

QUARTERLY ACCOUNTS

Fourth quarter 2004

Income side

Statistics
in focus

ECONOMY AND FINANCE

15/2005

National accounts

Author

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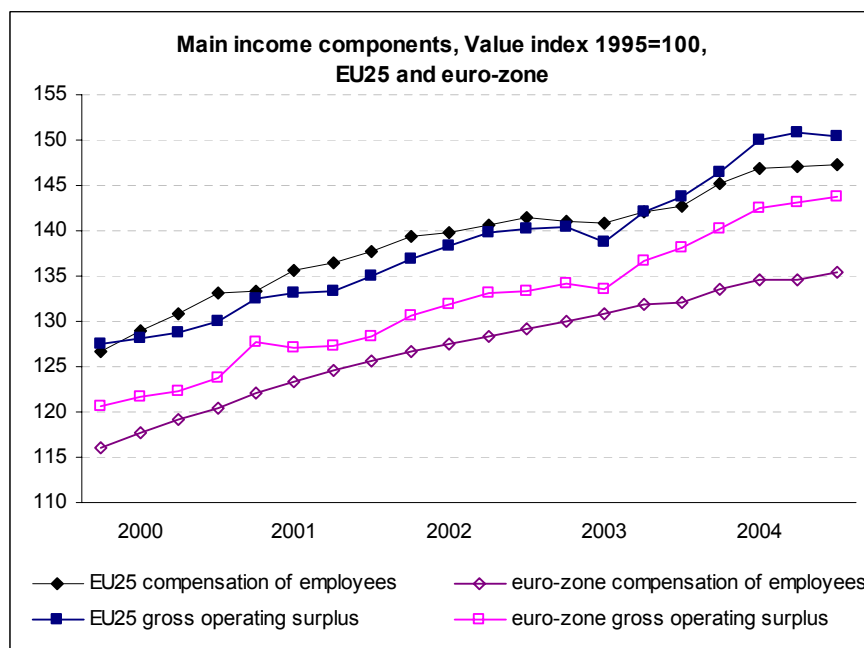
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According to Eurostat estimates¹ for the fourth quarter 2004, GDP at current prices and exchange rates, compared to the previous quarter, increased by +0.5% in the euro-zone² and by +0.1% in the EU25³. With regard to the components of the income side of GDP, Compensation of employees grew by +0.6% in the euro-zone and by +0.2% in the EU25. Gross operating surplus and mixed income rose by +0.3% in the euro-zone and decreased by 0.3% in the EU25. Finally, Taxes less subsidies on production and imports were up by +1.0% in the euro-zone and by +0.7% in the EU25.

Gross national income at market prices, equal to GDP after adjusting for primary income transfers with the rest of the world, rose by +0.9% in the euro-zone and by +0.5% in the EU25. Net national income at market prices, which takes into account the consumption of fixed capital, posted a similar result in the euro-zone (+0.9%). Net national disposable income, being adjusted for the balance of current transfers received from and paid to the rest of the world, amounted to 1 603 billion euro in the euro-zone (+1.1%). Net saving, the net disposable income less final consumption expenditure, increased by 4.5% in the euro-zone. Net saving plus net capital transfers with the rest of the world was larger than net capital formation, resulting in a net lending of 14.0 billion euro to the rest of the world.

¹ Methodological note: data for euro-zone, EU25 and EU15 are calculated in a coherent statistical framework, using as indicators the data of all the Member States compiling quarterly accounts. Aggregations for the euro-zone, the EU25 and the EU15 were carried out using Member States' seasonally adjusted data. These are also corrected for working days for Belgium, Spain, France, Italy, the Netherlands, Austria, Slovenia, Finland, Sweden and the United Kingdom.

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

³ The growth rates of the income aggregates are calculated at current prices and exchange rates. For the Member States outside the euro-zone this could result in differences from growth rates published at national level, mainly due to quarterly movements in the exchange rates.



T1

GDP AND INCOME COMPONENTS
EURO-ZONE, EU-25, EU-15 AND EU MEMBER STATES

levels / t/t-1 Third and fourth quarter 2004 - levels in millions of euro and percentage change over previous quarter - seasonally adjusted - at current prices

	GDP			Compensation of employees			Gross operating surplus and mixed income			Taxes less subsidies on production and imports		
	level 2004-Q3	level 2004-Q4	% t/t-1 ⁽¹⁾	level 2004-Q3	level 2004-Q4	% t/t-1	level 2004-Q3	level 2004-Q4	% t/t-1	level 2004-Q3	level 2004-Q4	% t/t-1
euro-zone	1 894 168.6	1 904 394.9	0.5	927 946.0	933 450.4	0.6	733 773.5	736 112.0	0.3	232 449.0	234 832.5	1.0
EU-25	2 567 953.7	2 570 304.4	0.1	1 286 015.9	1 288 646.3	0.2	960 987.9	958 431.4	-0.3	320 949.9	323 226.6	0.7
EU-15	2 447 401.0	2 447 369.1	0.0	1 235 401.1	1 236 999.1	0.1	906 728.2	903 549.6	-0.4	305 271.7	306 820.5	0.5
EU MEMBER STATES												
BE	71 385.6	71 600.6	0.3	:	:	:	:	:	:	:	:	:
CZ	21 949.1	22 594.0	2.9	:	:	:	:	:	:	:	:	:
DK	48 801.5	49 233.3	0.9	26 416.7	26 458.6	0.2	15 118.5	15 283.5	1.1	7 266.3	7 491.2	3.1
DE ⁽²⁾	542 740.0	541 170.0	-0.3	282 700.0	282 570.0	-0.1	202 320.0	203 810.0	0.7	58 680.0	58 980.0	0.5
EE	2 238.5	2 330.6	4.1	:	:	:	:	:	:	:	:	:
EL	42 037.0	42 793.0	1.8	:	:	:	:	:	:	:	:	:
ES	201 147.0	205 079.0	2.0	99 096.5	100 662.0	1.6	79 793.5	82 044.0	2.8	22 257.0	22 373.0	0.5
FR	406 944.2	411 790.2	1.2	211 803.0	213 419.1	0.8	138 096.9	140 107.2	1.5	57 044.4	58 263.8	2.1
IE	36 500.3	37 396.0	2.5	:	:	:	:	:	:	:	:	:
IT	339 319.8	339 174.8	0.0	139 219.8	141 220.4	1.4	155 229.1	152 099.1	-2.0	44 871.0	45 855.3	2.2
CY	3 149.6	3 219.8	2.2	:	:	:	:	:	:	:	:	:
LV	:	:	:	:	:	:	:	:	:	:	:	:
LT	4 542.7	4 669.5	2.8	1 772.2	1 830.6	3.3	2 266.7	2 338.5	3.2	503.8	500.4	-0.7
LU	:	:	:	:	:	:	:	:	:	:	:	:
HU	20 504.2	21 089.8	2.9	:	:	:	:	:	:	:	:	:
MT	:	:	:	:	:	:	:	:	:	:	:	:
NL	116 860.0	117 623.0	0.7	60 485.0	60 902.0	0.7	42 903.0	43 274.0	0.9	13 475.0	13 686.0	1.6
AT	59 196.1	59 736.5	0.9	29 438.9	29 679.0	0.8	22 866.3	23 048.2	0.8	6 795.0	6 839.0	0.7
PL	:	:	:	:	:	:	:	:	:	:	:	:
PT	33 894.0	34 132.6	0.7	:	:	:	:	:	:	:	:	:
SI	6 469.1	6 520.5	0.8	:	:	:	:	:	:	:	:	:
SK	:	:	:	:	:	:	:	:	:	:	:	:
FI	37 619.0	37 908.0	0.8	18 347.0	18 565.0	1.2	14 650.0	14 387.0	-1.8	4 622.0	4 956.0	7.2
SE	:	:	:	:	:	:	:	:	:	:	:	:
UK	434 302.8	424 289.6	-2.3	241 763.9	238 145.8	-1.5	137 086.4	131 992.5	-3.7	54 808.4	53 470.9	-2.4

⁽¹⁾ Please note that growth rates are calculated from current prices and may be different from those in constant prices.

⁽²⁾ DE: GDP corrected for working days, other series are not corrected for working days.

: Data not available.

T2
**GDP AND NATIONAL INCOME
EURO-ZONE, EU-25, EU-15 AND EU MEMBER STATES**
levels / t/t-1 Fourth quarter 2004 - levels in millions of euro and percentage change over the previous quarter - seasonally adjusted - at current prices

	GDP		Primary income receivable from the rest of the world	Primary income payable to the rest of the world	Balance of primary income with the rest of the world	Gross national income at market prices		Consumption of fixed capital	Net national income at market prices	
	level 2004-Q4	% t/t-1 ⁽¹⁾	level 2004-Q4	level 2004-Q4	level 2004-Q4	level 2004-Q4	% t/t-1	level 2004-Q4	level 2004-Q4	% t/t-1
euro-zone	1 904 394.9	0.5	:	:	- 8 388.6	1 894 832.4	0.9	274 790.0	1 620 042.4	0.9
EU-25	2 570 304.4	0.1	:	:	- 2 344.7	2 567 746.7	0.5	:	:	:
EU-15	2 447 369.1	0.0	:	:	1 594.6	2 450 364.3	0.5	334 697.7	2 115 666.6	0.6
EU MEMBER STATES										
BE	71 600.6	0.3	8 916.0	7 742.0	1 174.0	72 775.0	0.9	11 401.0	61 374.0	0.7
CZ	22 594.0	2.9	:	:	:	:	:	:	:	:
DK	49 233.3	0.9	3 042.1	3 096.3	- 54.2	49 179.1	1.0	7 477.6	41 701.4	1.2
DE	541 170.0	-0.3	26 960.0	24 360.0	2 600.0	547 960.0	1.3	81 170.0	466 790.0	1.5
EE	2 330.6	4.1	:	:	:	:	:	:	:	:
EL	42 793.0	1.8	:	:	:	:	:	:	:	:
ES	205 079.0	2.0	:	:	:	:	:	:	:	:
FR	411 790.2	1.2	18 686.7	17 425.9	1 260.8	413 050.9	1.2	60 355.3	352 695.7	1.2
IE	37 396.0	2.5	:	:	:	:	:	:	:	:
IT	339 174.8	0.0	13 986.3	16 063.1	- 2 076.8	337 097.9	-0.3	45 784.8	291 313.1	-0.5
CY	3 219.8	2.2	:	:	:	:	:	:	:	:
LV	:	:	:	:	:	:	:	:	:	:
LT	4 669.5	2.8	:	:	:	:	:	:	:	:
LU	:	:	:	:	:	:	:	:	:	:
HU	21 089.8	2.9	:	:	:	:	:	:	:	:
MT	:	:	:	:	:	:	:	:	:	:
NL	117 623.0	0.7	:	:	:	:	:	:	:	:
AT	59 736.5	0.9	4 014.9	4 713.4	- 698.6	58 917.5	0.9	8 489.0	50 426.0	0.8
PL	:	:	:	:	:	:	:	:	:	:
PT	34 132.6	0.7	1 400.2	2 026.3	- 626.1	33 506.5	1.1	6 107.8	27 398.7	1.1
SI	6 520.5	0.8	:	:	:	:	:	:	:	:
SK	:	:	:	:	:	:	:	:	:	:
FI	37 908.0	0.8	2 502.0	2 120.0	382.0	38 087.0	1.7	6 073.0	31 979.0	1.9
SE	:	:	:	:	:	:	:	:	:	:
UK	424 289.6	-2.3	54 821.8	43 351.0	11 470.8	435 760.4	-0.9	44 512.1	391 248.4	-0.8

⁽¹⁾ Please note that growth rates are calculated from current prices and may be different from those in constant prices.
: Data not available.

T3

NATIONAL INCOME AND SAVING
EURO-ZONE, EU-25, EU-15 AND EU MEMBER STATES
levels / t/t-1 Fourth quarter 2004 - levels in millions of euro and percentage change over the previous quarter - seasonally adjusted - at current prices

	Net national income at market prices		Current transfers receivable from the rest of the world	Current transfers payable to the rest of the world	Balance of current transfers with the rest of the world	Net national disposable income		Final consumption expenditure	Saving, net	
	level	%	level	level	level	level	%	level	level	%
	2004-Q4	t/t-1	2004-Q4	2004-Q4	2004-Q4	2004-Q4	t/t-1	2004-Q4	2004-Q4	t/t-1
euro-zone	1 620 042.4	0.9	:	:	- 17 007.1	1 603 035.3	1.1	1 476 788.5	126 246.9	4.5
EU-25	:	:	:	:	:	:	:	2 028 976.1	:	:
EU-15	2 115 666.6	0.6	:	:	- 23 713.6	2 091 953.0	0.7	1 932 273.7	159 679.3	7.8
EU MEMBER STATES										
BE	61 374.0	0.7	910.0	1 853.0	- 943.0	60 431.0	0.7	55 240.7	5 190.4	0.0
CZ	:	:	:	:	:	:	:	16 243.4	:	:
DK	41 701.4	1.2	725.3	1 679.4	- 954.1	40 747.4	1.5	37 296.2	3 451.2	-9.4
DE	466 790.0	1.5	2 220.0	7 790.0	- 5 570.0	461 220.0	1.8	419 910.0	39 940.0	18.5
EE	:	:	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	35 610.3	:	:
ES	:	:	:	:	:	:	:	155 676.0	:	:
FR	352 695.7	1.2	3 793.0	8 038.6	- 4 370.5	348 450.1	1.2	327 725.0	20 725.1	-1.4
IE	:	:	:	:	:	:	:	22 315.3	:	:
IT	291 313.1	-0.5	3 230.6	5 032.4	- 1 801.8	289 511.3	-0.3	269 510.2	20 001.2	-9.8
CY	:	:	:	:	:	566.1	:	:	:	:
LV	:	:	:	:	:	:	:	:	:	:
LT	:	:	:	:	:	:	:	3 876.7	:	:
LU	:	:	:	:	:	:	:	:	:	:
HU	:	:	:	:	:	:	:	16 735.5	:	:
MT	:	:	:	:	:	:	:	:	:	:
NL	:	:	:	:	:	:	:	87 012.0	:	:
AT	50 426.0	0.8	743.5	1 546.5	- 803.0	49 576.8	0.9	43 820.9	5 573.3	1.3
PL	:	:	:	:	:	:	:	:	:	:
PT	27 398.7	1.1	1 192.2	555.3	636.9	28 035.6	1.8	28 881.5	- 845.9	:
SI	:	:	:	:	:	:	:	4 871.4	:	:
SK	:	:	:	:	:	:	:	:	:	:
FI	31 979.0	1.9	1 044.0	594.0	450.0	32 667.0	4.3	28 148.0	:	:
SE	:	:	:	:	:	:	:	:	:	:
UK	391 248.4	-0.8	3 638.5	7 291.4	- 3 652.9	387 595.5	-0.7	365 733.0	21 864.0	47.5

: Data not available.

T4
**SAVING AND NET LENDING/BORROWING
EURO-ZONE, EU-25, EU-15 AND EU MEMBER STATES**
levels / t/t-1 Fourth quarter 2004 - levels in millions of euro and percentage change over the previous quarter - seasonally adjusted - at current prices

	Saving, net		Capital transfers receivable from the rest of world	Capital transfers payable to the rest of world	Balance of capital transfers with the rest of the world	Gross capital formation	Acquisition less disposal of non- financial non- produced assets	Consumption of fixed capital	Net lending/net borrowing
	level 2004-Q4	% t/t-1	level 2004-Q4	level 2004-Q4	level 2004-Q4	level 2004-Q4	level 2004-Q4	level 2004-Q4	level 2004-Q4
euro-zone	126 246.9	4.5	:	:	8 096.9	395 156.1	11.7	274 790.0	13 966.0
EU-25	:	:	:	:	:	517 983.5	:	:	:
EU-15	159 679.3	7.8	:	:	10 373.8	490 107.0	48.5	334 697.7	14 595.2
EU MEMBER STATES									
BE	5 190.4	0.0	389.0	204.0	185.0	14 443.4	0.0	11 401.0	2 333.0
CZ	:	:	:	:	:	6 230.8	:	:	:
DK	3 451.2	-9.4	95.1	90.5	4.6	10 043.7	0.0	7 477.6	999.7
DE	39 940.0	18.5	390.0	890.0	- 500.0	95 740.0	0.0	81 170.0	23 100.0
EE	:	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	10 877.0	:	:	:
ES	:	:	:	:	:	57 571.0	:	:	:
FR	20 725.1	-1.4	253.0	273.9	- 28.8	83 911.3	13.5	60 355.3	- 2 865.4
IE	:	:	:	:	:	9 712.3	:	:	:
IT	20 001.2	-9.8	828.8	254.4	574.4	68 707.4	23.3	45 784.8	- 2 370.3
CY	:	:	:	:	:	566.1	:	:	:
LV	:	:	:	:	:	:	:	:	:
LT	:	:	:	:	:	839.4	:	:	:
LU	:	:	:	:	:	:	:	:	:
HU	:	:	:	:	:	4 786.2	:	:	:
MT	:	:	:	:	:	:	:	:	:
NL	:	:	:	:	:	24 578.0	:	:	:
AT	5 573.3	1.3	112.4	205.0	- 92.5	13 089.3	0.4	8 489.0	1 089.0
PL	:	:	:	:	:	:	:	:	:
PT	- 845.9	:	944.7	44.2	900.5	8 033.7	2.6	6 107.8	- 1 873.9
SI	:	:	:	:	:	1 774.6	:	:	:
SK	:	:	:	:	:	:	:	:	:
FI	:	:	:	:	:	7 710.0	:	6 073.0	:
SE	:	:	:	:	:	:	:	:	:
UK	21 864.0	47.5	8 158.9	7 443.9	715.0	73 510.6	36.0	44 512.1	- 6 620.9

: Data not available.

T5

COMPENSATION OF EMPLOYEES BY INDUSTRY
EURO-ZONE, EU-25, EU-15 AND EU MEMBER STATES

levels

Fourth quarter 2004, in millions of euro, seasonally adjusted, at current prices

	Agriculture, hunting and fishing	Industry, incl. Energy	Construction	Trade, transport and communication services	Business activities and financial services	Other services	Total Compensation of employees
euro-zone	9 117.5	220 081.9	55 206.2	195 019.3	158 953.6	295 072.0	933 450.4
EU-25	12 326.2	295 798.4	73 622.9	277 736.7	225 734.9	403 427.3	1 288 646.3
EU-15	11 083.7	281 364.4	70 633.8	266 493.3	219 094.9	388 329.0	1 236 999.1
EU MEMBER STATES							
BE	:	:	:	:	:	:	:
CZ	:	:	:	:	:	:	:
DK	:	:	:	:	:	:	26 458.6
DE	2 310.0	83 810.0	12 820.0	56 310.0	46 050.0	81 270.0	282 570.0
EE	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:
ES	1 212.0	21 057.0	11 104.0	21 363.0	14 361.0	31 565.0	100 662.0
FR	1 983.7	40 067.6	11 372.2	45 856.5	44 362.4	69 776.8	213 419.1
IE	:	:	:	:	:	:	:
IT	1 883.0	37 076.9	7 099.3	29 096.4	20 608.9	45 455.9	141 220.4
CY	:	:	:	:	:	:	:
LV	:	:	:	:	:	:	:
LT	51.5	461.2	149.9	451.8	142.4	573.8	1 830.6
LU	:	:	:	:	:	:	:
HU	:	:	:	:	:	:	:
MT	:	:	:	:	:	:	:
NL	:	:	:	:	:	:	:
AT	133.9	6 347.7	1 998.9	7 320.7	4 598.5	9 264.7	29 679.0
PL	:	:	:	:	:	:	:
PT	:	:	:	:	:	:	:
SI	:	:	:	:	:	:	:
SK	:	:	:	:	:	:	:
FI	212.0	4 555.0	1 244.0	3 836.0	2 577.0	6 377.0	18 801.0
SE	:	:	:	:	:	:	:
UK	1 280.5	48 503.0	11 406.1	57 434.5	49 979.1	69 542.6	238 145.8

: Data not available.

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

The **income side approach** shows Gross Domestic Product (GDP) as it is distributed among different participants in the production process:

Gross domestic product =

compensation of employees

+ gross operating surplus and mixed income

+ taxes less subsidies on production and imports

Compensation of employees is defined as the total remuneration, in cash or in kind, payable to an employee in return for work done. This includes social contributions and is gross of income taxes.

Operating surplus is the surplus (or deficit) on production activities before account has been taken of the interest, rents or charges paid or received for the use of assets. **Mixed income** is the remuneration for the work carried out by the owner (or by members of his family) of an unincorporated enterprise. This is referred to as 'mixed income' since it cannot be distinguished from the entrepreneurial profit of the owner.

Taxes less subsidies on production and imports consist of compulsory (in the case of taxes), unrequited payments to general government or institutions of the European Union, in respect of the production or import of goods and services, the employment of labour, the ownership or use of land, buildings or other assets used in production.

The following two equations account for income flows that connect the European economies with the rest of the world:

Gross national income (GNI) =

gross domestic product

+ (primary incomes receivable from the rest of the world

– primary incomes payable to the rest of the world)

Gross national disposable income (GNDI) =

gross national income

+ (current transfers receivable from the rest of the world

– current transfers payable to the rest of the world)

Gross national income represents total primary income receivable by resident institutional units, no matter where it is earned. It is conceptually identical with Gross national product (GNP), which was formerly widely used for gauging the economy.

Primary income is income received in virtue of a direct participation in the production process and/or income receivable by the owner of an asset in return for putting the asset at the disposal of another institutional unit. If a foreign residential unit generates a primary income in the national economy's production process, from that economy's viewpoint this income will be payable to the rest of the world. If, on the other hand, a national residential unit engages in another national economy, it will generate primary income receivable from the rest of the world.

Current transfers include current taxes on income, wealth, etc., social contributions and benefits and other current transfers (e.g. non-life insurance premiums and claims, international co-operation transfers, transfers between households, fines and penalties, lotteries and gambling etc.) between residential and non-residential units. They are set apart from primary incomes, in that they don't relate directly to production processes, but are rather of re-distributive nature.

To allow the calculation of Net aggregates from Gross ones, figures for overall **Consumption of fixed capital** are required. This represents the amount of fixed assets used up as a result of normal wear and tear and foreseeable obsolescence, including provision for losses as a result of accidental damage. Exceptional and catastrophic losses are not included in this figure.

It should be noted that the income aggregates are, in general, available in **current prices** only, while expenditure and output data are often given in constant prices too. In fact, the income aggregates are hardly ever expressed in constant prices as it is difficult to define a volume component of income.

Total final consumption expenditure will be carried over from the expenditure representation of GDP. This is the sum of household final consumption expenditure (including that of non-profit organisations serving households) and government final consumption expenditure. Subtracting this total consumption expenditure from Net national disposable income will result in **Net saving**. Net saving measures the portion of national disposable income that is not used on consumption and may therefore be used for investment or, possibly, capital transfers.

Net saving plus the balance of capital transfers with the rest of the world is then available to cover net capital formation. If it is larger, the surplus will constitute a **net lending** to the rest of the world, if it is smaller, **net borrowing** from the rest of the world will be needed for covering the excess capital formation.

Further information:

➤ **Databases**

[EUROSTAT Web site/Economy and finance/National accounts \(including GDP\)/Quarterly national accounts/Income, saving and net lending / net borrowing](#)

Journalists can contact the media support service:

Bech Building Office A4/017 • L-2920 Luxembourg • Tel. (352) 4301 33408 • Fax (352) 4301 35349 •

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European Statistical Data Support:

Eurostat set up with the members of the 'European statistical system' a network of support centres, which will exist in nearly all Member States as well as in some EFTA countries.

Their mission is to provide help and guidance to Internet users of European statistical data.

Contact details for this support network can be found on our Internet site: www.europa.eu.int/comm/eurostat/

A list of worldwide sales outlets is available at the:

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