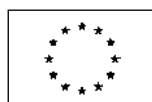


# Europe in figures

## Eurostat yearbook 2005

### Chapter 1



EUROPEAN  
COMMISSION



THEME  
General and  
regional statistics

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### The Eurostat yearbook is easy to use

- Introductory texts for each section explain the main features and the relevance of the information presented and give an idea of what other data on the subject Eurostat has on offer.
- A glossary clarifies the statistical terms and concepts used.
- References indicate how to get more Eurostat data and analysis on the subject.
- The abbreviations and acronyms used are spelled out on the bookmark to the yearbook.

#### Date of data extraction

The statistical data presented in this yearbook were extracted on **29 April 2005** and represent the data availability at that time. In the cases where the data were extracted later, these are mentioned in the chapters concerned.

### Order and coding of countries

The order of the EU Member States used in the Eurostat yearbook is their order of protocol. It follows the alphabetical order of the countries' short names in their respective native languages.

Generally, the countries are identified in the Eurostat yearbook 2005 by using the shortest official designation. If codes are used, these are the two-digit ISO codes, except for Greece and the United Kingdom for which EL and UK, respectively, are used.

### Symbols and codes in the tables

- 'Not applicable' or 'real zero' or 'zero by default'
- 0 Less than half the final digit shown
- . Not applicable
- .. Confidential data. Data not conclusive or withheld owing to non-disclosure practice
- : Data not available
- b Break in series
- e Estimated value
- f Forecast
- i See footnote
- p Provisional value
- r Revised value
- s Eurostat estimate

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# Eurostat, your key to European statistics

## Comparable information about Europe has a name: Eurostat

'Eurostat' is the synonym for a high-quality information service providing statistical data about, and for, the European Union. Using our data means having a finger on the pulse of current developments in Europe: we report the background figures and facts needed to understand these developments.

### The Eurostat yearbook: compiled for everyone with an interest in Europe

The Eurostat yearbook opens the door to Eurostat's information service by providing an overview of the spectrum of data we offer. It shows how benchmark figures have developed during the last 10 years in the European Union, the euro-zone and the EU Member States. To facilitate international comparison, some tables include the comparable data for other countries, for example the United States of America.

Introductory texts for each section give an idea of what data Eurostat has on the subject and what the relevance of this information is. We understand the yearbook not to be a mere collection of tables, but a 'portal' to European statistics. We hope it will make you curious about the data Eurostat has on offer.

### How to get the data you want

**An address for your list of favourites:**  
<http://www.europa.eu.int/comm/eurostat>

Eurostat offers a wide range of statistical information on its website that you can consult online or download free of charge:

- data, accessible as soon as they are available;
- all of Eurostat's news releases;



- the *Statistics in Focus* series that provides up-to-date summaries of the main results of statistical surveys, studies and analyses;
- all Eurostat publications in PDF format. The background to specific topics is provided in our *Panorama* publications which contain thoroughly elaborated analyses, tables, graphs and maps;
- catalogues;
- working papers and studies (methodological work and reports on data quality; one-off studies and their results; documents drafted by partners such as national statistical institutes or universities);
- methods and nomenclatures, accessible in PDF format or via RAMON, Eurostat's classification server.

### Eurostat's indicators: long-term or short-term — but always relevant

#### *Long-term indicators*

- The 'structural indicators' help to assess the longer-term progress in the policy domains of employment, innovation and research,






Office puts out user-friendly news releases on a key selection of data covering the EU, the euro-zone, the Member States and their partners. About 160 press releases are published each year, of which nearly 120 are on the monthly or quarterly Euroindicators. The Press Office also coordinates interviews and press briefings on important statistical results and events. Eurostat's Media Support helps professional journalists to find data on all kinds of topics.

All Eurostat news releases are available free of charge on the web at 11 a.m. on the day they are released.

Journalists can contact Media Support if they need further information on our news releases or other data (tel. (352) 43 01-33408, fax (352) 43 01-35349, e-mail: [eurostat-mediasupport@cec.eu.int](mailto:eurostat-mediasupport@cec.eu.int)).

economic reform, social cohesion, and the environment as well as the general economic background. They are recognised as being most relevant for political discussion. All structural indicators are presented in the Eurostat yearbook and are identified with a specific icon (  ).

- Many more tables on different areas of life, work, the economy and the environment in the EU.
- **New:** Sustainable development indicators introduced to monitor the EU's sustainable development strategy.

#### Short-term indicators

The 'Euroindicators' provide a collection of the latest data which are helpful for a short-term evaluation of the economic situation in the euro-zone and in the European Union. The Euroindicators are updated daily. Their publication is announced in the 'Release' calendar.

#### Eurostat's service for journalists

Statistics make news. They are essential background to many news stories, features and in-depth analyses.

The printed press as well as radio and TV programmes use our data intensively. Eurostat's Press





## Why Eurostat data?

### Equal information for a democratic society

Being informed is the first step to actively participating in a democratic Europe. Europeans demand a high-quality information service providing impartial, reliable and comparable statistical data. They want to access them easily and without exemption: no key information must be withheld; all citizens and enterprises must have equal and complete access to it. Eurostat and its partners in the European statistical system open the door and guarantee this equal and comprehensive information on social, economic and environmental developments in Europe. It is up to you to use it!

### Impartiality and objectivity: two pillars of trust

Access to reliable and high-quality statistics becomes evermore important in the information society in which we live, and trust in the source an immeasurable value. Eurostat's trustworthiness is enshrined by law. 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 not abstract words for us: they are the leading principle for our day-to-day work.

### Comparability through harmonisation

It is easier to understand each other if one knows about the other's conditions of life and work. What is true for the relationship between individuals is also true for society as a whole. Comparisons, however, require comparable statistics that, in turn, demand the use of a common 'statistical language'.

The common language has to embrace concepts, methods and definitions, as well as technical standards and infrastructures. This is what statisticians call harmonisation. It is what the European statistical system is all about. And it is Eurostat's primary *raison d'être*.

## The European statistical system

The European statistical system comprises Eurostat and the statistical offices, ministries, agencies and central banks that collect official statistics in the EU Member States, Iceland, Liechtenstein and Norway. The statistical authorities in the Member States collect, verify and analyse national data and send them to Eurostat. Eurostat consolidates the data and ensures their comparability. The European statistical system concentrates on EU policy areas. But, with the extension of EU policies, harmonisation has extended to nearly all statistical fields.

The European statistical system is 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, which brings together the heads of Member States' national statistical offices and is chaired by Eurostat. The Statistical Programme Committee 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.

### A matter of disposition: an attractive and relevant data assortment

Data become information when they become interesting. As a matter of disposition, Eurostat has an open ear for what people are interested in.





The statistical programme of the European statistical system does not 'fall out of the blue'. What we report on has been decided through a well-defined political process at the European level in which the EU Member States are deeply involved. Most surveys and data collections are based on European regulations that are legally binding on the national level. A central question during the political and legal discussions that lead to European statistical regulations is: 'To whom and why are the data of interest?' Every statistical regulation has to pass a critical test.

On the other hand, the European statistical programme is constantly revised. In view of the principle of cost-efficiency, the production of data that have been rendered less relevant by new developments will be modified or even discontinued. As a result, the statistical programme is kept lean and modern.

Our data are worth looking at.



## Eurostat's structural indicators

### Eurostat's structural indicators: high-quality statistics for growth and jobs in Europe




1

At the Lisbon European Council in spring 2000, the European Union 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 acknowledged the need to regularly discuss and assess progress made in achieving this goal on the basis of commonly agreed structural indicators. To this end, it invited the European Commission to draw up an annual spring report on progress on the basis of structural indicators relating to employment, innovation and research, economic reform, social cohesion and the general economic background, as well as, since 2002, the environment.

For the first time, in 2004, the Commission presented a shortlist of 14 structural indicators which were covered in the statistical annex to its 2004 spring report to the European Council. This shortlist was agreed with the Council. Its concise layout makes it easier to present policy messages and the Member States' positions towards the key Lisbon targets. The same shortlist indicators were presented in the statistical annex to the 2005 spring report to the European Council.

To ensure that the public has access to the detailed database of structural indicators, which continues to play an important role in the EU's policy process, Eurostat disseminates the full set of structural indicators on its structural indicators website (<http://www.europa.eu.int/comm/eurostat/structuralindicators>). Time series are presented for the EU-25 and EU-15, the EUR-12, the EU Member States, the EEA/EFTA countries, Japan, the United States and the candidate countries. The 2005 complete set of structural indicators is listed below. **The shortlist indicators are marked in bold.** All structural indicators are presented in the Eurostat yearbook. They are marked with the following icon (  ) which appears next to the title of the respective tables.

#### List of structural indicators

##### *General economic background*

##### **GDP per capita in PPS**

Real GDP growth rate



##### **Labour productivity per person employed**

Labour productivity per hour worked

Employment growth <sup>(1)</sup>

Inflation rate

Unit labour cost growth

Public balance

General government debt

##### *Employment*

**Employment rate** <sup>(1)</sup>

**Employment rate of older workers** <sup>(1)</sup>

Average exit age from the labour force <sup>(1)</sup>

Gender pay gap in unadjusted form

Tax rate on low-wage earners: tax wedge on labour cost

Tax rate on low-wage earners: unemployment trap

Tax rate on low-wage earners: low-wage trap – single person without children

Tax rate on low-wage earners: low-wage trap – one earner couple with two children

Lifelong learning <sup>(1)</sup>

Serious accidents at work <sup>(1)</sup>

Fatal accidents at work

Unemployment rate <sup>(1)</sup>

##### *Innovation and research*

Spending on human resources

**Total R & D expenditure**

R & D expenditure by source of funds: industry, government, abroad

Level of Internet access: households

Science and technology graduates <sup>(1)</sup>

Patents, EPO

Patents, USPTO

<sup>(1)</sup> Indicators disaggregated by gender.



Venture capital investments: early stage, expansion and replacement  
 ICT expenditure: IT expenditure  
 ICT expenditure: telecommunications expenditure  
 E-commerce: percentage of enterprises' total turnover from e-commerce  
**Youth education attainment level** <sup>(1)</sup>  
 E-government availability  
 E-government usage by individuals <sup>(1)</sup>  
 E-government usage by enterprises  
 Broadband penetration rate  
 High-tech exports

#### *Economic reform*

#### **Comparative price levels**

Price convergence between EU Member States  
 Price of telecommunications: local calls, national calls, and calls to the United States  
 Electricity prices: industrial users and households  
 Gas prices: industrial users and households  
 Market share of the largest generator in the electricity market  
 Market share of the incumbent in fixed telecommunications: local calls, long-distance calls and international calls

Market share of the leading operator in mobile telecommunication  
 Public procurement  
 Total State aid  
 Sectoral and ad hoc State aid  
 Convergence in bank lending rates: loans to households for house purchases, loans to non-financial corporations up to one year, and loans to non-financial corporations over one year  
 Trade integration of goods, services  
 Foreign direct investment intensity

#### **Business investment**

Business demography: birth rate of enterprises  
 Business demography: survival rate of enterprises  
 Business demography: death rate of enterprises

#### *Social cohesion*

Inequality of income distribution (income quintile share ratio)  
 At-risk-of-poverty rate before social transfers <sup>(1)</sup>

#### **At-risk-of-poverty rate after social transfers** <sup>(1)</sup>

At-persistent-risk-of-poverty rate <sup>(1)</sup>

#### **Dispersion of regional employment rates** <sup>(1)</sup>

Early school-leavers <sup>(1)</sup>

#### **Long-term unemployment rate** <sup>(1)</sup>

Children aged 0–17 living in jobless households  
 People aged 18–59 living in jobless households <sup>(1)</sup>

#### *Environment*

#### **Greenhouse gas emissions**

#### **Energy intensity of the economy**

#### **Volume of freight transport relative to GDP**

Volume of passenger transport relative to GDP  
 Road share of inland freight transport  
 Car share of inland passenger transport  
 Population exposure to air pollution by ozone and by particulate matter  
 Municipal waste collected, landfilled or incinerated  
 Share of electricity from renewable energy to gross electricity generation  
 Fish catches from stocks outside 'safe biological limits'  
 Protected areas for biodiversity: habitats directive  
 Population trends of farmland birds  
 Healthy life years at birth — females, males

<sup>(1)</sup> Indicators disaggregated by gender.



# Euroindicators

## Euroindicators: a specialised service for business-cycle analysts, policy-makers and the media

### Background

Since October 2001, Euroindicators has represented a reference point on the web for all users of official statistics dealing with short-term data. In its first version, Euroindicators was conceived as an independent website, available in parallel to the Eurostat one, and fully compatible with it in terms of layout and general management rules. From October 2004 onwards, it has been integrated into the new Eurostat website becoming a so-called 'special topic' of it. It is possible to access Euroindicators either from the homepage of the Eurostat website or directly via the following link: [www.europa.eu.int/comm/euroindicators/](http://www.europa.eu.int/comm/euroindicators/). It is also possible to send e-mails to the Euroindicators team by using the following address: [ESTAT-EUROINDICATORS@cec.eu.int](mailto:ESTAT-EUROINDICATORS@cec.eu.int).

The aim of Euroindicators is to supply business-cycle analysts, policy-makers, the media, researchers, students, etc. with a comprehensive, well-structured and high-quality set of information which is useful in their daily activities. The core of Euroindicators comprises of a wide set of statistical indicators giving an accurate and as timely as possible overall picture of the economic evolution of the euro-zone and the European Union as well as of their Member States. Moreover, Euroindicators contains additional products and services aiming to facilitate data understanding and analysis such as:

- methodological notes;
- quality reports;
- publications;
- news;
- release calendars.

The next sections of this document briefly describe the different products and services available on Euroindicators.

### Data sets

Data shown in Euroindicators are built around a set of the most relevant statistical indicators, called principal European economic indicators; a complete list can be found in the Commission communication COM(2002) 661. The data collection also includes more detailed breakdowns

and additional qualitative and quantitative information useful to assess the economic evolution of the European economies. According to the general Eurostat policy of free dissemination, Euroindicators data are structured into two main parts:

- predefined tables;
- European and national short-term statistics database (Euroind).

Both the predefined tables and European and national short-term statistics database are structured into eight domains, covering all relevant fields of economic activity, which are listed below:

|                                   |
|-----------------------------------|
| Balance of payments               |
| Business and consumer surveys     |
| Consumer prices                   |
| External trade                    |
| Industry, commerce and services   |
| Labour market                     |
| Monetary and financial indicators |
| National accounts                 |

### Predefined tables

This is the easiest way to look at our more recent data. The free tables are user-friendly and they also offer a graphical view of the most recent evolution, and a short explanatory text. A download facility is also available for each of the eight collections; 316 tables are currently available.

### Euroind database

This constitutes a large database of macroeconomic infra-annual indicators. More than 40 000 series are nowadays present. They can be easily downloaded in a variety of formats.

### Methodological notes

Euroindicators has been the first Eurostat data collection fully documented according to the SDDS format of the IMF. The SDDS files are regularly improved and monitored in order to be always in line with the data. The creation of a more user-oriented metadata set is one of the objectives of the Euroindicators team.

### Quality reports

Since 2001, the Euroindicators database, now called the Euroind database, has been subject

to an accurate monthly quality control. The results of this control are presented in a detailed online publication called 'State of affairs' accessible from the item 'Quality reports' on the Euroindicators webpage. A synopsis of the monthly control is presented in another online publication called 'Monitoring report', accessible from the item 'Latest news' on the Euroindicators webpage. Furthermore, a quarterly quality report on principal European economic indicators is in preparation and will be disseminated later this year.

### Publications

Several sectoral publications produced by Eurostat are available on Euroindicators; they are mainly related to specific aspects of short-term statistics. Moreover, the Euroindicators team is responsible for the preparation of the monthly publication *Eurostatistics*, which is the most sold Eurostat periodic publication. It gives a synthetic picture of the economic situation together with a detailed statistical analysis of the latest economic events. It is accessible from the publication items in the Euroindicators 'dedicated section'. Moreover, the Euroindicators team manages a working papers collection containing both methodological and empirical studies on statistical improvements and analysis of European data.

### Other products and services

Euroindicators also contains a weekly updated European release calendar together with all re-

lated press releases. Moreover, the Euroindicators team produces a monthly online newsletter accessible from the 'Latest news' item. This publication contains short articles, news from Member States and Eurostat, announcements, useful links, etc. The offer of the Euroindicators team to the business-cycle analysts is completed by the production of a bimonthly publication called 'Selected readings', accessible from the 'Latest news' item; this publication contains bibliographies either thematic or by author. Finally, it is important to note that all the papers and proceedings presented in the conferences organised by the Euroindicators team are available on Euroindicators.

### Planned improvements

Euroindicators is continuously evolving, being kept up to date to meet user needs. In addition to the improvements already mentioned above, the Euroindicators team is planning the production of a new set of statistical pages related to key topics such as flash estimates, back-recalculation, interpolation and extrapolation, seasonal adjustment, business-cycle analysis, construction of coincident and leading indicators, etc. Those pages will be progressively implemented from the second half of this year and they will contain methodological papers, online bibliographies, software and routines, links to specialised sites, and, whenever possible, new indicators or quantitative analysis (documented in SDDS format) produced on the basis of advanced statistical techniques.



## Free access to European statistics

**<http://www.europa.eu.int/comm/eurostat>**

This yearbook provides a selection of all data available in the Eurostat databases. Access to the full range of data with the most recent update is provided via the Eurostat website.

Consultation, seven days a week and 24 hours a day, of Eurostat's statistical information and data is possible. Information published on the Eurostat site is available in English, French and German and can be downloaded free of charge.

### **Eurostat databases are available free of charge online**

According to the needs of the user, there are two ways to access the data: a general user can find the data he/she is looking for via the tab 'tables' (predefined tables) on the home page, while a specialist can find more sophisticated data via the tab 'Data' (detailed databases) on the home page.

**Predefined tables** include **short-term economic data** (Euroindicators) available for the euro-zone, the EU and the Member States, **long-term indicators** on many areas of life, **structural indicators** covering the domains of employment, innovation and research, economic reform, social cohesion, and the environment and **sustainable development indicators** being developed to monitor, assess and review the EU's sustainable development strategy. A selection of the long-term indicators and structural indicators is published in the Eurostat yearbook.

The macroeconomic and social **detailed databases** were created for all those who require high-quality statistical information as an aid to decision-making. More than 300 million data are available. They are **subdivided into themes and subjects**. Links to the methodology, which follows the International Monetary Fund's (IMF) common 'special data dissemination standard (SDDS)', provide full information for specialised users. The database is **updated daily**.

### **Download electronic versions of Eurostat publications free of charge**

Eurostat's expert statisticians analyse their data to make them easier for users to understand. Everyone can download all Eurostat publications free of charge in **PDF format**.

Go to Eurostat's website and benefit from free access to Eurostat's databases, metadata and publications.

### **European statistical data support helps Internet users**

Eurostat set up with the members of the European statistical system a network of support centres, which exist in nearly all Member States as well as in some EFTA countries. Their mission is to provide help and guidance to Internet users of European statistical data.





## The European Union in the global context

### Get an idea of the EU's position in the world

Eurostat's data allow comparison between the EU and other parts of the world. They help in analysing its relation to other countries and economic zones. To locate the EU's position in the world, this section presents a statistical selection on the following:

- the EU population and its development relative to the world population;
- some economic indicators;
- the expenditure on information technology and telecommunication as well as the percentage of citizens who have Internet access at home;
- how much energy is being used to produce the GDP in different countries? The indicator 'energy intensity of the economy' gives the answer. Other environmental indicators are available.



### The world population from 1960 to 2003

Mid-year population in million persons

|                                     | 1960    | 1965    | 1970    | 1975    | 1980    | 1985    | 1990    | 1995    | 2000    | 2001    | 2002    | 2003    |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| World                               | 3 039.7 | 3 346.2 | 3 708.1 | 4 087.3 | 4 454.3 | 4 850.4 | 5 275.9 | 5 686.0 | 6 081.5 | 6 155.9 | 6 229.6 | 6 303.1 |
| More developed countries, of which: |         |         |         |         |         |         |         |         |         |         |         |         |
| EU-25                               | 910.4   | 961.6   | 1 003.2 | 1 044.9 | 1 080.8 | 1 111.5 | 1 143.0 | 1 171.8 | 1 193.5 | 1 196.8 | 1 199.9 | 1 203.1 |
| Japan                               | 378.0   | 395.1   | 406.9   | 418.4   | 427.0   | 432.6   | 444.0   | 446.9   | 451.5   | 452.3   | 453.6   | 455.7   |
| United States                       | 94.1    | 98.9    | 104.3   | 111.6   | 116.8   | 120.8   | 123.5   | 125.3   | 126.7   | 126.9   | 127.1   | 127.2   |
| Russian Federation                  | 180.7   | 194.3   | 205.1   | 216.0   | 227.7   | 238.5   | 250.1   | 266.6   | 282.3   | 285.0   | 287.7   | 290.3   |
|                                     | 119.6   | 126.5   | 130.2   | 134.3   | 139.0   | 144.0   | 148.1   | 148.1   | 146.7   | 146.0   | 145.3   | 144.6   |
| Less developed countries, of which: |         |         |         |         |         |         |         |         |         |         |         |         |
| China                               | 2 129.3 | 2 384.6 | 2 704.4 | 3 042.5 | 3 373.5 | 3 739.0 | 4 132.9 | 4 514.2 | 4 888.1 | 4 959.2 | 5 029.7 | 5 100.0 |
| India                               | 650.7   | 715.5   | 820.4   | 917.9   | 984.7   | 1 054.7 | 1 138.9 | 1 206.0 | 1 268.9 | 1 276.9 | 1 284.3 | 1 291.5 |
| Nigeria                             | 445.9   | 495.7   | 555.0   | 620.5   | 687.0   | 762.4   | 841.7   | 922.1   | 1 002.7 | 1 018.5 | 1 034.2 | 1 049.7 |
| Brazil                              | 39.9    | 45.0    | 51.0    | 58.5    | 68.8    | 77.6    | 88.5    | 101.0   | 114.3   | 117.1   | 119.9   | 122.8   |
|                                     | 71.7    | 83.1    | 95.7    | 108.8   | 123.0   | 137.3   | 151.1   | 163.5   | 175.6   | 177.8   | 179.9   | 182.0   |

Source (excluding EU-25): US Census Bureau.

### Shares in the world population from 1960 to 2003

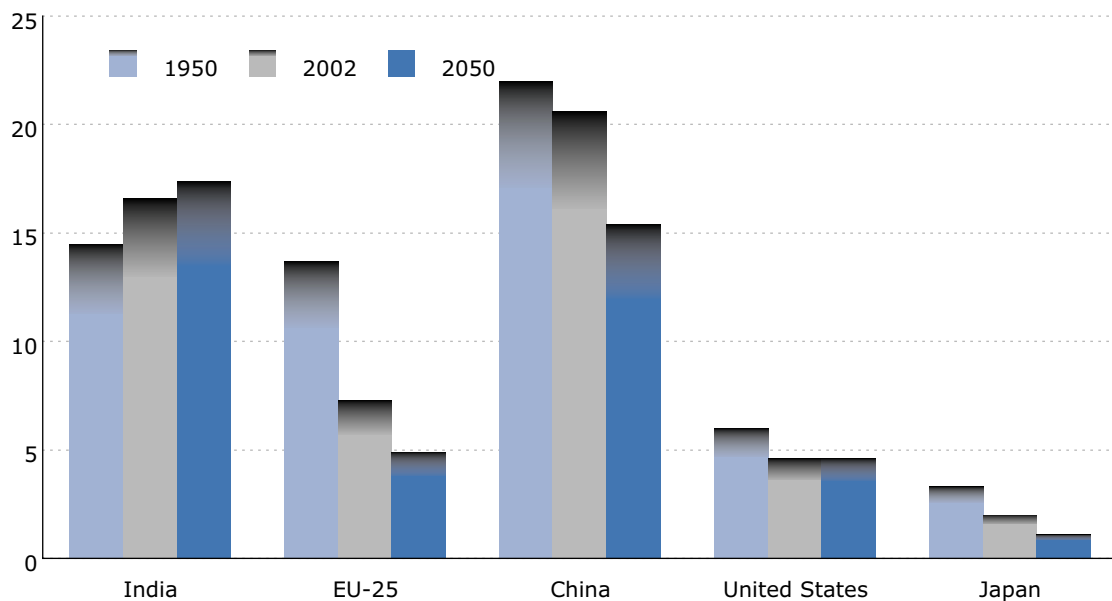
Mid-year population; in %

|                                     | 1960 | 1965 | 1970 | 1975 | 1980 | 1985 | 1990 | 1995 | 2000 | 2001 | 2002 | 2003 |
|-------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| World                               | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  | 100  |
| More developed countries, of which: |      |      |      |      |      |      |      |      |      |      |      |      |
| EU-25                               | 12   | 12   | 11   | 10   | 10   | 9    | 8    | 8    | 7    | 7    | 7    | 7    |
| Japan                               | 3    | 3    | 3    | 3    | 3    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| United States                       | 6    | 6    | 6    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Russian Federation                  | 4    | 4    | 4    | 3    | 3    | 3    | 3    | 3    | 2    | 2    | 2    | 2    |
| Less developed countries, of which: |      |      |      |      |      |      |      |      |      |      |      |      |
| China                               | 21   | 21   | 22   | 22   | 22   | 22   | 22   | 21   | 21   | 21   | 21   | 20   |
| India                               | 15   | 15   | 15   | 15   | 15   | 16   | 16   | 16   | 16   | 17   | 17   | 17   |
| Nigeria                             | 1    | 1    | 1    | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Brazil                              | 2    | 2    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |

Source (excluding EU-25): US Census Bureau.

### Share in the world population

In %



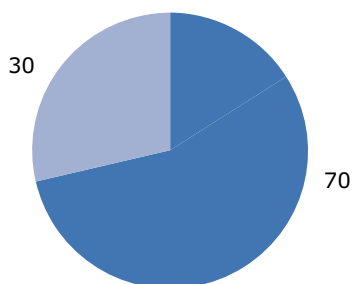
Source (excluding EU-25): US Census Bureau.

2050: forecast data.



### Share in the world population 1960

In %

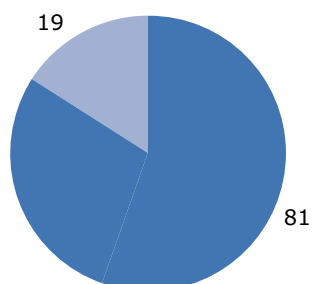


More developed countries  
Less developed countries

Source: US Census Bureau.

### Share in the world population 2003

In %



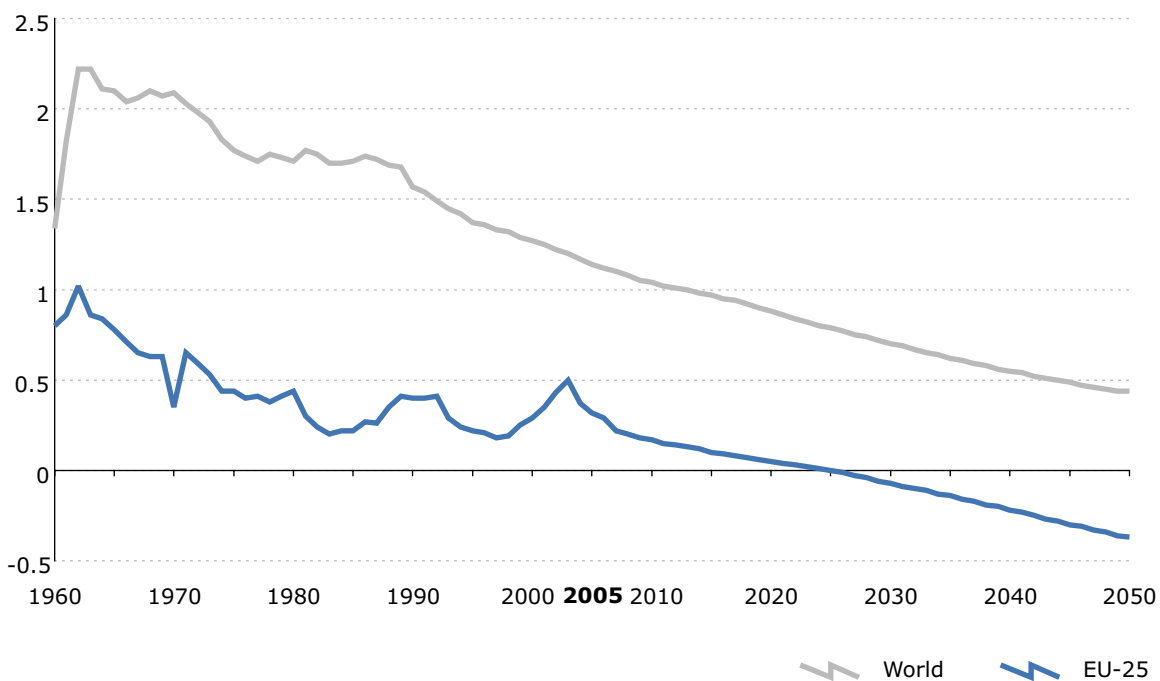
More developed countries  
Less developed countries

Source: US Census Bureau.

1

### Total population change in the world and the EU-25

Change to the preceding year; in %

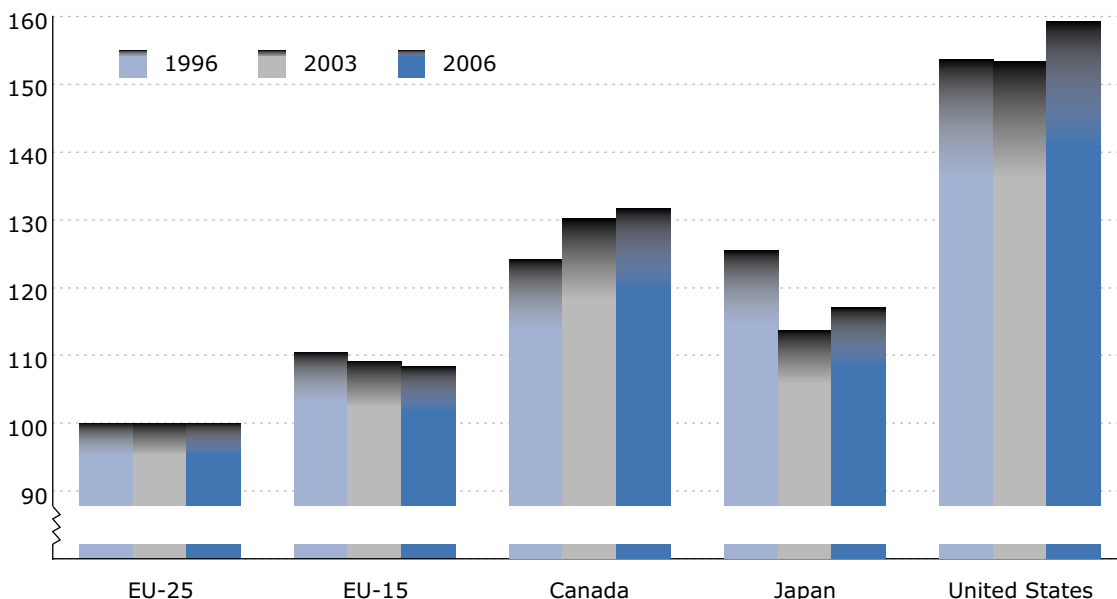


Source (excluding EU-25): US Census Bureau.

2006 to 2050: forecast data.

### Gross domestic product per capita in purchasing power standards

EU-25 = 100

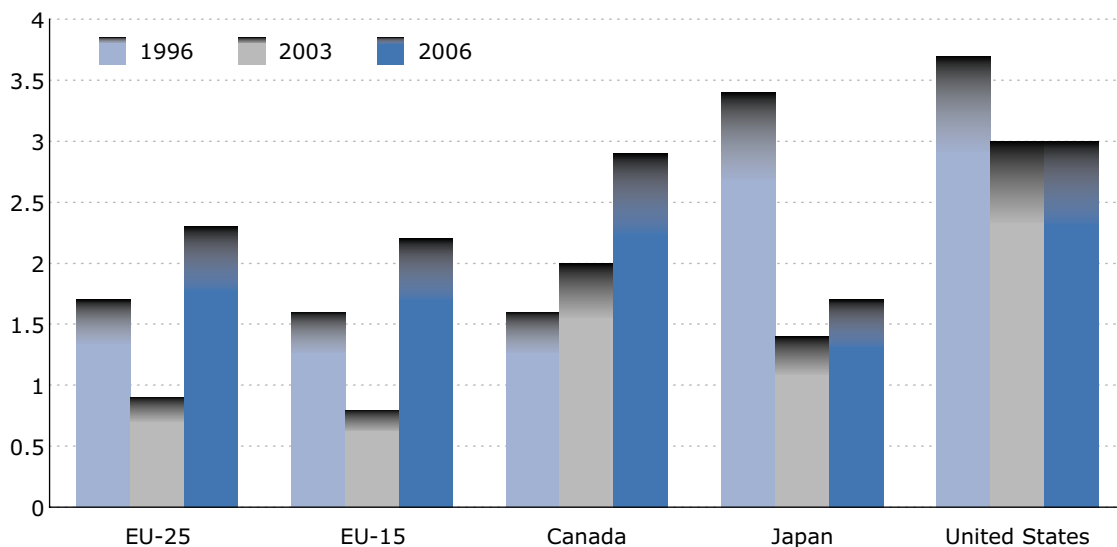


Includes forecast data.

Gross domestic product (GDP) is a measure for the economic activity. It is defined as the value of all goods and services produced less the value of any goods or services used in their creation. The volume index of GDP per capita in purchasing power standards (PPS) is expressed in relation to the European Union (EU-25) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head 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. Note that the index, calculated from PPS figures and expressed with respect to EU-25 = 100, is intended for cross-country comparisons rather than for temporal comparisons.

### Growth rate of the gross domestic product

Percentage change to the previous year; GDP at constant prices (1995)



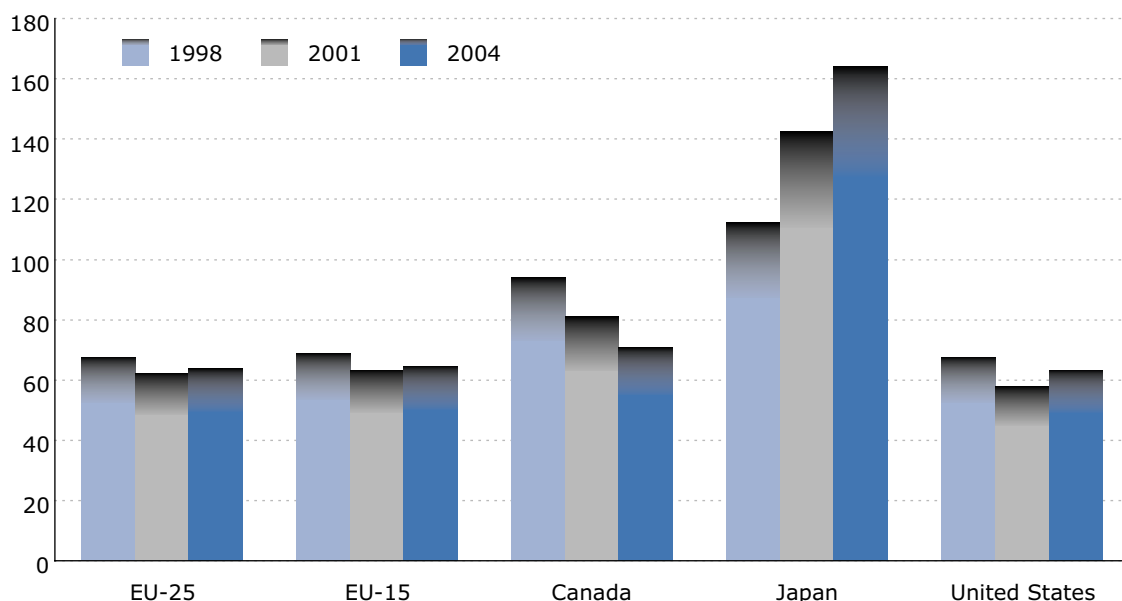
Includes forecast data.

Gross domestic product (GDP) is a measure for the economic activity in an economy. It is defined as the value of all goods and services produced less the value of any goods or services used in their creation. The annual growth rate of the GDP allows comparisons between economies of different sizes. Being calculated from figures at constant prices, it gives a good idea of economic development because it reflects volume movements only, i.e. price movements will not influence the growth rate.



### General government consolidated gross debt

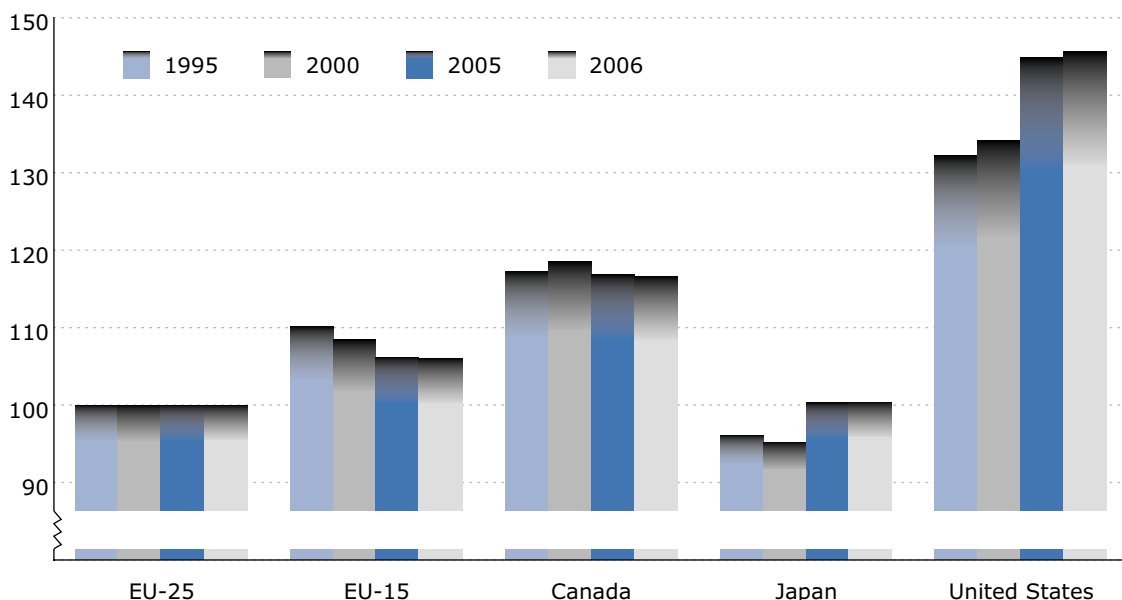
In % of GDP



The general government sector comprises the subsectors of central government, state government, local government and social security funds. GDP used as a denominator is the gross domestic product at current market prices. 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 national data for the general government sector are consolidated between the subsectors. Basic data are expressed in national currency, converted into euro using end-year exchange rates for the euro provided by the European Central Bank. Data are compiled on an accrual basis.

### Labour productivity

GDP in purchasing power standards per person employed relative to the EU-25 (= 100)

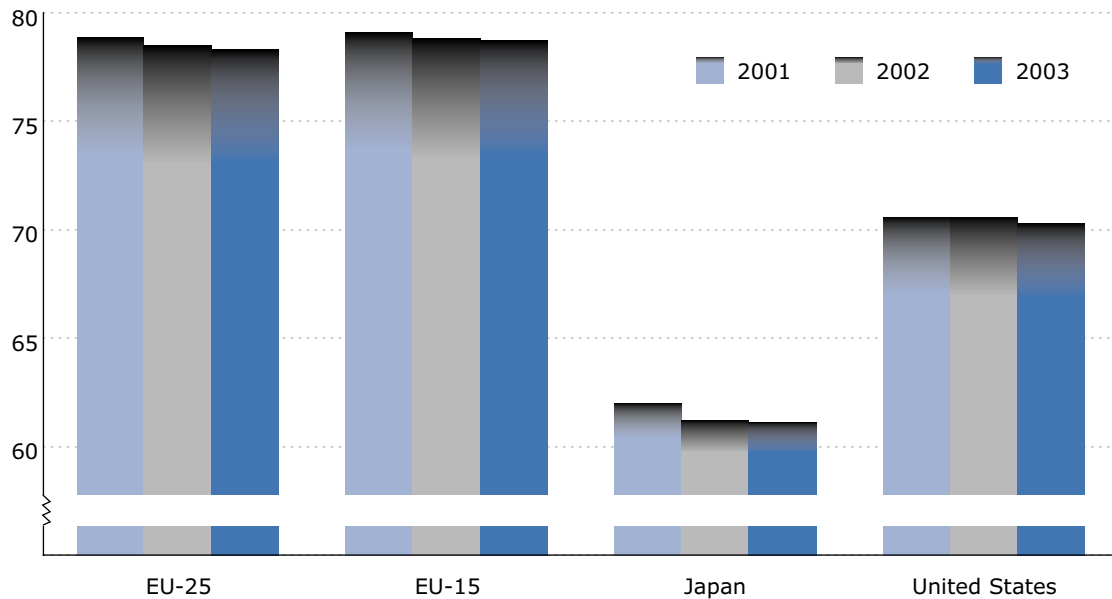


2005, 2006: forecast data.

Gross domestic product (GDP) is a measure for the economic activity in an economy. It is defined as the value of all goods and services produced less the value of any goods or services used in their creation. 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. Note that 'persons employed' does not distinguish between full-time and part-time employment.

### Tax rate on low-wage earners – Unemployment trap

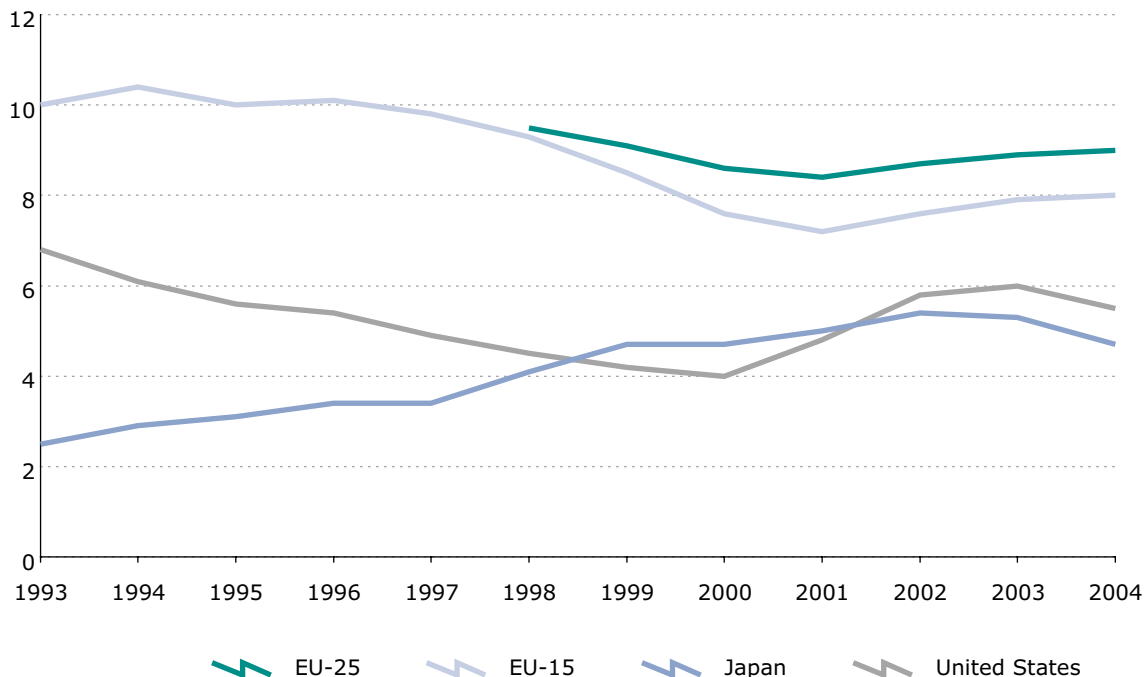
In %



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, when in work, 67 % of the average earnings of a full-time production worker in the manufacturing industry.

### Total unemployment rate

In %

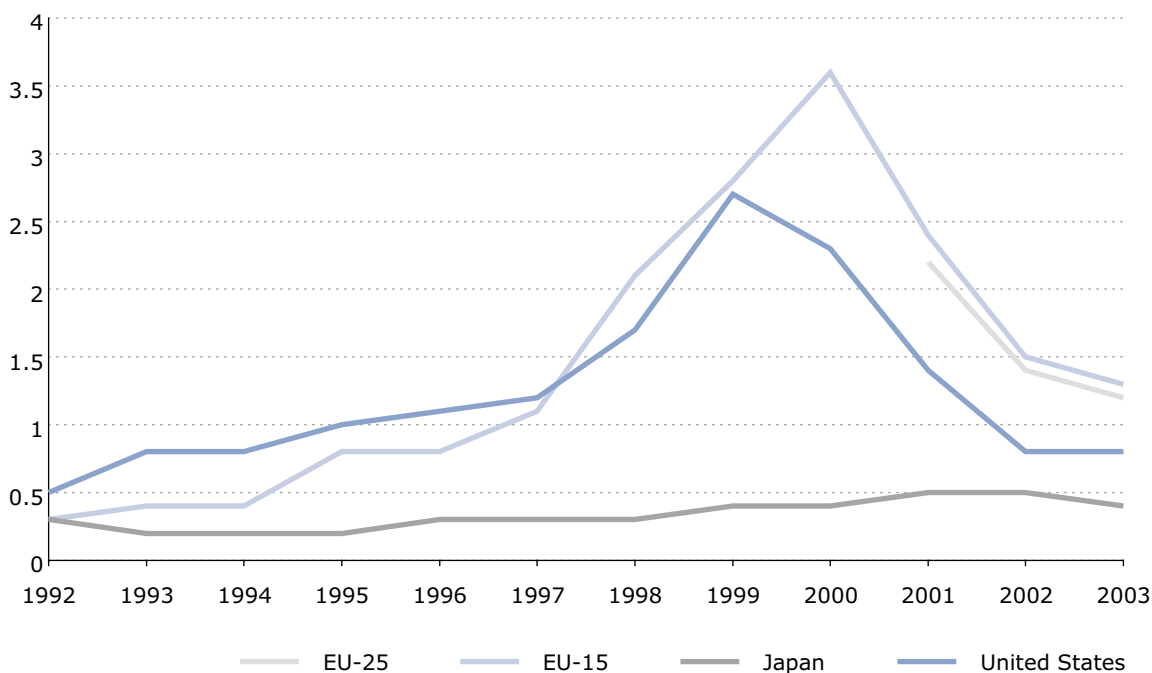


Unemployment rates represent unemployed persons as a percentage of the labour force. The labour force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 74 who were: (a) without work during the reference week, (b) currently available for work, i.e. were 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.



### Foreign direct investment intensity

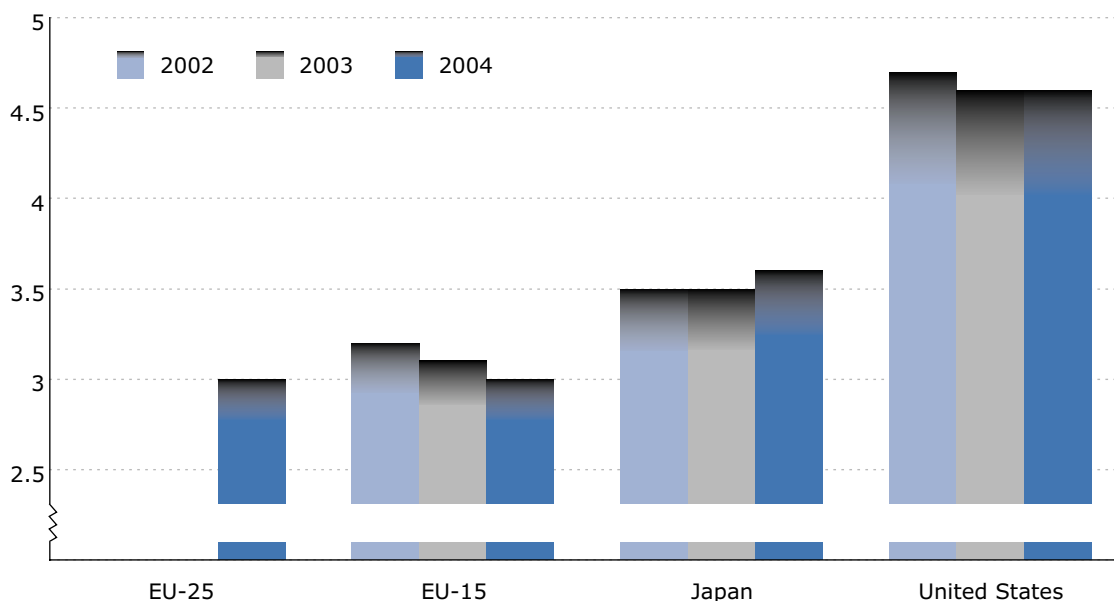
In %



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 a percentage of GDP to remove the effect of differences in the size of the economies of the reporting countries.

### Expenditure on information technology

In % of GDP

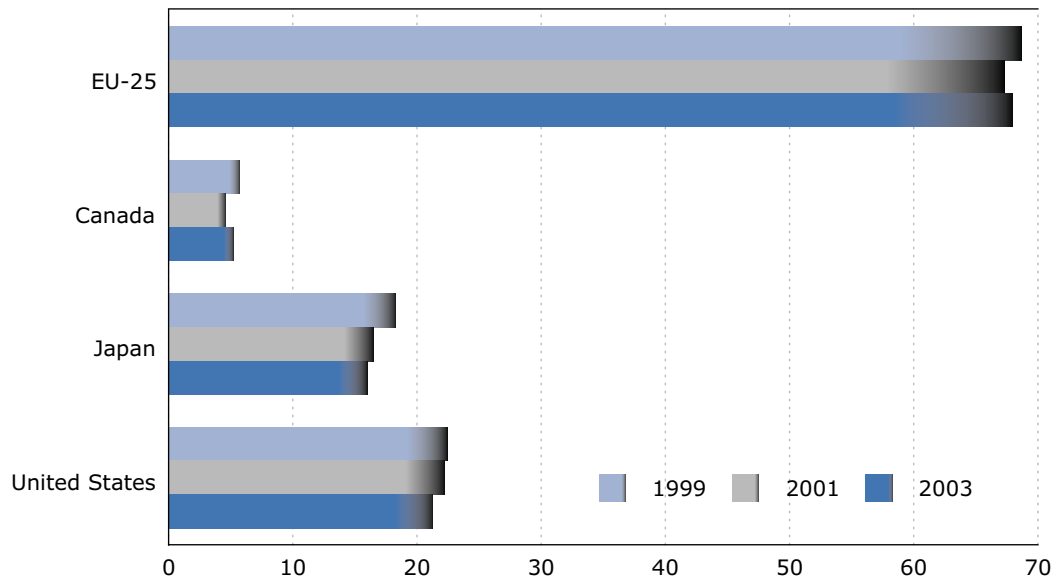


Expenditure on IT (information technology) hardware, equipment, software and other services as a percentage of GDP.

1

### Exports to EU countries

Share in total national exports (fob); in %

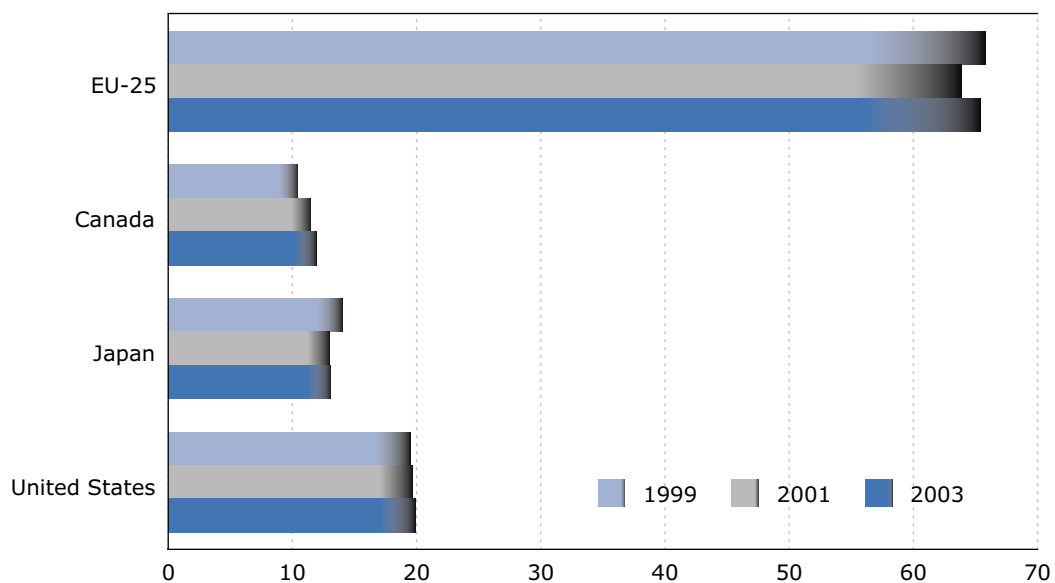


Sources: Eurostat, United Nations.

The graph shows the part of intra-EU exports of declaring countries expressed in value compared with their total exports.

### Imports from EU countries

Share in total national imports (cif); in %



Sources: Eurostat, United Nations.

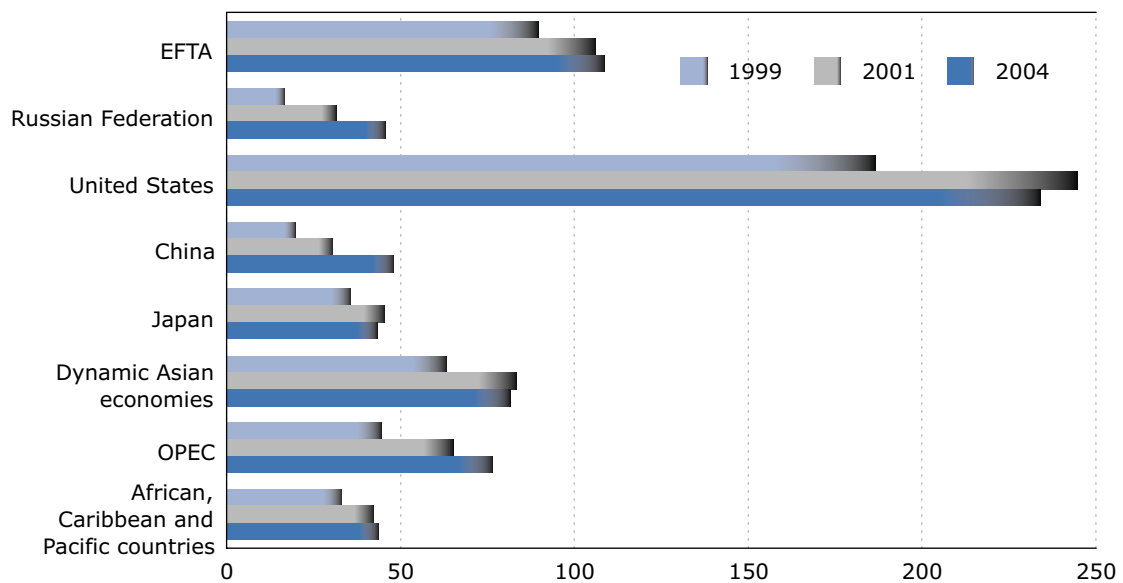
The graph shows the part of intra-EU imports of declaring countries expressed in value compared with their total imports.





**Extra-EU-25 exports – Main trading partners**

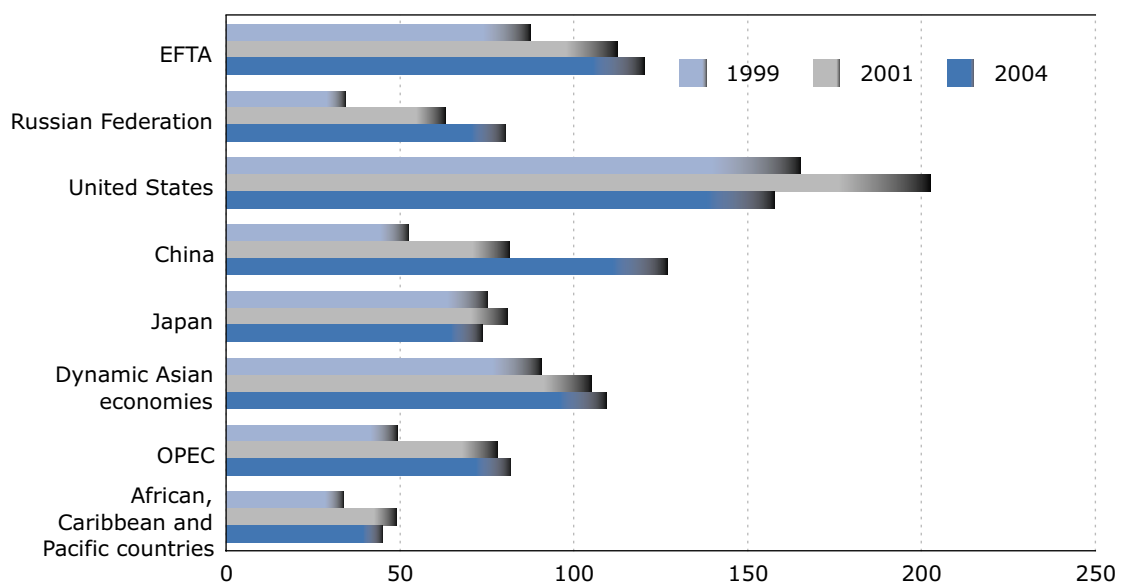
In 1 000 million ECU/EUR (fob value)



1

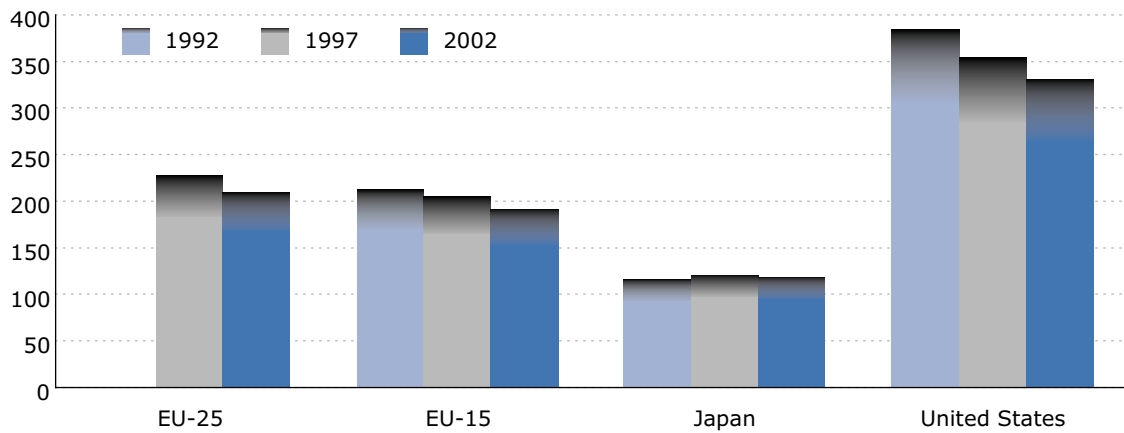
**Extra-EU-25 imports – Main trading partners**

In 1 000 million ECU/EUR (cif value)



### Energy intensity of the economy

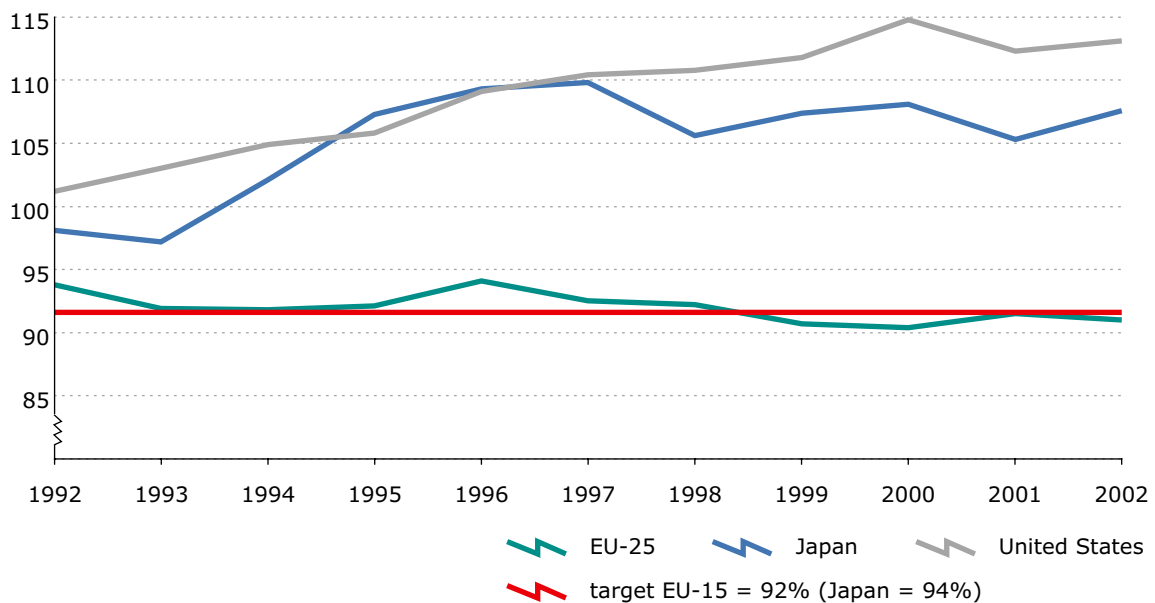
In kgoe per 1 000 EUR



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 1 000 EUR, this ratio is measured in kgoe per 1 000 EUR.

### Greenhouse gas emissions

Base year = 100



EU-25: estimated data.

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. The 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 2008–12 are shown in the graph as figures for 2010 (no target 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. 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 (HFCs, PFCs and SF<sub>6</sub>). Data exclude emissions and removals due to land-use change and forestry (LUCF).



## Data on Europe's regions

Comparable regional statistics, a major part of the European statistical system, have been collected for several decades. Eurostat's regional statistics cover the principal aspects of the economic and social life of the European Union, including demography, migration, regional accounts, employment and unemployment, health, tourism, agriculture, research and development, education, and so on. The concepts and definitions used are as close as possible to those used by Eurostat for the production or collection of statistics at national level.

The data can be directly accessed on Eurostat's dissemination website at

**<http://europa.eu.int/comm/eurostat/>**  
(there click on 'Data/Regions').

In order to produce regional data, a classification of regional territorial units is needed. In the European Union, this classification is the so-called 'NUTS classification', which, since 2003, has been based on a regulation <sup>(1)</sup>. NUTS is a hierarchical classification; it subdivides each Member State into a whole 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. NUTS favours institutional divisions. Therefore, 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, where we have loaded the NUTS classification and where you can also find maps of the NUTS regions (<http://europa.eu.int/comm/eurostat/ramon/nuts/>).

The regional statistics of Eurostat are not only available on its dissemination website, but also used each year to produce one of Eurostat's

most prominent publications: the regional yearbook. This consists of three language versions (English, French and German) and contains a series of sections examining individual regional themes. In each section, coloured maps, as well as graphs and commentaries, give the reader as full a picture as possible of the regional distributions of the indicator or combination of indicators studied. Users can access and manipulate the data electronically because they are stored on a CD-ROM that comes with the publication. The yearbook is produced each year in early summer and comes on the market by September.

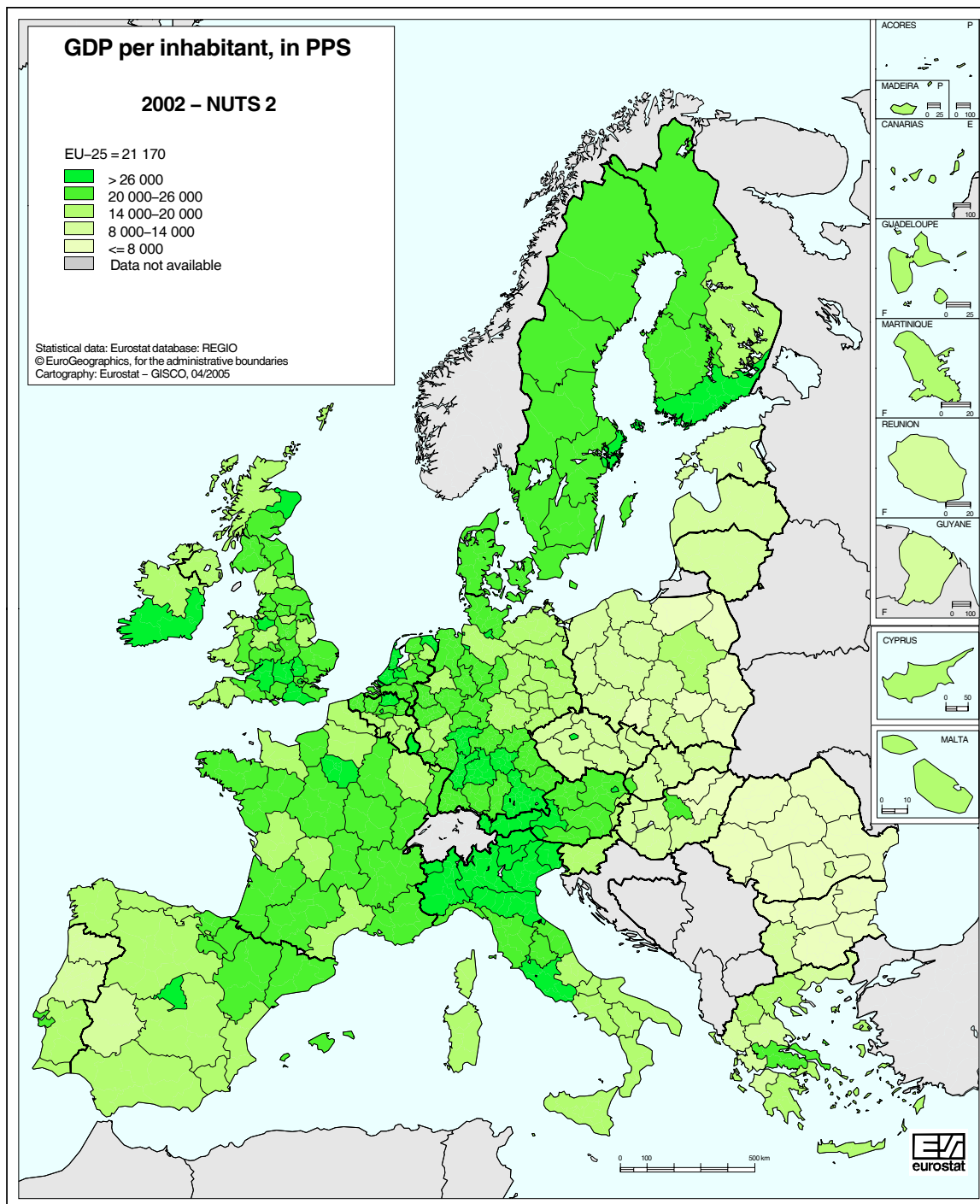
In addition, a reference guide is published each year in February, which gives exhaustive explanations of all the data series in the database, as well as methodological descriptions of NUTS and some key variables such as regional GDP and unemployment rates.

Both books can be downloaded from the Eurostat website as PDF files.

Regional statistics are used for a wide range of purposes, *inter alia* for allocating Structural Funds in a rational and coherent way. Every five to seven years, the Commission distributes over EUR 50 billion in order to foster economic and social cohesion in the European Union. In this context, regional data are used as an objective base for selecting eligible regions for funding, and for *ex post* analysis of the effects of the European structural policies.

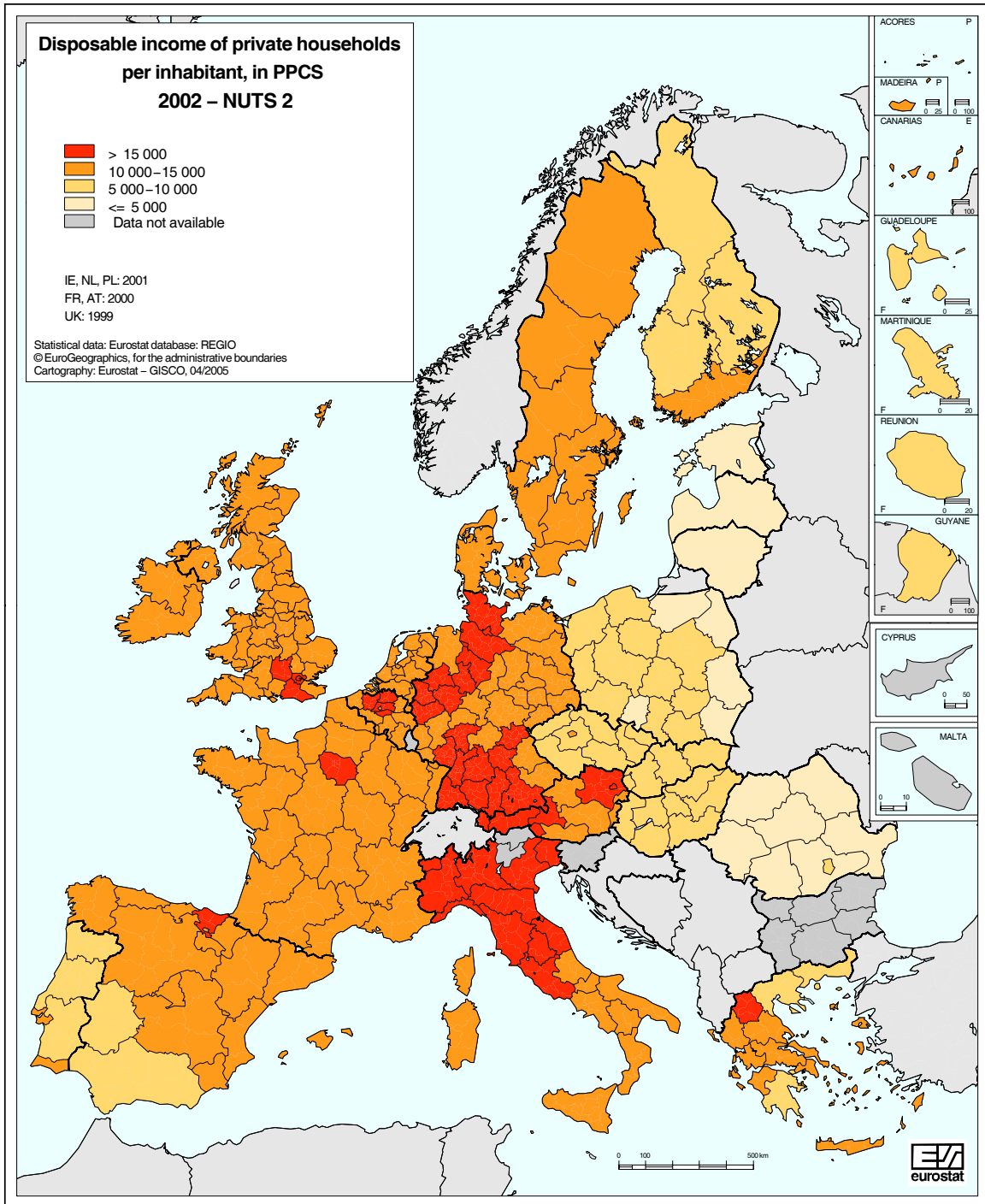
Since 2004, Eurostat has also possessed urban statistics, measuring with over 270 indicators the 'quality of life' in 256 European cities. Data are available for the core cities, the larger urban zones and — a reduced data set — for sub-city districts. This data can also be directly accessed on Eurostat's dissemination website under the same link as given above.

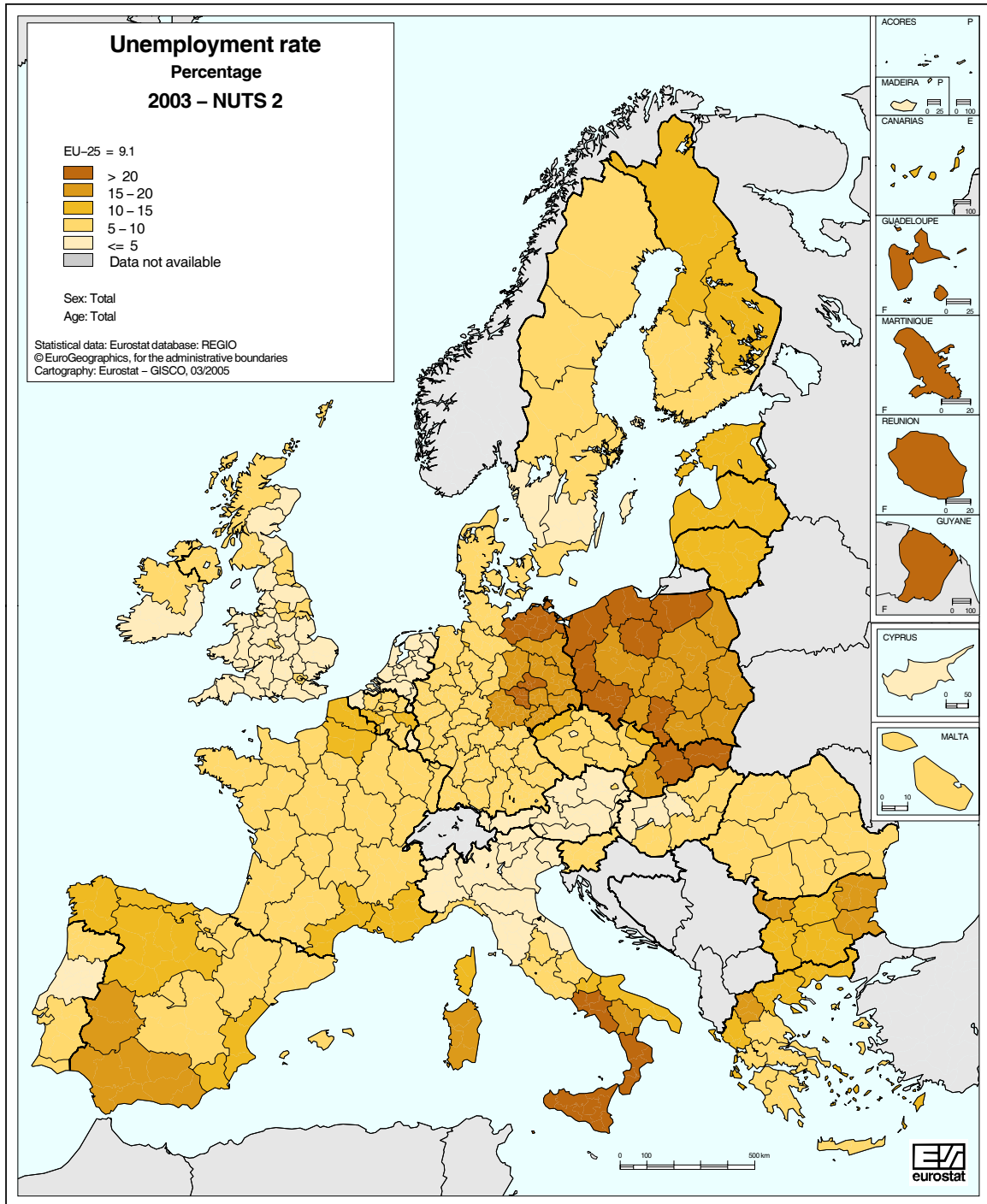
<sup>(1)</sup> Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS).

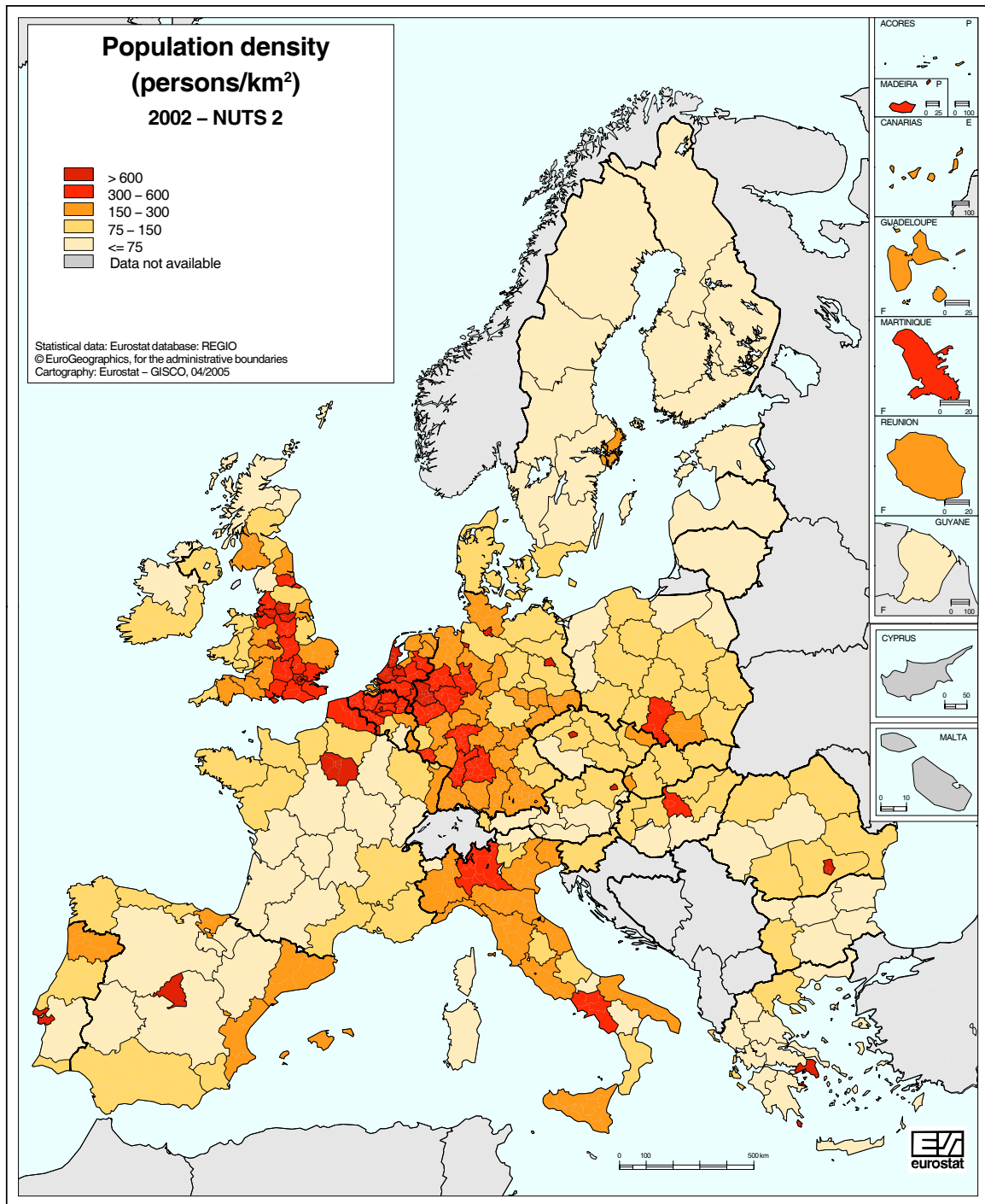


The four maps presented on this and the following pages illustrate the diversity of Europe's regions. They show that for many economic and social aspects, quite large variations can also be found within a given country, in partic-

ular 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 better off than the more rural areas.









## In the spotlight: information society

### The eEurope 2005 action plan: the way ahead for Europe's information society

The European Commission wants to provide a favourable environment for private investment and the creation of jobs, to boost productivity, modernise public services, and give everyone the opportunity to participate in the global information society. To this end, it has launched the eEurope 2005 action plan: it aims at stimulating secure services, innovative applications and content — accessible via a widely available broadband infrastructure.

The eEurope 2005 action plan focuses on seven 'eEurope policy priorities': broadband access, e-business (e-commerce), e-government, e-health, e-inclusion (digital divide),

e-learning, and security. This chapter puts 'the spotlight' on three of those: the digital divide, broadband access and e-commerce.

### Eurostat's data on the information society

Statistics on the information society are vital in order to monitor the implementation of the eEurope 2005 action plan. Eurostat has a central role in providing this information.

Eurostat's data on the information society allow trends to be examined and changes to be followed in different sectors of business and segments of society. The contributions in this 'spotlight' illustrate the potential of the Eurostat database. It has two outstanding advantages:

- it offers comparable and representative data throughout the European Union; and
- it is publicly available and free of charge.

### Cooperative data collection guarantees comparability

To benchmark the ICT-driven development, the European Commission established annual information society surveys on ICT use in enterprises and in households/by individuals from 2002. Eurostat provides the model questionnaires for these Community surveys which are then carried out by the national statistical institutes of the Member States. The model questionnaires include benchmarking indicators which have been established by the European Commission's eEurope action plans 2002 and 2005, respectively.





1

Eurostat works closely with the national statistical institutes and the OECD. Although survey participation is voluntary, most of the Member States have participated in the surveys including, from 2004 onwards, most of the new Member States as well as the candidate countries Romania, Bulgaria and Turkey. On 30 April 2004, the European Parliament and the Council adopted Regulation (EC) No 808/2004 covering the abovementioned surveys, which will ensure harmonised data for all EU-25 Member States. That regulation is a framework regulation: it allows a certain flexibility so the surveys can be adapted annually to encompass newly evolving needs by users and decision-makers.

At the outset, the surveys concentrated on access and connectivity. Over the years, however, the survey breakdowns have been enlarged to cover regional diversity, gender specificity and differences due to age and education which capture the digital divide and also enhance the

information on the benefits and problems encountered by using ICTs.

In addition, annual adaptations to fit user needs have been made, such as on specific sectors like the financial sector, or specific areas such as e-government, broadband access and the use of e-skills. These adaptations have become a major challenge: on the one hand, to ensure continuity for a list of background information and political indicators, and, on the other hand, to take up new areas without imposing too much of an additional burden on the respondents.

### The digital divide

During the past decade, information and communication technologies, commonly referred to as ICTs, became available for the larger public, in terms of accessibility as well as cost. However, there remains a gap between users and non-

users or, to use a wording common to inequality studies, between the haves and the have-nots. This so-called digital divide has several origins: from missing infrastructure or access, to missing incentives to use ICTs, to a lack of computer literacy or skills necessary to take part in the information society.

This section takes a closer look at the magnitude of this divide and some possible explanations for its existence, as well as looking at whether the gap is narrowing.

#### **Digital divides among households – the young and higher educated show greater take-up**

In 2004, on average 55 % of the households in the EU had a personal computer at home, while 42 % had a home



Internet connection. About one in three connected households had a broadband connection to the Internet.

As expected, the presence of children in the household has an important impact on the take-up of ICTs. A personal computer can be found in 71 % of all households with children but only in 48 % of all childless households. To a lesser extent, the same goes for the presence of an Internet connection.

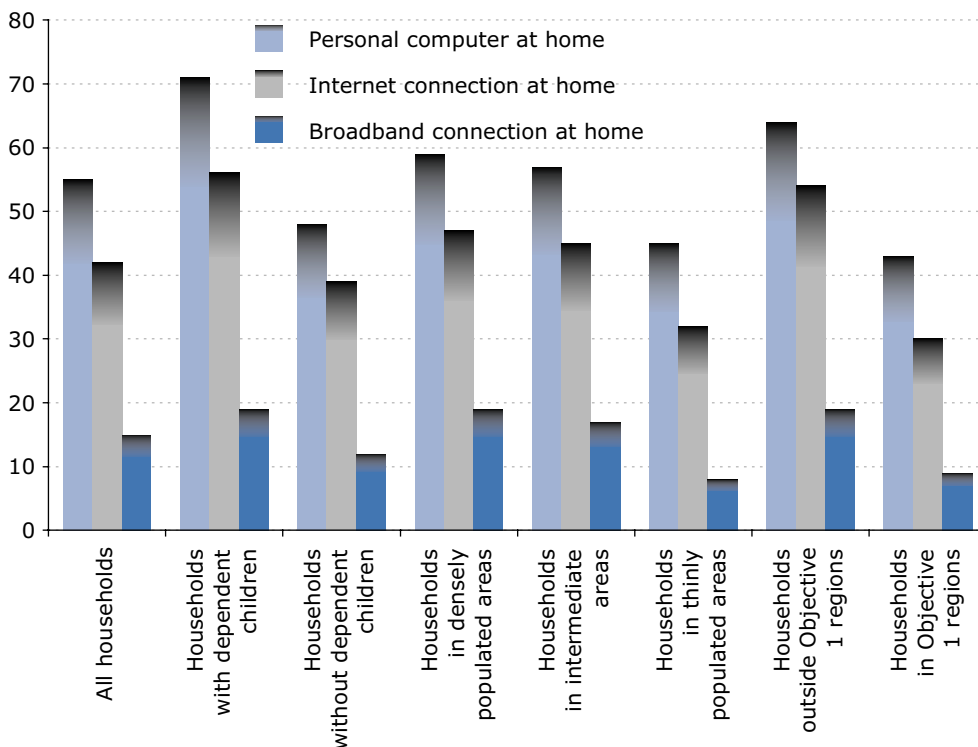
When looking at the regional dimension, we see that the degree of urbanisation plays an important role in the access to, or use of, ICTs. The penetration of computers and especially of the Internet remains lower in thinly populated, rural areas throughout the European Union. Furthermore, there appears not only to be a divide between the haves and the have-nots but also within the haves: a divide between the have-more and the have-less groups can be observed. In rural areas, only one in four con-

nected households has a broadband connection while this ratio is about four in ten in other areas. The availability of broadband technology in remote areas probably plays a role in this discrepancy. A similar phenomenon is observed when comparing economically prosperous regions with relatively poorer regions (regions whose development is lagging behind and which are eligible for support from the EU's Structural Funds under Objective 1, i.e. regions whose GDP per capita is below 75 % of the EU average). Internet penetration is almost double (54 % compared with 30 %) in the relatively prosperous regions of the Union.

Based on data collected in 12 countries <sup>(1)</sup>, the main reasons why people did not have Internet access at home in 2004 appears to be that the access and/or equipment costs are too high and they lack the skills to use the Internet. Factors such as security or privacy concerns tend to play a less important role.

**Households' access to ICTs, EU-25, in 2004**

As percentage of total number of households with at least one member aged 16 to 74



Missing: Belgium, the Czech Republic, Malta, the Netherlands, Slovakia, Sweden.  
 Missing for broadband: France, Italy.  
 Missing for with/without dependent children: Denmark, Spain, France.  
 Missing for degree of urbanisation: Spain, Ireland, Poland, the United Kingdom.  
 Missing for Objective 1/non-Objective 1 regions: France.

<sup>(1)</sup> Denmark, Greece, Cyprus, Latvia, Luxembourg, Hungary, Austria, Poland, Portugal, Slovenia, Norway, Turkey.

### Digital divides among individuals

On average, 56 % of the citizens in the age group 16 to 74 use computers while some 48 % use the Internet and 19 % buy goods or services online <sup>(1)</sup>. However, when looking at the different subgroups of society, important divides are observed.

While there seems to be no significant gender gap, age plays a major role in the digital divide: 75 % of the individuals under 24 use the Internet against only 12 % in the oldest age group (65 to 74 years). With increasing age, the use of computers and the Internet gradually decreases, but among citizens aged over 54 the decrease appears to be particularly high. This can partly be explained by the fact that people in this age group might miss the skills to use modern tools. On the other hand, an important

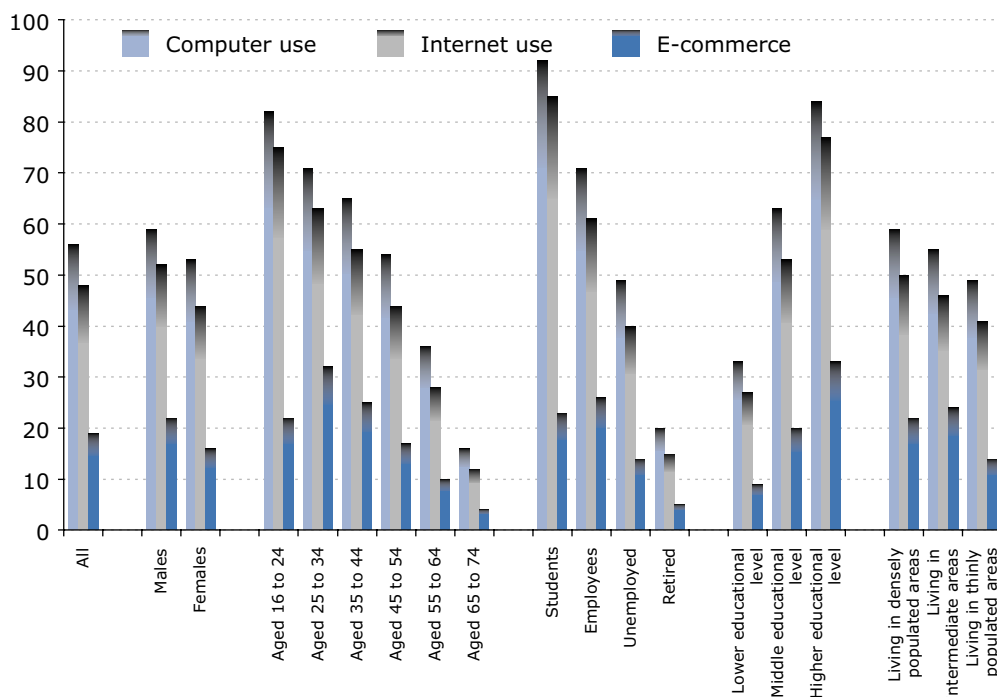
part within this group may have left the labour market (and their work access to ICTs).

Additional evidence for this last hypothesis is found in the relatively low use of ICTs among retired persons. Going further into the breakdown by employment situation, the take-up of ICTs is highest among students. The figures for unemployed persons seem to be only slightly less than the overall average.

Among higher educated persons (i.e. persons who finished some tertiary education), the use of computers and the Internet is respectively 2.5 and 3 times higher than among lower educated persons (i.e. persons whose highest educational level is lower secondary or less). For shopping online, the ratio is 3.5, which could be explained by the higher educated having a higher disposable income.

### Individuals' use of computers, the Internet and e-commerce, EU-25, in 2004

As percentage of total number of individuals aged 16 to 74

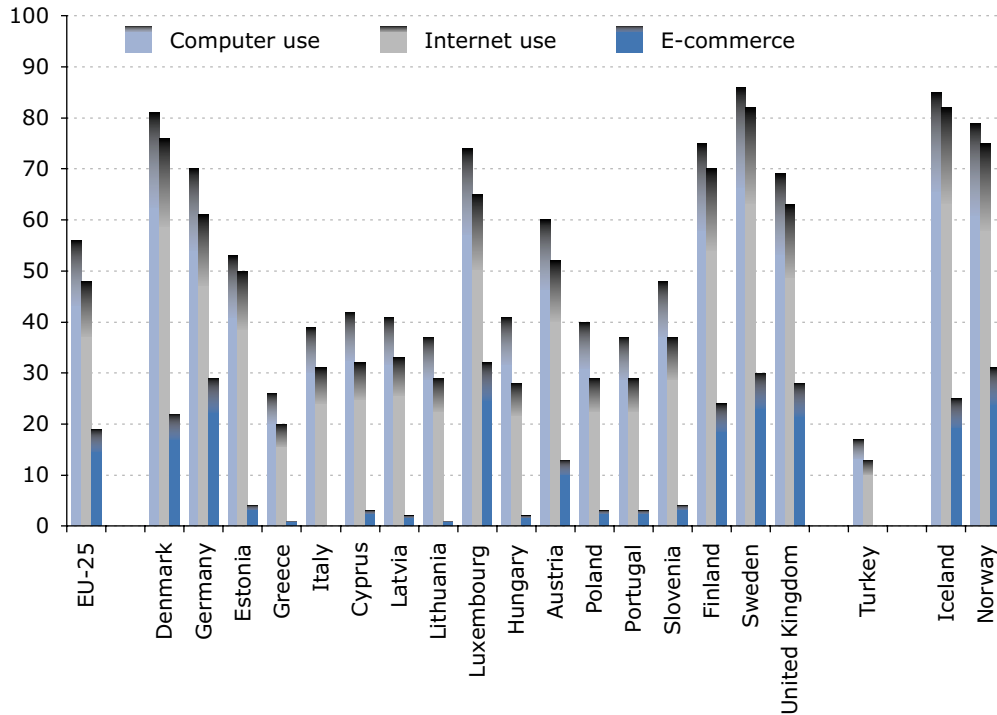


<sup>(1)</sup> 'Use' refers to use in the three months preceding the interview (except Denmark: last month before the interview).  
Missing: Belgium, the Czech Republic, Spain, France, Ireland, Malta, the Netherlands, Slovakia.  
Missing for e-commerce: Italy.

<sup>(1)</sup> The use of the Internet for buying goods and services online is particularly high in Germany and the UK. Excluding these two Member States, the average percentage for the remaining countries drops to 8 %.

## Individuals' use of computers, the Internet and e-commerce, by country, in 2004

As percentage of total number of individuals aged 16 to 74



'Use' refers to use in the three months preceding the interview (except Denmark: last month before the interview).  
Missing for the EU-25: Belgium, the Czech Republic, Spain, France, Ireland, Malta, the Netherlands, Slovakia.  
Missing for e-commerce: Italy.

The participation in e-commerce tends to be relatively lower in densely populated areas. The proximity of a wide range of shops for persons living in urban areas can be a logical explanation. A similar phenomenon of relatively low online shopping can be seen for students and younger persons (16 to 24); for these groups of the population, the budgetary constraints probably play a leading role.

A clear gap can be detected between the Nordic countries, Germany, Austria, Luxembourg and the UK, on the one hand, and the Mediterranean countries and new Member States, on the other hand. The new Member States show particularly low participation in e-commerce compared with their take-up of Internet use.

### Digital divides among businesses – small versus larger enterprises

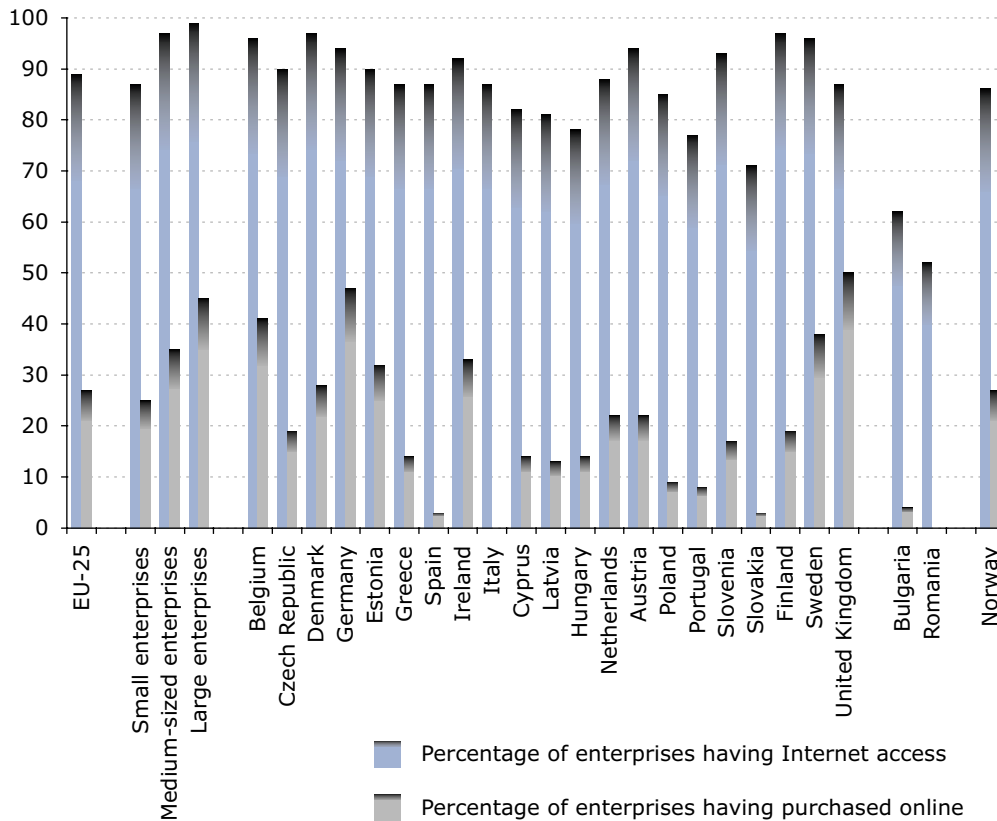
Although the digital divide usually refers to a gap in participation in the information society between different groups of persons, the discussion can be expanded to a business environment. On average, 89 % of the European enterprises <sup>(1)</sup> have an Internet connection. Virtually all large enterprises (250 or more employees) are now connected to the Internet. Among small enterprises (10 to 49 employees), around seven in eight enterprises have an Internet connection. Within the group of small enterprises connected to the Internet, about 25 % made purchases online. Among large enterprises, this percentage climbs to 45 %, which could be explained by the fact that larger enterprises generally have more advanced networks, allowing for systems such as EDI.

<sup>(1)</sup> Enterprises with 10 or more employees; the following economic activities are generally covered: manufacturing; construction; distributive trades; hotels, camping sites and other provision of short-stay accommodation; transport and communication; real estate, renting and business activities; motion picture and video activities, radio and television activities.

**Enterprises' access to the Internet (2004) and online purchases (2003), by enterprise size and by country**  
As percentage of total number of enterprises



1



Including both purchases over the Internet and via other networks. No data available for Italy and Romania.  
Missing: France, Luxembourg, Malta.  
Missing for e-commerce: Italy, Romania.

Comparing countries across Europe, no large deviations are observed. In general, the penetration of the Internet tends to be lower in the new Member States and in the Mediterranean countries. For the latter group, the structure of the economy — typically with lots of small enterprises — surely affects the take-up of the Internet by businesses.

Online purchases by enterprises appear to be important in Germany and the UK where more than half of the businesses with an Internet connection tend to purchase goods or services online. The same two countries top the chart relating to citizens presented earlier in this section.

**Bridging the digital divide**

A frequently mentioned origin of the digital divide is the threshold in terms of access to ICTs

(availability as well as costs). One approach to overcome such a barrier is to use, for example, the Internet at places other than the home, for instance in the office, at school or in public places.

In the graph below, we see that almost one in four Internet users (23 %) only uses the Internet outside their home (most probably because they do not have a home connection). For some segments of society who are generally considered to be relatively more deprived of the information society, we see that alternative places offer the possibility to go online. This is clearly the case for people living in economically poorer regions in Objective 1 regions and for lower educated people. Even for unemployed persons, access outside the home appears to be of importance although this group has de facto no access at the workplace (the most common alternative place for Internet access).



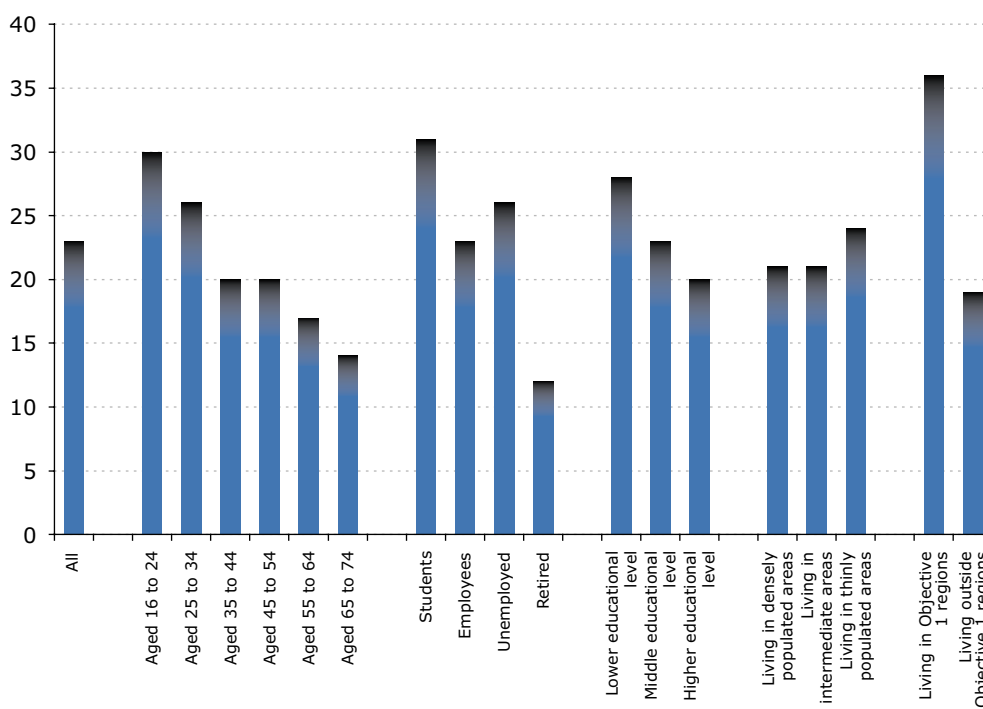
1

Older age groups — and a fortiori retired persons — are not inclined to use the Internet outside their home environment, but 3 in 10 per-

sons in the youngest age group access the Internet at places other than the home.

**Individuals' access to the Internet outside their home, EU-25, in 2004**

As percentage of total number of Internet users



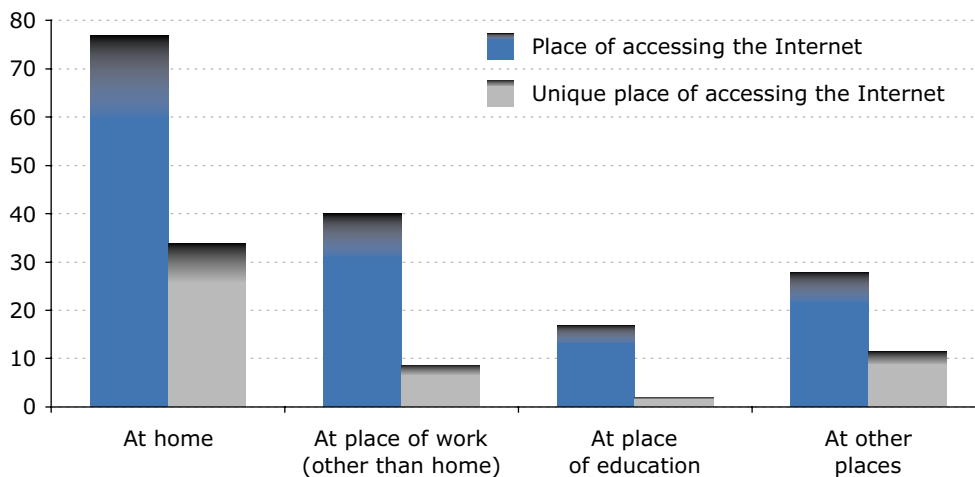
Missing: Belgium, the Czech Republic, Spain, France, Ireland, Malta, the Netherlands, Slovakia.  
Missing for degree of urbanisation: Poland, the United Kingdom.

When looking in more detail at where EU citizens access the Internet, we see that home access is the dominant way (77 % of the Internet users), followed by access at the place of work (40 %). Taking into account that only a small proportion of the population is still at school,

access at a place of education seems to be relatively important (17 %). Within the other places of Internet access, the use of neighbours', friends' or relatives' Internet connection tends to be the most popular (22 %).

**Individuals' access to the Internet, by place of access and by unique place of access, EU-25, in 2004**

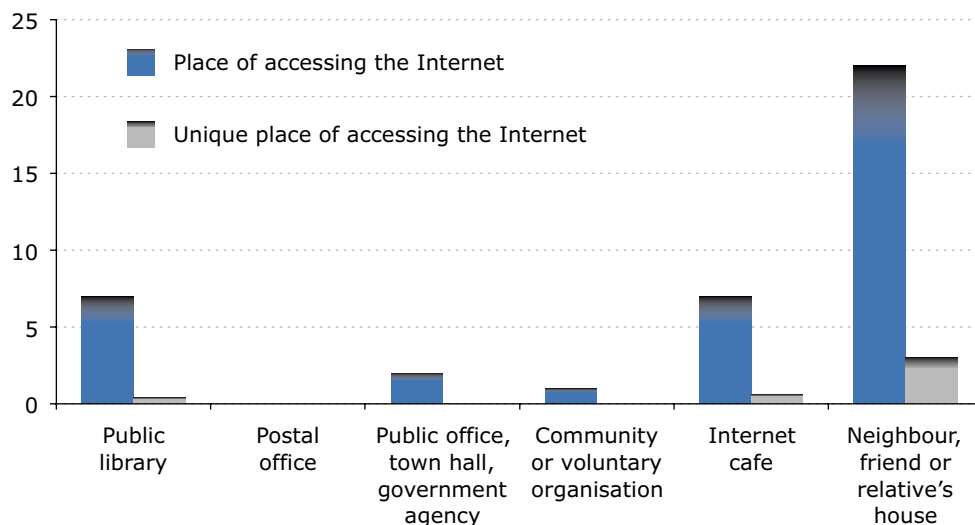
As percentage of total number of Internet users



Missing: Belgium, the Czech Republic, Spain, France, Ireland, Malta, the Netherlands, Slovakia.  
All breakdowns for 'other places' missing for Italy, Slovenia and Sweden.

**Individuals' access to the Internet, by place of access and by unique place of access, EU-25, in 2004**

As percentage of total number of Internet users



Missing for public library: Germany.  
Missing for postal office: Germany, Estonia, Greece, Luxembourg, Hungary.  
Missing for public office, town hall, government agency: Germany, Estonia, Greece, Hungary, Luxembourg.  
Missing for community or voluntary organisation: Germany, Estonia, Luxembourg



In terms of the digital divide, it is more meaningful to see to what extent certain places are the only way of accessing the Internet as this can be seen as an indicator of how much such places can help to include additional citizens in the information society, in other words help to narrow the digital divide. Only few alternative places seem to make a significant contribution – namely, place of work (9 %), place of education (2 %) and neighbours', friends' or relatives' home (3 %) – which means that the abovementioned 23 % of individuals who are not accessing the Internet at home generally use more than one alternative entry to the Internet.

The graph shows that in the EU about 7 % of the Internet users do so in Internet cafes, but only a few people utilise this possibility. However, in Turkey (not shown in the graph), more than 40 % of the Internet users go to Internet cafes and for almost two thirds this is the only place where the Internet is accessed.

The graphs below show the degree of convergence of the different subpopulations, namely the evolution of the gap over time, by comparing the 'upper' and 'lower' subgroups on some selected characteristics.

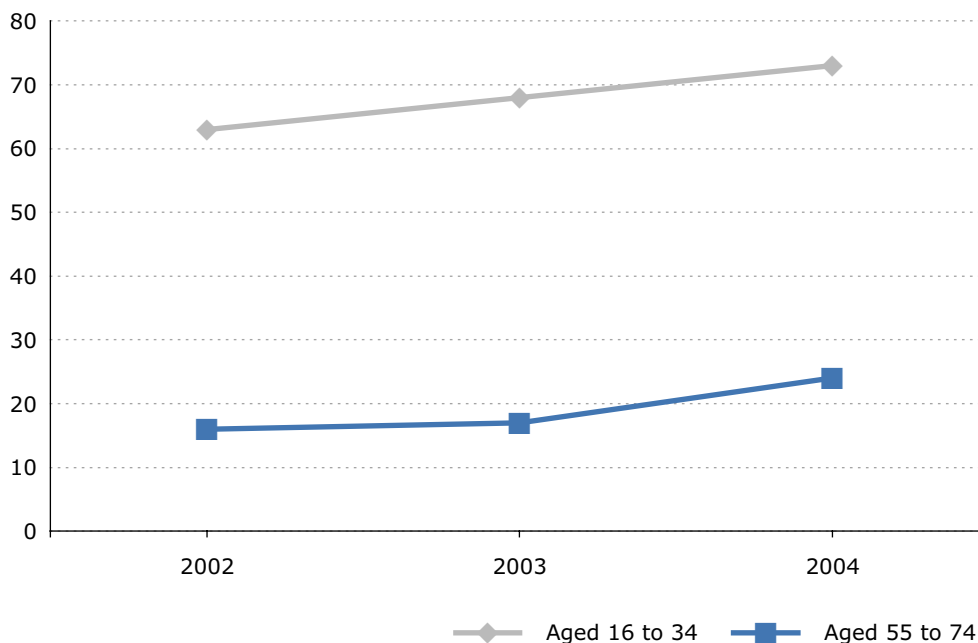
For households and individuals, the results show that although Internet use is growing within all of the societal groups considered (younger versus older, lower educated versus higher educated, poorer versus more prosperous regions), the difference or gap between groups tends to be rather stable over time in terms of percentage points. However, the relative divide decreases slightly; for example, while there were four times as many Internet users in the age group 16 to 34 years (63 %) compared with the group 55 to 74 years (16 %) in 2002, this ratio had dropped to three by 2004 (73 and 24 % respectively).

Among enterprises, we see that the divide between small and large enterprises is closing, partly because the latter have reached saturation point.

1

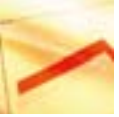
### Percentage of individuals using the Internet, by age group

Younger versus older

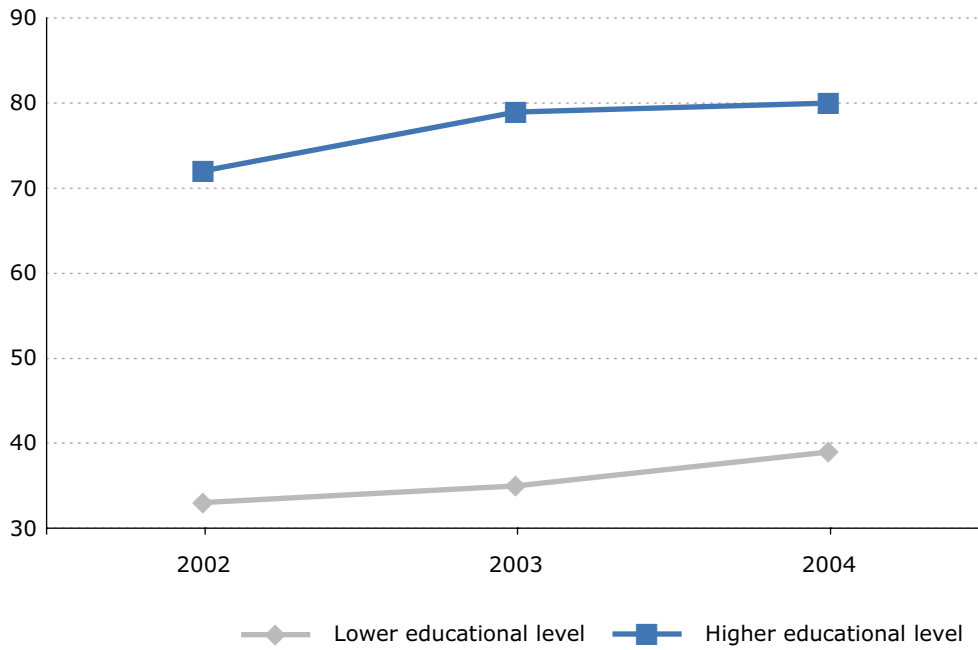


The figures are based on a subset of countries for which data are available for all three years: Denmark, Germany, Greece, Italy, Luxembourg, Austria, Portugal, Finland, Sweden, the United Kingdom.





**Percentage of individuals using the Internet, by educational level**  
Lower versus higher



The figures are based on a subset of countries for which data are available for all three years: Germany, Greece, Luxembourg, Austria, Finland, Sweden, the United Kingdom.

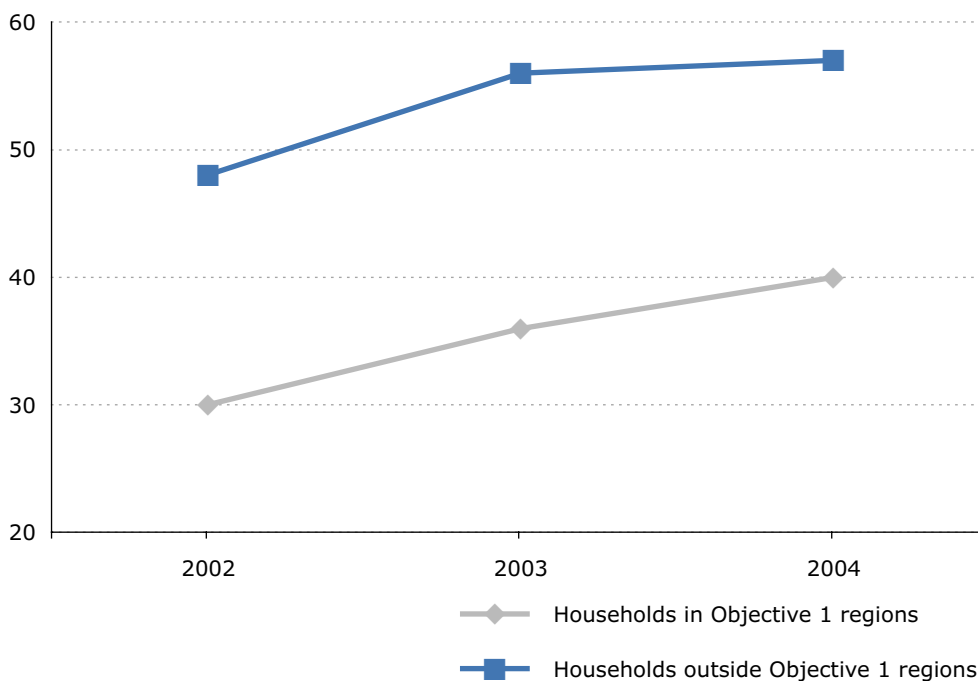


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### Percentage of households connected to the Internet, by regions

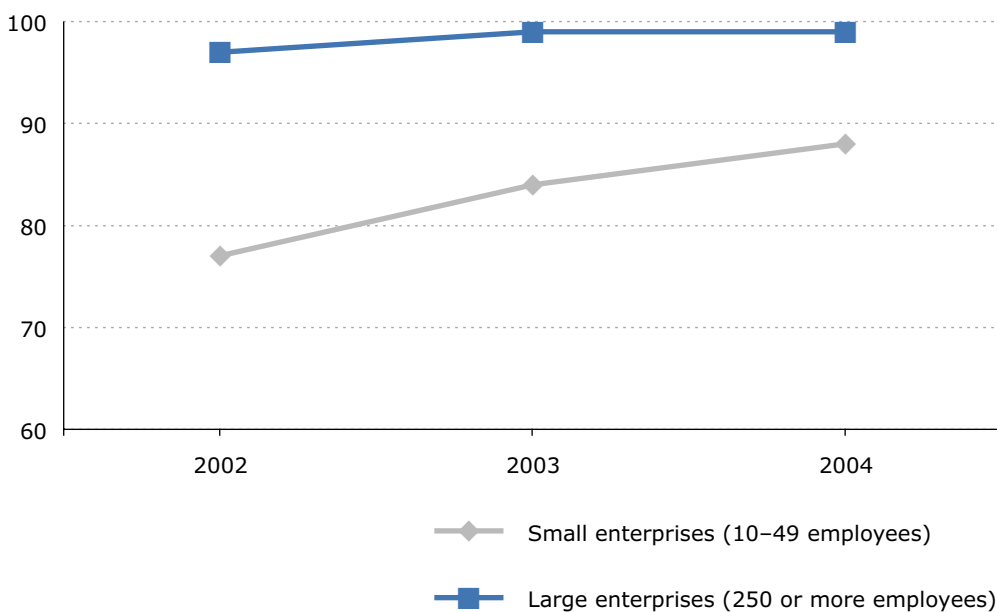
Objective 1 versus other



The figures are based on a subset of countries for which data are available for all three years: Denmark, Germany, Greece, Luxembourg, Finland.

### Percentage of enterprises using the Internet, by size class

Small versus large



The figures are based on a subset of countries for which data are available for all three years: Denmark, Germany, Greece, Spain, Ireland, Italy, the Netherlands, Austria, Portugal, Finland, Sweden, the United Kingdom, Norway.

## Broadband

Governments worldwide are increasingly realising that broadband access to the Internet will be central to the economic development of their countries. Wide availability of broadband communication would have a significant impact on their economy, and several EU Member States have started reviewing the situation regarding broadband on their territory. Widespread and affordable broadband access is deemed by policy-makers to be essential to realising the potential of the information society with the potential to narrow the discrepancies outlined in the previous digital divide section. Broadband technologies offer the users the possibility to rapidly transfer large volumes of data and keep the access line open. Access to broadband is highlighted here from three points of view:

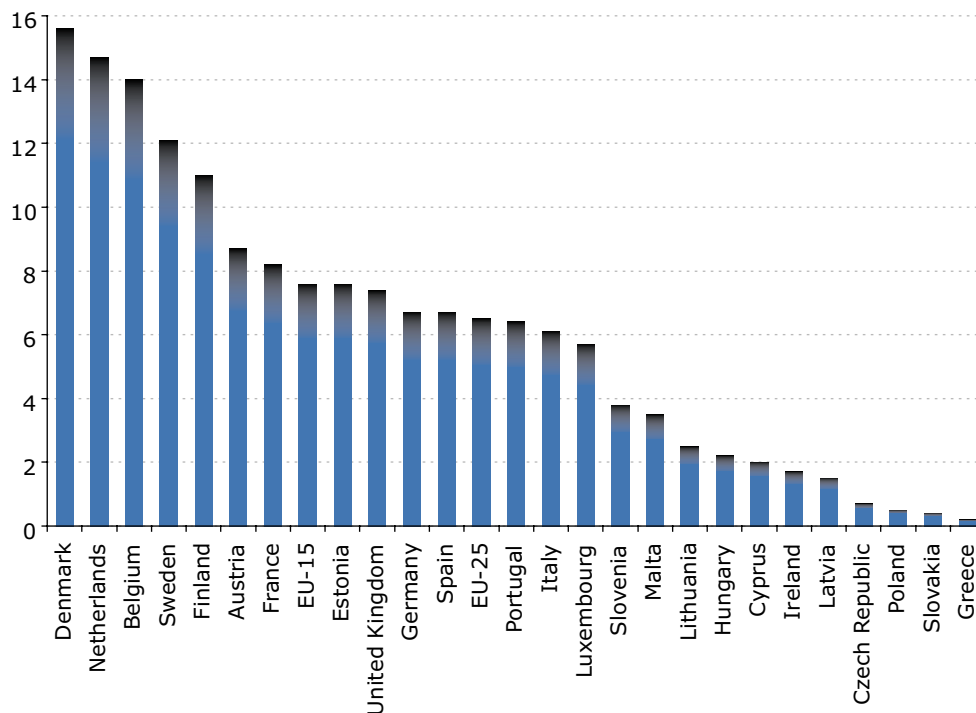
- as the total number of broadband access lines related to the population;
- as the share of enterprises having broadband access further specified according to enterprise size and activity class;
- as the share of households with broadband access specified according to whether or not there are dependent children in the household.

### Broadband – overall penetration rate

Penetration of broadband lines in relation to the population in July 2004 is shown in the graph below. The Nordic countries, Belgium and the Netherlands have the highest penetration rates. In all countries, the rate has more than doubled from 2002 to 2004.

**Broadband penetration rates, July 2004**

In %



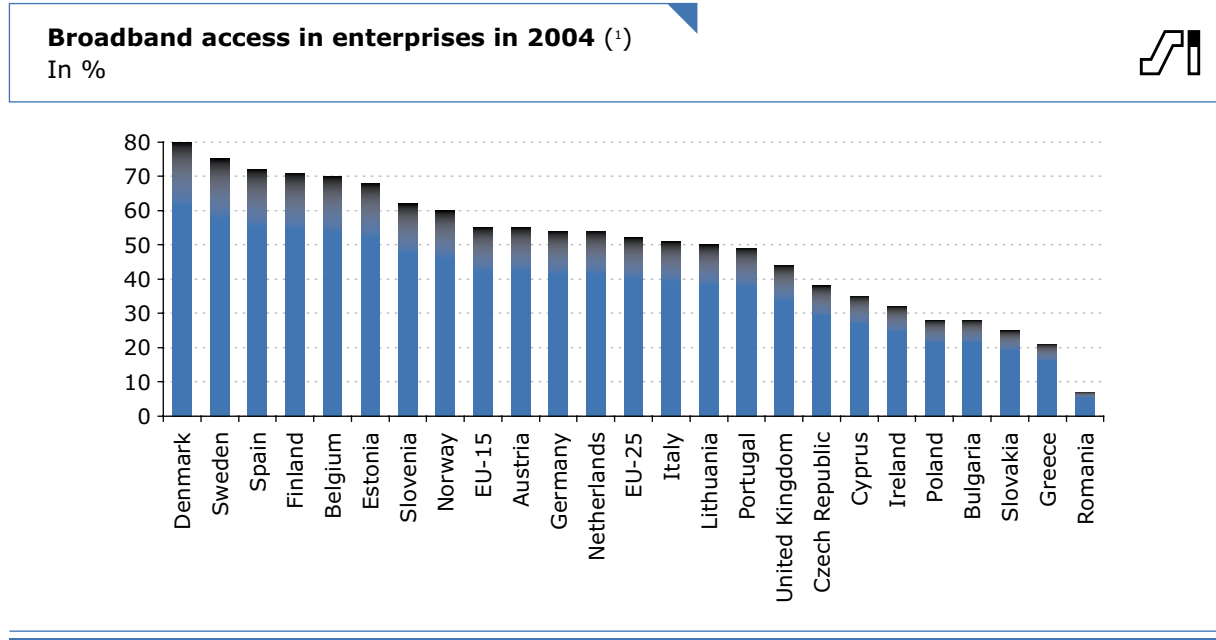


### Broadband in enterprises

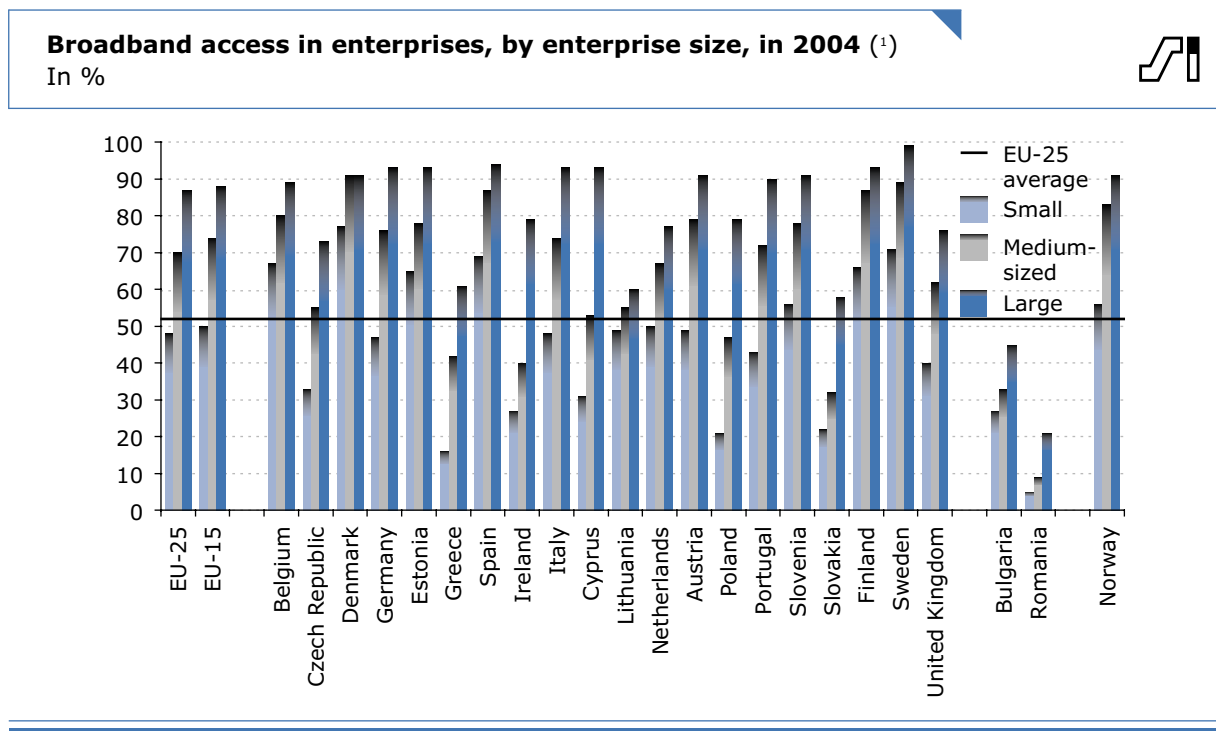
The share of enterprises with broadband access in January 2004 is shown in the graphs below. Not surprisingly, the larger enterprises have higher rates than the smaller ones. The Nordic

countries have high penetration rates, as do Spain and Belgium. Also, the new Member States Estonia and Slovenia are well advanced in broadband access of the enterprises.

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<sup>(1)</sup> Enterprises with 10 or more employees; the following economic activities are generally covered: manufacturing; construction; distributive trades; hotels, camping sites and other provision of short-stay accommodation; transport and communication; real estate, renting and business activities; motion picture and video activities, radio and television activities. EU averages excluding France, Latvia, Luxembourg, Hungary and Malta.



<sup>(1)</sup> Small: 10–49 employees; medium-sized: 50–249 employees; large: 250 or more employees; the following economic activities are generally covered: manufacturing; construction; distributive trades; hotels, camping sites and other provision of short-stay accommodation; transport and communication; real estate, renting and business activities; motion picture and video activities, radio and television activities. EU averages excluding France, Latvia, Luxembourg, Hungary and Malta.

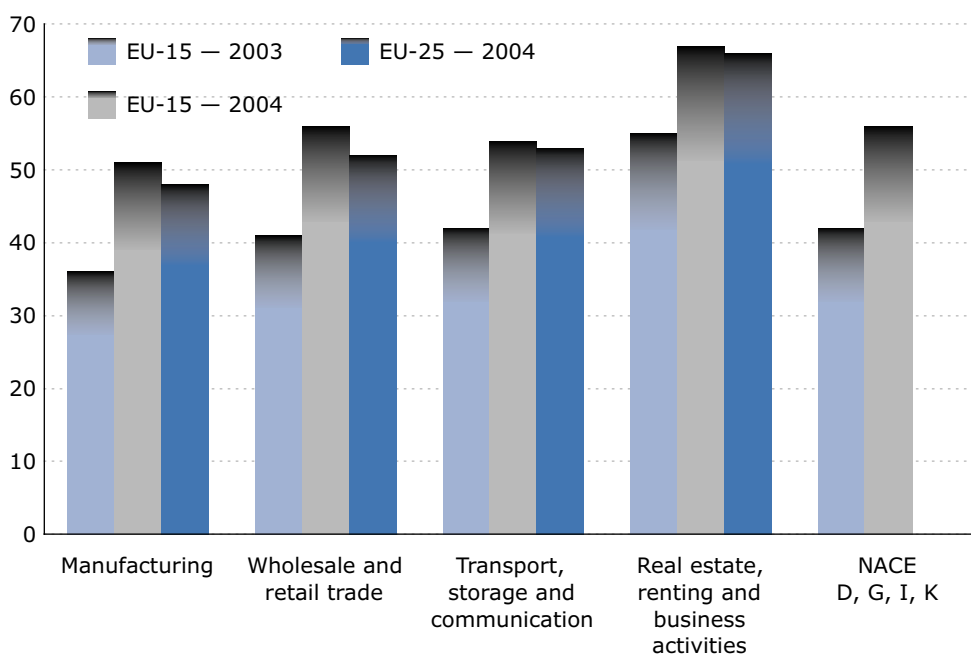
### Broadband access in manufacturing and services

Enterprises in the service activities (in this case, NACE Sections G, I and K) have generally more broadband connections than those involved in manufacturing (NACE Section D). A rapid growth from 2003 to 2004 can be clearly seen in all classes. The difference between trade (NACE Section G) and logistics (NACE Section I) is small, but real estate, renting and

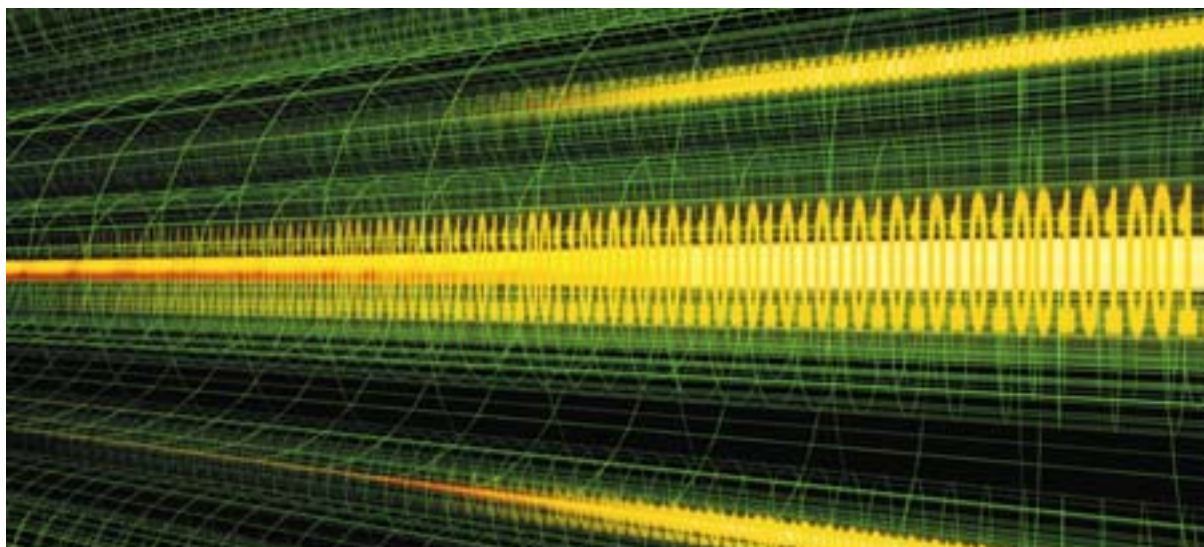
business activities have a clearly higher broadband penetration. To highlight the variance within the aggregated sections, wholesale trade and retail trade are separated in the first graph opposite, showing that enterprises in wholesale trade need more capacity for their communication than those in retail trade. Another example is taken from business services, where enterprises in computer and related activities have a clearly higher-than-average propensity to connect through broadband.

**Broadband access by selected NACE sectors in 2003 and 2004 <sup>(1)</sup>**

In %

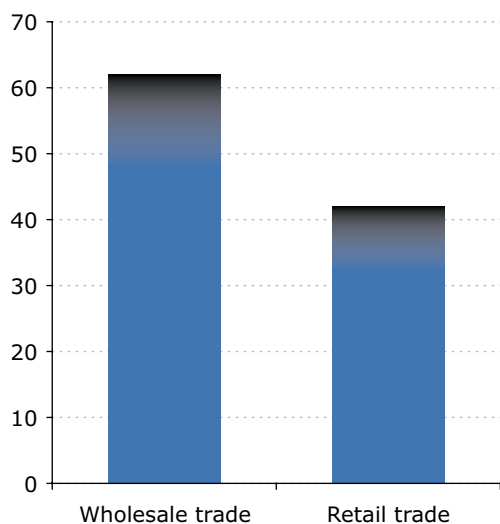


<sup>(1)</sup> EU averages excluding France, Latvia, Luxembourg, Hungary and Malta.



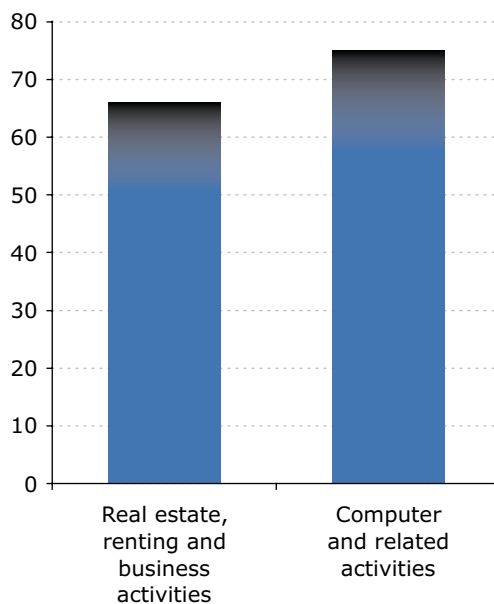


**NACE G, EU-25, 2004 <sup>(1)</sup>**  
In %



<sup>(1)</sup> EU averages excluding France, Latvia, Luxembourg, Hungary and Malta.

**NACE K, EU-25, 2004 <sup>(1)</sup>**  
In %



<sup>(1)</sup> EU averages excluding France, Latvia, Luxembourg, Hungary and Malta.

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### Broadband access in households

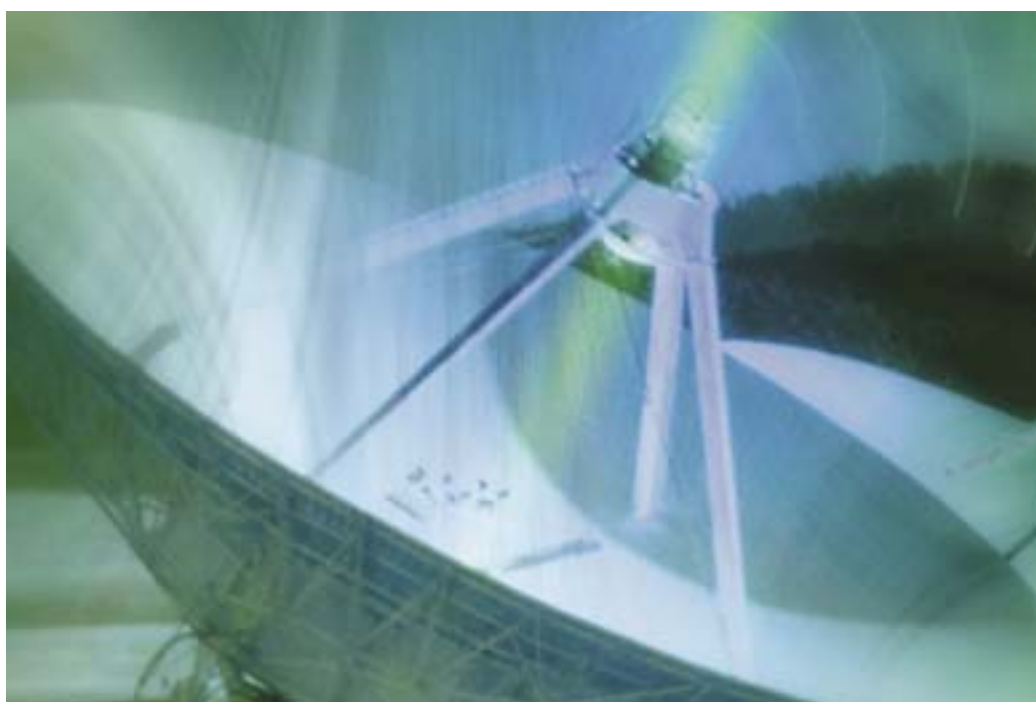
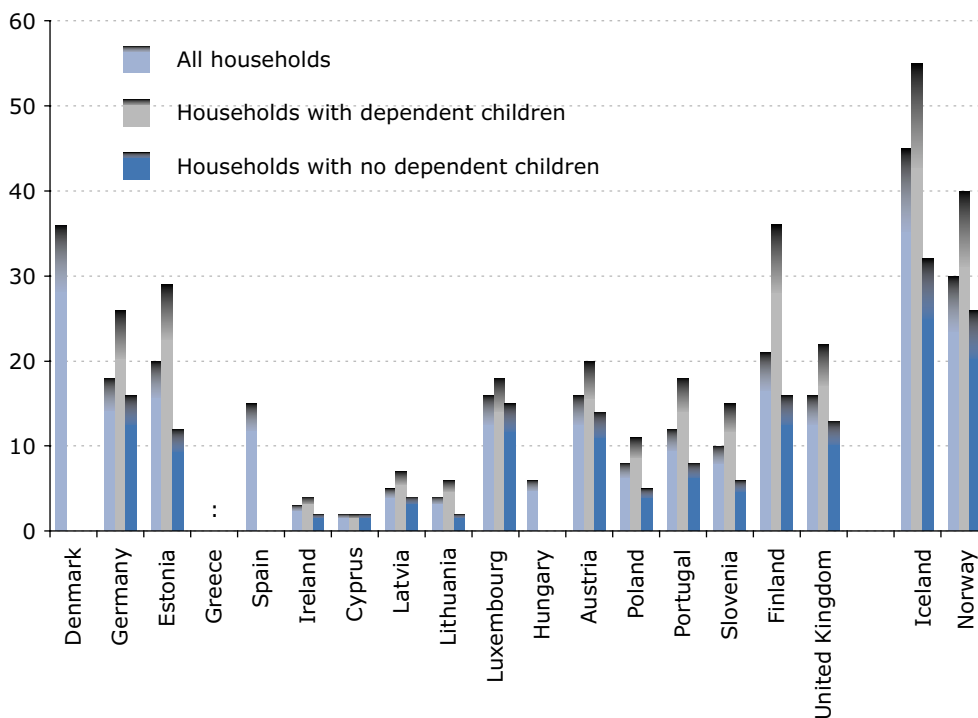
The histogram shows the share of households having broadband access in January 2004 for all countries for which figures are available. Again, the Nordic countries show the highest

penetration rates. Households with dependent children have a higher penetration rate than those without in all countries for which data are available. The coverage is not high enough to calculate EU aggregates.

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#### Broadband access in households

In %



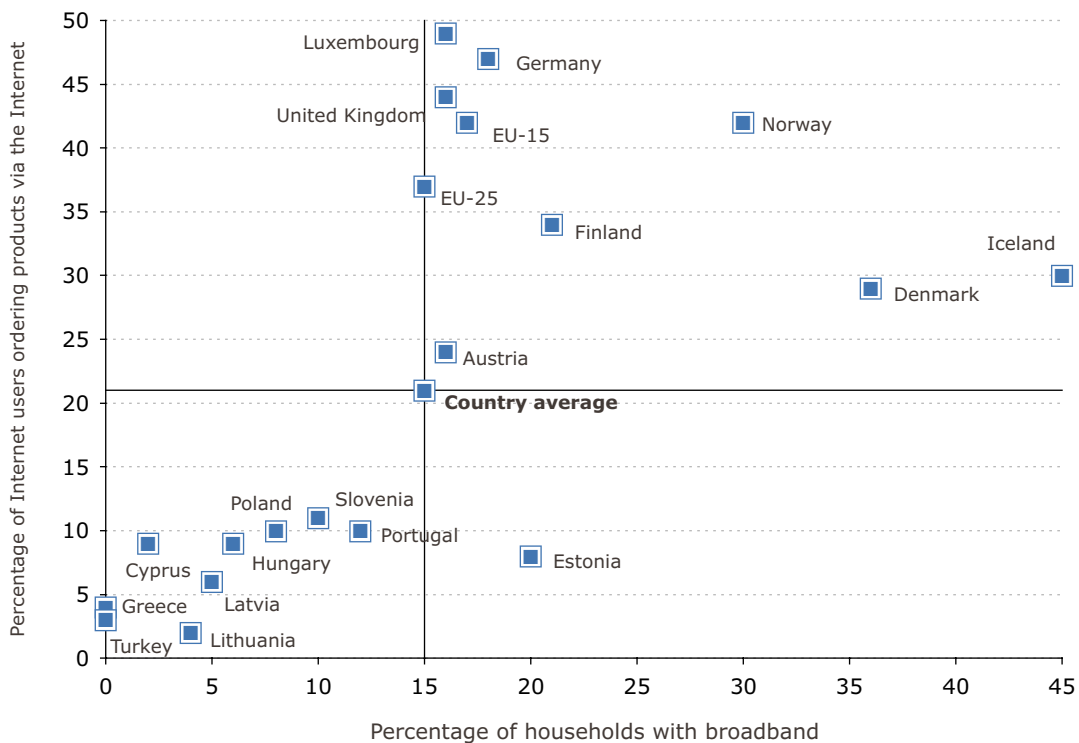
## E-commerce

One of the main arguments presented for the need to increase broadband uptake in Europe is its importance for the development of e-commerce.

Statistics actually show that the relationship between household broadband penetration in a country and the usage of the Internet to order products via the Internet by its population is positive.

### Broadband penetration and e-commerce in 2004

Percentage of total number of households with at least one member aged 16 to 74 with a broadband access to the Internet versus percentage of individuals who used the Internet in the last three months to order products



Including both purchases over the Internet and via other networks. No data available for Italy and Romania. Missing: Belgium, Czech Republic, Spain, France, Ireland, Italy, Malta, the Netherlands, Slovakia, Sweden. Missing for e-commerce: Italy, Romania.

Countries with high penetration of broadband such as Denmark, Finland, Germany, Luxembourg and the United Kingdom also show high percentages of Internet users ordering online. While others such as Portugal, Slovenia, Poland, Hungary and Latvia show simultaneously lower levels of broadband penetration and e-commerce.

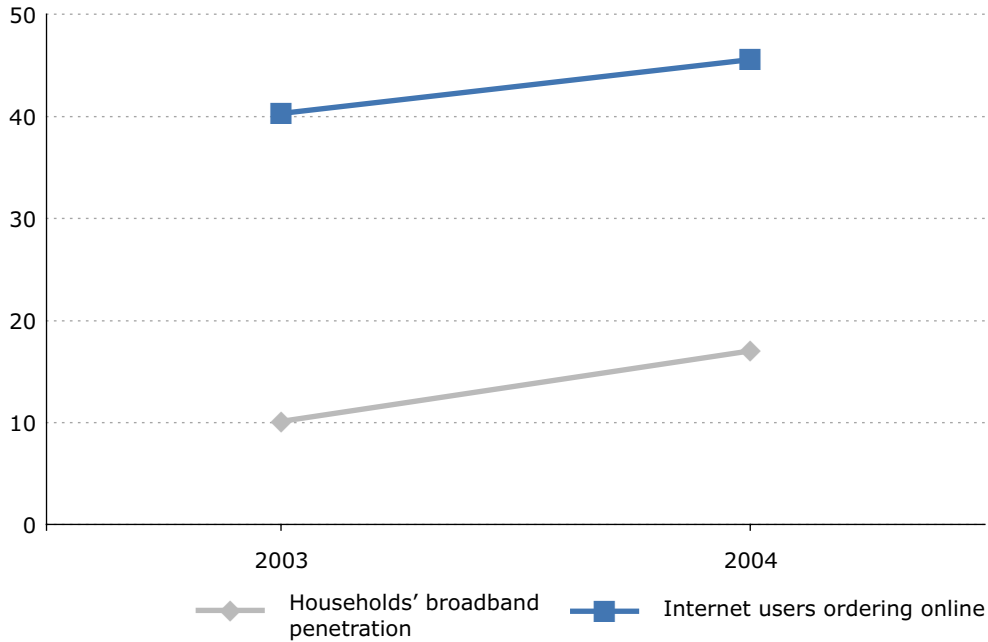
Actually, almost all the countries are either above or below the country average (marked by the thick lines in the previous graph) simultaneously for broadband penetration and e-commerce. The only exception is Estonia, which, while presenting a broadband penetration above the country average, has a percentage of Internet users ordering online below the country average.



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### Households' broadband penetration and e-commerce

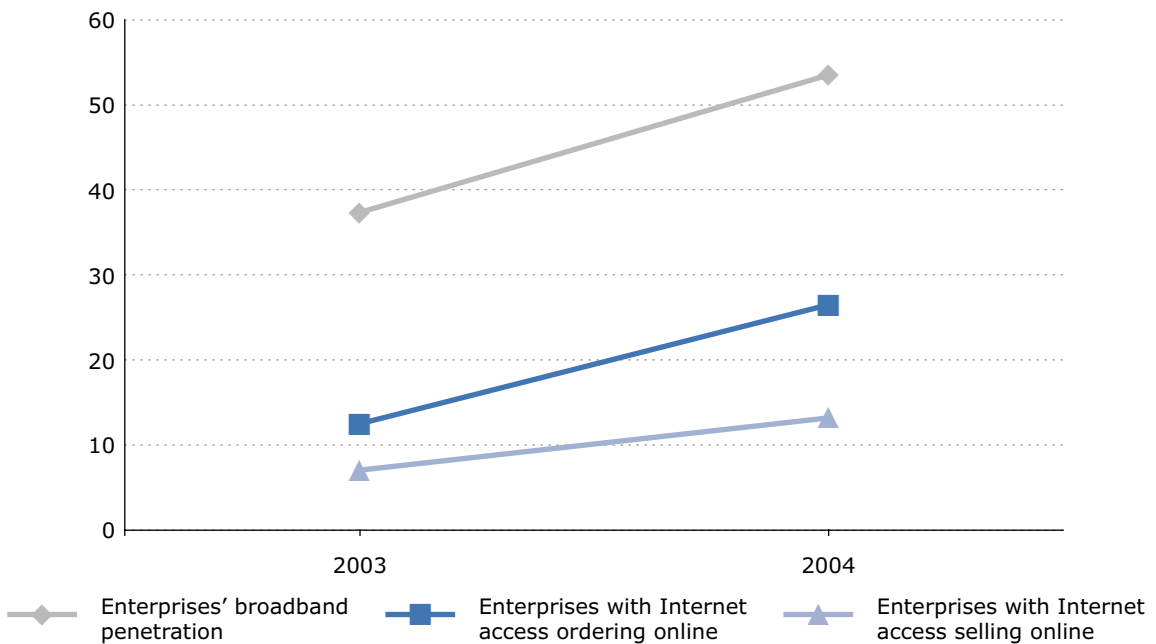
Percentage of households with a broadband Internet connection and percentage of Internet users ordering online <sup>(1)</sup>



<sup>(1)</sup> The figures are based on a subset of countries for which data are available for the two years: Denmark, Germany, Greece, Lithuania, Luxembourg, Austria, Portugal, Finland, the United Kingdom, Norway.

### Enterprises' broadband penetration and e-commerce

Percentage of enterprises with a broadband Internet connection and percentage of enterprises ordering and selling online <sup>(1)</sup>



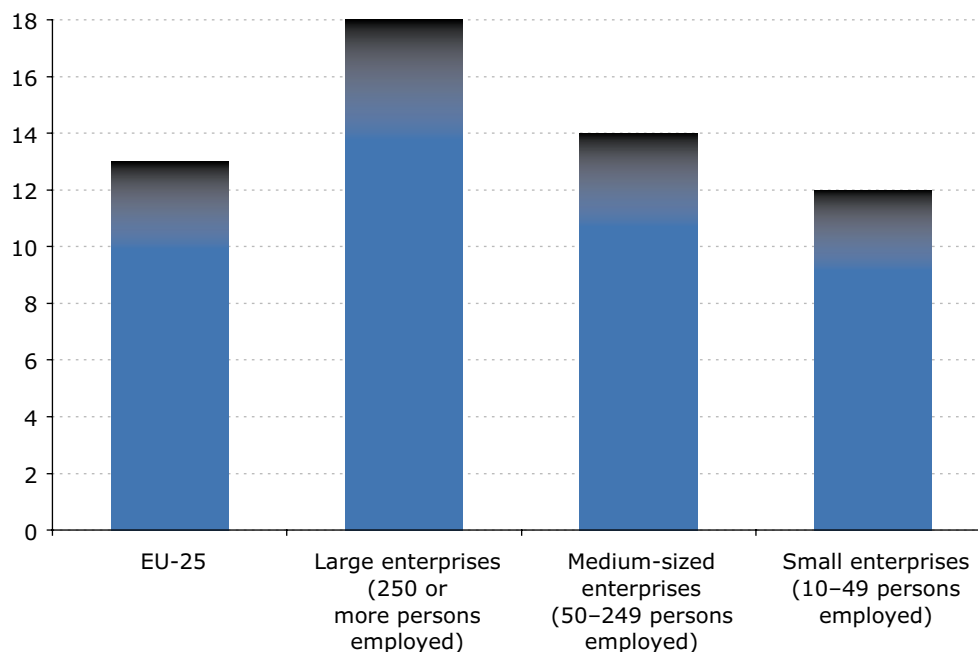
<sup>(1)</sup> The figures are based on a subset of countries for which data are available for the two years: Belgium, the Czech Republic, Denmark, Germany, Greece, Spain, Ireland, Italy, the Netherlands, Austria, Portugal, the United Kingdom.

Between 2003 and 2004, overall for the EU, the increase in broadband penetration both in households and enterprises was accompanied by similar increases in e-commerce. However, for businesses, while the increase in the percentage of enterprises placing orders online for purchases matches that of broadband uptake, the percentage of enterprises receiving orders online has increased at a slower pace.

In all, 13 % of the enterprises of the EU in 2004 used the Internet to make business and receive orders from customers. The use of this facility was more frequent for bigger enterprises. For enterprises with 250 or more persons employed, 18 % of them engaged in e-commerce sales while for enterprises with 50–249 persons employed, this percentage was 14 %. The percentage of smaller enterprises receiving orders via the Internet is, however, not much lower at 12 %.

### E-commerce sales, by enterprise size, EU-25, in 2004

Percentage of enterprises with Internet access that received orders via the Internet, by category of number of persons employed <sup>(1)</sup>

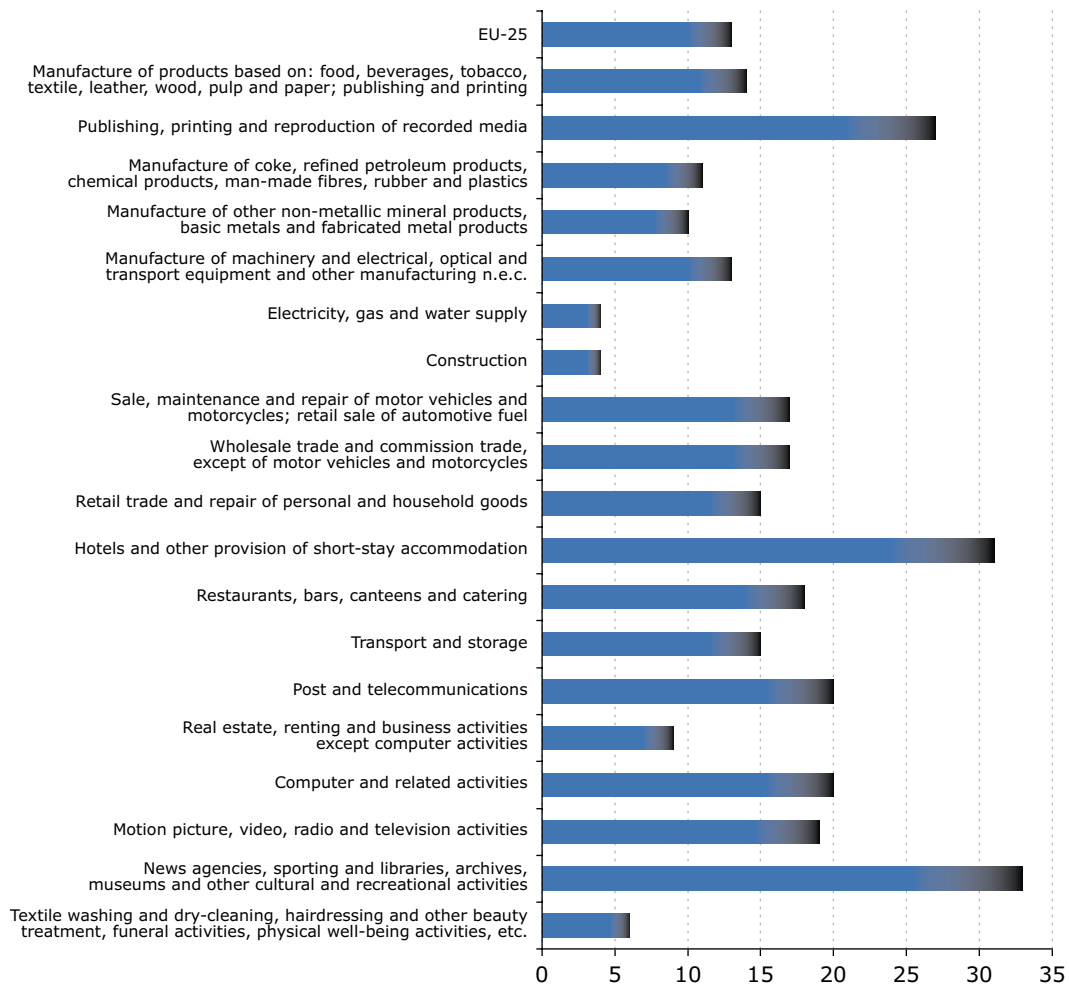


<sup>(1)</sup> The figures are based on a subset of countries for which data are available, missing France, Latvia, Luxembourg and Malta.

The situation was also different depending on the main economic activity of the enterprise. The sectors for which selling online on the Internet was more important were 'other personal services' (NACE Section O, groups 92.3 to 92.7) where the percentage of enterprises receiving orders via the Internet was 33 %, 'hotels, camping sites and other provision of

short-stay accommodation' (NACE Section H, groups 55.1 and 55.2) with 31 % and 'publishing, printing and reproduction of recorded media' (NACE Division 22), with 27 %. On the other hand, receiving orders via the Internet was rarer for enterprises in the sectors 'construction' and 'electricity, gas and water supply', both standing at 4 %.

**E-commerce sales, by economic activity, EU-25, in 2004**  
 Percentage of enterprises with Internet access that received orders via the Internet, by NACE category <sup>(1)</sup>



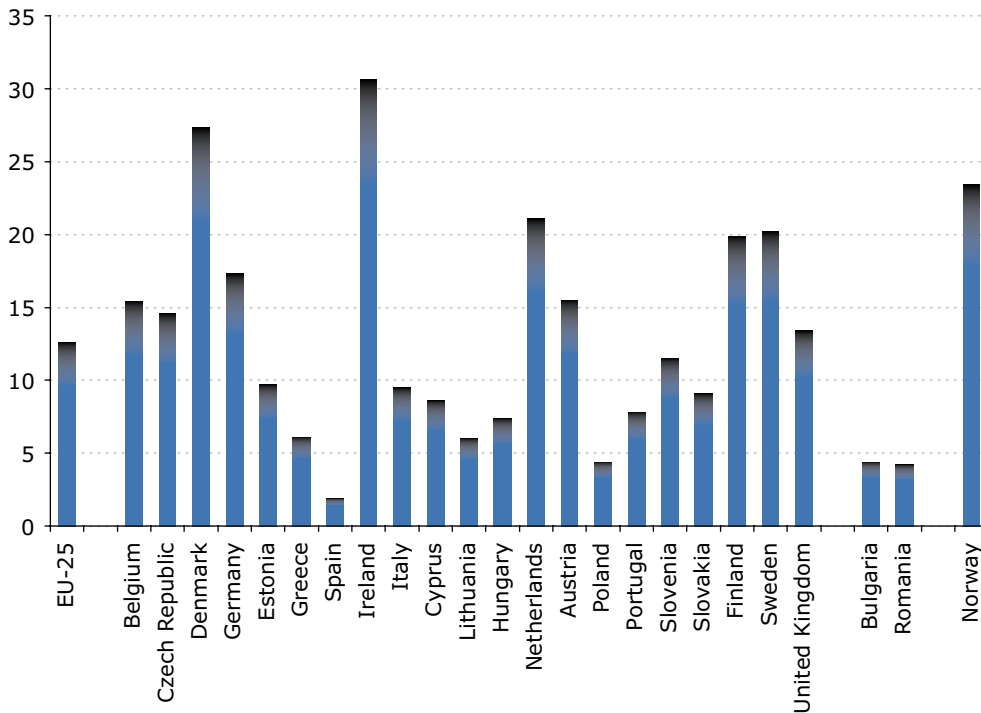
<sup>(1)</sup> The figures are based on the subset of EU Member States for which data are available for each NACE category.

The situation is also very different across the EU, from country to country. The countries where the percentage of enterprises receiving orders via the Internet is higher are Ireland

(31 %), Denmark (27 %) and Norway (23 %), while in Poland, Bulgaria, Romania and Spain this percentage does not reach 5 %.

**E-commerce sales, by country, in 2004**

Percentage of enterprises with Internet access that received orders via the Internet, by country



EU-25 average, missing the following countries: France, Latvia, Luxembourg, Malta.

