

The European economy since the start of the millennium

A STATISTICAL PORTRAIT

2021 edition



Since the start of the millennium, the European economy has evolved and statistics can help to better perceive these structural changes.

The European economy since the start of the millennium — a statistical portrait aims to show how main features of the economy of the European Union and its Member States have evolved since 2000 through a large range of statistical data giving both a micro- and a macro-economic perspective.

This interactive publication does not describe the short-term trends of the European economy, but its purpose is to answer questions such as: How has our consumption behaviour changed? How has household income evolved? Are working patterns still the same? What is the share of services in the economy? What is the proportion of large enterprises? Has government employment increased or decreased?

This 2021 edition only describes the situation up to the year 2020 at the most. It is the first edition showing data from some sources for the initial impact (during 2020) of the COVID-19 crisis. For information on short-term indicators including COVID-19 related implications, please see our dedicated website section.

The publication is divided into four parts focusing on specific areas:

Macro-economic trends: the publication starts with the main characteristics of the whole economy by showing long term trends for GDP, investment and consumption, trade, inflation, unemployment, employment, etc.

Households: this chapter informs about main developments in household income and spending. For instance, you can see where your income is situated compared with others in your country. It also shows how much households spend on different goods and services and how household's savings and debts have evolved.

Businesses: this part presents the demography of enterprises in the economy. It also shows the evolution of investment, debt and profitability of enterprises. Furthermore, it includes a section dedicated to banks.

Government: this chapter presents the evolution of government expenditure, revenue, deficit and debt. It also shows the place of the government sector in the economy in terms of employment.

Throughout the publication, brief descriptions of the main findings are completed with interactive visualisations, where you can compare your country with other countries. This publication is aimed at those who would like to have an overview of the economic trends in the EU since 2000 in an easy and interactive way. Where available, data for the EFTA countries are included. For those who would like to get a deeper insight, links are included to the database of Eurostat.

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1. MACRO-ECONOMIC TRENDS

1.1 A macro-economic overview

What are the main trends of the economy in the European Union and its Member States since 2000? How have the gross domestic product (GDP), investment and consumption evolved? Have we faced high inflation or have prices been stable? Is unemployment decreasing or not?

Four phases in the EU economy

The most common indicator to measure economic activity is GDP. In the period 2000 to 2020 the annual GDP growth in the EU was quite volatile. Between 2001 and 2007, the economy grew at an annual rate of between +1 % and +4 %. From 2008 to 2013, the EU economy was strongly affected by the financial crisis, with GDP dropping by more than 4 % in 2009 and then again slightly in 2012. Between 2014 and 2019, the economy progressively recovered, with annual growth rates around +2 %. However, in 2020 there was a drop of just above 6 %, mainly due to the effects of the Covid-19 pandemic.

A similar pattern was observed overall for the euro area and the EU Member States. However, not all Member States have recorded the same magnitude of fluctuations. The impact of the financial crisis on GDP was in particular deeper in Greece, Croatia, Spain, Portugal and Cyprus with several years of consecutive negative growth. Looking at 2020 and the impact of the Covid-19 pandemic, Spain, Italy, Greece, France and Croatia all had negative growth rates of GDP of 8 % and over.

In the EU, investment and consumption follow the same four phases as GDP, investment however with larger fluctuations. With the recovery from the financial crisis, investment and consumption grew steadily between 2015 and 2019: at around +5 % and +2 % per year respectively. This trend changed in 2020 when the Covid-19 pandemic, at least in part, caused a downturn of - 9 % and - 5 % respectively.

A moderate inflation

Inflation in the EU is measured by the evolution of the Harmonised Index of Consumer Prices. Between 2001 and 2007, the annual inflation rate stood at around +2 % in the EU. From 2008 to 2019, the inflation rate registered stronger variations from one year to another before reaching 0.7 % in 2020.

This pattern was followed to a large extent by the euro area and most of the Member States. In 2020, the highest inflation rates were observed in Poland (3.7 %), Hungary (3.4 %), Czechia (3.3 %) and the lowest in Greece (-1.3 %) and Cyprus (-1.1 %).

Large decrease in long-term interest rates since 2011

Long-term interest rates can be measured through the evolution of long-term bond yields. In the EU, the rate was 5.3 % at the beginning of the millennium, fluctuating between 3.6 % and 5.1 % until 2011. Since then it steadily decreased down to 1.1 % in 2016 and after that increased to 1.4 % in 2018, decreasing again in 2019 to 0.7 % and again in 2020 to 0.3 %. The Member States followed quite the same pattern. In 2020, the rates ranged from -0.5 % in Germany, -0.4 % in Denmark, Luxembourg and the Netherlands to 3.9 % in Romania and 2.2 % in Hungary.

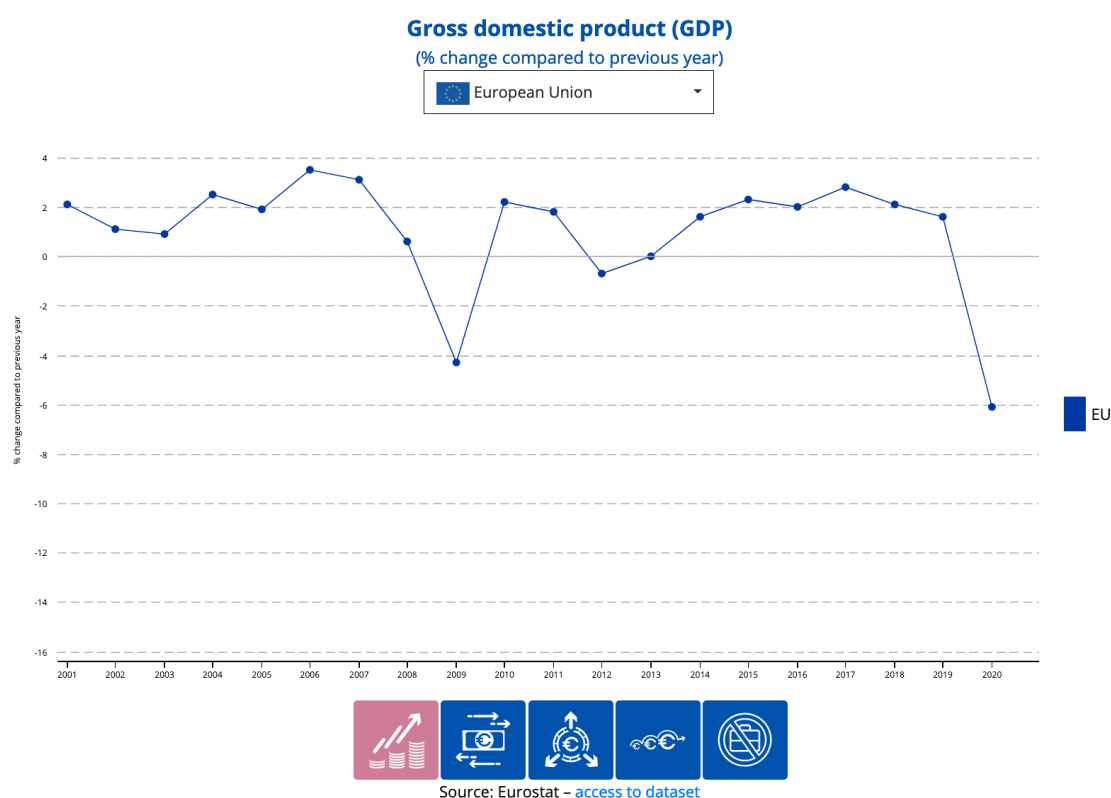
Euro stronger against the British pound and the US dollar

As regards exchange rates, the euro has become stronger against the British pound (from 0.61 pounds for one euro in 2000 to 0.89 pounds in 2020) and the US dollar (from 0.92 dollars for one euro in 2000 to 1.14 dollars in 2020), while it has become weaker against the Swiss franc (from 1.56 Swiss francs for one euro in 2000 to 1.07 Swiss francs in 2020).

Unemployment on decline, but up in 2020

After being relatively stable at around 10 % between 2000 and 2005, the unemployment rate fell to 7.2 % in 2008. Since then the rate in the EU rose continuously to attain a peak of 11.4 % in 2013. In line with the economic recovery, unemployment fell subsequently to reach 6.7 % in 2019 and rose to 7.0 % in 2020. A similar trend is observed for male, female and youth unemployment, however with slightly higher rates for women than men and more than double the rate for young people.

In recent years, the euro area and all Member States have also recorded a decreasing unemployment rate apart from the increase in 2020. However, large differences still exist between Member States, with rates ranging from 2.6 % in Czechia and 3.2 % in Poland to 15.5 % in Spain and 16.3 % in Greece in 2020.



1.2 The EU: a major player in world trade

The EU is one of the world's largest players in global trade being the second largest exporter and importer of goods in the world, with only China exporting more goods and the United States importing more. Moreover, the EU is the world's number one trader of services.

In 2020, the main partners of the EU for total trade in goods and services were the United States (18 % of total extra EU trade), the United Kingdom (15 %), China (12 %) and Switzerland (8 %). Between 2008 and 2020 the importance of China increased from 8 % to 12 % as well as of the United States from 14 % to 18 %. On the other hand, the share of Russia in EU trade of goods and services almost halved from 7 % to 4 %.

In 2020, trade in goods represented 69 % of total EU trade in goods and services. Looking separately at goods and services, both have recorded similar trends, with values more than doubling between 2000 and 2020. They also both registered a fall in 2009 following the financial crisis, and again in 2020 with the effects of the Covid-19 pandemic.

An EU trade surplus for goods increasing since 2009

EU trade in goods balance recorded a continuous surplus (meaning that exports were larger than imports) between 2001 and 2020 (with the exception of 2006, 2007 and 2008). This surplus ranged from EUR 19 billion in 2005 to EUR 357 billion in 2016 to land at EUR 329 billion in 2020.

In 2020, the highest surpluses for trade in goods (including within the EU and outside the EU) were recorded in Germany (EUR +189 billion), Ireland (EUR +139 billion), the Netherlands (EUR +70 billion), Italy (EUR +67 billion) and Sweden (EUR +19 billion), and the largest deficits in France (EUR -63 billion), Romania and Greece (both EUR -19 billion) and Portugal (EUR -12 billion).

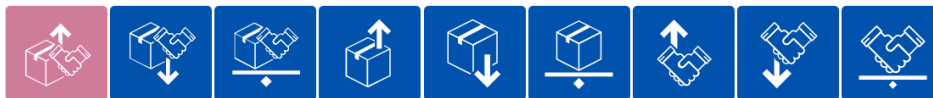
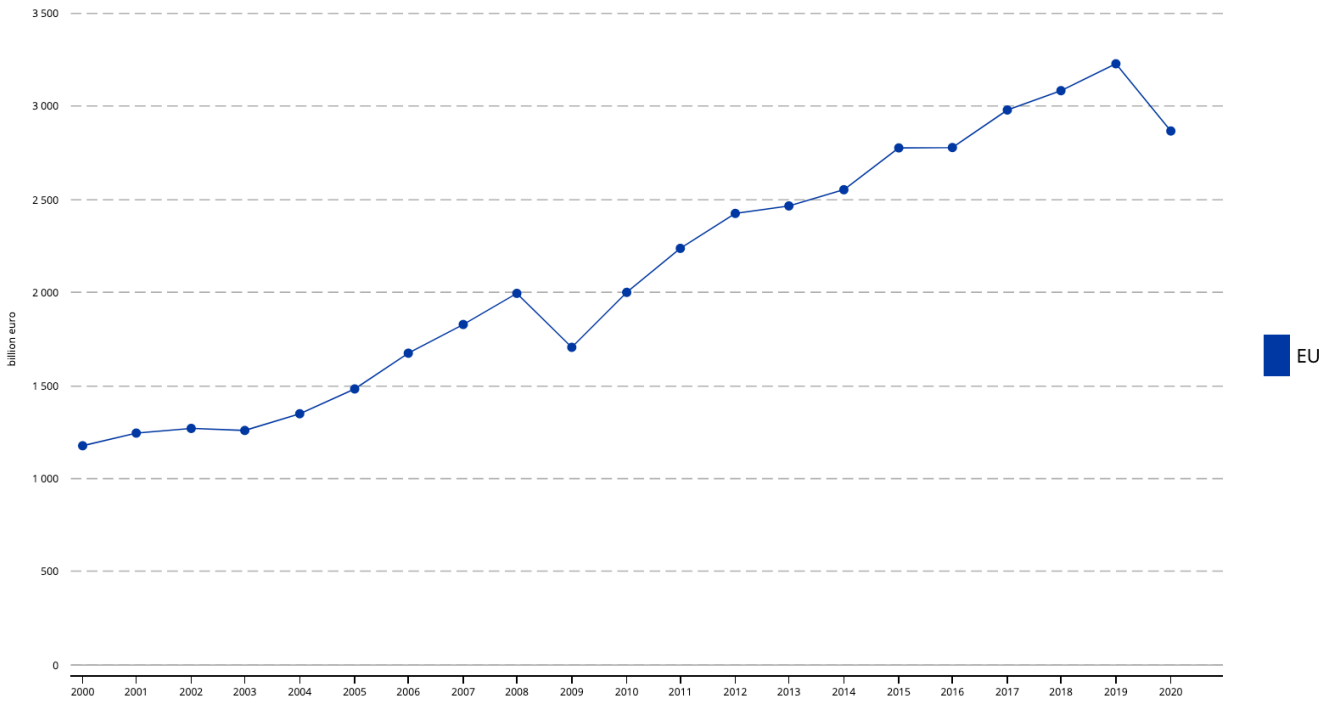
A constant EU trade surplus for services

Unlike trade in goods, the EU has registered a continuous surplus in trade in services for the period 2002 to 2020. This surplus has strongly increased from EUR 8 billion in 2002 to EUR 151 billion in 2018, however decreasing in 2019 to 100 billion and in 2020 to 60 billion.

In 2020, the largest surpluses were recorded in Spain (EUR +26 billion), Poland (EUR +24 billion), Luxembourg (EUR +21 billion), the Netherlands (EUR +15 billion) and France (EUR +12 billion) and the only deficits in Ireland (EUR -29 billion), Italy (EUR -5 billion), and Finland (EUR -3 billion).

Exports of goods & services (in billion euro)

European Union



Source: Eurostat – access to dataset for [EU](#) and [Member States](#). No data available for EA.

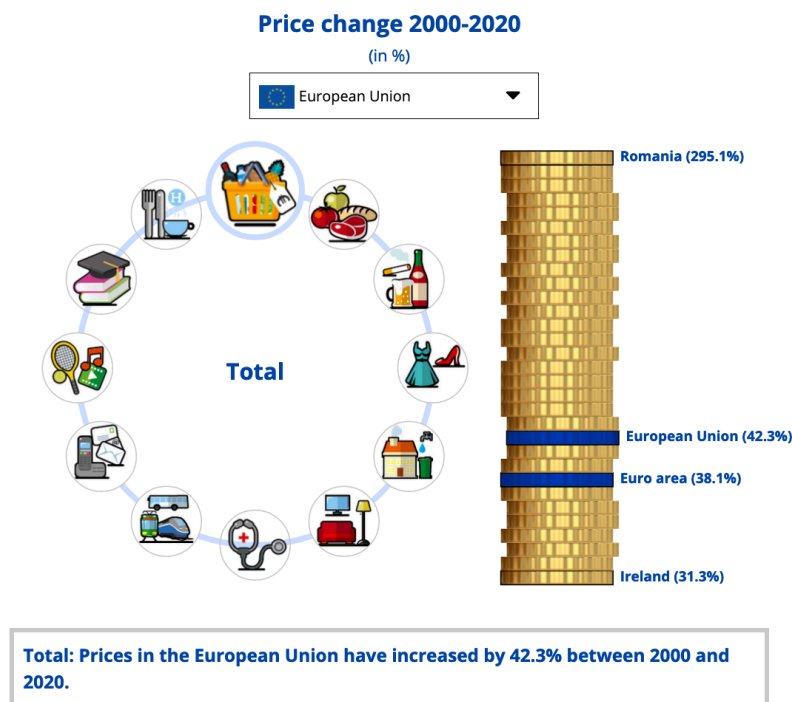
1.3 Large differences in price changes at detailed level

While the overall inflation rate can be considered as moderate in the EU since the start of the millennium (as shown in chapter 1.1), significant price variations are noticeable at a detailed level.

Between 2000 and 2020, prices in the EU have risen by 42 % overall. The highest increases were registered for «alcoholic beverages and tobacco» as well as for «education» where prices rose by more than 95 %. «Housing, water, electricity and gas» as well as «restaurants and hotels» followed with growth rates of 60 % or more. Prices for «clothing and footwear» remained nearly stable, while prices for «communications» decreased by 24 %.

Looking at detailed products, the highest increases were observed in particular for «tobacco» (+196 % between 2000 and 2020), «jewellery, clocks and watches» (+108 %), «newspapers and periodicals (+98 %», «heat energy» (+97 %) and «gas» (+96 %). Lower increases were observed for e.g. «cars» (+13 %), furniture (+25 %), «books» (+31 %) and «wine» (+35 %). On the other hand, prices for «audio visual, photographic and information processing equipment» decreased by 73 %, «telephone equipment and services» by 28 % and «games, toys and hobbies» by 21 %.

Have a look at the interactive visualisation below to see how prices in your country have changed since 2000.



Switzerland: Calculation 2000-2020 not possible as the time series only starts in 2005.

Data for the EU refer to the evolving composition of the European Union (EU) aggregate, meaning to the composition of the EU as it was at a given point in time.

Source: Eurostat – [access to dataset](#)

1.4 More people in work

Since the start of the millennium, more and more people are in work, while working conditions have changed.

Strong increase in female employment rate

In the period between 2000 and 2020, the employment rate for the total population (aged 20-64) increased from 66 % in 2000 to 73 % in 2019 and 72 % in 2020. One of the main reasons for the raising was the high increase in the employment rate of women, from 56 % in 2000 to 67 % in 2020. Over the same period, the rate slightly increased for men, from 75 % to 78 %. However, for young people aged 15 to 24, the pattern was different as the employment rate decreased from 35 % in 2000 to 32 % in 2020, after having reached its lowest level of 30 % in the period 2012-2015.

The pattern of an increasing employment rate can also be seen in the euro area and in a large majority of Member States with the largest rises since 2000 in Malta (20 percentage points). In 2020, the highest employment rates for women were found in Sweden (78 %), Germany (77 %), and Estonia, Lithuania and the Netherlands (all 76 %), and for men in Czechia (87 %), Malta (86 %) and the Netherlands (84 %). In all Member States, the employment rate for men was higher than for women.

Temporary contracts and part-time employment increasing more frequent among women than among men

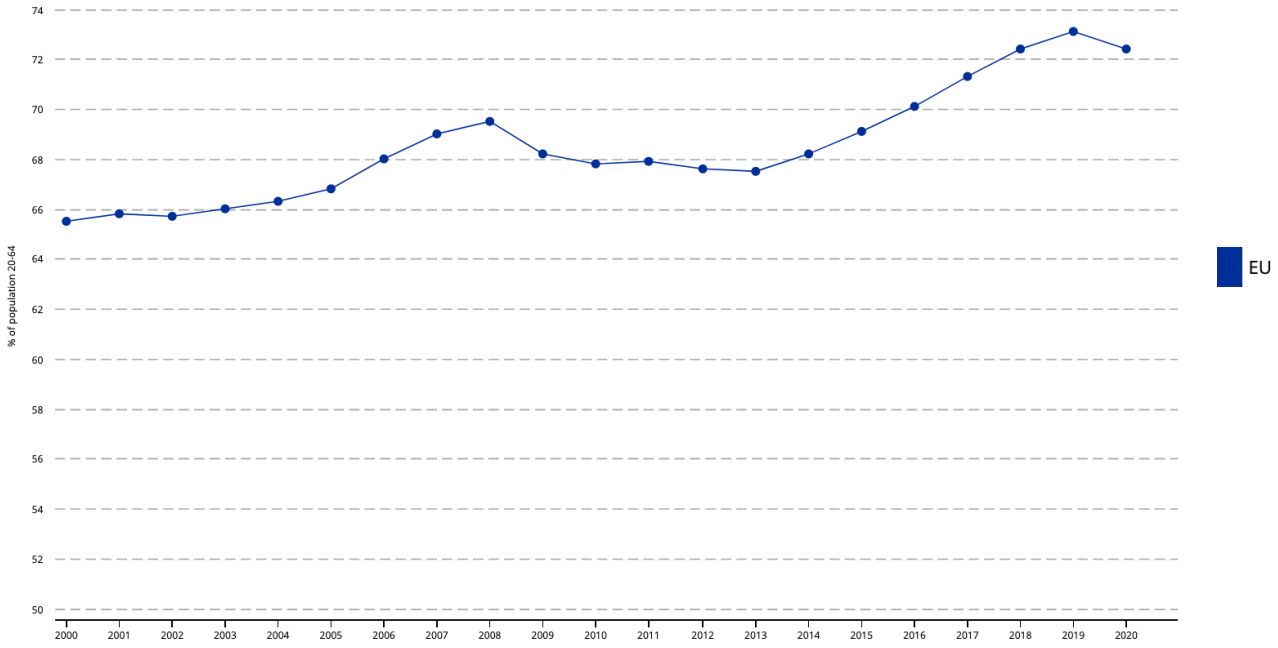
In the period 2003 to 2020, the share of temporary employees in the EU remained around 13 % to 15 % of all employees. Temporary employment in 2020 was slightly higher among women (13 %) than among men (12 %) in the EU. The total share of temporary employees varied among the Member States, with the highest shares observed in Spain (24 %), Poland (18 %) and Portugal (17 %), and the lowest in Romania and Lithuania (both 1 %), Estonia and Latvia (both 3 %).

Another important change in working conditions is the development of part-time work. In the EU, the proportion in employment of those working part-time rose from 14 % in 2003 to 17 % in 2020. Part-time employment in 2020 was much more common among women (28 %) than among men (7 %) in the EU. The total share of part-time workers varied among the Member States, with the highest observed in the Netherlands (48 %), Austria (28 %) and Belgium (24 %) and the lowest in Bulgaria (2 %) and Slovakia, Croatia and Hungary (all 5 %).

Employment

(as % of the population aged 20 to 64)

European Union



Source: Eurostat – [access to dataset](#)



2. HOUSEHOLDS

2.1 Household income recovering

Real household income up since 2013, but very small increase in 2020

The evolution of the purchasing power of households can be measured through the variation of the disposable income of households adjusted for inflation. However, it should be noted that this indicator which reflects the evolution of the average, does not provide information on income disparities.

In real terms, the disposable income of households, grew in the EU in total by 14 % between 2000 and 2009. Following the financial crisis, it decreased by around 3 % from 2009 to 2013 and then rose by 11 % between 2013 and 2019. In 2020, the growth rate was 0.6 %, following the impact of the Covid-19 pandemic.

Have a look at the interactive line chart below to see how household income in your country has changed since 2000. In addition, to know more on income disparities in your country, have a look at the interactive visualisation to see where your net monthly income is situated compared with others in your country.

Share of pension expenditure decreasing

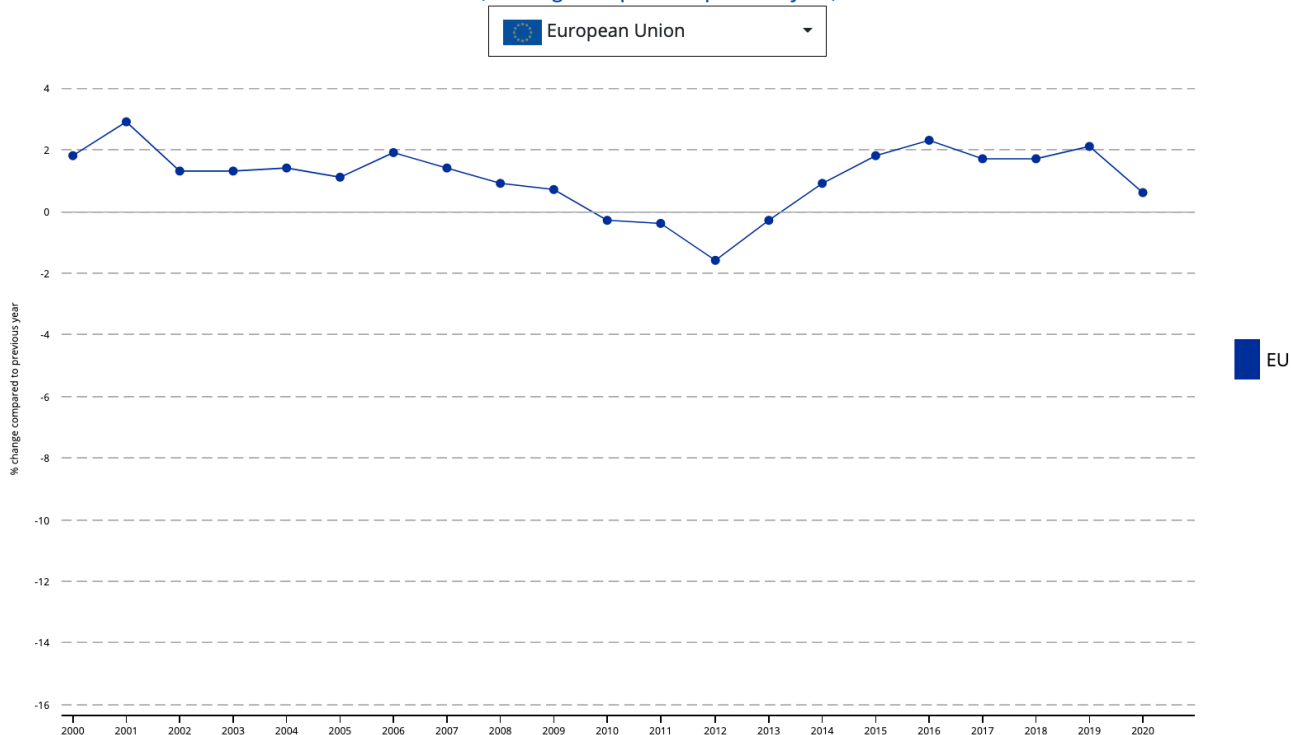
Linked to an ageing population, social benefits relating to pensions as a share of GDP increased steadily in the EU from 11.9 % in 2008 to 13.3 % in 2013, and decreased after that to 12.7 % in 2018. Even if the same pattern is observed in the euro area and in a large majority of EU Member States, there are still today large differences among Member States: in 2018, the highest shares of social benefits relating to pensions were observed in Greece (16.1 % of GDP), Italy (15.8 %) and France (14.9 %), and the lowest in Ireland (5.3 %), Malta (6.8 %) and Lithuania (7.0 %).

Share of population at risk-of-poverty or social exclusion decreasing since 2012

Economic fluctuations also have a strong impact on the size of the population at risk-of-poverty or social exclusion. In the EU, the share of the population being at risk of poverty and/or severely materially deprived and/or living in a household with very low work intensity increased from 23.9 % in 2010 to 24.9 % in 2012, before decreasing to reach 20.9 % in 2019. There are large differences among Member States with the highest rates in 2019 observed in Bulgaria (32.8 % of the population), Romania (31.2 %) and Greece (30.0 %), while the lowest were found in Czechia (12.5 %), Slovenia (14.4 %) and Finland (15.6 %).

Real disposable income of households

(% change compared to previous year)



Source: Eurostat – [access to dataset](#)

Compare your income

eurostat

1

1. Select your country
2. Enter the net **monthly** income of your household
3. Click the right-hand arrow

Country

e.g. 1000

Net monthly income



2.2 Large differences in spending and prices

Half of household expenditure on housing, transport and food

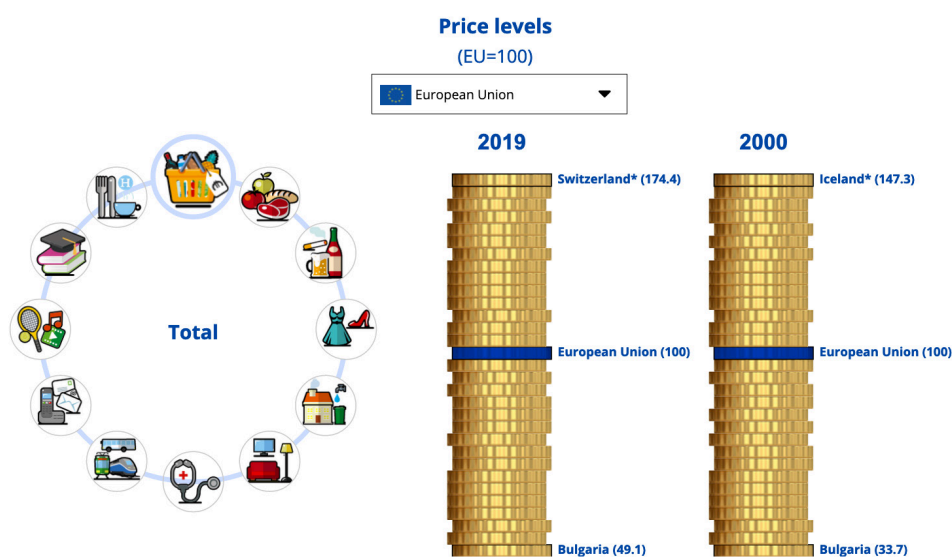
Households have different consumption patterns very much depending on income levels, cultural habits or geographical situation. On average in the EU in 2019, the largest part (nearly a quarter) of household consumption expenditure was devoted to «housing, water, electricity and gas» (which excludes purchase of dwellings), while «food» and «transport» accounted for 13 % each. «Restaurants and hotels» and «recreation and culture» followed with shares of around 9 % each. The remaining groups of products and services had shares of around 4 % to 6 %: «furnishings and household equipment», «clothing and footwear», «alcoholic beverages and tobacco» and «health»; while «communications» and «education» had smaller shares of around 2 % and 1 % respectively.

Household expenditure was mostly devoted to «housing» in all Member States except Romania, Estonia, Croatia and Lithuania (all four with «food»), Malta (with «food» and «restaurants and hotels») and Cyprus (with «restaurants and hotels»).

Luxembourg the most expensive, Bulgaria the cheapest

Price levels for consumer goods and services differ widely among EU Member States. In 2019, Luxembourg (47 % above the EU average) and Denmark (42 % above) had the highest price levels followed by Ireland (37 % above), Sweden (31 % above), Finland (26 % above) and the Netherlands (20 % above), while the lowest levels were observed in Bulgaria (51 % below the EU average), Romania (50 % below), Poland (43 % below), Hungary (37 % below) and Lithuania (35 % below).

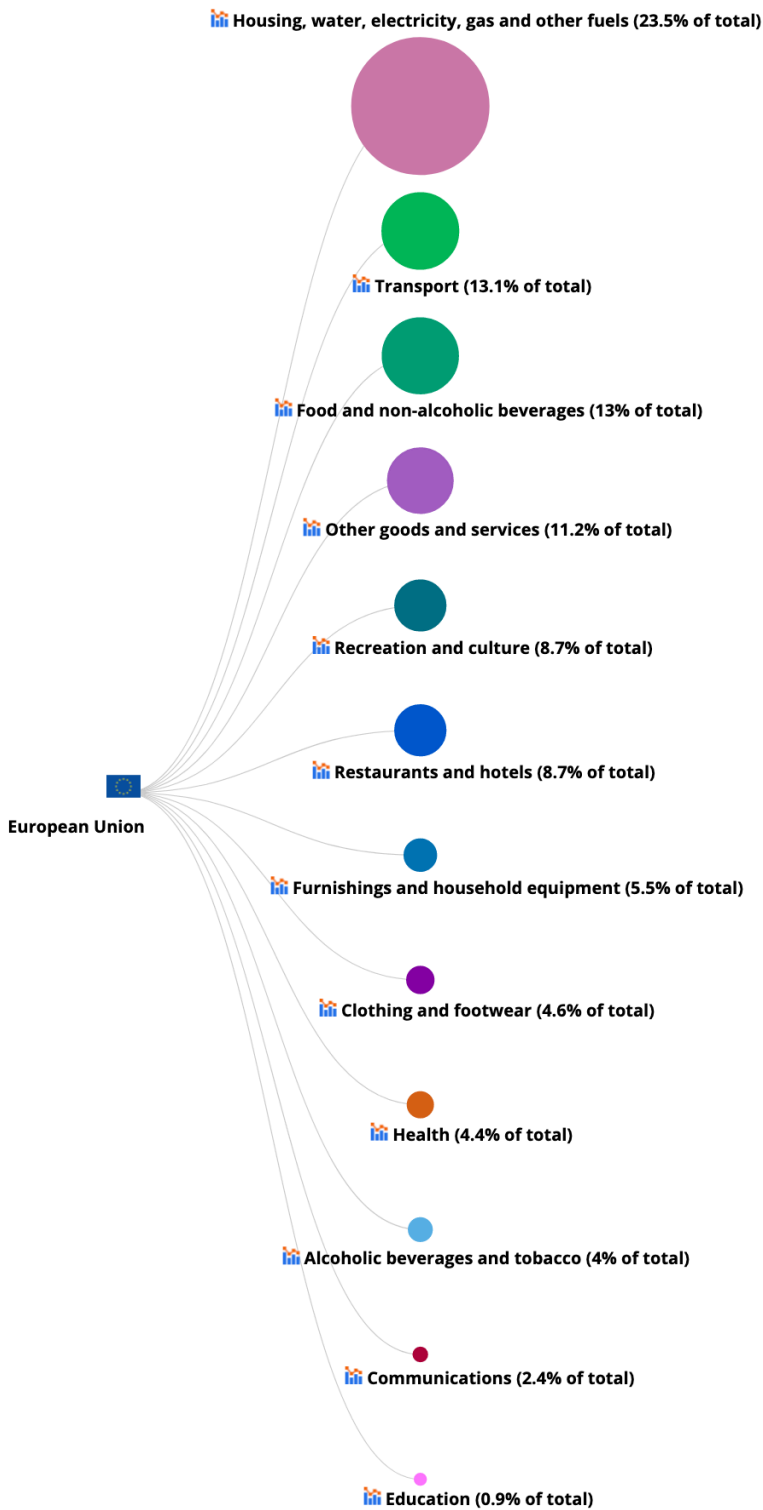
At a more detailed level, Denmark was the most expensive Member State in 2019 for «restaurants and hotels» (55 % above the EU average), «recreation and culture» (42 % above), «clothing and footwear» (32 % above), «food» and «transport» (29 % above each), «furnishings and household equipment» (20 % above). Ireland was the most expensive Member State for «alcoholic beverages and tobacco» (90 % above) and «housing, water, electricity and gas» (82 % above), Luxembourg for «education» (274 % above) and «furnishings and household equipment» (20 % above), Belgium for «communications» (76 % above) and Sweden for «health» (67 % above).



* This is a non-EU country

Source: Eurostat – [access to dataset](#)

European Union (as % of total expenditure)



2.3 Evolution of the housing market

This chapter describes different aspects of the housing market: from purchase and price development to ownership and affordability.

Household investment rate in the EU down since 2008

Household investment mainly consists of the purchase and renovation of dwellings. The household investment rate, defined as the share of investment in disposable income, has slightly decreased in the EU in the period 2000 to 2016. From around 10 % between 2000 and 2004, it rose to around 11 % between 2005 and 2008, and has then fluctuated between 8 % and 9 % until 2019. Among the Member States for which data are available, the highest household investment rates in 2019 were observed in Cyprus (13.7 %), Finland (12.7 %), the Netherlands (12.1 %), Luxembourg (11.5 % - 2018 data) and Germany (10.1 %), and the lowest in Greece (3.0 %) and Croatia (5.3 %).

House prices up by 26 % in the EU since 2010

House prices, including purchases of both new and existing houses and flats, have fluctuated significantly since 2006 with annual growth rates in the EU of around 10 % in 2006 and 8 % in 2007, followed by a fall of 4 % in 2009 as a result of the financial crisis. Prices started growing again in 2014.

Overall, between 2010 and 2020, house prices grew in total by 26 % in the EU and by 23 % in the euro area. Among the Member States for which data are available, the highest increases during this period were observed in Estonia (+108 %), Hungary (+90 %), Luxembourg (+89 %), Latvia (+82 %), Austria (+77 %) and Lithuania (+68 %), while decreases were observed in Italy (-15 %), Spain (-5 %) and Cyprus (-4 %).

Around 70 % of people in the EU own their home

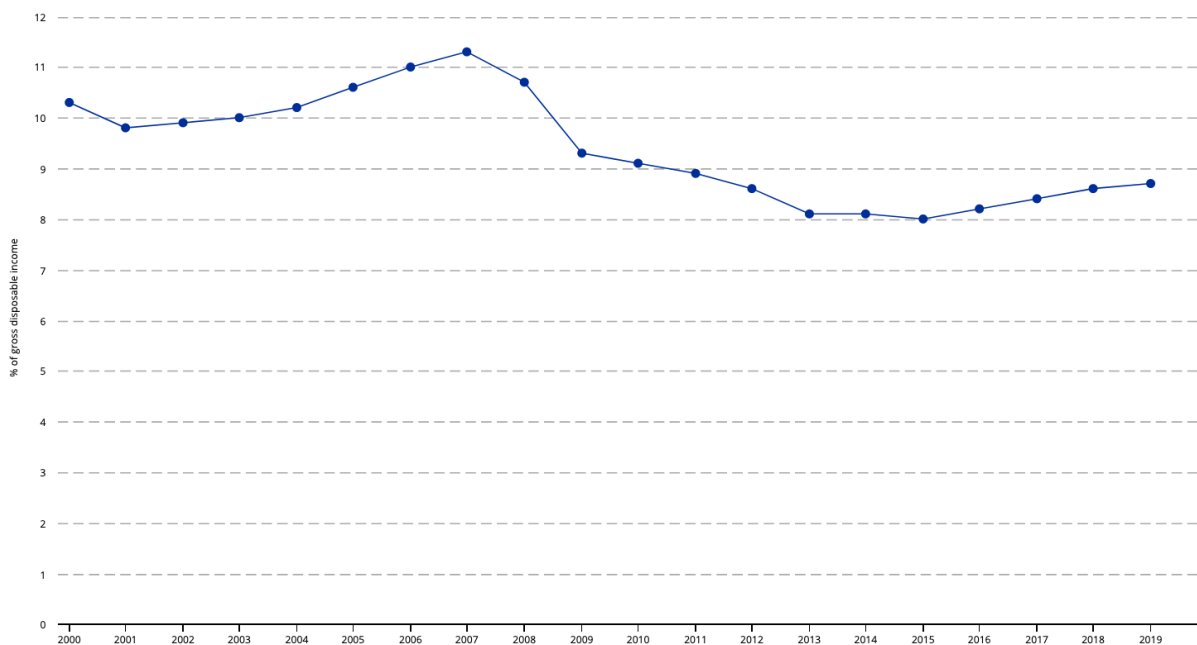
In the EU, the share of the population owning their home has been rather stable at around 70 % over the whole period 2010 to 2019 leaving the share of tenants at around 30 %. This pattern slightly differed in the euro area, where around two thirds of the population were owning and around one third renting. Among the Member States, the ownership rates in 2019 varied from 95.8 % in Romania, 91.7 % in Hungary, 90.9 % in Slovakia, 90.3 % in Lithuania and 89.7 % in Croatia to 51.1 % in Germany, 55.2 % in Austria, 60.8 % in Denmark and 63.6 % in Sweden.

Housing costs represent an overburden for 9 % of the EU population

Housing costs represent an overburden for part of the population. Since 2014, the share on people for whom housing cost is an overburden has registered a constant decrease. In 2019, around 9 % of the EU population spent 40 % or more of their disposable income on housing, which is considered as an overburden housing cost. There are significant differences between the Member States with the highest housing cost overburden rates in 2019 in Greece (36.2 %), Bulgaria (16.0 %), Denmark (15.6 %) and Germany (13.9 %) and the lowest in Cyprus (2.3 %) and Malta (2.6 %).

Household investment (as % of gross disposable income)

European Union



EU



Source: Eurostat – [access to dataset](#)

2.4 Large diversity in saving- and debt ratios

Household saving rate in the EU rather stable

Saving is the part of the household's disposable income which is not spent as final consumption expenditure. The amount of money households are saving can be measured through the household saving rate, which is defined as household's saving as a proportion of their disposable income.

The household saving rate in the EU has been rather stable since the beginning of the millennium, fluctuating between 11 % and 13 %. The pattern is about the same in the euro area, but at slightly higher rates. In 2019, the highest household saving rates in Member States for which data are available were observed in Luxembourg (21 % 2018 data), Sweden (19 %), Germany (18 %) and the Netherlands (17 %), and the lowest in Greece (-4 %), Cyprus (3 %) and Poland and Lithuania (both 4 %).

Increasing household debt ratio in the euro area...

Household debt can be measured by the debt-to-income ratio, which is the household debt divided by the disposable income. In the euro area (data not available for the EU), this rate increased between 2000 and 2010: It was 76 % in 2000 and then increased year on year to reach 99 % in 2010, after which it decreased and stood at 94 % in 2019.

In all Member States for which data are available, the debt-to income ratio was higher in 2019 than in 2000, except in Germany where it was lower. However in around a third of the Member States, it was lower in 2019 than in the period of the financial crisis. In 2019, the rates ranged among Member States from 24 % in Romania, 32 % in Latvia and 33 % in Hungary up to 174 % in Luxembourg (2018 data), 193 % in the Netherlands and 214 % in Denmark.

...but also increasing household financial assets ratio

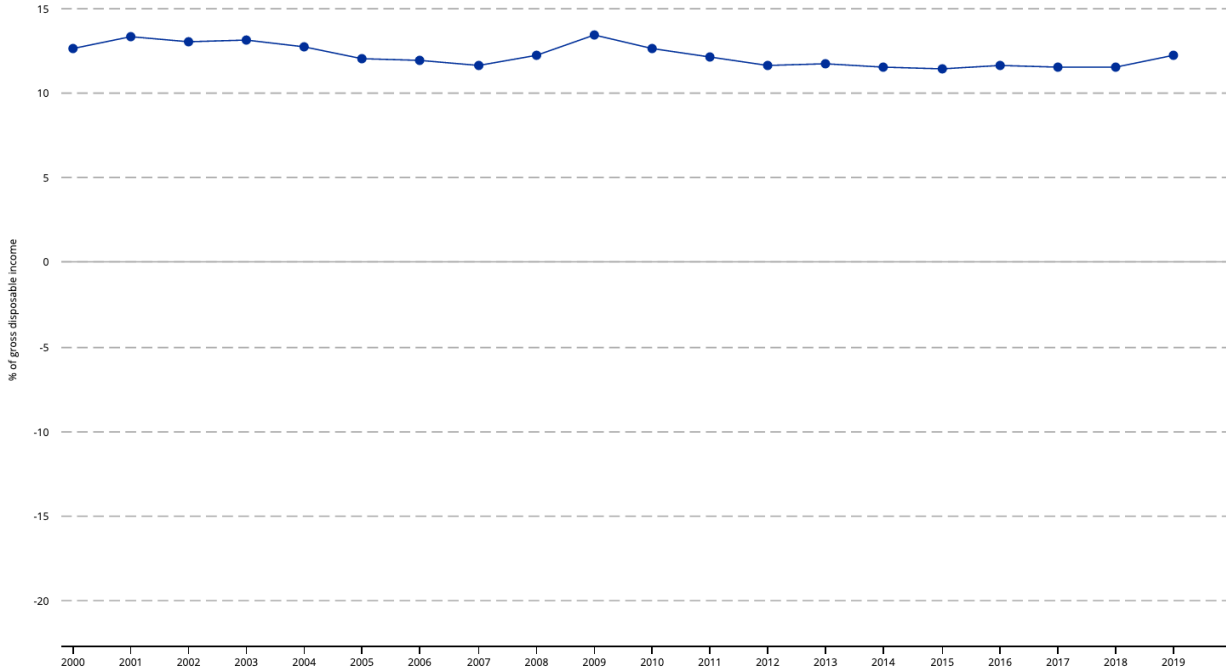
Apart from dwellings, another component of the wealth of households is their financial assets (shares, bonds, deposits etc.). The household net financial assets-to-income ratio represents the accumulation of financial assets, after deduction of liabilities, of households as a proportion of their annual income. This ratio does not take into account non-financial assets such as dwellings.

After fluctuating around 200 % in the EU since 2000, the ratio increased continuously from 2012 to reach 249 % in 2017, after which it decreased and stood at 238 % in 2018 to increase to 253 % in 2019. The rate varied greatly among Member States, ranging from 78 % in Slovakia, 79 % in Romania, 106 % in Poland and 109 % in Latvia up to 470 % in Denmark, 460 % in the Netherlands, 415 % in Sweden and 392 % in Belgium.

Household savings

(as % of gross disposable income)

European Union



EU



Source: Eurostat - [access to dataset](#)

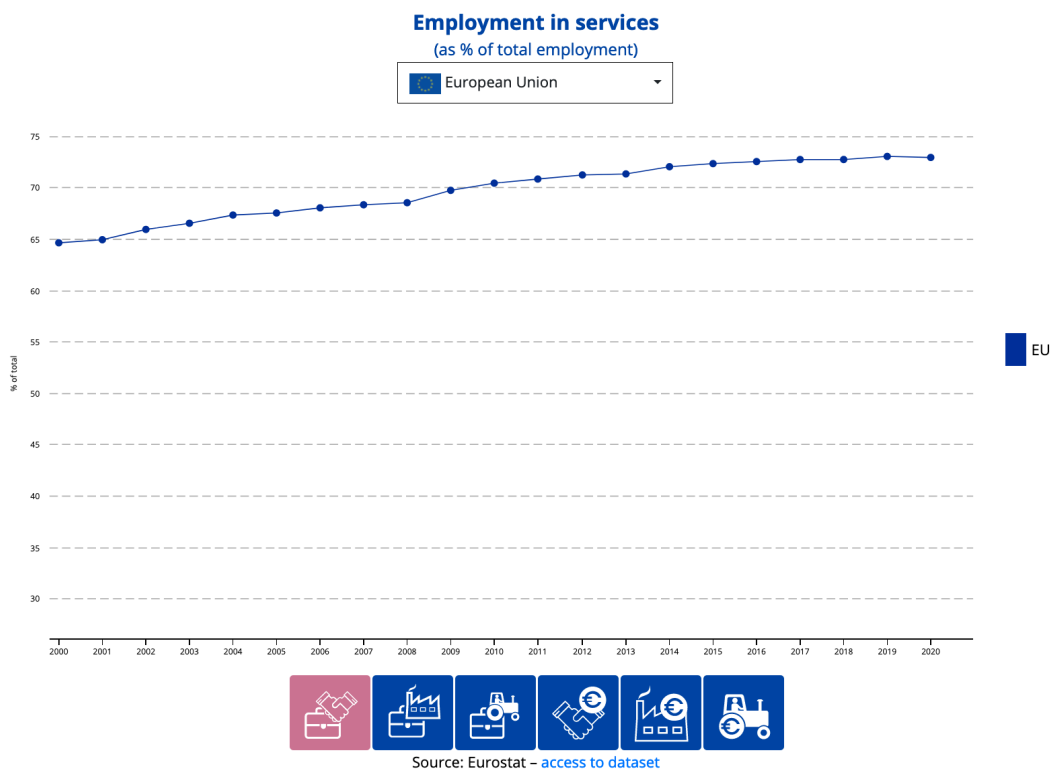


3. BUSINESSES

3.1 Three jobs out of four in services

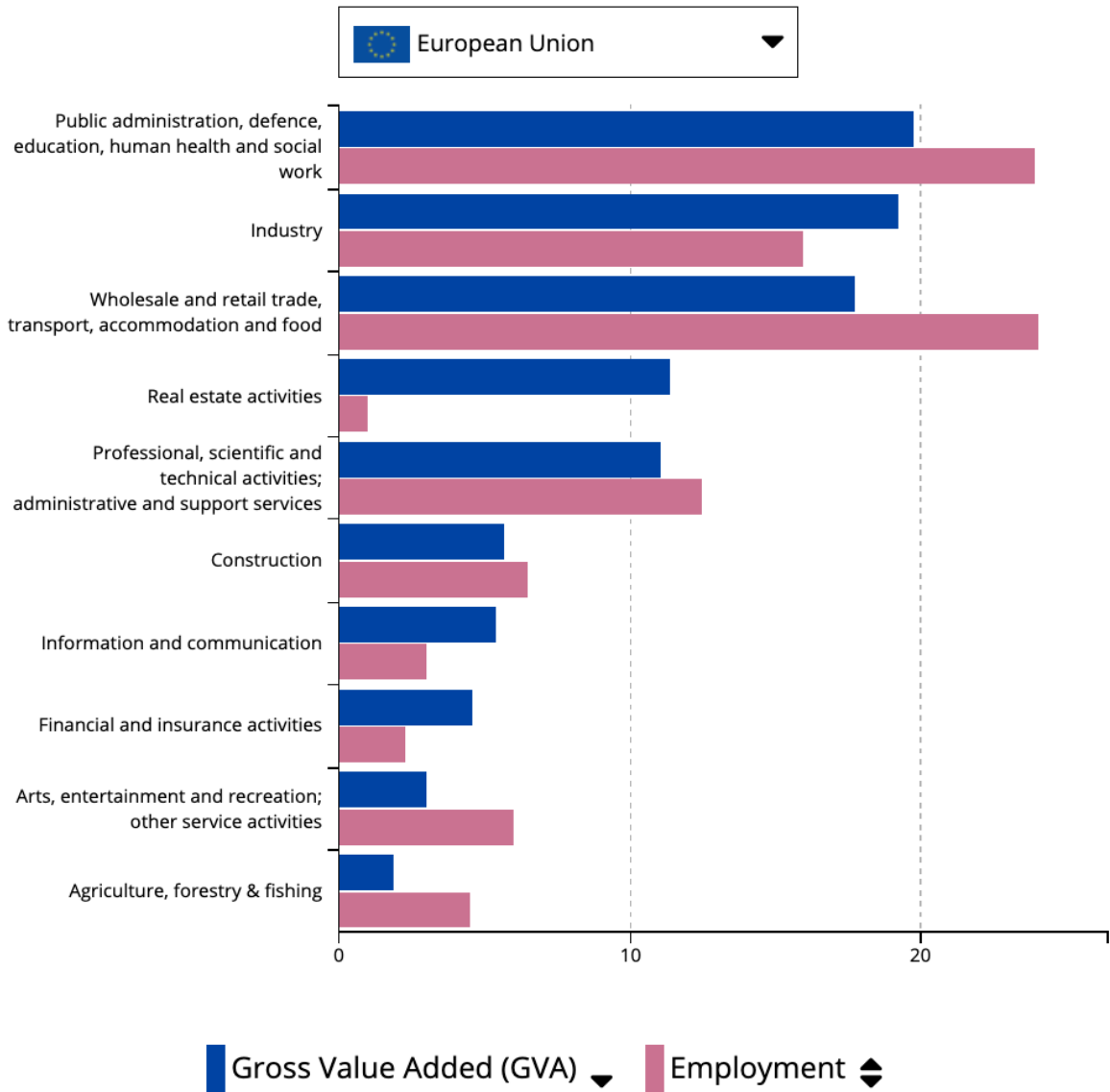
The shift towards a service economy is a long-term trend already observed in the EU in the second half of the 20th century. In 2020, employment in services accounted for 73 % of total employment in the EU compared with 65 % in 2000, while employment in industry decreased from 27 % in 2000 to 23 % in 2020 and agriculture nearly halved from 9 % to 5 %. As regards value added, services generated 73 % of total value added in 2020, industry 25 % and agriculture 2 %.

Among the Member States, the share of agricultural employment in 2020 was the highest in Romania (21 % of total employment), Bulgaria (17 %), Greece and Poland (both 10 %), while the highest shares for industrial employment were observed in Czechia (36 %), Poland and Slovakia (both 31 %), Slovenia and Romania (both 30 %). Service activities represented more than 80 % of total employment in the Netherlands (84 %), Malta (83 %) and Belgium, Luxembourg and France (all 81 %).



Gross value added and employment by economic activity

(as % of total), 2020



3.2 Large enterprises generate one third of employment

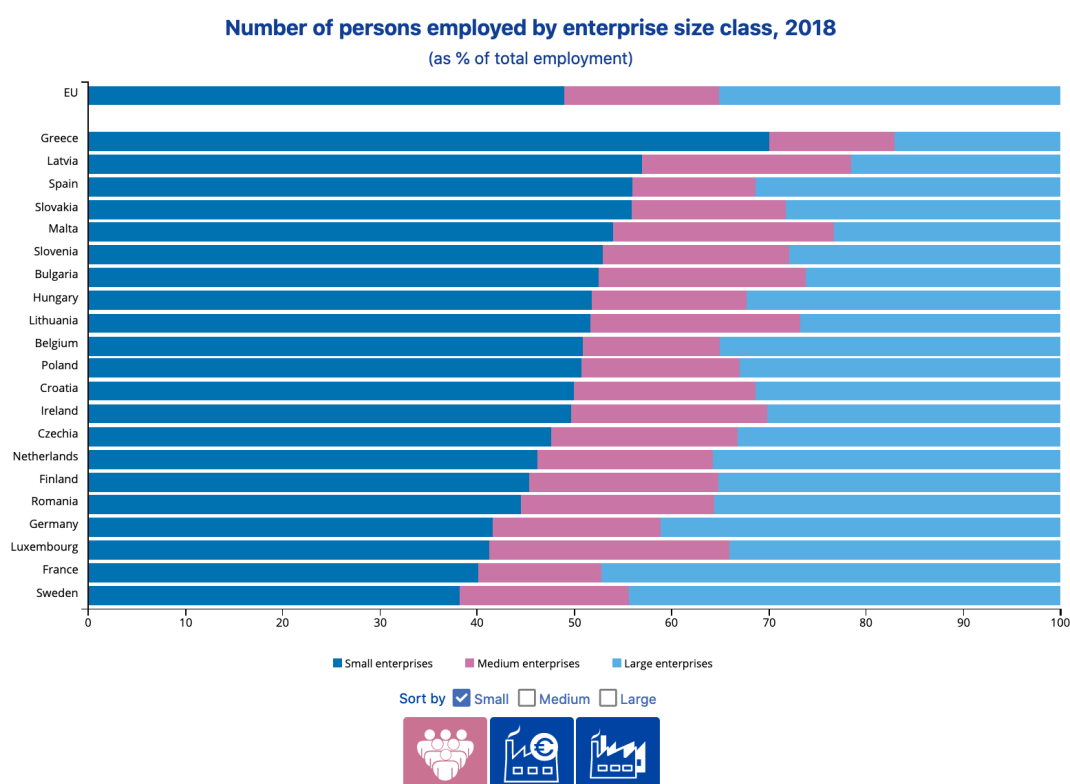
Only 0.2 % of enterprises in the EU are large...

In the EU in 2018, there were in total 22.7 million non-financial enterprises, of which only a minor part (0.9 %) were medium (50-249 employed persons) and 0.2 % were large (250 employed persons and over). It should be noted that among small enterprises, the smallest ones of less than 10 persons employed accounted for 93 % of the total number of enterprises. Among the Member States, the share of small, medium and large enterprises were largely identical in 2018.

...but they generate 35 % of employment and 47 % of total value added

When looking at the number of persons employed in the EU, however, the shares change considerably with around half working in small enterprises in 2018, 16 % in medium and a third in large. Among the Member States, the largest shares of persons employed in small enterprises were observed in Greece (70 %) and Portugal (60 %), and for medium sized enterprises in Luxembourg (25 %) and Estonia and Malta (both 23 %). For large enterprises, the highest proportions were found in France (47 %) and Sweden (44 %).

Regarding value added, 36 % of value added came from small enterprises, 17 % from medium sized and 47 % from large enterprises. These shares vary among the Member States for which data are available. In 2018, the largest share of value added generated by small enterprises were found in Malta (56 %) and Portugal (46 %), while medium sized enterprises generated the largest shares of value added in Latvia and Estonia (both 26 %) and Lithuania (25 %). The highest proportions for large enterprises were observed in Ireland (63 %), France (56 %) and Germany (53 %).



Due to confidentiality of data for some enterprise size classes, data for Austria, Cyprus, Denmark, Estonia, Italy and Portugal cannot be displayed.

3.3 Investment rate and profit share relatively stable on the long term

The investment rate of non-financial corporations (excluding the financial sector), showing businesses' investments as a share of their gross value added, is a key indicator for the business sector. In the EU, the investment rate remained relatively stable around 23 % to 25 % between 2000 and 2008, while it was between 22 % and 24 % in the euro area. It then went down to 22 % respectively 21 % in 2009 and 2010 due to the financial crisis, before increasing to reach 25 % in 2019.

In 2019, among the Member States, the highest investment rates for businesses were observed in Ireland (57 %), Hungary (32 %), Romania and Czechia (both 29 %), Austria and Croatia (both 28 %) and Spain and Belgium (both 27 %). The lowest rates were found in Luxembourg (16 % 2018 data), Cyprus and Greece (both 17 %) and the Netherlands (18 %).

The profit share of non-financial corporations, meaning businesses' gross operating surplus as a share of their gross value added, is an indicator of businesses profitability. This rate has been quite stable in the EU, fluctuating around 40 % in the period 2000 to 2019.

In 2019, the highest profit share of businesses was observed in Ireland (73 %), followed by Malta (62 % 2018 data) and Romania (53 %). The lowest rates were found in France (33 %), Slovenia (34 %) and Croatia, Sweden and Germany (all 37 %).

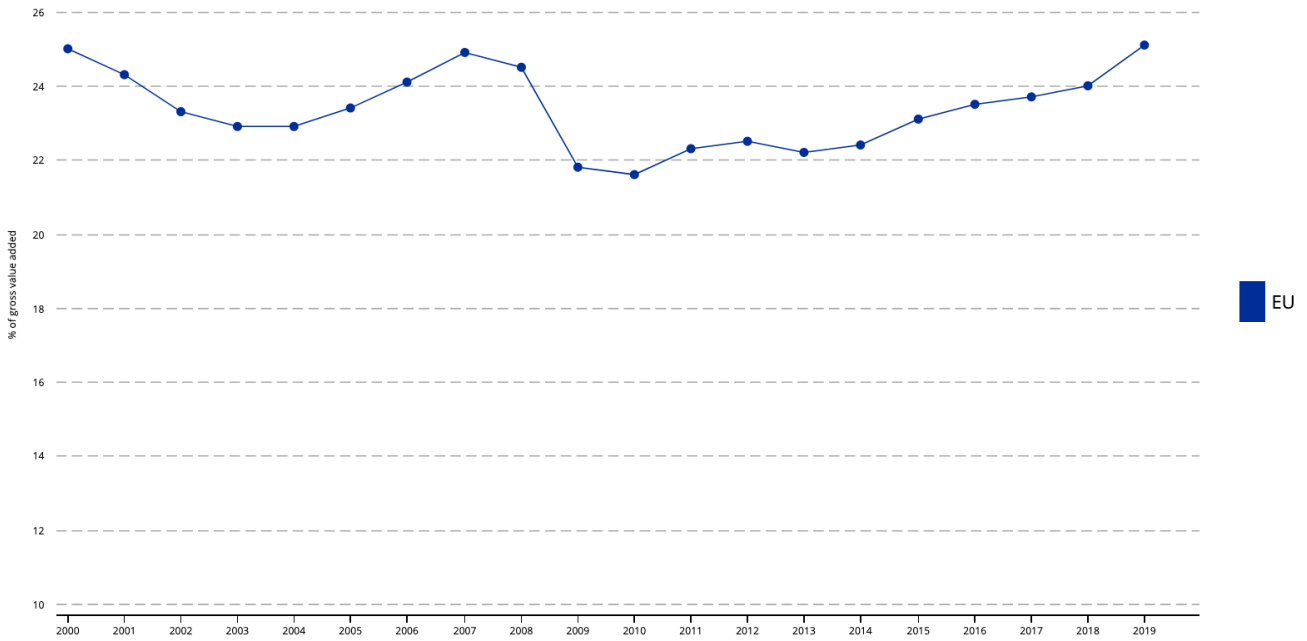
A reduced indebtedness

The net debt-to-income ratio of non-financial corporations shows the liabilities within the business sector. It is calculated as liabilities minus assets as a share of the net entrepreneurial income. This rate, which stood at 316 % in the EU in 2004, reached a peak of 395 % in 2009 and then decreased to reach 278 % in 2019.

The debt to income ratio strongly differs among the Member States for which data are available, ranging in 2019 from 31 % in Lithuania, 44 % in Estonia, 102 % in the Netherlands to 561 % in Greece, 495 % in Portugal and 450 % in Italy.

Business investment (as % of gross value added)

European Union



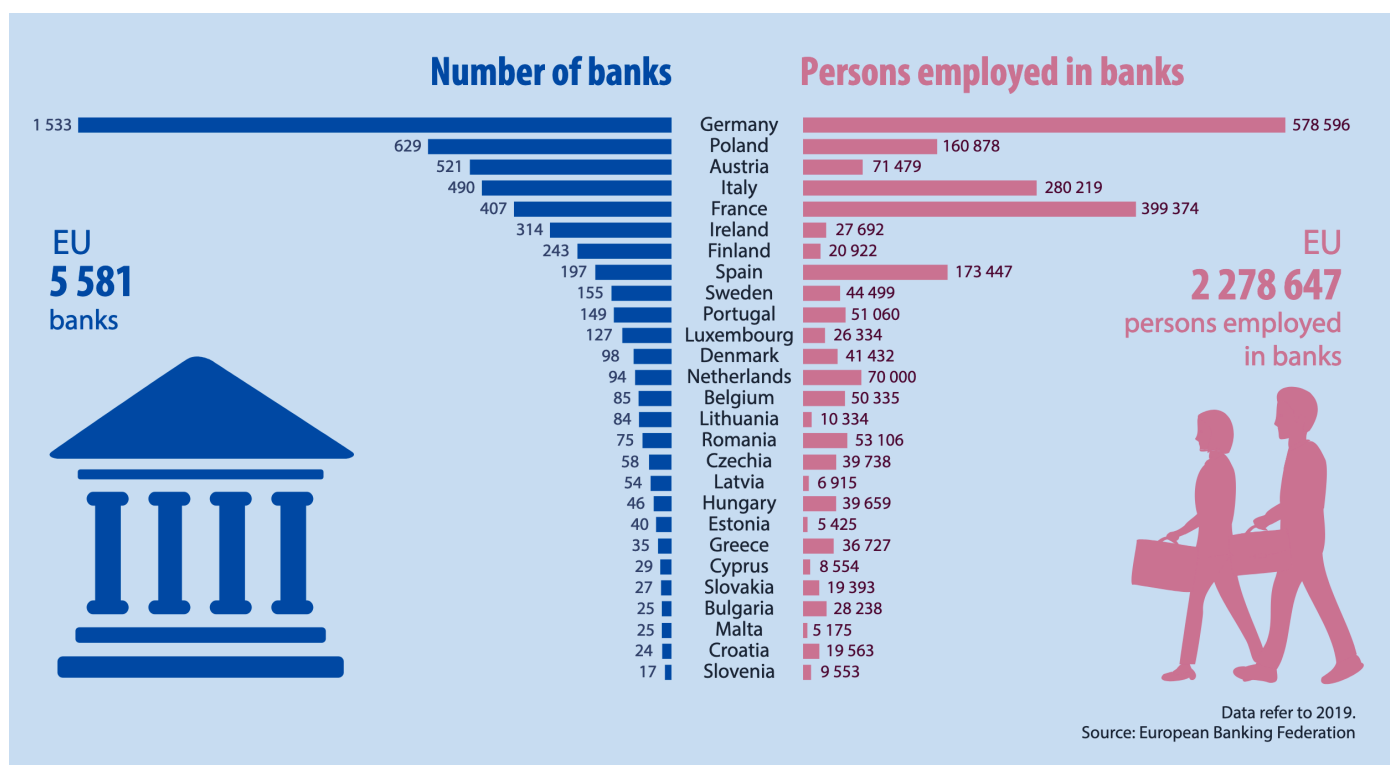
Source: Eurostat - [access to dataset](#)

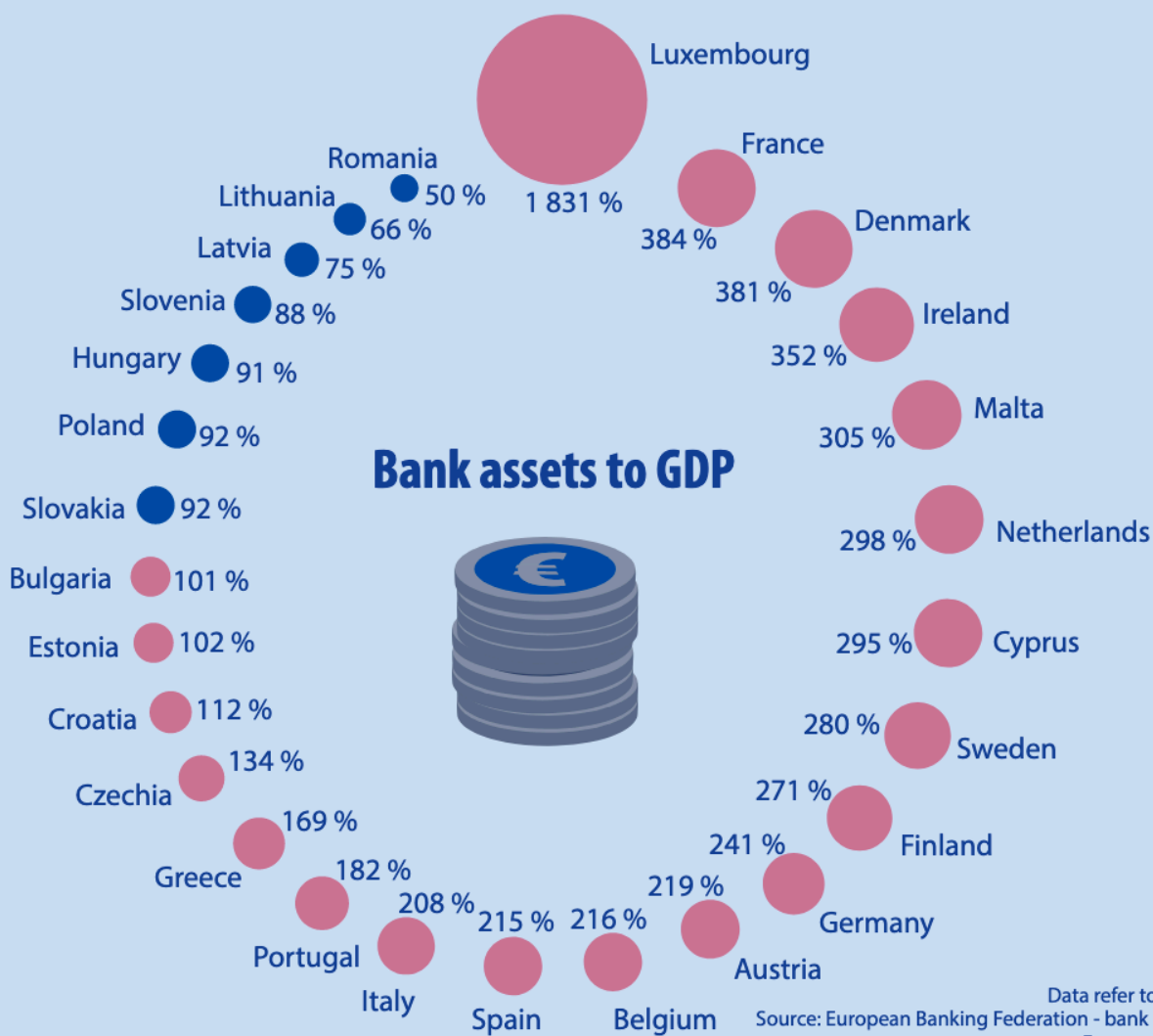
3.4 Number of banks decreasing

While the other parts of this chapter focus on non-financial businesses, this last part provides information on the banking sector. Since 2008, the number of banks in the EU has continuously decreased following mergers in the banking sector. In 2019, there were 5 581 banks in the EU, a fall of 30 % compared with 2008. In 2019, the Member State with the largest amount of banks was Germany (28 % of the EU total), followed by Poland (11 %), Austria and Italy (both 9 %) which means that over half of all EU banks were situated in these four Member States.

There were 2.3 million people employed within the banking sector in the EU in 2019. Germany (25 % of the EU total) had the largest number of persons employed in this sector, followed by France (18 %), Italy (12 %) and Spain (8 %).

Regarding the assets of the banking sector in the EU, they amounted to EUR 36 118 billion in 2019, corresponding to 259 % of EU GDP. The Member State with the largest banking assets was France (EUR 9 321 billion, 384 % of its GDP), followed by Germany (EUR 8 311 billion, 241 % of its GDP), Italy (EUR 3 724 billion, 208 % of its GDP) and Spain (EUR 2 677 billion, 215 % of its GDP). Banking assets as a share of GDP were highest in Luxembourg (1 831 %), France (384 %), Denmark (381 %), Ireland (352 %) and Malta (305 %). For more information see the European Banking Federation.







4. GOVERNMENT

4.1 Government revenue to GDP ratio nearly stable since 2013

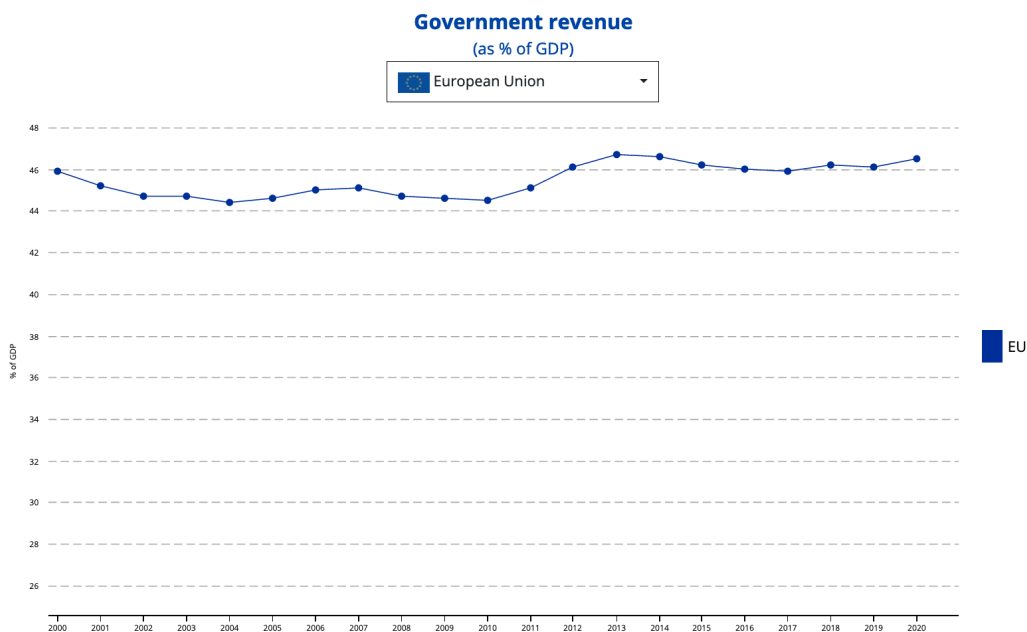
The whole government sector includes all central, state and local governments as well as social security funds. Government revenue, expressed as a percentage of GDP, slightly fluctuated in the EU, from around 46 % in 2000 to 44 % in 2004 and 45 % in 2010. The ratio dropped back to the initial level of 46 % in 2015 and reached 47 % in 2020.

In 2020, the highest ratios among the Member States were observed in France (52.9 %), Denmark (52.8 %), Finland (51.2 %), Greece (51.0 %) and Belgium (50.6 %) and the lowest in Ireland (23.4 %), Romania (33.1 %), Lithuania (36.1 %) and Malta (36.5 %).

Highest tax to GDP ratios in France, Denmark and Belgium

A large part of government revenue comes from taxes and social contributions which represented 88 % of total government revenue in the EU in 2019. Revenue from taxes and social contributions as a share of GDP, which reflect the tax burden of a country, slightly increased since the start of the millennium, from 40 % in 2002 to 41 % in 2019.

Among the Member States, the highest tax-to-GDP ratios in 2019 were observed in France (47.2 % of GDP), Denmark (46.7 %) and Belgium (45.2 %) and the smallest in Ireland (22.6 %), Romania (26.7 %), Bulgaria (30.1 %) and Lithuania (30.2 %).

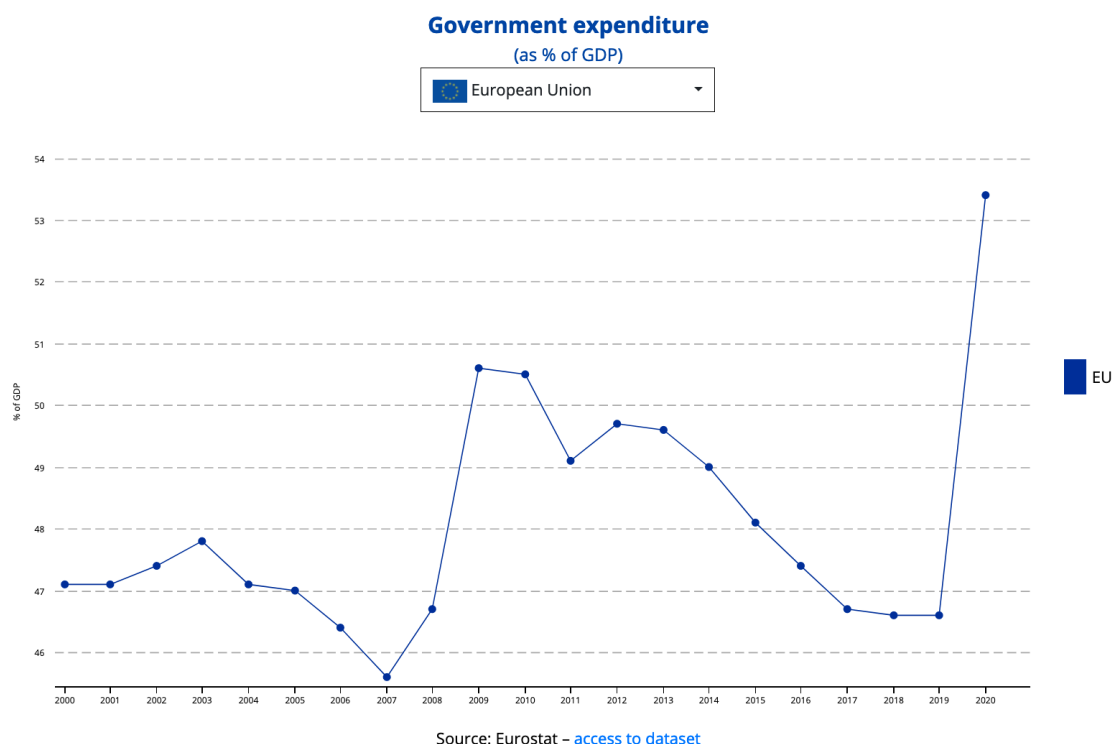


Source: Eurostat – [access to dataset](#)

4.2 Government expenditure increased again in 2020

The ratio of government expenditure, expressed as a percentage of GDP, has been less stable than the ratio of government revenue. Between 2001 and 2008, government expenditure in the EU stood at 46 % to 48 % of GDP. In 2009 and 2010, the rate increased sharply to a peak of 51 %, due to the financial crisis. Since then the rate has decreased gradually, to reach 47 % in 2019.

In 2019, the highest government expenditure-to-GDP shares were observed in France (55.6 %), Finland (53.3 %), Belgium (52.2 %) and Denmark (49.6 %), and the lowest in Ireland (24.8 %), Lithuania (34.9 %), Romania (36.0 %) and Bulgaria (36.3 %).



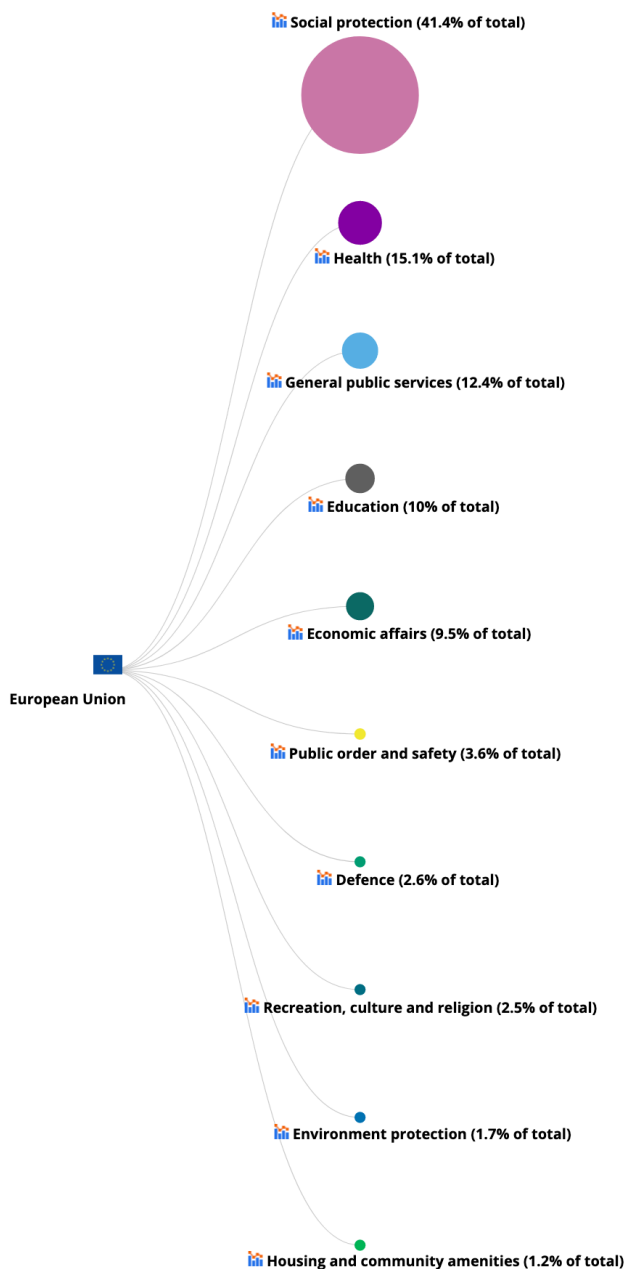
Largest part of government expenditure spent on social protection

How does the government use its revenue? In 2018, the largest part of government expenditure in the EU was spent on social protection (41.2 % of total expenditure), followed by health (15.0 %), general public services (12.9 %), education (9.9 %) and economic affairs (9.4 %) — these items make up almost 90 % of government expenditure in the EU.

Social protection represents the largest share of government expenditure in all Member States. In 2018, the highest shares were observed in Finland (45.5 %), Germany (43.6 %) and Denmark (43.1 %) and the lowest in Hungary (28.5 %), Cyprus (28.7 %) and Czechia (29.5 %).

Have a look at the visualisation tool here on the bottom right if you want to know more about government expenditure in your country.

European Union (as % of total expenditure)



4.3 A strong increase of government debt

EU government deficit-to-GDP ratio increasing in 2020

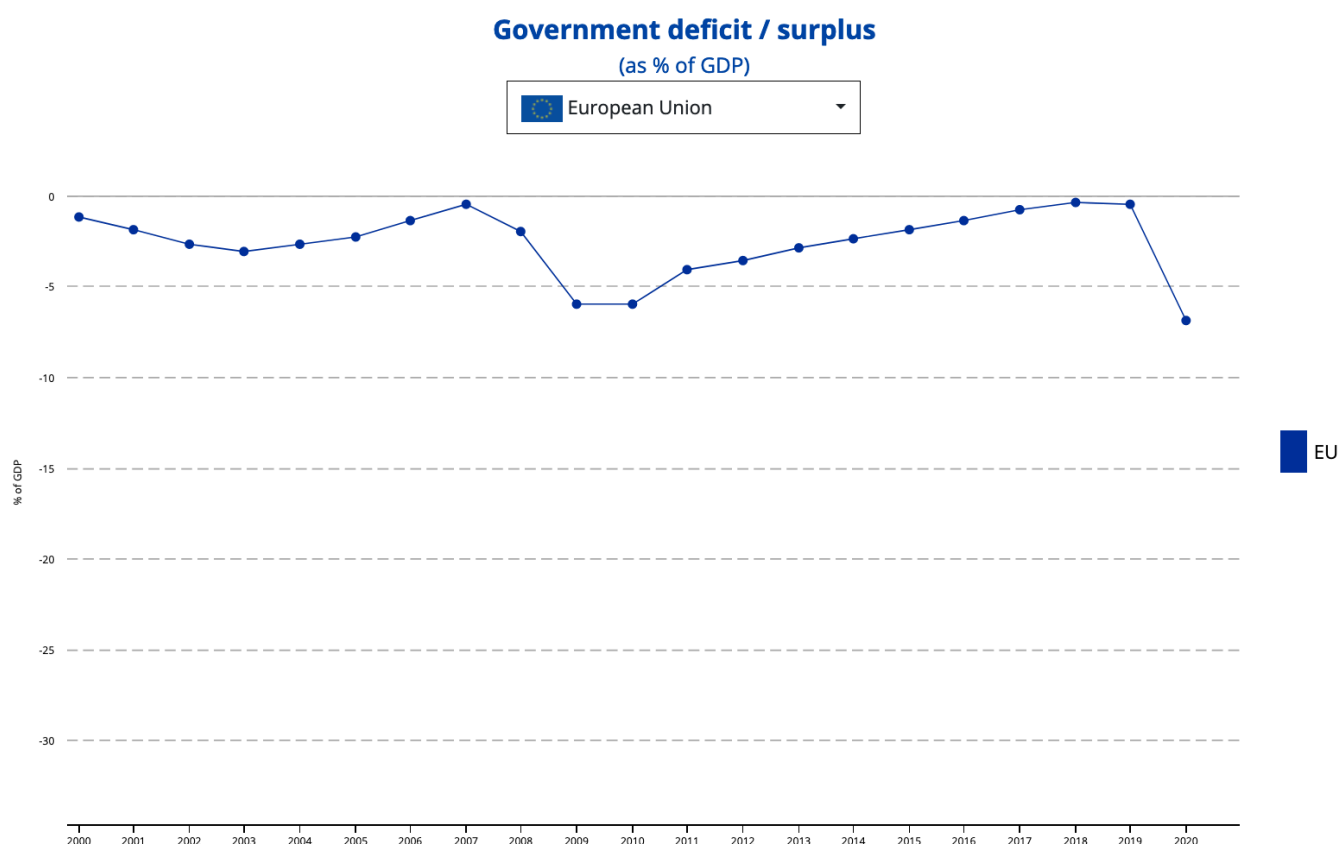
The difference between government revenue and expenditure shows either a surplus or a deficit. The EU has recorded an annual government deficit since the start of the millennium. After reaching -6 % of GDP in 2009 and 2010, the deficit-to-GDP ratio decreased steadily to -0.4 % in 2018 and -0.5 % in 2019. Then, the ratio increased sharply in 2020 to -6.9 %, mainly due to the effects of the Covid-19 pandemic.

The situation in 2020 among the Member States is that all Member States recorded a deficit and nobody a surplus. The largest government deficit ratios were observed in Spain (-11.0 %), Malta (-10.1 %) and Greece (-9.7 %).

EU government debt-to-GDP ratio down since 2015, but up in 2020

After being relatively stable at around 65 % of GDP from 2000 to 2008, the government debt ratio drastically increased to 76 % in 2009, following the financial crisis. The debt ratio continued to rise until 2014 when it stood at 87 %. Since then, the rate decreased continuously to reach 78 % in 2019, but then increased to 91 % in 2020.

Among the Member States, the largest government debt ratios in 2020 were observed in Greece (205.6 %), Italy (155.8 %), Portugal (133.6 %) and the lowest in Estonia (18.2 %), Luxembourg (24.9 %) and Bulgaria (25.0 %).

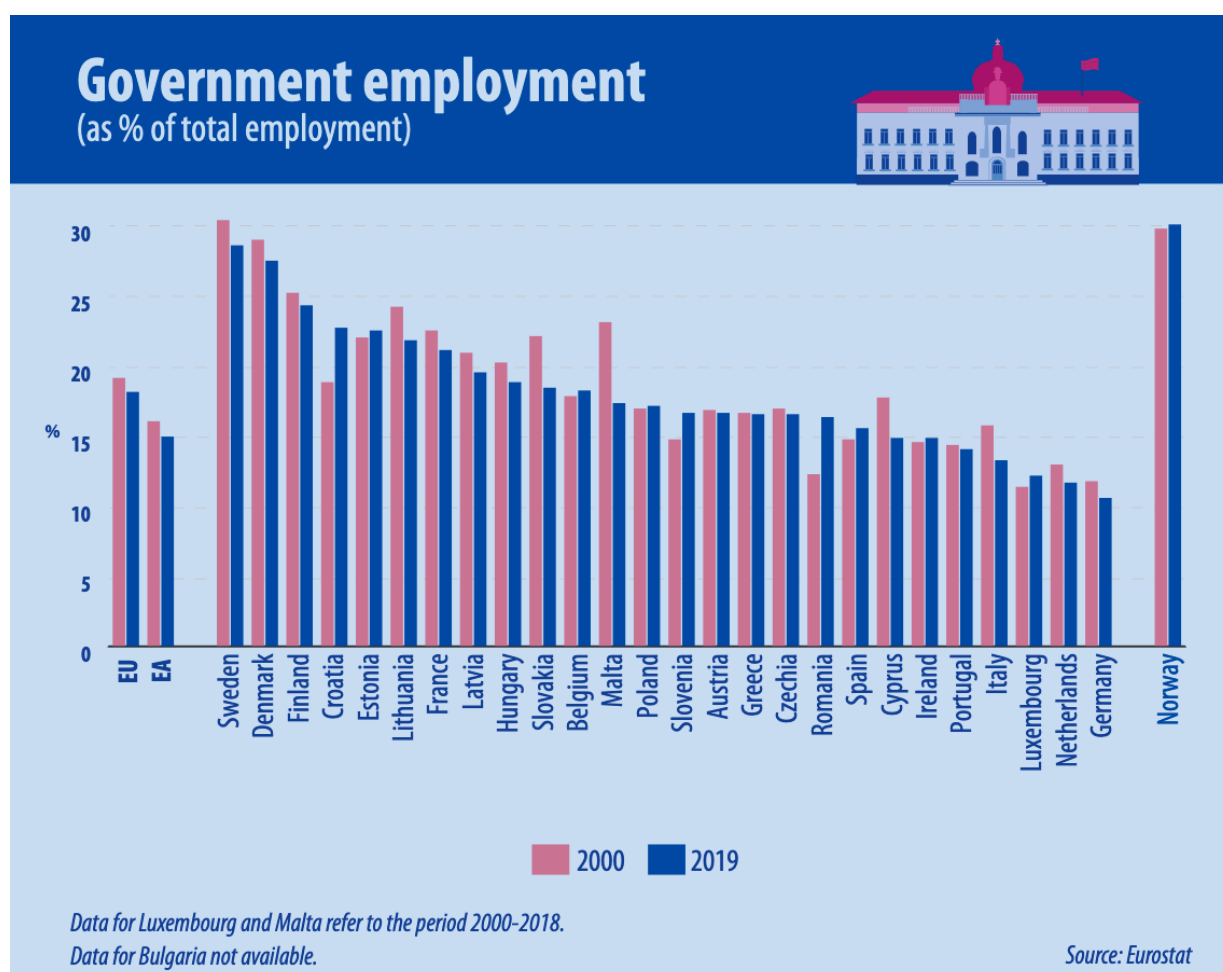


Source: Eurostat – [access to dataset](#)

4.4 Share of government employment nearly stable

Government employment includes civil servants and other government employees (on a national, regional and local level) as well as armed forces. It should be noted that the limits of the government sector vary across Member States, as, for example, jobs in education or health are part of government employment in some countries, while they are not in others. The share of government employment in the EU has remained almost stable at around 18 % of total employment since 2000, accounting for 18 % in 2019. Among the Member States for which data are available, the largest falls between 2000 and 2019 were observed in Malta, Slovakia, Italy and Cyprus, and the largest increases in Romania, Croatia and Slovenia.

In 2019, the share of those employed in the government sector varied among the Member States, with the highest proportions observed in Sweden (29 % of total employment), Denmark (28 %), Finland (24 %), Croatia and Estonia (both 23 %) and the lowest in Germany (11 %), the Netherlands and Luxembourg (both 12 %), Italy (13 %) and Portugal (14 %).

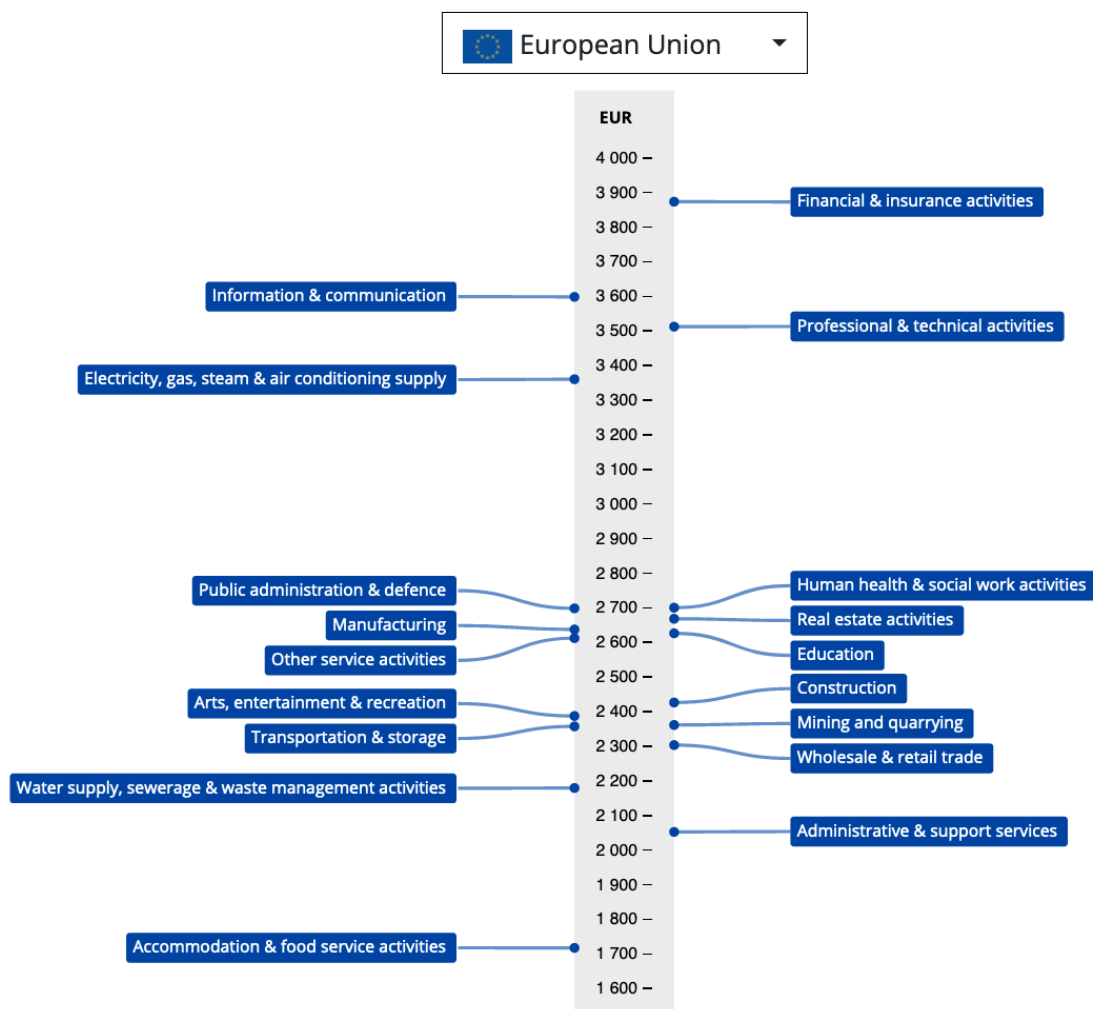


Monthly gross earnings in public administration at €2 700 in the EU in 2018

In 2018 (latest year available), the mean monthly gross earnings in public administration and defence (excluding the public health and education sectors) in the EU was € 2 700. Compared with other sectors, average earnings were highest in «financial and insurance activities» (€ 3 900), «information and communication» (€ 3 600) and «professional and technical activities» (€ 3 500), while «accommodation and food service activities» (€ 1 700), «administrative and support services» (€ 2 000), «water supply, sewerage, waste management activities» (€ 2 200) and «wholesale and retail trade» (€ 2 300) had the lowest earnings.

In 2018 (latest year available), the highest mean monthly gross earnings in public administration and defence (excluding the public health and education sectors) were observed in Luxemburg (€ 6 900), Denmark (€ 4 900), Ireland (€ 4 100), the Netherlands (€ 3 800) and Sweden (€ 3 700), and the lowest in Bulgaria (€ 600), Hungary (€ 900) and Lithuania and Slovakia (both € 1 100).

Mean monthly earnings by activity, 2018



Source: Eurostat - [access to dataset](#)

FURTHER INFORMATION

The European economy since the start of the millennium — a statistical portrait is a digital publication released by Eurostat, the statistical office of the European Union.

Information on data

The European Union (EU) includes 27 EU Member States and the Euro area, 19 EU Member States.

The text refers to data available as of June 2021.

Contact

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