

# Quarterly sector accounts - non-financial corporations

Statistics Explained

*Data extracted on 26 April 2024.*

*Planned article update: 26 July 2024.*

**" In the fourth quarter of 2023, business investment rate went down to 22.4 % in the euro area and down to 22.9 % in the EU. "**

**" In the fourth quarter of 2023, business profit share went down to 40.5 % in the euro area and down to 41 % in the EU. "**

This article focuses on a selection of indicators from the quarterly sector accounts for non-financial corporations in the [European Union](#) (EU) and the [euro area](#) . Covered are, among others, the [business investment rate](#) and the [profit share](#) of non-financial corporations. A similar article focuses on [quarterly sector accounts for households](#) , covering, among others, the household saving rate and the household investment rate.

## Business investment rate down in the euro area and in the EU

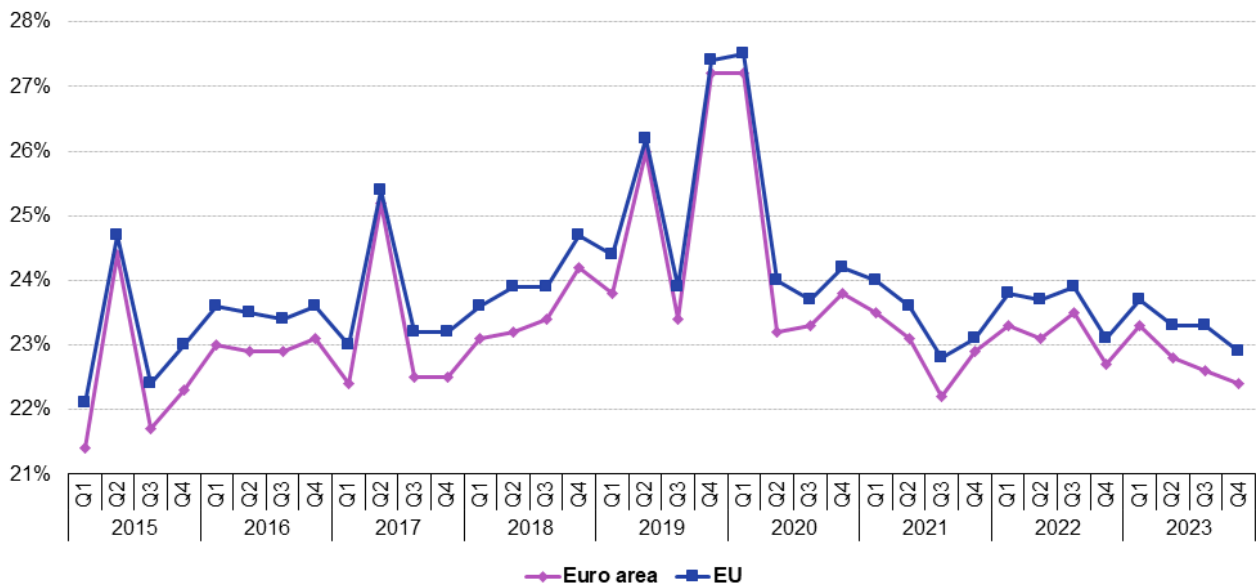
The [business investment rate](#) in the [euro area](#) ( [EA-20](#) ) went slightly down from 22.6 % in the previous quarter to 22.4 % in the fourth quarter of 2023 . In the [EU](#) , the investment rate went down, reaching 22.9 % in the fourth quarter of 2023, compared with 23.3 % in the previous quarter. The peaks in 2015Q2, 2017Q2, 2019Q2, 2019Q4 and 2020Q1 can be attributed to imports of intellectual property products reflecting the impact of globalisation.

These data come from a detailed set of [seasonally adjusted](#) <sup>1</sup>quarterly European sector accounts released by Eurostat, the statistical office of the European Union and the [European Central Bank](#) (ECB).

---

<sup>1</sup>Seasonal adjustment has been performed using the Tramo-Seats method. The seasonally adjusted series are built up indirectly as the sum of seasonally adjusted components.

## Gross investment rate of non-financial corporations, seasonally adjusted



(1) The y axis doesn't start at 0 to better represent the dataset's changes.

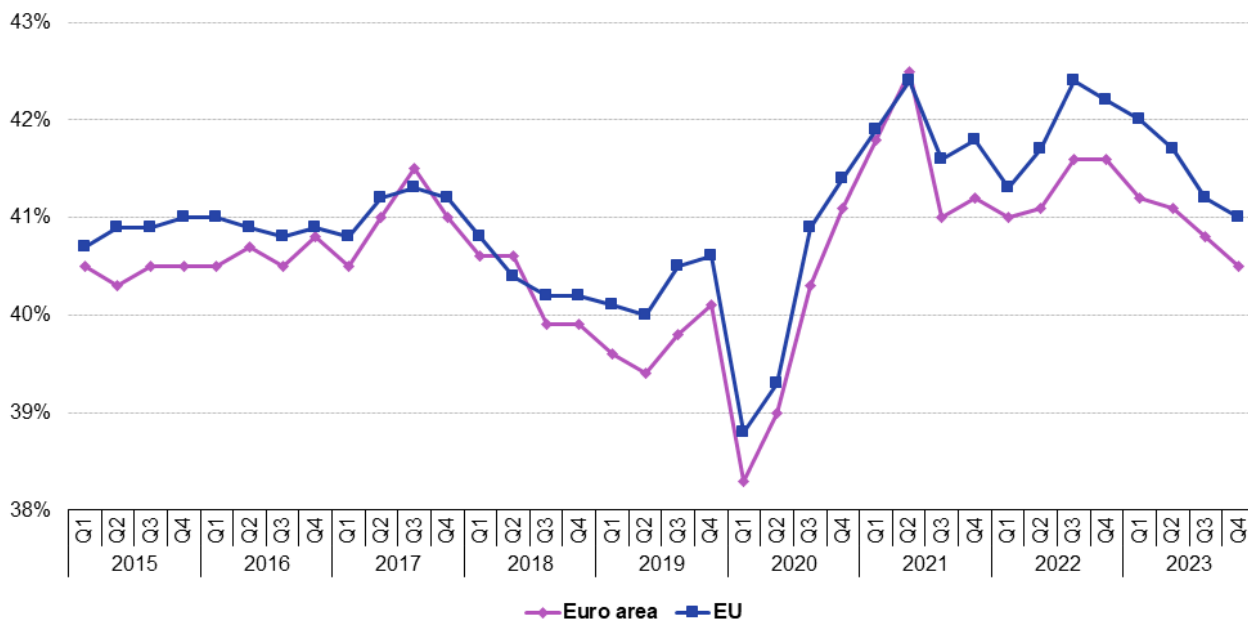
eurostat 

**Figure 1: Investment rate of non-financial corporations, seasonally adjusted - 2023 fourth quarter** Source: Eurostat

### Declining business profit in the euro area and the EU

The [business profit share](#) dropped in both the euro area and the EU during the fourth quarter of 2023. In the euro area, the profit share dropped from 40.8 % to 40.5 %, while in the EU, it decreased from 41.2 % to 41 %.

## Gross profit share of non-financial corporations, seasonally adjusted



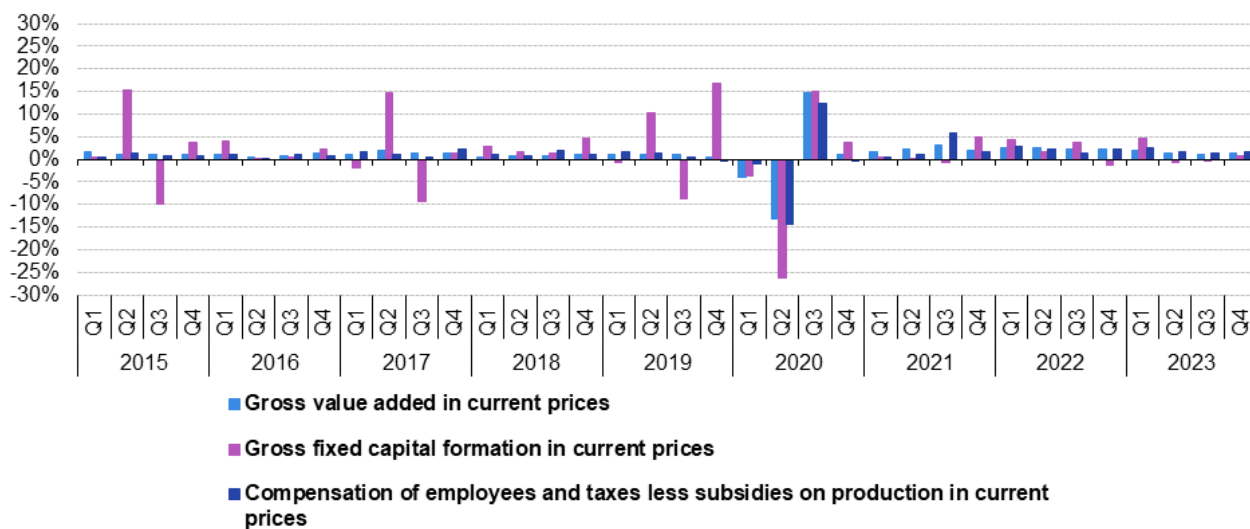
(1) The y axis doesn't start at 0 to better represent the dataset's changes.

eurostat 

**Figure 2: Profit share of non-financial corporations, seasonally adjusted - 2023 fourth quarter** Source: Eurostat

The decline in profit share within the euro area can be attributed to a modest increase in business gross value added (+1.2 %), while compensation of employees (wages and social contributions) plus taxes less subsidies on production saw a higher rise of 1.7 %. On the other hand, investment (gross fixed capital formation) showed a smaller increase of 0.7 % in the euro area, explaining the overall decline of business investment rate.

## Nominal growth of components of the investment rate and the profit share (euro area)



eurostat 

**Figure 3: Nominal growth of components of the investment rate and the profit share (euro area) (seasonally adjusted data, change compared with the previous quarter) - 2023 fourth quarter** Source: Eurostat

### Data sources

The compilation of the European sector accounts follows the European System of Accounts 2010 (ESA 2010) and covers the period from the first quarter of 1999 onwards.

Institutional sectors bring together economic units with broadly similar characteristics and behaviour, namely: households (including non-profit institutions serving households), non-financial corporations, financial corporations, government and the rest of the world. In the latter, to measure the external transactions of the euro area / EU, it is necessary to remove cross-border flows within the area concerned.

The ECB and Eurostat publish integrated non-financial and financial accounts, including financial balance sheets, for the euro area. Eurostat also publishes the non-financial and financial accounts of the European Union.

Eurostat's dataset includes detailed annual sector accounts by country and derived key indicators, which also include the indicators that combine non-financial and financial accounts, such as debt-to-income ratios.

Eurostat's dataset includes detailed [Sequence of accounts](#) and [derived key indicators](#), which also include the indicators that combine non-financial and financial accounts such as debt-to-income ratios.

The full set of quarterly sector accounts is published for euro area / EU aggregates. Quarterly sector accounts data are also available for most of the European Economic Area (EEA) Member States in the Eurostat database and a subset of quarterly key indicators is published around 102 days after each quarter at [quarterly data and annual data](#). The EEA members whose GDP is below 1 % of the EU total do not have to transmit the quarterly accounts of households to Eurostat.

General information on European sector accounts compilation is given in the [metadata file](#).

For detailed data and methodology, please see [Eurostat's website](#) and [ECB's website](#).

- The European Union (EU) consists of 27 Member States: Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden plus the EU institutions.

- The euro area (EA-20) consists of 20 Member States: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland, plus the European Central Bank, the European Stability Mechanism and the European Financial Stability Facility. From 1 January 2023, the euro area (EA-20) also includes Croatia. The aggregate data series presented in this article refer to EA-20.

## Source data for tables and graphs

The detailed tables are available [here](#) .

## Other articles

- [Quarterly sector accounts - households](#)

## Publications

- [Quarterly sector accounts news releases](#)

## Database

- [Sector Accounts](#)

## Dedicated section

- [Sector accounts](#)