115	119

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Figure 6.49: Package holidays, restaurants and hotels**  
**Absolute growth in consumer prices, 1999-2003 (%)**



(1) 2000 instead of 1999.

(2) 2001 instead of 1999.

(3) Not available.

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## 6.4 SPORTS AND RECREATIONAL SERVICES

This section focuses on some of the traditional activities that people practice during their spare time, such as sports, going to concerts or the cinema.

In a Eurobarometer survey (56.0), carried out in summer 2001 and dealing with leisure activities in the EU-15, the citizens of the European Union were asked how many times in the last 12 months they had participated in cultural activities by positioning themselves on a scale from 1 to 5 (where 1 = 'never' and 5 = 'more than 12 times'; the central position is 3 that is 4 to 6 times). The six cultural activities most frequently practised by the interviewees were: going to the cinema (with an average of 2.03), going to a library (an average of 1.67), visiting historical monuments (an average of 1.65), attending a sport event (an average of 1.64), visiting museums or galleries in his/her own country (an average of 1.4) and going to a concert (an average of 1.38).

Country-by-country analysis shows that of all European citizens, the Spaniards and the Irish were those that had been to the cinema most often in the last 12 months (an average of 2.38 for the former and 2.27 for the latter), as opposed to Portugal (1.65), Finland (1.72) and Greece (1.75).

The Finns went to the library most frequently (an average of 2.91). The Swedish (2.59) and the Danes (2.56) followed. The lowest average was to be found in Greece (1.19).

## CINEMA

Cinema competes in the sphere of recreational activities for the free time of consumers. It is not identified separately by the household budget survey, as it is aggregated with other "cultural services" such as theatres, concerts, museums and national parks, some of which are covered in this chapter.

### Network access

There were over 10 000 cinema sites in the EU in 2001, equivalent to 2.8 for every 100 000 inhabitants (see Table 6.50).

**T**able 6.50: Main indicators - cinemas, 2001

	Number of cinema sites (1) (units)	Cinema sites per 100 thousand inhabitants (2) (units)	Average number of screens per cinema site (3) (units)	Average number of seats per screen (4) (units)	Total admissions (5) (millions)
<b>EU-15 (6)</b>	10 552	2.8	2.4	257	934.0
<b>BE</b>	123	1.2	3.4	229	22.8
<b>CZ</b>	660	:	:	260	10.7
<b>DK</b>	165	3.1	2.2	153	12.9
<b>DE</b>	1 815	2.2	2.6	184	163.9
<b>EE</b>	10	0.7	:	68	1.3
<b>EL</b>	350	3.1	1.2	:	13.2
<b>ES</b>	1 254	3.1	3.0	347	140.7
<b>FR</b>	2 182	3.7	2.4	204	185.1
<b>IE</b>	70	1.8	4.6	180	17.3
<b>IT</b>	2 243	3.9	1.4	:	112.0
<b>CY</b>	:	6.4	1.1	252	0.9
<b>LV</b>	34	1.4	1.1	698	1.1
<b>LT</b>	74	2.0	1.1	276	2.4
<b>LU</b>	11	2.5	2.3	204	1.4
<b>HU</b>	427	4.1	1.5	215	15.5
<b>MT</b>	:	:	:	223	1.0
<b>NL</b>	173	1.1	3.2	175	24.0
<b>AT</b>	206	2.5	2.8	170	19.2
<b>PL</b>	648	1.7	1.3	280	25.9
<b>PT</b>	238	2.3	1.9	224	19.3
<b>SI</b>	78	3.9	1.1	267	2.5
<b>SK</b>	276	5.1	1.1	333	2.8
<b>FI</b>	219	4.2	1.5	172	7.7
<b>SE</b>	811	9.1	1.4	168	18.3
<b>UK</b>	692	1.2	4.6	232	176.0

(1) SI, 2000.

(2) EL and SI, 2000; HU, 1999.

(3) BE, EL and SI, 2000.

(4) EU-15, 1999; BE, PL and SI, 2000.

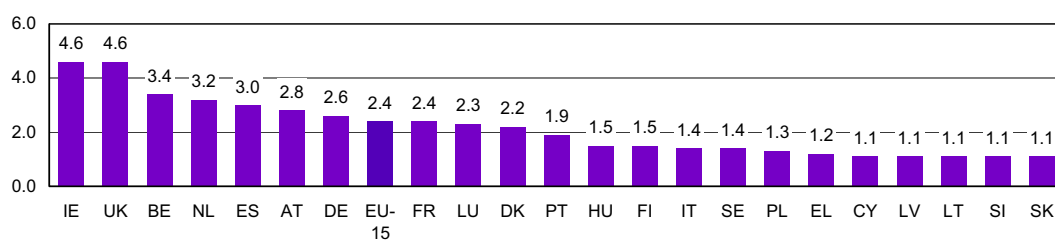
(5) 2002; EE, EL, CY, LV, LT, HU, MT, PT, SI and SK, 2001; EU-15, provisional estimate.

(6) Eurostat estimate.

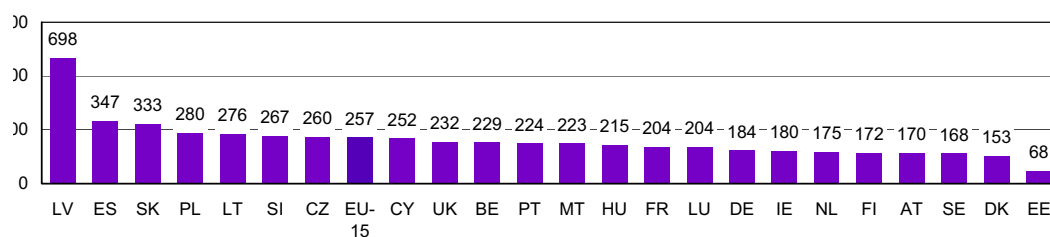
Source: Cinema, TV and radio in the EU, European Commission, 2003

In the EU-15, each cinema had on average of 2.4 screens (see Figure 6.51). Cinema sites in Ireland and the United Kingdom were generally larger than in the rest of Europe, with 4.6 screens on average, whilst Cyprus, Latvia, Lithuania, Slovenia and Slovakia reported a low presence of multi-screen cinemas (resulting in an average of just over one screen per site). The EU-15 average cinema auditorium had 257 seats, with more than 300 seats per screen on average in Spain. Slovakia presented a much higher average with almost 700 seats per screen. During the second half of the 1990s the number of screens per site increased in conjunction with a decreasing average number of seats per screen, both linked to the development of the so-called multiplex cinemas.

**F**igure 6.51: Size of cinemas, 2001



**Average number of screens per cinema site (units) (1)**



**Average number of seats per screen (units) (2)**

(1) CZ, EE and MT, not available; BE, EL and SI, 2000.

(2) EL and IT, not available; EU-15, 1999; BE, PL and SI, 2000.

Source: Cinema, TV and radio in the EU, European Commission, 2003

## CONSUMPTION: CINEMA ATTENDANCE

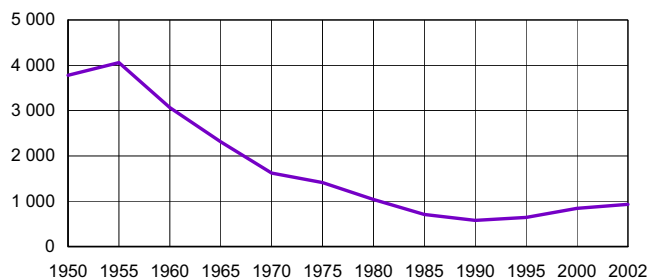
Cinema attendance in the EU recovered during the 1990s after more than 40 years of continuous decline, such that almost 934 million admissions were recorded in 2002, an average of 2.5 visits per inhabitant (see Figures 6.52 and 6.53). The Member States with the most enthusiastic cinema-goers were Ireland and Luxembourg<sup>7</sup>, with an average of 3.2 and 4.2 cinema tickets sold per inhabitant. In contrast, Latvians, Lithuanians, Poles and Slovaks went, on average, just over once to the cinema in 2001 (1.2 admissions per inhabitant).

### Price of the silver screen

Cinema tickets were cheapest (EUR 1.60) in Slovakia in 2001, less than a fifth of the price paid by Swedish (EUR 8.10) viewers. EU-15 consumers spent an average of EUR 5.60 on a cinema ticket in 2001 (see Figure 6.53).

(7) Cinema visitors may not be resident in the country where they watch a film, which is particularly pertinent for Luxembourg

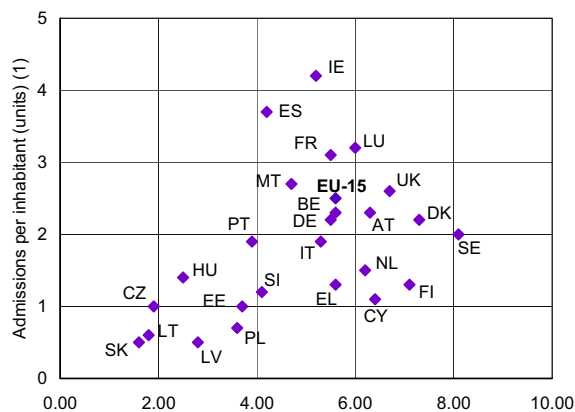
**F**igure 6.52: Evolution of cinema admissions in the EU-15 (millions) (1)



(1) Eurostat estimate.

Source: Cinema, TV and radio in the EU, European Commission, 2003

**F**igure 6.53: Average ticket price and cinema admissions, 2001



(1) HU, 2000.

(2) CZ and SI, 2000.

Source: Cinema, TV and radio in the EU, European Commission, 2003

**Table 6.54: Box office receipts from cinemas, 2001**

	Total (1) (million €)	Per inhabitant (1) (€)	Origin of film (%)	
			National (2)	US (3)
<b>EU-15</b>	<b>5 168</b>	<b>13.7</b>	<b>:</b>	<b>64.2</b>
BE	131	12.7	1.1	72.2
CZ	17	1.6	30.0	53.0
DK	87	16.2	30.0	56.0
DE	987	12.0	18.4	81.9
EE	5	3.5	3.6	76.2
EL	74	6.7	5.0	80.0
ES	616	15.3	17.9	62.2
FR	1 014	17.1	41.7	46.6
IE	83	21.5	9.8	90.0
IT	592	10.2	19.4	57.8
CY	6	7.8	0.0	88.4
LV	3	1.4	7.3	89.3
LT	4	1.2	1.2	85.9
LU	9	19.2	0.3	80.6
HU	39	3.8	5.1	79.5
MT	5	12.5	:	:
NL	150	9.3	9.4	60.1
AT	120	14.9	6.8	:
PL	100	2.6	13.7	78.4
PT	76	7.4	5.4	56.7
SI	9	4.6	9.9	:
SK	5	0.9	:	:
FI	46	8.9	9.7	66.9
SE	147	16.5	22.5	63.7
UK	1 037	17.4	13.5	77.1

(1) CZ and SI, 2000.

(2) EL, IE and AT, 1998; LU, 1999; PL, PT and SI, 2000.

(3) EU-15, Eurostat estimate; DE, LV, LT, LU, PL and PT, 2000; EL, 1998, IE, 1995.

Source: Cinema, TV and radio in the EU, European Commission, 2003

**Choice**

US made films continue to dominate the European cinema scene. Figures indicate that in most countries, 60% to 90% of all box office receipts are generated by films of US origin (see Table 6.54). France was the most notable exception to this rule, with US films accounting for less than 50% of all films watched.

**CONCERTS**

The Eurobarometer survey (56.0) conducted in summer 2001 pointed out that among the people having attended concerts in the last 12 months (an average of 1.38<sup>(8)</sup>), 50% had attended a rock/pop music concert. This rate reached 68.7% in Denmark and 64.3% in Spain. Some 23.9% of those people had been to classical music concerts. People from Luxembourg (42.8%), Austria (35.9%) and the United Kingdom (30.1%) were more likely to attend this kind of concert. Folk and traditional music concerts came third (14.1%). The proportion of people having attended this kind of concert in the last 12 months was higher in Greece, Portugal and Austria (37%, 36.1% and 25.3% respectively) than in other countries of the EU-15.

(8) In a scale from 1 to 5 (where 1 = 'never' and 5 = 'more than 12 times'; the central position is 3 that is 4 to 6 times).

## SPORT

The Eurobarometer survey (62.0) on sport in the European Union conducted during the autumn of 2004 revealed that almost four out of 10 Europeans played sport once a week (see Table 6.55). In 2004, 38% of citizens throughout the 25 Member States of the Union declared that they played sport at least once a week. The development compared with 2003 was positive: one year before, only three citizens out of 10 (35%) practiced sport at least once a week in the EU-15.

The Scandinavian countries were the most sporting countries. More than 70% of Finns (75%) and Swedes (72%) claimed they played sport at least once a week. Among the new Member States a rather high number of athletes, above the European average, could be observed in Malta (42%), Cyprus (43%) and Slovenia (43%).

The evolution compared to the previous year turned out to be especially positive in the country that organised the most important sports event of 2004, the Olympic Games. In fact, the proportion of interviewees who claimed to never play a sport decreased by 18 points in Greece compared to the results of 2003 (from 75% to 57%).

The trends observed in Greece and Portugal were part of an upward evolution in the practice of sports in the European Union. In most of the Member States of the European Union, the frequency of sports activities progressed in 2004. For instance, a higher number of interviewees affirming that they did sport three times or more per week was especially noticeable in France (+9 points), Finland (+8 points), Belgium (+7 points) and Greece (+6 points).

**Table 6.55: Practice of sport in the EU, 2004**  
(% practicing sport at least once a week)

<b>EU-25</b>	<b>38</b>
<b>Sex</b>	
Male	41
Female	35
<b>Age</b>	
15-24	60
25-39	41
40-54	34
55+	28
<b>Age when finished full time education</b>	
15 or less	20
16-20	32
21 or more	50
<b>Practise at least once a week</b>	
Student	66
Executive	52
Employee	44

Source: Eurobarometer 62.0, The citizens of the European Union and Sport, European Commission, 2004



The major reason slowing down the practice of sports was, for one third of European Union citizens (34%), the lack of time. The fact of not liking sport was an obstacle which was difficult to overcome for one European citizen out of four (25%). However, neither the fee (4%) nor the lack of suitable facilities (3%) seemed to be significant reasons for not practicing sports. It should be noted that one third of the respondents defended their choice by elements other than those which were proposed to them.

### ARTISTIC ACTIVITIES

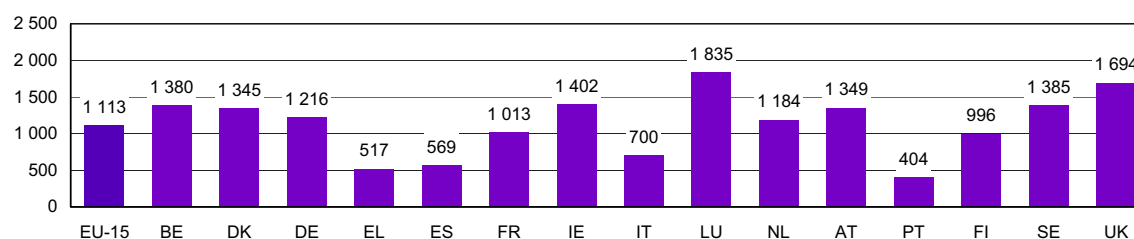
According to the Eurobarometer survey (56.0) conducted in the summer of 2001, 29.4% of Europeans had done some photography or made an amateur film, individually or within a group or a class, in the last 12 months. It was mostly in Sweden (60.4%), in the Netherlands (47.3%), Germany (40.2%) and Austria (38.9%) that the highest rates were to be found. Slightly more than one fifth of the interviewees (22%) had danced. This proportion was higher in Sweden (35.4%), Greece (30.7%), Austria (29.9%) and Finland (28.1%) than anywhere else in the European Union. Singing was the third artistic activity practised by 19.8% of European citizens. Artistic activities such as writing (15.1%), sculpting, painting, drawing and creative computing (14.8%) came next. It should nevertheless be underlined that there was a high proportion of people not having acted (94%), not having played a musical instrument (86.8%), not having practised activities such as sculpture, painting, drawing, etc. (83.5%) or not having written (83.3%).

## CONSUMPTION EXPENDITURE

The coverage of sports and recreational services by household expenditure data includes: major durable goods for recreation and culture other than audio-visual and IT equipment (for example, caravans, boats or musical instruments); other durable goods for recreation and culture (including games, toys, equipment for sport and open-air recreation and plants); and recreational and cultural services (for example, amusement parks, ski passes, hire of equipment, music lessons, entrance tickets for events or film developing services). Please note that this definition also includes cinema and television services, however television services are covered within section 6.2.

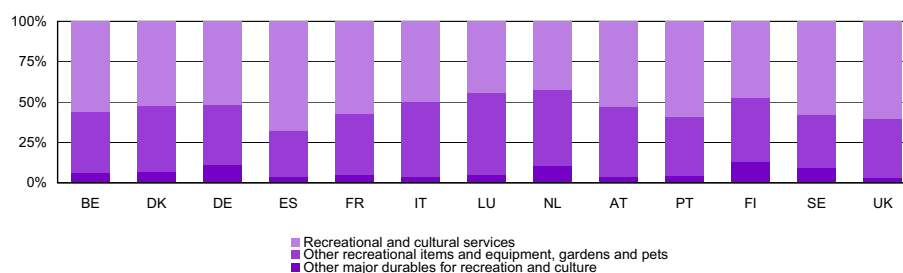
Average consumption expenditure of households on these goods and services generally ranged between 700 PPS (Italy) and 1 694 PPS (the United Kingdom). Portugal (239 PPS), Greece (517 PPS) and Spain (569 PPS) showed values well below average, whilst Luxembourg had the highest average expenditure (1 835 PPS) - see Figure 6.56. The spending in this area was generally more or less equally shared between equipment and services.

**Figure 6.56: Other major durables for recreation & culture; other recreational items & equipment, gardens & pets; recreational & cultural services**  
Mean consumption expenditure, 1999 (PPS per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

**Figure 6.57: Other major durables for recreation & culture; other recreational items & equipment, gardens & pets; recreational & cultural services**  
Breakdown of consumption expenditure, 1999 (%) (1)



(1) EL and IE, not available.

Source: Eurostat, Household Budget Survey (theme3/hbs)

## PRICES

The evolution of prices of recreational goods and services between 1999 and 2003 shows a familiar pattern, with the price of services rising at a faster pace than the all-items consumer price index, whilst the price of goods rose more slowly (see Table 6.58). In the case of games and toys and equipment for open-air activities, prices decreased between 1999 and 2003, falling on average by 1.87% and 0.5% per annum. For major recreational durable goods, price increases remained modest, equal on average to 1.80% per annum. In the field of services, however, price increases reached an average of 2.17% per annum for cultural services and 3.45% per annum for recreational and sporting services.

**T**able 6.58: Other major durables for recreation and culture  
Development of harmonised indices of consumer prices in  
the EU (1999=100)

	1999	2000	2001	2002	2003
<b>Total HICP</b>	100	102	105	107	109
<b>Major durables for recreation</b>	100	101	103	105	107
<b>Durables for recreation</b>	100	101	103	105	107
<b>Main. &amp; repair of durables</b>	100	105	109	116	122
<b>Other recreational items</b>	100	100	101	102	101
<b>Games, toys and hobbies</b>	100	98	98	96	93
<b>Sports equipment, camping</b>	100	100	100	99	98
<b>Gardens, plants and flowers</b>	100	102	104	106	107
<b>Pets &amp; veterinary services</b>	100	101	102	105	107
<b>Recreational &amp; cultural services</b>	100	101	105	109	111
<b>Recreational &amp; sports services</b>	100	103	107	111	115
<b>Cultural services</b>	100	100	103	107	109

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**T**able 6.59: Recreation and culture; restaurants and hotels  
Mean consumption expenditure, 1999 (PPS per household)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>MEAN CONSUMPTION EXPENDITURE</b>																
<b>Recreation &amp; culture; rest. &amp; hotels (1)</b>	<b>3 937</b>	<b>4 485</b>	<b>3 576</b>	<b>3 947</b>	<b>3 105</b>	<b>3 129</b>	<b>3 237</b>	<b>4 294</b>	<b>2 954</b>	<b>7 918</b>	<b>4 467</b>	<b>4 691</b>	<b>2 641</b>	<b>2 701</b>	<b>4 000</b>	<b>5 882</b>
<b>Aud.-vis., photo. &amp; IT equipment</b>	<b>392</b>	<b>308</b>	<b>559</b>	<b>457</b>	<b>156</b>	<b>218</b>	<b>317</b>	<b>332</b>	<b>303</b>	<b>633</b>	<b>550</b>	<b>433</b>	<b>202</b>	<b>331</b>	<b>474</b>	<b>540</b>
<b>Audio-visual equipment</b>	<b>115</b>	<b>76</b>	<b>217</b>	<b>137</b>	<b>63</b>	<b>77</b>	<b>82</b>	<b>95</b>	<b>47</b>	<b>188</b>	<b>172</b>	<b>119</b>	<b>61</b>	<b>133</b>	<b>146</b>	<b>183</b>
<b>Photo. equip. &amp; optical instruments</b>	<b>41</b>	<b>27</b>	<b>21</b>	<b>61</b>	<b>8</b>	<b>9</b>	<b>19</b>	<b>18</b>	<b>29</b>	<b>57</b>	<b>49</b>	<b>49</b>	<b>8</b>	<b>19</b>	<b>26</b>	<b>76</b>
<b>Information processing equipment</b>	<b>111</b>	<b>91</b>	<b>166</b>	<b>156</b>	<b>26</b>	<b>74</b>	<b>102</b>	<b>100</b>	<b>58</b>	<b>220</b>	<b>205</b>	<b>149</b>	<b>73</b>	<b>104</b>	<b>168</b>	<b>97</b>
<b>Recording media</b>	<b>100</b>	<b>94</b>	<b>144</b>	<b>77</b>	<b>45</b>	<b>45</b>	<b>105</b>	<b>110</b>	<b>89</b>	<b>152</b>	<b>112</b>	<b>91</b>	<b>54</b>	<b>63</b>	<b>128</b>	<b>173</b>
<b>Repair</b>	<b>24</b>	<b>21</b>	<b>11</b>	<b>26</b>	<b>13</b>	<b>12</b>	<b>8</b>	<b>8</b>	<b>80</b>	<b>15</b>	<b>11</b>	<b>25</b>	<b>6</b>	<b>12</b>	<b>7</b>	<b>10</b>
<b>Other major durables</b>	<b>69</b>	<b>80</b>	<b>105</b>	<b>131</b>	<b>2</b>	<b>18</b>	<b>51</b>	<b>0</b>	<b>18</b>	<b>97</b>	<b>118</b>	<b>50</b>	<b>13</b>	<b>127</b>	<b>125</b>	<b>59</b>
<b>Indoor/outdoor recreation &amp; music</b>	<b>:</b>	<b>79</b>	<b>104</b>	<b>:</b>	<b>1</b>	<b>16</b>	<b>49</b>	<b>0</b>	<b>18</b>	<b>95</b>	<b>93</b>	<b>48</b>	<b>13</b>	<b>122</b>	<b>111</b>	<b>60</b>
<b>Maintenance and repair</b>	<b>:</b>	<b>1</b>	<b>0</b>	<b>:</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>25</b>	<b>2</b>	<b>0</b>	<b>6</b>	<b>14</b>	<b>0</b>
<b>Other items, gardens and pets</b>	<b>422</b>	<b>533</b>	<b>545</b>	<b>437</b>	<b>195</b>	<b>157</b>	<b>381</b>	<b>503</b>	<b>321</b>	<b>934</b>	<b>563</b>	<b>580</b>	<b>157</b>	<b>396</b>	<b>458</b>	<b>620</b>
<b>Games, toys, sports &amp; camping</b>	<b>162</b>	<b>150</b>	<b>204</b>	<b>165</b>	<b>84</b>	<b>90</b>	<b>110</b>	<b>245</b>	<b>127</b>	<b>233</b>	<b>223</b>	<b>235</b>	<b>61</b>	<b>190</b>	<b>189</b>	<b>252</b>
<b>Gardens, plants and flowers</b>	<b>146</b>	<b>336</b>	<b>190</b>	<b>186</b>	<b>68</b>	<b>22</b>	<b>152</b>	<b>49</b>	<b>108</b>	<b>485</b>	<b>201</b>	<b>171</b>	<b>37</b>	<b>112</b>	<b>169</b>	<b>148</b>
<b>Pets and related products</b>	<b>114</b>	<b>48</b>	<b>150</b>	<b>86</b>	<b>43</b>	<b>45</b>	<b>118</b>	<b>209</b>	<b>86</b>	<b>216</b>	<b>140</b>	<b>174</b>	<b>58</b>	<b>95</b>	<b>100</b>	<b>219</b>
<b>Recreational and cultural services</b>	<b>622</b>	<b>767</b>	<b>695</b>	<b>648</b>	<b>320</b>	<b>394</b>	<b>581</b>	<b>899</b>	<b>361</b>	<b>804</b>	<b>503</b>	<b>719</b>	<b>234</b>	<b>473</b>	<b>802</b>	<b>1 015</b>
<b>Recreational and sporting services</b>	<b>132</b>	<b>140</b>	<b>146</b>	<b>0</b>	<b>65</b>	<b>83</b>	<b>179</b>	<b>284</b>	<b>107</b>	<b>338</b>	<b>149</b>	<b>221</b>	<b>41</b>	<b>106</b>	<b>222</b>	<b>302</b>
<b>Cultural services</b>	<b>324</b>	<b>521</b>	<b>379</b>	<b>516</b>	<b>145</b>	<b>123</b>	<b>334</b>	<b>370</b>	<b>112</b>	<b>318</b>	<b>303</b>	<b>333</b>	<b>132</b>	<b>214</b>	<b>270</b>	<b>349</b>
<b>Games of chance</b>	<b>167</b>	<b>106</b>	<b>170</b>	<b>133</b>	<b>111</b>	<b>188</b>	<b>68</b>	<b>246</b>	<b>142</b>	<b>148</b>	<b>51</b>	<b>165</b>	<b>61</b>	<b>152</b>	<b>310</b>	<b>364</b>
<b>Newspapers, books and stationery</b>	<b>393</b>	<b>434</b>	<b>389</b>	<b>409</b>	<b>327</b>	<b>313</b>	<b>309</b>	<b>533</b>	<b>397</b>	<b>572</b>	<b>497</b>	<b>436</b>	<b>184</b>	<b>381</b>	<b>489</b>	<b>463</b>
<b>Books</b>	<b>124</b>	<b>147</b>	<b>120</b>	<b>143</b>	<b>152</b>	<b>119</b>	<b>95</b>	<b>134</b>	<b>131</b>	<b>194</b>	<b>149</b>	<b>120</b>	<b>79</b>	<b>82</b>	<b>129</b>	<b>115</b>
<b>Newspapers and periodicals</b>	<b>174</b>	<b>188</b>	<b>222</b>	<b>107</b>	<b>139</b>	<b>141</b>	<b>131</b>	<b>302</b>	<b>233</b>	<b>250</b>	<b>269</b>	<b>244</b>	<b>71</b>	<b>263</b>	<b>319</b>	<b>218</b>
<b>Miscellaneous printed matter</b>	<b>32</b>	<b>26</b>	<b>19</b>	<b>107</b>	<b>7</b>	<b>4</b>	<b>15</b>	<b>6</b>	<b>0</b>	<b>37</b>	<b>40</b>	<b>14</b>	<b>1</b>	<b>23</b>	<b>13</b>	<b>0</b>
<b>Stationery and drawing materials</b>	<b>62</b>	<b>73</b>	<b>28</b>	<b>53</b>	<b>29</b>	<b>48</b>	<b>68</b>	<b>92</b>	<b>33</b>	<b>91</b>	<b>39</b>	<b>57</b>	<b>32</b>	<b>14</b>	<b>27</b>	<b>130</b>
<b>Package holidays, rest. &amp; hotels (1)</b>	<b>2 039</b>	<b>2 363</b>	<b>1 284</b>	<b>1 866</b>	<b>2 104</b>	<b>2 029</b>	<b>1 595</b>	<b>2 027</b>	<b>1 554</b>	<b>4 877</b>	<b>2 236</b>	<b>2 473</b>	<b>1 850</b>	<b>992</b>	<b>1 652</b>	<b>3 185</b>
<b>Package holidays (2)</b>	<b>529</b>	<b>806</b>	<b>333</b>	<b>719</b>	<b>50</b>	<b>157</b>	<b>173</b>	<b>483</b>	<b>303</b>	<b>721</b>	<b>428</b>	<b>1 049</b>	<b>98</b>	<b>243</b>	<b>821</b>	<b>1 007</b>
<b>Restaurants and hotels (3)</b>	<b>1 510</b>	<b>1 557</b>	<b>951</b>	<b>1 147</b>	<b>2 054</b>	<b>1 872</b>	<b>1 422</b>	<b>1 544</b>	<b>1 251</b>	<b>4 156</b>	<b>1 808</b>	<b>1 424</b>	<b>1 752</b>	<b>749</b>	<b>831</b>	<b>2 178</b>
<b>Catering services (4)</b>	<b>1 292</b>	<b>1 397</b>	<b>821</b>	<b>928</b>	<b>1 944</b>	<b>1 762</b>	<b>1 174</b>	<b>1 487</b>	<b>832</b>	<b>3 397</b>	<b>1 109</b>	<b>1 373</b>	<b>1 698</b>	<b>687</b>	<b>770</b>	<b>2 114</b>
<b>Accommodation services (5)</b>	<b>219</b>	<b>160</b>	<b>130</b>	<b>219</b>	<b>111</b>	<b>109</b>	<b>249</b>	<b>56</b>	<b>419</b>	<b>759</b>	<b>699</b>	<b>50</b>	<b>54</b>	<b>62</b>	<b>61</b>	<b>64</b>

(1) AT, including holiday travel; SE, excluding take-away food and beverages.

(2) AT, including hotels and holiday travel.

(3) AT, excluding hotels; SE, excluding take-away food and beverages.

(4) SE, excluding take-away food and beverages.

(5) AT, excluding hotels.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 6.60: Recreation and culture; restaurants and hotels**  
**Structure of household expenditure, 1999 (% of total household expenditure)**

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>STRUCTURE OF EXPENDITURE</b>																
<b>Recreation &amp; culture; rest. &amp; hotels (1)</b>	<b>16.0</b>	16.4	15.3	16.8	13.3	15.4	13.2	14.4	10.9	18.3	17.4	17.7	14.3	14.8	18.4	21.3
<b>Aud.-vis., photo. &amp; IT equipment</b>	<b>1.6</b>	1.1	2.4	1.9	0.7	1.1	1.3	1.1	1.1	1.5	2.1	1.6	1.1	1.8	2.2	2.0
<b>Audio-visual equipment</b>	<b>0.5</b>	0.3	0.9	0.6	0.3	0.4	0.3	0.3	0.2	0.4	0.7	0.5	0.3	0.7	0.7	0.7
<b>Photo. equip. &amp; optical instruments</b>	<b>0.2</b>	0.1	0.1	0.3	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.0	0.1	0.1	0.3
<b>Information processing equipment</b>	<b>0.5</b>	0.3	0.7	0.7	0.1	0.4	0.4	0.3	0.2	0.5	0.8	0.6	0.4	0.6	0.8	0.4
<b>Recording media</b>	<b>0.4</b>	0.3	0.6	0.3	0.2	0.2	0.4	0.4	0.3	0.4	0.4	0.3	0.3	0.3	0.6	0.6
<b>Repair</b>	<b>0.1</b>	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.3	0.0	0.0	0.1	0.0	0.1	0.0	0.0
<b>Other major durables</b>	:	0.3	0.4	0.6	:	0.1	0.2	:	0.1	0.2	0.5	0.2	0.1	0.7	0.6	0.2
<b>Indoor/outdoor recreation &amp; music</b>	:	:	0.5	:	:	0.0	0.2	:	0.1	0.2	0.4	0.2	0.0	0.6	0.5	0.2
<b>Maintenance and repair</b>	:	0.0	:	:	:	0.0	0.0	:	:	0.0	0.1	0.0	0.0	0.0	0.1	:
<b>Other items, gardens and pets</b>	<b>1.7</b>	1.9	2.3	1.9	0.8	0.8	1.6	1.7	1.2	2.2	2.2	2.2	0.8	2.2	2.1	2.2
<b>Games, toys, sports &amp; camping</b>	:	0.5	0.8	:	0.4	0.5	0.5	:	0.5	0.5	0.8	0.9	0.4	1.0	0.8	1.0
<b>Gardens, plants and flowers</b>	<b>0.6</b>	1.2	0.8	0.8	0.3	0.1	0.6	0.2	0.4	1.1	0.8	0.6	0.2	0.6	0.8	0.5
<b>Pets and related products</b>	:	:	0.6	:	0.1	0.3	:	0.7	:	0.5	0.6	0.7	0.3	0.6	0.5	:
<b>Recreational and cultural services</b>	<b>2.5</b>	2.8	3.0	2.7	1.4	1.9	2.4	3.0	1.3	1.9	2.0	2.7	1.3	2.6	3.7	3.7
<b>Recreational and sporting services</b>	:	0.5	0.6	:	0.3	0.4	0.7	1.0	0.4	0.8	0.6	0.8	0.2	0.6	1.0	1.1
<b>Cultural services</b>	<b>1.3</b>	1.9	1.6	2.2	0.6	0.6	1.4	1.2	0.4	0.7	1.2	1.3	0.7	1.2	1.2	1.3
<b>Games of chance</b>	<b>0.7</b>	0.4	0.7	0.6	0.5	0.9	0.3	0.8	0.5	0.3	0.2	0.6	0.3	0.8	1.4	1.3
<b>Newspapers, books and stationery</b>	<b>1.6</b>	1.6	1.7	1.7	1.4	1.5	1.3	1.8	1.5	1.3	1.9	1.6	1.0	2.1	2.3	1.7
<b>Books</b>	<b>0.5</b>	0.5	0.5	0.6	0.7	0.6	0.4	0.5	0.5	0.4	0.6	0.5	0.4	0.4	0.6	0.4
<b>Newspapers and periodicals</b>	<b>0.7</b>	0.7	0.9	0.5	0.6	0.7	0.5	1.0	0.9	0.6	1.0	0.9	0.4	1.4	1.5	0.8
<b>Miscellaneous printed matter</b>	:	0.1	0.1	0.5	0.0	0.0	0.1	0.0	:	0.1	0.2	0.1	0.0	0.1	0.1	:
<b>Stationery and drawing materials</b>	<b>0.3</b>	0.3	0.1	0.2	0.1	0.2	0.3	0.3	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.5
<b>Package holidays, rest. &amp; hotels (1)</b>	<b>8.3</b>	8.6	5.5	7.9	9.0	10.0	6.5	6.8	5.7	11.3	8.7	9.4	10.0	5.4	7.6	11.5
<b>Package holidays (2)</b>	<b>2.2</b>	2.9	1.4	3.0	0.2	0.8	0.7	1.6	1.1	1.7	1.7	4.0	0.5	1.3	3.8	3.6
<b>Restaurants and hotels (3)</b>	<b>6.1</b>	5.7	4.1	4.9	8.8	9.2	5.8	5.2	4.6	9.6	7.0	5.4	9.5	4.1	3.8	7.9
<b>Catering services (4)</b>	<b>5.2</b>	5.1	3.5	3.9	8.3	8.7	4.8	5.0	3.1	7.9	4.3	5.2	9.2	3.8	3.6	7.6
<b>Accommodation services (5)</b>	<b>0.9</b>	0.6	0.6	0.9	0.5	0.5	1.0	0.2	1.5	1.8	2.7	0.2	0.3	0.3	0.3	0.2

(1) AT, including holiday travel; SE, excluding take-away food and beverages.

(2) AT, including hotels and holiday travel.

(3) AT, excluding hotels; SE, excluding take-away food and beverages.

(4) SE, excluding take-away food and beverages.

(5) AT, excluding hotels.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**T**able 6.61: Recreation and culture; restaurants and hotels  
Structure of household expenditure, 1999 (%)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT (1)	PT	FI	SE (2)	UK
<b>BROKEN DOWN BY INCOME DISTRIBUTION (3)</b>																
Lowest twenty percent	13.4	13.3	15.5	14.4	10.0	13.5	10.7	13.5	7.8	14.9	13.9	14.9	12.5	13.7	18.5	17.7
Second quintile group	14.5	14.8	13.7	16.1	11.0	14.1	11.3	13.8	9.1	16.9	14.5	16.6	11.6	12.9	17.0	19.6
Third quintile group	15.4	14.9	14.8	16.7	12.4	14.5	11.8	13.9	10.2	18.2	16.3	17.2	12.3	14.1	16.5	21.3
Fourth quintile group	16.5	17.5	15.1	17.0	14.0	16.3	13.3	15.3	11.5	19.1	18.4	17.5	14.3	15.6	18.8	22.3
Highest twenty percent	17.8	18.9	16.5	17.6	15.3	17.1	15.9	15.2	13.4	20.0	20.7	20.3	16.7	16.2	20.6	22.5
<b>BROKEN DOWN BY AGE OF REFERENCE PERSON OF HOUSEHOLD</b>																
Less than 30	17.7	17.3	17.8	17.9	17.4	16.0	14.5	15.7	12.1	15.6	20.9	18.9	15.0	18.8	21.3	24.2
Between 30 and 44	16.9	17.5	15.5	16.7	14.3	16.4	14.7	15.1	13.0	18.6	17.4	19.2	15.6	15.9	18.8	22.4
Between 45 and 59	16.5	15.7	15.5	16.8	13.8	16.9	14.0	15.0	11.6	19.8	17.5	17.2	14.8	14.7	18.2	21.9
60 and over	13.3	14.8	12.9	16.3	11.0	12.3	9.3	11.0	8.3	17.5	15.2	15.7	11.4	10.8	16.6	16.7
<b>BROKEN DOWN BY TYPE OF HOUSEHOLD</b>																
1 adult without dependent children	14.9	15.6	16.9	17.5	14.7	11.4	12.2	11.5	10.3	19.4	17.1	18.9	16.3	15.4	20.6	17.0
2 adults without dependent children	15.7	17.0	15.0	17.4	11.1	12.4	12.0	13.5	10.1	18.4	18.8	19.1	11.6	14.5	18.7	21.8
3+ adults without dependent children	16.3	16.4	15.3	15.5	14.6	15.9	12.0	15.3	9.9	18.2	16.9	14.7	13.7	14.2	16.0	26.9
Single parent with dependent child(ren)	15.1	13.7	15.6	15.9	11.7	15.2	13.2	12.8	13.5	17.6	15.3	18.7	16.7	13.9	16.7	16.7
2 adults with dependent child(ren)	16.1	16.6	14.5	16.0	13.4	16.3	14.5	15.1	11.7	18.1	16.5	18.0	15.5	15.0	17.1	21.1
3+ adults with dependent child(ren)	16.9	17.3	14.4	15.4	14.2	17.1	13.6	15.2	11.2	17.5	18.4	14.0	14.5	13.1	18.7	26.6
<b>BROKEN DOWN BY SOCIO-ECONOMIC CATEGORY OF REFERENCE PERSON OF HOUSEHOLD</b>																
Manual workers (4)	16.5	17.1	13.9	17.1	12.0	15.5	12.0	14.4	12.5	16.0	17.9	15.8	13.6	15.0	17.8	23.5
Non-manual workers	11.5	17.2	16.1	:	15.8	17.6	15.5	16.1	:	20.3	18.9	20.9	16.8	16.5	19.5	22.8
Self-employed	16.6	17.2	16.9	17.0	13.8	15.5	13.7	13.4	11.8	18.6	18.3	18.0	14.3	14.9	20.0	22.2
Unemployed	13.7	13.8	15.9	14.8	12.3	15.1	10.8	9.7	8.5	18.0	:	15.8	12.3	13.0	15.6	17.9
Retired	9.4	14.6	13.2	:	11.1	12.7	9.5	11.0	9.0	17.9	15.3	15.4	10.8	11.0	15.7	15.8
Other inactive (5)	13.7	15.5	19.7	15.5	11.5	11.4	9.9	9.2	7.5	16.5	14.5	16.3	11.0	19.6	19.5	18.2
<b>BROKEN DOWN BY DEGREE OF URBANISATION</b>																
Dense (>500 inhabitants/km <sup>2</sup> )	:	17.3	16.4	:	:	16.0	13.9	16.0	11.4	18.3	:	21.1	15.9	16.0	20.2	21.7
Intermediate (100-499 inhabitants/km <sup>2</sup> )	:	15.4	14.2	:	:	15.3	12.7	13.5	10.5	18.4	:	17.8	12.2	13.6	18.4	22.0
Sparse (<100 inhabitants/km <sup>2</sup> )	:	11.4	13.3	:	:	14.5	11.4	:	9.8	18.1	:	13.6	10.8	12.3	17.7	19.6

(1) Including holiday travel.

(2) Excluding take-away food and beverages.

(3) FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

(4) DE, including non-manual workers; IT, including all non-agricultural persons in employment.

(5) DE, including retired.

Source: Eurostat, Household Budget Survey (theme3/hbs)



## 7. Financial services



## 7 FINANCIAL SERVICES

### 7.1 INSURANCE

**Table 7.1: Insurance - gross direct premiums written per inhabitant, 2001 (€)**

	Life insurance (1)		Non-life insurance (1)		
	Non-linked life	Linked life	Motor vehicle	Fire/damage to property	General liability
BE	575	99	1 060	898	665
CZ	:	:	:	:	:
DK	372	47	233	304	27
DE	702	53	257	140	83
EE	14	2	:	15	1
EL (2)	65	11	55	12	1
ES	499	63	216	17	20
FR	995	393	261	185	52
IE (3)	354	1 408	289	138	151
IT (4)	280	390	296	60	36
CY	:	:	:	:	:
LV	0	:	0	0	0
LT	7	1	12	6	1
LU	1 668	10 319	476	271	88
HU	43	24	54	13	4
MT	:	:	:	:	:
NL	858	727	250	171	:
AT	634	69	271	163	57
PL	45	21	62	17	3
PT	276	116	166	48	6
SI	98	0	151	61	12
SK	32	20	45	21	7
FI	374	84	171	109	26
SE	314	531	273	243	29
UK	1 389	:	282	251	84

(1) Including business of composite insurance enterprises.

(2) 1997.

(3) 1999.

(4) 2000.

Source: Eurostat, Structural Business Statistics (theme4/sbs)

Insurance is a system of protection against loss in which a number of individuals agree to pay certain sums of money, called premiums, to create a pool of money which will guarantee that the individuals will be compensated for losses caused by events such as fire, accident, illness, or death.

Some of the types of insurance, the most used, are automobile insurance, credit insurance, flood insurance, health insurance, managed care, life insurance, home insurance and workers' compensation.

#### CONSUMPTION EXPENDITURE:

There were 3 454 insurance enterprises in the EU in 2001, excluding reinsurance enterprises, of which 961 were life insurance enterprises<sup>2</sup>, 2 207 non-life insurance and 286 composite life/non-life insurance enterprises.

Non-linked life insurance<sup>3</sup> was the leading insurance product in the EU in 2001, with gross direct premiums written totalling between EUR 14 per inhabitant in Estonia and EUR 995 in France (see Table 7.1). Only Latvia (EUR 0), Lithuania (EUR 7), Luxembourg (EUR 1 668) and the United Kingdom (EUR 1 389) were outside this range. Motor vehicle insurance produced between EUR 54 of gross premiums per inhabitant in Hungary and EUR 296 per inhabitant in Italy with Latvia (EUR 0.003), Lithuania (EUR 12), Luxembourg (EUR 476) and Belgium (EUR 1 060) outside the range.

Within the framework of the household budget survey, service charges for insurance generally cover the sum of all the insurance premiums paid by households for non-life insurance, for example insurance for dwellings, health or transport; social protection (such as payments into unemployment or sickness schemes) is not covered. The premiums paid under life insurance and capitalisation contracts are treated as a form of saving and are excluded from the field of consumption expenditure. As a result, contrary to other financial services, insurance claims an important share of household consumption. Mean expenditure ranged between 286 PPS per household in Greece (or 1.2% of total expenditure) and 2 946 PPS in the Netherlands (or 11.5%) in 1999 (see Table 7.24).

(1) FR and AT, 2000; IE, 1999; EL, 1997; CY and MT, not available.

(2) BE, 1999.

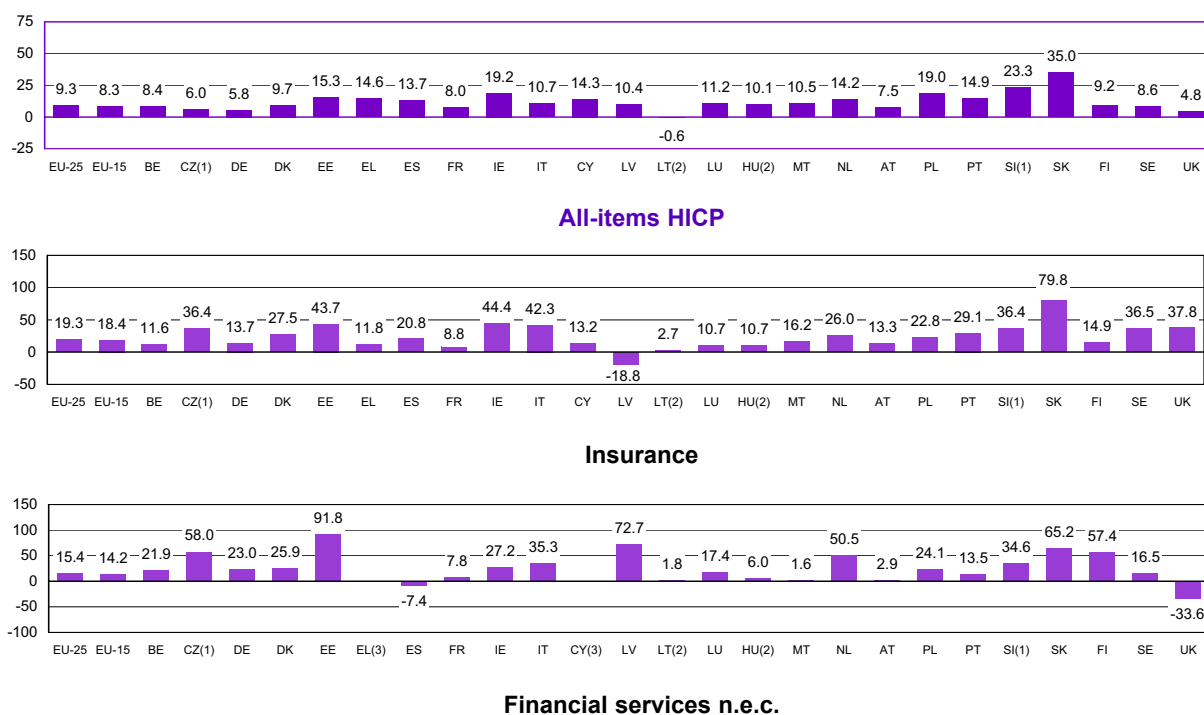
(3) Where insurance is not linked to the value of investment funds, but is rather a fixed guaranteed amount.



## PRICES: THE COST OF PEACE OF MIND

According to Commission Regulation (EC) No 1749/96, harmonised indices of consumer prices should cover only motor insurance and contents insurance for dwellings up to December 1999. Since January 2000, consumer price indices cover all insurance connected with the dwelling typically paid by the tenant (not only contents insurance), as well as private health, civil liability, and travel insurance. On average, the price of insurance rose by 19.3% between 1999 and 2003 in the EU (see Figure 7.2).

**Figure 7.2: Insurance and financial services n.e.c.**  
Absolute growth in consumer prices, 1999-2003 (%)



Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

## SATISFACTION: POLICY HOLDERS

Insurance companies do not have a particularly good image in the eyes of most European consumers. Some 76% of persons surveyed in 2003 agreed that "in the case of a legal dispute with an insurance company, it is fairly or very difficult to win the case", against 10% who did not (see Table 7.3). Swedish (87%), Finnish (81%) and French (81%) consumers were the most critical.

In addition, the majority of Europeans (51%) thought that "you never really know in advance how you are covered" by an insurance policy, against only 39% who thought they did (see Table 7.4). The Hungarian (80%) and the Swedes (78%) were amongst the most critical; the Finns were critical too (69%). In contrast, a large share of consumers in the Benelux countries felt that they were well informed as to the coverage of their insurance policies: as 56% disagreed with the earlier mentioned statement in the Netherlands, alongside 54% in Luxembourg and 42% in Belgium.

**T**able 7.3: Consumer opinion about winning a dispute with an insurance company (%) (1)

	EU-15	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Very easy</b>	2	2	5	1	1	7	2	2	2	2	1	12	3	7	11	1	11	5	4	6	1	9	4	1	1	3
<b>Fairly easy</b>	8	10	24	4	5	34	8	6	10	8	7	26	23	34	24	8	30	15	9	21	9	32	29	6	3	10
<b>Fairly difficult</b>	33	32	37	26	28	21	25	37	46	30	33	24	27	17	39	39	21	33	34	31	38	31	33	30	29	29
<b>Very difficult</b>	43	44	14	49	52	5	53	42	34	33	46	18	9	5	15	41	8	34	39	16	33	11	13	50	58	35

(1) "Do you believe it is very easy, fairly easy, fairly difficult or very difficult to win in a dispute with an insurance company?".  
Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), European Commission, European Commission, 2003

**T**able 7.4: Consumer opinion about knowing in advance how good the insurance cover is (%) (1)

	EU-15	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
<b>Very easy</b>	8	8	5	5	6	9	11	5	6	5	10	12	5	7	20	1	11	15	7	6	2	9	4	9	2	10
<b>Fairly easy</b>	31	35	24	20	27	29	30	26	30	29	34	28	23	34	34	8	30	40	29	21	27	32	29	38	17	37
<b>Fairly difficult</b>	37	32	37	43	42	21	30	40	44	30	31	24	27	17	33	39	21	25	42	31	38	31	33	35	52	30
<b>Very difficult</b>	14	15	14	26	14	5	15	17	16	17	12	18	9	5	6	41	5	13	11	16	11	11	13	10	26	10

(1) "Do you believe it is very easy, fairly easy, fairly difficult or very difficult to know in advance how well you are covered by insurance policies?".  
Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), European Commission, European Commission, 2003

## 7.2 SAVINGS

Consumers often save with a specific goal in mind; for example, a house, a car, a holiday, retirement. Viewed in this light savings may be considered as deferred or postponed consumption. The decision to save can also be seen as an attempt to smooth income fluctuations, which occur for a number of reasons; for example, illness, unemployment or retirement.

In the national accounts, the purchase of savings instruments, such as stocks and shares or investment in an interest-bearing account is not considered part of expenditure but as saving, a capital transaction. Similarly, if expenditure is financed by borrowing - for example, through a bank loan or other credit arrangements - this is regarded as dis-saving, also a capital transaction. Consumption, saving and income are linked by the identity:

$$\text{income} = \text{consumption} + \text{saving}$$

The capacity to save depends primarily on income, whilst the willingness to save depends on a wider range of factors that may include demographics, the inflation rate, the performance and operation of financial markets and the national tax regime.

### HOUSEHOLD SAVINGS RATIO

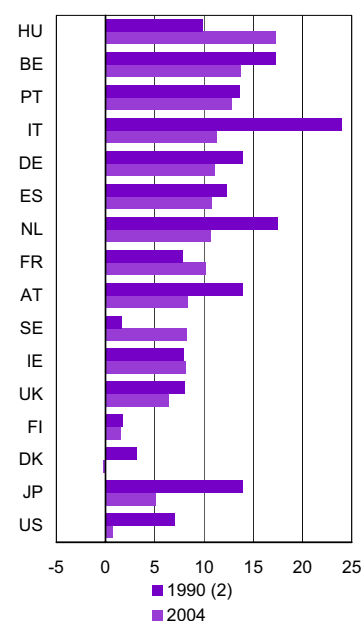
The household savings ratio is defined as the proportion of total household disposable income that is saved. This ratio may be negative if there is dissaving, for example when expenditure exceeds income as people run down savings or run up debt.

Any comparison of savings ratios should reflect upon the mix between public and private pension contributions, as the former are excluded from expenditure within national accounts (as they are considered as tax payments), whilst the latter are included. As such, countries with a higher reliance on private pension schemes will tend to report lower savings ratios.

Savings ratios have fallen in most industrialised economies since the 1990s. The European Commission Directorate-General for Economic and Financial Affairs estimates that the household savings ratio for the EU-15 stood between 15% and 16% during the 1960s through to the oil shock of the mid-1970s. Subsequently, the EU-15 savings ratio has generally followed a declining path. Indeed, declining savings ratios were observed in the majority of the Member States for which data are available<sup>4</sup>, ranging in 2004 from -0.3% in Denmark to 17.3% in Hungary (see Figure 7.5). This pattern was even more pronounced in the United States, where the savings ratio was equal to 0.8% by 2004.

(4) CZ, EE, EL, CY, LV, LT, LU, MT, PL, SI and SK, not available.

**Figure 7.5: Household saving rate**  
(% of disposable income) (1)



(1) DK, DE, FR, IE, IT, HU, NL, AT, FI, JP and US, household saving reported on a net basis (i.e. excluding consumption of fixed capital by households and unincorporated businesses); BE, ES, PT, SE and UK, household saving reported on a gross basis; CZ, EE, EL, CY, LV, LT, LU, MT, PL, SI and SK, not available.

(2) HU, 1993; PT, 1995.

Source: Economic Outlook No.76, OECD, November 2004

## FINANCIAL ASSETS OF HOUSEHOLDS

Currency (cash in local and foreign currencies) and deposit savings are just one component of total saving and part of the decline in household savings ratios may be attributed to the growth of other financial assets. The distribution of financial assets between European countries gives rise to some diverse patterns (see Table 7.6). Currency and deposits were generally one of the most popular forms of assets in 2002, with their share in total assets ranging between 84% in Slovakia in 2001 and 18% in Sweden in 2002. Whilst the share of net equity in life insurances accounted for 56% of assets in the Netherlands in 2002, their share was below 5% in the Czech Republic (2001), Estonia (2001), Lithuania (2002), Hungary (2002), Poland (2001) and Finland (2002). As regards net equity in pension funds, it accounted for less than 7% of assets in all the Member States except in Sweden (14% in 2002).

**T**able 7.6: Assets and liabilities of households and non-profit institutions serving households, 2002 (€ million)

	Total assets	Currency and deposits	Securities other than shares	Loans	Shares and other equity, excluding mutual funds shares	Mutual funds shares	Net equity of households in life insurance reserves	Net equity of households in pension fund reserves
BE	665 956	202 864	160 698	101 582	87 366	100 853	86 768	13 161
CZ (1)	56 778	33 823	504	5 943	11 356	992	2 699	1 794
DK	278 757	76 440	28 249	183 771	:	:	:	:
DE	3 730 520	1 340 841	420 604	1 526 537	358 821	424 896	:	:
EE (1)	3 293	1 532	3	739	1 634	47	34	6
EL	:	:	:	:	:	:	:	:
ES	1 130 517	477 114	20 066	370 412	284 092	132 027	89 846	69 238
FR	2 888 398	915 267	67 038	616 741	681 485	261 984	760 312	:
IE	:	:	:	:	:	:	:	:
IT	2 494 258	732 079	616 931	304 364	:	:	:	:
CY	:	:	:	:	:	:	:	:
LV (1)	2 957	1 794	74	435	:	:	:	:
LT	5 482	2 668	1	481	2 420	0	71	0
LU	:	:	:	:	:	:	:	:
HU	52 380	22 367	4 400	8 136	15 453	3 183	2 548	3 253
MT	:	:	:	:	:	:	:	:
NL	1 099 518	265 030	42 884	456 183	:	:	614 891	0
AT	287 631	160 499	21 972	88 975	10 286	28 644	41 392	10 243
PL (1)	119 334	73 419	1 161	20 186	19 747	0	4 953	0
PT	258 180	113 326	23 927	92 507	51 605	20 655	21 334	17 659
SI	:	:	:	:	:	:	:	:
SK (2)	11 397	9 622	609	1 158	:	:	:	:
FI	143 082	47 937	1 694	48 717	49 025	7 190	0	0
SE	393 367	68 891	10 424	146 986	83 099	36 585	101 292	56 420
UK	4 091 946	1 142 258	61 576	1 326 231	:	:	:	:

(1) 2001.

(2) 1999.

Source: Eurostat, Financial Accounts (theme2/fina)

## 7.3 FINANCIAL SERVICES

Financial services can be defined as services offered to consumers to manage their financial situation or risk management. Their central role is to facilitate transactions through payment services. In addition, they also ensure financial protection against accidents, damage to property or health problems (through insurance) and financial liquidity and assets over a lifetime (through savings and investments on the one hand, see section 7.2, and by granting credit on the other hand). Financial services represented 2.9% of total household expenditure in 1999 in the EU-15, ranging between 0.3% in Germany and 11.6% in the Netherlands. It is important to note that the only expenditure items considered in the household budget survey are the charges associated with financial services (bank charges, brokerage fees, tax and pension counselling and service charges for insurance) and not the capital or interest payments (investments) themselves.

### NETWORK ACCESS: RETAIL BANKING

Most households' principal access to credit institutions (in other words banks) is through their local bank or an automatic teller machine (ATM), though an increasing number of persons handle their routine banking operations through internet banking (see specific section of Chapter 5 relating to the information society). There was a status quo in terms of the number of local units between 1994 and 2000<sup>5</sup> and a slight decrease in 2001, whilst the number of ATMs increased. Almost 200 000 local branches and 230 000 ATMs existed in the EU in 2001. As such, there was, on average, one local branch for each 2.3 thousand inhabitants and one ATM for each 2 000 inhabitants. Network access was the lowest in Lithuania, where there were less than 10 local units and less than 30 ATMs per 100 000 inhabitants.

(5) Not taking into account the increase due to the inclusion of newly privatised institutions within official statistics (for example, Deutsche Postbank).

**Table 7.7: Credit institutions - network access, 2001 (units)**

	Number of enterprises (1)	Number of local units (2)	Number of ATMs (3)	Local units per 100 thousand inhabitants (2)	ATMs per 100 thousand inhabitants (3)
<b>EU-15</b>	7 650	191 811	:	50.7	:
<b>BE</b>	118	5 169	6 782	50.2	65.9
<b>CZ</b>	:	:	:	:	:
<b>DK</b>	198	2 208	2 763	41.2	51.6
<b>DE</b>	2 573	56 486	49 620	68.6	60.3
<b>EE</b>	7	198	680	14.5	49.8
<b>EL</b>	58	2 980	4 377	27.2	40.0
<b>ES</b>	367	39 024	46 623	96.1	114.8
<b>FR</b>	1 051	25 079	20 669	42.4	34.9
<b>IE</b>	87	970	1 355	25.1	35.0
<b>IT</b>	830	29 267	32 986	51.4	57.9
<b>CY</b>	:	:	:	:	:
<b>LV</b>	83	406	791	17.2	33.6
<b>LT</b>	53	209	689	6.0	19.8
<b>LU</b>	189	246	:	55.7	:
<b>HU</b>	233	2 836	2 544	27.8	25.0
<b>MT</b>	:	:	:	:	:
<b>NL</b>	86	576	7 142	3.6	44.5
<b>AT</b>	841	5 382	2 630	66.9	32.7
<b>PL</b>	:	:	:	:	:
<b>PT</b>	212	5 496	10 263	53.4	99.7
<b>SI</b>	69	576	:	29.0	:
<b>SK</b>	23	280	:	5.2	:
<b>FI</b>	369	2 015	4 332	38.8	83.5
<b>SE</b>	215	2 040	2 580	22.9	29.1
<b>UK</b>	456	14 873	29 580	24.9	49.5

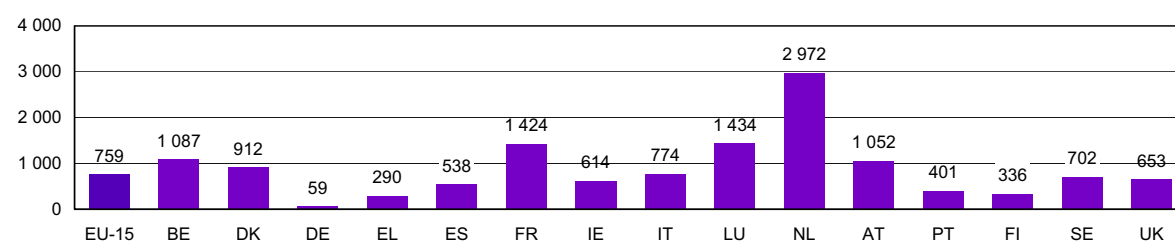
(1) SK, 2000.

(2) SI and SK, 2000.

(3) ATM: Automatic Teller Machine; SE, 1999.

Source: Eurostat, Structural Business Statistics (theme4/sbs)

**Figure 7.8: Insurance and financial services n.e.c.**  
Mean consumption expenditure, 1999 (PPS per household)



Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 7.9: Main indicators for automatic teller machines, 2002**

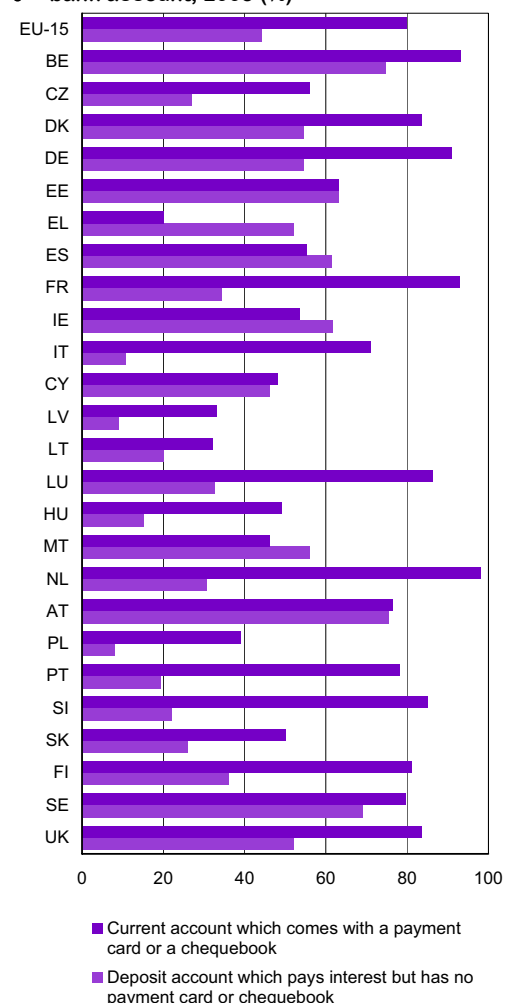
	Average number of transactions per inhabitant (units)	Average value per transaction (€)
BE	23	104
CZ	10	87
DK	:	:
DE	20	157
EE	34	51
EL	18	161
ES	21	89
FR	20	63
IE	38	102
IT	11	195
CY	8	105
LV	9	75
LT	6	69
LU	13	130
HU	9	95
MT	22	76
NL	30	112
AT	13	133
PL	9	68
PT	38	79
SI	26	55
SK	11	49
FI	46	71
SE	36	91
UK	38	95

Source: Payment and securities settlement systems in the EU and in the accession countries - addenda incorporating 2002 figures, European Central Bank, 2004

On the other hand, there were around 100 branches and ATMs per 100 000 inhabitants in Spain. The number of ATMs has surpassed the number of local units in the majority of Member States (see Table 7.7).

A Eurobarometer survey (60.2) carried out in the autumn of 2003 revealed that 80% of Europeans had a current bank account coming with a payment card or cheque book in the EU-15, which is almost double the proportion of the population having a deposit account paying interest but without payment card or cheque book (see Figure 7.10). This share would have been even higher had it not been for Greece, where only a fifth of the population had such a bank account.

Slightly more men (82%) than women (78%) had a current account with a payment card or cheque book. Sixty-five per cent of those aged 15-24 reported having a current account with a payment card or a cheque book, while the proportion increased to 86% amongst those in the age category 40-54. Having a current account with a payment card or a cheque book was more widespread amongst the most educated (90%) than amongst the least educated respondents (70%). The proportion of respondents having such accounts ranged from 71% amongst house persons to 93% amongst managers.

**Figure 7.10: Proportion of persons having a bank account, 2003 (%)**

Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), European Commission, 2003

In addition to their account, 42.7% of Europeans surveyed in 2003 for the same Eurobarometer declared that they had a cheque book, 44.5% a credit card and 48.8% another type of bank card (see Table 7.11). Cheques and credit cards were particularly popular in France and the United Kingdom, whilst other bank cards (mainly debit cards) had high penetration rates in Belgium and Luxembourg.

**T**able 7.11: Ownership of payment means, 2003 (%)

	Cheque book	Credit card	Other bank card
<b>EU-15</b>	42.7	44.5	48.8
<b>BE</b>	12.1	41.4	82.1
<b>CZ</b>	3.0	18.0	34.0
<b>DK</b>	29.0	51.1	67.6
<b>DE</b>	15.0	25.9	47.1
<b>EE</b>	0.0	11.0	27.0
<b>EL</b>	4.1	20.3	24.3
<b>ES</b>	14.5	48.1	45.6
<b>FR</b>	86.8	74.9	18.3
<b>IE</b>	40.8	37.8	56.8
<b>IT</b>	60.4	37.7	59.2
<b>CY</b>	36.0	33.0	16.0
<b>LV</b>	2.0	11.0	32.0
<b>LT</b>	3.0	8.0	33.0
<b>LU</b>	16.5	68.9	75.4
<b>HU</b>	3.0	11.0	16.0
<b>MT</b>	34.0	25.0	57.0
<b>NL</b>	7.3	36.4	67.2
<b>AT</b>	8.9	34.8	69.4
<b>PL</b>	10.0	14.0	7.0
<b>PT</b>	51.6	20.9	55.7
<b>SI</b>	4.0	35.0	74.0
<b>SK</b>	30.0	13.0	19.0
<b>FI</b>	0.5	39.2	57.9
<b>SE</b>	13.1	60.0	66.7
<b>UK</b>	75.6	56.5	56.6

Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), European Commission, 2003

**T**able 7.12: General purpose card usage in Europe, 2003 (1)

	Purchase volume		Cash volume		Total volume		Total transactions		Purchase transactions		Total cards	
	(€ billion)	(% change on 2002)	(€ billion)	(% change on 2002)	(€ billion)	(% change on 2002)	(millions)	(% change on 2002)	(millions)	(% change on 2002)	(millions)	(% change on 2002)
<b>Total</b>	1 067.3	15.3	1 094.6	20.4	2 161.9	17.8	25 003	9.0	15 834.0	10.9	535.1	9.9
<b>Visa</b>	498.0	12.2	200.2	9.6	698.1	11.5	8 769	9.9	7 100.8	11.1	147.5	9.2
<b>Maestro</b>	279.2	21.0	689.0	24.8	968.2	23.7	9 714	5.1	4 481.9	6.8	212.0	6.0
<b>MasterCard</b>	204.0	14.5	67.0	10.5	271.0	13.5	3 575	12.4	2 947.5	13.9	86.8	14.4
<b>Visa Electron</b>	46.0	17.4	137.9	21.0	183.9	20.1	2 703	16.9	1 074.1	19.5	78.9	17.8
<b>American Express</b>	33.7	20.3	0.5	20.0	34.1	20.3	215	13.8	201.8	14.2	7.9	8.6
<b>Diners Club</b>	6.5	3.1	:	:	6.5	3.1	28	0.0	27.8	0.0	2.1	4.4

(1) Geographical Europe (excluding Israel); numbers may not sum due to rounding; volume change figures reflect a year-over-year comparison in local currency; some figures for 2002 have been restated; Visa excludes Visa Electron, Interlink and Plus; MasterCard excludes Maestro and Cirrus; purchase volume includes all spending for goods and services and sales via the Internet, mail order, telemarketing and all other forms of direct marketing; cash volume is advances against lines of credit and withdrawals from funds on deposit obtained via ATMs, over the counter from banks (Visa & MasterCard) and from travel offices (Amex).

Source: The Nilson Report (nilsonreport.com), 2004

## CONSUMPTION

### Methods of payment

The European Central Bank regularly publishes data on payment systems<sup>6</sup> and this shows that there is a wide diversity between EU Member States in the use of different non-cash means of payment (see Table 7.13). Direct debits were the most popular means of non-cash payment only in Spain, whilst cheques remained the most popular in Malta, Cyprus and France. Cards, whether credit or debit, dominated non-cash payments in Luxembourg, Portugal, Greece, Denmark and Sweden and in 2002 replaced cheques as the most popular non-cash system in Ireland and the United Kingdom. However, credit transfers remained the most popular method for the 14 other countries, exceeding 30% of all non-cash payments in all of them.

(6) Payment and securities settlement systems in the EU and in the accession countries - addenda incorporating 2002 figures, European Central Bank, 2004.

**Table 7.13: Use of cashless payment instruments, 2002**  
(% share) (1)

	Cheques	Credit and debit cards (2)	Credit transfers	Direct debits	Card-based e-money
BE	2	35	47	10	7
CZ	0	5	67	28	:
DK	5	55	25	16	1
DE (3)	1	17	45	37	0
EE	0	40	52	8	-
EL (4)	19	56	11	13	-
ES (5)	6	36	15	43	0
FR	34	31	19	16	0
IE	26	47	13	13	-
IT	17	29	32	22	0
CY	49	27	9	14	-
LV	0	20	80	0	-
LT	0	31	65	2	3
LU	1	61	25	8	5
HU	0	22	56	22	-
MT	65	18	15	2	-
NL	0	33	37	28	3
AT (6)	1	17	47	34	2
PL (7)	0	20	79	0	-
PT (8)	24	58	6	11	0
SI	2	42	47	9	-
SK	0	9	89	3	-
FI	0	46	49	5	0
SE	0	51	39	10	0
UK	21	41	18	20	:

(1) Share of total of reported instruments.

(2) EL, NL and FI, including payments by cards with a delayed debit function.

(3) Credit and debit cards include retailer card transactions and debit card transactions.

(4) All cheques for which the acquiring bank is different from the issuing bank.

(5) Data relating to bills of exchange, traveller's cheques and other documents are not included.

(6) Credit cards does not include delayed debit cards (charge cards); credit transfers and direct debits do not include items initiated by banks; these data are not available.

(7) Data related to postal instruments are not included.

(8) Data related to bills of exchange are not included.

Source: Payment and securities settlement systems in the EU and in the accession countries - addenda incorporating 2002 figures, European Central Bank, 2004



From 1993 to 2002 the proportion of non-cash payments made by cheques fell in almost every country. The significant reductions in credit transfers in Italy and the Netherlands and the falling proportion of payments made by cheque in all countries accompanied an increase in the use of cards which accounted for more than 20% of non-cash payments in all countries, except the Czech Republic, Germany, Malta, Austria and Slovakia.

In 1998 several countries reported the use of e-money, although in half of the cases results were negligible or zero, with only Italy, Spain and Portugal reporting significant use of these systems. Alongside the increased use of cards was about one third for number of EFTPOS<sup>7</sup> terminals in all Member States between 1998 and 2002. Terminals were still relatively rare, on the basis of a terminals per inhabitant comparison, in the Czech Republic, Cyprus, Lithuania, Slovenia and Slovakia (see Table 7.14). These countries also had a very low average number of transactions per inhabitant, but, with the exception of Cyprus, the average value of each transaction was quite high.

(7) Terminal for electronic capture (and sometimes transmission) of payment information in retail outlets - Electronic Funds Transfer Point-Of-Sale.

**Table 7.14: Terminals for Electronic Funds Transfer Point-Of-Sale, 2002 (units)**

	Number of machines per million inhabitants (end of year)		Number of transactions per inhabitant		Average value of each transaction (€)	
	1998	2002	1998	2002	1998	2002
<b>EU-15 (1)</b>	9 044	12 781	20	35	58	61
<b>BE</b>	9 121	13 136	29	52	52	50
<b>CZ</b>	644	2 471	0	4	83	42
<b>DK</b>	12 936	17 835	66	92	47	47
<b>DE (2)</b>	4 423	5 584	8	17	76	70
<b>EE (3)</b>	1 856	5 395	4	25	29	21
<b>EL</b>	:	10 424	:	0	:	80
<b>ES</b>	18 313	22 023	5	15	38	41
<b>FR (4)</b>	12 047	15 620	43	67	47	46
<b>IE</b>	3 982	11 506	5	14	51	60
<b>IT</b>	6 001	14 109	3	10	81	89
<b>CY</b>	7 582	15 416	2	5	96	90
<b>LV</b>	1 407	3 550	:	:	:	:
<b>LT</b>	741	2 985	0	5	56	24
<b>LU</b>	11 823	16 130	21	42	66	63
<b>HU</b>	1 499	2 241	7	14	62	96
<b>MT</b>	9 341	16 476	5	5	61	48
<b>NL</b>	8 533	10 972	38	66	43	47
<b>AT</b>	2 382	8 464	5	17	52	54
<b>PL</b>	229	1 750	0	2	52	32
<b>PT</b>	6 965	10 980	29	58	28	29
<b>SI</b>	5 730	14 807	1	16	30	29
<b>SK (5)</b>	557	2 269	0	3	33	21
<b>FI</b>	11 062	14 228	37	70	42	39
<b>SE</b>	8 406	11 439	18	57	68	64
<b>UK</b>	10 462	13 691	30	52	47	58.5

(1) Weighted average excluding countries for which data are not available.

(2) Number of machines, 1998 figures include double counting.

(3) Data relates to the volume and value of transactions by debit and credit card.

(4) The figures include figures for payments per card with a credit function.

(5) 1998, transactions by debit and credit card.

Source: Payment and securities settlement systems in the EU and in the accession countries - addenda incorporating 2002 figures, European Central Bank, 2004

In 2003, a special Eurobarometer survey (60.2 and 2003.5) looked at people's preferences for payment systems, both domestically and in other EU Member States. Table 7.15 shows that cash was by far the most favoured domestic means of payment in the EU-15 in 2002, even for payments exceeding EUR 100. This general preference was not shared in every Member State, notable exceptions included France (where cheques were preferred) and Belgium, Denmark, Luxembourg, the Netherlands, Finland and Sweden (where debit cards were preferred). For payments in excess of EUR 100 made by people in another EU country, cash was also the preferred means of payment. After adjusting for the 20% of respondents that said that they did not make such payments, cash was preferred significantly less for non-domestic payments than for domestic payments, as were cheques, whilst the preference for credit or debit cards increased.

In 2003 cash remained the preferred means for domestic payments, even for those exceeding EUR 100, for 46% of EU-15 citizens and for 34% of EU-15 citizens abroad. More than two thirds (69%) of the 2004 member countries' citizens preferred to pay in cash in their own country and over one third (38%) in another EU member country. Cards remained the second most preferred means of payment in the EU-15 for 36% of domestic transactions and 33% of transactions abroad. Paying with credit card was also the second most preferred payment method for the new member countries' population (18% in their own country and 24% in another EU member country). The main reasons cited by respondents for choosing cash, cheques or card payment systems were ease, safety and security and the avoidance of the risk of loss or theft.

**T**able 7.15: Preferred means for payments in excess of €100 in the EU-15 (%)

	Domestic payments		Payments in another EU Member State	
	2002	2003	2002	2003
Never make such payments	0	0	18	20
Cash	49	46	36	34
Cheque	10	10	4	3
Credit and debit/bank cards	35	36	34	33
Bank or postal transfer	3	5	2	4
Other	2	1	1	1
Not specified	1	1	5	5

Source: Eurobarometer 60.2 (Financial services), European Commission, 2003

While 13% of the EU-15 respondents reported having used an electronic purse for small payments, 20% said that they would consider using it within the next few years. Sixty-five per cent reported that they would not and 15% did not know. Only 4% of the 2004 member countries' population said they had used such electronic purse cards but the readiness to use the card in the future, reaching 23%, was somewhat higher in these countries. In addition, of the respondents living in the 2004 member countries, only 6% had paid for products or services (e.g. books, hotel or travel reservations, etc.) over the telephone, and only 5% had done so over the Internet. On the other hand, in the EU-15 countries, four times this number had performed these activities (23% over the telephone, 18% over the Internet).

When asked the main reason for their decision as to a means of payment, some 78% of people making domestic payments in the EU-15 cited convenience as the single most important criterion (69% of those paying abroad). Other reasons, including safety, never scored more than 14% for payments in the domestic economy, or 13% abroad.

### Indebtedness

In the Eurobarometer survey (60.2) carried out in 2002, some 10.8% of respondents declared that they had a loan (or other type of credit) with a duration of more than 12 months in order to buy a car. Some 8.8% of respondents had a loan to buy other types of goods and 34.6% had a permanent credit line linked to their current account. Access to credit was particularly high in Denmark, where more than one-fifth of respondents had contracted some type of loan or credit (see Tables 7.16 and 7.17).

**Table 7.16: Proportion of the population having contracted personal loans or credits, by type of purchase, 2003 (%) (1)**

	Cars	Other goods	Overdraft facility on a current account
<b>EU-15</b>	10.8	8.8	34.6
BE	12.0	6.1	36.9
CZ	7.0	7.0	22.0
DK	20.0	21.2	67.1
DE	10.3	7.7	35.8
EE	2.0	4.0	3.0
EL	4.1	5.5	5.3
ES	10.0	7.4	8.9
FR	13.1	9.2	60.2
IE	22.2	17.7	23.4
IT	8.2	5.6	11.6
CY	20.0	15.0	30.0
LV	1.0	6.0	9.0
LT	1.0	4.0	1.0
LU	23.6	13.4	52.6
HU	7.0	5.0	17.0
MT	6.0	2.0	4.0
NL	5.1	6.0	68.9
AT	11.6	12.0	47.3
PL	4.0	7.0	18.0
PT	8.7	3.0	4.0
SI	12.0	15.0	48.0
SK	3.0	10.0	8.0
FI	11.5	13.3	24.2
SE	14.6	9.4	22.5
UK	13.4	14.7	48.4

(1) For longer than 12 months.

Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), European Commission, 2003

**Table 7.17: Consumer credit - average value of new contracts, 2003 (€ million) (1)**

	Personal loans (2)	Consumer goods (3)
BE	8 009	1 800
DE	5 408	1 269
ES	3 352	900
FR	9 128	765
IE	5 875	4 900
IT	9 074	1 546
NL	2 389	:
PT	:	1 244
FI	4 693	:
SE	8 833	1 296
UK	9 696	1 513

(1) CZ, DK, EE, EL, CY, LV, LT, LU, HU, MT, AT, PL, SI and SK, not available.

(2) Loans taken for an unspecified reason other than car finance or home mortgages; IE, 2000; NL and FI, 1999.

(3) IE, 1999.

Source: Finance Houses Statistics, Eurofinas, 2003

As regards real estate, 19% of respondents said that they had contracted a mortgage loan, and only 2% had a second loan (see Tables 7.18 and 7.19).

**Table 7.18: Proportion of the population having contracted a mortgage loan or more in the EU, 2003 (%)**

	A mortgage	A second mortgage
<b>EU-15</b>	<b>19</b>	<b>2</b>
BE	21	2
CZ	4	1
DK	44	7
DE	10	2
EE	3	:
EL	8	1
ES	25	3
FR	15	2
IE	27	2
IT	10	1
CY	31	10
LV	2	0
LT	1	0
LU	39	8
HU	8	1
MT	12	0
NL	40	6
AT	10	2
PL	2	0
PT	15	3
SI	2	0
SK	3	0
FI	22	6
SE	44	9
UK	33	2

Source: Eurobarometer 60.2 (Financial services) and 2003.5 (Financial services and consumer protection), European Commission, 2003

**Table 7.19: Outstanding residential mortgage loans (€ per inhabitant) (1)**

	2001	2002	2003
BE	6 737	7 046	7 364
CZ (1)	161	235	335
DK	26 422	28 281	30 539
DE	13 650	13 826	14 010
EE	:	:	:
EL	1 482	2 003	2 408
ES	5 471	6 412	7 531
FR	5 498	5 910	6 463
IE	10 022	12 160	14 977
IT	2 142	2 506	3 024
CY	:	:	:
LV	93	175	326
LT	:	:	:
LU	14 009	14 967	17 466
HU	129	324	567
MT	:	:	:
NL	21 321	24 154	27 991
AT (1)	6 583	7 269	7 341
PL	149	183	228
PT (2)	5 590	6 277	6 364
SI	:	:	:
SK	:	:	:
FI	8 371	9 023	9 801
SE	13 056	13 935	14 958
UK	15 877	18 149	18 856

(1) Residential and commercial mortgage loans.

(2) Loans to individuals for house purchase only.

Source: European Mortgage Federation

### Cross-border banking: transfer charges

As from 1 July 2003, cross-border bank transfers in euros within the EU cost the same as domestic transfers, bringing significant savings for customers. This measure is being introduced in accordance with Regulation (EC) No 2560/2001 on cross-border payments. The rule came into force in July 2002 for bank card payments and withdrawals from cash machines; it is applicable from 1 July 2003 onwards to bank transfers.

To apply this regulation to cross-border transfers, customers must provide their bank with the beneficiary's IBAN (International Bank Account Number) and BIC (Bank Identifier Code). In recent years, a EUR 100 transfer has cost the customer on average EUR 25 in charges.

The Commission is now moving ahead to create a Single Payments Area. According to the latest figures, 143 million non-cash transactions take place every day in the EU, an average of 138 transactions per year per inhabitant.

The Commission's ultimate aim is to make it as easy, cheap and secure to make a cross-border payment by credit card, payment card, electronic bank transfer, direct debit or any other means as it is to make a payment within one Member State.

The Commission is considering the introduction of a single Europe-wide emergency telephone number for all lost or stolen payment cards and has launched a public consultation via the Internet on this.

Europe currently has numerous telephone numbers to use to notify a stolen card. Some countries even have more than one. The on-line survey aims at receiving the views of EU citizens on existing card blocking services and on the usefulness of introducing a new pan-European service.

**T**able 7.20: On-line banking - main indicators, 2003 (%) (1)

	Use of on-line services to order a product or service	Use of on-line services to pay for something such as books, hotel or travel reservations, etc.	Use of on-line services to make a bank transaction	Use of on-line services to make use of other financial transactions
<b>EU-15</b>	22.9	17.6	14.8	8.8
<b>BE</b>	16.9	14.5	14.9	8.6
<b>DK</b>	45.7	40.0	41.6	23.7
<b>DE</b>	25.7	17.0	15.2	5.9
<b>EL</b>	3.6	2.4	1.2	1.0
<b>ES</b>	10.6	10.1	8.2	5.4
<b>FR</b>	19.1	15.4	11.5	4.8
<b>IE</b>	19.7	19.0	11.8	9.4
<b>IT</b>	14.3	10.0	7.4	4.0
<b>LU</b>	32.0	28.1	25.9	14.7
<b>NL</b>	40.5	29.7	33.6	22.8
<b>AT</b>	26.1	18.9	18.8	12.5
<b>PT</b>	4.8	3.1	3.4	2.7
<b>FI</b>	34.1	27.3	38.4	18.3
<b>SE</b>	53.1	39.8	46.9	32.6
<b>UK</b>	35.2	29.3	19.1	16.6

(1) Including the use of the Internet and Minitel.

Source: Eurobarometer 60.2 (Financial services), European Commission, 2003

**Table 7.21: Satisfaction index for retail banking, 2002 (1)**

	DK	EL (2)	IE	PT	FI	SE	IS	NO	RU
<b>Image</b>	70	:	70	76	78	67	78	69	75
<b>Expectations</b>	76	:	76	72	77	77	74	78	71
<b>Product Quality</b>	75	:	73	74	81	75	81	75	74
<b>Service Quality</b>	75	:	:	:	79	72	:	74	73
<b>Value</b>	67	:	61	57	76	67	59	66	73
<b>Loyalty</b>	65	:	72	67	79	74	75	71	77
<b>CSI (3)</b>	71	76	72	70	74	68	74	67	69

(1) Index on a scale from 0 (lowest) to 100 (highest).

(2) 1999.

(3) CSI: Customer Satisfaction Index.

Source: Pan European CSI Report, EPSI Rating, 2002

**SATISFACTION:  
BANK ACCOUNT HOLDERS**

In the Eurobarometer survey (60.2) of 2003, consumers were generally found to be dissatisfied with the protection regime offered in relation to financial services. A majority of Europeans agreed that "in the case of a legal dispute with a bank, it is very difficult to win the case" (76.0%), whilst more than half of the respondents agreed that "it is fairly or very difficult to compare the conditions linked to different mortgage deals" (55.0%), and that "you never really know in advance how much it will cost you" (43.0%) in relation to credit (see Tables 7.22 and 7.23). Less than one third of consumers felt well informed by their financial institutions (29% agreed that "Information from financial institutions is clear and understandable"), whilst 45% of respondents thought that it was expensive to have a bank account.

**Table 7.22: Consumer opinion towards financial services, 2003 (%)**

	Very easy	Fairly easy	Fairly difficult	Very difficult	Do not know
<b>Winning a dispute with an insurance company</b>	2	8	33	43	14
<b>Winning a dispute with a bank</b>	2	8	35	41	15
<b>Knowing in advance how good insurance cover is</b>	8	31	37	14	11
<b>Comparing information about different mortgages</b>	5	25	38	17	16
<b>Knowing beforehand the cost of borrowing money</b>	10	36	32	11	10
<b>Understanding how mortgages work and the risk involved</b>	4	23	41	18	14

Source: Eurobarometer 60.2 (Financial services), European Commission, 2003

**Table 7.23: Consumer opinion towards financial services, 2003 (%)**

	Tend to agree	Tend to disagree	Do not know
<b>Information from financial institutions is clear and understandable</b>	29	58	13
<b>Having a bank account is expensive</b>	45	48	7
<b>Buying on credit is more useful than dangerous</b>	35	52	13
<b>You can borrow as much as you like, there are no real checks</b>	18	70	12
<b>Indebtedness problem, that is to say the problem of borrowing more than you can pay back, does not exist in the respondent's country</b>	14	73	13

Source: Eurobarometer 60.2 (Financial services), European Commission, 2003

**Table 7.24: Insurance and financial services n.e.c.**  
Mean consumption expenditure and structure of household expenditure, 1999

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>MEAN CONSUMPTION EXPENDITURE (PPS PER HOUSEHOLD)</b>																
Insurance and financial services n.e.c.	759	1 087	912	59	290	538	1 424	614	774	1 434	2 972	1 052	401	336	702	653
Insurance (1)	724	1 033	858	0	286	533	1 380	0	774	1 363	2 946	1 030	397	334	687	630
Financial services n.e.c.	35	54	54	59	4	5	44	614	0	71	26	22	4	2	15	23
<b>STRUCTURE OF EXPENDITURE (% of TOTAL HOUSEHOLD EXPENDITURE)</b>																
Insurance and financial services n.e.c.	2.9	4.0	3.9	0.3	1.2	2.6	5.8	2.1	2.8	3.4	11.6	4.0	2.1	1.8	3.3	2.4
Insurance (1)	2.8	3.8	3.7	:	1.2	2.6	5.6	:	2.8	3.2	11.5	3.9	2.1	1.8	3.2	2.3
Financial services n.e.c.	0.1	0.2	0.2	0.3	0.0	0.0	0.2	2.1	:	0.2	0.1	0.1	0.0	0.0	0.1	0.1

(1) DK and EL, excluding life insurance; SE, including union fees and unemployment insurance; UK, excluding insurance for dwellings.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 7.25: Insurance and financial services n.e.c.**  
Structure of household expenditure, 1999 (%)

	EU-15	BE	DK	DE	EL	ES	FR	IE	IT	LU	NL	AT	PT	FI	SE	UK
<b>BROKEN DOWN BY INCOME DISTRIBUTION (1)</b>																
Lowest twenty percent	:	3.8	2.4	:	:	2.1	5.7	:	:	3.2	11.1	2.9	1.5	1.3	2.2	1.6
Second quintile group	:	4.2	3.3	:	:	2.4	6.1	:	:	3.5	11.8	3.5	1.9	1.6	3.2	2.1
Third quintile group	:	3.9	4.0	:	:	2.5	6.1	:	:	3.2	12.3	4.4	2.2	2.0	3.5	2.5
Fourth quintile group	:	3.8	4.3	:	:	2.8	5.8	:	:	3.3	12.2	4.3	2.2	1.9	3.4	2.6
Highest twenty percent	:	4.1	4.4	:	:	3.2	5.5	:	:	3.3	10.7	4.2	2.4	2.1	3.4	2.5
<b>BROKEN DOWN BY AGE OF REFERENCE PERSON OF HOUSEHOLD</b>																
Less than 30	:	3.2	2.9	:	:	3.0	5.1	:	:	3.3	12.0	3.7	2.2	1.5	2.9	2.3
Between 30 and 44	:	3.5	3.7	:	:	2.7	5.2	:	:	3.2	11.7	3.6	2.3	1.9	3.5	2.4
Between 45 and 59	:	4.3	4.3	:	:	2.6	5.9	:	:	3.5	11.7	4.1	2.4	2.0	3.6	2.5
60 and over	:	4.8	4.2	:	:	2.6	6.9	:	:	3.5	11.1	4.4	1.6	1.7	2.4	2.1
<b>BROKEN DOWN BY TYPE OF HOUSEHOLD</b>																
1 adult without dependent children	:	4.3	3.3	:	:	2.4	5.7	:	:	3.0	10.7	3.4	1.2	1.4	2.7	2.2
2 adults without dependent children	:	4.5	4.4	:	:	2.8	6.6	:	:	3.4	11.9	4.3	2.0	2.0	3.2	2.5
3+ adults without dependent children	:	5.3	4.6	:	:	2.7	7.0	:	:	3.7	13.4	4.9	2.3	2.2	:	2.6
Single parent with dependent child(ren)	:	3.4	2.9	:	:	2.5	4.6	:	:	2.7	10.3	2.9	2.1	1.7	3.1	1.9
2 adults with dependent child(ren)	:	3.5	3.9	:	:	2.7	5.3	:	:	3.3	11.7	3.7	2.3	2.0	3.7	2.3
3+ adults with dependent child(ren)	:	4.1	3.9	:	:	2.5	6.0	:	:	3.4	:	4.3	2.4	2.1	3.5	2.5
<b>BROKEN DOWN BY SOCIO-ECONOMIC CATEGORY OF REFERENCE PERSON OF HOUSEHOLD</b>																
Manual workers	:	4.2	4.2	:	:	2.5	5.7	:	:	3.3	12.6	3.8	2.2	1.9	4.0	2.6
Non-manual workers	:	3.5	4.0	:	:	2.9	5.3	:	:	3.3	11.3	3.6	2.4	1.9	3.5	2.5
Self-employed	:	3.8	4.0	:	:	2.6	7.7	:	:	3.5	11.4	4.9	2.7	2.2	3.1	2.6
Unemployed	:	3.1	3.1	:	:	2.2	4.7	:	:	3.1	:	3.1	2.1	1.6	2.7	1.7
Retired	:	4.8	3.8	:	:	2.6	6.9	:	:	3.5	11.1	4.2	1.5	1.6	1.9	2.1
Other inactive	:	4.1	2.3	:	:	2.3	4.7	:	:	2.9	10.9	4.2	1.6	1.2	2.2	1.7
<b>BROKEN DOWN BY DEGREE OF URBANISATION</b>																
Dense (>500 inhabitants/km <sup>2</sup> )	:	3.8	3.5	:	:	2.8	5.4	:	:	3.2	:	3.6	2.1	1.8	2.9	2.4
Intermediate (100-499 inhabitants/km <sup>2</sup> )	:	4.1	4.0	:	:	2.6	5.9	:	:	3.4	:	4.3	2.2	1.9	3.1	2.3
Sparse (<100 inhabitants/km <sup>2</sup> )	:	6.2	4.8	:	:	2.3	6.8	:	:	3.5	:	4.3	2.1	2.0	3.4	2.4

(1) FI, income excluding inter-household transfers and hence incomes of certain groups may be underestimated, such as single parent families.

Source: Eurostat, Household Budget Survey (theme3/hbs)



## 8. Candidate countries





## 8 CANDIDATE COUNTRIES

This chapter provides some key figures relating to consumers for the four candidate countries (Bulgaria, Croatia, Romania and Turkey). Essentially these are selected tables comparable to those found for EU Member States in chapters 1 to 7 of this publication.

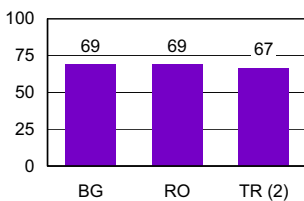
**T**able 8.1: Demographic indicators (millions)

	BG	HR	RO	TR
<b>Population, 2003 (1)</b>	7.8	4.5	21.7	70.7
<b>Households, 2002</b>	2.7	:	7.7	:

(1) HR, 2000.

Source: Eurostat, Population and social conditions - demography (theme3/demo) & Cinema, TV and radio in the EU, European Commission, 2003

**F**igure 8.2: Final consumption expenditure of households and NPISH as a proportion of GDP, 2003 (%) (1)



(1) HR, not available.

(2) Forecast.

Source: Eurostat, National Accounts (including GDP) - GDP and main aggregates (theme2/aggs\_gdp)

**T**able 8.3: Structure of household consumption expenditure, 1999 (%)

	BG	HR	RO	TR
<b>Food and non-alcoholic beverages</b>	48.2	:	51.9	:
<b>Alcoholic beverages and tobacco</b>	4.8	:	6.1	:
<b>Clothing and footwear</b>	6.1	:	6.9	:
<b>Housing, water, electricity, gas and other fuels (1)</b>	13.8	:	13.0	:
<b>Furnishings, household equip. &amp; routine maintenance</b>	3.9	:	3.6	:
<b>Health</b>	3.5	:	2.6	:
<b>Transport</b>	6.6	:	6.0	:
<b>Communication</b>	2.5	:	2.4	:
<b>Recreation and culture</b>	3.3	:	2.9	:
<b>Education</b>	0.6	:	0.9	:
<b>Restaurants and hotels</b>	3.5	:	1.0	:
<b>Miscellaneous goods and services</b>	3.3	:	2.7	:

(1) Figures of BG and RO do not account for owner-occupier imputed rent.

Source: Eurostat, Household Budget Survey (theme3/hbs)

**Table 8.4: Annual growth rate of all-items harmonised index of consumer prices (%)**

	1999	2000	2001	2002	2003
BG	2.6	10.3	7.4	5.8	2.3
HR	:	:	:	:	:
RO	45.8	45.7	34.5	22.5	15.3
TR	:	:	:	:	:

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Table 8.5: Annual growth rate of harmonised index of consumer prices, 2003 (%)**

	BG	HR	RO	TR
All-items HICP	2.3	:	15.3	:
Food and non-alcoholic beverages	-1.0	:	14.6	:
Alcoholic beverages and tobacco	3.8	:	22.1	:
Clothing and footwear	-2.2	:	11.8	:
Housing, water, electricity, gas and other fuels	11.6	:	19.8	:
Furnishings, household equip. & routine maintenance	-1.0	:	10.6	:
Health	5.2	:	13.9	:
Transport	2.4	:	18.0	:
Communication	-0.6	:	13.4	:
Recreation and culture	1.6	:	2.0	:
Education	5.7	:	11.8	:
Restaurants and hotels	3.4	:	16.6	:
Miscellaneous goods and services	1.9	:	13.6	:

Source: Eurostat, Harmonized indices of consumer prices (theme2/price)

**Table 8.6: Energy consumption per person, 2002 (GJ/inhabitant)**

	BG	HR	RO	TR
Consumption	11.5	16.1	13.9	8.8

Source: Eurostat, Energy statistics (theme8/sirene)

**Table 8.7: Domestic water consumption from public water supply, 2002**

	million m <sup>3</sup>	m <sup>3</sup> per inhabitant
BG	255	32
HR	179	40
RO	811	37
TR (1)	1 534	22

(1) 1996.

Source: Eurostat, Environment statistics (theme8/milieu)

**T**able 8.8: Passenger car stock

	(millions)					Cars per thousand inhabitants (units) (1)
	1970	1980	1990	1995	2002 (1)	2002
BG	0.16	0.82	1.32	1.65	2.09	263
HR	:	:	:	0.71	1.24	280
RO	0.04	0.24	1.29	2.20	3.23	144
TR	:	:	:	3.06	4.60	66

(1) BG and RO, 2001.

Source: Energy &amp; Transport in Figures, Directorate-General of the European Commission for Energy and Transport

**T**able 8.9: Rail and bus travel (passenger-km per person per year)

	BG	HR	RO	TR
Railway transport, 2003 (1)	322	258	391	83
Bus and coach transport, 2002 (2)	2 158	:	242	1 086

(1) BG and TR, including transit transport.

(2) BG, movements of vehicles registered in the reporting country; TR, 2001.

Source: Energy &amp; Transport in Figures, Directorate-General of the European Commission for Energy and Transport

**T**able 8.10: Postal services, 2003

	Network access (units) (1)			Letter post items (thousands)			Deliveries and collection (1)	
	Permanent post offices	Average number of inhabitants served by a permanent post office	Post-boxes	Domestic service	International outbound	International inbound	Deliveries per week in rural areas (units)	Population having to collect mail from a postal establishment (%)
BG	3 021	2 637	5 431	81 539	4 686	4 465	5	10.0
HR	1 168	3 791	5 282	277 406	12 325	14 920	3	21.0
RO	6 840	3 265	12 425	253 834	12 681	14 093	5	0.2
TR	4 421	16 133	74 515	881 669	31 797	76 562	1	3.0

(1) BG, 2002.

Source: UPU (Universal Postal Union)

**T**able 8.11: Main telecom indicators, 2003 (minutes per inhabitant)

	BG	HR	RO	TR
National calls (1)	:	1 094	718	1 554
Cellular mobile calls (2)	:	110	:	:
International incoming calls (3)	26	49	22	18
International outgoing calls (4)	:	9	7	10
Number of main telephone lines (thousands)	2 856	1 684	4 770	18 917
Household's share of main telephone lines (%)	84	83	52	76
Number of main telephone lines per 100 inhabitants (units)	36.4	37.4	21.9	26.8

(1) 2002.

(2) 1999.

(3) BG and HR, 2000; RO, 1999; TR, 2001.

(4) HR and RO, 1999; TR, 2001.

Source: Eurostat, Communications (theme4/coins)

**Table 8.12: Mobile phone use**

	Number of mobile phone subscribers at year end (thousands)			Number of mobile phone subscriptions per 100 inhabitants (units)		
	2001	2002	2003	2001	2002	2003
BG	1 615	2 500	3 534	20.4	31.8	45.0
HR	1 731	2 340	2 551	38.4	52.0	56.7
RO	4 595	5 099	7 040	20.8	23.4	32.3
TR	19 573	23 374	27 925	27.7	33.1	39.5

Source: Eurostat, Communications (theme4/coins)

**Table 8.13: Internet use, 2002**

	Internet access providers (units)	Number of Internet users (thousands) (1)	Number of Internet users per 100 inhabitants (units) (1)
BG	200	605	7.5
HR	:	:	:
RO	269	1 800	8.1
TR	87	4 900	7.3

(1) BG, 2001.

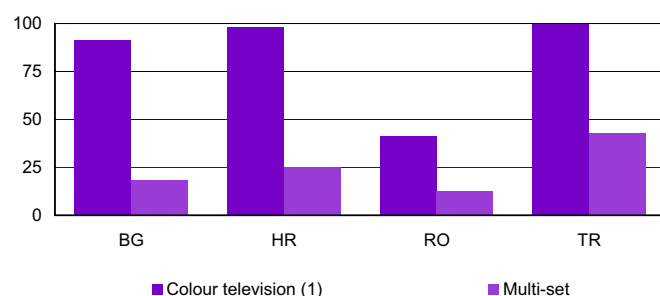
Source: Eurostat, Communications (theme4/coins); ITU in Statistics on the information society in Europe, European Commission, 2003

**Table 8.14: PC ownership and use, 2002**

	Number of PCs (millions) (1)	PCs per 100 inhabitants (units) (1)	Persons having access to or using a computer (%)
BG	0.3	3.5	15
HR	:	:	:
RO	0.8	3.6	14
TR	2.7	4.1	15

(1) RO and TR, 2001.

Source: ITU in Statistics on the information society in Europe, European Commission, 2003; Candidate Countries Eurobarometer 2002.2, European Commission, 2002

**Figure 8.15: Penetration characteristics of television households, 2003 (% share of television households)**

(1) TR, 2002.

Source: International Key Facts Television, IP/CMI, 2004

# Methodological notes

## METHODOLOGICAL NOTES

This annex provides an overview of the five main sources of Eurostat data used in this publication, as well as a note about Eurobarometer surveys. Further methodological points relating to specific consumption purposes are included within the appropriate chapters.

### HARMONIZED INDICES OF CONSUMER PRICES (HICPs)

Harmonised Indices of Consumer Prices (HICPs) are harmonised inflation figures required by the Commission and the European Central Bank for the performance of their functions under Article 121 of the EC Treaty. HICPs are designed to facilitate international comparisons of consumer price inflation. They serve as important indicators for the management of monetary policy. The Monetary Union Index of Consumer Prices (MUICP) is created by aggregating the HICPs of the euro-zone countries. The ECB has defined price stability in the euro-zone with reference to the MUICP as 'a year-on-year increase in the HICP for the euro area of below 2%' and reaffirming this in 2003 added that 'it will aim to maintain inflation rates close to 2% over the medium term'<sup>1</sup>. Council Regulation (EC) No 2494/95 of 23 October 1995 provides for an overall framework for the HICPs. This framework is completed by detailed implementing measures through Commission and Council Regulations. The HICP is produced in each Member State using a harmonised methodology. Amongst the HICPs available are an all-items HICP and more than 100 sub-indices and special aggregates. The sub-indices correspond to a slightly derived version of the COICOP<sup>2</sup>.

HICPs aim to measure pure price changes, unaffected by changes in the quality of items which are bought. Therefore, if necessary, prices included in HICPs are adjusted for changes in the quality of goods and services to which they relate. HICPs should cover new products when they achieve a sales volume of over one part per 1 000 of total consumers' expenditure in a Member State.

The coverage of the HICP is defined as those goods and services which are included in Household Final Monetary Consumption Expenditure (HFMCCE). This is defined as that part of final consumption expenditure which is incurred by households irrespective of nationality or residence status; in monetary transactions; on the economic territory of the Member State; on goods and services that are used for the direct satisfaction of individual needs or wants; in one or both of the time periods being compared. In particular, HICP coverage includes expenditure by foreign visitors and expenditure by individuals living in institutions, but excludes the expenditure made by residents whilst in a foreign country (domestic concept). Expenditure incurred for business purposes is also excluded. Owner-occupiers' shelter costs, expressed as imputed rents or mortgage interest payments are excluded.

The prices used in the HICP are the prices paid by households to purchase individual goods and services in monetary transactions. The purchaser's price is the price the purchaser actually pays and is net of reimbursements, subsidies, and discounts. Prices for goods are entered into the HICP for the month in which they are observed. Prices for services are entered into the HICP for the month in which the consumption can commence.

The weights of the HICP are based upon aggregate expenditures by households on a set of goods and services covered by the HICP, expressed as a proportion of the total HFMCCE in a Member State. The relative distribution of consumers' expenditure on individual products varies from country to country, hence there is no uniform basket applying to all Member States.

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(1) See ECB press releases, 13 October 1998 and 8 May 2003 concerning monetary policy strategy.

(2) In order to be easily comparable with other sources using COICOP, the HICPs presented in this publication have been re-coded to follow the standard COICOP coding system and hence this may differ from the coding used elsewhere to disseminate HICPs.

The Monetary Union Index of Consumer Prices (MUICP) is calculated as a weighted average of the euro-zone regardless of its composition. The index is computed as an annual chain-index allowing for country weights to change each year. The country weight of a Member State is its share of HFMCE in the euro-zone total. The country weights used are based on National Accounts data referring to the year ending two calendar years prior to the current year. They are updated to December prices of the latest calendar year prior to the current one.

The European Index of Consumer Prices (EICP) is calculated as an annual chain-index, where the euro-zone countries are treated as one entity. It covers the 15 EU Member States until April 2004 and 25 Member States starting from May 2004. The new Member States are integrated into the EICP using a chain index formula.

*More information can be found in the Compendium of HICP reference documents - (2/2001/B/5).*

### **PRICE INDICES AND LEVELS: PURCHASING POWER STANDARDS (PPSs), PRICE LEVEL INDICES (PLIs) AND BAR CODE SCANNER DATA SURVEYS**

The term "purchasing power" can have two distinct meanings:

- The ability to purchase, generally measured by income.
- The value of a particular monetary unit in terms of the goods or services that can be purchased with it.

In the context of purchasing power parities (PPPs) we mean the latter.

Purchasing Power Parity is defined as the number of currency units required to buy products equivalent to what can be bought with one unit of the currency of the base country of the comparison, or with one unit of the common currency of a group of countries, such as e.g. the EU Member States. As such PPPs are annual interspatial conversion rates that equalise the purchasing power of different currencies by eliminating the differences in price levels between countries. PPPs reflect the relative purchasing power of each currency.

PPPs are constructed for the purpose of comparing prices and volumes across countries. There are analogies to inter-temporal price indexes such as the consumer price index. These are used within a country to compare changes in prices and volumes over time. Just as a consumer price index measures the change in cost of a representative basket of goods and services over time, PPPs can be used to measure the differences in cost of a representative basket of goods and services across countries at a point in time.

In their simplest form PPPs are just price relatives that show the ratio of the prices in national currencies of the same good or service in different countries. For example, if the price of a hamburger in France is 3.11 euros and in the United Kingdom it is 1.94 pounds, then the PPP for hamburgers between France and the United Kingdom is 3.11 euros to 1.94 pounds or 1.60 euros to the pound. This means that for every pound spent on hamburgers in the United Kingdom, 1.60 euros would have to be spent in France to obtain the same quantity and quality - or, in other words, the same volume - of hamburgers.

However, the PPPs are published as aggregates, not at a product level. The most applied PPPs are the ones calculated at the GDP level, but they are also provided at a lower level of aggregation, such as household consumption and capital formation. That When the GDPs of countries are converted to a common currency using PPPs, they are also revalued at a common set of prices. Consequently, they reflect only differences in the volumes of goods and services produced in the countries, and are therefore real measures.

In the European comparison, undertaken annually by Eurostat for 31 countries, the base is set to be EU-25. Because the base "country" is an area aggregate (EU-25), which does not have a common currency, the results of the conversion are expressed in an artificial common currency, the so-called Purchasing Power Standards (PPS).

PPPs are obtained from averaging price ratios between a set of countries for a list of comparable goods and services. They are selected to be as far as possible equally representative of consumption patterns in each country. Taking into account the differences between the consumption structure, say in Greece and Finland, the construction of such a list is quite problematic and compromises must be made.

Household final consumption expenditure is divided into smaller groups according to the Classification of Individual Consumption by Purpose (COICOP). These groups (called basic headings) consist of similar kinds of products (for example, television sets, video recorders and radios). The total list for each group is divided into sub-lists consisting of representative items, with total private consumption being represented by over three thousand goods and services. For each basic heading, the average of the price ratios provides the PPP.

The price data collected from shops are the actual prices that the consumer will pay, in other words, prices including VAT and other possible taxes. The prices recorded in one geographic area (usually the capital city area) at a given time are converted into national annual averages. The selection of shops in which the prices are collected reflects approximately the average consumption habits in each country.

The PPPs for basic headings are then aggregated to higher levels of the classification with the help of expenditure weights, in other words the share of consumption. The most recent National Accounts data available is used for the weights for each country.

Although PPPs are calculated with the aim of comparing the volumes of GDP and its main aggregates they can also be used for comparing relative price levels of groups of goods and services in different countries. Price Level Indices (PLI) are the ratios of PPPs to exchange rates. If the index is higher than 100, the country concerned is relatively expensive. By expressing the PPPs in a common currency unit, they provide a measure of the differences in price levels between countries by indicating for a given product group or aggregate the number of units of the common currency needed to buy the same volume of the product group or aggregate in each country. At the level of GDP they provide a measure of the differences in the general price levels of countries.

The priority is given to spatial consistency over temporal consistency for PPPs means that PLIs should not be compared over time. Furthermore, PLIs provide a spatial comparison of price levels between countries for a particular type of expenditure purpose (presented according to the COICOP) but can not provide comparisons of the price levels between these purposes for a given country.

More information on PPSs/PPPs and PLIs can be found in the latest edition of the annual publication, "Purchasing power parities and related economic indicators for EU, candidate countries and EFTA: Final results 2002 and preliminary results 2003", published in 2004 (ISSN 1024-4298).

As supplementary information of official statistics collected by Eurostat, the Directorate-General for Health and Consumers Protection has commissioned a study on the price of branded products in 14 EU Member States (EU-15 countries except Luxembourg). A fraction of the information available is presented in Chapter 1. The choice of the product presented was made on the basis of the broadest availability in the various countries. The denomination of the product can slightly differ from one country to the other. The prices of the products are the median prices of 2003 expressed in euro, including the applicable national VAT rate.



## NATIONAL ACCOUNTS (ESA 95) BREAKDOWNS OF FINAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS BY CONSUMPTION PURPOSE (NA-HC)

National Accounts are compiled in accordance with the European system of national and regional accounts (ESA 1995). Households, as consumers, may be defined as small groups of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food. The criteria of the existence of family or emotional ties may also be added.

Two concepts of final consumption are used: final consumption expenditure and actual final consumption. Final consumption expenditure refers to expenditure on consumption goods and services. In contrast, actual final consumption refers to the acquisition of consumption goods and services. The difference between these concepts lies in the treatment of certain goods and services financed by the government or NPISHs but supplied to households as social transfers in kind.

Final consumption expenditure of households is primarily made up of goods and services purchased in the market, but also includes consumption of household production for own final use, such as the services of owner-occupied dwellings, and goods or services received as income in kind. It does not include social transfers in kind, intermediate consumption or gross capital formation, acquisitions of non-produced assets, payments to NPISHs, taxes other than taxes on products, or voluntary transfers. Final consumption expenditure may take place on the domestic territory or abroad.

Goods and services should in general be recorded when the purchaser incurs a liability to the seller, implying that expenditure on a good is to be recorded at the time its ownership changes; expenditure on a service is recorded when the delivery of the service is completed. Expenditure on a good acquired under a hire purchase or similar credit agreement (and also under a financial lease) should be recorded at the time the good is delivered, even if there is no legal change of ownership at this point. Own-account consumption should be recorded when the output retained for own final consumption is produced.

The final consumption expenditure of households is recorded at the purchaser's price. This is the price the purchaser actually pays for the products at the time of the purchase. Goods and services supplied as compensation of employees in kind are valued at basic prices when produced by the employer and at the purchaser's prices of the employer when bought in by the employer. Retained goods or services for own consumption are valued at basic prices.

*More information on national accounts can be found in Eurostat's European System of Accounts, ESA 1995 (ISBN 92-827-7961-0).*

## HOUSEHOLD BUDGET SURVEYS (HBS)

The purpose of conducting an HBS in a broad sense is to give a picture of living conditions of private households in a defined area and time. The aims of the survey are, to give a picture of the total consumption expenditure of private households and groups of private households, broken down by household characteristics such as income, socio-economic characteristics, size and composition, degree of urbanisation, region and so on. HBS data are often used to compile weights for the calculation of consumer price indices (such as the HICP) or for the compilation of national accounts. Two thirds of the EU Member States carry out annual surveys and the remainder have five-yearly or longer intervals between surveys. Probability sampling is used in the large majority of surveys in the Community. High incidence of non-response is a common and major problem.

## Timing of national household budget surveys used for this publication

	Survey period	National survey name	HBS sample size
<b>BE</b>	1999	Enquête sur les Budgets des Ménages	3 745
<b>CZ</b>	1999	Statistika rodinných účtů	6 256
<b>DK</b>	1997-1999	Forbrugerundersøgelsen	2 725
<b>DE</b>	1998	Einkommens- und Verbrauchsstichprobe	62 150
<b>EE</b>	1999	Household Budget Survey	2 645
<b>EL</b>	11/1998 - 10/1999	Family Budget Survey	6 258
<b>ES</b>	1998	Encuesta Continua de Presupuestos Familiares	9 891
<b>FR</b>	05/2000 - 04/2001	Enquête Budgets des Familles	25 000
<b>IE</b>	06/1999 - 07/2000	Household Budget Survey	7 644
<b>IT</b>	1999	Rilevazione sui consumi delle famiglie Italiane	20 930
<b>CY</b>	1996 - 1997	Ερευνα Οικογενειακών Προπολογισμών	3 650
<b>LV</b>	1999	Majsaimniecību budžetu pētījums	10 191
<b>LT</b>	1999	Namu ūkiu biudžetu tyrimas	3 929
<b>LU</b>	1998	Enquête Budgets Familiaux	2 990
<b>HU</b>	1999	Háztartási költségetései felvétel	8 250
<b>MT</b>	2000 - 2001	Household Budgetary Survey	6 798
<b>NL</b>	1999	Budgetonderzoek	1 851
<b>AT</b>	11/1999 - 10/2000	Konsumerhebung	7 098
<b>PL</b>	1999	Budżety Gospodarstw Domowych	31 428
<b>PT</b>	01/2000 - 01/2001	Inquérito aos orçamentos familiares	9 643
<b>SI</b>	1999	Anketa o porabi v gospodinjstvih	3 859
<b>SK</b>	1999	Rodinné účty	1 640
<b>FI</b>	1998	Kulutustukimus	4 359
<b>SE</b>	05/1999 - 04/2000	Hushållens utgifter	3 031
<b>UK</b>	04/1999 - 03/2000	Family Expenditure Survey	7 100

Source: Eurostat, Household Budget Survey

All HBSs are confined to the population residing in private households. Collective or institutional households (old persons' homes, hospitals, hostels, boarding houses, prisons, military barracks etc.) are excluded, as are generally persons without a fixed place of residence. Data collection involves a combination of (a) one or more interviews, and (b) diaries or logs maintained by households and/or individuals, generally on a daily basis. The main diary or diaries are used to record the household's consumption expenditure and the main interview(s) aims to get substantive information on household characteristics and income. The length of the intensive recording period varies from only a quarter of a month to 30 days. In retrospective interviews or self-reporting, a range of reference periods are used, such as one month for frequent items and a whole year for infrequent items. The use of a longer reference period increases the precision of the information obtained however it also tends to increase bias due to recall errors.

Given that HBSs are output harmonised, Eurostat does not emphasise the use of the same questions, the same survey structure or the same sample designs in the surveys, but importance is put into harmonising concepts and definitions. The basic unit of data collection and analysis in HBSs is the household. The household can be defined as a social unit, which meets one or more conditions of living together (such as the criteria of sharing expenses or daily needs) in addition to having a common residence. This is the household defined as a housekeeping unit. The use of alternative definitions, based, for example, on the pooling of income and resources, or the existence of family or emotional ties, affects the average household size and composition, as well as the coverage achieved in the survey.

It is important to identify the reference person (often the head of the household) whose personal characteristics can be used in the classification and analysis of information on the household. The socio-economic group, occupation and employment status, income, sex and age of the reference person is often used to classify and present results. For the HBS it is recommended that the reference person should be the one contributing most to the total income of the household (main income earner).

The distinction between adults and children influences the classification of households by type -for example, whether a couple with grown-up children is classified as a nuclear couple with children household or as a more complex type containing a couple, children and other adults. For the HBS a child is generally aged less than 16 or aged 16 to 24, economically inactive and living with at least one parent.

To take account of economies of scale, household expenditures can be expressed per adult equivalent. This allows expenditures to be compared between households of different sizes. The first adult in the household gets a weight of 1, each adult thereafter (aged 14 and over) a weight of 0.5 and each child a weight of 0.3.

The expenditure effected by households to acquire goods and services is recorded at the price actually paid, which includes indirect taxes (VAT and excise duties) borne by the purchaser.

The household's internal production constitutes one of the non-monetary components of consumption and it is recommended to include this measure in HBSs. This involves goods produced directly by the household through either a private activity, or a professional activity, for example own production of food (by a farming household or by a household with a vegetable garden) or withdrawals from stocks for the household of trades men. This production is usually valued at the retail price, as if the product would have been bought in a shop. Internal production should ideally be recorded at the time it is actually consumed but country practices may differ from this.

Benefits (or incomes) in kind provided by employers in exchange for work are included as consumption since the benefit in question is consumed by the household. Transfers in money between households are not related to consumption by the household concerned and theoretically should be excluded. From a consumption expenditure point of view, the cash price for items bought on credit is preferred. It is recommended to use the moment of delivery of the good as the determinant for the recording of the consumption expenditure. In order to obtain an evaluation of the standard of living from the expenditure carried out, the purchase of second hand goods is recorded in the same way as other consumption expenditures.

The comparability of HBS data is least good in the fields of health and education owing to the differences in the social protection and educational systems of the Member States. The consumption heading of health is of great importance in determining the standard of living of households, thus differences in treatment can skew international comparisons. Whatever methods are used, it seems difficult to reach a good level of international comparability in these domains.

The HBS results presented in this publication are obtained from Eurostat's micro-data base for the EU-15 countries and from a simplified aggregated data collection carried out for the other countries. These data refer to the reference year 1999. In order to improve their comparability, Eurostat has harmonised EU-15 data in a process of converting national data into a predefined Community format. However the data of the new Member States (NMS), Bulgaria and Romania have been taken without any such harmonisation process. For this reason the data of the EU-15 countries are more comparable.

*More information can be found in Eurostat's "Household Budget Surveys in the EU, Methodology and recommendations for harmonisation - 2003" (ISBN 92-894-5435-0) and "Household Budget Survey in the Candidate Countries, Methodological analysis 2003" (ISBN 92-894-7087-9).*

### **THE USE OF HBS OR NATIONAL ACCOUNTS BREAKDOWN OF FINAL CONSUMPTION EXPENDITURE**

These two data sets have complementary strengths and weaknesses. National accounts data have the big advantage that estimates are consistent with what is happening in the rest of the economy; they are in effect grossed up figures that allow for a full coverage of private households (for example, people in institutions who are generally excluded from sample surveys). They are also designed to be used as time series -in other words, constrained to ensure consistency over time. However, national accounts are not usually available at a very detailed level of COICOP disaggregation, and it is not possible to disaggregate them by household type.

The HBS has a much finer level of disaggregation available both in terms of COICOP and in terms of household type. However, time series comparisons are limited. Non-response plus the fact that sample sizes are often quite small may affect the quality of the estimates of consumption expenditure for groups of households.

### **EUROBAROMETER SURVEYS**

Eurobarometer surveys cover the population aged 15 years and over, resident in each of the Member States. The basic sample design is a multi-stage, random (probability) one at level II of the geographical classification, NUTS. Surveys are designed to be representative in terms of metropolitan, urban and rural areas. All interviews are conducted face-to-face. The results of Eurobarometer surveys are analysed and made available through Unit B1, "Opinion polls, press reviews, Europe direct", of the European Commission Directorate-General of the European Commission for Press and Communication.

Eurobarometer surveys are not official statistics; therefore, as a general rule, the attainment of the same level of methodological quality of the latter cannot be guaranteed. However they have the advantage of focusing on the latest information about topics with high political interest at European level. For this reason they constitute an essential source of information for analysts and policy makers which complements available official data.

Eurobarometer surveys relating to consumer issues are available on the web-site of the European Commission Directorate-General for Health and Consumer Protection at

*[http://europa.eu.int/comm/dgs/health\\_consumer/index\\_en.htm](http://europa.eu.int/comm/dgs/health_consumer/index_en.htm)*

## COICOP CLASSIFICATION

### 01-12 - INDIVIDUAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS

#### 01 - FOOD AND NON-ALCOHOLIC BEVERAGES

##### 01.1 - Food

- 01.1.1 - Bread and cereals (ND)
- 01.1.2 - Meat (ND)
- 01.1.3 - Fish and seafood (ND)
- 01.1.4 - Milk, cheese and eggs (ND)
- 01.1.5 - Oils and fats (ND)
- 01.1.6 - Fruit (ND)
- 01.1.7 - Vegetables (ND)
- 01.1.8 - Sugar, jam, honey, chocolate and confectionery (ND)
- 01.1.9 - Food products n.e.c. (ND)

##### 01.2 - Non-alcoholic beverages

- 01.2.1 - Coffee, tea and cocoa (ND)
- 01.2.2 - Mineral waters, soft drinks, fruit and vegetable juices (ND)

#### 02 - ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS

##### 02.1 - Alcoholic beverages

- 02.1.1 - Spirits (ND)
- 02.1.2 - Wine (ND)
- 02.1.3 - Beer (ND)
- 02.2 - Tobacco
- 02.2.0 - Tobacco (ND)

##### 02.3 - Narcotics

- 02.3.0 - Narcotics (ND)

#### 03 - CLOTHING AND FOOTWEAR

##### 03.1 - Clothing

- 03.1.1 - Clothing materials (SD)
- 03.1.2 - Garments (SD)
- 03.1.3 - Other articles of clothing and clothing accessories (SD)
- 03.1.4 - Cleaning, repair and hire of clothing (S)

##### 03.2 - Footwear

- 03.2.1 - Shoes and other footwear (SD)
- 03.2.2 - Repair and hire of footwear (S)

#### 04 - HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS

##### 04.1 - Actual rentals for housing

- 04.1.1 - Actual rentals paid by tenants (S)
- 04.1.2 - Other actual rentals (S)

##### 04.2 - Imputed rentals for housing

- 04.2.1 - Imputed rentals of owner-occupiers (S)
- 04.2.2 - Other imputed rentals (S)

##### 04.3 - Maintenance and repair of the dwelling

- 04.3.1 - Materials for the maintenance and repair of the dwelling (ND)
- 04.3.2 - Services for the maintenance and repair of the dwelling (S)

##### 04.4 - Water supply and miscellaneous services relating to the dwelling

- 04.4.1 - Water supply (ND)
- 04.4.2 - Refuse collection (S)
- 04.4.3 - Sewage collection (S)
- 04.4.4 - Other services relating to the dwelling n.e.c. (S)

##### 04.5 - Electricity, gas and other fuels

- 04.5.1 - Electricity (ND)
- 04.5.2 - Gas (ND)
- 04.5.3 - Liquid fuels (ND)
- 04.5.4 - Solid fuels (ND)
- 04.5.5 - Heat energy (ND)

#### 05 - FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE

##### 05.1 - Furniture and furnishings, carpets and other floor coverings

- 05.1.1 - Furniture and furnishings (D)
- 05.1.2 - Carpets and other floor coverings (D)
- 05.1.3 - Repair of furniture, furnishings and floor coverings (S)

##### 05.2 - Household textiles

- 05.2.0 - Household textiles (SD)

Abbreviations used:

- (ND) - non-durable goods
- (SD) - semi-durable goods
- (D) - durable goods
- (S) - services

**05.3 - Household appliances**

- 05.3.1 - Major household appliances whether electric or not (D)
- 05.3.2 - Small electric household appliances (SD)
- 05.3.3 - Repair of household appliances (S)

**05.4 - Glassware, tableware and household utensils**

- 05.4.0 - Glassware, tableware and household utensils (SD)

**05.5 - Tools and equipment for house and garden**

- 05.5.1 - Major tools and equipment (D)
- 05.5.2 - Small tools and miscellaneous accessories (SD)

**05.6 - Goods and services for routine household maintenance**

- 05.6.1 - Non-durable household goods (ND)
- 05.6.2 - Domestic services and household services (S)

**06 - HEALTH**

**06.1 - Medical products, appliances and equipment**

- 06.1.1 - Pharmaceutical products (ND)
- 06.1.2 - Other medical products (ND)
- 06.1.3 - Therapeutic appliances and equipment (D)

**06.2 - Outpatient services**

- 06.2.1 - Medical services (S)
- 06.2.2 - Dental services (S)
- 06.2.3 - Paramedical services (S)

**06.3 - Hospital services**

- 06.3.0 - Hospital services (S)

**07 - TRANSPORT**

**07.1 - Purchase of vehicles**

- 07.1.1 - Motor cars (D)
- 07.1.2 - Motor cycles (D)
- 07.1.3 - Bicycles (D)
- 07.1.4 - Animal drawn vehicles (D)

**07.2 - Operation of personal transport equipment**

- 07.2.1 - Spare parts and accessories for personal transport equipment (SD)
- 07.2.2 - Fuels and lubricants for personal transport equipment (ND)
- 07.2.3 - Maintenance and repair of personal transport equipment (S)
- 07.2.4 - Other services in respect of personal transport equipment (S)

**07.3 - Transport services**

- 07.3.1 - Passenger transport by railway (S)
- 07.3.2 - Passenger transport by road (S)
- 07.3.3 - Passenger transport by air (S)
- 07.3.4 - Passenger transport by sea and inland waterway (S)
- 07.3.5 - Combined passenger transport (S)
- 07.3.6 - Other purchased transport services (S)

**08 - COMMUNICATION**

**08.1 - Postal services**

- 08.1.0 - Postal services (S)

**08.2 - Telephone and telefax equipment**

- 08.2.0 - Telephone and telefax equipment (D)

**08.3 - Telephone and telefax services**

- 08.3.0 - Telephone and telefax services (S)

**09 - RECREATION AND CULTURE**

**09.1 - Audio-visual, photographic and information processing equipment**

- 09.1.1 - Equipment for the reception, recording and reproduction of sound and pictures (D)
- 09.1.2 - Photographic and cinematographic equipment and optical instruments (D)
- 09.1.3 - Information processing equipment (D)
- 09.1.4 - Recording media (SD)
- 09.1.5 - Repair of audio-visual, photographic and information processing equipment (S)

**09.2 - Other major durables for recreation and culture**

- 09.2.1 - Major durables for outdoor recreation (D)
- 09.2.2 - Musical instruments and major durables for indoor recreation (D)
- 09.2.3 - Maintenance and repair of other major durables for recreation and culture (S)

**09.3 - Other recreational items and equipment, gardens and pets**

- 09.3.1 - Games, toys and hobbies (SD)
- 09.3.2 - Equipment for sport, camping and open-air recreation (SD)
- 09.3.3 - Gardens, plants and flowers (ND)
- 09.3.4 - Pets and related products (ND)
- 09.3.5 - Veterinary and other services for pets (S)

**09.4 - Recreational and cultural services**

- 09.4.1 - Recreational and sporting services (S)
- 09.4.2 - Cultural services (S)
- 09.4.3 - Games of chance (S)

**09.5 - Newspapers, books and stationery**

- 09.5.1 - Books (SD)
- 09.5.2 - Newspapers and periodicals (ND)
- 09.5.3 - Miscellaneous printed matter (ND)
- 09.5.4 - Stationery and drawing materials (ND)

**09.6 - Package holidays**

- 09.6.0 - Package holidays (S)

**10 - EDUCATION****10.1 - Pre-primary and primary education**

- 10.1.0 - Pre-primary and primary education (S)

**10.2 - Secondary education**

- 10.2.0 - Secondary education (S)

**10.3 - Post-secondary non-tertiary education**

- 10.3.0 - Post-secondary non-tertiary education (S)

**10.4 - Tertiary education**

- 10.4.0 - Tertiary education (S)

**10.5 - Education not definable by level**

- 10.5.0 - Education not definable by level (S)

**11 - RESTAURANTS AND HOTELS****11.1 - Catering service**

- 11.1.1 - Restaurants, cafés and the like (S)
- 11.1.2 - Canteens (S)

**11.2 - Accommodation services**

- 11.2.0 - Accommodation services (S)

**12 - MISCELLANEOUS GOODS AND SERVICES****12.1 - Personal care**

- 12.1.1 - Hairdressing salons and personal grooming establishments (S)
- 12.1.2 - Electric appliances for personal care (SD)
- 12.1.3 - Other appliances, articles and products for personal care (ND)

**12.2 - Prostitution**

- 12.2.0 - Prostitution (S)

**12.3 - Personal effects n.e.c.**

- 12.3.1 - Jewellery, clocks and watches (D)
- 12.3.2 - Other personal effects (SD)

**12.4 - Social protection**

- 12.4.0 - Social protection (S)

**12.5 - Insurance**

- 12.5.1 - Life insurance (S)
- 12.5.2 - Insurance connected with the dwelling (S)
- 12.5.3 - Insurance connected with health (S)
- 12.5.4 - Insurance connected with transport (S)
- 12.5.5 - Other insurance (S)

**12.6 - Financial services n.e.c.**

- 12.6.1 - FISIM (S)
- 12.6.2 - Other financial services n.e.c. (S)

**12.7 - Other services n.e.c**

- 12.7.0 - Other services n.e.c. (S)

## CONVERSION TABLE FOR EUROSTAT'S NEWCRONOS DATABASE

Recently the structure of Eurostat's reference database NewCronos has changed (accessible via: [http://epp.eurostat.cec.eu.int/portal/page?\\_pageid=1996,45323734&\\_dad=portal&\\_schema=PORTAL&screen=welcomeref&open=/&product=EU\\_MAIN\\_TREE&depth=1](http://epp.eurostat.cec.eu.int/portal/page?_pageid=1996,45323734&_dad=portal&_schema=PORTAL&screen=welcomeref&open=/&product=EU_MAIN_TREE&depth=1)). The source indications under the tables and graphs in the present publication still refer to the old structure. In order to enable the interested user to find its way to the relevant information, a conversion table is given below.

### THEME 0 - KEY INDICATORS ON EU POLICY (PREDEFINED TABLES)

#### THEME 1 - GENERAL AND REGIONAL STATISTICS

##### Regions (regio)

#### THEME 2 - ECONOMY AND FINANCE

##### National accounts (including GDP) (nation) (Changes to National Accounts in 2005)

Annual national accounts (aggs)

GDP and main aggregates (aggs\_gdp)

Breakdowns (main aggregates and employment by industry, investment by product and consumption by purpose) (brkdowns)

##### Government statistics (gov)

Taxes and social contributions (taxes)

##### Financial accounts (fina)

Balance sheet (fina\_st)

##### Exchange rates and interest rates (exint)

Exchange rates (exchrt)

Bilateral exchange rates

Euro/ECU exchange rates (eurer)

Conversion factors for euro fixed series into euro/ECU (convert)

##### Prices (price)

Harmonized indices of consumer prices (HICP), 1996=100 (hicp)

Purchasing power parities (ppp)

#### THEME 3 - POPULATION AND SOCIAL CONDITIONS

##### Population

Demography (demo)

##### Health

Public health (public)

Health status (hstatus)

Morbidity (morbid)

##### Labour market

Employment and unemployment

Employment

Employment rates - LFS series (emprates)



**Living conditions and welfare**

Household Budget Survey (hbs)

Income and living conditions (ilc)

Monetary (income) poverty (ilc\_ip)

Distribution of income (ilc\_di)

Non-monetary poverty and social exclusion (ilc\_se)

Housing (ilc\_ho)

**THEME 4 - INDUSTRY, TRADE AND SERVICES****Industry, trade and services - horizontal view**

Structural Business Statistics (Industry, Construction, Trade and Services) (sbs)

**Services**

Audiovisual services (auvis)

Communications (coins)

**Tourism**

Tourism (tour)

**THEME 5 - AGRICULTURE, FORESTRY AND FISHERIES****Agriculture**

Agricultural products (zpa1)

Supply balances sheets (balance)

Fisheries (fish)

Supply balance sheets for fishery products (f\_sbs)

**THEME 6 - EXTERNAL TRADE****THEME 7 - TRANSPORT****THEME 8 - ENVIRONMENT AND ENERGY**

Environment (milieu)

Energy (sirene)

**THEME 9 - SCIENCE AND TECHNOLOGY**