

# Europe in figures

Eurostat yearbook 2006-07



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**ABSTRACT**

*Europe in figures — Eurostat yearbook 2006-07* — presents a comprehensive selection of statistical data on the European Union, its Member States and candidate countries. Most data cover the period 1995–2005 and some data include other countries such as the USA and Japan. With almost 400 statistical tables, graphs and maps, the yearbook treats areas such as population, education, health, living conditions and welfare, the labour market, the economy, international trade, industry and services, science and technology, the environment, agriculture, forestry and fisheries, and European regions. This edition's spotlight chapter deals with energy statistics. A CD-ROM includes the electronic version of the yearbook in PDF, all tables and graphs in spreadsheet format, as well as further information. The yearbook may be viewed as an introduction to European statistics and provides guidance to the vast range of data freely available from the Eurostat website at <http://ec.europa.eu/eurostat>.

**Editor-in-chief**

G. Schäfer  
Eurostat, Head of Unit Dissemination

**Editors**

M. Feith, M. Fritz, A. Johansson Augier, U. Wieland  
Eurostat, Dissemination unit

**Contact details**

Eurostat — Statistical Office of the European Communities,  
Bâtiment Joseph Bech,  
5, Rue Alphonse Weicker  
L-2721 Luxembourg  
e-mail: [estat-user-support@ec.europa.eu](mailto:estat-user-support@ec.europa.eu)

**Production, desktop publishing**

Informa sàrl  
Giovanni Albertone, Simon Allen, Edward Cook, Séverine Gautron, Andrew Redpath

**For more information please consult**

<http://ec.europa.eu/eurostat>

**Data extracted**

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## PREFACE

Democratic societies do not function properly without a solid basis of reliable and objective data. On the one hand, decision-makers at EU level and in the Member States, be they local governments or businesses, need statistical data to make informed decisions. On the other hand, the public, researchers and media refer increasingly to statistics for an accurate picture of society.

*Europe in figures* — *Eurostat yearbook 2006-07* is divided into 14 main chapters which cover all major statistical domains, such as energy, population, education, health, living conditions and welfare, the labour market, the economy, international trade, industry and services, science and technology, the environment, agriculture, forestry and fisheries, and European regions. The yearbook includes almost 400 statistical tables, graphs and maps, which are accompanied by information on related European policies, explanations of statistical concepts, and other useful information. At the same time, the yearbook is an introduction to European statistics and provides guidance to the vast range of data freely available from the Eurostat website.



Eurostat is the Statistical Office of the European Communities; it is situated in Luxembourg and was established in 1953 to meet the statistical requirements of the European Coal and Steel Community. When the European Community was founded in 1958, Eurostat became a directorate-general (DG) of the European Commission. Its role is to supply harmonised statistics first and foremost to other directorates-general and European institutions, in order to underpin the definition, implementation and analysis of Community policies, but also to the general public.

Eurostat gets most of its data from the national statistical authorities in the Member States. It then processes, analyses and publishes this data at a European level, following common statistical concepts, methods, and standards. Eurostat defines methodologies together with the Member States, consolidates the data collected in each country, ensures that it is harmonised and as comparable as possible, and then creates European aggregates for the EU Member States and the euro area<sup>(1)</sup>. It then publishes most of this data and accompanying analyses on its website and in many cases also in the form of paper publications.

The role of Eurostat has changed and developed in line with Community policies. For example, in recent years economic and monetary statistics, and in particular a set of principal European economic indicators (PEEIs), have been developed to provide a rapid flow of information concerning the euro area to the European Central Bank, to aid monetary policy decision making. At the same time, Eurostat has supported and encouraged the development of statistical systems within the candidate countries, western Balkans, and European neighbourhood policy countries, driving a process of statistical harmonisation. Finally, policy indicators have been developed to monitor a wide range of issues, such as under the headings of structural and sustainable development indicators; these are used to monitor progress with respect to making the EU a sustainable, competitive and dynamic economy.

Eurostat's website, <http://ec.europa.eu/eurostat>, offers free access to nearly all of Eurostat's data, as well as to methodological information, and statistical publications in PDF format.

I hope this yearbook will encourage you to further explore the wealth of statistics available on the European Union, and to use Eurostat's data for your information needs and daily work.

Hervé Carré  
Director-General, Eurostat

<sup>(1)</sup> This edition of the yearbook does not take into account the accession of Bulgaria and Romania to the European Union or the accession of Slovenia to the euro area as of 1 January 2007, as data was extracted and analysed in 2006.

<b>INTRODUCTION</b>	<b>7</b>
The Eurostat yearbook	7
Eurostat — the Statistical Office of the European Communities	9
A practical guide to accessing European statistics	10
<b>IN THE SPOTLIGHT — ENERGY</b>	<b>13</b>
Primary energy production and imports	16
Electricity generation	24
Consumption of energy	28
Prices	38
<b>1. POPULATION</b>	<b>47</b>
EU-25 population	50
EU population compared with other world regions	55
Life expectancy and mortality	59
Families and births	68
Migration and asylum	75
<b>2. EDUCATION</b>	<b>81</b>
School enrolment and levels of education	84
Foreign language learning	90
Tertiary education	92
Lifelong learning	94
Educational expenditure	96
<b>3. HEALTH</b>	<b>99</b>
Causes of deaths	102
Potential widespread causes for health problems	107
Healthcare	108
Safety at work	111
<b>4. LIVING CONDITIONS AND WELFARE</b>	<b>113</b>
Living conditions	116
Household consumption expenditure	119
Housing	122
Social protection	125
<b>5. LABOUR MARKET</b>	<b>129</b>
People in the labour market — employment	132
People in the labour market — unemployment	139
Labour market policy and public expenditure	144
<b>6. ECONOMY</b>	<b>147</b>
National accounts	151
Economic output	151
Consumption and spending	158
Income from input factors	160
Government finances	162
Exchange and interest rates	165
Balance of payments	170
Current account	170
Foreign direct investment	175
Prices and wages	180
Wages and labour costs	180
Consumer prices	187
Purchasing power parities	189

<b>7. INTERNATIONAL TRADE</b>	<b>191</b>
International trade in goods	194
International trade in services	203
<b>8. INDUSTRY AND SERVICES</b>	<b>207</b>
Business structures	210
Industry and construction	215
Services	221
Distributive trades	223
Transport	227
Tourism	236
<b>9. SCIENCE AND TECHNOLOGY</b>	<b>239</b>
Research and development	242
Personnel	243
Expenditure	249
Patents	252
Information society	254
Internet access and ICT expenditure	254
Telecommunications	261
<b>10. ENVIRONMENT</b>	<b>267</b>
Air pollution and climate change	270
Water	273
Waste	277
Environment and agriculture	279
Environmental expenditure	281
<b>11. AGRICULTURE, FORESTRY AND FISHERIES</b>	<b>283</b>
Agriculture	286
Farm structure and land use	286
Agricultural output, price indices and income	291
Agricultural products	295
Forestry	297
Fisheries	302
<b>12. EUROPE'S REGIONS</b>	<b>307</b>
<b>13. LINKING STATISTICS TO EUROPEAN POLICIES</b>	<b>317</b>
Euro-Indicators	320
Structural indicators	321
Sustainable development indicators	322
<b>ANNEXES</b>	<b>325</b>
Glossary	326
NUTS (nomenclature of territorial units for statistics) and statistical regions	351
NACE (classification of economic activities in the European Community)	355
SITC (standard international trade classification)	356
Statistical symbols, abbreviations and acronyms	357
Copyright of photographs	361
Subject index	362
Selection of other Eurostat publications	370

## THE EUROSTAT YEARBOOK

*Europe in figures — Eurostat yearbook 2006-07* provides users of official statistics with an overview of the wealth of information that is available on Eurostat's website and within its online databases. It belongs to a set of general compendium publications and, of these, it provides the most extensive set of analyses and detailed data. *Europe in figures* has been conceived as a publication that provides a balanced set of indicators, with a broad cross-section of information.

### STRUCTURE OF THE PUBLICATION

*Europe in figures* is divided into an introduction, 14 main chapters and eight annexes. The main chapters contain data and/or background information relating to particular topics, starting with a spotlight chapter on energy. Each chapter (or sub-chapter) of the publication starts with a small introduction containing background information and policy relevance, as well as some details regarding the collection and interpretation of data; this is followed by a commentary on the data. The main focus of each chapter is a set of tables and graphs that have been selected to show the wide variety of data available for that particular topic; often these include information on how important benchmark indicators have developed during recent years within the EU, its Member States and the euro area.

Users will find a great deal more information when consulting the Eurostat website (see page 10 for more details on how to access the Eurostat website) — either in the form of more detailed subject-specific publications or in terms of the data available within Eurostat's online databases.

The annexes contain a glossary of statistical terms, a list of geographical regions (NUTS), a list of economic activities (NACE), a list of product categories for trade statistics (SITC), a list of statistical symbols, abbreviations and acronyms, and a subject index.

### CD-ROM AND SECTION ON THE EUROSTAT WEBSITE

The paper version of the yearbook is accompanied by a CD-ROM which contains the full yearbook content in PDF format, as well as all tables and graphs in Excel format. In addition, the Eurostat website offers a specific section in relation to the yearbook which contains the PDF version of the publication as well as PDF files of other compendium publications.

### DATA EXTRACTION AND COVERAGE

The statistical data presented in the yearbook were extracted at the end of June and start of July 2006 and represent data availability at that time. The accompanying text was drafted during August and September 2006.

Note that when presenting a time-series, the data are generally presented for the latest 11 years for which information is available. Longer time-series will usually be available when consulting Eurostat's online databases.

The tables and graphs generally show all of the country information that has been collected for each subset of data. This publication generally presents information for the 25 Member States of the European Union (EU-25), the EU-15, the euro area, as well as the individual Member States. The EU-25, EU-15 and euro area aggregates are only provided when information for all of the countries is available, or if an estimate has been made for missing information. Any partial totals that are created are systematically footnoted with respect to the missing components of the geographical aggregate in question.

Time-series for geographical aggregates are based on a consistent set of countries for the whole of the time period shown (unless otherwise indicated). In other words, although the EU has only had 25 Member States since the start of 2004, the time-series for EU-25 refer to a sum or an average for all 25 countries for the whole of the period presented, as if all 25 Member States had been part of the EU in earlier periods. In a similar vein, the data for the euro area are consistently presented for all 12 members, despite the later accession of Greece to the euro area. As such, unless otherwise stated, the data for the euro area covers the 12 Member States that share the euro as a common currency (Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland) for each reference year.

The order of the EU Member States used in the Eurostat yearbook generally follows their order of protocol; in other words, the alphabetical order of the countries' names in their respective native languages; in some graphs the data are ranked according to the values of a particular indicator. This edition of the yearbook does not take into account either the accession of Bulgaria and Romania to the European Union or the accession of Slovenia to the euro area at the start of 2007, as data was extracted and analysed in 2006.

When available, information is also presented for the (at time of writing) candidate countries of Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Romania, and Turkey, for other EEA/EFTA countries, as well as for Japan and the United States. In the event that non member countries did not provide data, then these have been excluded from the tables and graphs in an attempt to save space; however, the full set of 25 Member States is maintained in tables and graphs even when data are not available, with footnotes for those countries for which information is missing. In the event that a reference year is not available for a particular country, then efforts have been made to fill tables and graphs with previous reference years (again these exceptions are footnoted).



### THE NEW EUROSTAT DATA CODE

A new code (such as 'TEN00076') has been inserted above and to the right of many graphs and tables in the yearbook. This code allows the reader to easily access the most recent data on the Eurostat website (note that the data on the website is frequently updated and may also be more detailed or have a different measurement unit). To access the data, enter the code into the quick search field on the Eurostat website and click on 'Search'. For more details, consult the frequently asked questions (FAQ) on the Eurostat website.

### STATISTICAL SYMBOLS

Statistical data are often accompanied by additional information in form of statistical symbols (also called 'flags') to indicate missing or in some way problematic data. In this yearbook, the use of statistical symbols has been restricted to a minimum. The following symbols are included where necessary:

- : Not available, confidential or unreliable value
- Not applicable or zero by default
- 0 Less than half the final digit shown and greater than real zero

NB: flags for estimates, revised values, and provisional data have been removed in order to improve the readability of the information presented. Readers who are interested in such detailed additional information may consult Eurostat's website (see page 11 for more details). Breaks in series are indicated in the footnotes provided with each table and graph. Forecasts are also indicated through the addition of footnotes. In the case of the EU Member States, even when data are not available, these countries have been included in tables and graphs systematically (with appropriate footnotes for graphs indicating that data are not available, while in tables use has been made of the colon (:)) to indicate that data are not available. For non-member countries outside of the EU, when data are not available for a particular indicator the country has been removed from tables or graphs.

## EUROSTAT — THE STATISTICAL OFFICE OF THE EUROPEAN COMMUNITIES

Eurostat is the Statistical Office of the European Communities, situated in Luxembourg. Its task is to provide the European Union with statistics at European level that enable comparisons between countries and regions. Eurostat's mission is 'to provide the European Union with a high-quality statistical information service'. To meet this challenge, Eurostat aims:

- to implement a set of standards, methods and organisational structures which allow comparable, reliable and relevant statistics to be produced throughout the Community, in line with the principles of the European statistics code of practice;
- to provide the European institutions and the governments of the Member States with the information needed to implement, monitor and evaluate Community policies;
- to disseminate statistics to the European public and enterprises and to all economic and social agents involved in decision-making, and;
- to facilitate the improvement of the statistical systems of the Member States and support developing countries, as well as the countries moving towards a market economy.

As one of the directorate-generals of the European Commission, Eurostat is headed by a director-general. Under him are seven Directors responsible for different areas of activity (Directorates as of December 2006):

- A. Resources;
- B. Statistical methods and tools; dissemination;
- C. National and European accounts;
- D. Economic and regional statistics;
- E. Agriculture and environment statistics; statistical co-operation;
- F. Social statistics and information society;
- G. Business statistics.

In 2005, Eurostat had around 800 posts; of these some 612 were civil servants, 64 were seconded national experts, and 124 had other types of contract. Eurostat's budget was around EUR 56 million in 2003 (excluding costs of statutory staff) of which EUR 41 million were budgeted for the implementation of the statistical programme. In addition, a budget of EUR 38 million was sub-delegated to Eurostat by other directorates-general.

Since the early days of the European Communities, there was a realisation that the planning and implementation of Community policies must be based on reliable and comparable statistics. As a result, the European statistical system (ESS) was built-up gradually to provide comparable statistics at an EU level. For this purpose, Eurostat does not work alone. The ESS comprises Eurostat and the statistical offices, ministries, agencies and central banks that collect official statistics in the EU Member States, Iceland, Norway and Liechtenstein (you can find the contact details and Internet addresses of all members of the ESS by choosing ESS from the list of activities presented on the right-hand menu of the Eurostat homepage and then selecting National Statistical Institutes). The ESS functions as a network in which Eurostat's role is to lead the way in the harmonisation of

statistics in close cooperation with the national statistical authorities. At the heart of the European statistical system is the Statistical Programme Committee (SPC), which brings together the heads of Member States' national statistical offices and is chaired by Eurostat. The SPC discusses joint actions and programmes to be carried out to meet EU information requirements. It agrees a five-year programme, which is implemented by the national authorities and monitored by Eurostat.

### INFORMATION FOR A MODERN SOCIETY — IMPARTIALITY AND OBJECTIVITY

To actively participate in a democratic Europe, public administrations, researchers, trade unions, businesses and political parties, among others, need high-quality, impartial, reliable and comparable statistical data. These actors need to be able to access data without exclusion: in other words, no key information should be withheld from particular citizens, enterprises or public bodies. Rather, each of these should have equal access to the data available. Eurostat and its partners in the ESS provide equal opportunities to access a wide range of comprehensive information on social, economic and environmental developments in Europe, through providing free access to data on the Eurostat website.

Today's information society is characterised by the rapid transfer and sheer scale of data flows. While access to and the transfer of information has grown exponentially, the reliability of information cannot always be guaranteed. Access to reliable and high-quality statistics and Eurostat's trustworthiness is enshrined in law, as Article 285(2) of the EC Treaty says: '*The production of Community statistics shall conform to impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality; it shall not entail excessive burdens on economic operators*'. These are principles upon which Eurostat's day-to-day work are based.

It is easier for people to understand each other if they know about each other's conditions of life and work, and they have information on trends that are developing within society as a whole. Comparisons, however, require comparable statistics that, in turn, demand the use of a common '*statistical language*'. This common language has to embrace concepts, methods and definitions, as well as technical standards and infrastructures, often referred to by statisticians as harmonisation. This is Eurostat's *raison d'être* — and sums up what the ESS is all about.

The data that are collected, harmonised and reported upon by Eurostat have been agreed through a well-defined political process at the European level in which the Member States are deeply involved. Most surveys and data collection exercises are based on European regulations or directives that are legally binding.

## A PRACTICAL GUIDE TO ACCESSING EUROSTAT STATISTICS

The simplest way of accessing Eurostat's broad range of statistical information is through the Eurostat website (<http://ec.europa.eu/eurostat>).

Since 1 October 2004 Eurostat has provided users with free access to its Internet databases and all of its publications in PDF format. The website is updated daily and provides direct access to the latest and most comprehensive statistical information available on the European Union and the Member States. The information published on the website is available in German, English and French and it can all be downloaded free of charge.

For full access to all of the services available through the website, it is recommended that users should take a few moments to register from the homepage. Registration is free of charge and allows access to:

- tailor-made e-mail alerts informing you of new publications as soon as they are online;
- access enhanced functionalities of the databases (save queries and make bulk downloads).

The information on the website is structured according to a set of 'themes', which may be accessed from the left-hand menu bar of the homepage, providing access to:


- general and regional statistics
- economy and finance;
- population and social conditions;
- industry, trade and services;
- agriculture and fisheries;
- external trade;
- transport;
- environment and energy;
- science and technology.

Within each of these themes the user is initially presented with the possibility of accessing information relating to (pre-defined) tables, data(bases), methodology or publications, by means of a series of tabbed pages. Those users who are not able to limit their search by statistical theme can enter the website through a series of tabs in the middle of the homepage which provide access to the full range of tables, data, methodology and publications.

*Eurostat's homepage*

## TABLES

The most important indicators may be found in the form of pre-defined tables. Pre-defined tables can be accessed through the Eurostat data tree or from the homepage for each of the nine statistical themes detailed above. Pre-defined tables are generally presented for a single indicator, with European aggregates and data for the Member States on the y-axis and time on the x-axis. The data are selected from key EU policy indicators, including short-term economic data, long-term indicators, structural indicators, and sustainable development indicators. Some of the most important indicators that are produced in this format are listed below:


- **Euro-Indicators** — this is a collection of fresh, monthly and quarterly data, used to evaluate the economic situation within the euro area and the EU. Euro-Indicators are updated daily and the publication of key figures is announced as part of Eurostat's release calendar that is available on the Eurostat website ([http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP\\_RELEASE/PGE\\_DS\\_RELEASE](http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP_RELEASE/PGE_DS_RELEASE)). More information relating to Euro-Indicators is provided on page 320.
- **Structural indicators** () — these are used to assess the longer-term progress being made within the EU in the domains of employment, innovation and research, economic reform, social cohesion, and the environment, as well as the general economic background; they are most relevant for political debate with respect to the Lisbon objectives (more information including an abbreviated listing of key structural indicators is provided on page 321).
- **Sustainable development indicators** — a sustainable development strategy was adopted by the European Council in Gothenburg in June 2001, and renewed in June 2006; it aims to reconcile economic development, social cohesion and protection of the environment. Monitoring progress towards this goal is an essential part of the strategy, while a parallel objective is to inform the general public about progress in attaining the commonly agreed objectives of sustainable development (more information including an abbreviated listing of key sustainable development indicators is provided on page 322).

## DATA

More detailed statistics and larger volumes of data can be downloaded from the Internet databases (also called 'open tables') which allow the user to select the information he/she is interested in through a number of selection screens for each dimension of the data set; the data can be extracted in a variety of formats (text files, HTML, Excel, etc.). Open tables can be accessed through the Eurostat data tree or from the homepage for each of the nine statistical themes detailed above, under the heading of 'Data'. Today more than 300 million data cells are presented in Eurostat's databases.

## METHODOLOGY

The Special Data Dissemination Standard (SDDS) format, established by the International Monetary Fund (IMF) in 1996 to guide members in the provision of their economic data to the public, is a standard already adopted by 57 countries (including almost all of the Member States). The use of the SDDS format within Eurostat was implemented after a decision of the Eurostat Board on 7 January 2004.

Meta-data may be accessed either from the heading 'Methodology' or directly from the data tree, when browsing the database, as an icon () is used to alert users to the availability of additional information.

## PUBLICATIONS

Eurostat produces a variety of publications, both for non-experts and specialists. All of these are available on the Eurostat website in PDF format, free of charge. As with the data, the publications are organised under Eurostat's nine statistical themes. There are a variety of different types of publication, ranging from news releases to more in-depth analyses in the form of the statistical books collection. Among the most interesting collections are:

- *News releases* — rapid updates providing information about the release of new key data on the EU;
- *Statistics in focus and Data in focus* — these are relatively short publications which present up-to-date summaries of the main results of statistical surveys, studies and analyses;
- *Pocketbooks* — these handy pocket-sized publications present main indicators for a particular theme in a concise format;
- *Statistical books* — a collection of comprehensive studies (including titles previously published under the heading of detailed tables); these publications are usually quite lengthy and provide analyses, tables and graphs for one or more statistical domains;
- *Methodologies and working papers* — intended for specialists who want to consult methodologies, nomenclatures, or specific studies for a particular data set.

All PDF versions of these products are available for consultation and download via the Eurostat website. Alternatively, some Eurostat publications are also printed or made available on CD-ROM or DVD; these can be ordered from the website of the EU bookshop (see <http://bookshop.europa.eu>) or through sales agents in the Member States. The bookshop is managed by the Office for Official Publications of the European Communities (see <http://publications.europa.eu>).

### SUPPORT FOR INTERNET USERS

Eurostat and the other members of the European statistical system, have set-up a system of user support centres for Internet users. These exist in nearly all of the Member States, as well as some EFTA countries. In order to offer the best possible and personalised support, requests should always be addressed to the relevant national support centre. The mission of each centre is to provide additional help and guidance to users who are having difficulty in finding the statistical data they require. More information is available on the Eurostat website at ([http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP\\_DS\\_SUPPORT](http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP_DS_SUPPORT)).

### EUROSTAT'S SERVICE FOR JOURNALISTS

Statistics make news and they are essential to many stories, features and in-depth analyses. Printed media, as well as radio and TV, use Eurostat data intensively. Eurostat's press office puts out user-friendly news releases on a key selection of data covering the EU, the euro area, the Member States and their partners. All Eurostat news releases are available free of charge on the Eurostat website at 11 a.m. on the day they are released. About 170 press releases have been published in the last year, of which the majority were based on monthly or quarterly Euro-Indicators. The press office also coordinates press briefings on important statistical results and events.

Eurostat's media support centre helps professional journalists find data on all kinds of topics. Journalists can contact media support for further information on news releases and other data (tel. (352) 43 01-33408; fax (352) 43 01-35349; e-mail: [eurostat-mediasupport@ec.europa.eu](mailto:eurostat-mediasupport@ec.europa.eu)).

## IN THE SPOTLIGHT — ENERGY



**Primary energy production and imports**

**Electricity generation**

**Consumption of energy**

**Prices**



<b>In the spotlight — energy</b>	<b>15</b>
Primary energy production and imports	16
Electricity generation	24
Consumption of energy	28
Prices	38

## IN THE SPOTLIGHT — ENERGY

There are very few aspects of daily life which are not in one way or another accompanied by the use of energy: for example, making a cup of tea or coffee for breakfast, the journey to school or work, using a computer in the workplace, listening to music at home, or heating water for a shower, all make use of energy in a variety of forms, either as power or heat.

The evolution of the EU is closely linked to energy preoccupations of the Member States as demonstrated by the early ECSC (European Coal and Steel Community) and Euratom treaties. In those days of cheap imported oil, Member States' efforts concentrated on the peaceful use and promotion of nuclear energy as well as on coal, along with the primary user of this commodity, the steel industry. The oil price shocks in the early seventies and eighties demonstrated the vulnerability of the Union and its Member States as regards imported oil (in particular from the Middle-East). As a result of this, the Member States and the Union promoted numerous policies and measures to diversify their fuel mix and decouple economic growth from energy demand in an attempt to curb oil dependency. In the nineties, a period of relatively low oil prices, environmental considerations (in particular, greenhouse gas (GHG) emissions — the Kyoto protocol) and the creation of single, competitive

electricity and gas markets across the EU have been the major drivers in shaping EU energy policy. The more recent oil price volatility, along with disruptions in supply via pipelines of Russian gas have made energy re-emerge as a major preoccupation of the EU and its Member States. In response to this, the Commission published a Green paper on energy <sup>(2)</sup> where sustainability, competitiveness and security of supplies are defined as the three dimensions of energy strategy. The key challenges for EU energy policy are:

- completing the internal market, with the creation of a competitive energy supply across the EU and ensuring that distribution and transmission systems allow equal access to third parties;
- diversification of the fuel mix in electricity generation to foster sustainability, with the promotion of combined heat and power plants (CHP) and renewable energy sources;
- promotion of energy efficiency in energy end use;
- promotion of biofuels in transport with a beneficial effect on security of supplies and emissions.

<sup>(2)</sup> 'A European Strategy for Sustainable, Competitive and Secure Energy', COM(2006) 105 final (see [http://ec.europa.eu/energy/green-paper-energy/index\\_en.htm](http://ec.europa.eu/energy/green-paper-energy/index_en.htm)).

Eurostat has a wide range of data within this area, including:

- annual data on crude oil, oil products, natural gas, electricity, solid fuels and renewables, covering the full energy balance from the supply of energy, through transformation to final energy consumption by sector and by fuel type;
- monthly data on crude oil, oil products, natural gas, electricity and solid fuels, covering mainly the supply side;
- a range of information on the flow of imports of various energy products into the European Union;
- information on the share of electricity generated from renewables;
- half-yearly data on electricity and natural gas prices both for industrial end-users and for households;
- at-the-pump prices of premium unleaded gasoline 95 RON and diesel oil.

In order to meet the increasing requirements of policymakers for energy monitoring, Eurostat has developed a coherent and harmonised system of energy statistics. Annual data collection covers the 25 Member States of the European Union, as well as the acceding countries of Bulgaria and Romania (which become EU Member States on 1 January 2007), the candidate countries of Croatia and Turkey, and the European Economic Area countries of Iceland and Norway; time-series run back to 1985 for some countries, but are more generally available from 1990. Although not presented in this yearbook, monthly data are also available; these have, in principle, the same geographical coverage as the annual data.

#### PRIMARY ENERGY PRODUCTION AND IMPORTS

Energy commodities extracted or captured directly from natural resources are called primary energy sources. All energy commodities which are produced from primary sources in transformation plants are called derived products. Thus, crude oil extracted from oil fields is a primary energy source, while petroleum products produced in a refinery (transformation plant) are derived products.

Primary energy commodities may also be divided into fossil fuels and renewable energy sources. While fossil fuels are extracted from natural deposits, renewable energy sources (with the exception of geothermal energy) are essentially the direct or indirect capture of solar energy.

Primary energy production covers the national production of primary energy sources in a country over a period of time. Whenever the demand exceeds the primary production, importing primary and/or derived products becomes necessary. This energy dependency of the Member States and the Union, in particular on oil, has formed a major axis of policy considerations at national and EU level over the last 30 years.

Total production of primary energy in the EU-25 totalled 882 million tonnes of oil equivalent (toe) in 2004. Production was dominated by the United Kingdom with a 25 % share, while France and Germany were the only other Member States to report production in excess of 100 million toe.

Primary energy production in the EU-25 in 2004 was concentrated among nuclear energy, natural gas and solid fuels, with crude oil and renewable energies playing a less important role. However, the pace at which the primary production of renewable energy was growing exceeded that of the other energy types, with particularly strong growth from 2000 onwards.



Among renewable energies, the most important was biomass and waste, representing almost 72 million toe of primary production in the EU-25 in 2004. Hydro was the only other significant contributor to the renewable energy mix (26 million toe), and was the only type of renewable energy to report growth during the last decade that was below the renewables' average. There was a particularly rapid expansion in the production of wind energy (although from a very low base level).

The EU-25 imported some 907 million toe of primary energy in 2004, slightly higher than the EU-25's indigenous production of 882 million toe. The largest importers of primary energy were usually the largest Member States, with the exception of the United Kingdom and Poland (both of whom are endowed with natural resources in the form of oil and coal).

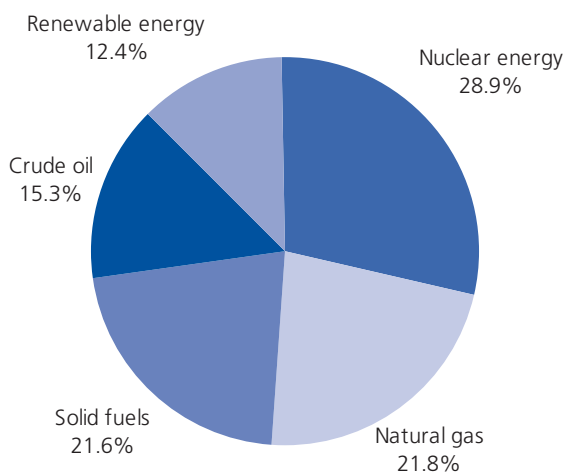
There has been a marked switch in energy imports during the last decade, as natural gas has taken up most of the extra demand for energy, although there was a slight increase in the level of crude oil and petroleum imports too. Despite the rapid growth in imports of natural gas, imports of crude oil and petroleum remain more than double the level of natural gas imports. Net imports of solid fuels were third in order of importance; these have also grown over the last 10 years, from 10 % of the total in 1994 to 13 % by 2004.

The EU-25 was dependent for 50.5 % of its energy on imports from non-member countries in 2004. Energy dependency ratios were highest for crude oil and petroleum (over 80 %), although the dependency on foreign supplies of solid fuels or natural gas grew at a faster pace in the last decade than the dependency on oil (which already stood at more than 75 % in 1994). Among the Member States in 2004, energy dependency ratios varied from lows in the United Kingdom and Poland to upwards of 80 % in Portugal, Italy, Ireland, Cyprus, Luxembourg and Malta; Denmark, which produces more energy than it needs, was the only net exporter of energy among the Member States.

**Figure SP.1: Production of primary energy, EU-25, 2004**

(% of total, based on 1 000 tonnes of oil equivalent)

TEN00076 TEN00077 TEN00078 TEN00079 TEN00080 TEN00081



*Primary production of nuclear energy: the heat produced in a reactor as a result of nuclear fission is regarded as primary production of nuclear heat, or in other words nuclear energy; it is either the actual heat produced or calculated on the basis of reported gross electricity generation and the thermal efficiency of the nuclear plant.*

*Primary production of natural gas: dry marketable production, measured after purification and extraction of natural gas liquids (NGLs) and sulphur is considered as primary production; it does not include quantities re-injected, extraction losses, or quantities vented and flared; it includes quantities used within the natural gas industry, in gas extraction, pipeline systems and processing plants.*

*Primary production of solid fuels: it consists of quantities of fuels extracted or produced, calculated after any operation for removal of inert matter; in general, primary production includes the quantities consumed by the producer in the production process (e.g. for heating or operation of equipment and auxiliaries) as well as supplies to other on-site producers of energy for transformation or other uses.*

*Primary production of crude oil: primary production within national boundaries including offshore production is covered; production should only include marketable production, excluding volumes returned to formation; such production should include all crude oil, NGLs, condensates and oil from shale and tar sands, etc.*

*Primary production of renewable energy: primary production of biomass, hydropower, geothermal energy, wind and solar energy are included in renewable energies.*

**Table SP.1: Total production of primary energy**

(million tonnes of oil equivalent)

TEN00076

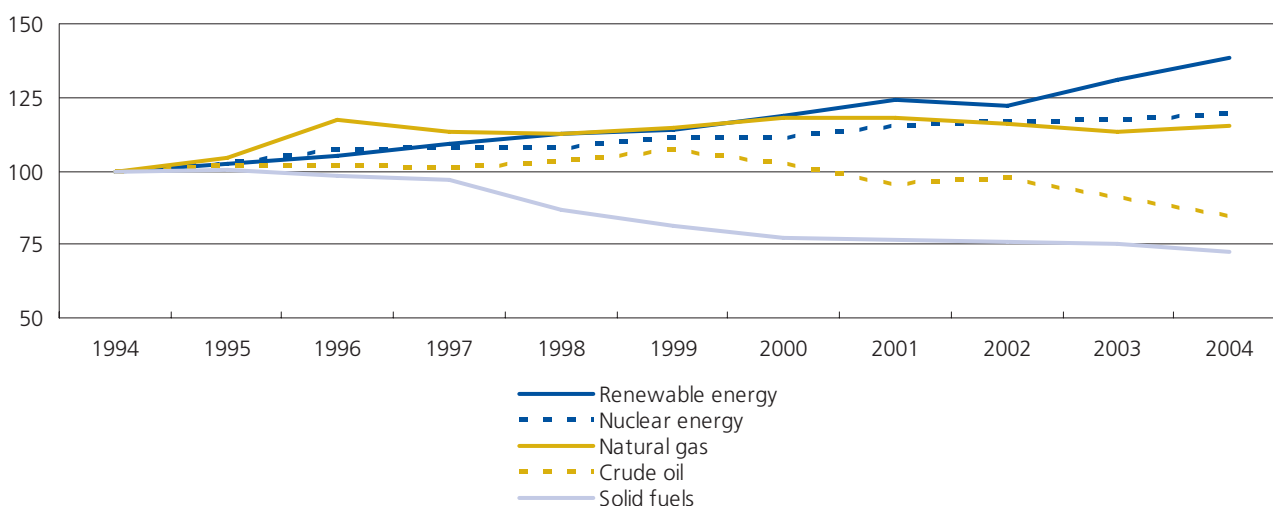
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	880.0	897.2	925.5	918.7	898.0	903.8	892.0	894.2	894.0	886.5	882.3
<b>EU-15</b>	723.1	738.0	765.2	757.7	751.5	765.6	756.0	755.2	753.5	744.2	741.5
<b>Euro area</b>	438.7	442.0	454.6	443.8	429.2	431.8	430.0	436.6	438.9	441.9	453.5
<b>Belgium</b>	10.7	10.9	11.3	12.6	12.0	13.3	13.1	12.7	12.9	13.1	13.2
<b>Czech Republic</b>	32.5	31.4	32.2	32.3	30.4	27.6	29.4	30.1	30.3	32.5	32.3
<b>Denmark</b>	15.0	15.5	17.6	20.2	20.3	23.7	27.6	27.0	28.4	28.3	30.9
<b>Germany</b>	141.2	140.5	138.5	138.4	131.6	134.5	132.1	133.0	133.8	134.3	135.3
<b>Estonia</b>	3.5	3.4	3.7	3.6	3.2	3.0	3.2	3.4	3.6	4.1	4.0
<b>Greece</b>	9.1	9.7	10.1	9.9	10.0	9.5	9.9	9.9	10.5	9.9	10.3
<b>Spain</b>	31.9	31.2	32.0	30.7	31.3	30.3	31.2	32.9	31.6	33.1	32.4
<b>France</b>	122.4	126.0	130.3	127.3	124.2	126.3	130.6	131.6	133.1	134.6	135.6
<b>Ireland</b>	3.6	4.2	3.6	2.8	2.5	2.6	2.1	1.7	1.5	1.8	1.9
<b>Italy</b>	29.6	29.2	30.1	30.2	30.1	29.0	26.8	25.6	26.3	27.3	28.0
<b>Cyprus</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
<b>Latvia</b>	1.3	1.5	1.5	1.7	1.9	1.8	1.5	1.7	1.8	2.0	2.1
<b>Lithuania</b>	2.6	3.7	4.3	3.9	4.4	3.5	3.2	4.1	4.8	5.1	5.0
<b>Luxembourg</b>	0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1
<b>Hungary</b>	12.9	13.5	13.1	12.8	11.9	11.5	11.2	10.8	11.1	10.4	10.1
<b>Malta</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Netherlands</b>	66.1	65.9	73.7	65.5	62.7	59.2	56.9	60.6	60.1	58.4	67.9
<b>Austria</b>	8.2	8.5	8.4	8.5	8.6	9.3	9.4	9.4	9.6	9.4	9.5
<b>Poland</b>	96.1	97.9	97.8	99.1	86.8	82.8	78.4	79.4	79.1	78.7	77.9
<b>Portugal</b>	2.8	2.6	3.2	3.0	3.0	2.7	3.1	3.9	3.6	4.3	3.9
<b>Slovenia</b>	3.0	3.0	3.0	3.0	3.0	2.9	3.1	3.1	3.4	3.2	3.4
<b>Slovakia</b>	5.0	4.8	4.7	4.6	4.7	5.2	6.0	6.4	6.5	6.3	5.8
<b>Finland</b>	13.0	13.2	13.4	14.8	13.1	15.2	14.8	15.1	15.7	15.6	15.5
<b>Sweden</b>	30.9	31.5	31.6	32.2	33.2	33.3	30.1	33.7	31.8	31.2	34.5
<b>United Kingdom</b>	238.5	248.9	261.3	261.5	268.8	276.9	268.2	258.0	254.3	242.8	222.6
<b>Bulgaria</b>	9.3	10.2	10.6	9.8	10.2	9.0	9.8	10.3	10.5	10.1	10.2
<b>Croatia</b>	4.0	4.1	4.2	4.1	4.0	3.6	3.6	3.7	3.7	3.7	3.9
<b>Romania</b>	31.9	32.1	35.3	31.6	29.1	28.0	28.6	27.6	27.1	28.2	28.4
<b>Turkey</b>	26.3	26.5	27.2	28.0	29.1	27.5	26.7	25.1	24.6	23.9	24.2
<b>Iceland</b>	1.4	1.4	1.6	1.7	1.8	2.2	2.3	2.5	2.5	2.5	2.5
<b>Norway</b>	170.1	181.6	207.6	212.2	206.1	209.1	224.5	228.4	233.1	235.5	238.0

Any kind of extraction of energy products from natural sources to a usable form is called primary production; primary production takes place when the natural sources are exploited, for example in coal mines, crude oil fields, hydro power plants or fabrication of biofuels; transformation of energy from one form to another, like electricity or heat generation in thermal power plants or coke production in coke ovens, is not primary production.

**Figure SP2: Relative change in the production of primary energy (by fuel type), EU-25**

(1994 = 100, based on tonnes of oil equivalent)

TEN00076 TEN00077, TEN00078, TEN00079, TEN00080, TEN00081



*Primary production of nuclear energy: the heat produced in a reactor as a result of nuclear fission is regarded as primary production of nuclear heat or, in other words nuclear energy; it is either the actual heat produced or calculated on the basis of reported gross electricity generation and the thermal efficiency of the nuclear plant.*

*Primary production of natural gas: dry marketable production, measured after purification and extraction of natural gas liquids (NGLs) and sulphur is considered as primary production; it does not include quantities re-injected, extraction losses or quantities vented and flared; it includes quantities used within the natural gas industry, in gas extraction, pipeline systems and processing plants.*

*Primary production of solid fuels: this consists of quantities of fuels extracted or produced, calculated after any operation for removal of inert matter; in general, primary production includes the quantities consumed by the producer in the production process (e.g. for heating or operation of equipment and auxiliaries) as well as supplies to other on-site producers of energy for transformation or other uses.*

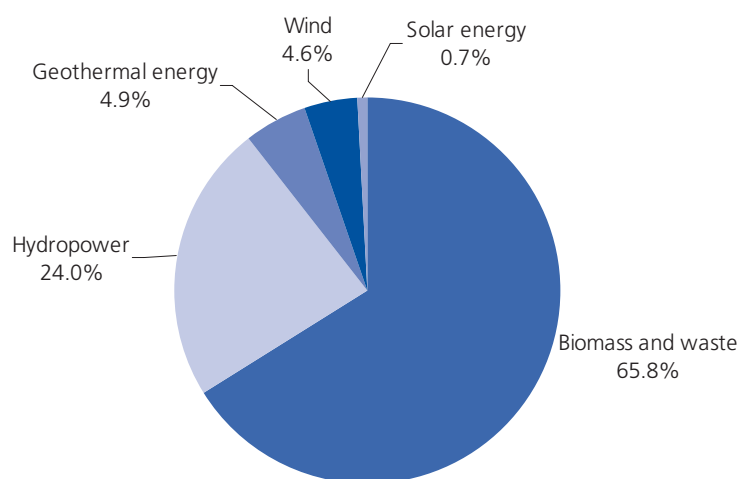
*Primary production of crude oil: primary production within national boundaries including offshore production is covered; production should only include marketable production, excluding volumes returned to formation; such production should include all crude oil, natural gas liquids (NGLs), condensates and oil from shale and tar sands, etc.*

*Primary production of renewable energy: primary production of biomass, hydropower, geothermal energy, wind and solar energy are included in renewable energies.*

**Figure SP3: Primary production of renewable energy, EU-25, 2004**

(% of total, based on 1 000 tonnes of oil equivalent)

TEN00082

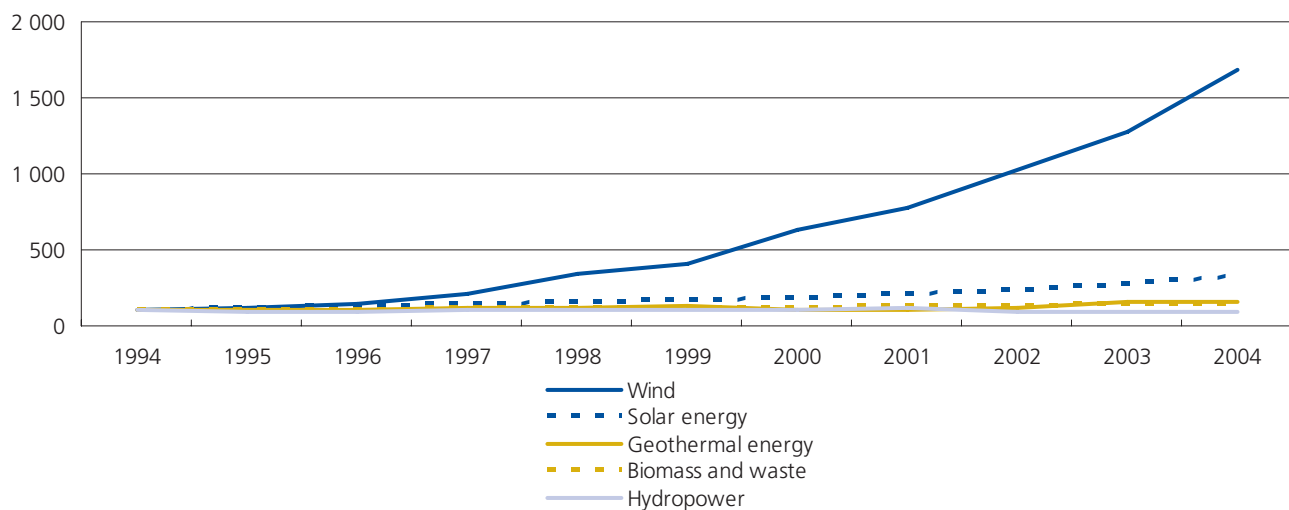


*Primary production: biomass (heat content of the produced biofuels or biogas; heat produced after combustion during incineration of renewable wastes); hydropower covers potential and kinetic energy of water converted into electricity in hydroelectric plants (the electricity generated in pumped storage plants is not included); geothermal energy comprises energy available as heat emitted from within the earth's crust, usually in the form of hot water or steam; wind energy covers the kinetic energy of wind converted into electricity in wind turbines; solar energy covers the solar radiation exploited for solar heat (hot water) and electricity production.*

**Figure SP4: Relative change in the primary production of renewable energy (by fuel type), EU-25**

(1994=100, based on tonnes of oil equivalent)

TEN00082

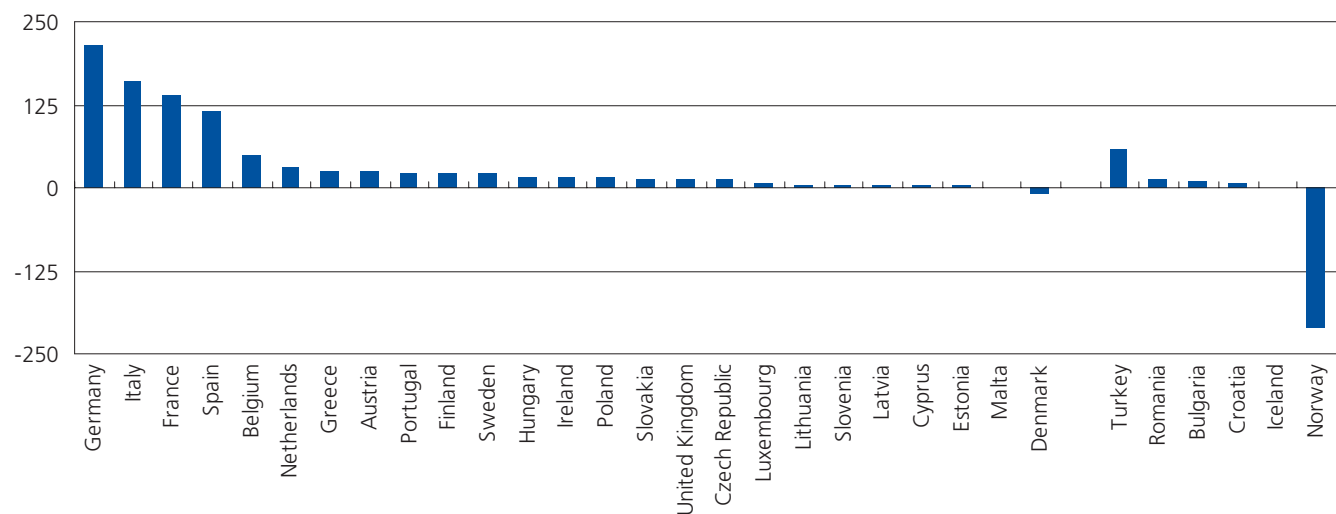


Primary production: biomass (heat content of the produced biofuels or biogas; heat produced after combustion during incineration of renewable wastes); hydropower covers potential and kinetic energy of water converted into electricity in hydroelectric plants (the electricity generated in pumped storage plants is not included); geothermal energy comprises energy available as heat emitted from within the earth's crust, usually in the form of hot water or steam; wind energy covers the kinetic energy of wind converted into electricity in wind turbines; solar energy covers the solar radiation exploited for solar heat (hot water) and electricity production

**Figure SP5: Net imports of energy, 2004 (1)**

(million tonnes of oil equivalent)

TEN00083



(1) EU-25, 907.3 million toe; EU-15, 838.1 million toe; euro area, 815.9 million toe.

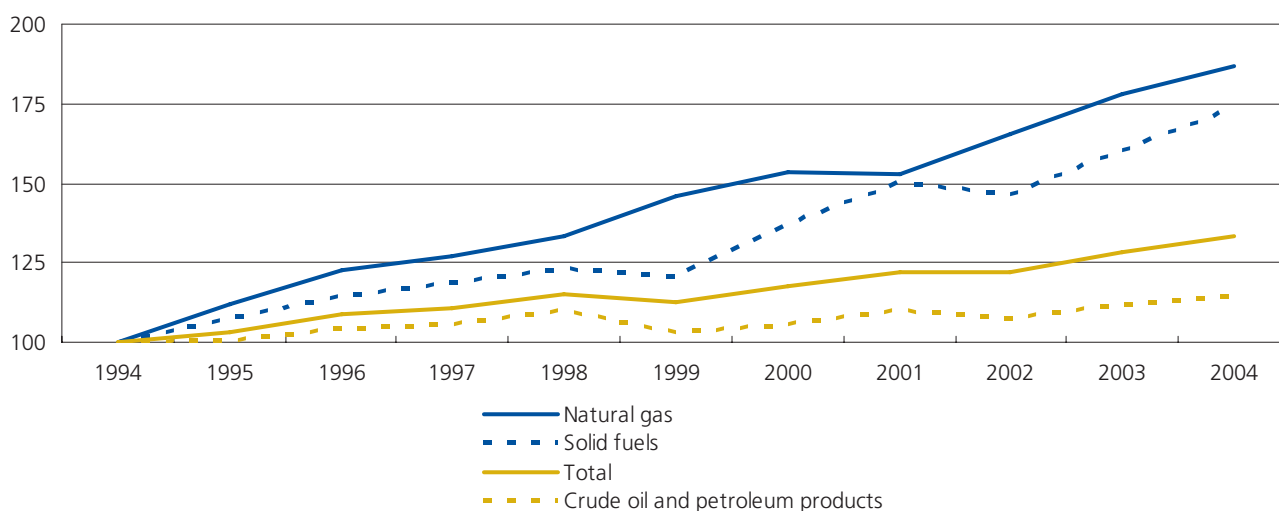
Net imports are calculated as imports minus exports; imports represent all entries into the national territory excluding transit quantities (notably via gas and oil pipelines); electrical energy is an exception and its transit is always recorded under foreign trade; exports similarly cover all quantities exported from the national territory.



**Figure SP.6: Relative change in net imports of energy (by fuel type), EU-25**

(1994 = 100, based on tonnes of oil equivalent)

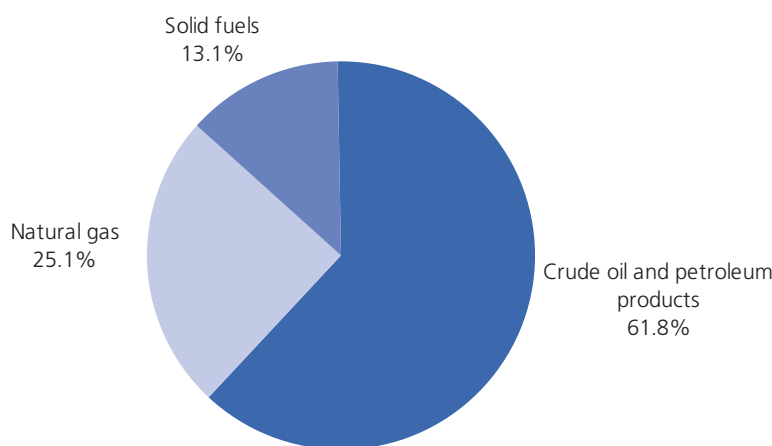
TEN00083 TEN00084 TEN00085



**Figure SP.7: Net imports of energy, EU-25, 2004**

(% of total, based on 1 000 tonnes of oil equivalent)

TEN00083 TEN00084 TEN00085



**Table SP.2: Energy dependency rate, EU-25**

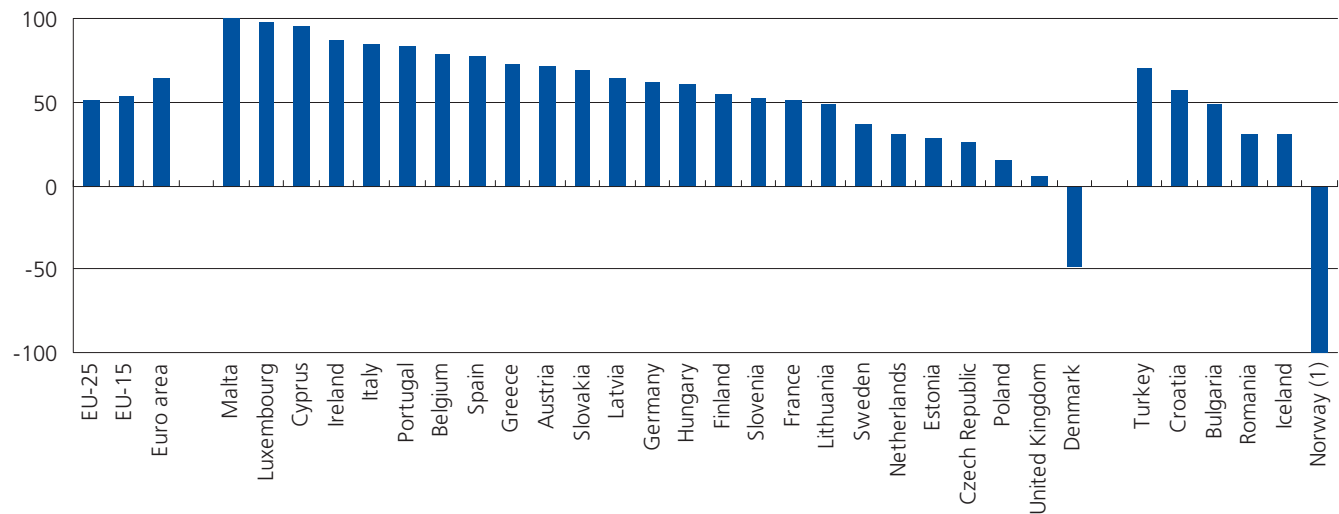
(% of net imports in gross inland consumption and bunkers, based on tonnes of oil equivalent)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Total</b>	43.1	43.5	44.2	45.1	46.4	45.5	47.3	47.8	47.9	49.3	50.5
<b>Solid fuels</b>	19.6	21.4	22.9	24.6	26.4	27.7	30.9	33.7	33.0	35.2	38.2
<b>Crude oil and petroleum products</b>	75.4	74.7	75.9	76.1	77.4	73.3	76.3	77.6	76.4	78.9	80.2
<b>Natural gas</b>	42.7	43.9	43.5	45.5	46.0	48.6	49.7	47.9	51.7	53.0	54.5

The energy dependence rate is defined as net imports divided by gross consumption, expressed as a percentage; gross consumption is equal to gross inland consumption plus the energy (oil) supplied to international marine bunkers; a negative dependency rate indicates a net exporter of energy; values greater than 100 % occur when net imports exceed gross consumption; in this case, energy products are placed in stocks and not used in the year of import.

**Figure SP8: Energy dependency rate — all products, 2004**

(% of net imports in gross inland consumption and bunkers, based on tonnes of oil equivalent)

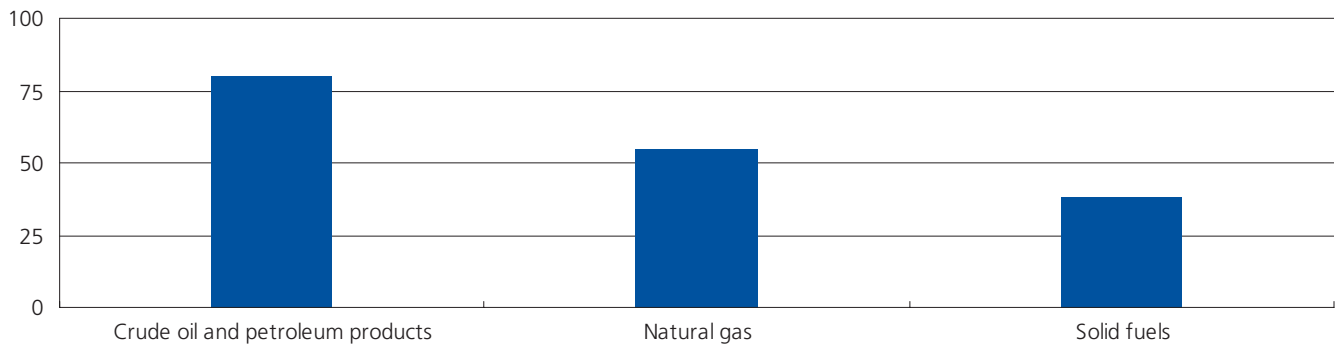


(1) Broken y-axis, -746.7 %.

The energy dependence rate is defined as net imports divided by gross consumption, expressed as a percentage; gross consumption is equal to gross inland consumption plus the energy (oil) supplied to international marine bunkers; a negative dependency rate indicates a net exporter of energy; values greater than 100 % occur when net imports exceed gross consumption; in this case, energy products are placed in stocks and not used in the year of import.

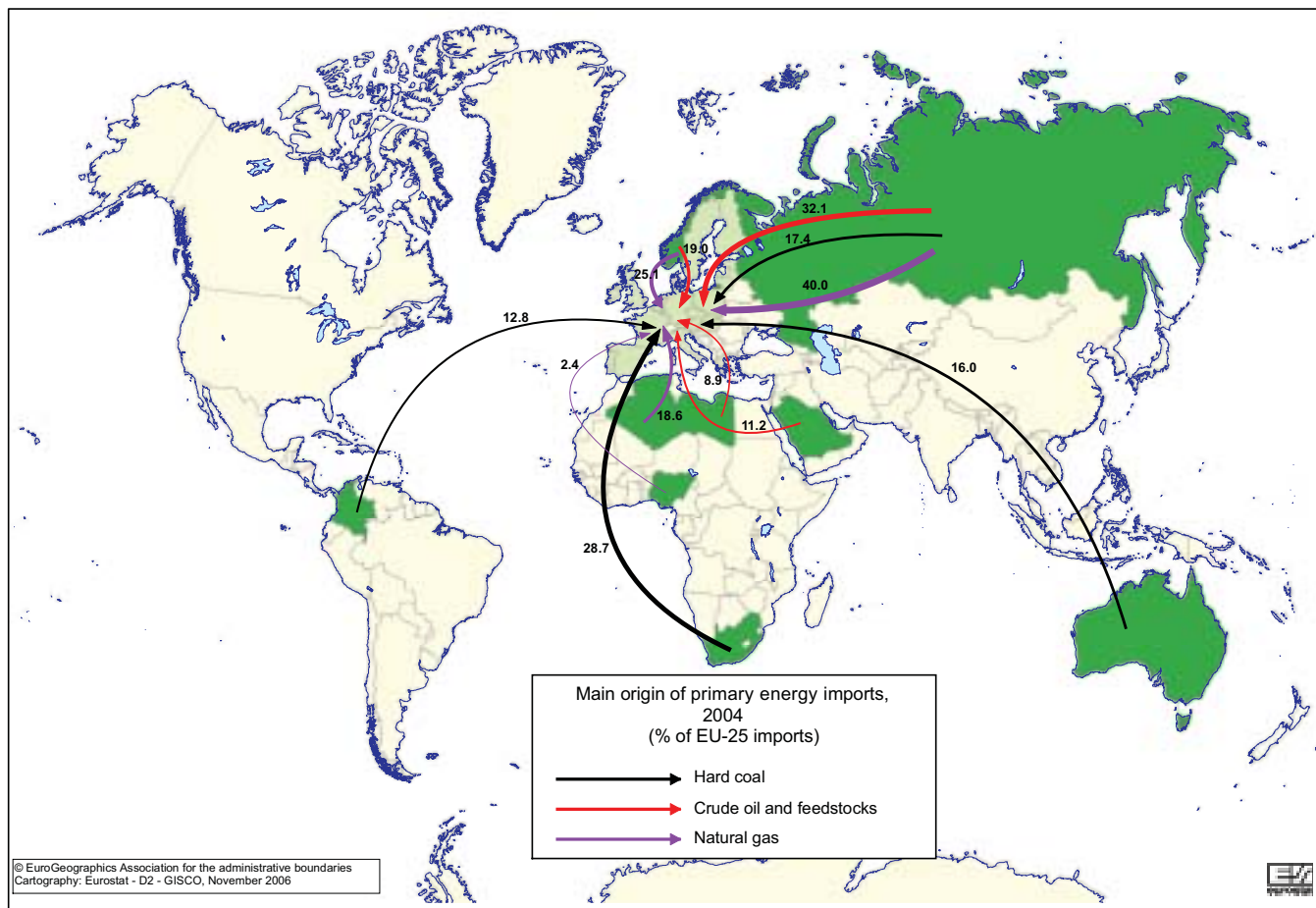
**Figure SP9: Energy dependency rate, 2004**

(% of net imports in gross inland consumption and bunkers, based on tonnes of oil equivalent)



**Map SP.1: Main origin of primary energy imports, 2004**

(% of EU-25 imports)



Hard coal covers coal with a gross calorific value equal to or greater than 23 865 kJ/kg (or 5 700 kcal/kg) on an ash-free but moist basis and with a mean random reflectance of vitrinite of at least 0.6; hard coal comprises coking coal (with a quality that allows the production of a coke suitable to support a blast furnace charge) and steam coal (used for steam raising and space heating purposes including all anthracite coals and bituminous coals not included under coking coal); also included is sub-bituminous coal, with a gross calorific value between 17 435 kJ/kg (4 165 kcal/kg) and 23 865 kJ/kg (5 700 kcal/kg) containing more than 31 % volatile matter on a dry-mineral-matter-free basis.

Crude oil is a mineral oil of natural origin comprising a mixture of hydrocarbons and associated impurities such as sulphur; it exists in the liquid phase under normal surface temperature and pressure and its physical characteristics (density, viscosity, etc.) are highly variable; crude oil also includes field or lease condensate recovered from associated and non-associated gas where it is commingled with the commercial crude oil stream; feedstocks consist of processed oil destined for further processing (e.g. straight run fuel oil or vacuum gas oil), excluding blending; with further processing, it will be transformed into one or more components and/or finished products; returns from the petrochemical industry to the refining industry are also included.

Natural gas comprises gases occurring in underground deposits, whether liquefied or gaseous, consisting mainly of methane. Natural gas includes 'non-associated' gas originating from fields producing hydrocarbons only in gaseous form and 'associated' gas produced in association with crude oil, as well as methane recovered from coal mines (colliery gas).

## ELECTRICITY GENERATION

Generation is one of the main components in the cost of electricity. There have been moves within the European Union to liberalise the electricity market since February 1999. The electricity directive <sup>(3)</sup> concerning common rules for the internal market in electricity gave deadlines for market opening: 1 July 2004 for all business customers and 1 July 2007 for household consumers. Certain countries anticipated the liberalisation process, while others are slower in adopting the necessary measures.

Cross border flows of electricity in 2004 stood at around 11 % of total consumption which is an increase of around 2 percentage points compared with 2000. There are 10 Member States that have already fully opened-up their markets: only three Member States have markets with less than 50 % opening in the electricity sector. Apart from Cyprus and Malta, where competition and market liberalisation is difficult due to the inherent country characteristics (limited market, island), there are still six Member States with only one single retailer of considerable size.

Directive 2005/89/EC <sup>(4)</sup> deals with measures to safeguard security of electricity supply and infrastructure investment; it has to be implemented by the Member States by 24 February 2008 at the latest.

Total gross electricity generation in the EU-25 was 3.2 million GWh in 2004. Germany and France were the principal electricity generators in the EU-25, with shares of 19 % and 18 % respectively, while the United Kingdom was the only other Member State to report a proportion above 10 %.

Looking at the evolution of electricity generation within the Member States, each country reported that generation levels increased between 1994 and 2004. Denmark, Hungary, Latvia and Sweden had limited average growth of less than 1 % per annum over the last decade.

There was further evidence of the gradual switch from oil to gas in the latest data from 1994 to 2004, which showed the fastest growth among fuels used for electricity generation was registered for natural gas-fired power plants (averaging almost 11 % per annum), while the only fuel to record a reduction in its use was oil. The largest share of the EU-25's electricity is generated within nuclear power stations, which accounted for 31 % of the total in 2004, while oil-powered stations generated about 5 % of the total.

<sup>(3)</sup> Directive 2003/54/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in electricity and repealing Directive 96/92/EC (OJ L 176, 15.7.2003, p. 37) ([http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l\\_176/l\\_17620030715en00370055.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l_176/l_17620030715en00370055.pdf)).

<sup>(4)</sup> Directive 2005/89/EC concerning measures to safeguard security of electricity supply and infrastructure investment (OJ L 33, 4.2.2006, p. 22) ([http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l\\_033/l\\_03320060204en00220027.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_033/l_03320060204en00220027.pdf)).



The evolution of primary production by energy type was largely reflected in the evolution of electricity generation by fuel, although the level of electricity generated from oil-powered stations fell considerably, suggesting that oil was being diverted to the transport sector and other uses, as its overall level of primary production continued to rise.

The fastest growth was recorded for electricity generated from wind turbines, biomass, and from power stations powered by natural gas. The share of EU-25 electricity generated from renewable sources relative to gross national electricity consumption stood at almost 14 % in 2004. Several of the Member States had much higher ratios, in particular Austria (59 %) and Sweden (46 %).

One measure that can be used to monitor the success of liberalisation within electricity markets is the market share of the largest generator. While the small island nations of Cyprus and Malta continued to report a complete monopoly, with 100 % of their electricity being generated by the largest generator, the proportion fell to below 30 % in Finland, the United Kingdom and Poland.



**Table SP3: Total gross electricity generation**

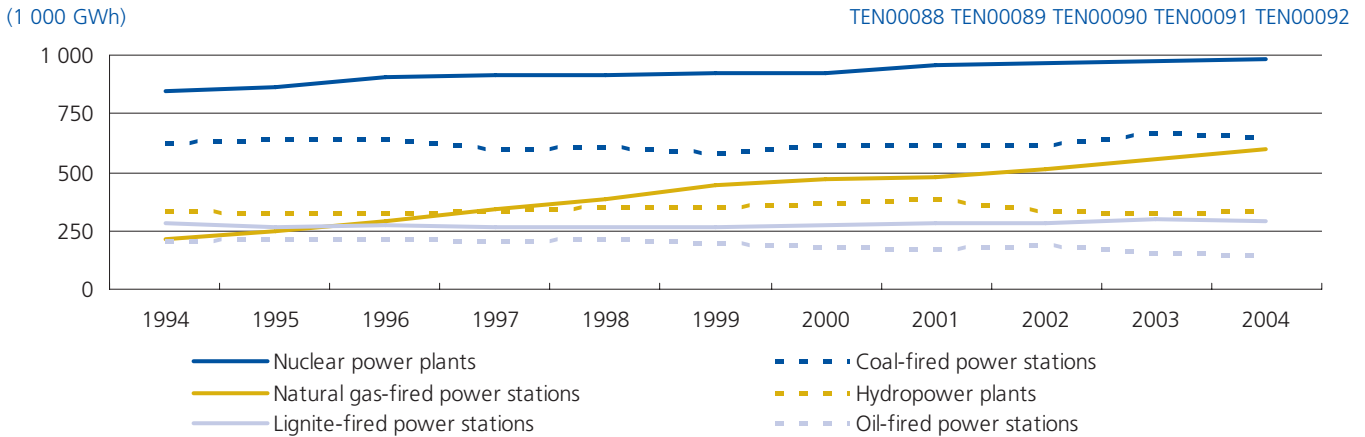
(1 000 GWh)

TEN00087

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	2 561.3	2 631.3	2 726.5	2 740.2	2 813.7	2 849.4	2 928.5	3 010.8	3 019.6	3 117.2	3 179.1
<b>EU-15</b>	2 268.4	2 327.7	2 411.4	2 426.7	2 492.8	2 533.0	2 601.0	2 674.5	2 679.8	2 763.3	2 820.5
<b>Euro area</b>	1 759.3	1 808.5	1 869.8	1 887.6	1 931.4	1 970.5	2 042.1	2 090.5	2 106.3	2 183.0	2 232.4
<b>Belgium</b>	72.2	74.4	76.1	78.9	83.2	84.5	83.9	79.7	82.1	84.6	85.4
<b>Czech Republic</b>	58.7	60.8	64.3	64.6	65.1	64.7	73.5	74.6	76.3	83.2	84.3
<b>Denmark</b>	40.1	36.8	53.6	44.3	41.1	38.9	36.0	37.7	39.3	46.1	40.5
<b>Germany</b>	527.7	536.2	555.0	551.6	556.7	555.5	571.6	586.3	571.6	599.5	606.6
<b>Estonia</b>	9.2	8.7	9.1	9.2	8.5	8.3	8.5	8.5	8.5	10.2	10.3
<b>Greece</b>	40.6	41.6	42.6	43.5	46.3	49.9	53.8	53.7	54.6	58.5	59.3
<b>Spain</b>	161.8	167.3	174.2	190.2	195.1	209.0	225.1	238.0	246.1	262.9	280.0
<b>France</b>	476.9	493.9	513.1	504.5	511.0	524.0	540.7	550.5	559.2	566.9	572.2
<b>Ireland</b>	17.1	17.9	19.2	20.0	21.2	22.1	24.0	25.0	25.2	25.2	25.6
<b>Italy</b>	231.5	241.1	244.1	250.8	259.1	265.0	276.6	279.0	284.4	293.9	303.3
<b>Cyprus</b>	2.7	2.5	2.6	2.7	3.0	3.1	3.4	3.6	3.8	4.0	4.2
<b>Latvia</b>	4.4	4.0	4.4	4.5	5.8	4.1	4.1	4.3	4.0	4.0	4.7
<b>Lithuania</b>	10.0	13.9	16.8	14.9	17.6	13.5	11.4	14.7	17.7	19.5	19.3
<b>Luxembourg</b>	1.2	1.2	1.3	1.3	1.3	1.0	1.2	1.2	3.7	3.6	4.1
<b>Hungary</b>	33.6	34.1	35.2	35.4	37.2	37.7	35.2	36.4	36.2	34.1	33.7
<b>Malta</b>	1.5	1.6	1.7	1.7	1.7	1.8	1.9	2.0	2.1	2.2	2.2
<b>Netherlands</b>	79.9	81.1	85.3	86.7	90.9	86.4	89.6	93.7	96.0	96.8	100.7
<b>Austria</b>	53.3	56.6	54.9	56.9	57.5	60.5	61.8	62.4	62.5	60.1	64.1
<b>Poland</b>	135.3	139.0	143.2	142.8	142.8	142.1	145.2	145.6	144.1	151.6	154.2
<b>Portugal</b>	31.4	33.3	34.5	34.2	39.0	43.3	43.8	46.5	46.1	46.9	45.1
<b>Slovenia</b>	12.6	12.7	12.8	13.2	13.7	13.3	13.6	14.5	14.7	13.8	15.3
<b>Slovakia</b>	24.8	26.3	25.3	24.5	25.5	27.7	30.7	32.0	32.4	31.2	30.6
<b>Finland</b>	65.6	63.9	69.4	69.2	70.2	69.4	70.0	74.5	74.9	84.2	85.8
<b>Sweden</b>	143.6	148.4	140.6	149.4	158.3	155.2	145.6	161.6	146.7	135.4	151.7
<b>United Kingdom</b>	325.4	334.0	347.4	345.4	362.0	368.4	377.3	384.7	387.5	398.7	395.9
<b>Bulgaria</b>	38.1	41.8	42.7	42.8	41.7	38.2	40.9	44.0	42.7	42.6	41.6
<b>Croatia</b>	8.3	8.9	10.5	9.7	10.9	12.2	10.7	12.2	12.3	12.7	13.3
<b>Romania</b>	55.1	59.3	61.4	57.1	53.5	50.7	51.9	53.9	54.9	56.6	56.5
<b>Turkey</b>	78.3	86.2	94.9	103.3	111.0	116.4	124.9	122.7	129.4	140.6	150.7
<b>Iceland</b>	4.8	5.0	5.1	5.6	6.3	7.2	7.7	8.0	8.4	8.5	8.6
<b>Norway</b>	113.2	123.0	104.7	111.7	117.0	122.7	143.0	121.9	130.7	107.3	110.5

Total gross electricity generation covers gross electricity generation in all types of power plants; gross electricity generation at the plant level is defined as the electricity measured at the outlet of the main transformers, i.e. the consumption of electricity in the plant auxiliaries and in transformers are included.

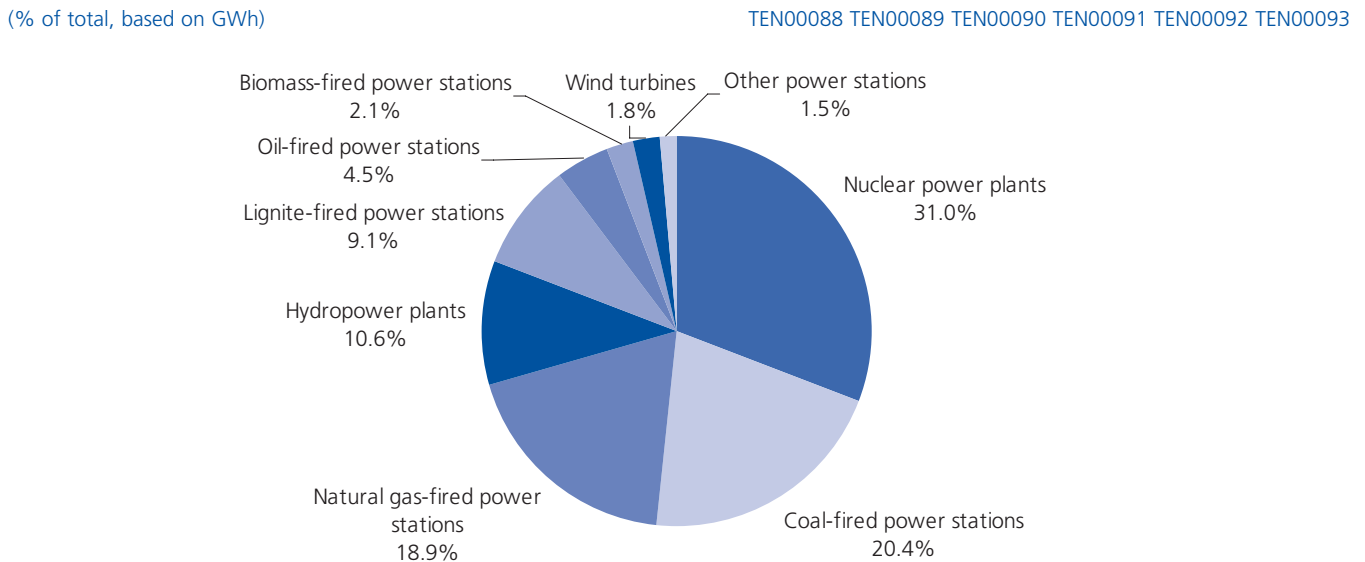
**Figure SP.10: Total gross electricity generation (by fuel used in power stations), EU-25 (1)**



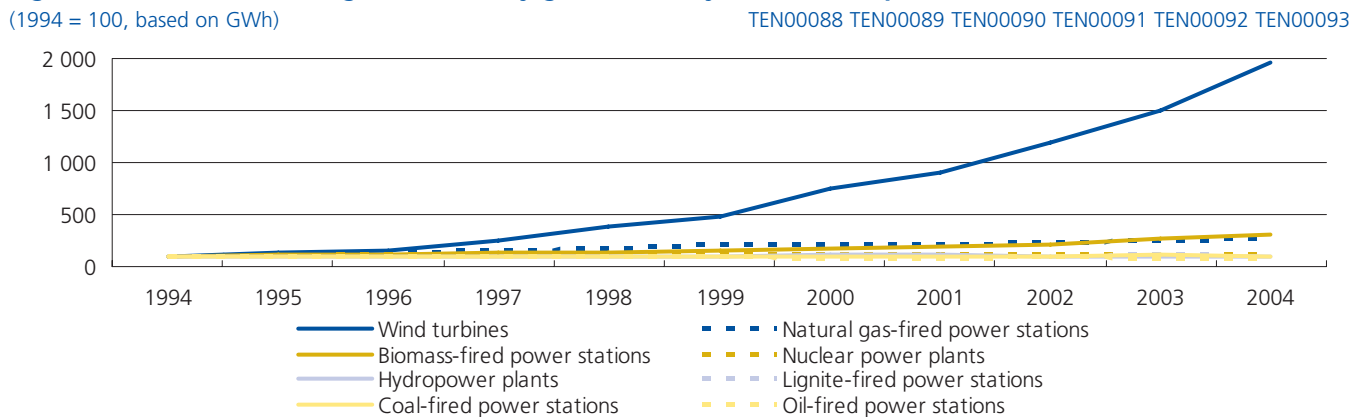
(1) Only the six most important categories, in terms of GWh of electricity generated in 2004, are shown.

Total gross electricity generation covers gross electricity generation in all types of power plants; gross electricity generation at the plant level is defined as the electricity measured at the outlet of the main transformers, i.e. the consumption of electricity in the plant auxiliaries and in transformers are included.

**Figure SP.11: Electricity generation by fuel used in power stations, EU-25, 2004**

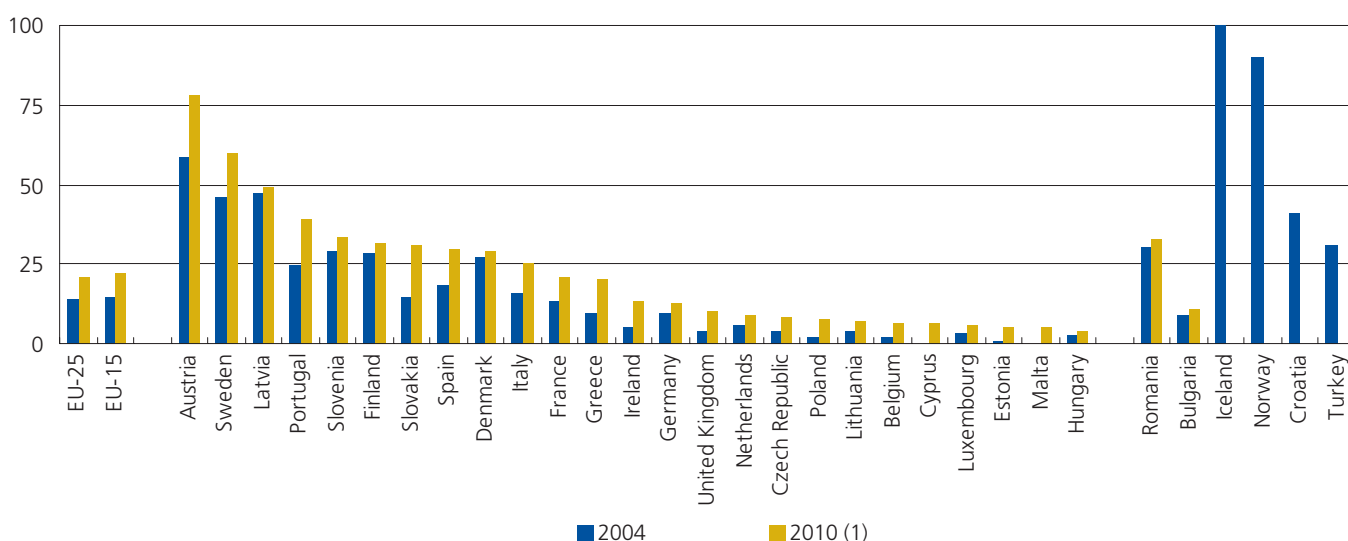


**Figure SP.12: Relative change in electricity generation by fuel used in power stations, EU-25**



**Figure SP.13: Proportion of electricity generated from renewable energy sources**

(% of gross electricity consumption)

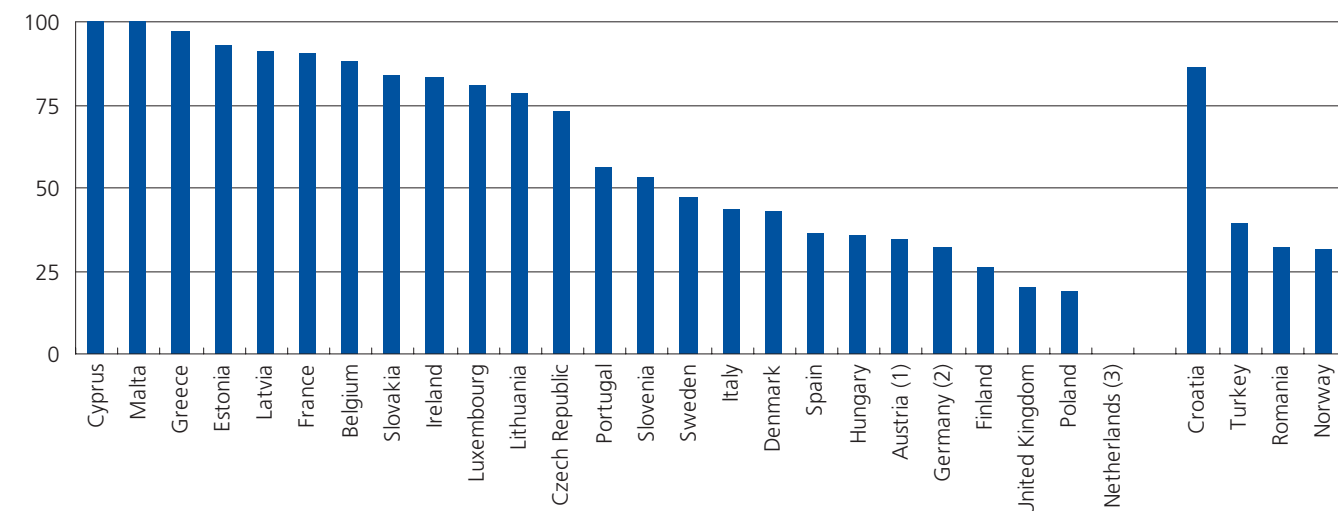


(1) Indicative targets for 2010 are not available for Croatia, Turkey, Iceland and Norway.

This indicator is the ratio between the electricity produced from renewable energy sources and the gross national electricity consumption for a given calendar year; it measures the contribution of electricity produced from renewable energy sources to the national electricity consumption; electricity produced from renewable energy sources comprises the electricity generation from hydro plants (excluding pumping), wind, solar, geothermal and electricity from biomass/wastes; gross national electricity consumption comprises the total gross national electricity generation from all fuels (including autoproduction), plus electricity imports, minus exports.

**Figure SP.14: Market share of the largest generator in the electricity market, 2004**

(% of total generation)



(1) 2001.

(2) 2003.

(3) Not available.

The indicator shows the market share of the largest electricity generator in each country; to calculate this indicator, the total net electricity production during each reference year is taken into account; this means that the electricity used by generators for their own consumption is not taken into account; the net production of each generator during the same year is considered in order to calculate the corresponding market shares; only the largest market share is reported under this indicator.

## CONSUMPTION OF ENERGY

The gross inland consumption expresses the total energy needs of a country. It covers energy used for fuel transformation into electricity and heat and petroleum products, distribution losses, and final energy consumption in industry, transport and other sectors such as households, services, agriculture, etc. The gross inland consumption of each Member State is composed of a mixture of conventional and renewable fuels depending on the structure of the energy system of each country and the availability of natural resources. The actual fuel mix for each country remains under the competence of the Member State in question.

Numerous Commission policies aim to reduce energy demand and decouple it from the growth in economic activity. The Green paper entitled *'Towards a European strategy for the security of energy supply'* <sup>(5)</sup>, set a goal of doubling the share of renewable energies in gross inland consumption from 6 % of the total in 2000 to 12 % by 2010; it presented a timetable for actions to achieve this objective. The document proposed a strategy based on controlling demand.

In April 2006, Directive <sup>(6)</sup> 2006/32/EC of the European Parliament and of the Council on energy end-use efficiency and energy services was adopted, requesting Member States to adopt indicative energy saving targets of 9 % by its ninth year of application, through specific energy efficiency improvement measures. Several other instruments and implementing measures exist in this field, including: a directive on the promotion of co-generation <sup>(7)</sup>, aimed at consolidating and, where feasible, promoting new high-efficiency co-generation installations in the internal energy market; a directive on the energy performance of buildings <sup>(8)</sup>, designed to improve the energy efficiency of private and public buildings; and a range of legislative measures for labelling schemes and minimum efficiency requirements in the domestic sector.

<sup>(5)</sup> See <http://europa.eu/scadplus/leg/en/lvb/l27037.htm>.

<sup>(6)</sup> Directive 2006/32/EC of 5 April 2006 of the European Parliament and of the Council on energy end-use efficiency and energy services and repealing Council Directive 93/76/EEC ([http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l\\_114/l\\_11420060427en00640085.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_114/l_11420060427en00640085.pdf)).

<sup>(7)</sup> Directive 2004/8/EC of the European Parliament and of the Council on the promotion of co-generation based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC, of 11 February 2004 ([http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l\\_052/l\\_05220040221en00500060.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2004/l_052/l_05220040221en00500060.pdf)).

<sup>(8)</sup> Directive 2002/91/EC of the European Parliament and of the Council on the energy performance of buildings, of 16 December 2002 ([http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l\\_001/l\\_00120030104en00650071.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/l_001/l_00120030104en00650071.pdf)).



Gross inland consumption of energy within the EU-25 in 2004 was 1 747 million toe, which marked an average increase of 1.2 % per annum when compared with the level of consumption in 1994. The fastest growth during this period for gross inland consumption was recorded for natural gas and for renewable energies, while the consumption of solid fuels declined. However, crude oil and petroleum remained the most important source of energy in terms of inland consumption, with a 37 % share.

Final energy consumption per capita averaged 2.5 toe in the EU-25 in 2004. Per capita energy consumption varies greatly from one Member State to another reflecting in particular economic development and consumption patterns, the degree of industrialisation, and climatic conditions. Excluding Luxembourg (9.7 toe/capita), where energy consumption data are skewed by petrol purchases by residents of neighbouring countries, Finland, at 5.1 toe/capita, recorded the highest energy consumption per capita, followed by Sweden and Belgium. At the other end of the scale, consumption per capita was 1.5 toe or less in Poland, Lithuania and Malta.

The most important end-use of energy is for transport (private and public use), with almost 31 % of final energy consumption, just ahead of industry and households. The growth of energy consumption within the transport sector was at a more rapid pace than for the other categories of energy use, with average growth of 1.9 % per annum between 1994 and 2004.

The energy intensity of an economy can be measured by the amount of energy consumed to produce one unit of GDP (the same ratio is also referred to as energy efficiency of the economy). The most energy-efficient countries in the EU-25, according to this measure, were Denmark, Austria and Ireland. The most energy-intensive countries were Estonia and Lithuania, using more than seven times as much energy (as Denmark,

Austria or Ireland) to produce a unit of GDP. The same ratio shows that to produce the same unit of GDP in the EU-25, there was an overall reduction of nearly 15 % in the use of energy between 1995 and 2004. This is not to say that the consumption of energy is falling. Rather, energy consumption continues to rise, although there is a more efficient use of the energy that is consumed.

**Table SP4: Gross inland consumption of energy**

(million tonnes of oil equivalent)

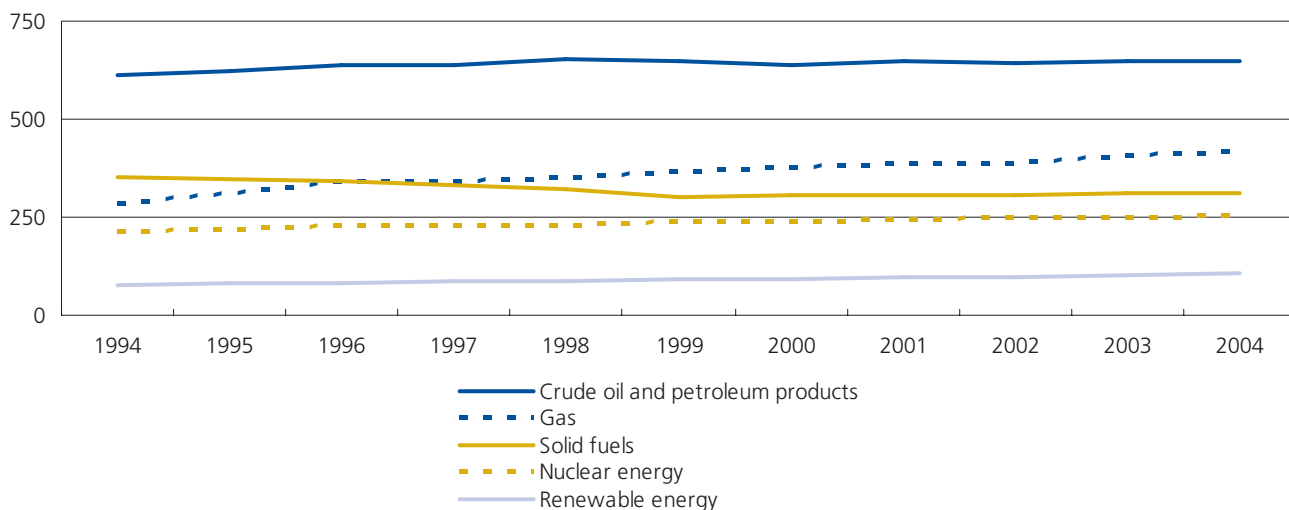
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	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	1 544.8	1 579.3	1 636.2	1 626.5	1 647.7	1 642.9	1 654.5	1 693.8	1 686.7	1 727.1	1 746.8
<b>EU-15</b>	1 338.4	1 367.5	1 417.5	1 409.8	1 439.1	1 441.9	1 455.6	1 490.4	1 483.2	1 517.3	1 536.5
<b>Euro area</b>	1 049.5	1 078.8	1 114.8	1 115.4	1 137.0	1 142.1	1 157.7	1 186.9	1 185.5	1 215.1	1 231.2
<b>Belgium</b>	49.8	50.5	54.0	55.1	56.2	56.9	57.2	55.7	52.6	55.8	54.8
<b>Czech Republic</b>	40.3	40.6	41.9	42.4	40.9	37.9	40.3	41.2	41.4	43.5	43.6
<b>Denmark</b>	20.3	20.2	22.8	21.3	21.0	20.2	19.6	20.2	19.8	20.6	20.0
<b>Germany</b>	335.5	338.0	349.1	345.5	344.5	338.4	340.2	352.2	344.9	346.8	347.7
<b>Estonia</b>	5.5	5.3	5.6	5.5	5.2	4.9	4.6	5.1	5.0	5.4	5.6
<b>Greece</b>	23.6	24.1	25.4	25.6	26.9	26.8	28.1	28.9	29.7	30.2	30.6
<b>Spain</b>	97.1	102.2	100.8	106.1	111.1	117.6	122.7	126.2	129.9	134.3	140.2
<b>France</b>	230.8	239.9	254.1	247.0	254.5	254.2	258.5	266.2	266.2	270.4	273.7
<b>Ireland</b>	10.9	11.0	11.7	12.3	13.0	13.8	14.2	14.8	15.1	14.9	15.7
<b>Italy</b>	152.7	161.3	161.1	163.6	168.3	171.2	172.5	173.1	173.4	182.9	184.8
<b>Cyprus</b>	2.1	2.0	2.1	2.1	2.2	2.3	2.4	2.4	2.4	2.6	2.5
<b>Latvia</b>	5.1	4.8	4.8	4.5	4.5	4.1	3.9	4.2	4.2	4.4	4.6
<b>Lithuania</b>	8.0	8.7	9.3	8.9	9.3	7.9	7.2	8.0	8.6	9.0	9.2
<b>Luxembourg</b>	3.8	3.3	3.4	3.4	3.3	3.4	3.6	3.8	4.0	4.2	4.7
<b>Hungary</b>	25.1	25.9	26.3	25.8	25.6	25.5	25.0	25.5	25.9	26.6	26.2
<b>Malta</b>	0.7	0.8	0.8	0.9	0.8	0.9	0.8	0.7	0.9	0.9	0.9
<b>Netherlands</b>	70.6	73.4	76.3	75.1	75.0	74.5	75.7	77.6	78.2	80.5	82.3
<b>Austria</b>	25.6	26.7	28.4	28.4	28.7	28.6	28.5	30.4	30.4	32.6	32.7
<b>Poland</b>	96.8	100.0	103.7	102.5	96.2	93.7	90.8	90.8	89.4	91.8	92.5
<b>Portugal</b>	18.6	19.6	19.6	20.7	22.2	23.9	24.1	24.8	26.0	25.4	26.2
<b>Slovenia</b>	5.7	6.1	6.4	6.5	6.4	6.4	6.4	6.7	6.9	6.9	7.1
<b>Slovakia</b>	17.1	17.7	17.8	17.8	17.6	17.4	17.5	18.7	18.8	18.7	18.2
<b>Finland</b>	30.6	28.8	30.9	32.8	33.2	32.8	32.5	33.3	35.2	37.2	37.7
<b>Sweden</b>	49.7	50.4	51.7	50.4	50.8	50.9	47.9	51.6	51.5	51.1	53.1
<b>United Kingdom</b>	218.9	218.0	228.2	222.7	230.3	228.8	230.3	231.7	226.4	230.5	232.1
<b>Bulgaria</b>	21.4	23.3	23.1	20.5	20.1	18.1	18.6	19.3	19.0	19.4	18.9
<b>Croatia</b>	6.9	7.1	7.3	7.8	8.0	8.0	7.8	8.0	8.2	8.8	8.8
<b>Romania</b>	43.6	47.1	50.5	45.4	41.3	36.9	37.1	36.8	37.5	40.3	39.6
<b>Turkey</b>	56.7	62.0	67.4	71.0	72.3	71.0	77.4	71.4	75.3	79.3	81.9
<b>Iceland</b>	2.1	2.1	2.5	2.5	2.7	3.1	3.2	3.3	3.4	3.4	3.5
<b>Norway</b>	23.5	23.7	23.2	24.4	25.5	26.7	26.1	26.9	24.3	27.2	27.6

Gross inland consumption is defined as primary production plus imports, recovered products and stock change, less exports and fuel supply to maritime bunkers (for seagoing ships of all flags); it therefore reflects the energy necessary to satisfy inland consumption within the limits of national territory.

**Figure SP.15: Gross inland consumption of energy, EU-25**

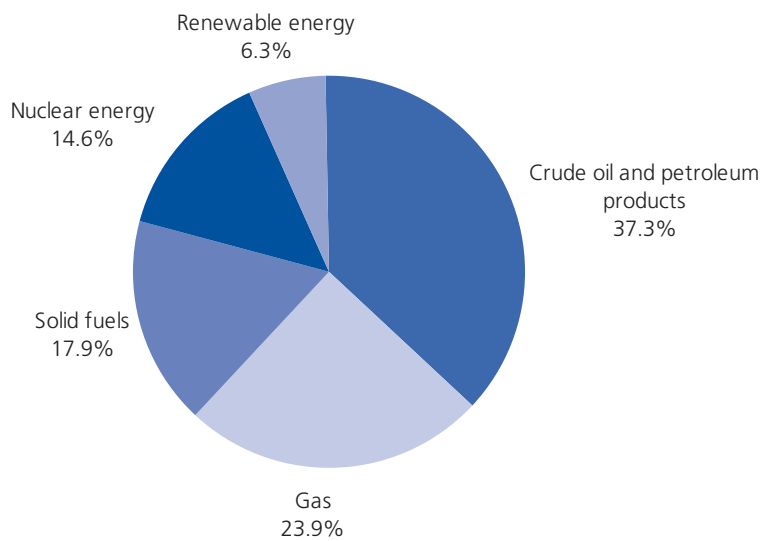
(million tonnes of oil equivalent)



Gross inland consumption is defined as primary production plus imports, recovered products and stock change, less exports and fuel supply to maritime bunkers (for seagoing ships of all flags); it therefore reflects the energy necessary to satisfy inland consumption within the limits of national territory.

**Figure SP.16: Gross inland consumption of energy, EU-25, 2004**

(% of total, based on tonnes of oil equivalent)



**Table SP5: Final energy consumption**

(million tonnes of oil equivalent)

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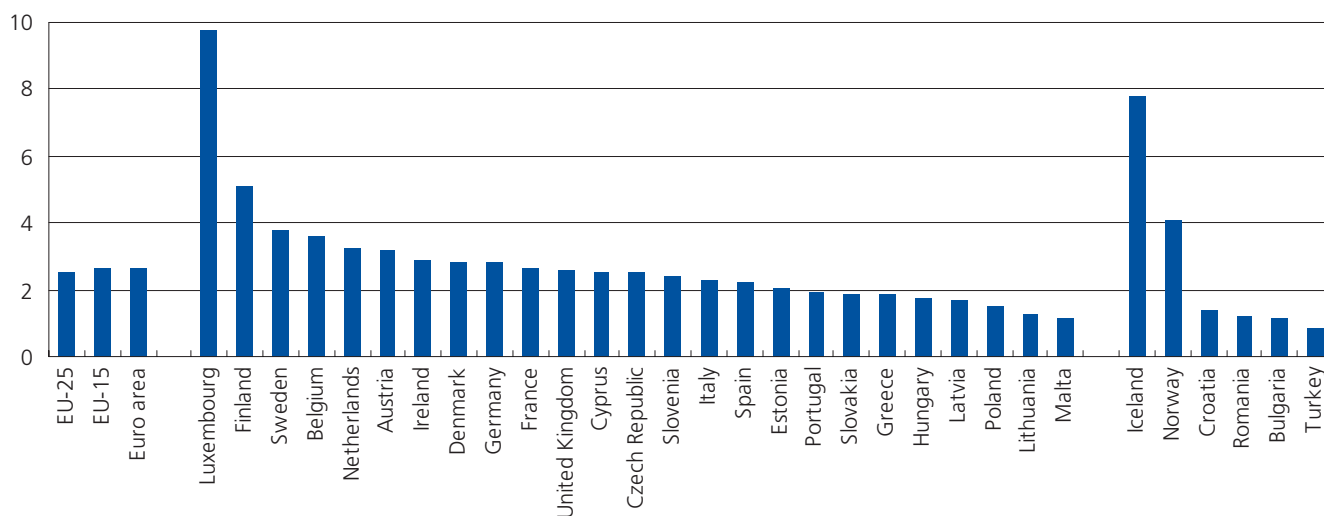
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	1 007.2	1 026.8	1 069.4	1 061.4	1 070.4	1 071.0	1 086.8	1 112.5	1 100.5	1 129.4	1 142.0
<b>EU-15</b>	877.1	896.0	933.7	926.3	942.5	947.9	966.5	989.9	977.4	1 003.0	1 013.9
<b>Euro area</b>	687.4	705.1	733.8	729.9	744.9	747.8	766.2	788.8	780.5	803.3	811.7
<b>Belgium</b>	34.0	34.5	36.4	36.5	37.1	36.9	36.9	37.2	35.8	37.9	37.4
<b>Czech Republic</b>	24.6	24.1	25.8	25.7	24.4	21.7	22.4	22.5	23.4	25.2	25.8
<b>Denmark</b>	14.4	14.8	15.4	15.0	15.0	14.9	14.6	15.0	14.7	15.0	15.2
<b>Germany</b>	217.1	222.4	230.9	226.2	224.5	219.9	228.7	232.3	227.0	230.1	229.9
<b>Estonia</b>	2.8	2.5	2.9	3.0	2.6	2.4	2.4	2.5	2.6	2.7	2.7
<b>Greece</b>	15.3	15.8	16.9	17.3	18.2	18.2	18.5	19.1	19.5	20.5	20.2
<b>Spain</b>	62.3	63.5	65.3	68.0	71.8	74.3	79.4	83.3	85.4	90.3	94.3
<b>France</b>	138.2	141.2	148.6	145.7	150.8	150.7	151.6	158.8	154.4	158.0	157.9
<b>Ireland</b>	7.7	7.9	8.2	8.7	9.3	9.8	10.5	10.9	11.0	11.3	11.5
<b>Italy</b>	108.9	113.7	114.5	115.5	118.7	123.3	123.3	126.0	125.1	130.0	131.2
<b>Cyprus</b>	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.8	1.9
<b>Latvia</b>	4.1	3.8	3.5	3.8	3.7	3.4	3.2	3.6	3.6	3.7	3.9
<b>Lithuania</b>	4.7	4.6	4.5	4.5	4.5	4.1	3.7	3.9	4.0	4.1	4.3
<b>Luxembourg</b>	3.6	3.2	3.3	3.2	3.2	3.3	3.5	3.7	3.7	4.0	4.4
<b>Hungary</b>	15.5	15.7	16.3	15.6	15.6	15.9	15.8	16.3	16.9	17.5	17.4
<b>Malta</b>	0.4	0.5	0.4	0.6	0.4	0.4	0.4	0.4	0.5	0.5	0.5
<b>Netherlands</b>	46.0	47.6	51.6	49.4	49.6	48.8	50.1	50.7	50.5	51.5	52.5
<b>Austria</b>	19.3	20.3	22.0	21.5	22.2	21.9	22.1	23.9	24.1	25.5	25.7
<b>Poland</b>	62.1	63.5	65.7	65.2	60.3	58.9	55.7	56.4	54.5	55.8	56.9
<b>Portugal</b>	12.8	13.0	13.9	14.6	15.4	16.0	16.9	18.1	18.3	18.3	20.1
<b>Slovenia</b>	3.8	3.9	4.4	4.5	4.3	4.4	4.4	4.6	4.6	4.7	4.8
<b>Slovakia</b>	10.7	10.8	10.8	10.8	10.7	10.4	10.7	10.8	11.3	10.4	10.0
<b>Finland</b>	22.3	22.0	22.3	23.5	24.2	24.6	24.5	24.7	25.5	26.0	26.5
<b>Sweden</b>	33.0	33.7	34.6	34.0	34.2	34.1	34.6	33.2	33.7	34.1	34.0
<b>United Kingdom</b>	142.3	142.4	149.9	147.4	148.4	151.0	151.2	153.0	148.5	150.6	153.0
<b>Bulgaria</b>	10.8	11.4	11.5	9.3	9.9	8.8	8.6	8.6	8.7	9.4	9.0
<b>Croatia</b>	4.4	4.5	4.7	5.1	5.2	5.4	5.3	5.5	5.6	5.9	6.1
<b>Romania</b>	24.9	26.3	29.5	28.6	26.1	22.3	22.2	23.0	23.0	24.2	26.1
<b>Turkey</b>	40.3	44.6	48.7	50.3	49.8	49.2	54.1	48.6	53.1	56.7	58.1
<b>Iceland</b>	1.7	1.7	1.7	1.8	1.8	2.0	2.1	2.1	2.2	2.2	2.3
<b>Norway</b>	16.7	16.9	17.7	17.5	18.2	18.7	18.1	18.6	18.3	18.0	18.6

Final energy consumption includes all energy delivered to the final consumer's door (in the industry, transport, household and other sectors) for all energy uses; it excludes deliveries for transformation and/or own use of the energy producing industries, as well as network losses.

**Figure SP.17: Final energy consumption per capita, 2004**

(tonnes of oil equivalent per capita)

TEN00095

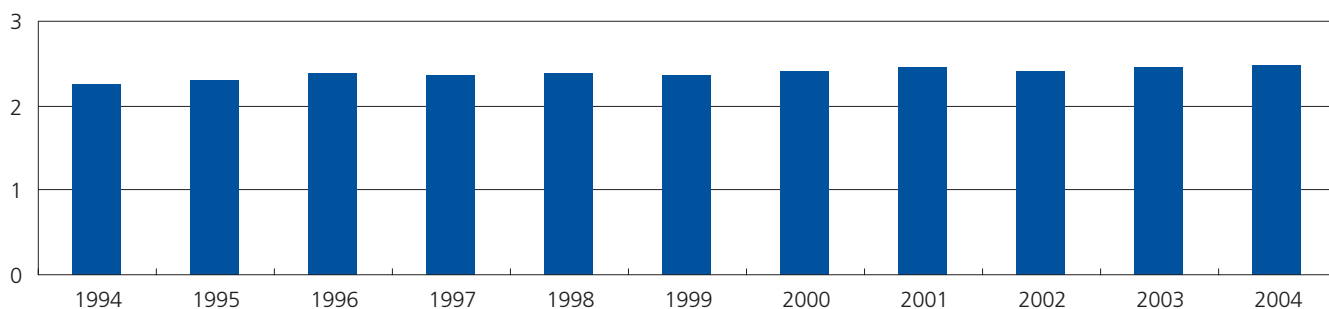


Final energy consumption includes all energy delivered to the final consumer's door (in the industry, transport, household and other sectors) for all energy uses; it excludes deliveries for transformation and/or own use of the energy producing industries, as well as network losses.

**Figure SP.18: Final energy consumption per capita, EU-25**

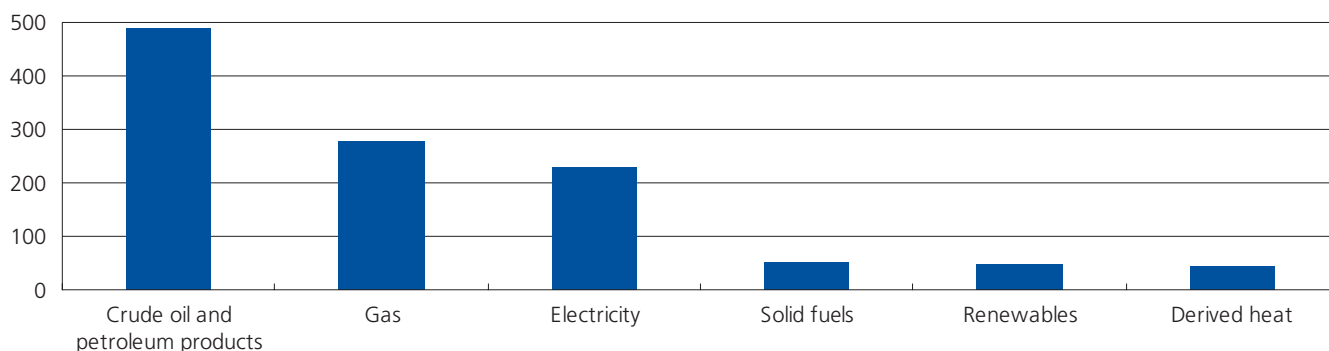
(tonnes of oil equivalent per capita)

TEN00095



**Figure SP.19: Final energy consumption, EU-25, 2004**

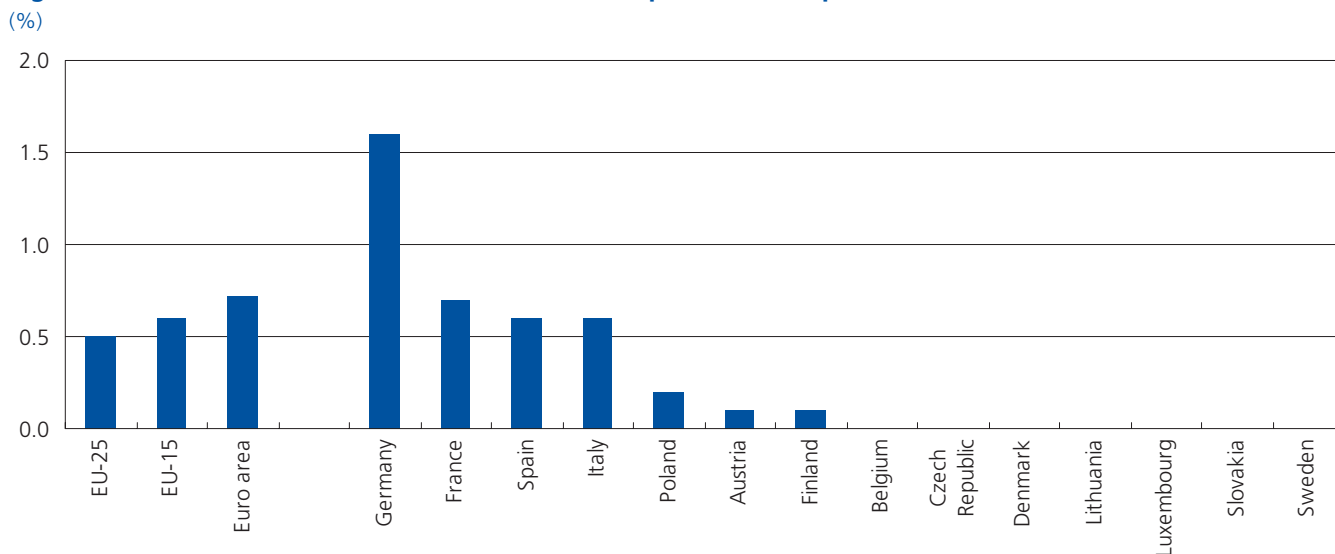
(million tonnes of oil equivalent)







**Figure SP20: Share of biofuels in total fuel consumption of transport, 2004 (1)**



(1) No data available for those Member States not presented in the graph.

Liquid biofuels cover biogasoline and biodiesels:

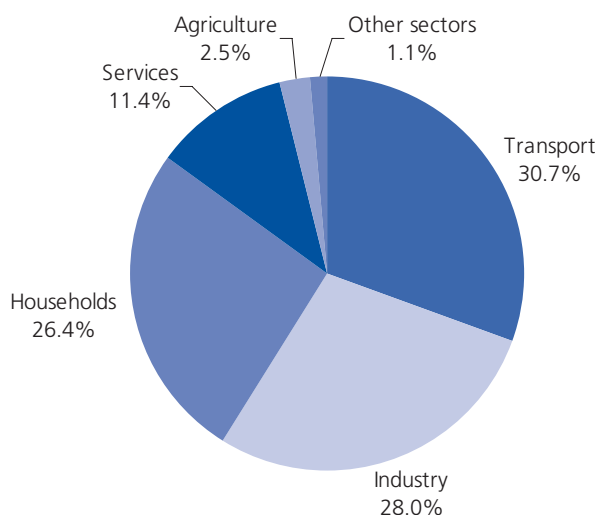
— *biogasoline*: this category includes bioethanol (ethanol produced from biomass and/or the biodegradable fraction of waste), biomethanol (methanol produced from biomass and/or the biodegradable fraction of waste), bioETBE (ethyl-tertio-butyl-ether produced on the basis of bioethanol — the percentage by volume of bioETBE that is calculated as biofuel is 47 %) and bioMTBE (methyl-tertio-butyl-ether produced on the basis of biomethanol — the percentage by volume of bioMTBE that is calculated as biofuel is 36 %).

— *biodiesels*: this category includes biodiesel (a methyl-ester produced from vegetable or animal oil, of diesel quality), biodimethylether (dimethylether produced from biomass), Fischer Tropsch (Fischer Tropsch produced from biomass), cold pressed biooil (oil produced from oil seed through mechanical processing only) and all other liquid biofuels which are added to, blended with or used straight as transport diesel.

Transport consumption refers here to fuels used in all transport activities irrespective of the economic sector in which the activity occurs, i.e. fuels consumed in the following NACE categories: land transport, transport via pipelines (Division 60), water transport (61), and air transport (62).

**Figure SP21: Final energy consumption, EU-25, 2004 (1)**

(% of total, based on tonnes of oil equivalent)

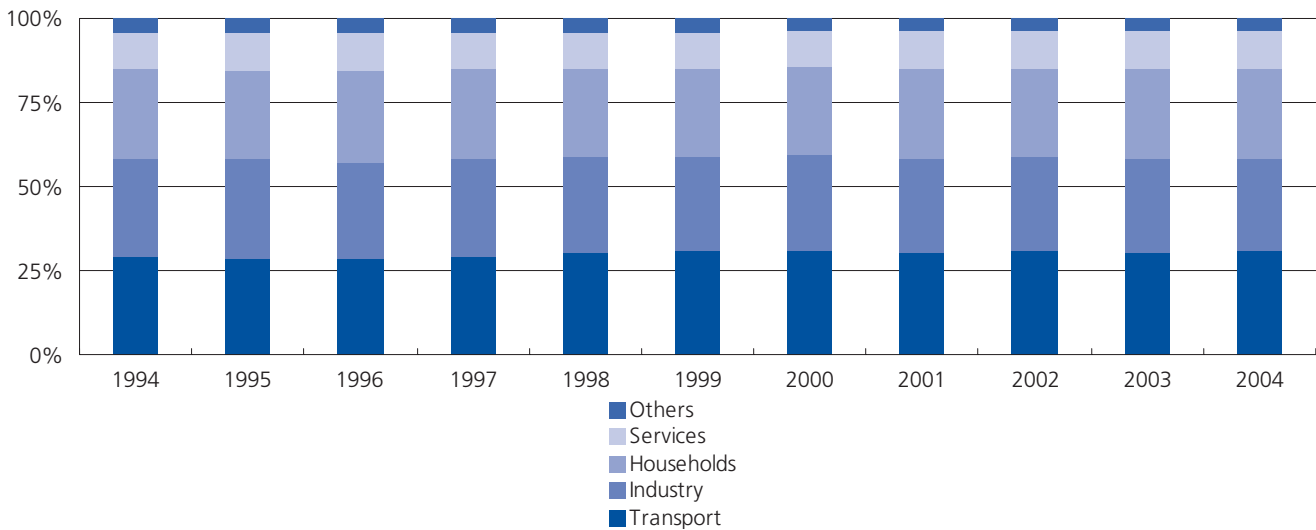


(1) Figures do not sum to 100 % due to rounding.

This indicator expresses the sum of the energy supplied to the final consumer's door for all energy uses; it is the sum of final energy consumption in industry, transport, households, services, agriculture, etc.; final energy consumption in industry covers the consumption in all industrial sectors with the exception of the energy sector; the fuel quantities transformed in the electrical power stations of industrial autoproducers and the quantities of coke transformed into blast-furnace gas are not part of the overall industrial consumption but of the transformation sector; final energy consumption in transport covers the consumption in all types of transportation, i.e. rail, road, air transport and inland navigation; final energy consumption in households, services, etc. covers quantities consumed by private households, commerce, public administration, services, agriculture and fisheries.

**Figure SP22: Final energy consumption, EU-25**

(% , based on tonnes of oil equivalent)

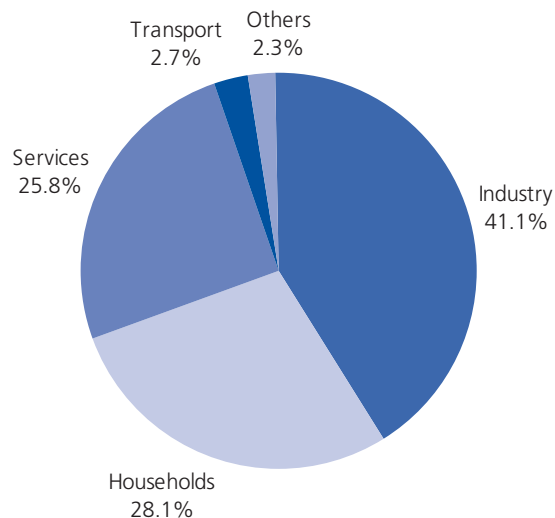


This indicator expresses the sum of the energy supplied to the final consumer's door for all energy uses; it is the sum of final energy consumption in industry, transport, households, services, agriculture, etc.; final energy consumption in industry covers the consumption in all industrial sectors with the exception of the energy sector; the fuel quantities transformed in the electrical power stations of industrial autoproducers and the quantities of coke transformed into blast-furnace gas are not part of the overall industrial consumption but of the transformation sector; final energy consumption in transport covers the consumption in all types of transportation, i.e. rail, road, air transport and inland navigation; final energy consumption in households, services, etc. covers quantities consumed by private households, commerce, public administration, services, agriculture and fisheries.

**Figure SP23: Final consumption of electricity, EU-25, 2004 (1)**

(% , based on GWh)

TEN00094



(1) Figures do not sum to 100 % due to rounding.

This consumption stands for final energy consumption; this means that the consumption in industry covers all industrial sectors with the exception of the energy sector, like power stations, oil refineries, coke ovens and all other installations transforming energy products into another form; final energy consumption in transport covers mainly the consumption by railways and electrified urban transport systems; final energy consumption in households/services covers quantities consumed by private households, small-scale industry, crafts, commerce, administrative bodies, services with the exception of transportation, agriculture and fishing.

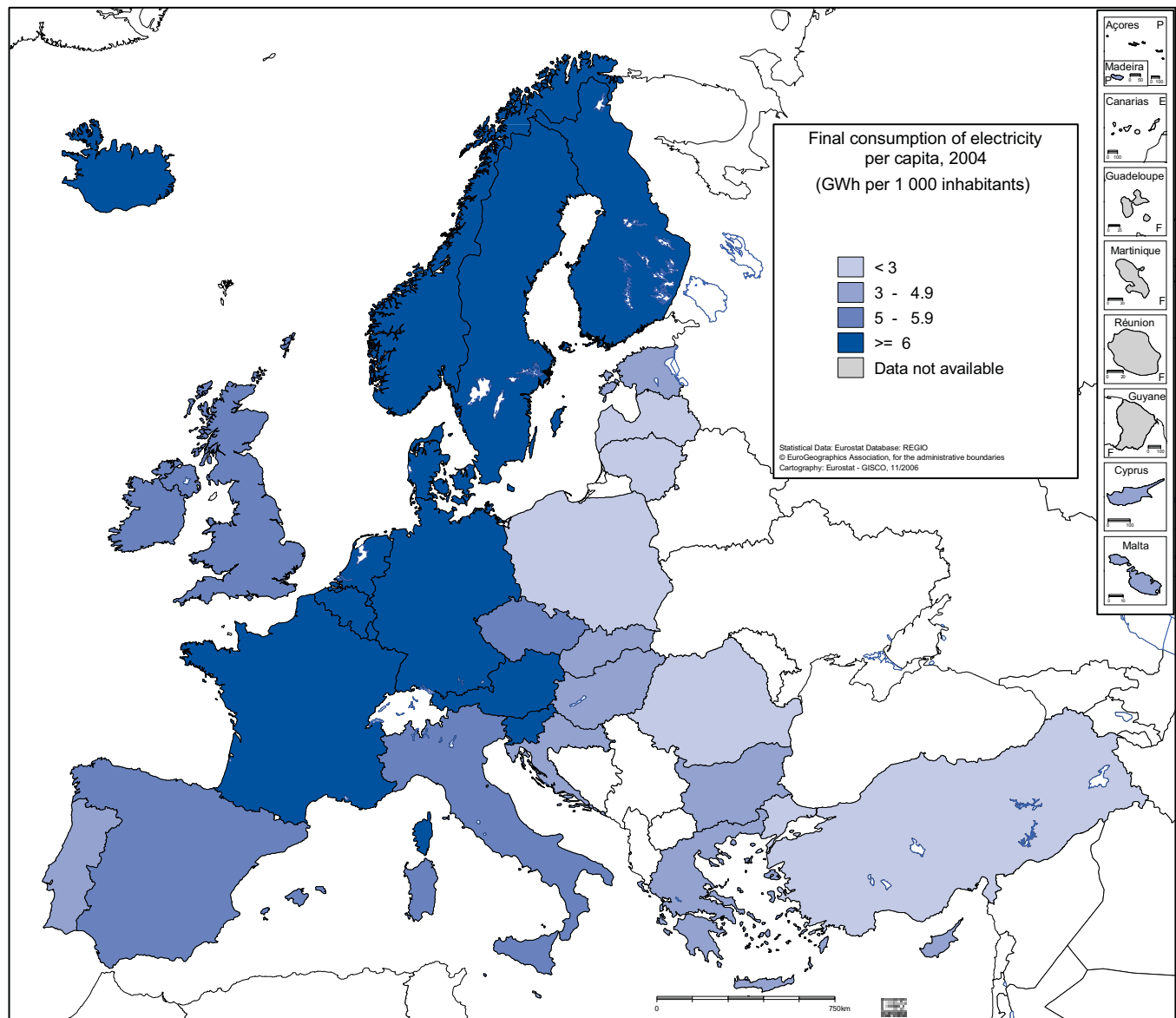
**Table SP.6: Final consumption of electricity**

(1 000 GWh)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	2 131.6	2 184.3	2 245.7	2 286.4	2 337.2	2 379.4	2 457.8	2 530.5	2 540.5	2 604.6	2 651.7
<b>EU-15</b>	1 924.7	1 969.1	2 021.4	2 060.9	2 113.1	2 157.3	2 229.6	2 297.1	2 306.4	2 364.2	2 405.3
<b>Euro area</b>	1 487.0	1 519.3	1 557.6	1 594.4	1 638.9	1 675.7	1 738.9	1 798.8	1 809.2	1 865.0	1 901.9
<b>Belgium</b>	66.4	68.4	69.9	71.8	74.0	74.5	77.5	78.1	78.4	79.7	80.6
<b>Czech Republic</b>	44.9	48.0	50.2	49.6	48.8	48.1	49.4	50.9	50.8	52.4	53.8
<b>Denmark</b>	31.0	31.2	32.2	31.9	32.1	32.2	32.5	32.6	32.5	32.4	33.0
<b>Germany</b>	445.7	452.6	458.0	461.8	466.5	467.5	482.6	505.3	498.8	509.3	513.3
<b>Estonia</b>	4.7	4.5	4.8	5.1	5.1	4.8	5.0	5.1	5.3	5.6	5.9
<b>Greece</b>	32.7	34.1	35.6	37.1	39.3	40.9	43.2	44.5	46.6	48.6	49.7
<b>Spain</b>	137.0	140.9	147.2	159.0	166.0	177.3	188.5	201.0	206.5	220.0	230.7
<b>France</b>	337.2	342.6	355.5	355.2	367.2	374.7	385.1	395.5	393.2	408.2	415.9
<b>Ireland</b>	14.2	14.8	15.8	16.7	17.7	18.8	20.2	20.9	21.8	22.5	23.0
<b>Italy</b>	230.9	237.7	240.2	247.8	254.7	261.0	272.5	277.3	282.3	291.0	295.0
<b>Cyprus</b>	2.4	2.2	2.3	2.4	2.6	2.8	3.0	3.1	3.4	3.6	3.7
<b>Latvia</b>	4.4	4.4	4.1	4.2	4.5	4.4	4.4	4.5	4.8	5.2	5.4
<b>Lithuania</b>	6.5	6.3	6.5	6.7	6.7	6.5	6.2	6.4	6.7	7.1	7.6
<b>Luxembourg</b>	4.7	5.0	4.9	5.1	5.3	5.5	5.7	5.6	5.7	6.0	6.4
<b>Hungary</b>	27.6	27.7	28.7	28.8	29.0	28.9	29.4	30.5	31.5	31.4	31.8
<b>Malta</b>	1.2	1.3	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.8	1.8
<b>Netherlands</b>	81.3	83.1	86.2	89.5	92.7	94.7	97.9	99.4	99.7	100.5	103.1
<b>Austria</b>	44.9	46.0	47.5	48.1	48.9	50.5	51.8	53.9	54.9	55.2	56.4
<b>Poland</b>	85.2	89.6	93.3	94.6	94.8	92.1	96.7	96.9	95.5	98.2	99.8
<b>Portugal</b>	27.0	28.8	30.2	31.9	33.8	36.1	38.4	39.9	41.5	43.2	44.7
<b>Slovenia</b>	9.3	9.4	9.5	9.9	10.1	10.4	10.5	10.9	11.8	12.0	12.6
<b>Slovakia</b>	20.7	21.7	23.5	22.8	21.0	22.7	22.0	23.5	22.7	23.0	24.0
<b>Finland</b>	65.1	65.3	66.5	70.4	72.8	74.2	75.4	77.3	79.7	80.9	83.1
<b>Sweden</b>	122.5	124.6	126.0	125.4	126.4	126.6	128.7	132.7	131.3	129.4	130.4
<b>United Kingdom</b>	284.3	293.9	305.7	309.3	315.6	322.8	329.5	333.0	333.3	337.4	340.0
<b>Bulgaria</b>	26.5	28.7	29.9	26.6	25.9	23.7	24.1	24.5	24.0	25.1	24.9
<b>Croatia</b>	9.6	9.9	10.3	11.0	11.1	11.7	11.8	12.0	12.7	12.9	13.6
<b>Romania</b>	34.2	36.4	39.7	38.4	36.6	33.9	33.9	36.3	35.6	37.5	38.7
<b>Turkey</b>	59.0	65.1	71.4	79.7	85.8	89.2	95.9	95.3	101.5	110.4	119.5
<b>Iceland</b>	4.2	4.3	4.3	4.7	5.5	6.4	6.9	7.2	7.5	7.5	7.8
<b>Norway</b>	101.8	103.8	103.1	103.9	109.1	109.3	109.5	112.2	109.1	103.2	109.9

**Map SP.2: Final consumption of electricity per capita, 2004**

(GWh per 1 000 inhabitants)

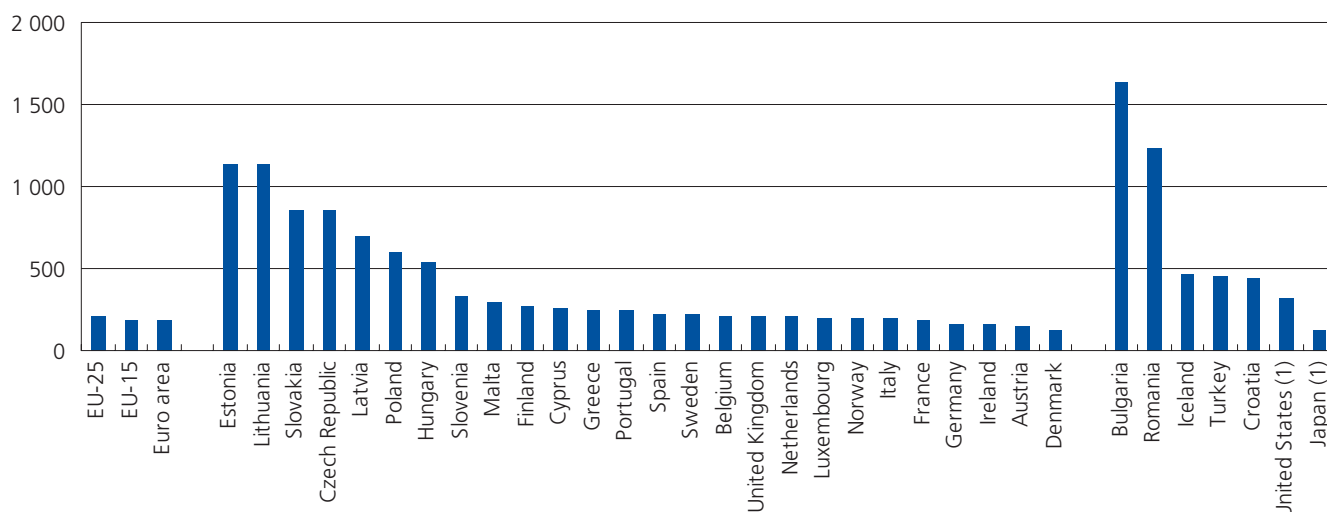


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**Figure SP24: Energy intensity of the economy, 2004**

(kgoe per EUR 1 000 of GDP)



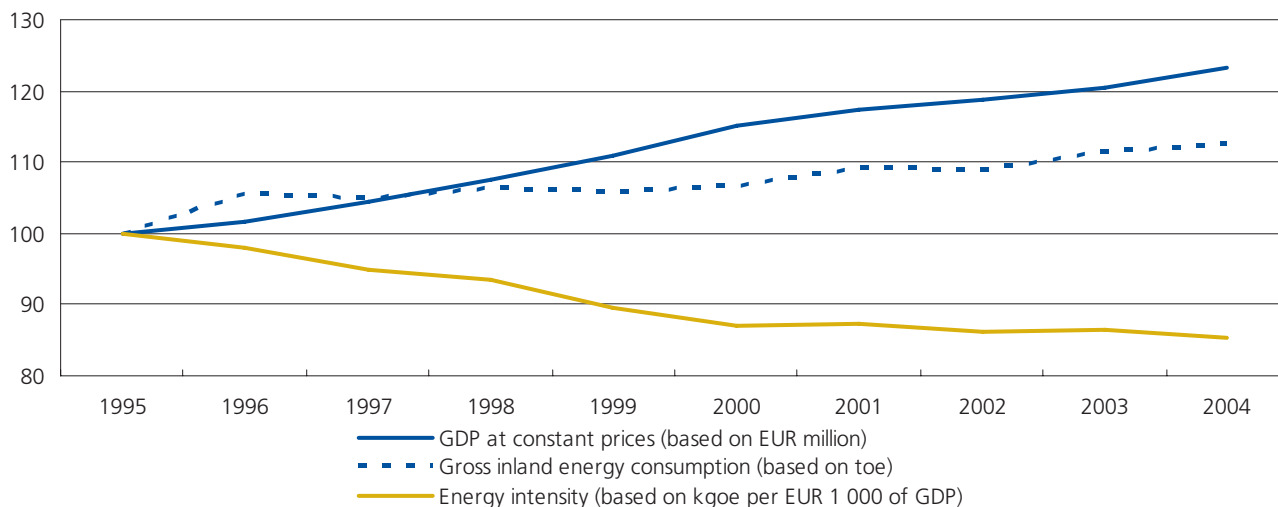
(1) 2003.

This indicator is the ratio between the gross inland consumption of energy and the gross domestic product (GDP) for a given calendar year; it measures the energy consumption of an economy and its overall energy efficiency; the gross inland consumption of energy is calculated as the sum of the gross inland consumption of five energy types: coal, electricity, oil, natural gas and renewable energy sources; the GDP figures are taken at constant prices to avoid the impact of inflation, base year 1995; the energy intensity ratio is determined by dividing the gross inland consumption by the GDP; since gross inland consumption is measured in kgoe (kilograms of oil equivalent) and GDP in EUR 1 000, this ratio is measured in kgoe per EUR 1 000.



**Figure SP25: Relative change in energy intensity of the economy, EU-25**

(1995 = 100)



Constant prices are obtained by directly factoring changes over time in the values of flows or stocks of goods and services into two components reflecting changes in the prices of the goods and services concerned and changes in their volumes (i.e. changes in constant price terms). Gross inland consumption is defined as primary production plus imports, recovered products and stock change, less exports and fuel supply to maritime bunkers (for seagoing ships of all flags); it therefore reflects the energy necessary to satisfy inland consumption within the limits of national territory.

## PRICES

Energy prices are currently collected at a national level, whereas in the past they were collected at a regional level or, in some cases, even for individual cities. The reporting countries are generally the 25 Member States and the acceding and candidate countries (Bulgaria, Croatia and Romania), as well as Norway (only electricity prices).

As of 1 July 2004, European industrial customers had a free choice regarding their gas and electricity supplier — in 2007 this concept should be extended to all households within the European Union. These changes reinforce the independence of network management companies by requiring the establishment of legally distinct companies with operational separation between generation and distribution.

The price and reliability of energy supplies, and of electricity in particular, is a key element of a country's energy supply, and particularly important with respect to international competitiveness, as electricity usually represents the highest proportion of total energy costs to households and industries. The cost of electricity is subject to a particularly wide range of prices within the European Union, in contrast to the price of fossil fuels, which are usually traded on global markets with relatively uniform prices. The price of electricity is, to some degree, influenced by the price of primary fuels and more recently also by the cost of carbon dioxide (CO<sub>2</sub>) emission certificates<sup>(9)</sup>, and it is likely that resulting higher prices for electricity will provide an incentive for greater energy efficiency and lower levels of carbon emissions.

Statistics on electricity prices are presented as a snapshot as of 1 January of each year. Electricity prices for households are shown including taxes and value added tax (VAT), as these are generally the end price paid by the consumer at point of use. On the other hand, industrial electricity prices include taxes, but not VAT, as enterprises are usually exempt from paying this sales tax.

Electricity prices within the EU-15 tended to fall during much of the last decade, with a reversal of this trend in the last two years forcing prices back to, and sometimes above, their level of the early 1990s. The price of electricity in the Member States varied by a factor of 3 from Greece to Denmark, where the highest electricity prices for households existed, EUR 23.62 per 100 kWh on 1 January 2006. Note that a high proportion of the price of electricity in Denmark is accounted for by taxes, as Denmark was only the 10th most expensive country if taxes were excluded.

<sup>(9)</sup> In the context of reducing greenhouse gas emissions to prevent global warming.



In keeping with electricity prices, the evolution of gas prices also followed a downward path during much of the 1990s. This trend stopped abruptly at the end of the last decade, since when prices were either relatively unchanged or rising. The price of gas to domestic household users rose on average by more than 4 % per annum during the period 1995 to 2006, while increases for industrial users were almost double that rate. Gas prices are measured in much the same way as prices for electricity, with taxes and VAT included for household users. The average consumer in the EU-25 paid EUR 12.89 per GJ of gas on 1 January 2006. Once again the highest prices were recorded in Denmark, which together with Sweden reported gas prices that were more than 50 % above those recorded in the next most expensive country, the Netherlands (EUR 16.92).

As with electricity and gas prices, the recent evolution of prices of unleaded petrol and diesel also followed an upward path. The contribution of taxes to the price of a litre of petrol was considerable in each of the Member States, often accounting for more than 70 % of the total cost. The highest tax rates per litre of unleaded petrol and diesel were recorded in the Netherlands and the United Kingdom. There were sharp price increases for unleaded petrol during the second half of 2005, with the price of a litre of unleaded petrol on the garage forecourt ranging from EUR 0.83 in the cheapest Member State to EUR 1.40 in the most expensive, while the range for the price of a litre of diesel was similar, between EUR 0.83 and EUR 1.35.



Table SP.7: Electricity prices — households (1)

(as of 1 January)



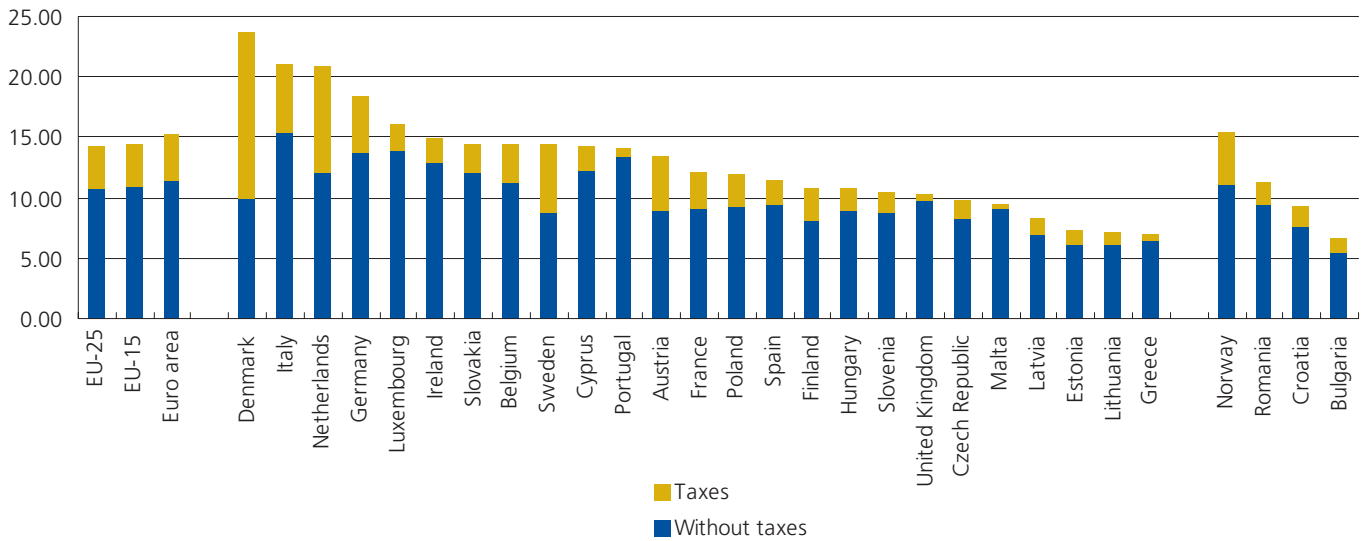
	Including taxes (EUR per 100 kWh)					Proportion of taxes in total price (%)				
	1985	1990	1995	2000	2005	1985	1990	1995	2000	2005
<b>EU-25</b>	:	:	:	:	13.54	:	:	:	:	24.3
<b>EU-15</b>	:	:	13.53	13.22	13.85	:	:	18.6	22.0	24.7
<b>Euro area</b>	:	:	:	:	14.76	:	:	:	:	25.1
<b>Belgium</b>	12.42	12.64	15.00	14.33	14.81	14.5	14.5	17.9	18.3	24.6
<b>Czech Republic</b>	:	:	:	5.78	8.68	:	:	:	17.8	16.0
<b>Denmark</b>	9.91	13.50	14.78	19.66	22.78	37.7	49.0	58.9	63.5	59.3
<b>Germany</b>	:	:	15.87	15.26	17.85	:	:	18.2	22.0	25.3
<b>Estonia</b>	:	:	:	:	6.78	:	:	:	:	15.0
<b>Greece</b>	:	:	7.64	6.09	6.88	:	:	15.3	7.4	7.4
<b>Spain</b>	:	:	12.25	10.91	10.97	:	:	13.8	18.0	18.0
<b>France</b>	:	:	12.96	11.79	11.94	:	:	22.4	21.3	24.2
<b>Ireland</b>	:	:	8.25	8.94	14.36	:	:	11.0	11.1	16.6
<b>Italy</b>	:	:	19.82	20.00	19.70	:	:	23.9	25.0	26.9
<b>Cyprus</b>	:	:	:	9.14	10.74	:	:	:	7.5	14.8
<b>Latvia</b>	:	:	:	:	8.28	:	:	:	:	15.2
<b>Lithuania</b>	:	:	:	:	7.18	:	:	:	:	15.2
<b>Luxembourg</b>	9.50	10.15	11.31	11.19	14.78	5.7	5.6	5.7	5.6	12.9
<b>Hungary</b>	:	:	5.10	6.97	10.64	:	:	10.8	10.8	20.0
<b>Malta</b>	:	:	4.84	6.09	7.64	:	:	0.0	0.0	4.8
<b>Netherlands</b>	:	:	9.93	14.40	19.55	:	:	14.8	34.9	43.6
<b>Austria</b>	:	:	:	12.26	14.13	:	:	:	22.6	31.8
<b>Poland</b>	:	:	:	:	10.64	:	:	:	:	22.7
<b>Portugal</b>	:	:	13.22	12.56	13.81	:	:	4.9	4.9	4.9
<b>Slovenia</b>	:	:	7.38	9.88	10.33	:	:	9.1	16.0	16.7
<b>Slovakia</b>	:	:	:	:	13.38	:	:	:	:	16.1
<b>Finland</b>	:	:	8.57	8.73	10.57	:	:	18.0	26.1	25.1
<b>Sweden</b>	:	:	:	10.20	13.97	:	:	:	37.5	39.4
<b>United Kingdom</b>	:	:	10.21	11.08	8.77	:	:	7.3	4.7	4.7
<b>Bulgaria</b>	:	:	:	:	6.44	:	:	:	:	16.6
<b>Croatia</b>	:	:	:	:	8.48	:	:	:	:	17.2
<b>Romania</b>	:	:	:	:	7.79	:	:	:	:	16.0
<b>Norway</b>	:	:	8.91	10.16	15.71	:	:	25.8	29.1	27.6

(1) Data extracted on 12.10.2006.

This indicator presents electricity prices charged to final domestic consumers, which are defined as follows: annual consumption of 3 500 kWh, of which 1 300 kWh is overnight (standard dwelling of 90 m<sup>2</sup>); prices are given in EUR per 100 kWh corresponding to prices applicable on 1 January each year.

**Figure SP.26: Electricity prices — households, as of 1 January 2006 (1)**

(EUR per 100 kWh)

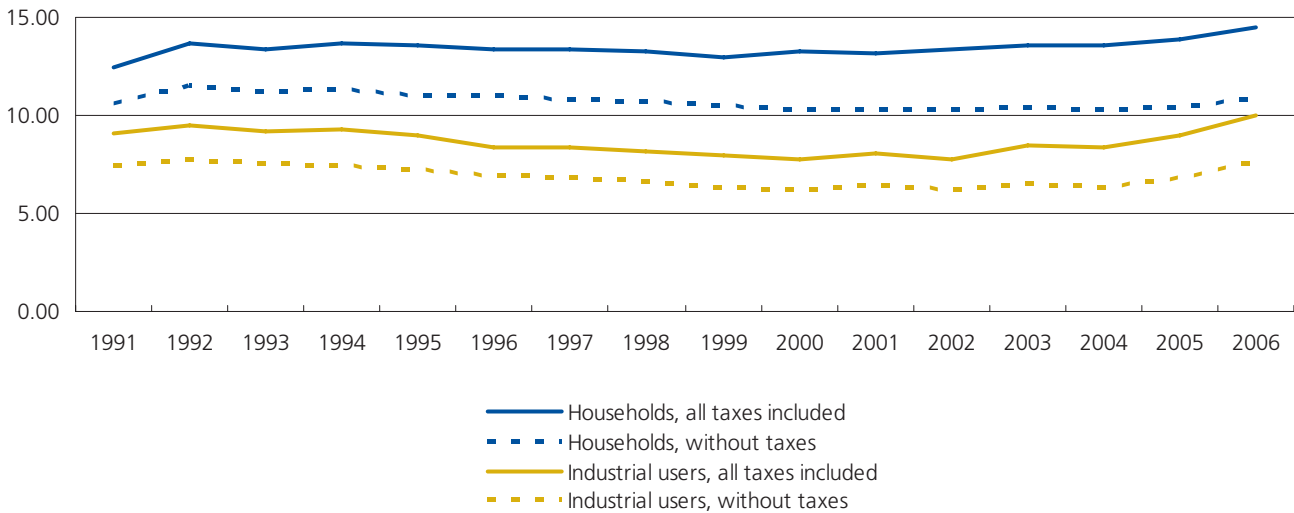


(1) Data extracted on 12.10.2006.

This indicator presents electricity prices charged to final domestic consumers, which are defined as follows: annual consumption of 3 500 kWh, of which 1 300 kWh is overnight (standard dwelling of 90 m<sup>2</sup>); prices are given in EUR per 100 kWh corresponding to prices applicable on 1 January each year.

**Figure SP.27: Electricity prices, EU-15 (1)**

(EUR per 100 kWh, as of 1 January)



(1) Data extracted on 12.10.2006.

Electricity prices charged to final domestic consumers: annual consumption of 3 500 kWh of which 1 300 kWh is overnight (standard dwelling of 90 m<sup>2</sup>); prices are given in EUR per kWh corresponding to prices applicable on 1 January each year.

Electricity prices charged to final industrial consumers: annual consumption of 2 000 MWh, maximum demand of 500 kW and annual load of 4 000 hours; prices are given in EUR per kWh corresponding to prices applicable on 1 January each year.





Table SP8: Gas prices — households (1)

(as of 1 January)



	Including taxes (EUR per GJ)					Proportion of taxes in total price (%)				
	1985	1990	1995	2000	2005	1985	1990	1995	2000	2005
<b>EU-25</b>	:	:	:	:	11.29	:	:	:	:	24.5
<b>EU-15</b>	:	:	8.97	10.01	11.75	:	:	23.6	27.7	25.1
<b>Euro area</b>	:	:	:	:	13.45	:	:	:	:	29.0
<b>Belgium</b>	:	:	8.75	9.41	11.16	:	:	21.0	20.9	20.7
<b>Czech Republic</b>	:	:	:	4.36	7.49	:	:	:	18.1	15.9
<b>Denmark</b>	:	:	:	18.14	28.44	:	:	:	50.7	55.8
<b>Germany</b>	9.33	7.20	8.87	9.16	13.56	12.3	17.2	18.9	24.3	25.1
<b>Estonia</b>	:	:	:	:	4.63	:	:	:	:	15.3
<b>Greece</b>	:	:	:	:	:	:	:	:	:	:
<b>Spain</b>	:	:	10.04	10.62	11.90	:	:	13.8	13.8	13.9
<b>France</b>	:	:	8.42	8.26	10.57	:	:	14.3	15.4	14.9
<b>Ireland</b>	:	:	8.03	8.19	9.98	:	:	11.1	11.1	11.8
<b>Italy</b>	:	:	13.58	15.98	15.34	:	:	42.1	45.0	41.5
<b>Cyprus</b>	-	-	-	-	-	-	-	-	-	-
<b>Latvia</b>	:	:	:	:	4.54	:	:	:	:	15.2
<b>Lithuania</b>	:	:	:	:	5.41	:	:	:	:	15.3
<b>Luxembourg</b>	:	:	5.45	6.02	8.14	:	:	5.7	5.6	5.7
<b>Hungary</b>	:	:	2.95	3.32	5.10	:	:	10.8	10.5	13.1
<b>Malta</b>	-	-	-	-	-	-	-	-	-	-
<b>Netherlands</b>	:	:	7.39	9.04	15.17	:	:	18.8	37.8	36.5
<b>Austria</b>	:	:	:	10.67	13.36	:	:	:	26.9	33.3
<b>Poland</b>	:	:	:	:	7.55	:	:	:	:	18.0
<b>Portugal</b>	:	:	:	:	12.34	:	:	:	:	4.8
<b>Slovenia</b>	:	:	5.66	7.19	10.33	:	:	4.8	23.2	24.3
<b>Slovakia</b>	:	:	:	:	8.14	:	:	:	:	16.0
<b>Finland</b>	:	:	6.57	:	:	:	:	21.8	:	:
<b>Sweden</b>	:	:	:	12.99	22.18	:	:	:	41.3	47.2
<b>United Kingdom</b>	:	:	6.42	6.97	7.26	:	:	7.3	4.6	4.8
<b>Bulgaria</b>	:	:	:	:	6.73	:	:	:	:	16.6
<b>Croatia</b>	:	:	:	:	7.99	:	:	:	:	21.5
<b>Romania</b>	:	:	:	:	4.79	:	:	:	:	15.9

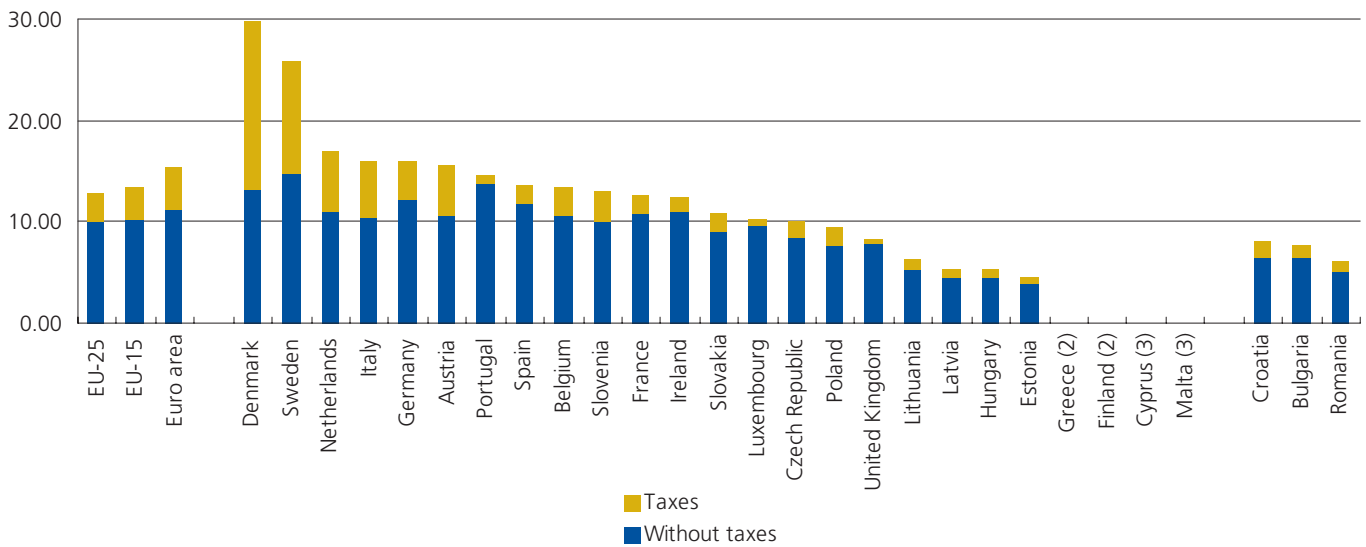
(1) Data extracted on 12.10.2006.

This indicator presents the natural gas prices charged to final domestic consumers, which are defined as follows: annual consumption of 83.7 GJ (equipment: cooking, water heating and central heating); prices are given in EUR per GJ corresponding to prices applicable on 1 January each year.

SP

**Figure SP28: Gas prices — households, as of 1 January 2006 (1)**

(EUR per GJ)



(1) Data extracted on 12.10.2006.

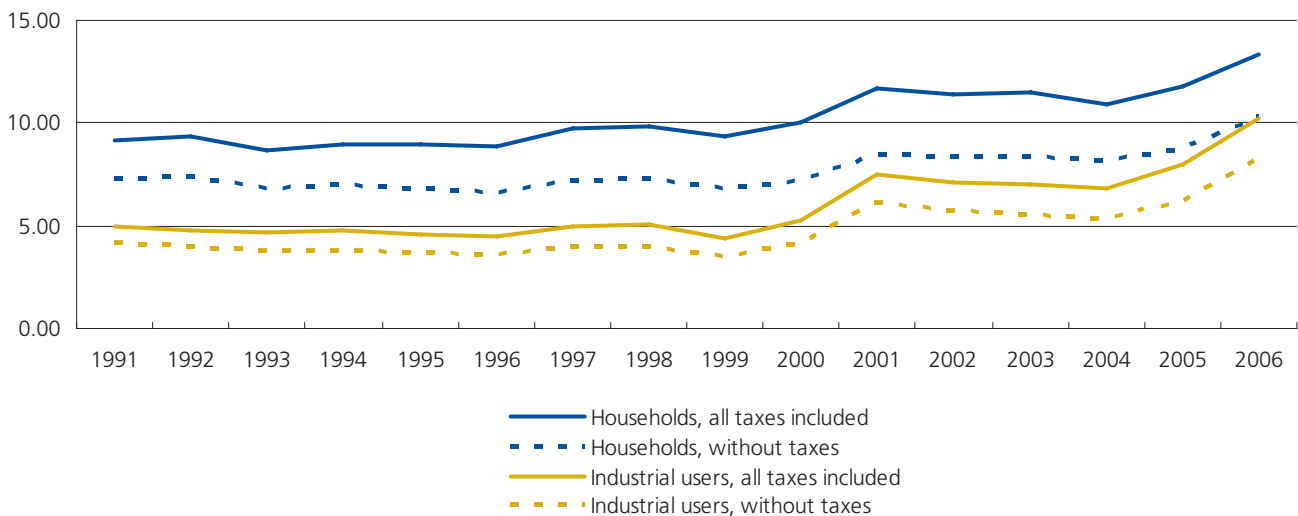
(2) Not available.

(3) Not applicable.

This indicator presents the natural gas prices charged to final domestic consumers, which are defined as follows: annual consumption of 83.7 GJ (equipment: cooking, water heating and central heating); prices are given in EUR per GJ corresponding to prices applicable on 1 January each year.

**Figure SP29: Gas prices, EU-15 (1)**

(EUR per GJ, as of 1 January)



(1) Data extracted on 12.10.2006.

Natural gas prices charged to final domestic consumers: annual consumption of 83.7 GJ (equipment: cooking, water heating and central heating); prices are given in EUR per GJ corresponding to prices applicable on 1 January each year.

Natural gas prices charged to final industrial consumers: annual consumption of 41 860 GJ, and load factor of 200 days (1 600 hours); prices are given in EUR per GJ corresponding to prices applicable on 1 January each year.

**Table SP9: Price of premium unleaded gasoline 95 RON**

(as of first half of the year)

TEN00102

	Price including taxes (EUR per litre)						Proportion of taxes in total price (%)					
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004	2005
<b>Belgium</b>	0.96	1.00	0.95	0.98	0.99	1.07	70.4	67.9	71.0	69.0	70.0	70.1
<b>Czech Republic</b>	:	:	:	:	:	0.81	:	:	:	:	:	64.3
<b>Denmark</b>	1.00	1.07	1.04	1.11	1.07	1.10	71.9	69.9	72.7	69.5	71.0	69.3
<b>Germany</b>	0.96	0.97	0.99	1.11	1.08	1.11	72.6	74.8	76.9	72.7	74.6	72.7
<b>Estonia</b>	:	:	:	:	:	0.67	:	:	:	:	:	58.0
<b>Greece</b>	0.67	0.72	0.69	0.75	0.74	0.77	59.8	56.7	58.5	55.2	56.0	67.6
<b>Spain</b>	0.75	0.79	0.77	0.83	0.80	0.84	63.4	61.0	65.3	61.4	63.4	61.5
<b>France</b>	1.04	1.00	0.96	1.05	1.00	1.04	73.8	72.6	76.2	72.7	75.5	73.1
<b>Ireland</b>	0.82	0.95	0.80	0.87	0.87	0.94	63.8	57.0	60.1	63.5	68.2	64.4
<b>Italy</b>	1.00	1.04	1.00	1.07	1.05	1.09	69.4	66.8	71.1	67.3	70.0	68.0
<b>Cyprus</b>	:	:	:	:	:	0.76	:	:	:	:	:	52.7
<b>Latvia</b>	:	:	:	:	:	0.72	:	:	:	:	:	50.1
<b>Lithuania</b>	:	:	:	:	:	0.71	:	:	:	:	:	55.9
<b>Luxembourg</b>	0.74	0.78	0.74	0.79	0.83	0.90	60.9	58.3	61.3	57.9	64.2	62.1
<b>Hungary</b>	:	:	:	:	:	0.96	:	:	:	:	:	65.1
<b>Malta</b>	:	:	:	:	:	0.87	:	:	:	:	:	50.7
<b>Netherlands</b>	1.06	1.14	1.10	1.16	1.19	1.25	71.3	68.3	72.9	70.8	72.0	69.2
<b>Austria</b>	0.87	0.87	0.82	0.90	0.86	0.91	64.3	64.2	67.1	62.7	66.2	63.3
<b>Poland</b>	:	:	:	:	:	0.88	:	:	:	:	:	64.1
<b>Portugal</b>	0.80	0.91	0.86	0.95	0.95	1.00	50.6	46.2	54.5	68.4	70.4	68.4
<b>Slovenia</b>	:	:	:	:	:	0.82	:	:	:	:	:	66.2
<b>Slovakia</b>	:	:	:	:	:	0.86	:	:	:	:	:	62.8
<b>Finland</b>	1.06	1.09	1.00	1.08	1.05	1.14	70.8	69.6	73.8	73.1	74.8	70.3
<b>Sweden</b>	1.00	1.04	0.95	1.02	1.02	1.10	71.8	68.8	72.5	70.3	71.5	69.7
<b>United Kingdom</b>	1.22	1.21	1.13	1.14	1.10	1.13	77.5	78.4	80.4	76.0	76.7	74.6

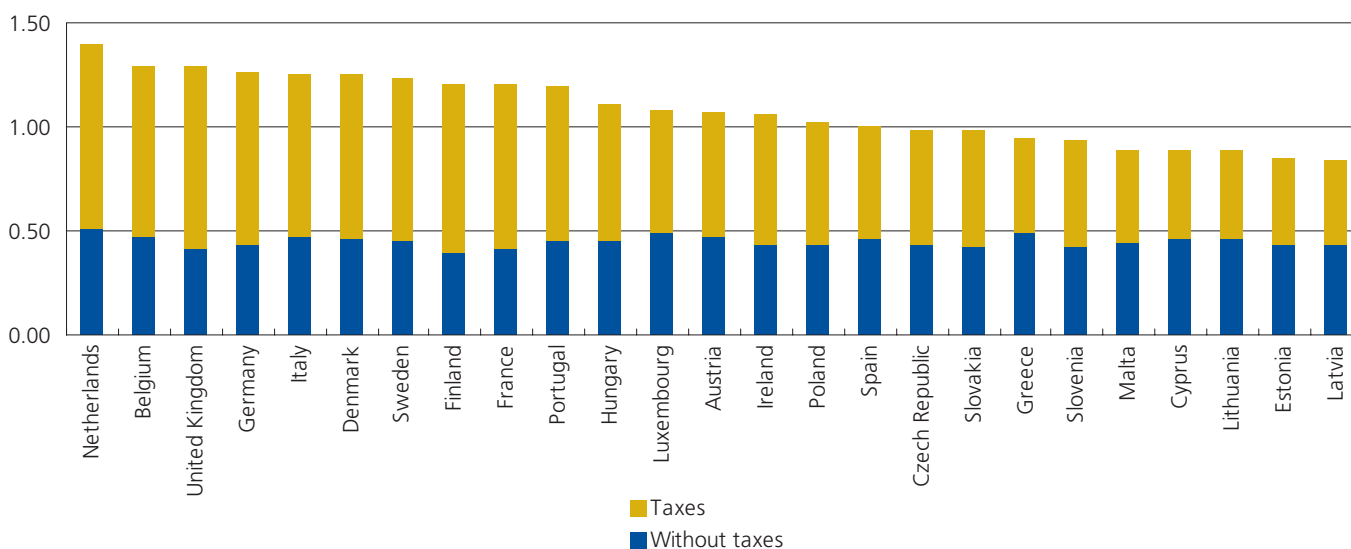
Source: Eurostat and Directorate-General for Energy and Transport

This indicator presents the average unleaded gasoline (Euro-super 95) consumer prices at the pump; the prices are supplied to the Directorate-General of Energy and Transport of the Commission by the Member States as being the most frequently encountered on the 15th of each month.

**Figure SP30: Price of premium unleaded gasoline 95 RON, second half of 2005**

(EUR per litre)

TEN00102

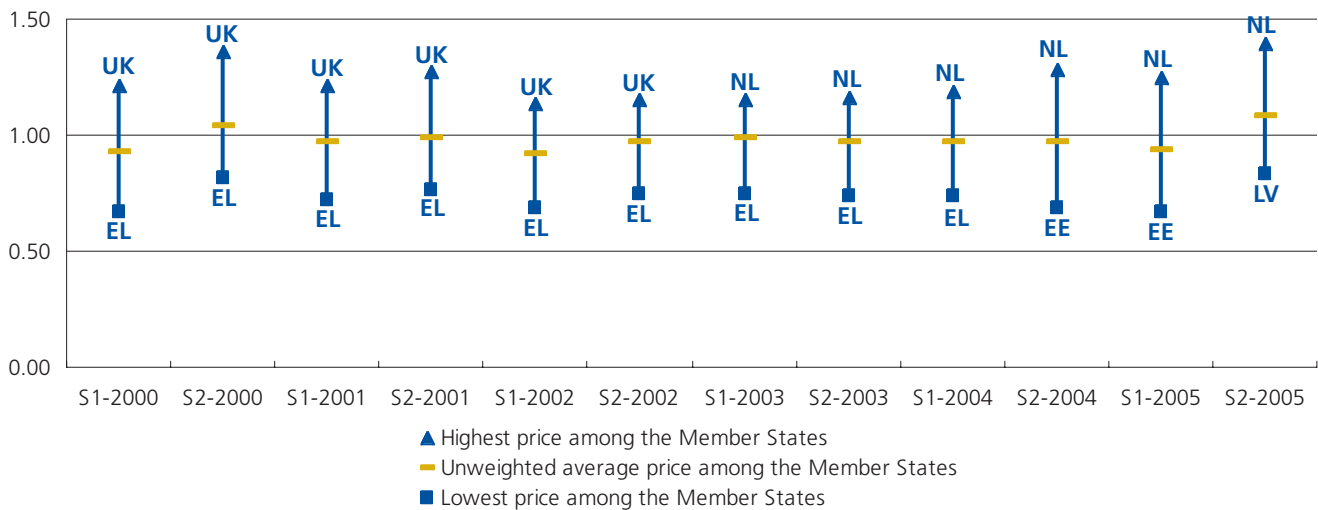


Source: Eurostat and Directorate-General for Energy and Transport

**Figure SP31: Price of premium unleaded gasoline 95 RON (including taxes) (1)**

(EUR per litre)

TEN00102



(1) EU-15 Member States up to and including the first semester of 2004; EU-25 Member States thereafter.

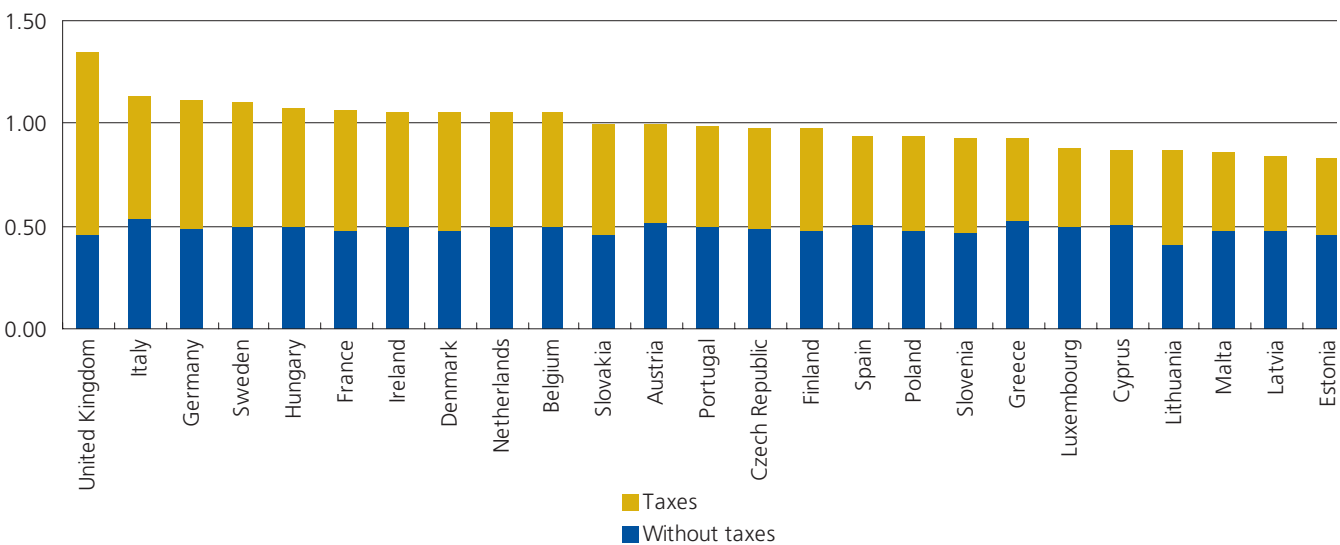
Source: Eurostat and Directorate-General for Energy and Transport

This indicator presents the average unleaded gasoline (Euro-super 95) consumer prices at the pump; the prices are supplied to the Directorate-General of Energy and Transport of the Commission by the Member States as being the most frequently encountered on the 15th of each month.

**Figure SP32: Price of diesel oil, second half of 2005**

(EUR per litre)

TEN00103



Source: Eurostat and Directorate-General for Energy and Transport

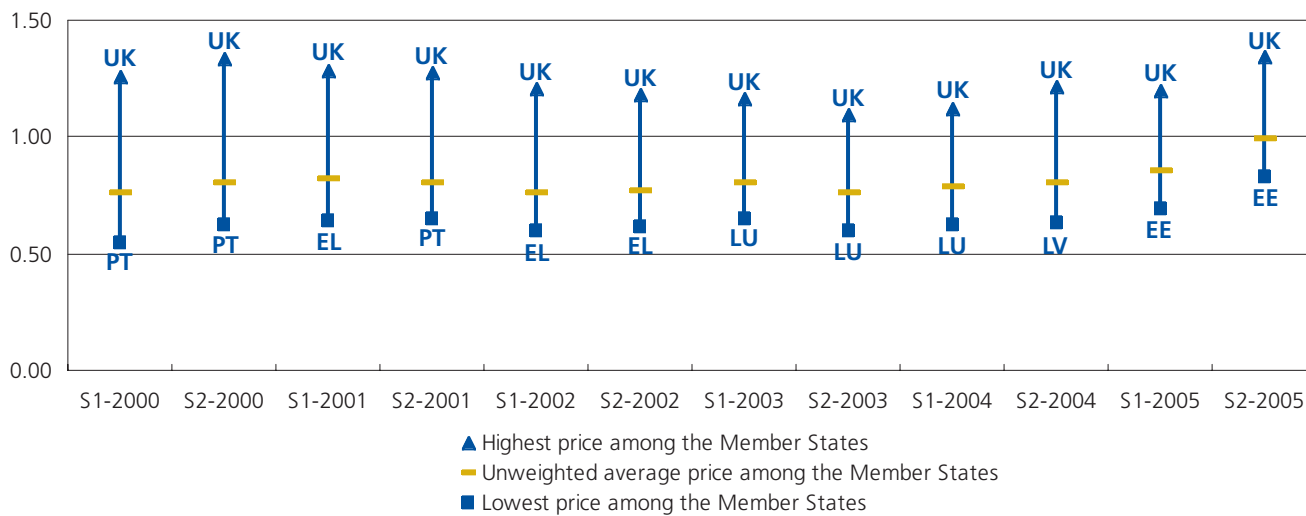
This indicator presents the average automotive diesel oil consumer prices at the pump; the prices are supplied to the Directorate-General of Energy and Transport of the Commission by the Member States as being the most frequently encountered on the 15th of each month.



**Figure SP33: Price of diesel oil (including taxes) (1)**

(EUR per litre)

TEN00103



(1) EU-15 Member States up to and including the first semester of 2004; EU-25 Member States thereafter.  
 Source: Eurostat and Directorate-General for Energy and Transport



# 1.

## POPULATION



**EU-25 population**

**EU population compared with other world regions**

**Life expectancy and mortality**

**Families and births**

**Migration and asylum**



<b>Population</b>	<b>49</b>
EU-25 population	50
EU population compared with other world regions	55
Life expectancy and mortality	59
Families and births	68
Migration and asylum	75

## 1. POPULATION

A number of important policies, notably in social and economic fields, use population data. For instance, European institutions and national governments use data on the evolution of population structures, fertility rates and life expectancy when planning social policies such as retirement schemes. Another example is the use of regional population data for the calculation of GDP per capita figures which are used for the allocation of Structural Funds to economically less advantaged regions of the EU.

Eurostat produces a large range of demographic data, including statistics on population, births and deaths, marriages and divorces. The data is collected each year from 31 European countries at national and regional levels. Every three to five years, Eurostat produces demographic projections.

Eurostat has a wide range of data within this area, including:

- population figures broken down by gender and age on 1 January each year;
- population data according to marital status;
- information on the structure of the population on 1 January of each year;
- population data at a regional level (NUTS 2 and NUTS 3 levels);
- population projections (based on a variety of different socioeconomic scenarios);
- life expectancy by gender and age;
- deaths by gender and age;
- infant mortality figures;
- marriage and divorce indicators;
- divorces in relation to the duration of marriage;
- fertility indicators;
- live births according to marital status and the mother's age;
- abortions;
- flows of migrants to and from the EU;
- non-EU citizens resident in the EU;
- EU citizens resident in another EU Member State;
- numbers of persons acquiring the citizenship of a Member State;
- numbers of applications for asylum;
- grants of refugee status and similar international protection.

**EU-25 POPULATION**

During the last 50 years, the population of today's EU-25 countries has grown from about 376 million (1960) to almost 460 million (2005). Population growth in the EU-25 was strongest in the 1960s, when the average annual increase was over 3 million persons per year. This rate of change slowed down significantly in the 1970s and 1980s, such that increases of around 1.3 million persons a year were recorded. In the 1990s, there was a slight reversal of this trend.

One of the main reasons for more rapid population growth within the EU-25 during recent years has been a marked increase in levels of net migration. Population growth accelerated to an average of 1.8 million persons per year during the first five years of the new millennium. In 2004, the EU-25's population grew by 2.3 million, which was the fourth year running that population growth accelerated.

Germany has the largest population among the EU Member States with almost 18 % of the total in 2005, followed by France, the United Kingdom and Italy with roughly 13 % each. These four countries together comprised almost 57 % of the total population of the EU-25. The 10 Member States that joined the EU in 2004 represented just over 16 % of the EU-25's population in 2005 (74.1 million persons).

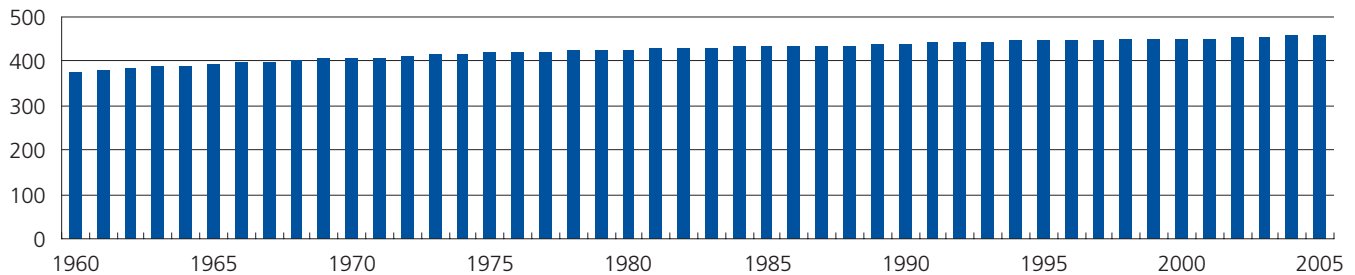
Eurostat predicts that the EU-25's population will rise under normal conditions to a high of about 470 million persons in 2025 and fall thereafter to about 450 million by 2050. However, the development will depend to some degree on variable factors, such as net migration, which are difficult to forecast. The changes expected will not be distributed equally across the Member States, as the populations of Cyprus, Ireland, Luxembourg and Sweden are all forecast to rise considerably, while on the other hand the number of inhabitants in the Baltic States, the Czech Republic, Slovakia, Hungary and Poland is forecast to fall by more than 10 % overall between 2005 and 2050. Note that these reductions may be the result of relatively

1

**Figure 1.1: Total population, EU-25**

(at 1 January, million)

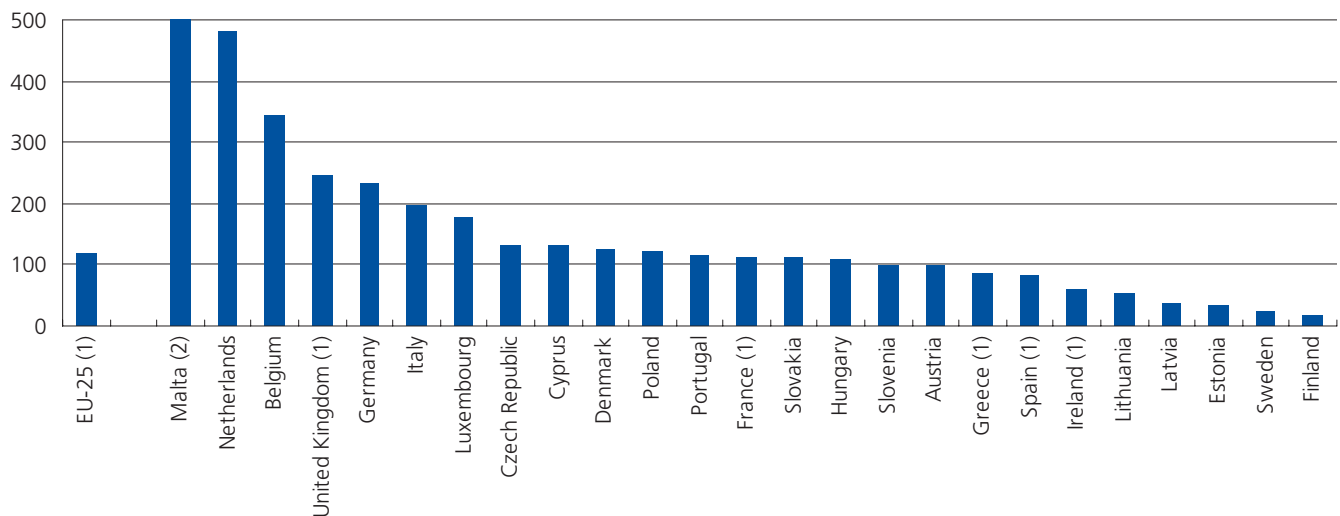
TPS00001



The inhabitants of a given area on 1 January of the year in question (or, in some cases, on 31 December of the previous year); The population is based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers.

**Figure 1.2: Population density, 2004**(inhabitants per km<sup>2</sup>)

TPS00003



(1) 2003.

(2) Broken y-axis, 1 271.5 inhabitants per km<sup>2</sup>.

The ratio of the mid-year population of a territory on a given date to the size of the territory.





low fertility rates, although migration also plays an important role, as there is a considerable stream of young to middle aged persons leaving some of the 10 Member States that joined the EU-25 in 2004 for other Member States.

There are significant differences in population density figures across the EU, with the most densely populated countries including Malta (1 272 inhabitants per km<sup>2</sup>), the Netherlands (482) and Belgium (344) in 2004. On the other hand, Finland (17) and Sweden (22) reported the lowest population densities.

The proportion of young persons within the EU-25 population is decreasing and the share of old persons increasing. The percentage of those aged up to and including 14 years old decreased from 25.3 % in 1960 to 16.4 % by 2004. At the same time, the proportion of the population aged 65 or over rose from 10.0 % in 1960 to 12.5 % by 2004.

**Table 1.1: Total population**

(at 1 January, million)

TPS00001

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>EU-25</b>	445.9	446.8	447.7	448.5	449.2	450.4	451.4	453.0	455.0	457.2	459.5
<b>EU-15</b>	370.7	371.7	372.6	373.4	374.3	375.5	377.0	378.7	380.8	383.0	385.4
<b>Euro area</b>	298.7	299.5	300.3	300.9	301.5	302.5	303.8	305.2	307.1	309.0	310.9
<b>Belgium</b>	10.1	10.1	10.2	10.2	10.2	10.2	10.3	10.3	10.4	10.4	10.4
<b>Czech Republic</b>	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.2	10.2	10.2	10.2
<b>Denmark</b>	5.2	5.3	5.3	5.3	5.3	5.3	5.3	5.4	5.4	5.4	5.4
<b>Germany</b>	81.5	81.8	82.0	82.1	82.0	82.2	82.3	82.4	82.5	82.5	82.5
<b>Estonia</b>	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.3
<b>Greece</b>	10.6	10.7	10.7	10.8	10.9	10.9	10.9	11.0	11.0	11.0	11.1
<b>Spain</b>	39.3	39.4	39.5	39.6	39.8	40.0	40.5	41.0	41.7	42.3	43.0
<b>France</b>	57.8	57.9	58.1	58.3	58.5	58.8	59.1	59.5	59.9	60.2	60.6
<b>Ireland</b>	3.6	3.6	3.7	3.7	3.7	3.8	3.8	3.9	4.0	4.0	4.1
<b>Italy</b>	56.8	56.8	56.9	56.9	56.9	56.9	57.0	57.0	57.3	57.9	58.5
<b>Cyprus</b>	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
<b>Latvia</b>	2.5	2.5	2.4	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3
<b>Lithuania</b>	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.5	3.4	3.4
<b>Luxembourg</b>	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
<b>Hungary</b>	10.3	10.3	10.3	10.3	10.3	10.2	10.2	10.2	10.1	10.1	10.1
<b>Malta</b>	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
<b>Netherlands</b>	15.4	15.5	15.6	15.7	15.8	15.9	16.0	16.1	16.2	16.3	16.3
<b>Austria</b>	7.9	8.0	8.0	8.0	8.0	8.0	8.0	8.1	8.1	8.1	8.2
<b>Poland</b>	38.6	38.6	38.6	38.7	38.7	38.7	38.3	38.2	38.2	38.2	38.2
<b>Portugal</b>	10.0	10.0	10.1	10.1	10.1	10.2	10.3	10.3	10.4	10.5	10.5
<b>Slovenia</b>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Slovakia</b>	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4
<b>Finland</b>	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.2	5.2	5.2	5.2
<b>Sweden</b>	8.8	8.8	8.8	8.8	8.9	8.9	8.9	8.9	8.9	9.0	9.0
<b>United Kingdom</b>	57.9	58.1	58.2	58.4	58.6	58.8	59.0	59.2	59.4	59.7	60.0
<b>Bulgaria</b>	8.4	8.4	8.3	8.3	8.2	8.2	7.9	7.9	7.8	7.8	7.8
<b>Croatia</b>	4.8	4.6	:	4.6	:	4.6	4.4	4.4	4.4	4.4	4.4
<b>Romania</b>	22.7	22.7	22.6	22.5	22.5	22.5	22.4	21.8	21.8	21.7	21.7
<b>Turkey</b>	:	:	:	:	:	:	:	:	70.2	70.7	71.6
<b>Iceland</b>	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<b>Liechtenstein</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Norway</b>	4.3	4.4	4.4	4.4	4.4	4.5	4.5	4.5	4.6	4.6	4.6
<b>Switzerland</b>	7.0	7.1	7.1	7.1	7.1	7.2	7.2	7.3	7.3	7.4	7.4

**Table 1.2: Population projections**

(at 1 January, million)

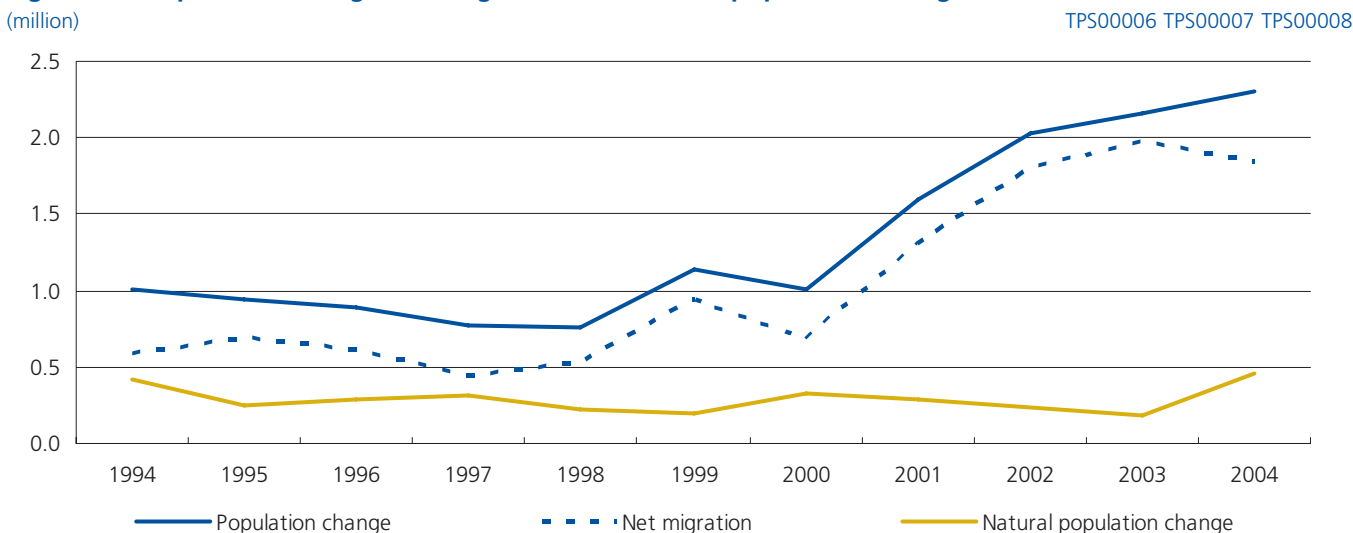
TPS00002

	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
<b>EU-25</b>	458.5	464.1	467.3	469.3	470.1	469.4	467.0	463.0	457.3	449.8
<b>EU-15</b>	384.5	390.7	394.7	397.5	398.8	398.7	397.3	394.6	390.3	384.4
<b>Euro area</b>	310.2	315.1	317.9	319.4	319.7	318.9	317.1	314.3	310.0	304.4
<b>Belgium</b>	10.4	10.6	10.7	10.8	10.9	11.0	11.0	11.0	11.0	10.9
<b>Czech Republic</b>	10.2	10.1	10.0	9.9	9.8	9.7	9.5	9.3	9.1	8.9
<b>Denmark</b>	5.4	5.5	5.5	5.5	5.6	5.6	5.6	5.5	5.5	5.4
<b>Germany</b>	82.6	82.8	82.9	82.7	82.1	81.1	79.9	78.4	76.7	74.6
<b>Estonia</b>	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.1	1.1
<b>Greece</b>	11.1	11.3	11.4	11.4	11.4	11.3	11.2	11.1	10.9	10.6
<b>Spain</b>	42.9	44.6	45.3	45.6	45.6	45.4	45.1	44.6	43.9	42.8
<b>France</b>	60.2	61.5	62.6	63.6	64.4	65.1	65.7	66.0	65.9	65.7
<b>Ireland</b>	4.1	4.3	4.6	4.8	4.9	5.1	5.2	5.3	5.4	5.5
<b>Italy</b>	58.2	58.6	58.6	58.3	57.8	57.1	56.3	55.3	54.2	52.7
<b>Cyprus</b>	0.7	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.0
<b>Latvia</b>	2.3	2.2	2.2	2.1	2.1	2.0	2.0	1.9	1.9	1.9
<b>Lithuania</b>	3.4	3.3	3.3	3.2	3.1	3.1	3.0	3.0	2.9	2.9
<b>Luxembourg</b>	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6
<b>Hungary</b>	10.1	10.0	9.8	9.7	9.6	9.5	9.4	9.2	9.1	8.9
<b>Malta</b>	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Netherlands</b>	16.3	16.7	17.0	17.2	17.4	17.6	17.7	17.6	17.5	17.4
<b>Austria</b>	8.1	8.3	8.4	8.4	8.5	8.5	8.5	8.4	8.3	8.2
<b>Poland</b>	38.1	37.8	37.4	37.1	36.8	36.5	36.1	35.4	34.5	33.7
<b>Portugal</b>	10.5	10.7	10.8	10.8	10.7	10.7	10.6	10.4	10.2	10.0
<b>Slovenia</b>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	1.9
<b>Slovakia</b>	5.4	5.3	5.3	5.3	5.2	5.2	5.1	5.0	4.9	4.7
<b>Finland</b>	5.2	5.3	5.4	5.4	5.4	5.4	5.4	5.4	5.3	5.2
<b>Sweden</b>	9.0	9.2	9.4	9.6	9.8	9.9	10.0	10.1	10.1	10.2
<b>United Kingdom</b>	59.9	60.9	61.9	62.9	63.8	64.4	64.7	64.7	64.6	64.3
<b>Bulgaria</b>	7.7	7.4	7.1	6.8	6.5	6.2	5.9	5.6	5.4	5.1
<b>Romania</b>	21.7	21.3	20.9	20.3	19.7	19.2	18.8	18.3	17.8	17.1

Population projections involve making population estimates or producing the most plausible figures for the years to come; estimates are made using the latest available figures for the population on 1 January; in general, key assumptions are made with respect to mortality, fertility and migration by sex and by age, and ageing techniques are applied to the population pyramid from year to year.



**Figure 1.3: Population change, net migration and natural population change, EU-25**



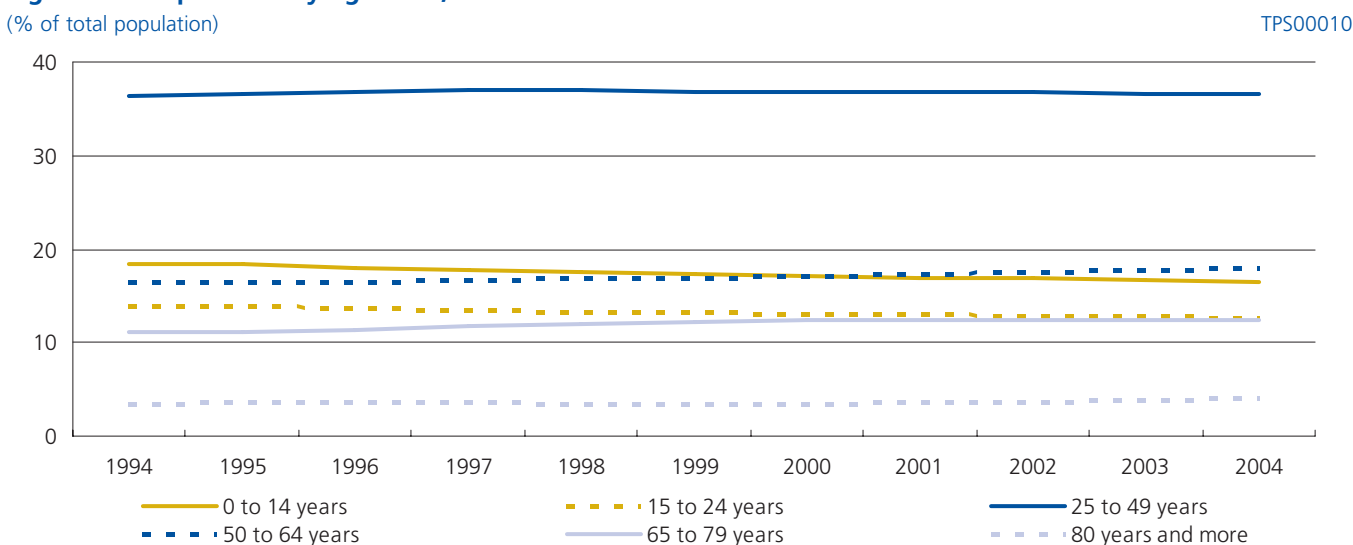
*Population change: the difference between the size of the population at the end and the beginning of a period; it is equal to the algebraic sum of natural increase and net migration (including corrections); there is negative change when both of these components are negative or when one is negative and has a higher absolute value than the other.*

*Net migration: the difference between immigration into and emigration from the area during the year (net migration is therefore negative when the number of emigrants exceeds the number of immigrants); since most countries either do not have accurate figures on immigration and emigration or have no figures at all, net migration is estimated on the basis of the difference between population change and natural increase between two dates; the statistics on net migration are therefore affected by all the statistical inaccuracies in the two components of this equation, especially population change.*

*Natural population change: the difference between the number of live births and the number of deaths during the year; the natural increase (or natural decrease) is negative when the number of deaths exceeds the number of births.*

1

**Figure 1.4: Population by age class, EU-25**



*The inhabitants of a given area on 1 January of the year in question (or, in some cases, on 31 December of the previous year); the population is based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers.*

**Table 1.3: Population by age class, 2005**

(% of total population)

TPS00010

	<b>0 to 14 years</b>	<b>15 to 24 years</b>	<b>25 to 49 years</b>	<b>50 to 64 years</b>	<b>65 to 79 years</b>	<b>80 years and more</b>
<b>EU-25 (1)</b>	16.4	12.7	36.6	17.9	12.5	4.0
<b>EU-15 (1)</b>	16.3	12.2	36.6	17.9	12.8	4.2
<b>Euro area (1)</b>	15.8	12.1	37.0	17.9	13.1	4.2
<b>Belgium (1)</b>	17.3	12.1	36.0	17.5	13.0	4.1
<b>Czech Republic</b>	14.9	13.4	36.9	20.8	11.0	3.0
<b>Denmark</b>	18.8	11.0	35.4	19.7	10.9	4.1
<b>Germany</b>	14.5	11.7	36.7	18.5	14.3	4.3
<b>Estonia (1)</b>	16.0	15.4	34.7	17.7	13.2	3.0
<b>Greece (1)</b>	14.5	12.9	37.4	17.4	14.6	3.3
<b>Spain</b>	14.5	12.3	40.0	16.4	12.5	4.3
<b>France</b>	18.5	13.0	34.5	17.6	11.9	4.5
<b>Ireland</b>	20.7	15.5	37.2	15.4	8.5	2.7
<b>Italy (1)</b>	14.1	10.6	37.6	18.5	14.4	4.8
<b>Cyprus</b>	19.2	15.9	36.7	16.3	9.3	2.6
<b>Latvia</b>	14.8	15.6	35.4	17.6	13.5	3.0
<b>Lithuania</b>	17.1	15.4	36.1	16.3	12.3	2.8
<b>Luxembourg</b>	18.7	11.5	38.7	16.8	11.1	3.2
<b>Hungary</b>	15.6	13.1	36.0	19.7	12.3	3.3
<b>Malta</b>	17.6	14.5	34.9	19.6	10.4	2.9
<b>Netherlands</b>	18.5	12.0	36.8	18.7	10.5	3.5
<b>Austria</b>	16.1	12.3	37.8	17.8	11.8	4.2
<b>Poland</b>	16.7	16.5	36.1	17.6	10.6	2.5
<b>Portugal</b>	15.6	12.6	37.2	17.5	13.2	3.8
<b>Slovenia</b>	14.4	13.4	38.0	18.8	12.3	3.0
<b>Slovakia</b>	17.1	16.1	37.9	17.3	9.3	2.4
<b>Finland</b>	17.5	12.4	33.5	20.7	12.0	3.9
<b>Sweden</b>	17.6	12.2	33.4	19.6	11.9	5.4
<b>United Kingdom (1)</b>	18.2	12.9	35.3	17.6	11.6	4.3
<b>Bulgaria</b>	13.8	13.7	35.4	19.9	14.0	3.1
<b>Croatia (1)</b>	16.3	13.4	35.4	18.4	13.9	2.6
<b>Romania</b>	15.9	15.5	36.9	17.0	12.3	2.4
<b>Turkey</b>	28.6	18.0	36.9	10.6	:	:
<b>Iceland</b>	22.3	14.7	35.7	15.5	8.7	3.1
<b>Liechtenstein</b>	17.6	12.5	39.7	19.1	8.3	2.9
<b>Norway</b>	19.7	12.2	35.5	17.9	10.1	4.6
<b>Switzerland</b>	16.3	11.8	37.6	18.5	11.4	4.4

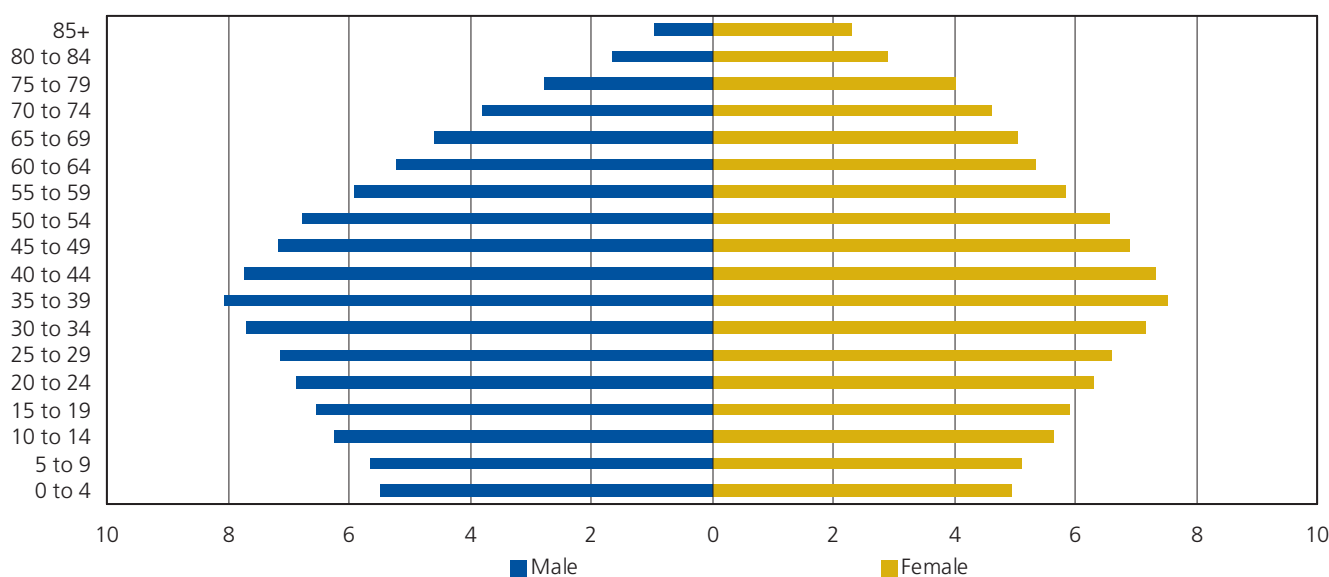
(1) 2004.

The inhabitants of a given area on 1 January of the year in question (or, in some cases, on 31 December of the previous year); the population is based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers.



**Figure 1.5: Age pyramid, EU-25, 2003**

(% of total male/female population)



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### EU POPULATION COMPARED WITH OTHER WORLD REGIONS

The evolution of the EU's population is part of a wider trend, as all parts of the world will witness demographic ageing over the next century. Nevertheless, while the population of neighbouring regions in Europe, Africa and the Middle East will start to age, they will continue to grow, as will the population of the United States.

Despite its somewhat faster growth in recent years, the EU's population is developing at a relatively slow pace when compared with other world regions<sup>(10)</sup>. Between 1960 and 2005 the world's population more than doubled, rising from 3 024 million inhabitants to 6 465 million. During the same period, the population of the EU-25 rose by only 22.6 % to 461 million inhabitants, which was equivalent to 7.1 % of the world total.

The fastest expansion in world population during the last 45 years was reported in the developing world, in particular, Africa, Latin America and parts of Asia. The number of inhabitants in each of India (1 103 million) and China (1 316 million) was over a billion persons, and together these two countries represented more than one third (37.4 %) of the world's population in 2005.

<sup>(10)</sup> The data presented for the EU 25 within this section is the same information that was used in the previous section; data for other world regions is sourced from the Population Division of the Department of Economic and Social Affairs at the United Nations.



According to United Nations' forecasts, the pace at which the world's population will increase in the coming decades is expected to slow in many regions. The proportion of the world's population living in more developed regions including the EU-25, Japan, the Russian Federation and the United States will fall between 2000 and 2050 from 19.6 % to 13.6 %. Less developed regions of the world, including Africa and Latin America are expected to account for the majority of the world's population growth in the next 45 years.

**Table 1.4: World population**

(million)

	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005
<b>World</b>	3 024	3 338	3 697	4 074	4 442	4 844	5 280	5 692	6 086	6 465
<b>Europe (1)</b>	604	634	656	676	692	706	721	728	728	728
<b>Africa</b>	282	319	364	416	479	553	636	723	812	906
<b>Asia</b>	1 699	1 897	2 140	2 395	2 630	2 888	3 169	3 430	3 676	3 905
<b>Latin America and the Caribbean</b>	219	251	285	322	362	403	444	484	523	561
<b>Northern America</b>	204	220	232	243	256	269	283	299	315	331
<b>Oceania</b>	16	18	20	21	23	25	27	29	31	33
<b>EU-25</b>	376	393	407	417	426	432	438	446	452	461
<b>China</b>	657	729	831	928	999	1 070	1 155	1 219	1 274	1 316
<b>India</b>	442	495	555	621	689	766	849	936	1 021	1 103
<b>Japan</b>	94	99	104	112	117	121	124	125	127	128
<b>Russian Federation</b>	120	127	130	134	139	143	148	148	147	143
<b>United States</b>	186	200	210	220	231	243	256	270	284	298

(1) EU-25, Belarus, Bulgaria, Republic of Moldova, Romania, Russian Federation, Ukraine, Faeroe Islands, Iceland, Norway, Albania, Andorra, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, the former Yugoslav Republic of Macedonia, Liechtenstein and Switzerland.

Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs.

The inhabitants of a given area on 1 January of the year in question (or, in some cases, on 31 December of the previous year); the population is based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers.

**Table 1.5: World population**

(% share of world regions and some countries in total)

	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005
<b>Europe (1)</b>	20.0	19.0	17.7	16.6	15.6	14.6	13.7	12.8	12.0	11.3
<b>Africa</b>	9.3	9.6	9.8	10.2	10.8	11.4	12.0	12.7	13.4	14.0
<b>Asia</b>	56.2	56.8	57.9	58.8	59.2	59.6	60.0	60.3	60.4	60.4
<b>Latin America and the Caribbean</b>	7.2	7.5	7.7	7.9	8.2	8.3	8.4	8.5	8.6	8.7
<b>Northern America</b>	6.8	6.6	6.3	6.0	5.8	5.6	5.4	5.3	5.2	5.1
<b>Oceania</b>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>EU-25</b>	12.4	11.8	11.0	10.2	9.6	8.9	8.3	7.8	7.4	7.1
<b>China</b>	21.7	21.8	22.5	22.8	22.5	22.1	21.9	21.4	20.9	20.4
<b>India</b>	14.6	14.8	15.0	15.2	15.5	15.8	16.1	16.4	16.8	17.1
<b>Japan</b>	3.1	3.0	2.8	2.7	2.6	2.5	2.3	2.2	2.1	2.0
<b>Russian Federation</b>	4.0	3.8	3.5	3.3	3.1	3.0	2.8	2.6	2.4	2.2
<b>United States</b>	6.2	6.0	5.7	5.4	5.2	5.0	4.8	4.7	4.7	4.6

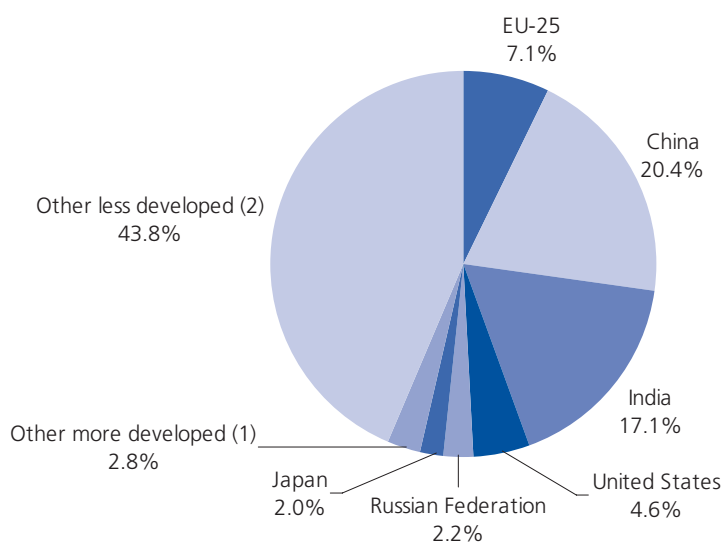
(1) EU-25, Belarus, Bulgaria, Republic of Moldova, Romania, Russian Federation, Ukraine, Faeroe Islands, Iceland, Norway, Albania, Andorra, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, the former Yugoslav Republic of Macedonia, Liechtenstein and Switzerland.

Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs



**Figure 1.6: World population, 2005**

(% of total)



(1) Excluding EU-25, Japan, United States and the Russian Federation.

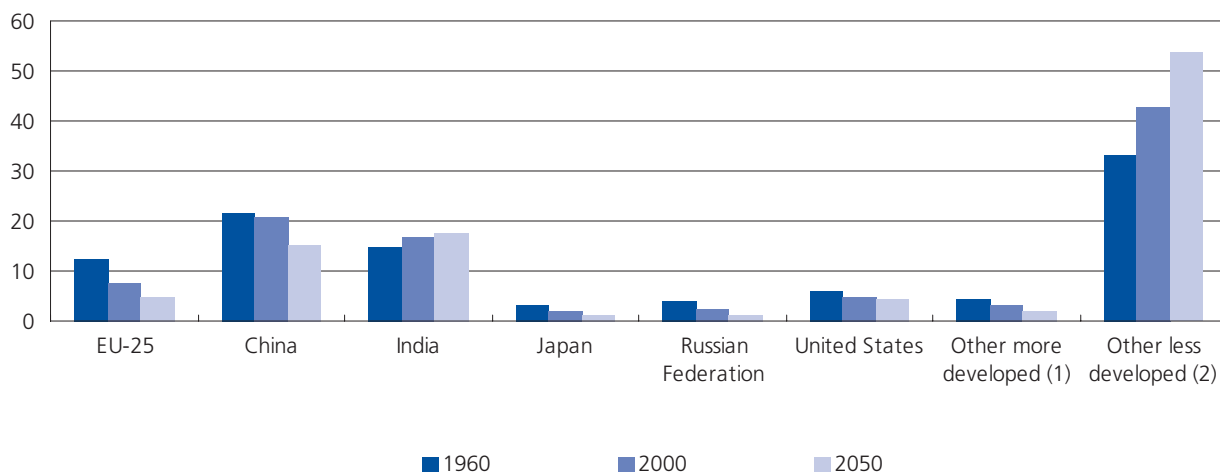
(2) Excluding China and India.

Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs.

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**Figure 1.7: World population**

(% of total)



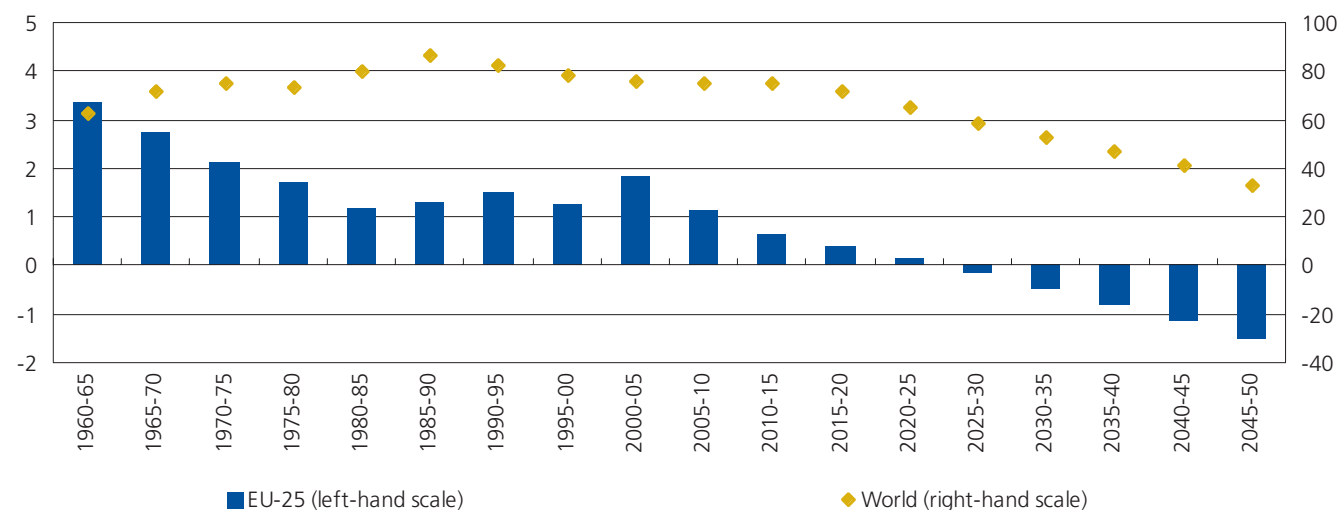
(1) Excluding EU-25, Japan, United States and the Russian Federation.

(2) Excluding China and India.

Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs.

**Figure 1.8: Population change**

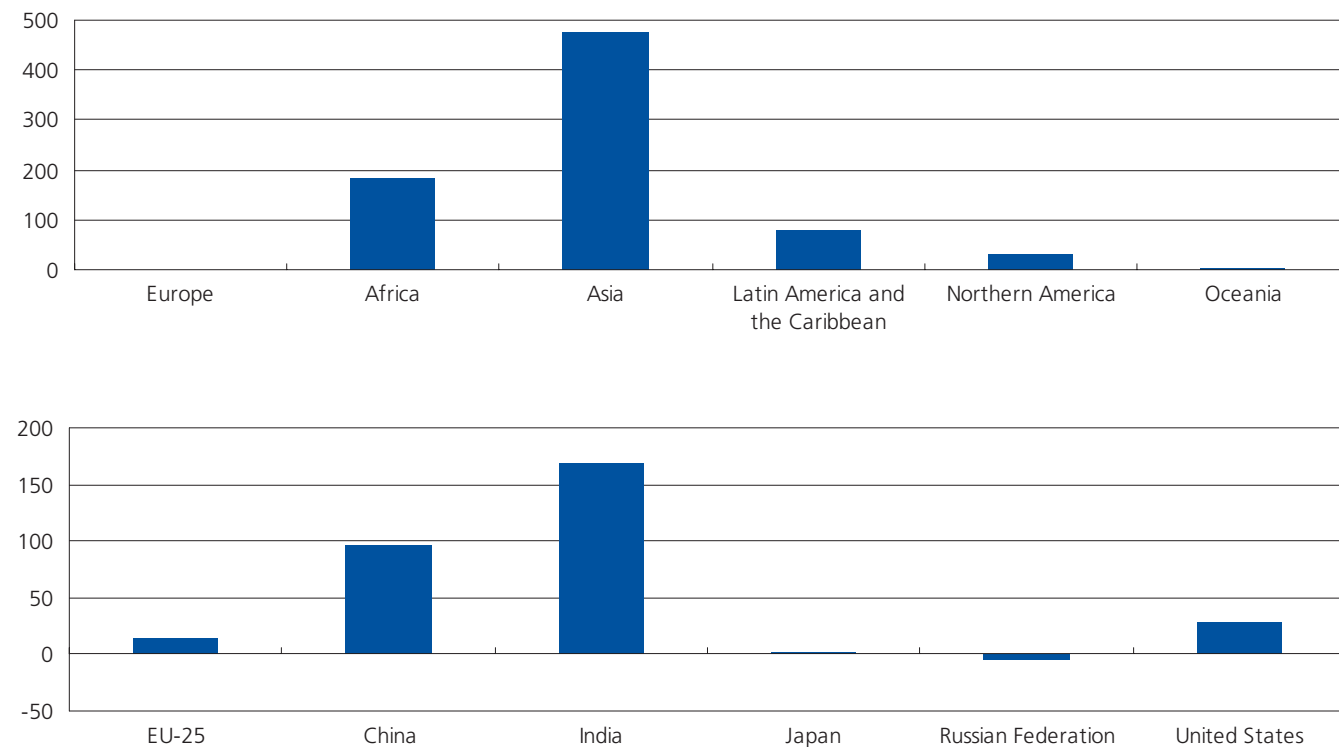
(average annual change, million)



Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs. The inhabitants of a given area on 1 January of the year in question (or, in some cases, on 31 December of the previous year); the population is based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers. The data presented include population projections.

**Figure 1.9: Increase in world population, 1995-2005**

(overall change, million)



Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs.





**LIFE EXPECTANCY AND MORTALITY**

The EU is facing unprecedented demographic changes that will have a major impact on many areas of society such as social systems, consumption patterns, education, and job markets in the coming decades. People are living much longer and in better health, while (as will be shown in the following section) fertility rates have dropped.

Increasing life expectancy and reductions in fertility have resulted in the profile of the EU-25's population becoming increasingly older. This demographic ageing means that the proportion of older people is rising in contrast to the share of those of working age (15 to 64). These demographic trends have serious economic and social consequences in a number of areas, including healthcare and benefit systems.

Eurostat's trend scenario <sup>(11)</sup> for population projections suggests that by 2050 the EU-25 will have 15 million fewer children (aged up to and including 14) compared with 2005, while the numbers of older people will rise. While those aged 55 to 64 will increase by about 4 million, it is with respect to the very elderly that the biggest change will be witnessed, as a total of 51 million citizens are projected to be aged over 80 by 2050 (which is more than twice as many as in 2005).

The proportion of the EU-25 population that were aged 65 and over stood at around 17 % in 2005; Eurostat forecasts that this ratio will rise to 30 % by 2050. These trends are also reflected in the old-age dependency ratio, which is expected to rise above 50 % for the EU-25 by 2045; this means that for every pensioner there will be less than two persons working. By 2045, the EU-25 is likely to have a significantly higher proportion of older persons than its main global competitors.

(11) Baseline variant.

In order to meet these challenges, the European Commission released a Green Paper in March 2005 entitled *'Faced with demographic change, a new solidarity between the generations'* <sup>(12)</sup>. The document addressed questions such as: how can the decline in population be reversed? Or how can society cope with the impact of an ageing population, while providing opportunities to the youngest members of society? More recently, the European Commission's 2006 annual progress report on growth and jobs tackles, among others, the challenges of an ageing population <sup>(13)</sup>.

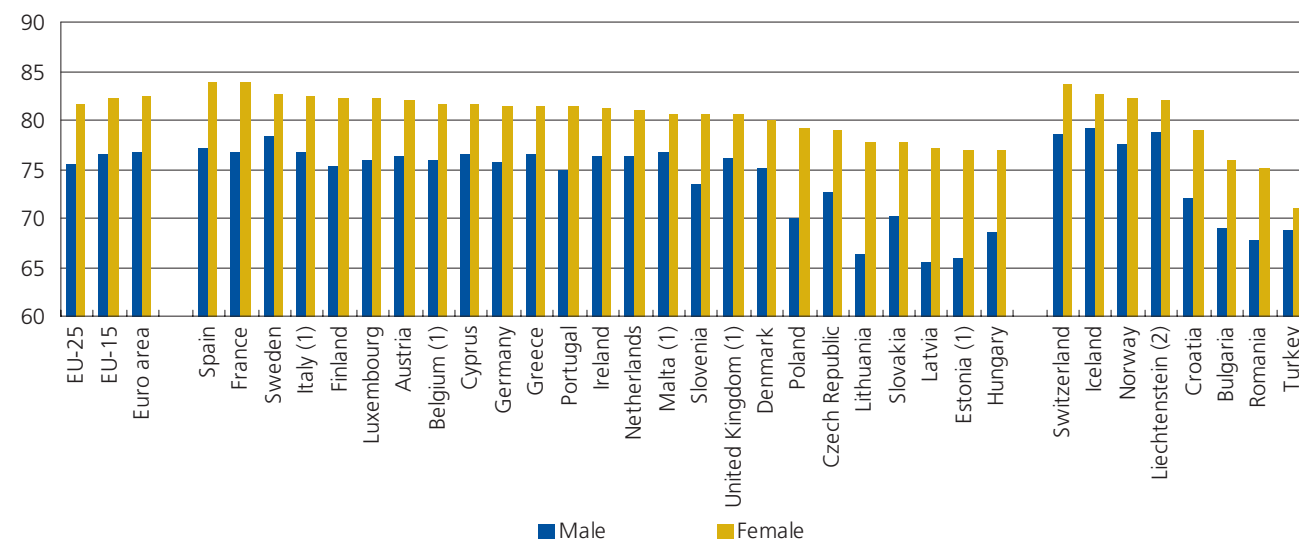
The EU's population is characterised by a relatively high life expectancy at birth. This statistic has increased by eight years for both men and women during the last 45 years. Although life expectancy is six years higher for women (81.2) than for men (75.1) in 2003 due to persistently higher male mortality throughout the entire life cycle, the gap between the sexes has narrowed in recent years in the majority of the Member States. EU-25 life expectancy at birth increased by 2.8 years for men between 1993 and 2003: the corresponding increase for women was 2.0 years. The convergence of life expectancy figures in recent years may be a consequence of more similar circumstances in terms of the lifestyles led by men and women in the EU — for example, fewer men are working in areas of the economy where high degrees of physical effort are required throughout the working day (agriculture, coal mining, or the manufacture of iron and steel).

(12) *'Confronting demographic change: a new solidarity between the generations'*, COM(2005) 94 ([http://ec.europa.eu/employment\\_social/news/2005/mar/comm2005-94\\_en.pdf](http://ec.europa.eu/employment_social/news/2005/mar/comm2005-94_en.pdf)).

(13) *'Time to move up a gear'* — annual progress report on growth and jobs (see [http://ec.europa.eu/growthandjobs/annual-report\\_en.htm](http://ec.europa.eu/growthandjobs/annual-report_en.htm)).

**Figure 1.10: Life expectancy at birth, 2004**

(years)



(1) 2003.

(2) 2002.

The mean number of years that a newborn child can expect to live if subjected throughout his/her life to the current mortality conditions (age specific probabilities of dying).

The progress made in medical care services is reflected in a decreasing infant mortality rate. In the course of the last four and a half decades the infant mortality rate in the EU-25 fell from over 36 deaths per 1 000 live births (in 1960) to just five (in 2003). The structural indicator, healthy life years, measures the number of remaining years that a person of a specific age is still

expected to live without any severe or moderate health problems or acquired disabilities. Rising life expectancy, medical progress, and greater public awareness as regards lifestyle choices may all explain the increasing trend in the number of healthy life years at birth. In 2003, men in the EU-15 averaged 64.5 healthy years, compared with 66.0 years for women.

**Table 1.6: Life expectancy at birth**

(years)

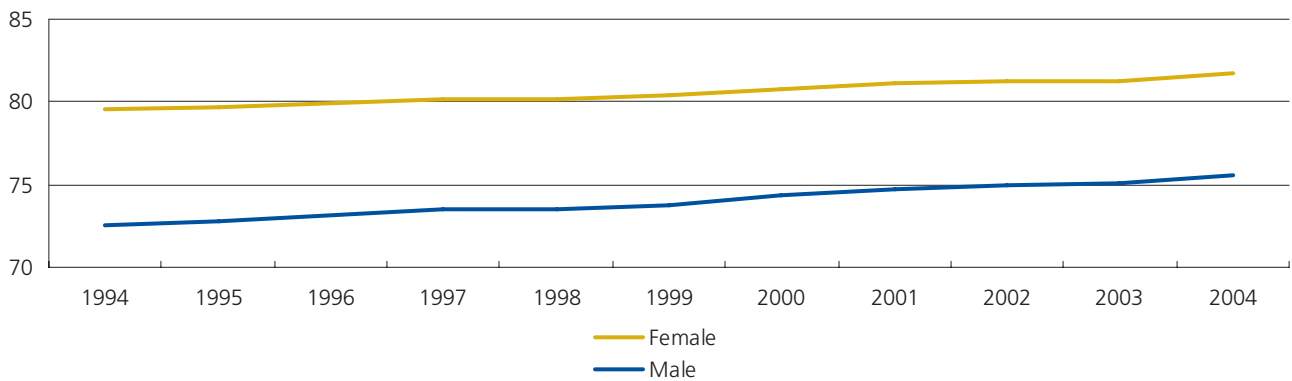
	Male						Female					
	1994	1996	1998	2000	2002	2004	1994	1996	1998	2000	2002	2004
<b>EU-25</b>	72.6	73.2	73.5	74.4	75.0	75.6	79.5	79.9	80.2	80.8	81.2	81.7
<b>EU-15</b>	73.8	74.2	74.6	75.4	75.9	76.6	80.3	80.6	80.9	81.4	81.7	82.2
<b>Euro area</b>	73.7	74.1	74.6	75.4	75.9	76.7	80.5	80.9	81.2	81.6	82.0	82.5
<b>Belgium</b>	73.4	73.8	74.3	74.6	75.1	:	80.1	80.5	80.5	80.8	81.1	:
<b>Czech Republic</b>	69.5	70.4	71.1	71.6	72.1	72.6	76.6	77.3	78.1	78.4	78.7	79.0
<b>Denmark</b>	72.7	73.1	73.9	74.5	74.8	75.2	78.1	78.2	78.8	79.3	79.5	79.9
<b>Germany</b>	73.1	73.6	74.5	75.0	75.4	75.7	79.6	79.9	80.6	81.0	81.2	81.4
<b>Estonia</b>	61.0	64.7	64.6	65.6	65.3	:	73.1	75.7	75.6	76.4	77.1	:
<b>Greece</b>	75.2	75.1	75.4	75.6	76.4	76.6	80.2	80.4	80.4	80.5	81.1	81.4
<b>Spain</b>	74.3	74.4	75.1	75.8	76.2	77.2	81.4	81.7	82.1	82.5	82.9	83.8
<b>France</b>	73.7	74.1	74.8	75.3	75.8	76.7	81.8	82.0	82.4	82.7	83.0	83.8
<b>Ireland</b>	73.0	73.1	73.4	73.9	75.2	76.4	78.6	78.7	79.0	79.1	80.3	81.2
<b>Italy</b>	74.6	75.3	75.7	76.6	76.8	:	81.0	81.4	81.8	82.5	82.9	:
<b>Cyprus</b>	:	:	75.3	:	:	76.6	:	:	80.4	:	:	81.7
<b>Latvia</b>	59.3	63.3	63.8	65.0	64.8	65.5	72.7	74.9	74.9	76.0	76.0	77.2
<b>Lithuania</b>	62.6	64.7	66.0	66.8	66.3	66.4	74.8	75.8	76.6	77.4	77.5	77.8
<b>Luxembourg</b>	73.2	73.3	73.7	74.8	74.9	76.0	79.7	79.9	80.5	81.1	81.5	82.2
<b>Hungary</b>	64.8	66.1	66.1	67.4	68.4	68.6	74.2	74.7	75.2	75.9	76.7	76.9
<b>Malta</b>	74.9	74.9	74.4	76.2	75.9	:	79.1	79.8	80.1	80.3	81.0	:
<b>Netherlands</b>	74.6	74.7	75.2	75.5	76.0	76.4	80.3	80.3	80.6	80.5	80.7	81.1
<b>Austria</b>	73.2	73.7	74.5	75.1	75.8	76.4	79.6	80.1	80.8	81.1	81.7	82.1
<b>Poland</b>	67.5	68.1	68.9	69.7	70.4	70.0	76.1	76.6	77.3	77.9	78.7	79.2
<b>Portugal</b>	71.8	71.4	72.2	73.2	73.8	74.9	78.7	78.8	79.3	80.0	80.5	81.4
<b>Slovenia</b>	69.9	70.8	69.9	72.3	72.6	73.5	77.8	78.3	77.8	79.7	80.5	80.7
<b>Slovakia</b>	68.3	68.9	68.6	69.1	69.8	70.3	76.5	76.8	76.7	77.4	77.7	77.8
<b>Finland</b>	72.8	73.0	73.5	74.2	74.9	75.3	80.1	80.5	80.8	81.0	81.5	82.3
<b>Sweden</b>	76.1	76.5	76.9	77.4	77.7	78.4	81.4	81.5	81.9	82.0	82.1	82.7
<b>United Kingdom</b>	74.1	74.3	74.8	75.4	75.9	:	79.3	79.5	79.7	80.2	80.5	:
<b>Bulgaria</b>	:	67.1	:	68.4	68.9	68.9	:	74.3	:	75.1	75.6	76.0
<b>Croatia</b>	:	:	:	70.5	71.2	72.0	:	:	:	77.8	78.3	79.0
<b>Romania</b>	65.7	65.2	65.5	67.7	67.5	67.7	73.4	73.0	73.3	74.6	74.9	75.1
<b>Turkey</b>	:	:	:	:	:	68.8	:	:	:	:	:	71.1
<b>Iceland</b>	77.1	76.5	77.7	78.4	78.7	79.2	81.2	81.2	81.5	81.8	82.5	82.7
<b>Liechtenstein</b>	:	:	:	:	78.7	:	:	:	:	:	82.1	:
<b>Norway</b>	74.9	75.4	75.6	76.0	76.4	77.5	80.6	81.0	81.3	81.4	81.5	82.3
<b>Switzerland</b>	75.2	75.9	76.3	76.9	77.8	78.6	81.7	82.0	82.4	82.6	83.0	83.7

The mean number of years that a newborn child can expect to live if subjected throughout his life to the current mortality conditions (age specific probabilities of dying).



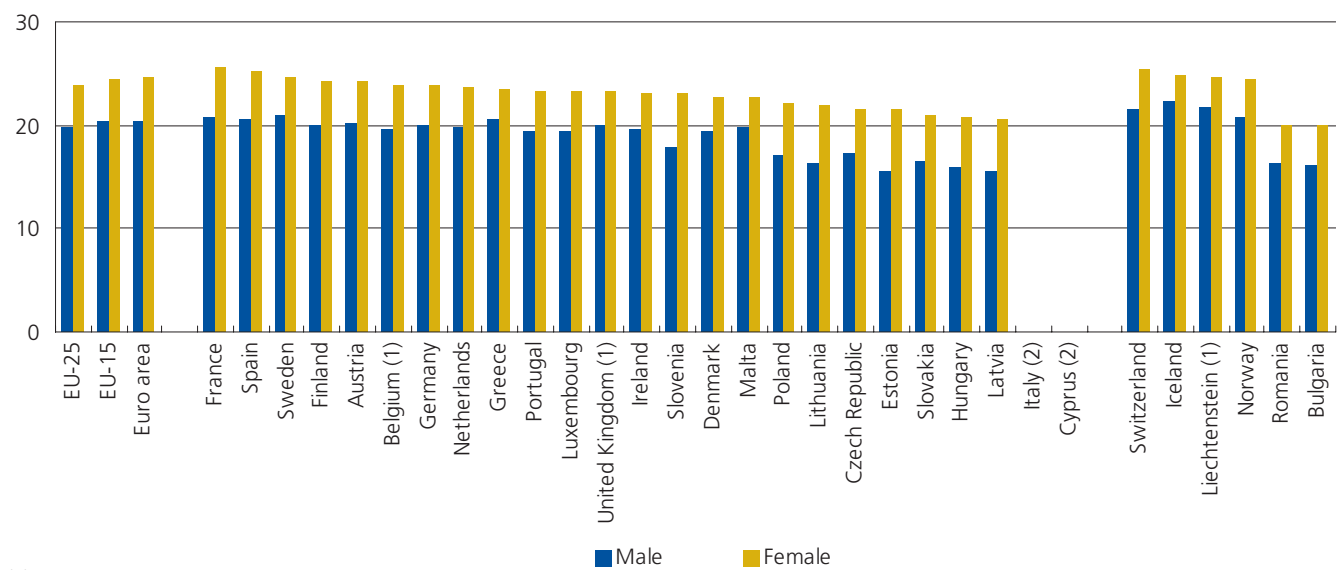
**Figure 1.11: Life expectancy at birth, EU-25**

(years)



**Figure 1.12: Life expectancy at 60, 2003**

(years)



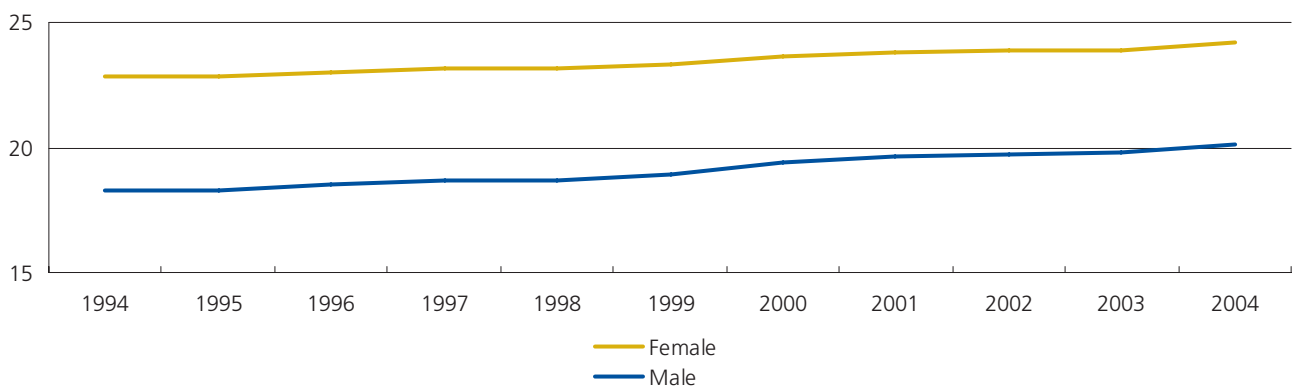
(1) 2002.

(2) Not available.

The mean number of years still to be lived by a person who has reached 60, if subjected throughout the rest of his/her life to the current mortality conditions (age specific probabilities of dying).

**Figure 1.13: Life expectancy at 60, EU-25**

(years)



**Table 1.7: Proportion of the population aged 65 and over**

(% of total population)

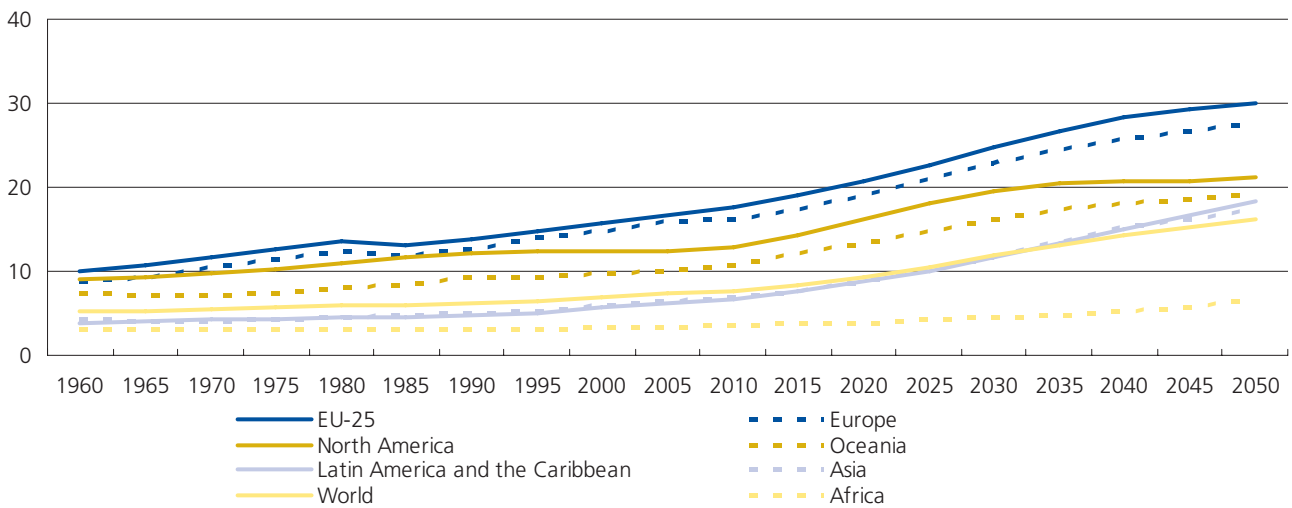
	1960	1970	1980	1990	2000	2010	2020	2030	2040	2050
<b>EU-25</b>	10.0	11.7	13.5	13.9	15.7	17.6	20.7	24.7	28.3	29.9
<b>EU-15</b>	10.6	12.1	13.9	14.5	16.3	18.2	21.0	25.1	28.8	30.0
<b>Euro area</b>	10.3	11.9	13.6	14.2	16.3	18.5	21.4	25.6	29.6	31.1
<b>Belgium</b>	12.0	13.3	14.3	14.8	16.8	17.5	20.5	24.7	27.3	27.7
<b>Czech Republic</b>	9.5	11.9	13.6	12.5	13.8	15.5	20.8	23.6	26.8	31.0
<b>Denmark</b>	10.5	12.2	14.3	15.6	14.8	16.3	20.0	22.6	24.7	24.1
<b>Germany</b>	11.5	13.5	15.7	14.9	16.2	20.4	22.6	27.5	31.1	31.5
<b>Estonia</b>	:	11.7	12.5	11.6	15.0	16.9	18.7	21.2	23.1	25.7
<b>Greece</b>	9.4	11.1	13.1	13.7	16.5	18.8	21.1	24.6	29.2	32.5
<b>Spain</b>	8.2	9.5	10.8	13.4	16.7	17.2	19.8	24.7	31.2	35.7
<b>France</b>	11.1	11.1	10.7	11.4	11.2	16.8	20.7	24.2	26.8	27.3
<b>Ireland</b>	9.3	10.8	13.1	14.7	18.1	11.8	14.7	18.3	22.2	26.2
<b>Italy</b>	:	:	10.1	10.8	11.2	20.5	23.3	27.5	33.1	35.3
<b>Cyprus</b>	:	11.9	13.0	11.8	14.8	13.4	17.2	21.0	22.9	26.1
<b>Latvia</b>	:	10.0	11.3	10.8	13.7	17.4	18.4	21.3	23.5	26.1
<b>Lithuania</b>	10.8	12.5	13.7	13.4	14.3	16.1	17.5	21.4	24.4	26.7
<b>Luxembourg</b>	8.9	11.5	13.5	13.2	15.0	14.6	16.5	19.8	22.3	22.1
<b>Hungary</b>	:	:	:	11.0	12.1	16.7	20.3	22.3	24.8	28.1
<b>Malta</b>	8.9	10.1	11.5	12.8	13.6	14.2	19.4	22.4	22.5	24.7
<b>Netherlands</b>	12.1	14.0	15.5	14.9	15.4	14.9	18.8	22.5	24.6	23.5
<b>Austria</b>	5.8	8.2	10.2	10.0	12.1	17.7	20.0	25.1	29.3	30.4
<b>Poland</b>	7.8	9.2	11.2	13.2	16.0	13.5	18.2	22.6	24.8	29.4
<b>Portugal</b>	:	9.7	10.9	10.6	13.9	17.7	20.3	24.3	28.5	31.9
<b>Slovenia</b>	6.8	9.1	10.6	10.3	11.4	16.5	20.4	25.1	28.4	31.1
<b>Slovakia</b>	7.2	9.0	11.9	13.3	14.8	12.3	16.3	20.8	24.1	29.3
<b>Finland</b>	11.7	13.6	16.2	17.8	17.3	16.9	22.6	26.1	26.7	27.0
<b>Sweden</b>	11.7	13.0	14.9	15.7	15.8	18.3	21.2	23.1	24.6	24.3
<b>United Kingdom</b>	7.4	9.4	11.8	13.0	16.2	16.6	19.5	22.9	25.9	26.6
<b>Bulgaria</b>	:	:	:	:	12.4	17.8	21.7	25.6	29.2	33.5
<b>Croatia</b>	:	:	10.3	10.3	13.2	:	:	:	:	:
<b>Romania</b>	8.2	8.8	9.8	10.6	11.6	14.8	17.1	19.8	24.9	29.6
<b>Iceland</b>	8.0	7.9	:	10.0	10.5	:	:	:	:	:
<b>Liechtenstein</b>	10.9	12.8	14.7	16.3	15.3	:	:	:	:	:
<b>Norway</b>	10.2	11.2	13.8	14.6	15.3	:	:	:	:	:
<b>Switzerland</b>	10.4	11.8	14.1	15.1	15.2	:	:	:	:	:

The proportion of inhabitants aged 65 years or more as a share of the total population.



**Figure 1.14: Proportion of the population aged 65 and over in selected world regions**

(% of total population)

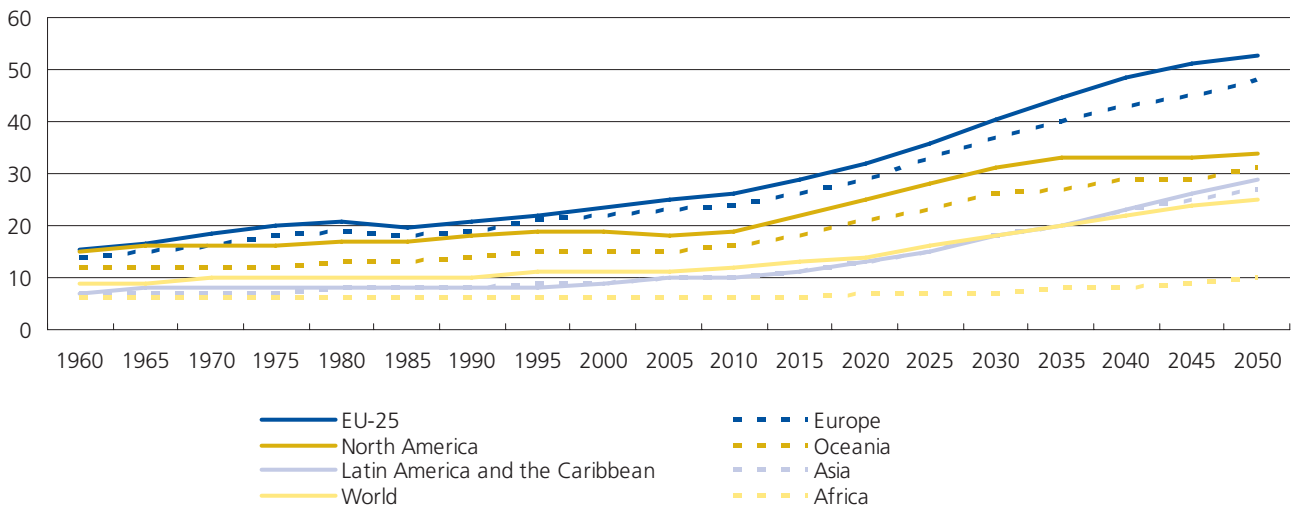


Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs.

1

**Figure 1.15: Old-age dependency ratio in selected world regions**

(%)



Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs.

The ratio between the total number of elderly persons of an age when they are generally economically inactive (aged 65 and over) and the number of persons of working age (from 15 to 64).

Table 1.8: Old-age dependency ratio

(%)

	1995	2000	2005	2010	2015	2020	2025	2030	2035	2040	2045	2050
<b>EU-25</b>	22.1	23.4	24.9	26.3	28.9	32.1	35.7	40.3	44.8	48.5	51.0	52.8
<b>EU-15</b>	23.0	24.3	25.9	27.5	30.1	32.8	36.3	41.2	46.3	50.0	52.0	53.2
<b>Belgium</b>	23.8	25.5	26.3	26.4	29.1	32.2	36.5	41.3	45.1	47.2	47.8	48.1
<b>Czech Republic</b>	19.3	19.8	19.8	21.9	26.8	31.8	35.0	37.1	39.0	43.8	51.2	54.8
<b>Denmark</b>	22.7	22.2	22.6	24.8	28.7	31.2	33.8	37.1	40.4	42.1	42.0	40.0
<b>Germany</b>	22.5	23.9	27.8	31.0	32.0	35.1	39.3	46.0	52.6	54.6	54.9	55.8
<b>Estonia</b>	20.2	22.4	24.1	24.7	26.3	28.7	31.3	33.4	34.5	36.6	39.1	43.1
<b>Greece</b>	22.2	24.2	26.8	28.0	30.3	32.5	35.5	39.1	44.3	49.8	55.2	58.8
<b>Spain</b>	22.3	24.5	24.5	25.4	27.7	30.0	33.6	38.9	45.9	54.3	63.2	67.5
<b>France</b>	23.0	24.6	25.3	25.9	29.5	33.2	36.9	40.7	44.1	46.9	47.2	47.9
<b>Ireland</b>	17.8	16.8	16.5	17.5	19.9	22.5	25.2	28.3	31.6	35.9	40.9	45.3
<b>Italy</b>	24.0	26.8	29.4	31.3	34.3	36.6	39.7	45.2	52.4	59.8	64.6	66.0
<b>Cyprus</b>	17.2	17.0	17.7	19.1	22.1	25.5	29.3	32.9	34.7	36.1	38.2	43.2
<b>Latvia</b>	20.5	22.1	24.1	25.2	26.3	28.0	30.7	33.4	34.9	37.4	39.9	44.1
<b>Lithuania</b>	18.5	20.8	22.5	23.4	24.2	26.0	29.2	33.4	36.5	39.3	41.2	44.9
<b>Luxembourg</b>	20.6	21.4	21.2	21.6	22.8	24.7	27.7	31.5	35.1	36.7	36.6	36.1
<b>Hungary</b>	20.9	22.0	22.8	24.3	26.7	31.2	34.5	35.1	36.9	40.3	45.9	48.3
<b>Malta</b>	16.3	17.9	19.2	20.4	25.7	30.0	33.8	36.0	35.5	35.9	38.0	40.6
<b>Netherlands</b>	19.3	20.0	20.7	22.2	26.0	29.0	32.5	36.7	40.3	41.6	40.2	38.6
<b>Austria</b>	22.5	22.9	23.6	26.3	28.1	30.3	34.5	40.8	47.1	50.4	51.5	53.2
<b>Poland</b>	16.6	17.6	18.7	18.8	21.7	27.1	32.8	35.7	37.1	39.7	44.3	51.0
<b>Portugal</b>	21.9	23.7	25.2	26.5	28.8	31.5	34.7	39.0	43.4	48.9	54.7	58.1
<b>Slovenia</b>	17.4	19.8	21.7	23.6	25.9	30.8	35.8	40.4	44.5	47.7	52.1	55.6
<b>Slovakia</b>	16.3	16.6	16.3	16.9	19.1	23.5	28.1	31.7	34.2	38.1	44.5	50.6
<b>Finland</b>	21.1	22.2	23.7	25.4	31.6	37.0	41.4	45.0	47.0	46.1	46.1	46.7
<b>Sweden</b>	27.4	26.9	26.4	28.0	32.0	34.4	36.5	38.5	40.6	41.5	41.2	40.9
<b>United Kingdom</b>	24.3	23.9	24.4	25.1	28.1	30.3	33.2	37.4	41.4	43.8	44.2	45.3
<b>Bulgaria</b>	22.2	23.8	24.9	25.6	29.0	33.0	36.9	40.4	43.7	48.8	55.4	60.9
<b>Croatia</b>	:	18.2	:	:	:	:	:	:	:	:	:	:
<b>Romania</b>	17.6	19.3	21.1	21.2	22.1	25.1	28.5	29.6	34.4	39.6	46.1	51.1
<b>Iceland</b>	17.3	17.8	:	:	:	:	:	:	:	:	:	:
<b>Norway</b>	24.8	23.5	:	:	:	:	:	:	:	:	:	:

The ratio between the total number of elderly persons of an age when they are generally economically inactive (aged 65 and over) and the number of persons of working age (from 15 to 64).

**Table 1.9: Infant mortality**

(per 1 000 live births)

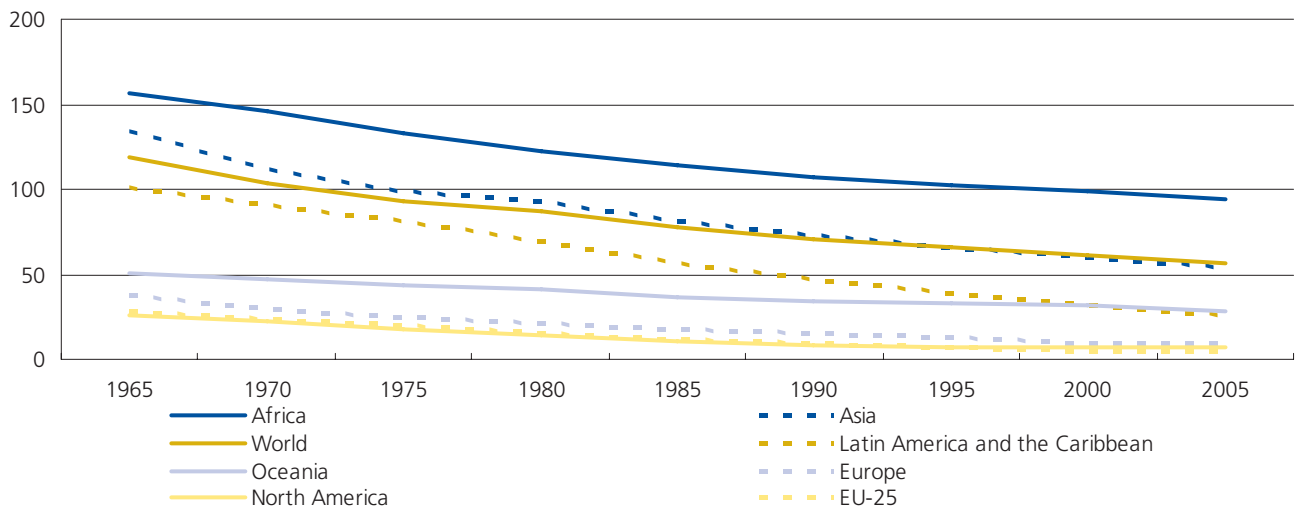
	1960	1965	1970	1975	1980	1985	1990	1995	2000	2004
<b>EU-25</b>	:	27.8	23.9	19.7	14.8	11.9	9.2	6.7	5.2	4.6
<b>EU-15</b>	33.3	26.5	22.5	18.5	12.7	9.8	7.6	5.6	4.7	4.3
<b>Euro area</b>	35.9	28.4	23.7	18.8	12.7	9.6	7.6	5.6	4.5	4.1
<b>Belgium</b>	23.9	23.7	21.1	16.1	12.1	9.8	6.5	5.9	4.8	4.7
<b>Czech Republic</b>	20.0	23.7	20.2	19.4	16.9	12.5	10.8	7.7	4.1	3.7
<b>Denmark</b>	21.5	18.7	14.2	10.3	8.4	8.0	7.5	5.1	5.3	4.4
<b>Germany</b>	35.0	24.1	22.5	18.9	12.4	9.1	7.0	5.3	4.4	4.1
<b>Estonia</b>	31.1	20.3	17.6	18.1	17.1	14.1	12.3	14.9	8.4	6.3
<b>Greece</b>	40.1	34.3	29.6	24.0	17.9	14.1	9.7	8.1	5.9	3.9
<b>Spain</b>	35.4	29.3	20.7	18.9	12.3	8.9	7.6	5.5	3.9	3.5
<b>France</b>	:	:	:	:	:	:	:	:	:	:
<b>Ireland</b>	29.3	25.3	19.5	17.5	11.1	8.8	8.2	6.4	6.2	4.9
<b>Italy</b>	43.3	35.0	29.0	20.8	14.6	10.5	8.2	6.2	4.5	4.1
<b>Cyprus</b>	:	32.0	26.0	18.3	14.4	14.3	12.9	9.7	5.6	3.5
<b>Latvia</b>	26.9	18.9	17.8	20.3	15.4	13.0	13.7	18.8	10.4	9.4
<b>Lithuania</b>	38.0	24.7	19.3	19.6	14.5	14.2	10.2	12.5	8.6	7.9
<b>Luxembourg</b>	31.6	24.0	25.0	14.8	11.4	9.0	7.3	5.6	5.1	3.9
<b>Hungary</b>	47.6	38.8	35.9	32.9	23.2	20.4	14.8	10.7	9.2	6.6
<b>Malta</b>	38.1	35.0	27.9	18.4	15.2	14.6	9.1	8.9	6.0	5.9
<b>Netherlands</b>	16.5	14.4	12.7	10.6	8.6	8.0	7.1	5.5	5.1	4.1
<b>Austria</b>	37.5	28.3	25.9	20.5	14.3	11.2	7.8	5.4	4.8	4.5
<b>Poland</b>	56.1	41.6	36.4	24.8	25.4	22.1	19.4	13.6	8.1	6.8
<b>Portugal</b>	77.5	64.9	55.5	38.9	24.2	17.8	11.0	7.5	5.5	4.0
<b>Slovenia</b>	35.1	29.6	24.6	17.2	15.3	13.1	8.3	5.5	4.9	3.7
<b>Slovakia</b>	28.6	28.5	25.7	23.7	20.9	16.3	12.0	11.0	8.6	6.8
<b>Finland</b>	21.0	17.6	13.2	9.6	7.6	6.3	5.6	3.9	3.8	3.3
<b>Sweden</b>	16.6	13.3	11.0	8.6	6.9	6.8	6.0	4.1	3.4	3.1
<b>United Kingdom</b>	22.5	19.6	18.5	18.9	13.9	11.1	7.9	6.2	5.6	5.1
<b>Bulgaria</b>	45.1	30.8	27.3	23.0	20.2	15.4	14.8	14.8	13.3	11.6
<b>Croatia</b>	70.4	49.5	34.2	23.0	20.6	16.6	10.7	8.9	7.4	6.1
<b>Romania</b>	75.8	44.1	49.4	34.7	29.3	25.6	26.9	21.2	18.6	16.8
<b>Turkey</b>	:	:	:	:	:	:	:	:	:	21.5
<b>Iceland</b>	13.1	15.1	13.3	12.5	7.8	5.6	5.8	6.0	3.0	2.8
<b>Liechtenstein</b>	20.0	22.5	12.5	6.7	7.5	10.0	0.0	0.0	:	2.7
<b>Norway</b>	15.9	14.6	11.3	9.5	8.1	8.5	6.9	4.0	3.8	3.2
<b>Switzerland</b>	21.1	17.9	15.1	10.7	9.1	6.9	6.8	5.0	4.9	4.2

The ratio of the number of deaths of children under 1 year of age during the year to the number of live births in that year.



**Figure 1.16: Infant mortality (1)**

(per 1 000 live births)



(1) All data (excluding EU-25) are averages of the five-year period up to and including the reference period referred to in the figure.

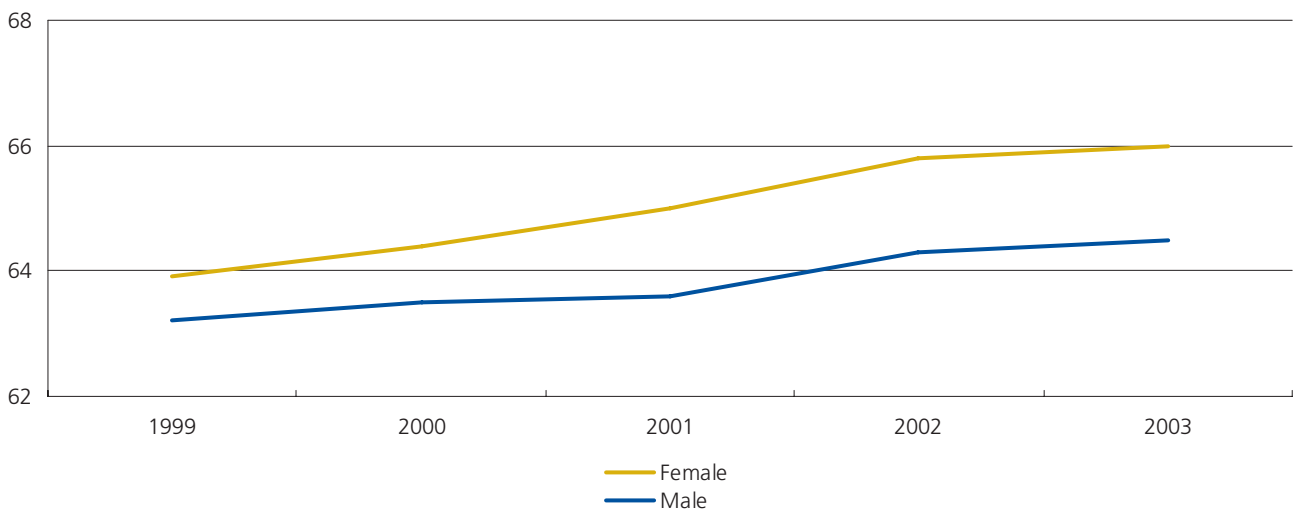
Source (excluding EU-25): United Nations, Population Division of the Department of Economic and Social Affairs.

The ratio of the number of deaths of children under 1 year of age during the year to the number of live births in that year.

1

**Figure 1.17: Healthy life years at birth, EU-15**

(years)



The indicator healthy life years (HLY) measures the number of years that a person at birth is still expected to live in a healthy condition; HLY is a health expectancy indicator which combines information on mortality and morbidity; the data required are the age-specific prevalence (proportions) of the population in healthy and unhealthy conditions and age-specific mortality information; a healthy condition is defined by the absence of limitations in functioning/disability; the indicator is calculated separately for males and females; the indicator is also called disability-free life expectancy (DFLE).







Table 1.10: Healthy life years at birth

(years)

	Male					Female				
	1999	2000	2001	2002	2003	1999	2000	2001	2002	2003
<b>EU-15</b>	63.2	63.5	63.6	64.3	64.5	63.9	64.4	65.0	65.8	66.0
<b>Belgium</b>	66.0	65.7	66.6	66.9	67.4	68.4	69.1	68.8	69.0	69.2
<b>Czech Republic</b>	:	:	:	62.8	:	:	:	:	63.3	:
<b>Denmark</b>	62.5	62.9	62.2	62.8	63.0	60.8	61.9	60.4	61.0	60.9
<b>Germany</b>	62.3	63.2	64.1	64.4	65.0	64.3	64.6	64.5	64.5	64.7
<b>Estonia</b>	:	:	:	:	:	:	:	:	:	:
<b>Greece</b>	66.7	66.3	66.7	66.7	66.7	69.4	68.2	68.8	68.5	68.4
<b>Spain</b>	65.6	66.5	66.0	66.6	66.8	69.5	69.3	69.2	69.9	70.2
<b>France</b>	60.1	60.1	60.5	60.4	60.6	63.3	63.2	63.3	63.7	63.9
<b>Ireland</b>	63.9	63.3	63.3	63.5	63.4	67.6	66.9	66.5	65.9	65.4
<b>Italy</b>	68.7	69.7	69.8	70.4	70.9	72.1	72.9	73.0	73.9	74.4
<b>Cyprus</b>	:	:	:	:	68.4	:	:	:	:	69.6
<b>Latvia</b>	:	:	:	:	:	:	:	:	:	:
<b>Lithuania</b>	:	:	:	:	:	:	:	:	:	:
<b>Luxembourg</b>	:	:	:	:	:	:	:	:	:	:
<b>Hungary</b>	:	:	:	:	53.5	:	:	:	:	57.8
<b>Malta</b>	:	:	:	65.1	:	:	:	:	65.7	:
<b>Netherlands</b>	61.6	61.4	61.9	61.7	61.7	61.4	60.2	59.4	59.3	58.8
<b>Austria</b>	63.6	64.6	64.2	65.6	66.2	:	68.0	68.5	69.0	69.6
<b>Poland</b>	:	:	:	62.5	:	:	:	:	68.9	:
<b>Portugal</b>	58.8	60.2	59.5	59.7	59.8	60.7	62.2	62.7	61.8	61.8
<b>Slovenia</b>	:	:	:	:	:	:	:	:	:	:
<b>Slovakia</b>	:	:	:	:	:	:	:	:	:	:
<b>Finland</b>	55.8	56.3	56.7	57.0	57.3	57.4	56.8	56.9	56.8	56.5
<b>Sweden</b>	62.0	63.1	61.9	62.4	62.5	61.8	61.9	61.0	61.9	62.2
<b>United Kingdom</b>	61.2	61.3	61.1	61.4	61.5	61.3	61.2	60.8	60.9	60.9
<b>Norway</b>	:	:	:	:	66.3	:	:	:	:	64.2



**FAMILIES AND BIRTHS**

Article 143 of the Treaty on the European Union asks for an annual report from the European Commission on progress in achieving the objectives of Article 136, including the demographic situation in the Community. *'The social situation in the European Union'* is published annually by the Directorate-General of Employment and Social Affairs and Eurostat. It deals with the quality of life of people living in Europe and provides a holistic view of the population and its social conditions as a background to social policy development.

Enlargement will not change the EU's ageing process. Rather, as a result of enlargement the number of Member States with very low fertility rates has increased. The potential for economic growth and social improvement will continue to be affected by a contracting active population and an expanding population in retirement. Commission policy stresses the efforts that are required to raise employment rates and the exit age from the labour market.

Although birth rates fell from 1960 until 1995, they remained relatively stable during the period 1995 to 2005 in the EU as a whole. The ratio of children born to unmarried mothers rose from around one in five births in 1995 to almost one in three births by 2004.

There were 4.8 million live births in the EU-25 in 2004. However, the aggregated EU-25 figures hide considerable differences in the evolution of fertility rates across the Member States, with the number of live births increasing rapidly in Spain and Ireland over the last decade, while the most substantial reductions were recorded in the 10 Member States that joined the EU in 2004.

The EU-25 fertility rate fell from an average of 2.7 children per woman in 1964 to 1.4 by 1999. However, the recent increase in the number of live births in several Member States led to a modest rise in fertility rates to 1.5 children by 2004. The mean age for women giving birth rose to over 30 years in six of the Member States, and reached an average of 29.5 years in the EU-15 in 2003.

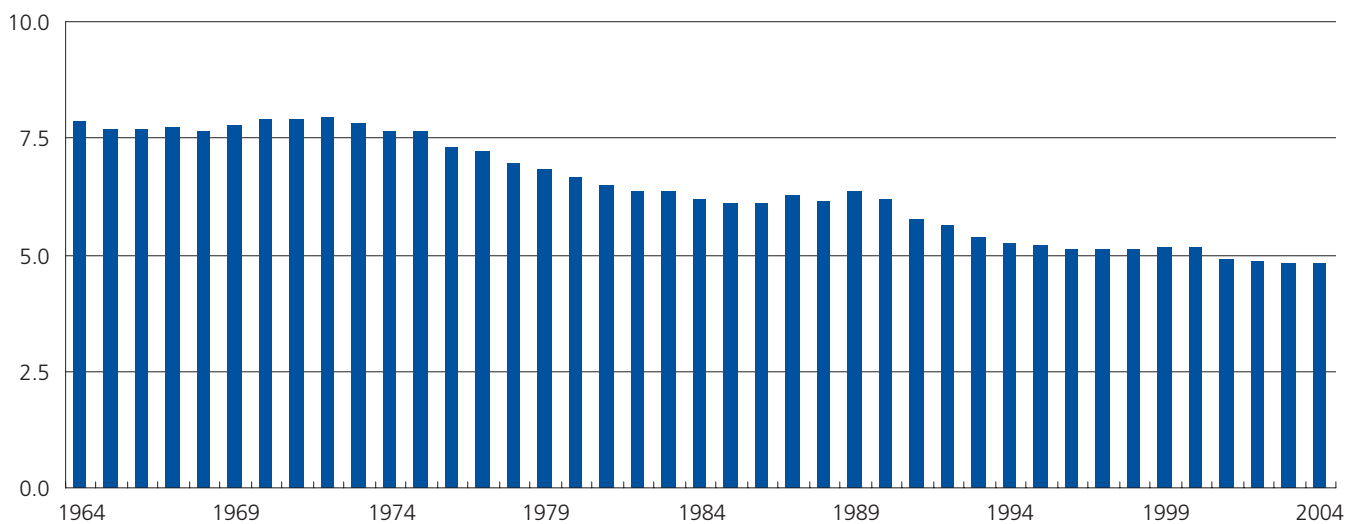
In 2004, there were less than five marriages per 1 000 inhabitants in the EU-25, compared with almost eight marriages per 1 000 inhabitants in 1970. As well as a decrease in the rate of marriages, there was also an increase in the average age at which people get married. The average age of a first marriage increased for men from 26 years in 1980 to over 30 by 2004, while for women it rose from 23 to almost 28 years.

The number of divorces in the EU-25 was estimated at 2.1 per 1 000 inhabitants in 2004. As a result, every 4 out of 10 marriages in the EU results in divorce, with relatively few divorces in Greece, Spain, Ireland, Italy, Cyprus and Malta (where divorce is not legal) and more than 6 divorces for each 10 marriages in Belgium, the Czech Republic, Estonia and Lithuania.

**Figure 1.18: Marriages, EU-25**

(per 1 000 persons)

TPS00012



*In all the European countries considered, contracting a civil marriage is possible; however, the relation between a civil marriage and a religious marriage is not the same in all countries.*



Table 1.11: Marriages

(per 1 000 persons)

TPS00012

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	5.3	5.2	5.1	5.1	:	5.2	5.2	:	4.9	4.8	4.8
<b>EU-15</b>	5.2	5.2	5.1	5.1	:	5.1	5.1	:	4.8	4.8	4.7
<b>Euro area</b>	5.1	5.1	5.0	5.1	:	5.1	5.1	4.8	4.8	4.7	4.6
<b>Belgium</b>	5.1	5.1	5.0	4.7	4.4	4.3	4.4	4.1	3.9	4.0	4.1
<b>Czech Republic</b>	5.7	5.3	5.2	5.6	5.4	5.2	5.4	5.1	5.2	4.8	5.0
<b>Denmark</b>	6.8	6.6	6.8	6.5	6.6	6.7	7.2	6.8	6.9	6.5	7.0
<b>Germany</b>	5.4	5.3	5.2	5.2	5.1	5.3	5.1	4.7	4.8	4.6	4.8
<b>Estonia</b>	5.0	4.9	3.9	4.0	3.9	4.1	4.0	4.1	4.3	4.2	4.5
<b>Greece</b>	5.4	6.0	4.2	5.6	5.1	5.6	4.5	5.2	5.3	5.5	4.2
<b>Spain</b>	5.1	5.1	4.9	5.0	5.2	5.2	5.4	5.1	5.1	5.0	5.0
<b>France</b>	4.4	4.4	4.8	4.9	4.7	4.9	5.1	4.9	4.7	4.6	4.3
<b>Ireland</b>	4.6	4.3	4.5	4.3	:	4.9	5.0	5.0	5.1	5.1	:
<b>Italy</b>	5.1	5.1	4.9	4.9	4.9	4.9	5.0	4.6	4.7	4.5	4.3
<b>Cyprus (1)</b>	9.7	10.3	8.7	10.7	11.4	13.2	14.1	15.1	14.5	7.7	7.2
<b>Latvia</b>	4.6	4.5	3.9	4.0	4.0	3.9	3.9	3.9	4.2	4.3	4.5
<b>Lithuania</b>	6.4	6.1	5.7	5.3	5.2	5.1	4.8	4.5	4.7	4.9	5.6
<b>Luxembourg</b>	5.8	5.1	5.1	4.8	4.8	4.9	4.9	4.5	4.5	4.4	4.4
<b>Hungary</b>	5.2	5.2	4.8	4.6	4.4	4.4	4.7	4.3	4.5	4.5	4.3
<b>Malta</b>	6.8	6.3	6.4	6.4	6.5	6.4	6.6	5.6	5.7	5.9	6.0
<b>Netherlands</b>	5.4	5.3	5.5	5.5	5.5	5.7	5.5	5.0	5.2	4.9	4.4
<b>Austria</b>	5.5	5.4	5.3	5.2	4.9	4.9	4.9	4.3	4.5	4.6	4.7
<b>Poland</b>	5.4	5.4	5.3	5.3	5.4	5.7	5.5	5.1	5.0	5.1	5.0
<b>Portugal</b>	6.6	6.6	6.3	6.5	6.6	6.8	6.2	5.7	5.5	5.1	4.7
<b>Slovenia</b>	4.2	4.1	3.8	3.8	3.8	3.9	3.6	3.5	3.5	3.4	3.3
<b>Slovakia</b>	5.3	5.1	5.1	5.2	5.1	5.1	4.8	4.4	4.7	4.8	5.2
<b>Finland</b>	4.9	4.7	4.8	4.6	4.7	4.7	5.1	4.8	5.2	5.0	5.6
<b>Sweden</b>	3.9	3.8	3.8	3.7	3.6	4.0	4.5	4.0	4.3	4.4	4.8
<b>United Kingdom</b>	5.7	5.5	5.3	5.3	5.2	5.1	5.1	:	:	5.1	:
<b>Bulgaria</b>	4.5	4.4	4.4	4.2	4.3	4.3	4.4	4.0	3.7	3.9	4.0
<b>Croatia</b>	5.0	5.2	10.7	:	:	:	4.9	:	:	5.0	5.1
<b>Romania</b>	6.8	6.8	6.7	6.5	6.5	6.2	6.1	5.9	5.9	6.2	6.6
<b>Turkey</b>	:	:	:	:	:	:	:	:	:	6.8	:
<b>Iceland</b>	4.9	4.6	5.0	5.5	5.6	5.6	6.3	5.2	5.8	5.3	5.0
<b>Liechtenstein</b>	13.0	13.2	14.2	12.6	:	:	:	:	7.5	6.3	7.0
<b>Norway</b>	4.8	5.0	5.3	5.4	5.3	5.3	5.7	5.1	5.3	4.9	4.9
<b>Switzerland</b>	6.1	5.8	5.8	5.5	5.4	5.7	5.5	5.0	5.5	5.5	5.3

(1) Break in series, 2003.

Table 1.12: Divorces

(per 1 000 persons)

TPS00013

	1960	1965	1970	1975	1980	1985	1990	1995	2000	2003	2004
<b>EU-25</b>	0.6	0.7	0.9	1.4	1.5	1.8	1.7	1.8	1.9	2.1	2.1
<b>EU-15</b>	0.5	0.6	0.8	1.3	1.4	1.7	1.7	1.8	1.9	2.1	2.1
<b>Euro area</b>	0.5	0.6	0.7	1.0	1.1	1.4	1.4	1.6	1.7	2.0	1.9
<b>Belgium</b>	0.5	0.6	0.7	1.1	1.5	1.9	2.0	3.5	2.6	3.0	3.0
<b>Czech Republic</b>	1.4	1.7	2.2	2.6	2.6	2.9	3.1	3.0	2.9	3.2	3.2
<b>Denmark</b>	1.5	1.4	1.9	2.6	2.7	2.8	2.7	2.5	2.7	2.9	2.9
<b>Germany</b>	1.0	1.1	1.3	1.9	1.8	2.3	1.9	2.1	2.4	2.6	2.6
<b>Estonia</b>	2.1	2.3	3.2	3.4	4.1	4.0	3.7	5.2	3.1	:	3.1
<b>Greece</b>	0.3	0.4	0.4	0.4	0.7	0.8	0.6	1.0	1.0	1.0	1.1
<b>Spain</b>	-	-	-	-	-	0.5	0.6	0.8	1.0	2.1	:
<b>France</b>	0.7	0.7	0.8	1.1	1.5	1.9	1.9	2.1	:	2.1	:
<b>Ireland</b>	-	-	-	-	-	-	-	-	0.7	0.7	:
<b>Italy</b>	-	-	-	0.2	0.2	0.3	0.5	0.5	0.7	0.8	:
<b>Cyprus (1)</b>	:	0.2	0.3	0.2	0.3	0.5	0.6	1.2	1.7	2.0	2.2
<b>Latvia</b>	2.4	2.8	4.6	4.8	5.0	4.5	4.0	3.1	2.6	2.1	2.3
<b>Lithuania</b>	0.9	0.9	2.2	2.7	3.2	3.2	3.4	2.8	3.1	3.1	3.2
<b>Luxembourg</b>	0.5	0.4	0.6	0.6	1.6	1.8	2.0	1.8	2.4	2.3	2.3
<b>Hungary</b>	1.7	2.0	2.2	2.5	2.6	2.8	2.4	2.4	2.3	2.5	2.4
<b>Malta</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Netherlands</b>	0.5	0.5	0.8	1.5	1.8	2.3	1.9	2.2	2.2	2.0	1.9
<b>Austria</b>	1.1	1.2	1.4	1.4	1.8	2.0	2.1	2.3	2.4	2.3	2.4
<b>Poland</b>	0.5	0.7	1.1	1.2	1.1	1.3	1.1	1.0	1.1	1.3	1.5
<b>Portugal</b>	0.1	0.1	0.1	0.2	0.6	0.9	0.9	1.2	1.9	2.1	2.2
<b>Slovenia</b>	1.0	1.1	1.1	1.2	1.2	1.3	0.9	0.8	1.1	1.1	1.2
<b>Slovakia</b>	0.6	0.6	0.8	1.3	1.3	1.5	1.7	1.7	1.7	2.0	2.0
<b>Finland</b>	0.8	1.0	1.3	2.0	2.0	1.8	2.6	2.7	2.7	2.6	2.5
<b>Sweden</b>	1.2	1.2	1.6	3.1	2.4	2.4	2.3	2.6	2.4	2.4	2.2
<b>United Kingdom</b>	0.5	0.7	1.1	2.3	2.8	3.1	2.9	2.9	2.6	2.8	:
<b>Bulgaria</b>	:	1.1	1.2	1.3	1.5	1.6	1.3	1.3	1.3	1.5	1.9
<b>Croatia</b>	1.2	1.3	1.2	1.3	1.2	1.2	1.2	0.9	1.0	1.1	1.1
<b>Romania</b>	2.0	1.9	0.4	1.6	1.5	1.4	1.4	1.5	1.4	1.5	1.6
<b>Turkey</b>	:	:	:	:	:	:	:	:	0.5	0.7	:
<b>Iceland</b>	0.7	0.9	1.2	1.8	1.9	2.2	1.9	1.8	1.9	1.8	1.9
<b>Liechtenstein</b>	-	-	-	0.7	0.8	:	0.9	1.2	:	3.1	3.3
<b>Norway</b>	0.7	0.7	0.9	1.4	1.6	2.0	2.4	2.4	2.2	2.4	2.4
<b>Switzerland</b>	0.9	0.8	1.0	1.4	1.7	1.8	2.0	2.2	1.5	2.3	2.4

(1) Starting from 1975 government-controlled area only.

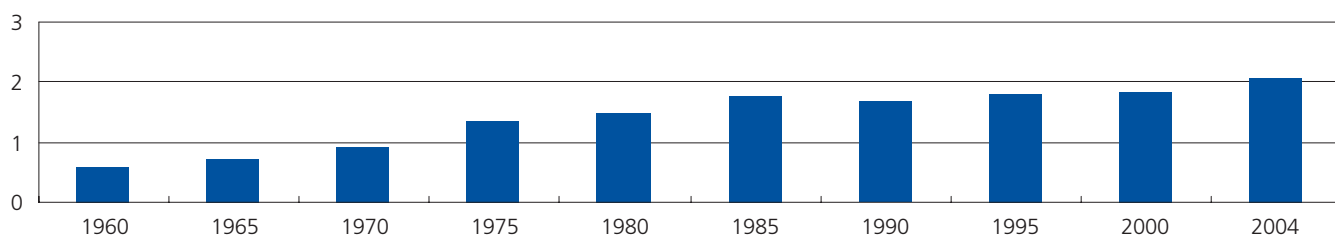
Divorce is possible in all countries except Malta; in all countries decisions about divorces are taken by a court; seven countries (Bulgaria, the Czech Republic, Ireland, Norway, Slovak Republic, Slovenia and Spain) require proper provisions for dependent children before a divorce is granted.



**Figure 1.19: Divorces, EU-25**

(per 1 000 persons)

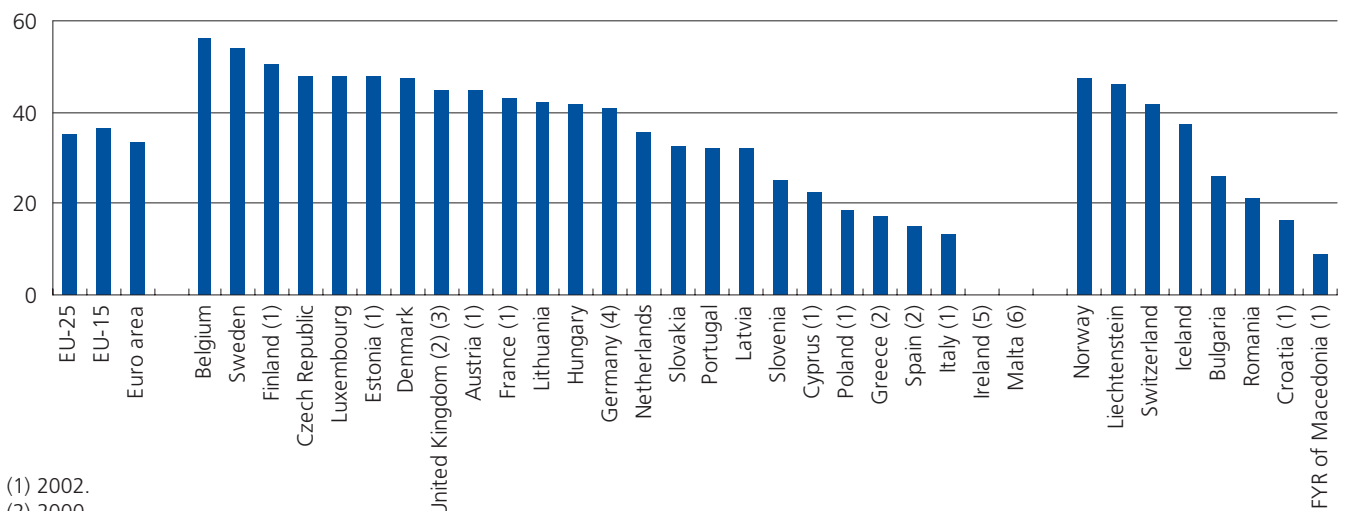
TPS00013



**Figure 1.20: Divorce rate, 2003**

(%)

TPS00013



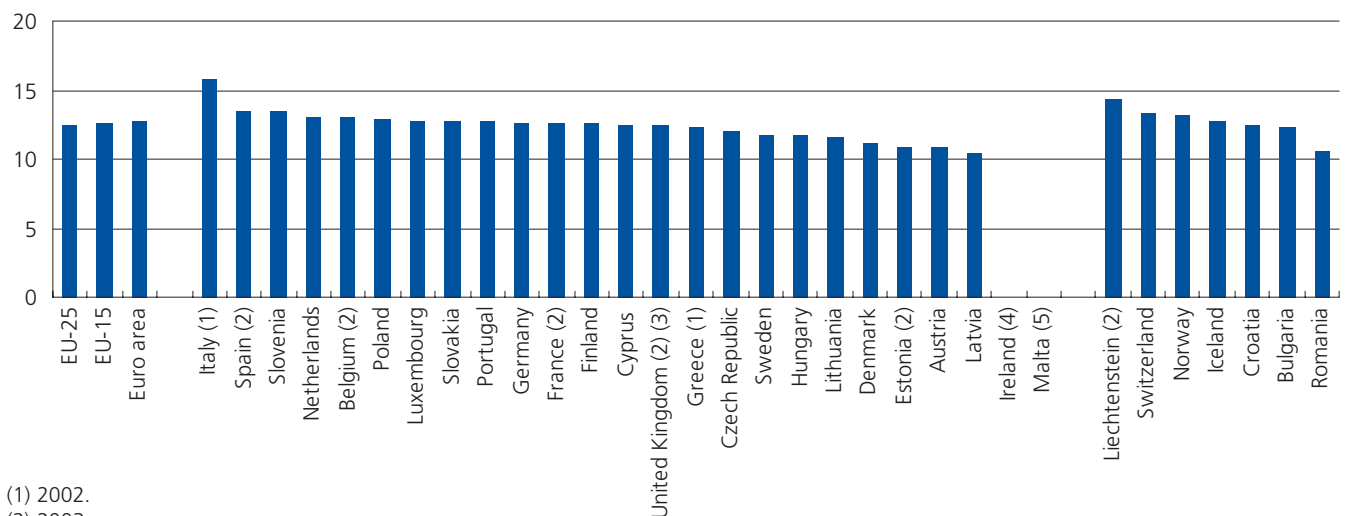
- (1) 2002.
- (2) 2000.
- (3) Excluding Scotland and Northern Ireland.
- (4) 2001.
- (5) Not available.
- (6) Not applicable.

The mean number of divorces per marriage in a given year; this number is not influenced by different sizes of the marriage cohorts (i.e. marriages concluded in a specific year); therefore, the total divorce rate is not the divorce rate of any specific marriage cohort; rather, it is the divorce rate of a hypothetical generation subjected at each age to the current marriage and divorce conditions; this way, it reflects the current marriage and divorce conditions unbiased by the age structure of the population, leading to better comparability between countries and over time.

**Figure 1.21: Mean duration of marriage at divorce, 2004**

(years)

TPS00110



- (1) 2002.
- (2) 2003.
- (3) Excluding Scotland and Northern Ireland.
- (4) Not available.
- (5) Not applicable.

Table 1.13: Number of live births

(1 000)

TPS00111

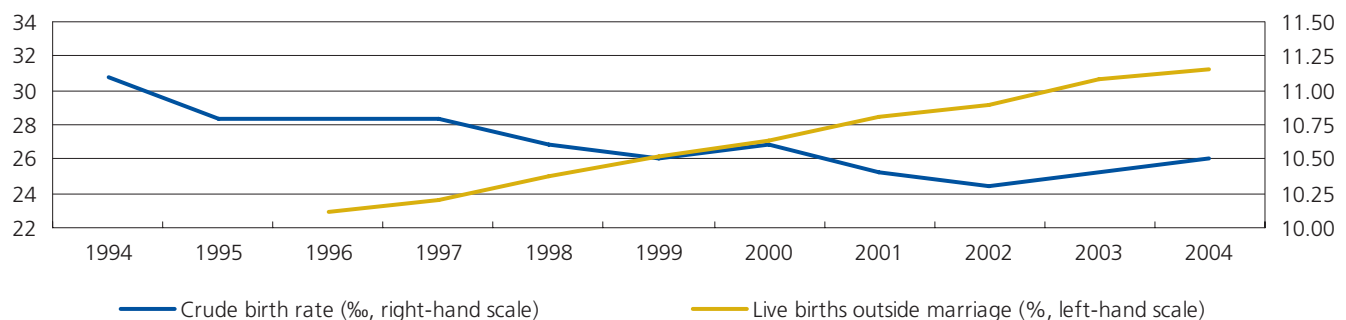
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	4 938	4 822	4 830	4 817	4 742	4 734	4 781	4 700	4 684	4 728	4 796
<b>EU-15</b>	4 053	4 010	4 040	4 053	4 002	4 013	4 061	4 000	3 998	4 043	4 098
<b>Euro area (1)</b>	3 120	3 105	3 144	3 168	3 130	3 159	3 224	3 174	3 169	3 184	3 217
<b>Belgium</b>	117	116	116	116	115	114	116	114	111	112	116
<b>Czech Republic</b>	107	96	90	91	91	90	91	91	93	94	98
<b>Denmark</b>	70	70	68	68	66	66	67	66	64	65	65
<b>Germany</b>	770	765	796	812	785	771	767	735	719	707	706
<b>Estonia</b>	14	14	13	13	12	12	13	13	13	13	14
<b>Greece</b>	104	102	101	102	101	101	103	102	104	104	104
<b>Spain</b>	370	364	363	369	365	380	398	406	419	442	453
<b>France</b>	711	730	734	727	738	745	775	771	762	762	768
<b>Ireland</b>	48	49	51	53	54	54	55	58	61	62	62
<b>Italy</b>	533	526	528	535	515	537	543	535	538	544	563
<b>Cyprus</b>	10	10	10	9	9	9	8	8	8	8	8
<b>Latvia</b>	24	22	20	19	18	19	20	20	20	21	20
<b>Lithuania</b>	42	41	39	38	37	36	34	32	30	31	30
<b>Luxembourg</b>	6	5	6	6	5	6	6	6	5	5	6
<b>Hungary</b>	116	112	105	100	97	95	98	97	97	95	95
<b>Malta</b>	5	5	5	5	5	4	4	4	4	4	4
<b>Netherlands</b>	196	191	190	192	199	200	207	203	202	200	194
<b>Austria</b>	92	89	89	84	81	78	78	76	78	77	79
<b>Poland</b>	481	433	428	413	396	382	378	368	354	351	356
<b>Portugal</b>	109	107	110	113	114	116	120	113	114	113	109
<b>Slovenia</b>	20	19	19	18	18	18	18	18	18	17	18
<b>Slovakia</b>	66	61	60	59	58	56	55	51	51	52	54
<b>Finland</b>	65	63	61	59	57	58	57	56	56	57	58
<b>Sweden</b>	112	103	95	91	89	88	90	92	96	99	101
<b>United Kingdom</b>	751	732	733	727	717	700	679	669	669	696	716
<b>Bulgaria</b>	79	72	72	64	65	72	74	68	67	67	70
<b>Croatia</b>	49	50	54	56	47	45	44	41	40	40	40
<b>Romania</b>	247	237	231	237	237	235	235	220	211	213	216
<b>Turkey</b>	:	:	:	:	:	1 451	1 363	1 362	1 362	1 369	1 360
<b>Iceland</b>	4	4	4	4	4	4	4	4	4	4	4
<b>Liechtenstein</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Norway</b>	60	60	61	60	58	59	59	57	55	57	57
<b>Switzerland</b>	83	82	83	81	79	78	79	74	72	72	73

(1) EUR-11 up to 31.12.2000; EUR-12 from 1.1.2001.

Births of children that showed any sign of life; it is the number of births excluding stillbirths (total births include live births and stillbirths).

Figure 1.22: Live births outside marriage and crude birth rate, EU-25

TPS00018 TPS00112



Live births outside marriage: births where the mother's marital status at the time of birth is other than married.

Crude birth rate: the ratio of the number of births during the year to the average population in that year; the value is expressed per 1 000 inhabitants.

**Table 1.14: Completed fertility by generation of the mother**

(mean number of children)

TPS00016

	1962	1963	1964	1965	1966	1967
<b>EU-25</b>	1.8	1.8	1.8	:	:	:
<b>EU-15</b>	1.8	1.8	1.7	:	:	:
<b>Euro area</b>	:	:	:	:	:	:
<b>Belgium</b>	1.8	1.8	1.8	:	:	:
<b>Czech Republic</b>	2.0	2.0	1.9	1.9	1.9	1.9
<b>Denmark</b>	1.9	1.9	1.9	1.9	1.9	1.9
<b>Germany</b>	1.6	1.6	1.5	1.5	1.5	1.4
<b>Estonia</b>	1.9	1.9	1.9	1.9	1.8	1.8
<b>Greece</b>	1.8	1.8	1.8	1.8	1.7	1.7
<b>Spain</b>	1.7	1.7	1.6	1.6	:	:
<b>France</b>	2.1	2.1	2.0	2.0	2.0	2.0
<b>Ireland</b>	2.3	2.3	2.2	2.2	2.1	:
<b>Italy</b>	1.6	1.6	1.5	1.5	:	:
<b>Cyprus</b>	2.5	2.5	2.5	2.6	2.5	2.4
<b>Latvia</b>	1.9	1.8	1.8	1.8	1.8	1.8
<b>Lithuania</b>	1.8	1.7	1.7	1.7	1.7	1.7
<b>Luxembourg</b>	1.8	1.8	1.8	1.8	1.9	1.8
<b>Hungary</b>	2.0	2.0	2.0	2.0	2.0	1.9
<b>Malta</b>	2.1	2.1	2.0	2.0	2.0	1.9
<b>Netherlands</b>	1.8	1.8	1.8	1.8	1.8	1.8
<b>Austria</b>	1.7	1.7	1.7	1.6	1.6	1.6
<b>Poland</b>	2.1	2.1	2.0	2.0	2.0	2.0
<b>Portugal</b>	1.9	1.8	1.8	1.8	1.8	1.8
<b>Slovenia</b>	1.8	1.8	1.8	1.8	1.8	1.7
<b>Slovakia</b>	2.1	2.1	2.1	2.0	2.0	2.0
<b>Finland</b>	1.9	1.9	1.9	1.9	1.9	1.9
<b>Sweden</b>	2.0	2.0	2.0	2.0	2.0	2.0
<b>United Kingdom</b>	1.9	1.9	1.9	1.9	1.9	1.9
<b>Bulgaria</b>	1.9	1.9	1.9	1.8	1.8	1.8
<b>Croatia</b>	2.0	1.9	1.9	1.9	1.8	1.8
<b>Romania</b>	2.1	2.0	2.0	1.9	1.8	1.7
<b>Iceland</b>	2.4	2.4	2.4	2.4	2.3	2.3
<b>Norway</b>	2.1	2.1	2.1	2.1	2.1	2.1
<b>Switzerland</b>	1.7	1.7	1.7	1.7	1.6	1.6

The mean number of children born to women of a given generation at the end of their childbearing years; this is calculated by adding the fertility rates by age of the mother observed for successive years, when the cohort has reached the age in question (in general, only ages between 15 and 49 years are considered); in practice, the fertility rates for older women can be estimated using the rates observed for previous generations, without waiting for the cohort to reach the end of the reproductive period.

**Figure 1.23: Total fertility rate, EU-25**

(mean number of children)

TPS00015

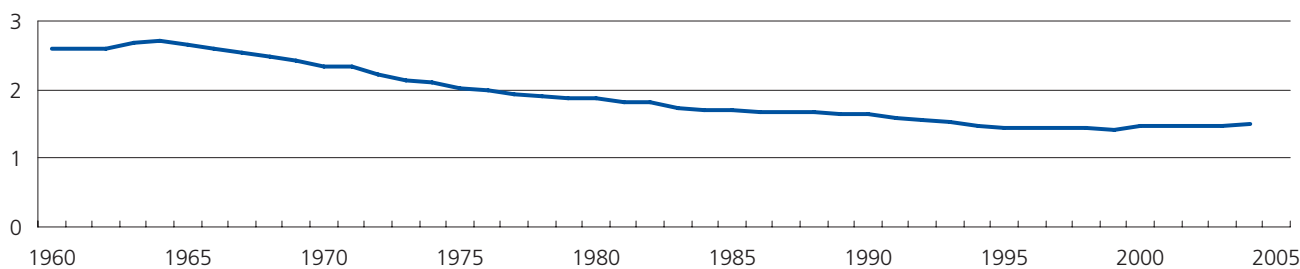


Table 1.15: Mean age of women at childbearing

(years)

TPS00017

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>EU-25</b>	:	:	28.5	:	:	:	:	29.1	29.1	29.2	29.2
<b>EU-15</b>	28.6	28.8	28.9	29.0	:	:	:	29.4	29.4	29.5	29.5
<b>Euro area</b>	28.8	28.9	29.1	29.2	:	:	:	29.5	29.5	29.6	29.7
<b>Belgium</b>	28.2	28.3	28.5	28.5	28.6	:	:	:	:	:	:
<b>Czech Republic</b>	25.1	25.4	25.8	26.1	26.4	26.6	26.9	27.2	27.6	27.8	28.1
<b>Denmark</b>	28.9	29.1	29.2	29.3	29.4	29.5	29.6	29.7	29.7	29.9	30.1
<b>Germany</b>	28.1	28.2	28.3	28.4	28.5	28.6	28.7	28.7	28.8	29.0	29.1
<b>Estonia</b>	25.3	25.4	25.6	25.9	26.2	26.4	26.6	27.0	27.2	27.5	27.7
<b>Greece</b>	27.8	28.0	28.2	28.4	28.6	28.7	28.9	29.6	:	29.4	29.5
<b>Spain</b>	29.5	29.7	30.0	30.2	30.4	30.6	30.7	30.7	:	30.8	30.8
<b>France</b>	28.7	28.8	29.0	29.1	29.2	29.3	29.3	29.4	29.4	29.5	29.5
<b>Ireland</b>	30.1	30.1	30.2	30.2	30.4	30.3	30.3	30.4	30.5	30.6	30.6
<b>Italy</b>	29.3	29.5	29.7	30.0	:	:	30.3	30.3	30.3	:	30.7
<b>Cyprus</b>	27.8	28.0	28.2	28.2	28.4	28.4	28.6	28.7	28.9	29.1	29.3
<b>Latvia</b>	25.4	25.8	25.8	26.0	26.4	26.6	26.8	27.2	27.4	27.6	27.2
<b>Lithuania</b>	25.6	25.5	25.6	25.7	25.9	26.2	26.4	26.6	26.8	26.9	27.1
<b>Luxembourg</b>	28.6	28.7	28.9	29.2	29.2	29.3	29.4	29.3	29.3	29.5	29.9
<b>Hungary</b>	26.0	26.2	26.4	26.5	26.7	26.9	27.1	27.3	27.6	27.8	28.0
<b>Malta</b>	28.8	28.9	29.1	28.8	28.7	28.9	29.0	28.6	28.9	29.2	:
<b>Netherlands</b>	29.8	29.9	30.0	30.2	30.2	30.3	30.3	30.3	30.3	30.4	30.4
<b>Austria</b>	27.3	27.5	27.7	27.8	27.9	28.0	28.1	28.2	28.4	28.6	28.8
<b>Poland</b>	26.6	26.8	26.9	27.0	27.1	27.2	27.3	27.4	27.6	27.8	27.9
<b>Portugal</b>	27.7	27.8	28.0	28.1	28.3	28.4	28.5	28.6	28.7	28.9	29.0
<b>Slovenia</b>	26.6	26.8	27.0	27.3	27.5	27.8	28.0	28.2	28.5	28.8	29.0
<b>Slovakia</b>	25.3	25.5	25.6	25.8	:	:	26.4	26.6	26.8	27.0	27.3
<b>Finland</b>	29.0	29.1	29.3	29.4	29.5	29.6	29.6	29.6	29.7	29.7	29.8
<b>Sweden</b>	29.0	29.2	29.2	29.4	29.5	29.7	29.8	29.9	30.0	30.1	30.3
<b>United Kingdom</b>	27.9	28.1	28.2	28.2	28.3	28.3	28.4	28.5	28.6	28.7	28.8
<b>Bulgaria</b>	23.8	24.0	24.1	24.3	24.5	24.5	24.7	24.9	25.1	25.3	25.5
<b>Croatia</b>	26.8	27.0	27.4	27.6	27.9	27.6	27.5	27.7	28.0	28.0	28.1
<b>Romania</b>	24.7	24.9	25.0	25.2	25.3	25.4	25.6	25.7	25.9	26.1	26.2
<b>Iceland</b>	28.6	28.6	28.7	28.8	28.6	28.8	28.7	28.9	29.1	29.3	29.3
<b>Liechtenstein</b>	29.3	29.8	30.0	30.0	30.0	:	:	30.1	29.9	30.8	30.1
<b>Norway</b>	28.6	28.7	28.9	29.0	29.1	29.2	29.3	29.3	29.4	29.5	29.7
<b>Switzerland</b>	29.2	29.4	29.4	29.5	29.6	29.7	29.7	29.8	30.0	30.1	30.2

The mean age of women when their children are born; for a given calendar year, the mean age of women at childbearing is calculated using the fertility rates by age as weights (in general, the reproductive period is between 15 and 49 years of age); when calculated in this way, the mean age is not influenced by a specific population structure (number of mothers in each age group) and is therefore better for geographical and temporal comparisons.





## MIGRATION AND ASYLUM

The Treaty of Amsterdam introduced a new Title IV ('Visas, asylum, immigration and other policies related to free movement of persons') into the EC Treaty. It covers the following fields: free movement of persons; controls on external borders; asylum, immigration and safeguarding of the rights of third-country nationals; judicial cooperation in civil and criminal matters, and administrative cooperation.

Migration and asylum are two areas with considerable political importance. The statistics presented in this section are used by the European Commission in the development and monitoring of a common asylum policy and harmonised immigration policies for the EU. These statistics are also used as an input to work on assessing the socioeconomic inclusion of migrant populations and the success of measures to prevent discrimination.

Migration is influenced by a combination of economic, political and social factors. These factors may act in a migrant's country of origin (so-called 'push' factors) or in the country of destination (so-called 'pull' factors). The relative economic prosperity and political stability of the EU exert a considerable pull effect. Various push factors in many parts of the world have also continued to have a strong effect on migrant flows (for example, to escape wars or political persecution).

Eurostat produces statistics on a range of issues related to international migration and asylum. Data are supplied on a monthly, quarterly and annual basis by national statistical institutes and by ministries of justice and the interior. Many of these statistics are sent to Eurostat as part of a joint migration data collection organised by Eurostat in cooperation with the United Nations Statistical Division, the United Nations Economic Commission for Europe, the Council of Europe and the International Labour Office.

It can be difficult to measure accurately the scale and patterns of migration. Countries differ in the way they produce migration statistics and who they consider to be a migrant. In some countries, migration statistics are based on administrative data taken, for example, from systems for issuing residence permits or from a population register; other countries use survey-based data. These variations in data sources and definitions result in problems when comparing the migrant counts for different countries.

There has been a significant increase in the number of migrants coming into the EU-25 in recent years. Net migration in the EU-25 increased from 590 000 persons in 1994 to 1.85 million by 2004. It is likely that these figures are under-estimates of the true extent of migration flows between countries, as they do not include clandestine migration (such as illegal immigrants or human trafficking).

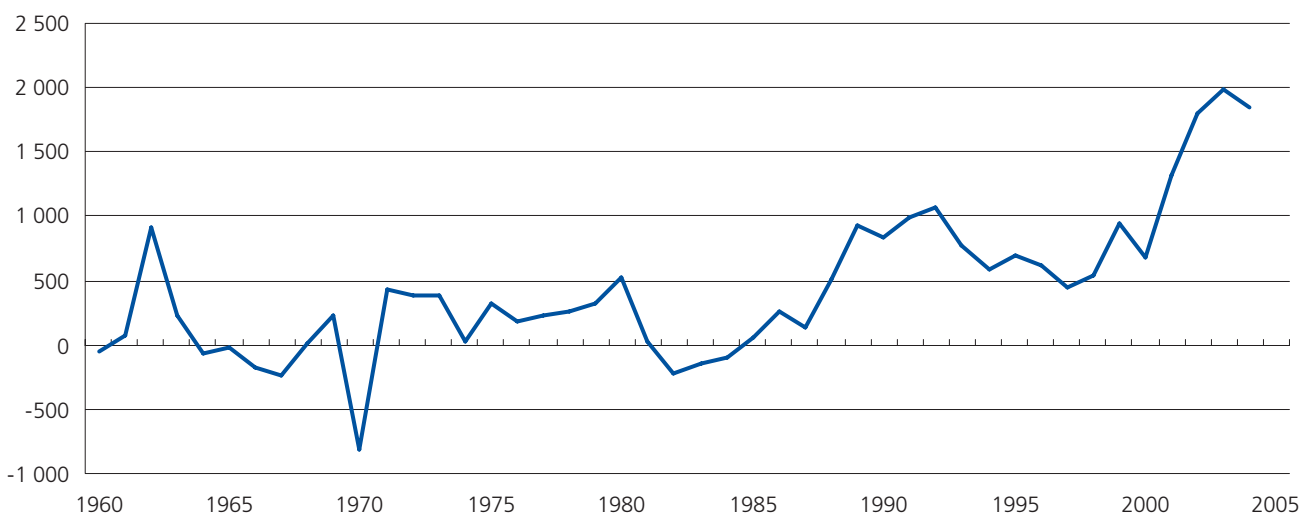
With relatively low birth rates in most Member States, migration is often the principal component of population change within the EU. As shown above, some countries may well face significant labour shortages by 2050, as their baby-boom generation become old-age pensioners and the relatively low numbers of babies being born today reach working age. Migration policy is one means of redressing such imbalances.

Spain and Italy stood out as having by far the highest net inflows of migrants, with 610 100 and 558 300 migrants respectively in 2004, together accounting for almost two thirds of the EU-25 total. This pattern was not systematic, as there were net outflows (more persons leaving their national territory) reported in the Baltic States, the Netherlands and Poland.

**Figure 1.24: Net migration (including corrections), EU-25**

(1 000)

TPS00008



The difference between immigration into and emigration from the area during the year (net migration is therefore negative when the number of emigrants exceeds the number of immigrants); since most countries either do not have accurate figures on immigration and emigration or have no figures at all, net migration is estimated on the basis of the difference between population change and natural increase between two dates; the statistics on net migration are therefore affected by all the statistical inaccuracies in the two components of this equation, especially population change.

Foreigners accounted for less than 10 % of the total population in the majority of Member States; Luxembourg (39.0 %, 2005) and Latvia (22.2 %, 2004) were the only exceptions to this rule among those Member States for which data are available.

The acquisition of citizenship is sometimes viewed as an indicator of the formal integration of migrants into their destination country, often requiring a period of legal residence together with other factors such as language proficiency. Some 154 600 persons acquired German citizenship in 2002, by far the highest number among those Member States for which data are available. There were just over 267 000 applications for asylum within the EU-25 in 2004. Of these, almost one in five were made in the France (50 500), followed by the United Kingdom (15.2 % of the total), Germany (13.3 %) and Austria (9.2 %).

**Table 1.16: Net migration (including corrections)**

(1 000)

TPS00008

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	590	691	611	450	538	937	677	1 315	1 802	1 981	1 847
<b>EU-15</b>	637	724	637	464	559	935	1 095	1 360	1 796	1 942	1 808
<b>Euro area</b>	543	619	567	388	439	774	917	1 168	1 598	1 728	1 576
<b>Belgium</b>	17	2	15	10	12	17	13	36	41	36	35
<b>Czech Republic</b>	10	10	10	12	10	9	7	-43	12	26	19
<b>Denmark</b>	11	29	18	12	11	9	10	12	10	7	5
<b>Germany</b>	316	398	282	93	47	202	168	275	219	142	82
<b>Estonia</b>	-21	-16	-13	-7	-7	-1	0	0	0	0	0
<b>Greece</b>	78	77	71	62	55	45	29	38	38	35	35
<b>Spain</b>	64	71	83	94	159	238	390	441	649	625	610
<b>France</b>	-4	-15	-19	-14	-7	93	103	118	129	133	100
<b>Ireland</b>	-3	6	16	17	16	24	32	39	33	31	48
<b>Italy</b>	26	32	60	56	64	46	55	48	350	610	558
<b>Cyprus</b>	7	7	6	6	4	4	4	5	7	12	16
<b>Latvia</b>	-23	-14	-10	-9	-6	-4	-5	-5	-2	-1	-1
<b>Lithuania</b>	-24	-24	-23	-22	-22	-21	-20	-3	-2	-6	-10
<b>Luxembourg</b>	4	4	4	4	4	4	4	3	3	2	2
<b>Hungary</b>	18	18	18	18	17	17	17	10	4	16	18
<b>Malta</b>	1	0	1	1	1	1	10	2	2	2	2
<b>Netherlands</b>	20	15	21	31	44	44	57	56	28	7	-10
<b>Austria</b>	3	2	4	2	9	20	17	44	35	38	62
<b>Poland</b>	-19	-18	-13	-12	-13	-14	-410	-17	-18	-14	-9
<b>Portugal</b>	17	22	26	29	32	38	47	65	70	64	47
<b>Slovenia</b>	0	1	-4	-1	-6	11	3	5	2	4	2
<b>Slovakia</b>	5	3	2	2	1	2	-22	1	1	1	3
<b>Finland</b>	4	4	4	5	5	3	2	6	5	6	7
<b>Sweden</b>	51	12	6	6	11	14	25	29	31	29	25
<b>United Kingdom</b>	32	65	47	58	97	138	144	151	158	178	202
<b>Bulgaria</b>	0	0	1	0	0	0	-221	7	0	0	0
<b>Croatia</b>	0	-179	:	:	:	:	-124	15	9	13	12
<b>Romania</b>	-16	-21	-19	-13	-6	-3	-4	-558	-2	-7	-10
<b>Turkey</b>	:	:	:	:	:	:	:	:	:	-415	1
<b>Iceland</b>	-1	-1	-1	0	1	1	2	1	0	0	1
<b>Liechtenstein</b>	0	0	0	0	1	0	0	0	0	0	0
<b>Norway</b>	8	7	6	10	13	19	10	8	17	11	13
<b>Switzerland</b>	29	25	-2	-3	11	25	24	39	47	42	38

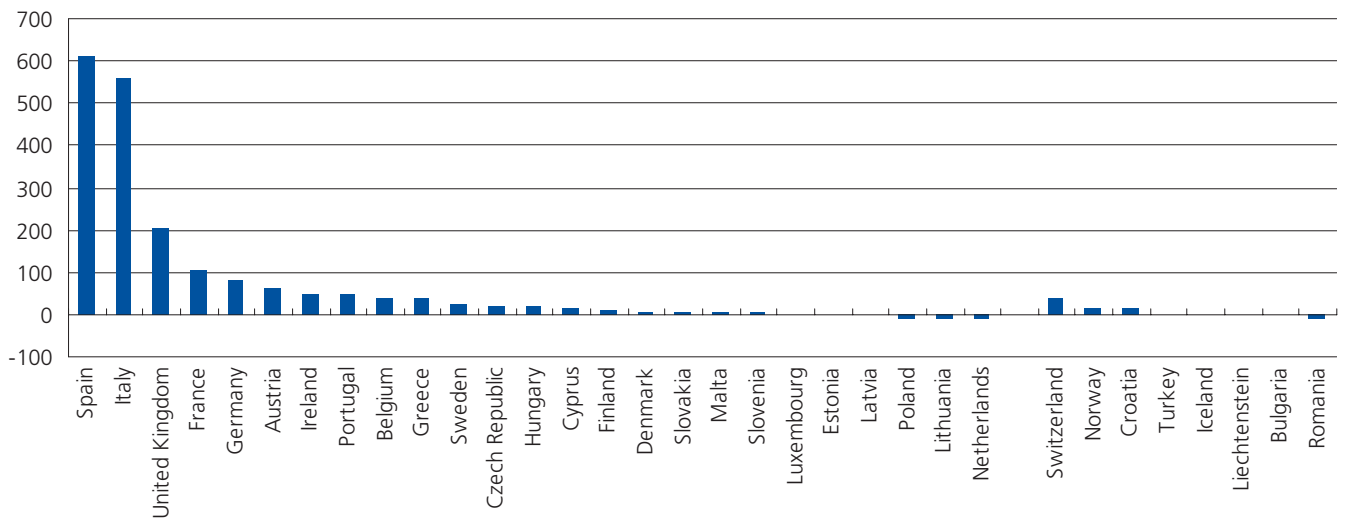
The difference between immigration into and emigration from the area during the year (net migration is therefore negative when the number of emigrants exceeds the number of immigrants); since most countries either do not have accurate figures on immigration and emigration or have no figures at all, net migration is estimated on the basis of the difference between population change and natural increase between two dates; the statistics on net migration are therefore affected by all the statistical inaccuracies in the two components of this equation, especially population change.



**Figure 1.25: Net migration (including corrections), 2004 (1)**

(1 000)

TPS00008

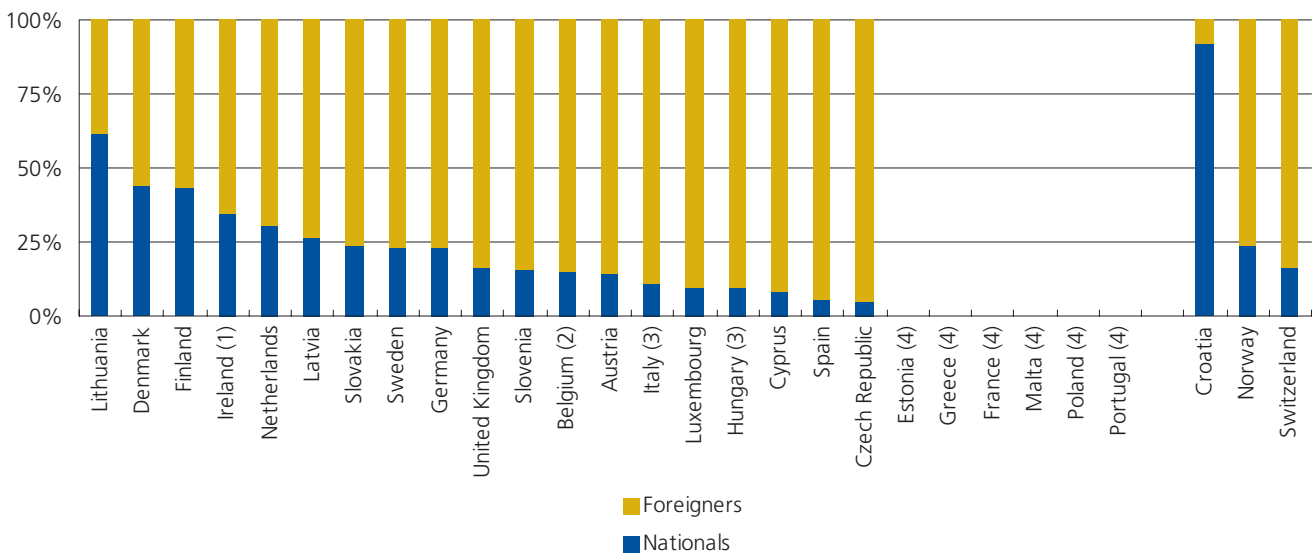


(1) EU-25, 1.85 million immigrants in 2004; EU-15, 1.81 million immigrants in 2004.

1

**Figure 1.26: Citizenship of immigrants, 2004**

(% of total population)



(1) 2002.

(2) 2001.

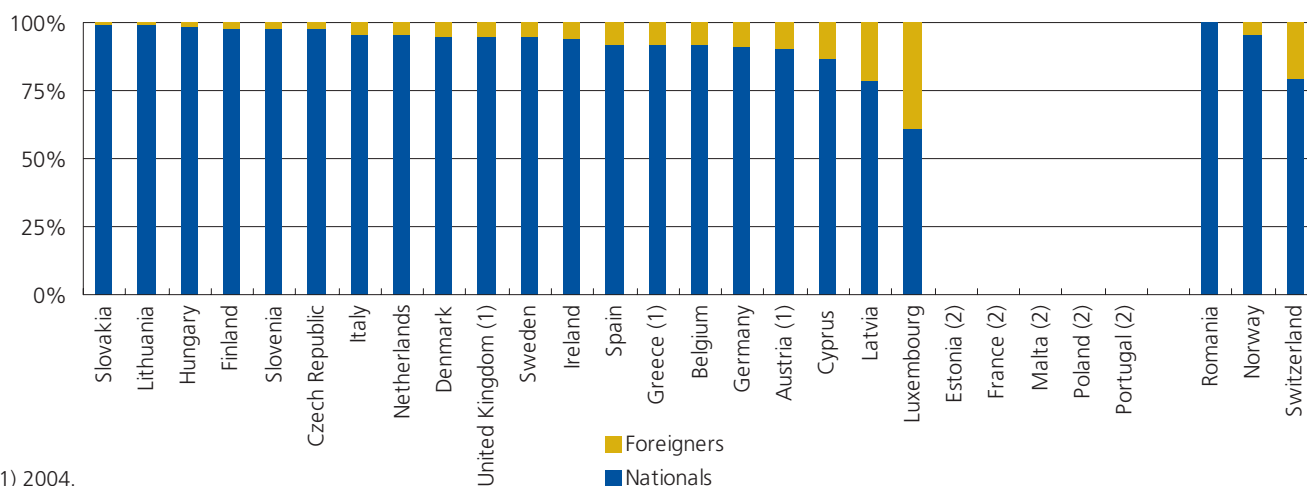
(3) 2003.

(4) Not available.

Citizenship is defined as the legal nationality of each person.

**Figure 1.27: Population by citizenship, 2005**

(% of total population)



(1) 2004.

(2) Not available.

Citizenship is defined as the legal nationality of each person.

1

**Table 1.17: Acquisition of citizenship**

(persons)

TPS00024

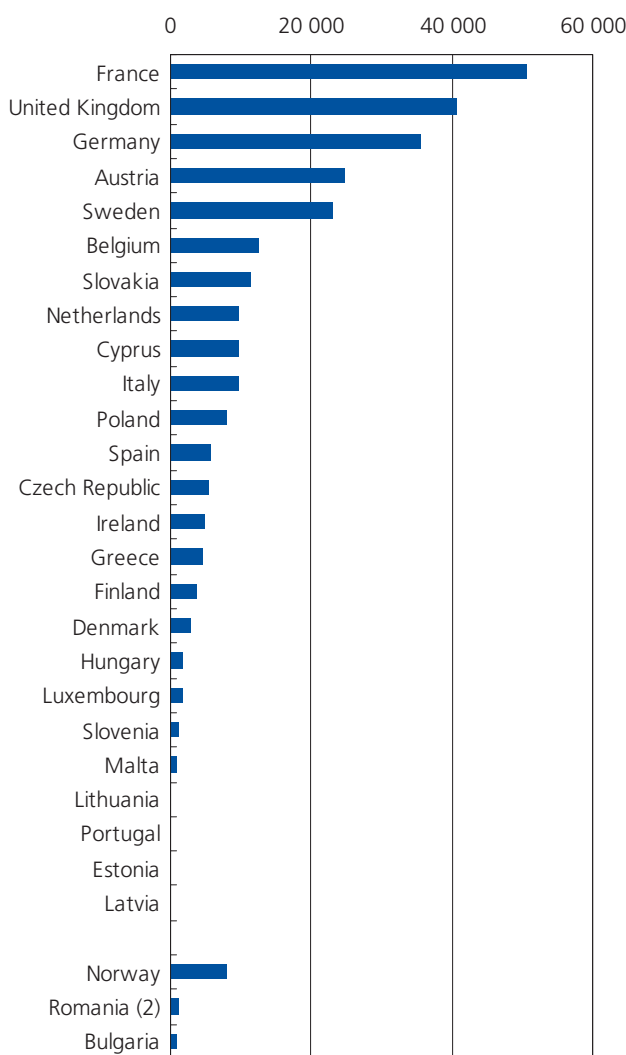
	2002	2003	2004
<b>Belgium</b>	:	:	:
<b>Czech Republic</b>	3 261	2 199	5 020
<b>Denmark</b>	17 300	6 583	14 976
<b>Germany</b>	154 547	:	127 153
<b>Estonia</b>	4 091	3 706	6 543
<b>Greece</b>	:	1 896	:
<b>Spain</b>	21 805	26 517	38 220
<b>France</b>	:	139 938	168 826
<b>Ireland</b>	:	:	3 784
<b>Italy</b>	:	13 406	:
<b>Cyprus</b>	126	247	:
<b>Latvia</b>	9 421	9 951	17 178
<b>Lithuania</b>	:	471	610
<b>Luxembourg</b>	754	785	841
<b>Hungary</b>	3 369	5 261	:
<b>Malta</b>	:	:	:
<b>Netherlands</b>	45 321	28 799	26 171
<b>Austria</b>	:	:	41 645
<b>Poland</b>	1 182	1 653	1 937
<b>Portugal</b>	255	2 479	1 346
<b>Slovenia</b>	2 808	3 306	3 333
<b>Slovakia</b>	3 484	3 492	4 016
<b>Finland</b>	3 049	4 526	6 880
<b>Sweden</b>	37 792	33 222	28 893
<b>United Kingdom</b>	:	124 295	140 740
<b>Bulgaria</b>	:	:	:
<b>Croatia</b>	:	12 654	8 940
<b>Romania</b>	242	139	:
<b>Turkey</b>	:	24 785	8 238
<b>Iceland</b>	434	:	:
<b>Norway</b>	9 041	7 867	8 154
<b>Switzerland</b>	36 515	35 427	35 685

These figures refer to grants of citizenship of the reporting country to persons who have previously been citizens of another country or who have been stateless.

**Figure 1.28: Asylum applications, 2004 (1)**

(persons)

TPS00021



(1) EU-25, 267 394 asylum applications in 2004; EU-15, 229 366 asylum applications in 2004.

(2) 2003.



Table 1.18: Asylum applications

(persons)

TPS00021

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	:	:	:	:	:	:	403 372	411 731	400 489	335 879	267 394
<b>EU-15</b>	300 288	263 656	227 802	242 774	295 506	352 222	370 288	367 668	368 212	298 499	229 366
<b>Euro area</b>	242 166	205 540	186 492	195 496	230 952	263 314	263 343	260 291	243 384	202 709	162 650
<b>Belgium</b>	14 340	11 409	12 433	11 788	21 965	35 778	42 691	24 507	18 798	13 585	12 400
<b>Czech Republic</b>	:	:	:	2 109	:	7 354	8 788	18 095	8 483	11 400	5 302
<b>Denmark</b>	6 652	5 104	5 896	5 100	5 699	6 530	10 347	12 512	5 946	4 390	2 932
<b>Germany</b>	127 210	127 937	117 333	104 353	98 644	94 776	78 564	88 287	71 127	50 563	35 607
<b>Estonia</b>	:	:	:	:	23	26	3	12	9	14	11
<b>Greece</b>	1 107	1 282	1 640	4 376	2 950	1 528	3 083	5 499	5 664	8 178	4 469
<b>Spain</b>	11 992	5 678	4 730	4 975	4 934	8 405	7 926	9 490	6 309	5 927	5 553
<b>France</b>	25 959	20 415	17 405	21 416	22 375	30 907	38 747	47 291	51 087	52 204	50 547
<b>Ireland</b>	360	420	1 180	3 880	4 626	7 724	10 938	10 324	11 634	7 901	4 766
<b>Italy</b>	1 830	1 760	680	1 890	13 100	18 450	15 194	9 620	16 015	13 705	9 629
<b>Cyprus</b>	:	:	:	:	:	789	651	1 620	950	4 407	9 675
<b>Latvia</b>	:	:	:	:	:	22	5	14	24	5	7
<b>Lithuania</b>	:	:	:	:	159	143	303	425	367	394	167
<b>Luxembourg</b>	260	280	263	433	1 709	2 930	627	683	1 042	1 549	1 575
<b>Hungary</b>	:	:	1 259	:	7 118	11 499	7 801	9 554	6 412	2 401	1 600
<b>Malta</b>	:	:	:	:	:	:	71	153	474	457	846
<b>Netherlands</b>	52 576	29 258	22 857	34 443	45 217	39 274	43 895	32 579	18 667	13 402	9 782
<b>Austria</b>	5 082	5 920	6 991	6 719	13 805	20 129	18 284	30 127	39 354	32 359	24 634
<b>Poland</b>	598	842	600	:	:	:	4 662	4 528	5 169	6 825	7 937
<b>Portugal</b>	614	332	269	251	355	307	224	233	244	116	113
<b>Slovenia</b>	30	34	35	72	337	744	9 244	1 511	650	1 119	1 088
<b>Slovakia</b>	:	:	:	:	:	:	1 556	8 151	9 739	10 358	11 395
<b>Finland</b>	836	849	711	972	1 272	3 106	3 170	1 651	3 443	3 220	3 575
<b>Sweden</b>	18 640	9 047	5 774	9 678	12 841	11 220	16 283	23 499	33 016	31 355	23 161
<b>United Kingdom</b>	32 830	43 965	29 640	32 500	46 014	71 158	80 315	71 366	85 866	60 045	40 623
<b>Bulgaria</b>	:	:	:	368	:	1 349	1 755	2 428	2 888	1 318	985
<b>Croatia</b>	:	:	:	:	:	:	:	:	:	:	:
<b>Romania</b>	:	:	598	:	:	:	:	2 431	1 000	:	:
<b>Turkey</b>	:	:	:	:	:	:	:	:	:	:	:
<b>Iceland</b>	:	:	:	:	:	:	:	:	:	:	:
<b>Liechtenstein</b>	:	:	:	:	:	143	:	:	:	:	:
<b>Norway</b>	3 379	1 460	1 778	2 271	8 374	10 160	:	14 768	:	16 020	7 950
<b>Switzerland</b>	16 134	17 021	17 936	23 982	41 302	46 068	:	:	:	:	:

Asylum applicant — a person who has requested protection under either: Article 1 of the Convention relating to the Status of Refugees of 28 July 1951, as amended by the New York Protocol of 31 January 1967; or within the remit of the United Nations Convention Against Torture and other forms of cruel or inhuman treatment (UNCAT) or the European Convention on Human Rights or other relevant instruments of protection; these figures refer to all persons who apply on an individual basis for asylum or similar protection, irrespective of whether they lodge their application on arrival at the border, or from inside the country, and irrespective of whether they entered the country legally or illegally; due to different methods of collecting the information, data from different countries may not be entirely comparable.

Table 1.19: Acquisition of citizenship and asylum applications

(persons)

TPS00021 TPS00024 TPS00163 TPS00164

	Acquisition of citizenship		Asylum applications		Asylum decisions						
					Number of decisions		of which, rejections (%)		Grants of refugee status		
	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	
<b>EU-25</b>	:	:	335 879	267 394	:	:	:	:	:	:	:
<b>EU-15</b>	:	:	298 499	229 366	:	:	:	:	:	:	:
<b>Euro area</b>	:	:	202 709	162 650	:	:	:	:	:	:	:
<b>Belgium</b>	:	:	13 585	12 400	19 973	15 434	90	78	1 341	2 352	
<b>Czech Republic</b>	2 199	5 020	11 400	5 302	13 398	7 879	58	59	160	103	
<b>Denmark</b>	6 583	14 976	4 390	2 932	3 429	2 499	78	77	497	104	
<b>Germany</b>	:	127 153	50 563	35 607	93 885	61 961	67	62	3 136	2 067	
<b>Estonia</b>	3 706	6 543	14	11	14	9	93	100	0	0	
<b>Greece</b>	1 896	:	8 178	4 469	4 811	3 867	99	97	4	9	
<b>Spain</b>	26 517	38 220	5 927	5 553	6 965	6 670	95	95	251	177	
<b>France</b>	139 938	168 826	52 204	50 547	66 344	68 118	90	91	6 526	6 274	
<b>Ireland</b>	:	3 784	7 901	4 766	9 313	6 898	84	94	345	430	
<b>Italy</b>	13 406	:	13 705	9 629	:	:	:	:	:	:	
<b>Cyprus</b>	247	:	4 407	9 675	404	5 333	66	51	0	30	
<b>Latvia</b>	9 951	17 178	5	7	12	11	42	55	0	0	
<b>Lithuania</b>	471	610	394	167	774	562	7	9	3	12	
<b>Luxembourg</b>	785	841	1 549	1 575	:	:	:	:	:	:	
<b>Hungary</b>	5 261	:	2 401	1 600	3 931	1 785	39	52	178	149	
<b>Malta</b>	:	:	457	846	471	757	45	30	34	18	
<b>Netherlands</b>	28 799	26 171	13 402	9 782	21 764	15 654	67	52	393	480	
<b>Austria</b>	:	41 645	32 359	24 634	35 608	25 423	14	20	2 084	5 136	
<b>Poland</b>	1 653	1 937	6 825	7 937	7 772	5 898	41	34	219	305	
<b>Portugal</b>	2 479	1 346	116	113	100	73	85	85	2	2	
<b>Slovenia</b>	3 306	3 333	1 119	1 088	1 196	1 034	12	32	18	18	
<b>Slovakia</b>	3 492	4 016	10 358	11 395	7 421	13 389	11	12	11	6	
<b>Finland</b>	4 526	6 880	3 220	3 575	3 384	4 728	74	72	4	28	
<b>Sweden</b>	33 222	28 893	31 355	23 161	31 006	34 943	73	80	430	362	
<b>United Kingdom</b>	124 295	140 740	60 045	40 623	80 369	58 913	84	83	5 378	2 159	
<b>Bulgaria</b>	:	:	1 318	985	1 930	965	51	35	18	17	
<b>Croatia</b>	12 654	8 940	:	:	:	:	:	:	:	:	
<b>Romania</b>	139	:	:	:	:	:	:	:	:	:	
<b>Turkey</b>	24 785	8 238	:	:	:	:	:	:	:	:	
<b>Norway</b>	7 867	8 154	16 020	7 950	16 360	:	72	:	585	:	
<b>Switzerland</b>	35 427	35 685	:	:	:	:	:	:	:	:	

Citizenship is defined as the legal nationality of each person.

Asylum applicant — a person who has requested protection under either: Article 1 of the Convention relating to the Status of Refugees of 28 July 1951, as amended by the New York Protocol of 31 January 1967; or within the remit of the United Nations Convention Against Torture and other forms of cruel or inhuman treatment (UNCAT) or the European Convention on Human Rights or other relevant instruments of protection; these figures refer to all persons who apply on an individual basis for asylum or similar protection, irrespective of whether they lodge their application on arrival at the border, or from inside the country, and irrespective of whether they entered the country legally or illegally; due to different methods of collecting the information, data from different countries may not be entirely comparable.

Geneva Convention Status granted: this category refers to decisions to grant refugee status within the meaning of Article 1 of the Convention relating to the Status of Refugees of 28 July 1951, as amended by the New York Protocol of 31 January 1967.

## 2. EDUCATION



**School enrolment and levels of education**

**Foreign language learning**

**Tertiary education**

**Lifelong learning**

**Educational expenditure**



<b>Education</b>	<b>83</b>
School enrolment and levels of education	84
Foreign language learning	90
Tertiary education	92
Lifelong learning	94
Educational expenditure	96

## 2. EDUCATION

Education, vocational training and lifelong learning play a vital role in both an economic and social context. The opportunities which the EU offers its citizens for living, studying and working in other countries make a major contribution to cross-cultural understanding, personal development and the realisation of the EU's full economic potential. Each year, well over a million EU citizens of all ages benefit from EU-funded educational, vocational and citizenship-building programmes.

The Treaty establishing the European Community <sup>(14)</sup> acknowledged the importance of these areas by stating that *'the Community shall contribute to the development of quality education by encouraging cooperation between Member States and, if necessary, by supporting and supplementing their action ... The Community shall implement a vocational training policy which shall support and supplement the action of the Member States'*.

<sup>(14)</sup> Consolidated version of the Treaty establishing the European Community, Chapter 3, Articles 149(1) and 150(1) (OJ C 352, 24.12.2002, p. 33) ([http://eur-lex.europa.eu/en/treaties/dat/12002E/pdf/12002E\\_EN.pdf](http://eur-lex.europa.eu/en/treaties/dat/12002E/pdf/12002E_EN.pdf)).

Eurostat has a wide range of data within this area, including:

- educational attainment;
- entrants, enrolments, and graduates by age and gender;
- levels of education;
- fields of study;
- numbers of non-national students;
- education staff;
- pupil/teacher ratios;
- numbers of students studying foreign languages;
- expenditure on education in current and constant prices;
- expenditure on public educational institutions;
- expenditure on private educational institutions;
- financial aid to students;
- training policy and management of training;
- participation in training courses;
- working time spent on training courses;
- cost and funding of training courses.



More recently the European Council adopted in 2001 a set of goals and objectives for education and training systems that are to be attained by 2010<sup>(15)</sup>. These objectives set as part of the Lisbon strategy, are likely to be attained only through the efficient use of resources, quality improvements in the education and training systems, and the implementation of a coherent lifelong learning strategy within the Member States. The ministers of education agreed on three major goals:

- to improve the quality and effectiveness of EU education and training systems;
- to ensure that they are accessible to all;
- to open up education and training to the wider world.

The European Commission adopted on 11 November 2003 a communication presenting an interim evaluation of the progress being made towards the Lisbon objectives, entitled, *'Education and training 2010'*<sup>(16)</sup>. This communication called for accelerated reforms in the years to come and a stronger political commitment to achieve the Lisbon goals.

Another key priority for the European Commission is the European qualifications framework (EQF), which was formally published as a staff working document on 8 July 2005<sup>(17)</sup>. The objective of the planned EQF is to facilitate the transfer and recognition of qualifications held by individual citizens, by linking qualifications systems at the national and sectoral levels and enabling them to relate to each other. The EQF will act as a translation device and should aid citizen mobility for work and study.

(15) See [http://ec.europa.eu/education/policies/2010/doc/rep\\_fut\\_obj\\_en.pdf](http://ec.europa.eu/education/policies/2010/doc/rep_fut_obj_en.pdf).

(16) *"Education and training 2010"* — The success of the Lisbon strategy hinges on urgent reforms', COM(2003) 685 final of 11 November 2003 ([http://ec.europa.eu/education/policies/2010/doc/com\\_2003\\_685-a1\\_23013\\_en.pdf](http://ec.europa.eu/education/policies/2010/doc/com_2003_685-a1_23013_en.pdf)).

(17) *'Towards a European qualifications framework for lifelong learning'*, SEC(2005) 957 of 8 July 2005 ([http://ec.europa.eu/education/policies/2010/doc/consultation\\_eqf\\_en.pdf](http://ec.europa.eu/education/policies/2010/doc/consultation_eqf_en.pdf)).

## SCHOOL ENROLMENT AND LEVELS OF EDUCATION

The measurement of progress towards objectives within the field of education policy requires a range of comparable statistics on educational attainment, enrolment in education and training, numbers of graduates and teachers, as well as information on language learning, student and researcher mobility and educational expenditure.

The European statistical system provides data on education and training which are the basis for indicators that are used to measure the performance of the education and training systems in the EU and for monitoring progress towards the knowledge-based economy and society that is part of the broader policy context of the Lisbon objectives.

There were about 93 million pupils and students enrolled in educational establishments (excluding pre-primary education) in the EU-25 in 2004, some 4 million more than in 1998. The increase in student numbers results from an expansion of educational opportunities, as the number of persons of school age was relatively unchanged during the period considered. Increasing numbers of students and pupils may be largely attributed to two trends:

- more students remaining in education and taking up places within higher education;
- mature (adult) students returning to education in order to retrain or equip themselves for a career change.

One of the main deterrents for having children is a lack of pre-school childcare and education. This may result in either parent having to give up their job in order to take care of their children before they reach obligatory school age. In many of the Member States the possibility of placing a child in a crèche remains limited.

The proportion of four-year old children in pre-primary education varied considerably across the Member States, with an average of about 86 % for the EU-25 in 2004. A number of countries reported participation rates close to or equal to 100 %, while at the other end of the range, less than one in two children aged four were in education in Ireland, Finland and Poland.

Low pupil/teacher ratios are thought to be an important factor for successful primary education. Ratios in 2004 ranged from less than 11 pupils per teacher in Denmark, Italy, Luxembourg and Hungary, to almost double that rate in the United Kingdom (more than 21).

Data on educational attainment show that, in 2005, just over three quarters (77 %) of the EU-25's population aged 20 to 24 had completed at least an upper secondary level of education. However, 16 % of those aged 18 to 24 (17 % of men and 13 % of women) were early school leavers, with at most a lower secondary education. In general, higher education qualifications reduce, albeit to differing degrees, the risk of unemployment (see Chapter 4 for more details).



Table 2.1: Pupils and students (excluding pre-primary education)

(1 000)

TPS00051

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	:	:	:	:	88 862	90 391	90 521	90 747	92 053	91 838	92 742
<b>EU-15</b>	73 001	73 360	73 380	73 296	73 027	74 388	74 340	74 400	75 674	75 518	76 463
<b>Euro area</b>	57 105	57 019	56 883	56 758	56 861	56 490	56 293	56 226	56 107	56 286	56 664
<b>Belgium (1)</b>	2 113	2 153	2 160	2 168	:	2 207	2 235	2 304	2 333	2 373	2 333
<b>Czech Republic</b>	:	:	:	:	1 914	1 875	1 906	1 932	1 935	1 928	1 934
<b>Denmark (2)</b>	942	943	942	955	973	988	1 003	1 029	1 046	1 069	1 127
<b>Germany (3)</b>	13 842	14 035	14 210	14 441	14 568	14 581	14 549	14 515	14 511	14 525	14 583
<b>Estonia</b>	:	:	:	:	290	296	303	306	304	298	293
<b>Greece</b>	1 889	1 850	1 840	1 833	1 904	1 859	1 884	1 906	1 975	1 961	1 983
<b>Spain</b>	8 778	8 637	8 509	8 239	8 087	7 898	7 769	7 597	7 461	7 382	7 509
<b>France</b>	12 145	12 148	12 137	12 131	12 092	12 022	11 934	11 849	11 791	11 884	11 903
<b>Ireland (4)</b>	898	893	885	887	1 000	994	990	987	992	1 001	1 033
<b>Italy</b>	9 572	9 433	9 300	9 306	9 202	9 151	9 049	9 144	9 199	9 266	9 380
<b>Cyprus (5)</b>	:	:	:	136	:	138	138	140	142	146	148
<b>Latvia</b>	:	:	:	:	471	485	499	510	510	506	502
<b>Lithuania</b>	:	:	:	:	713	739	767	787	797	807	811
<b>Luxembourg (6)</b>	52	54	57	60	62	68	69	70	72	73	71
<b>Hungary</b>	:	:	:	:	1 855	1 879	1 906	1 924	1 946	1 968	1 988
<b>Malta</b>	:	:	:	:	:	78	78	78	77	79	81
<b>Netherlands</b>	3 241	3 201	3 179	3 116	3 136	3 123	3 171	3 217	3 208	3 239	3 264
<b>Austria</b>	1 387	1 402	1 412	1 416	1 426	1 443	1 459	1 464	1 422	1 429	1 452
<b>Poland</b>	:	:	:	:	8 867	9 003	9 074	9 153	9 153	9 077	9 004
<b>Portugal</b>	2 145	2 166	2 134	2 085	2 076	2 020	2 032	2 002	1 964	1 962	1 945
<b>Slovenia (3)</b>	:	:	:	:	386	392	389	403	407	408	411
<b>Slovakia</b>	:	:	:	:	1 123	1 119	1 123	1 114	1 109	1 104	1 108
<b>Finland</b>	1 044	1 047	1 059	1 077	1 101	1 126	1 152	1 172	1 179	1 193	1 206
<b>Sweden</b>	1 656	1 698	1 753	1 814	1 962	2 075	2 090	2 107	2 115	2 119	2 123
<b>United Kingdom</b>	13 298	13 700	13 802	13 769	13 232	14 835	14 955	15 038	16 407	16 043	16 550
<b>Bulgaria</b>	:	:	:	:	1 404	1 390	1 357	1 322	1 275	1 274	1 250
<b>Croatia</b>	:	:	:	:	:	:	:	:	:	725	730
<b>Romania (7)</b>	:	:	:	:	4 020	4 006	3 962	3 954	3 939	3 915	3 901
<b>Turkey</b>	:	:	:	:	:	13 571	13 169	14 893	15 389	15 565	16 379
<b>Iceland</b>	:	67	67	68	71	72	74	74	77	80	82
<b>Liechtenstein (8)</b>	:	:	5	5	:	:	5	:	:	6	6
<b>Norway</b>	895	858	865	884	958	981	989	993	1 005	1 036	1 052
<b>Switzerland</b>	:	:	:	:	:	:	:	:	1 294	1 315	1 330
<b>Japan</b>	22 842	22 409	22 346	:	21 368	20 908	20 583	20 254	19 956	19 646	19 435
<b>United States</b>	58 573	59 225	59 781	60 622	61 816	62 795	62 323	63 653	64 440	65 738	66 075

(1) Excluding independent private institutions; excluding the German speaking community for 2004; according to new definitions for 2004, students in programmes of a duration of one semester or shorter (which were included in previous years) are excluded.

(2) Improved coverage — adult education programmes (ISCED levels 3 and 5) are included for the first time for 2004.

(3) Excluding ISCED level 6 for 1998-2004.

(4) Improved coverage of ISCED levels 2, 3 and 4 part-time programmes for 2004.

(5) Most tertiary students study abroad and are not included.

(6) Most tertiary students study abroad and are not included; many students at ISCED levels 1, 2 and 3 study abroad and are not included.

(7) Excluding ISCED level 6 for 1998-2002.

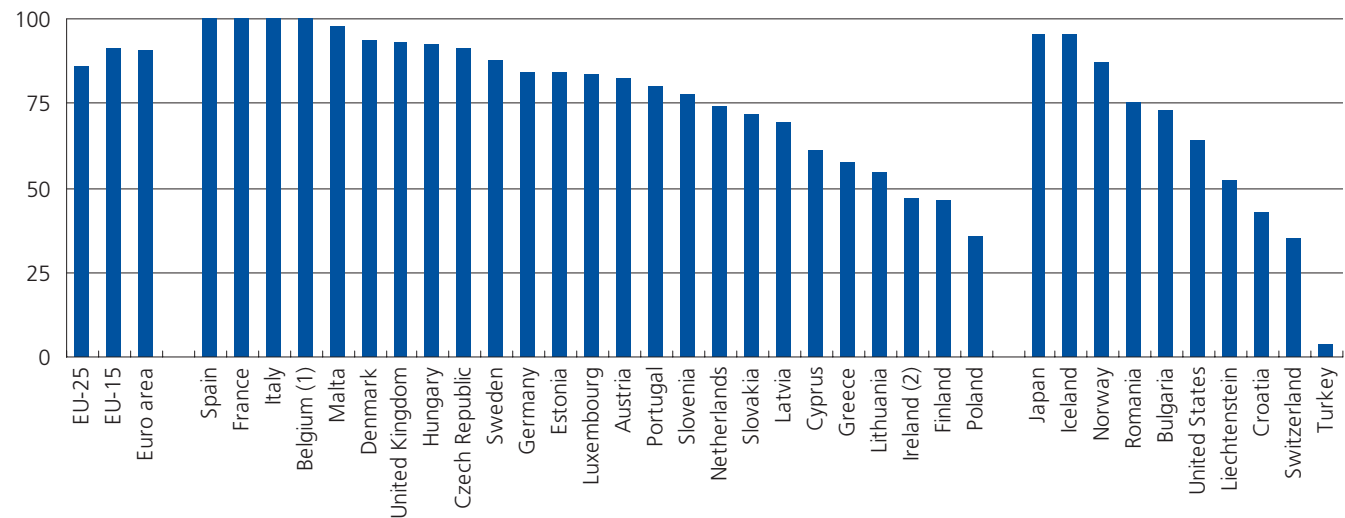
(8) Most students at ISCED levels 3 to 6 study abroad and are not included, while many students at ISCED level 3 and ISCED level 5 come from abroad.

*This table includes the total number of persons who are enrolled in the regular education system in each country; it covers all levels of education from primary education to postgraduate studies; it corresponds to the target population for education policy.*

**Figure 2.1: Four-year-olds in education, 2004**

(% of all four-year olds)

TPS00053



(1) Excluding independent private institutions; excluding enrolments in the German speaking community.

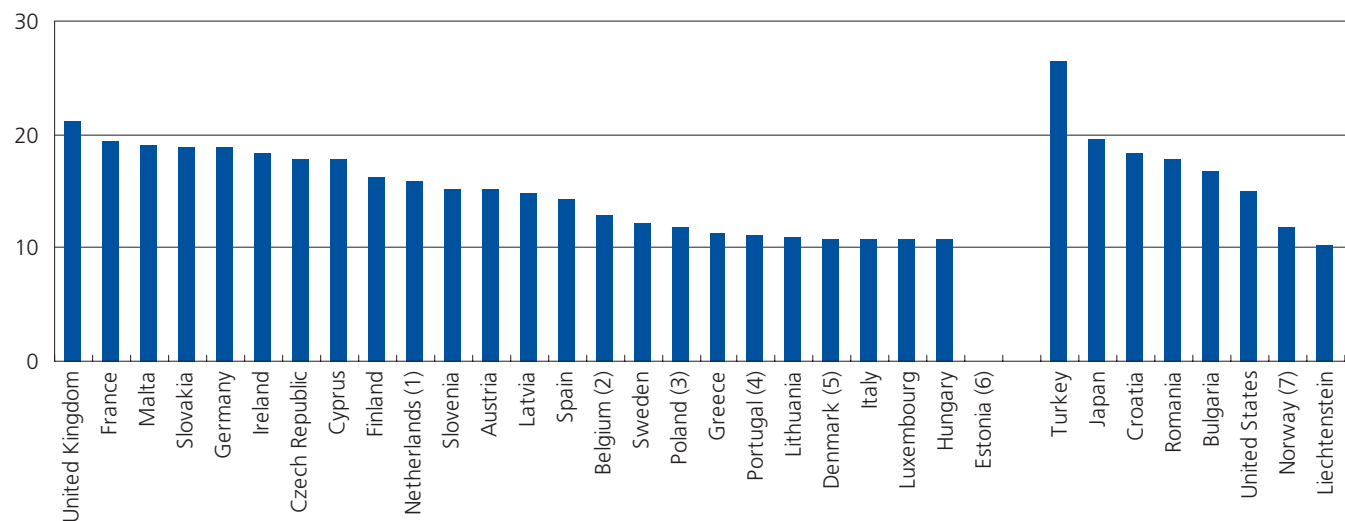
(2) There is no official provision of ISCED level 0 education; many children attend some form of ISCED level 0 education but data are for the most part missing.

*This indicator presents the percentage of the four-year-olds who are enrolled in education-oriented pre-primary institutions; these institutions provide education-oriented care for young children; they can either be schools or non-school settings, which generally come under authorities or ministries other than those responsible for education; they must recruit staff with specialised qualifications in education; day nurseries, playgroups and day care centres, where the staff are not required to hold a qualification in education, are not included.*

**Figure 2.2: Pupil/teacher ratio in primary education, 2004**

(average number of pupils per teacher)

TPS00054



(1) ISCED level 0 included in ISCED level 1.

(2) Excluding independent private institutions; excluding the German speaking community.

(3) 2003.

(4) Data on full-time equivalents not available; all teachers (head-count) are included in the denominator.

(5) ISCED level 2 included in ISCED level 1; 2003.

(6) Not available.

(7) Public sector only.

*The pupil-teacher ratio is calculated by dividing the number of full-time equivalent pupils by the number of full-time equivalent teachers teaching at ISCED level 1; only teachers in service (including special education teachers) are taken into account; the pupil-teacher ratio should not be confused with average class size as it does not take into account special cases, like the small size of groups of special needs pupils or specialised/minority subject areas, or the difference between the number of hours of teaching provided by teachers and the number of hours of instruction prescribed for pupils for example in the case where a teacher is working in a shift system.*



Table 2.2: Youth education and early school leavers


  
TPS00061

	Median age in tertiary education (years old)		Youth education attainment level (%)		Early school leavers (%)					
	1999	2004	2000	2005	Total		Male		Female	
					2000	2005	2000	2005	2000	2005
<b>EU-25</b>	21.9	22.1	76.3	76.9	17.7	15.2	19.9	17.3	15.5	13.1
<b>EU-15</b>	22.0	22.2	73.5	74.1	19.5	17.2	21.8	19.5	17.2	14.9
<b>Euro area</b>	21.8	22.0	72.5	73.1	20.1	18.1	22.8	20.7	17.5	15.5
<b>Belgium (1)</b>	20.3	20.7	80.9	80.3	12.5	13.0	14.8	15.3	10.2	10.6
<b>Czech Republic</b>	21.0	21.9	91.1	90.3	:	6.4	:	6.2	:	6.6
<b>Denmark</b>	24.8	25.3	69.8	76.0	11.6	8.5	13.4	9.4	9.9	7.5
<b>Germany (2)</b>	24.7	23.8	74.7	71.0	14.9	13.8	14.6	13.5	15.2	14.1
<b>Estonia (3)</b>	20.6	22.0	83.6	80.9	14.2	14.0	16.3	17.4	12.1	10.7
<b>Greece</b>	19.2	20.7	79.3	84.0	18.2	13.3	22.9	17.5	13.6	9.2
<b>Spain (4)</b>	21.5	22.0	65.9	61.3	29.1	30.8	34.7	36.4	23.4	25.0
<b>France</b>	20.6	20.7	81.6	82.8	13.3	12.6	14.8	14.6	11.9	10.7
<b>Ireland</b>	19.8	20.3	82.4	86.1	:	12.3	:	14.9	:	9.6
<b>Italy</b>	22.3	22.2	68.8	72.9	25.3	21.9	28.8	25.9	21.9	17.8
<b>Cyprus (5)</b>	19.6	20.8	79.0	80.7	18.5	18.1	25.0	26.6	13.9	10.6
<b>Latvia</b>	21.4	22.7	76.8	81.8	:	11.9	:	15.5	:	8.2
<b>Lithuania (6)</b>	20.3	21.5	77.9	85.2	16.7	9.2	18.5	12.2	14.9	6.2
<b>Luxembourg</b>	:	:	77.5	71.1	16.8	13.3	15.9	17	17.6	9.6
<b>Hungary</b>	21.4	22.5	83.6	83.3	13.8	12.3	14.3	13.5	13.2	11.1
<b>Malta</b>	20.3	21.3	40.9	48.1	54.2	41.2	52.5	43	56.1	39.3
<b>Netherlands</b>	21.5	21.7	71.7	74.6	15.5	13.6	16.2	15.8	14.8	11.2
<b>Austria</b>	24.3	23.2	84.7	85.9	10.2	9.0	9.6	9.4	10.7	8.5
<b>Poland</b>	21.5	21.6	87.8	90.0	:	5.5	:	6.9	:	4.0
<b>Portugal</b>	21.6	22.2	42.8	48.4	42.6	38.6	50.1	46.7	35.1	30.1
<b>Slovenia (2) (3)</b>	21.4	22.1	87.0	90.6	:	4.3	:	5.7	:	2.8
<b>Slovakia</b>	:	21.6	94.5	91.5	:	5.8	:	6	:	5.7
<b>Finland</b>	24.0	24.2	87.8	84.8	8.9	9.3	11.3	11.3	6.5	7.3
<b>Sweden</b>	24.8	25.5	85.2	87.8	7.7	8.6	9.2	9.3	6.2	7.9
<b>United Kingdom</b>	22.9	22.9	76.4	77.1	18.4	14.0	19.0	14.7	17.9	13.2
<b>Bulgaria</b>	21.3	21.6	74.9	76.8	:	20.0	:	19.5	:	20.6
<b>Croatia (3)</b>	:	20.5	:	93.9	:	4.8	:	5.6	:	3.8
<b>Romania (7)</b>	20.7	21.4	75.8	75.2	22.3	20.8	23.3	21.4	21.3	20.1
<b>Turkey</b>	21.0	20.9	38.9	43.9	58.8	51.3	65.8	58.2	51.2	43.8
<b>Iceland</b>	24.2	25.6	46.1	53.0	29.8	26.3	29.9	30.5	29.6	22.0
<b>Liechtenstein</b>	:	24.9	:	:	:	:	:	:	:	:
<b>Norway</b>	23.9	25.0	95.1	96.3	13.3	4.6	13.2	5.3	13.5	3.9
<b>Switzerland</b>	:	24.2	77.7	82.5	7.3	7.8	7.4	8.7	7.1	6.9
<b>Japan</b>	38.7	:	:	:	:	:	:	:	:	:
<b>United States</b>	23.0	22.0	:	:	:	:	:	:	:	:

(1) All data in relation to median age excluding independent private institutions for 1999 and 2004; excluding the German speaking community for 2004.

(2) All data in relation to median age excluding ISCED level 6.

(3) All data in relation to early school leavers, unreliable.

(4) All data in relation to early school leavers, break in series in 2005.

(5) Most tertiary students study abroad and are not included.

(6) All data in relation to early school leavers, unreliable in 2005.

(7) Data for 1999 in relation to median age excluding ISCED level 6.

*The median age of a given population is the age separating the group into two halves of equal size; in the case of this indicator it means that half of the student population, i.e. persons enrolled in tertiary education (ISCED levels 5 and 6), is younger than the median age and the other half is older.*

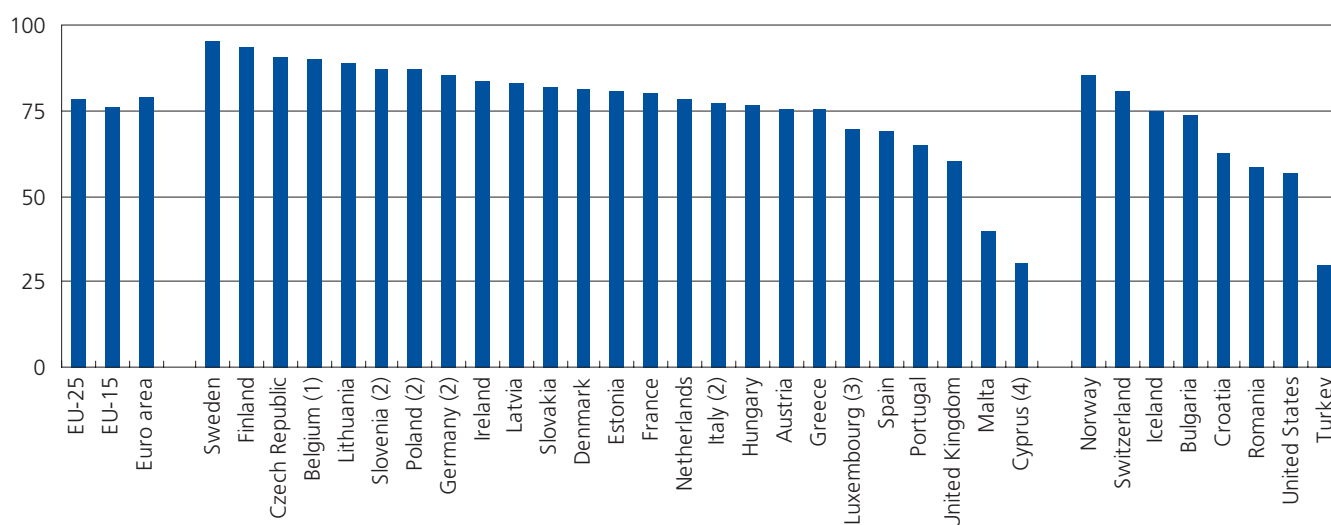
*The indicator youth education attainment level is defined as the percentage of young people aged 20 to 24 years having attained at least upper secondary education attainment level, i.e. with an education level ISCED 3a, 3b or 3c long; the denominator consists of the total population of the same age group.*

*Early school leavers refers to persons aged 18 to 24 in the following two conditions: the highest level of education or training attained is ISCED 0, 1, 2 or 3c short and respondents declared not having received any education or training in the four weeks preceding the survey; the denominator consists of the total population of the same age group.*

**Figure 2.3: 18-year-olds in education, 2004**

(% of all 18-year-olds)

TPS00060



(1) Excluding independent private institutions; excluding the German speaking community.

(2) Excluding ISCED level 6.

(3) Most tertiary students study abroad and are not included; many students at ISCED levels 1, 2 and 3 study abroad and are not included in the enrolment data but are included in population data; therefore, all participation rates by age are underestimated; excluding ISCED level 5.

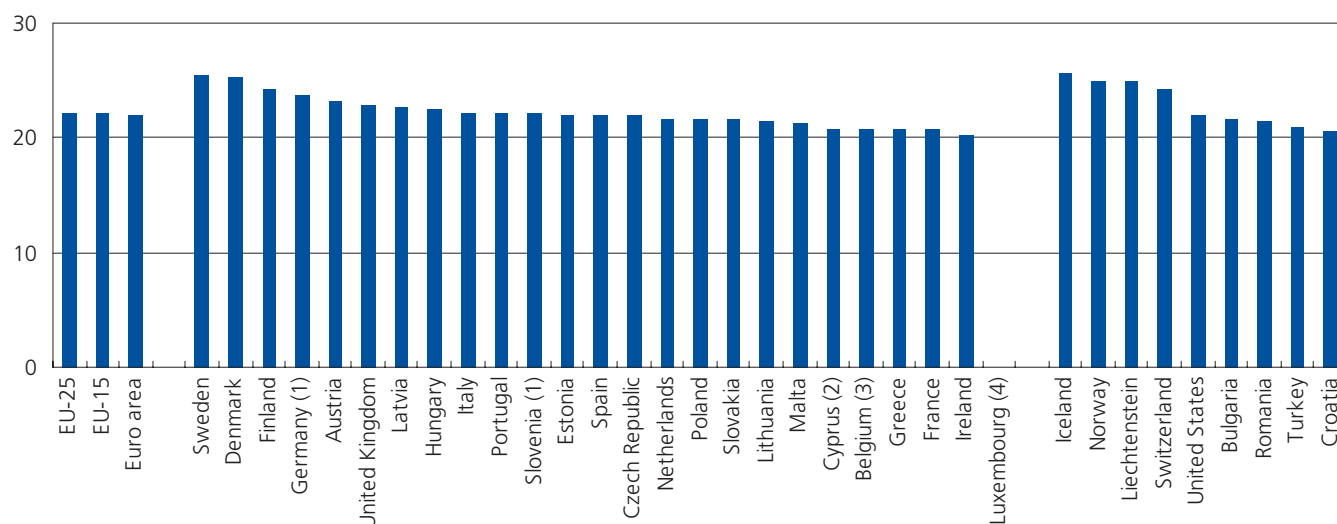
(4) Most tertiary students study abroad and are not included.

*This indicator gives the percentage of all 18-year-olds who are still in any kind of school (all ISCED levels); it gives an indication of the number of young people who have not abandoned their efforts to improve their skills through initial education and it includes both those who had a regular education career without any delays as well as those who are continuing even if they had to repeat some steps in the past.*

**Figure 2.4: Median age in tertiary education, 2004**

(years old)

TPS00061



(1) Excluding ISCED level 6.

(2) Most tertiary students study abroad and are not included.

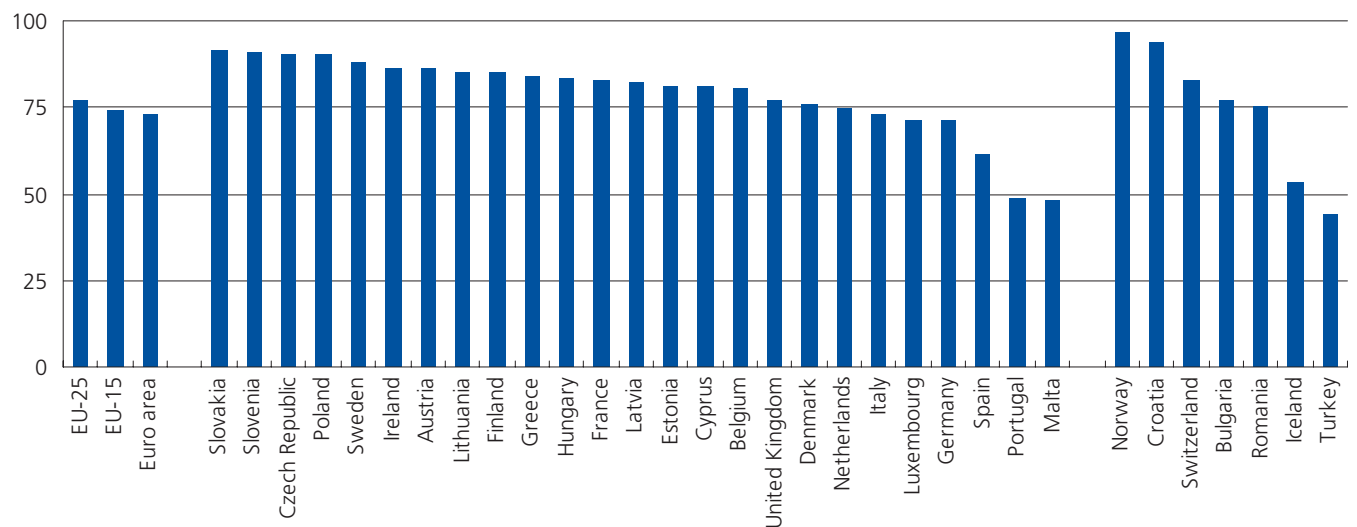
(3) Excluding independent private institutions; excluding the German speaking community.

(4) Not available.

*The median age of a given population is the age separating the group into two halves of equal size; in the case of this indicator it means that half of the student population, i.e. persons enrolled in tertiary education (ISCED levels 5 and 6), is younger than the median age and the other half is older.*


**Figure 2.5: Youth education attainment level, 2005**

(% of the population aged 20 to 24 having completed at least upper secondary education)

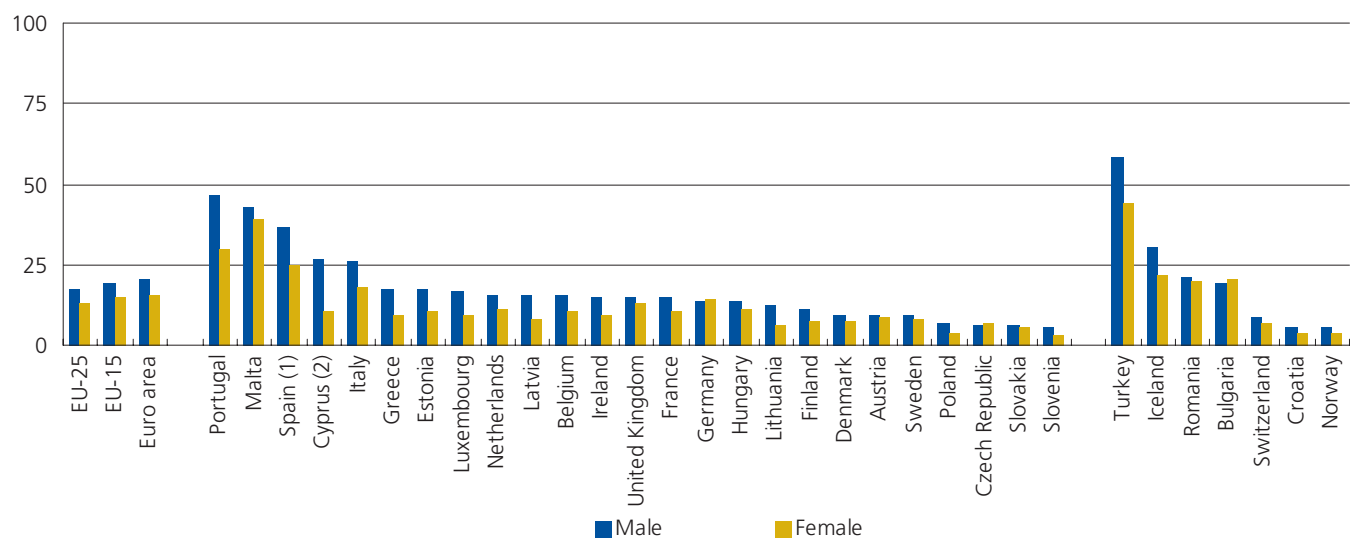


The indicator youth education attainment level is defined as the percentage of young people aged 20 to 24 years having attained at least upper secondary education attainment level, i.e. with an education level ISCED 3a, 3b or 3c long; the denominator consists of the total population of the same age group.

2

**Figure 2.6: Early school leavers, 2005**

(% of the population aged 18 to 24 with at most lower secondary education and not in further education or training)



(1) Break in series.

(2) Most tertiary students study abroad and are not included.

Early school leavers refers to persons aged 18 to 24 in the following two conditions: the highest level of education or training attained is ISCED 0, 1, 2 or 3c short and respondents declared not having received any education or training in the four weeks preceding the survey; the denominator consists of the total population of the same age group.

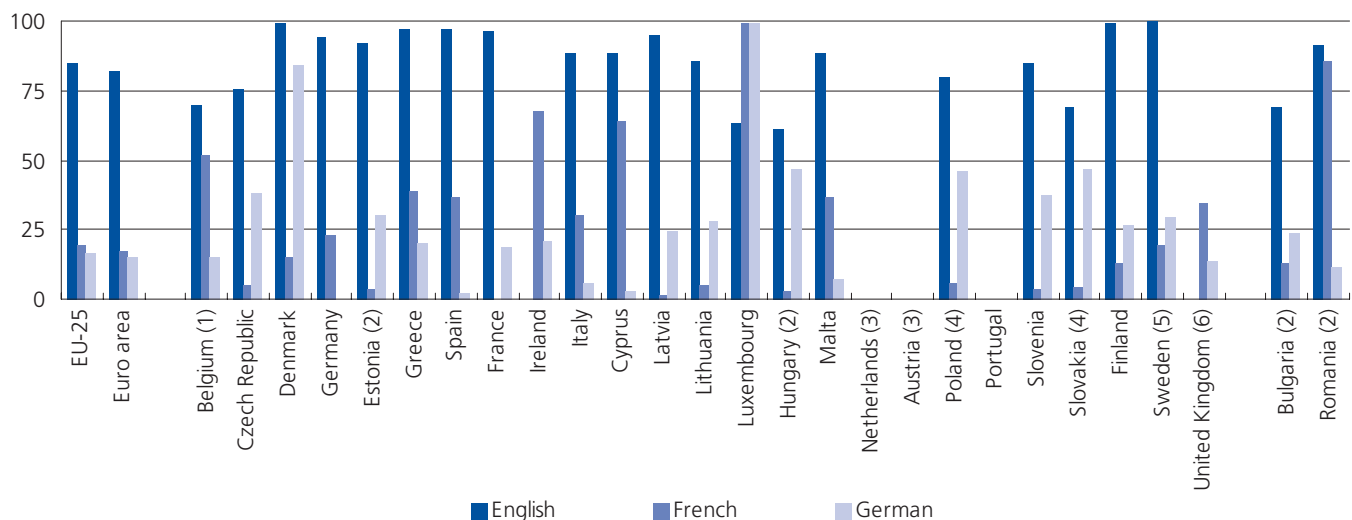
### FOREIGN LANGUAGE LEARNING

The promotion of linguistic diversity is a policy actively encouraged within the EU in schools, universities, adult education centres and enterprises; this includes the smaller European languages as well as the larger ones, regional, minority and migrant languages, as well as the languages of major trading partners throughout the world.

The European Commission's contribution in this field combines the regular funding of projects and activities with strategic developments and innovation in areas which it considers to be of particular importance. It has been able to finance practical projects, notably through the Socrates and Leonardo da Vinci programmes, while the EU's programmes for cooperation in the field of education and vocational training include specific measures to promote language teaching and learning. For example, the Lingua action of the Socrates programme enables institutions from different countries to work together to develop language-learning materials which fill gaps in the existing market, while the Comenius action of the same programme provides funding each year for language exchange visits, teacher-training courses, and language assistants for schools and adult education centres.

**Figure 2.7: Proportion of pupils learning foreign languages in secondary education by language, 2004**

(%) TPS00057 TPS00058 TPS00059



(1) Excluding the German speaking community; excluding pupils in special education.

(2) Pupils with a disability in cognitive development are included in the total number of pupils.

(3) Not available.

(4) Full-time pupils only.

(5) Excluding adult education; includes only pupils graduating.

(6) England only, data are underestimated as they are based on the number of pupils taking exams and hence exclude pupils who are taking a language course but do not sit final examinations.

*The percentage of all pupils in secondary education (ISCED levels 2 and 3) who are learning English/French/German as a foreign language; it only covers general and not vocational education in countries where English/French/German is described as a foreign language in the curriculum or other official document relating to education in the country.*



Table 2.3: Foreign languages learnt per pupil in secondary education (1)

TPS00056 TPS00057 TPS00058 TPS00059

	Average number of foreign languages learnt per pupil: secondary education (number)		Pupils learning English in general programmes (%)		Pupils learning French in general programmes (%)		Pupils learning German in general programmes (%)	
	2000	2004	2000	2004	2000	2004	2000	2004
<b>EU-25</b>	1.2	1.3	73.4	84.9	17.0	19.2	14.2	16.8
<b>Euro area</b>	:	1.3	:	82.1	:	17.5	:	14.9
<b>Belgium (2)</b>	1.7	1.7	66.3	69.5	50.5	52.0	15.1	14.8
<b>Czech Republic (3)</b>	1.2	1.2	63.7	75.8	3.7	4.8	49.0	38.2
<b>Denmark</b>	1.9	2.1	100.0	99.1	13.5	14.9	66.6	84.5
<b>Germany</b>	1.2	1.2	93.6	94.2	23.5	23.3	-	-
<b>Estonia (4)</b>	2.1	2.1	86.4	92.3	2.7	3.7	35.6	30.2
<b>Greece</b>	:	1.6	:	96.9	:	39.1	:	20.2
<b>Spain</b>	1.4	1.4	97.7	97.3	36.9	36.6	1.6	2.0
<b>France</b>	1.6	1.2	96.1	96.5	-	-	22.4	18.4
<b>Ireland (5)</b>	1.0	1.0	-	-	69.9	67.6	23.3	21.0
<b>Italy</b>	1.2	1.3	78.5	88.4	33.5	30.5	5.4	5.4
<b>Cyprus</b>	2.0	1.7	100.0	88.4	100.0	63.7	0.0	2.6
<b>Latvia</b>	1.6	1.7	87.7	95.2	1.8	1.5	32.8	24.6
<b>Lithuania</b>	1.7	1.7	73.1	85.3	7.1	5.0	34.1	27.8
<b>Luxembourg (6)</b>	2.6	2.6	63.9	63.2	94.3	99.1	93.5	99.1
<b>Hungary (7)</b>	0.9	1.1	41.5	60.8	2.4	3.2	39.0	47.0
<b>Malta</b>	2.0	1.9	94.2	88.8	41.1	36.9	7.3	7.0
<b>Netherlands</b>	:	2.6	:	:	:	:	:	:
<b>Austria</b>	1.2	:	98.3	:	13.1	:	-	-
<b>Poland (8)</b>	1.6	1.4	80.4	79.6	10.9	5.8	52.9	46.0
<b>Portugal</b>	:	:	:	:	:	:	:	:
<b>Slovenia</b>	1.3	1.3	87.5	84.7	2.8	3.6	36.9	37.6
<b>Slovakia (9)</b>	1.2	1.3	56.0	68.9	3.5	4.2	51.2	46.7
<b>Finland</b>	2.5	2.4	98.8	99.1	13.8	12.8	31.2	26.3
<b>Sweden (10)</b>	1.8	1.8	100.0	100.0	22.7	19.1	41.5	29.7
<b>United Kingdom (11)</b>	:	0.6	-	-	:	34.4	:	13.9
<b>Bulgaria (12)</b>	1.3	1.4	60.9	69.3	16.8	13.0	21.0	23.4
<b>Romania (12)</b>	1.9	1.9	80.4	91.7	88.5	86.0	11.4	11.3

(1) For the proportion of pupils learning English, French and German: coverage has changed from general and pre-vocational programmes up to and including 2003, to general programmes from 2004.

(2) Excluding the German speaking community; excluding pupils in special education.

(3) Full-time pupils only for 2000.

(4) The national language taught in schools where it is not the teaching language is counted as a foreign language.

(5) Irish is not considered as a foreign language; all pupils in primary and secondary education in Ireland learn Irish; full-time pupils only.

(6) Luxembourgish is excluded; all pupils in primary and secondary education in Luxembourg learn Luxembourgish.

(7) Pupils with a disability in cognitive development are included in the total number of pupils; full-time pupils only for 2000.

(8) Full-time pupils only; special schools are excluded for 2000.

(9) Full-time pupils only.

(10) Excluding adult education; includes only pupils graduating.

(11) England only, data are underestimated as they are based on the number of pupils taking exams and hence exclude pupils who are taking a language course but do not sit final examinations.

(12) Pupils with a disability in cognitive development are included in the total number of pupils.

The average number of foreign languages learned per pupil in secondary education (ISCED levels 2 and 3) is obtained by dividing the total number of pupils learning foreign languages by the number of pupils at that level; a foreign language is recognised as such in the curriculum or other official document relating to education in the country; Irish, Luxembourgish and regional languages are excluded, although provision may be made for them in certain Member States; allowing for exceptions, when one of the national languages is taught in schools where it is not the teaching language, it is not considered as a foreign language.



## TERTIARY EDUCATION

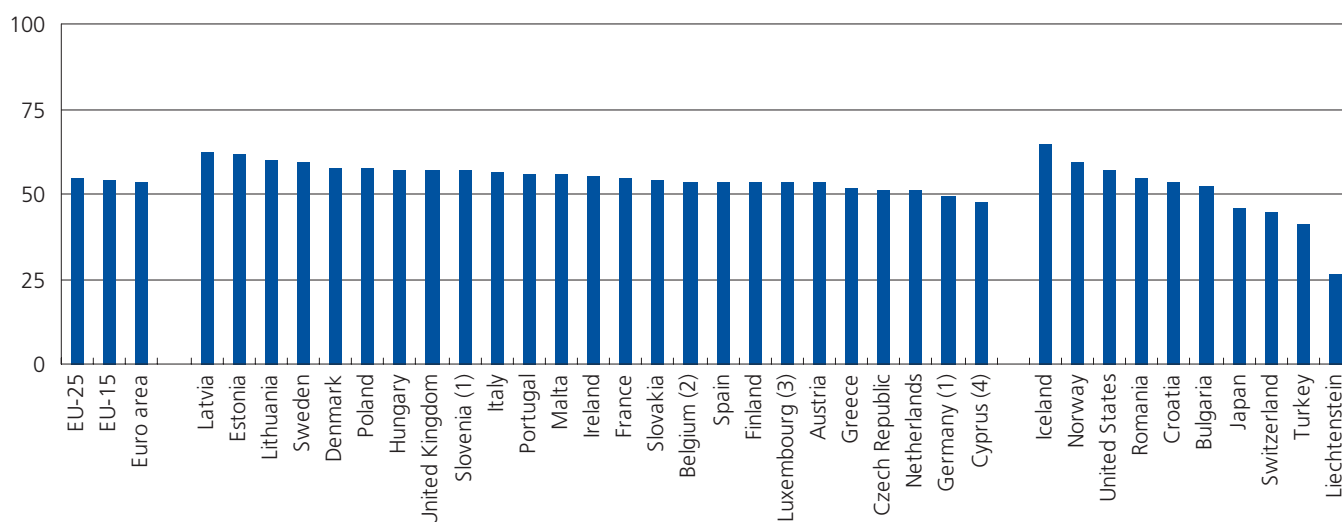
The number of students in tertiary education within the EU-25 stood at over 17 million in 2004, some 3 million higher than in 1998. The highest number of students in tertiary education was recorded in Germany (2.3 million, equivalent to 13.5 % of the EU-25 total), while double-digit shares were also recorded in the United Kingdom, France, Poland, Italy and Spain.

Disparities in educational attainment levels between the sexes have been reduced and even reversed throughout the EU over the last 30 years, such that women have generally overtaken men in terms of the average qualifications they obtain. As a result, EU educational policies have increasingly shifted to promote particular subject areas, where take-up among female students remains relatively low (for example, science,

**Figure 2.8: Proportion of women among tertiary students, 2004**

(% of total number of tertiary students)

TPS00063



(1) Excluding ISCED level 6.

(2) Excluding independent private institutions; excluding the German speaking community.

(3) Most tertiary students study abroad and are not included; 2003.

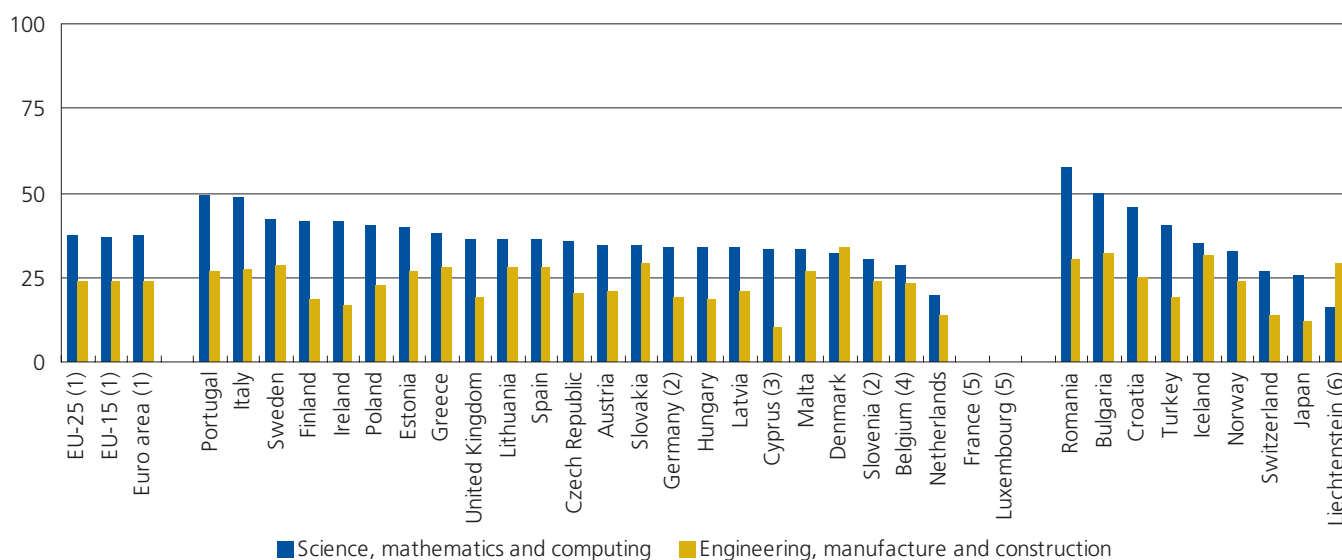
(4) Most tertiary students study abroad and are not included.

*This indicator presents the percentage of women among all students in tertiary education irrespective of field of education.*

**Figure 2.9: Proportion of women among tertiary students, 2004**

(% of total number of tertiary students in each field)

TPS00063



(1) Excluding France and Luxembourg.

(2) Excluding ISCED level 6.

(3) Most tertiary students study abroad and are not included.

(4) Excluding independent private institutions; excluding the German speaking community.

(5) Not available.

(6) Science, mathematics and computing, 2003.

*This indicator presents the percentage of women among all students in tertiary education irrespective of field of education and among all students in the fields of mathematics, science and computing and in the fields of engineering, manufacturing and construction; the levels and fields of education and training used follow the 1997 version of the International Standard Classification of Education (ISCED-97) and the Eurostat manual of fields of education and training (1999).*



mathematics and computing, or engineering, manufacturing and construction-related studies). Overall, throughout almost the entire EU, there were slightly more women than men in tertiary education. However, some 37.0 % of tertiary students in science, mathematics and computing disciplines in the EU-25 were female in 2004. The proportion of female students among those studying engineering, manufacturing and construction-related studies in the EU-25 in 2004 was 23.4 %.

The median age of tertiary students was 22.1 years in the EU-25 in 2004, with the oldest average age being recorded in the Nordic countries; these figures are influenced by the degree to which educational opportunities have been opened-up to older, mature students.

**Table 2.4: Students in tertiary education**

(1 000)

TPS00062

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	:	:	:	:	14 392	14 892	15 207	15 737	16 329	16 887	17 319
<b>EU-15</b>	11 513	11 810	11 933	12 266	12 324	12 525	12 563	12 820	13 191	13 590	13 860
<b>Euro area</b>	9 445	9 581	9 685	9 919	9 922	9 919	10 003	10 204	10 372	10 685	10 966
<b>Belgium (1)</b>	322	353	358	361	:	352	356	359	367	375	386
<b>Czech Republic</b>	:	:	:	196	215	231	254	260	285	287	319
<b>Denmark</b>	170	170	167	180	183	190	189	191	195	202	217
<b>Germany (2)</b>	2 132	2 156	2 144	2 132	2 098	2 087	2 055	2 084	2 160	2 242	2 331
<b>Estonia</b>	:	:	:	39	43	49	54	58	61	64	66
<b>Greece</b>	314	:	329	363	374	388	422	478	529	562	597
<b>Spain</b>	1 470	1 527	1 592	1 684	1 746	1 787	1 829	1 834	1 833	1 841	1 840
<b>France</b>	2 083	2 073	2 092	2 063	2 027	2 012	2 015	2 032	2 029	2 119	2 160
<b>Ireland</b>	118	122	128	135	143	151	161	167	176	182	188
<b>Italy</b>	1 770	1 792	1 775	1 893	1 869	1 797	1 770	1 812	1 854	1 913	1 987
<b>Cyprus (3)</b>	:	:	:	10	:	11	10	12	14	18	21
<b>Latvia</b>	:	:	:	62	70	82	91	103	111	119	128
<b>Lithuania</b>	:	:	:	84	96	107	122	136	149	168	183
<b>Luxembourg (3)</b>	2	:	2	2	2	3	2	3	3	3	:
<b>Hungary</b>	:	:	:	203	255	279	307	331	354	391	422
<b>Malta</b>	:	:	:	:	:	6	6	7	7	9	8
<b>Netherlands</b>	532	503	492	469	461	470	488	504	517	527	543
<b>Austria</b>	227	234	239	241	248	253	261	265	224	230	239
<b>Poland</b>	:	:	:	:	1 191	1 399	1 580	1 775	1 906	1 983	2 044
<b>Portugal</b>	276	301	320	351	352	357	374	388	397	401	395
<b>Slovenia (2)</b>	:	:	:	53	68	79	84	92	99	102	104
<b>Slovakia</b>	:	:	:	102	113	123	136	144	152	158	165
<b>Finland</b>	197	205	214	227	250	263	270	280	284	292	300
<b>Sweden</b>	235	246	261	275	281	335	347	358	383	415	430
<b>United Kingdom</b>	1 664	1 813	1 821	1 892	1 938	2 081	2 024	2 067	2 241	2 288	2 247
<b>Bulgaria</b>	:	:	:	263	261	270	261	247	228	231	229
<b>Croatia</b>	:	:	:	:	:	:	:	:	:	122	126
<b>Romania (4)</b>	:	:	:	354	361	408	453	533	582	644	686
<b>Turkey</b>	:	:	:	:	:	1 465	1 015	1 607	1 678	1 919	1 973
<b>Iceland</b>	:	7	8	8	8	9	10	10	12	13	15
<b>Liechtenstein</b>	:	:	0	0	:	:	1	:	:	0	1
<b>Norway</b>	177	173	180	185	183	188	191	190	197	212	214
<b>Switzerland</b>	149	148	148	:	:	:	:	:	170	186	196
<b>Japan</b>	3 841	3 918	3 945	:	3 964	3 941	3 982	3 973	3 967	3 984	4 032
<b>United States</b>	14 305	14 279	14 262	14 300	13 284	13 769	13 203	13 596	15 928	16 612	16 901

(1) Excluding independent private institutions; excluding the German speaking community for 2004.

(2) Excluding ISCED level 6 for 1998-2004.

(3) Most tertiary students study abroad and are not included.

(4) Excluding ISCED level 6 for 1998-2002.

*This table includes the total number of persons who are enrolled in tertiary education (including university and non-university studies) in the regular education system in each country; it corresponds to the target population for policy in higher education; it provides an indication of the number of persons who had access to tertiary education and are expected to complete their studies, contributing to an increase of the educational attainment level of the population in the country in case they continue to live and work in the country at the end of their studies.*

## LIFELONG LEARNING

Lifelong learning and continuing vocational training at work is essential for keeping the qualifications of the workforce up-to-date, whereby age is no longer seen as an impediment to access education or training.

The EC Treaty recognised the importance of vocational training in Article 150 by stating that 'Community action shall aim to ... facilitate access to vocational training ...; stimulate cooperation on training between educational or training establishments and firms' (18).

A European Commission communication of November 2001 entitled 'Making a European area of lifelong learning a reality' (19) underlines in paragraph 1.1 that the 'Lisbon European Council confirmed lifelong learning as a basic component of the European social model'. As such, learning is no longer given weight only in the area of education; it is also seen as a critical factor in the areas of employment and social security, economic performance and competitiveness. This perception reflects the long-term Lisbon strategy to strengthen employment and social cohesion in a knowledge-based society and economy.

(18) Consolidated version of the Treaty establishing the European Community, Chapter 3, Article 150(2) (OJ C 352, 24.12.2002, p. 33) ([http://eur-lex.europa.eu/en/treaties/dat/12002E/pdf/12002E\\_EN.pdf](http://eur-lex.europa.eu/en/treaties/dat/12002E/pdf/12002E_EN.pdf)).

(19) 'Making a European area of lifelong learning a reality', COM(2001) 678 final of 21 November 2001 ([http://ec.europa.eu/education/policies/III/life/communication/com\\_en.pdf](http://ec.europa.eu/education/policies/III/life/communication/com_en.pdf)).

Council Resolution (2003/C 175/02) (20) of 15 July 2003 on social and human capital underlines the importance of learning and training at work in building social and human capital in the knowledge-based society. Special reference is made to '... the importance of ensuring that all workers within their specific enterprises and organisations are fully involved and properly trained... which can help facilitate change, and are thus aware of the benefits in terms of improved competitiveness and quality of working life'.

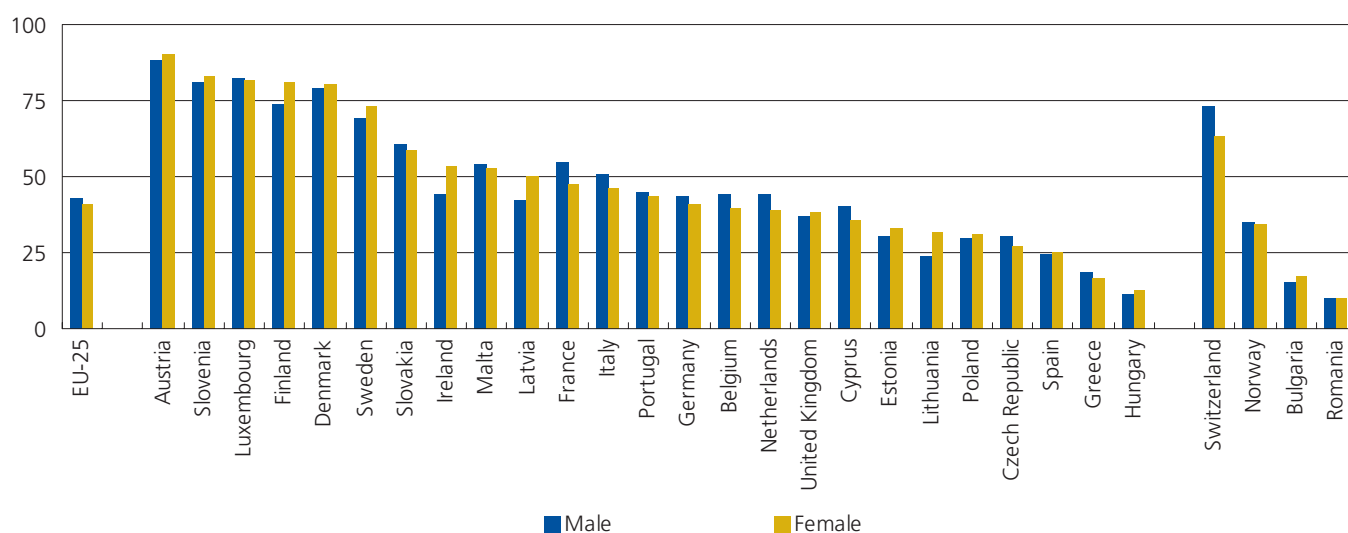
The European employment strategy (EES) (21), agreed on 22 July 2003, was revised to better account for the needs of an enlarged EU, to react more rapidly to the challenges facing a modern labour market, and to contribute better to the Lisbon strategy. Two key guidelines were introduced to tackle the need for improved skills levels through lifelong learning. These guidelines called upon the Member States to address labour shortages and skills bottlenecks and also encourage them to implement comprehensive lifelong learning strategies in order to equip all individuals with the skills required of a modern workforce. The guidelines stated that policies should aim to increase investment in human resources, in particular through the training of adults by enterprises. At the beginning of 2005, the European Commission made a proposal for a revamp of the Lisbon strategy, completely revising the EES, by publishing employment guidelines in conjunction with macroeconomic and micro-economic guidelines.

(20) Council resolution on social and human capital — building social and human capital in the knowledge society: learning, work, social cohesion and gender ([http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/c\\_175/c\\_17520030724en00030006.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2003/c_175/c_17520030724en00030006.pdf)).

(21) See [http://ec.europa.eu/employment\\_social/employment\\_strategy/index\\_en.htm](http://ec.europa.eu/employment_social/employment_strategy/index_en.htm).

**Figure 2.10: Participation in any learning activities (formal, non-formal, informal), 2003**

(% of male/female population aged 25 to 64)



Formal education and training corresponds to education and training in the regular system of schools, universities and colleges; non-formal education and training includes all types of taught learning activities which are not part of a formal education programme; informal learning corresponds to self-learning which is not part of either formal nor non-formal education and training, by using one of the following ways: making use of printed material (e.g. professional books, magazines and the like); computer-based learning/training; online Internet-based web education; making use of educational broadcasting or offline computer-based (audio or videotapes); visiting facilities aimed at transmitting educational content (library, learning centres, etc.).



As a result, lifelong learning and continuing vocational training statistics are becoming increasingly important. Within the domain of lifelong learning statistics, formal education corresponds to education and training in the regular system of schools, universities and colleges. Non-formal education and training includes all types of taught learning activities which are not part of a formal education programme. Informal learning corresponds to self-learning (which is not part of either formal or non-formal education and training), through the use of printed material, computer-based learning/training, online Internet-based web education, making use of educational broadcasting or offline computer-based tapes or disks, or visiting facilities aimed at transmitting educational content (library, learning centres, etc.).

The labour force survey ad hoc module conducted in 2003 permitted a deeper analysis of the participation in lifelong learning activities. Participation (during the year preceding the survey) in any learning activities (formal, non-formal or informal) of persons aged 25 to 64 averaged 42 %. The proportion of the population who had participated in lifelong learning activities varied between age groups (from a high of 50 % for those aged 25 to 34 to 30 % for those aged 55 to 64) and also reflected the impact of educational attainment (23 % of those with a low level of educational attainment had participated in any learning activities compared with 69 % of those who were highly-educated). On the other hand, gender differences in lifelong learning activities were rather small, as for the EU-25 these stood at 41 % for women and 43 % for men.

**Table 2.5: Participation in any learning activities (formal, non-formal, informal), by educational attainment, 2003**

(% of population aged 25 to 64)

	Low educational attainment (1)	Medium educational attainment (2)	High educational attainment (3)
<b>EU-25</b>	23.1	44.2	68.7
<b>Belgium</b>	23.3	42.4	66.9
<b>Czech Republic</b>	10.3	26.2	62.7
<b>Denmark</b>	61.5	77.4	93.4
<b>Germany</b>	19.0	41.1	65.8
<b>Estonia</b>	10.1	25.0	51.8
<b>Greece</b>	5.6	18.9	42.6
<b>Spain</b>	12.6	30.3	47.7
<b>France</b>	29.2	52.4	83.1
<b>Ireland</b>	34.5	51.4	66.4
<b>Italy</b>	34.4	60.7	78.0
<b>Cyprus</b>	8.5	34.2	76.1
<b>Latvia</b>	30.0	43.6	70.9
<b>Lithuania</b>	5.8	20.9	59.6
<b>Luxembourg</b>	67.4	86.4	94.7
<b>Hungary</b>	3.7	11.3	27.0
<b>Malta</b>	49.8	65.3	68.4
<b>Netherlands</b>	20.1	42.6	66.2
<b>Austria</b>	86.8	88.6	95.3
<b>Poland</b>	9.2	26.5	73.9
<b>Portugal</b>	35.3	70.6	79.7
<b>Slovenia</b>	66.8	83.2	96.7
<b>Slovakia</b>	40.4	59.4	82.6
<b>Finland</b>	60.9	76.8	90.1
<b>Sweden</b>	48.8	69.1	87.6
<b>United Kingdom (4)</b>	12.2	36.9	60.8
<b>Bulgaria</b>	1.8	12.2	45.2
<b>Romania</b>	3.3	9.5	33.2
<b>Norway</b>	15.1	30.3	50.5
<b>Switzerland</b>	28.3	66.9	90.5

(1) At most lower secondary education (ISCED 0 to 2).

(2) Upper secondary and post-secondary non-tertiary education (ISCED 3 and 4).

(3) Tertiary education (ISCED 5 and 6).

(4) Informal learning is excluded.

## EDUCATIONAL EXPENDITURE

The increasing demands on education systems to meet the challenges set by the Lisbon strategy are likely to require additional sources of funding. As a result, there is an ongoing debate in many Member States as to how to increase funding, improve efficiency and promote equity. Possible approaches include charging tuition fees, administrative or examination charges, the introduction of grants, or income-contingent loans to try to stimulate enrolment rates in higher education, in particular among the less well-off members of society. Another possible area for raising funds is through promoting partnerships between business and higher educational establishments.

EU-25 public expenditure on education was about PPS 516 000 million in 2003 <sup>(22)</sup>, which was equivalent to 4.9 % of GDP (compared with 7.2 % for healthcare).

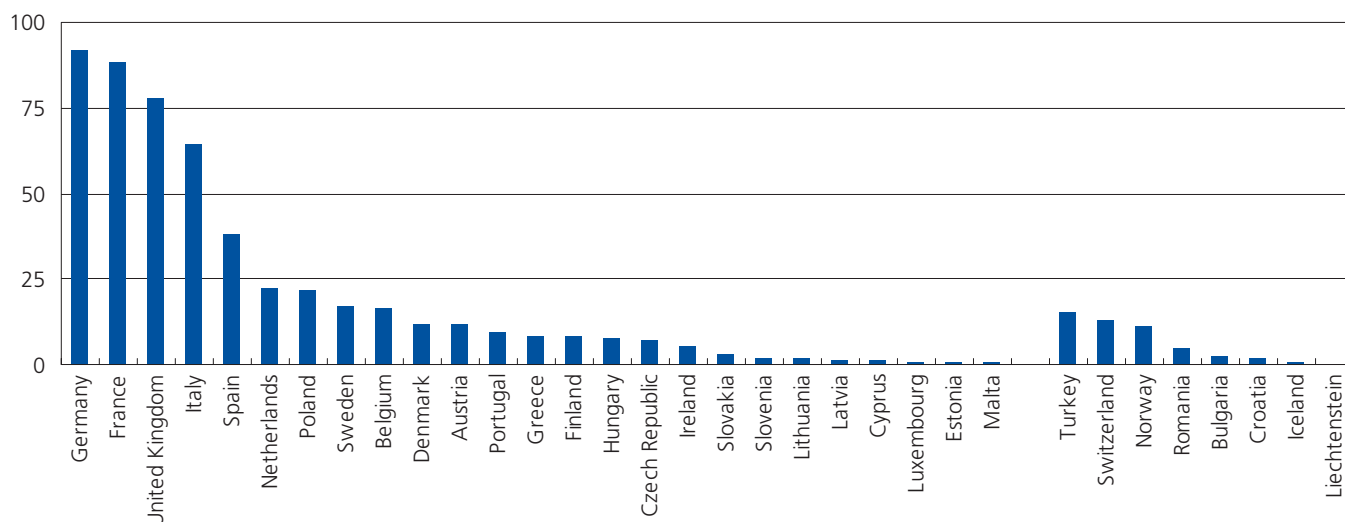
<sup>(22)</sup> Purchasing power standard; see the glossary for explanation.

Annual expenditure on public and private educational institutions per pupil/student shows that an average of PPS 5 518 was spent per pupil/student in 2003 in the EU-25. Average expenditure per pupil/student generally rose with the level of education (except in Lithuania), with the PPS 8 060 spent on each tertiary student in the EU-25 in 2003 some 1.9 times as high as spending on each primary school pupil (PPS 4 331). The ratio of tertiary to primary expenditure was lower in the EU-25 than it was in either Japan (2.2 times as high) or the United States (2.9 times as high).

The ratio of public to private expenditure varied considerably across the Member States in 2003, with private expenditure relatively important in Germany, Cyprus, Malta, the United Kingdom and Latvia (where it accounted for at least one sixth of public expenditure).

**Figure 2.11: Total public expenditure on education, 2003 (1)**

(PPS 1 000 million)



(1) EU 25, EUR/PPS 515 647 million total public expenditure on education; EU 15, EUR/PPS 470 525 million total public expenditure on education; euro area, EUR/PPS 364 090 million total public expenditure on education; refer to the Internet metadata file [http://europa.eu/estatref/info/sdds/en/educ/educ\\_list\\_of\\_jindic.htm](http://europa.eu/estatref/info/sdds/en/educ/educ_list_of_jindic.htm).

Generally, the public sector funds education either by bearing directly the current and capital expenses of educational institutions (direct expenditure for educational institutions) or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfers to private households and firms); both types of transactions together are reported as total public expenditure on education.



Table 2.6: Expenditure on education (1)

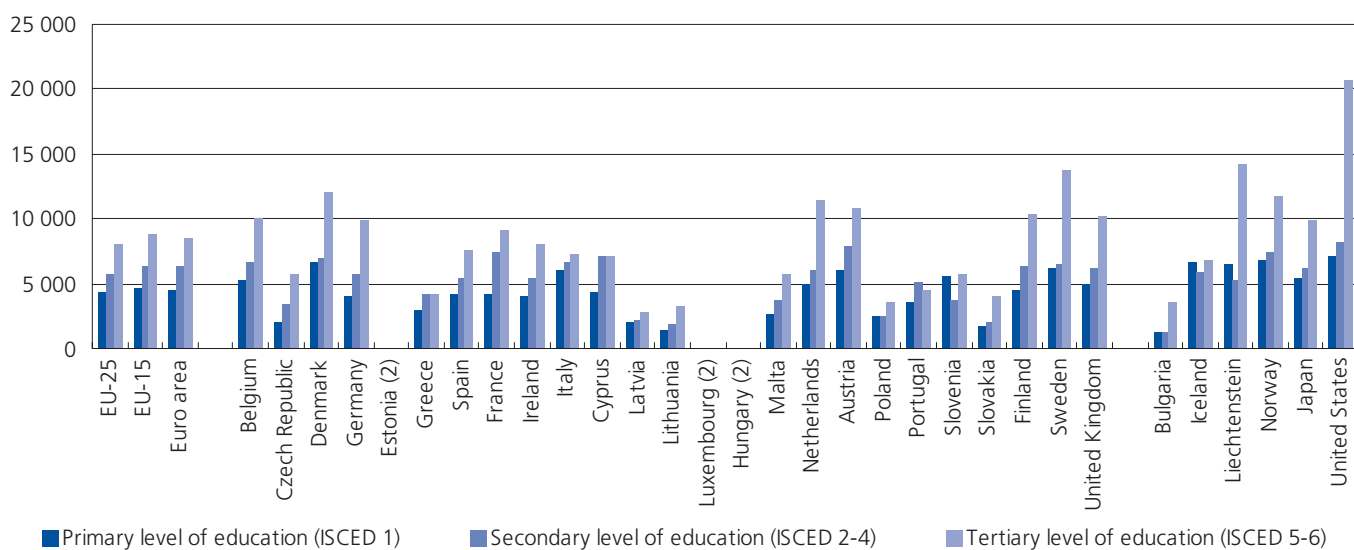
	Expenditure on educational institutions					
	Public expenditure on education (PPS 1 000 million)		Public expenditure (% of GDP)	Private expenditure (% of GDP)	Annual expenditure on public and private educational institutions per pupil/student (PPS for full-time equivalents)	
	1995	2003	2003	2003	1995	2003
<b>EU-25</b>	:	515.6	4.9	0.6	:	5 518
<b>EU-15</b>	:	470.5	4.9	0.6	:	6 002
<b>Euro area</b>	:	364.1	4.8	0.6	:	5 883
<b>Belgium</b>	:	16.1	5.8	0.4	:	6 396
<b>Czech Republic</b>	5.1	6.8	4.3	0.4	:	3 279
<b>Denmark</b>	7.6	11.7	6.7	0.3	:	7 251
<b>Germany</b>	68.6	91.5	4.4	0.9	4 972	5 861
<b>Estonia</b>	0.5	0.8	5.3	:	:	:
<b>Greece</b>	3.3	8.2	3.9	0.2	:	3 848
<b>Spain</b>	24.4	38.2	4.2	0.5	3 025	5 117
<b>France</b>	62.2	88.5	5.7	0.6	4 444	6 248
<b>Ireland</b>	2.8	5.1	4.1	0.3	:	5 299
<b>Italy</b>	48.9	64.1	4.5	0.4	:	6 251
<b>Cyprus</b>	0.4	0.9	6.5	1.4	3 322	5 690
<b>Latvia</b>	0.7	1.1	4.9	0.8	:	2 234
<b>Lithuania</b>	1.0	1.8	4.8	0.5	1 285	2 129
<b>Luxembourg</b>	0.5	0.9	4.0	:	:	:
<b>Hungary</b>	4.2	7.8	5.5	0.6	:	:
<b>Malta</b>	0.2	0.3	4.4	1.4	:	4 280
<b>Netherlands</b>	14.3	22.3	4.5	0.5	4 066	6 234
<b>Austria</b>	9.5	11.7	5.2	0.3	6 261	7 481
<b>Poland</b>	12.3	21.9	5.6	0.7	:	2 657
<b>Portugal</b>	6.0	9.3	5.5	0.1	:	4 307
<b>Slovenia</b>	:	2.0	5.4	0.9	:	4 968
<b>Slovakia</b>	1.8	2.6	4.3	0.5	1 351	2 305
<b>Finland</b>	5.6	8.2	6.0	0.1	4 677	6 139
<b>Sweden</b>	11.5	16.8	6.6	0.2	:	6 916
<b>United Kingdom</b>	49.1	77.8	5.1	1.0	:	6 281
<b>Bulgaria</b>	1.3	2.1	3.9	0.7	:	1 634
<b>Croatia</b>	:	2.0	4.6	:	:	:
<b>FYR of Macedonia</b>	:	:	3.3	:	:	:
<b>Romania</b>	:	4.9	3.4	:	:	:
<b>Turkey</b>	6.7	15.3	3.6	0.1	:	:
<b>Iceland</b>	0.2	0.6	7.4	0.7	:	6 900
<b>Liechtenstein</b>	:	0.0	:	:	:	5 938
<b>Norway</b>	6.5	11.1	6.5	0.1	:	8 207
<b>Switzerland</b>	:	12.7	5.9	0.6	:	:
<b>Japan</b>	83.3	111.7	3.6	1.3	:	6 779
<b>United States</b>	306.6	521.4	5.4	2.1	:	10 005

(1) Refer to the Internet metadata file ([http://europa.eu/estatref/info/sdds/en/educ/educ\\_list\\_of\\_indic.htm](http://europa.eu/estatref/info/sdds/en/educ/educ_list_of_indic.htm)).

**Figure 2.12: Public and private expenditure on educational institutions per pupil/student, 2003 (1)**

(PPS for full-time equivalents)

TPS00067

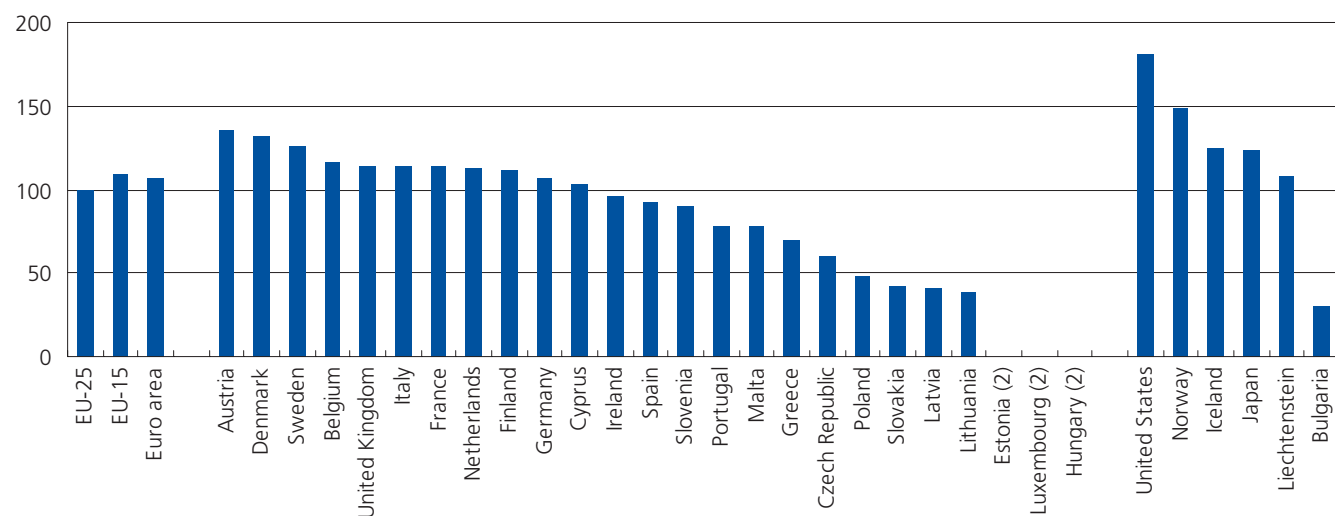
(1) Refer to the Internet metadata file ([http://europa.eu/estatref/info/sdds/en/educ/educ\\_list\\_of\\_indic.htm](http://europa.eu/estatref/info/sdds/en/educ/educ_list_of_indic.htm)).

(2) Not available.

The annual expenditure on public and private educational institutions per pupil/student compared to GDP per capita relates the resources (e.g. expenditure for personnel, other current and capital expenditure) being devoted to education in public and private educational institutions to the overall economic welfare of a country; it is based on full-time equivalent enrolment; the use of GDP per capita allows the comparison of levels of economic activity of different sized economies (per capita) irrespective of their price levels (in PPS).

**Figure 2.13: Annual expenditure on public and private educational institutions compared with EU-25 average, 2003 (1)**

(EU-25 = 100, based on PPS for full-time equivalents)

(1) Refer to the Internet metadata file ([http://europa.eu/estatref/info/sdds/en/educ/educ\\_list\\_of\\_indic.htm](http://europa.eu/estatref/info/sdds/en/educ/educ_list_of_indic.htm)).

(2) Not available.

# 3.

HEALTH



**Causes of deaths**  
**Potential widespread causes for health problems**  
**Healthcare**  
**Safety at work**





	<b>Health</b>	<b>101</b>
	Causes of deaths	102
Potential widespread causes for health problems	Healthcare	107
	Safety at work	108
		111

### 3. HEALTH

Health issues cut across a range of topics in relation to the European social agenda and form an important item in the EU's strategy for sustainable development, both of which constitute important elements of the Lisbon strategy.

In May 2000, the European Commission proposed a new health strategy, which promoted an integrated approach to health-related initiatives at a Community level. On this basis, a new programme of Community action in the field of public health for the period 2003-08 was adopted in 2002. The programme is focused on three main strands of action specific to the requirements of the programme for Community action in the field of public health <sup>(23)</sup>, namely:

- to enhance the capability of responding rapidly and in a coordinated fashion to threats to health, and;
- to improve health information and knowledge for the development of public health;
- to promote health and prevent disease through addressing health determinants across all policies and activities.

A Commission communication of 6 April 2005 <sup>(24)</sup> to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled '*Healthier, safer, more confident citizens: a health and consumer protection strategy*' and together with a proposal for a decision of the European Parliament and of the Council establishing a programme of Community action in the field of health for 2007-13 <sup>(25)</sup>, both state the need to expand European health monitoring.

<sup>(23)</sup> Decision No 1786/2002/EC of the European Parliament and of the Council of 23 September 2002 adopting a programme of Community action in the field of public health (2003-2008) (OJ L 271, 9.10.2002, p. 1) ([http://europa.eu/eur-lex/pri/en/oj/dat/2002/l\\_271/l\\_27120021009en00010011.pdf](http://europa.eu/eur-lex/pri/en/oj/dat/2002/l_271/l_27120021009en00010011.pdf)).

<sup>(24)</sup> COM(2005) 115 final ([http://europa.eu/eur-lex/lex/LexUriServ/site/en/com/2005/com2005\\_0115en01.pdf](http://europa.eu/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0115en01.pdf)).

<sup>(25)</sup> COM(2006) 234 final ([http://europa.eu/eur-lex/lex/LexUriServ/site/en/com/2006/com2006\\_0234en01.pdf](http://europa.eu/eur-lex/lex/LexUriServ/site/en/com/2006/com2006_0234en01.pdf)).

Eurostat has a wide range of data within this area, including:

- information on the causes of death;
- lifestyles and health behaviours (such as smoking, alcohol use, being overweight);
- population health status (such as self-perceived health, chronic conditions, disability);
- activity of the healthcare sector (such as the numbers of hospital beds, discharges, or expenditure on sickness/healthcare);
- healthcare personnel (such as the number of practising physicians);
- accidents at work;
- occupational diseases.

According to the Directorate-General for Health and Consumer Protection <sup>(26)</sup>, the promotion of health and lifestyle choices can be of great potential for reducing disease and death. On average, EU citizens with better jobs, more education or higher incomes have better health and live longer. Differences in life expectancy of five years or more can be found between the most advantaged and least advantaged groups of society. Actions to reduce health inequalities aim:

- to improve everyone's level of health closer to that of the most advantaged;
- to ensure that the health needs of the most disadvantaged are fully addressed;
- to help the health of people in countries and regions with lower levels of health to improve faster.

Preventing the transmission of emerging pathogens and the resurgence of others, as well as enhancing a rapid and coordinated response capability to these threats, is a responsibility shared among national health authorities and the European Commission. The emergence of HIV and AIDS, the re-emergence of tuberculosis, the appearance of variant Creutzfeldt-Jakob Disease, or the avian influenza epidemic serve to illustrate the range of factors influencing the spread of disease.

The Community's public health programme endeavours to address these issues, as covered by a Commission decision of 19 March 2002 <sup>(27)</sup>, through the exchange of information between Member States to provide early warnings of potential threats to public health.

Health incidence indicators provide a measure of the number of new cases arising in a given period. These indicators are often expressed as new cases of a disease (or disorder) per 100 000 inhabitants. In a similar vein, standard death rates refer to the number of deaths from a particular cause (using a similar ratio per 100 000 inhabitants).

<sup>(26)</sup> For more information, see [http://ec.europa.eu/health/ph\\_determinants/healthdeterminants\\_en.htm](http://ec.europa.eu/health/ph_determinants/healthdeterminants_en.htm)

<sup>(27)</sup> Commission Decision 2002/253/EC laying down case definitions for reporting communicable diseases to the Community network (OJ L 86, 3.4.2002, p. 44) ([http://europa.eu/eur-lex/pri/en/oj/dat/2002/l\\_086/l\\_08620020403en00440062.pdf](http://europa.eu/eur-lex/pri/en/oj/dat/2002/l_086/l_08620020403en00440062.pdf)).

### CAUSES OF DEATH

The most important causes of death among men and women in the EU-25 in 2001 were cancer (malignant neoplasm) and ischaemic heart diseases. There were, however, large differences between the standard death rates for men and women, with the standard death rate among men from cancer (2001: 253 per 100 000 persons) higher than the rate for women (142). The standard death rate from ischaemic heart diseases was about twice as high for men (147) as it was for women (75).

Indeed, men reported higher standard death rates for all main causes of death, with rates as much as four or five times as high as those recorded for women in relation to drug dependence, alcoholic abuse, and AIDS (HIV), while deaths from suicide and transport accidents were 3.6 and 2.5 times as likely among men.

Deaths from cancer (malignant neoplasm) were relatively high in a number of the 10 Member States that joined the EU in 2004, with more than 300 male deaths per 100 000 male inhabitants in the Czech Republic, Hungary and Poland in 2004. The Baltic States reported the highest incidence of death from ischaemic heart disease among men, with rates above 400 per 100 000 male inhabitants. The Baltic States also reported the highest standardised death rates for men from suicide and transport accidents (except for a somewhat lower rate of deaths from transport accidents in Estonia). Among women, the highest standardised death rates for cancer (malignant neoplasm) were recorded in Denmark (197 deaths per 100 000), Hungary (188) and the Czech Republic (172).

Compared with the situation in 1994, the incidence of four of the main causes of death among men in the EU-15 declined through to 2001, with an overall reduction of 21.9 % for deaths caused by ischaemic heart diseases, 18.3 % for transport accidents, 14.6 % for suicide, and 9.2 % for cancer (malignant neoplasm). There was a similar pattern observed for women, with a 23.0 % reduction for transport accidents and 7.4 % for deaths caused by cancer (malignant neoplasm).

**Table 3.1: Causes of death — standardised death rate, 2004**

(per 100 000 inhabitants)

TPS00116 TPS00119 TPS00122 TPS00125 TPS00128 TPS00131

TPS00134 TPS00137 TPS00140 TPS00143 TPS00146 TPS00149

	Cancer (1)	Heart disease (2)	All acci- dents	Pneu- monia	Chronic liver disease	Sui- cide (3)	Diseases				Homi- cide, assault	Drug depen- dence
							of the nervous system	Diabetes mellitus	Alcohol abuse	AIDS (HIV)		
<b>EU-25 (4)</b>	187.7	106.1	28.5	16.0	14.3	11.5	16.2	13.9	2.8	1.2	1.2	0.7
<b>EU-15 (4)</b>	180.5	93.4	25.0	15.7	12.9	10.1	16.8	14.0	2.8	1.4	0.9	0.8
<b>Euro area (4)</b>	180.1	87.6	26.4	13.4	13.7	10.8	15.9	14.7	2.9	1.7	1.0	0.7
<b>Belgium</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>Czech Republic</b>	229.9	163.5	40.8	18.9	15.7	14.0	15.9	10.3	1.5	:	1.1	0.0
<b>Denmark (4)</b>	218.8	111.5	29.0	13.4	13.9	12.2	16.6	17.9	8.6	0.6	0.9	0.6
<b>Germany</b>	169.8	110.1	18.0	13.4	15.5	11.0	13.6	17.0	4.9	0.6	0.6	0.8
<b>Estonia (5)</b>	194.5	312.5	87.0	18.5	20.0	23.7	13.5	9.0	10.6	0.5	10.8	:
<b>Greece</b>	162.0	88.5	29.3	5.0	4.7	2.8	7.9	6.0	0.1	0.1	0.8	0.0
<b>Spain</b>	164.2	57.3	23.5	9.9	9.5	7.0	19.9	13.7	0.7	3.3	1.3	0.4
<b>France (5)</b>	181.0	45.3	34.6	11.4	12.6	16.4	26.2	12.8	4.9	1.7	0.8	0.2
<b>Ireland</b>	186.5	122.7	17.3	42.3	5.0	10.3	16.4	10.3	1.5	0.3	0.6	2.2
<b>Italy (6)</b>	175.3	72.4	26.1	8.3	12.7	6.0	14.3	17.0	0.3	1.5	0.9	0.7
<b>Cyprus</b>	122.9	76.9	35.9	11.7	6.0	0.7	12.7	41.6	0.4	0.1	1.5	:
<b>Latvia (5)</b>	193.9	291.6	88.5	16.2	14.0	24.1	14.5	9.2	2.5	0.5	10.3	:
<b>Lithuania</b>	194.9	330.2	85.7	13.6	21.1	38.9	11.3	7.2	0.8	0.2	8.3	0.3
<b>Luxembourg</b>	165.0	76.2	30.0	17.9	11.8	13.2	17.5	7.2	3.9	0.9	0.5	:
<b>Hungary</b>	260.8	233.6	48.9	6.7	51.0	24.3	13.9	17.0	4.1	0.1	2.0	:
<b>Malta</b>	151.8	131.9	20.7	16.6	5.5	5.4	14.0	23.3	0.5	0.5	1.4	:
<b>Netherlands</b>	191.2	64.0	16.0	21.4	4.4	8.7	15.8	16.9	1.0	0.5	1.2	0.1
<b>Austria</b>	170.7	115.2	24.2	10.4	17.5	15.2	15.3	29.6	4.0	0.6	0.7	2.3
<b>Poland</b>	213.8	117.5	39.0	18.3	14.1	15.1	10.0	11.6	4.0	0.3	1.5	0.1
<b>Portugal</b>	155.6	57.1	26.9	20.9	13.3	9.6	15.1	27.5	1.0	8.1	1.7	0.1
<b>Slovenia</b>	198.6	82.0	32.7	30.1	27.2	22.7	9.9	23.0	4.6	0.1	1.8	0.2
<b>Slovakia (4)</b>	225.6	290.0	37.3	29.7	25.7	12.7	10.9	14.2	:	0.0	2.1	0.0
<b>Finland</b>	143.8	145.4	47.5	19.8	16.0	19.3	30.9	7.4	4.0	0.2	2.4	0.6
<b>Sweden (5)</b>	155.5	113.2	22.2	13.8	5.7	11.4	15.2	11.9	3.8	0.3	0.9	0.3
<b>United Kingdom (5)</b>	185.6	122.7	16.8	36.4	11.0	6.4	19.5	7.9	1.4	0.4	0.5	1.7
<b>Bulgaria</b>	156.5	171.6	29.0	16.1	15.0	11.0	7.7	16.8	0.9	0.0	2.7	0.1
<b>Croatia (6)</b>	213.3	159.5	35.3	18.2	26.0	17.4	9.0	14.9	2.7	0.1	1.4	0.8
<b>FYR of Macedonia</b>	160.5	108.8	24.9	5.6	7.6	9.1	9.3	36.1	1.1	:	2.8	0.2
<b>Romania (5)</b>	178.0	228.4	45.1	28.9	46.6	12.8	8.2	8.3	4.4	1.2	3.8	:
<b>Iceland</b>	160.2	112.2	17.9	15.3	2.1	11.9	29.8	6.1	1.8	0.3	1.4	:
<b>Norway</b>	168.0	88.9	33.9	16.3	5.1	11.4	19.0	8.5	3.4	0.5	0.9	0.8
<b>Switzerland</b>	149.2	72.3	20.3	10.5	7.0	15.0	21.1	12.4	2.6	1.0	0.9	2.5

(1) Malignant neoplasm.

(2) Ischaemic heart diseases.

(3) Suicide and intentional self-harm

(4) 2001.

(5) 2003.

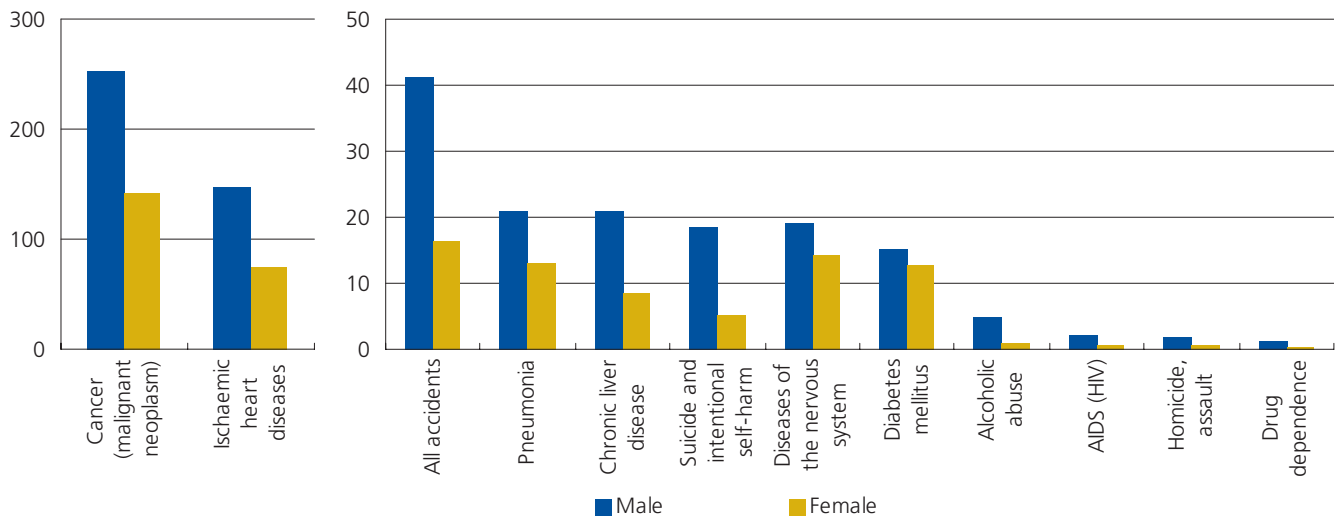
(6) 2002.

Death rate of a population of a standard age distribution; as most causes of death vary significantly with people's age and sex, the use of standard death rates improves comparability over time and between countries, as they aim at measuring death rates independently of different age structures of populations; the standard reference population used is the standard European population as defined by the World Health Organisation (WHO).

**Figure 3.1: Causes of death — standardised death rate, EU-25, 2001 (1)**

(per 100 000 inhabitants)

TPS00116 TPS00119 TPS00122 TPS00125 TPS00128 TPS00131  
TPS00134 TPS00137 TPS00140 TPS00143 TPS00146 TPS00149



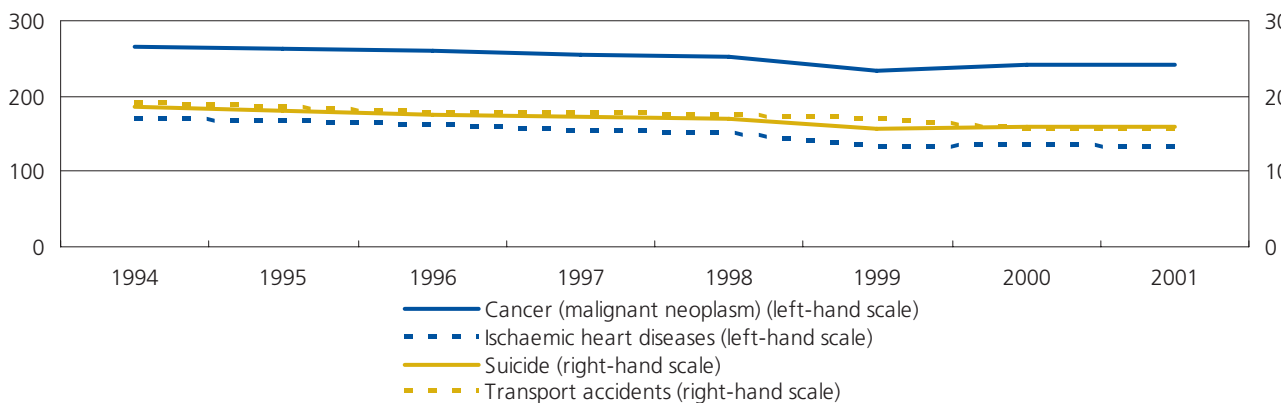
(1) Note the differences in the scales employed between the two parts of the graph.

Death rate of a population of a standard age distribution; as most causes of death vary significantly with people's age and sex, the use of standard death rates improves comparability over time and between countries, as they aim at measuring death rates independently of different age structures of populations; the standard reference population used is the standard European population as defined by the World Health Organisation (WHO).

**Figure 3.2: Causes of death for males — standardised death rate, EU-15**

(per 100 000 inhabitants)

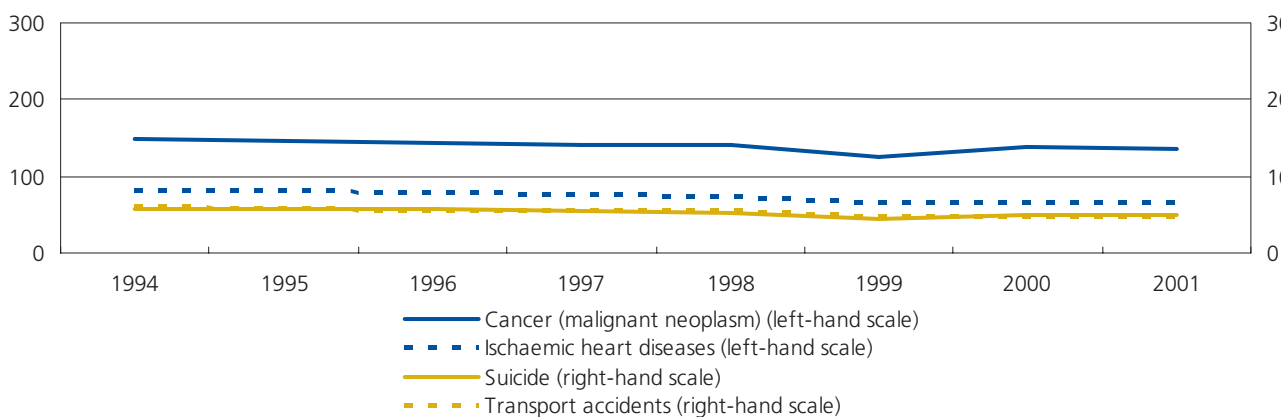
TPS00117 TPS00120 TPS00123 TPS00165



**Figure 3.3: Causes of death for females — standardised death rate, EU-15**

(per 100 000 inhabitants)

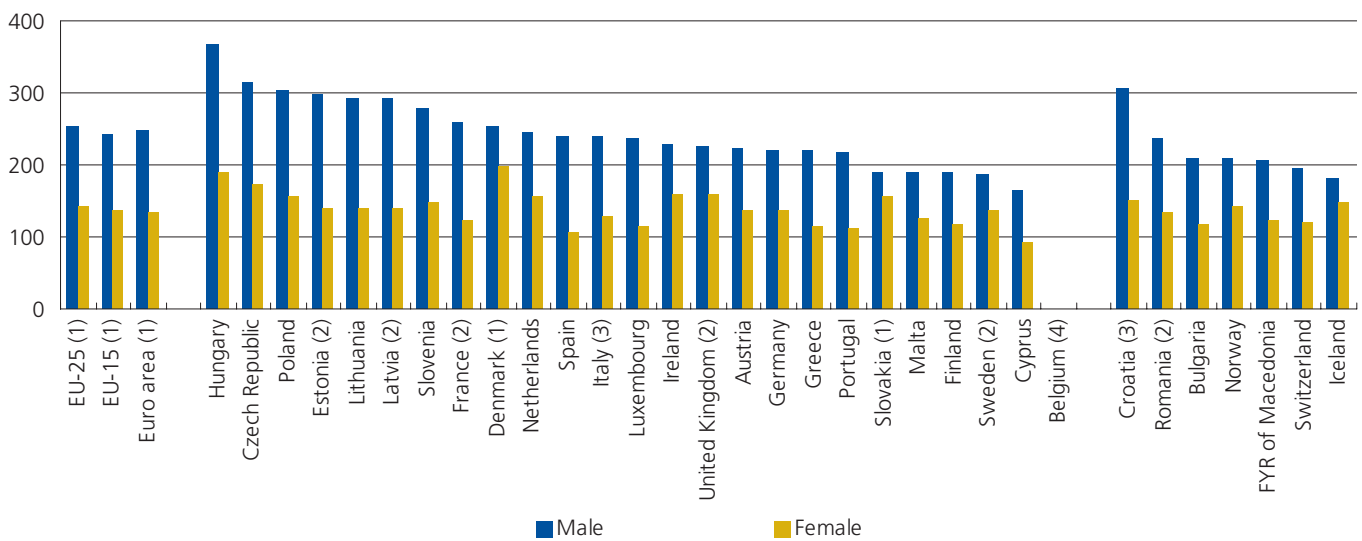
TPS00118 TPS00121 TPS00124 TPS00166



**Figure 3.4: Deaths from cancer (malignant neoplasm) — standardised death rate, 2004**

(per 100 000 inhabitants)

TPS00117 TPS00118

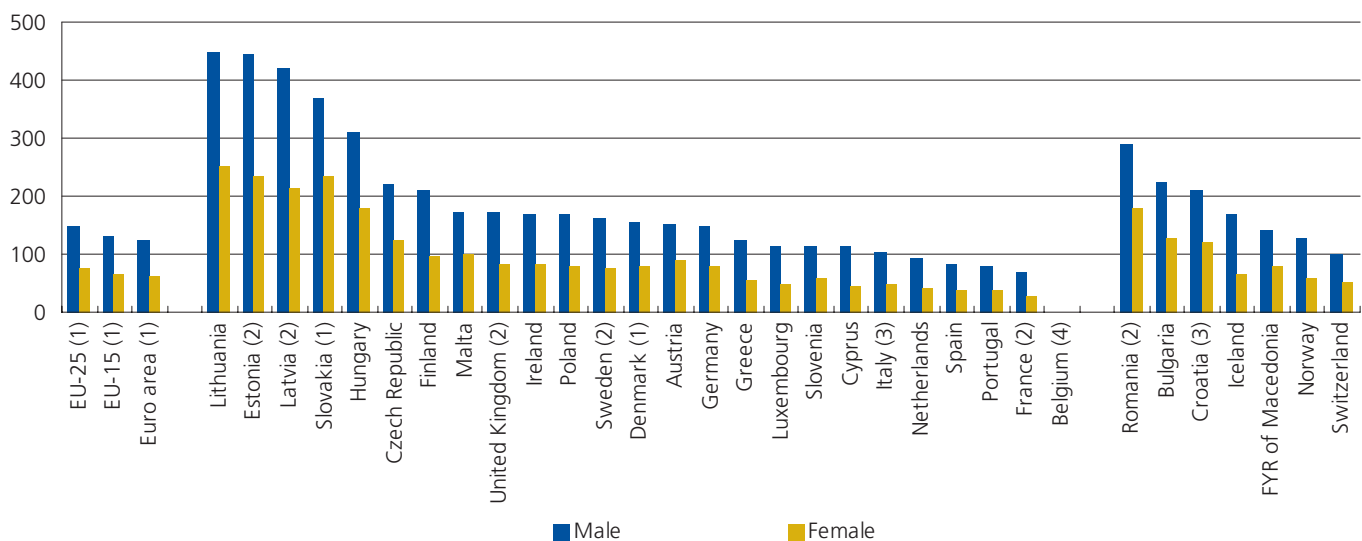


- (1) 2001.
- (2) 2003.
- (3) 2002.
- (4) Not available.

**Figure 3.5: Deaths from ischaemic heart diseases — standardised death rate, 2004**

(per 100 000 inhabitants)

TPS00120 TPS00121

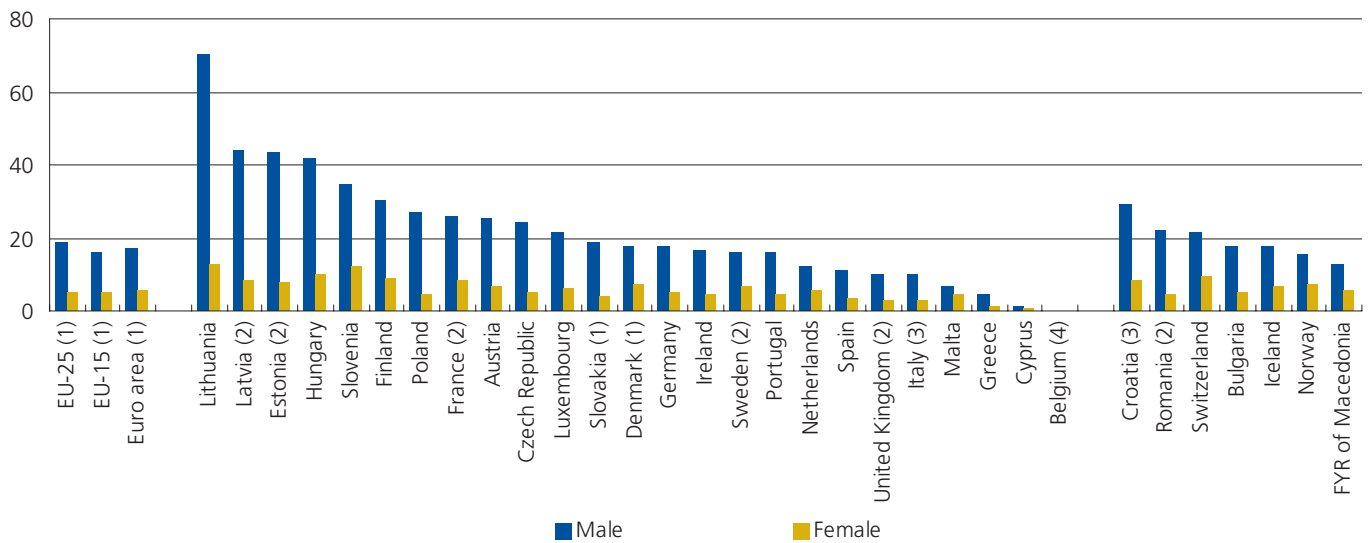


- (1) 2001.
- (2) 2003.
- (3) 2002.
- (4) Not available.

**Figure 3.6: Deaths from suicide — standardised death rate, 2004**

(per 100 000 inhabitants)

TPS00123 TPS00124



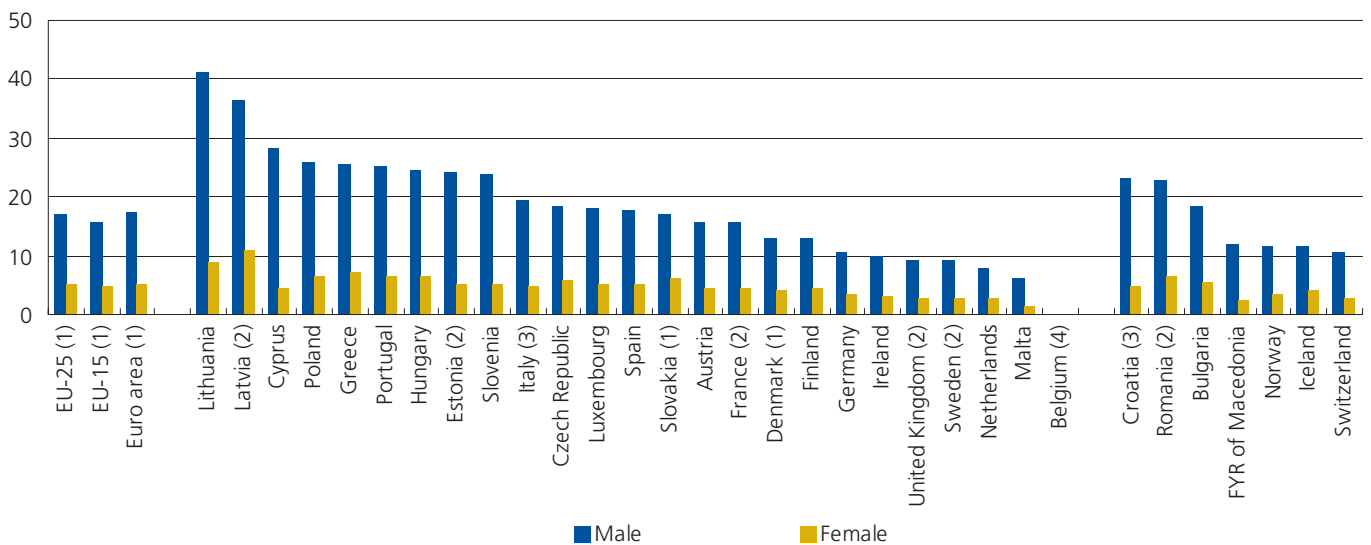
- (1) 2001.
- (2) 2003.
- (3) 2002.
- (4) Not available.

Death rate of a population of a standard age distribution; as most causes of death vary significantly with people's age and sex, the use of standard death rates improves comparability over time and between countries, as they aim at measuring death rates independently of different age structures of populations; the standard reference population used is the standard European population as defined by the World Health Organisation (WHO).

**Figure 3.7: Deaths from transport accidents — standardised death rate, 2004**

(per 100 000 inhabitants)

TPS00165 TPS00166



- (1) 2001.
- (2) 2003.
- (3) 2002.
- (4) Not available.

### POTENTIAL WIDESPREAD CAUSES OF HEALTH PROBLEMS

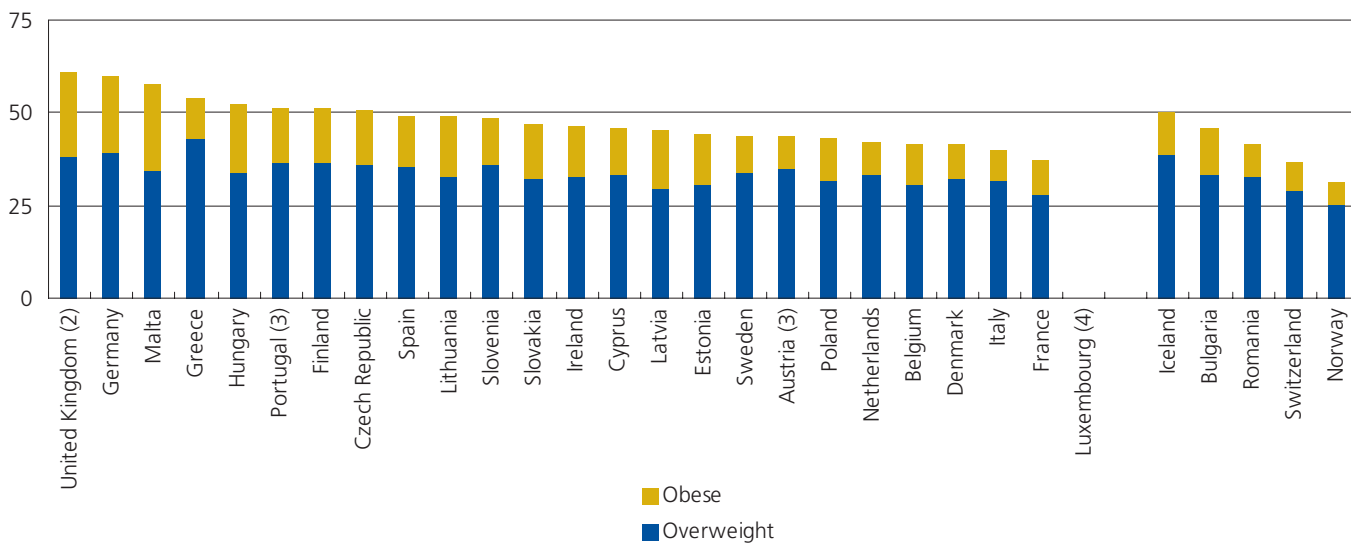
Potential widespread causes of health problems include being overweight, drinking too much and smoking. The latter of these causes has come in for particular attention in recent years in terms of legislation. Smoking legislation has been adopted by an increasing number of Member States, restricting or forbidding smoking in public places and/or workplaces, offering protection to passive smokers.

According to data from national health interview surveys (HIS), about 50 % of men smoked in Latvia, Estonia and Slovenia in 2003. For women, Austria and Denmark recorded the highest incidence, with just over 30 % of the female population classified as daily smokers. The lowest proportion of the population to smoke in 2003 was recorded in Sweden (16.5 %) and Finland (21.6 %) for men, and in Portugal (6.8 %) for women. The largest differences in smoking levels between the sexes were reported for the Baltic States. All countries reported higher levels of smoking for men than for women, with the exception of Sweden where there was a slightly higher proportion of female smokers.

Overweight and obesity are serious public health problems because they increase the risk of premature death and disability. They are associated with poor dietary habits and a lack of physical activity. The body mass index (BMI) is a measure of a person's weight relative to his or her height that correlates fairly well with body fat content in adults. BMI is accepted by experts as the most useful measure (when only weight and height data are available) for determining who is overweight or obese. The BMI is calculated by dividing body weight (in kilograms) by the square of the body height (in metres). A person with a BMI of 25 or more is considered to be overweight. At least 50 % of the population was overweight in 11 of the 25 Member States in 2003.

**Figure 3.8: Overweight people, 2003 (1)**

(% of total population)



(1) National health interview survey (HIS) data, 1996-2003 depending on the country.

(2) Only England.

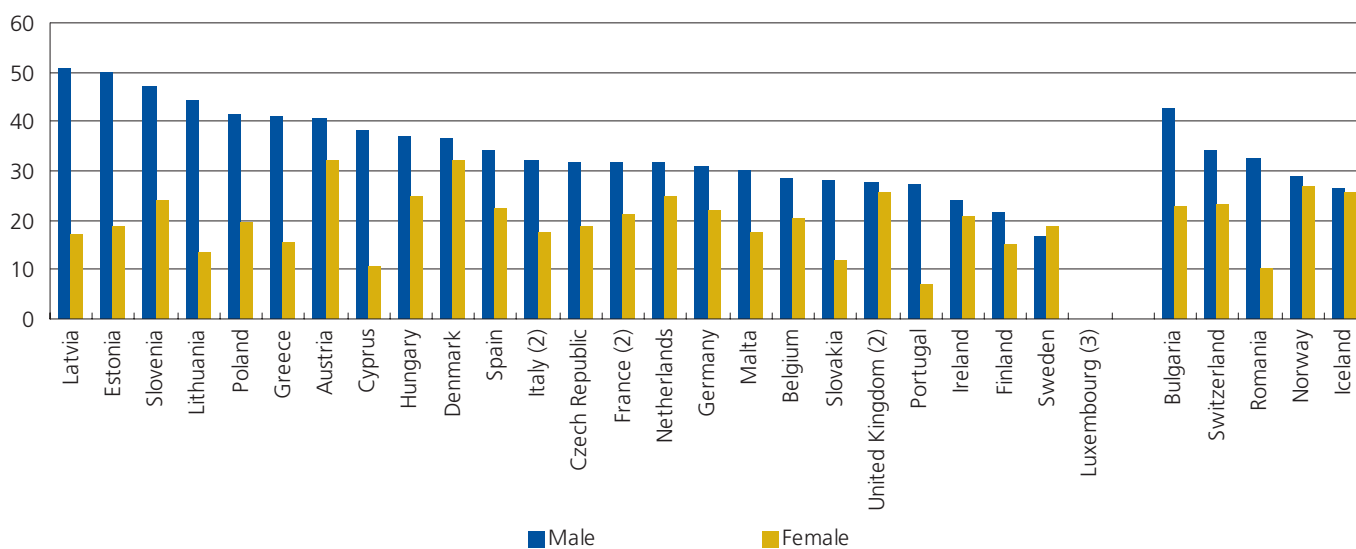
(3) ECHP data, 2001.

(4) Not available.

*Overweight people are those with a body mass index (BMI) greater than or equal to 25; this includes people who are severely overweight (obese), having a BMI greater than or equal to 30; the BMI is a measure of the body fat content of adults calculated as the ratio between the weight measured in kilograms, and the square of the height measured in metres.*

**Figure 3.9: Daily smokers, 2003 (1)**

(% of male/female population)



(1) National health interview survey (HIS) data, 1996-2003 depending on the country.

(2) No distinction between daily and occasional smoking.

(3) Not available.

### HEALTHCARE

As a significant part of the economy, it is important to understand what factors determine a country's level of health expenditure. There is no simple answer to the question of how much a country should spend on healthcare, as each of the Member States faces a different burden of disease, its populations have differing expectations, and there are geographical constraints.

The amount of money needed to fund a healthcare system adequately is a function of a large number of variables. The most obvious is perhaps the burden of disease requiring treatment, as a sicker population will require more healthcare — although there is no simple linear relationship between the burden of disease and the need for resources, as some conditions can be treated simply and at low cost while others may require a complex and expensive care. A second factor is the extent to which care is provided by families and friends, which has generally been transferred to health and social care sectors. It is also necessary to take account of issues such as geographical dispersion, as it is more expensive to provide care to isolated areas, as well as providing mechanisms to enable inhabitants of these regions to obtain specialist care elsewhere (28).

A Commission communication (29) defined a common framework to support Member States in the reform and development of healthcare and long-term care. Healthcare

(28) For a more lengthy discussion of the issues refer to 'The contribution of health to the economy in the European Union', European Commission, Directorate-General of the European Commission for Health and Consumer Protection ([http://ec.europa.eu/health/ph\\_overview/Documents/health\\_economy\\_en.pdf](http://ec.europa.eu/health/ph_overview/Documents/health_economy_en.pdf)).

(29) 'Modernising social protection for the development of high-quality, accessible and sustainable healthcare and long-term care: support for the national strategies using the "open method of coordination"', COM(2004) 304 final of 20 April 2004 ([http://ec.europa.eu/employment\\_social/soc-prot/healthcare/com\\_04\\_304\\_en.pdf](http://ec.europa.eu/employment_social/soc-prot/healthcare/com_04_304_en.pdf)).

expenditure — defined here as expenditure on sickness/healthcare according to the European system of integrated social protection statistics (ESSPROS) — as a share of GDP was 7.6 % in the EU-25 in 2003 (compared, for example, with 5.2 % for education). Shares of more than 8 % were recorded in Germany, France, the Netherlands and Sweden, while at the other end of the range less than 4 % of GDP was spent on healthcare in the Baltic States, Cyprus or Poland.

On the basis of data available for 18 Member States, the largest increases in health expenditure between 1995 and 2003 were recorded in Belgium, Greece, Italy, Sweden and the United Kingdom, where healthcare expenditure (as a share of GDP) rose by at least one percentage point.

In 2002 there was an average of 618 hospital beds per 100 000 inhabitants within the EU-25, compared with 715 beds in 1995 (an overall reduction of over 10 %). This fall in hospital bed numbers may result from a more efficient use of resources, with an increasing number of operations being dealt with in outpatient treatment, and shorter periods being spent in hospital following an operation.

Lithuania (395), Belgium (394) and the Czech Republic (389) reported the highest number of practising physicians per 100 000 inhabitants in 2003 (among those Member States for which data are available). At the other end of the range, there was an average of 216 practising physicians in the United Kingdom.



Table 3.2: Healthcare indicators

TPS00044 TPS00046 TPS00048

	Hospital beds (per 100 000 inhabitants)		Physicians (per 100 000 inhabitants)		Discharges (per 100 000 inhabitants) (1)		Healthcare expenditure (% of GDP)	
	1995	2003	1995	2003	1995	2002	1995	2003
<b>EU-25 (2)</b>	719	618	:	:	:	:	:	7.6
<b>EU-15 (2)</b>	690	593	:	:	:	:	7.4	7.7
<b>Euro area (2)</b>	745	641	:	:	:	:	:	:
<b>Belgium</b>	744	686	345	394	7 158	:	6.3	7.6
<b>Czech Republic (3)</b>	939	868	346	389	9 070	9 838	6.4	7.1
<b>Denmark</b>	489	398	251	285	8 509	:	5.5	6.1
<b>Germany</b>	970	874	307	337	8 337	:	8.4	8.1
<b>Estonia</b>	804	591	307	315	:	9 438	:	4.2
<b>Greece</b>	500	:	393	:	5 971	:	5.6	6.7
<b>Spain (2) (3)</b>	395	358	268	329	4 249	5 057	6.1	5.9
<b>France (4)</b>	890	796	:	:	:	:	8.1	8.9
<b>Ireland</b>	1 015	1 007	:	:	:	5 954	6.5	6.6
<b>Italy</b>	622	418	:	:	:	7 032	5.5	6.5
<b>Cyprus (5)</b>	452	431	220	263	2 170	2 379	:	4.1
<b>Latvia</b>	1 099	779	278	278	9 526	9 522	:	3.0
<b>Lithuania</b>	1 083	866	405	395	9 955	11 009	:	3.9
<b>Luxembourg (2)</b>	1 096	644	204	245	:	8 610	5.7	5.8
<b>Hungary</b>	909	:	303	324	:	12 177	:	6.2
<b>Malta</b>	545	750	:	:	:	2 434	4.2	4.8
<b>Netherlands (2)</b>	533	463	186	:	4 800	4 369	8.3	8.2
<b>Austria</b>	755	836	266	338	11 247	13 835	7.1	7.1
<b>Poland</b>	769	668	232	243	5 552	:	:	4.3
<b>Portugal (2)</b>	392	365	255	269	:	4 213	7.0	6.5
<b>Slovenia (2) (6)</b>	574	509	:	228	:	6 465	:	7.8
<b>Slovakia</b>	:	724	292	328	8 481	8 237	6.0	5.8
<b>Finland</b>	801	724	:	:	11 595	11 672	6.4	6.5
<b>Sweden</b>	609	:	286	333	8 127	7 183	7.5	8.5
<b>United Kingdom</b>	:	397	173	216	7 579	8 925	6.5	7.7
<b>Bulgaria</b>	1 034	627	345	356	:	8 673	:	:
<b>Croatia (2) (6)</b>	588	568	204	239	3 583	4 763	:	:
<b>Romania</b>	763	656	:	200	7 984	10 370	:	:
<b>Turkey</b>	247	235	:	139	:	:	:	:
<b>Iceland</b>	911	:	303	363	:	7 067	7.2	8.5
<b>Norway</b>	406	428	279	329	7 568	:	7.4	9.4
<b>Switzerland (6)</b>	701	584	176	198	:	6 312	5.8	7.1
<b>Japan</b>	1 330	:	:	:	:	:	:	:
<b>United States (3)</b>	413	:	203	:	4 799	4 720	:	:

(1) Discharges relating to cancer (malignant neoplasms), diseases of the circulatory system, diseases of the respiratory system, diseases of the musculoskeletal system/connective tissue, and complications of pregnancy, childbirth and puerperium.

(2) 2002 instead of 2003 for hospital beds.

(3) 2001 instead of 2002 for discharges from hospital.

(4) France métropolitaine.

(5) 2002 instead of 2003 for healthcare expenditure.

(6) 2002 instead of 2003 for practising physicians.

*Beds accommodating patients who are formally admitted (or hospitalised) to an institution for treatment and/or care and who stay for a minimum of one night in the hospital or other institution providing inpatient care; inpatient care is delivered in hospitals, other nursing and residential care facilities or in establishments, which are classified according to their focus of care under the ambulatory care industry but perform inpatient care as a secondary activity.*

*Physicians may be counted as licensed, economically active or practising; data for two or more concepts are available in the majority of Member States; practising physicians are those seeing patients either in a hospital, practice or elsewhere.*

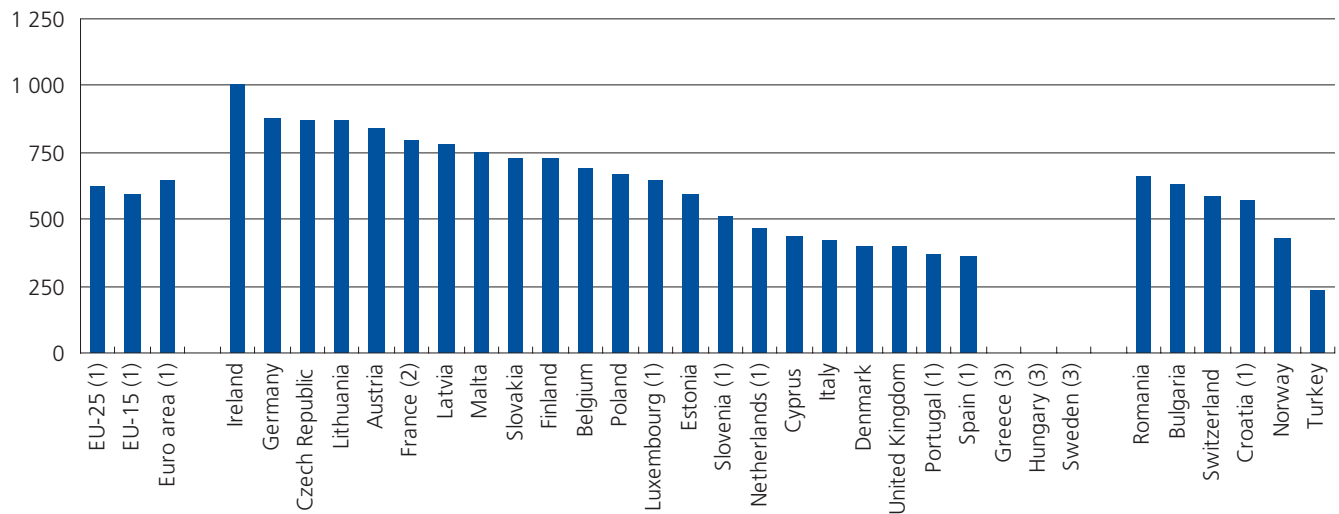
*A discharge from a hospital or another healthcare facility occurs any time a patient (or resident) leaves because of death, discharge, sign out against medical advice or transfer; the number of discharges is the most commonly used measure of the utilisation of hospital services; discharges, rather than admissions, are used because hospital abstracts for inpatient care are based on information gathered at the time of discharge.*

*Healthcare expenditure is defined as the share of sickness/healthcare expenditure in GDP; these expenditures cover — cash benefits that replace in whole or in part loss of earnings during temporary inability to work due to sickness or injury; medical care provided in the framework of social protection to maintain, restore or improve the health of the people protected.*

**Figure 3.10: Hospital beds, 2003**

(per 100 000 inhabitants)

TPS00046



(1) 2002 instead of 2003.

(2) France métropolitaine.

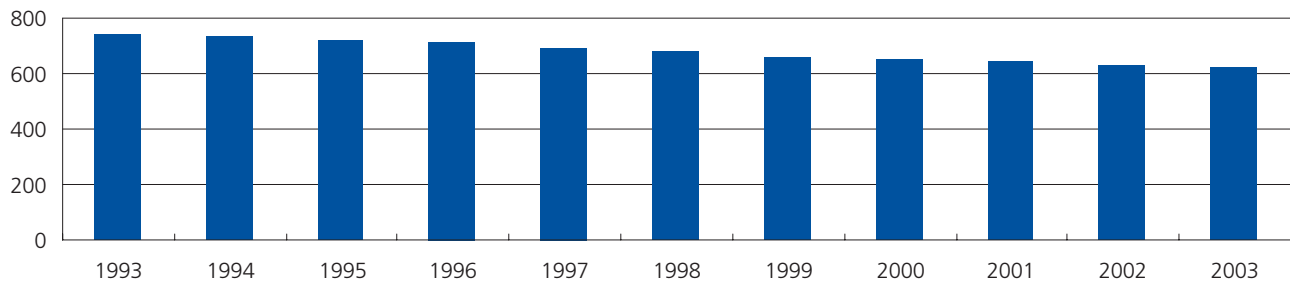
(3) Not available.

Beds accommodating patients who are formally admitted (or hospitalised) to an institution for treatment and/or care and who stay for a minimum of one night in the hospital or other institution providing inpatient care; inpatient care is delivered in hospitals, other nursing and residential care facilities or in establishments, which are classified according to their focus of care under the ambulatory care industry but perform inpatient care as a secondary activity.

**Figure 3.11: Hospital beds, EU-25**

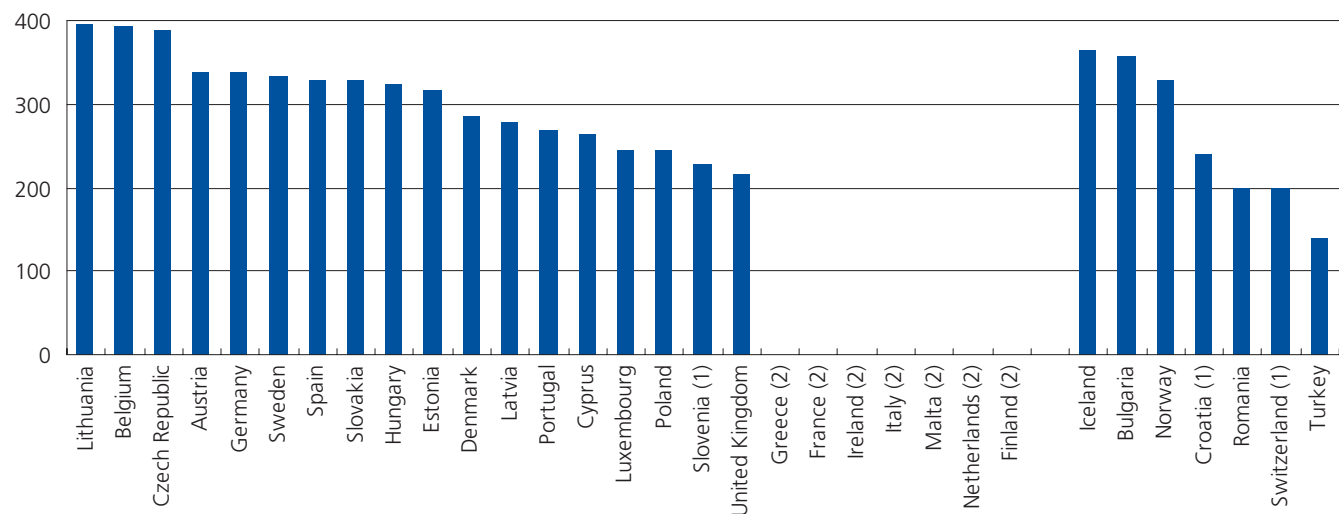
(per 100 000 inhabitants)

TPS00046

**Figure 3.12: Number of practising physicians, 2003**

(per 100 000 inhabitants)

TPS00044



(1) 2002 instead of 2003.

(2) Not available.

Physicians may be counted as licensed, economically active or practising; data for two or more concepts are available in the majority of Member States; practising physicians are those seeing patients either in a hospital, practice or elsewhere.

### SAFETY AT WORK

European statistics on accidents at work and occupational diseases respond to the requirements of the Community strategy on health and safety at work 2002–06<sup>(30)</sup>, which was developed to take account of changes in society and the workplace. It adopts a global approach to well-being at work, based on preventive measures and building partnerships between all players in the areas of employment, health and safety.

Health at work is not restricted to the absence of accidents or occupational illnesses, but also involves physical, moral and social well-being, which are considered especially important for the quality of work and productivity of the workforce.

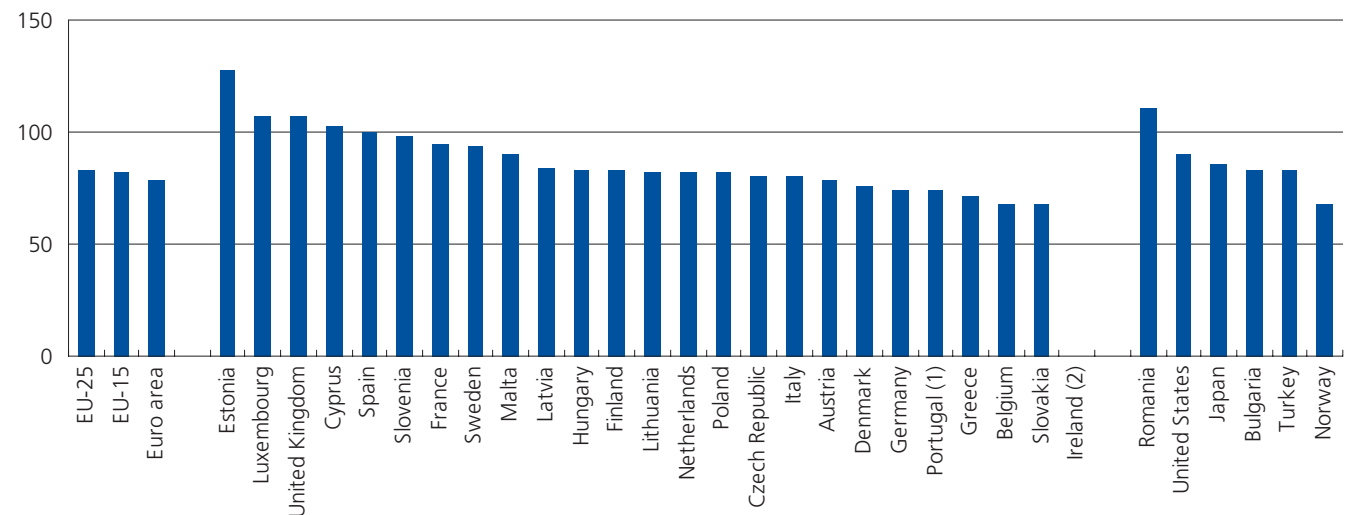
<sup>(30)</sup> Council Resolution 2002/C 161/01 of 3 June 2002 on a new Community strategy on health and safety at work (2002–2006) (OJ C 161, 5.7.2002, p. 1) ([http://eur-lex.europa.eu/LexUriServ/site/en/oj/2002/c\\_161/c\\_16120020705en00010004.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2002/c_161/c_16120020705en00010004.pdf)).

An accident at work is a discrete occurrence that leads to physical or mental harm; it excludes accidents on the way to or from work. Between 1998 and 2003, the incidence rate of serious accidents at work decreased by 17 % in the EU-25, and also fell in the majority of Member States (for which data are available), with the exception of Estonia, Luxembourg and the United Kingdom.

The incidence rate of fatal accidents at work fell by 23 % in the EU-25 between 1998 and 2003. Note that these figures may in part be affected by the structural shift in the economy towards services, where the risks of death at work are usually less than within agriculture, industry or construction.

**Figure 3.13: Serious accidents at work, 2003**

(1998 = 100, based on the number of serious accidents per 100 000 persons in employment)



(1) 2002.

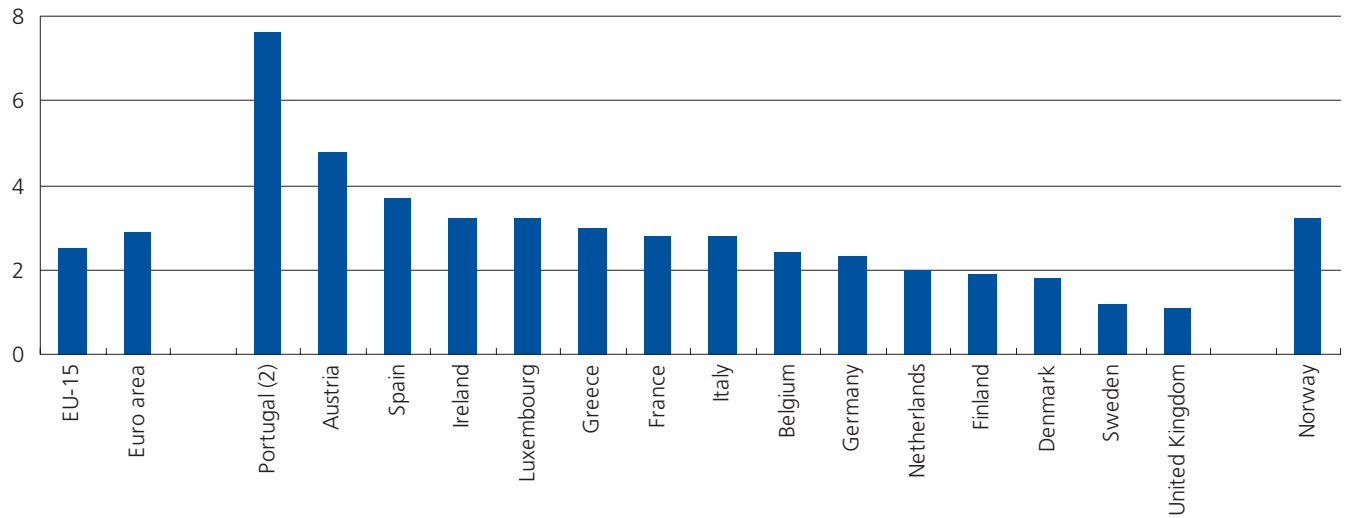
(2) Not available.

The index shows the evolution of the incidence rate of serious accidents at work in comparison to 1998 (= 100); the incidence rate = number of accidents at work with more than three days' absence that occurred during the year/number of persons in employment in the reference population × 100 000; an accident at work is a discrete occurrence in the course of work that leads to physical or mental harm; this includes accidents in the course of work outside the premises of his/her business, even if caused by a third party, and cases of acute poisoning; it excludes accidents on the way to or from work, occurrences having only a medical origin, and occupational diseases.

**Figure 3.14: Fatal accident at work, 2003 (1)**

(per 100 000 persons employed)

TPS00043



3

(1) Excludes road traffic accidents during work; no information available for the 10 Member States that joined the EU in 2004.

(2) 2002.

The incidence rate = number of fatal accidents at work that occurred during the year / number of persons in employment in the reference population × 100 000; a fatal accident at work is a discrete occurrence in the course of work with physical or mental harm, leading to death within one year of the accident; it excludes accidents on the way to or from work, occurrences having only a medical origin, and occupational diseases; to adjust for differences between the Member States in the distribution of workforce across the risk branches, a standardisation is made giving each branch the same weight at national level as in the European Union total.

# 4.

## LIVING CONDITIONS AND WELFARE



Living conditions

Household consumption expenditure

Housing

Social protection



<b>Living conditions and welfare</b>	<b>115</b>
Living conditions	116
Household consumption expenditure	119
Housing	122
Social protection	125

#### 4. LIVING CONDITIONS AND WELFARE

The demand for information on living conditions and welfare received a new impetus following the social chapter of the Amsterdam Treaty (1997) which became the driving force for EU social statistics. This impetus was reinforced by successive European Councils that have kept the social dimension high on the political agenda.

Income, poverty and social exclusion are multidimensional problems. To monitor them effectively at a European level, a subset of so-called '*social cohesion indicators*' has been developed within the structural indicators; these are selected from the '*Laeken*' list of social inclusion indicators<sup>(31)</sup>.

<sup>(31)</sup> For more information, see [http://ec.europa.eu/employment\\_social/soc-prot/soc-incl/indicator\\_en.htm](http://ec.europa.eu/employment_social/soc-prot/soc-incl/indicator_en.htm).

Eurostat has a wide range of data within this area, including:

- the inequality of income distribution;
- at-risk-of-poverty rates with various breakdowns (e.g. age, sex, activity status, household type) and related analyses (e.g. persistence over time, severity);
- jobless households;
- the breakdown of final consumption expenditure of households by 12 consumption purposes (Coicop two-digit) and 41 sub-categories (Coicop three-digit);
- types of housing;
- tenure status of households by socioeconomic status;
- lack of amenities by economic status of households;
- households in overcrowded conditions (more than one person per room);
- dissatisfaction of households with their accommodation;
- financial burden of households due to housing costs;
- social protection expenditure;
- social protection receipts by type;
- social benefits by function.

## LIVING CONDITIONS

To calculate living condition indicators, Eurostat initially used micro-data <sup>(32)</sup> from the European Community Household Panel survey (ECHP) which was launched in 1994. However, after eight years of using this source, a new instrument was introduced in 2003, namely, data collection under a framework regulation on EU statistics of income and living conditions (EU-SILC). One of the main reasons for this change was the need to adapt the content and timeliness of data production to reflect current political needs. EU-SILC is Eurostat's main reference source for comparative income distribution and social exclusion statistics. It comprises both a cross-sectional dimension and a longitudinal dimension.

Household disposable income is established by summing all monetary income received from any source by each member of the household (including income from work, investment and social benefits) net of taxes and social contributions paid and certain unavoidable expenditures. In order to reflect differences in household size and composition, this total is divided by the number of 'equivalent adults' using a standard scale (the so-called 'modified OECD' scale), and the resulting figure is attributed to each member of the household.

Eurostat calculates the following ratio to compare 'rich' and 'poor': total equivalised income received by the 20 % of the population with the highest income in relation to that received by the 20 % of the population with the lowest income. The 20 % of the EU-25 population with the highest income received almost five times as much income as the 20 % of the population with the lowest income in 2004. The widest inequality was recorded in Portugal (7.2), while the Nordic Member States, the Czech Republic (2003), Hungary (2003) and Slovenia (2003) reported the lowest inequality ratios (between 3.1 and 3.5).

<sup>(32)</sup> Data gathered on a very smallscale, such as for an individual, a household or an enterprise, rather than aggregate data.

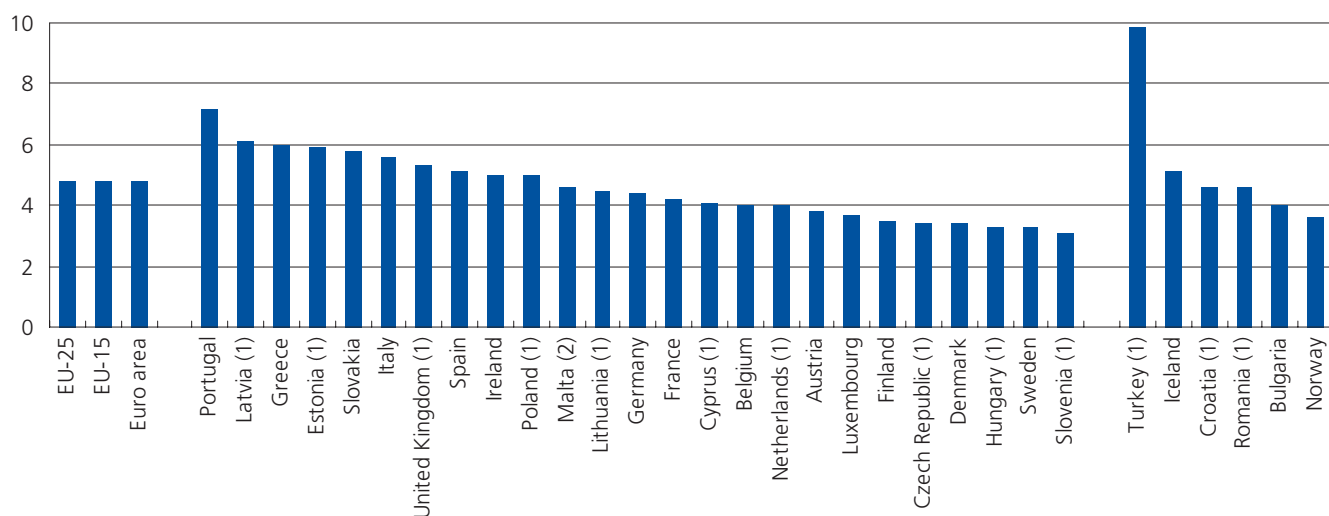
To measure the proportion of people that are at risk of poverty, a threshold is set at 60 % of the median equivalised income. Below that threshold, a person is considered to be at risk of poverty. Some 16 % of the EU-25 population were at risk of poverty in 2004, a figure which rises by 10 percentage points in the hypothetical absence of social transfers.

The impact of social transfers on the at-risk-of-poverty rate was greatest in the Czech Republic and the Nordic Member States (where poverty rates were reduced by more than 60 %). Their effects were least apparent (with a reduction of 20 % or less) in the southern Member States of Greece, Spain and Italy. Note that this analysis refers only to the impact of social transfers other than pensions, as pensions are counted as income and not as social transfers.

In 2005, about 10 % of the EU-25 population aged between 18 and 59 years lived in jobless households; the proportion of children (up to 17 years) living in jobless households was at the same level. The highest proportion of children living in jobless households was recorded in the United Kingdom (17 %), while Poland (15 %) and Belgium (14 %) recorded the highest shares of adults aged 18 to 59 living in jobless households. Note these statistics may be affected by a number of factors, including differences in average numbers of children and inactivity rates between different socioeconomic groups.

**Figure 4.1: Inequality of income distribution, 2004**

(income quintile share ratio)



(1) 2003.

(2) 2000.

The ratio of total income received by the 20 % of the population with the highest income (top quintile) to that received by the 20 % of the population with the lowest income (lowest quintile); income must be understood as equivalised disposable income.



Table 4.1: At-risk-of-poverty rate (1)

(%)

	Before social transfers						After social transfers					
	Total		Male		Female		Total		Male		Female	
	1998	2003	1998	2003	1998	2003	1998	2003	1998	2003	1998	2003
<b>EU-25</b>	24	25	23	23	25	26	15	15	14	14	16	16
<b>EU-15</b>	24	25	23	23	25	26	15	15	14	14	16	17
<b>Euro area</b>	23	24	22	23	24	25	15	15	14	14	16	16
<b>Belgium (2)</b>	25	29	24	28	27	30	14	15	12	14	15	16
<b>Czech Republic</b>	:	21	:	19	:	22	:	8	:	7	:	9
<b>Denmark (2)</b>	:	32	:	30	:	33	:	12	:	11	:	12
<b>Germany</b>	22	23	21	21	22	25	11	15	10	13	12	17
<b>Estonia</b>	:	25	:	23	:	26	:	18	:	17	:	20
<b>Greece (2)</b>	22	24	21	24	23	25	21	21	20	20	22	22
<b>Spain</b>	25	22	25	21	25	23	18	19	18	18	18	20
<b>France</b>	25	24	24	24	25	25	15	12	14	12	15	13
<b>Ireland (2)</b>	32	36	30	35	34	38	19	21	18	20	20	22
<b>Italy</b>	21	:	20	:	22	:	18	:	17	:	19	:
<b>Cyprus</b>	:	20	:	18	:	21	:	15	:	14	:	17
<b>Latvia</b>	:	24	:	23	:	25	:	16	:	16	:	17
<b>Lithuania</b>	:	23	:	22	:	23	:	15	:	14	:	15
<b>Luxembourg (2)</b>	23	23	23	23	23	24	12	10	12	9	13	11
<b>Hungary</b>	:	17	:	17	:	17	:	12	:	12	:	12
<b>Malta</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>Netherlands</b>	21	23	21	22	22	24	10	12	10	12	10	12
<b>Austria (2)</b>	24	24	22	23	27	26	13	13	11	12	15	14
<b>Poland</b>	:	31	:	32	:	31	:	17	:	17	:	16
<b>Portugal</b>	27	26	26	:	28	:	21	19	19	:	22	:
<b>Slovenia</b>	:	16	:	15	:	18	:	10	:	9	:	11
<b>Slovakia</b>	:	28	:	28	:	27	:	21	:	21	:	21
<b>Finland</b>	22	28	21	27	23	29	9	11	8	11	11	12
<b>Sweden</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>United Kingdom</b>	30	29	26	28	33	30	19	18	17	17	21	19
<b>Bulgaria</b>	:	16	:	14	:	18	:	14	:	12	:	16
<b>Croatia</b>	:	31	:	29	:	33	:	18	:	17	:	19
<b>Romania</b>	:	22	:	22	:	23	:	17	:	17	:	18
<b>Turkey</b>	:	31	:	29	:	32	:	26	:	25	:	26
<b>Norway (2)</b>	26	19	:	:	:	:	:	11	:	9	:	13

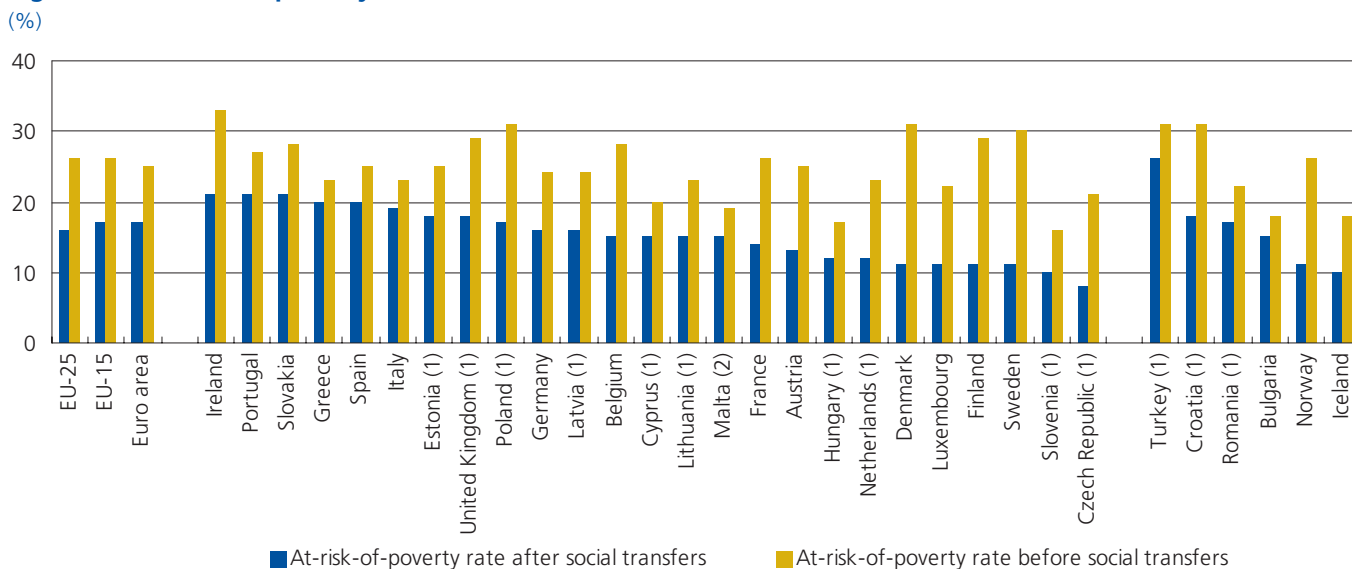
(1) For some countries the available data currently only permits adjustment for social transfers on a gross basis, which may affect the accuracy of the at-risk-of-poverty rate before social transfers.

(2) Break in series, 2003.

The share of women/men with an equivalised disposable income (before social transfers) below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers); retirement and survivor's pensions are counted as income before transfers and not as social transfers.



Figure 4.2: At-risk-of-poverty rate, 2004



(1) 2003.

(2) 2000.

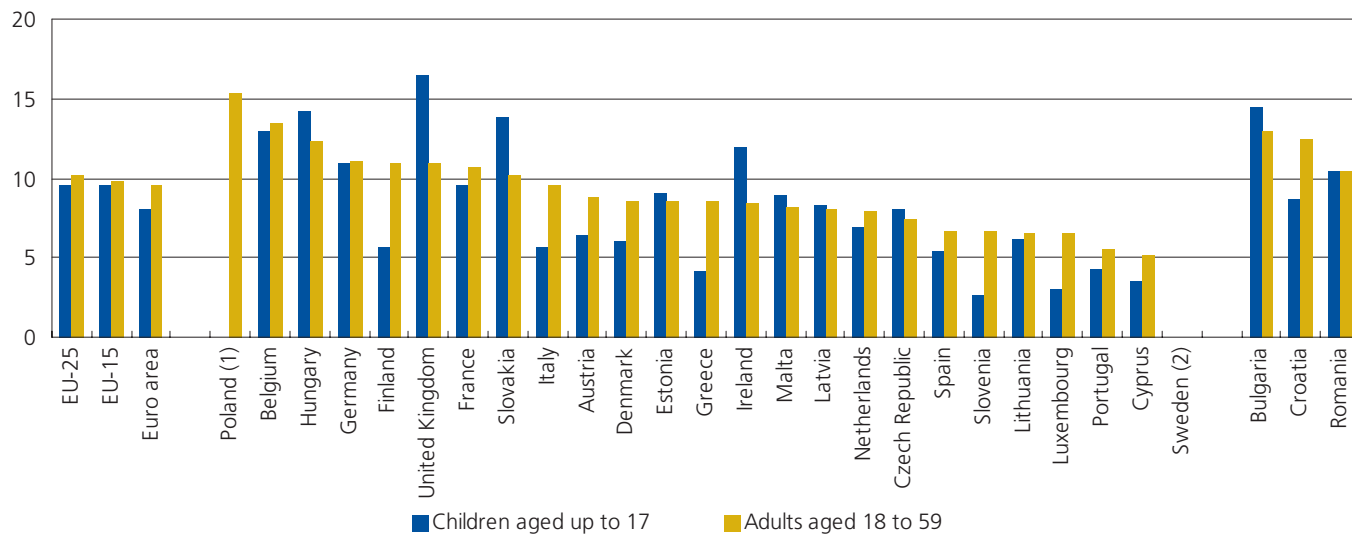
The share of persons with an equivalised disposable income (before social transfers) below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers); retirement and survivor's pensions are counted as income before transfers and not as social transfers.

4

Figure 4.3: Proportion of persons living in jobless households, 2005



(% of respective age group living in jobless households)



(1) Children aged up to 17 not available.

(2) Not available.

The indicator children aged 0 to 17 years living in jobless households is calculated as a share of children aged 0 to 17 who are living in households where no one is working; the indicator people aged 18 to 59 years living in jobless households is calculated as a share of persons aged 18 to 59 who are living in households where no one works; students aged 18 to 24 who live in households composed solely of students of the same age class are not counted in either numerator nor denominator.

### HOUSEHOLD CONSUMPTION EXPENDITURE

The final consumption expenditure of households characterises the demand side of GDP. Its dynamics allow an assessment of the welfare of households, reflecting changes in wages and other incomes, but also in employment and in the behaviour towards savings. Therefore, the growth of household consumption can be somewhat different from the growth of real wages and incomes.

In most of the EU-15 Member States, an average of 50 to 60 % of GDP goes into household consumption. On the other hand, among the Member States that joined the EU in 2004, the share of household consumption expenditure tends to be somewhat higher. Furthermore, the consumption of households has tended to increase more rapidly than in the EU-15, albeit from a much lower starting level.

The Council regulation for the European system of accounts 1995 <sup>(33)</sup> provides the underlying basis for the collection of data on household consumption expenditure referred to within this section; the data is provided by Eurostat's national accounts statistics.

Final consumption expenditure of households refers to expenditure incurred on the domestic territory (by residents and non-residents) on goods and services used for the direct

satisfaction of individual needs. It covers the purchase of goods and services, the consumption of own production (such as garden produce) and the imputed rent of owner-occupied dwellings. The information is broken down according to the classification of individual consumption by purpose (Coicop), initially into 12 separate two-digit headings (Coicop offers additional detail within each of these headings at the three-digit level, with 41 sub-categories).

Household consumption expenditure averaged PPS 12 900 per capita in the EU-25 in 2004. EU-25 consumption expenditure per capita increased on average by 4.3 % per annum between 1995 and 2004.

Housing, water, electricity, gas and other fuels were the most important category of household consumption expenditure within the EU-25 in 2004, accounting for more than one fifth of total expenditure; transport, and food and non-alcoholic beverages were the two next most important categories.

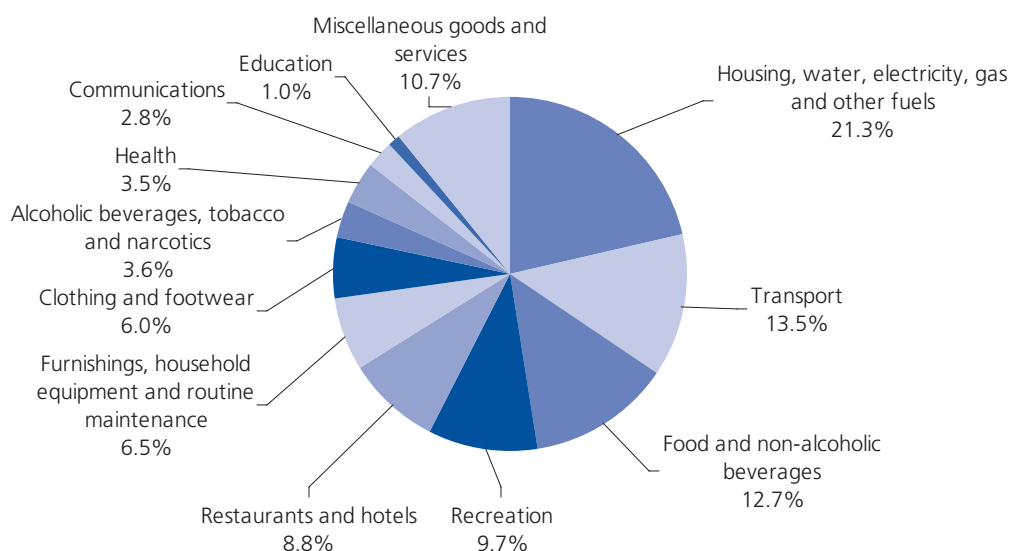
The proportion of household expenditure devoted to each of the consumption categories varies greatly between Member States. The highest proportion of total expenditure on housing, water, electricity, gas and other fuels in 2004 was recorded in Sweden (28.6 %), which was 3.4 times as high as in Malta (8.5 %).

<sup>(33)</sup> Council Regulation (EC) No 2223/96 (see <http://forum.europa.eu.int/irc/dsis/nfaccount/info/data/esa95/esa95-new.htm> for a consolidated version that takes account of subsequent changes).

**Figure 4.4: Breakdown of household consumption expenditure, EU-25, 2004**

(% of total household consumption expenditure)

TPS00079 TPS00080 TPS00081 TPS00082 TPS00083 TPS00084  
TPS00085 TPS00086 TPS00087 TPS00088 TPS00089 TPS00090

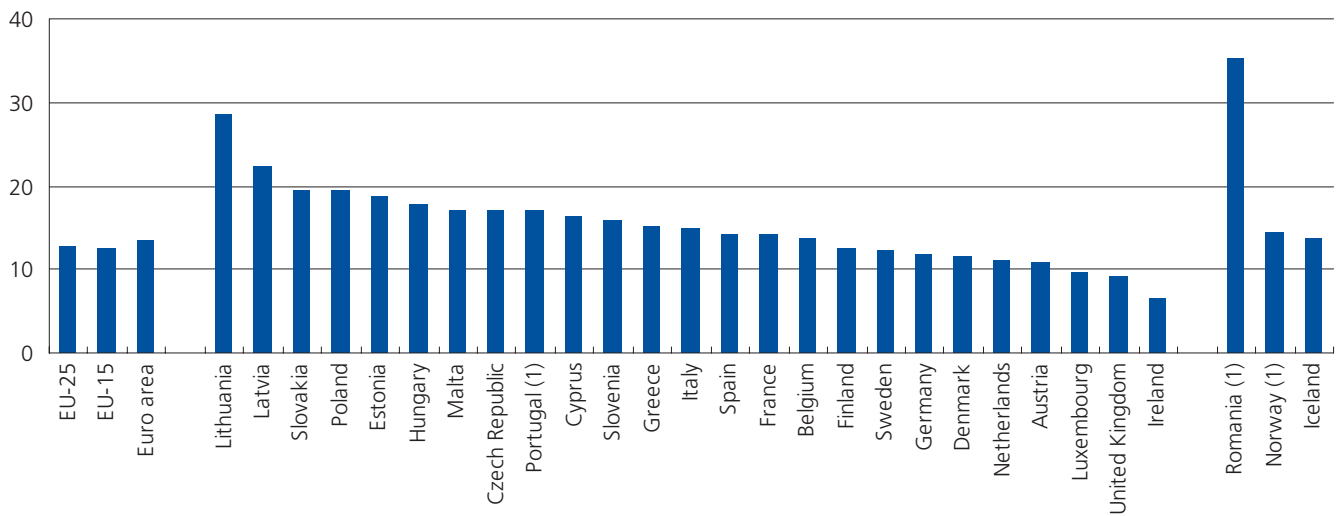


Household final consumption expenditure consists of the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant.

**Figure 4.5: Household expenditure on food and non-alcoholic beverages, 2004**

(% of total household consumption expenditure)

TPS00079



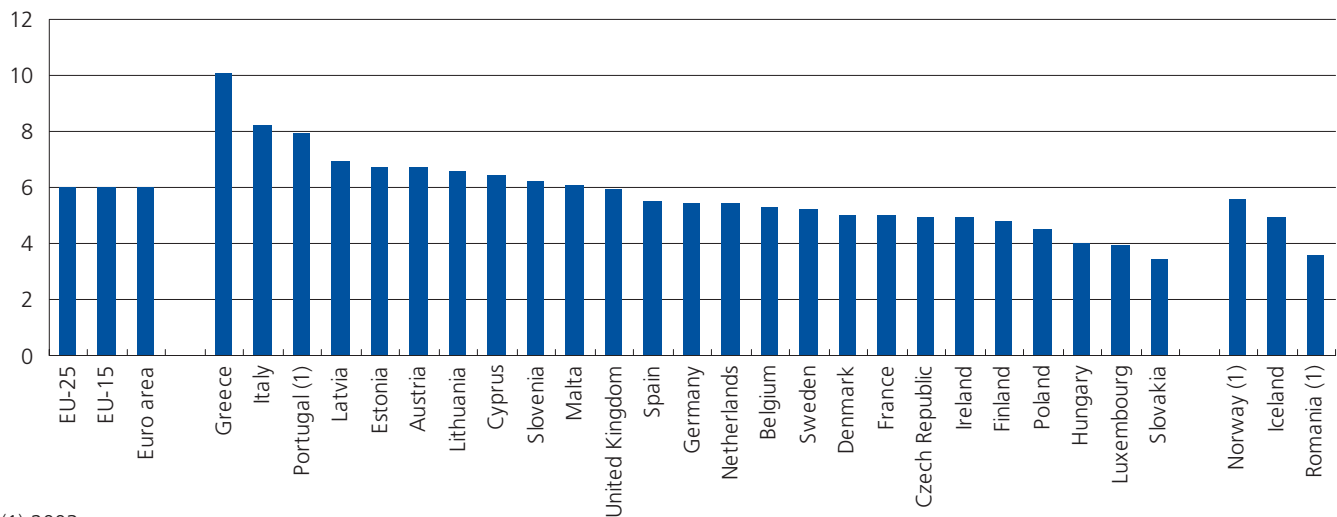
(1) 2003.

Household final consumption expenditure consists of the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant.

**Figure 4.6: Household expenditure on clothing and footwear, 2004**

(% of total household consumption expenditure)

TPS00082

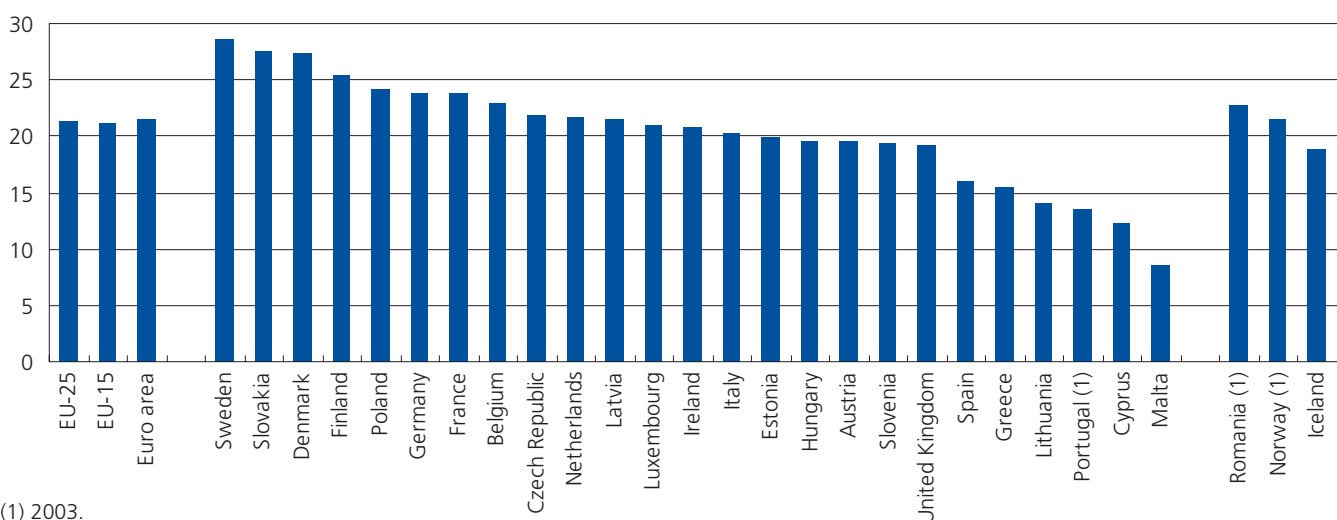


(1) 2003.

**Figure 4.7: Household expenditure on housing, water, electricity, gas and other fuels, 2004**

(% of total household consumption expenditure)

TPS00083



(1) 2003.

Table 4.2: Total household consumption expenditure (1)

TEC00092, TEC00093

	As a proportion of GDP (%)			Per capita (PPS)		
	1995	2000	2004	1995	2000	2004
<b>EU-25</b>	56.8	57.6	56.9	8 800	11 600	12 900
<b>EU-15</b>	56.8	57.5	56.8	9 800	12 700	:
<b>Euro area</b>	56.5	56.9	56.5	9 700	12 500	:
<b>Belgium</b>	52.3	52.1	51.0	9 800	12 200	13 700
<b>Czech Republic</b>	51.8	54.5	51.9	5 500	7 100	8 300
<b>Denmark</b>	50.6	47.0	47.5	9 600	11 900	13 100
<b>Germany</b>	54.8	55.7	56.4	10 200	12 500	13 800
<b>Estonia</b>	60.3	59.6	58.0	3 100	5 000	7 000
<b>Greece</b>	76.6	71.8	70.4	8 400	10 500	13 100
<b>Spain</b>	62.9	63.1	60.0	8 500	11 700	13 300
<b>France</b>	56.0	55.4	55.8	9 900	12 600	13 900
<b>Ireland</b>	52.3	45.7	42.7	7 900	11 600	13 200
<b>Italy</b>	59.6	61.1	59.4	10 800	13 900	14 200
<b>Cyprus</b>	82.7	84.3	75.9	10 400	13 700	14 200
<b>Latvia</b>	63.5	60.7	61.1	2 900	4 300	5 900
<b>Lithuania</b>	66.7	65.9	66.0	3 500	5 100	7 100
<b>Luxembourg</b>	47.6	46.6	46.3	14 700	20 800	25 000
<b>Hungary</b>	56.4	56.1	53.8	4 300	6 000	7 300
<b>Malta</b>	:	75.7	76.3	:	12 000	12 200
<b>Netherlands</b>	48.4	49.2	48.2	8 900	12 300	13 600
<b>Austria</b>	57.3	57.0	57.1	11 200	14 400	15 800
<b>Poland</b>	59.5	63.0	63.2	3 700	5 900	7 000
<b>Portugal</b>	65.6	64.6	:	7 600	10 500	:
<b>Slovenia</b>	61.6	59.1	57.2	6 500	8 700	10 200
<b>Slovakia</b>	53.8	56.3	55.8	3 600	5 400	6 700
<b>Finland</b>	50.1	47.5	49.3	8 100	10 900	12 700
<b>Sweden</b>	48.3	47.3	46.4	8 700	11 300	12 300
<b>United Kingdom</b>	61.2	62.3	61.2	10 200	14 000	16 300
<b>Bulgaria</b>	70.3	73.0	:	3 300	3 900	:
<b>Romania</b>	:	69.1	66.9	:	3 500	4 900
<b>Turkey</b>	70.3	71.5	66.1	3 200	4 300	4 300
<b>Iceland</b>	54.6	56.0	52.8	10 300	14 300	15 200
<b>Norway</b>	46.7	40.2	:	9 400	12 800	:
<b>Japan</b>	57.4	:	:	10 700	:	:
<b>United States</b>	67.4	:	:	15 600	:	:

(1) Domestic concept.

## HOUSING

There is a long-standing interest in statistics on housing, although the profile of certain indicators has increased in recent years with the evolution of the open method of coordination in the field of social inclusion.

The data used in this section are primarily derived from micro-data from the European Community Household Panel survey (ECHP). The ECHP was a 'longitudinal' survey that involved annual interviews with participant households (around 80 000 across the EU), making it possible to follow-up the same individuals over consecutive years and to provide information on social dynamics (for example, the transition from education to working life; or from working life to retirement). The ECHP was replaced in 2003 by data collection under EU-SILC regulations; during the transition period to full country coverage under EU-SILC, no information is being compiled by Eurostat. Additional information is drawn from the EU labour force survey (LFS) and the decennial census.

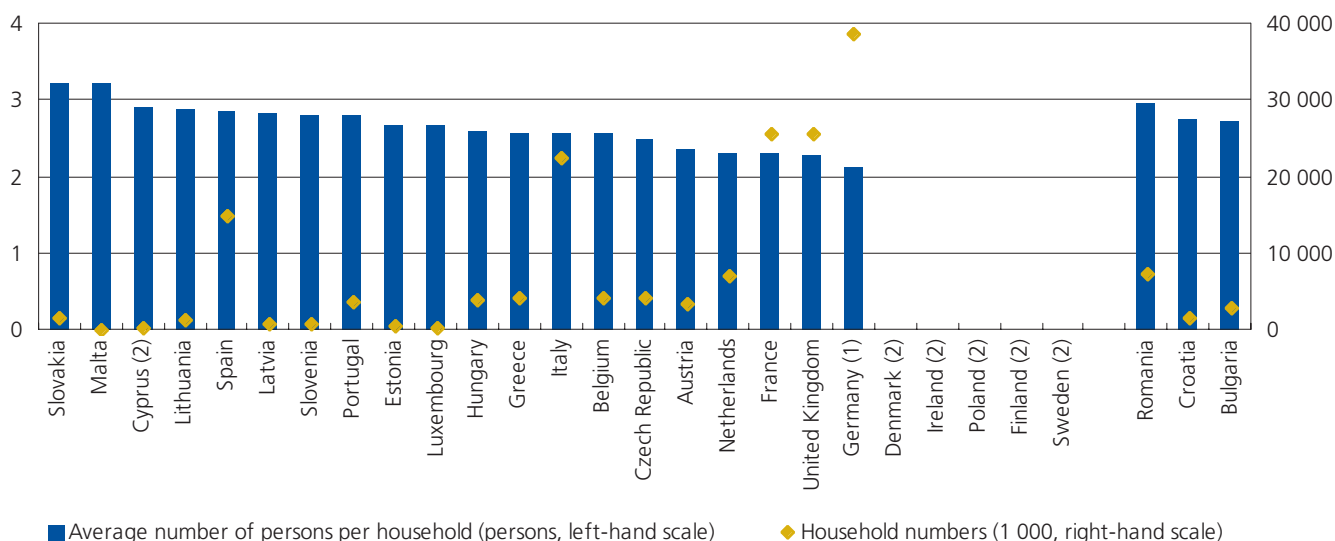
The average number of persons living in a household in the EU-25 Member States in 2004 was highest (equal to or greater than 2.8) in the southern and eastern Member States, for example, Spain, Cyprus, Latvia, Lithuania, Malta, Portugal, Slovenia and Slovakia, whereas the lowest number of persons per household (less than 2.4) was in Germany, France, the Netherlands, Austria and the United Kingdom (no data is available for Denmark, Ireland, Poland, Finland or Sweden).

The most recent periodic census (2001) identifies wide ranging differences across the EU-25 as regards the ownership of different types of dwelling: in Latvia, the Czech Republic, Hungary, Lithuania and Austria there was a high proportion of ownership for one-dwelling houses, while there was a tendency for lower levels of ownership in other forms of dwelling (mainly apartments and flats). Nevertheless, ownership of other types of dwelling was above 75 % in the Netherlands, France, Germany and Ireland. It is difficult to pinpoint the reasons for such differences, as the distribution of households may be related to the degree of urbanisation, the quality of accommodation, and the supply of new/renovated housing.

As may be expected, a large proportion (75 %) of the population in the EU-25 lived in households which owned their own accommodation in 2004, while the corresponding figure for persons at risk of poverty was 63 %. In some of the southern Member States (Greece, Spain, Cyprus and Portugal) and certain eastern Member States (Estonia, Latvia and Hungary), income levels appeared to play a much stronger role in determining whether or not a household lived in its own accommodation (no data is available for the Czech Republic or Slovakia).

The proportion of people facing at least one problem in terms of housing conditions (dampness, darkness, a lack of indoor facilities) shows some variation across countries in 2003. Economic strain appeared to be particularly prevalent among a higher proportion of households in many southern Member States; it can be illustrative to compare this indicator with the standard monetary risk-of-poverty indicator (see above, under the section entitled 'Living conditions').

Figure 4.8: Household numbers and average numbers of persons per private household, 2004



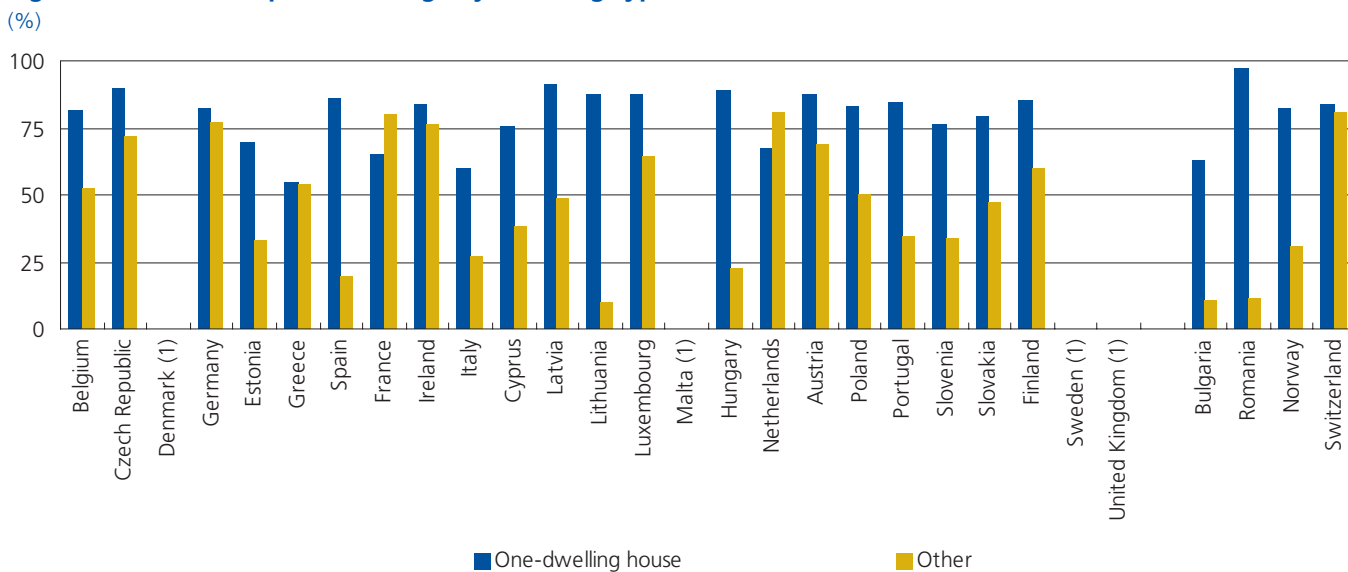
(1) Spring results instead of annual averages.

(2) Not available.

Private households are either a one-person household or a multi-person household, i.e. a group of two or more persons who combine to occupy the whole part or part of a housing unit and to provide themselves with food and possibly other essentials for living; collective households such as boarding houses, halls of residence and hospitals and the persons living in them are excluded.



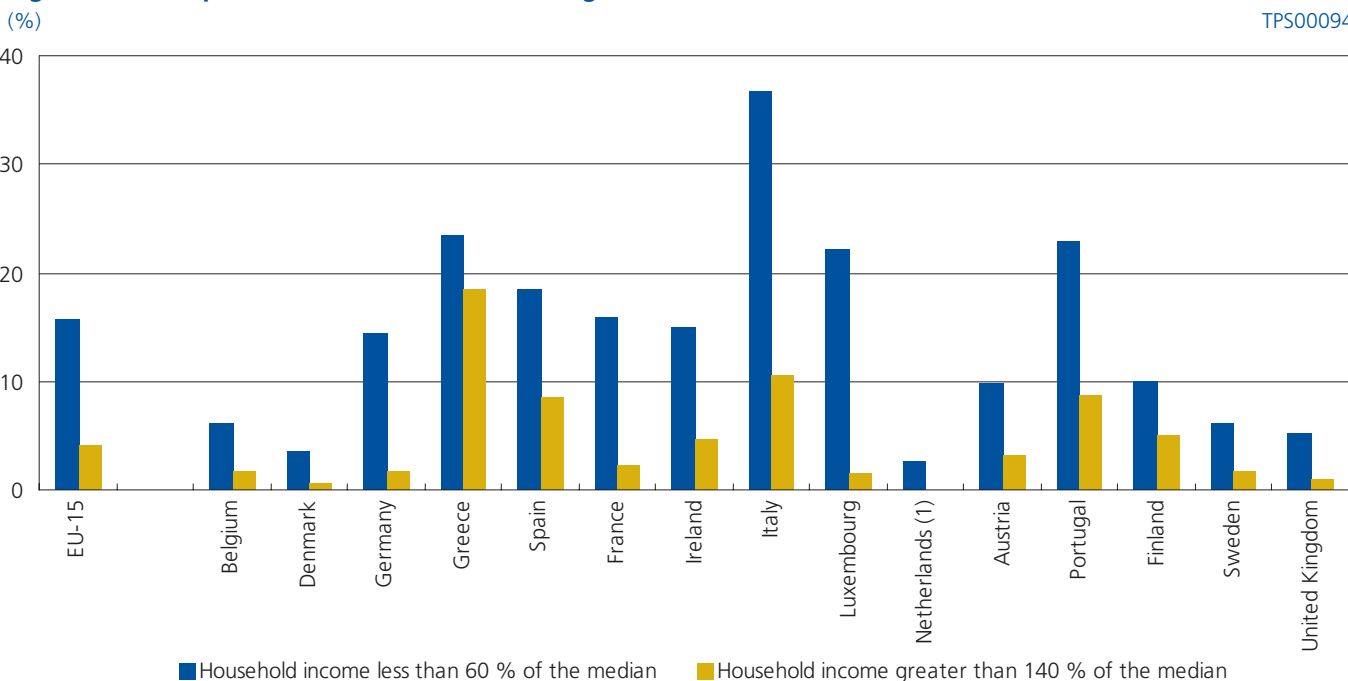
**Figure 4.9: Ownership of dwellings by dwelling type, 2001**



(1) Not available.

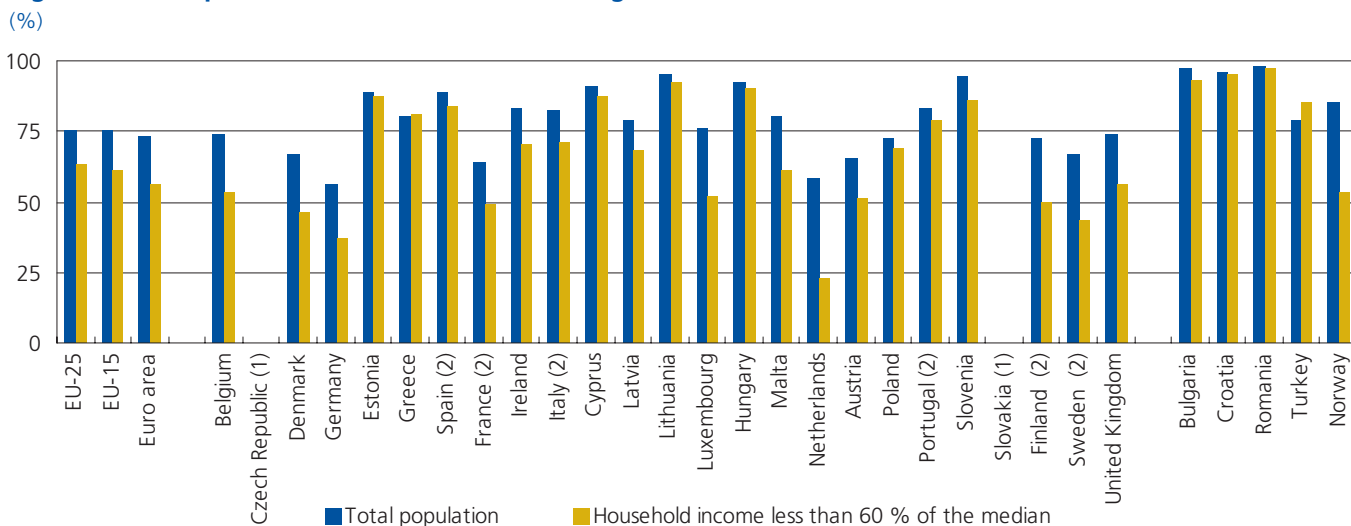
The proportion of one-dwelling houses (single, attached or detached house) that are owner-occupied compared with the same ratio for flats and other accommodation.

**Figure 4.10: Proportion of all households living in overcrowded houses, 2001**



(1) Household income greater than 140 %, not available.

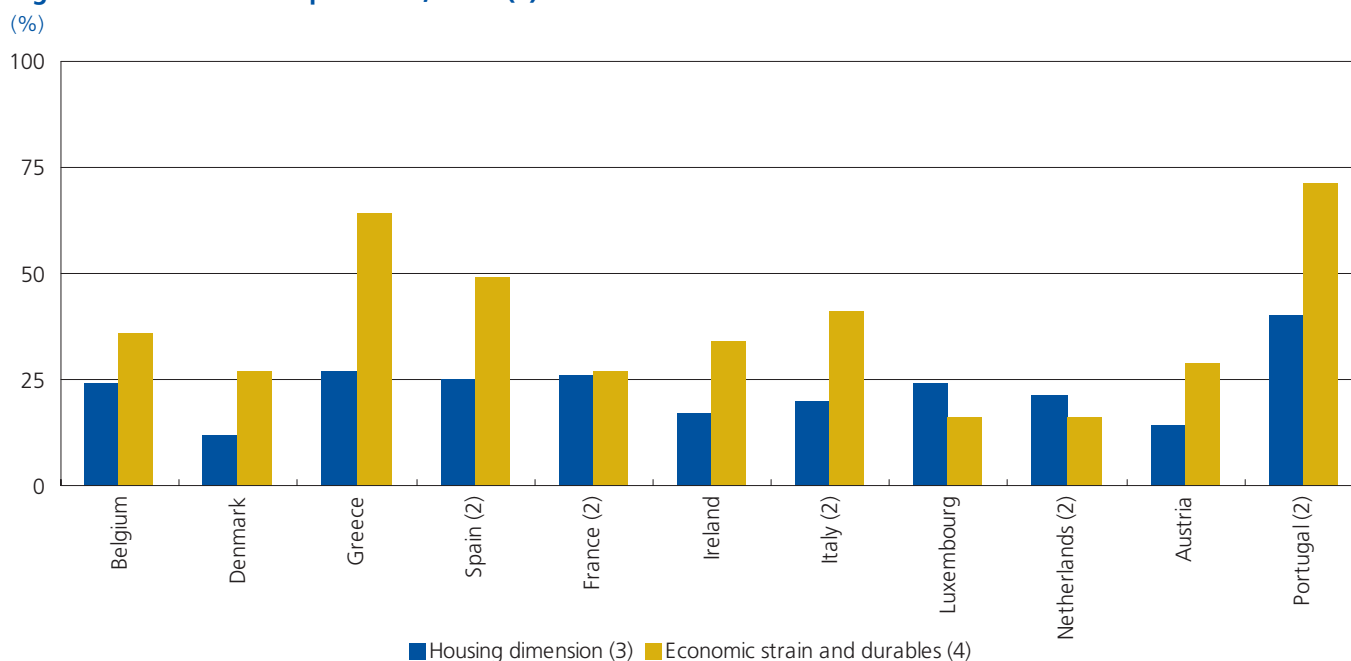
The indicator shows the share of all persons that live in overcrowded conditions (more than one person per room); there are four income groups: lower than 60 % of the median income of all households; 60 % to 100 %; 100 % to 140 %; greater than 140 %.

**Figure 4.11: Proportion of all households owning their accommodation, 2004**

(1) Not available.

(2) Break in series.

The indicator shows the share of all households that are owner of their accommodation; data is drawn from the European Household Panel (EU-SILC) where available, but during the transition to data collection under EU-SILC regulations, ex post harmonised national sources are still used for around half of the countries; as a consequence indicators may not be fully comparable; EU aggregates are computed as population weighted averages of available national values.

**Figure 4.12: Material deprivation, 2003 (1)**

(1) No data available for those Member States not presented in the graph.

(2) Data are for 2001; source: ECHP.

(3) Households with at least one of the following items: damp in roof/walls; accommodation too dark; no indoor flushing toilet; no bath or shower in dwelling.

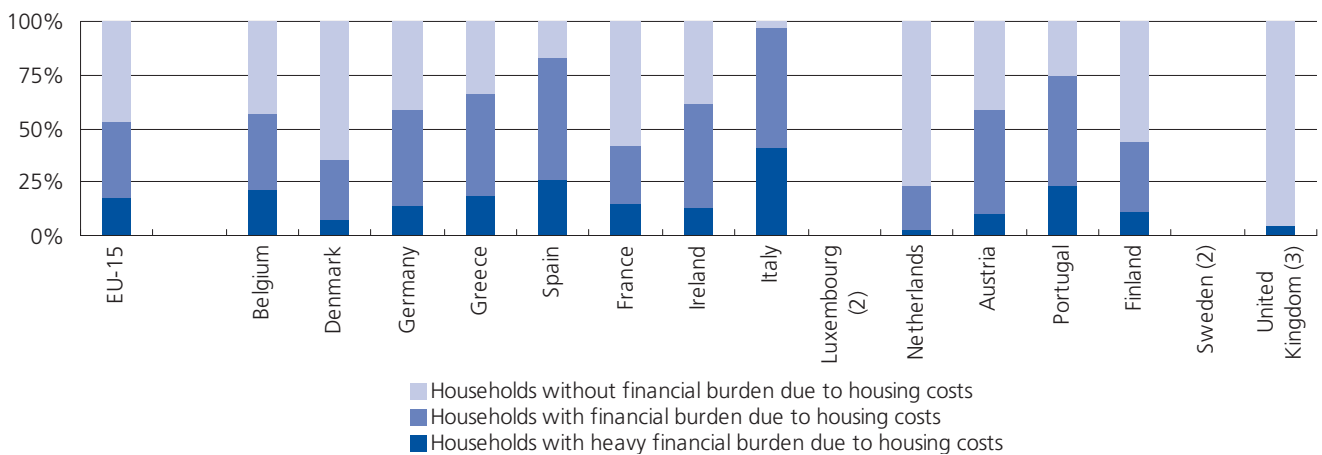
(4) Households with at least one of the following items: cannot afford a week's holiday; unable to keep home adequately warm; cannot eat meat, chicken, fish every second day; unable to pay scheduled rent or utility bills or hire purchase; cannot afford a colour TV; no telephone; no car for private use.

Material deprivation is defined as the enforced lack of a combination of items depicting material living conditions, such as housing conditions, possession of durables, and capacity to afford basic requirements.

**Figure 4.13: Proportion of all households with/without financial burden due to housing costs, 2001 (1)**

(%)

TPS00097



(1) Data is drawn from the European Community Household Panel (ECHP) where available.

(2) Not available.

(3) Data are derived from a national survey which has, *ex post*, been formatted to ECHP, and only permits a two-way distinction between households with no or some burden and households with a heavy burden; as a result households with some financial burden are included within households without financial burden.

*This indicator shows the share of households that have a financial burden, a very heavy financial burden, or no financial burden due to housing costs.*

## SOCIAL PROTECTION

Social protection encompasses all action by public or private bodies to relieve households and individuals of the burden of a defined set of risks or needs associated with old age, sickness, childbearing and family, disability, unemployment, etc.

Social protection expenditure includes the provision of social benefits, administration costs and other expenditure (for example, interest paid to banks). Social benefits are direct transfers in cash or kind by social protection schemes to households and individuals to relieve them of the burden of distinct risks or needs; benefits via the fiscal system are excluded. Benefits are classified according to eight social protection functions:

- sickness/healthcare benefits — including paid sick leave, medical care and provision of pharmaceutical products;
- disability benefits — including disability pensions and the provision of goods and services (other than medical care) to the disabled;
- old-age benefits — including old-age pensions and the provision of goods and services (other than medical care) to the elderly;
- survivors' benefits — including income maintenance and support in connection with the death of a family member, such as survivors' pensions;
- family/children benefits — including support (except healthcare) in connection with the costs of pregnancy, childbirth, childbearing and caring for other family members;
- unemployment benefits — including vocational training financed by public agencies;
- housing benefits — including interventions by public authorities to help households meet the cost of housing;
- social exclusion benefits — including income support, rehabilitation of alcohol and drug abusers and other miscellaneous benefits (except healthcare).

The units responsible for providing social protection are financed in different ways, as their receipts comprise social security contributions paid by employers and employees (protected persons), contributions by general government, and other receipts from a variety of sources (for example, interest, dividends, rent and claims against third parties). Social contributions by employers are all costs incurred by employers to secure employees' entitlement to social benefits. These include all payments by employers to social protection institutions (actual contributions) and social benefits paid directly by employers to employees (imputed contributions). Social contributions made by protected persons comprise contributions paid by employees, by the self-employed and by pensioners and other persons.

Statistics in relation to social protection expenditure and receipts are harmonised according to the European system of integrated social protection statistics (Esspros). Built on the concept of functions of social protection and according to a common methodology, Esspros is a unique tool to compare the social policy of the various European countries.

Almost 39 % of EU-25 social protection receipts in 2003 were financed by employers, 37 % by government, and 21 % by protected persons themselves. In 2003, 28 % of GDP was spent on social protection in the EU-25. The highest share of social protection in GDP was recorded in Sweden (33.5 %), while the lowest was in Latvia and Estonia (13.4 %).



The use of a purchasing power standard (PPS) allows an unbiased comparison of social protection expenditure per capita between countries, taking account of differences in price levels. In 2003, social protection per capita was just over PPS 6 000 in the EU-25, ranging from PPS 10 905 in Luxembourg to PPS 1 174 in Latvia. The disparities between countries are partly related to differing levels of wealth and also reflect differences in social protection systems, demographic trends, unemployment rates and other social, institutional and economic factors.

Old-age benefits are the dominant social protection expenditure item in most European countries. They were the largest social benefit function within the EU-25 in 2003, accounting for 41 % of expenditure, while the only other function to record a double-digit share was sickness and healthcare (28 %). EU-25 expenditure on pensions was equivalent to 12.6 % of GDP in 2003, ranging from a high of 15.1 % in Italy to a low of 3.9 % in Ireland.

**Table 4.3: Total expenditure on social protection**

(% of GDP)

TPS00098

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>EU-25 (1)</b>	:	:	:	:	:	:	:	26.9	27.1	27.4	28.0
<b>EU-15</b>	28.7	28.4	28.2	28.4	27.9	27.5	27.4	27.2	27.5	27.7	28.3
<b>Euro area</b>	28.2	28.0	27.9	28.1	27.8	27.4	27.4	27.1	27.3	27.8	28.1
<b>Belgium</b>	29.3	28.7	28.1	28.6	27.9	27.6	27.3	26.8	27.7	28.8	29.7
<b>Czech Republic</b>	:	:	17.2	17.6	18.6	18.6	19.3	19.6	19.5	20.2	20.1
<b>Denmark</b>	31.5	32.5	31.9	31.2	30.1	30.0	29.8	28.9	29.2	29.9	30.9
<b>Germany</b>	27.8	27.7	28.2	29.4	28.9	28.9	29.2	29.3	29.3	29.9	30.2
<b>Estonia</b>	:	:	:	:	:	:	:	14.4	13.6	13.2	13.4
<b>Greece</b>	22.0	22.1	22.3	22.9	23.3	24.2	25.5	26.3	27.0	26.4	26.3
<b>Spain</b>	24.0	22.8	22.1	21.9	21.2	20.6	20.3	19.6	19.4	19.6	19.7
<b>France</b>	30.4	30.2	30.3	30.6	30.4	30.0	29.9	29.3	29.5	30.2	30.9
<b>Ireland</b>	20.2	19.7	18.8	17.6	16.4	15.2	14.6	14.1	15.0	15.9	16.5
<b>Italy</b>	26.4	26.0	24.8	24.8	25.5	25.0	25.2	25.2	25.6	26.1	26.4
<b>Cyprus</b>	:	:	:	:	:	:	:	:	15.2	16.4	:
<b>Latvia</b>	:	:	:	:	:	:	:	15.3	14.3	13.8	13.4
<b>Lithuania</b>	:	:	:	:	:	:	:	15.8	14.7	14.1	13.6
<b>Luxembourg</b>	23.3	22.9	23.7	24.1	22.8	21.7	21.7	20.3	21.3	22.6	23.8
<b>Hungary</b>	:	:	:	:	:	:	20.7	19.8	19.8	20.7	21.4
<b>Malta</b>	:	:	17.5	18.8	19.0	:	17.4	16.9	17.7	18.0	18.5
<b>Netherlands</b>	32.3	31.7	30.9	30.1	29.4	28.4	28.0	27.4	26.5	27.6	28.1
<b>Austria</b>	28.2	28.9	28.9	28.8	28.7	28.4	28.8	28.3	28.6	29.2	29.5
<b>Poland</b>	:	:	:	:	:	:	:	20.1	21.5	21.9	21.6
<b>Portugal</b>	21.0	21.3	21.3	20.4	20.6	21.2	21.6	21.7	22.8	23.7	24.3
<b>Slovenia</b>	:	:	:	24.0	24.5	24.8	24.7	24.9	25.3	25.2	24.6
<b>Slovakia</b>	:	:	18.7	19.8	20.0	20.2	20.2	19.5	19.1	19.2	18.4
<b>Finland</b>	34.5	33.8	31.4	31.4	29.0	26.9	26.6	25.3	25.5	26.2	26.9
<b>Sweden</b>	38.2	36.8	34.6	33.8	32.9	32.2	31.9	31.0	31.5	32.5	33.5
<b>United Kingdom</b>	29.0	28.6	28.2	28.0	27.5	26.9	26.4	27.0	27.5	26.4	26.7
<b>Iceland</b>	19.1	18.7	19.3	19.1	18.9	18.7	19.4	19.6	20.0	22.2	23.8
<b>Norway</b>	28.2	27.6	26.7	26.0	25.3	27.1	27.1	24.6	25.6	26.2	27.7
<b>Switzerland</b>	24.8	25.0	25.7	26.6	27.5	27.7	27.6	27.4	28.1	28.7	29.8

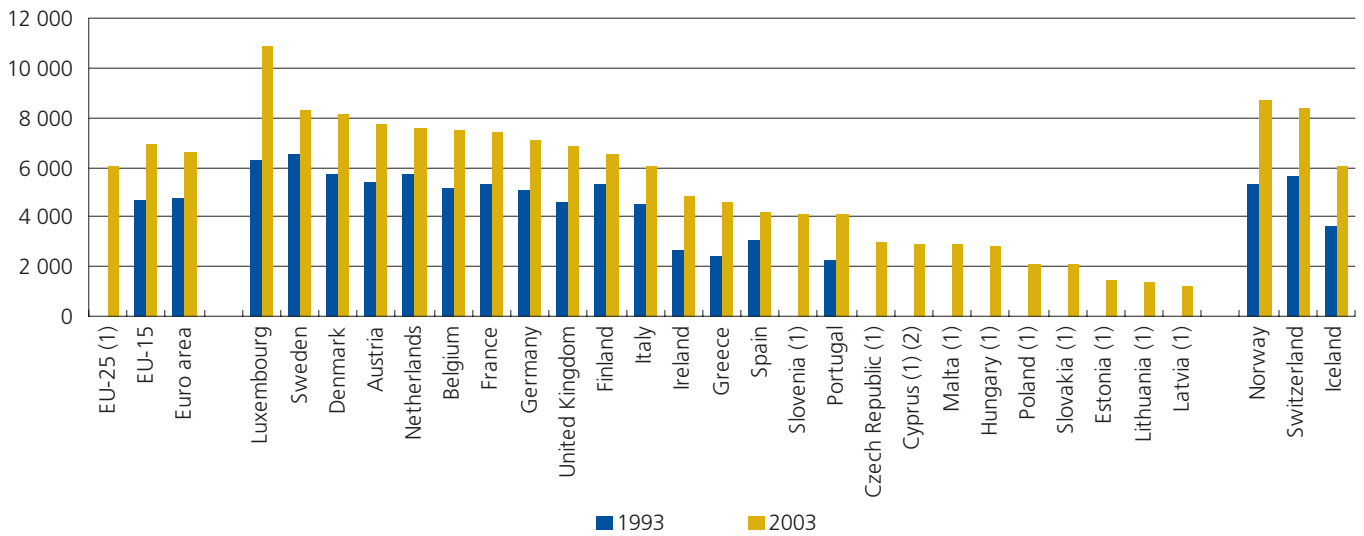
(1) Excluding Cyprus for 2000 and 2003.

*Expenditure on social protection concerns: social benefits, which consist of transfers, in cash or in kind, to households and individuals to relieve them of the burden of a defined set of risks or needs; administration costs, which represent the costs charged to the scheme for its management and administration; other expenditure, which consists of miscellaneous expenditure by social protection schemes (payment of property income and other).*

**Figure 4.14: Total expenditure on social protection per capita**

(PPS)

TPS00099

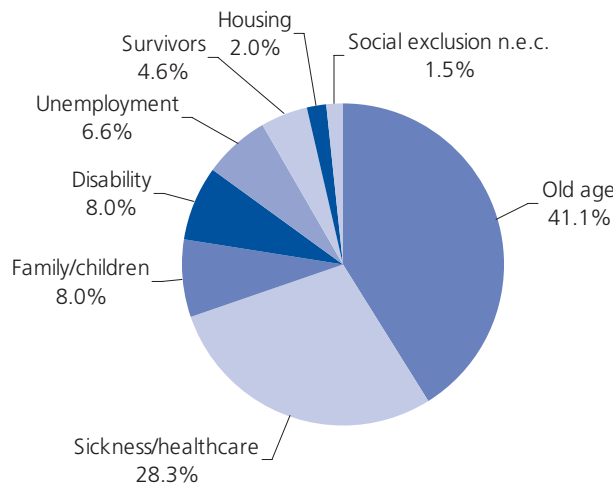


(1) 1993 not available.  
 (2) 2002 instead of 2003.

**Figure 4.15: Social benefits, EU-25, 2003**

(%, based on PPS per capita)

TPS00107

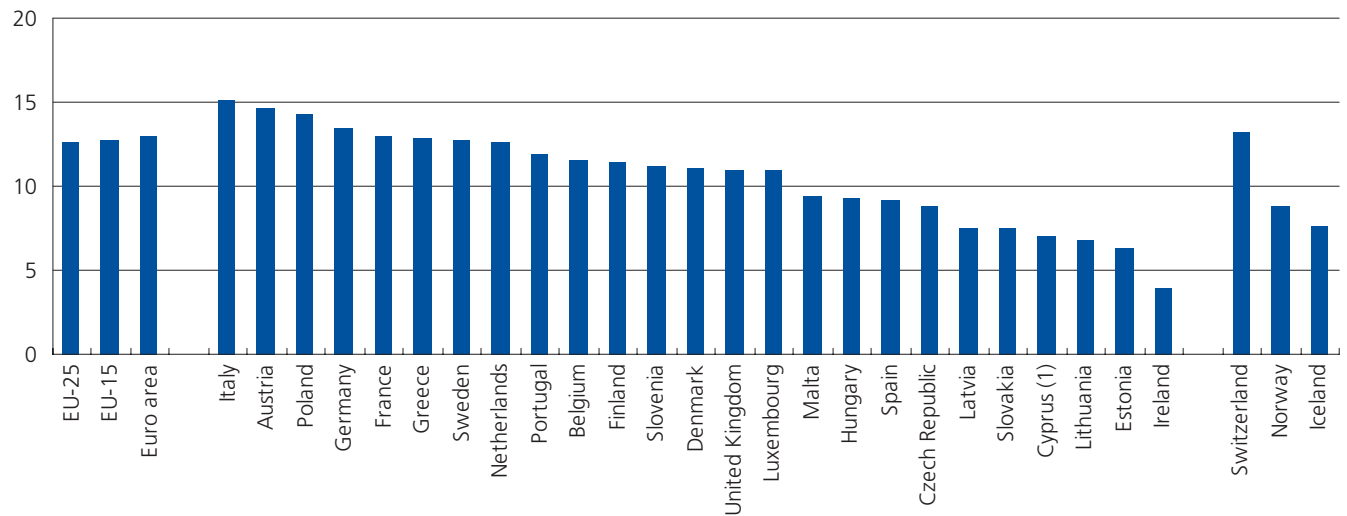


Social benefits consist of transfers, in cash or in kind, by social protection schemes to households and individuals to relieve them of the burden of a defined set of risks or needs.

**Figure 4.16: Expenditure on pensions, 2003**

(% of GDP)

TPS00103



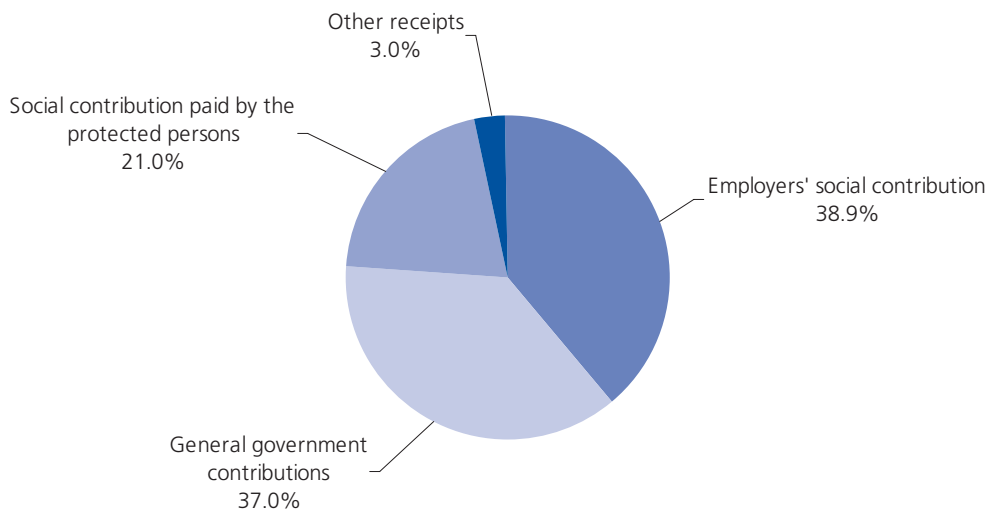
(1) 2002 instead of 2003.

The pensions aggregate comprises part of periodic cash benefits under the disability, old-age, survivors and unemployment functions; it is defined as the sum of the following social benefits: disability pension, early-retirement benefit due to reduced capacity to work, old-age pension, anticipated old-age pension, partial pension, survivors' pension, early-retirement benefit for labour market reasons.

**Figure 4.17: Social protection receipts, EU-25, 2003**

(% of total receipts)

TPS00108



Receipts of social protection schemes comprise social contributions, general government contributions and other receipts; employers' social contributions are the costs incurred by employers to secure entitlement to social benefits for their employees, former employees and their dependants; employers' social contributions may be actual or imputed; they can be paid by resident or non-resident employers.

# 5.

## LABOUR MARKET



- People in the labour market — employment
- People in the labour market — unemployment
- Labour market policy and public expenditure



<b>Labour market</b>	<b>131</b>
People in the labour market — employment	132
People in the labour market — unemployment	139
Labour market policy and public expenditure	144

## 5. LABOUR MARKET

Labour market statistics are at the heart of many EU policies following the introduction of an employment chapter into the Amsterdam Treaty in 1997. The extraordinary European Council of Luxembourg in November 1997 endorsed an ambitious European employment strategy (EES) aimed at reducing unemployment and gender gaps, while promoting sustainable increases of employment rates. The Lisbon summit in the spring of 2000 put full employment with more and better jobs on the European agenda, setting ambitious targets for the year 2010, namely:

- 70 % for the total employment rate;
- 60 % for the female employment rate.

The Stockholm Council in the spring of 2001 subsequently added an employment rate target for persons aged between 55

and 64 years to reach 50 % by 2010. It also fixed intermediate objectives for 2005, namely 67 % for the total employment rate and 57 % for the female employment rate.

In its mid-term review of the EES in 2005, the European Commission made a set of new proposals concerning employment guidelines for the period 2005–08, reflecting a switch of emphasis in favour of growth and employment. To create more and better jobs, the Commission wishes to:

- attract and retain more people in employment, increase labour supply and modernise social protection systems;
- improve the adaptability of the workforce and business sector;
- increase investment in human capital through better education and skills.

Eurostat has a wide range of data within this area, including:

- employment by main characteristics (sector of activity, occupation, professional status, age and sex);
- employment rates;
- hours worked;
- full-time and part-time work;
- temporary work;
- work during asocial hours;
- unemployment by duration, characteristics of last job, by age, by gender, by level of education;
- labour market policy expenditure by category and recipient;
- entrants and stocks of participants in labour market policy measures by category.

**PEOPLE IN THE LABOUR MARKET — EMPLOYMENT**

Flexible working conditions are thought to stimulate employment and activity rates, as the possibility to work, for example, part-time or from home, is likely to encourage more persons into the labour force. Other initiatives, such as improving the availability of childcare facilities or providing opportunities for lifelong learning may also encourage a higher proportion of persons into work.

One of the main goals for increasing employment and activity rates, besides their importance for personal well-being, is to reduce the demand for social protection payments, while at the same time increasing tax and social security revenues.

Given the considerable interest in labour market policies post-Lisbon, the EU's labour force survey (LFS) has grown considerably in importance and has become Eurostat's key tool for observing labour market developments. The LFS primarily reports on the EU's population of working age (15 years and more) which is composed of persons in employment, unemployed persons and economically inactive persons. It provides comprehensive information on these three categories, describing the employment situation of employed persons through reporting on, for example, their education level, the branches in which they work, their occupations, as well as their propensity to engage in part-time work, the duration of their work contracts,

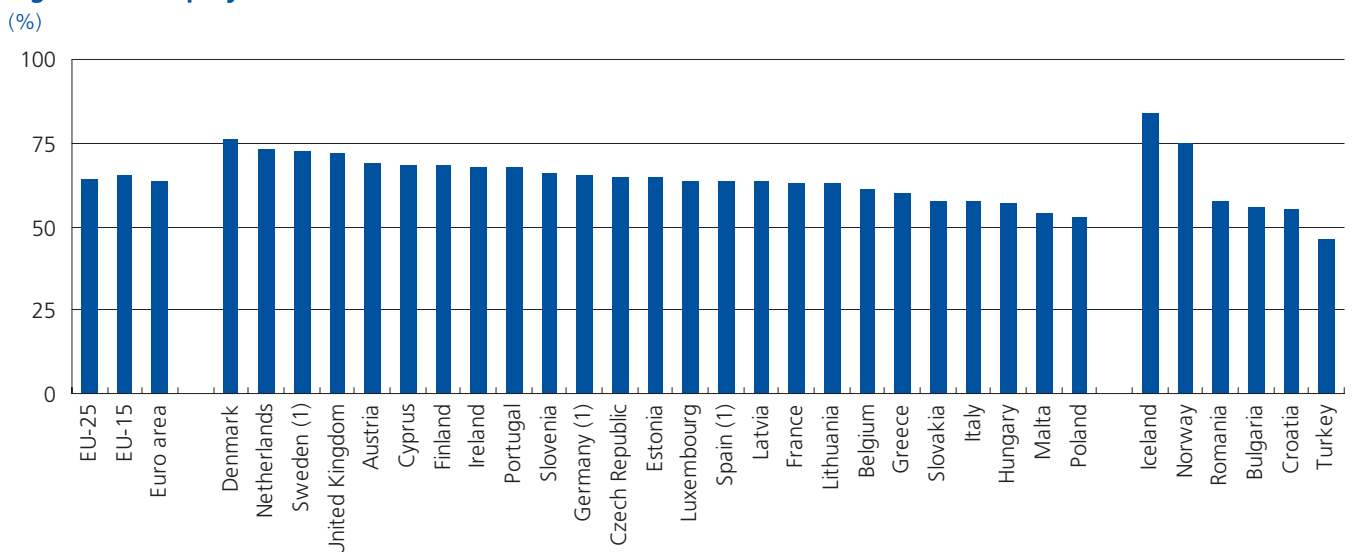
and their search for a new job. The complete list of LFS variables is more than 100.

In 2005, about 64 % of the EU-25's population aged between 15 and 64 were employed. In nine of the Member States (Denmark, Ireland, Cyprus, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom), the employment rate was at or above the 67 % intermediate employment objective for 2005. On the other hand, the employment rate remained below 60 % in Italy, Hungary, Malta, Poland and Slovakia.

The EU-25 employment rate for women (56 %) stood considerably lower than that for men (71 %), while the employment rate for older workers (aged 55 to 64) was about 43 %. Seven of the nine Member States with overall employment rates of at least 67 % also reported old-age employment rates of 50 % or more (the exceptions being the Netherlands and Austria); the other seven were joined by Estonia.

In the spring of 2005, 7 % of employed men in the EU-25 worked on a part-time basis, a share which rose considerably higher for women (33 %). Those countries with employment rates of 67 % or more also generally had higher proportions of part-time work, especially among women.

**Figure 5.1: Employment rate, 2005**



(1) Break in series.

The employment rate is calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group; the survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals; employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.



Table 5.1: Employment rate

(%)



	1995	1996	1997	1998 (1)	1999	2000 (2)	2001	2002	2003	2004 (3)	2005 (4)
<b>EU-25</b>	:	:	60.6	61.2	61.9	62.4	62.8	62.8	62.9	63.3	63.8
<b>EU-15</b>	60.1	60.3	60.7	61.4	62.5	63.4	64.0	64.2	64.3	64.7	65.2
<b>Euro area</b>	58.1	58.2	58.6	59.3	60.6	61.7	62.2	62.4	62.6	63.0	63.5
<b>Belgium</b>	56.1	56.2	56.8	57.4	59.3	60.5	59.9	59.9	59.6	60.3	61.1
<b>Czech Republic</b>	:	:	:	67.3	65.6	65.0	65.0	65.4	64.7	64.2	64.8
<b>Denmark</b>	73.4	73.8	74.9	75.1	76.0	76.3	76.2	75.9	75.1	75.7	75.9
<b>Germany</b>	64.6	64.1	63.7	63.9	65.2	65.6	65.8	65.4	65.0	65.0	65.4
<b>Estonia</b>	:	:	:	64.6	61.5	60.4	61.0	62.0	62.9	63.0	64.4
<b>Greece</b>	54.7	55.0	55.1	56.0	55.9	56.5	56.3	57.5	58.7	59.4	60.1
<b>Spain</b>	46.9	47.9	49.5	51.3	53.8	56.3	57.8	58.5	59.8	61.1	63.3
<b>France</b>	59.5	59.5	59.6	60.2	60.9	62.1	62.8	63.0	63.3	63.1	63.1
<b>Ireland</b>	54.4	55.4	57.6	60.6	63.3	65.2	65.8	65.5	65.5	66.3	67.6
<b>Italy</b>	51.0	51.2	51.3	51.9	52.7	53.7	54.8	55.5	56.1	57.6	57.6
<b>Cyprus</b>	:	:	:	:	:	65.7	67.8	68.6	69.2	68.9	68.5
<b>Latvia</b>	:	:	:	59.9	58.8	57.5	58.6	60.4	61.8	62.3	63.3
<b>Lithuania</b>	:	:	:	62.3	61.7	59.1	57.5	59.9	61.1	61.2	62.6
<b>Luxembourg</b>	58.7	59.2	59.9	60.5	61.7	62.7	63.1	63.4	62.2	62.5	63.6
<b>Hungary</b>	:	52.1	52.4	53.7	55.6	56.3	56.2	56.2	57.0	56.8	56.9
<b>Malta</b>	:	:	:	:	:	54.2	54.3	54.4	54.2	54.0	53.9
<b>Netherlands</b>	64.7	66.3	68.5	70.2	71.7	72.9	74.1	74.4	73.6	73.1	73.2
<b>Austria</b>	68.8	67.8	67.8	67.9	68.6	68.5	68.5	68.7	68.9	67.8	68.6
<b>Poland</b>	:	:	58.9	59.0	57.6	55.0	53.4	51.5	51.2	51.7	52.8
<b>Portugal</b>	63.7	64.1	65.7	66.8	67.4	68.4	69.0	68.8	68.1	67.8	67.5
<b>Slovenia</b>	:	61.6	62.6	62.9	62.2	62.8	63.8	63.4	62.6	65.3	66.0
<b>Slovakia</b>	:	:	:	60.6	58.1	56.8	56.8	56.8	57.7	57.0	57.7
<b>Finland</b>	61.6	62.4	63.3	64.6	66.4	67.2	68.1	68.1	67.7	67.6	68.4
<b>Sweden</b>	70.9	70.3	69.5	70.3	71.7	73.0	74.0	73.6	72.9	72.1	72.5
<b>United Kingdom</b>	68.5	69.0	69.9	70.5	71.0	71.2	71.4	71.3	71.5	71.6	71.7
<b>Bulgaria</b>	:	:	:	:	:	50.4	49.7	50.6	52.5	54.2	55.8
<b>Croatia</b>	:	:	:	:	:	:	:	53.4	53.4	54.7	55.0
<b>Romania</b>	:	:	65.4	64.2	63.2	63.0	62.4	57.6	57.6	57.7	57.6
<b>Turkey</b>	:	:	:	:	:	48.8	47.8	46.9	45.8	46.1	46.0
<b>Iceland</b>	:	:	:	:	:	:	:	:	83.3	82.3	83.8
<b>Norway</b>	:	:	:	:	:	77.5	77.2	76.8	75.5	75.1	74.8

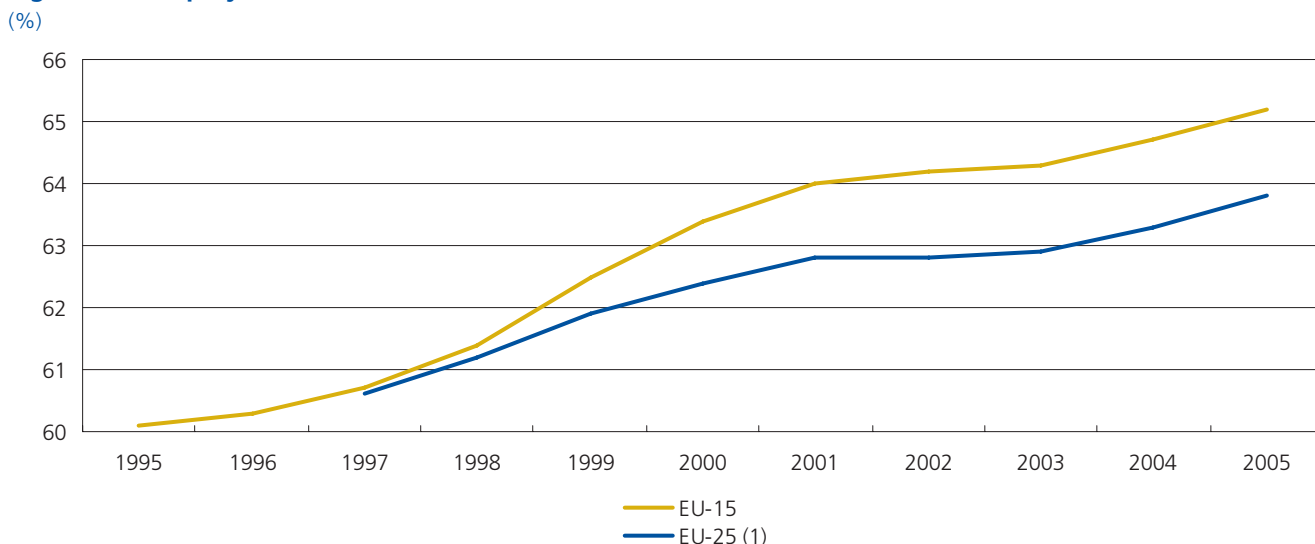
(1) Break in series, Portugal.

(2) Break in series, the United Kingdom.

(3) Break in series, Italy and Austria.

(4) Break in series, Germany, Spain and Sweden.

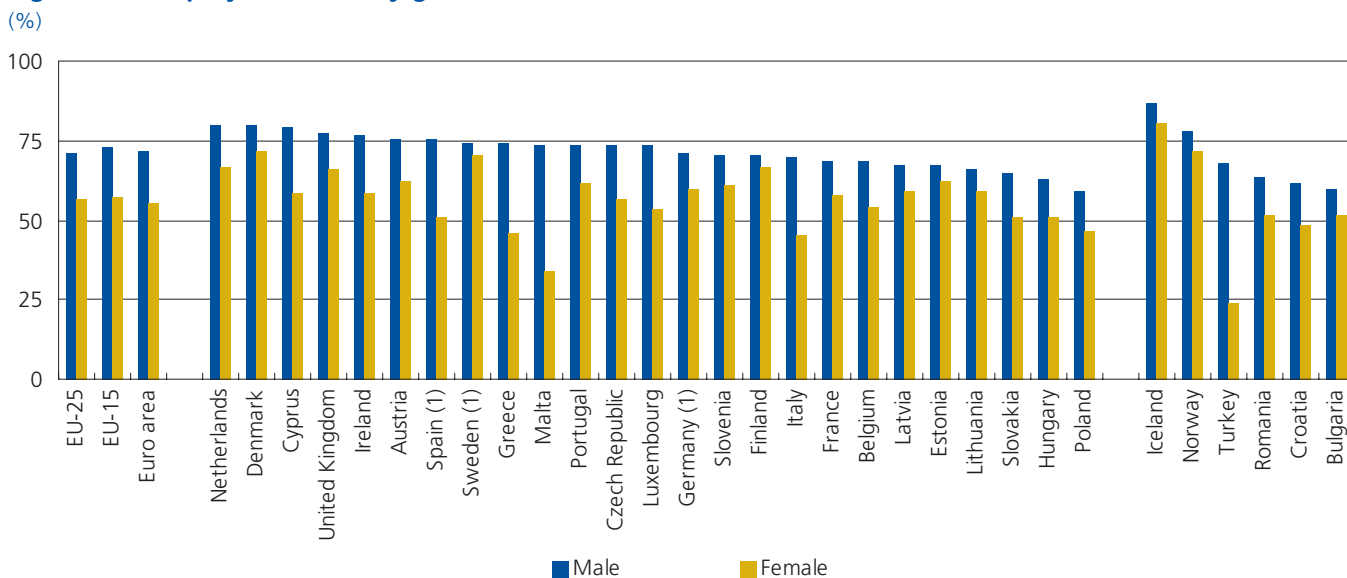
**Figure 5.2: Employment rate**



(1) Not available for 1995 and 1996.

The employment rate is calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group; the survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals; employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.

**Figure 5.3: Employment rate by gender, 2005**



(1) Break in series.

The male/female employment rate is calculated by dividing the number of men/women aged 15 to 64 in employment by the total male/female population of the same age group; the survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals; employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.





Table 5.2: Employment rates for selected population groups (1)

(%)

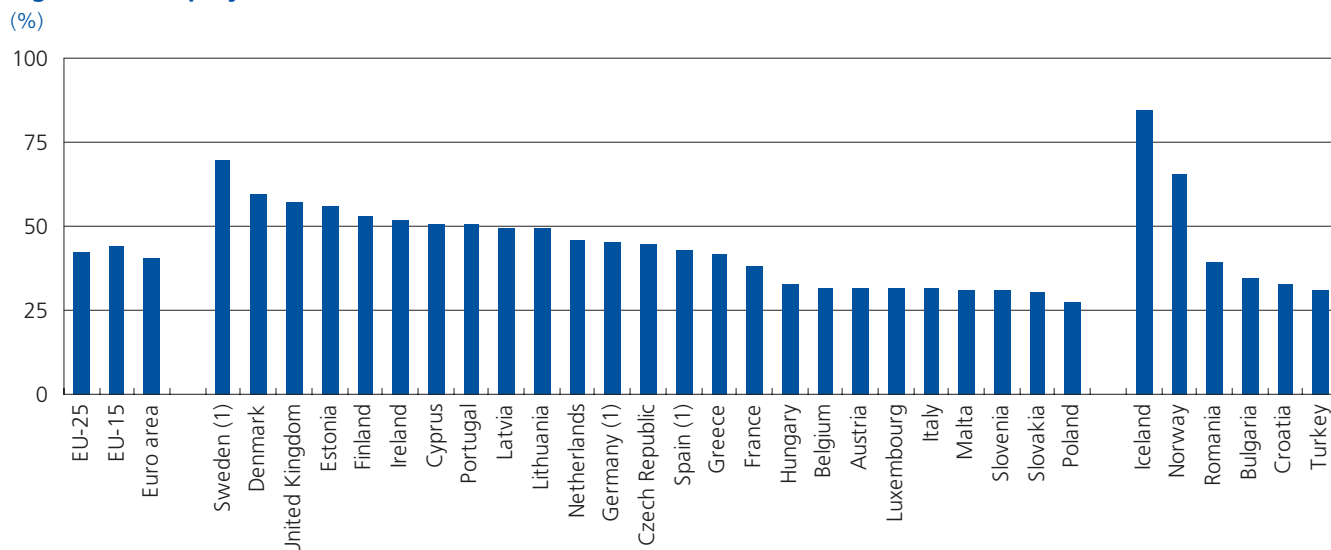


	Male		Female		Older workers	
	2000	2005	2000	2005	2000	2005
<b>EU-25</b>	71.2	71.3	53.6	56.3	36.6	42.5
<b>EU-15</b>	72.8	72.9	54.1	57.4	37.8	44.1
<b>Euro area</b>	71.6	71.8	51.7	55.2	34.2	40.4
<b>Belgium</b>	69.5	68.3	51.5	53.8	26.3	31.8
<b>Czech Republic</b>	73.2	73.3	56.9	56.3	36.3	44.5
<b>Denmark</b>	80.8	79.8	71.6	71.9	55.7	59.5
<b>Germany</b>	72.9	71.2	58.1	59.6	37.6	45.4
<b>Estonia</b>	64.3	67.0	56.9	62.1	46.3	56.1
<b>Greece</b>	71.5	74.2	41.7	46.1	39.0	41.6
<b>Spain</b>	71.2	75.2	41.3	51.2	37.0	43.1
<b>France</b>	69.2	68.8	55.2	57.6	29.9	37.9
<b>Ireland</b>	76.3	76.9	53.9	58.3	45.3	51.6
<b>Italy</b>	68.0	69.9	39.6	45.3	27.7	31.4
<b>Cyprus</b>	78.7	79.2	53.5	58.4	49.4	50.6
<b>Latvia</b>	61.5	67.6	53.8	59.3	36.0	49.5
<b>Lithuania</b>	60.5	66.1	57.7	59.4	40.4	49.2
<b>Luxembourg</b>	75.0	73.3	50.1	53.7	26.7	31.7
<b>Hungary</b>	63.1	63.1	49.7	51.0	22.2	33.0
<b>Malta</b>	75.0	73.8	33.1	33.7	28.5	30.8
<b>Netherlands</b>	82.1	79.9	63.5	66.4	38.2	46.1
<b>Austria</b>	77.3	75.4	59.6	62.0	28.8	31.8
<b>Poland</b>	61.2	58.9	48.9	46.8	28.4	27.2
<b>Portugal</b>	76.5	73.4	60.5	61.7	50.7	50.5
<b>Slovenia</b>	67.2	70.4	58.4	61.3	22.7	30.7
<b>Slovakia</b>	62.2	64.6	51.5	50.9	21.3	30.3
<b>Finland</b>	70.1	70.3	64.2	66.5	41.6	52.7
<b>Sweden</b>	75.1	74.4	70.9	70.4	64.9	69.4
<b>United Kingdom</b>	77.8	77.6	64.7	65.9	50.7	56.9
<b>Bulgaria</b>	54.7	60.0	46.3	51.7	20.8	34.7
<b>Croatia</b>	:	61.7	:	48.6	:	32.6
<b>Romania</b>	68.6	63.7	57.5	51.5	49.5	39.4
<b>Turkey</b>	71.8	68.2	25.8	23.8	36.3	31.0
<b>Iceland</b>	:	86.9	:	80.5	:	84.3
<b>Norway</b>	81.3	77.8	73.6	71.7	65.2	65.5
<b>Japan</b>	80.9	:	56.7	:	62.8	:
<b>United States</b>	80.6	:	67.8	:	57.8	:

(1) Break in series in 2000 for the United Kingdom; break in series in 2005 for Germany, Spain and Sweden.

The employment rate of older workers is calculated by dividing the number of persons aged 55 to 64 in employment by the total population of the same age group; the survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals; employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.

**Figure 5.4: Employment rate of older workers, 2005**



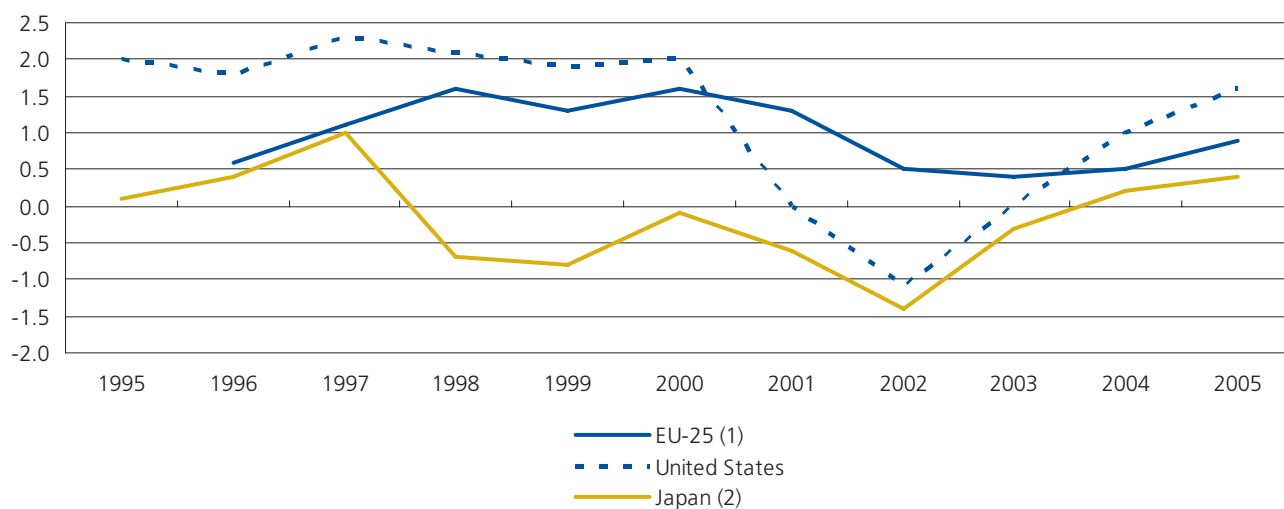
(1) Break in series.

The employment rate of older workers is calculated by dividing the number of persons aged 55 to 64 in employment by the total population of the same age group; the survey covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals; employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.

**Figure 5.5: Annual employment growth**



(% change compared with previous year)



(1) 1995, not available.

(2) Forecast, 2003 to 2005.

The indicator employment growth gives the change in percentage from one year to another of the total number of employed persons on the economic territory of the country or the geographical area.

**Table 5.3: Change in total employment**

(% change compared with previous year)



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
				(1)	(2)	(3)	(3)	(3)	(4)	(5)	(6)
<b>EU-25</b>	:	0.6	1.1	1.6	1.3	1.6	1.3	0.5	0.4	0.5	0.9
<b>EU-15</b>	0.8	0.6	1.0	1.7	1.9	2.2	1.4	0.7	0.4	0.6	0.7
<b>Euro area</b>	0.7	0.6	0.9	1.8	2.1	2.5	1.6	0.7	0.4	0.6	0.7
<b>Belgium</b>	1.5	0.3	0.5	1.6	1.3	2.0	1.4	-0.2	-0.1	0.6	0.9
<b>Czech Republic</b>	0.7	0.2	-0.7	-1.4	-2.1	-0.7	-0.1	0.8	3.1	0.4	0.7
<b>Denmark</b>	0.9	1.0	1.2	1.5	1.0	0.4	0.8	-0.1	-1.2	0.0	0.7
<b>Germany</b>	0.2	-0.3	-0.1	1.2	1.4	1.9	0.4	-0.6	-1.0	0.4	-0.2
<b>Estonia</b>	-6.2	-2.3	0.0	-1.9	-4.4	-1.5	0.9	1.3	1.4	0.0	2.0
<b>Greece</b>	0.9	-0.4	-0.5	2.9	0.3	0.5	0.3	0.2	1.5	3.4	0.9
<b>Spain</b>	1.9	1.7	3.6	4.5	4.6	5.1	3.2	2.4	2.6	2.6	3.6
<b>France</b>	0.9	0.4	0.4	1.5	2.0	2.7	1.8	0.6	0.1	0.0	0.3
<b>Ireland</b>	4.4	3.6	5.6	8.6	6.2	4.6	3.0	1.8	2.0	3.1	4.7
<b>Italy</b>	-0.2	0.6	0.3	1.0	1.1	1.9	2.2	1.6	1.5	0.3	0.2
<b>Cyprus</b>	:	:	-0.3	1.0	7.9	5.7	4.6	2.0	1.1	1.5	1.5
<b>Latvia</b>	-10.4	-1.9	4.4	-0.3	-1.8	-2.9	2.2	2.3	1.0	1.1	1.5
<b>Lithuania</b>	:	0.9	0.6	-0.8	-2.2	-4.0	-3.3	4.0	2.3	-0.1	2.6
<b>Luxembourg</b>	2.5	2.6	3.1	4.5	5.0	5.5	5.6	2.9	1.8	2.3	2.9
<b>Hungary</b>	:	-0.5	0.2	1.8	3.4	1.3	0.3	0.0	1.3	-0.7	0.0
<b>Malta</b>	3.1	1.5	0.0	0.0	0.7	8.4	1.8	0.6	1.0	-0.8	1.5
<b>Netherlands</b>	1.5	2.3	3.2	2.6	2.6	2.2	2.0	0.5	-0.6	-1.4	-0.4
<b>Austria</b>	-0.2	0.4	0.9	1.3	1.6	1.0	0.6	-0.1	0.1	0.0	0.9
<b>Poland</b>	:	1.9	2.8	2.3	-2.7	-2.3	1.5	-1.9	-1.2	-0.3	0.9
<b>Portugal</b>	:	:	:	:	1.9	1.7	1.6	0.5	-0.4	0.1	0.0
<b>Slovenia</b>	:	-2.0	-1.9	-0.2	1.4	0.8	0.5	1.5	-0.2	0.4	0.7
<b>Slovakia</b>	0.2	2.3	-1.2	-0.4	-2.7	-1.8	0.6	-0.5	1.8	-0.3	1.4
<b>Finland</b>	1.8	1.4	3.3	2.0	2.5	2.2	1.5	1.0	0.1	0.4	1.1
<b>Sweden</b>	1.5	-0.8	-1.3	1.6	2.1	2.4	1.9	0.2	-0.3	-0.5	0.3
<b>United Kingdom</b>	1.2	0.9	1.8	1.0	1.4	1.2	0.8	0.8	1.0	1.0	1.0
<b>Bulgaria</b>	:	:	-3.9	-0.2	-2.1	-3.5	-0.4	0.4	6.3	2.2	2.0
<b>Croatia</b>	:	:	3.2	-3.0	-3.3	4.0	-5.4	4.2	0.6	1.7	0.8
<b>Romania</b>	-5.2	-1.2	-3.8	-2.3	-4.5	2.5	-0.8	-2.7	-0.1	0.4	0.2
<b>Turkey</b>	3.7	2.1	-2.5	2.8	2.1	-0.4	-1.0	-1.8	-1.0	3.0	1.2
<b>Iceland</b>	0.9	2.3	1.8	3.1	2.7	2.2	1.6	-1.1	11.7	-0.4	4.0
<b>Norway</b>	2.1	2.0	2.9	2.5	0.8	0.4	0.3	0.1	-1.1	0.4	0.6
<b>Japan</b>	0.1	0.4	1.0	-0.7	-0.8	-0.1	-0.6	-1.4	-0.3	0.2	0.4
<b>United States</b>	2.0	1.8	2.3	2.1	1.9	2.0	0.0	-1.1	0.0	1.0	1.6

(1) Forecast, Iceland.

(2) Forecast, Iceland; break in series, Cyprus.

(3) Forecast, Turkey and Iceland.

(4) Forecast, Cyprus, Portugal, Romania, Turkey and Iceland; break in series, Iceland.

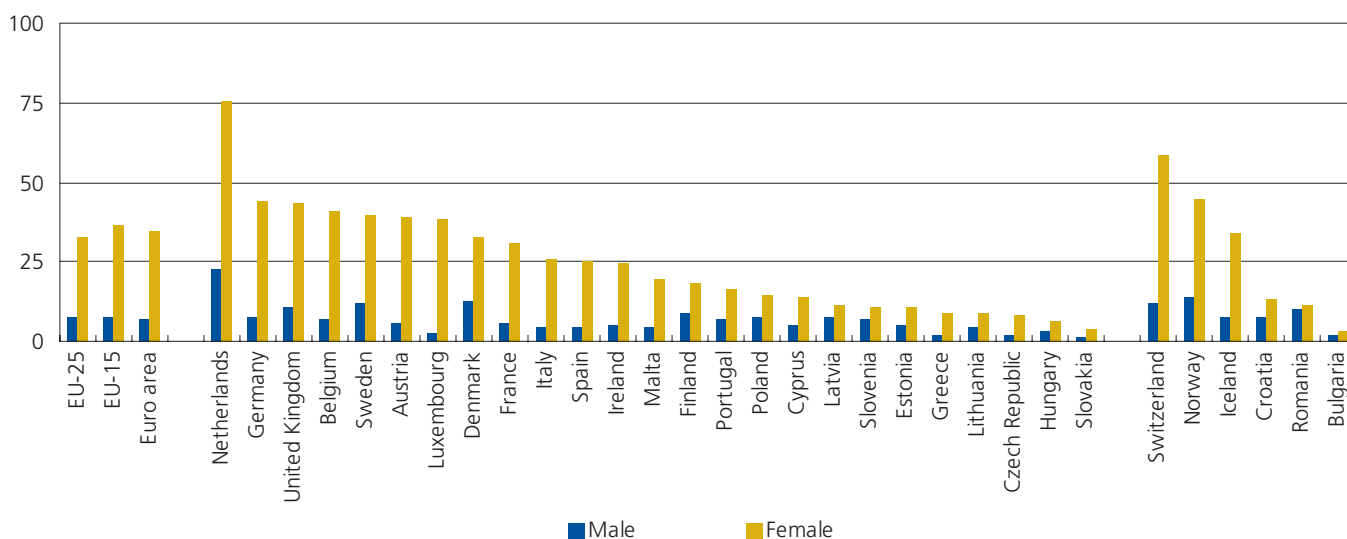
(5) Forecast, Cyprus, Portugal, Bulgaria, Romania, Turkey and Iceland; break in series, Iceland.

(6) Forecast, Cyprus, Portugal, Bulgaria, Croatia, Romania, Turkey, Iceland and the United States.

**Figure 5.6: Persons employed part-time, spring 2005**

(% of total employment)

TPS00072

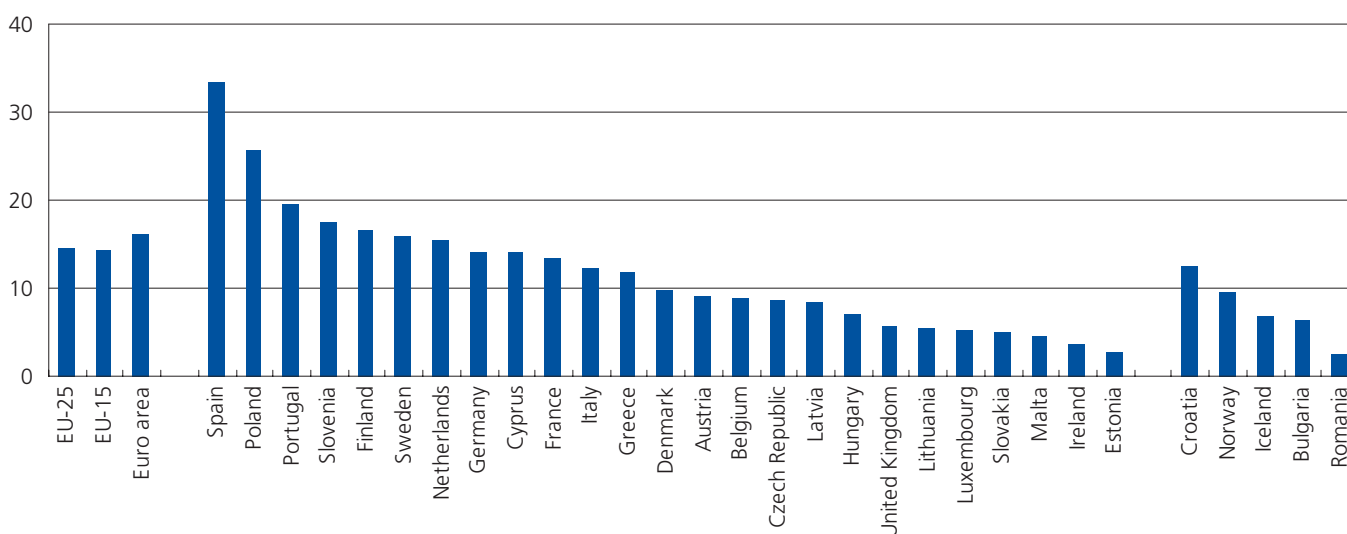


Persons in employment are those who, during the reference week, did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent; family workers are included; the distinction between full-time and part-time work is made on the basis of a spontaneous answer given by the respondent; it is impossible to establish a more exact distinction between part-time and full-time work, due to variations in working hours between Member States and branches of industry.

**Figure 5.7: Proportion of employees with a contract of limited duration, 2005**

(% of total employees)

TPS00073



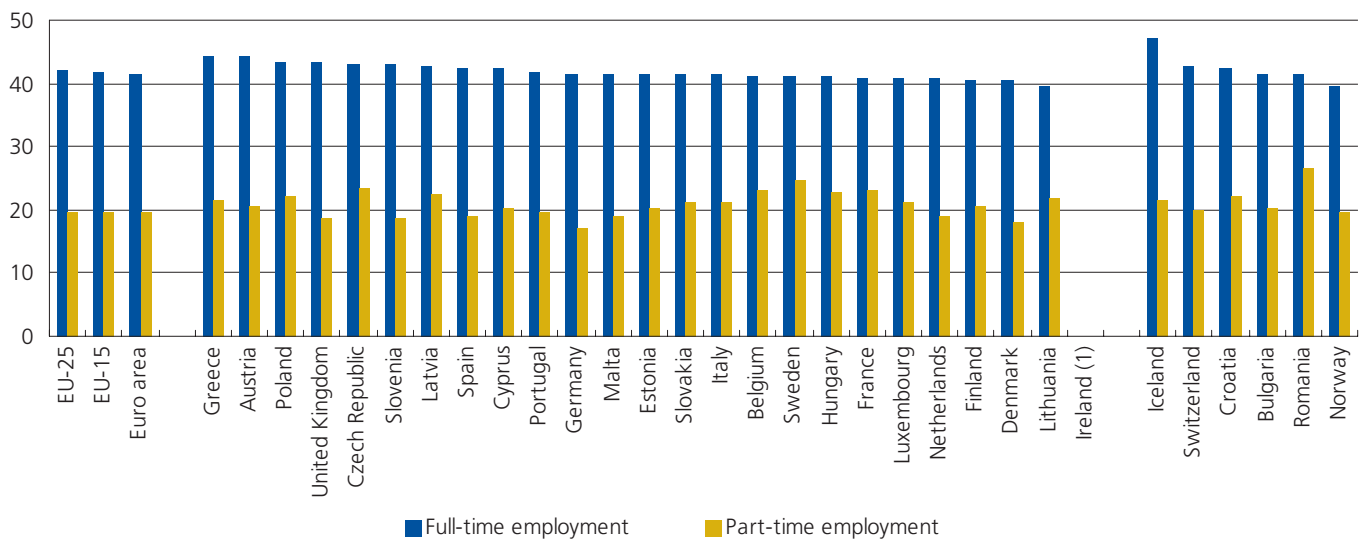
A job may be considered temporary if employer and employee agree that its end is determined by objective conditions such as a specific date, the completion of a task or the return of another employee who has been temporarily replaced (usually stated in a work contract of limited duration); typical cases are: (a) persons with seasonal employment; (b) persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written work contract of unlimited duration); (c) persons with specific training contracts.



**Figure 5.8: Average number of hours worked per week, spring 2005**

(hours)

TPS00070 TPS00071



(1) Not available.

The average number of hours corresponds to the number of hours the person normally works; this covers all hours including extra hours, either paid or unpaid, which the person normally works; it excludes the travel time between the home and the place of work as well as the main meal breaks (normally taken at midday); the distinction between full-time and part-time work is made on the basis of a spontaneous answer given by the respondent.

#### PEOPLE IN THE LABOUR MARKET — UNEMPLOYMENT

On 12 April 2005, the European Commission released an integrated set of guidelines for growth and jobs, covering recommendations on broad economy policy guidelines (BEPGs) and proposals on employment guidelines for the period 2005–08. Among the initiatives mentioned, three integrated guidelines covered unemployment issues, namely:

- to attract more people to employment and modernise social protection systems, via a new lifecycle approach to work (through a renewed endeavour to build employment pathways for young people and reduce youth unemployment; and through resolute action to eliminate gender gaps in employment, unemployment and pay);
- to ensure inclusive labour markets for job-seekers and disadvantaged people (through active and preventive labour market measures; through early identification of needs, job search assistance, guidance and training as part of personalised action plans; and through continuous review of tax and benefit systems);
- to improve matching of labour market needs (through the modernisation and strengthening of labour market institutions, notably employment services; through greater transparency of employment and training opportunities at national and European levels to facilitate mobility across Europe; through better anticipation of skills needs and of labour market shortages and bottlenecks; and through appropriate management of economic migration).

The EU-25 unemployment rate was 8.8 % in 2005, ranging from 17.7 % in Poland and 16.3 % in Slovakia, down to less than 5.5 % in Denmark, Ireland, Cyprus, Luxembourg, the Netherlands, Austria and the United Kingdom.

Long-term unemployment is one of the main concerns of governments and social planners. Besides its effects on personal life, long-term unemployment limits social cohesion and, ultimately, economic growth (as resources are not efficiently deployed). Some 3.9 % of those actively seeking work in the EU-25 in 2005 had been unemployed for more than one year.

The ratio of the unemployed to the long-term unemployed provides one measure of labour market flexibility. In the Nordic Member States, Cyprus, Spain, Luxembourg, Austria and the United Kingdom there was more than a fourfold difference between these two rates in 2005 (suggesting that most persons spent a relatively short period of time unemployed). On the other hand, the long-term unemployed accounted for more than half of all unemployed persons in Belgium, the Czech Republic, Germany, Hungary, Poland, Portugal and Slovakia. These figures also reflect the different policies in the Member States, among others, individualised job-search activities, fiscal incentives for employers to offer work to the unemployed, and fiscal incentives for claimants to change career.

The unemployment rate for women (9.8 %) in the EU-25 was higher than that for men (7.9 %); this pattern was reflected in the majority of Member States. The difference in unemployment rates between the sexes was particularly marked in countries where the overall unemployment rate was high, as well as in a number of the southern Member States.

Unemployment statistics according to educational attainment highlight the benefits of education, as the EU-25 unemployment rate among those with a tertiary level of education was 4.6 %, compared with 8.1 % for upper secondary and post-secondary non-tertiary education, and 11.4 % for pre-primary, primary or lower secondary education. Across the Member States there was some degree of positive correlation between overall unemployment rates and unemployment rates among those with a low level of educational attainment.

**Table 5.4: Unemployment rate**

(%)



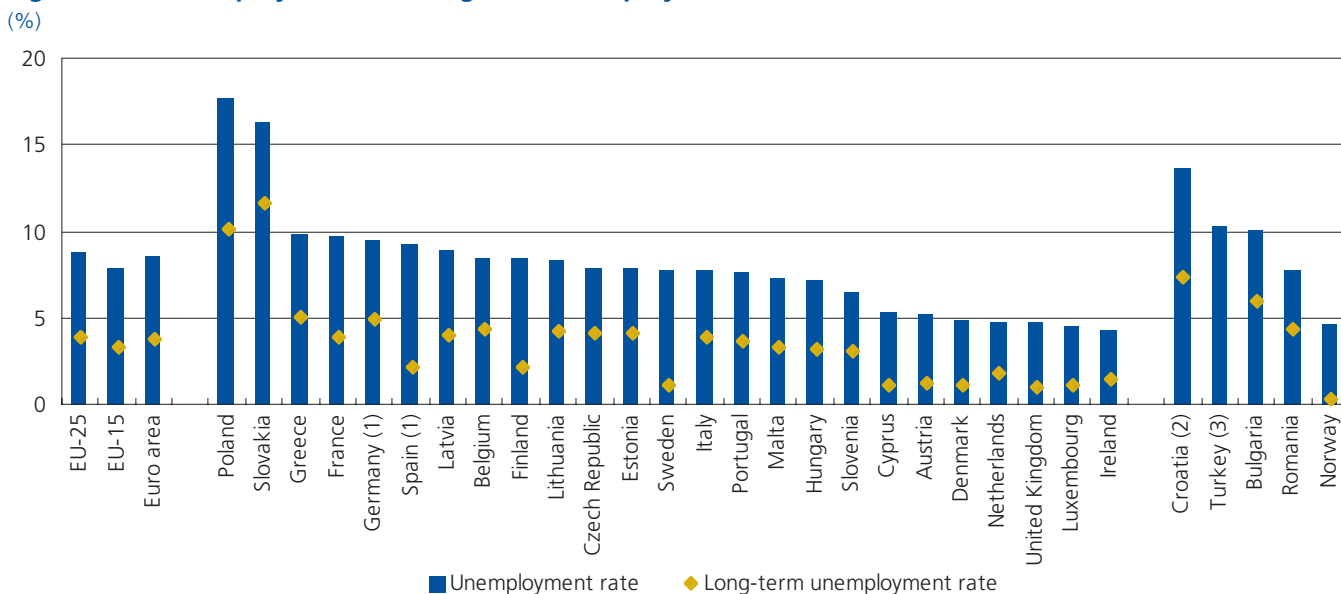
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>EU-25</b>	:	:	:	9.4	9.1	8.6	8.4	8.8	9.0	9.1	8.8
<b>EU-15</b>	10.1	10.2	9.9	9.3	8.6	7.7	7.3	7.6	8.0	8.1	7.9
<b>Euro area</b>	10.5	10.7	10.6	10.0	9.1	8.1	7.9	8.3	8.7	8.9	8.6
<b>Belgium</b>	9.7	9.5	9.2	9.3	8.5	6.9	6.6	7.5	8.2	8.4	8.4
<b>Czech Republic</b>	:	:	:	6.4	8.6	8.7	8.0	7.3	7.8	8.3	7.9
<b>Denmark</b>	6.7	6.3	5.2	4.9	5.2	4.3	4.5	4.6	5.4	5.5	4.8
<b>Germany</b>	8.0	8.5	9.1	8.8	7.9	7.2	7.4	8.2	9.0	9.5	9.5
<b>Estonia</b>	:	:	9.6	9.2	11.3	12.8	12.4	10.3	10.0	9.7	7.9
<b>Greece</b>	9.2	9.6	9.8	10.9	12.0	11.3	10.8	10.3	9.7	10.5	9.8
<b>Spain</b>	18.4	17.8	16.7	15.0	12.5	11.1	10.3	11.1	11.1	10.7	9.2
<b>France</b>	11.1	11.6	11.5	11.1	10.5	9.1	8.4	8.9	9.5	9.6	9.7
<b>Ireland</b>	12.3	11.7	9.9	7.5	5.7	4.3	4.0	4.5	4.7	4.5	4.3
<b>Italy</b>	11.2	11.2	11.3	11.3	10.9	10.1	9.1	8.6	8.4	8.0	7.7
<b>Cyprus</b>	:	:	:	:	:	4.8	3.9	3.6	4.1	4.6	5.3
<b>Latvia</b>	:	:	:	14.3	14.0	13.7	12.9	12.2	10.5	10.4	8.9
<b>Lithuania</b>	:	:	:	13.2	13.7	16.4	16.5	13.5	12.4	11.4	8.3
<b>Luxembourg</b>	2.9	2.9	2.7	2.7	2.4	2.3	2.1	2.8	3.7	5.1	4.5
<b>Hungary</b>	:	9.6	9.0	8.4	7.0	6.4	5.7	5.8	5.9	6.1	7.2
<b>Malta</b>	:	:	:	:	:	6.7	7.6	7.5	7.6	7.3	7.3
<b>Netherlands</b>	6.6	6.0	4.9	3.8	3.2	2.8	2.2	2.8	3.7	4.6	4.7
<b>Austria</b>	3.9	4.3	4.4	4.5	3.9	3.6	3.6	4.2	4.3	4.8	5.2
<b>Poland</b>	:	:	10.9	10.2	13.4	16.1	18.2	19.9	19.6	19.0	17.7
<b>Portugal</b>	7.3	7.3	6.8	5.1	4.5	4.0	4.0	5.0	6.3	6.7	7.6
<b>Slovenia</b>	:	6.9	6.9	7.4	7.3	6.7	6.2	6.3	6.7	6.3	6.5
<b>Slovakia</b>	:	:	:	12.6	16.4	18.8	19.3	18.7	17.6	18.2	16.3
<b>Finland</b>	15.4	14.6	12.7	11.4	10.2	9.8	9.1	9.1	9.0	8.8	8.4
<b>Sweden</b>	8.8	9.6	9.9	8.2	6.7	5.6	4.9	4.9	5.6	6.3	7.8
<b>United Kingdom</b>	8.5	7.9	6.8	6.1	5.9	5.4	5.0	5.1	4.9	4.7	4.7
<b>Bulgaria</b>	:	:	:	:	:	16.4	19.5	18.1	13.7	12.0	10.1
<b>Croatia</b>	:	:	:	:	:	:	:	14.7	14.1	13.6	:
<b>Romania</b>	:	:	5.3	5.4	6.2	6.8	6.6	7.5	6.8	7.6	7.7
<b>Turkey</b>	:	:	:	:	:	6.5	8.3	10.3	10.5	10.3	10.3
<b>Norway (1)</b>	4.9	4.7	4.0	3.2	3.2	3.4	3.6	3.9	4.5	4.4	4.6

(1) Break in series, 1995–96.

Unemployment rates represent unemployed persons as a percentage of the labour force; the labour force is the total number of people employed and unemployed; unemployed persons comprise persons aged 15 to 74 who were: (a) without work during the reference week; (b) currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week; (c) actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months.



Figure 5.11: Unemployment and long-term unemployment rates, 2005



(1) Break in series for long-term unemployment rate.

(2) Unemployment rate, 2004.

(3) Long-term unemployment rate not available.

Long-term unemployed (12 months and more) persons are those aged at least 15 years not living in collective households who are without work within the next two weeks, are available to start work within the next two weeks and who are seeking work (have actively sought employment at some time during the previous four weeks or are not seeking a job because they have already found a job to start later); the duration of unemployment is defined as the duration of a search for a job or as the length of the period since the last job was held (if this period is shorter than the duration of the search for a job).

Figure 5.12: Unemployment rates, 2005

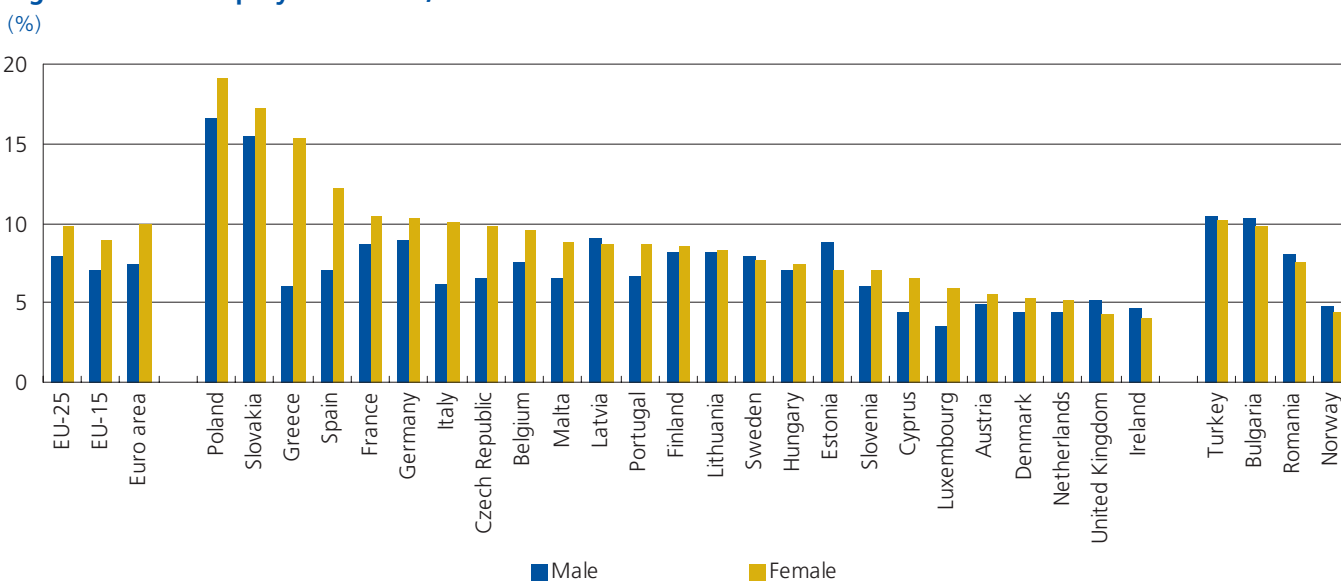


Table 5.5: Unemployment rates, 2005

(%)



	Long-term unemployment rate	Unemployment rate			
		Male	Female	< 25 years	> 25 years
<b>EU-25</b>	3.9	7.9	9.8	18.5	7.4
<b>EU-15</b>	3.3	7.0	8.9	16.7	6.6
<b>Euro area</b>	3.8	7.4	10.0	:	:
<b>Belgium</b>	4.4	7.6	9.5	21.5	7.1
<b>Czech Republic</b>	4.2	6.5	9.8	19.2	6.8
<b>Denmark</b>	1.1	4.4	5.3	8.6	4.2
<b>Germany (1)</b>	5.0	8.9	10.3	15.0	8.6
<b>Estonia</b>	4.2	8.8	7.1	15.9	7.0
<b>Greece</b>	5.1	6.1	15.3	26.0	8.3
<b>Spain (1)</b>	2.2	7.0	12.2	19.7	7.7
<b>France</b>	3.9	8.7	10.5	22.3	8.0
<b>Ireland</b>	1.5	4.6	4.0	8.6	3.5
<b>Italy</b>	3.9	6.2	10.1	24.0	6.2
<b>Cyprus</b>	1.2	4.4	6.5	13.6	4.3
<b>Latvia</b>	4.1	9.1	8.7	13.6	8.3
<b>Lithuania</b>	4.3	8.2	8.3	15.7	7.6
<b>Luxembourg</b>	1.2	3.5	5.9	13.8	3.8
<b>Hungary</b>	3.2	7.0	7.4	19.4	6.1
<b>Malta</b>	3.4	6.6	8.8	16.7	4.8
<b>Netherlands</b>	1.9	4.4	5.1	8.2	4.1
<b>Austria</b>	1.3	4.9	5.5	10.3	4.3
<b>Poland</b>	10.2	16.6	19.1	36.9	15.1
<b>Portugal</b>	3.7	6.7	8.7	16.0	6.6
<b>Slovenia</b>	3.1	6.1	7.0	15.9	5.4
<b>Slovakia</b>	11.7	15.5	17.2	30.1	14.4
<b>Finland</b>	2.2	8.2	8.6	20.1	6.8
<b>Sweden</b>	1.2	7.9	7.7	22.6	5.8
<b>United Kingdom</b>	1.0	5.1	4.3	12.9	3.3
<b>Bulgaria</b>	6.0	10.3	9.8	22.4	8.9
<b>Croatia</b>	7.4	:	:	:	:
<b>Romania</b>	4.4	8.0	7.5	23.8	5.7
<b>Turkey</b>	:	10.4	10.2	:	:
<b>Norway</b>	0.9	4.8	4.4	11.6	3.5

(1) Break in series for long-term unemployment rate.

Unemployment rates represent unemployed persons as a percentage of the labour force; the labour force is the total number of people employed and unemployed; unemployed persons comprise persons aged 15 to 74 who were: (a) without work during the reference week; (b) currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week; (c) actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months.

Long-term unemployed (12 months and more) persons are those aged at least 15 years not living in collective households who are without work within the next two weeks, are available to start work within the next two weeks and who are seeking work (have actively sought employment at some time during the previous four weeks or are not seeking a job because they have already found a job to start later); the duration of unemployment is defined as the duration of a search for a job or as the length of the period since the last job was held (if this period is shorter than the duration of the search for a job).





Table 5.6: Unemployment rates, EU-25

(%)

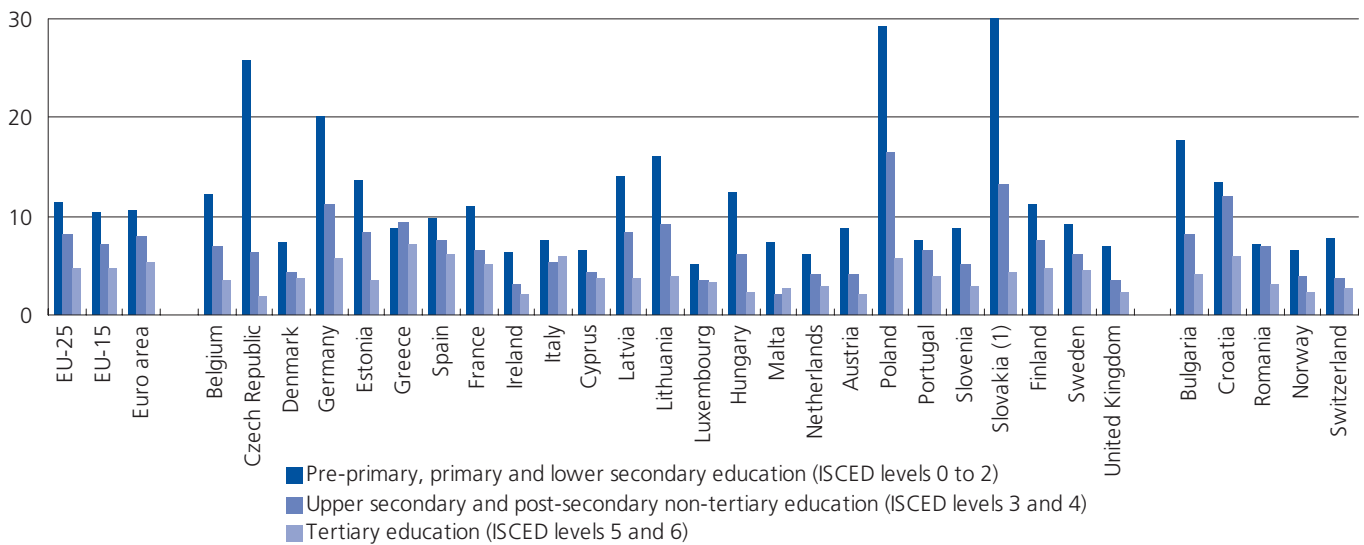


	1998	1999	2000	2001	2002	2003	2004	2005
<b>Male</b>	8.0	7.8	7.4	7.3	7.8	8.1	8.1	7.9
<b>Female</b>	11.2	10.8	10.2	9.8	10.0	10.2	10.3	9.8
<b>&lt; 25 years</b>	19.3	18.5	17.4	17.7	18.3	18.8	18.9	18.5
<b>&gt; 25 years</b>	7.8	7.6	7.3	7.0	7.4	7.6	7.7	7.4
<b>Long-term unemployment rate</b>	4.4	4.1	3.9	3.8	3.9	4.1	4.1	3.9

Figure 5.13: Unemployment rates (among persons aged 25-59 years) by level of educational attainment, 2005

(%)

TPS00066



(1) Unemployment rate for pre-primary, primary and lower secondary education, 50 %.

The indicators focus on the 25 to 59 years old; they show the probability of being without a job for those who would like to have one, broken down by level of education; the indicators provide a measure of difficulties that people with different levels of education have to face in the labour market and offer a first idea of the impact of education in reducing the chances of being unemployed.

### LABOUR MARKET POLICY AND PUBLIC EXPENDITURE

Labour market policies are restricted in scope, covering only those political interventions which are targeted at the unemployed and other groups of people with particular difficulties in entering or retaining their position in the labour market. Primary target groups are the unemployed who are registered with the public employment services. However, public expenditure on labour market policies should not be interpreted exclusively as demonstrating the strength of the political will to combat unemployment. Other factors such as the demographic situation, or GDP per capita also contribute to the differences observed in the statistics presented in this section.

Labour market policy measures are classified into the following categories:

- training — programmes which aim to improve the employability of the unemployed and other target groups through training and which are financed by public bodies; measures here should include some evidence of classroom teaching, or, if in the workplace, supervision specifically for the purpose of instruction;
- job rotation and job sharing — programmes that facilitate the insertion of an unemployed person or a person from another target group into a work placement by substituting hours worked by an existing employee;
- employment incentives — programmes which facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss; the majority of the labour cost is normally covered by the employer;
- integration of the disabled — programmes that aim to promote integration of disabled persons into the labour market;
- direct job creation — programmes that create additional jobs, usually of community benefit or socially useful, in order to employ the long-term unemployed or persons otherwise difficult to place; the majority of the labour cost is normally covered by public finance;
- start-up incentives — programmes that promote entrepreneurship by encouraging the unemployed and target groups to start their own business or to become self-employed;
- out-of-work income maintenance and support — programmes which aim to compensate individuals for loss of wage or salary through the provision of cash benefits;
- early retirement — programmes which facilitate the full or partial early retirement of older workers who are assumed to have little chance of finding a job or whose retirement facilitates the placement of an unemployed person or a person from another target group.



Expenditure on targeted programmes, including training, job rotation/job sharing, employment incentives, integration of the disabled, and direct job-creation and start-up incentives, is usually considered as 'active' expenditure, whereas the latter two categories of unemployment benefits and early retirement are considered as 'passive' expenditure.

Starting in 2005 (reference year 2004), the labour market policy data collection exercise has been jointly organised by Eurostat and the OECD, on the basis of Eurostat methodology (the revision of which was actively contributed to by the OECD). Consultation with the Directorate-General for Employment, Social Affairs and Equal Opportunities was maintained throughout this process of development, reflection and revision. As a result, the statistics presented contribute to the monitoring of the European employment strategy (EES).

Labour market policy (LMP) methodology provides guidelines for the collection of data on labour market policy measures and numbers of participants in these measures (stocks, entrants and exits). Its scope covers measures targeted at people who are unemployed; people in employment but in risk of involuntary job-loss; and inactive persons who are currently not part of the labour force, but who would like to enter the labour market. Labour market policy measures are classified in two ways: by type of action and by type of expenditure.

Public expenditure on active labour market policy measures accounted for 0.7 % of GDP in the EU-15 in 2005. The highest level of relative expenditure among the Member States was 1.5 % of GDP in Denmark, followed by 1.0 % in both Belgium and Sweden; Greece (0.1 %) and the United Kingdom (0.2 %) were at the other end of the range.

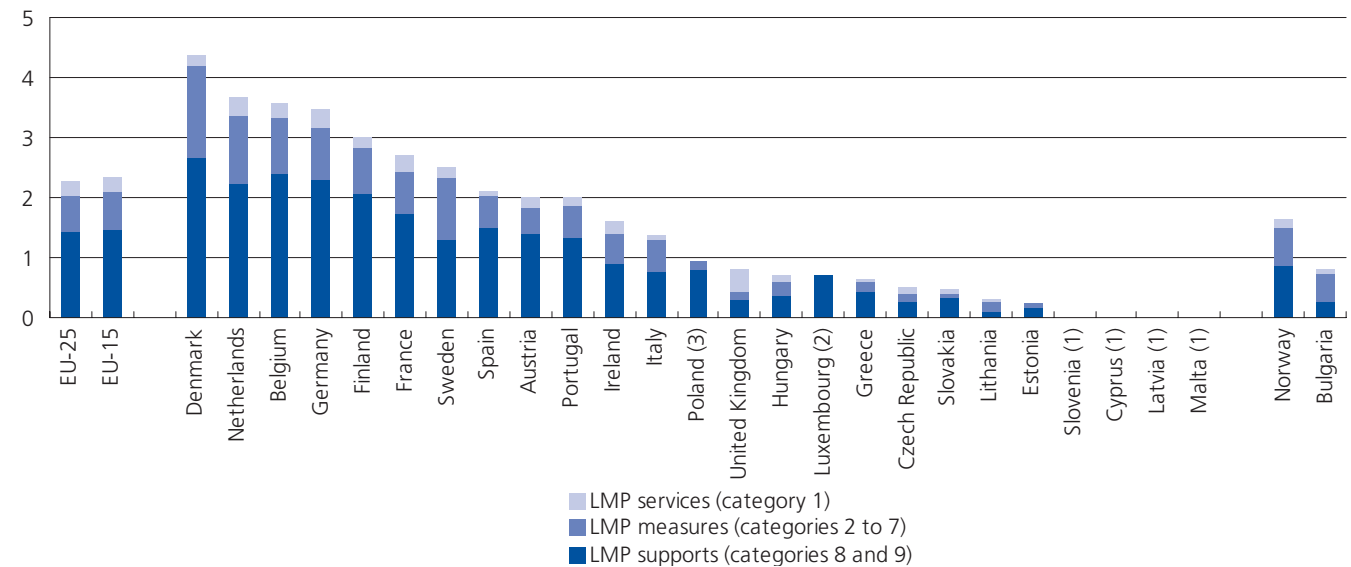
Employment incentives (about 33 %), direct job creation (32 %) and the integration of the disabled (27 %) accounted for the overwhelming share of active labour market policy expenditure in the EU-15 in 2003. The breakdown of expenditure on active labour market policies within the EU-15 Member States was extremely varied, reflecting the different characteristics and problems faced within the individual labour markets.



**Figure 5.14: Public expenditure on labour market policy (LMP) interventions, 2004**

(% of GDP)

TPS00076



(1) Not available.

(2) Not available for categories 1 to 7.

(3) Source: OECD; not available for category 1.

*Category 1 - Labour market services: all services and activities undertaken by the PES together with services provided by other public agencies or any other bodies contracted under public finance, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.*

*Category 2 - Training: measures which aim to improve the employability of the unemployed and other target groups through training, and which are financed by public bodies; measures included here should include some evidence of classroom teaching, or if in the workplace, supervision specifically for the purpose of instruction.*

*Category 3 - Job rotation and job sharing: measures that facilitate the insertion of an unemployed person or a person from another target group into a work placement by substituting hours worked by an existing employee.*

*Category 4 - Employment incentives: measures which facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss; the majority of the labour cost is normally covered by the employer.*

*Category 5 - Integration of the disabled: measures that aim to promote integration of disabled persons into the labour market.*

*Category 6 - Direct job creation: measures that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place; the majority of the labour cost is normally covered by the public finance.*

*Category 7 - Start-up incentives: measures that promote entrepreneurship by encouraging the unemployed and target groups to start their own business or to become self-employed.*

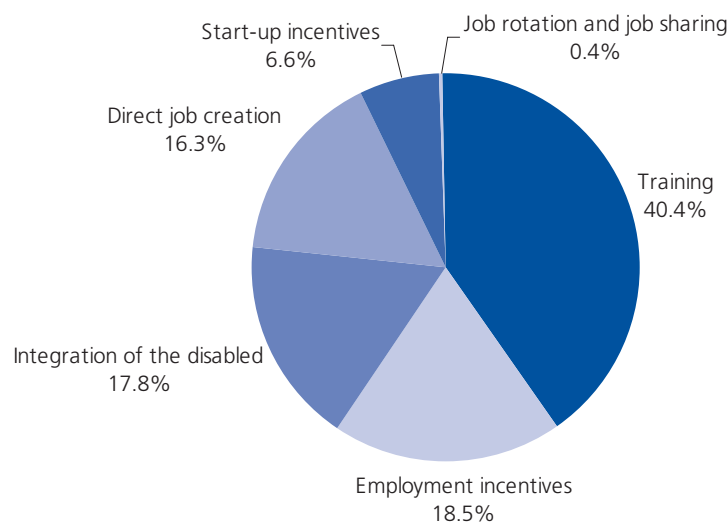
*Category 8 - Out-of-work income maintenance and support: measures which aim to compensate individuals for loss of wage or salary through the provision of cash benefits.*

*Category 9 - Early retirement: measures which facilitate the full or partial early retirement of older workers who are assumed to have little chance of finding a job or whose retirement facilitates the placement of an unemployed person or a person from another target group.*

**Figure 5.15: Labour market policy expenditure on active measures, EU-25, 2004**

(% of total)

TPS00077

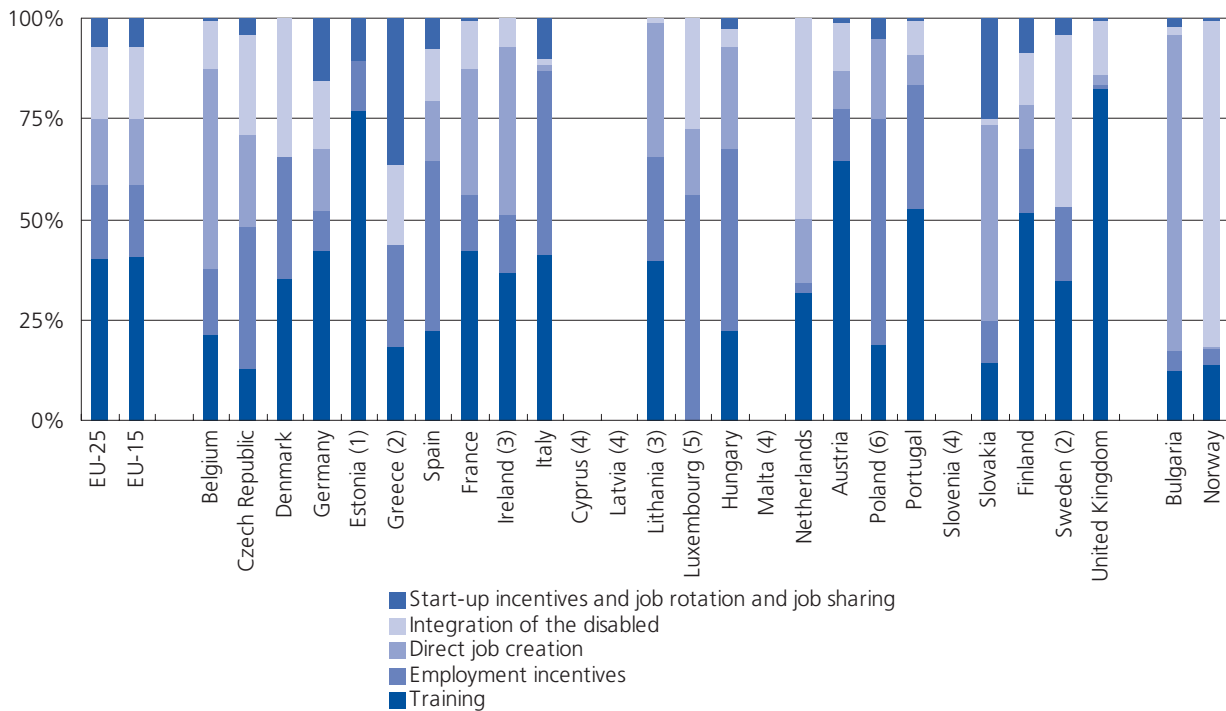


*Total labour market policy expenditure on active measures refers to public expenditure on programmes targeted at unemployed, employed at risk and inactive persons who would like to enter the labour market; the coverage includes six categories of measures: training for unemployed and groups at risk, job rotation/job sharing, employment incentives, integration of the disabled, direct job creation and start-up incentives.*

Figure 5.16: Labour market policy expenditure on active measures, 2004

(% of total)

TPS00077



- (1) Integration of the disabled, not applicable.
- (2) Direct job creation, not applicable.
- (3) Start-up incentives and job rotation and job sharing, not applicable.
- (4) Not available.
- (5) Training not available.
- (6) Source: OECD.

Total labour market policy expenditure on active measures refers to public expenditure on programmes targeted at unemployed, employed at risk and inactive persons who would like to enter the labour market; the coverage includes six categories of measures: training for unemployed and groups at risk, job rotation/job sharing, employment incentives, integration of the disabled, direct job creation and start-up incentives.

# 6.

## ECONOMY



### National accounts

Economic output

Consumption and spending

Income from input factors

Government finances

Exchange and interest rates

Balance of payments

Current account

Foreign direct investment

Prices and wages

Wages and labour costs

Consumer prices

Purchasing power parities



<b>Economy</b>	<b>149</b>
National accounts	151
Economic output	151
Consumption and spending	158
Income from input factors	160
Government finances	162
Exchange and interest rates	165
Balance of payments	170
Current account	170
Foreign direct investment	175
Prices and wages	180
Wages and labour costs	180
Consumer prices	187
Purchasing power parities	189

## 6. ECONOMY

Economic and social progress and constant improvements in living and working conditions are fundamental objectives for the European Union. Experience over the last five decades shows that economic integration (removing barriers to the free movement of goods, services, money and people) gives Europe a better chance of creating jobs and economic growth. Much has been achieved: the customs union, then the single market and, most recently, economic and monetary union (EMU).

The single market was seen as a key to releasing large amounts of Europe's economic potential. In the 10 years between 1992 and 2002, the single market was estimated to have added 1.8 percentage points to GDP growth in the EU as a whole, generating nearly EUR 900 000 million in extra prosperity, according to a European Commission report <sup>(34)</sup>.

<sup>(34)</sup> 'Choosing to grow: Knowledge, innovation and jobs in a cohesive society', Report to the Spring European Council, 21 March 2003, on the Lisbon strategy of economic, social and environmental renewal (COM(2003) 5), p. 16 (available at [http://ec.europa.eu/growthandjobs/pdf/5b\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/5b_en.pdf)).

Eurostat has a wide range of data within this area, including:

- gross domestic product (GDP);
- economic output, broken down by the different sectors of the economy;
- final consumption expenditure;
- gross fixed capital formation (investment);
- compensation of employees;
- gross operating surplus and mixed income;
- taxes on production and imports, income and wealth;
- disposable income and net savings;
- net lending/net borrowing of the economy;
- government surplus/deficit and debt;
- social benefits (other than social transfers in kind);
- international transactions of goods, services and income;
- direct investment flows and stocks (inward and outward);
- minimum wages;
- gross earnings;
- exchange rates;
- interest rates;
- harmonised indices of consumer prices (HICPs);
- price stability and price convergence.



6

However, there remain areas confined within national barriers, such as the provision of certain services. At the beginning of 2004, the European Commission proposed a directive to create a real internal market in services: following the vote at first reading in the European Parliament and discussions in the Council this proposal was amended by the European Commission in April 2006 <sup>(35)</sup>. The proposal requires Member States to cut administrative burdens and excessive red tape that can currently prevent enterprises from offering their services across borders or from opening premises in other Member States. In line with the European Parliament's amendments, the European Commission's amended proposal does not affect labour law or deal with the posting of workers. At the time of writing, the proposal excludes:

- activities that are already covered by sector-specific legislation (such as transport, telecommunications and financial services);
- activities connected with the exercise of official authority (including part of the work of notaries) and temporary work agencies and security services;
- healthcare and social services (for example, social housing, childcare and support of families and persons in need);
- some entertainment activities (for example, gambling (lotteries and betting) and audiovisual services).

<sup>(35)</sup> COM(2006) 160.

As such, the scope of the proposed directive remains very wide, covering the following activities in part or full:

- selected services of general economic interest, such as water supply and waste treatment;
- construction;
- distributive trades;
- hotels and restaurants;
- travel agencies;
- postal services;
- business services, such as computer services, legal, accounting and management services, architectural and technical testing services, advertising, or labour recruitment;
- real estate, renting and R & D;
- other entertainment activities (such as leisure services, sports centres and amusement parks) and other activities, for example, the organisation of trade fairs.

The objective of the proposal is to achieve a genuine internal market in services by removing legal and administrative barriers to the development of service activities between Member States, facilitating the provision and use of cross-border services in the EU. At the time of writing, it is expected that this directive will be adopted in the near future.

The most frequently used measure for the overall size of an economy is gross domestic product (GDP). It corresponds to the total monetary value of all production activity in a certain geographic area. GDP at market prices is the final result of the production activity of all producer units within a certain area (for example, a national territory), no matter whether the units are owned by nationals or foreigners residing in the area. GDP, and in particular GDP per capita, is one of the main indicators for economic analysis, as well as spatial and/or temporal comparisons. GDP can be defined and calculated in three ways:

- the output approach — as the sum of gross value added of the various institutional sectors or the various industries, plus taxes and less subsidies on products;
- the expenditure approach — as the sum of final uses of goods and services by resident institutional units (final consumption and gross capital formation), plus exports and minus imports of goods and services;
- the income approach — as the sum of the compensation of employees, net taxes on production and imports, gross operating surplus and mixed income.

## NATIONAL ACCOUNTS — ECONOMIC OUTPUT

This first section presents information on GDP from the output approach. Gross value added is defined as the value of all newly generated goods and services less the value of all goods and services consumed in their creation; the depreciation of fixed assets is not included. Gross value added is compiled according to the industry that generates it.

When calculating value added, output is valued at basic prices and intermediate consumption at purchasers' prices. Taxes less subsidies on products have to be added to value added to obtain GDP at market prices.

In order to facilitate comparisons within the EU, the levels of GDP in national currency of each Member State outside the euro area are converted into euro (ecu up to and including 1998) by means of official exchange rates. However, the exchange rate does not necessarily reflect the actual purchasing power of each national currency. In order to remove price-level differences, purchasing power parities (PPPs) are calculated and used as a factor of conversion. The PPP can be regarded as an exchange rate to move from national currency to a common purchasing power standard (PPS), defined by a comparable basket of goods and services. These parities are obtained as a weighted average of relative price ratios regarding the homogeneous basket of goods and services, comparable and representative for each Member State. The 'comparable volumes' of GDP obtained in this way are hence expressed in terms of PPS.

The EU-25's GDP per capita was PPS 23 400 in 2005. The range of values across the Member States showed that GDP per capita was highest in Luxembourg, at more than double the EU-25 average, while the lowest values were recorded for the Baltic States and Slovakia.

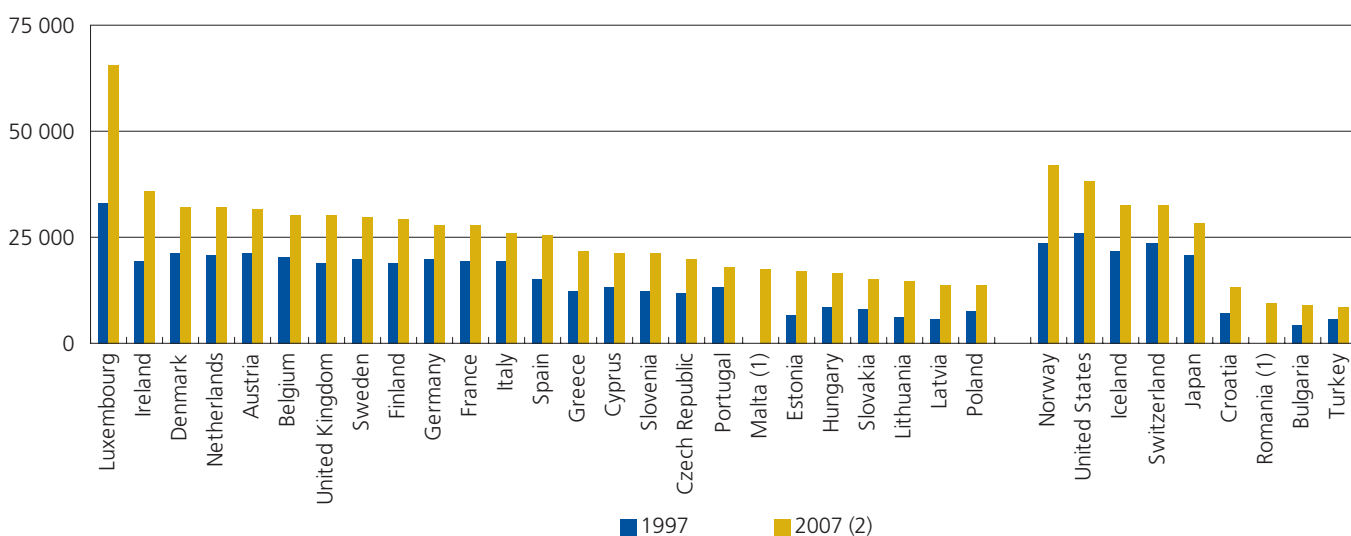
GDP at current prices stood at EUR 10 817 000 million in 2005 for the EU-25. Germany accounted for just over one fifth (20.8 %) of the EU-25's GDP. The four largest EU economies (Germany, the United Kingdom, France and Italy) accounted for two thirds of the EU-25's GDP.

Economic growth, measured as the growth rate of GDP in volume terms, remained subdued in the EU-25 after 2000 compared with its performance in the second half of the 1990s.

There has been a sizeable shift in the economic structure of the EU economy in the last few decades, with the proportion of gross value added accounted for by agriculture and industry falling, while that of most service sectors has risen. This change is at least in part a result of phenomena such as technological change, rationalisation, and globalisation, resulting in production bases often moving to lower labour cost regions. More than one quarter of the EU-25's gross value added was accounted for by business activities and financial services in 2005. There were three other sectors that also contributed significant shares of just over one fifth of total value added, namely trade, transport and communication services (21.7 %); industry (20.6 %); and other services, which is largely made up of public administrations, education and health systems, as well as other community, social and personal service activities (22.5 %). The remainder of the economy was divided between the construction sector (6.0 %) and agriculture, hunting and fishing (1.9 %).

**Figure 6.1: GDP per capita at current market prices**

(PPS)



(1) 1997, not available.

(2) Forecasts.

Gross domestic product (GDP) is an indicator for a nation's economic situation; it reflects the total value of all goods and services produced less the value of goods and services used for intermediate consumption in their production; expressing GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.



Table 6.1: GDP per capita at current market prices

(PPS)



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	(EU-25 = 100) 2005
<b>EU-25</b>	16 300	17 200	17 900	18 800	20 100	20 800	21 500	21 800	22 700	23 400	100.0
<b>EU-15</b>	17 900	18 800	19 600	20 700	22 100	22 800	23 500	23 700	24 700	25 400	108.6
<b>Euro area</b>	17 800	18 700	19 500	20 600	21 900	22 600	23 200	23 300	24 200	25 000	106.6
<b>Belgium</b>	19 200	20 100	20 800	21 700	23 500	24 400	25 300	25 700	26 800	27 600	117.7
<b>Czech Republic</b>	11 400	11 600	11 700	12 200	12 800	13 500	14 300	14 700	15 900	17 100	73.0
<b>Denmark</b>	20 200	21 300	22 100	23 800	25 400	26 000	26 100	26 300	27 600	29 100	124.2
<b>Germany</b>	19 200	19 900	20 500	21 400	22 500	22 900	23 400	23 600	24 600	25 700	109.8
<b>Estonia</b>	5 700	6 500	7 000	7 300	8 200	8 800	9 700	10 500	11 600	13 400	57.4
<b>Greece</b>	11 400	12 100	12 600	13 300	14 600	15 300	16 600	17 600	18 600	19 200	82.2
<b>Spain</b>	14 200	14 900	15 900	17 400	18 600	19 400	20 500	21 200	22 100	23 100	98.7
<b>France</b>	18 400	19 500	20 400	21 400	22 800	23 700	24 100	24 300	24 900	25 500	109.0
<b>Ireland</b>	16 700	19 200	20 800	23 000	25 400	26 900	28 600	29 100	31 000	32 100	137.1
<b>Italy</b>	18 800	19 500	20 500	21 400	22 800	23 300	23 700	23 400	24 000	24 100	102.8
<b>Cyprus</b>	13 000	13 400	14 200	15 100	16 300	17 300	17 700	17 400	18 800	19 500	83.5
<b>Latvia</b>	4 900	5 500	5 900	6 400	7 100	7 700	8 300	8 900	9 700	11 000	47.1
<b>Lithuania</b>	5 700	6 300	6 900	7 000	7 700	8 400	9 000	9 800	10 800	12 200	52.1
<b>Luxembourg</b>	32 000	32 800	34 700	41 000	44 700	44 700	47 400	50 800	54 000	58 000	247.8
<b>Hungary</b>	7 900	8 500	9 100	9 700	10 600	11 600	12 500	12 900	13 600	14 300	60.9
<b>Malta</b>	:	:	13 900	14 600	15 800	15 500	16 200	15 900	15 800	16 200	69.3
<b>Netherlands</b>	19 400	20 800	21 800	23 100	25 000	26 500	27 000	27 100	28 200	28 900	123.5
<b>Austria</b>	20 600	21 200	22 000	23 500	25 300	25 400	25 800	26 200	27 600	28 700	122.7
<b>Poland</b>	6 900	7 500	8 000	8 600	9 400	9 600	10 000	10 200	11 100	11 700	49.9
<b>Portugal</b>	12 200	13 100	14 000	15 100	16 200	16 600	17 100	15 800	16 400	16 700	71.4
<b>Slovenia</b>	11 200	12 100	12 800	13 900	14 600	15 400	16 000	16 500	17 900	18 700	80.0
<b>Slovakia</b>	7 400	7 900	8 400	8 800	9 500	10 100	11 000	11 300	12 000	12 900	55.1
<b>Finland</b>	16 900	18 700	20 100	20 900	22 700	23 500	24 200	24 200	25 400	26 200	112.1
<b>Sweden</b>	18 900	19 700	20 400	22 200	23 900	24 000	24 500	25 200	26 600	26 900	114.7
<b>United Kingdom</b>	17 800	19 100	20 000	21 000	22 500	23 600	25 000	25 400	26 600	27 300	116.8
<b>Bulgaria</b>	4 500	4 400	4 600	4 900	5 300	5 800	6 100	6 500	6 900	7 500	32.1
<b>Croatia</b>	6 400	7 000	7 400	7 500	8 200	8 600	9 400	10 000	10 600	11 400	48.9
<b>Romania</b>	:	:	:	4 800	5 000	5 500	6 100	6 500	7 300	8 100	34.8
<b>Turkey</b>	5 000	5 500	5 700	5 500	6 000	5 300	5 600	5 800	6 500	7 200	30.8
<b>Iceland</b>	20 400	21 700	23 200	24 500	25 500	26 400	26 000	26 200	28 800	29 400	125.7
<b>Norway</b>	22 300	23 800	23 500	26 300	31 900	32 299	31 600	31 800	34 800	38 600	164.8
<b>Switzerland</b>	22 300	23 800	24 700	25 200	26 700	26 700	28 000	28 400	29 800	29 900	127.8
<b>Japan</b>	19 800	20 600	20 600	21 100	22 400	22 800	23 100	23 600	24 800	25 500	108.9
<b>United States</b>	24 600	26 100	27 400	29 100	30 600	30 900	31 300	32 100	34 100	35 000	149.5

GDP is an indicator for a nation's economic situation; it reflects the total value of all goods and services produced less the value of goods and services used for intermediate consumption in their production; expressing GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

Table 6.2: GDP at current market prices

(EUR 1 000 million)

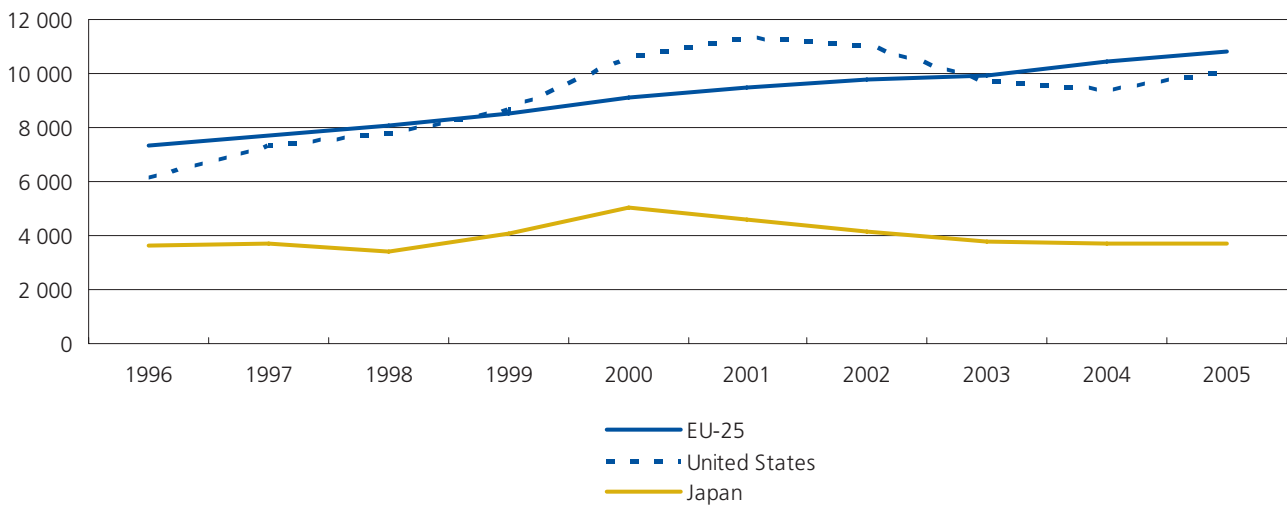
TEC00001

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Share of EU-25 (%)
<b>EU-25</b>	7 309	7 710	8 073	8 484	9 092	9 458	9 811	9 961	10 432	10 817	100.0
<b>EU-15</b>	7 044	7 416	7 751	8 152	8 711	9 029	9 357	9 511	9 946	10 264	94.9
<b>Euro area</b>	5 746	5 874	6 101	6 376	6 711	7 000	7 246	7 454	7 751	7 999	73.9
<b>Belgium</b>	217	220	228	238	252	259	268	275	288	298	2.8
<b>Czech Republic</b>	48	50	54	55	60	68	78	80	87	98	0.9
<b>Denmark</b>	145	150	155	163	174	179	185	190	197	208	1.9
<b>Germany</b>	1 922	1 907	1 952	2 012	2 063	2 113	2 145	2 163	2 216	2 247	20.8
<b>Estonia</b>	4	4	5	5	6	7	7	8	9	11	0.1
<b>Greece</b>	98	107	109	118	126	133	143	156	168	181	1.7
<b>Spain</b>	490	505	537	580	630	680	729	781	837	904	8.4
<b>France</b>	1 240	1 258	1 316	1 366	1 441	1 497	1 549	1 595	1 659	1 710	15.8
<b>Ireland</b>	58	72	79	91	104	117	131	139	149	160	1.5
<b>Italy</b>	992	1 053	1 087	1 127	1 191	1 249	1 295	1 335	1 389	1 417	13.1
<b>Cyprus</b>	7	8	8	9	10	11	11	12	12	13	0.1
<b>Latvia</b>	4	5	6	7	8	9	10	10	11	13	0.1
<b>Lithuania</b>	6	9	10	10	12	14	15	16	18	21	0.2
<b>Luxembourg</b>	16	16	17	20	22	23	24	26	27	29	0.3
<b>Hungary</b>	36	40	42	45	51	58	70	74	81	88	0.8
<b>Malta</b>	:	3	3	4	4	4	4	4	4	4	0.0
<b>Netherlands</b>	329	341	360	386	418	448	465	476	489	502	4.6
<b>Austria</b>	186	184	191	200	210	216	221	226	236	245	2.3
<b>Poland</b>	123	139	153	158	186	212	209	191	204	243	2.3
<b>Portugal</b>	93	99	106	114	122	129	135	138	143	147	1.4
<b>Slovenia</b>	16	17	19	20	21	22	24	25	26	27	0.3
<b>Slovakia</b>	16	19	20	19	22	24	26	29	34	38	0.4
<b>Finland</b>	101	109	117	121	131	136	141	144	150	155	1.4
<b>Sweden</b>	215	220	223	238	263	247	259	270	282	288	2.7
<b>United Kingdom</b>	940	1 172	1 273	1 376	1 564	1 603	1 668	1 604	1 734	1 791	16.6
<b>Bulgaria</b>	8	9	11	12	14	15	17	18	20	21	-
<b>Croatia</b>	16	18	19	19	20	22	24	26	28	31	-
<b>Romania</b>	:	:	37	33	40	45	48	53	61	79	-
<b>Turkey</b>	143	168	178	173	217	162	193	212	242	291	-
<b>Iceland</b>	6	7	7	8	9	9	9	10	11	13	-
<b>Norway</b>	125	139	134	148	181	190	202	197	205	238	-
<b>Switzerland</b>	239	232	241	249	267	280	293	286	289	295	-
<b>Japan</b>	3 640	3 737	3 435	4 082	5 037	4 571	4 147	3 745	3 690	3 672	-
<b>United States</b>	6 156	7 323	7 802	8 696	10 629	11 309	11 072	9 699	9 433	10 037	-

**Figure 6.2: GDP at current market prices**

(EUR 1 000 million)

TEC00001

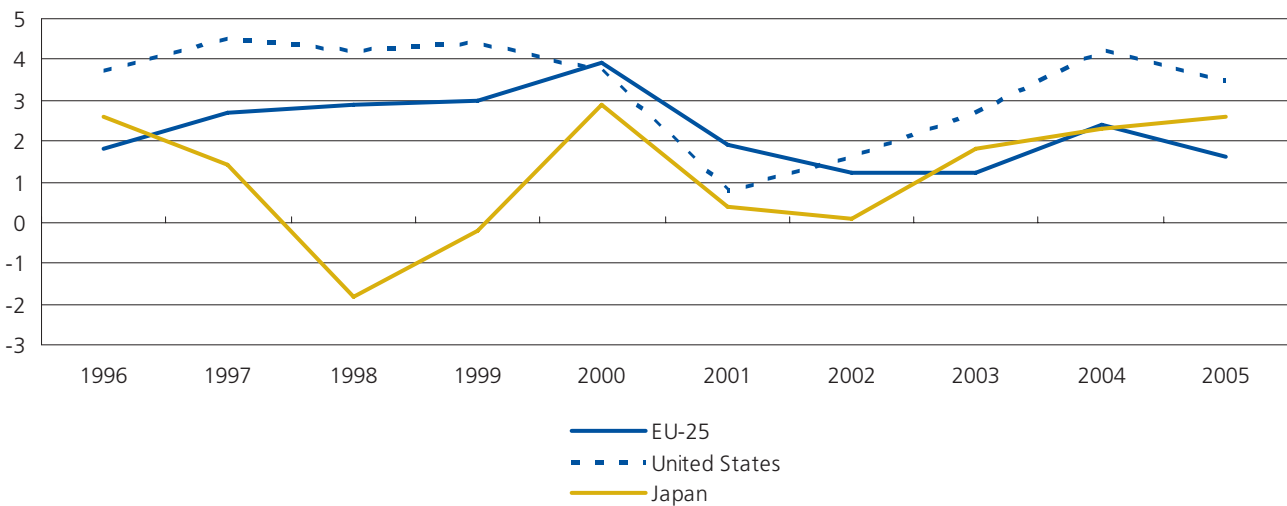


GDP is an indicator for a nation's economic situation; it reflects the total value of all goods and services produced less the value of goods and services used for intermediate consumption in their production.

6

**Figure 6.3: GDP volume, growth rates**

(% change compared with previous year)



The calculation of the annual growth rate of GDP volume allows comparisons of economic development both over time and between economies of different sizes, irrespective of changes in prices; growth of GDP volume is calculated using data at the previous year's prices.

Table 6.3: Labour productivity



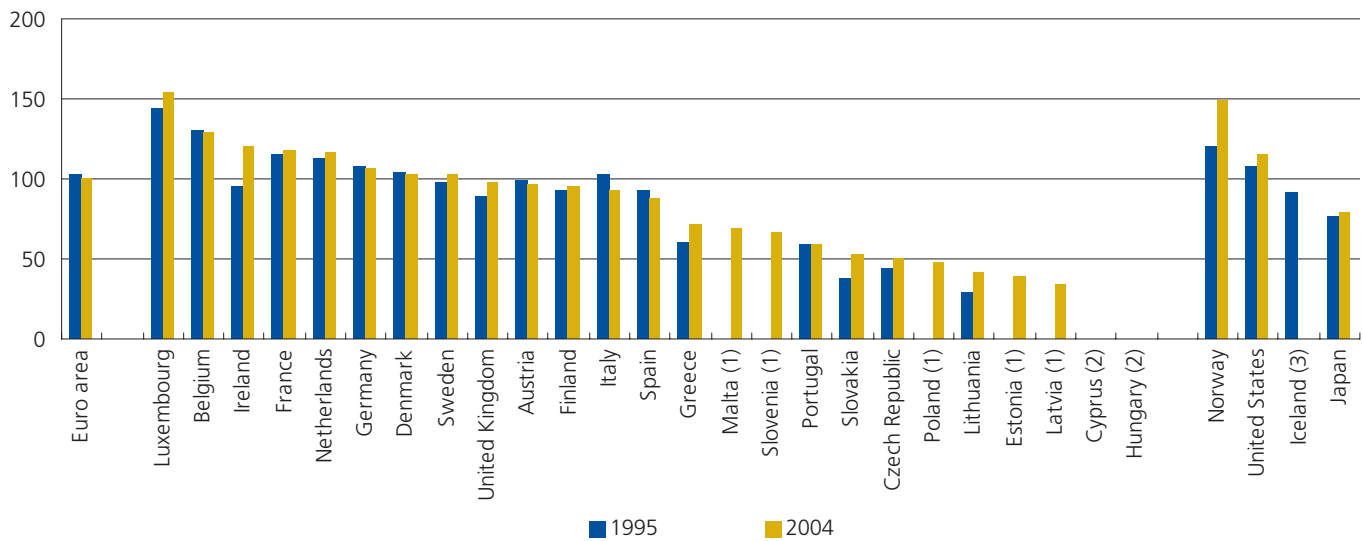
	Labour productivity per person employed (EU-25 = 100, based on a PPS series)						Labour productivity per hour worked (EU-15 = 100, based on a PPS series)				
	2000	2001	2002	2003	2004	2005	2000	2001	2002	2003	2004
<b>EU-25</b>	100.0	100.0	100.0	100.0	100.0	100.0	:	:	:	:	:
<b>EU-15</b>	107.5	107.1	106.8	106.6	106.3	106.3	100.0	100.0	100.0	100.0	100.0
<b>Euro area</b>	108.5	107.8	107.0	106.7	106.2	106.3	101.4	101.3	100.8	100.6	100.4
<b>Belgium</b>	125.9	126.3	127.5	128.4	128.5	128.1	124.6	124.8	125.1	126.1	128.5
<b>Czech Republic</b>	58.5	59.6	59.9	62.0	64.2	68.4	43.9	46.7	47.3	48.2	49.9
<b>Denmark</b>	105.0	104.5	102.0	103.0	103.8	106.1	103.4	102.3	99.6	100.4	102.5
<b>Germany</b>	101.2	100.2	99.7	100.3	100.1	102.0	105.5	105.4	105.2	105.8	105.8
<b>Estonia</b>	42.4	43.5	45.7	47.9	50.9	55.9	32.6	33.6	35.0	36.5	38.8
<b>Greece</b>	:	:	:	:	:	:	64.0	65.2	68.4	70.8	71.0
<b>Spain</b>	97.6	97.3	98.6	99.8	99.1	98.9	86.2	86.3	87.0	87.9	87.7
<b>France</b>	122.0	122.2	120.3	120.5	119.0	119.2	117.4	118.6	119.0	119.3	117.7
<b>Ireland</b>	121.6	123.7	127.6	128.1	129.1	126.7	110.2	112.7	116.3	117.7	119.6
<b>Italy</b>	121.2	118.6	115.0	111.7	110.2	108.2	99.1	97.2	94.8	92.8	92.0
<b>Cyprus</b>	79.3	78.7	77.3	73.7	75.3	75.7	:	:	:	:	:
<b>Latvia</b>	38.3	39.4	40.2	41.3	42.6	46.2	30.1	31.1	31.7	32.1	34.2
<b>Lithuania</b>	41.0	44.8	44.8	47.1	49.5	52.5	34.1	37.2	37.6	39.8	41.6
<b>Luxembourg</b>	159.2	148.0	149.3	156.6	157.3	160.8	148.6	139.6	140.6	148.8	153.8
<b>Hungary</b>	60.6	64.2	66.6	66.8	68.1	69.1	:	:	:	:	:
<b>Malta</b>	90.2	85.5	86.5	83.8	81.1	80.2	76.0	74.5	74.2	72.3	69.0
<b>Netherlands</b>	105.0	107.0	105.8	106.2	107.8	108.2	114.1	115.0	114.1	114.1	116.5
<b>Austria</b>	:	:	:	:	:	:	98.7	96.6	94.9	94.6	96.4
<b>Poland</b>	51.3	50.3	51.5	59.5	62.0	62.2	39.5	39.0	39.5	45.4	47.6
<b>Portugal</b>	72.0	71.4	71.3	65.9	65.9	65.6	65.1	64.4	63.8	59.5	59.1
<b>Slovenia</b>	69.8	71.2	70.9	72.4	75.0	75.8	60.1	61.1	61.2	61.9	66.0
<b>Slovakia</b>	54.5	55.9	59.0	58.8	60.3	62.2	46.0	47.5	51.3	52.5	52.8
<b>Finland</b>	109.4	108.8	107.6	106.7	107.7	106.7	95.6	96.0	94.6	93.9	95.3
<b>Sweden</b>	106.7	102.6	101.4	103.9	106.3	104.5	100.4	97.9	97.5	100.7	102.0
<b>United Kingdom</b>	103.4	104.9	107.3	107.0	107.1	106.7	93.0	94.2	96.8	96.9	97.6
<b>Bulgaria</b>	31.3	32.5	32.5	31.9	31.9	32.9	:	:	:	:	:
<b>Croatia</b>	49.8	54.5	55.2	57.7	57.8	60.2	:	:	:	:	:
<b>Romania</b>	27.9	29.8	32.0	34.0	36.3	39.2	:	:	:	:	:
<b>Turkey</b>	39.5	35.2	37.0	38.5	40.8	43.9	:	:	:	:	:
<b>Iceland</b>	110.3	110.7	107.9	97.0	103.6	100.2	89.5	91.7	90.5	81.0	:
<b>Norway</b>	133.4	131.8	125.2	126.6	133.3	143.9	147.8	148.0	141.4	143.2	149.3
<b>Japan</b>	91.6	91.4	90.9	92.5	93.1	92.6	76.9	77.3	76.8	77.7	79.1
<b>United States</b>	132.1	131.5	131.6	134.9	137.2	136.1	109.8	110.6	110.2	113.0	115.4

GDP per person employed is intended to give an overall impression of the productivity of national economies expressed in relation to the European Union (EU-25) average; if the index of a country is higher than 100, this country's level of GDP per person employed is higher than the EU average and vice versa; basic figures are expressed in PPS, i.e. a common currency that eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries, please note that persons employed does not distinguish between full-time and part-time employment.

GDP per hour worked is intended to give a picture of the productivity of national economies expressed in relation to the European Union (EU-15) average; expressing productivity per hour worked will eliminate differences in the full-time/part-time composition of the workforce.

**Figure 6.4: Labour productivity per hour worked**

(EU-15=100, based on a PPS series)



(1) 1995, not available.

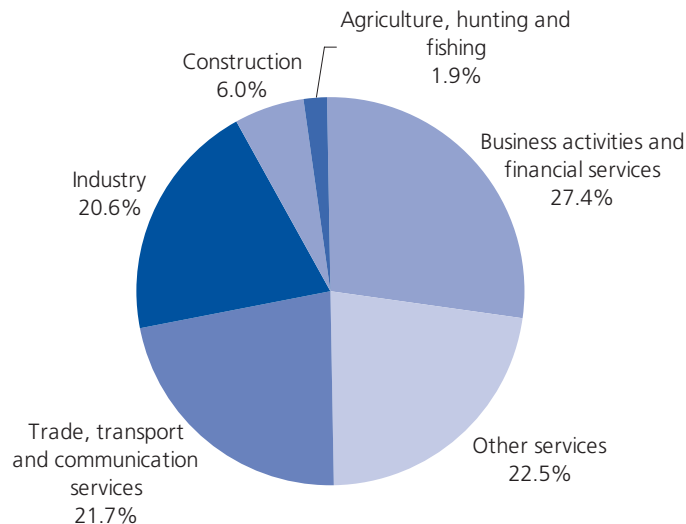
(2) Not available.

(3) 2004, not available.

GDP (gross domestic product) is an indicator for a nation's economic situation; it reflects the total value of all goods and services produced less the value of goods and services used for intermediate consumption in their production; GDP per person employed is intended to give an overall impression of the productivity of national economies expressed in relation to the European Union (EU-25) average; if the index of a country is higher than 100, this country's level of GDP per person employed is higher than the EU average and vice versa; basic figures are expressed in PPS, i.e. a common currency that eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries, please note that persons employed does not distinguish between full-time and part-time employment.

**Figure 6.5: Gross value added at basic prices, EU-25, 2005 (1)**

(% share of total gross value added)



(1) Figures do not sum to 100 % due to rounding.

Gross value added is defined as the value of all newly generated goods and services less the value of all goods and services consumed as intermediate consumption; the depreciation of fixed assets is not taken into account; gross value added is compiled according to the industry that created it; here, the A6 breakdown derived from NACE Rev. 1 is used.

Table 6.4: Gross value added at basic prices

(% share of total gross value added)

	Agriculture, hunting and fishing		Industry		Construction		Trade, transport and communication services		Business activities and financial services		Other services	
	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005
<b>EU-25</b>	2.3	1.9	22.3	20.6	5.6	6.0	21.6	21.7	26.0	27.4	22.1	22.5
<b>EU-15</b>	2.2	1.8	22.2	20.3	5.5	6.0	21.4	21.4	26.3	27.8	22.3	22.7
<b>Euro area</b>	2.5	2.0	22.2	20.5	5.7	6.1	21.1	21.3	26.3	27.4	22.2	22.7
<b>Belgium</b>	1.4	1.0	22.0	19.2	5.0	4.8	21.1	23.1	27.8	28.1	22.6	23.7
<b>Czech Republic</b>	3.9	3.0	31.7	31.1	6.8	6.6	25.1	25.4	16.9	16.6	15.6	17.3
<b>Denmark</b>	2.6	1.8	21.3	19.0	5.5	5.6	21.8	22.2	22.3	24.0	26.4	27.4
<b>Germany</b>	1.3	0.9	25.1	25.8	5.2	3.8	18.2	18.1	27.5	29.1	22.8	22.3
<b>Estonia</b>	5.5	4.0	20.8	22.3	5.7	7.1	29.1	28.5	20.8	20.4	18.2	17.7
<b>Greece</b>	7.3	5.2	13.9	13.2	7.4	7.6	28.8	31.8	22.3	19.3	20.2	22.9
<b>Spain</b>	4.4	3.3	20.9	17.9	8.3	11.6	26.1	26.0	19.5	20.6	20.8	20.6
<b>France</b>	2.8	2.2	17.7	15.1	5.2	5.8	18.9	19.3	30.7	32.0	24.7	25.6
<b>Ireland</b>	3.4	:	34.8	:	7.7	:	17.6	:	20.6	:	15.8	:
<b>Italy</b>	2.8	2.3	23.4	20.8	5.0	6.0	23.9	23.2	24.7	26.9	20.1	20.8
<b>Cyprus</b>	3.6	3.0	12.6	11.7	6.9	8.6	31.4	27.9	23.5	24.5	22.0	24.3
<b>Latvia</b>	4.6	3.8	17.4	16.1	6.2	6.3	32.0	37.2	18.9	17.9	20.9	18.6
<b>Lithuania</b>	7.8	5.7	23.7	26.0	5.9	7.5	30.0	32.1	12.4	12.6	20.1	16.1
<b>Luxembourg</b>	0.7	0.4	12.6	10.5	5.7	5.8	21.8	20.8	43.8	45.1	15.4	17.4
<b>Hungary</b>	4.3	:	27.9	:	5.2	:	21.0	:	20.4	:	21.1	:
<b>Malta</b>	2.3	2.4	24.9	18.6	3.9	4.8	30.5	28.9	17.0	17.8	21.4	27.4
<b>Netherlands</b>	2.6	2.1	19.3	18.7	5.6	5.7	23.1	21.9	27.3	27.1	22.1	24.5
<b>Austria</b>	2.1	1.6	23.0	22.1	7.9	7.6	24.4	24.4	21.7	23.4	20.9	20.8
<b>Poland</b>	5.0	4.8	24.0	24.8	7.7	5.8	27.3	27.3	18.1	17.7	18.0	19.6
<b>Portugal</b>	3.8	2.9	20.0	18.3	7.6	6.3	24.1	24.7	20.6	20.8	24.0	27.0
<b>Slovenia</b>	3.2	:	30.0	:	6.3	:	20.3	:	19.8	:	20.4	:
<b>Slovakia</b>	4.5	3.8	29.2	27.7	7.1	6.5	25.1	26.6	17.1	19.5	17.0	15.8
<b>Finland</b>	3.8	2.9	28.2	23.9	5.6	5.7	22.0	23.0	19.4	21.5	21.2	23.0
<b>Sweden</b>	1.9	1.1	24.6	23.5	4.0	4.7	19.7	19.6	24.0	23.7	25.8	27.3
<b>United Kingdom</b>	1.0	:	22.1	:	5.2	:	23.1	:	27.1	:	21.6	:
<b>Bulgaria</b>	13.9	9.3	24.5	25.0	4.6	5.7	21.8	24.6	19.9	20.3	15.2	15.8
<b>Croatia</b>	8.8	6.7	24.7	23.2	4.6	6.4	23.3	27.1	14.8	17.4	23.8	19.3
<b>Romania</b>	12.4	10.1	30.5	27.7	5.5	7.3	25.2	:	13.0	:	13.5	:
<b>Turkey</b>	14.2	10.5	23.5	25.9	5.2	4.5	34.4	35.9	8.5	9.2	14.2	14.2
<b>Iceland</b>	8.2	:	16.4	:	8.0	:	21.1	:	20.0	:	23.2	:
<b>Norway</b>	2.1	1.6	37.7	37.9	4.1	4.4	18.7	17.2	17.5	18.3	19.9	20.7
<b>Switzerland</b>	1.5	1.0	21.5	20.8	5.3	5.6	21.2	21.5	25.2	24.2	25.2	26.9
<b>Japan</b>	1.3	:	24.5	:	7.0	:	:	:	18.6	:	29.1	:

## CONSUMPTION AND SPENDING

National accounts aggregates from the expenditure approach are used by the European Central Bank (ECB) and European Commission services as important tools for structural economic analysis and policy decisions. The quarterly series are central to business-cycle analysis and subsequent policy decisions. These series are also widely employed for supporting business decisions in the private sector, in particular on financial markets.

Following the expenditure approach, the tables in this section show by broad category what GDP has been used for. The main domestic expenditure categories are consumption on the one hand, and investment on the other; domestically produced goods and services may also be exported. The counterparts to exports are imports, which can be consumed or invested without being the result of domestic production activity. The value of exports minus imports, in other words the external balance, shows the net contribution of external trade to GDP.

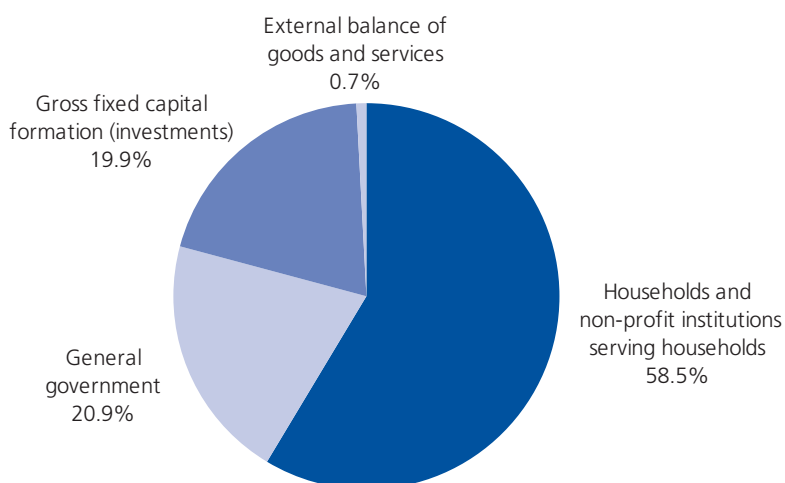
Private final consumption expenditure includes expenditure of households and non-profit institutions serving households (NPISH), in other words, expenditure on goods or services that are used for the direct satisfaction of individual needs. NPISHs are private, non-market producers which are separate legal entities. Their principal resources, apart from those derived from occasional sales, are derived from voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by general governments and from property income. Examples of NPISHs are churches, trade unions and political parties.

- Government final consumption expenditure includes two categories of expenditure: the value of goods and services produced by general government itself other than own-account capital formation and sales, and purchases by general government of goods and services produced by market producers that are supplied to households — without any transformation — as social transfers in kind.
- Gross fixed capital formation consists of resident producers' acquisitions, less disposals, of fixed assets plus certain additions to the value of non-produced assets realised by productive activity. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than one year.
- Changes in inventories are measured by the value of the entries into inventories less the value of withdrawals and the value of any recurrent losses of goods held in inventories.
- External balance: imports of goods and services are recorded with a negative sign while exports of goods and services are recorded with a positive sign. The difference between exports and imports is called the external balance of goods and services.

**Figure 6.6: Expenditure components of GDP, EU-25, 2005**

(% share of GDP)

TEC00009 TEC00010 TEC00011 TEC00012



*Final consumption expenditure of households and non-profit institutions serving households: private consumption expenditure consists of expenditure incurred for the direct satisfaction of individual or collective needs by private households or non-profit institutions serving households (such as religious societies, sports and other clubs, political parties).*

*Final consumption expenditure by general government includes the value of goods and services purchased or produced by general government and directly supplied to private households for consumption purposes.*

*Gross fixed capital formation consists of resident producers' acquisitions, less disposals, of fixed tangible or intangible assets; this covers in particular machinery and equipment, vehicles, dwellings and other buildings.*

*The external balance is defined as the difference between exports and imports, which in turn measure the value of exchanges of goods and services between residents and non-residents.*

In 2005, 58.5 % of the EU-25's GDP was spent on consumption by households and NPISHs. This share was relatively stable over time and reached a peak in 2000 when it represented 59.0 % of GDP.

Gross fixed capital formation represented 19.9 % of EU-25 GDP in 2005, which marked the second successive year that this share

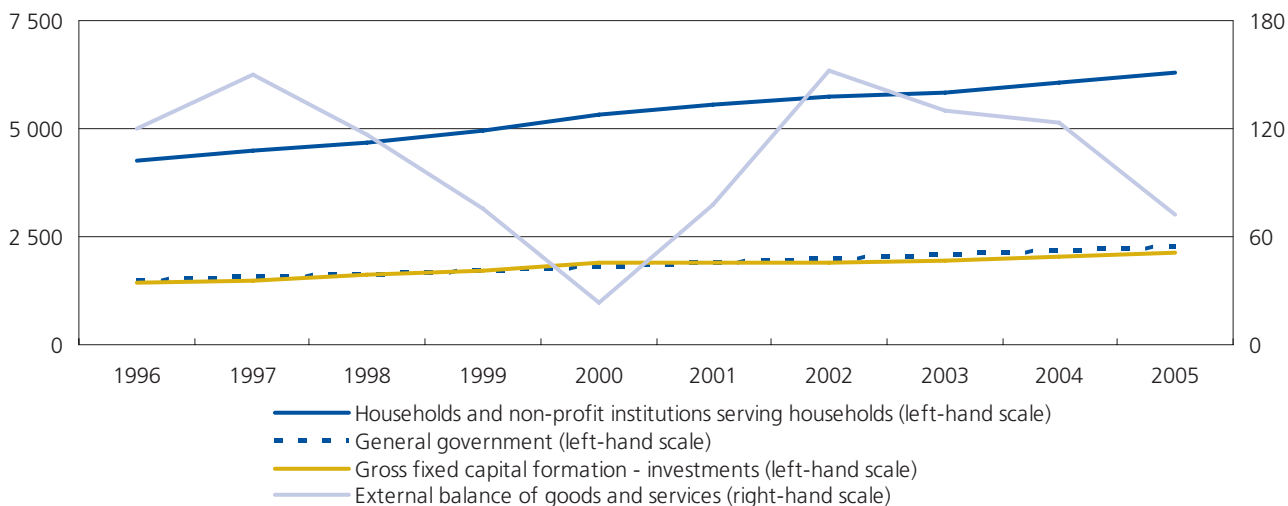
had risen, following the slowdown in economic activity in 2001 and 2002, when investments saw their share of GDP decline.

The external balance of goods and services of the EU-25 has been traditionally positive. In 2005, it amounted to 0.7 % of GDP. This marked the third consecutive decline from a high of 1.5 % of GDP in 2002.

**Figure 6.7: Expenditure components of GDP, EU-25**

(EUR 1 000 million)

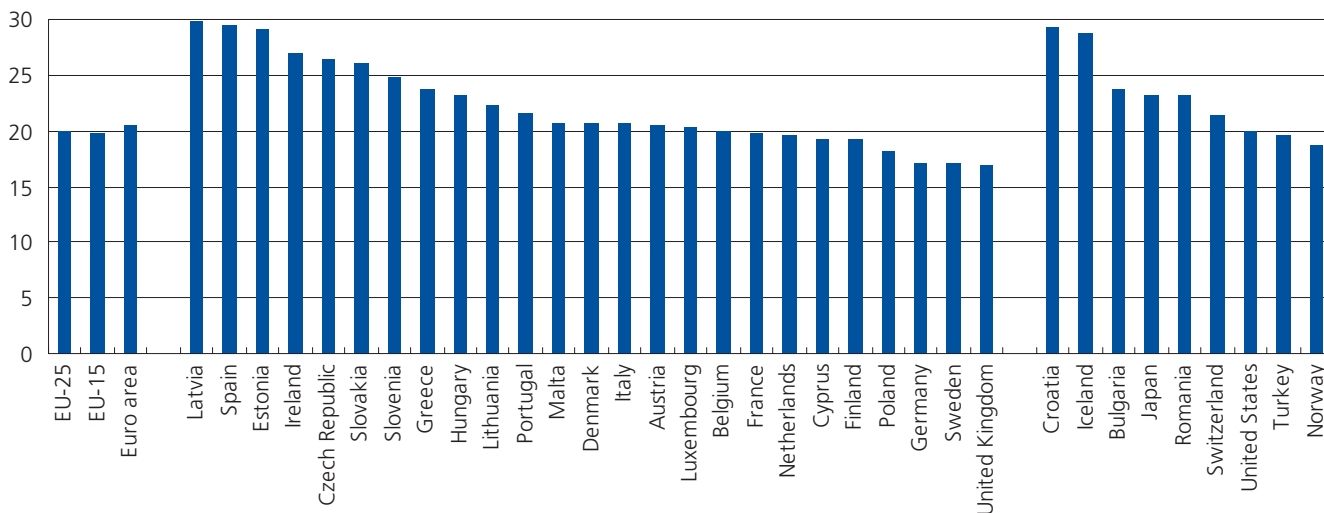
TEC00009 TEC00010 TEC00011 TEC00012



**Figure 6.8: Gross fixed capital formation, 2005**

(% share of GDP)

TEC00011

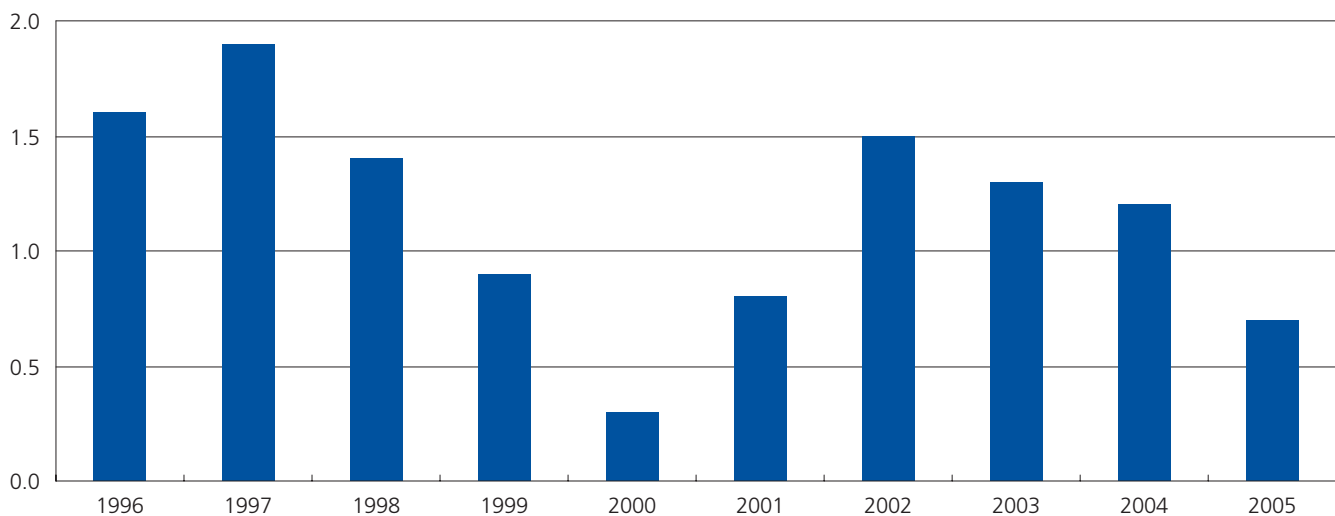




**Figure 6.9: External balance of goods and services, EU-25**

(% share of GDP)

TEC00012



The external balance is defined as the difference between exports and imports, which in turn measure the value of exchanges of goods and services between residents and non-residents.

### INCOME FROM INPUT FACTORS

Eurostat data on income from input factors are crucial to economic analysis in a number of contexts inside and outside the European Commission. Typical examples are studies of competitiveness, of income distribution inequalities and of long-term economic developments. Users outside the European Commission include, in particular, academia and financial institutions.

Producing the GDP requires 'input factors' such as the work of employees and capital. These income factors have to be paid for. The income-side approach shows how GDP is distributed among different participants in the production process. It is therefore represented as the sum of:

- compensation of employees: this is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period; the compensation of employees is broken down into: wages and salaries (in cash and in kind); employers' social contributions (employers' actual social contributions and employers' imputed social contributions);
- gross operating surplus: this is the surplus (or deficit) on production activities before account has been taken of the interest, rents or charges paid or received for the use of assets;
- mixed income: this is the remuneration for the work carried out by the owner (or by members of his/her family) of an unincorporated enterprise; this is referred to as 'mixed income' since it cannot be distinguished from the entrepreneurial profit of the owner;

- taxes on production and imports less subsidies: these consist of compulsory (in the case of taxes) unrequited payments to or from general government or institutions of the EU, in respect of the production or import of goods and services, the employment of labour, and the ownership or use of land, buildings or other assets used in production.

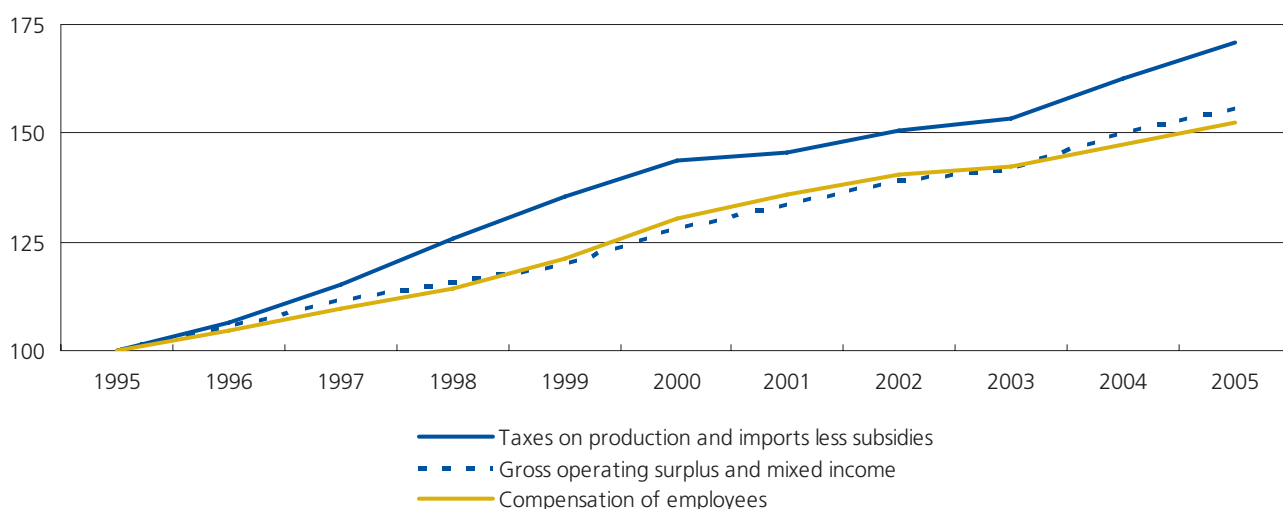
The higher the output of an economy, the more income can be distributed to the factors that have provided for its creation. Between 1995 and 2005, the GDP of the EU-25 (measured at current prices) rose by 56.0 %. The overall income of employees registered the slowest growth among input factors during the same period (52.5 %), while the growth recorded for the gross operating surplus and mixed income was similar to that for GDP (55.5 %); taxes on production and imports less subsidies grew by 71.0 % during the period 1995 to 2005, recording the fastest expansion.

At the level of the Member States, some differences are observed when looking at the shares in 2005 of the three components in GDP. For compensation of employees, the shares ranged between 34.1 % in Greece and 56.0 % in the United Kingdom, while for the EU-25 it was 49.2 %. The proportion of GDP accounted for by the gross operating surplus and mixed income ranged from 28.8 % in Sweden to 54.8 % in Greece, with an EU-25 average of 38.5 %. Finally, for taxes less subsidies on production and imports, shares varied between 9.6 % of GDP in the Czech Republic and 16.3 % in Cyprus, while the EU-25 average stood at 12.3 %.

Figure 6.10: Distribution of income, EU-25 (1)

(1995=100)

TEC00013 TEC00015 TEC00016



(1) Data extracted on 27.10.2006.

Compensation of employees is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter; in particular, it also includes social contributions paid by the employer.

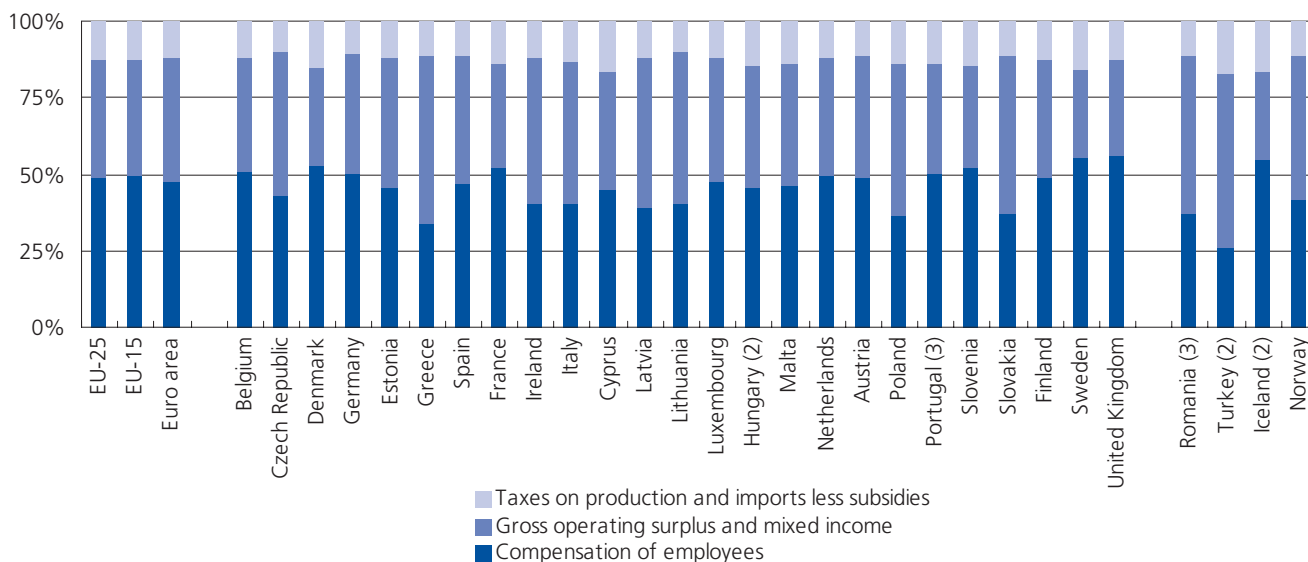
Operating surplus is the surplus (or deficit) on production activities before account has been taken of the interest, rents or charges paid or received for the use of assets; mixed income is the remuneration for the work carried out by the owner (or by members of his family) of an unincorporated enterprise; this is referred to as 'mixed income' since it cannot be distinguished from the entrepreneurial profit of the owner.

Taxes and subsidies on products are current unrequited payments to or from general government or the institutions of the European Union that are payable per unit of some good or service produced or transacted; the tax or subsidy may be a specific amount of money per unit of quantity of a good or service, or it may be calculated ad valorem as a specified percentage of the price per unit or value of the goods and services produced or transacted.

Figure 6.11: Distribution of income, 2005 (1)

(% share of GDP)

TEC00013 TEC00015 TEC00016



(1) Data extracted on 27.10.2006.

(2) 2004.

(3) 2003.

## GOVERNMENT FINANCES

Member States acknowledge the need for solid and sustainable government finances. Under the rules on budgetary discipline within the EU Stability and Growth Pact (Amsterdam, 1997), Member States are to avoid situations of 'excessive government deficits': their ratio of planned or actual government deficit to GDP should be no more than 3 %, and their ratio of government debt to GDP should be no more than 60 % (unless the excess over the reference value is only exceptional or temporary, or unless the ratios have declined substantially and continuously).

The Member States should, by law, notify their government deficit and debt statistics to the European Commission before 1 April and 1 October of each year under the 'excessive deficit procedure'. Eurostat collects the data and ensures that Member States comply with the relevant regulations. The main aggregates of general government are provided by the Member States to Eurostat twice a year, according to the ESA 95 transmission programme.

The public (general government) deficit of the EU-25, measured in terms of GDP, was at the same level in 2002 and 2005 at 2.3 %, with a higher deficit in the intervening years. The pattern was similar in the euro area, where the deficit rose slightly in 2005 to 2.3 % of GDP, from 2.2 % three years earlier, but with higher deficits in 2003 and 2004.

In 2005, 18 of the EU Member States reported deficit ratios below the reference value of 3 %, which can be compared with 16 in 2002. Hungary and Portugal recorded the highest deficits in the EU, around 6 % in 2005. The acceding countries of Romania and Bulgaria both reported deficits below the threshold value for the entire period. Turkey reduced its deficit strongly

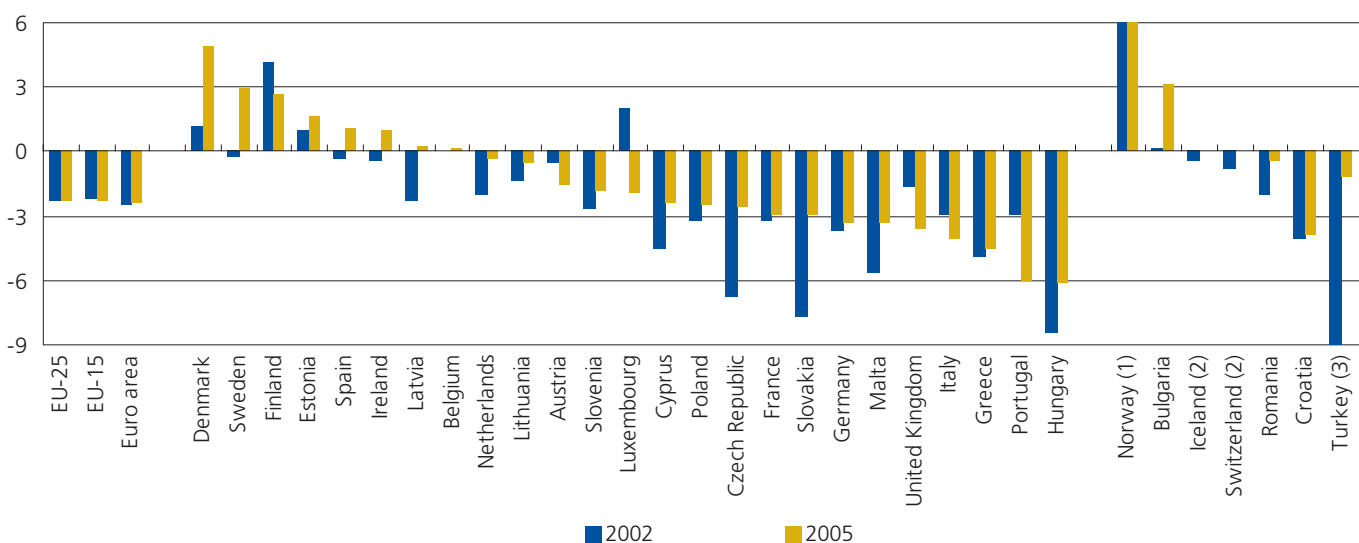
from 12.9 % to 1.2 % of GDP over the period, while Croatia recorded a deficit of 3.9 % of GDP in 2005.

General government gross debt in the EU-25 reached 63.4 % of GDP in 2005, compared with 60.5 % in 2002. In the euro area, the rise was of the same order, from 68.1 % to 70.8 % of GDP. Between 2002 and 2005 the number of Member States with a debt ratio below 60 % of GDP fell from 18 to 16. The highest debt ratios were recorded by Greece and Italy, both above 100 % for the entire reference period considered. At the other end of the scale, Estonia and Luxembourg reported the lowest debt to GDP ratios, both below 7 % for the same period. The acceding countries Romania and Bulgaria recorded decreasing debt-to-GDP ratios below 60 % of GDP over the whole period, reaching 15.2 % and 29.9 % respectively in 2005. Croatia's debt-to-GDP ratio was 44.2 % in 2005, while Turkey (despite a major reduction over the period) recorded a ratio of 69.6 % in 2005.

The importance of the general government sector in the economy may be measured in terms of total government revenue and expenditure as a percentage of GDP. In the EU-25, total government revenue in 2005 amounted to 45.0 % of GDP, and expenditure to 47.3 % of GDP. In the euro area, the equivalent figures were 45.1 % and 47.5 % respectively. The Member States with the highest levels of both government expenditure and revenue as a proportion of GDP in 2005 were Denmark and Sweden. Six Member States reported relatively low revenue and expenditure to GDP ratios below 40 %. Out of these, government revenue was smallest for Slovakia and Lithuania, where it accounted for less than 35 % of GDP.

Figure 6.12: Public balance

(net borrowing/lending of consolidated general government sector, % of GDP)



(1) Broken y-axis, 9.3 % for 2002 and 16.2 % for 2005.

(2) Not available for 2005.

(3) Broken y-axis, -12.9 % for 2002.

Public balance: net borrowing (+)/net lending (-) of general government is the difference between the revenue and the expenditure of the general government sector; the general government sector comprises the following subsectors: central government, state government, local government, and social security funds.

The data were extracted from the Eurostat database during late June 2006. They do not reflect the revised data provided by countries in the latest transmission of data in the context of the Excessive Deficit Procedure, where there were some changes to debt and deficit data, notably for 2005.

Please see the Eurostat Press Release of 23 October 2006 and the Eurostat database for the latest data.

The main types of government revenue are taxes on income and wealth, taxes on production and imports, and social contributions. The importance of each form of revenue varies considerably among countries. In 2005, taxes on production and imports accounted for 13.6 % of the EU-25's GDP. The revenue from taxes on income and wealth was almost as important and

accounted for 12.8 % of GDP. The relative importance of taxes on income and wealth was highest in Denmark where it represented over 30 % of GDP. For Slovakia and Estonia, the equivalent figures were 5.7 % and 7.4 % respectively. Social contributions make up the majority of remaining revenue, accounting for around 14 % of GDP in the EU-25.

**Table 6.5: Public balance, general government debt**



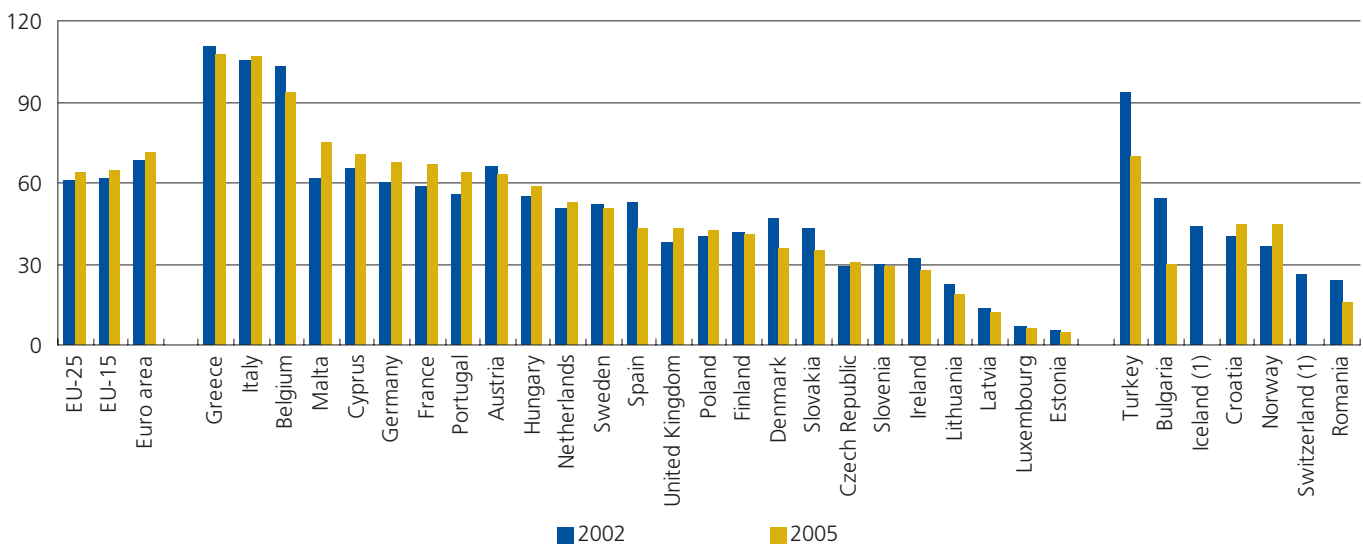
	Public balance (net borrowing/lending of consolidated general government sector, % of GDP)				General government debt (general government consolidated gross debt, % of GDP)			
	2002	2003	2004	2005	2002	2003	2004	2005
<b>EU-25</b>	-2.3	-3.0	-2.6	-2.3	60.5	62.0	62.4	63.4
<b>EU-15</b>	-2.2	-2.9	-2.6	-2.3	61.5	63.1	63.4	64.6
<b>Euro area</b>	-2.5	-3.0	-2.8	-2.4	68.1	69.3	69.8	70.8
<b>Belgium</b>	0.0	0.1	0.0	0.1	103.2	98.5	94.7	93.3
<b>Czech Republic</b>	-6.8	-6.6	-2.9	-2.6	28.8	30.0	30.6	30.5
<b>Denmark</b>	1.2	1.0	2.7	4.9	46.8	44.4	42.6	35.8
<b>Germany</b>	-3.7	-4.0	-3.7	-3.3	60.3	63.8	65.5	67.7
<b>Estonia</b>	1.0	2.4	1.5	1.6	5.5	6.0	5.4	4.8
<b>Greece</b>	-4.9	-5.8	-6.9	-4.5	110.7	107.8	108.5	107.5
<b>Spain</b>	-0.3	0.0	-0.1	1.1	52.5	48.9	46.4	43.2
<b>France</b>	-3.2	-4.2	-3.7	-2.9	58.2	62.4	64.4	66.8
<b>Ireland</b>	-0.4	0.2	1.5	1.0	32.1	31.1	29.4	27.6
<b>Italy</b>	-2.9	-3.4	-3.4	-4.1	105.5	104.2	103.8	106.4
<b>Cyprus</b>	-4.5	-6.3	-4.1	-2.4	65.2	69.7	71.7	70.3
<b>Latvia</b>	-2.3	-1.2	-0.9	0.2	13.5	14.4	14.6	11.9
<b>Lithuania</b>	-1.4	-1.2	-1.5	-0.5	22.3	21.2	19.5	18.7
<b>Luxembourg</b>	2.0	0.2	-1.1	-1.9	6.5	6.3	6.6	6.2
<b>Hungary</b>	-8.4	-6.4	-5.4	-6.1	55.0	56.7	57.1	58.4
<b>Malta</b>	-5.6	-10.2	-5.1	-3.3	61.2	71.3	76.2	74.7
<b>Netherlands</b>	-2.0	-3.1	-1.9	-0.3	50.5	51.9	52.6	52.9
<b>Austria</b>	-0.5	-1.5	-1.1	-1.5	66.0	64.4	63.6	62.9
<b>Poland</b>	-3.2	-4.7	-3.9	-2.5	39.8	43.9	41.9	42.5
<b>Portugal</b>	-2.9	-2.9	-3.2	-6.0	55.5	57.0	58.7	63.9
<b>Slovenia</b>	-2.7	-2.8	-2.3	-1.8	29.7	29.1	29.5	29.1
<b>Slovakia</b>	-7.7	-3.7	-3.0	-2.9	43.3	42.7	41.6	34.5
<b>Finland</b>	4.1	2.5	2.3	2.6	41.3	44.3	44.3	41.1
<b>Sweden</b>	-0.2	0.1	1.8	2.9	52.0	51.8	50.5	50.3
<b>United Kingdom</b>	-1.6	-3.3	-3.3	-3.6	37.6	39.0	40.8	42.8
<b>Bulgaria</b>	0.1	0.3	1.9	3.1	54.0	46.1	38.6	29.9
<b>Croatia</b>	-4.1	-4.5	-5.0	-3.9	40.0	40.9	43.7	44.2
<b>Romania</b>	-2.0	-1.7	-1.3	-0.4	23.8	20.7	18.0	15.2
<b>Turkey</b>	-12.9	-11.3	-5.7	-1.2	93.0	85.1	76.9	69.6
<b>Iceland</b>	-0.4	-1.6	0.1	:	43.6	41.4	36.8	:
<b>Norway</b>	9.3	7.5	11.4	16.2	36.1	44.8	46.3	44.7
<b>Switzerland</b>	-0.8	:	:	:	25.7	:	:	:

*General government debt: the general government sector comprises the subsectors of central government, state government, local government and social security funds; debt is valued at nominal (face) value, and foreign currency debt is converted into national currency using end-year market exchange rates (though special rules apply to contracts).*

*The data were extracted from the Eurostat database during late June 2006. They do not reflect the revised data provided by countries in the latest transmission of data in the context of the Excessive Deficit Procedure, where there were some changes to debt and deficit data, notably for 2005. Please see the Eurostat Press Release of 23 October 2006 and the Eurostat database for the latest data.*

**Figure 6.13: General government debt**

(general government consolidated gross debt, % of GDP)



(1) Not available for 2005.

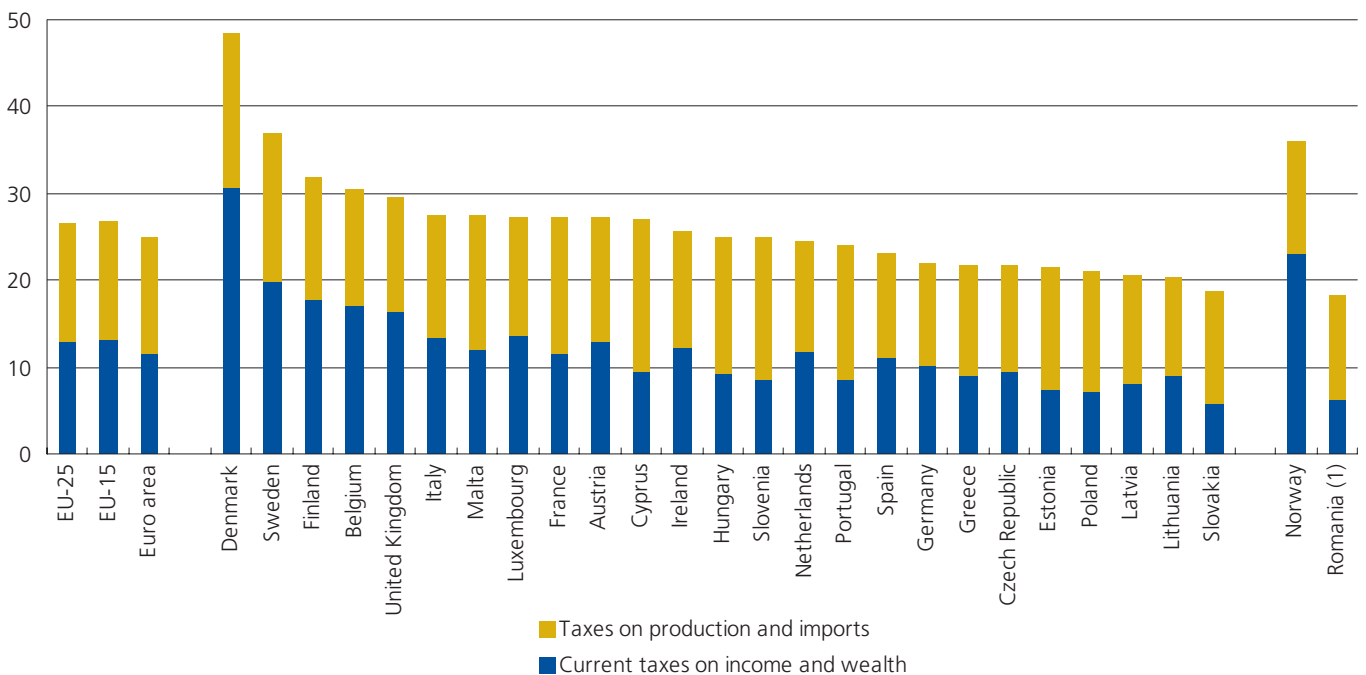
General government debt: the general government sector comprises the subsectors of central government, state government, local government and social security funds; debt is valued at nominal (face) value, and foreign currency debt is converted into national currency using end-year market exchange rates (though special rules apply to contracts).

The data were extracted from the Eurostat database during late June 2006. They do not reflect the revised data provided by countries in the latest transmission of data in the context of the Excessive Deficit Procedure, where there were some changes to debt and deficit data, notably for 2005. Please see the Eurostat Press Release of 23 October 2006 and the Eurostat database for the latest data.

**Figure 6.14: Taxes, 2005**

(% of GDP)

TEC00018 TEC00020



(1) 2004.

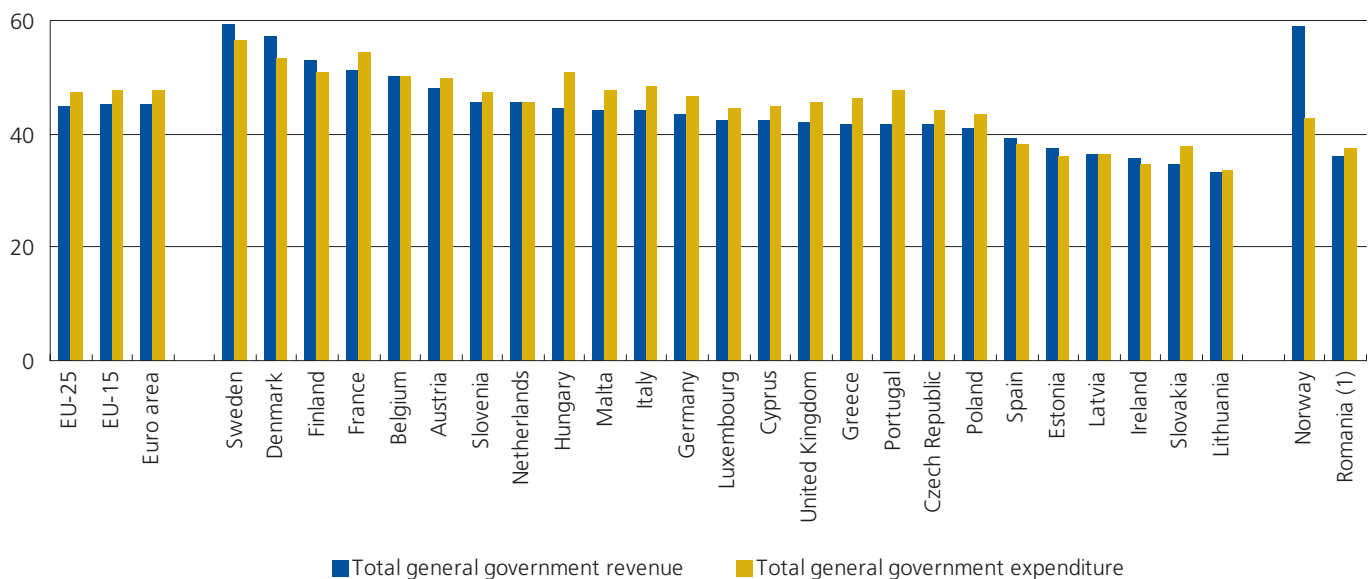
Current taxes on income, wealth, etc. cover all compulsory, unrequited payments, in cash or in kind, levied periodically by general government and by the rest of the world on the income and wealth of institutional units, and some periodic taxes which are assessed neither on the income nor the wealth.

Taxes on production and imports consist of compulsory, unrequited payments, in cash or in kind which are levied by general government, or by EU institutions, in respect of the production and importation of goods and services, the employment of labour, the ownership or use of land, buildings or other assets used in production.

**Figure 6.15: Government revenue and expenditure, 2005**

(% of GDP)

TEC00021 TEC00023



(1) 2004.

Total general government revenue is defined by reference to a list of categories: market output, output for own final use, payments for the other non-market output, taxes on production and imports, other subsidies on production, receivable property income, current taxes on income, wealth, etc., social contributions, other current transfers and capital transfers.

Total general government expenditure is defined by reference to a list of categories: intermediate consumption, gross capital formation, compensation of employees, other taxes on production, subsidies, payable property income, current taxes on income, wealth, etc., social benefits, some social transfers, other current transfers, some adjustments, capital transfers and transactions on non-produced assets.

### EXCHANGE AND INTEREST RATES

History was made on 1 January 1999 when 11 European Union countries (later to become 12) irrevocably established the conversion rates between their respective national currencies and the euro and created a monetary union. These countries were: Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. On 20 June 2000, EU Heads of State or Government reached a decision that Greece had also met the membership criteria and that as of 1 January 2001 would also become a member of the euro area. On 1 January 2002, around 7 800 million notes and 40 400 million coins entered circulation, valued at EUR 144 000 million.

A Member State's entry into the euro area is conditional upon the Member State meeting a set of convergence criteria. The degree to which the different countries have met the formal requirements allowing them to adopt the euro are evaluated by the European Commission and the European Central Bank in regular convergence reports. While Denmark and the United Kingdom have a special 'opt-out' status, the remaining 11 countries are Member States with derogations, and are expected to adopt the euro once the necessary conditions are fulfilled.

In addition to fulfilling the entry criteria, the introduction of the euro requires careful planning and extensive practical preparations, in which the public and the private sector as well as the public at large need to participate. The Commission has committed itself to report on a regular basis, and at least once a year, on the state of these preparations. The first and the second reports on practical preparations for the future enlargement of the euro area were adopted in November 2004 and 2005,

respectively. The 'Third report on the practical preparations for the future enlargement of the euro area' <sup>(36)</sup> was issued in June 2006 and paid special attention to the ongoing preparations for the accession of Slovenia to the euro area on 1 January 2007.

Eurostat's database contains a number of different data sets concerning exchange rates. Three main areas that are distinguished:

- data on bilateral exchange rates between currencies, including some special conversion factors for the countries that have adopted the euro;
- data on fluctuations in the exchange rate mechanism (ERM and ERM II) of the European Union (EU);
- data on effective exchange rate indices.

Bilateral exchange rates are available with reference to the euro; before 1999, exchange rates were given in relation to the ecu (European currency unit). The ecu ceased to exist on 1 January 1999, when it was replaced by the euro at an exchange rate of 1:1. From that date, the currencies of the euro area became subdivisions of the euro at irrevocably fixed rates of conversion. Historical series, pre-1999, are available for the national currencies of the euro area countries.

<sup>(36)</sup> Communication from the European Commission to the Council, the European Parliament, the European Economic and Social Committee, the Committee of the Regions and the European Central Bank COM(2006) 322 final of 22 June 2006 ([http://ec.europa.eu/economy\\_finance/publications/euro\\_related/2006/comm2006\\_322final\\_en.pdf](http://ec.europa.eu/economy_finance/publications/euro_related/2006/comm2006_322final_en.pdf)).



Daily exchange rates are available from 1974 onwards against a large number of currencies. These daily values are used to construct monthly and annual averages, which are based on business day rates. Alternatively, month-end and year-end rates are also provided for the daily rate of the last business day of the month/year.

The primary objective of the European Central Bank's (ECB) monetary policy is to maintain price stability. Monetary policy operates by steering short-term interest rates. The ECB has defined price stability as a year-on-year increase in the harmonised index of consumer prices (HICP) for the euro area close to but below 2 % over the medium term (see page 187 for more details in relation to consumer prices). In the pursuit of price stability, the ECB aims at maintaining inflation rates below, but close to 2 % over the medium-term. Monetary policy decisions are taken by the ECB's governing council which meets every month to analyse and assess economic developments and the risks to price stability and to decide on the appropriate level of interest rates. The ECB's monetary policy strategy provides a comprehensive framework within which decisions on the appropriate level of short-term interest rates are taken.

Eurostat publish statistics on interest rates under several headings:

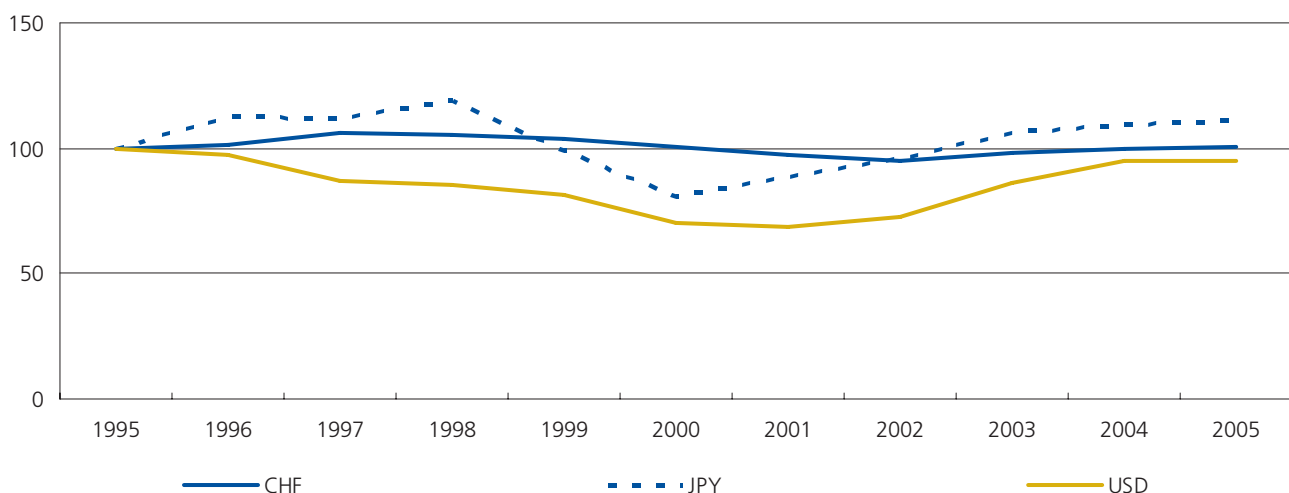
- long-term interest rates: government bond yields with a 10 years' maturity and interest rates used for the Maastricht criterion on long-term interest rates;
- central bank interest rates: different rates that central banks fix to conduct the monetary policy (reference rates);
- short-term interest rates: rates on money markets for different maturities (overnight, 1 to 12 months);
- retail bank interest rates: lending and deposit interest rates of commercial banks (non-harmonised and historical series), and harmonised MFI interest rates (monetary financial institutions interest rates);
- convergence of interest rates: the standard deviation and the coefficient of variation for: loans to households for house purchases; loans to non-financial corporations over one year; loans to non-financial corporations up to one year;
- interest rates: historical data for series for central bank interest rates, short- and long-term rates and ecu interest rates.

At the end of the last period of rapid economic growth, global interest rates started to fall, with the most sizeable reductions in 2001. This pattern continued within the euro area (and to a lesser degree the United States) during 2002 and 2003, such that official lending rates of central banks reached historic lows — nowhere was this more evident than in Japan (where deflationary pressures resulted in an interest rate close to zero).

With signs of an economic recovery, there were several rate rises in the United States during 2004, which were confirmed in 2005 by further increases. European interest rates followed this trend in 2005 and 2006.

**Figure 6.16: Exchange rates against the euro (1)**

(1995 = 100)



(1) CHF, Swiss franc; JPY, Japanese yen; USD, United States dollar; a reduction in the value of the index shows an appreciation in the value of the foreign currency and a depreciation in the value of the euro.

Exchange rates are the price or value of one country's currency in relation to another; here the exchange rates are those for the euro published by the European Central Bank; before 1999 the exchange rates are those of the ecu, as published by the European Commission.

**Table 6.6: Exchange rates against the euro (1)**

(1 EUR = ... national currency)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Belgium</b>	38.552	39.299	40.533	40.621	40.340	40.340	40.340	40.340	40.340	40.340	40.340
<b>Czech Republic</b>	34.696	34.457	35.93	36.049	36.884	35.599	34.068	30.804	31.846	31.891	29.782
<b>Denmark</b>	7.3280	7.3593	7.4836	7.4993	7.4355	7.4538	7.4521	7.4305	7.4307	7.4399	7.4518
<b>Germany</b>	1.8738	1.9095	1.9644	1.9691	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
<b>Estonia</b>	14.984	15.273	15.713	15.748	15.647	15.647	15.647	15.647	15.647	15.647	15.647
<b>Greece</b>	302.99	305.55	309.36	330.73	325.76	336.63	340.75	340.75	340.75	340.75	340.75
<b>Spain</b>	163.00	160.75	165.89	167.18	166.39	166.39	166.39	166.39	166.39	166.39	166.39
<b>France</b>	6.5251	6.4930	6.6126	6.6014	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596
<b>Ireland</b>	0.8155	0.7934	0.7475	0.7862	0.7876	0.7876	0.7876	0.7876	0.7876	0.7876	0.7876
<b>Italy</b>	2 130.1	1 959.0	1 929.3	1 943.6	1 936.3	1 936.3	1 936.3	1 936.3	1 936.3	1 936.3	1 936.3
<b>Cyprus</b>	0.5916	0.5919	0.5824	0.5793	0.5788	0.5739	0.5759	0.5753	0.5841	0.5819	0.5768
<b>Latvia</b>	0.6895	0.6996	0.6594	0.6602	0.6256	0.5592	0.5601	0.5810	0.6407	0.6652	0.6962
<b>Lithuania</b>	5.232	5.079	4.5362	4.4844	4.2641	3.6952	3.5823	3.4594	3.4527	3.4529	3.4528
<b>Luxembourg</b>	38.552	39.299	40.533	40.621	40.340	40.340	40.340	40.340	40.340	40.340	40.340
<b>Hungary</b>	164.55	193.76	211.65	240.57	252.77	260.04	256.59	242.96	253.62	251.66	248.05
<b>Malta</b>	0.4614	0.4577	0.4375	0.4350	0.4258	0.4041	0.4030	0.4089	0.4261	0.4280	0.4299
<b>Netherlands</b>	2.0989	2.1397	2.2108	2.2197	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037
<b>Austria</b>	13.182	13.435	13.824	13.855	13.760	13.760	13.760	13.760	13.760	13.76	13.76
<b>Poland</b>	3.1705	3.4223	3.7155	3.9165	4.2274	4.0082	3.6721	3.8574	4.3996	4.5268	4.0230
<b>Portugal</b>	196.11	195.76	198.59	201.70	200.48	200.48	200.48	200.48	200.48	200.48	200.48
<b>Slovenia</b>	154.88	171.78	180.99	185.95	194.47	206.61	217.98	225.98	233.85	239.09	239.57
<b>Slovakia</b>	38.865	38.923	38.113	39.541	44.123	42.602	43.300	42.694	41.489	40.022	38.599
<b>Finland</b>	5.7086	5.8282	5.8806	5.9825	5.9457	5.9457	5.9457	5.9457	5.9457	5.9457	5.9457
<b>Sweden</b>	9.3319	8.5147	8.6512	8.9159	8.8075	8.4452	9.2551	9.1611	9.1242	9.1243	9.2822
<b>United Kingdom</b>	0.8288	0.8138	0.6923	0.6764	0.6587	0.6095	0.6219	0.6288	0.6920	0.6787	0.6838
<b>Bulgaria</b>	0.0879	0.2251	1.9016	1.9691	1.9558	1.9522	1.9482	1.9492	1.9490	1.9533	1.9558
<b>Croatia</b>	:	:	:	:	7.5805	7.6432	7.4820	7.4130	7.5688	7.4967	7.4008
<b>FYR of Macedonia</b>	49.732	50.760	56.526	60.961	60.618	60.725	60.913	60.979	61.262	61.323	61.309
<b>Romania</b>	0.2662	0.3922	0.8112	0.9985	1.6345	1.9922	2.6004	3.1270	3.7551	4.0510	3.6209
<b>Turkey</b>	0.0599	0.1032	0.1718	0.2937	0.4472	0.5748	1.1024	1.4397	1.6949	1.7771	1.6771
<b>Iceland</b>	84.685	84.656	80.439	79.698	77.180	72.580	87.420	86.180	86.650	87.140	78.230
<b>Norway</b>	8.2858	8.1966	8.0186	8.4659	8.3104	8.1129	8.0484	7.5086	8.0033	8.3697	8.0092
<b>Switzerland</b>	1.5457	1.5679	1.6440	1.6220	1.6003	1.5579	1.5105	1.4670	1.5212	1.5438	1.5483
<b>Japan</b>	123.01	138.08	137.08	146.42	121.32	99.470	108.68	118.06	130.97	134.44	136.85
<b>United States</b>	1.3080	1.2698	1.1340	1.1211	1.0658	0.9236	0.8956	0.9456	1.1312	1.2439	1.2441

(1) The euro is the official currency of Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Slovenia and Finland; the euro replaced former national currencies in 12 of these euro area member countries from 1 January 2002 onwards, and will come into circulation in Slovenia from 1 January 2007.



Table 6.7: Interest rates

(%)

	Central bank interest rates: official lending rates for loans		EMU convergence criterion bond yields (Maastricht criterion)		Short-term interest rates: three-month interbank rates (annual average)		Short-term interest rates: day-to-day money rates (annual average)	
	2004	2005	2004	2005	2004	2005	2004	2005
<b>EU-25</b>	:	:	4.44	3.70	2.69	2.72	2.62	2.66
<b>EU-15</b>	:	:	4.27	3.59	2.56	2.63	2.48	2.56
<b>Euro area</b>	3.00	3.25	4.12	3.42	2.11	2.19	2.05	2.09
<b>Belgium</b>	:	:	4.15	3.43	-	-	-	-
<b>Czech Republic</b>	3.50	3.00	4.75	3.51	2.36	2.01	2.19	1.95
<b>Denmark</b>	2.15	2.40	4.30	3.40	2.20	2.22	2.16	2.15
<b>Germany</b>	:	:	4.04	3.35	-	-	-	-
<b>Estonia</b>	-	-	4.39	3.98	2.50	2.38	2.00	1.97
<b>Greece</b>	:	:	4.26	3.59	-	-	-	-
<b>Spain</b>	:	:	4.10	3.39	-	-	-	-
<b>France</b>	:	:	4.10	3.41	-	-	-	-
<b>Ireland</b>	:	:	4.08	3.33	-	-	-	-
<b>Italy</b>	:	:	4.26	3.56	-	-	-	-
<b>Cyprus</b>	5.50	4.25	5.80	5.16	4.74	4.25	4.21	3.62
<b>Latvia</b>	5.00	5.00	4.86	3.88	4.23	3.07	3.66	2.76
<b>Lithuania</b>	:	:	4.50	3.70	2.68	2.43	1.88	2.13
<b>Luxembourg</b>	:	:	4.18	3.37	-	-	-	-
<b>Hungary</b>	10.50	7.00	8.19	6.60	11.53	6.70	11.50	7.06
<b>Malta</b>	4.50	4.25	4.69	4.56	2.94	3.18	2.92	3.11
<b>Netherlands</b>	:	:	4.10	3.37	-	-	-	-
<b>Austria</b>	:	:	4.15	3.39	-	-	-	-
<b>Poland</b>	8.00	6.00	6.90	5.22	6.20	5.28	5.67	5.33
<b>Portugal</b>	:	:	4.14	3.44	-	-	-	-
<b>Slovenia</b>	5.00	5.00	4.68	3.81	4.66	4.03	4.37	3.71
<b>Slovakia</b>	5.50	4.00	5.03	3.52	4.68	2.93	4.48	2.74
<b>Finland</b>	:	:	4.11	3.35	-	-	-	-
<b>Sweden</b>	2.75	2.25	4.42	3.38	2.31	1.89	2.28	2.10
<b>United Kingdom</b>	4.75	4.50	4.93	4.46	4.64	4.76	4.42	4.73
<b>Bulgaria</b>	:	:	:	:	3.32	2.94	1.92	2.02
<b>Romania</b>	17.96	7.50	:	:	19.14	8.35	18.81	6.24
<b>Turkey</b>	22.00	17.50	:	:	:	:	21.95	15.05
<b>Canada</b>	:	:	:	:	:	:	2.25	2.66
<b>Japan</b>	0.10	0.10	:	:	0.05	0.06	0.00	0.00
<b>United States</b>	2.25	4.25	:	:	1.62	3.56	1.35	3.22

An interest rate is the cost or price of borrowing, or the gain from lending, normally expressed as an annual percentage amount.

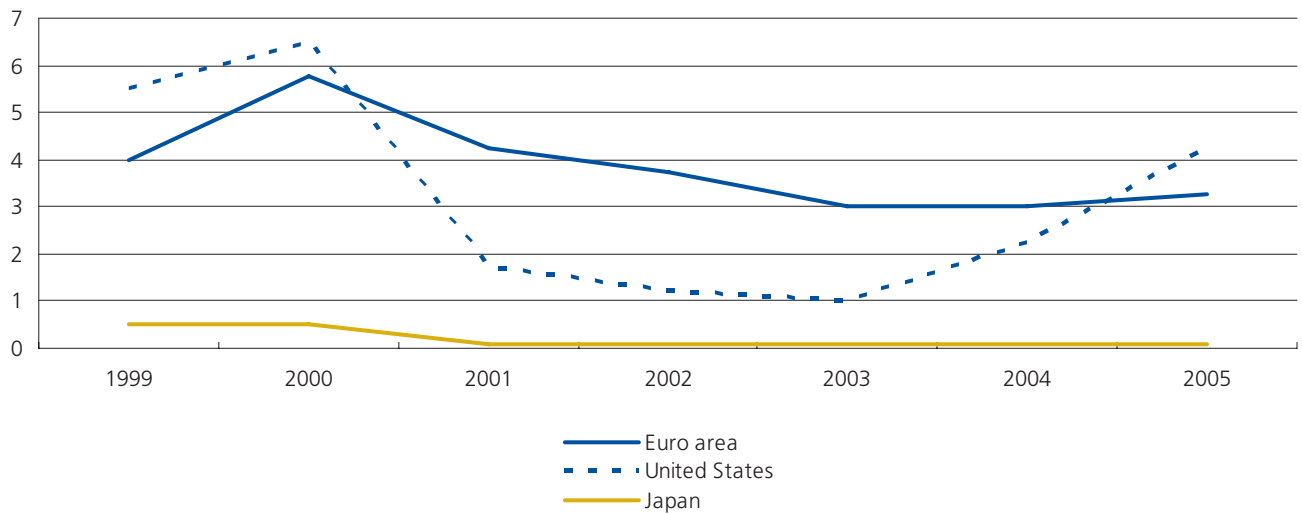
Central bank interest rates: key reference rates set by the European Central Bank and national central banks; the central bank interest rates also called 'official interest rates' are the main instrument of the monetary policy of a central bank; the aim of the monetary policy is to achieve its primary objective of maintaining price stability.

Maastricht criterion bond yields (mcbly): definition used for the convergence criterion for (Economic and Monetary Union) for long-term interest rates (central government bond yields on the secondary market, gross of tax, with around 10 years' residual maturity).

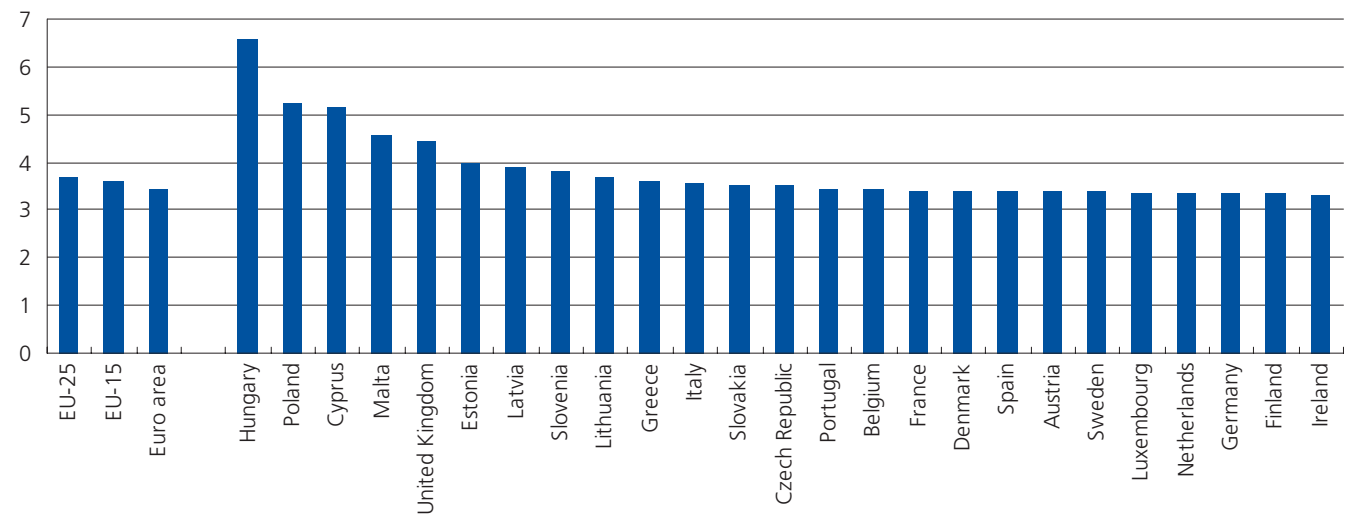
Money market rates: are reference rates for short-term interest rates on the financial market for loans or deposits; most of the series shown are interbank rates.

Day-to-day money market rates: these refer to deposits or loans on the money market with a maturity of one business day.

**Figure 6.17: Central bank interest rates: official lending rates for loans**  
(%)



**Figure 6.18: EMU convergence criterion bond yields (Maastricht criterion), 2005**  
(%)



## BALANCE OF PAYMENTS - CURRENT ACCOUNT

The current account gauges a country's economic position in the world, it covers all transactions (other than those recorded in the capital and financial account) occurring between resident and non-resident entities. Within the current account, four main types of transactions are separately identified.

- The goods account covers general merchandise, goods for processing, repairs on goods, goods procured in ports by carriers, and non-monetary gold. Exports and imports of goods are recorded on a fob/fob basis, i.e. at market value at the customs frontiers of exporting economies, including charges for insurance and transport services up to the frontier of the exporting country.
- The services account consists of the following items: **transportation services** performed by EU residents for non-EU residents, or vice versa, involving the carriage of passengers, the movement of goods, rentals of carriers with crew and related supporting and auxiliary services; **travel**, which includes primarily the goods and services EU travellers acquire from non-EU residents, or vice versa; and **other services**, which include communication services, construction services, insurance services, financial services, computer and information services, royalties and licence fees, other business services (which comprise merchandising and other trade-related services, operational leasing services and miscellaneous business, professional and technical services), personal, cultural and recreational services and government services not included elsewhere.

- The income account covers two types of transactions: compensation of employees paid to non-resident workers or received from non-resident employers, and investment income accrued on external financial assets and liabilities.
- The current transfers account includes general government current transfers, for example transfers related to international cooperation between governments, payments of current taxes on income and wealth, etc., and other current transfers, for example workers' remittances, insurance premiums — less service charges — and claims on non-life insurance companies.

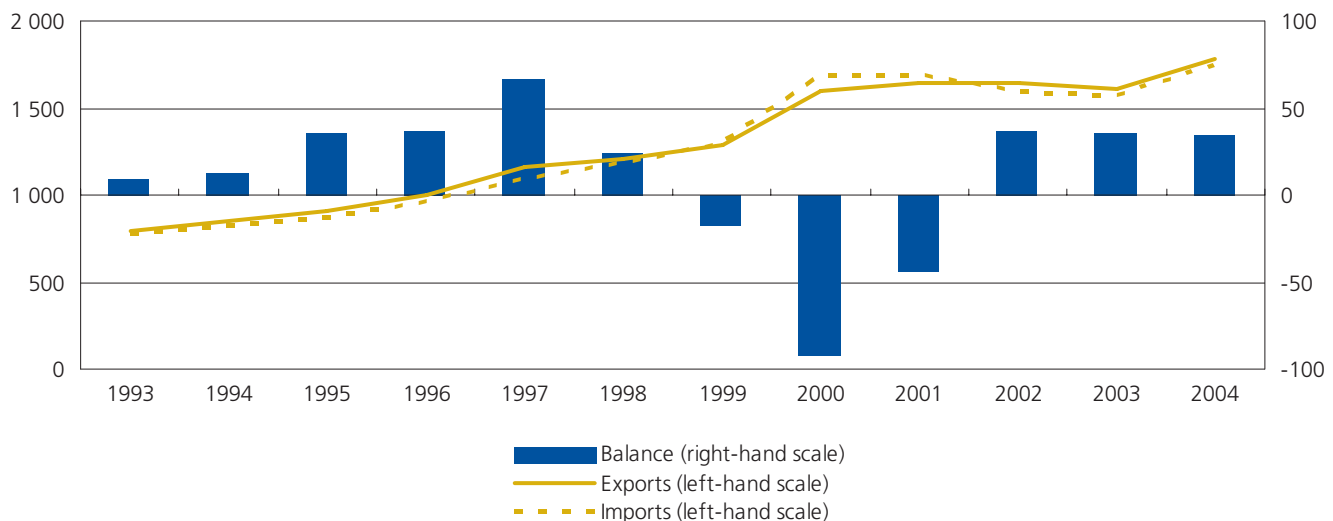
In 2005, the current account deficit of the EU-25 was EUR 87 900 million. This was mainly the result of a deficit for trade in goods (EUR -85 300 million), in current transfers (EUR -46 400 million) and in the income account (EUR -9 400 million) and a surplus for trade in services (EUR 53 200 million).

Trade integration of goods and services is a measure showing the relative importance of trade in goods and services in relation to GDP. This ratio stood at 10.1 % of GDP in 2005 for goods and 3.5 % for services in the EU-25.

**Figure 6.19: Current account transactions, EU-15**

(EUR 1 000 million)

TEC00038



The balance of payments is a record of a country's international transactions with the rest of the world; it is composed of the current account and the capital and financial account; the current account is itself subdivided into goods, services, income and current transfers; it registers the value of exports (credits) and imports (debits).

Table 6.8: Current account, 2004

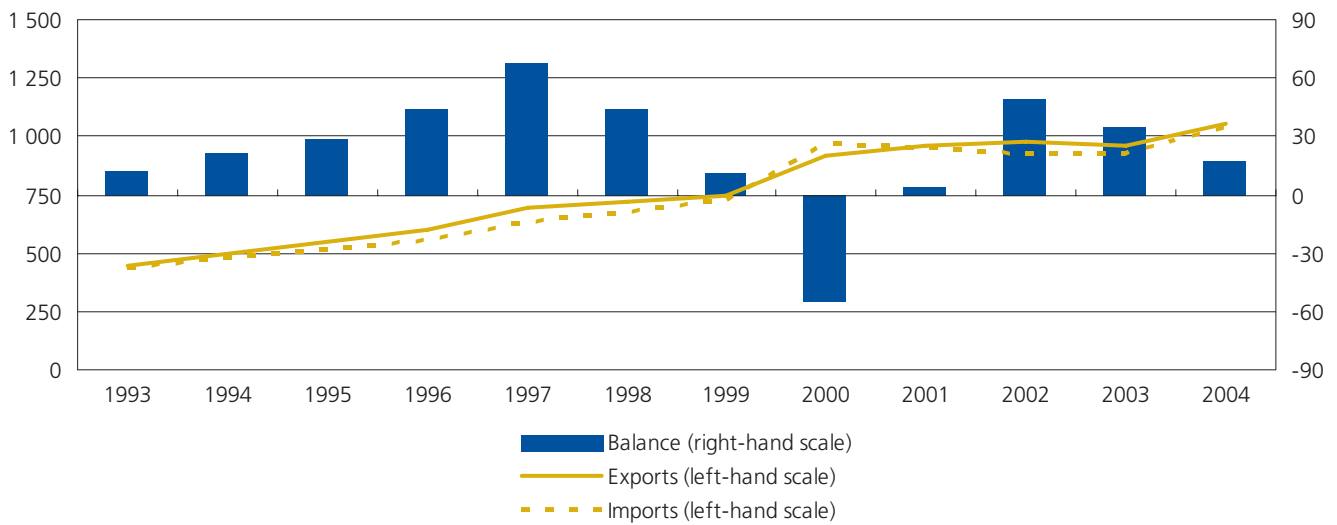
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	Total trade (EUR 1 000 million)		Balance (% of GDP)				Current transfers
	Exports	Imports	Total	Goods	Services	Income	
<b>EU-25</b>	953.7	983.0	-0.1	-0.3	0.4	0.1	-0.4
<b>EU-15</b>	1 050.6	1 033.6	0.4	0.2	0.4	0.3	-0.5
<b>Euro area</b>	1 128.2	1 022.9	0.6	1.4	0.4	-0.4	-0.7
<b>Belgium</b>	197.4	189.6	3.4	2.7	1.0	1.6	-1.9
<b>Czech Republic</b>	54.1	54.9	-6.1	-1.0	0.4	-5.7	0.2
<b>Denmark</b>	60.2	52.8	2.3	3.7	1.2	-0.9	-1.7
<b>Germany</b>	725.1	573.9	3.7	6.8	-1.9	0.0	-1.3
<b>Estonia</b>	4.8	6.4	-12.7	-17.5	9.7	-6.3	1.5
<b>Greece</b>	12.7	38.1	-6.2	-15.1	9.2	-2.4	2.2
<b>Spain</b>	149.0	202.6	-5.3	-6.4	2.6	-1.4	0.0
<b>France</b>	338.7	345.0	-0.4	-0.4	0.6	0.4	-1.1
<b>Ireland</b>	80.5	49.1	-0.6	21.3	-6.9	-15.2	0.3
<b>Italy</b>	283.3	274.5	-0.9	0.6	0.1	-1.1	-0.6
<b>Cyprus</b>	0.9	4.2	-5.7	-26.2	23.2	-3.9	1.2
<b>Latvia</b>	3.4	5.7	-13.0	-20.3	4.4	-2.0	4.9
<b>Lithuania</b>	7.5	9.4	-7.7	-10.6	3.6	-2.7	2.0
<b>Luxembourg</b>	11.0	13.8	10.5	-10.2	37.0	-12.3	-3.9
<b>Hungary</b>	45.1	47.5	-8.6	-3.0	0.2	-6.0	0.3
<b>Malta</b>	2.1	2.8	-9.5	-15.8	8.9	-1.2	-1.4
<b>Netherlands</b>	253.4	218.8	8.9	7.1	0.7	2.4	-1.3
<b>Austria</b>	90.1	87.6	0.2	1.1	0.8	-0.8	-1.0
<b>Poland</b>	65.9	70.5	-4.2	-2.2	0.4	-4.6	2.2
<b>Portugal</b>	29.9	44.9	-7.3	-10.5	2.9	-1.7	2.0
<b>Slovenia</b>	12.9	13.9	-2.1	-3.9	2.6	-0.9	0.1
<b>Slovakia</b>	22.4	23.6	-3.4	-3.5	0.6	-1.0	0.4
<b>Finland</b>	49.1	38.9	5.0	6.7	-1.3	0.1	-0.6
<b>Sweden</b>	99.2	80.4	6.8	6.6	1.7	-0.1	-1.3
<b>United Kingdom</b>	281.2	371.0	-1.7	-5.2	2.2	2.3	-0.9
<b>Bulgaria</b>	8.0	11.0	-5.8	-15.1	3.5	1.2	4.6
<b>Romania</b>	18.9	24.3	-8.4	-8.8	-0.4	-4.2	4.9
<b>Turkey</b>	53.9	73.1	-5.2	-7.9	4.3	-1.9	0.4
<b>Norway</b>	66.7	39.7	13.8	13.2	1.1	0.6	-1.1

**Figure 6.20: Current account transactions for goods, EU-15**

(EUR 1 000 million)

TEC00039



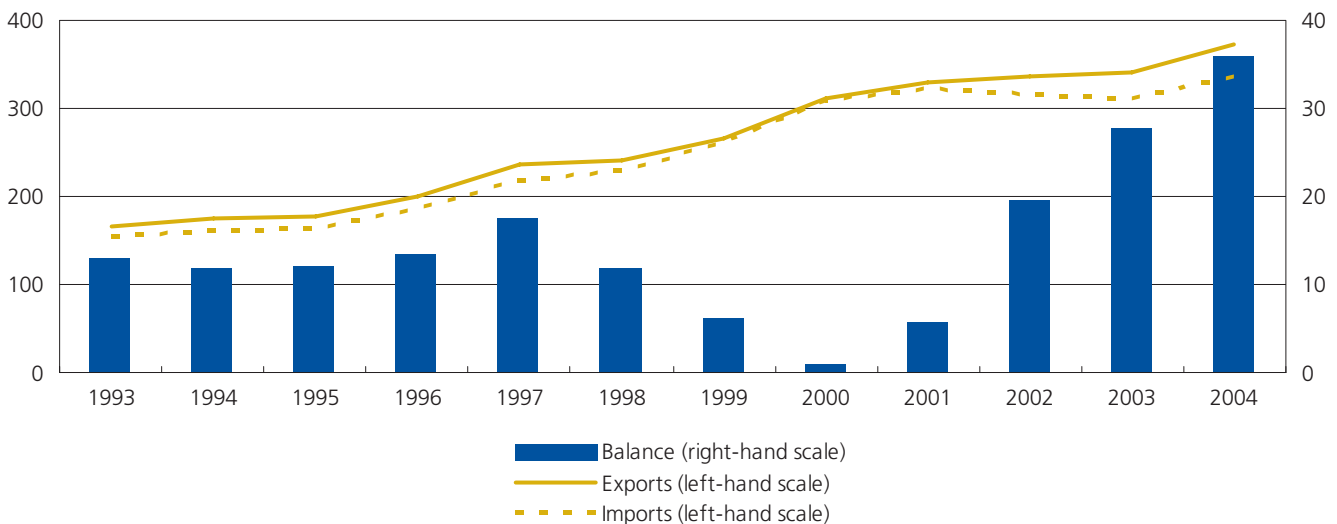
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The balance of payments is a record of a country's international transactions with the rest of the world; it is composed of the current account and the capital and financial account; the current account is itself subdivided into goods, services, income and current transfers; it registers the value of exports (credits) and imports (debits).

**Figure 6.21: Current account transactions for services, EU-15**

(EUR 1 000 million)

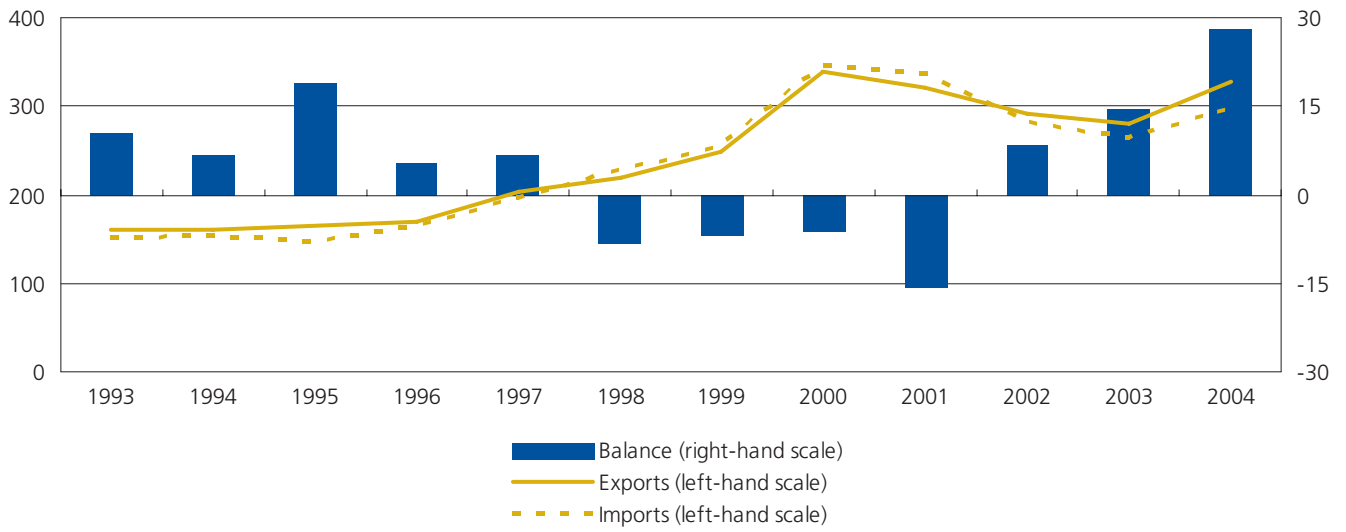
TEC00040



**Figure 6.22: Current account transactions for income, EU-15**

(EUR 1 000 million)

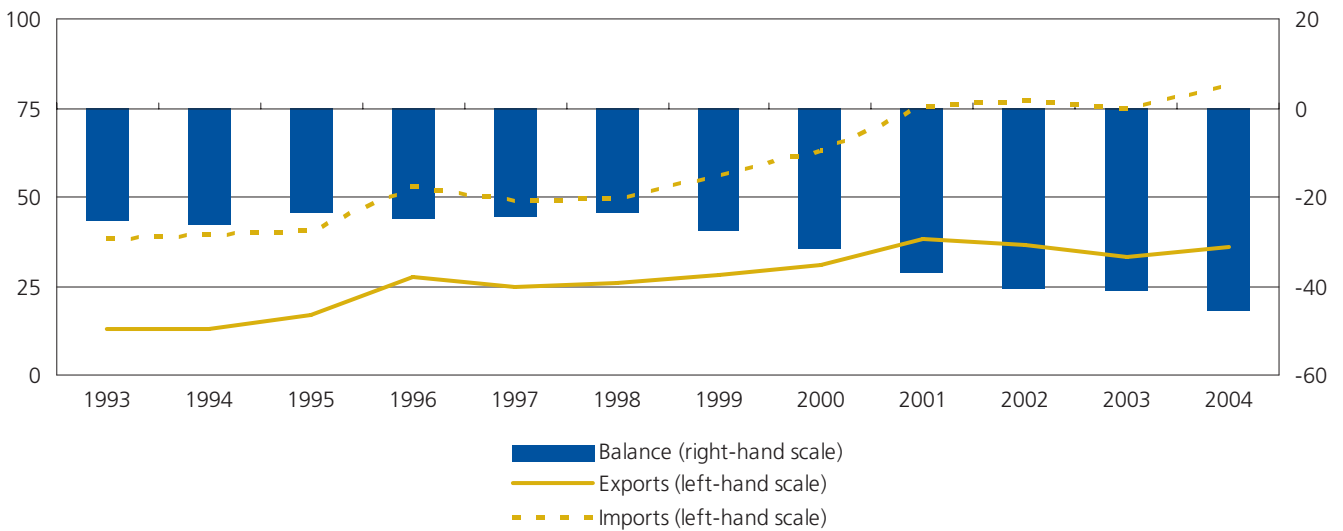
TEC00041



**Figure 6.23: Current account transactions for current transfers, EU-15**

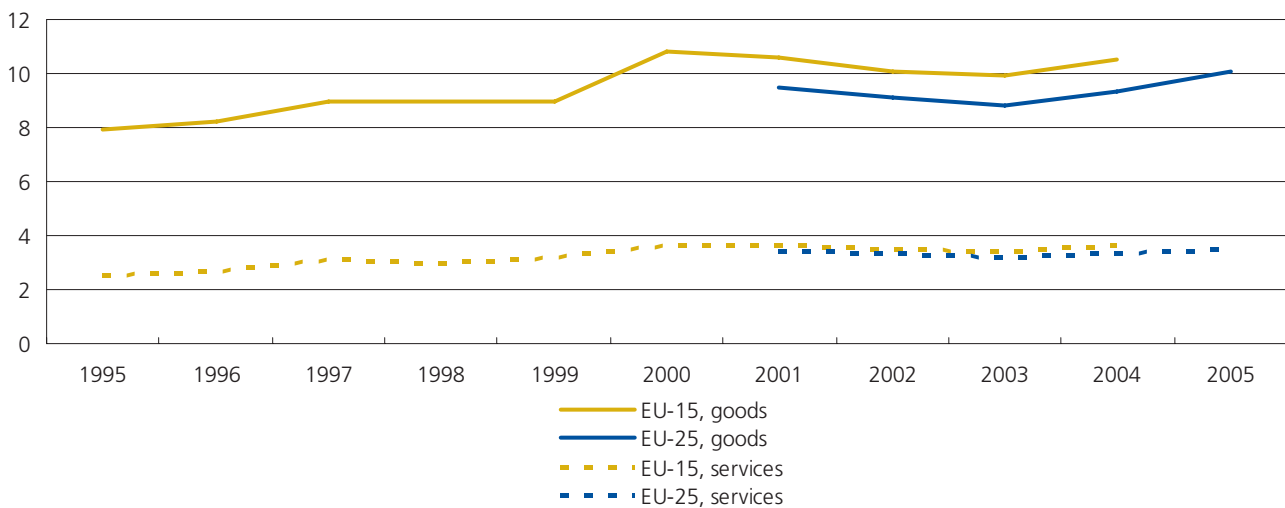
(EUR 1 000 million)

TEC00042



**Figure 6.24: Trade integration of goods and services (1)**

(% of GDP)



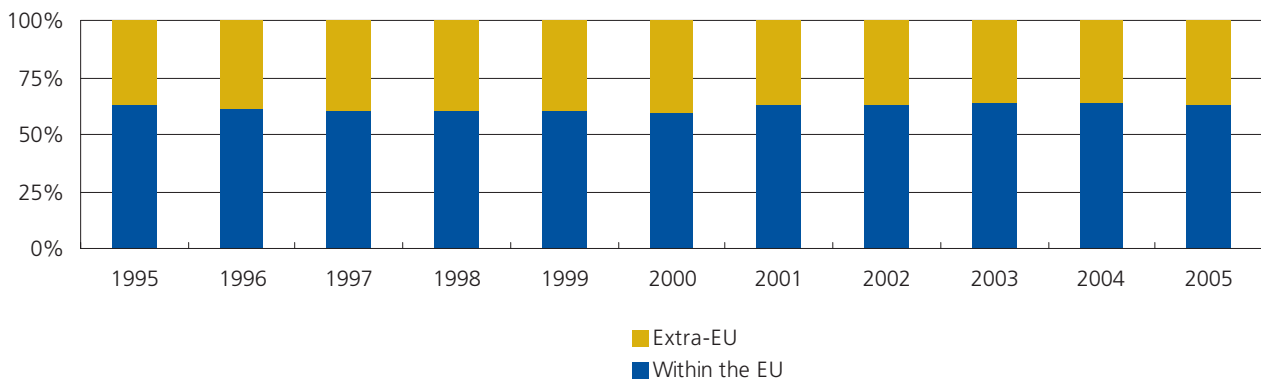
(1) EU-25, not available for 1995–2000; EU-15, not available for 2005.

Trade integration of goods as a percentage of GDP (gross domestic product); average of imports and exports of the balance of payments divided by GDP; if the index increases over time it means that the country/zone is becoming more integrated within the international economy.

**Figure 6.25: Current account credits, EU (1)**

(% share of total EU credits)

TEC00072



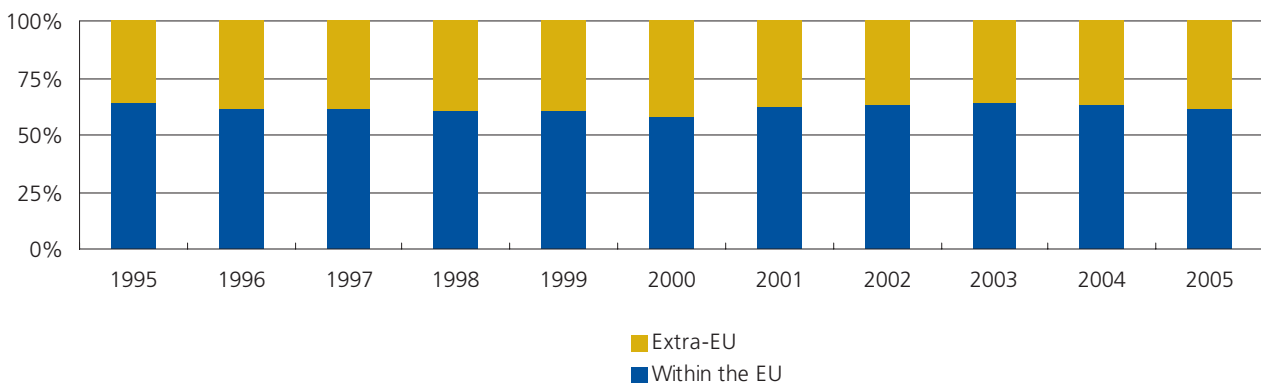
(1) Data are for EU-15 until 2000 and for EU-25 from 2001.

The balance of payments is a record of a country's international transactions with the rest of the world; it is composed of the current account and the capital and financial account; the current account is itself subdivided into goods, services, income and current transfers; it registers the value of exports (credits) and imports (debits).

**Figure 6.26: Current account debits, EU (1)**

(% share of total EU debits)

TEC00073



(1) Data are for EU-15 until 2000 and for EU-25 from 2001.

### FOREIGN DIRECT INVESTMENT

The financial account of the balance of payments (BoP) records all financial transactions; it includes foreign direct investment, portfolio investment, other investment and reserve asset flows. A firm wishing to sell overseas can choose between a variety of methods: exporting, licensing and using agents are some examples, with straightforward exporting up to now being the most common. FDI (producing and selling directly in the chosen country) is increasingly being adopted. There are two kinds of FDI:

- the creation of productive assets by foreigners (greenfield investment);
- the purchase of existing assets by foreigners (acquisitions, mergers, takeovers, etc.).

FDI differs from portfolio investments because it is made with the purpose of having control or an effective voice in management and a lasting interest in the enterprise. Direct investment not only includes the initial acquisition of equity capital, but also subsequent capital transactions between the foreign investor and domestic and affiliated enterprises.

Annual EU foreign direct investment statistics give a detailed presentation of foreign direct investment (FDI) flows and stocks, showing which Member State invests in which countries and in which sectors. Eurostat collects FDI statistics for quarterly and

annual flows as well as for stocks at the end of the year. FDI stocks (assets and liabilities) are a part of the international investment position of an economy at the end of the year.

The sign convention adopted for the data shown in this section, for both flows and stocks, is that investment is always recorded with a positive sign, and a disinvestment with a negative sign.

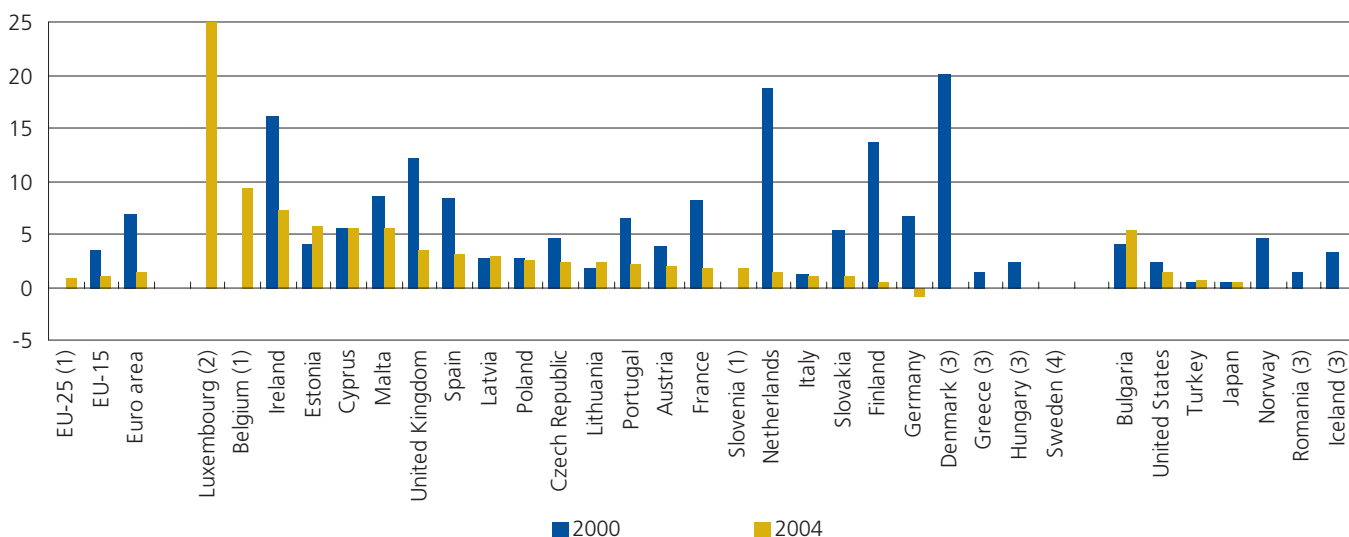
The intensity of FDI flows may be measured by comparing the average value of inflows and outflows with GDP. This ratio stood at 0.9 % for the EU-25 in 2004. Total inflows of FDI from non-member countries into the EU-25 were valued at EUR 152 541 million in 2005, while outward FDI to non-member countries was valued at EUR 69 789 million.

Flows of FDI may fluctuate considerably from one year to the next. Stocks of FDI show a more stable picture of the FDI position within an economy. Inward FDI stocks for the EU-25 accounted for 15.3 % of GDP in 2003, while outward FDI stocks were valued at 19.8 % of GDP.

Stocks of EU-25 FDI abroad were largely concentrated in North America, which accounted for 41.2 % of the total in 2003. North America was an even more important partner in terms of stocks of FDI within the EU-25, accounting for 55.6 % of all FDI made by non-member countries.

**Figure 6.27: Foreign direct investment intensity**

(average value of inward and outward flows, % of GDP)



(1) Not available for 2000.

(2) Not available for 2000; broken y-axis, 249.3 %.

(3) Not available for 2004.

(4) Not available.

Average of inward and outward foreign direct investment (FDI) flows divided by gross domestic product (GDP); the index measures the intensity of investment integration within the international economy; direct investment refers to the international investment made by a resident entity (direct investor) to acquire a lasting interest in an entity operating in an economy other than that of the investor (direct investment enterprise); direct investment involves both the initial transactions between the two entities and all subsequent capital transactions between them and among affiliated enterprises, both incorporated and unincorporated; data are expressed as percentage of GDP to remove the effect of differences in the size of the economies of the reporting countries.



Table 6.9: Foreign direct investment (1)

TEC00046 TEC00047

	FDI flows, 2005 (EUR million)			FDI flows, 2004 (% of GDP) (2)			FDI stocks, 2004 (% of GDP) (3)		
	Inward	Outward	Net outflows	Inward	Outward	Net outflows	Inward	Outward	Net FDI assets
<b>EU-25</b>	69 789	152 541	82 752	0.5	1.2	0.7	15.3	19.8	-4.5
<b>EU-15</b>	81 115	171 943	90 828	0.6	1.4	0.8	15.8	22.1	-6.3
<b>Euro area</b>	:	:	:	1.1	1.7	0.6	28.8	29.2	-0.4
<b>Belgium</b>	22 449	21 379	-1 070	11.8	9.4	-2.4	:	:	:
<b>Czech Republic</b>	8 805	693	-8 112	4.6	0.9	-3.7	47.7	3.4	44.3
<b>Denmark</b>	4 026	6 338	2 312	-1.2	-0.3	0.9	37.1	38.3	-1.2
<b>Germany</b>	26 265	36 695	10 430	-0.5	0.1	0.6	24.5	27.2	-2.7
<b>Estonia</b>	2 232	488	-1 744	9.3	2.4	-6.9	81.6	11.5	70.1
<b>Greece</b>	-201	779	980	0.6	0.3	-0.3	11.4	6.3	5.1
<b>Spain</b>	18 485	31 177	12 692	2.4	5.8	3.4	33.4	32.0	1.4
<b>France</b>	40 038	79 853	39 815	1.2	2.3	1.1	25.9	36.1	-10.2
<b>Ireland</b>	-25 034	10 910	35 944	-5.8	9.8	15.6	115.6	51.9	63.7
<b>Italy</b>	15 718	33 448	17 730	1.0	1.1	0.1	11.7	14.8	-3.1
<b>Cyprus</b>	941	348	-593	7.0	4.0	-3.0	50.3	-17.2	67.5
<b>Latvia</b>	507	109	-398	5.1	0.8	-4.3	30.4	1.5	28.9
<b>Lithuania</b>	807	267	-540	3.4	1.2	-2.2	25.9	1.7	24.2
<b>Luxembourg (4)</b>	56 801	64 895	8 094	229.8	243.1	13.3	128.7	53.6	75.1
<b>Hungary</b>	5 218	1 028	-4 190	4.6	1.1	-3.5	55.7	5.3	50.4
<b>Malta</b>	562	-21	-583	9.6	1.5	-8.1	68.6	17.2	51.4
<b>Netherlands (5)</b>	35 604	97 162	61 558	0.1	2.8	2.7	73.4	90.8	-17.4
<b>Austria</b>	7 171	7 472	301	1.3	2.5	1.2	18.8	19.5	-0.7
<b>Poland</b>	6 573	1 236	-5 337	5.1	0.3	-4.8	30.7	1.2	29.5
<b>Portugal</b>	2 504	922	-1 582	1.3	4.5	3.2	33.5	22.9	10.6
<b>Slovenia</b>	422	454	32	2.2	1.3	-0.9	21.3	8.5	12.8
<b>Slovakia</b>	1 685	126	-1 559	2.0	0.0	-2.0	34.2	1.2	33.0
<b>Finland</b>	3 666	2 177	-1 489	1.9	-0.6	-2.5	26.8	39.5	-12.7
<b>Sweden</b>	10 995	21 054	10 059	3.6	6.0	2.4	:	:	:
<b>United Kingdom</b>	132 335	81 316	-51 019	2.6	4.4	1.8	30.3	54.3	-24.0

(1) EU-25 and EU-15, excluding intra-EU and intra-euro area flows respectively; the partner for the Member States is the rest of the world.

(2) Denmark, 2003.

(3) EU-25, EU-15, Denmark, Germany, Greece, Luxembourg and Austria, 2003.

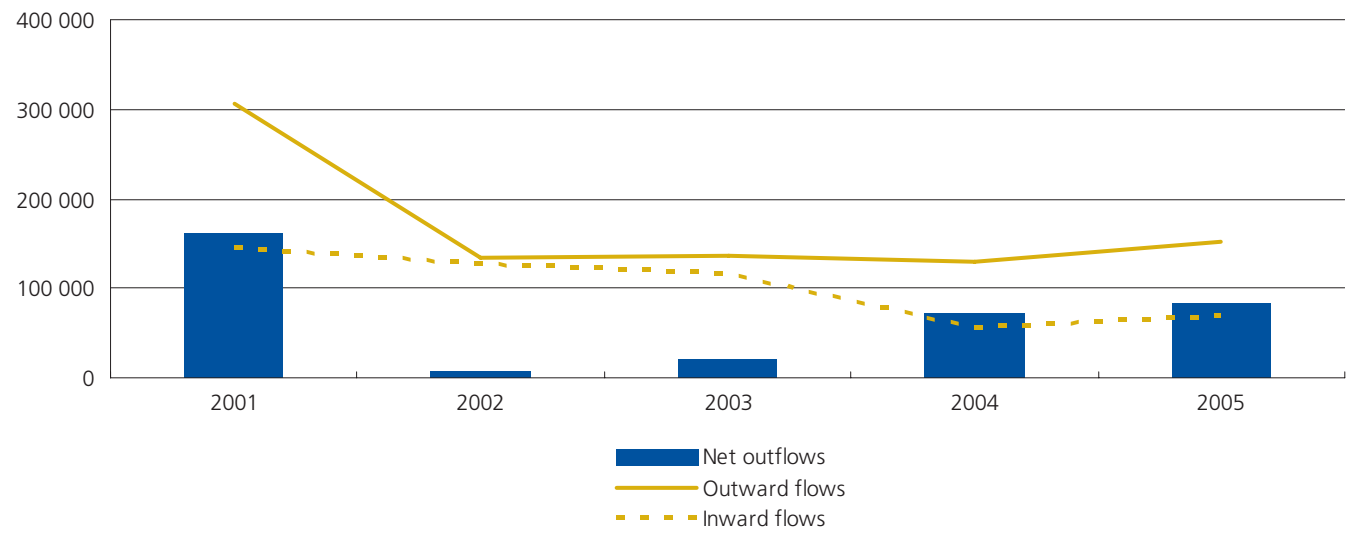
(4) Including Special Purpose Entities for FDI flows.

(5) Excluding Special Purpose Entities for FDI flows.

*Foreign direct investment (FDI) is the category of international investment made by a resident entity (direct investor) to acquire a lasting interest in an entity operating in an economy other than that of the investor (direct investment enterprise); the lasting interest is deemed to exist if the investor acquires at least 10 % of the equity capital of the enterprise; FDI flows are the new investment made during the period; FDI stocks are the value of FDI assets (for outward FDI stocks) and of FDI liabilities (for inward FDI stocks) at the end of the reference period; data are expressed as a percentage of GDP to remove the effect of differences in the size of the economies of the reporting countries.*

**Figure 6.28: Foreign direct investment flows, EU-25 (1)**

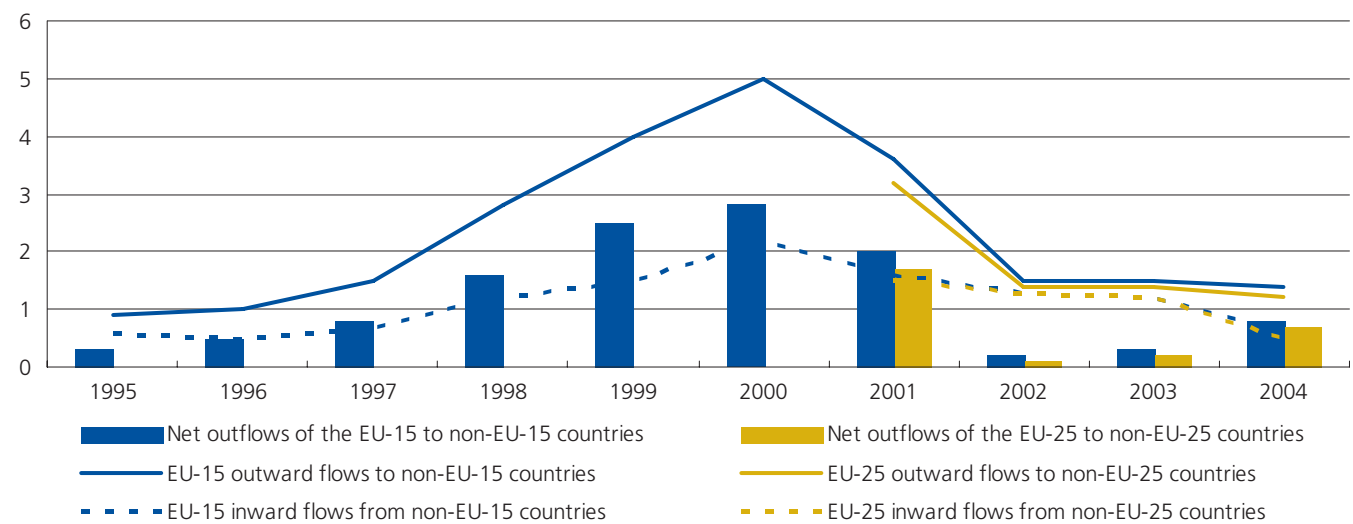
(EUR million)



(1) Extra-EU flows.

**Figure 6.29: Foreign direct investment flows (1)**

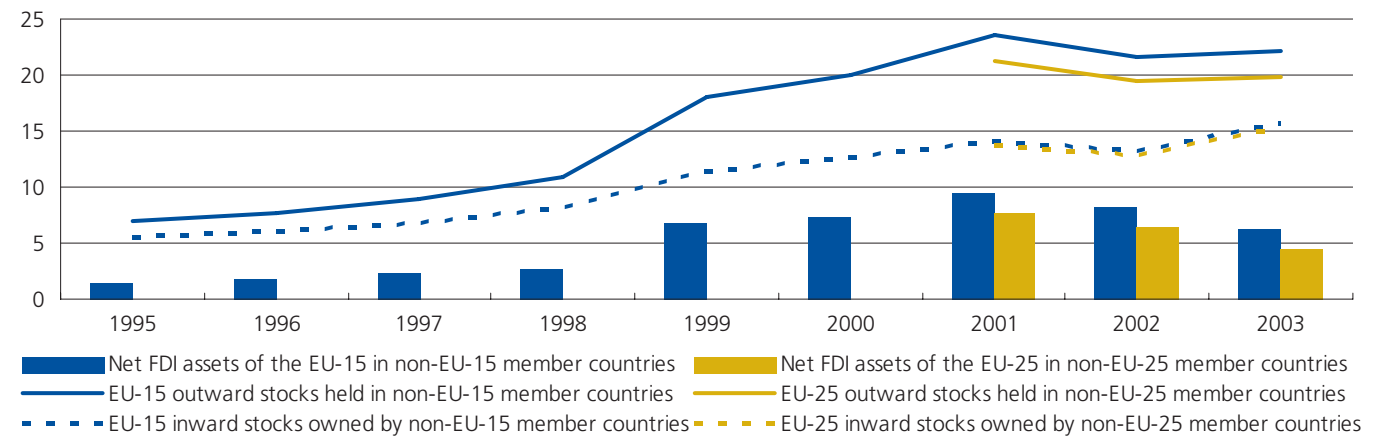
(% of GDP)



(1) EU-25 not available for 1995–2000.

**Figure 6.30: Foreign direct investment stocks (1)**

(% of GDP)



(1) EU-25 not available for 1995–2000.

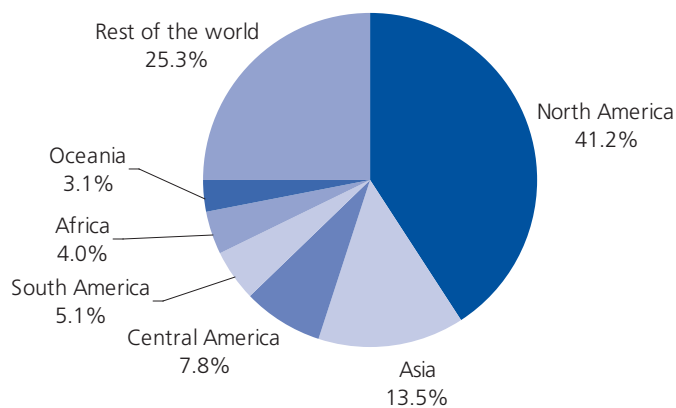
Foreign direct investment (FDI) is the category of international investment made by a resident entity (direct investor) to acquire a lasting interest in an entity operating in an economy other than that of the investor (direct investment enterprise); the lasting interest is deemed to exist if the investor acquires at least 10 % of the equity capital of the enterprise; FDI stocks are the value of FDI assets (for outward FDI stocks) and of FDI liabilities (for inward FDI stocks) at the end of the reference period.

6

**Figure 6.31: Stocks of foreign direct investment abroad, EU-25, 2003**

(% of extra EU-25 FDI)

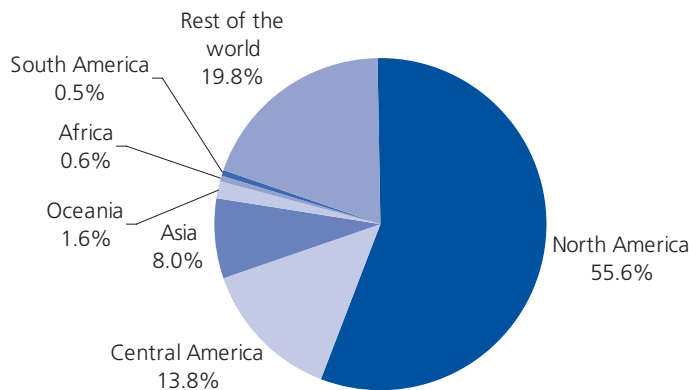
TEC00094



**Figure 6.32: Stocks of foreign direct investment in the EU-25, 2003 (1)**

(% of extra EU-25 FDI)

TEC00095



(1) Figures do not sum to 100 % due to rounding.

Table 6.10: Foreign direct investment stocks for selected partner countries, 2004

(EUR 1 000 million)

	Outward				Inward				Net assets abroad			
	EU-25	EU-15	JP	US	EU-25	EU-15	JP	US	EU-25	EU-15	JP	US
<b>Euro area</b>	:	:	55.9	486.6	:	:	59.8	550.2	:	:	-4.0	-63.5
<b>Belgium</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>Czech Republic</b>	2.1	1.0	0.0	0.0	36.4	35.3	0.6	2.3	-34.3	-34.3	-0.6	-2.2
<b>Denmark (1)</b>	40.0	36.5	0.4	8.6	39.0	38.8	0.6	16.4	1.0	-2.3	-0.2	-7.8
<b>Germany (1)</b>	358.7	329.1	7.4	139.5	387.5	386.8	10.3	81.0	-28.8	-57.7	-2.9	58.5
<b>Estonia</b>	1.0	0.1	0.0	0.0	6.3	6.2	0.0	0.4	-5.3	-6.1	0.0	-0.4
<b>Greece (1)</b>	5.5	2.4	0.0	0.9	14.6	14.2	0.0	1.1	-9.1	-11.9	0.0	-0.2
<b>Spain</b>	139.5	134.6	1.8	20.9	201.1	200.7	2.0	49.3	-61.6	-66.1	-0.2	-28.3
<b>France</b>	374.1	360.8	10.5	112.0	318.9	318.1	8.0	58.7	55.3	42.7	2.5	53.4
<b>Ireland</b>	46.6	43.5	:	11.6	122.8	122.5	0.9	25.8	-76.1	-79.0	:	-14.2
<b>Italy</b>	154.4	150.9	1.0	15.3	116.9	116.5	2.7	16.9	37.5	34.5	-1.7	-1.6
<b>Cyprus</b>	-1.5	-1.3	0.0	0.0	3.2	2.8	0.0	0.1	-4.7	-4.1	0.0	-0.1
<b>Latvia</b>	0.1	0.0	0.0	0.0	2.2	1.9	0.0	0.2	-2.2	-1.9	0.0	-0.2
<b>Lithuania</b>	0.2	0.0	0.0	0.0	3.6	3.0	0.0	0.3	-3.4	-3.0	0.0	-0.3
<b>Luxembourg (1) (2)</b>	:	10.6	0.0	0.3	:	:	0.4	5.8	:	:	-0.4	-5.5
<b>Hungary</b>	2.6	0.5	0.0	0.0	31.1	30.9	0.6	1.7	-28.5	-30.4	-0.6	-1.7
<b>Malta</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>Netherlands (2)</b>	241.7	229.5	1.3	79.6	213.9	213.4	13.4	67.7	27.8	16.1	-12.0	11.9
<b>Austria (1)</b>	27.9	15.3	0.0	2.0	30.9	30.8	1.0	4.4	-3.0	-15.5	-1.0	-2.4
<b>Poland</b>	1.3	1.1	0.0	0.1	53.5	52.2	0.4	4.6	-52.2	-51.1	-0.4	-4.5
<b>Portugal (1)</b>	17.4	16.9	0.0	0.4	:	:	:	:	:	:	:	:
<b>Slovenia</b>	0.7	0.5	0.0	0.1	4.1	3.9	0.0	0.1	-3.4	-3.4	0.0	0.0
<b>Slovakia</b>	0.3	0.0	0.0	0.0	10.4	8.7	0.0	0.6	-10.1	-8.8	0.0	-0.6
<b>Finland</b>	43.0	40.7	0.0	4.3	36.3	36.2	0.2	1.1	6.7	4.5	-0.1	3.2
<b>Sweden</b>	:	:	:	:	:	:	:	:	:	:	:	:
<b>United Kingdom</b>	494.0	488.6	8.3	212.6	236.3	236.2	17.4	172.2	257.7	252.4	-9.1	40.4

(1) 2003.

(2) Excluding Special Purpose Entities.

### PRICES AND WAGES - WAGES AND LABOUR COSTS

Information on labour costs is of major importance for analysts and decision makers in relation to economic policy, employers and trade unions and other users who are interested in the level and structure of labour costs. The term '*labour costs*' refers to the expenditure necessarily incurred by employers in order to employ personnel, and covers wages and salaries, employers' social contributions, vocational training costs, other expenditure and taxes minus subsidies (labour cost or employment related). Gross earnings are the most important part of labour costs. They cover remuneration in cash paid directly by the employer, before tax deductions and social security contributions payable by wage earners and retained by the employer. Net earnings are derived from gross earnings and represent the part of remuneration that employees can actually spend. Compared with gross earnings, net earnings do not include social security contributions and taxes, but do include family allowances.

There are quite large differences in the structure of labour costs within industry and services (NACE Sections C to K) for the Member States with wages and salaries accounting for between 68.0 % of total labour costs in France and 92.2 % in Malta. When social security and other non-salary costs account for a relatively high share of labour costs then this is likely to deter employers from hiring until they are absolutely sure that they require new labour.

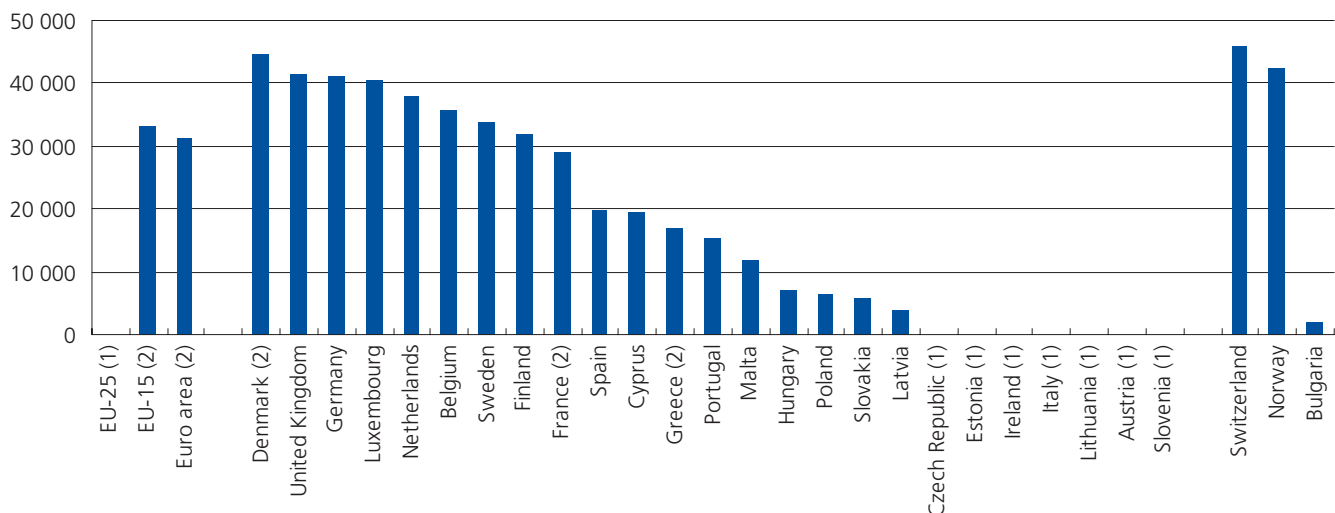
Average hourly labour costs in industry and services stood at about EUR 21.00 per hour in 2004, ranging from a high of nearly EUR 31.00 in Denmark to EUR 2.37 in Latvia (2003).

The gender pay gap, as defined by the difference between average gross hourly earnings of male and female employees, as a percentage of male earnings, stood at 15 % in the EU-25 in 2004. This rate has been slowly reduced for the EU-25 from a high of 17 % in 1998.

Statutory minimum wages also vary considerably between Member States, and reflect to some degree the price levels in each economy, with the highest minimum wage being recorded in Luxembourg (EUR 1 467 per month) and the lowest in the Baltic States. There was generally a relatively low share of persons in work receiving the minimum wage — however, the proportion rose to double digits for France, Latvia, Lithuania and Luxembourg (the latest year available varies between 2004 and 2005).

In connection with low pay, a set of indicators has been developed to describe the relative tax burden for an employed person with low earnings (the '*tax wedge on labour cost*') and '*trap indicators*' measuring what percentage of gross earnings is '*taxed away*' when moving from unemployment to employment (the '*unemployment trap*'), or when increasing the work effort (the '*low-wage trap*'). The tax rate on low-wage earners for the EU-25 was 75.5 % in 2005.

**Figure 6.33: Earnings in industry and services**  
(average gross annual earnings of full-time employees in enterprises with 10 or more employees), 2004  
(EUR)



(1) Not available.

(2) 2003.

Gross earnings are remuneration (wages and salaries) in cash paid directly to the employee, before any deductions for income tax and social security contributions paid by the employee; data is presented for full-time employees in industry and services (NACE Sections C to K).

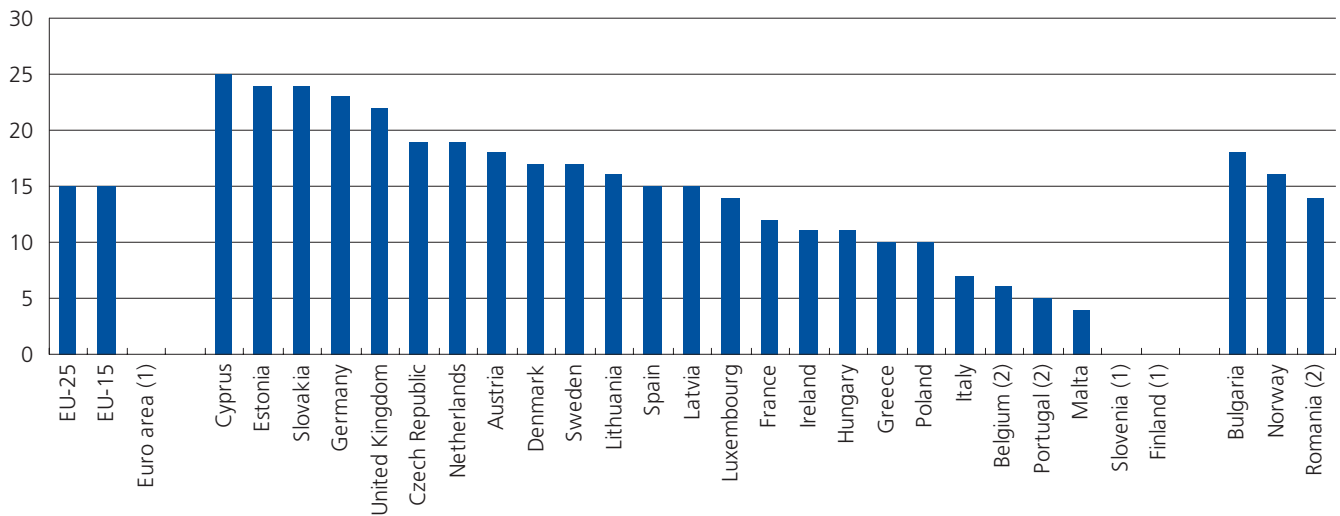
**Table 6.11: Earnings in industry and services**  
**(average gross annual earnings of full-time employees in enterprises with 10 or more employees)**

(EUR)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	:	:	:	:	:	:	28 619	:	:	:
<b>EU-15</b>	:	:	:	28 609	29 845	31 011	31 917	32 852	33 089	:
<b>Euro area</b>	:	:	27 797	28 128	28 829	28 810	29 635	30 448	31 183	:
<b>Belgium</b>	28 945	29 131	28 901	29 616	30 701	31 644	33 109	34 330	34 643	35 704
<b>Czech Republic</b>	:	:	:	:	:	:	:	:	:	:
<b>Denmark</b>	:	36 376	36 235	37 209	39 515	40 962	41 661	43 577	44 692	:
<b>Germany</b>	34 584	35 254	35 093	35 432	36 228	37 319	38 204	39 153	40 056	40 954
<b>Estonia</b>	:	:	:	:	:	:	:	:	:	:
<b>Greece</b>	11 291	11 917	12 605	13 210	13 926	14 721	15 431	16 278	16 739	:
<b>Spain</b>	:	16 043	16 192	16 528	17 038	17 432	17 768	18 462	19 220	19 828
<b>France</b>	24 693	25 089	25 545	25 777	26 339	26 712	27 418	28 185	28 847	:
<b>Ireland</b>	:	:	:	:	:	:	:	:	:	:
<b>Italy</b>	:	:	:	:	:	:	:	:	:	:
<b>Cyprus</b>	:	12 980	14 021	14 709	15 161	16 335	16 948	17 740	18 406	19 290
<b>Latvia</b>	:	:	:	:	:	:	:	:	:	3 806
<b>Lithuania</b>	1 385	1 597	2 286	2 799	3 017	:	:	:	:	:
<b>Luxembourg</b>	:	:	32 600	33 337	34 462	35 875	37 745	38 442	39 587	40 575
<b>Hungary</b>	3 062	3 158	3 543	3 686	3 770	4 173	4 898	5 846	6 196	7 100
<b>Malta</b>	8 747	9 287	10 114	10 713	11 581	12 553	13 320	13 460	13 603	11 926
<b>Netherlands</b>	27 966	28 140	28 061	29 189	30 426	31 901	33 900	35 200	36 600	37 900
<b>Austria</b>	:	:	:	:	:	:	:	:	:	:
<b>Poland</b>	:	3 076	:	4 156	5 310	:	7 510	:	:	6 230
<b>Portugal</b>	:	:	:	:	:	12 620	13 338	13 322	13 871	15 196
<b>Slovenia</b>	:	:	:	:	:	:	:	:	:	:
<b>Slovakia</b>	:	:	3 179	3 292	3 125	3 583	3 837	4 582	4 945	5 706
<b>Finland</b>	23 584	23 883	24 005	24 944	25 739	27 398	28 555	29 916	30 978	31 988
<b>Sweden</b>	:	:	:	:	:	31 621	30 467	31 164	32 177	33 620
<b>United Kingdom</b>	:	:	:	29 370	32 269	37 677	39 233	40 553	38 793	41 253
<b>Bulgaria</b>	:	:	896	1 216	1 330	1 436	1 518	1 588	1 678	1 784
<b>Iceland</b>	:	:	:	:	32 311	37 639	34 101	36 764	:	:
<b>Norway</b>	:	:	:	31 456	33 741	36 202	38 604	43 736	42 882	42 224
<b>Switzerland</b>	:	42 194	:	40 727	:	43 683	:	48 498	:	45 760

**Figure 6.34: Gender pay gap, 2004**

(% difference between average gross hourly earnings of male and female employees, as % of male gross earnings, unadjusted form)



(1) Not available.

(2) Break in series.

Gender pay gap is given as the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees; the population consists of all paid employees aged 16 to 64 that are at work 15+ hours per week.

**Figure 6.35: Gender pay gap, EU-25**

(% difference between average gross hourly earnings of male and female employees, as % of male gross earnings, unadjusted form)

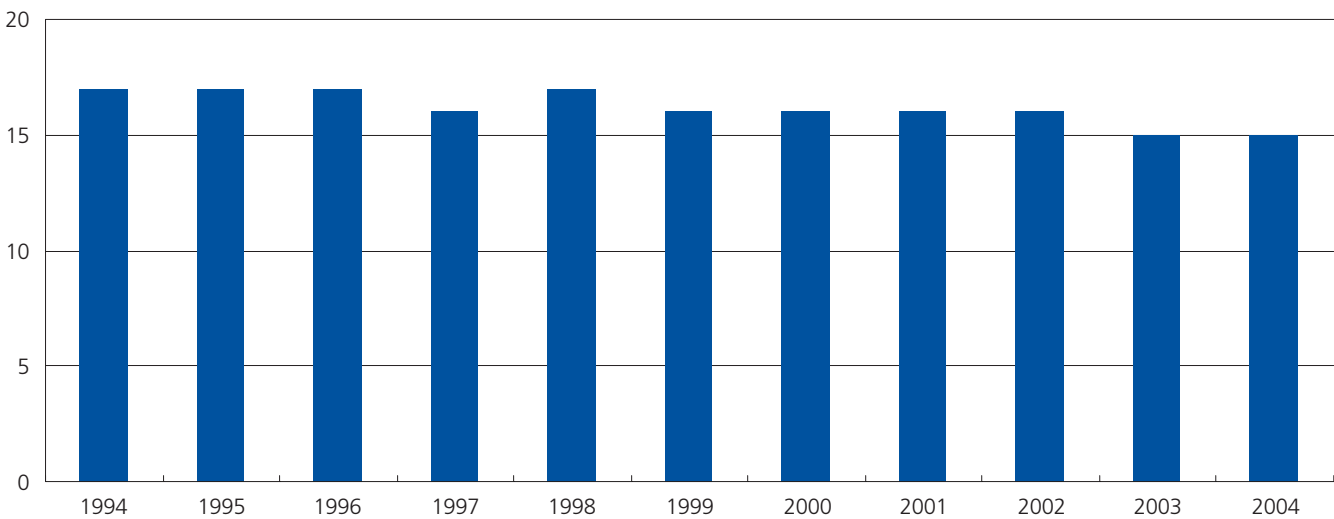


Table 6.12: Minimum wage and employees on the minimum wage

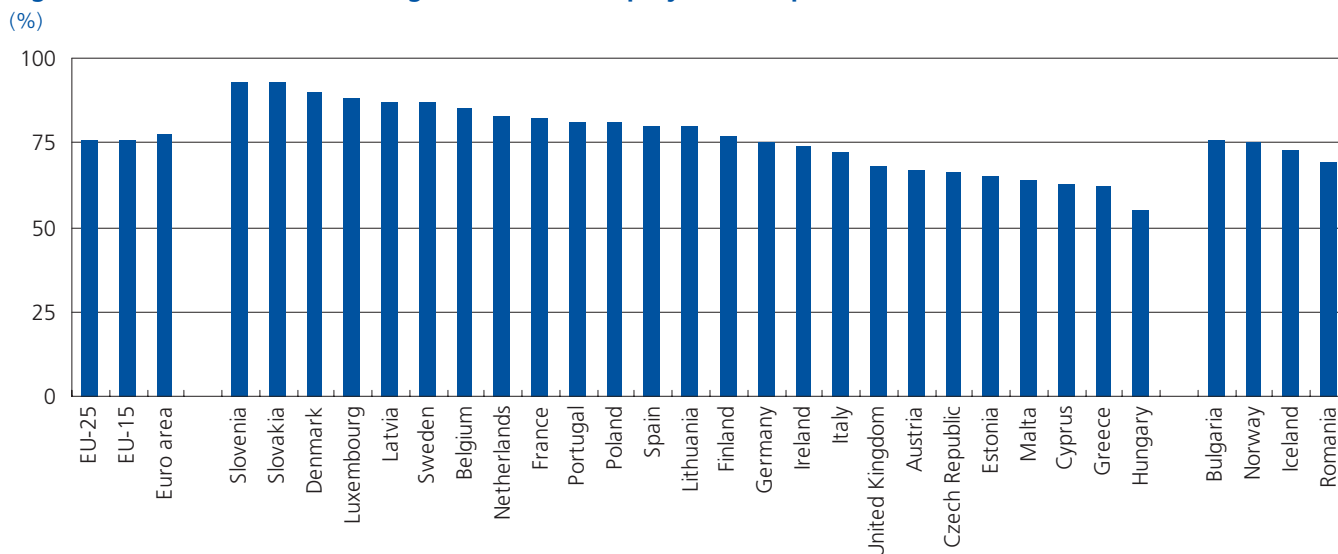
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	Minimum wage (EUR/month) (1)							Proportion of full-time employees with earnings on the minimum wage (%)						
	1999	2000	2001	2002	2003	2004	2005	1999	2000	2001	2002	2003	2004	2005
Belgium	1 085	1 107	1 129	1 163	1 175	1 186	1 210	:	:	:	:	:	:	:
Czech Republic	:	:	:	:	198	210	237	:	1.6	1.7	2.0	2.0	2.0	:
Denmark	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Germany	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Estonia	:	:	:	118	138	159	172	:	6.5	7.4	6.9	6.4	5.7	:
Greece	505	530	548	567	605	605	668	:	:	:	:	:	:	:
Spain	416	425	433	516	526	555	599	2.6	1.4	0.9	0.8	0.9	0.8	:
France	1 043	1 066	1 105	1 140	1 164	1 185	1 208	12.8	13.6	13.9	14.0	13.4	15.6	:
Ireland	:	945	977	1 009	1 073	1 128	1 238	13.7	:	2.2	2.1	3.1	3.1	:
Italy	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Cyprus	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Latvia	:	:	:	105	112	122	115	:	13.9	16.7	15.4	13.6	:	12.0
Lithuania	:	:	123	123	125	135	152	:	8.2	7.8	8.8	10.2	12.1	:
Luxembourg	1 177	1 206	1 275	1 306	1 369	1 403	1 467	16.8	16.2	15.5	15.1	16.9	18.0	11.0
Hungary	:	:	:	204	202	199	231	:	3.9	8.4	11.4	8.1	8.0	8.0
Malta	:	:	:	545	536	546	560	:	3.4	4.7	3.5	1.1	1.5	:
Netherlands	1 064	1 092	1 167	1 220	1 257	1 265	1 265	2.2	2.1	2.2	2.3	2.2	2.1	:
Austria	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Poland	:	:	210	205	191	179	206	:	:	2.9	4.0	:	4.5	:
Portugal	357	371	390	406	416	426	437	7.5	6.2	4.0	4.0	5.7	5.5	:
Slovenia	:	:	:	:	448	469	491	:	2.0	2.6	2.6	2.7	2.0	:
Slovakia	:	:	:	120	134	150	168	:	:	0.2	0.1	0.4	1.9	:
Finland	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Sweden	:	:	:	:	:	:	:	:	:	:	:	:	:	:
United Kingdom	901	982	1 134	1 097	1 059	1 115	1 221	2.5	1.4	1.0	1.8	1.2	1.4	1.8
Bulgaria	33	38	44	51	56	61	77	:	:	:	5.1	:	:	:
Romania	:	:	:	58	70	69	79	:	6.5	6.1	8.9	12.2	12.0	:
Turkey	:	:	:	:	187	243	256	:	:	:	:	:	:	:

(1) Data are provided for semesters; an average of the two values for each reference year was taken.

Refers to minimum wages set by national legislation and applicable to the majority of full-time salaried workers in each country; other minimum wages may exist for certain categories within the country, e.g. based on age, physical or mental capacities, or economic state of the business; the minimum wages given refer to a gross amount, i.e. before deduction of taxes and social security contributions, which vary from one country to another; in most countries the minimum wage is fixed at a monthly rate, but in a few cases it is set at an hourly, daily or weekly rate; in these cases, a conversion to a monthly rate has been made; where the minimum wage is paid more than 12 times a year (for example, in Spain and Greece it is paid 14 times a year), the figures are adjusted to take these additional payments into account.

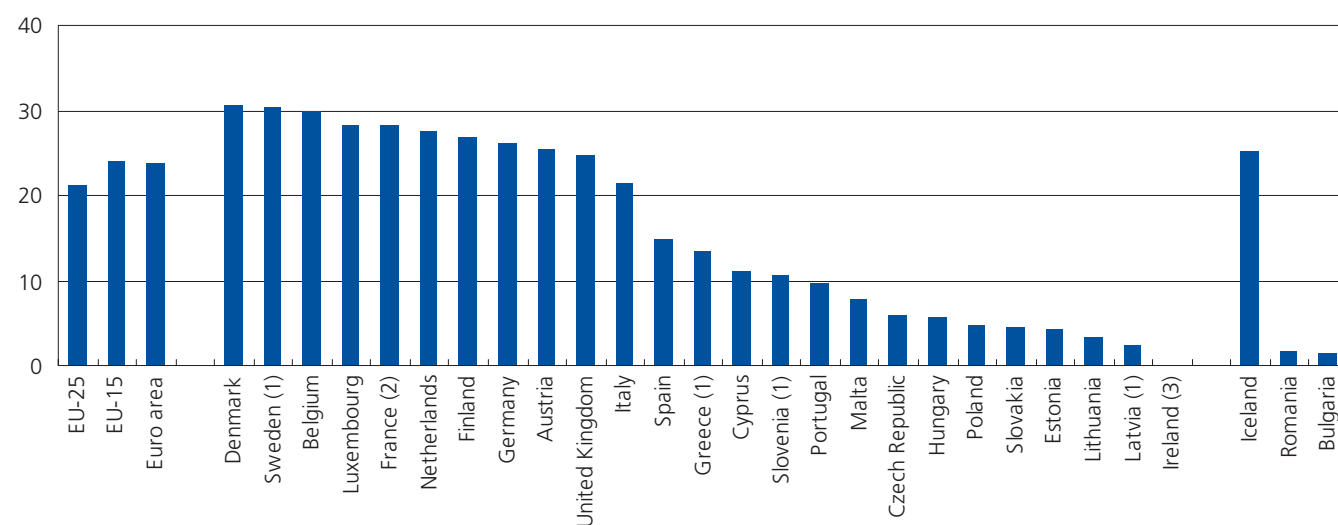


**Figure 6.36: Tax rate on low-wage earners: unemployment trap, 2005**

The unemployment trap measures the percentage of gross earnings which is taxed away through higher tax and social security contributions and the withdrawal of unemployment and other benefits when an unemployed person returns to employment; this structural indicator covers single persons without children earning, who, when in work, earn 67 % of the average wage (AW) of an employee.

**Figure 6.37: Labour costs (average hourly labour costs in industry and services of full-time employees in enterprises with 10 or more employees), 2004**

(EUR per hour)



(1) 2003.

(2) Unreliable.

(3) Not available.

Average hourly labour costs, defined as total labour costs divided by the corresponding number of hours worked (NACE Sections C to K).

**Table 6.13: Labour costs (average hourly labour costs in industry and services of full-time employees in enterprises with 10 or more employees) (1)**

(EUR)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	:	15.96	16.84	17.22	17.96	19.15	19.72	20.42	20.52	21.22
<b>EU-15</b>	:	18.51	19.55	19.93	20.68	21.89	22.41	23.15	23.32	24.02
<b>Euro area</b>	:	19.36	19.76	19.87	20.36	21.16	21.65	22.38	22.88	23.71
<b>Belgium</b>	:	:	:	:	:	26.61	27.89	29.17	29.58	29.96
<b>Czech Republic</b>	:	2.80	2.97	3.23	3.41	3.86	4.64	5.39	5.47	5.85
<b>Denmark</b>	:	:	23.40	24.63	25.92	26.53	28.54	29.06	30.30	30.70
<b>Germany</b>	:	22.39	22.76	23.03	23.45	24.33	24.92	25.46	26.05	26.22
<b>Estonia</b>	:	1.85	2.13	2.42	2.60	2.85	3.22	3.67	4.01	4.24
<b>Greece</b>	8.75	9.26	9.77	9.77	10.60	10.98	11.62	12.46	13.37	:
<b>Spain</b>	:	14.43	14.19	14.13	14.22	14.22	13.07	13.63	14.21	14.75
<b>France (2)</b>	:	22.30	22.80	23.30	24.00	25.00	26.00	27.00	27.50	28.20
<b>Ireland</b>	:	:	:	:	:	:	:	:	:	:
<b>Italy</b>	:	17.59	18.92	18.30	18.68	18.99	19.27	19.99	20.64	21.39
<b>Cyprus</b>	:	7.25	7.83	8.19	8.41	9.10	9.43	9.91	10.68	11.10
<b>Latvia</b>	:	:	1.59	1.71	1.85	2.22	2.29	2.39	2.37	:
<b>Lithuania</b>	:	1.32	1.68	1.95	2.16	2.63	2.76	2.90	3.10	3.22
<b>Luxembourg</b>	:	21.38	21.26	21.56	22.52	24.48	25.39	26.21	27.02	28.33
<b>Hungary</b>	:	2.86	3.15	3.02	3.14	3.63	4.04	4.91	5.10	5.54
<b>Malta</b>	:	:	:	:	:	:	:	7.59	7.77	7.77
<b>Netherlands</b>	:	20.39	19.71	20.79	21.78	22.99	24.44	25.64	26.77	27.44
<b>Austria</b>	:	21.96	21.90	22.38	23.21	22.87	23.88	24.93	:	25.30
<b>Poland</b>	:	2.95	3.38	3.73	4.05	4.48	5.30	5.27	4.70	4.74
<b>Portugal</b>	:	7.18	7.40	7.60	7.99	8.13	8.54	8.98	9.21	9.56
<b>Slovenia</b>	7.13	7.35	7.90	8.51	8.94	8.98	9.58	9.70	10.54	:
<b>Slovakia</b>	:	2.16	2.61	2.91	2.76	3.07	3.26	3.59	4.02	4.41
<b>Finland</b>	:	20.25	20.30	20.40	21.37	22.10	23.59	24.73	25.73	26.83
<b>Sweden</b>	:	23.12	23.79	23.99	25.43	28.56	27.41	28.73	30.43	:
<b>United Kingdom</b>	:	14.22	17.69	19.16	20.84	23.71	24.51	25.24	23.56	24.71
<b>Bulgaria</b>	:	:	:	1.11	1.22	1.23	1.29	1.32	1.39	1.45
<b>Romania</b>	:	:	:	:	:	1.41	1.55	1.67	1.60	1.76
<b>Iceland</b>	:	:	:	:	:	:	:	21.95	23.76	25.22

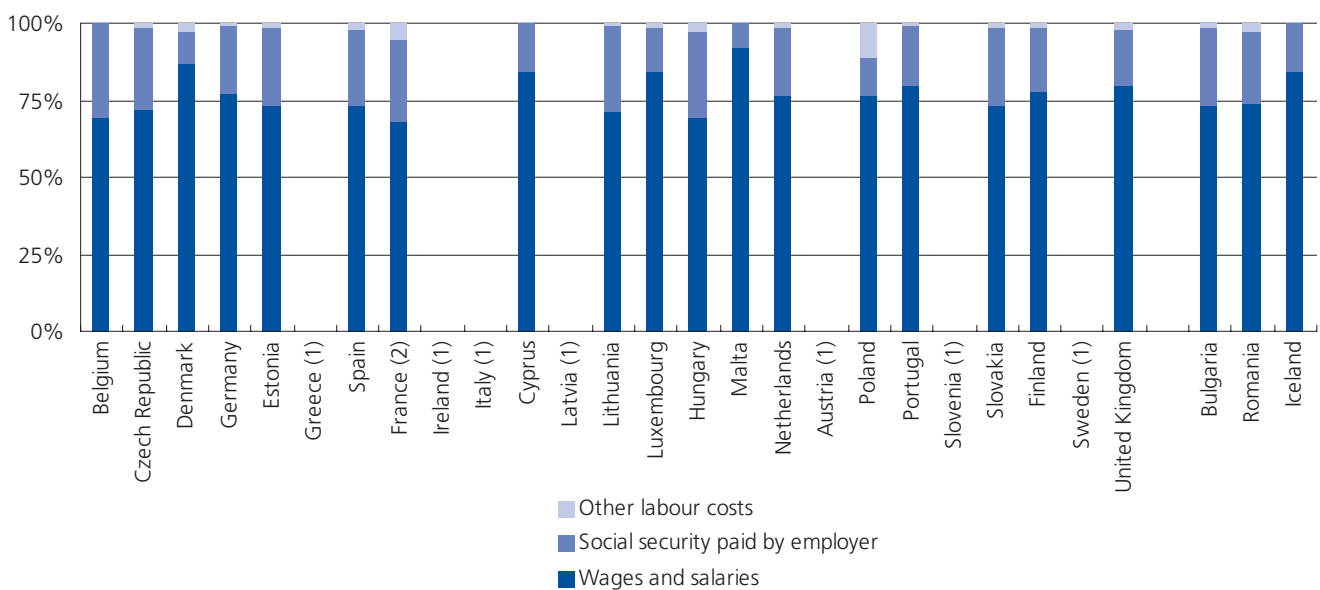
(1) Breaks in series: the Netherlands, 1997; Lithuania, 2000; Spain, 2001; Malta, 2003.

(2) Unreliable for 2002–04.

**Figure 6.38: Breakdown of labour costs for the business economy, 2004**

(% share of total labour costs)

TPS00113 TPS00114 TPS00115



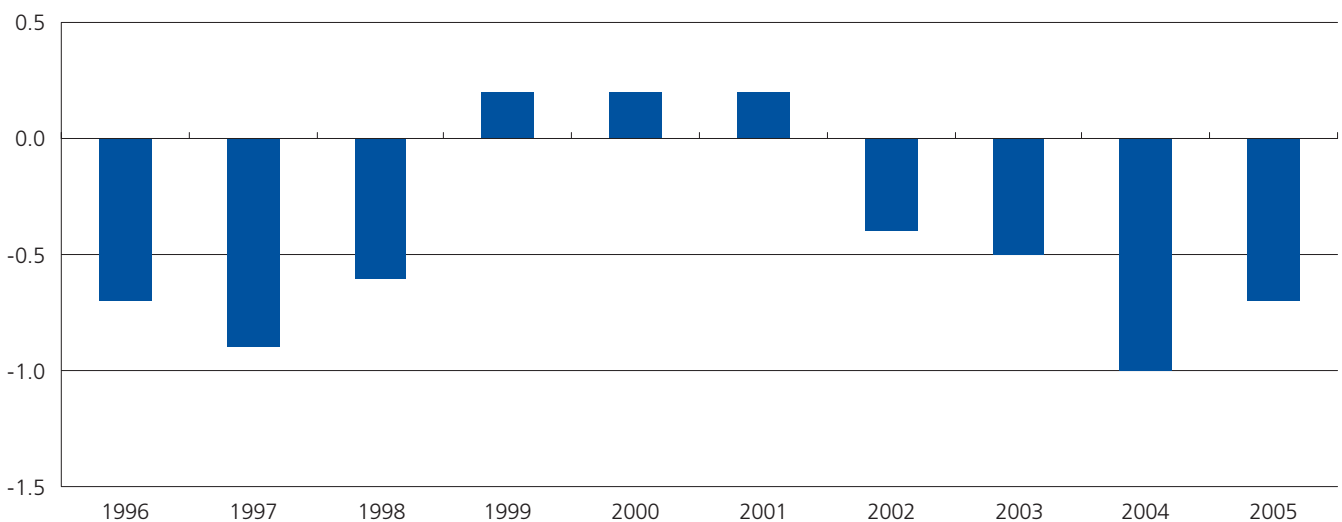
(1) Not available.

(2) Unreliable.

Labour costs are the total expenditure borne by employers for the purpose of employing staff (NACE Sections C to K); they include employee compensation, with wages and salaries in cash and in kind, employers' social security contributions; vocational training costs, other expenditure such as recruitment costs and spending on working clothes and employment taxes regarded as labour costs minus any subsidies received.

**Figure 6.39: Labour cost growth (real unit labour cost growth: compensation per employee in current prices divided by GDP in current prices per total employment), EU-25**

(% change compared with previous year)



This derived indicator compares remuneration (compensation per employee) and productivity (gross domestic product (GDP) per person employed) to show how the remuneration of employees is related to the productivity of their labour; it is the relationship between how much each worker is paid and the value he/she produces by their work; its growth rate is intended to give an impression of the dynamics of the participation of the production factor labour in output value created; please note that the variables used in the numerator (compensation, employees) refer to employed labour only, while those in the denominator (GDP, employment) refer to all labour, including the self-employed.

### CONSUMER PRICES

As noted in the section on exchange rates and interest rates (see page 166), harmonised indices of consumer prices (HICP) are used for monitoring inflation. Indeed, the European Central Bank (ECB) uses this index as a prime indicator for monetary policy management within the euro area. The ECB has defined price stability as a year-on-year increase in the HICP for the euro area of close to but below 2 % over the medium term.

Eurostat publishes HICPs monthly, some 15 to 17 days after the end of the reporting month. The HICP series start in the mid-1990s and are presented with a common reference year: 2005 = 100. HICPs cover virtually all forms of household expenditure on goods and services, and are classified according to the international classification of individual consumption by purpose (Coicop), adapted to the needs of HICPs.

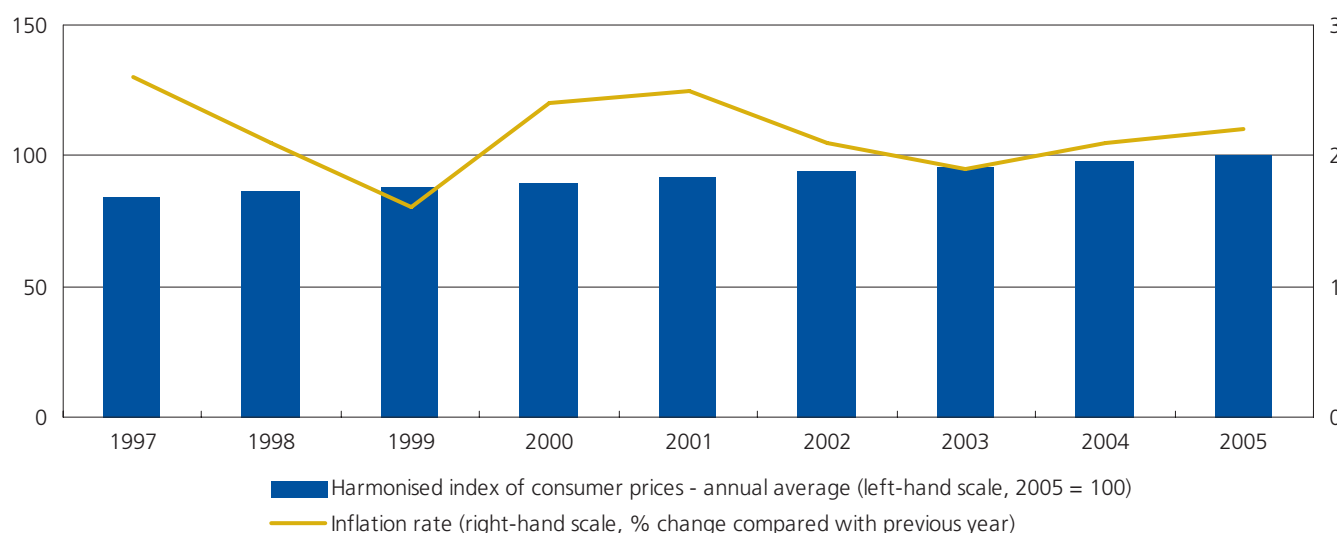
There are three key HICP aggregate indices: the monetary union index of consumer prices (MUICP) for the euro area; the European index of consumer prices (EICP) covering all Member States; and the European Economic Area index of consumer prices (EEAICP), which additionally covers Iceland and Norway.

HICP methodology allows country weights to change each year: for the MUICP, a Member State's weight is its share of household final monetary consumption expenditure (HFMCE) in the euro area total; for the EICP and the EEAICP, a Member State's weight is its share of HFMCE expressed in the EU and EEA totals. For the latter two indices, expenditure in national currencies is converted using purchasing power parities. The HICP is computed as an annual chain index.



Compared with historical trends, inflation rates in Europe have been kept largely under control in recent years. EU-25 inflation decreased during the 1990s, reaching 1.6 % by 1999, after which there was a temporary increase in the pace at which prices were rising, before inflation settled at just over 2 % during most of the period 2002 to 2005.

**Figure 6.40: Consumer price index and inflation rate, EU-25**



Please be aware that this indicator has been rescaled, i.e. data is expressed in relation to reference period 2005 = 100; thus, it is not comparable with previous releases based on reference period 1996 = 100; harmonised indices of consumer prices (HICPs) are designed for international comparisons of consumer price inflation; HICP is used for example by the European Central Bank for monitoring inflation in the economic and monetary Union and for the assessment of inflation convergence as required under Article 121 of the Treaty of Amsterdam.

**Table 6.14: Inflation rate**

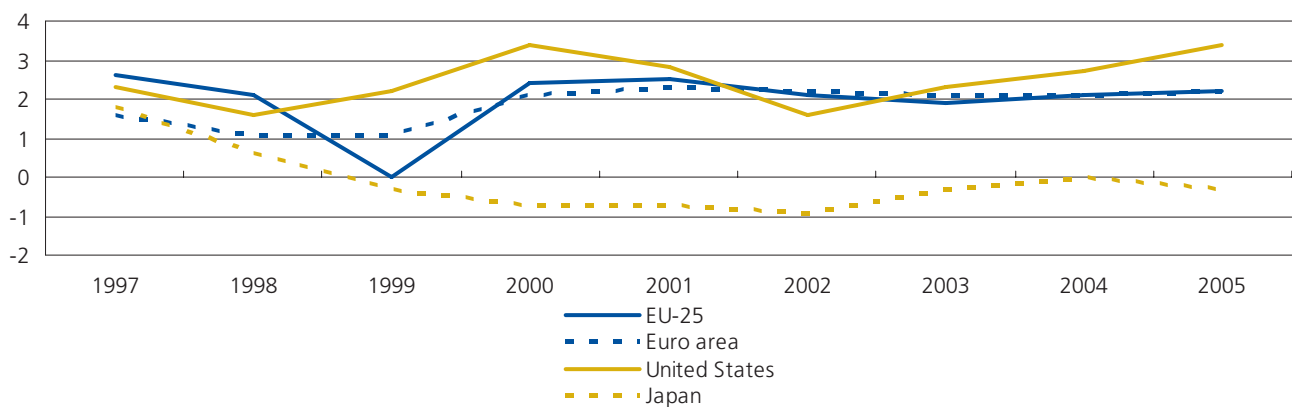
(% change compared with previous year, based on the harmonised index of consumer prices (HICP))

	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>EU-25</b>	2.6	2.1	1.6	2.4	2.5	2.1	1.9	2.1	2.2
<b>EU-15</b>	1.7	1.3	1.2	1.9	2.2	2.1	2.0	2.0	2.1
<b>Euro area</b>	1.6	1.1	1.1	2.1	2.3	2.2	2.1	2.1	2.2
<b>Belgium</b>	1.5	0.9	1.1	2.7	2.4	1.6	1.5	1.9	2.5
<b>Czech Republic</b>	8.0	9.7	1.8	3.9	4.5	1.4	-0.1	2.6	1.6
<b>Denmark</b>	2.0	1.3	2.1	2.7	2.3	2.4	2.0	0.9	1.7
<b>Germany</b>	1.5	0.6	0.6	1.4	1.9	1.4	1.0	1.8	1.9
<b>Estonia</b>	9.3	8.8	3.1	3.9	5.6	3.6	1.4	3.0	4.1
<b>Greece</b>	5.4	4.5	2.1	2.9	3.7	3.9	3.4	3.0	3.5
<b>Spain</b>	1.9	1.8	2.2	3.5	2.8	3.6	3.1	3.1	3.4
<b>France</b>	1.3	0.7	0.6	1.8	1.8	1.9	2.2	2.3	1.9
<b>Ireland</b>	1.3	2.1	2.5	5.3	4.0	4.7	4.0	2.3	2.2
<b>Italy</b>	1.9	2.0	1.7	2.6	2.3	2.6	2.8	2.3	2.2
<b>Cyprus</b>	3.3	2.3	1.1	4.9	2.0	2.8	4.0	1.9	2.0
<b>Latvia</b>	8.1	4.3	2.1	2.6	2.5	2.0	2.9	6.2	6.9
<b>Lithuania</b>	10.3	5.4	1.5	1.1	1.6	0.3	-1.1	1.2	2.7
<b>Luxembourg</b>	1.4	1.0	1.0	3.8	2.4	2.1	2.5	3.2	3.8
<b>Hungary</b>	18.5	14.2	10.0	10.0	9.1	5.2	4.7	6.8	3.5
<b>Malta</b>	3.9	3.7	2.3	3.0	2.5	2.6	1.9	2.7	2.5
<b>Netherlands</b>	1.9	1.8	2.0	2.3	5.1	3.9	2.2	1.4	1.5
<b>Austria</b>	1.2	0.8	0.5	2.0	2.3	1.7	1.3	2.0	2.1
<b>Poland</b>	15.0	11.8	7.2	10.1	5.3	1.9	0.7	3.6	2.2
<b>Portugal</b>	1.9	2.2	2.2	2.8	4.4	3.7	3.3	2.5	2.1
<b>Slovenia</b>	8.3	7.9	6.1	8.9	8.6	7.5	5.7	3.7	2.5
<b>Slovakia</b>	6.0	6.7	10.4	12.2	7.2	3.5	8.4	7.5	2.8
<b>Finland</b>	1.2	1.3	1.3	2.9	2.7	2.0	1.3	0.1	0.8
<b>Sweden</b>	1.8	1.0	0.5	1.3	2.7	1.9	2.3	1.0	0.8
<b>United Kingdom</b>	1.8	1.6	1.3	0.8	1.2	1.3	1.4	1.3	2.1
<b>Bulgaria</b>	:	18.7	2.6	10.3	7.4	5.8	2.3	6.1	5.0
<b>Romania</b>	154.8	59.1	45.8	45.7	34.5	22.5	15.3	11.9	9.1
<b>Turkey</b>	85.6	82.1	61.4	53.2	56.8	47.0	25.3	10.1	8.1
<b>Iceland</b>	1.8	1.3	2.1	4.4	6.6	5.3	1.4	2.3	1.4
<b>Norway</b>	2.6	2.0	2.1	3.0	2.7	0.8	2.0	0.6	1.5
<b>Japan</b>	1.8	0.6	-0.3	-0.7	-0.7	-0.9	-0.3	0.0	-0.3
<b>United States</b>	2.3	1.6	2.2	3.4	2.8	1.6	2.3	2.7	3.4

Please be aware that this indicator has been rescaled, i.e. data is expressed in relation to reference period 2005 = 100; thus, it is not comparable with previous releases based on reference period 1996 = 100; harmonised indices of consumer prices (HICPs) are designed for international comparisons of consumer price inflation; HICP is used for example by the European Central Bank for monitoring inflation in the economic and monetary union and for the assessment of inflation convergence as required under Article 121 of the Treaty of Amsterdam.

**Figure 6.41: Inflation rate**

(% change compared with previous year, based on the harmonised index of consumer prices (HICP))



### PURCHASING POWER PARITIES

Purchasing power parities (PPPs) estimate price-level differences between countries. They make it possible to produce meaningful volume or price-level indicators required for cross-country comparisons. PPPs are aggregated price ratios calculated from detailed price comparisons of a large number of goods and services. PPPs are employed either:

- as currency converters to generate volume measures with which to compare levels of economic performance, total consumption, investment, overall productivity and selected private household expenditures; or
- as price measures with which to compare relative price levels, price convergence and competitiveness.

Eurostat produces three sets of data using PPPs:

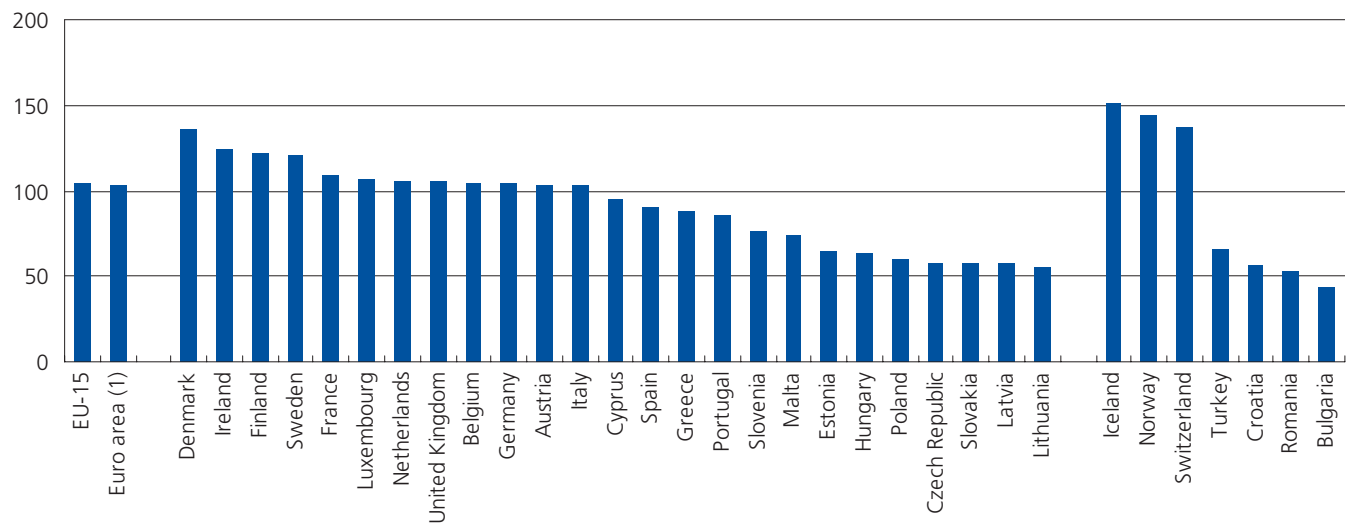
- levels and indices of real final expenditure — these are measures of volume; they indicate the relative magnitudes of the product groups or aggregates being compared; at the level of GDP, they are used to compare the economic size of countries;

- levels and indices of real final expenditure per head — these are standardised measures of volume; they indicate the relative levels of the product groups or aggregates being compared after adjusting for differences in the size of populations between countries; at the level of GDP, they are often used to compare the economic well-being of populations;
- comparative price levels — these are the ratios of PPPs to exchange rates; these indices provide a comparison of the countries' price levels with respect to the EU average — if the price level index is higher than 100, the country concerned is relatively expensive compared with the EU average and vice versa; at the level of GDP, they provide a measure of the differences in the general price levels of countries; the coefficient of variation of comparative price levels is applied as an indicator of convergence among EU Member States.

The relative price levels of private household consumption vary significantly between the Member States. The average for the EU-25 being defined as 100, comparative price levels within the 25 Member States ranged in 2005 from 54.7 in Lithuania to 135.8 in Denmark. Price levels have converged in the EU-25 over the last decade — however, the pace at which price convergence was taking place slowed somewhat from 2000.

**Figure 6.42: Comparative price levels, 2005**

(final consumption by private households including indirect taxes, EU-25 = 100)

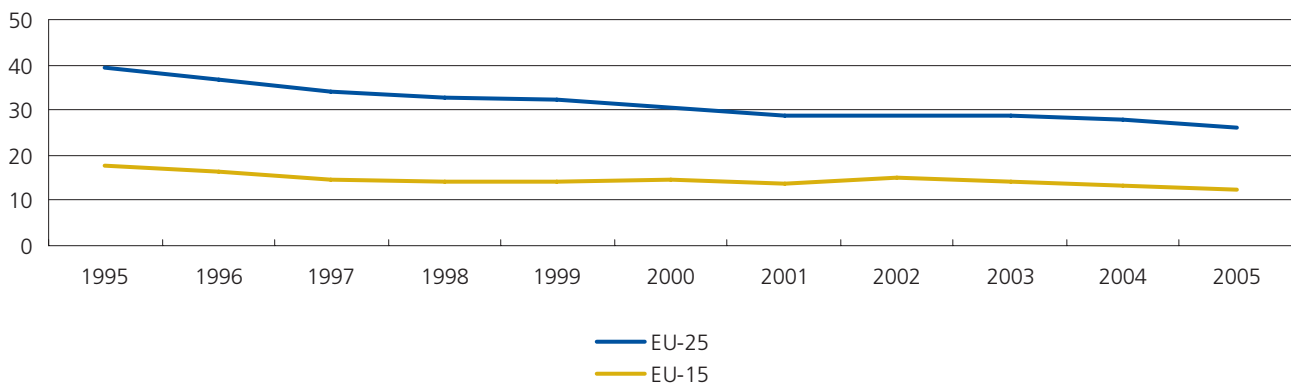


(1) 2004.

Comparative price levels are the ratio between purchasing power parities (PPPs) and market exchange rate for each country; PPPs are currency conversion rates that convert economic indicators expressed in national currencies to a common currency, called purchasing power standard (PPS), which equalises the purchasing power of different national currencies and thus allows meaningful comparison; the ratio is shown in relation to the EU average (EU-25 = 100); if the index of the comparative price levels shown for a country is higher/lower than 100, the country concerned is relatively expensive/cheap as compared with the EU average.

**Figure 6.43: Price convergence between EU Member States**

(%, coefficient of variation of comparative price levels of final consumption by private households including indirect taxes)



Comparative price levels are the ratio between purchasing power parities (PPPs) and market exchange rate for each country; PPPs are currency conversion rates that convert economic indicators expressed in national currencies to a common currency, called purchasing power standard (PPS), which equalises the purchasing power of different national currencies and thus allows meaningful comparison; if the coefficient of variation of the comparative price levels for the EU decreases/increases over time, the national price levels in the Member States are converging/diverging.

# 7.

## INTERNATIONAL TRADE



**International trade in goods**  
**International trade in services**





<b>International trade</b>	<b>193</b>
International trade in goods	194
International trade in services	203

## 7. INTERNATIONAL TRADE

Trade policy has an impact on everyday lives, as many of the items that are taken for granted in our daily routines are dependent upon trade: from a morning cup of coffee, to the car driven to work, or the computer used throughout the day at work.

Trade is not a recent phenomenon, as people throughout the world have always explored, visited and traded things made by other people. However, more recently the process of globalisation has led to an increasing number of countries becoming part of the world economy. The development of trade, if properly managed, is an opportunity for economic growth for developing and less developed countries.

The World Trade Organisation (WTO) was established in 1995. It is an international organisation that sets global rules of trade between nations. The core of the system, referred to as the multilateral trading system, is a set of agreements which lay down the legal ground rules for international trade as well as market-opening commitments.

The legal basis for the EU's trade policy is Article 133 of the European Community Treaty. On this basis, the Commission negotiates on behalf of the Member States, in consultation with a special committee. The committee meets on a weekly basis, usually on a Friday in Brussels at the headquarters of the Council of Ministers. It discusses the full range of trade policy issues affecting the Community, from the strategic issues surrounding the launch of rounds of trade negotiations at the WTO to specific difficulties with the export of individual products, and considers the trade aspects of wider Community policies in order to ensure consistency of policy.

The EU is one of the driving forces behind the current round of multilateral trade negotiations in the WTO, the Doha Development Agenda (DDA). The DDA comprises further market-opening and additional rule-making, underpinned by commitments to take measures necessary to integrate developing countries into the world trading system. The main objective of the new round is to put development at the heart of the world trade system in a way that it will help combat poverty.

Eurostat has a wide range of data within this area, including:

- reporting countries: EU, euro area and the 25 Member States;
- trading partners: all the countries in the world;
- products: trading of goods classified according to the Combined Nomenclature (CN), the five levels of the standard international trade classification (SITC) and by broad economic categories (BEC);
- flows: exports, imports and trade balances;
- periods: years and months since 1995;
- international transactions with individual countries;
- international transactions with geographical zones;
- European Union balance of payments;
- balance of payments by country;
- international trade in services.

However, at its meeting on 27 and 28 July 2006, the General Council, the WTO's highest-level decision-making body, supported a recommendation from its director-general to suspend the Doha negotiations in order to allow participants to reflect seriously on further courses of action. The main obstructions to a new deal would appear to stem from disagreements in relation to agricultural market access and domestic support for the agriculture sector<sup>(37)</sup>.

It is important to note that there are two main sources of statistics for trade within the European statistical system. One source is external trade statistics collected on the basis of customs and VAT declarations that concern trade in goods. A second source is balance of payments statistics (BoP) that register all transactions of an economy with the rest of the world. The current account of the BoP provides information on international trade in goods, trade in services, income (from employment and investment) and current transfers.

## 7

### INTERNATIONAL TRADE IN GOODS

International trade in goods forms an increasing part of the world economy. As such, the reliability of statistics in this domain is particularly important for public and private sector decision-makers. For example, they help European companies carry out market research and define their commercial strategy. They enable Community authorities to prepare for multilateral and bilateral negotiations within the framework of a common commercial policy and to evaluate the progress of the single market or the integration of European economies.

The compilation of trade figures rests on a legal basis which is set out in a series of Council and Commission regulations. The concrete work is based on a cooperative effort between Eurostat and the appropriate bodies in the Member States which are responsible for collecting and processing the basic information.

<sup>(37)</sup> See <http://ec.europa.eu/trade> and <http://www.wto.org> for further information.

Eurostat is responsible for harmonising Community legislation in the field of statistics on the trading of goods and ensuring that the legislation is applied correctly. The statistics provided to Eurostat are therefore based on precise legal texts directly applicable in the Member States and on definitions and procedures which have to a large extent been harmonised.

In broad terms, the aim of international trade statistics (on goods) is to record all goods that add to or subtract from the stock of material resources of a country by entering or leaving its territory. By their nature, international trade statistics are concerned with transportable goods.

The most important component of international trade statistics is related to transactions involving actual or intended transfer of ownership against compensation. Nevertheless, international trade statistics also cover movements of goods without a transfer of ownership, such as operations following, or with a view to, processing under contract (for example, within the textiles industry) or repair.

Exports are recorded at their 'free on board' (fob) value and imports at their 'cost, insurance and freight' (cif) value. Therefore, and contrary to balance of payments statistics, import values include charges, such as transport and insurance, relating to that part of the journey which takes place outside the statistical territory of the importing country. Export values correspond to the value of goods at the place and time where they leave the statistical territory of the exporting country.

Information on international trade for the EU-25, EU-15 and the euro area are calculated as the sum of trade with countries outside these areas. In other words, each of these geographical areas is considered as a single trading entity and trade flows are measured into and out of the area (but not within it). On the

**Table 7.1: Main players in the world market for goods**

(EUR 1 000 million)

	Exports				Imports				Balance			
	1990	1995	2000	2005	1990	1995	2000	2005	1990	1995	2000	2005
<b>EU-25 (1)</b>	:	:	858	1 071	:	:	996	1 177	:	:	-138	-106
<b>EU-15 (2)</b>	396	573	942	1 173	443	545	1 033	1 242	-47	28	-91	-69
<b>Norway</b>	27	32	63	83	21	25	37	44	6	7	26	39
<b>Switzerland</b>	50	62	87	101	55	61	89	97	-5	1	-2	4
<b>Canada (3)</b>	100	146	300	255	91	126	260	220	8	20	40	34
<b>China (including Hong Kong) (3)</b>	:	114	270	477	:	101	244	451	:	13	26	26
<b>Japan (3)</b>	225	339	519	455	184	257	411	366	41	82	108	89
<b>United States (3)</b>	309	446	845	730	406	589	1 362	1 226	-98	-144	-517	-497

(1) Extra-EU-25.

(2) Extra-EU-15.

(3) 2004 instead of 2005.

Trade exchanges with the main players in the world market; imports are expressed in value terms and measured cif (cost, insurance, freight); exports are expressed in value terms and measured fob (free on board); extra-EU-25, trade with non-member countries; extra-EU-15, trade with non-EU-15 members.



other hand, international trade flows for individual Member States and other countries are generally presented with the rest of the world as the trading partner, including trade with other Member States (intra-EU trade).

Agrifood products are food products obtained from agriculture. They are determined according to Sections 0 and 1 of the standard international trade classification — Revision 3 (SITC Rev. 3). Trade in raw materials refers to Sections 2 and 4 of the SITC. Trade in fuel products refers to products determined according to Section 3 of the SITC. Trade in chemicals refers to products determined according to Section 5 of the SITC. Trade in machinery and transport equipment refers to products determined according to Section 7 of the SITC and trade in other manufactured goods to products determined according to Sections 6 and 8.

While the EU-25 represents just 7 % of the world's population, the 25 Member States account for around one fifth of global imports and exports of goods. The EU-25 exported EUR 1 070 000 million of goods in 2005 to non-member countries, while importing goods to the value of EUR 1 180 000 million. The EU-25 exports considerably more goods than the United States, but imports slightly less.

The EU's trade balance for goods has fluctuated between surplus and deficit over the last decade. In general, EU trade surpluses tend to arise during periods of stagnant or falling economic activity, while trade deficits are more likely arise at the end of periods that have been characterised by economic expansion.

The United States is the most important trading partner of the EU-25, accounting for 23.5 % of all exports that left the Union in 2005. While the United States was also the most important

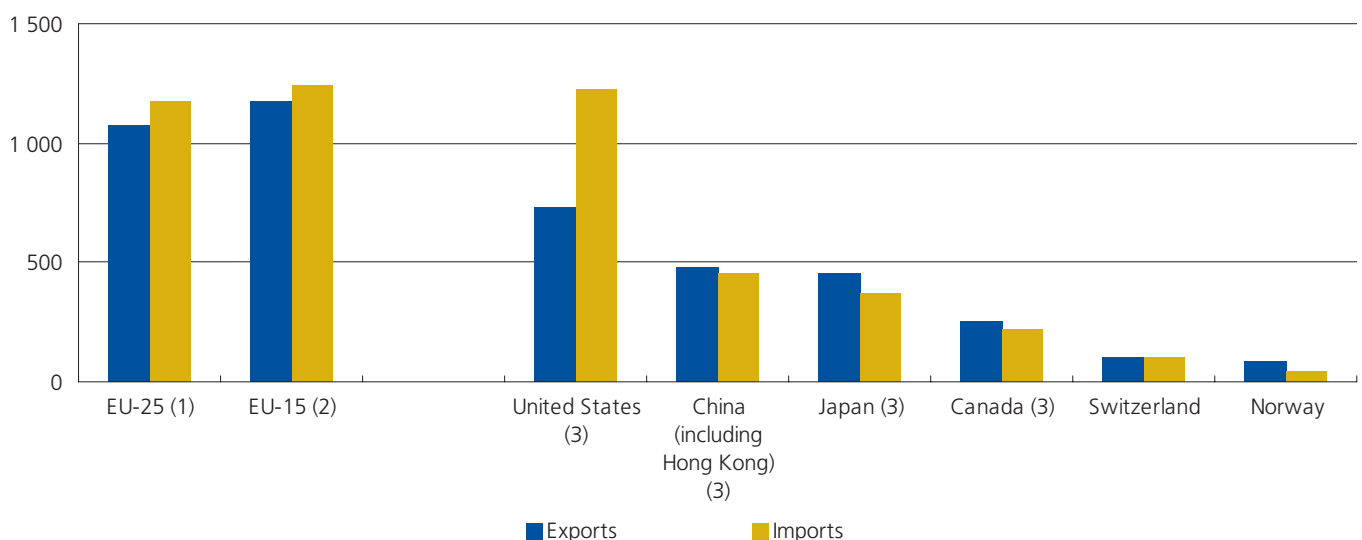
origin of imports coming into the EU-25, its share of 13.9 % of total imports was considerably lower, and was only just larger than the proportion of imports originating from China (13.4 %).

Machinery and transport equipment was by far the most important product group with respect to EU-25 exports, accounting for almost half (44.9 %) of all exports, while an additional 25.6 % was accounted for by exports of other manufactured products. The same two groups were also the most important categories with respect to imports, as machinery and transport equipment accounted for 32.1 % of all EU-25 imports, and other manufactured goods for 25.4 %. There was however a third category that was almost as important, namely, mineral fuels, lubricants and related materials, which accounted for a 22.5 % share. Part of the rapid increase in the relative importance of mineral fuel imports may be attributed to rising prices for these products. However, with natural resources of energy becoming depleted and shifts in the EU's energy mix, the EU has become increasingly dependent on fuel and energy imports — see the *spotlight chapter on energy* at the start of this publication for more details.

In each of the Member States the majority of trade was with other Member States (intra-EU trade) as opposed to with non-member countries (extra-EU trade). The proportion of total trade accounted for by these two flows varied considerably between the Member States, reflecting to some degree historical ties and geographical location. The highest levels of trade integration within the EU were recorded for the Czech Republic, Luxembourg and Slovakia; each of these countries reported that intra-EU trade in goods accounted for more than 80 % of total trade in goods. Greece, Italy and the United Kingdom were at the other end of the range, with less than 60 % of their trade in goods being accounted for by intra-EU trade.

**Figure 7.1: Main players in the world market for goods, 2005**

(EUR 1 000 million)



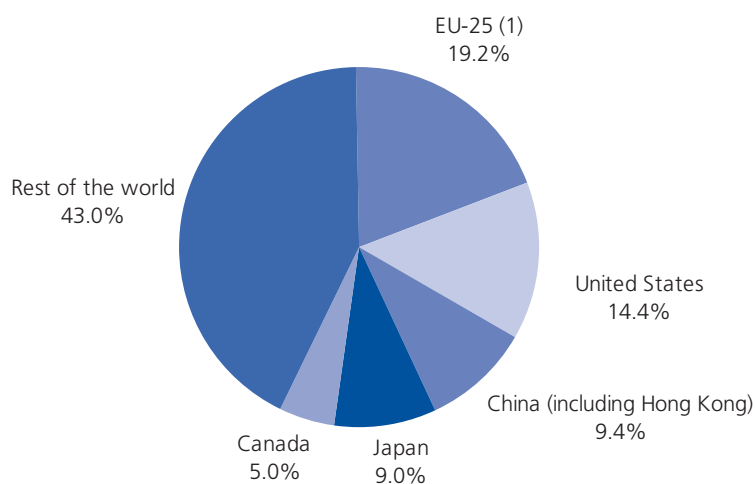
(1) Extra-EU-25.

(2) Extra-EU-15.

(3) 2004 instead of 2005.

**Figure 7.2: Shares in the world market for exports of goods, 2004**

(% share of world exports)

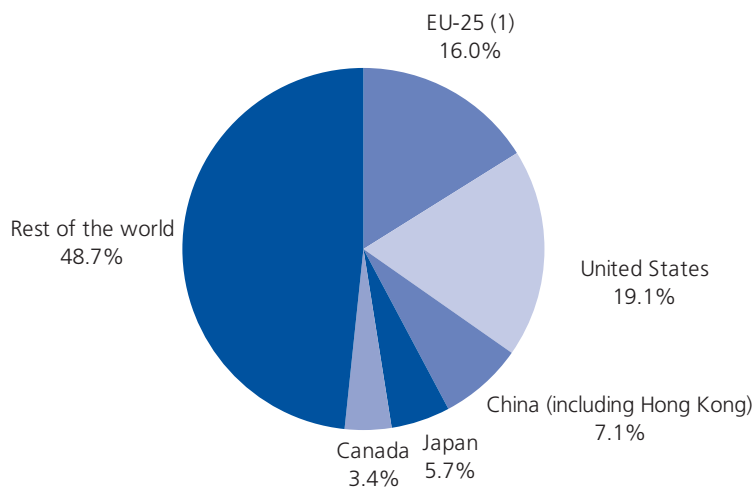


(1) Extra-EU-25.

Trade exchanges with the main players in the world market; exports are expressed in value terms and measured fob (free on board); extra-EU-25, trade with non-member countries.

**Figure 7.3: Shares in the world market for imports of goods, 2004**

(% share of world imports)



(1) Extra-EU-25.



Table 7.2: International trade in goods, EU-25

(EUR 1 000 million)

TEC00044

	Exports			Imports			Balance	
	2004	2005	2004-05 growth rate (%)	2004	2005	2004-05 growth rate (%)	2004	2005
<b>EU-25 (1)</b>	969.3	1 070.8	10.5	1 032.2	1 176.5	14.0	-62.9	-105.8
<b>EU-15 (2)</b>	1 068.5	1 173.0	9.8	1 094.3	1 242.2	13.5	-25.9	-69.2
<b>Euro area (3)</b>	1 152.8	1 237.9	7.4	1 081.3	1 214.7	12.3	71.5	23.2
<b>Belgium</b>	246.7	268.8	9.0	229.6	256.2	11.6	17.1	12.6
<b>Czech Republic</b>	55.5	63.0	13.6	56.3	61.7	9.7	-0.8	1.3
<b>Denmark</b>	62.0	68.5	10.6	54.8	61.0	11.3	7.2	7.5
<b>Germany</b>	731.5	780.2	6.7	575.4	622.2	8.1	156.1	158.0
<b>Estonia</b>	4.8	6.2	29.1	6.7	8.1	20.4	-1.9	-1.9
<b>Greece</b>	12.3	13.8	12.3	42.4	43.5	2.5	-30.1	-29.6
<b>Spain</b>	146.8	150.5	2.5	207.7	224.2	7.9	-60.9	-73.6
<b>France</b>	363.5	370.0	1.8	378.6	400.2	5.7	-15.1	-30.2
<b>Ireland</b>	84.2	88.3	4.8	49.7	54.7	10.0	34.6	33.6
<b>Italy</b>	284.4	295.7	4.0	285.6	305.7	7.0	-1.2	-10.0
<b>Cyprus</b>	0.8	1.2	55.3	4.4	5.1	14.9	-3.7	-3.9
<b>Latvia</b>	3.2	4.2	28.9	5.7	7.0	22.6	-2.5	-2.8
<b>Lithuania</b>	7.5	9.5	27.0	10.0	12.4	24.7	-2.5	-2.9
<b>Luxembourg</b>	13.1	14.8	13.2	16.1	17.5	8.3	-3.1	-2.7
<b>Hungary</b>	44.7	50.2	12.5	48.7	53.1	9.1	-4.0	-2.8
<b>Malta</b>	2.0	1.8	-8.5	3.0	2.9	-2.0	-1.0	-1.1
<b>Netherlands</b>	287.3	323.5	12.6	257.0	288.6	12.3	30.4	34.9
<b>Austria</b>	95.2	100.0	5.1	96.4	101.5	5.3	-1.2	-1.5
<b>Poland</b>	60.3	71.9	19.1	72.1	81.2	12.6	-11.8	-9.3
<b>Portugal</b>	28.8	30.7	6.5	44.2	49.2	11.3	-15.4	-18.5
<b>Slovenia</b>	13.2	15.4	17.0	14.3	16.3	13.9	-1.1	-0.9
<b>Slovakia</b>	22.2	25.8	16.3	23.7	28.4	20.0	-1.6	-2.7
<b>Finland</b>	49.5	53.1	7.3	41.4	47.4	14.7	8.1	5.7
<b>Sweden</b>	99.1	104.6	5.6	80.7	89.4	10.8	18.4	15.2
<b>United Kingdom</b>	279.4	307.7	10.1	378.4	410.2	8.4	-99.0	-102.5

(1) Extra-EU-25.

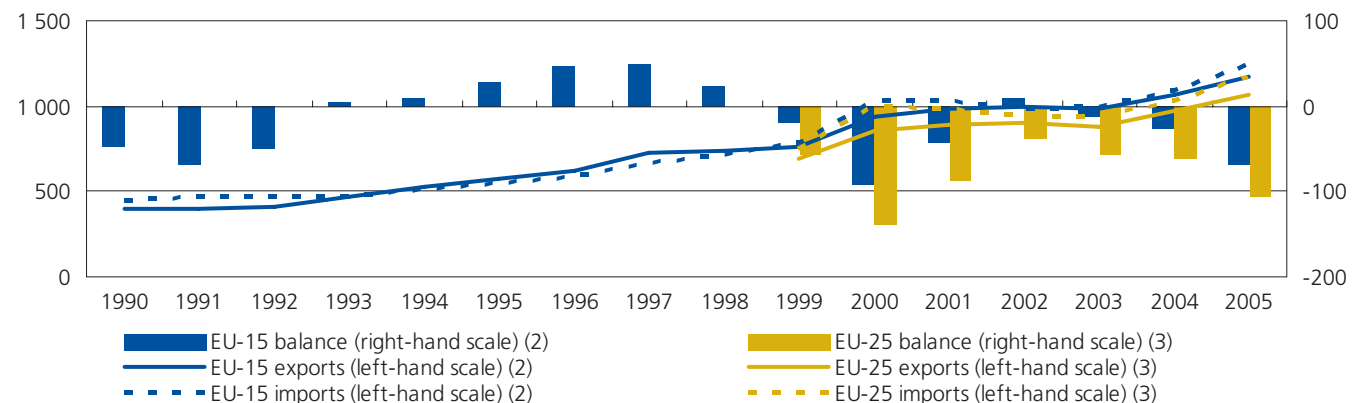
(2) Extra-EU-15.

(3) Extra-euro area.

Imports are expressed in value terms and measured cif (cost, insurance, freight); exports are expressed in value terms and measured fob (free on board); balance = exports - imports.

Figure 7.4: Evolution of international trade in goods (1)

(EUR 1 000 million)



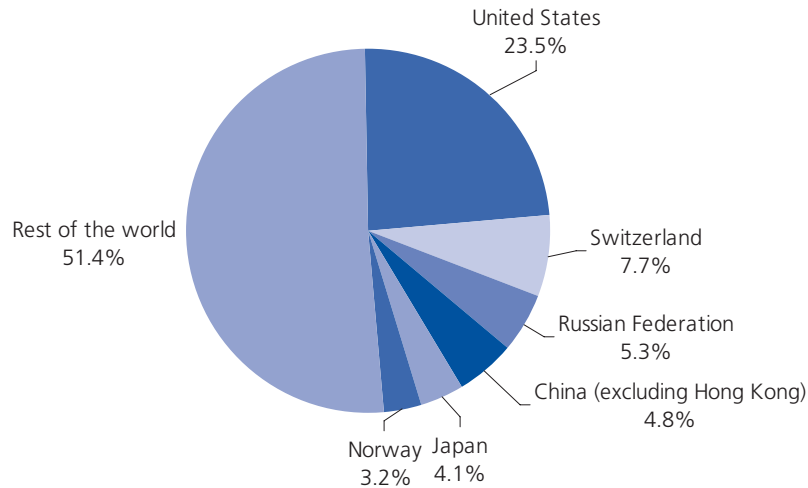
(1) EU-25 not available for 1990–98.

(2) Extra-EU-15.

(3) Extra-EU-25.

**Figure 7.5: Main trading partners for exports, EU-25, 2005**

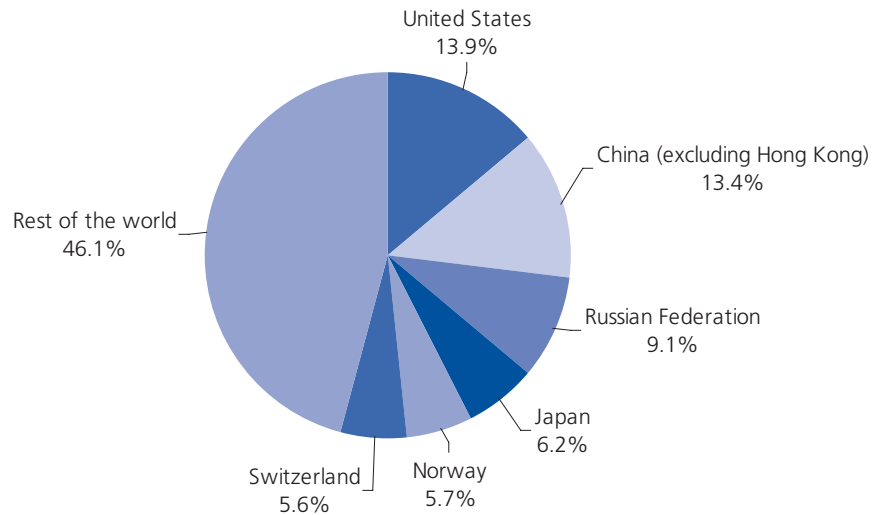
(% share of extra-EU-25 exports)



Exports are expressed in value terms and measured fob (free on board).

**Figure 7.6: Main trading partners for imports, EU-25, 2005**

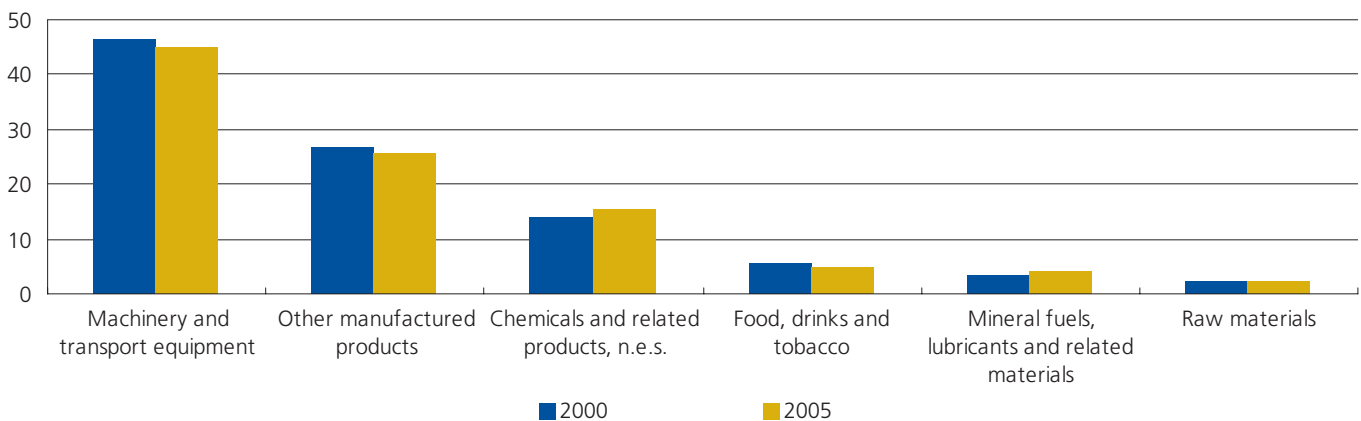
(% share of extra-EU-25 imports)



Imports are expressed in value terms and measured cif (cost, insurance, freight).

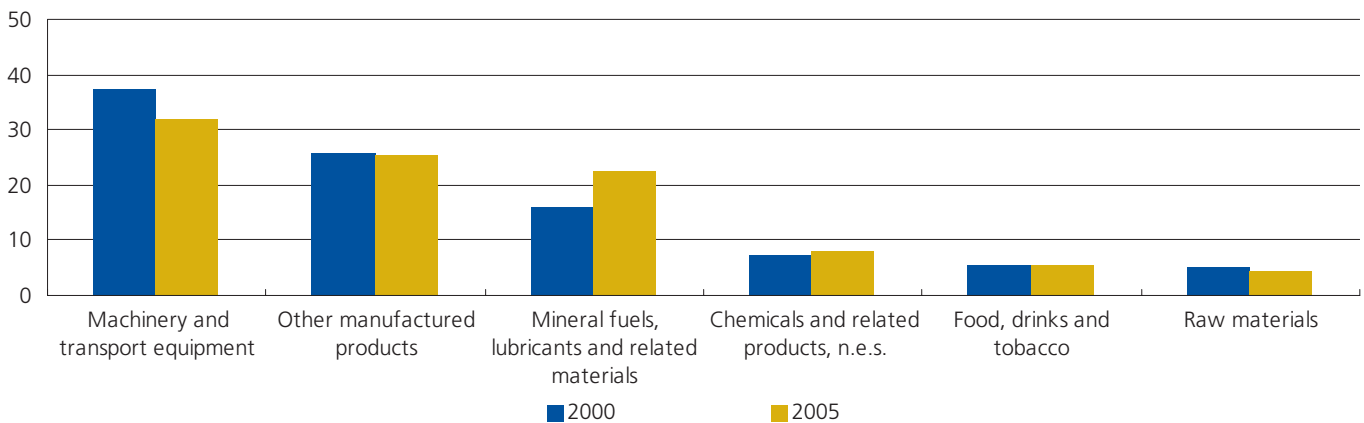
**Figure 7.7: Main exported products, EU-25**

(% share of total extra-EU-25 exports)



**Figure 7.8: Main imported products, EU-25**

(% share of total extra-EU-25 imports)

**Table 7.3: Contribution to extra-EU-25 trade, 2005**

	Exports		Imports		Trade balance (EUR 1 000 million)
	(EUR 1 000 million)	Share of EU-25 exports (%)	(EUR 1 000 million)	Share of EU-25 imports (%)	
<b>EU-25</b>	1 070.8	100.0	1 176.5	100.0	-105.8
<b>Belgium</b>	63.4	5.9	72.6	6.2	-9.2
<b>Czech Republic</b>	10.0	0.9	11.7	1.0	-1.7
<b>Denmark</b>	20.2	1.9	17.6	1.5	2.6
<b>Germany</b>	285.7	26.7	223.7	19.0	62.0
<b>Estonia</b>	1.4	0.1	1.9	0.2	-0.6
<b>Greece</b>	6.5	0.6	19.3	1.6	-12.8
<b>Spain</b>	42.4	4.0	83.0	7.1	-40.6
<b>France</b>	138.5	12.9	133.1	11.3	5.4
<b>Ireland</b>	32.3	3.0	18.4	1.6	13.9
<b>Italy</b>	122.4	11.4	130.7	11.1	-8.3
<b>Cyprus</b>	0.3	0.0	1.6	0.1	-1.3
<b>Latvia</b>	1.0	0.1	1.7	0.1	-0.8
<b>Lithuania</b>	3.3	0.3	5.1	0.4	-1.8
<b>Luxembourg</b>	1.6	0.1	4.8	0.4	-3.2
<b>Hungary</b>	11.9	1.1	17.3	1.5	-5.4
<b>Malta</b>	0.9	0.1	0.7	0.1	0.2
<b>Netherlands</b>	67.2	6.3	145.8	12.4	-78.5
<b>Austria</b>	30.7	2.9	21.6	1.8	9.1
<b>Poland</b>	16.4	1.5	20.5	1.7	-4.2
<b>Portugal</b>	6.2	0.6	11.6	1.0	-5.4
<b>Slovenia</b>	5.2	0.5	3.6	0.3	1.6
<b>Slovakia</b>	3.8	0.4	6.0	0.5	-2.2
<b>Finland</b>	23.3	2.2	16.2	1.4	7.1
<b>Sweden</b>	43.6	4.1	26.5	2.3	17.1
<b>United Kingdom</b>	132.7	12.4	181.6	15.4	-48.9

Imports are expressed in value terms and measured cif (cost, insurance, freight); exports are expressed in value terms and measured fob (free on board); balance = exports – imports.

Table 7.4: Contribution to intra-EU-25 trade, 2005

	Exports		Imports		Trade balance (EUR 1 000 million)
	(EUR 1 000 million)	Share of EU-25 exports (%)	(EUR 1 000 million)	Share of EU-25 imports (%)	
<b>EU-25</b>	2 148.5	100.0	2 070.8	100.0	77.7
<b>Belgium</b>	205.4	9.6	183.6	8.9	21.8
<b>Czech Republic</b>	53.1	2.5	50.0	2.4	3.0
<b>Denmark</b>	48.3	2.2	43.4	2.1	4.9
<b>Germany</b>	494.5	23.0	398.5	19.2	96.0
<b>Estonia</b>	4.8	0.2	6.1	0.3	-1.3
<b>Greece</b>	7.3	0.3	24.2	1.2	-16.9
<b>Spain</b>	108.1	5.0	141.2	6.8	-33.1
<b>France</b>	231.5	10.8	267.1	12.9	-35.6
<b>Ireland</b>	56.0	2.6	36.3	1.8	19.7
<b>Italy</b>	173.4	8.1	175.0	8.5	-1.6
<b>Cyprus</b>	0.8	0.0	3.5	0.2	-2.6
<b>Latvia</b>	3.2	0.1	5.3	0.3	-2.1
<b>Lithuania</b>	6.2	0.3	7.3	0.4	-1.1
<b>Luxembourg</b>	13.2	0.6	12.7	0.6	0.6
<b>Hungary</b>	38.3	1.8	35.8	1.7	2.6
<b>Malta</b>	0.9	0.0	2.2	0.1	-1.2
<b>Netherlands</b>	256.3	11.9	142.9	6.9	113.4
<b>Austria</b>	69.3	3.2	79.9	3.9	-10.7
<b>Poland</b>	55.5	2.6	60.6	2.9	-5.1
<b>Portugal</b>	24.5	1.1	37.6	1.8	-13.1
<b>Slovenia</b>	10.2	0.5	12.7	0.6	-2.5
<b>Slovakia</b>	22.0	1.0	22.4	1.1	-0.4
<b>Finland</b>	29.7	1.4	31.2	1.5	-1.5
<b>Sweden</b>	61.1	2.8	62.9	3.0	-1.9
<b>United Kingdom</b>	175.0	8.1	228.5	11.0	-53.5

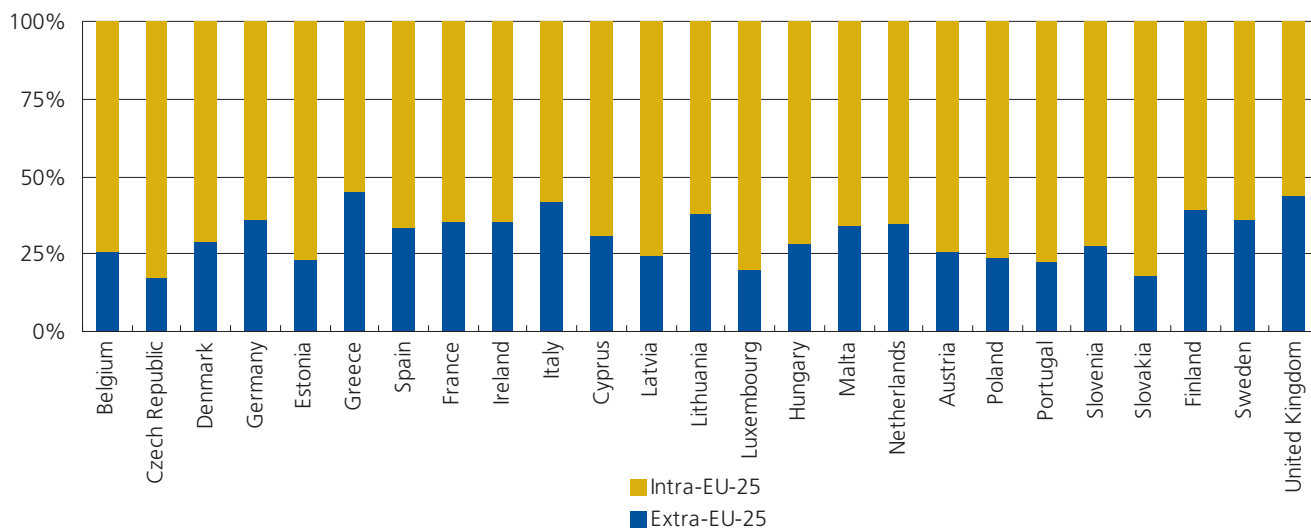
Imports are expressed in value terms and measured cif (cost, insurance, freight); exports are expressed in value terms and measured fob (free on board); balance = exports – imports.





**Figure 7.9: Intra- and extra-EU-25 trade, 2005**

(% share of total trade)

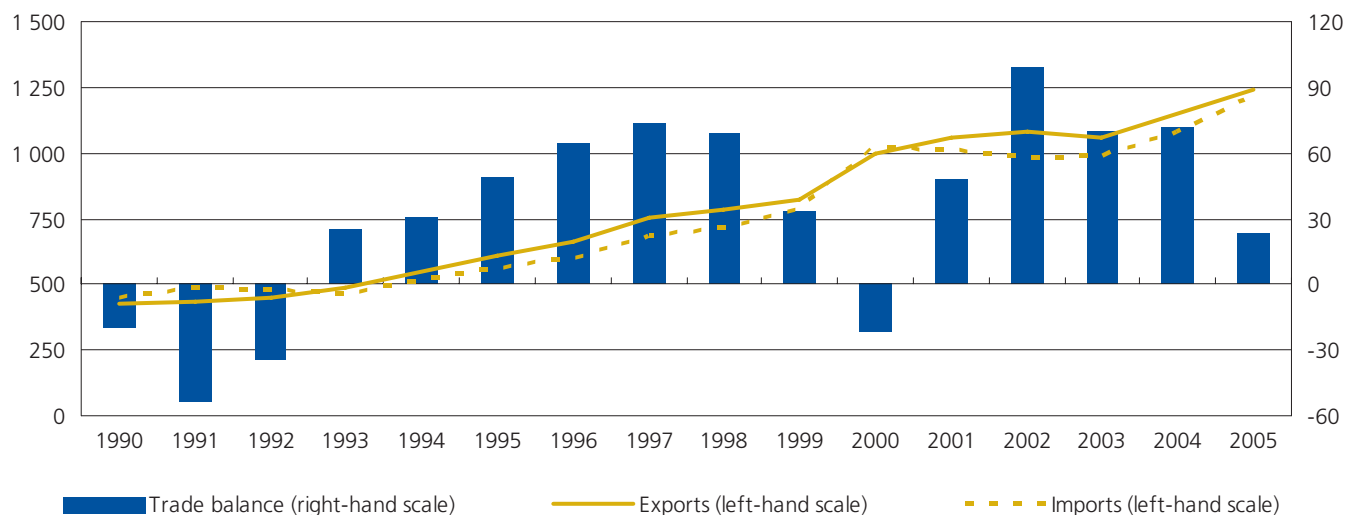


Extra-EU trade statistics record movable property imported and exported by the European Union; extra-EU trade statistics do not record exchanges involving goods in transit, placed in a customs warehouse or given temporary admission (for trade fairs, temporary exhibitions, test, etc.); with the removal of frontier controls between Member States under the single market programme, a new system, known as Intrastat was devised to collect statistics on intra-Community trade; developed by Eurostat and operational since 1 January 1993, Intrastat involves collecting information directly from businesses and makes use of value added tax (VAT) data and the VAT reporting system; intra-EU trade statistics record the arrival and dispatch of movable property recorded by each Member State; intra-EU trade statistics do not record goods in transit; intra-EU trade statistics are not based on either the general or the special trade system; these concern customs procedures; given its coverage of transactions, however, Intrastat closely matches the general trade system.

7

**Figure 7.10: Evolution of international trade in goods, euro area (1)**

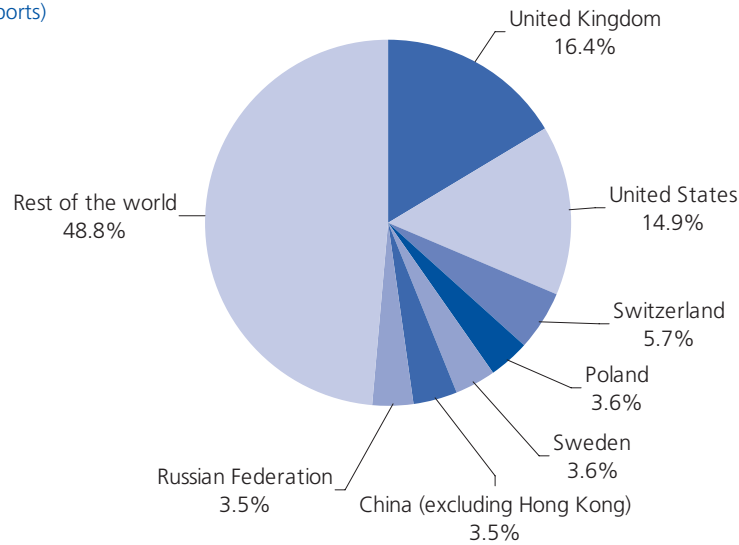
(EUR 1 000 million)



(1) Extra-euro area.

**Figure 7.11: Main trading partners for exports, euro area, 2005**

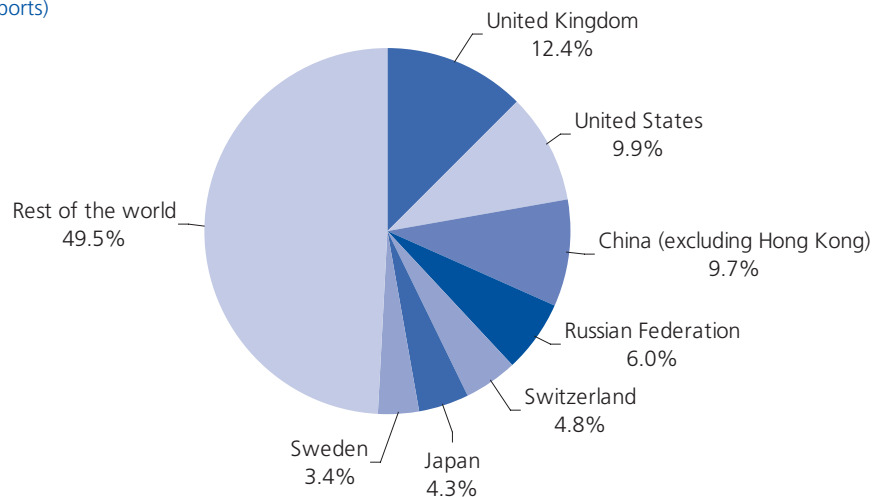
(% share of extra-euro area exports)



Exports are expressed in value terms and measured fob (free on board).

**Figure 7.12: Main trading partners for imports, euro area, 2005**

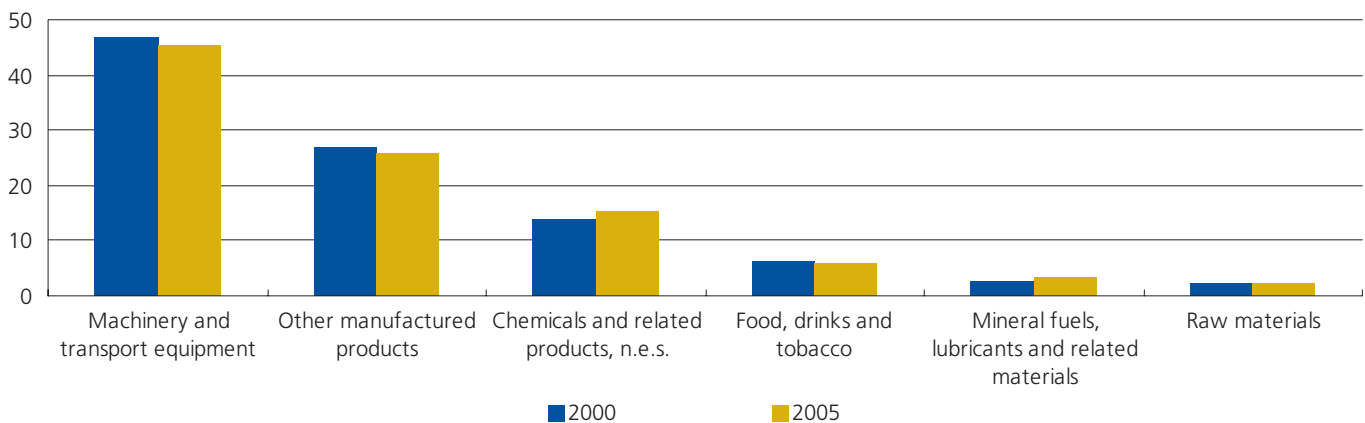
(% share of extra-euro area imports)



Imports are expressed in value terms and measured cif (cost, insurance, freight).

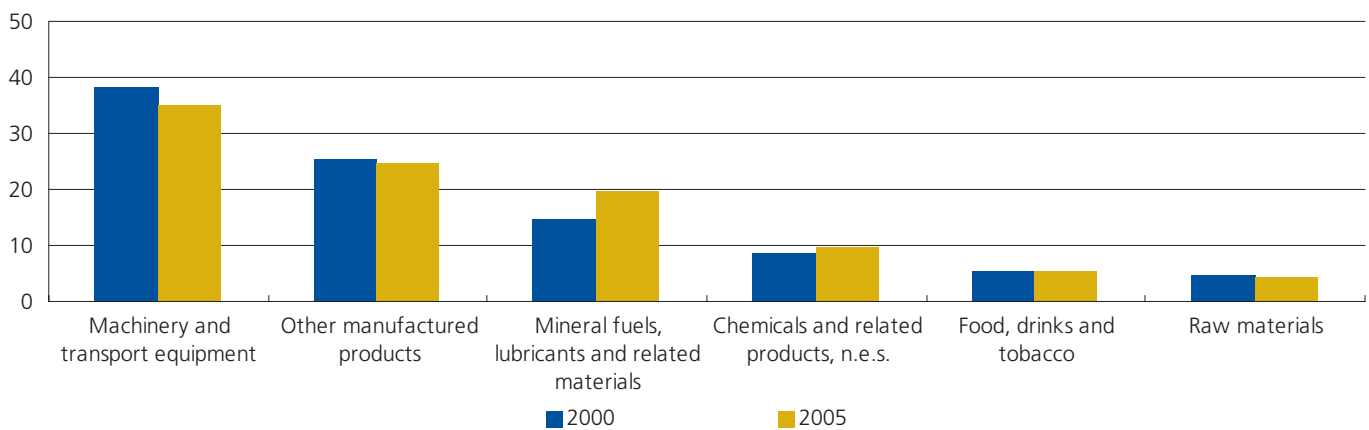
**Figure 7.13: Main exported products, euro area**

(% share of total extra-euro area exports)



**Figure 7.14: Main imported products, euro area**

(% share of total extra-euro area imports)

**INTERNATIONAL TRADE IN SERVICES**

The information presented here supplements that found in Chapter 6 in the section on the current account (see page 170). Services cover a heterogeneous range of intangible products and activities that are difficult to encapsulate within a simple definition. They are also often difficult to separate from goods, as trade in goods may indistinguishably include service charges for items such as insurance, maintenance contracts, transport charges, royalty payments and packaging.

Services differ from goods in a number of ways, most commonly in the immediacy of the relationship between supplier and consumer. Many services are non-transportable, in other words, they require the physical proximity of supplier and customer — for example, the provision of a hotel service requires that the hotel is where the customer wishes to stay, a cleaning service for a business must be provided at the site of the business, and a haircut requires that both hairstylist and client be present.

The main methodological references for the production of statistics on international trade in services are the International Monetary Fund's fifth balance of payments manual (BPM5) and the United Nations' manual on statistics of international trade in services. The breakdown of Eurostat statistics on international trade in services includes three main sub-items — transportation, travel, and other services.

- Transportation covers services provided by all modes of transportation — sea, air, and other, which includes space, rail, road, inland waterway and pipeline. The different types of services offered include the transport of passengers, the transport of freight, and other supporting and auxiliary services (such as storage and warehousing).
- The debit side of travel consists of goods and services which are acquired by residents who stay abroad for less than one year. The credit side includes purchases of the same type made by foreign travellers on the national territory. The travel item contains two main categories of business travel and personal travel (leisure, study, health-related purposes, etc.). Note that international transportation costs of the traveller to a destination are recorded under the heading transportation,

but all movements within the country, including cruises, are entered under travel.

- Other services comprise those international transactions not covered under transportation or travel (such as communication services, construction services, insurance services, financial services, computer and information services, royalties and licence fees, other business services, personal, cultural and recreational services, and government services).

In the balance of payments statistics, the EU current account is geographically allocated according to the residence of the trading partner. Eurostat provides detailed information on the geographical breakdown of the current account of the EU, distinguishing between:

- intra-EU transactions, corresponding to the sum of the transactions declared by EU Member States with other EU Member States, and;
- extra-EU transactions, corresponding to the transactions declared by EU Member States with countries outside the EU. extra-EU transactions are further broken down into detailed partner zones, for example, for individual countries (such as Bulgaria, the United States, or Japan), for economic zones (such as the OECD, ACP or NAFTA countries), and for geographical zones (such as Africa, Asia or North America).
- world transactions are equal to the sum of intra-EU transactions and extra-EU transactions.

Within balance of payment statistics, a country's international transactions with the rest of the world is composed of the current account and the capital and financial account. The current account is subdivided into goods, services, income and current transfers. The current account measures exports (often referred to as credits) and imports (debits).

The EU-25 reported credits of EUR 860 000 million for services transactions in 2004, while debits were valued slightly lower at EUR 800 000 million (these figures include intra-EU transactions as well). Indeed, the majority of credits were derived from trade in services within the EU-25. As with the statistics presented in the previous section for goods, the most important external trading partner for services was the United States. Taken together with Canada and Mexico, in the form of the North American Free Trade Agreement (NAFTA), these three countries accounted for almost 15 % of the EU-25's credits and debits for international trade in services in 2004.

Approximately three quarters of the EU-25's international trade in services (for both credits and debits) was accounted for by the three categories of transportation, travel, and other business services. However, in 2004 the highest net credits among services for the EU-25 were recorded for financial services and for computer and information services.

**Table 7.5: International trade in services**

((EUR 1 000 million)

TEC00045

	Credits			Debits			Net	
	2003	2004	2003-04 growth rate (%)	2003	2004	2003-04 growth rate (%)	2003	2004
							2003	2004
<b>EU-25 (1)</b>	789.3	856.9	8.6	754.1	801.5	6.3	35.2	55.4
<b>EU-15 (1)</b>	748.5	812.5	8.5	719.6	764.3	6.2	29.0	48.2
<b>Belgium</b>	39.5	42.1	6.7	38.0	39.5	3.8	1.5	2.6
<b>Czech Republic</b>	6.9	7.8	13.2	6.5	7.4	14.4	0.4	0.4
<b>Denmark</b>	28.0	29.3	4.6	25.0	26.9	7.8	3.0	2.4
<b>Germany</b>	109.0	114.1	4.7	152.2	155.5	2.1	-43.2	-41.3
<b>Estonia</b>	2.0	2.3	15.5	1.2	1.4	14.8	0.8	0.9
<b>Greece</b>	21.4	26.7	25.0	9.9	11.3	13.9	11.5	15.5
<b>Spain</b>	65.7	68.4	4.1	42.4	46.2	8.9	23.3	22.2
<b>France</b>	87.3	88.8	1.7	73.3	78.6	7.1	14.0	10.3
<b>Ireland</b>	37.1	42.2	13.6	48.2	51.9	7.7	-11.1	-9.7
<b>Italy</b>	63.2	67.3	6.6	65.6	65.8	0.3	-2.4	1.5
<b>Cyprus</b>	4.7	5.0	6.0	2.0	2.1	8.2	2.8	2.9
<b>Latvia</b>	1.3	1.4	7.6	0.8	1.0	15.6	0.5	0.5
<b>Lithuania</b>	1.7	2.0	18.5	1.1	1.3	17.8	0.5	0.7
<b>Luxembourg</b>	22.4	26.7	19.0	13.6	16.7	22.8	8.8	10.0
<b>Hungary</b>	7.7	8.3	7.8	8.1	8.3	3.1	-0.4	0.0
<b>Malta</b>	1.2	1.1	-7.0	0.8	0.7	-0.5	0.4	0.4
<b>Netherlands</b>	55.8	68.3	22.3	55.3	64.1	15.9	0.5	4.2
<b>Austria</b>	38.0	39.4	3.6	36.4	37.3	2.4	1.6	2.1
<b>Poland</b>	9.9	10.8	9.0	9.4	10.0	6.2	0.5	0.8
<b>Portugal</b>	10.9	11.9	9.6	7.3	7.8	5.7	3.5	4.2
<b>Slovenia</b>	2.5	2.8	12.8	1.9	2.1	8.9	0.5	0.7
<b>Slovakia</b>	2.9	3.0	3.1	2.7	2.8	3.1	0.2	0.2
<b>Finland</b>	7.0	8.0	14.1	8.9	9.9	11.3	-1.9	-1.9
<b>Sweden</b>	27.5	31.2	13.3	25.4	26.6	4.6	2.1	4.6
<b>United Kingdom</b>	135.3	147.6	9.1	110.9	116.3	4.9	24.4	31.3
<b>Bulgaria</b>	2.8	3.4	20.2	2.3	2.6	16.1	0.5	0.7
<b>Romania</b>	2.7	2.9	8.7	2.6	3.1	19.4	0.1	-0.2
<b>Turkey</b>	15.9	18.4	15.9	6.6	8.2	23.4	9.3	10.3

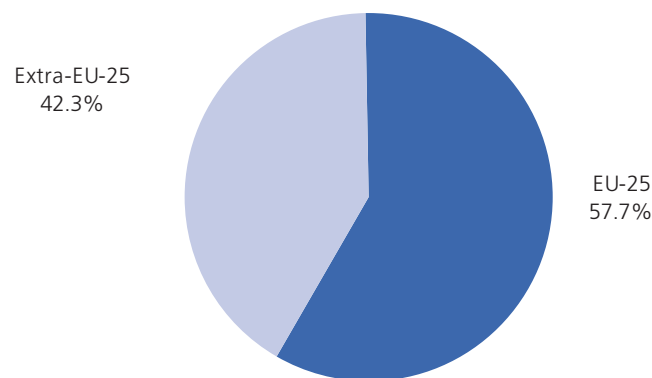
(1) Includes intra-EU transactions.

The balance of payments is a record of a country's international transactions with the rest of the world; it is composed of the current account and the capital and financial account; the current account is itself subdivided into goods, services, income, and current transfers; it registers the value of exports (credits) and imports (debits).

**Figure 7.15: International trade in services, credits, EU-25, 2004**

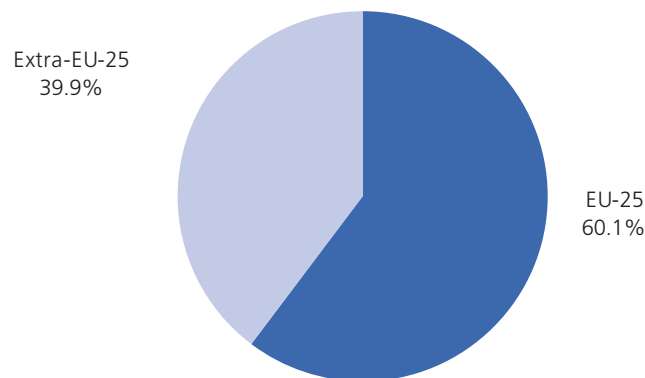
(% share of EU-25 credits)

TEC00080

**Figure 7.16: International trade in services, debits, EU-25, 2004**

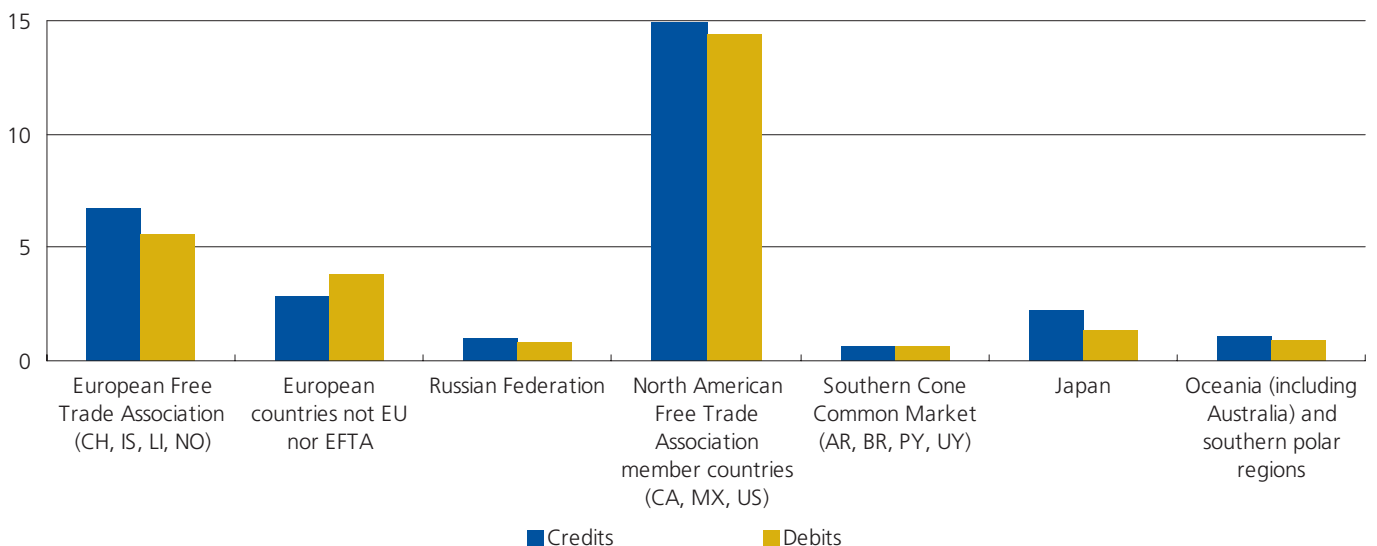
(% share of EU-25 debits)

TEC00081

**Figure 7.17: International trade in services by world regions, EU-25, 2004**

(% share of total EU-25 credits and debits)

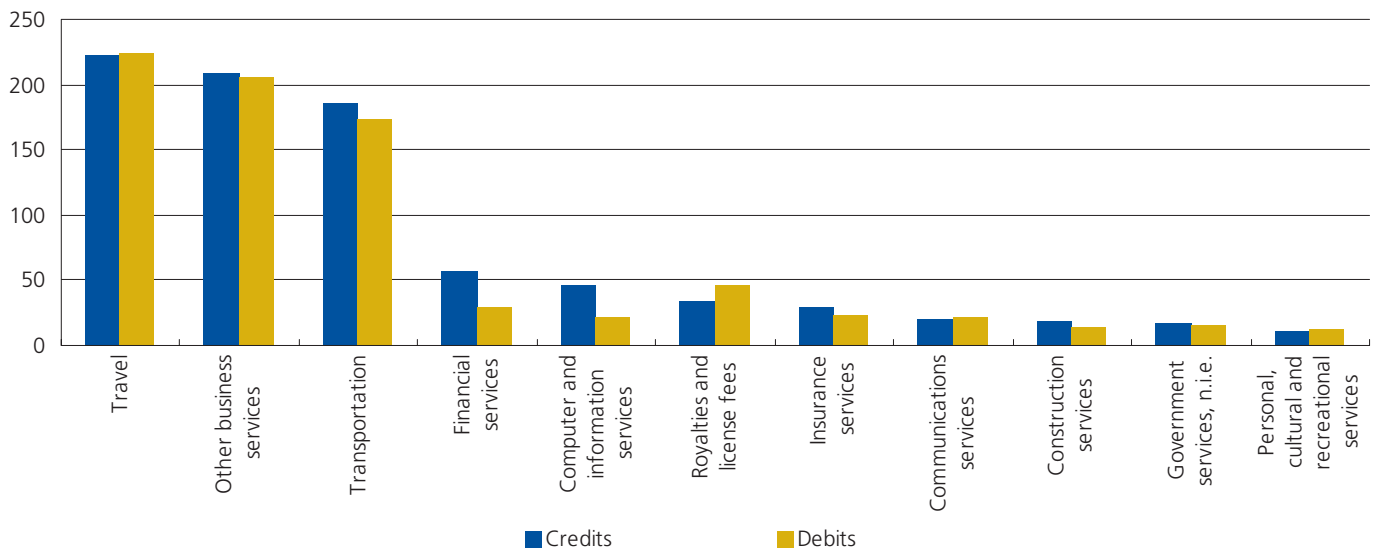
TEC00082



**Figure 7.18: International trade by main service categories, EU-25, 2004 (1)**

(EUR 1 000 million)

TEC00058 TEC00062 TEC00063 TEC00064 TEC00065 TEC00066 TEC00067 TEC00068 TEC00069 TEC00070 TEC00071



(1) Includes intra-EU transactions.

The balance of payments is a record of a country's international transactions with the rest of the world; it is composed of the current account and the capital and financial account; the current account is itself subdivided into goods, services, income, and current transfers; it registers the value of exports (credits) and imports (debits); the debit side of the item travel (BoP item 236) consists of goods and services which are acquired by residents who stay abroad for less than one year; the credit side includes purchases of the same type made by foreign travellers on the national territory.

# 8.

## INDUSTRY AND SERVICES



- Business structures**
- Industry and construction**
- Services**
- Distributive trades**
- Transport**
- Tourism**



<b>Industry and services</b>	<b>209</b>
Business structures	210
Industry and construction	215
Services	221
Distributive trades	223
Transport	227
Tourism	236

## 8. INDUSTRY AND SERVICES

The European Commission's enterprise policy aims at creating a favourable environment for enterprises and businesses to thrive within Europe, thus creating the productivity growth, jobs and wealth that are necessary to achieve the objectives set by the European Council in Lisbon in March 2000.

While competitiveness as a macroeconomic concept is understood to mean rising standards of living and employment opportunities for all who wish to work, at the level of individual enterprises or sectors, competitiveness is more concerned with the specific issue of productivity growth. Improving enterprise performance in this respect depends on a number of factors, such as the business environment, access to capital markets (in particular for venture capital), or investment in research and development or intangibles.

The legal basis for the European Commission's activities with respect to enterprise policy is Article 157 of the EC Treaty, which ensures that the conditions necessary for the industrial competitiveness exist, as well as encouraging entrepreneurial initiative, particularly among small and medium-sized enterprises (SMEs).

A report in November 2004 from the high level group chaired by Wim Kok, entitled '*Facing the challenge*'<sup>(38)</sup> assessed the current situation and identified measures which could form a consistent strategy for the European economies to achieve the Lisbon objectives and targets, among which the most important included:

<sup>(38)</sup> '*Facing the challenge — The Lisbon strategy for growth and employment*', report from the High Level Group chaired by Wim Kok, November 2004 [http://ec.europa.eu/growthandjobs/pdf/kok\\_report\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/kok_report_en.pdf).

Eurostat has a wide range of data within this area, including:

- data broken down at very detailed sectoral levels (according to the NACE Rev 1.1 classification) for industrial and service activities;
- short-term statistics for business-cycle analysis (such as the index of production, index of employment, or domestic output prices indices);
- annual structural business statistics for a variety of input indicators (such as the number of persons employed, personnel costs, or gross investment in tangible goods);
- annual structural business statistics for a variety of output indicators (such as turnover, value added at factor cost, or the gross operating rate (gross operating surplus/turnover));
- annual structural business statistics for a variety of derived ratios (such as average personnel costs, apparent labour productivity, or investment per person employed);
- structural business statistics for small and medium-sized enterprises;
- structural business statistics for different geographical regions;
- indicators for railway, road, inland waterway, oil pipeline, maritime, air and other transport;
- tourism statistics (on establishments, number of bed places, number of tourists, number of nights spent, or modes of transport used by tourists).



- reducing administrative burden;
- improving the quality of legislation;
- facilitating the rapid start-up of new enterprises; and
- creating an environment more supportive to businesses.

Despite the changing face of the business economy, manufacturing still plays a key role in Europe's prosperity. There is, however, some concern that the EU risks facing a process of de-industrialisation. In October 2005, the European Commission launched a new industrial policy to create better framework conditions for manufacturing industries in the coming years. In November 2005, the Commission adopted a new approach intended to provide a single coherent policy framework for EU actions in favour of SMEs.

### BUSINESS STRUCTURES

Eurostat draws a comprehensive picture of the structure of the European business world and thus of the framework for entrepreneurial activity. Its data on business structures show developments over time within specific activities, as well as structural changes within the economy as a whole. Without this information, short-term data on the economic cycle would lack background and be hard to interpret.

These statistics are used by enterprises that want to determine their opportunities in a new market, or alternatively those enterprises who wish to put their performance into perspective (by benchmarking their own data against sectoral averages for their own region, country, or another Member State, in order to establish where competitive advantages lie). The data is also used by business associations, researchers, administrators and politicians.

Structural business statistics describe the economy by observing the activity of enterprises engaged in an economic activity. These data may be used to monitor the wealth created within an activity (value added), or how much labour input is required (number of persons employed), or profitability (the gross operating rate).

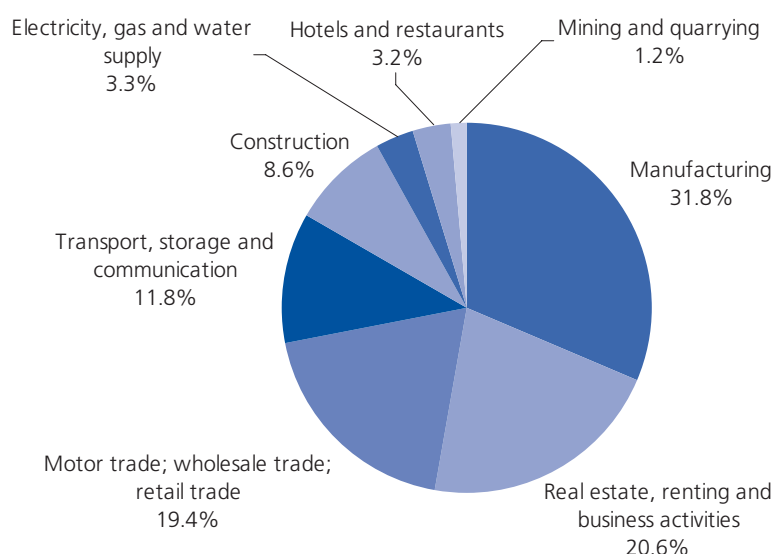
The Council regulation on structural business statistics (SBS) provides a harmonised legal framework for the annual collection of structural data from businesses in the EU. It defines the nomenclatures (NACE Rev. 1.1, NUTS) and the statistical units to be used, the coverage (without size threshold), the deadlines for the delivery of data, and various quality criteria. The SBS regulation covers all market activities (excluding agriculture), covering industry, construction, distributive trades and services within NACE Rev. 1.1 Sections C to K. Note that the breakdown of economic activities is very detailed and that the data included in the SBS domain of Eurostat's dissemination database goes into much more detail than the short set of information presented in this section of the yearbook.

Principally, the structural business statistics presented in this section relate to output or to employment. Among a number of variables describing the input and output sides of business activity, a selection of basic indicators is presented, including:

- gross value added at factor cost: which corresponds to the difference between the value of what is produced and the costs incurred for producing these goods and services (intermediate consumption), corrected for subsidies on production and costs, and assimilated taxes and levies; it can be interpreted as the wealth created by the enterprises of a sector and which is used to remunerate the production factors (capital in the form of the gross operating surplus, and labour in the form of the personnel costs);

**Figure 8.1: Breakdown of value added at factor cost in the non-financial business economy, EU-25, 2003 (1)**  
(%)

TIN00002



(1) Includes rounded estimates based on non-confidential data; figures do not sum to 100 % due to rounding.

Value added represents the difference between the value of what is produced and intermediate consumption entering the production, less subsidies on production and costs, taxes and levies.

Non-financial business economy defined as NACE Sections C to I and K.

- personnel costs: are defined as the total amounts paid by the enterprises of a sector to remunerate the work of employees during the reference year; they cover wages and salaries and social contributions paid by employers;
- the number of persons employed: defined as the total number of persons who work for the enterprises of a sector, whether or not they are paid; this total excludes borrowed staff and agency workers.

Just under one third (about 32 %) of the EU-25's value added in the non-financial business economy (defined as industry, construction, distributive trades and services, and therefore excluding financial and public services) was generated in 2003 by the manufacturing sector, where about 28 % of the workforce was employed. The next largest activities (using a breakdown by NACE section) were distributive trades (composed of motor trades, wholesale trade, and retail trade), and real estate, renting and business activities. Distributive trades are relatively labour-intensive, as they accounted for a 25 % share of the total number of persons employed in the EU-25's non-financial business economy, but only 19 % of value added. It should be noted, though, that the employment data presented here are head counts and not, for example, full-time equivalents, and the proportion of persons working part-time in distributive trades (22 %) was well above the non-financial business economy average (14 %) in 2005. Real estate, renting and business activities generated about 21 % of the wealth created in the EU-25's non-financial business economy, and employed 18 % of the workforce.

Structural business statistics are also collected broken down by enterprise size class (defined in terms of the number of persons employed). These data show that the structure of enterprises

varies considerably within the EU depending upon the activity under consideration, with large enterprises particularly dominant within mining and quarrying, electricity, gas and water supply, and transport, storage and communication. These activities are characterised by relatively high minimum efficient scales of production and/or by (transmission) networks that are rarely duplicated due to their high fixed investment cost (for example, railway infrastructure, an electricity grid or a fixed telephone network).

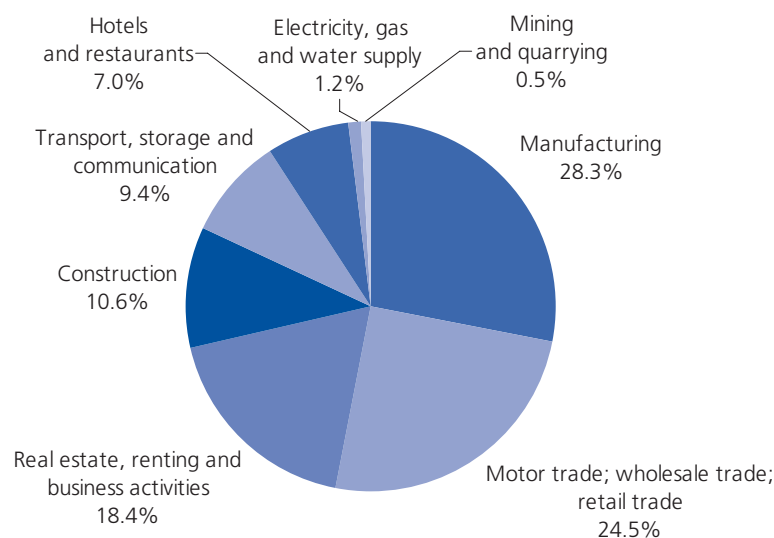
On the other hand, small and medium-sized enterprises (SMEs) were particularly important within the activities of construction and hotels and restaurants, where enterprises with less than 250 persons employed accounted for more than three quarters of the wealth created and the workforce.

Structural business statistics are being expanded from the three traditional areas of data collection (annual enterprise survey, enterprise size classes, and regional structural business statistics) into other areas. One of the development areas concerns business demography.

Business demography statistics present data on the active population of enterprises, their birth, survival (followed-up to five years after birth) and death. Special attention is paid to the impact of these demographic events on employment. While there is only a partial data set available, the statistics presented show that there are significant changes in the stock of enterprises, reflecting the level of competition and entrepreneurial spirit of the various economies. More than one out of every 10 enterprises was newly born in the Czech Republic, Estonia, Latvia, Luxembourg, Hungary and the United Kingdom in 2003.

**Figure 8.2: Breakdown of number of persons employed in the non-financial business economy, EU-25, 2003 (1)**  
(%)

TIN00004

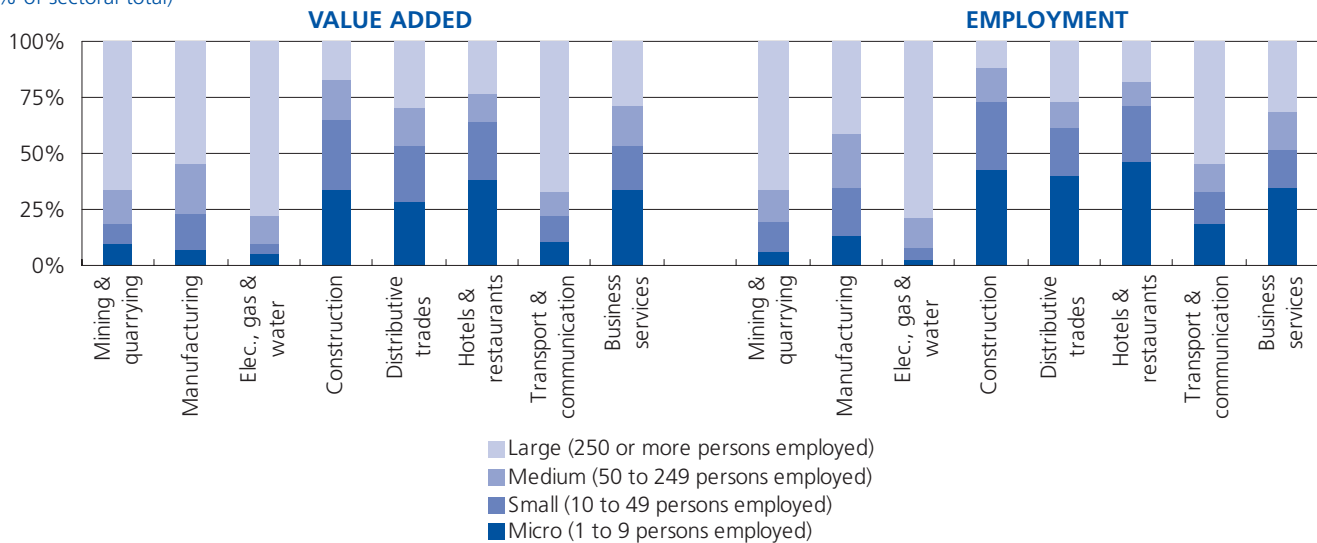


(1) Includes rounded estimates based on non-confidential data; figures do not sum to 100 % due to rounding.

The number of persons employed is defined as the total number of persons working in the various industries: employees, non employees (e.g. family workers, delivery personnel) with the exception of agency workers.

**Figure 8.3: Breakdown of sectoral value added and employment by enterprise size class, EU-25, 2003 (1)**

(% of sectoral total)



(1) Includes rounded estimates based on non-confidential data.

Value added represents the difference between the value of what is produced and intermediate consumption entering the production, less subsidies on production and costs, taxes and levies.

The number of persons employed is defined as the total number of persons working in the various industries: employees, non-employees (e.g. family workers, delivery personnel) with the exception of agency workers.

**Table 8.1: Number of persons employed by enterprise size class in the non-financial business economy, 2003**

(1 000)

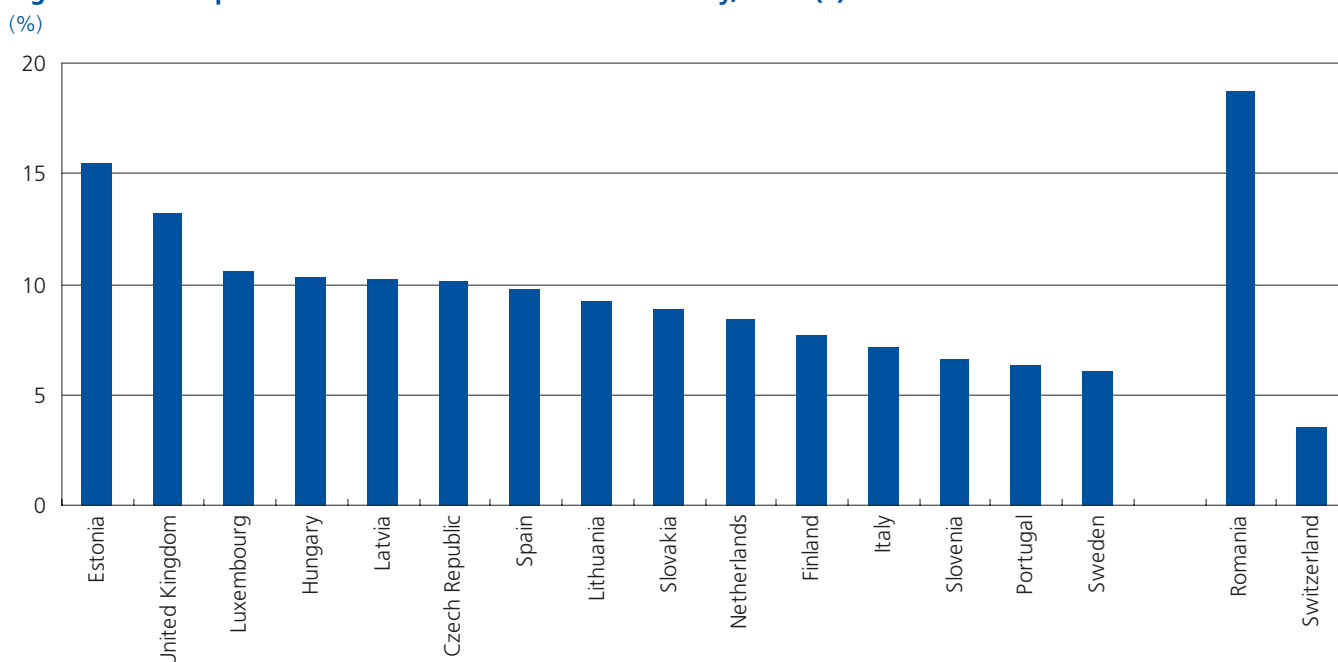
	Total	Micro (1 to 9 persons employed)	Small (10 to 49 persons employed)	Medium (50 to 249 persons employed)	Large (250+ persons employed)
<b>EU-25</b>	116 647	34 862	24 249	19 253	38 283
<b>Belgium</b>	2 366	686	:	377	:
<b>Czech Republic</b>	3 594	1 171	669	641	1 114
<b>Denmark</b>	1 636	321	407	:	:
<b>Germany</b>	20 672	4 059	4 518	3 861	8 235
<b>Estonia</b>	372	:	:	:	:
<b>Greece</b>	:	:	:	:	:
<b>Spain</b>	12 324	4 759	3 179	1 816	2 571
<b>France</b>	14 089	3 284	2 912	2 375	5 519
<b>Ireland</b>	:	:	:	:	:
<b>Italy</b>	14 513	6 837	3 191	:	:
<b>Cyprus</b>	:	:	:	:	:
<b>Latvia</b>	547	113	148	144	143
<b>Lithuania</b>	:	:	:	212	:
<b>Luxembourg</b>	:	:	:	:	:
<b>Hungary</b>	2 533	909	471	414	740
<b>Malta</b>	:	:	:	:	:
<b>Netherlands</b>	4 504	1 300	:	836	:
<b>Austria</b>	2 323	584	:	:	:
<b>Poland</b>	7 352	2 980	847	1 346	2 178
<b>Portugal (1)</b>	2 881	1 166	659	498	557
<b>Slovenia</b>	570	:	:	:	:
<b>Slovakia</b>	899	112	132	199	456
<b>Finland</b>	1 219	267	229	225	498
<b>Sweden</b>	:	:	:	:	:
<b>United Kingdom</b>	17 842	3 766	3 191	2 647	8 238
<b>Bulgaria</b>	1 730	523	348	359	500
<b>Romania</b>	3 922	630	653	870	1 770

(1) 2002.

Non-financial business economy defined as NACE Sections C to I and K.



**Figure 8.4: Enterprise birth rates in the business economy, 2003 (1)**



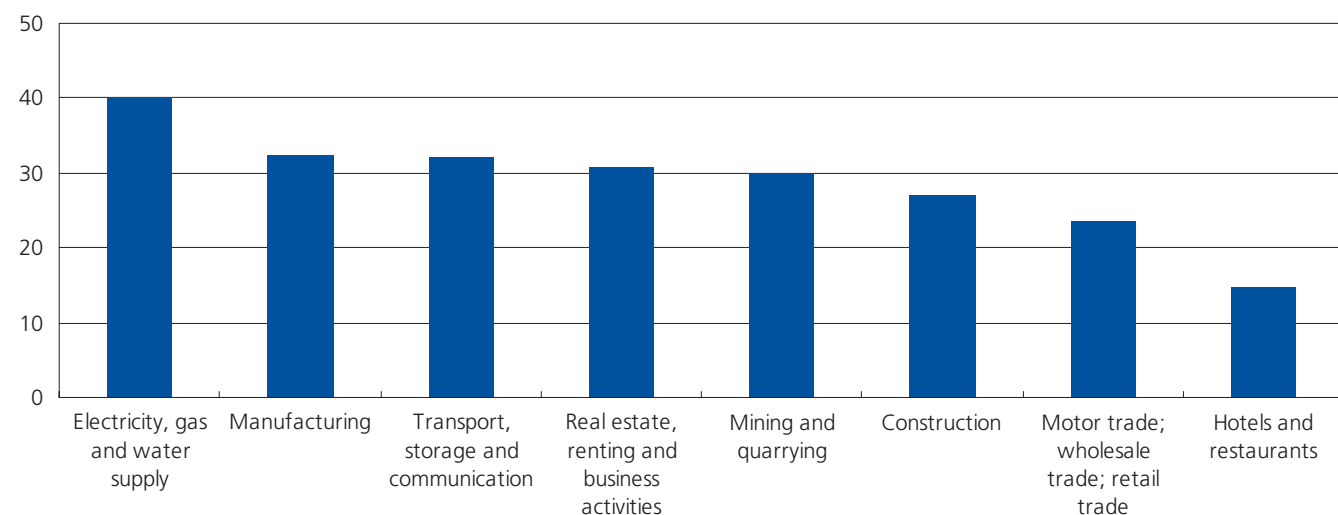
(1) No data available for those Member States not presented in the graph.

A birth amounts to the creation of a combination of production factors with the restriction that no other enterprises are involved in the event; births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises; it does not include entries into a sub-population resulting only from a change of activity; a birth occurs when an enterprise starts from scratch and actually starts activity; an enterprise creation can be considered an enterprise birth if new production factors, in particular new jobs, are created; if a dormant unit is reactivated within two years, this event is not considered a birth.

Business economy defined as NACE Sections C to K.

**Figure 8.5: Average personnel costs, EU-25, 2003 (1)**

(EUR 1 000 per employee)



(1) Includes rounded estimates based on non-confidential data.

Personnel costs/number of employees: personnel costs are defined as the total remuneration payable by an employer to an employee in return for work done by the latter, it includes taxes and employees' social security contributions; employees are defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

Table 8.2: Average personnel costs, 2003

(EUR 1 000 per employee)

TIN00011

	Mining and quarrying	Manu- facturing	Electricity, gas and water supply	Con- struction	Motor trade; wholesale trade; retail trade	Hotels and restau- rants	Transport, storage and commu- nication	Real estate, renting and business activities
<b>EU-25</b>	30.0	32.3	40.0	27.0	23.4	14.8	32.0	30.7
<b>Belgium</b>	44.2	47.3	80.5	34.8	36.4	18.4	44.0	41.6
<b>Czech Republic</b>	10.9	8.1	11.5	8.2	8.0	4.8	9.3	9.9
<b>Denmark</b>	55.9	41.0	36.8	37.9	32.7	16.8	42.0	37.9
<b>Germany</b>	47.9	44.3	60.9	32.3	26.8	12.9	34.0	30.3
<b>Estonia</b>	8.1	6.2	8.3	6.4	5.9	4.1	7.6	7.1
<b>Greece</b>	:	:	:	:	:	:	:	:
<b>Spain</b>	31.2	27.7	47.2	24.4	20.7	15.9	29.3	21.4
<b>France</b>	48.0	39.9	60.9	34.3	32.3	24.5	39.4	40.9
<b>Ireland (1)</b>	43.5	37.5	:	46.7	24.3	15.2	38.5	33.3
<b>Italy</b>	40.7	30.8	39.5	24.0	26.3	18.1	35.7	27.3
<b>Cyprus</b>	24.3	16.5	39.2	20.4	18.0	17.6	25.7	:
<b>Latvia</b>	4.6	3.7	6.9	3.3	2.9	2.3	5.2	4.1
<b>Lithuania (2)</b>	6.9	4.1	7.3	4.2	3.5	2.1	5.0	4.6
<b>Luxembourg</b>	40.8	44.5	68.6	33.1	32.6	26.5	47.5	35.7
<b>Hungary</b>	10.5	8.4	13.4	5.9	6.6	4.4	9.9	7.6
<b>Malta (3)</b>	10.2	14.2	17.8	9.2	10.4	7.6	15.2	11.5
<b>Netherlands</b>	67.5	43.3	50.0	44.0	26.6	14.5	37.9	31.4
<b>Austria</b>	47.3	40.8	60.8	34.9	30.3	21.3	38.0	36.1
<b>Poland</b>	13.3	6.8	10.8	6.2	5.9	4.8	8.5	7.4
<b>Portugal</b>	16.5	13.4	34.1	12.4	13.6	9.3	24.0	15.7
<b>Slovenia</b>	23.2	15.2	20.9	12.9	14.8	11.1	18.1	17.4
<b>Slovakia</b>	6.9	6.1	8.7	5.4	5.8	4.1	6.8	6.6
<b>Finland</b>	37.3	39.7	44.1	34.4	32.0	24.2	36.9	35.8
<b>Sweden (4)</b>	41.0	42.0	51.9	38.2	37.9	24.7	41.7	46.9
<b>United Kingdom</b>	57.4	35.9	46.0	34.9	21.7	11.7	36.7	35.1
<b>Bulgaria</b>	4.3	2.1	5.2	2.3	1.6	1.3	3.7	2.2
<b>Romania</b>	5.4	2.4	4.3	2.4	1.9	1.8	3.9	2.8
<b>Norway</b>	125.5	47.9	:	45.7	34.6	21.7	46.7	43.2

(1) Mining and quarrying, 2002.

(2) Transport, storage and communication, 2002.

(3) 2002.

(4) Mining and quarrying; manufacturing; electricity; gas and water supply; construction, 2002.

Personnel costs/number of employees: personnel costs are defined as the total remuneration payable by an employer to an employee in return for work done by the latter, it includes taxes and employees' social security contributions; employees are defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

## INDUSTRY AND CONSTRUCTION

On 5 October 2005 the European Commission launched a new industrial policy to create better framework conditions for manufacturing industries. Whether or not a business succeeds depends ultimately on the vitality and strength of the business itself, but the environment in which it operates can help or harm its prospects, in particular when faced with the challenges of globalisation and intense international competition.

This new industrial policy is designed to complement work within the Member States to encourage a strong and dynamic industrial base. It includes seven new initiatives on competitiveness, energy and the environment, intellectual property rights, better regulation, industrial research and innovation, market access, skills, and managing structural change. Seven additional initiatives are targeted at key strategic sectors, including pharmaceuticals, defence-related industries, and information and communication technologies. The approach adopted for the new industrial policy is based upon a detailed screening of 27 individual industrial and construction sectors, building upon several joint initiatives undertaken by the European Commission with, for example, the shipbuilding and motor vehicle industries.

The EU-25's industrial sector employed over 35 million people in 2003, while construction added a further 12.4 million persons. Manufacturing (which accounts for the lion's share of industrial activity) accounted for three quarters of the EU's exports and over 80 % of its private sector R & D expenditure.

The gross operating rate is defined as the share of the gross operating surplus in turnover - it is one measure that may be used to study the profitability of a particular economic activity. Turnover (often referred to as sales) is used to remunerate production factors: capital in the form of the gross operating surplus, and labour in the form of the personnel costs. Capital-intensive activities will tend to report higher shares of the gross

operating surplus in turnover (for example, the manufacture of chemicals, chemical products and man-made fibres).

The remainder of the statistics in this section are provided from the short-term business statistics (STS) data collection. Among these, some of the most important indicators are a set of principal European economic indicators (PEEIs) that are essential to the European Central Bank (ECB) for reviewing monetary policy within the euro area.

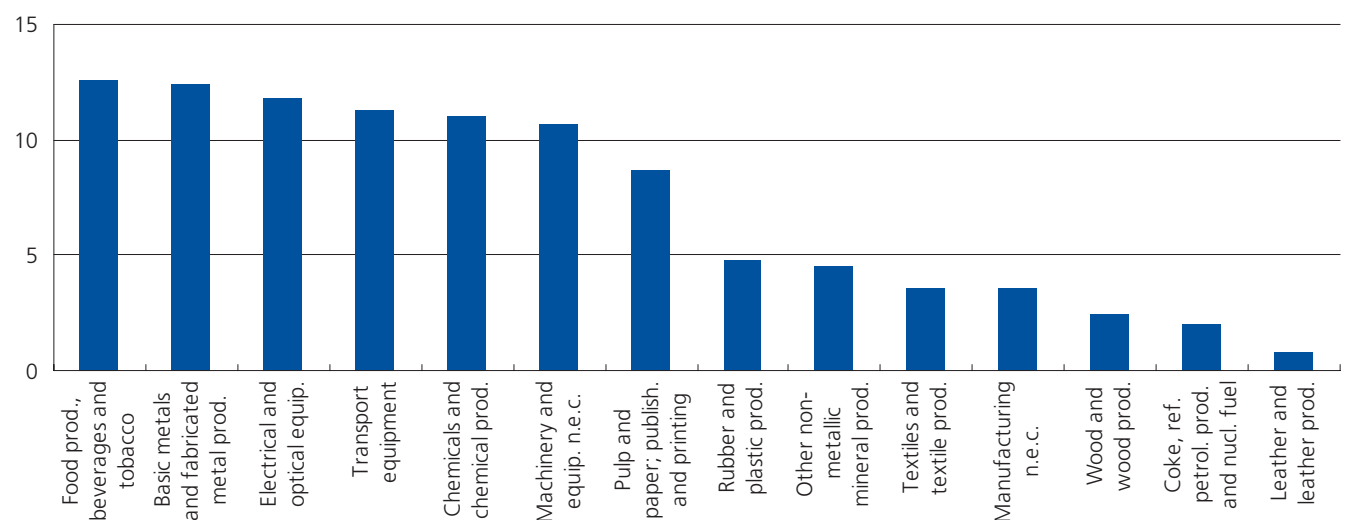
Short-term business statistics are collected within the scope of the STS regulation<sup>(39)</sup>. Despite the major changes brought in by the STS regulation, and the great improvements in the availability and timeliness of indicators that followed its implementation, strong demands for further development were voiced even as the STS regulation was being adopted. The emergence of the ECB fundamentally changed expectations as regards STS. As a result, the STS regulation was amended by Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98 concerning short-term statistics. Among the main changes introduced were:

- new indicators for the purpose of analysis, namely the introduction of industrial import prices, services output prices, and the division of non-domestic turnover, new orders and industrial output prices between euro area and non-euro area countries;
- more timely data, by shortening deadlines for the delivery of the industrial and construction production indices, the retail trade and services turnover (and volume of sales) indices, and employment indices for all activities;
- more frequent data, increasing the frequency of the production in construction index to monthly from quarterly.

<sup>(39)</sup> Council Regulation (EC) No 1165/98 of 19 May 1998 concerning short-term statistics.

**Figure 8.6: Breakdown of manufacturing value added, EU-25, 2003 (1)**

(%)



(1) Includes rounded estimates based on non-confidential data.

Value added represents the difference between the value of what is produced and intermediate consumption entering the production, less subsidies on production and costs, taxes and levies.

Short-term business statistics are provided to Eurostat by the national statistical offices. Eurostat calculates the European aggregates for the EU-25 and euro area. Eurostat also performs some decomposition of the indices when these are not provided directly by the Member States, in order to produce other presentations of data (such as seasonally adjustment and trend-cycle series).

The production index provides a measure of the volume trend in value added at factor cost over a given reference period. Dependent on the approximation method used (see below), the index of production should take account of:

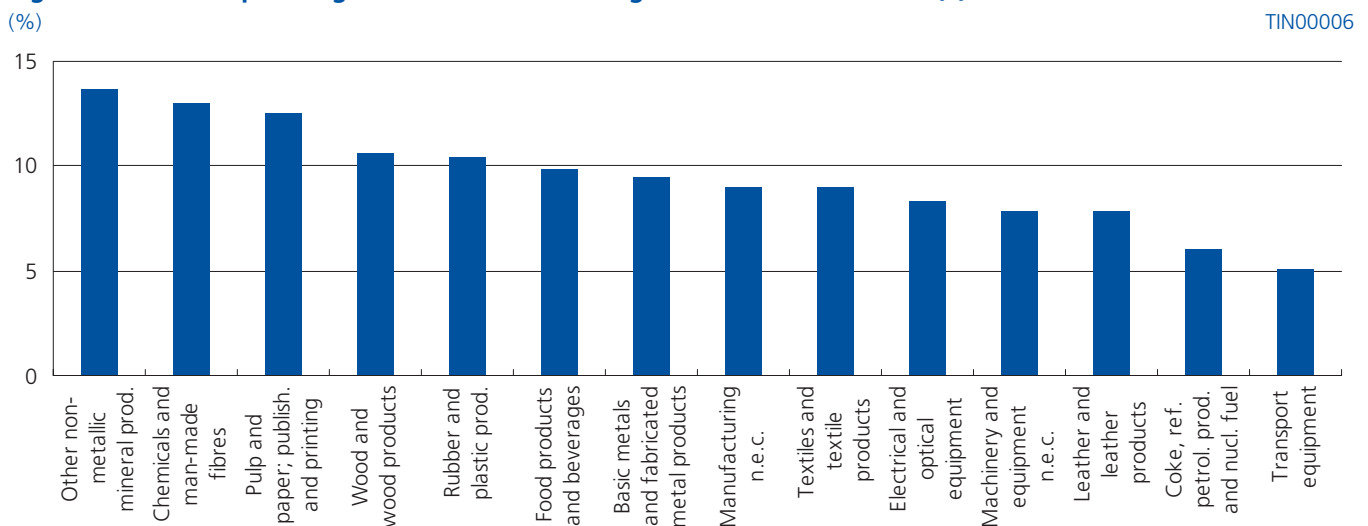
- variations in type and quality of the commodities and of the input materials;
- changes in stocks of finished goods and services and work in progress;
- changes in technical input-output relations (processing techniques);
- services such as the assembling of production units, mounting, installations, repairs, planning, engineering, creation of software.

The data necessary for the compilation of such an index are generally not available on a sub-annual basis. In practice, suitable proxy values for the compilation of the indices are needed. Within industry these may include gross production values (deflated), volume data, turnover (deflated), work input, raw material input, or energy input, while within construction they may include input data (consumption of typical raw materials, energy or labour) or output data (production quantities, deflated production values, or deflated sales values).

The output price index (sometimes referred to as the producer price index) shows monthly price changes in the industrial sector, which can be an indicator of inflationary pressure before it reaches the consumer. Output price indices are compiled for the domestic and the non-domestic market, with the latter further split between euro area and non-euro area markets. All price-determining characteristics of the products should be taken into account, including the quantity of units sold, transport provided, rebates, service conditions, guarantee conditions and destination. The price of period *t* should refer to the moment when the order is made, not the moment when the commodities leave the factory gates.

Industrial production and domestic output prices both followed an upward path during most of the last 15 years, although there was a decline in activity evident for the EU-25's index of production during 1992 and 1993 and again in 2001. Otherwise, there was a marked increase in prices from 2004 onwards, largely resulting from increases in the price of oil and associated energy-related and intermediate products. Industrial price increases in 2005 were most apparent in those economies that specialise in energy-related activities (either oil or gas — the price of which also rose at a rapid pace). The index of production for total industry rose at its most rapid pace among those Member States that joined the EU in 2004, perhaps reflecting a shift in the structure of industrial production from the EU-15 Member States.

**Figure 8.7: Gross operating rate for manufacturing activities, EU-25, 2003 (1)**

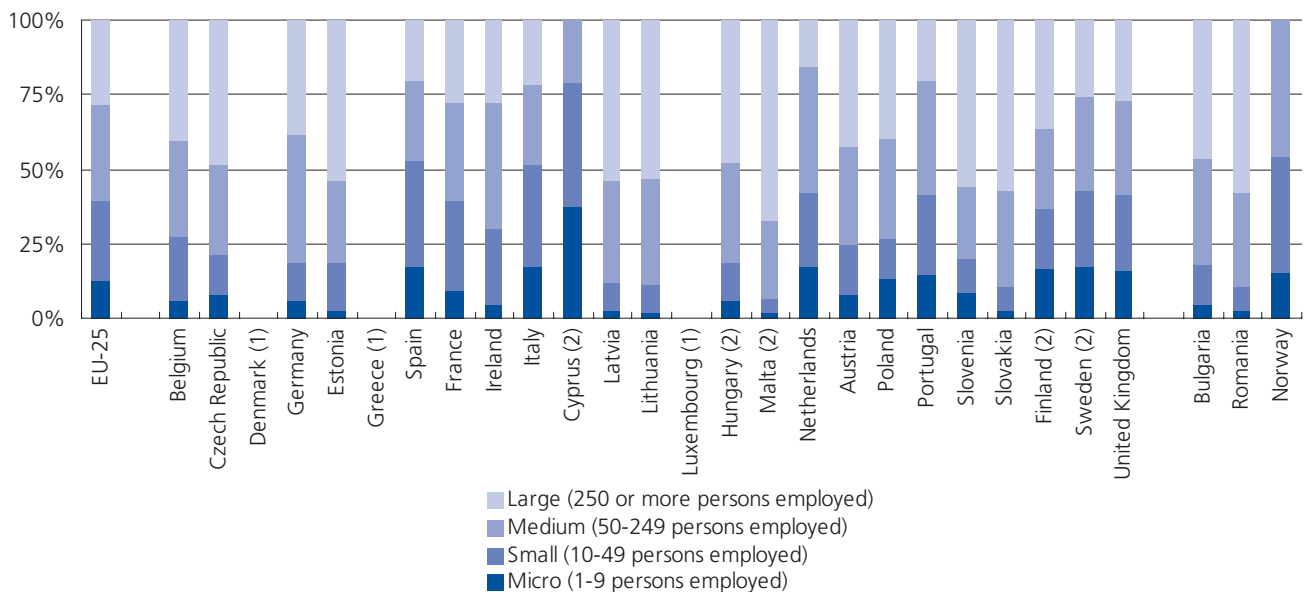


(1) Includes rounded estimates based on non-confidential data; gross operating rate defined as the gross operating surplus relative to turnover (this indicator is a measure of profitability).

Turnover is used to remunerate the production factors: capital in the form of the gross operating surplus, and labour in the form of the personnel costs; the share of the gross operating surplus in the turnover varies from sector to sector, the more capital-intensive the sector, the higher the share of gross operating surplus in turnover.

**Figure 8.8: Breakdown of value added by enterprise size class, textiles and clothing, 2003**

(%)



(1) Not available.

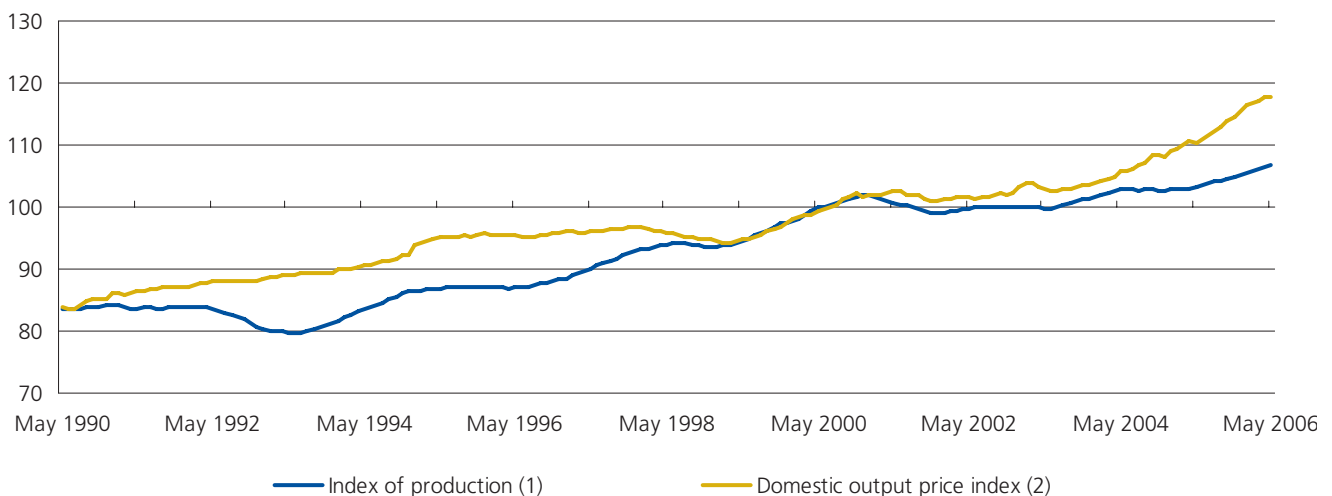
(2) 2002.

Value added represents the difference between the value of what is produced and intermediate consumption entering the production, less subsidies on production and costs, taxes and levies.

Textiles and clothing defined as NACE Subsection DB.

**Figure 8.9: Production and domestic output price indices for industry, EU-25**

(2000 = 100)



(1) Trend cycle.

(2) Gross series.

It is the objective of the production index to measure changes in the volume of output at close and regular intervals; it provides a measure of the volume trend in value added at factor cost over a given reference period.

It is the objective of the output price index to measure the monthly development of transaction prices of economic activities; the domestic output price index for an economic activity measures the average price development of all goods and related services resulting from that activity and sold on the domestic market.

Industry is defined as NACE Sections C to E.



Table 8.3: Annual growth rates for industry

(%)

	Production index (1)			Domestic output price index (2)		
	2003	2004	2005	2003	2004	2005
<b>EU-25</b>	0.6	2.2	1.1	1.5	2.8	5.2
<b>EU-15</b>	0.3	1.8	0.8	1.5	2.6	5.3
<b>Euro area</b>	0.3	2.0	1.2	1.4	2.3	4.1
<b>Belgium</b>	0.8	3.2	-0.3	0.6	4.5	2.2
<b>Czech Republic</b>	5.6	9.2	6.7	-0.3	5.7	3.0
<b>Denmark</b>	0.2	-0.1	1.8	3.0	3.0	9.4
<b>Germany</b>	0.4	3.0	3.4	1.7	1.6	4.6
<b>Estonia</b>	11.3	9.7	9.1	:	:	:
<b>Greece</b>	0.3	1.2	-0.9	2.3	3.5	5.9
<b>Spain</b>	1.4	1.6	0.7	1.4	3.4	4.9
<b>France</b>	-0.4	2.0	0.2	0.9	2.0	3.0
<b>Ireland</b>	4.7	0.3	3.0	0.9	0.5	2.1
<b>Italy</b>	-0.5	-0.6	-0.8	1.6	2.7	4.0
<b>Cyprus</b>	2.0	1.2	0.5	3.8	5.9	5.1
<b>Latvia</b>	6.9	6.4	6.2	:	:	:
<b>Lithuania</b>	16.1	10.8	7.3	-0.7	2.4	5.9
<b>Luxembourg</b>	5.4	5.5	5.6	3.6	9.0	3.9
<b>Hungary</b>	5.9	6.6	7.6	5.0	8.4	8.3
<b>Malta</b>	:	:	:	:	:	:
<b>Netherlands</b>	-1.4	2.5	-1.2	2.2	2.6	7.1
<b>Austria</b>	2.1	6.3	4.3	0.4	1.8	3.3
<b>Poland</b>	8.4	12.2	4.6	1.6	7.6	2.1
<b>Portugal</b>	0.1	-2.7	0.3	0.8	2.7	4.1
<b>Slovenia</b>	0.9	4.6	3.9	2.6	4.3	2.8
<b>Slovakia</b>	5.1	4.0	3.8	8.3	3.4	4.7
<b>Finland</b>	1.2	5.0	-2.4	0.2	-0.5	1.8
<b>Sweden</b>	1.5	3.9	1.8	2.7	2.0	3.8
<b>United Kingdom</b>	-0.3	0.5	-1.4	1.6	4.3	10.9
<b>Bulgaria</b>	13.8	17.3	6.8	4.9	6.0	6.9
<b>Croatia</b>	4.0	3.0	5.4	2.0	3.5	3.0
<b>Romania</b>	3.1	5.3	2.1	19.6	18.5	12.5
<b>Turkey</b>	8.7	9.8	5.7	5.9	3.6	6.0
<b>Norway</b>	-4.1	2.0	-0.5	:	:	:
<b>Switzerland</b>	0.1	4.4	2.7	:	:	:
<b>United States</b>	0.6	4.1	3.3	:	:	:
<b>Japan</b>	3.0	5.3	1.2	:	:	:

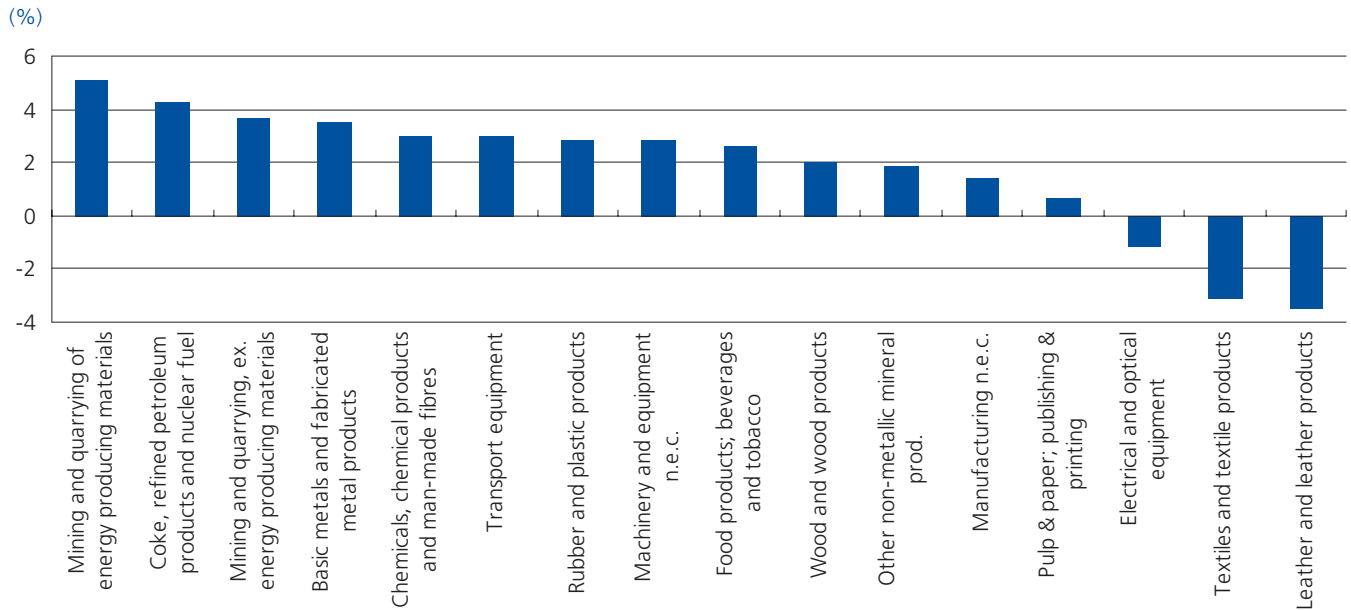
(1) Working day adjusted.

(2) Gross series.

It is the objective of the production index to measure changes in the volume of output at close and regular intervals; it provides a measure of the volume trend in value added at factor cost over a given reference period.

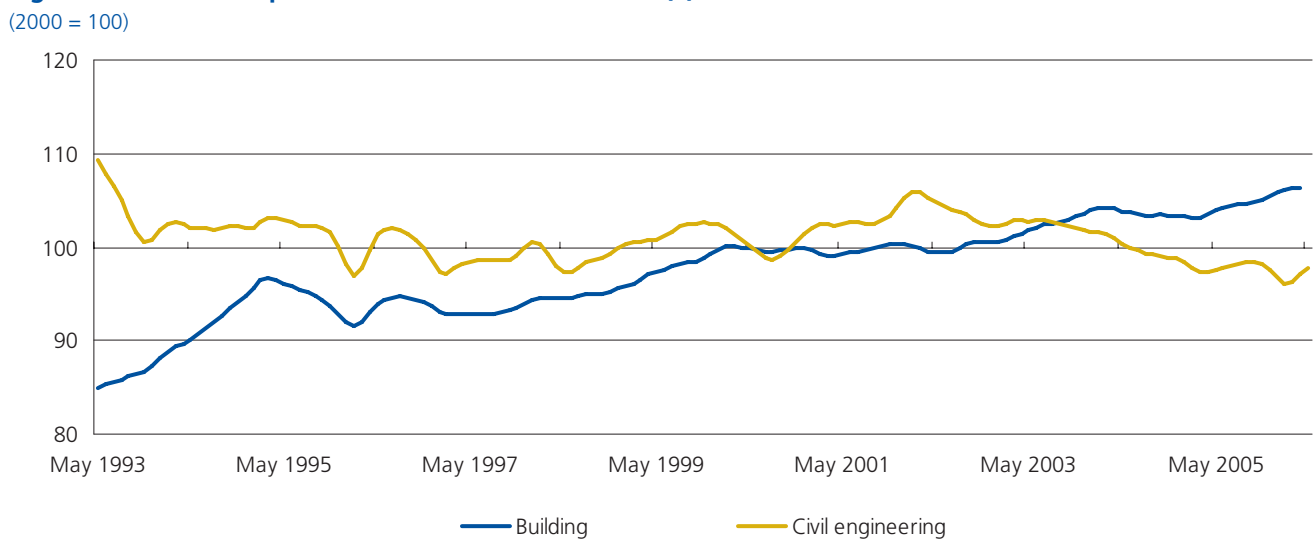
It is the objective of the output price index to measure the monthly development of transaction prices of economic activities; the domestic output price index for an economic activity measures the average price development of all goods and related services resulting from that activity and sold on the domestic market.

Industry is defined as NACE Sections C to E.

**Figure 8.10: Average annual growth rate for the index of turnover, EU-25, 2000–05 (1)**

(1) Working day adjusted.

It is the objective of the turnover index to show the evolution of the market for goods and services; turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties; turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover; turnover also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice.

**Figure 8.11: Index of production, construction, EU-25 (1)**

(1) Trend cycle.

The division of production between building construction and civil engineering is based on the classification of types of construction (CC); these indices are calculated by assigning the basic information (deflated output, hours worked, authorisations/permits) to products in the CC and then aggregating the product indices in accordance with the CC to the section level.

Table 8.4: Annual growth rates for the index of production, construction (1)

(%)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>EU-25</b>	-2.2	-0.9	1.9	3.4	2.4	0.3	1.0	1.6	1.0	0.0
<b>EU-15</b>	-2.5	-1.3	1.7	3.5	2.4	0.5	1.1	1.6	0.9	-0.3
<b>Euro area</b>	-4.3	-2.0	1.4	4.1	3.2	0.3	0.5	0.7	0.3	-0.4
<b>Belgium</b>	0.3	2.4	1.4	3.7	5.0	-1.9	-2.7	-2.9	-1.9	-3.4
<b>Czech Republic</b>	:	:	-7.2	-6.9	7.9	8.4	1.1	7.8	7.4	2.5
<b>Denmark</b>	5.4	-1.8	9.0	6.1	0.0	-6.2	-1.1	2.1	5.6	4.3
<b>Germany</b>	-6.7	-4.7	-2.9	0.7	-3.2	-7.7	-4.3	-4.2	-5.0	-5.6
<b>Estonia</b>	5.9	11.6	26.1	-16.0	21.8	5.9	22.0	6.0	11.1	19.5
<b>Greece</b>	:	:	:	:	:	6.5	39.1	-5.7	-15.9	-38.8
<b>Spain</b>	-1.5	2.7	9.6	8.7	6.9	7.7	5.6	3.9	2.1	2.5
<b>France</b>	-7.2	-8.5	0.3	2.8	8.2	1.2	-2.6	4.1	3.4	3.1
<b>Ireland</b>	:	:	:	:	:	3.4	2.1	5.1	6.8	3.4
<b>Italy</b>	-1.6	1.4	-0.3	8.9	5.9	5.7	5.0	2.3	2.4	1.5
<b>Cyprus</b>	:	:	:	:	:	3.4	2.5	6.8	5.5	5.9
<b>Latvia</b>	5.5	8.0	16.5	7.8	8.3	5.7	11.7	13.1	13.4	15.1
<b>Lithuania</b>	:	:	23.3	-9.1	-18.2	7.1	21.7	27.8	6.8	11.4
<b>Luxembourg</b>	-7.2	2.3	0.6	3.8	4.2	4.4	1.9	1.2	-1.3	-0.4
<b>Hungary</b>	-0.3	9.4	13.1	7.9	8.3	8.4	17.8	1.7	5.4	16.7
<b>Malta</b>	:	:	:	:	:	11.9	4.7	4.1	4.2	12.7
<b>Netherlands</b>	-1.7	3.3	3.2	5.4	4.2	1.9	-3.3	-4.2	-1.7	1.9
<b>Austria</b>	:	8.5	14.8	1.6	0.0	-0.8	0.6	12.5	5.2	3.6
<b>Poland</b>	10.5	16.6	11.0	3.9	-1.0	-10.5	-9.6	-6.9	-1.0	9.3
<b>Portugal</b>	:	:	:	:	:	4.3	-1.3	-8.3	-4.7	-4.9
<b>Slovenia</b>	:	:	:	27.7	0.1	-7.1	5.4	8.0	2.5	3.0
<b>Slovakia</b>	4.0	9.1	-3.5	-25.8	0.0	0.2	4.4	5.9	5.6	14.3
<b>Finland</b>	8.4	11.8	8.2	2.1	7.2	2.4	1.6	3.8	3.6	4.3
<b>Sweden</b>	2.6	-8.6	4.7	1.9	-3.2	1.7	-4.4	1.7	-2.2	4.0
<b>United Kingdom</b>	3.8	2.4	1.5	1.3	0.6	2.0	4.2	5.1	3.1	-1.1
<b>Bulgaria</b>	:	:	:	:	:	12.8	3.9	5.8	35.2	1.0
<b>Romania</b>	:	:	:	:	:	4.1	5.3	6.9	8.9	8.6
<b>Norway</b>	:	:	:	:	:	:	-0.4	2.6	7.4	8.4

(1) Working day adjusted.

It is the objective of the production index to measure changes in the volume of output at close and regular intervals; it provides a measure of the volume trend in value added at factor cost over a given reference period; these indices are calculated by assigning the basic information (deflated output, hours worked, authorisations/permits) to products in the CC and then aggregating the product indices in accordance with the CC to the section level.

## SERVICES

Services are crucial, accounting for between 60 % and 75 % of economic activity in the EU-25 Member States, and a similar (and rising) proportion of overall employment. The central principles governing the internal market for services are set out in the EC Treaty, which guarantees EU companies the freedom to establish themselves in other Member States, and the freedom to provide services on the territory of another Member State other than the one in which they are established. The principles of freedom of establishment and free movement of services are two of the so-called fundamental freedoms which are central to the EU internal market.

The principles of freedom of establishment and free movement of services have been clarified and developed over the years through the case-law of the European Court of Justice. In addition, important developments and progress in the field of services have been brought about through specific legislation in fields such as financial services, telecommunications, broadcasting, and the recognition of professional qualifications.

However, despite progress in some specific sectors, there remain areas where further liberalisation is required so that the market can function correctly, most notably a desire to remove cross-border barriers to services.

As the reasons why services are not frequently traded between Member States were complex and not well documented, the Commission spent some time on a legal and economic analysis

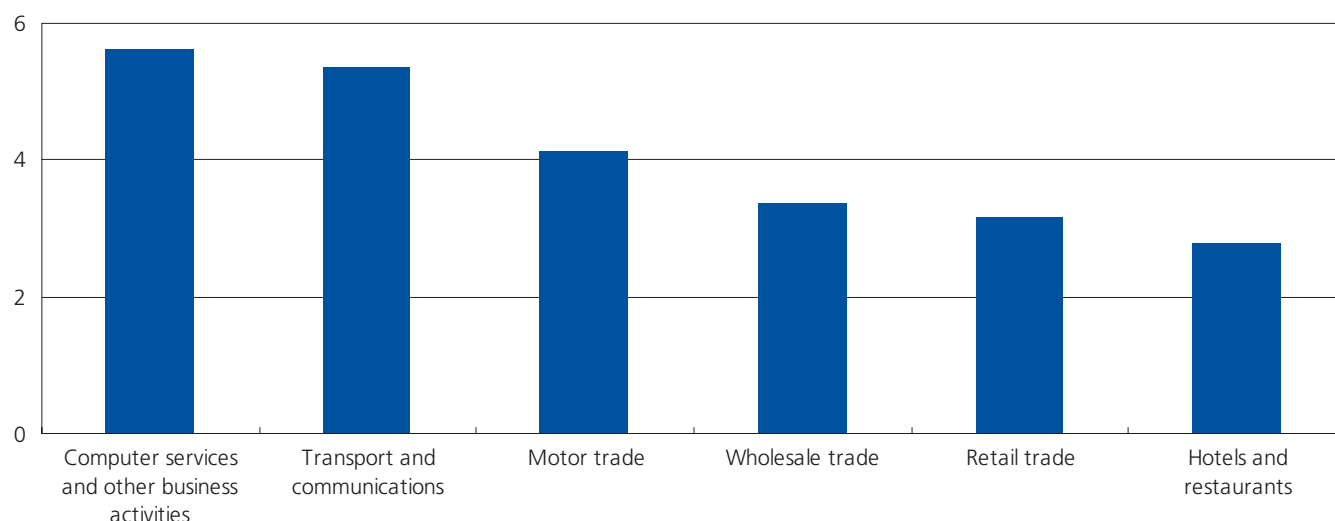
of the issues. This resulted in the publication of a report on the state of the internal market for services in July 2002. The report identified a series of barriers that may lead to negative effects on the cost and quality of final services delivered to enterprises and consumers. It was argued that barriers to trade in services penalise, in particular, small and medium-sized enterprises (SMEs), which are disproportionately affected by complex administrative and legal requirements, and are therefore more likely than larger enterprises to turn down cross-border opportunities. This problem is compounded due to the relatively high proportion of SMEs within many service sectors.

In January 2004 the European Commission made a proposal for a directive on services in the internal market. This proposal was aimed at eliminating obstacles to trade in services, thus allowing the development of cross-border operations. It was intended to improve competitiveness, not just of service enterprises, but also of European industry.

As shown in the tables and graphs that accompany this section, business services play a particularly important role in the services economy. Many of these activities have benefited from the outsourcing phenomenon, which may explain the rapid growth observed for this sector of the economy. Nevertheless, these activities also remain some of the most regulated, with considerable barriers to trade or market entry, suggesting that growth could be even faster within this area of the economy.

**Figure 8.12: Average annual growth rate of turnover, selected service activities, EU-25, 2000–05 (1)**

(%)



(1) Working day adjusted.

*It is the objective of the turnover index to show the evolution of the market for goods and services; turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties; turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover; turnover also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice.*

Table 8.5: Annual growth rates for the index of turnover, selected service activities (1)

(%)

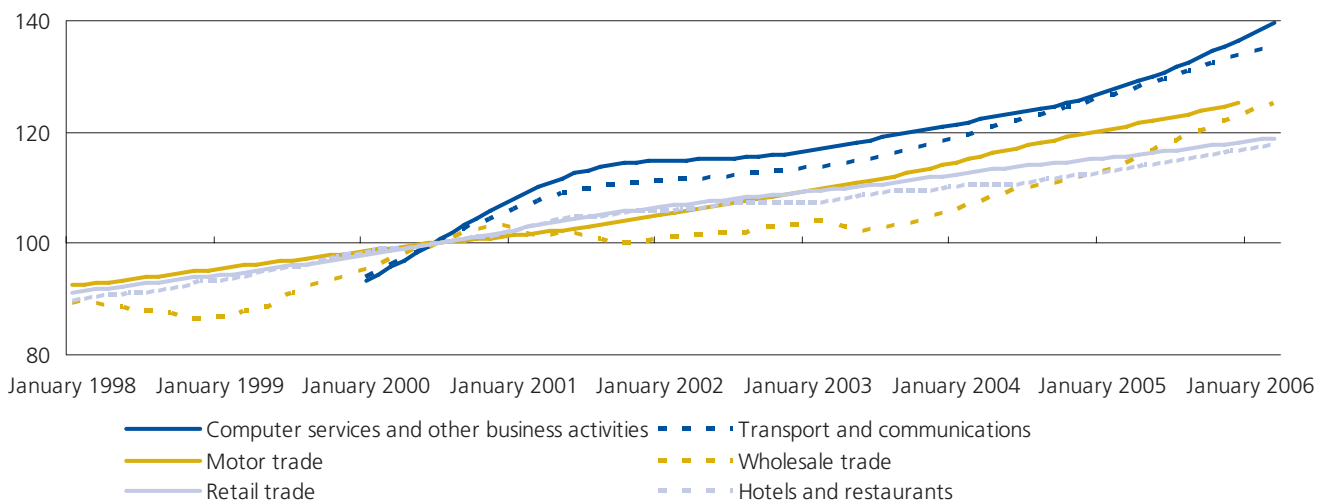
	Motor trade		Wholesale trade		Transport and communications		Computer services and other business activities	
	2004	2005	2004	2005	2004	2005	2004	2005
<b>EU-25</b>	6.5	3.5	6.0	7.5	6.0	6.0	4.0	6.1
<b>EU-15</b>	5.7	:	4.9	5.1	4.6	5.5	2.9	4.8
<b>Euro area</b>	5.7	:	4.9	5.1	4.6	5.5	2.9	4.8
<b>Belgium</b>	7.2	0.0	11.8	12.7	8.4	11.3	10.2	14.1
<b>Czech Republic</b>	7.1	7.6	12.8	5.9	8.3	3.3	7.0	6.0
<b>Denmark</b>	14.8	13.6	6.7	12.5	7.4	11.0	7.2	12.6
<b>Germany</b>	0.6	:	6.0	5.1	:	:	:	:
<b>Estonia</b>	10.1	27.5	39.9	33.1	:	:	8.9	18.8
<b>Greece</b>	:	:	:	:	:	:	:	:
<b>Spain</b>	11.9	7.4	6.8	7.9	7.0	6.5	3.1	7.8
<b>France</b>	6.5	4.7	4.2	3.3	5.0	5.7	5.9	4.7
<b>Ireland</b>	9.6	27.1	11.9	22.4	2.6	11.5	:	:
<b>Italy</b>	:	:	2.6	0.6	:	:	:	:
<b>Cyprus</b>	22.4	0.4	8.6	4.7	13.0	5.3	10.0	9.1
<b>Latvia</b>	30.0	51.0	19.7	37.1	16.8	27.9	14.1	27.3
<b>Lithuania</b>	9.6	21.0	18.5	20.7	12.3	33.5	13.6	32.3
<b>Luxembourg</b>	8.7	6.7	4.5	16.0	7.2	8.1	6.2	9.0
<b>Hungary</b>	:	:	:	:	:	:	:	:
<b>Malta</b>	6.0	99.0	-1.7	3.6	5.7	-10.5	2.0	5.9
<b>Netherlands</b>	:	:	:	:	:	:	:	6.2
<b>Austria</b>	3.6	-0.3	6.7	3.1	:	:	0.0	1.8
<b>Poland</b>	17.4	-7.1	21.3	6.5	15.5	:	6.7	21.0
<b>Portugal</b>	19.3	-5.8	-6.3	6.5	-0.5	2.4	18.5	-16.8
<b>Slovenia</b>	12.1	16.8	5.5	4.0	:	:	:	:
<b>Slovakia</b>	19.3	7.0	6.6	17.9	9.2	11.6	4.3	14.5
<b>Finland</b>	7.9	6.3	6.2	7.4	5.5	3.0	5.5	10.7
<b>Sweden</b>	6.3	8.2	2.6	9.3	4.5	5.4	-1.3	2.1
<b>United Kingdom</b>	5.2	-0.2	7.2	14.5	7.8	6.4	6.3	8.4
<b>Bulgaria</b>	27.8	25.5	16.3	15.5	13.8	19.4	:	:
<b>Croatia</b>	:	:	-1.0	4.8	:	:	:	:
<b>Romania</b>	29.6	60.5	:	:	:	:	:	:
<b>Norway</b>	15.1	4.0	10.7	8.7	8.0	:	:	:

(1) Working day adjusted.

It is the objective of the turnover index to show the evolution of the market for goods and services; turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties; turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover; turnover also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice.

**Figure 8.13: Index of turnover, selected service activities, EU-25 (1)**

(2000 = 100)



(1) Trend cycle.

**DISTRIBUTIVE TRADES**

Since 1995, structural business statistics have been collected in the area of distributive trades according to the SBS regulation's harmonised framework. Short-term indicators have been collected at an EU level in this area since 1998.

One of the most basic sets of information provided by structural business statistics relates to the relative size of activities. The size of a services activity may be measured in a variety of ways, including in terms of turnover or employment.

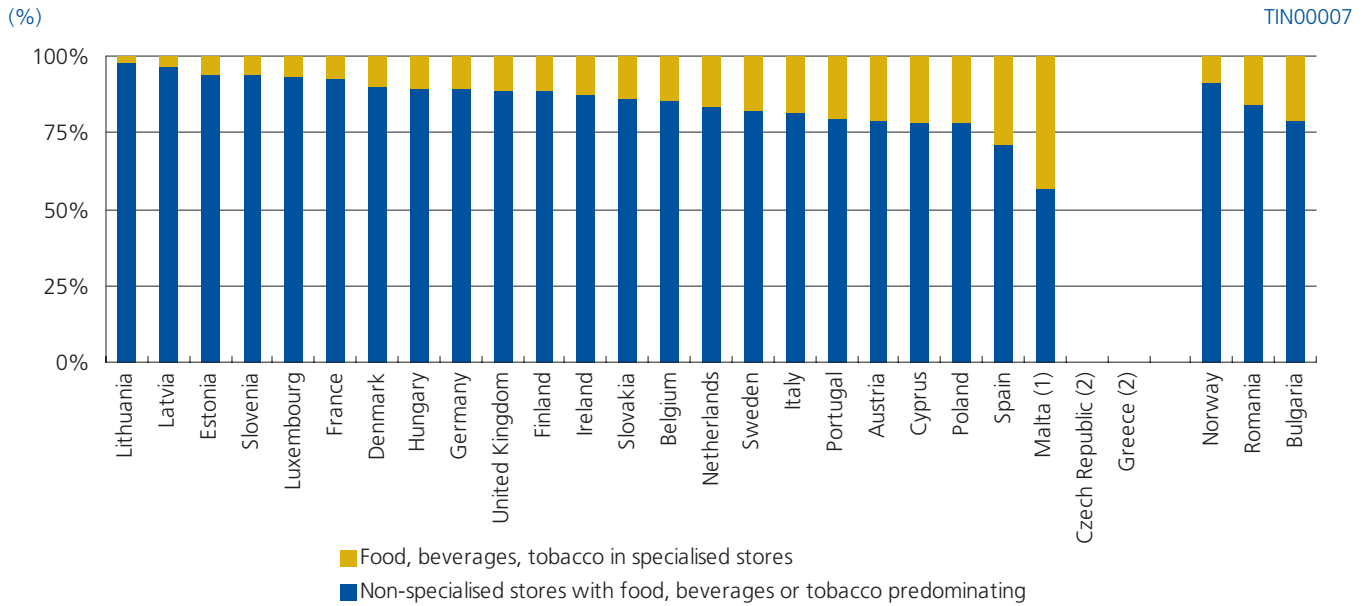
In 2003, total turnover within distributive trades amounted to around EUR 6 600 000 million in the EU-25. While retail trade provides more than half (56 %) of the jobs within all distributive trades, it accounts for less than one third (29 %) of turnover. As such, turnover per person employed is lower in retail trade than in distributive trades as a whole (note, however, that the propensity to employ on a part-time basis is higher for retail trade than for the other distributive trades activities and SBS data presented here are provided in simple head counts and not as full-time equivalents). By far the highest turnover per person employed was recorded for wholesale trade (note that within this activity it is quite normal for goods to pass between several traders before they are finally delivered to the customer or retail outlet).

Retail sales may be carried out in either specialised (for example, a butcher's or a pharmacy) or non-specialised stores (for example, supermarkets or department stores). The retail structure across the Member States varies considerably, with most of the southern Member States recording important shares for specialised retailers, whereas retail sales in the north of Europe tend to be more concentrated within large retail outlets (for example, the growth of hypermarkets and out-of-town shopping centres).



A breakdown for retail sales of food, beverages and tobacco shows that, on average, slightly less than 14 % of turnover in the EU comes from specialised stores, while the remainder comes from non-specialised stores. The highest share for specialised food retailers was recorded in Malta (43.1 %), while the lowest shares were in the Baltic States and Slovenia (less than 6 %). Note that turnover in non-specialised food stores could include a considerable proportion of non-food items.

**Figure 8.14: Breakdown of turnover for the retail sale of food, 2003**



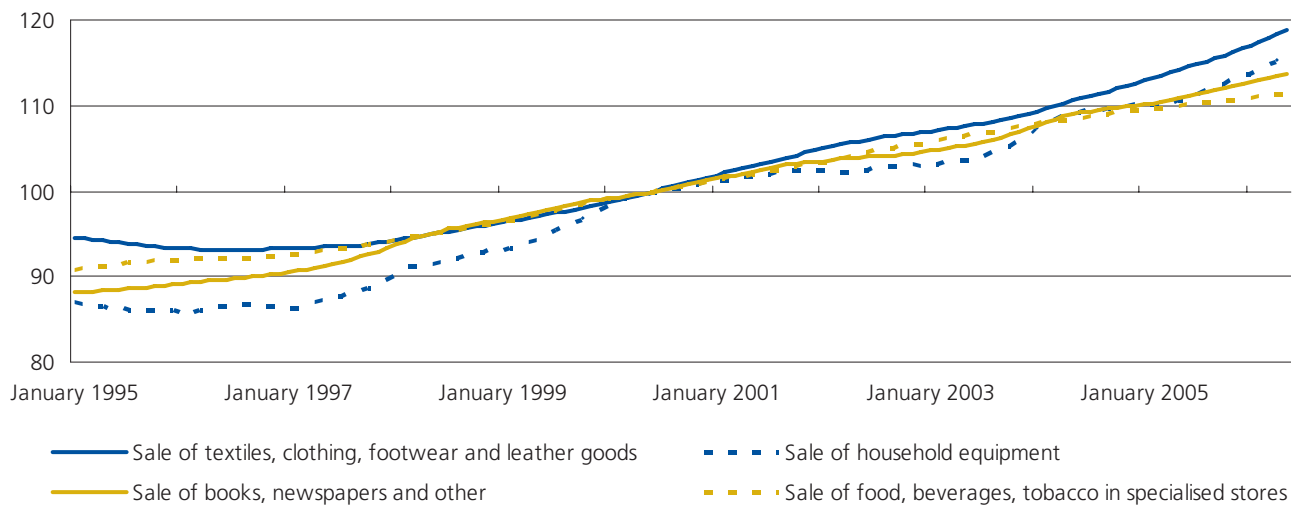
(1) 2002.

(2) Not available.

Turnover is the total of all sales (excluding VAT) of goods and services carried out by the enterprises of a given sector during the reference period; food products are sold on the retail market, either in non-specialised stores (hypermarkets, supermarkets) or in specialised stores (e.g. fruit and vegetable grocers); a greater proportion of sales in specialised stores is a sign for a more traditional trade pattern.

**Figure 8.15: Volume of sales index, selected retail trade activities, EU-25 (1)**

(2000 = 100)



(1) Trend cycle.

The volume of sales represents the value of turnover in constant prices and as such is a quantity index; it can be calculated as turnover at current prices, deflated by the deflator of sales, or as a quantity index derived directly from the quantity of goods sold.



Table 8.6: Annual growth rates for the volume of sales index, retail trade (1)

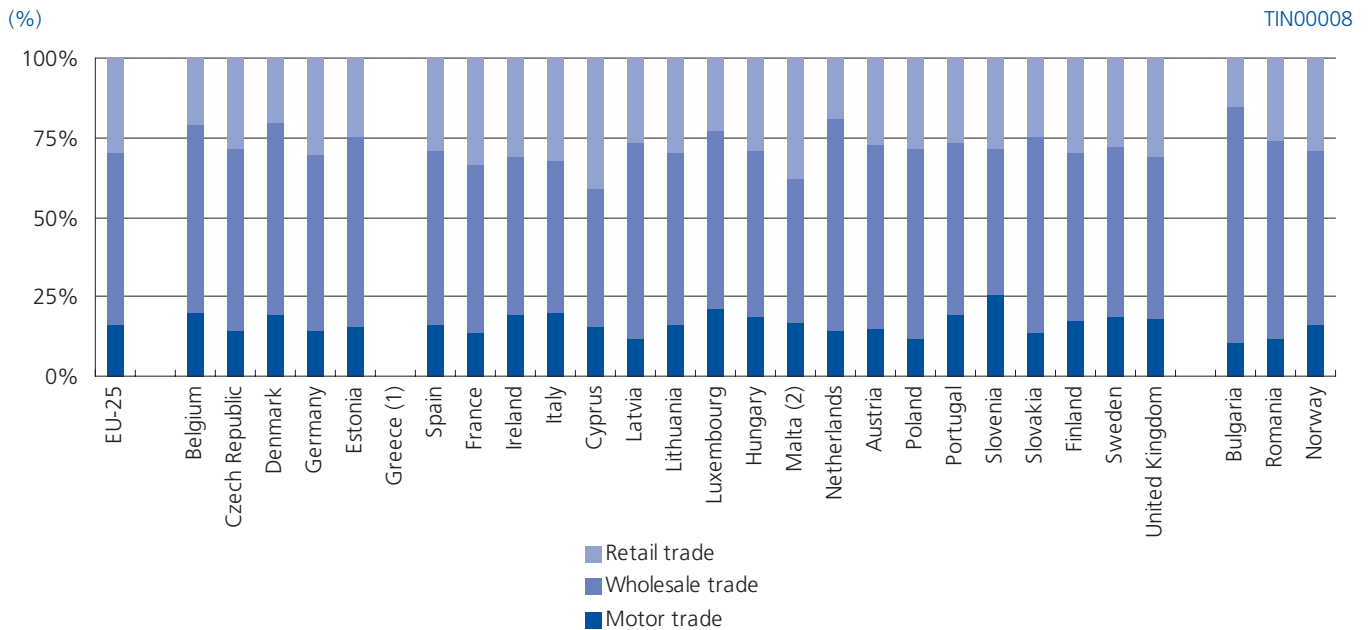
(%)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>EU-25</b>	0.4	1.1	2.9	2.7	2.8	2.6	2.1	1.6	2.9	1.9
<b>EU-15</b>	0.4	1.2	3.1	2.7	2.7	2.6	2.1	1.4	2.8	1.8
<b>Euro area</b>	0.3	1.1	3.1	2.4	2.1	1.7	0.8	0.7	1.7	1.3
<b>Belgium</b>	1.3	2.9	5.6	1.4	4.8	0.2	-0.7	-0.9	1.7	1.4
<b>Czech Republic</b>	:	:	-6.5	2.9	5.7	3.2	3.1	3.9	2.7	3.9
<b>Denmark</b>	1.3	2.3	2.2	1.1	1.1	0.4	3.2	3.8	8.3	8.4
<b>Germany</b>	-1.1	-1.5	1.1	0.5	1.3	0.2	-1.4	-0.6	1.8	1.6
<b>Estonia</b>	:	:	:	11.8	8.5	22.8	14.1	0.7	12.2	14.6
<b>Greece</b>	2.4	3.1	2.6	1.8	9.3	3.8	4.9	4.4	4.4	3.5
<b>Spain</b>	-1.5	1.9	6.1	3.3	3.0	3.7	3.5	2.9	2.7	1.4
<b>France</b>	1.4	2.7	4.2	4.8	3.3	4.0	3.0	2.4	3.5	1.5
<b>Ireland</b>	:	:	:	:	:	8.1	2.2	2.4	4.2	5.5
<b>Italy</b>	0.5	1.1	1.2	0.9	-0.6	-0.7	-0.5	-0.7	-2.4	-0.6
<b>Cyprus</b>	:	:	:	:	:	9.3	2.6	-1.4	3.3	4.8
<b>Latvia</b>	:	:	:	6.2	17.3	2.6	12.4	13.6	12.4	21.6
<b>Lithuania</b>	:	:	8.1	-5.2	14.4	2.3	7.9	11.1	10.7	12.9
<b>Luxembourg</b>	7.9	-11.2	6.7	4.5	5.1	1.9	4.2	3.5	1.5	0.4
<b>Hungary</b>	:	:	:	5.9	1.0	4.3	8.5	9.0	5.4	5.6
<b>Malta</b>	:	:	:	:	:	:	:	:	:	:
<b>Netherlands</b>	2.9	4.2	4.1	3.5	3.9	1.9	0.3	-2.4	-1.0	0.8
<b>Austria</b>	:	:	:	:	1.6	-1.4	-0.3	0.2	1.3	1.5
<b>Poland</b>	:	:	:	:	:	2.5	-1.2	4.7	4.7	1.3
<b>Portugal</b>	4.4	2.3	9.5	6.3	3.2	2.8	0.0	-2.5	2.4	1.7
<b>Slovenia</b>	:	:	:	-15.0	25.4	15.6	4.0	3.0	2.7	7.6
<b>Slovakia</b>	6.5	-7.9	4.4	16.0	7.9	4.5	5.8	-5.3	6.3	9.7
<b>Finland</b>	4.1	4.2	5.5	3.0	4.9	4.1	2.8	4.1	4.3	5.1
<b>Sweden</b>	0.3	1.8	3.4	5.6	6.3	2.8	4.6	4.5	5.0	7.3
<b>United Kingdom</b>	:	:	:	3.5	4.4	5.7	6.0	3.5	5.9	2.1
<b>Croatia</b>	:	:	:	:	:	10.6	9.4	10.9	7.3	1.8
<b>Romania</b>	:	:	:	:	:	0.3	0.7	5.4	14.6	18.0

(1) Working day adjusted.



**Figure 8.16: Breakdown of turnover within distributive trades, 2003**

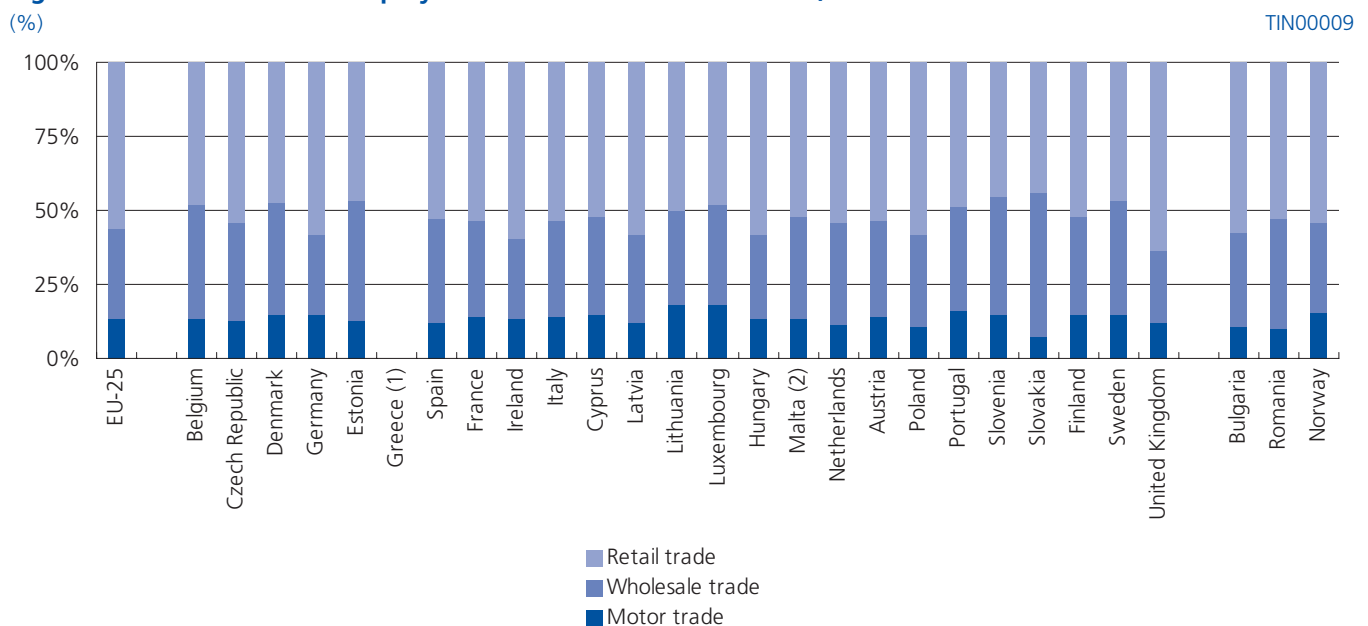


(1) Not available.

(2) 2002.

Turnover is the total of all sales (excluding VAT) of goods and services carried out by the enterprises of a given sector during the reference period. Distributive trades are defined as NACE Section G.

**Figure 8.17: Breakdown of employment within distributive trades, 2003**



(1) Not available.

(2) 2002.

The number of persons employed is defined as the total number of persons working in the various industries: employees, non employees (e.g. family workers, delivery personnel) with the exception of agency workers.

**TRANSPORT**

In adopting the White Paper entitled 'European transport policy for 2010: time to decide' <sup>(40)</sup>, the European Commission placed users' needs at the heart of its transport strategy, ensuring that the development of transport in Europe goes hand in hand with an efficient, high-quality and safe service for citizens. The White Paper and the proposals it contains also constituted the first practical contribution in terms of a sustainable development strategy for transport, in an attempt to reduce pressure on the environment and to prevent congestion, while maintaining the EU's economic competitiveness.

A mid-term review of the White Paper was released during the summer of 2006, in the form of a communication entitled '*Keep Europe moving - sustainable mobility for our continent*' <sup>(41)</sup>. While the objectives of transport policy have remained stable, the general context has evolved, as a function of a number of factors, including:

- enlargement — allowing the possibility to expand trans-European networks to corridors that are particularly suitable for rail and waterborne transport;
- consolidation within the transport industry — especially in aviation and maritime transport, as well as the effects of globalisation leading to the creation of large logistics companies with worldwide operations;
- a greater focus on technology - research and innovation are increasingly important for the transport sector, for example, through the modernisation of air traffic management, decongesting European transport corridors, promoting urban mobility, inter-modality and inter-operability, safety and security in transport; among the most promising areas are: intelligent transport systems involving communication, navigation and automation; engine technology providing increased fuel efficiency; and promoting the use of alternative fuels;
- environmental commitments — such as those under the Kyoto Protocol, involving CO<sub>2</sub> emissions, air quality, noise pollution, and land use;
- changes in the international context — such as the threat of terrorism, or globalisation that has affected trade flows and increased demand for international transport services.

<sup>(40)</sup> White Paper entitled '*European transport policy for 2010: time to decide*', 12 September 2001, COM(2001) 370 final, more information is available at [http://ec.europa.eu/transport/white\\_paper/index\\_en.htm](http://ec.europa.eu/transport/white_paper/index_en.htm).

<sup>(41)</sup> Communication from the European Commission to the Council and the European Parliament, '*Keep Europe moving — Sustainable mobility for our continent*', mid-term review of the European Commission's 2001 Transport White Paper, 22 June 2006, COM(2006) 314 final, more information is available at [http://ec.europa.eu/transport/transport\\_policy\\_review/index\\_en.htm](http://ec.europa.eu/transport/transport_policy_review/index_en.htm).



Transport infrastructure is an integral part of the European Union, as it provides a basis for the mobility of both people and goods within and between the Member States. There are number of liberalisation policies within this domain, including efforts to harmonise technical standards and open-up access to railway networks and the integration of air traffic control systems into a single European sky, as well as the development of trans-European networks (TENs) for transport and energy.

Eurostat's transport statistics describe the most important features of transport, not only in terms of the quantities of freight and passengers that are moved each year, or the number of vehicles and infrastructure that are used, but also the contribution of transport services to the economy as a whole (as this sector contributes around 4 % of the EU-25's workforce). Data collection for transport statistics is supported by several legal acts obliging the Member States to report statistical data. In addition to this, there are voluntary agreements to supply additional data.

During the last 50 years, there have been significant changes in the modal breakdown of transport for passengers and freight. Sea, inland waterways and railways still play an important role, but the predominant mode of transport has clearly become road transport.

The increase in the use of road transport has been fuelled by demands for increased mobility from individuals and increased flexibility and timeliness being demanded by enterprises.

Approximately 50 % of all goods that are transported within the European Union, and 80 % of all passengers travel by road. Despite considerable improvements in transport technology and infrastructure, this places enormous stress on the road network and society as a whole, with congestion and air pollution commonplace, especially in urban areas and on some key transport axes. The competitiveness of the European Union may be affected by these delays and externalities.

Although motorways constitute only a small part of the entire road network, their length has more than tripled over the last 30 years. The number of passenger cars per 1 000 inhabitants is sometimes used as an indicator for the standard of living. The number of passenger cars in use within the EU-25 increased to almost one for each two inhabitants by 2004, with the highest ratio of 659 cars per 1 000 inhabitants in Luxembourg.

**Table 8.7: Modal split of inland passenger and freight transport (1)**



	(% of total inland passenger-km), 2003			(% of total inland freight transport in tonne-km), 2004		
	Passenger cars	Buses	All trains	Railways	Roads	Inland waterways
<b>EU-25</b>	:	:	:	17.6	76.5	5.9
<b>EU-15 (2)</b>	84.9	8.6	6.5	14.0	79.2	6.8
<b>Belgium</b>	83.3	10.4	6.3	12.0	74.9	13.1
<b>Czech Republic</b>	81.2	11.2	7.7	24.7	75.2	0.1
<b>Denmark</b>	80.4	11.9	7.7	8.6	91.4	-
<b>Germany</b>	85.3	7.6	7.1	19.1	66.9	14.0
<b>Estonia</b>	:	:	:	67.3	32.7	-
<b>Greece</b>	72.7	25.5	1.8	:	:	-
<b>Spain</b>	83.5	11.9	4.7	5.1	94.9	-
<b>France</b>	86.6	5.0	8.4	17.0	79.9	3.2
<b>Ireland</b>	74.8	20.2	5.0	2.3	97.7	-
<b>Italy</b>	83.3	11.4	5.3	10.5	89.5	0.0
<b>Cyprus</b>	:	:	-	-	100.0	-
<b>Latvia (3)</b>	66.5	25.5	8.0	71.6	28.4	-
<b>Lithuania</b>	84.6	13.5	1.9	48.7	51.3	0.0
<b>Luxembourg</b>	82.3	14.1	3.6	5.6	90.9	3.5
<b>Hungary</b>	61.6	24.9	13.5	28.0	65.9	6.1
<b>Malta</b>	:	:	-	-	100.0	-
<b>Netherlands</b>	87.3	4.5	8.2	3.8	65.0	31.2
<b>Austria</b>	77.9	14.1	7.9	31.4	65.6	2.9
<b>Poland</b>	77.6	13.5	8.8	33.5	65.8	0.7
<b>Portugal</b>	87.3	9.5	3.2	5.3	94.7	-
<b>Slovenia</b>	83.5	13.5	3.0	27.8	72.2	-
<b>Slovakia</b>	71.4	22.1	6.6	34.3	65.4	0.3
<b>Finland</b>	84.4	10.9	4.7	23.8	76.0	0.3
<b>Sweden</b>	82.9	9.0	8.1	36.1	63.9	-
<b>United Kingdom (3)</b>	88.1	6.4	5.5	11.8	88.1	0.1
<b>Bulgaria</b>	:	:	:	29.2	66.9	3.9
<b>Croatia</b>	:	:	:	21.7	76.7	1.6
<b>Romania</b>	:	:	:	25.6	66.7	7.7
<b>Turkey</b>	:	:	:	5.6	94.4	-
<b>Iceland</b>	88.8	11.2	-	-	100.0	-
<b>Norway</b>	88.7	7.0	4.3	13.8	86.2	-

(1) Surveys for passenger cars and buses and coaches are not harmonised at the EU level.

(2) Estimates for passenger-km data.

(3) Passenger-km data, 2002.

Source (road passenger data): Eurostat and the Directorate-General for Energy and Transport

Modal split of passenger transport: this indicator is defined as the percentage share of each mode of transport in total inland transport, expressed in passenger-kilometres (pkm); it is based on transport by passenger cars, buses and coaches, and trains; all data was asked to be based on movements on national territory, regardless of the nationality of the vehicle; however, data collection methodology is not harmonised at the EU level. Modal split of freight transport: this indicator is defined as the percentage share of each mode of transport in total inland transport, expressed in tonne-kilometres (tkm); it includes transport by road, rail and inland waterways; road transport is based on all movements of vehicles registered in the reporting country; rail and Inland waterways transport is generally based on movements on national territory, regardless of the nationality of the vehicle or vessel, but there are some variations in definitions from country to country.

Compared with the other transport modes, the volume of passengers and freight transported by rail has increased at a modest pace in recent years, although this marked a change from declining passenger and freight figures that were apparent up to the early 1990s. The increase in the use of rail as a mode of transport was in spite of a shrinking network, indicating increased efficiency. The high-speed rail network is currently being extended in a number of European countries.

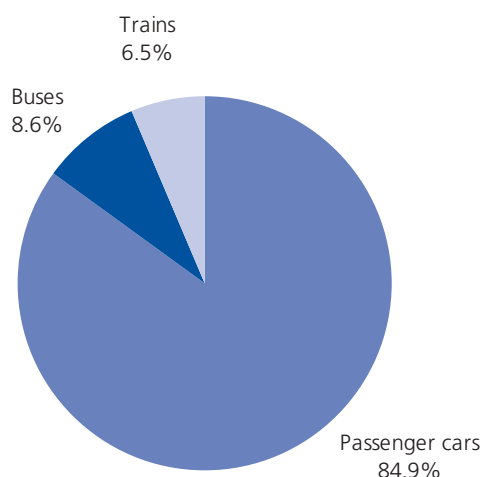
Given that tonne-kilometre figures are not available, the performance of sea and air transport of goods is not easily comparable with those of the other (inland) transport modes.

The information available for the volume of goods handled is instead provided in terms of the weight transported to the major maritime ports of the EU. The total volume of goods handled in 2004 was over 3 500 million tonnes; a large part of the increase in recent years may be attributed to the increase in the import of oil and oil-related products.

Compared with maritime transport, the volume of freight and mail transported by air is comparatively low. However, the average unit price of goods transported by air tends to be considerably higher than for the other modes of transport.

**Figure 8.18: Modal split of inland passenger transport, EU-15, 2002**

(% of total inland passenger-km)



**Figure 8.19: Modal split of inland freight transport, EU-25, 2004**

(% of total inland freight tonne-km)

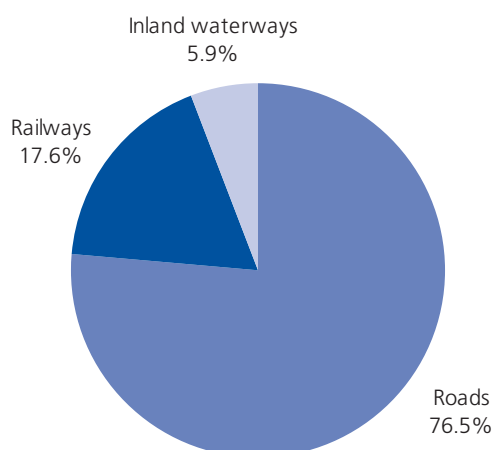


Table 8.8: Selected transport indicators (1)

TTR00002 TTR00004 TTR00005 TTR00013 TTR00014 TTR00015

	Density of motorways (km/ 100 km <sup>2</sup> )		Passenger cars (per 1 000 inhabitants)		Passenger car transport (1 000 million passenger-km)		Bus transport of passengers (1 000 million passenger-km)		Rail passenger transport (1 000 million passenger-km)		Goods transported by road (1 000 million t-km)	
	1995	2003	1995	2004	1995	2003	1995	2003	1995	2002	2002	2005
<b>EU-25</b>	1.2	:	394	463	3 819	4 444	466	483	319	356	:	:
<b>EU-15</b>	1.4	:	430	495	3 553	4 072	382	408	268	317	1 115	:
<b>Belgium</b>	5.5	5.7	422	467	97	110	13	14	7	9	53	44
<b>Czech Republic</b>	0.5	0.7	295	373	55	69	12	9	8	7	44	43
<b>Denmark</b>	1.8	2.4	321	354	54	61	11	9	5	6	23	23
<b>Germany</b>	3.1	3.4	495	546	820	854	69	68	71	73	285	310
<b>Estonia</b>	0.1	0.2	267	350	7	10	2	2	0	0	:	6
<b>Greece</b>	0.3	:	207	348	37	64	20	23	2	2	15	:
<b>Spain</b>	1.4	2.0	362	454	250	346	40	49	15	20	185	233
<b>France</b>	1.5	1.9	434	491	640	739	42	43	56	74	204	205
<b>Ireland</b>	0.1	0.3	274	385	16	24	5	7	1	2	14	18
<b>Italy</b>	2.1	2.2	529	581	615	711	87	98	44	49	193	:
<b>Cyprus</b>	1.8	2.9	338	448	2	3	1	1	-	-	1	1
<b>Latvia</b>	-	-	134	297	5	10	2	3	1	1	6	8
<b>Lithuania</b>	0.6	0.6	198	384	10	19	3	3	1	0	:	16
<b>Luxembourg</b>	4.4	5.7	568	659	5	6	1	1	0	0	9	:
<b>Hungary</b>	0.4	0.6	217	280	45	46	17	19	8	10	18	25
<b>Malta</b>	-	-	488	525	1	2	0	0	-	-	:	:
<b>Netherlands</b>	5.3	6.1	366	429	131	146	8	7	13	14	77	91
<b>Austria</b>	1.9	2.0	452	501	71	81	15	15	10	9	38	37
<b>Poland</b>	0.1	0.1	195	314	111	172	34	30	27	18	:	112
<b>Portugal</b>	0.7	2.2	374	572	61	97	11	11	5	4	30	43
<b>Slovenia</b>	1.4	2.3	357	456	12	16	3	1	1	1	7	11
<b>Slovakia</b>	0.4	0.6	189	222	18	25	11	8	4	2	:	23
<b>Finland</b>	0.1	0.2	372	448	50	60	8	8	3	3	32	32
<b>Sweden</b>	0.3	0.4	411	456	87	96	9	11	7	9	37	39
<b>United Kingdom</b>	1.4	1.5	374	463	618	677	44	47	30	43	164	:
<b>Bulgaria</b>	0.3	0.3	196	314	:	:	12	13	5	3	:	:
<b>Croatia</b>	0.5	1.0	155	301	:	:	4	4	1	1	:	:
<b>Romania</b>	0.0	0.0	97	149	:	:	12	9	19	9	:	:
<b>Turkey</b>	0.2	0.2	51	75	53	:	86	0	6	5	:	:
<b>Iceland</b>	-	-	445	599	:	:	0	1	-	-	:	:
<b>Liechtenstein</b>	-	-	612	692	3	4	:	:	:	:	:	:
<b>Norway</b>	0.0	0.1	387	429	44	50	4	4	2	3	10	18
<b>Switzerland</b>	2.9	3.2	459	514	76	85	3	3	12	:	:	:

(1) Surveys for passenger cars and buses and coaches are not harmonised at the EU level.

Source (road passenger data): Eurostat and the Directorate-General for Energy and Transport

A motorway is a road, specially designed and built for motor traffic, which does not serve properties bordering on it, and which: (a) is provided, except at special points or temporarily, with separate carriageways for the two directions of traffic, separated from each other, either by a dividing strip not intended for traffic, or exceptionally by other means; (b) does not cross at level with any road, railway or tramway track, or footpath; (c) is specially signposted as a motorway and is reserved for specific categories of road motor vehicles.

The number of passenger cars per 1 000 inhabitants is also often used as a way of measuring the standard of living.

A passenger is defined as any person who makes a journey using a public or private conveyance by land or water or air; persons who are employed by transport enterprises such as drivers or pilots are not considered as passengers; drivers of personal cars are included under the generic term of passengers.

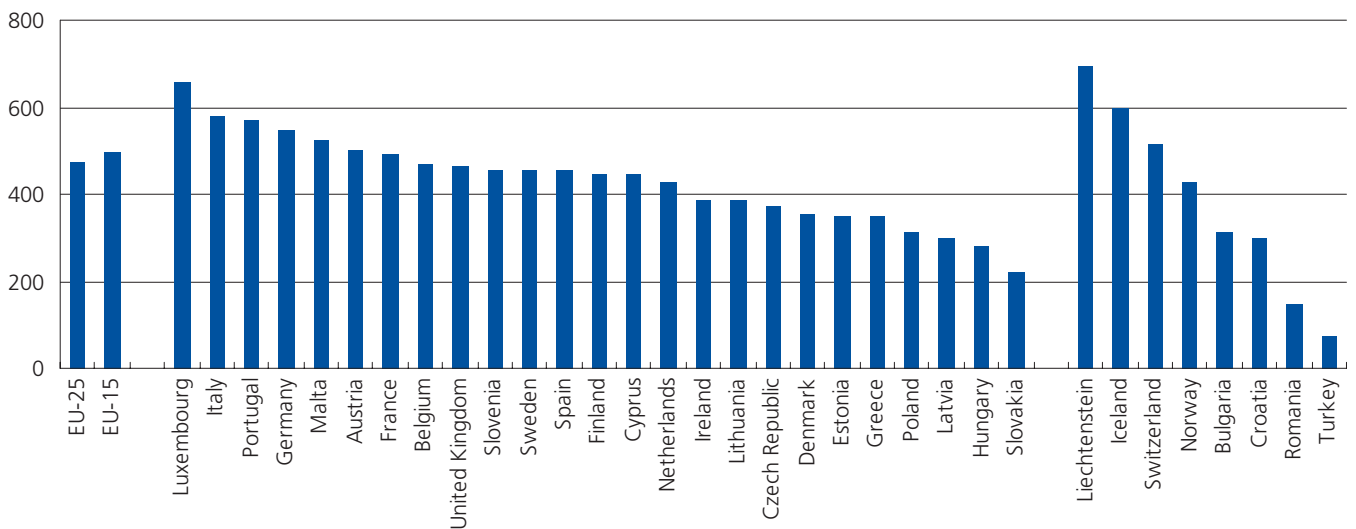
Goods carried by road: any goods moved by road goods vehicles; this includes all packaging and equipment such as containers, swap-bodies or pallets.



**Figure 8.20: Passenger cars, 2004**

(per 1 000 inhabitants)

TTR00004



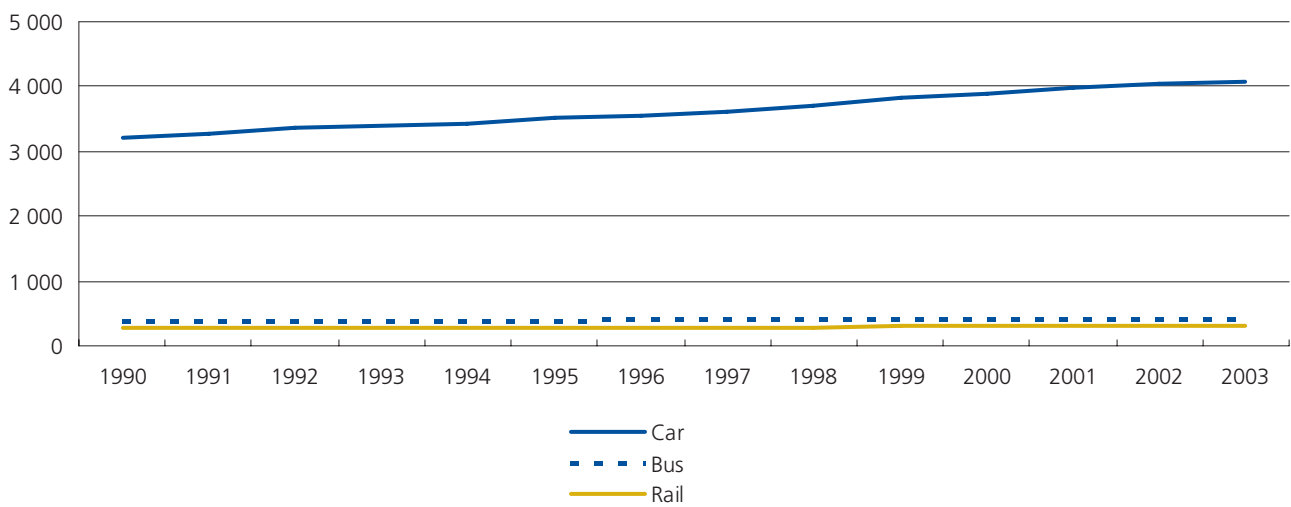
A passenger car is a road motor vehicle, other than a motorcycle, intended for the carriage of passengers and designed to seat no more than nine persons (including the driver); the term passenger car therefore covers microcars (need no permit to be driven), taxis and hired passenger cars, provided that they have fewer than 10 seats; this category may also include pick-ups; the number of passenger cars per 1 000 inhabitants is also often used as a way of measuring the standard of living.

8

**Figure 8.21: Transport of passengers, EU-15**

(1 000 million passenger-km)

TTR00013 TTR00014 TTR00015

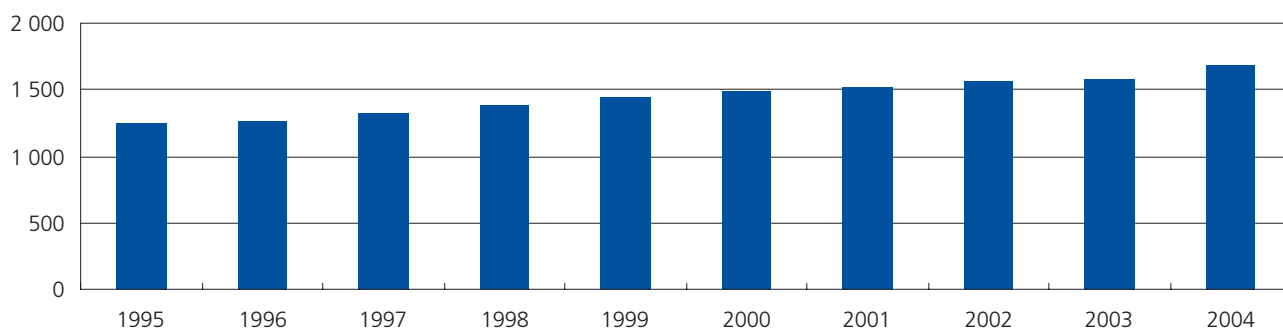


Road passenger-kilometre: unit of measure representing the transport of one passenger by road over one kilometre; the distance taken into consideration is the distance actually travelled by the passenger.  
 Rail passenger-kilometre: unit of measure representing the transport of one rail passenger by rail over a distance of one kilometre; the distance to be taken into consideration should be the distance actually run by the passenger on the concerned network; if it is not available, then the distance charged or estimated should be taken into account.

**Figure 8.22: Goods transport by road, EU-25**

(1 000 million t-km)

TTR00005

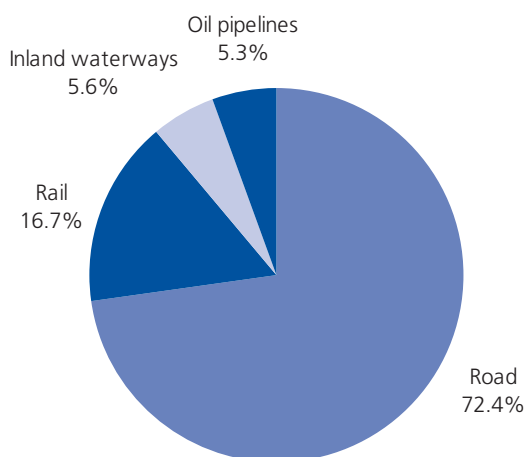


Goods carried by road: any goods moved by road goods vehicles; this includes all packaging and equipment such as containers, swap-bodies or pallets.

**Figure 8.23: Transport of goods, by selected type of inland transport, EU-15, 2004**

(%, based on data in million t-km)

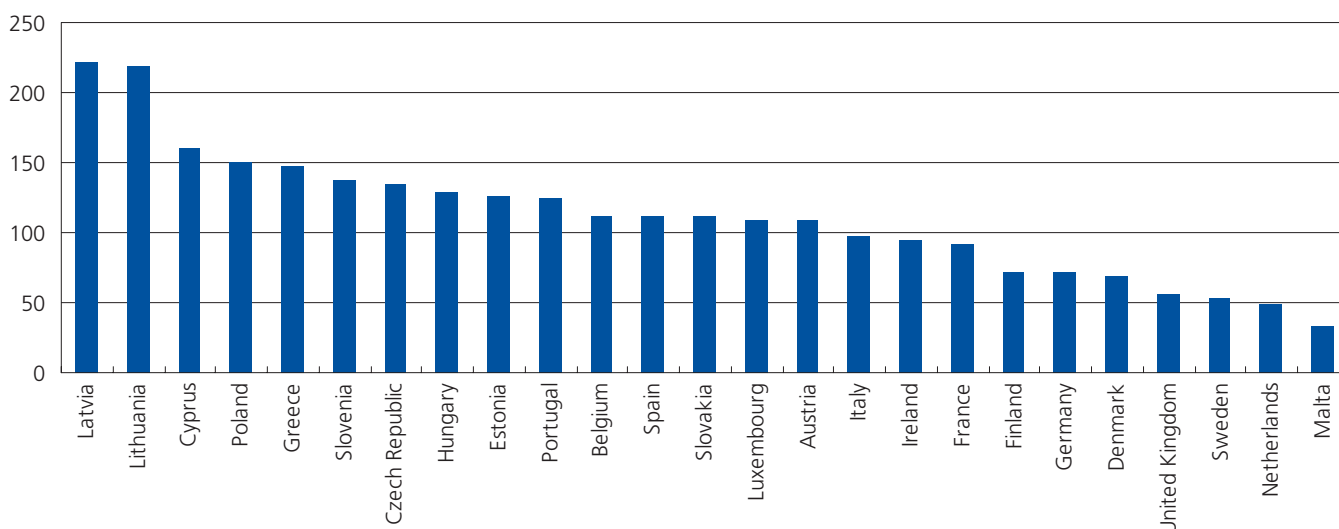
TTR00005 TTR00006 TTR00007 TTR00008



Modal split of freight transport: this indicator is defined as the percentage share of each mode of transport in total inland transport, expressed in tonne-kilometres (t-km); it includes transport by road, rail and inland waterways; road transport is based on all movements of vehicles registered in the reporting country; rail and inland waterways transport is generally based on movements on national territory, regardless of the nationality of the vehicle or vessel, but there are some variations in definitions from country to country.

**Figure 8.24: People killed in road accidents, 2004**

(persons killed per million inhabitants)



Fatalities caused by road accidents include drivers and passengers of motorised vehicles and pedal cycles as well as pedestrians, killed within 30 days from the day of the accident; for Member States not using this definition, corrective factors were applied.



Table 8.9: Rail transport

TTR00003 TTR00006 TTR00015

	Total length of railway lines (km)		Density of railway lines (km/100 km <sup>2</sup> )		Rail transport of passengers (million passenger-km)		Goods transport by rail (million t-km)	
	1995	2003	1995	2003	1995	2004	1995	2005
<b>EU-25</b>	213 093	197 826	5.4	5.0	318 994	356 120	357 083	391 923
<b>EU-15</b>	161 743	150 476	5.0	4.6	268 194	316 735	220 179	262 455
<b>Belgium</b>	3 368	3 521	11.0	11.5	6 757	8 675	7 304	8 130
<b>Czech Republic</b>	9 430	9 612	12.0	12.2	8 005	6 580	22 623	14 823
<b>Denmark</b>	2 349	2 273	5.5	5.3	4 888	5 921	1 985	1 968
<b>Germany</b>	41 718	36 054	11.7	10.1	70 977	72 879	69 490	95 421
<b>Estonia</b>	1 021	959	2.3	2.1	421	193	3 845	10 639
<b>Greece</b>	2 474	2 414	1.9	1.8	1 568	1 668	292	613
<b>Spain</b>	16 336	14 387	3.2	2.8	15 313	20 328	10 419	11 635
<b>France</b>	31 940	29 269	5.9	5.4	55 563	74 359	48 137	40 701
<b>Ireland</b>	1 945	1 919	2.8	2.7	1 291	1 582	602	303
<b>Italy</b>	16 005	16 288	5.3	5.4	43 859	49 254	21 690	22 761
<b>Cyprus</b>	-	-	-	-	-	-	-	-
<b>Latvia</b>	2 413	2 269	3.7	3.5	1 373	811	9 760	19 779
<b>Lithuania</b>	2 002	1 774	3.1	2.7	1 130	283	7 200	12 457
<b>Luxembourg</b>	275	275	10.6	10.6	287	253	529	392
<b>Hungary</b>	7 632	7 950	8.2	8.5	8 441	10 165	8 400	9 090
<b>Malta</b>	-	-	-	-	-	-	-	-
<b>Netherlands</b>	2 813	2 812	6.8	6.8	13 000	14 097	3 100	5 025
<b>Austria (1)</b>	5 672	5 661	6.8	6.7	9 628	8 668	13 084	18 957
<b>Poland</b>	23 986	19 900	7.7	6.4	26 635	18 430	68 200	49 972
<b>Portugal</b>	3 065	2 818	3.3	3.1	4 840	3 693	2 019	2 422
<b>Slovenia</b>	1 201	1 229	5.9	6.1	595	695	3 076	3 245
<b>Slovakia</b>	3 665	3 657	7.5	7.5	4 200	2 228	13 800	9 463
<b>Finland</b>	5 859	5 851	1.7	1.7	3 184	3 352	9 600	9 706
<b>Sweden</b>	10 925	9 882	2.4	2.2	6 839	8 657	19 391	21 783
<b>United Kingdom</b>	16 999	17 052	7.0	7.0	30 200	43 349	12 537	22 638
<b>Bulgaria</b>	4 293	4 318	3.9	3.9	4 693	2 598	8 595	5 212
<b>Croatia</b>	2 726	2 726	4.8	4.8	1 139	1 169	1 974	2 835
<b>Romania</b>	11 376	11 364	4.8	4.8	18 879	8 501	24 254	17 022
<b>Turkey</b>	8 549	8 697	1.1	1.1	5 797	5 237	8 914	9 077
<b>Iceland</b>	-	-	-	-	-	-	-	-
<b>Liechtenstein (1)</b>	9	9	5.6	5.6	:	:	:	:
<b>Norway</b>	4 023	4 077	1.2	1.3	2 300	2 620	2 636	3 149
<b>Switzerland</b>	5 041	5 159	12.2	12.5	11 712	:	7 957	:

(1) In Liechtenstein the railways are owned and operated by ÖBB; transport figures are included in the Austrian statistics.

*Railway lines: one or more adjacent running tracks forming a route between two points; where a section of network comprises two or more lines running alongside one another, there are as many lines as routes to which tracks are allotted exclusively.*

*Rail passenger: any person, excluding members of train crew, who makes a journey by railway vehicle.*

*Goods carried by rail: any goods moved by rail vehicles; this includes all packaging and equipment, such as containers, swap-bodies or pallets as well as road goods vehicles carried by rail.*



Table 8.10: Air and sea transport

TTR00009 TTR00011 TTR00012

	Air		Sea	
	Goods, 2005 (1 000 tonnes) (1)	Passengers, 2005 (1 000) (2)	Goods handled in all ports, 2004 (million tonnes)	Passengers embarked and disembarked in all ports, 2004 (million)
<b>EU-25 (3)</b>	10 968	704 569	3 504.7	406.1
<b>EU-15 (3)</b>	10 868	681 300	3 304.6	396.8
<b>Euro area (3)</b>	8 746	549 967	2 463.8	282.1
<b>Belgium</b>	695	17 814	187.9	0.8
<b>Czech Republic</b>	56	11 266	-	-
<b>Denmark</b>	7	22 173	100.4	48.6
<b>Germany</b>	3 006	145 977	271.9	29.8
<b>Estonia</b>	10	1 393	44.8	6.5
<b>Greece</b>	106	30 798	157.9	96.4
<b>Spain</b>	526	143 680	373.1	21.7
<b>France</b>	1 477	107 955	334.0	27.1
<b>Ireland</b>	89	24 254	47.7	3.6
<b>Italy</b>	754	87 906	485.0	83.3
<b>Cyprus</b>	39	6 782	6.8	0.2
<b>Latvia</b>	15	1 872	54.8	0.1
<b>Lithuania</b>	10	1 434	25.8	0.1
<b>Luxembourg</b>	625	1 538	-	-
<b>Hungary</b>	55	8 049	-	-
<b>Malta</b>	15	2 762	4.0	0.2
<b>Netherlands</b>	1 551	46 433	440.7	2.0
<b>Austria</b>	182	19 685	-	-
<b>Poland</b>	31	7 080	52.3	2.0
<b>Portugal</b>	130	20 272	59.1	0.7
<b>Slovenia</b>	5	1 217	12.1	0.0
<b>Slovakia</b>	4	1 583	-	-
<b>Finland</b>	120	12 348	106.5	16.8
<b>Sweden</b>	:	22 899	167.4	33.3
<b>United Kingdom</b>	2 451	204 013	573.1	32.8
<b>Bulgaria</b>	17	5 023	23.1	0.0
<b>Croatia</b>	18	3 916	:	:
<b>Romania</b>	18	3 494	40.6	:
<b>Turkey</b>	334	53 516	:	:
<b>Iceland</b>	63	2 951	5.0	0.4
<b>Norway</b>	87	18 579	198.2	5.8
<b>Switzerland</b>	334	28 876	-	-

(1) Total freight and mail (loaded and unloaded for national and international).

(2) Total passengers carried (arrivals and departures for national and international).

(3) For air: aggregates exclude the double-counting impact of passengers flying between countries belonging to the same aggregate.

*Goods carried by air: all freight and mail on board during each flight stage, including freight and mail loaded and direct transit freight and mail.*

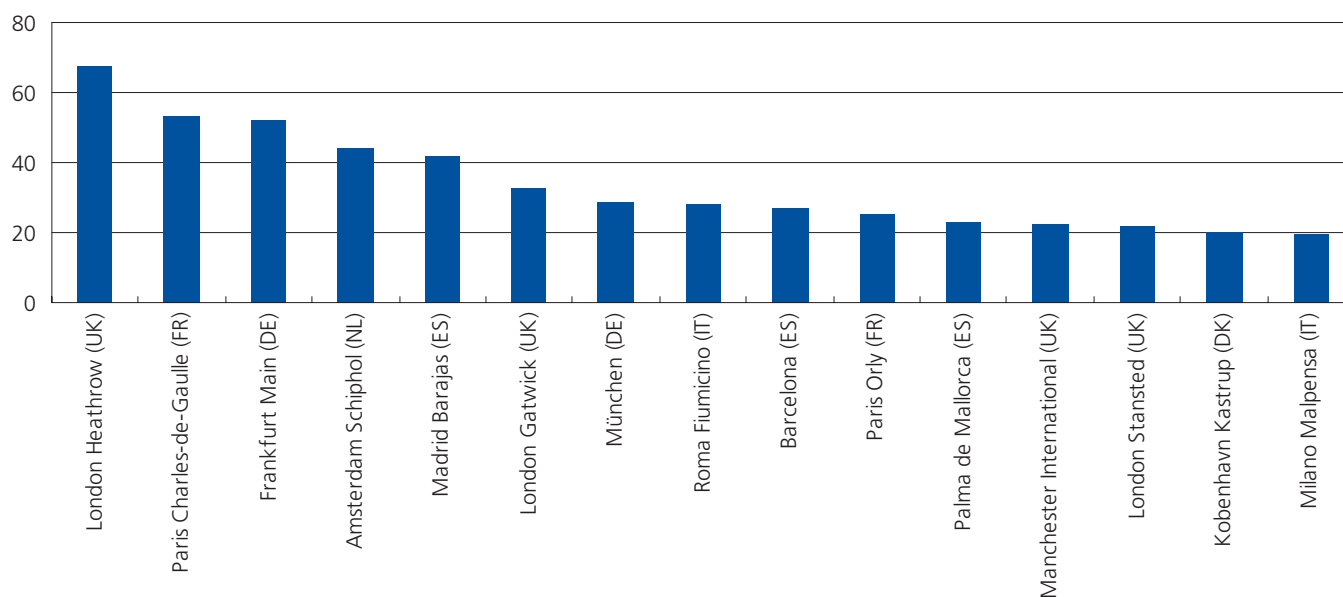
*Air passenger: any person, excluding on-duty members of the flight and cabin crews, who makes a journey by air; infants in arms are included.*

*Goods carried by sea: mail is included; goods carried on or in wagons, lorries, trailers, semi-trailers or barges are also included; conversely, the following items are excluded: road passenger vehicles with drivers, bunkers and stores of vessels, fish landed from fishing vessels and fish-processing ships, goods carried internally between different basins or docks of the same port.*

*Sea passenger: any person who makes a voyage on a seagoing vessel; service staff assigned to seagoing vessels are not regarded as passengers.*

**Figure 8.25: Top 15 airports, passengers carried (embarked and disembarked), EU-25, 2005**

(million passengers)



Community airport: a defined area on land or water in a Member State subject to the provisions of the treaty, which is intended to be used either wholly or in part for the arrival, departure and surface movement of aircraft and open for commercial air services.

**Table 8.11: Worldwide commercial space launches**

(satellite launches in the medium-to-large vehicle class)

TTR00010

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>United States</b>	5	12	11	17	22	15	7	3	5	5	6	1
<b>European Space Agency (ESA)</b>	8	8	9	11	9	8	12	8	10	4	1	5
<b>Russian Federation</b>	0	0	2	7	5	13	13	3	8	5	5	8
<b>China</b>	2	3	2	3	4	1	0	0	0	0	0	0
<b>Ukraine</b>	0	0	0	0	1	0	0	0	0	0	0	0
<b>Sea launch</b>	-	-	-	-	-	2	3	2	1	3	3	4

Source: US DoT - BTS

Commercial, international completed (non-captive), satellite launches in the medium-to-large vehicle class; this means that several launches are excluded from this table but still the table gives an idea of Europe's role in the space industry; according to NASA, in 1999 there were 70 successful launches altogether compared with the 39 commercial launches listed in the table.

## TOURISM

The demand for hotel services is split between that for business and that for leisure. Business demand tends to fluctuate with the economic cycle, as during periods of recession businesses try to reduce their expenditure. In a similar way, individuals are also more likely to curb their spending on tourism related activities during periods of low consumer confidence.

Although tourism grew rapidly during the latter part of the 20th century, this trend was reversed from 2000 as an economic slowdown, coupled with concerns over terrorist acts, health epidemics, and a series of natural disasters, contributed to reduced demand.

Europe remains however a major tourism region. After enlargement, Europe represents an even larger part of world tourism and its share of the world tourism market should increase in the coming years as the 10 Member States that joined the EU in 2004 intensify and modernise their tourism infrastructures.

Tourism can have an important impact on the economy and employment, as well as having social and environmental implications. These characteristics drive the demand for reliable and harmonised statistics within this field.

Tourism can be defined as the activities serving persons travelling to and staying in places outside their usual environment for not more than one consecutive year, for leisure or business purposes. On the supply side, tourism relies on enterprises from a variety of

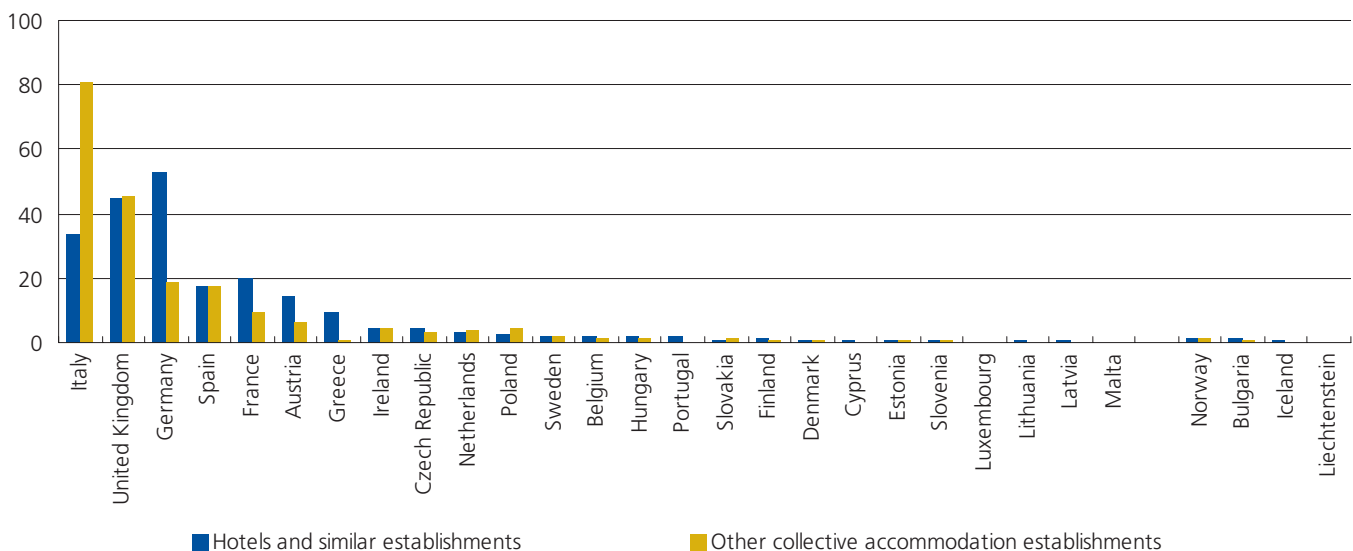
sectors, which can be summarised as the provision of accommodation, food and drink, transport facilities and services, and entertainment. Accommodation services are covered by two NACE groups (Group 55.1 which includes the provision of lodging in hotels, motels and inns, excluding the rental of long-stay accommodation and timeshare operations; and Group 55.2 which covers campsites and other short-stay accommodation, including self-catering holiday chalets or cottages). Travel services carried out by enterprises that are engaged in arranging transport, accommodation and catering on behalf of travellers, are classified within NACE Group 63.3, which encompasses the following activities: furnishing travel information, advice and planning; arranging custom-made tours, accommodation and transportation for travellers and tourists; furnishing tickets; selling package tours; tour operating; and organising tourist guides.

There were more than 218 000 hotels in the EU-25 in 2004, and just over 200 000 other collective accommodation establishments. There has been an increase in the capacity of hotels, as measured by the number of bed places available, which rose to more than 11 million by 2005. Occupancy rates for hotels and similar establishments vary considerably in main tourist destinations according to the seasonal factors, whereas in business centres demand is more evenly spread across the year (although it may be concentrated during the working week). In total there were almost 1 400 million nights spent in EU-25 hotels and similar establishments during 2005 by persons making trips of four nights or more.

**Figure 8.26: Accommodation, 2005 (1)**

(1 000)

TIN00039 TIN00040



(1) EU-25, 218 342 hotels and similar establishments, 202 814 other collective accommodation establishments; Italy, Portugal and the United Kingdom, 2004.

*Hotels and similar establishments include hotels, apartment hotels, motels, roadside inns, beach hotels, residential clubs, rooming and boarding houses, tourist residences and similar accommodation.*

*Other collective accommodation establishments include holiday dwellings, tourist campsites, youth hostels, tourist dormitories, group accommodation, school dormitories and other similar accommodation.*



Table 8.12: Leading tourism indicators

TIN00039 TIN00040 TIN00041 TIN00043 TIN00045

	Hotels and similar establishments (unit)		Other collective accommodation establishments (unit)		Bed places in hotels and similar establishments (1 000)		Nights spent in hotels and similar establishments (1 000) (1)		Number of tourists (1 000) (2)	
	2000	2005 (3)	2000	2005 (3)	2000	2005 (3)	2000	2005	2000	2005 (4)
<b>EU-25</b>	202 806	218 342	:	202 814	10 356	11 371	:	1 398 946	:	:
<b>EU-15</b>	192 867	206 703	162 614	191 582	9 635	10 532	1 321 511	1 295 770	:	:
<b>Euro area</b>	136 425	159 741	129 611	143 752	7 666	9 041	1 038 065	1 102 456	:	:
<b>Belgium</b>	1 998	1 899	1 635	1 550	119	121	14 229	14 610	:	4 308
<b>Czech Republic</b>	3 960	4 279	3 509	3 329	218	232	25 169	25 209	:	4 843
<b>Denmark</b>	466	480	622	608	62	70	9 210	10 115	3 307	2 814
<b>Germany</b>	38 551	52 877	17 032	18 694	1 590	1 621	198 070	200 767	53 490	57 955
<b>Estonia</b>	350	317	:	467	16	25	1 712	3 542	:	280
<b>Greece</b>	8 342	9 036	350	341	608	682	60 840	54 017	4 416	4 026
<b>Spain</b>	16 287	17 607	5 459	17 151	1 316	1 580	227 144	245 637	27 988	11 823
<b>France</b>	19 315	19 811	8 900	9 244	1 532	1 740	191 073	198 039	28 556	29 829
<b>Ireland</b>	5 449	4 407	2 482	4 458	139	149	24 160		:	3 695
<b>Italy</b>	33 361	33 518	83 858	81 009	1 854	2 000	233 613	234 020	22 834	24 316
<b>Cyprus</b>	583	785	35	134	84	91	17 387	14 939	:	499
<b>Latvia</b>	166	337	66	81	12	19	1 360	2 303	:	381
<b>Lithuania</b>	227	331	267	193	11	20	882	2 062	:	728
<b>Luxembourg</b>	315	292	291	255	14	14	1 263	1 358	217	234
<b>Hungary</b>	1 928	1 983	1 037	1 010	144	157	13 541	15 505	:	4 238
<b>Malta</b>	246	178	3	6	41	38	:	7 475	:	:
<b>Netherlands</b>	2 835	3 135	3 609	4 025	173	192	29 722	29 519	8 768	9 104
<b>Austria</b>	15 517	14 267	5 565	6 281	588	571	71 648	76 073	3 605	3 743
<b>Poland</b>	1 449	2 200	6 369	4 523	120	170	14 298	20 333	:	10 075
<b>Portugal</b>	1 786	1 954	263	285	223	254	33 795	34 141	2 626	2 512
<b>Slovenia</b>	448	344	398	358	31	30	4 618	4 975	:	1 014
<b>Slovakia</b>	582	885	977	1 131	44	57	5 604	6 833	:	3 809
<b>Finland</b>	1 011	938	517	459	117	118	13 348	14 275	2 216	2 511
<b>Sweden</b>	1 906	1 857	1 585	2 089	188	197	21 265	22 900	:	:
<b>United Kingdom</b>	45 728	44 625	30 446	45 133	1 111	1 223	192 131	160 299	21 609	29 340
<b>Bulgaria</b>	648	1 230	188	325	121	201	8 140	15 428	:	:
<b>Croatia</b>	:	:	:	:	199	203	18 074	21 277	:	1 423
<b>Romania</b>	2 533	:	588	:	199	:	15 947	:	:	:
<b>Iceland</b>	244	319	404	294	12	17	1 186	1 569	:	:
<b>Liechtenstein</b>	50	46	:	112	1	1	134	111	:	:
<b>Norway</b>	1 166	1 136	1 213	1 121	141	144	16 365	17 110	2 525	2 615
<b>Switzerland</b>	5 754	:	:	:	260	:	33 927	:	:	:

(1) Residents and non-residents.

(2) Number of persons from the reporting country making one or more holiday trips (domestic or outbound of four nights or more).

(3) Italy, Portugal and the United Kingdom, 2004.

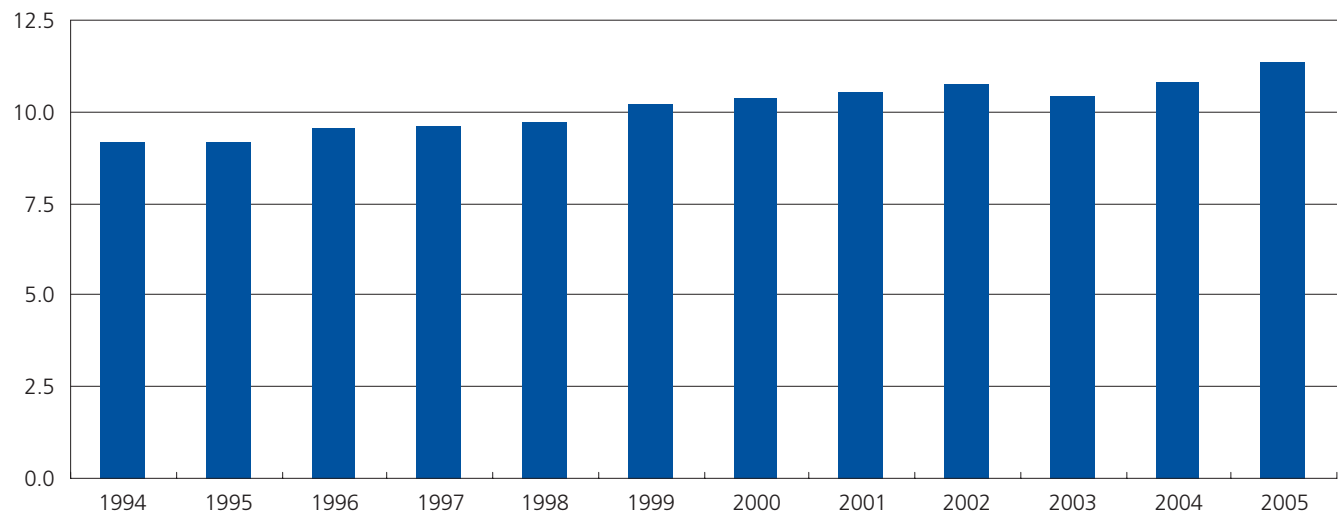
(4) Spain, France, Italy, Poland, the United Kingdom and Croatia, 2004; Greece and Ireland, 2003; Cyprus only outbound.

The number of bed places in an establishment is the number of persons who can stay overnight in the beds set up in the establishment, ignoring any extra beds that may have been set up on customer request.

**Figure 8.27: Bed places in hotels and similar establishments, EU-25**

(million)

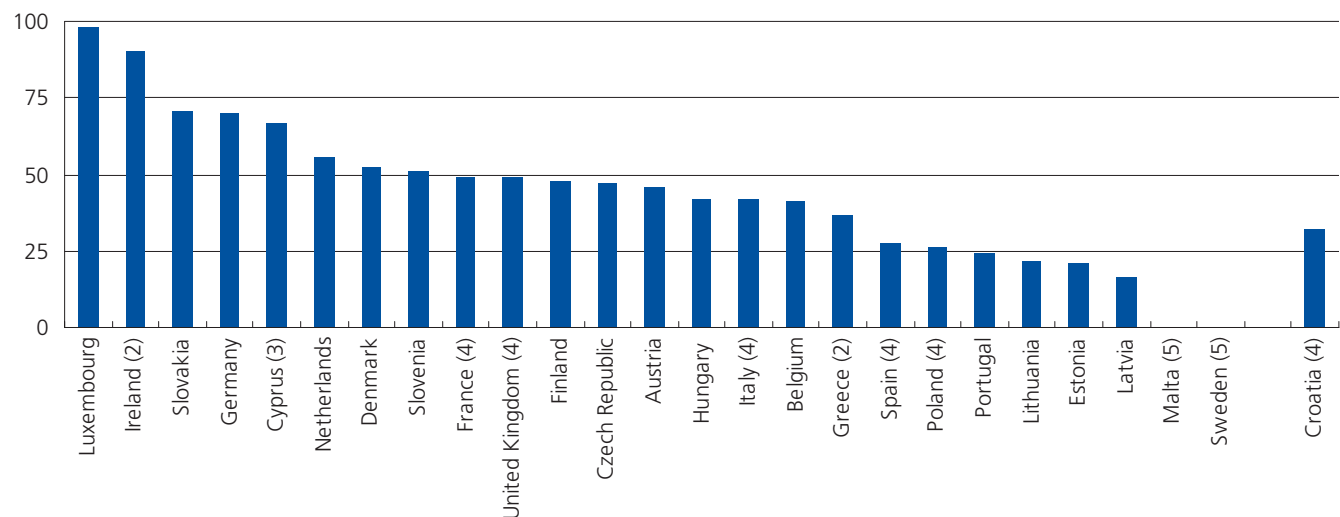
TIN00041



The number of bed places in an establishment is the number of persons who can stay overnight in the beds set up in the establishment, ignoring any extra beds that may have been set up on customer request.

**Figure 8.28: Proportion of the population going on holiday, 2005 (1)**

(%)



(1) Number of tourists from the reporting country who go abroad and stay at least four nights in collective or private accommodation.

(2) 2003.

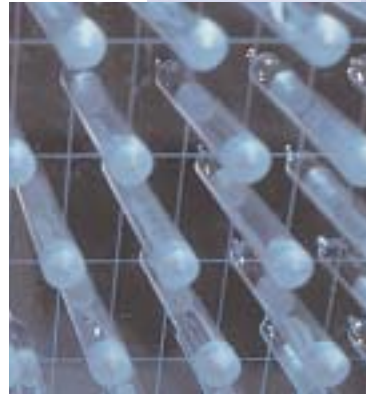
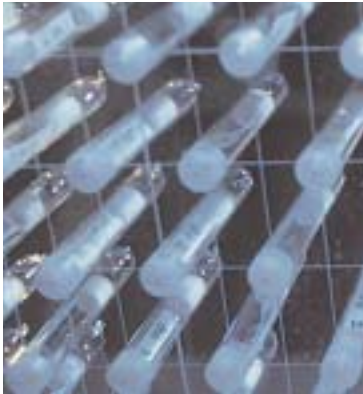
(3) Only outbound.

(4) 2004.

(5) Not available.

# 9.

## SCIENCE AND TECHNOLOGY



### Research and development

Personnel

Expenditure

Patents

### Information society

Internet access and ICT expenditure

Telecommunications



<b>Science and technology</b>	<b>241</b>
Research and development	242
Personnel	243
Expenditure	249
Patents	252
Information society	254
Internet access and ICT expenditure	254
Telecommunications	261

## 9. SCIENCE AND TECHNOLOGY

Research and development (R & D) is a driving force behind economic growth, job creation, innovation of new products, and increasing quality of products. At the Lisbon summit in March 2000, the European Council set a clear strategic objective for Europe in the next decade: to make the EU the *'most competitive and dynamic knowledge-based economy in the world'*.

The sixth framework programme (FP6)<sup>(42)</sup> is the current instrument used by the European Union to fund research in Europe. Proposed by the European Commission and adopted by the Council and Parliament, it is open to all public and private entities, large or small. The overall budget covering the four-year period 2003–06 is EUR 17.5 billion, representing an increase of 17 % from the fifth framework programme (FP5) and making up 3.9 % of the EU's total budget in 2001, or 6 % of the public (civilian), research budget.

<sup>(42)</sup> More information concerning this research programme is available at <http://ec.europa.eu/research/fp6>.

Eurostat has a wide range of data within this area, including:

- innovation;
- human resources in science and technology;
- patent applications to the European Patent Office;
- patents granted by the United States Patent and Trademark Office;
- R & D expenditure;
- R & D government budget appropriations or outlays;
- scientific and technical R & D personnel;
- employment in high-technology sectors;
- access of households to information and communication technology (ICT);
- access of enterprises to ICT;
- expenditure on ICT;
- e-commerce;
- e-skills;
- market structures within telecommunication;
- prices of a range of telecommunications services.

Seven key areas for the advancement of knowledge and technological progress are identified within FP6:

- genomics and biotechnology for health;
- information society technologies;
- nanotechnologies and nanosciences;
- aeronautics and space;
- food safety;
- sustainable development; and
- economic and social sciences.

With a view towards achieving the biggest possible impact, over EUR 12 000 million is being allocated to them. The main focus of FP6 is the creation of a European research area (ERA) as a vision for the future of research in Europe. It aims at scientific excellence, improved competitiveness and innovation through the promotion of increased cooperation, greater complementarity and improved coordination between relevant actors.

On 6 April 2005, the European Commission adopted a proposal for a new EU programme for research — the seventh framework programme (FP7) <sup>(43)</sup>, designed to give new impetus towards growth and competitiveness. The next programme will place greater emphasis on research that is relevant to the needs of European industry, while also aiming to make participation in the research programme simpler. On 15 June 2006 the European Parliament proposed a number of amendments, which the Commission adopted on 28 June 2006, while the Council reached a political agreement on 24 July 2006. At the time of writing, these amended proposals are destined to be forwarded to the European Parliament for a second reading.

Information technology is developing day by day. However, the information society, a society whose wealth and growth are based on its ability to handle information efficiently, is not only a technical phenomenon, it is also transforming the way in which we communicate, do business, and live everyday lives.

The information society holds enormous potential and opportunities for Europe's economy and societies. The eEurope action plan was launched at the Seville Council in June 2002 and endorsed by the Council of Ministers in January 2003. It aims to develop modern public services and a dynamic environment for e-business through widespread availability of broadband access at competitive prices and a secure information infrastructure.

<sup>(43)</sup> Proposal for a decision of the European Parliament and of the Council concerning the seventh framework programme of the European Community for research, technological development and demonstration activities (2007 to 2013), 6 April 2005, COM(2005) 119 final (more information is available at [http://ec.europa.eu/research/fp7/home\\_en.html](http://ec.europa.eu/research/fp7/home_en.html)).

## RESEARCH AND DEVELOPMENT

On 14 September 2006 the European Commission launched an ambitious 10 point innovation plan, calling for urgent action at regional, national and European levels. The plan was produced following a request from Heads of State or Government for an innovation strategy that would '*translate investments in knowledge into products and services*'. The 10 points in full are:

- establish innovation-friendly education systems;
- establish a European Institute of Technology;
- develop a single labour market for researchers;
- strengthen links between researchers and industry;
- nurture regional innovation through new cohesion policy programmes;
- reform State aid rules for R & D and innovation and provide better guidance for R & D tax incentives;
- improve protection for intellectual property rights;
- introduce copyright levies for digital products and services;
- develop a strategy for innovation-friendly lead-markets;
- stimulate innovation through public and private procurement.

Eurostat aims to support these goals through the provision of reliable statistical information on R & D, innovation and patents, as well as a relatively new data collection exercise that focuses on the development of information and communication technologies (ICT), where statistics are being developed with respect to emerging information technologies, so as to measure, for example, the impact of the Internet.

Most research and development (R & D) indicators are calculated annually and are available at a national and regional levels (NUTS 2 level — see page 351 for a listing of these regions). Depending on the indicator in question, data are available not only for the 25 Member States of the EU, but also for other members of the European Economic Area, the acceding and candidate countries, Japan and the United States.

Data on R & D expenditure and personnel, as well as on government budget appropriations or outlays for research and development (GBAORD) are collected every year from the national statistical offices.





## PERSONNEL

Data on scientific and technical R & D personnel provide indicators for useful international comparisons of human resources devoted to R & D. For statistical purposes, indicators on R & D personnel are compiled in terms of persons, i.e. head counts (HC) or as full-time equivalents (FTEs) or person-years, by gender. Eurostat compiles a number of series in relation to stocks of Human Resources in Science and Technology (HRST). Breakdowns are given according to gender, age, region, sector of activity, occupation, educational attainment and fields of education (although it should be noted that not all combinations are possible). This information is derived from the European Union labour force survey (LFS). Stocks provide information on the number of HRST at a particular point in time. In this database, stocks relate to the employment status as well as the occupational and educational profiles of individuals.

At the EU-15 level, R & D personnel as a proportion of the labour force has seen a modest increase over the last decade, with the Nordic countries taking the lead. In 2003, the average proportion of R & D personnel in the labour force across the EU-25 was about 1.3 %. The share was a little higher (about 1.4 %) on average across the EU-15.

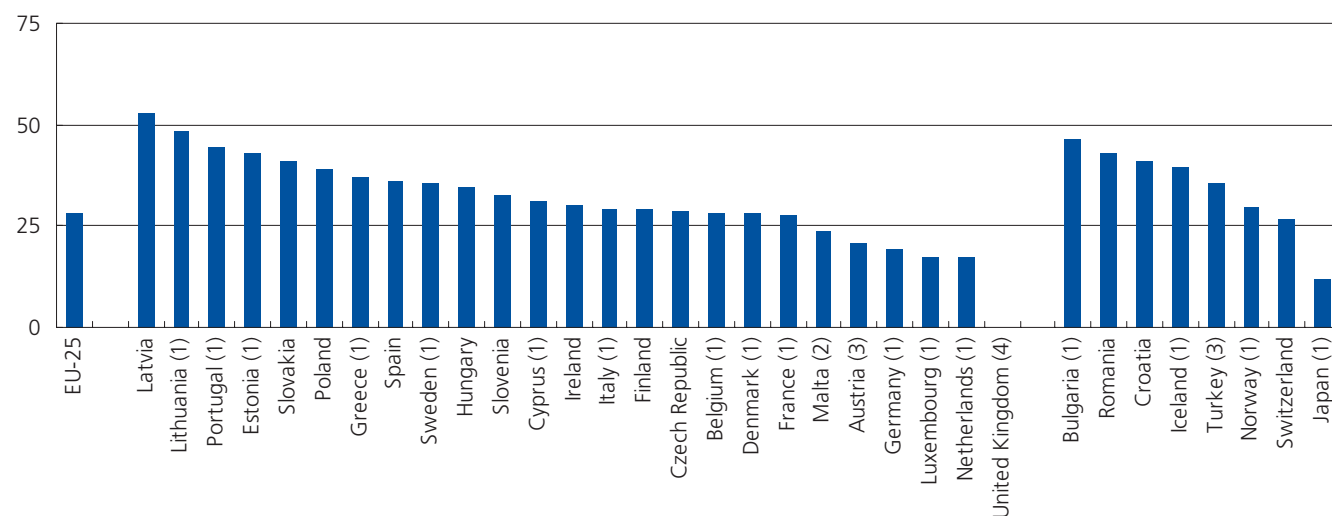
The importance of high-technology sectors has increased considerably over the last few years and this has had a significant impact on the structure and organisation of employment in Europe. In order to permit analysis of knowledge- and technology-intensive sectors, Eurostat collects data on employment in high-technology and medium-high-technology manufacturing sectors, knowledge-intensive services (KIS), and high-technology service sectors (for definitions, see the *glossary*).

Data on employment in high-technology and knowledge-intensive sectors and related derived indicators are built-up using data from the EU labour force survey (LFS). Data are available both at the national and regional levels. Within Europe, Sweden, the United Kingdom and Finland reported relatively high proportions of total employment within high- and medium-high-technology sectors. In the services sector, Germany had the highest share of total employment in knowledge-intensive service (KIS) sectors in 2004.

**Figure 9.1: Proportion of women researchers in all institutional sectors, 2004**

(% of total researchers)

TSC00006



(1) 2003.

(2) Break in series.

(3) 2002.

(4) Not available.

*Human resources in science and technology (HRST) as a share of the female economically active population in the age group 25-64: this indicator gives the percentage of the female labour force in the age group 25-64, that is classified as HRST, i.e. having either successfully completed an education at the third level in an S & T field of study or is employed in an occupation where such an education is normally required. HRST are measured mainly using the concepts and definitions laid down in the Canberra Manual, OECD, Paris, 1994.*

Table 9.1: Researchers in all institutional sectors

(1 000 FTE)

TSC00004

	1994 (1)	1995 (2)	1996 (3)	1997 (4)	1998	1999	2000 (5)	2001	2002 (6)	2003	2004
<b>EU-25</b>	900	927	947	960	996	1 040	1 078	1 115	1 149	1 176	1 218
<b>EU-15</b>	800	824	843	853	886	929	965	1 000	1 035	1 060	1 096
<b>Euro area</b>	619	629	646	652	672	706	743	768	782	804	834
<b>Belgium</b>	23	23	25	26	28	30	31	32	31	31	32
<b>Czech Republic</b>	:	12	13	13	13	14	14	15	15	16	16
<b>Denmark</b>	:	16	17	18	:	19	:	19	26	25	27
<b>Germany</b>	:	231	230	236	238	255	258	264	266	269	270
<b>Estonia</b>	:	:	:	:	3	3	3	3	3	3	3
<b>Greece</b>	:	10	:	11	:	15	:	14	:	15	16
<b>Spain</b>	48	47	52	54	60	62	77	80	83	93	101
<b>France</b>	149	151	155	155	156	160	172	177	186	193	:
<b>Ireland</b>	5	6	6	7	8	8	9	9	9	10	11
<b>Italy</b>	76	76	76	66	65	65	66	67	71	70	:
<b>Cyprus</b>	:	:	:	:	0	0	0	0	0	0	1
<b>Latvia</b>	3	3	3	3	3	3	4	3	3	3	3
<b>Lithuania</b>	:	:	8	8	8	9	8	8	6	7	7
<b>Luxembourg</b>	:	:	:	:	:	:	2	:	:	2	2
<b>Hungary</b>	12	10	10	11	12	13	14	15	15	15	15
<b>Malta</b>	:	:	:	:	:	:	:	:	0	0	:
<b>Netherlands</b>	34	35	36	38	39	40	42	46	38	37	:
<b>Austria</b>	:	:	:	:	19	:	:	:	24	:	:
<b>Poland</b>	47	50	52	56	56	56	55	56	57	59	61
<b>Portugal</b>	10	12	13	14	15	16	17	18	19	20	22
<b>Slovenia</b>	5	5	4	4	4	4	4	4	5	4	4
<b>Slovakia</b>	10	10	10	10	10	9	10	10	9	10	11
<b>Finland</b>	:	:	:	:	:	:	:	:	:	:	41
<b>Sweden</b>	:	34	:	37	:	40	:	46	:	48	49
<b>United Kingdom</b>	134	146	145	146	158	:	:	:	:	:	:
<b>Bulgaria</b>	13	14	15	12	12	11	9	9	9	10	10
<b>Croatia</b>	:	:	:	:	:	:	:	:	9	6	7
<b>Romania</b>	34	33	30	28	27	23	20	20	20	21	21
<b>Turkey</b>	14	16	18	19	19	20	23	23	24	:	:
<b>Iceland</b>	1	1	1	1	1	2	:	2	:	2	2
<b>Norway</b>	:	16	:	17	:	18	:	20	:	21	:
<b>Switzerland</b>	:	:	22	:	:	:	26	:	:	:	25
<b>Japan</b>	541	552	617	625	653	659	648	676	647	675	:
<b>United States</b>	:	1 036	:	1 160	:	1 261	:	:	:	:	:

(1) Break in series, the Netherlands and the United Kingdom.

(2) Break in series, Greece and Norway.

(3) Break in series, the Netherlands and Japan.

(4) Break in series, France, Italy and Slovakia.

(5) Break in series, France.

(6) Break in series, the Netherlands and Japan.

Researchers are professionals engaged in the conception or creation of new knowledge, products, processes, methods and systems, and in the management of the projects concerned; FTE (full-time equivalent) corresponds to one year's work by one person (for example, a person who devotes 40 % of his time to R & D is counted as 0.4 FTE).

Institutional sectors: business enterprise, government, higher education, and private non-profit.



Table 9.2: PhD students, 2004

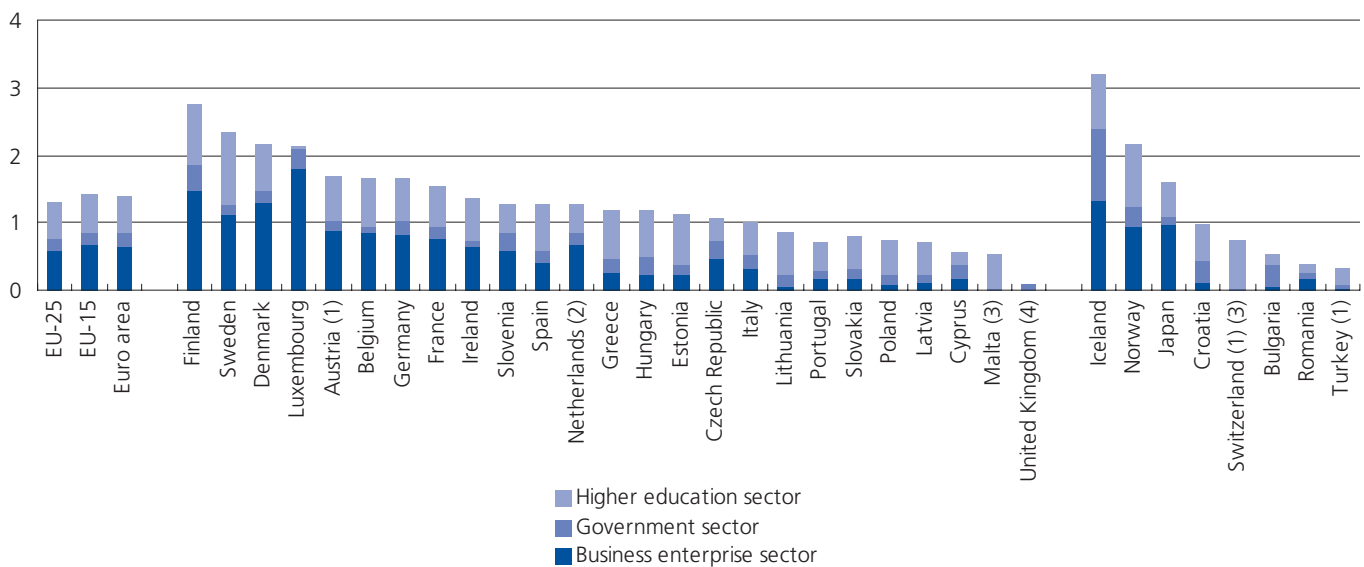
	PhD students		Science, mathematics and computing		Engineering, manufacturing and construction	
	(number)	Female (% of total)	(number)	(% of all PhD students)	(number)	(% of all PhD students)
<b>EU-25</b>	401 386	46.6	85 547	21.3	65 737	16.4
<b>EU-15</b>	322 924	47.4	71 168	22.0	48 232	14.9
<b>Euro area</b>	205 993	49.0	41 772	20.3	29 346	14.2
<b>Belgium</b>	7 014	38.9	2 143	30.6	946	13.5
<b>Czech Republic</b>	23 282	36.4	5 005	21.5	6 856	29.4
<b>Denmark</b>	5 093	43.2	926	18.2	1 018	20.0
<b>Germany</b>	:	:	:	:	:	:
<b>Estonia</b>	1 653	53.5	469	28.4	219	13.2
<b>Greece</b>	18 907	41.9	8 346	44.1	2 277	12.0
<b>Spain</b>	76 895	50.7	11 486	14.9	7 782	10.1
<b>France</b>	:	:	:	:	:	:
<b>Ireland</b>	4 339	45.7	1 613	37.2	705	16.2
<b>Italy</b>	37 608	51.0	9 486	25.2	7 305	19.4
<b>Cyprus</b>	202	49.5	85	42.1	5	2.5
<b>Latvia</b>	1 425	58.2	225	15.8	209	14.7
<b>Lithuania</b>	2 623	55.7	488	18.6	577	22.0
<b>Luxembourg</b>	:	:	:	:	:	:
<b>Hungary</b>	7 835	42.3	1 813	23.1	840	10.7
<b>Malta</b>	17	23.5	0	0.0	0	0.0
<b>Netherlands</b>	7 054	41.1	:	:	:	:
<b>Austria</b>	15 524	45.5	2 558	16.5	2 037	13.1
<b>Poland</b>	32 054	47.6	4 892	15.3	6 544	20.4
<b>Portugal</b>	17 445	54.0	3 080	17.7	2 813	16.1
<b>Slovenia</b>	:	:	:	:	:	:
<b>Slovakia</b>	9 371	40.6	1 402	15.0	2 255	24.1
<b>Finland</b>	21 207	50.5	3 060	14.4	5 481	25.8
<b>Sweden</b>	22 460	47.1	4 492	20.0	4 994	22.2
<b>United Kingdom</b>	89 378	43.9	23 978	26.8	12 874	14.4
<b>Bulgaria</b>	4 834	51.0	766	15.8	1 107	22.9
<b>Croatia</b>	541	44.5	63	11.6	124	22.9
<b>Romania</b>	18 045	51.4	1 799	10.0	2 916	16.2
<b>Turkey</b>	24 891	38.8	3 608	14.5	4 682	18.8
<b>Iceland</b>	51	52.9	7	13.7	5	9.8
<b>Norway</b>	4 356	42.6	1 207	27.7	645	14.8
<b>Switzerland</b>	15 850	38.8	4 525	28.5	1 686	10.6
<b>Japan</b>	71 389	28.5	10 368	14.5	13 170	18.4
<b>United States</b>	375 642	50.7	:	:	:	:

Second stage of tertiary education, covering programmes leading to an advanced research qualification (e.g. PhD or Doctorate — ISCED level 6), which are devoted to advanced study and original research and not based on course-work only.

**Figure 9.2: Proportion of research and development personnel by sector, 2003**

(% of the labour force)

TSC00002



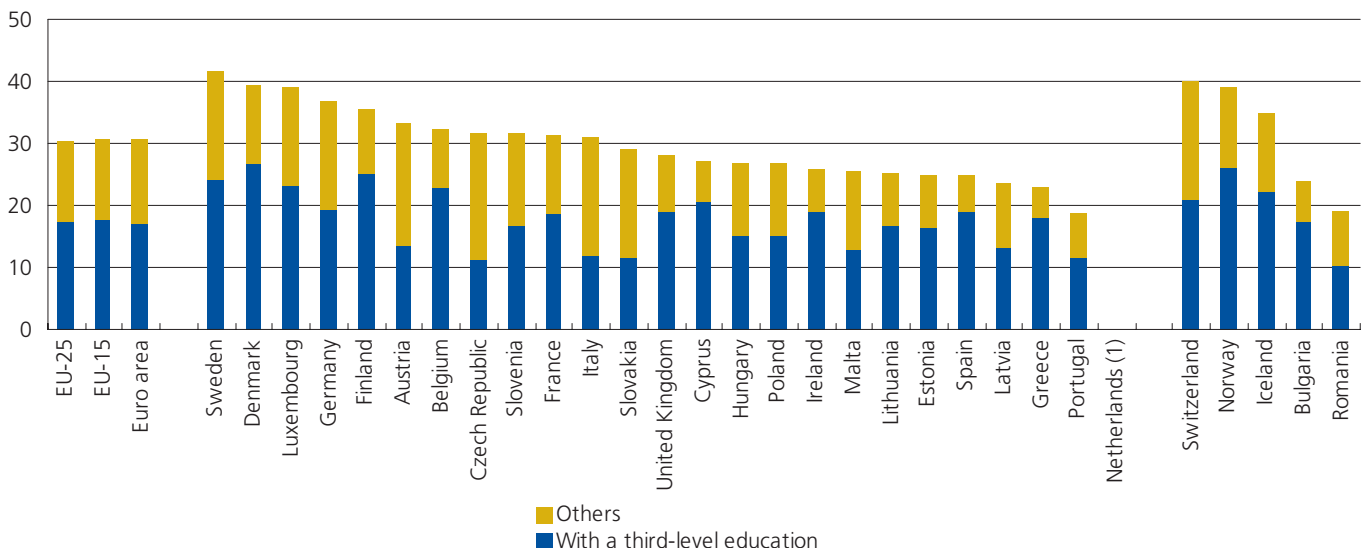
- (1) 2002.
- (2) Break in series, government sector.
- (3) Business enterprise sector not available.
- (4) Business enterprise sector and higher education sector not available.

R & D personnel include all persons employed directly on R & D, plus persons supplying direct services to R & D, such as managers, administrative staff and office staff; head count (HC) data measure the total number of R & D personnel who are mainly or partly employed on R & D; R & D personnel in HC are expressed as a percentage of the labour force (comprises population aged 15 and over who are employed or unemployed but not inactive).

**Figure 9.3: Human resources working in science and technology occupations, all sectors, 2004**

(% of total employment)

TSC00011



- (1) Not available.

Human resources in science and technology (HRST) as a share of the economically active population in the age group 25-64: this indicator gives the percentage of the total labour force in the age group 25-64, that is classified as HRST, i.e. having either successfully completed an education at the third level in an S & T field of study or is employed in an occupation where such an education is normally required. HRST are measured mainly using the concepts and definitions laid down in the Canberra Manual, OECD, Paris, 1994.



Table 9.3: Human resources in science and technology for all sectors

	People working in a S&T occupation					People who have a third level education and work in a S&T occupation				
	(1 000)	(% of total employment)				(1 000)	(% of total employment)			
	2004	2001	2002	2003	2004	2004	2001	2002	2003	2004
<b>EU-25</b>	51 245	29.2	29.5	30.0	30.2	29 458	16.3	16.3	16.9	17.4
<b>EU-15</b>	44 112	29.7	30.0	30.5	30.6	25 754	17.0	17.0	17.5	17.9
<b>Euro area</b>	35 066	29.9	30.2	30.7	30.7	19 725	16.5	16.5	17.0	17.2
<b>Belgium</b>	1 212	31.1	30.8	31.7	32.2	868	22.2	21.4	22.5	23.1
<b>Czech Republic</b>	1 341	30.9	30.0	31.0	31.6	475	10.5	10.5	10.8	11.2
<b>Denmark</b>	920	38.0	38.8	38.7	39.3	626	23.6	24.5	25.9	26.7
<b>Germany</b>	11 509	35.0	35.5	36.5	36.9	6 028	17.9	17.0	18.7	19.3
<b>Estonia</b>	129	24.9	27.7	25.6	25.0	84	17.4	18.6	17.1	16.4
<b>Greece</b>	895	20.2	20.7	21.2	22.9	703	15.8	16.2	16.3	18.0
<b>Spain</b>	3 934	23.5	24.0	23.6	24.8	3 046	17.8	18.2	18.0	19.2
<b>France</b>	6 806	29.5	30.0	30.8	31.4	4 065	18.6	19.0	18.1	18.8
<b>Ireland</b>	389	22.9	24.0	25.0	25.7	287	16.3	17.2	18.4	19.0
<b>Italy</b>	6 338	28.7	29.0	29.0	31.1	2 429	10.7	11.0	11.0	11.9
<b>Cyprus</b>	79	26.0	27.1	27.8	26.9	60	18.7	20.5	20.9	20.6
<b>Latvia</b>	207	25.1	26.8	24.1	23.5	117	13.1	13.4	11.6	13.3
<b>Lithuania</b>	329	25.7	24.8	23.8	25.1	219	23.6	15.6	15.2	16.7
<b>Luxembourg</b>	68	32.7	33.5	34.1	39.1	40	18.4	19.0	15.0	23.2
<b>Hungary</b>	959	24.7	24.8	26.2	26.9	541	12.8	12.9	14.2	15.2
<b>Malta</b>	29	:	23.8	25.0	25.6	15	:	10.3	10.6	13.1
<b>Netherlands</b>	:	37.6	37.2	40.1	:	:	19.4	19.4	22.4	:
<b>Austria</b>	1 048	26.2	27.0	26.8	33.3	431	10.8	12.6	12.3	13.7
<b>Poland</b>	3 243	25.0	25.2	26.5	26.8	1 833	11.7	12.2	14.0	15.1
<b>Portugal</b>	800	16.0	16.1	15.7	18.6	498	9.2	9.4	9.3	11.6
<b>Slovenia</b>	260	27.1	28.9	31.1	31.6	137	12.0	12.6	16.2	16.7
<b>Slovakia</b>	556	29.6	29.8	29.4	29.2	222	10.3	10.8	11.1	11.7
<b>Finland</b>	741	38.2	34.6	34.6	35.5	526	24.7	24.2	24.6	25.2
<b>Sweden</b>	1 583	39.9	40.5	40.9	41.5	923	22.2	23.1	23.6	24.2
<b>United Kingdom</b>	6 545	26.4	26.7	27.3	28.0	4 479	17.6	18.0	18.4	19.1
<b>Bulgaria</b>	638	26.7	26.1	25.2	23.8	465	18.2	18.4	17.8	17.4
<b>Croatia</b>	:	:	:	:	:	:	:	:	:	:
<b>Romania</b>	1 502	17.4	19.2	18.7	19.1	800	8.7	9.6	9.3	10.2
<b>Turkey</b>	:	:	:	:	:	:	:	:	:	:
<b>Iceland</b>	44	33.1	33.3	35.3	35.0	28	18.0	19.6	22.6	22.2
<b>Norway</b>	759	38.2	37.6	37.9	39.0	508	26.3	26.0	25.3	26.1
<b>Switzerland</b>	1 292	38.8	37.7	39.2	39.9	678	19.2	18.6	20.2	20.9

**Table 9.4: Proportion of persons working in high- and medium-high-technology manufacturing and knowledge-intensive service sectors**

(% of total employment)

TSC00011 TSC00012

	Employment in high- and medium-high-technology manufacturing			Employment in knowledge-intensive services		
	1995	2000 (1)	2004	1995	2000	2004
<b>EU-25</b>	:	5.8	5.7	:	29.2	33.1
<b>EU-15</b>	6.3	6.3	5.8	29.9	32.3	34.6
<b>Euro area</b>	6.4	6.4	6.1	27.6	30.0	32.3
<b>Belgium</b>	6.5	6.1	5.6	32.9	36.8	38.6
<b>Czech Republic</b>	:	7.7	7.7	:	24.1	24.6
<b>Denmark</b>	6.1	5.4	5.0	39.0	42.1	42.3
<b>Germany</b>	9.2	9.3	9.4	26.9	30.4	33.4
<b>Estonia</b>	:	2.9	3.4	:	26.9	27.5
<b>Greece</b>	2.1	2.0	2.1	20.1	22.2	24.9
<b>Spain</b>	4.7	4.8	4.3	22.2	24.5	26.1
<b>France</b>	5.7	5.8	5.3	33.5	34.7	36.2
<b>Ireland</b>	4.3	3.5	3.8	29.2	31.7	33.4
<b>Italy</b>	6.2	6.6	6.4	24.0	26.7	30.2
<b>Cyprus</b>	:	1.1	1.0	:	25.2	26.2
<b>Latvia</b>	:	0.5	1.3	:	24.8	24.6
<b>Lithuania</b>	:	2.5	1.9	:	26.3	25.0
<b>Luxembourg</b>	1.7	1.8	0.9	30.5	35.5	38.0
<b>Hungary</b>	:	5.9	5.7	:	26.5	28.5
<b>Malta</b>	:	:	3.6	:	:	29.1
<b>Netherlands</b>	3.8	3.5	2.6	36.7	39.2	41.0
<b>Austria</b>	4.8	4.7	4.9	25.6	28.1	31.3
<b>Poland</b>	:	:	4.4	:	:	24.3
<b>Portugal</b>	:	3.1	3.1	:	19.2	22.2
<b>Slovenia</b>	:	7.8	7.3	:	22.7	24.2
<b>Slovakia</b>	:	5.8	7.0	:	24.5	25.1
<b>Finland</b>	5.2	5.3	4.9	37.3	37.9	40.3
<b>Sweden</b>	6.0	6.4	6.0	44.2	45.7	47.0
<b>United Kingdom</b>	6.0	5.8	4.6	36.8	39.7	42.1
<b>Bulgaria</b>	:	5.0	4.2	:	21.2	22.2
<b>Croatia</b>	:	:	4.4	:	:	21.0
<b>Romania</b>	:	4.7	5.3	:	10.8	14.1
<b>Iceland</b>	1.3	1.4	2.0	38.2	39.3	42.8
<b>Norway</b>	:	3.8	3.4	:	42.3	45.6
<b>Switzerland</b>	:	5.3	5.0	:	36.1	39.8

(1) Break in series, the Netherlands.

Statistics on high-tech industries and knowledge-intensive industries comprise economic, science, technology, innovation and employment data describing manufacturing and services industries broken down by technological intensity:

High-technology — aerospace (NACE 35.3); pharmaceuticals (24.4); computers, office machinery (30); electronics-communications (32); scientific instruments (33);

Medium-high-technology — electrical machinery (31); motor vehicles (34); chemicals — excl. pharmaceuticals (24 excl. 24.4); other transport equipment (35.2 + 35.4 + 35.5); non-electrical machinery (29);

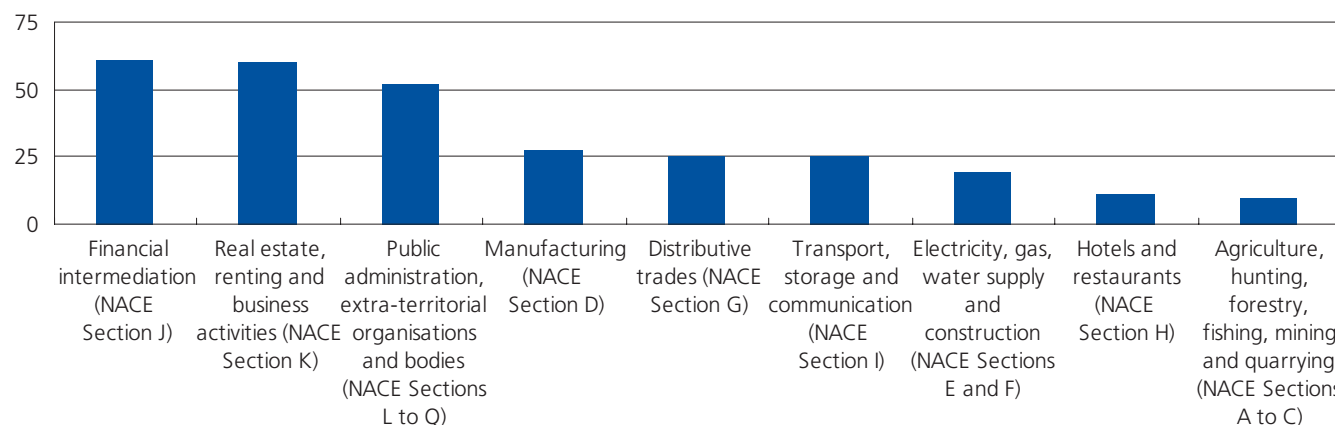
Knowledge-intensive high-tech services — post and telecommunications (64); computer and related activities (72); research and development (73);

Knowledge-intensive market services (excl. financial intermediation and high-tech services) — water transport (61); air transport (62); real estate activities (70); renting of machinery and equipment without operator, and of personal and household goods (71); other business activities (74);

Knowledge-intensive financial services — financial intermediation, except insurance and pension funding (65); insurance and pension funding, except compulsory social security (66); activities auxiliary to financial intermediation (67);

Other knowledge-intensive services — education (80); health and social work (85); recreational, cultural and sporting activities (92).

**Figure 9.4: Human resources working in science and technology occupations, breakdown by activity, EU-25, 2004**  
(% of sectoral employment)



A human resource in science and technology (HRST) is defined according to the 'Canberra manual' as a person fulfilling one of the following conditions: successfully completed education at third level in S & T field of study; not formally qualified as above, but employed in S & T occupation where the above qualification is normally required.

## EXPENDITURE

R & D expenditure is a key indicator for tracing R & D developments: the basic measure is intramural expenditure, in other words, all expenditures for R & D that are performed within a statistical unit or sector of the economy, whatever the source of the funds. Among those indicators available, R & D intensity (which is defined as R & D expenditure relative to GDP) is the most frequently used for international comparisons of relative R & D efforts.

R & D intensity for the EU-25 showed a positive evolution in the six years up to 2003. However, when compared with the United States and Japan, the EU lags behind. This is mainly due to the differences observed in the business enterprise sector, where expenditure in the EU is considerably lower than in competing countries. Among the Member States, the highest R & D intensity was recorded in Finland and Sweden, the only Member States where R & D intensity exceeded the 3 % level set by the Lisbon strategy.

Government budget appropriations or outlays for research and development (GBAORD) are the amount governments allocate towards R & D activities. Comparisons of GBAORD across countries give an impression of the relative importance attached to state-funded R & D. GBAORD statistics complement the *ex post* figures on government-financed gross expenditure on research and development (GERD) and, when broken down by socioeconomic objective, underline the domains governments believe to be important for current and future policy action.

Gross domestic expenditure on R & D (GERD) in the EU-25 was equivalent to 1.9 % of GDP in 2005; this proportion rose to over 3 % in just two of the Member States, namely, Finland and Sweden (where R & D expenditure made by the business enterprise sector was considerably higher than in any of the other Member States). One structural weakness often cited in relation to Europe's research effort is the lack of business-financed research. Business enterprise R & D accounted for over 2 % of GDP in Japan and the United States in 2000, while the corresponding proportion for the EU-25 in 2004 was 1.2 %.



Table 9.5: Gross domestic expenditure on R &amp; D

(% of GDP)



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
		(1)	(2)	(3)	(4)		(5)		(6)		(7)
<b>EU-25</b>	:	1.9	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9
<b>EU-15</b>	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0
<b>Euro area</b>	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
<b>Belgium</b>	1.7	1.7	1.8	1.9	1.9	2.0	2.0	2.1	2.0	1.9	1.9
<b>Czech Republic</b>	:	1.0	1.0	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3
<b>Denmark</b>	:	1.8	1.9	1.9	2.1	2.1	2.3	2.4	2.6	2.6	2.6
<b>Germany</b>	2.2	2.2	2.2	2.2	2.3	2.4	2.5	2.5	2.5	2.5	2.5
<b>Estonia</b>	:	:	:	:	0.6	0.7	0.6	0.7	0.8	0.8	0.9
<b>Greece</b>	:	0.5	:	0.5	:	0.7	:	0.6	:	0.6	0.6
<b>Spain</b>	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	1.0	1.1	1.1
<b>France</b>	2.3	2.3	2.3	2.2	2.1	2.2	2.2	2.2	2.2	2.2	2.2
<b>Ireland</b>	1.3	1.4	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.2	1.2
<b>Italy</b>	1.1	1.0	1.0	1.1	1.1	1.0	1.1	1.1	1.2	1.1	:
<b>Cyprus</b>	:	:	:	:	0.2	0.2	0.3	0.3	0.3	0.4	0.4
<b>Latvia</b>	0.4	0.5	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4
<b>Lithuania</b>	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.7	0.7	0.7	0.8
<b>Luxembourg</b>	:	:	:	:	:	:	1.7	:	:	1.8	1.8
<b>Hungary</b>	0.9	0.7	0.7	0.7	0.7	0.7	0.8	1.0	1.0	1.0	0.9
<b>Malta</b>	:	:	:	:	:	:	:	:	0.3	0.3	0.3
<b>Netherlands</b>	2.0	2.0	2.0	2.0	1.9	2.0	1.9	1.8	1.7	1.8	1.8
<b>Austria</b>	1.5	1.5	1.6	1.7	1.8	1.9	1.9	2.0	2.1	2.2	2.3
<b>Poland</b>	:	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6
<b>Portugal</b>	:	0.6	:	0.6	:	0.7	:	0.9	0.8	0.8	:
<b>Slovenia</b>	1.8	1.6	1.4	1.3	1.4	1.4	1.4	1.6	1.5	1.5	1.6
<b>Slovakia</b>	0.9	0.9	0.9	1.1	0.8	0.7	0.7	0.6	0.6	0.6	0.5
<b>Finland</b>	2.3	2.3	2.5	2.7	2.9	3.2	3.4	3.4	3.4	3.5	3.5
<b>Sweden</b>	:	3.4	:	3.6	3.6	3.7	:	4.3	:	4.0	3.7
<b>United Kingdom</b>	2.1	2.0	1.9	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.8
<b>Bulgaria</b>	0.9	0.6	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5
<b>Croatia</b>	:	:	:	:	:	:	:	:	1.1	1.1	:
<b>Romania</b>	:	:	:	:	0.5	0.4	0.4	0.4	0.4	0.4	0.4
<b>Turkey</b>	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.7	0.7	:	:
<b>Iceland</b>	1.4	1.6	:	1.9	2.1	2.4	2.8	3.1	3.1	3.0	3.0
<b>Norway</b>	:	1.7	:	1.6	:	1.7	:	1.6	1.7	1.8	1.6
<b>Switzerland</b>	:	:	:	:	:	:	2.6	:	:	:	:
<b>Japan</b>	2.6	2.7	2.8	2.8	3.0	3.0	3.0	3.1	3.1	3.2	:
<b>United States</b>	2.4	2.5	2.5	2.6	2.6	2.6	2.7	2.7	2.7	2.6	:

(1) Break in series, the Czech Republic.

(2) Break in series, Lithuania, Bulgaria and Japan.

(3) Break in series, Italy.

(4) Break in series, United States.

(5) Break in series, France.

(6) Forecast, Iceland.

(7) Forecast, Belgium and Luxembourg.

GERD (gross domestic expenditure on R & D). Research and experimental development comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications; R & D is an activity where there are significant transfers of resources between units, organisations and sectors and it is important to trace the flow of R & D funds.





Table 9.6: Research and development expenditure by sector

(% of GDP)

TSC00001

	Business enterprise sector		Government sector		Higher education sector	
	2000	2004 (1)	2000 (2)	2004 (3)	2000 (2)	2004 (3)
<b>EU-25</b>	1.23	1.22	0.26	0.24	0.39	0.41
<b>EU-15</b>	1.26	1.26	0.26	0.24	0.40	0.43
<b>Euro area</b>	1.21	1.21	0.26	0.26	0.41	0.41
<b>Belgium</b>	1.45	1.32	0.13	0.15	0.41	0.43
<b>Czech Republic</b>	0.74	0.81	0.31	0.27	0.18	0.19
<b>Denmark</b>	1.51	1.81	0.28	0.17	0.45	0.62
<b>Germany</b>	1.73	1.75	0.33	0.33	0.40	0.41
<b>Estonia</b>	0.14	0.36	0.14	0.12	0.33	0.42
<b>Greece</b>	:	0.17	:	0.12	:	0.28
<b>Spain</b>	0.49	0.58	0.14	0.17	0.27	0.32
<b>France</b>	1.34	1.36	0.37	0.36	0.40	0.41
<b>Ireland</b>	0.81	0.77	0.09	0.09	0.23	0.33
<b>Italy</b>	0.53	0.56	0.20	0.17	0.33	:
<b>Cyprus</b>	0.05	0.08	0.12	0.14	0.06	0.13
<b>Latvia</b>	0.18	0.19	0.10	0.08	0.17	0.15
<b>Lithuania</b>	0.13	0.16	0.25	0.19	0.22	0.41
<b>Luxembourg</b>	1.58	1.54	0.12	0.19	0.00	0.02
<b>Hungary</b>	0.35	0.37	0.21	0.26	0.19	0.22
<b>Malta</b>	:	0.10	:	0.02	:	0.18
<b>Netherlands</b>	1.11	1.02	0.27	0.25	0.53	0.50
<b>Austria</b>	:	:	:	:	:	:
<b>Poland</b>	0.24	0.17	0.21	0.23	0.21	0.19
<b>Portugal</b>	:	:	:	:	:	:
<b>Slovenia</b>	0.81	0.96	0.37	0.35	0.24	0.25
<b>Slovakia</b>	0.43	0.26	0.16	0.16	0.06	0.11
<b>Finland</b>	2.40	2.46	0.38	0.33	0.60	0.69
<b>Sweden</b>	:	2.75	:	0.12	:	0.86
<b>United Kingdom</b>	1.21	1.16	0.22	0.18	0.38	0.39
<b>Bulgaria</b>	0.11	0.12	0.36	0.34	0.05	0.05
<b>Croatia</b>	:	:	:	:	:	:
<b>Romania</b>	0.26	0.22	0.07	0.14	0.04	0.04
<b>Turkey</b>	0.21	:	0.04	:	0.39	:
<b>Iceland</b>	1.56	1.70	0.76	0.63	0.45	0.61
<b>Norway</b>	:	0.90	:	0.26	:	0.49
<b>Switzerland</b>	1.90	:	0.03	:	0.59	:
<b>Japan</b>	2.12	:	0.30	:	0.43	:
<b>United States</b>	2.03	:	0.19	:	0.37	:

(1) Forecast, Belgium and Luxembourg.

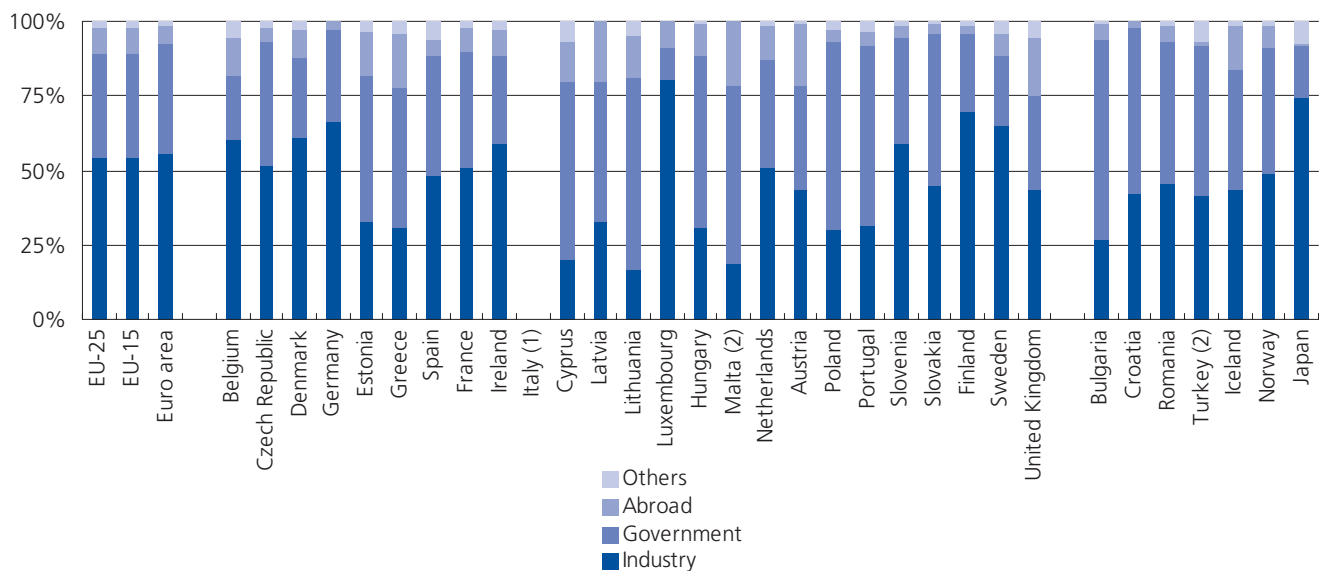
(2) Break in series, France.

(3) Forecast, Belgium.

R & D expenditures include all expenditures for R & D performed within the business enterprise sector (BERD) on the national territory during a given period, regardless of the source of funds. R & D expenditure is shown as a percentage of GDP (R & D intensity).

**Figure 9.5: Gross domestic expenditure on R & D by source of funds, 2003**

(% of total GERD)



(1) Not available.

(2) 2002.

GERD (gross domestic expenditure on R & D). Research and experimental development comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications; R & D is an activity where there are significant transfers of resources between units, organisations and sectors and it is important to trace the flow of R & D funds.

## PATENTS

Patents reflect part of a country's inventive capacity to exploit knowledge and translate it into potential economic gains. In this context, indicators based on patent statistics are widely used as a measure of R & D output and serve to assess the inventive performance of countries, regions or industries. Patent data published in this section are provided by the European Patent Office (EPO), while data for the United States Patent and Trademark Office (USPTO) are provided by the OECD.

The data from the EPO refer to patent applications filed under the European Patent Convention or under the Patent Cooperation Treaty and designating the EPO for protection. Although not all applications are granted, each one still represents technical effort by the inventor and so is regarded as an appropriate indicator of innovative potential. EU-25 patent applications to the EPO increased significantly during the 1990s. However, the steady upward trend reached a peak with 60 800 patent applications in 2001, followed by a slight decline in 2002, before the number of applications was halved in 2003 to just over 30 800 (hence, returning to levels last recorded in the early 1990s). Patent applications to the EPO from the United States numbered almost 20 700 in 2003, while the level of applications from Japan was just over 13 200.

Among the Member States, Germany had the highest number of patent applications to the EPO, some 12 900 in 2003 (which was almost 42 % of the EU-25 total). In relative terms, Germany was also the Member State with the highest number of patent applications per million inhabitants (156), followed by Finland (143) and then Sweden (137); although this rate was below that recorded by Switzerland (222 applications to the EPO per million inhabitants in 2003).

Finland stood out as the Member State that was particularly specialised in high-technology patents (mainly communications-related, but also computer and automated business equipment-related). Around 40 % of all Finish patent applications to the EPO were for high-technology patents in 2003, while the ratio of high-technology patent applications per million inhabitants stood at 58 (slightly more than twice the rate in Sweden, the next highest figure among the Member States).

**Table 9.7: Patent applications to the European Patent Office (EPO)**

(number of applications per million inhabitants)

TSC00009 TSC00010

	Total patent applications to the EPO			High-technology patent applications to the EPO		
	2000	2001	2002	2000	2001	2002
<b>EU-25</b>	134.7	134.5	:	26.8	27.0	:
<b>EU-15</b>	159.9	159.5	:	31.9	32.1	:
<b>Belgium</b>	143.5	135.4	140.8	23.7	24.3	26.5
<b>Czech Republic</b>	10.4	11.3	12.0	0.7	0.9	0.8
<b>Denmark</b>	220.9	220.7	217.5	46.8	47.9	39.2
<b>Germany</b>	305.3	301.7	297.4	47.7	47.2	44.7
<b>Estonia</b>	9.8	10.1	7.1	1.8	3.4	1.8
<b>Greece</b>	6.6	8.9	9.9	1.4	1.4	2.0
<b>Spain</b>	26.1	28.5	30.5	3.7	4.1	3.9
<b>France</b>	143.0	145.5	144.2	30.3	32.0	30.8
<b>Ireland</b>	75.0	88.1	79.7	25.8	29.1	23.7
<b>Italy</b>	78.6	79.8	83.3	7.8	7.1	8.4
<b>Cyprus</b>	15.5	24.1	7.6	2.2	6.2	0.9
<b>Latvia</b>	6.4	4.7	5.5	0.8	:	1.1
<b>Lithuania</b>	2.5	2.2	2.8	0.5	0.5	:
<b>Luxembourg</b>	234.2	179.7	154.6	26.3	8.7	8.7
<b>Hungary</b>	20.0	17.9	19.0	5.0	3.9	2.7
<b>Malta</b>	11.8	16.5	11.8	:	:	:
<b>Netherlands</b>	244.5	278.7	244.3	98.5	98.5	68.4
<b>Austria</b>	172.7	173.2	183.9	24.4	24.4	26.9
<b>Poland</b>	3.1	3.1	4.7	0.4	0.4	0.6
<b>Portugal</b>	5.8	5.5	4.8	0.9	0.9	0.4
<b>Slovenia</b>	36.2	29.4	51.7	2.8	2.8	4.6
<b>Slovakia</b>	7.2	4.2	7.7	0.9	0.9	0.8
<b>Finland</b>	347.2	345.9	306.6	148.3	148.3	135.2
<b>Sweden</b>	367.4	322.7	290.4	77.5	77.5	63.4
<b>United Kingdom</b>	128.6	125.3	122.3	31.7	31.7	27.6
<b>Bulgaria</b>	2.8	3.5	4.6	0.4	0.4	0.7
<b>Croatia</b>	12.2	12.3	:	1.6	1.6	:
<b>Romania</b>	0.8	1.3	1.4	0.4	0.4	0.1
<b>Iceland</b>	154.0	123.9	180.9	43.3	43.3	42.9
<b>Liechtenstein</b>	847.5	933.3	849.8	48.1	48.1	44.7
<b>Norway</b>	142.3	132.0	134.8	22.4	22.4	19.8
<b>Switzerland</b>	425.6	435.5	411.7	61.6	61.6	54.1

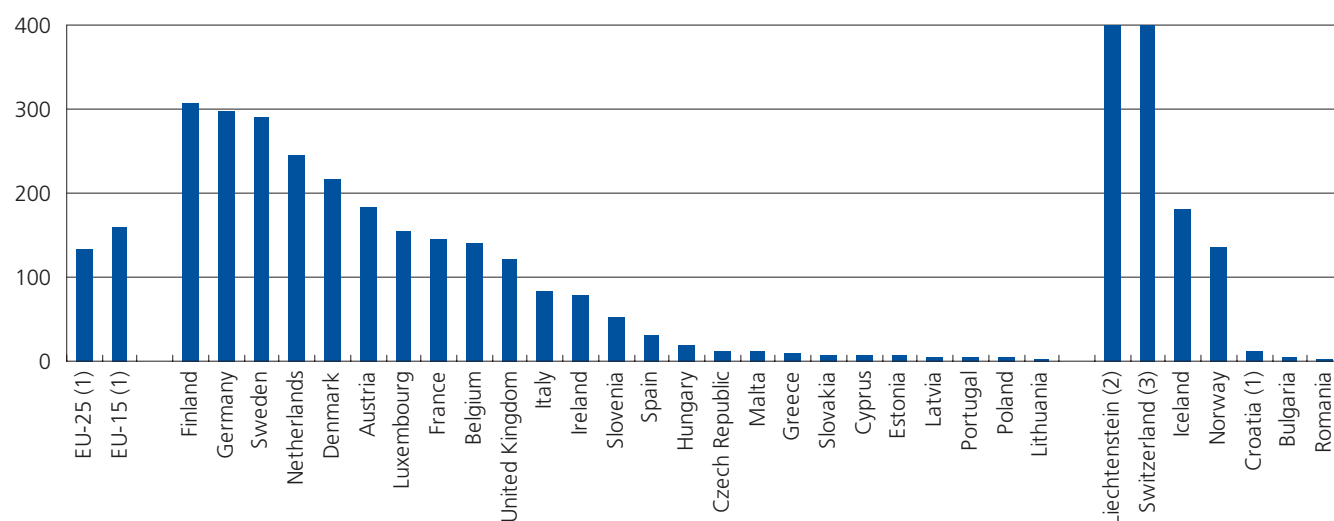
Data refer to applications filed directly under the European Patent Convention or to applications filed under the Patent Cooperation Treaty and designated to the EPO (Euro-PCT); patent applications are counted according to the year in which they were filed at the EPO; the definition of high-technology patents uses specific subclasses of the international patent classification (IPC) as defined in the trilateral statistical report of the EPO, JPO and USPTO.

**Figure 9.6: Patent applications to the European Patent Office (EPO), 2002**

(number of applications per million inhabitants)



TSC00009



(1) 2001.

(2) Y-axis broken, 849.8 applications per million inhabitants.

(3) Y-axis broken, 411.7 applications per million inhabitants.

Data refer to applications filed directly under the European Patent Convention or to applications filed under the Patent Cooperation Treaty and designated to the EPO (Euro-PCT); patent applications are counted according to the year in which they were filed at the EPO.

## INFORMATION SOCIETY

Statistics on the information society are vital in order to monitor the implementation of the eEurope 2005 action plan and Eurostat plays a pivotal role in this process. A further initiative, i2010, was taken as a follow-up to 2005 – seeking to further boost efficiency throughout the economy through wider use of ICTs.

Statisticians are well aware of the challenge that is posed by the rapid changes associated with the Internet and other new means of information and communication technology. As such, there has been a considerable degree of evolution in this area, as statistical tools have been adapted to satisfy new demands for data. Statistics within this domain are re-assessed on an annual basis in order to meet user needs and reflect the rapid pace of technological change. The data presented within this section are from a survey on information and communication technologies in households and by individuals and a survey on information and communication technologies in enterprises, both conducted by Eurostat.

## INTERNET ACCESS AND ICT EXPENDITURE

During the last decade, information and communication technologies (ICTs) have become widely available to the general public, in terms of accessibility as well as cost. In 2005, more than half (58 %) of all households in the EU-25 had a personal computer at home, and almost half (48 %) of all households had Internet access (of which, about half again had broadband access).

However, there remains a divide between users and non-users. This so-called '*digital divide*' has a number of origins: lack of infrastructure access (in remote regions), a lack of incentives to use ICTs, or a lack of computer literacy or skills (in particular among older generations).

One means of measuring the '*digital divide*' is to look at the ability to use ICTs. A relatively new module gathers information on skills in relation to a variety of issues, such as: level of computer skills, level of Internet skills, the way of obtaining e-skills and information on training courses in relation to the use of computers. For the use of computers, the 2005 data show that some 64 % of the EU-25 population aged 16 to 74 had at least basic skills as they had already carried out at least two computer related tasks. The share fell to only 22 % when considering persons who had carried out five or six computer related activities.

Governments are increasingly realising that broadband access to the Internet will be central to economic development. Widespread and affordable broadband access is essential to realising the potential of the knowledge-based and informed society. Broadband technologies offer users the possibility to rapidly transfer large volumes of data and keep their access line open. One of the main arguments presented for the need to increase broadband uptake in Europe is its importance for the development of e-commerce and e-skills. Available statistics show that a positive relationship exists between household broadband penetration and the use of the Internet to order products via the Internet.

E-commerce is defined by the number of individuals who buy over the Internet and the number of enterprises which sell over the Internet or other networks. Among the Member States there is a clear distinction between relatively high levels of take-up of e-commerce in some countries whereas in other countries the participation rates for e-commerce are much lower.

Although the 'digital divide' usually refers to a gap in participation between different groups of persons, the discussion can be expanded to a business environment. On average, 89 % of enterprises in the EU-25 had an Internet connection in 2005. Virtually all (99 %) large enterprises (defined as having 250 or more persons employed) were connected to the Internet. The rate of connection was a little lower (90 %) among small enterprises (defined as having between 10 and 49 employees).

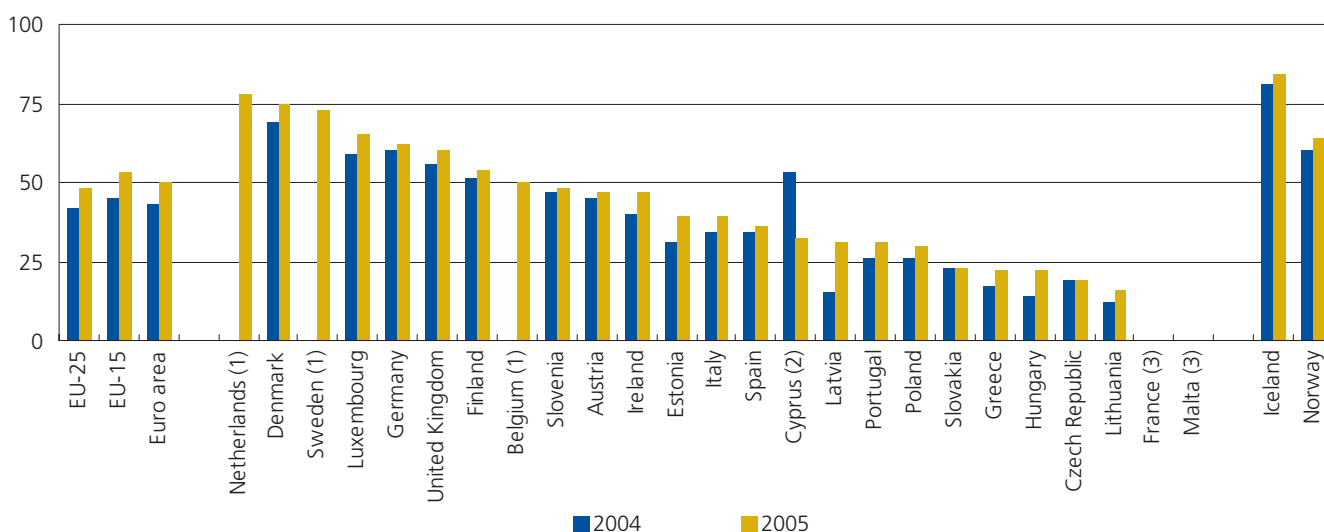
Online purchases by enterprises were particularly important in the United Kingdom, where about half (51 %) of all businesses purchased goods or services online in 2005. Rates were also



relatively high in Germany, Ireland and Sweden (all at 41 % in 2005). About 1 in 10 enterprises (12 %) in the EU also received orders online in 2005 (the highest rate of 32 % being in Denmark).

**Figure 9.7: Internet access of households**

(% of all households)



(1) Not available for 2004.

(2) Break in series: in 2004 household Internet access was measured by the technical capacity households had to access the Internet (users need not have a subscription to an ISP but just dial the number of the service - cytanetforall); in 2005 the definition was changed so only those households which accessed the Internet at least once during the first quarter of 2005 were taken into account.

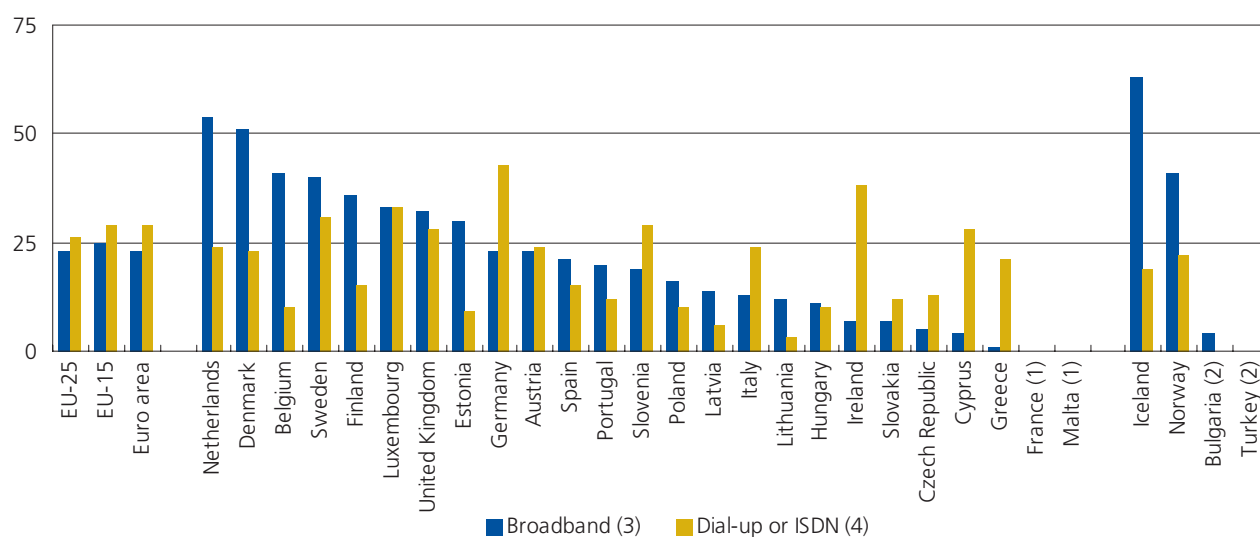
(3) Not available.

Percentage of households which have Internet access at home; all forms of Internet use are included; covers all households having at least one member in the age group 16 to 74 years.

**Figure 9.8: Internet access of households by type of connection, 2005**

(% of all households)

TSC00020



(1) Not available.

(2) 2004 for broadband; dial-up or ISDN not available.

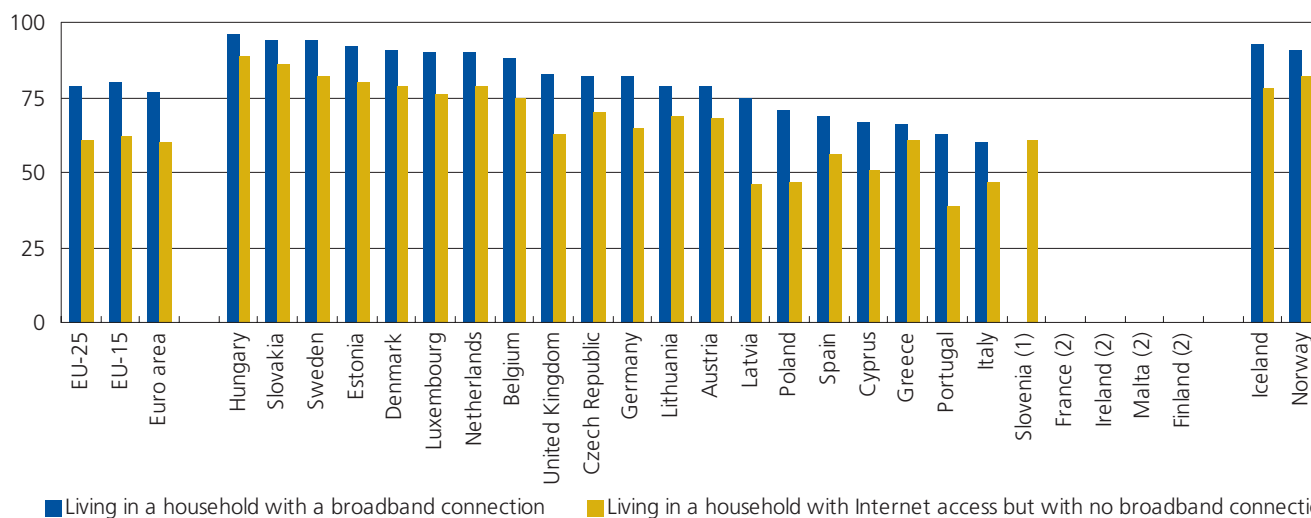
(3) DSL, ADSL, SHDSL.

(4) Connects the household via dial-up either through an analogue modem or ISDN.

The availability of broadband is measured by the percentage of households that are connectable to an exchange that has been converted to support xDSL technology, to a cable network upgraded for Internet traffic, or to other broadband technologies; it covers all households having at least one member in the age group 16 to 74 years.

**Figure 9.9: Individuals regularly using the Internet by type of connection, 2005**

(% of individuals aged 16 to 74)



(1) Broadband not available.

(2) Not available.

This indicator covers all individuals aged 16 to 74 who access the Internet, on average, at least once a week, within the last three months before the survey.

**Table 9.8: Place of Internet use by individuals, 2005**

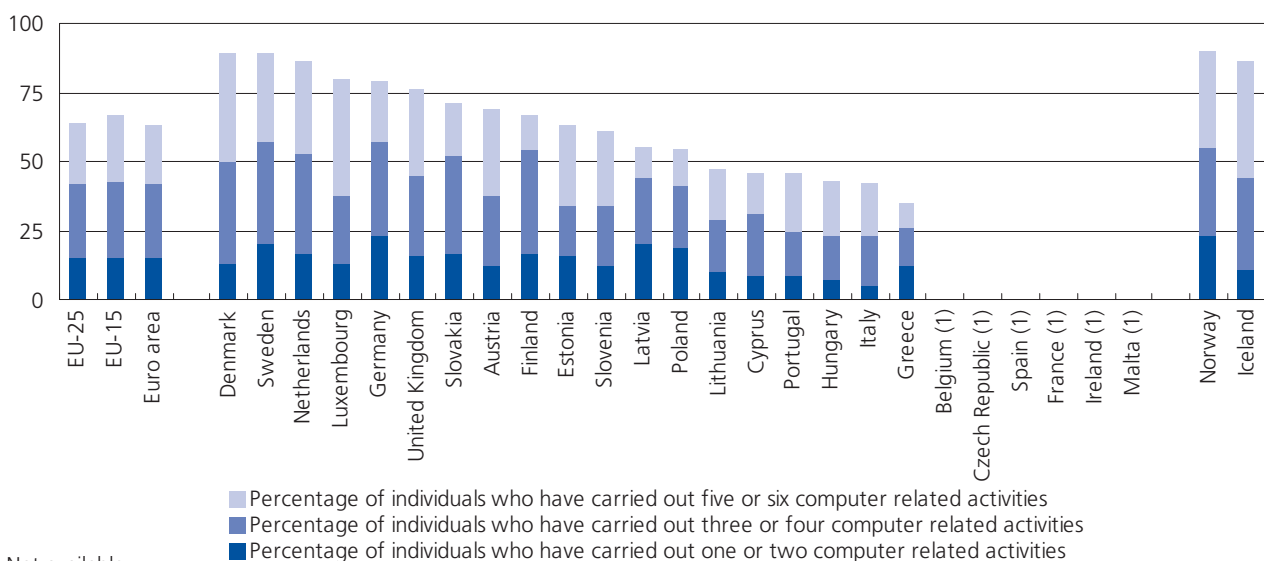
(% of individuals aged 16 to 74)

	Place of education	Home	Place of work (other than home)	Other places
EU-25	8	40	21	7
EU-15	8	44	23	7
Euro area	7	40	20	5
Belgium	5	47	18	3
Czech Republic	7	20	14	2
Denmark	11	72	37	6
Germany	9	57	20	5
Estonia	8	40	20	3
Greece	4	14	10	3
Spain	8	28	20	11
France	:	:	:	:
Ireland	4	26	17	3
Italy	4	24	16	4
Cyprus	5	22	14	2
Latvia	7	21	18	8
Lithuania	11	16	15	6
Luxembourg	10	65	26	3
Hungary	7	21	17	6
Malta	:	:	:	:
Netherlands	8	74	36	3
Austria	5	41	25	2
Poland	10	20	11	6
Portugal	8	20	15	5
Slovenia	7	35	23	6
Slovakia	11	20	27	12
Finland	:	56	38	:
Sweden	12	71	40	5
United Kingdom	10	55	31	16

Individuals who used the Internet in the last three months; multiple answers allowed, regardless of the device used or type of connection used; e.g. if a person uses a portable computer with a wireless connection at several locations, he or she should tick all those locations.

**Figure 9.10: Individuals' level of computer skills, 2005**

(% of individuals aged 16 to 74)

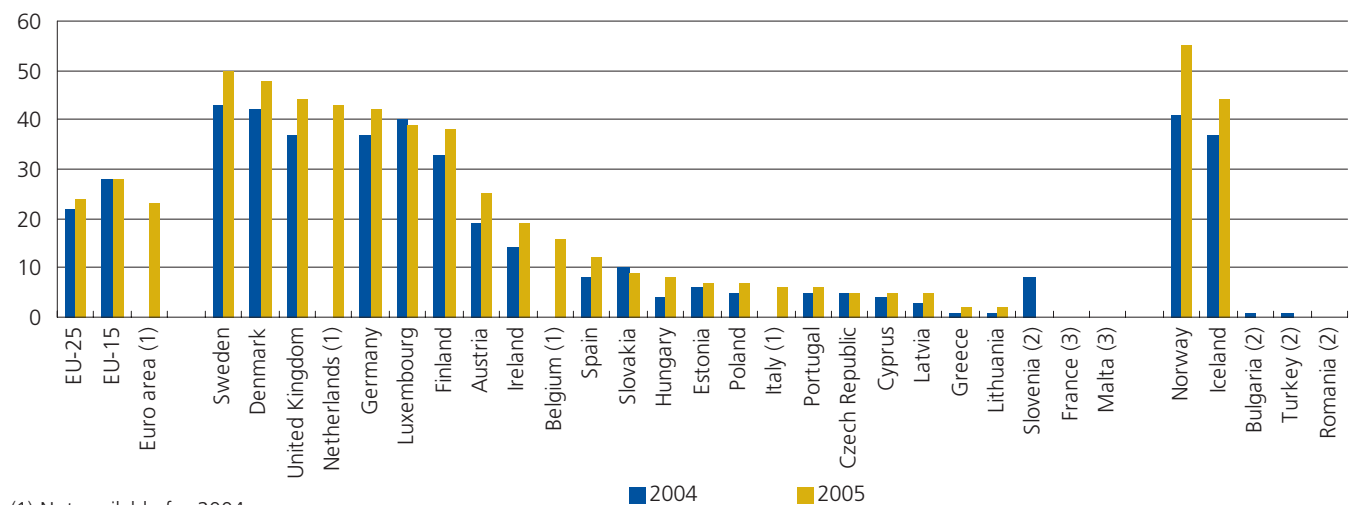


(1) Not available.

Percentage of individuals who have carried out the following computer related activities: used a mouse to launch programs such as an Internet browser or word processor; copied or moved a file or folder; used copy or cut and paste tools to duplicate or move information on screen; used basic arithmetic formulae to add, subtract, multiply or divide figures in a spreadsheet; compressed files; written a computer program using a specialised programming language

**Figure 9.11: Individuals who ordered goods or services over the Internet for private use in the last year**

(% of individuals aged 16 to 74)



(1) Not available for 2004.

(2) Not available for 2005.

(3) Not available.

**Table 9.9: Individuals using the Internet for interacting with public authorities, 2005**

(% of individuals aged 16 to 74)

TSC00018

	For obtaining information from public authorities websites	For downloading official forms	For sending filled forms
<b>EU-25</b>	20.7	10.5	6.1
<b>EU-15</b>	22.9	11.3	6.7
<b>Euro area</b>	22.2	11.6	6.6
<b>Belgium</b>	15.9	7.6	4.4
<b>Czech Republic</b>	3.3	2.4	1.4
<b>Denmark</b>	:	:	:
<b>Germany</b>	:	:	:
<b>Estonia</b>	29.0	17.5	16.6
<b>Greece</b>	4.7	1.8	3.2
<b>Spain</b>	22.5	12.5	6.0
<b>France</b>	:	:	:
<b>Ireland</b>	14.4	11.8	9.2
<b>Italy</b>	13.0	9.1	3.6
<b>Cyprus</b>	10.9	4.8	1.7
<b>Latvia</b>	12.2	4.9	5.0
<b>Lithuania</b>	11.3	6.6	5.6
<b>Luxembourg</b>	38.2	32.0	18.7
<b>Hungary</b>	15.1	12.3	7.3
<b>Malta</b>	:	:	:
<b>Netherlands</b>	40.7	21.8	20.4
<b>Austria</b>	24.9	11.1	12.3
<b>Poland</b>	10.7	5.7	2.6
<b>Portugal</b>	11.8	8.3	9.0
<b>Slovenia</b>	17.6	9.5	:
<b>Slovakia</b>	23.7	13.5	6.5
<b>Finland</b>	44.6	21.5	11.2
<b>Sweden</b>	48.7	30.7	21.4
<b>United Kingdom</b>	22.1	7.1	4.8
<b>Iceland</b>	50.3	29.3	19.9
<b>Norway</b>	46.4	23.8	20.6



**Table 9.10: Enterprises using the Internet for interacting with public authorities, 2005**

(% of enterprises)

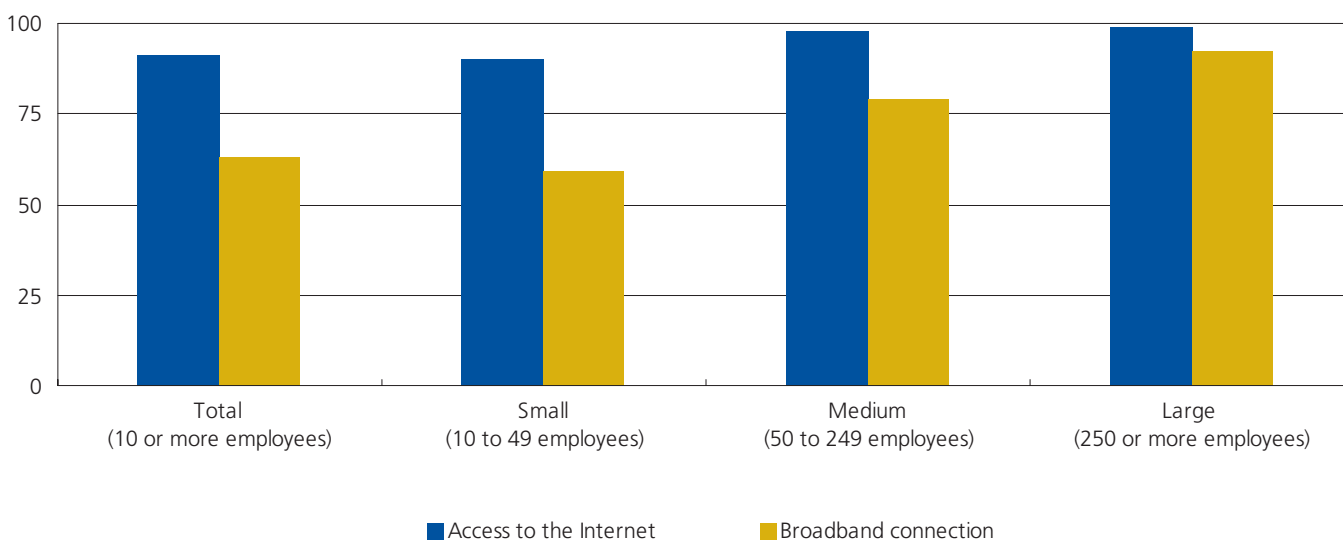
	For obtaining information	For obtaining forms	For returning filled in forms
<b>EU-25</b>	51	50	33
<b>EU-15</b>	50	49	31
<b>Euro area</b>	51	50	33
<b>Belgium</b>	57	44	33
<b>Czech Republic</b>	73	65	32
<b>Denmark</b>	81	77	56
<b>Germany</b>	37	36	24
<b>Estonia</b>	66	62	50
<b>Greece</b>	72	69	56
<b>Spain</b>	52	51	35
<b>France</b>	:	:	:
<b>Ireland</b>	64	64	42
<b>Italy</b>	66	64	29
<b>Cyprus</b>	39	23	9
<b>Latvia</b>	32	30	15
<b>Lithuania</b>	67	69	52
<b>Luxembourg</b>	:	:	:
<b>Hungary</b>	63	61	35
<b>Malta</b>	66	60	45
<b>Netherlands</b>	52	51	44
<b>Austria</b>	57	69	41
<b>Poland</b>	52	47	60
<b>Portugal</b>	52	53	52
<b>Slovenia</b>	69	61	45
<b>Slovakia</b>	50	51	16
<b>Finland</b>	88	87	71
<b>Sweden</b>	78	77	48
<b>United Kingdom</b>	37	34	19

Enterprises with 10 or more full-time employees; enterprises have their main activity in NACE Sections D, F, G, I and K or NACE Groups 55.1, 55.2, 92.1 and 92.2.

**Figure 9.12: Internet access and broadband connection of enterprises, EU-25, 2005**

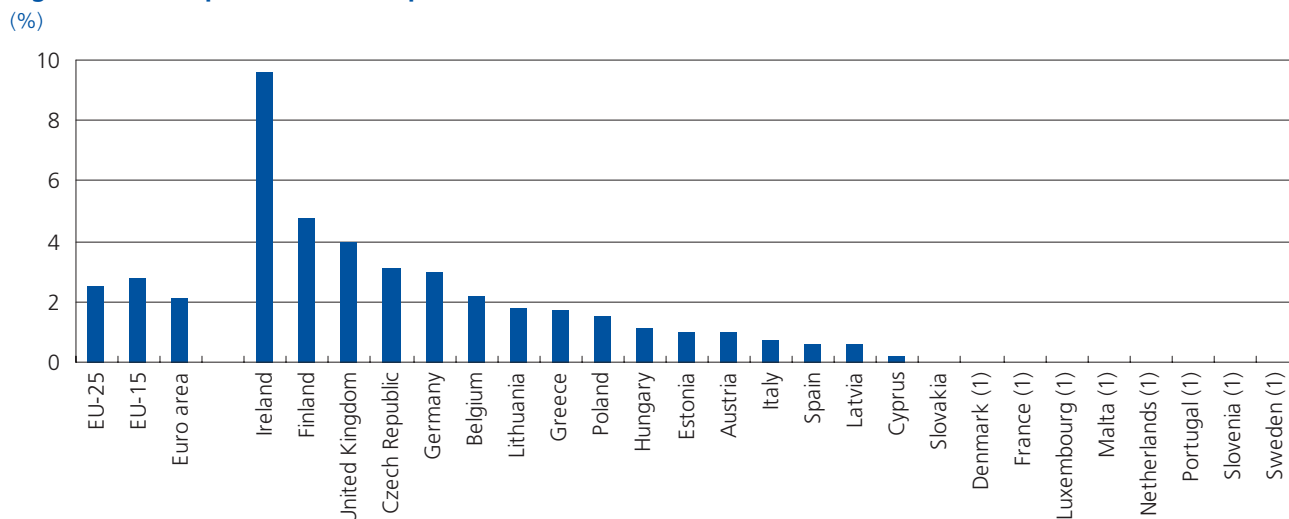
(% of enterprises)

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Enterprises with 10 or more full-time employees; enterprises have their main activity in NACE Sections D, F, G, I and K or NACE Groups 55.1, 55.2, 92.1 and 92.2; all forms of Internet use are included; broadband is measured by the percentage of enterprises connected to an exchange that has been converted to support xDSL technology, to a cable network upgraded for Internet traffic, or to other broadband technologies.

**Figure 9.13: Proportion of enterprises' total turnover from e-commerce, 2005**

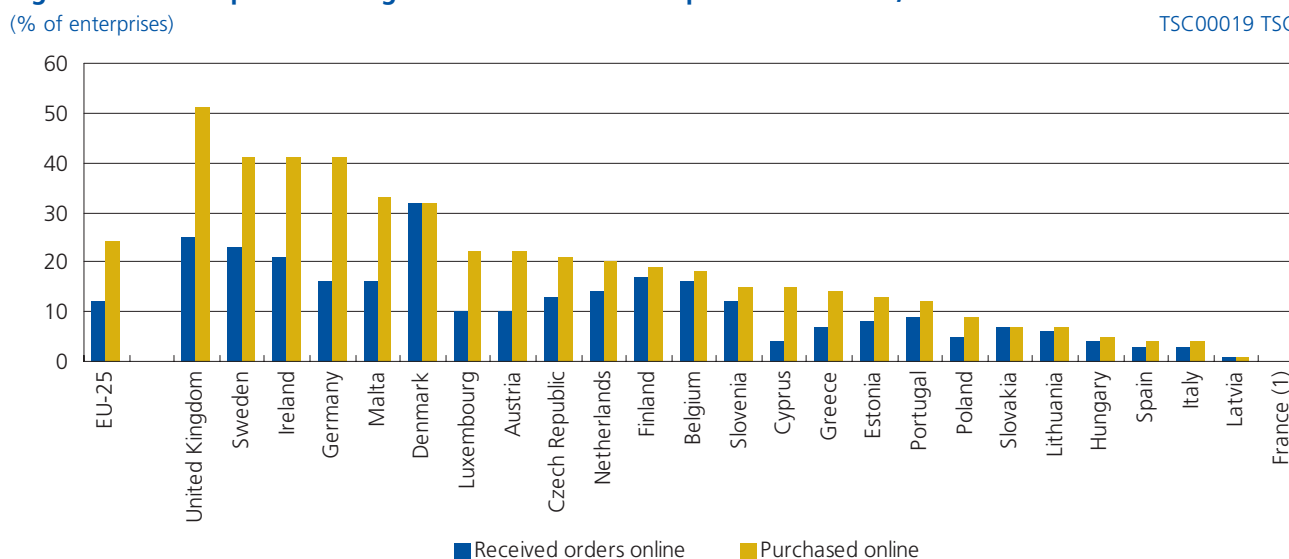


(1) Not available.

The indicator is calculated as the enterprises' receipts from sales through the Internet as a percentage of the total turnover; sales through other networks are not included, leaving out, for instance, EDI-based sales; enterprises with 10 or more full-time employees are covered; the year given relates to the survey year; the e-commerce data relate to the year prior to the survey; the enterprises have their main activity in NACE Sections D, F, G, I and K or NACE Groups 55.1, 55.2, 92.1 and 92.2.

**Figure 9.14: Enterprises having received orders/made purchases online, 2005**

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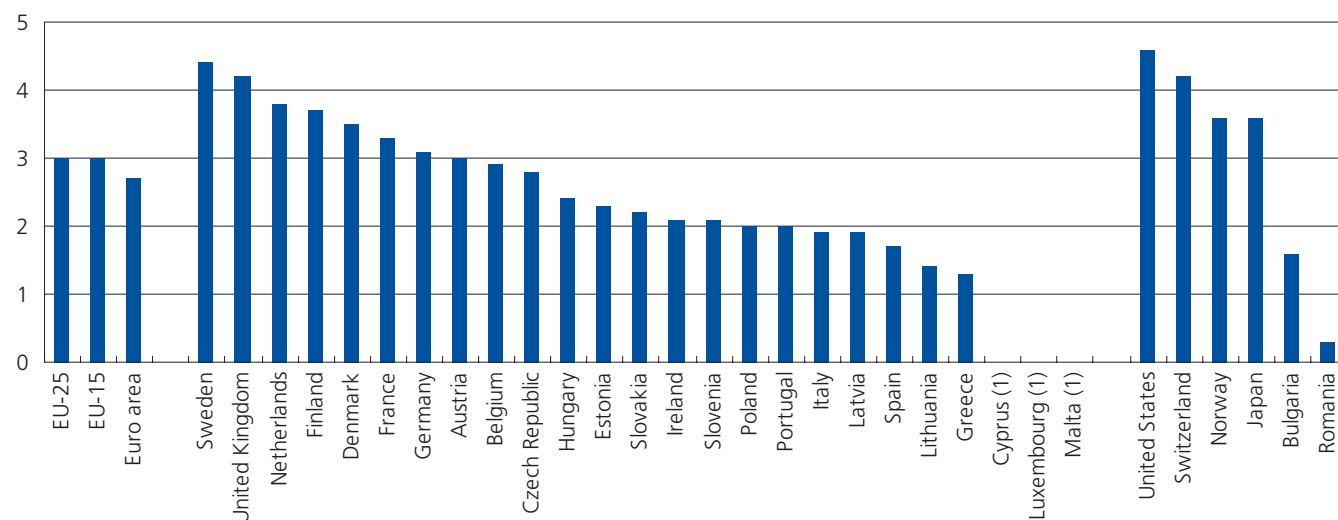


(1) Not available.

The indicator covers online selling/purchasing via Internet and EDI or other networks within the previous year (only enterprises selling/purchasing more than 1 % online are included); enterprises with 10 or more full-time employees are covered; the enterprises have their main activity in NACE Sections D, F, G, I and K or NACE Groups 55.1, 55.2, 92.1 and 92.2.


**Figure 9.15: Information technology (IT) expenditure, 2004**

(% of GDP)



(1) Not available.

Source: European Information Technology Observatory (EITO)

Annual data on expenditure for IT hardware, equipment, software and other services as a percentage of GDP.

## TELECOMMUNICATIONS

The liberalisation of telecommunication markets has led to considerable reductions in prices within recent years. This may, in part, reflect the introduction of competition into a number of markets that were previously the domain of incumbent, monopoly suppliers, as well as reflecting technological changes that have increased capacity and made it possible to communicate not only by voice, but also over the Internet.

Main telephone lines are the traditional way of connecting to communication networks. They are usually used for voice telephony, but may also be used for accessing the Internet via a modem and dial-up connection. The rapid growth of the more powerful means to access the Internet (broadband) and mobile communications eroded the market for traditional fixed telecommunication networks.

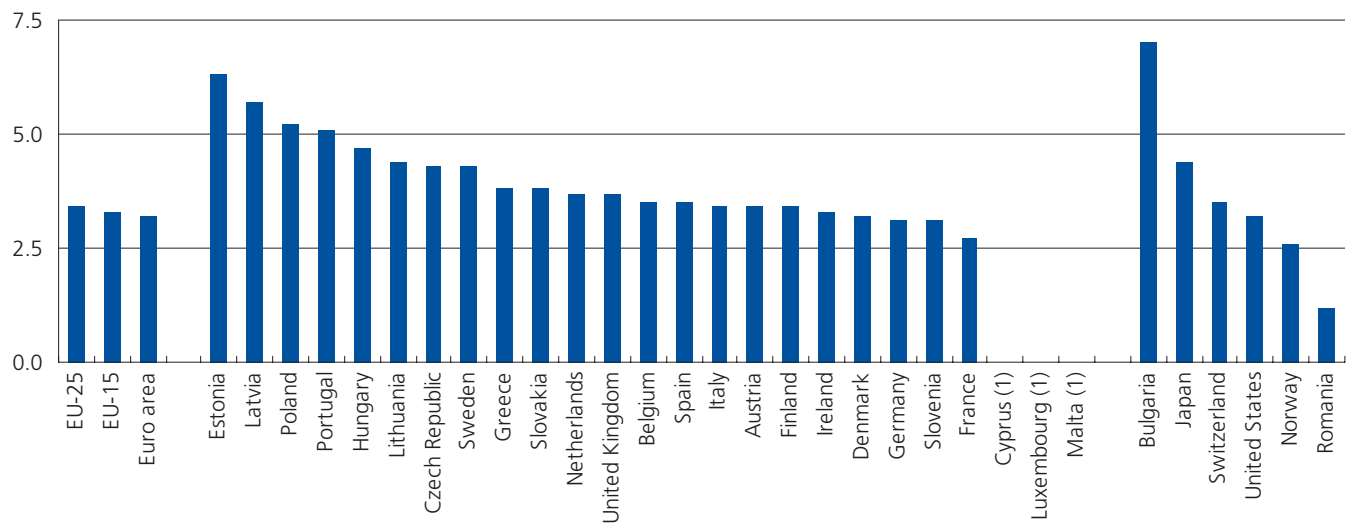
Mobile phones were first introduced into Europe during the early 1980s. Constrained by weight and power supply requirements, they were initially confined to cars. As mobile phones became lighter, cheaper and technically more advanced, the market started to take off, especially in the second half of the 1990s.

From 1991 to 2004, the number of mobile phone subscribers increased continuously. In 1993, the rate of subscriptions per 100 inhabitants was under 10 in most European countries, while by 2004 it often stood close to 100, and in some countries like the Czech Republic, Sweden and Luxembourg even surpassed this (note that one person may have more than one subscription, privately or for professional use). In most of the 10 Member States that joined the EU in 2004, penetration rates for mobile subscriptions were just as high as the other Member States.



**Figure 9.16: Telecommunications expenditure, 2004**

(% of GDP)



(1) Not available.

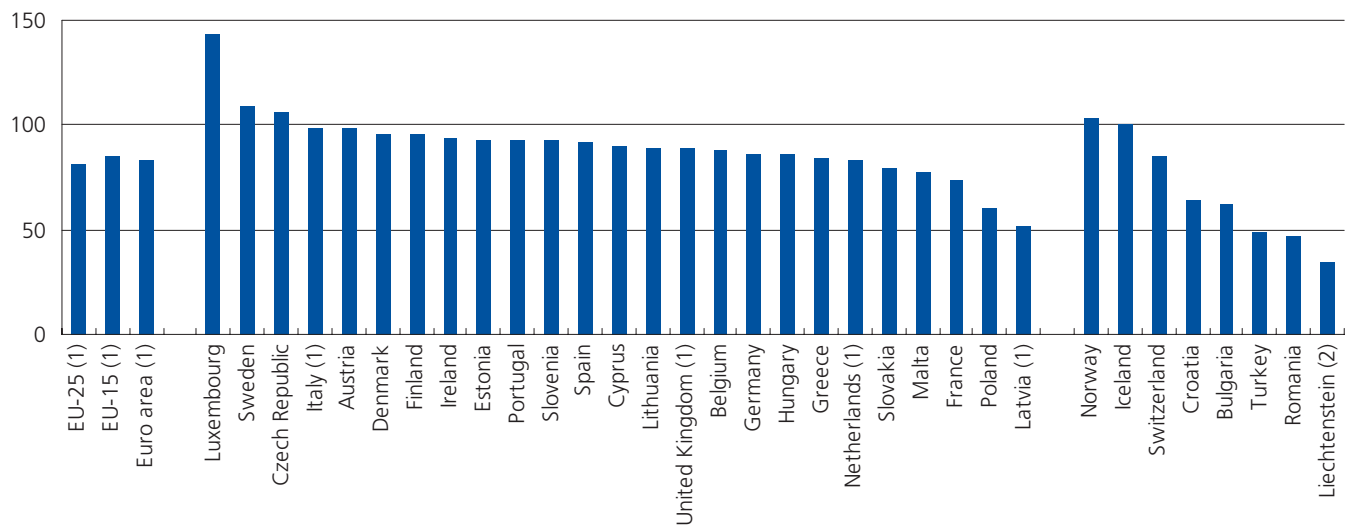
Source: European Information Technology Observatory (EITO)

Annual data on expenditure for telecommunication hardware, equipment, software and other services as a percentage of GDP.

**Figure 9.17: Mobile phone subscriptions, 2004**

(average number of subscriptions per 100 inhabitants)

TSC00014



(1) 2003.

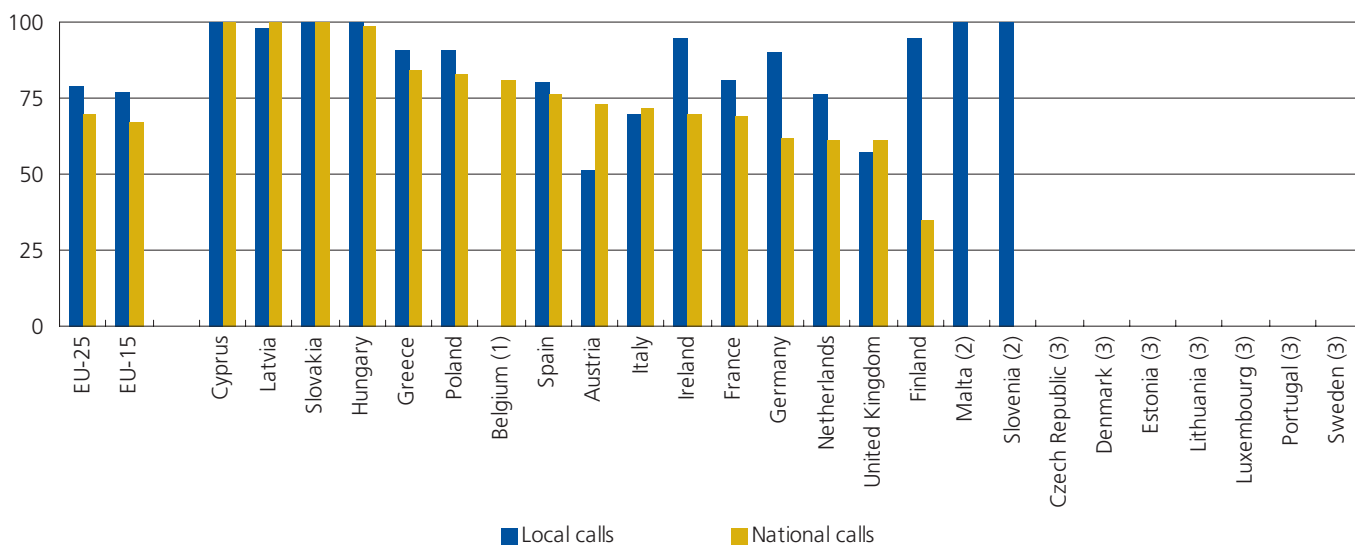
(2) 2002.

This indicator shows the number of subscriptions to public mobile telecommunication systems using cellular technology, related to the population; the total number of mobile subscriptions in the country is divided by the number of inhabitants of the country and multiplied by 100; active pre-paid cards are treated as subscriptions; one person may have more than one subscription.



**Figure 9.18: Market share of the incumbent in fixed telecommunications, 2003**

(% of total market)

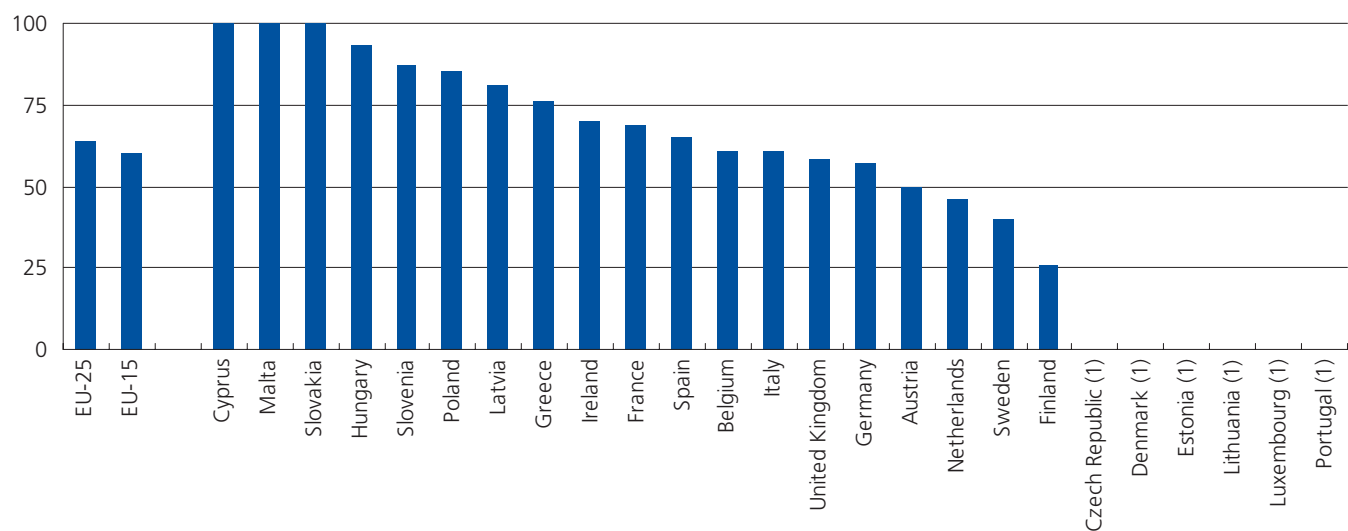


- (1) Local calls not available.
- (2) National calls not available.
- (3) Not available.

The incumbent is defined as the enterprise active on the market just before liberalisation; the market share is calculated as the share of the incumbent's retail revenues of the total market.

**Figure 9.19: Market share of the incumbent in fixed telecommunications, international calls, 2003**

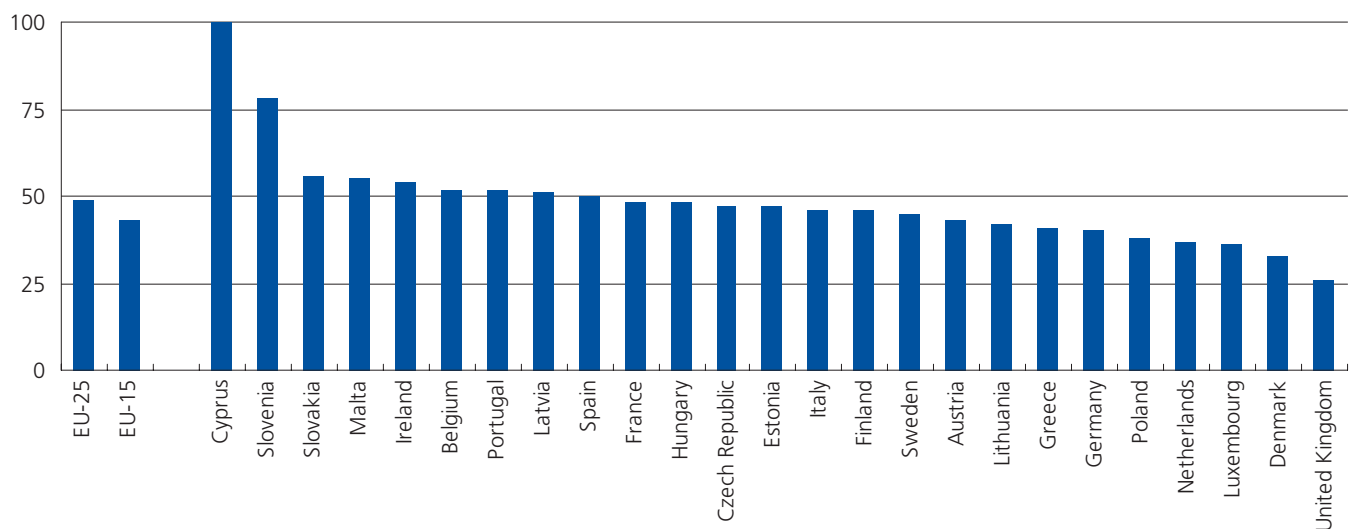
(% of total market)



- (1) Not available.

**Figure 9.20: Market share of the leading operator in mobile telecommunications, 2004**

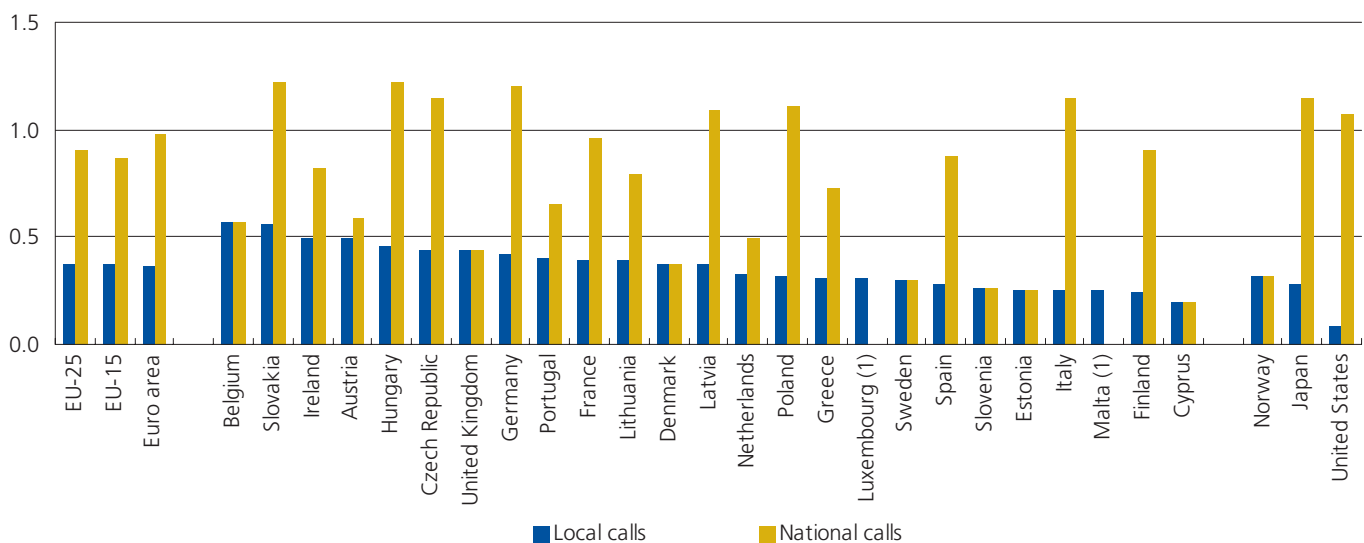
(% of total market)



The market share of the leading operator is calculated on the basis of the estimates of the number of mobile subscribers; the share of the leading operator of all subscriptions in mobile telecommunication is given.

**Figure 9.21: Price of fixed telecommunications, 2004**

(EUR per 10-minute call)



(1) No price for national calls (all calls considered as local).

The prices refer to August each year; normal tariffs without special rates are used; the price in euro of a 10-minute call at 11 a.m. on a weekday (including VAT) for a local call (3 km); national call (200 km).

**Table 9.11: Price of fixed telecommunications**

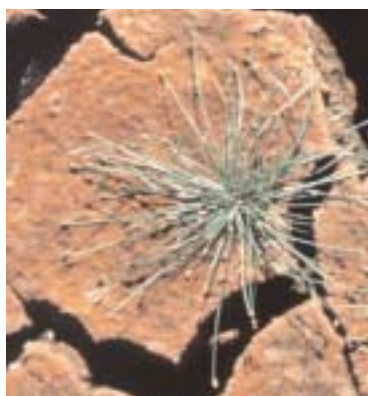
(EUR per 10-minute call)



	Local calls			National calls			Calls to the United States		
	2000	2003	2004	2000	2003	2004	2000	2003	2004
<b>EU-25</b>	:	0.38	0.37	1.31	1.04	0.90	:	2.88	2.07
<b>EU-15</b>	0.40	0.39	0.37	1.33	1.01	0.87	3.10	2.13	1.85
<b>Euro area</b>	0.36	0.36	0.36	1.40	1.01	0.98	3.06	1.90	1.83
<b>Belgium</b>	0.50	0.56	0.57	1.74	0.56	0.57	5.95	1.94	1.98
<b>Czech Republic</b>	0.43	0.35	0.44	1.29	2.08	1.15	:	2.87	2.87
<b>Denmark</b>	0.41	0.37	0.37	0.54	0.37	0.37	4.72	2.39	2.39
<b>Germany</b>	0.43	0.42	0.42	1.24	1.22	1.20	2.45	1.23	1.23
<b>Estonia</b>	0.14	0.25	0.25	0.71	0.25	0.25	10.26	2.38	2.41
<b>Greece</b>	0.31	0.31	0.31	1.40	0.77	0.73	3.26	2.95	2.91
<b>Spain</b>	0.28	0.28	0.28	1.85	0.88	0.88	4.25	1.53	1.53
<b>France</b>	0.42	0.39	0.39	1.20	0.96	0.96	2.97	2.34	2.24
<b>Ireland</b>	0.51	0.51	0.49	0.94	0.82	0.82	2.92	1.90	1.90
<b>Italy</b>	0.25	0.25	0.25	1.72	1.22	1.15	2.79	2.12	2.12
<b>Cyprus</b>	0.08	0.20	0.20	0.62	0.20	0.20	3.79	1.00	0.79
<b>Latvia</b>	0.37	0.37	0.37	1.09	1.09	1.09	6.23	6.26	6.25
<b>Lithuania</b>	0.26	0.35	0.39	1.07	1.16	0.79	11.96	8.08	4.07
<b>Luxembourg</b>	0.37	0.31	0.31	-	-	-	2.06	1.44	1.37
<b>Hungary</b>	0.39	0.46	0.46	1.38	1.22	1.22	4.81	3.32	2.72
<b>Malta</b>	:	0.28	0.25	-	-	-	:	12.61	1.81
<b>Netherlands</b>	0.30	0.33	0.33	0.42	0.49	0.49	0.78	0.85	0.85
<b>Austria</b>	0.69	0.56	0.49	2.30	0.67	0.59	4.32	3.77	1.90
<b>Poland</b>	0.32	0.32	0.32	1.33	1.11	1.11	9.60	9.60	3.33
<b>Portugal</b>	0.23	0.31	0.40	1.28	0.96	0.65	3.68	2.52	2.52
<b>Slovenia</b>	0.17	0.26	0.26	0.17	0.26	0.26	:	1.75	1.75
<b>Slovakia</b>	0.30	0.39	0.56	1.45	1.10	1.22	8.39	2.86	2.85
<b>Finland</b>	0.22	0.23	0.24	0.87	0.88	0.90	5.68	4.84	4.77
<b>Sweden</b>	0.30	0.30	0.30	0.30	0.30	0.30	1.14	1.14	1.09
<b>United Kingdom</b>	0.58	0.58	0.44	1.16	1.16	0.44	3.46	3.46	2.05
<b>Norway</b>	0.33	0.34	0.32	0.33	0.34	0.32	1.21	0.86	0.82
<b>Japan</b>	0.33	0.28	0.28	2.46	1.15	1.15	4.91	4.91	4.91
<b>United States</b>	0.09	0.09	0.08	0.45	0.81	1.07	-	-	-

# 10.

## ENVIRONMENT



**Air pollution and climate change**

**Water**

**Waste**

**Environment and agriculture**

**Environmental expenditure**





<b>Environment</b>	<b>269</b>
Air pollution and climate change	270
Water	273
Waste	277
Environment and agriculture	279
Environmental expenditure	281

## 10. ENVIRONMENT

The sixth environment action programme (sixth EAP), which was adopted by the European Parliament and Council in 2002 and runs until 2012, requires the European Commission to prepare thematic strategies covering seven areas: air pollution, prevention and recycling of waste, protection and conservation of the marine environment, soil, sustainable use of pesticides, sustainable use of resources, and urban environment. These thematic strategies represent the next generation of

environment policy, setting clear environmental objectives to around 2020. Each strategy is founded on thorough research and science, and follows an in-depth review of existing policy and wide-ranging stakeholder consultation. The aim has been to create positive synergies between the seven strategies, as well as to integrate them with existing sectoral policies, the Lisbon strategy and the sustainable development strategy.

Eurostat has a wide range of data within this area, including:

- greenhouse gas emissions;
- air pollution by ozone or by particulate matter;
- water resources, abstraction and supply;
- wastewater treatment;
- waste generated, recycled and disposed of;
- municipal waste;
- hazardous waste;
- waste landfilling and incineration;
- sales and use of pesticides and consumption of commercial fertilisers;
- organic farming;
- environmental expenditure, investment and tax revenues.

### AIR POLLUTION AND CLIMATE CHANGE

The air we breathe contains gases and airborne particles released into the atmosphere by fuel combustion, industrial processes and other activities. Some of these can result in environmental problems, including negative effects on ecosystems, flora, fauna and human health. Examples include global warming, respiratory diseases from particles and gases, pollution and acidification of soil and water, damage to buildings, and damage to the ozone layer.

The earth's average surface temperature rose by around 0.6 °C during the 20th century and there is broad consensus among the scientific community that most of the warming over the last 50 years has been due to increased concentrations of greenhouse gases in the atmosphere as a result of human activities, such as burning of fossil fuels and deforestation. The resulting changes in weather systems are predicted to lead to increased storms and rainfall in some areas, while others may suffer drought; sea levels are also likely to rise with implications for coastal and low-lying regions.

Under the 1997 Kyoto Protocol, the EU-15 agreed to reduce its greenhouse gas emissions to 8 % below its 1990 levels by 2008–12 (a five-year commitment period was chosen rather than a single target year to smooth out annual fluctuations in emissions due to uncontrollable factors such as weather). In order to meet this 8 % target, individual targets for each of the EU-15 Member States were set. The so-called 'burden-sharing' agreement allows several EU-15 countries to increase their emissions, provided these are offset by reductions in the remaining countries. Of the 10 Member States that joined the EU in 2004, eight have individual reduction targets of 6 % or

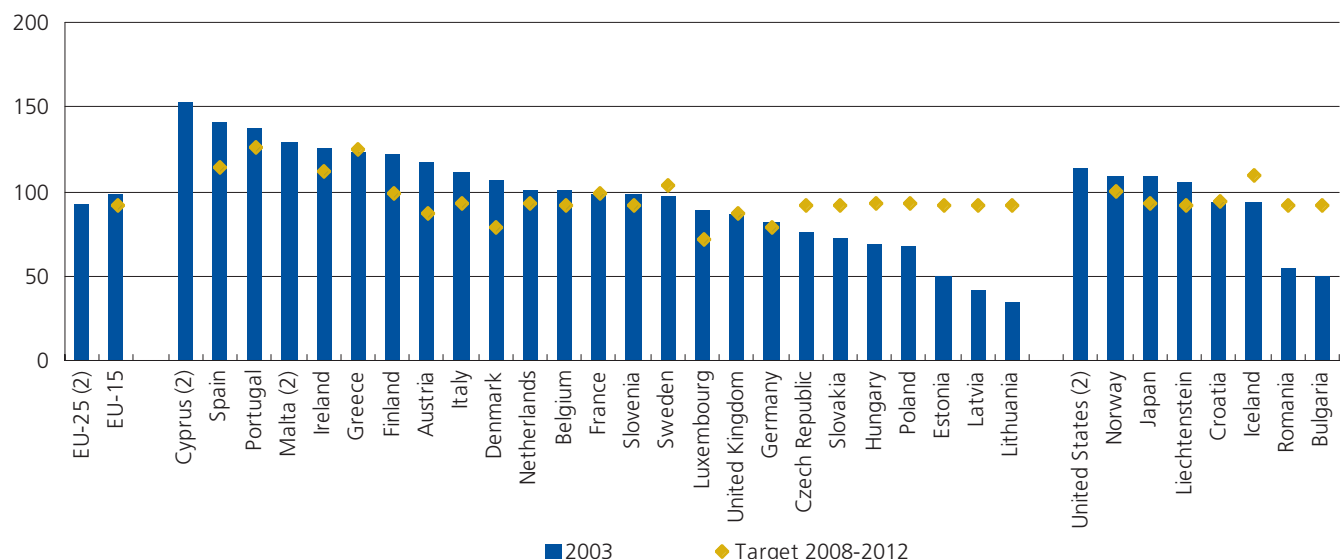
8 %, while Cyprus and Malta do not have targets. The EU climate change programme has been developed to identify common and coordinated policies and measures at a Community level to ensure that the EU achieves its target. In 2005, the European Commission adopted a communication setting out the key elements of the EU's post-2012 strategy for climate change (44).

Although ozone (O<sub>3</sub>) is present in small concentrations throughout the atmosphere, most ozone (about 90 %) exists in the stratosphere, a layer between 10 and 50 km above the surface of the earth. This ozone layer performs the essential task of filtering out most of the sun's biologically harmful ultraviolet (UV-B) radiation. More harmful concentrations of ground level ozone are formed by atmospheric pollutants, and are often associated with human activities, such as the burning of fossil fuels and biomass, traffic emissions, or the use of aerosols, while natural events, such as volcanic eruptions, can also have an impact on ozone levels. Areas with heavy traffic are particularly susceptible to the formation of ground level ozone; this problem is exacerbated by particular climatic conditions.

(44) Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, 'Winning the battle against global climate change', 9 February 2005, COM(2005) 35 final (more information is available at [http://ec.europa.eu/environment/climat/pdf/comm\\_en\\_050209.pdf](http://ec.europa.eu/environment/climat/pdf/comm_en_050209.pdf)).

**Figure 10.1: Total greenhouse gas emissions (1)**

(1990 = 100)



(1) Generally index based on 1990 = 100.

(2) No target under the Kyoto Protocol.

Total greenhouse gas emissions: under the Kyoto Protocol, the EU has agreed to an 8 % reduction in its greenhouse gas emissions by 2008-2012, compared with the Kyoto base year; the reductions for each of the EU-15 countries have been agreed under the so-called EU burden sharing agreement (Council Decision 2002/358/EC), which allows some countries to increase emissions, provided these are offset by reductions in other Member States; 8 of the 10 new Member States have chosen other reduction targets and other base years, as allowed under the Kyoto Protocol; these and the burden-sharing targets for 2008-2012 are shown in the figure above for 2010 (no targets for Cyprus and Malta); emissions of the six greenhouse gases covered by the protocol are weighted by their global warming potentials (GWPs) and aggregated to give total emissions in CO<sub>2</sub> equivalents; the total emissions are presented as indices, with the base year = 100; in general, the base year is 1990 for the non-fluorinated gases (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O), and 1995 for the fluorinated gases (HFC, PFC and SF<sub>6</sub>); data exclude emissions and removals due to land-use change and forestry (LUCF).

People living in urban areas are therefore most at risk from ground level ozone. Higher concentrations of ground level ozone can have harmful effects on the respiratory tract of human beings. Indeed, human health is at risk from high concentrations of particles, particularly those smaller than 10 µm, which penetrate deeply into the lungs, increasing the death rate in members of the population suffering from heart and lung diseases. Particles smaller than 2.5 µm are mostly soot, especially wood smoke and diesel-engine exhaust. These can persist in the air for long periods and can be transported over long distances. Coarser particles (soil and mineral ash) originate mainly from mechanical processes such as mining, quarrying and other industrial processes, as well as wear and tear of tyres and brakes in road traffic.

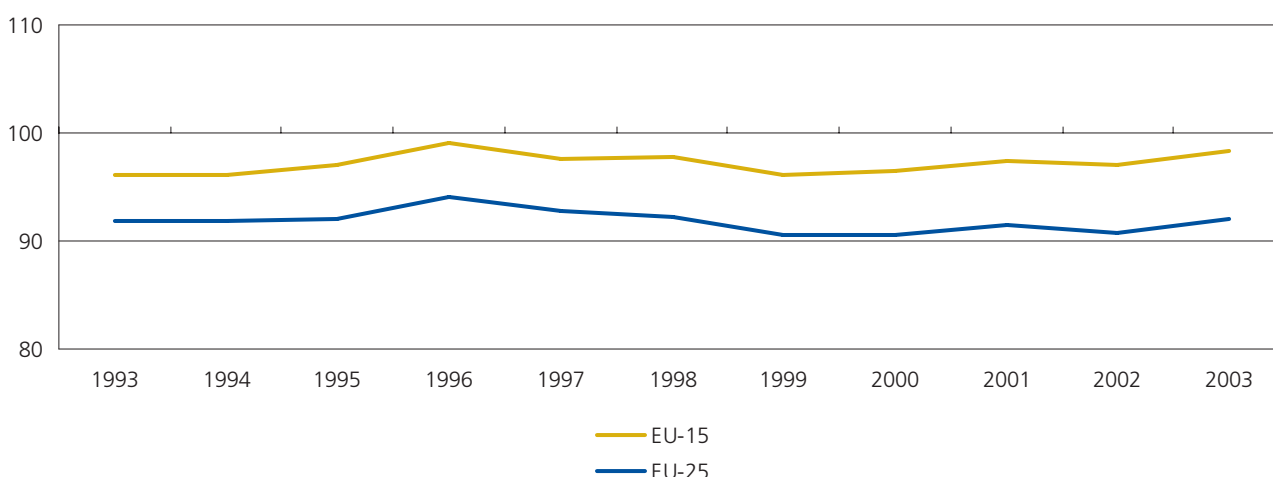
The European Environment Agency (EEA) and its European Topic Centre on Air and Climate Change compile data on greenhouse gas emissions, emissions of air pollutants and on air quality for

the EU and the candidate countries. These countries send to the EEA the same data they submit officially under various international conventions, such as the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Long-range Transboundary Air Pollution (CLRTAP), and under various EU directives and regulations.

Total greenhouse gas emissions for the EU-15 stood at an indexed value of 98.3 in 2003 (submission year 2005; this data has been revised to 99.1 % in 2006 submission due to recalculation of national emission inventories). Between 2000 and 2003, EU-15 greenhouse gas emissions increased at an average rate of 0.7 % per annum, against an average annual decrease of 0.6 % needed to stay on the 2008–12 Kyoto target path; the overall target for the EU-15 is an indexed value of 92. This increasing trend during the period 2000–03 followed significant reductions between 1990 and 2000.

**Figure 10.2: Total greenhouse gas emissions**

(1990 = 100)



Total greenhouse gas emissions: under the Kyoto Protocol, the EU has agreed to an 8 % reduction in its greenhouse gas emissions by 2008–12, compared with the Kyoto base year; the reductions for each of the EU-15 countries have been agreed under the so-called EU burden-sharing agreement (Council Decision 2002/358/EC), which allows some countries to increase emissions, provided these are offset by reductions in other Member States; 8 of the 10 new Member States have chosen other reduction targets and other base years, as allowed under the Kyoto Protocol (no targets for Cyprus and Malta); emissions of the six greenhouse gases covered by the protocol are weighted by their global warming potentials (GWPs) and aggregated to give total emissions in CO<sub>2</sub> equivalents; the total emissions are presented as indices, with the base year = 100; in general, the base year is 1990 for the non-fluorinated gases (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O), and 1995 for the fluorinated gases (HFC, PFC and SF<sub>6</sub>); data exclude emissions and removals due to land-use change and forestry (LUCF).

Table 10.1: Total greenhouse gas emissions (1)

(1990 = 100)



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>EU-25</b>	91.9	92.1	94.1	92.7	92.2	90.6	90.5	91.4	90.7	92.0
<b>EU-15</b>	96.1	97.1	99.0	97.6	97.8	96.2	96.4	97.5	97.0	98.3
<b>Euro area</b>	96.3	97.9	99.1	98.4	99.0	98.1	98.6	99.6	99.6	100.7
<b>Belgium</b>	102.8	103.8	106.6	100.9	104.0	99.7	100.6	99.9	99.0	100.6
<b>Czech Republic</b>	79.1	79.7	80.6	82.7	77.3	73.1	76.8	77.0	74.3	75.7
<b>Denmark</b>	114.5	110.2	129.3	115.3	109.3	104.7	98.1	100.2	99.1	106.3
<b>Germany</b>	88.8	88.3	89.8	86.8	84.7	81.8	81.4	82.3	81.3	81.5
<b>Estonia</b>	56.3	51.2	53.9	54.4	49.4	45.2	45.4	44.7	44.9	49.2
<b>Greece</b>	101.5	102.5	105.6	110.0	114.7	114.1	118.5	119.6	119.6	123.2
<b>Spain</b>	105.8	110.0	107.2	114.5	117.9	127.6	133.0	132.6	139.3	140.6
<b>France</b>	97.7	99.1	101.8	100.6	102.9	99.6	98.7	99.3	97.5	98.1
<b>Ireland</b>	106.1	107.8	110.9	116.1	120.0	123.9	127.8	131.1	128.6	125.2
<b>Italy</b>	97.3	103.4	101.7	102.9	104.9	106.5	108.0	109.0	108.7	111.6
<b>Cyprus</b>	119.5	119.5	125.1	126.5	135.1	135.4	141.6	140.7	145.1	152.8
<b>Latvia</b>	58.4	48.7	49.3	47.4	44.8	41.3	39.2	42.3	41.9	41.5
<b>Lithuania</b>	68.1	61.2	54.3	47.4	42.9	41.9	40.9	40.0	38.5	33.8
<b>Luxembourg (2)</b>	99.8	78.8	79.8	73.8	65.1	70.9	74.7	76.9	84.9	88.5
<b>Hungary</b>	69.5	68.3	70.3	68.7	68.8	68.5	66.3	68.5	66.1	68.1
<b>Malta</b>	120.6	122.4	123.5	120.0	121.9	125.9	129.0	124.4	129.7	129.1
<b>Netherlands</b>	103.6	105.2	109.2	105.6	106.3	100.8	100.4	101.1	100.2	100.8
<b>Austria</b>	98.1	102.1	106.0	105.7	105.1	102.4	103.2	108.1	110.1	116.6
<b>Poland</b>	77.8	73.8	77.4	75.6	71.4	71.0	68.3	67.7	65.5	67.9
<b>Portugal</b>	110.2	117.2	113.0	118.6	126.9	139.4	135.0	136.8	144.3	136.7
<b>Slovenia</b>	87.7	92.1	95.6	97.7	100.0	93.3	94.0	98.6	99.3	98.1
<b>Slovakia</b>	71.8	74.1	75.0	75.0	72.8	71.1	66.6	73.6	72.8	71.8
<b>Finland</b>	105.6	101.6	109.2	107.9	103.6	102.9	99.7	107.6	109.7	121.5
<b>Sweden</b>	103.3	101.5	106.7	100.6	101.3	96.7	93.0	94.4	96.1	97.6
<b>United Kingdom</b>	93.1	91.9	95.0	92.0	91.3	86.8	86.7	88.3	85.7	86.7
<b>Bulgaria</b>	60.7	63.1	61.0	58.3	51.5	47.6	47.5	48.0	45.9	50.0
<b>Croatia</b>	69.3	70.9	72.9	77.9	78.7	81.8	81.6	85.4	89.4	94.0
<b>Romania</b>	63.3	65.9	67.6	60.8	53.7	47.4	48.1	49.4	51.3	53.9
<b>Iceland</b>	92.5	94.8	97.5	102.8	103.0	108.6	100.4	95.4	95.5	93.9
<b>Liechtenstein</b>	86.9	86.9	86.8	86.8	86.8	86.8	86.8	86.8	86.8	105.3
<b>Norway</b>	99.7	99.0	105.3	105.6	106.4	108.4	107.4	109.5	106.7	109.3
<b>Japan</b>	102.1	107.3	109.3	109.7	105.6	107.4	108.0	105.2	107.5	108.3
<b>United States</b>	104.2	105.2	108.8	109.7	110.4	110.9	114.2	111.8	112.6	113.3

(1) Generally index based on 1990 = 100.

(2) 1994 and 1995, break in series.

Total greenhouse gas emissions: under the Kyoto Protocol, the EU has agreed to an 8 % reduction in its greenhouse gas emissions by 2008–12, compared with the Kyoto base year; the reductions for each of the EU-15 countries have been agreed under the so-called EU burden-sharing agreement (Council Decision 2002/358/EC), which allows some countries to increase emissions, provided these are offset by reductions in other Member States; 8 of the 10 new Member States have chosen other reduction targets and other base years, as allowed under the Kyoto Protocol (no targets for Cyprus and Malta); emissions of the six greenhouse gases covered by the protocol are weighted by their global warming potentials (GWPs) and aggregated to give total emissions in CO<sub>2</sub> equivalents; the total emissions are presented as indices, with the base year = 100; in general, the base year is 1990 for the non-fluorinated gases (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O), and 1995 for the fluorinated gases (HFC, PFC and SF<sub>6</sub>); data exclude emissions and removals due to land-use change and forestry (LUCF).

## WATER

Water is a natural resource that both in terms of quality and availability is a major concern in many regions. Water resources are limited and water quality is affected by human activities such as industrial production, household discharges or arable farming. The pollution of rivers, lakes and groundwater remains a concern all over the world.

At the same time, water is essential for human life and activities. Economic development and growing populations put increasing pressure on water quantity and quality. More globally, there are many places on earth where freshwater resources are being consumed faster than nature can replenish them.

Because the quality of the water available is often deteriorating and its quantity is limited, there is a need to reconsider the use of different sources of water as well as the demand on water. This has been set out in the water framework directive (2000/60/EC). It states that sustainable water resource management has to be based on the principle of integrated river basin management. The directive also promotes an approach for emission limit values and quality standards, setting prices and involving the population more closely in water problems.

Water statistics are collected from all European countries through the 'inland waters' section of a joint OECD/Eurostat questionnaire which is continuously adapted to the EU policy framework. It reports on the following:

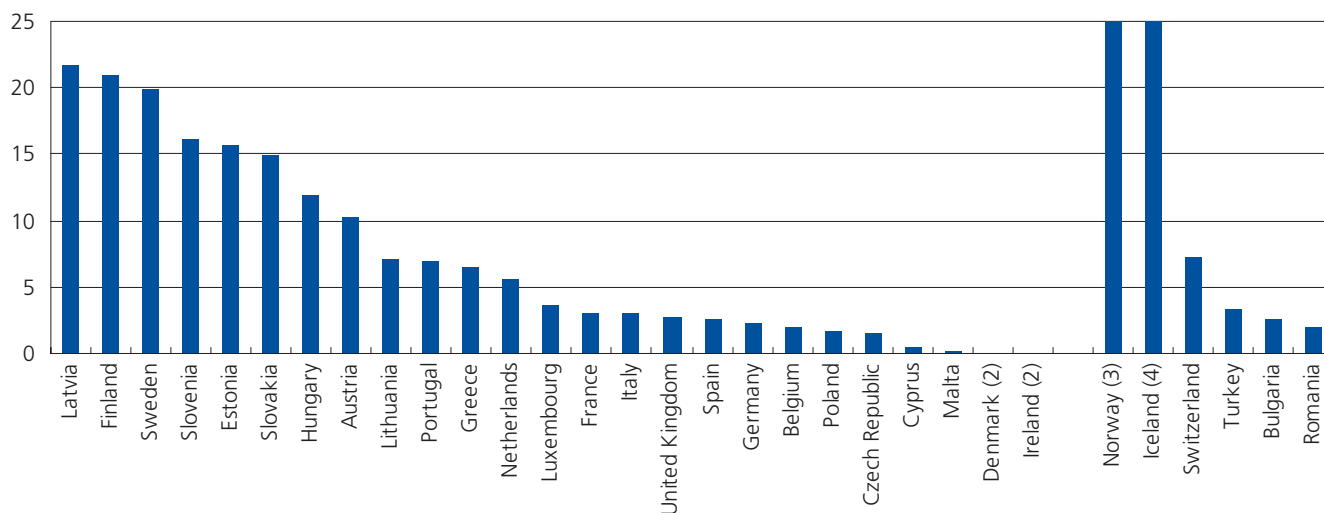
- freshwater resources in groundwater and surface waters — these can be replenished by precipitation and by external inflows;
- water abstraction by source — a major pressure on resources, although a large part of the water abstracted (for domestic, industrial (including energy production), or agricultural use) is returned to the environment and its water bodies, but often as wastewater with impaired quality;
- water use by supply category and by industrial activities;
- treatment capacities of wastewater treatment plants and the share of the population connected to them — this gives an overview of the development status of the infrastructure, in terms of quantity and quality, that is available for the protection of the environment from pollution by wastewater;
- sewage sludge production and disposal — an inevitable product of wastewater treatment processes; its impact on the environment depends on the methods chosen for its processing and disposal;
- generation and discharge of wastewater — pollutants present in wastewater have different source profiles, and similarly the efficiency of treatment of any pollutant varies according to the method applied.

The majority of the EU's population is connected to public water supplies, with the proportion rising close to 100 % in most Member States. Looking at the 'other end of the pipe', a number of countries reported that less than half of their population was connected to urban wastewater treatment.

**Figure 10.3: Freshwater resources per capita — long-term average (1)**

(1 000 m<sup>3</sup> per inhabitant)

TEN00001



(1) The minimum period taken into account for the calculation of long-term annual averages is 20 years; population data are as of 1 January 2005.

(2) Not available.

(3) Broken y-axis, 579 019 m<sup>3</sup> per inhabitant.

(4) Broken y-axis, 82 806 m<sup>3</sup> per inhabitant.

Total freshwater resources are the total volume of water that is additionally available due to internal flow and external inflow.

Table 10.2: Water resources — long-term annual average (1)

(million m<sup>3</sup>)

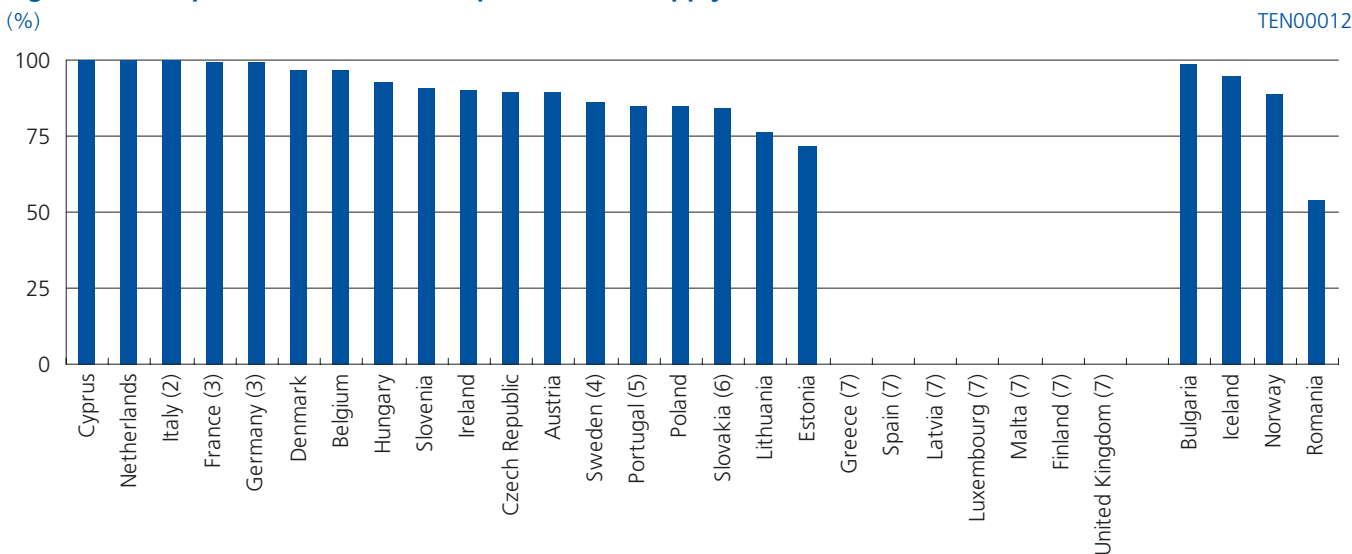
TEN00001

	Precipitation	Actual evapo- transpiration	Internal flow	Actual external inflow	Total actual outflow	Total freshwater resources
<b>Belgium</b>	28 547	16 146	12 401	8 347	17 785	20 748
<b>Czech Republic</b>	54 653	39 416	15 237	740	15 977	15 977
<b>Denmark</b>	38 485	22 145	16 340	:	1 935	:
<b>Germany</b>	:	190 000	117 000	71 000	180 000	188 000
<b>Estonia</b>	30 647	18 603	12 044	9 070	11 920	21 114
<b>Greece</b>	115 000	55 000	60 000	12 000	:	72 000
<b>Spain</b>	346 527	235 394	111 133	0	111 133	111 133
<b>France</b>	488 427	310 379	178 048	11 000	168 000	189 048
<b>Ireland</b>	:	:	:	:	:	:
<b>Italy</b>	296 000	129 000	167 000	8 000	155 000	175 000
<b>Cyprus</b>	2 670	2 300	370	-	118	370
<b>Latvia</b>	42 197	9 688	32 509	17 415	33 532	49 924
<b>Lithuania</b>	44 010	28 500	15 510	8 990	25 897	24 500
<b>Luxembourg</b>	2 030	1 125	905	739	1 600	1 644
<b>Hungary</b>	58 000	52 000	6 000	114 000	120 400	120 000
<b>Malta</b>	181	114	67	-	:	67
<b>Netherlands</b>	29 770	21 290	8 480	81 200	86 300	89 680
<b>Austria</b>	98 000	43 000	55 000	29 000	84 000	84 000
<b>Poland</b>	193 100	138 300	54 800	8 300	63 100	63 100
<b>Portugal</b>	82 164	43 571	38 593	35 000	34 000	73 593
<b>Slovenia</b>	31 746	13 150	18 596	13 496	32 274	32 092
<b>Slovakia</b>	37 352	24 278	13 074	67 252	81 680	80 326
<b>Finland</b>	222 000	115 000	107 000	3 200	110 000	110 000
<b>Sweden</b>	335 600	165 600	170 000	:	179 000	179 000
<b>United Kingdom</b>	268 214	125 187	:	2 744	160 630	160 630
<b>Bulgaria</b>	:	:	18 940	493	19 433	19 433
<b>Romania</b>	154 000	114 585	39 415	2 878	17 930	42 293
<b>Turkey</b>	501 000	273 600	227 400	6 900	178 000	234 300
<b>Iceland</b>	200 000	30 000	170 000	:	170 000	170 000
<b>Norway</b>	:	:	369 045	12 394	381 439	381 439
<b>Switzerland</b>	60 100	19 950	40 150	13 100	53 500	53 250

(1) The minimum period taken into account for the calculation of long-term annual averages is 20 years.

*Water resources — long-term annual average: the minimum period taken into account for the calculation of long-term annual averages is 20 years; actual evapotranspiration is the volume of water transported from the ground (including inland water surfaces) into the atmosphere by evaporation and by transpiration of plants; internal flow is the total volume of river run-off and groundwater renewal generated, in natural conditions, exclusively by precipitation into a territory; the internal flow is equal to precipitation less actual evapotranspiration; actual external inflow is the total volume of actual inflow of rivers and groundwater coming from neighbouring territories; total freshwater resources is the total volume of water that is additionally available due to internal flow and external inflow; total actual outflow is the total actual outflow of rivers and groundwater into the sea and into neighbouring territories.*

Figure 10.4: Population connected to public water supply, 2002 (1)



(1) Note that connection to urban wastewater treatment in OECD and Eurostat water statistics includes wastewater collected independently and delivered to the treatment plant by trucks, whereas the definition in the urban wastewater treatment directive (91/271/EEC) differs as it requires the connection to be established by a system of conduits.

(2) 1999.

(3) 2001.

(4) 1997.

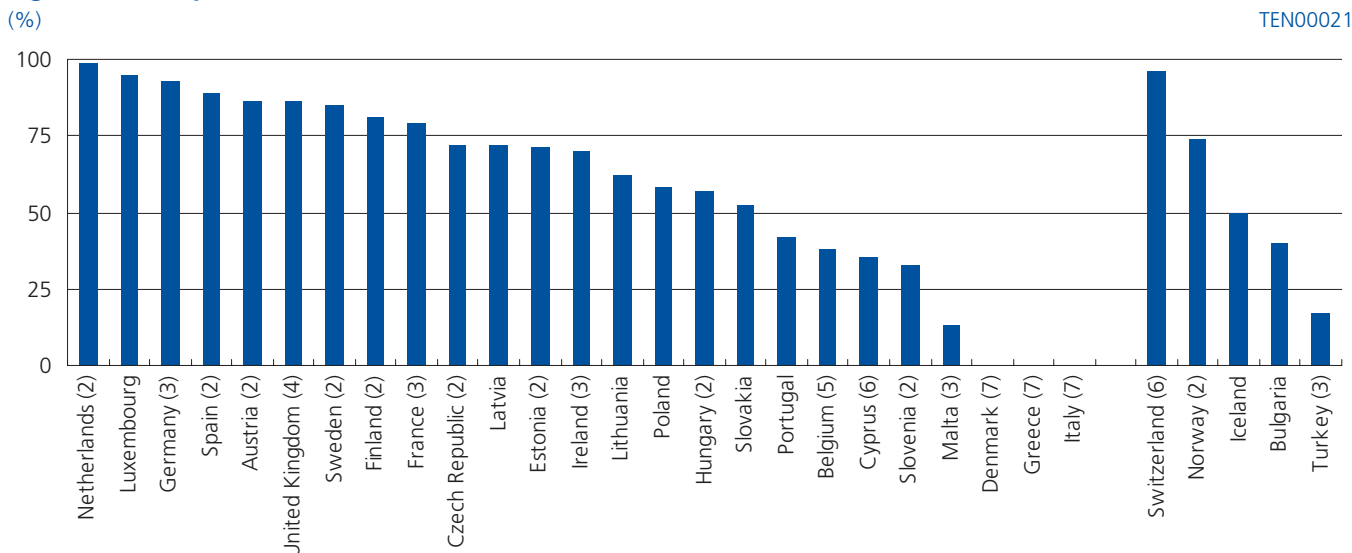
(5) 1998.

(6) 2003.

(7) Not available.

Public water supply refers to the supply of water to the general public, irrespective of whether this is the responsibility of public authorities, privately owned water supply enterprises or a mixture of both.

Figure 10.5: Population connected to urban wastewater treatment, 2003 (1)



(1) Note that connection to urban wastewater treatment in OECD and Eurostat water statistics includes wastewater collected independently and delivered to the treatment plant by trucks, whereas the definition in the urban wastewater treatment directive (91/271/EEC) differs as it requires the connection to be established by a system of conduits.

(2) 2002.

(3) 2001.

(4) 1994.

(5) 1998.

(6) 2000.

(7) Not available.

Population connected to urban wastewater treatment — total: this relates to any kind of sewage treatment (primary to tertiary) in municipal treatment plants run by public authorities or by private companies (on behalf of local authorities), whose main purpose is sewage treatment.

Table 10.3: Population connected to urban wastewater treatment (1)

(%)

TEN00021

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Belgium</b>	:	:	29	30	35	38	:	:	:	:	:
<b>Czech Republic</b>	53	57	58	60	62	64	65	66	68	72	:
<b>Denmark</b>	86	86	87	87	88	89	:	:	:	:	:
<b>Germany</b>	:	:	89	:	:	91	:	:	93	:	:
<b>Estonia</b>	72	72	72	72	72	69	69	69	69	71	:
<b>Greece</b>	:	:	:	:	:	:	:	:	:	:	:
<b>Spain</b>	:	:	48	:	:	:	:	88	:	89	:
<b>France</b>	:	:	79	:	:	77	:	:	79	:	:
<b>Ireland</b>	:	:	:	:	:	:	66	:	70	:	:
<b>Italy</b>	:	:	75	:	:	:	:	:	:	:	:
<b>Cyprus</b>	:	:	:	:	:	:	33	35	:	:	:
<b>Latvia</b>	:	:	:	:	:	:	:	:	:	67	72
<b>Lithuania</b>	:	:	:	:	:	:	:	:	:	60	62
<b>Luxembourg</b>	:	87	88	:	:	:	93	:	:	:	95
<b>Hungary</b>	20	21	21	22	24	26	29	46	50	57	:
<b>Malta</b>	13	13	13	13	13	13	13	13	13	:	:
<b>Netherlands</b>	96	96	97	97	98	98	98	98	98	99	:
<b>Austria</b>	75	:	75	:	:	81	:	85	86	86	:
<b>Poland</b>	37	39	42	43	47	49	52	54	55	57	58
<b>Portugal</b>	:	26	:	:	:	42	:	:	:	:	:
<b>Slovenia</b>	:	:	:	:	:	19	19	18	20	33	:
<b>Slovakia</b>	:	:	:	49	49	49	50	51	51	52	52
<b>Finland</b>	:	:	:	78	78	79	80	80	81	81	:
<b>Sweden</b>	95	95	93	:	:	93	:	86	:	85	:
<b>United Kingdom</b>	84	86	:	:	:	:	:	:	:	:	:
<b>Bulgaria</b>	35	35	35	35	36	37	37	37	38	39	40
<b>Turkey</b>	:	10	9	10	14	17	:	:	17	:	:
<b>Iceland</b>	2	4	4	4	4	8	16	33	33	50	50
<b>Norway</b>	66	66	67	67	70	73	73	73	74	74	:
<b>Switzerland</b>	:	:	94	:	95	96	96	96	:	:	:

(1) Note that connection to urban wastewater treatment in OECD and Eurostat water statistics includes wastewater collected independently and delivered to the treatment plant by trucks, whereas the definition in the urban wastewater treatment directive (91/271/EEC) differs as it requires the connection to be established by a system of conduits.

*Population connected to urban wastewater treatment — total: this relates to any kind of sewage treatment (primary to tertiary) in municipal treatment plants run by public authorities or by private companies (on behalf of local authorities), whose main purpose is sewage treatment.*



## WASTE

The EU's sustainable development strategy and the sixth environment action programme underline the relationship between the efficiency of resources and waste generation and management. The objective is to decouple the use of resources and generation of waste from economic growth, while sustainable consumption should not exceed environmental capacity.

The strategy on waste prevention and recycling aims at improved waste-prevention initiatives, better resource efficiency, and more sustainable consumption, which should lead to significant reductions in the overall generation of waste.

Waste prevention can be achieved through cleaner technologies, eco-design, or more eco-efficient production and consumption patterns. Waste prevention and better recycling, focused on materials technology, could also reduce the environmental impact of resources that are used through limiting raw materials extraction and transformation during production processes.

The strategy promotes sustainable waste management, which means minimising the environmental impacts and taking into account the economic and social considerations (costs and benefits), leading to the optimal and most efficient waste management strategy. Waste prevention is the first option in waste management, while the strategy states that landfilling should be avoided as much as possible.

In order to be able to set targets for waste prevention and recycling, reliable and comparable statistics need to be made available to assess developments. Up to 2005, waste statistics

were compiled using data collected from all European countries through the 'waste' section of a joint Eurostat/OECD questionnaire. Differences between countries in methods of data collection and different interpretations of the definitions and waste categories make data comparison among the countries rather difficult. As a result, Eurostat is currently implementing the waste statistics regulation<sup>(45)</sup>. Its objective is to create a framework for harmonised data collection and reporting on waste generation, recovery and disposal at the European level. The Member States provided Eurostat with the first data sets during 2006 for reference year 2004; as data have to be provided every second year trends can be calculated from 2008.

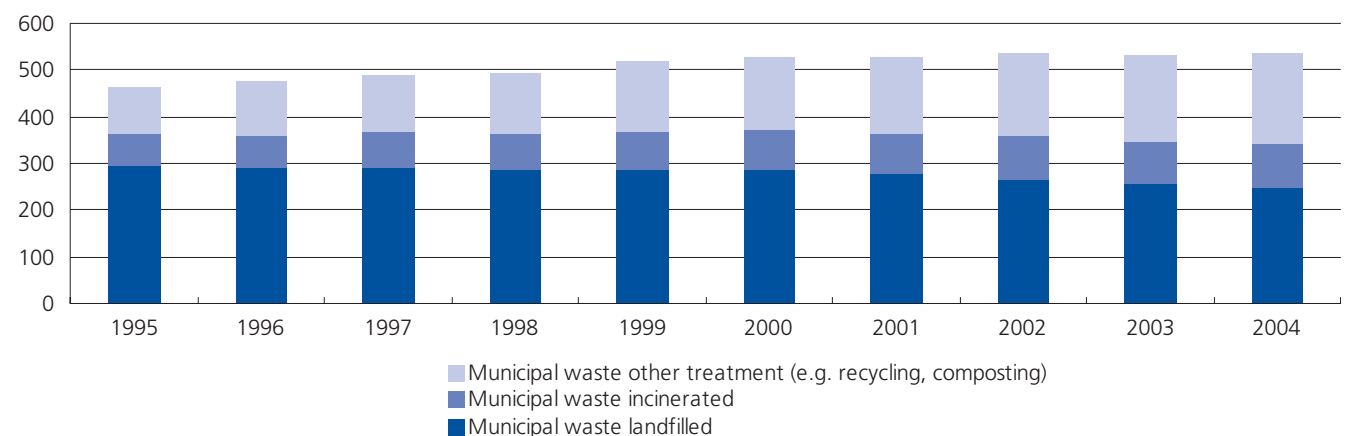
The data presented in this section show that the waste generated in the EU is growing. The average amount of municipal waste generated in 2004 in the EU-25 was 537 kg per inhabitant. The trend in municipal waste generated does not show a decoupling of waste generation and economic growth. However, municipal waste accounts for a relatively small proportion of total waste (around 15 %), with the largest volume of waste being generated by mining, manufacturing, construction and demolition activities; in addition, hazardous waste is mainly generated within the manufacturing sector.

Although the amount of landfilling clearly declined, it is still the most important type of waste treatment; in 2004 the amount of waste landfilled was over 2.5 times as high as the amount of waste incinerated.

<sup>(45)</sup> Regulation (EC) No 2150/2002 of the European Parliament and of the Council of 25 November 2002 on waste statistics.

**Figure 10.6: Municipal waste, EU-25**

(kg per inhabitant)



*Municipal waste landfilled: this indicator presents the amount of municipal waste disposed of through landfill; the bulk of this waste stream is from households, though similar wastes from sources such as commerce, offices and public institutions are included; landfill is defined as the depositing of waste into or onto land, including specially engineered landfill, and temporary storage of over one year on permanent sites; the definition covers both landfill in internal sites (i.e. where a generator of waste is carrying out its own waste disposal at the place of generation) and in external sites; the quantity of waste landfilled is expressed in kilograms per person per year.*

*Municipal waste incinerated: this indicator presents the amount of municipal waste disposed of through incineration; the bulk of this waste stream is from households, though similar wastes from sources such as commerce, offices and public institutions are included; incineration means thermal treatment of waste in an incineration plant as defined in Article 3(4) or a co-incineration plant as defined in Article 3(5) of the directive on the incineration of waste (Directive 2000/76/EC of 4 December 2000); the quantity of waste incinerated is expressed in kilograms per person per year. Recycling is defined as any reprocessing of material in a production process that diverts it from the waste stream, except reuse as fuel; both reprocessing as the same type of product, and for different purposes should be included; direct recycling within industrial plants at the place of generation should be excluded.*

*Composting: biological process that submits biodegradable waste to anaerobic or aerobic decomposition, and that results in a product that is recovered.*

Table 10.4: Waste



	Amount of waste generated (1 000 tonnes)			Municipal waste generated (kg per capita) (1)			Municipal waste landfilled (kg per capita) (2)			Municipal waste incinerated (kg per capita) (3)		
	1995	2000	2003	1995	2000	2004	1995	2000	2004	1995	2000	2004
<b>EU-25</b>	:	:	:	461	528	537	295	287	247	69	84	94
<b>EU-15</b>	:	:	:	487	564	580	294	281	242	83	99	111
<b>Euro area</b>	:	:	:	487	563	577	279	254	218	84	104	115
<b>Belgium</b>	28 969	36 688	:	456	468	469	218	81	47	163	156	154
<b>Czech Republic</b>	32 522	43 597	28 362	302	334	278	302	282	222	-	31	39
<b>Denmark</b>	11 466	13 031	12 835	567	665	696	96	67	31	294	352	379
<b>Germany</b>	:	406 663	:	533	610	600	245	165	104	97	133	141
<b>Estonia</b>	14 196	11 616	18 397	368	440	449	365	438	283	-	-	-
<b>Greece</b>	:	:	:	302	408	433	311	372	397	-	-	-
<b>Spain</b>	:	:	:	510	662	662	308	339	364	24	37	42
<b>France</b>	129 253	:	:	489	531	567	219	227	217	183	174	184
<b>Ireland</b>	41 020	:	:	514	603	869	398	554	397	-	-	-
<b>Italy</b>	:	111 124	:	454	509	538	422	385	306	24	41	61
<b>Cyprus</b>	:	:	:	600	680	730	600	613	657	-	-	-
<b>Latvia</b>	:	:	1 283	263	270	311	247	252	259	-	-	12
<b>Lithuania</b>	:	:	:	424	363	366	424	344	334	-	-	-
<b>Luxembourg</b>	:	:	:	592	658	668	161	138	123	312	284	270
<b>Hungary</b>	84 442	:	:	460	445	506	346	376	422	32	34	21
<b>Malta</b>	:	:	2 101	338	471	572	311	348	458	-	-	-
<b>Netherlands</b>	:	:	:	549	616	624	158	57	17	139	190	210
<b>Austria</b>	:	:	:	438	581	627	205	196	126	54	65	136
<b>Poland</b>	133 647	137 710	130 476	285	316	256	280	310	241	-	-	2
<b>Portugal</b>	33 781	17 961	4 701	385	472	434	200	338	318	-	96	96
<b>Slovenia</b>	2 659	:	:	596	513	435	457	402	364	-	-	8
<b>Slovakia</b>	25 668	16 100	:	302	316	274	168	196	222	-	-	13
<b>Finland</b>	:	:	:	414	503	455	268	306	273	-	52	45
<b>Sweden</b>	:	:	:	386	428	464	136	98	42	149	164	217
<b>United Kingdom</b>	:	:	:	499	578	600	414	469	416	45	42	48
<b>Bulgaria</b>	:	97 316	88 855	693	516	471	530	399	396	-	-	-
<b>Croatia</b>	:	4 300	:	:	336	282	:	332	278	:	1	1
<b>Romania</b>	352 087	55 832	:	342	355	378	254	294	306	-	-	-
<b>Turkey</b>	52 720	:	:	438	464	458	324	354	369	-	-	-
<b>Iceland</b>	381	432	476	427	466	492	322	351	372	82	57	48
<b>Norway</b>	7 451	8 517	8 837	626	615	724	456	336	243	84	90	118
<b>Switzerland</b>	:	:	:	598	660	678	77	40	3	288	321	347

(1) Hungary, break in series, 2000.

(2) Hungary, break in series, 2000; Austria, break in series, 2004.

(3) Austria, break in series, 2004.

*Amount of waste generated: waste refers to materials that are not prime products, for which the generator has no further use for own purpose of production, transformation or consumption, and which he discards, or intends or is required to discard.*

*Municipal waste generated: this indicator presents the amount of municipal waste generated; it consists of waste collected by or on behalf of municipal authorities and disposed of through the waste management system; the bulk of this waste stream is from households, though similar wastes from sources such as commerce, offices and public institutions are included; for areas not covered by a municipal waste scheme an estimation has been made of the amount of waste generated; the quantity of waste generated is expressed in kilograms per person per year.*

*Municipal waste landfilled: this indicator presents the amount of municipal waste disposed of through landfill; the bulk of this waste stream is from households, though similar wastes from sources such as commerce, offices and public institutions are included; landfill is defined as the depositing of waste into or onto land, including specially engineered landfill, and temporary storage of over one year on permanent sites; the definition covers both landfill in internal sites (i.e. where a generator of waste is carrying out its own waste disposal at the place of generation) and in external sites; the quantity of waste landfilled is expressed in kilograms per person per year.*

*Municipal waste incinerated: this indicator presents the amount of municipal waste disposed of through incineration; the bulk of this waste stream is from households, though similar wastes from sources such as commerce, offices and public institutions are included; incineration means thermal treatment of waste in an incineration plant as defined in Article 3(4) or a co-incineration plant as defined in Article 3(5) of the directive on the incineration of waste (Directive 2000/76/EC of 4 December 2000); the quantity of waste incinerated is expressed in kilograms per person per year.*

### ENVIRONMENT AND AGRICULTURE

The links between the natural environment and farming practices are complex: farming has contributed over the centuries to creating and maintaining a variety of valuable semi-natural habitats. While many of these are maintained by extensive farming and a wide range of wild species rely on this for their survival, agricultural practices can also have an adverse impact on natural resources. Pollution of soil, water and air, fragmentation of habitats and loss of wildlife can be the result of agricultural practices and land use. EU policies, and notably the common agricultural policy (CAP), are therefore increasingly aimed at reducing the risks of environmental degradation, while encouraging farmers to continue to play a positive role in the maintenance of the countryside and the environment.

Organic farming is one example of a sustainable farming system. Its importance has grown worldwide due to increased consumer awareness of organically grown products and government support for conversion. Since the start of the implementation of the EU regulation on organic farming <sup>(46)</sup>, many agricultural holdings across the EU have converted to certified organic production methods. This regulation also established procedures for the Member States to report data on organic farming to the European Commission. Among the Member States, the largest area devoted to organic crops (fully converted area) in 2004 was recorded in Italy (708 000 hectares), followed by the United Kingdom (635 000 hectares); the reported data of Germany and Austria refer to the area including the area under conversion. Please note more information is available on agriculture in the next chapter, which covers agriculture, forestry and fisheries (see page 283).

<sup>(46)</sup> Council Regulation (EEC) No 2092/91.

The intensive use of pesticides can have a negative impact on biodiversity and increases the risk of them finding their way into drinking water and the food chain. Eurostat collects plant protection product sales data from Member States, while the European Crop Protection Association produces data for Eurostat on the estimated use of plant protection products.

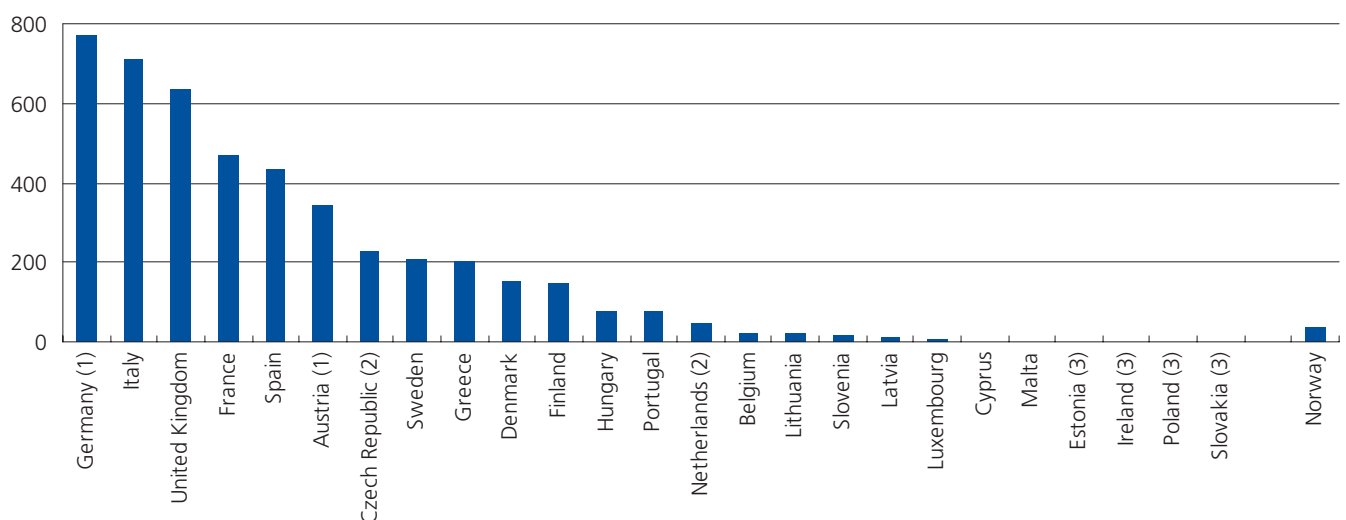
Total sales of pesticides vary greatly across the Member States and to some degree reflect the importance of the farming sector, the types of farming that are practised, and the types of crop that are grown. Just over 300 000 tonnes of pesticides were sold in the EU-15 in 2001, with sales in France and Italy approximately three times as high as in Germany or the United Kingdom.

The livestock density index measures the stock of animals per hectare. Consumer concerns over the intensive rearing of some animals and preferences for organically farmed produce may explain, at least to some degree, why there was a reduction in livestock density in a number of Member States during the period 2000–03.

**Figure 10.7: Organic crop area — fully converted area, 2004**

(1 000 hectares)

TAG00098



(1) Including area under conversion.

(2) 2005.

(3) Not available.

*The area defined comprises all crop area; it might include secondary and other crops; it might not be strictly comparable with the definition of 'utilised agricultural area' (only the area of main crops) in the farm structure survey (FSS).*

Table 10.5: Environmental and agricultural indicators

TAG00098 TAG00084 TAG00095

	Organic crop area - fully converted area (hectares) (1)		Livestock density index (livestock per hectare)		Total sales of pesticides (tonnes of active ingredient)		Irrigable area (hectares)	
	2000	2004 (2)	2000	2003	2000	2002 (3)	2000	2005 (4)
<b>EU-15</b>	:	:	0.9	0.9	332 806	327 280	:	:
<b>Belgium</b>	13 036	19 853	3.1	2.8	9 953	9 204	32 590	21 710
<b>Czech Republic</b>	:	226 209	:	0.6	:	:	:	47 030
<b>Denmark</b>	93 371	149 219	1.7	1.7	2 747	2 722	446 920	432 030
<b>Germany</b>	546 023	767 891	1.1	1.1	30 331	29 531	:	:
<b>Estonia</b>	:	:	:	0.4	:	:	:	:
<b>Greece</b>	10 309	202 799	0.7	0.7	11 131	11 111	1 321 300	1 521 600
<b>Spain</b>	:	430 900	0.6	0.6	34 597	35 700	3 478 050	3 828 110
<b>France</b>	230 739	468 476	0.9	0.8	97 490	99 635	2 633 680	2 723 700
<b>Ireland</b>	:	:	1.5	1.5	2 133	2 246	0	0
<b>Italy</b>	502 078	708 043	0.8	0.8	79 831	94 711	3 855 920	3 977 210
<b>Cyprus</b>	:	111	:	1.6	:	:	:	44 930
<b>Latvia</b>	:	12 142	0.3	0.3	:	:	560	790
<b>Lithuania</b>	:	18 395	:	0.5	:	:	:	4 420
<b>Luxembourg</b>	807	2 741	1.4	1.2	:	:	0	0
<b>Hungary</b>	:	75 834	:	0.6	:	:	308 110	152 750
<b>Malta</b>	:	0	:	4.5	:	:	:	3 020
<b>Netherlands</b>	25 531	46 877	3.6	3.1	9 653	8 072	498 330	350 570
<b>Austria</b>	275 789	343 183	0.8	0.8	3 563	3 133	95 140	90 420
<b>Poland</b>	:	:	:	0.8	:	:	:	124 200
<b>Portugal</b>	14 438	75 143	0.7	0.6	15 470	17 435	791 990	674 800
<b>Slovenia</b>	:	14 354	1.3	1.2	:	:	2 230	4 430
<b>Slovakia</b>	:	:	:	0.5	:	:	225 310	209 070
<b>Finland</b>	117 080	148 183	0.6	0.5	1 146	1 614	88 140	70 500
<b>Sweden</b>	143 552	206 631	0.6	0.6	1 652	1 711	136 730	167 000
<b>United Kingdom</b>	242 473	635 495	1.0	0.9	33 109	31 064	:	208 140
<b>Norway</b>	18 084	34 957	1.2	1.2	:	:	:	:

(1) Germany and Austria, including area under conversion.

(2) The Czech Republic and the Netherlands, 2005.

(3) EU-15, Greece, Spain, France, Ireland and Austria, 2001.

(4) Greece, Spain, France, Ireland, Italy, Cyprus, Luxembourg, the Netherlands, Austria, Portugal and Slovakia, 2003.

The area defined comprises all crop area; it might include secondary and other crops; it might not be strictly comparable with the definition of 'utilised agricultural area' (only the area of main crops) in the farm structure survey (FSS).

Livestock density index: provides the number of livestock units (LSU) per hectare of utilised agricultural area; the LSU is a reference unit which facilitates the aggregation of livestock from various species and ages; the Eurofarm LSU coefficients, which are at the basis of this indicator, are established by convention (originally, they were related to the animals' feed requirements, the reference being a dairy cow with an annual yield of 3 000 kg milk, without additional concentrated feedingstuffs).

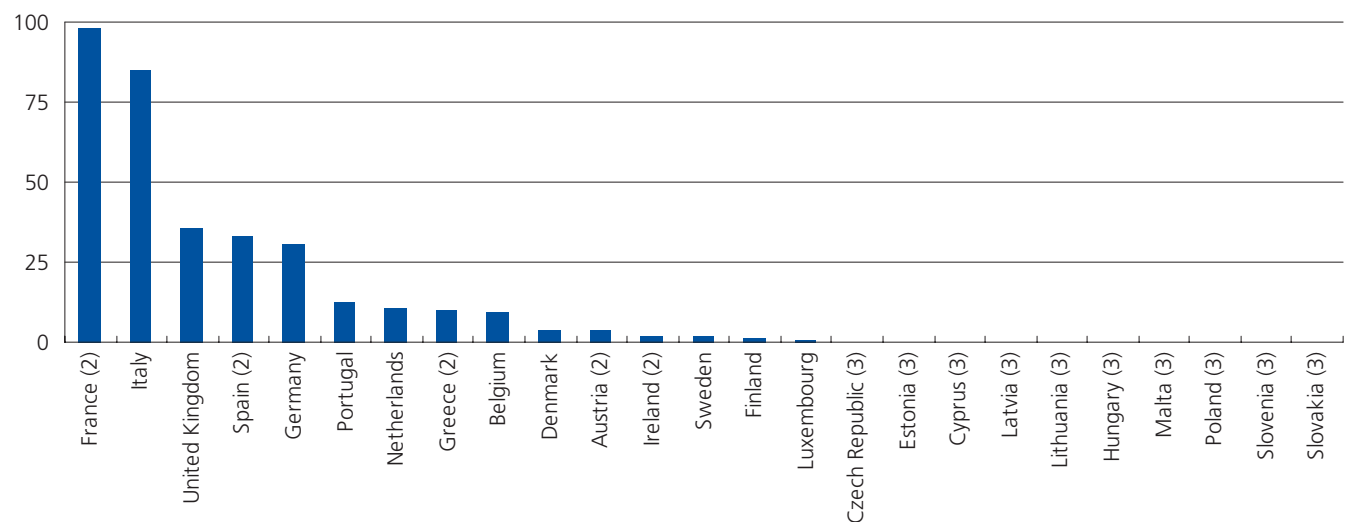
Total sales of pesticides: total volume of pesticides sold in the Member States; the total is the sum of fungicides, herbicides, insecticides and other pesticides.

Irrigable area: the maximum area which could be irrigated in the reference year using the equipment and the quantity of water normally available on the holding; the total irrigable area may differ from the sum of the areas provided with irrigation equipment since the equipment may be mobile and therefore utilisable on several fields in the course of a harvest year; capacity may also be restricted by the quantity of water available or by the period within which mobility is possible.

**Figure 10.8: Total sales of pesticides, 2002 (1)**

(1 000 tonnes of active ingredient)

TAG00084



(1) EU-15: 327 280 tonnes of active ingredient, 2001.

(2) 2001.

(3) Not available.

### ENVIRONMENTAL EXPENDITURE

Statistics collected on environmental protection expenditure are one indicator that may be used to measure the response of society to reduce pollution. Spending on environmental protection occurs in all sectors of the economy: two of the main areas include the public sector and industry, and it is in these areas where data are available for most of the Member States.

To encourage enterprises and private households to protect the environment, governments can use regulatory measures or levy taxes directly linked to pollution. The 'polluter pays' principle is one such example of a policy designed to reduce pollution. An environmental tax is defined as 'a tax whose tax base is a physical unit (or a proxy of it) of something that has a proven specific negative effect on the environment'. For analytical purposes, environmental taxes are divided into four categories: energy taxes (including CO<sub>2</sub> taxes), transport taxes, pollution taxes and resource taxes.

- Energy taxes include taxes on energy products (such as petrol and diesel for transport purposes, or fuel oils, natural gas, coal and electricity for stationary use; CO<sub>2</sub> taxes are also included).
- Transport taxes are related to the ownership and use of motor vehicles and other transport equipment (for example, duty on charter or scheduled flights).
- Pollution taxes include taxes for air and water emissions, the management of solid waste, and noise.
- Resource taxes are related to water consumption, forestry and mining, although taxes on oil and gas extraction are excluded from the definition of environmental taxes, as these are often designed to capture the resource rent and do not influence prices in the way that other environmental taxes do.

Indeed, while environmental protection measures generally cost money, they can also generate revenues. Measures to protect the environment are increasingly being taken on a voluntary basis, for example, to meet the expectations of consumers or stakeholders, to increase market shares, or to improve a company's image. By the same token, environmental protection creates new markets for environmental goods and services, with benefits for exports and employment.

The legal framework for the collection of statistical data on environmental protection expenditure by industry is provided by Council Regulation (EC, Euratom) No 58/97 of 20 December 1996 concerning structural business statistics. The regulation provides a tool for the development of regular data collection on the variables and economic activities of the highest policy interest.

Total environmental expenditure is the sum of investments and current expenditure. Effective interpretations need to take into account that:

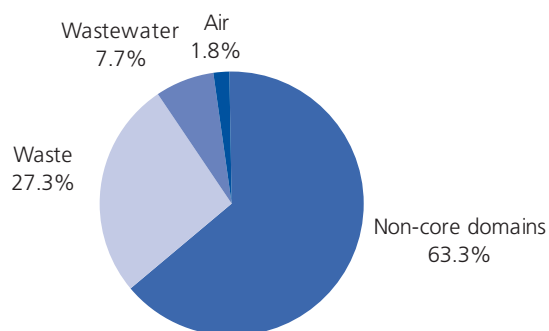
- high levels of spending in one country could, for example, be the result of new stricter policies or of long periods of no spending;
- the proportion of public-sector expenditure versus industry expenditure could vary between countries depending on the degree of privatisation among basic environmental protection activities, i.e. waste collection, waste treatment and sewage treatment.

As with many of the other statistics that are presented in this section, environmental protection expenditure statistics are collected through a joint Eurostat/OECD questionnaire.

A breakdown of environmental protection expenditure shows that there are considerable differences when comparing expenditure incurred by the public sector and that incurred by industry; note that total expenditure of the EU-25's public sector was 1.4 times as high as that incurred by industry (excluding recycling activities) in 2002.

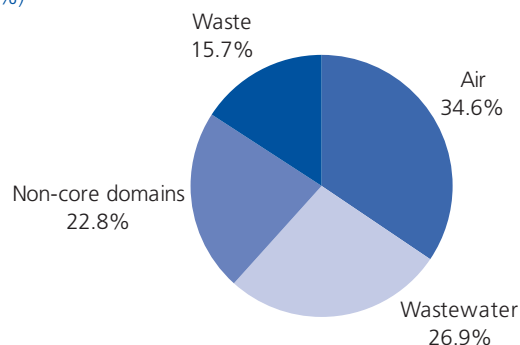
A relatively small share (less than 2 %) of EU-25 public expenditure on environmental protection was devoted to air protection, whereas the proportion rose to over 16 % of total expenditure for industry. In a similar vein, the proportion of total expenditure on wastewater was considerably higher for industry (around 23 %) than it was for the public sector (under 8 % of the total). There were similar proportions of public-sector and industrial environmental expenditure devoted to waste, at just over 27 % and 30 % respectively.

**Figure 10.9: Breakdown of environmental protection expenditure by the public sector, EU-25, 2002**  
(%) TENO0060



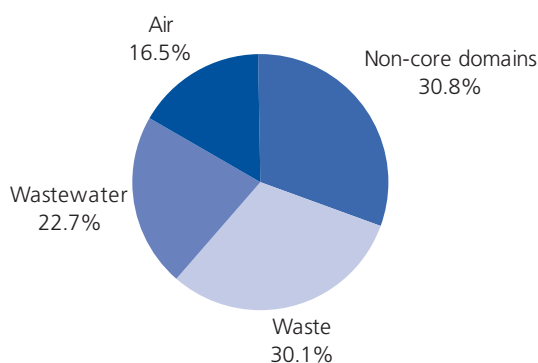
*Environmental protection expenditure is defined as the money spent on all purposeful activities directly aimed at the prevention, reduction and elimination of pollution or nuisances resulting from the production processes or consumption of goods and services; excluded are activities that, while beneficial to the environment, primarily satisfy technical needs or health and safety requirements; environmental protection expenditure is classified into different economic sectors (public, agriculture, industries, and households), financial variables (treatment and prevention investments, current expenditure, subsidies, etc.) and environmental domains (air, water, waste, soil, noise, biodiversity and landscape).*

**Figure 10.11: Breakdown of environmental protection investment by industry, EU-25, 2002 (1)**  
(%) TENO0061



(1) Excluding the activities of the recycling sector (NACE Division 37). Investment expenditure includes outlays in a given year (purchases and own-account production) for machinery, equipment and land used for environmental protection purposes; total investments in a sector or industry is the sum of the two categories.

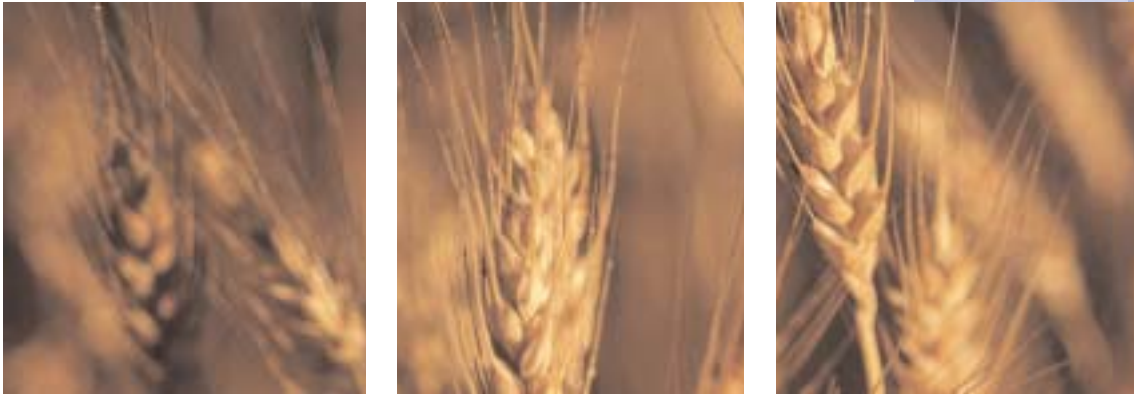
**Figure 10.10: Breakdown of environmental protection expenditure by industry, EU-25, 2002 (1)**  
(%)



(1) Excluding the activities of the recycling sector (NACE Division 37).

# 11.

## AGRICULTURE, FORESTRY AND FISHERIES



### Agriculture

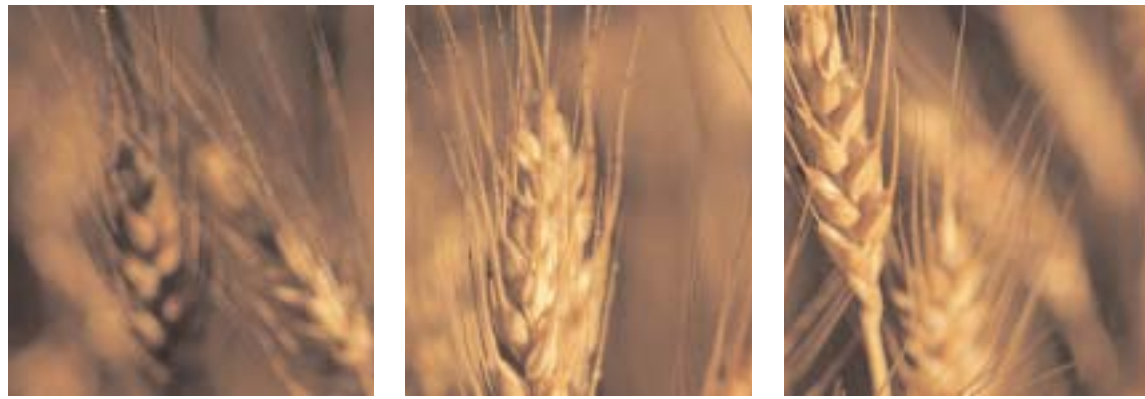
Farm structure and land use

Agricultural output, price indices and income

Agricultural products

Forestry

Fisheries



<b>Agriculture, forestry and fisheries</b>	<b>285</b>
Agriculture	286
Farm structure and land use	286
Agricultural output, price indices and income	291
Agricultural products	295
Forestry	297
Fisheries	302

## 11. AGRICULTURE, FORESTRY AND FISHERIES

Agriculture was one of the first sectors of the economy (following coal and steel) to receive the attention of European policymakers. Article 39 of the Treaty of Rome on the EEC (1957) set out the objectives for the first common agricultural policy (CAP); these were focused on increasing agricultural productivity as a way to ensure a fair standard of living for the agricultural community, stabilising markets and ensuring security of supply at affordable prices to consumers. As the primary objective of producing more food was realised, food surpluses accrued, distorting trade and raising environmental concerns. These were the principal drivers for changes in the CAP, a process that started in the early 1990s and has resulted in a change from support for production towards a market-oriented and a more environment-friendly and sustainable agriculture. Reforms have focused mainly on increasing the competitiveness of agriculture by reducing support prices and compensating farmers by the introduction of direct aid payments. A decisive step came in the 2003/04 CAP reforms with the decoupling of direct aids from production and a move to try to realign the CAP with consumer concerns. The scope of this latest reform of the CAP was widened with the introduction of a comprehensive rural

development policy. Together these policies aim to encourage entrepreneurial behaviour so that farm managers can respond better to market signals, introduce new techniques and promote diversified activities such as rural crafts, food processing facilities on farms, tourism, or afforestation, as well as promoting sustainable farming practices and various other rural development measures.

After the enlargement of the EU in May 2004, the EU had a total area of forests and other wooded land of 160 million hectares, accounting for about 42 % of its land area. Contrary to what is happening in other parts of the world, forest cover in the EU is slowly but steadily increasing at the rate of approximately 0.3 % per year, although the evolution can be quite different between regions. Forests are present in a huge variety of climatic, geographic, ecological and socioeconomic conditions. Ecologically, EU forests belong to numerous vegetation zones, ranging from the coastal plains to the Alpine zone, while socioeconomic management conditions vary from small family holdings to large estates belonging to vertically integrated companies.

Eurostat has a wide range of data within this area, including:

### Agriculture

- economic accounts for agriculture (including agricultural labour input statistics),
- agricultural prices and price indices,
- structure of agricultural holdings,
- crop and animal production and livestock numbers, balance sheets and land use,
- orchards and vineyards,
- organic farming;

### Forestry

- forestry resources (land use and standing volume) and condition,
- removals, production and trade (by roundwood and forest industry products);

### Fisheries

- catches by region, aquaculture and landings by country,
- fishing fleet and employment,
- supply balance sheets and foreign trade.



Fish are a natural, biological, mobile (sometimes over wide distances) and renewable resource. No one can own fish until they have been caught and the impact of one set of fishermen impacts on others. For this reason, fish stocks continue to be regarded as a common resource, to be managed collectively. This calls for policies that regulate the amount of fishing, as well as the types of fishing techniques and gear used in fish capture, if this heritage is to be passed to future generations.

#### AGRICULTURE — FARM STRUCTURE AND LAND USE

The basic farm structure survey (FSS) is carried out by Member States every 10 years (the full scope being the agricultural census) and intermediate sample surveys are carried out three times between the basic surveys. The Member States collect information from individual agricultural holdings and, observing strict rules of confidentiality, data are forwarded to Eurostat. The information collected covers land use, livestock numbers, management and farm labour input (including age, gender and relationship to the holder). The survey data can then be aggregated to different geographic levels (Member States, regions, and for basic surveys also districts) and can be arranged by size class, area status, legal status of holding, objective zones and farm type (including by specialised/non-specialised status, using economic criteria). The 2003 FSS was the first to be conducted by the Member States that joined the European Union in 2004. Although the 2005 survey results are currently being collated, information remains incomplete at the time of writing.

According to the FSS, there were 9.9 million agricultural holdings in the EU-25 in 2003, and the equivalent of 9.9 million full-time persons working on a utilised agricultural area of 164 million hectares. Among the EU-15 Member States both the number of agricultural holdings and the number of farm workers, who are predominantly male (63.0 %), have been in decline. Among the Member States that joined the European Union in 2004, there was a period of land restitution in the run-up to accession. This led to large State farms being divided up and handed back to private individuals, leading to a substantial rise in numbers of farms and workers. The Baltic Member States are among the few where there is an equal gender split among agricultural workers.



Despite policy calls for farmers to diversify their activities, only about 9 in every 1 000 holdings in the EU-25 had another gainful activity, with particularly low rates in Mediterranean Member States and some of the countries that joined the EU in 2004.

Table 11.1: Agricultural holdings

TAG00001 TAG00015 TAG00096

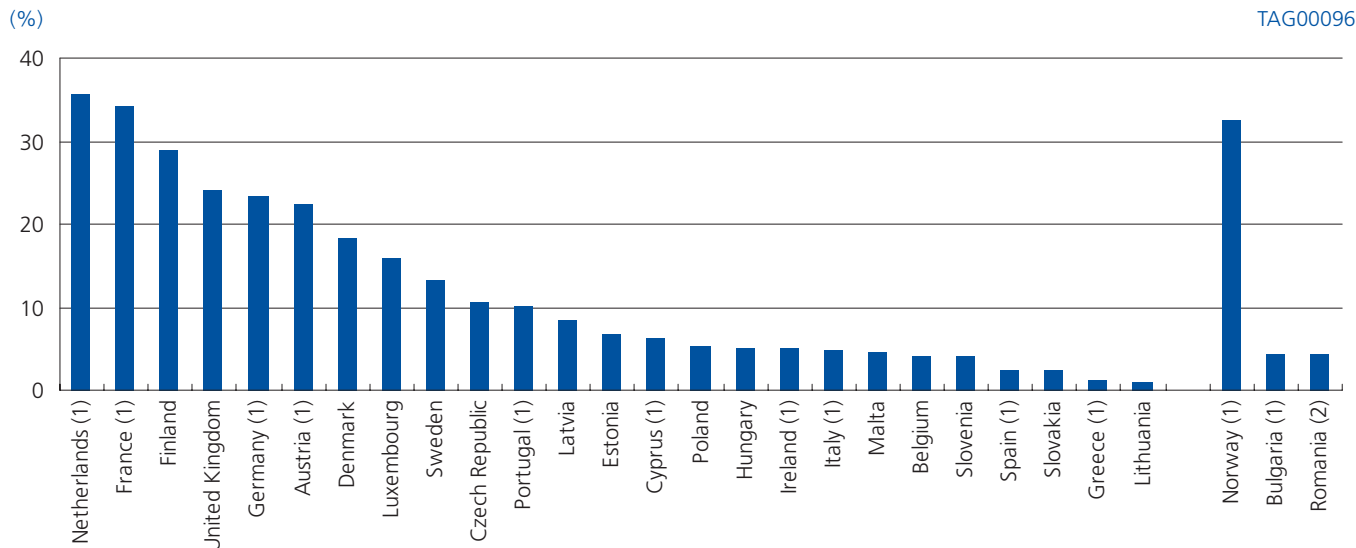
	Number of agricultural holdings (1 000)			Holdings with dairy cows (1 000)			Number of holdings with another gainful activity, 2005 (per 1 000 agricultural holdings)
	2000	2003	2005	2000	2003	2005	
<b>EU-25</b>	:	9 870.6	:	:	1 798.5	1 081.3	:
<b>EU-15</b>	6 770.7	6 238.6	:	730.1	592.9	:	:
<b>Belgium</b>	61.7	54.9	51.5	18.2	16.6	15.2	4.1
<b>Czech Republic</b>	:	45.8	42.3	:	8.5	6.8	10.6
<b>Denmark</b>	57.8	48.6	48.3	11.2	8.0	6.5	18.2
<b>Germany</b>	472.0	412.3	:	152.7	121.8	:	23.4
<b>Estonia</b>	:	36.9	27.8	:	12.4	9.2	6.8
<b>Greece</b>	817.1	824.5	:	12.1	11.6	:	1.3
<b>Spain</b>	1 287.4	1 140.7	:	77.8	51.0	:	2.4
<b>France</b>	663.8	614.0	:	128.3	113.9	:	34.3
<b>Ireland</b>	141.5	135.3	:	31.8	27.0	:	5.0
<b>Italy</b>	2 153.7	1 963.8	:	81.6	67.5	:	4.9
<b>Cyprus</b>	:	45.2	:	:	0.3	:	6.2
<b>Latvia</b>	140.8	126.6	128.7	73.9	63.7	50.9	8.5
<b>Lithuania</b>	:	272.1	253.0	:	193.4	170.8	1.0
<b>Luxembourg</b>	2.8	2.5	2.5	1.2	1.0	1.0	16.0
<b>Hungary</b>	966.9	773.4	714.8	35.2	22.0	8.6	5.1
<b>Malta</b>	:	11.0	11.1	:	0.2	0.2	4.5
<b>Netherlands</b>	101.6	85.5	:	35.1	25.0	:	35.6
<b>Austria</b>	199.5	173.8	:	77.5	65.1	:	22.4
<b>Poland</b>	:	2 172.2	2 476.5	:	873.8	727.1	5.4
<b>Portugal</b>	416.0	359.3	:	33.0	27.1	:	10.1
<b>Slovenia</b>	86.5	77.2	77.2	28.6	17.2	19.7	4.1
<b>Slovakia</b>	:	71.7	68.5	17.9	14.2	13.5	2.3
<b>Finland</b>	81.2	75.0	70.6	23.9	19.4	16.9	29.0
<b>Sweden</b>	81.4	67.9	75.8	14.0	9.7	8.6	13.2
<b>United Kingdom</b>	233.3	280.6	286.8	31.9	28.2	26.3	24.0
<b>Bulgaria</b>	:	665.6	:	:	195.0	:	4.3
<b>Romania</b>	:	4 484.9	:	:	1 204.9	:	4.2
<b>Norway</b>	70.7	58.2	:	22.7	17.5	:	32.6

*Agricultural holding: a single unit both technically and economically, which has single management and which produces agricultural products; other supplementary (non-agricultural) products and services may also be provided by the holding; the smallest farms (less than 1 % of national agricultural activity) do not have to be surveyed.*

*Dairy cows: cows kept exclusively or principally for the production of milk for human consumption and/or dairy produce, including cows for slaughter (fattened or not between last lactation and slaughter).*

*Other gainful activities: tourism, handicrafts, processing farm products, aquaculture, renewable energy production and contractual work.*

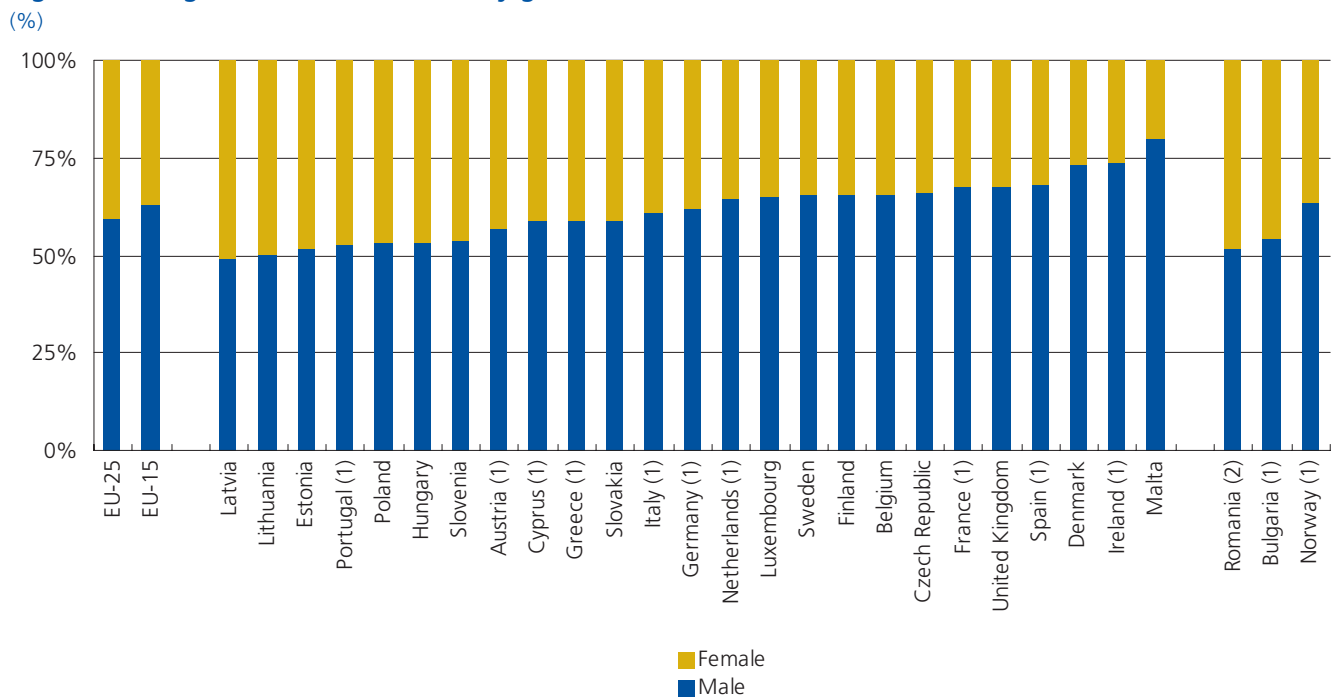
Figure 11.1: Agricultural holdings with another gainful activity, 2005



(1) 2003.  
(2) 2002.

Other gainful activities: tourism, handicrafts, processing farm products, aquaculture, renewable energy production and contractual work.

Figure 11.2: Agricultural labour force by gender, 2005



(1) 2003.  
(2) 2002.

Regular farm labour force: labour force includes everyone (over the legal age limit) having provided agricultural work on and for the holding during the last 12 months; every member of the holder's family working on the holding are taken as regular labour force (holder included) and non-family regularly employed labour force.

**Table 11.2: Agricultural labour force, 2005**

(1 000)

TAG00020 TAG00021 TAG00022 TAG00026 TAG00027 TAG00028 TAG00029 TAG00030

	Total farm labour force (AWU) (1)	Family farm labour force	Full-time regular farm labour force	Agri-cultural holders < 35 years old	Agri-cultural holders > = 65 years old	Regular farm labour force	Female regular farm labour force	Agri-cultural holders being a natural person
<b>EU-25</b>	9 804	19 207	3 874	793	2 706	20 967	8 537	9 805
<b>EU-15</b>	6 290	11 491	2 749	386	1 898	12 838	4 763	5 979
<b>Belgium</b>	70	81	50	3	10	95	33	48
<b>Czech Republic</b>	152	67	102	4	7	184	62	39
<b>Denmark</b>	58	69	41	3	9	93	25	48
<b>Germany (2)</b>	689	841	340	49	24	1 014	384	389
<b>Estonia</b>	37	67	16	2	8	81	39	27
<b>Greece (2)</b>	614	1 483	130	60	293	1 508	618	824
<b>Spain (2)</b>	998	2 129	392	68	366	2 323	744	1 090
<b>France (2)</b>	914	813	593	54	85	1 243	404	481
<b>Ireland (2)</b>	160	234	105	15	27	249	65	135
<b>Italy (2)</b>	1 476	3 601	493	76	788	3 738	1 461	1 950
<b>Cyprus (2)</b>	32	80	10	3	9	86	35	45
<b>Latvia</b>	137	240	49	10	37	261	132	128
<b>Lithuania</b>	222	511	18	13	81	538	269	252
<b>Luxembourg</b>	4	5	3	0	0	6	2	2
<b>Hungary</b>	463	1 325	117	55	195	1 423	663	707
<b>Malta</b>	4	18	2	1	3	18	4	11
<b>Netherlands (2)</b>	186	175	108	6	14	261	93	80
<b>Austria (2)</b>	175	419	96	22	15	441	190	169
<b>Poland</b>	2 274	5 044	745	313	422	5 112	2 384	2 473
<b>Portugal (2)</b>	455	857	137	9	164	911	429	353
<b>Slovenia</b>	95	204	25	3	26	208	96	77
<b>Slovakia</b>	99	159	42	3	20	220	90	67
<b>Finland</b>	84	140	47	7	4	154	53	65
<b>Sweden</b>	71	133	30	4	15	154	53	71
<b>United Kingdom</b>	336	510	186	9	84	648	210	274
<b>Bulgaria (2)</b>	792	1 291	336	34	270	1 351	615	662
<b>Romania (3)</b>	2 700	8 759	338	392	1 719	8 884	4 300	44 462
<b>Norway (2)</b>	64	147	23	6	4	170	62	56

(1) AWU: annual work unit.

(2) 2003.

(3) 2002.

The labour force includes everyone (over the legal age limit) having provided agricultural work on and for the holding during the last 12 months; the work time of each person is recorded as a percentage of a full-time employee; one AWU equals the work of a full-time employee.

Family farm labour force: every member of the holder's family (over the compulsory school age), including the holder himself, having provided agricultural work on and for the holding during the last 12 months.

The farm holder is the legal or natural (physical) person taking benefit of the agricultural activity; they are only accounted for if the individual holders and not a holder of group holdings.

**Table 11.3: Agricultural area by land use**

(1 000 hectares)

	Land area (1)	Utilised agricultural area (2)	Land under permanent crops (3)	Land under cereals (excluding rice) (4)	Permanent grassland (5)	Arable land (6)	Wooded area (7)
<b>EU-25</b>	:	164 051	11 594	51 610	57 124	97 065	:
<b>EU-15</b>	312 422	130 547	11 553	36 078	48 140	72 615	:
<b>Belgium</b>	3 028	1 386	21	323	519	844	617
<b>Czech Republic</b>	7 727	3 606	42	1 612	853	2 703	2 646
<b>Denmark</b>	4 240	2 712	9	1 509	222	2 481	486
<b>Germany</b>	34 895	17 035	198	6 839	4 929	11 903	:
<b>Estonia</b>	4 239	770	2	282	236	517	2 267
<b>Greece</b>	13 065	3 805	1 132	1 221	1 789	2 670	4 007
<b>Spain</b>	49 950	25 690	5 659	6 463	7 264	12 608	18 806
<b>France</b>	:	29 632	1 123	9 162	10 039	18 305	15 500
<b>Ireland</b>	6 889	4 307	2	281	3 098	1 205	:
<b>Italy</b>	29 412	14 710	2 463	3 758	4 411	7 744	10 174
<b>Cyprus</b>	:	136	37	58	1	87	:
<b>Latvia</b>	6 229	1 734	13	469	629	1 092	2 904
<b>Lithuania</b>	6 268	2 837	40	956	891	1 877	2 038
<b>Luxembourg</b>	256	129	2	28	68	60	90
<b>Hungary</b>	8 961	5 864	207	2 932	1 057	4 502	1 775
<b>Malta</b>	32	10	1	:	:	9	:
<b>Netherlands</b>	3 378	1 924	35	222	775	1 099	349
<b>Austria</b>	8 275	3 263	66	796	1 810	1 379	3 202
<b>Poland</b>	30 430	15 906	351	8 329	3 388	12 085	9 173
<b>Portugal</b>	9 147	3 722	773	352	1 507	1 418	3 324
<b>Slovenia</b>	2 014	509	28	95	305	176	1 283
<b>Slovakia</b>	4 810	1 941	26	800	524	1 357	2 005
<b>Finland</b>	30 460	2 267	4	1 188	26	2 234	:
<b>Sweden</b>	41 034	3 201	3	1 013	511	2 687	23 507
<b>United Kingdom</b>	24 082	16 761	32	2 923	5 711	5 484	:
<b>Bulgaria</b>	10 877	5 331	216	1 719	1 801	3 297	3 734
<b>Croatia</b>	5 654	2 139	125	690	914	1 100	1 996
<b>Romania</b>	22 899	14 264	413	5 840	4 665	9 017	7 010
<b>Turkey</b>	:	26 578	2 550	13 842	14 617	26 379	:

(1) EU-15, 2000; Germany and Portugal, 2001; Croatia, 2003.

(2) Estonia, France, Ireland and Bulgaria, 2004; EU-25, EU-15, Cyprus, the United Kingdom and Croatia, 2003; Turkey, 2002.

(3) EU-15, the Czech Republic, Estonia, France, Ireland, the United Kingdom and Bulgaria, 2004; EU-25, Cyprus and Croatia, 2003; Turkey, 2001.

(4) Croatia, 2003; Turkey, 2001.

(5) Estonia, France, Ireland, Bulgaria and Turkey, 2004; Cyprus and Croatia, 2003; EU-25, EU-15 and Greece, 2001.

(6) Estonia, France, Ireland, Cyprus and Bulgaria, 2004; EU-25, EU-15, the United Kingdom and Croatia, 2003; Turkey, 2000.

(7) France and Bulgaria, 2004; Croatia, 2003; Portugal, 2001.

*Land area: total area of the country, excluding inland waters.**Utilised agricultural area: the total area used for crop production, which is exhaustively described as arable land including temporary grassing and fallow and green manure, permanent grassland, land under permanent crops (e.g. fruit and grapes), crops under glass and other utilised agricultural areas.**Permanent crops: crops not grown in rotation, other than permanent grassland, which occupy the soil for a long period and yield crops over several years.**Cereals: herbaceous plants of the graminaceous family (with the exception of buckwheat) cultivated mainly for their grain; the quantities of cereals mixed with dry vegetables are entered in the balance entitled dry vegetables.**Permanent grassland and meadow: land used permanently (for five years or more) to grow herbaceous forage crops, through cultivation (sown) or naturally (self-seeded) and that is not included in the crop rotation on the holding; the land can be used for grazing or mowed for silage or hay.**Arable land: land worked regularly, generally under a system of crop rotation, which includes fallow land.**Wooded area: consists of forest area and other wooded areas.*

**AGRICULTURAL OUTPUT, PRICE INDICES AND INCOME**

The main purpose of the 'Economic accounts for agriculture' (EAA) is to analyse the production process of the agricultural industry and the primary income generated by it. The EAA comprise a production account, a generation of income account, an entrepreneurial income account and some elements of a capital account. For the output items of agricultural, hunting and related service activities, Member States transmit to Eurostat values at basic prices as well as their components (the value at producer prices, subsidies on products and taxes on products). For the items of intermediate consumption, values at purchaser prices are transmitted. The data for the production account and for gross fixed capital formation are transmitted in both current prices and constant prices.

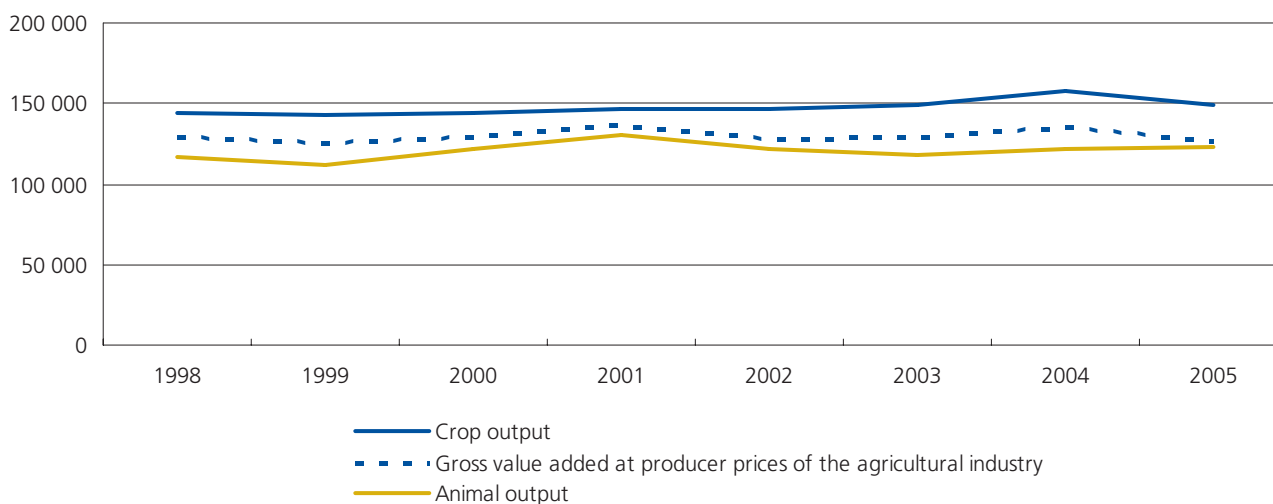
Three income indicators are calculated from the EAA; these are the index of the real income of factors in agriculture per annual work unit (income indicator A), the index of real net agricultural entrepreneurial income per non-salaried annual work unit (indicator B) and net entrepreneurial income of agriculture (indicator C). Annual data for the EAA and the income indicators are currently available for the EU-25 for 1998 to 2005.

Eurostat also collects annual absolute agricultural prices (in principle net of VAT) to compare price levels between Member States and study sales channels. Agricultural price indices for agricultural products and the means of agricultural production, on the other hand, are used principally to analyse price developments and their effect on agricultural income; EU agricultural price indices are obtained by a base-weighted Laspeyres calculation.

There was a sharp decline (-5.9 %) in the gross value added at current producer prices of the agricultural industry (calculated by deducting intermediate consumption from the output of the agricultural industry) in 2005 to EUR 127 162 million (the second lowest point during the period 1998 to 2005). This fall originated mainly from the strong decline (-8.0 %) in real terms (i.e. deflated) of crop output for the EU-25. These developments were behind the sharp decline in EU-25 agricultural income in 2005 (-5.5 % as measured by indicator A), which largely offset the strong rise (up 6.0 %) recorded in 2004.

**Figure 11.3: Agricultural output, EU-25**

(EUR million)



Gross value added at producer prices corresponds to the value of output less the value of intermediate consumption; the price corresponds to the producer price (not including invoiced VAT), i.e. the ex-farm price for agricultural products; the basic price can be obtained from the producer price by adding subsidies less taxes (other than VAT) on products; the definition of the agricultural industry is based on Division 01 of NACE Rev. 1; the concept of output comprises sales, changes in stocks, and products used for processing and own final use by the producers.

**Table 11.4: Agricultural output**

(EUR million)

TAG00054 TAG00055 TAG00056

	Gross value added at producer prices of agricultural industry			Crop output			Animal output		
	1995	2000	2005	1995	2000	2005	1995	2000	2005
<b>EU-25</b>	:	128 726	127 162	:	143 768	149 452	:	121 509	123 318
<b>EU-15</b>	116 105	119 434	116 758	123 974	131 857	135 816	108 333	110 031	109 475
<b>Belgium</b>	2 535	2 557	2 282	3 147	2 931	2 962	3 864	3 841	3 554
<b>Czech Republic</b>	:	981	1 004	:	1 679	1 741	:	1 314	1 552
<b>Denmark</b>	3 287	2 795	2 449	2 876	2 601	2 532	4 741	4 767	4 637
<b>Germany</b>	12 534	13 603	13 909	19 535	18 374	18 473	19 716	19 344	18 946
<b>Estonia</b>	93	140	195	131	146	180	170	180	258
<b>Greece</b>	6 628	6 329	6 349	6 689	6 534	6 982	2 412	2 499	2 640
<b>Spain</b>	15 839	19 484	22 450	14 623	19 539	22 979	10 050	11 692	13 360
<b>France</b>	24 635	24 545	21 281	28 742	30 337	29 479	22 099	22 242	21 582
<b>Ireland</b>	2 348	1 965	1 711	1 165	1 240	1 293	3 797	3 656	3 639
<b>Italy</b>	22 243	25 358	25 019	21 719	24 248	25 026	11 678	13 362	13 215
<b>Cyprus</b>	:	:	:	:	:	-	:	:	-
<b>Latvia</b>	:	197	237	:	199	291	:	220	292
<b>Lithuania</b>	310	393	417	436	622	540	363	481	706
<b>Luxembourg</b>	119	108	96	78	76	83	158	148	152
<b>Hungary</b>	:	1 814	1 747	:	2 321	2 940	:	2 078	2 056
<b>Malta</b>	:	69	44	:	48	39	:	77	63
<b>Netherlands</b>	9 283	9 032	8 147	8 807	9 480	10 134	9 253	8 548	7 993
<b>Austria</b>	2 249	2 220	2 190	2 225	2 116	2 184	2 509	2 513	2 526
<b>Poland</b>	:	4 660	5 689	:	5 992	6 692	:	5 893	7 696
<b>Portugal</b>	2 690	2 465	2 338	3 422	3 601	3 502	2 078	2 194	2 453
<b>Slovenia</b>	432	402	402	456	444	520	490	493	477
<b>Slovakia</b>	510	311	381	591	459	693	802	742	744
<b>Finland</b>	822	727	516	1 388	1 429	1 406	1 750	1 689	1 621
<b>Sweden</b>	1 248	1 135	863	1 610	1 805	1 569	2 236	2 303	2 055
<b>United Kingdom</b>	9 646	7 113	7 160	7 950	7 546	7 211	11 994	11 234	11 102
<b>Bulgaria</b>	:	:	:	1 129	1 305	1 576	1 274	1 448	1 128
<b>FYR of Macedonia</b>	:	:	:	:	586	:	:	191	:
<b>Romania</b>	:	4 121	:	:	4 887	:	:	2 984	:
<b>Norway</b>	762	727	:	1 188	1 210	:	1 504	1 581	:
<b>Switzerland</b>	3 577	3 129	2 545	3 313	3 045	2 684	3 837	3 315	3 104

Gross value added at producer prices corresponds to the value of output less the value of intermediate consumption; the price corresponds to the producer price (not including invoiced VAT), i.e. the ex-farm price for agricultural products; the basic price can be obtained from the producer price by adding subsidies less taxes (other than VAT) on products; the definition of the agricultural industry is based on Division 01 of NACE Rev. 1; the concept of output comprises sales, changes in stocks, and products used for processing and own final use by the producers.

**Table 11.5: Agricultural producer and purchaser prices**

(average annual growth rates of deflated price indices, %)

TAG00047 TAG00053

	Producer prices for total agricultural production		Purchaser prices for intermediate consumption goods and services	
	1995 - 2000	2000 - 2005	1995 - 2000	2000 - 2005
<b>EU-25</b>	1.4	-1.7	4.0	-0.1
<b>EU-15</b>	-2.7	-1.6	-0.5	-0.1
<b>Belgium</b>	-1.7	-1.8	0.0	-0.5
<b>Czech Republic</b>	-4.3	-2.8	-2.3	-0.3
<b>Denmark</b>	-2.5	-3.1	-0.9	0.3
<b>Germany</b>	-2.0	-1.8	0.2	0.0
<b>Estonia</b>	:	3.4	:	:
<b>Greece</b>	-2.0	1.0	-0.7	0.7
<b>Spain</b>	-3.0	-1.2	-0.5	-1.0
<b>France</b>	-1.6	-2.5	-0.1	0.0
<b>Ireland</b>	-4.5	-2.9	-0.9	-0.2
<b>Italy</b>	-2.5	-1.3	-1.5	0.0
<b>Cyprus</b>	:	1.5	:	6.3
<b>Latvia</b>	:	2.8	:	2.2
<b>Lithuania</b>	-8.4	2.1	:	:
<b>Luxembourg</b>	-2.9	-2.2	-0.3	-1.0
<b>Hungary</b>	-1.3	-4.6	1.2	-0.4
<b>Malta</b>	:	-3.0	:	-0.4
<b>Netherlands</b>	-0.8	-2.5	-0.2	-0.6
<b>Austria</b>	-1.8	-1.4	-0.3	-0.2
<b>Poland</b>	:	-2.0	:	:
<b>Portugal</b>	-1.6	-2.6	-1.8	-1.5
<b>Slovenia</b>	-2.7	-2.8	0.9	0.4
<b>Slovakia</b>	-4.6	-5.3	-1.2	-2.6
<b>Finland</b>	-2.3	-1.6	-0.4	0.7
<b>Sweden</b>	-3.2	-2.2	0.5	1.1
<b>United Kingdom</b>	-7.9	0.4	-2.3	1.4
<b>Bulgaria</b>	:	-5.0	:	:
<b>Romania</b>	-8.3	-1.4	:	:

The indices in this table give information on the trends in the producer/purchaser prices; nominal indices are deflated by means of the harmonised indices of consumer prices.



**Table 11.6: Income from agricultural activity**

(2000 = 100)

TAG00057

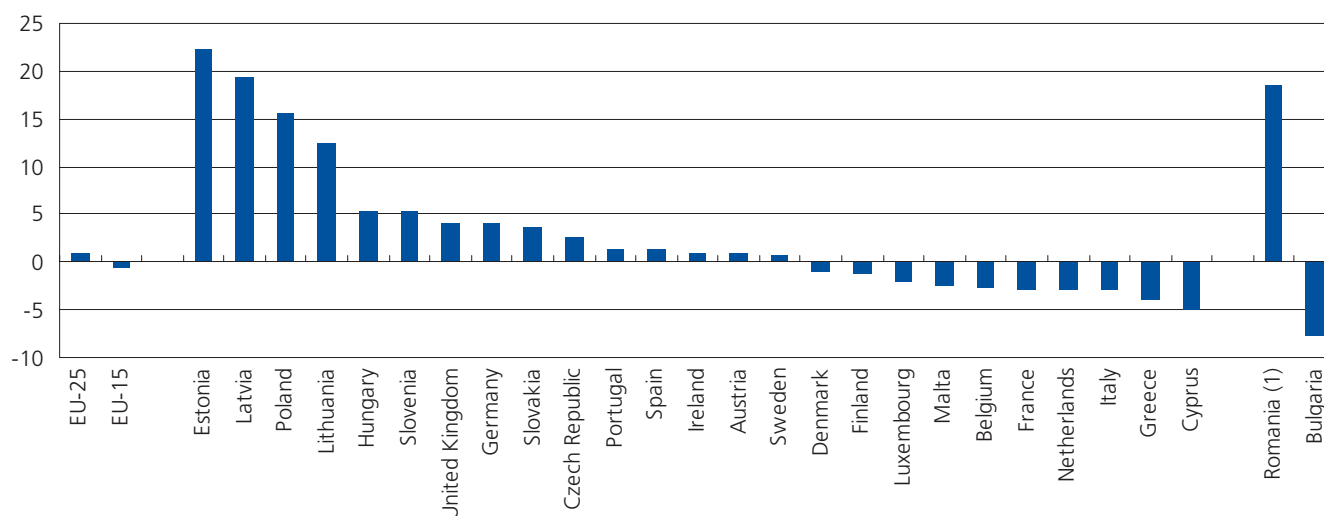
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>EU-25</b>	:	:	:	:	97.4	100.0	105.9	100.1	104.6	110.8	104.8
<b>EU-15</b>	99.0	102.4	101.6	98.0	97.5	100.0	105.7	99.2	102.2	103.7	97.2
<b>Belgium</b>	87.1	96.5	100.6	94.2	87.8	100.0	102.3	92.4	90.1	88.3	87.8
<b>Czech Republic</b>	:	:	:	63.1	52.7	100.0	97.8	64.6	62.7	100.4	113.1
<b>Denmark</b>	112.2	111.6	107.6	83.3	83.0	100.0	112.5	81.5	77.9	92.2	94.7
<b>Germany</b>	75.5	87.5	90.2	81.0	80.1	100.0	125.5	92.7	87.0	125.5	121.7
<b>Estonia</b>	103.9	112.1	111.7	120.6	66.9	100.0	121.2	121.0	172.6	268.2	272.7
<b>Greece</b>	106.0	100.7	101.3	100.5	100.5	100.0	102.1	98.7	91.8	83.6	82.1
<b>Spain</b>	93.0	104.4	105.2	100.8	94.6	100.0	108.0	104.7	118.4	118.5	106.3
<b>France</b>	97.2	97.9	100.6	105.2	102.1	100.0	100.2	98.4	97.9	96.2	86.6
<b>Ireland</b>	98.2	96.8	94.6	91.4	86.3	100.0	98.5	93.3	93.1	89.9	104.8
<b>Italy</b>	88.8	93.8	96.2	96.1	103.7	100.0	100.4	96.2	97.1	96.3	86.3
<b>Cyprus</b>	:	:	:	:	102.5	100.0	112.1	112.3	107.2	96.3	77.3
<b>Latvia</b>	:	:	:	119.5	88.1	100.0	119.2	123.2	124.0	214.8	243.1
<b>Lithuania</b>	:	:	111.5	146.3	126.0	100.0	106.9	71.5	89.7	144.3	179.8
<b>Luxembourg</b>	106.4	110.3	101.4	111.3	105.0	100.0	99.0	101.7	96.3	91.6	90.2
<b>Hungary</b>	:	:	:	131.8	113.1	100.0	106.9	90.9	91.7	142.1	129.9
<b>Malta</b>	:	:	:	117.0	110.5	100.0	107.5	99.3	88.8	94.1	88.2
<b>Netherlands</b>	114.5	109.8	118.6	106.5	98.9	100.0	97.9	84.1	89.8	81.2	86.5
<b>Austria</b>	112.0	105.8	96.1	94.3	94.0	100.0	115.7	108.7	107.7	108.0	104.4
<b>Poland</b>	:	:	:	113.3	98.1	100.0	114.9	104.8	103.5	201.9	205.7
<b>Portugal</b>	106.9	122.7	104.7	96.2	116.8	100.0	120.0	112.7	119.0	121.0	106.6
<b>Slovenia</b>	98.2	87.4	101.2	99.1	92.6	100.0	86.3	117.3	89.4	134.7	129.1
<b>Slovakia</b>	100.7	105.8	108.8	96.5	102.9	100.0	114.6	108.3	93.4	133.5	119.3
<b>Finland</b>	97.3	80.2	79.3	65.2	82.3	100.0	98.8	97.8	96.6	94.5	94.3
<b>Sweden</b>	98.5	96.5	102.2	104.6	92.0	100.0	108.2	108.3	109.1	106.0	103.1
<b>United Kingdom</b>	170.5	159.5	123.0	105.6	103.4	100.0	106.3	116.2	138.5	127.0	122.5
<b>Bulgaria</b>	:	:	:	:	:	100.0	111.8	:	84.7	83.9	67.4
<b>Romania</b>	:	:	:	158.2	120.9	100.0	151.2	160.3	199.6	283.4	:

Indicator A of the income from agricultural activity: indicator A corresponds to the deflated (real) net value added at factor cost of agriculture, per total annual work unit; the implicit price index of GDP is used as deflator.

**Figure 11.4: Income from agricultural activity, 2000–05**

(average annual growth rates, %)

TAG00057



(1) Average annual growth rate over the period 2000–04.

### AGRICULTURAL PRODUCTS

Statistics on the production of 200 specific crops are mostly covered by Council regulations although the data for fresh fruit and vegetables are collected under gentlemen's agreements from Member States. Data for milk, eggs and meat product are also compiled according to Community legislation. Data are collected principally for crop areas and yields, production in terms of tonnes and head of livestock.

The principal meat product in the EU is pig meat (17.9 million tonnes for the EU-15 in 2005), followed by poultry meat (8.4 million tonnes in 2005) and then beef/veal (7.3 million tonnes in 2005). Since 1995, when the output of poultry meat and beef/veal were similar at about 8.0 million tonnes in the

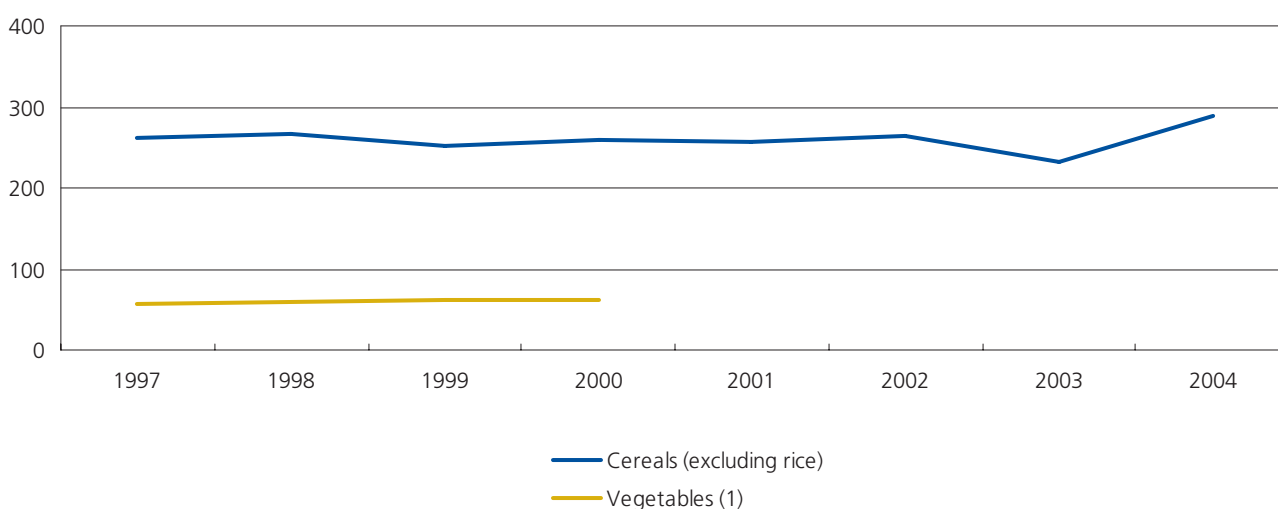
EU-15, the output of poultry production rose steadily to a maximum of 9.4 million tonnes in 2001 and 2002, before falling back to levels that were only just above those of 1995, while beef/veal output declined. Since 1999 the output of pig meats in the EU-15 has remained fairly stable.

Milk production has been controlled under a system of milk quotas, which explains why the collection of cows' milk in the EU-15 has remained relatively steady. In 2004, cereals production for the EU-25 reached 290 million tonnes, although figures from the EAA for 2005 suggest a steep decline, particularly on the Iberian peninsula.

**Figure 11.5: Production of cereals (excluding rice) and vegetables, EU-25**

(million tonnes)

TAG00031 TAG00097



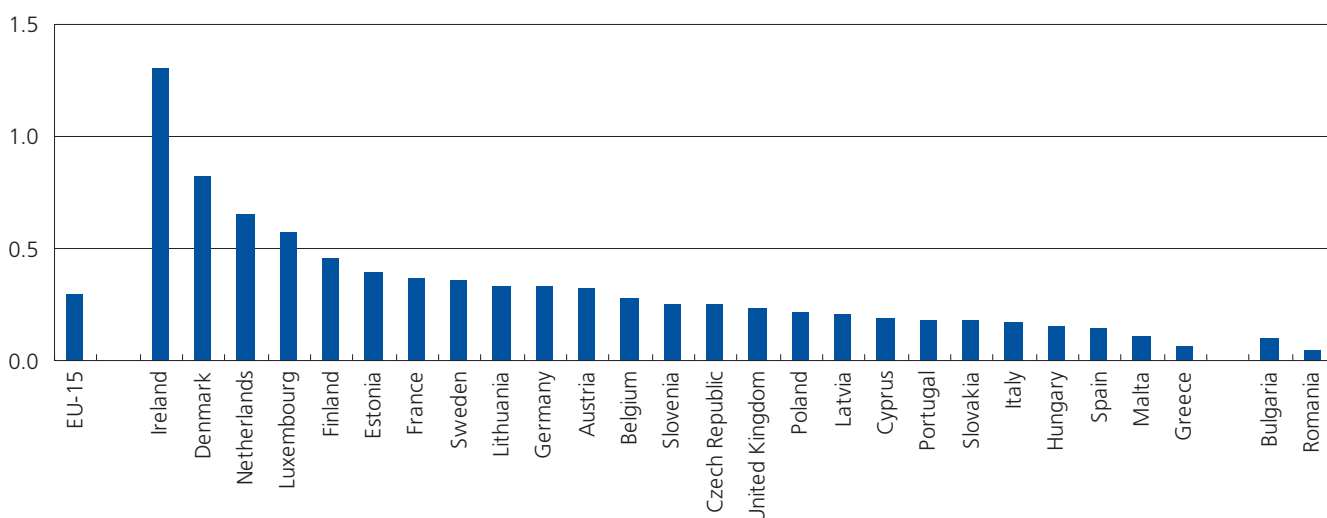
(1) Not available for 2001–04.

Production of cereals is harvested production (not including the losses to the harvest); cereals include wheat, barley, maize, other cereals. Vegetables: destined for industrial processing and direct to market.

**Figure 11.6: Collection of cows' milk per capita, 2004 (1)**

(tonnes per inhabitant)

TAG00037



(1) EU-25 not available.

Cows' milk collected in farms by approved dairies: a distinction should be made between milk collected by dairies and milk production on the farm; milk collection is only a part of the total use of milk production on the farm; the other part of the use of milk produced on the farm generally includes domestic consumption, direct sale and cattle feed.

Table 11.7: Agricultural production, 2005

(1 000 tonnes)

TAG00031 TAG00037 TAG00042 TAG00043 TAG00044 TAG00097

	Cereals (1)	Vegetables (2)	Collection of cows' milk (3)	Cattle (4)	Pigs (5)	Poultry (6)
<b>EU-25</b>	289 972	61 757	131 422	:	:	10 256
<b>EU-15</b>	199 365	52 894	109 448	7 276	17 922	8 259
<b>Belgium</b>	2 818	1 531	2 868	267	1 013	321
<b>Czech Republic</b>	7 660	296	2 546	81	380	241
<b>Denmark</b>	9 283	221	4 449	136	1 793	186
<b>Germany</b>	45 980	2 839	27 311	1 165	4 499	994
<b>Estonia</b>	760	36	571	13	38	:
<b>Greece</b>	4 230	4 027	696	58	130	163
<b>Spain</b>	13 274	12 930	5 914	724	3 164	1 303
<b>France</b>	64 093	5 878	23 325	1 555	2 275	1 797
<b>Ireland</b>	1 939	274	5 061	546	205	121
<b>Italy</b>	20 092	14 420	10 127	1 114	1 515	695
<b>Cyprus</b>	60	127	144	4	55	:
<b>Latvia</b>	1 314	159	502	20	38	17
<b>Lithuania</b>	2 811	225	1 202	47	106	56
<b>Luxembourg</b>	161	2	258	10	11	0
<b>Hungary</b>	16 770	1 547	1 609	32	456	376
<b>Malta</b>	:	60	42	1	9	5
<b>Netherlands</b>	1 857	4 155	10 407	396	1 297	670
<b>Austria</b>	4 898	511	2 619	204	509	107
<b>Poland</b>	26 928	4 772	8 821	306	1 926	1 036
<b>Portugal</b>	668	1 670	1 911	118	327	251
<b>Slovenia</b>	576	88	508	37	32	53
<b>Slovakia</b>	3 585	141	968	26	140	92
<b>Finland</b>	4 058	226	2 362	85	203	87
<b>Sweden</b>	5 051	227	3 163	136	275	104
<b>United Kingdom</b>	21 037	2 665	14 038	762	706	1 581
<b>Bulgaria</b>	5 819	477	798	66	243	:
<b>Croatia</b>	2 356	441	297	27	114	:
<b>Romania</b>	19 710	4 685	1 068	150	617	:
<b>Turkey</b>	30 427	26 517	:	:	:	:
<b>Iceland</b>	3	:	113	:	:	:
<b>Norway</b>	1 203	:	1 686	:	:	:

(1) EU-25 and Hungary, 2004; Croatia and Turkey, 2003; Norway, 2001; Iceland, 1997.

(2) Denmark, Greece, and Finland, 2004; Belgium, the Czech Republic, Spain, Portugal, Croatia and Romania, 2003; Sweden, 2002; Germany, 2001; EU-25, EU-15 and Ireland, 2000.

(3) All data for 2005, except: Croatia, 2000; Norway, 1996.

(4) Bulgaria and Croatia, 2000; Romania, 1998.

(5) EU-15, 2003; Bulgaria and Croatia, 2000; Romania, 1998.

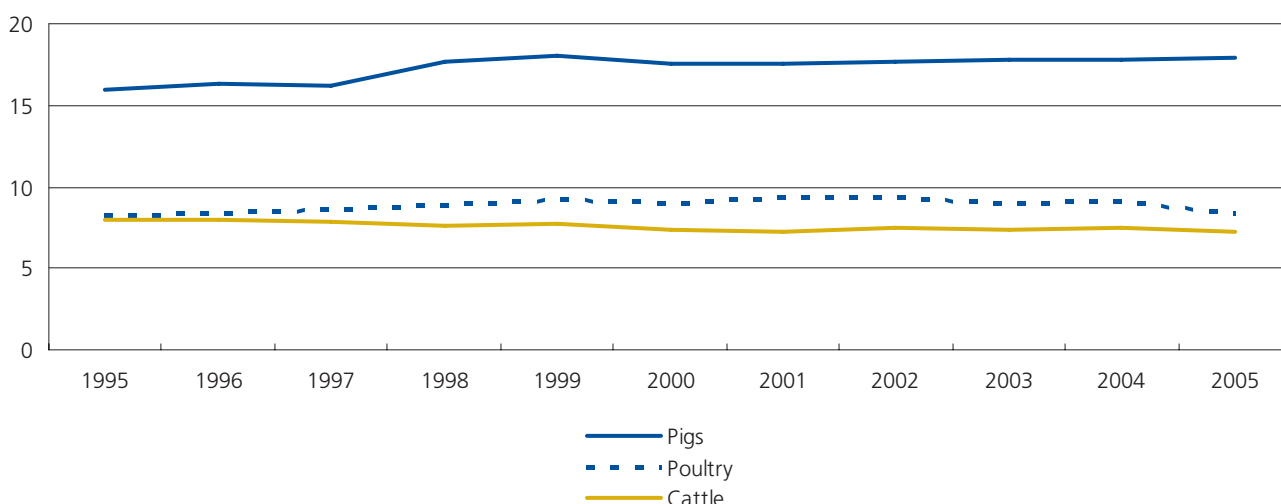
(6) All data for 2005, except: Belgium and Ireland, 2002.

*Production of cereals is harvested production (not including the losses to the harvest); cereals include wheat, barley, maize, other cereals.**Vegetables: destined for industrial processing and direct to market.**Cows' milk collected in farms by approved dairies: a distinction should be made between milk collected by dairies and milk production on the farm; milk collection is only a part of the total use of milk production on the farm; the other part of the use of milk produced on the farm generally includes domestic consumption, direct sale and cattle feed.**Production of meat: covers the carcass weight of animals slaughtered in slaughterhouses and on the farm, whose meat is declared fit for human consumption.*

**Figure 11.7: Production of meat, EU-15**

(million tonnes)

TAG00042 TAG00043 TAG00044

**FORESTRY**

The EU's major objectives in relation to forestry are:

- the promotion of the sustainable development of the EU forestry sector as a contribution to rural development and, in particular, to the creation and preservation of jobs in rural areas;
- the protection of the natural environment and forest heritage by ensuring the role of forests and forestry in soil protection, erosion control, water regulation, improvement of air quality, carbon sequestration, mitigation and adaptation of climate change effects, and conservation of biodiversity;
- to enhance the sustainable forest management within the framework of the internal market, and in line with the Union's international obligations;
- to contribute to the competitiveness of the EU forest-based industries;
- to improve forest monitoring instruments in accordance with the requirements of existing environmental agreements;
- to increase the use of sustainably produced wood and other forest products, as environment-friendly and climate-neutral sources of materials and energy;
- to promote sustainable and equitable forest management as a means of reducing poverty and thus contribute effectively to the EU's development policy.

In 2006 the Commission has underpinned its support for enhancing sustainable forest management and the multifunctional role of forests by adopting an EU forest action plan. The action plan provides a framework for forest-related actions at Community and Member States levels and will serve as an instrument of coordination between Community actions and the forest policies of the Member States.

For many years, Eurostat has worked in close cooperation with international organisations in the Intersecretariat Working Group (IWG) on Forest Sector Statistics, with the aim of reducing the duplication of work. The IWG brings together Eurostat, the United Nations Economic Commission for Europe (UNECE), the Food and Agriculture Organisation of the United Nations (FAO) and the International Tropical Timber Organisation (ITTO) in collecting forest sector statistics; the European Commission's Directorates-General for Agriculture and Rural Development, for Enterprise and Industry, and for the Environment are also represented.

The primary tool for statistical cooperation is the joint Eurostat/UNECE/FAO/ITTO forest sector questionnaire (JFSQ) on production and trade of roundwood and forest industry products, which is used by all organisations; each agency collects data from the countries for which it is responsible. Within this framework, Eurostat is responsible for the replies of EU and EFTA Member States.

Between 1996 and 2000 there was a relatively steep increase in the volume of roundwood production in the EU-25 from 302 million cubic metres to 370 million cubic metres. Although there was a subsequent decline, the 2000 peak was surpassed in 2004 when production reached 372 cubic metres. There were also strong increases in the production of sawnwood and paper and paperboard in the decade up to 2004 (with overall increases of 27 % and 33 % respectively). A large majority of sawnwood production (83 %) and paper and paperboard production (94 %) in the EU-25 in 2004 came from EU-15 Member States; between 1994 and 2004 these proportions barely changed.

Table 11.8: Wood production

(1 000 m<sup>3</sup>)

TAG00072 TAG00073

	Total roundwood production					Total sawnwood production				
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004
<b>EU-25</b>	369 865	341 632	349 135	366 474	371 892	96 364	94 369	95 017	97 522	101 020
<b>EU-15</b>	286 347	259 626	263 460	276 065	282 423	79 356	78 736	78 894	80 586	83 361
<b>Belgium</b>	4 510	4 215	4 500	4 765	4 850	1 150	1 275	1 175	1 215	1 235
<b>Czech Republic</b>	14 441	14 374	14 541	15 140	15 601	4 106	3 889	3 800	3 805	3 940
<b>Denmark</b>	2 952	1 613	1 446	1 627	1 627	364	283	244	248	196
<b>Germany</b>	53 710	39 483	42 380	51 182	54 504	16 340	16 131	17 119	17 596	19 850
<b>Estonia</b>	8 910	10 200	10 500	10 500	6 800	1 436	1 623	1 825	1 954	2 029
<b>Greece</b>	2 245	1 916	1 591	1 673	1 526	123	123	196	191	191
<b>Spain</b>	14 321	15 131	15 839	16 105	16 290	3 760	4 275	3 524	3 630	3 730
<b>France</b>	45 828	39 831	35 449	32 828	33 647	10 536	10 518	9 815	9 539	9 774
<b>Ireland</b>	2 673	2 455	2 646	2 683	2 562	888	925	818	1 005	939
<b>Italy</b>	9 329	8 099	7 511	8 219	8 697	1 630	1 600	1 605	1 590	1 580
<b>Cyprus</b>	21	18	15	12	10	9	9	7	6	5
<b>Latvia</b>	14 304	12 841	13 466	12 916	12 754	3 900	3 840	3 947	3 951	3 988
<b>Lithuania</b>	5 500	5 700	6 115	6 275	6 120	1 300	1 200	1 300	1 400	1 450
<b>Luxembourg</b>	260	270	257	257	277	133	133	133	133	133
<b>Hungary</b>	5 902	5 811	5 836	5 785	5 660	291	264	293	299	205
<b>Malta</b>	0	0	0	0	0	0	0	0	0	0
<b>Netherlands</b>	1 039	865	839	1 044	1 026	389	268	258	269	273
<b>Austria</b>	13 276	13 467	14 846	17 055	16 483	10 390	10 227	10 415	10 473	11 133
<b>Poland</b>	26 025	25 016	27 137	30 836	32 733	4 262	3 083	3 180	3 360	3 743
<b>Portugal</b>	10 831	8 946	8 742	9 673	11 553	1 427	1 492	1 298	1 383	1 100
<b>Slovenia</b>	2 253	2 257	2 283	2 591	2 551	439	460	506	511	461
<b>Slovakia</b>	6 163	5 788	5 782	6 355	7 240	1 265	1 265	1 265	1 651	1 837
<b>Finland</b>	54 262	52 210	53 011	53 778	53 800	13 420	12 770	13 390	13 745	13 544
<b>Sweden</b>	63 300	63 200	66 600	67 100	67 300	16 176	15 988	16 172	16 800	16 900
<b>United Kingdom</b>	7 811	7 926	7 802	8 075	8 281	2 630	2 728	2 731	2 768	2 783
<b>Bulgaria</b>	4 784	3 992	4 833	4 833	4 833	312	332	332	332	332
<b>Croatia</b>	3 669	3 468	3 641	3 847	3 841	642	574	640	585	582
<b>Romania</b>	13 148	12 424	15 154	15 440	15 777	3 396	3 059	3 696	4 246	4 588
<b>Turkey</b>	15 939	15 337	16 122	15 810	16 503	5 528	5 036	5 579	5 615	6 215
<b>Iceland</b>	0	0	0	0	0	0	0	0	0	0
<b>Norway</b>	8 156	8 996	8 652	8 298	8 782	2 280	2 253	2 225	2 186	2 230
<b>Switzerland</b>	9 238	5 662	4 557	5 120	5 132	1 625	1 400	1 392	1 345	1 505
<b>United States</b>	466 549	449 114	448 000	448 513	458 310	91 076	86 015	88 643	86 159	87 436

Roundwood production (the term is used as a synonymous term for removals) comprises all quantities of wood removed from the forest and other wooded land or other felling site during a certain period of time.

Sawnwood: wood that has been produced either by sawing lengthways or by a profile-chipping process and that exceeds 6 mm in thickness; it includes planks, beams, joists, boards, rafters, scantlings, laths, boxboards and lumber, etc., in the following forms — unplanned, planed, end-jointed, etc.

**Table 11.9: Total paper and paperboard production**

(1 000 tonnes)

TAG00074

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	72 379	75 710	76 931	79 831	81 697	84 367	89 222	87 462	89 775	91 763	95 927
<b>EU-15</b>	69 197	71 844	73 016	75 806	77 542	79 961	84 519	82 233	84 446	86 532	90 316
<b>Belgium (1)</b>	1 088	1 416	1 509	1 618	1 831	1 666	1 727	1 662	1 704	1 919	1 957
<b>Czech Republic</b>	700	756	741	750	768	770	804	864	870	920	934
<b>Denmark</b>	345	362	367	390	393	397	263	389	384	388	402
<b>Germany</b>	14 457	15 284	15 458	15 911	16 311	16 742	18 182	17 879	18 526	19 310	20 391
<b>Estonia</b>	42	36	41	38	43	48	54	70	75	64	66
<b>Greece</b>	750	833	749	604	622	352	496	495	264	223	224
<b>Spain</b>	3 503	3 684	3 768	3 668	3 545	4 436	4 765	5 131	5 365	5 437	5 526
<b>France</b>	8 701	8 302	8 420	8 867	9 161	9 603	10 006	9 625	9 809	9 939	10 255
<b>Ireland</b>	0	42	42	42	42	42	43	43	44	45	45
<b>Italy</b>	6 705	6 949	7 194	7 929	8 254	8 568	9 129	8 926	9 317	9 491	9 667
<b>Cyprus</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Latvia</b>	4	18	19	21	18	19	16	24	33	38	38
<b>Lithuania</b>	23	70	64	42	37	37	53	68	78	92	99
<b>Luxembourg (2)</b>	:	:	:	:	:	0	0	0	0	0	0
<b>Hungary</b>	328	321	363	410	482	473	506	495	517	546	579
<b>Malta</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Netherlands</b>	3 011	2 962	3 011	3 130	3 180	3 256	3 333	3 174	3 346	3 339	3 459
<b>Austria</b>	3 603	3 614	3 720	3 884	4 009	4 141	4 385	4 250	4 419	4 565	4 852
<b>Poland</b>	1 326	1 477	1 528	1 660	1 718	1 839	1 934	2 086	2 342	2 461	2 635
<b>Portugal</b>	949	1 050	1 086	1 114	1 136	1 163	1 290	1 419	1 537	1 530	1 674
<b>Slovenia</b>	460	449	456	430	491	417	411	633	704	436	462
<b>Slovakia</b>	299	739	701	674	597	803	925	988	710	674	798
<b>Finland</b>	10 972	11 922	12 081	12 519	12 703	12 947	13 509	12 502	12 789	13 058	14 036
<b>Sweden</b>	9 284	9 120	9 236	9 654	9 879	10 071	10 786	10 534	10 724	11 061	11 589
<b>United Kingdom</b>	5 829	6 305	6 375	6 476	6 477	6 576	6 605	6 204	6 218	6 226	6 240
<b>Bulgaria</b>	151	153	153	153	153	126	136	171	171	171	171
<b>Croatia</b>	248	324	304	395	403	417	406	451	467	463	464
<b>Romania</b>	288	375	288	298	301	289	340	395	370	443	462
<b>Turkey</b>	1 102	1 305	1 265	1 282	1 357	1 349	1 567	1 513	1 643	1 643	1 643
<b>Iceland</b>	0	0	0	0	0	:	:	:	:	:	:
<b>Norway</b>	2 148	2 283	2 246	2 162	2 260	2 241	2 300	2 220	2 114	2 186	2 294
<b>Switzerland</b>	1 450	1 145	1 282	1 462	1 592	1 755	1 616	1 750	1 805	1 818	1 777
<b>United States</b>	80 946	76 477	82 726	86 916	86 469	88 670	86 252	81 249	81 879	80 712	83 612

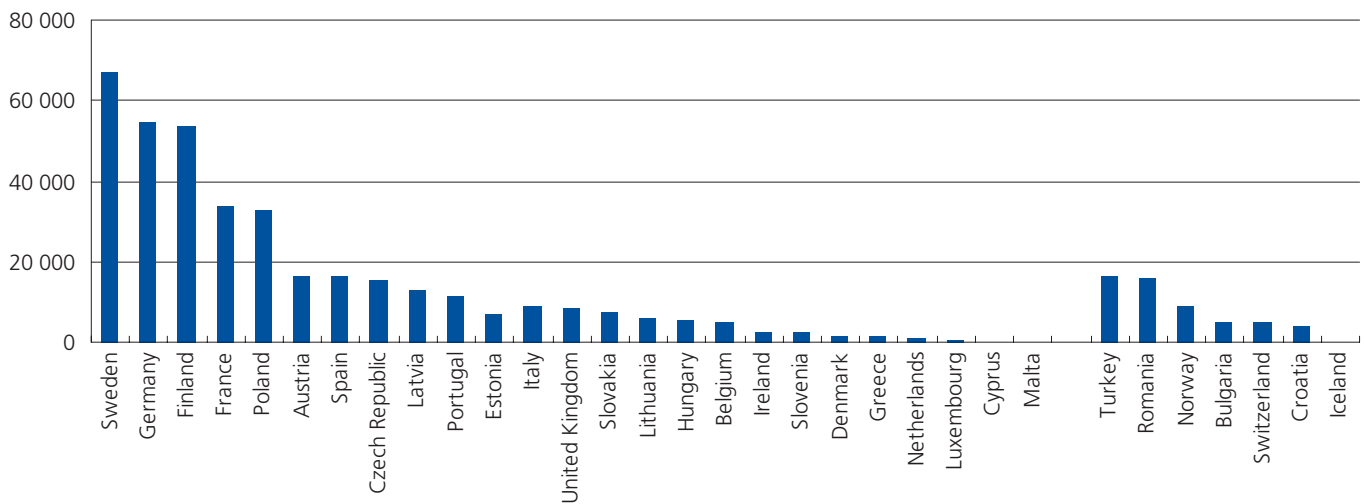
(1) 1994–98, including Luxembourg.

(2) 1994–98, included within Belgium.

Paper and paperboard comprises the sum of graphic papers; sanitary and household papers; packaging materials and other paper and paperboard; it excludes manufactured paper products such as boxes, cartons, books and magazines.

**Figure 11.8: Roundwood production, 2004 (1)**(1 000 m<sup>3</sup>)

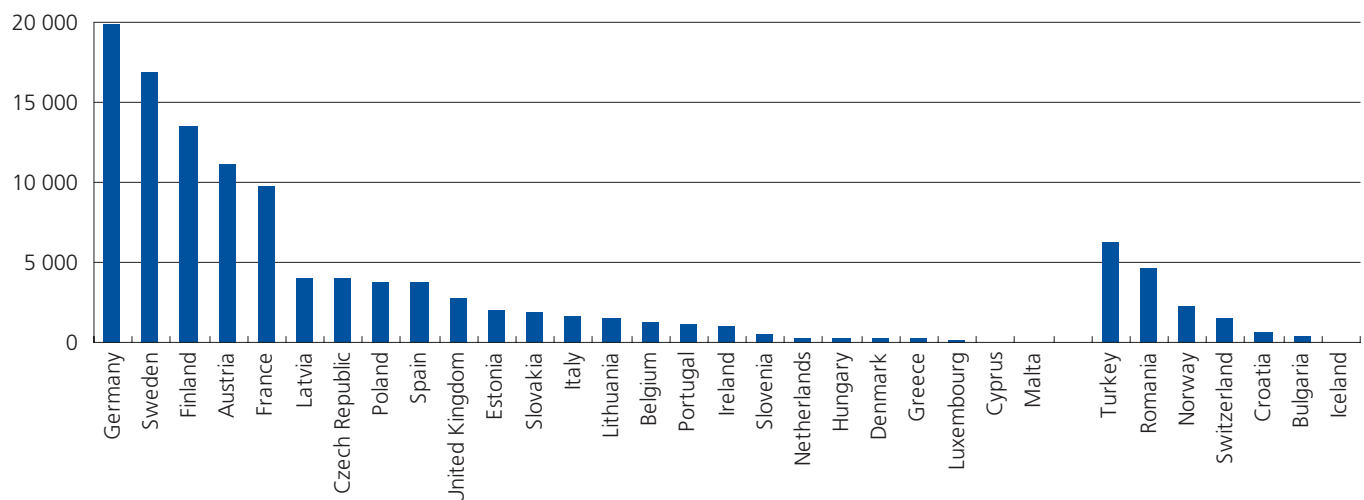
TAG00072

(1) EU-25 roundwood production was 371.9 million m<sup>3</sup> in 2004.

Roundwood production (the term is used as a synonymous term for removals) comprises all quantities of wood removed from the forest and other wooded land or other felling site during a certain period of time.

**Figure 11.9: Sawnwood production, 2004 (1)**(1 000 m<sup>3</sup>)

TAG00073

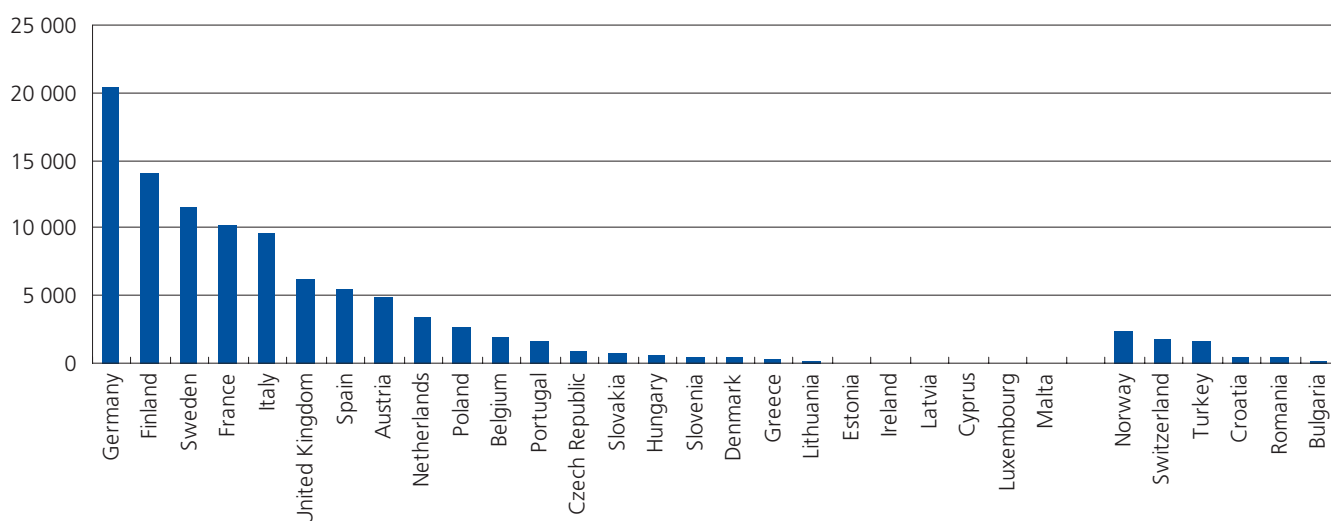
(1) EU-25 sawnwood production was 101.0 million m<sup>3</sup> in 2004.

Sawnwood: wood that has been produced either by sawing lengthways or by a profile-chipping process and that exceeds 6 mm in thickness; it includes planks, beams, joists, boards, rafters, scantlings, laths, boxboards and lumber, etc., in the following forms — unplanned, planed, end-jointed, etc.

**Figure 11.10: Paper and paperboard production, 2004 (1)**

(1 000 tonnes)

TAG00074

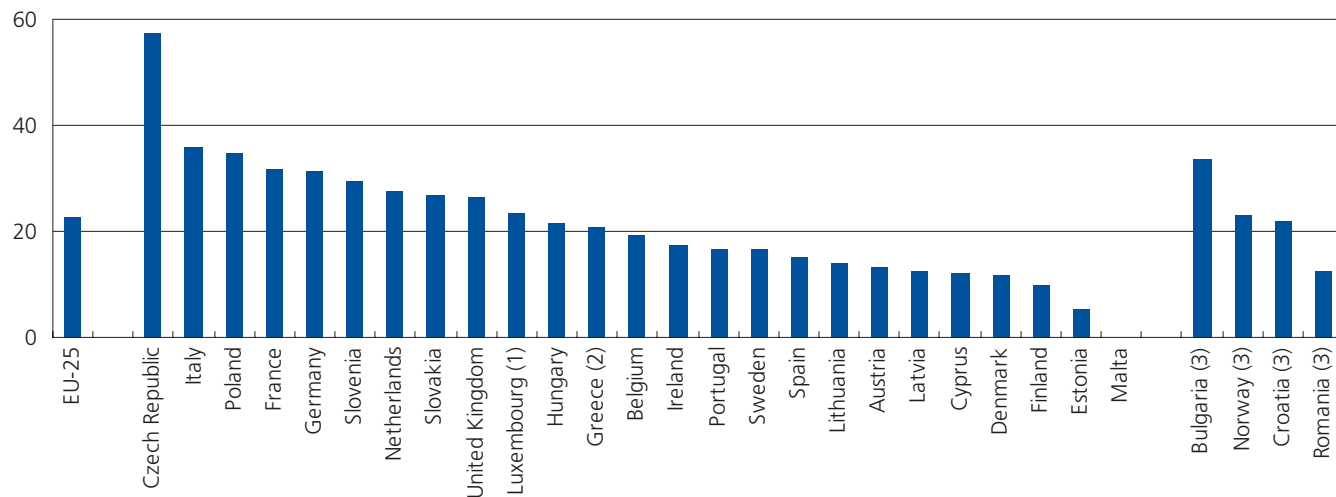


(1) EU-25 paper and paperboard production was 96.1 million tonnes in 2004.

Paper and paperboard comprises the sum of graphic papers; sanitary and household papers; packaging materials and other paper and paperboard; it excludes manufactured paper products such as boxes, cartons, books and magazines.

**Figure 11.11: Forest trees damaged by defoliation, 2004**

(%)



(1) 2000.

(2) 2002.

(3) 2003.

The percentage of trees on forest and other wooded land in the defoliation classes moderate, severe and dead.



## FISHERIES

The first common measures in the fishing sector date from 1970. They set rules for access to fishing grounds, markets and structures. All these measures became more significant when, in 1976, Member States followed an international movement and agreed to extend their rights to marine resources from 12 to 200 miles from their coasts. After years of difficult negotiations, the common fisheries policy (CFP), the European Union's instrument for the management of fisheries and aquaculture, was born in 1983.

The EU has a common fisheries policy in order to manage fisheries for the benefit of both fishing communities and consumers, and for the protection of resources. Common measures are agreed in four main areas:

- conservation - to protect fish resources by regulating the amount of fish taken from the sea, by allowing young fish to reproduce, and by ensuring that measures are respected;
- structures - to help the fishing and aquaculture industries adapt their equipment and organisations to the constraints imposed by scarce resources and the market;
- markets - to maintain a common organisation of the market in fish products and to match supply and demand for the benefit of both producers and consumers;
- relations with the outside world - to set-up fisheries agreements and to negotiate at an international level within regional and international fisheries organisations for common conservation measures in deep-sea fisheries.

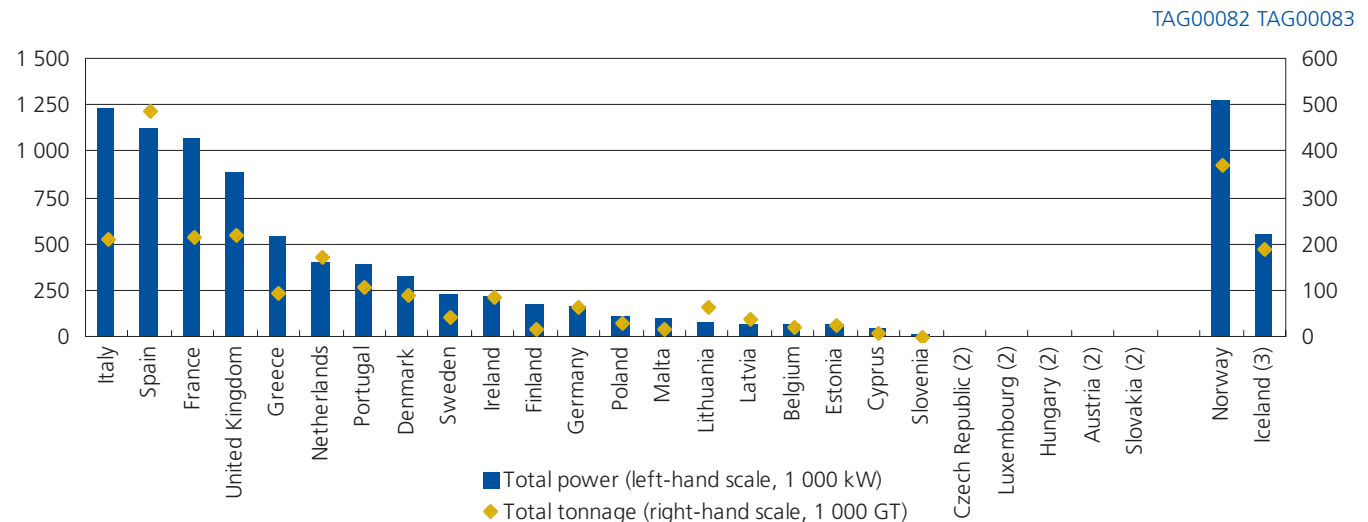
Fish stocks need to renew themselves as fish die through natural causes, fishing, or other causes. The CFP sets maximum quantities of fish that can be safely caught every year: the total allowable catch (TAC). Each country's share is called a national quota.

The 2002 reform of the CFP identified the need to limit fishing efforts, the level of catches, and to enforce certain technical measures. The Financial Instrument for Fisheries Guidance (FIFG) funds projects in all branches of fishing and aquaculture with respect to the modernisation of the fishing fleet, as well as the removal of excess fishing capacity. The FIFG covers the period 2000–06 and will be replaced by the European Fisheries Fund (EFF) covering the period 2007–13.

As regards fleet management, the 2002 CFP reform introduced a simpler system for limiting fishing capacity within the EU fleet. The new system gives more responsibility to the Member States to achieve a better balance between the fishing capacity of their fleets and available resources.

Fishery statistics are derived from official national sources either directly by Eurostat for the EEA member countries or indirectly through other international organisations for other countries. The data are collected using internationally agreed concepts and definitions developed by the Coordinating Working Party on Fishery Statistics, comprising Eurostat and several other international organisations with responsibilities in fishery statistics.

Figure 11.12: Fishing fleet, 2005 (1)



(1) EU-15 total power was 6 787 000 kW in 2005; EU-15 total tonnage was 1 837 000 GT in 2005.

(2) Landlocked country, has no marine fishing fleet.

(3) 2004.

Source: European Commission, Directorate General for Fisheries and Maritime Affairs

*Fishing fleet — total power: the total power, expressed in kilowatts, of the fishing fleets of EU Member States, Iceland and Norway; the EU data are supplied by the Directorate-General for Fisheries and Maritime Affairs from the EU's administrative file of fishing vessels, with the data for Iceland and Norway being supplied to Eurostat directly by the national authorities; in general the data refer to the fleet size on 31 December of the reference year.*

*Fishing fleet — total tonnage: the total tonnage of the fishing fleets of EU Member States, Iceland and Norway.*



Since 1995, when annual catches by the EU-25 in all regions were 8.0 million tonnes, there has been a downward trend in catches to 5.9 million tonnes in 2004 and a reduction in the proportion of the world catch taken by the EU-25 from 8.6 % to 6.2 % (2004). These declines have seen the EU fishing fleet downsize, in terms of power, from 8.2 million kilowatts in 1995 to 6.8 million kilowatts in 2005 for the EU-15. Although there

has been an increase in aquaculture production during the same period (from 1.1 million tonnes of live weight to 1.4 million tonnes) the shortfall in EU-25 production has been met by rising imports from non-member countries (the value of extra-EU-25 imports of fishery products rising overall by 27.1 % between 1999 and 2005).

**Table 11.10: Total catches in all fishing regions**

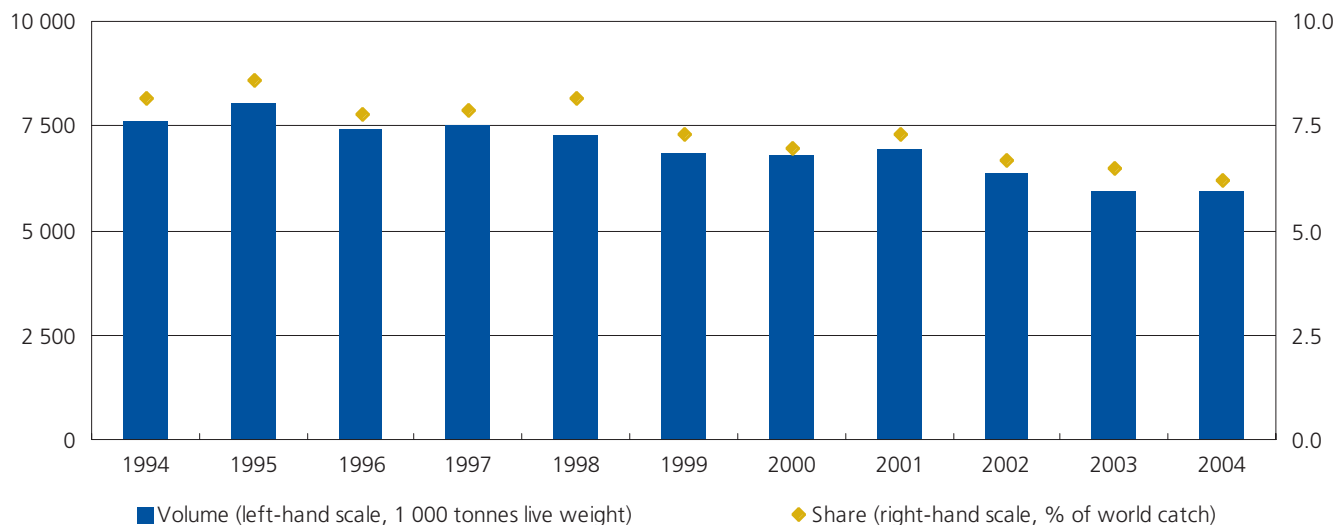
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	(1 000 tonnes live weight)					(% of world catch)				
	2000	2001	2002	2003	2004	2000	2001	2002	2003	2004
<b>EU-25</b>	6 780	6 921	6 348	5 913	5 942	7.0	7.4	6.7	6.5	6.2
<b>EU-15</b>	6 150	6 216	5 740	5 364	5 357	6.4	6.6	6.1	5.9	5.6
<b>Belgium</b>	30	30	29	27	27	0.0	0.0	0.0	0.0	0.0
<b>Czech Republic</b>	5	5	5	5	5	0.0	0.0	0.0	0.0	0.0
<b>Denmark</b>	1 534	1 511	1 442	1 031	1 090	1.6	1.6	1.5	1.1	1.1
<b>Germany</b>	205	211	224	261	262	0.2	0.2	0.2	0.3	0.3
<b>Estonia</b>	113	105	102	79	88	0.1	0.1	0.1	0.1	0.1
<b>Greece</b>	99	94	96	93	93	0.1	0.1	0.1	0.1	0.1
<b>Spain</b>	1 070	1 109	893	897	854	1.1	1.2	0.9	1.0	0.9
<b>France</b>	703	681	706	709	669	0.7	0.7	0.7	0.8	0.7
<b>Ireland</b>	276	356	282	266	280	0.3	0.4	0.3	0.3	0.3
<b>Italy</b>	302	310	270	296	279	0.3	0.3	0.3	0.3	0.3
<b>Cyprus</b>	67	81	2	2	2	0.1	0.1	0.0	0.0	0.0
<b>Latvia</b>	136	128	114	115	125	0.1	0.1	0.1	0.1	0.1
<b>Lithuania</b>	79	151	150	157	162	0.1	0.2	0.2	0.2	0.2
<b>Luxembourg</b>	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>Hungary</b>	7	7	7	7	7	0.0	0.0	0.0	0.0	0.0
<b>Malta</b>	1	1	1	1	1	0.0	0.0	0.0	0.0	0.0
<b>Netherlands</b>	496	518	464	526	522	0.5	0.6	0.5	0.6	0.5
<b>Austria</b>	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>Poland</b>	218	225	223	180	192	0.2	0.2	0.2	0.2	0.2
<b>Portugal</b>	191	193	202	213	221	0.2	0.2	0.2	0.2	0.2
<b>Slovenia</b>	2	2	2	1	1	0.0	0.0	0.0	0.0	0.0
<b>Slovakia</b>	1	2	2	2	2	0.0	0.0	0.0	0.0	0.0
<b>Finland</b>	156	150	146	122	135	0.2	0.2	0.2	0.1	0.1
<b>Sweden</b>	339	312	295	287	270	0.4	0.3	0.3	0.3	0.3
<b>United Kingdom</b>	748	740	690	635	655	0.8	0.8	0.7	0.7	0.7
<b>Bulgaria</b>	7	7	15	12	8	0.0	0.0	0.0	0.0	0.0
<b>Romania</b>	7	8	7	10	5	0.0	0.0	0.0	0.0	0.0
<b>Turkey</b>	503	528	567	508	550	0.5	0.6	0.6	0.6	0.6
<b>Iceland</b>	2 000	2 001	2 145	2 002	1 750	2.1	2.1	2.3	2.2	1.8
<b>Liechtenstein</b>	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>Norway</b>	2 700	2 687	2 740	2 549	2 524	2.8	2.9	2.9	2.8	2.6
<b>Switzerland</b>	2	2	2	2	2	0.0	0.0	0.0	0.0	0.0
<b>Japan</b>	5 105	4 825	4 489	4 779	4 516	5.3	5.2	4.8	5.2	4.7
<b>United States</b>	4 807	5 020	5 006	4 989	4 995	5.0	5.3	5.3	5.4	5.2

Annual catches in all regions: the total annual catch of fishery products by EU Member States, Iceland and Norway and other major fishing nations from all oceans and internal waters of the world; the data are expressed in the live weight equivalent of the landings; this is the weight as the product is taken from the water (that is, before processing) but excludes any products which, for a variety of reasons, are not landed.

Figure 11.13: Total catches in all fishing regions, EU-25

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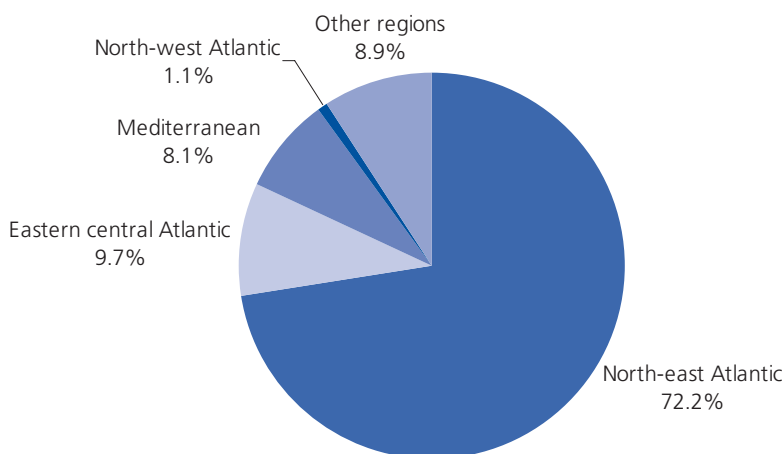


Annual catches in all regions: the total annual catch of fishery products by EU Member States, Iceland and Norway and other major fishing nations from all oceans and internal waters of the world; the data are expressed in the live weight equivalent of the landings; this is the weight as the product is taken from the water (that is, before processing) but excludes any products which, for a variety of reasons, are not landed.

Figure 11.14: Catches by fishing region, EU-25, 2004

(%)

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The data are expressed in the live weight equivalent of the landings; this is the weight as the product is taken from the water (that is, before processing) but excludes any products which, for a variety of reasons, are not landed.

North-east Atlantic: this region of the Atlantic Ocean is roughly the area to the east of 42° W longitude and north of 36° N latitude; it includes the waters of the Baltic Sea.

Eastern central Atlantic: this region of the Atlantic Ocean is roughly the area to the east of 40° W longitude between latitudes 36° N and 6° S.

Mediterranean: this region, known as FAO major fishing area 37, comprises the Mediterranean and the adjacent Black Sea.

North-west Atlantic: this region of the Atlantic Ocean is roughly the area to the west of 42° W longitude and north of 35° N latitude.

**Table 11.11: Total aquaculture production**

(1 000 tonnes live weight)

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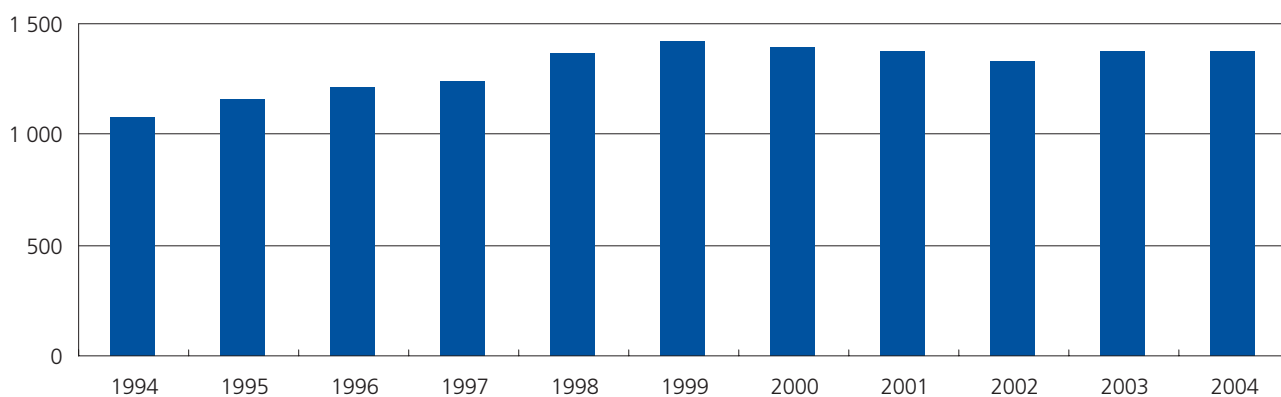
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>EU-25</b>	1 078	1 159	1 212	1 238	1 364	1 415	1 388	1 375	1 329	1 374	1 372
<b>EU-15</b>	1 019	1 100	1 151	1 175	1 300	1 343	1 312	1 298	1 258	1 300	1 295
<b>Belgium</b>	1	1	1	1	1	2	2	2	2	1	1
<b>Czech Republic</b>	19	19	18	18	17	19	19	20	19	20	19
<b>Denmark</b>	43	45	42	40	42	43	44	42	32	32	42
<b>Germany</b>	49	64	83	65	73	80	66	53	50	74	57
<b>Estonia</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Greece</b>	33	33	40	49	60	84	95	98	88	101	97
<b>Spain</b>	178	224	232	239	315	321	312	313	323	313	363
<b>France</b>	281	281	286	287	268	265	267	252	252	240	244
<b>Ireland</b>	29	27	35	37	42	44	51	61	63	63	58
<b>Italy</b>	176	215	189	196	209	210	217	218	184	192	118
<b>Cyprus</b>	0	0	1	1	1	1	2	2	2	2	2
<b>Latvia</b>	1	1	0	0	0	0	0	0	0	1	1
<b>Lithuania</b>	2	2	2	2	2	2	2	2	2	2	3
<b>Luxembourg</b>	:	:	:	:	:	:	:	:	:	:	-
<b>Hungary</b>	10	9	8	9	10	12	13	13	12	12	13
<b>Malta</b>	1	1	2	2	2	2	2	1	1	1	1
<b>Netherlands</b>	109	84	100	98	120	109	75	57	54	67	79
<b>Austria</b>	3	3	3	3	3	3	3	2	2	2	2
<b>Poland</b>	25	25	28	29	30	34	36	35	33	35	35
<b>Portugal</b>	7	5	5	7	8	6	8	8	8	8	7
<b>Slovenia</b>	1	1	1	1	1	1	1	1	1	1	2
<b>Slovakia</b>	2	2	1	1	1	1	1	1	1	1	1
<b>Finland</b>	17	17	18	16	16	15	15	16	15	13	13
<b>Sweden</b>	7	8	8	7	5	6	5	7	6	6	6
<b>United Kingdom</b>	86	94	110	130	137	155	152	171	179	182	207
<b>Bulgaria</b>	6	5	5	5	4	8	4	3	2	4	2
<b>Romania</b>	20	20	14	11	10	9	10	11	9	9	8
<b>Turkey</b>	16	22	33	45	57	63	79	67	61	80	94
<b>Iceland</b>	3	3	4	4	4	4	4	4	4	6	9
<b>Norway</b>	218	278	322	368	412	476	492	511	551	583	638
<b>Switzerland</b>	1	1	1	1	1	1	1	1	1	1	1
<b>Japan</b>	1 420	1 390	1 349	1 340	1 290	1 315	1 292	1 311	1 385	1 302	1 261
<b>United States</b>	391	413	393	438	445	479	456	479	497	544	607

Total aquaculture production: total production of fish, crustaceans, molluscs and other aquatic organisms from aquaculture (fish-farming); the data are expressed in the live weight equivalent of the production, which is the weight of the product as taken from the water; thus, for example, in the case of molluscs it includes the shell.

**Figure 11.15: Total aquaculture production, EU-25**

(1 000 tonnes live weight)

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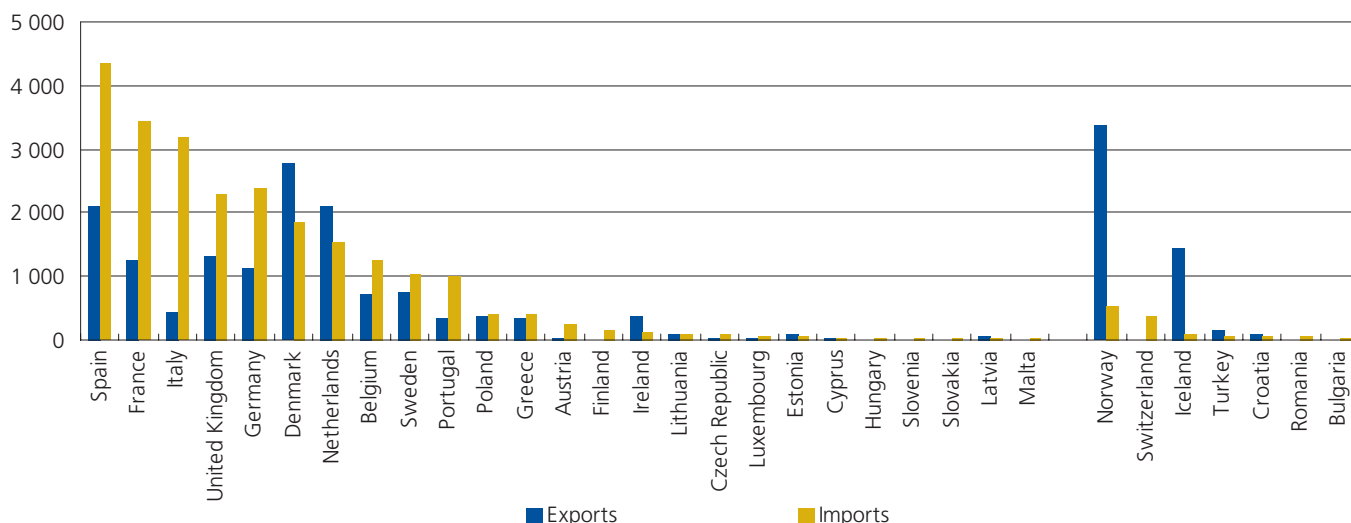


Total aquaculture production: total production of fish, crustaceans, molluscs and other aquatic organisms from aquaculture (fish-farming); the data are expressed in the live weight equivalent of the production, which is the weight of the product as taken from the water; thus, for example, in the case of molluscs it includes the shell.

**11 Figure 11.16: Trade in fishery products, 2004 (1)**

(EUR million)

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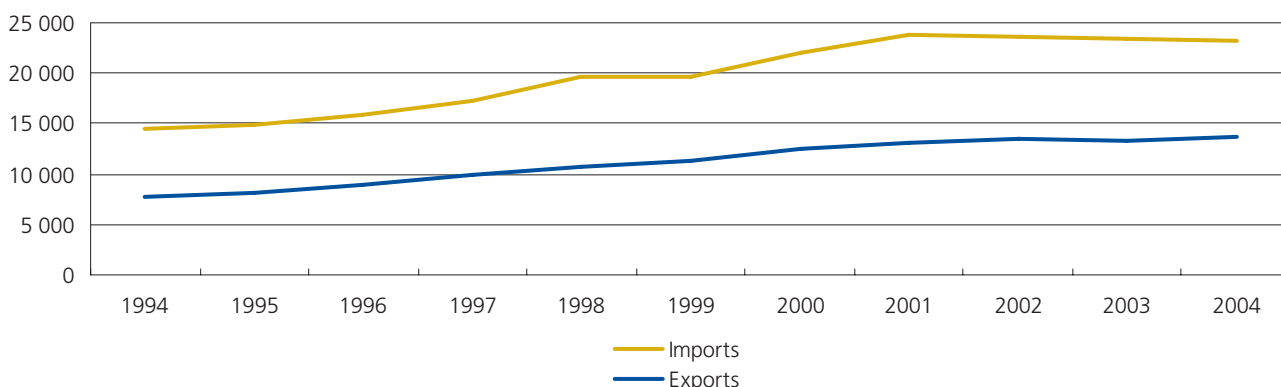
(1) Trade with the rest of the world (including other Member States — intra-EU trade).

Total fishery products: edible fishery products (fish, crustaceans and molluscs), inedible fishery products (meals and solubles, oils and fats, sponges, corals) and aquatic plants.

**Figure 11.17: Trade in fishery products, EU-15 (1)**

(EUR million)

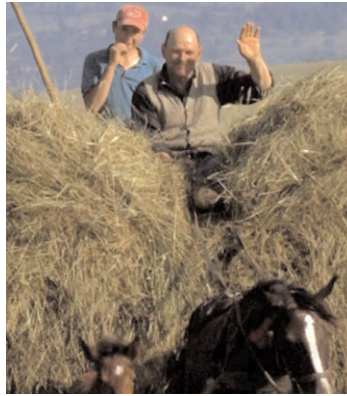
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(1) Trade with the rest of the world (including other Member States — intra-EU trade).

# 12.

## EUROPE'S REGIONS





## 12. EUROPE'S REGIONS

European regional policy promotes solidarity: it allocates more than one third of the European Union's budget to reduce gaps in development between regions and disparities among citizens in terms of their well-being. The Union seeks to use regional policy to:

- aid lagging regions to catch-up;
- restructure declining industrial regions;
- diversify the economies of rural areas with declining agriculture; and
- revitalise declining neighbourhoods in cities.

As such, regional policy seeks to strengthen economic, social and territorial cohesion <sup>(47)</sup>. These regional initiatives are funded through a variety of different funds, each with their own specific target population. The overwhelming share (94 %) of structural funding for the period 2000-2006 was concentrated on three main objectives.

- Objective 1: helping regions whose development is lagging behind.
- Objective 2: supporting economic and social conversion in industrial, rural, urban or fisheries-dependent areas.
- Objective 3: modernising systems of training and promoting employment.

Objective 1 regions are defined as either having GDP per capita (three-year average) that is less than 75 % the EU-25 average, or as areas with very low population density (fewer than eight inhabitants per square kilometre). Objective 1 regions cover the entire territory of the 10 Member States that joined the European Union in 2004 with the exception of Bratislava, Prague, Budapest and Cyprus, while the second criteria on population density notably covers a number of regions in northern Finland and Sweden, as well as regions on the extreme periphery of the European Union (the French overseas departments, the Canary Islands, the Azores and Madeira).

<sup>(47)</sup> See [http://ec.europa.eu/regional\\_policy/index\\_en.htm](http://ec.europa.eu/regional_policy/index_en.htm) for more information on regional policy.

Eurostat has a wide range of data within this area, including:

- economic accounts — ESA 95;
- demographic statistics;
- regional labour market
- education statistics;
- migration statistics;
- health statistics;
- structural business statistics;
- tourism statistics;
- transport and energy statistics;
- agriculture;
- environment statistics;
- science and technology (research and development, patents);
- urban audit data on the 'quality of life'.

Areas undergoing economic and social restructuring are classified as Objective 2 regions. These are defined according to four specific criteria: changes in key sectors resulting in declining employment within industrial activities and services; economic and social crisis in urban areas; the decline of traditional activities and depopulation of rural areas; or a crisis due to the decline of employment in the fisheries sector.

Objective 3 regions are those where efforts are made to combat unemployment by modernising training systems and helping to create jobs.

Taken together, the disadvantaged regions (Objectives 1 and 2) are home to some 225 million inhabitants, or almost 50 % of the EU-25's population. In addition to these Structural Funds, there is a Cohesion Fund that is used to finance transport infrastructure and environmental projects in those Member States that exhibit GDP per capita that is less than 90 % of the EU-25 average.

While the statistics presented in this chapter provide an *ex post* evaluation of the situation during the funding period 2000-06, cohesion policy for the next funding period (2007-13) has already been agreed <sup>(48)</sup>, with the aim of focusing on three goals:

- Convergence — to support growth-enhancing conditions and job creation in the least developed regions;
- Regional competitiveness and employment — to strengthen the competitiveness of regions and to anticipate and encourage economic and social change;
- European territorial cooperation — to ensure harmonious and balanced development throughout the entire Union.

Funding allocations for the period 2007-13 are EUR 308 000 million, equivalent to 36.5 % of the total EU budget, with 81.5 % of this total being devoted to convergence, 15.9 % to competitiveness and employment, and the remaining 2.5 % to territorial cooperation.

Some key issues with respect to competitiveness include encouraging innovation and the knowledge society, services of general interest, and environmental risk prevention, while cohesion policies in relation to employment should focus on increased adaptability of the workforce, job creation, and greater accessibility to labour markets for vulnerable persons. The focus of territorial cooperation will be on border regions, inter-regional development, trans-national and external cross-border cooperation.

<sup>(48)</sup> See [http://ec.europa.eu/regional\\_policy/sources/docoffic/official/regulation/newregl0713\\_en.htm](http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/newregl0713_en.htm) for more details.

Comparable regional statistics form an important part of the European statistical system, and have been collected for several decades. Eurostat's regional statistics cover the principal features of economic and social life within the EU, including demography, migration, regional accounts, employment and unemployment, health, tourism, agriculture, research and development, and education. The concepts and definitions used for these regional statistics are as close as possible to those used for the production of statistics at a national level.

In order to produce regional data, a classification of regional territorial units is needed; this classification is known as the Nomenclature of Territorial Units for Statistics (NUTS), which, since 2003, has been based on a regulation <sup>(49)</sup>. NUTS is a hierarchical classification; it subdivides each Member State into a number of regions at NUTS 1 level. Each of these is then subdivided into regions at NUTS 2 level, and these in turn into regions at NUTS 3 level. The NUTS regions are, in general, administrative units, reflecting the remit of local authorities. Administrative regions are generally adopted by statisticians as the most appropriate units for data collection, processing and dissemination. More information on NUTS, the regulation and its application can be found on the Eurostat website <sup>(50)</sup>.

Since 2004, Eurostat has also collected and published urban statistics, measuring the 'quality of life' through a set of over 270 indicators for 256 European cities. Data are available for core cities, larger urban zones and — a reduced data set — for sub-city districts. This project is called the Urban Audit; in 2006 a new Urban Audit data collection started for 300 cities in the EU-25.

The six maps presented here illustrate the diversity of Europe's regions. They show that for many economic and social aspects, quite large variations can also be found within a given country, in particular between eastern and western Germany, northern and southern Italy, northern and southern Spain, and England, Scotland and Wales. In most cases, the capital region of a country is economically better off than the more rural areas.

The richest European regions are concentrated within the major conurbations of the EU-15 Member States, while the poorest regions, as defined by GDP per capita, are in the Member States that joined the European Union in 2004. The regions at the top of the ranking are more than five times as rich as those at the bottom. The widest disparities in the distribution of wealth between the regions within a country were recorded in the United Kingdom, Belgium, France and Slovakia. In each of these cases the highest GDP per capita was recorded for the region including the capital city. This pattern was not observed in each of the Member States, as for example, Hamburg was the wealthiest region in Germany while the province of Bolzano/Bozen was the wealthiest in Italy.

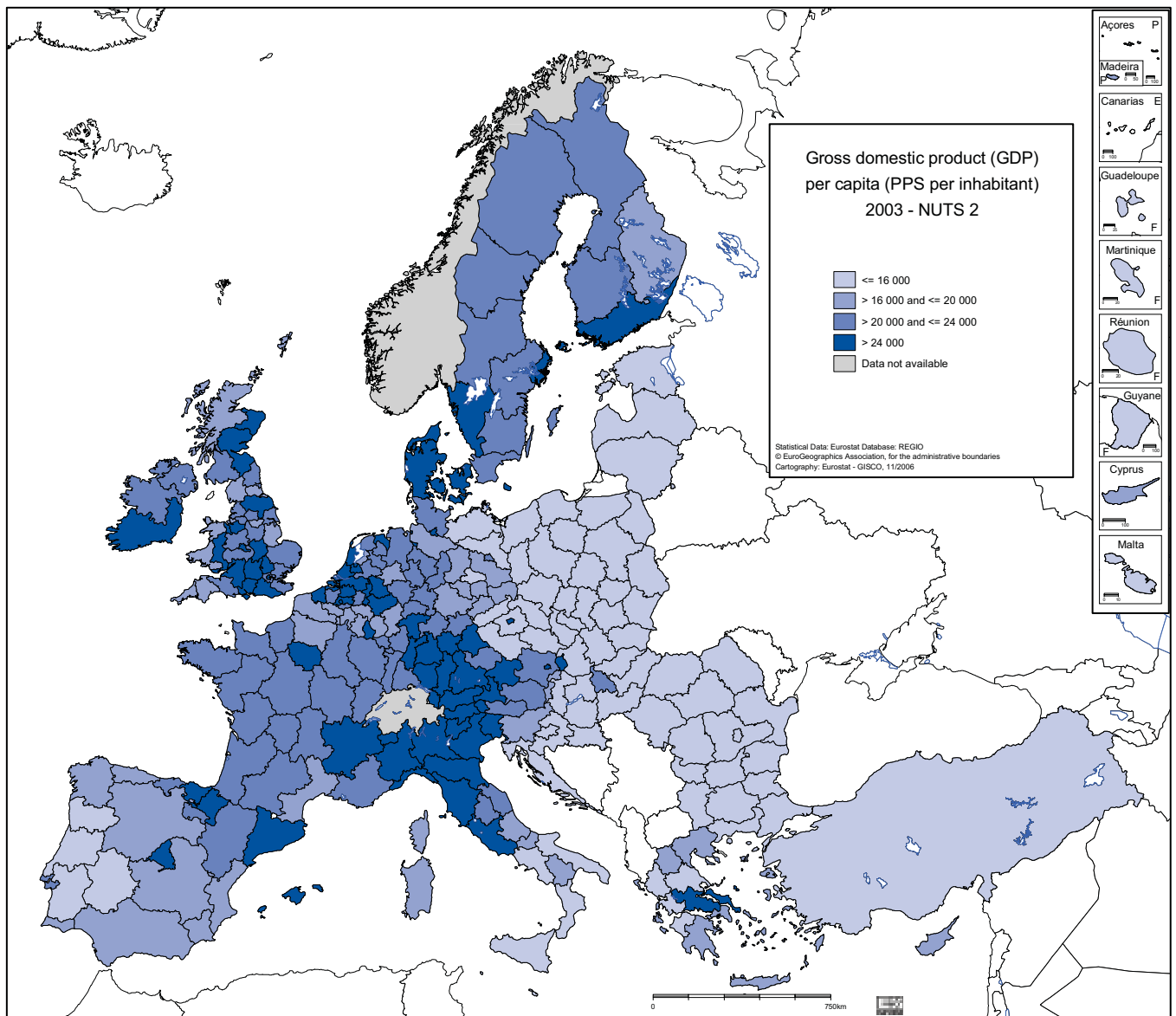
<sup>(49)</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS), of 26 May 2003, available at [http://europa.eu/lex/pri/en/oj/dat/2003/l\\_154/l\\_15420030621en00010041.pdf](http://europa.eu/lex/pri/en/oj/dat/2003/l_154/l_15420030621en00010041.pdf).

<sup>(50)</sup> See [http://ec.europa.eu/eurostat/ramon/nuts/splash\\_regions.html](http://ec.europa.eu/eurostat/ramon/nuts/splash_regions.html).



**Map 12.1: Gross domestic product (GDP) per capita, 2003 — NUTS 2**  
(PPS per inhabitant)

TGS00005



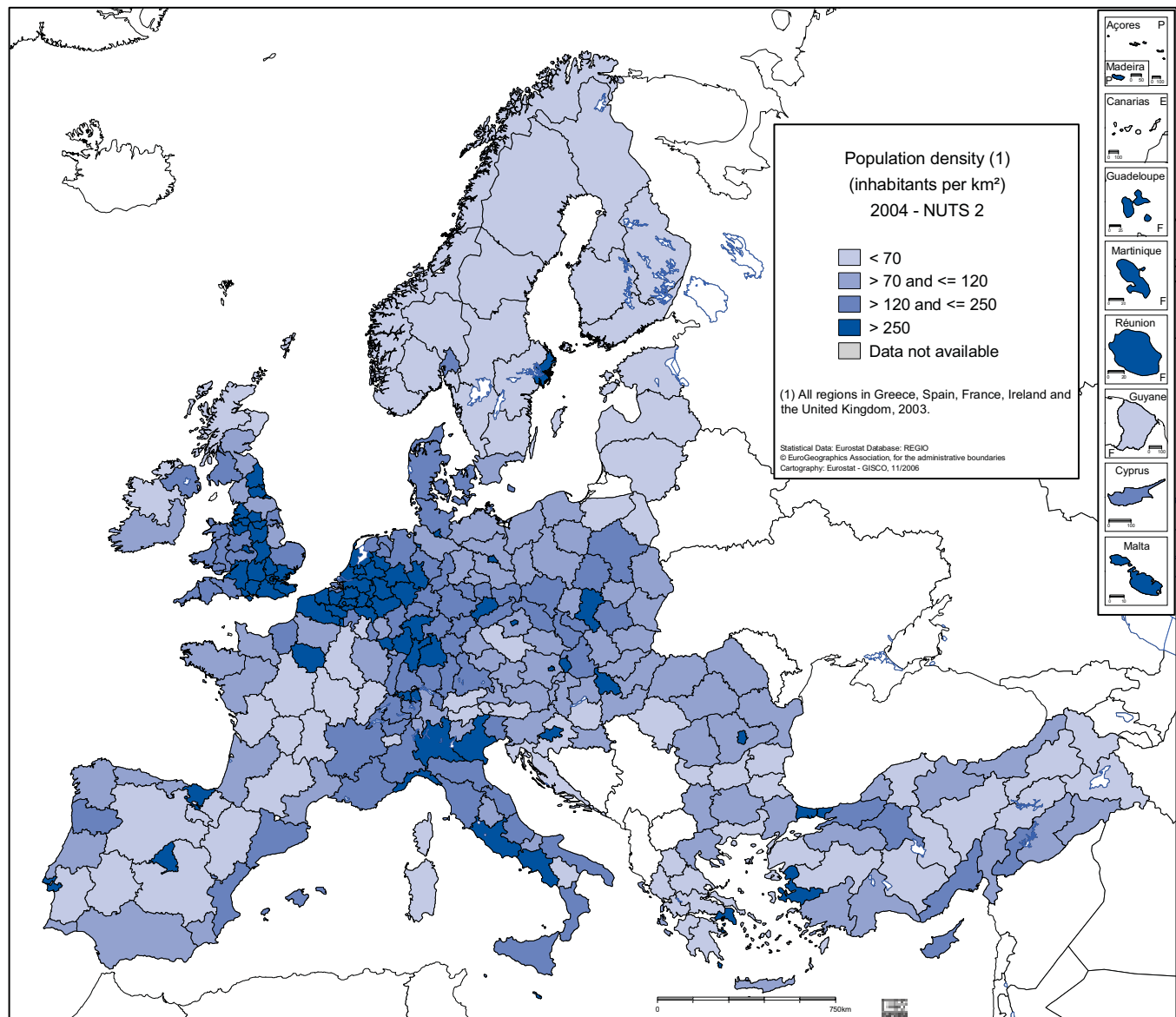
12

GDP is an indicator for a nation's economic situation; it reflects the total value of all goods and services produced less the value of goods and services used for intermediate consumption in their production; expressing GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

## Map 12.2: Population density, 2004 — NUTS 2

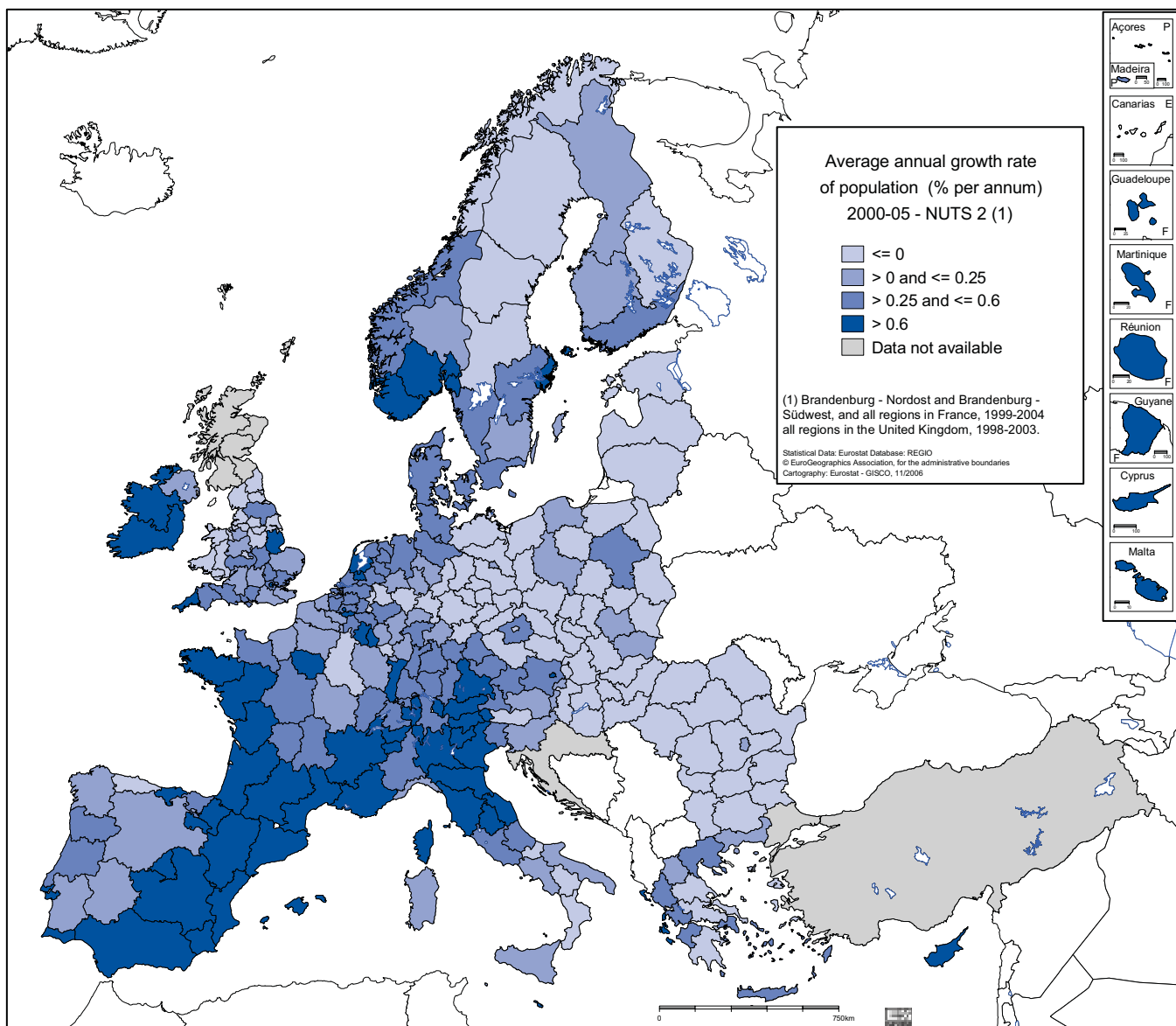
(inhabitants per km<sup>2</sup>)

TGS00024



The ratio of the mid-year population of a territory on a given date to the size of the territory.

**Map 12.3: Average annual growth rate of population, 2000-05 — NUTS 2**  
(% per annum)

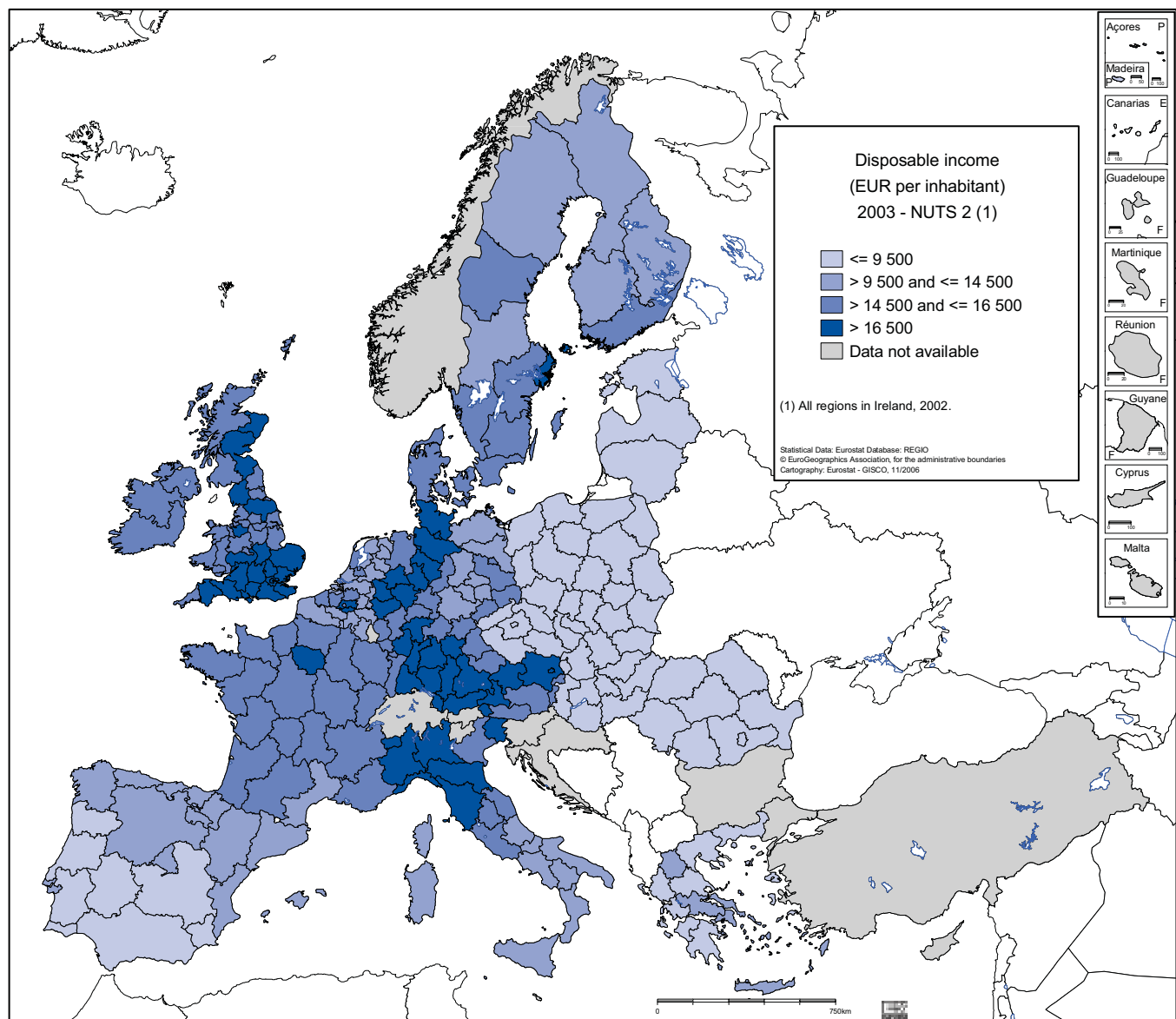


Average annual growth rate of the number of inhabitants of a given area between 1 January 2000 and 1 January 2005 (or, in some cases, on 31 December of the previous year); the population is based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers.

## Map 12.4: Disposable income, 2003 — NUTS 2

(EUR per inhabitant)

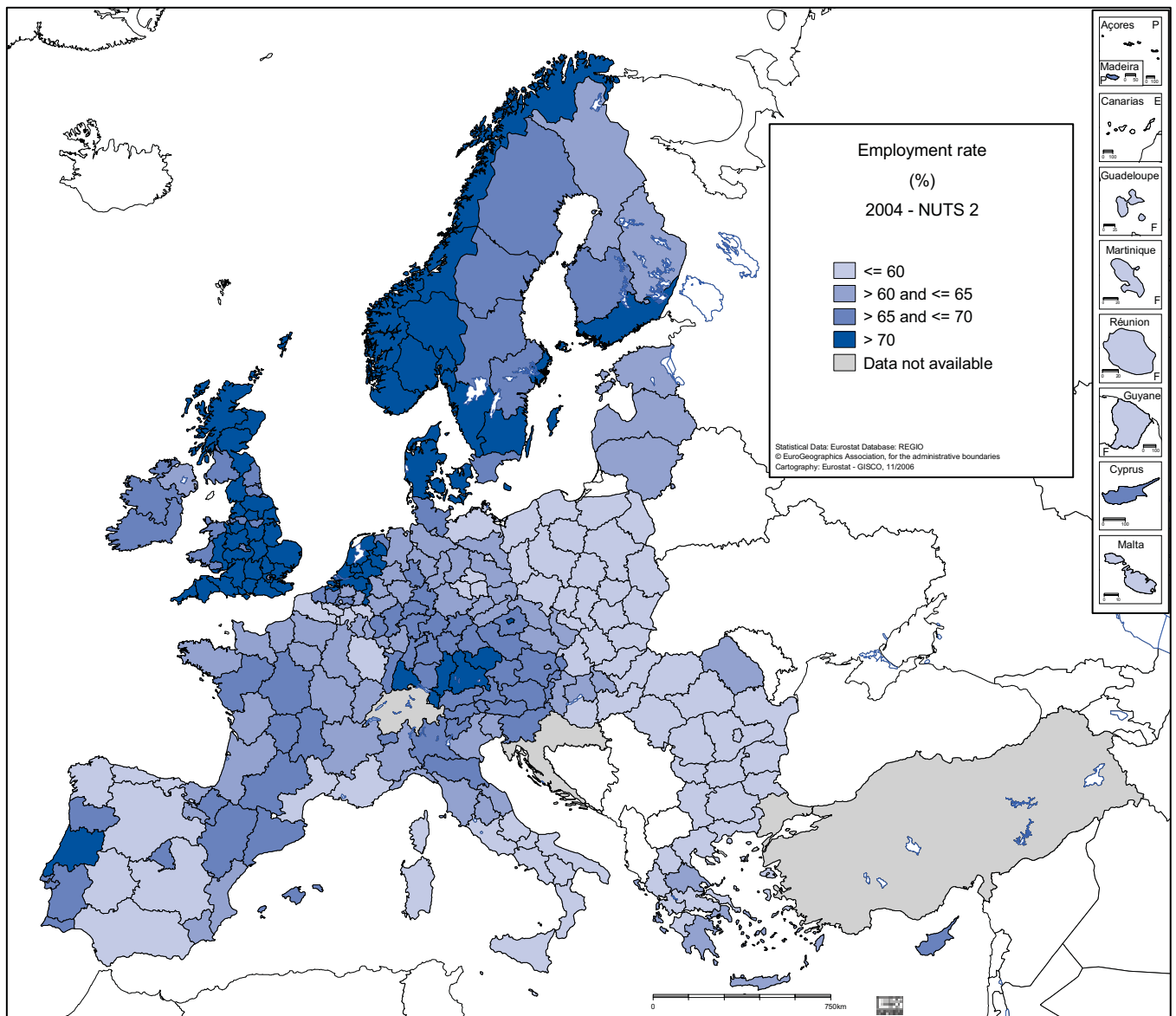
TGS00026



Regional disposable income (uses) is the balancing item of the secondary distribution of income account; it reflects current transactions and excludes capital transfers, real holding gains and losses and the consequences of events such as natural disasters in a specific region.

**Map 12.5: Employment rate, 2004 — NUTS 2**  
(%)

TGS00007



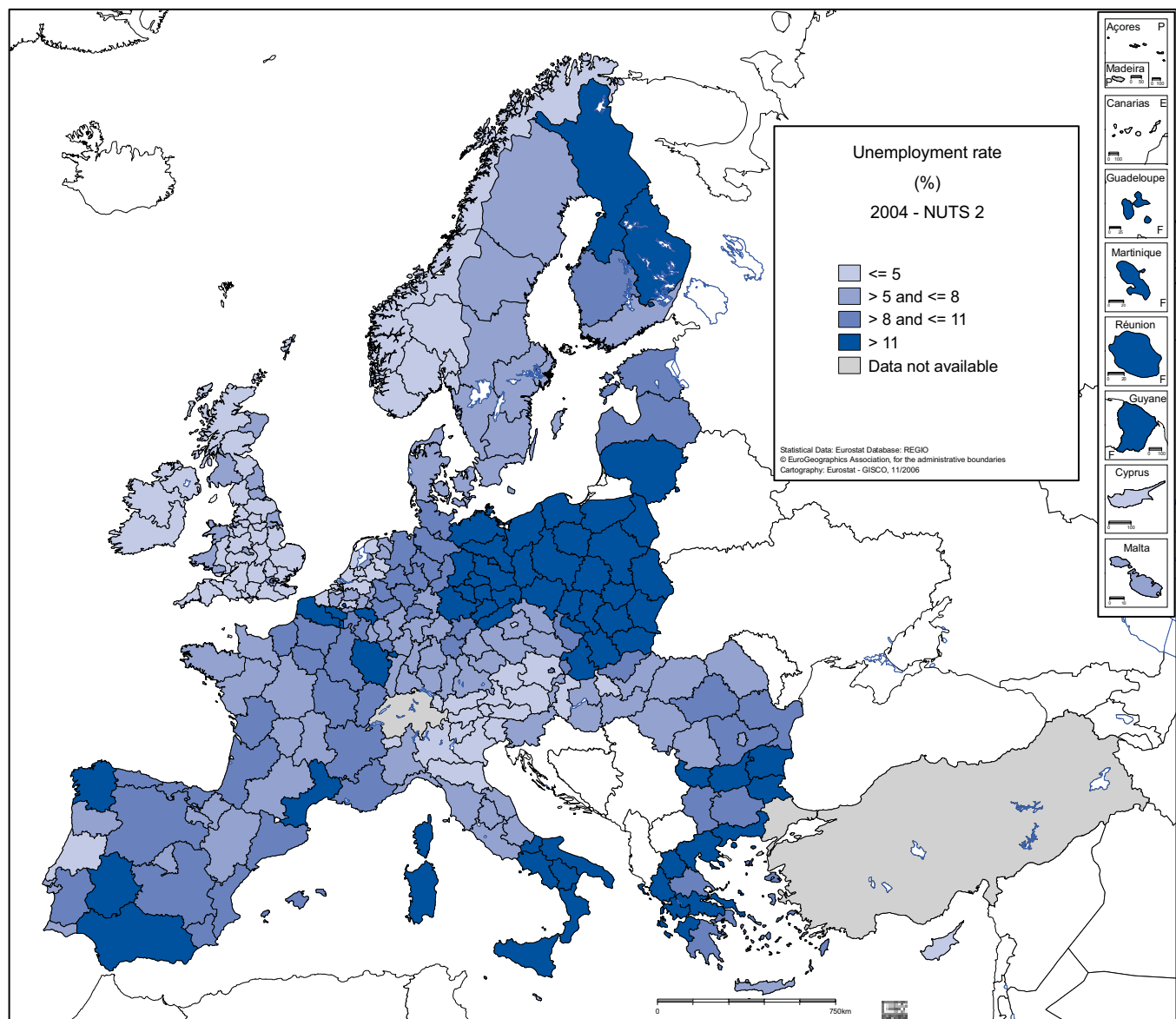
12

The employment rate is calculated by dividing the number of persons aged 15 to 64 in employment by the total population of the same age group; the employed population consists of those persons who during the reference week did any work for pay or profit for at least one hour, or were not working but had jobs from which they were temporarily absent.

Map 12.6: Unemployment rate, 2004 — NUTS 2

(%)

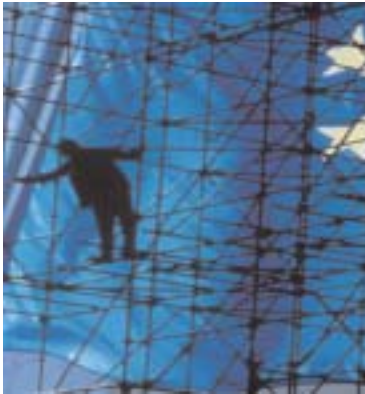
TGS00010



Unemployment rates represent unemployed persons as a percentage of the labour force; the labour force is the total number of people employed and unemployed; unemployed persons comprise persons aged 15 or more, who were: (a) without work during the reference week; (b) currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week; (c) actively seeking work, i.e. had taken specific steps in the four-week period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months.

# 13.

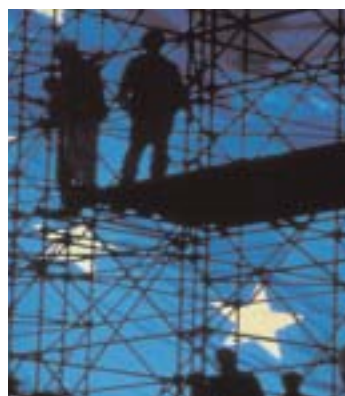
## LINKING STATISTICS TO EUROPEAN POLICIES



**Euro-Indicators**

**Structural indicators**

**Sustainable development indicators**



<b>Linking statistics to European policies</b>	<b>319</b>
Euro-Indicators	320
Structural indicators	321
Sustainable development indicators	322

### 13. LINKING STATISTICS TO EUROPEAN POLICIES

Effective economic and political decision-making depends on the regular supply of reliable information. Statistics are one of the principle sources of such information, providing essential quantitative support to the elaboration and implementation of policies. Statistics are also a powerful tool for communicating with the general public.

The information needs of politicians require constant interaction between policymakers and statisticians: the former formulate their needs for data, and the latter attempt to adapt the statistical production system so as to fulfil those needs. In this fashion, new policies lead to improvements in statistical production, both in terms of enhancing the quality of existing indicators and of creating new ones.

Whereas politicians require aggregated indicators which provide a synthetic and clear picture of the different phenomena they are interested in, statisticians tend to deal with less aggregated basic data. Statisticians therefore have to transform, synthesise and model basic data in order to increase data readability and extract signals (i.e. indicators).

Over recent years, three particularly significant policies have substantially influenced Eurostat's priorities and activities:

- economic and monetary union (EMU) and the creation of the euro area (1999);
- the Lisbon strategy (2000, re-focused in 2005);
- the sustainable development strategy (2001, renewed in 2006).

Economic and monetary union and the setting-up of the European Central Bank (ECB) required a broad range of infra-annual short-term statistics to measure economic and monetary developments within the euro area and to assist in the implementation of a common monetary policy. Effective

monetary policy depends on timely, reliable and comprehensive economic statistics giving an overview of the economic situation. Such data are also needed for the assessment of the business cycle.

However, measuring economic and monetary developments within the euro area is not the only concern of European policies. Europeans place a high value on their quality of life, including aspects such as a clean environment, social protection, prosperity and equity.

In recent years the European Council has focused on a number of key areas intended to shape the future development of the EU, in particular by adopting two complementary strategies. While the goal of the Lisbon strategy is for the EU to '*become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion*', sustainable development strategy is concerned with the continuous improvement of quality of life, both for current and for future generations, through seeking a balance between economic development, social cohesion and protection of the environment.

Eurostat has responded to politicians' needs in these new areas by developing three sets of indicators:

- Euro-Indicators, of which the principal European economic indicators (PEEIs) are the core, for monetary policy purposes;
- structural indicators, for the Lisbon strategy, used to underpin the Commission's analysis in an annual progress report to the European Council;
- sustainable development indicators, extending across a wide range of issues affecting quality of life, including environmental, social, economic and governance issues.



These sets of indicators have been developed by experts and agreed at a political level. They are being continuously monitored, improved and reviewed in order to be in line with evolving policy requirements.

The challenge of free dissemination and the growth of the Internet, which extend citizens' possibilities to be fully informed, have led Eurostat to create three '*special topics*' on its website, linked to the three collections of indicators and related policies mentioned above. This chapter briefly presents the main characteristics of these three areas.

### EURO-INDICATORS

Since October 2001 the Euro-Indicators web pages have been a reference point for all users of official statistics dealing with short-term data. Euro-Indicators was initially conceived as an independent website, available in parallel to the Eurostat website. However, since October 2004, Euro-Indicators have been integrated into the Eurostat website as a so-called '*special topic*'. It is possible to access Euro-Indicators either from Eurostat's homepage or directly via the following link: <http://ec.europa.eu/euroindicators>. It is also possible to e-mail the Euro-Indicators team at [ESTAT-EUROINDICATORS@ec.europa.eu](mailto:ESTAT-EUROINDICATORS@ec.europa.eu).

Euro-Indicators aims to supply business-cycle analysts, policymakers, media, researchers, students, and other interested users with a comprehensive, well structured and high quality set of information which is useful in their daily activities. The core of Euro-Indicators comprises a set of statistical indicators giving an accurate and as timely as possible overview of the economic evolution of the euro area, the EU, and the individual Member States. Moreover, Euro-Indicators contains the following additional products and services intended to assist in the understanding and analysis of data:

- meta-data,
- quality reports,
- publications and working papers,
- news,
- a release calendar,
- methodological pages.

### EURO-INDICATORS DATA

The data presented in Euro-Indicators are built around a set of the most relevant statistical indicators, called principal European economic indicators, a complete list of which can be found in the Commission communication COM(2002) 661. Euro-Indicators includes detailed breakdowns for PEEIs, as well as additional qualitative and quantitative indicators which are useful to give an overall picture of the economic situation in Europe. They are structured in two main parts:

- key short-term indicators (a subset of pre-defined tables);
- European and national short-term statistics database (Euroind).

Both the key short-term indicators and the Euroind database are divided into the following eight domains:

- balance of payments,
- business and consumer surveys,
- consumer prices,
- external trade,
- industry, commerce and services,
- labour market,
- monetary and financial indicators,
- national accounts.

The pre-defined tables are the easiest way to look at the most recent data, being user-friendly and offering a graphical view of the most recent evolution, together with a short explanatory text; a download facility is also provided for the 316 tables that are currently available.

The Euroind database (accessible either from the Euro-Indicators pages or from the data dissemination tree on the Eurostat website) constitutes a large database of infra-annual macroeconomic indicators; more than 50 000 series are currently available and these can be selected and downloaded in a variety of formats.

### META-DATA

In conformity with Eurostat standards, the Euro-Indicators data are documented in accordance with the International Monetary Fund's (IMF) special data dissemination standard (SDDS). SDDS files are regularly monitored and revised so that they are in line with the published data. The creation of a more user-oriented meta-data set is one of the objectives of the Euro-Indicators team.

### QUALITY REPORTS

Since 2001, the Euroind database has been subject to monthly quality monitoring. The results of this assessment are presented in a detailed on-line publication called '*State of affairs*', accessible from the tab entitled '*Publications*' within the Euro-Indicators '*special topic*'. A synthesis of this monthly assessment is presented in another on-line publication, entitled the '*Monitoring report*', which is also accessible from the same tab.

### PUBLICATIONS AND WORKING PAPERS

The main publication produced by the Euro-Indicators team is the monthly '*Eurostatistics*'. It presents a synthetic picture of the economic situation together with detailed statistical analysis of the latest economic events for the euro area, EU and the Member States. The current issue of '*Eurostatistics*' is accessible from the Euro-Indicators home page as an essential product. Past issues are accessible from the '*Publications*' tab within the Euro-Indicators '*special topic*'. Moreover, under the same tab users can find the collection of Euro-Indicators working papers, containing both methodological and empirical studies on statistical improvements and analyses of European data.

### OTHER PRODUCTS AND SERVICES

The Euro-Indicators 'special topic' also provides users with access to the European release calendar for infra-annual statistics, which is updated on a weekly basis, as well as access to related press releases. In addition, a monthly online newsletter is accessible from the 'Publications' tab. The newsletter contains short articles, news from the Member States and Eurostat, announcements, useful links, etc. Note that all papers and proceedings presented in conferences in relation to Euro-Indicators are also available on the Euro-Indicators 'special topic'.

### PLANNED IMPROVEMENTS

Euro-Indicators is constantly evolving to meet user needs. The main improvements for 2007 concern the implementation of a new set of PEEI statistical pages related to key topics, such as flash estimates, back-recalculation, interpolation and extrapolation, seasonal adjustment, business-cycle analysis, and the construction of coincident and leading indicators. These pages will be progressively implemented within the 'PEEIs' tab. The pages will cover methodological papers, online bibliographies, software and routines, links to specialised sites and, whenever possible, new indicators or quantitative analyses (documented in SDDS format) produced on the basis of advanced statistical techniques.

### STRUCTURAL INDICATORS

At the Lisbon European Council in spring 2000, the EU set itself the following strategic goal for the next decade: 'to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion'.

The Council recognised the need to regularly discuss and assess progress made in achieving this goal on the basis of a commonly agreed set of structural indicators and to this end, invited the European Commission to draw up an annual spring report on progress being made. This report was to be based on the evolution of structural indicators in the following areas:

- general economic background,
- employment,
- innovation and research,
- economic reform,
- social cohesion,
- environment (since 2002).

For the first time, in 2004, the European Commission presented a shortlist of 14 structural indicators which were included in the statistical annex to its 2004 spring report to the European Council. This shortlist was agreed with the Council; its concise layout making it easier to present policy messages and the Member States' positions with regard to the key Lisbon targets. The same shortlist indicators were presented in the statistical annex to the 2005 spring report and the 2006 annual progress report to the European Council.

### SHORTLIST OF STRUCTURAL INDICATORS

#### **General economic background**

- GDP per capita in PPS
- Labour productivity

#### **Employment**

- Employment rate
- Employment rate of older workers

#### **Innovation and research**

- Youth educational attainment (20 to 24)
- Gross domestic expenditure on R & D

#### **Economic reform**

- Comparative price levels
- Business investment

#### **Social cohesion**

- At risk-of-poverty rate after social transfers
- Long-term unemployment rate
- Dispersion of regional employment rates


**Environment**

- Greenhouse gas emissions
- Energy intensity of the economy
- Volume of freight transport relative to GDP

The Lisbon strategy has entered a new phase, with the spotlight on delivering results. By submitting national reform programmes, Member States have accepted a new responsibility, setting out detailed commitments for action. At the same time, Community programmes specify what has to be done at an EU level. National reform programmes provide the basis for the reform agenda, prioritising growth and employment.

To ensure that the public has access to this detailed database of structural indicators, Eurostat disseminates a full set of information on structural indicators through its website (<http://ec.europa.eu/eurostat/structuralindicators>).

Time-series are presented for the EU-25 and EU-15, the euro area, the Member States, the acceding and candidate countries, the EFTA countries, Japan and the United States (subject to data availability).

NB: all structural indicators presented within the Eurostat yearbook are marked with the following icon () which appears to the right of the title of respective tables and graphs.

**SUSTAINABLE DEVELOPMENT INDICATORS**

The EU's sustainable development strategy, adopted by the European Council in Gothenburg in June 2001, and renewed in June 2006, aims to reconcile economic development, social cohesion and protection of the environment. Monitoring progress towards these goals is an essential part of the strategy and the Commission therefore established a task force of national experts to propose a set of indicators for this purpose. These indicators are used in the regular review and assessment of the strategy.

The indicators are organised within 10 themes reflecting the political priorities of the strategy, and related political commitments. Seven themes correspond to the priority areas of the 2001 Commission communication '*A sustainable Europe for a better world*' and the 2002 communication on global partnership, while production and consumption patterns and good governance arose out of the '*Plan of implementation*' of the World Summit on Sustainable Development. A theme on economic development highlights the economic dimension of sustainable development and provides a bridge to the Lisbon process.

Each theme is further divided into sub-themes and '*areas to be addressed*'. The sub-themes are intended to monitor progress towards the headline objectives, while the '*areas to be addressed*' allow for more detailed analysis of the background factors of each theme. In some cases the sub-themes also address '*slow burning*' concerns that may need a very long time to reverse.

In order to facilitate communication, the set of indicators has been built as a three-level pyramid. The three levels correspond to the levels of the hierarchical framework (themes, sub-themes, areas to be addressed) and match different user needs, as described in the table below:

**Sustainable development indicators**

Indicator level	Hierarchical framework	Objectives	Users targeted
Level I	Themes	Headline indicators for initial policy analysis and monitoring progress towards headline policy objectives	High-level policymakers and general public
Level II	Sub-themes	Evaluation of core policy areas and more detailed monitoring of progress in achieving headline objectives	Policymakers and general public
Level III	Areas to be addressed (special issues within themes, and various measures implementing headline objectives)	Further policy analysis and better understanding of the trends and complexity of issues associated with the theme or interlinkages with other themes in the framework	More specialised audience (e.g. academic community)

The themes unavoidably overlap to some extent. Some indicators, such as energy use, represent driving forces affecting developments in several themes, but are not presented several times in the set of indicators. Furthermore, the scope of themes varies considerably since some themes address a very specific domain (for example, climate change and energy) and others (for example, production and consumption patterns) encompass a wide range of socioeconomic and environmental issues.

#### HEADLINE SUSTAINABLE DEVELOPMENT INDICATORS

##### ***Economic development***

- Growth rate of GDP per capita

##### ***Poverty and social exclusion***

- At-risk-of-poverty rate after social transfers

##### ***Ageing society***

- Old age dependency ratio

##### ***Public health***

- Healthy life years at birth, by gender

##### ***Climate change and energy***

- Total greenhouse gas emissions
- Gross inland energy consumption, by fuel

##### ***Production and consumption patterns***

- Domestic material consumption

##### ***Management of natural resources***

- Fish catches taken from stocks outside safe biological limits

##### ***Transport***

- Total energy consumption of transport

##### ***Good governance***

- Level of citizens' confidence in EU institutions

##### ***Global partnership***

- Official development assistance

A review of the EU sustainable development strategy was launched by the Commission in 2004 and on the basis of contributions from the Council, the European Parliament, the European Economic and Social Committee and others, the European Council adopted a renewed sustainable development strategy<sup>(54)</sup> in June 2006. *'The overall aim of the renewed EU SDS is to identify and develop actions to enable the EU to achieve continuous improvement of quality of life both for current and for future generations, through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion.'*

More information regarding sustainable development indicators may be found on the Eurostat website (<http://ec.europa.eu/eurostat/sustainabledevelopment>).

<sup>(54)</sup> 'Review of the EU sustainable development strategy (EU SDS) — Renewed Strategy', 9 June 2006, Council of the European Union, 10117/06.

	<b>Annexes</b>	<b>325</b>
	Glossary	326
NUTS (nomenclature of territorial units for statistics) and statistical regions		351
NACE (classification of economic activities in the European Community)		355
SITC (standard international trade classification)		356
Statistical symbols, abbreviations and acronyms		357
Copyright of photographs		361
Subject index		362
Selection of other Eurostat publications		370

# A

## Acceding countries

The accession of Bulgaria and Romania (as of 1 January 2007) will be the sixth enlargement of the EU <sup>(54)</sup>. This edition of the yearbook does not take into account the accession of Bulgaria and Romania to the European Union, as data was extracted and analysed in 2006 (see also *candidate countries*).

## Accommodation, tourist

This includes all types of accommodation:

### Collective tourist accommodation establishments:

- hotels and similar establishments,
- other collective accommodation establishments (holiday dwellings, tourist campsites, marinas, etc.),
- specialised establishments (health establishments, work and holiday camps, public means of transport and conference centres).

### Private tourist accommodation:

- rented accommodation,
- other types of private accommodation.

Note that data on private tourist accommodation are excluded from Eurostat data.

## ACP signatories of the Cotonou agreement (African, Caribbean and Pacific countries; note that Cuba is not a signatory, although it is a member of the ACP)

AG: Antigua and Barbuda; AO: Angola; BB: Barbados; BF: Burkina Faso; BI: Burundi; BJ: Benin; BS: Bahamas; BW: Botswana; BZ: Belize; CF: Central African Republic; CG: Congo; CI: Côte d'Ivoire; CK: Cook Islands; CM: Cameroon; CV: Cape Verde; DJ: Djibouti; DM: Dominica; DO: Dominican Republic; ER: Eritrea; ET: Ethiopia; FJ: Fiji; FM: Federated States of Micronesia; GA: Gabon; GD: Grenada; GH: Ghana; GM: Gambia; GN: Republic of Guinea; GQ: Equatorial Guinea; GW: Guinea-Bissau; GY: Guyana; HT: Haiti; JM: Jamaica; KE: Kenya; KI: Kiribati; KN: St. Kitts and Nevis; LC: St. Lucia; LR: Liberia; LS: Lesotho; KM: Comoros; MG: Madagascar; MH: Marshall Islands; ML: Mali; MR: Mauritania; MU: Mauritius; MW: Malawi; MZ: Mozambique; NA: Namibia; NE: Niger; NG: Nigeria; NR: Nauru; NU: Niue; PW: Palau; PG: Papua New Guinea; RW: Rwanda; SB: Solomon Islands; SC: Seychelles; SD: Sudan; SL: Sierra Leone; SN: Senegal; SO: Somalia; SR: Suriname; ST: São Tomé and Príncipe; SZ: Swaziland; TD: Chad; TG: Togo; TL: Timor Leste/East Timor; TO: Tonga; TT: Trinidad and Tobago; TV: Tuvalu; TZ: Tanzania; UG: Uganda; VC: St. Vincent and the Grenadines; VU: Vanuatu; WS: Samoa; ZA: South Africa; ZM: Zambia; ZW: Zimbabwe.

<sup>(54)</sup> See <http://ec.europa.eu/enlargement> for more information.

## Agricultural area (AA) or utilised agricultural area (UAA)

An agricultural area (AA) or utilised agricultural area (UAA) is the area utilised for farming, i.e. categories: arable land, permanent pasture, permanent crops and kitchen gardens.

## Agricultural holdings

An agricultural holding is a single unit, both technically and economically, which has single management and which produces agricultural products. Other supplementary (non-agricultural) products and services may also be provided by the holding.

## Animal output

The concept of output comprises sales, changes in stocks, and products used for processing and own final use by the producers.

## Annual work unit (AWU)

One annual work unit corresponds to the work performed by one person who is occupied on an agricultural holding on a full-time basis. Full-time means the minimum hours required by the national provisions governing contracts of employment. If these do not indicate the number of hours, then 1 800 hours are taken to be the minimum (225 working days of eight hours each).

## Aquaculture

The farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants. Farming implies some form of intervention in the rearing process to enhance production, such as regular stocking, feeding and protection from predators. Farming also implies individual or corporate ownership of, or rights resulting from contractual arrangements to, the stock being cultivated.

## ASEAN (Association of South-East Asian Nations)

BN: Brunei Darussalam; ID: Indonesia; KH: Cambodia; LA: Lao, People's Democratic Republic of; MM: Myanmar; MY: Malaysia; PH: Philippines; SG: Singapore; TH: Thailand; VN: Vietnam.

## Asylum applicant

A person who has requested protection under:

- either Article 1 of the Convention relating to the Status of Refugees of 28 July 1951, as amended by the New York Protocol of 31 January 1967; or
- within the remit of the United Nations Convention Against Torture and other forms of cruel or inhuman treatment (UNCAT) or the European Convention on Human Rights or other relevant instruments of protection.

This definition is intended to refer to all who apply for protection on an individual basis, irrespective of whether they lodge their application on arrival at an airport or land border, or from inside the country, and irrespective of whether they entered the territory legally (e.g. as a tourist) or illegally.

### Asylum applications

Asylum applications are defined as new applications; these generally include only those claims which were lodged on the territory or at the border of the Member State.

### Asylum seekers

People awaiting a decision on applications for refugee status or another form of international protection.

### At-risk-of-poverty

The share of persons with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers). Warning: low current income does not necessarily mean low living standards.

### At-risk-of-poverty rate before transfers

As for at-risk-of-poverty rate, but old-age and survivors' pensions are counted as income before transfers and not as social transfers.

## B

### Balance of payments

The balance of payments summarises the transactions of an economy with the rest of the world. The current account covers international transactions in goods, services, income and current transfers. The financial account registers transactions involving financial claims on, or liabilities to, the rest of the world. The capital account covers international capital transfers (e.g. debt forgiveness) and the acquisition/disposal of non-produced, non-financial assets (such as patents). In the current account, the overall balance is calculated as the difference between exports (credits) and imports (debits). The balance is in surplus when exports are greater than imports. Apart from the goods account and the current transfers (see definition below), the main items of the BoP current account include the following.

- **Communications services** - in the balance of payments framework, this item covers two main categories of international communications between residents and non-residents: telecommunications services and postal and courier services.
- **Computer and information services** - in the balance of payments framework, this item covers computer data and news-related service transactions between residents and non-residents.
- **Construction services** - in the balance of payments framework, this item covers work on construction projects and installations provided to non-residents by enterprises resident in the compiling economy or provided to residents of the compiling economy by non-resident enterprises. Goods imported by the resident enterprises or purchased by the non-resident enterprises for use in the projects are included in the value of these services rather than under goods.
- **Financial services** - in the balance of payments framework, this item covers financial intermediary and auxiliary services conducted between residents and non-residents.
- **Government services, not included elsewhere** - in the balance of payments framework, this item is a residual category covering all services associated with government sectors or international and regional organisations and not classified under other service sub-items (such as embassies or military units).
- **Income** - in the balance of payments framework, income contains two main items: compensation of employees that records wages, salaries and other benefits, in cash or in kind, earned by individuals for work performed for economic units whose place of residence is different from their own; investment income that covers income which a resident entity derives from the ownership of external financial assets and income non-residents derive from their financial assets invested in the compiling economy. This includes interest and dividends on direct, portfolio and other investments.
- **Insurance services** - in the balance of payments framework, this item covers the provision of various types of insurance to non-residents by resident insurance enterprises and vice versa.
- **Other business services** - in the balance of payments framework, this item includes merchanting and other trade related services, operational leasing services, and miscellaneous business, professional and technical services.
- **Personal, cultural and recreational services** - in the balance of payments framework, this item covers audio-visual and related services and other cultural services provided by residents to non-residents and vice versa.
- **Royalties and licence fees** - in the balance of payments framework, this item covers the exchange of payments and receipts between residents and non-residents for the authorised use of intangible, non-produced, non-financial assets and proprietary rights and for the use, through licensing agreements, of produced original prototypes.
- **Transportation** - in the balance of payments framework, this item covers services provided by all modes of transportation — sea, air, and other, which includes space, rail, road, inland waterway and pipeline — that are performed by residents of one economy for those of another. The different types of services offered include transport of passengers, transport of freight and other supporting and auxiliary services (for example storage and warehousing).
- **Travel** - on the debit side travel consists of goods and services which are acquired by residents who stay abroad for less than one year. The credit side includes purchases of the same type made by foreign travellers on the national territory. This item contains two main categories of travel: business travel and personal travel (for example leisure, study, health-related purposes). Note that international transportation costs of the traveller to destination are recorded under the heading transportation, but all movements within the country, including cruises, are entered under travel.

**Bed places (in hotels and similar establishments)**

The number of bed places in an establishment or dwelling is determined by the number of persons who can stay overnight in beds set up in the establishments, ignoring any extra beds that may be set up by customer request.

The term 'bed place' applies to a single bed. A double bed is counted as two bed places. This unit serves to measure the capacity of any type of accommodation. A bed place is also a pitch or, in a boat, a mooring to accommodate one person. A pitch for a tent (if counted), caravan, mobile home and similar shelter, or a boat on a mooring, usually counts for four bed places if the actual number is not known.

**Biofuels**

Liquid biofuels cover biogasoline and biodiesels.

- **Biogasoline:** this category includes bioethanol (ethanol produced from biomass and/or the biodegradable fraction of waste), biomethanol (methanol produced from biomass and/or the biodegradable fraction of waste), bioETBE (ethyl-tertio-butyl-ether produced on the basis of bioethanol: the percentage by volume of bioETBE that is calculated as biofuel is 47 %) and bioMTBE (methyl-tertio-butyl-ether produced on the basis of biomethanol: the percentage by volume of bioMTBE that is calculated as biofuel is 36 %).
- **Biodiesels:** this category includes biodiesel (a methyl-ester produced from vegetable or animal oil, of diesel quality), biodimethylether (dimethylether produced from biomass), Fischer Tropsch (Fischer Tropsch produced from biomass), cold pressed bio-oil (oil produced from oil seed through mechanical processing only) and all other liquid biofuels which are added to, blended with or used straight as transport diesel.

**Biomass and wastes**

Biomass and wastes cover organic, non-fossil material of biological origin, which may be used for heat production or electricity generation. This category comprises wood and wood waste, biogas, municipal solid waste and biofuels. Renewable industrial waste should be reported under the various waste categories mentioned. The non-renewable part of industrial waste is not covered here, but under industrial wastes.

**Biotechnology (patents)**

The OECD defines biotechnology as: *'the application of science and technology to living organisms, as well as parts, products and models thereof, to alter living or non-living materials for the production of knowledge, goods and services'*. The choice of the international patent classification (IPC) subclasses used for this sector is based on the OECD definition.

**Birth rate, crude**

The ratio of the number of births during the year to the average population in that year. The value is expressed per 1 000 inhabitants.

**Birth rate of enterprises**

An enterprise birth amounts to the creation of a combination of production factors with the restriction that no other enterprises are involved in the event. Births do not include entries into the population due to mergers, break-ups, split-off or restructuring of a set of enterprises. It does not include entries into a sub-population resulting only from a change of activity. A birth occurs when an enterprise starts from scratch and actually starts activity. An enterprise creation can be considered an enterprise birth if new production factors, in particular new jobs, are created. If a dormant unit is reactivated within two years, this event is not considered a birth.

**Bond yields (EMU convergence criterion)**

This concerns the Treaty on European Union (Maastricht Treaty) EMU convergence criterion series for long-term interest rates. Selection guidelines require data to be based on central government bond yields on the secondary market, gross of tax, with a residual maturity of around 10 years.

**Broadband**

Broadband lines are defined as those with a capacity equal to or higher than 144 kbit/s.

**Broad economic categories (BEC)**

The classification by broad economic categories (BEC) permits the conversion of international trade data compiled on the SITC into end-use categories that are more meaningful for economic analysis and within the framework of the system of national accounts (capital, intermediate and consumer goods). The BEC includes 19 basic categories. The allocation of components of the SITC to BEC is carried out on the basis of the main end-use of the commodities in each SITC Rev. 3 basic heading, although it is recognised that the use of many commodities that are traded internationally, for example, passenger cars, may vary.

**Bunkers**

International marine bunkers cover the quantities of oil delivered to ships of all flags that are engaged in international navigation. The international navigation may take place at sea, on inland lakes and waterways, and in coastal waters. Excluded is consumption by ships engaged in domestic navigation. The domestic/international split should be determined on the basis of port of departure and port of arrival, and not by the flag or nationality of the ship. Also excluded are consumption by fishing vessels and consumption by military forces.

**Business services**

Technical services such as engineering, architecture and technical studies; computer services such as software design and database management; and other professional services such as legal, accounting, consultancy and management services.



## C

**Candidate countries**

Croatia and Turkey are two candidate countries with which accession negotiations have started (in October 2005). The former Yugoslav Republic of Macedonia is a candidate country with which accession negotiations have not started yet (at the time of drafting). The European Council granted the former Yugoslav Republic of Macedonia the status of a candidate country in December 2005. Bulgaria and Romania are acceding countries until 31 December 2006 (see [acceding countries](#) for more details).

**Carcass weight**

- **Pigs:** weight of the slaughtered pig's cold body, either whole or divided in half along the mid-line, after being bled and eviscerated and after removal of the tongue, bristles, hooves, genitalia, flare fat, kidneys and diaphragm.
- **Cattle:** weight of the slaughtered animal's cold body after being skinned, bled and eviscerated, and after removal of the external genitalia, the limbs, the head, the tail, the kidneys and kidney fats, and the udder.
- **Sheep and goats:** weight of the slaughtered animal's cold body after having been bled, skinned and eviscerated, and after removal of the head, feet, tail and genital organs. Kidneys and kidney fats are included in the carcass.
- **For other species:** carcass weight is considered to be the weight of the animal's cold body.
- **Poultry:** weight of the cold body of the slaughtered farmyard poultry after being bled, plucked and eviscerated. It includes poultry offal, with the exception of *foie gras*.

**Catch**

Catches of fishery products (fish, molluscs, crustaceans and other aquatic animals, residues and aquatic plants) taken for all purposes (commercial, industrial, recreational and subsistence) by all types and classes of fishing units (fishermen, vessels, gear, etc.) operating both in inland, fresh and brackish water areas, and in inshore, offshore and high-seas fishing areas. The production from aquaculture is excluded. Catch is normally expressed in live weight and derived by the application of conversion factors to the landed or product weight. As such, the catch statistics exclude quantities which are caught but which, for a variety of reasons, are not landed.

**Cattle**

Domestic animals of the species *Bos taurus*, *Bubalus bubalus* and *Beefalo*. A distinction can be made by age (less than one year old, aged between one and two years, and two years and over) with a further distinction between male and female bovines. Female bovines aged two years and over are distinguished between heifers (female bovines that have not calved) and cows, the latter being distinguished between dairy cows and others.

**Causes of death**

Data are based on the **underlying** cause of death. Causes of death are defined on the basis of the World Health Organisation's international classification of diseases (ICD). Although definitions are harmonised, the statistics may not be fully comparable as classifications may vary when the cause of death is multiple or difficult to evaluate and because of different notification procedures.

**Central government**

All administrative departments of the State and other central agencies whose responsibilities extend over the whole economic territory, except for the administration of the social security funds.

**Cereals**

Cereals include wheat, rye, meslin, barley, oats, maize, sorghum, other cereals. Note that rice is not considered a cereal, but statistics may be presented for 'cereals, including rice'.

**Comparative price levels**

Comparative price levels are the ratio between purchasing power parities and market exchange rates for each country (see [purchasing power parities](#)).

**Compensation of employees**

All remuneration in cash and in kind by employers in return for the work done by their employees during the relevant period. The payments cover gross wages and salaries, employers' actual social contributions and imputed social contributions (those directly supplied by the employers to their employees without involving a social security fund, an insurance enterprise or an autonomous pension fund).

**Completed fertility (by generation)**

The mean number of children born to women of a given generation at the end of their childbearing years. This is calculated by adding the fertility rates by age of the mother observed for successive years, when the cohort has reached the age in question (in general, only ages between 15 and 49 years are considered). In practice, the fertility rates for older women can be estimated using the rates observed for previous generations, without waiting for the cohort to reach the end of the reproductive period.

**Consumer price indices (CPI)**

Eurostat compiles harmonised indices of consumer prices (HICPs), designed for international comparisons of consumer price inflation. HICPs are used, among others, by the European Central Bank for monitoring inflation in the economic and monetary union and for the assessment of inflation convergence as required under Article 121 of the Treaty of Amsterdam (see also [convergence criteria](#)).

### Consumption of fixed capital

Value, at current replacement costs, of the reproducible fixed assets used up during an accounting period (usually one year) as a result of normal wear and tear, foreseeable obsolescence and a normal rate of accidental damage. Unforeseen obsolescence, major catastrophes and depletion of natural resources are not included.

### Convergence criteria

Convergence criteria for European monetary union are as follows:

- **Price stability** - Member States should have a price performance that is sustainable and an average rate of inflation, observed over the period of one year before the examination, that does not exceed by more than 1.5 percentage points that of, at most, the three best-performing Member States in terms of price stability.
- **Government budgetary position** - Member States are to avoid situations of excessive government deficits, that is to say that their ratio of planned or actual government deficit to GDP should be no more than 3 %, and that their ratio of (general) government debt to GDP should be no more than 60 %, unless the excess over the reference value is only exceptional or temporary or the ratios have declined substantially and continuously.
- **Exchange rates** - Member States should have respected the normal fluctuation margins of the exchange rate mechanism (ERM) without severe tensions for at least the two years before the examination. In particular, the Member State shall not have devalued its currency's bilateral central rate against any other Member State's currency on its own initiative over the same period.
- **Long-term interest rates** - Member States should have had an average nominal long-term interest rate over a period of one year before the examination that does not exceed by more than 2 percentage points that of, at most, the three best-performing Member States in terms of price stability.

### Crop output

The concept of output comprises sales, changes in stocks, and crop products used as animal feeding stuffs, for processing and own final use by the producers.

### Current taxes on income, wealth

Current taxes on income and wealth cover all compulsory unrequited payments, in cash or in kind, levied periodically by general government and by the rest of the world on the income and wealth of institutional units, and some periodic taxes which are assessed neither on the income nor the wealth.

### Current transfers

Current transfers cover transactions in which goods, services or financial items are transferred between units (whether in the domestic economy or across international borders) without something of economic value being received in return.

## D

### Dairy cows

Cows are female bovines that have calved (including any aged less than 2 years). Dairy cows are cows kept exclusively or principally for the production of milk for human consumption and/or dairy produce, including cows for slaughter (fattened or not between last lactation and slaughter).

### Day-to-day money rates

Day-to-day money rates refer to deposits or loans on the money market with a maturity of one business day.

### Defoliation, degree of

The extent of visually assessed defoliation of trees, as developed by the International Cooperative Programme of the Executive Committee for the Convention on Long-range Transboundary Air Pollution in Europe. Damage classes are from 0 to 4.

Class	Needle/leaf loss	Degree of defoliation
0	up to and including 10 %	none
1	> 10 to 25 %	slight (warning stage)
2	> 25 to 60 %	moderate
3	> 60 to < 100 %	severe
4	100 %	dead

### Discharges from hospitals

Discharge is the formal release of a patient from a hospital after a procedure or course of treatment. A discharge occurs anytime a patient leaves because of finalisation of treatment, signing out against medical advice, transferring to another healthcare institution, or death. A discharge can refer to inpatients or day cases. Transfers to another department within the same institution are excluded.

### Distributive trades

Wholesale trade, wholesale agents, retail trade and repair of household goods and vehicles (NACE Section G).

**Divorce**

Divorce is possible in all EU Member States except Malta. In almost all countries divorces are registered at a court.

**Dwelling**

A room or a suite of rooms and its accessories, lobbies and corridors in a permanent building or a structurally separated part thereof which, by the way it has been built, rebuilt or converted, is designed for habitation by one private household all the year. A dwelling is either a one-family dwelling in a house or an apartment in a block of flats. Dwellings include garages for residential use, even when apart from the habitation or belonging to different owners.

**E****Early school leavers**

Early school leavers is the percentage of the population aged 18-24 with at most lower secondary education and not in further education or training. It refers to persons aged 18 to 24 in the following two conditions:

- the highest level of education or training attained is ISCED 0, 1, 2 or 3c short; and
- respondents declared not having received any education or training in the four weeks preceding the (LFS) survey (numerator).

The denominator consists of the total population of the same age group, excluding no answers (in the LFS) to the questions, '*highest level of education or training attained*' and '*participation to education and training*'.

**Earnings, gross**

Remuneration (wages and salaries) in cash paid directly to the employee before any deductions for income tax and social security contributions paid by the employee.

**Earnings, net**

Net earnings are calculated from gross earnings by deducting social security contributions and income taxes payable by employees and by adding family allowances if there are children in the family.

**E-commerce**

An electronic transaction is the sale or purchase of goods or services, whether between businesses, households, individuals or private organisations, conducted over computer-mediated networks. The goods and services are ordered over those networks, but the payment and the ultimate delivery of the good or service may be conducted on or offline. This covers orders which are transmitted via Internet or other computer networks.

**Economic territory**

The economic territory of a country consists of the geographical territory administered by a government; within the territory, people, goods and capital circulate freely. It also includes the national air space, the territorial waters, the natural deposits in international waters if worked by resident units, the territorial enclaves abroad (own representations, own military bases, etc.) but excludes extra-territorial enclaves (diplomatic representations of foreign countries or of the European Union's institutions, etc.).

**Ecu**

The former European currency unit could be considered as the cornerstone of the European Monetary System (EMS), which was designed to limit exchange rate movements among EU currencies. The ecu was composed of a basket of EU currencies. In addition to its official use in the EMS, a private market for the ecu developed, allowing its use in monetary transactions and for denominating financial instruments including bonds. The ecu was replaced by the euro, the new European single currency, on 1 January 1999 at a ratio of 1:1.

**EEA countries**

The European Economic Area (EEA) consists of the EU Member States and all EFTA countries (Iceland, Liechtenstein and Norway) except for Switzerland. The Agreement entered into force 1 January 1994. The objective of the agreement is to strengthen trade and economic relations between the contracting parties with the view to creating a homogenous European Economic Area by promoting free movement of goods, persons, services and capital. Comparable statistics are considered as relevant to the four freedoms and included in the agreement. The enlargement of the EU had direct bearings on the EEA Agreement, and from 1 May 2004 the enlarged EEA has included 28 countries.

**EFTA**

The European Free Trade Association (EFTA) is an inter-governmental organisation established by seven European countries in 1960. Since 1995 its Member States are Iceland, Liechtenstein, Norway and Switzerland. The association is responsible for the management of the free trade between the EFTA States, EFTA's participation in the European Economic Area (EEA), which includes the European Union (EU), and EFTA's worldwide network of free trade agreements.

**Emigrants**

People leaving their country of usual residence and effectively taking up residence in another country. According to the 1997 United Nations recommendations on statistics of international migration (revision 1), such a person is a long-term emigrant if he/she leaves his/her country of previous usual residence for a period of 12 months or more. However, few countries are able to supply statistics based on these definitions. The statistics shown in this publication are generally based on national definitions that may differ greatly from the UN recommendations. Not all countries collect statistics on emigrants, and, in those that do, data sources and the scope of the collection vary.

**Employed person (LFS)**

For the labour force survey, employed persons are defined as persons aged 15 and over (Spain, United Kingdom: 16 and over; Denmark, Estonia, Latvia, Hungary, Finland, Sweden: 15 to 74; Iceland, Norway: 16 to 74) who during the reference week performed work, even for just one hour per week, for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, for example, illness, holidays, industrial dispute and education or training. This definition follows guidelines of the International Labour Organisation.

**Employees (LFS)**

For the labour force survey, employees are defined as persons who work for a public or private employer and who receive compensation in the form of wages, salaries, fees, gratuities, payment by results or payment in kind; non-conscripted members of the armed forces are also included.

**Employees (SBS)**

For structural business statistics employees are defined as those persons who work for an employer and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind. The relationship of employer to employee exists when there is an agreement, which may be formal or informal, between an enterprise and a person, normally entered into voluntarily by both parties, whereby the person works for the enterprise in return for remuneration in cash or in kind. A worker is considered to be a wage or salary earner of a particular unit if he or she receives a wage or salary from the unit regardless of where the work is done (in or outside the production unit). A worker from a temporary employment agency is considered to be an employee of the temporary employment agency and not of the unit (customer) in which they work.

In particular the following are considered as employees:

- paid working proprietors;
- students who have a formal commitment whereby they contribute to the unit's process of production in return for remuneration and/or education services;
- employees engaged under a contract specifically designed to encourage the recruitment of unemployed persons;
- homeworkers if there is an explicit agreement that the homeworker is remunerated on the basis of the work done and they are included on the payroll.

Employees includes part-time workers, seasonal workers, persons on strike or on short-term leave, but excludes those persons on long-term leave. Employees does not include voluntary workers.

**Employment rate**

Persons in employment as a percentage of the population of the same age.

**EMU (economic and monetary union)**

The union of 12 EU Member States which adopted the single currency, the euro. These countries are officially considered to have fulfilled the convergence criteria. Stage III of EMU began on 1 January 1999, when 11 member currencies were permanently fixed to the euro, joined by the Greek drachma on 1 January 2001. The coins and notes were introduced on 1 January 2002 and national currencies progressively withdrawn (see *euro*).

**Energy dependency rate**

Net imports of energy as a percentage of gross inland energy consumption plus bunkers.

**Energy intensity**

This indicator is the ratio between the gross inland consumption of energy and the gross domestic product (GDP) for a given calendar year. It measures the energy consumption of an economy and its overall energy efficiency. The gross inland consumption of energy is calculated as the sum of the gross inland consumption of five energy types: coal, electricity, oil, natural gas and renewable energy sources. The GDP figures are taken at constant prices to avoid the impact of the inflation, base year 1995 (ESA 95). The energy intensity ratio is determined by dividing the gross inland consumption by the GDP. Since gross inland consumption is measured in kgoe (kilogram of oil equivalent) and GDP in EUR 1 000, this ratio is measured in kgoe per EUR 1 000.

**Environmental protection expenditure**

Environmental expenditure means how much has been spent to protect the environment. It includes both investments and current expenditure.

**Equivalised income**

Equivalised income is used for the calculation of official income poverty and social exclusion indicators. In order to take account of differences in household size and composition in the comparison of income levels, the household's total income from all sources is divided by its 'equivalent size', computed using the modified OECD equivalence scale. This scale gives a weight of 1.0 to the first adult, 0.5 to the second and each subsequent person aged 14 and over, and 0.3 to each child aged less than 14 in the household.

**ESA**

The mission of the European Space Agency is to shape the development of Europe's space capability and ensure that investment in space continues to deliver benefits to the citizens of Europe. The ESA has 17 Member States. By coordinating the financial and intellectual resources of its members, it can undertake programmes and activities far beyond the scope of any single European country.

**ESA**

European system of (integrated economic) accounts, the methodology of national accounts in Europe. The current version, ESA 95, is fully consistent with the worldwide guidelines on the national accounts, the SNA 93.

**Esspros**

The European system of integrated social protection statistics (Esspros) is built on the concept of social protection. Social protection is defined as the coverage of risks and needs that are precisely defined and that cover all the aspects for social protection: health, disability, old age, family and unemployment. Esspros records the receipts and the expenditure of the various organisations (or schemes) intervening in the field of social protection. The social benefits are broken down by type and functions. The type refers to the form in which the benefits are provided: in cash or in kind, for example. The functions gather the needs covered by the benefits: thus income maintenance can be paid in respect of health, but also of disability, old age, maternity or unemployment. The receipts are broken down by type: social contributions, general government contributions and other receipts.

**Euro**

Stage III of European Monetary Union began on 1 January 1999 with the introduction of the euro, the European single currency. It replaced the ecu on a 1:1 basis. Since that date, the national currencies of 11 EU Member States (Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland) were fixed to the euro at irrevocable conversion rates. They were joined by Greece on 1 January 2001. The euro existed until the end of 2001 as book money only (cheque, transfer, payment by card) and its use was voluntary (no compulsion - no prohibition). Euro coins and notes were introduced on 1 January 2002, when use of the euro became compulsory and national currencies were progressively withdrawn.

Fixed conversion rates (EUR 1 =)

13.7603 ATS  
40.3399 BEF  
1.95583 DEM  
166.386 ESP  
5.94573 FIM  
6.55957 FRF  
340.750 GRD  
0.787564 IEP  
1 936.27 ITL  
40.3399 LUF  
2.20371 NLG  
200.482 PTE

Note that all data in this publication refers to a euro area aggregate that is consistently composed of 12 Member States (unless otherwise stated).

Note that, as of 1 January 2007, Slovenia will become a member of the euro area (however, as this publication was produced in 2006 this change is not reflected in the coverage of data presented in tables and graphs).

**Europa**

Europa is the portal of the European Union (<http://europa.eu>). It provides up-to-date coverage of European Union affairs and essential information on European integration. Users can also consult all legislation currently in force or under discussion, access the websites of each of the EU institutions and find out about the policies administered by the European Union under the powers devolved to it by the Treaties.

**European Patent Office (EPO)**

The European Patent Office (EPO) is the executive arm of the European Patent Organisation, an intergovernmental body set up under the European Patent Convention (EPC), which was signed in Munich on 5 October 1973 and which entered into force on 7 October 1977. Members of the European Patent Organisation are the EPC contracting States. The EPO grants European patents for the contracting states to the EPC. The activities of the EPO are supervised by the Organisation's Administrative Council, composed of delegates from the contracting States.

**European Union (EU)**

Established on 1 November 1993 when the Treaty on European Union (Maastricht Treaty) entered into force. On 31 December 1994, the EU had 12 Member States: Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal and the United Kingdom. From January 1995, the EU grew with the addition of three Member States: Austria, Finland and Sweden. In May 2004, 10 more Member States joined the EU: the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia. On 1 January 2007, Bulgaria and Romania will become members of the EU.

**Euro area**

Countries initially participating in monetary union in January 1999: Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland. On 1 January 2001, Greece also joined the euro area. Note that all data in this publication refers to a euro area aggregate composed of all 12 Member States (unless otherwise stated).

Note that as of 1 January 2007, Slovenia will become a member of the euro area (however, as this publication was produced in 2006 this change is not reflected in the coverage of data presented in tables and graphs).

**EU-SILC (EU statistics on income and living conditions)**

Output-harmonised data collection which is designed to be the reference source of information on income, poverty, social exclusion and related social issues, containing regular cross-sectional and longitudinal elements and a varying annual modular element, and placing greater reliance on existing national sources than its predecessor (the ECHP survey) in an attempt to improve timeliness and flexibility.

**EU-Swiss bilateral agreement**

The bilateral agreement between the EU and Switzerland on cooperation in the field of statistics came into force 1 January 2007. The agreement enables Switzerland to access the pan-European data for the countries within the European Economic Area and guarantees comparability of statistics. All four Member States of EFTA are subsequently members of the European statistical system (ESS).

**Expenditure on pensions**

The pensions aggregate comprises part of periodic cash benefits under the disability, old-age (retirement), survivors and unemployment functions. It is defined as the sum of the following social benefits: disability pension, early-retirement due to reduced capacity to work, old-age pension, anticipated old-age pension, partial pension, survivors' pension, early-retirement benefit for labour market reasons.

**Extra-EU flows**

All transactions between EU countries and countries outside the EU (non member countries).

**F****Fatal accidents at work**

A fatal accident at work is a discrete occurrence in the course of work with physical or mental harm, leading to death within one year of the accident. It excludes accidents on the way to or from work, occurrences having only a medical origin, and occupational diseases.

**Fertility rate, by age of mother**

Also known as age specific fertility rate. The number of births to mothers of age  $x$  to the average female population of age  $x$ . Depending on the country, the age is either the age reached during the year or the age at last birthday. Eurostat converts the rates established using the age at last birthday into rates based on the age reached during the year in order to produce comparable data between countries.

**Final consumption expenditure**

Final consumption expenditure consists of expenditure incurred by resident institutional units on goods or services that are used for the direct satisfaction of individual needs or wants or the collective needs of members of the community.

**Final energy consumption**

Final energy consumption covers energy supplied to the final consumer's door for all energy uses.

**Fishery products**

For foreign trade in fishery products the following products are considered.

- **Edible fishery products:** fresh, chilled, frozen, salted, smoked and dried fish; fish preserves and conserves; fresh, chilled, frozen, dried and smoked crustaceans and molluscs; preparations and conserves of crustaceans and molluscs.
- **Inedible products:** meals and solubles; oils and fats; sponges, corals, etc.
- **Aquatic plants.**

**Fishing fleet**

In general the data refer to the fleet size on 31 December of the reference year. The data are derived from the national registers of fishing vessels which are maintained pursuant to Council Regulation (EC) No 26/2004 which contains information on the vessel characteristics to be recorded on the registers.

**Foreign direct investment (FDI)**

Foreign direct investment (FDI) is the category of international investment within the balance of payment accounts that reflects the objective of obtaining a lasting interest by a resident entity in one economy in an enterprise resident in another economy. The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise, and a significant degree of influence by the investor on the management of the enterprise. Formally defined, a direct investment enterprise is an unincorporated or incorporated enterprise in which a direct investor owns 10 % or more of the ordinary shares or voting power (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise). FDI flows and positions: through direct investment flows, an investor builds up a foreign direct investment position that features on the international investment position of the economy. This FDI position (or FDI stock) differs from the accumulated flows because of revaluation (changes in prices or exchange rates), and other adjustments like rescheduling or cancellation of loans, debt forgiveness or debt-equity swaps.

**Foreign direct investment intensity**

Average of inward and outward FDI flows divided by GDP. The index measures the intensity of investment integration within the international economy.

**Forest trees**

Forest is defined as land with tree crown cover (or equivalent stocking level) of more than 10 % and area of more than 0.5 ha. The trees should be able to reach a minimum height of 5 m at maturity in situ.

**Fresh vegetables**

Fresh vegetables includes brassicas (for example, cabbage, cauliflower and broccoli), other leafy or stalked vegetables (for example, celery, leeks, lettuce, spinach and asparagus), vegetables cultivated for fruit (for example, tomatoes, cucumbers, gherkins, melons, egg-plant (aubergine), pumpkins and red pepper), root and tuber vegetables (for example, turnips, carrots, onions, garlic, beetroot and radishes), pulses (for example, peas and beans), cultivated mushrooms, and wild products.

**G****Gender pay gap (unadjusted form)**

The gender pay gap is given as the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees. The population consists of all paid employees aged 16 to 64 who are at work 15 or more hours per week.

**General government**

The general government sector includes all institutional units whose output is intended for individual and collective consumption, and mainly financed by compulsory payments made by units belonging to other sectors, and/or all institutional units principally engaged in the redistribution of national income and wealth. The general government sector is subdivided into four subsectors: central government, State government, local government, and social security funds.

**General government debt**

Total gross debt at nominal value outstanding at the end of the year and consolidated between and within the subsectors of general government (see also *convergence criteria*).

**Geonomenclature**

The nomenclature of countries and territories for the external trade statistics of the Community and statistics of trade between Member States is an essential element in compiling statistics. In particular, it makes it possible to identify those involved in trade, in other words the reporting country and the partner country. If necessary the geonomenclature is subject to annual revision in order to incorporate the adjustments needed for statistical purposes and to take into account any geopolitical change that may have occurred.

**Government budget appropriations or outlays for research and development**

Government budget appropriations or outlays for research and development (GBAORD) are a way of measuring government support to R & D activities and include all appropriations allocated to R & D in central (or federal) government budgets. Provincial (or State) government is only included if the contribution is significant, whereas local government funds are excluded.

**Greenhouse gases**

The six greenhouse gases covered by the Kyoto Protocol are the non-fluorinated gases (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O) and the fluorinated gases (HFC, PFC and SF<sub>6</sub>).

**Gross domestic expenditure on R & D (GERD)**

Gross domestic expenditure on R & D is composed of: business enterprise expenditure on R & D, higher education expenditure on R & D, government expenditure on R & D and private non-profit expenditure on R & D.

**Gross domestic product (at market prices)**

Final result of the production activity of resident producer units. It corresponds to the economy's total output of goods and services, less intermediate consumption, plus taxes less subsidies on products.

**Gross domestic product (in purchasing power standards)**

Gross domestic product (GDP) converted into the artificial currency unit PPS (purchasing power standard) through a special conversion rate called PPP (purchasing power parity). The GDP in PPS represents pure volume, after price-level differences between countries have been removed by the special conversion rate PPP.

**Gross electricity consumption**

Gross electricity generation is measured at the outlet of the main transformers, i.e. the consumption of electricity in the plant auxiliaries and in transformers is included.

**Gross fixed capital formation (GFCF)**

Gross fixed capital formation (GFCF) consists of resident producers' acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realised by the productive activity of producers or institutional units. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than one year.

**Gross inland (energy) consumption**

Gross inland consumption represents the quantity of energy necessary to satisfy inland consumption of the geographical entity under consideration. Gross inland consumption is calculated as follows: primary production + recovered products + net imports + variations of stocks - bunkers. It corresponds to the addition of consumption, distribution losses, transformation losses and statistical differences.

**Gross national income (GNI)**

Gross national income (GNI) equals GDP minus primary income payable by resident units to non-resident units, plus primary income receivable from the rest of the world. It is conceptually identical to gross national product (GNP, the concept in ESA 79), though GNP was calculated differently in ESA 79.

**Gross national product (GNP)**

See *gross national income*.

**Gross operating rate (SBS)**

The gross operating rate is calculated as the ratio of gross operating surplus (see below) to turnover.

**Gross operating surplus (national accounts)**

Gross domestic product at market prices minus compensation of employees paid by resident employers, net taxes (= taxes minus subsidies) on production and imports levied by general government and by the rest of the world, including EU institutions. The operating surplus corresponds to the income which production units obtain from their own use of their production facilities.

**Gross operating surplus (SBS)**

For structural business statistics gross operating surplus is the surplus generated by operating activities after the labour factor input has been recompensed. It can be calculated from the value added at factor cost less the personnel costs. It is the balance available to a unit which allows it to recompense the providers of own funds and debt, to pay taxes and eventually to finance all or a part of its investment. Income and expenditure classified as financial or extraordinary in company accounts is excluded from gross operating surplus.

**Gross value added at market prices**

Final output (at basic prices) minus intermediate consumption (at purchasers' prices). Gross value added can be broken down by industry. For the economy as a whole, it usually makes up more than 90 % of GDP.

**H****Healthcare expenditure**

Sickness/healthcare expenditure is defined according to the European system of integrated social protection statistics (Esspros) and covers: cash benefits that replace in whole or in part loss of earnings during temporary inability to work due to sickness or injury; and medical care provided in the framework of social protection to maintain, restore or improve the health of the people protected.

**Healthy life years expectancy (HLYE)**

The healthy life years expectancy (HLYE) measures the number of remaining years that a person of a specific age is expected to live in a healthy condition. A healthy condition is defined by the absence of limitations in functioning/disability. Therefore, the indicator is also called disability-free life expectancy (DFLE).

**HICP**

Harmonised indices of consumer prices (HICPs) provide the best statistical basis for comparisons of consumer price inflation within the EU. The methodology ensures comparability between Member States. Eurostat publishes the HICPs monthly, about 15 to 17 days after the end of the reporting month. The HICP series started in the mid-1990s and are presented with a common reference year: 2005 = 100. HICPs for the Member States that joined the EU in 2004 are also available. See also *consumer price indices (CPI)*.



### High-technology patents

High-technology patents are counted following the criteria established by the trilateral statistical report, where the subsequent technical fields are defined as high technology groups in accordance to the international patent classification (IPC): computer and automated business equipment; micro-organism and genetic engineering; aviation; communication technology; semiconductors; and lasers.

### High-technology sectors

The classification of high- and medium-high-technology manufacturing sectors is based on the notion of R & D intensity (ratio of R & D expenditure to GDP). Following this criterion, **high-technology manufacturing**: comprises manufacturing of office machinery and computers, manufacturing of radio, television and communication equipment and apparatus, and manufacturing of medical precision and optical instruments, watches and clocks. **Medium-high-technology manufacturing** includes the manufacture of chemicals and chemical products, manufacture of machinery and equipment n.e.c., manufacture of electrical machinery and apparatus n.e.c., manufacture of motor vehicles, trailers and semi-trailers, and manufacturing of transport equipment. Following a similar logic as for manufacturing, Eurostat defines the following sectors as **knowledge-intensive services (KIS)**: water transport; air transport; post and telecommunications; financial intermediation; insurance and pension funding (except compulsory social security); activities auxiliary to financial intermediation; real estate activities; renting of machinery and equipment without operator and of personal and household goods; computer and related activities; research and development; other business activities; education; health and social work; and recreational, cultural and sporting activities. Of these sectors, post and telecommunications, computer and related activities, and research and development are considered **high-technology KIS**.

### Hospital beds

Hospital beds are those which are regularly maintained and staffed and immediately available for the care of admitted patients. These include:

- beds in all hospitals, including general hospitals (HP.1.1), mental health and substance abuse hospitals (HP.1.2), and other specialty hospitals (HP.1.3),
- occupied and unoccupied beds;

and exclude:

- surgical tables, recovery trolleys, emergency stretchers, beds for same-day care, cots for healthy infants,
- beds in wards which were closed for any reason,
- provisional and temporary beds,
- beds in nursing and residential care facilities (HP.2).

The HP codes refer to the healthcare provider classification of the SHA (System of Health Accounts).

### Household

For surveys on household incomes (e.g. EU-SILC) or household budget surveys, households are defined in terms of having a shared residence and common arrangements. A household comprises either one person living alone or a group of people, not necessarily related, living at the same address with common housekeeping, e.g. sharing at least one meal per day or sharing a living or sitting room.

### Household consumption/expenditure

The value of goods and services used for directly meeting human needs. Household consumption covers expenditure on purchases of goods and services, own consumption such as products from kitchen gardens, and the imputed rent of owner-occupied dwellings (= the rent that the household would pay if it were a tenant).

### Human resources in science and technology (HRST)

HRST are individuals who have:

- successfully completed education at the third level in an S & T field of study or;
- not formally qualified as above but employed in an S & T occupation where the above qualifications are normally required.

Core HRST are individuals who both have successfully completed education at the third level in an S & T field of study **and** are employed in an S & T occupation.



### Immigrants

Persons arriving or returning from abroad to take up residence in the country for a certain period, having previously been resident elsewhere. According to the 1997 United Nations recommendations on statistics of international migration (Revision 1), such a person is a long-term immigrant if he/she stays in his/her country of destination for a period of 12 months or more, having previously been resident elsewhere for 12 months or more. However, few countries are able to supply statistics based on these definitions. The statistics shown in this publication are generally based on national definitions that may differ greatly from the UN recommendations. Not all countries collect immigration data, and, in those that do, data sources and the scope of the collection vary. A few countries (e.g. France) exclude national citizens from immigration statistics.

### Implicit price index, GDP

Indicator of price evolution of all goods and services that make up the GDP.

**Inactive**

People not in the labour force; they are neither employed nor unemployed (International Labour Organisation definition).

**Incineration**

Incineration without energy recovery is one method of final treatment for the disposal of waste. It covers incineration without energy recovery on land and at sea. Incineration with energy recovery (in other words, re-use as a fuel) is one form of recovery.

**Incumbent (in fixed telecommunications)**

The incumbent is defined as the enterprise active on the market just before liberalisation.

**Indicator A (of the income from agricultural activity)**

Indicator A corresponds to the deflated (real) net value added at factor cost of agriculture, per total annual work unit. The implicit price index of GDP is used as deflator.

**Industrial wastes**

Industrial wastes cover wastes of industrial non-renewable origin (solids and liquids), combusted directly for the production of electricity and/or heat.

**Inequality of income distribution**

The ratio of total income received by the 20 % of the population with the highest income (top quintile) to that received by the 20 % of the population with the lowest income (lowest quintile). Income is based on equivalised disposable income.

**Inflation rate**

The inflation rate is calculated from HICPs (see *HICP and consumer price indices*).

**Inland waterway, navigable**

A stretch of water, not part of the sea, over which vessels of a carrying capacity of not less than 50 tonnes can navigate when normally loaded. This term covers both navigable rivers and lakes and navigable canals. The length of rivers and canals is measured in mid-channel. The length of lakes and lagoons is measured along the shortest navigable route between the most distant points to and from which transport operations are performed. A waterway forming a common frontier between two countries is reported by both.

**Interest rate**

An interest rate is the cost or price of borrowing, or the gain from lending, normally expressed as an annual percentage amount.

**Intermediate consumption**

Intermediate consumption consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital. The goods and services may be either transformed or used up by the production process.

**Intra-EU flows**

All transactions declared by EU countries with other EU Member States.

**Irrigable area (agricultural holdings)**

The maximum area which could be irrigated in the reference year using the equipment and the quantity of water normally available on the holding.

**ISCED**

The international standard classification of education (ISCED) is an instrument suitable for compiling statistics on education internationally. It covers two cross-classification variables: levels and fields of education with the complementary dimensions of general/vocational/prevocational orientation and educational/labour market destination. The current version, ISCED 97, was implemented in EU countries, for the first time, for the collection of data from the school year 1997/98. The change in the ISCED classification has affected the comparability of chronological series, especially for level 3 (upper secondary education) and for level 5 (tertiary education). ISCED 97 introduced a new level, ISCED level 4: post-secondary non-tertiary education (previously included in ISCED levels 3 and 5). ISCED 97 level 6 only relates to PhD or doctoral studies.

The classification comprises 25 fields of education (at two-digit level) which can be further refined into three-digit level. The following nine broad groups (at one-digit level) can be distinguished:

- 0 — General programmes
- 1 — Education
- 2 — Humanities and arts
- 3 — Social sciences, business and law
- 4 — Science, mathematics and computing
- 5 — Engineering, manufacturing and construction
- 6 — Agriculture and veterinary
- 7 — Health and welfare
- 8 — Services

Empirically, ISCED assumes that several criteria exist which can help allocate education programmes to levels of education. Depending on the level and type of education concerned, there is a need to establish a hierarchical ranking system between main and subsidiary criteria (typical entrance qualification, minimum entrance requirement, minimum age, staff qualification, etc.). The following ISCED levels can be distinguished:

- **0 — Pre-primary education** - pre-primary education is defined as the initial stage of organised instruction. It is school- or centre-based and is designed for children aged at least three years.
- **1 — Primary education** - this level begins between four and seven years of age, is compulsory in all countries and generally lasts from five to six years.
- **2 — Lower secondary education** - it continues the basic programmes of the primary level, although teaching is typically more subject-focused. Usually, the end of this level coincides with the end of compulsory education.
- **3 — Upper secondary education** - this level generally begins at the end of compulsory education. The entrance age is typically 15 or 16 years. Entrance qualifications (end of compulsory education) and other minimum entry requirements are usually needed. Instruction is often more subject-oriented than at ISCED level 2. The typical duration of ISCED level 3 varies from two to five years.
- **4 — Post-secondary non-tertiary education** - these programmes straddle the boundary between upper secondary and tertiary education. They serve to broaden the knowledge of ISCED level 3 graduates. Typical examples are programmes designed to prepare students for studies at level 5 or programmes designed to prepare students for direct labour market entry.
- **5 — Tertiary education (first stage)** - entry to these programmes normally requires the successful completion of ISCED level 3 or 4. This level includes tertiary programmes with academic orientation (type A) which are largely theoretically based and tertiary programmes with occupation orientation (type B) which are typically shorter than type A programmes and geared for entry into the labour market.
- **6 — Tertiary education (second stage)** - this level is reserved for tertiary studies that lead to an advanced research qualification (PhD or doctorate).

## J

### Jobless households

Households where no one is working.

## L

### Labour costs, direct

See *total labour costs*.

### Labour costs, indirect

See *total labour costs*.

### Labour force

People in the labour market, i.e. employed and unemployed people.

### Labour force survey (LFS)

A labour force survey is an inquiry directed to households designed to obtain information on the labour market and related issues by means of personal interviews. The EU LFS covers the entire population living in private households and excludes those in collective households such as boarding houses, halls of residence and hospitals. The definitions used are common to all EU countries and are based on international recommendations by the International Labour Office (ILO).

### Labour market policy (LMP)

The labour market policy database covers all labour market measures which can be described as public interventions in the labour market aimed at reaching its efficient functioning and to correct disequilibria and which can be distinguished from other general employment policy measures in that they act selectively to favour particular groups in the labour market.

Public interventions refer to measures taken by general government in this respect which involve expenditure, either in the form of actual disbursements or of forgone revenue (reductions in taxes, social contributions or other charges normally payable). The scope of the database is also limited to labour market measures which are explicitly targeted in some way at groups of people with difficulties in the labour market - referred to here as target groups. In broad terms, this covers people who are unemployed, people in employment but at risk of involuntary job loss, and inactive persons who are currently not part of the labour force (in the sense that they are not employed or unemployed according to the ILO definitions) but who would like to enter the labour market and are disadvantaged in some way.

### Labour productivity

Various measures of labour productivity are available. For the structural indicators this measure is based on GDP in PPS either relative to the number of persons employed or to the number of hours worked; in both cases it is then expressed as an index.

### Landfill

Landfill is defined as deposit of waste into or onto land, including specially engineered landfill, and temporary storage of over one year on permanent sites. The definition covers both landfill in internal sites (i.e. where a generator of waste is carrying out its own waste disposal at the place of generation) and in external sites.

### Leading operator (in mobile telecommunication)

The leading operator is identified on the basis of the estimates of the number of mobile subscribers.

### Life expectancy at birth

The mean number of years a newborn child can expect to live if subjected throughout his or her life to the current mortality conditions (age-specific probability of dying).

**Lifelong learning**

Lifelong learning indicators refer to persons aged 25 to 64 who answered (the LFS) that they received education or training in the four weeks preceding the survey (numerator). The denominator consists of the total population of the same age group, excluding no answers (in the LFS) to the question '*participation to education and training*'.

Lifelong learning is computed on the basis of the variable '*participation in education and training in the last four weeks*' from the EU LFS. From 2004, this variable is derived from two variables '*participation in regular education*' and '*participation in other taught activities*'; self-learning activities are no longer covered.

**Live births**

Births of children that showed any sign of life. It is the number of births excluding stillbirths (total births include live births and stillbirths).

**Live births outside marriage**

Births where the mother's marital status at the time of birth is other than married.

**Live weight of fishery products**

Live weight of fishery products is derived from the landed or product weight by the application of factors and is designed to represent the weight of the fishery product as it was taken from the water and before being subjected to any processing or other operation.

**Livestock density**

The livestock density index provides the livestock unit (LSU) per hectare of utilised agricultural area.

**Livestock unit (LSU)**

The LSU is a reference unit which facilitates the aggregation of livestock from various species and ages. The Eurofarm LSU coefficients are established by convention (originally, they were related to the animals' feed requirements, the reference being a dairy cow with an annual yield of 3 000 kg of milk, without additional concentrated feedingstuffs).

**Local calls**

A local call is a call within local networks.

**Local government**

All types of public administration whose competence extends to only a local part of the economic territory apart from local agencies of social security funds.

**Long-distance call**

A long-distance call is a call from one local network to another.

**Long-term unemployment**

Long-term unemployed are persons who have been unemployed for one year or more. Unemployed persons are defined as persons aged 15 to 74 (in Spain, the United Kingdom, Iceland, Norway: 16 to 74) who were without work during the reference week, were currently available for work and were either actively seeking work in the last four weeks or had already found a job to start within the next three months.. The duration of unemployment is defined as the duration of a search for a job or as the length of the period since the last job was held (if this period is shorter than the duration of the search for a job). This definition follows the guidelines of the International Labour Organisation.

**M****Manufacturing**

All activities included within Section D of NACE Rev. 1.1. Both cottage industry (crafts) and large-scale activity are included. It should be noted that the use of heavy plant or machinery is not exclusive to manufacturing. It covers activities such as manufacture of non-metallic mineral products; chemicals; man-made fibres; manufacture of metal articles; food, drinks and tobacco; textiles; leather and leather goods; timber and wooden furniture; manufacture of paper and paper products, including printing and publishing; and processing of rubber and plastics; excluded are mining and extraction, energy and water, building and civil engineering.

**Marriage**

The relation between a civil marriage and a religious marriage is not the same in all countries. In Cyprus, Denmark, Estonia, Finland, Greece, Ireland, Italy, Latvia, Lithuania, Norway, Poland, Slovakia, Spain, Sweden and the United Kingdom a religious marriage has consequences for the civil marriage in the sense that a religious marriage is recognised by the State as equivalent to a civil marriage. France states that a religious marriage has no consequences for marital status, unless that religious marriage has been contracted abroad.

**Meat production**

The carcass weight of animals (for example, bovine, pigs, sheep and goats) slaughtered (in slaughterhouses and on the farm) whose meat is declared fit for human consumption.

**Mercosur (Southern Cone Common Market)**

AR: Argentina; BR: Brazil; PY: Paraguay; UY: Uruguay.

**Milk**

A distinction should be made between milk collected by dairies and milk production on the farm. Milk collection is only a part of the total use of milk production on the farm. The other part of the use of milk produced on the farm generally includes domestic consumption, direct sale and cattle feed.

**Minimum wage**

The minimum wage is fixed at an hourly or monthly rate by the government, usually following consultation with unions and employers, and is enforced by law. The minimum wage usually applies nationwide to all full-time employees and all occupations, but may be modified to take into account age, length of service, skills or the physical and mental abilities of an employee or the economic conditions in which an enterprise is operating. The laws governing such systems also contain mechanisms for reviewing the minima, often involving tripartite bargaining between government, unions and employers, in the light of changes in prices, wages and other economic factors. The minimum wage may be subject to automatic reassessment (indexed in line with the consumer price index or economic growth) or to discretionary updates (increased by legislation). Minimum wages are gross amounts, that is, before deduction of income tax and social security contributions. Such deductions vary between countries.

**Modal split (of transport)**

Indicates the share of each mode of transport based on passenger-kilometres (pkm) for passenger transport and tonne-kilometres (tkm) for goods (freight) transport. Modes of transport include train, sea, inland waterways and air (for goods and passengers), as well as passenger car, powered two-wheelers, bus, coach, tram, metro for passengers and pipelines for goods. In practice, an analysis of the modal split may exclude certain modes, for example it may be limited to inland transport and therefore exclude sea transport.

**Mortality rate, crude**

Deaths per 1 000 inhabitants.

**Mortality, infant**

Deaths per 1 000 live-born children aged less than one year.

**Motorway**

Road, specially designed and built for motor traffic, which does not serve properties bordering on it, and which:

- is provided, except at special points or temporarily, with separate carriageways for the two directions of traffic, separated from each other, either by a dividing strip not intended for traffic, or exceptionally by other means;
- does not cross at level with any road, railway or tramway track, or footpath;
- is specially signposted as a motorway and is reserved for specific categories of road motor vehicles.

Entry and exit lanes of motorways are included irrespectively of the location of the signposts. Urban motorways are also included.

**Municipal waste**

Municipal waste consists of waste collected by or on behalf of municipal authorities and disposed of through the waste management system. Municipal waste mainly consists of waste generated by households, though it also includes similar wastes from sources such as commerce, offices and public institutions. In some countries the coverage of the municipal waste collection scheme is not complete; in such cases an estimate of the waste generated in the areas not covered has been added to the total.

**N****NACE Rev. 1.1**

NACE Rev. 1.1 is a revision of NACE Rev. 1, the general classification of economic activities in the European Community. An abbreviated list of the NACE classification is provided later in this annex, see page 355. Note that a revised classification (NACE Rev. 2) is due to be adopted at the end of 2006, and its implementation will begin in 2007.

**NAFTA (North American Free Trade Agreement)**

CA: Canada; MX: Mexico; US: United States.

**National citizens**

Persons who are citizens of the country in which they are currently resident.

**Net electricity generation**

Gross electricity generation less the consumption of the auxiliary services of power stations.

**Net imports (of energy)**

Net imports are calculated as total imports minus total exports.

**Net migration**

The difference between immigration to and emigration from a given area during the year (net migration is negative when the number of emigrants exceeds the number of immigrants). Since many countries either do not have accurate figures on immigration and emigration, or have no figures at all, net migration reported here is estimated as the difference between total population change and natural increase during the year. Net migration gives no indication of the relative scale of the separate immigration and emigration flows to and from a country; a country may report low net migration but experience very high immigration and emigration flows.

**Nights spent (in hotels and similar establishments)**

A night spent by a resident or a non-resident person (overnight stay) is each night that a guest actually spends (sleeps or stays) or is registered (his/her physical presence there is not necessary) in a hotel or similar establishment.

**Non-financial business economy**

The term non-financial business economy is generally used within business statistics to refer to economic activities covered by Sections C to I and K of NACE Rev. 1.1 and the units that carry out those activities.

**Non-national citizens**

Persons who are not citizens of the country in which they are currently resident.

**Non-profit institutions serving households**

Non-profit institutions serving households include for example religious societies, sports and other clubs, and political parties.

**NUTS**

A regulation on the classification of territorial units for statistics, the nomenclature of territorial units for statistics (NUTS), was approved in 2003 (Regulation (EC) No 1059/2003). The purpose is to provide a single and coherent territorial breakdown for the compilation of EU regional statistics. The current NUTS (version 2003) subdivides the territory of the European Union (EU-25) into 89 NUTS 1 regions, 254 NUTS 2 regions and 1 214 NUTS 3 regions. An amending regulation that extends the NUTS to the 10 Member States that joined the EU in 2004 was adopted on 26 October 2005 (Regulation (EC) No 1888/2005). An abbreviated list of the NUTS classification is provided later in this annex, see page 351.

**O****Oceania**

AU: Australia; FJ: Fiji; FM: Federated States of Micronesia; KI: Kiribati; MH: Marshall Islands; NC: New Caledonia; NR: Nauru; NZ: New Zealand; PF: French Polynesia; PG: Papua New Guinea; PN: Pitcairn; PW: Palau; SB: Solomon Islands; TO: Tonga; TV: Tuvalu; VU: Vanuatu; WS: Samoa; XF: Wallis and Futuna; and southern polar regions.

**Official lending rates for loans (central bank interest rates)**

Central bank interest rates are key reference rates set by the European Central Bank and national central banks. The central bank interest rates, also called official interest rates are the main instrument of the monetary policy of a central bank.

**Old-age-dependency ratio**

The ratio of the number of elderly persons of an age when they are generally economically inactive to the number of persons of working age.

**OPEC (Organisation of Petroleum Exporting Countries)**

AE: United Arab Emirates; DZ: Algeria; ID: Indonesia; IQ: Iraq; IR: Iran, Islamic Republic of; KW: Kuwait; LY: Libyan Arab Jamahiriya; NG: Nigeria; QA: Qatar; SA: Saudi Arabia; VE: Venezuela.

**Organic farming**

For the EU, farming is only considered to be organic if it complies with Council Regulation (EEC) No 2092/91. Organic farming involves holistic production management systems for crops and livestock, emphasising the use of management practices in preference to the use of off-farm inputs. This is accomplished by using, where possible, cultural, biological and mechanical methods in preference to fertilisers and pesticides.

**Output price indices**

Also referred to as producer price indices; output price indices are business-cycle indicators showing the development of transaction prices of economic activities. They can be an early indicator of inflationary pressures in the economy, but also record the evolution of prices over longer periods of time.

The output price index for an economic activity measures the average price development of all goods and related services. The prices collected in period  $t$  should refer to orders booked during period  $t$  (moment of order) and not the moment when the commodities leave the factory gates.

The indicators of domestic and non-domestic prices require separate output price indices to be compiled according to the destination of the product. The destination is determined by the residency of the third party that has ordered or purchased the product. The domestic market is defined as third parties resident in the same national territory as the observation unit.

Price indices are calculated as a weighted average for the relevant products.

**Overcrowded houses**

Overcrowded conditions are where there is more than one person per room.

**Overweight people**

Overweight people are those with a body mass index (BMI) greater than or equal to 25. This includes people who are severely overweight (obese), having a BMI greater than or equal to 30. The BMI is a measure of the body fat content of adults calculated as the ratio between the weight measured in kilograms, and the square of the height measured in metres.

## P

### Paper and paperboard

The sum of graphic papers; newsprint; sanitary and household papers; packaging materials and other paper and paperboard. It excludes manufactured paper products such as boxes, cartons, books and magazines, etc.

### Passenger car

Road motor vehicle, other than a motor cycle, intended for the carriage of passengers and designed to seat no more than nine persons (including the driver). The term passenger car therefore covers microcars (which need no permit to be driven), taxis, and hired passenger cars, provided that they have fewer than 10 seats; this category may also include pick-ups.

### Patents

Patents are one of a number of intellectual property rights, which fall into two broad categories:

- industrial property, chiefly in technical inventions, trademarks and industrial designs; and
- copyright, chiefly in literary, musical, artistic, photographic and audiovisual works, including some software.

Patents are issued by authorised bodies to inventors to make use of and exploit their inventions for a limited period of time. They are granted to firms, individuals or other entities as long as the invention is novel, non-obvious and industrially applicable. As a means of protecting inventions, patents may be interpreted as indicators of invention. Before an invention can become an innovation, further entrepreneurial efforts are required to develop, manufacture and market it.

### People killed in road accidents

Fatalities caused by road accidents include drivers and passengers of motorised vehicles and pedal cycles as well as pedestrians, killed within 30 days from the day of the accident.

### Personnel costs (SBS)

Personnel costs are defined as the total remuneration, in cash or in kind, payable by an employer to an employee (regular and temporary employees as well as home-workers) in return for work done by the latter during the reference period. Personnel costs also include taxes and employees' social security contributions retained by the unit as well as the employer's compulsory and voluntary social contributions. Personnel costs are made up of:

- wages and salaries,
- employers' social security costs.

### PhD graduates

See *ISCED level 6*.

### Pigs

Domestic animals of the species *Sus*; a distinction is made between piglets, pigs, fattening pigs and breeding pigs.

### Population, average/mid-year/mean

The average population during a calendar year is generally calculated as the arithmetic mean of the population on 1 January of two consecutive years (it is also referred to as the mean population). However, some countries calculate it differently, use the population based on registers or estimate it on a date close to 1 July (mid-year population).

### Population density

Number of inhabitants per square kilometre. For the calculation of population density, the land area concept (excluding inland water bodies like lakes or rivers) should be used wherever available. In several countries the total area, including area of lakes and rivers, is used because it is the only concept for which data are available.

### Population increase, natural

Births minus deaths.

### Population, on 1 January

The inhabitants of a given area on 1 January of the year in question (or, in some cases, on 31 December of the previous year). The population is based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers.

### Population, total

This can be either the population on 1 January or the average population during the year. Unless otherwise stipulated, the population on 1 January is used.

### Poultry

Hens, chicken, ducks, turkey, guinea fowls, geese.

### Practising physicians

Practising physicians provide services directly to patients. Practising physicians' tasks include: conducting medical examination and making diagnosis, prescribing medication and giving treatment for diagnosed illnesses, disorders or injuries, giving specialised medical or surgical treatment for particular types of illnesses, disorders or injuries, giving advice on and applying preventive medicine methods and treatments.

### Premium unleaded gasoline (95 RON), price of

This indicator presents the average unleaded gasoline/petrol (Euro-super 95) consumer prices at the pump. The prices are the most frequently encountered on the 15th of each month.

### Present smokers

A person is a present smoker if he/she declares that he/she smokes tobacco daily or occasionally.

**Price convergence**

If the coefficient of variation of the comparative price levels for the EU decreases/increases over time, the national price levels in the Member States are converging/diverging (see *comparative price levels*).

**Producer price indices, of agricultural production**

The indices give information on the trends in the producer prices of agricultural production as a whole. The sub-indices are weighted by the values of sales. Nominal indices are deflated by means of the HICP.

**Production index**

This index is a business-cycle indicator showing the output and activity of industry. It measures changes in the volume of output at close and regular intervals. It provides a measure of the volume trend in value added at factor cost over a given reference period. The data necessary for the compilation of such an index are, however, not available on a monthly basis. In practice, suitable proxy values for the continuation of the indices are:

- gross production values (deflated);
- volumes (data in physical quantities);
- turnover (deflated);
- work input;
- raw material input;
- energy input.

In construction, the index is split between building construction and civil engineering, according to the classification of types of construction (CC).

**Production of cereals**

Production of cereals is harvested production (not including the losses to the harvest).

**Production of primary energy**

Any kind of extraction of energy products from natural sources to a usable form is called primary production. Primary production takes place when the natural sources are exploited, for example, in coal mines, crude oil fields, hydro power plants or fabrication of biofuels. Transformation of energy from one form to another, such as electricity or heat generation in thermal power plants, or coke production in coke ovens, is not primary production.

**Public balance (net borrowing/lending of general government)**

Net borrowing (+)/net lending (-) of general government is the difference between the revenue and the expenditure of the general government sector. The general government sector comprises the following subsectors: central government, State government, local government, and social security funds. The public balance is often expressed relative to GDP (see also *convergence criteria*).

**Public expenditure on education**

Generally, the public sector funds education either by bearing directly the current and capital expenses of educational institutions (direct expenditure for educational institutions) or by supporting students and their families with scholarships and public loans as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfers to private households and firms). Both types of transactions together are reported as total public expenditure on education.

**Public water supply**

Water supplied by economic units engaged in collection, purification and distribution of water (including desalting of sea water to produce water as the principal product of interest, and excluding system operation for agricultural purposes and treatment of wastewater solely in order to prevent pollution); corresponds to NACE Division 41.

**Purchase price indices, of the means of agricultural production**

The indices give information on the trends in the purchase prices of the means of agricultural production as a whole. The sub-indices were weighted by the values of purchases. Nominal indices are deflated by means of the HICP.

**Purchasing power parities (PPPs)**

Monetary exchange rates should not be used to compare the volumes of income or expenditure because they usually reflect more elements than just price differences (e.g. volumes of financial transactions between currencies, expectations in the foreign exchange markets). In contrast, purchasing power parities (PPPs) are established to eliminate the differences between the price levels in different countries. Therefore, they truly reflect the differences in the purchasing power, for example, of households. Purchasing power parities are obtained by comparing the price levels for a basket of comparable goods and services that is selected to be representative of consumption patterns in the various countries. Purchasing power parities convert every national monetary unit into a common artificial currency unit, the purchasing power standard (PPS).

PPPs are, at the lowest level, bilateral price relatives between tightly defined individual items (e.g. one loaf of bread in the United Kingdom, GBP 1.50, to EUR 2.00 in Germany). Subsequently, these relatives are turned into multilateral relatives and scaled to the EU average and aggregated to more and more complex aggregates (e.g. food) and finally to GDP.

**Purchasing power standards (PPS)**

The purchasing power standard is an artificial currency unit. One PPS can buy the same amount of goods and services in each country, while, due to different price levels in the countries, different numbers of national currency units are necessary to buy this amount of goods and services. PPS are derived by dividing any economic aggregate of a country in national currency by its respective PPP (see *above*).



## R

### Railway

Line of communication made up by rail exclusively for the use of railway vehicles.

### Railway line

One or more adjacent running tracks forming a route between two points. Where a section of network comprises two or more lines running alongside one another, there are as many lines as routes to which tracks are allotted exclusively.

### Real values

Calculated by deflating an economic variable at current prices by the price index of another variable, for example deflating the compensation of employees by the price index of household consumption. This is typically the case for financial and income flows. For instance, to deflate an income, an appropriate price index is based on a basket of goods and services reflecting how this income is spent.

### Recovered products

Recovered products include slurries, combustible waste-heap shale, recycled lubricants and certain products recovered in industry.

### Refugee

Someone with a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion (according to Article 1 of the 1951 United Nations Convention relating to the Status of Refugees).

It should be noted that many countries allow applicants for asylum to remain on a temporary or permanent basis even if they are not deemed to be refugees under the 1951 convention definition. For example, asylum applicants may receive a positive response to their application on humanitarian grounds.

### Renewable energies

Renewable energies cover hydro power, wind energy, solar energy, biomass and wastes, and geothermal energy.

### Research and development (R & D)

Research and development comprises creative work undertaken on a systematic basis in order to increase the stock of knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications.

### Research and development expenditure, intramural

Intramural expenditures are all expenditures for R & D performed within a statistical unit or sector of the economy, whatever the source of funds. Expenditures made outside the statistical unit or sector but in support of intramural R & D (for example, purchase of supplies for R & D) are included. Both current and capital expenditures are included.

### Research and development personnel and researchers

Research and development personnel are all persons employed directly on R & D; also included are those providing direct services such as R & D managers, administrators, and clerical staff. Researchers are professionals engaged in the conception or creation of new knowledge, products, processes, methods and systems and also in the management of the projects concerned.

### Researchers

Researchers are professionals engaged in the conception or creation of new knowledge, products, processes, methods and systems, and in the management of the projects concerned.

### Resident producer units

Units whose principal function is the production of goods and services and whose centre of economic interest is on the economic territory of a country.

### Roundwood production

Roundwood production (the term is used as a synonym for removals) comprises all quantities of wood removed from the forest and other wooded land, or other felling site during a certain period of time.

## S

### Sawnwood

Sawnwood is wood that has been produced either by sawing lengthways or by a profile-chipping process and that, with a few exceptions, exceeds 5 mm in thickness.

### Seasonally adjusted (STS)

Seasonal adjustment, or the adjustment of seasonal variations, aims, after adjusting for calendar effects, to take account of the impact of the known seasonal factors that have been observed in the past. For example, in the case of the production index, annual summer holidays have a negative impact on industrial production. The level of this impact depends on the countries and whether or not observation units close. It also depends on the area of activity concerned.

Within the framework of short-term statistics, the Member States are encouraged to transmit seasonally adjusted data and trend-cycle indices. If they do not, Eurostat calculates the seasonal adjustment using the methods TRAMO (time series regression with ARIMA noise, missing observations, and outliers) and SEATS (signal extraction in ARIMA time series), referred to as TRAMO/SEATS. Eurostat aggregates Member States data to produce geographical aggregates, for example, for the EU-25 and euro area. Depending on the index and presentation form, the aggregation is different: seasonally adjusted and trend aggregates are based on the seasonal adjustment of the working day adjusted aggregates (for the production index, turnover indices in retail trade or gross aggregates for other indicators). The approach used for seasonal adjustment corresponds to the direct seasonal adjustment method.

### Serious accidents at work

Number of accidents at work resulting in more than three days' absence. An accident at work is a discrete occurrence in the course of work that leads to physical or mental harm. This includes accidents in the course of work outside the premises of the person's business, even if caused by a third party, and cases of acute poisoning. It excludes accidents on the way to or from work, occurrences having only a medical origin, and occupational diseases.

### Services

The terms service industry(ies), service sector(s) or simply service(s) are generally used to refer to economic activities covered by Sections G to K and M to O of NACE Rev. 1.1 and the units that carry out those activities. Non-financial services is an expression used within business statistics to refer to NACE Sections G to I and K.

### SMEs

According to Commission Recommendation 2003/361/EC adopted on 6 May 2003, small and medium-sized enterprises are classified with regard to the number of employees, its annual turnover, and the firm's independence. For statistical purposes, small and medium-sized enterprises are generally defined as those enterprises employing fewer than 250 people: micro enterprises (less than 10 persons employed); small enterprises (10 to 49 persons employed); medium-sized enterprises (50 to 249 persons employed); while large enterprises are defined as those with 250 or more persons employed.

### Social benefits (other than social transfers in kind)

Social benefits (other than social transfers in kind) are those paid to households by social security funds, other government units, NPISHs (non-profit institutions serving households), employers administering unfunded social insurance schemes, insurance enterprises or other institutional units administering privately funded social insurance schemes.

### Social contributions

Social contributions are paid on a compulsory or voluntary basis by employers, employees and self- and non-employed persons. There are two types of social contributions paid by the employer for the benefit of their employees: actual and imputed.

- Actual payments consist of payments made by employers for the benefit of their employees to insurers (social security funds and private funded schemes). These payments cover statutory, conventional, contractual and voluntary contributions in respect of insurance against social risks or needs.
- Employers' imputed social contributions represent the counterpart to unfunded social benefits paid directly by employers to their employees or former employees and other eligible persons without involving an insurance enterprise or autonomous pension fund, and without creating a special fund or segregated reserve for the purpose.

### Social protection, expenditure on

Expenditure on social protection concerns: social benefits, which consist of transfers, in cash or in kind, to households and individuals to relieve them of the burden of a defined set of risks or needs; administration costs, which represent the costs charged to the scheme for its management and administration; other expenditure, which consists of miscellaneous expenditure by social protection schemes (payment of property income and other) — see also *Esspros*.

### Social protection, receipts

Receipts of social protection schemes comprise social contributions, general government contributions and other receipts. Employers' social contributions are the costs incurred by employers to secure entitlement to social benefits for their employees, former employees and their dependants. Employers' social contributions may be actual or imputed; they can be paid by resident or non-resident employers — see also *Esspros*.

### Social security funds

Central, State and local institutional units whose principal activity is to provide social benefits, and which fulfil each of the two following criteria:

- by law or regulation (except regulations concerning government employees), certain groups of the population are obliged to participate in the scheme or to pay contributions;
- general government is responsible for the management of the institution in respect of settlement or approval of the contributions and benefits independently of its role as a supervisory body or employer.

### Social transfers

Social transfers include: old-age (retirement) and survivors' pensions; unemployment benefits; family-related benefits; sickness/invalidity benefits; education-related benefits; housing allowance; social assistance; other benefits.

### Stability and Growth Pact

The Stability and Growth Pact has to be seen against the background of Stage III of economic and monetary union, which began on 1 January 1999. Its aim is to ensure that the Member States continue their budgetary discipline efforts now that the single currency has been introduced. In practical terms, the pact comprises a European Council resolution (adopted at Amsterdam on 17 June 1997) and two Council regulations of 7 July 1997 laying down detailed technical arrangements (one on the surveillance of budgetary positions and coordination of economic policies and the other on implementing the excessive deficit procedure). In the medium term, the Member States undertook to pursue the objective of a balanced or nearly balanced budget and to present the Council and the Commission with a stability programme each year. Along the same lines, Member States not taking part in Stage III of EMU are required to submit a convergence programme. The Stability and Growth Pact opens the way for the Council to penalise any participating Member State which fails to take appropriate measures to end an excessive deficit. Initially, the penalty would take the form of a non-interest bearing deposit with the Community, but it could be converted into a fine if the excessive deficit is not corrected within two years.

### Standard death rate (SDR)

Death rate of a population adjusted to a standard age distribution. As most causes of death vary significantly with people's age and sex, the use of standard death rates improves comparability over time and between countries, as they aim at measuring death rates independently of different age structures of populations. The standard death rates used here are calculated on the basis of a standard European population (defined by the World Health Organisation).

### State government

Separate institutional units exercising some of the functions of government at a level below that of central government and above that of the governmental institutional units existing at local level, except for the administration of social security funds.

### Stillbirths

The expulsion or extraction from the mother of a dead foetus after the time at which it would normally be presumed capable of independent extra-uterine existence (commonly taken to be after 24 or 28 weeks of gestation). Infants who are born alive but die shortly after birth are excluded from this category.

### Stocks of foreign direct investment

FDI stocks (or positions) are the value of the investment existing at a point in time (for example, the end of a year). FDI stocks are recorded in the international investment position. Outward FDI stocks are recorded as assets of the reporting economy, inward FDI stocks as liabilities. In a similar manner to flows — see *foreign direct investment (FDI)*, FDI stocks are broken down by kind of instrument. However, there are only two categories instead of three:

- equity capital and reinvested earnings;
- other FDI capital.

### Subscriptions (mobile phone)

Subscriptions to public mobile telecommunication systems using cellular technology. Active pre-paid cards are treated as subscriptions. One person may have more than one subscription.

### Subsidies

Current unrequited payments which general government or the institutions of the EU make to resident producers, with the objective of influencing their levels of production, their prices or the remuneration of the factors of production.

## T

### Taxes on production and imports

Compulsory, unrequited payments, in cash or in kind, levied by general government, or by the institutions of the EU, in respect of the production and importation of goods and services, the employment of labour, and the ownership or use of land, buildings or other assets used in production.

### Tax rate on low-wage earners: tax wedge on labour cost

The tax wedge on labour cost measures the relative tax burden for an employed person with low earnings.

### Tax rate on low-wage earners: unemployment trap

The unemployment trap measures what percentage of the gross earnings (from moving into employment) is taxed away by the combined effects of the withdrawal of benefits and higher tax and social security contributions.

**Temporary employees**

A job may be considered temporary if employer and employee agree that its end is determined by objective conditions such as a specific date, the completion of a task or the return of another employee who has been temporarily replaced (usually stated in a work contract of limited duration). Typical cases are:

- persons with seasonal employment;
- persons engaged by an agency or employment exchange and hired to a third party to perform a specific task (unless there is a written work contract of unlimited duration);
- persons with specific training contracts.

**Three-month inter-bank rates**

Three-month inter-bank rates apply to deposits or loans between banks with an original maturity of three months.

**Total general government expenditure**

According to Commission Regulation (EC) No 1500/2000 of 10 July 2000, total general government expenditure comprises the following ESA 95 categories: intermediate consumption; gross capital formation; compensation of employees; other taxes on production; subsidies payable; property income; current taxes on income, wealth, etc.; social benefits other than social transfers in kind; social transfers in kind related to expenditure on products supplied to households via market producers; other current transfers; adjustment for the change in net equity of households in pension fund reserves; capital transfers payable; and acquisitions less disposals of non-financial non-produced assets.

**Total general government revenue**

According to Commission Regulation (EC) No 1500/2000 of 10 July 2000, total general government revenue comprises the following ESA 95 categories: market output; output for own final use; payments for the other non-market output; taxes on production and imports; other subsidies on production receivable; property income; current taxes on income, wealth, etc.; social contributions; other current transfers; and capital transfers.

**Total labour costs**

Total expenditure borne by employers in order to employ workers. For presentational purposes, total labour costs can be subdivided into direct and indirect costs. Direct costs include gross wages and salaries in cash (direct remuneration and bonuses) and wages and salaries in kind (company products, housing, company cars, meal vouchers, crèches, etc.). Direct costs are dominated by wages and salaries in cash.

Indirect costs cover employers' actual social contributions (i.e. statutory, collectively agreed, contractual and voluntary social security contributions); employers' imputed social contributions (mostly guaranteed remuneration in the event of sickness or short-time working, plus severance pay and compensation in lieu of notice); vocational training costs; recruitment costs and working clothes provided by the employer; taxes paid by the employer (based on the wages and salaries bill or on employment); minus subsidies received by the employer (intended to refund part or all of the cost of direct remuneration). Indirect costs are dominated by employers' actual social contributions, in particular by employers' statutory social security contributions.

**Total public expenditure on education**

Generally, the public sector funds education either by bearing directly the current and capital expenses of educational institutions (direct expenditure for educational institutions) or by supporting students and their families with scholarships and public loans, as well as by transferring public subsidies for educational activities to private firms or non-profit organisations (transfers to private households and firms). Both types of transactions together are reported as total public expenditure on education.

**Tourist accommodation, supply of**

This refers to the number of bed places in an establishment where people can stay overnight in permanent beds, discounting any extra beds set up at the customers' request.

**Tourists**

Visitors who stay at least one night in collective or private accommodation in the place/country visited are tourists (or overnight visitors).

**Trade integration (of goods and services)**

Trade integration of goods/services as a percentage of GDP (gross domestic product). This is calculated as the average value of imports and exports of goods/services in the balance of payments divided by GDP. If the index increases over time it means that the country/zone studied is becoming more integrated within the international economy.

**Trend cycle (STS)**

The trend is a slow variation over a long period of years, generally associated with the structural causes of the phenomenon in question. In some cases the trend shows a steady growth; in others it may move either downwards or upwards. The cycle is a quasi periodic oscillation characterised by alternating periods of higher and lower rates of change possibly, but not always, involving expansion and contraction. In most cases it is related to fluctuations in overall economic activity. If the irregular component of the time series is relatively important, the trend-cycle series generally offers a better series for analysis of longer-term past developments. However, this advantage is less clear when analysing very recent developments. Trend-cycle values for recent periods may be subject to greater revisions than the equivalent seasonally adjusted values and hence the latter may be more appropriate for the analysis of very recent developments. This is particularly true around turning points. Trend-cycle series may, however, converge to stable results more quickly than seasonally adjusted series.

**Turnover (SBS)**

Turnover comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties. Turnover includes all duties and taxes on the goods or services invoiced by the unit with the exception of the VAT invoiced by the unit vis-à-vis its customer and other similar deductible taxes directly linked to turnover. It also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately on the invoice. Reduction in prices, rebates and discounts as well as the value of returned packing must be deducted. Income classified as other operating income, financial income and extraordinary income in company accounts is excluded from turnover. Operating subsidies received from public authorities or the institutions of the EU are also excluded.

**U****Unemployed person**

Unemployed persons are persons aged 15 to 74 (in Spain, the United Kingdom, Iceland, Norway: 16 to 74) who were without work during the reference week, were currently available for work and were either actively seeking work in the last four weeks or had already found a job to start within the next three months. This definition follows the guidelines of the International Labour Organisation.

**Unemployment rate**

Unemployed persons as a percentage of people in the labour force.

**United Nations (UN)**

The United Nations (UN) was established on 24 October 1945 by 51 countries committed to preserving peace through international cooperation and collective security. Today, nearly every nation in the world belongs to the UN: membership totals 192 countries. When States become members of the United Nations, they agree to accept the obligations of the UN charter, an international treaty that sets out basic principles of international relations. According to the charter, the UN has four purposes: to maintain international peace and security; to develop friendly relations among nations; to cooperate in solving international problems and in promoting respect for human rights; and to be a centre for harmonising the actions of nations.

**Urban wastewater treatment**

Urban wastewater treatment is all treatment of wastewater in urban wastewater treatment plants — the latter are usually operated by public authorities or by private companies working by order of public authorities.

**V****Value added (SBS)**

Value added at factor cost is the gross income from operating activities after adjusting for operating subsidies and indirect taxes. It can be calculated from turnover, plus capitalised production, plus other operating income, plus or minus the changes in stocks, minus the purchases of goods and services, minus other taxes on products which are linked to turnover but not deductible, minus the duties and taxes linked to production. Alternatively it can be calculated from gross operating surplus by adding personnel costs.

**Volume of sales index (STS)**

The volume measure of the retail trade turnover index is more commonly referred to as the index of the volume of (retail) sales. In order to eliminate the price effect on turnover in retail trade a deflator of sales is used. The deflator of sales is an index with a similar methodology to that of an output price index adapted to the particularities of retail trade but reflecting price changes in the goods retailed rather than the retail service provided. It should be noted that the volume of sales is different from the volume of retail trade services. The latter takes account of changes in the quality of the trade service supplied. As such the volume of sales is conceptually different from the index of production which takes account of quality changes (see also turnover).

## W

### Waste

Waste refers to materials for which the owners have no further use and which they discard, or intend, or are required to discard. Waste can be generated in any kind of production or consumption activity. Excluded are: residuals directly recycled or reused at the place of generation; waste materials that are directly discharged into ambient water or air.

### Waterway

River, canal, lake or other stretch of water which by natural or man-made features is suitable for navigation. Waterways of a maritime character (waterways designated by the reporting country as suitable for navigation primarily by seagoing ships) are included. Waterways also include river estuaries; the boundary being that point nearest the sea where the width of the river is both less than 3 km at low water and less than 5 km at high water.

### Working day adjusted

The adjustment of working days takes account of the calendar nature of a given month in order to adjust the index. The adjustment of working days is intended to adjust calendar effects, whatever their nature. The number of working days for a given month depends on the timing of certain public holidays (Easter can fall in March or in April depending on the year), the possible overlap of certain public holidays and non-working days (1 May can fall on a Sunday), the fact that a year is a leap year or not and other reasons.

## Y

### Youth education attainment level

Youth education attainment level is defined as the percentage of young people aged 20 to 24 years having attained at least upper secondary education attainment level, i.e. with an education level ISCED 3a, 3b or 3c long minimum (numerator). The denominator consists of the total population of the same age group, excluding no answers (from the LFS) to the question *'highest level of education or training attained'*.

**BE**

BE10	Région de Bruxelles-Capitale / Brussels Hoofdstedelijk Gewest
BE21	Prov. Antwerpen
BE22	Prov. Limburg (B)
BE23	Prov. Oost-Vlaanderen
BE24	Prov. Vlaams-Brabant
BE25	Prov. West-Vlaanderen
BE31	Prov. Brabant Wallon
BE32	Prov. Hainaut
BE33	Prov. Liège
BE34	Prov. Luxembourg (B)
BE35	Prov. Namur

**CZ**

CZ01	Praha
CZ02	Stredni Cechy
CZ03	Jihozápad
CZ04	Severozápad
CZ05	Severovýchod
CZ06	Jihovýchod
CZ07	Stredni Morava
CZ08	Moravskoslezsko

**DK**

DK00	Denmark
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**DE**

DE11	Stuttgart
DE12	Karlsruhe
DE13	Freiburg
DE14	Tübingen
DE21	Oberbayern
DE22	Niederbayern
DE23	Oberpfalz
DE24	Oberfranken
DE25	Mittelfranken
DE26	Unterfranken
DE27	Schwaben
DE30	Berlin
DE41	Brandenburg — Nordost
DE42	Brandenburg — Südwest
DE50	Bremen
DE60	Hamburg
DE71	Darmstadt
DE72	Gießen
DE73	Kassel
DE80	Mecklenburg-Vorpommern
DE91	Braunschweig
DE92	Hannover
DE93	Lüneburg
DE94	Weser-Ems
DEA1	Düsseldorf
DEA2	Köln
DEA3	Münster
DEA4	Detmold
DEA5	Arnsberg

DEB1	Koblenz
DEB2	Trier
DEB3	Rhein Hessen-Pfalz
DEC0	Saarland
DED1	Chemnitz
DED2	Dresden
DED3	Leipzig
DEE1	Dessau
DEE2	Halle
DEE3	Magdeburg
DEF0	Schleswig-Holstein
DEG0	Thüringen

**EE**

EE00	Eesti
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**EL**

GR11	Anatoliki Makedonia, Thraki
GR12	Kentriki Makedonia
GR13	Dytiki Makedonia
GR14	Thessalia
GR21	Ipeiros
GR22	Ionia Nisia
GR23	Dytiki Ellada
GR24	Stereia Ellada
GR25	Peloponnisos
GR30	Attiki
GR41	Voreio Aigaio
GR42	Notio Aigaio
GR43	Kriti

**ES**

ES11	Galicia
ES12	Principado de Asturias
ES13	Cantabria
ES21	País Vasco
ES22	Comunidad Foral de Navarra
ES23	La Rioja
ES24	Aragón
ES30	Comunidad de Madrid
ES41	Castilla y León
ES42	Castilla-la Mancha
ES43	Extremadura
ES51	Cataluña
ES52	Comunidad Valenciana
ES53	Illes Balears
ES61	Andalucía
ES62	Región de Murcia
ES63	Ciudad Autónoma de Ceuta
ES64	Ciudad Autónoma de Melilla
ES70	Canarias

**FR**

FR10	Île de France
FR21	Champagne-Ardenne
FR22	Picardie
FR23	Haute-Normandie
FR24	Centre
FR25	Basse-Normandie
FR26	Bourgogne
FR30	Nord — Pas-de-Calais
FR41	Lorraine
FR42	Alsace
FR43	Franche-Comté
FR51	Pays de la Loire
FR52	Bretagne
FR53	Poitou-Charentes
FR61	Aquitaine
FR62	Midi-Pyrénées
FR63	Limousin
FR71	Rhône-Alpes
FR72	Auvergne
FR81	Languedoc-Roussillon
FR82	Provence-Alpes-Côte d'Azur
FR83	Corse
FR91	Guadeloupe
FR92	Martinique
FR93	Guyane
FR94	Réunion

**IE**

IE01	Border, Midland and Western
IE02	Southern and Eastern

**IT**

ITC1	Piemonte
ITC2	Valle d'Aosta/Vallée d'Aoste
ITC3	Liguria
ITC4	Lombardia
ITD1	Provincia Autonoma Bolzano/Bozen
ITD2	Provincia Autonoma Trento
ITD3	Veneto
ITD4	Friuli-Venezia Giulia
ITD5	Emilia-Romagna
ITE1	Toscana
ITE2	Umbria
ITE3	Marche
ITE4	Lazio
ITF1	Abruzzo
ITF2	Molise
ITF3	Campania
ITF4	Puglia
ITF5	Basilicata
ITF6	Calabria
ITG1	Sicilia
ITG2	Sardegna

**CY**

CY00	Kypros/Kypris
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**LV**

LV00	Latvija
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**LT**

LT00	Lietuva
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**LU**

LU00	Luxembourg (Grand-Duché)
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**HU**

HU10	Közép-Magyarország
HU21	Közép-Dunántúl
HU22	Nyugat-Dunántúl
HU23	Dél-Dunántúl
HU31	Észak-Magyarország
HU32	Észak-Alföld
HU33	Dél-Alföld

**MT**

MT00	Malta
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**NL**

NL11	Groningen
NL12	Friesland
NL13	Drenthe
NL21	Overijssel
NL22	Gelderland
NL23	Flevoland
NL31	Utrecht
NL32	Noord-Holland
NL33	Zuid-Holland
NL34	Zeeland
NL41	Noord-Brabant
NL42	Limburg (NL)

**AT**

AT11	Burgenland
AT12	Niederösterreich
AT13	Wien
AT21	Kärnten
AT22	Steiermark
AT31	Oberösterreich
AT32	Salzburg
AT33	Tirol
AT34	Vorarlberg



**PL**

PL11	Lodzkie
PL12	Mazowieckie
PL21	Malopolskie
PL22	Slaskie
PL31	Lubelskie
PL32	Podkarpackie
PL33	Swietokrzyskie
PL34	Podlaskie
PL41	Wielkopolskie
PL42	Zachodniopomorskie
PL43	Lubuskie
PL51	Dolnoslaskie
PL52	Opolskie
PL61	Kujawsko-Pomorskie
PL62	Warmińsko-Mazurskie
PL63	Pomorskie

**PT**

PT11	Norte
PT15	Algarve
PT16	Centro (P)
PT17	Lisboa
PT18	Alentejo
PT20	Região Autónoma dos Açores
PT30	Região Autónoma da Madeira

**SI**

SI00	Slovenija
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**SK**

SK01	Bratislavský kraj
SK02	Západné Slovensko
SK03	Stredné Slovensko
SK04	Východné Slovensko

**FI**

FI13	Itä-Suomi
FI18	Etelä-Suomi
FI19	Länsi-Suomi
FI1A	Pohjois-Suomi
FI20	Åland

**SE**

SE01	Stockholm
SE02	Östra Mellansverige
SE04	Sydsverige
SE06	Norra Mellansverige
SE07	Mellersta Norrland
SE08	Övre Norrland
SE09	Småland med öarna
SE0A	Västsverige

**UK**

UKC1	Tees Valley and Durham
UKC2	Northumberland and Tyne and Wear
UKD1	Cumbria
UKD2	Cheshire
UKD3	Greater Manchester
UKD4	Lancashire
UKD5	Merseyside
UKE1	East Riding and North Lincolnshire
UKE2	North Yorkshire
UKE3	South Yorkshire
UKE4	West Yorkshire
UKF1	Derbyshire and Nottinghamshire
UKF2	Leicestershire, Rutland and Northamptonshire
UKF3	Lincolnshire
UKG1	Herefordshire, Worcestershire and Warwickshire
UKG2	Shropshire and Staffordshire
UKG3	West Midlands
UKH1	East Anglia
UKH2	Bedfordshire and Hertfordshire
UKH3	Essex
UKI1	Inner London
UKI2	Outer London
UKJ1	Berkshire, Buckinghamshire and Oxfordshire
UKJ2	Surrey, East and West Sussex
UKJ3	Hampshire and Isle of Wight
UKJ4	Kent
UKK1	Gloucestershire, Wiltshire and North Somerset
UKK2	Dorset and Somerset
UKK3	Cornwall and Isles of Scilly
UKK4	Devon
UKL1	West Wales and The Valleys
UKL2	East Wales
UKM1	North Eastern Scotland
UKM2	Eastern Scotland
UKM3	South Western Scotland
UKM4	Highlands and Islands
UKN0	Northern Ireland

## STATISTICAL REGIONS

**BG**

BG11	Severozapaden
BG12	Severen tsentralen
BG13	Severoiztochen
BG21	Yugozapaden
BG22	Yuzhen tsentralen
BG23	Yugoiztochen

**HR**

HR01	Sredisnja Hrvatska
HR02	Zagrebacka regija
HR03	Jadranska Hrvatska
HR04	Istocna Hrvatska

**RO**

RO01	Nord-Est
RO02	Sud-Est
RO03	Sud
RO04	Sud-Vest
RO05	Vest
RO06	Nord-Vest
RO07	Centru
RO08	Bucuresti

**TR**

TR10	Istanbul
TR21	Tekirdag
TR22	Balikesir
TR31	Izmir
TR32	Aydin
TR33	Manisa
TR41	Bursa
TR42	Kocaeli
TR51	Ankara
TR52	Konya
TR61	Antalya
TR62	Adana
TR63	Hatay
TR71	Kirikkale
TR72	Kayseri
TR81	Zonguldak
TR82	Kastamonu
TR83	Samsun
TR90	Trabzon
TRA1	Erzurum
TRA2	Agri
TRB1	Malatya
TRB2	Van
TRC1	Gaziantep
TRC2	Sanliurfa
TRC3	Mardin

**NO**

NO01	Oslo og Akershus
NO02	Hedmark og Oppland
NO03	Sør-Østlandet
NO04	Agder og Rogaland
NO05	Vestlandet
NO06	Trøndelag
NO07	Nord-Norge

**CH**

CH01	Région lémanique
CH02	Espace Mittelland
CH03	Nordwestschweiz
CH04	Zürich
CH05	Ostschweiz
CH06	Zentralschweiz
CH07	Ticino

\* Note that some of the regions above are presented using a western European character set.

A full listing of the classification is accessible on the Eurostat website ([http://ec.europa.eu/eurostat/ramon/nuts/codelist\\_en.cfm?list=nuts](http://ec.europa.eu/eurostat/ramon/nuts/codelist_en.cfm?list=nuts)).

<b>A</b>	<b>Agriculture, hunting and forestry</b>	<b>J</b>	<b>Financial intermediation</b>
<b>B</b>	<b>Fishing</b>	65	Financial intermediation, except insurance and pension funding
<b>C</b>	<b>Mining and quarrying</b>	66	Insurance and pension funding, except compulsory social security
CA	Mining and quarrying of energy-producing materials	67	Activities auxiliary to financial intermediation
CB	Mining and quarrying, except of energy producing materials	<b>K</b>	<b>Real estate, renting and business activities</b>
<b>D</b>	<b>Manufacturing</b>	70	Real estate activities
DA	Manufacture of food products, beverages and tobacco	71	Renting of machinery and equipment without operator and of personal and household goods
DB	Manufacture of textiles and textile products	72	Computer and related activities
DC	Manufacture of leather and leather products	73	Research and development
DD	Manufacture of wood and wood products	74	Other business activities
DE	Manufacture of pulp, paper and paper products; publishing and printing	<b>L</b>	<b>Public administration and defence; compulsory social security</b>
DF	Manufacture of coke, refined petroleum products and nuclear fuel	<b>M</b>	<b>Education</b>
DG	Manufacture of chemicals, chemical products and man-made fibres	<b>N</b>	<b>Health and social work</b>
DH	Manufacture of rubber and plastic products	<b>O</b>	<b>Other community, social and personal service activities</b>
DI	Manufacture of other non-metallic mineral products	90	Sewage and refuse disposal, sanitation and similar activities
DJ	Manufacture of basic metals and fabricated metal products	91	Activities of membership organizations n.e.c.
DK	Manufacture of machinery and equipment n.e.c.	92	Recreational, cultural and sporting activities
DL	Manufacture of electrical and optical equipment	93	Other service activities
DM	Manufacture of transport equipment	<b>P</b>	<b>Activities of households</b>
DN	Manufacturing n.e.c.	<b>Q</b>	<b>Extra-territorial organisations and bodies</b>
<b>E</b>	<b>Electricity, gas and water supply</b>		
<b>F</b>	<b>Construction</b>		
<b>G</b>	<b>Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods</b>		
50	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel		A full listing of the classification is accessible on the Eurostat website ( <a href="http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=ACT_OTH_BUILD_TREE&amp;StrNom=NACE_1_1&amp;StrLanguageCode=EN">http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=ACT_OTH_BUILD_TREE&amp;StrNom=NACE_1_1&amp;StrLanguageCode=EN</a> ).
51	Wholesale trade and commission trade, except of motor vehicles and motorcycles		Note that a revised classification (NACE Rev. 2) is due to be adopted at the end of 2006, and its implementation will begin in 2007.
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods		
<b>H</b>	<b>Hotels and restaurants</b>		
<b>I</b>	<b>Transport, storage and communication</b>		
60	Land transport; transport via pipelines		
61	Water transport		
62	Air transport		
63	Supporting and auxiliary transport activities; activities of travel agencies		
64	Post and telecommunications		

- 0 Food and live animals
- 1 Beverages and tobacco
- 2 Crude materials, inedible, except fuels
- 3 Mineral fuels, lubricants and related materials
- 4 Animal and vegetable oils, fats and waxes
- 5 Chemicals and related products, n.e.s.
- 6 Manufactured goods classified chiefly by material
- 7 Machinery and transport equipment
- 8 Miscellaneous manufactured articles
- 9 Commodities and transactions not classified elsewhere in the SITC

A full listing of the classification is accessible on the UN website (<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=14>).

Note that a revised classification (SITC Rev. 4) was accepted by the United Nations Statistical Commission in March 2006. The final text of SITC Rev. 4 has been submitted for printing.

## STATISTICAL SYMBOLS

Statistical data are often accompanied by additional information in form of statistical symbols (also called 'flags') to indicate missing or in some way problematic data. In this yearbook, the use of statistical symbols has been restricted to a minimum. The following symbols are included where necessary:

- : Not available, confidential or unreliable value
- Not applicable or zero by default
- 0 Less than half the final digit shown and greater than real zero

Note: flags for estimates, revised values, and provisional data have been removed in order to improve the readability of the information presented. Readers who are interested in such detailed additional information may consult Eurostat's website (see page 11). Breaks in series are indicated in the footnotes provided with each table and graph. Forecasts are also indicated through the addition of footnotes. In the case of the EU Member States, even when data are not available, these countries have been included in tables and graphs systematically (with appropriate footnotes for graphs indicating that data are not available, while in tables use has been made of the colon (:)) to indicate that data are not available. For non member countries outside of the EU, when data are not available for a particular indicator the country has been removed from tables or graphs.

## GEOGRAPHICAL AGGREGATES AND COUNTRIES

### European Union, euro area and Member States

**EU-25** the 25 Member States of the European Union (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)

**EU-15** the 15 Member States of the European Union until 30 April 2004 (BE, DK, DE, EL, ES, FR, IE, IT, LU, NL, AT, PT, FI, SE, UK)

**Euro area** the euro area was composed of EUR-11 until 31 December 2000 and EUR-12 from 1 January 2001. For the purpose of this publication, all data referring to the euro area are presented in terms of an aggregate for all 12 Member States (unless otherwise stated) for all reference years. Slovenia will become a member of the euro area from 1 January 2007 (although as this publication was drafted during 2006, Slovenia is not included in the euro area aggregate)

**EUR-12** the euro area with 12 countries participating (BE, DE, EL, ES, FR, IE, IT, LU, NL, AT, PT, FI)

**EUR-11** the euro area with 11 countries participating (BE, DE, ES, FR, IE, IT, LU, NL, AT, PT, FI)

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

**European Union acceding and candidate countries** <sup>(55)</sup>

BG	Bulgaria (will become a Member State of the European Union from 1 January 2007)
HR	Croatia
MK	the former Yugoslav Republic (FYR) of Macedonia
RO	Romania (will become a Member State of the European Union from 1 January 2007)
TR	Turkey

<sup>(55)</sup> This edition of the yearbook does not take into account the accession of Bulgaria and Romania to the European Union or the accession of Slovenia to the euro area as of 1 January 2007, as data was extracted and analysed in 2006.

The code MK is provisional and does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place on this subject at the United Nations.

**CURRENCIES**

ECU	European currency unit, used up to 31 December 1998
EUR	euro, used from 1 January 1999 onwards
ATS (*)	Austrian schilling
BEF (*)	Belgian franc
CYP	Cyprus pound
CZK	Czech koruna
DEM (*)	German mark
DKK	Danish crown (krone)
EEK	Estonian kroon
ESP (*)	Spanish peseta
FIM (*)	Finnish markka
FRF (*)	French franc
GBP	Pound sterling
GRD (*)	Greek drachma
HUF	Hungarian forint
IEP (*)	Irish pound
ITL (*)	Italian lira
LTL	Lithuanian litas
LUF (*)	Luxembourg franc
LVL	Latvian lats
MTL	Maltese lira
NLG (*)	Dutch guilder
PLN	Polish zloty
PTE (*)	Portuguese escudo
SEK	Swedish crown (krona)
SIT	Slovenian tolar
SKK	Slovak koruna

(\*) Former currencies of Member States which use the euro.

The euro replaced the ecu on 1 January 1999; on 1 January 2002, it also replaced 12 Community currencies with the introduction of the euro to the euro area members.

NB: the euro will come into circulation in Slovenia from 1 January 2007; as such, the euro area will have 13 members from this date.

BGN	Bulgarian lev
HRK	Croatian kuna
MKD	former Yugoslav Republic of Macedonia denar
ROL	Romanian leu; on 1 July 2005, the new Romanian leu (RON) was introduced; the leu (ROL) will remain in circulation until 31 December 2006 (RON 1= ROL 10 000).
TRL	former Turkish lira
TRY	new Turkish lira
CHF	Swiss franc
ISK	Icelandic króna
NOK	Norwegian krone
JPY	Japanese yen
USD	US dollar

## OTHER ABBREVIATIONS AND ACRONYMS

AA	agricultural area	GNP	gross national product
ACC	acceding countries	GVA	gross value added
ACP	African, Caribbean and Pacific countries	HICP	harmonised index of consumer prices
APEC	Asia Pacific Economic Co-operation	ICT	information and communication technology
ASEAN	Association of South-East Asian Nations	ILO	International Labour Organisation
BERD	expenditure on R & D in the business enterprise sector	IMF	International Monetary Fund
BOD	biochemical oxygen demand	IPC	international patent classification
BSE	bovine spongiform encephalopathy	IPI	industrial production index
CAP	common agricultural policy	ISCED	international standard classification of education
CC	1. candidate country(ies) 2. the classification of types of construction	ISPO	Information Society Promotion Office
CDR	crude death rate	IT	information technology
CEECs	central and east European countries	KIS	knowledge-intensive services
CHP	combined heat and power	LFS	labour force survey
Cif	cost, insurance and freight	LMP	labour market policy
CIS	Commonwealth of Independent States	MEDA	the MEDA programme is the principal financial instrument of the EU for the implementation of the Euro-Mediterranean Partnership
COD	1. chemical oxygen demand 2. causes of death	Mercosur	Southern Cone Common Market
DAEs	dynamic Asian economies	MSTI	main science and technology indicators (OECD)
DFLE	disability-free life expectancy	MUICP	monetary union index of consumer prices
DOC	Department of Commerce (US)	NACE	general industrial classification of economic activities within the European Community
DG	director-general	NAFTA	North American Free Trade Agreement (CA, MX, US)
ECB	European Central Bank	n.e.c.	not elsewhere classified
ECHP	European Community Household Panel	n.e.s.	not elsewhere specified
ECSC	European Coal and Steel Community	NIS	new independent States (of the former Soviet Union)
EEA	European Economic Area	NPISHs	non-profit institutions serving households
EFTA	European Free Trade Association	NUTS	classification/nomenclature of territorial units for statistics (Eurostat) (NUTS 1, 2, etc.)
EICP	European index of consumer prices	ODs	overseas departments
EITO	European Information Technology Observatory	OECD	Organisation for Economic Cooperation and Development
EMS	European Monetary System	OPEC	Organisation of Petroleum Exporting Countries
EPO	European Patent Office	R & D	research and development
EPC	European Patent Convention	RON	research octane number
ERM	exchange rate mechanism	S&T	science and technology
ESA	1. European system of national and regional accounts (ESA95) 2. European Space Agency	SAARC	South Asian Association for Regional Cooperation
Esspros	European system of integrated social protection statistics	SBS	structural business statistics
EU	European Union	SDIs	sustainable development indicators
EU-SILC	EU statistics on income and living conditions	SI(s)	structural indicator(s)
Eurofarm	A project for standardisation of methods for obtaining agricultural statistics; provides an overview of farm structure, agricultural holdings, wine growing and orchard fruit trees.	SiF	Statistics in Focus
Eurostat	the statistical office of the European Communities	SILC	see <i>EU-SILC</i>
Eurydice	information network on education in Europe ( <a href="http://www.eurydice.org/">http://www.eurydice.org/</a> )	SITCRev.3	standard international trade classification, third revision
FAO	Food and Agriculture Organisation (UN)	SNA	System of National Accounts (UN)
fob	free on board	UNCAT	United Nations Convention Against Torture and other forms of cruel or inhuman treatment
FDI	foreign direct investment	UN	United Nations
FTE	full-time equivalent	Unesco	United Nations Educational, Scientific and Cultural Organisation
GBAORD	government budget appropriations or outlays for research and development	UNHCR	Office of the United Nations High Commissioner for Refugees
GDP	gross domestic product	USPTO	United States Patent and Trademark Office
GFCF	gross fixed capital formation	VAT	value added tax
GERD	gross domestic expenditure on R & D	WHO	World Health Organisation
GHGs	greenhouse gases		
GNI	gross national income		

**UNITS OF MEASUREMENT**

%	percent(age)	kWh	kilowatt-hour
AWU	annual work unit	LSU	livestock unit
BMI	body mass index	m	metre
GT	gross tonnage	m <sup>2</sup>	square metre
GW	gigawatt	m <sup>3</sup>	cubic metre
GWh	gigawatt-hour	MW	megawatt
ha	hectare (1 ha = 10 000 square metres)	MWh	megawatt-hour
HLY	healthy life years	pkm	passenger kilometre
kbit	kilobit	PPP	purchasing power parity
kbit/s	kilobit per second.	PPS	purchasing power standard
kbps	kilobit per second.	SDR	standard death rate
kg	kilogram	t	tonne
kgoe	kilogram of oil equivalent	tkm	tonne kilometre
km	kilometre	toe	tonne of oil equivalent
km <sup>2</sup>	square kilometre	UAA	utilised agricultural area
kW	kilowatt		



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background (P-002746/00-04)  
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**A**

Abbreviations 357-360  
 Abortions 49  
 Accidents 103-104  
 Accidents at work 111-112, 334, 346  
 Accommodation 236, 238, 326  
 Acquisition of citizenship 76, 78, 80  
 Acronyms 357-360  
 Activity rates 132  
 Actual outflow 274  
 Acute poisoning 111  
 Admissions, hospital 109  
 Adult education centres 90  
 Age 52-55, 59-60, 63-66, 68, 71, 73-75  
 Age pyramid 55  
 Agricultural area 286, 290, 326, 340  
 Agricultural holders 289  
 Agricultural holdings 286-288, 326, 338  
 Agricultural labour force 288-289  
 Agricultural output, price indices and income 291-294  
 Agricultural prices 291, 293  
 Agricultural products 287, 291-292, 295-297  
 Agriculture 28, 33-35, 285-296, 309-310  
 Agriculture, forestry and fisheries 283-306  
 Agriculture, hunting, forestry, fishing, mining and quarrying 249  
 AIDS 102-104  
 Air 227-230, 234-235, 269-272, 279, 281-282  
 Air and sea transport 234  
 Air pollution and climate change 270-272  
 Airports 235  
 Alcohol abuse 103-104  
 Alcohol use 101  
 Alcoholic beverages, tobacco and narcotics 119  
 Allowable catch (fisheries) 302  
 Amsterdam Treaty 75, 115, 131, 162, 187-188, 329, 347  
 Animal output 291-292, 326  
 Annexes 325-369  
 Annual expenditure on public and private educational institutions 96-98  
 Annual work unit (AWU) 326, 338  
 Any learning activities 94-95  
 Aquaculture 287-288, 302-303, 305-306, 326, 329  
 Arable land 290  
 Area under conversion 279-280  
 Assets 151, 156, 158, 160-161, 164-165, 170, 175-176, 178  
 Asylum 75-80, 326-327  
 At-risk-of-poverty 116-118, 323, 327  
 Average personnel costs 213-214  
 Avian influenza 102

**B**

Balance 193-195, 197, 199, 200-201, 203-204  
 Balance of payments 170, 172, 174-175, 193-194, 203-204, 206, 327, 348  
 Basic metals and fabricated metal products 215-216, 219  
 Bed places 237-238, 328, 348

Bilateral exchange rates 165  
 Biomass 17, 19-20, 24, 26-27, 33, 328, 345  
 Biotechnology 328  
 Births 53, 65-66, 68, 72, 328  
 Body height 107  
 Body mass index (BMI) 107  
 Body weight 107  
 Broad economy policy guidelines (BEPGs) 139  
 Broadband 242, 254-256, 259, 261, 328  
 Building 215, 219  
 Buses 228-231  
 Business activities and financial services, 156  
 Business demography 211, 328  
 Business economy 186, 210-213, 342  
 Business enterprise(s) 244, 246, 249, 251  
 Business structures 210-214

**C**

Calls, telephone 263-265  
 Cancer 102-105, 109  
 Capital markets 209  
 Capital transactions 175  
 Carbon emissions 38  
 Cars 228-231  
 Catches, in fishing regions 302-304, 329  
 Cattle 295-297, 329, 340  
 Causes of death 102-106, 329, 347  
 Causes of health problems 107-108  
 Census, population 50, 53-54, 56, 58  
 Central bank 158, 165-166, 168-169, 187-188, 215, 319, 329, 342  
 Cereals (excluding rice) 295-296, 329, 344  
 Chemicals and chemical products 195, 198-199, 202-203, 215-216, 219  
 Childbearing 125  
 Childbirth 109  
 Childcare facilities 132  
 Children 59, 65-66, 68, 70, 72-74  
 Chronic conditions 101  
 Chronic liver disease 103-104  
 Citizenship 76-78, 80, 83  
 Civil engineering 219  
 Civil marriage 68  
 Classification of individual consumption by purpose (COICOP) 119, 187  
 Climate change 270-272, 297, 323  
 Clothing 119-120  
 Coal-fired power stations 26  
 Cohesion, regional 309-310  
 Coke, refined petroleum products and nuclear fuel 215-216, 219  
 Combined Nomenclature (CN) 193  
 Commercial space launches 235  
 Common agricultural policy (CAP) 279, 285  
 Common commercial policy 194  
 Common fisheries policy (CFP) 302  
 Communications 119, 206  
 Comparative price levels 189-190, 321, 329, 344  
 Compensation of employees 149-150, 160-161, 165, 170, 327, 329, 336, 345, 348

Competitiveness 15, 38, 94, 160, 189, 209, 215, 221, 227-228, 242, 285, 297, 310  
 Completed fertility 73, 329  
 Computer skills 255, 257  
 Computer-based learning 94-95  
 Computers 92-93, 203-204, 206, 221-223, 248, 252, 254-255, 257  
 Connection, Internet 255-257, 259, 261  
 Construction 93, 150-151, 156-157, 170, 203, 206, 210, 214, 219-220  
 Consumer prices (CPI) 43-44, 166, 187-189, 293, 320, 329, 336, 343  
 Consumption 149-152, 154, 156, 158-160, 165, 187, 189-190, 322-323  
 Consumption and spending 158-160  
 Consumption of energy 28-37  
 Consumption of own production 119  
 Contract of limited duration 138  
 Convergence (criteria) 165-166, 168-169, 187-190, 310, 329-330, 332, 335, 344  
 Cows' milk 295-296  
 Credits 170, 172, 174, 203-206  
 Crop and animal production 285  
 Crop output 291-292, 330  
 Crude birth rate 72  
 Crude oil and petroleum products 15-19, 21-23, 28, 30, 32  
 Current account 170-174, 194, 203-206  
 Current taxes on income and wealth 164, 170, 330, 348  
 Current transfers 165, 170, 172-174, 327, 330, 348

## D

Dairy cows 287, 329-330  
 Deaths 53, 60, 65-66, 101-107, 109, 111-112, 271  
 Debits 170, 172, 174, 203-206  
 Debt 162-164  
 Defoliation 301, 330  
 De-industrialisation 210  
 Demography 49, 55, 59, 312-313  
 Dependency, old-age 59, 63-64, 342  
 Derived heat 32  
 Detached house 123  
 Dial-up, Internet connection 256  
 Diesel 33, 38, 44, 45  
 Digital divide 254-255  
 Direct investment 175-179  
 Direct job creation 144-146  
 Disability 66, 107, 125, 127, 128  
 Discharges, hospital 109, 330  
 Diseases 102-104, 108-109  
 Disposable income 116-118, 314  
 Distribution of income 161  
 Distributive trades 210-214, 221-222, 223-226, 249, 330  
 Divorce 68, 70-71, 331  
 Doha Development Agenda (DDA) 193-194  
 Domestic output prices 215-218  
 Drug dependence 102-104  
 Dwelling 122-124, 328, 331

## E

Early retirement 128, 144-145  
 Early school leavers 84, 87, 89, 331  
 Earnings 180-182, 184, 331  
 EC Treaty 9, 75, 83, 94, 193, 209, 221  
 E-commerce 254-255, 260, 331  
 Economic accounts, agriculture 291  
 Economic accounts, regional 309  
 Economic and monetary union 149, 168, 187-188, 319, 329, 332, 347  
 Economic output 151-157  
 Economically inactive 63-64  
 Economy 147-190  
 Ecu 151, 165-166, 331, 333, 358  
 Education 59, 81-98, 119, 140, 143, 242-246, 248-249, 257, 309  
 eEurope 242, 254  
 Eighteen-year-olds in education 88  
 Electrical and optical equipment 215-216, 219  
 Electricity 17-20, 24-28, 34-35, 37-40, 119-120, 210-214  
 Electricity generation 22-27  
 Electricity, gas, water supply and construction 249  
 Emigration 53, 75-76, 331, 341  
 Employees 138, 327, 329, 331-332, 335-336, 341, 343, 345-348  
 Employment 68, 131-142, 144-146, 155-156, 160, 164, 180, 184, 186, 209-215, 221, 223, 226, 236, 243, 246, 248-249, 315, 321-322, 332, 347  
 Employment incentives 144-146  
 Employment rate 131-136, 321, 332  
 Employment, Social Affairs and Equal Opportunities 144  
 Energy 13-45, 322-323, 332  
 Energy consumption 28-29, 31-37, 323  
 Energy dependency 16-17, 21-22, 332  
 Energy efficiency 28-29, 37-38  
 Energy intensity 29, 37, 322, 332  
 Energy prices 38-45  
 Energy production and imports 16-22  
 Engineering 92-93, 245  
 Enrolments 86, 96  
 Enterprise birth rates 213  
 Enterprise(s) 209, 211-212, 217, 255, 259-260  
 Environment 267-282, 285, 297, 319, 321-322  
 Environment and agriculture 279-281  
 Environmental expenditure 281-282, 332  
 Equity capital 175-176, 178  
 Equivalent adults 116  
 Equalised income 116, 332  
 E-skills 254-255  
 EU population 50-55  
 EU population compared with other world regions 55-58  
 EU survey of income and living conditions (EU-SILC) 116, 122, 124, 334, 337  
 Euratom 15, 281  
 Euro 151, 162, 165-167, 176, 187, 331-334, 343, 346, 357-358  
 Euro-Indicators 11-12, 319-321  
 Europe's regions 307-316  
 European central bank (ECB) 158, 165-166, 168, 187-188, 215, 319, 329, 342

- European Community Household Panel (ECHP) 107, 116, 122, 124-125, 334
- European Economic and Social Committee (ECSC) 15, 323
- European employment strategy (EES) 94, 131, 144
- European Environment Agency (EAA) 271, 291, 295
- European Fisheries Fund (EFF) 302
- European monetary union (EMU) 149, 168-169, 319, 328, 332, 347
- European Patent Office (EPO) 252-254, 333
- European qualifications framework (EQF) 84
- European social agenda 101
- European statistical system (ESS) 9, 12, 194, 310, 334
- European system of accounts 119
- European system of integrated social protection statistics (Esspros) 108, 125, 333, 336, 346
- European system of integrated social protection statistics 108, 125, 333, 336
- European territorial cooperation 310
- Eurostat — service for journalists 12
- Eurostat — the key to European statistics 9
- Eurostat data codes 8
- Eurostat press office 12
- Evapotranspiration 274
- Examination charges 96
- Excessive Deficit Procedure (EDP) 162-164
- Exchange and interest rates 165-169
- Exchange rate mechanism (ERM) 165, 330
- Exchange rate(s) 151, 163-167, 187, 189-190, 329-330, 335, 344
- Expenditure 149-150, 158-159, 162, 165, 180, 186-187, 189, 241-242, 249-252, 254-262
- Expenditure, components of GDP 158-159
- Expenditure, education 83-84, 96-97
- Expenditure, pensions 126, 128, 334
- Expenditure, R&D 249-252
- Expenditure, sickness/healthcare 101
- Expenditure, social protection 126-127
- Exports 150, 158, 160, 170-174, 193-206, 306
- External balance (of goods and services) 158-160
- External inflow 273-274
- Extra-EU-25 194-199, 201, 334
- F**
- Families and births 68-74
- Family/children benefits 125, 127
- Farm labour force 286, 288-289
- Farm structural survey (FSS) 279-280, 286
- Farm structure and land use 285-290
- Farming 273, 279
- Fatal accidents at work 112, 334
- Fertilisers 269
- Fertility 51-52, 59, 68, 73-74, 334
- Fifth framework programme (FP5) 241
- Final consumption expenditure 119-120, 158, 334
- Final consumption of electricity 34-36
- Final energy consumption 28, 31-35, 334
- Financial account 170, 172, 174-175
- Financial burden 125
- Financial Instrument for Fisheries Guidance (FIFG) 302
- Financial intermediation 249
- Financial services 203-204, 206
- Fisheries 285-286, 302-306, 323, 329, 334, 340
- Fishing fleet 302-303, 334
- Fixed telecommunications 263-265
- Flats 122-123
- Food 119-120, 122
- Food products, beverages and tobacco 198-199, 202-203, 215-216, 219, 224
- Footwear 119-120
- Foreign direct investment (FDI) 175-179, 335, 347
- Foreign direct investment flows 175-177
- Foreign direct investment intensity 175
- Foreign direct investment stocks 176, 178-179
- Foreign languages 90-91
- Forest trees 301, 335
- Forestry 297-301
- Fossil fuels 16, 38
- Four-year-olds in education 86
- Freight 227-229, 232, 234
- Fresh vegetables 335
- Freshwater resources 273-274
- Fuel transformation 28
- Full-time 138-139, 180-181, 183-185
- Full-time equivalent enrolment 97-98
- Fully converted area 279-280
- Furnishing, household equipment and routine maintenance 119
- G**
- Gas 15-17, 19-20, 23-24, 28, 30, 32-33, 37-38, 41-42, 119-120
- Gas prices 38, 41-42
- GDP per capita 49, 151-152, 321, 309-311, 323
- Gender gaps 131, 139
- Gender pay gap 180, 182, 335
- General government 128, 158-165, 170, 330, 333, 335-336, 339, 344, 346-348
- Geonomenclature 335
- Geothermal energy 16-17, 19-20
- Global warming 38, 270-272
- Globalisation 151, 193, 215, 227
- Glossary 326-350
- Good governance 322-323
- Goods 149-152, 154, 156, 158-161, 164, 170, 172, 174, 187, 189, 193-206, 209-210, 216-219, 221-224, 226-230, 232-234
- Goods and services 150-152, 154, 156, 158-161, 164, 170, 174, 187, 189
- Goods, handled in all ports 234
- Goods, transported by rail 228-230, 233
- Goods, transported by road 228-230, 232
- Government 241-242, 244, 246, 249, 251-252, 254
- Government bond yields 166, 168
- Government budget appropriations or outlays for research and development (GBAORD) 242, 249, 335
- Government finances 162-165
- Government surplus/deficit 149
- Graduates 83-84
- Grants 96
- Greenhouse gas emissions 38, 269-272, 322-323, 335
- Gross domestic expenditure on R & D (GERD) 249-250, 252, 336
- Gross domestic product (GDP) 37, 119, 125-126, 128, 149-156, 158-

165, 170, 174-178, 186-187, 189, 249, 250, 252, 321-323, 332, 336, 348  
 Gross earnings 180, 182, 184  
 Gross electricity generation 17, 19, 24-26  
 Gross fixed capital formation (GFCF) 158-159, 336  
 Gross inland consumption 21-22, 28-30, 37  
 Gross operating rate 209-210, 215-216, 336  
 Gross operating surplus 149-150, 160-161, 336, 349  
 Gross value added, agricultural industry 291-292

## H

Halls of residence 122  
 Harmonised indices of consumer prices (HICPs) 166, 187-189, 329, 336, 338, 344  
 Hazardous waste 277  
 Health 59-60, 66, 99-112, 270-271, 282, 309  
 Health and Consumer Protection 101-102, 108  
 Health interview surveys (HIS) 107-108, 111  
 Health, expenditure 108  
 Healthcare 108-110, 336  
 Healthy life years 60, 66-67, 323, 336  
 Heart and lung diseases 271  
 Heart disease 103-104  
 Higher education 84, 93, 96, 244, 246, 251  
 High-technology 243, 248, 252-253, 337  
 HIV 102  
 Holiday 236-238  
 Homicide, assault 103-104  
 Hospital beds 105, 108-110, 337  
 Hotels and restaurants 119, 210-214, 221, 223, 249  
 Hotels and similar establishments 236-238  
 Hourly labour costs 180, 184-185  
 Hours worked 139, 144-145  
 Household consumption expenditure 119-121, 337  
 Household disposable income 116  
 Household expenditure on clothing and footwear 120  
 Household expenditure on food and non-alcoholic beverages 120  
 Household expenditure on housing, water, electricity, gas and other fuels 120  
 Household final monetary consumption expenditure (HFMCE) 187  
 Household numbers and average numbers of persons per private household 122  
 Household(s) 28, 33-35, 38-42, 115-116, 118-127, 158-159, 166, 190, 255-256, 330-332, 337, 343, 345, 355  
 Households and non-profit institutions serving households 158-159  
 Households, living in overcrowded houses 123  
 Households, owning their accommodation 124  
 Households, with/without financial burden due to housing costs 125  
 Housing 119-120, 122-125, 127  
 Human resources in science and technology (HRST) 243, 246-249, 337  
 Hydropower 17-20, 27

Immigration 53, 75-77, 337, 341  
 Imports 149-150, 158, 160, 163-165, 170-174, 193-206, 306  
 Imports for hard coal and oil and natural gas 23  
 Inactive persons 116, 132, 144-146, 338-339, 342  
 Income 115-118, 122-123, 125-126, 149-150, 158, 160-161, 163-165, 170, 172-174, 180  
 Income and living conditions 116, 334  
 Income distribution 115-116  
 Income, agriculture 291-294, 338  
 Income, from input factors 160-161  
 Increase in world population 57, 58  
 Independent private institutions (education) 85-88, 92-93  
 Index of production 215-220  
 Index of turnover 219, 222-223  
 Individuals regularly using the Internet 256  
 Industrial policy 210, 215  
 Industrial users (energy) 38, 40, 42  
 Industrial wastes 328, 338  
 Industry 17, 19, 23, 28, 31, 33-35, 151, 156-157, 180-181, 184-185, 209-238, 242, 252  
 Industry and construction 215-220  
 Industry and services 207-238  
 Inequality of income distribution 115-116, 338  
 Infant mortality 60, 65-66  
 Inflation 166, 187-189, 338  
 Informal learning 94-95  
 Information and communication technology (ICT) 241-242, 254-260  
 Information society 241-242, 254-265  
 Information technology (IT) 241-243, 250, 252, 256, 261-262  
 Inhabitants 50-56, 58, 62, 68, 72  
 Inland freight transport 228-230  
 Inland passenger transport 228-232  
 Inland waterways 227-228, 232, 338  
 Innovation 241-242, 248, 321  
 Inpatient care 109-110  
 Insurance services 203, 206  
 Integrated Services Digital Network (ISDN) 256  
 Integration of the disabled 144-146  
 Intellectual property rights 215  
 Interest rates 165-169, 187, 330, 338  
 Intermediate consumption 151-152, 154, 156, 165, 336, 338, 348  
 Internal energy market 15, 24, 28  
 Internal flow 273-274  
 International calls, telephone 263  
 International Monetary Fund (IMF) 203  
 International standard classification of education (ISCED) 85-93, 95, 98, 143, 245, 331, 338-339, 343, 350  
 International trade 191-206  
 International trade, goods 194-203  
 International trade, services 203-206  
 Internet 241-242, 254-261  
 Internet access and ICT expenditure 254-261  
 Internet access, enterprises 259  
 Internet access, households 255-256  
 Internet use, place of 257  
 Intra-EU-25 200, 338  
 Investment 158, 170, 175-179, 189

Irrigable area 280, 338  
 Ischaemic heart diseases 102-105

## J

Job rotation and job sharing 144-146  
 Jobless households 115-116, 118, 339  
 Job-search/seekers 139

## K

Knowledge-based 84, 94, 241, 319, 321  
 Knowledge-intensive services (KIS) 243, 248  
 Kyoto 15, 227, 270-272, 335

## L

Labour costs 151, 180-186, 339, 348  
 Labour force survey (LFS) 122, 132, 331-332, 339-340, 350  
 Labour market 129-146  
 Labour market policy (LMP) 144-146, 339  
 Labour productivity 155-156, 321, 339  
 Labour shortages 94  
 Lack of amenities 115  
 Lack of indoor facilities 122  
 Laeken 115  
 Land area 285, 290  
 Land under cereals 290  
 Land under permanent crops 290  
 Land use 285-290  
 Language learning 83-84, 90-91  
 Leading operator (mobile telecommunications) 264, 339  
 Leather and leather products 215-216, 219  
 Leonardo da Vinci programme 90  
 Level of health 102, 108  
 Levels of education 83-89, 98  
 Liabilities 170, 175-176, 178  
 Liberalisation 24, 221, 227, 261, 263, 338  
 Life expectancy 59-61, 102, 339  
 Life expectancy and mortality 59-67  
 Lifelong learning 83-84, 94-95, 132, 340  
 Lignite-fired power stations 26  
 Lingua action 90  
 Linking statistics to European policies 317-324  
 Lisbon 11, 84, 94, 96, 101, 131, 132, 149, 209, 241, 249, 269, 319, 321-322  
 Live births 53, 60, 65-66, 68, 72, 340  
 Live weight of fishery products 340  
 Livestock 285-286, 295  
 Livestock density 279-280, 340  
 Living conditions 116-118  
 Living conditions and welfare 113-128  
 Local calls, telephone 263-265, 340  
 Long-distance calls, telephone 340  
 Long-term interest rates 166, 168, 328, 330  
 Long-term unemployment rate 141-142, 321, 340

## M

Maastricht criterion 166, 168-169  
 Machinery and equipment n.e.c. 215-216, 219  
 Machinery and transport equipment 195, 198-199, 202-203  
 Macroeconomic 94, 209, 320  
 Manufacturing 92-93, 210-216, 219, 249, 337-338, 340, 355  
 Marine 269, 302  
 Maritime 227, 229  
 Market share, largest generator in the electricity market 27  
 Market share, telecommunications 263-264  
 Marriage 68-69, 71-72, 340  
 Material deprivation 124  
 Mathematics 92-93  
 Mature students 93  
 Mean age of women at childbearing 74  
 Meat 295-297, 340  
 Median age in tertiary education 87-88  
 Medical care 125  
 Mental harm 111-112  
 Migration and asylum 75-80, 309  
 Milk 287, 295-296, 330, 340  
 Mineral fuels, lubricants and related materials 195, 198-199, 202-203  
 Minimum wage 180, 183, 341  
 Mining and quarrying 210-214, 219  
 Mixed income 150, 160-161  
 Mobile telecommunications 261-262, 264  
 Monetary policy 166, 168, 187, 215, 319, 342  
 Monetary union index of consumer prices (MUICP) 187  
 Motor trade 210-211, 221-226  
 Motorways 228, 230, 341  
 Municipal waste 277-278, 341

## N

NACE (statistical classification of economic activities in the European Community) 33, 156, 180, 184, 186, 210-213, 216-218, 226, 236, 248-249, 259-260, 282, 291-292, 330, 340-342, 344, 346, 355  
 National calls, telephone 263-265  
 National currencies 165, 187, 190  
 Natural gas 15-17, 19, 21-24, 26, 28, 41-42  
 Natural population change 53  
 Natural resources 16, 17, 28, 195, 273, 323  
 Net imports of energy 20, 21, 341  
 Net lending/net borrowing 149  
 Net migration 50, 53, 75-77, 341  
 New/renovated housing 122  
 Nights spent in hotels and similar establishments 237, 341  
 Nomenclature of territorial units for statistics (NUTS) 310, 342, 351-354  
 Non-alcoholic beverages 119-120  
 Non-financial business economy 210-212, 342  
 Non-profit institutions serving households (NPISH) 158-159, 342, 346  
 Nuclear 15-17, 19, 24, 26, 30

## O

Obesity 105, 107  
 Occupation 243, 246, 249  
 Occupational diseases 111-112  
 Oil 15-24, 26, 28-35, 37, 44-45, 216, 229, 232  
 Old age 59, 63-64, 125-128, 135, 321, 323, 342  
 One-dwelling houses 122-123  
 Online 94-95, 255, 260  
 Orchards and vineyards 285  
 Organic farming 279-280, 342  
 Other business services 203-204, 206  
 Other collective accommodation establishments 236-237  
 Other manufactured products 195, 198-199, 202-203  
 Other non-metallic mineral products 215-216, 219  
 Outpatient treatment 108  
 Output approach 150-151  
 Output price index 216-218, 342  
 Overcrowded houses 123, 342  
 Overweight 105, 107, 342  
 Ownership of dwellings 123  
 Ozone 269-271

## P

Paper and paperboard production 297, 299, 301, 343  
 Part-time 131-132, 138-139  
 Passenger cars 228-231, 341, 343  
 Passengers 228-235  
 Passengers, embarked and disembarked in all ports 234  
 Passive smokers 107  
 Patent applications, high-technology 252  
 Patents 241-242, 252-254, 327-328, 333, 337, 343  
 Patients 109-110  
 People in the labour market — employment 132-139  
 People in the labour market — unemployment 139-143  
 People killed in road accidents 232, 343  
 Permanent grassland 290  
 Personal, cultural and recreational services 203, 206  
 Personnel (R&D) 243-249  
 Personnel costs 209-211, 213-216, 336, 343, 349  
 Persons employed 209-212, 226  
 Persons, living in jobless households 118  
 Persons, per household 122  
 Pesticides 269, 279-281  
 PhD students/graduates 245, 343  
 Physicians 105, 108-110, 343  
 Pigs 296-297, 329, 340, 343  
 Pipelines (energy) 20, 33  
 Pneumonia 103-104  
 Pollution 269-273, 279, 281-282  
 Poor dietary habits 107  
 Population 47-80, 211, 213, 238, 328, 331-332, 334-335, 338-341, 343, 347, 350  
 Population, aged 65 and over 62-63  
 Population, by age class 53, 54  
 Population, by citizenship 78  
 Population, change 50, 53, 57-58, 75-76  
 Population, density 51-52, 309, 312, 343  
 Population, EU compared with other regions of the world 55-58  
 Population, going on holiday 238  
 Population, growth 50, 55, 313  
 Population, projections 52, 59  
 Population, pyramid 52  
 Ports 229  
 Post-secondary non-tertiary education 338-339  
 Potential widespread causes for health problems 107-108  
 Poultry 295, 297, 329, 343  
 Poverty 115-118, 122, 321, 323  
 Power of, fishing fleet 302  
 Power stations 24, 26, 33-35  
 Practical guide to accessing European statistics 10-12  
 Practising physicians 105, 108-110, 343  
 Precipitation 273-274  
 Pregnancy 109  
 Premature death 107  
 Pre-primary education 84-85, 143, 339  
 Pre-school childcare 84  
 Pre-vocational programmes 91  
 Price indices, agriculture 291-294  
 Price levels 151-152, 155-156, 180, 186-190  
 Price stability 166, 168, 187, 330  
 Prices 149-157, 160-161, 166, 168, 180, 187-190, 344  
 Prices, diesel oil 44-45  
 Prices, energy 38-45  
 Prices, fixed telecommunications 264-265  
 Prices, premium unleaded gasoline 95 RON 43-44  
 Primary education 84-86, 339  
 Principal European economic indicators (PEEIs) 215, 319-321  
 Private education 96-98  
 Producer prices, agriculture 291-293, 344  
 Production 149-152, 154, 156, 158, 160-161, 163-165, 186, 209-213, 215-220, 322-323  
 Production index 215-220, 344, 346  
 Production of primary energy 17-19, 344  
 Production of renewable energy 16-17, 19-20  
 Public administration, extra-territorial organisations and bodies 249  
 Public and private expenditure on educational institutions 98  
 Public authorities, interacting with over the Internet 258-259  
 Public balance 162-163, 344  
 Public education 96-97, 344, 348  
 Public expenditure 144-146  
 Public expenditure, education 96-97, 344, 348  
 Public expenditure, labour market policy 144-146  
 Public health 101-102, 107, 323  
 Public water supply 275, 344  
 Pulp and paper; publish. and printing 215-216, 219  
 Pupil/teacher ratio 83-84, 86  
 Pupils 84-85  
 Pupils learning foreign languages 90-91  
 Purchases online 260  
 Purchasing power parities (PPPs) 151, 187, 189-190, 329, 336, 344  
 Purchasing power standard (PPS) 96-98, 119, 121, 126-127, 151-152, 155-156, 190, 311, 321, 336, 339, 344

**Q**

Qualifications 84, 86, 92, 94  
Quality reports 320

**R**

Railways 228-233, 341, 345  
Raw materials 195, 198-199, 202-203  
Real estate, renting and business activities 210-214, 249  
Refugees 80, 327, 345  
Regional competitiveness and employment 310  
Regional labour market 309  
Regional policy 309  
Regions 307-316  
Renewable energy 15-17, 19-20, 24, 27-28, 30, 32, 37, 287-288, 332, 345  
Research 241-242, 245-246, 248-252  
Research and development (R & D) 150, 209, 215, 241-252, 309-310, 321, 335-337, 345, 355  
Research and development, expenditure 249-252  
Research and development, personnel 243-249  
Researchers 84, 242-244, 345  
Retail bank, interest rates 166  
Retail trade 210-211, 214, 221-226  
Retirement 49, 68  
Road accidents 232  
Roads 228-230, 232  
Roundwood 297-298, 300, 345  
Royalties and license fees 206  
Rubber and plastic prod. 215-216, 219

**S**

Safety at work 111-112  
Savings 119, 149  
Sawnwood 297-298, 300, 346  
Scholarships 96  
School enrolment and level of education 84-89  
Schools 86, 90-91, 94-95  
Science 92-93  
Science and technology 239-266, 309  
Science, mathematics and computing 92, 245  
Security of supply 15, 285  
Self-perceived health 101  
Serious accidents at work 111, 346  
Services 22, 28, 33-35, 37, 149-152, 154, 156, 158-161, 164, 170, 172, 174, 180-181, 184-185, 187, 189, 193-194, 203-207, 209-238, 221-223, 326-328, 330-332, 334, 336-338, 341-349  
Seventh framework programme (FP7) 242  
Sheep and goats 329, 340  
Short-term business statistics (STS) 215-216, 346, 349  
Short-term interest rates 166, 168  
Sickness 125-127  
SILC (survey of income and living conditions) 116, 122, 124, 334, 337  
Single European sky 227  
Sixth environment action programme (EAP) 269

Sixth framework programme (FP6) 241-242  
Skills 88, 94  
Small and medium-sized enterprises (SMEs) 209-211, 221, 346  
Smoking 107-108, 343  
Social benefits 115-116, 125-128, 165, 333-334, 346-348  
Social cohesion 94, 115, 319, 321-323  
Social contributions 128, 160-161, 163, 165, 180, 329, 333, 339, 343, 346, 348  
Social exclusion 115-116, 125, 323  
Social inclusion indicators 115  
Social protection 125-128, 131-132, 139, 346  
Social transfers 116-118, 158, 165, 321, 323, 327, 346-348  
Socrates programme 90  
Solar energy 16-17, 19-20  
Solid fuels 15-17, 19, 21-22, 28, 30, 32  
Special Data Dissemination Standard (SDDS) 11, 96-98, 320-321  
Stability and Growth Pact 162, 347  
Standard international trade classification (SITC) 195, 328, 356  
Standardised death rates (SDR) 102-106, 347  
Start-up incentives 144-146  
Statistical Programme Committee (SPC) 9  
Statistical symbols 7-8, 357-360  
Stillbirths 72, 340, 347  
Stocks of foreign direct investment 175-176, 178-179, 347  
Structural business statistics (SBS) 209-211, 223, 309, 332, 336, 343, 349  
Structural Funds 11, 49, 309-310, 321-322  
Structural indicators 11, 115, 319, 321-322, 339  
Structure, agricultural holdings 285  
Students 84, 87-88, 92-93, 96-98  
Subsidies on products 150-151, 161, 336, 344, 347-349  
Suicide 102-104, 106  
Survivors' benefits 125, 127  
Sustainable development 11, 15, 101, 227, 242, 269, 273, 277, 279, 297, 319, 322-323  
Sustainable farming practices 285

**T**

Tax rates 38, 180, 184, 347  
Taxes 149-151, 160-161, 163-165, 170, 180, 183, 186, 190, 347-348  
Teachers 84, 86  
Telecommunications 248, 261-265  
Temporary work 131  
Tertiary education 87-88, 92-93, 95, 140, 339  
Textiles and textile products 215-216, 219  
Third-level education 246-247  
Three-month, inter-bank rates 348  
Tonnage, fishing fleet 302  
Tourism 236-238, 309, 348  
Trade 191-206  
Trade, by main service categories 206  
Trade, fishery products 306  
Trade, goods 193-203  
Trade, integration of goods and services 170, 174, 348  
Trade, services 193-194, 203-206  
Trade, transport and communication services, 156  
Trading partners 198, 202  
Training 83-84, 87, 89-90, 92, 94-95, 97, 138-139, 144-146  
Trans-European networks (TENs) 227



Transport 24, 28, 31, 33-35, 43-45, 227-235, 309  
 Transport accidents 102, 104, 106  
 Transport equipment 215-216, 219  
 Transport, storage and communication 210-214, 221-223, 249  
 Treaty establishing the European Community 9, 75, 83, 94, 193, 209, 221  
 Treaty of Amsterdam 75, 115, 131, 162, 187-188, 329, 347  
 Treaty of Rome 285  
 Tuberculosis 102  
 Tuition fees 96  
 Turnover 215-216, 219, 221-224, 226, 260, 336, 344, 346, 349

## U

Unemployment 125-128, 131-132, 139-146, 180, 184, 316, 347, 349  
 United Nations 326, 331, 337, 345, 349, 356  
 University 90, 94-95  
 Unleaded petrol 38  
 Upper secondary education 84, 87, 89, 140, 338-339, 350  
 Urban Audit 309-310  
 Urban wastewater treatment 273, 275-276, 349  
 User guide 7-8  
 Utilised agricultural area (UAA) 286, 290

## V

Value added 150-151, 156-157, 209-212, 215-218, 220, 336, 338, 344, 349  
 Vegetables 290, 295-296  
 Vocational training 83, 90, 94-95, 97  
 Volume of sales 215, 224-225, 349

## W

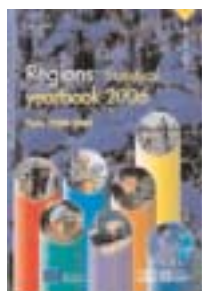
Wages and labour costs 180-186  
 Wages and salaries 160, 180, 186  
 Waste 269, 277-278, 281-282, 328, 338-339, 341, 345, 347, 350  
 Waste generated 277-278  
 Wastewater 273, 275-276, 282  
 Water 119-120, 269-270, 273-276, 279-282  
 Weight 107, 112  
 Welfare 115-128  
 Wholesale trade 210-211, 214, 221-226  
 Wind 17, 19-20, 23, 26-27  
 Women among tertiary students 92  
 Women researchers 243  
 Wood and wood products 215-216, 219, 297-298, 300  
 Wooded area 290  
 World Health Organisation (WHO) 103-104, 106-107, 109-110  
 World Trade Organisation (WTO) 193-194

## Y

Youth education 87, 89, 321, 350

# Selection of other Eurostat publications

Below you find some information on a small sample of Eurostat's publications. All publications in electronic PDF format can be downloaded free of charge from the website of Eurostat at <http://ec.europa.eu/eurostat>. Paper copies of publications can be ordered via the EU bookshop at <http://bookshop.europa.eu>. Paper copies of pocketbooks are available free of charge, while larger publications from the 'statistical books' (previously called 'Panorama') collection must be purchased.



## REGIONS - STATISTICAL YEARBOOK 2006

*Languages available: German, English, French*

*Format: paper (with CD-ROM), PDF*

*ISBN : 92-79-01799-3*

*ISSN: 1681-9306*

*Cat. No: KS-AF-06-001-EN-C*

*Price (excluding VAT): EUR 30*

*Current version: 2006*

The 2006 edition of this publication covers all of regions of the EU Member States (over 250 regions are identified). The regions are defined according to level 2 of the nomenclature of territorial units for statistics (NUTS 2003). The publication contains chapters on population, GDP, household accounts, the labour market, labour productivity, urban statistics, science, technology and innovation, structural business statistics, health, transport and agriculture. There is a new chapter in the 2006 edition concerning labour productivity.

The regional diversity of Europe is shown in the form of maps and graphs, commented by texts. A CD-ROM contains the data series used to draw the maps, PDF versions of each of the three language editions of the yearbook and documentation on the NUTS 2003 nomenclature.



## KEY FIGURES ON EUROPE – STATISTICAL POCKETBOOK 2006

*Languages available: English*

*ISBN 92-79-01849-3*

*Format: paper, PDF*

*Cat. No: KS-EI-06-001-EN-C*

*Price (excluding VAT): free of charge*

*Current version: 2006*

This publication has the objective of providing users with a balanced set of statistical data about the economic and social development of the European Union. It covers mainly data from 1995 to 2005. The presentation largely follows the statistical themes of Eurostat's dissemination database. Data are generally provided for the European Union, the euro area and the EU Member States. When available and appropriate, data are added for candidate countries, EEA/EFTA countries, Japan and the United States.



### **ENERGY, TRANSPORT AND ENVIRONMENT INDICATORS, 2006**

*Languages available: English*

*Format: PDF, paper*

*ISBN : 92-79-02260-1*

*ISSN: 1725-4566*

*Cat. No: KS-DK-06-001-EN-C*

*Price (excluding VAT): free of charge*

*Current version: 2006*

This pocketbook comprises a broad set of data collected by Eurostat and the European Environment Agency. The objective of this publication is to provide an overview of the most relevant indicators on energy, transport and environment, with a particular focus on sustainable development. It presents data for the EU Member States, candidate and EFTA countries.



### **POPULATION STATISTICS, 2006**

*Languages available: German, English, French*

*Format: paper (with CD-ROM), PDF*

*ISBN : 92-79-01642-3*

*ISSN: 1725-8670*

*Cat. No: KS-EH-06-001-EN-C*

*Price (excluding VAT): EUR 20*

*Current version: 2006*

The publication provides statistical information on all major demographical aspects in the EU: population change, composition, fertility, mortality, international migration, nuptiality, population projections and regional data. Alongside tables, it also contains explanatory texts, graphs and maps. The paper version includes a CD-ROM (English/French/German).



### **EUROPEAN UNION FOREIGN DIRECT INVESTMENT - YEARBOOK 2006**

*Languages available: English*

*Format: paper, PDF*

*ISBN: 92-79-01856-6*

*ISSN: 1605-2935*

*Cat. No: KS-BK-06-001*

*Price (excluding VAT): free of charge*

*Current version: 2006*

Foreign direct investment (FDI) plays a key role in the globalisation process and is an important element affecting international relations. An international investment is classified as FDI when at least 10 % of the capital of the target enterprise is acquired. This pocketbook provides detailed data on EU FDI for recent years (mainly 1999-2004), for both EU FDI abroad and FDI into the EU. It provides an overview of the position of the EU in world FDI and a comparison with the US. For EU FDI abroad, a particular focus is put on EU FDI in emerging countries. Finally, FDI data with major partners are detailed according to the kind of activity in which the investment takes place. Data focus on the EU as whole and, to a lesser extent, on the Member States.



### EUROPEAN BUSINESS - FACTS AND FIGURES, 2006

*Languages available: English*  
*Format: Paper (with CD-ROM), PDF*  
*ISBN 92-79-03351-4*  
*Cat. No: KS-BW-06-001-EN-C*  
*Price (excluding VAT): EUR 40*  
*Current version: 2006*

This publication gives a comprehensive picture of the structure, development and characteristics of the European business economy. It presents the latest available statistics from a wide selection of statistical sources describing production and employment; country specialisation and regional distribution; cost structures; productivity and profitability; the importance of small and medium-sized enterprises (SMEs); workforce characteristics; external trade, and more. The publication covers mainly data from 1995 to 2005. The accompanying CD-ROM presents the paper publication in an easily accessible format. The CD-ROM also contains the graphs and tables from the publication and additional, more detailed data in Excel format, as well as a means of easily accessing the most up-to-date live data on the Eurostat website and a large amount of background information.



### INTRA- AND EXTRA-EU TRADE DATA COMBINED NOMENCLATURE (DVD) — COMEXT (MONTHLY)

*Languages available: Trilingual edition in German, English and French*  
*Format: Monthly DVD*  
*ISSN 1017-6594*  
*Cat. No: KS-CK-05-000-3A-Z*  
*Subscription code: OCDR00*  
*Price per copy (excluding VAT): EUR 40*  
*Annual subscription price (excluding VAT): EUR 210*

This DVD-ROM is published monthly. It contains statistics of trade for the 25 Member States of the EU, classifications of countries and products, methodological notes, notes on the state of data availability and a user manual. In addition, it includes the Europroms data (European production and market statistics).



### PANORAMA ON TOURISM, 2006

*Languages available: English*  
*Format: paper (with CD-ROM), PDF*  
*ISBN: 92-79-01522-2*  
*Cat. No: KS-74-06-912-EN-C*  
*Price (excluding VAT): EUR 20*  
*Current version: 2006*

The publication gives an overview of tourism in the EU Member States, candidate and EFTA countries. It focuses on recent trends, tourism behaviour of Europeans, and details tourism in each of the countries; the period from 2000 to 2004 and the year 1995 are covered. This publication consists of tables and graphs with short analysis and includes a CD-ROM containing more detailed tables. The CD-ROM has been published for several years under the title 'Tourism Statistics Yearbook'.



### **FROM FARM TO FORK STATISTICS, 2006**

*Picture*

*Languages available: English*

*Format: paper, PDF*

*ISBN : 92-79-00429-8*

*Cat. No: KS-51-05-473-EN-C*

*Price (excluding VAT): free of charge*

*Current version: 2006*

This pocketbook provides the reader with statistical information on how the food chain evolves in Europe. It gives a summary of the data currently available in Eurostat's 'Food: from farm to fork' database, including different indicators for each step of the production-consumption chain. The structure follows the approach taken by the European Commission on food safety policy.



### **SCIENCE, TECHNOLOGY AND INNOVATION IN EUROPE, 2006**

*Languages available: English*

*Format: paper, PDF*

*ISBN: 92-79-02577-5*

*Cat. No: KS-76-06-203-EN-C*

*Price (excluding VAT): EUR 25*

*Current version: 2006*

This publication presents statistics on Europe's recent performance in research and development, innovation, high-tech industries and knowledge-based services. Relevant and meaningful indicators in these areas are paramount in informing the public and policymakers as to where Europe stands in moving towards more knowledge and growth. This information is also necessary to better gauge how Europe is evolving, compared with the United States, Japan, China, the Russian Federation and other economies.



### **MEASURING PROGRESS TOWARDS A MORE SUSTAINABLE EUROPE, 2005**

*Languages available: German, English, French*

*Format: paper, PDF*

*ISBN 92-894-9768-8*

*Cat. No: KS-68-05-551-EN-C*

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This publication, aimed at the general public, as well as decision-makers, provides a first progress report on the implementation of the sustainable development strategy, launched by the European Council in Gothenburg in 2001. It focuses on quantitative trends, restricting the analysis to a set of sustainable development indicators (SDI) adopted by the European Commission in February 2005, and provides a useful complement to the Commission's communication on the review of the sustainable development strategy. Trends are assessed against policy objectives to inform readers about the achievements, trade-offs, and failures in achieving the commonly agreed objectives. The data presented cover the period from 1990 to 2005 (or the latest year available). The emphasis is on the visualisation of trends – the actual data can be downloaded from the Eurostat SDI webpage (special topic 'Sustainable Development' on Eurostat's website). The wide range of themes covered illustrates both the practical implications of sustainable development for EU citizens, and the complexity of issues involved. This report should contribute to raising awareness of the opportunities and challenges lying ahead.