



# KEY FIGURES

Bulletin of economic trends in Europe and summaries 07/99

## Foreword

Euro-zone annual inflation rose from 1,0% in March to 1,1% in April 1999. For the same period, the EU-15 rate remained at 1,2% and the EEA annual inflation stayed at 1,2%.

Euro-zone seasonally-adjusted unemployment fell to 10,4% in April 1999 from 10,5% in March 1999. The EU-15 rate was 9,6% in April, also same as March.

The euro-zone had a trade surplus with the rest of the world of 4,2 billion euro<sup>2</sup> in February 1999, up 0,2 billion on February 1998. Extra-EU-15 trade was 1,0 billion euro in deficit in February, 0,6 billion worse than 1998. Extra- and intra-trade growth fell in February for both the euro-zone and EU-15 for both flows.

The dollar rose to a 1999 highpoint of 1,0456 to the euro in May, an appreciation of 11,6% since the start of the year. The euro's decline in value is however considerably less if measured in effective rate terms.

Government bond yields for the euro-zone and EU-15 fell in April to, on average, 4,04% and 4,12% respectively. They nevertheless remained above the record low levels set in January.

The annual rate of M3 monetary growth for the euro-zone fell in April to 4,9%. For the EU-15, however, it increased to an estimated 6,0%. M1 growth accelerated in both the euro-zone and EU-15 to 11,3%.

Foreign official reserves (including gold) of the euro-zone rose from 340,2 billion Euro in February to 348,9 billion in March. EU-15 reserves were an estimated 426,5 billion Euro in February.

Euro-zone and EU-15 industrial production trend both fell by -0,2% in first quarter this year compared to fourth quarter last. However, underlying monthly data suggest that since four months the trend index value is practically stable.

The "Dossier of the month" of this edition is devoted to the *women earnings*, to the *Community Innovation Survey* and the *road haulage industry in the EU*.

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### European economy at a glance



	Date	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR-11	EU-15
GDP, seasonally adjusted volume trends, T/T-1 %	1/99	:	0,08	0,4	:	0,74	0,71	:	:	:	0,65	0,54	2,41	0,99	1,39	0,06	0,20 <sup>(1)</sup>	0,22 <sup>(1)</sup>
GFCF, seasonally adjusted volume trends, T/T-1 %	1/99	:	-1,79	1,2	:	2,46	1,4	:	0,2	:	0,87	-3,73	9,89	2,07	1,34	2,93	0,21 <sup>(1)</sup>	0,60 <sup>(1)</sup>
Private final national consumption volume trends, T/T-1 %	1/99	:	0,98	1,14	:	0,82	0,65	:	:	:	0,55	-0,21	0,71	2,35	0,77	0,55	0,87 <sup>(1)</sup>	0,82 <sup>(1)</sup>
Production index 1995=100 total, seasonally adjusted (2)	03/99	:	113,8	107,1	112,7	114,3	108,8	:	101,9	:	107,3	:	:	125,8	:	101,5	109,0	108,4
Consumer price index T/T-12 %	4/99	1,1	1,7*	0,8	2,6*	2,3	0,6p	2,0	1,3	1,3	1,9p	0,1p	2,7	1,3	0,3*	1,5*	1,1p	1,2p
Unemployment rate seasonally adjusted %	4/99	9,0	4,7	9,1	:	17,3	11,3	6,8	:	2,9	3,4	4,5	4,3	10,6	7,4	:	10,4	9,6
Extra-EU trade balance Billion EUR	01-02/99	-1,0	0,3	3,1	-0,4	-1,8	0,8	0,8	0,4	0,0	:	0,2	-0,6	0,7	1,6	-6,5	4,4 <sup>(3)</sup>	-7,7
Intra-EU trade balance Billion EUR	01-02/99	3,6	0,0	7,1	-1,3	-1,7	-0,7	:	0,4	-0,3	:	-2,0	-0,9	0,5	1,2	-1,7	:	:

Les données en italique ne correspondent pas à la date indiquée, mais à la dernière période disponible (en général Data in italics are not necessarily for the indicated period but are the latest available (usually the previous month or quarter)

(1) = Estimation

(2) = Excluding construction

(3) = The EUR-11 figure represent the total of the Extra-UE balance

p = provisional data.

: = data not available

\* = Member States not participating in Stage III of Economic and Monetary Union are not covered by the MUICP.

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**BANQUE DE LUXEMBOURG**

## Euro-zone annual inflation up to 1,1% in April

Euro-zone<sup>1</sup> annual inflation<sup>2</sup> rose from 1,0% in March to 1,1% in April 1999. A year earlier the rate was 1,4%. The EU-15 rate<sup>3</sup> remained at 1,2% from March to April. In April 1998 it was 1,6%. EEA annual inflation<sup>4</sup> also stayed at 1,2%.

Highest annual rates were in Portugal (2,7%), Greece (2,6%) and Spain (2,3%). Lowest rates were in Austria (0,1%), Sweden (0,3%) and France (0,6%).

Compared to March, annual inflation fell in eight Member States, rose in five and was unchanged in two. Compared to a year earlier, the biggest relative rises were

in Portugal (2,2% to 2,7%) and Spain (1,9% to 2,3%); biggest relative falls were in Austria (1,2% to 0,1%) and Sweden (1,4% to 0,3%).

Lowest 12-month averages<sup>5</sup> up to April were in Germany, Austria and Sweden (all 0,5%). Highest were in Greece (4,1%), Portugal (2,6%) and Ireland (2,4%).

Annual inflation<sup>6</sup> rose to 2,3% in the USA and to 0,6% in Switzerland. (No data available yet for Japan.) But these indices are not strictly comparable with EU harmonized indices.

1 Euro-zone: Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Austria, Portugal and Finland.

2 As measured by the Monetary Union Index of Consumer Prices (MUICP), calculated as a weighted average of the Harmonized Indices of Consumer Prices (HICPs) for participants in Stage III of EMU. The annual rate of inflation is defined as the percentage change resulting from the index number for a particular month divided by the index number for the same month the previous year.

3 As measured by the European Index of Consumer Prices (EICP), calculated as a weighted average of HICPs for Member States.

4 As measured by the European Economic Area Index of Consumer Prices (EEAICP), calculated as a weighted average of HICPs for Member States plus Norway and Iceland.

5 Arithmetic average of indices for a 12-month period relative to the arithmetic average for the preceding 12 months. Measure used to determine price stability, see Convergence report 1998 by the Commission to the Council, prepared in accordance with Article 109(j) of the Treaty.

6 As measured by national CPIs.

## Euro-zone unemployment falls to 10,4% in April

Euro-zone seasonally-adjusted unemployment fell to 10,4% in April 1999 from 10,5% in March 1999. This compares to 11,1% in April last year. The EU-15 rate was 9,6% in April, also same as March. In April a year before it was 10,1%.

Lowest rates were in Luxembourg (2,9%) and the Netherlands (3,4% in March), followed by Portugal (4,3%), Austria (4,5%) and Denmark (4,7%).

Spain's 17,3% was still by far the EU's highest rate. However, Spain did register a big fall over the year, down from 19,1% to 17,3%.

EU unemployment of under-25s ranged

from less than 7,5% in Austria, Luxembourg, the Netherlands and Denmark to over 30% in Italy (January) and Spain. EU-15-wide, it was 18,6%, and 20,0% in the euro-zone. A year earlier it was 19,7% and 21,5% respectively.

US unemployment was 4,3%; the Japanese rate 4,7% (March).

Eurostat estimates 13,5 million men and women were unemployed in the euro-zone and

16,3 million in EU-15 in April. These are seasonally-adjusted figures in line with ILO criteria.

Unemployed people according to International Labour Organisation (ILO) criteria are those aged 15 and over who:

- are without work
- are available to start work within the next two weeks
- and have actively sought employment at some time during the previous four weeks.

The monthly unemployment rate and numbers of unemployed are estimates based on results of the Community Labour Force Survey (LFS). These results are interpolated/extrapolated to monthly data using national survey data and national monthly series on registered unemployment. Estimated rates might differ from national unemployment rates due to differences in methods and definitions of unemployment.

# Euro-zone surplus 4,2 billion euro in February

## 1,0 billion euro deficit for EU-15

The euro-zone<sup>1</sup> had a trade surplus with the rest of the world of 4,2 billion euro<sup>2</sup> in February 1999, up 0,2 billion on February 1998. This gave a total surplus of 4,4 billion euro for January-February, down 1,6 billion euro on the same period a year earlier.

Extra-EU-15 trade was 1,0 billion euro in deficit in February, 0,6 billion worse than 1998. And there was a deficit of 7,7 billion euro in the first two months compared to 4,9 billion euro in 1998.

Extra- and intra-trade growth fell in

February for both the euro-zone<sup>1</sup> and EU-15.

EU-15 trade growth with most major partners was weak or falling. Exceptions were exports to China (+15%) and imports from Hungary (+17%). Trade with Russia was particularly weak (-61% for exports, -22% for imports).

In January-February, Germany still enjoyed the largest surplus (10,2 billion euro), while the UK deficit rose to -8,2 billion euro.

### Euro-zone trade

billion euro<sup>2</sup>

Flows	Feb 99	Feb 98	Growth	Jan-Feb 99	Jan-Feb 98	Growth
Extra-EUR-11 <sup>1</sup> exports	59,4r	63,7	-7%	113,4	122,1	-7%
Extra-EUR-11 imports	55,2r	58,2	-5%	109,0	116,1	-6%
Extra-EUR-11 trade balance	4,2r	5,4		4,4	6,0	
Intra-EUR-11 dispatches	65,8r	66,6	-1%	128,4	130,3	-1%

### EU-15 trade

billion euro<sup>2</sup>

Flows	Feb 99	Feb 98	Growth	Jan-Feb 99	Jan-Feb 98	Growth
Extra-EU-15 exports	53,3r	58,0	-8%	100,8	111,8	-10%
Extra-EU-15 imports	54,3	58,3	-7%	108,5	116,7	-7%
Extra-EU-15 trade balance	-1,0r	-0,4		-7,7	-4,9	
Intra-EU-15 dispatches	98,7r	103,0	-4%	192,5	201,2	-4%

r: revised

1 Extra-EUR-11 trade is trade with all countries outside the euro-zone, including the four Member States not in the euro-zone.

2 Technically data before 1 January 1999 are in ECU, and data after this date are in euro. However as the conversion rate was 1 ECU = 1 euro, for practical purposes the two terms can be used interchangeably.

# Dollar appreciates further in May

## A rise against the euro of more than 10% this year

The US dollar continued to appreciate during May, reaching a 1999 highpoint of USD 1,0456 to the euro on the last day. Since the start of trading in euro in January, the dollar has appreciated by 11,6%. Also on the last day of May, the euro reached a new lowpoint against the pound sterling, of GBP 0,6524, a decline since the beginning of the year of 7,5%. There was little movement in the Japanese yen / euro rate, which ended the month at JPY 127,2, representing a fall in value of the euro of 4,2% in 1999.

The trend in the Swiss franc against the dollar has been broadly similar to that of the euro since the turn of the year. The CHF / euro rate has kept within a narrow range (CHF 1,588 - 1,617), and at end May the euro was worth 1,5943. Against the Norwegian krone the euro was almost unchanged in May, ending the month at NOK 8,2375 (a euro depreciation of 7,1% this year), but it fell against the Swedish krona to SEK 8,968 (a 5,5% fall in the euro this year). In ERM2, there was little movement in either the Danish krone or Greek drachma. So far this year the DKK and GRD

have appreciated against the euro by 0,2% and 1,5% respectively.

Several currencies of Central and Eastern Europe have shown little movement against the euro this year. Comparing exchange rates at the end of May with the beginning of January, the movement has been less than 1% for the euro against the Polish, Czech, Hungarian, Slovenian, and Cypriot currencies, while those of Estonia and Bulgaria are fixed to the euro. Over the same period the euro has appreciated against the currencies of Romania and Slovakia by 3,1% and 1,2% respectively.

Effective exchange rate indices are used to measure the change in value of a currency against a range of other currencies. The Bank for International Settlements has calculated a trade-weighted index for the euro. According to which, the euro declined by 6,0% in nominal value terms between December 1998 and April 1999, but by only 1,4% in the year to April. The decline in the euro's value measured in this way is much less than if measured against the US dollar alone.

Note: Exchange rates are as supplied to Eurostat by the European Central Bank on a daily basis.

Basis point = 1/100th of a percentage point in interest rates.

ERM 2 = exchange rate mechanism which came into being at the start of monetary union, linking the Danish krone and Greek drachma to the euro. The GRD is allowed to fluctuate within a band of +/- 15% and the DKK within +/- 2,25% relative to their central rates.

	Period	DK	EL	S	UK	EUR-11	EU-15
Exchange rate 1 EUR =...	May-99	7,43	325,2	8,97	0,66	1,00	:
Monthly average							
Exchange rate 1 USD =...	May-99	6,99	306,0	8,44	0,62	0,94	:
Monthly average							
Central bank interest rate end month % (1)	May-99	2,90	12,00	2,90	5,25	2,50	:
Money supply M1 T / T- 12 %	April-99	:	19,0	:	5.3 *	10,8	10.7 **
Money supply M3 *** T / T- 12 %	April-99	5,5	15,9	6,3	8,1	5,1	4.8 **
Yield on long-term government bonds %	April-99	4,2	5,9	4,2	4,5	4,0	4,1

(1)EUR-11: main refinancing rate; UK, DK, S: repo rate; EL: liquidity draining rate.

\* UK measure is M0.

\*\* EU-15 is estimated.

\*\*\* UK measure is M4, Denmark is M2.

Corrigendum N°5/99: One mistake has slipped in the table, the EUR-11 figures have been placed in the EU-15 column, and the EU-15 figures placed in the EUR-11 column.

# Bond yields fell throughout the EU in April

## Greek yield reached a new record low

Long-term interest rates, as measured by the yield on government bonds, declined throughout the EU in April, but remained above the record low levels (on the basis of data available from 1980) set in January. Compared with March, the average EU-15 yield fell by 15 basis points to 4,12%.

The Greek yield reached a new record low of 5,85%, down from 5,97% in March. Nevertheless, the differential between the highest and lowest EU yields (Greece and Germany respec-

tively), which had narrowed in March to a record 193 basis points, increased to 200, as the German yield fell to 3,85%. The average yield for the euro-zone decreased in April by 14 basis points to 4,04%, while the differential between the highest and lowest yields widened slightly to 27 basis points.

The US yield, following a sharp rise in March to 5,23%, eased back to 5,18% in April. Japan's yield, meanwhile, fell for the second month running, this time down 17 basis points to 1,55%.

Note: The above-mentioned yields relate to government bonds of around 10 years to maturity.

Data are monthly average.

EUR-11 calculation is weighted by the nominal stock of government bonds, and EU-15 by GDP.

Basis point = 1/100th of a percentage point in interest rates.

# Euro-zone money supply growth weakened

## M3 growth rate above its reference value

Figures from the European Central Bank for the euro-zone show that the annual rate of M3 monetary growth fell in April to 4,9% from a revised 5,2% in March. There were month-on-month declines in the level of deposits with agreed maturity of up to 2 years, and in repurchase agreements, whereas overnight deposits continued to increase relatively quickly. Measured on a 3MMA basis, the annual rate of expansion in M3 declined by 0,3 percentage points to 5,0%. This compares with a reference value for 1999 set by the ECB (as part of

its strategy for maintaining price stability) of 4,5% on a 3MMA basis. M2 growth for the euro-zone also decelerated in April, to an annual rate of 6,1% from 6,5% the previous month, but M1 growth edged higher to 11,3% from 11,1%.

For the EU-15, the annual rate of M3 growth is estimated to have increased in April to 6,0%, from 4,9% a month earlier. M1 and M2 growth also grew more quickly, by 11,3% and 6,3% respectively, compared with 11,0% and 5,8% respectively in March.

Note: Of the three definitions (M1, M2, M3), M1 is the narrowest and most liquid measure, and M3 the broadest and least liquid. EUR-11 consolidated series are compiled by the European Central Bank. EU-15 series are Eurostat estimates calculated by adding the EUR-11 to the money supply of the four non-euro countries, to the extent that the data are available.

3MMA = three-month moving average.

## Upward trend in EU's foreign official reserves continued

Gross foreign reserve assets of the euro-zone (held by the European Central Bank and participating national central banks) amounted to 348,9 billion Euro at end-March, up from 340,2 billion at end-February, and 330,2 billion when the monetary union was established on 1 January. The increase in March was mainly the result of a 6,2 billion Euro rise in foreign exchange reserves, to 214,7 billion Euro. The value of euro-zone gold reserves fell marginally to 105,3 billion

Euro. Foreign official reserves of the EU-15 were an estimated 426,5 billion Euro at end-February, compared with 420,1 billion at end-January, and 406,9 billion on 1 January.

Japan's reserves, the largest for any individual country, amounted to 206,9 billion in euro terms at end-February, including 6,3 billion Euro of gold. US reserves at end-January were equal to 126,8 billion Euro, over half of which (65,6 billion) comprised gold.

The data for EUR-11 and EU-15 cannot be compared with pre-1999 data because of changes in methodology. EUR-11 reserves exclude the euro and its national denominations, whereas these are included in the reserves of countries not belonging to the euro-zone. EU-15 is a Eurostat estimate calculated by adding EUR-11 to the four non-euro countries. Gold is valued on a market basis.

## Industrial production

### Euro-zone and EU-15 industrial production stabilised in March

Euro-zone and EU-15 industrial production trend<sup>1</sup> both fell by -0,2% in first quarter this year compared to fourth quarter last. However, underlying monthly data suggest that since four months the trend index value is practically stable.

This follows an upward revision of -0,4 % for both euro-zone and EU-15 in the three months up to end-February.

While production was markedly up in Finland (1,3%), Spain and Greece (both 0,8%), it was clearly down in Germany (-1,0%). The fall in Italy (-0,5%) was an improvement on the -0,8% recorded in

the three months up to February.

US production was slightly up at 0,4%, while Japan was for the first time almost flat with -0,1% - the best rate since August 1997.

In both euro-zone and EU-15 the change in intermediate goods production was around zero (0,0% and -0,1% respectively). Capital goods were down -0,3% (-0,2% in EU-15). Non-durable consumer goods were flat (0,0% and -0,2% respectively) and durable consumer goods fell by -0,5% in both euro-zone and EU-15.

Production trend <sup>1</sup> - % changes Q4 '98 to Q1 '99			
Member States with available data, in descending order			
<b>Euro-zone</b>	<b>-0,2</b>	<b>Sweden<sup>2</sup></b>	<b>0,0</b>
<b>EU-15</b>	<b>-0,2</b>	<b>UK</b>	<b>0,0</b>
<b>Finland</b>	<b>1,3</b>	<b>Netherlands</b>	<b>-0,2</b>
<b>Spain</b>	<b>0,8</b>	<b>Italy</b>	<b>-0,5</b>
<b>Greece</b>	<b>0,8</b>	<b>Germany</b>	<b>-1,0</b>
<b>Portugal<sup>2</sup></b>	<b>0,5</b>	<b>USA</b>	<b>0,4</b>
<b>France</b>	<b>0,2</b>	<b>Japan</b>	<b>-0,1</b>
<b>Denmark</b>	<b>0,1</b>		

<sup>1</sup> Production volume of total industry, excluding construction, adjusted for seasonal and one-off fluctuations;

<sup>2</sup> Eurostat estimate.

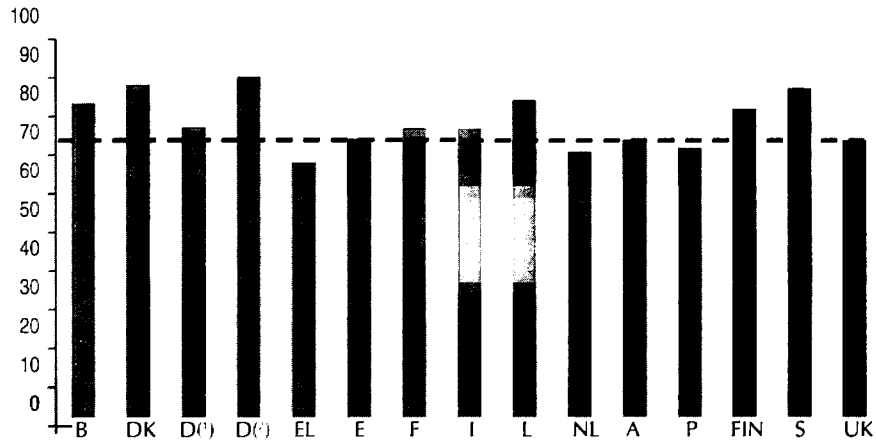
# Dossier of the month

## Womens earnings a quarter less than men's

Gross hourly wages of women as a % of men's - 1995

**In the European Union in 1995, on average the gross hourly earnings of a woman was 76,3% the earnings of a man**

This conclusion is true in all EU Member States, even though the general situation seems more balanced than the EU average in the Eastern Länder of Germany (89,9%), in Denmark (88,1%), in Sweden (87%), Luxembourg and Belgium (83%), and less balanced in Greece (68%), the Netherlands (70,6%), Austria (73,6%) and Spain (74%)



Gross hourly wages of women as a % of men's - Full time earnings, bonuses excluded, 1995

B	DK	D(1)	D(2)	EL	E	F	I	L	NL	A	P	FIN	S	UK	EU-15
83,2	88,1	76,9	89,9	68,0	74,0	76,6	76,5	83,9	70,6	73,6	71,7	81,6	87,0	73,7	76,3

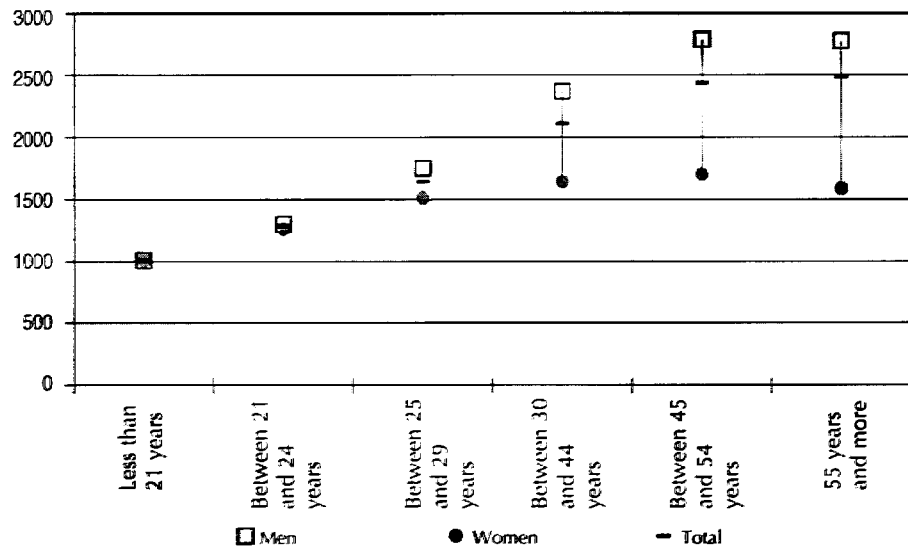
D(1) = Federal Republic of Germany until 3rd October 1990  
D(2) = New Länder of Germany.



**Looking at pay differences by age shows that pay differences between women and men increase rapidly with age**

Working women are on average younger: 44% are less than 30 years old compared to 32% of men. This is due to the fact that there are less of the older generation of women working and that many women stop working to raise children and may only restart after several years, if at all. The consequence is that women on average have less seniority and less opportunity to be in management positions. This makes an impact on their average salary level.

Gross monthly earnings\* of full time employees  
By age, ecus - EU-15, 1995



Gross monthly earnings of women as a % of men's - By age - 1995

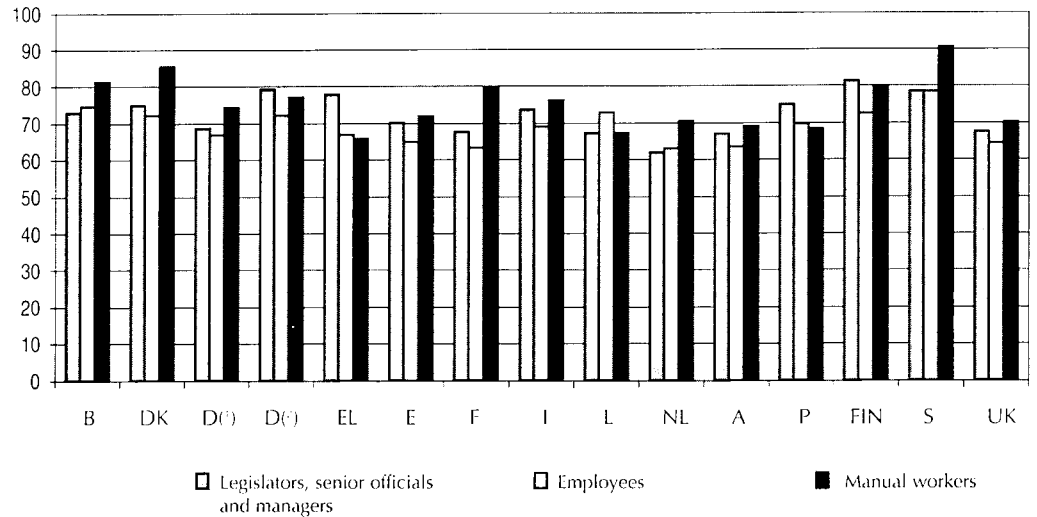
	B	DK	D(1)	D(2)	EL	E	F	I	L	NL	A	P	FIN	S	UK	EU-15
Less than 21 years	78,6	98	79,4	80	93,7	88,2	106	93,4	91,6	88,4	83,9	91,6	87,6	108	84,5	100,1
21 - 24 years	86,1	89,6	83,0	91,2	85,7	84,7	98,9	89,8	96,3	85,5	76,9	86,5	83,9	90,9	79,4	97,1
25 - 29 years	90,9	90,0	85,4	90,9	81,8	86,6	94,1	86,1	97,6	85,2	80,4	79,5	84,0	89,3	81,4	86,2
30 - 44 years	86,6	82,8	77,7	87,8	69,2	78,6	77,5	80,7	86,0	81,0	72,4	73,5	79,0	84,6	69,0	69,2
45 - 54 years	82,3	77,6	70,6	84,6	58,6	75,8	69,8	71,4	71,8	66,3	68,5	72,2	74,6	78,5	57,6	61,0
55 years and more	73,7	78,2	69,0	80,9	55,9	71,8	66,4	68,5	68,0	67,9	55,9	67,4	72,5	77,1	61,5	57,1



**When viewing earnings by broad occupational categories there are also major differences between women and men**

Women and men do not have the same jobs. In the population under review, one third of women working full time are office clerks while only 10% of men are, whereas 47% of men are manual worker or plants operators while only 18% of women are. On average manual workers are better paid than office clerks.

Gross hourly wages of women as a % of men's  
By occupational categories (1) - 1995



Gross hourly wages of women as a % of men's - By occupational categories (1) - 1995



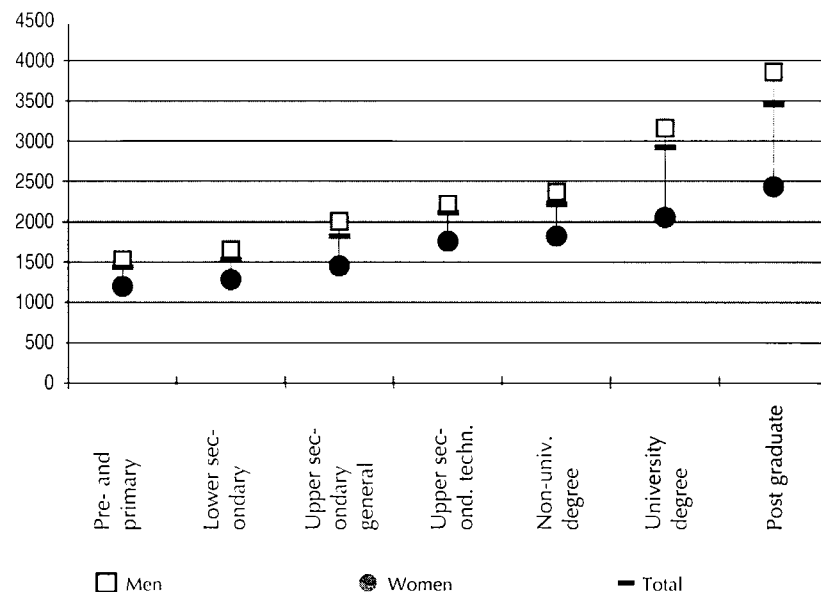
	B	DK	D(1)	D(2)	EL	E	F	I	L	NL	A	P	FIN	S	UK
1	73,0	74,9	68,7	79,2	77,9	70,2	67,6	73,8	67,3	62,0	67,1	74,9	81,4	78,5	67,5
2	74,6	72,3	66,9	72,3	67,0	65,0	63,3	69,0	72,8	63,1	63,6	69,8	72,6	78,4	64,4
3	81,3	85,5	74,4	77,2	65,8	72,0	79,7	76,2	67,3	70,6	69,0	68,3	79,9	90,6	70,1

1= Legislators, senior officials and managers  
2= Employees  
3= Manual workers  
(1) For some significant professional categories

**When comparing earnings of women and men according to their level of education, it appears that pay differences increase with the education level**

The differences are approximately 20% for the lowest levels of education and standing at approximately 35% for university graduates and post-graduates. For these persons the generational effect is strong: female degree holders are on average much younger than male and in these categories seniority can mean very high salaries.

Gross monthly earnings of full time employees  
By level of education, ecus - EU-15, 1995



Gross monthly earnings of women as a % of men's - By level of education - 1995



	B	DK	D(1)	D(2)	EL	E	F	I	L	NL	A	P	FIN	S	UK
Lower secondary or less	81,2	86,7	78,9	82,8	63,0	73,7	77,5	78,0	81,6	73,4	71,5	70,8	80,9	85,0	71,0
Secondary education	82,9	86,7	78,2	89,1	69,9	74,4	81,6	73,6	80,8	68,7	74,5	73,0	81,6	84,2	70,7
Tertiary education	71,5	76,1	78,4	84,3	67,1	65,3	68,1	60,3	74,5	60,9	60,3	73,0	82,7	77,9	71,3

Source: Statistics in focus: Population and social conditions N. 6/1999.



# Half of EU manufacturing enterprises are innovative

## A third of turnover is on new or improved products

Ireland, Germany, Austria, the Netherlands, UK and Sweden are identified as having the largest proportions of 'innovative' enterprises within manufacturing industry. The data come in a survey<sup>1</sup> of 12 EEA countries from Eurostat.

"An innovating enterprise", says the report, "has either introduced new or improved products on the market or introduced new processes during the last three years."

On average in the countries surveyed, 53% of all manufacturing enterprises are defined as 'innovative'. Ireland chalks up 73% followed by Germany with 69%. At the other extreme are Belgium (27%) and Spain (29%).

Sectors with highest percentage of innovators are chemicals and chemical products, machinery and equipment and electrical and optical equipment.

In the service sectors surveyed Ireland

also leads with 58% but with Austria second at 55% (See Table 1).

When it comes to innovation intensity or spending on innovation activities as a percentage of total turnover, Sweden comes top in manufacturing with 7,0% against a survey average of 3,8%. Bottom is Spain (1,8%). In the service sector, the UK leads with 4,0% closely followed by Sweden with 3,8% (survey average: 2,8%) (See Table 2).

The report says a key indicator of the impact of innovation is the relative share of turnover of new or improved products. Survey-wide, 31% of total manufacturing turnover was in new and improved products introduced into the market in the last three years. Germany was top at 43% and Ireland (32%), Austria and Sweden (both 31%) next. However, only 7% of turnover, survey-wide, was brand new products for the market (See Table 3).

## Large firms lead

Not surprisingly, large enterprises "are definitely more innovative": in manufacturing, 81% of those with over 250 employees are innovative; percentages for medium and small firms are 59% and 44% respectively.

In Germany and Ireland the gaps between large and small firms are narrower than elsewhere. Differences are wider in Spain, Luxembourg and Finland.

Improving product or service quality is the key reason given for innovation activity, described by 60% of all manufacturing innovators and 68% in services as "very important". But in manufacturing in Belgium, France, Ireland and Luxembourg, new markets and market share is reported as more important than improving product quality.

**Table 1. % of innovating enterprises**

	B	D	E	F	IRL	L	NL	A	FIN	S	UK	NO	TOTAL
<b>Manufacturing</b>	27	69	29	43	73	42	62	67	36	54	59	48	53
<b>Services*</b>	13	46	nd	31	58	48	36	55	24	32	40	22	41

\* Including whole sale trade, transport and telecommunications, financial intermediation, computer and related activities and engineering services.  
 \* n/a : not available  
 NB: Enterprises with innovation activity without finished products not included.

**Table 2. Innovation spending as % of total turnover - 'Innovation intensity'<sup>1</sup>**

	B	D	E	F	IRL	NL	A	FIN	S	UK	NO	TOTAL
<b>Manufacturing</b>	2,2	4,1	1,8	3,9	3,3	3,8	3,5	4,3	7,0	3,2	2,7	3,8
<b>Services**</b>	1,2	3,0	nd	1,3	2,1	1,6	3,0	2,4	3,8	4,0	2,5	2,8

\*\* Including transport and telecommunications, computer and related activities and engineering services.

**Table 3. % of total turnover on new and improved products in manufacturing**

B	D	E	F	IRL	NL	A	FIN	S	UK	NO	TOTAL
14	43	27	21	32	25	31	25	31	23	20	31

<sup>1</sup> Eurostat Statistics in Focus, Research and Development, no 2/99, Community Innovation Survey 1997/1998.

These are preliminary results of the second Community Innovation Survey. Countries covered are those listed in the following tables. Data for Norway are for 1997; the remainder refer to 1996. Results are based on answers by 33,700 enterprises, a response rate of about 57%. Considering that the results are preliminary and that all countries are not included, a certain caution should be exercised in drawing too extensive conclusions from the comparisons between countries.

Source: Eurostat Memo No 06/99.

## Belgian truckers 'have best productivity per capita in the EU'

### EU-wide, it's 'a dominant and profitable' transport sector

Within the EU road haulage industry, Belgian truckers are in front when it comes to productivity<sup>1</sup> per capita (defined as value added at factor cost per person employed). Close behind are the Danes, the Finns and Austrians. At the tail-end: the Irish, the Italians and the Spaniards.

This is revealed in a report<sup>2</sup> from Eurostat that highlights the dominant and profitable role of trucking in Europe.

Eurostat says productivity per capita, the value added per person employed, is much higher in road haulage than the transport sector as a whole - and personnel costs 15% lower.

Wealth - measured by value-added at factor cost - created by EU road haulage firms, on the latest measure<sup>3</sup>, amounts to 66 billion euro. France (8,4 billion) and the UK (8,9 billion) have the largest

shares, but also the highest personnel costs.

One way to measure labour productivity is to divide value-added by the number of persons employed. It is this calculation that puts Belgian trucking in the lead with a value of 49,000 euro per person employed. Denmark records 48,000, Finland and Austria 45,000. At the other end of the scale: Ireland (25,000), Italy and Spain (27,000). On average, EU productivity per capita in road haulage is 39,000 euro per person employed.

EU-wide personnel costs per employee in trucking are 27,000 euro compared to 31,000 for total transport. "This", states the report, "could be explained by higher skill levels, more restricted markets or monopoly suppliers in other transport sectors, especially air and water transport."

### Trucking employs 1,7 million

EU road haulage firms employ 1,7 million people.

On data available, Italy (269,000), Germany (268,000) and France (262,000) have the highest number of people in this sector.

Overall, EU road haulage firms have 3,9 people per enterprise - 39% lower than the transport sector average.

In Spain there are only 1,8 persons per enterprise, in Italy 2,4. At the other end of the scale is the Netherlands with 13,2. Germany and France come roughly in between.

26% of the total are self-employed - as many as 53% in Spain and 50% in Italy.

EU-wide, 1% of total employees in the

workforce are in road haulage. This ranges from 0,7% in Ireland and Germany to 2,5% in Luxembourg.

The industry has a turnover of 140 billion euro, 79% of it in the euro-zone. This represents a 30% share of the transport sector as a whole, ranging from 19% in Austria to 37% in the UK.

At latest count, there were 440,000 road haulage enterprises active in the EU, 82% of them in the euro-zone. Around a third were Spanish and a quarter Italian. On the other hand, the UK, France and Germany all had less than a 10% share, reflecting the larger size of their individual enterprises compared to Italy and Spain.

**Source: Eurostat Memo No 05/99.**

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