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Pocketbook on Candidate and Potential Candidate countries

2007 edition



EUROPEAN COMMISSION

**Pocketbook on Candidate
and Potential
Candidate countries**

2007 edition

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'Pocketbook on Candidate and Potential Candidate countries'

This publication has been produced by Unit E4 of Eurostat, responsible for statistical co-operation with European and Mediterranean countries.

The opinions expressed are those of the individual authors alone and do not necessarily reflect the position of the European Commission.

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It would not have been possible to make this publication without the considerable amount of co-operation and goodwill received from a large number of persons working in the National Statistical Institutes of the Candidate and Potential Candidate countries.

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** IMPORTANT NOTE: Kosovo is under international administration in line with United Nations Security Council Resolution (UNSCR) 1244 of 10 June 1999; XK is an unofficial code (which does not prejudice in any way the definitive nomenclature).*

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Introduction

On 1 January 2007, the European Union admitted two new Member States, Bulgaria and Romania. This expansion followed a wider enlargement on 1 May 2004, which saw the EU increase from 15 to 25 Members. Currently, three countries, Croatia, the former Yugoslav Republic of Macedonia and Turkey are formal Candidate countries, with negotiations on EU membership for Croatia and Turkey opening on 3 October 2005. A number of other countries in the region are considered potential candidate countries.

This publication presents, for the period before the latest enlargement, a range of statistics for candidate and potential candidate countries together with data for the new Member States and for the EU-25.

The enlargement process

In order to join the European Union, Candidate countries need to fulfil a range of economic and political conditions that are known as the 'Copenhagen criteria'. Prospective Member States should be stable democracies, respect human rights, the rule of law, and the protection of minorities, have a functioning market economy, as well as adopting the common rules, standards and policies that make up the body of EU law (often referred to as the 'acquis communautaire') and to have the administrative capacity to implement this acquis. The European Union assists Candidate countries in adapting their economic and political conditions to meet EU laws, and provides a range of financial assistance to improve infrastructure and economic and political systems and to build sustainable institutional capacities.

The Stabilisation and Association process (SAP) is the EU's policy framework for the Potential Candidate countries: namely Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo (as defined by the United Nations Security Council Resolution 1244). Croatia and the former Yugoslav Republic of Macedonia, which are Candidate countries, remain part of this process, while also benefiting from pre-accession assistance.

Financial assistance

The EU provides specific targeted financial assistance for Candidate and Potential Candidate countries in order to support their efforts to enhance political, economic and institutional reforms.

The new Instrument for Pre-Accession Assistance (IPA) came into force on 1 January 2007, bringing all pre-accession support into one single instrument. IPA replaces the 2000-2006 pre-accession financial instruments PHARE (which principally involved institution building measures, as well as funding for economic and social cohesion measures), ISPA (dealing with large-scale environmental projects and transport infrastructure investment), SAPARD (supporting agricultural and rural development) and the financial instrument for the Western Balkans CARDS (Community Assistance for Reconstruction, Development and Stabilisation).

IPA covers the countries with candidate status (Croatia, the former Yugoslav Republic of Macedonia and Turkey) and potential candidate status (Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244).

Monitoring and assessment

In order to assess the progress being made by the Candidate and Potential Candidate countries in terms of political and economic developments, the European Commission submits regular reports on progress made. For the Candidate countries these follow an annual frequency, with the reports being submitted to the Council. The country specific reports detail the progress made by each country with respect to the criteria for membership of the European Union, and also provide details relating to areas where further follow-up and change may be required before the criteria for accession are met. As with the Candidate countries, the Commission also produces annual SAP reports for the Potential Candidate countries, which are used to measure progress and readiness to move closer to the European Union.

Eurostat's role

Eurostat, the Statistical Office of the European Communities, follows the progress being made by the Candidate and Potential Candidate countries within the area of official statistics. Eurostat supports National Statistical Institutes (NSIs) in their efforts to align their data with European and international standards, by providing assistance to develop statistical systems. The co-operation activities of Eurostat are divided according to geographical regions. Eurostat Unit E4 deals with statistical co-operation with European and Mediterranean countries. Part of the work involves the collection of data, and this forms the basis for the information included within this publication.

Background to the project

As part of the co-operation with NSIs from the Candidate and Potential Candidate countries, Eurostat Unit E4 launched in the spring of 2005 a regular data collection exercise. The project initially drew up a list of approximately 300 indicators, covering a broad spectrum of statistics. Requests for data were sent in May 2005 and the first data collection exercise was completed in July 2005, when the information received was published on the Eurostat website ⁽¹⁾. Eurostat continued collecting data and updating the website in 2006, and will continue to do so in 2007. Note that all of the information presented is provided by the NSIs. External trade statistics are not collected as part of this project but are collected separately by Eurostat's external trade statistics unit (Unit G3). Once the data sets for each country have been validated, the information is transformed so that it may be published on Eurostat's website and in this way made available to external users.

(1) Available at: <http://epp.eurostat.ec.europa.eu>

Guide to the statistics

Data sources

EU-25 data that are presented for the purpose of comparison has been processed and calculated by Eurostat on the basis of information provided by the NSIs of the 25 Member States as of 1st of May 2004 with or without estimates (for the EU-27 aggregates with newly acceding countries Bulgaria and Romania, please refer to the latest Eurostat's publications). The information was extracted from Eurostat's free dissemination database. For Bulgaria, Romania and all Candidate and Potential Candidate countries, the vast majority of the data were provided by the NSIs. In the event that the data for a particular indicator were not provided to Eurostat by the NSIs, the source of the information is footnoted under each table or graph. The only statistical theme where the data were processed directly by Eurostat was that of external trade (except for Serbia). For Bulgaria, Romania, Croatia, the former Yugoslav Republic of Macedonia and Turkey, external trade data were extracted from the 'Enlargement' domain of Eurostat's external trade database, COMEXT. For Albania and Bosnia and Herzegovina the data were taken from the COMTRADE domain (source: United Nations) of COMEXT. For Montenegro the data were taken from the Statistical Yearbook 2005, whereas for Serbia the data provided by the NSI were used. The data for Kosovo/UNSCR 1244 were taken from the 'Western Balkan' domain of COMEXT.

Timeliness

The data used in this publication were collected from the Candidate and Potential Candidate countries during August 2006 and formed part of the second round of data collection exercise of 2006. The database was finalised in December 2006. The majority of indicators are available up until reference year 2004 or 2005 (depending upon the statistical theme and territory). External trade statistics for the EU-25, the Candidate and Potential Candidate countries were processed in October 2006 and are generally available up to reference year 2005. The EU-25 totals that are provided for the purpose of comparison were extracted from Eurostat's free dissemination database during the period September 2006 – January 2007. As with the data for the Candidate and Potential Candidate countries, the information presented is generally available up until reference years 2004 or 2005 (depending upon the indicator in question).

Publication format

The data presented are structured according to a number of statistical themes, following quite closely the structure of the data questionnaire that was sent to each of the NSIs. Each theme is identified by a chapter number. The standard structure of the publication is to arrange information for a particular subject on a set of facing pages. Usually this takes the form of a large table or graph on the first page, followed by a short text and a small table or graph on the second page. Where possible, related indicators were selected for each set of facing pages. The supporting text is intended to guide the reader in the use of the data (either by providing definitions of the indicators presented, or by drawing attention to peculiarities that should be considered when interpreting the data). More detailed methodological notes are provided at the end of the publication.

Exchange rates

For some indicators monetary values were requested from the Candidate and Potential Candidate countries in terms of national currency denominations. However, for the majority of the monetary indicators data were requested in euro (EUR) terms. For a limited number of cases, the information provided was sent in an alternative denomination (usually in national currency or in US dollars). In these cases, Eurostat transformed the series using official exchange rates (annual averages for the reference year in question) so that data for all indicators foreseen in euro terms are denominated in the same currency. Technically data that are presented in euro terms prior to 1999 should be denominated in ECU. However, as the conversion rate was ECU 1 = EUR 1, for practical purposes the terms may be used interchangeably and this publication denotes all such monetary series in euro (EUR). While the conversion to a common currency unit facilitates comparisons of data between countries, fluctuations in currency markets are partially responsible for movements identified when looking at the evolution of a series for an indicator that is denominated in euro. A table is provided with information on the annual average exchange rates between the euro and the currencies of the Candidate and Potential Candidate countries (please refer to Chapter 6 – Table 6.7).

Geographical coverage

The data presented for the EU-25 covers all 25 Member States throughout the period considered in each table and graph regardless of whether there were 15 or 25 members in the reference year concerned (in other words, the data have been back-calculated with a stable coverage). Information for Germany is presented on a post-unification basis throughout the period considered.

Non-availability

The colon (:) is used in tables to represent data that are not available, either because they were not provided to Eurostat or because they were confidential. In the graphs (figures), missing information is footnoted.

Abbreviations and units

CO ₂	Carbon dioxide
COICOP	Classification of individual consumption according to purpose
CPI	Consumer price index
ECU	European currency unit
ESA95	European system of accounts (1995)
FAO	Food and Agriculture Organization
FDI	Foreign direct investment
GDP	Gross domestic product
GHG	Greenhouse gases
GWh	Gigawatt hour(s) = 1 000 MWh (megawatt hour(s)) = 10 ⁶ kWh (a kilowatt hour is a unit of energy equivalent to one kilowatt of power expended for one hour of time)
Heads	Unit of measure for counting the number of animals
hectare	Unit of area equal to 100 ares or 10 000 square metres
HICP	Harmonised Consumer Price Index
IMF	International Monetary Fund
IPI	Industrial production index
ISCED	International standard classification of education (UN classification)
kg	Kilogram (1 000 grams), a unit of mass
km	Kilometre (1 000 metres), a unit of distance
km [≈]	Square kilometre, a unit of area
LFS	Labour force survey
M1	Narrowest category of the money supply, includes physical money (coins & currency); used as a measurement to quantify the amount of money in circulation
M2	A broader measure of money supply that includes M1, time-related deposits, savings deposits, and noninstitutional money-market funds
NACE	Statistical classification of economic activities in the European Community
n.e.c.	Not elsewhere classified
NPISH	Non-profit institutions serving households
OECD	Organisation for Economic Co-operation and Development
PPI	Producer price index (output price index)
SDR	Special drawing rights
SITC	Standard international trade classification
tonne	1 tonne = 1 000 kg
TOE	Tonne of oil equivalent = 42 GJ (net calorific value)
	Tonne-km Unit of measure of goods transported which represents the transport of one tonne over one kilometre
	Tonne-km/GDP See above for definition of tonne-km; this indicator adjusts tonne-km by GDP and provides a measure of transport intensity
UAA	Utilised agricultural area

Countries

EU-25	25 Member States of the European Union
BG	Bulgaria
RO	Romania
HR	Croatia
MK ⁽²⁾	the former Yugoslav Republic of Macedonia
TR	Turkey
AL	Albania
BA	Bosnia and Herzegovina
RS	Serbia
ME	Montenegro
XK ⁽³⁾	Kosovo/UNSCR 1244

Currency

EUR	Euro
BGN	New Bulgarian lev
RON	New Romanian leu
HRK	Croatian kuna
MKD	Denar (the former Yugoslav Republic of Macedonia)
TRY	New Turkish lira
ALL	Albanian lek
BAM	Convertible mark (Bosnia and Herzegovina)
CSD	Serbian dinar (Republic of Serbia)

Symbols

%	percentage
:	not available
~	not applicable

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

(3) IMPORTANT NOTE: Kosovo is under international administration in line with *United Nations Security Council Resolution (UNSCR) 1244* of 10 June 1999; XK is an unofficial code (which does not prejudice in any way the definitive nomenclature).

Chapter 1 - Demography

1

Table 1.1: Population and population density

	Total population (thousands)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	445 872	446 817	447 710	450 115	450 903	452 064	453 098	454 725	456 783	458 973	461 479
Bulgaria ⁽²⁾	8 427	8 385	8 341	8 283	8 230	8 191	8 149	7 891	7 846	7 801	7 761
Romania ⁽²⁾	22 684	22 619	22 554	22 507	22 472	22 443	22 132	21 803	21 742	21 685	21 634
Croatia ⁽³⁾	4 669	4 494	4 572	4 501	4 554	4 427	4 440	4 444	4 442	4 439	4 444
The former Yugoslav Republic of Macedonia ⁽⁴⁾	1 957	1 975	1 991	2 002	2 013	2 022	2 031	2 039	2 024	2 030	2 035
Turkey ⁽⁵⁾	61 763	62 909	64 064	65 215	66 350	67 420	68 365	69 302	70 231	71 152	72 065
Albania ⁽⁶⁾	3 037	3 063	3 088	3 062	3 049	3 059	3 063	3 084	3 103	3 120	3 135
Bosnia and Herzegovina ⁽⁷⁾	:	3 645	3 738	3 653	3 725	3 781	3 798	3 828	3 832	3 842	3 843
Montenegro ⁽⁸⁾	635	640	643	647	651	654	658	618	619	621	623
Serbia ⁽²⁾	7 628	7 622	7 599	7 568	7 540	7 517	7 504	7 500	7 481	7 463	:
Kosovo/UNSCR 1244 ⁽⁷⁾	2 113	2 151	2 186	2 225	2 264	2 304	2 345	2 387	2 429	2 473	:
	Population density (inhabitants per km ²)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽⁹⁾	112.4	112.6	113.0	113.4	113.6	113.9	114.2	114.7	115.2	115.8	:
Bulgaria	76.0	76.0	75.0	75.0	74.0	74.0	73.0	71.0	71.0	70.0	70.0
Romania	95.0	95.0	95.0	94.0	94.0	94.0	94.0	92.0	91.0	91.0	91.0
Croatia	83.0	80.0	81.0	80.0	81.0	78.0	79.0	79.0	79.0	79.0	79.0
The former Yugoslav Republic of Macedonia	76.0	77.0	77.0	78.0	78.0	79.0	79.0	79.0	79.0	79.0	79.0
Turkey ⁽¹⁰⁾	80.0	82.0	83.0	85.0	86.0	88.0	89.0	90.0	91.0	92.0	94.0
Albania ⁽¹¹⁾	106.0	107.0	107.0	106.0	106.0	106.0	107.0	107.0	108.0	109.0	109.0
Bosnia and Herzegovina ⁽⁹⁾	:	:	73.0	71.3	72.7	73.8	74.2	74.8	74.8	75.0	75.0
Montenegro	46.0	46.3	46.6	46.9	47.1	47.4	47.7	44.7	44.8	45.0	45.1
Serbia	98.5	98.4	98.1	97.7	97.3	97.0	96.9	96.8	96.6	96.3	:
Kosovo/UNSCR 1244	194.0	198.0	201.0	205.0	208.0	212.0	216.0	220.0	223.0	227.0	:

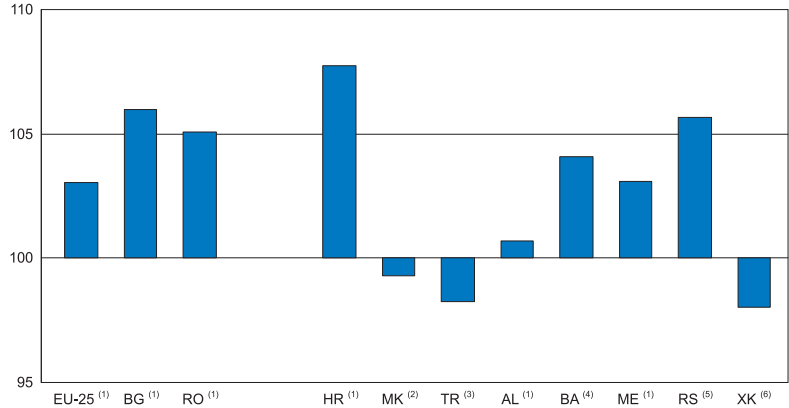
(1) As of 1 January; 1998, break in series. (2) As of 1 January. (3) 1995-2001, as of 30 June; 2002-2005, as of 1 January. (4) Data for 1995-2001 are based on the 1994 census of population; data for 2003-2005 are based on the 2002 census of population. (5) Mid-year population estimates. (6) As of 1 January; for 1995-2000, population was revised based on the 1989 and 2001 population census. (7) As of 30 June. (8) As of 1 January; break in series between 2001 and 2002 due to changed methodology. (9) Population density was calculated using the data on population (average or mid-year based) and total area. (10) Mid-year population estimates; lakes are not included in total surface area. (11) For 1995-2000, population projections based on the 1989 population census.

The population of the EU-25 was just over 460 million persons at the beginning of 2005. Candidate and Potential Candidate countries had together a population representing slightly more than a fifth of the EU-25 population. The largest of the Candidate countries in terms of inhabitants was Turkey, with a population of more than 72 million inhabitants in 2005, which represents about 16% of the total EU-25 population. Among the Potential Candidate countries, Serbia shows the highest number of inhabitants (almost 7.5 million in 2004). A significant large population was registered in one of the two new EU Member States – Romania had in 2005 almost 22 million inhabitants.

Population density is generally higher in the EU-25 than in the Candidate countries, the Potential Candidate countries or the two new EU Member States. Kosovo/UNSCR 1244 is a clear exception with population density being nearly twice the EU-25's average (figures relating to mid 2004). Note that these figures do not provide any information on how concentrated the population is within urban areas, or whether it is widely spread across more rural land.

Within Europe, a somewhat higher proportion of newborn babies tend to be boys compared with girls. However, women tend to have a higher life expectancy than men. As a result, there are generally more women than men in the population of any given territory. This ratio was the highest in Croatia (108 women per 100 men) followed by Bulgaria and Serbia (both with a value of 106 women per 100 men). The former Yugoslav Republic of Macedonia, Turkey and Kosovo/UNSCR 1244 were exceptions to this general rule.

Figure 1.1: Number of women in the population for each 100 men in the population, 2005 (units)



(1) As of 1 January. (2) Data for 2005 are based on the 2002 census of population. (3) Mid-year population estimates. (4) As of 30 June. (5) 2004 instead of 2005; as of 1 January. (6) 2003 instead of 2005; as of 30 June.

Table 1.2 : Population growth (% change compared with the previous year)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	0.2	0.2	0.5	0.2	0.3	0.2	0.4	0.5	0.5	0.5
Bulgaria ⁽²⁾	-0.5	-0.5	-0.7	-0.6	-0.5	-0.5	-3.2	-0.6	-0.6	-0.5
Romania ⁽²⁾	-0.3	-0.3	-0.2	-0.2	-0.1	-1.4	-1.5	-0.3	-0.3	-0.2
Croatia ⁽³⁾	-3.7	1.7	-1.6	1.2	-2.8	0.3	0.1	0.0	-0.1	0.1
The former Yugoslav Republic of Macedonia ⁽⁴⁾	0.9	0.8	0.5	0.5	0.4	0.5	0.4	-0.7	0.3	0.3
Turkey ⁽⁵⁾	1.9	1.8	1.8	1.7	1.6	1.4	1.4	1.3	1.3	1.3
Albania ⁽⁶⁾	0.9	0.8	-0.9	-0.4	0.3	0.2	0.7	0.6	0.5	0.5
Bosnia and Herzegovina ⁽⁷⁾	:	2.6	-2.3	2.0	1.5	0.4	0.8	0.1	0.3	0.0
Montenegro ⁽⁸⁾	0.7	0.6	0.6	0.6	0.5	0.6	-6.2	0.3	0.3	0.3
Serbia ⁽²⁾	-0.1	-0.3	-0.4	-0.4	-0.3	-0.2	-0.1	-0.3	-0.2	:
Kosovo/UNSCR 1244 ⁽⁷⁾	1.8	1.6	1.8	1.8	1.8	1.8	1.8	1.8	1.8	:

(1) As of 1 January; 1998, break in series. (2) As of 1 January. (3) 1995-2001, as of 30 June; 2002-2005, as of 1 January. (4) Data for 1995-2001 are based on the 1994 census of population; data for 2003-2005 are based on the 2002 census of population. (5) Mid-year population estimates. (6) As of 1 January; for 1995-2000, population was revised based on the 1989 and 2001 population census. (7) As of 30 June. (8) As of 1 January; break in series between 2001 and 2002 due to changed methodology.

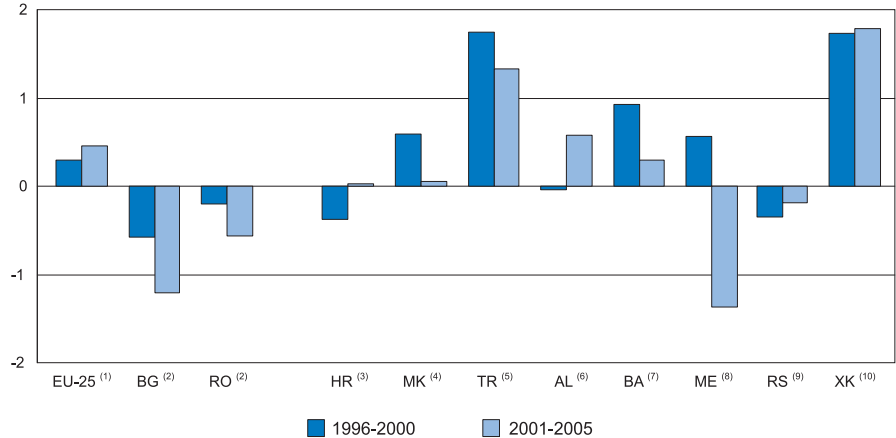
The population in the EU-25, as well as in Turkey and Kosovo/UNSCR 1244 was steadily increasing since 1995. The EU-25 population grew by 3.5%, whereas the growth for each of the other two countries was of about 17%. The opposite trend is observed in the two new EU Member States and in Serbia, where the population has gradually declined since the beginning of the period. The most notable decline was with Bulgaria, where the population dropped by about 8%.

The comparison with the previous year shows that in 2005 the population has slightly grown in almost all territories, except for the two new EU Member States, where the population declined by 0.5% in Bulgaria and 0.2% in Romania.

The rate of population growth has slowed down over the last two years only in Bosnia and Herzegovina. In most other territories the population has maintained approximately the same rate of change.

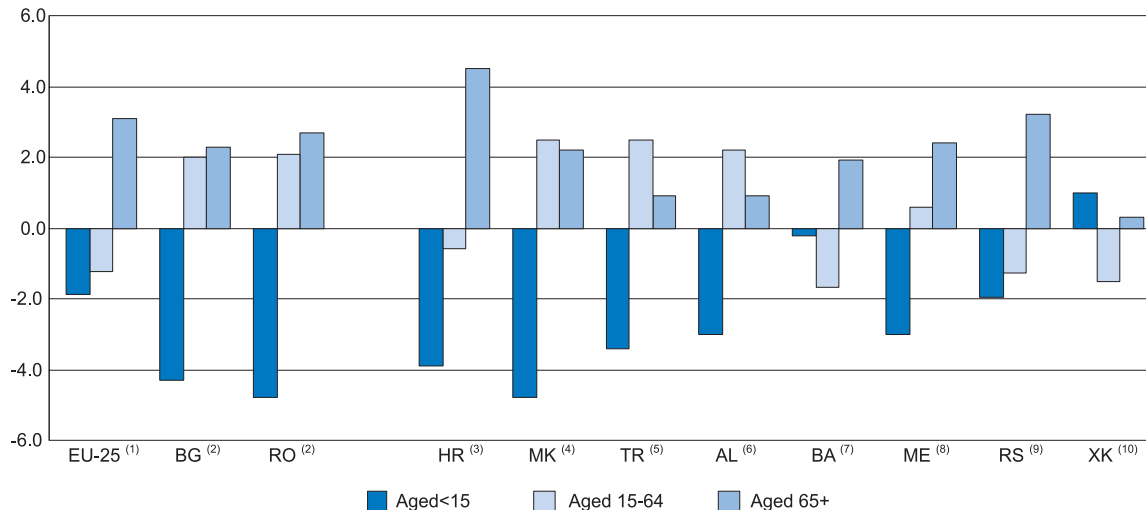
There are a number of factors that may explain changes in population levels, including the birth rate, the death rate and the migration rates. In the EU-25, the population growth has mainly been due to the contribution by migration. Bulgaria and Romania registered a decline in the population due to both negative net migration rate, as well as negative natural change. No information was available concerning the net migration rates for Turkey and Potential Candidate countries.

Figure 1.2: Population, annual average growth rates (%) ⁽¹⁾



(1) As of 1 January; 1998, break in series. (2) As of 1 January. (3) 1996, 2000 and 2001 as of 30 June, 2005 as of 1 January. (4) Data for 1996, 2000 and 2001 are based on the 1994 census of population; data for 2005 are based on the 2002 census of population. (5) Mid-year population estimates. (6) As of 1 January; for 1996-2000, population was revised based on the 1989 and 2001 population census. (7) As of 30 June. (8) As of 1 January; break in series between 2001 and 2002 due to changed methodology. (9) 2001-2004 instead of 2001-2005; as of 1 January. (10) 2001-2004 instead of 2001-2005; as of 30 June.

Figure 1.3: Relative change in the population between 1995 and 2005 (percentage points) ⁽¹⁾

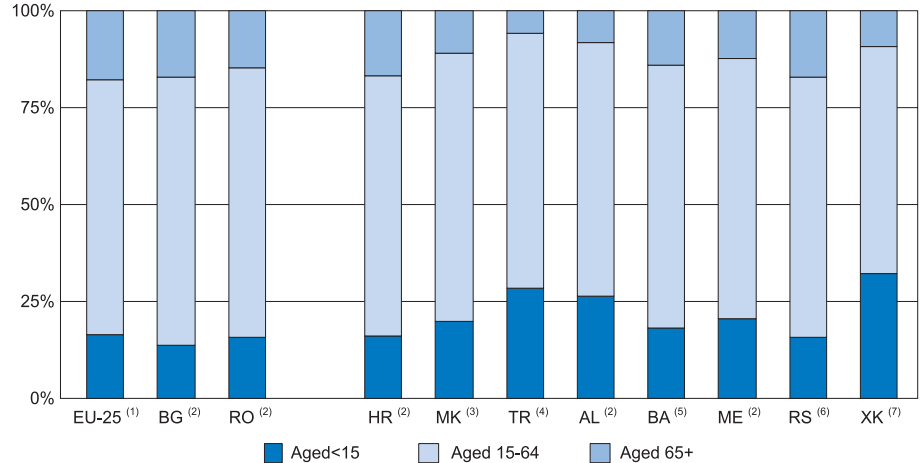


(1) 2004 instead of 2005; as of 1 January; "aged 65+", estimated values. (2) As of 1 January. (3) 1995 as of 30 June; 2005 as of 1 January. (4) Data for 1995 are based on the 1994 census of population; data for 2005 are based on the 2002 census of population; group "aged 65+" includes also people whose age is unknown. (5) Mid-year population estimates. (6) 2001 instead of 1995; as of 1 January. (7) 2002 instead of 1995, as of 30 June. (8) As of 1 January; break in series between 2001 and 2002 due to changed methodology. (9) 2004 instead of 2005; as of 1 January. (10) 1999 instead of 1995, 2003 instead of 2005; source: "Kosovo Demographic and Health Survey 2003. Preliminary results"; age groups refer to 0-14, 15-59 and 60 or more.

Between 1995 and 2005 (subject to data availability), a decrease of the share of those under the age of 15 years can be seen in all territories apart from Kosovo/UNSCR 1244. Over the same period, the share of those over 65 years of age rose in all territories. The group in between showed a diminishing share in Croatia, Bosnia and Herzegovina, Serbia and Kosovo/UNSCR 1244, as well as in the EU-25. Bosnia and Herzegovina with a reduction of nearly 2 percentage points had the largest decrease over the period 1995 – 2005. The former Yugoslav Republic of Macedonia and Turkey are at the other extreme with an increase of the share of this middle group by 2.5 percentage points.

Another factor that may explain the age profile of a particular territory is migration. Economic migration tends to be more concentrated among young, single persons and could result in the departure from the national territory of a relatively high number of persons aged between 15 and 64.

Figure 1.4: Breakdown of population by age group, 2005 (% of total)



(1) 2004 instead of 2005; as of 1 January; "aged 65+", estimated values. (2) As of 1 January. (3) Data for 2005 are based on the 2002 census of population; group "aged 65+" includes also people whose age is unknown. (4) 2004 instead of 2005; mid-year population estimates. (5) As of 30 June; estimated values. (6) 2004 instead of 2005; as of 1 January. (7) 2003 instead of 2005; source: "Kosovo Demographic and Health Survey 2003. Preliminary results"; age groups refer to 0-14, 15-59 and 60 or more.

Table 1.3 : Crude birth and death rates (per thousand inhabitants)

	Birth rates										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	10.8	10.8	10.7	10.6	10.6	10.6	10.4	10.3	10.4	10.5	10.5
Bulgaria	8.6	8.6	7.7	7.9	8.8	9.0	8.6	8.5	8.6	9.0	9.2
Romania	10.4	10.2	10.5	10.5	10.4	10.5	9.8	9.7	9.8	10.0	10.2
Croatia	11.2	12.0	12.1	10.5	9.9	10.0	9.2	9.0	8.9	9.1	9.6
The former Yugoslav Republic of Macedonia	16.4	15.8	14.8	14.6	13.5	14.5	13.3	13.7	13.3	11.5	11.0
Turkey ⁽²⁾	23.6	23.4	23.1	22.6	21.9	20.2	19.9	19.6	19.4	19.1	18.9
Albania ⁽³⁾	23.6	22.2	20.1	19.7	19.0	16.7	17.7	14.7	15.1	13.8	12.5
Bosnia and Herzegovina	:	12.8	12.9	12.3	11.4	10.5	9.9	9.3	9.2	9.1	9.0
Montenegro	15.0	14.2	13.6	14.2	13.6	14.0	13.4	12.8	13.5	12.6	11.8
Serbia	11.3	10.8	10.5	10.1	9.6	9.8	10.5	10.4	10.6	10.5	:
Kosovo/UNSCR 1244	21.2	21.4	19.6	:	:	:	:	15.2	13.2	14.2	:
	Death rates										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	10.2	10.2	10.0	10.0	10.1	9.9	9.7	9.8	9.9	9.5	9.6
Bulgaria	13.6	14.0	14.7	14.3	13.6	14.1	14.2	14.3	14.3	14.2	14.6
Romania	12.0	12.7	12.4	12.0	11.8	11.4	11.6	12.4	12.3	11.9	12.1
Croatia	11.3	11.3	11.4	11.6	11.4	11.5	11.2	11.4	11.8	11.2	11.7
The former Yugoslav Republic of Macedonia	8.3	8.1	8.3	8.4	8.3	8.5	8.3	8.9	8.9	8.8	9.0
Turkey ⁽²⁾	6.8	6.7	6.6	6.5	6.4	6.2	6.2	6.2	6.2	6.2	6.2
Albania ⁽³⁾	5.9	5.7	5.9	6.0	5.5	5.4	5.1	5.2	5.8	5.7	5.5
Bosnia and Herzegovina	:	6.9	7.5	7.9	7.7	8.1	8.0	7.9	8.3	8.5	9.0
Montenegro	7.8	7.8	8.0	8.2	8.3	8.3	8.3	8.3	9.2	9.2	9.4
Serbia	12.0	12.5	12.5	12.7	13.1	13.6	12.8	13.7	13.8	14.0	:
Kosovo/UNSCR 1244	4.1	3.9	3.9	:	:	:	:	2.4	2.7	2.6	:

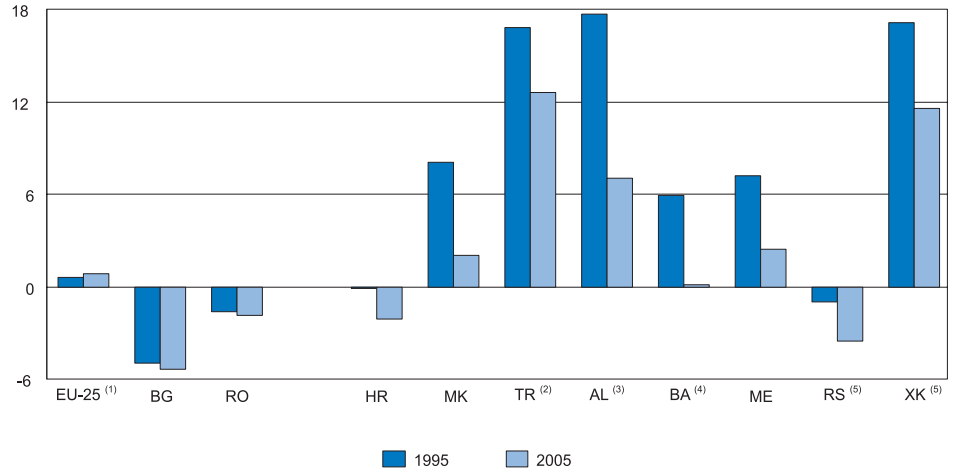
(1) 1998, break in series. (2) Mid-year population estimates. (3) For 1995-2000, population projections based on the 1989 population census.

It is possible to calculate a crude rate of natural increase by subtracting the crude death rate from the crude birth rate. A positive result shows that the size of the population is growing, if the effects of migration are discounted.

In Serbia and the two new EU Member States (all years), as well as in Croatia (all years except 1996 and 1997), crude death rates were higher than crude birth rates, suggesting a net reduction in population levels. Bulgaria registered the largest natural decrease of population in 2005 with a value of 5.4%, whereas the largest crude rate of natural increase was with Turkey (12.7%).

All territories showed a lower natural growth rate in 2005 compared to 1995. The EU-25 was the only exception with a tiny increase of this rate.

Figure 1.5: Crude rate of natural increase (per thousand inhabitants)



(1) Break in series in 1998. (2) Mid-year population estimates. (3) In 1995 population projections based on the 1989 population census. (4) 1996 instead of 1995. (5) 2004 instead of 2005.

Table 1.4 : Fertility and infant mortality rates

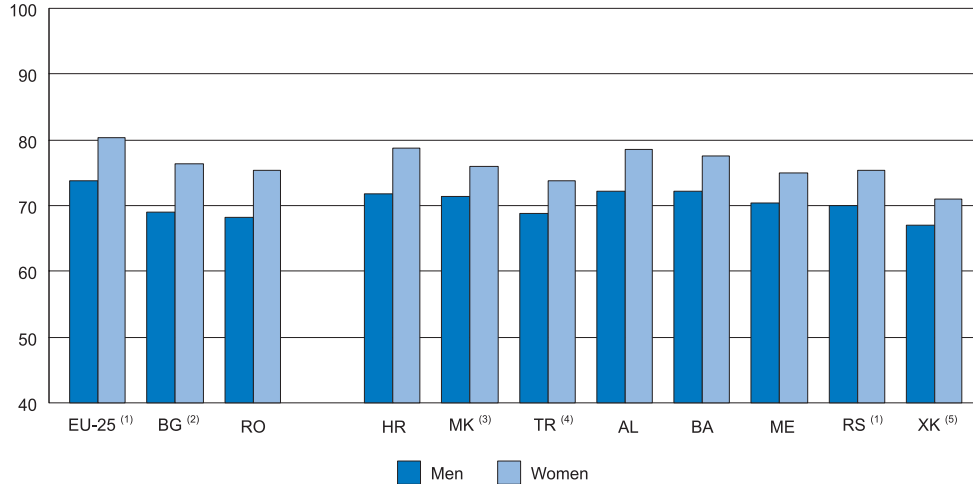
	Fertility rates (children per woman)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	1.44	1.44	1.44	1.43	1.42	1.48	1.46	1.46	1.48	1.51	1.52
Bulgaria	1.23	1.24	1.09	1.11	1.23	1.27	1.24	1.21	1.23	1.29	1.31
Romania	1.34	1.30	1.32	1.32	1.30	1.31	1.23	1.25	1.27	1.30	1.30
Croatia	1.60	1.70	1.70	1.50	1.40	1.40	1.40	1.30	1.30	1.40	1.42
The former Yugoslav Republic of Macedonia ⁽²⁾	1.98	1.90	1.74	1.73	1.61	1.68	1.55	1.59	1.54	1.52	1.46
Turkey ⁽³⁾	2.75	2.69	2.63	2.56	2.48	2.27	2.25	2.24	2.22	2.21	2.19
Albania ⁽⁴⁾	2.60	2.50	2.20	2.20	2.10	2.00	2.40	1.90	2.00	1.80	1.60
Bosnia and Herzegovina	:	1.65	1.68	1.56	1.36	1.30	1.40	1.20	1.22	1.22	1.21
Montenegro	1.95	1.86	1.74	1.87	1.77	1.85	1.79	1.89	1.83	1.71	1.60
Serbia	1.60	1.60	1.50	1.60	1.50	1.50	1.60	1.50	1.60	1.60	:
Kosovo/UNSCR 1244 ⁽⁵⁾	:	:	:	:	:	:	:	:	3.00	:	:
	Infant mortality rates (deaths of children under one year of age relative to every thousand live births)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽⁶⁾	6.7	6.4	5.9	5.7	:	5.2	5.0	4.8	4.6	4.5	:
Bulgaria	14.8	15.6	17.5	14.4	14.6	13.3	14.4	13.3	12.3	11.6	10.4
Romania	21.2	22.3	22.0	20.5	18.6	18.6	18.4	17.3	16.7	16.8	15.0
Croatia	8.9	8.0	8.2	8.2	7.7	7.4	7.7	7.0	6.3	6.1	5.7
The former Yugoslav Republic of Macedonia	22.7	16.4	15.7	16.3	14.9	11.8	11.9	10.2	11.3	13.2	11.7
Turkey ⁽³⁾	43.0	40.9	38.8	36.5	33.9	28.9	27.8	26.7	25.6	24.6	23.6
Albania ⁽⁷⁾	:	:	:	:	17.5	16.0	17.4	17.3	17.4	:	:
Bosnia and Herzegovina	:	14.0	12.4	11.0	10.1	9.7	7.6	9.4	7.6	7.2	6.7
Montenegro	12.1	14.0	14.8	13.9	13.4	11.1	14.6	10.8	11.0	7.8	9.5
Serbia	13.8	14.6	12.1	11.6	11.0	10.6	10.2	10.1	9.1	8.1	:
Kosovo/UNSCR 1244 ⁽⁸⁾	23.6	15.9	18.2	:	:	:	:	30.0	30.0	30.0	:

(1) 1998, break in series. (2) Calculated on the basis of births in the country (previously data were provided for births both in the country and abroad). (3) Mid-year population estimates. (4) For 1995-2000, population projections based on the 1989 population census. (5) Based on a social-demographic survey for 2003. (6) 1998, break in series; 2003 and 2004, estimated values. (7) Source: Ministry of Health. (8) 1995-1997, data source: "Serbian Statistical Yearbook 1998".

Compared to 1995, the fertility rate has increased in 2005 only in the EU-25 and Bulgaria, although it remains at a low level (less than 2 children per woman, which is considered as the necessary rate in order to maintain population level on the long term). Only Turkey shows fertility rates of above 2 children per woman for the period 1995-2005, as well as Albania up to 2001 and again in 2003. However, fertility fell sharply in Albania, from 2.6 births per woman in 1995 to 1.6 in 2005.

The infant mortality rate in both new EU Member States, as well as in the Candidate and Potential Candidate countries was above the EU-25 values over the entire period 1995-2005. However, this rate has generally declined in most of the territories. The most notable drop in the infant mortality rate was registered in Turkey and the former Yugoslav Republic of Macedonia, by 19 and 11 percentage points, respectively.

Figure 1.6: Life expectancy at birth, 2005 (years)



(1) 2004 instead of 2005. (2) Data refer to a three-year period with the reference year given as the end of the period (the figures for 2005 are calculated on the basis of data for the period 2003-2005). (3) 2004 instead of 2005; calculated on the basis of a three year average (the value for 2004 is obtained by averaging the specific mortality rates for the period 2003-2005). (4) Mid-year population estimates. (5) 2003 instead of 2005; source: "Kosovo Demographic and Health Survey 2003. Preliminary results".

Chapter 2 - Education

2

Table 2.1 : Proportion of the population aged 18-24 having not completed upper secondary education and who are currently not in any education or training (%)

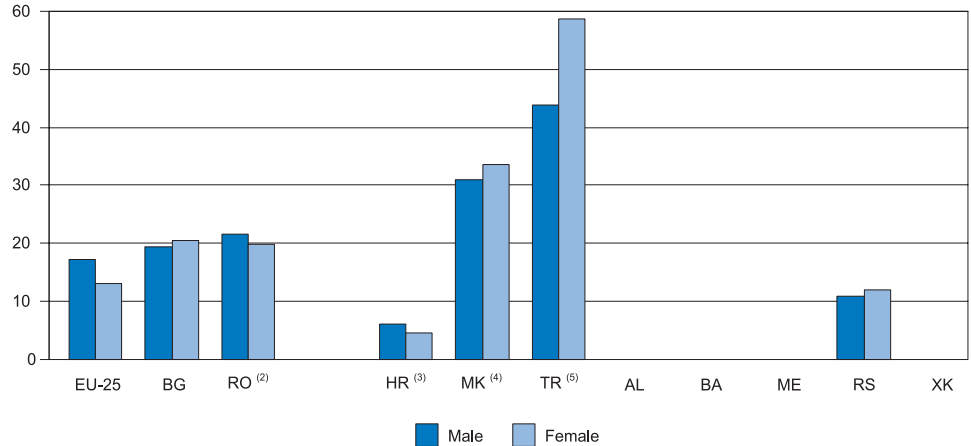
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	:	:	:	:	:	17.3	17.0	16.6	16.2	15.6	15.2
Bulgaria ⁽²⁾	24.7	23.7	22.8	23.2	23.1	23.6	20.3	21.	22.4	21.4	20.0
Romania ⁽³⁾	:	:	20.2	19.8	22.4	23.1	21.8	22.9	22.7	23.4	20.8
Croatia ⁽⁴⁾	:	:	:	:	:	:	:	:	7.3	4.6	5.4
The former Yugoslav Republic of Macedonia ⁽⁵⁾	:	:	:	:	:	:	:	32.2	:	:	:
Turkey ⁽⁶⁾	:	:	:	:	:	58.1	58.1	55.1	52.9	54.4	51.5
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	11.5	11.4
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) 2000-2001, estimated values; 2003. break in series. (2) Up to 2000, training outside of the formal education system is not taken into account. Up to 2000, conscripts are included, data refer to the second quarter. (3) Annual data from the Labour Force Survey; beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; 2005, provisional value. (4) Second half of the year. (5) Data source: 2002 census. (6) Weighted annual Labour Force Survey (LFS) results, not average rates of the four quarters; questions related with "training" were added to the LFS questionnaire from 2004, in order to supply comparability with the definition of the indicator.

Education and training policies are central to the Lisbon objectives of creating a dynamic and competitive, knowledge-based economy. As part of its objectives for 2010, the EU has made tackling the problem of early school leavers one of its priorities. While the number of early school leavers in the EU-25 has been reduced, in 2005 there remained 15% of young persons aged between 18 and 24 who had not completed upper secondary education and who were not engaged in any education or training. Bulgaria and Romania showed higher shares of 20% each in 2005 whereas within the Candidate and Potential Candidate countries the highest share of young persons who had not completed upper secondary education and who were not engaged in any education or training was accounted for by Turkey (52%) followed by the former Republic of Macedonia (32% in 2002, the only information available), Serbia and Croatia (11% and 5% respectively).

Note that the proportion of men who had not completed upper secondary education was higher than that for women in EU-25, Croatia, and Romania in 2005. The opposite applied in Bulgaria, the former Yugoslav Republic of Macedonia, Turkey and Serbia (this information is not available for the other territories).

Figure 2.1: Proportion of the male and female population aged 18-24 having not completed upper secondary education and who are currently not in any education or training, 2005 (%) ⁽¹⁾



(1) Albania, Bosnia and Herzegovina, Montenegro and Kosovo/UNSCR 1244, not available. (2) Annual data from the Labour Force Survey; data have been weighted, based upon the results of the Population and Housing Census of 18 March 2002; provisional value. (3) Second half of the year. (4) 2002 instead of 2005; data source: 2002 census. (5) Weighted annual Labour Force Survey (LFS) results, not average rates of the four quarters; questions related with "training" were added to the LFS questionnaire, in order to supply comparability with the definition of the indicator.

Table 2.2 : Proportion of the population aged 20-24 having completed at least upper secondary education

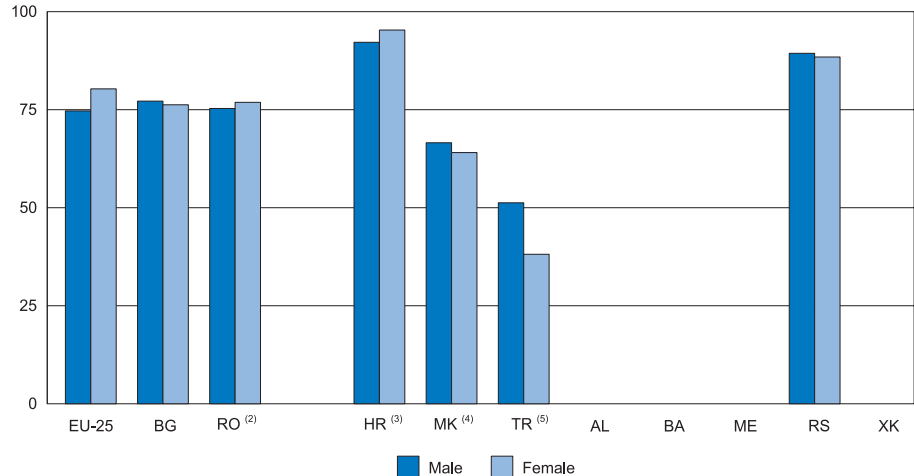
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	:	:	:	:	74.8	76.6	76.5	76.7	76.9	77.1	77.5
Bulgaria ⁽²⁾	75.0	75.1	75.6	75.2	75.1	74.9	78.2	77.5	75.6	76.0	76.8
Romania ⁽³⁾	:	:	81.1	80.7	76.9	75.9	77.3	76.5	74.9	75.3	76.0
Croatia ⁽⁴⁾	:	:	:	:	:	:	:	:	91.3	94.7	93.8
The former Yugoslav Republic of Macedonia ⁽⁵⁾	:	:	:	:	:	:	:	65.4	:	:	:
Turkey ⁽⁶⁾	:	:	:	:	:	39.7	39.7	42.7	44.3	42.2	44.2
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	88.1	89.0
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) 1999, estimated value. (2) Up to 2000, conscripts are included, data refer to the second quarter. (3) Annual data from the Labour Force Survey; beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; 2005, provisional value. (4) Second half of the year. (5) Data source: 2002 census. (6) Weighted annual Labour Force Survey (LFS) results, not average rates of the four quarters; questions related with "training" were added to the LFS questionnaire from 2004, in order to supply comparability with the definition of the indicator.

Another Lisbon objective for 2010 is to increase to 85% the proportion of the population aged 20 to 24 that have completed at least an upper secondary education.

In 2005, more than three quarters of the population aged 20-24 had completed at least upper secondary education in the EU-25, the new EU Member States, the Candidate countries (except Turkey) and Serbia. Croatia and Serbia (94% and 89% respectively) are especially noteworthy.

Figure 2.2: Proportion of the male and female population aged 20-24 having completed at least upper secondary education, 2005 (%) ⁽¹⁾



(1) Albania, Bosnia and Herzegovina, Montenegro and Kosovo/UNSCR 1244, not available. (2) Annual data from the Labour Force Survey; data have been weighted, based upon the results of the Population and Housing Census of 18 March 2002; provisional value. (3) Second half of the year. (4) 2002 instead of 2005; data source: 2002 census. (5) Weighted annual Labour Force Survey (LFS) results, not average rates of the four quarters; questions related with "training" were added to the LFS questionnaire, in order to supply comparability with the definition of the indicator.

Table 2.3 : Numbers of pupils/students (thousands)

	2000						
	ISCED 0	ISCED 1	ISCED 2	ISCED 3	ISCED 4	ISCED 5	ISCED 6
EU-25	12 772	29 566	21 047	23 223	1 306	14 813	394
Bulgaria ⁽¹⁾	212	393	367	329	7	258	3
Romania ⁽²⁾	616	1 189	1 309	917	95	453	27
Croatia ⁽³⁾	84	196	210	198	:	104	:
The former Yugoslav Republic of Macedonia ⁽⁴⁾	35	127	130	92	0	37	:
Turkey ⁽⁵⁾	227	10 481	:	2 363	:	1 573	22
Albania ⁽⁶⁾	83	283	261	105	:	40	:
Bosnia and Herzegovina ⁽⁷⁾	:	176	199	164	5	63	:
Montenegro ⁽⁸⁾	12	38	38	31	:	8	:
Serbia ⁽⁹⁾	91	349	378	323	:	194	5
Kosovo/UNSCR 1244 ⁽¹⁰⁾	20	163	137	89	:	19	:
	2005						
	ISCED 0	ISCED 1	ISCED 2	ISCED 3	ISCED 4	ISCED 5	ISCED 6
EU-25 ⁽¹¹⁾	12 526	27 704	22 118	24 161	1 290	16 816	503
Bulgaria ⁽¹⁾	203	290	312	373	3	233	5
Romania ⁽²⁾	645	970	1 026	1 063	49	716	22
Croatia ⁽³⁾	90	195	193	190	:	138	0
The former Yugoslav Republic of Macedonia ⁽⁴⁾	33	110	119	96	0	49	:
Turkey ⁽⁵⁾	550	10 674	:	3 258	:	2 293	33
Albania ⁽⁶⁾	79	238	251	156	:	63	:
Bosnia and Herzegovina ⁽⁷⁾	13	209	168	165	5	90	0
Montenegro ⁽⁸⁾	12	39	36	32	:	11	:
Serbia ⁽⁹⁾	80	324	332	300	:	218	6
Kosovo/UNSCR 1244 ⁽¹⁰⁾	22	198	138	71	:	27	:

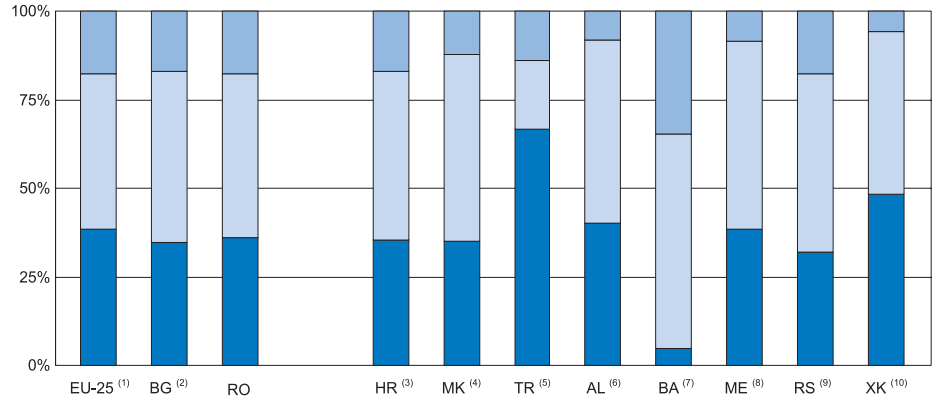
(1) Data correspond to academic years, 2000 is 1999/2000 etc. Academic years start in September and end in June of the following year. (2) 2003 instead of 2000 for ISCED 6. (3) ISCED 5: number of students refers to academic years, 2000 equals to academic year 2000/2001, etc., 2005 estimated values; ISCED 6: 2005 data are for candidates for doctoral degree for the period 1/1/2005-31/8/2005. (4) ISCED 5: excludes enrolled students on ISCED 5A-second degree and masters. (5) ISCED 0-1-3-5-6: questions related with "training" were added to the LFS questionnaire from 2004, in order to supply comparability with the definition of the indicator. (6) ISCED 0 to 3 and ISCED 5: public education only. (7) ISCED 0 to 3: data refer to the beginning of the school years, 2004 instead of 2005 for ISCED 1 and 2; ISCED 4: data refer to post secondary education which consists of two school years; ISCED 5: data refer to tertiary education which consists of four school years (faculties, academies, universities, etc.); ISCED 6: data refer to the sum of Masters of science and Doctors of science in Bosnia and Herzegovina (BiH). (8) All data from field education relate to school year (2000/01, 2001/02,2005/06); 2004 instead of 2005 for ISCED 0 and 5; ISCED 5: enrolment on post-graduate education (masters degree) are shown from 2001/02 school year. (9) ISCED 6: 2002 instead of 2000, data is not available from regular statistical research before 2002; 2004 instead of 2005 for ISCED 5. (10) 2002 instead of 2000; 2004 instead of 2005. (11) 2004 instead of 2005.

Education stages are defined in the ISCED, as follows:

- 0 Pre-primary education;
- 1 Primary education;
- 2 Lower secondary education;
- 3 (Upper) secondary education;
- 4 Post-secondary non tertiary education;
- 5 First stage of tertiary education;
- 6 Second stage of tertiary education (leading to an advanced research qualification).

Between 2000 and 2005 there was an increase in the number of students that attended first and second stages of tertiary education in the new EU Member States, and in the majority of the Candidate and Potential Candidate countries. Note that ISCED levels 1 to 3 are compulsory in many education systems.

Figure 2.3: Proportion of the pupils/student population in different levels of education, 2005 (%)



(1) 2004 instead of 2005. (2) Data correspond to academic years, 2005 is 2004/2005. Academic years start in September and end in June of the following year. (3) ISCED 4: data not available; ISCED 5: number of students refers to academic year, 2005 equals to academic year 2005/2006, 2005 estimated values; ISCED 6: 2005 data are for candidates for doctoral degree for the period 1/1/2005-31/8/2005. (4) ISCED 5: excludes enrolled students on ISCED 5A-second degree and masters; ISCED 6: data not available. (5) ISCED 0-1-3-5-6: questions related with "training" were added to the LFS questionnaire, in order to supply comparability with the definition of the indicator; ISCED 2 and 4: data not available. (6) ISCED 0 to 3 and ISCED 5: public education only; ISCED 4 and 6: data not available. (7) ISCED 0 to 3: data refer to the beginning of the school years, data not available for ISCED 1 and 2; ISCED 4: data refer to post secondary education which consists of two school years; ISCED 5: data refer to tertiary education which consists of four school years (faculties, academies, universities, etc.); ISCED 6: data refer to the sum of Masters of science and Doctors of science in Bosnia and Herzegovina (BiH). (8) 2004 instead of 2005; all data from field education relate to school year (2005/06); ISCED 4 and 6: data not available; ISCED 5: enrolment on post-graduate education (masters degree) is included. (9) 2004 instead of 2005; ISCED 4: data not available. (10) 2004 instead of 2005; ISCED 4 and 6: data not available.

Tertiary graduates are defined as those who have successfully completed education programmes that usually result in obtaining a certificate or diploma, such as a bachelor's degree, master's degree or a doctorate. Science and technology is defined by ISCED as including the following subject areas: life sciences, physical sciences, mathematics and statistics, computing, engineering, manufacturing and processing, architecture and building.

Enrolment rates in science and technology at tertiary level for women are less than half the rate for men in the EU-25 and in Turkey. In general, the female participation rate is more than half the male rate in Bulgaria and Romania, the Candidate and the Potential Candidate countries (when data are available). Male rate of the EU-25 is significantly higher than in the new EU Member States, where this rate is already at a bigger level than in the Candidate and Potential Candidate countries. Rate for female stood to a value of around 6%-8% in the EU-25, Bulgaria, Romania and Serbia while it decreased with the other Candidate and Potential Candidate countries (with values of 2%-4%).

Table 2.4 : Tertiary graduates in science and technology

	Male (per 1 000 of male population aged 20-29)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 (1)	:	:	:	:	:	14.0	15.1	15.7	16.7	17.3	:
Bulgaria	10.3	8.3	7.8	6.5	7.4	7.7	10.1	14.5	10.2	10.5	9.3
Romania (2)	:	:	:	5.5	5.5	5.8	6.2	7.3	11.1	11.8	12.1
Croatia (3)	:	:	:	:	7.6	7.4	7.0	7.8	6.3	7.1	7.5
The former Yugoslav Republic of Macedonia	3.7	3.9	4.7	4.1	4.2	3.5	3.3	3.7	3.5	3.7	3.9
Turkey (4)	4.0	4.4	4.6	5.2	5.6	6.9	5.9	6.3	6.5	7.1	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro (3)	:	:	:	:	:	:	:	:	3.1	4.6	:
Serbia	7.2	7.6	6.7	7.2	7.2	7.2	7.3	7.5	7.4	8.3	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Female (per 1 000 of female population aged 20-29)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 (1)	:	:	:	:	:	6.3	6.8	7.1	7.8	7.9	:
Bulgaria	7.9	7.6	7.1	5.6	6.6	6.7	7.2	10.2	7.8	7.9	7.3
Romania (2)	:	:	:	2.9	2.7	3.2	3.5	4.4	7.6	7.7	8.5
Croatia (3)	:	:	:	:	3.7	4.8	4.1	3.4	3.4	3.6	3.8
The former Yugoslav Republic of Macedonia	2.5	2.7	2.8	3.1	3.1	2.6	2.6	2.7	2.6	3.1	3.4
Turkey (4)	1.5	1.7	1.9	2.3	2.8	2.9	2.8	2.8	3.1	3.1	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro (3)	:	:	:	:	:	:	:	:	1.8	2.3	:
Serbia	5.2	4.8	4.5	4.8	4.5	4.9	5.4	5.4	5.4	6.2	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Eurostat estimate. (2) Break in 2003: beginning with 1 January 2003, including ISCED 6 and ISCED 5A second qualification. (3) Population data used as the denominator refer to mid-year estimates. (4) Questions related with "training" were added to the LFS questionnaire from 2004, in order to supply comparability with the definition of the indicator. (5) Estimated values.

Expenditure on Education and Participation in Training

Table 2.5 : Spending on human resources (public expenditure on education) as a proportion of GDP (%)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	:	:	4.8	:	4.8	4.7	5.0	5.1	5.2	:	:
Bulgaria ⁽²⁾	:	:	:	:	4.3	4.3	4.1	4.1	4.1	4.3	:
Romania	:	:	:	4.4	3.4	2.9	3.3	3.5	3.6	:	:
Croatia	:	:	:	:	4.2	4.5	4.2	4.3	4.2	:	:
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	3.5	:	:	:
Turkey ⁽³⁾	2.3	2.4	2.4	3.1	3.6	3.5	3.7	3.6	3.8	3.8	:
Albania	3.7	3.7	3.3	3.2	3.3	3.1	3.3	3.0	3.1	3.2	3.2
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia ⁽⁴⁾	:	:	4.0	3.3	2.7	2.5	2.5	3.0	3.8	3.5	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

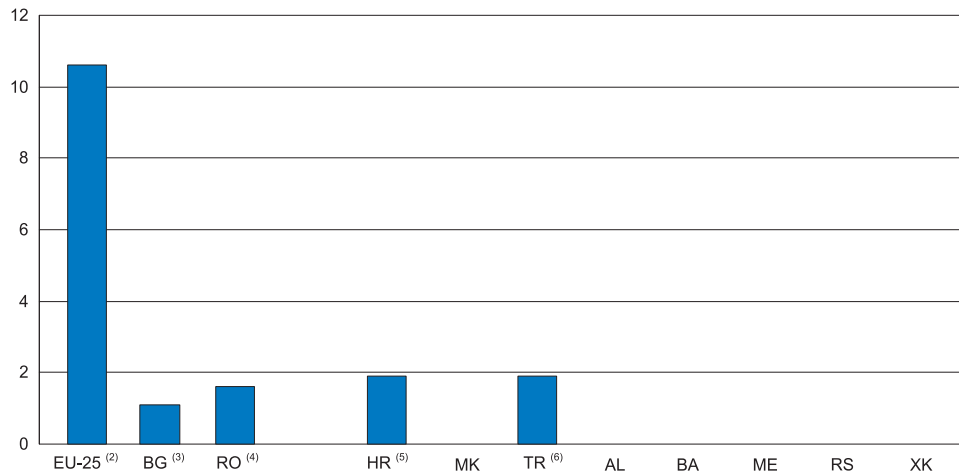
(1) Eurostat estimate. (2) Source: National Accounts. (3) Questions related with "training" were added to the LFS questionnaire from 2004, in order to supply comparability with the definition of the indicator. (4) Data from regular statistical survey results regarding budget revenue in educational institutions; 2004, estimated values.

The Lisbon European Council called for 'a substantial annual increase in the per capita investment in human resources'. In 2003, EU-25 public sector investment in education was equal to 5.2% of GDP, a figure that was higher than in any of the new EU Member States, Candidate or the Potential Candidate countries where it is included within a range of 3.1% to 4.2% of GDP.

Note the proportion of the population aged 25-64 participating in education and training in 2005 was much higher (more than 5 times) in the EU-25 than in the new EU Member States or the Candidate Countries.

Expenditure on Education and Participation in Training

Figure 2.4: Proportion of persons aged 25-64 having participated in education and training (at any time during a four week period prior to being surveyed), 2005 (%) ⁽¹⁾



(1) The former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) 2003 data; source: 2003 Labour Force Survey. This indicator includes formal and non-formal education. (3) Data refer to the second quarter. (4) Data have been weighted, based upon the results of the Population and Housing Census of 18 March 2002; data refer to second quarter LFS. (5) Number of students refers to academic year, 2005 equals to academic year 2005/2006; population data used as the denominator refer to mid-year estimates. (6) Weighted annual Labour Force Survey (LFS) results, not average rates of the four quarters; questions related with "training" were added to the LFS questionnaire, in order to supply comparability with the definition of the indicator.

Chapter 3 - Social Indicators



Table 3.1 : Wages and salaries

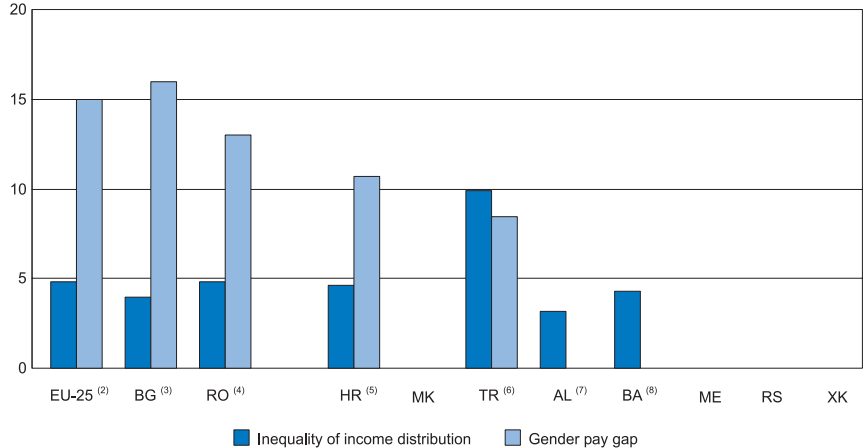
	Average nominal monthly wages and salaries (EUR)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	:	2 254.7	2 387.5	2 449.9	2 554.8	2 732.3	2 768.7	2 864.2	2 892.6	2 979.1	:
Bulgaria ⁽²⁾	:	58.5	66.1	92.9	102.8	114.8	122.7	131.7	139.7	149.5	163.4
Romania ⁽³⁾	:	112.3	106.0	134.2	119.3	144.1	164.1	172.0	178.4	203.5	269.9
Croatia ⁽⁴⁾	411.4	467.4	527.0	578.6	600.4	638.1	677.5	724.2	743.8	798.0	844.3
The former Yugoslav Republic of Macedonia	174.6	176.1	161.3	153.8	159.4	167.9	173.2	185.0	193.0	200.4	:
Turkey	:	:	:	:	:	:	:	:	:	:	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina ⁽⁵⁾	:	:	:	150.3	175.4	190.2	208.6	228.0	247.5	258.2	275.1
Montenegro ⁽⁶⁾	15.1	31.7	41.0	17.3	14.0	49.4	55.1	76.2	88.9	99.9	109.0
Serbia	250.7	172.0	204.3	162.2	169.7	252.6	146.2	218.5	255.3	283.2	312.2
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Index of real wages and salaries (2000=100)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽⁷⁾	:	86.8	90.2	92.7	95.9	100.0	104.7	108.8	112.5	116.2	119.2
Bulgaria ⁽⁸⁾	:	90.4	74.9	92.4	98.8	100.0	99.6	101.0	104.7	105.6	109.8
Romania ⁽⁹⁾	:	129.3	99.7	103.4	103.8	100.0	105.0	107.5	119.1	131.7	150.5
Croatia ⁽⁴⁾	74.6	80.3	87.3	92.4	98.4	100.0	99.2	103.2	106.1	112.2	113.4
The former Yugoslav Republic of Macedonia	92.7	93.1	93.3	96.8	100.3	100.0	98.1	103.0	106.7	111.4	:
Turkey	:	:	:	:	:	:	:	:	:	:	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	67.3	79.9	103.5	109.7	103.1	100.0	106.0	108.5	109.9	120.6	128.7
Serbia	117.0	116.1	116.7	115.5	94.2	100.0	118.4	154.9	176.5	196.1	209.5
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Average monthly labour cost for Industry and services (excluding public administration) as NACE section C to K. (2) 2005 data, provisional values; data are converted from the denomination of Bulgarian New Levs; data refer to gross earnings (before any deduction of employees' contributions to social security or tax deductions, and employees' personal taxes); according to national definitions, gross earnings comprise: basic wages and salaries; remuneration and additional payments for night or shift work, work during weekends and public holidays; extra allowances for extreme working conditions like smoke, dust, temperature, danger etc.; payments for statutory, contractual or voluntarily granted leave; remuneration paid for over-time work; bonuses (monthly, quarterly, yearly), 13th month. (3) Gross wages and salaries; values refer to NACE Rev. 1 Sections C to O. (4) Persons employed in crafts, trades and as free-lances, as well as in the police and defence-related activities are excluded; beginning in 2004 the number of persons employed in the police and defence-related activities is included. (5) Net salary; starting from 2005 this figure includes data from Brcko District as well. (6) In the period 1995-1999, data are converted from the Yugoslav Dinar. From 2000 onwards, data are covered from the German Mark. (7) Labour cost index for Industry and services (excluding public administration) as NACE section C to K. (8) 2005, provisional values. (9) Net wages and salaries.

The evolution of wages and salaries over time can be measured by average nominal wages and salaries that include all incomes and remuneration received by employees for their work. To measure the real value of remuneration, wages and salaries are deflated using the consumer price index so that the effects of changes in price levels are also considered.

The gender pay gap is defined as the difference between average gross hourly earnings of male paid employees and female paid employees. Note that average hourly earnings are found to be particularly low in sectors that have a high propensity to employ on a part-time basis (for example, retail trade, hotels and restaurants, certain business services, such as cleaning services). These sectors often are also characterised by a relatively high proportion of female employment. This is one of the factors that explains the gender gap. The gender pay gap will also arise from a number of other factors, including sectoral and occupational segregation, education and training, job classifications and pay systems. The inequality of income distribution is defined by the ratio of total income received by the 20% of the population with the highest income (top quintile) to that received by the 20% of the population with the lowest income (lowest quintile). The EU-25 average is 4.8 in 2004, which means that the wealthiest quintile had 4.8 times more income than the poorest. It is noticeable that due to the relative narrowness of the income distribution, the new EU Member States and the Candidate and Potential Candidate countries (with the exception of Turkey) have a ratio that is close or even lower to the EU-25 mean.

Figure 3.1: Income distribution, 2005 (%) ⁽¹⁾



(1) The former Yugoslav Republic of Macedonia, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) 2004 data, Eurostat estimate. (3) Gender pay gap: 2004 data. (4) Inequality of income distribution: 2004 data; Gender pay gap: based on monthly earnings. (5) Inequality of income distribution: 2003 data calculated according to Eurostat document "Methodology of calculation of common cross-sectional EU indicators", 2004; Gender pay gap: 2004 data. (6) 2004 data based on Household Budget Surveys. (7) 2002 data; calculated on the basis of consumption per capita. (8) 2004 data; source: Household Budget Survey in B&H, 2004. The estimation of number of total population that comes from HBS is less than official data on population used in the demography domain.

Table 3.2 : Social indicators (%)

	Tax wedge					Unemployment trap				
	2001	2002	2003	2004	2005	2001	2002	2003	2004	2005
EU-25	40.3	40.4	39.5	39.7	39.4	73.9	73.4	73.9	74.3	75.5
Bulgaria ⁽¹⁾	35.9	35.2	35.0	34.7	35.2	73.9	74.4	74.0	73.6	75.6
Romania	43.5	42.3	41.7	41.3	:	75.1	70.3	75.5	71.4	:
Croatia	:	:	:	:	:	:	:	:	:	:
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:
Turkey	42.6	41.3	40.9	41.8	:	:	:	:	:	:
Albania	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:

(1) 2005, provisional values.

For most EU-25 countries, relatively high tax wedges exist on labour. These reflect the important role played by wage-based contributions (from employers and employees) in financing the social transfer system.

The unemployment trap measures the percentage of gross earnings, which is taxed away by higher tax and social returns to employment. This is defined as the difference between gross earnings and the increase of the net income when moving from unemployment to employment, expressed as a percentage of the gross earnings. The unemployment trap is particularly influenced by the (potential) duration of unemployment benefits, as in most countries the incentives to find a new job may increase over time (as benefits decline).

Proportion of the population living in jobless households showed that a significant 30% of children of the former Yugoslav Republic of Macedonia live in households with no persons in employment as well as one quarter of persons aged 18-59 year in 2003 (with an increase for children of 1.4 percentage points compared to 2001). Moreover, the situation in Romania and Serbia between 2001 and 2005 (according to data availability) is deteriorating in both age groups although the quoting shares are more in line with those of the EU-25.

Table 3.3 : Proportion of the population living in jobless households (%)

	Children aged 0-17 (as a proportion of all children aged 0-17)		Persons aged 18-59 (as a proportion of all persons aged 18-59)	
	2001	2005	2001	2005
EU-25 (1)	9.5	9.7	10.1	10.2
Bulgaria (2)	19.0	14.5	17.3	13.0
Romania (3)	6.8	10.4	8.7	10.4
Croatia (4)	:	10.4	:	13.2
The former Yugoslav Republic of Macedonia (5)	29.4	30.8	25.4	25.0
Turkey	:	:	:	:
Albania	:	:	:	:
Bosnia and Herzegovina	:	:	:	:
Montenegro	:	:	:	:
Serbia (6)	9.3	9.8	10.9	12.5
Kosovo/UNSCR 1244	:	:	:	:

(1) Estimated values. (2) Data refer to the second quarter of each year; the data are harmonised with the Labour Force Survey methodology. (3) Data refer to the second quarter from the Labour Force Survey; Break in series: beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002. (4) 2003 instead of 2005. (5) 2004 instead of 2001.

Table 3.4 : Breakdown of household expenditure, 2005 (%)

	EU-25	BG ⁽¹⁾	RO	HR ⁽²⁾	MK	TR ⁽³⁾	AL ⁽⁴⁾	BA ⁽⁵⁾	ME	RS ⁽²⁾	XK
Total household expenditure (EUR billion)	6 149.8	14.2	:	16.0	2.8	8.6	0.3	8.5	:	9.9	:
Food and non-alcoholic beverages (COICOP 01)	12.4	23.7	44.2	25.9	43.5	26.4	59.0	31.3	:	39.9	:
Alcoholic beverages, tobacco (COICOP 02)	3.6	3.8	5.8	3.3	4.2	4.3	:	3.6	:	5.1	:
Clothing and footwear (COICOP 03)	5.8	3.3	6.2	6.6	7.8	6.5	:	5.1	:	6.2	:
Housing, water, electricity, gas and other fuels (COICOP 04)	22.3	21.1	15.6	28.5	11.7	27.0	13.0	23.5	:	16.4	:
Furnishing, household equipment and routine maintenance of the house (COICOP 05)	6.4	3.8	3.8	4.4	4.9	6.6	:	6.9	:	4.5	:
Health (COICOP 06)	3.5	4.0	3.8	2.0	3.2	2.2	:	3.7	:	3.5	:
Transport (COICOP 07)	13.8	16.3	6.5	9.8	6.8	9.5	:	9.9	:	9.0	:
Communication (COICOP 08)	2.8	6.1	4.9	4.4	4.6	4.5	:	2.5	:	2.9	:
Recreation and culture (COICOP 09)	9.7	5.2	4.2	5.4	3.8	2.5	:	3.8	:	3.7	:
Education (COICOP 10)	0.9	0.9	0.9	0.6	0.8	2.1	2.0	1.0	:	1.7	:
Restaurants and hotels (COICOP 11)	8.0	9.0	1.1	2.8	4.6	4.5	:	2.6	:	1.3	:
Personal care (COICOP 12.1)	:	2.9	2.2	2.9	4.0	3.9	:	3.5	:	3.3	:
Other expenditure	:	0.0	0.8	3.4	0.0	0.0	:	2.6	:	2.5	:

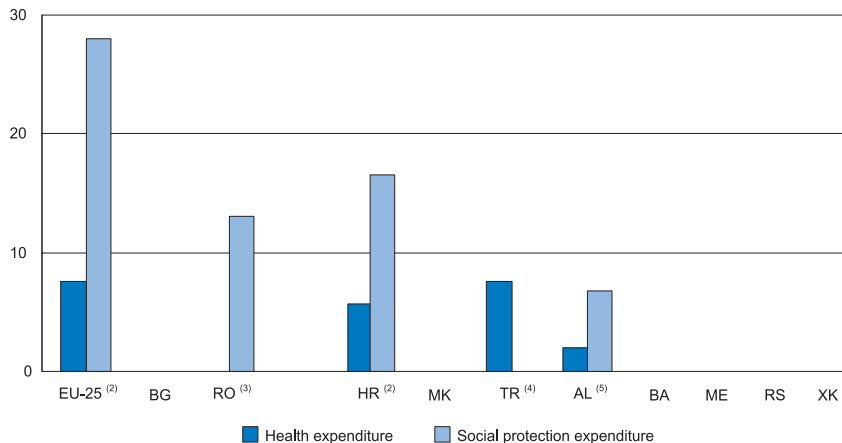
(1) 2004 data, source: National Accounts. (2) 2004 data. (3) 2004 data; source, Household Budget Surveys. (4) Total household expenditure: the data for 2005 are based on LSMS (Living Standards Measurement Study) 2005 - total household expenditures per month (without rent and health); COICOP 04: household expenditures share for utilities without rent. (5) 2004 data; Total household expenditure: source, Household Budget Survey in B&H, 2004. The estimation of number of total population that comes from HBS is less than official data on population used in the demography domain.

Total household consumption expenditure can be broken down according to COICOP. At its first level, COICOP identifies 12 categories of consumption expenditure. The make-up of household expenditure in the EU-25 has shifted gradually from basic to less basic needs, for example, from products such as food, clothing and housing, towards the consumption of items for transport, leisure, recreation and health.

There was a marked difference between the proportion of total expenditure accounted for by food and non-alcoholic beverages in the EU-25 (12.4%) and the corresponding figures for the new EU Member States, the Candidate and Potential Candidate countries, where expenditure on these items ranged between 24% in Bulgaria and 59% in Albania of total expenditure. Note that part of this difference may to some extent be explained by the relatively low cost of housing in Romania and some Potential Candidate countries.

Social protection expenditure as a proportion of GDP registered a rate of 28% in the EU-25, which was just over one and half times the Croatian social expenditure ratio and more than double the shares accounted for Romania and Albania. On the other hand, the part of social expenditure attributed to health expenditure relative to GDP showed a more equilibrate pattern between EU-25 and the other territories where information is available, with shares ranging from 2% for Albania to 8% for both the EU-25 and Turkey.

Figure 3.2: Social expenditure as a proportion of GDP, 2004 (%) ⁽¹⁾



(1) Bulgaria, The former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) 2003 data. (3) 2003 data; including administrative costs. (4) Provisional values. (5) 2002 data.

Chapter 4 - Labour Force



Table 4.1: Employment rate - proportion of the population aged 15-64 that is in employment (%)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	60.6	61.2	61.9	62.4	62.8	62.8	62.9	63.3	63.8
Bulgaria ⁽¹⁾	52.4	54.0	54.1	53.7	51.2	50.4	49.7	50.6	52.5	54.2	55.8
Romania ⁽²⁾	:	:	65.9	64.3	63.5	63.2	62.6	58.0	57.8	57.9	57.7
Croatia ⁽³⁾	:	58.7	57.1	55.3	53.2	51.3	51.8	53.6	53.2	54.3	55.0
The former Yugoslav Republic of Macedonia ⁽⁴⁾	:	:	:	36.5	36.1	36.0	36.8	35.7	34.3	33.8	34.1
Turkey	52.4	52.5	51.3	51.4	50.8	48.9	47.8	46.7	45.5	46.1	45.9
Albania ⁽⁵⁾	:	:	:	:	55.7	55.0	52.1	52.1	51.1	50.3	49.7
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro ⁽⁶⁾	38.0	39.0	38.0	39.0	39.0	38.0	37.0	38.0	36.0	37.0	35.0
Serbia	58.2	59.0	57.8	58.2	58.3	59.2	59.7	58.5	57.9	53.4	51.0
Kosovo/UNSCR 1244	:	:	:	:	:	:	19.6	23.8	25.3	27.7	28.5

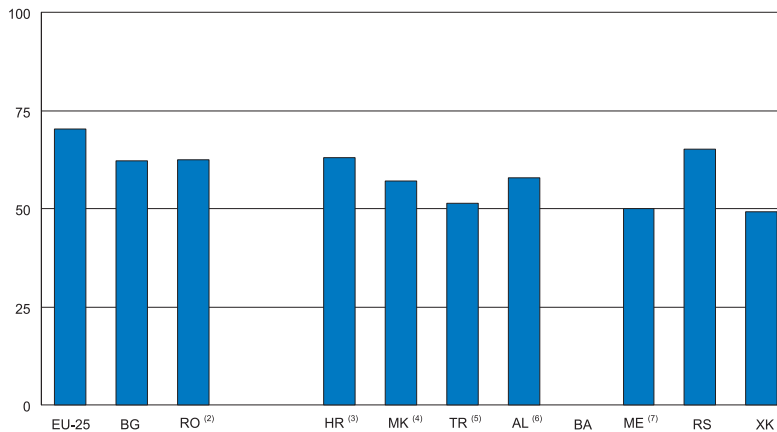
(1) Up until 1999 data are calculated according to national definitions of employment and unemployment, from 2000 onwards data are calculated by Eurostat; the main differences are the following: conscripts are included in the population figures and are considered as inactive; unemployment data are directly derived from the Labour Force Survey results; studying job advertisements is not considered as an active method of job search up until 2002. (2) Conscripts are included in the active population; beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value for 2005. (3) Second half of the year. (4) Unpaid family workers are excluded. (5) Administrative data. (6) Age group refers to '15+'.

The labour force is made up of employed and unemployed persons, with the economic activity rate being calculated as the ratio of the number of persons that are part of the labour force (either working or seeking work) to the total population aged 15–64. Employment rates measure the proportion of those in work in a certain age group compared with the total population of the same age group.

There are three specific employment guidelines that have been set as benchmark targets for the EU-25 in order to help achieve the Lisbon objectives of making the EU the most competitive and dynamic knowledge-based economy in the world by 2010, while at the same time promoting full employment, quality and productivity at work, social cohesion and inclusion. The targets relate to employment rates, with the goal of achieving an overall employment rate of at least 70%, one of at least 60% among women, and at least 50% for older people (aged 55-64).

Between 1995 and 2005, the employment rate in the EU-25 followed an upward trend with a period of stagnation between 2001-2003 (reaching a value of 63.8% in 2005). Bulgaria and the Candidate and Potential Candidate countries all registered lower employment rates in comparison to EU-25. On the other hand, Romania's employment figures overcome the EU-25 average during the period 1997-2000, although they turned lower from 2001 onwards.

Figure 4.1: Economic activity rate: proportion of the population aged 15-64 that is economically active, 2005 (%) ⁽¹⁾



(1) Bosnia and Herzegovina, not available. (2) Conscripts are included in the active population; data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value. (3) Second half of the year. (4) Unpaid family workers are excluded. (5) Weighted annual Labour Force Survey (LFS) results, not average rates of the four quarters. (6) Administrative data. (7) Age group refers to '15+'.

Table 4.2 : Employment rates

	Male employment rate: proportion of the male population aged 15-64 that is in employment (%)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	70.2	70.6	71.0	71.2	71.3	71.0	70.8	70.9	71.3
Bulgaria ⁽¹⁾	56.0	57.7	58.0	57.5	55.1	54.7	52.7	53.7	56.0	58.0	60.0
Romania ⁽²⁾	:	:	72.8	70.9	69.5	69.1	68.2	64.1	64.1	63.6	63.9
Croatia ⁽³⁾	:	65.8	63.6	61.7	59.0	57.4	59.0	60.1	59.6	60.7	62.0
The former Yugoslav Republic of Macedonia ⁽⁴⁾	:	:	:	46.8	46.1	46.0	46.0	44.9	42.4	41.7	42.6
Turkey	74.6	74.9	74.8	74.3	72.7	71.7	69.3	66.9	65.9	67.9	68.2
Albania ⁽⁵⁾	:	:	:	:	69.0	66.0	64.0	63.9	62.6	61.2	60.0
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro ⁽⁶⁾	47.0	48.0	47.0	49.0	47.0	46.0	46.0	47.0	44.0	47.0	42.0
Serbia	67.0	67.4	66.8	66.3	67.1	68.2	68.6	67.1	67.0	63.1	61.2
Kosovo/UNSCR 1244	:	:	:	:	:	:	31.1	39.4	42.8	46.4	45.8
	Female employment rate: proportion of the female population aged 15-64 that is in employment (%)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	51.1	51.8	52.9	53.6	54.3	54.7	55.0	55.7	56.3
Bulgaria ⁽¹⁾	48.8	50.4	50.3	49.9	47.5	46.3	46.8	47.5	49.0	50.6	51.7
Romania ⁽²⁾	:	:	59.2	57.7	57.5	57.5	57.1	52.0	51.5	52.1	51.5
Croatia ⁽³⁾	:	51.9	50.9	49.4	47.8	45.5	44.9	47.4	47.0	47.9	48.2
The former Yugoslav Republic of Macedonia ⁽⁴⁾	:	:	:	26.1	26.0	26.0	27.5	26.2	26.0	25.7	25.4
Turkey	30.2	30.3	28.0	28.5	28.9	26.2	26.3	26.6	25.2	24.3	23.7
Albania ⁽⁵⁾	:	:	:	:	42.3	44.1	39.6	39.7	39.1	38.9	38.8
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro ⁽⁶⁾	28.0	31.0	29.0	29.0	31.0	31.0	29.0	29.0	28.0	29.0	28.0
Serbia	49.6	50.7	49.1	50.3	49.8	50.4	50.8	50.0	48.7	44.0	40.8
Kosovo/UNSCR 1244	:	:	:	:	:	:	8.1	8.8	8.3	9.9	11.7

(1) Up until 1999 data are calculated according to national definitions of employment and unemployment, from 2000 onwards data are calculated by Eurostat; the main differences are the following: conscripts are included in the population figures and are considered as inactive; unemployment data are directly derived from the Labour Force Survey results; studying job advertisements is not considered as an active method of job search up until 2002. (2) Conscripts are included in the active population; beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value for 2005. (3) Second half of the year. (4) Unpaid family workers are excluded. (5) Administrative data. (6) Age group refers to '15+'.

Male activity rates are higher than female activity rates, as men have traditionally worked while women have been more likely to stay at home taking care of the house, children and other dependents. There has been an increase in female employment rates in the EU-25 in recent years, a rise by 5 percentage points compared to 1997 whilst the male employment rate rose by 1 percentage point only. Bulgaria also registered an increase in both female and male employment rates (rising by 1 and 2 percentage points respectively compared to 1997). This differs from the situation in Romania and in the Candidate and Potential Candidate countries (excluding Kosovo/UNSCR 1244), where female employment rates fell, often from already relatively low levels.

Figure 4.2: Economic activity rates, 2005 (%) ⁽¹⁾



(1) Bosnia and Herzegovina, not available. (2) Conscripts are included in the active population; data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value. (3) Second half of the year. (4) Unpaid family workers are excluded. (5) Age group refers to '15+'.

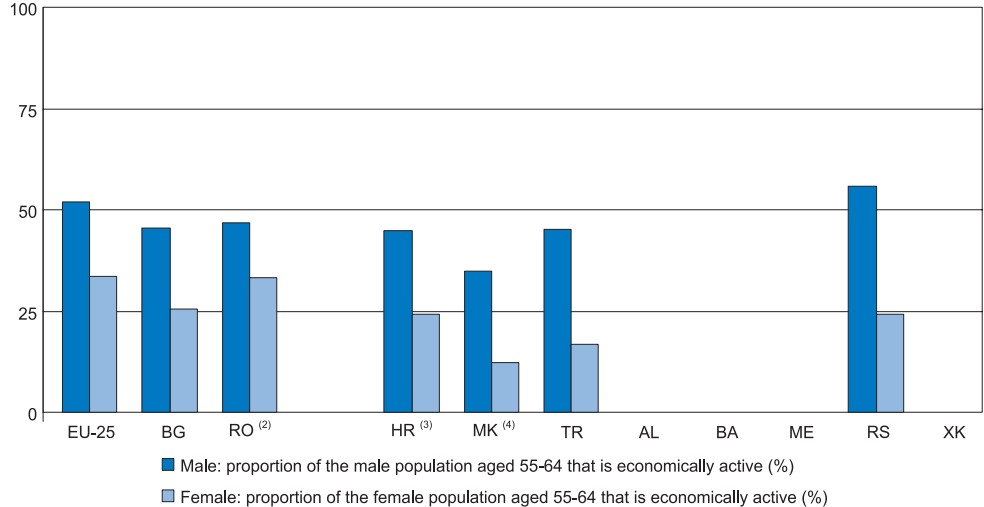
Table 4.3 : Employment rate of older workers - proportion of the population aged 55-64 that is in employment (%)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	35.7	35.8	36.2	36.6	37.5	38.7	40.2	41.0	42.5
Bulgaria ⁽¹⁾	18.8	19.4	21.3	21.5	20.1	20.8	24.0	27.0	30.0	32.5	34.7
Romania ⁽²⁾	:	:	51.9	50.8	49.6	49.5	48.2	37.7	38.1	36.9	39.4
Croatia ⁽³⁾	:	31.1	29.1	25.6	25.9	24.2	23.7	26.8	29.0	30.4	33.6
The former Yugoslav Republic of Macedonia ⁽⁴⁾	:	:	:	23.3	23.2	23.0	23.7	22.5	24.4	21.9	23.2
Turkey	41.7	41.6	40.5	41.1	39.3	36.3	35.9	35.3	32.7	33.1	30.8
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	40.0	42.4	39.6	40.5	42.3	43.3	42.1	42.0	44.3	37.3	39.5
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Up until 1999 data are calculated according to national definitions of employment and unemployment, from 2000 onwards data are calculated by Eurostat; the main differences are the following: conscripts are included in the population figures and are considered as inactive; unemployment data are directly derived from the Labour Force Survey results; studying job advertisements is not considered as an active method of job search up until 2002. (2) Conscripts are included in the active population; beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value for 2005. (3) Second half of the year. (4) Unpaid family workers are excluded.

Employment rates among older workers in the EU-25 rose to 42.5% in 2005, which was above the levels found in both new EU Member States and in the Candidate and Potential Candidate countries (where data are available), varying from 39.5% in Serbia to 23.2% in the former Yugoslav Republic of Macedonia. In all territories, the employment rate among older workers rose in 2005 with the exception of Turkey, which saw a fall of 2.3 percentage points compared to 2004. It is notable that the EU-25 and Bulgaria registered a relevant upward trend over the period 1995-2005 whereas Romania and Turkey were the most significant countries to have a pronounced downward trend during the same period.

Figure 4.3: Employment rates of older workers, 2005 (%) ⁽¹⁾



(1) Albania, Bosnia and Herzegovina, Montenegro and Kosovo/UNSCR 1244, not available. (2) Conscripts are included in the active population; data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value. (3) Second half of the year. (4) Unpaid family workers are excluded.

Table 4.4: Total number of persons in employment (thousands)

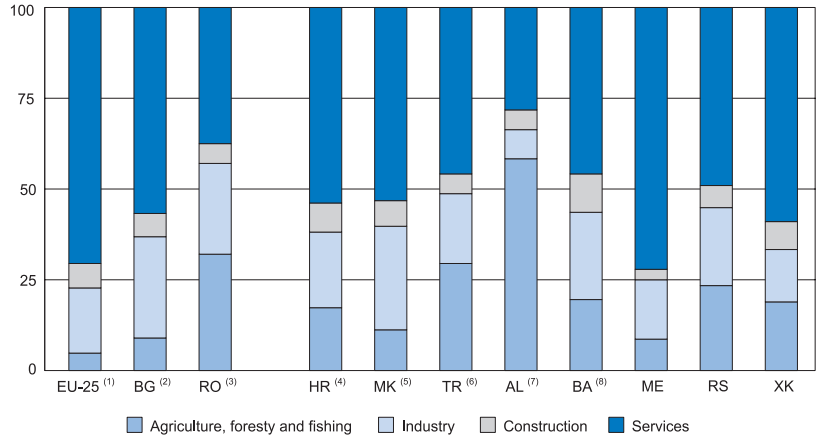
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	182 128	184 514	187 324	188 912	190 978	191 768	192 909	194 516	197 478
Bulgaria ⁽¹⁾	2 984	3 066	3 060	3 035	2 875	2 795	2 699	2 740	2 834	2 922	2 980
Romania ⁽²⁾	:	:	11 050	10 845	10 776	10 764	10 697	9 234	9 223	9 158	9 147
Croatia ⁽³⁾	:	1 539	1 587	1 547	1 478	1 570	1 478	1 531	1 533	1 542	1 579
The former Yugoslav Republic of Macedonia ⁽⁴⁾	:	:	:	:	:	:	513	493	483	478	488
Turkey ⁽⁵⁾	20 586	21 195	21 204	21 779	22 050	21 582	21 525	21 354	21 146	21 790	22 046
Albania ⁽⁶⁾	1 138	1 116	1 107	1 085	1 065	1 068	920	920	926	931	932
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro ⁽⁷⁾	179	184	179	180	185	182	177	178	169	187	179
Serbia	3 299	3 273	3 137	3 139	3 103	3 094	3 106	3 000	2 919	2 931	2 733
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Up until 1999 data are calculated according to national definitions of employment and unemployment, from 2000 onwards data are calculated by Eurostat; the main differences are the following: conscripts are included in the population figures and are considered as inactive; unemployment data are directly derived from the Labour Force Survey results; studying job advertisements is not considered as an active method of job search up until 2002; data include persons employed for which the activity is not known. (2) Conscripts are included in the active population; beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value for 2005. (3) Second half of the year. (4) Total employment includes NACE Sections A to Q; unpaid family workers are excluded. (5) Weighted annual Labour Force Survey (LFS) results, not average rates of the four quarters; forecast for the period 2000-2004. (6) Administrative data. (7) From 2004 a new methodology is used, which is harmonized with the EU requirements.

The information presented on the level of total employment provides a count of the number of persons in employment (employees and self-employed). Over the period 1997-2005, the annual average growth rate in the EU-25 was 1.02%, and lower rates were observed in 2000, 2002, 2003 and 2004, whereas it was just above the average in 2001. Nevertheless, in 2005 the growth rate of employed people performed a relevant value of 1.5%, which returned to the same growth rate level as in 1999. In the new EU Member States and the Candidate and Potential Candidate countries, the largest contraction in the workforce between 2000 and 2005 was recorded in Romania (reaching an annual average growth rate of -3.2%), while Bulgaria, Croatia and Turkey were the only territories to report a net increase in employment levels (with annual average growth rates of 1.3%, 0.1% and 0.4% respectively).

The breakdown of employment between different economic sectors shows great disparity between the EU-25 and the majority of the other territories. The services sector employed a higher proportion of persons in the EU-25, while agriculture, forestry and fishing employed a considerably higher proportion of persons in the Candidate and Potential Candidate countries as well as in Romania. Services employed over two thirds of the workforce in the EU-25, while in Albania the corresponding proportion was just over one quarter. On the other hand, 5% of those employed in the EU-25 worked in agriculture, forestry and fishing, compared with 32% in Romania and 58% in Albania.

Figure 4.4: Breakdown of employment, 2005 (% of total)



(1) Source: National accounts. (2) Source: Labour Force Survey. (3) Conscripts are included in the active population; data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value. (4) Second half of the year. (5) Unpaid family workers are excluded. (6) Services defined as NACE Sections G to Q; weighted annual Labour Force Survey (LFS) results, not average rates of the four quarters. (7) Administrative data. (8) Source: 'Living in BiH' (panel survey among households); 2004 instead of 2005.

Table 4.5: Unemployment rate - proportion of the labour force aged 15-74 that is unemployed (%)

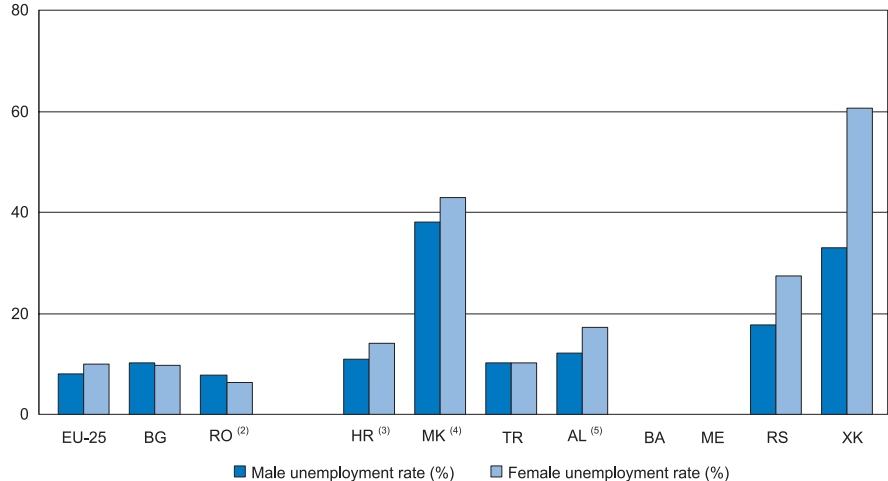
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	:	9.4	9.1	8.6	8.4	8.8	9.0	9.1	8.8
Bulgaria ⁽¹⁾	16.5	14.1	14.4	14.1	15.7	16.4	19.5	18.1	13.7	12.0	9.9
Romania ⁽²⁾	:	:	6.0	6.3	6.8	7.1	6.6	8.4	7.0	8.0	7.2
Croatia ⁽³⁾	:	10.0	10.0	11.7	14.5	17.0	16.3	14.4	14.4	13.8	12.4
The former Yugoslav Republic of Macedonia ⁽⁴⁾	:	:	:	36.5	34.8	34.8	33.9	34.8	39.6	39.3	39.9
Turkey	7.6	6.6	6.8	6.9	7.7	6.5	8.4	10.3	10.5	10.3	10.3
Albania ⁽⁵⁾	:	:	:	:	18.4	16.8	16.4	15.8	15.0	14.4	14.1
Bosnia and Herzegovina ⁽⁶⁾	:	:	:	:	39.4	39.7	40.0	41.1	41.6	41.8	43.9
Montenegro	24.4	21.3	21.8	18.5	19.3	19.3	21.2	20.7	22.7	27.7	30.3
Serbia	14.2	13.1	13.3	14.0	14.5	13.3	13.3	14.5	16.0	19.5	21.8
Kosovo/UNSCR 1244	:	:	:	:	:	:	57.1	55.0	49.7	39.7	41.4

(1) Up until 1999 data are calculated according to national definitions of employment and unemployment, from 2000 onwards data are calculated by Eurostat; the main differences are the following: conscripts are included in the population figures and are considered as inactive; unemployment data are directly derived from the Labour Force Survey results; studying job advertisements is not considered as an active method of job search up until 2002. (2) Conscripts are included in the active population; beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value for 2005. (3) Second half of the year. (4) Unpaid family workers are excluded. (5) Administrative data; unemployment refers to registered unemployment; provisional value for 2003. (6) The unemployment rate is not calculated using the ILO methodology; the calculation is: unemployment rate = (number of unemployed people)/(number of unemployed people + number of employed people); the number of unemployed people is taken from the Bureau for employment; including data from Brcko District in 2005.

Unemployment rates measure those persons aged 15 to 74 who were not in employment but were actively seeking work. In other words, the unemployment rate is the proportion of unemployed persons relative to all persons who are in the labour force (employed or seeking employment). While unemployment rates give an overall picture of the failure to match supply and demand in the labour market, labour market policies are increasingly focusing on indicators such as ratios of those moving from long-term unemployment or inactivity into employment, or those moving from temporary into permanent employment, and those moving from low paid into higher paid employment.

The EU-25's unemployment rate was 8.8% in 2005. After rising in the two previous years, this level has returned to the 2002-level. Romania (7%) was the only country to report unemployment below the EU-25 average. In the Candidate and Potential Candidate countries, unemployment rates were relatively high, with a value of over 40% in Bosnia and Herzegovina and Kosovo/UNSCR 1244 in 2005. The Former Yugoslav Republic of Macedonia was just below this level in 2005, followed by Montenegro and Serbia with unemployment rates of 30% and 22% respectively.

Figure 4.5: Unemployment rates, 2005 (%) ⁽¹⁾



(1) Bosnia and Herzegovina and Montenegro, not available. (2) Conscripts are included in the active population; data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value. (3) Second half of the year. (4) Unpaid family workers are excluded. (5) Administrative data; unemployment refers to registered unemployment.

Table 4.6 : Youth unemployment rate - proportion of the labour force aged less than 25 that is unemployed (%)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	:	19.5	18.6	17.5	17.9	18.5	19.0	19.0	18.6
Bulgaria ⁽¹⁾	39.3	34.4	34.7	32.2	34.0	33.7	38.8	37.0	28.2	25.8	21.8
Romania ⁽²⁾	:	:	18.0	18.3	18.8	18.6	17.5	21.7	18.5	21.0	19.7
Croatia ⁽³⁾	:	26.7	28.5	31.0	39.2	43.1	41.7	34.4	35.8	33.8	32.0
The former Yugoslav Republic of Macedonia ⁽⁴⁾	:	:	:	77.0	71.6	69.8	67.8	69.3	74.1	71.2	71.3
Turkey	15.5	13.5	14.3	14.2	15.0	13.1	16.2	19.2	20.5	19.7	19.3
Albania ⁽⁵⁾	:	:	:	:	:	:	:	26.8	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	52.0	52.2	46.7	50.6	53.2	50.2	46.4	45.3	44.8	48.1	47.7
Kosovo/UNSCR 1244	:	:	:	:	:	:	80.0	77.7	74.9	66.5	70.5

(1) Up until 1999 data are calculated according to national definitions of employment and unemployment, from 2000 onwards data are calculated by Eurostat; the main differences are the following: conscripts are included in the population figures and are considered as inactive; unemployment data are directly derived from the Labour Force Survey results; studying job advertisements is not considered as an active method of job search up until 2002. (2) Conscripts are included in the active population; beginning with 2002, data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value for 2005. (3) Second half of the year. (4) Unpaid family workers are excluded. (5) Based on the Living Conditions Survey of 1998 and the Living Standards Measurement Study of 2002.

The youth unemployment rate is defined as the proportion of young persons aged 15 to 24 who are unemployed. In the EU-25, the youth unemployment rate (18.6%) in 2005 was more than double the unemployment rate. A similar picture was observed in the new EU Member States as well as in the Candidate and Potential Candidates countries, as youth unemployment ranged from 1.7 times higher than the general unemployment rate in *Kosovo/UNSCR 1244* to 2.7 times higher in Romania.

Long-term unemployment is defined as the proportion of the labour force that has been unemployed for 12 months or more. It is one of the most persistent, social issues facing industrialised economies. About 44% of the unemployed in the EU-25, almost 8 million people, were unemployed for a year or more in 2005.

Two groups in the workforce are disproportionately prone to long-term unemployment. The most significant group is that of older workers (particularly those who lose their jobs in traditional industrial sectors), whose share in long-term unemployment would be even greater if there were not high rates of withdrawal from the labour force due to factors such as early retirement. Also, female long-term unemployment rates tend to be higher than male rates although this was not the case in Bulgaria and Romania in 2005.

Table 4.7: Long-term unemployment rates - proportion of the labour force aged 15-74 that have been unemployed for more than 12 months, 2005 (%)

	Total	Male	Female
EU-25	3.9	3.5	4.5
Bulgaria	5.9	5.9	5.9
Romania ⁽¹⁾	4.0	4.6	3.4
Croatia ⁽²⁾	7.2	6.1	8.5
The former Yugoslav Republic of Macedonia ⁽³⁾	34.6	33.1	37.1
Turkey	4.1	3.8	4.9
Albania	:	:	:
Bosnia and Herzegovina	:	:	:
Montenegro	:	:	:
Serbia	17.3	13.8	21.8
<i>Kosovo/UNSCR 1244</i>	34.7	27.5	50.8

(1) Conscripts are included in the active population; data have been weighted based upon the results of the Population and Housing Census of 18 March 2002; provisional value. (2) Second half of the year. (3) Unpaid family workers are excluded.

Chapter 5 - National Accounts

5

Table 5.1: GDP

	GDP (EUR million - current prices)											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
EU-25	6 949 866	7 313 051	7 713 374	8 075 177	8 490 276	9 095 923	9 464 755	9 816 520	9 971 407	10 449 533	10 847 044	
Bulgaria	10 139	7 900	9 202	11 368	12 164	13 679	15 190	16 533	17 664	19 570	21 448	
Romania ⁽¹⁾	27 433	28 196	31 260	37 420	33 489	40 278	44 865	48 464	52 606	60 784	79 258	
Croatia ⁽²⁾	14 391	15 657	17 739	19 305	18 674	19 979	22 171	24 468	26 232	28 393	30 949	
The former Yugoslav Republic of Macedonia	:	:	3 310	3 193	3 448	3 893	3 839	4 001	4 105	4 325	:	
Turkey ⁽³⁾	129 979	144 583	167 916	180 612	172 765	216 372	163 210	192 905	213 052	242 045	291 031	
Albania ⁽⁴⁾	:	:	:	:	3 270	4 020	4 595	4 770	5 068	5 915	:	
Bosnia and Herzegovina ⁽⁵⁾	:	:	:	:	4 399	4 914	5 358	5 957	6 291	7 495	8 052	
Montenegro ⁽⁶⁾	:	:	:	:	:	1 022	1 245	1 302	1 392	:	:	
Serbia ⁽⁷⁾	:	:	:	:	:	:	11 917	15 149	16 838	18 056	:	
Kosovo/UNSCR 1244 ⁽⁸⁾	:	:	:	:	:	:	1 624	1 735	1 797	1 895	:	
	GDP growth - based on constant price national currency series (%)											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
EU-25	:	1.8	2.7	2.9	3.0	3.9	2.0	1.2	1.3	2.4	1.7	
Bulgaria	2.9	-9.4	-5.6	4.0	2.3	5.4	4.1	4.9	4.5	5.7	5.5	
Romania ⁽¹⁾	7.1	3.9	-6.1	-4.8	-1.2	2.1	5.7	5.1	5.2	8.5	4.1	
Croatia ⁽²⁾	:	5.9	6.8	2.5	-0.9	2.9	4.4	5.6	5.3	3.8	4.3	
The former Yugoslav Republic of Macedonia	-1.1	1.2	1.4	3.4	4.3	4.5	-4.5	0.9	2.8	4.1	:	
Turkey	7.2	7.0	7.5	3.1	-4.7	7.4	-7.5	7.9	5.8	8.9	7.4	
Albania ⁽⁴⁾	:	9.1	-10.9	8.6	13.2	6.5	7.1	4.3	5.8	6.2	:	
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:	
Montenegro ⁽⁶⁾	:	:	:	:	:	3.1	-0.2	1.7	2.4	:	:	
Serbia ⁽⁷⁾	:	:	:	:	:	5.2	5.1	4.5	2.4	9.3	6.3	
Kosovo/UNSCR 1244 ⁽¹⁰⁾	:	:	:	:	:	:	:	1.2	3.1	3.2	:	

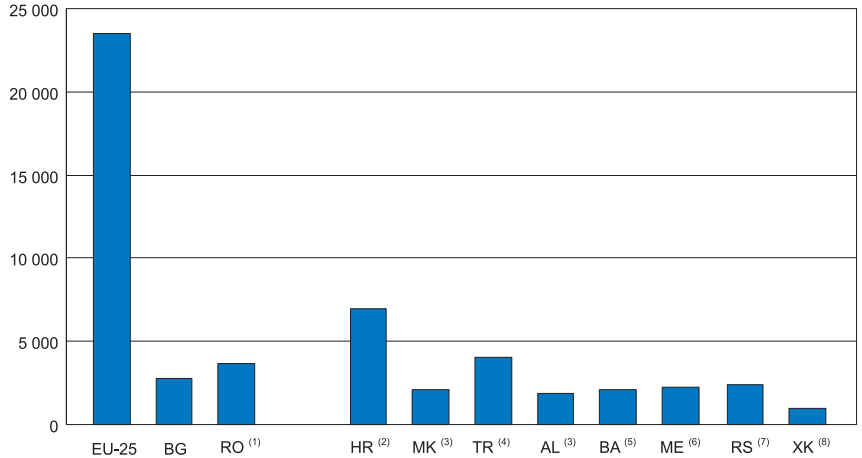
(1) 2004-2005, provisional values. (2) 2004 and 2005 data based on quarterly values. (3) Estimated values; GDP data converted to EUR using the weighted import average exchange rates used in national accounts estimates by TURKSTAT. (4) 2004, forecast. (5) Until 2003, the value of non-observed economic activities, as well as the value of the indirectly measured housing services in owner-occupied housing have not been included into the calculation of the GDP. From 2004 onwards, the value of the indirectly measured housing services in owner-occupied housing has been included into the calculation of the GDP, whereas the value of non-observed economic activities has not been included into the calculation of the GDP. (6) Estimated values. (7) From 1999 onwards, excluding Kosovo and Metohia; 2004, estimated value. (8) Source: IMF Mission estimates, 'Kosovo - Gearing Policies Toward Growth and Development', November 2004; 2002-2003, provisional values; 2004, forecast. (9) From 1999 onwards, excluding Kosovo and Metohia; 2005, provisional value. (10) 2002-2003, provisional values; 2004, forecast.

Gross domestic product (GDP) is the central aggregate of national accounts (as defined in ESA95). The Candidate and Potential Candidate countries together accounted for the equivalent of 3.3% of the combined EU-25 and new EU Member States' GDP in 2005 (data for 2004 or 2003 are included for the former Yugoslav Republic of Macedonia, Albania, Montenegro, Serbia and Kosovo/UNSCR 1244 where applicable).

GDP growth in constant prices was considerably higher in most of the Candidate and Potential Candidate countries when compared with data for the EU-25 during the period 2000 to 2005. On average, EU-25 growth was 2.1% over this six year period, less than half the growth in Bulgarian, Romanian, and Turkey GDP. Growth in Albania and Serbia outperformed that in the two new EU Member States, with an average of over 5% during this period.

Croatia had the highest GDP per capita among the Candidate and Potential Candidate countries in 2005, with a value that was just below 30% of the EU-25 level. Turkey was second in the ranking by per capita GDP.

Figure 5.1: GDP per capita, 2005 (EUR)



(1) Provisional value. (2) Based on quarterly values. (3) 2004 data. (4) General census of population; mid-year population figures used to calculate per capita values; GDP per capita data converted to EUR using the weighted import average exchange rates used in national accounts estimates by TURKSTAT. (5) Included value of the indirectly measured housing services in owner-occupied housing. The value of non-observed economic activities has not been included into the calculation of the gross domestic product. (6) 2003 data; mid-year estimate of population used to calculate per capita values; estimated value. (7) 2004 data; excluding Kosovo and Metohia; mid-year population; estimated value. (8) 2004 data; national accounts estimates of population data provide different results compared to those obtained using the demographic statistics; forecast.

Table 5.2: Final consumption expenditure, as a proportion of GDP (%)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	78.3	78.7	78.2	77.9	78.3	78.5	78.7	78.9	79.2	78.9	79.1
Bulgaria	85.9	86.5	85.5	82.9	87.9	87.1	86.9	86.8	87.7	86.8	88.6
Romania ⁽¹⁾	81.3	82.6	86.4	90.3	88.7	86.1	85.2	84.0	85.7	86.7	87.7
Croatia ⁽²⁾	92.4	87.6	88.2	86.2	86.0	84.9	82.1	81.9	79.7	78.3	77.4
The former Yugoslav Republic of Macedonia	:	:	92.6	92.6	90.3	92.6	94.8	99.5	97.0	98.9	:
Turkey	79.4	81.2	80.6	79.9	81.6	83.4	81.8	80.2	80.5	79.9	81.6
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro ⁽³⁾	:	:	:	:	:	93.5	101.6	108.0	102.7	:	:
Serbia ⁽⁴⁾	:	:	92.6	98.0	94.2	97.4	108.3	105.3	107.1	108.3	:
Kosovo/UNSCR 1244 ⁽⁵⁾	:	:	:	:	:	:	163.1	151.6	147.5	140.7	:

(1) 2004-2005, provisional values. (2) 2004 and 2005 data based on quarterly values. (3) Estimated values. (4) From 1999 onwards, excluding Kosovo and Metohia; 2004, estimated value. (5) The provisional number of population for 2004, used in national accounts estimates = 1.965 Million. Values distorted by a very high ratio of imports to exports of goods and services.

There was a slight increase in the proportion of GDP that was accounted for by final consumption expenditure in the EU-25 during the period 1995 to 2005. The share of final consumption expenditure in GDP tended to be higher than the EU-25 average in Bulgaria, Romania and the Candidate and Potential Candidate countries, though Croatia and Turkey were close to EU levels in 2005.

The breakdown of GDP shows that final consumption expenditure by general government accounted for a higher proportion of GDP in the EU-25 than in both new EU Member States and in the Candidate countries, whilst final consumption expenditure by households and non profit institutions serving households (NPISH) usually accounted for a lower share of GDP in the EU-25 (except when compared with Croatia). In the Potential Candidate countries both final consumption expenditure by general government and final consumption expenditure by households and NPISH were higher than the EU-25 figure.

Investment, as measured by gross capital formation, accounted for about 20% of the EU-25's GDP in 2005. At the same time, the latest information available for the gross capital formation relative to GDP showed that in all Candidate and Potential Candidate countries this share accounted for above 20% (except in Montenegro). No information is available regarding Albania and Bosnia and Herzegovina.

Table 5.3: Breakdown of GDP, 2005 (% share of GDP)

	Final consumption expenditure: household and NPISH	Final consumption expenditure: general government	Gross capital formation	Imports of goods & services	Exports of goods & services
EU-25 ⁽¹⁾	58.1	20.9	20.2	36.6	37.3
Bulgaria ⁽²⁾	70.0	18.6	28.0	77.4	60.8
Romania ⁽³⁾	68.1	19.6	22.7	43.4	33.0
Croatia ⁽⁴⁾	56.9	20.5	31.3	55.8	47.1
The former Yugoslav Republic of Macedonia ⁽⁵⁾	78.8	20.0	21.4	60.5	40.2
Turkey	68.3	13.2	25.1	34.4	27.8
Albania ⁽⁶⁾	:	:	:	44.0	21.8
Bosnia and Herzegovina ⁽⁷⁾	:	:	:	68.0	19.7
Montenegro ⁽⁸⁾	73.7	29.0	15.1	51.0	33.2
Serbia ⁽⁹⁾	75.5	32.9	22.7	54.2	23.2
Kosovo/UNSCR 1244 ⁽¹⁰⁾	93.5	47.2	27.9	78.6	10.0

(1) Imports and Exports of goods and services: intra EU-25 flows are included. (2) Final consumption expenditure, general government: Forecast. (3) Provisional values. (4) Based on quarterly values; Final consumption expenditure, household and NPISH: without NPISH. (5) 2004 data. (6) 2004 data; provisional values; data of GDP at Expenditure Approach are not yet published in the last publication of INSTAT. (7) 2003 data. (8) 2003 data; estimated values. (9) 2004 data; excluding Kosovo and Metohia; estimated values; Imports of goods & services: purchase from the other republic data included; Exports of goods & services: delivery to the other republic data included. (10) 2004 data; forecasts; Final consumption expenditure and Gross capital formation: values distorted by a very high ratio of imports to exports of goods and services; Final consumption expenditure, household and NPISH: households only, excludes non-profit institutions serving households (NPISH); Final consumption expenditure, general government: including donor sectors composed by UNMIK, KFOR, and other donor spending under the umbrella of the so called "public investment program", and spending financed by designated donor grants (DDGs), data excludes wages of KFOR personnel as well as consumption of goods imported directly by KFOR; Gross capital formation: investment including the donor sector, general government, private investment (housing and other).

Relatively small territories (in terms of land area and population) will tend to display higher levels of trade integration than larger territories. Imports and exports are essential because small territories produce a limited number of goods and services because of their close geographical proximity to neighbouring territories.

External trade statistics can be used to show how open each territory is, the extent to which a territory satisfies its own consumption or relies on imports, and the attractiveness of each territory's goods and services for export. The average (simple arithmetic mean) of imports and exports of goods and services as a proportion of GDP is an alternative measure of trade integration: the higher the indicator, the more integrated a territory within the international economy.

Table 5.4: External trade

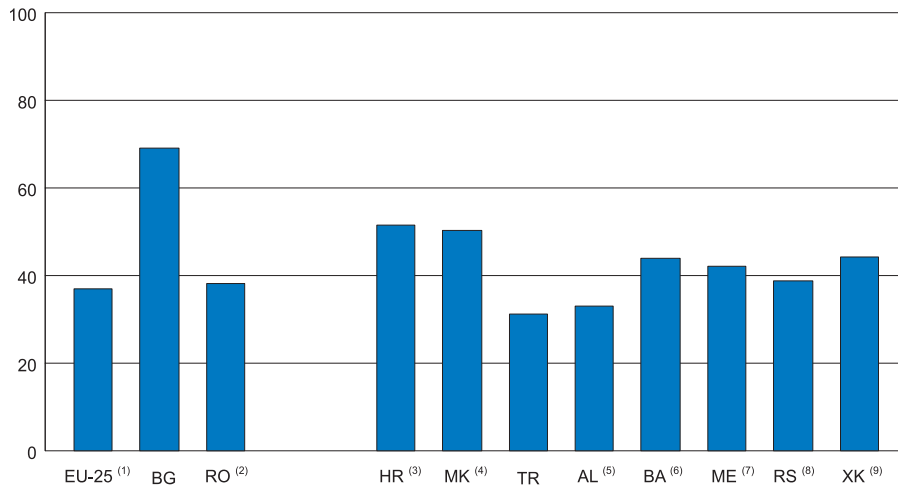
	Exports of goods and services, relative to GDP (%)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 (1)	29.6	30.1	32.0	32.4	32.6	36.1	36.2	35.4	34.7	35.9	37.3
Bulgaria	44.7	55.4	58.3	47.0	44.5	55.7	55.6	53.1	53.6	58.0	60.8
Romania (2)	27.6	28.1	29.2	22.6	28.0	32.9	33.3	35.4	34.7	35.9	33.0
Croatia (3)	41.3	41.7	41.1	39.6	40.9	47.1	48.4	45.4	47.1	47.4	47.1
The former Yugoslav Republic of Macedonia	:	:	37.3	41.2	42.2	48.6	42.7	38.0	37.9	40.2	:
Turkey	19.5	22.2	24.7	23.8	21.7	23.4	32.0	29.2	27.5	29.1	27.8
Albania (4)	:	11.0	9.5	10.6	15.5	17.5	18.2	19.3	20.3	21.8	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	19.7	:	:
Montenegro (5)	:	:	:	:	:	38.4	40.0	37.0	33.2	:	:
Serbia (6)	:	:	21.5	26.3	15.9	14.8	25.4	25.9	23.5	23.2	:
Kosovo/UNSCR 1244 (7)	:	:	:	:	:	:	16.6	12.5	10.4	10.0	:
	Imports of goods and services, relative to GDP (%)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 (1)	28.2	28.4	30.1	30.9	31.7	35.9	35.3	33.8	33.4	34.7	36.6
Bulgaria	46.3	50.0	53.7	46.8	50.3	61.1	63.2	59.7	63.0	68.2	77.4
Romania (2)	33.2	36.6	36.2	30.7	32.8	38.5	41.1	41.1	42.2	45.0	43.4
Croatia (3)	51.3	51.3	56.8	49.2	49.3	52.3	54.5	56.4	57.9	56.7	55.8
The former Yugoslav Republic of Macedonia	:	:	50.8	56.1	52.2	63.5	56.6	58.2	54.8	60.5	:
Turkey	23.8	28.7	30.5	27.2	25.1	30.7	29.7	30.6	30.8	35.0	34.4
Albania (4)	:	31.6	33.5	34.0	31.6	37.3	38.5	43.7	44.9	44.0	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	68.0	:	:
Montenegro (5)	:	:	:	:	:	53.3	64.5	62.6	51.0	:	:
Serbia (6)	:	:	29.4	35.1	22.2	19.6	48.3	46.4	45.3	54.2	:
Kosovo/UNSCR 1244 (7)	:	:	:	:	:	:	120.4	98.6	87.1	78.6	:

(1) Intra EU-25 flows are included. (2) 2004-2005, provisional values. (3) 2004 and 2005 data based on quarterly values. (4) Provisional values; data of GDP at Expenditure Approach are not yet published in the last publication of INSTAT. (5) Estimated values. (6) Delivery to the other republic data included; from 1999 onwards, excluding Kosovo and Metohia; estimated value for 2004. (7) 2004, forecasts. (8) Purchase from the other republic data included; from 1999 onwards, excluding Kosovo and Metohia; estimated value for 2004.

During the period 1995 to 2005, each of the Candidate and Potential Candidate countries, as well as the new EU Member States reported a trade deficit (apart from Bulgaria from 1996 to 1997 and Turkey in 2001), while in the EU-25 a surplus for goods and services was posted. The former Yugoslav Republic of Macedonia and the Potential Candidate countries were particularly reliant upon imports.

In 2005, the average of imports and exports relative to GDP registered a value of 37% for the EU-25 and almost similar levels were reported in Romania and Serbia. On the other hand, higher values were accounted for Bulgaria (registering the highest average of 69%) and the majority of the Candidate and Potential Candidate Countries. Turkey and Albania instead experienced lower averages of imports and exports relative to GDP with differences up to 6% compared to the EU-25.

Figure 5.2: Average of exports and imports, relative to GDP, 2005 (%)



(1) Intra EU-25 flows are included. (2) 2005 data; provisional value. (3) Based on quarterly values. (4) 2004 data. (5) 2004 data; provisional value; data of GDP at Expenditure Approach are not yet published in the last publication of INSTAT. (6) 2003 data. (7) 2003 data; estimated value. (8) 2004 data; excluding Kosovo and Metohia; estimated value. (9) 2004 data; forecast.

Table 5.5: Breakdown of gross value added (% of total)

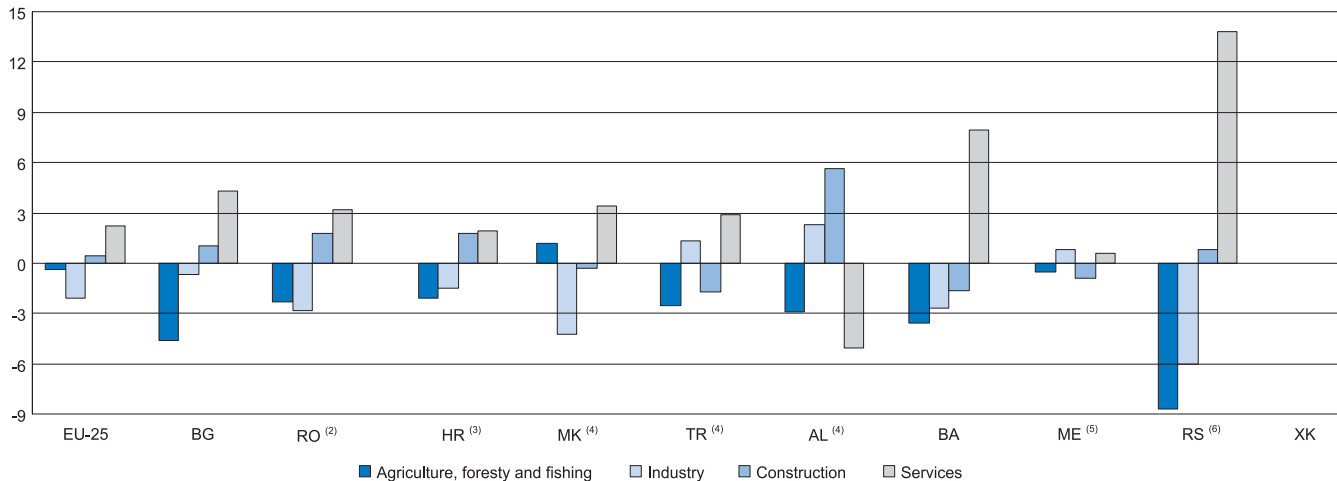
	Agriculture, forestry and fishing										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	2.8	2.8	2.7	2.6	2.4	2.3	2.3	2.2	2.1	2.1	1.9
Bulgaria	:	15.1	26.2	18.8	16.3	13.9	13.4	12.1	11.6	10.8	9.3
Romania ⁽¹⁾	20.8	20.1	19.5	15.9	14.9	12.4	14.7	12.6	13.0	14.3	10.1
Croatia ⁽²⁾	10.4	10.0	9.3	9.4	9.7	8.8	9.0	8.7	7.0	6.9	6.7
The former Yugoslav Republic of Macedonia	:	:	12.8	13.2	12.9	12.0	11.8	12.4	13.4	13.2	:
Turkey	15.0	15.9	13.6	16.9	14.6	13.6	11.4	11.4	11.6	11.1	:
Albania	:	36.1	31.6	28.9	25.9	25.5	23.9	23.6	23.9	22.6	:
Bosnia and Herzegovina	:	:	:	:	15.8	13.4	13.0	12.1	10.6	10.4	9.8
Montenegro ⁽³⁾	:	:	:	:	:	13.0	12.6	12.9	12.5	:	:
Serbia ⁽⁴⁾	:	:	20.0	18.8	21.8	22.7	22.4	17.0	14.4	14.0	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Industry										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	23.6	23.3	23.3	23.0	22.4	22.3	21.7	21.0	20.4	20.2	20.2
Bulgaria	:	26.5	25.2	25.7	23.9	25.5	25.0	24.6	25.2	24.9	24.8
Romania ⁽¹⁾	34.5	34.8	33.4	29.1	27.7	30.5	30.5	31.0	28.2	28.2	27.7
Croatia ⁽²⁾	27.7	25.7	25.9	25.0	24.6	24.7	24.4	23.0	22.8	22.7	23.2
The former Yugoslav Republic of Macedonia	:	:	28.4	27.1	26.5	26.9	26.1	24.2	24.4	22.7	:
Turkey	25.8	24.2	24.2	21.4	21.9	22.5	24.2	24.3	23.8	23.8	:
Albania	:	9.7	8.6	7.2	7.1	7.6	7.2	6.8	8.6	10.0	:
Bosnia and Herzegovina	:	:	:	:	22.7	23.0	22.5	20.9	22.2	20.1	20.3
Montenegro ⁽³⁾	:	:	:	:	:	20.0	22.0	21.1	20.8	:	:
Serbia ⁽⁴⁾	:	:	32.8	32.2	31.4	30.1	28.1	27.5	25.0	24.1	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Estimated figures from 1995 to 2002 in order to take into account the fact that FISIM (Financial Intermediation Services Indirectly Measured) was not allocated by economic activities, since 2003 FISIM has been re-allocated according to ESA95; 2004-2005, provisional values. (2) 2004 and 2005 data based on quarterly values. (3) 2000-2003, estimated values; without Financial Intermediation Services Indirectly Measured (FISIM). (4) From 1999 onwards, excluding Kosovo and Metohia; 2004, estimated values.

Table 5.5: Breakdown of gross value added (% of total) (continued)

	Construction												
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
EU-25	6.0	5.8	5.6	5.5	5.6	5.6	5.7	5.7	5.8	5.9	6.0		
Bulgaria	:	4.2	2.7	4.8	5.0	4.6	4.6	4.5	4.5	5.0	5.6		
Romania ⁽¹⁾	6.9	6.8	5.6	5.7	5.6	5.5	5.9	6.4	6.5	6.7	7.3		
Croatia ⁽²⁾	5.7	6.6	7.1	6.7	5.3	4.6	4.9	5.3	6.3	6.5	6.4		
The former Yugoslav Republic of Macedonia	:	:	6.2	6.7	6.1	6.8	6.0	6.0	6.3	6.5	:		
Turkey	5.4	5.6	5.8	5.6	5.4	5.1	4.8	3.9	3.3	3.4	:		
Albania	:	5.0	6.0	4.9	5.9	8.1	10.3	11.9	13.7	13.8	:		
Bosnia and Herzegovina	:	:	:	:	6.3	5.8	5.1	5.1	4.8	4.3	4.2		
Montenegro ⁽³⁾	:	:	:	:	:	4.5	4.1	4.3	3.6	:	:		
Serbia ⁽⁴⁾	:	:	5.1	5.4	4.3	4.1	3.6	3.9	4.6	4.9	:		
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:		
	Services												
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
EU-25	67.5	68.0	68.4	68.8	69.6	69.7	70.2	71.1	71.8	71.7	71.9		
Bulgaria	:	54.2	45.9	50.7	54.8	56.0	57.0	58.8	58.7	59.3	60.3		
Romania ⁽¹⁾	37.9	38.3	41.5	49.2	51.8	51.7	49.0	50.0	52.2	50.7	54.9		
Croatia ⁽²⁾	56.3	57.8	57.8	59.0	60.4	61.9	61.8	63.1	63.9	63.9	63.8		
The former Yugoslav Republic of Macedonia	:	:	52.7	52.9	54.5	54.2	56.1	57.5	56.0	57.7	:		
Turkey	53.8	54.3	56.4	56.1	58.1	58.8	59.6	60.5	61.3	61.7	:		
Albania	:	49.2	53.8	58.9	61.1	58.8	58.7	57.8	53.8	53.7	:		
Bosnia and Herzegovina	:	:	:	:	55.3	57.7	59.4	61.9	62.4	65.2	65.7		
Montenegro ⁽³⁾	:	:	:	:	:	62.6	61.4	61.7	63.2	:	:		
Serbia ⁽⁴⁾	:	:	42.1	43.6	42.5	43.1	45.8	51.6	56.0	56.9	:		
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:		

(1) Estimated figures from 1995 to 2002 in order to take into account the fact that FISIM (Financial Intermediation Services Indirectly Measured) was not allocated by economic activities, since 2003 FISIM has been re-allocated according to ESA95; 2004-2005, provisional values. (2) 2004 and 2005 data based on quarterly values. (3) 2000-2003, estimated values; without Financial Intermediation Services Indirectly Measured (FISIM). (4) From 1999 onwards, excluding Kosovo and Metohia; 2004, estimated values.

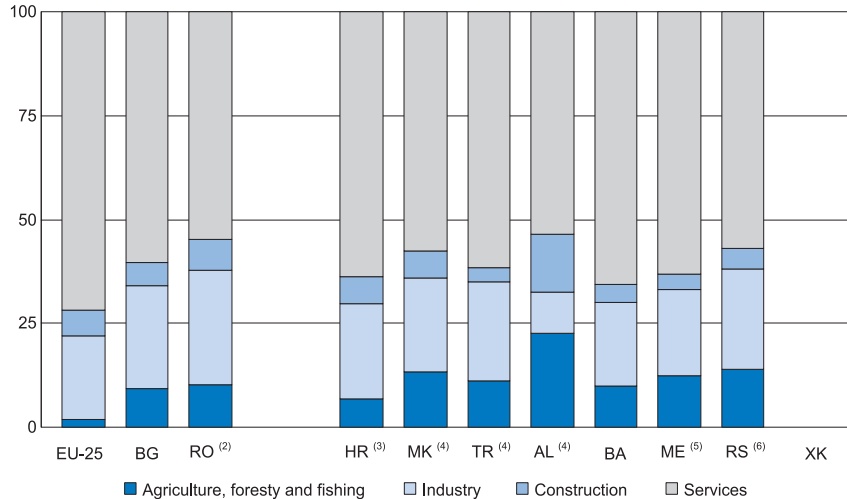
Figure 5.3: Relative change of gross value added, 2000-2005 (change in percentage points) ⁽¹⁾

(1) Kosovo/UNSCR 1244, not available. (2) Estimated figures for 2000 in order to take into account the fact that FISIM (Financial Intermediation Services Indirectly Measured) was not allocated by economic activities, whereas for 2005 data FISIM has been re-allocated according to ESA95; provisional value for 2005. (3) 2005 data based on quarterly values. (4) 2004 instead of 2005. (5) Estimated values; 2003 instead of 2005; without Financial Intermediation Services Indirectly Measured (FISIM). (6) 2004 instead of 2005; excluding Kosovo and Metohia; estimated values for 2004.

Compared to the EU-25, the economies of the new EU Member States and the Candidate and Potential Candidate countries generate a considerably higher proportion of total value added within the agriculture, forestry and fishing sector. However, the relative importance of these activities fell at a rapid pace between 2000 and 2005, as activity in the services sector (and to a lesser extent, industry and construction) grew in the majority of these territories. This pattern was particularly pronounced in Bulgaria, Romania, Turkey, Bosnia and Herzegovina, and Serbia.

This information on the breakdown of gross value added can be compared with that presented on figure 4.4 for employment, where a similar shift away from agriculture, forestry and fishing was observed. The share of agriculture, forestry and fishing in total value added was lower than corresponding shares for employment (except in Bulgaria, the former Yugoslav Republic of Macedonia and Montenegro).

Figure 5.4: Breakdown of gross value added, 2005 (% of total) ⁽¹⁾



(1) Kosovo/UNSCR 1244, not available. (2) In 2005 FISIM (Financial Intermediation Services Indirectly Measured) has been re-allocated by economic activities, according to ESA95; provisional value. (3) Based on quarterly values. (4) 2004 data. (5) 2003 data; estimated value; without Financial Intermediation Services Indirectly Measured (FISIM). (6) 2004 data; excluding Kosovo and Metohia; estimated values.

Table 5.6: Labour productivity

	GDP in constant prices per person employed (% change compared with the previous year)											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
EU-25	:	1.1	1.7	1.4	1.8	2.2	0.9	0.8	0.9	1.7	0.7	
Bulgaria	:	:	:	4.0	4.5	9.2	4.5	4.1	0.8	:	:	
Romania ⁽¹⁾	:	:	:	:	3.5	-0.3	6.6	7.9	4.3	:	:	
Croatia ⁽²⁾	:	:	:	5.8	4.5	2.1	4.2	5.2	2.7	2.4	3.3	
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:	
Turkey ⁽³⁾	:	:	:	:	:	:	-6.5	8.8	6.1	:	:	
Albania	:	:	:	:	:	:	:	:	:	:	:	
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:	
Montenegro	:	:	:	:	:	:	:	:	:	:	:	
Serbia ⁽⁴⁾	:	:	:	:	:	:	5.3	5.0	7.0	7.9	:	
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:	
	Unit labour cost (% change compared with the previous year)											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
EU-25	:	-0.7	-0.9	-0.7	0.2	0.2	0.2	-0.4	-0.5	-1.0	-0.6	
Bulgaria ⁽⁵⁾	:	-13.6	-8.0	18.4	-2.2	-5.4	0.8	-3.4	0.4	-4.1	1.4	
Romania	:	:	:	:	-7.6	21.7	-1.1	:	:	:	:	
Croatia	:	13.8	15.3	14.0	7.0	5.5	2.4	:	:	:	:	
The former Yugoslav Republic of Macedonia	:	:	:	2.7	-1.5	-7.6	0.2	-0.7	2.8	-9.7	:	
Turkey ⁽⁶⁾	:	:	:	:	:	:	-4.6	:	:	:	:	
Albania	:	:	:	:	:	:	:	:	:	:	:	
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:	
Montenegro	:	:	:	:	:	:	:	:	:	:	:	
Serbia	:	:	:	:	:	:	:	:	:	:	:	
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:	

(1) Calculated using GDP in euro at constant prices. (2) 2004 and 2005 data based on quarterly values. (3) Labour productivity growth is partially harmonised according to national accounts concept. (4) Excluding Kosovo and Metohia. (5) 2005, provisional value. (6) Unit labour cost growth is partially harmonised according to national accounts concept.

Labour productivity (as measured by GDP per person employed) rose in constant price terms in the EU-25 over the period presented (1.3% on average between 1996 and 2005). Productivity growth in EU-25 slowed down after 2000 but remained positive. Productivity gains were generally higher in the new EU Member States and the Candidate and Potential Candidate countries, with increases of 5% or more per annum being quite common (subject to data availability). Unit labour cost (defined as the ratio of compensation of employees in current prices, divided by GDP in current prices per total employment) fell at a modest pace in the EU-25 during the period 2002 to 2005 (-0.6% on average), while available statistics in Bulgaria, Romania and Candidate and Potential Candidate countries do not allow to detect a clear pattern.

The total number of persons employed in the EU-25 rose by 0.6% on average over the last three years for which data is available (2002 to 2005). The total number of persons employed in Romania, the former Yugoslav Republic of Macedonia and Serbia often fell from 2001 onwards.

These employment losses could partially explain the relatively high productivity gains made in some Candidate and Potential Candidate countries. It should be noted that the data presented refer to national accounts' concepts and that results may differ somewhat if compared with those derived from labour force or other social statistics.

Table 5.7: Total number of persons in employment (% change compared with the previous year)

	2000	2001	2002	2003	2004	2005
EU-25	1.7	1.1	0.4	0.4	0.7	0.9
Bulgaria ⁽¹⁾	-3.5	-0.4	0.4	6.3	1.9	1.5
Romania	3.0	-1.0	-10.0	-5.0	:	:
Croatia ⁽²⁾	-2.2	-0.8	1.5	-0.2	0.4	-0.2
The former Yugoslav Republic of Macedonia	0.0	-2.0	-1.0	-2.0	-2.0	:
Turkey	:	:	:	:	:	:
Albania	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:
Serbia ⁽³⁾	:	-0.2	-0.5	-4.3	1.3	:
Kosovo/UNSCR 1244	:	:	:	:	:	:

(1) 2005, provisional value. (2) 2004 and 2005 data based on quarterly values. (3) Excluding Kosovo and Metohia.

Chapter 6 - Finance



One of the Maastricht criteria for assessing economic conditions for joining the Euro-zone is that the general government deficit relative to the GDP of the country should not exceed 3%, and general government debt relative to GDP should not exceed 60%.

The EU-25's deficit relative to GDP stood at 2.3% in 2005, which is below both 2003 and 2004 and marked a return to the 2002 level. Bulgaria reported a general government surplus for the fifth time in a row whereas Romania showed a general government deficit all through the period 1997-2005 although a steady contraction occurred after 1999. Also in Candidate countries the general government budget balance improved gradually in the most recent years for which information is available. For most Potential Candidate countries no information was available, with the exception of Albania, with a deficit of around -5% of GDP, and Kosovo/UNSCR 1244, with a surplus of 2%–3% in the most recent years.

Table 6.1: General government deficit /surplus

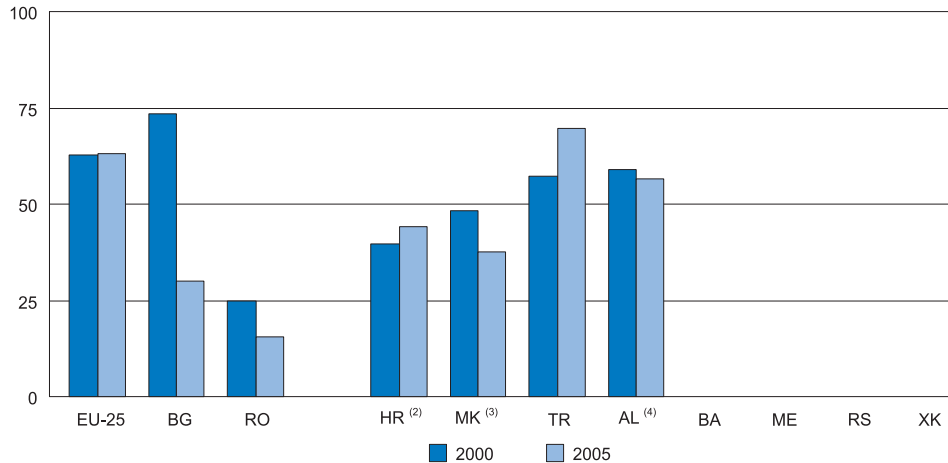
	General government deficit /surplus (EUR million)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	:	:	:	34 629	-120 083	-230 625	-302 100	-279 998	-252 355
Bulgaria	:	:	-31	189	44	-66	286	13	60	373	674
Romania	:	:	-1 392	-1 200	-1 491	-1 791	-1 583	-971	-918	-811	-323
Croatia	:	:	:	:	-1 334	-1 498	-1 510	-1 053	-1 248	-1 409	-1 136
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:
Turkey	:	:	:	:	:	-31 380	-53 625	-24 893	-24 099	-13 833	-3 341
Albania	-193	-271	-261	-285	-289	-302	-315	-287	-247	-298	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	107	40	52	:
	General government deficit /surplus relative to GDP (%)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	:	:	:	0.4	-1.3	-2.3	-3.0	-2.7	-2.3
Bulgaria	:	:	-0.3	1.7	0.4	-0.5	1.9	0.1	0.3	1.9	3.1
Romania	:	:	-4.5	-3.2	-4.5	-4.4	-3.5	-2.0	-1.7	-1.3	-0.4
Croatia ⁽¹⁾	:	:	:	:	-7.1	-7.5	-6.8	-4.3	-4.8	-5.0	-3.7
The former Yugoslav Republic of Macedonia	:	:	:	:	0.3	2.3	-2.5	-0.5	0.1	:	:
Turkey	:	:	:	:	:	-14.5	-33.0	-12.9	-11.3	-5.7	-1.2
Albania ⁽²⁾	:	-10.3	-12.5	-11.5	-8.9	-7.5	-6.9	-6.0	-4.8	-4.9	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244 ⁽³⁾	:	:	:	:	:	:	:	8.4	2.2	2.7	:

(1) GFS 1986 basis. Privatisation revenues are excluded and reclassified to the financing of the balance. (2) 2004, forecast. (3) GDP data from IMF.

General Government Debt and Gross Foreign Debt

Between 2000 and 2005, general government debt relative to GDP exceeded the Maastricht threshold for the EU-25. It also exceeded the comparable figures for Bulgaria (in 2005), Romania and the Candidate countries (except Turkey for 2005). Albania also showed lower figures for the general government debt ratio. For the remaining Potential Candidate countries this information is not available.

Figure 6.1: General government debt relative to GDP (%) ⁽¹⁾



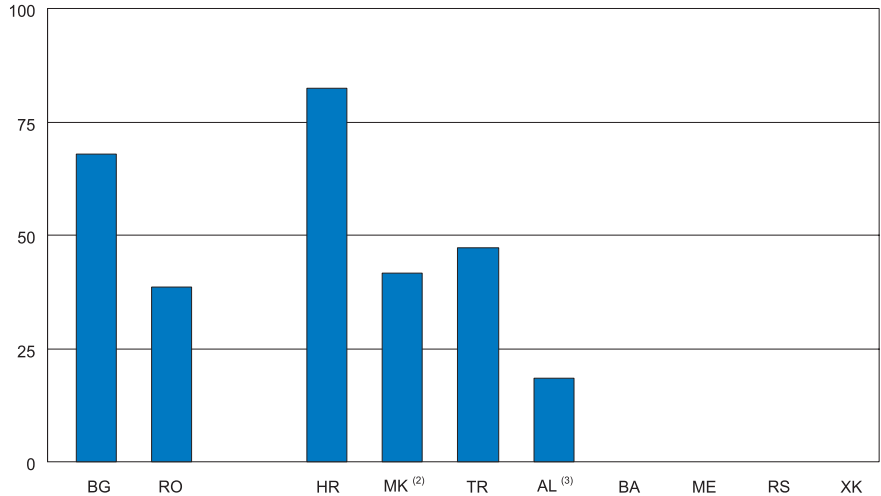
(1) Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) 2005 data includes central government, local government, the Croatian bank for reconstruction and development, and guarantees. 2000 data is not fully comparable with 2005 data because of methodological differences (it is currently being harmonised/ revised). The Croatian National Bank is using revised GDP data in comparison to the National accounts division of the Statistical Bureau. (3) 2004 instead of 2005. (4) 2004 instead of 2005, 2004 forecast.

General government debt relative to GDP was often reduced as a result of GDP growth, implying even with growing debt that the debt ratio only had increased at a moderate pace or had even decreased.

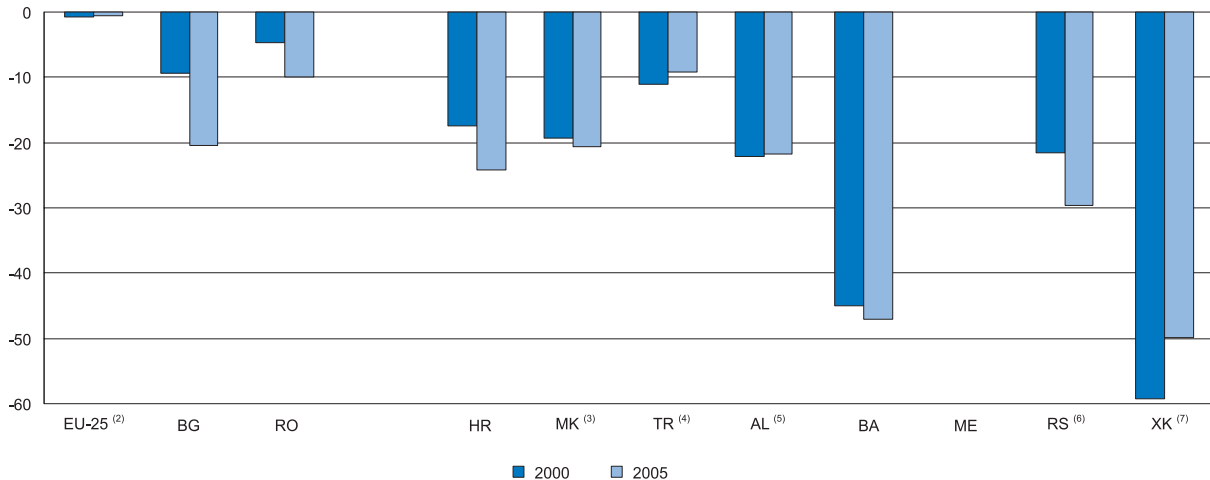
Between 2000 and 2005, EU-25 general government debt rose by 22.2% overall (or an average of 4.1% per annum) whilst the debt relative to GDP only rose by 0.5%. The trend of general government debt was downward by 8.6% per annum in Bulgaria whilst the Romanian debt rose by 7.5% per year on average over the period 2000–2005. Amongst the Candidate countries, an upward trend was seen for Croatia (11.5% per annum) and Turkey (13.3%) during the same period, whilst government debt was reduced in the former Yugoslav Republic of Macedonia during the period 2000-2004 (-4.0% on average). Of the Potential Candidate countries, this information is available only for Albania, which showed an average growth rate of 9.6% per annum between 2000 and 2004.

Gross foreign debt of the whole economy covers both short- and long-term debt but excludes equity investment and money market instruments. Albania reported by far the lowest ratio of foreign debt to GDP among the Candidate and Potential Candidate countries as well as the new EU Member States, and, apart from Turkey, was the only country to report that gross foreign debt relative to GDP was lower than general government debt ratio.

Figure 6.2: Gross foreign debt of the whole economy relative to GDP, 2005 (%) ⁽¹⁾



(1) EU-25, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) Gross foreign debt data do not include short term trade credits. (3) 2004 instead of 2005, 2004 forecast.

Figure 6.3: Current account - trade balance relative to GDP (%) ⁽¹⁾

(1) Montenegro, not available. (2) 2001 instead of 2000. (3) 2004 instead of 2005; for 2000 the values in EUR are calculated using the annual average exchange rate, whereas for 2004 the values in EUR are calculated on the basis of the current exchange rate. (4) Data were originally provided in US dollars and converted to EUR using Eurostat annual average exchange rates for 2000 and 2005. (5) 2004 instead of 2005. (6) 2001 instead of 2000; 2004 instead of 2005; data were originally provided in US dollars and converted to EUR using Eurostat annual average exchange rates for 2001 and 2004. (7) 2001 instead of 2000; 2004 instead of 2005.

The Balance of payments summarises the economic transactions of a territory with the rest of the world. The standard components of the balance of payments are:

- The current account, that refers to goods and services, income (compensation of employees, investment income), and current transfers;
- The capital and financial account that refers to capital transfers and the acquisition/disposal of non-produced, non-financial assets, and financial assets and liabilities.

The current account balance for the EU-25 and each Candidate and Potential Candidate country as well as the new EU Member States was in deficit in 2005. Moreover, the EU-25's deficit relative to GDP experienced a slight contraction of 0.2% between 2000 and 2005, whereas the majority of the Candidate and Potential Candidate countries and the new EU Member States showed a notable deterioration of the trade balance divided by GDP (Turkey, Albania and Kosovo/UNSCR 1244 were exceptions with improvements in their current account balances over the same period).

Table 6.3: Balance of payments, 2005 (EUR million)

	Current account	Capital account	Financial account	Net errors and omissions
EU-25	-68 152	-7 886	:	:
Bulgaria	-2 531	-1	2 305	226
Romania	-6 891	584	4 786	1 521
Croatia	-1 964	51	2 845	-933
The former Yugoslav Republic of Macedonia ⁽¹⁾	-62	-2	74	-10
Turkey ⁽²⁾	-18 612	0	16 821	1 791
Albania ⁽³⁾	-288	107	311	93
Bosnia and Herzegovina	:	:	:	:
Montenegro	:	:	:	:
Serbia ⁽²⁾	-1 810	0	2 176	-366
Kosovo/UNSCR 1244	-415	:	256	159

(1) The values in EUR are calculated on the basis of the current exchange rate. (2) Data were originally provided in US dollars and converted to EUR using Eurostat annual average exchange rate for 2005. (3) 2004 instead of 2005; financial account includes the 'Use of Loans and Credit of IMF'.

Table 6.4: Foreign direct investment (EUR million)

	Outward FDI										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	:	:	:	:	306 140	133 897	136 012	139 277	184 981
Bulgaria	:	:	:	0	16	3	11	29	23	-166	257
Romania	2	0	-9	-8	15	-14	-18	18	36	56	-11
Croatia	:	:	:	:	54	2	176	598	93	280	143
The former Yugoslav Republic of Macedonia ⁽¹⁾	0	0	0	0	0	-1	1	0	0	1	2
Turkey ⁽²⁾	86	87	221	327	605	942	555	185	441	691	867
Albania	0	0	0	0	0	0	0	0	0	0	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Inward FDI										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	:	:	:	:	145 867	126 567	119 481	51 656	69 219
Bulgaria	:	:	:	605	866	1 103	903	980	1 851	2 078	2 113
Romania	321	210	1077	1 763	964	1 147	1 294	1 212	1 946	5 183	5 197
Croatia	:	:	:	:	1 369	1 142	1 503	1 195	1 788	989	1 328
The former Yugoslav Republic of Macedonia ⁽¹⁾	7	9	27	114	31	189	493	83	81	127	79
Turkey ⁽²⁾	677	569	710	839	735	1 063	3 743	1 202	1 549	2 318	7 880
Albania	54	71	42	40	39	155	232	143	158	275	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	18	59

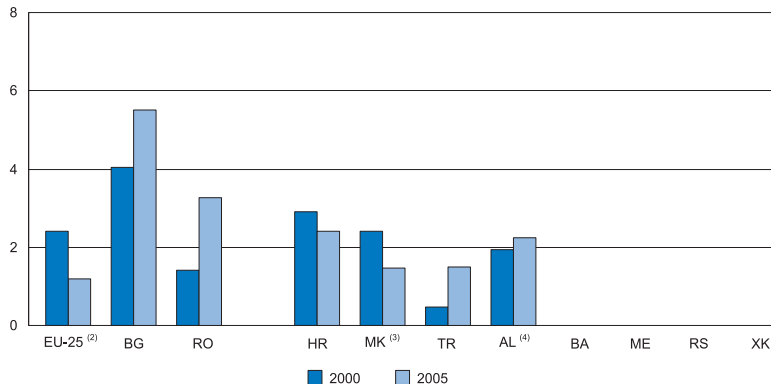
(1) For the period 1995-2002, the values in EUR are calculated using the annual average exchange rate; from 2003 onwards the values in EUR are calculated on the basis of the current exchange rate. (2) Data were originally provided in US dollars and converted to EUR using Eurostat annual average exchange rates from 1995 to 2005.

Inward foreign direct investment (FDI) is investment made by foreigners in enterprises resident in the reporting economy. Outward FDI (or FDI abroad) is investment by resident entities in affiliated enterprises abroad. Both inward and outward FDI are the net result of investment and disinvestment. For FDI statistics, the Balance of Payments sign convention is not applied. This means that both inward and outward FDI are published with a positive sign. A negative sign for flows indicates disinvestment in both cases.

Levels of outward FDI made by the Candidate and Potential Candidate countries as well as Bulgaria and Romania were relatively low in comparison to the levels of inward investment. Inward FDI grew at a particularly fast pace in Bulgaria in 2003 and Romania in 2004, perhaps in anticipation of their accession to the EU-25. Also, the Turkish figure grew strongly in 2005. At the same time, the Croatian inward FDI recovered from the decline in 2004, with a value of EUR 1.3 billion in 2005.

The average of FDI inflows and outflows relative to GDP fell at a rapid pace in the EU-25 between 2000 and 2005, mainly as a result of falling FDI flows with the United States. The opposite was true in Bulgaria, Romania, Turkey and Albania, suggesting that this group of countries was more attractive to foreign investors, whereas at the same time this ratio fell with Croatia the former Yugoslav Republic of Macedonia. It is notable that in 2005 the average FDI inflows and outflows relative to GDP was higher in Bulgaria, Romania and the Candidate and Potential Candidate countries (according to data availability) than in the EU-25, providing an indication of the important role played by FDI in the economic growth of these regions.

Figure 6.4: Average of FDI inflows and outflows relative to GDP (%) ⁽¹⁾



(1) Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) 2001 instead of 2000. (3) 2004 instead of 2005. (4) 2004 instead of 2005, 2004 forecast.

Table 6.5: Money supply (EUR million)

	M1										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	1 423 101	1 528 487	1 626 864	1 785 398	1 972 045	2 084 600	2 278 976	2 499 429	2 727 088	2 948 883	3 479 636
Bulgaria	1 728	820	1 648	1 888	2 065	2 453	3 085	3 424	4 106	5 265	6 362
Romania	2 147	2 232	2 113	1 729	1 619	1 921	2 307	2 529	2 755	3 854	6 677
Croatia	1 209	1 656	1 977	1 846	1 805	2 373	3 216	4 148	4 432	4 505	5 263
The former Yugoslav Republic of Macedonia	257	237	229	249	325	368	415	432	445	450	485
Turkey	4 968	6 734	7 029	7 000	8 635	12 205	8 965	9 291	13 188	15 762	26 483
Albania	488	681	537	496	701	936	1 113	1 152	1 053	1 354	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	1 327	950	1 259	1 797	980	1 546	1 530	1 533	1 773
Kosovo/UNSCR 1244	:	:	:	:	:	761	971	998	891	713	572
	M2										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	3 397 475	3 562 479	3 687 146	3 920 142	4 142 299	4 299 631	4 684 363	4 981 449	5 295 799	5 632 265	6 152 877
Bulgaria	6 504	2 178	3 012	3 386	3 853	5 040	6 340	7 084	8 418	10 380	12 903
Romania	5 541	6 061	7 009	7 236	7 317	7 673	9 702	10 702	11 206	16 252	23 478
Croatia	:	:	:	:	:	:	:	:	:	:	:
The former Yugoslav Republic of Macedonia	384	360	372	427	556	690	1 145	1 052	1 240	1 450	1 686
Turkey	16 082	21 961	25 154	31 206	41 325	51 591	37 253	36 326	47 398	59 415	96 487
Albania	720	909	950	1 180	1 631	1 995	2 376	2 453	2 542	3 066	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	1 779	1 314	1 591	2 187	1 146	1 829	1 920	2 020	2 359
Kosovo/UNSCR 1244	:	:	:	:	:	761	1 096	1 126	1 112	1 128	1 092

The M1 aggregate is the narrowest of the money supply measures and covers notes and coins in circulation, as well as bank sight deposits. The M2 aggregate covers M1 and savings deposits, plus other short-term claims on banks.

Between 2000 and 2005, the EU-25's M1 aggregate rose by an average of 10.8% per annum. The money supply expanded at a faster pace in Bulgaria and Romania and the Candidate countries, with the exception of the former Yugoslav Republic of Macedonia, where M1 grew only by 5.7% on average. The highest growth rate was seen in Romania (28.3%), nearly three times the EU-25's growth rate. In Albania between 2000 and 2005 the money supply expanded at an average rate similar to that for the EU-25, whereas Serbia and Kosovo/UNSCR 1244 experienced a negative annual average growth rate over the period 2000–2005. No information was available for Bosnia and Herzegovina and Montenegro.

The general slowdown in global economic growth in recent years has been coupled with historically low interest rates across many industrialised economies. Whilst interest rates were relatively high in Romania and in most Candidate and Potential Candidate countries compared to the EU-25, there was a marked reduction in the majority of rates between 2000 and 2005.

Table 6.6: Interest rates (%)

	Interest rates: day-to-day money rate		Lending interest rate (one year)		Deposit interest rate (one year)	
	2000	2005	2000	2005	2000	2005
EUR-12 ⁽¹⁾	3.6	2.7	:	6.8	:	2.3
Bulgaria ⁽²⁾	2.9	2.0	:	:	:	:
Romania ⁽³⁾	41.5	6.3	53.5	19.2	32.7	6.2
Croatia	6.9	3.3	20.6	12.9	8.2	4.0
The former Yugoslav Republic of Macedonia ⁽⁴⁾	7.2	9.2	19.0	12.1	10.7	6.9
Turkey ⁽⁵⁾	56.0	15.1	51.2	23.8	38.2	19.9
Albania ⁽⁶⁾	:	:	24.0	13.7	8.0	6.0
Bosnia and Herzegovina	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:
Serbia	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:

(1) Interest rates: 2002 instead of 2000. For 2005: Lending rates are for household consumption loans, maturity is less than 1 year; Deposit interest rates are for non-financial corporations and therefore do not cover households, maturity is less than 1 year. (2) Interest rates for inter-bank overnight deposits in national currency (BGN); the annual interest rate is an arithmetic average of the monthly interest rates. (3) Lending interest rates refer to bank lending to non-governmental customers. Deposit interest rates refer to bank deposits of non-governmental customers. (4) Lending interest rate: Denar credit up to 1 year (end of period); in 2005 change in methodology. Deposit interest rate: Paid on 3 month households denar deposits; in 2005 change in methodology. (5) Interest rates: Averages of monthly data. Lending interest rate: Averages of monthly data, lending to enterprises more than one year. Deposit interest rate: Averages of monthly data, up to one year or longer. (6) Interest rates: Average weighted rate applied on new 12-month loans over the respective month, on 12-month maturity and 2004 instead 2005. Deposit interest rate represents the average weighted rate for newly accepted deposits over the respective month, on 12-month maturity and 2004 instead 2005.

Table 6.7: Exchange rates and consumer price indices

	Average exchange rates (1 Euro/ECU = ...national currency)											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
Bulgaria (BGN)	0.0868	0.2229	1.8946	1.9722	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
Romania (RON) ⁽¹⁾	0.2630	0.3863	0.8091	0.9989	1.6296	1.9956	2.6027	3.1255	3.7556	4.0532	3.6234	
Croatia (HRK)	6.76	6.80	6.96	7.14	7.58	7.63	7.47	7.41	7.56	7.50	7.40	
The former Yugoslav Republic of Macedonia (MKD)	49.15	50.08	56.20	61.07	60.62	60.72	60.91	60.98	61.26	61.34	61.30	
Turkey (TRY) ⁽²⁾	0.0592	0.1020	0.1706	0.2928	0.4457	0.5739	1.0937	1.4298	1.6853	1.7677	1.6695	
Albania (ALL)	:	:	:	:	146.96	132.58	128.47	132.36	137.51	127.68	:	
Bosnia and Herzegovina (BAM) ⁽³⁾	:	:	:	1.9700	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
Montenegro (EUR) ⁽⁴⁾	:	:	:	:	:	:	:	1.000	1.000	1.000	1.000	
Serbia (CSD)	:	:	:	:	11.74	15.04	59.45	60.68	65.06	72.57	:	
Kosovo/UNSCR 1244 (EUR) ⁽⁵⁾	:	:	:	:	1.0000	1.000	1.000	1.000	1.000	1.000	1.000	
	Consumer price indices (% change compared with the previous year)											
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	
EU-25	:	:	2.6	2.1	1.6	2.4	2.5	2.1	1.9	2.1	2.2	
Bulgaria ⁽⁶⁾	:	:	:	18.7	2.6	10.3	7.4	5.8	2.3	6.1	5.0	
Romania	:	38.8	154.8	59.1	45.8	45.7	34.5	22.5	15.3	11.9	9.0	
Croatia	:	:	:	:	4.0	4.6	3.8	1.7	1.8	2.1	3.3	
The former Yugoslav Republic of Macedonia	15.7	2.3	2.6	-0.1	-0.7	5.8	5.5	1.8	1.2	-0.4	0.5	
Turkey ⁽⁷⁾	76.0	79.8	99.1	69.7	68.8	39.0	68.5	29.7	18.4	9.3	7.7	
Albania ⁽⁸⁾	6.0	17.4	42.1	8.7	-1.0	4.2	3.5	1.7	3.3	2.2	2.0	
Bosnia and Herzegovina ⁽⁹⁾	:	:	:	:	:	:	3.4	0.5	0.7	0.5	3.7	
Montenegro	:	:	:	:	:	:	:	:	:	:	:	
Serbia ⁽¹⁰⁾	79.0	92.4	21.5	29.9	43.5	79.6	93.3	16.6	9.9	11.4	16.2	
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	2.1	1.6	-3.4	:	

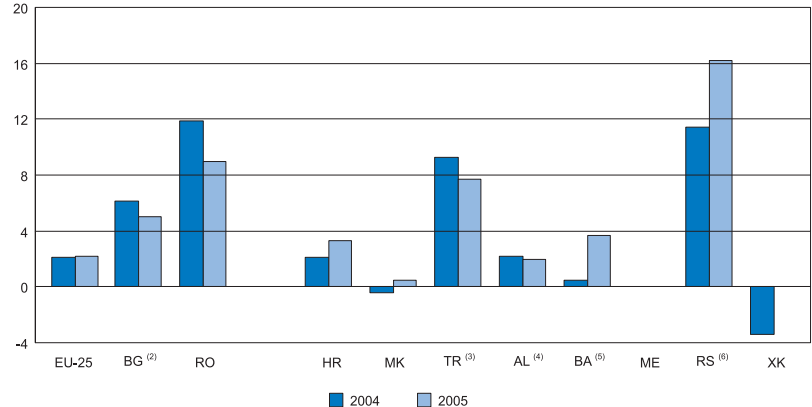
(1) National currency refers to New Romanian leu (RON). (2) National currency refers to New Turkish Lira (TRY). (3) Convertible mark. (4) Since 2002 the EUR has been introduced as national currency for the Republic of Montenegro. (5) The EUR is used in place of a national denomination. (6) Consumer Price Index does not cover foreign tourist expenditures made on the national territory. (7) National consumer price index (not strictly comparable with interim HICPs). (8) Variation between December of one year compared with December of the previous year. (9) 2005, based on the weighted average of RPI of RS (Republica Srpska) and FBiH (Federation of Bosnia and Herzegovina) using shares of consumption in 2004 (data from 2004). (10) National classification of goods and services.

Exchange rate fluctuations may play an important role in determining the competitiveness of an economy, particularly with respect to its export performance. The exchange rates for the currencies of Bulgaria, Croatia and the former Yugoslav Republic of Macedonia were relatively stable in relation to the Euro during the period 1999 to 2005. The same was true for Bosnia and Herzegovina (where a fixed exchange rate is used), Kosovo/UNSCR 1244 (where the Euro is used) and Montenegro (from 2002 onwards where the Euro is used). The Albanian Lek appreciated slightly against the Euro over the period considered, while the national currencies of Romania, Turkey and Serbia depreciated markedly against the Euro. The Romanian Lei had depreciated against the Euro significantly but appreciated by 11% in 2005. The same applied for the New Turkish Lira with a recovery against the Euro of 6% in 2005.

Consumer price indices (CPIs) are economic indicators constructed to measure the changes over time in the price of consumer goods and services that are acquired, used or paid for by households. Price inflation in the EU-25 remained within the relatively narrow range of 1.9% to 2.5% between 2000 and 2005.

In those Candidate and Potential Candidate countries that reported relatively high price inflation in 2000 and in the new EU Member States, there was a rapid reduction in the pace at which prices were rising through to 2005. In contrast, Croatia, the former Yugoslav Republic of Macedonia, Albania, and Bosnia and Herzegovina all reported relatively low price inflation throughout the period considered.

Figure 6.5: Consumer price indices (% change compared with the previous year) ⁽¹⁾



(1) Montenegro, not available. (2) Consumer Price Index does not cover foreign tourist expenditures made on the national territory. (3) National consumer price index (not strictly comparable with interim HICPs). (4) Variation between December of one year compared with December of the previous year. (5) 2005, based on the weighted average of RPI of RS (Republika Srpska) and FBiH (Federation of Bosnia and Herzegovina) using shares of consumption in 2004 (data from 2004). (6) National classification of goods and services.

Chapter 7 - Agriculture



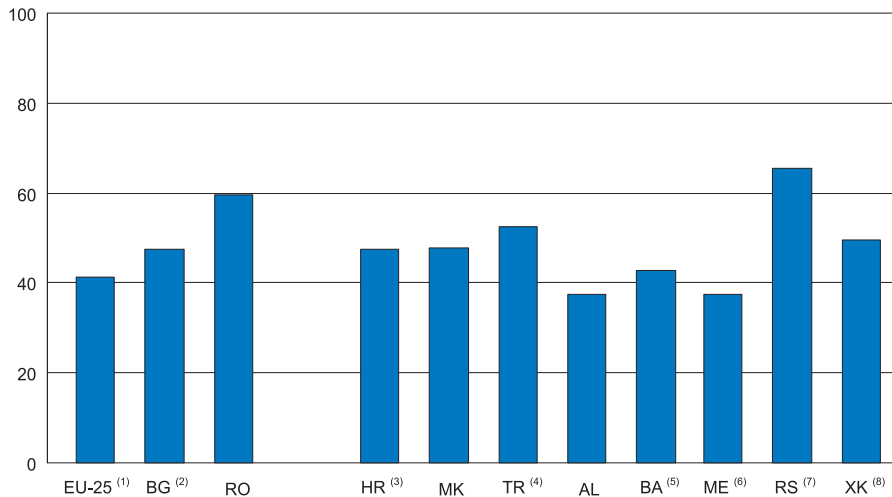
Table 7.1: Total utilised agricultural area (thousand hectares)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 (1)	176 959	176 673	176 323	173 771	170 933	170 144	168 295	165 857	159 179	158 903	163 852
Bulgaria (2)	6 164	6 164	6 203	5 645	5 679	5 582	5 498	5 325	5 326	5 330	5 265
Romania	14 756	14 751	14 748	14 747	14 781	14 812	14 798	14 819	14 801	14 309	14 181
Croatia	2 179	2 693	2 658	2 782	2 757	2 800	2 810	2 807	2 795	2 695	:
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	1 244	1 336	1 303	1 265	1 229
Turkey (3)	39 211	39 363	39 241	39 346	39 179	38 756	40 967	41 196	40 644	41 207	41 223
Albania (4)	1 130	1 147	1 145	1 144	1 144	1 144	1 139	1 140	1 121	1 122	1 077
Bosnia and Herzegovina	:	:	:	:	:	:	2 126	2 122	2 192	:	:
Montenegro (5)	517	518	520	519	518	518	518	518	518	518	517
Serbia (6)	5 113	5 097	5 091	5 086	5 086	5 074	5 077	5 071	5 079	5 075	5 075
Kosovo/UNSCR 1244	585	578	:	:	:	:	539	:	:	:	:

(1) 1995-2002, 2004-2005, estimated values. (2) Up until 1997 the data were provided by the National Statistical Institute, since 1998 the data were provided by the Ministry of Agriculture and Forestry. (3) 2005, provisional value. (4) 2004, estimated value. (5) Provisional values. Agricultural area includes arable land, area under pastures, fishponds and ponds. (6) 1995-1999, 2001 and 2003-2005, provisional values.

The utilised agricultural area (UAA) consists of arable land, permanent grassland, area with permanent crops, area with crops under glass and kitchen gardens. Land area may be broken down into utilised agricultural area, wooded area and other land. Changes in this breakdown indicate the extent to which man modifies the basic land resource of a territory for agriculture, industry and commercial establishments, human settlements, transport, recreation and other uses. The availability of land for agricultural purposes depends to a large extent on the geography of a country; for example, mountainous countries and countries with cold climates are less suitable for agriculture than flat and more temperate countries.

Figure 7.1: Total utilised agricultural land as a proportion of total area, 2005 (%)



(1) Estimated value. (2) The data were provided by the Ministry of Agriculture and Forestry. (3) 2004 instead of 2005. (4) Provisional value. Total area of the country includes the lakes surface area. (5) 2003 instead of 2005. (6) Provisional value. Total land includes agricultural area, forests and non-agricultural land. Agricultural area includes arable land, area under pastures, fishponds and ponds. (7) Provisional value. (8) 2001 instead of 2005.

Table 7.2: Breakdown of utilised agricultural area

	Total utilised agricultural area (UAA) (thousand hectares)		of which (% of total UAA)					
	2000	2005	Arable land		Permanent grassland		Land under permanent crops	
			2000	2005	2000	2005	2000	2005
EU-25 ⁽¹⁾	170 144	163 853	60.0	59.0	32.3	28.8	7.0	7.5
Bulgaria ⁽²⁾	5 582	5 265	62.1	59.7	32.2	35.9	4.7	3.8
Romania	14 812	14 181	63.2	63.4	33.4	33.0	3.4	2.9
Croatia	2 800	:	39.3	:	56.1	:	4.6	:
The former Yugoslav Republic of Macedonia ⁽³⁾	1 244	1 265	40.9	36.4	55.1	59.5	3.6	3.2
Turkey ⁽⁴⁾	38 756	41 223	61.5	57.8	31.9	35.5	6.6	6.7
Albania	1 144	1 077	50.5	50.0	38.9	38.8	10.6	11.2
Bosnia and Herzegovina ⁽⁵⁾	2 126	:	47.7	:	:	:	4.5	:
Montenegro ⁽⁶⁾	518	517	35.9	36.6	86.7	87.6	26.3	27.6
Serbia ⁽⁷⁾	5 074	5 075	83.9	83.6	27.6	28.4	17.8	18.0
Kosovo/UNSCR 1244 ⁽⁸⁾	539	:	48.6	:	20.8	:	0.9	:

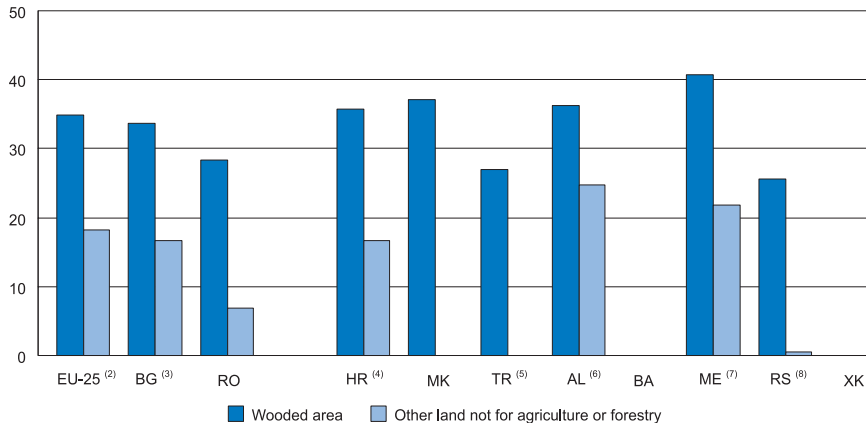
(1) Estimated values. Permanent grassland: 2005, excluding Malta. (2) The data were provided by the Ministry of Agriculture and Forestry. (3) 2001 instead of 2000; 2004 instead of 2005. (4) 2005, provisional values; except for permanent grass land. (5) 2001 instead of 2000; except for permanent grass land. (6) Provisional values. Agricultural area includes: arable land, area under pastures, fishponds and ponds. Arable land includes: ploughland and garden, orchards, vineyards and meadows. Permanent grassland includes pastures and meadows. Land under permanent crops according to the definition: orchards, vineyards and meadows. (7) Provisional values. Land under permanent crops: data are obtained by adding areas under vineyard, orchards, and meadows. (8) 2001 instead of 2000; permanent grass land refers only to harvested area.

The EU's agricultural sector is extremely diverse, ranging from large, highly intensive farms to subsistence farming. The latter is often commonly found in the Candidate and Potential Candidate countries too, where traditional working practices are still widespread. Land abandonment, under-grazing and a lack of capital to maintain agricultural infrastructure are some of the problems faced by farmers in the Candidate and Potential Candidate countries.

Permanent grassland accounted for 28.8% of the EU-25's utilised agricultural area in 2005, whilst it was usually somewhat more important, accounting for between 33.0% and 59.5% of utilised agricultural area in the Candidate and Potential Candidate countries and in the new EU Member States (subject to data availability). Exceptions to this range included Serbia and Kosovo/UNSCR 1244 (28.4% in 2005 and 20.8% in 2001 respectively) and Montenegro (87.6% in 2005).

The natural terrain plays an important role in determining land use. In Montenegro and Albania 62.6% and 61.0% of land, respectively, was not used for agriculture, with more than one third of the country being wooded. The other countries (among those for which data are available), which reported that the majority of land was used for non-agricultural purposes were Bulgaria and Croatia where wooded areas also covered more than one third of total land area.

Figure 7.2: Proportion of wooded area and other land not for agriculture or forestry, 2005 (% of total area) ⁽¹⁾



(1) Bosnia and Herzegovina, and Kosovo/UNSCR 1244, not available. (2) Estimated values. Wooded area, excluding Cyprus and the United Kingdom. Other land, excluding Malta and the United Kingdom. (3) The data were provided by the Ministry of Agriculture and Forestry. (4) 2004 instead of 2005. Other land, includes abandoned agricultural areas and other non-cultivated agricultural land. (5) Total area of the country includes the lakes surface area. (6) Other land, 2004 instead of 2005; estimated value. (7) Provisional values. Wooded area refers only to forests. Other land refers only to non-arable land. (8) Wooded land assumes wooded areas larger than 5 acres; data represent state on December the 31st; timeliness is 3 years. Other land, provisional value, includes marshes, rough, grazings and fish ponds.

Table 7.3: Livestock as of end of period (thousands heads)

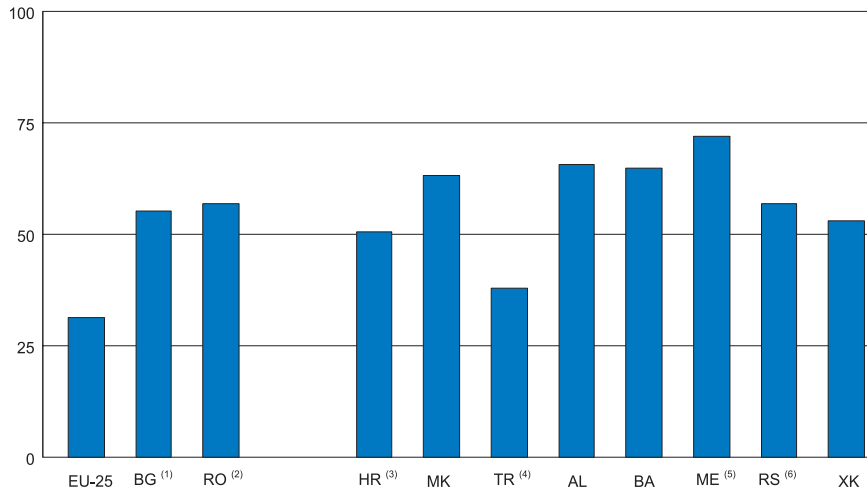
	Cattle										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	:	:	:	:	90 339	88 759	87 489	86 412	85 804
Bulgaria ⁽¹⁾	632	582	612	671	682	652	641	699	736	680	630
Romania ⁽²⁾	3 496	3 435	3 235	3 143	3 051	2 870	2 800	2 878	2 897	2 808	2 862
Croatia ⁽³⁾	494	461	451	443	438	427	438	417	444	466	471
The former Yugoslav Republic of Macedonia ⁽⁴⁾	283	295	289	268	270	265	265	259	260	255	248
Turkey ⁽⁵⁾	11 789	11 886	11 185	11 031	11 054	10 761	10 548	9 803	9 788	10 069	10 526
Albania ⁽⁶⁾	840	806	771	705	720	728	708	690	684	654	655
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	453	460
Montenegro ⁽⁷⁾	180	180	176	178	180	179	178	183	175	169	:
Serbia ⁽⁸⁾	1 335	1 318	1 280	1 283	1 246	1 162	1 128	1 112	1 102	1 079	1 096
Kosovo/UNSCR 1244	:	410	:	:	:	289	347	318	:	:	352
	Pigs										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	150 831	150 426	151 194	158 751	:	:	152 902	154 356	152 793	151 143	151 673
Bulgaria ⁽¹⁾	2 140	1 500	1 480	1 721	1 512	831	789	997	1 032	931	943
Romania ⁽²⁾	7 960	8 235	7 097	7 194	5 848	4 797	4 447	5 058	5 145	6 495	6 622
Croatia ⁽³⁾	1 175	1 197	1 176	1 166	1 362	1 234	1 234	1 286	1 347	1 489	1 205
The former Yugoslav Republic of Macedonia ⁽⁴⁾	175	192	184	197	226	204	189	196	179	158	158
Turkey ⁽⁵⁾	5	5	5	5	3	3	3	4	7	4	2
Albania ⁽⁶⁾	100	98	97	83	99	103	106	114	132	143	147
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	596	634
Montenegro ⁽⁷⁾	22	22	24	23	22	19	21	22	24	27	:
Serbia ⁽⁸⁾	4 344	4 119	4 057	4 293	4 066	3 615	3 587	3 634	3 439	3 165	3 212
Kosovo/UNSCR 1244	:	80	:	:	:	59	75	110	:	35	47

(1) Up until 2000 the data were provided by the National Statistical Institute, since 2001 the data were provided by the Ministry of Agriculture and Forestry. (2) Up to 2003, the reference date is the end of the year; beginning with 2004, the reference date is 1 December. (3) Data as of 31 December for legal entities and 15 January for private family farms. (4) 2004, provisional value. (5) Excludes number of buffaloes. 2005, provisional value. (6) 2004, estimated value. (7) Number of livestock in 1000 cattle including enterprises and cooperatives and households. 1995-2004, estimated values. (8) State on January 15th 1996 refers to the end of 1995. Estimated values. (9) 2005, provisional value.

Within the EU-25, the total number of cattle has decreased by 5% since 2001, while the number of pigs remained fairly stable. In the Candidate and Potential Candidate countries and in the new EU Member States the situation varies considerably. With cattle, the largest increases between 2001 and 2005 are seen in Croatia (+7.5%) whereas Albania is at the other extreme (-7.5%). For pigs, the variations are even larger, with Romania showing the largest growth (+48.9%), and Kosovo/UNSCR 1244 (-37.1%) registering the largest decline.

Dairy cows accounted for 31.2% of the total number of cattle in the EU-25 in 2005, and over 50% in the new EU Member States and in each of the Candidate and Potential Candidate countries. The exception was Turkey, where dairy cows made up only 38.0% of total cattle in 2002.

Figure 7.3: Dairy cows as a proportion of the total number of cattle as of end of period, 2005 (%)



(1) The data are provided by the Ministry of Agriculture and Forestry. (2) The reference date is 1 December. (3) Data as of 31 December for legal entities and 15 January for private family farms. (4) Excludes number of buffaloes. Provisional value. (5) Number of livestock in 1000 cattle including enterprises and cooperatives and households. 2004 instead of 2005 and estimated. (6) State on January 15th 1996 refers to the end of 1995. Estimated value.

Table 7.4: Animals for slaughter (thousand tonnes of slaughter weight)

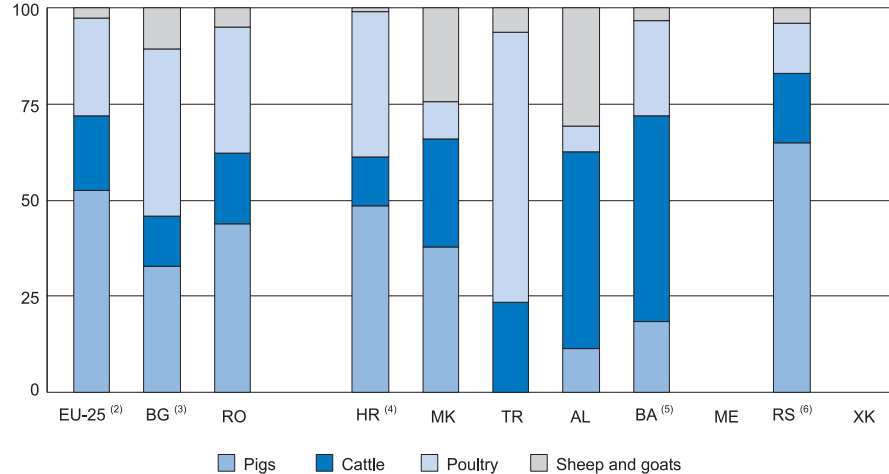
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 (1)	38 494	39 121	38 986	40 452	41 160	40 017	39 983	40 532	40 402	40 310	40 189
Bulgaria (2)	:	:	:	:	:	:	:	:	191	214	227
Romania	1 207	1 232	1 180	1 089	1 075	981	946	1 031	1 130	1 056	1 038
Croatia	:	:	:	:	:	:	:	:	:	:	:
The former Yugoslav Republic of Macedonia (3)	75	56	52	53	57	58	50	53	57	55	53
Turkey	415	417	517	533	511	491	436	421	367	447	409
Albania (4)	59	60	60	61	64	64	65	68	71	73	133
Bosnia and Herzegovina (5)	:	:	:	:	:	:	:	:	:	45	49
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia (4)	570	588	577	607	580	578	531	547	512	521	516
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Estimated values. (2) The data were provided by the Ministry of Agriculture and Forestry. (3) 2004, provisional value. (4) 2004, estimated value. (5) Excluding goats. (6) Data represent sum of slaughtered pigs, cattle and sheep without goats. Provisional values.

The information presented on the slaughter of livestock relates to bovine, porcine, equine, and ovine and caprine species, as well as farmyard poultry. By 2005, the EU-25's livestock sector had recovered from the extreme market conditions caused by BSE and the foot and mouth outbreaks in 2001, even if a slight decrease of 1% was registered in comparison to the 2002 level. The Directorate General for Agriculture states that pig meat, with a share of more than 50% of the total meat market, is by far the most preferred meat of EU-25 consumers. Poultry, which overtook beef and veal in 1996, accounts for more than a quarter of the EU-25 meat market.

With the exception of Serbia, pigs made up less than 50% of total meat slaughter weight in the Candidate and Potential Candidate countries. The same was true for the new EU Member States. In Albania and the former Yugoslav Republic of Macedonia, sheep and goats accounted for a relatively high proportion, whilst Turkey, Bulgaria and Croatia were relatively specialised in the poultry sector.

Figure 7.4: Breakdown of animals for slaughter, 2005 (based on thousand tonnes of slaughter weight) (% of total) (1)



(1) Montenegro and Kosovo/UNSCR 1244, not available. (2) Poultry, estimated value; excluding Estonia, Cyprus, Latvia, Hungary, Slovenia and Slovakia. Sheep and goats, excluding Estonia. (3) The data were provided by the Ministry of Agriculture and Forestry. (4) Data relates to net-weight of slaughtered animals (carcass weight); data comprise slaughterings in slaughterhouses, at legal entities and in private family farms. (5) Pigs, net weight. Sheep and goats, excludes goats. (6) Data represent sum of slaughtered pigs, cattle and sheep without goats. Provisional values.

Table 7.5: Crop production (thousand tonnes of harvested production)

	Cereals (including rice)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	230 549	259 117	263 825	268 282	254 247	262 631	258 882	267 808	234 906	292 837	261 997
Bulgaria ⁽²⁾	6 595	3 426	6 198	5 856	5 925	5 242	6 056	6 754	3 814	7 463	5 839
Romania	19 883	14 200	22 100	15 453	17 037	10 478	18 871	14 357	12 964	24 403	19 346
Croatia	2 759	2 761	3 177	3 209	2 881	2 770	3 397	3 724	2 356	:	1 136
The former Yugoslav Republic of Macedonia	725	545	610	660	637	565	476	556	466	680	648
Turkey ⁽³⁾	28 083	29 231	29 650	33 060	28 749	32 108	29 426	30 686	30 658	33 863	36 231
Albania ⁽⁴⁾	645	504	602	603	498	566	502	519	489	499	511
Bosnia and Herzegovina	:	838	1 242	1 184	1 369	930	1 137	1 307	793	1 438	1 350
Montenegro ⁽⁵⁾	9	6	7	5	4	3	4	5	4	3	3
Serbia ⁽⁶⁾	8 580	6 916	9 709	8 104	8 584	5 213	9 001	8 298	5 453	9 867	9 510
Kosovo/UNSCR 1244	:	343	:	:	:	:	459	396	:	303	441
	Sugar beet										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽⁷⁾	135 365	143 064	148 008	139 876	144 077	136 170	122 231	139 799	121 342	131 594	131 719
Bulgaria ⁽⁸⁾	157	87	80	62	54	23	19	51	9	26	25
Romania	2 655	2 848	2 726	2 361	1 415	667	876	955	765	673	730
Croatia	691	906	931	1 233	1 114	482	965	1 183	678	:	1 338
The former Yugoslav Republic of Macedonia	55	78	72	58	67	56	38	44	40	52	58
Turkey ⁽³⁾	11 170	14 543	18 400	22 283	17 102	18 821	12 633	16 523	12 622	13 517	15 181
Albania ⁽⁴⁾	67	74	51	56	40	42	39	39	50	40	40
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia ⁽⁹⁾	1 694	2 418	2 043	1 972	2 428	1 070	1 806	2 098	1 738	2 814	3 101
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Excluding Malta. 1996, 2000-2002, estimated values. (2) Up until 1997 the data were provided by the National Statistical Institute, since 1998 the data were provided by the Ministry of Agriculture and Forestry. (3) 2005, provisional value. (4) 2004-2005, FAO estimation. (5) Provisional values. The data include households, enterprises and cooperatives. (6) Provisional values. The data exclude areas under triticale, buckwheat and millet which are minor; rice production doesn't exist in Serbia. (7) Excluding Malta and Cyprus. 1998-2005, estimated values. (8) Up until 2000 the data were provided by the National Statistical Institute, since 2001 the data were provided by the Ministry of Agriculture and Forestry. (9) Provisional values.

The output of cereals is affected by, among other factors, climatic conditions, subsidies relating to particular crops or set-aside land, demand from other sectors (for example, increased white meat consumption has led to higher demand for cereals as feedstuffs).

The EU-25 posted record cereal yields in 2004, as the harvest was characterised by favourable weather conditions; this pattern was reproduced in many of the Candidate and Potential Candidate countries as well as in Bulgaria and Romania. In 2005, the EU-25 cereal harvest fell by 11% compared to 2004, and by just over 20% in Bulgaria and Romania. At the same time, the harvest of cereals decreased markedly in Croatia (-52% compared to 2003) and Montenegro (-24% relative to 2004). Nevertheless, the Candidate and Potential Candidate countries together recorded a slight cereal increase of 2% in 2005, mainly due to the significant growth of Kosovo/UNSCR 1244 (45%) and Turkey (7%).

With a harvested production of 131.7 billion tonnes in 2005, sugar beet production remained stable compared to 2004. In contrast, Bulgaria's production of sugar beet fell by 6% in 2005, whereas in Romania and the Candidates and Potential Candidates countries sugar beet production grew by more than 8% relative to 2004. Between 2000 and 2005, oil seed production in the new EU Member States and in the Candidates and Potential Candidate countries improved, with significant growth experienced in Romania (108%). The former Yugoslav Republic of Macedonia and Albania (with decreases of 23% each) were exceptions to this rule. On the other hand, EU-25 potato production fell by 28% in comparison to 2001, while increases occurred in the majority of the other territories. Croatia is the most significant exception to this pattern with a reduction of 51% in potato production.

Table 7.6: Crop production (thousand tonnes of harvested production)

	Oil seeds		Potatoes		Fruit and vegetables	
	2000	2005	2000	2005	2000	2005
EU-25 (1)	17 157	20 214	78 881	57 182	61 764	59 074
Bulgaria (2)	620	967	398	375	1 127	590
Romania (3)	869	1 803	3 470	3 739	3 381	3 625
Croatia (4)	149	240	554	273	607	388
The former Yugoslav Republic of Macedonia (5)	10	8	164	190	680	696
Turkey (6)	2 253	2 421	5 370	4 090	36 537	40 445
Albania	4	3	161	169	688	685
Bosnia and Herzegovina (7)	:	:	286	459	256	463
Montenegro (8)	2	2	61	133	244	320
Serbia (9)	398	722	621	970	2 081	2 122
Kosovo/UNSCR 1244 (10)	2	:	71	87	180	182

(1) Estimated values; Oil seeds, excluding Malta; Fruit and vegetables refer only to vegetables. (2) Up until 2000 the data were provided by the National Statistical Institute, since 1998 the data are provided by the Ministry of Agriculture and Forestry; Fruit and vegetables: 2001 instead of 2000. (3) Fruit and vegetables refer only to vegetables. (4) Fruit and vegetables: include strawberries, exclude olives and grapes. (5) 2001 instead of 2005; Fruit and vegetables refer only to vegetables. (6) 2005, provisional values. (7) 2000, some types of fruits (mandarins, lemon, fig and olives) were excluded. (8) Provisional values; Oil seeds refer to yields of olives given; Potatoes, include households, enterprises and cooperatives. (9) Provisional values; Oil seeds refer only to sunflowers, soya bean and turnip rape. (10) Oil seeds and fruit and vegetables: 2002 instead of 2000.

Chapter 8 - Energy



Table 8.1: Energy intensity and electricity generation

	Energy intensity of the economy (kg of oil equivalent per EUR 1 000 GDP)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	230.4	235.0	227.6	224.2	214.9	208.8	209.7	206.5	207.6	204.9	:
Bulgaria	2 298.5	2 513.8	2 447.3	2 285.3	2 032.2	1 975.9	1 923.6	1 808.9	1 768.3	1 624.5	:
Romania	1 738.3	1 793.3	1 717.1	1 638.3	1 481.5	1 457.2	1 368.6	1 316.5	1 368.5	:	:
Croatia	409.2	409.8	397.1	414.8	548.6	491.6	485.5	481.3	510.6	478.9	:
The former Yugoslav Republic of Macedonia ⁽¹⁾	:	:	:	909.6	822.9	710.2	697.4	722.8	667.5	635.5	:
Turkey ⁽²⁾	484.2	496.4	487.6	478.9	499.6	504.4	510.7	491.5	497.2	478.2	457.9
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Electricity generation (thousand GWh)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	2 631.3	2 726.5	2 740.2	2 813.7	2 849.4	2 928.5	3 010.8	3 019.6	3 117.2	3 178.6	:
Bulgaria	41.8	42.7	42.8	41.7	38.3	40.9	44.0	42.7	42.6	41.6	:
Romania ⁽³⁾	59.3	61.4	57.2	53.5	50.7	51.9	53.9	54.9	56.7	56.5	59.4
Croatia	8.9	10.6	9.7	10.9	12.2	10.7	12.2	12.3	13.3	14.0	:
The former Yugoslav Republic of Macedonia ⁽¹⁾	6.1	6.6	6.7	7.1	6.9	6.8	6.4	6.1	6.7	6.7	6.9
Turkey ⁽²⁾	86.3	94.9	103.3	111.0	116.4	124.9	122.7	129.4	140.6	150.7	162.0
Albania	:	:	:	:	:	4.7	3.7	3.2	4.9	5.5	5.5
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	36.0	35.0	38.0	38.0	31.0	32.0	31.0	31.0	32.0	33.0	36.0
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	3.2	3.2	3.5	4.0

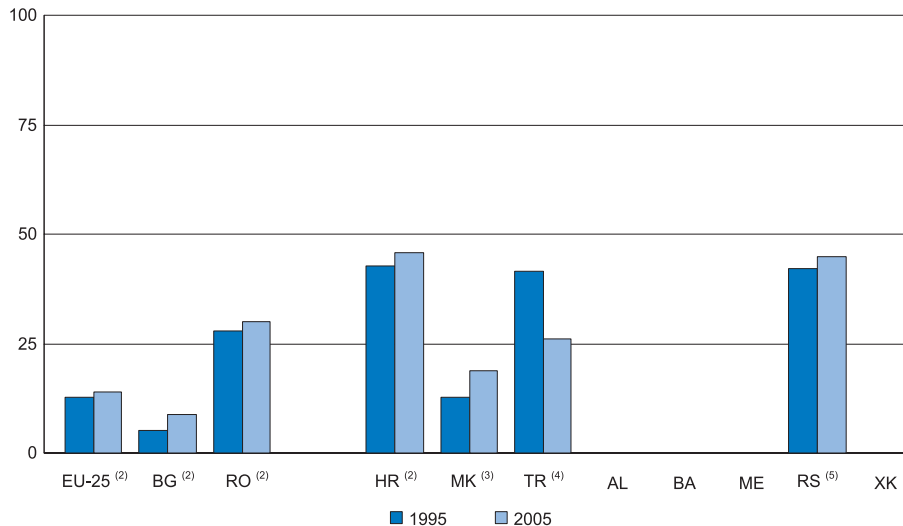
(1) For 1995, 1998-2003 and 2004 data of the publication Energy Balances of Republic of Macedonia; Electricity generation: provisional values for 1996, 1997 and 2005. (2) Source: Ministry of Energy and Natural Resources; provisional value for 2005.

(3) Provisional value for 2005.

The energy intensity of an economy is defined as the ratio of gross inland energy consumption to GDP at constant prices. Efficiency gains and growing awareness of the environmental impact of energy production and energy use have resulted in gradual reductions in energy intensity.

Renewable energy sources include wind, solar, geothermal, hydro-electricity and biomass/waste. The share of renewable energy in electricity consumption measures the contribution of electricity from renewable energy sources in the total national electricity consumption. The up-take of renewable energy sources depends, to some degree, on the topography of the territory concerned, particularly concerning geothermal and hydroelectric generation.

Figure 8.1: Share of renewable energy in electricity consumption (%) ⁽¹⁾



(1) Albania, Bosnia and Herzegovina, Montenegro and Kosovo/UNSCR 1244, not available. (2) 2004 instead of 2005. (3) Data of the publication Energy Balances of Republic of Macedonia; 2004 instead of 2005. (4) Source: Ministry of Energy and Natural Resources; prices represent average prices for the year; provisional value for 2005. (5) Estimated value for 2005.

Table 8.2: Primary production of energy products (1 000 toe)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	897 162	925 537	918 676	898 029	903 823	892 023	894 239	894 025	886 498	882 650	:
Bulgaria	10 191	10 613	10 395	10 541	9 411	10 282	10 507	10 761	10 214	10 271	:
Romania ⁽¹⁾	32 142	35 281	31 625	29 115	28 010	28 628	27 574	26 738	28 192	28 094	24 784
Croatia	7 444	3 667	3 476	3 411	3 570	3 562	3 730	3 689	3 765	3 853	:
The former Yugoslav Republic of Macedonia ⁽²⁾	1 671	1 680	1 727	1 744	1 698	1 595	1 642	1 577	1 666	1 598	1 583
Turkey ⁽³⁾	26 719	27 386	28 209	29 324	27 659	26 047	24 576	24 281	23 783	24 332	23 821
Albania	:	:	:	1 345	1 113	987	933	896	1 012	1 178	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Provisional value for 2005. (2) For 1995, 1998-2003 and 2004 data of the publication Energy Balances of Republic of Macedonia; provisional values for 1996, 1997 and 2005. (3) Source: Ministry of Energy and Natural Resources; provisional value for 2005.

To allow for aggregation of different types of energy, data on primary energy production (coal, oil, gas, nuclear heat, hydro-electricity) are converted to the common unit, tonne of oil equivalent (toe). In recent years there has generally been a decrease in primary energy production in the EU-25, the new EU Member States and the Candidate countries.

The energy mix is determined to a large extent by the natural resource endowment of a territory together with policy decisions, for example, concerning nuclear energy (considered as a primary source of energy) and renewables such as wind power. Production of coal and lignite is important in a number of the Candidate countries and in Bulgaria (81% of total primary production in the former Yugoslav Republic of Macedonia and 44% in Bulgaria and Turkey).

Table 8.3: Breakdown of primary production of energy, 2005 (1 000 toe)

	Crude oil	Hard coal and lignite	Natural gas
EU-25 ⁽¹⁾	134 259	190 470	192 232
Bulgaria ⁽¹⁾	31	4 537	270
Romania ⁽²⁾	5 059	6 186	10 447
Croatia ⁽¹⁾	1 082	0	1 785
The former Yugoslav Republic of Macedonia ⁽²⁾	0	1 289	0
Turkey ⁽³⁾	2 395	10 485	816
Albania ⁽¹⁾	443	19	9
Bosnia and Herzegovina	:	:	:
Montenegro	:	:	:
Serbia	:	:	:
Kosovo/UNSCR 1244 ⁽⁴⁾	:	6 391	:

(1) 2004 instead of 2005. (2) Provisional values. (3) Source: Ministry of Energy and Natural Resources; provisional values. (4) Local production of coal in thousand tonnes; data collected from the Kosovo (UNSCR 1244) Energy Corporation (KEK).

Table 8.4: Energy supply and consumption (1 000 toe)

	Primary production of energy			Net imports of energy			Gross inland energy consumption		
	1995	2000	2005	1995	2000	2005	1995	2000	2005
EU-25 ⁽¹⁾	897 162	892 023	882 650	702 485	802 060	907 268	1 579 270	1 654 493	1 747 142
Bulgaria ⁽¹⁾	10 191	10 282	10 271	13 475	8 872	9 244	23 304	19 218	19 017
Romania ⁽²⁾	32 142	28 628	24 784	14 542	8 098	11 852	47 016	37 013	39 018
Croatia ⁽¹⁾	7 444	3 562	3 853	2 358	4 108	5 080	9 792	7 525	8 817
The former Yugoslav Republic of Macedonia ⁽³⁾	1 671	1 595	1 583	1 104	1 104	1 152	2 694	2 765	2 749
Turkey ⁽⁴⁾	26 719	26 047	23 821	37 368	54 291	66 650	63 679	80 500	90 309
Albania ⁽⁵⁾	1 345	987	1 178	626	858	1 080	1 971	1 845	2 258
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:

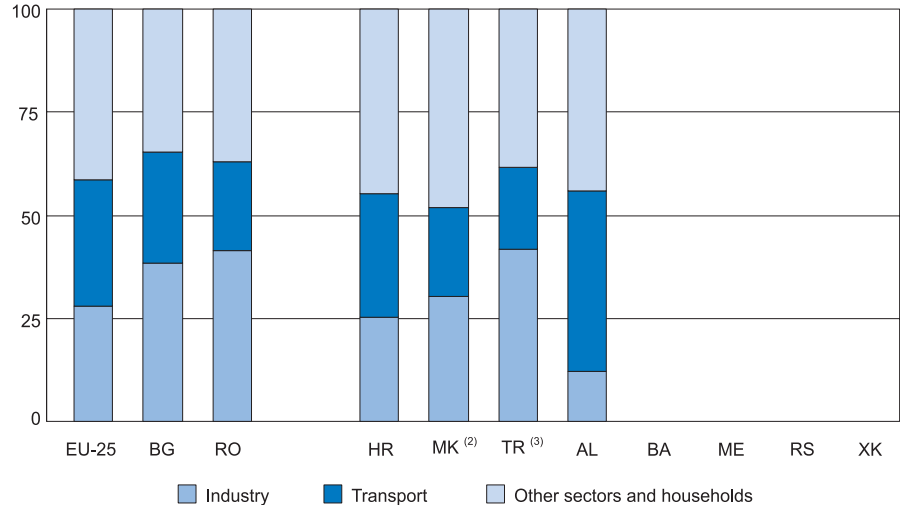
(1) 2004 instead of 2005. (2) Primary production of energy: provisional value for 2005; Net imports of energy and Gross inland energy consumption: 2004 instead of 2005. (3) 1995, 2000 and 2004 data of the publication Energy Balances of Republic of Macedonia; Primary production of energy: provisional value for 2005; Net imports of energy and Gross inland energy consumption: 2004 instead of 2005; Gross inland energy consumption: includes value of stock change. (4) Source: Ministry of Energy and Natural Resources; provisional value for 2005. (5) 1998 instead of 1995; 2004 instead of 2005.

The energy supply within a country is determined by primary production and by net imports (imports minus exports). The Gross inland energy consumption is the amount of energy required to meet the energy needs of the country. It includes the coal, oil, gas, nuclear heat, etc required as input for electricity generation.

$$\text{Gross inland consumption} = \text{primary production} + \text{net imports} \pm \text{changes in stocks} - \text{marine bunkers}$$

In the EU-25, Bulgaria and the Candidate and Potential Candidate countries (subject to data availability) there was a relatively high reliance on energy imports in order to meet demand. Around half of the EU-25's energy consumption in 2005 was accounted for by imports. Turkey's dependencies most depend on imports, which accounted for almost 75% of gross inland consumption in 2005. Otherwise, the share of the net imports in the total gross inland consumption ranges from 36% to 56% in all other countries.

Figure 8.2: Breakdown of final energy consumption, 2004 (% of total) (1)



(1) Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) Data of the publication Energy Balances of Republic of Macedonia. (3) Source: Ministry of Energy and Natural Resources.

Table 8.5: Breakdown of final energy consumption (% of total)

	Industry										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	29.7	28.7	29.2	28.5	27.9	28.7	28.1	28.2	27.9	27.9	:
Bulgaria	52.9	51.6	52.2	44.6	39.9	40.9	40.3	38.2	38.4	38.3	:
Romania	53.6	48.2	43.8	39.6	38.3	39.4	41.6	44.4	43.3	41.3	:
Croatia	29.2	28.5	29.6	28.2	25.9	26.0	26.4	25.0	26.3	25.3	:
The former Yugoslav Republic of Macedonia ⁽¹⁾	36.1	:	:	38.9	29.8	33.5	32.9	25.1	30.0	30.4	:
Turkey ⁽²⁾	34.8	36.7	37.9	38.0	36.1	40.1	38.1	41.7	42.7	41.7	43.3
Albania	:	:	:	:	:	:	:	15.4	13.2	12.1	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Transport										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	28.7	28.5	29.3	30.2	31.0	30.7	30.2	30.8	30.5	30.7	:
Bulgaria	17.3	15.9	16.3	20.5	23.2	21.8	23.2	24.1	25.2	26.9	:
Romania	12.1	14.2	14.8	15.2	14.4	15.3	17.8	19.0	17.2	21.6	:
Croatia	22.2	21.2	22.1	23.7	28.6	28.2	27.9	29.0	28.2	29.9	:
The former Yugoslav Republic of Macedonia ⁽¹⁾	23.9	:	:	22.0	24.6	22.9	24.2	21.0	21.8	21.6	:
Turkey ⁽²⁾	22.1	21.6	19.7	19.0	20.6	19.5	21.4	19.2	19.1	20.0	19.4
Albania	:	:	:	:	:	:	:	35.2	39.4	43.7	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Data of the publication Energy Balances of Republic of Macedonia. (2) Source: Ministry of Energy and Natural Resources; provisional value for 2005.

Final use of energy can be broken down by sector: the industrial sector, the transport sector (private and public transport, passenger and freight transport), and 'other sectors' which include agriculture, fishing, services, administrative bodies and households.

The structure of final energy demand differs somewhat between the EU-25 and the Candidate and Potential Candidate countries. In the EU-25, the transport sector accounts for a relatively high proportion of final energy demand compared to the industrial sector, while in the Candidate and Potential Candidate countries as well as in the new EU Member States the industry often plays a more prominent role in terms of its energy requirements. These differences may be explained, at least in part, because traditional, high energy consuming mining and manufacturing activities often play an important role in the industrial makeup of these territories. Within the EU-25, the relatively high share of transport in final energy demand is driven by high levels of motorisation and a high propensity to use road freight transport, both of which result in demand for petrol and diesel products.

The proportion of final energy consumption attributed to households in Romania and the Candidate and Potential Candidate countries is high in comparison to the EU-25 average, with Turkey having the biggest share of 30.4% in 2005. On the other hand, household energy consumption in Bulgaria was lower than in the EU-25 (24.1% in 2005).

Figure 8.3: Households - proportion of final energy consumption, 2004 (% of total) ⁽¹⁾



(1) Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) Data of the publication Energy Balances of Republic of Macedonia. (3) Source: Ministry of Energy and Natural Resources.

Chapter 9 - Industry, Construction and Services



Table 9.1: Production and output indices for total industry excluding construction (2000=100)

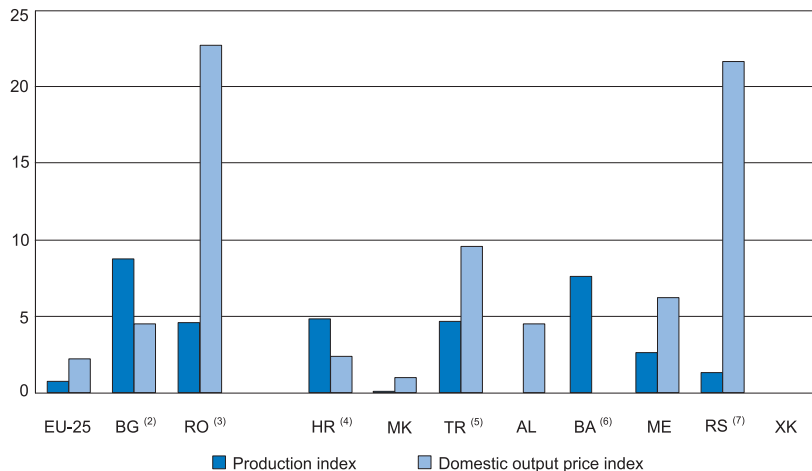
	Production index										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	87.0	87.4	90.8	93.8	95.3	100.0	100.2	99.7	10.3	102.5	103.6
Bulgaria ⁽¹⁾	:	:	:	:	:	100.0	102.2	107.0	122.0	142.8	152.3
Romania ⁽²⁾	112.6	119.7	111.0	95.7	93.4	100.0	108.3	113.0	116.5	122.7	125.1
Croatia ⁽³⁾	87.3	90.0	96.2	99.7	98.3	100.0	106.0	111.7	116.3	120.6	126.7
The former Yugoslav Republic of Macedonia	90.5	93.4	94.9	99.2	96.6	100.0	96.9	91.8	96.1	94.0	100.6
Turkey	:	:	:	:	:	100.0	91.3	99.9	108.7	119.3	125.8
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina ⁽⁴⁾	:	:	:	:	:	100.0	105.4	112.3	117.9	132.6	144.4
Montenegro	70.0	105.0	105.0	105.0	96.0	100.0	99.0	100.0	102.0	116.0	114.0
Serbia	100.1	105.5	116.1	120.7	89.8	100.0	100.1	101.9	98.8	105.9	106.7
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Domestic output price index										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	94.9	95.4	96.3	95.6	95.4	100.0	101.9	101.7	103.2	106.2	111.7
Bulgaria ⁽⁵⁾	:	:	:	82.8	85.1	100.0	103.7	105.0	110.2	116.8	124.8
Romania	:	13.6	34.4	45.9	65.2	100.0	140.3	174.6	208.9	247.6	278.4
Croatia	86.8	88.0	90.0	88.9	91.2	100.0	103.6	103.2	105.2	108.9	122.2
The former Yugoslav Republic of Macedonia	81.0	84.8	88.4	91.9	91.8	100.0	102.0	101.1	100.8	101.7	104.9
Turkey	:	:	:	:	:	:	:	:	100.0	112.2	120.1
Albania	:	:	:	:	95.3	100.0	94.6	100.6	106.9	118.4	124.4
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	85.9	100.0	114.5	119.6	125.0	132.2	135.0
Serbia ⁽⁶⁾	12.1	23.1	27.5	34.5	49.4	100.0	187.7	204.2	213.6	233.1	266.1
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Provisional value for 2005. (2) Gross series; provisional value for 2005. (3) Gross series; includes NACE Sections C to E. (4) 2005, weighted average of IPI (Industrial Production Index) of RS (Republica Srpska) and FBiH (Federation of Bosnia and Herzegovina) using the respective shares of value added in 2000. (5) Industrial producer price indexes on domestic market. (6) NACE Classification from 2001, for the previous years National classification, coverage of the total index corresponds to NACE.

Relatively rapid growth is reported for the industrial production (excluding construction) in the two new Member States and in the majority of the Candidate and Potential Candidate countries. Indeed, between 2000 and 2005 industrial output expanded at a faster rate than in the EU-25 in each territory for which data are available, except for the former Yugoslav Republic of Macedonia.

Inflation, measured by the domestic output price index, was at a level of 5.2% in the EU-25 in 2005 compared to the previous year; slightly below the average inflation of all the other countries combined. The former Yugoslav Republic of Macedonia, the EU-25 and Croatia had the lowest annual average inflation over the period 2000–2005. Romania and Serbia were at the other extreme with an annual average inflation of over 20% in this period.

Figure 9.1: Annual average growth rates for total industry excluding construction, 2000-2005 (%) ⁽¹⁾



(1) Kosovo/UNSCR 1244, not available. (2) Production index: provisional value for 2005; Domestic output price index: industrial producer price indexes on domestic market. (3) Production index: gross series; provisional value for 2005. (4) Production index: gross series; includes NACE Sections C to E. (5) Domestic output price index: 2003 instead of 2000. (6) 2005, weighted average of IPI (Industrial Production Index) of RS (Republica Srpska) and FBiH (Federation of Bosnia and Herzegovina) using the respective shares of value added in 2000. (7) Domestic output price index: NACE Classification from 2001, for the previous years National classification, coverage of the total index corresponds to NACE.

Table 9.2: Construction output and construction costs (2000=100)

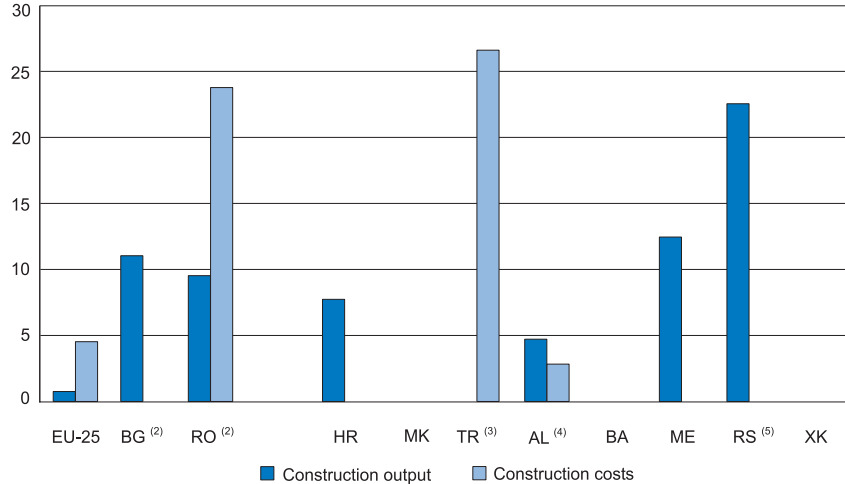
	Construction output										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	95.8	93.6	92.8	94.5	97.7	100.0	100.5	101.5	103.0	103.7	104.0
Bulgaria ⁽¹⁾	:	:	:	:	:	100.0	114.2	117.3	123.9	167.2	168.9
Romania ⁽¹⁾	:	:	:	:	:	100.0	109.0	119.9	131.7	143.8	157.9
Croatia	93.0	101.4	118.3	119.1	110.0	100.0	103.6	116.9	143.6	146.5	145.4
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:
Turkey	:	:	:	:	:	:	:	:	:	:	:
Albania	:	:	:	:	96.7	100.0	95.8	102.1	108.4	120.1	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	100.0	110.9	124.2	108.2	128.2	179.9
Serbia ⁽²⁾	106.0	99.3	108.7	109.8	99.3	100.0	87.5	154.7	185.2	243.1	276.4
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Construction costs										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	86.0	87.7	90.2	92.5	96.1	100.0	103.8	108.5	113.7	120.4	124.7
Bulgaria	:	:	:	:	:	:	:	:	:	:	:
Romania	:	:	:	:	:	100.0	140.0	175.2	214.3	255.3	290.0
Croatia	:	:	:	:	:	:	:	:	:	:	:
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:
Turkey ⁽³⁾	7.7	13.6	25.8	44.9	70.0	100.0	156.5	212.7	258.1	295.8	325.3
Albania	61.8	63.8	73.6	83.8	91.1	100.0	106.3	107.3	110.2	113.5	115.1
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Provisional value for 2005. (2) Indices in fixed prices are obtained by division of indices in current prices with appropriate indices of producers' prices of elements and material for incorporating in construction; provisional value for 2005. (3) Estimated values.

Production in the construction sector of the Candidate and Potential Candidate countries and the new EU Member States grew at a faster pace than the EU-25 average between 2000 and 2005 (as far as data were available). Construction output rose on average by less than 1% per annum in the EU-25 over this period, while in the other territories the corresponding rates ranged between 7.8% per annum in Croatia and 22.6% per annum in Serbia.

Construction costs also rose at a more rapid pace between 2000 and 2005 for Romania and Turkey (with an annual average growth of 24% and 27% respectively) compared to the EU-25 (5%). On the other hand, construction costs in Albania increased by less than in the EU-25 over the same period, with a growth on average of 2.9% per annum (the information for the other territories was not available).

Figure 9.2: Annual average growth rates for construction, 2000-2005 (%) ⁽¹⁾



(1) The former Yugoslav Republic of Macedonia, Bosnia and Herzegovina and Kosovo/UNSCR 1244, not available. (2) Construction output: provisional value for 2005. (3) Estimated values. (4) Construction output: 2004 instead of 2005. (5) Indices in fixed prices are obtained by division of indices in current prices with appropriate indices of producers' prices of elements and material for incorporating in construction; provisional value for 2005.

Table 9.3: Retail trade and tourism (2000=100)

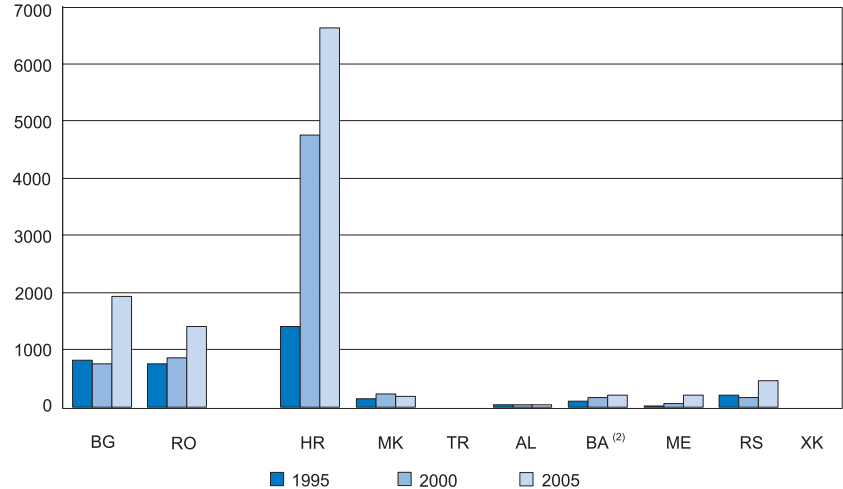
	Volume of sales index for retail trade										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	85.9	87.5	89.6	93.0	96.0	100.0	104.8	107.9	110.7	114.1	116.7
Bulgaria ⁽¹⁾	:	:	:	:	:	100.0	105.8	114.9	135.7	163.6	184.4
Romania ⁽²⁾	:	:	:	:	:	100.0	101.9	110.0	122.3	138.0	162.3
Croatia ⁽³⁾	:	:	:	:	:	100.0	105.6	117.5	129.0	133.4	138.1
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:
Turkey	:	:	:	:	:	:	:	:	:	:	:
Albania	:	:	:	:	67.6	100.0	95.2	91.2	107.5	127.7	115.7
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	100.0	127.1	161.9	179.5	210.0	:
Serbia ⁽⁴⁾	96.8	90.7	93.5	100.0	95.6	100.0	102.9	119.2	140.0	167.6	223.2
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Index of the number of bed places in hotels and similar collective accommodation establishments										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	88.5	92.4	92.9	93.8	98.8	100.0	101.8	103.7	100.5	104.1	:
Bulgaria	97.5	88.4	82.6	92.6	83.5	100.0	96.7	109.9	119.0	141.3	166.1
Romania	103.2	102.5	102.4	102.6	101.8	100.0	100.0	99.0	101.2	104.3	108.6
Croatia	108.3	105.4	102.9	107.0	99.8	100.0	98.1	97.1	100.0	102.5	103.1
The former Yugoslav Republic of Macedonia	94.2	94.4	97.1	100.1	102.9	100.0	102.4	103.4	102.2	103.4	102.9
Turkey ⁽⁵⁾	86.3	92.7	96.3	96.6	98.2	100.0	113.4	121.8	129.4	139.7	148.6
Albania	59.0	62.8	57.8	57.4	60.5	100.0	129.7	136.8	135.1	152.0	160.5
Bosnia and Herzegovina ⁽⁶⁾	:	:	76.1	79.1	88.4	100.0	104.6	106.0	106.6	107.0	111.5
Montenegro	106.4	106.4	108.2	108.4	100.2	100.0	99.6	95.2	87.7	89.5	94.7
Serbia	110.3	108.0	108.0	107.7	113.1	100.0	100.2	94.4	92.2	92.5	93.9
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Excludes NACE Group 52.7; provisional value for 2005. (2) Gross series; provisional value for 2005. (3) Gross series; VAT included; includes legal and physical persons. (4) Indices in constant prices are obtained by deflating indices in current prices with appropriate indices of prices of goods. (5) Source: Ministry of Culture and Tourism. (6) Estimated values.

The index of the volume of retail sales provides a deflated measure of turnover. Between 2000 and 2005 this index grew on average by 3.1% per annum in the EU-25. This figure was well below the rates recorded in the two new EU Member States and in the Candidate and Potential Candidate countries, apart from Albania (as far as data were available). Among these countries, the volume of retail sales index rose by between 6.7% per annum in Croatia and 17.4% per annum in Serbia.

Arrivals of non-residents staying in collective accommodation establishments for the EU-25 totalled 237 million in 2005. Tourism is relatively underdeveloped in the majority of the Candidate and Potential Candidate countries as well as the new EU Member States, with the notable exception of Croatia (where there were 6.6 million non-resident arrivals in 2005). Although starting from relatively low levels, there was rapid growth in the number of tourist arrivals in the majority of these countries, with tourism in Bulgaria, Montenegro, Serbia and Romania developing at particularly fast rates between 2000 and 2005. Moreover, figures for accommodation showed significant increases in the number of bed places for Bulgaria, Albania, and Turkey (10.7%, 9.9% and 8.2% respectively, on average between 2000 and 2005). In spite of the increasing demand of tourist arrivals for Montenegro and Serbia, the number of bed places in these two countries fell slightly by around 1% on average during the same period.

Figure 9.3: Arrivals of non-residents staying in collective accommodation establishments (thousands) ⁽¹⁾



(1) EU-25 (179 million in 1995, 236 million in 2000 and 237 million in 2005; estimated values, intra EU-25 flows are included); Turkey and Kosovo/UNSCR 1244, not available. (2) 1997 instead of 1995.

Chapter 10 - Transport

10

Table 10.1: Transport infrastructure (thousand kilometres)

	Length of all roads (excluding motorways)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	4 544.9	4 571.1	4 579.8	4 656.3	4 656.9	4 668.1	4 701.5	4 829.4	4 842.3	4 843.5	:
Bulgaria ⁽²⁾	37.0	37.0	37.0	36.9	37.0	37.0	37.0	19.0	18.9	19.0	19.0
Romania	73.0	73.0	73.0	73.0	73.0	78.0	78.0	79.0	79.0	79.0	80.0
Croatia	26.6	26.6	26.6	27.5	27.5	27.6	27.7	27.8	27.8	27.6	27.6
The former Yugoslav Republic of Macedonia	9.6	9.6	10.5	11.5	12.2	12.5	12.9	13.0	13.0	13.1	13.3
Turkey ⁽³⁾	380.0	380.0	380.0	379	383.0	416.0	425.0	426.0	427.0	348.0	348.0
Albania	:	:	:	:	:	:	:	:	2.5	2.6	2.7
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	18.0	:
Montenegro	6.9	6.9	7.0	7.0	7.1	7.2	7.3	7.3	7.3	7.3	7.4
Serbia	45.5	42.7	43.4	43.5	37.7	37.6	37.7	38.0	37.0	38.6	38.2
Kosovo/UNSCR 1244	1.3	:	:	:	:	:	:	:	1.3	:	:
	Length of railway network (lines in operation)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	213.1	211.6	208.9	208.1	207.7	206	204.2	203.9	:	:	:
Bulgaria	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.2
Romania	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Croatia	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
The former Yugoslav Republic of Macedonia	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Turkey ⁽⁴⁾	8.5	8.6	8.6	8.6	8.7	8.7	8.7	8.6	8.7	8.7	8.7
Albania	:	:	:	:	:	0.4	0.4	0.4	0.4	0.4	0.4
Bosnia and Herzegovina ⁽⁵⁾	:	:	:	:	:	:	:	:	:	1.0	1.0
Montenegro	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Serbia	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	0.4	:	:

(1) 1995-2004, estimated values. (2) Since 2002 IV-category roads are excluded from the national road network. IV-category roads are the municipal roads. These roads ensure the local transport connections and are connected with the national road network or urban roads. (3) Excludes municipality roads; 2004: break in series; 2004-2005, provisional values. (4) Data is available from Turkish State Railways. 2004-2005, provisional value. (5) 2005, data refers to the Federation of Bosnia and Herzegovina only (official data for the state level are not available).

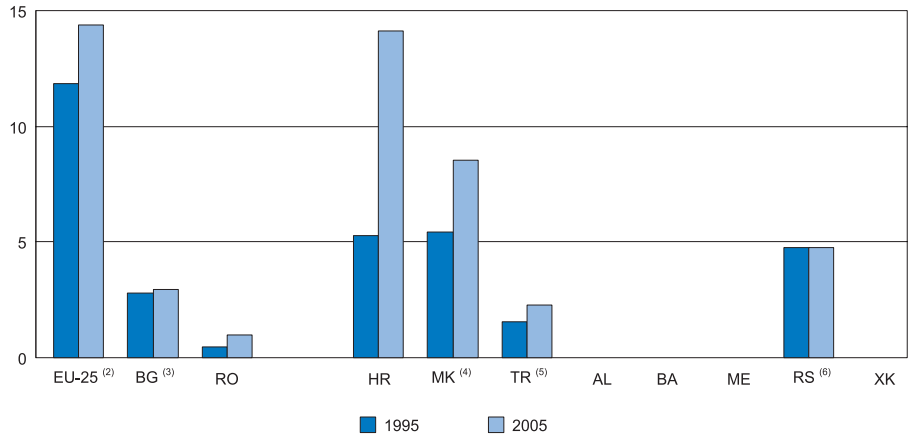
The transport infrastructure of the Candidate and Potential Candidate countries is relatively small, compared to the EU-25. Furthermore, most countries show minor changes in their road and rail networks. However, there was a rapid expansion in the road network in Turkey in the years between 1999 and 2003 (+11.5%).

The EU-25 had 204 000 kilometres of railway track in 2002. For the same year, the combined sum of all railway tracks in the Candidate and Potential Candidate countries was equal to 8.1% of the EU-25 total and to 15.6% if Bulgaria and Romania are added. The relative importance of the rail transport network was particularly high in Bulgaria, Bosnia and Herzegovina and Kosovo/UNSCR 1244, and particularly low in Turkey.

Note that the absolute number of kilometres of road or rail networks only tells part of the story regarding the performance of transport infrastructures, as network density, quality and frequency of use are also important determinants.

The density of motorway network remained stable in Bulgaria and Serbia between 1995 and 2005, while more than doubling in Croatia.

Figure 10.1: Density of the motorway network (kms per thousand km² of land area) ⁽¹⁾



(1) Albania, Bosnia and Herzegovina, Montenegro and Kosovo/UNSCR 1244, not available. (2) Excluding Greece, estimated values; 2004 instead of 2005. (3) 1995, the data were provided by the National Statistical Institute. 2005, the data were provided by the Ministry of Agriculture and Forestry. (4) 1999 instead of 1995. (5) Data is available from General Directorate of Highways. (6) 2005, provisional value.

Table 10.2: Inland transport

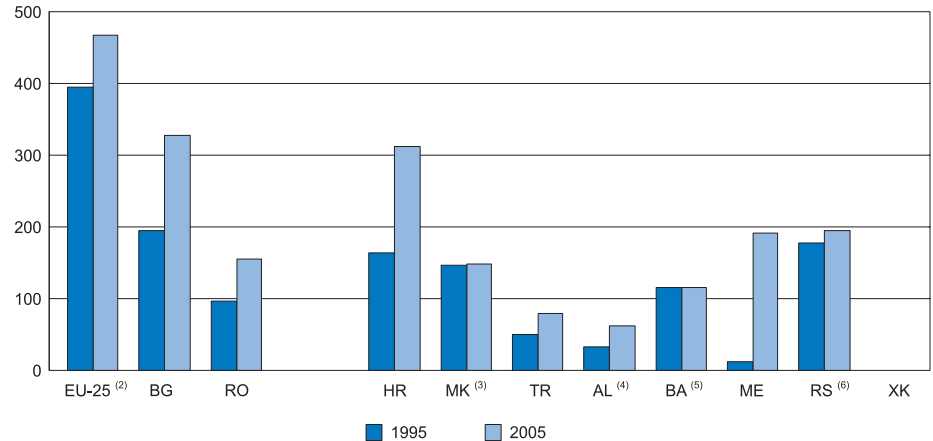
	Number of passenger cars (thousands)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	176 264	181 399	183 211	189 299	195 042	200 870	205 884	209 895	:	:	:
Bulgaria	1 648	1 707	1 731	1 809	1 908	1 993	2 086	2 174	2 309	2 438	2 538
Romania	2 197	2 326	2 447	2 595	2 702	2 778	2 881	2 973	3 088	3 225	3 364
Croatia	768	841	939	1 001	1 066	1 144	1 196	1 244	1 293	1 338	1 385
The former Yugoslav Republic of Macedonia ⁽²⁾	286	284	289	289	290	299	309	308	300	249	253
Turkey ⁽³⁾	3 059	3 274	3 570	3 838	4 072	4 422	4 535	4 600	4 700	5 400	5 773
Albania	:	:	:	:	99	115	134	149	175	190	195
Bosnia and Herzegovina ⁽⁴⁾	:	:	:	:	:	:	:	444	429	446	:
Montenegro	8	10	69	163	113	113	99	103	106	109	119
Serbia	1 360	1 397	1 584	1 749	1 573	1 274	1 382	1 344	1 388	1 455	1 482
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Road freight transport as a share of total inland freight transport (%) ⁽⁵⁾										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	72.2	72.6	72.3	73.6	74.8	74.5	75.5	76.1	76.2	76.7	76.9
Bulgaria	:	:	:	:	:	52.3	60.2	62.9	61.7	66.9	:
Romania	48.4	41.4	45.1	43.1	43.5	42.9	49.6	57.4	62.4	60.8	67.3
Croatia	:	:	:	:	:	:	75.9	76.4	76.2	76.6	76.0
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:
Turkey ⁽⁶⁾	93.0	93.8	93.6	94.8	94.8	94.3	95.3	95.5	94.6	95.3	95.5
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	62.0	47.4	42.2	38.8	49.8	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Estimated values. (2) 2004: break in series. (3) 2004, provisional value. (4) Data refers to the Federation of Bosnia and Herzegovina only (official data for the state level are not available). (5) Road freight transport as a share of total inland freight transport is not comparable with road freight transport in table 10.3 (the first is based on 'territoriality principle' while the second only concerns the vehicles registered). (6) Data is available from General Directorate of Highways. 2004-2005, provisional values.

In relation with the increase of the average household income in the Candidate and Potential Candidate countries, the number of passenger cars increased on average by at least 5% per annum between 2000 and 2005 in Bulgaria, and Turkey, rising to 11.2% per annum in Albania (which started from a particularly low level). The average number of passenger cars per inhabitant was highest in Bulgaria and Croatia (with nearly one car per three inhabitants in 2005), although these rates were still some way behind the EU-25 average (almost one car per two inhabitants).

Within the EU-25 there has been a marked switch to road freight transport in recent years: share of road freight increased from 72.2% in 1995 to 76.9% in 2005. In comparison, road freight represents in Bulgaria and Romania about two third of the total freight, as a result of a significant increase of this share from 2000 onwards (+14.6 points in Bulgaria and +24.4 points in Romania). The modal split in Croatia resembled that of the EU-25, while road freight played an even greater role in the transport mix in Turkey, where road is used as transportation mean for more than 95% of the total freight.

Figure 10.2: Average number of passenger cars per 1000 inhabitants (units) ⁽¹⁾



(1) Kosovo/UNSCR 1244, not available. (2) 2003 instead of 2005. (3) 2003 instead of 2005; Population data: 1995 data are based on the 1994 census of population, 2003 data are based on the 2002 census of population. (4) 1999 instead of 1995. Population data: in 1999 population was revised based on the 1989 and 2001 population census. (5) 2002 instead of 1995; 2004 instead of 2005. Data refers to the Federation of Bosnia and Herzegovina only (official data for the state level are not available). (6) 2004 instead of 2005.

In addition to Road, rail is the other important transport mode for inland freight transport in the Candidate and Potential Candidate countries as well as in Bulgaria and Romania. While road transport is predominant in EU-25, the countries of Bosnia and Herzegovina and Montenegro reported a relatively high propensity to use rail freight transport. Indeed, in Bosnia and Herzegovina and Montenegro the number of tonne-kilometres transported by rail exceeded that for road freight transport, whereas in Bulgaria the tonne-kilometres performed by rail and road are nearly equivalent. On the other hand, the use of road freight transport dominated the use of rail in the former Yugoslav Republic of Macedonia and in Turkey and to a lesser extent in Romania, Croatia, and Serbia.

Table 10.3: Breakdown of freight transport, 2005

	Rail (million tonne-tkm)	Road (million tonne-km) ⁽¹⁾	Inland waterways (million tonne-km)	Pipeline (million tonne-km)	Sea - inward and outward (million tonnes)	Air - loaded and unloaded (million tonnes)
EU-25 ⁽²⁾	361 437	1 716 117	36 446	:	3 505	11
Bulgaria ⁽³⁾	5 163	5 045	757	352	25	0
Romania	16 582	51 531	8 438	446	48	0
Croatia ⁽⁴⁾	2 835	9 328	119	1 774	26	0
The former Yugoslav Republic of Macedonia ⁽⁵⁾	530	3 930	:	:	:	0
Turkey ⁽⁶⁾	9 152	166 831	:	2 287	128	1
Albania	26	:	:	:	:	:
Bosnia and Herzegovina	1 160	733	:	:	:	:
Montenegro	129	61	:	:	:	1
Serbia ⁽⁷⁾	3 481	6 202	1 621	1 042	:	0
Kosovo/UNSCR 1244	:	:	:	:	:	:

(1) This indicator is not comparable with the one shown in table 10.2 (see explanatory note 5 of the related table). (2) Rail, 2003 instead of 2005, estimated value; Inland waterways and Sea, 2004 instead of 2005. (3) Excluding vessels used for ferrying purposes between Bulgaria and Romania. Pipeline, transport by oil pipelines only. (4) Rail, excluding empty private wagons. (5) Road, the data are prepared according to Council Regulation 1172/98 EC. (6) Rail, data is available from Turkish State Railways. Road, data is available from General Directorate of Highways. Pipeline, data is available from General Directorate of Petroleum and Turkish Petroleum Joint-Stock Company. Sea, 2001 instead of 2005. Air, data is available from General Directorate of State Airports Administrations. (7) Road, estimated value.

Chapter 11 - Communication and Information Society

11

Table 11.1: Fixed and cellular telephony (thousands)

	Number of main telephone lines										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	:	:	212 482	218 856	222 196	226 269	227 444	226 331	225 682	:	:
Bulgaria	2 563	2 648	2 681	2 758	2 833	2 882	2 922	2 906	2 856	2 770	:
Romania	2 934	3 120	3 374	3 570	3 705	3 813	4 029	4 207	4 330	4 390	:
Croatia ⁽²⁾	1 254	1 389	1 488	1 558	1 641	1 692	1 716	1 685	1 684	1 676	1 675
The former Yugoslav Republic of Macedonia ⁽³⁾	348	368	408	457	784	806	792	793	723	733	670
Turkey ⁽⁴⁾	13 332	14 287	15 744	16 960	18 054	18 395	18 905	18 915	18 917	19 125	18 973
Albania	:	64	87	116	:	:	198	220	255	:	243
Bosnia and Herzegovina	:	272	303	333	:	:	847	903	938	:	:
Montenegro	134	145	147	159	170	177	183	187	188	178	178
Serbia	1 883	1 937	2 043	2 153	2 251	2 190	2 234	2 299	2 409	2 457	2 673
Kosovo/UNSCR 1244	:	:	:	:	:	104	101	91	93	:	:
	Number of subscriptions to cellular mobile telephone services										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25	:	:	55 305	94 853	158 340	253 484	307 657	337 559	368 046	:	:
Bulgaria ⁽⁵⁾	16	40	70	131	328	738	1 615	2 600	3 534	4 842	6 241
Romania	:	:	202	552	1 126	2 019	4 595	5 099	7 065	10 215	:
Croatia ⁽⁶⁾	31	60	120	177	361	1 112	1 731	2 340	2 551	2 842	3 650
The former Yugoslav Republic of Macedonia	:	1	12	30	48	100	221	366	608	998	1 216
Turkey ⁽⁴⁾	436	806	1 610	3 506	7 685	15 064	19 573	23 374	27 925	34 736	43 631
Albania	:	2	3	6	:	:	393	851	1 100	:	1 220
Bosnia and Herzegovina	:	2	9	25	:	:	445	749	1 050	:	:
Montenegro	:	:	:	:	:	:	393	479	418	484	543
Serbia	:	:	:	:	:	1 168	1 885	2 420	2 991	4 324	5 222
Kosovo/UNSCR 1244	:	:	:	:	:	:	315	342	:	:	:

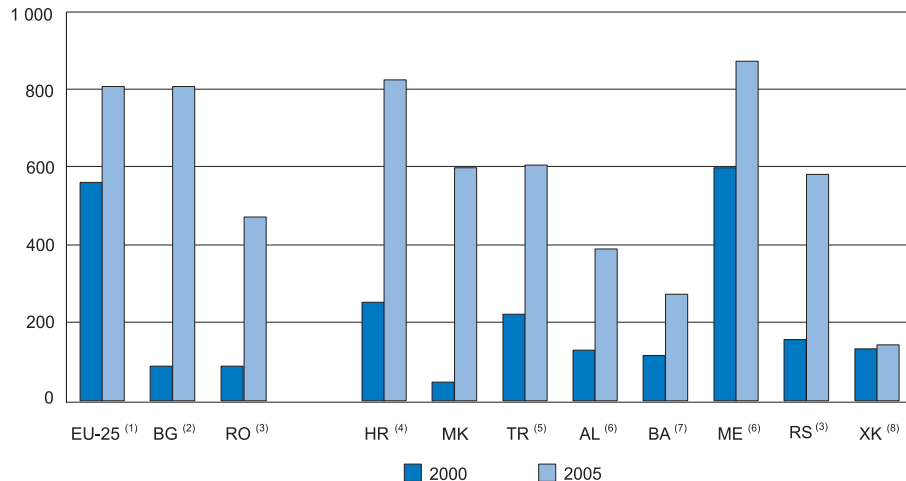
(1) 1998, break in series. (2) From 2000 to 2004 the number of main telephone lines presented is the total of telephone lines (analogue), ISDN lines and FGSM lines. (3) 1995-1998, number of telephone subscribers. (4) Data provided by the Telecommunications Authority. (5) 1997 and 2004, estimated values; 2005, data source: Communications Regulation Commission. (6) Beginning in 1999, data present the number of prepaid and postpaid users.

In the EU-25 there were 226 million main telephone lines in 2003, a small decrease compared to 2002. The cumulated sum of lines in the Candidate and Potential Candidate countries was 25 million lines, equivalent to 11.2% of the EU-25 total.

There were 368 million mobile subscribers in the EU-25 in 2003, while the cumulated sum for the Candidate and Potential Candidate countries (excluding Kosovo/UNSCR 1244) was 37 million subscribers, or 10.0% of the EU-25 total.

While the markets for mobile telephony in some Member States appear to have reached saturation (with penetration rates in excess of 100%; for example as a result of subscribers having multiple subscriptions), rapid growth was still being reported in most of the Candidate and Potential Candidate countries in 2004 and/or 2005. The highest take-up of mobile subscriptions was recorded in Croatia and Montenegro, where there was an average of more than 0.82 subscriptions per inhabitant.

Figure 11.1: Average number of subscriptions to cellular mobile telephony per 1 000 inhabitants (units)



(1) 2003 instead of 2005. (2) 2005, data source: Communications Regulation Commission. (3) 2004 instead of 2005. (4) 2005 data present the number of prepaid and postpaid users. (5) Data is available from Telecommunications Authority. (6) 2001 instead of 2000. (7) 2001 instead of 2000; 2003 instead of 2005. (8) 2001 instead of 2000; 2002 instead of 2005.

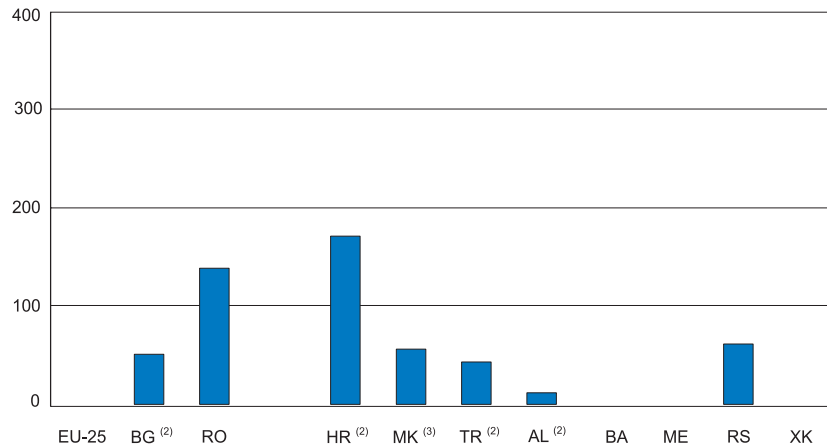
Table 11.2: Number of personal computers (thousands)

	2001	2004
EU-25	:	:
Bulgaria ⁽¹⁾	380	405
Romania	800	3 000
Croatia ⁽¹⁾	620	760
The former Yugoslav Republic of Macedonia ⁽²⁾	:	113
Turkey ⁽¹⁾	2 700	3 000
Albania ⁽¹⁾	30	36
Bosnia and Herzegovina	:	:
Montenegro	:	:
Serbia ⁽³⁾	377	454
Kosovo/UNSCR 1244	:	:

(1) 2002 instead of 2004. (2) Number of households that had a computer; estimated value.

(3) 2003 instead of 2001.

Personal Computers and the Internet

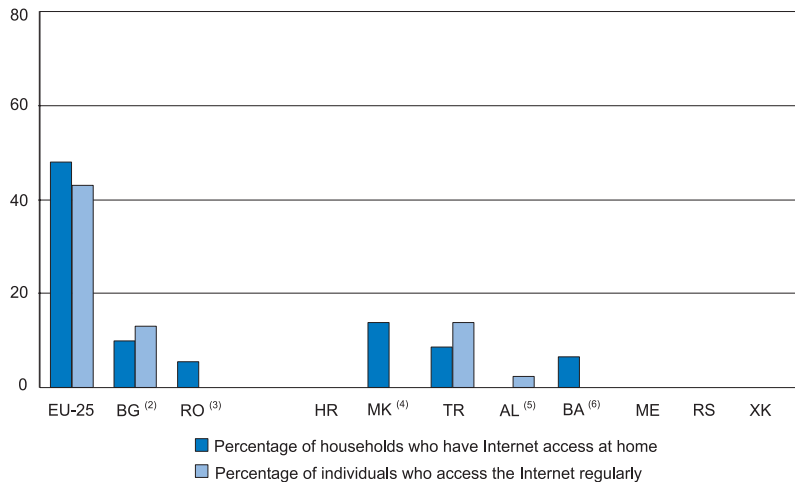
Figure 11.2: Average number of personal computers per 1 000 inhabitants, 2004 (units) ⁽¹⁾

(1) EU-25, Bosnia and Herzegovina, Montenegro and Kosovo/UNSCR 1244, not available. (2) 2002 data. (3) Based upon the number of households that had a computer; estimated value.

Between 2001 and 2004 (subject to data availability), there was generally a lower growth of PCs (which influences Internet use) in the Candidate and Potential Candidate countries compared to the increase of telephone usage (except in Romania). This difference may, in part, be explained by the higher average cost of a PC. The average possession of PCs was below 20% in all territories where data was available.

The proportion of households who have Internet access at home includes information on all forms of Internet use including e-mail, web browsing, home banking and e-commerce. 'Regular use' of the Internet is defined as the use of Internet, on average, at least once a week. Regular use of the Internet was generally much lower for Bulgaria, Turkey and Albania than it is in the EU-25.

Figure 11.3: Use of the Internet among individuals, 2005 (%) ⁽¹⁾



(1) Croatia, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) 2004 data. (3) 2004 data; Percentage of households who have Internet access at home: based upon total households; Percentage of individuals who access the Internet at least once a week, not available. (4) Percentage of individuals who access the Internet at least once a week, not available. (5) 2003 data; source: Living Standards Measurement Study 2003 panel survey; proportion of population aged 15 years and above. (6) 2004 data; source: Household Budget Survey in B&H, 2004 (the population considered is all households).

There is a limited set of information available for information technology usage within enterprises (no data was reported for the Candidates and Potential Candidate countries). While almost nine out of ten enterprises in the EU-25 had access to the Internet in 2005, this proportion was 74% in Bulgaria (by the end of 2004) and 67% in Romania (in 2004). Clearly more than half of the enterprises in the EU-25 used the Internet to interact with public authorities, while the corresponding shares for Bulgaria and Romania (again in 2004) were approximately one in two respectively one in three enterprises. The proportion of enterprises' turnover from the Internet (e-commerce) was 2.7% in the EU-25, which was higher than the proportions recorded in Bulgaria and Romania (figures 2004).

Table 11.3: Use of the Internet among enterprises, 2005 (%)

	Proportion of enterprises having access to the Internet	Proportion of enterprises using the Internet to interact with public authorities	Proportion of enterprises' turnover from the Internet e-commerce
EU-25	91.0	57.0	2.7
Bulgaria ⁽¹⁾	73.6	51.7	1.0
Romania ⁽²⁾	66.5	30.0	2.0
Croatia	:	:	:
The former Yugoslav Republic of Macedonia	:	:	:
Turkey	:	:	:
Albania	:	:	:
Bosnia and Herzegovina	:	:	:
Montenegro	:	:	:
Serbia	:	:	:
Kosovo/UNSCR 1244	:	:	:

(1) Proportion of enterprises having access to the Internet: data revised on the base of the total number of enterprises using computers; Proportion of enterprises using the Internet to interact with public authorities: data revised on the base of the total number of enterprises using the Internet; Proportion of enterprises' turnover from Internet e-commerce: 2005 data refer to the end of 2004. (2) 2004 instead of 2005.

Chapter 12 - External Trade

12

Table 12.1 : External trade of goods (EUR million)

	Total exports						
	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	689 434	857 784	895 848	903 601	882 885	969 274	1 071 011
Bulgaria	3 734	5 253	5 714	6 063	6 668	7 985	9 223
Romania	7 992	11 273	12 722	14 675	15 614	18 935	22 255
Croatia	:	:	:	5 188	5 439	6 454	7 069
The former Yugoslav Republic of Macedonia	:	:	:	1 178	1 203	1 346	1 644
Turkey	24 964	30 182	35 062	38 137	41 516	50 891	58 849
Albania	329	283	340	331	395	479	532
Bosnia and Herzegovina	:	:	:	:	908	1 299	1 920
Montenegro ⁽²⁾	:	175	199	205	151	:	:
Serbia ⁽³⁾	1270	1 680	1 896	2 192	2 442	2 832	3 608
Kosovo/UNSCR 1244	:	:	:	:	:	57	49
	Total imports						
	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	746 622	995 982	983 812	942 521	940 756	1 032 372	1 179 848
Bulgaria	5 140	7 085	8 128	8 411	9 611	11 619	12 497
Romania	9 774	14 235	17 383	18 881	21 201	26 281	32 569
Croatia	:	:	:	11 327	12 510	13 354	14 950
The former Yugoslav Republic of Macedonia	:	:	:	2 105	2 031	2 354	2 601
Turkey	38 351	59 444	46 256	54 478	60 136	78 528	93 410
Albania	1 083	1 179	1 486	1 590	1 648	1 823	2 118
Bosnia and Herzegovina	:	:	:	:	2 928	3 966	5 670
Montenegro ⁽²⁾	:	384	591	721	532	:	:
Serbia ⁽³⁾	2 694	3 606	4 758	5 919	6 589	8 623	8 439
Kosovo/UNSCR 1244	:	:	:	:	:	1 050	1 180

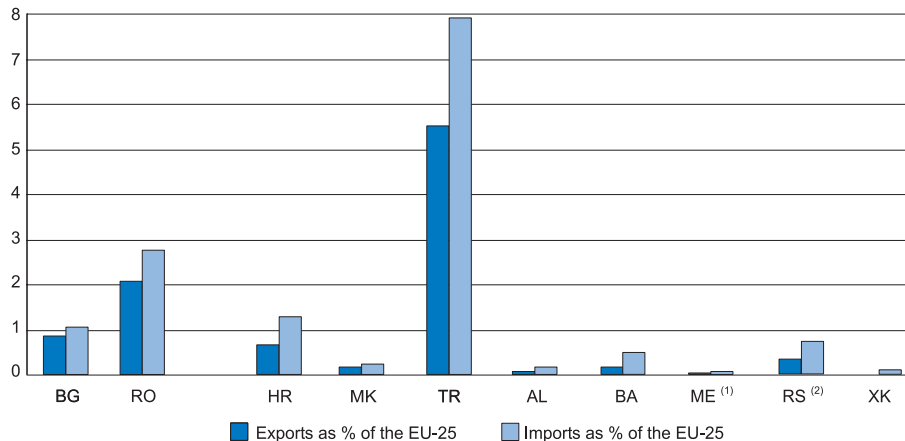
(1) Trade with partners outside of the EU-25 (extra-EU trade). (2) Data source: Statistical Yearbook of the Republic of Montenegro 2005. Data are disseminated in US dollars and were converted to EUR using Eurostat annual average exchange rates. (3) Break in series: from 2004 onwards the data are not comparable with the previous years because since January 2004 Uniform Customs Document harmonized with EU regulations has been used.

External trade figures that are presented in this section cover trade in goods only (excluding trade in services). Note that all of the EU-25 data in this section refer to extra-EU trade, in other words, trade of the EU-25 with the rest of the world. The data, therefore, do not cover the considerable amount of intra-community trade, i.e. they exclude all trade between the 25 Member States.

The EU-25 ran a trade deficit for goods that was valued at EUR 109 billion in 2005. This deficit rose by 72% in comparison to 2004. Expressed in a different way, exports from the EU-25 covered 91% of total imports in 2005 against a value of 94% in 2004. This indicator is often referred to as the cover ratio.

The information available for Bulgaria and Romania shows that they also recorded trade deficits in every year for which this information is presented. In the Candidate and Potential Candidate countries the situation was the same. Cover ratios in Bulgaria and Romania were the highest, at 74% and 68%, respectively, whereas in the Candidate and Potential Candidate countries they ranged from 4% in Kosovo/UNSCR 1244 to 63% in the former Yugoslav Republic of Macedonia and in Turkey.

Figure 12.1: External trade of goods, 2005 (% ratio of the EU-25=100)



(1) 2003 instead of 2005; data source: Statistical Yearbook of the Republic of Montenegro 2005. Data are disseminated in US dollars and were converted to EUR using Eurostat annual average exchange rates. (2) Data according to Uniform Customs Document harmonized with EU regulations.

Over the period 1999 to 2005, the EU-25 was the main trading partner, accounting for the absolute majority of both imports and exports in Bulgaria, Romania and most Candidate and Potential Candidate countries. In 2005, the main exception to this rule (subject to data availability) was Kosovo/UNSCR 1244 (where the EU-25 accounted for just over 1/3 of its total exports and imports in 2005). Other exceptions in 2005 were the former Yugoslav Republic of Macedonia, where only 46% of imports came from the EU-25 (and this share was steadily diminishing since 2002 – the first year of data availability), Turkey, where 42% of imports originated in the EU-25 and Bosnia and Herzegovina, which registered a share of 49% of its imports from EU-25.

Table 12.2 : External trade of goods with the EU-25

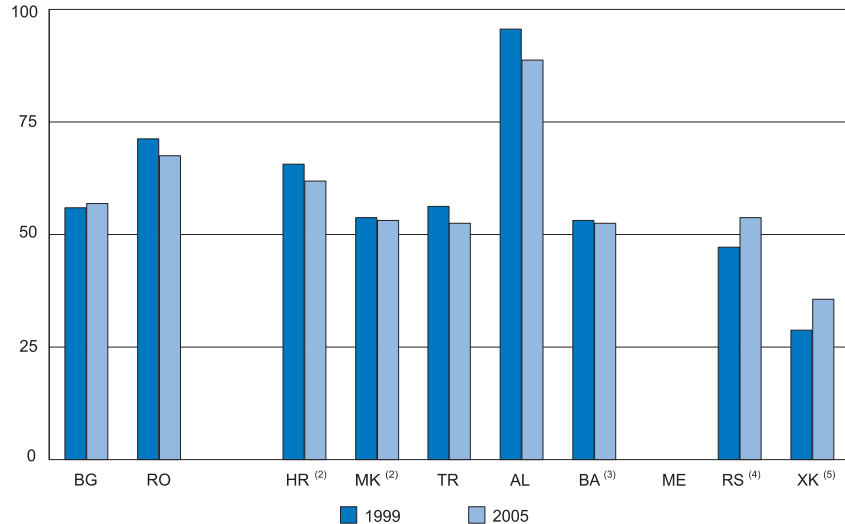
	Exports to the EU-25 (% of total exports)						
	1999	2000	2001	2002	2003	2004	2005
Bulgaria	55.8	54.4	58.2	59.3	60.1	58.3	56.8
Romania	71.3	69.4	73.5	72.6	73.6	72.8	67.4
Croatia	:	:	:	65.7	67.5	64.6	61.9
The former Yugoslav Republic of Macedonia	:	:	:	53.9	56.9	57.1	53.0
Turkey	56.1	54.3	53.8	53.9	55.1	54.5	52.4
Albania	95.5	93.1	91.2	92.5	93.8	90.6	88.7
Bosnia and Herzegovina	:	:	:	:	53.1	54.0	52.4
Montenegro	:	:	:	:	:	:	:
Serbia ⁽¹⁾	47.1	51.3	54.7	55.4	49.3	51.4	53.7
Kosovo/UNSCR 1244	:	:	:	:	:	28.7	35.6
	Imports from the EU-25 (% of total imports)						
	1999	2000	2001	2002	2003	2004	2005
Bulgaria	53.6	49.4	54.7	55.6	55.3	54.1	58.2
Romania	68.5	64.6	66.1	67.4	67.2	64.9	62.0
Croatia	:	:	:	71.4	72.1	69.5	65.6
The former Yugoslav Republic of Macedonia	:	:	:	54.7	53.2	49.9	45.5
Turkey	53.7	50.3	45.8	47.5	48.2	46.6	42.2
Albania	79.6	77.8	77.4	74.0	71.3	68.1	63.6
Bosnia and Herzegovina	:	:	:	:	57.6	51.9	48.7
Montenegro	:	:	:	:	:	:	:
Serbia ⁽¹⁾	51.1	47.6	50.1	55.3	54.8	54.2	50.2
Kosovo/UNSCR 1244	:	:	:	:	:	36.0	34.6

(1) Break in series: from 2004 onwards the data are not comparable with the previous years because since January 2004 Uniform Customs Document harmonized with EU regulations has been used.

For nearly all countries a decrease in the importance of the EU-25 in the international trade during the last three years was recorded. Between 1999 and 2005 the largest decrease in the proportion of exports destined for the EU-25 (subject to data availability) was registered for Albania, from 96% to 89%.

On the other hand, the proportion of exports from Bulgaria to the EU-25 slightly increased from 56% to 57% over the same period. Within the Candidate and Potential Candidate countries there was a substantial increase in the proportion of exports from Kosovo/UNSCR 1244 to the EU-25, which rose from 29% in 2004 to 36% in 2005.

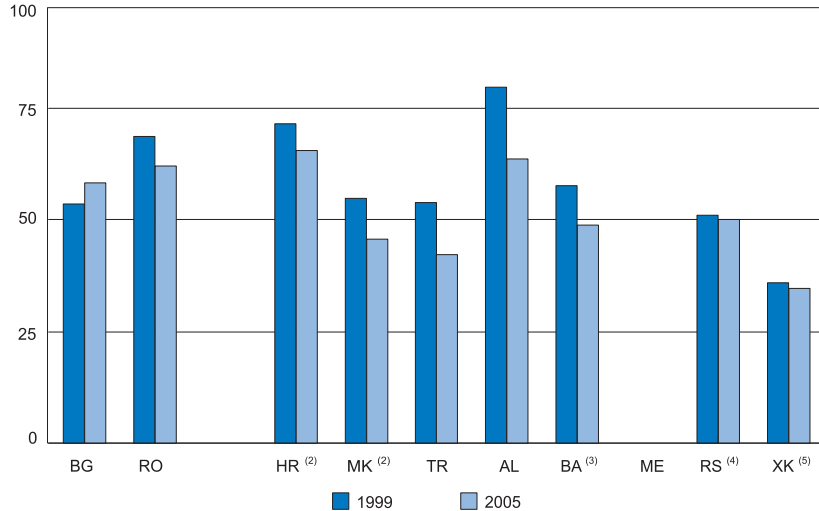
Figure 12.2: Exports of goods destined for the EU-25 (% of total exports) ⁽¹⁾



(1) Montenegro, not available. (2) 2002 instead of 1999. (3) 2003 instead of 1999. (4) Break in series: 2005 data are not comparable with 1999 data because since January 2004 Uniform Customs Document harmonized with EU regulations has been used. (5) 2004 instead of 1999.

In general, between 1999 and 2005 (subject to data availability) a similar picture emerges for imports of goods originating from the EU-25 (decreasing in the majority of the territories). The only increase in the share of imports coming from EU-25 was registered for Bulgaria (an increase of nearly 5 percentage points to reach 58% of total imports in 2005).

Figure 12.3: Imports of goods originating from the EU-25 (% of total imports) ⁽¹⁾



(1) Montenegro, not available. (2) 2002 instead of 1999. (3) 2003 instead of 1999. (4) Break in series: 2005 data are not comparable with 1999 data because since January 2004 Uniform Customs Document harmonized with EU regulations has been used. (5) 2004 instead of 1999.

The EU-25, Bulgaria, Romania, as well as the Candidate and Potential Candidate countries all showed a deficit in their external trade in goods. EU-25 recorded a deficit steadily rising since 2002, the 2005 deficit being around three times as high as in 2002. With Romania and Turkey the same trend applies, although to a lesser extent.

Each of the new EU Member States and Candidate and Potential Candidate countries ran a trade deficit with the EU-25 (apart Montenegro where data are not available). In 2005, this negative balance in international trade in goods with the EU-25 - compared to the previous year - grew for all countries apart from Serbia, where the trade deficit decreased by EUR 926 million, the former Yugoslav Republic of Macedonia and Turkey, with reductions of EUR 92 million and EUR 238 million respectively.

Table 12.3: Trade balance of goods

	Trade balance (EUR million)						
	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	-57 188	-138 198	-87 964	-38 921	-57 872	-63 099	-108 837
Bulgaria	-1 406	-1 832	-2 414	-2 348	-2 942	-3 635	-3 274
Romania	-1 781	-2 962	-4 661	-4 206	-5 588	-7 346	-10 313
Croatia	:	:	:	-6 139	-7 071	-6 901	-7 880
The former Yugoslav Republic of Macedonia	:	:	:	-927	-828	-1 008	-957
Turkey	-13 387	-29 263	-11 194	-16 341	-18 620	-27 637	-34 560
Albania	-754	-896	-1 145	-1 259	-1 252	-1 344	-1 585
Bosnia and Herzegovina	:	:	:	:	-2 019	-2 667	-3 750
Montenegro ⁽²⁾	:	-209	-392	-515	-381	:	:
Serbia ⁽³⁾	-1 423	-1 926	-2 862	-3 727	-4 147	-5 792	-4 831
Kosovo/UNSCR 1244	:	:	:	:	:	-994	-1 131
	Trade balance with the EU-25						
	1999	2000	2001	2002	2003	2004	2005
Bulgaria	-669	-641	-1 123	-1 085	-1 308	-1 629	-2 032
Romania	-995	-1 376	-2 152	-2 072	-2 752	-3 267	-5 191
Croatia	:	:	:	-4 675	-5 340	-5 115	-5 422
The former Yugoslav Republic of Macedonia	:	:	:	-518	-395	-405	-313
Turkey	-6 577	-13 504	-2 319	-5 295	-6 103	-8 842	-8 604
Albania	-548	-654	-840	-870	-804	-807	-876
Bosnia and Herzegovina	:	:	:	:	-1 203	-1 358	-1 756
Montenegro	:	:	:	:	:	:	:
Serbia ⁽³⁾	-778	-855	-1 348	-2 060	-2 408	-3 221	-2 294
Kosovo/UNSCR 1244	:	:	:	:	:	-362	-391

(1) Trade with partners outside of the EU-25 (extra-EU trade). (2) Data source: Statistical Yearbook of the Republic of Montenegro 2005. Data are disseminated in US dollars and were converted to EUR using Eurostat annual average exchange rates. (3) Break in series: from 2004 onwards the data are not comparable with the previous years because since January 2004 Uniform Customs Document harmonized with EU regulations has been used.

Indicators relating to the breakdown of external trade statistics show the proportion of exports and imports according to the SITC (Standard International Trade Classification). The classification is shown as follows:

SITC 0: food & live animals;

SITC 1: beverages & tobacco;

SITC 2: crude materials, inedible, except fuels;

SITC 3: mineral fuels, lubricants & related materials;

SITC 4: animal & vegetable oils, fats & waxes;

SITC 5: chemical & related products;

SITC 6: manufactured goods classified chiefly by material;

SITC 7: machinery & transport equipment;

SITC 8: miscellaneous manufactured articles;

SITC 9: commodities & transactions not classified elsewhere.

The largest proportion of exports from Bulgaria, Romania and the Candidate and Potential Candidate countries was often found to be 'manufactured goods classified chiefly by material' (such as iron and steel, textiles, wood, paper), or alternatively 'miscellaneous manufactured articles' (such as clothing, footwear or furniture).

Table 12.4 : Breakdown of exports of goods (% of total exports)

	1999										
	SITC 0	SITC 1	SITC 2	SITC 3	SITC 4	SITC 5	SITC 6	SITC 7	SITC 8	SITC 9	
EU-25 ⁽¹⁾	4.3	1.8	1.7	2.2	0.3	14.2	14.4	45.9	12.3	2.8	
Bulgaria	8.2	4.8	6.9	7.4	0.6	8.9	23.1	11.2	21.7	7.1	
Romania	3.4	0.3	8.5	4.9	0.6	4.9	20.3	16.8	39.1	1.0	
Croatia ⁽²⁾	8.0	2.7	5.6	9.3	0.2	10.3	14.7	28.5	20.6	0.0	
The former Yugoslav Republic of Macedonia ⁽²⁾	6.7	11.2	3.2	2.2	0.2	6.2	28.4	6.7	34.8	0.4	
Turkey	12.0	2.2	2.6	1.3	1.0	3.6	28.5	19.0	28.6	1.2	
Albania	3.3	2.2	7.7	2.0	0.1	0.3	8.3	5.7	70.3	0.1	
Bosnia and Herzegovina ⁽³⁾	3.5	1.4	16.6	6.1	0.0	2.3	28.8	17.5	23.9	0.0	
Montenegro ⁽⁴⁾	2.8	1.6	6.2	0.1	0.0	0.2	84.4	1.2	3.5	0.1	
Serbia ⁽⁵⁾	21.2	1.3	5.3	2.6	0.6	10.5	27.1	13.2	15.4	2.8	
Kosovo/UNSCR 1244 ⁽⁶⁾	6.2	5.0	37.6	1.1	0.2	2.0	18.9	19.7	9.3	0.0	
	2005										
	SITC 0	SITC 1	SITC 2	SITC 3	SITC 4	SITC 5	SITC 6	SITC 7	SITC 8	SITC 9	
EU-25 ⁽¹⁾	3.4	1.5	1.9	4.1	0.2	15.5	14.2	44.9	11.3	2.8	
Bulgaria	7.0	2.0	6.5	10.7	0.3	7.8	27.0	14.6	22.8	1.3	
Romania	2.2	0.1	4.8	10.7	0.3	5.7	20.8	25.4	29.3	0.6	
Croatia	7.9	2.2	5.6	13.9	0.2	9.9	14.7	28.9	16.6	0.0	
The former Yugoslav Republic of Macedonia	8.2	8.0	3.6	8.1	0.1	4.5	33.0	5.4	29.1	0.0	
Turkey	8.8	1.0	1.8	3.6	0.5	3.8	27.8	29.3	21.9	1.4	
Albania	3.9	1.8	10.8	2.6	0.0	0.5	15.5	4.1	60.7	0.0	
Bosnia and Herzegovina	4.6	0.5	21.2	8.9	0.6	3.4	28.3	16.7	15.7	0.1	
Montenegro ⁽⁴⁾	0.6	4.2	2.6	0.1	0.0	0.1	87.9	2.9	1.6	0.1	
Serbia ⁽⁵⁾	17.3	1.2	4.4	3.7	0.9	11.0	35.5	9.9	15.7	0.3	
Kosovo/UNSCR 1244	10.1	5.6	54.7	3.5	0.3	2.2	13.3	7.5	2.8	0.0	

(1) Exports to partners outside of the EU-25 (extra-EU exports). (2) 2002 instead of 1999. (3) 2003 instead of 1999. (4) 2002 instead of 1999; 2003 instead of 2005; data source: Statistical Yearbook of the Republic of Montenegro 2005. Data are disseminated in US dollars and were converted to EUR using Eurostat annual average exchange rates. (5) Break in series: from 2004 onwards the data are not comparable with the previous years because since January 2004 Uniform Customs Document harmonized with EU regulations has been used. (6) 2004 instead of 1999.

By looking to the most recent data (according to data availability), the highest value of 'manufactured goods classified chiefly by material' was registered in Montenegro with a share in total exports of nearly 90%. The only exceptions were Kosovo/UNSCR 1244 for 'crude materials, inedible, except fuels' (share of over 50%) followed by Croatia and Turkey for 'machinery & transport equipment' (largest share of somewhat less than 1/3 each).

As regards the imports, the two new EU Member States, as well as the Candidate and Potential Candidate countries tended to record their highest proportion of imports for 'machinery & transport equipment' (which includes products such as machines, computer and office equipment, motor vehicles and other transport equipment) or for 'manufactured goods classified chiefly by material'. In 2005 (according to data availability), 'machinery & transport equipment' tended to be around 1/3 of total imports. With the former Yugoslav Republic of Macedonia and Albania these goods accounted for lower shares, 17% and 24% respectively, whereas 'manufactured goods classified chiefly by material' account for the largest share of total imports (just over 1/4 of total imports).

Table 12.5 : Breakdown of imports of goods (% of total imports)

	1999										
	SITC 0	SITC 1	SITC 2	SITC 3	SITC 4	SITC 5	SITC 6	SITC 7	SITC 8	SITC 9	
EU-25 ⁽¹⁾	6.0	0.7	4.8	11.1	0.4	7.9	11.6	38.6	15.9	3.0	
Bulgaria	4.5	0.9	5.3	3.5	0.3	10.1	18.1	29.0	8.4	19.8	
Romania	5.8	1.3	3.7	10.1	0.2	11.2	29.0	26.3	11.5	0.9	
Croatia ⁽²⁾	7.4	0.8	2.4	12.2	0.3	11.4	19.4	34.3	11.6	0.1	
The former Yugoslav Republic of Macedonia ⁽²⁾	12.4	0.9	2.5	13.2	1.0	10.6	13.2	20.4	5.7	20.1	
Turkey	2.6	0.7	6.2	10.9	1.1	15.4	16.1	37.7	6.6	2.6	
Albania	22.8	2.9	4.2	3.0	1.8	7.3	22.8	17.8	17.4	0.0	
Bosnia and Herzegovina ⁽³⁾	15.0	4.2	2.5	7.7	1.1	11.3	21.0	25.3	11.9	0.0	
Montenegro ⁽⁴⁾	18.1	1.3	2.6	23.6	0.4	8.8	13.6	25.1	6.2	0.3	
Serbia ⁽⁵⁾	7.8	1.1	7.3	16.0	0.2	16.6	17.9	21.9	6.6	4.5	
Kosovo/UNSCR 1244 ⁽⁶⁾	19.8	7.1	4.8	12.7	0.6	11.4	18.9	16.2	8.5	0.0	
	2005										
	SITC 0	SITC 1	SITC 2	SITC 3	SITC 4	SITC 5	SITC 6	SITC 7	SITC 8	SITC 9	
EU-25 ⁽¹⁾	4.8	0.5	4.0	22.6	0.4	8.1	11.0	32.0	14.4	2.2	
Bulgaria	4.6	0.4	7.2	6.3	0.4	11.1	23.6	35.4	8.9	2.1	
Romania	4.7	0.9	2.8	14.0	0.2	10.2	24.3	33.2	9.3	0.4	
Croatia	7.2	0.7	2.0	15.1	0.3	11.1	19.0	33.0	11.5	0.0	
The former Yugoslav Republic of Macedonia	10.6	1.0	3.3	19.2	0.9	10.4	29.3	17.4	7.8	0.0	
Turkey	1.4	0.3	6.5	13.5	0.6	13.8	17.1	32.5	5.8	8.5	
Albania	13.0	3.1	1.9	8.6	1.3	8.5	25.8	23.6	14.2	0.0	
Bosnia and Herzegovina	13.4	3.0	3.3	13.0	0.7	10.8	19.9	25.5	10.3	0.2	
Montenegro ⁽⁴⁾	16.2	1.3	0.9	21.8	0.3	8.7	13.5	25.4	8.8	3.3	
Serbia ⁽⁵⁾	5.6	1.1	4.5	19.4	0.2	14.0	20.7	25.8	8.4	0.3	
Kosovo/UNSCR 1244	17.6	5.6	2.0	15.9	0.8	9.8	18.7	20.8	8.6	0.1	

(1) Imports from partners outside of the EU-25 (extra-EU imports). (2) 2002 instead of 1999. (3) 2003 instead of 1999. (4) 2002 instead of 1999; 2003 instead of 2005; data source: Statistical Yearbook of the Republic of Montenegro 2005. Data are disseminated in US dollars and were converted to EUR using Eurostat annual average exchange rates. (5) Break in series: from 2004 onwards the data are not comparable with the previous years because since January 2004 Uniform Customs Document harmonized with EU regulations has been used. (6) 2004 instead of 1999.

The EU-25 exported EUR 252 billion of goods to the United States, some EUR 81 billion to the Newly Independent States, EUR 52 billion to China and EUR 44 billion to Japan in 2005. As already noted, the EU was the main destination for exports from Bulgaria, Romania and the Candidate and Potential Candidate countries, with the United States often occupying the position of the second most important export partner.

The emergence of China as one of the main trading nations is evident from the data for imports, as EU-25 imports from China were valued at EUR 158 billion in 2005, some EUR 5 billion less than those from the United States, but EUR 85 billion more than the value of imports from Japan.

As regards the two new EU Member States and the Candidate and Potential Candidate countries, there was a higher propensity to import goods from the Newly Independent States or from China than from the United States. The only exception was Montenegro, which imports slightly more from the United States than from China (based on 2003 data) and for whom no data were available for imports to the Newly Independent States.

Both Bulgaria and Romania, as well as nearly all Candidate and Potential Candidate countries ran a trade deficit with the Newly Independent states, the United States, China and Japan in 2005. Trade of the former Yugoslav Republic of Macedonia with the USA is the only exception (a zero balance).

Table 12.6 : Value of exports to various partners, 2005 (EUR million)

	EU-25	New Independent States	United States	China	Japan
EU-25	~	80 721	251 541	51 843	43 646
Bulgaria	5 241	299	286	57	14
Romania	15 005	780	866	165	64
Croatia	4 378	130	247	7	41
The former Yugoslav Republic of Macedonia	871	21	36	8	7
Turkey	30 822	4 054	3 924	442	189
Albania	472	0	5	3	0
Bosnia and Herzegovina	1 006	8	66	1	0
Montenegro ⁽¹⁾	:	:	0	0	0
Serbia ⁽²⁾	1 938	:	:	:	:
Kosovo/UNSCR 1244	17	0	0	0	0

(1) 2003 instead of 2005; data source: Statistical Yearbook of the Republic of Montenegro 2005. Data are disseminated in US dollars and were converted to EUR using Eurostat annual average exchange rates. (2) Data according to Uniform Customs Document harmonized with EU regulations.

Table 12.7 : Value of imports from various partners, 2005 (EUR million)

	EU-25	New Independent States	United States	China	Japan
EU-25	~	134 175	162 766	157 987	73 319
Bulgaria	7 273	925	364	568	177
Romania	20 196	4 514	892	1 316	469
Croatia	9 799	1 463	322	705	220
The former Yugoslav Republic of Macedonia	1 184	418	36	93	18
Turkey	39 426	13 769	4 271	5 520	2 495
Albania	1 348	171	30	140	9
Bosnia and Herzegovina	2 761	219	109	193	40
Montenegro ⁽¹⁾	:	:	16	14	11
Serbia ⁽²⁾	4 237	:	:	:	:
Kosovo/UNSCR 1244	409	27	19	56	16

(1) 2003 instead of 2005; data source: Statistical Yearbook of the Republic of Montenegro 2005. Data are disseminated in US dollars and were converted to EUR using Eurostat annual average exchange rates. (2) Data according to Uniform Customs Document harmonized with EU regulations.

Table 12.8 : Value of trade balance with various partners, 2005 (EUR million)

	EU-25	New Independent States	United States	China	Japan
EU-25	~	-53 454	88 775	-106 144	-29 673
Bulgaria	-2 032	-626	-78	-510	-163
Romania	-5 191	-3 734	-26	-1 151	-406
Croatia	-5 422	-1 333	-75	-698	-179
The former Yugoslav Republic of Macedonia	-313	-396	0	-85	-12
Turkey	-8 604	-9 715	-347	-5 077	-2 306
Albania	-876	-170	-25	-137	-9
Bosnia and Herzegovina	-1 756	-212	-43	-193	-40
Montenegro ⁽¹⁾	:	:	-16	-14	-11
Serbia ⁽²⁾	-2 294	-1 467	-176	-410	-85
Kosovo/UNSCR 1244	-391	-27	-18	-56	-16

(1) 2003 instead of 2005; data source: Statistical Yearbook of the Republic of Montenegro 2005. Data are disseminated in US dollars and were converted to EUR using Eurostat annual average exchange rates. (2) Data according to Uniform Customs Document harmonized with EU regulations.

Chapter 13 - Research & Development

13

Table 13.1: Expenditure on research and development

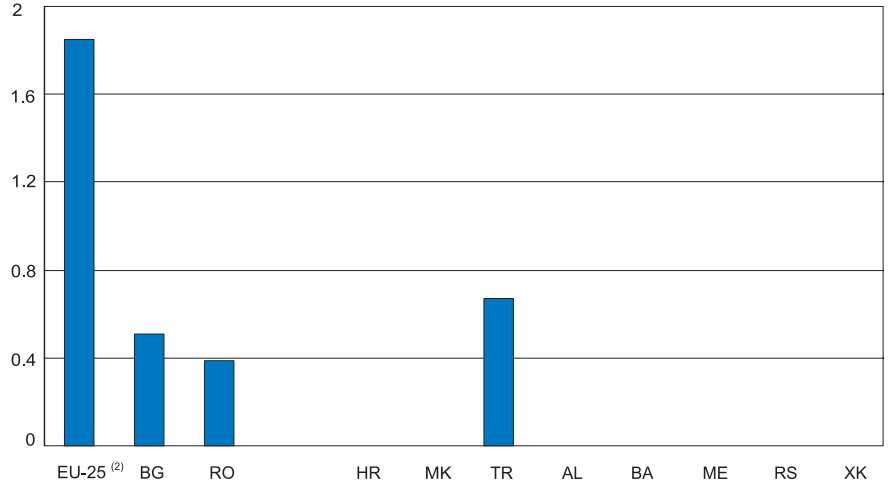
	Gross domestic expenditure on research and development (EUR million)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	126 306	129 221	138 466	145 617	157 630	170 412	178 368	185 613	187 416	193 650	200 633
Bulgaria	62	41	47	65	69	71	71	81	89	99	:
Romania	217	196	181	184	134	149	177	184	204	235	:
Croatia	:	:	:	:	184	246	238	271	292	:	:
The former Yugoslav Republic of Macedonia	:	:	12	14	12	17	12	10	9	:	:
Turkey	499	654	831	889	1 098	1 391	1 181	1 289	1 365	1 632	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	9	10	10	12	17	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:
	Gross domestic expenditure on research and development relative to GDP (%)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
EU-25 ⁽¹⁾	1.82	1.77	1.80	1.80	1.86	1.87	1.88	1.89	1.88	1.85	1.85
Bulgaria	0.62	0.52	0.51	0.57	0.57	0.52	0.47	0.49	0.50	0.51	:
Romania ⁽²⁾	0.80	0.71	0.58	0.49	0.40	0.37	0.39	0.38	0.39	0.39	:
Croatia	:	:	:	:	0.99	1.23	1.07	1.12	1.14	:	:
The former Yugoslav Republic of Macedonia	:	:	0.38	0.43	0.34	0.44	0.32	0.26	0.23	:	:
Turkey	0.38	0.45	0.49	0.50	0.63	0.64	0.72	0.67	0.61	0.67	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:	:

(1) Eurostat estimate. (2) The data for the period 1995-1997 are calculated on the Gross Domestic Product based on the ESA 1979 methodology.

The main measure used for research and development (R&D) statistics is gross domestic expenditure on research and development. It is composed of: business enterprise expenditure on R&D, higher education expenditure on R&D, government expenditure on R&D and private non-profit expenditure on R&D.

As part of the Lisbon objectives, the EU has set itself a target for its R&D expenditure of at least 3% of GDP by 2010. In 2005, EU-25 gross domestic expenditure on R&D was 1.9% of GDP. The corresponding ratio was lower in both new EU Member States and in the Candidate countries, with only Croatia reporting R&D expenditure above 1% of GDP in 2003.

Figure 13.1: Gross domestic expenditure on research and development relative to GDP, 2004 (%) ⁽¹⁾



(1) Croatia, The former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) Eurostat estimate.

Chapter 14 - Environment

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Table 14.1: Index of greenhouse gas emissions, 1990=100 (based on tonnes of CO₂ equivalent)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
EU-25 ⁽¹⁾	94.6	96.7	95.3	94.8	93.2	93.2	94.1	93.3	94.9	95.2
Bulgaria	72.5	70.6	67.5	60.0	56.1	56.1	56.6	54.3	59.2	59.0
Romania	76.8	78.8	70.4	63.1	56.2	57.3	59.4	62.0	64.6	67.2
Croatia	70.9	72.9	77.9	78.7	81.8	81.6	85.4	89.4	94.0	91.1
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:
Turkey ⁽²⁾	136.3	173.5	198.2	203.9	197.0	200.3	187.8	207.1	216.0	239.4
Albania	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:
Kosovo/UNSCR 1244	:	:	:	:	:	:	:	:	:	:

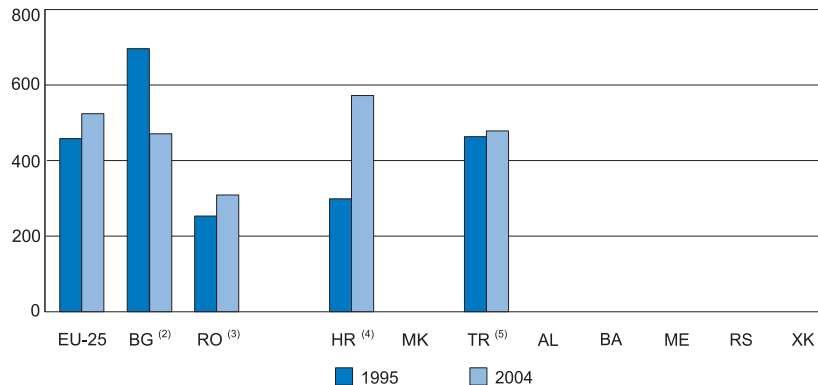
(1) Eurostat estimate for 2004. (2) Data refer to direct emissions of CO₂, CH₄, N₂O, HFCs and SF₆ by the sectors of energy, industrial processes, agriculture and waste disposal (HFCs emissions starting from the year 2000 and SF₆ emissions starting from the year 1996).

The Kyoto Protocol set a target for the EU to reduce climate-changing greenhouse gas emissions by 8% between 1990 and 2008-2012. Emissions in the EU-25 fell during the period 1996 to 2000, but from 2001 started to rise again, so that in 2003 emissions had reached the level of 1995.

While emissions in Bulgaria and Romania fell during the late 1990s, the expansion of energy consumption associated with the relatively rapid pace of economic development led to increasing emissions from 2000 onwards. In Turkey, the level of emissions increased significantly up to 1998 and again from 2001 onwards. The growth of the Turkish greenhouse gas emissions was relatively higher compared to the EU-25, the two new EU Member States and Croatia. Comparable data for the Potential Candidate countries were not available.

The bulk of municipal waste is from households, although similar wastes from sources such as commerce, offices and public institutions are also included in the data presented. Municipal waste includes paper, paperboard and paper products, plastics, glass, metals, food and garden waste, and textiles.

Figure 14.1: Quantity of municipal waste collected (kilograms per inhabitant) ⁽¹⁾



(1) The former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244, not available. (2) Collected municipal waste per person served by municipal services (the calculation of the population served in 2004 is made on the basis of average annual population figures). (3) Source: Ministry of the Environment and Water Management. (4) 2000 instead of 1995. (5) Survey results applied to municipalities; indicators are calculated according to the general population census of Turkey; mid-year population data between censuses has been kept constant, as the population of municipalities cannot be estimated.

Methodological Notes

The following notes are presented in the same order as the indicators within the main body of the publication, structured according to the chapter headings. At the end of this section there are details of three classifications that have been used for the presentation of data. More information may be found on these by referring to the RAMON classifications server, which can be accessed through the Eurostat web-site at:

<http://ec.europa.eu/eurostat/ramon>

1. Demography

Population data should provide a count of the number of inhabitants in a given area as of 1 January of the reference year in question. Population data may be based on information available from the most recent census, adjusted by the components of population change (the number of births and deaths, and the net result of migration into and out of the territory concerned). Alternatively, population data may be compiled from administrative registers.

Population density measures the number of inhabitants per square kilometre (km²). The information should be based upon the mid-year population of a territory in relation to the size of the territory. The land area covered by a territory generally includes inland waterways (rivers, lakes etc).

Data on **crude birth rates** and **crude death rates** are expressed in terms of the number of births or deaths per thousand inhabitants. These rates are a measure of the number of births or deaths in a reference year divided by the average population of the same reference year.

Fertility rates for a given reference year are measured as the average number of children that would be born to a woman during her lifetime if she were to pass through her childbearing years conforming to the average fertility rates of each year. The data therefore represent the completed fertility of a hypothetical generation of women, with the overall figure being computed as the sum of the fertility rates for each age (with the number of women assumed to be the same for each age).

Infant mortality rates are measured as the ratio of deaths of children under the age of one, in relation to the number of live births during the same reference year; the result is expressed as a ratio per thousand live births.

Life expectancy at birth is the average number of years a person would live if age-specific mortality rates observed for a certain calendar year or period were to continue.

2. Education

The **proportion of early school leavers** is computed as those aged 18 to 24 who have not completed upper secondary education and who are not in any other form of education or training. The numerator refers to persons aged 18 to 24 in the following two conditions: the highest level of education or training attained is ISCED 0 (pre-primary education), ISCED 1 (primary education) or ISCED 2 (lower secondary education); the respondent declared not having received any education or training in the four weeks preceding the (LFS) survey. The denominator is the total population of the same age group (those aged from 18 to 24), excluding persons having not answered questions concerning their participation in education and training.

The **proportion of the population aged 20 to 24 having completed at least upper secondary education** is defined as the percentage of young people (aged 20 to 24) having attained (completed) at least the upper secondary education attainment level, in other words, with at least an education level of ISCED 3 ((upper) secondary education). The denominator consists of the total population of the same age group (aged 20 to 24), and excludes persons having not answered questions concerning their participation in education and training. The expression 'having attained' should be associated with obtaining a certificate or diploma. In cases where there is no certification, successful completion must be associated with full attendance of the course.

The indicator of **tertiary graduates in science and technology per thousand population aged 20 to 29** is calculated by dividing the number of graduates (of all ages) in the fields of science and technology by the total population aged 20 to 29 and then multiplying by a thousand.

Public expenditure on education is expressed as a proportion of GDP. Generally, the public sector funds education by: financing current and capital expenditure of educational institutions; supporting students and their families with scholarships and public loans, and transferring public subsidies for educational activities to private firms or non-profit organisations (transfers to private households and firms).

The information on **life-long learning** presents the proportion of the population aged 25 to 64 who participated in education and/or training (at any time during a four week period prior to being surveyed by the LFS). The information collected relates to all education or training and includes formal and non-formal education: initial education, continuing or further training, training within an enterprise, apprenticeships, on-the-job training, seminars, distance learning, evening classes. It also includes general interest courses, such as language courses, computing, management, art/culture and health/medicine courses.

3. Social indicators

The **inequality of income distribution** is measured as the ratio of total income received by the 20 % of the population with the highest incomes (the top quintile) to that received by the 20 % of the population with the lowest incomes (the lowest quintile). This calculation should be made on the basis of equivalised disposable income, which is calculated for each household by adding together the income received by all members of the household and dividing by the equivalised household size (which is calculated as the sum of the persons in the household on the basis of the following weights: 1.0 to the first adult, 0.5 to other persons aged 14 or over who are living in the household, and 0.3 to each child aged less than 14).

The **gender pay gap** is expressed as a percentage of average gross hourly earnings of male paid employees and relates to all paid employees (who work at least 15 hours per week) between the ages of 16 and 64.

The **tax wedge** is defined as the proportion of total labour costs that are accounted for by income tax on gross wage earnings, employee's and employer's social security contributions.

Total labour costs are defined as gross earnings plus employer's social security contributions and payroll taxes (where applicable). The indicator is compiled for single persons without children who are earning 67 % of the average earnings of a full-time production worker (APW).

The **unemployment trap** measures the proportion of gross earnings which is taxed away by higher tax and social security contributions and the withdrawal of unemployment and other benefits when an unemployed person moves into employment. This indicator is defined as the difference between gross earnings and the increase in net income when moving from unemployment to employment, expressed as a proportion of gross earnings. This indicator is compiled for single persons without children earning 67% of the APW.

The **proportion of the population living in jobless households** is measured for two sub-populations, children aged 0 to 17, and persons aged 18 to 59. In both cases the number of persons living in jobless households is expressed as a proportion of the total sub-population (in other words, as a share of all children aged 0 to 17 or as a share of all persons aged 18 to 59). The information covers all persons living in private households (except for students aged 18 to 24 who live in households composed solely of students; these are not counted in either the numerator or denominator).

Household consumption expenditure measures the value of all goods and services that are used for directly meeting household needs. It covers actual expenditure on purchases of goods and services, own consumption such as products from kitchen gardens, and imputed rents for owner-occupied dwellings.

Investment effected by households, direct duties and taxes paid to various administrations, savings, social transfers in kind and voluntary transfers in cash or in kind to charities and aid organisations are excluded.

Health expenditure should ideally be provided in relation to the System of Health Accounts (SHA), which defines total expenditure on health as 'the final use of resident units of health care goods and services plus gross capital formation in health care provider industries'. This indicator is expressed as a proportion of GDP in current price terms.

Data on **social protection expenditure** should ideally be drawn up according to the ESSPROS (European System of integrated Social Protection Statistics) methodology. Social benefits consists of transfers, in cash or in kind, by social protection schemes to households and individuals to relieve them of the burden of sickness/health care, disability, old age, survivors, family/children, unemployment, housing, and social exclusion not elsewhere classified. This indicator is expressed as a proportion of GDP in current price terms.

4. Labour force

Employed persons are defined in the Labour Force Survey (LFS) as persons aged 15 years or more who did any work for pay or profit during the reference week.

The **labour force** is defined as those employed and those unemployed, in other words, those working and those seeking to work.

Activity rates for persons aged between 15 and 64 are defined as the proportion of persons aged between 15 and 64 in the labour force in relation to the total population of the same age. Activity rates for men and for women are expressed as a percentage of the male population aged 15 to 64 and the female population aged 15 to 64 respectively, not as a share of the total (male and female) population aged 15 to 64.

Employment rates for persons aged between 15 and 64 are defined as the proportion of employed persons aged between 15 and 64 in the total population of the same age. Employment rates for men and women are expressed as a percentage of the male population aged 15 to 64 and the female population aged 15 to 64 respectively, not as a share of the total (male and female) population aged 15 to 64.

The **employment rate of older workers** (defined as those aged 55 to 64) is defined in much the same way as for total employment rates, except that the numerator and the denominator are changed to reflect the age group of this sub-population.

Unemployed persons are defined as those aged 15 to 74 years who were not employed during the reference week of the survey, but who had actively sought work during the previous four weeks prior to the survey and were ready to begin working within two weeks. Unemployment rates for men and women are expressed as a proportion of the male labour force aged 15 to 74 and the female labour force aged 15 to 74 respectively, not as a share of the total (male and female) labour force aged 15 to 74.

Youth unemployment rates for men and women are expressed as a proportion of the male labour force aged 15 to 24 and the female labour force aged 15 to 24 respectively, not as a share of the total (male and female) labour force aged 15 to 24.

The duration of **long-term unemployment** is defined in terms of the period spent searching for a job, or as the period since the last job was held (if this period is shorter than the duration of search for a job). As with other unemployment rates, long-term unemployment rates for men and women are expressed as a proportion of the male labour force aged 15 to 74 and the female labour force aged 15 to 74 respectively, not as a share of the total (male and female) labour force aged 15 to 74.

5. National accounts

GDP per capita is an indicator that is derived through the division of GDP by the total population. The population data should consist of all persons, national or foreign, who are permanently settled in the economic territory, even if they are temporarily absent. This means that total population is defined using the concept of residence rather than nationality. Note that population figures from national accounts may vary when compared with those for demographic statistics.

Final consumption expenditure (ESA95) consists of expenditure incurred 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.

Private final consumption expenditure (ESA95) includes households' and NPISH's (non-profit institutions serving households) final consumption expenditure. Households consist of employers, employees, recipients of property incomes, recipients of pensions, recipients of other transfer incomes. NPISHs consist of non-profit making institutions which are separate legal entities, which serve households and which are private non-market producers.

Government final consumption expenditure (ESA95) includes the value of goods and services produced by general government itself (other than own-account capital formation and sales) and purchases by general government of goods and services produced by market producers that are supplied to households (without transformation) as social transfers in kind.

Gross capital formation (ESA95) is comprised of gross fixed capital formation and stock variations. Gross fixed capital formation consists of resident producers' acquisitions (less disposals) of fixed assets (tangible or intangible) during a given period, plus certain additions to the value of non-produced assets realised by the productive activity of producer or institutional units.

Imports of goods and services are recorded on the resources side of the account and **exports of goods and services** on the uses side. The difference between uses and resources is the balancing item in the account, referred to as the **external balance of goods and services**.

The **average of imports and exports of goods and services as a proportion of GDP** is calculated by simply summing imports and exports (both should be given as positive values) and dividing by 2 (to create the mean of exports and imports). The result is then divided by GDP and multiplied by 100.

Gross value added (ESA95) is measured at market prices. It can be defined as final output minus intermediate consumption.

Labour productivity is defined as GDP at constant prices divided by total employment (covering both employees and the self-employed).

Unit labour costs are defined in two steps. The numerator is composed of compensation per employee, and is expressed in current prices. The denominator is GDP in current prices divided by total employment. Compensation of employees (ESA95) is defined as 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. It consists of wages and salaries, and employers' social contributions. Employees (ESA95) are defined as all persons who, by agreement, work for another resident institutional unit and receive remuneration. Total employment (ESA95) covers all persons (employees and the self-employed) who are engaged in a productive activity that falls within the production boundary of the system.

6. Finance

The **general government deficit/surplus** (ESA95) refers to the national accounts' concept of consolidated general government net borrowing/net lending. It refers to net borrowing or lending over the course of a single reference year. The general government sector comprises central government, state government, local government and social security funds.

General government debt (ESA95) is the consolidated stock of gross debt at nominal value at the end of the year. In other words, it is the accumulated total debt (over the years) of a territory.

The reference framework for **balance of payments statistics** is the International Monetary Fund's (IMF) balance of payments manual (fifth edition). Most items entered in the current account of the standard components should show gross debits and credits.

The **current account** covers all transactions (other than those in financial items) that involve economic values and occur between resident and non-resident entities. Most entries in the **capital and financial account** should be made on a net basis, as a credit or a debit. Inflows of real resources, increases in financial assets, and decreases in liabilities should be shown as debits; outflows of real resources, decreases in financial assets, and increases in liabilities should be shown as credits.

The reference framework for **foreign direct investment** (FDI) statistics is the OECD's benchmark definition of foreign direct investment (third edition), which was developed in line with the IMF's balance of payments manual (fifth edition). Foreign direct investment (FDI) is international investment made by an entity resident in one economy (the direct investor) to acquire a lasting interest in an enterprise operating in another economy.

Money supply aggregates are end of year stock data.

The information presented for **interest rates** covers day-to-day money rates (which refer to deposit or loans on the money market with a maturity of one business day), lending interest rate (interest rate on loans, which forms the ceiling for money market rates) and deposit interest rate (the central bank rate, which forms the floor for money market rates).

Consumer price indices (CPIs) measure the change over time in the prices of consumer goods and services acquired, used or paid for by households.

7. Agriculture

Total land area is measured in terms of square kilometres (km²) and should include all land area, as well as inland waterways (rivers, lakes, canals etc).

Utilised agricultural area (UAA) corresponds to arable land, permanent grassland, permanent crops (vines, orchards, etc.), kitchen gardens and crops under glass. **Arable land** refers to land that is worked regularly, generally under a system of crop rotation. **Permanent grassland** is land that is not included in a crop rotation system, but instead is used for the permanent production (five years or more) of green forage crops (whether sown or self-seeded). **Permanent crops** are crops that are not grown in rotation, which occupy the soil for a long period and yield crops over several years (grassland is excluded).

Wooded areas are defined as areas covered with trees or forest shrubs, including poplar plantations inside or outside woods, and forest-tree nurseries grown in woodland for the holding's own requirements, as well as forest facilities (forest roads, storage depots for timber, etc.).

Commercial forest-tree nurseries and other nurseries outside woodland, heath and moor land, parks, gardens (parks and lawns), grassland and unutilised rough grazing, areas of isolated trees, small groups or lines of trees, walnut and chestnut trees grown mainly for their fruit, as well as other plantations of non-forest trees and osieries are excluded.

Other land refers to all land, other than the total utilised agricultural area and the wooded area.

All **livestock** data are recorded for the end of the reference year in terms of units of livestock (referred to as heads within agricultural statistics). **Cattle** are domestic bovine animals, including bovine animals under one year old, and dairy cows. **Dairy cows** are defined as cows which by reason of their breed or particular qualities are kept exclusively or principally to produce milk for human consumption or for processing into dairy products. These include cull (taken out of production) dairy cows (whether or not fattened between their last lactation and their slaughter). **Pigs** are domestic animals, which include piglets, breeding boars and sows, and cull boars and sows. **Poultry** are defined as domestic animals including broilers, laying hens, turkeys, ducks (including ducks for 'foie gras'), geese (including geese for 'foie gras'), and other poultry (for example, quails, pheasants, guinea-fowl, pigeons, ostriches). **Sheep** are domestic animals divided into breeding females (female sheep which have lambed) and other sheep. **Goats** are defined in a similar way and may be categorised as breeding females (female goats which have kidded) and other goats. All data relating to the **production of animals for slaughter** are recorded in terms of their slaughter weight.

Information relating to **crop production** measures the volume of harvested production in terms of tonnage. Data for cereals refer to crops harvested for dry grain only, as crops harvested green for forage, silage or grazing are excluded (they are classified as fodder crops). The heading of **cereals** includes the following: common wheat and spelt, durum wheat, rye, barley, oats, grain maize, sorghum, triticale, buckwheat, millet and canary seed. This heading also covers rice. **Sugar beet** is a root crop which is intended for use in the sugar industry and for alcohol production; seeds are excluded. **Oilseeds** include rape (winter, spring and turnip rape), sunflower seed, flax seed, soya bean, as well as other oil seeds (poppy, mustard, cotton, earth almond, sesame, groundnut). **Potatoes** include early potatoes and seed potatoes. The production of **fruit** includes apples, pears, stoned fruits (such as apricots, peaches, plums, cherries), nuts, citrus fruits (such as oranges and lemons), soft fruits and currants, avocados, figs and quinces. The production of **vegetables** includes all fresh vegetables (not dried pulses) and melons grown outdoor or under low non-accessible cover; vegetables grown principally for animal feed and cultivated vegetables for seeds are excluded.

8. Energy

Primary production of crude oil is defined as the quantities of fuel extracted or produced within national boundaries, including off-shore production, with production including only marketable production of crude oil, natural gas liquids (NGL), condensates and oil from shale and tar sands, while excluding any quantities returned to formation.

Primary production of hard coal and lignite is defined as the quantities of fuel extracted or produced after any operation for removal of inert matter. Production generally includes quantities consumed by the producer during the production process, as well as any quantities supplied to other on-site producers of energy for transformation or other uses.

Primary production of natural gas is defined as the quantities of dry gas, measured after purification and extraction of natural gas liquids and sulphur. Production includes only marketable production used within the natural gas industry, in gas extraction, pipeline systems and processing plants, while excluding any quantities re-injected, vented and flared, and any extraction losses.

Gross inland energy consumption is the quantity of energy consumed within the borders of a country. It may be calculated as primary production plus recovered products plus imports plus stocks changes minus exports minus bunkers (quantities supplied to sea-going ships). Gross inland energy consumption is measured in terms of tonnes of oil equivalent (TOE).

Net imports of energy products are defined as imports less exports of all energy products.

Final energy consumption is calculated net of transformation and network losses, and also excludes consumption of the energy sector.

9. Industry, construction and services

The **industrial production index** (IPI) provides a measure of the volume trend in value added at factor cost over a given reference period. In practice, however, value added is not available on a monthly basis in most countries. Therefore, data is generally collected for variables other than value added, with possible alternatives including gross production values, volumes, turnover, work input, raw material input, energy input. The production index is a volume index which should cover NACE Sections C and D and NACE Groups 40.1 and 40.2.

The **industrial producer price index** (PPI) should reflect domestic producer prices, as determined by the residency of the third party that has ordered or purchased the product, which should be the same territory as the producer. Prices should be defined as ex-factory prices including all duties and taxes, except for VAT (and similar deductible taxes linked to turnover). The producer price index for total industry should cover NACE Sections C to E, excluding Groups 12.0, 22.1, 23.3, 29.6, 35.1 and 35.3. The basic form of the index is an unadjusted (gross) index.

The **volume index of construction output** measures changes in the volume of construction output and reflects the developments in value added at factor cost over a given reference period. The volume index of construction output should cover NACE Section F. The basic form of the index is working-day adjusted; if this is not available an unadjusted index should be provided.

The **construction cost index** can be considered as a combination of component cost indices (covering material costs and labour costs) and shows the price developments of production factors used in the construction industry. The material costs measure the evolution of the prices of the materials that are used in the construction process. The prices should be based on actual rather than list prices (excluding VAT). The labour costs should cover wages and salaries, as well as social security charges for all persons employed. The basic form of the index is an unadjusted (gross) index.

The **volume of sales index for retail trade** should cover the total turnover invoiced by the observation unit during the reference period. Turnover should include all duties and taxes on the goods or services invoiced by the unit, as well as all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice. Turnover excludes VAT and other similar deductible taxes directly linked to turnover, as well as all duties and taxes on the goods or services invoiced by the unit. Reduction in prices, rebates and discounts as well as the value of returned packing should be deducted. The index should cover NACE Division 52 (although Group 52.7 may be excluded). The basic form of the index is working-day adjusted; if this is not available an unadjusted index should be provided.

The **number of arrivals of non-residents staying in collective accommodation establishments** refers to arrivals of non-residents travelling in a given area that is outside their usual environment. An arrival is defined as a person who arrives at a collective accommodation establishment and checks in. Collective tourist accommodation establishments include hotels and similar establishments, specialised establishments (health establishments, work and holiday camps, conference centres and accommodation in collective means of transport), and other collective establishments (such as holiday dwellings, tourist campsites and social tourism accommodation).

10. Transport

A **road** may be defined as a line of communication using a stabilised base other than rails or airstrips open to public traffic, primarily for the use of road motor vehicles running on their own wheels. Note that bridges, tunnels, supporting structures, junctions, crossings and interchanges, as well as toll roads are included, while dedicated cycle paths are excluded. As such, this indicator should measure the length (in kilometres) of state roads, provincial roads and communal roads, but should ideally exclude motorways.

The **length of railway network** should measure (in kilometres) the length of railway lines operated for passenger transport, goods transport, or for both. Lines solely used for tourist purposes during a particular season are excluded, as are railways that are constructed solely to serve mines, forests or other industrial or agricultural undertakings and which are not open to public traffic).

Motorways are defined as roads that have been especially designed and built for motor traffic, providing separate carriage ways for two directions of traffic that are separated from each other, while not crossing at the same level any other road, railway or tramway track, or footpath.

Passenger cars may be defined as road motor vehicles, other than motorcycles, that are intended for the carriage of passengers and designed to seat no more than nine persons (including the driver). Hence, the data presented should cover micro-cars (no permit required to be driven), taxis and hired passenger cars (with less than ten seats), the only exception being minibuses.

Transport performance indicators should be reported according to the territoriality principle, meaning that only freight that is transported within the national territory should be included.

11. Communications and Information Society

A main **telephone line** is one that connects the subscriber's terminal equipment to the public switched telephone network, with a dedicated port in the telephone exchange system. This is synonymous with the term 'main station' or 'direct exchange line'.

Cellular mobile telephone subscribers refer to users of portable telephones subscribing to an automatic public mobile telephone service using cellular technology that provides access to the Public Switched Telephone Network (PSTN). Active pre-paid cards are counted as subscriptions.

The data relating to **Internet access** within enterprises refer to all enterprises with 10 or more persons employed within NACE Sections D, G, H, I and K. **The data relating to use the Internet to interact with public authorities** (for example, obtaining information, downloading forms, filling-in web-forms, full electronic case handling) refer to all enterprises with 10 or more persons employed, within NACE Sections D, F, G, H, I, K and O.

The **proportion of enterprises' turnover from Internet e-commerce** refers to transactions conducted over Internet Protocol-based networks; the goods and services must be ordered over these networks, but the payment and the ultimate delivery of the good or service may be conducted on or off-line; orders received via telephone, facsimile, or manually typed e-mails are not counted as electronic commerce; the indicator is collected for all enterprises with 10 or more persons employed, within NACE Sections D, G, H, I and K.

12. External trade

External trade data for imports cover transactions in goods and services (purchases, barter, gifts or grants) from non-residents to residents, whereas data for exports cover transactions in goods and services (sales, barter, gifts or grants) from residents to non-residents. The statistical values are generally based on the customs value.

13. Research and development (R&D)

The basic methodological recommendations and guidelines for research and development (R&D) statistics are found in the Frascati Manual, which covers the measurement of all scientific and technological activities at the national level (Proposed Standard Practice for Surveys of Research and Experimental Development - Frascati Manual, OECD, 1994, revised 2002). R&D is defined as comprising 'creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications'. **Gross domestic expenditure on R&D** refers to R&D activities in the business enterprise sector, the government sector, the higher education sector, and the non-profit sector. GDP figures are compiled in accordance with ESA95. Indicators are calculated using current prices.

14. Environment

Annual greenhouse gas (GHG) emissions are estimated and reported according to the revised 1996 Intergovernmental Panel on Climate Change (IPCC) guidelines. By using the global warming potential (GWP) concept, all six GHGs can be summed up to a single value per year. The indicator shows trends in emissions of the 'Kyoto basket': carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF₆). Figures are given in CO₂ equivalents based on tonnage.

Data for **municipal waste** include waste originating from households, commerce and trade, small businesses, office buildings and institutions collected by or on behalf of municipalities. It also includes: waste from selected municipal services, i.e. waste from park and garden maintenance, waste from street cleaning services (street sweepings, the content of litter containers, market cleansing waste) if managed as waste.

Classifications

COICOP - Classification of Individual Consumption by Purpose

This classification is used for the breakdown of household consumption. Although COICOP data is presented at a fairly aggregated level, the following list is provided to help define each of the aggregates.

COICOP DESCRIPTION

- 01-12 Individual consumption expenditure of households
- 01 Food and non-alcoholic beverages
- 02 Alcoholic beverages, tobacco
- 03 Clothing and footwear
- 04 Housing, water, electricity, gas and other fuels (including actual rentals for housing; maintenance and repair of the dwelling; water supply and miscellaneous services relating to the dwelling; electricity, gas and other fuels)
- 05 Furnishings, household equipment and routine maintenance of the house (including furniture and furnishings; carpets and other floor coverings; household textiles; household appliances; glassware, tableware and household utensils; tools and equipment for house and garden; goods and services for routine household maintenance)
- 06 Health (including medical products, appliances and equipment; out-patient services; hospital services)
- 07 Transport (including the purchase of vehicles; operation of personal transport equipment; transport services)
- 08 Communication (including postal services; telephone and telefax equipment and telephone and telefax services)
- 09 Recreation and culture (including audio-visual, photographic and information processing equipment; other major durables for recreation and culture; other recreational items and equipment, gardens and pets; recreational and cultural services; newspapers, books and stationery; package holidays)
- 10 Education (pre-primary and primary, secondary, post-secondary non-tertiary, tertiary education, and education not definable by level)
- 11 Restaurants and hotels (including catering services; accommodation services)
- 12 Miscellaneous goods and services (including personal care; personal effects n.e.c.; social protection; insurance; financial services n.e.c.; other services n.e.c.)

ISCED 97 - International Standard Classification of Education

This classification is used for the breakdown of the number of pupils/students; it is also used for determining the coverage of a number of other education indicators.

ISCED DESCRIPTION

- | | |
|---|---|
| 0 | Pre-primary level of education; this level is defined as the initial stage of organized instruction, designed primarily to introduce very young children to a school-type environment. |
| 1 | Primary level of education; programmes are normally designed to give students a sound basic education in reading, writing and mathematics along with an elementary understanding of other subjects such as history, geography, natural science, social science, art and music. In some cases religious instruction is featured. |
| 2 | Lower secondary level of education; this is designed to complete the provision of basic education which began at ISCED level 1. The programmes at this level are usually on a more subject-oriented pattern using more specialized teachers and more often several teachers conducting classes in their field of specialization. |
| 3 | Upper secondary education; this level of education typically begins at the end of full-time compulsory education for those countries that have a system of compulsory education. More specialization may be observed at this level than at ISCED level 2 and often teachers need to be more qualified or specialised than for ISCED level 2. |
| 4 | Post-secondary, non-tertiary education (these programmes straddle the boundary between upper secondary and post-secondary education from an international point of view, even though they might clearly be considered as upper secondary or post-secondary programmes in a national context. These programmes are often not significantly more advanced than programmes at ISCED level 3 but they serve to broaden the knowledge of participants who have already completed a programme at level 3. |
| 5 | First stage of tertiary education (not leading directly to an advanced research qualification); this level consists of tertiary programmes with an educational content more advanced than those offered at levels 3 and 4. |
| 6 | Second stage of tertiary education (leading to an advanced research qualification); this level is reserved for tertiary programmes that lead to the award of an advanced research qualification. The programmes are devoted to advanced study and original research. |

NACE Rev. 1.1 - Statistical classification of economic activities in the European Community

This classification was adopted in order to establish a common statistical classification of economic activities within the European Community in order to ensure comparability between national and community classifications and hence national and community statistics.

NACE DESCRIPTION

- A and B Agriculture, hunting, forestry and fishing
- C to E Industry (excluding construction)
- C Mining and quarrying
- D Manufacturing
- E Electricity, gas and water supply
- F Construction
- G to P Services (as defined by NACE Sections G to P)
- 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

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This extensive pocketbook on Candidate and Potential Candidate countries covers the years 1995 to 2005 and contains tables and graphs on demography, education, social conditions and labour force, national accounts and finance, agriculture, energy, industry, construction and services, transport, communications and information society, as well as external trade, research and development and environment. A short commentary on the data and methodological notes are also included. The pocketbook contains most of the structural indicators adopted by the European Council to monitor the Lisbon competitiveness strategy.

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