



Annex 1 — Nomenclatures and classifications

NACE Rev. 1.1 (statistical classification of economic activities in the European Community)

A	Agriculture, hunting and forestry
B	Fishing
C	Mining and quarrying
D	Manufacturing
E	Electricity, gas and water supply
F	Construction
G	Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods
H	Hotels and restaurants
I	Transport, storage and communication
J	Financial intermediation
K	Real estate, renting and business activities
L	Public administration and defence; compulsory social security
M	Education
N	Health and social work
O	Other community, social and personal service activities
P	Activities of households
Q	Extra-territorial organisations and bodies

A full listing of the NACE Rev. 1.1 classification is accessible on the Eurostat website (http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=ACT_OTH_BUILD_TREE&StrNom=NACE_1_1&StrLanguageCode=EN).

NACE Rev. 2 (statistical classification of economic activities in the European Community)

A	Agriculture, forestry and fishing
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air conditioning supply
E	Water supply; sewerage, waste management and remediation activities
F	Construction

G	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	Transportation and storage
I	Accommodation and food service activities
J	Information and communication
K	Financial and insurance activities
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support service activities
O	Public administration and defence; compulsory social security
P	Education
Q	Human health and social work activities
R	Arts, entertainment and recreation
S	Other service activities
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use
U	Activities of extraterritorial organisations and bodies

A full listing of the NACE Rev. 2 classification is accessible on the Eurostat website (http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&StrNom=NACE_REV2&StrLanguageCode=EN).

SITC Rev. 4 (standard international trade classification)

0	Food and live animals
1	Beverages and tobacco
2	Crude materials, inedible, except fuels
3	Mineral fuels, lubricants and related materials
4	Animal and vegetable oils, fats and waxes
5	Chemicals and related products, n.e.s.
6	Manufactured goods classified chiefly by material
7	Machinery and transport equipment
8	Miscellaneous manufactured articles
9	Commodities and transactions not classified elsewhere in the SITC



A full listing of the classification is accessible on the UN website (<http://unstats.un.org/unsd/trade/sitcrev4.htm>).

NUTS (nomenclature of territorial units for statistics)

A full listing of the nomenclature is accessible on the Eurostat website (http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_CLS_DLD&StrNom=NUTS_33&StrLanguageCode=EN).

ISCED 1997 (international standard classification of education)

The classification comprises 22 fields of education (at two-digit level) which can be further refined into three-digit level. The following eight broad groups (at one-digit level) are distinguished:

- 1 Education
- 2 Humanities and arts
- 3 Social sciences, business and law
- 4 Science
- 5 Engineering, manufacturing and construction

- 6 Agriculture
- 7 Health and welfare
- 8 Services

Empirically, ISCED assumes that several criteria exist which can help allocate education programmes to levels of education. The following ISCED 1997 levels can be distinguished:

- 0 Pre-primary education
- 1 Primary education (first stage of basic education)
- 2 Lower secondary education (second stage of basic education)
- 3 Upper secondary education
- 4 Post-secondary non-tertiary education
- 5 Tertiary education (first stage)
- 6 Tertiary education (second stage)

In 2011, a revision to ISCED was formally adopted by UNESCO Member States, taking into account significant changes in education systems worldwide since the last ISCED revision in 1997. The first data collection based on the new classification will begin in 2014.

A full listing of the classification and more details are accessible on the UNESCO website (<http://www.uis.unesco.org/Education/Pages/international-standard-classification-of-education.aspx>).

Annex 2 — Data presentation and abbreviations

Data presentation

Eurostat online databases contain a large amount of metadata that provides information on the status of particular values or data series. In order to improve readability, only the most significant information has been included in the tables and figures. The following notation and symbols are used, where necessary:

- Italic* data value is forecasted, provisional or estimated and is likely to change;
- : not available, confidential or unreliable value;
- not applicable.

Breaks in series are indicated in the footnotes provided under each table and figure.

In the case of the EU Member States, even when data are not available, these countries have been included in tables and figures systematically (with appropriate footnotes for figures indicating that data are not available, while in tables use has been made of the colon (:)) to indicate that data are not available. For non-member countries outside the EU, when data are not available for a particular indicator the country has been removed from the table or figure in question.



Abbreviations

Geographical aggregates and names

EU	European Union
EU-27	European Union of 27 Member States including Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom. Note that unless otherwise stated, the EU aggregate in this publication refers to 27 countries, as if all 27 of these had been part of the EU in periods prior to 1 January 2007
EU-25	EU-27 without Bulgaria and Romania (from 1 May 2004 to 31 December 2006)
EU-15	Belgium, Denmark, Germany, Ireland, Greece, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom (from 1 January 1995 to 30 April 2004)
Euro area	Note that unless otherwise stated, the euro area (EA) aggregate in this publication refers to 17 countries (EA-17), as if all 17 of these had been part of the euro area in periods prior to 1 January 2011
EA-17	Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland; EA-16 plus Estonia (since 1 January 2011)
EA-16	EA-15 plus Slovakia (from 1 January 2009 to 31 December 2010)

EA-15	EA-13 plus Cyprus and Malta (from 1 January 2008 to 31 December 2008)
EA-13	EA-12 plus Slovenia (from 1 January 2007 to 31 December 2007)
EA-12	EA-11 plus Greece (from 1 January 2001 to 31 December 2006)
EA-11	Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland (from 1 January 1999 to 31 December 2000)
FYR of Macedonia (¹)	the former Yugoslav Republic of Macedonia
USA	United States of America

Units of measurement

%	per cent
AWU	annual work unit
CHF	Swiss franc
cm ³	cubic centimetre
CO ₂ equivalent	carbon dioxide equivalent
ECU	European currency unit
ESU	economic size unit
EUR	euro
FTE	full-time equivalent
GJ	gigajoule
GRT	gross registered tonnage
GT	gross tonnage
GWh	gigawatt-hour
ha	hectare (1 ha = 10 000 m ²)
HC	head count
JPY	Japanese yen
kbit/s	kilobit per second
kg	kilogram
kgoe	kilogram of oil equivalent
km	kilometre
km ²	square kilometre
km/h	kilometre per hour
kW	kilowatt
kWh	kilowatt hour

(¹) The name of the former Yugoslav Republic of Macedonia is shown in tables and figures in this publication as FYR of Macedonia – this does not prejudice in any way the definitive nomenclature for this country, which is to be agreed following the conclusion of negotiations currently taking place on this subject at the United Nations.

l	litre	CLRTAP	convention on long-range trans-boundary air pollution
LSU	livestock unit	CMR	carcinogenic, mutagenic and reprotoxic (chemicals)
m	metre	CN	combined nomenclature
m ³	cubic metre	CO ₂	carbon dioxide
mm	millimetre	COD	codification
MWh	megawatt-hour	COFOG	classification of the functions of government
NMVOCEquivalent	non-methane volatile organic compounds equivalent	COICOP	classification of individual consumption by purpose
p/st	piece/unit	COM	Communication
pkm	passenger-kilometre	CPA	classification of products by activity
PPS	purchasing power standard	CPI	consumer price index
SO ₂ equivalent	sulphur dioxide equivalent	DDA	Doha Development Agenda
t	tonne	DSL	digital subscriber line
tkm	tonne-kilometre	DVD	digital versatile disk
toe	tonne of oil equivalent	EAA	economic accounts for agriculture
TWh	terawatt hour	EAP	environment action programme
USD	United States dollar	EC	1. European Community 2. European Commission
Other abbreviations			
AES	adult education survey	ECB	European Central Bank
AIDS	acquired immune deficiency syndrome or acquired immunodeficiency syndrome	ECOFIN	Economic and Financial Affairs Council
AWU	annual work unit	ECVET	European credit system for VET
Benelux	Belgium, Luxembourg and the Netherlands	EDP	excessive deficit procedure
BoP	balance of payments	EEA	1. European Economic Area 2. European Environment Agency
BPM5	fifth balance of payments manual	EEAICP	European Economic Area index of consumer prices
CAP	common agricultural policy	EEC	European Economic Community
CARE	EU's road accident database of accidents resulting in death and/or injury	EES	European employment strategy
CD	compact disc	EFC	Economic and Financial Committee
CEAS	common European asylum system	EFF	European Fisheries Fund
CEPA	classification of environmental protection activities	EFTA	European Free Trade Association
CEPOL	European Police College	e.g.	for example
CFP	common fisheries policy	EHEA	European higher education area
CO	carbon monoxide	EICP	European index of consumer prices
CH ₄	methane	EIT	European Institute of Innovation and Technology
CIF	cost, insurance and freight	EITO	European Information Technology Observatory
CIP	competitiveness and innovation framework programme	EMU	economic and monetary union
CIS	1. Commonwealth of Independent States 2. Community innovation survey	EP	European Parliament
		EPO	European Patent Office
		EPC	European Patent Convention
		EPI	environmental pressure indicators



EPWS	European platform of women scientists	FP7	seventh framework programme (for research and technological development)
EQAVET	European quality assurance reference framework for VET	Frontex	European agency for the management of operational cooperation at the external borders of the Member States of the EU
EQF	European qualifications framework for lifelong learning		
ERA	European research area		
ERM	exchange rate mechanism	FSS	farm structure survey
ESA	European system of national and regional accounts (ESA 95)	FTE	full-time equivalents
ESAC	European statistical advisory committee	FTU	full-time units
ESAW	European statistics on accidents at work	GATS	general agreement on trade in services
ESDS	European statistical data support	GDP	gross domestic product
ESGAB	European statistical governance advisory board	GERD	gross domestic expenditure on R & D
ESMS	euro SDMX metadata structure	GFS	government finance statistics
ESS	European statistical system	GHG	greenhouse gases
ESSC	European statistical system committee	GPG	gender pay gap
ESSPROS	European system of integrated social protection statistics	HBS	household budget survey
ESU	European size unit	HDI	human development index
ET	education and training	HFCE	household final consumption expenditure
EU	European Union	HICP	harmonised index of consumer prices
EURES	European jobs and mobility portal	HIV	human immunodeficiency virus
Euribor	euro interbank offered rate	HLY	healthy life years
EU-SILC	European Union statistics on income and living conditions	HRST	human resources in science and technology
Europol	European Police Office	ICD	international statistical classification of diseases and related health problems
EUROPOP2010	Eurostat's 2010-based national population projections	ICHA	international classification for health accounts
EuroRAP	European road assessment programme	ICT	information and communication technology
EuroTAP	European tunnel assessment programme	ILO	International Labour Organisation
Eurotariff	(Regulation on) roaming charges	IMF	International Monetary Fund
Eurostat	statistical office of the European Union	IPC	international patent classification
FAO	Food and Agriculture Organisation (UN)	IRIS	interactive coding system for causes of death
FATS	statistics on foreign affiliates	ISCED	international standard classification of education
FDI	foreign direct investment	ISCO	international standard classification of occupations
FOB	free on board	ISDN	integrated services digital network
		IT	information technology
		ITGS	international trade in goods statistics

ITTO	International Tropical Timber Organisation	PhD	doctoral degree
JFSQ	joint forest sector questionnaire	PLI	price level index
JHA	justice and home affairs	PPP	purchasing power parity
JRC	Joint Research Centre	PRODCOM	EU's industrial production statistics
JVR	job vacancy rate	PROGRESS	EU's employment and social solidarity programme
LFS	labour force survey	R & D	research and development
LLP	lifelong learning programme	REACH	(Regulation on the) registration, evaluation, authorisation and restriction of chemicals
LMP	labour market policy		
LUCAS	land use/cover area frame survey		
MEETS	modernisation of European enterprise and trade statistics	RES	renewable energy sources
MFI	monetary financial institutions	Rev.	revision
MUICP	monetary union index of consumer prices	S	south
N	north	SBA	small business act for Europe'
N ₂ O	nitrous oxide	SBS	structural business statistics
NACE	statistical classification of economic activities within the European Community	SDI	sustainable development indicator
n.e.s.	not elsewhere specified	SDMX	statistical data and metadata exchange
n.e.c.	not elsewhere classified	SDS	sustainable development strategy
NGO	non-governmental organisation	SEC	Secretariat-General document; SEC documents are internal documents of the European Commission, typically staff working documents
NH ₃	ammonia	SES	structure of earnings survey
NMVOC	non-methane volatile organic compounds	SGP	stability and growth pact
NO _x	nitrogen oxides	SHA	system of health accounts
NPISH	non-profit institutions serving households	SILC	statistics on income and living conditions
NSI/NSO	national statistical institute or office	SITC	standard international trade classification
NUTS	hierarchical classification/nomenclature of territorial units for statistics (Eurostat) (NUTS 1, 2 and 3)	SME	small and medium-sized enterprise
ÖBB	Österreichische Bundesbahnen (Austrian federal railways)	SMS	short message service
OECD	Organisation for Economic Co-operation and Development	SNA	system of national accounts
OMC	open method of coordination	SO ₂	sulphur dioxide
OPEC	Organisation of Petroleum Exporting Countries	SO _x	sulphur oxide(s)
PCT	Patent Cooperation Treaty	SPE	special purpose entities
PDA	personal digital assistant	STI	science, technology and innovation
PDF	portable document format	STS	short-term (business) statistics
PECBMS	pan-European common bird monitoring scheme	TAC	total allowable catch
PEEI	principal European economic indicator	TEU	EU Treaty
PFCs	perfluorocarbons	TFEU	Treaty on the functioning of the European Union
		TGM	tables, graphs and maps
		TOFP	tropospheric ozone formation potential
		TOP	tropospheric ozone precursors
		UAA	utilised agricultural area
		UIS	UNESCO institute for statistics



UN	United Nations	VAT	value added tax
UNECE	United Nations economic commission for Europe	VIS	visa information system
UNESCO	United Nations educational, scientific and cultural organisation	VOIP	voice over internet protocol
UNFCCC	United Nations framework convention on climate change	VET	vocational education and training
UIS	UNESCO institute for statistics	W	west
UNSCR	United Nations Security Council Resolution	WEI	water exploitation index
UNSD	United Nations Statistical Division	WFD	water framework Directive
UOE	United Nations/OECD/Eurostat	WHO	World Health Organisation
USB	universal serial bus	WISE	water information system for Europe
USPTO	United States Patent and Trade-mark Office	WiTEC	European association for women in science, engineering and technology
		WTO	World Trade Organisation

Glossary

Access points

An **access point**, in postal statistics, is a physical facility, including letter boxes provided for the public either on the public highway or at the premises of the providers of postal and related services, where postal items may be deposited by customers for processing in postal and related services.

Accident at work

An **accident at work** is a discrete occurrence during the course of work which leads to physical or mental harm. The phrase 'in the course of work' means whilst engaged in an occupational activity or during the time spent at work. This includes cases of road traffic accidents in the course of work but excludes accidents during the journey between home and the workplace.

Adult education survey (AES)

The **adult education survey**, abbreviated as **AES**, is a survey carried out by 29 European Union, EFTA and candidate countries between 2005 and 2008, collecting information on education and lifelong learning activities by individuals aged 25-64 living in private households. The AES, which uses 2007 as a reference year, was a pilot exercise, and there are plans to conduct additional surveys every five years. The survey allows for international comparisons of education, occupation and economic activity.

Aggregate

Statistics for related categories can be grouped together or **aggregated** in order to provide a broader picture. Thus, an **aggregate** is the combination of related categories, usually within a common branch of a hierarchy, to provide information at a broader level to that at which detailed observations are taken.

The aggregation is usually not done by simple addition, but taking account of the relative importance of the different categories, using weights.

Agricultural area (AA)

Agricultural area, abbreviated to **AA**, (or **utilised agricultural area**, abbreviated to **UAA**) describes the area used for farming. It includes the land categories: arable land; permanent grassland; permanent crops; other agricultural land such as kitchen gardens (even if they only represent small areas of total UAA).

The term does not include unused agricultural land, woodland and land occupied for example by buildings, farmyards, tracks or ponds.

Agricultural holding

An **agricultural holding** is a single unit, in both technical and economic terms, operating under single management, which produces agricultural products. Other supplementary (non-agricultural) products and services may also be provided by the holding.

Agricultural income

The main indicator for **agricultural income** is the factor income per labour input expressed in annual work units (AWU).

Allocation of primary income account

The **allocation of primary income account** within national accounts (NA) focuses on resident institutional units or sectors in their capacity as recipients of primary incomes rather than as producers whose activities generate primary incomes.

It lists two kinds of primary income under 'resources':

- primary incomes already recorded in the generation of income account that are receivable by resident institutional units by virtue of their direct participation in the production process (mainly



- operating surplus and mixed income, compensation of employees);
- property incomes receivable by the owner of a financial asset or a tangible non-produced asset in return for providing funds to, or putting the tangible non-produced asset at the disposal of, another institutional unit (interest, dividends, withdrawals from income of quasi-corporations, reinvested earnings of foreign direct investment, rents on land).

Animal output

Animal output comprises the sales, changes in stock levels, and the products used for processing and own final use by the producers.

Annual work unit (AWU)

One **annual work unit**, abbreviated as **AWU**, corresponds to the work performed by one person who is occupied on an agricultural holding on a full-time basis. Full-time means the minimum hours required by the relevant national provisions governing contracts of employment. If the national provisions do not indicate the number of hours, then 1 800 hours are taken to be the minimum annual working hours: equivalent to 225 working days of eight hours each.

Apparent labour productivity

Apparent labour productivity is defined as value added at factor costs divided by the number of persons employed. This ratio is generally presented in thousands of euros per person employed.

Aquaculture

Aquaculture, also known as **aquafarming**, refers to the farming of aquatic (freshwater or saltwater) organisms, such as fish, molluscs, crustaceans and plants for human use or consumption, under controlled conditions. Aquaculture implies some form

of intervention in the natural rearing process to enhance production, including regular stocking, feeding and protection from predators. Farming also implies individual or corporate ownership of, or contractual rights to, the stock being cultivated.

Arable land

Arable land, in agricultural statistics, is land worked (ploughed or tilled) regularly, generally under a system of crop rotation.

Asset

Assets are economic resources that have some value or usefulness (usually convertible in cash) and that are owned by enterprises or individuals, for example a piece of machinery or a house. According to the International Accounting Standards Board, assets are a result of past events and are expected to provide future economic benefits.

In the context of national accounts, economic assets can be defined as entities functioning as stores of value and over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners through holding them, or using them, over a period of time (the economic benefits consist of primary incomes derived from the use of the asset and the value, including possible holding gains/losses, that could be realised by disposing of the asset or terminating it).

Asylum

Asylum is a form of protection given by a state on its territory based on the principle of non-refoulement and internationally or nationally recognised refugee rights. It is granted to a person who is unable to seek protection in his/her country of citizenship and/or residence in particular for fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion.

Asylum applicant

Asylum applicant means a person having submitted an application for international protection or having been included in such application as a family member during the reference period. 'Application for international protection' means an application for international protection as defined in Art.2(g) of Council Directive 2004/83/EC, in other words including requests for refugee status or for subsidiary protection status, irrespective of whether the application was lodged on arrival at a border, or from inside the country, and irrespective of whether the person entered the territory legally (for example as a tourist) or illegally.

Applications submitted by persons who are subsequently found to be a subject of a Dublin procedure (Council Regulation 343/2003) are included in the number of asylum applications. Within the same reference period every person being a subject of asylum application is counted only once, therefore repeat applications are not recorded if the first application has been lodged in the same reference period. However, such a repeat application will be recorded if lodged in a different reference month. This means that the aggregation of the monthly figures may overestimate the number of persons applying for international protection within the aggregated period (quarter or year).

At-risk-of-poverty rate

The **at-risk-of-poverty rate** is the share of persons with an equivalised disposable income (after social transfers) below the **at-risk-of-poverty threshold**, which is set at 60 % of the national median equivalised disposable income after social transfers. This indicator does not measure wealth or poverty, but low income in comparison with other residents in that country, which does not necessarily imply a low standard of living.

The **at-risk-of-poverty rate before social transfers** is calculated as the share of persons having an equivalised disposable income before social transfers that is below the at-risk-of-poverty threshold calculated

after social transfers. Pensions, such as old age and survivors' (widows' and widowers') benefits, are counted as income (before social transfers) and not as social transfers. This indicator examines the hypothetical non-existence of social transfers.

The **persistent at-risk-of-poverty rate** shows the percentage of the population living in households where the equivalised disposable income was below the at-risk-of-poverty threshold for the current year and at least two out of the preceding three years. Its calculation requires a longitudinal instrument, through which individuals are followed over four years.

Balance of payments

The **balance of payments** is a statistical summary of the transactions of a given economy with the rest of the world. It comprises three elements:

- the **current account** covers international transactions in goods, services, income, and current transfers;
- the **financial account** deals with transactions involving financial claims on, or liabilities to, the rest of the world, including international purchases of securities, such as stocks and bonds;
- the **capital account** covers international capital transfers (for example, debt forgiveness) and the acquisition/disposal of non-produced, non-financial assets (such as patents).

Baltic Member States

The three Baltic Member States of the European Union are: Estonia (EE); Latvia (LV); Lithuania (LT).

Baseline study

A **baseline study** is an analysis of the current situation to identify the starting points for a programme or project. It looks at what information must be considered and analysed to establish a **baseline** or starting point, the benchmark against which future progress can be assessed or comparisons made.



Bed places

The number of **bed places** in an establishment or dwelling is determined by the number of persons who can stay overnight in beds set up in that establishment, ignoring any extra beds that may be set up following a specific customer request. The term 'bed place' applies to a single bed. A double bed is counted as two bed places. This unit serves to measure the capacity of any type of accommodation. A bed place is also defined to cover a pitch or, in a boat, a mooring that can accommodate one person. A pitch for a tent (if counted), caravan, mobile home and similar shelter, or a boat on a mooring, is usually counted as four bed places if the actual number is not known.

Benelux

The **Benelux** Member States of the European Union are: Belgium (BE); Luxembourg (LU); the Netherlands (NL).

The term 'Benelux', formed from the first two or three letters of each country's name, originally referred to a customs union established in 1948. Today, the term is used as a generic grouping of the three countries.

Biodiversity

Biodiversity, a contraction of biological diversity, refers to the number, variety and variability of living organisms, including mankind, within a given area. A reduction or loss of biodiversity undermines not only the natural environment, but also the economic and social goals of human societies, as mankind depends on natural resources for the food, energy, raw materials, clean air and clean water making life possible. The importance of preserving biodiversity, and the possible consequences of not doing so, has made it an international issue.

Biofuels

Biofuels are liquid fuels from a non-fossil biological origin and a renewable energy source, to be

distinguished from fossil fuels. Biofuels can be split up into two categories, biogasoline and biodiesel.

Biomass

Biomass is organic, non-fossil material of biological origin that can be used for heat production or electricity generation. It includes: wood and wood waste; biogas; municipal solid waste; biofuels.

Births

A **birth** is defined as the start of life when a child emerges from the body of its mother. The total number of births includes both live births and stillbirths.

A **live birth** is the birth of a child who showed any sign of life; the number of live births refers to the number of births excluding stillbirths.

A **stillbirth** is the expulsion or extraction from the mother of a dead foetus after the time at which it would normally be presumed capable of independent extra-uterine existence (outside the uterus or womb). This is commonly taken to be after 24 or 28 weeks of **gestation** (the time from a child's conception to its birth).

A **live birth outside marriage** is a birth where the mother's marital status at the time of birth is other than married.

The **crude birth rate** is the ratio of the number of births during the year to the average population in that year; the value is expressed per 1 000 inhabitants.

Broadband

Broadband refers to telecommunications in which a wide band of frequencies is available to send data. Broadband telecommunication lines or connections are defined as those transporting data at high speeds, with a speed of data transfer for uploading and downloading data (also called capacity) equal to or higher than 144 kbit/s (kilobits per second or kbps).

The technologies most widely used for broadband internet access are digital subscriber line (DSL) and its variations (xDSL), or cable modem (connects a computer to a local television line).

Budget deficit

A **budget deficit** occurs when a government's spending is greater than its revenues.

In the European Union, Member States which are part of the euro area are required to keep their budget deficits below 3 % of gross domestic product to promote economic stability and sustainable public finances.

Building permit

The number (and index) of **building permits** or **construction permits** is a leading indicator in the business cycle which provides some information about the expected workload of the construction sector in the near future.

A construction or building permit is the final authorisation to start work on a building project. It is granted by public authorities in response to an application by a principal and based on a specific building plan. There are differences in the rules and procedures according to which such permits are granted among the European Union Member States.

Bunkers

Bunkers include all dutiable petroleum products loaded aboard a vessel for consumption by that vessel.

International maritime bunkers describe the quantities of fuel oil delivered to ships of all flags that are engaged in international navigation. It is the fuel used to power these ships. International navigation may take place at sea, on inland lakes and waterways, and in coastal waters.

International maritime bunkers do not include fuel oil consumption by:

- ships engaged in domestic navigation; whether a vessel is engaged in domestic or international navigation is determined only by the ship's port of departure and port of arrival – not by the flag or nationality of the ship;
- fishing vessels;
- military forces.

Business cycle

A **business cycle** describes the expansions and contractions of economic activity in an economy over a period of time.

The economy considered may be a country, or a geographical aggregate such as the euro area or the European Union. The development of economic activity is expressed as a percentage change of an economic indicator, for example production, hours worked, employment, or gross domestic product. The business cycle is usually represented in a graph showing the ups and downs of an economy over time.

Business investment rate

The **business investment rate** is defined as gross investment (fixed capital formation) divided by gross value added.

Candidate countries

At the time of writing (May 2012) Croatia (HR) is an **accession country**, due to become a Member State of the European Union on 1 July 2013.

In addition, there are five official **candidate countries** for membership of the European Union: Iceland (IS); Montenegro (ME); the former Yugoslav Republic of Macedonia (MK)⁽²⁾; Serbia (RS); Turkey (TR).

In addition, there are three **potential candidates**, who have applied for membership but have not yet been granted candidate country status: Albania (AL); Bosnia and Herzegovina (BA); Kosovo under UNSCR 1244/99 (XK)⁽³⁾.

(2) MK is a 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.

(3) XK is a code used for practical reasons and not an official ISO country code.



Carbon dioxide emissions (CO₂)

Carbon dioxide (CO₂) is a colourless, odourless and non-poisonous gas formed by combustion of carbon and in the respiration of living organisms and is considered a greenhouse gas. In this context emissions involve the release of greenhouse gases and/or their precursors into the atmosphere over a specified area and period of time. **Carbon dioxide emissions** or **CO₂ emissions** are emissions stemming from the burning of fossil fuels and the manufacture of cement; they include carbon dioxide produced during consumption of solid, liquid, and gas fuels as well as gas flaring.

Carcass weight

The definition of **carcass weight** depends on the animal species under consideration.

For pigs it is the weight of the slaughtered pig's cold body, either whole or divided in half along the mid-line, after being bled and eviscerated and after removal of the tongue, bristles, hooves, genitalia, flare fat, kidneys and diaphragm.

For cattle it is the weight of the slaughtered animal's cold body after being skinned, bled and eviscerated, and after removal of the external genitalia, the limbs, the head, the tail, the kidneys and kidney fats, and the udder.

For sheep and goats it is the weight of the slaughtered animal's cold body after having been bled, skinned and eviscerated, and after removal of the head, feet, tail and genital organs. Kidneys and kidney fats are included in the carcass weight.

For poultry it is the weight of the cold body of the slaughtered farmyard poultry after being bled, plucked and eviscerated. The weight includes poultry offal, with the exception of *foie gras*.

For other species, the carcass weight is considered to be the weight of the slaughtered animal's cold body.

Carcinogenic, mutagenic and reprotoxic (CMR)

Carcinogenic, mutagenic and reprotoxic chemicals, abbreviated as **CMR** chemicals, make up the first and most toxic category of the toxicity classes into which hazardous chemicals can be subdivided, according to European Union legislation.

Carcinogenic chemicals can cause or promote cancers. Mutagenic chemicals can cause genetic mutations. Reprotoxic chemicals can damage the reproductive process.

Cattle

Cattle refers to domestic animals of the species *Bos taurus*. Cattle and water buffalo *Bubalus bubalis* together are called **bovines**.

A distinction can be made by the age of the animal (less than one year old, aged between one and two years, and two years and over), with a further division between male and female cattle. Female cattle aged two years and over are divided into **heifers** (that have not yet calved) and cows. The latter are further divided into dairy cows and others.

Cause of death

The **cause of death** is defined as the disease or injury which started the train (sequence) of morbid (disease-related) events which led directly to death, or the circumstances of the accident or violence which produced the fatal injury.

This definition is derived from the international classification of diseases (ICD) of the World Health Organisation. Although international definitions are harmonised, the statistics may not be fully comparable, among countries, as classifications may vary when the cause of death is multiple or difficult to evaluate, and because of different notification procedures.



Central government

Central government consists of all administrative departments of the state and other central agencies whose responsibilities cover the whole economic territory of a country, except for the administration of social security funds.

Cereal

Cereal includes wheat (common wheat and spelt and durum wheat), rye, maslin, barley, oats, mixed grain other than maslin, grain maize, sorghum, triticale, and other cereal crops such as buckwheat, millet, canary seed and rice.

Classification of environmental protection activities (CEPA 2000)

The European standard statistical classification of environmental protection activities, abbreviated as CEPA, is used to classify activities, products, expenditure and other transactions whose primary purpose is environmental protection. For the purposes of CEPA the following definitions are used.

Environmental protection activities are production activities using equipment, labour, manufacturing techniques, information networks or products, to create an output of goods or services.

Environmental protection products are:

- the environmental protection services produced by environmental protection activities; and
- adapted (cleaner) and connected products.

Expenditure for environmental protection includes outlays and other transactions related to:

- inputs for environmental protection activities (energy, raw materials and other intermediate inputs, wages and salaries, taxes linked to production, consumption of fixed capital);
- capital formation and the buying of land (investment) for environmental protection activities;
- users' outlays for buying environmental protection products;
- transfers for environmental protection (for example subsidies, investment grants, international

aid, donations, taxes earmarked for environmental protection).

Classification of individual consumption by purpose (COICOP)

The **classification of individual consumption by purpose**, abbreviated as **COICOP**, is a classification developed by the United Nations Statistics Division to classify and analyse individual consumption expenditures incurred by households, non-profit institutions serving households and general government according to their purpose. It includes categories such as clothing and footwear, housing, water, electricity, and gas and other fuels.

Classification of territorial units for statistics (NUTS)

The classification of **territorial units for statistics**, abbreviated as **NUTS** (from the French *Nomenclature des Unités territoriales statistiques*) is a geographical classification subdividing the territory of the European Union (EU) into regions at three different levels (NUTS 1, 2 and 3, respectively, moving from larger to smaller territorial units).

NUTS areas aim to provide a single and coherent territorial breakdown for the compilation of EU regional statistics. The 2006 version of NUTS subdivides the territory of the EU and its 27 Member States into 97 NUTS 1 regions, 271 NUTS 2 regions and 1 303 NUTS 3 regions.

The NUTS is based on Regulation 1059/2003 on the establishment of a common classification of territorial units for statistics, approved in 2003 and amended in 2006 by Regulation 105/2007. Two further amending Regulations 1888/2005 and 176/2008, adopted in 2005 and 2008 respectively, extended the NUTS system to the Member States that joined the EU in 2004 and 2007.

Classification of the functions of government (COFOG)

The **classification of the functions of government**, abbreviated as **COFOG**, was developed in



its current version in 1999 by the Organisation for Economic Co-operation and Development and published by the United Nations Statistical Division as a standard classifying the purposes of government activities.

The classification has three levels of detail: divisions; groups; classes.

Divisions describe the broad objectives of government, while groups and classes both define the means by which these broad objectives are achieved.

Climate change

Climate change refers to anthropogenic (man-made) climate change that is believed to be causing an increase in global temperatures driven by emissions of gases such as carbon dioxide and methane, known as greenhouse gases.

Coefficient of variation

The **coefficient of variation** is generally defined as the standard deviation of a random variable divided by the mean.

Co-generation

Co-generation, also known as **combined heat and power (CHP)**, describes the simultaneous production of both useful heat (that can be used, for example, in industrial processes or district heating schemes) and electricity in a single process or unit. Co-generation enables much greater plant efficiencies to be obtained in terms of energy conversion with overall efficiencies as high as 80 %-90 %. The energy savings potential of co-generation is important with regard to reducing emissions and improving energy efficiency.

COICOP/HICP

The **COICOP/HICP** is the United Nations classification of individual consumption by purpose, adapted to the compilation of the harmonised index of consumer prices of the European Union

and the euro area. Adapting COICOP to the HICP calculation involved a number of changes:

- some sub-indices of the COICOP, such as narcotics and owner-occupied housing, had to be excluded because they are not within the HICP coverage;
- certain sub-classes (those with four digits) have been combined to ensure their weight was above one part per thousand in most of the Member States.

Collective tourist accommodation establishments

A collective tourist accommodation establishment is an accommodation establishment providing overnight lodging for the traveller in a room or some other unit, with the number of places provided greater than a specified minimum for groups of persons exceeding a single family unit and all the places in the establishment must come under a common commercial-type management, even if the establishment is non-profit-making.

Combined nomenclature (CN)

The **combined nomenclature**, abbreviated as **CN**, is a classification of goods, designed to meet the needs of:

- the common customs tariff (setting import duties for products imported into the European Union (EU) and the integrated tariff of the European Communities (Taric), incorporating all EU and trade measures applied to goods imported into and exported out of the EU;
- the external trade statistics of the EU.

The CN provides the means of collecting, exchanging and publishing data on EU external trade statistics. It is also used for the collection and publication of external trade statistics in intra-EU trade.

Common agricultural policy (CAP)

The **common agricultural policy**, abbreviated as **CAP**, is the European Union's (EU's) agricultural policy. CAP is an area in which competence is shared



between the EU and the Member States. Under Article 33 of the Treaty establishing the European Community, its aims are to ensure reasonable prices for Europe's consumers and fair incomes for farmers, in particular through the common organisation of agricultural markets and by enforcing compliance with the principles adopted at the Stresa Conference in 1958, namely single prices, financial solidarity and Community preference. The CAP is one of the most important EU policies from a budget point of view: agricultural spending accounts for some 45 % of the EU budget. Qualified majority voting in the Council and consultation with the European Parliament decide policy. The CAP has fulfilled its main goal of food self-sufficiency in the EU. Major policy changes, however, proved necessary in order to correct imbalances and overproduction resulting from the CAP. Therefore, its aims have changed in the course of time, and the instruments used have also evolved as a result of successive reforms.

Common fisheries policy (CFP)

The **common fisheries policy**, abbreviated as **CFP**, is the European Union (EU) policy for managing the fisheries in the waters of Member States. Its objectives are: increasing productivity; stabilising markets; ensuring security of supply and reasonable prices to the consumer.

Although a common fisheries policy was already provided for in the Treaty of Rome in 1957, it did not become a common policy in the full sense of the term until 1983. The CFP has the same legal basis (Articles 32-38 of the EC Treaty) as the common agricultural policy and shares the same aims. Like the CAP, the CFP is a shared responsibility of the EU and its Member States.

Successive reforms have added new aims to the initial goals of the CFP: sustainable exploitation of resources; protection of the environment; safeguards for a high level of human health protection; contribution to economic and social cohesion.

In particular, the protection of fish stocks and the marine environment are key issues, given the threat posed by resource depletion.

Community innovation survey (CIS)

The **Community innovation survey**, abbreviated as **CIS**, is conducted in every European Union (EU) Member State to collect data on innovation activities in enterprises, in other words on product innovation (goods or services) and process innovation (organisational and marketing).

The CIS is based on the Eurostat/OECD Oslo Manual 1997. The legal basis for CIS is Commission Regulation (EC) 1450/2004 of 13 August 2004 carrying out Decision No 1608/2003/EC of the European Parliament and of the Council on the production and development of Community statistics on innovation.

Community survey on ICT usage in enterprises

The **Community survey on ICT usage and e-commerce in enterprises** collects data on the use of information and communication technology, the internet, e-government, e-business and e-commerce in enterprises.

Community survey on ICT usage in households and by individuals

The **Community survey on ICT usage in households and by individuals** collects data on the use of information and communication technologies (ICT), the internet, e-government and electronic skills in households and by individuals.

Comparative price level

Comparative price levels are defined as the ratios of purchasing power parities (PPPs) to market exchange rates in each country. They give a measure of the difference in cross-border price levels by indicating for a given product the number of units of the common currency needed to buy the same volume of the product group in each country.



Competitiveness

Competitiveness is a measure of the comparative advantage or disadvantage of enterprises, industries, regions, countries or supranational economies like the European Union in selling its products in international markets. It refers to the ability to generate relatively high income and employment levels on a sustainable basis while competing internationally.

Computer

A **computer**, in the surveys on ICT usage in enterprises and households, is defined as a personal computer powered by one of the major operating systems (Macintosh, Linux or Microsoft); handheld computers or palmtops (PDAs) are also included.

Consumer price index (CPI)

The **consumer price index**, abbreviated as CPI, measures the change over time in the prices of consumer goods and services acquired, used or paid for by households. It is an important measure of inflation in the European Union.

CPIs aim to cover the whole set of goods and services consumed within the territory of a country by the population. To do this, a representative set is selected; the so-called consumer basket. Consumer goods and services include, for example, food and beverages, products for personal hygiene, newspapers and periodicals, expenditure on housing, water, electricity, gas and other fuels, health, transport, communications, education, restaurants and hotels.

Many of these goods and services are bought frequently or consumed on a daily basis.

CPIs may be used for a wide variety of purposes, including:

- as a guide for monetary policy;
- for the indexation of commercial contracts, wages, social protection benefits or financial instruments;
- as a tool for deflating the national accounts or calculating changes in national consumption or living standards.

Eurostat compiles harmonised indices of consumer prices (HICPs) to allow international comparisons of consumer price inflation. HICPs are used by the European Central Bank to monitor inflation in the euro area and to assess inflation convergence, as required under Article 121 of the Treaty of Amsterdam.

Convergence criteria

The **convergence criteria**, sometimes also called **Maastricht criteria**, are conditions that Member States of the European Union must fulfil to join the economic and monetary union and to use the euro as their official currency. There are four conditions, all aimed at increasing convergence of EMU participants:

- **price stability:** Member States should have a price performance that is sustainable and an average rate of inflation that does not exceed by more than 1.5 percentage points that of the three best-performing Member States in terms of price stability for a period of one year before the examination;
- **government budgetary position:** Member States are to avoid situations of excessive government deficits, that is their ratio of planned or actual government deficit to gross domestic product should be no more than 3 %, and their ratio of (general) government debt to GDP should be no more than 60 %, unless the excess over the reference value is only exceptional or temporary or the ratios have declined substantially and continuously;
- **exchange rates:** Member States should have respected the normal fluctuation margins of the exchange rate mechanism without severe tensions for at least the two years before the examination. In particular, the Member State shall not have devalued its currency's bilateral central rate against any other Member State's currency on its own initiative over the same period;
- **long-term interest rates:** Member States should have had an average nominal long-term interest rate over a period of one year before the examination that does not exceed by more than

2 percentage points that of the three best-performing Member States in terms of price stability.

Cow

A **cow** is a female bovine that has calved (including any aged less than two years). A **dairy cow** is a cow kept exclusively or principally for the production of milk for human consumption and/or other dairy produce, including cows for slaughter (whether fattened or not between last lactation and slaughter).

Credit

Credit is an amount for which there is a specific obligation of repayment. Credits include loans, trade credits, bonds, bills and other agreements that give rise to specific obligations to repay over a period of time usually, but not always, with interest. Credit is extended to finance consumption and investment expenditures, and financial transactions.

Crop output

Crop output comprises sales, changes in stock levels, and crop products used as animal feed-stuffs, or for processing and own final use by the producers.

Deaths

A **death**, according to the United Nations definition, is the permanent disappearance of all vital functions without possibility of resuscitation at any time after a live birth has taken place; this definition therefore excludes foetal deaths (stillbirths).

Mortality is the number of deaths for a given area during a given period. **Infant mortality** is the mortality of live-born children aged less than one year.

The **mortality rate** or **death rate** is the mortality expressed as a proportion of the population.

The **crude mortality rate** or **crude death rate** is defined as the ratio of the number of deaths during the year to the average population in that year; the value is expressed per 1 000 inhabitants.

The **infant mortality rate** represents the ratio of the number of deaths of children under one year of age to the number of live births in the reference year. The value is expressed per 1 000 live births.

Debit

A **debit** is the opposite to a **credit** and is an expression of a debt owed in the form of a loan that must be repaid, trade credits, bonds, bills and other agreements that give rise to specific obligations to repay over a period of time usually, but not always, with interest.

Deficit

In general a **deficit** means that the sum or balance of positive and negative amounts is negative, or that the total of negatives is larger than the total of positives.

A deficit can be used in different statistical areas:

- in balance of payments statistics, it refers to the balance of credit (negative) and debit (positive) transactions of a given economy with the rest of the world, organised in two different accounts: the current account; the capital and financial account;
- in external trade statistics, it refers to the trade balance of imports (negative, as they have to be paid for) and exports (positive, because they yield revenue), which may result in a trade deficit;
- in government finance statistics, it refers to the public balance between government revenue and expenditure, a budget deficit when negative, and the resulting government debt, in the case of cumulated deficits.

Deflator

A **deflator** is a figure expressing the change in prices over a period of time for a product or a basket of products, which is used to deflate (price adjust) a measure of value changes for the same period (for example the sales of the product or basket of products), thus removing the price increases or decreases and leaving only volume changes.



A deflator compares a reference period to a base period, and it can be expressed either as an index or a percentage change.

Dial-up

A **dial-up** internet connection provides access to the internet using a modem over a normal or an integrated services digital network (ISDN) telephone line. Due to its limited bandwidth, it is often called **narrowband**.

Digital literacy

Digital literacy refers to the skills required to achieve digital competence, the confident and critical use of information and communication technology (ICT) for work, leisure, learning and communication.

Digital subscriber line (DSL)

A **digital subscriber line**, abbreviated as **DSL**, is a family of technologies that allows for digital data transmission over the wires of a local telephone network. DSL can be used at the same time and on the same telephone line as normal telephone calls since DSL operates at high-frequency bands while the telephone call uses low frequencies. The most common form of DSL technology is **ADSL**, or **asymmetric digital subscriber line**, where the bandwidth used in either direction is different.

Discharge

A **discharge** from hospital is the formal release of a patient from a hospital after a procedure or course of treatment. A discharge occurs whenever a patient leaves hospital upon completion of treatment, signing out against medical advice, transferring to another healthcare institution, or on death. A discharge includes inpatients or day cases and healthy newborn babies should also be included. Discharges should exclude transfers to another department within the same institution.

Distributive trade

Distributive trades refer to the wholesale and retail trades and the repair of motor vehicles and motorcycles (NACE Rev. 2 Section G).

Divorces

A **divorce** is defined as the final legal dissolution (ending) of a marriage. A divorce is the type of separation of husband and wife that confers on the parties the right to remarry under civil, religious or other provisions, according to the laws of each country. Divorce is possible in all European Union Member States. In almost all countries, divorces are registered at a court.

The **crude divorce rate** is the ratio of the number of divorces during the year to the average population in that year. The value is expressed per 1 000 inhabitants.

Dwelling

A **dwelling** is a room or suite of rooms – including its accessories, lobbies and corridors – in a permanent building or a structurally separated part thereof which, by the way it has been built, rebuilt or converted, is designed for habitation by one private household all year round. A dwelling can be either a one-family dwelling in a stand-alone building or detached edifice, or an apartment in a block of flats. Dwellings include garages for residential use, even when apart from the habitation or belonging to different owners.

Early leavers from education and training

The term '**early leaver from education and training**', previously named 'early school leaver', generally refers to a person aged 18-24 who has finished no more than a lower secondary education and is not involved in further education or training; the number of such persons can be expressed as a percentage of the total population aged 18-24.



For Eurostat statistical purposes, an early leaver from education and training is operationally defined as a person aged 18-24 recorded in the labour force survey (LFS):

- whose highest level of education or training attained is ISCED 0, 1, 2 or 3c short; and
- who received no education or training in the four weeks preceding the survey.

The ‘**early leavers from education and training**’ statistical indicator is calculated by dividing the number of early leavers from education and training, as defined above, by the total population of the same age group in the LFS.

Earnings

Earnings are the wage or salary paid to an employee. There are two main types:

- **gross earnings** are paid in cash directly to an employee before any deductions for income tax and social security contributions paid by the employee. All bonuses, whether or not regularly paid, are included (for example 13th or 14th month, holiday bonuses, profit-sharing, allowances for leave not taken, and occasional commissions);
- **net earnings** represent the part of remuneration that employees can actually spend and are calculated by deducting social security contributions and income taxes payable by employees from gross earnings and by adding family allowances if there are children in the family.

E-commerce

E-commerce can be defined generally as the sale or purchase of goods or services, whether between businesses, households, individuals or private organisations, through electronic transactions conducted via the internet or other computer-mediated (online communication) networks.

The term covers the ordering of goods and services which are sent over computer networks, but the payment and the ultimate delivery of the goods or service may be conducted either on- or off-line.

For the Community survey on ICT usage in households and by individuals, e-commerce by individuals or households via the internet is defined more specifically as the placing of orders for goods or services via the internet. Also included in the definition are: buying financial investments – such as shares; confirming reservations for accommodation and travel; participating in lotteries and betting; paying for information services from the internet; buying via online auctions.

Orders via manually typed e-mails, however, are excluded.

For the Community survey on ICT usage and e-commerce in enterprises, e-commerce refers to the placement of orders (an order is a commitment to purchase goods or services) via computer networks. E-commerce may be effectively done via websites (which allow for online ordering or reservation or booking, for example using a shopping cart) or an exchange of electronic messages, EDI-type (electronic data interchange) messages. EDI-type e-commerce refers to the structured transmission of data or documents between enterprises by electronic means allowing automatic processing using for example EDI format or XML format.

Orders via manually typed e-mails, however, are excluded. Delivery or payment via electronic means is not a requirement for an e-commerce transaction.

Economic accounts for agriculture (EAA)

The **economic accounts for agriculture**, abbreviated as EAA, are a satellite account of the European system of national and regional accounts, adapted to the specific nature of the agricultural industry, providing complementary information and concepts. Although the structure of EAA matches very closely that of national accounts, their compilation requires the formulation of appropriate rules and methods.

The EAA analyse the production processes of the agricultural industry and the primary income generated by these activities. The accounts are therefore



based on the industry concept. The agricultural industry, as described in the EAA, corresponds to Division 01 in NACE Rev. 1, namely agriculture, hunting and related service activities.

The EAA measure the total output of the agricultural activity which includes: output sold (including trade in agricultural goods and services between agricultural units); changes in stocks; output for own final consumption and own-account gross-fixed capital formation; output produced for further processing by other agricultural producers; intra-unit consumption of livestock feed products.

The agricultural industry's output equals the sum of the output of agricultural products plus goods and services produced in non-agricultural secondary activities.

Economic and monetary union (EMU)

Economic and monetary union, abbreviated as **EMU**, refers to the economic and monetary integration of the 27 European Union (EU) Member States. It involves three stages: coordinating economic policy; achieving economic convergence (bringing economic cycles broadly in step); adopting the euro, the EU's single currency.

All Member States are expected to participate in EMU and all, except Denmark and the United Kingdom, have committed themselves by treaty to join EMU. At the time of writing (May 2012), seventeen EU Member States have entered the third stage and adopted the euro as their currency, together making up the euro area. Denmark, Latvia, and Lithuania are the current participants in the exchange rate mechanism (ERM). Of the pre-2004 Member States, the United Kingdom and Sweden have not joined ERM II and Denmark remains in ERM without proceeding to the third stage. The five remaining Member States that joined the EU in 2004 or 2007 have yet to achieve sufficient convergence to participate. These ten EU Member States continue to use their own currencies.

The Copenhagen criteria, the current set of conditions for countries wanting to join the EU, contain

the requirements a country has to fulfil in order to join economic and monetary union, as well as the time frame in which this has to be achieved.

Education

Broadly speaking, **education** refers to any act or experience that has a formative effect on an individual's mind, character, or physical ability.

In its technical sense, **education** is the formal process by which society, through schools, colleges, universities and other institutions, deliberately transmits its cultural heritage and its accumulated knowledge, values and skills to the next generation.

E-government

E-government refers to the use of information and communication technology (ICT) in public administration procedures. One aspect of e-government, on its demand side, concerns the interaction of individuals or enterprises with public administrations through ICT.

For both individuals and enterprises this interaction can consist of: obtaining information; downloading forms; returning filled-in forms; going through an administrative procedure completely electronically.

For enterprises, in addition, it can also involve submitting a proposal in an electronic tender system.

E-learning

E-learning, or **electronic learning**, also referred to as **web-based learning**, encompasses a broad range of knowledge transferred through digital technologies, sometimes as a complement to traditional education channels. The use of information and communication technology tools is especially powerful for reaching individuals with no access to traditional education and training, either because they live in remote areas or because of their socio-economic situation or special needs.

Employee

An **employee** is a person who has a contract to carry out work for an employer and receives compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind.

Employee – LFS

The labour force survey defines an **employee** as an individual who works for a public or private employer and who in return receives compensation in the form of wages, salaries, fees, gratuities, payment by results or payment in kind. Professional military staff are also included.

Employment

Employment is defined as the number of persons engaged in productive activities in an economy. The concept includes both employees and the self-employed. The two main measures used for employment are the number of persons employed and the number of employees.

More complex measures of employment are sometimes produced by measuring the number of hours worked or by converting the number of hours worked into full-time equivalent units. In addition, some particular categories of employment are measured, such as part-time employment, female employment, self-employment, apprenticeships, home-workers and unpaid employment (unpaid family workers and working proprietors).

Employment rate

The **employment rate** is the percentage of employed persons in relation to the comparable total population. For the overall employment rate, the comparison is made with the population of working age; but employment rates can also be calculated for a particular age group and/or gender in a specific geographical area (for example the males of age 15-24 employed in one of the European Union Member States).

Employment rate dispersion

Employment rate dispersion is the coefficient of variation of regional employment rates in a country, weighted by the absolute population (active population) of each region.

Energy dependency rate

The **energy dependency rate** shows the proportion of energy that an economy must import. It is defined as net energy imports divided by gross inland energy consumption plus fuel supplied to international maritime bunkers, expressed as a percentage. A negative dependency rate indicates a net exporter of energy while a dependency rate in excess of 100 % indicates that energy products have been stocked.

Energy intensity

Energy intensity measures the energy consumption of an economy relative to its output, and gives an indication of its energy efficiency. It is the ratio between gross inland consumption of energy and gross domestic product.

Enhanced cooperation

The Treaty of Amsterdam created the formal possibility of a certain number of European Union Member States establishing an enhanced cooperation between themselves on matters covered by the Treaties, using the institutions and procedures of the European Union.

The Treaty of Nice facilitates the establishment of enhanced cooperation:

- the right of veto which the Member States enjoyed over the establishment of enhanced cooperation has disappeared (except in the field of foreign policy);
- the number of Member States required for launching the procedure has changed from the majority to the fixed number of eight Member States;



- its scope has been extended to the common foreign and security policy (CFSP).

Enterprise

The **enterprise** is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit.

Enterprise birth

An enterprise birth occurs when an enterprise (for example a company) starts from scratch and begins operations. An enterprise birth occurs when new production factors, in particular new jobs, are created. If a dormant unit is reactivated within two years, this event is not considered a birth. Births do not include new corporate entities created from mergers, break-ups, spin-offs or the restructuring of enterprises.

Entrepreneurial income account

The purpose of the entrepreneurial income account is to determine a balancing item corresponding to the concept of current profit before distribution and income tax, as normally used in business accounting. Entrepreneurial income corresponds to the operating surplus or mixed income (on the resources side); plus property income receivable in connection with financial and other assets belonging to the enterprise (on the resources side); minus interest on debts payable by the enterprise and rents payable on land and other non-produced tangible assets rented by the enterprise (on the uses side). Property income payable in the form of dividends or reinvested earnings on direct foreign investment is not deducted from entrepreneurial income.

Equivalent disposable income

Equivalent disposable income is the total income of a household, after tax and other deductions, that

is available for spending or saving, divided by the number of household members converted into equivalent adults; household members are made equivalent by weighting each according to their age, using the so-called modified OECD equivalence scale.

Equivalent disposable income is calculated in three steps.

1. All monetary incomes received from any source by each member of a household are added up; these include income from work, investment and social benefits, plus any other household income; taxes and social contributions that have been paid are deducted from this sum.
2. In order to reflect differences in a household's size and composition, the total (net) household income is divided by the number of equivalent adults, using a standard (equivalence) scale. The modified OECD scale gives a weight to all members of the household (and then adds these up to arrive at the **equivalised household size**): 1.0 to the first adult; 0.5 to the second and each subsequent person aged 14 and over; 0.3 to each child aged under 14.
3. Finally, the resulting figure is called the equivalent disposable income and is attributed equally to each member of the household.

For poverty indicators, the equivalent disposable income is calculated from the total disposable income of each household divided by the equivalent household size. The income reference period is a fixed 12-month period (such as the previous calendar or tax year) for all countries except the United Kingdom for which the income reference period is the current year and Ireland for which the survey is continuous and income is collected for the previous twelve months.

Erasmus programme

The **Erasmus programme**, or **European Action Scheme for the Mobility of University Students**, is the European Union (EU) student exchange programme for higher education.

Erasmus allows EU students to study in another EU Member State for part of an academic year. It



is a major component of the EU's lifelong learning programme 2007–2013 and of the operational framework for the European Commission's higher education initiatives. Some 90 % of European universities participate in the programme and several million students have participated since it was launched in 1987.

Erasmus, together with several other independent programmes, was incorporated into the Socrates programme established by the European Commission in 1994.

Euro-PCT applications

Euro-PCT applications refer to applications filed under the Patent Convention Treaty (PCT) and designating the European Patent Office (EPO) for protection.

Europe 2020 strategy

The **Europe 2020 strategy** is a strategy for the European Union to develop as a smarter, knowledge-based, greener economy, growing fast and sustainably, creating high levels of employment and social progress. It has been designed as the successor to the Lisbon strategy, which was the reform strategy for the European Union for the decade from 2000 to 2010.

As in the Lisbon process, a set of structural indicators for monitoring the progress made in achieving the objectives of the Europe 2020 strategy is being used. Eurostat compiles these indicators which will be used within the annual monitoring exercise.

EU statistics on income and living conditions (EU-SILC)

EU statistics on income and living conditions, abbreviated as **EU-SILC**, is the reference source for comparative statistics on income distribution and social inclusion within the European Union. It is used for policy monitoring within the open method of coordination (OMC).

EU-SILC was launched in 2003 on the basis of a gentlemen's agreement between Eurostat, six Member States (Belgium, Denmark, Greece, Ireland, Luxembourg and Austria), and Norway. It was formally launched in 2004 in 15 countries and expanded in 2005 to cover all of the then EU-25 Member States, together with Norway and Iceland. Bulgaria launched EU-SILC in 2006 while Romania, Switzerland and Turkey introduced the survey in 2007. EU-SILC provides two types of annual data:

- cross-sectional data pertaining to a given time or a certain time period with variables on income, poverty, social exclusion and other living conditions;
- longitudinal data pertaining to individual-level changes over time, observed periodically over a four-year period.

EU-SILC is a multi-purpose instrument which focuses mainly on income. Detailed data are collected on income components, mostly on personal income, although a few household income components are included. However, information on social exclusion, housing conditions, labour, education and health information is also obtained.

EU-SILC is based on the idea of a common framework rather than a common survey. The common framework defines harmonised lists of target primary (annual) and secondary (every four years or less frequently) variables to be transmitted to Eurostat; common guidelines and procedures; common concepts (household and income) and classifications aimed at maximising comparability of the information produced.

The reference population in EU-SILC includes all private households and their current members residing in the territory of the countries at the time of data collection. Persons living in collective households and in institutions are generally excluded from the target population. Some small parts of the national territory amounting to no more than 2 % of the national population may be excluded from EU-SILC. All household members are surveyed, but only those aged 16 and more are interviewed.



Euro

The **euro** is the single, official European currency used, at the time of writing, by 17 Member States of the European Union. Together these Member States make up the euro area.

Stage III of economic and monetary union (EMU) began on 1 January 1999 with the introduction of the euro, which replaced the European currency unit on a 1:1 basis.

Until the end of 2001, the euro existed as book money only (cheque, bank transfer, payment by card) and its use was voluntary (no compulsion – no prohibition). Euro coins and notes were introduced on 1 January 2002, when use of the euro became compulsory and national currencies were progressively withdrawn.

Euro area

The **euro area** consists of those European Union Member States which have adopted the euro as their single currency.

European Central Bank (ECB)

The **European Central Bank**, abbreviated as **ECB**, is the central bank for Europe's single currency, the euro. Its main task is to maintain the euro's purchasing power and thus price stability in the European Union (EU) Member States that have introduced the euro since 1999 and form the euro area. Together, the ECB and the national central banks of all EU Member States constitute the **European System of Central Banks**.

The ECB's main decision-making body is the Governing Council; it consists of the six members of the executive board, plus the governors of the central banks of the euro area Member States.

European Commission (EC)

The **European Commission**, abbreviated as **EC**, is the executive branch of the European Union (EU). The EC is responsible for proposing legislation, implementing decisions, upholding the EU treaties

and the general day-to-day running of the EU. Its official name is the **Commission of the European Communities**, but it is commonly called the **European Commission** or **Commission**.

The EC is composed of 27 Commissioners, one from each Member State, though Commissioners officially represent the interests of the EU as a whole rather than their home state. The European Commission president (one of the 27) is appointed by the European Council (the regular meeting of EU heads of state or government) with the approval of the European Parliament.

The term Commission is also often used to refer to the entire administrative body of about 25 000 European civil servants employed by the EC, based primarily in Brussels (BE).

European Council

The **European Council** refers to the regular meetings, or summits, of European Union (EU) heads of state or government.

It should not be confused with the **Council of the European Union** (also known as the *Council of Ministers* or simply the *Council* or *Consilium* in Latin), the EU's main decision-making body, with both executive and legislative powers.

European currency unit (ecu)

The ecu was the former currency unit of the European Community. It was adopted in 1979 and was the cornerstone of the European Monetary System (EMS). The ecu was used as a standard monetary unit of measurement of the market value/cost of goods, services, or assets and was composed of a basket of currencies of the Member States of the European Communities. A private market also developed for the ecu, allowing its use in monetary transactions. It was replaced by the euro at a ratio of 1:1 on 1 January 1999.

European Economic Area (EEA)

The **European Economic Area**, abbreviated as **EEA**, consists of the European Union (EU) Member



States and the EFTA Member States, except for Switzerland.

The Agreement on the EEA entered into force on 1 January 1994. It seeks to strengthen trade and economic relations between the contracting parties and is principally concerned with the four fundamental pillars of the internal market, namely: the free movement of goods, people, services and capital. The availability of comparable statistical data is considered as relevant to the four freedoms and is therefore included in the agreement.

EU enlargements had a direct impact on the EEA Agreement, and at the time of writing the enlarged EEA includes 30 countries.

European Environment Agency (EEA)

The **European Environment Agency**, abbreviated as **EEA**, located in Copenhagen (DK), is the European Union (EU) body dedicated to providing sound and independent information on the environment.

Its mission is to help the EU and its Member States in making informed decisions about improving the environment, integrating environmental considerations into economic policies and moving towards sustainability. To do this, it provides a wide range of information and assessments. These cover the state of the environment and trends in it, together with pressures on the environment and the economic and social driving forces behind them.

As EEA membership is also open to countries that are not EU Member States, it has 32 member countries: the 27 EU Member States and Iceland, Liechtenstein, Norway, Turkey and Switzerland.

European Free Trade Association (EFTA)

The **European Free Trade Association**, abbreviated as **EFTA**, is an intergovernmental organisation established in 1960 by seven European countries to promote free trade and economic integration to the benefit of its Member States. All original signatories

except Norway and Switzerland withdrew from EFTA upon joining the European Union (EU), as did Finland which had become an associate member in 1961 and full member in 1986. As Iceland joined in 1970 and Liechtenstein in 1991 EFTA currently has four Member States: Iceland (IS); Liechtenstein (LI); Norway (NO); Switzerland (CH).

The association is responsible for the management of:

- the free trade between the EFTA Member States;
- EFTA's participation in the European Economic Area, which includes the EU Member States and three EFTA countries (Iceland, Liechtenstein and Norway, but not Switzerland);
- EFTA's worldwide network of free trade agreements.

European Parliament (EP)

The **European Parliament**, abbreviated as **EP**, is the only directly elected body of the European Union (EU). Together with the Council of the European Union (EU), it forms the bicameral legislative branch of the EU's institutions. The European Parliament is composed of 736 members, who are directly elected every five years by voters in the 27 Member States.

It has had control over all areas of the EU budget (except for agriculture) since the 1970s and has a veto over the appointment of the European Commission.

The European Parliament has two meeting places:

- Strasbourg (FR), the official seat, where 12 (currently four-day) plenary sessions are held throughout the year;
- Brussels (BE), which serves for committee meetings, political groups and complementary plenary sessions.

The Secretariat, or European Parliament's administrative body, is based in Luxembourg (LU).

The most recent EU-wide elections were held in June 2009.



European Patent Convention (Munich Convention)

The **European Patent Convention**, signed in Munich (DE) in October 1973, establishes a uniform patenting system for all countries signatory to the Convention. The European patenting procedure consists of two parts; firstly, the search followed by publication of the application, and secondly, the examination which is only conducted after a formal request by the applicant. Applicants can designate as many contracting states as they want at the moment of filing the application or at the moment the Euro-PCT enters the regional (European) phase. A granted European patent is protected under national law in each of the countries designated in the application.

Twenty one countries attended the Munich Diplomatic Conference in 1973 on which the Convention is based. The Convention was (as of March 2010) in force in 36 countries. In addition to the contracting states, states may also conclude a cooperation agreement with the European Patent Office (EPO), known as an extension agreement. The state then becomes an 'extension state', which means European patents granted by the EPO may be extended to those countries by the payment of additional fees and completion of certain formalities.

European Patent Office (EPO)

The **European Patent Office**, abbreviated as **EPO**, based in Munich (DE), is the authority that grants European patents. It is the executive arm of the European Patent Organisation, an intergovernmental body set up under the European Patent Convention (EPC), which was signed in Munich on 5 October 1973 and which entered into force on 7 October 1977. The EPO's activities are supervised by the Administrative Council, composed of delegates from the contracting states.

A patent is granted on the basis of a centralised procedure. By filing a single application in one of the three official languages (English, French and German) it is possible to obtain patent protection in some or all of the EPC contracting states.

European size unit (ESU)

European size unit, abbreviated as **ESU**, is a standard gross margin of EUR 1 200 that is used to express the economic size of an agricultural holding or farm.

For each activity (or enterprise) on a farm (for example wheat production, dairy cows or the output from a vineyard), the standard gross margin (SGM) is estimated based on the area used for the particular activity (or the number of heads of livestock) and a regional coefficient. The sum of all such margins derived from activities on a particular farm is its **economic size**, which is then expressed in European size units (by dividing the total SGM in euro by 1 200).

European system of integrated social protection statistics (ESSPROS)

The **European system of integrated social protection statistics**, abbreviated as **ESSPROS**, is a common framework developed in the late 1970s by Eurostat and the European Union Member States providing a coherent comparison between European countries of social benefits to households and their financing, thus making an international comparison of the administrative national data on social protection possible.

ESSPROS is built on the concept of social protection, or the coverage of precisely defined risks and needs including health, disability, old age, family and unemployment; it records the receipts and the expenditure of the organisations or schemes involved in social protection interventions.

ESSPROS is composed of the *core system* and of *modules*. The core system contains annual data (collected by Eurostat from 1990 on):

- quantitative data: social protection receipts and expenditures by schemes (a distinct body of rules, supported by one or more institutional units, governing the provision of social protection benefits and their financing);
- qualitative data: metadata by scheme and detailed benefit.

Social protection benefits are transfers to households, in cash or in kind, intended to relieve them from the financial burden of a number of risks or needs. The risks or needs of social protection included in ESSPROS are disability, sickness/healthcare, old age, survivors, family/children, unemployment, housing and social exclusion not elsewhere classified.

The modules contain supplementary statistical information on particular aspects of social protection: they relate to pensions' beneficiaries and to net social benefits.

European system of national and regional accounts (ESA95)

The **European system of national and regional accounts**, abbreviated as **ESA95** or sometimes **1995 ESA**, collects comparable, up-to-date and reliable information on the structure and developments of the economy of the Member States of the European Union (EU) and their respective regions. By providing an internationally compatible accounting framework, ESA95 makes it possible to describe the total economy of a region, country or group of countries, its components and its relation to other total economies.

The ESA95 prescribes the structure and layout of supply and use tables, symmetric input-output tables and tables linking supply and use tables to the sector accounts. These requirements refer to definitions of transactions and to concepts of classification and valuation.

ESA95 is broadly consistent with the system of national accounts of the United Nations (1993 SNA) with regards to definitions, accounting rules and classifications. But due to greater accuracy requirements for definitions and the accounting rules, it also has some specificities, particularly in its presentation, which are more in line with EU practices.

European Union (EU)

The **European Union**, abbreviated as **EU**, is an economic and political union of European countries.

The EU was established on 1 November 1993 by the Treaty on European Union (Maastricht Treaty).

Eurostat

Eurostat is the statistical office of the European Union (EU), based in Luxembourg (LU). It publishes official, harmonised statistics on the EU, the euro area and their Member States, offering a comparable, reliable and objective portrayal of Europe's society and economy.

A vast range of data is available for the EU as a whole, for Member States and in many cases also for EFTA Member States, candidate countries, and other European countries. Some data is also available for regions and cities. All users may consult or download data and publications free of charge from the Eurostat web site.

Excessive deficit procedure (EDP)

The **excessive deficit procedure**, abbreviated as **EDP**, is an action launched by the European Commission against any European Union (EU) Member State that exceeds the budgetary deficit ceiling imposed by the EU's stability and growth pact legislation. The procedure entails several steps, potentially culminating in sanctions, to encourage a Member State to get its budget deficit under control, a requirement for the smooth functioning of economic and monetary union.

According to the Protocol on the excessive deficit procedure, annexed to the Maastricht Treaty on economic and monetary union, Member States in the euro area and euro area candidate countries must demonstrate sound public finances. There are two criteria:

- the budget deficit must not exceed 3 % of gross domestic product (GDP);
- public debt must not exceed 60 % of GDP.

Exchange rate

The **exchange rate** is the price of one currency in relation to another.

Exchange rates are classified by the International Monetary Fund (IMF) into three broad categories,



reflecting the role of the authorities in determining the exchange rates and/or the multiplicity of exchange rates in a country:

1. the **market rate** is used to describe exchange rates set largely by market forces;
2. the **official rate** is used to describe the exchange rate determined by authorities;
3. for countries maintaining multiple exchange arrangements, the rates may be labelled **principle rate, secondary rate** and **tertiary rate**.

A **nominal effective exchange rate** is the exchange rate of the domestic currency vis-à-vis (as compared with) other currencies weighted by their share in either the country's international trade or payments.

Real effective exchange rates take account of price level differences between trading partners. Movements in real effective exchange rates give an indication of the development of a country's aggregate (total) external price competitiveness.

Exchange rate mechanism (ERM)

The **European exchange rate (and intervention) mechanism**, abbreviated as ERM, was set up to help stabilise exchange rates and help lead Europe to become an area of monetary stability before the introduction of the single currency, the euro.

After the euro's introduction on 1 January 1999, the original ERM was replaced by ERM II (exchange rate mechanism II) at the start of stage III of economic and monetary union (EMU). This began with the irrevocable (not able to be changed) fixing of exchange rates, the transfer of monetary competence to the European Central Bank, and the introduction of the euro as the single currency. ERM II provides a framework for exchange rate policy cooperation between the Eurosystem (the central banking system of the euro area) and European Union Member States that are preparing to adopt the euro.

Expenditure approach

The **expenditure approach** of GDP is defined as private final consumption expenditure + government

final consumption expenditure + gross capital formation + exports - imports.

In the system of national accounts, only households, NPISH and government have final consumption, whereas corporations have intermediate consumption. Private final consumption expenditure is defined as expenditure on goods and services for the direct satisfaction of individual needs, whereas government consumption expenditure includes goods and services produced by government, as well as purchases of goods and services by government that are supplied to households as social transfers in kind. Gross capital formation is the sum of gross fixed capital formation and the change in inventories (stocks). The external balance is the difference between exports and imports of goods and services. Depending on the size of exports and imports, it can be positive (a surplus) or negative (a deficit).

Expenditure on pensions

Expenditure on pensions comprises the following social benefits: disability pension, early retirement due to reduced capacity to work, old age pension, anticipated old age pension, partial pension, survivors' pension and early retirement due for labour market reasons.

Exports

Extra-EU exports of goods are goods which leave the statistical territory of the European Union (EU) for a non-member country after being placed under the customs procedure for exports (for definitive export) or outward processing (goods for working, further processing) or repair or following inward processing. **Intra-EU exports of goods** are goods which leave a Member State of the EU for another Member State for definitive export, outward processing or repair or following inward processing.

In **national accounts** exports consist of transactions in goods and services (sales, barter, gifts or grants) from residents to non-residents.

- An export of a good occurs when there is a change of ownership from a resident to a non-resident; this does not necessarily imply that the



good in question physically crosses the frontier. If goods cross the border due to *financial leasing*, as *deliveries between affiliates of the same enterprise* or for *significant processing to order or repair* national accounts impute a change of ownership even though in legal terms no change of ownership takes place. According to the European system of accounts (ESA95) also smuggled goods must be included in exports.

- Exports of services consist of all services rendered by residents to non-residents. In national accounts any direct purchases by non-residents in the economic territory of a country are recorded as exports of services; therefore all expenditure by foreign tourists in the economic territory of a country is considered as part of the exports of services of that country. Also international flows of illegal services must be included.

Analogously, the national accounts' transactions in goods and services from non-residents to residents are **imports**.

External inflow

External inflow is the volume of water flowing into rivers and groundwater that originates in neighbouring territories.

Extra-EU

Extra-EU refers to transactions with all countries *outside of the European Union (EU)*: the rest of the world except for the EU as it is at the time of writing (May 2012), consisting of 27 Member States. The term is used in the context of external trade, balance of payments, foreign direct investment, migration, transport, tourism and similar statistical areas where goods, capital or people moving in and out of the EU are being measured and where the EU as a whole is considered in relationship to the rest of the world. Extra-EU transactions of the EU as a whole are the sum of the extra-EU transactions of the 27 Member States.

Intra-EU, on the other hand, refers to all transactions occurring *within the EU*. The term can have a different coverage, depending on the perspective taken: the EU as a whole, a Member State, a region or a city, a port or an airport, and so on.

The exports of a particular Member State, for instance, can be split into two parts, on the one hand to those countries outside the EU (extra-EU), and on the other to the 26 other Member States (intra-EU). Departures from an airport can be extra-EU or intra-EU, in the latter case they also include domestic flights, within the Member State.

To complicate matters, the EU has not always had the same composition, due to consecutive enlargements. For this reason, both terms are sometimes further qualified as extra-EU-15, intra-EU-25 and so on; extra-EU-15, for instance, refers to the rest of the world apart from the 15 Member States that in the past made up the EU-15 aggregate.

Farm structure survey (FSS)

The basic **farm structure survey**, abbreviated as **FSS**, also known as **survey on the structure of agricultural holdings** is carried out by all European Union Member States every 10 years (the full scope being the agricultural census) with intermediate sample surveys being carried out three times between the basic surveys.

The Member States collect information from individual agricultural holdings and, observing strict rules of confidentiality, data are forwarded to Eurostat. The information collected in the FSS covers land use, livestock numbers, rural development, management and farm labour input (including the age, gender and relationship to the holder of the agricultural holding). The survey data can then be aggregated by different geographic levels (Member States, regions, and for basic surveys also district level). The data can also be arranged by size class, area status, legal status of the holding, objective zone and farm type.

The basic unit underlying the FSS is the agricultural holding: a technical-economic unit, under single management, engaged in agricultural production. The FSS covers all agricultural holdings with a utilised agricultural area of at least 1 hectare (ha) and also those holdings with a UAA of less than 1 ha where their market production exceeds certain natural thresholds.



The legal basis for the FSS is Regulation 1166/2008 of 19 November 2008 on farm structure surveys and the survey on agricultural production methods, which repealed Council Regulation 571/88.

Fatal accident at work

A **fatal accident at work** is a physical or mental injury that occurs during work activities, leading to death within one year. It excludes accidents on the way to or from work, occurrences of a strictly medical origin and occupational diseases.

Feed

Feed (or **feedingstuff**) is any substance or product, including additives, whether processed, partially processed or unprocessed, intended to be used for oral feeding to animals.

Fertiliser

A **fertiliser** is a substance used in agriculture to provide crops with vital nutrients to grow (such as nitrogen (N), phosphorus (P) and potassium (K)).

Fertilisers can be divided into inorganic fertilisers (also called mineral, synthetic or manufactured) and organic fertilisers.

Inorganic fertilisers, chemical mixtures produced by fertiliser manufacturers, include:

- simple mineral fertilisers, for example urea, ammonium nitrate and sulphate;
- complex mineral fertilisers, for example NP, NK and NPK mixtures;
- mineral-organic fertilisers, for example calcium cyanamid.

Organic fertilisers include:

- manure;
- other organic fertilisers such as compost, sewage sludge, industrial waste.

Fertility

Fertility is the ability to conceive (become pregnant) and give birth to children.

The **total fertility rate** is defined as the mean number of children who would be born to a woman during her lifetime, if she were to spend her child-bearing years conforming to the age-specific fertility rates that have been measured in a given year.

The **age-specific fertility rate** or the **fertility rate by age of mother** is the number of births to mothers of age x proportional to the average female population of age x .

Final consumption expenditure

Final consumption expenditure consists of expenditure by resident institutional units on goods or services that are used for the direct satisfaction of individual needs or wants or the collective needs of members of the community.

Final energy consumption

Final energy consumption is the total energy consumed by end users, such as households, industry and agriculture. It is the energy which reaches the final consumer's door and excludes that which is used by the energy sector itself.

Final energy consumption excludes energy used by the energy sector, including for deliveries, and transformation. It also excludes fuel transformed in the electrical power stations of industrial auto-producers and coke transformed into blast-furnace gas where this is not part of overall industrial consumption but of the transformation sector.

Final energy consumption in the category 'households, services, etc.' covers quantities consumed by private households, commerce, public administration, services, agriculture and fisheries.

Fish catch

Fish catch (or simply **catch**) refers to catches of fishery products including fish, molluscs, crustaceans and other aquatic animals, residues and aquatic plants that are taken:

- for all purposes (commercial, industrial, recreational and subsistence);



- by all types and classes of fishing units (including for example fishermen, vessels, gear); that are
- operating in inland, fresh and brackish water areas, and in inshore, offshore and high-seas fishing areas.

Production from aquaculture is excluded. Catch is normally expressed in live weight and derived by the application of conversion factors to the actual landed or product weight. As such, the catch statistics exclude quantities of fishery products which are caught but which, for a variety of reasons, are not landed.

Fishery products

In the context of external trade statistics, **fishery products** consist of:

- edible fishery products, including fish, crustaceans and molluscs;
- inedible products, including meals and solubles, oils and fats, sponges, corals, and so on;
- aquatic plants.

Fishing area

Geographical **fishing areas** in the European Union common fisheries policy are defined for a number of specific areas of water:

- the *north east Atlantic*, which is roughly the area to the east of 42°W longitude and north of 36°N latitude, including the waters of the Baltic Sea;
- the *north west Atlantic*, which is the region that is roughly the area to the west of 42°W longitude and north of 35°N latitude;
- the *eastern central Atlantic*, which is the region to the east of 40°W longitude between latitudes 36°N and 6°S;
- the *Mediterranean*, which is also known as the Food and Agriculture Organization Major Fishing Area 37, comprises the Mediterranean Sea and the adjacent Black Sea.

Fishing fleet

The data on the number of fishing vessels, the **fishing fleet**, in general refer to the fleet size as recorded on 31 December of the specified reference

year. The data are derived from national registers of fishing vessels which are maintained according to Council Regulation 26/2004 which specifies the information on vessel characteristics to be recorded in the registers.

Food and Agriculture Organization (FAO)

The **Food and Agriculture Organization** of the United Nations, abbreviated as **FAO**, was founded in 1945. The FAO leads international efforts to combat hunger. Serving both developed and developing countries, the FAO acts as a neutral forum where all nations meet as equals to negotiate agreements and debate policy. The FAO is also a major source of knowledge and information to help developing countries, and countries in transition, to modernise and improve agriculture, forestry and fisheries practices and ensure good nutrition for all. The FAO pays special attention to development in rural areas, which are home to 70 % of the world's poor and hungry.

Foreign affiliates

Foreign affiliates statistics, abbreviated as **FATS**, describe the activities of **foreign affiliates**: enterprises resident in a country or area, such as the European Union, controlled or owned by (multinational) enterprises which are resident outside that country or area.

Foreign direct investment (FDI)

Foreign direct investment, abbreviated as **FDI**, is an international investment within the balance of payment accounts. Essentially, a resident entity in one economy seeks to obtain a lasting interest in an enterprise resident in another economy. A lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise, and an investor's significant influence on the management of the enterprise.

A direct investment enterprise is one in which a direct investor owns 10 % or more of the ordinary shares or



voting rights (for an incorporated enterprise) or the equivalent (for an unincorporated enterprise).

FDI flows and positions: through direct investment flows, an investor builds up a FDI position that has an impact on an economy's international investment position. This FDI position (or FDI stock) differs from the accumulated flows because of revaluation (changes in prices or exchange rates), and other adjustments like rescheduling or cancellation of loans or debt-equity swaps.

Forest

Forest is defined as land with tree crown cover (meaning all parts of the tree above ground level including for example its leaves and branches), or equivalent stocking level, of more than 10 % and with an area of more than 0.5 hectares (ha). The trees should be able to reach a minimum height of five metres at maturity *in situ*.

Fossil fuel

Fossil fuel is a generic term for non-renewable natural energy sources such as coal, natural gas and oil that were formed from plants and animals (biomass) that existed in the geological past (for example, hundreds of million of years ago). Fossil fuels are carbon-based and currently supply most human energy requirements.

Freshwater resources

Freshwater resources refers to the total volume of water available in a territory, resulting from internal flow (water from precipitation minus evapotranspiration in a territory) as well as external inflow (water inflow from neighbouring territories).

Fruit

For the purposes of European Union agricultural statistics, **fruit** includes apples, pears, stoned fruits (for example peaches or apricots), nuts (for example walnuts or hazelnuts), other top fruits (for example figs or kiwi – top fruit are fruit that grow on trees),

other soft fruit (including fruit that grow on bushes such as berries, currants), citrus fruits, grapes, olives, and wild fruits.

Full-time equivalent (FTE)

A **full-time equivalent**, sometimes abbreviated as **FTE**, is a unit to measure employment or students in a way that makes them comparable although they may work or study a different number of hours per week.

The unit is obtained by comparing the number of hours worked or studied by a person to the average number of hours of a full-time worker or student. A full-time person is therefore counted as one FTE, while a part-time person gets a score in proportion to the hours he or she works or studies. For example, a part-time worker employed for 20 hours a week where full-time work consists of 40 hours, is counted as 0.5 FTE.

The workforce of an enterprise, activity, or country for example can then be added up and expressed as the number of full-time equivalents. In the context of education the FTE unit attempts to standardise a student's actual course load in comparison with the normal course load.

Gender gap

A **gender gap** may refer to any statistical disparities between men and women. Usually, however, it refers to differences in labour market statistics, such as the gender pay gap, or differences in employment and unemployment.

Gender pay gap (GPG)

The **gender pay gap**, abbreviated as **GPG**, refers to the difference in average wages between men and women. The unadjusted gender pay gap is calculated as the difference between the average gross hourly earnings of male and female paid employees as a percentage of average gross hourly earnings of male paid employees.



From the reference year 2006 onwards, the GPG is computed annually in the European Union (EU) according to three main guidelines; the GPG is:

- unadjusted, in other words without correcting for national differences in individual characteristics of employed men and women – the main reason is that, at this stage, there is neither consensus nor scientific evidence on which adjustment method should be used;
- calculated using gross hourly earnings – this choice aims to exclude from the measurement differences among EU Member States in terms of the use of part-time work;
- based on a harmonised source across the EU, the structure of earnings survey (SES), a rich employer-employee matched data set.

The unadjusted GPG aggregates for the EU-27 and the euro area (EA-17) are calculated by Eurostat as the average of the national GPGs weighted by the corresponding number of employees, both for the overall GPG and its breakdown by main industrial grouping.

The annual data provided by the EU Member States between two SES rounds are broken down by economic activity, age class and type of economic control of the enterprise.

General government sector

The **general government sector** by convention includes all the public corporations that are not able to cover at least 50 % of their costs by sales, and, therefore, are considered non-market producers. It has four subsectors: central government; state government; local government; social security funds.

In the European system of accounts (ESA95), paragraph 2.68, the general government sector has been defined as containing 'all institutional units which are other non-market producers whose output is intended for individual and collective consumption, and mainly financed by compulsory payments made by units belonging to other sectors, and/or all institutional units principally engaged in the redistribution of national income and wealth'.

Generation of income account

The **generation of income account** of national accounts shows the types of primary incomes and the sectors, subsectors or industries in which the primary incomes originate, as distinct from the sectors or subsectors destined to receive such incomes. It includes as uses the compensation of employees and the taxes on production and imports less subsidies and as resources the gross value added (GVA) and net value added (NVA) for sectors and industries and the gross domestic product (GDP) and net domestic product (NDP) for the total economy, which are the balancing items of the production account. It analyses the extent to which value added and domestic product can cover compensation of employees and taxes on production and imports less subsidies. The balancing items of the generation of income account are the gross operating surplus (GOS), net operating surplus (NOS), gross mixed income and net mixed income, which are the surpluses/deficits on production activities before account has been taken of paid or received interest, rents or charges on financial or tangible non-produced assets.

Goods loaded

The quantity of goods loaded is defined as follows.

Goods placed on a railway vehicle and dispatched by rail. Unlike in road and inland waterway transport, transshipments from one railway vehicle directly to another and change of tractive vehicle are not regarded as unloading/loading. However, if the goods are unloaded from a railway vehicle, loaded on another mode of transport and, again loaded on another railway vehicle, this is considered as unloading from the first railway vehicle followed by loading on the second railway vehicle.

Goods placed on a road vehicle and dispatched by road. Transshipment from one goods road vehicle to another or change of the road tractor is regarded as loading after unloading.

Goods placed on an inland waterways transport (IWT) vessel and dispatched by inland waterways. Transshipment from one IWT vessel to another



is regarded as loading after unloading. The same applies to changes of pusher tugs or tugs.

Goods placed on a merchant ship for transport by sea. Transshipment from one merchant ship to another is regarded as loading after unloading. Goods loaded include national goods, transshipment goods (national or foreign goods arriving in port by sea) and land transit goods (foreign goods arriving in port by road, rail, air or inland waterway).

Government

Government consists of all departments and agencies responsible for the administration of an economic territory (usually a country). According to the level, it can be further subdivided into: central government; state government; local government.

Government debt

Government debt, often referred to as **national debt** or **public debt**, is the sum of external obligations (debts) of the government and public sector agencies.

The external obligations are the debt or outstanding (unpaid) financial liabilities arising from past borrowing. Debt may be owed to foreign or domestic creditors and in the debtor's or another currency; typically, debt financing is in the form of loans or bonds.

Government debt can be broken down into:

- **government gross debt**, or all financial liabilities, primarily government bills and bonds;
- **government net debt**, equal to financial liabilities minus all financial assets; financial assets of the general government sector have a corresponding liability outside that sector; it is, however, at the government's discretion whether to list monetary gold and special drawing rights, financial assets for which there is no counterpart liability, as financial assets.

Greenhouse gas (GHG)

Greenhouse gases are a group of gases which are believed to contribute to global warming and climate change.

There are six **greenhouse gases** covered by the Kyoto Protocol, an environmental agreement adopted by many of the parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 1997 to curb global warming.

The non-fluorinated gases: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O).

The fluorinated gases: hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF₆).

Converting them to carbon dioxide (or CO₂) equivalents makes it possible to compare them and to determine their individual and total contributions to global warming.

Gross capital formation

Gross capital formation in the national accounts is measured by the total value of the gross fixed capital formation, changes in inventories and acquisitions less disposals of valuables for a unit or sector.

Net capital formation is reached by deducting the consumption of fixed capital.

Gross domestic expenditure on R & D (GERD)

Gross domestic expenditure on R & D (GERD) includes expenditure on research and development by business enterprises, higher education institutions, as well as government and private non-profit organisations.

Gross domestic product (GDP)

Gross domestic product, abbreviated as **GDP**, is a basic measure of a country's overall economic health.

As an aggregate measure of production, GDP is equal to the sum of the gross value added of all resident institutional units (in other words industries) engaged in production, plus any taxes, and minus any subsidies, on products not included in the value



of their outputs. Gross value added is the difference between output and intermediate consumption.

GDP is also equal to:

- the sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, minus the value of imports of goods and services;
- the sum of primary incomes distributed by resident producer units.

Gross electricity generation

Gross electricity generation or **gross electricity production** refers to the process of producing electrical energy. It is the total amount of electrical energy produced by transforming other forms of energy, for example nuclear or wind power. It is commonly expressed in gigawatt-hours (GWh) in other words one thousand million (10⁹) watt-hours.

Total gross electricity generation covers gross electricity generation in all types of power plants. The **gross electricity generation at plant level** is defined as the electricity measured at the outlet of the main transformers, in other words including the amount of electricity used in the plant auxiliaries and in the transformers.

Gross fixed capital formation (GFCF)

Gross fixed capital formation (GFCF) consists of resident producers' investments, deducting disposals, in fixed assets during a given period. It also includes certain additions to the value of non-produced assets realised by producers or institutional units. Fixed assets are tangible or intangible assets produced as outputs from production processes that are used repeatedly, or continuously, for more than one year.

Gross inland energy consumption

Gross inland energy consumption, sometimes abbreviated as **gross inland consumption**, is the total energy demand of a country or region. It represents the quantity of energy necessary to satisfy

inland consumption of the geographical entity under consideration.

Gross inland energy consumption covers: consumption by the energy sector itself; distribution and transformation losses; final energy consumption by end users; statistical differences (not already captured in the figures on primary energy consumption and final energy consumption).

Gross inland consumption does not include energy (fuel oil) provided to international maritime bunkers. It is calculated as follows:

- primary production + recovered products + net imports + variations of stocks – bunkers.

The difference between gross inland energy consumption and **gross (energy) consumption** is that in gross energy consumption the transformation output (electricity or heat produced from other energy sources) is included. Therefore, gross energy consumption is a product-specific consumption and does not reflect the demand for primary energy.

Gross national electricity consumption

Gross national electricity consumption includes the total gross national electricity generation from all fuels (including auto-production), plus electricity imports, minus exports. Auto-production is defined as a natural or legal person generating electricity essentially for his/her own use. Gross electricity generation is measured at the outlet of the main transformers, in other words it includes consumption in the plant auxiliaries and in transformers.

Gross national income (GNI)

Gross national income, abbreviated as **GNI**, is the sum of incomes of residents of an economy in a given period. It is equal to GDP minus primary income payable by resident units to non-resident units, plus primary income receivable from the rest of the world.

It is conceptually identical to gross national product (GNP, the concept in ESA79), though GNP was calculated differently in ESA79.



Gross operating rate – structural business statistics

The **gross operating rate** is the ratio of the gross operating surplus to turnover, expressed as a percentage.

Gross operating surplus – structural business statistics

The **gross operating surplus** or gross operating **profits** is defined, in the context of structural business statistics, as value added minus personnel costs. It is the surplus generated by operating activities after the labour factor input has been recompensed.

The gross operating surplus can be calculated from value added at factor cost. It is the balance available to a unit which allows it to recompense the providers of own funds and debt, to pay taxes and eventually to finance all or a part of its investment.

Income and expenditure classified as financial or extraordinary in company accounts is excluded from gross operating surplus.

Gross operating surplus (GOS) – national accounts

The **gross operating surplus**, abbreviated as **GOS**, can be defined in the context of national accounts as a balancing item in the generation of income account representing the excess amount of money generated by incorporated enterprises' operating activities after paying labour input costs. In other words, it is the capital available to financial and non-financial corporations which allows them to repay their creditors, to pay taxes and eventually to finance all or part of their investment.

The GOS differs from profits shown in company accounts for several reasons. Only a subset of cost items are subtracted from gross output to calculate the GOS. Essentially, GOS is gross output *less* the cost of intermediate goods and services to give gross value added, and *less* compensation of employees. It is *gross* because it makes no allowance for consumption of fixed capital (CFC). By deducting CFC from GOS one calculates the **net operating surplus (NOS)**.

A similar concept for unincorporated enterprises (for example, small family businesses like farms and retail shops or self-employed taxi drivers, lawyers and health professionals) is **gross mixed income**. Since in most such cases it is difficult to distinguish between income from labour and income from capital, the balancing item in the generation of income account is mixed by including both, the remuneration of the capital and labour (of the family members and self-employed) used in production. By deducting CFC from gross mixed income one obtains **net mixed income**.

Gross value added at market prices

Gross value added (GVA) at market prices is output at market prices minus intermediate consumption at purchaser prices; it is a balancing item of the national accounts' production account:

- **GVA at producer prices** is output at producer prices minus intermediate consumption at purchaser prices. The producer price is the amount receivable by the producer from the purchaser for a unit of a product minus *value added tax (VAT)*, or similar deductible tax, invoiced to the purchaser.
- **GVA at basic prices** is output at basic prices minus intermediate consumption at purchaser prices. The basic price is the amount receivable by the producer from the purchaser for a unit of a product minus any *tax on the product* plus any *subsidy on the product*.

GVA at factor costs is not a concept explicitly used in national accounts. It can be derived by subtracting *other taxes on production* from GVA at basic prices and adding *other subsidies on production*.

GVA can be broken down by industry. The sum of GVA at basic prices over all industries plus taxes on products minus subsidies on products gives the gross domestic product (GDP). Gross value added of the total economy usually accounts for more than 90 % of GDP.

By subtracting consumption of fixed capital from GVA the corresponding **net value added (NVA)** is obtained. NVA can also be measured at producer prices or basic prices or factor costs.

Gross-gross weight

The **gross-gross weight** includes the total weight of goods, all packaging, and the tare-weight of the transport unit (for example containers, swap bodies and pallets for containing goods as well as road goods vehicles carrying goods and transported by rail).

The **gross weight** is the total weight of goods, including all packaging but excluding the tare weight of the transport unit.

The **tare weight** is the weight of a transport unit before any cargo is loaded.

Groundwater

Groundwater is freshwater found beneath the earth's surface – specifically in the cracks and spaces in soil, sand and rock – that supplies wells and springs. The definition applies to all permanent and temporary water deposits, formed both artificially and naturally, of sufficient quality for at least seasonal use. Groundwater supplies are replenished, or recharged, by rain and melting snow, depending on climate conditions. They can usually be recovered from, or via, an underground formation.

Harmonised index of consumer prices (HICP)

The **harmonised index of consumer prices**, abbreviated as **HICP**, is the consumer price index as it is calculated in the European Union (EU), according to a harmonised approach and a single set of definitions. It is mainly used to measure inflation.

There are several types of HICP depending on the geographic area under consideration. The most important ones are:

- the **Monetary Union index of consumer prices (MUICP)** – an aggregate index covering the countries in the euro area;
- the **European index of consumer prices (EICP)** – for the whole EU (the euro area plus the other Member States);
- the national HICPs – for each of the EU Member States.

In addition to the EU HICPs, an additional HICP aggregate index for the European Economic Area is calculated:

- the **European Economic Area index of consumer prices (EEAICP)**, which in addition to the EU also covers Iceland and Norway.

Healthcare

Healthcare in a country comprises the sum of activities performed either by institutions or individuals pursuing, through the application of medical, paramedical and nursing knowledge and technology, the purposes/core functions of:

- promoting health and preventing disease;
- curing illness and reducing premature mortality;
- caring for persons affected by chronic illness who require nursing care;
- caring for persons with health-related impairment, disability, and handicaps who require nursing care;
- assisting patients to die with dignity;
- providing and administering public health;
- providing and administering health programmes, health insurance and other funding arrangements.

Health-related functions such as the education and training of the health workforce, research and development in health, and environmental health should be distinguished from the core functions; as far as possible they should be excluded when measuring activities belonging to core healthcare functions.

Healthy life years (HLY)

The number of **healthy life years**, abbreviated as **HLY**, and also called **disability-free life expectancy (DFLE)**, is defined as the number of years that a person is expected to continue to live in a healthy condition.

This statistical indicator is compiled separately for men and women, both at birth and at age 65. It is based on age-specific prevalence (proportions) of the population in healthy and unhealthy condition and age-specific mortality information. A healthy



condition is defined as one without limitation in functioning and without disability.

The indicator is calculated following the widely used Sullivan method. It is based on measures of the age-specific proportion of population with and without disability and on mortality data. Its interest lies in its simplicity, the availability of its basic data, and its independence from the size and age structure of the population. However, cultural differences in reporting disability can influence the HLY indicator.

High-speed rail

High-speed rail is a rail passenger service running at much higher speeds than normal passenger trains.

The network of the trans-European high-speed rail system includes:

- specially built high-speed lines equipped for speeds generally equal to or greater than 250 km/h;
- specially upgraded high-speed lines equipped for speeds of the order of 200 km/h;
- specially upgraded high-speed lines which have special features as a result of topographical, relief or town-planning constraints, on which the speed must be adapted to each case.

Holiday trip length

The **length of holiday or tourism trips** (involving at least one overnight stay) falls into two categories:

- **long holiday trips** are trips with at least four overnight stays;
- **short holiday trips** are trips with one to three overnight stays.

The **average length of stay** for a number of holiday trips is calculated by dividing the total number of nights spent by the total number of tourism trips.

Hospital

Hospitals include licensed establishments primarily engaged in providing medical, diagnostic and treatment services that include physician, nursing,

and other health services to in-patients and the specialised accommodation services needed by in-patients.

Hospital bed

Hospital bed numbers provide information on healthcare capacities, in other words on the maximum number of patients who can be treated by hospitals. Hospital beds are those which are regularly maintained and staffed and immediately available for the care of admitted patients. They cover beds accommodating patients who are formally admitted (or hospitalised) to an institution for treatment and/or care and who stay for a minimum of one night. These include: beds in all hospitals, including general hospitals, mental health and substance abuse hospitals, and other specialty hospitals, irrespective of whether the bed is occupied or not. The statistics presented exclude surgical tables, recovery trolleys, emergency stretchers, beds for same-day care, cots for healthy infants, beds in wards which were closed for any reason, provisional and temporary beds, or beds in nursing and residential care facilities.

A **curative care bed** or **acute care bed** is a hospital bed available for curative care; these form a subgroup of total hospital beds.

Hotels and similar establishments

Hotels and similar establishments are tourist accommodation establishments offering overnight lodgings for the traveller which share common characteristics:

- the accommodation is arranged in rooms;
- the total number of rooms exceeds a specified minimum;
- the establishment comes under a common management;
- certain services are provided, including room service, daily bed-making and cleaning of sanitary facilities;
- establishments are grouped in classes and categories according to the facilities and services provided;



- the accommodation does not fall in the category of specialised establishments.

The category 'hotels and similar establishments' consists of:

- hotels, comprising:
 - hotels, apartment hotels, motels, roadside inns, beach hotels, residential clubs and similar establishments providing hotel services including more than daily bed-making and cleaning of the room and sanitary facilities;
- similar establishments, comprising:
 - rooming and boarding houses, tourist residences and similar accommodation arranged in rooms and providing limited hotel services including daily bed-making and cleaning of the room and sanitary facilities; this group also includes guest houses, bed & breakfast and farmhouse accommodation.

Hours worked

Hours worked is the number of hours actually worked, defined as the sum of all periods spent on direct and ancillary activities to produce goods and services.

Household – social statistics

A **household**, in the context of surveys on social conditions or income such as EU-SILC or household budget surveys, is defined as a housekeeping unit or, operationally, as a social unit that: has common arrangements; shares household expenses or daily needs; lives in a shared common residence.

A household includes either one person living alone or a group of people, not necessarily related, living at the same address with common housekeeping, in other words sharing at least one meal per day or sharing a living or sitting room.

Collective households or **institutional households** (as opposed to **private households**) are, for instance: hospitals, old people's homes, residential homes, prisons, military barracks, religious institutions, boarding houses and workers' hostels.

Household budget survey (HBS)

The **household budget survey** (HBS) is a national survey which focuses on households' expenditure on goods and services, giving a picture of living conditions in the European Union (EU). It is carried out by each Member State and is used to compile weightings for important macro-economic indicators, such as consumer price indices (which are measures of inflation) and national accounts.

The data from the survey is broken down by household characteristics, such as income, socioeconomic characteristics, size and composition, degree of urbanisation, and region.

Data collection involves a combination of one or more interviews and diaries or logs maintained by households and/or individuals, generally on a daily basis. The basic unit of data collection and analysis in the survey is the household. It is important to identify the reference person (often the head of the household) whose personal characteristics can be used in the classification and analysis of information on the household. The socioeconomic group, occupation and employment status, income, sex and age of the reference person is often used to classify and present results. Expenditure made by households to acquire goods and services is recorded at the price actually paid, which includes indirect taxes (VAT and excise duties) borne by the purchaser. Two thirds of the Member States carry out annual surveys, while the remainder have five-year or even longer intervals between surveys. Probability sampling is used in the large majority of surveys in the EU. A high incidence of non-response is a common and major problem.

Household debt-to-income ratio

The **household debt-to-income ratio** combines non-financial and financial accounts data. It is defined as the ratio of households' debt arising from loans, recorded at the end of a calendar year, to the gross disposable income earned by households in the course of that year. It thereby constitutes a



measure of the indebtedness of households, in relation with their ability to pay back their debt's principal sum. The debt-to-income ratio is calculated on the basis of gross debt – that is without taking account of any assets held by households.

Household final consumption expenditure (HFCE)

Household final consumption expenditure, abbreviated as **HCFE**, consists of the total outlay on individual goods and services by resident households, including those sold at below-market prices. HCFE includes imputed expenditures or transactions which do not occur in monetary terms and can therefore not be measured directly.

Household investment rate

The **household investment rate** is defined as gross investment (gross fixed capital formation; mainly dwellings) divided by gross disposable income of the household sector in national accounts. Consumer durables (which include passenger cars) are not considered as part of household investment.

Household net financial assets-to-income ratio

The **household net financial assets-to-income ratio** combines non-financial and financial accounts data. It is defined as the ratio of households' net financial assets – which refers to all financial assets minus all financial liabilities – at the end of a calendar year, to the gross disposable income earned by households in the course of that year. It therefore represents the accumulation of financial assets, after deduction of liabilities, of households as a proportion of their annual income. However, this ratio does not account for non-financial assets such as dwellings.

Household saving

Household saving, total savings of the household sector in national accounts, may be estimated by

subtracting consumption expenditure and the adjustment for the change in net equity of households in pension funds reserves from disposable income. The latter consists essentially of income from employment and from the operation of unincorporated enterprises, plus receipts of interest, dividends and social benefits minus payments of income taxes, interest and social security contributions.

Household saving rate

The **household saving rate** is defined as gross household saving divided by gross disposable income, with the latter being adjusted for the change in the net equity of households in pension funds reserves. Saving rates can be measured on either a gross or net basis. Net saving rates are measured after deducting consumption of fixed capital (depreciation).

Household sector

The **household sector** in national accounts encompasses all households and non-profit institutions serving households.

Housing cost overburden rate

The **housing cost overburden rate** is the percentage of the population living in households where total housing costs (net of housing allowances) represent more than 40 % of disposable income (net of housing allowances).

Human development index (HDI)

The **human development index**, abbreviated as **HDI**, is a summary composite index incorporating statistical measures of life expectancy, literacy, educational attainment and GDP per capita, calculated by the United Nations (UN) under the UN Development Programme. It measures a country's average achievements in three basic aspects of human development: health, knowledge, and a decent standard of living.



Eurostat uses the 2006 HDI classification as the basis for grouping countries by level of development.

The HDI provides an alternative to the common practice of evaluating a country's progress in development only based on per capita GDP.

Import

Imports are goods which enter the statistical territory of the European Union (EU) from a non-member country and are placed under the customs procedure for free circulation within the EU (as a general rule goods intended for consumption), inward processing or processing under customs control (goods for working, processing or repair) immediately or after bonded warehousing.

Import price index

The **industrial import price index**, abbreviated as **MPI** or sometimes **IMPR**, measures the monthly change of prices of products imported by domestic residents, mainly enterprises, in European Union (EU) Member States from other countries (including other EU Member States). The indicator distinguishes imports from the euro area from those arriving from outside the euro area.

The MPI covers mainly manufactured products. Also covered are mining, energy (gas, electricity and so on) and water (in other words products classified under sections B to E of the statistical classification of products by activity (CPA)). Some product groups are however excluded (such as nuclear products, weapons, ships and aircrafts, printing, some repair services and water treatment). Excluded are also the imports by households, governments and non-profit institutions.

Import prices in the MPI:

- include cost, insurance and freight at the national border of the importing country, but not duties or import taxes;
- are actual transaction prices (not list prices) including, for example, discounts;
- are measured in the currency of the importing EU country – transactions in other currencies

have to be converted (this implies that the MPI is affected by exchange rate fluctuations);

- must take into account all price determining qualities of the imported products;
- are recorded when ownership is transferred and the index should reflect the average prices during the reference period (month).

Inactive

A person is economically **inactive**, according to the International Labour Organization definition, if he or she is not part of the labour force. So inactive persons are neither employed nor unemployed. The inactive population can include pre-school children, school children, students, pensioners and homemakers, for example, provided that they are not working at all and not available or looking for work either; some of these may be of working age.

Incineration

Incineration is a method of waste disposal that involves the combustion of waste. It may refer to incineration on land or at sea. Incineration with energy recovery refers to incineration processes where the energy created in the combustion process is harnessed for re-use, for example for power generation. Incineration without energy recovery means the heat generated by combustion is dissipated in the environment.

Income approach

The income approach to calculate GDP sums the compensation of employees, net taxes on production and imports, gross operating surplus and mixed income. The income approach shows how GDP is distributed among different participants in the production process, as the sum of:

- **compensation of employees:** the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period; the compensation of employees is broken down into: wages and salaries (in cash and in kind); employers' social con-



tributions (employers' actual social contributions and employers' imputed social contributions);

- **gross operating surplus:** this is the surplus (or deficit) on production activities before account has been taken of the interest, rents or charges paid or received for the use of assets;
- **mixed income:** this is the remuneration for the work carried out by the owner (or by members of his/her family) of an unincorporated enterprise; this is referred to as 'mixed income' since it cannot be distinguished from the entrepreneurial profit of the owner;
- **taxes on production and imports less subsidies:** these consist of compulsory (in the case of taxes) unrequited payments to or from general government or institutions of the European Union, in respect of the production or import of goods and services, the employment of labour, and the ownership or use of land, buildings or other assets used in production.

Incumbent

In telecommunications, the **incumbent** is the company (often a regulated monopoly) active on the market just before it was liberalised, or opened to competition.

Indicator A

Indicator A of the income from agricultural activity corresponds to the deflated (real) net value added at factor cost of agriculture, per total annual work unit; the implicit price index of GDP is used as deflator.

Industrial production index

The **production index** is a business cycle indicator which aims to measure changes in value added at factor cost of industry and construction over a given reference period. It does this by measuring changes in the volume of output and activity at close and regular intervals, usually monthly.

However, the monthly data necessary for the collection of this index are often unavailable. In practice,

suitable proxy values for the calculation of the production index are needed.

The production index should also take into account:

- changes in type and quality of the commodities and of the input materials;
- changes in stocks of finished goods and services, and work in progress;
- changes in technical input-output relations (processing techniques);
- services, such as assembly of production units, repairs or planning.

Inequality of income distribution

Inequality of income distribution is the ratio of total income received by the 20 % of the population having the highest income (top quintile) to the total income of the 20 % of the population having the lowest income (bottom quintile). Income is based on equivalised disposable income.

Inflation

Inflation is an increase in the general price level of goods and services. When there is inflation in an economy, the value of money decreases because a given amount will buy fewer goods and services than before. Inflation in an economy is often calculated by examining a basket of goods and services and comparing the changes in the prices of that basket over time.

The **inflation rate** is the percentage change in the price index for a given period compared with that recorded in a previous period. It is usually calculated on a year-on-year or annual basis. For an index value of 183.1 for January of this year, and an index value of 178.4 recorded in January last year, the annual rate of inflation of January this year would be: $((183.1/178.4) - 1) * 100 = 2.6 \%$

Similarly, one may compile month-on-month rates of change or average annual rates of change.

Deflation is the opposite of inflation. It is a decrease in the general price level of goods and services and represents an increase in the value of money, where



an amount of money can be exchanged for more goods and services.

Information and communication technology (ICT)

Information and communication technology, abbreviated as **ICT**, covers all technical means used to handle information and aid communication. This includes both computer and network hardware, as well as their software.

Innovation

Innovation is the use of new ideas, products or methods where they have not been used before.

For the Community innovation survey (CIS), an innovation is defined as a new or significantly improved product (good or service) introduced to the market, or the introduction within an enterprise of a new or significantly improved process. Innovations are based on the results of new technological developments, new technology combinations, or the use of other knowledge, acquired by the enterprise. The innovations may be developed by the innovating enterprise or by another enterprise. However, purely selling innovations wholly produced and developed by other enterprises is not included as an innovation activity, nor is introducing products with purely aesthetic changes. Innovations should be new to the enterprise concerned: for product innovations they do not necessarily have to be new to the market and for process innovations the enterprise does not necessarily have to be the first one to have introduced the process.

Enterprises carrying out innovation activities cover all types of innovators including product and process innovators, as well as those enterprises with only ongoing and/or abandoned innovation activities. The proportion of enterprises undertaking innovation activities is also called the propensity (tendency) to innovate.

A **product innovation** is the market introduction of a new or a significantly improved good or service. A **process innovation** is the implementation of a new or significantly improved production

process, distribution method or support activity for goods or services.

Intellectual property rights

Intellectual property rights, abbreviated as **IPRs**, refer to the general term for the assignment of property rights through patents, copyrights and trademarks. These property rights allow the holder to exercise a monopoly on the use of the item for a set period. By restricting imitation and duplication IPRs confer monopoly power, but the social costs of monopoly power may be offset by the social benefits of higher levels of creative activity encouraged by the monopoly earnings. Ownership of ideas includes literary and artistic works (protected by copyright), inventions (protected by patents), signs for distinguishing goods of an enterprise (protected by trademarks) and other elements of industrial property.

Interest rate

An **interest rate** is the cost of borrowing or the gain from lending, normally expressed as an annual percentage amount.

Intermediate consumption

Intermediate consumption is an accounting concept which measures the value of the goods and services consumed as inputs by a process of production. It excludes fixed assets whose consumption is recorded as consumption of fixed capital. The goods and services may be either transformed or used up by the production process.

International classification for health accounts (ICHA)

The **international classification for health accounts**, abbreviated as **ICHA**, is a classification managed by the OECD. Its purpose is to define, within the context of the system of national accounts:

- healthcare **financing agents**: who is paying?
- healthcare by **function**: for which services and goods?



- healthcare **service provider industries**: who provides the services?

International classification of diseases (ICD)

The **international classification of diseases**, abbreviated as **ICD**, is used to classify diseases and other health problems on many types of health and vital (essential to life) records, as well as death certificates. As well as enabling the storage and retrieval of diagnostic information for clinical, epidemiological (which deals with the study of the causes, distribution, and control of disease in populations) and quality purposes, ICD records also form the basis for compiling national mortality and morbidity statistics by WHO Member States.

International Labour Organisation (ILO)

The **International Labour Organisation**, abbreviated as **ILO**, is the only tripartite United Nations (UN) agency that brings together governments, employers and workers of its Member States in common action to promote decent work worldwide. Its main mission is to advance opportunities for women and men to obtain decent and productive employment in conditions of freedom, equity, security and human dignity.

The ILO was founded in 1919, in the wake of World War I, to pursue a vision based on the premise that universal, lasting peace can only occur if based on the decent treatment of working women and men. The ILO became the UN's first specialised agency in 1946.

International Monetary Fund (IMF)

The **International Monetary Fund**, abbreviated as **IMF**, is an international organisation, at present counting 188 member countries, with the mission to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

The IMF was conceived at the Bretton Woods conference in July 1944 (together with the World Bank), came into formal existence in December 1945 with 29 founding member countries and started operations on 1 March 1947. It is a specialised agency of the United Nations, but has its own charter, governing structure, and finances. Its members are represented through a quota system broadly based on their relative size in the global economy.

The IMF promotes international monetary cooperation and exchange rate stability, facilitates the balanced growth of international trade, and provides resources to help members in balance of payments difficulties or to assist with poverty reduction. Through its economic surveillance, the IMF keeps track of the economic health of its member countries, alerting them to risks on the horizon and providing policy advice. It also lends to countries in difficulty, and provides technical assistance and training to help countries improve economic management.

International standard classification of education (ISCED)

The **international standard classification of education (ISCED)** is an instrument for compiling internationally comparable education statistics.

The current version, ISCED 97, covers two classification variables: levels and fields of education as well as general/vocational/prevocational orientation and educational/labour market destination. ISCED 97 was implemented in European Union countries for collecting data starting with the 1997/98 school year.

There are seven levels of education in ISCED 97.

Level 0 **pre-primary education** – the initial stage of organised instruction; it is school- or centre-based and is designed for children aged at least three years.

Level 1 **primary education** – begins between five and seven years of age, is the start of compulsory education where it exists and generally covers six years of full-time schooling.



Level 2 **lower secondary education** – continues the basic programmes of the primary level, although teaching is typically more subject-focused. Usually, the end of this level coincides with the end of compulsory education.

Level 3 **upper secondary education** – generally begins at the end of compulsory education. The entrance age is typically 15 or 16 years. Entrance qualifications (end of compulsory education) and other minimum entry requirements are usually needed. Instruction is often more subject-oriented than at ISCED level 2. The typical duration of ISCED level 3 varies from two to five years.

Level 4 **post-secondary non-tertiary education** – between upper secondary and tertiary education. This level serves to broaden the knowledge of ISCED level 3 graduates. Typical examples are programmes designed to prepare pupils for studies at level 5 or programmes designed to prepare pupils for direct labour market entry.

Level 5 **tertiary education (first stage)** – entry to these programmes normally requires the successful completion of ISCED level 3 or 4. This includes tertiary programmes with academic orientation (type A) which are largely theoretical and tertiary programmes with an occupational orientation (type B). The latter are typically shorter than type A programmes and aimed at preparing students for the labour market.

Level 6 **tertiary education (second stage)** – reserved for tertiary studies that lead to an advanced research qualification (Ph.D. or doctorate).

Fields of education

The ISCED classification comprises 22 fields of education in all (at the two-digit level), which can be further refined into the three-digit level. At the highest one-digit level the following nine broad groups of fields of education are distinguished:

- 1 education;
- 2 humanities and arts;
- 3 social sciences, business and law;
- 4 science;

5 engineering, manufacturing and construction;

6 agriculture;

7 health and welfare;

8 services.

Internet access

In the context of the survey on internet use within households, **internet access** refers to the possibility for anyone in a household to access the internet from home. It does not mean connectivity, in other words whether connections can be made in the household's area or street.

Internet users

An internet user, in the context of information society statistics, is defined as a person making use of the internet in whatever way: whether at home, at work or from anywhere else; whether for private or professional purposes; and regardless of the device or type of connection used.

Invention

An **invention** is a new solution to a technical problem which satisfies the criteria of:

- novelty: the solution must be novel (new);
- inventiveness: it must involve a (non-obvious) inventive step;
- industrial applicability: it must be capable of industrial use.

Investment

Gross investment in tangible goods is defined as investment during the reference period in all tangible goods. Included are new and existing tangible capital goods, whether bought from third parties or produced for own use (in other words capitalised production of tangible capital goods), having a useful life of more than one year including non-produced tangible goods such as land. Investments in intangible and financial assets are excluded.



Job vacancy rate (JVR)

A **job vacancy** is a post, either newly created, unoccupied or about to become vacant, which the employer:

- actively seeks to fill with a suitable candidate from outside the enterprise, including any further necessary steps;
- immediately or in the near future.

Although the definition states that a job vacancy should be open to candidates from outside the enterprise, this does not exclude the possibility of appointing an internal candidate to the post. A post that is open to internal candidates only, however, is not considered a job vacancy.

The **job vacancy rate**, abbreviated as **JVR**, measures the percentage of vacant posts, as defined above, compared with the total number of occupied and unoccupied posts; it is calculated as follows:

$$\text{JVR} = \frac{\text{number of job vacancies}}{\text{number of occupied posts} + \text{number of job vacancies}} * 100.$$

An **occupied post** is a post within an organisation to which an employee has been assigned.

Data on job vacancies and occupied posts are broken down by economic activity, occupation, size of enterprise and region.

Joint forest sector questionnaire (JFSQ)

The **joint forest sector questionnaire (JFSQ)** is an initiative of the International Tropical Timber Organization (ITTO), the United Nations Economic Commission for Europe (UNECE), the Food and Agriculture Organization of the United Nations (FAO) and Eurostat to collect statistics on the world timber situation. Each agency collects data from the countries for which it is responsible, with Eurostat compiling information from European Union Member States and EFTA Member States.

Kitchen gardens

Kitchen gardens are areas of an agricultural holding devoted to the cultivation of agricultural products

not intended for selling but for consumption by the farm holder and his/her household.

Kyoto Protocol

The **Kyoto Protocol**, adopted in Kyoto (JP) in 1997, commits 37 industrialised countries and the European Union (EU) to the so-called **Kyoto target** of reducing their greenhouse gas emissions by an average of 5 % against 1990 levels, over the period from 2008 to 2012.

The Protocol was adopted at the Third Conference of the Parties to the United Nations Convention on Climate Change in December 1997 and came into force on 16 February 2005. The main distinction between the Kyoto Protocol and the **Kyoto Convention** is that while the Convention encouraged industrialised countries to stabilise emissions, the Protocol sets binding targets.

To date, there are 193 parties (192 States and the EU) that have ratified the Kyoto Protocol. Signatories must meet their targets primarily through national measures. However, the Kyoto Protocol offers an additional means of meeting targets through three market-based **Kyoto mechanisms**:

- emissions trading (also known as the carbon market);
- clean development mechanism (an emission-reduction project in the developing world);
- joint implementation (to encourage foreign investment and technology transfer).

These measures are designed to stimulate green investment and help signatories meet their emission targets in a cost-effective manner.

Labour cost

Labour cost or **total labour cost** is the total expenditure borne by employers for employing staff.

Labour cost consists of employee compensation (including wages, salaries in cash and in kind, employers' social security contributions), vocational training costs, other expenditure such as recruitment costs, spending on working clothes and

employment taxes regarded as labour costs minus any subsidies received.

The Eurostat definition closely follows the international one laid down by the International Conference of Labour Statisticians (Geneva, 1966) in its resolution on the statistics of labour cost. The labour cost includes both direct and indirect costs.

Direct costs (compensation of employees):

- gross wages and salaries paid in cash;
- direct remuneration (pay) and bonuses;
- wages and salaries in kind (for example company products, housing, company cars, meal vouchers, crèches).

Direct costs are dominated by wages and salaries paid in cash.

Indirect costs:

- employers' actual social contributions (in other words statutory, collectively agreed, contractual and voluntary social security contributions);
- employers' imputed social contributions (mostly guaranteed pay in the event of sickness or short-time working, plus severance pay and compensation instead of notice);
- vocational training costs;
- recruitment costs and work clothes given by the employer;
- taxes paid by the employer (based on their wages and salaries bill or on the numbers they employ);
- minus subsidies received by the employer (intended to refund part or all of the cost of direct pay).

Indirect costs are dominated by employers' actual social contributions, in particular by employers' statutory social security contributions.

Labour force

The **labour force** or the **economically active population**, also shortened to the **active population**, includes both employed and unemployed persons, but not the economically inactive, such as pre-school children, school children, students and pensioners.

Labour force survey (LFS)

The **labour force survey**, abbreviated as **LFS**, is an inquiry directed to households, designed to obtain information on the labour market and related issues through a series of personal interviews.

The European Union (EU) LFS covers all citizens living in private households and excludes those in collective households, such as boarding houses, residence halls and hospitals. The definitions used are common to all EU Member States and are based on international recommendations by the International Labour Organization (ILO).

Labour market

The **labour market** is the real or virtual meeting point, within an economy or market place, where people selling their labour (employees) negotiate and may reach an agreement with those who buy it (employers). Labour markets provide the structure through which workers and employers interact about jobs, working conditions and pay. Other actors are the institutions and processes of collective bargaining, including the roles played by employers' organisations and trade unions. The labour market concept also covers issues such as employment, unemployment, participation rates and wages.

Labour market policy (LMP)

The **labour market policy (LMP)** database covers all labour market measures which can be described as public interventions in the labour market aimed at reaching its efficient functioning and to correct disequilibria and which can be distinguished from other general employment policy measures in that they act selectively to favour particular groups in the labour market.

Public interventions refer to measures taken by general government in this respect which involve expenditure, either in the form of actual disbursements or of forgone revenue (reductions in taxes, social contributions or other charges normally



payable). The scope of the database is also limited to labour market measures which are explicitly targeted in some way at groups of persons with difficulties in the labour market – referred to here as target groups. In broad terms, this covers persons who are unemployed, persons in employment but at risk of involuntary job loss, and inactive persons who are currently not part of the labour force (in the sense that they are not employed or unemployed according to the ILO definitions) but who would like to enter the labour market and are disadvantaged in some way.

Labour productivity

Labour productivity measures the amount of goods and services produced by each member of the labour force or the output per input of labour. It can be measured in a variety of ways.

For structural indicators, it may be measured by gross domestic product (GDP), expressed in terms of the purchasing power standard (PPS), either relative to the number of employed persons or to the number of hours worked. In both cases, it is then expressed as an index.

Within national accounts and structural business statistics, labour productivity is often defined as the value added per employed person.

Lagging indicator

A **lagging indicator** is an economic statistical indicator that changes after macro-economic conditions have already changed. Typical examples of lagging indicators are unemployment figures, profits or interest rates. Within short-term statistics the number of persons employed is a typical lagging indicator. The lagging indicator is contrasted with the coincident indicator which changes simultaneously with economic conditions, and the leading indicator which changes in advance of expected economic developments. Lagging indicators are used to confirm economic trends that have already been predicted by leading indicators or shown by coincident indicators. Although they change after the change in the general economic conditions, they

are still useful since they are available before complete national accounts data.

Land cover

Land cover refers to the observed (bio)physical cover of the earth's surface. The main classes in the LUCAS land cover nomenclature are: artificial land; cropland; woodland; shrubland; grassland; bareland; water; wetland.

Land use

Land use refers to the socioeconomic purpose of land. Areas of land can be used for residential, industrial, agricultural, forestry, recreational, transport and other purposes. Often the same land is used for several purposes – for example, woodland can be used for forestry, hunting and recreational purposes. The main classes in the LUCAS land use nomenclature are: agriculture; forestry; fishing; mining and quarrying; hunting; energy production; industry and manufacturing; transport, communication networks, storage and protective works; water and waste treatment; construction; commerce, finance and business; community services; recreational, leisure and sport; residential; unused.

Land use/cover area frame survey (LUCAS)

The **land use/cover area frame statistical survey**, abbreviated as **LUCAS**, is a European field survey programme funded and executed by Eurostat. Its objective is to set up area frame surveys for the provision of coherent and harmonised statistics on land use and land cover in the European Union. In addition, it is designed to provide information on agriculture, the environment, landscapes and sustainable development, ground evidence for the calibration of satellite images and a register of points for specific surveys (such as soil and biodiversity) and for the core European in situ data collection network. Land cover and land use are of high importance in the definition and evaluation of common agricultural and environment policies. LUCAS was launched as a pilot in 2001 following Decision



1445/2000/EC of 22 May 2000 on the application of aerial-survey and remote-sensing techniques to the agricultural statistics.

Landfill

Landfill is the deposit of waste into or onto land. It includes specially engineered landfill sites and temporary storage of over one year on permanent sites. The definition covers both landfill in internal sites, in other words where a generator of waste is carrying out its own waste disposal at the place of generation, and in external sites. Landfill is often simply referred to as deposit.

Large enterprises

For statistical purposes, **large enterprises** are those employing 250 persons or more. Enterprises employing fewer than 250 persons are known as small and medium-sized enterprises.

Laspeyres price index

The **Laspeyres price index** is an index formula used in price statistics for measuring the price development of a basket of goods and services consumed in the base period. The question it answers is how much a basket of goods and services that consumers bought in the base period would cost in the current period. It is defined as a fixed-weight, or fixed-basket, index that uses the basket of goods and services and their weights from the base period. It is also known as a base-weighted index.

In price statistics other price index formulas may be used (Paasche price index, Fisher price index). The choice of the index formula, however, often depends on the availability of data. In contrast to the other formulas, the Laspeyres index does not require information on the composition of the basket of the current period. Therefore in practice the Laspeyres formula is usually preferred for the calculation of consumer price indices, which are typically compiled and released rapidly – before

consumption or production information for the current period could have been collected.

Liability

A **liability** is a present obligation arising from past events, in some cases specified in a written contract. A company's liabilities may include bank loans, short-term debts for goods and services received, as well as the company's loan capital and capital subscribed by shareholders. According to basic accounting principles, a company's equity is equal to assets plus liabilities.

Life expectancy

Life expectancy at a certain age is the mean additional number of years that a person of that age can expect to live, if subjected throughout the rest of his or her life to the current mortality conditions (age-specific probabilities of dying, in other words the death rates observed for the current period).

Lifelong learning

Lifelong learning is the lifelong, voluntary and self-motivated pursuit of knowledge for personal or professional reasons. The overall aim of learning is to improve knowledge, skills and competences. The intention to learn distinguishes learning activities from non-learning activities such as cultural activities or sports activities.

Within the domain of lifelong learning statistics, formal education covers education and training in the regular system of schools, universities and colleges. Non-formal education and training includes all taught learning activities which are not part of a formal education programme. The information collected relates to all education or training regardless of whether it is relevant to the respondent's current or possible future job. Lifelong learning statistics collected by Eurostat do not cover informal learning.



In contrast to lifelong learning as a concept, lifelong learning statistics do not cover informal learning, which corresponds to self-learning (for example through the use of printed material, computer-based learning/training, online internet-based web education, or visiting libraries).

Lisbon strategy

During the European Council in Lisbon in March 2000, European Union (EU) leaders launched a **Lisbon strategy** aimed at making the EU the world's most competitive economy by 2010.

This strategy, developed at subsequent meetings of the European Council, rested on three pillars.

- An **economic pillar** laying the groundwork for the transition to a competitive, dynamic, knowledge-based economy. There was a strong emphasis on adapting quickly to changes in the information society and to investing in research and development.
- A **social pillar** designed to modernise the European social model by investing in human resources and combating social exclusion. The Member States were expected to invest in education and training, and to conduct an active policy for employment, making it easier to move to a knowledge economy.
- An **environmental pillar**, added at the Gothenburg European Council in June 2001, which urged a decoupling of economic growth from the use of natural resources.

Livestock unit (LSU)

The **livestock unit**, abbreviated as **LSU** (or sometimes as **LU**), is a reference unit which facilitates the aggregation of livestock from various species and age via the use of specific coefficients established initially on the basis of the nutritional or feed requirement of each type of animal (see table below for an overview of the most commonly used coefficients). The reference unit used for the calculation of livestock units (=1 LSU) is the grazing equivalent of one adult dairy cow producing 3 000 kg of milk annually, without additional concentrated foodstuffs.

Livestock unit coefficients

Bovine animals	
Under one year old	0.400
One but less than two years old	0.700
Male, two years old and over	1.000
Heifers, two years old and over	0.800
Dairy cows	1.000
Other cows, two years old and over	0.800
Sheep and goats	0.100
Equidae	0.800
Pigs	
Piglets having a live weight of under 20 kg	0.027
Breeding sows weighing 50 kg and over	0.500
Other pigs	0.300
Poultry	
Broilers	0.007
Laying hens	0.014
Ostriches	0.350
Other poultry	0.030
Rabbits, breeding females	0.020

Local government

Local government consists of all types of public administration whose responsibility covers only a local part of the economic territory, apart from local agencies of social security funds.

Long-distance call

A **long-distance call** is a telephone call made from one local calling area or network to another.

Marriages

A **marriage** is the act, ceremony or process by which the legal relationship between two persons is formed. The legality of the union may be established by civil, religious or other means as recognised by the laws of each country.

In all European Union and other European countries, contracting a **civil marriage** (before official



authorities and on a legal basis) is possible. However, the relation between a civil marriage and a **religious marriage** (before religious representative only) is not the same in all countries. In 15 countries (Denmark, Estonia, Ireland, Greece, Spain, Italy, Cyprus, Latvia, Lithuania, Poland, Slovak, Finland, Sweden and the United Kingdom, as well as Norway) a religious marriage has consequences for the civil marriage in the sense that a religious marriage is recognised by the state as equivalent to a civil marriage. France states that a religious marriage has no consequences for marital status, unless it has been contracted abroad.

The **crude marriage rate** is the ratio of the number of marriages during the year to the average population in that year. The value is expressed per 1 000 inhabitants.

Material deprivation

Material deprivation refers to a state of economic strain and durables strain, defined as the enforced inability (rather than the *choice* not to do so) to pay unexpected expenses, afford a one-week annual holiday away from home, a meal involving meat, chicken or fish every second day, the adequate heating of a dwelling, durable goods like a washing machine, colour television, telephone or car, being confronted with payment arrears (mortgage or rent, utility bills, hire purchase instalments or other loan payments).

The **material deprivation rate** is an indicator in EU-SILC that expresses the inability to afford some items considered by most people to be desirable or even necessary to lead an adequate life. The indicator distinguishes between individuals who cannot afford a certain good or service, and those who do not have this good or service for another reason, for example because they do not want or do not need it.

The indicator adopted by the Social Protection Committee measures the percentage of the population that cannot afford at least three of the following nine items: 1. to pay their rent, mortgage or utility bills; 2. to keep their home adequately warm; 3. to face unexpected expenses; 4. to eat meat or proteins

regularly; 5. to go on holiday; 6. a television set; 7. a refrigerator; 8. a car; 9. a telephone.

Severe material deprivation rate is defined as the enforced inability to pay for at least four of the above-mentioned items.

Maturity

The **maturity date** or **final maturity date** is the date on which a debt obligation is to be extinguished, as agreed upon contractually.

Median

The **median** is the middle value in a group of numbers ranked in order of size.

Migration

Migration refers to the number of **migrants**, persons changing their residence to or from a given area (usually a country) during a given time period (usually one year).

Immigrants are persons arriving or returning from abroad to take up residence in a country for a certain period, having previously been resident elsewhere. According to the 1998 United Nations recommendations on the statistics of international migration (Revision 1), an individual is a **long-term immigrant** if *he/she stays in his/her country of destination for a period of 12 months or more, having previously been resident elsewhere for 12 months or more*. **Immigration** is the number of immigrants for a given area during the year.

Emigrants are persons leaving the country where they usually reside and effectively taking up residence in another country. According to the 1998 UN recommendations on the statistics of international migration (Revision 1), an individual is a **long-term emigrant** if *he/she leaves his/her country of previous usual residence for a period of 12 months or more*. **Emigration** is the number of emigrants for a given area during the year.

Net migration is the difference between immigration to and emigration from a given area during



the year (net migration is positive when there are more immigrants than emigrants and negative when there are more emigrants than immigrants). Since many countries either do not have accurate figures on immigration and emigration, or have no figures at all, net migration has to be estimated. It is usually estimated as the difference between the total population change and the natural increase during the year. Net migration gives no indication of the relative scale of the separate immigration and emigration flows to and from a country; a country may report low net migration but experience high immigration and emigration flows.

The **crude rate of net migration** is the ratio of net migration during the year to the average population in that year. The value is expressed per 1 000 inhabitants.

A **recognised non-citizen** is a person who is not a citizen of the reporting country nor of any other country, but who has established links to that country which include some but not all rights and obligations of full citizenship. Recognised non-citizens are not included in the number of European Union citizens.

Minimum wage

The **minimum wage** is the lowest wage that employers are legally obliged to pay their employees. The basic national minimum wage can be fixed at an hourly, weekly or monthly rate, and this minimum wage is enforced by law (the government), often after consultation with social partners, or directly by national intersectoral agreement (in the European Union this is the case for Belgium and Greece).

The national minimum wage usually applies to all employees, or at least to a large majority of employees in the country. Some countries have exceptions, for example for younger workers, apprentices or workers with disabilities. Gross amounts are reported, that is, before income tax and social security deductions, which vary between countries.

Mobile phone subscription

A **mobile phone subscription** refers to the use of public mobile telecommunication systems (also

called mobiles or cell phones) using cellular technology. In the context of the Telecom survey on telecommunications services:

- active pre-paid cards are treated as subscriptions;
- a person may have more than one subscription.

National accounts

National accounts, often called **macro-economic accounts**, are statistics focusing on the structure and development of economies. They describe and analyse, in an accessible and reliable way, the economic interactions (transactions) within an economy. There are an almost unimaginable large number of these transactions.

The **national accounts sector** refers to the whole economy (a country, the European Union or the euro area) as a sector. All institutional units operating within an economy can be assigned to a particular **institutional sector**. Breakdowns by institutional sector are given within the sector accounts.

The institutional sectors group institutional units with broadly similar characteristics and behaviour. The following can be distinguished: households and non-profit institutions serving households; non-financial corporations; financial corporations; government.

Transactions with non-residents and the financial claims of residents on non-residents, or vice versa, are recorded in the 'rest of the world' account.

Macro-economic developments, such as economic growth and inflation, are driven by the actions of the individual economic subjects in an economy. Grouping economic subjects with similar behaviour into institutional sectors helps significantly in understanding the functioning of the economy.

Natural population change

Natural population change is the difference between the number of live births and deaths during a given time period (usually one year). It can be either positive or negative. **Natural population**



increase is a positive natural change, when the number of live births is larger than the number of deaths during the time period considered. **Natural population decrease** is the opposite, a negative natural change, when the number of deaths exceeds the number of births.

Navigable inland waterway

A **navigable inland waterway** is a stretch of water, not part of the sea, which by natural or man-made features is suitable for navigation, primarily by inland waterway vessels. This term covers navigable rivers, lakes, canals and estuaries.

The length of rivers and canals is measured in mid-channel. The length of lakes and lagoons is measured along the shortest navigable route between the most distant points to and from which transport operations are performed. A waterway forming a common frontier between two countries is reported by both.

Waterways also include river estuaries, the boundary (with the sea) being that point nearest the sea where the width of the river is both less than 3 kilometres (km) at low water and less than 5 km at high water.

Net electricity generation

Net electricity generation or **net electricity production** is equal to gross electricity generation minus the consumption of power stations' auxiliary services.

Nights spent

A **night spent** (or overnight stay) is each night a guest/tourist (resident or non-resident) actually spends (sleeps or stays) in a tourist accommodation establishment or non-rented accommodation.

Non-financial business economy

The **non-financial business economy** includes the sectors of industry, construction and distributive trades and services.

This refers to economic activities covered by Sections C to J and L to N and Division 95 of NACE Rev. 2 and the enterprises or its legal units that carry out those activities.

Non-financial services

The **non-financial services** sector includes economic activities, such as computer services, real estate, research and development, legal services and accounting. For European Union (EU) statistical purposes, it refers to activities covered by Sections G to I and K of the EU's classification system NACE Rev. 1.1 and the enterprises or parts of enterprises that carry out those activities. Based on NACE Rev. 2 it covers Sections G to J and L to N and Division 95.

Non-nationals

Non-nationals are people who are not citizens of the country in which they currently reside.

Non-profit institutions serving households (NPISH)

Non-profit institutions serving households, abbreviated as **NPISH**, make up an institutional sector in the context of national accounts consisting of non-profit institutions which are not mainly financed and controlled by government and which provide goods or services to households for free or at prices that are not economically significant. Examples include churches and religious societies, sports and other clubs, trade unions and political parties.

NPISH are private, non-market producers which are separate legal entities. Their main resources, apart from those derived from occasional sales, are derived from voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by general governments, and from property income.

Nordic Member States

The **Nordic Member States** of the European Union are Denmark (DK), Finland (FI) and Sweden (SE).



Occupancy rate

The **occupancy rate** at hotels and similar establishments is calculated as a percentage as follows:

$$\frac{(\text{total number of nights for residents and non-residents at hotels and similar establishments}) * 100}{(\text{total number of bed places at hotels and similar establishments} * 365)}$$

Old age dependency ratio

The **old age dependency ratio** is the ratio of the number of elderly people at an age when they are generally economically inactive (in other words aged 65 and over), compared with the number of people of working age (in other words 15-64 years old).

Open method of coordination (OMC)

The **open method of coordination**, abbreviated as **OMC**, was created as part of the European Union's employment policy and the Luxembourg process, and was also defined as an instrument of the Lisbon strategy (2000). The OMC provides a framework for cooperation between the Member States, whose national policies can thus be directed towards certain common objectives. Under this intergovernmental method, the Member States are evaluated by one another (peer pressure), with the European Commission's role being limited to surveillance. The European Parliament and the Court of Justice play virtually no part in the OMC process.

The open method of coordination takes place in areas which fall within the competence of the Member States, such as employment, social protection, social inclusion, education, youth policy and training. It is based principally on:

- jointly identifying and defining objectives to be achieved (adopted by the Council);
- jointly established measuring instruments (statistics, indicators, guidelines);
- benchmarking, in other words a comparison of the Member States' performance and exchange of best practices (monitored by the European Commission).

Depending on the areas concerned, the OMC involves so-called 'soft law' measures which are binding on the Member States in varying degrees but which never take the form of directives, regulations or decisions. Thus, in the context of the Lisbon strategy, the OMC required the Member States to draw up national reform plans and to forward them to the European Commission. However, youth policy does not entail the setting of targets, and it is up to the Member States to decide on objectives without the need for any European-level coordination of national action plans.

Organisation for Economic Co-operation and Development (OECD)

The **Organisation for Economic Co-operation and Development**, abbreviated as the **OECD**, is based in Paris (FR). It is an international organization of 34 countries committed to democracy and the market economy. The forerunner to the OECD was the Organisation for European Economic Co-operation and Development (OEEC), formed in 1947 to administer American and Canadian aid under the auspices of the Marshall Plan following World War II. The OECD was established on 14 December 1960.

Output approach

The **output approach** to calculate GDP sums the gross value added of various sectors, plus taxes and less subsidies on products. The output of the economy is measured using gross value added. Gross value added is defined as the value of all newly generated goods and services less the value of all goods and services consumed in their creation; the depreciation of fixed assets is not included. When calculating value added, output is valued at basic prices and intermediate consumption at purchasers' prices. Taxes less subsidies on products have to be added to value added to obtain GDP at market prices.

Overcrowding rate

The **overcrowding rate** is defined as the percentage of the population living in an **overcrowded** household.



A person is considered as living in an overcrowded household if the household does not have at its disposal a minimum number of rooms equal to:

- one room for the household;
- one room per couple in the household;
- one room for each single person aged 18 or more;
- one room per pair of single people of the same gender between 12 and 17 years of age;
- one room for each single person between 12 and 17 years of age and not included in the previous category;
- one room per pair of children under 12 years of age.

Passenger car

A **passenger car** is a road motor vehicle, other than a moped or a motor cycle, intended for the carriage of passengers and designed to seat no more than nine persons (including the driver). The term passenger car also covers **microcars** (small cars which, depending on individual Member State legislation, may need no permit to be driven and/or benefit from lower vehicle taxation), taxis and passenger hire cars, provided that they have fewer than ten seats. This category also includes vans designed and used primarily for transport of passengers, as well as ambulances and motor homes. Excluded are light goods road vehicles, as well as motor coaches and buses and mini-buses/mini-coaches.

Passenger-kilometre

A **passenger-kilometre**, abbreviated as **pkm**, is the unit of measurement representing the transport of one passenger by a defined mode of transport (for example road, rail, air, sea, or inland waterways) over a distance of one kilometre.

Patent

A **patent** is an intellectual property right, a public title of industrial property that gives its owner the exclusive right to use his/her invention in the technical field for a limited number of years.

A **patent application**, the application for a patent, needs to be for an invention, in other words a new

solution to a technical problem which satisfies the criteria of:

- novelty: the solution must be novel;
- inventiveness: it must involve a non-obvious inventive step;
- industrial applicability: it must be capable of industrial use.

A patent may be granted to a firm (enterprise), an individual or a public body by a patent office. It remains valid in a given country or area for a limited period of time.

Patent Cooperation Treaty (PCT)

The **Patent Cooperation Treaty (PCT)** allows for a filing of an international application to have the same effect as a national application in each of the contracting countries designated in the application. However, patents are still granted nationally. The PCT system is superimposed upon the national and European systems. In PCT-applications, the applicant may either designate a country, or a regional office such as the European Patent Office (EPO). These so called Euro-PCT filings may then apply for protection in a number of European countries.

Permanent crops

Permanent crops are ligneous crops not grown in rotation, but occupying the soil and yielding harvests for several (usually more than five) consecutive years. Permanent crops mainly consist of fruit and berry trees, bushes, vines and olive trees. Permanent crops are usually intended for human consumption and generally yield a higher added value per hectare than annual crops. They also play an important role in shaping the rural landscape (through orchards, vineyards and olive tree plantations) and helping to balance agriculture within the environment.

Permanent grassland

Permanent grassland and meadow is land used permanently (for several, usually more than five, consecutive years): to grow herbaceous forage



crops, through cultivation (sown) or naturally (self-seeded); not included in the crop rotation scheme on the agricultural holding. Permanent grassland and meadow can be either used for grazing by livestock, or mowed for hay or silage (stocking in a silo).

Personnel costs – structural business statistics

In the context of structural business statistics (SBS), **personnel costs** are defined as the total remuneration, in cash or in kind, payable by an employer to an employee (regular and temporary employees, as well as home-workers) in return for work done by the latter during the reference period. **Personnel costs** are made up of wages, salaries and employers' social security costs. They include taxes and employees' social security contributions retained by the employer, as well as the employer's compulsory and voluntary social contributions.

Persons employed – structural business statistics

The **number of persons employed** is defined, within the context of structural business statistics, as the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it (for example sales representatives, delivery personnel, repair and maintenance teams). It excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the enquiry unit on behalf of other enterprises, as well as those on compulsory military service.

Persons living in households with low work intensity

The indicator **persons living in households with low work intensity** is defined as the number of persons living in a household having a work intensity below a threshold set at 0.20.

The **work intensity of a household** is the ratio of the total number of months that all working age household members have worked during the income reference year and the total number of months that the same household members theoretically could have worked in the same period. A working age person is defined as a person aged 18-59 years, with the exclusion of students in the age group between 18 and 24 years. Households composed only of children, of students aged less than 25 and/or people aged 60 or more are totally excluded from the indicator calculation.

Physician

A **physician** or (medical) doctor has a degree in medicine. Physicians may be described as practising, professionally active or licensed.

A **practising physician** provides services directly to patients as consumers of healthcare. These services include:

- conducting medical examinations and making diagnoses;
- prescribing medication and treating diagnosed illnesses, disorders or injuries;
- giving specialised medical or surgical treatment for particular illnesses, disorders or injuries;
- giving advice on and applying preventive medical methods and treatments.

A **professionally active physician** is a practising physician or any other physician for whom medical education is a prerequisite for the execution of the job (practising medicine as defined above or, for example, verifying medical absences from work, drug testing, or medical research).

A **licensed physician** is a physician who is licensed to practise; this category includes practising physicians, professionally active physicians, as well as all registered physicians who are entitled to practise as healthcare professionals.

Pig

A **pig** is a domesticated animal of the species *Sus*. A distinction is made between pigs, piglets, fattening pigs and breeding pigs.



Police officer

Police officers generally include all ranks of police officers including criminal police, traffic police, border police, gendarmerie, uniformed police, city guard, and municipal police. They exclude civilian staff, customs officers, tax police, military police, secret service police, part-time officers, special duty police reserves, cadets, and court police.

Population

The **population figure** of a given area is the total number of people in that area at a given time.

Eurostat collects **population data as of 1 January** of each year from the European Union's Member States. The recommended definition is the 'usual resident population' and represents the number of inhabitants of a given area on 1 January of the year in question (or, in some cases, on 31 December of the previous year). The population can be based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers.

The **average population** is calculated as the arithmetic mean of the population on 1 January of two consecutive years. The average population is further used in the calculation of demographic indicators, like crude rates per 1 000 inhabitants, and for some 'per capita' indicators.

Population change

Population change, defined generally, is the difference in the size of a population between the end and the beginning of a given time period (usually one year). Specifically, it is the difference in population size on 1 January of two consecutive years. Population change has two components: natural population change (the number of live births minus the number of deaths); net migration (the number of immigrants minus the number of emigrants, plus statistical adjustment – it should be noted that net migration as referred to in the context of population change statistics includes the statistical adjustments occurring in the annual balance of the

population and that it serves the purpose of closing this balance).

A positive population change, when the result of net migration plus live births minus deaths is positive, is referred to as **population growth**, a negative one is called a **population decrease**.

The **crude rate of population growth** is the ratio of total population growth during the year to the average population of the area in question that year. The value is expressed per 1 000 inhabitants.

Poultry

Poultry, in the context of European Union statistics, refers to domestic birds of the species: *Gallus gallus* (hens and chickens); *Meleagris spp.* (turkeys); *Anas spp.* and *Cairina moschata* (ducks); *Anser anser dom.* (geese); *Coturnix spp.* (quails); *Phasianus spp.* (pheasants); *Numida meleagris dom.* (guinea fowl); *Columbinae spp.* (pigeons); *Struthio camelus* (ostriches). It excludes, however, birds raised in confinement for hunting purposes and not for meat production.

Precipitation

Precipitation is defined as the total volume of atmospheric wet precipitation (mainly rain, snow and hail) and is usually measured by meteorological or hydrological institutes.

Price level index (PLI)

The **price level index**, abbreviated as **PLI**, expresses the price level of a given country relative to another (or relative to a group of countries like the European Union (EU)), by dividing the purchasing power parities (PPPs) by the current nominal exchange rate.

If the price level index of a country is higher than 100, the country concerned is relatively expensive compared with the one to which it is compared (for example the EU), while if the price level index is lower than 100 the country is relatively cheap compared with the other country.



Price level indices are not intended to rank countries strictly. In fact, they only provide an indication of the order of magnitude of the price level in one country in relation to others, particularly when countries are clustered around a very narrow range of outcomes. The degree of uncertainty associated with the basic price data and the methods used for compiling PPPs, may affect in such a case the minor differences between the PLIs and result in differences in ranking which are not statistically or economically significant.

Primary production of energy

Primary production of energy is any extraction of energy products in a useable form from natural sources. This occurs either when natural sources are exploited (for example, in coal mines, crude oil fields, hydro power plants) or in the fabrication of biofuels.

Transforming energy from one form into another, such as electricity or heat generation in thermal power plants (where primary energy sources are burned), or coke production in coke ovens, is not primary production.

Principal European Economic Indicators (PEEI)

Principal European Economic Indicators, abbreviated as **PEEIs**, constitute a set of economic indicators for the European Union and its Member States which are essential for monitoring the euro area. In 2002, Eurostat produced an initial list of 19 principal indicators, which has since been expanded to 26 (of which 22 are currently available); they are published regularly and posted on a specific PEEI page on the Eurostat website.

Since 2002, PEEIs have been regularly monitored and improved, in terms of coverage as well as timeliness. The list of indicators currently includes gross domestic product, private final consumption, the external trade balance and three-month interest rates.

Prison population

For statistical purposes, the **prison population** is defined as the total number of adult and juvenile

prisoners (including pre-trial detainees) at 1 September of a given year. The definition includes offenders held in prison administration facilities, other facilities, juvenile offenders institutions, drug addicts institutions and psychiatric or other hospitals. It excludes, however, non-criminal prisoners held for administrative purposes (for example, people held pending an investigation into their immigration status).

Prodcom

Prodcom is a survey, with a frequency that is at least annual, for the collection of statistics on the production of industrial (mainly manufactured) goods, both in value and quantity terms, in the European Union. It is abbreviated from the French term *Production Communautaire*.

The Prodcom survey is based on a list of products called the **Prodcom list** which comprises about 4 500 headings relating to industrial products. These products are detailed at an eight-digit level. The first four digits refer to the equivalent class within the statistical classification of economic activities in the European Community (NACE), and the next two digits refer to subcategories within the statistical classification of products by activity (CPA). Most Prodcom headings correspond to one or more combined nomenclature (CN) codes.

Producer price index (PPI)

The **producer price index**, abbreviated as **PPI** and also called **output price index**, is a business cycle indicator whose objective is to measure the monthly development of transaction prices of economic activities.

The PPI is not only an early indicator of inflationary pressure in the economy before it reaches the consumer, but it can also record the development of prices over longer time periods.

The domestic output price index for an economic activity measures the average price development of all goods and related services resulting from that activity and sold on the domestic market. The non-domestic price index shows the average price



development (converted to local currency) of all goods and related services resulting from that activity and sold outside of the domestic market. When combined, these two indices show the average price development of all goods and related services resulting from an activity.

The following rules apply for the definition of prices:

The appropriate price is the basic price that excludes VAT and similar deductible taxes directly linked to turnover as well as all duties and taxes on the goods and services invoiced by the unit, whereas subsidies on products received by the producer, if there are any, should be added.

If transport costs are included, this should be part of the product specification.

In order to show the true development of price movements, it should be an actual transaction price, and not a list price.

The output price index should take into account quality changes in products.

The price collected in period t should refer to orders booked during period t (moment of order), not the moment when the commodities leave the factory gates.

For output prices of the non-domestic market, the price should be calculated at national frontiers, fob (free on board).

The index should in principle reflect the average price during the reference period. In practice the information actually collected may refer to a particular day in the middle of the reference period that should be determined as a representative figure for the reference period. For products with a significant impact on the national economy that are known to have, at least occasionally, a volatile price development, it is important that the index does indeed reflect average prices.

Production account

The **production account** records the activity of producing goods and services as defined within national accounts; it is drawn up for institutional sectors and for industries. Its resources include gross output and taxes on products less subsidies

on products and its uses include intermediate consumption. The production account is used to obtain one of the most important balancing items in the system – gross value added, or the value generated by any unit engaged in a production activity – and gross domestic product. Value added is economically significant for both institutional sectors and industries.

Production in construction

The **production index in construction** is a business cycle indicator which measures the monthly changes in the output of buildings (residential and non-residential) and of civil engineering work (roads, railways, bridges, tunnels, utility projects).

Conceptually the index shows changes in the volume of construction, in other words the price adjusted change in the value added by this sector. As this statistical concept is not directly measurable, the indicator is approximated by several other measures.

Mathematically the index is calculated as a Laspeyres volume index.

Productivity

Productivity is the output produced from each unit of input, for example, the number of cars assembled by one worker in a year. In statistical analysis, productivity may refer to capital productivity, labour productivity, resource productivity (of which energy productivity is a specific case), depending on the input considered.

Profit share of non-financial corporations

The **profit share of non-financial corporations** is defined as gross operating surplus divided by gross value added. Profits/gross operating surplus are the complement of wage costs that remunerate labour, plus net taxes on production that (partially) finance government services.



Profitability

Profitability refers to the degree to which an enterprise makes a financial gain from bringing goods and services to market after all expenses of doing so have been taken into consideration. Profitability may be defined as the proportion between revenues obtained from output and expenses associated with the consumption of inputs.

Public expenditure on education

Public expenditure on education generally refers to:

- direct expenditure on educational institutions: bearing directly the current and capital expenses of educational institutions;
- transfers to private households and firms: supporting students and their families with scholarships and public loans, as well as transferring public subsidies for educational activities to private firms or non-profit organisations.

Both types of transactions constitute total public expenditure on education.

Purchasing power parities (PPPs)

Purchasing power parities (PPPs) indicate how many currency units a given quantity of goods and services costs in different countries. Using PPPs to convert expenditure expressed in national currencies into an artificial common currency, the purchasing power standard (PPS), eliminates the effect of price level differences across countries created by fluctuations in currency exchange rates.

Purchasing power parities are obtained by comparing price levels for a basket of comparable goods and services that are selected to be representative of consumption patterns in the various countries. PPPs make it possible to produce meaningful indicators (based on either price or volume) required for cross-country comparisons, truly reflecting the differences in the purchasing power of, for example, households. Monetary exchange rates cannot be used to compare income or expenditure because they usually reflect more elements than just price differences, for example, the level of financial

transactions between currencies and expectations in the foreign exchange markets.

Purchasing power standard (PPS)

The **purchasing power standard**, abbreviated as **PPS**, is an artificial currency unit. Theoretically, one PPS can buy the same amount of goods and services in each country. However, price differences across borders mean that different amounts of national currency units are needed for the same goods and services depending on the country. PPS are derived by dividing any economic aggregate of a country in national currency by its respective purchasing power parities. PPS is the technical term used by Eurostat for the common currency in which national accounts aggregates are expressed when adjusted for price level differences using PPPs. Thus, PPPs can be interpreted as the exchange rate of the PPS against the euro.

R & D intensity

Research and development (R & D) intensity for a country is defined as R & D expenditure as a percentage of gross domestic product (GDP). For an enterprise, R & D intensity is the ratio of an enterprise's R & D expenditure to its revenue (the percentage of revenue that is spent on R & D). R & D is the main driver of innovation, and R & D expenditure and intensity are two of the key indicators used to monitor resources devoted to science and technology worldwide. Governments are increasingly referring to international benchmarks when defining their science policies and allocating resources.

The European Council set, as part of the Lisbon strategy, an overall target for R & D intensity of 3 % of GDP by the year 2010, with industry asked to contribute two thirds of this objective; this target has been extended and is included as part of the Europe 2020 strategy.

Railway

A **railway line** is a line of communication made up by rail exclusively for the use of railway vehicles. **Lines** are one or more adjacent running tracks



forming a route between two points. Where a section of network comprises two or more lines running alongside one another, there are as many lines as routes to which tracks are allotted exclusively. A **running track** is a track providing end-to-end line continuity designed for trains between stations or places indicated in tariffs as independent points of departure or arrival for the conveyance of passengers or goods. A **track** is a pair of rails over which rail borne vehicles can run.

Relative median at-risk-of-poverty gap

The **relative median at-risk-of-poverty gap** is calculated as the difference between the median equivalised disposable income of persons below the at-risk-of-poverty threshold and the at-risk-of-poverty threshold, expressed as a percentage of the at-risk-of-poverty threshold (cut-off point: 60 % of national median equivalised disposable income).

Relative median income ratio

The **relative median income ratio** is defined as the ratio of the median equivalised disposable income of persons aged 65 and over to the median equivalised disposable income of those aged below 65.

Renewable energy sources (RES)

Renewable energy sources (RES), also called **renewables**, are energy sources that replenish (or renew) themselves naturally, such as solar, wind, and tidal energy. Renewable energy sources include the following:

- **biomass and wastes**: organic, non-fossil material of biological origin, which may be used for heat production or electricity generation; comprises wood and wood waste, biogas, municipal solid waste and bio-fuels; includes the renewable part of industrial waste;
- **hydropower**: the electricity generated from the potential and kinetic energy of water in hydroelectric plants (the electricity generated in pumped storage plants is not included);
- **geothermal energy**: the energy available as heat from within the earth's crust, usually in the form of hot water or steam;

- **wind energy**: the kinetic energy of wind converted into electricity in wind turbines;
- **solar energy**: solar radiation exploited for solar heat (hot water) and electricity production.

Research and development (R & D)

Research and development, abbreviated as **R & D**, includes creative work carried out on a systematic basis in order to increase the stock of knowledge of man, culture and society, and the use of this knowledge to devise new applications.

Intramural research and development (R & D) expenditure is all the expenditure on R & D within a statistical unit or economic sector, whatever the source of funds. Also included is money spent outside the unit or sector but in support of intramural R & D (for example, purchase of supplies for R & D). Both current and capital expenditures are included.

Research and development (R & D) personnel and researchers

Research and development (R & D) personnel consists of all individuals employed directly in the field of R & D, including persons providing direct services, such as managers, administrators, and clerical staff.

R & D researchers can be employed in the public or the private sector – including academia – to create new knowledge, products, processes and methods, as well as to manage the projects concerned.

Researcher

A **researcher** is a professional engaged in the conception or creation of new knowledge, products, processes, methods and systems, as well as in the management of the projects concerned.

Reserve currency

A **reserve currency** is a foreign currency held by a government or central bank as part of a country's reserves. The United States dollar (USD) is the most



common global reserve currency, but the euro is increasingly widely used. **Foreign official reserves** form part of the financial assets which a country holds with respect to the rest of the world. The main parts are holdings of foreign exchange and gold.

Resident institutional unit

A **resident institutional unit** is an institutional unit that is resident because it has a centre of economic interest in the economic territory of a country (or a grouping like the European Union or the euro area).

The sectors of an economy are composed of two main types of institutional units:

- households and individuals who make up a household;
- legal and social entities, such as corporations and quasi-corporations (for example branches of foreign direct investors), non-profit institutions, and the government of that economy.

These institutional units must meet certain criteria to be considered resident units of the economy. Residence is a particularly important attribute of an institutional unit in the balance of payments because the identification of transactions between residents and non-residents underpins the system. Residence is also important in the European system of national and regional accounts (ESA95) because the residency status of producers determines the limits of domestic production and effects the measurements of gross domestic product (GDP) and many important flows. The concept of residence is based on a sectoral transactor's centre of economic interest. It is necessary to recognise the economic territory of a country as the relevant geographical area to which the concept of residence is applied. An institutional unit is a resident unit when it has a centre of economic interest in the economic territory of a country.

The institutional unit is an elementary economic decision-making centre characterised by similarity of behaviour and decision-making autonomy in the exercise of its main function. A resident unit is regarded as constituting an institutional unit if it has decision-making autonomy for its main function

and either keeps a complete set of accounts or it would be possible and meaningful, from both an economic and legal viewpoint, to make a complete set of accounts if they were needed.

Resource efficiency

Resource productivity measures the efficiency with which an economy uses energy and materials. It also shows the natural resource inputs needed to achieve a given economic output.

Risk-phrase

Risk-phrase, sometimes abbreviated as **R-phrase**, refers to the labelling, via a phrase or sentence, of dangerous substances according to the risks they present. Dangerous substances can be classified according to the type of risk and each category has a code with an associated risk-phrase, as well as a label with a standardised meaning in different languages. The list of risk-phrases for the European Union, which is also widely used outside Europe, was first published in Directive 67/548/EEC and later updated and consolidated in Annex III of Directive 59/2001 of 6 August 2001.

Road transport type

There may be different **types of transport**:

- **Transport for hire or reward**: the carriage for remuneration of persons or goods (on behalf of third parties).
- **Transport on own account**: transport which is not for hire or reward.

Roaming charge

A **roaming charge** refers to the cost of using mobile communications (typically with a mobile phone) to automatically make and receive voice calls, send and receive data, or access other services when travelling outside the geographical area of the user's home network by using a different network in the location they are visiting.



Roundwood production

Roundwood production (the term is also used as a synonym for **removals** in the context of forestry) comprises all quantities of wood removed from the forest and other wooded land, or other tree felling sites during a defined period of time.

Satellite account

Satellite accounts provide a framework linked to central (national or regional) accounts, allowing attention to be focused on a certain field or aspect of economic and social life; common examples are satellite accounts for the environment, or tourism, or unpaid household work.

Sawnwood

Sawnwood is wood that has been produced either by sawing lengthways or by a profile-chipping process and, with a few exceptions, is greater than 6 millimetres (mm) in thickness.

Seasonal adjustment

Seasonal adjustment (or the adjustment for seasonal changes) is a statistical method for removing the effects of recurring seasonal influences which have been observed in the past from an economic time series, thus showing non-seasonal trends more clearly.

The level and direction of the seasonal effects depend on several factors such as economic activity (for example the turnover of hotels typically increases during holidays, while the industrial production index develops more weakly during the summer). Seasonal effects vary between economies and countries (for example depending on which industries are particularly important in the economic structure) and between indicators.

Seasonal effects are one of the four main components that determine the development of economic indicators (apart from the general trend, cyclical effects and an irregular component) and seasonal adjustment is a central element of time series analysis.

Self-employed

A **self-employed** person is the sole or joint owner of an unincorporated enterprise (one that has not been incorporated in other words formed into a legal corporation) in which he/she works, **unless** they are also in paid employment which is their main activity (in that case, they are considered to be employees).

Self-employed persons also include:

- unpaid family workers;
- outworkers (who work outside the usual workplace, such as at home);
- workers engaged in production done entirely for their own final use or own capital formation, either individually or collectively.

Serious accident at work

A **serious accident at work** is an accident resulting in more than three days' absence of the employee involved. An accident at work is a discrete occurrence in the course of work that leads to physical or mental harm. This includes accidents outside the business premises, even if caused by a third party, and cases of acute poisoning. It excludes accidents to or from work, occurrences of a strictly medical nature, and occupational diseases.

Severe housing deprivation rate

The **severe housing deprivation rate** is defined as the percentage of population living in a dwelling which is considered as overcrowded, while also exhibiting at least one of the housing deprivation measures. Housing deprivation is a measure of poor amenities and is calculated by referring to those households with a leaking roof, no bath/shower and no indoor toilet, or a dwelling considered too dark.

Sewage sludge

Sewage sludge refers to the accumulated settled solids separated from various types of waste water, and which are either moist or partly liquefied as a result of natural or artificial processes.



Sheep

Sheep are domesticated animals of the species *Ovis aries* kept in flocks mainly for their wool or meat.

Sheep (of all ages) are divided into:

- Breeding females – which are female sheep (called **ewes**). These include: ewes that have lambed (been bred from); ewes and ewe lambs (kept) for breeding; cull ewes (unproductive ewes sent for slaughter).
- Other sheep – all sheep other than breeding females.

Short-term business statistics (STS)

Short-term business statistics, or simply **short-term statistics**, abbreviated as **STS**, are a set of indicators, usually with a monthly or quarterly frequency, used for closely tracking the business cycle of an economy (a single country, the European Union or the euro area). In order to be relevant, they have to reflect current developments with the shortest possible delays.

STS indicators are important tools for formulating and monitoring economic and monetary policies. They are in great demand by policymakers (national and regional governments), the European Commission, central banks (particularly the European Central Bank), private enterprises, professional organisations and financial markets.

The indicators covered by STS are, for example, the production index, turnover, new orders, hours worked, number of persons employed, gross wages and output prices. They are collected for the all major sectors of the non-financial business economy (industry, construction, trade and services).

Single market

The **single market**, sometimes also called the **internal market**, is one of the cornerstones of the European Union (EU). It refers to the free movement of people, goods, services and capital within the EU, the so-called 'four freedoms' laid down in the Treaty of Rome. This has been achieved by eliminating

barriers and simplifying existing rules so that everyone in the EU can benefit from direct access to 27 countries and more than 500 million people.

The enabling instrument for the single market was the Single European act, which came into force in July 1987. Among other things it called for:

- extending the powers of the Community in some policy areas (social policy, research, environment);
- gradually establishing the single market over a period up to the end of 1992, by means of a vast legislative programme involving the adoption of hundreds of directives and regulations; and
- making more frequent use of majority voting in the Council of Ministers.

EU policies in the areas of transport, competition, financial services and consumer protection underpin the single market.

Small and medium-sized enterprises (SMEs)

Small and medium-sized enterprises are enterprises employing fewer than 250 persons. According to European Commission Recommendation 2003/361/EC of 6 May 2003, enterprises are defined with regard to their number of employees, annual turnover, and their independence.

For statistical purposes, small and medium-sized enterprises may be further subdivided into:

- **micro enterprises** (fewer than 10 persons employed);
- **small enterprises** (10 to 49 persons employed);
- **medium-sized enterprises** (50 to 249 persons employed).

Large enterprises are defined as those with 250 or more persons employed.

Social benefits

Social benefits other than social transfers in kind are transfers made in cash to households to relieve them of the financial burden of certain risks or needs, for example, pensions, family and child allowances, and disabled persons' allowances.



Social benefits are paid out by social security funds, other government units, non-profit institutions serving households (NPISHs), employers administering unfunded social insurance schemes, insurance enterprises or other institutional units administering privately funded social insurance schemes.

Social contributions

Social contributions are paid on a compulsory or voluntary basis by employers, employees and self- and non-employed persons. There are two types of social contributions, actual and imputed, paid by the employer for the benefit of their employees:

Actual social contributions or actual payments consist of payments made by employers for the benefit of their employees to insurers (social security funds and private funded schemes). These payments cover statutory, conventional, contractual and voluntary contributions in respect of insurance against social risks or needs.

Employers' **imputed social contributions** represent the counterpart to unfunded social benefits paid directly by employers to their employees or former employees and other eligible persons without involving an insurance enterprise or autonomous pension fund, and without creating a special fund or segregated reserve for the purpose.

Social protection

Social protection can be defined as the coverage of precisely defined risks and needs associated with: sickness/healthcare and invalidism; disability; old age; parental responsibilities; the loss of a spouse or parent; unemployment; housing; social exclusion.

Social protection benefits

Social protection benefits are transfers to households, in cash or in kind, intended to relieve them of the financial burden of several risks and needs as defined in the European system of integrated social protection statistics (ESSPROS). These include disability, sickness/healthcare, old age, survivors,

family/children, unemployment, housing and social exclusion not covered elsewhere.

Social protection expenditure

Social protection expenditure is the outlay for social protection interventions. It consists mainly of:

- social benefits, or transfers in cash or in kind, to households and individuals with the aim to relieve them of the burden of a defined set of risks or needs;
- administration costs, or costs of managing or administering the social protection scheme; and
- other miscellaneous expenditure by social protection schemes (payment of property income and other).

Social security fund

A **social security fund** is a central, state or local institutional unit whose main activity is to provide social benefits. It fulfils the following two criteria:

- by law or regulation (except those about government employees), certain population groups must take part in the scheme and have to pay contributions;
- general government is responsible for the management of the institutional unit, for the payment or approval of the level of the contributions and of the benefits, independent of its role as a supervisory body or employer.

Social transfers

Social transfers cover the social help given by central, state or local institutional units. They include: old age (retirement) and survivors' (widows' and widowers') pensions; unemployment benefits; family-related benefits; sickness and invalidity benefits; education-related benefits; housing allowances; social assistance; other benefits.

Special-purpose entities (SPEs)

A special-purpose entity, abbreviated as SPE, and sometimes also called special-purpose vehicle (SPV) or financial vehicle corporation (FVC) is:

- a legal entity (an enterprise or sometimes a limited partnership or joint venture) formally registered



- with a national authority and subject to the fiscal and other legal obligations of the economy in which it is resident,
- established to perform specific functions limited in scope or time, with one or a few primary creditors,
- having no or few non-financial assets and employees, little or no production or operations and sometimes no physical presence beyond a 'brass plate' confirming its place of registration,
- related to another corporation, often as a subsidiary and often resident in a territory other than the territory of residence of the related corporation (lacking any physical dimension, the residence of a SPE is determined by the economic territory under whose laws it is incorporated or registered),
- with as its core business function group financing or holding activities (the channelling of funds from non-residents to other non-residents) and only a minor role for managing and directing.

Stability and growth pact (SGP)

The **stability and growth pact**, abbreviated as **SGP**, is a rule-based framework for the coordination of national fiscal policies under economic and monetary union and the creation of the euro area with its single currency, the euro. It was established to safeguard sound public finances, an important requirement for EMU to function properly. The SGP consists of a preventive and a dissuasive arm.

The SGP has to be seen against the background of Stage III of economic and monetary union, which began on 1 January 1999. Its aim is to ensure that the Member States continued their budgetary discipline efforts once the euro was introduced.

The pact stems from a European Council resolution (adopted in Amsterdam (NL) on 17 June 1997) and two Council regulations of 7 July 1997 laying down detailed technical arrangements, one on the surveillance of budgetary positions and coordination of economic policies and the other on implementing the excessive deficit procedure (EDP).

In the medium-term, the euro area Member States undertake to achieve a balanced or nearly balanced budget and to give the Council and the European Commission a stability programme every year. Along the same lines, Member States outside the euro area are required to submit a convergence programme.

The SGP opens the way for the Council to penalise any euro area Member State that fails to take appropriate measures to end an excessive deficit. Initially, the penalty takes the form of a non-interest bearing deposit with the European Union, but it could be converted into a fine if the excessive deficit is not corrected within two years.

Standard international trade classification (SITC)

The **standard international trade classification**, abbreviated as **SITC**, is a product classification of the United Nations used for external trade statistics (export and import values and volumes of goods), allowing for international comparisons of commodities and manufactured goods.

The groupings of SITC reflect: the production materials; the processing stage; market practices and uses of the products; the importance of the goods in world trade; technological changes.

The main categories are:

- *food, drinks and tobacco* (Sections 0 and 1 – including live animals);
- *raw materials* (Sections 2 and 4);
- energy products (Section 3);
- *chemicals* (Section 5);
- machinery and transport equipment (Section 7);
- other manufactured goods (Sections 6 and 8).

SITC Revision 4 was accepted by the United Nations Statistical Commission at its 37th session in 2006 and it is currently being implemented.

Standardised death rate (SDR)

The **standardised death rate**, abbreviated as **SDR**, is the death rate of a population adjusted to a standard age distribution. It is calculated as a weighted

average of the age-specific death rates of a given population; the weights are the age distribution of that population. As most causes of death vary significantly with people's age and sex, the use of standardised death rates improves comparability over time and between countries. The reason for this is that death rates can be measured independently of the age structure of populations in different times and countries (sex ratios are usually more stable).

Standardised death rates are calculated on the basis of a standard European population defined by the World Health Organization (WHO).

State government

State government is defined as the separate institutional units that exercise some government functions below those units at central government level and above those units at local government level, excluding the administration of social security funds.

Statistical classification of economic activities in the European Community (NACE)

The **statistical classification of economic activities in the European Community**, abbreviated as **NACE**, designates the classification of economic activities in the European Union. Various NACE versions have been developed since 1970.

NACE is a four-digit classification providing the framework for collecting and presenting a large range of statistical data according to economic activity in the fields of economic statistics (for example, production, employment and national accounts) and in other statistical domains developed within the European statistical system (ESS).

NACE Rev. 2, a revised classification, was adopted at the end of 2006 and its implementation began in 2007. The first reference year for NACE Rev. 2 compatible statistics is 2008, after which NACE Rev. 2 will be consistently applied to all relevant statistical domains.

Previous versions of NACE have been:

- **NACE (1970)**, the original version of NACE (succeeding and integrating the narrower clas-

sifications NICE for industry, NCE for trade and commerce, and other specific classifications for agriculture and for services);

- **NACE Rev. 1**, the first revision of NACE (1970);
- **NACE Rev. 1.1**, a minor revision of NACE Rev. 1.

Statistical classification of products by activity (CPA)

The **statistical classification of products by activity**, abbreviated as **CPA**, is a classification of products (goods as well as services) at the level of the European Union. Product classifications are designed to categorise products that have common characteristics. They provide the basis for collecting and calculating statistics on the production, distributive trade, consumption, foreign trade and transport of such products.

CPA product categories are related to activities as defined by the statistical classification of economic activities in the European Community. Each CPA product – whether a transportable or non-transportable good or a service – is assigned to one single NACE activity. This linkage to NACE activities gives the CPA a structure parallel to that of NACE at all levels.

The CPA is part of an integrated system of statistical classifications, developed mainly under the auspices of the United Nations Statistical Division. This system makes it possible to compare statistics across countries and in different statistical domains.

Structural business statistics (SBS)

Structural business statistics, sometimes abbreviated as **SBS**, describe the structure, activity, competitiveness and performance of economic activities within the business economy down to the detailed level of several hundred sectors.

In broad terms, SBS are compiled from information concerning units engaged in economic activity; the types of statistical units observed are mainly enterprises, although local units are often used for regional SBS, and some industrial SBS data relate to the kind-of-activity unit. These data are collected within the context of Council Regulation 58/97 on



structural business statistics. SBS cover the business economy, which includes industry, construction and services. Because of their specific nature and the limited availability of most types of standard business statistics, financial services are included in SBS but treated separately. SBS do not cover agriculture, forestry and fishing, nor public administration and (to a large extent) non-market services such as education and health.

Structural funds

The **structural funds** are funding instruments that allow the European Union (EU) to grant financial assistance to specific sectors, regions, or combinations of both, to address structural economic and social problems.

At present, there are four structural funds:

- The European Regional Development Funds (ERDF), whose main objective is to promote economic and social cohesion within the EU by addressing imbalances between regions or social groups.
- The European Social Fund (ESF), the main financial instrument allowing the EU to implement its employment policy.
- The European Agricultural Guidance and Guarantee Fund (EAGGF – Guidance Section), which contributes to the structural reform of the agriculture sector and to the development of rural areas.
- The Financial Instrument for Fisheries Guidance (FTGC), the specific fund for the structural reform of the fisheries sector.

Structural indicators (SI)

During the Lisbon European Council of March 2000, the heads of state of the European Union agreed to set a strategic goal for the next decade 'of becoming 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'.

Structural indicators (SI) were used to underpin the European Commission's analysis in an annual

progress report to the European Council on the implementation of the Lisbon strategy. In 2005, the European Commission presented a new approach to the Lisbon strategy, with a greater focus on growth and jobs. From 2010 a revised set of structural indicators has been used for monitoring the Europe 2020 strategy, the successor to the Lisbon strategy.

The list of structural indicators covers six broad domains: general economic background; employment; innovation and research; economic reform; social cohesion; environment.

Structure of earnings survey (SES)

The **structure of earnings survey**, abbreviated as **SES**, is conducted every four years in the Member States of the European Union (EU) and provides comparable information at EU level on relationships between the level of earnings, individual characteristics of employees (sex, age, occupation, length of service, educational level) and their employer (for example, the economic activity or size of the enterprise) for reference years 2002 and 2006 (next survey with reference year 2010).

The data collection is based on legislation and data become available approximately two years after the end of the reference period. In the SES gross annual earnings cover remuneration in cash and in kind paid during the reference year before any tax deductions and social security contributions payable by wage earners and retained by the employer. The main difference between annual and monthly earnings in the SES is that annual earnings are not only the sum of the direct remuneration, bonuses and allowances paid to an employee in each pay period. Annual earnings hence usually exceed the figure produced by multiplying the 'standard monthly package' by 12. The 'standard monthly package' includes those bonuses and allowances which occur in every pay period, even if the amount for these regular bonuses and allowances varies, but excludes bonuses and allowances not occurring in every pay period. Furthermore, monthly earnings leave payments in kind out of consideration. However, annual earnings also cover all non-standard payments, in other words payments not



occurring in each pay period, and payments in kind. The SES covers local units belonging to enterprises with at least ten employees and all economic activities defined in Sections C to K, and M to O, of the statistical classification of economic activities in the European Communities (NACE Rev. 1.1). The transmission of data covering small enterprises (below ten employees) and enterprises belonging to NACE Rev. 1.1 Section L is optional. For the survey with reference year 2010 the coverage in terms of activity and size class has changed.

The SES represents a rich microdata source for European policymaking and research purposes. Access to microdata is granted to researchers according to specific conditions and respecting statistical confidentiality.

Surface water

Fresh **surface water** flows over, or rests on the surface of a land mass, natural waterway (rivers, streams, brooks and lakes) or artificial waterway, including irrigation, industrial and navigation canals, drainage systems and artificial reservoirs.

Surface water abstraction

Surface water abstraction is the removal of water from natural or artificial waterways containing freshwater, including lakes, rivers, streams and canals.

Surplus

Surplus means in general that the sum or balance of positive and negative amounts is positive, or that the total of positives is larger than the total of negatives. A surplus can be used in different statistical areas:

- in balance of payments statistics, it refers to the balance of credit (positive) and debit (negative) transactions of a given economy with the rest of the world, organised in two different accounts: the current account; and the capital and financial account;
- in external trade statistics, it refers to the trade balance of imports (negative, as they have to be

paid for) and exports (positive, because they yield revenue), which may result in a trade surplus;

- in government finance statistics, it refers to the public balance between government revenue and expenditure.

Sustainable development

Sustainable development is economic growth and social progress which is sustainable in the future, not only for the present but also for coming generations. It combines economic development with protection of the environment and social justice.

Sustainable development indicators (SDIs)

Sustainable development indicators, abbreviated as **SDIs**, aim to measure sustainable development over longer periods of time. Indicators are grouped into ten subject categories: socioeconomic development; sustainable consumption and production; social inclusion; demographic changes; public health; climate change and energy; sustainable transport; natural resources; global partnership; good governance.

System of health accounts (SHA)

The **system of health accounts**, abbreviated as **SHA**, provides for health accounting in the European Union Member States, an economic framework, and accounting rules which are methodologically compatible with the system of national accounts.

The SHA provides a standard framework for producing a set of comprehensive, consistent and internationally comparable accounts to meet the needs of public and private sector health analysts and policymakers. At present, national health accounts are at different stages of development and may not only differ in the boundaries drawn between health and other social and economic activities but also in the classifications used, the level of detail provided, and in the accounting rules. The SHA provides a framework for a family of interrelated tables for standard reporting for expenditure (spending) on health and for its financing. It has been written with



the dual aim of providing this framework for international data collections and as a possible model for redesigning and complementing national health accounts to aid policymakers.

The demand for improved health accounts is driven by an increasing complexity of healthcare systems in many countries and the rapid development in medical technology. Policymakers and observers of healthcare systems and recent reforms have questioned the adequacy of accounting practices and the ability of health accounts to monitor fast-changing healthcare systems that are becoming increasingly complex. Raising consumers' expectations of healthcare contributes to the demand for up-to-date information on healthcare systems.

Tax rate: unemployment trap

The **unemployment trap** measures the percentage of gross earnings lost to taxes when a person becomes employed. This occurs through the loss of unemployment benefits combined with higher tax and social security contributions.

Tax revenue

Total **tax revenue** is the income a government generates through the taxation of the people. It includes taxes on production and imports, current tax on income and wealth, capital gains tax, and social contributions. Total tax revenue is an aggregate comprising:

- **taxes on production and imports**, such as value added tax (VAT), import duties, excise duties and consumption taxes, stamp taxes, payroll taxes, taxes on pollution, and others;
- **current taxes on income, wealth, etc.**, such as corporate and personal income taxes, taxes on holding gains, payments by households for licences to own or use cars, hunt or fish, current taxes on capital that are paid periodically, and others;
- **capital taxes**, such as inheritance taxes, death duties and taxes on gifts and capital levies that are occasional or exceptional;
- **actual social contributions** paid on a compulsory or voluntary basis by employers or employees

or the self- or non-employed to insure against social risks (sickness, invalidity, disability, old age, survivors, family and maternity);

- **imputed or implicit social contributions** payable under unfunded social insurance schemes (in which employers pay social benefits to their employees, ex-employees or their dependants out of their own resources without creating a special reserve for the purpose).

The calculation of total tax revenue must be reduced by the amount of **taxes and social contributions assessed as unlikely to be collected**.

Tax wedge

The **tax wedge** is the difference between the employer's labour costs and the employee's net take-home pay, including any cash benefits from government welfare programmes.

Taxes on production and imports

Taxes on production and imports are compulsory, unrequited (not made for a consideration) payments, in cash or in kind, levied (charged) generally by a government or a European Union institution.

The payments are called unrequited because the government or institution provides nothing directly in return for the payment. The taxes are paid on the production and import of goods and services; the employment of labour; the ownership or use of land, buildings or other assets used in production.

Time series

A **time series** is a sequence of data which shows the value of a variable over time. Normally such data are collected on a regular periodic basis.

Tonnes of oil equivalent (toe)

Tonne(s) of oil equivalent, abbreviated as **toe**, is a normalised unit of energy. By convention it is equivalent to the approximate amount of energy that can be extracted from one tonne of crude oil. It is a standardised unit, assigned a net calorific value



of 41 868 kilojoules/kg and may be used to compare the energy derived from different sources.

Other energy carriers can be converted into tonnes of oil equivalent using the following conversion factors:

- 1 tonne (t) diesel = 1.01 toe
- 1 cubic metre (m³) diesel = 0.98 toe
- 1 t petrol = 1.05 toe
- 1 m³ petrol = 0.86 toe
- 1 t biodiesel = 0.86 toe
- 1 m³ biodiesel = 0.78 toe
- 1 t bioethanol = 0.64 toe
- 1 m³ bioethanol = 0.51 toe

Total age dependency ratio

The **total age-dependency ratio** is a measure of the age structure of the population. It relates the number of individuals who are likely to be 'dependent' on the support of others for their daily living – the young and the elderly – to the number of those individuals who are capable of providing this support.

The total age-dependency ratio is the ratio of the sum of the number of young and the number of elderly people at an age when both groups are generally economically inactive, (in other words under 15 years of age and aged 65 and over), compared with the number of people of working age (in other words 15-64 years old). It is the sum of the two ratios, the young age-dependency ratio and the old age-dependency ratio.

Total general government expenditure

Total general government expenditure is all the money that a government spends.

Total general government expenditure is defined according to Commission Regulation (EC) No 1500/2000 of 10 July 2000 on general government expenditure and revenue. It comprises the following categories of the European system of accounts 1995 (ESA95): intermediate consumption; gross capital formation; compensation of employees; other taxes on production; subsidies payable; property income;

current taxes on income, wealth, etc.; social benefits other than social transfers in kind; social transfers in kind related to expenditure on products supplied to households via market producers; other current transfers; adjustments for the change in net equity of households in pension fund reserves; capital transfers payable; acquisitions less disposals of non-financial non-produced assets.

Tourism

Tourism refers to the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

Tourism intensity

Tourism intensity, also called **carrying capacity**, is the ratio of nights spent in hotels and similar establishments relative to the total permanent resident population of an area.

Trade balance

The **trade balance** is the difference between the value of the goods that a country (or another geographic or economic area such as the European Union or the euro area) exports and the value of the goods that it imports. If exports exceed imports then the country has a **trade surplus** and the trade balance is said to be positive. If imports exceed exports, the country or area has a **trade deficit** and its trade balance is said to be negative. However, the words 'positive' and 'negative' have only a numerical meaning and do not necessarily reflect whether the economy of a country or area is performing well or not. A trade deficit may, for instance, reflect an increase in domestic demand for goods destined for consumption and/or production. The total trade balance, including all goods exported and imported, is one of the major components of the balance of payments. A big surplus or deficit for a single product or product category can show a particular national competitive advantage or disadvantage in the world market for goods.



Trans-European networks (TENs)

The function of **trans-European networks**, abbreviated as **TENs**, is to create a modern and effective infrastructure for transport, energy and telecommunications that link European countries and regions. In the European Union they are essential to the proper operation of the single market, since they ensure free movement of goods, people and services. TENs exist in three sectors of activity.

- **Trans-European transport networks (TEN-T)** cover road and intermodal transport, waterways and seaports, and the European high-speed railway network. Intelligent transport management systems also fall into this category, as does Galileo, Europe's satellite radio navigation system.
- **Trans-European energy networks (TEN-E)** cover the electricity and natural gas sectors. They help to create a single energy market and contribute to the security of energy supply.
- **Trans-European telecommunications networks (eTEN)** have as their aim the deployment of telecommunication network-based services.

The construction of trans-European networks is also an important element for economic growth and the creation of employment.

Transport mode

A **transport mode** is the method of transport used for the carriage of goods and passengers.

Transport modes for *both passengers and goods* may include: rail; maritime (sea); road; inland waterways; air.

Transport modes for *goods only* include: pipelines.

Passenger road and rail transport include for example passenger cars, powered two wheelers (moped and motor cycles), buses, coaches, trolley-buses, trams (also known as street cars), light railways and metros (also known as subway, metropolitan railway, underground).

The **modal split** of transport describes the relative share of each mode of transport, for example by road, rail or sea. It is based on passenger-kilometres

(p-km) for passenger transport and tonne-kilometres (t-km) for freight or goods transport. The modal split is usually defined for a specific geographic area and/or time period.

In practice, an analysis of the modal split may exclude certain modes of transport. For example, the analysis may be limited to inland transport and therefore exclude sea transport.

Treaties of Rome

The **Treaties of Rome** are two treaties signed in Rome on 25 March 1957 which came into force on 1 January 1958:

- the Treaty establishing the European Economic Community, also referred to as the EEC Treaty, established the European Economic Community (EEC);
- the Treaty establishing the European Atomic Energy Community, also referred to as the Euratom Treaty, established the European Atomic Energy Community (EAEC or Euratom).

Both were signed by the six founding Member States: Belgium, France, Italy, Luxembourg, the Netherlands and West Germany. The EEC Treaty is the legal basis for the European Union.

The EEC Treaty has been amended and renamed on several occasions, the most important of which were:

- the 1993 Treaty of Maastricht on European Union renaming the Treaty establishing the European Economic Community (EEC Treaty) to the **Treaty establishing the European Community or EC Treaty**;
- the Treaty of Lisbon, entered into force on 1 December 2009, replacing the EC Treaty with the **Treaty on the Functioning of the European Union (TFEU)**.

Treaty on European Union

The **Treaty on European Union**, abbreviated as **TEU** and also called the **Treaty of Maastricht**, was signed in Maastricht on 7 February 1992 and entered into force on 1 November 1993. It represented a new stage in European integration since it



opened the way to political integration, by creating a European Union (EU) consisting of three pillars:

- the European Communities;
- Common Foreign and Security Policy (CFSP);
- police and judicial cooperation in criminal matters (JHA).

The Treaty introduced the concept of European citizenship, reinforced the powers of the European Parliament and launched economic and monetary union. Besides, the Treaty also resulted in the EEC becoming the European Community (EC).

Amendments were made to the Treaty of Maastricht by:

- the **Treaty of Amsterdam** (1997), which increased the powers of the EU by creating a Community employment policy, transferring to the Communities some of the areas which were previously subject to intergovernmental cooperation in the fields of justice and home affairs, introducing measures aimed at bringing the EU closer to its citizens and enabling closer cooperation between certain Member States (enhanced cooperation). It also extended the codecision procedure and qualified majority voting and simplified and renumbered the articles of the Treaties;
- the **Treaty of Nice** (2001) essentially dealt with the institutional problems linked to enlargement which were not resolved in the Treaty of Amsterdam: the make-up of the European Commission, the weighting of votes in the Council and the extension of the areas of qualified majority voting; it also simplified rules on the use of the enhanced cooperation procedure and made the judicial system more effective.
- the **Treaty of Lisbon** (2007), which gave legal personality to the EU, abolished pillar system, increased the power of the European Parliament and involvement of national parliaments in the legislative process of the EU, further extended areas of qualified majority voting (to be changed in 2014 into double majority voting), introduced the functions of a President of the European Council and a High Representative of the EU for Foreign Affairs and Security Policy, included the Char-

ter of Fundamental Rights of the EU into legally binding acts, introduced the European citizens' initiative and the ability of a state to voluntarily withdraw from the EU.

Trend

A **trend** is the slow variation over a relatively long period of time, usually several years, generally associated with the structural causes affecting the phenomenon being measured. It is the variation left after time series analysis has removed accidental (irregular or random), working-day and seasonal variation from a time series.

In some cases, the trend shows a steady growth, decrease or stability; in others, it may fluctuate moving downwards and upwards. The cycle is a quasi (almost but not quite) periodic oscillation. It is characterised by alternating periods of higher and lower rates of change, possibly, but not always, involving expansion and contraction. In most cases, the trend is related to fluctuations in overall economic activity.

Generally, if the irregular part of the time series is relatively important, the trend cycle series is a better series for the analysis of longer-term past developments. However, this advantage is less clear when analysing recent developments. This is because trend-cycle values for recent periods may undergo greater revisions (changes) than seasonally adjusted values. Hence, the latter may be more suitable for the analysis of recent developments; this is particularly true around turning points. Trend-cycle series may, however, converge to stable results more quickly than seasonally adjusted series.

Triad

The **Triad** refers to the three centres dominating the world economy until the late 1990's: the United States (US), the European Union (EU) and Japan (JP); or, somewhat more broadly, North America, (Western) Europe and Japan.



Turnover – structural business statistics

Turnover, in the context of structural business statistics, comprises the totals invoiced by the observation unit during the reference period, and this corresponds to the total value of market sales of goods and services to third parties.

Unemployment

An **unemployed** person is defined by Eurostat, according to the guidelines of the International Labour Organization, as:

- someone aged 15-74 (in Italy, Spain, the United Kingdom, Iceland, Norway: 16-74);
- without work during the reference week;
- available to start work within the next two weeks (or has already found a job to start within the next three months);
- actively having sought employment at some time during the last four weeks.

The **unemployment rate** is the number of unemployed persons as a percentage of the labour force.

United Nations (UN)

The **United Nations**, abbreviated as the **UN**, was established on 24 October 1945 by 51 countries committed to preserving peace through international cooperation and collective security. Today, there are 193 Member States, almost every country in the world.

United Nations Economic Commission for Europe (UNECE)

The **United Nations Economic Commission for Europe**, abbreviated as **UNECE**, is one of five regional commissions of the United Nations. UNECE was set up in 1947 to promote pan-European economic integration. To do so, it groups 56 countries located in the European Union (EU), non-EU western and eastern Europe, south-eastern Europe, as well as the Commonwealth of Independent States (CIS) and North America.

United Nations Educational, Scientific and Cultural Organization (UNESCO)

The **United Nations Educational, Scientific and Cultural Organization**, abbreviated as **UNESCO**, is a specialised United Nations agency. Its mission is to promote international cooperation among its Member States and Associate Members in the fields of education, science, culture and communication. UNESCO was founded on 16 November 1945, and has 193 Member States (as of April 2012).

Universal service

Universal service refers to the practice or legal obligation of providing a baseline level of service to every resident of a country. It is mostly used in the context of regulated activities, considered by authorities as providing vital services (for example postal services, telecommunications or public transport).

Universal service providers (USP)

A **universal service provider**, abbreviated as **USP**, is defined in postal statistics as a public or private entity providing a universal service or parts thereof within a country, not specifying whether required by license, authorisation or another legal instrument.

Urban wastewater treatment

Urban wastewater treatment is all treatment of wastewater in urban wastewater treatment plants, which are usually operated by public authorities or by private companies working by order of public authorities.

Value added tax (VAT)

The **value added tax**, abbreviated as **VAT**, in the European Union (EU) is a general, broadly based consumption tax assessed on the value added to goods and services. It applies more or less to all goods and services bought and sold for use or consumption in the EU; goods sold for export or services sold to



customers abroad are normally not subject to value added tax. VAT is charged as a percentage of the price, meaning that the actual tax burden is visible at each stage in the production and distribution chain.

EU Directive 2006/112/EC, in effect since 1 January 2007, is the main piece of EU legislation relating to VAT. It guarantees that the VAT contributed by each Member State to the Community's own resources can be calculated, while allowing Member States many possible exceptions and derogations from standard VAT coverage. Rates vary between 15 % and 25 % in most Member States. There are also several temporary derogations, for example zero VAT rates for some products in Belgium, Denmark, Ireland, Italy, Malta, Finland, Sweden and the United Kingdom.

Vegetable

For Eurostat purposes **vegetables** include: brassicas (for example cabbage, cauliflower and broccoli); other leafy or stalked vegetables (for example celery, leeks, lettuce, spinach and asparagus); vegetables cultivated for fruit (for example tomatoes, cucumbers, gherkins, melons, aubergine (eggplant), pumpkins and red pepper); root and tuber vegetables (for example turnips, carrots, onions, garlic, beetroot and radishes); pulses (for example peas and beans); cultivated mushrooms; wild products; and other fresh vegetables.

Vocational education and training (VET)

Vocational education and training, abbreviated as **VET**, sometimes simply called **vocational training**, is the training in skills and teaching of knowledge related to a specific trade, occupation or vocation in which the student or employee wishes to participate. Vocational education may be undertaken at an educational institution, as part of secondary or tertiary education, or may be part of initial training during employment, for example as an apprentice, or as a combination of formal education and workplace learning.

Wage-adjusted labour productivity ratio

The **wage-adjusted labour productivity ratio** is an indicator of labour productivity that is derived from structural business statistics. It is defined as value added divided by personnel costs which is subsequently adjusted by the share of paid employees in the total number of persons employed; more simply it is apparent labour productivity divided by average personnel costs expressed as a ratio in percentage terms. Given that this indicator is based on expenditure for labour input rather than a headcount of labour input, it is more relevant for comparisons across activities (or countries) with very different incidences of part-time employment or self-employment.

Waste

Waste means any substance or object which the holder disposes of or is required to dispose of pursuant to the provisions of national law in force.

Disposal of waste means:

- the collection, sorting, transport and treatment of waste as well as its storage and tipping above or under ground;
- the transformation operations necessary for its re-use, recovery or recycling.

Wastewater

Wastewater is water that is of no further immediate value to the purpose for which it was used or in the pursuit of which it was produced because of its quality, quantity or time of occurrence. However, wastewater from one user can be a potential supply to another user elsewhere.

Water abstraction

Water abstraction is the process of taking water from a source. For European Union statistical purposes, it is the groundwater and surface water collected for use by households and enterprises.



Water use

Water use refers to water actually used by end users (for example households, services, agriculture, industry) within a territory for a specific purpose such as domestic use, irrigation or industrial processing.

Water supply, in contrast, is the delivery of water to end users including abstraction for own final use.

Weight

A **weight** in statistical terms is defined as a coefficient assigned to a number in a computation, for example when determining an average, to make the number's effect on the computation reflect its importance.

An illustration of weights and weighting is the calculation of the harmonised index of consumer prices (HICP) performed by Eurostat. The HICP is composed of prices for a selection (referred to as a basket) of items regularly purchased by consumers. However, some items are purchased more frequently than others, while the unit value of items also varies greatly. To account for these issues, the various items in the basket are assigned a weight to reflect the total consumer expenditure on these items.

Working-day adjustment

Working-day adjustment is a statistical method for removing the calendar effect from an economic time series. The **calendar effect** is the variation caused by the changing number of working days in different months or other time periods (quarters, years). Working-day adjustment is mainly used in the calculation of short-term statistics (STS), for converting gross figures or indices into their working-day adjusted equivalent. In order to adjust a figure or an index, the calendar nature of a given month is taken into account and calendar effects are removed, whatever their nature. The number of working days for a given month may depend on:

- the timing of certain public holidays (Easter can fall in March or in April, depending on the year);

- the possible overlap of certain public holidays and non-working days (1 May can fall on a Sunday);
- the occurrence of a leap year.

World Health Organization (WHO)

The **World Health Organization**, or **WHO**, is a specialised agency of the United Nations (UN) that acts as a coordinating body on public health issues. Headquartered in Geneva (CH), the WHO's main task is to fight disease, especially key infectious diseases, and provide leadership on global health matters.

World Trade Organisation (WTO)

The **World Trade Organisation**, abbreviated as **WTO**, is an international organisation with a membership covering 153 countries (as of July 2008). The WTO also has several candidate members in the process of joining.

The WTO is the only global international organisation dealing with the rules of trade between nations. The WTO sets the global rules for trade, providing a forum for trade negotiations and for settling disputes between WTO members.

Youth unemployment

Youth unemployment includes all the youth (in other words persons between the ages of 15 and 24, inclusive) who are unemployed.

Youth unemployment rate is the percentage of the unemployed in the age group 15-24 years old compared with the total labour force (both employed and unemployed) in that age group. However, it should be remembered that a large share of persons between these ages are outside the labour market (since many youths are studying full-time and thus are not available for work), which explains why youth unemployment rates are generally higher than overall unemployment rates, or those of other age groups.