

QUARTERLY ACCOUNTS

First quarter 2005

Income side

Statistics
in focus

ECONOMY AND FINANCE

25/2005

National accounts

Author

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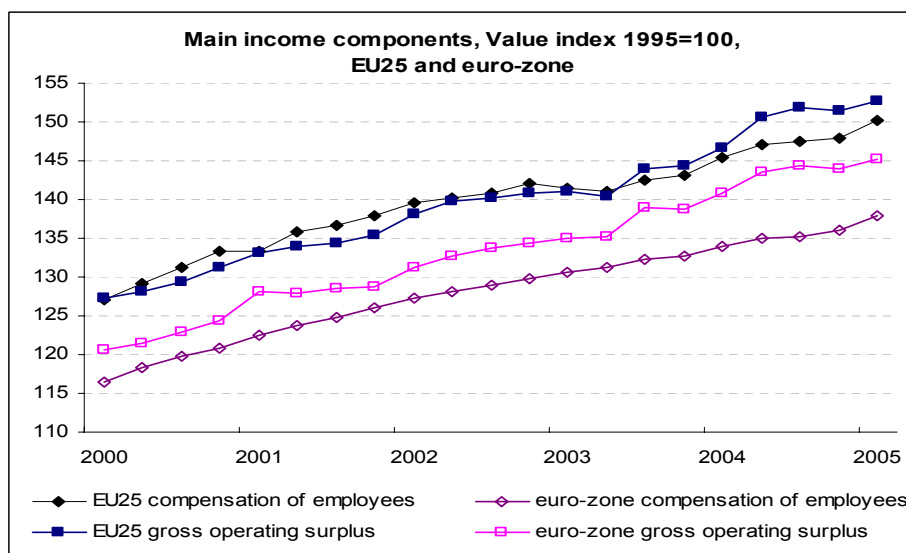
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According to Eurostat estimates¹ for the first quarter 2005, GDP at current prices and exchange rates, compared to the previous quarter, increased by +1.0% in the euro-zone² and by +1.1% in the EU25³. With regard to the components of the income side of GDP, Compensation of employees grew by +1.4% in the euro-zone and by +1.6% in the EU25. Gross operating surplus and mixed income rose by +0.8% both in the euro-zone and EU25. Finally, Taxes less subsidies on production and imports decreased by 0.1% in the euro-zone and grew by +0.2% 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 +0.5% in the euro-zone and by +0.4% in the EU25. *Net national income at market prices*, which takes into account the consumption of fixed capital, posted the same result in the euro-zone (+0.5%). *Net national disposable income*, being adjusted for the balance of current transfers received from and paid to the rest of the world, amounted to 1 620 billion euro in the euro-zone (+0.5%). *Net saving*, the net disposable income less final consumption expenditure, decreased by 2.5% 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 9.3 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 Fourth quarter 2004 and first quarter 2005 - 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-Q4	level 2005-Q1	% t/t-1 ⁽¹⁾	level 2004-Q4	level 2005-Q1	% t/t-1	level 2004-Q4	level 2005-Q1	% t/t-1	level 2004-Q4	level 2005-Q1	% t/t-1
euro-zone	1 913 651.8	1 932 450.5	1.0	938 559.6	951 503.6	1.4	740 280.1	746 405.5	0.8	234 812.1	234 541.4	-0.1
EU-25	2 587 099.1	2 615 758.0	1.1	1 294 799.5	1 315 125.3	1.6	968 083.2	975 694.6	0.8	324 216.3	324 938.1	0.2
EU-15	2 459 875.1	2 482 285.9	0.9	1 241 804.7	1 259 369.6	1.4	911 115.9	916 364.4	0.6	306 954.6	306 551.9	-0.1
EU MEMBER STATES												
BE	71 600.6	72 063.5	0.7	:	:	:	:	:	:	:	:	:
CZ	22 543.6	23 703.9	5.2	:	:	:	:	:	:	:	:	:
DK	49 248.0	49 748.9	1.0	26 455.0	26 871.4	1.6	15 319.1	15 474.6	1.0	7 474.0	7 402.8	-1.0
DE ⁽²⁾	548 990.0	557 300.0	1.5	282 470.0	283 510.0	0.4	210 310.0	210 820.0	0.2	60 080.0	59 270.0	-1.4
EE	2 362.9	2 429.1	2.8	:	:	:	:	:	:	:	:	:
EL	42 793.0	43 030.0	0.6	:	:	:	:	:	:	:	:	:
ES	214 620.0	219 136.0	2.1	102 154.0	103 763.0	1.6	90 228.0	92 856.0	2.9	22 238.0	22 517.0	1.3
FR	416 562.7	419 652.3	0.7	217 047.5	218 813.3	0.8	142 159.5	143 081.7	0.7	57 355.8	57 757.3	0.7
IE	37 396.0	:	:	:	:	:	:	:	:	:	:	:
IT	338 642.6	339 459.4	0.2	141 382.2	144 215.0	2.0	151 604.3	150 137.5	-1.0	45 656.2	45 106.9	-1.2
CY	3 227.2	3 211.3	-0.5	:	:	:	:	:	:	:	:	:
LV	2 905.4	2 906.1	0.0	1 163.1	1 183.8	1.8	1 412.0	1 411.5	0.0	332.3	358.7	7.9
LT	4 681.0	4 812.7	2.8	1 833.6	1 896.7	3.4	2 359.5	2 458.8	4.2	487.9	457.1	-6.3
LU	:	:	:	:	:	:	:	:	:	:	:	:
HU	21 151.9	21 327.2	0.8	:	:	:	:	:	:	:	:	:
MT	1 085.5	1 090.4	0.5	:	:	:	:	:	:	:	:	:
NL	123 319.0	123 150.0	-0.1	63 160.0	63 175.0	0.0	46 413.0	45 906.0	-1.1	14 175.0	13 674.0	-3.5
AT	59 847.5	60 175.5	0.6	29 691.9	29 946.9	0.9	22 980.2	23 109.2	0.6	7 080.3	7 137.2	0.8
PL	53 663.5	57 348.9	6.9	:	:	:	:	:	:	:	:	:
PT	34 065.3	34 284.4	0.6	:	:	:	:	:	:	:	:	:
SI	6 515.8	6 606.9	1.4	:	:	:	:	:	:	:	:	:
SK	8 651.1	9 030.7	4.4	3 382.8	3 563.2	5.3	4 515.6	4 611.2	2.1	847.8	1 006.9	18.8
FI	37 786.0	38 033.0	0.7	18 615.0	18 878.0	1.4	14 215.0	14 937.0	5.1	4 956.0	4 218.0	-14.9
SE	:	:	:	:	:	:	:	:	:	:	:	:
UK	427 313.8	430 365.3	0.7	238 063.8	242 028.8	1.7	135 238.2	134 575.1	-0.5	53 714.0	53 501.9	-0.4

⁽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 First quarter 2005 - 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 2005-Q1	% t/t-1 ⁽¹⁾	level 2005-Q1	level 2005-Q1	level 2005-Q1	level 2005-Q1	% t/t-1	level 2005-Q1	level 2005-Q1	% t/t-1	
euro-zone	1 932 450.5	1.0	:	:	- 10 663.3	1 909 644.4	0.5	270 977.7	1 638 666.7	0.5	
EU-25	2 615 758.0	1.1	:	:	- 4 485.3	2 587 862.6	0.4	:	:	:	
EU-15	2 482 285.9	0.9	:	:	- 823.5	2 469 156.5	0.3	332 349.5	2 136 807.0	0.3	
EU MEMBER STATES											
BE	72 063.5	0.7	8 414.0	7 344.0	1 070.0	73 133.5	0.5	11 487.0	61 646.4	0.4	
CZ	23 703.9	5.2	:	:	:	:	:	:	:	:	
DK	49 748.9	1.0	2 940.1	4 283.7	- 1 343.6	48 405.3	-1.6	7 814.0	40 591.3	-2.6	
DE	557 300.0	1.5	30 530.0	30 100.0	430.0	554 030.0	0.7	81 730.0	472 300.0	1.0	
EE	2 429.1	2.8	:	:	:	:	:	:	:	:	
EL	43 030.0	0.6	:	:	:	:	:	:	:	:	
ES	219 136.0	2.1	:	:	:	:	:	:	:	:	
FR	419 652.3	0.7	22 280.9	20 265.4	2 015.5	421 667.8	0.7	53 063.1	368 604.7	0.7	
IE	:	:	:	:	:	:	:	:	:	:	
IT	339 459.4	0.2	13 639.8	15 816.1	- 2 176.4	337 283.0	0.3	47 009.0	290 274.0	0.5	
CY	3 211.3	-0.5	:	:	:	:	:	:	:	:	
LV	2 906.1	0.0	:	:	:	:	:	:	:	:	
LT	4 812.7	2.8	:	:	:	:	:	:	:	:	
LU	:	:	:	:	:	:	:	:	:	:	
HU	21 327.2	0.8	:	:	:	:	:	:	:	:	
MT	1 090.4	0.5	:	:	:	:	:	:	:	:	
NL	123 150.0	-0.1	:	:	:	:	:	:	:	:	
AT	60 175.5	0.6	4 124.5	4 882.9	- 758.5	59 340.9	0.4	8 577.8	50 767.1	0.3	
PL	57 348.9	6.9	:	:	:	:	:	:	:	:	
PT	34 284.4	0.6	1 533.3	2 248.6	- 715.3	33 569.1	0.4	6 155.1	27 414.0	0.3	
SI	6 606.9	1.4	:	:	:	:	:	:	:	:	
SK	9 030.7	4.4	:	:	:	:	:	:	:	:	
FI	38 033.0	0.7	2 434.0	2 163.0	271.0	37 715.0	-0.5	6 209.0	31 534.0	-0.8	
SE	:	:	:	:	:	:	:	:	:	:	
UK	430 365.3	0.7	59 339.4	48 393.9	10 945.5	441 310.8	0.3	45 341.8	395 969.0	0.2	

⁽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 First quarter 2005 - 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	%	
	2005-Q1	t/t-1	2005-Q1	2005-Q1	2005-Q1	2005-Q1	t/t-1	2005-Q1	2005-Q1	t/t-1	
euro-zone	1 638 666.7	0.5	:	:	- 18 672.8	1 619 993.9	0.5	1 502 430.4	117 563.5	-2.5	
EU-25	:	:	:	:	:	:	:	2 068 761.1	:	:	
EU-15	2 136 807.0	0.3	:	:	- 24 792.1	2 112 015.0	0.3	1 965 280.8	146 734.1	-5.1	
EU MEMBER STATES											
BE	61 646.4	0.4	704.0	1 551.0	- 847.0	60 799.4	0.6	55 638.4	5 161.0	-0.6	
CZ	:	:	:	:	:	:	:	16 962.5	:	:	
DK	40 591.3	-2.6	919.2	1 195.3	- 276.1	40 315.2	-1.2	37 458.9	2 856.3	-18.6	
DE	472 300.0	1.0	2 190.0	11 260.0	- 9 070.0	463 230.0	0.3	431 060.0	33 780.0	13.9	
EE	:	:	:	:	:	:	:	:	:	:	
EL	:	:	:	:	:	:	:	35 571.0	:	:	
ES	:	:	:	:	:	:	:	165 735.0	:	:	
FR	368 604.7	0.7	3 217.3	9 397.6	- 6 180.2	362 424.5	0.7	337 058.4	25 366.0	-0.5	
IE	:	:	:	:	:	:	:	:	:	:	
IT	290 274.0	0.5	6 425.6	4 484.2	1 941.4	292 215.4	1.7	272 115.4	20 100.0	16.0	
CY	:	:	:	:	:	:	:	:	:	:	
LV	:	:	:	:	:	:	:	:	:	:	
LT	:	:	:	:	:	:	:	3 928.9	:	:	
LU	:	:	:	:	:	:	:	:	:	:	
HU	:	:	:	:	:	:	:	16 752.0	:	:	
MT	:	:	:	:	:	:	:	918.0	:	:	
NL	:	:	:	:	:	:	:	89 560.0	:	:	
AT	50 767.1	0.3	762.7	1 376.1	- 613.4	50 210.2	0.5	44 103.2	5 761.4	1.3	
PL	:	:	:	:	:	:	:	46 220.5	:	:	
PT	27 414.0	0.3	1 000.8	808.0	192.8	27 606.8	-1.2	29 413.2	- 1 806.4	75.9	
SI	:	:	:	:	:	:	:	4 910.4	:	:	
SK	:	:	:	:	:	:	:	6 935.4	:	:	
FI	31 534.0	-0.8	- 84.0	823.0	- 907.0	31 188.0	-4.2	28 401.0	2 787.0	-37.2	
SE	:	:	:	:	:	:	:	:	:	:	
UK	395 969.0	0.2	4 051.2	8 481.6	- 4 430.4	391 538.6	0.0	372 725.7	18 828.8	-14.2	

: Data not available.

T4

SAVING AND NET LENDING/BORROWING
EURO-ZONE, EU-25, EU-15 AND EU MEMBER STATES

levels / t/t-1

First quarter 2005 - 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 2005-Q1	% t/t-1	level 2005-Q1	level 2005-Q1	level 2005-Q1	level 2005-Q1	level 2005-Q1	level 2005-Q1	level 2005-Q1
euro-zone	117 563.5	-2.5	:	:	17 997.7	397 411.9	- 132.1	270 977.7	9 259.2
EU-25	:	:	:	:	:	521 802.8	:	:	:
EU-15	146 734.1	-5.1	:	:	20 457.9	491 092.8	- 63.6	332 349.5	8 512.4
EU MEMBER STATES									
BE	5 161.0	-0.6	361.0	518.0	- 157.0	14 562.7	0.0	11 487.0	1 928.3
CZ	:	:	:	:	:	6 374.4	:	:	:
DK	2 856.3	-18.6	557.3	70.5	486.8	9 663.1	0.0	7 814.0	1 508.7
DE	33 780.0	13.9	650.0	2 060.0	- 1 410.0	93 510.0	0.0	81 730.0	22 070.0
EE	:	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	10 991.0	:	:	:
ES	:	:	:	:	:	63 079.0	:	:	:
FR	25 366.0	-0.5	447.2	368.2	79.0	85 324.2	- 147.8	53 063.1	- 6 668.4
IE	:	:	:	:	:	:	:	:	:
IT	20 100.0	16.0	610.7	263.4	347.3	67 279.3	44.2	47 009.0	132.8
CY	:	:	:	:	:	616.2	:	:	:
LV	:	:	:	:	:	:	:	:	:
LT	:	:	:	:	:	1 237.7	:	:	:
LU	:	:	:	:	:	:	:	:	:
HU	:	:	:	:	:	5 030.9	:	:	:
MT	:	:	:	:	:	296.4	:	:	:
NL	:	:	:	:	:	24 059.0	:	:	:
AT	5 761.4	1.3	104.2	245.0	- 140.8	12 958.1	- 0.1	8 577.8	1 315.4
PL	:	:	:	:	:	11 582.5	:	:	:
PT	- 1 806.4	75.9	430.7	50.6	380.1	7 712.5	- 10.0	6 155.1	- 2 973.7
SI	:	:	:	:	:	1 713.6	:	:	:
SK	:	:	:	:	:	2 445.0	:	:	:
FI	2 787.0	-37.2	0.0	0.0	0.0	7 840.0	0.0	6 209.0	1 156.0
SE	:	:	:	:	:	:	:	:	:
UK	18 828.8	-14.2	11 809.1	10 683.1	1 126.0	72 353.7	63.4	45 341.8	- 7 334.0

: Data not available.

T5

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

levels

First quarter 2005, 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	10 035.7	222 842.8	57 384.3	199 926.9	161 480.6	299 833.2	951 503.6
EU-25	13 871.1	292 895.2	78 040.4	285 869.0	232 448.2	412 001.4	1 315 125.3
EU-15	12 068.2	278 224.6	74 481.5	273 690.4	225 137.7	395 767.3	1 259 369.6
EU MEMBER STATES							
BE	:	:	:	:	:	:	:
CZ	:	:	:	:	:	:	:
DK	:	:	:	:	:	:	26 871.4
DE	2 210.0	84 650.0	12 790.0	56 050.0	45 800.0	82 010.0	283 510.0
EE	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:
ES	:	:	:	:	:	:	:
FR	1 874.0	37 198.3	11 170.3	44 885.8	50 455.1	73 229.8	218 813.3
IE	:	:	:	:	:	:	:
IT	1 986.6	36 808.8	7 292.3	29 912.1	21 422.8	46 792.3	144 215.0
CY	:	:	:	:	:	:	:
LV	:	:	:	:	:	:	1 183.8
LT	53.9	466.9	179.0	473.8	143.5	579.5	1 896.7
LU	:	:	:	:	:	:	:
HU	:	:	:	:	:	:	:
MT	:	:	:	:	:	:	:
NL	736.0	9 947.0	3 907.0	13 649.0	14 748.0	20 189.0	63 175.0
AT	134.1	6 332.9	1 989.2	7 374.3	4 659.8	9 375.9	29 946.9
PL	:	:	:	:	:	:	:
PT	:	:	:	:	:	:	:
SI	:	:	:	:	:	:	:
SK	:	:	:	:	:	:	:
FI	217.0	4 665.0	1 261.0	3 933.0	2 619.0	6 411.0	19 106.0
SE	:	:	:	:	:	:	:
UK	1 320.6	42 836.1	12 844.2	59 603.2	53 056.4	72 368.2	242 028.8

: Data not available.

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

Data are compiled in accordance with the European System of Accounts 1995 (ESA) as in Council Regulation No 2223/96 of June 1996 and subsequent legal amendments.

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

+ taxes less subsidies on production and imports

+ gross operating surplus and mixed income

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 income taxes payable by the employee and social contributions. (ESA 4.02 and following)

Taxes on production and imports consist of compulsory, unrequited payments levied by general government or institutions of the European Union, in respect of the production or importation of goods and services, the employment of labour, the ownership or use of land, buildings or other assets used in production (ESA 4.14 and following). **Subsidies** are government payments with the objective of influencing levels of production, prices or remuneration of the factors of production (ESA 4.30 and following).

Operating surplus corresponds to the income which producers obtain from their own use of their production facilities. In the case of unincorporated enterprises, it implicitly contains an element corresponding to remuneration of the owner or members of his family which cannot be distinguished from his profits as entrepreneur. This is referred to as '**mixed income**' (ESA 8.19). It should be noted that the income aggregates are, in general, available at **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 conceptually difficult to define a volume component or a price component of income

Gross national income represents total primary income receivable by resident institutional units, no matter whether it is earned in the country or abroad (ESA 8.94). GNI is the preferred concept to measure income earned by residents, as opposed to GDP which measures production in the economic territory. ESA95's GNI replaces ESA79's Gross national product (GNP), which was formerly widely used for gauging the economy. GNI is measured as:

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)

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. It consists of compensation of employees, taxes less subsidies on production and imports, gross operating surplus, interest, dividends, rents on land and subsoil assets, reinvested earnings on foreign direct investment and property income attributed to policyholders. Balance of primary income with the rest of the world accounts for income earned by resident units abroad minus income earned in the territory by non-residents.

Gross national disposable income is measured as:

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)

Current transfers receivable from (respectively payable to) the rest of the world 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 resident and non-resident units. They are set apart from primary incomes in that they do not relate directly to production processes, but are rather of re-distributive nature.

To allow the calculation of Net aggregates from Gross ones, the **Consumption of fixed capital** must be excluded. 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 (ESA 6.02 and following). Exceptional and catastrophic losses are not part of this concept.

Total final consumption expenditure will be carried over from the expenditure representation of GDP. This is the sum final consumption expenditure made by households, government and non-profit institutions (ESA 3.75 and following). 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, if saving is positive, may be used for acquisition of assets (investment, capital transfers, financial assets) and/or paying off liabilities. (ESA 8.43)

Capital transfers receivable from (respectively payable to) the rest of the world are transfers of ownership of an asset (other than inventories or cash) or the cancellation of a liability between resident and non-resident units, without any counterpart being received in return (ESA 4.145 and following)

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

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