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Pocketbook on candidate and potential candidate countries

2009 edition

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Pocketbook on candidate and potential candidate countries

This publication has been produced by Unit D1 of Eurostat, responsible for statistical cooperation 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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Credits

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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* As defined by United Nations Security Council Resolution (UNSCR) 1244 of 10 June 1999.

Introduction

This publication presents a range of statistics on candidate and potential candidate countries in comparison with the European Union (EU) from 1997 to 2007. It contains most of the structural indicators adopted by the European Council to monitor the Lisbon Strategy. The publication includes data on demography, education, social conditions, labour force, national accounts, finance, agriculture, energy, industry, construction and services, transport, communication and information society, external trade, research and development, as well as environment.

The enlargement process

The leaders of EU Member States, coming together in the European Council, have agreed to give the Western Balkan countries and Turkey the prospect of joining the European Union, if they meet the established conditions. These countries are at various stages on their way to joining the EU. There are three candidate countries: Croatia, Turkey and the former Yugoslav Republic of Macedonia. The EU began accession negotiations with the first two in October 2005. The former Yugoslav Republic of Macedonia became a candidate country in December 2005 but accession negotiations have not started yet. All the other Western Balkan countries are potential candidate countries: Albania, Bosnia and Herzegovina, Montenegro, Serbia as well as Kosovo under UNSCR 1244/99.

The European Commission has been mandated by the Member States to report on progress achieved by candidate and potential candidate countries. In its annual progress reports, the Commission describes the political and economic developments in each candidate or potential candidate country as well as assesses the progress of each country in adopting EU standards and in fulfilling other specific conditions. In its annual strategy document, the Commission explains as well its policy on EU enlargement. The Commission adopted the 2008 enlargement strategy and progress reports in November 2008.

The EU provides focused pre-accession financial assistance to the candidate and potential candidate countries. This financial assistance is intended to help these countries to introduce the necessary political, economic and institutional reforms in line with EU standards. Since 2007, the EU pre-accession financial aid is channeled through a new Instrument for Pre-accession Assistance (IPA),

Eurostat's role

Eurostat, the Statistical Office of the European Communities, follows the progress of candidate and potential candidate countries in complying with the acquis communautaire (the body of EU law) in the field of statistics as well as collects data from these countries. Eurostat provides technical assistance and support to the national statistical institutes of candidate and potential candidate countries, to enable them to produce and disseminate harmonised and good quality data according to European and international statistical standards.

Guide to the statistics

Data sources

EU-27 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 (National Statistical Institutes) of the 27 Member States as of 1 October 2008 with or without estimates. The information was extracted from Eurostat's free dissemination database. For all candidate and potential candidate countries, the vast majority of the data were provided by the NSIs. Eurostat collected this information through the exchange of a questionnaire with each statistical office. Compared with the last year, data quality and availability has improved. The only statistical theme where the data were processed directly by Eurostat was that of external trade (except for Montenegro, Serbia and Kosovo). For 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 Kosovo, the data were taken from the 'West Balkan' domain and for the EU-27 from the 'EEC Special Trade' domain of COMEXT. For Albania as well as Bosnia and Herzegovina, the data were extracted from the COMTRADE domain (source: the United Nations) of COMEXT. For Montenegro, Serbia and Kosovo the data provided by the NSI were used.

Timeliness

The data used in this publication were collected from the candidate and potential candidate countries in August/September 2008. The database was completed in November 2008. The majority of indicators are available up until the reference years 2006 or 2007 (depending upon the statistical theme and territory). External trade statistics for the EU-27, the candidate and potential candidate countries were processed in October 2007 and are generally available up to reference year 2006. The EU-27 totals that are provided for the purpose of comparison were extracted from Eurostat's free dissemination database in September/October 2008. As with the data for the candidate and potential candidate countries, the information presented is generally available up until the reference years 2006 or 2007 (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-27 covers all 27 Member States (except otherwise indicated) throughout the period considered in each table and graph regardless of whether there were 15 or 25 or 27 members in the reference year concerned (in other words, the data have been calculated backwards with a stable coverage).

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

APW ..... Average gross earnings of production worker in manufacturing

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

GFS ..... Government finance statistics

GHG ..... Greenhouse gases

GWh ..... Gigawatt hour(s) = 1 000 MWh (megawatt hour(s)) = 106 kWh (a kilowatt hour is a unit of energy equivalent to one kilowatt of power expended for one hour of time)

HBS ..... Household budget survey

Heads ..... Unit of measure for counting the number of animals

hectare ..... Unit of area equal to 100 ares or 10 000 square meters

HICP ..... Harmonized Consumer Price Index

ILO ..... International labour organisation

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 ..... Kilometer (1 000 meters), a unit of distance

km^2 ..... Square kilometer, a unit of area

LFS ..... Labour force survey

LSMS ..... Living Standards Measurement Study

M1 ..... Narrowest category of 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 non-institutional 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 ..... Organization for Economic Co-operation and Development
PPI ..... Producer price index (output price index)
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 kilometer
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-27 27 Member States of the European Union
EU-25 25 Member States of the European Union (without Bulgaria and Romania)
HR Croatia
MK [1] the former Yugoslav Republic of Macedonia
TR Turkey
AL Albania
BA Bosnia and Herzegovina
ME Montenegro
RS Serbia
XK [2] Kosovo under UNSCR 1244/99

Currency

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

Symbols

% percentage
: not available

(1) Provisional code that does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations.
(2) As defined by United Nations Security Council Resolution (UNSCR) 1244 of 10 June 1999.

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Demography

Population and population density

At the beginning of 2007 the EU-27 recorded a population of more than 495 million persons. Candidate and potential candidate countries had together a population representing nearly a fifth of the EU-27 population. Turkey was the largest candidate country in terms of inhabitants, with a population of nearly 70 million inhabitants in 2007, which represents about 14% of the total EU-27 population. Among the potential candidate countries, Serbia shows the highest number of inhabitants, almost 7.5 million in 2007.

In all candidate and potential candidate countries, except Kosovo, population density is lower than the EU-27 average of 114.8 inhabitants per km^2 (2006 value). Kosovo registers the highest population density, with 195.3 inhabitants per km^2 in 2007, a concentration about 1.7 times higher than the EU-27 average. Montenegro has by far the lowest population density reaching less than half the density in the EU-27. Note that these figures do not provide any information on how concentrated the population in urban areas is, or whether it is widely spread across more rural land.

In general the share of women in the total population is rather balanced for the EU-27 (51.2%) and in all candidate and potential candidate countries with values between 49.5% in Kosovo and 51.8% in Croatia. Only in Croatia and Serbia the proportion of women is higher than the EU-27 average. Bosnia and Herzegovina as well as Montenegro recorded a proportion of women lower than the EU-27 average but still above 50%. In contrast, there are fewer women than men in the former Yugoslav Republic of Macedonia, Turkey, Albania and Kosovo.

Figure 1.1: Share of women in the total population, 2007 (% of total)

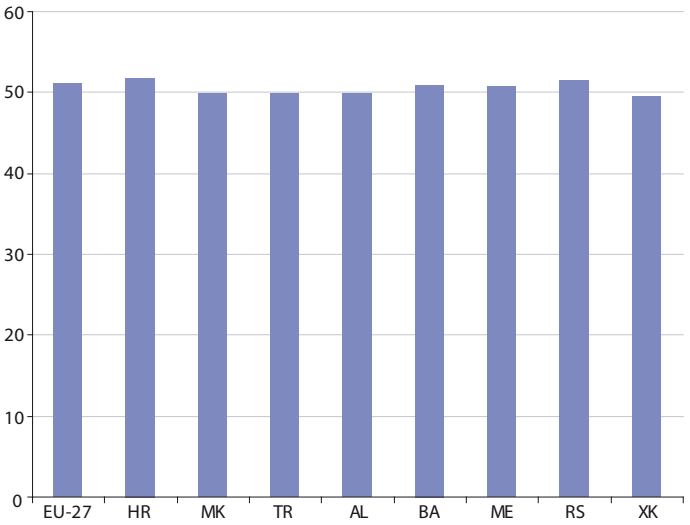


Table 1.1: Population and population density

	Total population, 1st January (thousands)										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	478 102	480 383	481 076	482 188	482 958	484 541	486 520	488 632	490 898	492 965	495 090
Croatia	4 572	4 501	4 554	4 442	4 437	4 445	4 443	4 442	4 444	4 443	4 441
The former Yugoslav Republic of Macedonia (1)	1 991	2 002	2 013	2 022	2 031	2 039	2 024	2 030	2 035	2 039	2 042
Turkey (2)	63 485	64 642	65 787	66 889	67 896	68 838	69 770	70 692	71 610	72 520	69 689
Albania	3 324	3 354	3 373	3 058	3 063	3 084	3 103	3 120	3 135	3 149	3 153
Bosnia and Herzegovina	3 727	3 550	3 689	3 753	3 790	3 813	3 830	3 837	3 843	3 843	3 844
Montenegro	606	608	610	612	615	617	619	621	623	624	625
Serbia	7 610	7 583	7 553	7 528	7 505	7 502	7 491	7 470	7 456	7 425	7 382
Kosovo under UNSCR 1244/99	2 169	:	:	:	:	1 985	2 016	2 041	2 070	2 100	2 127
	Population density (inhabitants per km²)										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	110.9	111.9	112.1	112.2	112.5	112.8	113.3	113.9	114.3	114.8	:
Croatia	80.8	79.5	80.5	78.6	78.5	78.6	78.5	78.5	78.5	78.5	78.5
The former Yugoslav Republic of Macedonia	77.4	77.9	78.3	78.6	79.0	79.3	78.7	78.9	79.2	79.3	79.4
Turkey	81.0	82.5	84.0	85.4	86.6	87.9	89.0	90.2	91.4	88.9	90.1
Albania	115.6	116.7	117.3	106.4	106.6	107.3	107.9	108.5	109.0	109.5	109.7
Bosnia and Herzegovina	72.8	69.3	72.0	73.3	74.0	74.5	74.8	74.9	75.0	75.0	75.1
Montenegro	43.9	44.0	44.2	44.4	44.5	44.7	44.8	45.0	45.1	45.1	45.2
Serbia	98.2	97.9	97.5	97.2	96.9	96.8	96.7	96.4	96.2	95.8	95.3
Kosovo under UNSCR 1244/99	199.2	:	:	:	:	182.3	185.2	187.5	190.1	192.9	195.3

(1) Break in series in 2003. (2) Break in series in 2007.

Population growth

Due to a steady increase since 1997, the EU-27 population in 2007 was 3.6% higher than in 1997. Population growth was also recorded every year in Montenegro and every year except one in the former Yugoslav Republic of Macedonia, Albania and Bosnia and Herzegovina. This showed an increase of the population in Montenegro (3.2%), Bosnia and Herzegovina (3.1%) and in the former Yugoslav Republic of Macedonia (2.5%) since 1997. Although showing moderate growth rates each year from 2000 until 2007, Albania could not compensate the slump of -9.3% from 1999 to 2000. In contrast, Serbia recorded small population falls each year since 1997 amounting to a reduction of the total population by 3.2% between 1997 and 2007. Together with Croatia, Albania and Kosovo, Serbia formed the group of countries registering a decrease of the population since 1997, which was in the case of Serbia and Croatia due to a decrease in both five-year periods shown in Figure 1.2. However, the comparison with the previous year shows that in 2007 the population grew or remained stable in all territories, except Serbia, where the population declined by 0.6%. Note that the development of the Turkish population cannot be precisely analysed since the population census conducted in 2007 (break in series in 2007) may lead to some significant data revision for previous years.

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

(1) 2003-2006 instead of 2002-2006 in order to take into account a break in the serie in 2002. (2) 2002-2006 instead of 2002-2007. (3) 1997-2002 instead of 1997-2001.

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	0.2	0.5	0.1	0.2	0.2	0.3	0.4	0.4	0.5	0.4	0.4
Croatia	1.8	-1.6	1.2	-2.8	0.3	0.0	0.0	-0.0	0.1	-0.0	-0.1
The former Yugoslav Republic of Macedonia (1)	1.0	0.5	0.5	0.4	0.5	0.4	:	0.3	0.3	0.2	0.2
Turkey (2)	1.8	1.8	1.8	1.7	1.5	1.4	1.4	1.3	1.3	1.3	:
Albania	1.3	0.9	0.6	-9.3	0.2	0.7	0.6	0.5	0.5	0.5	0.1
Bosnia and Herzegovina	-3.4	-4.8	3.9	1.7	1.0	0.6	0.5	0.2	0.1	0.0	0.0
Montenegro	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.1	0.2
Serbia	-0.2	-0.4	-0.4	-0.3	-0.3	-0.0	-0.1	-0.3	-0.2	-0.4	-0.6
Kosovo under UNSCR 1244/99	1.7	:	:	:	:	:	1.6	1.2	1.4	1.4	1.3

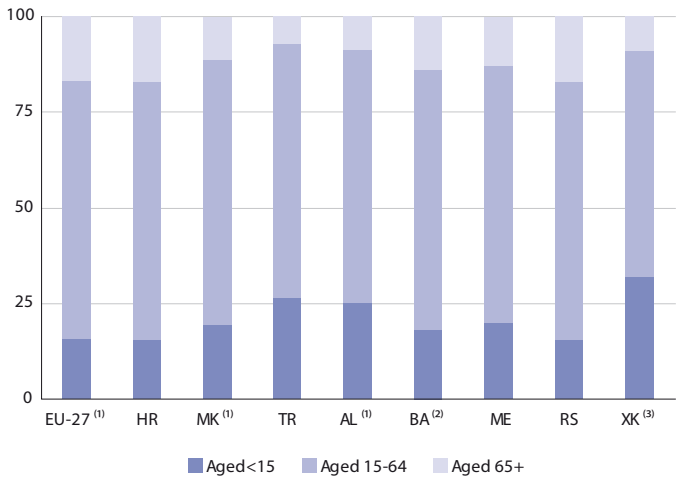
(1) Break in series in 2003. (2) Break in series in 2007.

Population growth and breakdown by age group

In 2007 (or the last year with available data), the working age population (between 15 and 64) represents far more than two-thirds of the total population in the EU-27 as well as in almost all candidate and potential candidate countries (except Kosovo with 59% of the population aged 15-59). Turkey, Kosovo and Albania recorded the highest percentage shares of the age class below 15 years, with more than 25% of the total population (16% for the EU-27). In contrast, these countries recorded the smallest shares of people aged 65 and over (60 and over in the case of Kosovo) with less than 10% of the total population (17% for the EU-27).

Between 1997 and 2007, but for different reference periods (depending on the data availability) for the individual countries, a decrease of the share of those under the age of 15 years can be seen in all territories apart from Kosovo. The largest drops at around 4.5 percentage points were recorded in the three candidate countries: Croatia, the former Yugoslav Republic of Macedonia and Turkey (-2.1 percentage points in the EU-27). Over the same period, the share of those over 65 years of age rose in all territories, showing the biggest rise in Croatia (almost 5 percentage points) and Montenegro (almost 3 percentage points) somewhat above the EU-27 with almost 2 percentage points. The working age population (between 15 and 64) showed a diminishing share in Croatia, Bosnia and Herzegovina, Serbia and Kosovo. Bosnia and Herzegovina, with a reduction of almost 1.7 percentage points (period 2002 to 2005), had the largest decrease. Turkey, the former Yugoslav Republic of Macedonia and Albania were at the other extreme with an increase of the share of the working age population between 2.6 (Turkey) and 1.1 (Albania) percentage points (-0.3 for the EU-27).

Figure 1.3: Breakdown of population by age group, 2007 (% of total)



(1) 2006 data. (2) 2005 data; as of 30 June, estimated value. (3) 2003 data; 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										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	10.7	10.5	10.5	10.6	10.4	10.3	10.3	10.4	10.4	10.6	10.6
Croatia	12.2	10.4	10.0	9.8	9.2	9.0	8.9	9.1	9.6	9.3	9.5
The former Yugoslav Republic of Macedonia	14.8	14.6	13.5	14.5	13.3	13.7	13.3	11.5	11.0	11.1	11.1
Turkey (1)	23.1	22.6	21.9	20.2	19.9	19.7	19.4	19.1	18.9	18.7	19.4
Albania	18.5	17.9	18.0	16.7	17.7	14.7	15.1	13.8	12.6	10.9	10.5
Bosnia and Herzegovina	13.2	12.4	11.4	10.5	9.9	9.5	9.2	8.9	9.0	8.9	8.6
Montenegro	14.4	15.1	14.4	15.0	14.4	13.7	13.5	12.6	11.8	12.1	12.5
Serbia	10.5	10.1	9.6	9.8	10.5	10.4	10.6	10.5	9.7	9.6	9.2
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	16.0	17.3	18.1	16.3	15.5
	Death rates										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	10.2	10.2	10.2	10.0	9.9	10.0	10.1	9.6	9.8	9.6	9.6
Croatia	11.5	11.5	11.5	11.2	11.2	11.4	11.8	11.2	11.7	11.3	12.1
The former Yugoslav Republic of Macedonia	8.3	8.4	8.3	8.5	8.3	8.8	8.9	8.8	9.0	9.1	9.6
Turkey (1)	6.6	6.5	6.4	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.6
Albania	5.5	5.4	5.2	5.4	5.1	5.3	5.8	5.7	5.5	5.4	4.6
Bosnia and Herzegovina	7.7	7.9	7.7	8.1	8.0	8.1	8.3	8.3	9.0	8.6	8.8
Montenegro	8.5	8.7	8.8	8.8	8.8	8.9	9.2	9.2	9.4	9.6	9.5
Serbia	12.9	13.1	13.5	13.8	13.2	13.7	13.9	14.0	14.3	13.9	13.9
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	3.2	3.2	3.5	3.6	3.1

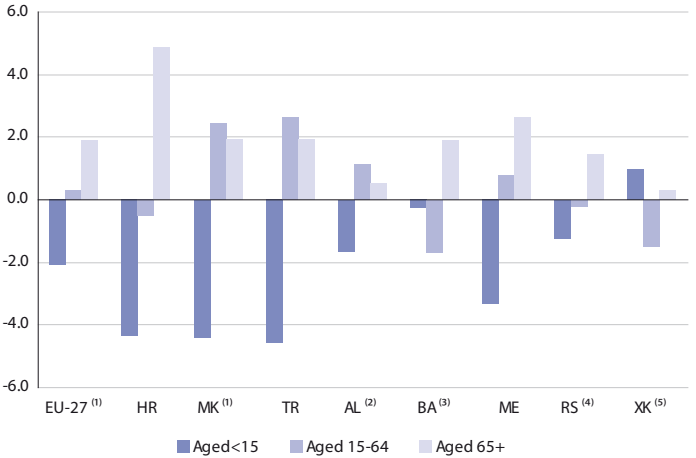
(1) Break in series in 2000.

Crude birth, death and natural increase rates

In 2007, Croatia, Albania, Bosnia and Herzegovina and Serbia showed smaller crude birth rates than the EU-27 average of 10.6, while the former Yugoslav Republic of Macedonia, Turkey, Montenegro and Kosovo recorded higher rates. A comparison between 2007 and 1997 (2007 and 2003 for Kosovo) shows that 2007 crude birth rates were smaller in the EU-27 as well as in all candidate and potential candidate countries. In 2007, crude death rates in six out of the eight countries were equal or below the EU-27 rate of 9.6. Only Croatia with 12.1 and Serbia with 13.1 deaths per thousand inhabitants were significantly above the EU-27 rate. For comparable periods the EU-27 as well as Albania and Kosovo recorded a slight reduction of the crude death rate in 2007. On the other hand, Croatia, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Montenegro and Serbia showed slightly increased rates.

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. Over a longer period Serbia (all years) and Croatia (all years except 1997) were the only countries showing crude death rates higher than crude birth rates. For Serbia this caused the largest natural decrease of population in 2007 of all countries with a value of 4.7 per thousand inhabitants. In comparison, the largest crude rate of natural increase was recorded in Turkey with 12.7 closely followed by Kosovo with 12.4 in 2007. Natural population increases were also registered in the former Yugoslav Republic of Macedonia with a rate of 1.5, Montenegro with a rate of 3.0 and Albania with a rate of 5.9 per thousand inhabitants (1.0 for the EU-27). Contrary to the EU-27 all countries showed a lower natural growth rate in 2007 compared to 1997 (2003 for Kosovo).

Figure 1.4: Relative change in the population between 1997 and 2007, by age group (percentage points)



(1) Period covered: 1997-2006. (2) Period covered: 2001-2006. (3) Period covered: 2002-2005; as of 30 June; estimated value. (4) Period covered: 1999-2007 (5) Period covered: 1999-2003; source: "Kosovo Demographic and Health Survey 2003. Preliminary results"; age groups refer to 0-14, 15-59 and 60 or more.

Table 1.4: Fertility and infant mortality rates

	Fertility rates (children per woman)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	:	:	:	:
Croatia	1.7	1.5	1.4	1.5	1.4	1.3	1.3	1.3	1.4	1.4	1.4
The former Yugoslav Republic of Macedonia	1.9	1.9	1.8	1.9	1.7	1.8	1.8	1.5	1.5	1.5	:
Turkey	2.6	2.6	2.5	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2
Albania	2.2	2.2	2.1	2.0	2.3	1.9	2.0	1.8	1.8	1.4	1.3
Bosnia and Herzegovina	1.7	1.6	1.4	1.3	1.4	1.2	1.2	1.2	1.2	1.2	1.2
Montenegro	1.7	1.9	1.8	1.9	1.8	1.9	1.8	1.7	1.6	1.6	1.7
Serbia	1.5	1.7	1.6	1.5	1.6	1.6	1.6	1.6	1.5	1.4	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	3.2	:	:	:	:
	Infant mortality rates (deaths of children under one year of age relative to every thousand live births)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	6.8	6.5	6.1	5.9	5.8	5.5	5.3	:	:	4.7	:
Croatia	8.2	8.2	7.7	7.4	7.7	7.0	6.3	6.1	5.7	5.2	5.6
The former Yugoslav Republic of Macedonia	15.7	16.3	14.8	11.8	11.9	10.2	11.3	13.2	12.8	11.5	10.3
Turkey (1)	38.8	36.5	33.9	28.9	27.8	26.7	38.3	24.6	23.6	22.6	21.7
Albania	22.2	15.0	12.2	11.9	10.8	10.2	8.4	7.8	7.6	7.4	5.6
Bosnia and Herzegovina	12.5	11.0	10.2	9.7	7.6	9.2	7.6	7.4	6.7	7.5	:
Montenegro	14.8	13.9	13.4	11.1	14.6	10.8	11.0	7.8	9.5	11.0	7.4
Serbia	12.0	11.9	11.1	10.6	10.2	10.1	9.0	8.1	8.0	7.4	7.1
Kosovo under UNSCR 1244/99	18.2	:	:	:	:	11.2	15.1	11.8	9.6	12.7	11.1

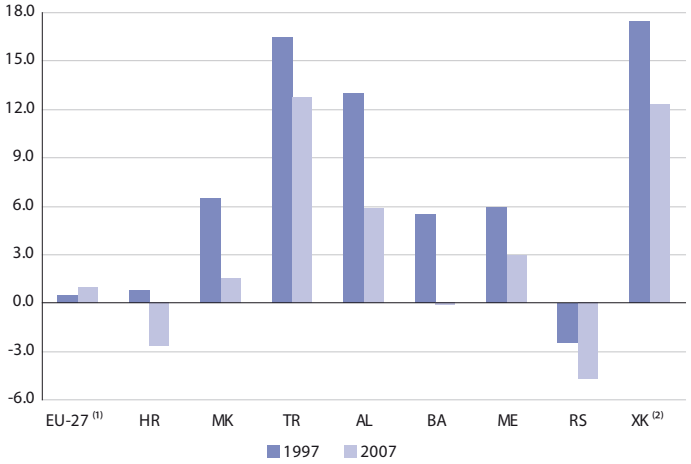
(1) Break in series in 2000.

Fertility, infant mortality and life expectancy

Compared to 1997, the fertility rate has decreased in all candidate and potential candidate countries in 2006 or 2007 (depending on the data availability), and it remains at a low level, less than 2 children per woman, which is considered as the necessary rate in order to maintain the population level in the long-term. Fertility fell especially sharply in Albania, from 2.2 births per woman in 1997 to 1.3 in 2007. However, Albania (from 1997 to 2001 and again in 2003) and Turkey (for the entire period) were the only countries recording fertility rates of above 2 children. Other countries registered fertility rates of under 2 children per women over the same period. Kosovo is not taken into account, as most of the data are not available.

The infant mortality rate in both candidate and potential candidate countries was above the EU-27 value for each comparable year since 1997. However, this rate has generally declined in the EU-27 and all other countries over the available period. The most notable drop was recorded in Albania, where it has been progressively decreasing during the last ten years from 22.2 (deaths of children under one year of age, relative to every thousand live births) in 1997 to 5.6 in 2007. Montenegro reduced its infant mortality rate by 50%, from 14.8 in 1997 to 7.4 in 2007 and Turkey by 44% from 38.8 to 21.7 over the same period (although in this country there was a break in the series in 2000).

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



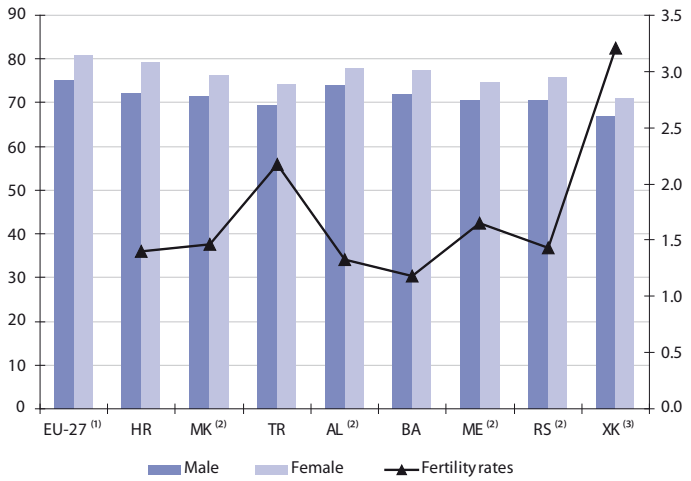
(1) 2005 instead of 2006. (2) 1996 instead of 1997.

In 2007, the highest infant mortality was registered in Turkey with a rate of 21.7. The infant mortality rate was also above 10 for 2007 in Kosovo and the former Yugoslav Republic of Macedonia, with rates of 11.1 and 10.3 respectively. Countries recording rates below 10 were Bosnia and Herzegovina with 7.5 (data for 2006) as well as Montenegro and Serbia with 7.4 and 7.1 respectively. Croatia and Albania showed infant mortality rates of 5.6, only slightly above the EU-27 average of 4.7 in 2006.

Life expectancy at birth is lower in all candidate and potential candidate countries than in the EU-27 for both sexes, although not very different in some cases. Compared to the EU-27 (data from 2004) it was only about one year lower for men and three and a half years lower for women in Albania (2006 data), and three years lower for men and two years lower for women in Croatia (2007 data). Two countries showed much larger differences with the EU-27: Kosovo (data from 2003), where life expectancy was more than eight years lower for men and more than ten years lower for women, and Turkey (data from 2007), where life expectancy was six years lower for men and seven years lower for women. It is interesting to note that these two countries recorded the highest fertility rates of all countries, confirming the trend towards a younger population than in all other countries.

As in the case of the EU-27, life expectancy at birth is higher for women than for men in all candidate and potential candidate countries. The widest gap between male and female life expectancy was registered in Croatia, with about 7 years difference. It was the only country exceeding the 6 years difference of the EU-27. All other countries recorded values below the EU-27 difference, but still above 4 years.

Figure 1.6: Life expectancy at birth, 2007 (years)



(1) 2004 data (2) 2006 data. (3) 2003 data.

2 Education

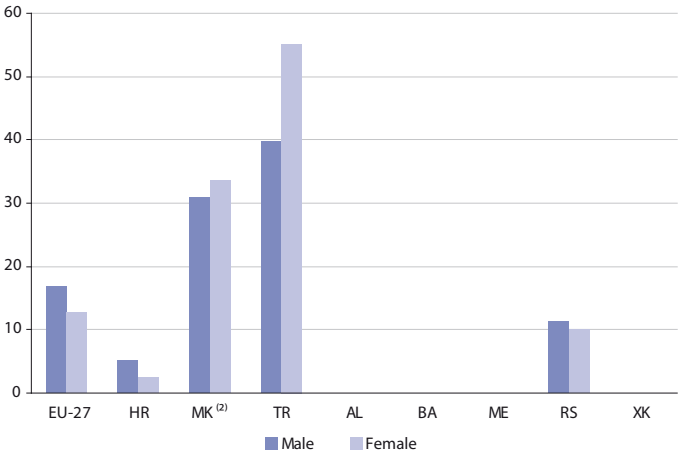
Early school leavers

Education and training policies are central to the Lisbon objective 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-27 has been reduced, in 2007 there remained 14.8% 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. Within the candidate and potential candidate countries for which information is available, 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 (48%), followed by the former Yugoslav Republic of Macedonia (32% in 2002, the only information available), Serbia (11%) and Croatia (4%). In general, figures show a downward trend, except for increases in Croatia in 2006, Turkey in 2004 and Serbia in 2006 (0.3, 1.6 and 1.2 percentage points respectively).

The proportion of men who had not completed upper secondary education was higher than that for women in the EU-27. This was also the case in Croatia where the proportion of men was twice that for women and in Serbia where the proportion of men was slightly higher than that for women. The opposite applied to the former Yugoslav Republic of Macedonia with the proportion of women slightly higher than that for men (in 2002) and to Turkey with the proportion of around 15 percentage points higher for women than for men.

Figure 2.1: Proportion of the population aged 18-24 having not completed upper secondary education (currently not in any education or training), 2007 (%) (1)



(1) Albania, Bosnia and Herzegovina, Montenegro and Kosovo under UNSCR 1244/99, not available. (2) 2002 instead of 2007.

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

	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	17.6	17.3	17.1	16.6	15.9	15.5	15.2	14.8
Croatia	:	:	8.3	8.4	6.2	4.8	5.1	3.9
The former Yugoslav Republic of Macedonia	:	:	32.2	:	:	:	:	:
Turkey	58.8	57.3	54.8	53.0	54.6	51.3	50.0	47.8
Albania	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	11.5	11.4	12.6	10.7
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:

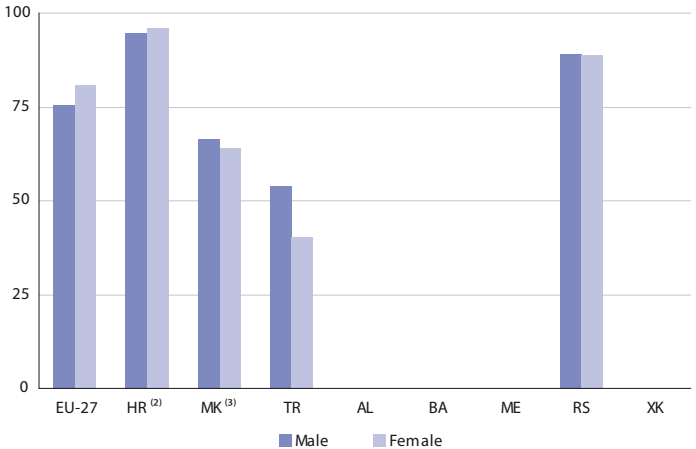
Completion of upper secondary education

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

In 2007, more than three quarters of the population aged 20-24 had completed at least upper secondary education in the EU-27. This was also the case for Croatia and Serbia, with 95% and 89% respectively. The proportion in Turkey accounted only for about 47%, reflecting the lowest percentage among the countries for which data is available. Percentages have grown from 2001 onwards in every country for which information is available. Although there is a clear constant upward trend in the proportions registered in the EU-27 as well as in Croatia, Turkey and Serbia, the trends themselves fluctuate.

The proportion of population aged 20-24 having completed at least upper secondary education differs depending on the gender of the population considered. In 2007, this share was higher for women than for men in the EU-27 (80.8% and 75.4% respectively) and in Croatia (96.1% and 94.7% respectively, data referring to 2002). The opposite phenomenon occurs in every other country for which data is available, the difference being considerable in Turkey (53.9% for men and 40.3% for women, the largest difference between the genders with 13.6 percentage points), rather small in the former Yugoslav Republic of Macedonia (66.6% and 64.1% respectively) and barely significant in Serbia (89.1% and 89.0% respectively).

Figure 2.2: Proportion of the population aged 20-24 having completed at least upper secondary education, 2007 (%) (1)



(1) Albania, Bosnia and Herzegovina, Montenegro and Kosovo under UNSCR 1244/99, not available. (2) Annual average of quarterly data. (3) 2002 instead of 2007.

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

	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	76.6	76.6	76.7	76.9	77.2	77.5	77.9	78.1
Croatia	:	:	90.6	91.0	93.5	93.8	94.7	95.4
The former Yugoslav Republic of Macedonia	:	:	65.4	:	:	:	:	:
Turkey	38.9	40.4	42.8	44.9	41.8	43.9	44.6	46.5
Albania	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	88.1	89.0	86.8	89.0
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:

Number of pupils/students by ISCED level of education

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 2001 and 2007, there was an increase in the number of students that attended first and second stages of tertiary education in the EU-27 as well as in candidate and potential candidate countries for which data is available (both for 2001 and 2007). The number of pupils in primary education increased in Turkey and Montenegro in the period observed. In contrast, the EU-27 and all other countries for which data is available recorded a decrease in the number of pupils in primary education. Note that this analysis cannot be complete as in case of all countries there is no data available for all ISCED levels.

Table 2.3: Number of pupils/students by ISCED level of education (thousands)

	2001						
	ISCED 0	ISCED 1	ISCED 2	ISCED 3	ISCED 4	ISCED 5	ISCED 6
EU-27	13 673	29 963	23 386	24 712	1 285	16 088	429
Croatia [1]	86	193	207	198	:	113	:
The former Yugoslav Republic of Macedonia [1] [2]	35	124	128	94	1	40	:
Turkey	254	10 478	:	2 580	:	1 642	23
Albania [3]	84	274	261	112	:	41	:
Bosnia and Herzegovina [4]	:	169	192	167	5	65	:
Montenegro [5]	13	37	37	31	:	8	:
Serbia	90	342	365	316	:	183	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:
	2007						
	ISCED 0	ISCED 1	ISCED 2	ISCED 3	ISCED 4	ISCED 5	ISCED 6
EU-27 [6]	14 067	28 527	22 892	22 205	1 406	18 266	517
Croatia	93	182	194	184	:	138	:
The former Yugoslav Republic of Macedonia [2]	37	101	113	96	0	57	1
Turkey	702	10 871	:	3 245	:	2 477	35
Albania [3]	76	210	237	173	:	86	:
Bosnia and Herzegovina	15	:	:	157	5	99	1
Montenegro [5]	11	40	35	32	:	18	:
Serbia	70	290	329	288	:	:	:
Kosovo under UNSCR 1244/99	26	175	147	89	:	27	:

(1) ISCED 5: number of students refers to academic years (i.e. 2000 = 2000/2001, etc.). (2) ISCED 5: excluding enrolled students on ISCED 5A-second degree and masters. (3) ISCED 0-1-2-3-5: public education only. (4) ISCED 1 to 3: data refer to the beginning of the school years; ISCED 4: for 2001 data refer to post secondary education that consists of two school years; ISCED 5: for 2001 data refer to tertiary education that consists of four school years (faculties, academies, universities, etc.). (5) ISCED 0-1-2-3-5: all data for education relate to the school year (1995/1996,…, 2005/2006); ISCED 5: for 2001, enrolment on post-graduate education (masters degree) is shown for 2001/2002 school year. (6) 2006 data.

Tertiary graduates in science and technology

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 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 nearly half the men´s rate in the EU-27 (data from 2006), and slightly above 40% in Turkey (data from 2005). In the other candidate and potential candidate countries for which data are available, the female participation rate is more than half that of the male rate, the highest relative participation of women being registered in the former Yugoslav Republic of Macedonia, where female participation amounts to almost 90% of that of male participation (data for 2006). The male rate of the EU-27 is significantly higher than in the candidate and potential candidate countries. To a lesser extent, this is also true for female rates. Comparing the first and the last year for which data are available, enrolment rates for both men and women increased in all regions, showing especially fluctuating rates in candidate countries.

Table 2.4: Tertiary graduates in science and technology

	Male (per 1 000 population aged 20-29)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	12.3	12.8	13.7	14.5	15.1	16.3	16.9	17.9	17.6	:
Croatia	:	:	7.6	7.4	7.0	7.8	6.4	7.0	7.5	7.6	8.7
The former Yugoslav Republic of Macedonia	4.7	4.1	4.2	3.5	3.3	3.7	3.5	3.7	3.9	3.6	:
Turkey	4.6	5.2	5.6	5.9	6.3	6.7	7.0	7.6	8.0	:	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro (1)	:	:	:	:	:	:	3.1	4.6	5.0	4.6	3.6
Serbia	6.7	7.2	7.2	7.2	7.3	7.5	7.4	8.3	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Female (per 1 000 population aged 20-29)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	5.2	5.6	6.2	6.6	7.0	7.7	7.9	8.4	8.4	:
Croatia	:	:	3.7	4.8	4.1	3.4	3.5	3.6	3.8	4.3	4.8
The former Yugoslav Republic of Macedonia	2.8	3.1	3.1	2.6	2.6	2.7	2.6	3.1	3.4	3.2	:
Turkey	1.9	2.3	2.8	2.8	3.0	3.1	3.3	3.5	3.3	:	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro (1)	:	:	:	:	:	:	1.8	2.3	2.5	3.9	2.4
Serbia	4.5	4.8	4.5	4.9	5.4	5.4	5.4	6.2	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

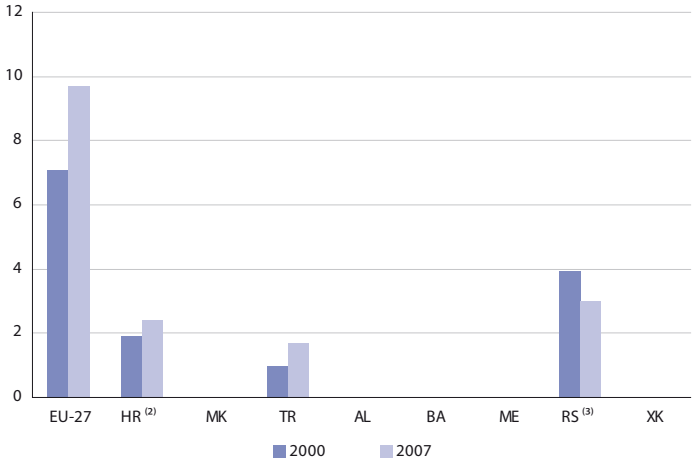
(1) 2003 and 2004, estimated value.

Expenditure in education and participation in training

The Lisbon European Council called for a substantial annual increase in the per capita investment in human resources. In 2005, EU-27 public sector investment in education was equal to 5% of GDP, a figure that is higher than in any of the candidate and the potential candidate countries for the last few years, where it was within a range of 2.5% in Serbia (2000 and 2001) to 4,5% in Croatia (2000 and 2003) of GDP. Looking at the entire period for which data are available all countries recorded relatively stable percentages while Turkey and Serbia showed larger fluctuations with 1.2 and 1.5 points respectively between the lowest and highest percentages.

In 2007, the proportion of the population aged 25-64 years participating in education and training was much higher (more than three times) in the EU-27 than in the candidate and potential candidate countries for which information is available. The proportion has increased since 2001 in all countries except Serbia.

Figure 2.3: Proportion of persons aged 25-64 having participated in education and training (at any time within a four week period prior to being surveyed), 2000 and 2007 (%) (1)



(1) The former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro and Kosovo under UNSCR 1244/99, not available. (2) Annual average of quarterly data; 2002 instead of 2000. (3) 2004 instead of 2000.

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	4.7	4.9	5.1	5.1	5.1	5.0	:	:
Croatia	:	:	4.2	4.5	4.2	4.3	4.5	:	:	:	:
The former Yugoslav Republic of Macedonia	:	:	:	:	:	3.4	3.4	:	:	:	:
Turkey	2.9	3.3	3.1	3.5	3.7	3.6	3.7	4.1	:	:	:
Albania	3.3	3.2	3.3	3.1	3.3	3.0	3.1	3.2	3.2	3.1	3.2
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia (1)	4.0	3.3	2.7	2.5	2.5	3.0	3.8	3.5	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 2004, estimated value.

3

Social indicators

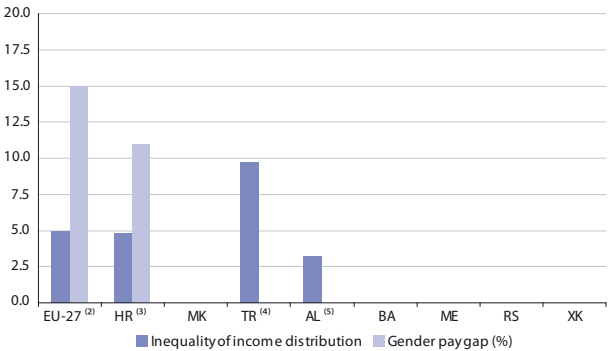
Wages and salaries and the equality of income distribution

Average nominal wages and salaries are a means to measure the evolution of wages and salaries over longer periods. They 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. Looking at time series, nominal wages and salaries increased in all countries: they tripled in Serbia and almost doubled in Croatia, Bosnia and Herzegovina and Montenegro. In the latest year for which data are available, the highest average nominal wages and salaries are recorded in Croatia accounting for at least 100% more than in any other country. The indices based on 2000 show that the EU-27 and all countries could increase their purchase power, with Serbia and Kosovo at a higher rate than the EU-27.

The gender pay gap is defined as the difference between average gross hourly earnings of male paid employees and female paid employees, expressed in percentage. 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, and certain business services, such as cleaning services). These sectors are also often characterised by a relatively high proportion of female employment. The gender pay gap registered for the EU-25 in 2005 is higher than in all candidate and potential candidate countries for which data is available.

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-27 average was 5 in 2005, which means that the wealthiest quintile had 5 times more income than the poorest. In Turkey the relation is twice as much as in the EU-27 while the income distribution is close or lower than the EU-27 average in Croatia and Albania with values nearly 5 and a little more than 3 respectively.

Figure 3.1: Income distribution, 2007 (1)



(1) The former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Montenegro, Serbia and Kosovo under UNSCR 1244/99, not available; inequality of income distribution: ratio of top quintile to lowest quintile; gender pay gap: as a percentage of average gross hourly earnings of male paid employees. (2) 2005 data; inequality of income distribution: EU-25 data, Eurostat estimate. (3) Inequality of income distribution: 2004 data calculated according to Eurostat document "Methodology of calculation of common cross-sectional EU indicators"; gender pay gap: 2006 data. (4) 2005 data. (5) 2002 data calculated on the basis of consumption per capita.

Table 3.1: Wages and salaries

	Average nominal monthly wages and salaries (EUR)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	:	:	:	:	:	:	:	:
Croatia (1)	527.0	578.6	600.4	637.0	676.4	723.9	742.9	798.4	844.2	905.7	:
The former Yugoslav Republic of Macedonia	161.3	153.8	159.4	167.9	173.2	185.0	193.0	200.4	205.5	220.9	:
Turkey	:	:	:	:	:	258.5	290.3	297.9	355.0	:	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina (2)	:	150.3	175.4	190.2	208.6	228.0	247.5	258.2	275.1	:	:
Montenegro	:	:	:	:	:	:	173.9	195.3	213.1	246.0	338.0
Serbia	:	:	169.7	76.5	145.4	218.5	255.3	283.2	307.7	377.2	484.4
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Index of real wages and salaries (2000=100)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	90.2	92.8	96.1	100.0	104.8	108.9	112.8	116.8	120.0	123.6	128.2
Croatia (1)	87.3	92.4	98.4	100.0	99.2	103.2	106.1	112.2	113.4	116.6	120.4
The former Yugoslav Republic of Macedonia	93.3	96.8	100.3	100.0	98.1	103.0	106.7	111.4	113.6	114.1	112.5
Turkey	:	:	:	:	:	:	:	:	:	:	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	100.2	106.2	99.9	100.0	91.6	109.7	119.3	130.9	139.7	156.4	179.9
Serbia	116.7	115.5	94.2	100.0	118.4	154.9	176.5	196.1	209.5	233.3	266.1
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) For the period 1996-2003, the persons employed in crafts, trades and as free-lances, as well as in the police and defence-related activities are excluded; from 2004 onwards the number of persons employed in the police and defence-related activities are included. (2) For 1998-2004: net salary; for 2005, data from Brcko District are included.

Social inequality

In the last year for which data are available the proportion of the population living in jobless households showed similar values in the EU-27 for children and adults with 9.4% and 9.3% respectively. For children aged 0-17 years this value was close to the EU-27 in Croatia and Serbia, but more than three times higher in the former Yugoslav Republic of Macedonia. This country also showed the largest percentage for persons aged 18-59 years living in jobless households. Comparing 2002 data with the latest available year the EU-27 and Croatia showed a decrease and Serbia an increase for both groups of persons.

Table 3.2: 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)	
	2002	2007	2002	2007
EU-27	10.0	9.4	10.3	9.3
Croatia (1)	10.3	8.7	14.0	12.5
The former Yugoslav Republic of Macedonia (2)	29.4	29.4	23.8	24.7
Turkey	:	:	:	:
Albania	:	:	:	:
Bosnia and Herzegovina	:	:	:	:
Montenegro	:	:	:	:
Serbia (3)	9.3	11.4	10.9	14.4
Kosovo under UNSCR 1244/99	:	:	:	:

(1) 2006 data; provisional value. (2) Children aged 0-17: 2004 instead of 2002 and 2006 instead of 2007; persons aged 18-59: 2003 instead of 2002 and 2006 instead of 2007. (3) 2004 instead of 2002 and 2006 instead of 2007.

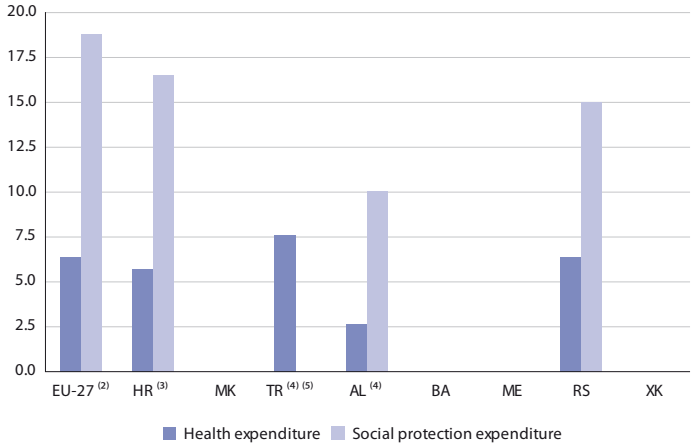
Household consumption expenditure and social expenditure

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-27 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.

Housing, water, electricity, gas and other fuels accounted for the largest percentages in the EU-27 (21.6%), Croatia (30.0%) and Turkey (27.2%) while holding the second position in all other countries where food and non-alcoholic beverages held the first position. For the last comparable year there is a significant difference between the proportion of total expenditure accounted for by food and non-alcoholic beverages in the EU-27 (12.7%) and the corresponding figures for the candidate and the potential candidate countries, where expenditure was between two times (Croatia, Turkey and Serbia) or more than four times (Albania) the EU-27 value.

Social protection expenditure as a proportion of GDP registered a rate of about 19% in the EU-27, which was slightly higher than the Croatian expenditure ratio of around 17% or the Serbian expenditure ratio of 15%, and a little less than double the share accounted for in Albania. On the other hand, health expenditure, including the part financed by government, ranged between 2.6% in Albania and 7.6% in Turkey and was rather close to the EU-27 value of 6.4% in all countries except Albania.

Figure 3.2: Health and social protection expenditure as a proportion of GDP, 2007 (%) (1)



(1) The former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Montenegro and Kosovo under UNSCR 1244/99, not available. (2) 2004 data (3) 2003 data. (4) 2005 data. (5) For health, including investment.

Table 3.3: Breakdown of household expenditure, 2007 (%)

	EU-27 (1)	HR	MK	TR (2)	AL (3)	BA (4)	ME	RS (5)	XK (5)
Total household expenditure (billion EUR)	:	18.0	3.1	295.7	0.4	9.6	0.1	18.0	1.4
Food and non-alcoholic beverages (COICOP 01)	12.7	25.5	41.3	24.8	56.4	31.7	42.5	28.9	39.0
Alcoholic beverages, tobacco (COICOP 02)	3.5	3.1	4.4	4.1	4.9	6.2	4.0	5.4	4.0
Clothing and footwear (COICOP 03)	5.7	6.4	7.5	5.9	4.6	4.7	7.9	4.9	6.0
Housing, water, electricity, gas and other fuels (COICOP 04)	21.6	30.0	10.9	27.2	7.9	14.7	12.5	24.3	31.0
Furnishing, household equipment and routine maintenance of the house (COICOP 05)	6.3	4.4	5.6	6.2	2.1	6.9	4.9	5.1	3.0
Health (COICOP 06)	3.4	2.1	3.3	2.2	2.6	4.3	3.1	3.1	2.0
Transport (COICOP 07)	13.7	9.3	9.2	13.1	4.5	8.8	8.7	10.4	6.0
Communication (COICOP 08)	2.7	4.2	4.1	4.2	4.1	2.8	5.7	4.0	2.0
Recreation and culture (COICOP 09)	9.5	5.0	3.6	2.2	1.2	4.6	3.0	5.1	1.0
Education (COICOP 10)	1.0	0.7	1.3	2.1	3.1	1.2	1.2	1.5	1.0
Restaurants and hotels (COICOP 11)	8.9	2.6	4.9	4.2	:	7.4	1.9	2.7	2.0
Personal care (COICOP 12.1)	2.4	3.3	4.1	4.0	6.8	3.9	3.4	2.3	3.0

(1) 2005 data. (2) 2006 data based on Household Budget Surveys. (3) 2005 data based on LSMS for all COICOP except for COICOP 06: 2000 data, which includes personal care items - total household expenditure per month (without rent and health); COICOP 04: household expenditure share for utilities without rent. (4) 2006 data; total household expenditure: source, Household Budget Survey in B&H, 2004. The estimation of the total population that comes from HBS is less than official data on population used in the demography domain. (5) 2006 data.

4

Labour force

Employment rates and activity rates

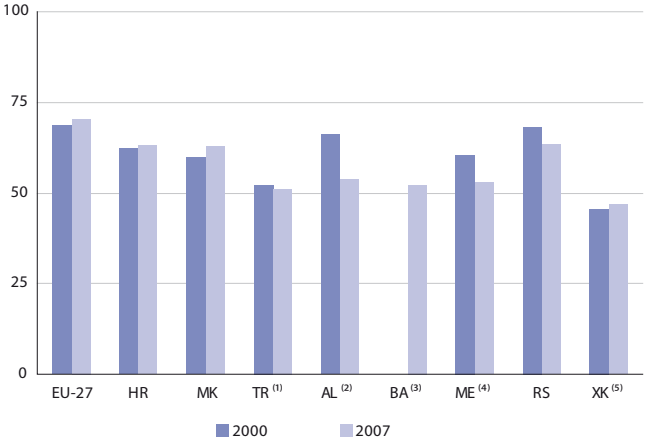
The labour force is made up of employed and unemployed persons, with the economic activity rate being calculated as the ratio of the number of persons that are part of the labour force (either working or seeking work) to the total population aged 15-64. Employment rates measure the proportion of those 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-27 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 1997 and 2007, the employment rate in the EU-27 followed an upward trend with a period of stagnation between 2001 and 2003 (reaching 65.4% in 2007). The candidate and potential candidate countries all registered lower employment rates in comparison to the EU-27, ranging from 57.1% in Croatia to 26.2% in Kosovo for 2007.

The proportion of the population aged 15-64 that is economically active is higher in the EU-27 than in all candidate and potential candidate countries in 2007 and 2000 for all countries for which data is available. This rate has increased since 2000 in the EU-27 and also in most of the candidate and potential candidate countries. It has decreased in Turkey, Serbia, Montenegro and Albania.

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



(1) 2007 results were re-calculated using the Address Based Population Registration System (ABPRS) results. (2) 2006 data. (3) Source: Labour Force Survey. (4) 2005 data; age group refers to '15+'. (5) 2001 instead 2000.

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	60.7	61.2	61.8	62.2	62.5	62.3	62.6	62.9	63.5	64.5	65.4
Croatia (1)	57.1	55.3	53.2	51.3	51.8	53.4	53.4	54.7	55.0	55.6	57.1
The former Yugoslav Republic of Macedonia	:	39.6	40.2	40.3	42.6	40.4	38.5	36.8	37.9	39.6	40.7
Turkey	51.3	51.4	50.8	48.9	47.8	46.7	45.5	46.1	45.9	45.9	45.8
Albania (2)	:	:	55.7	55.0	52.1	52.1	51.1	50.3	49.7	48.7	:
Bosnia and Herzegovina (3)	:	:	:	:	:	:	:	:	:	35.0	36.8
Montenegro (4)	38.2	38.8	39.2	38.5	37.1	37.7	36.2	37.4	41.0	41.0	43.0
Serbia	57.8	58.2	58.3	59.2	59.7	58.5	57.9	53.4	51.0	49.9	51.5
Kosovo under UNSCR 1244/99	:	:	:	:	19.6	23.8	25.3	27.7	28.5	28.7	26.2

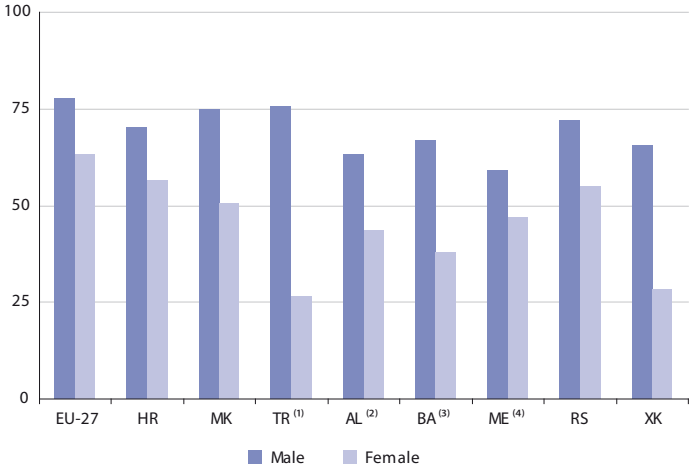
(1) 1996 to 2001: second half of the year. (2) Break in series starting with 2001 due to the change of data source. (3) Source for 2006: Labour Force Survey. (4) Age group refers to '15+'.

Employment rates and activity rates by gender

Male activity rates are higher than female activity rates, as traditionally men worked while women were more likely to stay at home taking care of the house, children and other dependants. Since 1997 there has been a larger increase of female than male employment rates in the EU-27 showing a rise of 6.9 and 2.5 percentage points respectively. Although with fluctuating rates all countries followed this general trend with the exception of Turkey and Albania, both recording a falling trend for male and female.

The gender gap shows higher employment rates for men in all countries and for all years available. In 2007, all countries accounted for a higher gender gap than the EU-27 with its 14.2 percentage points ranging from 14.4 percentage points in Croatia to 44.1 in Turkey. In line with the EU-27, all countries except Croatia and Bosnia and Herzegovina could reduce the gender gap for the last observable two-year period. A comparison of the data for the first and last year for which data are available shows that the gender gap could be reduced in the EU-27 and all countries except Croatia, Bosnia and Herzegovina and Kosovo.

Figure 4.2: Economic activity rates - proportion of the population aged 15-64 that is economically active, 2007 (%)



(1) 2007 results were re-calculated using the Address Based Population Registration System (ABPRS) results. (2) 2006 data. (3) Source: Labour Force Survey. (4) Age group refers to '15+'.

Table 4.2: Employment rates by gender

	Male employment rate: proportion of the male population aged 15-64 in employment (%)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	70.0	70.3	70.7	70.8	70.9	70.3	70.3	70.4	70.8	71.6	72.5
Croatia (1)	63.6	61.7	59.0	57.4	59.0	60.5	60.3	61.8	61.7	62.0	64.4
The former Yugoslav Republic of Macedonia	:	49.8	49.4	49.7	50.6	48.6	45.6	44.4	45.4	48.3	48.8
Turkey	74.8	74.3	72.7	71.7	69.3	66.9	65.9	67.9	68.2	68.0	67.9
Albania (2)	:	:	69.0	66.0	64.0	63.9	62.6	61.2	60.0	58.8	:
Bosnia and Herzegovina (3)	:	:	:	:	:	:	:	:	:	46.1	48.7
Montenegro (4)	47.4	48.8	47.3	46.2	45.6	46.6	44.5	46.5	42.4	41.0	48.0
Serbia	66.8	66.3	67.1	68.2	68.6	67.1	67.0	63.1	61.2	59.2	60.0
Kosovo under UNSCR 1244/99	:	:	:	:	31.1	39.4	42.8	46.4	45.8	46.1	40.1
	Female employment rate: proportion of the female population aged 15-64 in employment (%)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	51.4	52.0	53.0	53.7	54.3	54.4	54.9	55.5	56.3	57.3	58.3
Croatia (1)	50.9	49.4	47.8	45.5	44.9	46.7	46.7	47.8	48.6	49.4	50.0
The former Yugoslav Republic of Macedonia	:	29.3	30.9	30.9	34.5	32.0	31.3	28.9	30.1	30.7	32.3
Turkey	28.0	28.5	28.9	26.2	26.3	26.6	25.2	24.3	23.7	23.8	23.8
Albania (2)	:	:	42.3	44.1	39.6	39.7	39.1	38.9	38.8	38.1	:
Bosnia and Herzegovina (3)	:	:	:	:	:	:	:	:	:	24.0	25.0
Montenegro (4)	29.3	29.1	31.4	30.6	29.0	29.0	28.1	28.8	27.6	29.0	37.0
Serbia	49.1	50.3	49.8	50.4	50.8	50.0	48.7	44.0	40.8	40.6	43.0
Kosovo under UNSCR 1244/99	:	:	:	:	8.1	8.8	8.3	9.9	11.7	11.8	12.7

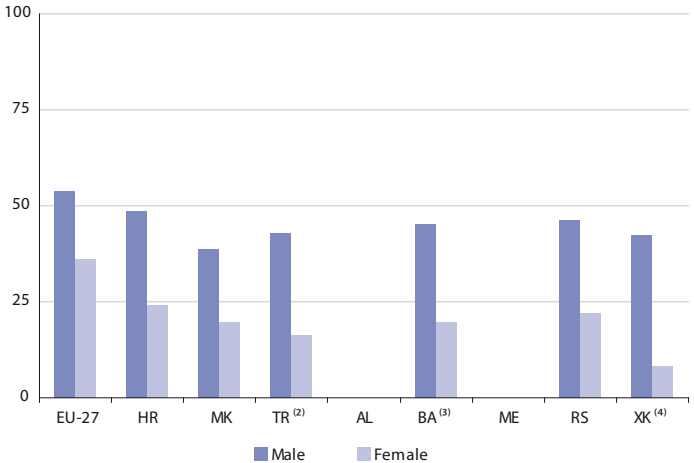
(1) 1996 to 2001: second half of the year. (2) Break in series starting with 2001 due to the change of data source. (3) Source for 2006: Labour Force Survey. (4) Age group refers to '15+'.

Employment rates for older workers (aged 55-64)

Employment rates among older workers in the EU-27 rose to 44.7% in 2007, which was above the levels found in the candidate and potential candidate countries (where data is available), varying from 35.8% in Croatia to 24.6% in Kosovo. In all territories, the employment rate among older workers rose in 2007 with the exception of Turkey and Kosovo, the latter showing a fall of 1.7 percentage points compared to 2006. It is notable that the EU-27 registered a relevant upward trend over the period 1997-2007 whereas Turkey is the country with the most significant downward trend during the same period.

The gender gap among older workers in the EU-27, 17.9 percentage points, is smaller than that of all candidate and potential candidate countries, where it ranges from 19 points in the former Yugoslav Republic of Macedonia to 34 points in Kosovo (data from 2005).

Figure 4.3: Employment rates of older workers, proportion of the population aged 55-64 that is economically active, 2007 (%) (1)



(1) Albania and Montenegro, not available. (2) 2007 results were re-calculated using the Address Based Population Registration System (ABPRS) results. (3) Source for 2006: Labour Force Survey with population aged between 50 and 64. (4) 2005 data; source: "Labour Market Statistics 2005".

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	36.2	36.2	36.5	36.9	37.7	38.5	40.0	40.7	42.4	43.5	44.7
Croatia (1)	29.1	25.6	25.9	24.2	23.7	24.8	28.4	30.1	32.6	34.3	35.8
The former Yugoslav Republic of Macedonia	:	26.0	26.3	26.2	27.7	25.8	28.5	24.5	26.2	27.9	28.8
Turkey	40.5	41.1	39.3	36.4	35.9	35.3	32.7	33.1	30.8	30.1	29.4
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina (2)	:	:	:	:	:	:	:	:	:	30.6	31.9
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	39.6	40.5	42.3	43.3	42.1	42.0	44.3	37.3	35.4	32.6	33.5
Kosovo under UNSCR 1244/99 (3)	:	:	:	:	16.7	18.4	20.1	23.9	25.2	26.3	24.6

(1) 1997 to 2001: second half of the year. (2) For 2006: Labour Force Survey source with population aged between 50 and 64. (3) Source from 2002 to 2005: "Labour Market Statistics".

Number of persons employed and employment by sector

The information on the level of total employment provides the number of persons in employment (employees and self-employed). Over the period 2000 to 2007, the average annual growth rate in the EU-27 was 1.2%. Lower rates were observed from 2002 to 2004, and it was just below the average in 2001. However, in 2005, 2006 and 2007 the growth rate of employed people was around 2.0%, the highest growth rates of the entire period. In the candidate and potential candidate countries, the largest contraction in the workforce between 2000 and 2007 was recorded in Albania and Serbia (both reaching an average annual growth rate of -2.2% in the period observed), while Bosnia and Herzegovina (for the period 2005-2007), Montenegro and Croatia were the only territories reporting a net increase in employment levels (with average annual growth rates of 8.2%, 2.6% and 0.4% respectively).

The distribution of employment among different economic sectors shows great disparity between the EU-27 and the majority of the other territories. In 2007, the service sector accounted for the largest shares in total employment (around 50 and more per cent) in the EU-27 and all candidate and potential candidate countries except Albania. A particularly high share, above the EU-27 level (67%), was recorded in Montenegro with more than three quarters of total employment. On the other hand the countries with the smallest shares in services recorded the highest shares for agriculture, at least three times the EU-27 share of around 6%. These were Turkey with 26%, Serbia with 21% and Bosnia and Herzegovina with 20%.

Figure 4.4: Breakdown of employment, 2007 (% of total)

(1) 2007 results were re-calculated using the Address Based Population Registration System (ABPRS) results. (2) 2006 instead of 2007. (3) 2005 instead of 2007; in 2005, yearly average, the number of persons employed in legal entities are collected through a regular monthly survey (RAD-1).

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	202 019	204 315	204 396	205 586	206 610	210 830	214 954	219 129
Croatia (1)	1 587	1 547	1 478	1 570	1 478	1 521	1 538	1 583	1 573	1 586	1 614
The former Yugoslav Republic of Macedonia (2)	:	:	:	:	599	561	545	523	545	570	590
Turkey (3)	21 204	21 779	22 050	21 582	21 525	21 354	21 146	21 790	22 046	22 330	21 189
Albania (4)	1 107	1 085	1 065	1 068	920	920	926	931	932	935	:
Bosnia and Herzegovina (5)	:	:	:	:	:	:	:	:	727	811	850
Montenegro (6)	179	180	185	182	177	178	168	187	179	178	217
Serbia	3 137	3 139	3 103	3 094	3 106	3 000	2 919	2 931	2 733	2 631	2 656
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 1997 to 2001: number of employed persons during the second half of the year. (2) Total employment includes NACE Sections A to Q. (3) 2000 to 2004: estimates. (4) Break in series starting with 2001 due to the change of data source. (5) Source for 2006: Labour Force Survey; for 2005: yearly average; monthly survey (RAD-1). (6) Since 2004 a new methodology is used, which is harmonised with the EU requirements.

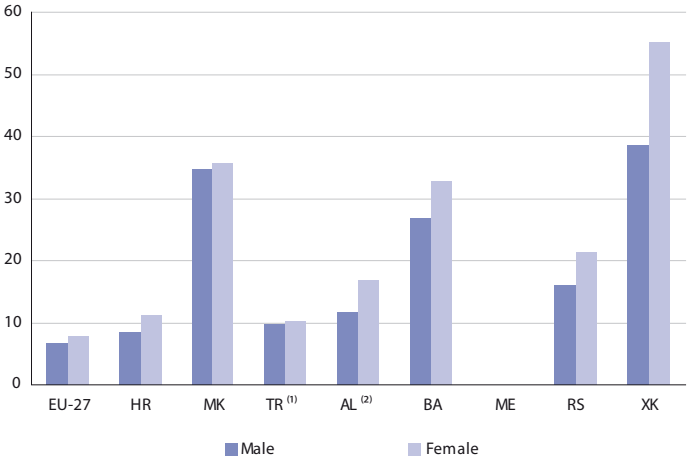
Unemployment rates

Unemployment rates measure those persons aged 15 to 74 who are not in employment but are actively seeking work. In other words, the unemployment rate is the proportion of unemployed persons relative to all the 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 for 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-27 unemployment rate was 7.1% in 2007. After rising between 2001 and 2003, this level is now the lowest since 2000. In all candidate and potential candidate countries, unemployment rates were higher than the EU-27 average, with the highest values of almost 44% in Kosovo, 35% in the former Yugoslav Republic of Macedonia and 29% in Bosnia and Herzegovina followed by Montenegro with a 19% rate (having experienced a significant reduction of 10.3 percentage points since 2006) and Serbia with a 18% rate. The lowest values were recorded in Turkey and Croatia, both with unemployment rates slightly lower than 10%.

The female unemployment rate is higher than the male unemployment rate in the EU-27 (by 1.2 percentage points), and it is also higher in all candidate and potential candidate countries for which information is available. Only the former Yugoslav Republic of Macedonia and Turkey register gender gaps (1.0 and 0.5 percentage points respectively) that are smaller than in the EU-27. The gender gap is particularly high in Kosovo, where female unemployment surpasses male unemployment by 16.7 percentage points, as well as in Bosnia and Herzegovina, Serbia and Albania, with differences of 6.2, 5.2 and 5.0 percentage points respectively. Croatia shows a gender gap moderately higher than the EU-27, with 2.8 percentage points.

Figure 4.5: Unemployment rates, 2007 (%)



(1) 2007 results were re-calculated using the Address Based Population Registration System (ABPRS) results. (2) 2006 data; administrative data; unemployment refers to registered unemployment.

Table 4.5: Unemployment rate - proportion of the labour force aged 15-74 in unemployment (%)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	8.7	8.5	8.9	9.0	9.0	8.9	8.2	7.1
Croatia (1)	10.0	11.7	14.5	17.0	16.3	14.7	14.1	13.6	12.6	11.1	9.6
The former Yugoslav Republic of Macedonia	:	34.5	32.4	32.2	30.5	31.9	36.7	37.2	37.3	36.0	35.0
Turkey	6.8	6.9	7.7	6.5	8.4	10.3	10.5	10.3	10.3	9.9	9.9
Albania (2)	:	:	18.4	16.8	16.4	15.8	15.0	14.4	14.1	13.8	:
Bosnia and Herzegovina (3)	:	:	39.4	39.7	40.0	41.1	41.6	41.8	43.9	31.1	29.0
Montenegro	21.8	18.5	19.3	19.3	21.2	20.7	22.7	27.7	30.3	29.6	19.3
Serbia	13.3	14.0	14.5	13.3	13.3	14.5	16.0	18.7	21.1	21.0	18.3
Kosovo under UNSCR 1244/99	:	:	:	:	57.1	55.0	49.7	39.7	41.4	44.9	43.6

(1) 1997 to 2001: second half of the year. (2) Administrative data; unemployment refers to registered unemployment. (3) Source since 2006: Labour Force Survey; from 1999 to 2005, the unemployment rate is not calculated using the ILO methodology. The number of unemployed people is taken from the Bureau for Employment; from 2005 onwards, the figure includes data from Brcko District.

Long-term and youth unemployment

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. More than half of the unemployed in the EU-27 were unemployed for a year or more in 2007.

In 2007, long-term unemployment rates in all countries for which data are available except Turkey were higher than the EU-27 rate of 3.7%. Female workers are particularly prone to long-term unemployment. Their long-term unemployment rates tend to be higher than male rates in the EU-27 and in all candidate and potential candidate countries. The proportions of male and female rates are in all countries relatively small except in Kosovo and Serbia where they are 1.8 and 1.5 respectively between male and female.

The youth unemployment rate is defined as the proportion of young persons aged 15 to 24 who are unemployed. In the EU-27, the youth unemployment rate was 15.3% in 2007. The rates in the former Yugoslav Republic of Macedonia, Serbia and Kosovo were at least three times the EU-27 rate showing values of 58%, 44% and 70% respectively. The closest rates to the EU-27 level were observed in two of the three candidate countries namely Croatia and Turkey with 24% and 20%.

Table 4.6: Long-term unemployment rate - proportion of the labour force aged 15-74 that has been unemployed for more than 12 months, 2007 (%)

	Total	Male	Female
EU-27	3.7	3.5	4.0
Croatia	6.7	5.8	7.7
The former Yugoslav Republic of Macedonia	31.1	30.5	32.1
Turkey	3.5	3.2	4.6
Albania	:	:	:
Bosnia and Herzegovina (1)	28.4	26.7	30.8
Montenegro	:	:	:
Serbia	17.0	13.9	21.0
Kosovo under UNSCR 1244/99	41.1	31.5	56.5

(1) Source: Labour Force Survey 2006; data refers to unemployed for 24-59 months.

Table 4.7: Youth unemployment rate - proportion of the labour force aged less than 25 that is unemployed (%)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	:	:	:	17.4	17.3	17.9	18.0	18.4	18.3	17.1	15.3
Croatia (1)	28.5	31.0	39.2	43.1	41.7	34.4	35.8	33.8	32.0	28.8	24.0
The former Yugoslav Republic of Macedonia	:	70.9	62.9	59.9	56.1	58.4	65.7	64.8	62.6	59.8	57.7
Turkey	14.3	14.2	15.0	13.1	16.2	19.2	20.5	19.7	19.3	18.7	19.6
Albania (2)	:	:	:	:	:	26.8	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	46.7	50.6	53.2	50.2	46.4	45.3	44.8	48.1	47.7	47.8	43.7
Kosovo under UNSCR 1244/99	:	:	:	:	80.0	77.7	74.9	66.5	70.5	75.5	70.0

(1) Second half of the year. (2) Based on the Living Conditions Survey of 1998 and the Living Standards Measurement Study of 2002.

5

National accounts

GDP

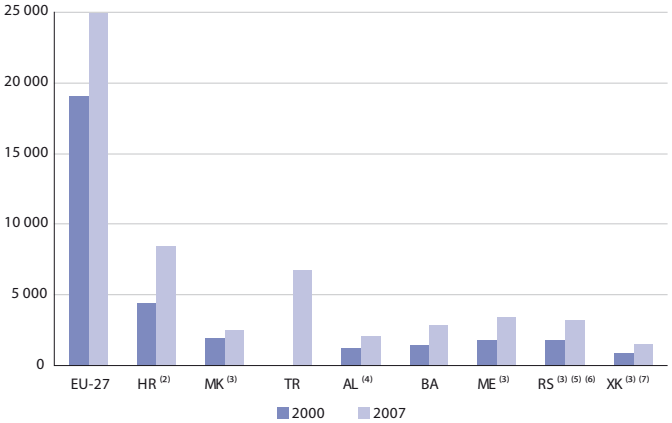
Gross domestic product (GDP) is the central aggregate of national accounts (as defined in ESA95). The candidate and potential candidate countries together accounted for the equivalent of 4.3% of EU-27 in 2006 (2005 data for Albania). If 2007 values — available for Croatia, Turkey and Bosnia and Herzogovina — and 2006 values for other countries are combined and compared to EU-27 GDP for 2007, this figure rises to 4.6%.

GDP growth in constant prices was considerably higher in most of the candidate and potential candidate countries than in EU-27 during the observable periods. On average, EU-27 growth was 2.3% over this seven-year period, less than half the growth recorded in Turkey (5.3%), Albania (6.0%, 2000 to 2005), Bosnia and Herzogovina (5.9%, 2004 to 2007) and Serbia (5.2%). Growth has been volatile in many candidate and potential candidate countries over this period, but in the latest year for which data are shown, all recorded substantially higher values than EU-27; these ranged from 8.6% in Montenegro (2006) to 4.0% in Macedonia (2006), which was still significantly higher than the 3.1% recorded for EU-27 (2006).

Croatia had the highest GDP per capita amongst the candidate and potential candidate countries in 2007, with EUR 8 445 per inhabitant, which was just over 33% of the EU-27 level. The next country in the ranking was Turkey, with EUR 6 804 per inhabitant, corresponding to 80% of Croatia's value, followed by Montenegro (EUR 3 443 in 2006) and Serbia (EUR 3 273 in 2006). Except for Kosovo, which recorded the lowest GDP per head of EUR 1 520 (2006), the remaining countries had comparable values, ranging between EUR 2 100 and EUR 2 880 per inhabitant.

Over the period 2000 to 2007 (or the nearest years with available data) all candidate or potential candidate countries, apart from Macedonia (with 30% until 2006), recorded a much higher percentage growth in GDP per head than EU-27, which recorded 30% growth over the period. Croatia, Bosnia and Herzogovina and Montenegro (2000 to 2006) almost doubled GDP per head over the period. The lowest percentage growth in GDP was recorded for Albania, with over 60% (2000 to 2005).

Figure 5.1: GDP per capita (EUR) (1)



(1) Except for EU27, values have been calculated using the GDP in euro and population as of 1st January. (2) Based on quarterly values. (3) 2006 instead of 2007. (4) 2005 instead of 2007; 2005, provisional value. (5) 2001 instead of 2000. (6) Excluding Kosovo and Metohia. (7) 2003 instead of 2000.

Table 5.1: GDP

	GDP (million EUR)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	7 791 427	8 162 141	8 583 432	9 202 025	9 579 832	9 941 617	10 108 367	10 602 725	11 062 220	11 672 735	12 339 731
Croatia [1]	17 789	19 272	18 677	19 955	22 138	24 448	26 216	28 677	31 263	34 221	37 497
The former Yugoslav Republic of Macedonia [2]	3 310	3 193	3 448	3 893	3 839	4 001	4 105	4 325	4 676	5 081	:
Turkey	:	242 787	233 424	289 446	219 816	243 570	269 322	314 304	387 655	419 013	480 281
Albania [3]	:	2 419	3 209	3 945	4 541	4 705	5 048	5 883	6 582	:	:
Bosnia and Herzegovina [4]	:	:	:	5 477	5 930	6 559	7 416	8 071	8 655	9 777	11 065
Montenegro [5]	:	:	:	1 066	1 295	1 360	1 510	1 670	1 815	2 149	:
Serbia [2] [3] [6]	:	:	:	:	13 186	16 812	18 009	19 724	21 077	24 255	:
Kosovo under UNSCR 1244/99 [7] [8]	:	:	:	:	1 624	1 735	1 797	3 007	3 068	3 192	:
	GDP growth - based on constant price national currency series (%)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	2.7	3.0	3.0	3.9	2.0	1.2	1.3	2.5	2.0	3.1	:
Croatia [1]	6.8	2.5	-0.9	2.9	4.4	5.6	5.3	4.3	4.3	4.8	5.6
The former Yugoslav Republic of Macedonia [2]	1.4	3.4	4.3	4.5	-4.5	0.9	2.8	4.1	4.1	4.0	:
Turkey	:	:	-3.4	6.8	-5.7	6.2	5.3	9.4	8.4	6.9	4.5
Albania [3]	-10.8	9.0	13.5	6.7	7.9	4.2	5.8	5.7	5.8	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	6.3	3.9	6.7	6.8
Montenegro [9]	:	:	:	:	1.1	1.9	2.5	4.4	4.2	8.6	:
Serbia [2] [3] [6]	:	:	:	4.5	4.8	4.2	2.5	8.4	6.2	5.7	7.5
Kosovo under UNSCR 1244/99 [8]	:	:	:	:	:	1.2	3.1	:	:	:	:

(1) 2005-2006, data based on quarterly values. (2) 2006, estimated value. (3) 2005, provisional value. (4) 2000-2002, the value of non-observed economic activities is not included. (5) 2000 and 2001, estimated values. (6) Excluding Kosovo and Metohia. (7) Source: IMF. (8) 2004, forecast; 2002 and 2003, provisional values. (9) 2000-2003, estimated values.

Final consumption expenditure and breakdown of GDP

The proportion of GDP accounted for by final consumption expenditure in the EU-27 remained basically stable, at between just under 78% and just over 79%, during the period 1996 to 2006. The share of final consumption expenditure in GDP tended to be higher in most candidate and potential candidate countries than the EU-27, with the exception of Croatia, where it remained slightly below EU levels from 2004 onwards. Bosnia and Herzogovina, Montenegro and Kosovo all recorded values for final consumption expenditure of over 100% in 2006.

In 2007, the breakdown of GDP shows that only Montenegro, with a value of 27% and Kosovo with 21% recorded a higher proportion of final consumption expenditure by general government than EU-27 (20%). Albania (2005 data) recorded the lowest figure of 11%. On the other hand, final consumption expenditure by households and non-profit institutions serving households (NPISH) accounted for a lower share of GDP in EU-27 (57%) than in candidate and potential candidate countries, with the exception of Croatia, which recorded a value of 56%. Kosovo reported the highest figure of 91%.

Investment, as measured by gross capital formation, accounted for about 22% of the EU-27's GDP in 2007. Macedonia and Turkey recorded similar values, while Albania showed the highest proportion (38%, data for 2005) followed by Croatia and Serbia, both with 33%. Gross capital formation varied considerably over longer periods in all countries showing the largest differences between the highest and lowest share in GDP in Serbia and Kosovo with 28 and 17 percentage points, respectively.

Table 5.2: Breakdown of GDP, 2007 (% share of GDP)

	Final consumption expenditure: households and NPISH	Final consumption expenditure: general government	Gross capital formation	Imports of goods & services	Exports of goods & services
EU-27	57.3	20.4	21.8	39.8	40.2
Croatia (1) (2)	55.8	20.1	32.7	56.3	47.7
The former Yugoslav Republic of Macedonia	78.2	18.5	21.9	66.8	48.1
Turkey	70.8	12.6	21.6	27.1	22.0
Albania (3) (4)	76.2	10.8	37.6	47.3	22.8
Bosnia and Herzegovina	82.8	18.4	27.9	62.0	32.9
Montenegro (5)	77.2	27.0	25.5	79.1	49.4
Serbia (6)	70.4	17.0	32.6	50.8	30.7
Kosovo under UNSCR 1244/99 (7)	90.6	21.0	25.0	45.5	8.9

(1) Based on quarterly values. (2) 'Final consumption expenditure, households and NPISH': without NPISH. (3) 2005 data. (4) Provisional value. (5) The sum of GDP aggregates according to the expenditure approach is not equal to 100 due to rounding problems. (6) Excluding Kosovo and Metohia. (7) Source: IMF, 2004 forecast.

Table 5.3: Final consumption expenditure, as a proportion of GDP (%)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	78.2	78.0	78.3	78.5	78.7	78.9	79.2	78.9	79.1	78.6	77.7
Croatia (1)	88.2	85.5	85.4	84.9	82.1	81.9	79.7	78.3	77.4	76.1	75.9
The former Yugoslav Republic of Macedonia	92.6	92.6	90.3	92.6	94.8	99.5	97.0	98.9	96.5	96.7	:
Turkey	:	76.7	80.7	82.2	80.8	80.8	83.5	83.2	83.5	82.9	83.5
Albania (2)	107.5	102.4	92.7	86.0	80.9	86.0	86.1	89.2	87.0	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	118.3	120.1	116.6	101.2
Montenegro (3)	:	:	:	91.9	100.2	105.8	101.0	99.4	99.8	104.2	:
Serbia (4)	94.8	98.5	96.3	97.3	103.5	103.5	98.9	90.5	87.9	87.4	:
Kosovo under UNSCR 1244/99	:	:	:	:	163.1	151.6	147.5	109.7	111.9	111.5	:

(1) 2005 and 2006, based on quarterly values, without NPISH. (2) 2005, provisional value. (3) 2000-2003, estimated values. (4) From 1999 onwards, excluding Kosovo and Metohia; 2006, estimated value.

Table 5.4: Gross capital formation, as a proportion of GDP (%)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	19.8	20.7	20.8	21.3	20.5	19.6	19.6	19.9	20.2	21.1	21.8
Croatia (1)	27.5	24.0	23.0	20.2	23.9	29.1	31.1	30.6	31.0	32.8	32.7
The former Yugoslav Republic of Macedonia	21.0	22.3	19.7	22.3	19.1	20.6	20.0	21.9	20.8	21.9	
Turkey	:	22.1	19.1	20.8	15.1	17.6	17.6	19.4	20.0	22.1	21.6
Albania (2)	16.9	21.4	23.7	34.2	39.7	38.7	38.7	33.2	37.6	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	28.6	27.0	23.9	27.9
Montenegro (3)	:	:	:	22.4	23.4	18.7	15.4	16.6	17.7	25.5	:
Serbia (4)	12.1	9.1	10.3	8.4	16.0	17.2	22.6	36.3	32.2	32.6	:
Kosovo under UNSCR 1244/99 (5)	:	:	:	:	40.7	34.5	29.3	23.3	23.5	25.0	:

(1) 2005-2007, data is based on quarterly values. (2) 2005, provisional value. (3) 2000-2005, revised data which are only available in euros. (4) From 1999 onwards, excluding Kosovo and Metohia. (5) 2002-2006, provisional values.

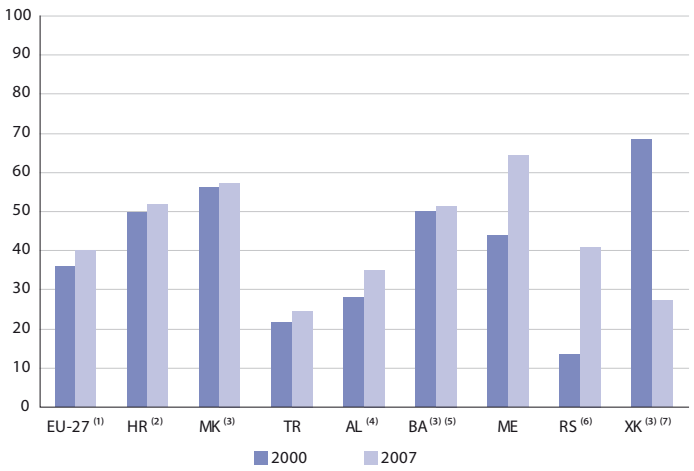
External trade relative to GDP

External trade statistics can be used to indicate how open an economy is, that is, the extent to which an economy satisfies its own consumption or relies on imports, and also the attractiveness of each economy'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 one measure of trade integration: the higher the indicator, the more integrated an economy within the international economy. Relatively small territories (in terms of land area and population) will tend to display higher levels of trade integration than larger territories, simply because they produce a limited number of goods and services and because of their close geographical proximity to neighbouring territories.

During the period 2000 to 2006, each of the candidate and potential candidate countries reported a trade deficit every year (apart from Turkey in 2001 and 2002), while in the EU-27 a surplus for goods and services was recorded for each year. The former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina, Montenegro, Serbia (in particular since 2001) and Kosovo were particularly reliant upon imports.

In 2007, the average of imports and exports relative to GDP registered a value of 40% for the EU-27. Lower levels were reported in Albania (35% in 2005), Kosovo (27% in 2006) and Turkey (24%). On the other hand, according to the latest data available, substantially higher values were recorded for the former Yugoslav Republic of Macedonia (57% in 2006) and Montenegro (64%) while Croatia and Bosnia and Herzegovina (data for 2006) also showed values above 50%.

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



(1) Including intra EU trade. (2) Based on quarterly values. (3) 2006 data. (4) 2005 data. (5) 2004 instead of 2000. (6) From 1999 onwards, excluding Kosovo and Metohia. (7) 2001 instead of 2000.

Table 5.5: External trade

	Exports of goods and services, relative to GDP (%)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	32.0	32.3	32.5	36.1	36.2	35.4	34.7	36.0	37.4	39.7	40.2
Croatia (2)	41.1	39.6	40.9	47.1	48.4	45.3	47.1	47.5	47.1	47.9	47.7
The former Yugoslav Republic of Macedonia	37.3	41.2	42.2	48.6	42.7	38.0	37.9	41.1	45.5	48.1	:
Turkey	:	21.3	19.4	20.1	27.4	25.2	23.0	23.6	21.9	22.7	22.0
Albania (3)	9.7	10.8	15.8	17.9	18.4	19.6	20.4	22.0	22.8	:	:
Bosnia and Herzegovina (4)	:	:	:	:	:	:	:	29.4	30.7	36.6	:
Montenegro (5)	:	:	:	36.8	38.4	35.4	30.6	42.0	43.6	49.4	:
Serbia (6) (7)	17.3	21.2	11.1	10.5	21.7	19.9	20.6	23.8	27.7	30.7	:
Kosovo under UNSCR 1244/99 (8)	:	:	:	:	16.6	12.5	10.4	7.1	7.0	8.9	:
	Imports of goods and services, relative to GDP (%)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	30.1	30.9	31.7	35.8	35.4	33.9	33.4	34.8	36.7	39.4	39.8
Croatia (2)	56.8	49.2	49.3	52.3	54.5	56.4	57.9	56.4	55.5	56.8	56.3
The former Yugoslav Republic of Macedonia	50.8	56.1	52.2	63.5	56.6	58.2	54.8	61.9	62.8	66.8	:
Turkey	:	20.2	19.3	23.1	23.3	23.6	24.0	26.2	25.4	27.6	27.1
Albania (3)	34.2	34.6	32.2	38.1	39.0	44.3	45.1	44.4	47.3	:	:
Bosnia and Herzegovina (4)	:	:	:	:	:	:	:	70.7	69.6	66.4	:
Montenegro (5)	:	:	:	51.1	62.0	59.9	47.0	58.1	61.1	79.1	:
Serbia (6) (9)	24.3	28.9	17.8	16.3	41.3	40.7	42.2	50.8	47.8	50.8	:
Kosovo under UNSCR 1244/99 (8)	:	:	:	:	120.4	98.6	87.1	40.1	42.5	45.5	:

(1) Including intra EU trade. (2) 2005 and 2006, based on quarterly values. (3) 2005, provisional value. (4) 2004 and 2005, estimated values. (5) 2000-2003, estimated values. (6) From 1999 onwards, excluding Kosovo and Metohia; 2006, estimated value. (7) 1997-2004: delivery to the other republic data included. (8) 2004, forecast; 2002 and 2003, provisional values. (9) 1997-2004: purchase from the other republic data included.

Breakdown of gross value added by sector

Table 5.6: Breakdown of gross value added (% of total)

	Agriculture, forestry and fishing										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	2.8	2.6	2.5	2.4	2.4	2.2	2.2	2.2	1.9	1.8	1.8
Croatia (1)	9.3	9.4	9.6	8.8	9.0	8.7	7.0	7.5	7.3	7.1	6.8
The former Yugoslav Republic of Macedonia	12.8	13.2	12.9	12.0	11.8	12.4	13.4	13.2	12.8	12.6	:
Turkey	:	12.9	10.7	10.8	9.4	11.4	11.1	10.7	10.6	9.4	8.7
Albania (2)	31.6	28.8	25.8	25.5	23.6	23.4	23.5	22.3	20.7	:	:
Bosnia and Herzegovina	:	:	:	11.8	11.5	10.8	9.7	10.5	10.3	10.2	9.5
Montenegro (3)	:	:	:	12.4	11.9	12.2	11.6	10.9	10.4	10.1	:
Serbia (4)	16.0	15.4	18.8	19.8	19.8	14.8	13.1	13.7	11.9	11.2	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Industry										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	23.3	23.1	22.5	22.4	21.7	21.1	20.5	20.4	20.2	20.2	20.1
Croatia (1)	25.9	25.0	24.6	24.7	24.3	23.0	22.8	23.4	23.8	23.5	23.3
The former Yugoslav Republic of Macedonia	28.4	27.1	26.5	26.9	26.1	24.2	24.4	22.7	23.1	23.5	:
Turkey	:	27.7	25.4	24.6	23.8	23.2	23.5	23.0	23.0	22.9	22.2
Albania (2)	8.8	7.4	7.3	7.8	7.3	6.9	8.7	10.0	9.7	:	:
Bosnia and Herzegovina	:	:	:	20.3	20.0	18.7	19.2	19.4	19.3	19.2	19.6
Montenegro (3)	:	:	:	19.2	20.7	20.0	19.2	18.7	17.1	16.0	:
Serbia (4)	22.9	22.6	23.2	25.8	24.4	23.7	22.5	23.5	23.2	24.1	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 2005 and 2006, based on quarterly values. (2) 2005, provisional value. (3) 2000-2003, without Financial Intermediation Services Indirectly Measured (FISIM); source for 2004: Statistical Yearbook 2006; 2000-2003, estimated values.
(4) From 1999 onwards, excluding Kosovo and Metohia.

Table 5.6: Breakdown of gross value added (% of total) (continued)

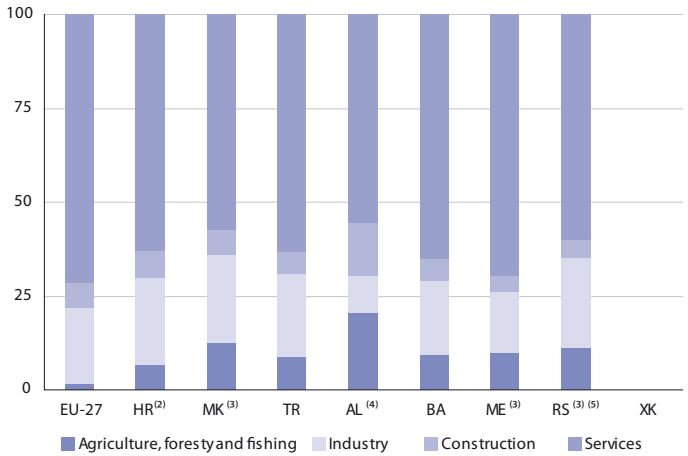
	Construction										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	5.6	5.5	5.6	5.6	5.7	5.7	5.7	5.8	6.0	6.2	6.5
Croatia (1)	7.1	6.6	5.3	4.6	4.9	5.3	6.3	6.6	6.5	6.8	6.8
The former Yugoslav Republic of Macedonia	6.2	6.7	6.1	6.8	6.0	6.0	6.3	6.5	6.6	6.7	:
Turkey	:	6.0	5.6	5.4	4.7	4.6	4.5	5.0	5.0	5.4	5.6
Albania (2)	6.1	5.0	6.0	8.3	10.4	12.0	13.7	13.9	14.3	:	:
Bosnia and Herzegovina	:	:	:	5.2	4.7	4.6	5.2	4.9	5.0	5.0	5.8
Montenegro (3)	:	:	:	4.3	3.9	4.0	3.4	3.5	3.6	4.3	:
Serbia (4)	4.0	4.3	3.6	3.6	3.2	3.4	4.2	4.8	4.5	4.7	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Services										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	68.4	68.8	69.6	69.6	70.2	71.0	71.6	71.6	71.9	71.8	71.6
Croatia (1)	57.8	59.0	60.4	61.9	61.8	63.1	63.9	62.5	62.4	62.6	63.0
The former Yugoslav Republic of Macedonia	52.7	52.9	54.5	54.2	56.1	57.5	56.0	57.7	57.6	57.3	:
Turkey	:	53.4	58.3	59.2	62.1	60.8	60.8	61.3	61.3	62.4	63.5
Albania (2)	53.5	58.8	60.9	58.5	58.6	57.6	54.0	53.8	55.3	:	:
Bosnia and Herzegovina	:	:	:	62.8	63.8	65.9	65.9	65.2	65.4	65.6	65.2
Montenegro (3)	:	:	:	64.1	63.4	63.8	65.8	66.9	68.9	69.5	:
Serbia (4)	57.1	57.7	54.4	50.8	52.6	58.1	60.2	58.0	60.4	60.0	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 2005 and 2006, based on quarterly values. (2) 2005, provisional value. (3) 2000-2003, without Financial Intermediation Services Indirectly Measured (FISIM); source for 2004: Statistical Yearbook 2006; 2000-2003, estimated values.
(4) From 1999 onwards, excluding Kosovo and Metohia.

Relative change in gross value added by sector

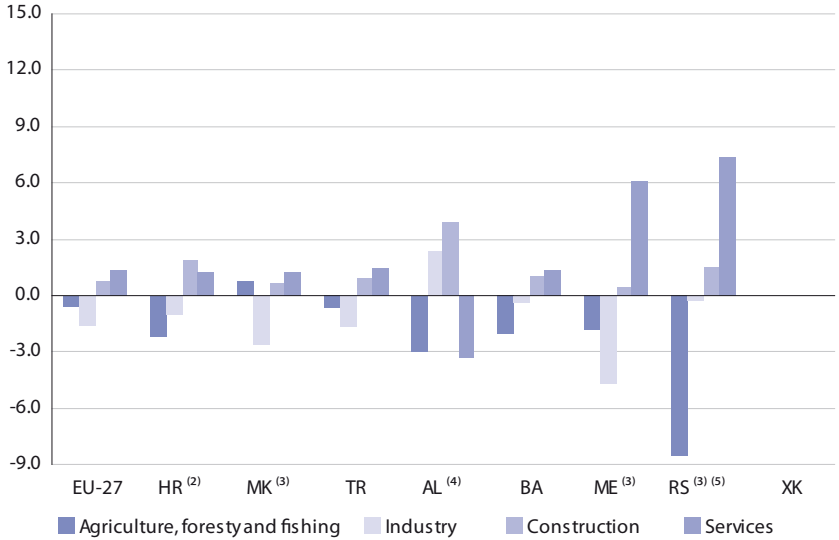
Compared to the EU-27 (which recorded a value of under 2% in 2007), the economies of the candidate and potential candidate countries generated a considerably higher proportion of total value added from the agriculture, forestry and fishing sector. Values for the latest year for which data are available, range from 7% for Croatia to almost 21% for Albania (data for 2005). However, the relative importance of these activities fell at a rapid pace between 2001 and 2007, except for the former Yugoslav Republic of Macedonia, where it remained largely stable (see Table 5.5), as activity in the services sector (and to a lesser extent, industry and construction) grew in the majority of these territories. The only exception to this was Albania, where the figure for the service sector fell from 59% in 2001 to 55% in 2005. The growth of the service sector between 2001 and 2006 was particularly pronounced in Montenegro (a rise of 6 percentage points) and Serbia (a rise of over 7 percentage points). The rise in the service sector in all other countries was very similar to the EU-27 figure of 1.4%. The industry sector decreased in EU-27 (1.6% on annual average) and all other countries, except Albania, but only with larger falls than in EU-27 for Montenegro and the former Yugoslav Republic of Macedonia (4.7% and 2.6% respectively, each 2001 to 2006). The only sector with increasing growth rates in all countries and the EU-27 was construction but with relatively moderate average annual increases of between 0.4% in Montenegro (2001 to 2006) and 3.9% in Albania (2001 to 2005). Five countries, Croatia, Turkey, Albania, Bosnia and Herzegovina and Serbia recorded average annual growth rates above the EU-27 value of 0.8%.

Figure 5.3: Breakdown of gross value added 2006 (% of total) (1)



(1) Kosovo under UNSCR 1244/99, not available. (2) Based on quarterly values. (3) 2006 data. (4) 2005 data. (5) Excluding Kosovo and Metohia.

Figure 5.4: Relative share of gross value added, 2001-2007 (change in percentage points) (1)



(1) Kosovo under UNSCR 1244/99, not available. (2) Based on quarterly values. (3) 2006 data. (4) 2005 data. (5) Excluding Kosovo and Metohia.

Labour productivity and employment change

The total number of persons employed in the EU-27 rose by 1% on average between 2001 and 2007 (around 6% growth over the entire period). In Croatia, the total number of persons employed fell in 2001 and increased in 2002 and 2003. In the former Yugoslav Republic of Macedonia it declined between 2001 and 2004, before rising by around 2% in the following two years corresponding to a overall growth of 1.3% over the period observed. In Serbia, however, the number of persons employed fell every year between 2001 and 2006 (with the exception of 2004) which resulted in an overall decrease of persons in employment of -8.0% from 2001 to 2006. Data for this measure are not available for any other country. It should be noted that the data presented refers to national accounts concepts and that results may differ somewhat if compared with those derived from labour force or other social statistics.

Compared with the EU-27, where labour productivity increased from one year to the other at relatively stable rates, all countries for which data are available showed more fluctuating changes. Most of the countries recorded positive changes compared to the previous year over the period observed or at least since 2002. Bosnia and Herzegovina with a decrease in 2006 and an increase in 2007 is the only exception.

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

	2001	2002	2003	2004	2005	2006	2007
EU-27	1.0	0.4	0.4	0.6	1.0	1.6	1.8
Croatia	-5.4	4.2	0.6	:	:	:	:
The former Yugoslav Republic of Macedonia	-2.0	-1.0	-2.0	-2.0	2.1	2.3	:
Turkey	:	:	:	:	:	:	:
Albania	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:
Serbia(1)	-0.2	-0.5	-4.0	1.2	-3.9	-1.0	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:

(1) Excluding Kosovo and Metohia.

Table 5.8 : Labour productivity

	GDP in constant prices per person employed (% change compared with the previous year)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	1.8	1.4	1.9	2.2	1.0	0.9	1.0	1.9	1.0	1.4	1.0
Croatia	7.3	13.0	12.5	0.5	16.2	6.7	7.9	5.3	9.1	7.2	7.2
The former Yugoslav Republic of Macedonia (1)	:	:	:	:	:	11.6	9.5	8.8	1.2	3.1	:
Turkey (2)	:	:	-4.6	9.1	-5.4	7.0	6.3	6.1	7.1	5.5	10.1
Albania	-10.1	24.7	25.4	8.0	30.3	7.7	7.6	11.0	8.0	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	-1.4	7.9
Montenegro	:	:	:	:	:	21.8	11.4	1.7	15.6	13.6	:
Serbia (3)	:	:	:	4.8	4.4	7.9	5.4	8.0	13.9	9.8	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Unit labour cost (% change compared with the previous year)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	-1.0	-0.6	-0.1	0.3	0.2	-0.5	-0.3	-1.4	-0.5	-1.0	-0.8
Croatia	-3.0	0.9	4.2	-3.3	-5.3	1.5	2.4	:	:	:	:
The former Yugoslav Republic of Macedonia	:	1.7	-1.2	-9.0	-1.6	-2.2	1.3	-7.9	-5.5	4.5	:
Turkey (4)	:	:	:	:	:	:	:	:	:	:	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) Eurostat estimates. (2) Labour productivity growth is partially harmonised according to national accounts concept. (3) Excluding Kosovo and Metohia. (4) Unit labour cost growth is partially harmonised according to national accounts concept.

6

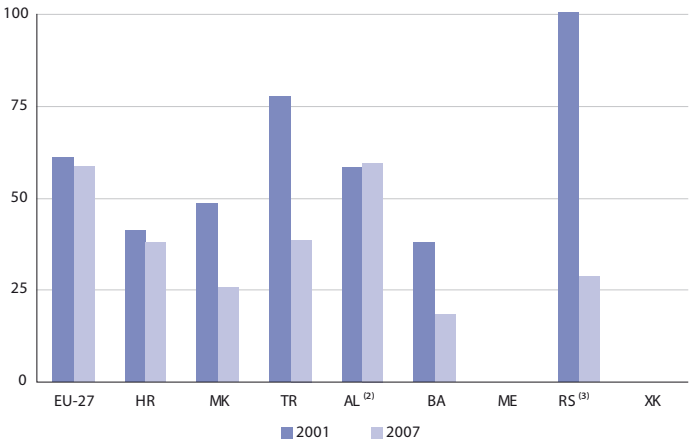
Finance

General government deficit and debt

The EU-27's deficit relative to GDP has been decreasing progressively since 2003 and stood at 0.9% in 2007. In candidate countries, the general government budget balance has improved gradually in the most recent years for which information is available; in particular, Turkey has reduced the deficit of 10.9% in 2002 to only 1.2% in 2007. Information is less complete for potential candidate countries. Albania recorded a substantial reduction in its government deficit from 7.0% of GDP in 2001 to 3.3% in 2006, while Kosovo and Bosnia and Herzogovina recorded a surplus on this measure for all years for which data are available.

In 2007 general government debt relative to GDP fell just within the Maastricht threshold (60%) for the EU-27 by 1 percentage point. In 2007 general government debt as a percentage of GDP was lower than the 60% threshold in all candidate countries, Croatia recording 38%, Macedonia 26% and Turkey 39%, a sharp reduction from the 78% seen in 2001. Of the potential candidate countries, this information is not available for Montenegro and Kosovo. In Albania, government debt was slightly below the Maastricht threshold in 2001 and 2007, while in Bosnia and Herzegovina it halved from 38% in 2001 to 18% in 2007, and in Serbia fell from just over 100% in 2001 to only 29% in 2007.

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



(1) Montenegro and Kosovo/UNSCR 1244/99, not available. (2) 2006 instead of 2007. (3) Based on GDP estimated by the Ministry of Finance.

Table 6.1: General government deficit/surplus

	General government deficit /surplus (million EUR)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	-205 312	-152 752	-81 724	57 326	-134 965	-247 362	-311 823	-301 767	-271 223	-167 750	-109 474
Croatia	:	:	-1 333	-1 496	-1 436	-1 007	-1 183	-1 237	-1 243	-830	-598
The former Yugoslav Republic of Macedonia (1)	:	:	:	:	:	:	:	17	11	-28	35
Turkey	:	:	:	-10 402	-53 456	-24 841	-24 080	-14 019	-2 349	-592	-5 954
Albania	-261	-285	-289	-302	-315	-287	-247	-298	-227	-239	:
Bosnia and Herzegovina	:	:	:	:	:	:	52	130	210	282	142
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	163	-375	-576
Kosovo under UNSCR 1244/99	:	:	:	:	:	107	40	52	34	:	:
	General government deficit /surplus relative to GDP (%)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	-2.6	-1.9	-1.0	0.6	-1.4	-2.5	-3.1	-2.8	-2.5	-1.4	-0.9
Croatia (2)	:	:	-7.1	-7.5	-6.8	-4.9	-6.2	-4.8	-4.0	-3.0	-2.6
The former Yugoslav Republic of Macedonia	:	:	0.3	2.3	-2.5	-0.5	0.1	0.4	0.2	-0.5	0.6
Turkey	:	:	:	-10.9	-24.5	-10.2	-9.0	-4.5	-0.6	-0.1	-1.2
Albania (3)	-12.7	-11.8	-9.0	-7.6	-6.9	-6.1	-4.9	-5.1	-3.4	-3.3	:
Bosnia and Herzegovina	:	:	:	:	:	:	0.7	1.6	2.4	2.9	1.3
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	0.8	-1.5	-1.9
Kosovo under UNSCR 1244/99 (4)	:	:	:	:	:	8.4	2.2	2.7	:	:	:

(1) Estimated values. (2) GFS 1986 basis. Privatisation revenues are excluded and reclassified to the financing of the balance. (3) 2004, estimated value. (4) GDP data from IMF.

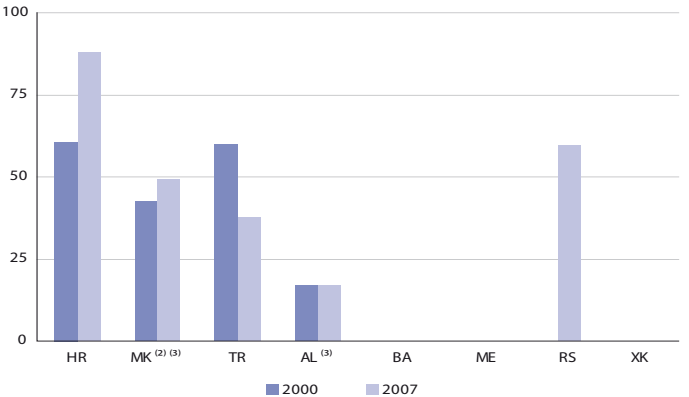
General government and gross foreign debt

Since general government debt relative to GDP depends on GDP growth in current terms, it has to be borne in mind that, even with a growing debt in absolute terms, the debt ratio may decrease or increase at only a moderate pace.

Between 2000 and 2007, EU-27 general government debt rose by 27% overall, an average of 3.5% per annum compared with GDP growth of 4.3% per annum over the same period. Amongst the candidate countries, an upward trend was seen for Croatia (7.8% per annum compared with GDP growth of 9.4% per annum) during the same period, whilst government debt was reduced in the former Yugoslav Republic of Macedonia (-4.4% on average in comparison with 4.5% growth in GDP between 2000 and 2006). Turkey saw a reduction in general government debt of just over 8% between 2005 and 2007, changing the upward trend seen since 2000. Of the potential candidate countries, this information is not available for Montenegro and Kosovo. Over the observable period Albania saw an average growth rate of over 9% per annum in general government debt, Bosnia and Herzegovina showed a very stable picture, and Serbia saw a sharp reduction of 36% in this measure. In 2006 or 2007, all countries for which data are available and the EU-27 as a whole showed values below the Maastricht threshold of 60% for general government debt relative to GDP.

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 (17% in 2000 and 2006) of foreign debt to GDP among the candidate and potential candidate countries for which information is available. On the other hand, Croatia reported a growth in this measure from 60% in 2000 to almost 90% in 2007, while the former Yugoslav Republic of Macedonia saw a modest rise from 43% to 50% (data for 2006) and Turkey a sharp reduction from 60% to 38%.

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



(1) Bosnia and Herzegovina, Montenegro and Kosovo/UNSCR 1244/99, not available. (2) Gross foreign debt data do not include short term trade credits. (3) 2006 instead of 2007.

Table 6.2: General government debt (million EUR)

	General government debt (million EUR)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	5 325 152	5 422 790	5 644 602	5 693 875	5 842 146	5 998 014	6 242 210	6 589 624	6 929 263	7 151 307	7 240 784
Croatia	:	:	6 156	8 018	9 003	9 706	10 614	12 106	13 727	13 905	14 155
The former Yugoslav Republic of Macedonia	:	:	1 105	1 866	1 873	1 716	1 599	1 583	1 849	1 674	1 430
Turkey	:	:	:	41 137	169 035	179 396	180 661	186 371	202 389	193 190	185 607
Albania	1 157	1 452	1 723	2 374	2 656	3 007	3 106	3 431	3 636	4 069	:
Bosnia and Herzegovina (1)	:	:	:	2 074	2 260	2 193	2 052	2 062	2 218	2 081	2 024
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	13 401	11 684	11 581	10 513	10 581	8 465	8 587
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	General government debt, relative to GDP (%)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	68.5	66.6	65.9	61.9	61.0	60.3	61.8	62.1	62.6	61.3	58.7
Croatia	:	:	33.0	40.1	41.3	39.8	40.4	42.2	44.0	40.9	38.1
The former Yugoslav Republic of Macedonia	:	:	32.0	48.1	48.8	43.0	39.1	36.6	39.5	33.1	25.8
Turkey	:	:	:	42.9	77.6	73.7	67.3	59.2	52.3	46.1	38.8
Albania	49.8	53.5	53.7	60.2	58.5	63.9	61.5	58.3	55.3	59.7	:
Bosnia and Herzegovina	:	:	:	37.9	38.1	33.4	27.7	25.5	25.6	21.3	18.3
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia (2)	:	:	:	:	101.6	69.5	64.3	53.3	50.1	33.2	28.7
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) Covers only the external debt of the general government debt. (2) 2007: Based on GDP estimated by the Ministry of Finance.

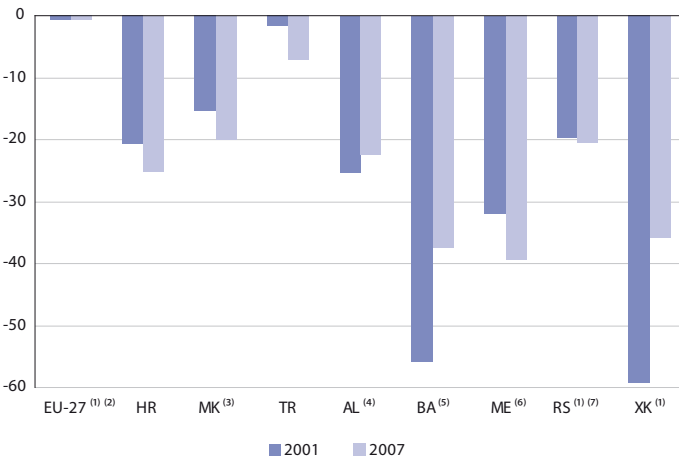
Balance of payments and the current account

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

The current account for EU-27 and all candidate and potential candidate countries was in deficit in 2007, but the magnitude of these deficits varied considerably. The EU-27's deficit relative to GDP fell by 0.11 percentage points from 0.78% in 2001 to 0.66% in 2007. However, current account deficits as a percentage of GDP in candidate and potential candidate countries in 2007 ranged from 7% in Turkey to just under 40% in Montenegro, with Bosnia and Herzogovina and Kosovo (data for 2006) also recording values over 35%. In most countries, this percentage had increased since 2001, but reductions were seen in Albania (almost 3 percentage points), Bosnia and Herzogovina (nearly 20 percentage points) and most notably in Kosovo (a fall of almost 25 percentage points).

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



(1) 2006 instead of 2007. (2) EU-25 data. (3) 2006 instead of 2007, estimated value. For 2001, the values in euros are calculated using the annual average exchange rate whereas for 2006 the values in euros are calculated on the basis of the current exchange rate. (4) 2005 instead of 2007. (5) For 2001, the value of non-observed economic activities is not included in the GDP. (6) 2002 instead of 2001. (7) Excluding Kosovo and Metohia.

Table 6.3: Balance of payments, 2007 (million EUR)

	Current account	Capital account	Financial account	Net errors and omissions
EU-27 (1)	-96 250	-13 072	:	:
Croatia	-2 696	-134	3 680	-984
The former Yugoslav Republic of Macedonia	-45	-1	39	7
Turkey	-25 401	0	25 538	-138
Albania (1) (2)	-471	143	208	119
Bosnia and Herzegovina	-817	234	376	207
Montenegro	-531	-14	552	-6
Serbia	-3 157	683	2 735	-261
Kosovo under UNSCR 1244/99	-389	3	18	368

(1) 2006 instead of 2007. (2) Financial account includes the 'Use of Loans and Credit of IMF'.

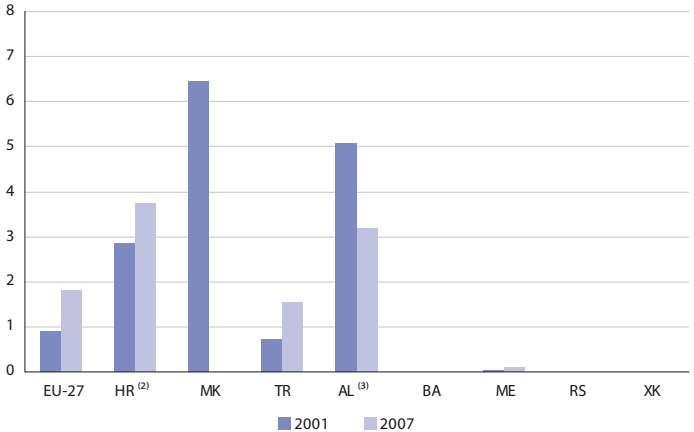
Foreign direct investment (FDI)

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 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.

Whereas EU-27 is a net investor, all candidate and potential candidate countries are structurally net receivers of FDI. Also, levels of outward FDI made by the candidate and potential candidate countries were relatively low in comparison with the levels of inward investment. The latter variable experienced a drop in most countries in 2002, after which an upward trend was generally observed until 2007, growing particularly strongly between 2006 and 2007 in Bosnia and Herzogovina, Albania, Kosovo and Montenegro (with rates of 162%, 86%, 69% and 56% respectively). Only in Macedonia did inward investment fall between 2006 and 2007, from EUR 345 to EUR 239 million.

Except for Serbia, information on the average of FDI inflows and outflows relative to GDP is available. In EU-27 between 2001 and 2007 this value rose from 0.9% to 1.8% (2001 data refers to EU-25 only). A rise was also recorded in Croatia (between 2001 and 2006), Turkey and Montenegro (both between 2001 and 2007), with growths of 32%, 110% and 286% respectively. However, this ratio fell by 100% in the former Yugoslav Republic of Macedonia between 2001 and 2007 and by 37% in Albania between 2001 and 2005. It should be mentioned that these figures correspond to value, not to volume, and ignore the development of stock prices.

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



(1) Bosnia and Herzegovina, Montenegro, Serbia and Kosovo/UNSCR 1244/99, not available. (2) 2006 instead of 2007. (3) 2005 instead of 2007.

Table 6.4: Foreign direct investment (million EUR)

	Outward FDI										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27 (1)	:	:	:	:	306 140	133 897	135 711	136 388	135 656	183 048	:
Croatia	:	:	58	5	210	607	106	279	192	175	180
The former Yugoslav Republic of Macedonia (2)	0	0	0	1	1	0	0	1	2	0	1
Turkey	221	327	605	942	555	185	441	627	855	736	1 537
Albania (3)	0	0	0	0	0	0	0	0	0	0	0
Bosnia and Herzegovina	:	0	0	0	0	0	0	1	1	2	7
Montenegro	:	:	:	:	:	0	5	2	12	178	483
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	0	0	4	4
	Inward FDI										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	:	:	:	:	145 867	126 567	123 541	53 072	94 820	134 881	:
Croatia	:	:	1 363	1 141	1 467	1 138	1 762	950	1 468	2 745	3 597
The former Yugoslav Republic of Macedonia (2)	51	134	83	233	500	112	100	261	77	345	239
Turkey	710	838	735	1 063	3 743	1 198	1 548	2 239	8 063	15 920	16 202
Albania (3)	42	40	39	157	231	141	157	267	209	250	466
Bosnia and Herzegovina	:	60	166	159	133	282	338	567	478	564	1 478
Montenegro	:	:	:	:	:	76	44	53	393	644	1 008
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	19	80	250	422

(1) 2001-2004, EU-25 data. (2) 1996-2002, the values in euros are calculated using the annual average exchange rate whereas from 2003 the values in euros are calculated on the basis of the current exchange rate at the time of the transaction. (3) 2007, provisional value.

Money supply

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 plus savings deposits, as well as other short-term claims on banks.

Between 2000 and 2005, the EU-27's M1 aggregate relative to GDP rose by almost 9 percentage points. Money supply expanded at a faster pace in many of the candidate and potential candidate countries between 2000 and the most recent year available, but with lower shares in GDP than the EU-27. They ranged between 9.3% in Turkey to 28.5% in Bosnia and Herzegovina. Using the M2 measure, a similar picture is seen, with all candidate and potential candidate countries (except Kosovo) showing growth of M2 shares in GDP in recent years but still below EU-27 shares. In particular Bosnia and Herzegovina with more than 33 percentage points, and Turkey and Macedonia each with about 24 percentage points recorded an especially sharp growth between 2000 and 2006 and 2007 respectively. Kosovo is the only country, which saw decreasing shares in GDP for both M1 and M2 (only data for 2001 to 2005 available).

Interest rates in most candidate and potential candidate countries for which information is available were relatively high compared to the EU-12. But with the exception of day-to-day interest rates in Croatia, all experienced significant reductions between 2001 and 2007, in particular in Turkey where all three types fell sharply with an extreme slump of 82% for day-to-day interest rates, a rate only slightly below the reduction of the consumer price index during the same period.

Table 6.5: Interest rates (%)

	Interest rates day-to-day money rate		Lending interest rate (one year)		Deposit interest rate (one year)	
	2001	2007	2001	2007	2001	2007
EUR-12 (1)	3.8	2.7	7.1	7.6	2.0	3.5
Croatia	3.0	5.6	19.5	12.1	6.6	4.2
The former Yugoslav Republic of Macedonia (2)	11.9	9.2	23.0	7.5	:	:
Turkey	95.5	17.3	78.8	20.1	62.2	22.3
Albania	:	:	11.9	13.6	7.8	6.3
Bosnia and Herzegovina (3)	:	:	12.6	7.2	1.4	0.4
Montenegro	:	:	:	:	:	:
Serbia	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:

(1) Interest rates: 2002 instead of 2001; 2005 instead of 2007. Lending rates and deposit rates: 2003 instead of 2001. Lending rates are for household consumption loan, maturity is less than 1 year. Deposit rates are for non-financial corporations and therefore do not cover households, maturity is less than 1 year. (2) 2005 instead of 2007. (3) 2002 instead of 2001.

Table 6.6: Money supply, relative to GDP (%)

	M1										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	20.9	21.9	23.0	22.7	23.8	25.2	27.0	27.9	31.6	:	:
Croatia	11.1	9.6	9.7	11.9	14.5	17.0	16.9	15.7	16.8	19.3	21.1
The former Yugoslav Republic of Macedonia	6.9	7.8	9.4	9.5	10.8	10.8	10.8	10.4	10.4	11.2	:
Turkey	:	2.9	3.7	4.2	4.1	3.8	4.9	5.0	10.1	9.2	9.3
Albania	:	20.5	21.8	23.7	24.5	24.5	20.9	23.0	27.9	:	:
Bosnia and Herzegovina (1)	:	:	:	13.1	23.2	23.4	21.5	22.4	24.2	26.5	28.5
Montenegro	:	:	:	:	:	:	18.9	17.4	19.4	22.5	:
Serbia	:	:	:	:	7.4	9.2	8.5	7.8	8.3	9.8	:
Kosovo under UNSCR 1244/99	:	:	:	:	59.8	57.5	49.6	23.7	18.6	:	:
	M2										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (2)	47.3	48.0	48.3	46.7	48.9	50.1	52.4	53.1	55.6	57.6	:
Croatia	:	:	:	:	:	:	:	:	:	:	:
The former Yugoslav Republic of Macedonia	11.2	13.4	16.1	17.7	29.8	26.3	30.2	33.5	36.1	41.3	:
Turkey	:	12.9	17.7	17.8	16.9	14.9	17.6	18.9	38.7	38.2	41.9
Albania	:	48.8	50.8	50.6	52.3	52.1	50.4	52.1	52.1	:	:
Bosnia and Herzegovina (1)	:	:	:	23.0	40.3	39.5	37.9	43.3	47.7	52.7	56.6
Montenegro	:	:	:	:	:	:	26.7	26.2	33.9	51.1	:
Serbia	:	:	:	:	8.6	10.9	10.7	10.2	11.0	13.7	:
Kosovo under UNSCR 1244/99	:	:	:	:	67.5	64.9	61.9	37.5	35.6	:	:

(1) Break in series in 2001. (2) EU-25 data.

Exchange rates and consumer price indices

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 Croatia and the former Yugoslav Republic of Macedonia were relatively stable in relation to the euro during the period 1999 to 2006. The same was true for Bosnia and Herzegovina (where a fixed exchange rate is used). In Montenegro (from 2002 onwards) and Kosovo (from 1999 onwards) the euro has been used. The Albanian Lek appreciated slightly against the euro over the period considered, while the Turkish lira depreciated significantly against the euro, the average exchange rate almost doubling between 2000 and 2001, since when it has followed a less dramatic, although steadily downward, trend until 2006 and a small recovery in 2007. The Serbian Dinar depreciated steadily between 2000 and 2006, before recovering somewhat in 2007.

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-27 remained within the range of 2.1% to 3.5% between 2000 and 2007. Relative stability was seen both in Croatia (recording a range between 1.7% and 4.6%) and Albania (between 1.7% and 3.2%) over the same period and Kosovo (between -1.0% and 2.8%) between 2002 and 2007. On the other hand, Turkey saw price inflation reduce from 54.9% in 2000 to 8.8% in 2007, while Serbia saw a similarly dramatic reduction from 79.6% to 7.0% over the same period. It can also be seen that in Bosnia and Herzegovina a significant rise in the consumer price index took place in 2006, from 3.8% to 6.1%, though this then fell back to 1.5% in 2007.

The relation between the exchange rate and the consumer price index both based on the year 2000 shows that Albania and Croatia, countries with relatively stable currencies compared to the euro, also registered relatively stable prices. On the other hand, Turkey and Serbia, the countries with the largest depreciation of currencies, experienced significantly high inflation rates from 1997 onwards, even if in both countries, decline in inflation and stabilisation of exchange rates have been simultaneously observed from 2003 onwards. Kosovo together with Montenegro (no data on the inflation rate) are special cases because they use the euro as currency. In contrast to the EU-27, consumer prices in Kosovo decreased for the period observed, however showing an increasing value in 2007 above the EU-27 rate of 2.4%.

Table 6.7: Exchange rates and consumer price indices

	Average exchange rates (1 EUR =...national currency)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Croatia (HRK) (1)	6.9600	7.1400	7.5805	7.6432	7.4820	7.4130	7.5688	7.4967	7.4008	7.3247	:
The former Yugoslav Republic of Macedonia (MKD)	56.2000	61.0700	60.6200	60.7250	60.9133	60.9783	61.2639	61.3377	61.2958	61.1885	:
Turkey (TRY) (1)	0.1706	0.2928	0.4472	0.5748	1.1024	1.4397	1.6949	1.7771	1.6771	1.8090	1.7891
Albania (ALL)	:	169.1640	146.9600	132.5800	128.4700	132.3600	137.5100	127.6700	124.1900	123.0800	123.6300
Bosnia and Herzegovina (BAM)	:	1.9690	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558	1.9558
Montenegro (EUR)	:	:	:	:	:	:	1.0000	1.0000	1.0000	1.0000	1.0000
Serbia (RSD)	:	:	11.7400	49.6700	59.7700	60.6800	65.0600	72.5700	82.9100	84.1600	79.9800
Kosovo under UNSCR 1244/99 (EUR)	:	:	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
	Consumer price indices (% change compared with the previous year)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (2)	7.3	4.6	3.0	3.5	3.2	2.5	2.1	2.3	2.3	2.3	2.4
Croatia	:	:	4.0	4.6	3.8	1.7	1.8	2.1	3.3	3.2	:
The former Yugoslav Republic of Macedonia	2.6	-0.1	-0.7	5.8	5.5	1.8	1.2	-0.4	0.5	:	:
Turkey (3)	85.7	84.6	64.9	54.9	54.4	45.0	25.3	10.6	8.2	9.6	8.8
Albania (4)	:	8.7	-1.0	4.2	3.5	1.7	3.3	2.2	2.0	2.5	3.1
Bosnia and Herzegovina	:	:	:	4.8	3.1	0.4	0.6	0.4	3.8	6.1	1.5
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	21.5	29.9	43.5	79.6	93.3	16.6	9.9	11.4	16.2	11.7	7.0
Kosovo under UNSCR 1244/99	:	:	:	:	:	-1.0	0.3	-0.8	-2.1	-1.5	2.8

(1) 1999-2006, source: Eurostat. (2) 1997-1999, estimated values. (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.

7

Agriculture

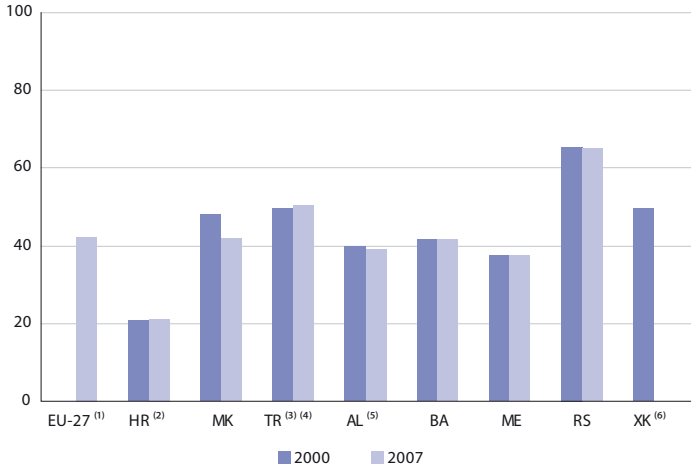
Utilised agricultural area

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.

Since the first year for which data is shown in Table 7.1, the total utilised agricultural area in the EU-27 has decreased at an average annual rate of 0.9%. Only Croatia and the former Yugoslav Republic of Macedonia recorded a bigger reduction with 4.7% and 1.8% respectively. In all other countries the agricultural area remained almost stable over the period observed. The only increases were recorded in Turkey and Bosnia and Herzegovina (both 0.1% on yearly average). The biggest countries in terms of total surface, namely Turkey and Serbia, had the largest absolute size of agricultural area. Turkey accounted for about a quarter of the EU-27 and for almost 80% of the total utilised agricultural area of all candidate and potential candidate countries.

Regarding the ratio of total utilised agricultural area to total area of the countries, the highest values were recorded for Turkey and Serbia (both over 50%). All other countries registered values between 49% in Kosovo and 21% in Croatia for the latest available year.

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



(1) Estimated value. (2) Total area of the country refers to land area. (3) Total area of the country includes the lake surface area. (4) Provisional value. (5) 2006 data: provisional value. (6) 2001 data.

Table 7.1: Total utilised agricultural area (thousand hectares)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	197 313	194 163	190 902	189 990	188 600	183 155	184 202	183 358	183 641	182 129	:
Croatia (2)	1 941	2 048	2 032	1 169	1 178	1 181	1 200	1 201	1 185	1 169	1 201
The former Yugoslav Republic of Macedonia	1 285	1 293	1 284	1 236	1 244	1 316	1 303	1 265	1 229	1 225	1 077
Turkey (3)	39 242	39 344	39 180	38 757	40 967	41 196	40 645	41 210	41 223	40 496	39 503
Albania	1 145	1 144	1 144	1 144	1 139	1 140	1 121	1 122	1 077	1 120	:
Bosnia and Herzegovina	:	:	:	:	2 126	2 122	2 192	2 196	2 187	2 194	2 139
Montenegro (4)	520	519	518	518	518	518	518	518	517	517	516
Serbia	5 091	5 086	5 086	5 074	5 077	5 071	5 079	5 075	5 075	5 066	5 053
Kosovo under UNSCR 1244/99	:	:	:	:	539	:	:	:	:	:	:

(1) 1996-2002, 2004-2006: estimated values. (2) Break in series in 1998: before 1998 areas inflicted by the war or under the control of UNTAES were not included; break in series in 2005: household survey has replaced former methods of estimation. (3) 2007, provisional value. (4) 1997-2005, provisional values.

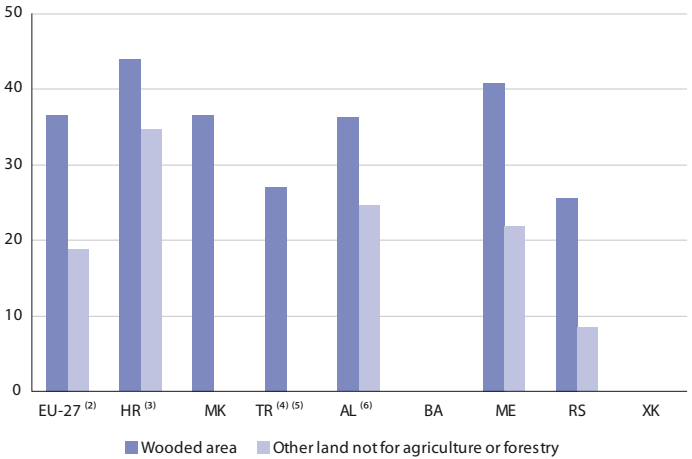
Utilised agricultural area, wooded area and other land

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, 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.

Landscape plays an important role in determining land use. In Croatia, the former Yugoslav Republic of Macedonia, Albania and Montenegro a larger share of surface was covered by wood than in the EU-27, reaching more than a third of each country's total surface. However, in the EU-27 and all candidate and potential candidate countries except Croatia, between 40% and 65% of the surface is available as agricultural area. The utilised agricultural area of all candidate and potential candidate countries for the last available year accounts for less than a third of the EU-27 utilised area. Without Turkey this share is reduced to about 6%.

Permanent grassland accounted for around 31% of the EU-27's utilised agricultural area, whilst it was usually more significant in Montenegro (58%), the former Yugoslav Republic of Macedonia (51%), Bosnia and Herzegovina (48%), Turkey and Albania (both 37%). In contrast it was lower than the EU-27 in Kosovo with 21% (2001), Croatia with 22% and Serbia with 29%.

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



(1) Bosnia and Herzegovina and Kosovo under UNSCR 1244/99, not available. (2) Estimated values; for wooded area and other land: excluding Cyprus and the United Kingdom. (3) Total area of the country refers to land area. (4) Total area of the country includes the lakes surface area. (5) Provisional values (6) 2006 instead of 2007.

Table 7.2: Breakdown of utilised agricultural area

	Total utilised agricultural area (UAA)		of which (% of total UAA)					
	Thousand hectares		Arable land		Permanent grassland		Land under permanent crops	
	2001	2007	2001	2007	2001	2007	2001	2007
EU-27 (1)	188 600	182 129	60.2	59.3	33.9	30.9	6.7	6.7
Croatia	1 178	1 201	72.1	70.5	21.6	22.4	5.9	6.7
The former Yugoslav Republic of Macedonia (2)	1 244	1 077	41.2	40.1	50.6	51.1	3.6	3.3
Turkey (3)	40 967	39 503	58.1	55.6	35.7	37.0	6.2	7.4
Albania (4)	1 139	1 120	50.7	52.1	38.6	37.1	10.6	10.8
Bosnia and Herzegovina (5)	2 126	2 139	47.7	47.9	48.1	47.5	4.5	4.6
Montenegro	518	516	24.1	24.1	57.7	57.5	18.1	18.4
Serbia	5 077	5 053	66.1	65.3	27.8	28.8	6.2	5.9
Kosovo under UNSCR 1244/99	539	:	53.5	:	20.8	:	0.9	:

(1) Estimated values; permanent grassland excluding Malta, 2006 data instead of 2007 for total utilised agricultural area. (2) Excluding meadows. (3) 2007 provisional values except for permanent grassland. (4) 2006 instead of 2007. (5) 2002 instead of 2001.

Livestock and dairy cows

Within the EU-27, the total number of cattle has decreased by 5% since 2001, while the number of pigs has increased by 1%. In the candidate and potential candidate countries the situation varies considerably. With regard to cattle, four countries each show an increase or decrease. The largest increases from 2001 to 2006 are recorded in Kosovo (12.9%) and Croatia (10.3%), whereas Montenegro is at the other extreme (-35.5% until 2006). All countries with an increasing number of pigs show higher growth than the EU-27 ranging between 43.4% in Albania and 6.8% in Serbia. The most significant declines are registered in Montenegro (around -36%) and Turkey (around -32%). But for both countries these values have to be considered in relation to the absolute values.

For the last year for which data are available dairy cows accounted for 27% of the total number of cattle in the EU-27, and over 50% in all potential candidate countries with values between 52% in Kosovo and 69% in Montenegro. Among the candidate countries, only the former Yugoslav Republic of Macedonia showed a share of more than half, while Croatia with 48% and Turkey with 38% showed much lower shares in the total cattle herd. Contrary to the EU-27, four countries, the former Yugoslav Republic of Macedonia, Albania, Bosnia and Herzegovina and Montenegro increased their share of dairy cows in total cattle, while Croatia, Turkey, Serbia and Kosovo have recorded a fall since 2000. It is interesting to note that of the latter group only Kosovo has increased its absolute number of dairy cows since 2000.

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

(1) 2001 instead of 2000. (2) Excludes the number of buffaloes. (3) 2006 data. (4) Estimated value. (5) 2004 instead of 2000.

Table 7.3: Livestock as of end of the period (thousand heads)

	Cattle										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	:	:	:	:	93 780	92 336	91 123	90 220	89 641	88 463	89 042
Croatia (1)	451	443	438	427	438	417	444	466	471	483	467
The former Yugoslav Republic of Macedonia	289	268	270	265	265	259	260	255	248	255	254
Turkey (2)	11 185	11 031	11 054	10 761	10 548	9 803	9 788	10 069	10 526	10 871	11 037
Albania (3)	771	705	720	728	708	690	684	654	655	634	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	453	460	515	468
Montenegro (4)	176	178	180	179	178	183	175	169	118	115	:
Serbia	1 280	1 283	1 246	1 162	1 128	1 112	1 102	1 079	1 096	1 106	1 087
Kosovo under UNSCR 1244/99	:	:	:	289	347	319	:	335	352	392	:
	Pigs										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	159 771	167 666	:	:	158 138	160 411	158 970	158 562	159 115	161 929	160 046
Croatia (1)	1 176	1 166	1 362	1 234	1 234	1 286	1 347	1 489	1 205	1 488	1 348
The former Yugoslav Republic of Macedonia	184	197	226	204	189	196	179	158	158	167	255
Turkey	5	5	3	3	3	4	7	4	2	1	2
Albania (3)	97	83	99	103	106	114	132	143	147	152	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	596	654	712	535
Montenegro (4)	24	23	22	19	21	22	24	27	11	13	:
Serbia	4 057	4 293	4 066	3 615	3 587	3 634	3 439	3 165	3 212	3 999	3 832
Kosovo under UNSCR 1244/99	:	:	:	59	75	110	:	55	47	68	:

(1) For 2006, data as of 1 December for both legal entities and private family farms; until 2005, data as of 31 December for legal entities and 15 January for private family farms. (2) Excluding the number of buffaloes. (3) 2006, estimated value. (4) 1997-2004, estimated values; for cattle, including enterprises, cooperatives and households.

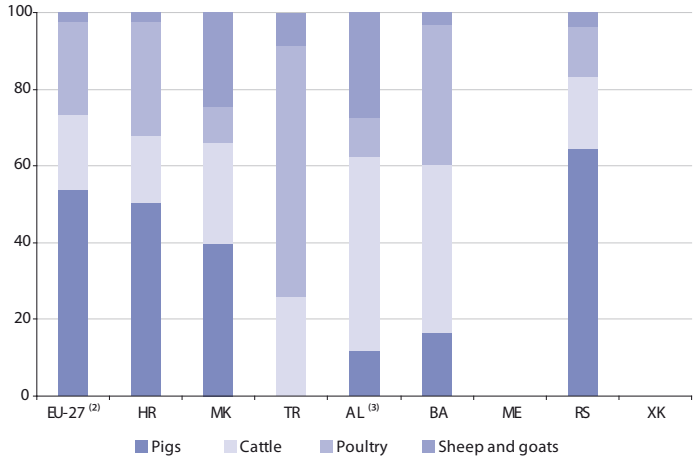
Animals for slaughter

The information presented on the slaughter of livestock relates to bovine, porcine, equine, ovine and caprine species, as well as farmyard poultry.

Between 1997 and 2007 (Table 7.4), the number of animals for slaughter increased in the EU-27 and in all candidate and potential candidate countries except Serbia. In terms of tonnes the EU-27 and the former Yugoslav Republic of Macedonia recorded only a small increase while values in Turkey, Albania and Bosnia and Herzegovina rose by 70%, 19% and 23% respectively. However, the overall increases showed fluctuations in almost all countries over the period observed, but recorded the largest values ever registered in the last year for which data is available by Turkey, Albania and Bosnia and Herzegovina. The only country with decreasing tonnes of slaughter weight was Serbia (-8% over the period observed). Nevertheless, Serbia and all other candidate and potential candidate countries registered an increase between the last two years available, while the EU-27 recorded a decrease.

Regarding all slaughtered weight each country recorded a largely dominant animal category. In Croatia, the former Yugoslav Republic of Macedonia and Serbia this was pigs, in Albania and Bosnia and Herzegovina this was cattle, and in Turkey poultry. In Albania and the former Yugoslav Republic of Macedonia, sheep and goats accounted for a relatively high proportion. Pigs made up more than 50% of total meat slaughter weight in the EU-27, Croatia and Serbia. Values of more than 50% were reached for cattle in Albania and poultry in Turkey, the latter showing almost three times the share in the EU-27.

Figure 7.4: Breakdown of animals for slaughter, 2007 (based on thousand tonnes of slaughter weight)(1)



(1) Montenegro and Kosovo under UNSCR 1244/99, not available. (2) Estimated values; poultry, excluding Bulgaria, Cyprus, Estonia, Hungary, Latvia, Romania, Slovakia and Slovenia; sheep and goats, excluding Bulgaria, Estonia and Romania. (3) 2006 data; estimated values except for sheep and goats.

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	40 125	41 523	42 257	41 093	41 059	41 632	41 479	41 413	41 222	41 288	41 242
Croatia	:	:	:	:	:	:	:	:	:	:	:
The former Yugoslav Republic of Macedonia	52	53	57	58	50	53	57	55	53	50	53
Turkey	983	1 015	1 116	1 150	1 063	1 146	1 270	1 360	1 387	1 371	1 674
Albania (2)	63	58	64	64	65	68	71	73	74	75	:
Bosnia and Herzegovina (3)	:	:	:	:	:	:	:	45	49	50	55
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia (4)	577	607	580	578	531	547	512	521	516	494	531
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 1997-2005, estimated values. (2) 2006, estimated value. (3) Excluding goats. (4) 2007 provisional value; data represents sum of slaughtered pigs, poultry, cattle and sheep; net weight.

Crop production

The EU-27 registered record cereal yields in 2004, as the harvest was characterised by favourable weather conditions; this pattern was reproduced in Turkey and Bosnia and Herzegovina. With a harvested production of 259.8 million tonnes in 2007, the EU-27 cereal harvest fell by 20.0% compared to 2004. Over the same period, the harvest of cereals decreased in all countries, except Albania and Montenegro (between 2004 and 2006), and showed the largest drop of around one third in the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina and Serbia.

With a harvested production of 110.4 million tonnes in 2006, sugar beet production decreased by almost 20% in the EU-27 compared to 2005. In the candidate and potential candidate countries where data is available, sugar beet production between 1997 and the latest available year grew in Croatia and Serbia by 5.5% and 4.6% respectively on annual average and decreased in the former Yugoslav Republic of Macedonia (-19.7%), Turkey (-3.9%) and Albania (-3.0%).

Looking at crop production other than cereals and sugar beet, potatoes and vegetables were the most important in the EU-27, Croatia, the former Yugoslav Republic of Macedonia, Albania and Kosovo. Potatoes and fruit were most important in Bosnia and Herzegovina, while fruit and vegetables showed the largest harvested production in Serbia and Turkey. Vegetable production is the crop for which candidate and potential candidate countries' production reached the highest shares compared to the EU-27 total. In 2007, all candidate and potential candidate countries together harvested vegetables amounting to 45% of the total production harvested in the EU-27 for the same year. Turkey accounted for 90% of that production.

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

	Oil seeds		Potatoes		Fruit		Vegetables	
	2001	2007	2001	2007	2001	2007	2001	2007
EU-27 (1)	19 282	24 803	73 351	56 769	:	:	62 872	64 042
Croatia	158	187	243	296	137	234	208	281
The former Yugoslav Republic of Macedonia	6	5	176	181	:	:	696	573
Turkey	2 171	2 352	5 000	4 246	13 078	15 671	21 930	25 670
Albania (2)	4	3	164	163	64	110	677	688
Bosnia and Herzegovina (3)	4	12	398	387	164	292	190	254
Montenegro (4)	0	2	70	133	:	:	:	:
Serbia (5)	580	628	1 015	743	790	1 348	1 283	1 128
Kosovo under UNSCR 1244/99 (6)	2	2	71	71	14	47	169	172

(1) Estimated values; oil seeds, excluding Malta. Potatoes, 2002 instead of 2001 and 2006 instead of 2007. (2) Fruit, only production of fruit trees (olive, citrus and grape are excluded); vegetables include melons; 2006 instead of 2007. (3) For fruit in 2001, mandarins, lemons, figs and olives were not included. (4) Provisional values 2001; 2006 instead of 2007 for potatoes; oil seeds refer to yields of olives; potatoes include households, enterprises and cooperatives. (5) Oil seeds refer only to sunflowers, soya bean and turnip rape. (6) 2002 instead of 2001 for oil seeds; 2006 instead of 2007 for all crops.

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

	Cereals (including rice)										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	292 143	289 590	277 209	277 876	284 218	288 762	251 685	324 765	287 355	269 129	259 813
Croatia	3 177	3 209	2 881	2 312	2 829	3 080	2 014	3 067	3 039	3 034	2 534
The former Yugoslav Republic of Macedonia	610	660	637	565	476	556	466	677	645	595	470
Turkey	29 650	33 060	28 749	32 108	29 426	30 686	30 658	33 957	36 231	34 365	29 645
Albania	602	603	498	566	503	519	489	499	511	508	:
Bosnia and Herzegovina	1 242	1 184	1 369	930	1 139	1 309	793	1 439	1 350	1 341	1 000
Montenegro (1)	7	5	4	3	4	5	4	3	3	3	:
Serbia (2)	9 709	8 104	8 584	5 213	9 001	8 298	5 453	9 867	9 510	8 268	6 115
Kosovo under UNSCR 1244/99	:	:	:	:	459	396	:	408	441	392	:
	Sugar beet										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	150 813	142 299	145 544	136 977	123 963	141 946	122 115	132 292	135 527	110 410	:
Croatia	931	1 233	1 114	482	965	1 183	678	1 260	1 338	1 560	1 583
The former Yugoslav Republic of Macedonia	72	58	67	56	38	44	40	47	58	0	8
Turkey	18 400	22 283	17 102	18 821	12 633	16 523	12 623	13 517	15 181	14 452	12 415
Albania (3)	51	56	40	42	39	39	50	40	40	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	2 043	1 972	2 428	1 070	1 806	2 098	1 738	2 814	3 101	3 189	3 206
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) Includes households, enterprises and cooperatives; provisional values except 2006. (2) Without areas under triticale, buckwheat and millet, which are minor. (3) 2004 and 2005, FAO estimations.

8

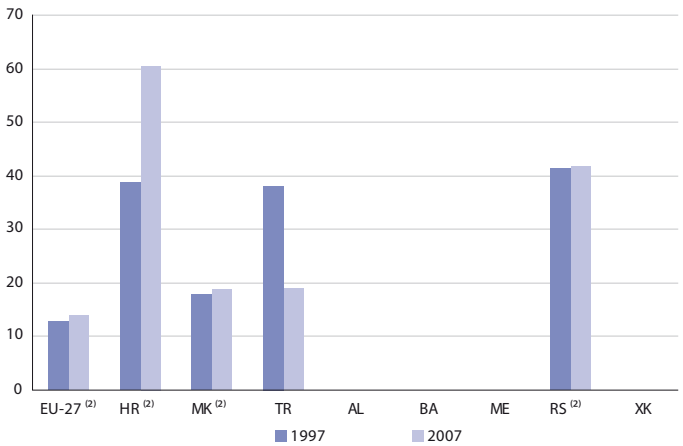
Energy

Energy intensity, electricity generation and renewable energy

The energy intensity of an economy is defined as the ratio of gross inland energy consumption in kg of oil equivalent per EUR 1 000 GDP at constant prices: the lower the figure, the higher the energy efficiency. In 2006, the figure for the EU-27 was a little over 200 kg of oil equivalent. In comparison, Turkey consumed over 250 kg, Croatia 340 kg and the former Yugoslav Republic of Macedonia about 670 kg in the same year. In 2004, the latest year for which data is available, Albania consumed over 450 kg. Over the period from 1997 to 2006, this indicator has shown a downward trend in the EU-27 (-1.5% on average per year). Turkey was an exception, showing little change, and this may reflect the importance of energy intensive industries in its recent strong economic growth. For the other countries, a trend similar to that in the EU-27 applied, with downward trends varying from -4.6% in Albania to -2.1% in Croatia. It can also be seen that, with the exception of Turkey, the difference in terms of energy efficiency between the EU-27 and the candidate and potential candidate countries has fallen since 1998.

In 2006, the EU-27 generated 3.4 million GWh of electricity. Production in the candidate countries and potential candidate countries varied from 191 thousand GWh in Turkey to 2.1 thousand GWh in Montenegro, both in 2007. Since 1997, electricity production in the EU-27 has been growing by a little under 2% per year. This compares with average annual growths of over 6% for Turkey and Kosovo (from 2002 only) and 2.6% for Croatia. In contrast, there was an annual average decline for Albania of over 5% though this reflects a very low figure for 2007.

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



'(1) Albania, Bosnia and Herzegovina, Montenegro and Kosovo under UNSCR 1244/99, not available. (2) 2006 instead of 2007.

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 to the total national electricity consumption. This share can vary greatly and depends, to a large extent, on the geographic characteristics of the territory concerned, particularly with regard to geothermal and hydroelectric generation. Between 1997 and 2006, Figure 8.1 shows that the proportion of renewable sources for the EU-27 rose from 12.7% to 14.0%. Rather similar small increases occurred in the former Yugoslav Republic of Macedonia and Serbia. In contrast, Croatia reported a rise from just under 40% to just over 60% between the same two years, although the changes behind such a rise are not apparent. Turkey recorded a sharp decline in the share of renewable sources in electricity consumption, falling from a little under 40% to a little under 20% between 1997 and 2007. Much of this decline is probably the result of the sharp rise in electricity consumption between these two years not being matched by a rise in renewable supplies.

Table 8.1: Energy intensity and electricity generation

	Energy intensity of the economy (kg of oil equivalent per EUR 1 000 GDP 2000)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	232.0	227.8	219.5	213.9	214.7	211.8	214.7	212.1	208.6	202.5	:
Croatia	408.2	410.7	410.4	391.8	382.0	392.0	381.1	366.0	353.2	338.8	:
The former Yugoslav Republic of Macedonia	:	813.2	761.7	710.3	720.2	770.9	710.6	684.7	685.1	673.0	:
Turkey	:	257.3	261.7	266.9	261.0	259.5	259.3	244.7	234.9	257.1	261.2
Albania	:	604.9	506.7	467.7	454.2	419.4	437.7	455.0	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Electricity generation (thousand GWh)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	2 840.9	2 910.0	2 939.7	3 021.4	3 108.5	3 117.1	3 216.0	3 287.6	3 309.1	3 358.0	:
Croatia	9.7	10.9	12.2	10.7	12.2	12.3	12.7	13.3	13.1	13.0	12.5
The former Yugoslav Republic of Macedonia	6.7	7.0	6.9	6.8	6.4	6.1	6.7	6.7	6.9	7.0	:
Turkey (1)	103.3	111.0	116.4	124.9	122.7	129.4	140.6	150.7	162.0	176.3	191.1
Albania	5.2	5.1	5.4	4.7	3.7	3.2	4.9	5.5	5.5	5.6	3.0
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	2.3	2.7	2.7	2.7	2.5	2.3	2.7	3.3	2.9	3.0	2.1
Serbia	38.0	38.0	31.0	32.0	31.0	31.0	32.0	34.0	36.0	36.0	37.0
Kosovo under UNSCR 1244/99	:	:	:	:	:	3.2	3.2	3.5	4.0	4.0	4.3

(1) 2007, provisional value.

Primary production of energy

To allow for aggregation of different types of energy, data on primary energy production (coal, oil, gas, nuclear heat, and hydro-electricity) is converted to a common unit, 'tonnes of oil equivalent (toe)'. In 2006, the EU-27's primary energy production was 872 million toe (Table 8.2). Amongst the candidate and potential candidate countries, primary energy production varied from nearly 26 million toe in Turkey in 2007 to 1.6 million toe in the former Yugoslav Republic of Macedonia in 2006. In the period since 1997, primary energy production has been falling in the EU-27 and in all the candidate and potential candidate countries, except Croatia, where it has changed little. The downward trend averaged 1.1% per year for the EU-27 (1997 to 2006) compared with 2.2% in Albania (1998 to 2004) and 1.7% in Montenegro (1997 to 2007). However, there have been some marked fluctuations in the data series for the candidate and potential candidate countries.

The energy mix in primary production is determined to a large extent by the natural resource endowment of a territory, policy decisions, for example, concerning nuclear energy (considered as a primary source of energy) and the development of renewable energy. In the EU-27, the major source in 2007 was "Other", a heading, which includes nuclear and renewable sources (Table 8.3). It far outweighed coal, natural gas and crude oil. In Croatia, natural gas was the main source of primary energy, accounting for 2.2 million toe. In contrast, in Turkey, hard coal and lignite was the primary source with 13 million toe. In Serbia, Kosovo, Montenegro and Bosnia and Herzegovina, hard coal and lignite was the only source of primary energy recorded in recent years.

Table 8.2: Breakdown of primary production of energy, 2005 (1 000 toe)

	Crude oil	Hard coal and lignite	Natural gas	Other
EU-27	116 749	190 424	179 405	384 669
Croatia	985	0	2 204	939
The former Yugoslav Republic of Macedonia	0	1296	0	321
Turkey	2 284	13 087	839	9 747
Albania (1)	443	0	11	724
Bosnia and Herzegovina (2)	:	230	:	:
Montenegro	:	1 203	:	:
Serbia	:	6 966	:	:
Kosovo under UNSCR 1244/99	:	6 532	:	:

(1) 2004 instead of 2007. (2) 2005 instead of 2007.

Table 8.3: Primary production of energy products (1 000 toe)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	962 463	940 507	942 829	933 041	932 987	933 220	927 211	923 067	891 431	871 247	:
Croatia	4 077	3 983	3 570	3 562	3 730	3 689	3 727	3 852	3 781	4 128	:
The former Yugoslav Republic of Macedonia (1)	1 727	1 744	1 698	1 595	1 642	1 577	1 666	1 598	1 578	1 617	:
Turkey (2)	27 999	29 108	27 526	26 715	25 065	24 627	23 857	24 193	23 612	26 580	25 957
Albania	:	1 345	1 113	987	933	896	1 012	1 178	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	3 969	4 262	4 236	4 222	3 679	4 135	4 353	4 822	4 161	4 464	3 347
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 1997, provisional value. (2) 2007, provisional value.

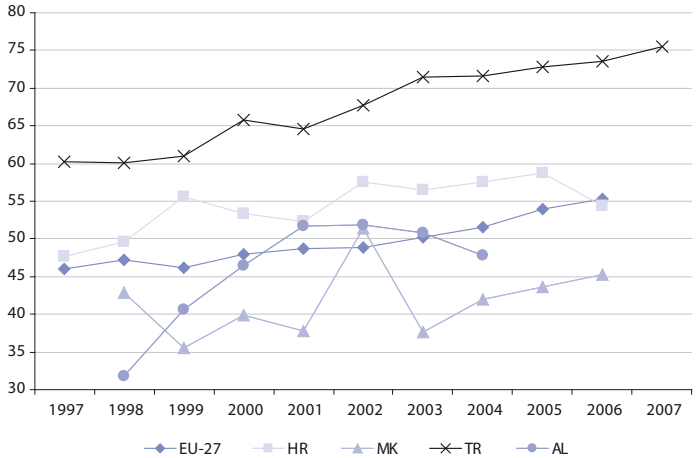
Energy supply and consumption

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 power etc. required as input for electricity generation.

Gross inland consumption = primary production+ net imports ± changes in stocks – marine bunkers

In the EU-27 and candidate and potential candidate countries, where data was available, there was a growing reliance on energy imports in order to meet demand (Table 8.4). More than half (55%) of the EU-27's energy consumption in 2006 was accounted for by net imports, compared with 46% in 1997. Turkey was particularly dependent on net imports, which accounted for 75% of the total in 2007. The share of the net imports in the total gross inland consumption ranges from 45% to 54% in all other countries in the most recent year for which data is available and increased in all countries since 1997 between about 2 percentage points in the former Yugoslav Republic of Macedonia and more than 15 percentage points in Turkey and Albania. Figure 8.2 illustrates the longer-term trends and shows that Turkey and the EU-27 have become steadily more reliant on imports. In Turkey's case, import dependency grew from 60% in 1997 to 75% in 2007. The other countries show more variability but the trend to greater reliance on imports still emerges over the longer run.

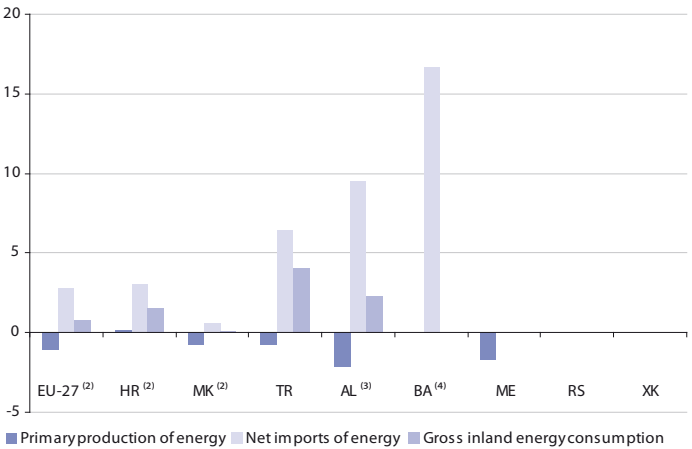
Figure 8.2: Energy dependency ratio (net energy imports as % of gross inland energy consumption) (1)



(1) Bosnia and Herzegovina, Montenegro, Serbia and Kosovo under UNSCR 1244/99, not available.

Figure 8.3 shows the longer-term trends in a different way. It presents the annual average growth rates for primary energy production, net imports and gross inland energy consumption. The broad pattern is one of growth in inland energy consumption but supplied increasingly by net imports with primary energy production falling. In the EU-27 (1997 to 2006), the average annual growth rate in consumption was about 1% but with primary production falling by 1%, net imports rose by 3% per year. In Turkey, the situation was more extreme: with consumption rising by 4% per year, the 1% decline in primary energy production meant a 6% per year rise in net imports. Exceptions to the general rule were Croatia, which managed a small rise in primary production and the former Yugoslav Republic of Macedonia where there was little change in consumption.

Figure 8.3: Energy production, import and consumption - average annual growth rates 1997 to 2007 (%) (1)



'(1) Serbia and Kosovo under UNSCR 1244/99, not available. (2) Growth rates 1997 to 2006. (3) Growth rates 1998 to 2004. (4) Growth rates 2002 to 2006.

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

	Primary production of energy			Net imports of energy			Gross inland energy consumption		
	1997	2002	2007	1997	2002	2007	1997	2002	2007
EU-27 (1)	962 463	933 220	871 247	784 723	858 213	1 010 137	1 703 659	1 757 782	1 825 181
Croatia (1)	4 077	3 689	4 128	3 710	4 967	4 866	7 794	8 624	8 948
The former Yugoslav Republic of Macedonia (1)	1 727	1 577	1 617	1 247	1 486	1 323	2 904	2 892	2 925
Turkey (2)	27 999	24 627	25 957	42 742	51 002	79 834	71 034	75 341	105 792
Albania (3)	1 345	896	1 178	626	965	1 080	1 971	1 861	2 258
Bosnia and Herzegovina (1) (4)	:	:	:	:	369	681	:	:	:
Montenegro	3 969	4 135	3 347	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:

(1) 2006 instead of 2007. (2) 2007, Provisional value. (3) 1998 instead of 1997; 2004 instead of 2007. (4) 2003 instead of 2002.

Breakdown of final energy consumption

Final use of energy can be broken down by sector:

- the industrial sector, excluding the energy sector itself as it is concerned with transformation of energy from one form to another,
- the transport sector (private and public transport, passenger and freight transport) and
- 'other sectors' which include agriculture, fishing, services, administrative bodies and households.

As Table 8.5 shows, the structure of final energy demand differed substantially between the EU-27, and the candidate and potential candidate countries in the latest year for which data is available. These differences reflect divergences in the structure of each country's economy (importance of industry and manufacturing, the rate of motorisation, modes of transport used, energy efficiency, etc). In the EU-27, industry accounted for a little over a quarter of final energy consumption, transport a little under a third with other sectors and households taking the remaining 40%. Croatia had a very similar distribution of energy consumption between sectors. In contrast, in the former Yugoslav Republic of Macedonia and Turkey, industrial consumption was much more significant, taking 35% and 43% of the total respectively.

Figure 8.4: Breakdown of final energy consumption, 2007 (% of total) (1)

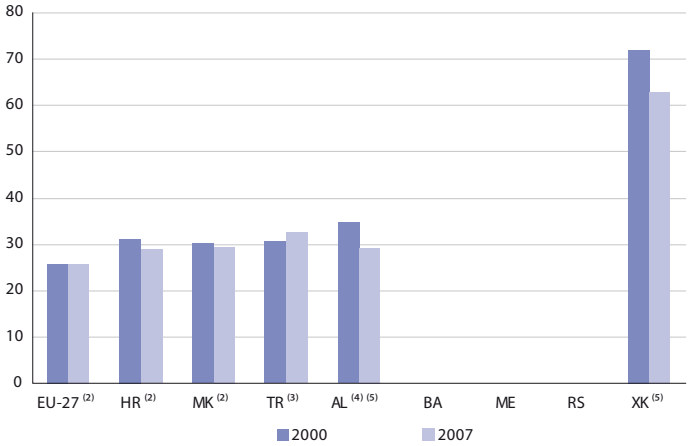
'(1) Bosnia and Herzegovina, Montenegro, Serbia and Kosovo under UNSCR 1244/99, not available. (2) 2006 instead of 2007. (3) 2007, provisional value. (4) 2004 instead of 2007.

Between 1997 and 2006, industry's share in final energy consumption decreased by 1% per year in the EU-27. The same trend is apparent for Croatia, the former Yugoslav Republic of Macedonia (1998-2006) and Albania (2002-2004), although the rate of decline varies from around 1.5% for the first two countries to a much higher 11% for Albania. On the other hand, in Turkey and Kosovo, industry's share of final energy consumption grew by 2.3% per year between 1997 and 2007 and by 6% per year between 2002 and 2007 respectively.

In the EU-27, transport's share of final energy consumption grew by 1% per year between 1997 and 2006. Croatia also experienced a growth of around 2% between the same years while the growth in Albania between 2002 and 2004 averaged 11%. In contrast, in the former Yugoslav Republic of Macedonia and Turkey, transport's share declined by an average of 1% per year (1998-2006) and 2% (1997-2007), respectively.

In the EU-27, households accounted for around a quarter of final energy consumption in both 2000 and 2006 (Figure 8.5). Croatia, the former Yugoslav Republic of Macedonia, Turkey and Albania all recorded shares of around 30%, falling in every case except Turkey, where household consumption rose to nearly a third of the total in 2007. Despite a fall of about 10 percentage points between 2002 and 2007, Kosovo still shows the highest share of households on total energy consumption of all countries for which data are available.

Figure 8.5: Households - proportion of final energy consumption, 2000 and 2007 (% of total) (1)



'(1) Bosnia and Herzegovina, Montenegro and Serbia, not available. (2) 2006 instead of 2007. (3) 2007, provisional value. (4) 2004 instead of 2007. (5) 2002 instead of 2000.

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

	Industry										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	30.0	29.2	28.6	29.4	29.0	29.0	28.7	28.4	27.8	27.6	:
Croatia	28.2	27.7	25.6	26.0	26.4	24.9	24.2	25.4	24.2	24.7	:
The former Yugoslav Republic of Macedonia	:	38.9	29.8	33.5	32.9	25.1	30.0	30.4	33.5	34.6	:
Turkey (1)	34.2	35.6	33.3	37.9	33.3	37.0	38.2	37.5	35.6	45.4	43.0
Albania	:	:	:	:	:	15.4	13.2	12.1	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	27.8	30.1	30.4	31.4	32.3	37.1
	Transport										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	28.8	29.7	30.5	30.5	30.1	30.7	30.3	30.7	30.9	31.5	:
Croatia	27.2	28.1	28.7	28.7	28.3	29.4	29.7	29.7	30.6	32.0	:
The former Yugoslav Republic of Macedonia	:	22.0	24.6	22.9	24.2	21.0	21.8	21.6	20.9	20.5	:
Turkey (1)	23.6	22.3	23.7	22.0	23.3	23.0	21.6	21.3	21.1	19.4	19.9
Albania	:	:	:	:	:	35.2	39.4	43.7	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 2007, provisional value.

9

Industry, construction & services

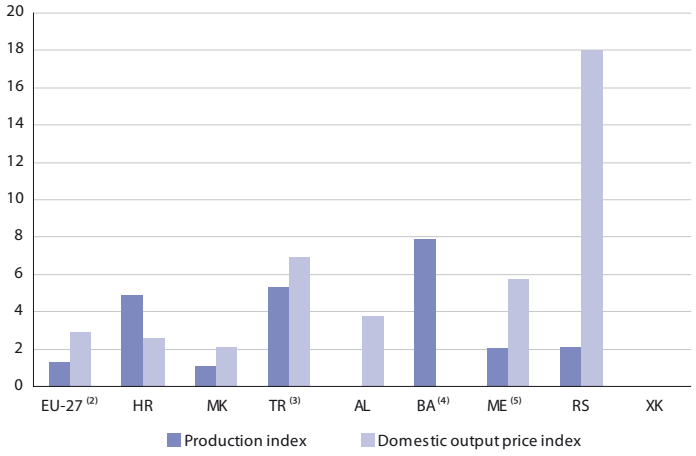
Production and output price indices

Relatively rapid growth is reported for the industrial production (excluding construction) in almost all candidate and potential candidate countries over the period 2000 to 2007. All countries, except the former Yugoslav Republic of Macedonia, recorded higher average annual growth rates than the EU-27 (1.3%) ranging between 2.0% for Montenegro and 7.9% for Bosnia and Herzegovina. For this period, the highest growth rates were recorded in Bosnia and Herzegovina, Turkey and Croatia lying significantly above the EU-27 index of 108 in 2006.

Inflation, measured by the domestic output price index, was at a level of 3.3% in the EU-27 in 2007 compared to the previous year. The only country with an inflation rate below the EU-27 rate was Macedonia with 2.8%, while all other candidate and potential candidate countries for which data is available had inflation rates higher than that of the EU-27 increasing between 3.8% in Croatia to 17.8% in Serbia from 2006 to 2007.

Looking at the period 2000 to 2007 Croatia and the former Yugoslav Republic of Macedonia recorded lower average annual increases of the domestic output price index than the EU-27 of nearly 3%, while all other countries showed much higher increases between 3.8% in Albania and 18.0% in Serbia. Regarding the production index the pattern is more homogeneous with only the former Yugoslav Republic of Macedonia recording a lower increase than the EU-27, but all other countries showing yearly average growth rates between 2% (Montenegro and Serbia) and 8% for Bosnia and Herzegovina.

Figure 9.1: Average annual growth rates of production and prices in industry (excluding construction), 2000-2007 (%) (1)



(1) Kosovo under UNSCR 1244/99, not available. (2) 'Production index': 2006 instead of 2007. (3) 'Domestic output price index': 2003 instead of 2001. (4) Estimated values for the production index. (5) 'Domestic output price index': 2006 instead of 2007.

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

	Production index										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	90.7	93.6	95.2	100.0	100.2	99.8	100.4	102.8	104.0	108.0	111.9
Croatia	96.2	99.8	98.3	100.0	106.0	111.8	116.3	120.6	126.7	132.4	139.8
The former Yugoslav Republic of Macedonia	94.9	99.2	96.6	100.0	96.9	91.8	96.1	94.0	100.6	104.2	108.0
Turkey	:	:	:	100.0	91.3	99.9	108.7	119.3	128.7	136.3	143.6
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina (1)	:	:	:	100.0	105.3	112.4	118.0	132.8	144.7	159.3	170.4
Montenegro (2)	105.0	105.0	96.0	100.0	99.0	100.0	102.0	116.0	114.0	115.0	115.0
Serbia	116.1	120.7	89.8	100.0	100.1	101.9	98.8	105.9	106.7	111.7	115.8
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Domestic output price index										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	95.9	95.3	95.2	100.0	102.1	102.1	103.8	106.9	112.6	119.2	122.5
Croatia	90.0	88.9	91.2	100.0	103.6	103.2	105.2	108.9	112.2	115.5	119.3
The former Yugoslav Republic of Macedonia	88.4	91.9	91.8	100.0	102.0	101.1	100.8	101.7	104.9	112.6	115.4
Turkey	:	:	:	:	:	:	100.0	112.2	120.1	131.8	139.8
Albania	:	:	95.3	100.0	94.6	100.6	106.9	118.4	124.4	124.5	129.7
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	85.9	100.0	114.5	119.6	125.0	132.2	135.0	139.9	:
Serbia (3)	27.5	34.5	49.4	100.0	187.7	204.2	213.6	233.1	266.1	301.5	319.3
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 2001-2007, estimated values. (2) 2000, break in series. (3) 1996-2000, national classification has been used; from 2001 onwards, NACE classification has been used.

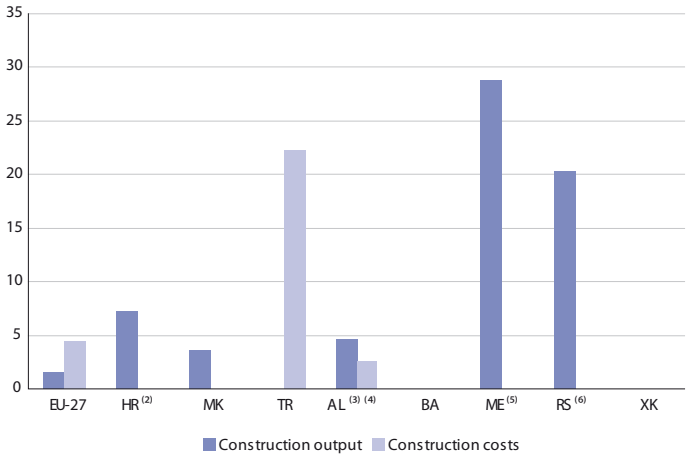
Construction output and costs

Production in the construction sector of the candidate and potential candidate countries grew at a faster pace than the EU-27 average between 2000 and 2007 (as far as data was available). Construction output rose on average per year at a rate of 1.5% in the EU-27 over this period, while in the other territories the corresponding rates ranged between 3.6% in the former Yugoslav Republic of Macedonia and 28.8% in Montenegro (2000 to 2006).

Construction costs rose at a more rapid pace between 2000 and 2007 for Turkey (with an annual average increase of 22.3%) compared with a relatively moderate increase in EU-27 (4.4%). On the other hand, construction costs in Albania increased less than in the EU-27 over the period 2000 to 2006 with a rise, on average, of 2.6% per year.

In the period from 2000 to the most recent year available, all countries for which data are available showed a steady increase of the construction cost index while the picture for the construction output index was different. For the latter, only the EU-27 and Croatia recorded year-to-year growth, although at different rates. All other countries showed fluctuations over the whole period, which were most significant in the former Yugoslav Republic of Macedonia where they happened in two waves.

Figure 9.2: Average annual growth rates of construction output and of construction costs, 2000-2007 (%) (1)



(1) Bosnia and Herzegovina, Kosovo under UNSCR 1244/99, not available. (2) 2000 Eurostat estimate for constrcution output. (3) 'Construction output': 2004 instead of 2007. (4) 'Construction costs': 2006 instead of 2007. (5) 'Construction output': 2006 instead of 2007. (6) 'Construction output': 2006 instead of 2007, estimated value.

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

	Construction output index										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	92.7	94.5	98.0	100.0	100.3	101.3	102.2	102.4	103.3	107.4	111.4
Croatia (1)	118.3	119.2	110.0	100.0	103.6	116.9	143.6	146.5	145.4	159.0	162.9
The former Yugoslav Republic of Macedonia	68.6	67.1	87.8	100.0	77.3	80.2	94.4	113.1	99.7	122.3	128.4
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	179.5	457.1	:
Serbia (2)	117.4	117.4	98.7	100.0	86.9	153.7	183.9	241.4	274.5	304.4	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Construction cost index										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	90.2	92.5	96.1	100.0	103.9	108.6	113.8	120.7	124.8	130.1	135.6
Croatia	:	:	:	:	:	:	:	:	:	:	:
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:
Turkey (3)	25.8	44.9	70.0	100.0	156.5	212.7	258.2	295.8	325.0	377.0	408.5
Albania	73.6	83.8	91.1	100.0	106.3	107.3	110.2	113.5	115.1	116.4	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) 1998-2005, Eurostat estimates. (2) 2006, estimated value. (3) 1995, 1997-1999 and 2006: estimated values.

Retail trade and tourism

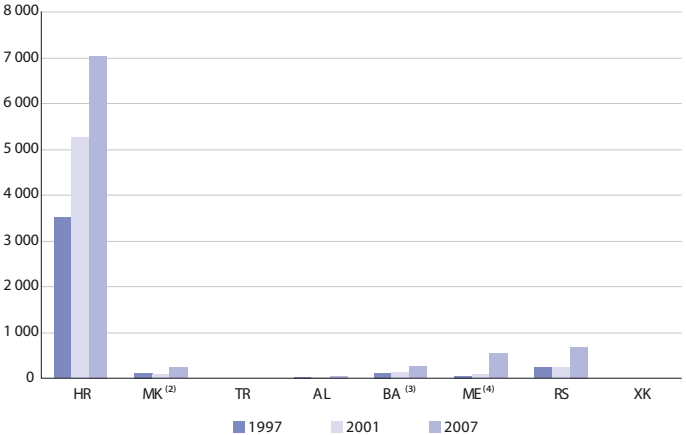
The index of the volume of retail sales provides a deflated measure of turnover. Between 2000 and 2006, this index grew on average by 3.5% per year in the EU-27. This figure was well below the rates recorded in the candidate and potential candidate countries (as far as data was available). Among these countries, the volume of retail sales rose by 6.3% per year in Albania (2000 to 2006), 6.7% per year in Croatia, 16.1% per year in Serbia (2000 to 2007 each) and 20.4% in Montenegro (2000 to 2004).

Tourism is relatively underdeveloped in the majority of the candidate and potential candidate countries, with the notable exception of Croatia, where there were slightly more than 7 million non-resident arrivals in 2007 (data not available for Turkey and Kosovo). Although starting from relatively low levels, there was rapid growth in the number of tourist arrivals in the majority of these countries, with tourism developing at particularly fast rates since 1997: Montenegro registered an average annual growth rate of 33.6% between 1997 and 2005, followed by Serbia and Albania with 11.5% and 9.6% respectively between 1997 and 2007 and Bosnia and Herzegovina with 9.2% between 1997 and 2006. Croatia saw an average annual growth rate of 7.2% of the number of tourist arrivals over the period 1997 to 2007.

Accommodation capacity in hotels expressed as the number of bed places showed significant increases above the EU-27 average annual growth of 1.4% from 2000 to 2007: in Turkey with 7.7%, Bosnia and Herzegovina with 5.8% and Albania with 4.4% over the period available. Croatia and Montenegro recorded average annual decreases of 2.8% and 0.7% respectively of the number of bed places.

Looking at the yearly development it has to be noted that only Turkey, Bosnia and Herzegovina, and Serbia (with the exception of 2003) showed a constant year-to-year growth of the number of bed places.

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



(1) Turkey and Kosovo under UNSCR 1244/99, not available. (2) Arrivals of non-resident tourist in all types of accommodation establishments excluding private tourism accommodation. (3) 2006 instead of 2007. (4) 2005 instead of 2007.

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

	Volume of sales index for retail trade										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	89.6	93.0	96.1	100.0	105.0	108.1	111.0	114.8	117.9	122.8	:
Croatia (1)	:	:	:	100.0	105.6	117.5	129.0	133.4	138.1	147.7	165.1
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:
Turkey	:	:	:	:	:	:	:	:	:	:	:
Albania	:	:	67.6	100.0	95.2	91.2	107.5	127.7	115.7	144.6	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	100.0	127.1	161.9	179.5	210.0	:	:	:
Serbia (2)	93.5	100.0	95.6	100.0	102.9	119.2	140.0	167.6	223.2	244.8	301.6
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Index of the number of bed places in hotels and similar collective accommodation establishments										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (2)	95.0	94.5	98.7	100.0	98.3	100.4	102.4	104.7	105.3	108.5	110.1
Croatia (3)	106.1	100.0	97.1	100.0	94.1	94.2	97.0	99.8	102.0	81.8	81.8
The former Yugoslav Republic of Macedonia	94.7	100.1	102.9	100.0	102.4	103.4	102.2	103.4	102.9	105.2	107.4
Turkey	84.9	96.6	98.2	100.0	113.4	121.8	129.4	139.7	148.6	156.4	:
Albania	44.5	57.4	60.5	100.0	129.7	135.1	135.1	143.6	135.1	135.1	135.1
Bosnia and Herzegovina (4)	72.8	79.1	88.4	100.0	104.5	106.0	106.6	107.0	127.4	139.9	:
Montenegro	108.7	108.4	100.2	100.0	99.6	95.2	87.7	89.5	94.7	95.0	95.2
Serbia	96.0	98.2	99.1	100.0	101.1	102.0	100.0	103.6	104.5	106.4	114.5
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) Gross series; legal and physical persons are included. (2) 2007, estimated value. (3) Permanent and temporary bed-places in all collective establishments are included. (4) 2001-2006, estimated values.

10 Transport

Transport infrastructure

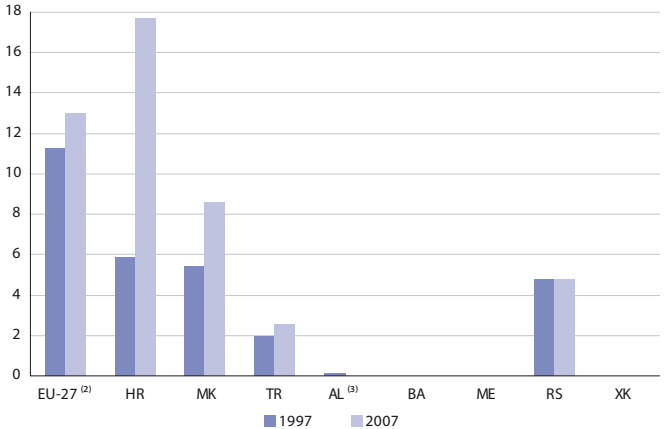
The EU-27 had 4.8 million km of roads (excluding motorways) in 2004 (Table 10.1). Croatia recorded 28 thousand km, the former Yugoslav Republic of Macedonia 14 thousand km, Serbia 39 thousand km and Kosovo 2 thousand km in 2007. Albania and Bosnia and Herzegovina reported 3 thousand km and 7 thousand km respectively in 2006. Since 1997, the EU-27 as well as candidate and potential candidate countries, except Turkey and Serbia, showed growth of road length. For the EU-27, growth averaged around 0.7% per year while in Croatia there was very little movement (0.2%). All other countries recorded average annual growth around or above the EU-27 average. The former Yugoslav Republic of Macedonia saw its figures grow by nearly 3% and Albania (2003 to 2006) by almost 1.5%. Kosovo recorded an annual average rise of about 9% (2004 to 2007) but from a very low base. With two major breaks in the series since 1997, it is difficult to comment on the figures for Turkey. For 2006, Turkey reported road lengths of some 348 thousand, well down on the 426 thousand recorded in 2003.

In 2006, the EU-27 had 200 thousand km of railway lines in operation. In the other countries, Turkey had nearly 9 thousand km, Serbia 4 thousand and Croatia 3. As the figures show, the length of line operating changes relatively slowly. In the period 2000 to 2006, the length of railway line operating in the EU-27 declined by about one percent per year. Over the longer period from 1997 to 2007, Turkey was the only country recording a very small growth while all other countries showed a stable situation.

Motorway density in the EU-25, excluding Greece, measured in km per thousand km^2 of land area, was 13.0 in 2004 compared with 11.3 in 1997. In Croatia, there was a very rapid growth from 5.8 in 1997 to 17.7 in 2007 resulting in a higher density than the EU-25 network.

There was also growth in motorway density in the former Yugoslav Republic of Macedonia and Turkey, with rises from 5.4 to 8.6 and 1.9 to 2.6 respectively. The motorway density in Serbia remained unchanged at 4.8.

Figure 10.1: Density of the motorway network (kms per thousand km^2 of land area) (1)



(1) Bosnia and Herzegovina, Montenegro and Kosovo under UNSCR 1244/99, not available. (2) EU-25 data, excluding Greece; estimated values; 2004 instead of 2007. (3) 2003 instead of 1997.

Table 10.1: Transport infrastructure (thousand kilometres)

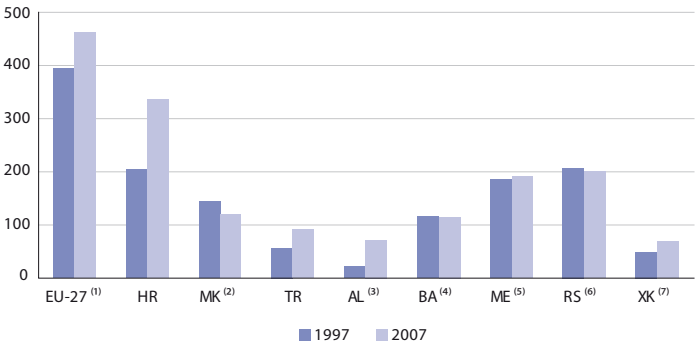
	Length of all roads (excluding motorways)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	4 619.3	4 656.3	4 656.9	4 668.1	4 701.5	4 829.4	4 842.3	4 843.5	:	:	:
Croatia	27.5	27.5	27.6	27.7	27.8	27.9	27.8	27.6	27.6	27.9	28.0
The former Yugoslav Republic of Macedonia	10.5	11.5	12.2	12.5	12.9	13.0	13.0	13.1	13.3	13.7	13.8
Turkey (2)	380.0	379.0	383.0	416.0	425.0	426.0	427.0	348.0	348.0	348.0	:
Albania	:	:	:	:	:	:	2.5	2.6	2.7	2.7	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	7.0	7.0	7.1	7.2	7.3	7.3	7.3	7.3	7.4	7.4	:
Serbia	43.4	43.5	37.7	37.6	37.7	38.0	37.0	38.6	38.6	38.4	38.8
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	1.3	1.7	1.7	1.7
	Length of railway network (lines in operation)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	:	:	:	210.6	208.5	208.7	207.6	205.8	200.6	200.8	:
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	:
Turkey	8.6	8.6	8.7	8.7	8.7	8.6	8.7	8.7	8.7	8.7	8.7
Albania	:	:	:	0.4	0.4	0.4	0.4	0.4	0.4	0.4	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	1.0	1.0	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	:
Serbia	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	0.4	:	:	:

(1) EU-25 data; estimated values. (2) 2004, break in series.

Inland transport and number of cars

Between 1997 and 2004, the number of passenger cars in the EU-25 grew by over 2% per year to reach 214 million. The number of passenger cars in the candidate countries and the potential candidate countries varied from 6.5 million for Turkey to 119 thousand in Montenegro for the latest year for which data is available. Other countries with large fleets were Croatia and Serbia with 1.5 million each (Table 10.2). Positive annual growth rates in the candidate countries and potential candidate countries reached nearly 20% for Kosovo for the three years 2005 to 2007, 13% for Albania up to 2006, 6% for Turkey and 5% for Croatia, with all these countries showing a continuing year to year increase. In contrast, Serbia, the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina all showed considerable fluctuations in the number of passenger cars and all recorded declines over the periods for which data is available. An alternative way of looking at the degree of motorisation within countries is shown in Figure 10.2. This displays car ownership per thousand inhabitants and provides a more direct comparison between countries. On this measure, the number of cars per thousand inhabitants in the EU-25 rose from 394 in 1995 to 463 in 2004, an increase of 18%. Albania accounted with 209% for the largest growth, but still showing one of the lowest number of passenger cars per 1 000 inhabitants amongst all countries. Croatia recorded a rise from 204 in 1997 to 336 in 2007, a 65% increase and approaching the levels in the EU-25. Serbia (in 2007) and Montenegro (in 2005) recorded figures around 200 but little changed over the periods available. Other countries to record substantial increases were Turkey, a rise of 63% to reach 92, and Kosovo, a rise of 39 % over three years to reach 69. There were falls in the former Yugoslav Republic of Macedonia (18%, but break in series in 2004), Serbia (4%) and Bosnia and Herzegovina (2%). Table 10.2 also shows road freight transport's share of total inland transport. For the EU-25, it is estimated that the share has been rising slowly since 2000, reaching 77% in 2006. Croatia has levels very similar to the EU-25 but has shown more variability from year to year.

Figure 10.2: Average number of passenger cars per 1 000 inhabitants (units)



(1) EU-25 data; 1995 instead of 1997; 2004 instead of 2007. (2) 2006 instead of 2007, break in series 2004. (3) 2006 instead of 2007. (4) 2002 instead of 1997; data refers to the Federation of Bosnia and Herzegovina only (official data for the state level are not available). (5) 1999 instead of 1997; 2005 instead of 2007. (6) Ministry of Interior Affaires excluded the vehicles that were not registered before the given deadline (1 month). (7) 2005 instead of 1997.

Table 10.2: Inland transport

	Number of passenger cars (thousands)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	183 211	189 299	195 042	200 870	205 884	209 895	212 232	214 183	:	:	:
Croatia	932	1 000	1 064	1 125	1 196	1 244	1 293	1 338	1 385	1 436	1 491
The former Yugoslav Republic of Macedonia (2)	289	289	290	299	309	308	300	249	253	242	:
Turkey	3 570	3 838	4 072	4 422	4 535	4 600	4 700	5 400	5 773	6 141	6 472
Albania	77	91	92	115	134	149	175	190	195	225	:
Bosnia and Herzegovina (3)	:	:	:	:	:	444	429	446	450	:	440
Montenegro	:	:	113	113	99	103	106	109	119	:	:
Serbia	1 584	1 749	1 573	1 274	1 382	1 344	1 388	1 455	1 481	1 512	1 477
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	102	147	146
	Road freight transport as a share of total inland freight transport (%)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (4)	:	:	:	73.9	74.9	75.6	75.8	76.1	76.5	76.7	:
Croatia	:	:	:	:	75.9	76.4	76.2	76.6	76.0	74.8	74.0
The former Yugoslav Republic of Macedonia	76.0	69.0	69.0	60.0	83.0	89.0	92.0	90.0	88.0	92.0	85.0
Turkey	93.6	94.8	94.8	94.3	95.3	95.5	94.6	94.4	94.4	94.3	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	42.2	38.8	49.8	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) EU-25 data; estimated values except for 1999-2001. (2) 2004, break in series. (3) Data refers to the Federation of Bosnia and Herzegovina only (official data for the state level are not available). (4) Eurostat estimates.

Both the former Yugoslav Republic of Macedonia and Turkey have much higher levels for road freight transport's share of the total inland market, just under 95% in the case of Turkey and, since 2001, well over 80% for the former Yugoslav Republic of Macedonia. Serbia was the only other country (for which figures are available) with much lower levels, less than 50%, recorded between 1997 and 1999.

Freight transport

Table 10.3 shows the allocation of freight transport between modes, using various measures and time periods. Figures in tonne-km are available for rail, road, inland waterways and pipeline transport. For the EU-25, road is clearly the dominant mode, over five times larger than rail with inland waterways and pipelines further behind. For the other countries, the picture depends on the geography of the country, particularly whether it straddles a major trade route. This is illustrated by Turkey, where there was no reported inland waterway transport but its pipeline transport was larger than that of rail as it provides transit for a number of pipelines from further east to the European market. Road remains the dominant mode but not so markedly as for the EU-25. Rail transport dominates freight transport in Serbia, with significant contributions from inland waterways and pipeline. Road transport is a minor part of Serbian freight transport. Rail is also the most important mode in Montenegro. Croatia has hardly any inland waterways transport but a significant level of pipeline transport. Road dominates the scene as in the EU-25 but with rail a more significant factor at more than a third of the road total. In the former Yugoslav Republic of Macedonia, road is clearly the dominant mode with only minor levels of rail transport. In Bosnia and Herzegovina, rail and road are fairly evenly balanced. Albania and Kosovo report some rail transport with some pipeline transport in Albania. For maritime and aviation, Table 10.3 shows that the EU-25 handled almost 4 billion tonnes of sea traffic and 12 million tonnes of air traffic. Turkey reported 128 million tonnes of maritime traffic and Croatia 26 million tonnes.

Table 10.3: Breakdown of freight transport, 2007

	Rail (million tonne-km)	Road (million tonne-km)	Inland waterways (million tonne-km)	Pipeline (million tonne-km)	Sea inward and outward (million tonne)	Air-loaded and unloaded (million tonne)
EU-27 (1)	382 624	1 865 861	137 712	27 012	3 683	12
Croatia (2)	3 305	10 175	116	1 533	26	:
The former Yugoslav Republic of Macedonia	614	6 732	:	:	:	:
Turkey (3)	9 921	181 330	:	12 907	128	:
Albania	36	:	:	6	:	:
Bosnia and Herzegovina	1 096	1 206	:	:	:	:
Montenegro	182	73	:	:	:	:
Serbia (4)	4 232	797	1 640	1 112	:	:
Kosovo under UNSCR 1244/99	363	:	:	:	:	:

(1) Rail and road: 2006 estimated values EU-25; inland waterways: 2006 data; sea: 2005 data; air: EU-25 data. (2) Rail: excluding empty private wagons; road: data cover the operation of legal entities and natural persons engaged in the transport of goods. (3) The increase for pipelines is due a growth on the Iraq-Turkey pipeline. 2001 instead of 2007 for sea. (4) Road: only hire and reward transport.

Table 10.4: Inland transport

	Rail freight (million tonne-km)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	:	:	:	:	:	:	383 855	383 855	383 415	382 624	:
Croatia (2)	1 715	1 831	1 685	1 788	2 074	2 206	2 487	2 493	2 835	3 305	3 574
The former Yugoslav Republic of Macedonia	279	408	380	527	462	334	373	426	530	614	779
Turkey	9 717	8 466	8 446	9 895	7 562	7 224	8 669	9 417	9 152	9 676	9 921
Albania	23	25	27	28	19	21	31	32	26	36	:
Bosnia and Herzegovina	46	84	146	222	281	309	317	625	923	1 096	1 088
Montenegro	198	208	55	52	51	66	55	93	129	182	:
Serbia	2 398	2 537	1 190	1 917	1 989	2 262	2 591	3 164	3 482	4 232	4 551
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	298	363	395
	Road freight (million tonne-km)										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27 (1)	:	:	1 574 284	1 614 529	1 639 055	1 672 638	1 671 962	1 759 333	1 787 495	1 865 861	:
Croatia (3)	1 091	1 151	1 093	1 090	6 783	7 413	8 241	8 819	9 328	10 175	10 502
The former Yugoslav Republic of Macedonia (3)	896	894	839	776	2 311	2 693	4 130	4 004	3 930	6 732	4 563
Turkey	124 340	160 980	150 974	161 552	151 421	150 912	152 163	156 853	166 831	177 399	181 330
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	323	393	364	334	269	313	326	667	608	1 206	1 648
Montenegro	95	70	79	66	78	71	71	65	61	73	:
Serbia (4)	2 822	2 621	2 974	582	475	459	452	277	680	797	1 161
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

(1) Estimated values. (2) Excluding empty private wagons. (3) 2001, break in series. (4) 2000 break in series, only enterprises (big and medium size) with transport as prevailing activity surveyed.

More detail on the development of rail and road freight over time is shown in Table 10.4. For the EU-27, rail freight levels have been static in the 4 years from 2003 to 2006 at around 380 billion tonne-km. In the other countries, Turkey nearly recorded 10 billion tonne-km, Serbia 4.6 billion, Croatia 3.6 billion, and Bosnia and Herzegovina 1.1 billion. In Bosnia and Herzegovina, there was an average annual growth rate in rail traffic of 37%, in Kosovo 15% (2005 to 2007) and the former Yugoslav Republic of Macedonia 11% although all these came from a very small base level. Turkish rail transport has been stagnant while the average growth rate in Croatia was 8% and Serbia 7%.

For road freight, the EU-27 figure is estimated at getting on for 2 thousand billion tonne-km. For the other countries, Turkey recorded 180 billion tonne-km, Croatia 10 billion, the former Yugoslav Republic of Macedonia 4.5 billion, Bosnia and Herzegovina at about 1.5 billion and Serbia at 1.2 billion tonne-km. Apart from a pause in 2003, road freight transport in the EU-27 has shown a consistent increase, growing at an average annual rate of 2.5%. In the other countries, there have been some major breaks in the series for Croatia and Serbia while the data for the former Yugoslav Republic of Macedonia is also rather variable. Taking account of these changes, there has been an average annual growth in road freight in recent years in Croatia of 25%, the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina each of 18%. Turkey, which started with a much larger road freight sector has seen growth of 4%. Serbia and Montenegro are the only countries to record a decline (around 9% and 3% respectively).

11 Communication & information society

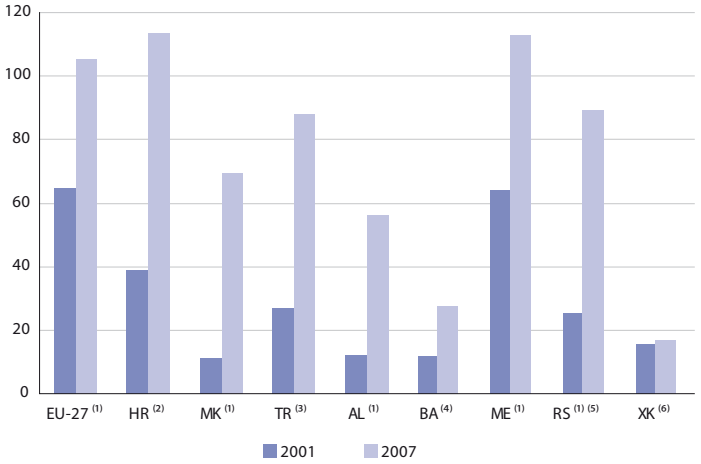
Fixed and cellular telephony

In the EU-27 there were nearly 234 million land telephone lines in 2006. In the same year all candidate and potential candidate countries for which data are available accounted for about 26 million lines (2003 data for Bosnia and Herzegovina) around 11% of the EU-27 total. A comparison of the last two available years in each country shows that all countries except Turkey and Montenegro increased the number of fixed lines. Apart from the former Yugoslav Republic of Macedonia the increase in all countries was far above the EU-27 increase of 0.2% ranging from 1.2% in Kosovo to 7.3% in Serbia.

There were 520 million mobile subscribers in the EU-27 in 2006, while the cumulative sum for the candidate and potential candidate countries in the same year (2003 data for Bosnia and Herzegovina, 2004 data for Kosovo) was nearly 69 million subscribers, or around 13% of the EU-27 total. In the last two comparable years most candidate and potential candidate countries increased the total number of mobile subscribers at higher rates than the EU-27 (10.2%). Growth varied from 8.6% in Kosovo to 40.2% in Bosnia and Herzegovina.

The markets for mobile telephony in the EU-27 and some of the candidate and potential candidate countries, especially in Croatia and Montenegro, have reached saturation point, showing penetration rates in excess of 100%, as a result, for example, of subscribers having multiple subscriptions. Rapid growth was still being reported in all countries except Kosovo for the available periods. The highest take-up of mobile subscriptions was recorded in Croatia, where there was an average of 1.14 (prepaid and post-paid) closely followed by Montenegro with 1.13, both being above the EU-27 value of 1.05 subscriptions per inhabitant. Compared with the most recent year for which data are available, the biggest increases were recorded for the former Yugoslav Republic of Macedonia where the number of subscriptions was almost seven times the number in 2001 and Albania where it was nearly five times larger than in 2001 (EU-27 values increased by 1.5 times).

Figure 11.1: Average number of subscriptions to cellular mobile telephony per 100 inhabitants (units)



(1) 2006 instead of 2007. (2) Data present the number of prepaid and post-paid users. (3) Source: the Telecommunications Authority. (4) 2003 instead of 2007. (5) 2006, estimated value. (6) 2004 instead of 2007.

Table 11.1: Fixed and cellular telephony (thousands)

	Number of main telephone lines										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	218 590	225 241	228 809	233 048	234 530	233 445	230 608	233 307	233 168	233 556	:
Croatia	1 488	1 558	1 641	1 721	1 780	1 706	1 709	1 695	1 677	1 654	1 685
The former Yugoslav Republic of Macedonia (1)	408	457	784	806	792	793	723	733	670	672	:
Turkey (2)	15 744	16 960	18 054	18 395	18 904	18 915	18 917	19 125	18 978	18 832	18 201
Albania	108	116	140	153	198	220	255	231	243	260	:
Bosnia and Herzegovina	303	333	:	:	847	903	938	:	:	:	:
Montenegro	147	159	170	177	183	187	188	178	178	176	:
Serbia	2 043	2 153	2 251	2 190	2 234	2 299	2 409	2 457	2 673	2 869	:
Kosovo under UNSCR 1244/99	:	:	:	81	95	104	101	91	93	172	174
	Number of subscriptions to cellular mobile telephone services										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	55 544	95 535	159 793	257 781	313 867	345 567	379 918	424 310	472 087	520 094	:
Croatia (3)	120	177	361	1 112	1 731	2 313	2 537	2 835	3 650	4 395	5 035
The former Yugoslav Republic of Macedonia	12	30	48	100	221	366	608	998	1 216	1 417	:
Turkey (2)	1 610	3 507	7 684	15 063	18 299	23 323	27 888	34 708	43 609	52 663	61 976
Albania	:	:	:	:	370	800	1 150	1 259	1 530	1 769	:
Bosnia and Herzegovina	9	25	:	:	445	749	1 050	:	:	:	:
Montenegro	:	:	:	:	393	479	418	484	543	703	:
Serbia (4)	:	:	:	1 168	1 885	2 420	2 991	4 324	5 222	6 644	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	315	342	:	:	:

(1) 1997 and 1998: number of telephone subscribers. (2) Source: the Telecommunications Authority. (3) Break in series, from 1999 onwards data present the number of prepaid and post-paid users. (4) 2006, estimated value.

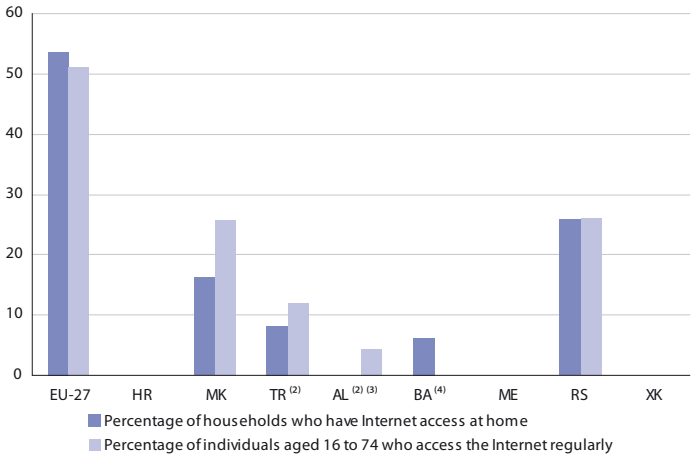
Peronal computers and the internet

The average possession of personal computers was 60% in the EU-27 but only around half that in the former Yugoslav Republic of Macedonia and Serbia and only less than a quarter of Turkish households had a PC. But the percentages are steadily increasing in all regions for which data is available. However, not all of these households have access to the Internet at home, which would include information on all forms of Internet use including e-mail, web browsing, home banking and e-commerce. The proportion of households with Internet access at home in the candidate and potential candidate countries (where data was available) was less than half that of the EU-27 (54%), and consequently so was the proportion for regular Internet use, which is defined as the use of the Internet, on average, at least once a week. Compared with the EU-27 (51%), the percentage of individuals aged 16 to 74 years who accessed the Internet is about half in the former Yugoslav Republic of Macedonia and Serbia and less than a quarter in Turkey and Albania.

Enterprises and the information society

There is a limited set of information available for information technology usage within enterprises (no data was reported for the candidate and potential candidate countries except for Croatia, Turkey and Serbia). While 92.0% of the enterprises in the EU-27 had access to the Internet, this proportion was higher in Croatia (93.0%) and just a little smaller in Serbia (90.2%) and somewhat less in Turkey (80.4%). On the other hand, 63.0% of the enterprises in the EU-27 used the Internet to interact with public authorities. The corresponding shares for Croatia, Turkey and Serbia were 51.0%, 63.2% and 48.6% respectively.

Figure 11.2: Use of the Internet, 2007 (%) (1)



(1) Croatia, Montenegro and Kosovo under UNSCR 1244/99, not available. (2) 2005 data. (3) Data refers to the percentage of people who have used the Internet in total population. (4) 2004 data; source: Household Budget Survey.

Table 11.2: Number of personal computers, 2007 (thousands)

	Proportion of enterprises having access to the Internet	Proportion of enterprises using the Internet to interact with public authorities	Proportion of enterprises' turnover from Internet e-commerce
EU-27	92.0	63.0	13.0
Croatia	93.0	51.0	:
The former Yugoslav Republic of Macedonia	:	:	:
Turkey (1)	80.4	63.2	:
Albania	:	:	:
Bosnia and Herzegovina	:	:	:
Montenegro	:	:	:
Serbia	90.2	48.6	:
Kosovo under UNSCR 1244/99	:	:	:

(1) 2005 data; only NACE 92.1 and NACE 92.2 sectors were covered instead of the entire NACE section O.

Figure 11.3: Percentage of households having access, via one of its members, to a personal computer (%) (1)

(1) Croatia, Albania, Montenegro and Kosovo under UNSCR 1244/99, not available. (2) 2006 instead of 2007. (3)
Source: Household Budget Survey.

12 External trade in goods

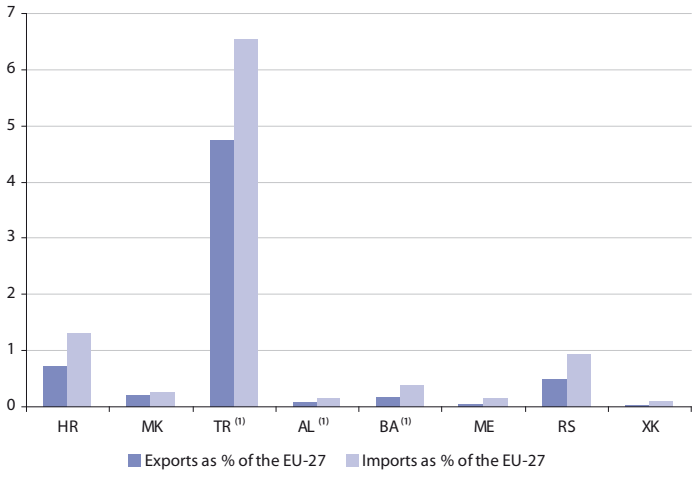
Total external trade in goods

External trade figures that are presented in this section cover trade in goods only (excluding trade in services). Note that all of the EU-27 data in this section refers to extra-EU trade, in other words, trade of the EU-27 with the rest of the world. The data, therefore, does not cover the considerable amount of intra-community trade, i.e. they exclude all trade between the 27 Member States.

Although EU-27 exports increased at a little higher average annual growth rate than imports (5.5% and 5.3% respectively) from 2000 to 2007, the EU-27 ran a trade deficit for goods that was estimated at slightly more than EUR 186 billion in 2007 and more than four times as high as in 2002. This deficit was slightly lower than the figure recorded in 2006 (EUR 192 billion) but a 47% rise in comparison to 2005. Expressed in a different way, exports from the EU-27 covered 87% of total imports in 2007 compared to 86% in 2006 and 89% in 2005. This indicator is often referred to as a cover ratio.

The candidate and potential candidate countries (for which data is available) also recorded trade deficit for goods in 2007. The deficits for the last available one-year period rose in general at higher rates in potential candidate than in candidate countries, with the exception of Albania where it decreased and Kosovo. Increases for candidate countries ranged between 11% in Croatia and 27% in the former Republic of Macedonia while the span was larger in potential candidate countries lying between 18% in Kosovo and 89% in Montenegro. Cover ratios ranged from 10% in Kosovo to 64% in the former Yugoslav Republic of Macedonia, with candidate countries showing a better balance between exports and imports of goods with the EU-27 than the potential candidate countries.

Figure 12.1: External trade of goods, 2007 (million EUR)



(1) 2005 data.

Table 12.1: External trade of goods (million EUR)

	Total exports							
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27 (1)	849 739	884 707	891 898	869 236	952 954	1 052 719	1 159 276	1 239 886
Croatia	:	:	5 188	5 439	6 454	7 069	8 252	8 855
The former Yugoslav Republic of Macedonia	:	:	1 178	1 203	1 346	1 644	1 918	2 446
Turkey	30 182	35 062	38 137	41 679	50 891	58 849	:	:
Albania	283	340	331	395	479	906	:	:
Bosnia and Herzegovina	:	:	:	908	1 299	1 920	:	:
Montenegro	:	:	:	:	:	461	627	599
Serbia (2)	1 680	1 896	2 192	2 442	2 748	3 572	4 992	6 205
Kosovo under UNSCR 1244/99	:	:	:	:	57	56	111	165
	Total imports							
	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27 (1)	992 698	979 145	936 972	935 245	1 027 522	1 179 569	1 351 744	1 426 326
Croatia	:	:	11 327	12 510	13 354	14 950	17 105	18 686
The former Yugoslav Republic of Macedonia	:	:	2 105	2 031	2 354	2 601	2 980	3 795
Turkey	59 444	46 256	54 478	60 163	78 528	93 410	:	:
Albania	1 179	1 486	1 590	1 648	1 823	2 118	:	:
Bosnia and Herzegovina	:	:	:	2 928	3 966	5 670	:	:
Montenegro	:	:	:	:	:	974	1 483	2 134
Serbia (2)	3 606	4 758	5 919	6 589	8 539	8 439	10 463	13 501
Kosovo under UNSCR 1244/99	:	:	:	:	1 063	1 157	1 306	1 576

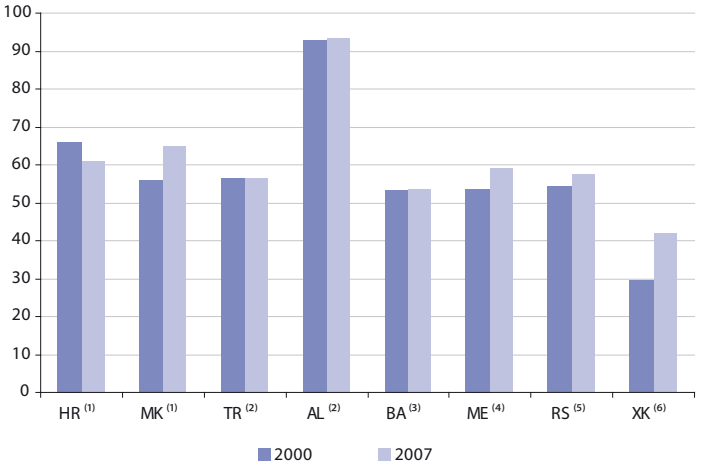
(1) Trade with partners outside of the EU-27 (extra-EU trade). (2) Break in series: from January 2004 data are based on Uniform Customs Document harmonised with EU regulations.

External trade with the EU

Over the period 2000 to 2007, the EU-27 was the main trading partner, accounting for the majority of both imports and exports of goods in most candidate and potential candidate countries. As far as exports are concerned, the only exception to this in the period 2004 to 2007 (the only years for which these data are available) was Kosovo, where just over 40% of total exports in 2007 were accounted for by EU-27. Both Montenegro and Kosovo recorded that EU-27 accounted for less than half of their imports of goods in 2007, while Macedonia recorded a figure of almost exactly 50%, a substantial fall from the 2002 figure of 62%.

Across the years for which data are available, Albania recorded by far the highest percentage of exports going to EU-27 (between 91% and 94% over the years 2000 to 2005), other countries recording figures mostly between 50% and 65%, with the exception of Kosovo (42% in 2007). With some fluctuation, most countries recorded a fairly stable picture for the importance of the EU-27 in their international trade in goods in recent years. However, the proportion of exports destined for the EU-27 from Kosovo rose from 30% in 2004 to 42% in 2007, and exports to EU-27 from the former Yugoslav Republic of Macedonia rose from 60% to 65% over the same period. The percentage of exports from Montenegro going to EU-27 also rose strongly from 54% in 2005 to 59% in 2007. On the other hand, the proportion of Croatian exports going to EU-27 fell from 66% in 2004 to 61% in 2007.

Figure 12.2: Exports of goods destined for the EU-27 (% of total exports)



(1) 2002 instead of 2000. (2) 2005 instead of 2007. (3) 2003 instead of 2000; 2005 instead of 2007. (4) 2005 instead of 2000. (5) Break in series: from January 2004 data are based on Uniform Customs Document harmonised with EU regulations. (6) 2004 instead of 2000.

Table 12.2: External trade of goods with the EU-27

	Exports to the EU-27 (% of total exports)							
	2000	2001	2002	2003	2004	2005	2006	2007
Croatia	:	:	66.1	68.3	65.8	63.3	64.3	60.9
The former Yugoslav Republic of Macedonia	:	:	55.9	58.9	60.3	56.9	61.3	65.2
Turkey	56.4	56.0	56.6	58.0	57.9	56.4	:	:
Albania	93.2	91.3	92.6	93.8	90.9	93.2	:	:
Bosnia and Herzegovina	:	:	:	53.4	54.2	53.8	:	:
Montenegro	:	:	:	:	:	53.5	62.2	59.0
Serbia (1)	54.3	58.2	59.5	53.9	56.6	58.7	57.5	57.5
Kosovo under UNSCR 1244/99	:	:	:	:	29.4	38.4	38.0	42.0
	Imports from the EU-27 (% of total exports)							
	2000	2001	2002	2003	2004	2005	2006	2007
Croatia	:	:	71.9	73.3	71.0	67.9	67.2	64.8
The former Yugoslav Republic of Macedonia	:	:	61.7	60.3	60.8	54.7	53.0	49.6
Turkey	52.4	47.9	49.8	50.6	49.3	45.2	:	:
Albania	80.7	80.3	77.0	74.3	70.5	67.2	:	:
Bosnia and Herzegovina	:	:	:	58.5	53.0	51.9	:	:
Montenegro	:	:	:	:	:	45.3	45.4	43.6
Serbia (1)	61.6	57.6	59.6	58.4	58.2	54.7	54.4	55.0
Kosovo under UNSCR 1244/99	:	:	:	:	39.5	37.3	34.4	36.3

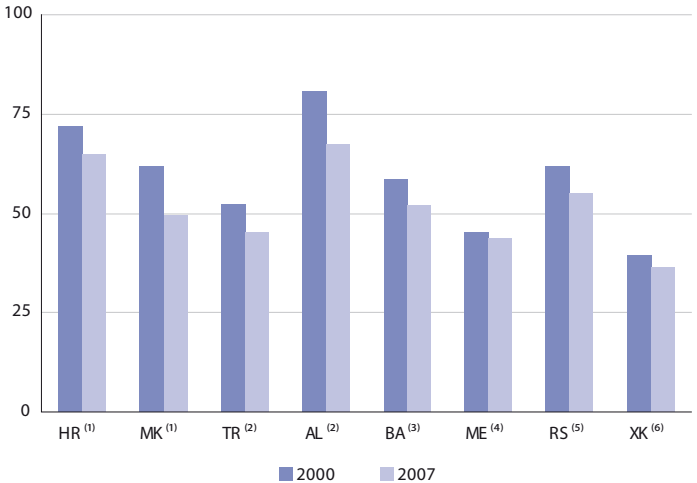
(1) Break in series: from January 2004 data are based on Uniform Customs Document harmonised with EU regulations.

In general, imports of goods originating from the EU-27 decreased in all the territories within recent years (period subject to data availability). The most notable changes in the percentage of imports of goods originating from EU-27 were in Albania, which recorded a fall from 81% in 2000 to 67% in 2005, and in the former Yugoslav Republic of Macedonia, where the percentage decreased from 62% in 2002 to 50% in 2007. A comparison of the last two years for each country shows a reduction of imports from the EU-27 in all countries except Serbia and Kosovo.

Trade balance

Over recent years, trade deficit remained relatively stable over the period observed in the former Yugoslav Republic of Macedonia, Albania and Kosovo, while Montenegro, recorded the largest increase of the deficit in 2007 with more than three times that registered in 2005. Each of the new candidate and potential candidate countries ran a trade deficit with the EU-27 over recent years. Notable increases in the deficit were recorded in Turkey, where it rose from EUR 5.5 billion in 2002 to EUR 9 billion in 2005, and in Croatia, where the deficit grew from EUR 4.7 billion in 2002 to EUR 6.7 billion in 2007, more than two-thirds of its total trade deficit. On the other hand, reductions in the trade in goods deficit with EU 27 were seen in the former Yugoslav Republic of Macedonia (more than 50%, down from EUR 640 million in 2002 to EUR 286 million in 2007) and in Albania (a fall of almost 40% from EUR 917 million in 2002 to EUR 578 million in 2005). The share of the EU-27 in the total trade deficit was more than 50% in Croatia, Bosnia and Herzegovina and Serbia, while it only accounted for about a quarter in the former Yugoslav Republic of Macedonia and Turkey.

Figure 12.3: Imports of goods originating from the EU-27 (% of total imports)



(1) 2002 instead of 2000. (2) 2005 instead of 2007. (3) 2003 instead of 2000; 2005 instead of 2007. (4) 2005 instead of 2000. (5) Break in series: from January 2004 data are based on Uniform Customs Document harmonised with EU regulations. (6) 2004 instead of 2000.

Table 12.3: Trade balance of goods

	Trade balance (million EUR)							
	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	-142 959	-94 438	-45 073	-66 010	-74 568	-126 849	-192 468	-186 440
Croatia	:	:	-6 139	-7 071	-6 901	-7 880	-8 853	-9 832
The former Yugoslav Republic of Macedonia	:	:	-927	-828	-1 008	-957	-1 062	-1 349
Turkey	-29 263	-11 194	-16 341	-18 484	-27 637	-34 560	:	:
Albania	-896	-1 145	-1 259	-1 252	-1 344	-1 212	:	:
Bosnia and Herzegovina	:	:	:	-2 019	-2 667	-3 750	:	:
Montenegro	:	:	:	:	:	-514	-855	-1 535
Serbia (1)	-1 926	-2 862	-3 727	-4 147	-5 791	-4 867	-5 471	-7 296
Kosovo under UNSCR 1244/99	:	:	:	:	-1 007	-1 101	-1 195	-1 411
	Trade balance with the EU-27							
	2000	2001	2002	2003	2004	2005	2006	2007
Croatia	:	:	-4 718	-5 452	-5 231	-5 678	-6 182	-6 720
The former Yugoslav Republic of Macedonia	:	:	-640	-516	-621	-488	-403	-286
Turkey	-14 116	-2 523	-5 538	-6 245	-9 276	-8 994	:	:
Albania	-688	-882	-917	-854	-850	-578	:	:
Bosnia and Herzegovina	:	:	:	-1 226	-1 399	-1 908	:	:
Montenegro	:	:	:	:	:	-195	-284	-577
Serbia (1)	-1 312	-1 636	-2 225	-2 532	-3 413	-2 500	-2 764	-3 859
Kosovo under UNSCR 1244/99	:	:	:	:	:	-410	-408	-504

(1) Break in series: from January 2004 data are based on Uniform Customs Document harmonised with EU regulations.

Breakdown of exports

External trade statistics can be broken down by product using 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.

In 2007, four of the candidate and potential candidate countries – the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Montenegro and Serbia – recorded that the SITC category 6 'manufactured goods classified chiefly by material' (such as iron and steel, textiles, wood or paper) was the most important for their exports of goods with percentages lying far above the EU-27 value of 14%. Montenegro recorded the highest percentage in SITC 6 (just over 60%) compared to values of between 28% and 36% for the other three countries. Croatia and Turkey showed SITC 7 as their largest category – they both recorded values of 29%, substantially lower than the EU-27 figure of 44%. Albania was the only country to record SITC category 8 (miscellaneous manufactured articles) as the largest category (accounting for just over 60% of its exports of goods) while Kosovo reported that its most important category (with 32% of exports) was SITC 2 (crude materials, inedible, except fuels). The picture was somewhat different in 1999, when not only Albania, but also the former Yugoslav Republic of Macedonia and Turkey reported SITC 8 to be their most important category for exports of goods.

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-27	4.3	1.8	1.8	2.3	0.3	14.3	14.3	46.0	12.2	2.9
Croatia (1)	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 (1)	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 (2)	3.3	2.2	7.7	2.2	0.1	0.3	8.3	5.7	70.2	0.1
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:
Serbia (3)	21.2	1.3	5.3	2.6	0.6	10.5	27.1	13.2	15.4	2.8
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:
	2007									
	SITC 0	SITC 1	SITC 2	SITC 3	SITC 4	SITC 5	SITC 6	SITC 7	SITC 8	SITC 9
EU-27 (4)	3.4	1.6	2.2	5.0	0.2	15.9	14.2	43.5	11.2	2.8
Croatia (4)	9.2	1.9	5.9	15.1	0.2	9.2	14.9	28.8	14.9	0.0
The former Yugoslav Republic of Macedonia (4)	8.0	8.0	4.7	9.4	0.1	4.2	35.4	4.9	25.3	0.1
Turkey (4)	8.8	1.0	1.8	3.6	0.5	3.8	27.8	29.3	21.9	1.4
Albania (4)	3.9	1.8	10.8	2.6	0.0	0.5	15.5	4.1	60.7	0.0
Bosnia and Herzegovina (4)	4.6	0.5	21.2	8.9	0.6	3.4	28.3	16.7	15.7	0.1
Montenegro	4.8	8.9	7.4	8.1	0.0	2.6	60.8	3.1	2.3	2.1
Serbia (3)	15.8	2.1	4.8	2.6	1.1	10.5	35.9	12.7	14.0	0.5
Kosovo under UNSCR 1244/99	8.6	2.4	32.4	7.6	0.0	0.8	30.7	13.7	3.7	0.0

(1) 2002 data. (2) Uncertain data. (3) Break in series: from January 2004 data are based on Uniform Customs Document harmonised with EU regulations. (4) 2006 instead of 2007.

Breakdown of imports

As far as imports in 2007 are concerned, the candidate and potential candidate countries all recorded their highest proportion in SITC 7, 'machinery & transport equipment' (which includes products such as machines, computer and office equipment, motor vehicles and other transport equipment), or SITC 6, 'manufactured goods classified chiefly by material'. In 2007, SITC 7 'machinery & transport equipment' represented around one third of total imports in Turkey and Croatia and between 24% and 29% in Serbia, Bosnia and Herzegovina and Montenegro. These figures are all similar to the EU-27 value of 30%. In Kosovo and Albania these goods accounted for lower shares, 19% and 24% respectively, whereas SITC 6, 'manufactured goods classified chiefly by material', accounted for the largest share of these countries' total imports (20% and 26% respectively).

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-27	6.1	0.7	4.8	11.3	0.4	7.9	11.5	38.8	15.4	3.1
Croatia (1)	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 (1)	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 (2)	22.6	2.9	4.2	3.8	1.7	7.2	22.6	17.7	17.2	0.0
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:
Serbia (3)	7.8	1.1	7.3	16.0	0.2	16.6	17.9	21.9	6.6	4.5
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:
	2007									
	SITC 0	SITC 1	SITC 2	SITC 3	SITC 4	SITC 5	SITC 6	SITC 7	SITC 8	SITC 9
EU-27 (4)	4.6	0.5	4.3	25.1	0.4	8.1	11.9	29.8	13.4	2.1
Croatia (4)	7.2	0.6	1.8	15.9	0.3	10.8	19.5	32.2	11.6	0.0
The former Yugoslav Republic of Macedonia (4)	9.8	0.9	3.6	20.2	0.8	9.8	29.7	18.3	7.0	0.0
Turkey (4)	1.4	0.3	6.5	13.5	0.6	13.8	17.1	32.5	5.8	8.5
Albania (4)	13.0	3.1	1.9	8.6	1.3	8.5	25.8	23.6	14.2	0.0
Bosnia and Herzegovina (4)	13.4	3.0	3.3	13.0	0.7	10.8	19.9	25.5	10.3	0.2
Montenegro	12.5	3.5	2.1	11.5	0.6	7.8	16.1	23.3	11.1	11.6
Serbia (3)	4.5	0.9	3.7	17.2	0.2	14.0	21.8	28.7	8.8	0.0
Kosovo under UNSCR 1244/99	17.3	5.8	2.3	16.4	1.0	9.9	19.5	18.7	9.1	0.0

(1) 2002 data. (2) Uncertain data. (3) Break in series: from January 2004 data are based on Uniform Customs Document harmonised with EU regulations. (4) 2006 data.

External trade by partner

In 2007 EU-27 exported EUR 269 billion of goods to the United States, some EUR 106 billion to the New Independent States, EUR 64 billion to China and EUR 45 billion to Japan. Exports from candidate countries reached only about 0.4% of all exports recorded by all EU-27 countries in 2007. As already noted, the EU-27 showed the highest weights of all destinations in exports from the candidate and potential candidate countries in the latest year for which data are available with shares in total exports ranging between 79% in Turkey and 99% in Albania, while the United States was often the second most important export partner. The exceptions were Turkey and the former Yugoslav Republic of Macedonia, which had the New Independent States as a second destination for their exports.

In 2007, total imports of candidate countries amounted to around 0.6% of all imports recorded by all EU-27 countries. The emergence of China as one of the main trading countries is evident as the data shows that the EU-27 imports from China were valued at EUR 195 billion in 2007, some EUR 20 billion more than those from the United States and EUR 118 billion more than the value of imports from Japan. While the candidate and potential candidate countries all recorded EU-27 as their main source of imports in the latest year for which data are available, with shares in total imports between 62% in Turkey and 80% in Albania, they all also showed a higher propensity to import goods from the New Independent States or from China than from the United States.

While EU-27 recorded a surplus of EUR 94 billion on trade in goods with the United States, it recorded a deficit with other major trading partners, notably a deficit of EUR 131 billion with China. All candidate and potential candidate countries ran a trade deficit with the New Independent States, the United States, China and Japan in 2007 (or the latest year for which data are available). However, all countries bar Turkey and the former Yugoslav Republic of Macedonia recorded their largest trade in goods deficit with EU-27. Turkey showed a deficit of EUR 9.7 billion (28% of the total) on trade with the New Independent States, compared to a deficit of EUR 9 billion with EU-27 (26%), while the deficit for the former Yugoslav Republic of Macedonia was 0.5 billion (39%) with the New Independent States and 0.4 billion (21%) with the EU-27.

Table 12.6: Value of exports to various partners, 2007 (million EUR)

	EU-27	New Independent States	United States	China	Japan
EU-27	:	105 779	268 992	63 784	44 735
Croatia (1)	5 307	150	262	13	76
The former Yugoslav Republic of Macedonia (1)	1 175	24	18	1	1
Turkey (2)	33 207	4 054	3 924	442	189
Albania (2)	844	1	5	3	0
Bosnia and Herzegovina (2)	1 032	8	66	1	0
Montenegro	:	:	:	:	:
Serbia	:	:	:	:	:
Kosovo under UNSCR 1244/99 (1)	:	:	:	:	:

(1) 2006 instead of 2007. (2) 2005 instead of 2007.

Table 12.7: Value of imports from various partners, 2007 (million EUR)

	EU-27	New Independent States	United States	China	Japan
EU-27	:	177 867	175 220	194 835	77 288
Croatia (1)	11 489	1 845	296	911	257
The former Yugoslav Republic of Macedonia (1)	1 578	554	32	110	21
Turkey (2)	42 200	13 769	4 271	5 520	2 495
Albania (2)	1 422	171	30	140	9
Bosnia and Herzegovina (2)	2 940	219	109	193	40
Montenegro	:	:	:	:	:
Serbia	:	:	:	:	:
Kosovo under UNSCR 1244/99 (1)	:	:	:	:	:

(1) 2006 instead of 2007. (2) 2005 instead of 2007.

Table 12.8: Value of trade balance with various partners, 2007 (million EUR)

	EU-27	New Independent States	United States	China	Japan
EU-27	:	-72 088	93 772	-131 051	-32 553
Croatia (1)	-6 182	-1 696	-34	-898	-181
The former Yugoslav Republic of Macedonia (1)	-403	-530	-14	-109	-20
Turkey (2)	-8 994	-9 715	-347	-5 077	-2 306
Albania (2)	-578	-170	-24	-137	-9
Bosnia and Herzegovina (2)	-1 908	-212	-43	-193	-40
Montenegro	-577	-32	-35	-98	-44
Serbia (3)	-3 859	-1 885	-215	-989	-148
Kosovo under UNSCR 1244/99 (4)	-504	-29	-15	-105	-10

(1) 2006 instead of 2007. (2) 2005 instead of 2007. (3) Data based on Uniform Customs Document harmonised with EU regulations; provisional values. (4) Trade with EU-25.

13 Research & development

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. Figures on R&D expenditure are not available for Albania, Bosnia and Herzogovina, Serbia and Kosovo.

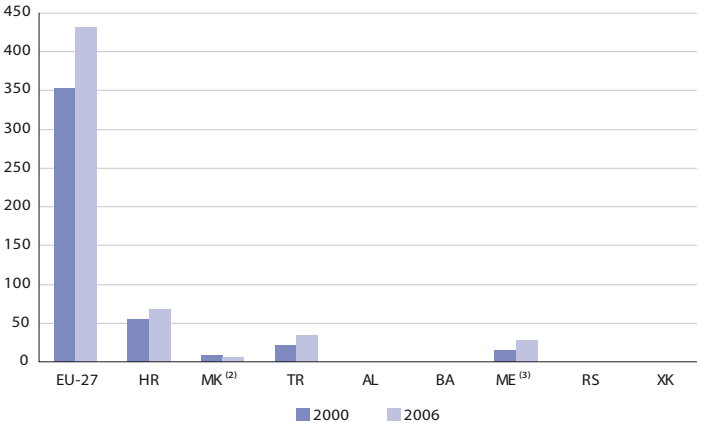
As part of the Lisbon objectives, the EU has set itself a target for its R&D expenditure of at least 3% of GDP by 2010. In 2006, EU-27's gross domestic expenditure on R&D was 1.84% of GDP. For the countries where data was available for the same year — Croatia and Turkey — the corresponding percentage was lower, with R&D expenditure equal to 0.87% and 0.76% of GDP respectively. The other two countries with data on this sector — the former Yugoslav Republic of Macedonia and Montenegro — have recorded values of 0.25% for 2005 and 1.02% for 2004 respectively.

Along with EU-27, the former Yugoslav Republic of Macedonia, Montenegro and Turkey all record that expenditure on R&D has risen as a percentage of GDP over the period shown, though in no country has there been a steady growth in every year. The former Yugoslav Republic of Macedonia, on the other hand, has recorded a fall in R&D expenditure as a percentage of GDP, from 0.38% in 1997 to 0.25% in 2005. Croatia's R&D expenditure rose from 0.99% of GDP in 1999 to 1.22% in 2004, though then fell back to 0.87 in 2006.

It can be seen in Figure 13.1 (above) that EU-27 spent substantially more per head (EUR 432) on R&D in 2006 than any of the other countries shown. Croatia spent the next largest amount per head (EUR 67) followed by Turkey (EUR 35) and Montenegro (EUR 27 in 2004).

In all countries, apart from the former Yugoslav Republic of Macedonia, where the value remained almost stable, this represented a rise on the figure recorded for 2000. In the case of Montenegro spending per head almost doubled over the period, from EUR 15 to EUR 27 per head, and in Turkey there was a large percentage rise (almost 70%) from EUR 21 to EUR 35 per head.

Figure 13.1: Gross domestic expenditure on research and development per capita (EUR) (1)



(1) Albania, Bosnia and Herzegovina, Serbia and Kosovo under UNSCR 1244/99, not available. (2) 2005 instead of 2006. (3) 2004 instead of 2006.

Table 13.1: Expenditure on research and development

	Gross domestic expenditure on research and development (million EUR)										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	138 693	145 865	157 833	170 503	178 549	185 872	187 800	193 440	202 018	213 127	:
Croatia	:	:	184	246	238	271	292	345	314	298	:
The former Yugoslav Republic of Macedonia	12	14	12	17	12	10	9	11	11	:	:
Turkey	825	887	1 094	1 389	1 172	1 280	1 296	1 630	2 287	2 431	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	9	10	10	12	17	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:
	Gross domestic expenditure on research and development relative to GDP (%)										
	1997	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
EU-27	1.78	1.79	1.84	1.86	1.87	1.88	1.87	1.83	1.84	1.84	:
Croatia	:	:	0.99	1.23	1.07	1.11	1.11	1.22	1.01	0.87	:
The former Yugoslav Republic of Macedonia	0.38	0.43	0.34	0.44	0.32	0.26	0.23	0.25	0.25	:	:
Turkey	0.49	0.50	0.63	0.64	0.72	0.66	0.61	0.67	0.79	0.76	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	0.85	0.75	0.75	0.80	1.02	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

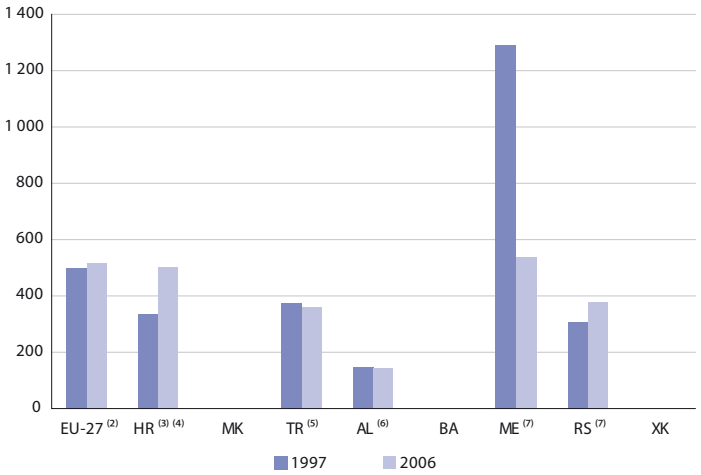
14 Environment

The Kyoto Protocol set a target for the EU to reduce climate-changing greenhouse gas emissions by 8% compared to the 1990 levels by 2008-2012. During the period 1997 to 2006 EU-27 emissions fell, while emissions in the two candidate countries, Croatia and Turkey, significantly increased; both lying above the EU-27 index in 2006, but the jump in Turkey was faster than in Croatia.

Looking at the development over the entire period, emissions in the EU-27 fell from 1997 to 1999, increased between 1999 and 2004, and decreased again slightly between 2004 and 2006 without ever going back to the lowest level recorded in 1999. In Turkey, the level of emissions increased significantly up to 2000, decreased from 2000 to 2001 and grew steadily from 2002. In 2006 it recorded twice the EU-27 index level. In Croatia emissions showed a constant upward trend until 2006, with a slight reduction between 1999 and 2000, surpassing for the first time the EU-27 level in 2005.

Municipal waste can be recorded according to different concepts as waste collected and generated. Municipal waste collected does not include waste generated in areas not covered by a collection system. In this publication data on waste collected are presented because most countries could not estimate the amount of waste generated in the areas not covered. The quantity of municipal waste per inhabitant in the EU-27 was slightly over 500 kg per person. Croatia and Montenegro recorded similar quantities while Turkey, Serbia and Albania collected about 30%, 27% and 72% respectively less than the EU-27 average in 2006. Comparing the years 1997 and 2006, quantities collected per person showed a small increase in the EU-27 but rose significantly in Croatia (2000 to 2005) and Serbia (1999 to 2006) while they decreased slightly in Turkey and Albania (2003 to 2006) and slumped in Montenegro (1999 to 2006).

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



(1) Macedonia, Bosnia and Herzegovina and Kosovo under UNSCR 1244/99, not available. (2) Municipal waste generated, coverage close to 100%. (3) Waste generated, estimation. (4) 2000 instead of 1997; 2005 instead of 2006. (5) Survey results applied to municipalities; indicators are calculated according to the mid-year population projections. (6) 2003 instead of 1997. (7) 1999 instead of 1997.

Table 14.1: Index of greenhouse gas emissions 1990=100 (based on tonnes of CO_2 equivalent)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EU-27	93.6	92.7	90.8	90.9	91.9	91.2	93.0	93.2	92.5	92.3	:
Croatia	77.0	77.7	80.9	80.6	84.2	87.2	92.4	92.5	94.0	94.8	:
The former Yugoslav Republic of Macedonia	:	:	:	:	:	:	:	:	:	:	:
Turkey	150.3	150.9	151.0	164.6	154.1	159.1	168.3	174.4	183.7	195.1	:
Albania	:	:	:	:	:	:	:	:	:	:	:
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	:	:	:
Montenegro	:	:	:	:	:	:	:	:	:	:	:
Serbia	:	:	:	:	:	:	:	:	:	:	:
Kosovo under UNSCR 1244/99	:	:	:	:	:	:	:	:	:	:	:

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

General definitions

Average annual growth rate is the year-on-year growth rate of a phenomenon over a specified period. It describes the rate at which a phenomenon has grown as though it had grown at a steady state (in %).

Growth rates are rates of total changes over a specified reference period to values at the beginning of the period or at a specified earlier time.

1. Demography

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.

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 is the ratio between (total) population and surface (land) area. This ratio can be calculated for any territorial unit for any point in time, depending on the source of the population data. The population density is calculated using the average (mid-year) population.

2. Education

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.

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.

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.

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).

Tertiary graduates in science and technology per thousand population aged 20 to 29 are 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.

3. Social indicators

Gender pay gap is defined as the difference between average gross hourly earnings of male paid employees and female paid employees, expressed in percentage.

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.

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.

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).

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).

Social protection expenditure should ideally be drawn up according to the ESSPROS (European System of integrated Social Protection Statistics) methodology. Social benefits consist 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.

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.

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 (average gross earnings of production worker in manufacturing).

4. Labour force

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.

Duration of 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). The long-term unemployment rate is the share of persons unemployed for 12 months or more in the total number of active persons in the labour market (labour force). 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.

Employed persons are defined in the Labour Force Survey (LFS) as persons aged 15 and over who during the reference week did any work for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, e.g., illness, holidays, industrial dispute and education or training.

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.

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.

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

Unemployed persons are defined as those aged 15 to 74 who were without work during the reference week, were currently available for work and were either actively seeking work in the past four weeks or had already found a job to start within the next three months. 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.

5. National accounts

Average of imports and exports of goods and services as a proportion of GDP are 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.

Exchange rate is the current market price for which one currency can be exchanged for another.

Exports of goods and services are recorded on the uses side of the account.

External balance of goods and services is the balancing item showing the difference between uses (exports of goods and services) and resources (imports of goods and services).

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.

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 of the country, 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.

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.

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

Imports of goods and services are recorded on the resources side of the account.

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

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.

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

Balance of payments statistics are based on the International Monetary Fund's (IMF) Balance of Payments Manual (fifth edition) and Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment. Most items entered in the current account of the standard components should show gross debits and credits.

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

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.

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. These statistics are based on the OECD's Benchmark Definition of Foreign Direct Investment, third edition (developed in line with the IMF's Balance of Payments Manual, fifth edition) and Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment.

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.

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.

Interest rates presented in this publication cover 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).

Money supply aggregates are end of year stock data.

7. Agriculture

Arable land refers to land that is worked regularly, generally under a system of crop rotation.

Cattle are domestic bovine animals, including bovine animals under one year old, and dairy cows.

Cereals include 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.

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).

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). All Fruit production 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.

Goats are defined in a similar way and may be categorised as breeding females (female goats which have kidded) and other goats.

Livestock data are recorded for the end of the reference year in terms of units of livestock (referred to as heads within agricultural statistics).

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).

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

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).

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).

Pigs are domestic animals, which include piglets, breeding boars and sows, and cull boars and sows.

Potatoes include early potatoes and seed potatoes.

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).

Production of animals for slaughter is recorded in terms of their slaughter weight.

Sheep are domestic animals divided into breeding females (female sheep which have lambed) and other sheep.

Sugar beet is a root crop, which is intended for use in the sugar industry and for alcohol production; seeds are excluded.

Total land area is measured in terms of square kilometres (km^2) 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.

Vegetable production 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.

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.

8. Energy

Energy dependency ratio is defined as net energy imports as share in gross inland energy consumption

Energy intensity (efficiency) is the ratio between the gross inland consumption of energy and the gross domestic product (GDP) for a given calendar year. It measures the energy consumption of an economy and its overall energy efficiency.

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

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.

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.

9. Industry, construction and services

Construction cost index is the 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.

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.

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.

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).

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.

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.

10. Transport

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.

Road is 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.

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

Data relating to use of 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.

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 equipment. This is synonymous with the term 'main station' or 'direct exchange line'.

Proportion of enterprises' turnover from Internet e-commerce is calculated as the enterprises' receipts from sales through the Internet as percentage of the total turnover. 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.

Subscriptions to cellular mobile telephone services also include the number of active pre-paid cards.

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.

12. External trade in goods

External trade data for imports cover transactions in goods (purchases, barter, gifts or grants) from non-residents to residents, whereas data for exports cover transactions in goods (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)

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.

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'.

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.

Municipal waste collected includes 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. It does not include waste generated in areas not covered by a collection system.

Municipal waste generated consists of waste collected by or on behalf of municipal authorities and disposed of through the waste management system. The bulk of this waste stream is from households, though similar wastes from sources such as commerce, offices and public institutions are included. The variable should be reported in kilogramme (kg).

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

European Commission

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