Sector accounts

Statistics Explained

Data extracted in November 2022.
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" In 2021, the household saving rate in the EU ranged from 24.3 % in Ireland to 2.8 % in Poland. "

" In 2021, the household gross-debt-to-income ratio in the EU ranged from 207 % in Denmark to 29 % in Latvia. "

" In 2021, the investment rate for non-financial corporations in the EU ranged from 31.9 % in Hungary to 17.0 % in Luxembourg. "

Economic developments in production, income generation and (re)distribution, consumption and investment may be better understood when analysed by institutional sector . In particular, the European Union's (EU's) sector accounts provide several key indicators for households and non-financial corporations, like the household saving rate or the business profit share . The analysis in this article focuses on a selection of indicators from the wealth of sector accounts data that are collected by Eurostat . Households' behaviour is described through indicators covering gross saving and investment rates, as well as gross debt-to-income and net financial wealth-to-income ratios. The analysis of non-financial corporations is based on the gross business investment rate and their gross profit share . The latest data in this article refer to the situation in 2021. Data for 2020 are used for EU Member States or non-member countries without 2021 data. Care should be taken when comparing data for different years, due to the substantial impact of the COVID-19 crisis, particularly in 2020.

Households (including non-profit institutions serving households)

Saving rate

Table 1 shows that the household saving rate in 2021 was 17.7 % in the euro area (EA) , 0.8 percentage points higher than it was for the whole of the EU (16.9 %). This gap is mainly explained by the relatively low saving rates in Poland (2.8 %), the largest EU Member State that is outside the euro area, and Denmark (9.3 %).

Key ratios from sector accounts for households, 2021

	Gross saving rate	Gross investment rate	Gross debt-to-income ratio	Net financial wealth-to-income ratio	Gross saving rate	Gross investment rate	Gross debt-to-income ratio	Net financial wealth-to-income ratio
	(%)				Change from 2020 (percentage points)			
EU	16.9	9.2	:	*288.2*	-1.6	0.9	:	*10.6*
EA	17.7	9.5	95.8	270.3	-2.0	1.0	0.2	8.6
Belgium	*17.0*	*9.9*	*106.7*	*416.6*	*-3.5*	*0.8*	*1.2*	*6.2*
Bulgaria	:	:	:	:	:	:	:	:
Czechia (¹)	19.4	9.2	60.5	189.7	0.2	-0.1	:	:
Denmark	9.3	9.2	207.3	646.5	-2.4	0.6	-6.2	124.0
Germany	*22.9*	*10.6*	*88.8*	*251.2*	*-0.7*	*0.6*	*2.2*	*16.4*
Estonia	10.5	10.0	70.3	177.5	-3.8	0.1	0.3	5.1
Ireland	24.3	5.3	95.0	274.8	-1.2	1.0	-8.1	19.0
Greece	*3.7*	*3.4*	*78.8*	*147.3*	*1.3*	*0.4*	*-4.3*	*1.9*
Spain	13.8	6.7	89.5	245.7	-3.9	1.3	-2.5	11.1
France	*18.3*	*10.0*	*103.5*	*290.3*	*-2.2*	*1.4*	*1.3*	*9.6*
Croatia	*12.1*	*6.5*	*52.2*	*152.2*	*-1.9*	*0.0*	*-3.1*	*4.2*
Italy	14.9	8.7	63.9	351.5	-2.6	1.5	0.0	11.4
Cyprus	*10.9*	*13.3*	*124.7*	*204.8*	*-1.6*	*0.1*	*-2.2*	*10.2*
Latvia	13.9	4.6	29.2	126.9	-0.7	-0.7	-1.4	6.0
Lithuania	5.8	7.4	38.1	146.7	-6.7	0.4	1.7	20.9
Luxembourg	18.2	11.3	180.9	267.9	-6.1	1.6	7.9	16.0
Hungary	*17.4*	*8.3*	*35.9*	*204.1*	*1.8*	*-0.6*	*0.4*	*-0.7*
Malta	:	:	:	:	:	:	:	:
Netherlands	*23.9*	*13.0*	*184.0*	*465.2*	*-1.0*	*0.7*	*-3.2*	*-35.0*
Austria	17.6	10.0	86.1	248.7	-1.1	0.8	-0.1	4.0
Poland	2.8	6.6	55.8	130.1	-8.5	1.4	1.5	11.6
Portugal	*9.8*	*6.1*	*94.2*	*199.3*	*-2.1*	*0.4*	*-0.8*	*5.9*
Romania	:	:	:	:	:	:	:	:
Slovenia	18.7	6.2	41.9	168.2	-4.0	0.6	-0.9	9.7
Slovakia	10.3	7.0	75.0	89.6	-1.3	0.1	3.4	6.6
Finland	10.4	12.5	119.2	151.0	-2.4	0.6	1.2	17.3
Sweden	18.1	6.8	172.5	534.1	-1.5	0.4	1.3	58.2
Norway	20.9	11.1	201.0	94.8	0.8	-0.2	-7.3	10.0
Switzerland (²)	*27.0*	*5.4*	*189.0*	*400.8*	:	:	:	:
Serbia (²)	*5.7*	*3.0*	:	:	:	:	:	:

Note: including non-profit institutions serving households.
Data in *italics*: provisional.
(¹) Gross debt-to-income ratio and net financial wealth-to-income ratio: 2020.
(²) 2020.
Source: Eurostat (online data code: nasa_10_ki)

Table 1: Key ratios from sector accounts for households, 2021 Source: Eurostat (nasa_10_ki)

Among the EU Member States within the euro area (no data available for Malta), eight had household saving rates in 2021 that were higher than the EU average (16.9 %) – Belgium, Austria, Luxembourg, France, Slovenia, Germany, the Netherlands and Ireland; see Figure 1. In the remaining 10 members of the euro area, the saving rate was below the EU average; among these, the household saving rate was lowest in Greece (3.7 %). The highest household saving rate among the EU Member States not in the euro area (no data available for Bulgaria or Romania) was recorded in Czechia (19.4 %) which was the fourth highest saving rate among all EU Member States. Besides Czechia, Sweden (18.1 %) and Hungary (17.4 %) were the only non-euro area Member States with a rate above the EU average. The lowest household saving rates among the Member States not in the euro area were recorded in Denmark (9.3 %) and Poland (2.8 %).

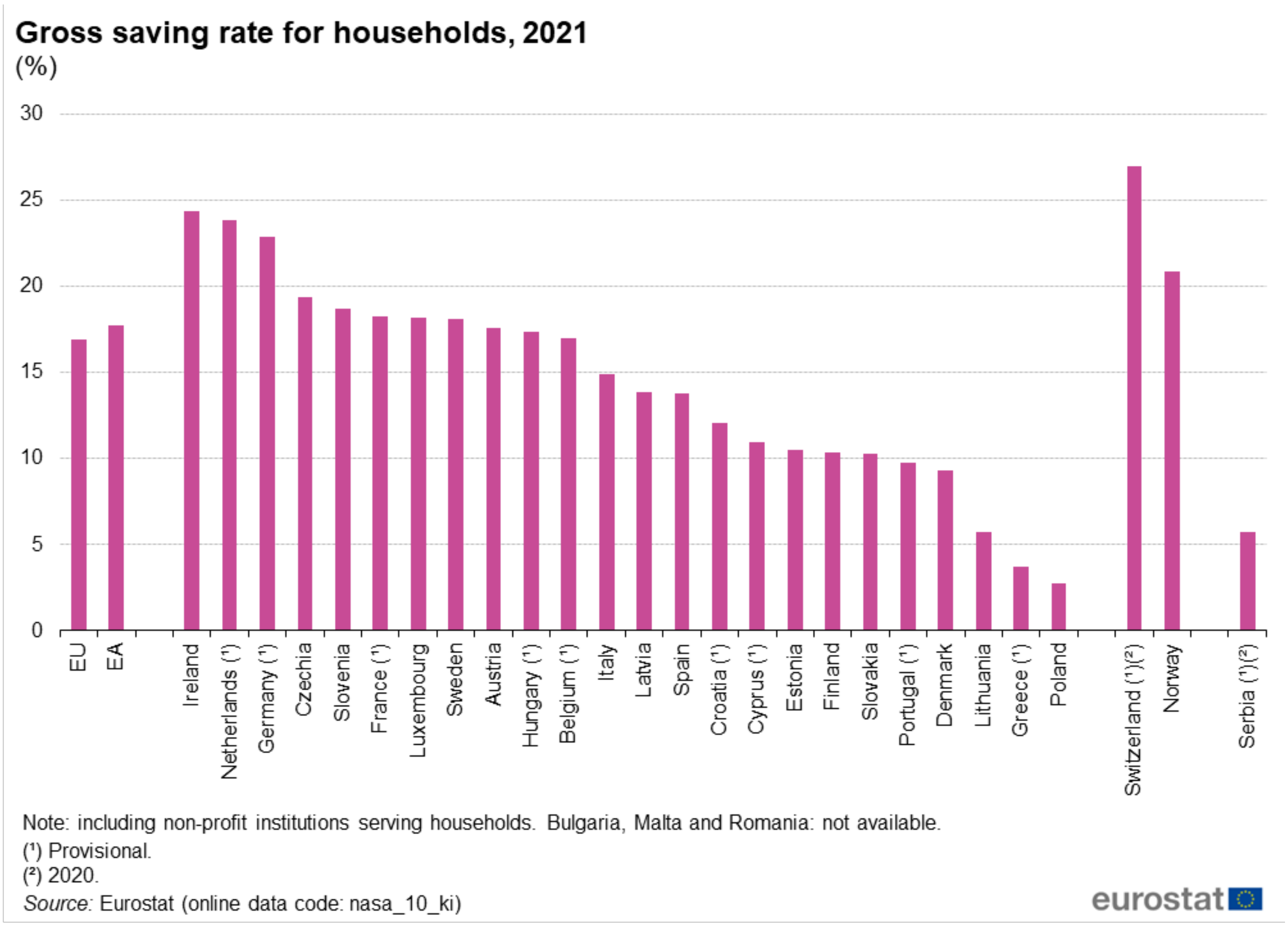

Figure 1: Gross saving rate for households, 2021 (%) Source: Eurostat (nasa_10_ki)

Between 2020 and 2021, the saving rate in the EU fell by 1.6 percentage points, while in the euro area the decrease was 2.0 percentage points. This fall in saving may reflect increased consumption expenditure related to fewer COVID-19-related restrictions on the purchase of goods and services in 2021 than in 2020, such as for hospitality, entertainment and travel services. The only increases between 2020 and 2021 (among the EU Member States for which data are available) were observed in Hungary, Greece and Czechia, up 1.8, 1.3 and 0.2 percentage points, respectively. The largest decreases were reported for Luxembourg, Lithuania and Poland, down 6.1, 6.7 and 8.5 percentage points, respectively.

Household investment rate

In 2021, the gross household investment rate was 9.2 % in the EU (see Figure 2), while the corresponding rate for the euro area was 0.3 percentage points higher at 9.5 %. The household investment rate ranged (among the 24 EU Member States for which data are available; no data for Bulgaria,
Malta or Romania) from 13.3 % in Cyprus, 13.0 % in the Netherlands and 12.5 % in Finland, down to 3.4 % in Greece.

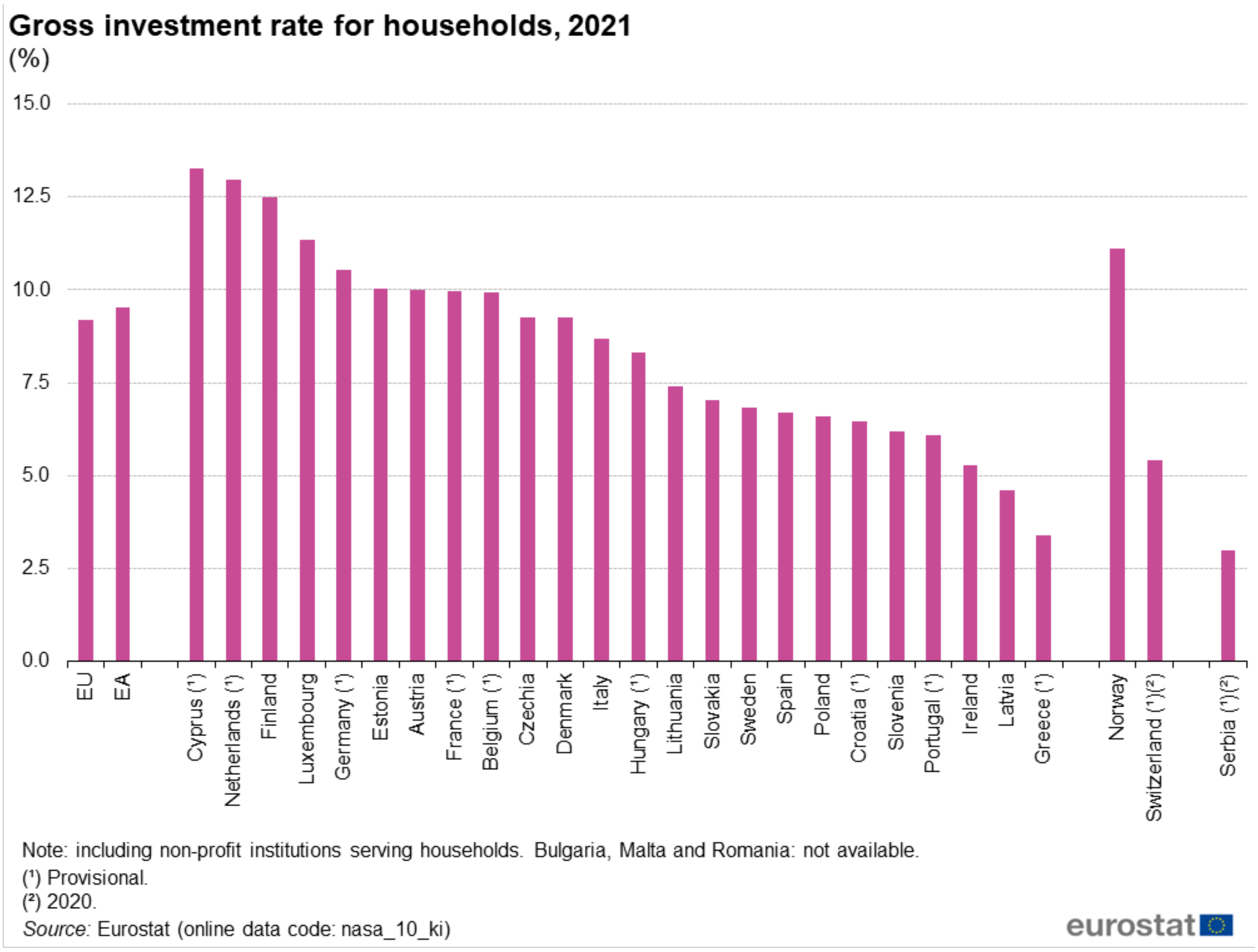

Figure 2: Gross investment rate for households, 2021 (%) Source: Eurostat (nasa_10_ki)

Between 2020 and 2021, the household investment rate rose by 0.9 percentage points in the EU and by 1.0 percentage points in the euro area. Decreases were observed in three Member States, down 0.1, 0.6 and 0.7 percentage points, respectively, in Czechia, Hungary and Latvia. Elsewhere, increases in excess of 1.0 percentage points were observed in Spain, France, Poland, Italy and Luxembourg.

Household debt-to-income ratio

In 2021, the household debt-to-income ratio in the euro area was 95.8 % (no data available for the EU) – see Figure 3. This ratio varied considerably between the 24 EU Member States for which data were available at the time of writing (no data for Bulgaria, Malta or Romania). While it was below 50 % in Latvia, Hungary, Lithuania and Slovenia, it was over 150 % in Sweden, Luxembourg and the Netherlands, and peaked at 207.3 % in Denmark; a rate of 200 % indicates that it would take two years of disposable income for households to repay their debts (if disposable income remained at the same level). It should be borne in mind that high household debt may to some extent mirror high levels of financial assets , as shown in the analysis of the household net financial wealth-to-income ratio. It may also mirror the ownership of non-financial assets, such as dwellings, or be impacted by national provisions that foster borrowing (for example, the deduction of interest payments from taxable income).

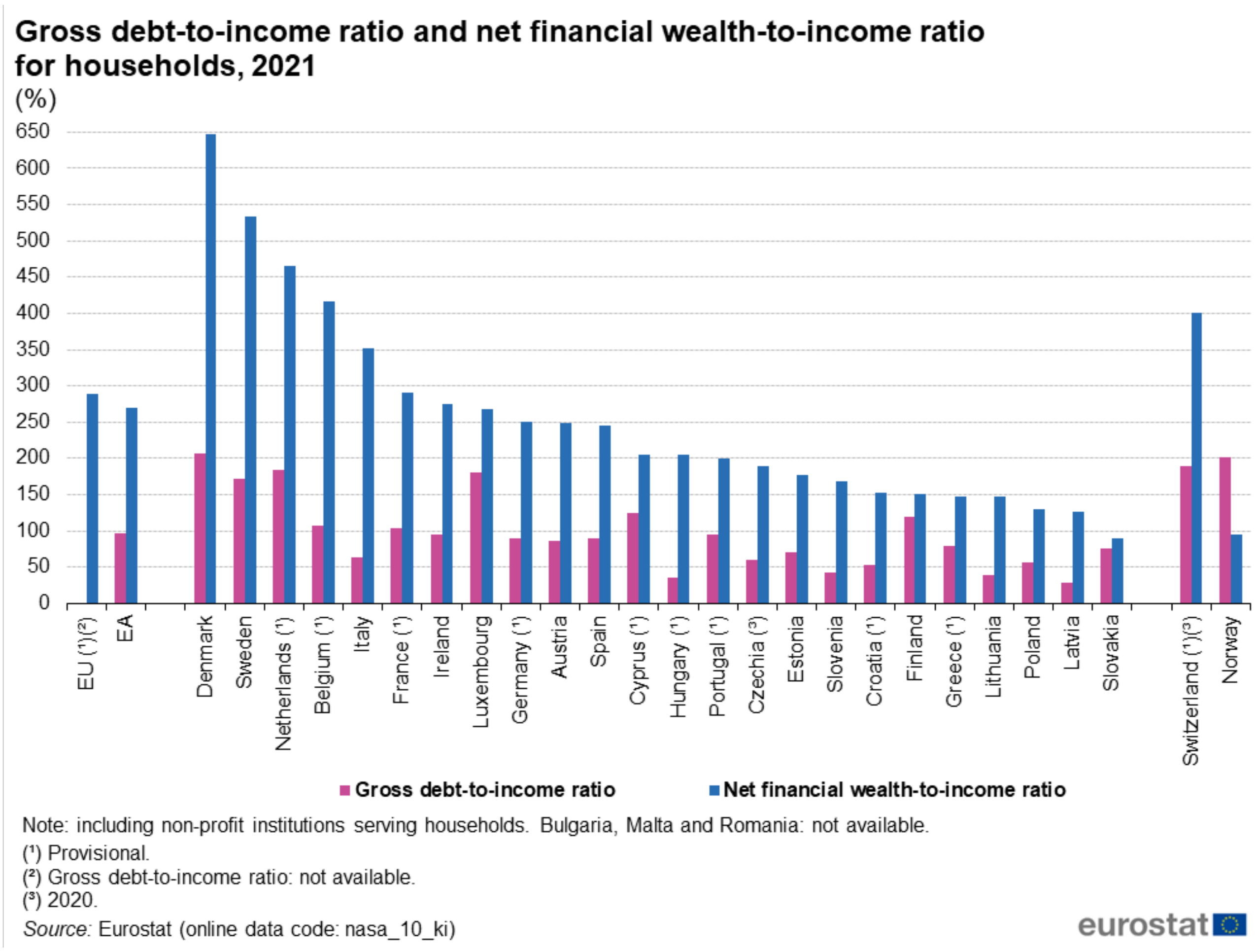

Figure 3: Gross debt-to-income ratio and net financial wealth-to-income ratio for households, 2021 (%) Source: Eurostat (nasa_10_ki)

In 2021, the household debt-to-income ratio in the euro area increased by 0.2 percentage points (when compared with 2020). The largest falls for this ratio, among the EU Member States for which data are available, were observed in Ireland (down 8.1 percentage points) and Denmark (down 6.2 percentage points), while the next largest fall was 4.3 percentage points in Greece. By contrast, by far the largest increase for this ratio was recorded in Luxembourg (up 7.9 percentage points), more than double the next largest increase (3.4 percentage points) in Slovakia.

Household net financial wealth-to-income ratio

In 2021, net financial wealth was equivalent to 288.2 % of household income in the EU and 270.3 % in the euro area – see Figure 3. Like the debt-to-income ratio, the household net financial wealth-to-income ratio varied considerably between EU Member States. The highest ratio in 2021 was recorded in Denmark (646.5 %), followed by Sweden (534.1 %), the Netherlands (465.2 %), Belgium (416.6 %) and Italy (351.5 %); Switzerland also reported a relatively high net financial wealth-to-income ratio (400.8 %; 2020 data). Slovakia (89.6 %) was the only EU Member State for which data are available (no data for Bulgaria, Malta or Romania) to record a net financial wealth-to-income ratio that was below 100 %, while this situation was also observed in Norway (94.8 %).

In 2021, the household net financial wealth-to-income ratio for the EU increased by 10.6 percentage points (when compared with 2020) while in the euro area it increased by 8.6 percentage points. The ratio of household net financial wealth-to-income rose relatively rapidly in 2021 in Denmark (up 124.0 percentage points) and Sweden (up 58.2 percentage points). It also rose in most other EU Member States for which data are available, although there were two exceptions: Hungary registered a small decrease, down 0.7 percentage points, while the Netherlands recorded a relatively large decrease (down 35.0 percentage points).

Non-financial corporations

Business investment rate

Table 2 shows that the business investment rate
for non-financial corporations in 2021 was 24.0 % in the EU; this was marginally higher than in the euro area (23.5 %).

Key ratios from sector accounts for non-financial corporations, 2021

	Gross investment rate	Gross profit share	Gross investment rate	Gross profit share
	(%)		Change from 2020 (percentage points)	
EU	24.0	41.7	-0.9	1.5
EA	23.5	41.1	-1.0	1.5
Belgium	*26.9*	*44.1*	*-0.7*	*1.4*
Bulgaria	:	:	:	:
Czechia	27.6	46.4	-0.6	1.3
Denmark	24.7	44.2	0.1	1.2
Germany	*20.6*	*40.1*	*0.0*	*2.2*
Estonia	27.9	45.6	-3.7	2.2
Ireland	25.8	78.3	-26.0	0.5
Greece	*20.5*	*44.7*	*1.0*	*5.0*
Spain	24.7	38.8	-2.3	0.8
France	*25.6*	*34.3*	*0.9*	*2.5*
Croatia	*23.8*	*41.4*	*-1.9*	*3.0*
Italy	23.1	41.0	1.5	-1.1
Cyprus	*18.3*	*40.5*	*-3.0*	*0.8*
Latvia	24.3	40.2	-0.2	3.1
Lithuania	21.1	47.3	2.1	-0.8
Luxembourg	17.0	39.7	0.1	-0.4
Hungary	*31.9*	*47.9*	*2.3*	*2.2*
Malta	22.7	60.2	3.4	2.0
Netherlands	*18.1*	*40.8*	*-0.3*	*1.7*
Austria	29.1	44.7	1.6	0.8
Poland	18.4	47.7	-3.6	1.1
Portugal	*26.9*	*37.2*	*1.0*	*1.6*
Romania (1)	*19.7*	*52.5*	:	:
Slovenia	21.4	35.0	1.1	-1.4
Slovakia	22.2	49.1	-0.2	0.6
Finland	22.6	44.3	0.1	-0.7
Sweden	27.2	39.8	0.6	0.4
Norway	19.8	56.3	-6.4	11.6
Switzerland (1)	*27.4*	*33.3*	:	:
Serbia (1)	*29.4*	*39.9*	:	:

Data in *italics*: provisional.
(1) 2020.
Source: Eurostat (online data code: nasa_10_ki)

Table 2: Key ratios from sector accounts for non-financial corporations, 2021 Source: Eurostat (nasa_10_ki)

The highest business investment rate in 2021 among the 26 EU Member States for which data are available (no data for Bulgaria; 2020 data for Romania) was recorded in Hungary (31.9 %), followed by Austria (29.1 %) – see Figure 4. A similarly high business investment rate was also recorded in Serbia (29.4 %; 2020 data). Five Member States recorded business investment rates below 20.0 %: Romania (2020 data), Poland, Cyprus, the Netherlands and Luxembourg, the last of these recording the lowest rate (17.0 %).

The business investment rates of the four largest EU economies varied somewhat in 2021:

- in France (25.6 %) and Spain (24.7 %) the rate was a little above the EU average;
- in Italy (23.1 %) it was a little below the EU average;
- in Germany (20.6 %) it was notably below the EU average.

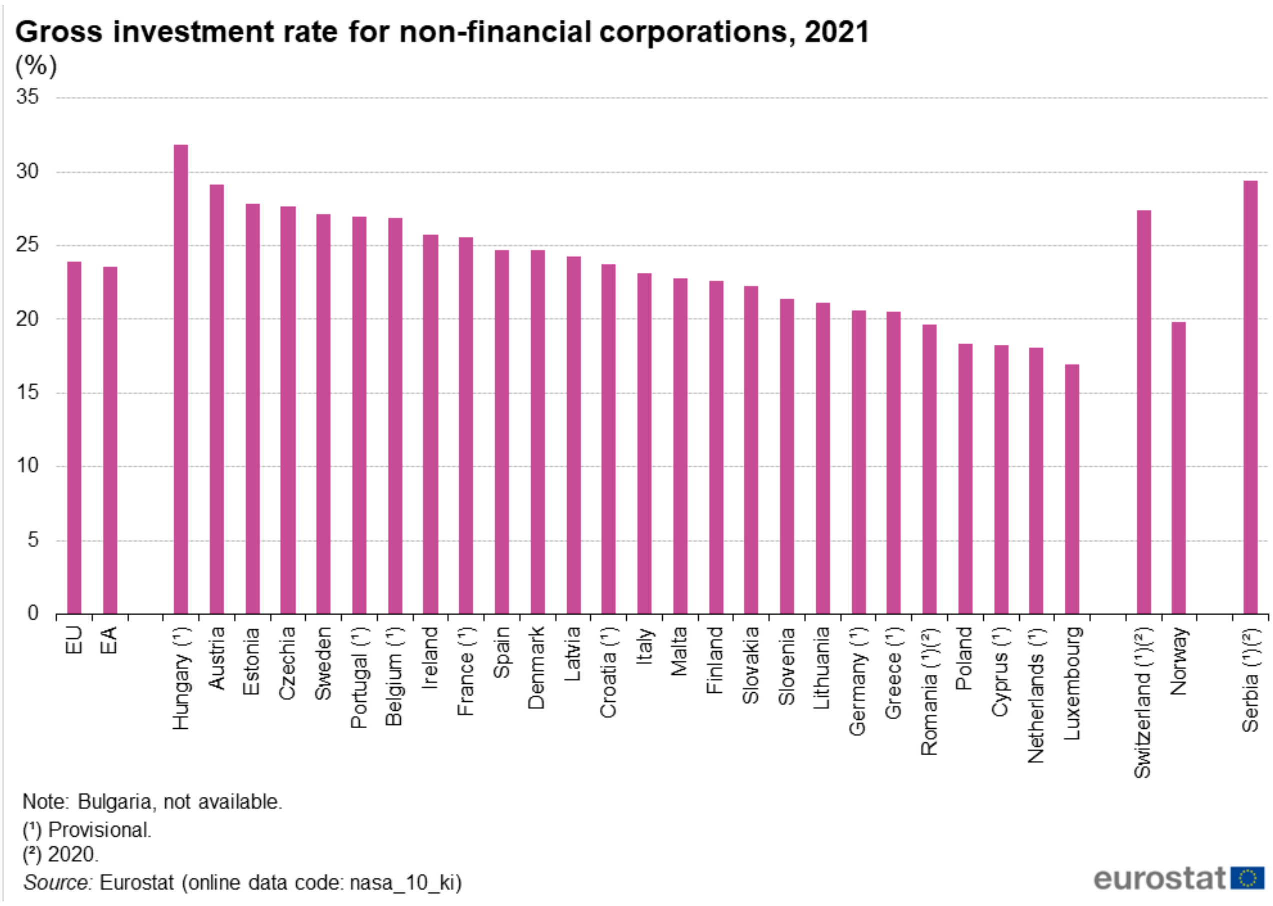

Figure 4: Gross investment rate for non-financial corporations, 2021 (%) Source: Eurostat (nasa_10_ki)

Between 2020 and 2021, the business investment rate decreased in the EU by 0.9 percentage points and in the euro area by 1.0 percentage points. This rate rose between 2020 and 2021 in 13 of the 25 EU Member States for which data are available (no data for Bulgaria and incomplete data for Romania). The largest increase was in Malta, up 3.4 percentage points, followed by increases of 2.3 and 2.1 percentage points, respectively, in Hungary and Lithuania. There was no change in the investment rate in Germany, while the rate fell in the remaining 11 Member States. By far the largest decrease was in Ireland (down 26.0 percentage points) as in 2020 there was a peak related to large imports of intellectual property products reflecting globalisation effects; the next largest decreases were in Estonia (down 3.7 percentage points) and Poland (down 3.6 percentage points).

Profit share of non-financial corporations

The profit share of non-financial corporations was 41.7 % in the EU in 2021 and slightly lower (41.1 %) in the euro area – see Figure 5. The lowest profit share among the EU Member States was recorded in France (34.3 %), just behind Slovenia (35.0 %). By contrast, profit shares in excess of 50.0 % were posted in Romania (52.5 %; 2020 data), Malta (60.2 %) and Ireland (78.3 %).

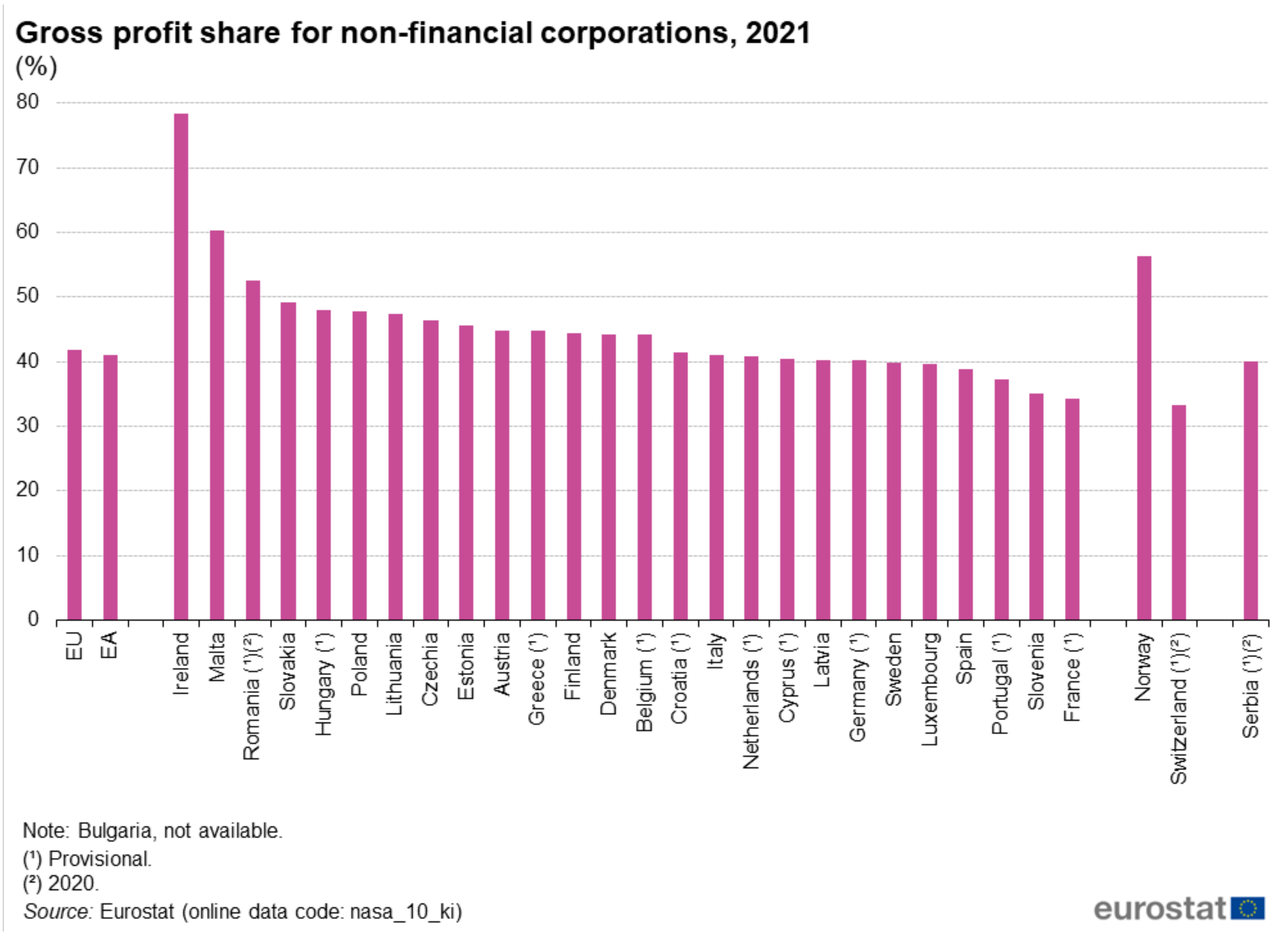

Figure 5: Gross profit share for non-financial corporations, 2021 (%) Source: Eurostat (nasa_10_ki)

The profit share of non-financial corporations increased between 2020 and 2021 in the EU and the euro area, up 1.5 percentage points in both cases. Among the 25 EU Member States for which data are available (no data for Bulgaria and incomplete data for Romania), Greece recorded the highest percentage point increase in its profit share between 2020 and 2021, rising 5.0; note that a much larger increase (up 11.6 percentage points) was observed in Norway. A further 19 Member States recorded increases. The remaining five Member States recorded falls between 2020 and 2021 in the profit share, the strongest of which was in Slovenia (down 1.4 percentage points).

Source data for tables and graphs

- Sector accounts: tables and figures

Data sources

Following international agreement on an updated version of the worldwide guidelines for the system of national accounts (SNA) in 2008, an update of the European system of national and regional accounts (ESA 2010) was adopted in May 2013 and implemented from September 2014.

ESA 2010 replaced ESA 95 . Like its predecessor, ESA 2010 provides an internationally compatible accounting framework for a systematic and detailed description of economic activity in the EU Member States and their regions. For more information on the transition to ESA 2010 please refer to a background article on this subject. For a detailed description on the effects of the implementation of ESA 2010 on European sector accounts please refer to an article on this subject, see pages 20–24 in EURONA (2/2014) .

Sector accounts group together economic subjects with similar behaviour into institutional sectors, such as:

households, non-financial corporations, financial corporations and government. Grouping economic subjects in this way can help to understand the functioning of the economy; the behaviour of households and non-financial corporations is particularly relevant in this respect.

The household sector covers individuals or groups of individuals acting as consumers. It also covers entrepreneurs provided that their activities as market producers are not carried out by separate entities. For the purpose of the analysis within this article, this sector has been combined with the relatively small sector of non-profit institutions serving households (NPISH) : examples of NPISHs include charities, relief and aid organisations, religious groups, consumer associations, sports and recreational clubs, professional societies, trade unions and political parties. It should be noted that the NPISH sector in the EU accounts for around 2 % of the combined total financial assets and liabilities of households and NPISHs.

Non-financial corporations cover enterprises whose principal activity is the production of goods and non-financial services to be sold on the market. This sector includes incorporated enterprises. It also includes unincorporated enterprises as long as they keep a complete set of accounts and have an economic and financial behaviour which is similar to that of corporations. Small businesses (such as sole traders and entrepreneurs operating on their own) are recorded under the household sector.

Sector accounts record, in principle, every transaction between economic subjects during a certain period and can also be used to show the opening and closing stocks of financial assets and liabilities in financial balance sheets. These transactions are grouped into various categories that have a distinct economic meaning, such as the compensation of employees (comprising wages and salaries (before taxes and social contributions are deducted) and social contributions paid by employers). In turn, these categories of transactions are shown in a sequence of accounts, each of which covers a specific economic process. This ranges from production, income generation and income (re)distribution, through the use of income, for consumption and saving, and investment, as shown in the capital account, to financial transactions such as borrowing and lending. Each non-financial transaction is recorded as an increase in the resources of a specific institutional sector and an increase in the uses of another institutional sector. For instance, the resources side of the interest transaction category records the amounts of interest receivable by different sectors of the economy, whereas the uses side shows interest payable. For each type of transaction, total resources of all sectors and the rest of the world equal total uses. Each account leads to a meaningful balancing item, the value of which equals total resources minus total uses. Typically, such balancing items, such as GDP or net saving, are important economic indicators; they are generally carried over to the next account in the sequence.

Symbols

Tables in this article use the following notation:

- a value in*italics* is used to show where a data value is forecasted, provisional or estimated and is therefore likely to change;
- a colon ':' is used to show where data are not available.

Context

Since the beginning of the economic and monetary union (EMU) in 1999, the European Central Bank (ECB) has been one of the main users of national accounts. A large number of monetary and financial indicators are evaluated in relation to other relevant data that allow the combination of monetary, financial and economic analysis, for example, key national accounts aggregates and sector accounts. In this way monetary and financial indicators can be analysed within the context of the rest of the economy.

Financial institutions' interest in national accounts may range from a broad analysis of the economy to specific information concerning savings, investment or debt among households, non-financial corporations or other institutional sectors.

Other articles

- European sector accounts – background (background article)
- European system of national and regional accounts – ESA 2010
- Main users of national accounts (background article)
- National accounts and GDP

Main tables

- Annual sector accounts (ESA 2010) (t_nasa_10) , see:

Household saving rate (tec00131)
Household investment rate (tec00098)
Gross debt-to-income ratio of households (tec00104)
Investment rate of non-financial corporations (tec00099)
Profit share of non-financial corporations (tec00100)

Database

- Annual sector accounts (ESA 2010) (nasa_10) , see:

Key indicators - annual data (nasa_10_ki)

Dedicated section

- Institutional sector accounts
- About ESA 2010

Data visualisations

- Institutional sector accounts – charts

Methodology

- Institutional sector accounts – concepts
- European system of accounts – ESA 2010
- Non-financial transactions – annual data (ESMS metadata file – nasa_10_nf_tr_esms)

External links

- European Central Bank – sector accounts