

18/2015 - 28 January 2015

Third quarter of 2014

## Business investment rate nearly stable at 21.7% in the euro area and 22.0% in the EU28

Business profit share nearly stable at 38.7% in euro area and stable at 38.4% in EU28

### Announcement

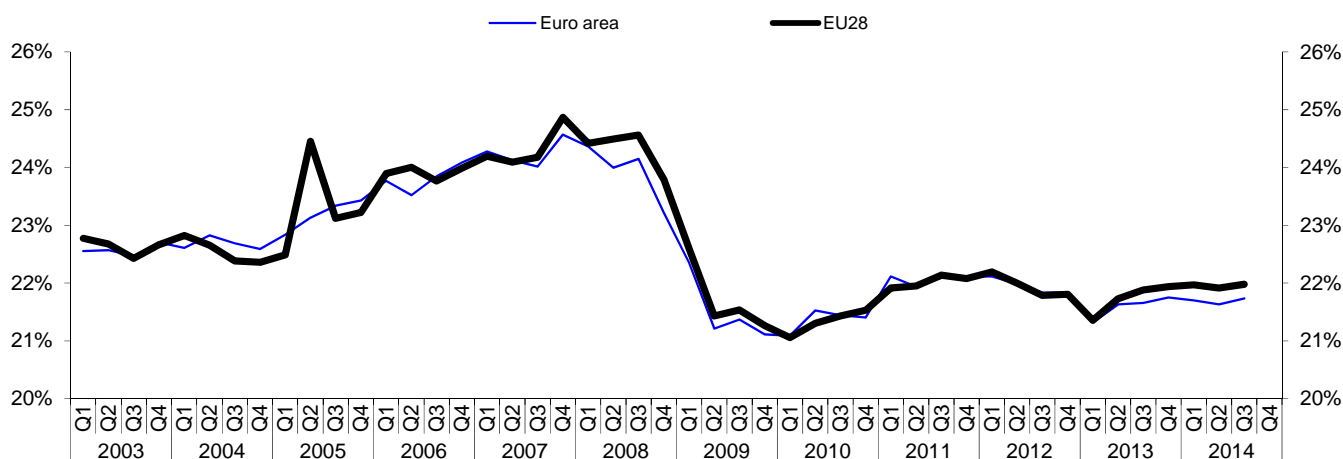
As part of the process of improving timeliness, from April 2015 onwards the business News Release of European sector accounts will be issued earlier (at around t+102 days) focussing on selected euro area non-financial transactions. The complete set of sectoral data will be updated (at +120 days) in the dedicated section of the Eurostat website.

In the third quarter of 2014, the business investment rate<sup>1</sup> was 21.7% in the **euro area**<sup>2</sup>, compared with 21.6 in the second quarter of 2014<sup>3</sup>. This was the result of an increase in both investment (+1.1%) and gross value added (+0.7%). Total stocks (materials, supplies and finished goods) fell.

In the **EU28**<sup>4</sup> the investment rate was 22.0% in the third quarter of 2014, compared with 21.9% in the previous quarter.

These data come from a detailed set of seasonally adjusted<sup>5</sup> quarterly European sector accounts<sup>6</sup> released by Eurostat, the statistical office of the European Union, and the European Central Bank (ECB).

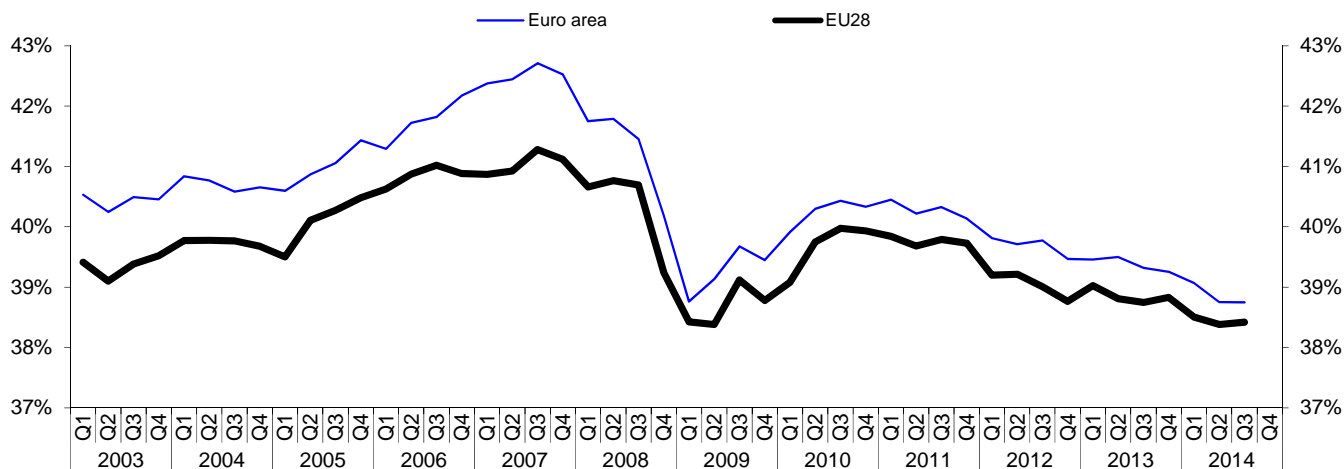
Investment rate of non-financial corporations (seasonally adjusted)



## Business profit stable in the EU28, nearly stable in the euro area

In the **EU28** the business profit share<sup>7</sup> was 38.4% in the third quarter of 2014, stable compared with the second quarter of 2014. In the **euro area** the profit share was 38.7% in the third quarter, compared with 38.8% in the previous quarter.

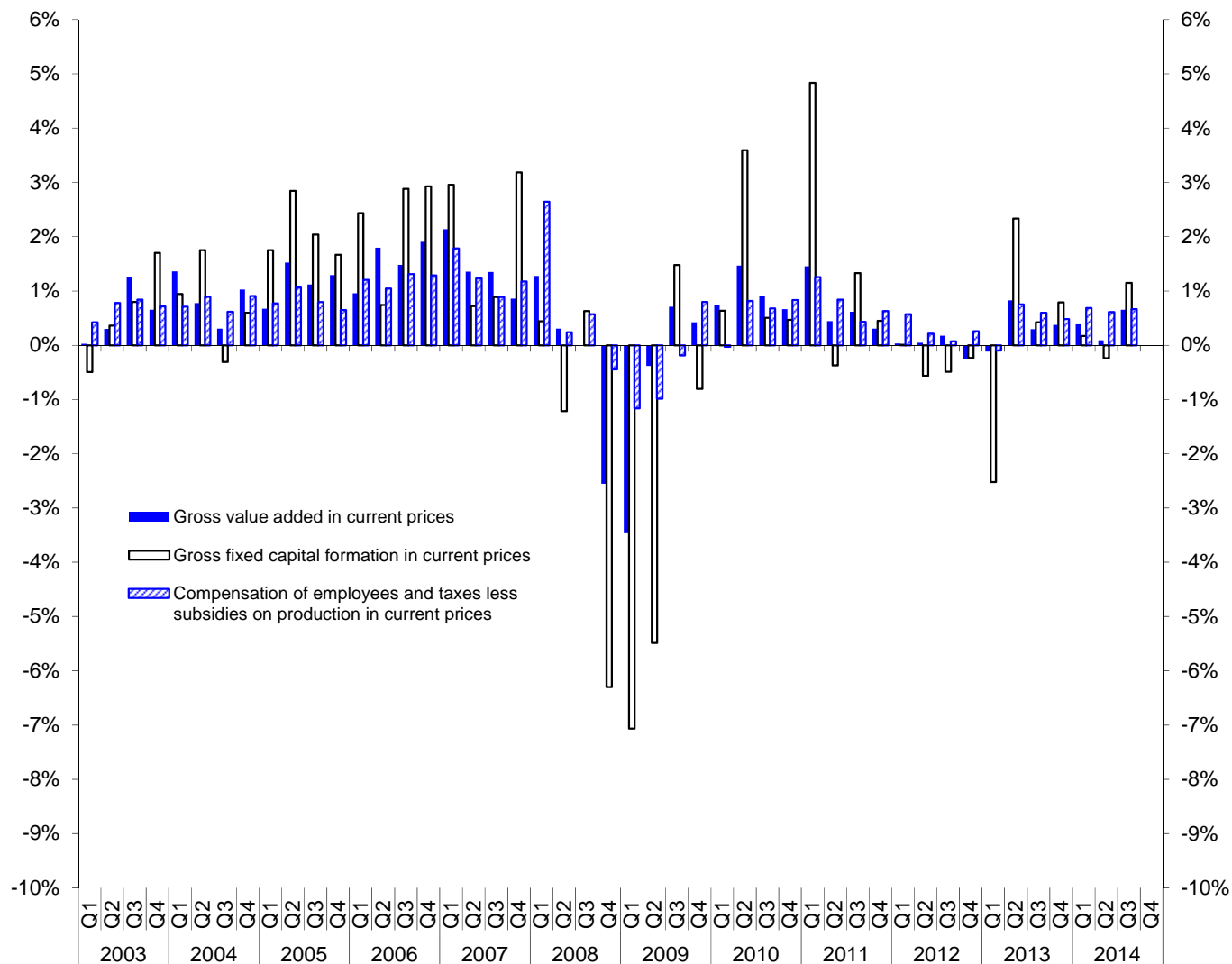
### Profit share of non-financial corporations (seasonally adjusted)



The profit share was nearly stable in the **euro area** as compensation of employees (wages and social contributions) plus taxes less subsidies on production increased at the same pace as value added (+0.7%).

### Nominal growth of components of the investment rate and the profit share (euro area)

(seasonally adjusted data, change compared with the previous quarter)



1. The gross investment rate of non-financial corporations is defined as gross fixed capital formation divided by gross value added. This ratio relates the investment of non-financial businesses in fixed assets (buildings, machinery etc.) to the value added created during the production process.
2. Until 31 December 2014 the euro area (EA18) consisted of 18 Member States: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland, plus the European Central Bank and European Stability Mechanism. From 1 January 2015 the euro area (EA19) also includes Lithuania.  
As part of Eurostat's guidelines for the dissemination of data when the euro area is enlarged, the aggregate data series commented on in this News Release refer to the official composition in the most recent quarter for which data are available. Thus News Releases with data for quarters up to the fourth quarter of 2014 comment on EA18 series, while Releases with data for the first quarter of 2015 onwards will comment on EA19 series. Data for EA19 will be published in July 2015 (first release of sector accounts for the first quarter of 2015).  
Eurostat's guidelines can be found on the Eurostat website:  
[http://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/GUIDE\\_ENLARG\\_2007](http://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/GUIDE_ENLARG_2007)
3. Compared with News Release 13/2015 of 20 January 2015, the business investment rate remains unchanged whereas business profit share for the third quarter of 2014 has been revised from 38.8% to 38.7% in the euro area. Compared with News Release 163/2014 of 27 October 2014 the business investment rate for the second quarter of 2014 remains unchanged in both the euro area and the EU28. The business profit share has been revised from 38.4% to 38.8% in the euro area and from 38.2% to 38.4% in the EU28.
4. The European Union (EU28) consists of 28 Member States: Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom, plus the EU institutions.
5. Seasonal adjustment has been performed using the Tramo-Seats method. The seasonally adjusted series are built up indirectly as the sum of seasonally adjusted components.
6. The compilation of the European sector accounts follows the **European System of Accounts 2010 (ESA2010)** and covers the period from the first quarter of 1999 to the third quarter of 2014.  
Institutional sectors bring together economic units with broadly similar characteristics and behaviour, namely: households (including non-profit institutions serving households), non-financial corporations, financial corporations, government and the rest of the world. In the latter to measure the external transactions of the euro area / EU, it is necessary to remove cross-border flows within the area concerned.  
The ECB and Eurostat publish integrated non-financial and financial accounts, including financial balance sheets, for the euro area. Eurostat also publishes the non-financial accounts of the European Union.  
Eurostat's website includes detailed **annual** sector accounts by country and derived key indicators, which also include the indicators that combine non-financial and financial accounts such as additional profitability indicators.  
The full set of **quarterly** sector accounts is published for euro area / EU aggregates only. However, some of the Member States' selective data are available in the Eurostat database and a subset of quarterly key indicators is published around 102 days after each quarter at <http://ec.europa.eu/eurostat/sectoraccounts> (see "Quarterly data") for 15 out of the 18 members of the European Economic Area (EEA) whose GDP is above 1% of the EU total, subject to availability. The other 13 EEA members, whose GDP is below 1% of the EU total, do not have to transmit the quarterly accounts of corporations to Eurostat.  
General information on European sector accounts compilation is given in the metadata file available at [http://ec.europa.eu/eurostat/cache/metadata/en/nasq\\_10\\_nf\\_tr\\_esms.htm](http://ec.europa.eu/eurostat/cache/metadata/en/nasq_10_nf_tr_esms.htm)  
**For detailed data and methodology**, please see Eurostat's website at: <http://ec.europa.eu/eurostat/sectoraccounts> and ECB's website at: <http://www.ecb.eu/stats/acc/html/index.en.html>.
7. The profit share of non-financial corporations is defined as gross operating surplus divided by gross value added. This profitability-type indicator shows the share of the value added created during the production process remunerating capital. It is the complement of the share of wage costs (plus taxes less subsidies on production) in value added.

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Selected Principal European Economic Indicators: <http://ec.europa.eu/eurostat/euroindicators>  
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**Table 1: Key indicators of the euro area (EA18) and of the European Union (EU28)**

		Euro area (EA18)				European Union (EU28)			
		Investment rate, %		Profit share, %		Investment rate, %		Profit share, %	
		Not seasonally adjusted	Seasonally adjusted	Not seasonally adjusted	Seasonally adjusted	Not seasonally adjusted	Seasonally adjusted	Not seasonally adjusted	Seasonally adjusted
2003	Q1	22.5	22.6	42.2	40.5	22.4	22.8	40.1	39.4
	Q2	23.0	22.6	39.7	40.2	23.0	22.7	38.6	39.1
	Q3	21.7	22.5	41.8	40.5	21.8	22.4	40.5	39.4
	Q4	23.0	22.7	37.9	40.5	23.2	22.7	38.1	39.5
2004	Q1	22.6	22.6	42.7	40.8	22.5	22.8	40.5	39.8
	Q2	23.3	22.8	40.4	40.8	23.0	22.7	39.4	39.8
	Q3	21.9	22.7	42.3	40.6	21.8	22.4	41.2	39.8
	Q4	22.9	22.6	38.5	40.7	22.9	22.4	38.7	39.7
2005	Q1	22.8	22.8	42.3	40.6	22.1	22.5	40.1	39.5
	Q2	23.6	23.1	40.7	40.9	24.8	24.5	39.9	40.1
	Q3	22.5	23.3	42.6	41.1	22.5	23.1	41.5	40.3
	Q4	23.7	23.4	38.9	41.4	23.7	23.2	39.2	40.5
2006	Q1	23.8	23.8	43.4	41.3	23.5	23.9	41.6	40.6
	Q2	23.9	23.5	40.7	41.7	24.3	24.0	40.0	40.9
	Q3	23.0	23.8	42.9	41.8	23.2	23.8	41.9	41.0
	Q4	24.4	24.1	39.7	42.2	24.5	24.0	39.7	40.9
2007	Q1	24.3	24.3	44.3	42.4	23.8	24.2	41.6	40.9
	Q2	24.6	24.1	41.3	42.4	24.4	24.1	39.9	40.9
	Q3	23.2	24.0	43.8	42.7	23.6	24.2	42.1	41.3
	Q4	24.9	24.6	40.4	42.5	25.5	24.9	40.3	41.1
2008	Q1	24.3	24.4	43.2	41.8	23.9	24.4	41.1	40.7
	Q2	24.5	24.0	41.2	41.8	24.9	24.5	40.2	40.8
	Q3	23.4	24.2	42.9	41.5	24.1	24.6	41.8	40.7
	Q4	23.5	23.2	38.2	40.2	24.4	23.8	38.5	39.2
2009	Q1	22.2	22.4	40.4	38.8	22.1	22.6	39.1	38.4
	Q2	21.7	21.2	37.8	39.1	21.8	21.4	37.1	38.4
	Q3	20.8	21.4	41.5	39.7	21.2	21.5	40.5	39.1
	Q4	21.4	21.1	38.0	39.4	21.8	21.3	38.5	38.8
2010	Q1	20.9	21.1	41.5	39.9	20.5	21.1	39.7	39.1
	Q2	22.1	21.5	39.1	40.3	21.7	21.3	38.6	39.7
	Q3	20.8	21.4	42.2	40.4	21.1	21.4	41.3	40.0
	Q4	21.7	21.4	39.1	40.3	22.0	21.5	39.8	39.9
2011	Q1	21.9	22.1	42.3	40.5	21.4	21.9	40.6	39.8
	Q2	22.5	21.9	38.9	40.2	22.4	21.9	38.4	39.7
	Q3	21.5	22.1	41.9	40.3	21.8	22.1	41.0	39.8
	Q4	22.4	22.1	38.4	40.1	22.6	22.1	39.2	39.7
2012	Q1	21.9	22.1	41.7	39.8	21.6	22.2	40.0	39.2
	Q2	22.5	22.0	37.9	39.7	22.4	22.0	37.6	39.2
	Q3	21.2	21.8	41.1	39.8	21.4	21.8	39.9	39.0
	Q4	22.2	21.8	37.5	39.5	22.4	21.8	38.2	38.8
2013	Q1	21.0	21.3	41.5	39.5	20.7	21.4	39.5	39.0
	Q2	22.1	21.6	37.6	39.5	22.1	21.7	37.2	38.8
	Q3	21.1	21.7	41.0	39.3	21.6	21.9	40.0	38.7
	Q4	22.1	21.7	36.9	39.3	22.6	21.9	38.3	38.8
2014	Q1	21.3	21.7	41.4	39.1	21.2	22.0	39.1	38.5
	Q2	22.1	21.6	36.8	38.8	22.3	21.9	36.7	38.4
	Q3	<b>21.1</b>	<b>21.7</b>	<b>40.4</b>	<b>38.7</b>	<b>21.7</b>	<b>22.0</b>	<b>39.7</b>	<b>38.4</b>

**Table 2: Gross operating surplus, its components, changes in inventories and gross fixed capital formation of non-financial corporations, in the euro area (EA18)**  
(Seasonally adjusted)

		Millions of euro at current prices						% change compared with the previous quarter				
		Gross value added	Compensation of employees (paid)	Other taxes less subsidies on production	Gross operating surplus	Gross fixed capital formation	Changes in inventories & net acquisitions of valuables	Gross value added	Compensation of employees and other taxes less subsidies on production		Gross operating surplus	Gross fixed capital formation
									Total	Of which Compensation of employees		
2003	Q1	996253	583910	8559	403784	224696	9029	0.0	0.4	0.4	-0.5	-0.5
	Q2	999262	588713	8376	402173	225513	3283	0.3	0.8	0.8	-0.4	0.4
	Q3	1011791	593326	8776	409689	227318	-1912	1.3	0.8	0.8	1.9	0.8
	Q4	1018393	597124	9289	411980	231184	2162	0.7	0.7	0.6	0.6	1.7
2004	Q1	1032257	601468	9252	421537	233363	-4198	1.4	0.7	0.7	2.3	0.9
	Q2	1040240	606487	9672	424081	237454	2976	0.8	0.9	0.8	0.6	1.8
	Q3	1043433	609800	10163	423469	236721	6320	0.3	0.6	0.5	-0.1	-0.3
	Q4	1054155	614739	10847	428569	238137	13638	1.0	0.9	0.8	1.2	0.6
2005	Q1	1061240	618895	11512	430834	242312	-2553	0.7	0.8	0.7	0.5	1.8
	Q2	1077400	624799	12310	440291	249203	8715	1.5	1.1	1.0	2.2	2.8
	Q3	1089467	629671	12495	447302	254281	1089	1.1	0.8	0.8	1.6	2.0
	Q4	1103544	636232	10097	457215	258519	15015	1.3	0.6	1.0	2.2	1.7
2006	Q1	1114101	644346	9747	460007	264807	14734	1.0	1.2	1.3	0.6	2.4
	Q2	1134120	651427	9510	473183	266768	9721	1.8	1.0	1.1	2.9	0.7
	Q3	1150941	659815	9788	481338	274450	12775	1.5	1.3	1.3	1.7	2.9
	Q4	1172864	668327	9880	494658	282484	4279	1.9	1.3	1.3	2.8	2.9
2007	Q1	1197905	679987	10332	507587	290833	22868	2.1	1.8	1.7	2.6	3.0
	Q2	1214159	687703	11118	515338	292930	17173	1.4	1.2	1.1	1.5	0.7
	Q3	1230551	694026	10975	525550	295529	15480	1.4	0.9	0.9	2.0	0.9
	Q4	1241109	702528	10759	527821	304941	13767	0.9	1.2	1.2	0.4	3.2
2008	Q1	1256966	721455	10694	524816	306278	12189	1.3	2.6	2.7	-0.6	0.4
	Q2	1260789	723559	10346	526885	302555	9041	0.3	0.2	0.3	0.4	-1.2
	Q3	1260705	727811	10277	522617	304465	19044	0.0	0.6	0.6	-0.8	0.6
	Q4	1228523	724466	10317	493741	285280	10310	-2.6	-0.4	-0.5	-5.5	-6.3
2009	Q1	1185939	716481	9745	459714	265117	-14525	-3.5	-1.2	-1.1	-6.9	-7.1
	Q2	1181403	710462	8608	462332	250566	-25044	-0.4	-1.0	-0.8	0.6	-5.5
	Q3	1189772	710317	7424	472031	254263	-13114	0.7	-0.2	0.0	2.1	1.5
	Q4	1194793	711750	11724	471319	252219	-9745	0.4	0.8	0.2	-0.2	-0.8
2010	Q1	1203707	716772	6497	480437	253819	-2278	0.7	0.0	0.7	1.9	0.6
	Q2	1221347	722267	6917	492164	262940	8828	1.5	0.8	0.8	2.4	3.6
	Q3	1232425	726401	7732	498292	264267	7169	0.9	0.7	0.6	1.2	0.5
	Q4	1240587	732455	7777	500355	265504	8951	0.7	0.8	0.8	0.4	0.5
2011	Q1	1258616	740876	8625	509115	278333	22472	1.5	1.3	1.1	1.8	4.8
	Q2	1264221	746520	9275	508426	277300	20394	0.4	0.8	0.8	-0.1	-0.4
	Q3	1272032	749111	9943	512978	280979	13571	0.6	0.4	0.3	0.9	1.3
	Q4	1275935	753572	10256	512106	282240	1452	0.3	0.6	0.6	-0.2	0.4
2012	Q1	1276313	756524	11673	508116	282261	3021	0.0	0.6	0.4	-0.8	0.0
	Q2	1276903	759005	10817	507081	280666	542	0.0	0.2	0.3	-0.2	-0.6
	Q3	1279122	759640	10754	508728	279297	-8152	0.2	0.1	0.1	0.3	-0.5
	Q4	1275936	761502	10874	503560	278647	-3456	-0.2	0.3	0.2	-1.0	-0.2
2013	Q1	1274462	760134	11491	502837	271617	-6322	-0.1	-0.1	-0.2	-0.1	-2.5
	Q2	1285003	764146	13263	507593	277952	-5759	0.8	0.7	0.5	0.9	2.3
	Q3	1288824	768302	13763	506759	279126	-1252	0.3	0.6	0.5	-0.2	0.4
	Q4	1293647	771881	13947	507819	281326	-5785	0.4	0.5	0.5	0.2	0.8
2014	Q1	1298627	778202	13041	507384	281810	-4694	0.4	0.7	0.8	-0.1	0.2
	Q2	1299831	783270	12828	503733	281136	-9362	0.1	0.6	0.7	-0.7	-0.2
	Q3	<b>1308312</b>	<b>788469</b>	<b>12928</b>	<b>506915</b>	<b>284366</b>	<b>-8852</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.6</b>	<b>1.1</b>