Figure 1: The euro is the currency of the European Union

The euro area will account for as much as 85% of the European economy after the United Kingdom’s departure from the EU in 2019.

Euro area as a share of EU 28, 2019

- Euro area: 73%
- Non-euro area: 27%

Euro area as a share of EU 27, 2019

- Euro area: 85%
- Non-euro area: 15%

Source: Eurostat, 2019 Forecast from AMECO Database
Euro area as a share of the EU 28/27 GDP, 2019
Figure 2: Non-euro area income converges upwards towards euro area

Income per capita has grown across the board since 2000, with the non-euro area reducing the gap with the euro area by 2,500€ in 2016.

Source: Eurostat
Real Gross Domestic Product per capita, in Purchasing Power Parity

Figure 3: EU recovers steadily and converges upwards

The EU has seen a sustained return to growth following the economic and financial crisis. This is set to continue in coming years. Higher growth rates in non-euro area Member States compared to the euro area will support further upward convergence.

Source: Eurostat, *Forecasts from AMECO Database
Real Gross Domestic Product growth, in % over last year, average
Figure 4: Fresh hope for investments
Investments are back on the up, rising even faster in non-euro area Member States than in the euro area.

Source: Eurostat, *Forecasts from AMECO Database
Gross fixed capital formation, as a % of Gross Domestic Product, average

Figure 5: Unemployment levels at eight-year low
Unemployment has fallen significantly since the height of the crisis with 2016 registering an eight-year low. Non-euro area countries are home to some of the lowest unemployment rates in the EU.

Source: Eurostat, *Forecasts from AMECO Database
Unemployment rates, % of total active population, average
Figure 6: Employment at eight-year high

Employment rates have soared across the Union since 2013, and are forecast to surpass pre-crisis values. Non-euro area Member States record some of the highest employment rates in the Union.

Source: Eurostat, *Forecasts from AMECO Database
Employment rate, % of total population aged 15–64, average

Figure 7: 8 million new jobs created since 2014

Roughly 8 million jobs were created in the EU since the start of this Commission. By 2019, this number is forecast to rise to 12 million jobs. However, the vast majority of these jobs were created in the euro area, while non-euro area Member States continue to face labour shortages due to waves of emigration to the rest of the EU.

Source: Eurostat, *Forecasts from AMECO Database
Job creation, total jobs created with a 2008 baseline year
Figure 8: Budget deficits converge to ‘normal’

Public budget deficits have continued to decrease uniformly throughout the EU, averaging around 1% of GDP across the EU27. Furthermore, the gap between best and worst performers has narrowed. It is foreseen that this trend will continue in most Member States towards 2019.

Source: Eurostat, *Forecasts from AMECO Database
Public budget deficits, as % of Gross Domestic Product, average

Figure 9: Cost of servicing government debt falls

The cost of servicing government debt has fallen sharply across the Union, lowering borrowing costs for public authorities.

Source: Eurostat
Government 10 years bond yields, average
Figure 10: Fewer non-performing bank loans

The share of non-performing loans – i.e. loans for which the borrower is in default or close to being in default – have declined across the Union since 2013, ridding banks of ‘bad debt’ and increasing their capacity to provide new loans.

Source: World Bank, European Banking Authority
Non-performing loans, as % of all loans, average

Figure 11: Mortgage rates continue to fall

The gap in interest rates on mortgage lending to households has narrowed significantly.

Source: European Central Bank
Mortgage lending interest rates to households, maturities over 5 years, average
Figure 12: Consumer credit rates see strong convergence across Member States
Interest rates on bank loans for consumption credit have converged significantly, but remain somewhat higher in non-euro area countries.

Source: European Central Bank
Bank lending for consumption credit, maturities of over 1 year and up to 5 years, average

Figure 13: Companies in non-euro area countries face higher interest rates despite convergence
Interest rates on bank loans to non-financial corporations have also converged significantly, but remain a good deal higher in non-euro area Member States.

Source: European Central Bank
Bank lending interest rates to non-financial corporations, maturities over 5 years, average