

EU integration seen through statistics

Key facts of 18 policy areas

2006 EDITION

PANORAMA OF THE EUROPEAN UNION



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THEME
General and regional
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'EU Integration seen through statistics' presents key statistical facts on 18 major European policy areas. The statistics show the progress the European Union has made but also the issues that remain. Subjects such as world trade, government debt, migration, environment, information society and dependency on energy imports are treated. The publication provides an overview on similarities and differences between the economies and societies of the EU. The statistical information is generally given both for the total of the European Union (EU-25 or EU-15) and for its Member States. When available, statistics are also provided for EU candidate countries, Japan, the United States and other countries.

Each chapter treats one European policy area, starting with a one page introduction to the policy context. Selected statistical tables and graphs then illustrate the facts. All statistics within the publication as well as a vast range of further statistics are available free of charge from the Eurostat webpage at <http://ec.europa.eu/eurostat>.

Eurostat is the Statistical Office of the European Communities. Its task is to gather and analyse figures from the different European statistical offices in order to provide comparable and harmonised data for the European Union to use in the definition, implementation and analysis of Community policies. Its statistical products and services are also of great value to Europe's business community, professional organisations, academics, librarians, NGOs, the media and citizens.

As part of the dissemination policy, Eurostat has developed its website. All Eurostat publications are downloadable free of charge in PDF format from the website. Furthermore, Eurostat's databases are freely available there, as are tables with the most frequently used and demanded short- and long-term indicators.

Eurostat has set up with the members of the 'European statistical system' a network of support centres which will 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. Contact details for this support network can be found on our Internet site.

Eurostat

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Preface

This publication provides you with an overview about the ongoing integration process of the European Union in 18 major policy areas covered by the statistical themes of Eurostat.

Eurostat is the Statistical Office of the European Communities. It was established in Luxembourg in 1953 to meet the statistical requirements of the Coal and Steel Community. When the European Community was founded in 1958, Eurostat became a Directorate-General (DG) of the European Commission. In its role to supply harmonised statistics about the European Union, it collects data on the EU integration process since more than 50 years.

Measuring the progress of EU integration, its opportunities and challenges, needs a solid basis of reliable and objective data. On the one hand, decision-makers at EU level and in the Member States, be it local governments or businesses, need statistical data to make informed decisions. On the other hand, the public and media refer increasingly to statistics for an accurate picture of society.

Eurostat gets most of its data from the national statistical authorities in the Member States. It then processes, analyses and publishes that data at a European level, following common statistical concepts, methods, and standards. Eurostat defines common methodologies together with the Member States, consolidates the data collected in each country, ensures that it is harmonised and as comparable as possible, and then creates European aggregates for the 25 Member States and the euro area. It then publishes most of these data and analyses on its website and in many cases also in the form of paper publications.

The role of Eurostat has changed and developed in line with Community policies. For example, in recent years economic and monetary statistics, in particular a set of Principal European Economic Indicators (PEEIs), have been developed to provide a rapid flow of information covering the euro area to the Eurogroup and the European Central Bank. At the same time, Eurostat has supported and encouraged the development of statistical systems within the Candidate countries, Western Balkans, and European Neighbourhood Policy countries, driving a process of statistical harmonisation.

I hope you will find this publication useful and that it will encourage you to look for further information about Eurostat and about available statistics. Please consult our website, which offers you free access to nearly all of Eurostat's data as well as to methodological information and to all Eurostat statistical publications in PDF format, at <http://ec.europa.eu>

Hervé Carré, Director-General



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List of abbreviations and acronyms

Member States

EU	European Union
EU/EC	European Union / European Community or Communities
EU-25	the 25 Member States of the European Union
EU-15	the 15 Member States of the European Union until 30.4.2004
EU/EC-9	the 9 Member States of the European Union (BE, DK, DE, FR, IE, IT, LU, NL, UK)
EU/EC-6	the 6 Member States of the European Union (BE, DE, FR, IT, LU, NL)
Euro area	EUR-11 (BE, DE, ES, FR, IE, IT,LU, NL, AT, PT, FI) until 31.12.2000 EUR-12 from 1.1.2001
EUR-12	the euro area with 12 countries participating (BE, DE, EL, ES, FR, IE, IT, LU, NL, AT,PT, FI)
BE	Belgium
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
EL	Greece
ES	Spain
FR	France
IE	Ireland
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom

Acceding* and candidate countries

BG	Bulgaria (*)
HR	Croatia
MK⁽²⁾	Former Yugoslav Republic of Macedonia
RO	Romania (*)
TR	Turkey

⁽²⁾ Provisional code which does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place on this subject at the United Nations.

Other countries and territories

AR	Argentina
BR	Brazil
CA	Canada
CH	Switzerland
CN	China
D-W	territory of the former West Germany
IS	Iceland
JP	Japan
LI	Liechtenstein
NO	Norway
RU	Russian Federation
US	United States of America

Other abbreviations and acronyms

6EAP	sixth European environmental action programme
AAGR	average annual growth rate
BMI	body mass index
CAP	common agricultural policy
CFP	Common fisheries policy
DG	Directorate-General
EAGGF	European Agricultural Guidance and Guarantee Fund
ECB	European Central Bank
ECHP	European Community household panel
EEA	European Economic Area (EU + EFTA countries without Switzerland)
EFTA	European Free Trade Association (CH, IS, LI, NO)
EPO	European Patent Office
ERDF	European Regional Development Fund
ERM	exchange rate mechanism
ESF	European Social Fund
Esspros	European system of integrated social protection statistics
EU-SILC	EU statistics on income and living conditions
Eurostat	the Statistical Office of the European Communities
Ex-GDR	former German Democratic Republic
FAO	Food and Agriculture Organisation (UN)
FDI	Foreign direct investment
FIFG	Financial Instrument for Fisheries Guidance
GDP	gross domestic product
GHGs	greenhouse gases
GNI	gross national income
GT	gross tonnage
GVA	gross value added
HICP	harmonised index of consumer prices
ICT	Institute of Computer Technology/information and communication technology
IMF	International Monetary Fund
Interreg II	Community initiative concerning border development, cross-border cooperation and selected energy networks
ISCED	international standard classification of education
ISPO	Information Society Promotion Office
IT	information technology
LMP	labour market policy
LUZ	larger urban zone
NACE	general industrial classification of economic activities within the European Communities
n.e.c.	not elsewhere classified
n.e.s.	not elsewhere specified
NGO	non governmental organisation
NMVOC	Non-Methane Volatile Organic Compounds
NUTS	nomenclature of territorial units for statistics (Eurostat) (NUTS 1, 2, etc.)
ODA	Official development assistance
OECD	Organisation for Economic Cooperation and Development
OECD-DAC	Organisation for Economic Cooperation and Development — Development Assistance Committee
OMC	open method of coordination
PPS	purchasing power standard
R & D	research and development
SME	Small and medium-sized enterprise
TOP	tropospheric ozone precursors
UN	United Nations
Unctad	United Nations conference on trade and development
URBAN	Community initiative concerning urban areas
USPTO	United States Patent and Trademark Office
VAT	value added tax
WTO	World Trade Organisation

Units of measurement

Bn	billion (1 000 million)
ha	hectare
Mio. t.	million tonnes
Mio EURO	million euro
tkm	tonne-km

1. The EU in the world

The EU has grown in size with successive waves of accessions. Denmark, Ireland and the United Kingdom joined Belgium, Germany, France, Italy, Luxembourg and the Netherlands in 1973, followed by Greece in 1981, Spain and Portugal in 1986 and Austria, Finland and Sweden in 1995. The European Union welcomed 10 new countries in 2004: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Bulgaria and Romania are expected to follow in 2007; while Croatia and Turkey began membership negotiations in 2005.

In economic, trade and monetary terms, the European Union has become a major world power. It has considerable influence within international organisations such as the World Trade Organisation (WTO), the specialist branches of the United Nations (UN) and at world summits on the environment and development. The EU as a unit has much more economic, social, technological, commercial and political “clout” than the individual efforts of its Member States, even when taken together. There is added value in acting as one and speaking with a single voice as the European Union.

Key facts

- The EU-25 had a population in 2004 of nearly **460 million people**, compared with just over 290 million in the US and almost 130 million in Japan. The EU-25 population corresponds to a share of **7 % of the total population in the world** (see Graph 1). However, the shares of the EU-25 are considerably higher when it comes to economic indicators like the GDP, trade and foreign investments.
- The EU-25 GDP represents almost **a third of the world GDP** (31 % in 2004), compared with 29 % for the US and 11 % for Japan (see Graph 2). Expressed in purchasing power standards (PPS), GDP per inhabitant was 55 % higher in the US in 2004 than in the EU-25 and 16 % higher in Japan.
- Excluding intra-EU trade, the EU-25 accounts for almost **a fifth (18 % in 2004) of the world trade in goods** and a little over **a quarter (26 % in 2003) of the world trade in services**. Corresponding shares for the US are 17 % and 21 % respectively and for Japan below 10 % for both indicators (see Graphs 3 and 4).
- Concerning foreign direct investment (FDI) flows (foreign investments made by the EU and investments into the EU), the EU-25 accounted for almost **40 % of the world FDI flows** in 2003, while the US had a share of 23 % and Japan 4 % (see Graph 5).
- Collectively, the EU provides more than **half (54 % in 2003) of worldwide official development assistance (ODA)**. Around one fifth of the combined EU aid is managed by the European Commission. On average, the Member States of the EU-25 devoted 0.34 % of their GNI to ODA in 2003, compared with 0.15 % for the US and 0.20 % for Japan. Denmark, Luxembourg, the Netherlands and Sweden made the largest effort in terms of development aid, with around 0.8 % of their GNI devoted to ODA.

Table 1: Total population in the EU, the US and Japan (millions)

	1958	1973	1981	1986	1995	2004
EU/EC	168	256	271	322	371	457
US	175	212	230	239	262	292
Japan	92	109	118	122	126	127

NB: 1958: EC-6, 1973: EC-9, 1981: EC-10, 1995: EU-15, 2004: EU-25.

Source: Eurostat and US Bureau of Census.

Graph 1: Share of world population, 2004

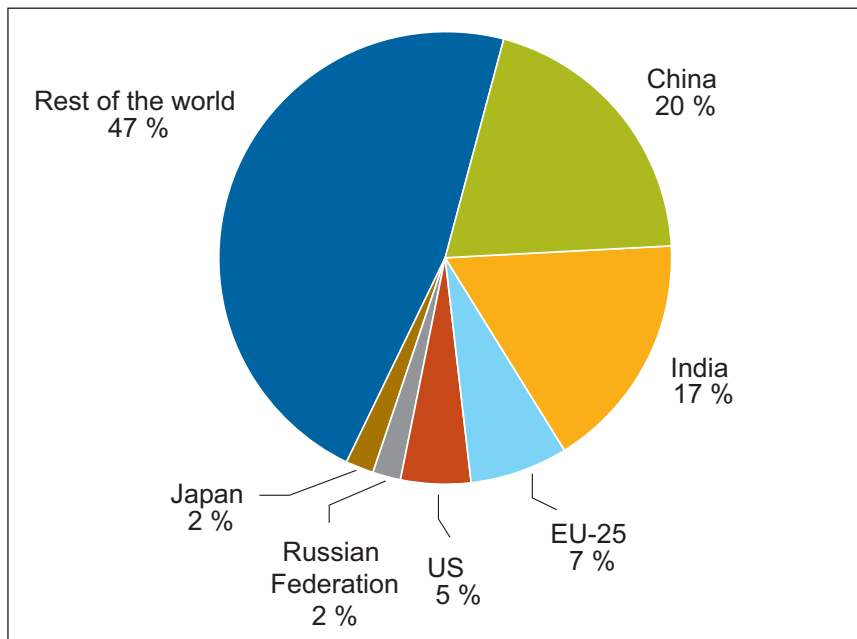
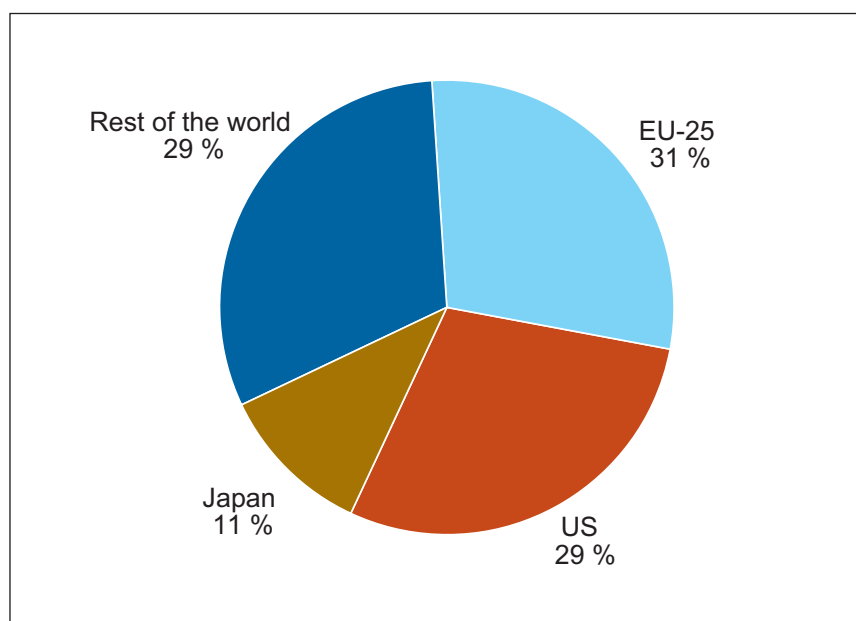


Table 2: GDP in the EU, the US and Japan (EUR 1 000 million)

	1961	1973	1981	1986	1995	2004
EU/EC	205	989	2 309	3 599	6 608	10 266
US		1 123	2 802	4 535	5 656	9 433
Japan			1 056	2 053	4 040	3 758

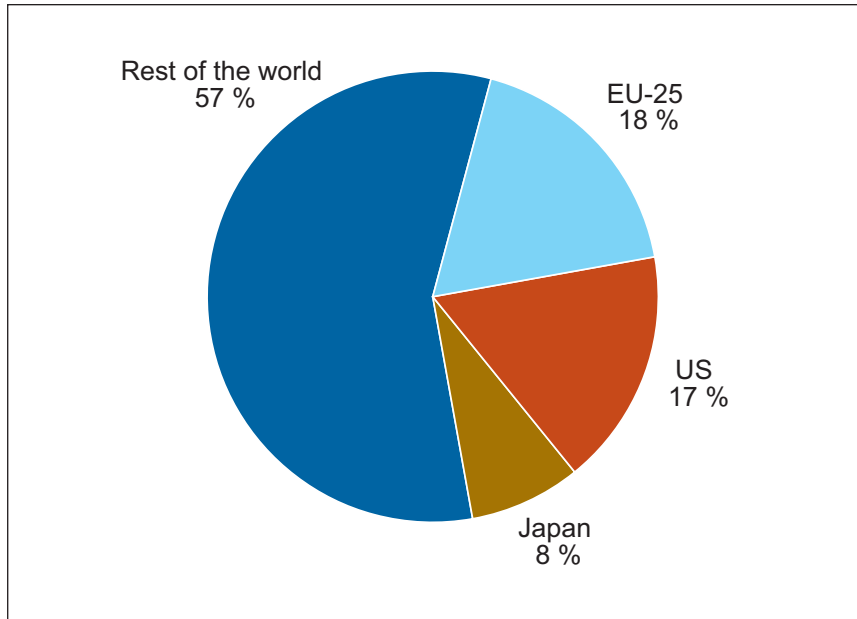
NB: 1961: EC-6, 1973: EC-9, 1981: EC-10, 1995: EU-15, 2004: EU-25.

Source: Eurostat and World Bank.

Graph 2: Share of world GDP, 2004

Source: Eurostat and World Bank.

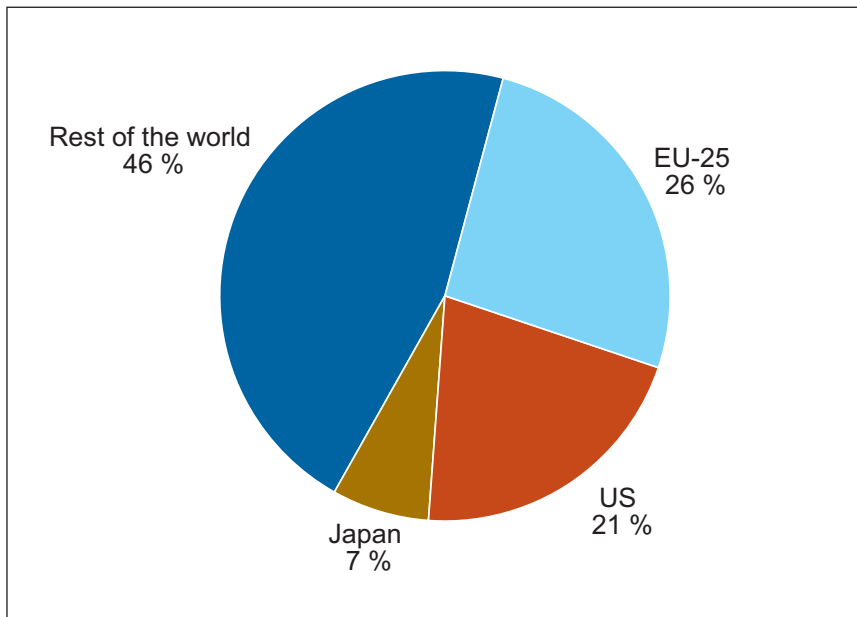
Graph 3: Share of world trade in goods, 2004



NB: Excluding intra-EU trade.

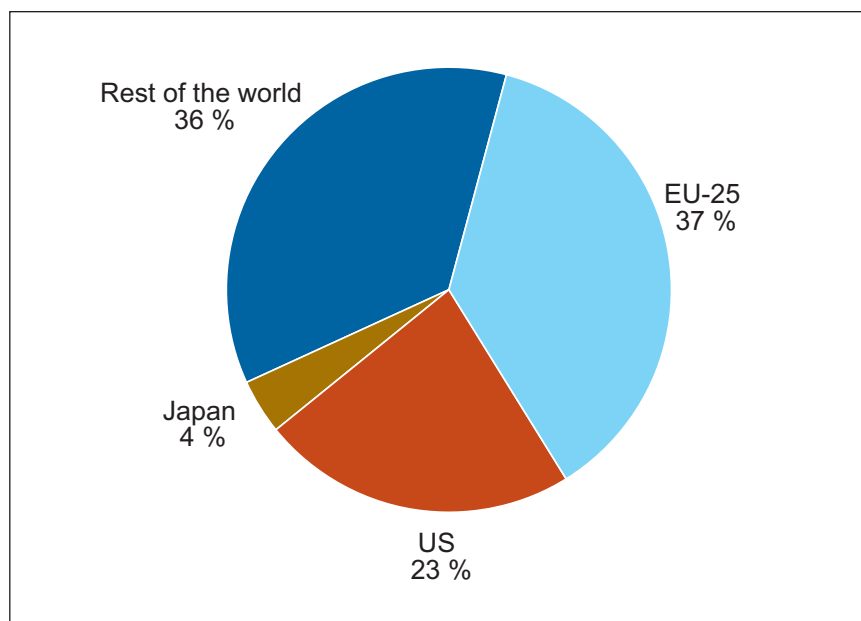
Source: Eurostat and United Nations.

Graph 4: Share of world trade in services, 2003



NB: Excluding intra-EU trade.

Source: Eurostat and IMF, Balance of Payments Statistics Yearbook, 2004.

Graph 5: Share of world foreign direct investment, 2003

NB: Intra-EU transactions are excluded.

Source: Eurostat and Unctad, *World investment report*, 2004.

2. Sound economic policy

One of the basic objectives of the European Union is to promote economic and social progress which is balanced and sustainable, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union, including a single currency.

To achieve this objective, it is necessary to promote throughout the Community a harmonious and balanced development of economic activities, leading to a sustainable and non-inflationary growth which respects the environment. The Member States are to regard their economic policies as a matter of common concern and to conduct their economic policies with a view to the objectives of the Community. Therefore, Member States coordinate their economic policies within the Council.

The Maastricht Treaty of 1992 established the convergence criteria to be fulfilled as a precondition for fully taking part in economic and monetary union, that is, adopting the single currency: these criteria are used to determine whether countries have achieved a high degree of sustainable convergence, as measured by their performance in terms of sound public finances (defined against reference values for fiscal deficits and public debt), low inflation and long-term interest rates, and exchange rate stability in the context of the exchange rate mechanism (ERM) II.

In conducting their economic policies the Member States should aim at achieving and maintaining their medium-term objective for their budgetary position. The Stability and Growth Pact, adopted in 1997 and reformed in 2005, aims at further enforcing the fiscal discipline in the Member States and improving the sustainability of public finances. The rationale behind is that sound budgetary positions will create more favourable conditions for price stability and for strong and sustainable growth, conducive to employment creation. By improving sustainability, sound budgetary positions will place countries in a better position to face the impact of ageing populations on the public finances. Regarding monetary policy, the European Central Bank (ECB) has the primary objective to maintain price stability. The ECB has defined this price stability as a year-on-year increase in the harmonised index of consumer prices (HICP) for the euro area which stays below but close to 2 % over the medium term.

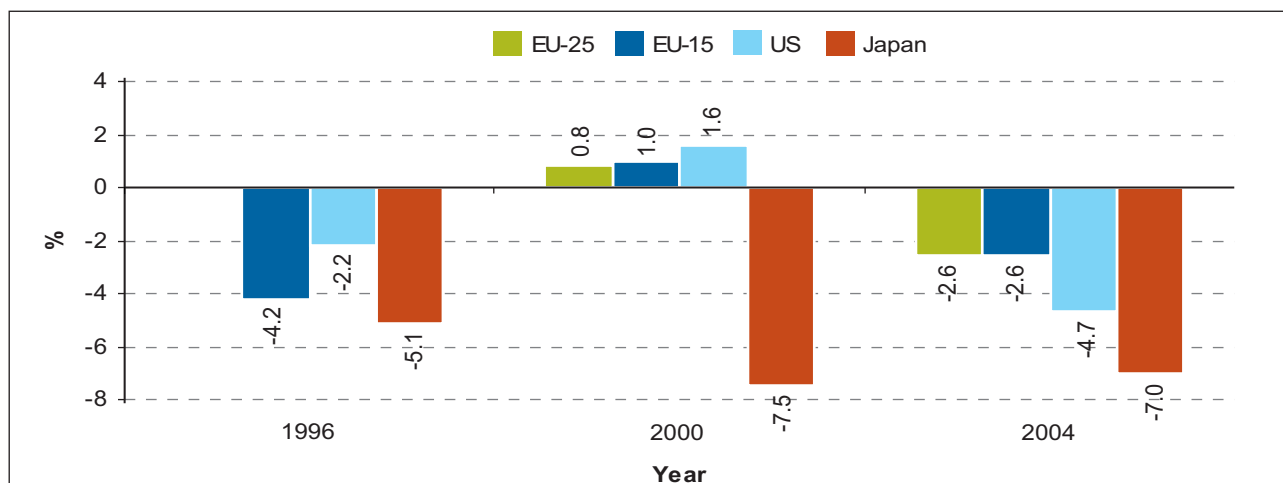
Key facts

Even though the development varies from one Member State to another, as to the 15 Member States (EU-15) the objectives of the Community have materialised up to a certain degree even though not fully.

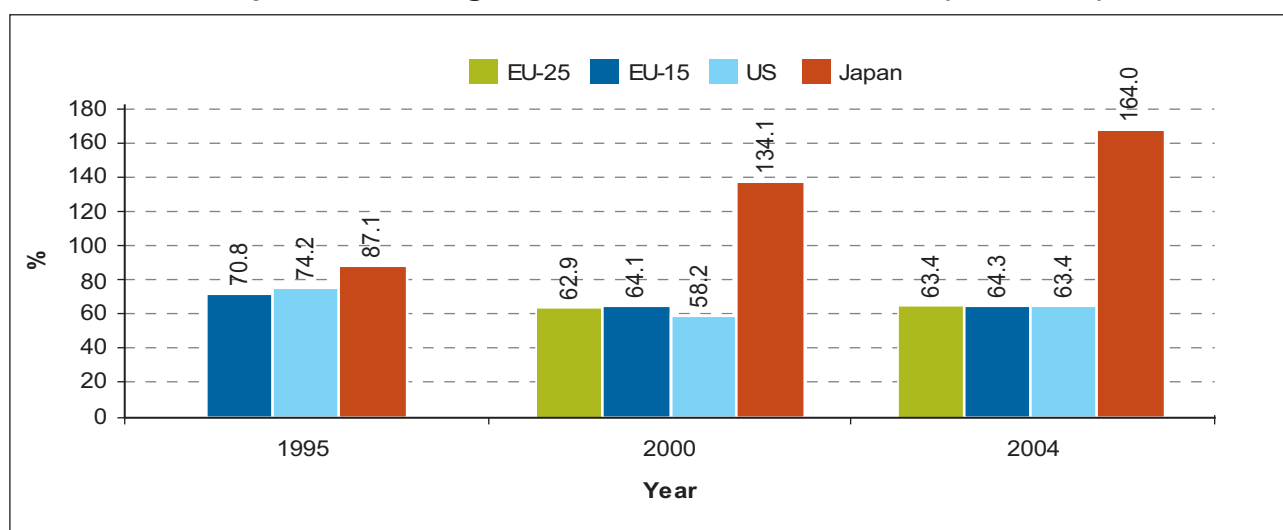
- **The annual budget deficit of the EU-15 has narrowed** from the level of 4.2 % in 1996 to 2.6 % in 2004 (Graph 1). This overall improvement reflects differentiated behaviour of individual countries. Budget deficits higher than the 3 % of GDP reference value in 2004 led to six countries being placed under excessive deficit procedure. At the same time, four countries recorded budgetary surpluses in 2004 compared with only one in 1996. (Table 2). The budget deficits in the US and Japan deteriorated from 2.2 % of GDP to 4.7 % of GDP, and from 5.1 % to 7.0 % respectively.
- **The level of the government debt of the EU-15 has fallen** from 70.8 % of GDP in 1995 to 64.3 % of GDP in 2004, in other words, closer to the reference value of 60 % of GDP. As to the individual Member States, in 2004, six countries had government debt exceeding the reference value and three of them around 100 % of GDP (Table 2). During the same period, the government debt in the US followed a similar trend as in the EU-15, decreasing from 74.2 % of GDP to 63.4 % of GDP while the Japanese government debt deteriorated from 87.1 % to 164.0 % of GDP.
- **The inflation rate at the EU-15 level has declined**, from 2.8 % in 1995 to 2.0 % in 2004 (Graph 3). This compares with an annual inflation of 2.7 % in the US and zero inflation in Japan. In the EU-15, inflation differences between Member States have been reduced, although not completely. In 2004, the highest inflation rate was 3.2 % and the lowest 0.1 %. The introduction of the euro on 1 January 2002 is estimated to have led to an increase of between 0.12 % and 0.29 % in HICP inflation.

- **Long-term interest rates in the EU-15 have more than halved**, from 8.87 % in 1995 to 4.26 % in 2004. Long-term interest rates in euro area Member States have further converged, ranging between 4.04 % and 4.26 % in 2004 (Graph 5 and Table 2). This compares with a long-term interest rate of 4.26 % in the US and 1.50 % in Japan.
- **The GDP growth of the EU-15 has been positive.** From 1995 to 2004 the real growth of GDP was 22.4 %, exceeding that of Japan (9.8 %) but lagging behind the US growth of 33.9 % (Graph 6).

Graph 1: General government deficit — Net lending(+)/borrowing(-) (% of GDP)



Graph 2: General government consolidated debt (% of GDP)



Graph 3: HICP (% change on previous year)

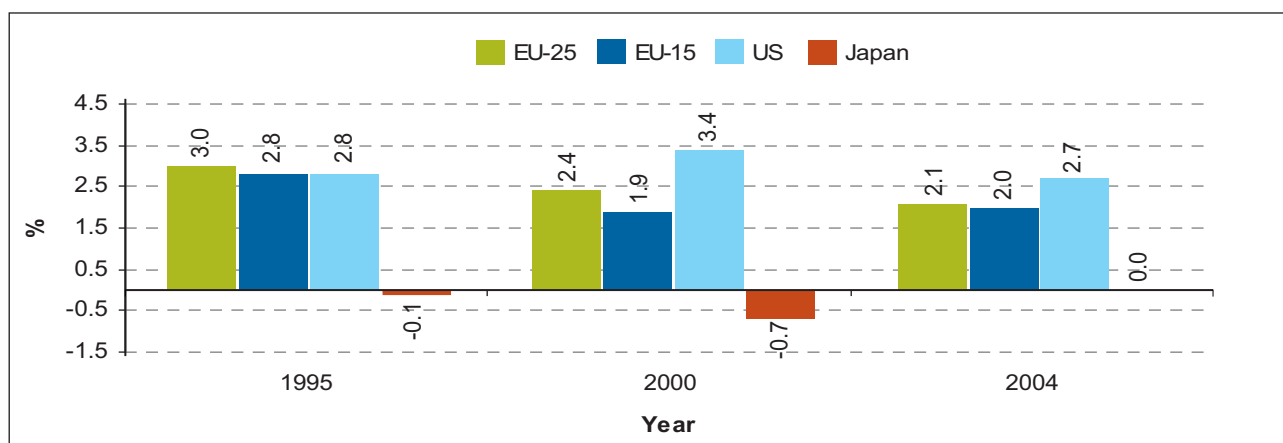
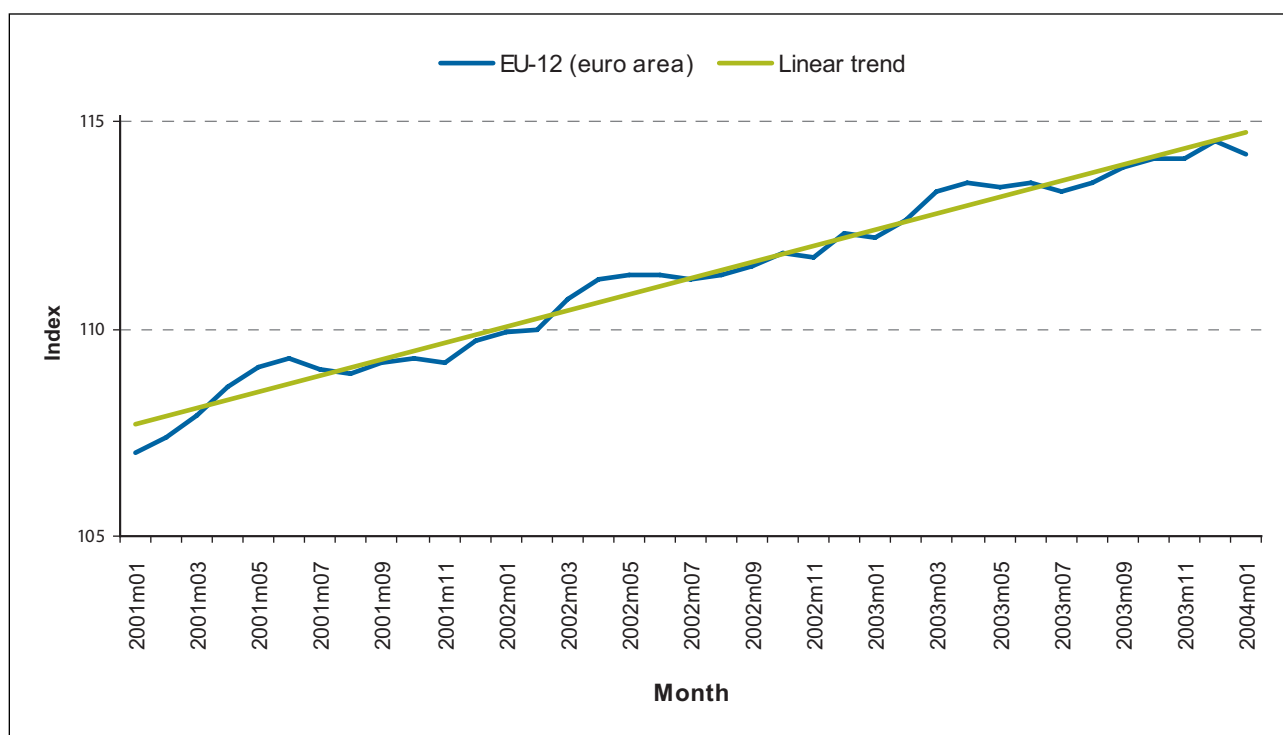


Table 1: HICP — annual change in selected product groups

	Food and non-alcoholic beverages			Clothing and footwear			Household appliances			Audiovisual, photographic and information processing equipment		
	1995	2000	2004	1995	2000	2004	1995	2000	2004	1995	2000	2004
EU-25	3.2	1.8	1.4	1.8	-0.2	-0.3	:	-1.0	-1.1	:	-7.1	-7.8
EU-15	3.0	1.0	0.9	1.7	-0.5	-0.2	:	-1.2	-1.1	:	-7.3	-8.0
Euro area	2.5	1.2	1.0	:	0.8	0.7	:	-0.7	-1.0	:	-7.1	-7.0

Graph 4: HICP(all items) — monthly index and linear trend



Graph 5: Long-term interest rates

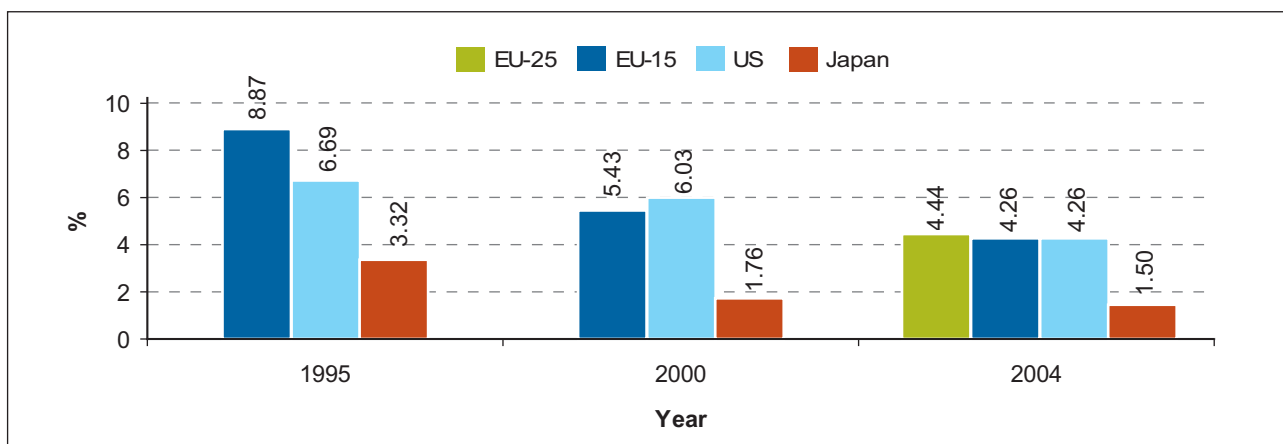
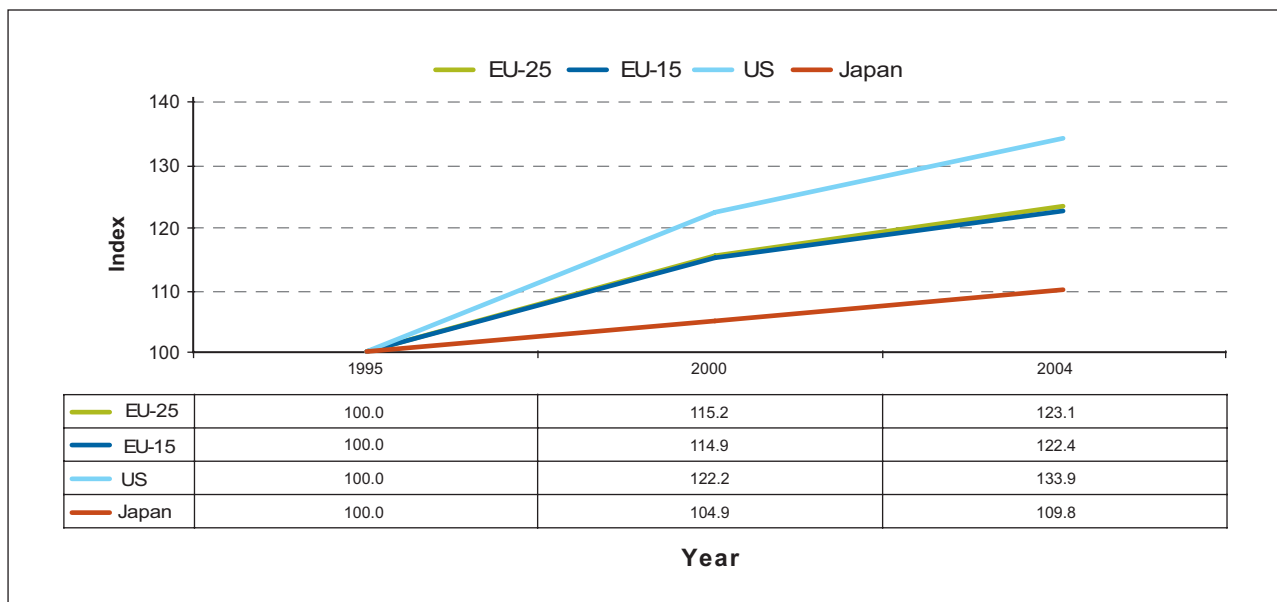


Table 2: Data on individual countries

	General government net lending(+)/ borrowing(-) (% of GDP)			General government consolidated debt (% of GDP)			HICP — annual change			Long-term interest rate (measured as Maastricht criterion)		
	1996	2000	2004	1995	2000	2004	1995	2000	2004	1995	2000	2004
EU-25	:	0.8	-2.6	:	62.9	63.4	3.0	2.4	2.1	:	:	4.44
EU-15	-4.2	1.0	-2.6	70.8	64.1	64.3	2.8	1.9	2.0	8.87	5.43	4.26
Belgium	-3.8	0.2	0.0	134.0	109.1	95.7	1.3	2.7	1.9	7.48	5.59	4.15
Czech Rep.	:	-3.7	-3.0	:	18.2	36.8	:	3.9	2.6	:	:	4.75
Denmark	-1.9	1.7	2.9	73.2	52.3	43.2	2.0	2.7	0.9	8.27	5.64	4.30
Germany	-3.4	1.3	-3.7	57.0	60.2	66.4	:	1.4	1.8	6.85	5.26	4.04
Estonia	:	-0.6	1.7	:	4.7	5.5	:	3.9	3.0	:	10.48	4.39
Greece	-7.4	-4.1	-6.6	108.7	114.0	109.3	:	2.9	3.0	17.02	6.10	4.26
Spain	-4.9	-0.9	-0.1	63.9	61.1	46.9	4.6	3.5	3.1	11.27	5.53	4.10
France	-4.1	-1.4	-3.7	54.6	56.8	65.1	1.8	1.8	2.3	7.54	5.39	4.10
Ireland	-0.1	4.4	1.4	81.8	38.3	29.8	:	5.3	2.3	8.25	5.51	4.08
Italy	-7.1	-0.6	-3.2	124.3	111.2	106.5	5.4	2.6	2.3	12.21	5.58	4.26
Cyprus	:	-2.4	-4.1	:	61.6	72.0	:	4.9	1.9	:	:	5.80
Latvia	:	-2.8	-0.9	:	12.9	14.7	:	2.6	6.2	:	:	4.86
Lithuania	:	-2.5	-1.4	:	23.8	19.6	:	1.1	1.2	:	:	4.50
Luxembourg	1.9	6.0	-1.2	6.7	5.5	6.6	:	3.8	3.2	7.23	5.52	4.18
Hungary	:	-3.0	-5.4	:	55.4	57.4	:	10.0	6.8	:	:	8.19
Malta	:	-6.2	-5.1	:	56.4	75.9	:	3.0	2.7	:	:	4.69
Netherlands	-1.8	2.2	-2.1	77.2	55.9	53.1	1.4	2.3	1.4	6.90	5.40	4.10
Austria	-3.9	-1.5	-1.0	67.9	67.0	64.3	1.6	2.0	2.0	7.14	5.56	4.15
Poland	:	-0.7	-3.9	:	36.8	43.6	:	10.1	3.6	:	:	6.90
Portugal	-4.0	-2.8	-3.0	64.3	53.3	59.4	4.0	2.8	2.5	11.47	5.59	4.14
Slovenia	:	-3.5	-2.1	:	27.4	29.8	:	8.9	3.6	:	:	4.68
Slovakia	:	-12.3	-3.1	:	49.9	42.5	:	12.2	7.5	:	:	5.03
Finland	-3.2	7.1	2.1	57.1	44.6	45.1	0.4	3.0	0.1	8.79	5.48	4.11
Sweden	-2.7	5.1	1.6	73.7	52.8	51.1	2.7	1.3	1.0	10.24	5.37	4.42
UK	-4.3	3.8	-3.2	51.8	42.0	41.5	2.7	0.8	1.3	8.36	5.33	4.93
US	-2.2	1.6	-4.7	74.2	58.2	63.4	2.8	3.4	2.7	6.69	6.03	4.26
Japan	-5.1	-7.5	-7.0	87.1	134.1	164.0	-0.1	-0.7	0.0	3.32	1.76	1.50

Graph 6: Real GDP growth (1995 = 100)



Methodological note

General government net borrowing/net lending (deficit/surplus), and general government debt are based on annual national accounts of the general government, derived primarily from administrative and other records of general government, and on official estimates particularly from ministries of finance.

EU long-term interest rates are based on central government bond yields on the secondary market, gross of tax, with a residual maturity of around 10 years.

Harmonised indices of consumer prices are used for the comparisons of consumer price inflation in the EU. They are based on the consumer price indices of each EU Member State. US and Japanese data on consumer prices might be based on slightly different methodology.

NB: Some of the figures are preliminary or forecasts.

3. External trade

The internal market has allowed larger businesses to benefit from enormous economies of scale. Meanwhile, new export markets have been opened up to small and medium-sized businesses which previously would have been prevented from exporting by the cost and hassle.

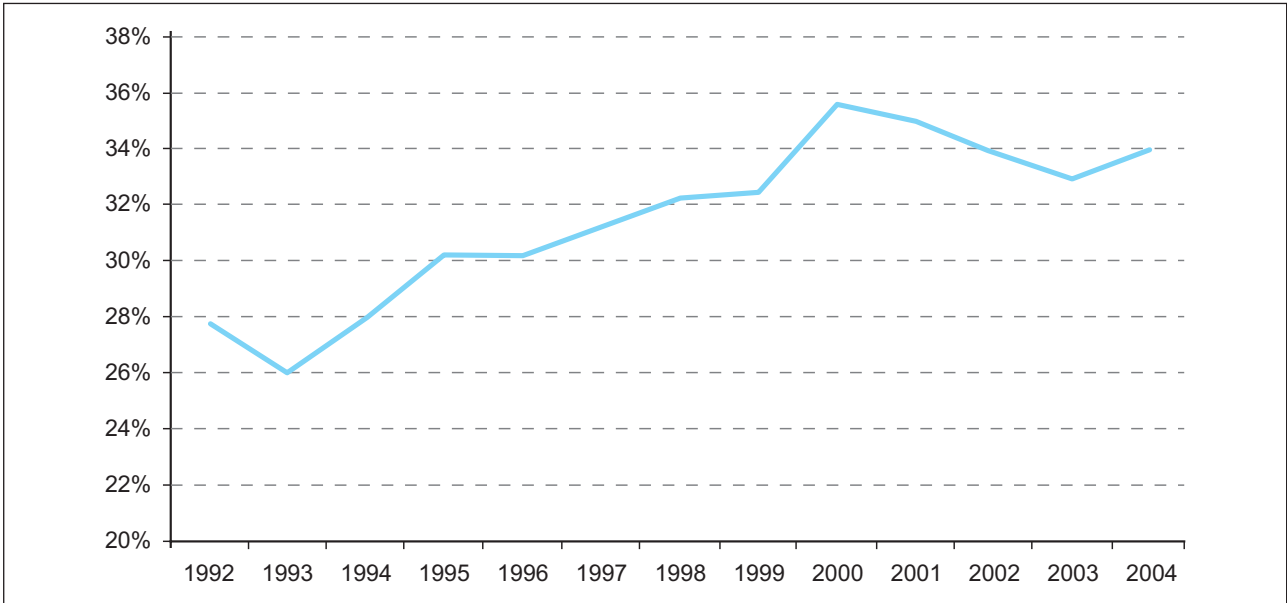
The EU external trade is based on a common EU policy. In other words, where trade, including WTO matters, are concerned, the EU acts as one single actor, where the European Commission negotiates trade agreements and represents the European interests on behalf of the Union's 25 Member States.

Key facts

- The internal market has tied the European economies more closely together and **trade between the Member States has expanded strongly**. Since 1993, intra-EU-15 trade has grown faster than EU-15 GDP (Graph 1).
- **Intra-EU-25 trade accounted for two thirds of total trade in 2004** (Graph 2) and reveals the major importance of trade between the 25 Member States compared with trade with the rest of the world. In 2004, intra-EU trade accounted from 56 % (United Kingdom) to 83 % (Czech Republic) of total trade according to the Member State.
- **In 2004, the EU-25 accounted for approximately one fifth of world trade in goods**. The EU is one of the main players in world trade (Graph 3): in 2004, nearly one fifth of all imports and exports either arrived in or left the EU. The EU is the world's leading exporter of goods and the second-largest importer after the US: in 2004, 18 % of all exports were of Community origin and 18 % of all imports came into the EU. The EU direct competitor is the US followed, but some way behind, by China, Japan and Canada. Together, the EU-25, the US, China, Japan and Canada account for more than half of the world trading of goods.
- **After a strong growth at the turn of the millennium, the EU-25 trade flows remained nearly stable** (Graph 5). Between 2000 and 2003, the EU recorded only a slight growth in exports and a small decrease in imports. The trade started to grow again in 2004. The EU trade is characterised by a permanent but generally limited trade deficit. In 2004, the deficit reached EUR 61 500 million which was slightly higher than in the previous year but only about half of the record level of 2000.
- **The US has traditionally been the most important trading partner of the EU-25 contributing to 20 % of its trade in 2004 but trade has not grown in recent years** (Graph 6). The most notable feature of EU–US trade over recent years has been the continued growth in the EU surplus due to a decrease in the level of imports from the US. In 2004, 24 % of EU exports went to the US (compared with 28 % in 1999) while 15 % of EU imports came from the US (compared with 21 % in 1999). **Except for the US, the other main trading partners of the EU-25 are China** (9 % of total trade in 2004), **Switzerland** (7 %), **Russian Federation and Japan** (both 6 %). One of the most significant features of economic relations between the EU and China over recent years has been the rapid growth of trade. EU trade with China has more than doubled since 1999. China ranks now second among the trading partners of the EU, after passing Switzerland and Japan in 2003. Since 2000, the EU has recorded the largest bilateral deficit in trade with China. The EU posts the only large-scale trade surplus in trade with the US.
- **The majority of EU exports are manufactured products**: their share has annually been around 87 % of total trade (Graph 7). The core of exports is machinery and vehicles which account for almost half of exports. Other manufactured goods (26 % in 2004) and chemical products (16 %) are other key product groups. Around two thirds of the imports are manufactured goods. The breakdown diverges from exports: machinery and vehicles and chemical products account for a smaller share while the other manufactured goods are more important.
- **Germany is the main contributor to both extra-EU exports and imports** (Table 1). In 2004, it accounted for 27 % of extra-EU exports well ahead of France (13 %), the United Kingdom and Italy (both 12 %). Germany is also the largest importer, accounting for 20 % of extra-EU imports, followed by the United Kingdom (16 %), the Netherlands (12 %), France and Italy (both 11 %).

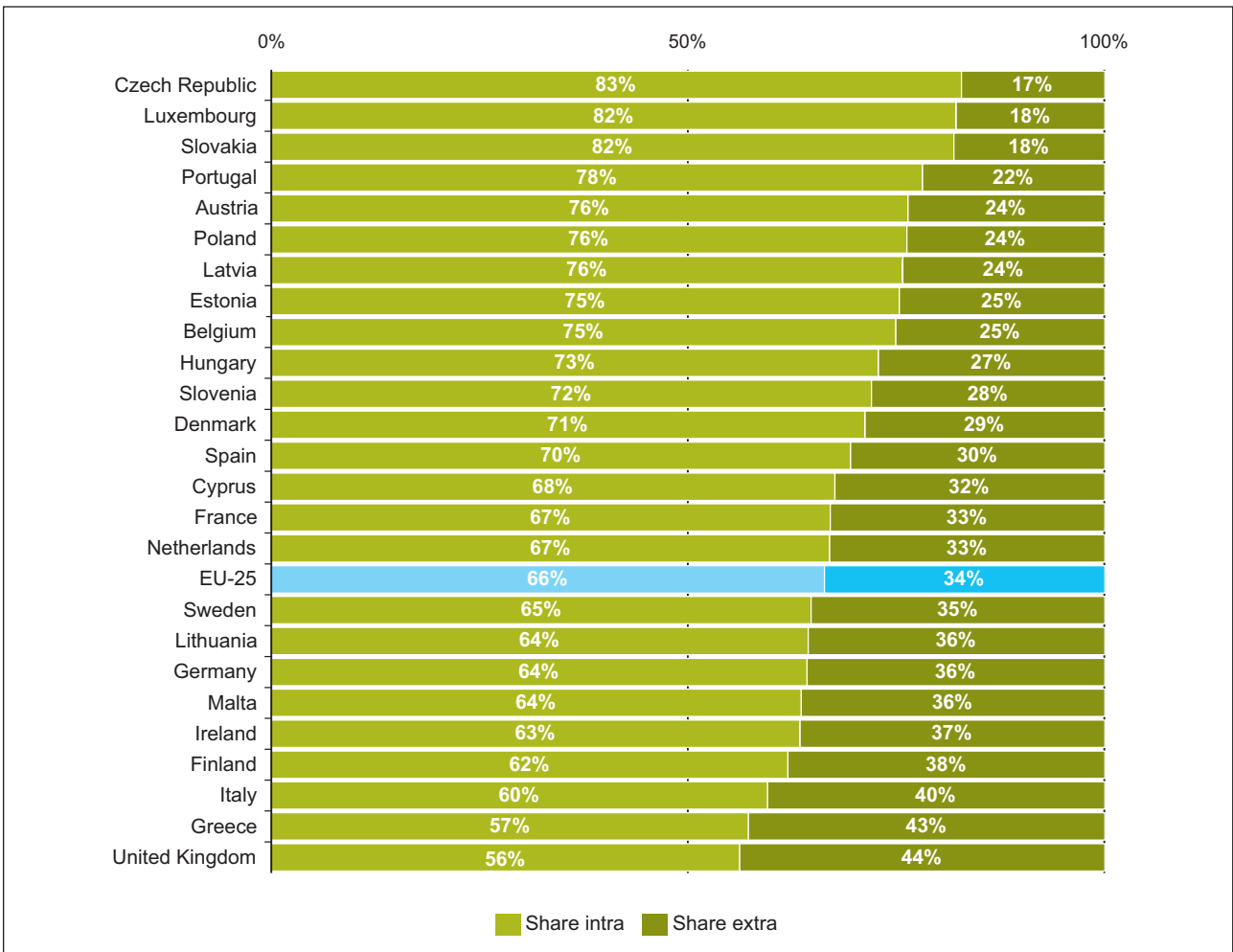
Intra-European Union trade

Graph 1: Share of intra-EU-15 trade in EU-15 GDP



Source: Eurostat.

Graph 2: Share of intra-EU-25 trade in total trade for each Member State, 2004

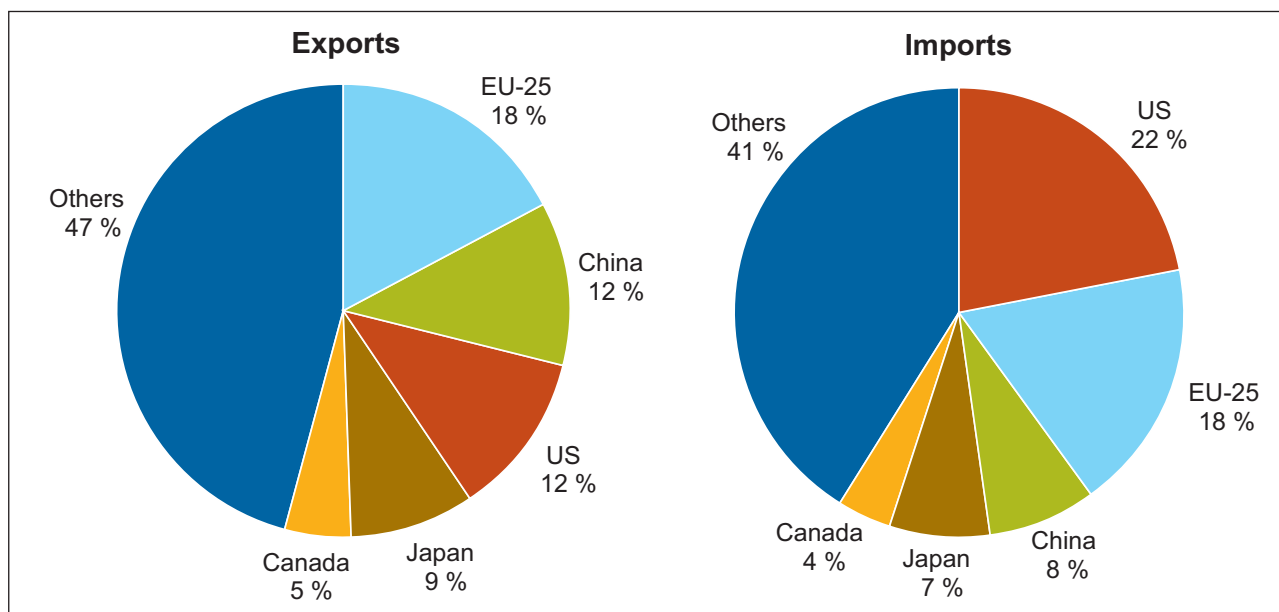


Source: Eurostat.

European Union and world trade

Graph 3: Main players in the world goods' market — Share in world trade, 2004

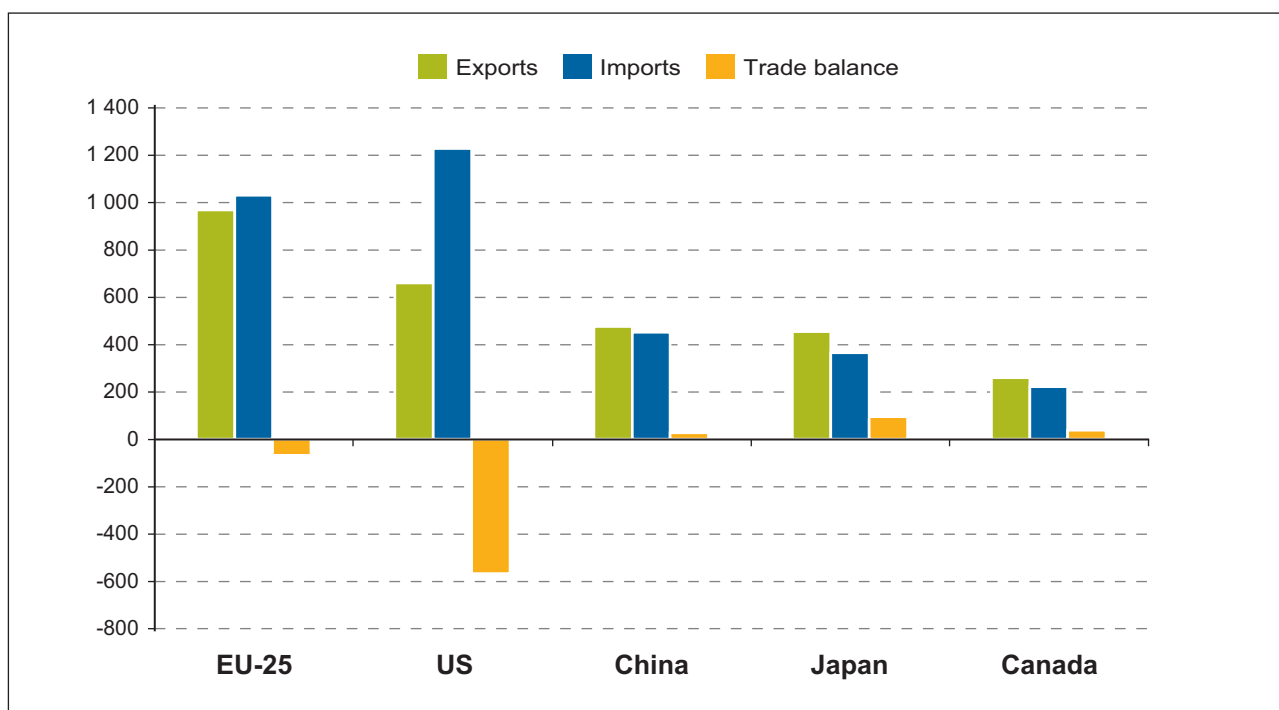
(Trade exchanges in EUR 1 000 million, 2004)



Source: Eurostat and WTO.

Graph 4: Main players in the world goods' market - Trade exchanges in value, 2004

(Trade exchanges in EUR 1 000 million, 2004)

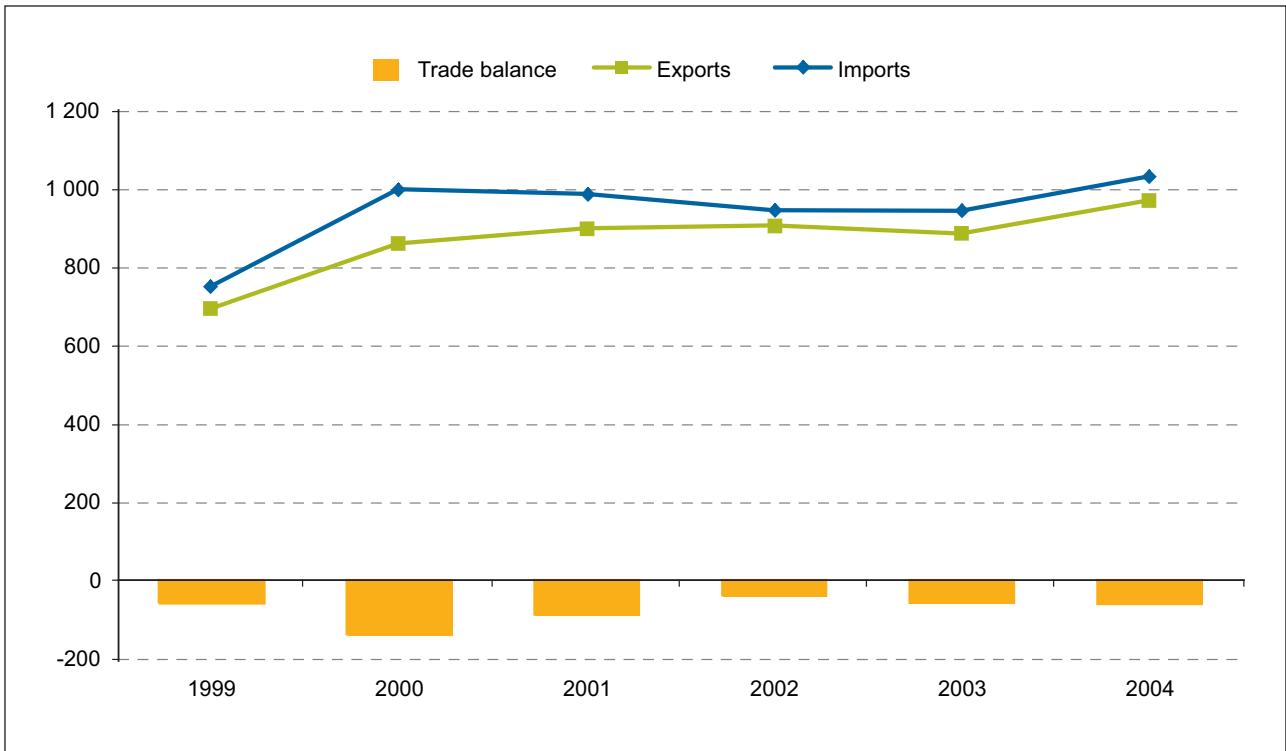


Source: Eurostat and WTO.

European Union trade with the rest of the world

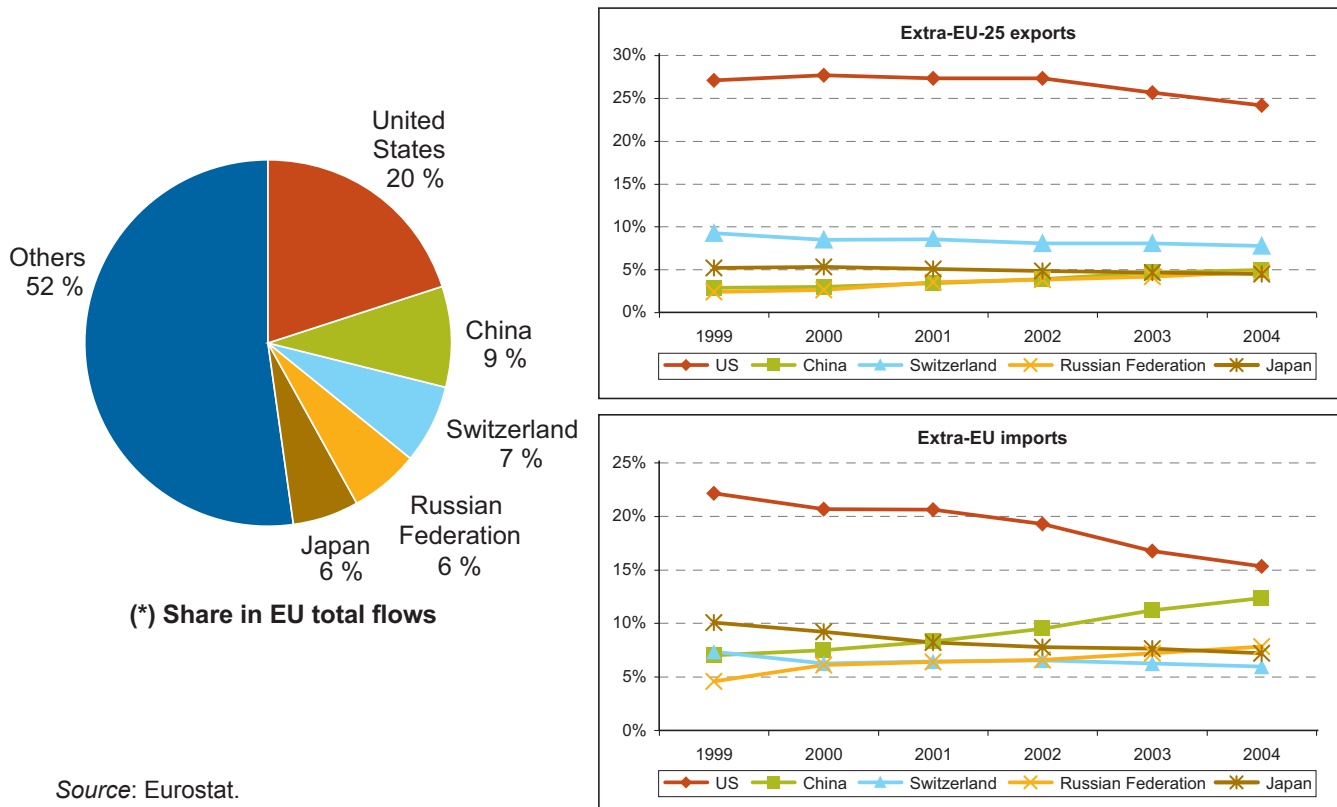
Graph 5: Extra-EU-25 trade, 1999–2004

(in EUR 1 000 million)



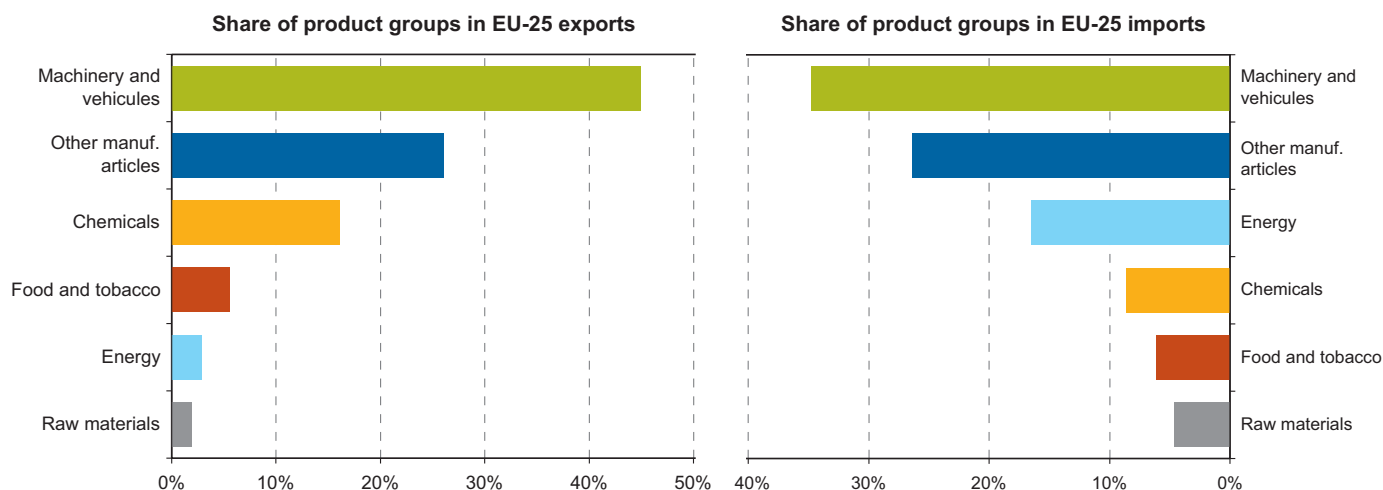
Source: Eurostat.

Graph 6: Share of the main EU trading partners in 2004, and evolution of trade exchanges since 1999 (*)



Source: Eurostat.

Graph 7: Extra-EU-25 trade by main product groups, 2004



Source: Eurostat.

Table 1: EU-25 Member States' contribution to extra-EU-25 trade, 2004

(according to harmonised Community concepts)

	EXPORTS		IMPORTS		Trade balance
	1 000 million EUR	Share	1 000 million EUR	Share	1 000 million EUR
EU-25	967.5	100.0%	1 029.1	100.0%	-61.5
Belgium	56.9	5.9%	62.2	6.0%	-5.3
Czech Republic	7.8	0.8%	11.3	1.1%	-3.6
Denmark	17.8	1.8%	15.7	1.5%	2.1
Germany	264.8	27.4%	202.1	19.6%	62.6
Estonia	0.9	0.1%	2.0	0.2%	-1.0
Greece	5.5	0.6%	17.8	1.7%	-12.3
Spain	37.9	3.9%	66.6	6.5%	-28.6
France	125.3	13.0%	116.5	11.3%	8.8
Ireland	31.4	3.2%	17.0	1.7%	14.4
Italy	114.4	11.8%	113.1	11.0%	1.3
Cyprus	0.3	0.0%	1.4	0.1%	-1.1
Latvia	0.7	0.1%	1.4	0.1%	-0.7
Lithuania	2.5	0.3%	3.7	0.4%	-1.2
Luxembourg	1.3	0.1%	3.9	0.4%	-2.6
Hungary	9.2	0.9%	15.7	1.5%	-6.6
Malta	1.0	0.1%	0.8	0.1%	0.2
Netherlands	59.0	6.1%	120.3	11.7%	-61.2
Austria	26.9	2.8%	17.7	1.7%	9.2
Poland	12.9	1.3%	18.3	1.8%	-5.4
Portugal	5.8	0.6%	10.1	1.0%	-4.4
Slovenia	4.5	0.5%	3.0	0.3%	1.5
Slovakia	3.3	0.3%	5.0	0.5%	-1.7
Finland	20.8	2.1%	13.5	1.3%	7.3
Sweden	40.6	4.2%	22.2	2.2%	18.3
United Kingdom	116.2	12.0%	167.8	16.3%	-51.6

Source: Eurostat.

4. Regional development

Regional policy puts into practice the solidarity between the peoples of Europe mentioned in the preamble to the Treaty on European Union. It helps to achieve one of the fundamental objectives laid down in the Treaty: the strengthening of the EU's economic and social cohesion by reducing developmental disparities between its regions. It has a significant impact on the competitiveness of the regions and on the living conditions of their inhabitants, mainly by co-financing multi-annual development programmes.

These programmes are supported by four Structural Funds: the **European Regional Development Fund** (ERDF) for infrastructures and investments, generating jobs and SMEs; the **European Social Fund** (ESF) for training, social integration and employment; the **European Agricultural Guidance and Guarantee Fund** (EAGGF, Guidance Section) for rural development and aid to farms; and the **Financial Instrument for Fisheries Guidance** (FIFG) for the adaptation of the fisheries sector. The **Cohesion Fund** supports environmental and transport projects in the least prosperous Member States.

The Structural Funds concentrate on three priority objectives: catch-up for regions lagging behind in development (**Objective 1**), socioeconomic conversion of industrial, urban or rural zones or zones which are dependent on fisheries (**Objective 2**), and improved training and job opportunities (**Objective 3**). Aid is also granted by four **Community initiatives** which encourage cross-border, transnational and inter-regional cooperation throughout the EU (Interreg III), the regeneration of cities and neighbourhoods in crisis (URBAN II), equality in the labour market (EQUAL) and the development of rural areas (Leader+). And finally, the **innovative actions** support experimental regional programmes.

The Structural Funds absorb approximately one third of the EU budget. Their allocation for the 2000–06 period is EUR 195 000 million for the EU-15, plus EUR 15 000 million for the new Member States between 2004 and 2006. The Cohesion Fund receives EUR 25 600 million for the EU-25.

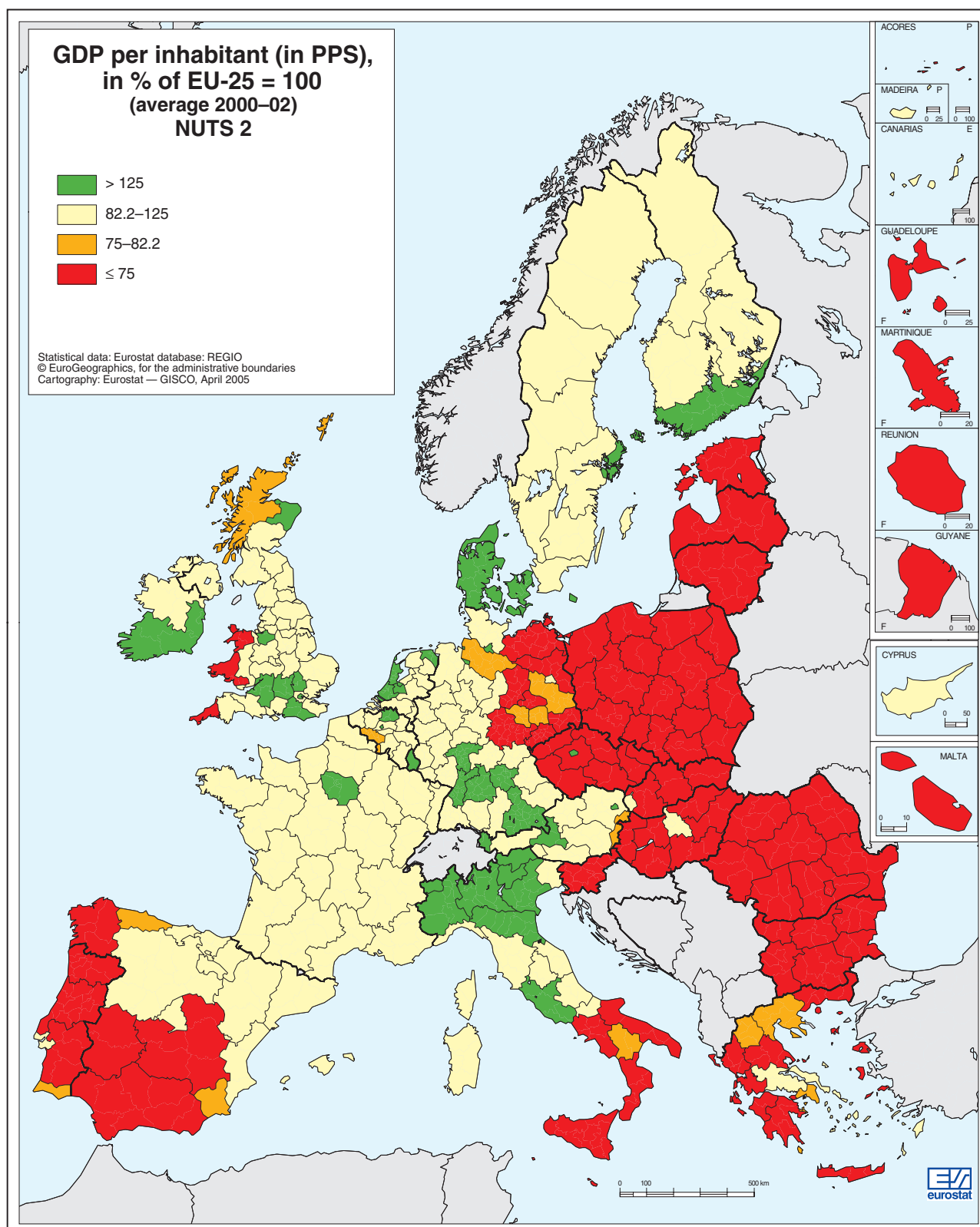
For the 2007–13 period, the Commission proposes to concentrate its priorities in three areas, with a global budget of approximately EUR 336 000 million. “**Convergence**” will stimulate growth and employment in the less developed regions (principally the new Member States) which will continue to benefit from the Cohesion Fund. “**Competitiveness**” will anticipate changes in the rest of the EU. This will include a regional component, for which each Member State will select the beneficiary zones, and a national component based on the European employment strategy. “**Cooperation**” will draw on the experience acquired by Interreg to encourage harmonious development throughout the EU territory.

Key facts

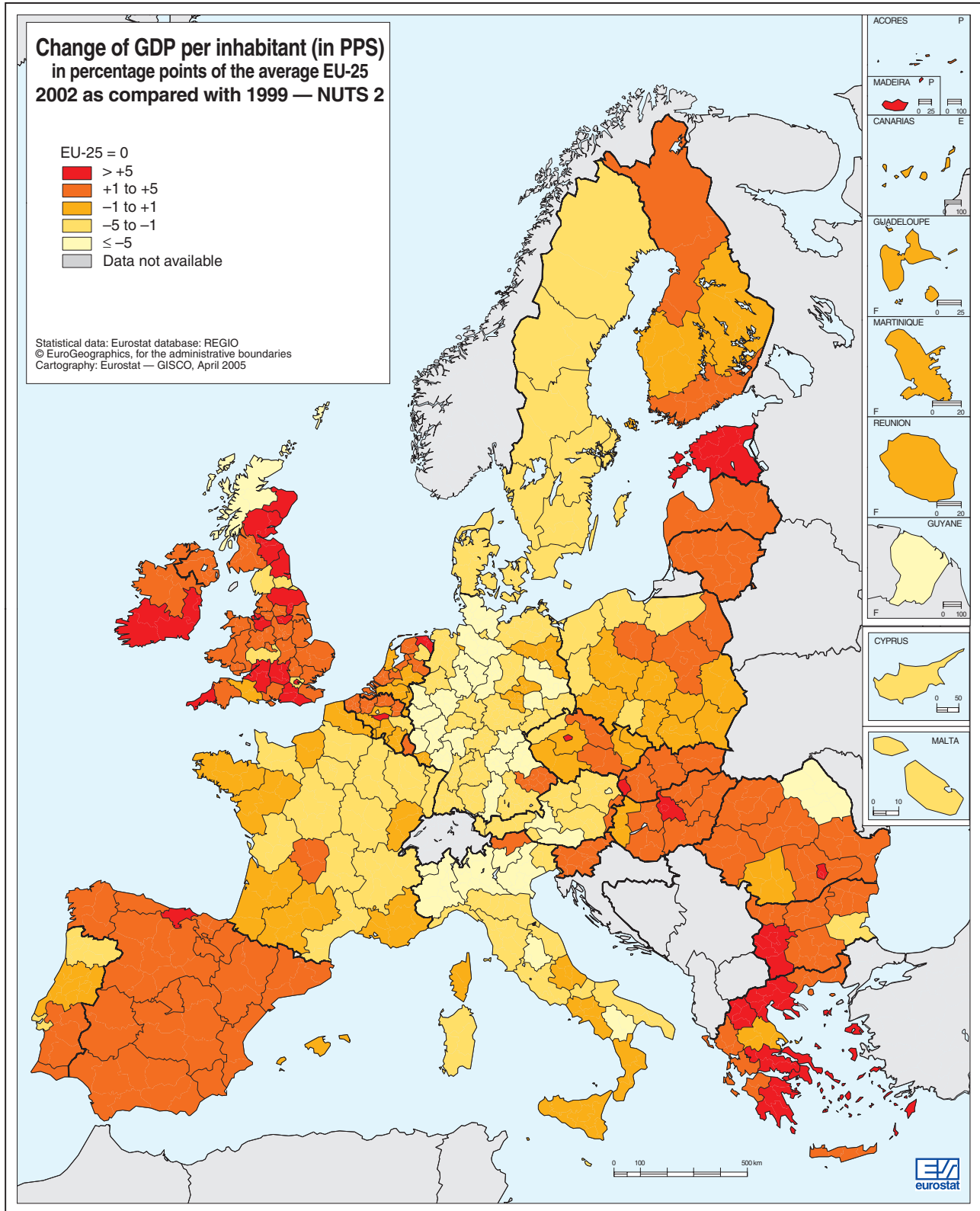
- **The average level of per capita GDP (in PPS) for the years 2000 to 2002** (Map 1) is of particular importance because it is used in deciding which regions are to receive EU funding under the Structural Funds during the 2007–13 programming period. The so-called “less-developed regions”, are those with a three-year average of per capita GDP of below 75 % of the EU-25 level.
- **Change in per capita GDP between 1999 and 2002 by comparison with the EU-25 average** (expressed in percentage points of the EU-25 average) (Map 2) show the economically most dynamic regions (whose per capita GDP increased by more than 1 percentage point when compared with the average) and the less dynamic regions (those with a relative fall of more than 1 percentage point).
- **Data on primary income in the EU-25 regions (Map 3)** show clear centres of prosperity in the south of England, Paris, Brussels, northern Italy, Vienna, Madrid, the western Netherlands, Stockholm. The north–south divide is clearly visible in both Italy and Spain, and the east–west divide in Germany. In the new Member States, the primary income of households in most regions is still less than half the EU average.
- **Regional employment rates** of the age group 15–64 (Map 4) and **regional unemployment rates** (Table 1) are used, among other indicators, for the allocation of Structural Funds to Objective 2.

- The **URBAN audit** collects information on the living conditions in 258 large and medium-sized cities within the European Union and the candidate countries. Around 21 % of the 457 million EU inhabitants live in the participating cities. Over-reliance on cars can reduce city efficiency and increase pollution. As an example, the **transport modes for journeys to work** in the core city and in the larger urban zone (LUZ) for selected cities are illustrated in Graph 1.

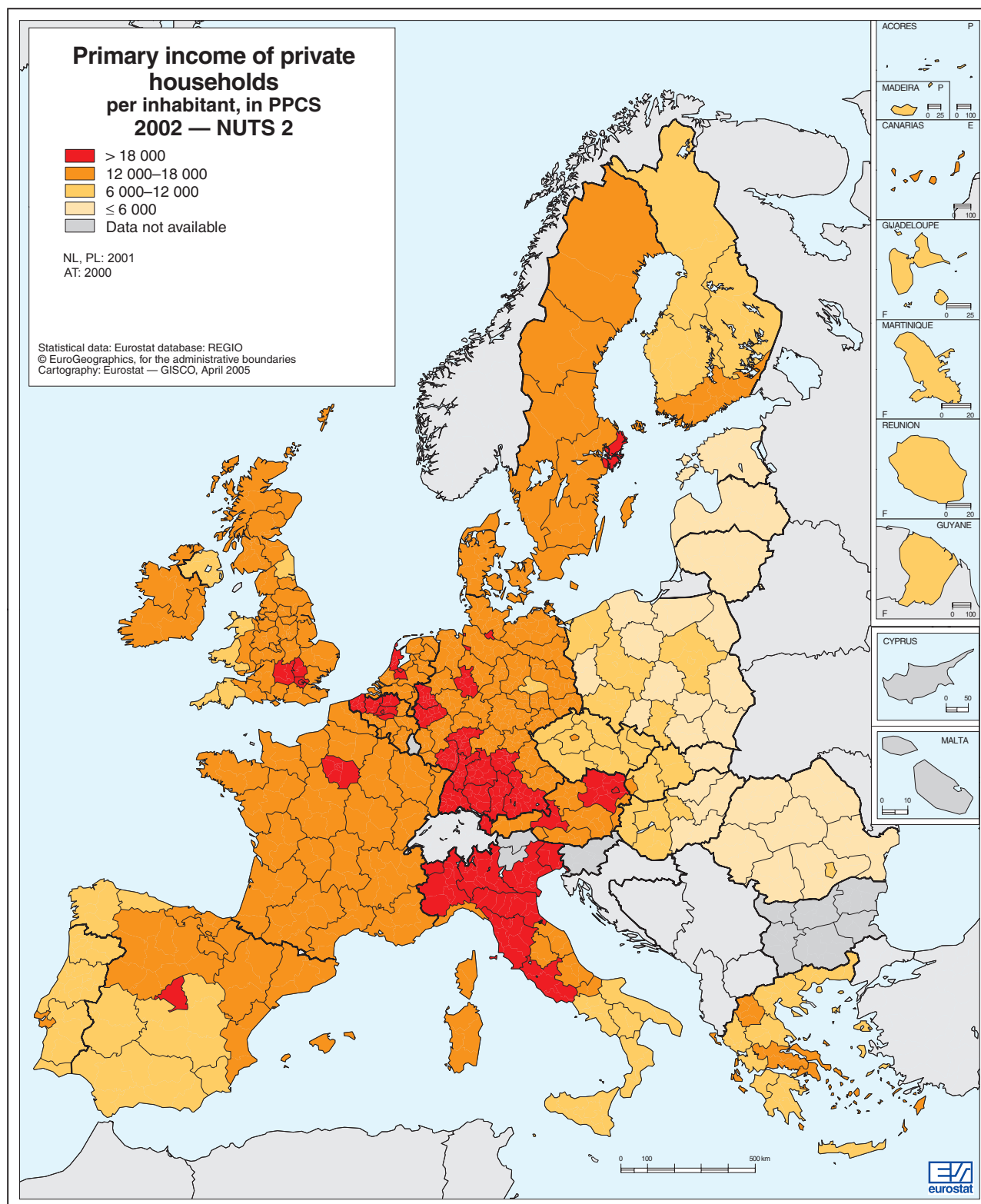
Map 1: GDP per inhabitant (in PPS)



Map 2: Change of GDP per inhabitant (in PPS)



Map 3: Primary income of private households per inhabitant, 2002



Map 4: Employment rate of age group 15–64 (%), 2003

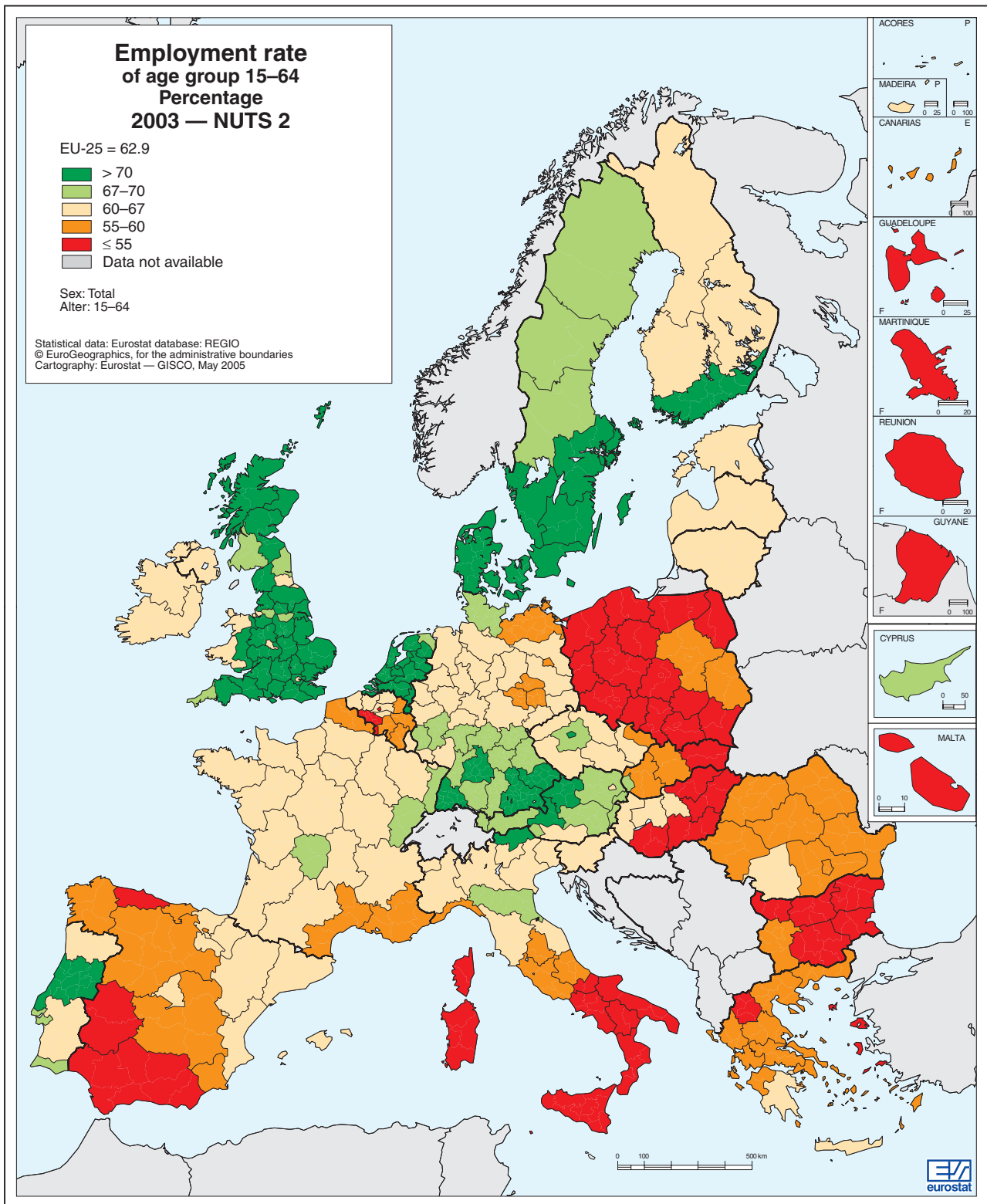
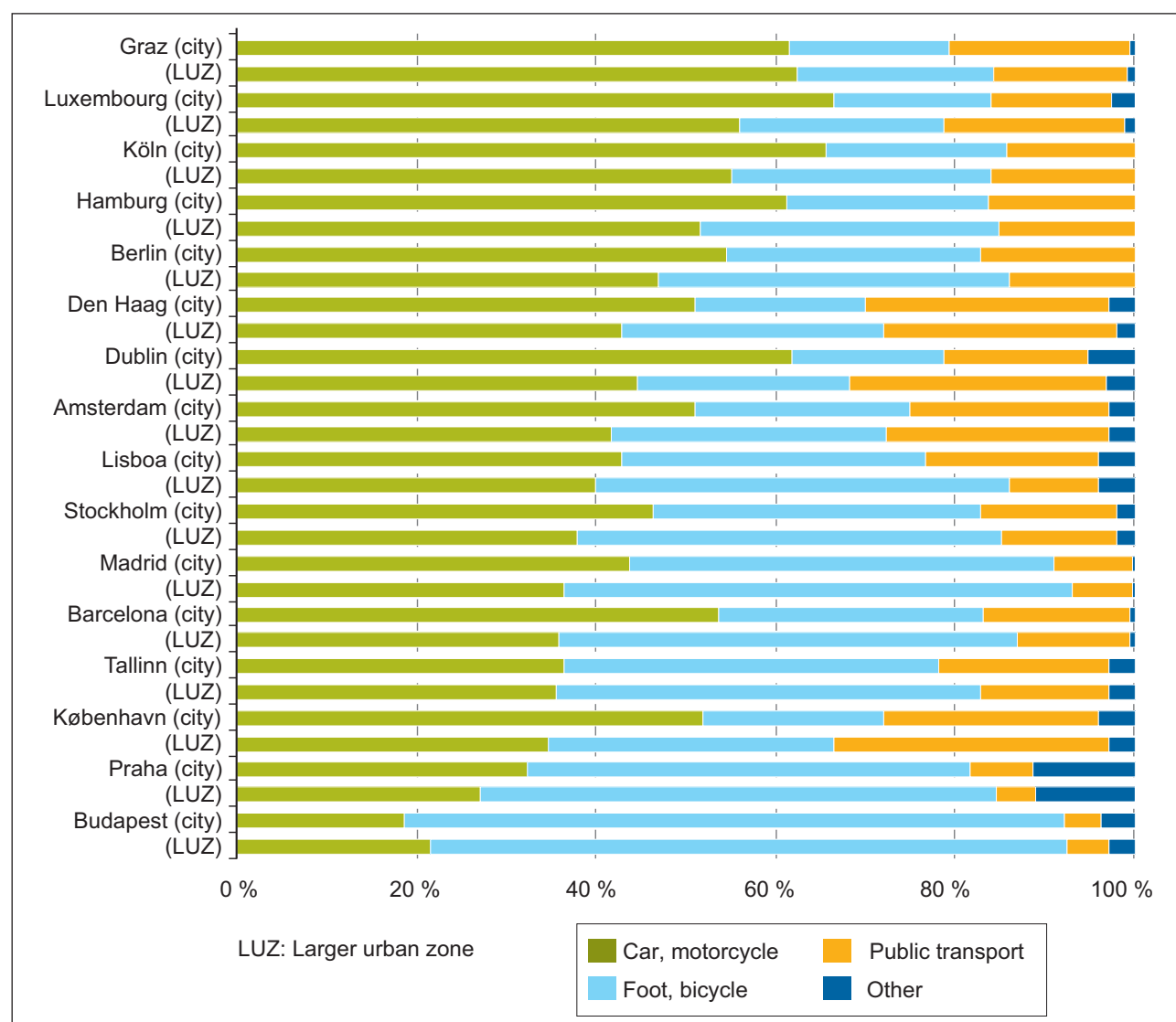


Table 1: EU-25 regions with lowest/highest unemployment in 2004 and the unemployment level in 2003

Region	Employed persons aged 15 and over			Unemployed persons aged 15-74			Unemployment rate persons aged 15 and over		
	2003 in thous.	2004 in thous.	difference between 2004 and 2003 in thous.	2003 in thous.	2004 in thous.	difference between 2004 and 2003 in thous.	2003 in thous.	2004 in thous.	difference between 2004 and 2003 in percen. points
Dorset and Somerset (UK)	571.1	586.3	15.2	18.4	14.4	-4.0	3.1	2.4	-0.7
North Yorkshire (UK)	373.7	372.8	-0.8	10.5	9.9	-0.6	2.7	2.6	-0.1
Provincia Autonoma Bolzano/Bozen (IT)	227.7	221.9	-5.8	4.7	6.0	1.4	2.0	2.7	0.6
Valle d'Aosta/Vallée d'Aoste (IT)	55.1	55.5	0.4	2.3	1.7	-0.6	4.1	3.0	-1.1
Cheshire (UK)	474.0	470.2	-3.7	16.2	15.2	-1.1	3.3	3.1	-0.2
Herefordshire, Worces. and Warwick. (UK)	604.4	611.7	7.3	24.1	20.1	-4.0	3.8	3.2	-0.7
Provincia Autonoma Trento (IT)	201.2	216.4	15.2	6.0	7.1	1.1	2.9	3.2	0.3
Tirol (AT)	321.2	326.6	5.4	8.3	11.1	2.8	2.5	3.3	0.8
Hampshire and Isle of Wight (UK)	903.9	903.9	0.0	31.9	30.9	-1.0	3.4	3.3	-0.1
Surrey, East and West Sussex (UK)	1 267.7	1 262.5	-5.1	44.3	43.6	-0.7	3.4	3.3	0.0
Mecklenburg-Vorpommern (DE)	716.8	690.7	-26.1	183.2	189.0	5.8	20.4	21.2	0.8
Kujaw sko-Pomorskie (PL)	775.3	764.9	-10.3	216.4	216.9	0.4	21.8	22.1	0.3
Stredné Slovensko (SK)	519.3	512.7	-6.6	134.2	145.5	11.3	20.5	22.1	1.6
Warmińsko-Mazurskie (PL)	459.6	467.1	7.5	144.6	134.2	-10.4	23.9	22.3	-1.6
Dessau (DE)	208.2	200.2	-8.0	58.2	60.3	2.1	21.8	22.9	1.0
Lubuskie (PL)	356.5	377.5	21.0	115.6	113.9	-1.7	24.5	23.2	-1.3
Halle (DE)	327.6	318.4	-9.1	91.8	98.2	6.4	21.9	23.4	1.5
Zachodniopomorskie (PL)	546.3	547.6	1.3	186.9	170.9	-16.0	25.5	23.8	-1.7
Východné Slovensko (SK)	564.8	555.8	-9.0	157.3	177.6	20.3	21.8	24.2	2.4
Dolnośląskie	895.1	949.2	54.1	315.1	314.6	-0.5	26.0	24.9	-1.1

Graph 1: Transport modes of the journeys to work — city and the larger urban zone



5. Environment

A clean and healthy environment is essential for achieving the prosperity and quality of life that EU citizens want. To make the best use of natural resources and emerging technologies, future economic growth and social development needs to be based on sound environmental principles. In a recent (autumn 2004 ⁽¹⁾) survey, 85 % of respondents felt that “policymakers should consider the environment to be as important as economic and social policies” and 88 % felt that environmental concerns should be taken into account when making decisions in other areas such as the economy and employment.

Over the last 30 years or so, major progress has been made in establishing a comprehensive range of environmental legislation in the EU. The current (sixth) EU environmental action programme 2001–10 (6EAP) gives a new sense of purpose and direction to the Community’s environmental policy. It sets out the objectives for the decade and determines the actions required if these goals are to be achieved. The programme identifies four priority areas:

- climate change
- nature and biodiversity
- environment and health and quality of life
- natural resources and waste.

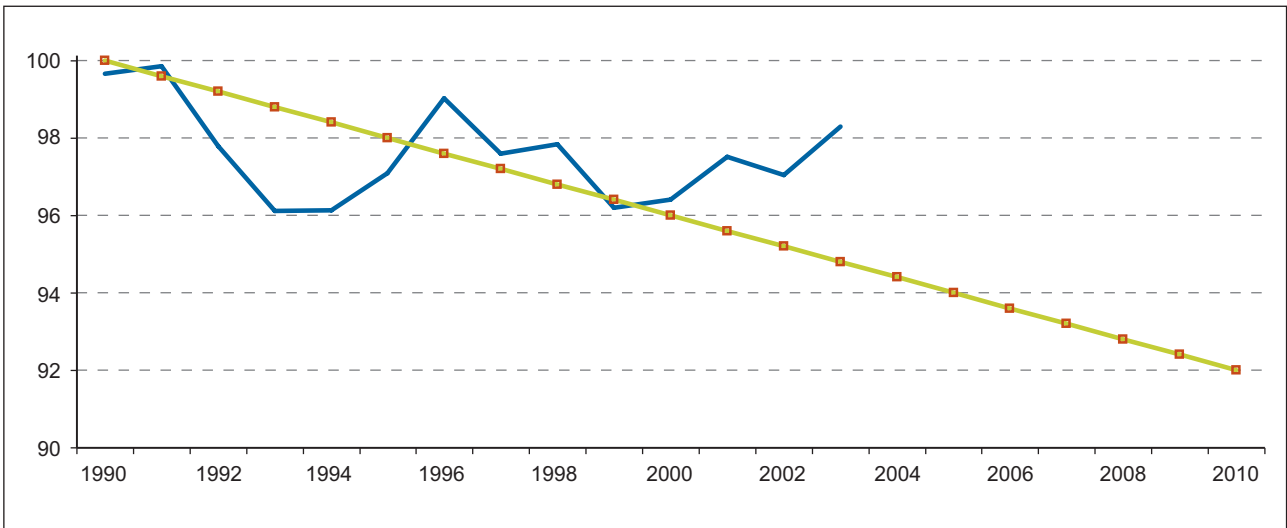
The 6EAP calls upon the active involvement and accountability of all sections of society in the search for innovative, workable and sustainable solutions to environmental problems. It provides the environmental component of the Community’s overall strategy for sustainable development.

Key facts

- **Emissions of greenhouse gases** (GHGs), were in 2003, 1.7 % lower than in the Kyoto Protocol base year (1990), although they have been on the increase since the year 2000. The Kyoto target for the EU-15 is – 8 %, to be reached by 2008–12 (Graph 1).
- The structural indicator on **population trends of farmland birds** is presently the best available proxy for a general biodiversity index. It shows no definite trend in the period 1990–2003. Comparing the general level with the level in 1980 for the subset of countries where data are available shows a substantial drop in the 1980s, and no sign of recovery is evident in recent years (Graph 2).
- **Bad air quality**, in particular exposure to particulate matter, significantly affects public health, reducing average life expectancy in Europe by eight months. While still more needs to be done, the partial success in this field due to policies and technological advancement can be demonstrated in 50 % reduction of the emission of tropospheric ozone precursors (TOP), affecting human health and generating acid rain, over the last 15 years (Graph 3).
- **Municipal waste** generation in the EU-25 grew at a rate of about 2 % per year between 1995 and 2004, rising from 461 kg/person to 537 kg/person (Graph 4). The amount of this waste which was recycled, composted or incinerated (from which energy can be generated) has increased by two thirds, while the amount of waste which was disposed of by landfill has fallen by 16 %.
- The **discharge of non-treated wastewater** is an important contribution to the pollution of surface waters and some coastal areas. Improved wastewater treatment has helped reducing pollutant discharges to these waters. However, there are still large differences in the percentage of population served by modern wastewater treatment plants among EU countries (Graph 5).
- **Environmental taxes** (taxes paid by users of natural resources to reflect the adverse environmental impact of their activities) decreased in the majority of EU-15 countries between 1995 and 2002 when measured as a proportion of total taxes and social contributions. The drop is mainly due to the decrease in energy-related taxation (Graph 6).

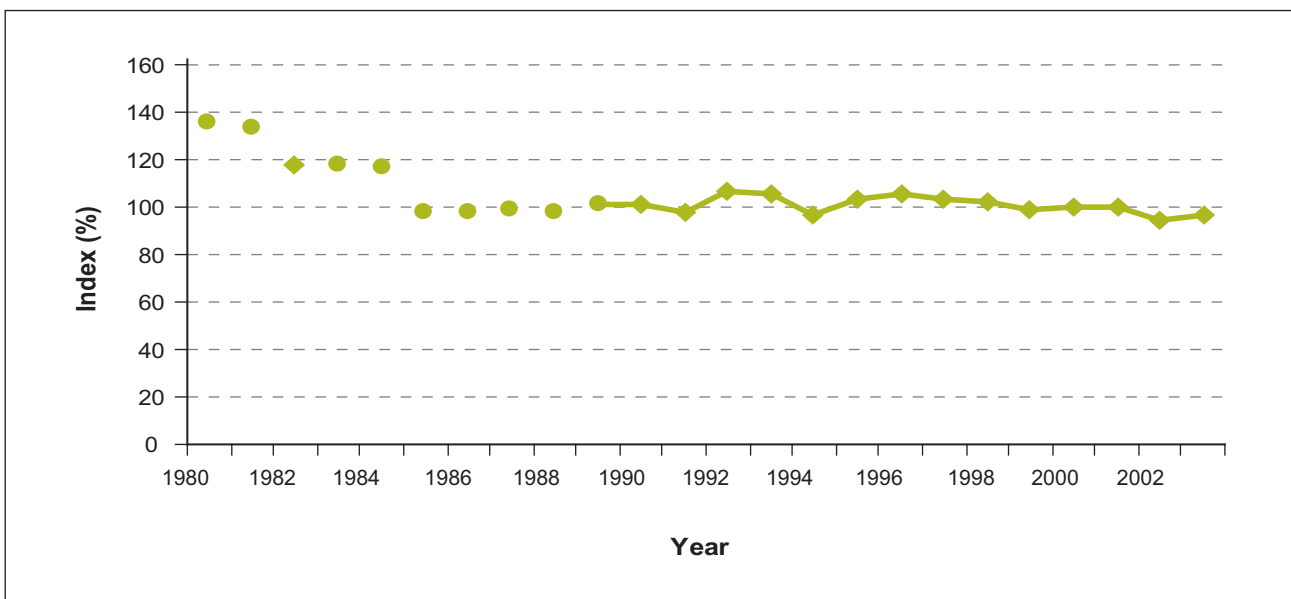
(1) <http://europa.eu.int>

Graph 1: EU-15 total GHG emissions and target according to Kyoto Protocol for 2008-12 (% of base year emissions)



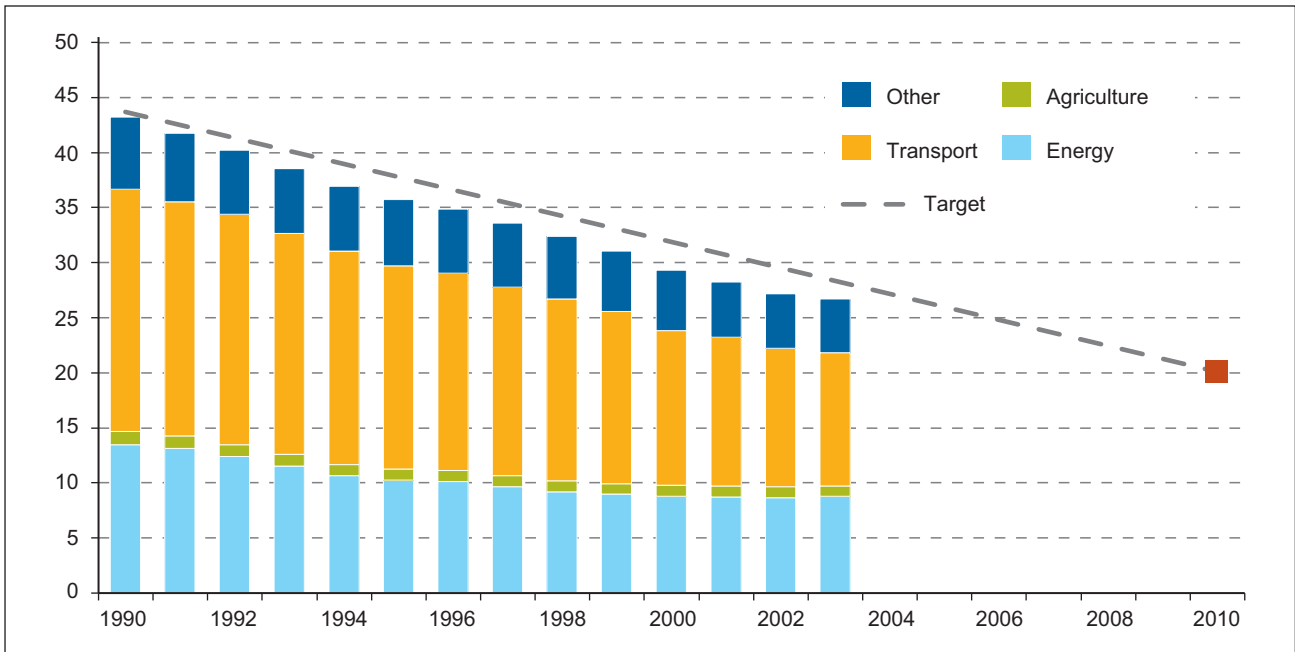
Source: European Environment Agency.

Graph 2: Population trends of selected farmland bird species in Europe (2000 = 100)



Source: EBCC/RSPB/BirdLife/Statistics Netherlands.

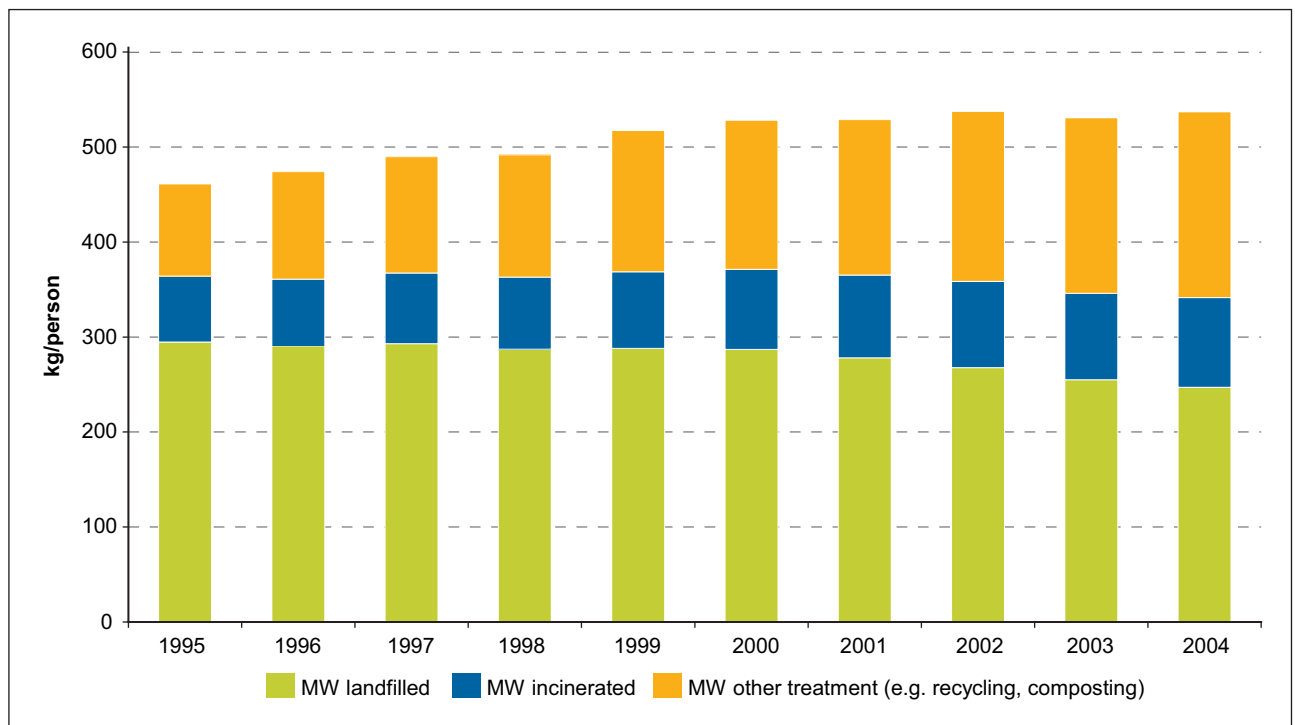
Graph 3: EU-25 weighted emissions of ozone precursors (million tonnes NMVOC equivalents)



Directive 2001/81/EC of the European Parliament and of the Council on national emission ceilings for certain atmospheric pollutants.

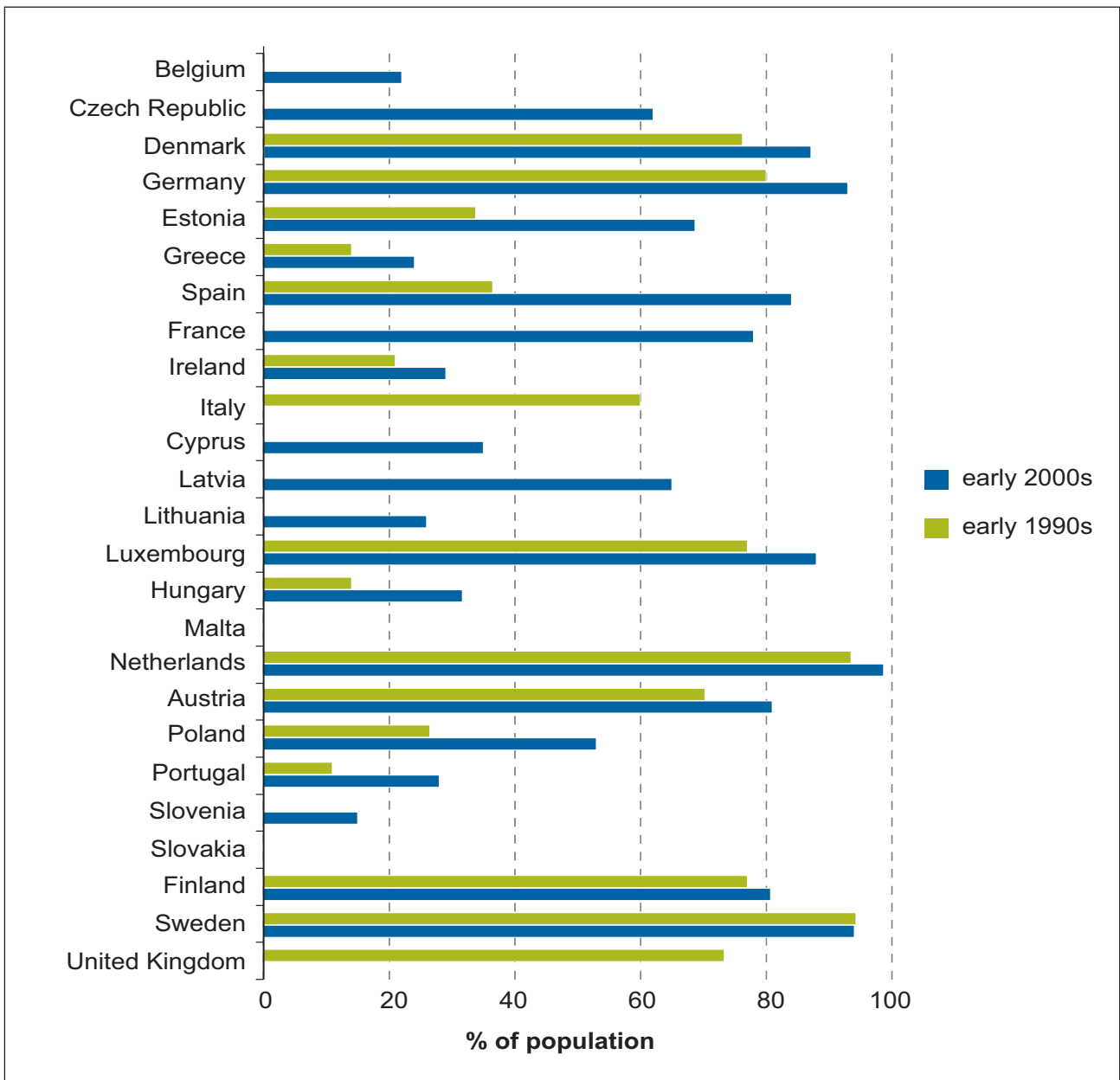
Source: European Environment Agency.

Graph 4: EU-25 municipal waste (MW) generated and treated (kg/person)



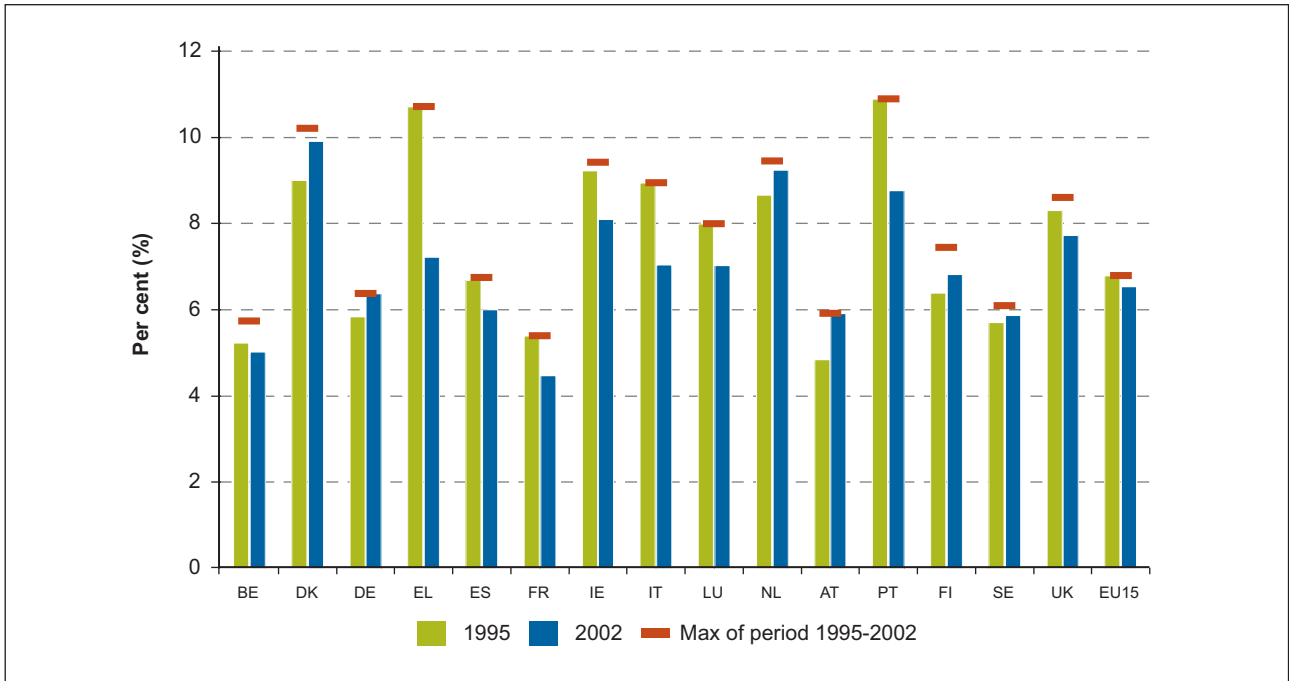
Source: Eurostat.

Graph 5: Population connected to wastewater treatment systems with at least secondary treatment (%)



Source: Eurostat.

Graph 6: Environmental taxes as percentage of total taxes and social contributions



Source: Eurostat.

6. Demography and migration

Demographic trends will have economic and social consequences in a number of areas, particularly for pension and healthcare systems. Given the economic integration of the European Union, there is an evident need for common efforts to help the societies of the Member States to cope with this huge challenge and to avoid austerity.

In its Green Paper, “**Faced with demographic change, a new solidarity between the generations**” (COM 2005, 94 final), the Commission concludes that in order to face up to demographic change, Europe should pursue three essential priorities:

- to return to demographic growth;
- to ensure a balance between the generations, in the sharing of time throughout life, in the distribution of the benefits of growth, and in that of funding needs stemming from pensions and health-related expenditure;
- to find new bridges between the stages of life, particularly between economic activity and inactivity. Young people still find it difficult to get into employment. An increasing number of “young retirees” want to participate in social and economic life. Study time is getting longer and young working people want to spend time with their children.

In recent years, **migration** has become the main factor behind demographic growth in the EU. The Treaty of Amsterdam established Community competence in the fields of **immigration and asylum**. The Tampere European Council in 1999 called for the development of partnership with countries of origin, a common European asylum system, fair treatment of third country nationals and management of migration flows. The Hague programme (2005–10) will continue the work on increased harmonisation of immigration and asylum systems and policies.

Key facts

- During the last four decades, the population of the 25 countries of today’s European Union has grown from over 376 million persons (1960) to almost **457 million persons** (2004).
- Development and composition of the population growth in Europe has varied significantly over the years. Until the end of the 1980s, the “**natural increase**” (live births minus deaths) was by far the major component of population growth. However, there has been a sustained decline of the “natural increase” since the early 1960s. On the other hand, international **migration** has gained importance to become the major force of population growth from the beginning of the 1990s onwards (Graph 1).
- A major reason for the slowdown of the “natural increase” of the population is the fact that, on average and over time, the inhabitants of the EU have fewer children. In the 25 countries that today form the European Union, the **total fertility** rate has declined from a level of above 2.5 in the early 1960s to a level of about 1.5 in 1995, where it has remained since (Graph 2). For comparison: in the more developed parts of the world today, a total fertility rate of 2.1 children per woman is considered to be the replacement level, in other words, the level at which a population would remain stable in the long run if there was no inward or outward migration.
- **Life expectancy** at birth has increased due to better circumstances of life and medical progress (Table 1). In the countries of today’s EU-25, a newborn girl can expect to live over 81 years (1960: below 73 years), a boy about 75 years (1960: 67 years).
- The low fertility levels, combined with an extended longevity and the fact that the baby boomers will reach retirement age, results in a **demographic ageing** of the EU population. The share of the older generation is increasing while that of those of working age is decreasing. The “old age dependency ratio” relates to the population in retirement age to the one in working age. If retirement age is approximated by “60 years and over” and working age by “20 to 59 years”, and if current trends prevail until 2050, anyone in his working age then might have to provide for about twice as many retired people as is usual today. With a postponed retirement age the underlying problem remains, but its effect might be less stinging (Graph 3).

Table 1: Demographic indicators for the EU-25 (1)

Indicator	Unit	1960	1970	1980	1990	2000	2004 (2)
Total population	millions	376	407	426	439	451	457
Share in the world population	%	12	11	10	8	7	7
Total fertility rate (3)		2.6	2.3	1.9	1.6	1.5	1.5
Life expectancy (4) of girls	years	72.6	74.4	76.8	78.8	80.8	81.3
Life expectancy (4) of boys	years	67.1	68.0	69.8	71.7	74.4	74.9
Share in the total population by age group:	%	100	100	100	100	100	100
0 to 19	%	32.6	32.5	30.2	26.5	23.6	22.5
20 to 59	%	52.6	50.5	52.5	54.3	55.4	55.8
60 and over	%	14.8	17.0	17.3	19.2	21.0	21.7
Old age dependency ratio (retirement 60+) (5)	%	28.2	33.8	32.9	35.3	37.9	39.0
Old age dependency ratio (retirement 65+) (6)	%	17.4	21.0	24.0	23.3	25.9	27.0

(1) Aggregate comprising the 25 countries that today form the European Union.

(2) Includes estimates.

(3) Average number of children that would be born to a woman during her lifetime if she were to pass through her childbearing years conforming to the age-specific fertility rates that have been measured in a given year.

(4) Life expectancy at birth.

(5) Population aged 60 and over related to population aged between 20 and 59.

(6) Population aged 65 and over related to population aged between 20 and 64.

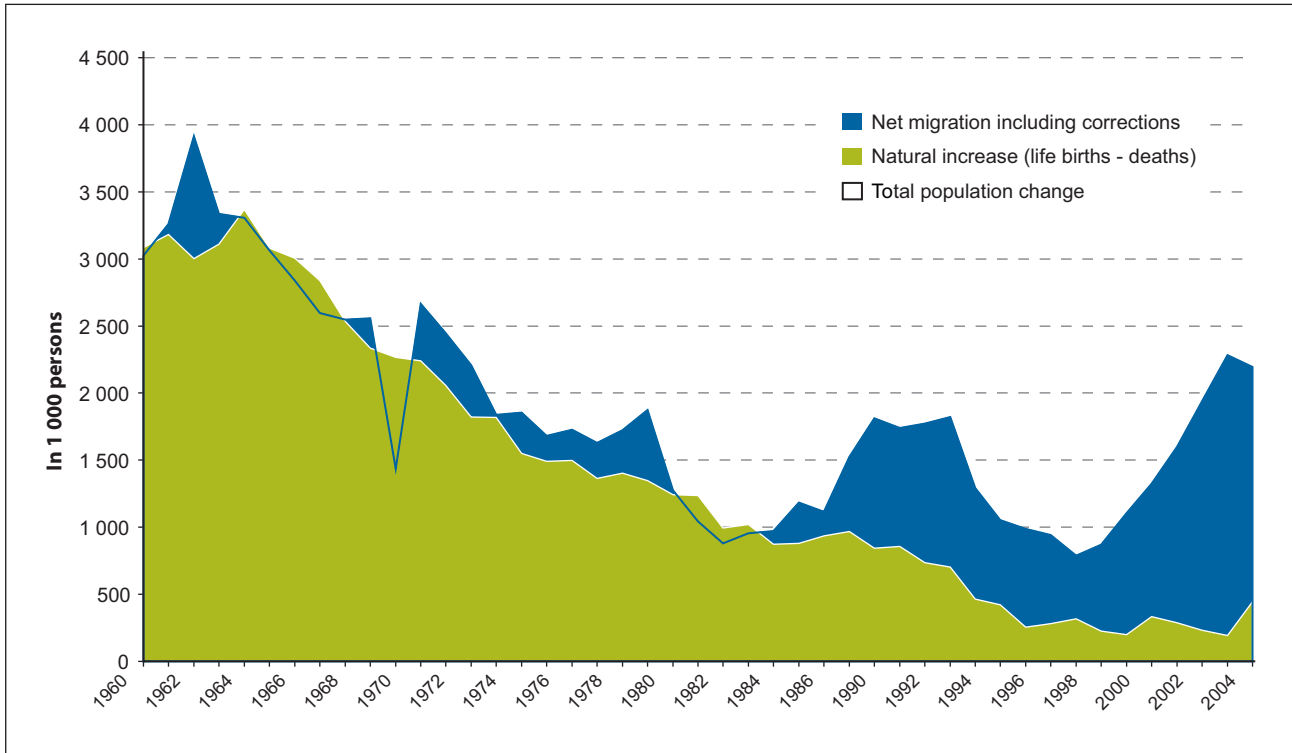
Table 2: National and foreign population in EU-25 Member States, 1 January 2003

	Unit	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV	LT
Total population	1 000	10 356	10 203	5 398	82 537	1 356	11 006	42 198	59 635	3 964	57 321	7 15	2 319	3 463
Nationals	%	92	99	95	92	80	93	94	94	93	98	91	99	99
Foreigners, of which	%	8	1	5	8	20	7	6	6	7	2	9	1	1
Other EU nationals	%	5	0	1	2	0	1	1	2	4	0	5	0	0
Third-country nationals	%	3	1	4	6	20	6	5	4	3	2	4	1	1

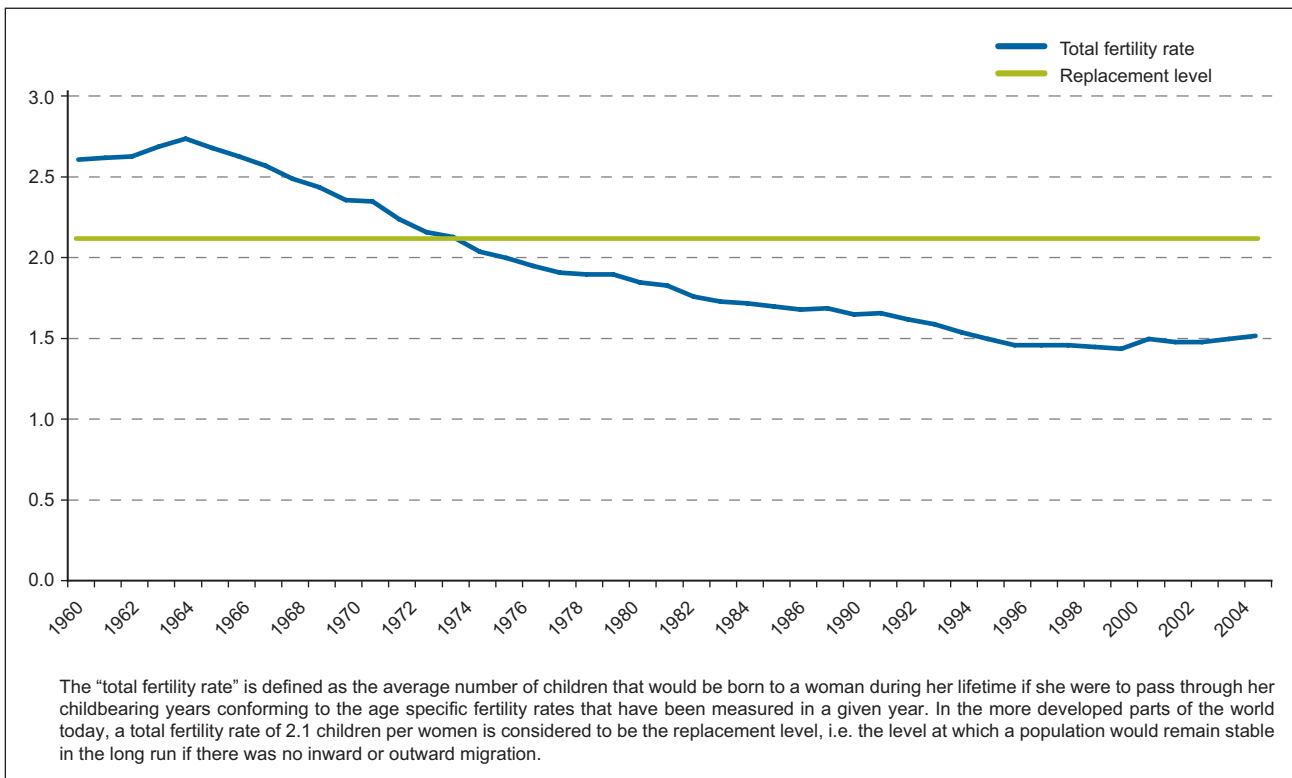
	Unit	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK	EU-25
Total population	1 000	448	10 117	397	16 258	8 082	38 219	10 408	1 996	5 379	5 220	8 976	59 329	455 299
Nationals	%	63	99	98	96	91	98	98	98	98	98	95	95	95
Foreigners, of which	%	37	1	2	4	9	2	2	2	2	2	5	5	5
Other EU nationals	%	32	0	1	1	2	0	0	0	0	1	2	2	2
Third-country nationals	%	5	1	1	3	7	2	2	2	2	1	3	3	3

Source: Eurostat estimates. Other EU nationals include citizens from new Member States, even though data refer to a year before accession.

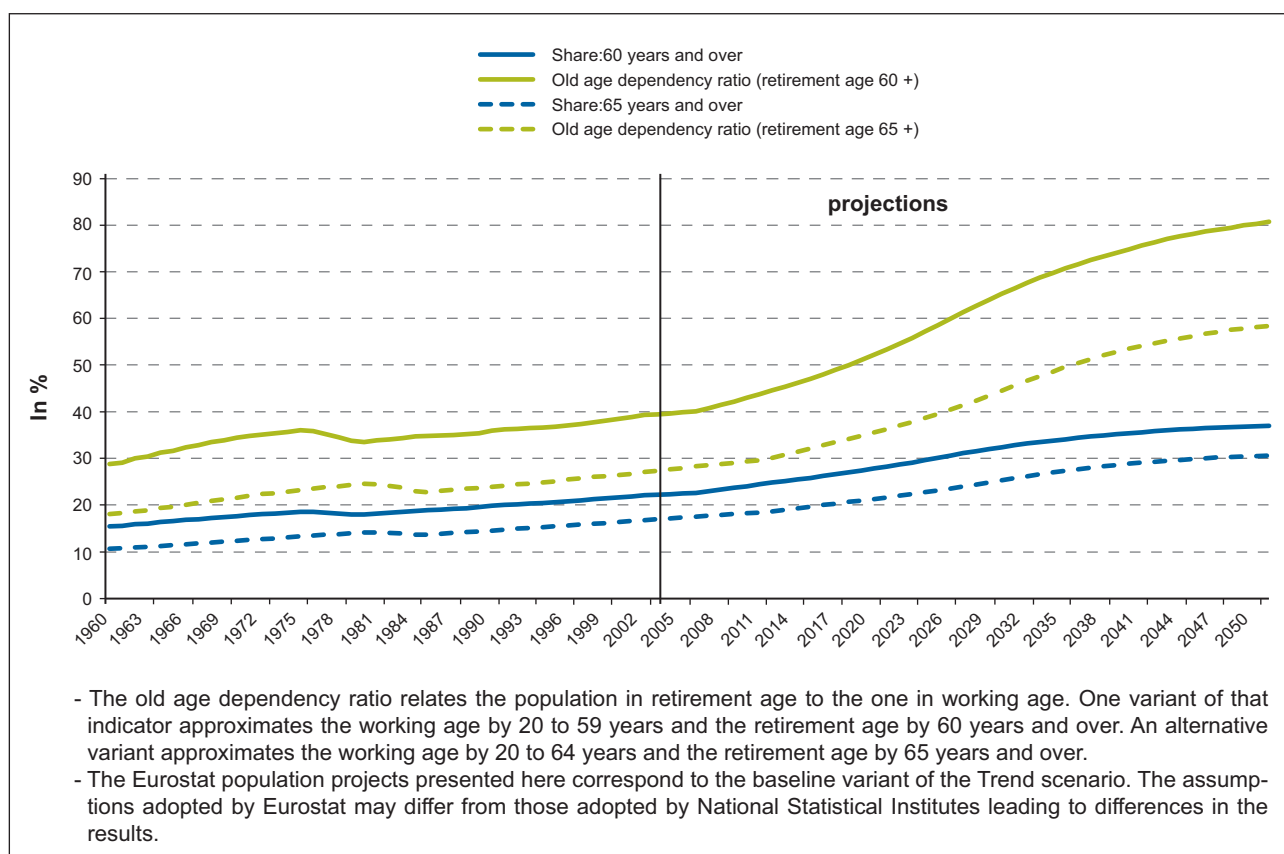
Graph 1: Components of the EU-25's population change



Graph 2: The EU-25's total fertility rate



Graph 3: An ageing EU-25 population



7. Health and safety

In the area of **public health**, both the EC Treaty (Article 152) and the Treaty establishing a Constitution for Europe (Article III-278) aim at a high level of human health protection to be ensured in the definition and implementation of all the Union's policies and activities. Action by the Union, which shall complement national policies, shall be directed towards improving public health, preventing human illness and diseases, and obviating sources of danger to physical and mental health.

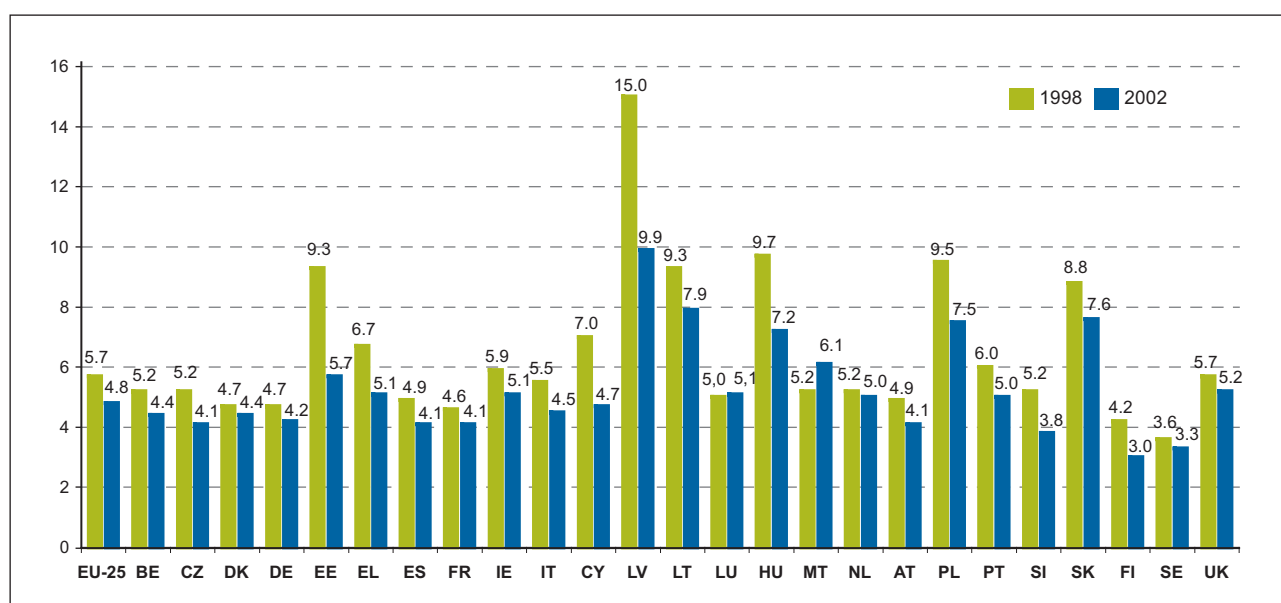
In the framework of the European Union **disability strategy**, the Commission is promoting initiatives at EU and national levels to identify and remove the various barriers in the economic and social environment that prevent people with disabilities from exercising their capabilities.

With regards to **safety at work**, the European Constitution states in Article III-210 that “the Union shall support and complement the activities of the Member States in (...) improvement in particular of the working environment to protect workers' health and safety; [...]”, a measure which is already in the EC Treaty.

Key facts

- Progress in medical research and care has led to a **significant decrease in the infant mortality rate**, which has fallen for the EU-25 from 24 deaths of children under one year of age per 1 000 live births in 1970 to 5 in 2002 (Graph 1).
- We know people are living longer. However, do we live longer and better or do we gain only years of life in bad health? Healthy life expectancy is a composite indicator which can help us to answer this type of question, because it combines mortality data with data referring to a health indicator such as disability. In general, women have a higher healthy life expectancy than men. **The evolution over time (1998 and 2003) shows an increasing healthy life expectancy** in most countries (Table 1).
- **More than half of the EU-15 population rate their own health as good or very good.** Men are more likely than women to declare good or very good health. This auto-evaluation is not necessarily based on the number of diseases the respondents may suffer from, but more on their general disposition (Table 2).
- Considerable differences exist within the EU countries as regards the proportion of overweight and obese people (Graph 2). Overweightness and obesity are important public health problems because they increase the risk of premature death and disability. They are associated with poor dietary habits and a lack of physical activity.
- For most countries the evolution of the **incidence rate of accidents at work is decreasing.** At EU-25 level the number of serious accidents has fallen by 12 % in five years time (Graph 3).
- **Sixteen per cent of people aged 16 to 64 years stated that they had a long-standing health problem (LSHPD) or disability.** Overall there is little difference in the prevalence of disability among men and women while the prevalence rates for LSHPD strongly increase with age. Labour force participation is indeed much lower for the disabled — 78 % of the severely disabled aged 16–64 are outside the labour force as compared with 27 % of those without LSHPD.
- At 10.6 % of GDP, Germany has the highest health expenditure in the EU-25. Only Poland and Slovakia report health expenditure less than 6 % of GDP (Graph 4). However, these differences might partly be due to different practices in measuring social care.

Graph 1: Infant mortality rate (per 1,000 live births), 1998 and 2002



Source: Eurostat, "Population — Mortality".

Table 1: Healthy life years expectancy at birth by gender, 1998–2003

	men		women	
	1998	2003	1998	2003
BE	63.3	67.4	65.4	69.2
CZ	:	62.8	:	63.3
DK	62.4	63.0	61.3	60.9
DE	62.1	65.0	64.3	64.7
EE	:	:	:	:
EL	66.5	66.7	68.3	68.4
ES	65.2	66.8	68.2	70.2
FR	59.2	60.6	62.8	63.9
IE	64.0	63.4	67.6	65.4
IT	67.9	70.9	71.3	74.4
CY	:	68.4	:	69.6
LV	:	:	:	:
LT	:	:	:	:
LU	:	:	:	:
HU	:	53.5	:	57.8
MT	:	65.1	:	65.7
NL	61.9	61.7	61.1	58.8
AT	63.4	66.2	:	69.6
PL	:	62.5	:	68.9
PT	59.1	59.8	61.1	61.8
SI	:	:	:	:
SK	:	:	:	:
FI	55.9	57.3	58.3	56.5
SE	61.7	62.5	61.3	62.2
UK	60.8	61.5	62.2	60.9

NB: 1998: DE and UK: estimations. IE: 1999.

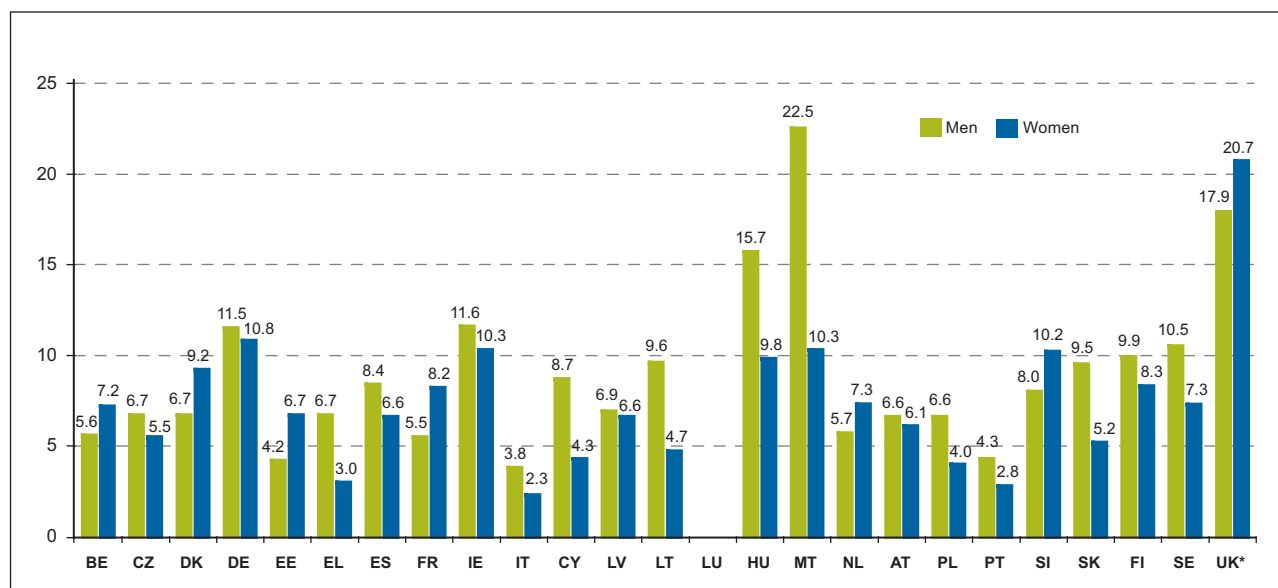
2003: most of the data are provisional or estimated. CZ, MT, PL: 2002.

Source: Eurostat, "Health indicators".

Table 2: Auto-evaluation of the population's health (%), 2003

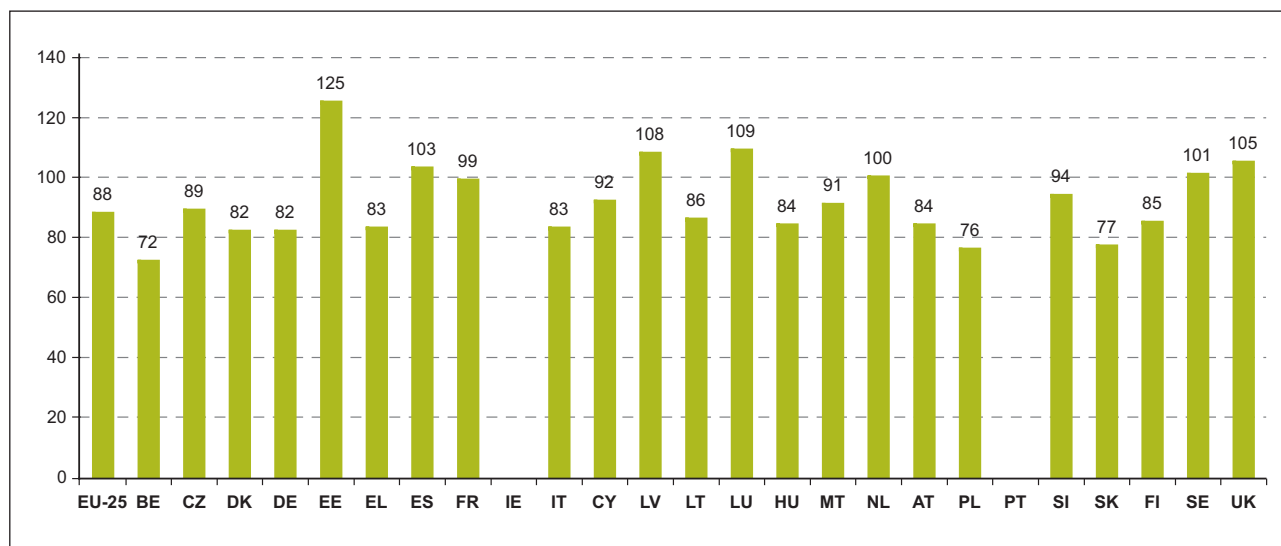
	Very good or good		Fair		Very bad or bad	
	Men	Women	Men	Women	Men	Women
EU-15	65	57	26	29	9	13
BE	80	75	17	21	3	4
CZ	67	59	26	30	7	11
DK	79	72	16	21	5	7
DE	50	44	34	35	16	22
EE	45	39	46	48	9	12
EL	77	69	15	21	8	10
ES	73	63	20	26	7	11
FR	61	55	32	36	7	9
IE	86	88	12	11	2	2
IT	66	56	28	35	6	9
CY	84	78	12	16	4	6
LV	42	32	47	51	11	17
LT	50	43	41	48	9	9
LU	:	:	:	:	:	:
HU	50	41	36	38	14	22
MT	73	66	24	30	3	4
NL	81	75	15	21	4	4
AT	77	72	17	20	6	8
PL	48	40	32	36	20	24
PT	52	43	31	35	17	22
SI	33	22	57	64	10	15
SK	71	65	19	24	10	11
FI	58	59	29	31	12	10
SE	78	71	17	22	6	8
UK	72	65	21	24	8	11

NB: HIS or ECHP data, the last available year.
Source: Eurostat, "Public health — health status".

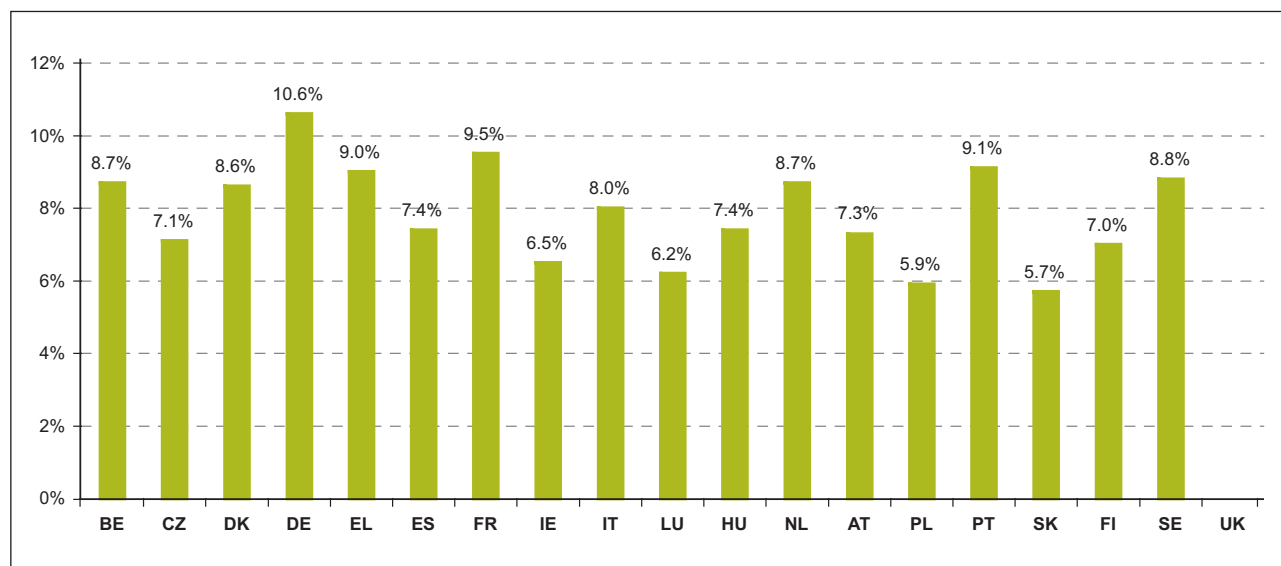
Graph 2: Prevalence of obesity (BMI \geq 30) (% of population aged 25–34), 2003

NB: The body mass index (BMI) is a measure of a person's weight relative to his/her height that correlates fairly well with body fat content in adults. UK: only England. HIS or ECHP data, the last available year.

Source: Eurostat, "Public health — health status".

Graph 3: Accidents at work per 100 000 persons in employment, 2002 (1998 = 100)

Source: Eurostat, "Health and safety at work — accidents at work".

Graph 4: Total current health expenditure (% of GDP), 2002

NB: Total current health expenditure encompasses expenditure on personal and collective healthcare (i.e. expenditure which can and cannot be attributed to individual patients) and expenditure on preventive care, as well as on health administration and some other health-related functions, but not including investment.

Source: OECD.

Eurostat reference publications

Health statistics — key data on health 2002 (data 1970–2001)

Health in Europe — data 1998–2003, pocketbook

8. Education and lifelong learning

In the context of an increasingly knowledge-based economy, human capital can be seen as a key factor linked to economic success, productivity, social cohesion, full employment and a better quality of life and work. The European Council in Lisbon in 2000 presented the high ambitions for the European Union to “become by 2010, the most competitive and dynamic knowledge-based economy in the world”. The Lisbon strategy requires the improvement of the quality and effectiveness of education systems and the facilitation of access for European citizens to education and training at all stages of life.

The EU respects cultural diversity among the Member States, as well as the specificities of educational systems in each country.

The open method of coordination in the domain of education includes exchange of information and good practices and monitoring of progress towards Europe’s targets (as reference-levels) using indicators and statistics (see: <http://europa.eu.int>)

Reduction of the share of low achievers in reading, higher upper-secondary education completion rates, reduction of the number of early school leavers, increase of the number of MST graduates and wider participation in lifelong learning are the five important targets for the EU in the domain of education.

Socrates — the European Community action programme in the field of education — involves 31 European countries. It encourages access to education for everybody, promotes mobility and language learning, helps to organise joint projects, to set up European networks and to conduct studies and comparative analyses. Its actions comprise, for example, exchange programmes like Comenius (school education) and Erasmus (higher education), Lingua (promoting learning European languages), Minerva (concerning use of ICT in education). The European Commission’s Leonardo da Vinci programme serves as a laboratory of innovation in the field of lifelong learning.

Key facts

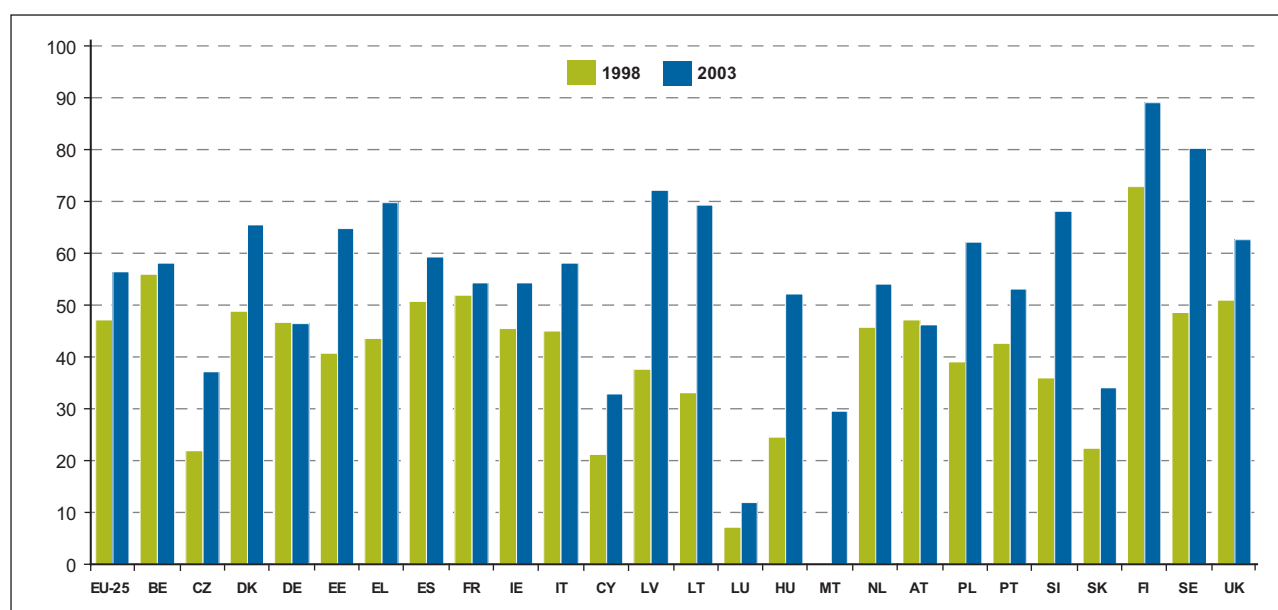
- **The younger generation is better qualified.** In 2004, 77 % of Europeans aged 25–34 had completed at least upper secondary education, compared with 54 % of persons aged 55–64. This difference between generations is more important for women: 79 % for 25–34-year-olds and 48 % for those aged 55–64 (Table 1). As a percentage of the population 20–24 years of age, the total number of tertiary enrolments increased from 33 % in 1991 to 58 % in 2003 in the EU-15. In the EU-25, the number of tertiary students increased from 14.4 million in 1998 to 16.9 million in 2003.
- On the other hand, in 2004, **16 % of the young Europeans aged 18–24 years have left school early** (with only lower secondary educational attainment and not more in education and training (Graph 2).
- **Except exchange programmes, the flows of tertiary students within the EU-25 remain quasi-stable:** 2 % of students study in another EU-25 country and around 1 % of the EU-25 national students study outside the EU (half of them in the US). **The EU exchange programme in tertiary education, Erasmus,** involved 135 600 students in the academic year 2003/04, compared with 3 200 in 1987/88 (Table 2).
- **The average number of foreign languages taught in schools is highest in upper secondary education, and is two languages or more in 11 Member States** (Graph 3). This average has increased in 10 of the 18 Member States where data are available since 1998 and exceeds now one language on average in 13 of the 19 Member States where data are available.
- In 2004, **10 % of Europeans aged 25–64 years participated in lifelong learning activities** (during four weeks preceding the survey). The Nordic countries and the United Kingdom are the best performing Member States with percentages higher than 30 %. The participation in lifelong learning is clearly influenced by age and educational attainment — the most frequent among highly educated young people (Graph 4).
- **The benefits of higher educational attainment seem evident: work is easier to find, pay is better.** At EU-25 level, the unemployment rate of people with tertiary education is less than half of this rate for persons with only low educational attainment, and their mean annual earnings are nearly double the earnings of persons less educated (Table 3).
- **In the EU-25, the government’s contribution to education and training accounted for 5.2 % of GDP in 2002** (Graph 5).

Table 1: Persons having completed at least upper secondary education (%) by age group and gender, 2004

	25-34 years		35-44 years		45-54 years		55-64 years	
	Women	Men	Women	Men	Women	Men	Women	Men
EU-25	79	76	71	72	62	69	48	61
BE	82	78	72	66	56	59	41	49
CZ	93	94	90	95	80	93	74	91
DK	88	88	84	85	81	82	73	82
DE	84	87	84	88	81	88	71	87
EE	92	86	98	94	92	88	79	78
EL	80	72	67	66	49	56	27	39
ES	67	58	52	49	33	39	16	26
FR	81	78	69	71	54	63	44	53
IE	83	76	72	64	56	51	41	38
IT	70	61	55	51	43	47	23	33
CY	82	80	72	78	54	62	32	48
LV	85	80	95	90	90	84	73	66
LT	90	86	97	93	92	88	70	66
LU	69	68	60	68	52	64	39	62
HU	84	83	79	84	70	82	50	64
MT	39	42	16	29	12	18	11	17
NL	81	78	73	75	62	73	48	68
AT	86	89	81	88	70	84	61	79
PL	92	91	89	89	80	83	63	70
PT	46	35	28	24	18	18	11	13
SI	92	88	82	84	69	79	58	78
SK	93	94	90	94	79	88	64	82
FI	92	87	89	84	78	74	58	59
SE	93	91	90	87	84	77	73	68
UK	74	78	66	74	62	77	53	72

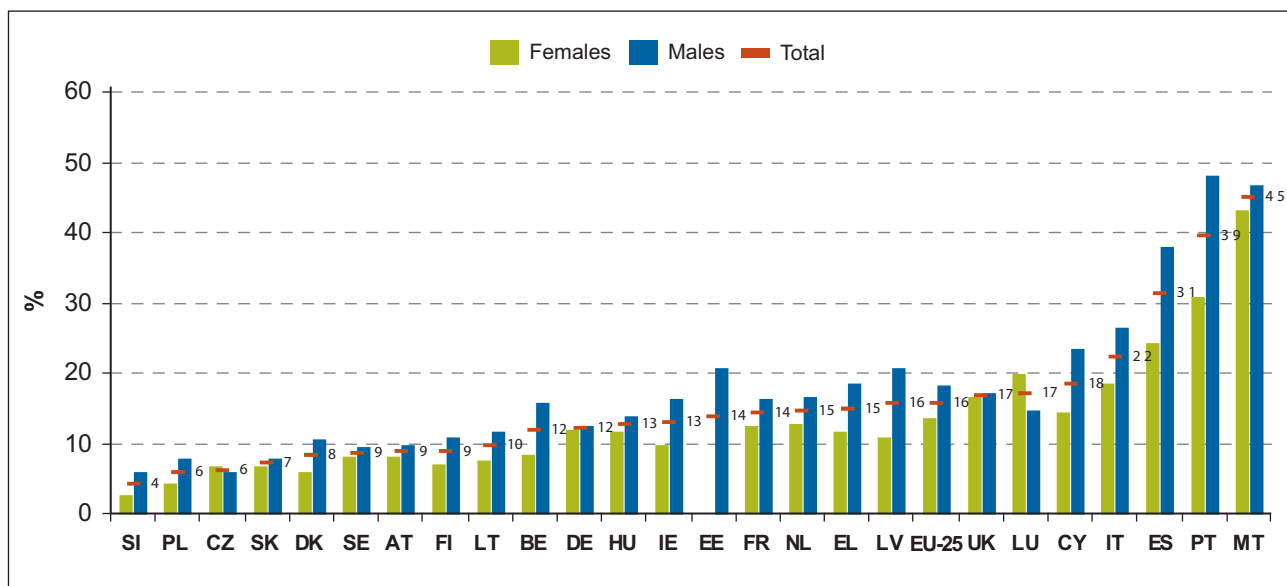
Source: Eurostat — Labour Force Survey.

Graph 1: Tertiary enrolments (% of 20–24-year-olds), 1998–2003



Source: Eurostat — UOE data collection.

Graph 2: Early school leavers by gender, 2004



Source: Eurostat — Labour Force Survey.

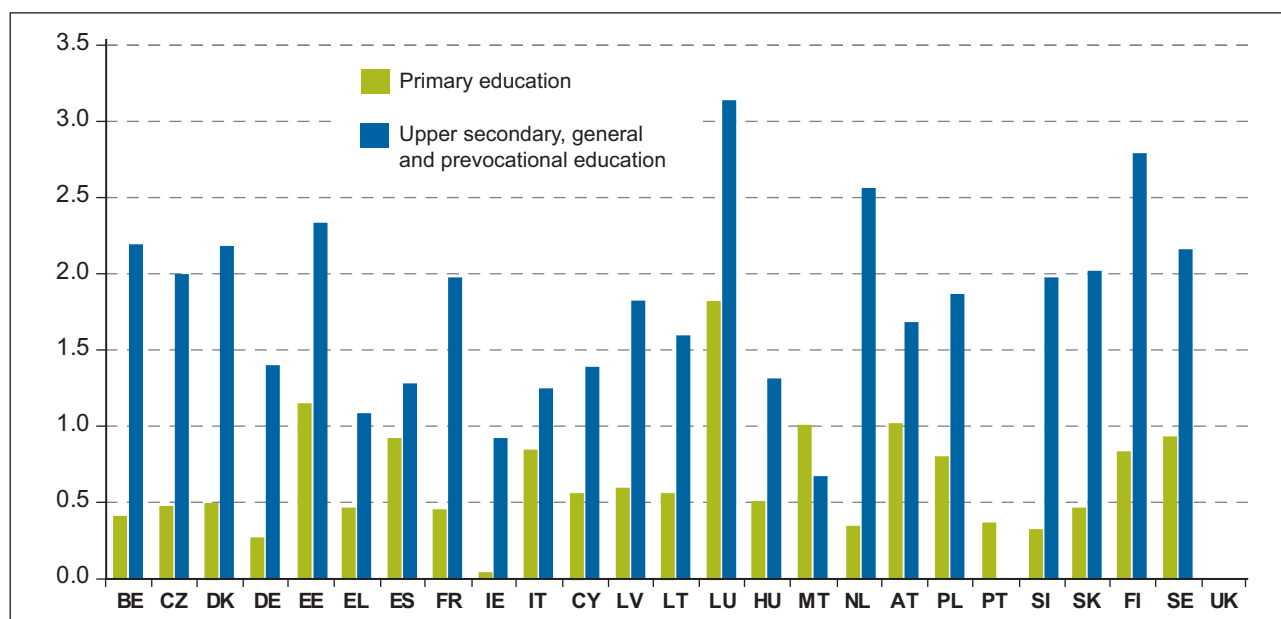
Table 2: Inward and outward mobility of Erasmus students, 2003/04

	EU-25	BE	CZ	DK	DE	EE	EL	ES	FR	IE	IT	CY	LV
Students sent	119 450	4 789	3 589	1 686	20 688	305	2 385	20 034	20 981	1 705	16 829	64	308
Students received	122 133	4 469	1 228	3 312	16 266	159	1 505	22 530	19 247	3 430	12 165	59	61

	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	SE	UK
Students sent	1 194	137	2 058	119	4 388	3 721	6 276	3 782	546	682	3 951	2 667	7 539
Students received	208	11	920	236	6 239	2 986	1 378	3 544	187	171	4 709	5 903	15 956

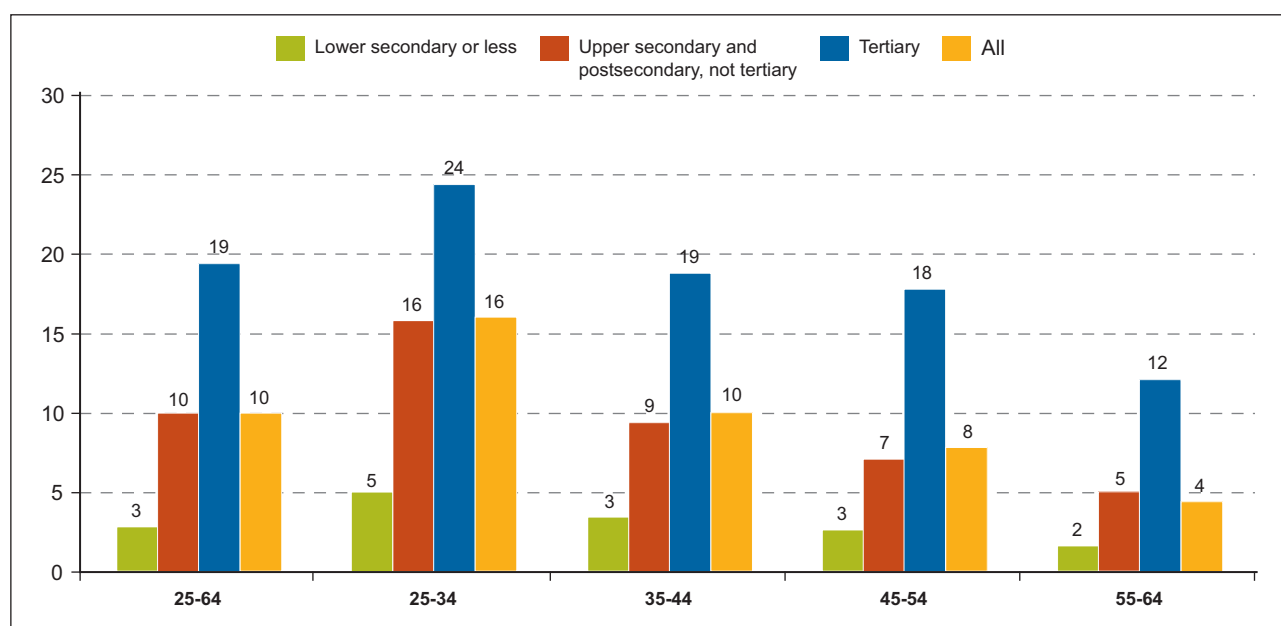
Source: European Commission — Education and Culture DG.

Graph 3: Average number of foreign languages taught in primary and upper secondary education, 2002/03



Source: Eurostat — UOE data collection.

Graph 4: Participation in lifelong learning by age and educational attainment, EU-25, 2004



Source: Eurostat — Labour Force Survey.

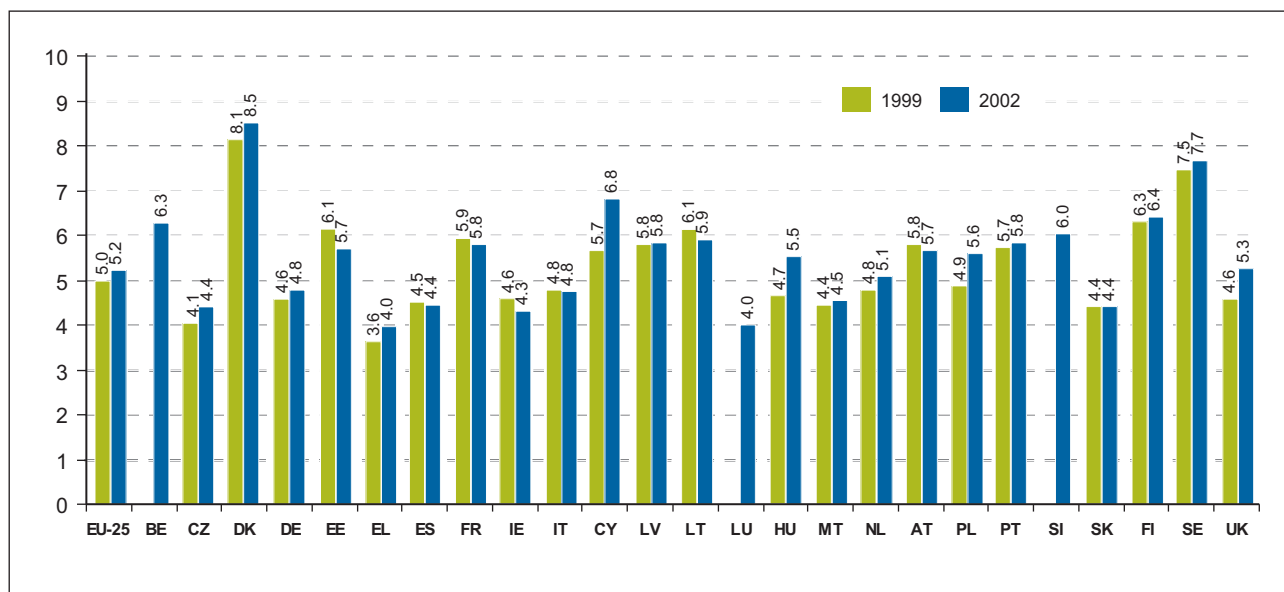
Table 3: Benefits of education: unemployment rate and mean annual earnings by educational attainment and gender

Ed. attainment	Unemployment rate, 2004						Annual earnings in industry and services, 2002					
	Low		Medium		High		Low		Medium		High	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
EU-25	13.5	10.0	9.3	7.7	5.3	4.3	18 811	22 792	21 167	31 413	31 636	48 560
BE	13.1	9.8	7.1	5.1	3.4	3.0	21 002	24 638	25 528	29 515	35 622	50 581
CZ	22.3	25.1	8.3	5.1	1.8	2.0	4 371	5 669	5 464	7 021	9 735	14 651
DK	8.7	7.5	5.6	4.3	3.8	4.2	30 903	36 043	35 110	44 076	45 377	58 306
DE	17.1	23.4	10.4	11.4	5.9	5.0	21 533	26 877	30 053	41 944	47 373	64 877
EE	:	22.0	9.3	10.6	5.2	:	2 776	3 664	3 699	5 078	5 952	8 733
EL	15.1	5.4	15.5	5.8	10.2	4.3	11 803	16 700	14 418	19 479	21 657	32 756
ES	17.5	8.1	13.9	5.8	9.7	5.2	13 213	18 235	17 519	25 188	22 990	33 629
FR	11.7	10.2	8.2	5.3	5.5	5.3	20 570	23 700	23 350	27 075	32 935	48 891
IE	5.2	7.4	3.0	3.4	2.1	2.2	22 664	31 084	25 255	34 676	33 584	43 625
IT	11.5	6.2	6.8	4.2	6.1	3.7	18 566	22 485	25 273	27 006	30 491	46 449
CY	7.2	4.5	4.9	2.5	3.4	2.2	12 053	19 345	17 096	21 884	22 028	34 334
LV	15.1	15.3	10.9	8.8	:	:	2 275	2 941	2 624	3 423	4 758	6 504
LT	12.6	15.6	14.1	10.0	5.8	5.5	2 487	3 121	2 934	3 654	4 844	6 480
LU	7.1	3.5	5.5	2.5	4.1	2.4	:	:	34 235	37 626	47 873	63 713
HU	9.6	12.9	5.0	4.5	2.3	1.4	:	:	:	:	:	:
MT	6.4	5.4	1.7	4.5	0.9	:	3 724	4 162	4 848	5 253	11 813	14 920
NL	6.6	5.3	4.2	3.4	2.5	3.0	22 870	27 994	31 920	38 381	43 946	52 940
AT	8.2	7.8	4.0	3.5	4.1	5.5	19 789	24 115	28 982	42 129	41 893	57 681
PL	30.2	29.0	18.6	16.1	6.5	4.3	4 201	5 860	6 508	7 613	10 782	14 899
PT	7.6	5.5	6.7	4.3	3.8	2.2	9 240	11 903	13 795	17 894	26 358	34 811
SI	8.3	10.3	5.4	4.8	3.1	4.9	7 199	8 347	9 500	10 678	21 057	23 952
SK	46.6	51.8	16.7	13.7	4.5	4.1	3 212	4 481	4 266	5 449	8 416	10 895
FI	13.3	11.7	8.5	8.2	5.3	4.7	24 284	29 081	25 447	29 827	31 198	41 598
SE	5.9	5.8	5.4	5.8	3.3	2.5	25 165	28 411	29 539	35 680	35 086	48 572
UK	5.1	8.3	3.7	3.7	1.9	4.6	24 425	36 613	25 920	36 732	41 043	61 760

(*) Medium educational attainment = ISCED 3.

Source: Eurostat — Labour Force Survey, 2004, and Structure of earnings survey, 2002.

Graph 5: Public expenditure on education and training (% of GDP), 1999–2002



Source: Eurostat — UOE data collection.

9. Labour market

The Treaty of Amsterdam took an important step in committing the Union to a high level of employment as an explicit objective: "The objective of a high level of employment shall be taken into consideration in the formulation and implementation of Community policies and activities" (Art. 127(2)).

The Lisbon European Council in March 2000 defined a 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 strategy was designed to enable the Union to regain the conditions for full employment and to strengthen cohesion by 2010.

The Council concluded also that, "the employment rate is too low and is characterised by insufficient participation in the labour market by women and older workers", thus the overall aim of the strategy measures should be to raise these employment rates to 70 % and 60 %, respectively by 2010.

The Stockholm European Council completed this conclusion in defining intermediate goals and an additional target: the employment rate should be raised to 67 % overall and 57 % for women by 2005 and 50 % for older workers by 2010.

After the European Council of March 2004, the Commission adopted new recommendations for national employment policies with a view to strengthening the implementation of the Lisbon strategy. The Commission made four common recommendations to all Member States which call on them to give immediate priority to:

- increasing adaptability of workers and enterprises;
- attracting more people to enter and remain on the labour market, and making work a real option for all;
- investing more and more effectively in human capital and lifelong learning;
- ensuring effective implementation of reforms through better governance.

In 2005, the revamp of the Lisbon strategy focused on delivering stronger, lasting growth and more and better jobs.

The important gender differences which persist in the European labour markets (particularly the pay gaps) need to be tackled to promote economic growth, employment and social cohesion. The EC Treaty (Art. 141) states, "Each Member State shall ensure that the principle of equal pay for male and female workers for equal work or work of equal value is applied". The 2003 employment guidelines say that policies will aim to achieve by 2010 a substantial reduction in the gender pay gap in each Member State, through a multi-faceted approach addressing the underlying factors of the gender pay gap, including sectoral and occupational segregation, education and training.

Key facts

- **The total employment rate stood at 63 % in 2004 in the EU-25**, showing an increase by near one point from 2000. But this increase will not be enough to reach the Lisbon strategy targets, as the employment rate of the EU-25 remained seven points below the long-term 2010 target (70 %). In the long run, generally the employment rate has been rising in all the European countries (Table 1).
- **The gender gap in the employment rate has been reduced between 2000 and 2004**, as the employment rate of women increased from 5 % in 2000 to 56 % in 2004 in the EU-25, while the employment rate of men slightly decreased. In 2004, the female employment rate was four points below the 2010 target (60 %) (Graph 1).
- **The employment rate of older people (55 to 64 years old) was 41 % in 2004, up by more than four points from 2000**, but nine points below the 2010 European Council target (50 %). In Denmark, Estonia, Portugal, Finland, Sweden and the United Kingdom, the rate of employed people in the age class 55–64 was greater than or equal to the 2010 target, but four countries (Poland, Austria, Slovakia and Slovenia) remained below 30 % (Table 2 and Graph 2).
- **In the EU-25, in 2002, differences between the levels of mean monthly earnings in industry, construction and market services** expressed in euro ranged among Member States from 1 to 11. Applying purchasing power parities, differences ranged from one to five. **In 18 countries of the EU-25 the minimum wages are fixed** by governments and enforced by national laws (Graph 3).
- **The gender pay gap** (difference between men and women hourly earnings in percentage of men hourly earnings) **persists in all EU Member States (15 % at the European level)**, varying from 4 % in Malta to 25 % in Cyprus (Graph 4).
- According to provisional data, **the unemployment rate stands at 8.7 % in 2005 for the EU-25** and 7.8 % for the former EU-15, showing a slight decrease from 2004.

Table 1: Total employment rates (15-64 years old)

	EC-10	EC-12	EC-12	EU-15	EU-15	EU-25
	1983	1986	1991	1995	2000	2004
EC/EU	59.1	57.9	61.5	60.1	63.4	63.3
Belgium	53.1	52.9	55.8	56.1	60.5	60.3
Denmark	70.3	76.3	74.2	73.4	76.3	75.7
Germany (*)	59.9	62.3	67.7	64.6	65.6	65.0
Greece	54.9	55.0	53.4	54.7	56.5	59.4
France	63.0	61.1	60.4	59.5	62.1	63.1
Ireland	52.8	49.5	51.4	54.4	65.2	66.3
Italy	54.0	53.0	54.1	51.0	53.7	57.6
Luxembourg	58.7	59.5	60.8	58.7	62.7	61.6
Netherlands	51.6	52.2	62.7	64.7	72.9	73.1
United Kingdom	62.9	65.3	69.4	68.5	71.5	71.6
Spain	:	43.9	50.4	46.9	56.2	61.1
Portugal	:	61.5	68.4	63.7	68.4	67.8
Austria	:	:	:	68.8	68.5	67.8
Finland	:	:	:	61.6	67.2	67.6
Sweden	:	:	:	70.9	73.0	72.1
Czech Republic	:	:	:	:	:	64.2
Estonia	:	:	:	:	:	63.0
Cyprus	:	:	:	:	:	68.9
Latvia	:	:	:	:	:	62.3
Lithuania	:	:	:	:	:	61.2
Hungary	:	:	:	:	:	56.8
Malta	:	:	:	:	:	54.0
Poland	:	:	:	:	:	51.7
Slovenia	:	:	:	:	:	65.3
Slovakia	:	:	:	:	:	57.0

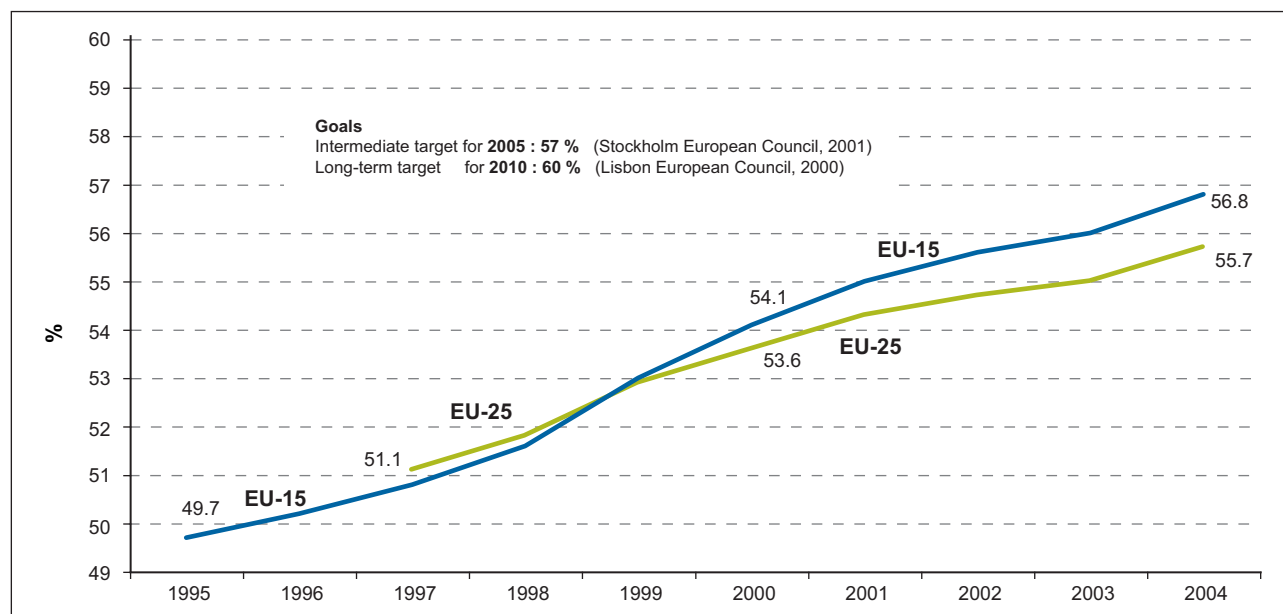
(*) including ex-GDR from 1991.

Number of people in employment (million)

	1983	1986	1991	1995	2000	2004
European Union	EC-10	EC-12	EC-12	EU-15	EU-15	EU-25
	105	122	149	156	167	200
United States of America	102	111	120	127	141	141
Japan	60	61	66	67	67	65

Source: Eurostat — EU-LFS and National Accounts.

Graph 1: Female employment rate (15–64-year-olds) in the EU, 1995–2004



Source: Eurostat, Labour Force Survey.

**Table 2: Employment rates by age and sex,
share of part-time employment in total employment, 2004**

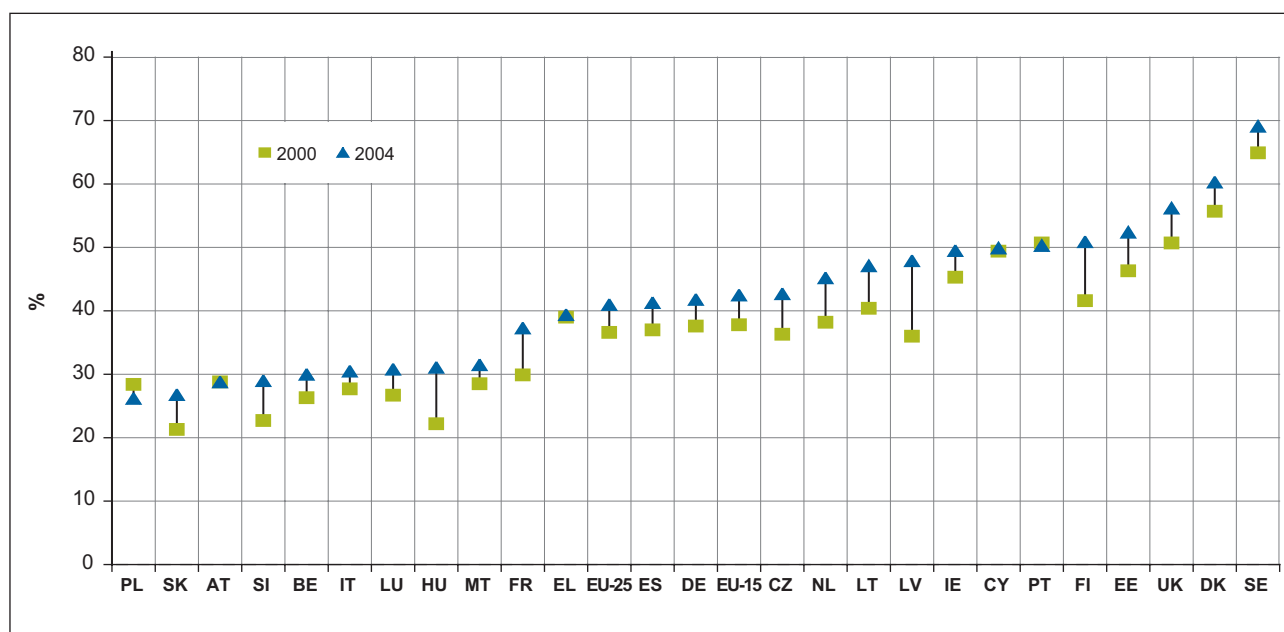
	Employment rates ⁽¹⁾						Part time employment ⁽²⁾	
	by age				by sex		by sex	
	15-64	15-24	25-54	55-64	Men	Women	Men	Women
EU-25	63.3	36.8	76.8	41.0	70.9	55.7	7.0	31.4
EU-15	64.7	40.0	77.6	42.5	72.7	56.8	7.2	35.1
BE	60.3	27.8	77.3	30.0	67.9	52.6	6.8	40.5
CZ	64.2	27.8	81.4	42.7	72.3	56.0	2.3	8.3
DK	75.7	62.3	83.7	60.3	79.7	71.6	12.1	33.8
DE	65.0	41.9	78.1	41.8	70.8	59.2	6.5	41.6
EE	63.0	27.2	78.8	52.4	66.4	60.0	5.4	10.6
EL	59.4	26.8	73.5	39.4	73.7	45.2	2.2	8.5
ES	61.1	35.2	72.7	41.3	73.8	48.3	2.8	17.9
FR	63.1	30.4	79.6	37.3	69.0	57.4	5.3	30.0
IE	66.3	47.7	76.8	49.5	75.9	56.5	6.1	31.5
IT	57.6	27.6	72.2	30.5	70.1	45.2	4.8	25.0
CY	68.9	37.5	82.4	49.9	79.8	58.7	4.8	13.6
LV	62.3	30.5	77.9	47.9	66.4	58.5	7.7	13.2
LT	61.2	20.3	79.4	47.1	64.7	57.8	6.5	10.5
LU	61.6	21.4	78.7	30.8	72.4	50.6	2.4	40.2
HU	56.8	23.6	73.6	31.1	63.1	50.7	3.2	6.3
MT	54.0	46.2	62.1	31.5	75.1	32.7	4.1	19.3
NL	73.1	65.9	82.5	45.2	80.2	65.8	22.3	74.7
AT	67.8	51.9	82.6	28.8	74.9	60.7	4.9	38.0
PL	51.7	21.7	68.2	26.2	57.2	46.2	8.2	14.0
PT	67.8	37.1	81.1	50.3	74.2	61.7	7.1	16.3
SI	65.3	33.8	83.8	29.0	70.0	60.5	7.9	11.0
SK	57.0	26.3	74.7	26.8	63.2	50.9	1.4	4.2
FI	67.6	39.4	81.0	50.9	69.7	65.6	9.0	18.4
SE	72.1	39.2	82.9	69.1	73.6	70.5	12.0	36.3
UK	71.6	55.4	80.8	56.2	77.8	65.6	10.3	43.9

(¹) Employed persons in percentage of the total population of the same age group.

(²) In % of employed persons of the same sex.

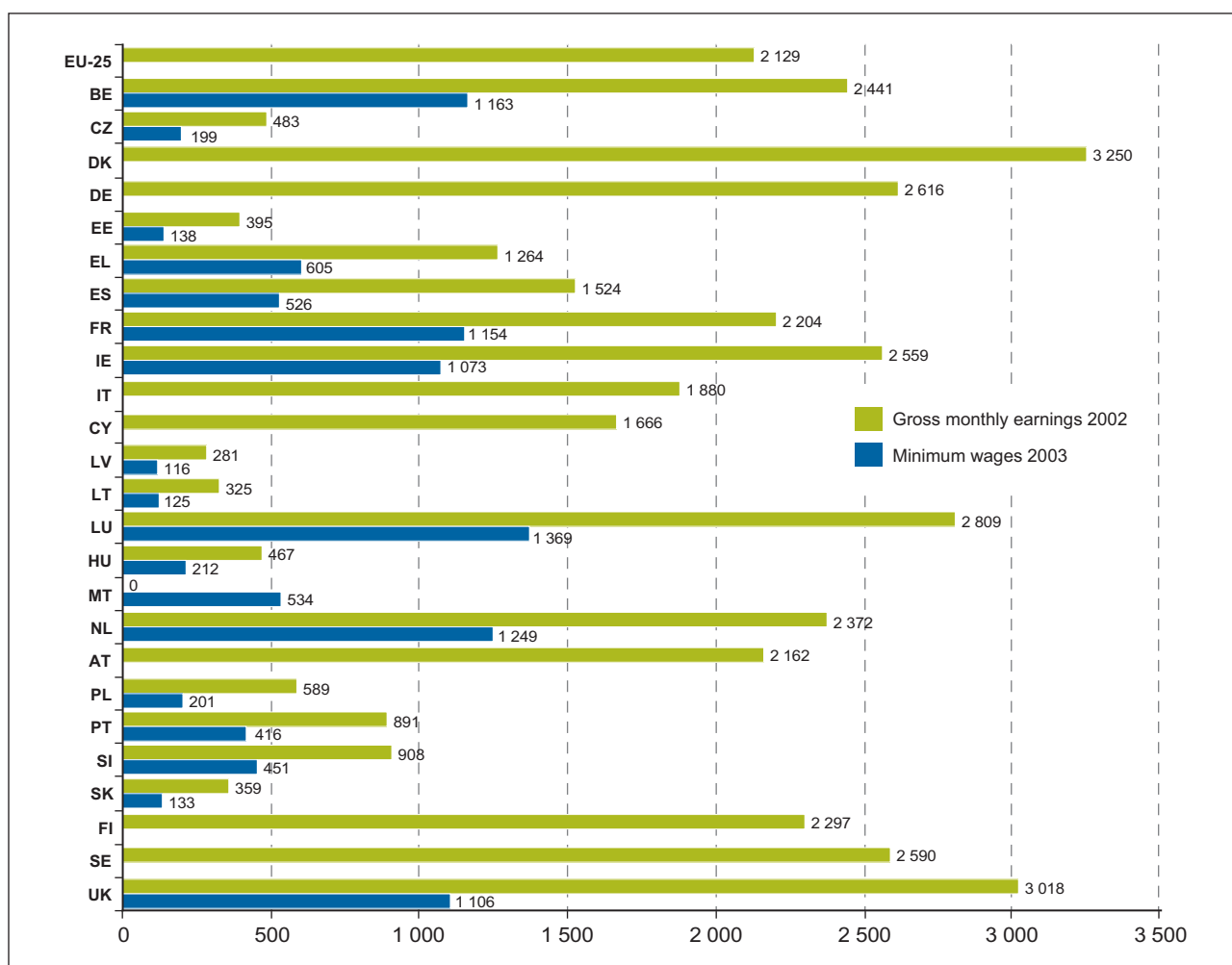
Source: Eurostat, Labour Force Survey.

Graph 2: Employment rate of “seniors” (55–64-year-olds), 2000–04



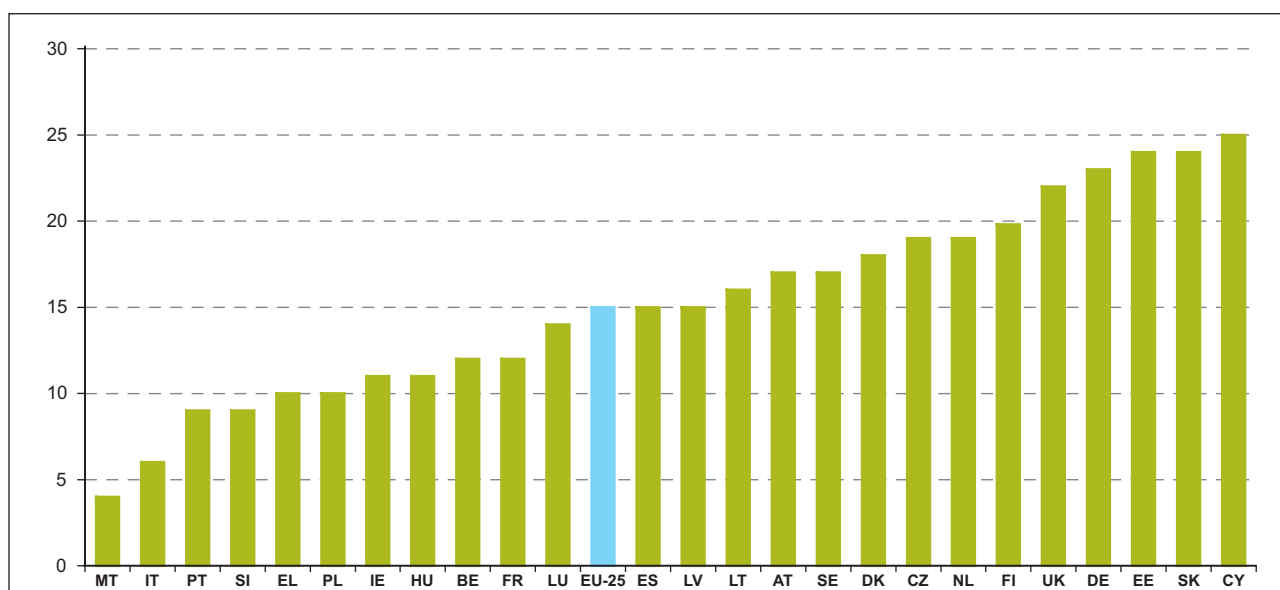
Source: Eurostat, Labour Force Survey.

Graph 3: Gross monthly earnings in industry and services (1), 2002, and minimum wages on 1 January 2003 (EUR)



(1) These figures refer to economic activities of NACE C to K: Industry, construction and market services.
 Source: Eurostat, Structure of earnings survey, 2002, and national statutory regulations.

Graph 4: Gender pay gap - difference between men's and women's average gross hourly earnings as % of men's average gross hourly earnings, 2004 (1)



(1) With the exception of: BE, IT (2001 data), SI (2002), AT, PT, FI, DK (2003).
 Source: Eurostat, Structural indicators.

Table 3: Unemployment rates and long-term unemployment by sex

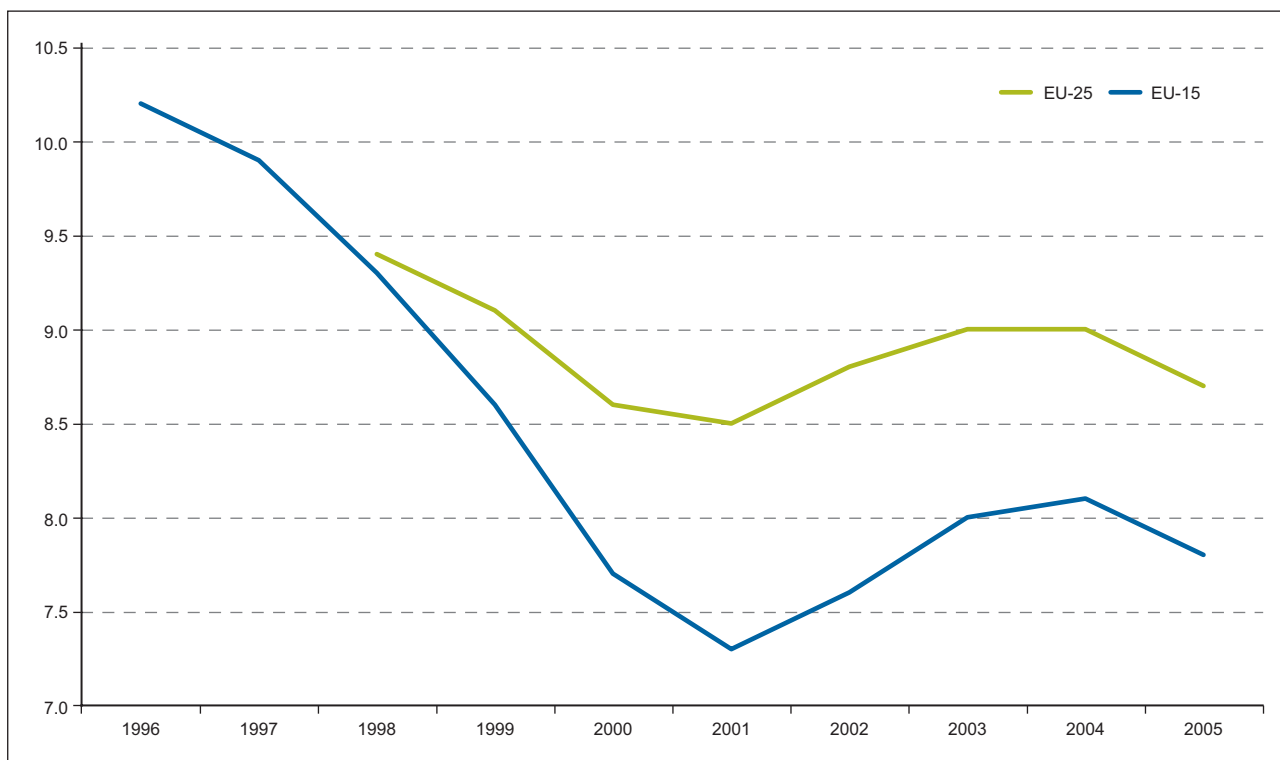
	Unemployment rates ⁽¹⁾						Long-term unemployment ⁽²⁾		
	Total		Men		Women		Total	Men	Women
	2000	2005 ⁽³⁾	2000	2005 ⁽³⁾	2000	2005 ⁽³⁾	2004		
EU-25	8.6	8.7	7.4	7.8	10.3	9.7	4.1	3.6	4.7
EU-15	7.7	7.8	6.4	7.0	9.3	8.8	3.4	3.0	4.0
BE	6.9	8.4	5.6	7.6	8.5	9.4	3.9	3.5	4.4
CZ	8.7	8.0	7.3	6.5	10.3	9.8	4.2	3.4	5.3
DK	4.4	4.9	4.1	4.2	4.8	5.7	1.2	1.1	1.3
DE	7.2	9.4	6.0	8.8	8.7	10.1	5.4	4.8	6.1
EE	12.5	7.5	13.4	8.9	11.5	6.0	4.8	5.6	4.0
EL	11.3	10.0	7.5	6.2	17.2	15.5	5.6	3.0	9.4
ES	11.4	9.2	8.0	7.0	16.8	12.2	3.5	2.3	5.3
FR	9.1	9.5	7.6	8.7	10.9	10.4	3.9	3.5	4.3
IE	4.3	4.3	4.3	4.6	4.3	3.9	1.6	2.0	0.9
IT	10.1	7.6	7.8	6.1	13.6	9.8	4.0	2.9	5.5
CY	5.2	6.1	3.2	4.8	7.8	7.6	1.4	1.0	1.8
LV	13.7	9.0	14.4	9.4	12.9	8.7	4.3	4.2	4.3
LT	16.4	8.2	18.6	8.0	14.1	8.4	5.6	5.3	5.8
LU	2.3	5.3	1.8	3.8	3.1	7.5	1.1	0.8	1.5
HU	6.3	7.1	6.8	6.8	5.6	7.4	2.6	2.7	2.6
MT	6.7	8.0	6.4	7.1	7.4	9.8	3.5	3.9	2.8
NL	2.8	4.7	2.2	4.5	3.6	5.0	1.6	1.5	1.6
AT	3.6	5.2	3.1	4.8	4.3	5.6	1.3	1.3	1.4
PL	16.4	17.9	14.6	16.8	18.6	19.1	10.2	9.5	11.0
PT	4.0	7.5	3.2	6.5	4.9	8.5	3.0	2.6	3.4
SI	6.6	5.8	6.4	5.4	6.8	6.2	3.1	3.0	3.2
SK	18.7	16.5	18.9	15.7	18.5	17.4	11.8	11.2	12.5
FI	9.8	8.3	9.1	8.2	10.6	8.4	2.1	2.3	2.0
SE	5.6	6.3	5.9	6.4	5.3	6.3	1.2	1.4	1.0
UK	5.4	4.6	5.8	5.0	4.8	4.2	1.0	1.2	0.6

⁽¹⁾ Number of unemployed aged 15 to 74 in percentage of the active population of the same age.

⁽²⁾ In percentage of the active population.

⁽³⁾ Provisional data.

Graph 5: Unemployment rate in the EU-25 and the EU-15, 1996–2005



Source: Eurostat, Labour Force Survey.

Eurostat reference publications

Eurostat, *Statistics in focus*, Population and social conditions, 9/2005, “EU Labour Force Survey — Principal results 2004”.

10. Social protection and social inclusion

At its heart, the Lisbon strategy promotes the idea of a positive interaction between economic, employment and social policies. It aims at promoting a model of sustainable development for the Union which raises the standard of living of all European citizens by combining economic growth with a strong emphasis on social cohesion. While robust economic and employment growth is a vital precondition for the sustainability of social protection systems, progress in achieving higher levels of social cohesion is, together with effective education and training systems, a key factor in promoting growth. A high level of social protection affords societies with the means to face adversity and to eliminate and prevent the most severe and inhumane forms of poverty. Well-designed social protection systems also contribute to economic development by providing a favourable environment for economic growth.

The organisation and financing of social protection systems is a responsibility of the Member States. Nevertheless, the EU has a particular role in ensuring, through EU legislation coordinating national social security systems, that people who move across borders and hence come within the remit of different social protection systems are adequately protected.

The European Union is also promoting closer cooperation among the Member States on the modernisation of social protection systems which face similar challenges across the EU. This cooperation takes place through the “open method of coordination” (OMC) in the areas of social inclusion, pensions and, more recently, health and long-term care. The OMC is based, on one hand, on the setting of common objectives, indicators, and benchmarking, exchange of best practices and monitoring at the European level. On the other hand, the Member States are free to choose how they appropriately achieve the common objectives. But they commit themselves in national reform programmes (or action plans, strategy reports) which serve as a basis for evaluating their efforts.

EU leaders established the social inclusion process in 2000 with a view to “making a decisive impact on eradicating poverty by 2010”. Since then, the EU has provided a framework for national strategy development as well as for policy coordination between the Member States on issues relating to poverty and social exclusion. Participation by actors such as NGOs, social partners and local and regional authorities has become an important part of this process. EU action in this area has created a clear consensus about the key challenges: to make labour markets truly inclusive; to ensure adequate and effective social protection and good quality services; to improve education, training and housing; to overcome discrimination and increase the integration of people with disabilities, ethnic minorities and immigrants; and to eradicate child poverty by breaking the vicious circle of inter-generational inheritance.

In the area of pensions, the open method of coordination provides support to national policymakers by defining common objectives, in particular to achieve higher employment rates and to extend working lives, and by defining common indicators so that each country can assess its own situation and performance against them. Increased employment, particularly of older workers, is clearly the key to tackling the pensions challenge posed by demographic ageing.

To meet the common challenges of ageing and technological development facing all national healthcare systems, the EU decided to extend the open method of coordination to the area of health and long-term care. Common objectives — based on preliminary policy statements submitted by the Member States — are to be proposed by the Commission by the end of 2005 and agreed by the Council in the spring of 2006. The OMC will also develop common indicators to monitor progress.

The OMCs in the areas of pensions and social inclusion and — shortly to be launched — on healthcare and long-term care will be streamlined from 2006. To this end, the Commission proposed integrated reporting and assessment in these three areas. At the same time, the linkage to the overall Lisbon framework has been strengthened, with the integrated guidelines referring, for example, explicitly to modernising the social protection systems.

Key facts

- **In the EU-25, the average of social protection benefits as a share of GDP (26 % in 2001) hides significant disparities between Member States** (Table 1). These differences are more visible if social benefit expenditure is expressed in purchasing power standard (PPS) per capita (Graph 1).

- **Social protection benefits for old age/survivors and for sickness/healthcare account, on average, for nearly three quarters of all benefits:** 46 % and 28 % respectively of total benefit expenditure for the EU-25 in 2001 (Table 2).
- **Training programmes represented nearly 40 % of expenditure on active labour market policies within the EU-15 in 2003.** Important interventions were also those in employment incentives (which include not only subsidies but also reduction in taxes and social contributions to employers), and direct job creation. Expenditure in the integration of the disabled represented over 16 % of active expenditure (Graph 2).
- The numbers of persons affected by poverty and social exclusion across the European Union are significant, with 72 million or **16 % of the EU-25 population living at risk of poverty in 2003**. The at-risk-of-poverty rate is calculated as the percentage of people living in households with an equivalised disposable income below 60 % of the national median income (Graph 3). **The risk of poverty tends to be significantly higher for single parent households** (often headed by women), **families with several dependants, older people** (particularly women living alone). **Children tend to be more exposed to poverty** and they are at higher risk of future unemployment and social exclusion (Table 3).
- **Being in employment is the best route out of poverty risk.** In the EU, the poverty risk rate for people at work is half that for the overall population, and even less in some countries. The poverty risk of households where nobody of working age is working is markedly higher than that for the total population.

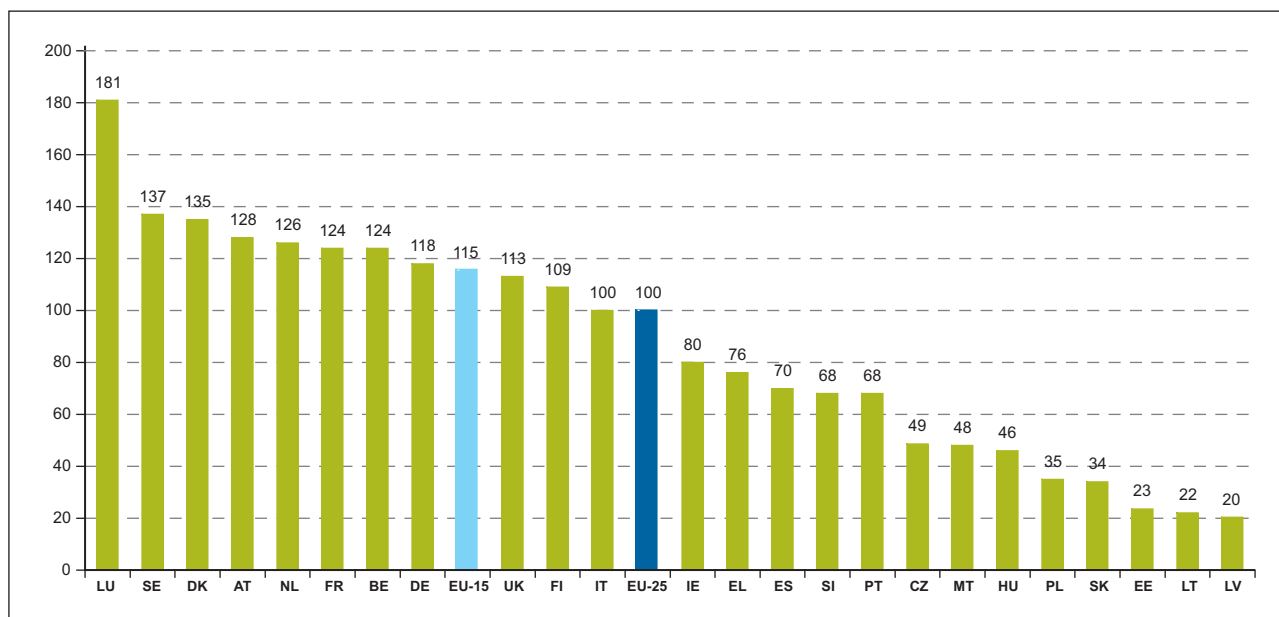
Table 1: Social protection benefits (% of GDP), 1962–2001

	EC-6	EC-9	EC-10	EC-12	EU-15	EU-15	EU-25
	1962	1973	1981	1986	1995	2000	2001
EC / EU	15.3	19.8	24.4	24.2	27.2	26.3	26.9
BE	14.6	19.1	26.9	26.7	26.6	25.3	28.3
DE	16.5	22.2	26.3	25.5	27.8	28.6	29.1
FR	15.4	18.5	25.2	27.0	29.0	28.3	29.1
IT	13.4	19.3	20.1	21.3	23.9	24.3	25.4
LU	14.9	16.9	27.6	22.4	22.9	19.5	23.3
NL	13.2	22.9	29.9	30.2	29.2	25.7	26.3
DK	:	21.8	28.3	25.2	31.3	28.4	30.0
IE	:	15.3	20.7	22.5	18.1	13.6	15.8
UK	:	16.6	22.7	22.9	27.0	26.2	25.9
EL	:	:	13.9	18.5	21.5	25.5	25.4
ES	:	:	:	18.2	21.4	19.7	19.2
PT	:	:	:	13.0	20.1	20.5	22.6
AT	:	:	:	:	28.0	27.5	28.6
FI	:	:	:	:	30.8	24.7	26.1
SE	:	:	:	:	34.1	30.2	32.3
CZ	:	:	:	:	:	:	19.8
EE	:	:	:	:	:	:	13.2
CY	:	:	:	:	:	:	16.2
LV	:	:	:	:	:	:	13.1
LT	:	:	:	:	:	:	13.1
HU	:	:	:	:	:	:	21.0
MT	:	:	:	:	:	:	18.3
PL	:	:	:	:	:	:	21.3
SI	:	:	:	:	:	:	24.0
SK	:	:	:	:	:	:	17.8

(¹) Data for Cyprus refer to 2002.

Source: Eurostat — Esspros.

Graph 1: Social protection expenditure per capita (PPS) in 2001, EU-25 = 100



Source: Eurostat — Esspros.

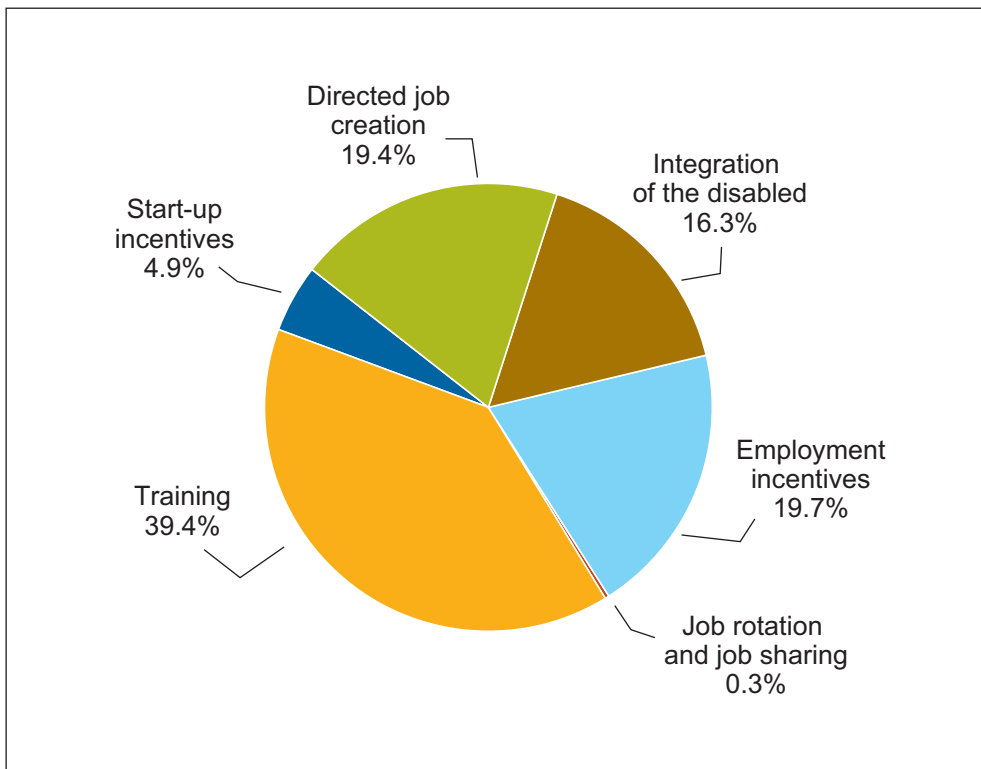
Table 2: Social protection benefits by groups of functions (% of total benefits), 2001

	Old age and survivors	Sickness/healthcare	Disability	Family/children	Unemployed	Housing and socially excluded
EU-25	45.7	28.3	8.0	8.0	6.6	3.5
EU-15	45.5	28.4	7.9	8.0	6.7	3.5
BE	44.5	27.0	6.6	7.8	12.4	1.7
CZ	41.3	35.6	8.2	7.5	3.9	3.5
DK	37.2	20.5	13.5	13.2	9.8	5.7
DE	42.9	27.8	7.8	10.5	8.6	2.5
EE	44.8	31.8	9.3	1.0	1.8	2.2
EL	50.8	26.5	5.1	7.3	5.7	4.6
ES	43.8	30.7	7.4	3.0	13.3	1.7
FR	43.3	30.5	4.8	9.0	7.9	4.5
IE	23.2	41.8	5.1	16.0	8.4	5.6
IT	61.8	25.7	6.4	4.1	1.8	0.2
CY (¹)	49.4	25.2	3.8	8.0	5.7	7.9
LV	53.1	22.9	8.5	10.8	3.2	1.5
LT	47.4	29.8	9.7	7.9	1.8	3.3
LU	37.2	24.8	13.4	17.7	4.2	2.8
HU	41.3	29.7	10.3	13.0	2.8	2.9
MT	52.3	26.0	6.5	5.6	6.7	2.9
NL	40.3	31.4	11.1	4.9	6.2	6.2
AT	48.2	24.8	8.6	10.8	6.0	1.7
PL	58.5	20.5	12.2	4.7	4.0	0.2
PT	46.2	28.8	11.5	6.5	5.5	1.6
SI	45.0	32.4	8.2	8.6	3.1	2.6
SK	39.4	32.8	8.9	8.3	5.8	4.9
FI	37.0	25.1	13.3	11.5	9.9	3.3
SE	40.1	26.3	14.2	9.5	5.9	4.0
UK	44.9	29.6	9.4	6.9	2.7	6.5

(¹) Data for Cyprus refer to 2002.

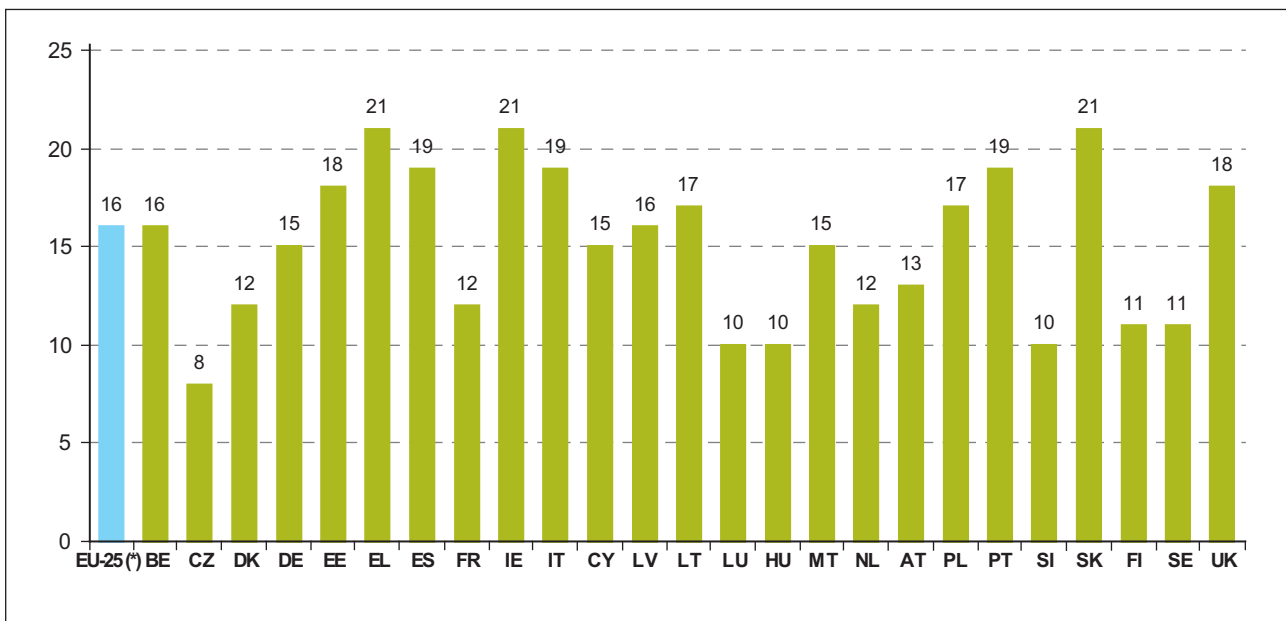
Source: Eurostat — Esspros.

Graph 2: Labour market policy expenditure targeted at unemployed by type of action, EU-15, 2003



Source: Eurostat — Labour market policy (LMP) database.

Graph 3: At-risk-of poverty rate (% of total population), 2003



Source: SILC database and national sources (last available year).

(*) EU-25: estimation.

Table 3: At-risk-poverty rate (%), by working status, age group and household type, 2003

	By working status		By age		By household type			
	At work	Unemployed	Children 0-15 years	65 years and more	1 person - men	1 person - women	Single parent with at least 1 child	2 adults with at least 3 children
EU-25 (*)	8 (*)	38 (*)	19 (*)	17 (*)	18 (*)	26 (*)	33 (*)	27 (*)
BE	3	39	18	22	19	24	30	19
CZ	5	39	15	4	13	13	30	20
DK	5	35	9	21	26	27	18	13
DE	5	46	20	16	20	24	42	22
EE	9	49	20	17	29	35	33	24
EL	15	34	23	28	21	30	34	32
ES	10	38	19	28	18	41	24	35
FR	7	35	16	10	15	15	29	19
IE	8	52	21	41	46	67	55	24
IT	10	51		17	17	27	23	37
CY	6	31	11	52	31	57	22	15
LV	10	45	19	10	27	19	35	22
LT	13	38	20	12	25	20	30	27
LU	7	36	12	12	7	17	15	10
HU	4	34	13	8	13	13	17	18
MT	6	50	21	20	17	28	55	29
NL	5	44	17	8	19	18	38	23
AT	8	36	16	16	18	25	31	20
PL	13	38	23	6	21	9	22	35
PT	12	38	27	30	28	43	39	49
SI	4	39	7	19	31	39	17	5
SK	14	49	30	13	33	23	40	35
FI	4	44	10	17	28	29	19	11
SE	5	20	10	15	22	27	22	12
UK	7	54	23	25	25	28	40	27

NB: Indicators on poverty — important methodological note: There is currently a transitional phase in data production, following expiry in 2001 of the previous harmonised data source in EU-15 countries, until launch of the replacement (EU-SILC) in all EU-25 Member States. EU-SILC is expected to be fully operational with effect from 2007. During transition, countries supply aggregate indicators from national data sources: 100 % comparability cannot be guaranteed.

Source: SILC database and national sources (last available year).

(*) EU-25: estimation.

Eurostat reference publications

European social statistics: Social protection 1994–2002

The social situation in the European Union, 2004

11. Agriculture and rural development

The objectives of the common agricultural policy (CAP) are laid down in the Treaty establishing the European Community: to increase productivity in agriculture; to ensure a fair standard of living for the agricultural community; to stabilise markets; and to ensure the availability of supplies and reasonable consumer prices. To achieve these objectives a production-oriented price and income support policy was established which lived on into the 1990s. By that time, as the objective of producing more food was realised, unfortunate side effects of the CAP had already appeared. Export subsidies and public storage, which are instruments to dispose of production surpluses, were causing a heavy financial burden to the EU budget, as well as creating friction with our main trading partners. In addition, there were increasing concerns about the environmental impact of the CAP.

The EU has therefore reformed the CAP and reduced the prices that farmers receive for their products, inducing a shift away from support for production towards support geared to efficient and environmentally-friendly farming. Production has fallen for a number of commodities and the EU has compensated farmers with direct payments for the loss of income that lower prices entail. Farmers, however, can only receive direct payments if they respect certain standards regarding, among other things, the environment and animal welfare. Programmes of rural development have been introduced which provide assistance to farmers to adapt to these standards and more generally help rural areas to diversify and modernise.

By removing incentives to overproduce, the reforms have made the CAP less trade-distorting. A policy that once ate up two thirds of the total EU budget now absorbs less than half, while its scope is widening following the introduction of the rural development policy. Though agriculture is less important to the overall economy, it still has a valuable contribution to make to the economic growth of rural areas as well as to landscape and nature conservation. Some 10 million families depend on farming for their livelihoods and many people work in the upstream and downstream industries.

Key facts

- The economic role of agriculture is declining with overall economic development. Today, in the EU-25, the primary **agricultural sector contributes 2 % to GVA, 5 % to employment and 6 % to exports** (Table 1). The EU-15 has a share of nearly **18 % in world agro-food exports and imports** (Table 2).
- **Around 40 % of total land in the EU-25 is usable agricultural area** (Table 3). This share varies widely between Member States.
- The EU is an important producer of agricultural products: for example, about **12 % of world cereal production** and **almost one quarter of world milk production** are produced in the EU-25 (Table 4). The EU is also a main producer of meat. The increase of the area productivity is the main determinant of production increases in the crop sector.
- **Self-sufficiency for cereals, sugar, skimmed milk powder, butter and meat is above 100 %** in the EU-15 (Table 5).
- In most EU-15 Member States **the trend of income per labour in agriculture has been positive** since the beginning of the 1990s (Table 6).
- In the Czech Republic, Denmark, Greece, Italy, Austria, Finland and Sweden over 6 % of agricultural area is used for **organic farming** (Graph 1). In other Member States the number of organic producers increases. The data are part of the 35 indicators reporting on the integration of environmental concerns into agricultural policy (IRENA).
- In 2004, budget expenditure on the CAP amounted to EUR 48 200 million (Graph 2). **After 1999 the ratio of CAP expenditure to GDP of the EU-15 decreased from 0.6 % to 0.5 %**. In 2003, two thirds of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund was spent on direct aid (Graph 3). The share of rural development measures was 11 %.

**Table 1: Agriculture in the EU economy:
gross value added (GVA), labour and exports**

	1995			2000			2004		
	Labour			Labour			Labour		
	GVA share ⁽¹⁾	force share ⁽²⁾	Export share ⁽³⁾	GVA share ⁽¹⁾	force share ⁽²⁾	Export share ⁽³⁾	GVA share ⁽¹⁾	force share ⁽²⁾	Export share ⁽³⁾
	%	%	%	%	%	%	%	%	%
EU-25	2.8	6.3	:	2.3	5.4	5.6	2.0	5.1	5.1
EU-15	2.7	4.9	6.8	2.2	4.2	5.3	2.0	3.9	4.9
Belgium	1.6	2.9	:	1.4	2.5	:	1.4	^(f) 2.3	:
Czech Republic	4.6	6.6	:	3.9	5.1	:	3.3	4.0	:
Denmark	3.5	4.5	:	2.6	3.6	:	2.2	3.6	:
Germany	1.3	2.9	:	1.3	2.4	:	1.1	2.2	:
Estonia	8.0	10.1	:	5.5	7.0	:	4.3	5.8	:
Greece	9.9	18.6	:	7.3	16.7	:	5.6	13.8	:
Spain	4.4	7.9	:	4.4	6.3	:	3.5	5.7	:
France	3.2	4.6	:	2.8	3.9	:	2.5	3.6	:
Ireland	7.0	10.6	:	3.4	7.7	:	2.5	6.2	:
Italy	3.2	6.0	:	2.8	4.9	:	2.5	4.4	:
Cyprus	5.1	23.5	:	3.6	7.9	:	3.5	:	:
Latvia	9.0	17.7	:	4.5	14.3	:	4.1	^(f) 12.5	:
Lithuania	11.4	23.8	:	7.8	19.9	:	5.7	15.8	:
Luxembourg	1.0	2.1	:	0.7	1.5	:	0.5	^(f) 1.3	:
Hungary	6.7	8.2	:	4.3	6.4	:	3.8	5.1	:
Malta	2.9	:	:	2.4	2.2	:	2.6	:	:
Netherlands	3.5	4.0	:	2.8	3.5	:	2.3	3.3	:
Austria	2.7	14.8	:	2.1	13.4	:	1.9	13.0	:
Poland	6.5	:	:	3.5	26.3	:	2.9	^(f) 19.2	:
Portugal	5.8	:	:	3.8	:	:	3.9	:	:
Slovenia	4.2	14.3	:	3.2	11.9	:	2.5	10.5	:
Slovakia	5.9	8.9	:	4.6	5.6	:	4.1	3.9	:
Finland	4.5	7.9	:	3.8	6.0	:	3.1	5.0	:
Sweden	2.7	3.2	:	1.9	2.7	:	1.8	2.4	:
United Kingdom	1.9	1.2	:	1.0	1.2	:	0.8	0.9	:

⁽¹⁾ The GVA is the net result of output valued at basic prices less intermediate consumption valued at purchaser's prices. The agricultural GVA includes hunting and forestry.

⁽²⁾ Persons employed in agriculture, hunting, forestry and fisheries as % of total employment (Labour Force Survey).

⁽³⁾ Food, drinks and tobacco; excluding trade between Member States of EU-15 and EU-25, respectively.

^(f) Forecast.

Source: European Commission, Eurostat (2005): national accounts, labour market, external trade aggregated data.

Table 2: The EU's role in world agro-food trade (excl. intra EU-15 trade)

			1990	1995	2000	2002
Imports	World	billion USD	241.3	330.0	318.1	330.9
	EU-15		22.0	19.6	17.2	17.5
	US		11.2	10.3	14.1	13.6
	Argentina	in % of world imports of agro-food products	0.1	0.4	0.4	0.2
	Brasilia		0.9	1.9	1.3	1.0
	Australia		0.7	0.8	0.9	1.0
	China		4.1	5.5	4.8	4.9
	Japan		11.9	12.5	11.4	10.2
Exports	World	billion USD	216.4	305.7	293.4	307.4
	EU-15		17.9	17.8	19.2	17.6
	US		12.5	11.1	15.3	14.7
	Argentina	in % of world exports of agro-food products	3.2	3.3	3.7	3.6
	Brasilia		4.1	4.4	4.3	5.4
	Australia		5.4	4.2	5.2	5.2
	China		4.7	4.7	4.5	4.7
	Japan		0.5	0.6	0.5	0.5

Source: FAO (2005): Faostat.

Table 3: Land use by EU agriculture, 2003

	Total area	Utilized agricultural area of which:	Arable land	Permanent grasland	Permanent crops
	1 000 ha	% of total area			
EU-25	397 552	41.7	24.4	14.2	2.9
EU-15	323 695	40.9	22.4	14.9	3.4
Belgium	3 053	45.5	27.3	17.5	0.7
Czech Republic	7 887	46.6	35.0	11.1	0.4
Denmark	4 310	61.3	56.7	4.3	0.2
Germany	35 703	47.6	33.1	13.9	0.6
Estonia	4 523	17.8	12.1	5.2	0.3
Greece	13 196	42.7	20.5	13.6	8.6
Spain	50 537	49.6	25.7	14.0	9.7
France	54 909	54.1	33.3	18.4	2.0
Ireland	7 030	62.2	16.8	45.3	0.0
Italy	30 134	50.0	26.4	14.5	8.9
Cyprus	925	13.5	9.4	0.1	4.0
Latvia	6 459	24.8	14.8	9.5	0.2
Lithuania	6 530	38.8	22.9	14.9	0.5
Luxembourg	259	49.5	23.9	25.1	0.5
Hungary	9 303	63.0	48.3	11.4	2.2
Malta	32	34.2	29.5	0.0	3.4
Netherlands	3 736	51.2	29.1	21.2	0.9
Austria	8 386	40.2	16.4	22.9	0.8
Poland	31 269	51.6	40.1	10.5	0.8
Portugal	9 191	41.5	16.4	16.4	8.4
Slovenia	2 027	25.2	8.5	15.2	1.4
Slovakia	4 903	45.6	28.1	16.2	0.6
Finland	33 814	6.6	6.5	0.1	0.0
Sweden	45 030	7.0	5.9	1.1	0.0
United Kingdom	24 410	68.7	22.5	46.1	0.1

Source: European Commission, Eurostat (2005): agricultural products\crop products\land use.

Table 4: Production of selected agricultural products in the EU

				Average (*)	Average (*)	Average (*)
				1991-1995	1996-2000	2001-2004
EU-25	Cereals (incl. rice)	Production	mio. t	233.1	261.8	263.7
			<i>% of world production</i>	12.0	12.5	12.4
		Yield	100 kg/ha	44.1	48.8	49.9
	Potatoes	Production	mio. t	80.3	78.0	65.1
			<i>% of world production</i>	28.3	25.2	20.5
		Yield	100 kg/ha	217.0	254.0	276.1
	Rapeseed	Production	mio. t	8.6	10.8	12.1
			<i>% of world production</i>	29.3	28.6	31.7
		Yield	100 kg/ha	26.3	28.6	29.6
	Beef and veal	Production	mio. t	9.5	8.5	8.0
			<i>% of world production</i>	17.8	15.2	13.8
	Pigmeat	Production	mio. t	19.0	20.4	21.1
		<i>% of world production</i>	24.8	23.0	21.8	
Milk	Production	mio. t	149.0	147.3	147.3	
		<i>% of world production</i>	27.9	25.8	24.3	
EU-15	Cereals (incl. rice)	Production	mio. t	182.7	210.0	208.8
			<i>% of world production</i>	9.4	10.1	9.8
		Yield	100 kg/ha	49.5	55.9	56.0
	Potatoes	Production	mio. t	46.0	47.7	44.9
			<i>% of world production</i>	16.2	15.4	14.1
		Yield	100 kg/ha	298.8	345.8	370.0
	Rapeseed	Production	mio. t	7.0	8.8	9.6
			<i>% of world production</i>	24.2	23.3	25.1
		Yield	100 kg/ha	27.7	30.8	32.0
	Beef and veal	Production	mio. t	8.4	7.7	7.4
			<i>% of world production</i>	15.6	13.8	12.8
	Pigmeat	Production	mio. t	15.7	17.2	17.7
		<i>% of world production</i>	20.5	19.4	18.4	
Milk	Production	mio. t	124.0	124.8	125.2	
		<i>% of world production</i>	23.2	21.9	20.6	

(*) Arithmetic average of the years mentioned.

Source: European Commission, Eurostat (2005): agricultural products and FAO (2005): Faostat.

Table 5: Supply balances of selected agricultural products in the EU-15, averages of years 2000–02

	Production ⁽¹⁾	Total domestic use	Degree of self-sufficiency
	mio. t	mio. t	%
Cereals (excl. rice)	204.5	185.4	110
Sugar	16.4	12.9	127
Skimmed milk powder ⁽²⁾	1.2	1.0	122
Butter	1.9	1.8	104
Meat - total	38.7	36.6	106

(¹) For cereals, sugar, skimmed milk powder and butter: usable production, for meat: gross indigenous production.

(²) For skimmed milk powder and butter: average 1995-1997.

Source: European Commission, Eurostat (2005): agricultural products\supply balance sheets.

Table 6: Real income of factors in EU agriculture per annual work unit

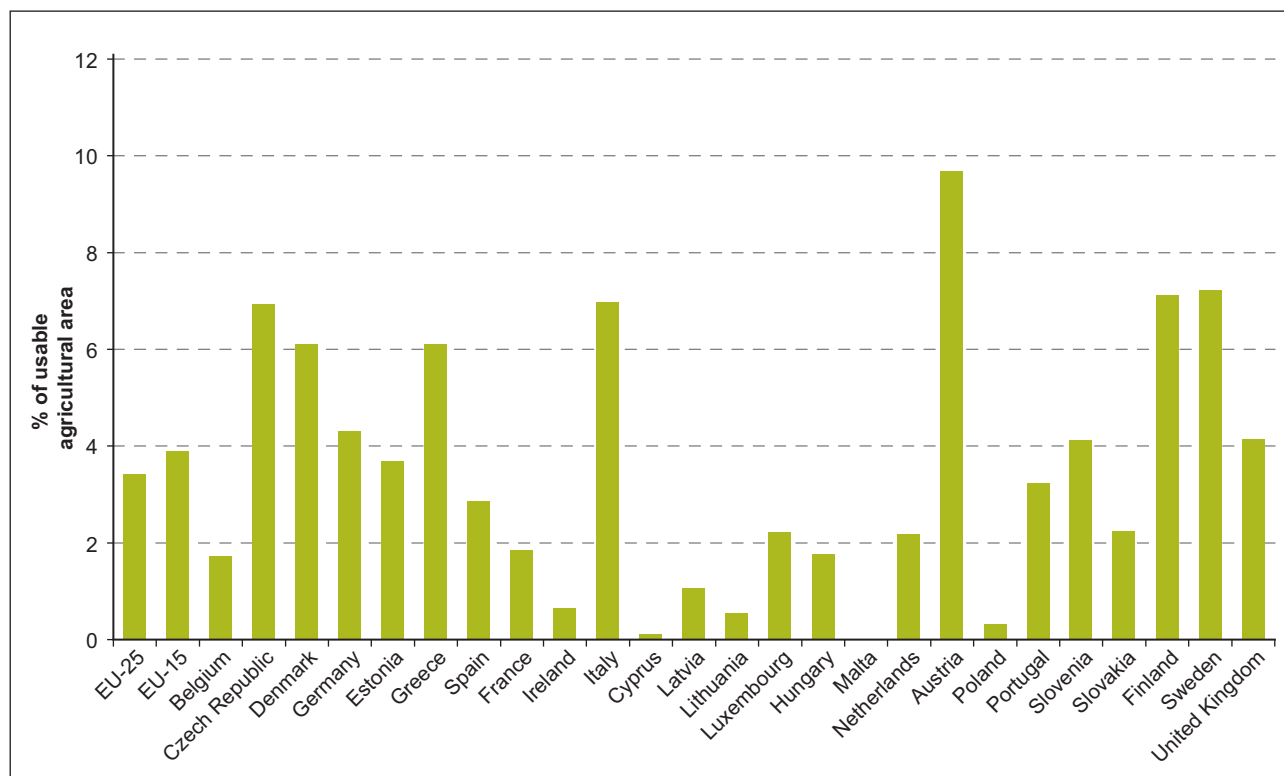
	Average (*)	Average (*)	Average (*)
	1991-1995	1996-2000	2001-2004
	Index year 2000 = 100		
EU-25	:	:	102.3
EU-15	:	99.1	102.8
Belgium	102.1	99.8	93.7
Czech Republic	:	:	132.0
Denmark	93.1	96.4	91.3
Germany	70.1	88.9	102.4
Estonia	:	102.5	171.3
Greece	:	99.0	101.5
Spain	81.3	101.0	111.1
France	82.7	99.3	98.2
Ireland	88.1	93.3	94.8
Italy	78.7	98.0	98.0
Cyprus	:	:	97.6
Latvia	:	:	121.3
Lithuania	:	:	102.8
Luxembourg	98.4	105.6	100.7
Hungary	:	:	101.2
Malta	:	:	100.7
Netherlands	115.2	106.7	92.0
Austria	99.7	95.9	111.4
Poland	:	:	110.6
Portugal	77.6	101.5	116.2
Slovenia	:	:	98.0
Slovakia	:	:	109.2
Finland	75.8	76.7	92.6
Sweden	85.8	99.1	108.4
United Kingdom	142.8	118.3	124.7

This income yardstick corresponds to the real net value added at factor cost of agriculture divided by the work volume.

(*) Arithmetic average of the years mentioned.

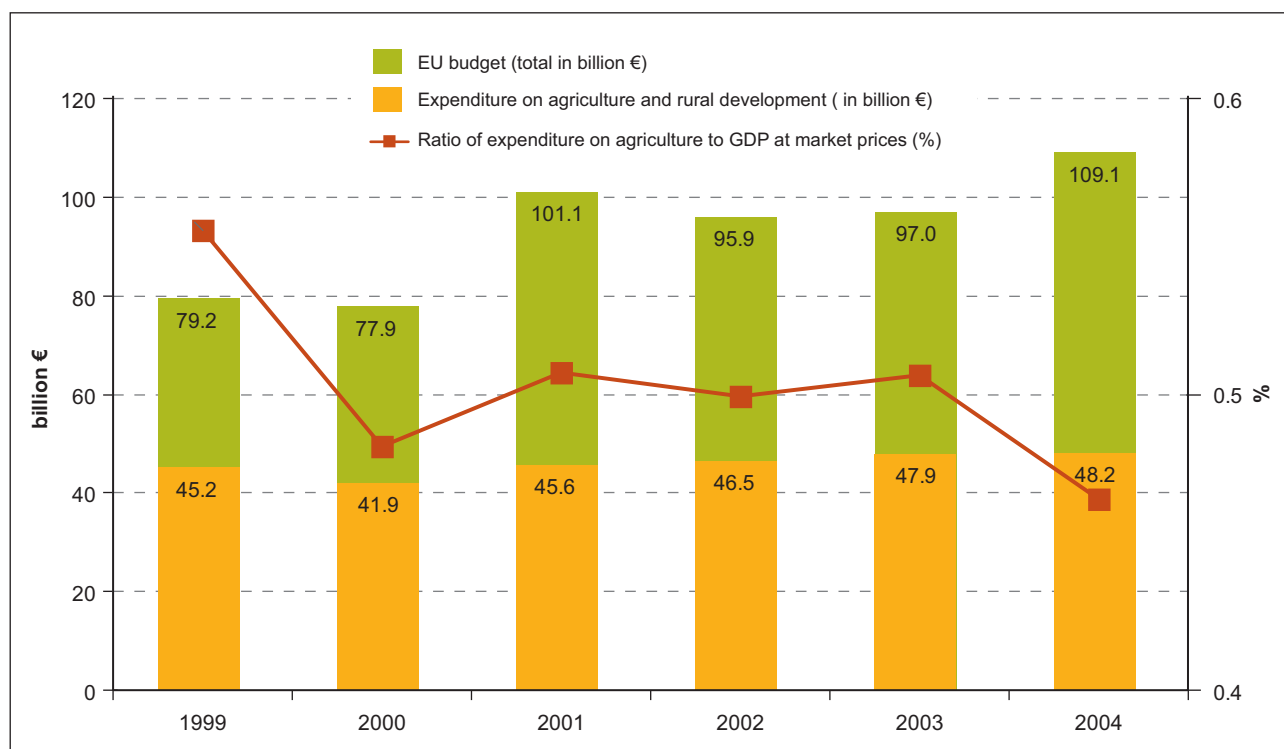
Source: European Commission, Eurostat (2005): economic accounts for agriculture and forestry.

Graph 1: Share of organic and in conversion land in EU agriculture, 2002/03



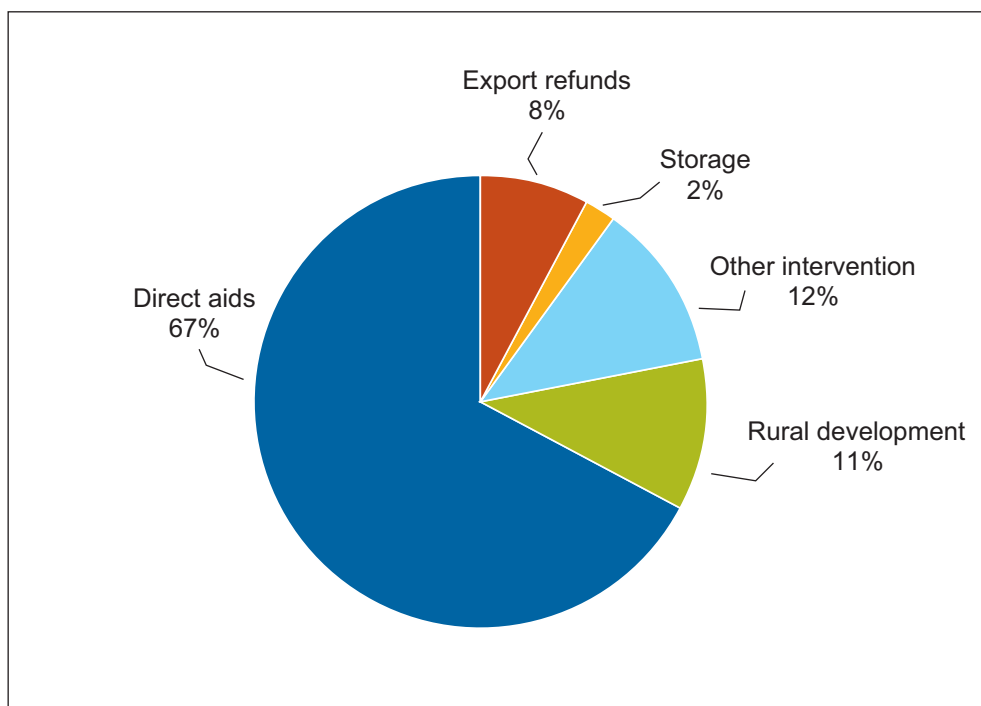
Source: European Commission, Eurostat (2005); Agriculture DG, *Agriculture in the European Union — Statistical and economic information*, 2004.

Graph 2: Budgetary expenditure on the common agricultural policy (1999–2003: EU-15, 2004: EU-25)



Source: European Commission, Eurostat (2005), Agriculture DG, *Agriculture in the European Union — Statistical and economic information*, various years.

Graph 3: Expenditure of the Guarantee Section of the European Agricultural Guidance and Guarantee Fund by economic nature of the measure, 2003



Source: European Commission, Agriculture DG, *Agriculture in the European Union — Statistical and economic information*, 2004.

12. Fisheries

There is a large worldwide consensus on the overall objective of fisheries policy as defined in the FAO code of conduct for responsible fisheries: a responsible fisheries policy has to ensure effective conservation, management and development of living aquatic resources with due respect for the ecosystem and biodiversity in order to provide, both for present and future generations, a vital source of food, employment, recreation, trade and economic well-being for people. Although there is no specific fisheries chapter, the Treaty assigns to the common fisheries policy (CFP) the same general objectives as the common agricultural policy: namely, to ensure a fair standard of living for the (fishing) community, stabilise markets, to increase productivity and ensure the availability of supplies and reasonable consumer prices. The Treaty stipulates that environmental protection requirements must be taken into account.

The Community has identified in its reform decisions of 2002 a number of objectives for the CFP: among which, to establish responsible and sustainable fisheries that ensure healthy marine ecosystems, to bring fleet capacity into line with the availability and sustainability of resources, to contribute through appropriate fisheries management action to achieving the environmental objectives set out in the Treaty, to integrate health requirements into the CFP in order to protect public and animal health and safety, to ensure stable supply of the European market at prices reasonable for the consumer, to secure an economically viable and self-sufficient fisheries and aquaculture sector which can be competitive in a globalised economy, to address the problems of structural adjustment that will result from a commitment to sustainable fisheries, to promote better governance by putting into place more transparent, accountable and flexible management involving the stakeholders at regional and local levels and to ensure effective enforcement of CFP rules through transparent arrangements that guarantee a level playing-field across the Union.

Key facts

- At 7.3 million tonnes, the EU-25 **production of fishery products** was 11 % of the world total in 2003, in distant second place to China (56 million tonnes) (Table 1).
- Eighty-one per cent (5.9 million tonnes) of this EU-25 production was from **capture fisheries**, 19 % (1.4 million tonnes) was from **aquaculture** (Table 1).
- The EU-25 production from capture fisheries in 2003 was 27 % less than in 1995. However, aquaculture production increased by 19 % in the same period (Table 1).
- Between 1995 and 2004 the **total tonnage (in GT) and power (in kW) of EU-15 fishing vessels** decreased by 17 % and 10 % respectively, whereas the **number** of vessels diminished by 15 % (Table 2).
- The per capita **consumption of fishery products** in EU-15 in 2003 was nearly 25kg/head/year, a 9.7 % increase since 1990 (Table 3).
- In 2003, the EU-25 had a deficit of EUR 10 300 million in **trade in fishery products**, an increase of about 45 % since 1990 (Table 4).

Table 1: Total fisheries production (thousand tonnes live weight equivalent)

	Capture fisheries			Aquaculture			Total fisheries production		
	1995	2000	2003	1995	2000	2003	1995	2000	2003
EU-25	8 034	6 779	5 885	1 159	1 388	1 375	9 193	8 168	7 260
EU-15	7 237	6 150	5 336	1 100	1 312	1 301	8 337	7 462	6 637
Belgium	36	30	27	1	2	1	36	32	28
Czech Republic	4	5	5	19	19	20	23	24	25
Denmark	1 999	1 534	1 031	45	44	32	2 044	1 578	1 063
Germany	239	205	261	64	66	74	303	271	335
Estonia	132	113	79	0	0	0	132	113	79
Greece	152	99	92	33	95	101	184	195	194
Spain	1 179	1 070	887	224	312	313	1 403	1 382	1 200
France	675	703	702	281	267	246	956	970	948
Ireland	390	276	266	27	51	63	417	327	329
Italy	397	302	283	215	217	192	612	519	475
Cyprus	9	67	2	0	2	2	10	69	4
Latvia	149	136	115	1	0	1	150	137	115
Lithuania	57	79	157	2	2	2	59	81	160
Luxembourg	-	-	-	-	-	-	-	-	-
Hungary	7	7	7	9	13	12	17	20	18
Malta	5	1	1	1	2	1	6	3	2
Netherlands	438	496	526	84	75	67	522	571	593
Austria	0	0	0	3	3	2	3	3	3
Poland	429	218	180	25	36	35	454	253	215
Portugal	264	191	213	5	8	8	269	199	221
Slovenia	2	2	1	1	1	1	3	3	3
Slovakia	2	1	2	2	1	1	4	2	3
Finland	155	156	122	17	15	13	172	172	135
Sweden	405	339	287	8	5	6	412	343	293
United Kingdom	910	748	639	94	152	182	1,004	900	820

Source: Eurostat.

Table 2: European Union fishing fleet

	Number of vessels			Total tonnage (1 000 tonnes)			Total power (thousand kw)		
	1995	2000	2004	1995	2000	2004	1995	2000	2004
EU-25	:	:	92 422	:	:	2 104	:	:	7 489
EU-15	103 868	95 501	85 709	2 084	2 022	1 883	8 187	7 632	6 947
Belgium	154	127	123	23	23	23	66	64	67
Czech Republic	:	:	:	:	:	:	:	:	:
Denmark	5 180	4 139	3 417	107	108	96	424	393	338
Germany	2 392	2 315	2 163	77	71	66	169	168	162
Estonia	:	:	1 042	:	:	25	:	:	63
Greece	20 718	19 962	18 730	110	107	96	670	623	559
Spain	18 385	16 678	14 052	607	522	491	1 631	1 333	1 151
France (*)	6 598	8 181	7 883	179	224	214	991	1 108	1 065
Ireland	2 044	1 615	1 428	61	68	87	213	212	213
Italy	19 359	17 369	14 935	258	232	216	1 495	1 394	1 245
Cyprus	:	:	897	:	:	12	:	:	52
Latvia	:	:	304	:	:	75	:	:	79
Lithuania	:	:	942	:	:	42	:	:	73
Luxembourg	:	:	:	:	:	:	:	:	:
Hungary	:	:	:	:	:	:	:	:	:
Malta	:	:	2 133	:	:	20	:	:	121
Netherlands	1 023	1 101	862	180	212	195	517	522	463
Austria	:	:	:	:	:	:	:	:	:
Poland	:	:	1 247	:	:	45	:	:	147
Portugal	11 746	10 692	10 089	128	117	113	396	398	391
Slovenia	:	:	148	:	:	1	:	:	9
Slovakia	:	:	:	:	:	:	:	:	:
Finland	4 106	3 663	3 394	24	21	18	225	198	179
Sweden	2 508	2 016	1 598	58	51	44	269	245	217
United Kingdom	9 655	7 643	7 035	270	265	223	1 122	975	900

(*) For 2000 and 2004, includes the French Overseas Departments.

Source: European Commission.

**Table 3: Per capita consumption of fishery products
(kg live weight/head/year)**

	1990	1995	2001
EU-25	:	20.9	21.5
EU-15	22.6	23.0	24.8
Belgium/Luxembourg	18.8	20.2	20.4
Czech Republic	:	8	10.4
Denmark	22.5	23.7	23.2
Germany	13.1	12.8	12.3
Estonia	:	23.9	20.5
Greece	20.2	22.6	23.1
Spain	35.1	40.1	45
France	30.4	28	29.9
Ireland	16.9	18.2	17.6
Italy	21.5	21.5	24.6
Cyprus	17.8	23.5	25.4
Latvia	:	29.2	9.6
Lithuania	:	16.7	54.5
Hungary	4.5	3.4	4.4
Malta	16	26.6	39.2
Netherlands	10.9	16.5	23.8
Austria	9	9.3	11.7
Poland	10.1	10.8	9.9
Portugal	58.8	57.8	56.5
Slovenia	:	7.1	7.5
Slovakia	:	6.8	6.5
Finland	32.8	32.7	30.5
Sweden	27.2	26	27.7
United Kingdom	19.3	19.4	21.1

Source: FAO.

Table 4: Foreign trade in fishery products in 2003 (million EUR)

	Imports			Exports		
	Intra-EU	Extra-EU	Total	Intra-EU	Extra-EU	Total
EU-25	10 967	12 824	23 791	11 674	2 517	14 191
Belgium	706	537	1 243	701	19	719
Czech Republic	53	42	94	41	4	45
Denmark	349	1 502	1 851	2 344	432	2 776
Germany	1 080	1 166	2 246	900	149	1 050
Estonia	16	31	47	44	51	95
Greece	210	182	392	304	27	331
Spain	1 611	2 605	4 216	1 532	539	2 070
France	2 106	1 296	3 402	1 005	237	1 242
Ireland	100	11	111	307	78	385
Italy	1 934	1 212	3 146	339	89	428
Cyprus	25	18	42	3	19	22
Latvia	14	16	30	23	53	76
Lithuania	35	63	98	79	26	104
Luxembourg	60	7	67	19	0	19
Hungary	24	18	42	4	2	6
Malta	21	5	26	6	8	14
Netherlands	619	864	1 483	1 590	389	1 979
Austria	196	46	242	34	2	36
Poland	196	221	417	289	66	356
Portugal	693	323	1 017	300	44	344
Slovenia	28	13	41	3	4	7
Slovakia	25	11	35	4	1	4
Finland	79	87	166	4	7	11
Sweden	216	837	1 053	711	33	744
United Kingdom	571	1 712	2 284	1 088	238	1 327

Source: Eurostat.

13. Business competitiveness and entrepreneurship

While the share of services in the economy is growing, industry makes an essential contribution to Europe's prosperity. Industry is, moreover, increasingly enmeshed with services and contributes to their development. European industry is clearly making encouraging achievements and its progress in the environmental field and in some technological sectors is widely acknowledged. Nevertheless, it is now facing major challenges, some of which come from within (increasingly rapid technological development, skills gaps), while others are external (society's expectations regarding consumer, environmental and health protection) and yet others international (the emergence of new global competitors).

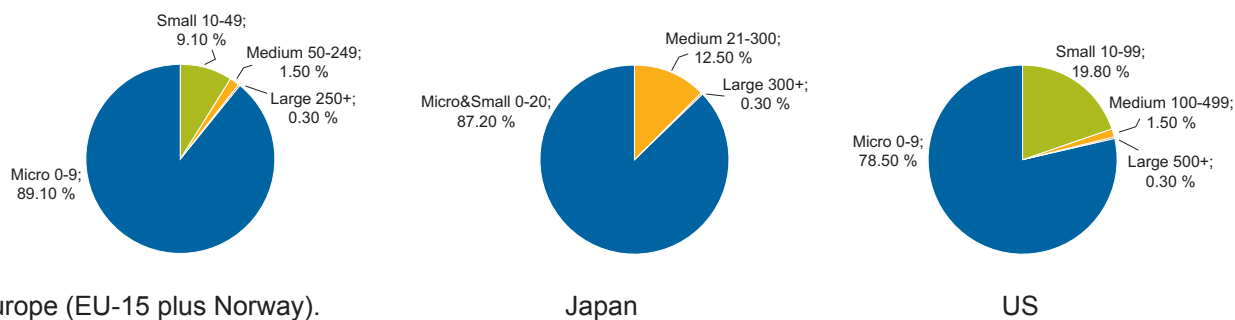
Manufacturing industry plays a key role in the creation of Europe's wealth: the Commission has felt a need to put industry back at the heart of policy concerns. Industrial policy has to play a key role in improving the EU's competitiveness: without the contribution of a competitive industry the Lisbon goals are unattainable. Entrepreneurship is a crucial element for achieving the political objectives set at the European Council meeting in Lisbon in 2000.

Beyond policies aimed at enhancing innovation and entrepreneurship, which are two major drivers of competitiveness, many other EU policies also have an impact on the business environment and enterprise performance. All horizontal policies — i.e. regional policy, competition, trade, taxation, etc. — should make the best possible contribution to competitiveness in addition to pursuing their own, specific objectives.

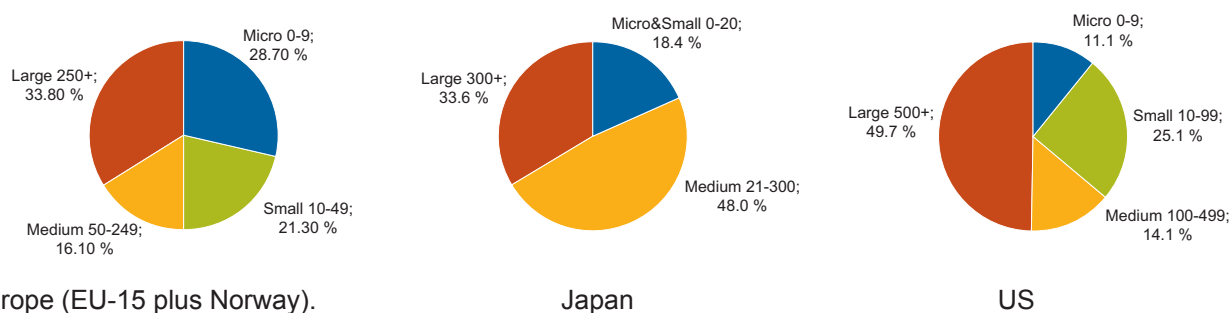
Key facts

- In Japan, and even more so in the US, **large enterprises** make up a much larger segment of the business enterprise population in terms of employment and turnover than in Europe (Graphs 2 and 3). But statistical concepts and reporting requirements differ, and therefore figures are not directly comparable.
- The respective shares in the economy of manufacturing industry and services across Europe are approximate, with industry making up roughly one third of value added generated by non-financial business economy. Notable changes still exist in the sectors of (former) public utilities and real estate, renting and other business activities (Graph 4).
- Despite some progress, European industry still lags the US in competitiveness. In most Member States, the share of **high-tech sectors in manufacturing** value added is lower than in the US. The EU-15 aggregate was, in 2002, with 14.1 %, just above half the figure for the US (23.0 %).
- **Entrepreneurship** can be a key to job creation. Newly-developed statistics aim at capturing enterprise birth and survival rates. The number of enterprise births is higher in the new Member States than in the EU-15 (Graph 6). Survival rates appear to be somewhat more robust in industry than in services (Table 1). Directly comparable figures for the US or Japan are not available due to diverging methodologies.
- The analysis of **industrial production** in Europe shows a slight upwards trend, albeit somewhat slower in the euro area than in the EU-25. The US industrial production is as of recently outpacing the growth in Europe (Table 2 and Graph 7).
- **Industrial employment** clearly falls behind the growth in industrial production: while industrial production rose by more than 15 % since 1995, industrial employment has fallen by almost 10 %. Some of this employment loss has been compensated for by the growth of services (Graph 8).

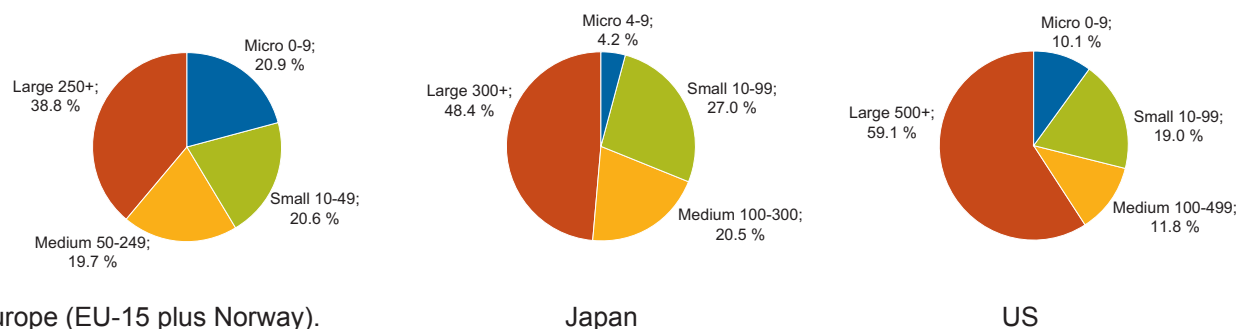
Graph 1: Share of the number of enterprises by size class in the business economy (NACE C to K), latest available figures



Graph 2: Share of the number of persons employed in the business economy (NACE C to K), latest available figures



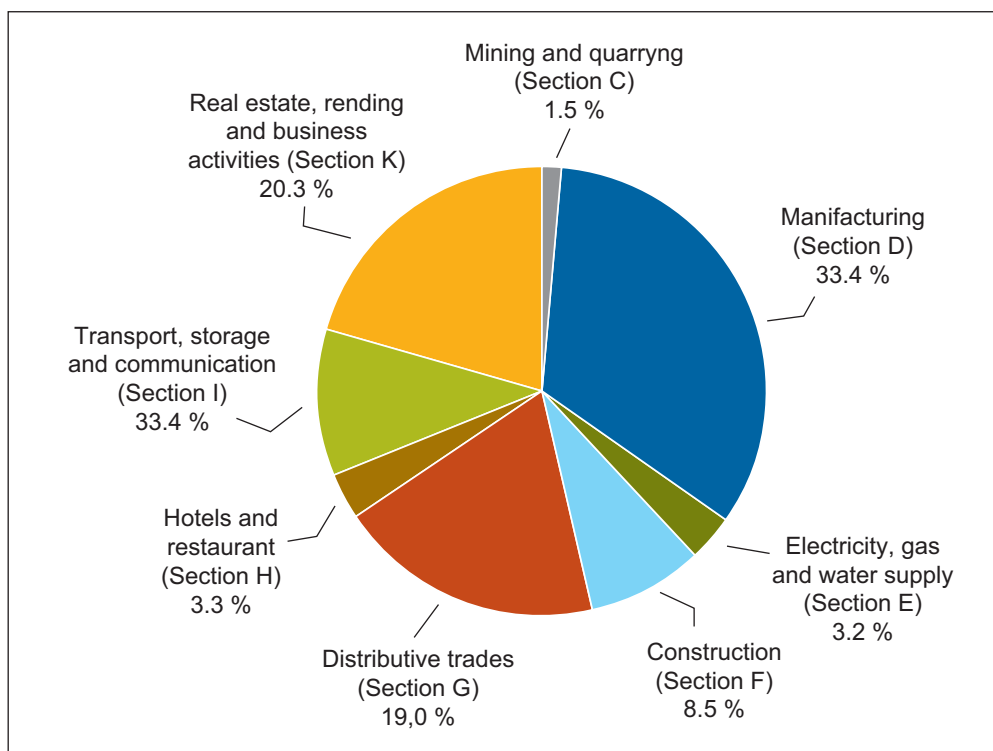
Graph 3: Share of turnover in the total business economy (NACE C to K), latest available figures



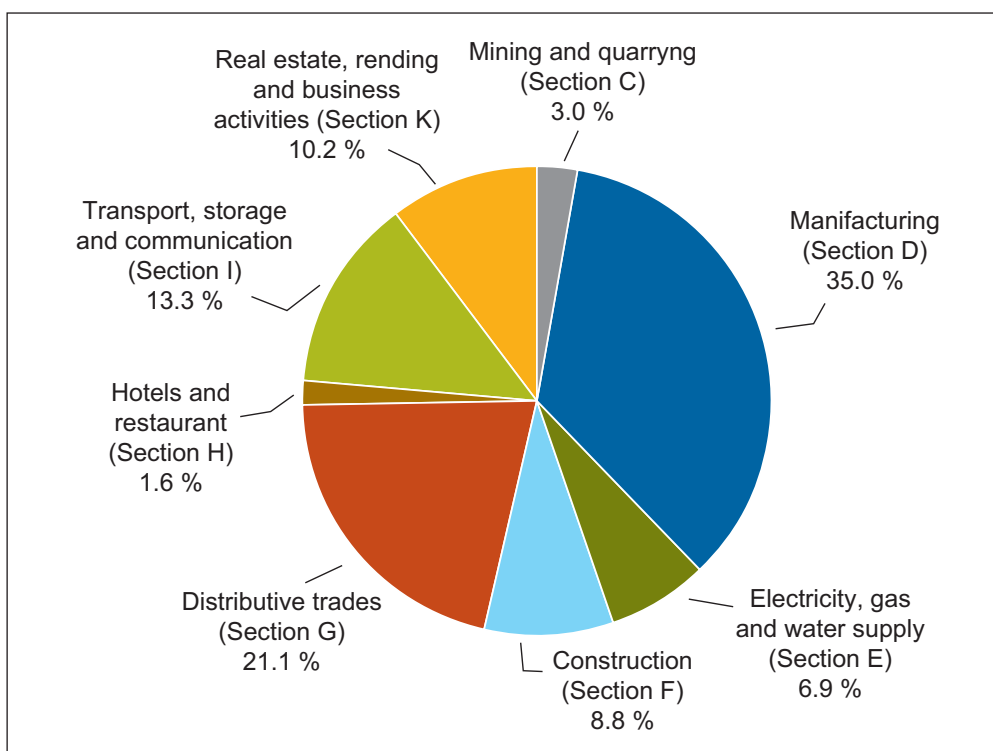
Source: Eurostat (and others).

**Graph 4: Breakdown of value added (2001/02 figures)
(% share of non-financial business economy)**

EU-15

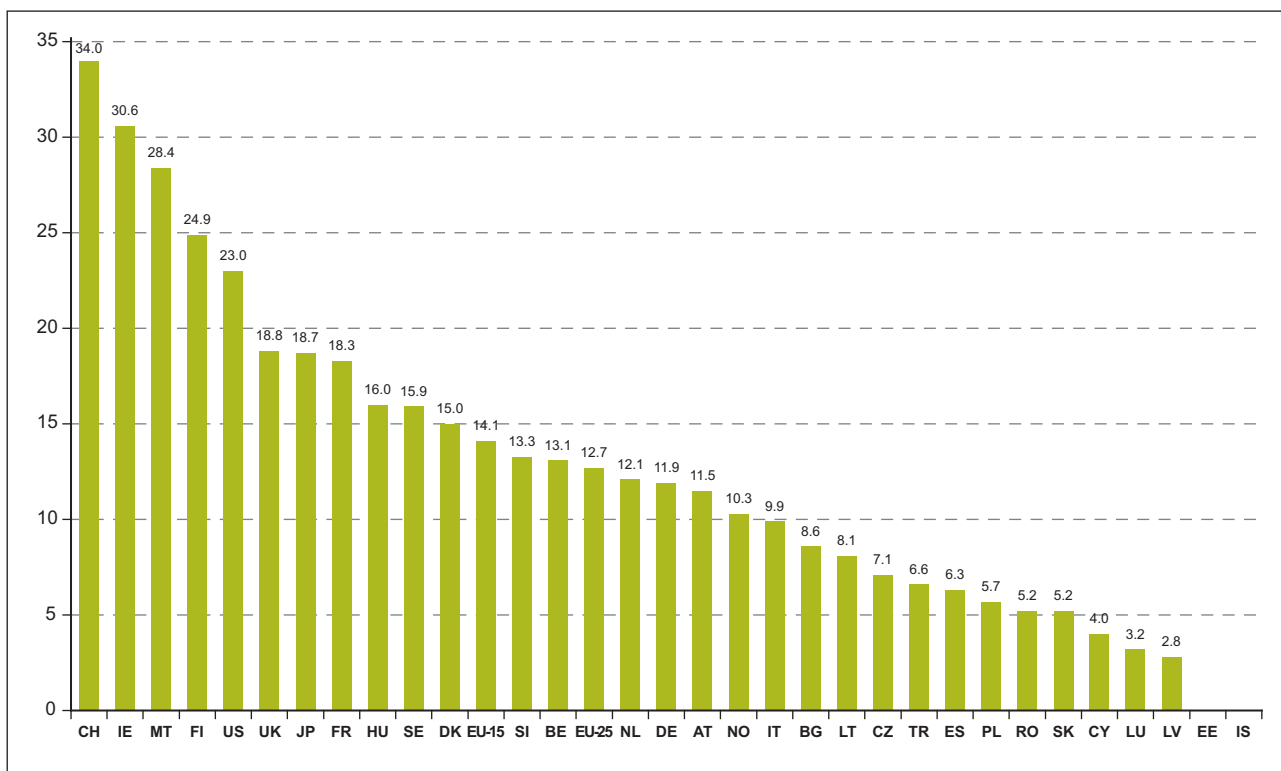


Ten New Member States



Source: Eurostat (and others).

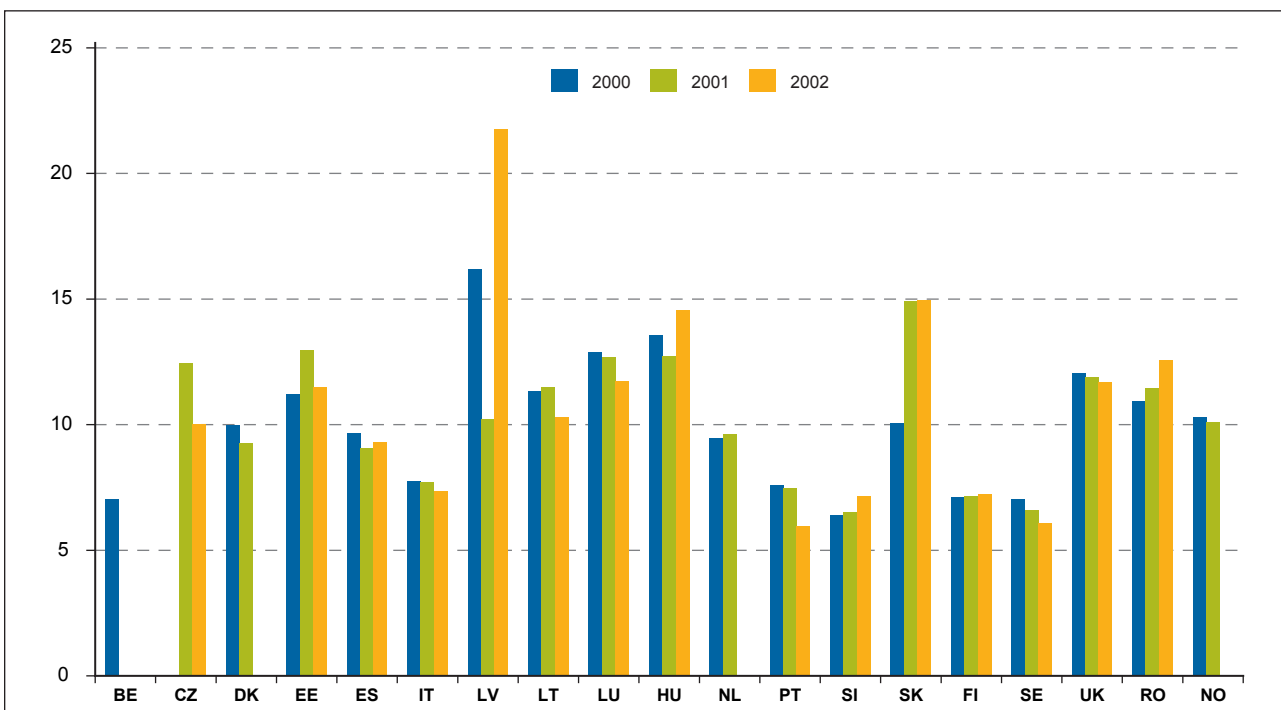
Graph 5: Share of high-tech sectors in manufacturing value added (2002)



NB: Definition: Total value added in manufacturing in five high-technology industries: pharmaceutical (NACE 24.4), office equipment (NACE 30), telecommunications and related equipment (NACE 32), instruments (NACE 33) and aerospace (NACE 35.3).

Denominator: Value added of total manufacturing sector, in national currency and current prices. (Indicator 4.6 of the innovation scoreboard 2004).

Graph 6: Enterprise birth rates in the business economy (NACE sections C to K) (%)



NB: Sole proprietorships are not included in the data for Portugal and Romania. In Estonia, only sole proprietorships with at least 20 employees are included. In Latvia, the exceptionally high birth rate of 2002 is due to the inclusion for the first time of natural persons and to difficulties of classification into the correct year of birth.

Table 1: Survival rates of newly born enterprises from previous years into 2002 (%)

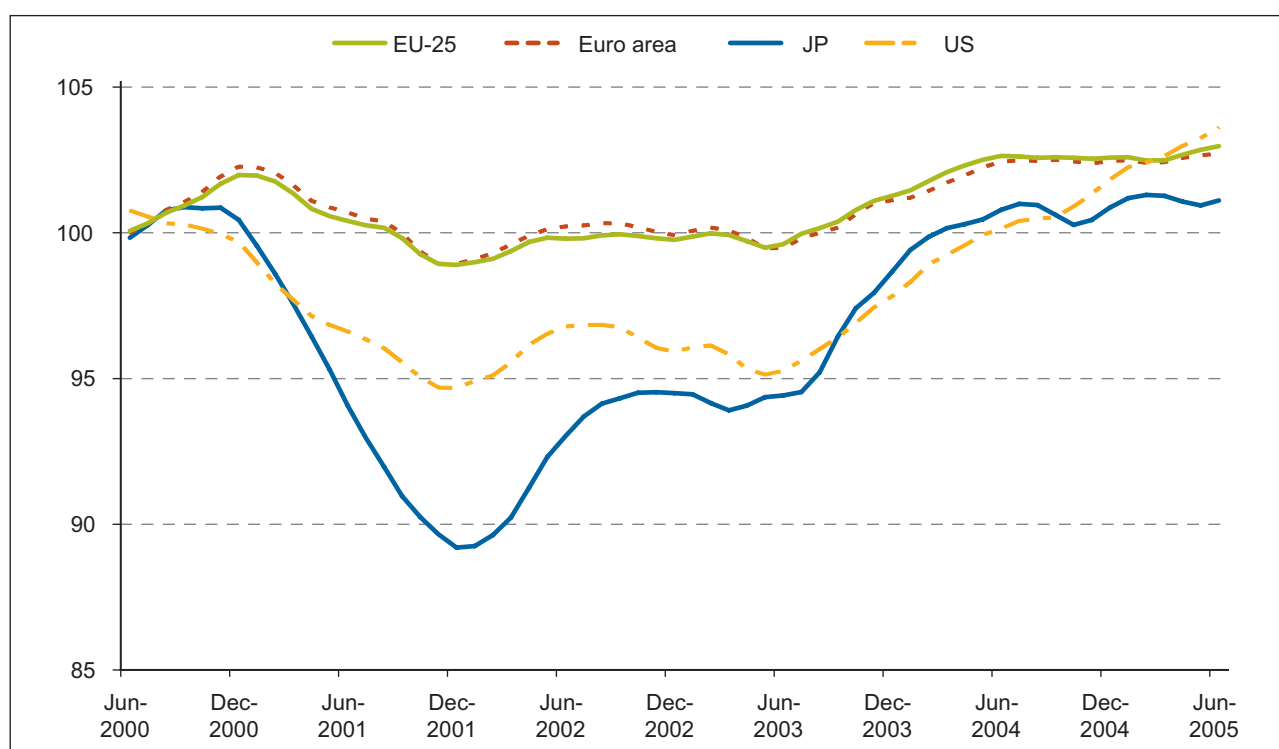
	birth year	CZ	EE	ES	IT	LV	LT	LU	HU	PT	SI	SK	FI	SE	RO
Business economy	2001	79.5	83.1	83.4	90.2	85.8	91.4	87.0	81.6	97.6	93.6	98.4	84.6	97.1	82.4
	2000	:	62.1	71.2	77.7	69.9	71.4	76.1	67.6	:	84.1	89.4	71.7	88.0	71.0
	1999	:	:	62.2	67.8	:	:	65.6	:	:	:	:	60.4	79.0	:
	1998	:	:	55.6	55.7	:	:	58.3	:	:	:	:	51.6	68.2	:
Industry	2001	83.1	88.1	87	91.8	82.8	95.3	:	85.1	97.5	94.6	98.5	86.0	97.7	84.7
	2000	:	66.7	77.1	78.7	71.9	79.0	:	73.0	:	88.7	91.6	75.4	90.4	74.8
	1999	:	:	69.3	70.7	:	:	:	:	:	:	:	66.2	81.6	:
	1998	:	:	62.8	57.8	:	:	:	:	:	:	:	57.1	71.3	:
Construction	2001	80.9	92.0	81.4	90.6	88.7	94.8	92.2	83.2	98.2	95.7	98.7	87.5	97.5	85.3
	2000	:	79.5	68.9	78.0	72.1	83.7	78.1	68.8	:	89.4	90.3	74.9	90.2	76.6
	1999	:	:	61.4	70.0	:	:	70.2	:	:	:	:	64.0	82.7	:
	1998	:	:	54.5	58.8	:	:	61.6	:	:	:	:	53.9	72.9	:
Services	2001	78.5	82.2	83.5	89.8	86.0	90.5	86.7	81.0	97.4	92.9	98.3	83.7	97.0	81.7
	2000	:	60.5	71.1	77.5	69.4	69.6	75.9	66.9	:	82.1	88.7	70.3	87.5	69.8
	1999	:	:	61.6	66.9	:	:	65.1	:	:	:	:	58.6	78.2	:
	1998	:	:	55.1	54.7	:	:	57.7	:	:	:	:	50.2	67.3	:

Source: Eurostat (and others).

Table 2: Industrial production (excluding construction), trend cycle (2000 = 100)

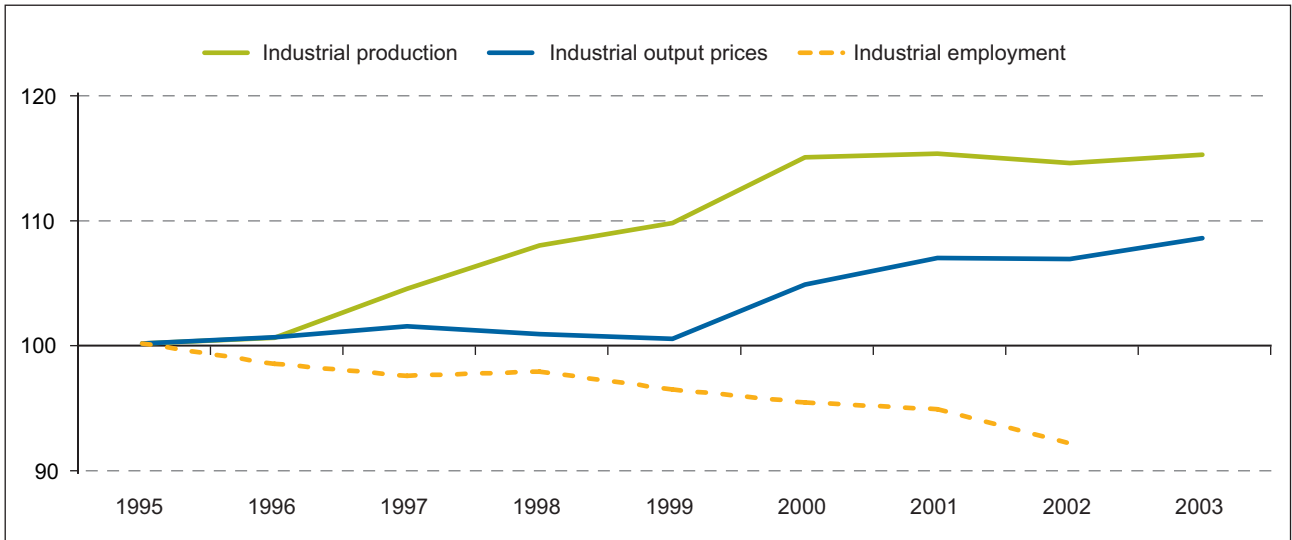
	06-05	05-05	04-05	03-05	02-05	01-05	12-04	11-04	10-04
EU-25	103.0	102.9	102.7	102.5	102.5	102.6	102.6	102.5	102.6
Euro area	102.7	102.7	102.6	102.4	102.4	102.5	102.5	102.4	102.5
Japan	101.1	100.9	101.1	101.3	101.3	101.2	100.9	100.4	100.3
US	103.6	103.3	103.0	102.6	102.4	102.3	101.8	101.3	100.9

Source: Eurostat, short-term business statistics (theme4/ebt), OECD.

Graph 7: Industrial production (excluding construction), trend cycle (2000 = 100)

Source: Eurostat, short-term business statistics (theme4/ebt), OECD.

Graph 8: Evolution of main indicators for total industry (NACE sections C to E), EU-25 (1995 = 100)



Source: Eurostat, European Business Trends.

14. Transport

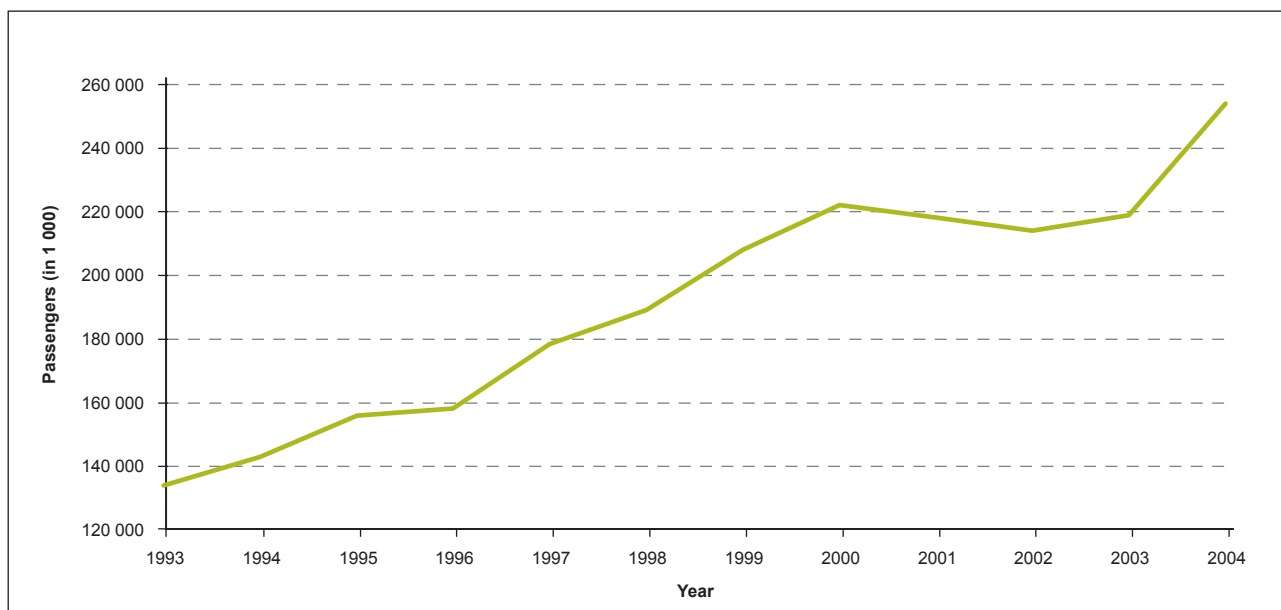
The common transport policy has a longer history because it was already provided for by the Treaty of Rome. Then, the Treaty of Maastricht reinforced the political, institutional and budgetary foundations for common transport policy: unanimity was replaced, in principle, by qualified majority, even though in practice Council decisions still tend to be unanimous.

During the 1990s the guiding principle of the Union was the opening-up of the transport market. By the turn of the century, this objective was generally achieved, except in the rail sector. Nowadays, lorries are no longer forced to return empty from international deliveries: they can even pick up and deliver loads within a Member State other than their country of origin (road cabotage). Air transport has been opened up to competition benefiting both industry and consumers while keeping very high safety levels.

The European Commission's objectives for the period 2001–10 are delivered in the White Paper, "European transport policy for 2010: Time to decide". A list of measures are proposed in this document, the first of them being to shift the balance between modes of transport by 2010 by revitalising the railways, including their market opening-up, promoting maritime and inland waterways transport and linking up the different modes of transport while completing the trans-European networks. The European Commission wants to ensure that the development of transport in Europe is compatible with efficient, high-quality and safe services for citizens as well as with the EU sustainable development strategies. In this respect the White Paper particularly highlights the role of charging for infrastructure use.

Key facts

- The liberalisation of air transport in the EU, developed during the first half of the 1990s, has had some impact on the growth of this market. **From 1993 until 2000, intra-EU-15 air passenger transport grew by 66 % from 133 to 221 million passengers** (Graph 1). Only the impact of the events of 11 September 2001 broke this positive trend during 2001 and 2002, although the recovery is already shown in the 2003 figures. Total EU-25 air passenger transport in 2003 increased by 4.9 % amounting to almost 590 million passengers (Table 1). It was a year of positive development in most Member States as well as the period 1997–2002.
- **From 1999 to 2003 the road cabotage in EU-15 increased by 54 %**, moving from 7.4 to 11.5 million tonne-km (Table 2). The time series cover the period of opening-up of the road transport market that has allowed lorries of a Member State to operate completely in another Member State from the loading to the unloading of the goods. The figures refer to the cabotage performed by hauliers from the countries.
- **For the whole period considered (1995–2002), road transport is the predominant mode of inland freight transport in the EU with a share moving from 68 % to 72 %** (Graph 2). Then, railways follow, moving from 19.7 % to 16.6 % and inland waterways transport shows also a decreasing evolution from 6.5 % to 5.9 %. Finally, oil pipeline transport shows a stable trend over the period moving from 5.8 % to 5.6 %. These data show the need of rebalancing the situation towards a higher use of rail and inland waterways transport as proposed by the Commission, particularly taking into account the increasing congestion of the road network and the bigger environmental impact of road transport.
- **The number of fatalities in road accidents weighted by population (expressed in million inhabitants) decreased in the EU-25 by 36 %** from 162 in 1991 to 103 in 2003 (Graph 3). The improvement of the road safety and the reduction of road accidents victims are part of the strong objectives of the Commission policy on road transport.
- **Transport by sea is the main way to move goods to/from outside the EU.** In 2003, in the majority of Member States the volume of goods handled in the main ports as extra-EU traffic was higher than the addition of national and intra-EU traffic (Table 3). The promotion of maritime transport fostered by the Commission should drive to an increase in the intra-EU traffic.

Graph 1: Evolution of intra-EU-15 air passenger transport from 1993 to 2003

Source: Eurostat.

Table 1: Air passenger transport by Member State in 2003 and evolution since 1997

	Total transport		National transport		International intra-EU transport		International extra-EU transport	
	Passengers 2004	Growth 2003-04 (%)	Passengers 2004	Growth 2003-04 (%)	Passengers 2004	Growth 2003-04 (%)	Passengers 2004	Growth 2003-04 (%)
Belgium	17 469	15.7	1	-20.9	13 050	14.9	4 417	18.1
Czech Republic	9 950	28.2	173	7.4	7 216	30.7	2 561	23.2
Denmark	21 006	8.2	1 609	1.6	13 515	6.8	5 882	13.9
Germany	135 850	12.1	21 385	0.9	67 248	13.4	47 218	16.2
Estonia	991	39.5	17	11.6	847	35.0	127	88.2
Greece	29 544	4.6	5 536	10.1	20 789	2.7	3 218	8.9
Spain	129 791	7.9	34 032	8.6	82 761	6.1	12 998	18.7
France	102 432	6.4	26 392	-1.2	40 907	7.0	35 133	12.0
Ireland	20 851	6.8	685	0.7	17 887	6.8	2 279	9.7
Italy	81 630	10.4	24 612	0.6	41 580	14.4	15 438	17.8
Cyprus	6 422	5.7	1	9.6	5 251	7.0	1 170	0.2
Latvia	1 056	48.7	0	:	888	:	168	:
Lithuania	994	37.7	2	234.3	817	37.6	176	37.4
Luxembourg	1 509	4.1	0	:	1 320	3.1	189	12.1
Hungary	6 445	28.6	0	:	4 519	32.7	1 925	19.9
Malta	2 790	5.4	38	-14.3	2 444	6.0	308	3.5
Netherlands	44 494	8.1	107	-30.6	25 237	4.7	19 150	13.3
Austria	18 297	15.8	563	2.7	11 589	13.0	6 145	23.1
Poland	6 092	25.8	893	:	3 738	:	1 461	:
Portugal	18 424	3.9	2 448	-14.2	13 083	7.0	2 893	9.0
Slovenia	1 046	13.0	0	:	606	:	440	:
Slovakia	1 081	72.7	36	12.0	691	84.6	354	61.3
Finland	11 785	12.1	2 862	6.0	7 083	11.1	1 840	28.0
Sweden	21 719	6.2	7 030	2.3	11 336	5.3	3 354	19.7
United kingdom	192 307	8.1	25 741	5.5	110 462	6.2	56 103	13.3
EU-25	650 434	8.8	154 162	:	271 323	:	224 948	:

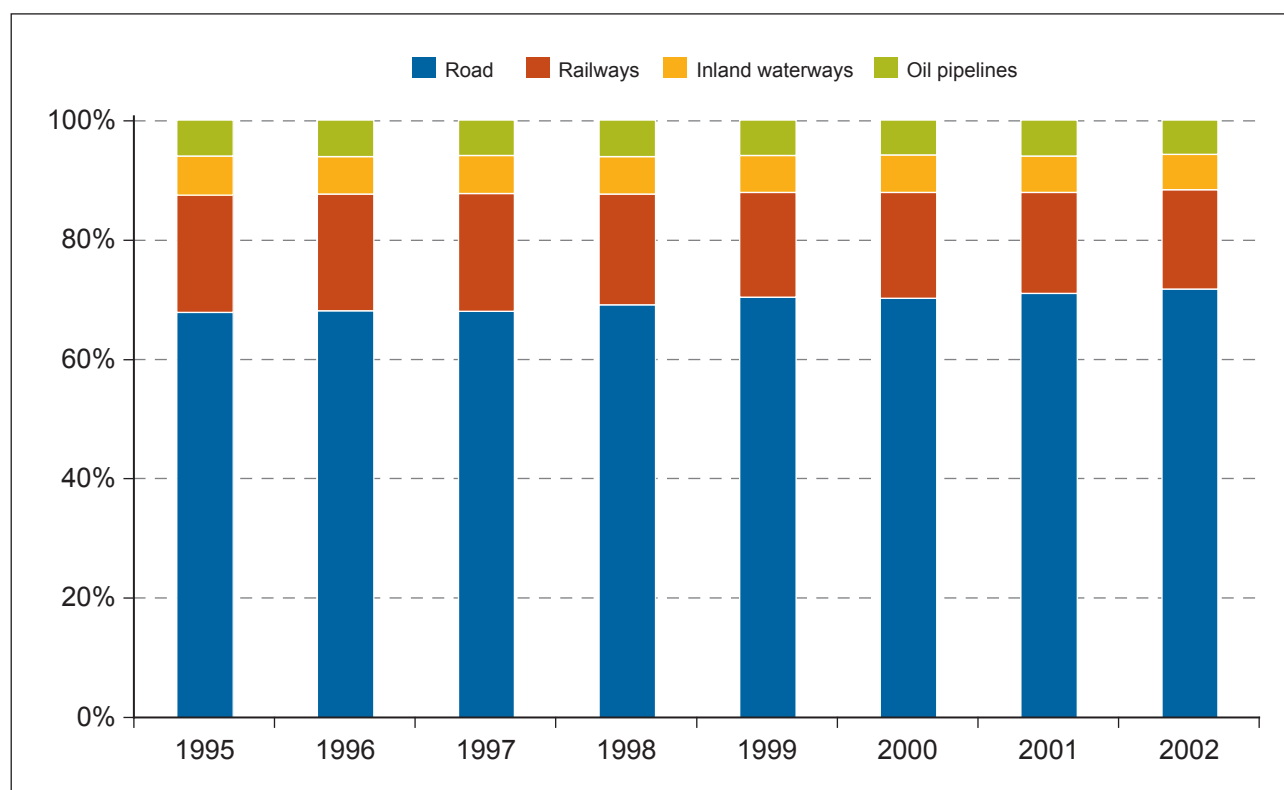
Source: Eurostat.

**Table 2: Road cabotage in the EU-15 from 1999 to 2003 (1 000 tonnes-km)
performed by hauliers from the reporting countries**

	1999	2000	2001	2002	2003	2004
Belgium	937 571	1 365 845	1 635 484	2 226 292	1 867 413	1 816 177
Denmark	101 504	248 394	186 862	132 197	191 302	254 059
Germany	1 532 768	1 407 873	1 688 306	1 602 288	1 565 349	1 944 433
Greece	:	:	:	:	:	:
Spain	271 475	245 667	350 247	585 706	748 659	1 030 952
France	756 388	814 535	607 043	530 045	550 808	624 342
Ireland	415 751	725 118	537 354	420 107	491 378	505 281
Italy	349 788	273 395	599 436	671 435	559 206	846 761
Luxembourg	1 039 332	1 229 934	1 555 918	1 983 865	2 044 341	2 261 924
Netherlands	1 631 633	1 696 800	2 002 437	1 809 598	2 338 504	2 870 671
Austria	221 521	345 499	449 349	439 815	454 770	389 944
Portugal	99 008	39 993	148 120	187 176	319 365	708 127
Finland	34 676	49 118	45 971	29 992	24 972	69 968
Sweden	:	119 216	163 524	164 818	229 775	170 445
United Kingdom	44 140	110 125	58 791	84 978	68 384	202 237
EU-15	7 435 555	8 671 512	10 028 842	10 868 312	11 454 226	13 695 321

Source: Eurostat.

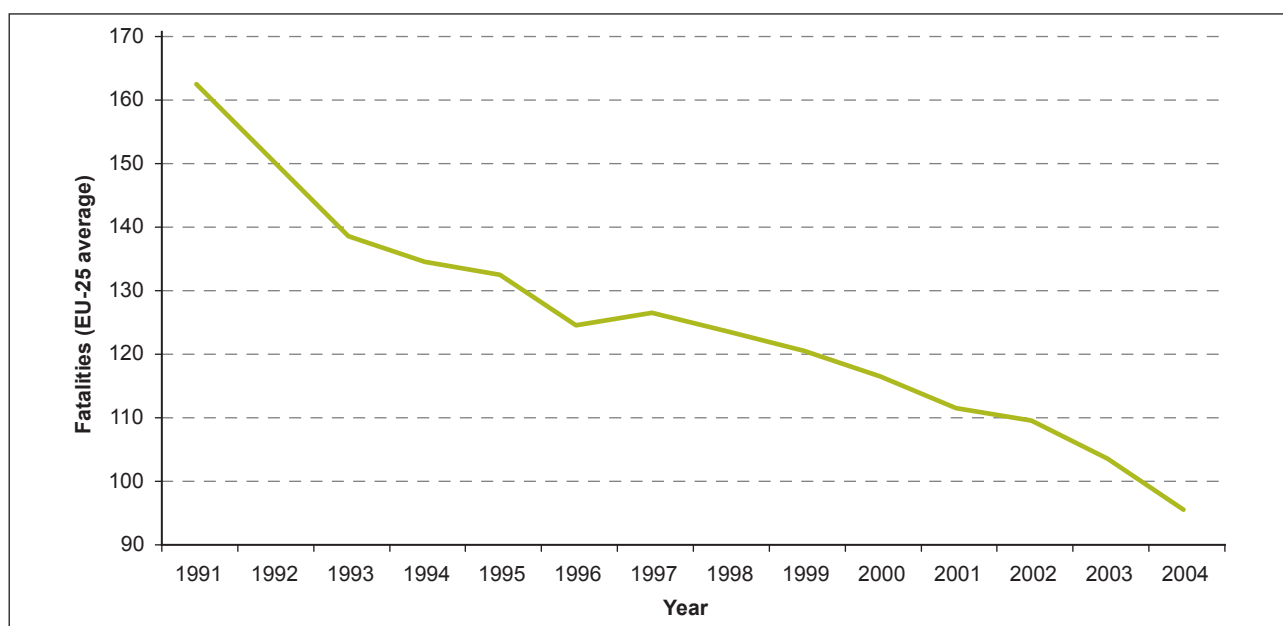
**Graph 2: Modal split of EU-25 inland freight transport - Evolution 1995–2002
(% share by transport mode in total inland freight tonne-km)**



NB: Road transport is based on all movements of vehicles registered in the reporting country. Rail, inland waterways and oil pipeline transport are generally based on movements on national territory, regardless of the nationality of the vehicle or vessel, but there are some variations in definitions from country to country.

Source: Eurostat.

Graph 3: Number of fatalities in road accidents weighted by 1 000 000 inhabitants - Evolution of EU-25 average from 1991 to 2003



Source: Community road accident database (CARE) — Energy and Transport DG.

Table 3: Seaborne transport of goods handled in main EU ports (1) in 2003 (1 000 tonnes)

	National freight transport	International intra-EU-25 freight transport	International extra-EU-25 freight transport	Unknown origin/destination	Total transport
Belgium	2 725	64 545	117 982	100	185 352
Denmark	12 990	45 624	19 038	2 884	80 536
Germany	4 893	118 195	140 075	59	263 222
Estonia	655	34 222	9 268	661	44 806
Greece	36 049	22 863	48 409	491	107 813
Spain	49 949	71 591	225 061	957	347 559
France	20 257	104 774	182 760	9 281	317 072
Ireland	794	29 748	11 979	35	42 556
Italy	68 883	61 057	280 173	3 374	413 487
Cyprus	107	1 351	704	4 576	6 738
Latvia	358	40 822	11 195	1 225	53 599
Lithuania	35	19 593	6 064	150	25 842
Malta	:	2 267	1 207	0	3 474
Netherlands (2)	:	146 020	290 985	2 872	439 877
Poland (3)	567	34 939	15 962	84	51 552
Portugal	5 819	17 335	29 819	152	53 125
Slovenia	:	4 740	7 243	3	11 986
Finland	5 234	64 718	24 733	32	94 717
Sweden	11 037	95 575	29 568	2 971	139 151
United Kingdom	95 708	215 721	174 655	20 455	506 539

Source: Eurostat.

Notes

Data are provisional.

International transport includes inwards + outwards declarations, whereas national transport is limited to inwards traffic (to avoid double counting).

(1) Main ports are ports handling more than one million tonnes of goods annually.

(2) NL does not report national transport since 2001. This represented around 0.2% of the total transport in the previous years.

(3) PL: the breakdown of data by type of transport is partly estimated by Eurostat.

15. Energy

The objectives of the European Union policy on energy are to ensure the functioning of the energy market, to ensure security of energy supply in the Union, and to promote energy efficiency, energy saving and the development of new and renewable forms of energy.

The functioning of the energy market increases the benefits of competition to private households and industry. The liberalisation of gas and electricity markets is currently going on and it is enforced by two directives which give deadlines for the full opening of the markets, 1 July 2004 for all business customers and 1 July 2007 for households. Equally, it has strengthened the independence of transport system operators from other activities (production and supply), through legal and operational unbundling of these activities. Furthermore, the national regulators are obliged to monitor the development of competition, levels of investment and, where appropriate, the level of prices.

The European Union is extremely dependent on its external energy supplies. It currently imports about 50 % of its requirements, a figure that will rise up to about 70 % in 2030, with an even greater dependence on oil and gas, if current trends persist. Security of supply in the energy field must be geared to ensuring, for the good of the general public and the smooth functioning of the economy, the uninterrupted physical availability on the market of energy products for all customers (both private and industrial), in the framework of the objective of sustainable development.

Promoting energy efficiency and energy saving improves also security of supply and the competitiveness of the economy. Development of new and renewable forms of energy is also an important contributor to slowing down the increasing dependence of the EU on external energy supplies. Promoting energy efficiency and the use of renewable energy sources is mainly carried out at Member State or local level, EU legislation providing the framework condition for pertinent action (e.g. buildings directive or the renewable electricity directive) including subsidies and taxation. In this respect, the Union supports key research actions through the framework research programmes and promotes and finances best practices through programmes such as "Intelligent energy Europe".

The annual energy statistics on quantities form the basis for monitoring the development in supply/demand of energy in the EU. In addition, energy prices and related information are necessary to obtain a full picture of energy markets.

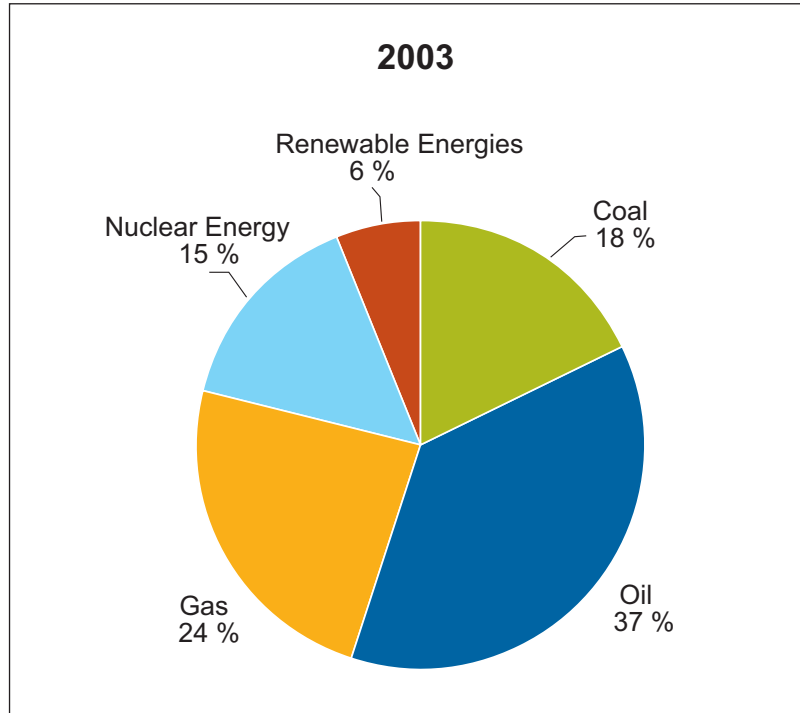
Key facts

- **Fossil fuels (oil, gas and coal) account for nearly 80 % of the gross inland energy consumption in the EU-25** (see Graph 1).
- **EU imports nearly 80 % of its crude oil consumption** (see Graph 2). Dependency for all energy products has increased steadily and is currently about 50 %. Energy dependency is the proportion in consumption of those energy products which have been imported from outside the EU.
- Half of the imported crude oil from outside the EU comes from three countries: **Russian Federation (20 % of total imports outside the EU), Norway (20 %) and Saudi Arabia (11 %)** (see Graph 3).
- **The prices for oil products (liquid fuels) have almost doubled from 1996** (see Graph 4). This is due to the recent sharp increase in the crude oil prices which is further reflected in prices for all oil products, like petrol and heating oil.
- **The energy intensity of the economy in the EU has improved by nearly 13 % between 1993 and 2003** (see Table 1). Similar improvement has occurred in the US, but in Japan the energy intensity has remained stable. The overall energy intensity of an economy is measured as energy consumption divided by gross domestic product (GDP). Improvement in energy intensity means that less energy is consumed to achieve the same GDP. **The energy consumption per capita in the EU is less than half of the US.**
- In 2005 customers that are given the choice of supplier consume **more than two thirds of the total electricity and nearly 60 % of the total gas** in the EU. At the beginning of 2005, full market liberalisation

of electricity was completed in nine Member States and of natural gas in 10 Member States. The state of progress of the liberalisation process expressed as a percentage of the degree of market opening is given for each Member State (see Table 2).

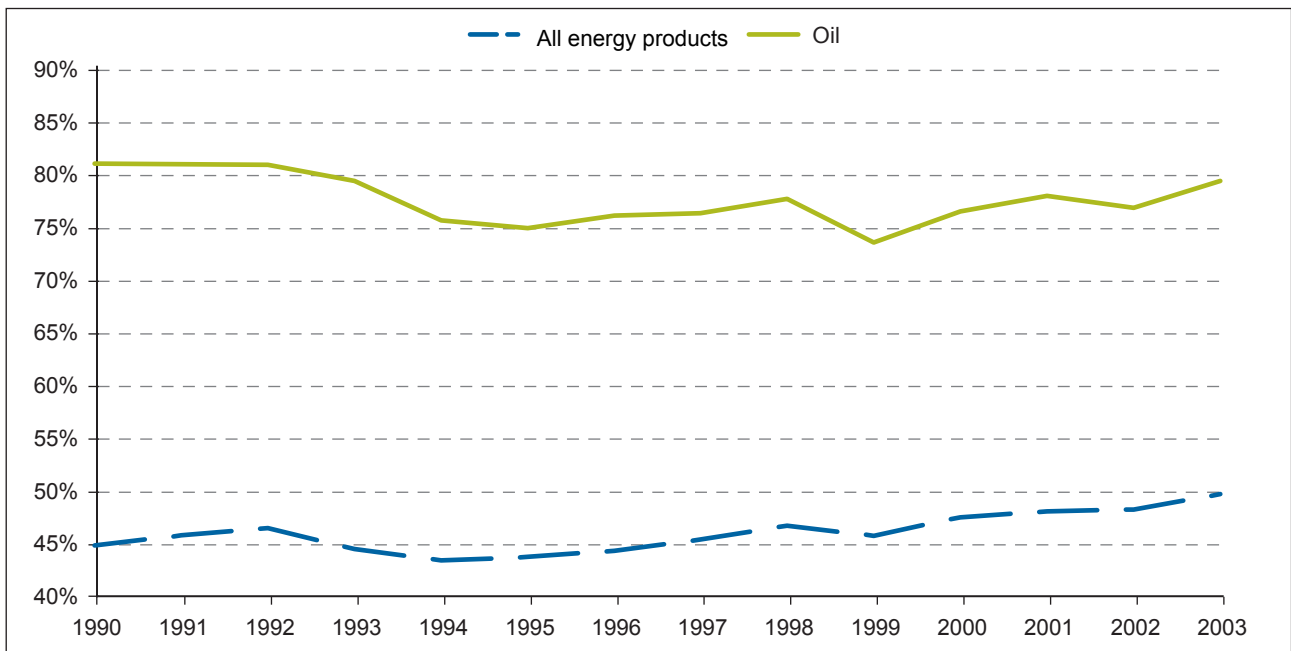
- **The consumption of renewable energy increased by 52 % between 1990 and 2003**, which is almost entirely due to increase in the use of biomass. In the same time the share of the consumption of renewable energy sources from the total energy consumption increased from 4.4 % to 6.0 % (see Graph 5).

Graph 1: EU-25 breakdown of gross inland consumption of energy by fuel



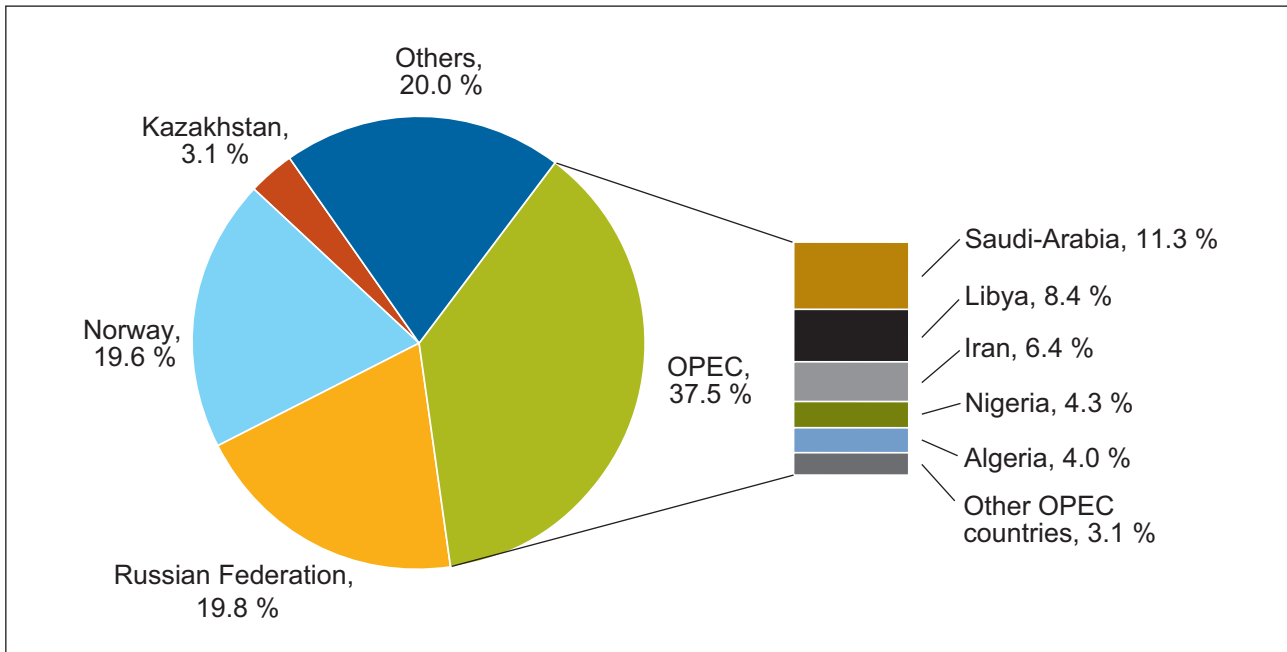
Source: Eurostat.

Graph 2: EU-25 energy dependency



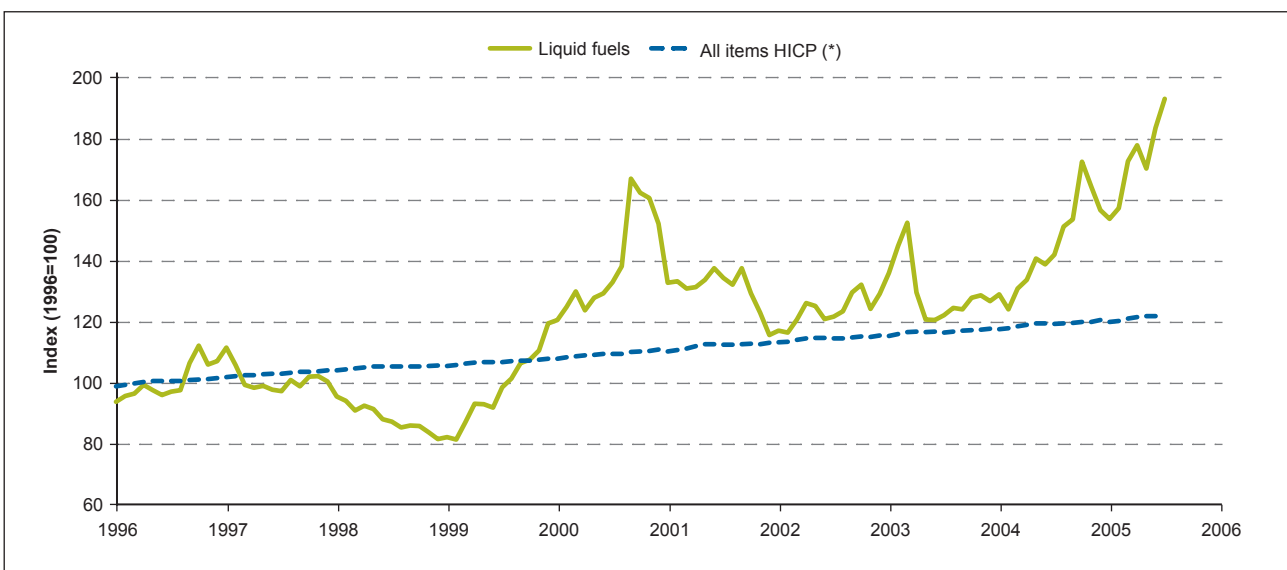
Source: Eurostat.

Graph 3: Imports of crude oil into the EU by country of origin



Source: Eurostat.

Graph 4: EU-25 evolution of consumer prices for liquid fuels



(*) Harmonised indices of consumer prices (HICPs) are designed for international comparisons of consumer price inflation.

Source: Eurostat.

Table 1: (a) Index of energy consumption per unit GDP, 1993 = 100
(b) Index of energy consumption per capita, EU-25 = 100

	(a)		(b)
	1998	2003	2003
BE	102.0	91.8	142.2
CZ	83.5	78.5	113.2
DK	91.6	83.1	101.0
DE	92.9	87.4	110.7
EE	78.2	63.2	105.7
EL	104.2	95.4	72.4
ES	104.2	105.6	84.4
FR	94.7	90.0	119.1
IE	82.4	67.8	100.9
IT	98.5	99.5	83.5
CY	98.1	90.6	93.2
LV	60.8	59.9	50.0
LT	97.0	73.4	68.9
LU	67.6	68.9	246.7
HU	87.2	76.7	69.9
MT	103.3	79.8	58.0
NL	89.8	88.6	131.3
AT	99.3	103.4	106.1
PL	49.0	41.1	63.5
PT	104.4	109.6	64.3
SI	95.1	86.4	91.9
SK	77.4	72.6	92.9
FI	92.3	89.8	188.3
SE	93.6	82.3	150.6
UK	90.0	78.9	102.1
EU-25	93.3	87.1	100.0
US	89.5	82.2	207.3
JP	103.4	101.7	107.2

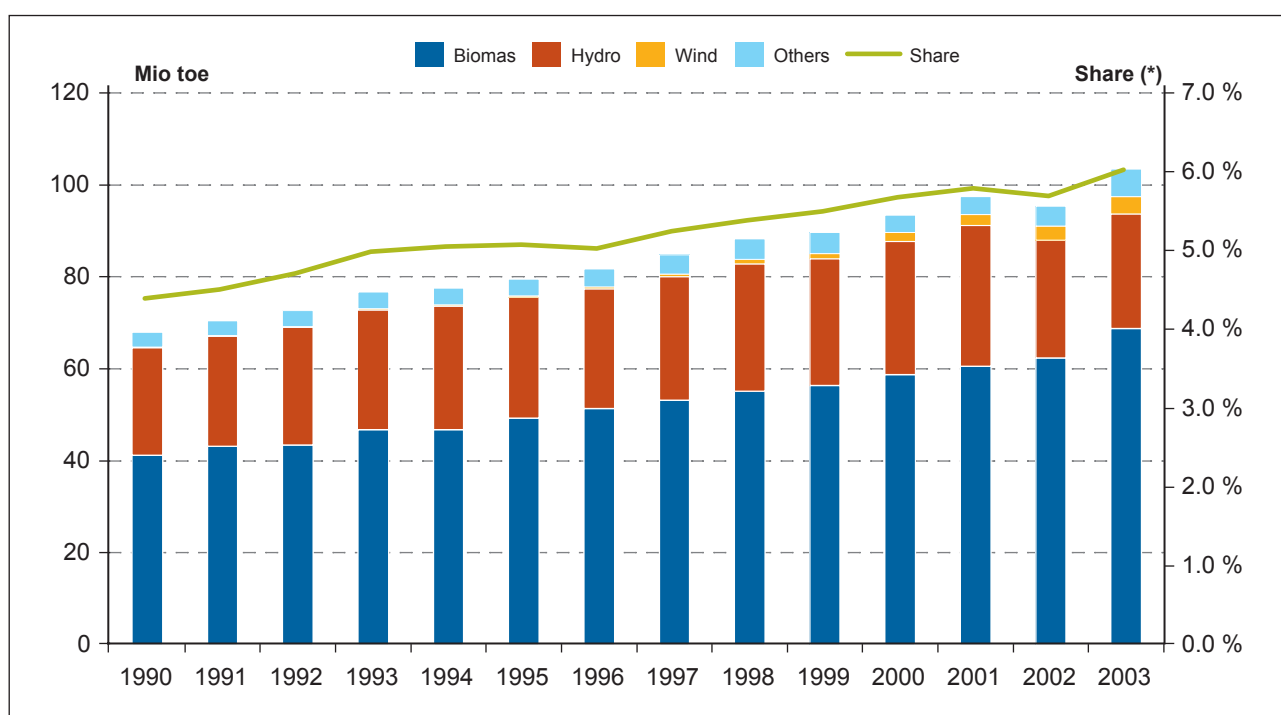
Source: Eurostat.

Table 2: Degree of electricity and gas market opening (%)

	Electricity		Gas	
	2001	2005	2001	2005
BE	35	90	59	90
CZ	:	47	:	0
DK	33	100	30	100
DE	100	100	100	100
EE	:	10	:	95
EL	30	62	0	0
ES	54	100	72	100
FR	30	70	20	70
IE	30	56	75	86
IT	45	79	96	100
CY	:	35	-	-
LV	:	76	:	0
LT	:	:	:	70
LU	:	57	51	72
HU	:	67	:	69
MT	0	0	-	-
NL	33	100	45	100
AT	100	100	49	100
PL	:	52	:	34
PT	30	100	0	0
SI	:	75	:	91
SK	:	66	:	34
FI	100	100	0	0
SE	100	100	47	95
UK	100	100	100	100

Source: Directorate-General Energy and Transport.

Graph 5: EU-25 consumption of renewable energy sources



(*) Share of renewable energy sources of the total gross inland consumption of energy.

Source: Eurostat.

16. Information society

The eEurope 2005 action plan was launched at the Seville European Council in June 2002 and endorsed by the Council of Ministers in the eEurope resolution of January 2003. It aims to develop modern public services and a dynamic environment for e-business through widespread availability of broadband access at competitive prices and a secure information infrastructure.

Following from this, “i2010” (European information society in 2010) is an initiative which aims to provide an integrated approach to information society and audiovisual policies in the EU. To this aim, the Commission outlines three policy priorities:

- to create an open and competitive single market for information society and media services within the EU;
- to increase EU investment in research on information and communication technologies (ICT);
- to promote an inclusive European information society, to help close the gap between the information society “haves and have nots” through the modernisation of public services and the promotion of digital literacy.

The objective is to ensure that Europe’s citizens, businesses and governments make the best use of ICTs in order to improve industrial competitiveness, support growth and the creation of jobs and to help address key societal challenges. In short, i2010 is a comprehensive strategy for modernising and deploying all EU policy instruments to encourage the development of the digital economy.

In parallel, the European Union has been at the heart of the communications revolution which is driven by technology and market forces. It has been instrumental in setting the pace for opening markets, maintaining equal opportunities for all participants, creating a dynamic regulatory structure, defending consumer interests and even setting technical standards. The old publicly-owned telephone monopolies that once ran protected national markets have been transfigured. Aggressive and innovative newcomers have moved in, offering imaginative new services, attractively packaged. Competition has forced prices down and quality up.

Key facts

- **In 2005, on average 58 % of the households in the EU-25 had a personal computer at home, while 48 % had a home Internet connection.** The availability of these ICTs in the household has continued to rise between 2002 and 2005. There has been a 14 percentage point rise (to 47 %) of those households with Internet access which have broadband between 2004 and 2005 (Table 1).
- Generally, males, younger people, those with a higher education and those who live in densely populated areas have a higher take-up. Some of the newer Member States showed a much narrower gap in use of ICTs between the sexes in 2005 (Tables 2a/b).
- In 1995, 5 out of 100 inhabitants disposed of a mobile telephone subscription; in 2004, this value was 90, with six Member States registering ratios of over 100 subscriptions per 100 inhabitants (Graph 1 and Table 3).
- The **price of national calls has fallen by around 30 % from 2000 to 2004 with the EU-25 level** showing the effect of increased competition (Table 4).

Table 1: Evolution of households' access to personal computers and the Internet, 2002–05 (%)

	2002	2003	2004	2005	2002	2003	2004	2005	2003	2004	2005
	Personal computers				Internet access				Broadband		
	% of households								% of households with Internet access		
EU-25			55	58	:	:	43	48	:	33	47
EU-15	50	56	58	63	39	43	46	53	:	34	48
BE	:	:	:	:	:	:	:	50	:	:	81
CZ	:	24	30	30	:	15	19	19	10	23	27
DK	72	79	79	84	56	64	69	75	39	52	68
DE	61	65	69	70	46	54	60	62	17	30	38
EE	:	:	36	43	:	:	31	39	:	66	77
EL	25	29	29	33	12	16	17	22	4	1	3
ES	:	47	52	55	:	28	34	36	:	45	58
FR	37	46	50	:	23	31	34	:	:	:	:
IE	:	42	46	55	:	36	40	47	2	7	16
IT	40	48	47	46	34	32	34	39	:	:	34
CY	:	:	47	46	:	:	53	32	:	4	14
LV	:	:	26	30	:	:	15	42	:	37	30
LT	12	20	27	32	4	6	12	16	27	32	73
LU	53	58	67	87	40	45	59	77	16	28	51
HU	:	:	32	42	:	:	14	22	:	41	49
MT	:	:	:	:	:	:	:	:	:	:	:
NL	69	71	74	78	58	61	65	78	33	48	69
AT	49	51	59	63	33	37	45	47	28	36	50
PL	:	:	36	40	:	:	26	30	:	32	51
PT	27	38	41	42	15	22	26	31	36	47	63
SI	:	:	58	61	:	:	47	48	:	22	40
SK	:	:	39	47	:	:	23	23	:	15	31
FI	55	57	57	64	44	47	51	54	26	42	67
SE	:	:	:	80	:	:	:	73	:	:	55
UK	58	63	65	70	50	55	56	60	19	28	52
IS	:	:	86	89	:	:	81	84	40	56	75
NO	:	71	72	74	:	60	60	64	38	50	65

Source: Eurostat, Community survey on ICT usage in households and by individuals.

Table 2: Individual use of computers and the Internet by age, sex and education, 2005

a) Individuals aged 16–74 who have used a computer in the last three months (%) (*)

				Ages			Education (1)			Employment status				Degree of urbanisation (2)		
	Total	Males	Females	16–24	25–54	55–74	No or low	Medium	High	Student	Emplo-yeer	Self-employed or family worker	Unemployed	Dense	Intermediate	Thin
EU-25	58	62	55	85	66	29	36	66	86	94	73	61	50	64	58	50
EU-15	62	66	57	86	70	33	37	73	87	94	76	65	57	65	60	56
BE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CZ	42	45	40	77	50	12	33	40	79	91	53	u	24	48	40	38
DK	83	84	81	96	92	59	72	84	93	97	90	82	81	87	84	77
DE	73	77	69	97	85	43	65	74	83	99	86	88	70	74	73	71
EE	60	64	58	89	68	24	53	56	74	99	70	69	52	64	u	56
EL	29	31	26	55	34	6	9	39	67	74	44	29	24	41	25	23
ES	52	57	47	84	60	16	26	74	87	96	67	57	47	58	49	42
FR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IE	44	42	46	52	49	21	26	49	72	64	55	41	24	:	:	:
IT	41	46	35	71	49	12	19	62	80	86	56	51	37	43	39	37
CY	41	41	40	75	44	9	17	45	73	93	49	33	41	48	44	27
LV	47	48	47	88	51	12	31	44	77	96	60	35	21	53	64	41
LT	42	42	41	81	44	7	31	33	76	97	54	27	19	56	:	31
LU	77	87	68	98	84	49	64	85	95	100	88	84	59	74	80	78
HU	42	42	42	66	49	15	16	59	82	81	56	56	31	57	44	30
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	83	87	79	98	90	58	66	90	96	100	93	91	93	85	83	80
AT	63	68	58	91	74	25	39	68	85	98	80	71	56	68	66	59
PL (3)	45	46	44	84	46	12	36	40	82	96	60	37	28	57	46	33
PT	40	43	36	78	44	9	24	86	90	98	50	36	29	47	36	32
SI	52	54	50	92	60	:	25	55	92	95	70	u	u	60	52	49
SK	63	65	60	89	70	18	35	70	88	98	72	83	42	69	:	60
FI	76	78	75	98	88	44	63	78	92	99	88	80	67	87	77	72
SE	84	87	81	98	93	60	71	82	97	99	93	87	91	84	90	83
UK (4)	72	76	70	89	80	47	40	79	92	99	83	80	72	72	75	70
IS	88	88	87	98	94	63	81	89	97	100	93	88	66	:	89	85
NO	83	87	79	98	92	55	54	82	97	99	93	82	73	89	84	80

Source: Eurostat, Community survey on ICT usage in households and by individuals.

b) Individuals aged 16–74 who have used the Internet in the last three months (%) (*)

				Ages			Education (1)			Employment status				Degree of urbanisation (2)		
	Total	Males	Females	16–24	25–54	55–74	No or low	Medium	High	Student	Emplo-ye	Self-employed or family worker	Unem-ployed	Dense	Intermediate	Thin
EU-25	51	55	47	80	58	23	29	57	81	89	65	54	41	57	50	42
EU-15	55	59	50	82	62	26	30	65	82	90	69	58	49	58	53	49
BE	58	62	53	83	66	25	38	62	84	93	71	73	45	59	58	45
CZ	32	35	29	64	37	9	26	28	73	78	40	u	16	39	30	28
DK	77	79	76	93	87	51	65	78	91	97	85	78	76	83	79	70
DE	65	70	60	93	76	34	56	65	77	96	77	83	58	66	65	61
EE	59	62	57	89	67	22	52	54	73	99	69	67	47	63	u	55
EL	22	26	19	46	26	4	6	29	57	62	34	23	18	35	18	17
ES	44	49	40	80	50	11	19	65	81	92	58	47	40	51	41	34
FR	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
IE	37	36	39	45	42	17	19	42	65	59	46	36	18	:	:	:
IT	34	39	28	62	40	9	14	53	74	77	46	44	29	37	32	29
CY	31	33	29	58	33	6	12	30	63	75	36	26	38	39	33	17
LV	42	43	41	84	44	9	28	38	71	92	53	30	19	48	54	36
LT	34	35	34	74	35	6	28	24	69	93	43	20	13	49		23
LU	69	81	58	91	75	42	53	76	92	96	78	76	51	65	73	69
HU	37	37	37	61	43	13	12	51	79	77	49	51	26	52	38	25
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	79	84	75	97	87	51	61	86	94	99	91	89	91	82	79	75
AT	55	60	50	84	64	19	32	59	80	95	70	65	47	61	56	49
PL (3)	35	37	33	74	33	8	31	29	72	87	45	28	18	48	36	23
PT	32	35	29	70	34	6	16	77	85	95	39	27	19	40	28	24
SI	47	50	44	84	54	:	21	48	90	92	62	u	u	56	46	44
SK	50	54	46	82	55	10	27	55	81	94	56	69	34	62	:	46
FI	73	73	72	96	84	38	58	73	90	98	84	75	57	82	76	67
SE	81	85	78	97	91	56	68	79	96	97	90	83	87	83	87	80
UK (4)	66	71	62	89	74	38	30	73	89	98	78	71	68	66	68	66
IS	86	87	85	98	92	59	79	87	97	100	91	86	66	:	87	83
NO	80	84	76	98	90	48	46	79	95	99	90	79	73	86	81	77

(*) DK - in the last month; EE - in the first quarter.

(1) Education levels: No or low - no formal education or primary education/lower secondary; Medium - upper secondary education; High - Tertiary (university) education.

(2) Degree of urbanisation: Densely-populated area - This is a contiguous set of local areas, each of which has a density superior to 500 inhabitants per square kilometre, where the total population for the set is at least 50 000 inhabitants.

Intermediately populated area - This is a contiguous set of local areas, not belonging to a densely-populated area, each of which has a density superior to 100 inhabitants per square kilometre, and either with a total population for the set of at least 50 000 inhabitants or adjacent to a densely-populated area.

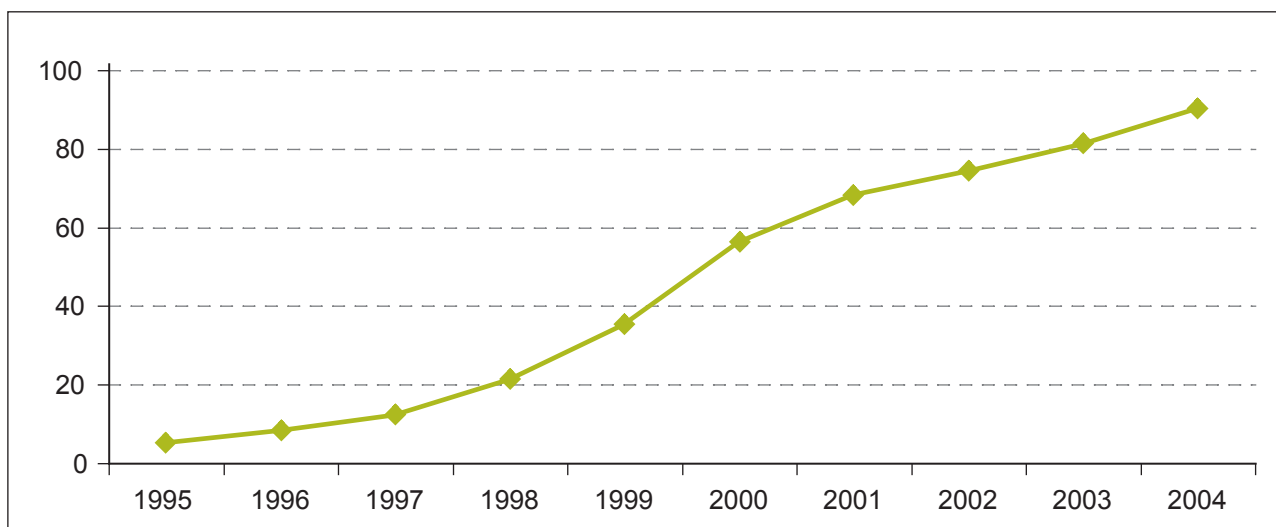
Thinly-populated area - This is a contiguous set of local areas belonging neither to a densely-populated nor to an intermediate area.

(3) PL - Degree of urbanisation - Dense: more than 100 000 inhabitants; Intermediate: not bigger than 100 000 inhabitants; Thin: living in rural areas.

(4) UK - Degree of urbanisation - The degree of urbanisation is unknown for 10 % of total records.

Source: Eurostat, Community survey on ICT usage in households and by individuals.

Graph 1: Subscriptions to cellular mobile services, per 100 inhabitants, 1995 - 2004, EU-25



N.B. This indicator shows the number of subscriptions to public mobile telecommunications systems using cellular technology related to the population. The total number of mobile subscriptions in the country is divided by the number of inhabitants of the country and multiplied by 100. Active pre-paid cards are treated as subscriptions. One person may have more than one subscription.

Source: Telecommunications inquiry.

Table 3: Subscriptions to cellular mobile services, per 100 inhabitants

	1995	2000	2004
EU-25	5	56	90
EU-15	6	63	93
BE	2	51	88
CZ	0	42	106
DK	16	63	95
DE	5	59	86
EE	2	41	93
EL	3	54	84
ES	2	61	92
FR	2	51	74
IE	4	63	94
IT	7	74	108
CY	7	32	90
LV	1	17	66
LT	0	14	89
LU	7	70	143
HU	3	30	86
MT	3	29	77
NL	3	68	91
AT	3	76	98
PL	0	17	60
PT	3	65	102
SI	1	57	94
SK	0	21	79
FI	20	72	96
SE	23	72	109
UK	10	67	102
BG	0	9	62e
HR	:	24	64
RO	:	9	47
TR	0	22	49
IS	12	77	100
LI	:	:	:
NO	23	75	103
CH	6	65	85

NB: Data in *italics* supplied by Internal Telecommunication Union; e — estimate.

Source: Telecommunications inquiry.

Table 4: Price of telecommunications: national calls (EUR)

The indicator gives the price in euro of a 10-minute call at 11a.m. on a weekday (including VAT) for a national call (200 km). The prices refer to August each year. Normal tariffs of the incumbent operator without special rates are used.

	2000	2001	2002	2003	2004
EU-25	1.31	1.15	1.06	1.04	0.90
EU-15	1.33	1.14	1.02	1.01	0.87
BE	1.74	0.54	0.54	0.56	0.57
CZ	1.29	2.18	2.18	2.08	1.15
DK	0.54	0.41	0.37	0.37	0.37
DE	1.24	1.23	1.23	1.22	1.20
EE	0.71	0.25	0.25	0.25	0.25
EL	1.40	0.98	0.77	0.77	0.73
ES	1.85	1.60	0.96	0.88	0.88
FR	1.20	0.97	0.96	0.96	0.96
IE	0.94	0.94	0.94	0.82	0.82
IT	1.72	1.44	1.22	1.22	1.15
CY	0.62	0.40	0.40	0.20	0.20
LV	1.09	1.09	1.09	1.09	1.09
LT	1.07	1.20	1.20	1.16	0.79
LU	:	:	:	:	:
HU	1.38	1.38	1.38	1.22	1.22
MT	:	:	:	:	:
NL	0.42	0.48	0.48	0.49	0.49
AT	2.30	0.77	0.67	0.67	0.59
PL	1.33	1.11	1.11	1.11	1.11
PT	1.28	1.13	1.15	0.96	0.65
SL	0.17	0.17	0.26	0.26	0.26
SK	1.45	1.10	1.10	1.10	1.22
FI	0.87	0.88	0.88	0.88	0.90
SE	0.30	0.30	0.30	0.30	0.30
UK	1.16	1.16	1.16	1.16	0.44
NO	0.33	0.33	0.36	0.34	0.32

Source: Teligen Ltd /European Commission, Information Society and Media DG.

17. Science, technology and innovation

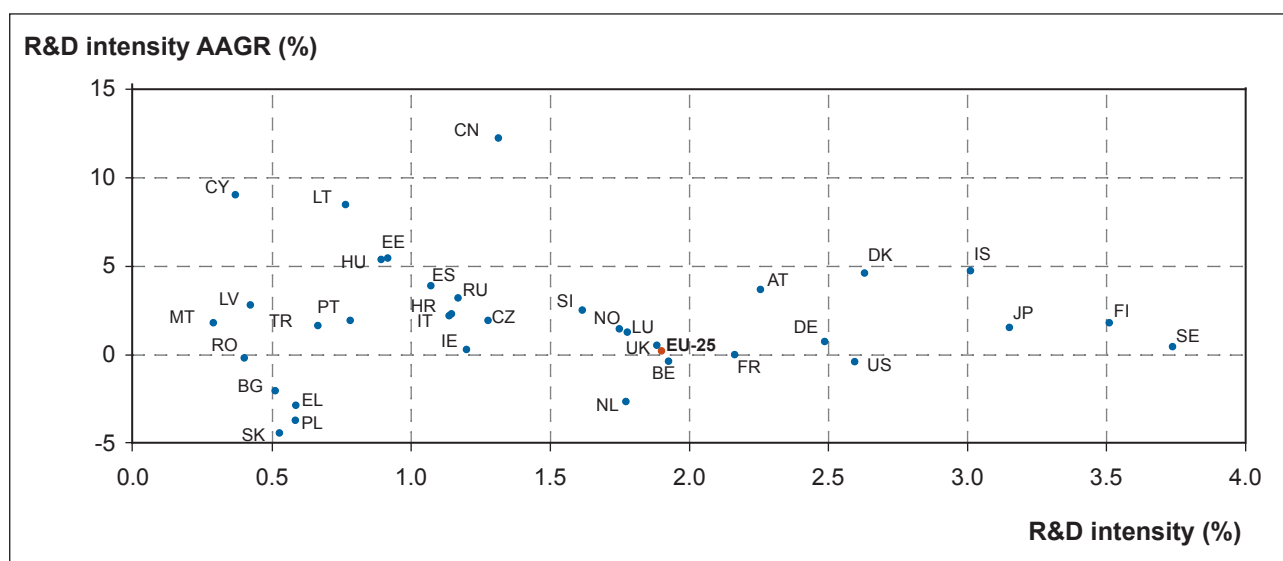
Science, technology and innovation is related to the Lisbon European Council conclusions made in 2000 stating that “the EU should become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.” This goal should be achieved by “preparing the transition to a knowledge-based economy and society by better policies for the information society and R & D, as well as by stepping up the process of structural reform for competitiveness and innovation and by completing the internal market”. The Barcelona European Council conclusions of 2002 added the 3 % target of R & D expenditure/GDP. Based hereon, the Commission released a number of communications: “More research for Europe — towards 3 % of GDP”, “Investing in research, an action plan for Europe”, “Women and science — Mobilising women to enrich European research” and “Researchers in the European research area: one profession, multiple careers”. A combined R & D and innovation Commission communication entitled “More Research and innovation: Investing for growth and employment — A common approach”, adopted on 12 October 2005, should help boost the research and innovation efforts in the EU.

All those policy actions put science, technology and innovation in the centre of the discussions on competitiveness and economic success in Europe. Based on a new kind of partnership with Member States, it was decided in 2005 to focus on two main policy areas in the years to come: productivity and employment. For both areas science, technology and innovation play a crucial role.

Key facts

- **EU R & D intensity**, measured by the ratio of R & D expenditure to GDP (Graph 1), **is still considerably lower in the EU, than in the main competitors, the US and Japan** (in 2003/04: 1.90 % in the EU-25 compared with 2.59 % in the US and 3.15 % in Japan). Based on recent trends, the EU ratio is stagnating. China’s ratio, growing at more than 10 % per year (2001: 1.07 %; 2003: 1.31 %), is expected to catch up with the EU-25 ratio in the years to come (Graph 1).
- **A bit less than half of all EU-15 enterprises are active in innovation**, with the highest shares in Germany, Ireland and Iceland (61 %, 65 % and 55 %). Large enterprises are more active than medium-sized and small ones (Table 1).
- **The number of researchers (counted as full-time equivalent) amounted to around 1.2 million in the EU-25 in 2004**, a share of 0.85 % of total employment. In the business sector this share was considerably lower at 0.35 % for the EU-25 (Graph 2).
- **High-tech and medium high-tech manufacturing industries** (such as aerospace, pharmaceuticals, computer, office machinery, motor vehicles or chemicals) **employed 13.2 million persons in 2004** or 6.9 % of total employment in the EU-25. This is considerably lower than the low and medium low-tech manufacturing sectors which employed **23 million persons in 2004** (Table 2).
- **In the EU-25, nearly 60 000 patent applications were made to the European Patent Office (EPO) in 2002**, mostly coming from Germany, France and the United Kingdom. **More than 87 000 patents were granted by the US Patent and Trademark Office (USPTO) to US inventors**. Eighty-three per cent of all patent applications to the EPO were related to four manufacturing sectors.

Graph 1: R & D intensity (R & D expenditure as a % of GDP) in 2004 and average annual growth rate (AAGR) of R & D intensity (1999–2004)



NB: R & D intensity: R & D expenditure as a percentage of GDP.

Exceptions to the reference year 2004: IT, LU, PT, UK, NO, CN, JP and US.

Exceptions to the reference period 1999–2004: IT, PT, UK, NO, CN, JP, and US: 1999–2003; LU: 2000–03; MT: 2002–04; HR: 2002–03.

Eurostat estimation: EU-25. National estimation: DE, AT, SI. Provisional data: DK, FR, NL, EE, EL, CY. Forecast: BE

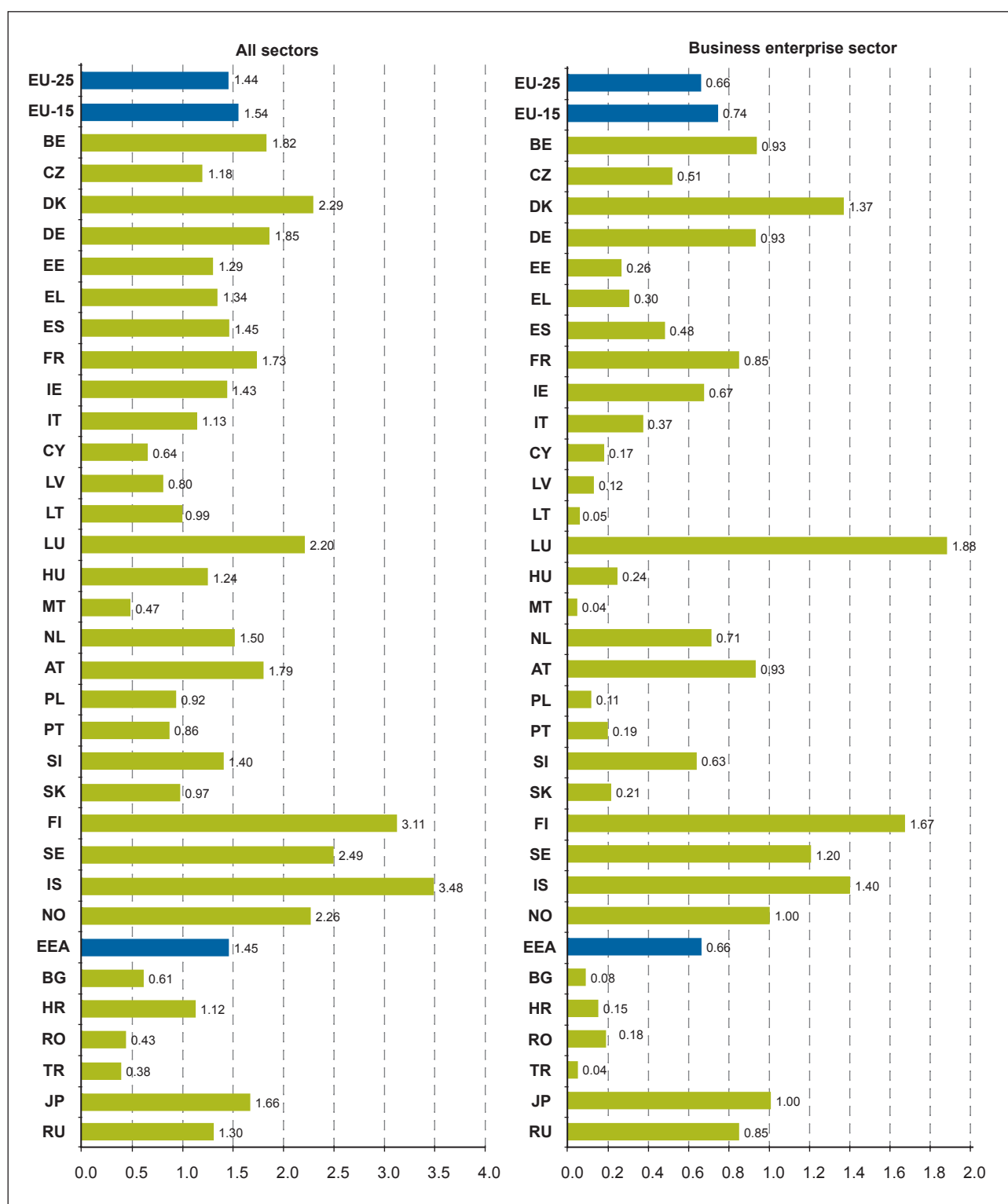
Source: Eurostat, OECD.

Table 1: Proportion of enterprises with innovation activity, 1998–2000 (%)

	Total	Industry	Services	Small	Medium-Sized	Large
EU-15	44	47	40	39	60	77
BE	50	59	42	45	64	76
DK	44	52	37	40	54	67
DE	61	66	57	55	72	86
EL	28	27	33	26	32	45
ES	33	37	25	30	45	67
FR	41	46	34	31	52	76
IE	65	75	52	:	:	:
IT	36	40	25	33	56	71
LU	48	49	48	42	59	95
NL	45	55	38	39	59	79
AT	49	53	45	42	65	89
PT	46	45	50	40	67	76
FI	45	49	40	40	54	74
SE	47	47	46	42	60	72
UK	36	39	33	32	47	57
IS	55	54	56	51	70	79
NO	36	39	34	33	45	64

Source: Eurostat.

Graph 2: R & D researchers as a percentage of total employment, 2003



NB: Exceptions to the reference year: 2002: AT, FI and TR.

National estimations: SI. Provisional data: IE in all sectors; Eurostat estimations: EU-15, EU-25 and EEA.

Source: Eurostat and OECD.

Table 2: Total employment in manufacturing by sectors, 2004 and AAGR (*) 1999-2004

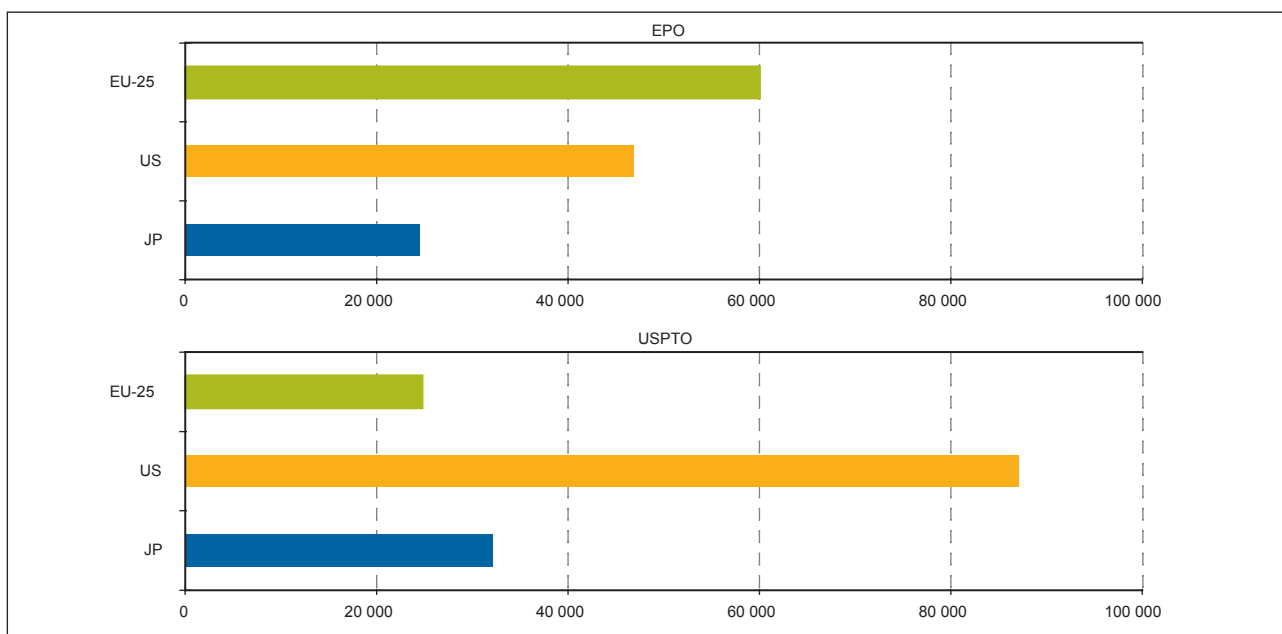
country	Employment in manufacturing - 2004								AAGR 1999-2004			
	Total		High tech		Medium high tech		"Low and medium low tech"		Total	High tech	Medium high tech	Low and medium low tech
	1000s	"as a % of total emp"	1000s	"as a % of total emp"	1000s	"as a % of total emp"	1000s	"as a % of total emp"				
EU-25	36 265 s	18.7 s	2 218 s	1.2 s	11 023 s	5.7 s	23 022 s	11.9 s	:	:	:	:
EU-15	29 845 s	18.1 s	1 914 s	1.2 s	9 550 s	5.8 s	18 381 s	11.2 s	-1.2	-2.0	-0.6	-1.4
BE	718	17.4	32	0.8	233	5.6	454	11.0	-0.6	1.7	-2.0	0.1
CZ	1 275	27.2	61	1.3	361	7.7	853	18.2	-0.5	1.8	0.1	-0.9
DK	434	15.8	27	1.0	137	5.0	271	9.9	-3.3	-0.1	-1.3	-4.4
DE	8 201	23.1	651	1.8	3 331	9.4	4 218	11.9	-0.9	0.8	0.2	-1.9
EE	144	24.2	11	1.8	20	3.4	114	19.1	3.5	10.7	3.8	2.9
EL	570	13.2	7	0.2	89	2.1	473	10.9	0.0	-1.3	2.4	-0.4
ES	3 035	17.0	92	0.5	776	4.3	2 168	12.1	1.9	0.8	2.0	1.9
FR	4 053	16.8	295	1.2	1 275	5.3	2 483	10.3	-0.9	-2.1	-0.4	-1.0
IE	280	15.3	50	2.7	69	3.8	161	8.8	-0.8	-0.8	1.4	-1.7
IT	4 901	21.8	232	1.0	1 443	6.4	3 226	14.4	0.1	1.7	1.2	-0.4
CY	36	10.7	:	:	3	1.0	32	9.5	-0.4	:	5.6	-1.1
LV	166	16.2	:	:	14	1.3	151	14.8	-1.0	:	11.3	-1.7
LT	255	17.8	12 u	0.9 u	28	1.9	215	15.0	-1.9	3.6	-11.1	-0.5
LU	18	9.7	1 u	0.4 u	2	0.9	16	8.4	-3.3	-1.1	-7.3	-2.9
HU	895	23.0	101	2.6	222	5.7	572	14.7	-0.8	7.4	-2.1	-1.4
MT	29	20.2	6	4.0	5	3.6	18	12.5	:	:	:	:
NL	1 055	13.1	54	0.7	208	2.6	793	9.9	-0.8	-10.3	-4.5	1.3
AT	674	18.4	48	1.3	180	4.9	445	12.2	-2.2	-6.4	0.4	-2.7
PL	2 772	20.3	69	0.5	600	4.4	2 103	15.4	:	:	:	:
PT	1 004	19.6	23	0.4	158	3.1	823	16.1	-2.2	3.2	0.6	-2.8
SI	270	28.6	10 u	1.1 u	69	7.3	191	20.2	-0.4	4.4	0.9	-1.1
SK	577	26.9	34	1.6	150	7.0	393	18.3	1.1	11.0	4.5	-0.6
FI	445	18.7	46	2.0	116	4.9	284	11.9	-1.1	-0.6	-0.9	-1.2
SE	684	15.9	46	1.1	258	6.0	379	8.8	-1.9	-8.3	-0.4	-2.0
UK	3 774	13.5	310	1.1	1 276	4.6	2 188	7.8	-5.0	-7.0	-4.9	-4.8
IS	22	14.2	:	:	3	2.0	18	11.7	-1.0	:	6.7	-2.6
NO	263	11.6	12	0.5	77	3.4	174	7.7	-3.0	-3.0	-3.9	-2.6
EEA	36 549 s	18.7 s	2 231 s	1.1 s	11 103 s	5.7 s	23 215 s	11.9 s	:	:	:	:
CH	589	14.9	81	2.0	196	5.0	312	7.9	-1.1	-1.6	-1.0	-1.0
BG	709	23.9	13	0.4	124	4.2	572	19.3	:	:	:	:
HR	304	19.2	5 u	0.3 u	69	4.4	230	14.5	:	:	:	:
RO	2 089	22.5	38	0.4	490	5.3	1 561	16.8	-0.7	2.1	-4.2	0.5

S: Eurostat estimate.

U: unreliable.

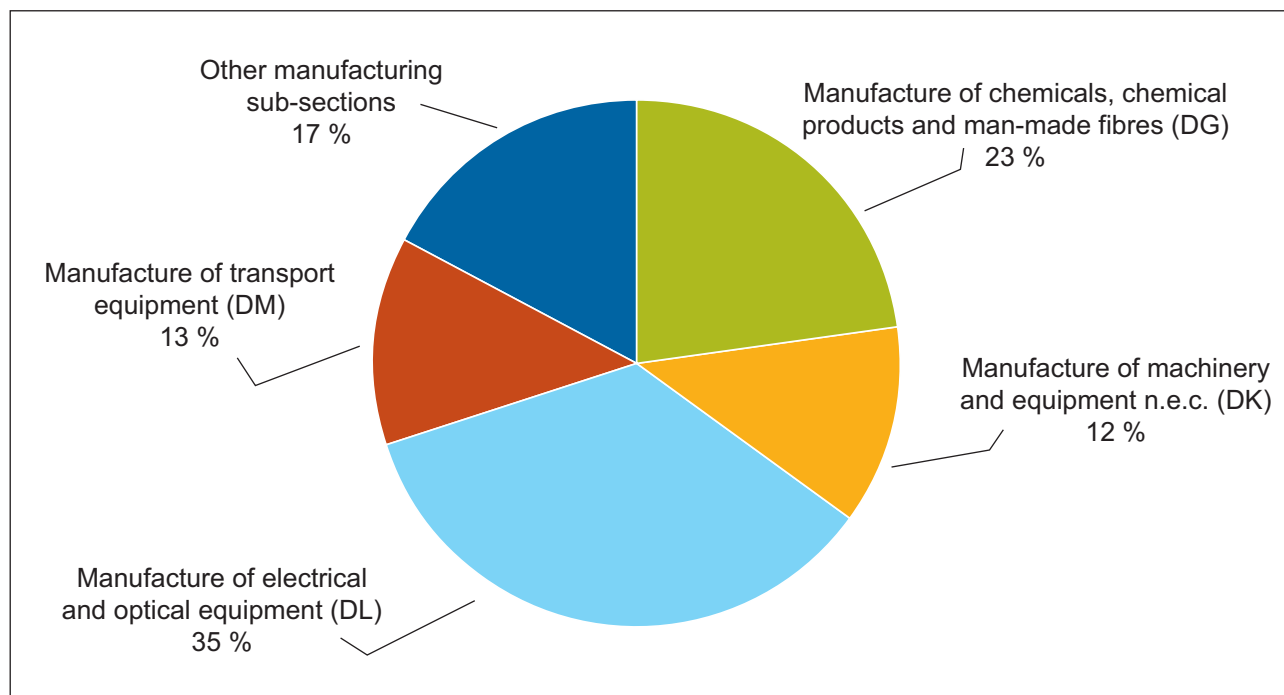
(*) AAGR = average annual growth rate.

Source: Eurostat.

Graph 3: Total number of patent applications to the European Patent Office, 2002, and patents granted by the US Patent and Trademark Office, 1999

Source: Eurostat.

Graph 4: Distribution of patent applications to the European Patent Office, 2002, for the EU-25 by manufacturing sub-sections (NACE sector codes)



Source: Eurostat.

Eurostat reference publications

Statistics on science and technology, 2003 edition

Innovation in Europe, 2004 edition

Science and technology in Europe, statistical pocketbook, 2005 edition

18. Tourism

Europe, with the greatest diversity and density of tourist attractions, is the most visited tourist region in the world. The tourism industry has therefore become a sector of major economic importance in the EU. It has a great potential as regards contributing to the achievements of several major EU objectives, such as economic growth, employment, sustainable development and economic and social cohesion.

The tourism sector is largely characterised by cross-border activities, it benefits greatly from the single currency. With about three quarters of tourism activity recorded attributed to its own citizens, EU tourism is largely domestic. Many different stakeholders are involved — both public and private — with very decentralised areas of competence, often at regional and local levels.

Through its 8 million people directly employed in the EU tourism sector, tourism's direct contribution in terms of jobs is particularly significant in some tourism-intensive economies. It also has an important indirect effect on employment in related services. Tourism is seen as a major opportunity for job creation over the coming years, in particular in less developed and peripheral regions.

Tourism's economic contribution is not the only indicator of its beneficial impact. Travel and leisure activities are also social factors, since tourism is no longer an activity for the privileged few, but rather a widespread experience for the great majority of EU citizens.

The European Commission has been increasingly involved in tourism since the early 1980s in cooperation with the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions. In 2001, the European Commission presented its ideas on how best to exploit the European tourism sector's competitive potential. Outlined in the communication on "Working together for the future of the European tourism", the Commission highlights the need to enhance cooperation on and the consistency of tourism policies among the stakeholders involved in tourism. These include the European Commission, Member States, regional and local authorities, industry, associations, and tourist destinations. The Commission aims in particular to foster tourism's competitiveness and sustainability. Underlining tourism's contribution to sustainable development, with a special focus on environmental and cultural resources, is high on the list of recommendations, in accordance with the "Agenda 21" guidelines. In May 2002, the Council of Ministers adopted for the first time a resolution specifically on tourism, in which it urges closer monitoring of the impact of EU legislation on the tourism sector, suggests further examination of promoting Europe as a destination, and invites the industry to support the efforts undertaken by the European Community and the Member States.

In 2003, the Commission adopted the communication on "Basic orientations for the sustainability of European tourism" and as a follow-up to it, established the Tourism Sustainability Group. This group, composed of representatives of all tourism stakeholders, will submit proposals to the Commission in view of the drafting of an Agenda 21 for EU tourism. In April 2005, the Council of Ministers adopted conclusions on the sustainability of European tourism.

Key facts

- **In the EU-25, the domestic tourism market (residents) accounts for 55 % of all nights spent in hotels and similar establishments.** The highest proportion of nights spent by residents can be found in Germany (82 %), Sweden (76 %), Finland (73 %) and the United Kingdom (71 %) (Table 1).
- **Tourism in the EU is essentially driven by the demands of its citizens.** This is exemplified by the fact that intra-EU-25 tourist flows accounted for 80 % of all nights spent in hotels and similar establishments in 2003 (Table 1). Concerning tourists coming from outside the EU, those from the US represent the biggest market share (6.4 %) (Table 2).
- In 2003, the EU earned nearly EUR 213 000 million from international tourism. **Spain and France remain the unchallenged leaders of the league of top earners, while Germany and the United Kingdom are by far the biggest spenders** (Table 3).
- Depending on the profile of tourists and destinations, transport is a very important aspect in holiday organisation. **Most European holidaymakers prefer to use their own or hired cars (58 %), while air travel is their second mode of transport (24.9 %).** Coach/bus and rail travel tie for third place (15.7 %) (Table 4).

- In the EU-25, 7.8 million individuals were employed in the hotels, restaurants and catering sector (Horeca) in 2004, this makes 4 % of total employment in the EU-25. Nearly half of these individuals were aged between 15 and 34, and more than half were women. One quarter worked part time (Table 5).

Table 1: Origin of tourists - the proportion of nights spent by resident and non-residents, 2003 (%)

%	Hotels and similar establishments			Other Collective accommodation establishments			All collective accommodation establishments		
	Resident nights	Non-resident nights		Resident nights	Non-resident nights		Resident nights	Non-resident nights	
		EU-25	Rest of the world		EU-25	Rest of the world		EU-25	Rest of the world
EU-25	55	25	20	66	29	5	59	32	9
BE	28	41	31	62	37	2	45	46	8
CZ	36	52	12	80	16	3	53	39	8
DK	51	41	9	71	24	5	63	31	6
DE	82	13	4	92	6	2	86	11	3
EE	21	52	27	69	22	9	27	51	22
EL	26	47	28	37	56	7	26	62	12
ES	43	32	25	32	64	4	39	55	6
FR	63	16	21	64	33	2	63	28	9
IE	30	0	0	62			37	0	0
IT	59	23	18	60	33	7	59	29	11
CY	7	25	67	12	84	4	7	76	17
LV	41	27	32	89	7	5	46	28	26
LT	31	39	30	87	9	3	45	34	21
LU	7	71	23	10	88	2	8	83	8
HU	42	39	19	58	39	3	46	41	13
MT	0	43	57	0	68	32	0	84	16
NL	49	24	28	79	20	1	69	24	7
AT	25	60	15	38	58	4	28	62	9
PL	63	24	13	91	7	2	80	14	5
PT	31	39	30	79	20	2	40	53	7
SI	34	44	21	60	34	5	43	44	13
SK	52	40	9	71	27	2	59	35	6
FI	73	13	14	78	16	6	74	16	11
SE	76	9	14	78	12	10	77	12	11
UK	71	13	16	77	11	11	73	12	15

Source: Eurostat.

Table 2: Main countries of origin of foreign tourists, 2003

	1st Market		2nd Market		3rd Market		4th Market		Share of the top four markets
	Country	%	Country	%	Country	%	Country	%	%
EU-25	DE	23.5	UK	18.9	US	7.2	FR	5.0	54.6
BE	UK	22.0	NL	16.2	FR	13.2	DE	11.7	63.1
CZ	DE	32.9	UK	8.1	IT	5.7	US	4.4	51.1
DK	SE	22.5	NO	19.9	UK	9.8	DE	9.4	61.5
DE	NL	11.0	US	10.6	UK	9.4	CH	6.8	37.9
EE	FI	64.1	SE	6.0	DE	5.2	UK	3.2	78.5
EL	DE	27.3	UK	20.3	FR	6.6	IT	6.2	60.4
ES	UK	32.6	DE	27.8	FR	6.7	IT	4.8	71.9
FR	UK	23.9	DE	10.5	IT	10.1	US	8.8	53.2
IE	UK	38.4	US	24.0	FR	6.6	DE	6.4	75.4
IT	DE	30.8	UK	9.1	US	7.9	FR	6.9	54.7
CY	UK	58.6	DE	7.8	SE	4.8	NO	3.8	75.0
LV	DE	12.9	FI	12.4	UK	5.6	SE	5.2	36.1
LT	DE	16.4	PL	11.6	UK	5.8	FI	5.3	39.1
LU	BE	23.9	NL	15.6	DE	14.3	FR	11.1	65.0
HU	DE	33.4	AT	7.2	IT	5.7	US	5.0	51.3
MT	UK	43.7	DE	11.3	FR	6.5	IT	6.4	68.0
NL	UK	22.2	DE	20.1	US	10.2	BE	5.8	58.3
AT	DE	57.7	NL	7.4	CH	5.1	UK	5.0	75.1
PL	DE	37.4	UK	5.9	US	5.6	IT	5.2	54.0
PT	UK	31.8	DE	16.8	ES	9.3	NL	7.2	65.1
SI	IT	19.8	DE	18.1	AT	17.5	UK	5.3	60.6
SK	CZ	29.5	DE	23.6	PL	12.2	HU	5.5	70.9
FI	SE	12.5	DE	11.2	UK	10.2	US	5.0	39.0
SE	NO	18.0	DE	12.4	UK	10.1	DK	7.6	48.2
UK	US	24.4	DE	8.6	FR	6.2	IE	6.1	45.4
IS	DE	16.9	UK	15.6	US	12.1	FR	8.0	52.6
LI	DE	37.1	CH	26.7	US	4.2	AT	3.7	71.8
NO	DE	17.7	DK	14.1	UK	11.8	SE	10.9	54.5
EEA	DE	23.4	UK	18.7	US	7.6	FR	5.2	55.0
CH	DE	31.2	UK	10.5	US	8.9	FR	6.6	57.2

Note: Calculated as % share of total nights spent in hotels and similar establishments by non residents according to their country of residence.

Data: most recent year available.

Source: Eurostat.

Table 3: International tourism, 2003 (Mio Euro)

Rank	Top earners ⁽¹⁾		Top spenders ⁽²⁾	
1	ES	36 870	DE	57 187
2	FR	32 347	UK	42 887
3	IT	27 612	FR	20 713
4	DE	20 318	IT	18 214
5	UK	20 080	NL	12 906
6	AT	12 436	BE	10 712
7	EL	9 624	AT	10 397
8	NL	8 166	SE	7 332
9	BE	7 204	ES	7 316
10	PT	6 124	DK	5 896
11	SE	4 691	IE	4 188
12	DK	4 665	PL	2 480
13	PL	3 587	PT	2 392
14	IE	3 409	LU	2 361
15	CZ	3 148	EL	2 247
16	HU	3 032	FI	2 150
17	LU	2 634	HU	1 789
18	CY	1 776	CZ	1 708
19	FI	1 655	SI	666
20	SI	1 185	SK	560
21	SK	817	CY	557
22	MT	614	LT	415
23	EE	595	LV	293
24	LT	564	EE	284
25	LV	197	MT	190

⁽¹⁾ Travel credits of the Balance of Payments.

⁽²⁾ Travel debits of the Balance of Payments.

Source: Eurostat.

Table 4: Breakdown of trips by mode of transport used (last available year)

%	“Private and hired vehicle”	Air	Railway	Bus, Coach	Sea
EU-25	58.0	24.9	8.1	7.6	1.7
BE	57.6	29.8	4.8	6.4	1.2
CZ	58.9	10.6	9.0	19.7	0.5
DK	49.3	32.5	5.2	9.4	3.0
DE	52.8	28.2	7.4	10.3	:
EE	37.3	:	:	36.3	:
EL	51.1	8.6	1.6	15.4	23.1
ES	85.7	17.7	5.2	9.7	2.2
FR	72.3	12.0	12.3	2.4	0.6
IE	26.6	62.8	2.6	2.3	5.0
IT	60.8	19.0	9.3	5.0	5.8
CY	:	:	:	:	:
LV	42.0	16.1	16.8	19.7	4.0
LT	48.7	13.5	18.9	13.5	5.3
LU	52.2	35.7	5.5	5.6	0.6
HU	63.9	5.2	14.9	15.6	0.2
MT	:	:	:	:	:
NL	67.0	23.4	3.4	4.4	1.4
AT	56.0	28.4	6.9	6.6	0.6
PL	55.1	3.3	17.7	18.3	:
PT	64.6	21.5	2.8	9.1	1.9
SI	81.9	8.8	2.1	5.5	1.5
SK	47.4	14.5	10.8	26.0	0.1
FI	55.2	24.3	8.9	5.6	5.3
SE	51.9	34.4	4.2	5.8	3.5
UK	40.6	47.0	4.7	5.3	1.8

Source: Eurostat.

Table 5: Employment in HORECA, 2004

	Employment (1 000)	Share of employment in the economy (%)	Share of employment in HORECA:		
			15-34 years old	Women	Part-time
EU-25	7 611	3.8	48.4	54.1	26
Belgium	126	3.1	42.6	51.6	32
Czech Republic	177	3.8	49.3	53.9	6.7
Denmark	59	2.2	64.3	56.7	50
Germany	1 186	3.4	41	57	33.1
Estonia	17	3	-50.2	70.6	:
Greece	275	6.5	47.3	46.6	6.1
Spain	1 077	6.4	43.8	49.4	14.5
France	798	3.3	47.2	47.6	23.6
Ireland	107	5.9	57.2	54.2	34.9
Italy	1 021	4.6	46.1	50.1	23.5
Cyprus	30	9.2	31.9	54.7	9.7
Latvia	21	2.1	52.7	77.3	:
Lithuania	31	2.2	-56.3	78.1	:
Luxembourg	:	:	:	:	:
Hungary	149	3.9	48.1	58	6
Malta	12	8.3	56.4	37.5	18.2
Netherlands*	313	3.9	66.8	53	67.4
Austria	209	5.6	43.8	62.3	23.6
Poland	225	1.7	51.2	66.4	12.4
Portugal	257	5.3	38.6	59.8	7.6
Slovenia	38	4.1	47.7	60.5	13.5
Slovakia	82	3.8	53.1	63.4	4.8
Finland	74	3.1	53.5	73.3	26.7
Sweden	129	3	60	55	40.5
United Kingdom	1 192	4.4	58	56.6	49.3
Iceland	5	3.2	58.8	60	20
Norway	72	3.2	66.9	61.1	48.6
Switzerland	149	3.8	47.9	59.1	36.9

(*) 2003 data

(**) 2001-2004

: Data not available.

() Data between brackets lack reliability due to small sample size.

Source: Eurostat.