

QUARTERLY ACCOUNTS

Third quarter 2003

Expenditure and Output approach to GDP

First Eurostat estimates

Roberto BARCELLAN

Statistics
in focus

ECONOMY AND
FINANCE

THEME 2 – 3/2004

NATIONAL ACCOUNTS

Contents

Euro-zone, EU15, Member States and main partners

Development of GDP and its components 2

GDP and expenditure components, percentage change and levels, at constant prices3

GDP and gross value added by industry, percentage change and levels, at constant prices4

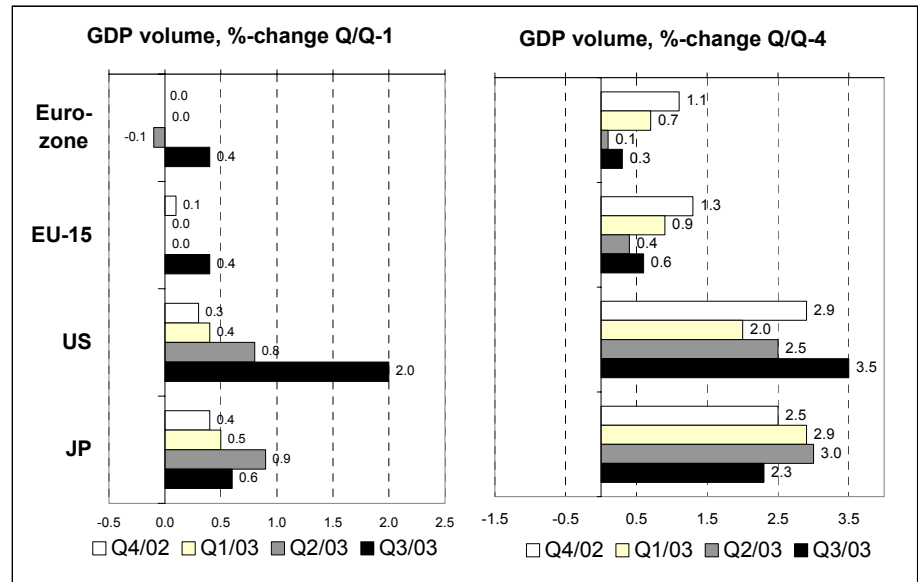
Contribution of components to variation in GDP5

GDP, expenditure components and Gross Value added by industry, volume indices 1995=100 6

Methodological notes 7



Manuscript completed on: 9.01.2004
ISSN 1024-4298
Catalogue number: KS-NJ-04-003-EN-N
© European Communities, 2004



According to Eurostat's first estimates ⁽¹⁾, GDP increased by 0.4% in the third quarter of 2003, both in the euro-zone ⁽²⁾ and in the European Union (EU15), in both cases showing a clear improvement with respect to the growth rates observed in the second quarter 2003 (-0.1% and 0.0% respectively).

In comparison with the third quarter 2002, euro-zone and EU15 GDP increased by +0.3% and +0.6%, respectively, compared to +0.1% and +0.4% in the year up to the second quarter.

In the United States, quarter-on-quarter GDP growth reached +2.0%, following a +0.8% increase in the previous quarter. A slow down was instead seen in Japan, where GDP growth decreased from +0.9% to +0.6%.

Compared to the same quarter of the previous year, GDP growth reached +3.5% in the United States (+2.5% in the previous quarter) and went down to +2.3% in Japan (+3.0% in the previous quarter).

⁽¹⁾ Methodological note: data for euro-zone and EU15 are calculated within a coherent and consistent statistical framework using as indicators the available seasonally adjusted data from the Member States. Data are also corrected for working days by some Member States. Given that certain Member States have not published their quarterly accounts yet, and that certain data are provisional, euro-zone and EU15 data must also be considered as provisional. Revisions are likely in the coming weeks.

⁽²⁾ The euro-zone consists of the following countries: Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland.

DEVELOPMENT OF GDP AND ITS COMPONENTS

Expenditure components of GDP Euro-zone, EU15, United States and Japan

During the third quarter of 2003, the growth of final consumption expenditure of households and NPISH (non-profit institutions serving households) was completely flat in the euro-zone (+0.1% in second quarter 2003), while it was a mere 0.1% in the EU15 (down from the +0.2% shown in the previous quarter). Public final consumption went up by 0.5% in both zones, following a similar increase recorded in the previous quarter (+0.4%). Investments fell again in the euro-zone and in the EU15 (-0.5% and -0.6%, respectively, compared with -0.5% and -0.4% in the previous quarter). Exports grew strongly in both zones (+2.2% in the euro-zone and +1.9% in the EU15), thus reversing a negative trend which had lasted for 3 quarters. Conversely, imports fell by 0.4% in the euro-zone and by 0.1% in the EU15, after the decrease of the previous quarter (-0.2% and -0.5% respectively).

Regarding contributions to GDP growth, government final consumption expenditure played a positive role in both zones (contribution of 0.1 percentage points to the total GDP variations), as well as exports (+0.9 of GDP variation for the euro-zone and +0.7 for the EU15) while gross fixed capital formation (-0.1 of GDP variation for both zones) and changes in inventories (-0.6 of GDP variation for the euro-zone, -0.4 in the EU15) showed a negative contribution. Private final consumption expenditure showed no contribution to GDP growth in the euro-zone and a positive one in the EU15 (+0.1 of GDP variation). Finally, imports made a small positive contribution in the euro-zone (+0.1% of GDP variation) and a neutral one in the EU15.

In the United States, growth of private consumption showed acceleration with respect to the second quarter: from +0.9% to +1.6%. Conversely, public consumption

fell by 0.1% after the strong increase recorded in the second quarter (+2.2%). Investment growth doubled reaching +3.7% (+1.8% in the second quarter 2003) and exports showed a strong recovery (+2.6% against -0.2%) whereas imports continued to grow but at a reduced speed (+0.4% after +2.1%).

In Japan, both private and public final consumption stagnated, thus confirming the stability recorded in the previous quarter (+0.1% and 0.0%, respectively), while the volume of investments increased again (+1.3%, after +2.5% in the second quarter). Trade was quite dynamic: exports' growth accelerated from +1.5% to +2.8%, whereas imports growth turned positive (+1.7% compared to -1.2% in the previous quarter).

Output components of GDP Euro-zone and EU15

During the third quarter of 2003, total gross value added (GVA) increased by 0.5% in the two European zones after showing mixed results in the previous quarter (-0.1% in the euro-zone and 0.0% in the EU15). In comparison with the third quarter 2002, the growth of total gross value added accelerated in both zones, reaching +0.4% in the euro-zone and +0.7% in the EU15 (+0.1% and +0.5% in the previous quarter).

All branches showed increases, except for *Agriculture* (-0.2% in the euro-zone and -0.1% in the EU15). The highest growth rates of GVA were that of *Trade, transport and communications*: +0.7% in the euro-zone and +0.6% in the EU15. *Financial services and business activities* and *Other services* reported the same positive results (+0.4% in the euro-zone and +0.5% in the EU15). GVA of the *Industry* branch enjoyed a positive turnaround both in the euro-zone (+0.5%) and in the EU15 (+0.4%). Finally the growth rate of the *Construction* branch accelerated to +0.3% in the euro-zone and to +0.7% in the EU15 (+0.1% and +0.3%, respectively, in the previous quarter).

GDP and main components - third quarter 2003				
GDP	3rd Quarter 2003*	growth compared to 2nd quarter 2003	growth compared to 3rd quarter 2002	
Euro-zone	1 580 256.8	0.4	0.3	
EU-15	1 948 849.7	0.4	0.6	
US	1 841 492.4	2.0	3.5	
JP	1 125 544.8	0.6	2.3	
Domestic Demand	3rd Quarter 2003*	growth compared to 2nd quarter 2003	growth compared to 3rd quarter 2002	
Euro-zone	1 527 283.2	-0.6	0.1	
EU-15	1 907 108.5	-0.3	0.6	
US	1 944 646.7	1.7	3.7	
JP	1 089 704.7	0.4	1.5	
External Balance	3rd Quarter 2003*	Percentage of GDP (seasonally adjusted)		
Euro-zone	52 973.6	3.4		
EU-15	41 741.2	2.1		
US	- 103 154.3	-5.6		
JP	35 840.1	3.2		
Gross Value Added	3rd Quarter 2003*	growth compared to 2nd quarter 2003	growth compared to 3rd quarter 2002	
Euro-zone	1 493 766.4	0.5	0.4	
EU-15	1 833 319.0	0.5	0.7	
US	:	:	:	
JP	:	:	:	

: Data not available

* in millions of euro, seasonally adjusted, at constant prices (1995)

T1 GROWTH RATE OF GDP AND EXPENDITURE COMPONENTS

t/t-1 Percentage change over previous quarter - seasonally adjusted - at constant prices (1995)

	GDP				Household & NPISH final consumption expenditure				Government final consumption expenditure				Gross Fixed Capital Formation				Change in Inventories ⁽¹⁾				Domestic Demand				Exports				Imports				External Balance ⁽¹⁾			
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003					
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3				
Euro-zone	0.0	0.0	-0.1	0.4	0.3	0.5	0.1	0.0	0.2	0.4	0.4	0.5	0.3	-1.1	-0.5	-0.5	0.0	0.1	0.2	-0.4	0.4	0.3	0.1	-0.6	-0.2	-1.5	-0.6	2.2	0.8	-0.6	-0.2	-0.4	2.9	2.5	2.4	3.4
EU-15	0.1	0.0	0.0	0.4	0.5	0.4	0.2	0.1	0.2	0.7	0.4	0.5	0.3	-1.0	-0.4	-0.6	0.2	0.3	0.3	-0.1	0.5	0.3	0.1	-0.3	-0.7	-0.8	-0.7	1.9	0.4	-0.1	-0.5	-0.1	1.7	1.5	1.4	2.1
US	0.3	0.4	0.8	2.0	0.4	0.5	0.9	1.6	1.4	0.2	2.2	-0.1	0.9	-0.1	1.8	3.7	1.1	0.9	0.7	0.6	0.8	0.1	1.1	1.7	-1.5	-0.3	-0.2	2.6	1.8	-1.6	2.1	0.4	-5.9	-5.6	-5.9	-5.6
JP	0.4	0.5	0.9	0.6	-0.3	0.2	0.1	0.0	0.0	0.3	0.0	0.0	1.4	0.6	2.5	1.3	-0.2	0.0	-0.1	-0.1	0.0	0.5	0.6	0.4	4.7	0.5	1.5	2.8	1.5	0.7	-1.2	1.7	2.8	2.8	3.0	3.2

⁽¹⁾ Percentage of GDP.

T2 GROWTH RATE OF GDP AND EXPENDITURE COMPONENTS

t/t-4 Percentage change over the same quarter of the previous year - seasonally adjusted - at constant prices (1995)

	GDP				Household & NPISH final consumption expenditure				Government final consumption expenditure				Gross Fixed Capital Formation				Domestic Demand				Exports				Imports			
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Euro-zone	1.1	0.7	0.1	0.3	0.6	1.5	1.2	0.9	2.2	1.9	1.6	1.5	-1.9	-2.3	-1.3	-1.9	0.9	1.2	1.0	0.1	4.1	2.4	-0.9	-0.1	3.8	4.0	1.3	-0.5
EU-15	1.3	0.9	0.4	0.6	1.1	1.7	1.4	1.2	1.9	1.9	1.8	1.8	-1.1	-1.2	-1.0	-1.6	1.4	1.5	1.2	0.6	3.2	2.2	-1.2	-0.3	3.6	3.9	0.8	-0.4
US	2.9	2.0	2.5	3.5	2.7	2.4	2.9	3.5	4.0	3.2	4.5	3.6	0.9	0.4	2.7	6.4	3.9	2.6	3.0	3.7	3.9	2.7	-0.9	0.5	10.1	6.2	3.1	2.7
JP	2.5	2.9	3.0	2.3	1.4	1.1	1.4	0.1	1.5	1.3	1.4	0.4	0.6	1.8	5.2	5.9	1.5	2.3	2.7	1.5	17.7	12.3	6.6	9.7	8.8	8.5	3.5	2.7

T3 GDP AND EXPENDITURE COMPONENTS

levels Third quarter 2003 - millions of euro - seasonally adjusted - at constant prices (1995)

	GDP	Household & NPISH final consumption expenditure				Government final consumption expenditure				Gross Fixed Capital Formation				Change in Inventories				Domestic Demand				Exports				Imports				External Balance			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3				
Euro-zone	1 580 256.8	891 457.4				322 726.0				319 442.7				- 6 342.9				1 527 283.2				618 619.6				565 645.9				52 973.6			
EU-15	1 948 849.7	1 124 401.4				396 528.8				388 135.9				- 1 957.5				1 907 108.5				752 151.5				710 410.3				41 741.2			
US	1 841 492.4	1 279 571.9				267 578.6				385 884.9				11 611.4				1 944 646.7				209 751.1				312 905.4				- 103 154.3			
JP	1 125 544.8	610 915.4				186 290.8				293 935.6				- 1 437.1				1 089 704.7				135 715.0				99 874.9				35 840.1			

T4 GROWTH RATE OF GDP AND GROSS VALUE ADDED BY INDUSTRY

t/t-1 Percentage change over previous quarter - seasonally adjusted - at constant prices (1995)

	GDP				Agriculture, hunting and fishing				Industry, incl. Energy				Construction				Trade, transport and communication services				Financial services and business activities				Other services				Total Gross Value Added (A6)			
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
euro-zone	0.0	0.0	-0.1	0.4	-0.2	-0.3	-0.3	-0.2	-0.4	0.2	-1.0	0.5	0.0	-0.8	0.1	0.3	0.1	-0.2	0.1	0.7	0.1	-0.1	0.1	0.4	0.4	0.4	0.3	0.4	0.0	0.0	-0.1	0.5
EU-15	0.1	0.0	0.0	0.4	0.0	-0.4	0.0	-0.1	-0.4	0.1	-0.7	0.4	0.4	-0.5	0.3	0.7	0.2	-0.1	0.2	0.6	0.3	0.0	0.2	0.5	0.4	0.4	0.3	0.5	0.1	0.1	0.0	0.5

T5 GROWTH RATE OF GDP AND GROSS VALUE ADDED BY INDUSTRY

t/t-4 Percentage change over the same quarter of the previous year - seasonally adjusted - at constant prices (1995)

	GDP				Agriculture, hunting and fishing				Industry, incl. Energy				Construction				Trade, transport and communication services				Financial services and business activities				Other services				Total Gross Value Added (A6)			
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
euro-zone	1.1	0.7	0.1	0.3	-2.6	-1.3	-1.2	-1.1	2.1	1.1	-0.9	-0.7	-1.5	-2.2	-0.7	-0.4	1.5	0.9	0.4	0.7	1.8	1.1	0.2	0.5	1.0	1.3	1.3	1.6	1.4	0.9	0.1	0.4
EU-15	1.3	0.9	0.4	0.6	-2.2	-1.4	-1.1	-0.6	1.7	0.9	-0.8	-0.6	-0.3	-1.1	0.3	0.9	1.9	1.3	0.8	1.0	1.8	1.5	0.8	1.0	1.1	1.3	1.3	1.6	1.5	1.1	0.5	0.7

T6 GDP AND GROSS VALUE ADDED BY INDUSTRY

levels Third quarter 2003 - millions of euro - seasonally adjusted - at constant prices (1995)

	GDP									Total Gross Value Added (A6)	Taxes less subsidies on products	FISIM
		Agriculture, hunting and fishing	Industry, incl. Energy	Construction	Trade, transport and communication services	Financial services and business activities	Other services					
euro-zone	1 580 256.8	37 209.9	337 903.0	76 404.0	330 282.9	399 947.3	312 019.3	1 493 766.4	153 936.4	67 446.0		
EU-15	1 948 849.7	43 014.8	412 167.2	93 252.4	410 624.2	491 086.8	383 173.6	1 833 319.0	198 772.3	83 241.6		

FISIM: Financial Intermediation Services Indirectly Measured.

T7 CONTRIBUTION OF EXPENDITURE COMPONENTS TO VARIATION IN GDP

t/t-1 GDP variation over previous quarter - seasonally adjusted - at constant prices (1995)

	GDP				Household & NPISH final consumption expenditure				Government final consumption expenditure				Gross Fixed Capital Formation				Change in Inventories				Exports				Imports						
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Euro-zone	0.0	0.0	-0.1	0.4	0.2	0.3	0.0	0.0	0.0	0.1	0.1	0.1	0.1	-0.2	-0.1	-0.1	0.1	0.2	0.0	-0.6	-0.1	-0.6	-0.2	0.9	-0.3	0.2	0.1	0.1			
EU-15	0.1	0.0	0.0	0.4	0.3	0.2	0.1	0.1	0.0	0.1	0.1	0.1	0.1	-0.2	-0.1	-0.1	0.1	0.1	0.0	-0.4	-0.3	-0.3	-0.3	0.7	-0.2	0.0	0.2	0.0			
US	0.3	0.4	0.8	2.0	0.3	0.3	0.7	1.1	0.2	0.0	0.3	0.0	0.2	0.0	0.4	0.8	0.1	-0.2	-0.1	-0.1	-0.2	0.0	0.0	0.3	-0.3	0.3	-0.4	-0.1			
JP	0.4	0.5	0.9	0.6	-0.2	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.4	0.2	0.6	0.3	-0.2	0.2	-0.1	0.0	0.5	0.1	0.2	0.3	-0.1	-0.1	0.1	-0.1			

t/t-4 GDP variation over the same quarter of the previous year - seasonally adjusted - at constant prices (1995)

Euro-zone	1.1	0.7	0.1	0.3	0.4	0.9	0.7	0.5	0.4	0.4	0.3	0.3	-0.4	-0.5	-0.3	-0.4	0.5	0.4	0.2	-0.3	1.6	0.9	-0.3	0.0	-1.4	-1.4	-0.5	0.2
EU-15	1.3	0.9	0.4	0.6	0.7	1.0	0.8	0.7	0.4	0.4	0.4	0.4	-0.2	-0.2	-0.2	-0.3	0.5	0.4	0.2	-0.2	1.2	0.8	-0.5	-0.1	-1.3	-1.4	-0.3	0.1
US	2.9	2.0	2.5	3.5	1.9	1.7	2.0	2.4	0.6	0.5	0.7	0.5	0.2	0.1	0.6	1.3	1.5	0.5	-0.1	-0.3	0.4	0.3	-0.1	0.1	-1.6	-1.0	-0.5	-0.5
JP	2.5	2.9	3.0	2.3	0.8	0.6	0.8	0.1	0.3	0.2	0.2	0.1	0.1	0.5	1.3	1.5	0.3	0.9	0.3	-0.1	1.8	1.3	0.7	1.1	-0.7	-0.7	-0.3	-0.2

T8 CONTRIBUTION OF GROSS VALUE ADDED BY INDUSTRY TO VARIATION IN GDP

t/t-1 GDP variation over previous quarter - seasonally adjusted - at constant prices (1995)

	GDP				Agriculture, hunting and fishing				Industry, incl. Energy				Construction				Trade, transport and communication services				Financial services and business activities				Other services				Taxes less subsidies on products				FISIM			
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003					
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Euro-zone	0.0	0.0	-0.1	0.4	0.0	0.0	0.0	0.0	-0.1	0.0	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU-15	0.1	0.0	0.0	0.4	0.0	0.0	0.0	0.0	-0.1	0.0	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0

t/t-4 GDP variation over the same quarter of the previous year - seasonally adjusted - at constant prices (1995)

Euro-zone	1.1	0.7	0.1	0.3	-0.1	0.0	0.0	0.0	0.5	0.2	-0.2	-0.1	-0.1	-0.1	0.0	0.0	0.3	0.2	0.1	0.2	0.4	0.3	0.1	0.1	0.2	0.2	0.3	0.3	-0.2	0.0	0.1	0.0	0.0	-0.1	-0.1	-0.1
EU-15	1.3	0.9	0.4	0.6	-0.1	0.0	0.0	0.0	0.4	0.2	-0.2	-0.1	0.0	-0.1	0.0	0.0	0.4	0.3	0.2	0.2	0.5	0.4	0.2	0.2	0.2	0.3	0.3	0.3	-0.1	0.0	0.1	0.0	0.0	-0.1	-0.2	-0.1

FISIM: Financial Intermediation Services Indirectly Measured.

T9 GROWTH RATE OF GDP AND EXPENDITURE COMPONENTS

1995 = 100 Volume indices - 1995=100

	GDP				Household & NPISH final consumption expenditure				Government final consumption expenditure				Gross Fixed Capital Formation				Domestic Demand				Exports				Imports			
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Euro-zone	116.8	116.7	116.6	117.1	115.7	116.4	116.4	116.4	115.1	115.5	116.0	116.6	117.6	116.3	115.7	115.1	115.4	115.8	115.8	115.1	156.4	154.0	153.1	156.5	153.8	152.8	152.5	151.9
EU-15	117.7	117.7	117.7	118.2	118.1	118.6	118.8	119.0	114.4	115.2	115.6	116.2	121.1	119.9	119.4	118.7	117.5	117.9	118.0	117.6	153.7	152.5	151.4	154.3	155.3	155.1	154.3	154.1
US	126.2	126.6	127.6	130.2	130.8	131.4	132.7	134.7	120.8	121.0	123.6	123.5	141.9	141.8	144.3	149.7	132.1	132.2	133.7	135.9	131.4	130.9	130.6	134.1	179.8	176.9	180.7	181.3
JP	109.0	109.5	110.5	111.1	108.2	108.5	108.6	108.7	122.2	122.7	122.7	122.7	100.3	100.9	103.4	104.8	107.5	108.0	108.7	109.1	140.9	141.6	143.7	147.7	126.8	127.7	126.2	128.3

T10 GROWTH RATE OF GDP AND GROSS VALUE ADDED BY INDUSTRY

1995=100 Volume indices - 1995=100

	GDP				Agriculture, hunting and fishing				Industry, incl. Energy				Construction				Trade, transport and communication services				Financial services and business activities				Other services				Total Gross Value Added (A6)			
	2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003		2002		2003	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Euro-zone	116.8	116.7	116.6	117.1	106.9	106.6	106.3	106.0	113.4	113.6	112.5	113.1	100.0	99.2	99.3	99.6	124.8	124.6	124.8	125.6	125.7	125.5	125.6	126.1	112.6	113.0	113.4	113.9	117.7	117.7	117.6	118.1
EU-15	117.7	117.7	117.7	118.2	105.8	105.3	105.3	105.2	112.3	112.4	111.6	112.0	103.1	102.7	103.0	103.7	126.6	126.6	126.8	127.6	127.5	127.5	127.8	128.4	112.7	113.2	113.5	114.1	118.4	118.5	118.5	119.1

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

Data are compiled in accordance with ESA 1995 (European System of Accounts) which is described in Council Regulation No 2223/96 of 25. June 1995.

Gross Domestic Product (GDP) at market prices is the final result of the production activity of resident producer units. It may be compiled from different sources relating to different approaches:

Using the **expenditure approach**, GDP is obtained from the following equation:

$$\begin{aligned} \text{GDP} = & \text{Household final consumption expenditure} \\ & + \text{Government final consumption expenditure} \\ & + \text{Gross fixed capital formation} \\ & + \text{Change in inventories} \\ & + \text{Exports} \\ & - \text{Imports.} \end{aligned}$$

The second four components constitute **domestic demand**, the balance of the latter two, i.e. exports minus imports, is the **external balance**.

Final consumption expenditure (ESA 1995 3.75) is defined as expenditure on goods and services that are used for the direct satisfaction of individual or collective needs. The consumption expenditure may take place on the economic territory or abroad. **Household final consumption expenditure** entails the expenditure of non-profit institutions serving households (NPISHs). **Government final consumption expenditure** includes the value of goods and services produced by general government itself other than own-account capital formation, and purchases by general government of goods and services produced by market producers that are supplied to households — without any transformation — as social transfers in kind.

Gross fixed capital formation (ESA 1995, 3.102) consists of acquisitions, less disposals, of fixed tangible or intangible assets.

Changes in inventories (ESA 1995, 3.117) are measured by the value of the entries into inventories less the value of withdrawals and recurrent losses. Inventories include materials and supplies as well as work-in-progress and growing crops.

Exports and imports (ESA 1995, 3.128 f.) of goods and services are transactions between residents and non-residents. They consist of sales, barters, gifts and grants. Imports and exports of goods are valued free on board at the border of the exporting country (f.o.b.).

Using the **output approach**, GDP is obtained from the following equation:

$$\begin{aligned} \text{GDP} = & \text{Total Gross value added (A6)} \\ & + \text{Taxes less subsidies on products} \\ & - \text{FISIM.} \end{aligned}$$

Gross value added (GVA) (ESA 1995, 8.11) is defined as the value of all newly generated goods and services less the value of all goods and services consumed as intermediate consumption. The depreciation of fixed assets is not taken into account. Gross value added is compiled by industry that creates it. Here, the A6 breakdown of the NACE Rev. 1 is used. This is the European classification of economic activities governed by Council Regulation 3037/90 of 9 October 1990. It should be noted that total gross value added, i.e. the sum of industries' GVA, still contains some intermediate consumption (FISIM, see below). GVA of a whole economy is therefore to be calculated as Total GVA minus FISIM.

When calculating value added, output is valued at basic prices and intermediate consumption at purchaser's prices, and thus the difference between taxes and subsidies on products has to be added to value added.

Taxes less subsidies on products (ESA 1995, 9.47) are, in fact, a part of value added measured in the government accounts because of the different prices used. The GDP resulting from the above equation will then be valued at market prices.

FISIM (Financial Intermediation Services Indirectly Measured, ESA 1995, 8.14) is a kind of intermediate consumption paid to financial service providers via the interest margin, which cannot be allocated directly to individual customers as intermediate consumption, so value added is overestimated for the branches. FISIM is therefore normally considered to be intermediate consumption at the national economy level.

Further information:

➤ Databases

New Cronos, Theme 2, Domain: quart

To obtain information or to order publications, databases and special sets of data, please contact the **Data Shop** network:

DANMARK	DEUTSCHLAND	ESPAÑA	FRANCE	ITALIA – Roma
DANMARKS STATISTIK Bibliotek og Information Eurostat Data Shop Sejrøgade 11 DK-2100 KØBENHAVN Ø Tlf. (45) 39 17 30 30 Fax (45) 39 17 30 03 E-mail: bib@dst.dk URL: http://www.dst.dk/bibliotek	Statistisches Bundesamt Eurostat Data Shop Berlin Otto-Braun-Straße 70-72 (Eingang: Karl-Marx-Allee) D-10178 Berlin Tel. (49) 1888-644 94 27/28 (49) 611 75 94 27 Fax (49) 1888-644 94 30 E-Mail: datashop@destatis.de URL: http://www.eu-datashop.de/	INE Eurostat Data Shop Paseo de la Castellana, 183 Despacho 011B Entrada por Estébanez Calderón E-28046 MADRID Tel. (34) 915 839 167/ 915 839 500 Fax (34) 915 830 357 E-mail: datashop.eurostat@ine.es URL: http://www.ine.es/produser/datashop/index.html Member of the MIDAS Net	INSEE Info Service Eurostat Data Shop 195, rue de Bercy Tour Gamma A F-75582 PARIS CEDEX 12 Tél. (33) 1 53 17 88 44 Fax (33) 1 53 17 88 22 E-mail: datashop@insee.fr Member of the MIDAS Net	ISTAT Centro di informazione statistica Sede di Roma Eurostat Data Shop Via Cesare Balbo, 11a I-00184 Roma Tel. (39) 06 46 73 32 28 Fax (39) 06 46 73 31 01/ 07 E-mail: datashop@istat.it URL: http://www.istat.it/Prodotti-e/Allegati/Eurostatdatashop.html Member of the MIDAS Net
ITALIA – Milano	NEDERLAND	PORTUGAL	SUOMI/FINLAND	SVERIGE
ISTAT Ufficio Regionale per la Lombardia Eurostat Data Shop Via Fieno 3 I-20123 MILANO Tel. (39) 02 80 61 32 460 Fax (39) 02 80 61 32 304 E-mail: mileuro@tin.it URL: http://www.istat.it/Prodotti-e/Allegati/Eurostatdatashop.html Member of the MIDAS Net	Centraal Bureau voor de Statistiek Eurostat Data Shop - Voorburg Postbus 4000 NL-2270 JM VOORBURG Nederland Tel. (31) 70 337 49 00 Fax (31) 70 337 59 84 E-mail: datashop@cbs.nl URL: www.cbs.nl/eurodatashop	Eurostat Data Shop Lisboa INE/Serviço de Difusão Av. António José de Almeida, 2 P-1000-043 LISBOA Tel. (351) 21 842 61 00 Fax (351) 21 842 63 64 E-mail: data.shop@ine.pt	Statistics Finland Eurostat Data Shop Helsinki Tilastokirjasto PL 2B FIN-00022 Tilastokeskus Työpajakatu 13 B, 2.Kerros, Helsinki P. (358) 9 17 34 22 21 F. (358) 9 17 34 22 79 Sähköposti: datashop@stat.fi URL: http://www.tilastokeskus.fi/tk/kk/datashop/	Statistics Sweden Information service Eurostat Data Shop Karlavägen 100 - Box 24 300 S-104 51 STOCKHOLM Tfn (46) 8 50 69 48 01 Fax (46) 8 50 69 48 99 E-post: infoservice@scb.se URL: http://www.scb.se/templates/Standard_22884.asp
UNITED KINGDOM	NORGE	SCHWEIZ/SUISSE/SVIZZERA	UNITED STATES OF AMERICA	
Eurostat Data Shop Office for National Statistics Room 1.015 Cardiff Road Newport South Wales NP10 8XG United Kingdom Tel. (44) 1633 81 33 69 Fax (44) 1633 81 33 33 E-mail: eurostat.datashop@ons.gov.uk	Statistics Norway Library and Information Centre Eurostat Data Shop Kongens gate 6 Boks 8131 Dep. N-0033 OSLO Tel. (47) 21 09 46 42 / 43 Fax (47) 21 09 45 04 E-mail: Datashop@ssb.no URL: http://www.ssb.no/bibliotek/datashop/	Statistisches Amt des Kantons Zürich Eurostat Data Shop Bleichenweg 5 CH-8090 Zürich Tel. (41) 1 225 12 12 Fax (41) 1 225 12 99 E-mail: datashop@statistik.zh.ch URL: http://www.statistik.zh.ch	Harver Analytics Eurostat Data Shop 60 East 42nd Street Suite 3310 NEW YORK, NY 10165 USA Tel. (1) 212 986 93 00 Fax (1) 212 986 69 81 E-mail: eurodata@haver.com URL: http://www.haver.com/	

Media Support Eurostat (for professional journalists only):

Bech Building Office A4/017 • L-2920 Luxembourg • Tel. (352) 4301 33408 • Fax (352) 4301 35349 • e-mail: eurostat-mediasupport@cec.eu.int

For information on methodology:

Roberto BARCELLAN Tel. (352) 4301 35802 E-mail: roberto.barcellan@cec.eu.int Eurostat/C2, L-2920 Luxembourg
Ingo KUHNERT Tel. (352) 4301 35234 E-mail: ingo.kuhnert@cec.eu.int Fax (352) 4301 33879
ORIGINAL: English

Please visit our web site at www.europa.eu.int/comm/eurostat/ for further information!

A list of worldwide sales outlets is available at the **Office for Official Publications of the European Communities**.

2 rue Mercier – L-2985 Luxembourg
Tel. (352) 2929 42118 Fax (352) 2929 42709
URL: <http://publications.eu.int>
E-mail: info-info-opoce@cec.eu.int

BELGIQUE/BELGIË – DANMARK – DEUTSCHLAND – GREECE/ELLADA – ESPAÑA – FRANCE – IRELAND – ITALIA – LUXEMBOURG – NEDERLAND – ÖSTERREICH
PORTUGAL – SUOMI/FINLAND – SVERIGE – UNITED KINGDOM – ISLAND – NORGE – SCHWEIZ/SUISSE/SVIZZERA – BALGARJA – ČESKÁ REPUBLIKA – CYPRUS
EESTI – HRVATSKA – MAGYARORSZÁG – MALTA – POLSKA – ROMÂNIA – RUSSIA – SLOVAKIA – SLOVENIA – TÜRKIYE – AUSTRALIA – CANADA – EGYPT – INDIA
ISRAËL – JAPAN – MALAYSIA – PHILIPPINES – SOUTH KOREA – THAILAND – UNITED STATES OF AMERICA

Order form

I would like to subscribe to *Statistics in focus* (from 1.1.2004 to 31.12.2004):
(for the Data Shop and sales office addresses see above)

All 9 themes (approximately 200 issues)

Paper: EUR 240

Language required: DE EN FR

Statistics in focus can be downloaded (pdf file) free of charge from the Eurostat web site. You only need to register. For other solutions, contact your Data Shop.

Please send me a free copy of 'Eurostat mini-guide' (catalogue containing a selection of Eurostat products and services)
Language required: DE EN FR

I would like a free subscription to 'Statistical References', the information letter on Eurostat products and services
Language required: DE EN FR

Mr Mrs Ms

(Please use block capitals)

Surname: _____ Forename: _____

Company: _____ Department: _____

Function: _____

Address: _____

Post code: _____ Town: _____

Country: _____

Tel.: _____ Fax: _____

E-mail: _____

Payment on receipt of invoice, preferably by:

Bank transfer

Visa Eurocard

Card No: _____ Expires on: ____/____/____

Please confirm your intra-Community VAT number:

If no number is entered, VAT will be automatically applied. Subsequent reimbursement will not be possible.