

64/2015 - 14 April 2015

First release for the fourth quarter of 2014

Business investment rate stable at 21.9% in the euro area

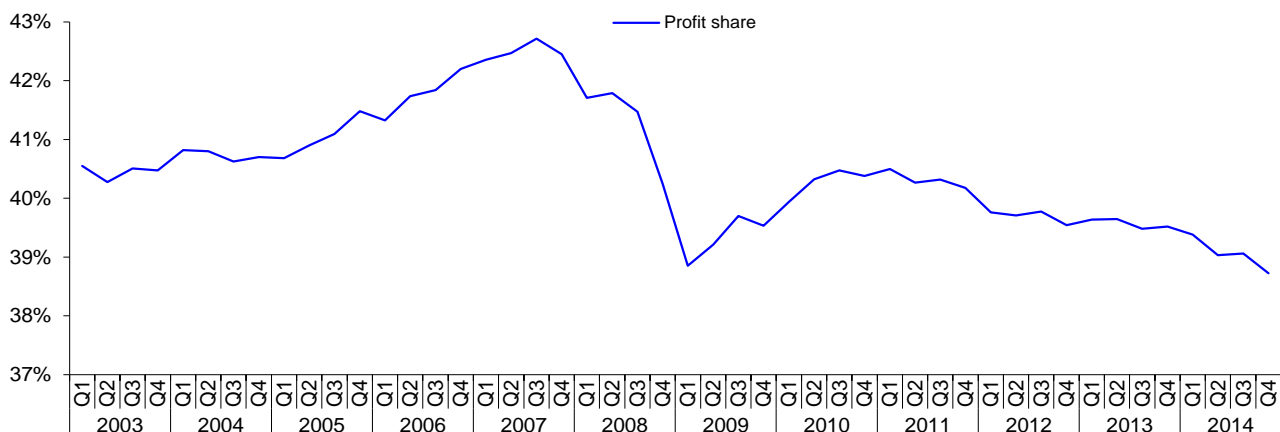
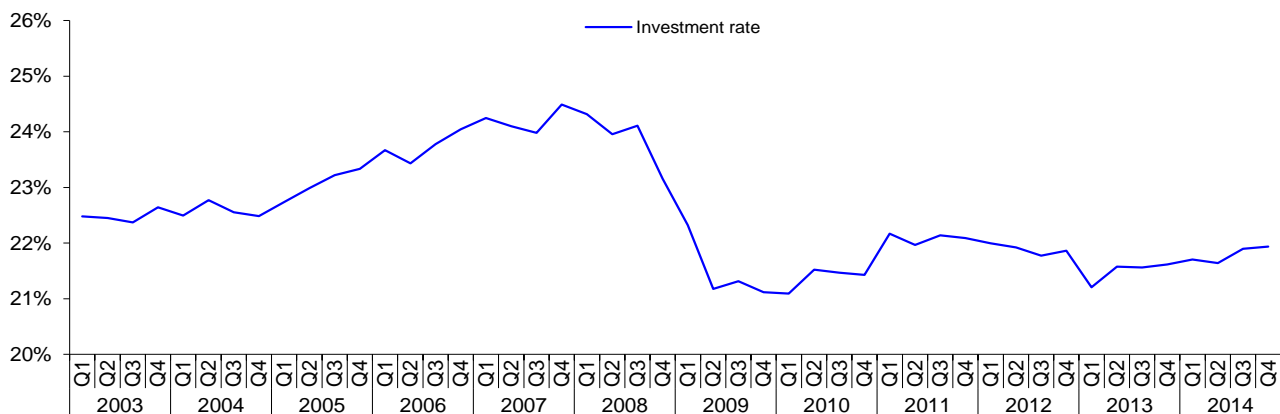
Business profit share down to 38.7% in the euro area

In the fourth quarter of 2014, the seasonally adjusted¹ business investment rate² was 21.9% in the **euro area** (EA18)³, stable compared with the previous quarter⁴.

The seasonally adjusted¹ business profit share⁵ in the **euro area** was 38.7% in the fourth quarter of 2014, compared with 39.1% in the third quarter of 2014⁶.

These data come from a first release of quarterly European sector accounts⁷ released by **Eurostat, the statistical office of the European Union**, and the **European Central Bank (ECB)**.

Investment rate and profit share of non-financial corporations in the euro area
(seasonally adjusted)



1. 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.
2. 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.
3. 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

4. Compared with News Release 18/2015 of 28 January 2015, the investment rate of non-financial corporations for the third quarter of 2014 has been revised from 21.7% to 21.9%.
5. 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.
6. Compared with News Release 18/2015 of 28 January 2015, the profit share of non-financial corporations for the third quarter of 2014 has been revised from 38.7% to 39.1%.
7. 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 fourth 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' data are available in the Eurostat database and a subset of quarterly key indicators is published 102 days after each quarter at <http://ec.europa.eu/eurostat/sectoraccounts> (see "Quarterly data") for 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

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>.

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Key indicators and growth rates of selected transactions of the euro area (EA18)

		Investment rate, %		Profit share, %		Nominal growth, % change compared with the previous quarter (seasonally adjusted)		
		Not seasonally adjusted	Seasonally adjusted	Not seasonally adjusted	Seasonally adjusted	Gross value added	Gross fixed capital formation	Compensation of employees and other taxes less subsidies on production
2003	Q1	22.4	22.5	42.2	40.6	0.0	-0.8	0.4
	Q2	22.9	22.4	39.8	40.3	0.3	0.2	0.8
	Q3	21.6	22.4	41.8	40.5	1.3	0.9	0.9
	Q4	23.0	22.6	37.9	40.5	0.7	1.9	0.8
2004	Q1	22.4	22.5	42.7	40.8	1.3	0.7	0.7
	Q2	23.3	22.8	40.5	40.8	0.8	2.0	0.8
	Q3	21.8	22.6	42.3	40.6	0.3	-0.6	0.6
	Q4	22.9	22.5	38.5	40.7	1.0	0.7	0.9
2005	Q1	22.7	22.7	42.4	40.7	0.7	1.8	0.8
	Q2	23.5	23.0	40.7	40.9	1.5	2.6	1.1
	Q3	22.4	23.2	42.6	41.1	1.1	2.2	0.8
	Q4	23.7	23.3	39.0	41.5	1.3	1.8	0.6
2006	Q1	23.7	23.7	43.4	41.3	1.0	2.4	1.2
	Q2	23.8	23.4	40.7	41.7	1.8	0.8	1.1
	Q3	22.9	23.8	43.0	41.8	1.5	3.0	1.3
	Q4	24.4	24.0	39.7	42.2	2.0	3.1	1.3
2007	Q1	24.2	24.2	44.2	42.4	2.1	3.0	1.8
	Q2	24.5	24.1	41.4	42.5	1.4	0.8	1.2
	Q3	23.1	24.0	43.8	42.7	1.3	0.8	0.9
	Q4	24.9	24.5	40.2	42.5	0.8	2.9	1.3
2008	Q1	24.1	24.3	43.2	41.7	1.3	0.5	2.6
	Q2	24.5	24.0	41.3	41.8	0.4	-1.1	0.2
	Q3	23.3	24.1	42.9	41.5	0.0	0.6	0.5
	Q4	23.6	23.2	38.2	40.2	-2.5	-6.4	-0.5
2009	Q1	22.1	22.3	40.6	38.9	-3.5	-6.9	-1.2
	Q2	21.6	21.2	37.9	39.2	-0.4	-5.5	-1.0
	Q3	20.7	21.3	41.5	39.7	0.7	1.4	-0.1
	Q4	21.5	21.1	38.0	39.5	0.4	-0.5	0.7
2010	Q1	20.8	21.1	41.5	39.9	0.8	0.7	0.1
	Q2	22.0	21.5	39.2	40.3	1.4	3.5	0.8
	Q3	20.9	21.5	42.2	40.5	0.9	0.7	0.7
	Q4	21.8	21.4	39.1	40.4	0.7	0.5	0.8
2011	Q1	21.9	22.2	42.3	40.5	1.5	5.0	1.3
	Q2	22.5	22.0	39.0	40.3	0.5	-0.4	0.9
	Q3	21.5	22.1	41.8	40.3	0.5	1.3	0.4
	Q4	22.5	22.1	38.4	40.2	0.3	0.1	0.5
2012	Q1	21.7	22.0	41.7	39.8	-0.1	-0.5	0.6
	Q2	22.4	21.9	37.9	39.7	0.0	-0.3	0.1
	Q3	21.1	21.8	41.0	39.8	0.1	-0.6	0.0
	Q4	22.3	21.9	37.6	39.5	-0.1	0.3	0.3
2013	Q1	20.8	21.2	41.7	39.6	-0.1	-3.0	-0.2
	Q2	22.0	21.6	37.7	39.6	0.7	2.5	0.7
	Q3	21.0	21.6	41.0	39.5	0.3	0.2	0.5
	Q4	22.1	21.6	37.6	39.5	0.4	0.7	0.4
2014	Q1	21.3	21.7	41.6	39.4	0.4	0.8	0.7
	Q2	22.1	21.6	37.0	39.0	0.0	-0.3	0.6
	Q3	21.3	21.9	40.6	39.1	0.7	2.0	0.7
	Q4	22.4	21.9	37.1	38.7	0.1	0.3	0.6