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**Key figures
on the enlargement countries
2013 edition**



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Key figures on the enlargement countries

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(?) This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

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Introduction

Background and policy

The European Union is currently made up of 27 Member States, while there is an ongoing process for its future enlargement. The countries taking part in this process are at different stages of progress: acceding country, candidate country and potential candidate.

The European Union initiated the accession negotiations with Croatia (HR) and Turkey (TR) in October 2005 and with Iceland in June 2010. The negotiation process with Croatia was completed in December 2011 with the signing of the Treaty of Accession. Croatia has now become an acceding country and is expected to become the 28th EU Member State on 1st of July 2013. Currently, there are five candidate countries: Iceland (IS), the former Yugoslav Republic of Macedonia (MK)⁽¹⁾, Montenegro (ME), Serbia (RS) and Turkey. The following are the potential candidates: Albania (AL), Bosnia and Herzegovina (BA), and Kosovo⁽²⁾ (XK).

The European Commission has been mandated by the Member States to report on progress achieved by the nine enlargement countries. In its annual progress reports, the Commission describes the political and economic developments in each enlargement country and assesses the progress in adopting EU standards and fulfilling other specific conditions. In its annual strategy document, the Commission explains as well its policy on EU enlargement.

At a time when the EU faces major challenges and significant global uncertainty and gains new momentum for economic, financial and political integration, enlargement policy continues to contribute to peace, security and prosperity on our continent. The imminent accession of Croatia, the start of accession negotiations with Montenegro and candidate status for Serbia send a strong signal of the transformative power of enlargement and what is possible in an area riven by war just half a generation ago. Enlargement to southeast Europe helps avoid the far higher costs of dealing with the consequences of instability. It is an

⁽¹⁾ Provisional code that does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations.

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investment in sustainable democracy and demonstrates the EU's continued capacity as a global actor.

In its Communication "Enlargement Strategy and Main Challenges 2012–2013" adopted in October 2012, the European Commission concluded that within a framework of strict but fair conditionality where the principle of own merits is key, the prospect of accession drives political and economic reforms, transforming societies, consolidating the rule of law and creating new opportunities for citizens and business. At a time of economic stagnation, it mitigates the risk of resistance to essential reforms. The credibility of the enlargement process is crucial to its success. Enlargement is by definition a gradual process, based on solid and sustainable implementation of reforms by the countries concerned.

Strengthening economic recovery in the enlargement countries is paramount, and the EU is committed to continue assisting the countries with policy advice and financial assistance.

The role of Eurostat

The role of Eurostat, the statistical office of the European Union, is to follow the progress of the enlargement countries in complying with the *acquis* (the body of EU law) in the field of statistics as well as to collect data from these countries. Eurostat provides technical assistance and support to the national statistical institutes of the enlargement countries, in order to enable them to produce and disseminate harmonised and good quality data according to European and international statistical standards.

The publication

This publication presents a range of statistics on the enlargement countries in comparison with the European Union from 2001 to 2011. The publication includes data on demography, education, social conditions, labour force, national accounts, finance, international trade, agriculture, energy, industry and services, transport, communication and information society, research and development as well as environment. Each chapter contains a short analytical text and definitions of the indicators presented.

Guide

Data sources

EU-27 data that are presented for the purpose of comparison have been processed and calculated by Eurostat on the basis of information provided by the NSIs (National Statistical Institutes) of the 27 Member States as of November 2012, with or without estimates. The information was extracted from Eurobase, Eurostat's free dissemination database.

For all enlargement countries, the vast majority of the data were provided by the NSIs. Eurostat collected this information through the exchange of a questionnaire with each NSI. Data are disseminated in Eurobase in a dedicated section "Candidate countries and potential candidates countries (CPC)". Data for the candidate countries may also be disseminated in the various thematic domains of Eurobase including data for EU-27 countries. Consequently, and due to data revisions, some differences can be observed between data available in the CPC domain and data presented in the others thematic domains of Eurobase.

The only theme where the data for all enlargement countries were extracted directly from the thematic domains of Eurobase was international trade.

Timeliness

The data used in this publication were collected from the enlargement countries in July/August 2012. The database was completed in November 2012. The majority of indicators are available up until the reference years 2010 or 2011 (depending on the statistical theme and country). The EU-27 totals that are provided for the purpose of comparison were extracted from Eurostat's free dissemination database in November 2012. As with the data for the enlargement countries, the information presented is generally available up until the reference years 2010 or 2011.

Exchange rates

For some indicators monetary values were requested from the enlargement countries in terms of national currency denominations. The majority was requested in euro (EUR) terms. For information provided in national currencies, Eurostat transformed the series using official exchange rates (annual averages for the reference year in question) so that data for all indicators foreseen in euro terms are denominated in the same currency. While the conversion to a common currency unit facilitates comparisons of data between countries, fluctuations in currency markets are partially responsible for movements identified when looking at the evolution of a series for an indicator that is denominated in euro. A table is provided with information on the annual average exchange rates between the euro and the currencies of the enlargement countries (please refer to Chapter 6 – Table 6.6).

Geographical coverage

The data presented for the EU-27 cover all 27 Member States (except otherwise indicated) throughout the period considered in each table and graph, regardless of whether there were 15 or 25 or 27 EU Member States in the reference year concerned (in other words: data have been calculated backwards with a stable coverage). Data are shown for the individual enlargement countries, listed by country code.

Eurostat data code

Source codes have been inserted after each table and figure in this publication to help readers access easily the most recent data on Eurostat's website. In the PDF version of this publication, the data codes appearing under each table and figure are presented as Internet hyperlinks.

Abbreviations and units

Billion	1 000 million
CH ₄	methane
CFC	chlorofluorocarbons
CO ₂	carbon dioxide
COICOP	classification of individual consumption according to purpose
CPI	consumer price index
ESA95	European system of accounts (1995)
ESSPROS	European System of Integrated Social Protection statistics
FAO	Food and Agriculture Organization
FDI	foreign direct investment
GDP	gross domestic product
GFS	government finance statistics
GHG	greenhouse gases
GVA	gross value added
GWh	gigawatt hour(s) = 1 000 MWh (megawatt hour(s)) = 10 ⁶ kWh (a kilowatt hour is a unit of energy equivalent to one kilowatt of power expended for one hour of time)
GWP	global warming potentials
HBS	household budget survey
HCFC	hydrochlorofluorocarbons
Heads	unit of measure for counting the number of animals
Hectare	unit of area equal to 100 ares or 10 000 square meters
HFC	hydrofluorocarbons
HICP	harmonized consumer price index
ILO	International Labour Organisation
IMF	International Monetary Fund
IPI	industrial production index

ISCED	international standard classification of education (UN classification)
J	joule is the derived unit of energy in the International System of Units
kcal	kilocalorie = 1 000 calories, a unit of energy
kJ	kilo joule = 1 000 Joule
kg	kilogram (1 000 grams), a unit of mass
kgoe	kilograms of oil equivalent, is a normalised unit of energy
km	kilometre (1 000 meters), a unit of distance
km ²	square kilometre, a unit of area
LFS	labour force survey
LSMS	living standards measurement study
M1	narrowest category of money supply, includes physical money (coins & currency); used as a measurement to quantify the amount of money in circulation
M2	a broader measure of money supply that includes M1, time-related deposits, savings deposits, and non-institutional money-market funds
NACE	statistical classification of economic activities
NGL	natural gas liquids
N ₂ O	nitrous oxide
n.e.c./s.	not elsewhere classified/specified
NPISH	non-profit institutions serving households
OECD	Organization for Economic Cooperation and Development
PFC	perfluorocarbons
PPI	producer price index (output price index)
PPS	purchasing power standards
RES	renewable energy
R&D	research and development

SF ₆	sulphur hexafluoride
SHA	system of health accounts
SITC	standard international trade classification
Tonne	1 tonne = 1 000 kg
toe	tonne of oil equivalent = 42 GJ (net calorific value)
Tonne-km	unit of measure of goods transported which represents the transport of one tonne over one kilometre
UAA	utilised agricultural area
VAT	value added tax

EU aggregate and countries

EU-27	27 Member States of the European Union
HR	Croatia
ME	Montenegro
IS	Iceland
MK ⁽¹⁾	the former Yugoslav Republic of Macedonia
RS	Serbia
TR	Turkey
AL	Albania
BA	Bosnia and Herzegovina
XK	Kosovo ⁽²⁾

Currency

EUR	Euro (used in Montenegro and Kosovo)
HRK	Croatian kuna
ISK	Icelandic Krona
MKD	Denar (the former Yugoslav Republic of Macedonia)
RSD	Serbian dinar (Republic of Serbia)
TRY	Turkish lira
ALL	Albanian lek
BAM	Convertible mark (Bosnia and Herzegovina)

Symbols

Italic	Provisional data, estimates and forecasts (i.e. data that are likely to change)
%	Percentage
:	Data not available or unreliable
-	Not applicable

⁽¹⁾ Provisional code that does not affect the definitive denomination of the country to be attributed after the conclusion of the negotiations currently taking place in the United Nations.

⁽²⁾ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Demography

1

Population increases in most countries

Although the general development among the individual Member States has not been homogeneous, the population in the European Union as a whole grew steadily between 2001 and 2011. The average annual growth rate was around 0.4% between 2001 and 2011. Lower average growth rates, ranging between 0.06% and 0.13%, were recorded in Montenegro, the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina. Iceland and Turkey experienced much higher average annual growth, with 1.17%, and 1.32% respectively. Conversely, a population decrease was registered in Albania, Croatia, Serbia and Kosovo (2003–2011 for the latter) 0.78%, 0.06%, 0.31% and 1.22% annually, respectively, between 2001 and 2011. In 2011, more than 500 million persons lived in the European Union. That same year, the combined population of the enlargement countries represented nearly a fifth of the total EU-27 population. Turkey was by far the largest among them, with more than 73 million inhabitants (corresponding to 15% of the EU-27), whereas Iceland and Montenegro were the smallest, with populations of 318 thousand and 618 thousand respectively (figures for 2011).

In the EU-27, as well as in all of the enlargement countries for which data are available, the working age population accounted for just over two-thirds of the total population. Among the enlargement countries, this share was broadly similar. However, the proportion of the population in the age ranges below and above the working population varied widely. In the EU-27, as well as in Croatia and Serbia, only around 15% of the population was below the age of 15, compared to around 26% in Albania and Turkey. Conversely, while approximately 17% were above the age of 64 in the EU-27, Croatia and Serbia, only around 9% represented that age group in Albania and 7% in Turkey. Hence, the latter countries clearly have the youngest population among the enlargement countries, which puts considerable stress on the national educational systems and the labour market.

Turkey recorded by far the highest increase (19.6% in absolute terms) in the size of the working age population in recent years, compared to 3.4% in the EU-27. Serbia and Bosnia and Herzegovina were the only countries showing a decrease in the working age population. Only in Iceland did the population under 15 years of age increase (by 1.1%); all the other enlargement countries registered a decrease in this

age group; often above the level registered by the EU-27, which recorded a drop of around 4.8%. Meanwhile, the population over 64 years of age rose in all the respective territories, with Turkey recording a sharp increase of 45.3% (lower fertility rate, higher life expectancy).

Crude birth rates higher than crude death rates in most countries

A crude rate of natural increase can be calculated by subtracting the crude death rate from the crude birth rate, with a positive result showing that the size of the population is growing, disregarding the effects of migration. In recent years, Croatia, Serbia and Bosnia and Herzegovina were the only countries to experience crude death rates markedly higher than crude birth rates. Moreover, this discrepancy rose with time, indicating a faster population decline. Hence, the crude rate of natural decrease in this case (rather than increase) was 5.1 per thousand inhabitants in Serbia and 2.2 in Croatia in 2011. In contrast, the largest crude rate of natural increase was recorded in Kosovo, with a value of 11.4 per thousand inhabitants, closely followed by Turkey with 11.1 in 2011.

Fertility rates of over 2 children per woman in Iceland and Turkey

Only two of the enlargement countries, Iceland and Turkey, recorded fertility rates of over 2 children per woman in the latest years for which data are available. In Turkey, the rate actually fell between 2009 and 2011, while in Iceland it rose to 2.2 between 2001 and 2010, making for the highest rate among the enlargement countries in 2010. The rates were more volatile in most of the other enlargement countries, at a lower level in absolute terms, the EU-27 recorded a rising tendency in the fertility rate according to the data available up to 2009.

Life expectancy rising

In recent years, life expectancy for both men and women rose in the EU-27 and the enlargement countries. In those enlargement countries for which there is data available, Serbia recorded the highest rise in life expectancy between 2001 and 2011: an average gain of 2 years for men and 1.7 years for women. With the exception of Iceland, life expectancy in all of the enlargement countries was lower than in the EU-27 for

both genders (based on the latest available data). Male life expectancy in most of the enlargement countries was between 72 and 74 years, whereas in the EU-27 it was just over 76 years (2009 data). In contrast, life expectancy for men in Iceland was 79.9 years in 2011. For women, life expectancy in Iceland was just over 84 years, around two years higher than in the EU-27, and substantially higher than in all the other enlargement countries where it ranged between 77 and 80 years (according to the latest data available).

Decrease in infant mortality

Infant mortality figures have further decreased across the EU-27 and in all of the enlargement countries in recent years. With the exception of Iceland, which recorded the lowest value with just 0.9 deaths per thousand live births in 2011 (one of the lowest values worldwide), the average rate in the enlargement countries was above the EU-27 average of 4.3 in 2009 (although Croatia and Montenegro seemed to be approaching the EU average). Turkey recorded the highest rate of 12.9 in 2011, although this represented a very significant drop from its rate of almost 30 deaths per thousand live births in 2001. Albania and Montenegro also managed to significantly decrease their infant mortality rates.

Table 1.1: Population as of 1st January
(1 000)

	2001 ⁽¹⁾	2006	2009	2010 ⁽²⁾	2011 ⁽³⁾
EU-27	483 797	493 210	499 687	501 120	502 407
HR	4 437	4 443	4 435	4 426	4 412
ME	615	624	630	616	618
IS	283	300	319	318	318
MK	2 031	2 039	2 049	2 053	2 057
RS	7 505	7 425	7 335	7 307	7 276
TR	64 693	68 981	71 517	72 561	73 723
AL	3 063	3 149	3 185	:	2 832
BA	3 790	3 843	3 843	3 843	3 840
XK	1 985	2 100	2 181	2 208	1 800

⁽¹⁾ Kosovo, 2003.

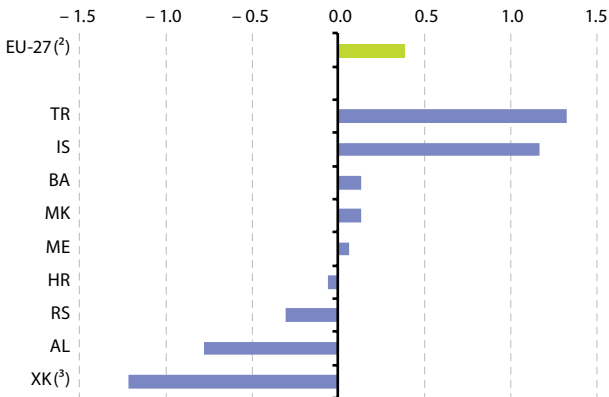
⁽²⁾ EU-27 and Montenegro, break in series.

⁽³⁾ EU-27, break in series. Kosovo, the number of population is based on recent census year 2011 and estimates that KAS have for 3 north municipalities who didn't participate in the Census and natural growth for the period April 15–31 December 2011.

Source: for the EU-27, Eurostat (online data code: [demo_pjan](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Figure 1.1: Population, average annual growth rates, 2001 to 2011⁽¹⁾

(%)



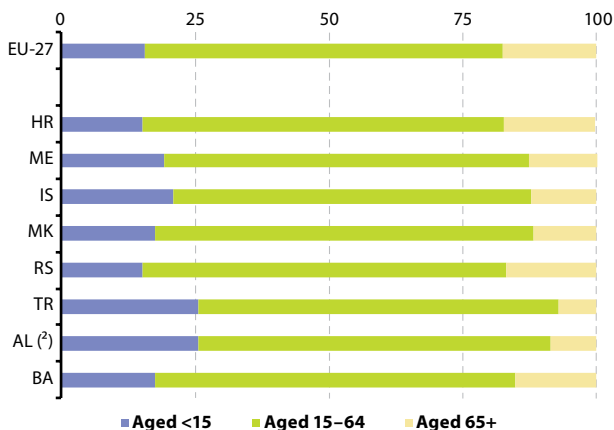
⁽¹⁾ EU-27 and Albania, provisional data; Kosovo and Bosnia and Herzegovina, estimated data.

⁽²⁾ EU-27, break in series.

⁽³⁾ Growth rate between 2003 and 2011; the number of population is based on recent census year 2011 and estimates that KAS have for 3 north municipalities who didn't participate in the Census and natural growth for the period April 15–31 December 2011.

Source: for the EU-27, Eurostat (online data code: [demo_pjan](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Figure 1.2: Population by age class, 2011⁽¹⁾
(% of total population)



⁽¹⁾ The former Yugoslav Republic of Macedonia (aged 15–64) and Bosnia and Herzegovina, estimated data; Kosovo, not available.

⁽²⁾ 2006 instead of 2011.

Source: for the EU-27, Eurostat (online data code: [demo_pjangroup](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Table 1.2: Growth in the population by age class between 2001 and 2011
(%)

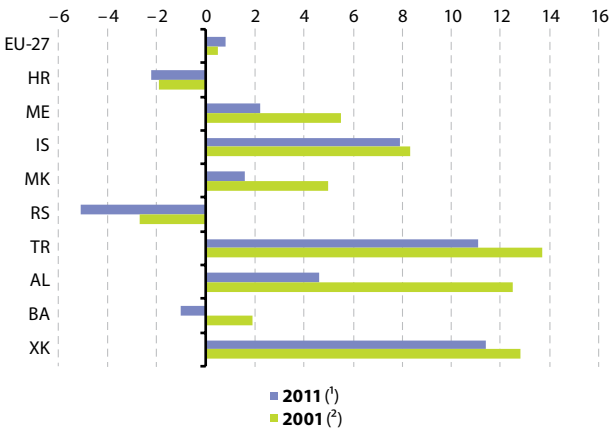
	<15 ⁽¹⁾	15–64 ⁽²⁾	65+ ⁽¹⁾
EU-27	-4.8	3.4	15.2
HR	-10.8	0.1	6.9
ME	-8.7	1.1	7.6
IS	1.1	15.1	19.5
MK	-19.8	5.9	17.5
RS	-10.6	-2.0	0.2
TR	-6.8	19.6	45.3
AL	-5.1	3.8	7.4
BA	:	-2.7	:
XK	:	:	:

⁽¹⁾ Croatia, change between 2002 and 2011; Montenegro, change between 2003 and 2011; Albania, change between 2004 and 2006.

⁽²⁾ Montenegro, change between 2003 and 2011; Albania, change between 2004 and 2007; Bosnia and Herzegovina, change between 2002 and 2011.

Source: Eurostat (online data code: [demo_pjanbroad](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Figure 1.3: Crude rate of natural increase
(per 1 000 inhabitants)



(¹) EU-27 and Kosovo, provisional data, break in series; Turkey, Albania and Bosnia and Herzegovina, provisional data.

(²) Kosovo, 2003.

Source: for the EU-27, Eurostat (online data code: [demo_gind](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Table 1.3: Crude birth and death rates
(per 1 000 inhabitants)

	2001 ⁽¹⁾		2006		2011 ⁽²⁾	
	Crude birth rate	Crude death rate	Crude birth rate	Crude death rate	Crude birth rate	Crude death rate
EU-27	10.4	9.9	10.6	9.6	10.4	9.6
HR	9.2	11.2	9.3	11.3	9.4	11.6
ME	14.4	8.8	12.1	9.6	11.6	9.4
IS	14.4	6.1	14.5	6.3	14.1	6.2
MK	13.3	8.3	11.1	9.1	11.1	9.5
RS	10.5	13.2	9.6	13.9	9.0	14.2
TR	19.9	6.2	18.7	6.2	17.2	6.3
AL	17.7	5.1	10.9	5.4	11.4	5.1
BA	9.9	8.0	8.9	8.6	8.3	9.3
XK	16.0	3.2	16.2	3.5	15.4	4.0

(¹) Kosovo, 2003.

(²) EU-27, break in series, provisional data; Croatia, Iceland and Turkey, 2010; Albania, 2008.

Source: for the EU-27, Eurostat (online data code: [demo_gind](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Table 1.4: Total fertility rate
(average number of children per woman)

	2001 ⁽¹⁾	2006	2009	2010	2011
EU-27	1.46	1.54	1.59	:	:
HR	1.34	1.38	1.49	1.46	:
ME	1.60	1.63	1.91	1.69	1.65
IS	1.95	2.08	2.23	2.20	:
MK	1.73	1.46	1.52	1.56	1.46
RS	1.58	1.43	1.44	1.40	1.36
TR	2.36	2.19	2.08	2.05	2.02
AL	1.79	1.38	:	:	:
BA	1.40	1.18	1.30	1.27	:
XK	:	:	:	:	:

(¹) EU-27 and Croatia, 2002; Albania, 2004; Montenegro, 2005.

Source: for EU-27, Eurostat (online data code: [demo_find](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Table 1.5: Life expectancy at less than 1 year
(years)

	Male			Female		
	2001 ⁽¹⁾	2006	2011 ⁽²⁾	2001 ⁽¹⁾	2006	2011 ⁽²⁾
EU-27	74.5	75.8	76.7	80.9	82.0	82.6
HR	71.2	72.5	73.5	78.3	79.3	79.9
ME	71.4	71.5	73.5	77.0	76.6	78.4
IS	78.3	79.5	79.8	83.2	82.9	84.1
MK	70.9	71.7	72.3	76.1	76.2	76.7
RS	69.6	70.8	71.6	75.0	76.1	76.8
TR	:	:	:	:	:	:
AL	:	:	:	:	:	:
BA	:	:	:	:	:	:
XK	:	:	:	:	:	:

(¹) EU-27 and Croatia, 2002; Montenegro, 2005.

(²) EU-27, the former Yugoslav Republic of Macedonia and Turkey, 2009; Croatia, Montenegro and Iceland, 2010.

Source: for the Eurostat (online data code: [demo_mlexpec](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Table 1.6: Infant mortality rates
(per 1 000 live births)

	2001 ⁽¹⁾	2006	2009 ⁽²⁾	2010 ⁽²⁾	2011
EU-27	5.7	4.6	4.2	4.1	:
HR	7.7	5.2	5.3	4.4	4.7
ME	14.6	11.0	5.7	6.7	4.4
IS	2.7	1.4	1.8	2.2	0.9
MK	11.9	11.5	11.7	7.6	7.6
RS	10.2	7.4	7.0	6.7	6.3
TR	30.0	17.7	14.5	13.6	12.9
AL	10.8	7.4	6.0	:	:
BA	7.6	7.5	6.5	6.4	5.4
XK	11.2	12.0	9.9	:	12.1

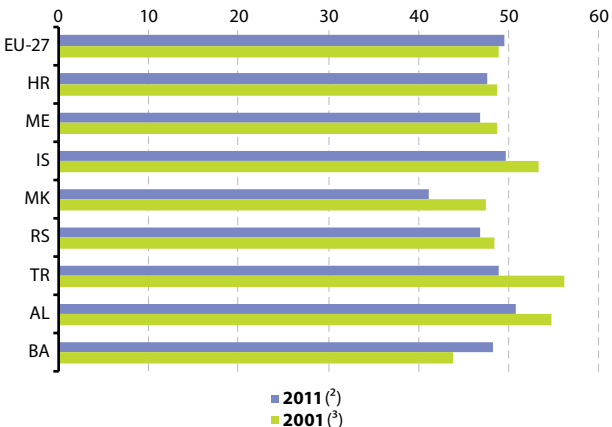
(¹) Kosovo, 2002.

(²) Albania, 2008.

(³) Montenegro, break in series.

Source: for the EU-27, Eurostat (online data code: [demo_minfind](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Figure 1.4: Age dependency ratio (¹)
(% of working age population)



(¹) Kosovo, not available.

(²) EU-27, provisional data, break in series; Bosnia and Herzegovina, estimated data; Albania, 2007.

(³) Croatia and Bosnia and Herzegovina, 2002; Montenegro, 2003; Albania, 2004.

Source: for the EU-27, Eurostat (online data code: [demo_pjanind](#)); for the enlargement countries, Eurostat (online data code: [cpc_psdemo](#)).

Definitions

Age related dependency ratio is the ratio of the number of persons of an age when they are generally economically inactive to the number of persons of working age (from 15 to 61 (1st variant) or from 20 to 50 (2nd variant) depending on the context).

Crude birth rates and **crude death rates** are ratios of the number of births or deaths during a reference year to the average population of the same reference year. The value is expressed per 1 000 inhabitants.

Crude rate of natural increase is the difference between the crude birth rate and the crude death rate during a reference year. The value is expressed per 1 000 inhabitants.

Infant mortality rates are measured as the ratio of the number of deaths of children under the age of one during a given reference year to the number of live births during the same year. The value is expressed per 1 000 live births.

Life expectancy at less than one year represents the mean number of years still to be lived by a person who has less than 1 year, if subjected throughout the rest of his or her life to the current mortality conditions.

Population: the inhabitants of a given area on 1 January of the year in question (or, in some cases, on 31 December of the previous year). The population is based on data from the most recent census adjusted by the components of population change produced since the last census, or based on population registers.

Total fertility rate: the average number of children that would be born to a woman during her lifetime if she were to pass through her childbearing years conforming to the average fertility rates of each year.

Education

2

Low percentage of early school leavers in Croatia and Serbia

Education and training policies are central to the Europe 2020 strategy in order to turn the EU into a smart, sustainable and inclusive economy. One of the flagship initiatives of Europe 2020 is 'Youth on the move' which aims to enhance the performance of education systems and to facilitate the entry of young people into the labour market. In particular, one of the headline targets of Europe 2020 is to reduce the share of early school leavers to less than 10% of the population aged 18–24.

Between 2001 and 2011, the proportion of early school leavers fell in the EU-27, and also in the enlargement countries for which data are available. The decrease amounted to 3.7 percentage points in the EU-27 to reach 13.5 percent. For the enlargement countries, the decrease ranged between 3.0 and 4.0 percentage points over the period for which data are available, with the exception of Iceland and Turkey, where the decrease was substantially higher with 7.8 percentage points and 16.2 percentage points respectively. Compared to the 13.5% of early school leavers that were neither in education nor in any other training in the EU-27 in 2011, Serbia and especially Croatia reported low levels (below 10%, of early school leavers). In contrast, in both Albania and Turkey the proportion of early school leavers was 35.0% and 41.9% respectively, according to the latest available data. As regards gender differences, in 2011, 22% of men aged 18–24 in Iceland were early school leavers, compared with 17% of their female counterparts. Likely linked to cultural differences, the opposite situation occurred in Turkey where around 38% of young men were early school leavers, compared with around 46% of young women.

More graduates in mathematics, science and technology, especially in Croatia and Montenegro

Between 2001 and 2011, the number of students attending tertiary education increased in the EU-27, as well as in the enlargement countries for which data are available. All of the enlargement countries saw higher growth rates than those of the EU-27. The number of tertiary graduates in mathematics, science and technology per thousand inhabitants, aged 20–29, increased both in the EU-27 and in all of the enlargement countries in recent years. The average growth in Montenegro, Albania, Turkey and Kosovo appeared particularly strong.

Across the EU-27, as well as in the enlargement countries, a higher percentage of men completed their tertiary education in mathematics, science and technology. Croatia and Montenegro, however, saw a significant rise for both genders. In Croatia, the percentages of both men and women graduating in mathematics, science and technology more than doubled in less than ten years, almost equaling the EU-27 rates of around 16 per thousand inhabitants aged 20–29 for men and 8 for women (2010). In Montenegro, likewise, the percentage of men graduating in these fields more than doubled between 2003 and 2010 (that of women more than tripled) reaching almost 9 per thousand inhabitants aged 20–29 for men and 7 for women.

Mixed picture on education spending

The EU-27 public expenditure on education as proportion of GDP remained stable between 2001 and 2006, at 5%. In 2009, expenditure on education increased to 5.4%, which can be partially explained by the fact that expenditure on auxiliary services is now included. Iceland's public expenditure on education was noticeably higher with shares between 7% and 8% of GDP over the period observed. At a lower relative level, Serbia's public expenditure on education rose steadily from 2.4% of GDP in 2001 to 3.7% in 2010. In the former Yugoslav Republic of Macedonia and in Albania, the percentage of GDP allocated to education fluctuated between 3% and 4%. It was somewhat higher in Croatia, without however reaching the EU-27 average.

Adult training in Iceland three times higher than in the EU

The proportion of persons aged 25–64 who have participated in education and training clearly increased in the EU-27, from 7.1% in 2001 to 8.9% in 2011. At a lower relative level, this proportion increased also in the former Yugoslav Republic of Macedonia and Turkey, while it remained essentially stable in the remaining enlargement countries for which information is available. More striking is the very high proportion of Icelanders aged 25–64 participating in education and training: with nearly 26% in 2011, their proportion was nearly three times that of the EU-27.

Table 2.1: Educational attainment (%)

	Early school leavers			Youth education attainment level		
	2001 ⁽¹⁾	2006 ⁽²⁾	2011 ⁽³⁾	2001 ⁽⁴⁾	2006	2011
EU-27	17.2	15.5	13.5	76.6	77.9	79.5
HR	8.0	4.7	4.1	90.6	94.6	95.6
ME	:	:	:	:	:	:
IS	30.9	28.8	23.1	46.1	49.3	56.9
MK	:	22.8	13.5	65.4	:	:
RS	11.5	12.6	8.5	88.1	86.8	84.0
TR	58.1	48.8	41.9	39.7	45.9	52.6
AL	:	42.0	35.0	:	:	:
BA	:	:	:	:	:	:
XK	:	:	:	:	:	:

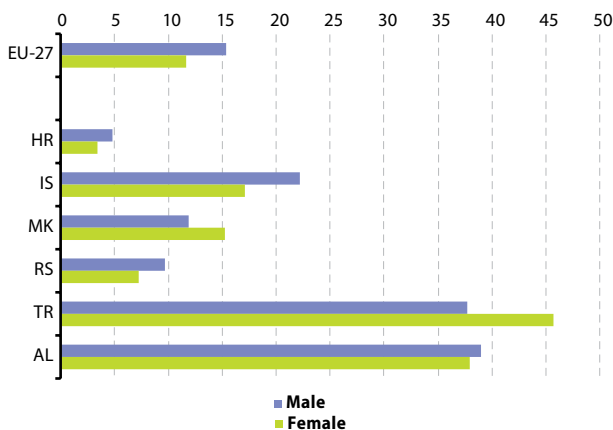
(¹) Croatia, 2002; Serbia, 2004.

(²) Albania, 2007.

(³) Albania, 2009.

(⁴) Croatia and the former Yugoslav Republic of Macedonia, 2002; Serbia, 2004.

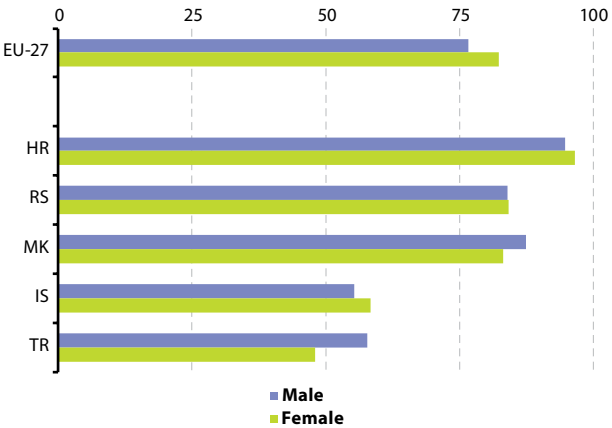
Source: for the EU-27, Eurostat (online data codes: [edat_lfse_14](#) and [edat_lfse_08](#)); for the enlargement countries, Eurostat (online data codes: [cpc_psilc](#) and [cpc_siinr](#)).

Figure 2.1: Early school leavers by gender, 2011 ⁽¹⁾ (%)

(¹) Montenegro, Bosnia and Herzegovina and Kosovo, not available; Albania, 2008.

Source: for the EU-27, Eurostat (online data code: [edat_lfse_14](#)); for the enlargement countries, Eurostat (online data code: [cpc_psilc](#)).

Figure 2.2: Youth education attainment level by gender, 2011 ⁽¹⁾
(%)



⁽¹⁾ Montenegro, Albania, Bosnia and Herzegovina and Kosovo, not available.

Source: for the EU-27, Eurostat (online data code: [edat_lfse_08](#)); for the enlargement countries, Eurostat (online data code: [cpc_siinr](#)).

Table 2.2: Number of pupils/students by ISCED level of education, 2011 ⁽¹⁾
(1 000)

	ISCED 0	ISCED 1	ISCED 2	ISCED 3
EU-27	14 922	27 941	21 939	21 806
HR	103	160	182	184
ME	14	30	39	32
IS	13	29	13	25
MK	18	132	74	95
RS	155	289	283	283
TR ⁽²⁾	1 170	10 979	-	4 756
AL	75	236	222	133
BA	17	166	150	163
XK	24	170	136	105

⁽¹⁾ EU-27 and Kosovo, 2010; Albania, 2009.

⁽²⁾ ISCED 1 includes ISCED 2.

Source: for the EU-27, Eurostat (online data code: [educ_ilev](#)); for the enlargement countries, Eurostat (online data code: [cpc_pseuduc](#)).

Table 2.2 (continued): Number of pupils/students by ISCED level of education, 2011 ⁽¹⁾
(1 000)

	ISCED 4	ISCED 5	ISCED 6 ⁽²⁾	Total
EU-27	1 474	19 312	1	107 395
HR	-	151	3	783
ME	:	25	0	140
IS	1	18	0	99
MK	0	67	0	386
RS	2	223	5	1 240
TR ⁽³⁾	-	4 295	58	21 258
AL	-	93	:	759
BA	:	104	2	602
XK	:	38	:	473

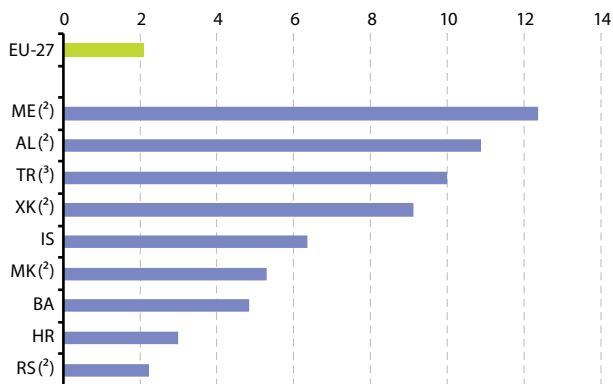
⁽¹⁾ EU-27, Croatia, Serbia and Kosovo, 2010; Albania, 2009.

⁽²⁾ Iceland, 0.47; Montenegro, 0.09; the former Yugoslav Republic of Macedonia, 0.27, students at universities and other education institutions are included, 2009.

⁽³⁾ ISCED 5: Number of students at other educational institutions and upper education students are included; ISCED 6: Number of medical interns and doctorate students at universities and other education.

Source: for the EU-27, Eurostat (online data code: [educ_ilev](#)); for the enlargement countries, Eurostat (online data code: [cpc_pseduc](#)).

Figure 2.3: Students in tertiary education (ISCED 5 and ISCED 6), average annual growth rate 2001–2011 ⁽¹⁾



⁽¹⁾ EU-27 and Serbia, between 2001 and 2010; Albania, between 2001 and 2009; Croatia and Kosovo, between 2002 and 2010.

⁽²⁾ ISCED 5 only.

⁽³⁾ ISCED 5: Number of students at other educational institutions and upper education students are included; ISCED 6: Number of medical interns and doctorate students at universities and other educational institutions are included.

Source: for the EU-27, Eurostat (online data code: [educ_enr1t1](#)); for the enlargement countries, Eurostat (online data code: [cpc_pseduc](#)).

Table 2.3: Tertiary education graduates in mathematics, science and technology
(per 1 000 inhabitants aged 20–29)

	Male			Female		
	2001 ⁽¹⁾	2006 ⁽²⁾	2010 ⁽³⁾	2001 ⁽¹⁾	2006 ⁽²⁾	2010 ⁽³⁾
EU-27	14.6	18.1	16.6	6.7	8.6	8.3
HR	7.0	7.6	14.4	4.1	4.3	9.0
ME	3.1	4.6	8.8	1.8	3.9	6.9
IS	11.6	13.5	15.2	6.6	9.0	12.0
MK	3.6	4.5	7.5	2.6	4.0	5.2
RS	7.3	8.3	9.2	5.4	7.6	5.9
TR	6.3	8.0	:	3.0	3.3	:
AL	:	1.3	:	:	1.6	:
BA	:	:	:	:	:	:
XK	:	:	:	:	:	:

(¹) Montenegro, 2003.

(²) Turkey, 2005.

(³) Montenegro, 2009.

Source: for the EU-27, Eurostat (online data code: [educ_thflds](#)); for the enlargement countries, Eurostat (online data code: [cpc_siinr](#)).

Table 2.4: Public expenditure on education
(% of GDP)

	2001	2006 ⁽²⁾	2009	2010	2011
EU-27⁽¹⁾	5.0	5.0	5.4	:	:
HR	4.2	4.0	4.3	:	:
ME	:	:	:	:	:
IS	7.0	7.6	7.8	7.6	7.2
MK	3.6	3.1	3.6	3.7	:
RS	2.4	3.3	3.8	3.7	:
TR	:	:	:	:	:
AL	3.3	3.1	3.4	:	:
BA	:	:	:	:	:
XK	:	:	:	:	:

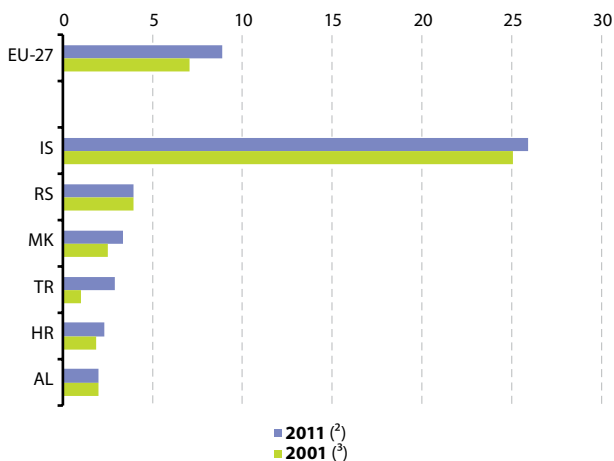
(¹) 2005–2007, expenditure for auxiliary services is not included.

(²) The former Republic of Yugoslav Republic of Macedonia, 2007.

Source: for the EU-27, Eurostat (online data code: [educ_figdp](#)); for the enlargement countries, Eurostat (online data code: [cpc_pseduc](#)).

Figure 2.4: Proportion of persons aged 25–64 having participated in education and training (at any time during a four week period prior to being surveyed) ⁽¹⁾

(%)



⁽¹⁾ Montenegro, Bosnia and Herzegovina and Kosovo, not available.

⁽²⁾ Albania, 2008.

⁽³⁾ Croatia, estimated data, 2002; Serbia, 2004; Albania, 2007; Iceland and the former Yugoslav Republic of Macedonia, 2008.

Source: for the EU-27, Eurostat (online data code: [trng_lfse_04](#)); for the enlargement countries, Eurostat (online data code: [cpc_siemp](#)).

Definitions

Early school leavers are people aged 18–24 who have only lower secondary education or less and are no longer in education or training. Early school leavers are therefore those who have only achieved pre-primary, primary, lower secondary or a short upper secondary education of less than 2 years.

ISCED 97 - International Standard Classification of Education

This classification is used for the breakdown of the number of pupils/students; it is also used for determining the coverage of a number of other education indicators.

ISCED description

- ISCED 0 Pre-primary level of education; this level is defined as the initial stage of organized instruction, designed primarily to introduce very young children to a school type environment.
- ISCED 1 Primary level of education; programs are normally designed to give students a sound basic education in reading, writing and mathematics along with an elementary understanding of other subjects such as history, geography, natural science, social science, art and music. In some cases religious instruction is featured.
- ISCED 2 Lower secondary level of education; this is designed to complete the provision of basic education which began at ISCED level 1. The programs at this level are usually on a more subject-oriented pattern using more specialised teachers and more often several teachers conducting classes in their field of specialisation.
- ISCED 3 Upper secondary education; this level of education typically begins at the end of full-time compulsory education for those countries that have a system of compulsory education. More specialisation may be observed at this level than at ISCED level 2 and often teachers need to be more qualified or specialised than for ISCED level 2.
- ISCED 4 Post-secondary, non-tertiary education (these programmes straddle the boundary between upper secondary and post-secondary education from an international point of view, even though they

might clearly be considered as upper secondary or post-secondary programmes in a national context. These programmes are often not significantly more advanced than programmes at ISCED level 3 but they serve to broaden the knowledge of participants who have already completed a programme at level 3.

ISCED 5 First stage of tertiary education (not leading directly to an advanced research qualification); this level consists of tertiary programmes with an educational content more advanced than those offered at levels 3 and 4.

ISCED 6 Second stage of tertiary education (leading to an advanced research qualification); this level is reserved for tertiary programmes that lead to the award of an advanced research qualification. The programmes are devoted to advanced study and original research.

Proportion of the population aged 25 to 64 who participated in education and/or training (at any time during a four week period prior to being surveyed by the LFS) relates to all education or training and includes formal and non-formal education: initial education, continuing or further training, training within an enterprise, apprenticeships, on-the-job training, seminars, distance learning, evening classes. It also includes general interest courses, such as language courses, computing, management, art/culture and health/medicine courses.

Public expenditure on education is expressed as a proportion of GDP. Generally, the public sector funds education either by bearing directly current and capital expenditure of educational institutions (direct expenditure for educational institutions) or by supporting students and their families with scholarships and public loans, as well as by transferring public subsidies for educational activities to private enterprises or non-profit organisations (transfers to private households and enterprises).

Students in tertiary education is the number of students enrolled in tertiary education (ISCED 5-6: 1st and 2nd stages of tertiary education) in a given academic year.

Tertiary graduates in mathematics, science and technology per thousand inhabitants aged 20 to 29 are calculated by dividing the number of graduates (of all ages) in the fields of science and technology by the total population aged 20 to 29 and then multiplying by a thousand.

Youth education attainment level is defined as the proportion of the population aged 20 to 24 having attained at least upper secondary education, in other words, with at least an education level of ISCED 3 (upper secondary education). The denominator consists of the total population of the same age group (aged 20 to 24), and excludes persons having not answered questions concerning their participation in education and training. The expression 'having attained' should be associated with obtaining a certificate or diploma. In cases where there is no certification, successful completion must be associated with full attendance of the course.

3

Social indicators

Wages and salaries in Iceland seriously affected by financial crisis

The average nominal monthly wages and salaries expressed in EUR remained considerably higher in Iceland (EUR 4048 in 2006 and EUR 2984 in 2011) than in any of the other enlargement countries, despite the major financial and economic crisis which affected all the countries between 2008 and 2011. Croatia recorded a figure of EUR 903 in 2006; the average figure for Turkey was EUR 407, while the other enlargement countries had their figures range between EUR 221 and 294 that year. In 2009, Croatia recorded nominal wages and salaries of EUR 1056 per month, which was in some instances more than twice as high as the other countries, most of which showed figures below EUR 500 per month (the only exceptions were Serbia with EUR 504 and Turkey with EUR 557). Except for Iceland, all the enlargement countries saw their average nominal wages and salaries increase between 2001 and 2011. Montenegro almost doubled their average between 2006 and 2009, reaching EUR 463, and the increase in the former Yugoslav Republic of Macedonia between 2006 and 2011 was also of around 50 %.

The indexed figures on real wages and salaries (in terms of the euro or the national currencies) are deflated using the consumer price index. In real terms, Serbia and Montenegro showed the highest increases (+178 % and +157 % between 2000 and the latest year available, respectively). Growth was more moderate in Croatia. Albania, which experienced a clear drop between 2000 and 2006, managed to increase their level again in the following years (+24 % compared to 2000).

Inequalities of income distribution reduced in Turkey, but still considerably higher than in the EU-27

One way of measuring the inequality of income distribution is the comparison of the total income received by the 20 % of the population with the highest earnings to the total income received by the 20 % of the population with the lowest earnings. The resulting figure of income inequality in the EU-27 was just over 5 in 2010. What this means is that the total income received by the 20 % of the population with the highest earnings was five times bigger than that received by

the 20 % of the population with the lowest earnings. In that same year, income inequality in Turkey (8) was substantially higher compared to the EU-27. Nevertheless, this should be considered against the situation in 2002, when the equivalent figure was still almost 11. Serbia also experienced a significant fall in income distribution inequality, from 7.7 in 2006 to 5.6 in 2009. The remaining enlargement countries for which figures are available, i.e. Croatia, Iceland and Albania, recorded figures slightly lower than that of the EU-27. It is important to note that Iceland's and Albania's income inequality, as low as it may be, has been rising again.

Household consumption expenditure on essentials considerably higher than in the EU-27, except Iceland

Total household consumption expenditure can be broken down into twelve categories (the COICOP system). The most essential categories of spending, such as housing (including fuel), food (excluding alcoholic drinks) and transport are shown. In the EU-27, nearly 50 % of total expenditure in 2011 was spent on these essential categories. This was substantially lower than the equivalent expenditure in most of the enlargement countries. With a cumulated share of 51 %, Iceland came close to the EU average. In the remaining enlargement countries, the equivalent shares ranged between 63 % (Montenegro) and 68 % (Albania). The only country to exceed the latter share was Kosovo, where the household expenditure devoted to housing, food and transport represented 75 % of the total.

Expenditure on social protection: EU-27 considerably higher than enlargement countries

The spending on health presented quite a diversified picture across the enlargement countries in 2009. In terms of the percentage of GDP, Iceland spent the most on health (around 9 % of GDP), leaving the other enlargement countries for which data are available far behind. In Croatia (2003 data), Turkey and Serbia (both 2008 data), the expenditure on health represented around 6 % of GDP; in Albania (2009 data) it approached 3 %. The lowest value of 2 % of GDP was recorded in Montenegro (2007 data). According to the latest data available, spending on social protection was 29.5 % of GDP in the EU-27. This figure was higher than those recorded in

any of the enlargement countries for which data are available. Iceland was closest to the EU-27 in that respect, with a share of just over 25 %. Social protection expenditure in Croatia and Serbia was 16 % of GDP, while in Albania and Turkey it was a mere 10 %.

Table 3.1: Wages and salaries

	Average nominal monthly wages and salaries (EUR)			Index of real wages and salaries (2000 = 100)	
	2001 ⁽¹⁾	2006	2011 ⁽²⁾	2006	2011
EU-27	:	:	:	123	:
HR ⁽³⁾	687	903	1 056	117	119
ME	149	246	463	156	257
IS	2 722	4 048	2 984	128	111
MK	173	221	339	118	157
RS	146	402	504	233	278
TR	246	407	557	:	:
AL	143	233	296	61	124
BA ⁽⁴⁾	209	294	417	:	:
XK	:	:	:	:	:

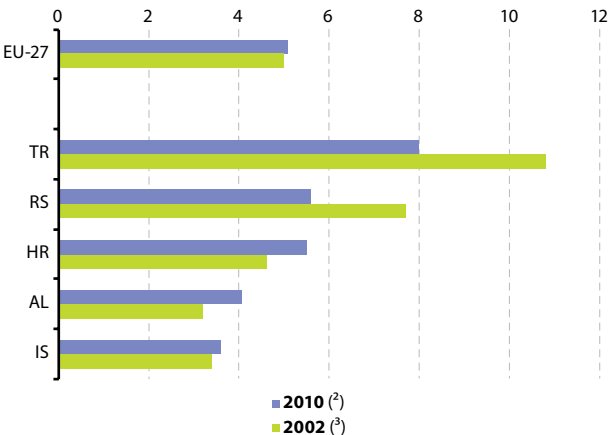
(¹) Montenegro and Turkey, 2002.

(²) Croatia, Montenegro and Albania, 2009; Turkey, 2010; Serbia, break in series, 2009.

(³) For the period 1995–2003, the persons employed in crafts, trades and as self-employed, as well as in the police and defence-related activities are excluded. From 2004 onwards the number of persons employed in the police and defence-related activities are included.

(⁴) For 2011, net salary, including data from Brcko District.

Source: for the EU-27, Eurostat (online data codes: [tps00175](#) and [lc_lci_r1_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_pslm](#)).

Figure 3.1: Inequality of income distribution ⁽¹⁾
(S80/S20 income quintile share ratio)

(¹) Montenegro, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina and Kosovo, not available.

(²) Croatia (break in series); Serbia, 2009; Albania, 2008.

(³) Croatia, 2003; Iceland, 2004; EU-27, 2005; Serbia, 2006.

Source: for the EU-27, Eurostat (online data code: [ilc_di11](#)); for the enlargement countries, Eurostat (online data code: [cpc_psilc](#)).

Table 3.2: Total household consumption expenditure (% of GDP)

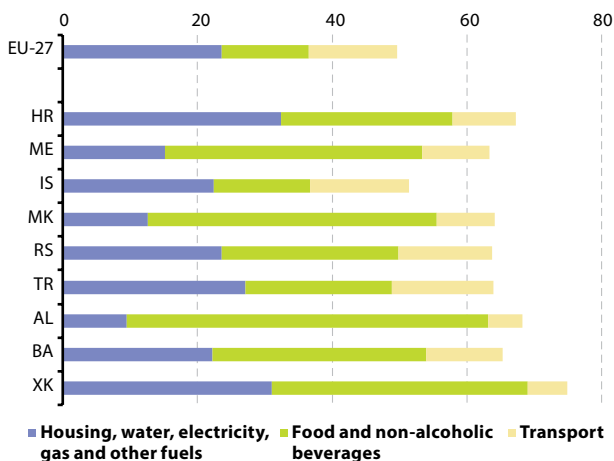
	2001 ⁽¹⁾	2007	2008	2009	2010	2011
EU-27 ⁽²⁾	58.6	57.0	57.1	58.1	58.0	58.0
HR ⁽³⁾	62.4	59.0	58.5	58.4	58.9	59.1
ME	74.8	88.4	91.2	84.0	82.2	82.0
IS	56.2	57.4	53.4	51.0	51.4	51.9
MK	70.0	76.7	80.2	76.5	74.1	74.8
RS	83.0	76.3	77.0	79.7	80.2	:
TR	68.4	71.3	69.8	71.5	71.7	71.2
AL	70.5	80.3	79.3	:	:	:
BA	94.9	92.1	91.8	90.9	89.8	:
XK	86.2	93.4	95.3	92.3	:	:

⁽¹⁾ Bosnia and Herzegoviana and Kosovo, 2004.

⁽²⁾ Final consumption expenditure of households and non-profit institutions serving households.

⁽³⁾ Since 2006, Croatia has calculated the expenditure on the basis of the sum of quarterly values.

Source: for the EU-27, Eurostat (online data code: [nama_gdp_c](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnagdp](#)).

Figure 3.2: Breakdown of household consumption expenditure, 2011 ⁽¹⁾ (% of total household consumption expenditure)

⁽¹⁾ Croatia, Serbia and Turkey, 2010; Albania, 2008; Bosnia and Herzegovina, 2007.

Source: for the EU-27, Eurostat (online data code: [nama_co3_c](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnaco](#)).

Table 3.3: Persons living in jobless households
(% of respective age group living in households where no-one works)

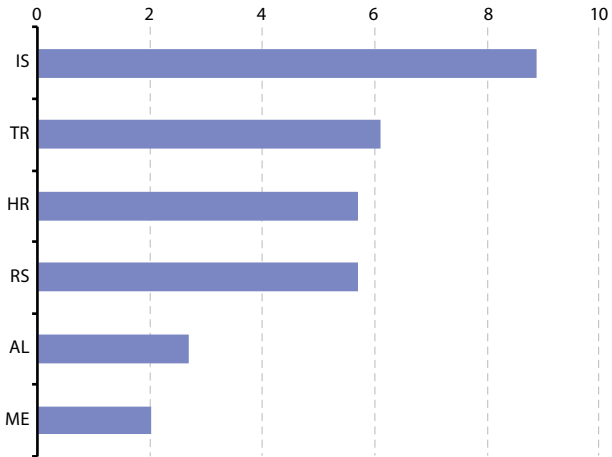
	Children aged 0–17			Adults aged 18–59		
	2002 ⁽¹⁾	2006	2010	2002 ⁽²⁾	2006	2010
EU-27	10.1	9.7	10.6	10.4	9.8	10.4
HR	9.7	9.4	10.2	13.5	12.4	12.5
ME	:	:	:	:	:	:
IS	:	:	:	:	:	:
MK	29.4	29.6	24.6	23.8	24.7	19.2
RS	9.3	11.4	:	10.9	14.4	:
TR	:	15.4	14.3	:	15.6	15.5
AL	:	:	:	:	:	:
BA	:	:	:	:	:	:
XK	:	:	:	:	:	:

(¹) The former Yugoslav Republic of Macedonia and Serbia, 2004.

(²) The former Yugoslav Republic of Macedonia, 2003; Serbia, 2004.

Source: for the EU-27, Eurostat (online data code: [lfsi_jhh_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_psilc](#)).

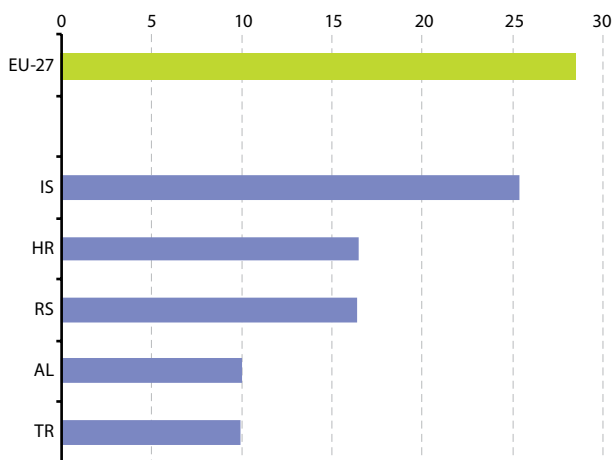
Figure 3.3: Health expenditure, 2011⁽¹⁾
(% of GDP)



(¹) EU-27, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina and Kosovo, not available; Albania, 2009; Turkey and Serbia, 2008; Montenegro, 2007; Croatia, 2003.

Source: for the EU-27, Eurostat (online data code: [hlth_sha_hp](#)); for the enlargement countries, Eurostat (online data code: [cpc_psilc](#)).

Figure 3.4: Expenditure on social protection, 2009⁽¹⁾
(% of GDP)



⁽¹⁾ Montenegro, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina and Kosovo, not available; EU-27, provisional data; Serbia, 2008; Turkey, 2007; Albania, 2005; Croatia, 2003.

Source: for the EU-27, Eurostat (online data code: [spr_exp_sum](#)); for the enlargement countries, Eurostat (online data code: [cpc_psilc](#)).

Definitions

Health expenditure should ideally be provided in relation to the System of Health Accounts (SHA), which defines total expenditure on health as ‘the final use of resident units of health care goods and services plus gross capital formation in health care provider industries’. This indicator is expressed as a proportion of GDP in current price terms.

Household consumption expenditure measures the value of all goods and services that are used for directly meeting household needs. It covers actual expenditure on purchases of goods and services, own consumption such as products from kitchen gardens, and imputed rents for owner-occupied dwellings. Investment effected by households, direct duties and taxes paid to various administrations, savings, social transfers in kind and voluntary transfers in cash or in kind to charities and aid organisations are excluded. Total household consumption expenditure can be broken down into categories by a system known as COICOP (classification of individual consumption according to purpose).

Inequality of income distribution is measured as the ratio of total income received by the 20% of the population with the highest incomes (the top quintile) to that received by the 20% of the population with the lowest incomes (the lowest quintile). This calculation should be made on the basis of equivalised disposable income, which is calculated for each household by adding together the income received by all members of the household and dividing by the equivalised household size (which is calculated as the sum of the persons in the household on the basis of the following weights: 1.0 to the first adult, 0.5 to other persons aged 14 or over who are living in the household, and 0.3 to each child aged less than 14).

Proportion of the population living in jobless households is measured for two sub-populations, children aged 0 to 17, and persons aged 18 to 59. In both cases the number of persons living in jobless households is expressed as a proportion of the total sub-population (in other words, as a share of all children aged 0 to 17 or as a share of all persons aged 18 to 59). The information covers all persons living in private households (except for students aged 18 to 24 who live in households composed solely of students; these are not counted in either the numerator or denominator).

Social protection expenditure is calculated in line with the ESSPROS (European System of Integrated Social Protection Statistics) methodology. Expenditure includes social benefits, administration costs and other expenditure linked to social protection schemes. Social protection benefits are direct transfers, in cash or in kind, by social protection schemes to households and individuals to relieve them of the burden of one or more of the defined risks or needs. Benefits are classified according to eight social protection functions (which represent a set of risks or needs): sickness/healthcare benefits, disability benefits, old age benefits, survivors' benefits, family/children benefits, unemployment benefits, housing benefits, social exclusion benefits not elsewhere classified.

Wages and salaries include normal earnings from work as an employee or an apprentice and extra earnings for overtime work, commissions or tips. Additional payments such as 13th and 14th months' salary, holiday pay or allowance, profit sharing bonus, other lump-sum payments and company shares are covered as well.

Labour force

4

Employment rates fell in most enlargement countries in 2011

The Europe 2020 strategy defines three mutually reinforcing priorities: smart, sustainable and inclusive growth. If the strategy succeeds, employment policies will have a pivotal role to play in achieving all three of these priorities. In this respect, the EU headline employment rate target of 75% for the population aged 20–64 is the most outstanding illustration of the EU's ambitions in the field of employment. The enlargement countries will be associated with initiatives taken at EU level to meet the goals of the Europe 2020 strategy, including the EU employment rate target.

The crisis in global financial markets which gathered pace in autumn 2008 led to a severe economic recession, strongly affecting labour markets in the EU. In most of the enlargement countries, the crisis was also felt, albeit less strongly. The impact of the crisis on the labour markets of the EU-27 and the enlargement countries remained relatively limited in 2008, in line with the usual lagged response, but became more apparent in 2009. In the years that followed, the EU continued implementing further crisis-fighting measures, but by 2011, the latest reference year for data in this section, neither the economy nor the labour market was yet able to reach their pre-crisis levels again.

The activity rate in the EU-27, i.e. the proportion of the labour force in the total population of the working age, was 71.2% (age group 15–64). Except for Iceland, the activity rates in the enlargement countries were far lower, ranging between 48.1% in Kosovo to 64.2% in the former Yugoslav Republic of Macedonia.

In 2011, the overall EU employment rate for those aged 15 to 64, i.e. the proportion of the labour force in the population of the working age, was 64.3% on average. This was slightly higher than the 64.1% registered a year earlier but still quite distant from the 65.8% of 2008, the highest rate registered since the turn of the century. Similar decrease between 2010 and 2011 was also observed in many enlargement countries for which data are available, but not in Iceland or the former Yugoslav Republic of Macedonia, where the rates increased slightly. In Turkey, the increase was more noticeable, gaining 2.1 percentage points to reach 48.4%. Most enlargement countries displayed employment rates in the 40-to-50 percent range,

which still placed them substantially below the EU average; the only two exceptions in this respect were Iceland, where the rate was rather high (78.5%, although it had decreased from 84.6% recorded in 2007), and Kosovo, where it was very low (26.1%, in 2009). When observing the employment rate for the 20-to-64 year olds, and thus excluding a substantial part of the youth still in education, the related proportions were expectedly higher. The difference was particularly high in Albania (difference of 7 percentage points), reflecting the comparatively young population (see chapter on Demography).

Iceland recorded by far the lowest employment gender gap

As regards the activity and employment rates, Iceland stood out as having by far the lowest employment gender gap. In 2011, it was slightly below 4 percentage points, considerably lower than the 12 percentage points recorded for the EU-27. The employment gender gaps in Croatia, Montenegro and Serbia were broadly similar to those for the EU-27 in 2011. All the other enlargement countries recorded substantially higher gaps, ranging from 17 percentage points in the former Yugoslav Republic of Macedonia to 27 percentage points in Kosovo. Female labour participation in Turkey remained very low, as the employment gender gap was by far the highest, at 41.5 percentage points in 2011. In the preceding decade, this gap had narrowed only marginally in the country.

44% of Albania's labour force active in agriculture, down from 58% a decade earlier

The distribution of employment between the different economic sectors highlights how the economies of the enlargement countries vary among each other, and also in comparison with the EU-27. In the latest year for which data are available, employment in the services sector accounted for nearly 70% of the total employment in the EU-27, a proportion exceeded only by Iceland and Montenegro from among the enlargement countries, with 76.3% and 75.5% respectively.

Employment in agriculture was by far the least important among the three sectors in the EU-27, with just 5% of the total labour force by 2011. Iceland and Montenegro also recorded low shares that year. In contrast, over 44% of Albania's labour force was employed in agriculture in 2009, although this was

a drop as compared to 2001, when the country registered a share of almost 58 %. The proportion of EU-27's labour force employed in industry and construction combined was 25 % in 2011. The differences among the enlargement countries in this sector were less prominent: the proportions ranged between 19 % in Montenegro and 30 % in the former Yugoslav Republic of Macedonia.

Unemployment rates in 2011 remain generally stable compared with 2010, with persistent differences between the countries

The unemployment rate across the EU-27 as a whole fell steadily from 8.6 % in 2001 to a long time low of 7.0 % in 2008, before rising again to almost 9 % in 2009 and 9.6 % in 2010 and 2011 as a result of the economic crisis. Among the enlargement countries, only the former Yugoslav Republic of Macedonia, Turkey and Kosovo saw unemployment decrease slightly between 2008 and 2011 (2009 for Kosovo), although for the latter country the rate remained very high in relative terms (over 45 % in 2009). Due to the collapse of Iceland's main commercial banks and the severe financial crisis that followed, the unemployment rate more than doubled between 2008 and 2009 in that country. Even then, it remained below the EU-27 average. Between 2010 and 2011, the Icelandic labour market sent a positive sign again, as the unemployment rate dropped by 0.6 percentage points.

Long-term unemployment remained a serious issue in the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina and Kosovo, although in the latter two countries some improvements were registered.

Overall unemployment rate for women is higher, except Iceland and the former Yugoslav Republic of Macedonia

The unemployment rates for men and women in the EU-27 were 9.5 % for men and 9.7 % for women in 2011. The gender differences were comparatively small in Croatia, Montenegro and the former Yugoslav Republic of Macedonia; they were quite noticeable in Iceland, Serbia, Turkey, Albania and Bosnia and Herzegovina, and very high in Kosovo. What set Croatia, the former Yugoslav Republic of Macedonia and Iceland apart was the fact that in those countries, the women's unemployment rate was actually lower than that of men.

Table 4.1: Economic activity rate
(%)

	Aged 15–64			Aged 20–64		
	2001	2006 ⁽¹⁾	2011 ⁽²⁾	2001	2006 ⁽³⁾	2011 ⁽⁴⁾
EU-27	68.6	70.2	71.2	73.0	74.9	75.7
HR	62.2	62.6	60.8	66.9	67.9	65.5
ME	:	58.4	57.3	:	:	:
IS	88.6	87.1	84.5	89.9	88.1	86.1
MK	:	62.2	64.2	:	68.0	70.1
RS	:	63.6	59.4	:	67.9	64.1
TR	:	49.0	53.2	:	52.7	57.2
AL	:	65.2	62.0	:	72.2	69.6
BA	:	56.4	54.7	:	:	:
XK	45.6	52.3	48.1	:	:	:

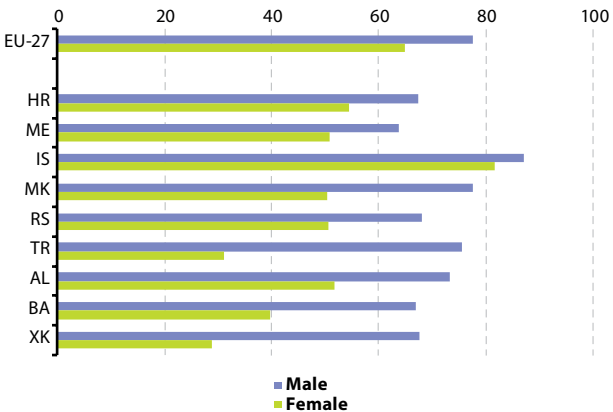
(¹) Albania (break in series) and Bosnia and Herzegovina, 2007; Croatia, data used until 2006 refer to half-year periods (second half of the year) and from 2007 onwards data refer to annual average of quarterly data.

(²) Albania and Kosovo, 2009.

(³) Albania, 2007; Croatia, data used until 2006 refer to half-year periods (second half of the year) and from 2007 onwards data refer to annual average of quarterly data.

(⁴) Albania, 2009.

Source: for the EU-27, Eurostat (online data code: [lfsi_act_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_pslm](#)).

Figure 4.1: Economic activity rate by gender, 2011⁽¹⁾
(%)

(¹) The former Yugoslav Republic of Macedonia, 2010; Albania, Bosnia and Herzegovina and Kosovo, 2009; Croatia, data refers to annual average of quarterly data.

Source: for the EU-27, Eurostat (online data code: [lfsi_act_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_pslm](#)).

Table 4.2: Employment rate
(%)

	Aged 15–64			Aged 20–64		
	2001	2006 ⁽¹⁾	2011 ⁽²⁾	2001	2006 ⁽³⁾	2011 ⁽⁴⁾
EU-27	62.5	64.4	64.3	66.9	69.0	68.6
HR	51.8	55.3	52.4	56.6	60.6	57.0
ME	:	41.0	45.9	:	:	:
IS	86.9	84.6	78.5	88.6	86.3	80.6
MK	:	39.6	43.9	:	43.9	48.4
RS	:	49.8	45.4	:	54.0	49.2
TR	:	44.6	48.4	:	48.2	52.2
AL	:	56.4	53.4	:	62.7	60.4
BA	:	40.1	39.6	:	:	:
XK	19.6	28.7	26.1	:	:	:

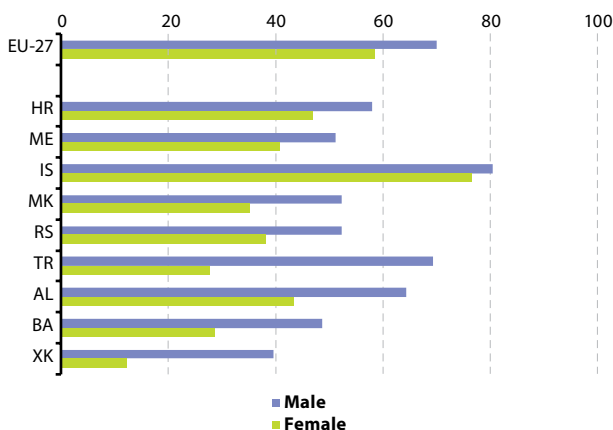
(1) Albania (break in series) and Bosnia and Herzegovina, 2007; Croatia, data used until 2006 refer to half-year periods (second half of the year) and from 2007 onwards data refer to annual average of quarterly data.

(2) Albania and Kosovo, 2009.

(3) Albania, 2007; Croatia, data used until 2006 refer to half-year periods (second half of the year) and from 2007 onwards data refer to annual average of quarterly data.

(4) Albania, 2009.

Source: for the EU-27, Eurostat (online data code: [lfsa_ergan](#)); for the enlargement countries, Eurostat (online data code: [cpc_siemp](#)).

Figure 4.2: Employment rate by gender, 2011⁽¹⁾
(%)

(1) Albania and Kosovo, 2009; Croatia, data refers to annual average of quarterly data.

Source: for the EU-27, Eurostat (online data code: [lfsa_ergan](#)); for the enlargement countries, Eurostat (online data code: [cpc_siemp](#)).

Table 4.3: Employment by economic activity⁽¹⁾
(%)

	Agriculture		Industry and construction		Services	
	2001 ⁽²⁾	2011 ⁽³⁾	2001 ⁽⁴⁾	2011 ⁽³⁾	2001 ⁽⁵⁾	2011 ⁽³⁾
EU-27	7.7	5.0	29.2	25.2	63.1	69.8
HR	15.6	13.0	29.4	28.5	55.0	58.6
ME	3.1	5.6	27.9	19.0	69.1	75.5
IS	7.3	5.3	23.2	18.4	69.6	76.3
MK	25.0	18.1	35.2	30.3	39.8	51.6
RS	24.1	21.2	26.9	26.8	49.0	52.0
TR	35.8	24.0	23.4	27.1	40.8	49.0
AL	57.7	44.1	13.8	19.9	28.5	36.0
BA	19.6	19.6	32.6	28.9	54.1	51.5
XK	:	:	:	:	:	:

(1) Nace Rev. 2 except the former Republic Yugoslav of Macedonia, Serbia, Albania and Bosnia and Herzegovina, Nace Rev.1; Turkey, Nace Rev. 1 in 2001 and Nace Rev. 2 in 2011; Albania, for 2001–2006 administrative data (information for the male population aged 15–59 and for the female population aged 15–54, break in series in 2007 (LFS data).

(2) Serbia, 2004; Bosnia and Herzegovina, 2005.

(3) Albania, 2009.

(4) Serbia, 2004; Bosnia and Herzegovina, 2007.

(5) Albania, break in series; Serbia, 2004; Bosnia and Herzegovina, 2005.

Source: for the EU-27, Eurostat (online data codes: [lfsa_egan2](#) and [lfsa_egana](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnabrck](#)).

Table 4.4: Unemployment rate
(% of total labour force)

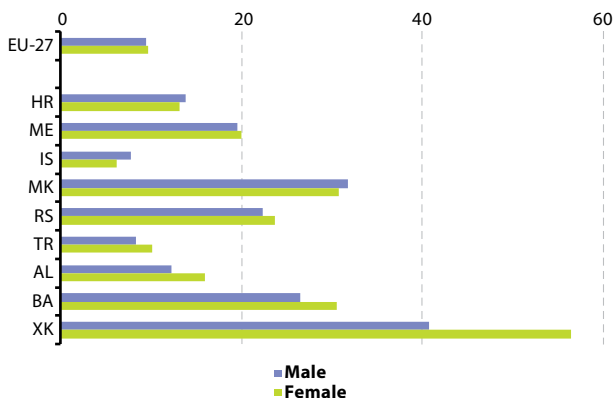
	2001	2006 ⁽²⁾	2008 ⁽³⁾	2009	2010	2011
EU-27	8.6	8.2	7.0	8.9	9.6	9.6
HR	16.3	11.2	8.4	9.1	11.8	13.5
ME	21.2	29.6	16.8	19.1	19.7	19.7
IS	1.9	2.8	2.9	7.2	7.6	7.0
MK	30.5	36.1	33.8	32.2	32.0	31.4
RS	13.3	20.9	13.6	16.3	19.2	23.0
TR	:	8.7	9.7	12.7	10.8	8.8
AL ⁽¹⁾	16.4	13.8	13.0	13.8	:	:
BA	40.0	31.1	23.4	24.1	27.2	28.0
XK	57.1	44.9	47.5	45.4	:	:

(1) 2001–2006 administrative data (information for the male population aged 15–59 and for the female population aged 15–54, break in series in 2007 (LFS data).

(2) Bosnia and Herzegovina, break in series.

(3) Croatia, data used until 2006 refer to half-year periods (second half of the year) and from 2007 onwards data refer to annual average of quarterly data.

Source: for the EU-27, Eurostat (online data code: [lfsa_urgan](#)); for the enlargement countries, Eurostat (online data codes: [cpc_pslm](#) and [cpc_siemp](#)).

Figure 4.3: Unemployment rate by gender, 2011⁽¹⁾
(%)

(¹) Albania and Kosovo, 2009; Croatia, data refer to annual average of quarterly data.

Source: for the EU-27, Eurostat (online data code: [lfsa_urgan](#)); for the enlargement countries, Eurostat (online data codes: [cpc_pslm](#) and [cpc_siemp](#)).

Table 4.5: Long-term unemployment rate⁽¹⁾
(%)

	2001 ⁽²⁾			2011 ⁽³⁾		
	Total	Male	Female	Total	Male	Female
EU-27	3.9	3.5	4.5	4.1	4.2	4.1
HR	10.1	8.1	12.6	8.6	8.6	8.6
ME	14.2	:	:	15.7	:	:
IS	0.2	0.3	0.2	1.7	1.7	1.6
MK	26.5	25.6	27.9	26.7	26.7	26.7
RS	14.3	11.5	18.3	16.9	16.4	17.7
TR	3.5	3.3	4.3	2.3	1.8	3.5
AL	9.4	9.9	8.7	9.1	7.8	10.6
BA	26.7	24.7	30.2	20.0	19.1	21.6
XK	47.6	42.9	59.0	37.1	33.7	45.0

(¹) Croatia, data used until 2006 refer to half-year periods (second half of the year) and from 2007 onwards data refer to annual average of quarterly data; Albania, 2001–2006 administrative data (information for the male population aged 15–59 and for the female population aged 15–54, break in series in 2007 (LFS data); Turkey, unemployment by 4 weeks criterion and using only active jobs search methods.

(²) Iceland, 2003; Serbia, 2004; Turkey, 2005; Bosnia and Herzegovina, 2006; Montenegro and Albania, 2007.

(³) The former Republic Yugoslav of Macedonia, 2010; Albania, Bosnia and Herzegovina and Kosovo, 2009.

Source: for the EU-27, Eurostat (online data code: [une_ltu_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_sisoc](#)).

Table 4.6: Youth unemployment rate by gender⁽¹⁾
(%)

	2001 ⁽²⁾			2011 ⁽³⁾		
	Total	Male	Female	Total	Male	Female
EU-27	17.3	16.8	17.9	21.3	21.8	20.7
HR	41.7	41.9	41.6	36.1	35.6	36.8
ME	:	:	:	:	:	:
IS	12.5	12.7	12.2	14.4	18.2	10.7
MK	56.1	57.4	54.5	55.3	55.5	54.8
RS	46.4	44.5	49.1	50.9	47.6	57.1
TR	17.4	17.2	17.9	16.7	15.5	18.9
AL	20.1	22.8	16.7	27.2	26.2	28.3
BA	62.3	60.2	65.7	48.7	46.4	52.7
XK	80.0	75.5	87.1	73.0	68.5	81.7

(1) Croatia, data used until 2006 refer to half-year periods (second half of the year) and from 2007 onwards data refer to annual average of quarterly data; Albania, 2001–2006 administrative data (information for the male population aged 15–59 and for the female population aged 15–54, break in series in 2007 (LFS data).

(2) Iceland, 2003; Turkey, 2005; Bosnia and Herzegovina, 2006; Albania, 2007.

(3) Albania, Bosnia and Herzegovina and Kosovo, 2009.

Source: for the EU-27, Eurostat (online data code: [lfsa_urgan](#)); for the enlargement countries, Eurostat (online data code: [cpc_pslm](#)).

Definitions

Economic activity rate is defined as the proportion of persons aged between 15 and 64 in the labour force in relation to the total population of the same age. Activity rates for men and for women are expressed as a percentage of the male population aged 15 to 64 and the female population aged 15 to 64 respectively, not as a share of the total (male and female) population aged 15 to 64. The labour force comprises employed and unemployed persons.

Employed persons are defined in the Labour Force Survey (LFS) as persons aged 15 and over who during the reference week did any work for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, e.g., illness, holidays, industrial dispute and education or training.

Employment by economic activity expresses the breakdown of employment according to NACE.

Employment rate is defined as the proportion of employed persons aged between 15 and 64 in the total population of the same age. Employment rates for men and women are expressed as a percentage of the male population aged 15 to 64 and the female population aged 15 to 64 respectively, not as a share of the total (male and female) population aged 15 to 64.

Unemployed persons are defined as those aged 15 to 74 who were without work during the reference week, were currently available for work and were either actively seeking work in the past four weeks or had already found a job to start within the next three months.

The **unemployment rate** is the share of unemployed persons in the total number of active persons in the labour market (the labour force). Unemployment rates for men and women are expressed as a percentage of the male labour force aged 15 to 74 and the female labour force aged 15 to 74 respectively, not as a share of the total (male and female) labour force.

The **long-term unemployment rate** is defined as the number of persons who have been unemployed for at least 12 months, expressed as a share of the total number of active persons in the labour market

The **youth unemployment rate** is the share of unemployed persons aged 15 to 24 as a proportion of the total number of

active persons in the labour market (the labour force) aged 15 to 24. Youth unemployment rates for men and women are expressed as a proportion of the male labour force aged 15 to 24 and the female labour force aged 15 to 24 respectively, not as a share of the total (male and female) labour force aged 15 to 24.

National accounts

5

Gross domestic product in 2011: consolidating the after-crisis growth

The economic crisis which gathered pace in autumn 2008 affected the EU-27 and all the enlargement countries alike. By 2011, the effects of the crisis could still be felt in many EU Member States. Between 2008 and 2009, the gross domestic product (GDP) decreased by 4.3% in the EU-27. Gains were recorded in the years that followed and the pre-crisis levels were largely attained again for the EU as a whole. The impact of the crisis on the enlargement countries varied depending on each country's economic structure. Croatia, Iceland, Serbia and Turkey, which were more integrated in the global market, were most heavily affected. Iceland was especially hard hit due to the collapse of the national financial sector. Albania, Kosovo and the former Yugoslav Republic of Macedonia were the least affected by the crisis, thanks to the fact that they were less dependent on exports and hence their domestic markets held up well. GDP in the former Yugoslav Republic of Macedonia decreased only slightly in 2009 (by 0.9%). Albania and Kosovo, on the other hand, stood out with a growth rate of 3.3% and 3.5% respectively in 2009. In 2010, GDP in Iceland and Croatia continued to fall while in the remaining enlargement countries an upward trend was registered again. In 2011, the decline of Croatia's GDP came to a stop, while all the other enlargement countries consolidated the upward trend. Quite exceptional was Turkey's GDP growth with 8.5%, which was preceded by a similar growth (+9.2%) in the previous year.

Before the economic crisis, all of the enlargement countries recorded high economic growth rates, often considerably higher than that of the EU-27. This positive development in the pre-accession economies before the crisis occurred against the background of a booming global economy, with easy access to international finance and ample liquidity.

Despite experiencing two years of substantial economic downturn, Iceland's GDP per capita remains well above the EU-27 average

In 2011, GDP per inhabitant in Iceland, expressed in purchasing power standards (PPS), was 10% above the EU-27 average; however, in 2001 it still stood 32% above the EU-27 level. In contrast, GDP per capita in the other enlargement countries remained substantially lower than that of the EU-27,

even though a continuous upward trend had been registered in previous years. The enlargement countries recorded GDP per capita levels between 50 % and 70 % below the EU-27 average in 2010; the only exception in this respect was Croatia where GDP per capita was around 40 % below the EU-27 average.

Increases in the service sector's share in gross value added

In the EU-27 and in all the enlargement countries, the service sector's share in total gross value added (GVA) was by far the largest, according to the most recent data available. The EU-27's share of just over 73 % was higher than in all the enlargement countries where it ranged between 56 % (Kosovo) and 70 % (Montenegro). The surge in the service sector over recent years compensated for the decline in the agriculture, forestry and fishing sectors, and to some extent also in the industry sector. Compared to the EU-27, the economies of the enlargement countries generated a considerably higher proportion of GVA from the agriculture, forestry and fishing sectors. In 2011, the EU-27 recorded a value of only 1.7 %, while for the enlargement countries values ranged from just over 5 % of total GVA in Croatia to 19 % in Albania (according to the latest available data). Still, the agriculture sector's share in total GVA declined by widely varying amounts in all the enlargement countries over recent years, most notably in Serbia (by more than 9 percentage points between 2000 and 2011, reaching a estimated proportion of 10.4 %) and Albania (more than 4 percentage points between 2000 and 2010, reaching a share of 19.3 %). The fact that the EU-27 as a whole continued moving to a services-based economy can be further illustrated by the slow but persistent decrease of the industry sector's share in total GVA, which in 2011 stood at 19.5 %, 2.5 percentage points lower than in 2000. Nevertheless, the 2011 share marks an increase compared to 2010, even more so compared with 2009, when industrial output was severely reduced due to the economic crisis. Most enlargement countries, except Albania and Iceland, registered similar declines. In Iceland, the share of industry in 2010 was only marginally higher than in 2001, even though a considerable fluctuation was noted between the years 2001 and 2010.

Table 5.1: Real GDP growth rate
(% change compared with previous year)

	2001 ⁽¹⁾	2006	2008 ⁽²⁾	2009	2010	2011
EU-27	2.1	3.3	0.3	-4.3	2.1	1.5
HR	3.7	4.9	2.1	-6.9	-1.4	-0.0
ME	1.1	8.6	6.9	-5.7	2.5	2.8
IS	3.9	4.7	1.2	-6.6	-4.0	2.6
MK	-4.5	5.0	5.0	-0.9	2.9	2.8
RS	5.3	3.6	3.8	-3.5	1.0	1.6
TR	-5.7	6.9	0.7	-4.8	9.2	8.5
AL	7.9	5.4	7.5	3.3	3.7	3.0
BA	2.4	6.0	5.6	-2.9	0.7	1.3
XK	1.2	3.4	7.2	3.5	3.2	:

⁽¹⁾ Kosovo, 2002.

⁽²⁾ Croatia, since 2008 data is calculated on the basis of the sum of quarterly values.

Source: for the EU-27, Eurostat (online data code: [nama_gdp_k](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnagdp](#)).

Table 5.2: GDP at current market prices
(million EUR)

	2001	2006	2008 ⁽¹⁾	2009	2010	2011
EU-27	9 583 913	11 701 005	12 472 988	11 754 320	12 279 401	12 650 983
HR	25 738	39 745	47 543	44 781	44 876	44 922
ME	1 295	2 153	3 086	2 981	3 104	3 234
IS	8 823	13 322	11 614	8 673	9 491	10 075
MK	3 839	5 231	6 720	6 703	7 057	7 504
RS	12 819	23 327	32 679	28 952	27 968	31 143
TR	217 910	419 232	498 602	440 367	550 363	555 249
AL	4 541	7 168	8 870	8 693	8 872	:
BA	6 463	9 885	12 659	12 297	12 570	13 024
XK	1 624	3 120	3 851	3 912	4 215	:

⁽¹⁾ Croatia, since 2008 data is calculated on the basis of the sum of quarterly values.

Source: for the EU-27, Eurostat (online data code: [nama_gdp_c](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnagdp](#)).

Table 5.3: GDP per capita at current market prices
(PPS, EU-27 = 100)

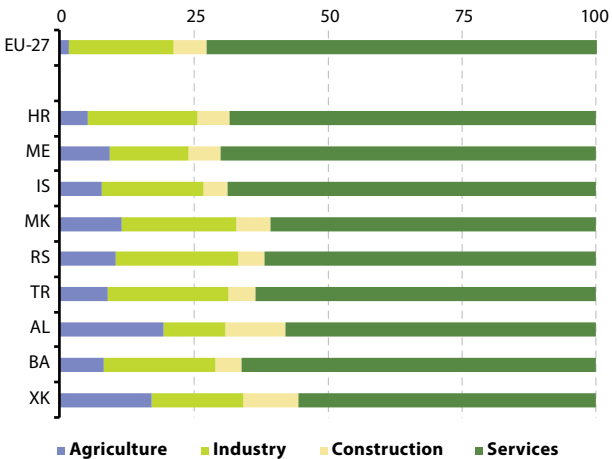
	2001	2006 ⁽¹⁾	2008	2009	2010 ⁽²⁾	2011
EU-27	100	100	100	100	100	100
HR	51	58	64	64	61	61
ME	:	36	43	41	41	43
IS	132	123	123	118	111	110
MK	25	30	34	36	36	:
RS	:	32	36	36	35	:
TR	37	44	47	46	49	52
AL	:	23	26	28	30	:
BA	:	27	32	31	30	:
XK	:	:	:	:	:	:

(¹) The former Yugoslav Republic of Macedonia, break in series.

(²) Albania, break in series.

Source: for the EU-27, Eurostat (online data code: [nama_gdp_c](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnagdp](#)).

Figure 5.1: Gross value added at basic prices, 2011 (¹)
(% of total gross value added)

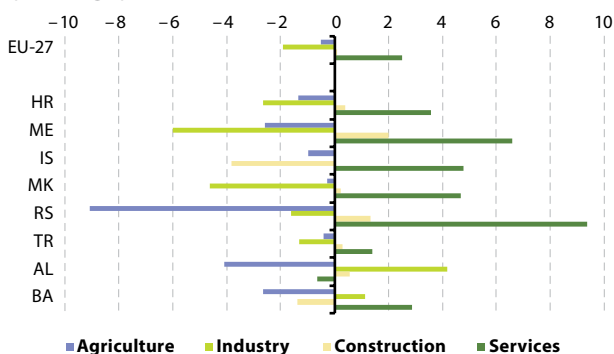


(¹) Croatia, provisional data; Serbia, estimated data; Iceland, the former Yugoslav Republic of Macedonia and Albania, 2010; Croatia, calculated on the basis of the sum of quarterly values according to Nace Rev.1; Iceland, Montenegro, the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina, data based on Nace Rev.1.

Source: for the EU-27, Eurostat (online data code: [nama_nace10_c](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnabr](#)).

Figure 5.2: Relative change in gross value added (GVA), 2001 to 2011 ⁽¹⁾

(percentage points)



⁽¹⁾ Croatia, provisional data; Serbia, estimated data; Kosovo, not available; Iceland, the former Yugoslav Republic of Macedonia and Albania, 2010; Croatia, calculated on the basis of the sum of quarterly values according to Nace Rev.1; Iceland, Montenegro, the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina, data based on Nace Rev.1.

Source: for the EU-27, Eurostat (online data code: [nama_nace10_c](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnabrk](#)).

Table 5.4: Expenditure components of GDP, 2011

(% of GDP)

	Final consumption expenditure: households and NPISH ⁽¹⁾	Final consumption expenditure: general government ⁽²⁾	Gross capital formation ⁽³⁾	External balance of goods and services ⁽⁴⁾
EU-27	58.0	21.7	19.2	1.2
HR ⁽⁵⁾	59.1	19.9	21.1	-0.1
ME ⁽⁶⁾	82.0	23.7	27.1	-26.0
IS	51.9	25.3	14.0	8.5
MK	74.8	17.9	27.1	-19.6
RS	80.2	19.7	17.3	-17.1
TR	71.2	13.9	23.8	-8.9
AL	79.3	10.4	37.2	-23.1
BA	89.8	23.5	19.1	-21.7
XK	92.3	17.1	29.8	-40.6

⁽¹⁾ Serbia and Bosnia and Herzegovina, 2010; Kosovo, 2009; Albania, 2008.

⁽²⁾ Serbia, Albania and Bosnia and Herzegovina, 2010; Kosovo, 2009.

⁽³⁾ Serbia and Bosnia and Herzegovina, 2010; Montenegro and Kosovo, 2009; Albania, 2008.

⁽⁴⁾ Serbia, Albania and Bosnia and Herzegovina, 2010.

⁽⁵⁾ Calculated on the basis of the sum of quarterly values.

⁽⁶⁾ Estimation of NPISH not done.

Source: for the EU-27, Eurostat (online data codes: [nama_fcs_c](#) and [nama_gdp_c](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecnagdp](#)).

Definitions

External balance of goods and services is the balancing item showing the difference between uses (exports of goods and services) and resources (imports of goods and services).

Final consumption expenditure (ESA95) consists of expenditure incurred by resident institutional units on goods or services that are used for the direct satisfaction of individual needs or wants or the collective needs of members of the community.

Final consumption expenditure of households and NPISHs (non-profit institutions serving households), (ESA95), includes households' and NPISH's expenditure. Households consist of employers, employees, recipients of property incomes, recipients of pensions, recipients of other transfer incomes. NPISHs consist of non-profit making institutions which are separate legal entities, which serve households and which are private non-market producers. This term is also known as private final consumption expenditure.

General government final consumption expenditure (ESA95) includes the value of goods and services produced by general government itself (other than own-account capital formation and sales) and purchases by general government of goods and services produced by market producers that are supplied to households (without transformation) as social transfers in kind.

Gross capital formation (ESA95) comprises gross fixed capital formation and stock variations. Gross fixed capital formation consists of resident producers' acquisitions (less disposals) of fixed assets (tangible or intangible) during a given period, plus certain additions to the value of non-produced assets realized by the productive activity of producer or institutional units.

Gross domestic product (GDP) is a basic measure of a country's overall economic health. As an aggregate measure of production, GDP is equal to the sum of the gross value-added of all resident institutional units (i.e. industries) engaged in production, plus any taxes, and minus any subsidies, on products not included in the value of their outputs.

GDP growth rate is calculated as the increase in GDP relative to the previous year, in percent. GDP is measured at constant prices in national currency, in order to calculate a growth

measure that is not influenced by price inflation and by variations in the exchange rates.

GDP per capita is an indicator that is derived through the division of GDP by the total population.

Gross value added (ESA95) is measured at market prices. It is defined as final output minus intermediate consumption measured at market prices. This indicator is also provided as a breakdown of value added according to NACE.

Purchasing power standard (PPS) shall mean the artificial common reference currency unit used in the European Union to express the volume of economic aggregates for the purpose of spatial comparisons in such a way that price level differences between countries are eliminated. Economic volume aggregates in PPS are obtained by dividing their original value in national currency units by the respective PPP. 1 PPS thus buys the same given volume of goods and services in all countries, whereas different amounts of national currency units are needed to buy this same volume of goods and services in individual countries, depending on the price level.

6

Finance and prices

Increase in general government deficit less strong in 2011

Under the terms of the EU's Stability and Growth Pact, EU Member States have pledged to keep their deficits and debt below certain limits: a Member State's government deficit may not exceed 3% of its gross domestic product, while its debt may not exceed 60% of GDP. If a Member State overruns these limits, an excessive deficit procedure is triggered at EU level and the Member State concerned should take the necessary measures in order to rectify the situation. Keeping deficit and debt below certain limits is, after all, one of the criteria for the existing economic and monetary union, and hence also for joining the euro area.

The global economic downturn triggered a sharp decline in public finances across Europe and many countries continue their struggle in reducing their public deficit. The general government deficit at the level of the EU-27 widened sharply from the relatively low ratio of -1.5% of GDP in 2006 to -6.9% in 2009 and still -6.5% in 2010, more than twice the reference limit value of -3.0%. It was only in 2011 that the government deficit could be brought back to -4.4% of GDP. In 2011, all enlargement countries showed a government deficit, ranging from a comparatively low 1.1% of GDP in Turkey (estimated) to 5.4% in Montenegro (estimated).

General government debt across the EU-27, persisting at a rate of around 62% of GDP in the period from 2000 to 2008, rose to around 75% in 2009, to 80% in 2010, and further to 82.5% in 2011; well above the allowance rate of 60%. The enlargement countries generally remained far below this level, especially the former Yugoslav Republic of Macedonia and Bosnia and Herzegovina. Only Iceland continues to carry a substantial debt due to the late efforts of the financial crisis. In 2011, Iceland's government debt amounted to more than its annual GDP (102.7%).

Inflation considerably reduced in 2009, followed by an increase in 2010 and 2011

Inflation, as measured by a consumer prices index, showed a very mixed picture across the enlargement countries in the years between 2000 and 2005. At the beginning of the decade, Serbia recorded very high rates of inflation, followed by a sharp decline by 2005. A broadly similar development, albeit

at a lower level, was registered in Turkey. The global economic crisis has reduced the inflation rates: between 2008 and 2009, all countries registered a clear drop, except for Albania (where it marginally increased from 2.2% to 2.3%) and Iceland, where the sharp devaluation of the Icelandic króna made consumer goods far more expensive. In the former Yugoslav Republic of Macedonia as well as in Bosnia and Herzegovina, a slight deflation was recorded. While at the level of the EU-27 inflation increased again in 2010 and 2011, the picture was mixed for the enlargement countries. Iceland's inflation rate was noticeably reduced and now approaches the EU-27 level.

Sharp drop in current account deficits between 2009–2010, except Turkey; mixed image in 2011

The EU-27 and all the enlargement countries recorded current account deficits for every single year between 2000 and 2010. These deficits widened substantially between 2007 and 2008 in most of the countries, before narrowing again in 2009. In the EU-27, the deficit doubled between 2007 and 2008 reaching EUR 261 billion, then fell by nearly 70% in 2009. A further drop was recorded in the following years, reaching a deficit of nearly EUR 38 billion in 2011. A broadly similar picture, but obviously in a different order of magnitude, was observed in Croatia, Montenegro, the former Yugoslav Republic of Macedonia and Serbia, although for the latter two countries, the 2011 deficit showed a clear increase again. Turkey, which reported the largest current account deficit among the enlargement countries, registered an important drop between 2008 and 2009, before increasing again to reach a deficit of EUR 55.5 billion in 2011, considerably over the deficit level of the EU-27 as a whole in the same year.

Expressed as percentage of GDP, the EU-27's current account balance in 2011 was much lower than that of any of the enlargement countries, as the deficit equated to only 0.3% of GDP. In contrast, Montenegro recorded a current account deficit equal to almost one fifth of its GDP that same year, Kosovo and Albania 13.3% of GDP (2010, estimated) and 11.9% of GDP (2010, provisional), respectively. The remaining enlargement countries featured current account deficits of 10% or under.

Generally increasing levels of foreign direct investment inflows

Through outward Foreign Direct Investment (FDI), an investor builds up assets abroad and invests in foreign economies. In 2006, the EU-27 still invested close to EUR 318 billion in non-EU countries. In 2007, more than EUR 554 billion was invested. By 2010, and under the influence of the financial and economic crisis, investments were reduced to almost EUR 146 billion. The year 2011 registered a considerably higher investment volume again, reaching close to EUR 370 billion (provisional figure). The level of outward FDI is generally low for the enlargement countries and tends to fluctuate, but figures suggest that there is a trend towards increased investment abroad. In absolute terms, Turkey has invested EUR 1.77 billion abroad in 2011 (a 60% increase compared to 2010) and by far the most important foreign investor among the enlargement countries that year. In 2010, the most important investor both in absolute and relative terms (considering the country's size) was Iceland with EUR 1.78 billion. In 2011 however, outward foreign direct investments were massively reduced and amounted to EUR 91 million.

Foreign direct investment (FDI) inflows to the EU-27, i.e. the investments made in the EU economy by all non-EU countries, reached a long time high in 2007, when around EUR 425 billion were invested. In the following years, the FDI inflows were reduced (EUR 178 billion in 2008, EUR 234 billion in 2009, EUR 104 billion in 2010). Confidence in the EU economy obviously rose again by 2011, when investments more than doubled, reaching EUR 225 billion. Comparing 2010 to 2001, all enlargement countries globally experienced increased FDI inflows, except Croatia and the former Yugoslav Republic of Macedonia.

Mixed picture for exchange rates

Exchange rate fluctuations can play an important role in determining the competitiveness of an economy, particularly with respect to export performance. The euro has been the currency of Kosovo since 1999 and of Montenegro since 2002, and the convertible mark of Bosnia and Herzegovina (BAM) is fixed against the euro. As for the other enlargement countries, there have been stark differences in the development of national currencies against the euro over recent years. Croatia, the former Yugoslav Republic of Macedonia and Albania have

seen their currencies remain largely stable against the euro since 2000, while the currencies in Iceland, Serbia and Turkey have lost against the euro. The fluctuations in the exchange rates in Turkey were quite strong between 2000 and 2005, while the Icelandic króna was considerably devaluated during the Icelandic financial crisis in 2008.

Table 6.1: General government deficit (-) / surplus (+)
(% of GDP)

	2001 ⁽¹⁾	2006 ⁽²⁾	2008	2009	2010	2011
EU-27	-1.5	-1.5	-2.4	-6.9	-6.5	-4.4
HR	5.6	-2.9	-1.4	-4.1	-5.0	-5.2
ME	-2.4	2.9	-0.4	-3.6	-4.9	-5.4
IS	-0.7	6.3	-13.5	-10.0	-10.1	-4.4
MK	0.4	-0.5	-0.9	-2.6	-2.4	-2.6
RS	:	-1.6	-2.6	-4.5	-4.7	-5.0
TR	-23.9	0.8	-2.8	-6.9	-2.6	-1.1
AL	-6.9	-3.3	-5.5	-7.0	-2.9	-3.5
BA	0.7	2.8	-2.2	-4.4	-2.5	-1.3
XK	6.2	1.1	:	:	:	:

(1) Kosovo, 2002; Montenegro and Bosnia and Herzegovina, 2003; the former Yugoslav Republic of Macedonia, 2004.

(2) Kosovo, 2005.

Source: for the EU-27, Eurostat (online data code: [gov_dd_edpt1](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecgov](#)).

Table 6.2: General government debt
(% of GDP)

	2001 ⁽¹⁾	2006	2008 ⁽²⁾	2009	2010	2011
EU-27	61.0	61.6	62.2	74.6	80.0	82.5
HR	35.7	35.3	28.9	36.0	41.6	46.1
ME	84.3	32.6	29.0	38.2	40.9	45.2
IS	42.0	28.2	52.8	84.4	97.8	102.7
MK	48.8	32.0	20.6	23.8	24.2	27.8
RS	104.8	40.1	26.9	34.0	43.5	46.5
TR	77.9	46.5	40.0	46.1	42.4	39.8
AL	58.5	56.8	53.8	59.5	58.5	58.9
BA	35.0	21.1	17.1	21.8	25.6	26.1
XK	:	:	:	:	:	:

(1) Montenegro, 2002.

(2) Croatia, break in series.

Source: for the EU-27, Eurostat (online data code: [gov_dd_edpt1](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecgov](#)).

Table 6.3: Annual average inflation rates (HICP or CPI) ⁽¹⁾
(% change on previous year)

	2001 ⁽²⁾	2006 ⁽³⁾	2008	2009	2010	2011
EU-27	3.2	2.3	3.7	1.0	2.1	3.1
HR	4.3	3.3	5.8	2.2	1.1	2.2
ME	23.0	4.2	9.2	3.4	0.5	3.1
IS	6.6	4.6	12.8	16.3	7.5	4.2
MK	5.5	3.2	8.3	-0.8	1.6	3.9
RS	93.3	11.7	11.7	8.4	6.5	11.0
TR	56.8	9.3	10.4	6.3	8.6	6.5
AL	3.5	2.5	2.2	2.3	3.6	3.4
BA	3.1	6.1	7.4	-0.4	2.1	3.7
XK	-1.0	-1.5	12.4	9.7	13.5	:

⁽¹⁾ EU-27, Croatia, Iceland, Turkey, HICP (Harmonized Index of Consumer Prices); Montenegro, the former Yugoslav Republic of Macedonia, Serbia, Albania, Bosnia and Herzegovina and Kosovo, CPI (Consumer Price Index); HICP not strictly comparable with national CPIs.

⁽²⁾ Kosovo, 2002.

⁽³⁾ Montenegro, 2007; Bosnia and Herzegovina, growth rate of retail prices until 2005, break in series, 2006.

Source: for the EU-27, Eurostat (online data code: [prc_hicp_aind](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecprice](#)).

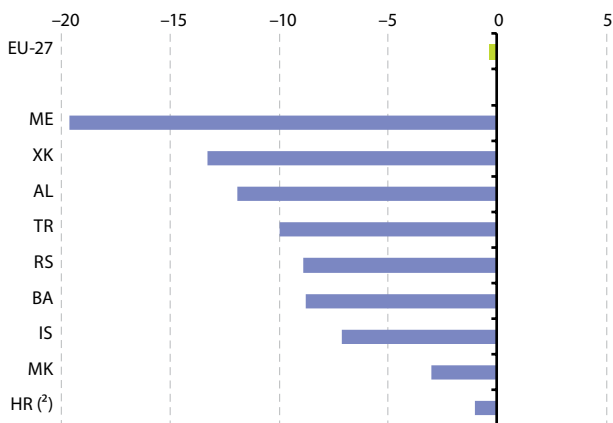
Table 6.4: Current account balance with the rest of the world
(million EUR)

	2001 ⁽¹⁾	2006	2008	2009	2010	2011
EU-27	-93 837	-147 109	-261 283	-79 901	-61 741	-37 990
HR	-785	-2 654	-4 258	-2 293	-481	-437
ME	-175	-674	-1 561	-881	-764	-634
IS	-381	-3 175	-2 853	-1 013	-758	-719
MK	-263	-23	-862	-457	-144	-224
RS	282	-2 356	-7 054	-2 084	-2 082	-2 770
TR	4 198	-25 684	-28 232	-9 586	-35 184	-55 487
AL	-316	-471	-1 370	-1 346	-1 056	:
BA	-833	-783	-1 771	-778	-719	-1 142
XK	228	-226	-461	-412	-559	-674

⁽¹⁾ Montenegro, 2002.

Source: for the EU-27, Eurostat (online data codes: [bop_q_c](#) and [bop_q_eu](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecbop](#)).

Figure 6.1: Current account balance, 2011 ⁽¹⁾
(% of GDP)



⁽¹⁾ Croatia and Albania, provisional data; Serbia and Kosova, estimated data; Albania and Kosova, 2010.

⁽²⁾ Data are calculated on the basis of the sum of quarterly values and are provided according to NACE Rev. 1.1.

Source: for the EU-27, Eurostat (online data codes: [bop_q_c](#), [bop_q_eu](#) and [nama_gdp_c](#)); for the enlargement countries, Eurostat (online data codes: [cpc_ecbop](#) and [cpc_ecnagdp](#)).

Table 6.5: Foreign direct investment ⁽¹⁾
(million EUR)

	Outward FDI			Inward FDI		
	2001 ⁽²⁾	2006	2011 ⁽³⁾	2001 ⁽²⁾	2006	2011 ⁽³⁾
EU-27	142 278	317 685	369 859	58 286	231 184	225 303
HR	210	208	32	1 468	2 765	1 075
ME	0	26	12	87	496	401
IS	386	4 427	91	194	3 074	728
MK	1	0	0	500	345	337
RS	14	70	122	198	3 392	1 949
TR	555	736	1 770	3 743	16 076	11 404
AL	0	8	10	231	259	827
BA	0	3	14	133	442	290
XK	0	6	16	43	295	395

⁽¹⁾ The sign convention adopted for both inward and outward FDI flows is that investment is always recorded with a positive sign and a disinvestment with a negative sign.

⁽²⁾ Montenegro, 2002; EU-27 and Kosova, 2004.

⁽³⁾ Albania, 2010.

Source: for the EU-27, Eurostat (online data code: [bop_fdi_main](#)); for the enlargement countries, Eurostat (online data code: [cpc_ecbop](#)).

Table 6.6: Exchange rates against the Euro
(1 EUR = ... national currency)

	2001	2006	2008	2009	2010	2011
HR (HRK)	7.47	7.32	7.22	7.34	7.29	7.43
ME (EUR)	1.00	1.00	1.00	1.00	1.00	1.00
IS (ISK)	87.49	87.72	127.46	172.67	161.89	161.42
MK (MKD)	60.91	61.19	61.27	61.27	61.51	61.53
RS (RSD)	59.46	84.11	81.44	93.95	103.04	101.95
TR (TRY)	1.10	1.81	1.91	2.16	2.00	2.34
AL (ALL)	128.47	123.08	122.80	132.06	137.79	:
BA (BAM)	1.96	1.96	1.96	1.96	1.96	1.96
XK (EUR)	1.00	1.00	1.00	1.00	1.00	1.00

Source: Eurostat (online data code: [cpc_ecexint](#)).

Definitions

Balance of payments statistics are based on the International Monetary Fund's (IMF) Balance of Payments Manual (fifth edition) and Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment. Most items entered in the current account of the standard components should show gross debits and credits. The balance of payments is a record of a country's international transactions with the rest of the world. This is equivalent to the transactions between residents of a country and non-residents. The balance of payments is divided among the current account and investment, and other capital transactions.

Consumer price indices (CPIs) measure the change over time in the prices of consumer goods and services acquired, used or paid for by households.

Current account gauges a country's economic position in the world, covering all transactions (other than those in financial items) that involve economic values and occur between resident and non-resident entities. It refers to goods and services, income and current transfers.

Exchange rate is the current market price for which one currency can be exchanged for another.

Foreign direct investment (FDI) is international investment made by an entity resident in one economy (the direct investor) to acquire a lasting interest in an enterprise operating in another economy. These statistics are based on the OECD's Benchmark Definition of Foreign Direct Investment, third edition (developed in line with the IMF's Balance of Payments Manual, fifth edition) and Regulation (EC) No 184/2005 of the European Parliament and of the Council of 12 January 2005 on Community statistics concerning balance of payments, international trade in services and foreign direct investment.

General government debt (ESA95) is the consolidated stock of gross debt at nominal value at the end of the year. In other words, it is the accumulated total debt (over the years) of a territory.

General government deficit/surplus (ESA95) refers to the national accounts' concept of consolidated general government net borrowing/net lending. It refers to net borrowing or

lending over the course of a single reference year. The general government sector comprises central government, state government, local government and social security funds.

Harmonized Indices of Consumer Prices (HICP) are a set of European Union consumer price indices (CPIs) calculated according to a harmonized approach and a single set of definitions. They are designed for international comparison of consumer price inflation.

Inward flows and stocks of FDI (or FDI in the reporting economy or FDI inflow) are direct investment transactions by foreign partners in enterprises resident in the reporting economy (recorded as a positive value in the balance of payments). **Outward flows and stocks of FDI** (or FDI abroad) are direct investment transactions by resident entities in affiliated enterprises abroad (shown as negative, unless there has been net disinvestment).

Inflation is an increase in the general price level of goods and services. When there is inflation in an economy, the value of money decreases because a given amount will buy fewer goods and services than before. Inflation in an economy is often calculated by examining a basket of goods and services and comparing the changes in the prices of that basket over time.

The inflation rate is the percentage change in the price index for a given period compared to that recorded in a previous period. It is usually calculated on a year-on-year or annual basis.

International trade

7

Deficits in external trade in goods in all of the enlargement countries, except Iceland

Despite the global financial and economic crisis that affected most economies from the second half of 2008 onwards, the total value of the goods exported by the EU-27 to the rest of the world grew by almost 76 % between 2001 and 2011. Within that same time frame, every enlargement country except Montenegro (virtually no change) and Iceland (+70 %) saw the value of their exports grow substantially faster than that of the EU-27: the value of Albania's exports increased four-fold, that of Bosnia and Herzegovina more than three-fold. Admittedly, starting off at a very low level in absolute terms, Kosovo's value of exported goods in 2011 was five to six times that of 2004. Serbia's and Turkey's exports more than doubled over recent years. The total value of the goods exported by Turkey in 2011 was roughly three times the value of exports of all the other enlargement countries combined.

The total value of EU-27's imports of goods increased nearly as fast as that of the exports: +75 % between 2001 and 2011. The value of imports increased less strongly in Croatia (+64 %), Serbia (+62 % between 2005 and 2011) and Iceland (+37 %). The remaining enlargement countries recorded rises well above the EU-27's value, ranging between 86 % and 274 % (the latter value, which is most noteworthy, refers to Turkey).

The higher total value of exported goods as compared to that of imported goods meant that in 2011 Iceland was the only enlargement country registering a surplus in the trade of goods (amounting to EUR 367 million). All the other enlargement countries recorded trade deficits, as did the EU-27. Expressed as a percentage of the total trade volume (value of exports and imports combined) the EU-27's deficit in goods trade in 2011 was just under 4.8 % of the total trade volume, a decrease of 0.3 percentage points compared to 2001. Most of the enlargement countries recorded far higher goods trade deficits in relative terms, as the equivalent figures for the enlargement countries (except Iceland) ranged between 22 % (the former Yugoslav Republic of Macedonia) to 77 % (Kosovo). The most important change over time in this respect was observed for Bosnia and Herzegovina as well as Serbia, both of which saw their deficits reduced, by 24 percentage points (between 2003 and 2011) and 20 percentage points (between 2005 and 2011) respectively. In contrast, Montenegro increased its deficit from almost 36 % in 2005 to 60 % in 2011, Turkey from 14 % in 2001 to 28 % in 2011.

As an indicator of the relative importance of goods trade in an economy, the EU-27's exports of goods were equal to 12.3% of the gross domestic product (GDP) in 2011. In Albania and Kosovo, this value was not attained. In all the other enlargement countries, on the other hand, the figure for exports as a percentage of GDP was higher, particularly in the former Yugoslav Republic of Macedonia and in Iceland, where it equaled 43% and 38% of GDP respectively.

The EU-27's imports were equal to 13.6% of GDP in 2011. Far higher proportions were registered in all of the enlargement countries, most notably in the former Yugoslav Republic of Macedonia, Montenegro, Bosnia and Herzegovina as well as Kosovo, where their values reached more than 50% of GDP in the latest year for which data are available.

The EU as the main trading partner for the enlargement countries

The EU-27 is the main trading partner for the enlargement countries, but to various degrees. According to the most recent data available, over 70% of all goods exported by both Albania and Iceland went to the EU-27; even the lowest proportions, recorded by Kosovo, amounted to around 43%. For the imports of goods, the EU-27 is somewhat less important: in Montenegro, Kosovo and Turkey, less than 40% of the countries' total imports arrived from the EU-27, while in Albania and Croatia the levels reached over 60%.

Marine products of prime importance for Icelandic exports

Manufactured goods excluding machinery and vehicles ('Other manufactured products' in Table 7.3) made up by far the largest category of exports for all the enlargement countries, the only exception being Croatia. This category of goods accounted for almost 55% of all goods exports by Albania and Kosovo, just over 50% of exports from Montenegro and around 45% of exports from the other enlargement countries. On the other hand, the largest category of goods exported from Croatia in 2010 was machinery and vehicles (29.7%), as was also the case for the EU-27 (41.7%). Quite noticeable is the high share of 'Food and drink' registered by Iceland which represented close to 41% of the total value of all goods exports. Indeed, all of these goods are marine products, primarily demersal fish

products (mainly cod, mackerel and haddock). Demersal fish products alone were responsible for 22 % of the total value of Icelandic exports (data not shown).

Manufactured goods' excluding machinery and vehicles was also the category which generally had the highest share in imports. Most of the enlargement countries registered nearly 30 % of their imports as falling into this category in the latest year for which data are available. The exceptions were Iceland and Turkey, where machinery and vehicles accounted for the highest share of imports of goods in 2011 (29.7 % and 27.8 % respectively). For the EU-27, the share of machinery and vehicles in total imports amounted to 25.8 %, second most important category after energy commodities, the total value of which represented 28.4 % of all imports in 2011.

Table 7.1: International trade in goods, totals
(million EUR)

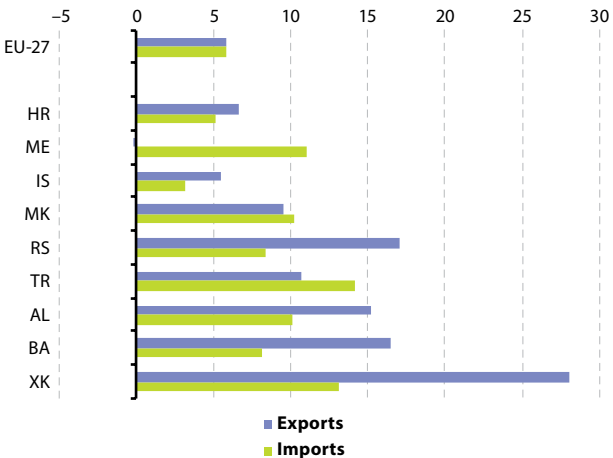
	Exports		Imports		Balance	
	2001 ⁽¹⁾	2011	2001 ⁽¹⁾	2011	2001 ⁽¹⁾	2011
EU-27	884 707	1 558 415	979 143	1 717 122	-94 436	-158 707
HR	5 072	9 582	9 903	16 281	-4 831	-6 699
ME	461	454	974	1 823	-514	-1 369
IS	2 247	3 839	2 536	3 472	-289	367
MK	1 293	3 198	1 893	4 986	-600	-1 789
RS	3 148	8 058	8 439	13 706	-5 291	-5 648
TR	35 055	96 938	46 256	173 099	-11 200	-76 161
AL	340	1 400	1 486	3 876	-1 145	-2 477
BA	1 238	4 203	4 264	7 939	-3 026	-3 736
XK	57	319	1 050	2 492	-994	-2 173

(¹) Bosnia and Herzegovina, 2003; Kosovo, 2004; Montenegro and Serbia, 2005.

Source: for EU-27, Eurostat (online data code: [ext_lt_intertrd](#)); for the enlargement countries, Eurostat (online data code: [cpc_etmain](#)).

Figure 7.1: International trade in goods, average annual growth rates, 2001–2011⁽¹⁾

(%)



(¹) Bosnia and Herzegovina, 2003–2010; Kosovo, 2004–2010; Montenegro and Serbia, 2005–2010.

Source: for EU-27, Eurostat (online data code: [ext_lt_intertrd](#)); for the enlargement countries, Eurostat (online data code: [cpc_etmain](#)).

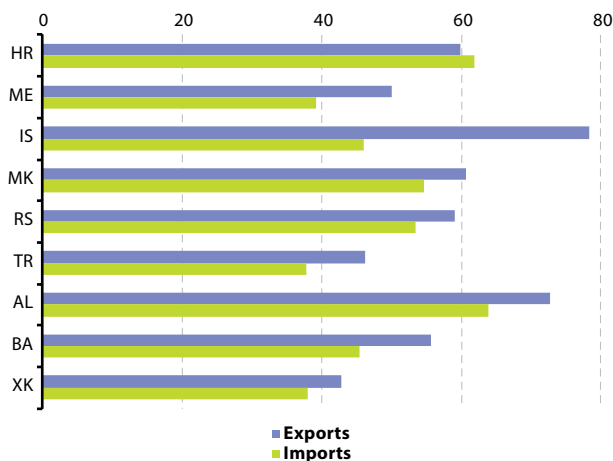
Table 7.2: International trade in goods
(% of GDP)

	Exports			Imports		
	2001 ⁽¹⁾	2006	2011 ⁽²⁾	2001 ⁽¹⁾	2006	2011 ⁽²⁾
EU-27	9.2	9.9	12.3	10.2	11.6	13.6
HR	19.7	20.8	21.3	38.5	43.0	36.2
ME	:	20.5	14.1	:	67.7	56.4
IS	25.5	20.7	38.1	28.7	35.9	34.5
MK	33.7	36.7	42.6	49.3	57.0	66.4
RS	:	21.4	25.9	:	44.9	44.0
TR	16.1	16.2	17.5	21.2	26.5	31.2
AL	7.5	8.8	13.2	32.7	34.0	39.1
BA	16.5	27.6	32.3	56.8	60.9	61.0
XK	1.9	2.6	6.9	36.1	42.1	50.9

⁽¹⁾ Bosnia and Herzegovina, 2003; Kosovo, 2004.

⁽²⁾ Albania and Kosovo, 2010.

Source: for EU-27, Eurostat (online data codes: [ext_lt_intertrd](#) and [nama_gdp_c](#)); for the enlargement countries, Eurostat (online data codes: [cpc_etmain](#) and [cpc_ecnagdp](#)).

Figure 7.2: International trade in goods with EU-27, 2011
(% of total country exports and imports)

Source: for the enlargement countries, Eurostat (online data code: [cpc_etflow](#)).

Table 7.3: Breakdown of exports of goods, 2011
(% of total exports)

	Food and drink	Raw materials	Energy	Chemicals	Machinery and vehicles	Other manufactured products	Other
EU-27	5.7	2.9	6.5	16.4	41.7	22.7	4.1
HR	10.7	8.0	12.1	11.4	29.7	27.6	0.5
ME	11.2	14.4	13.9	2.7	5.3	52.0	0.6
IS	40.6	3.4	1.9	3.0	4.6	46.0	0.5
MK	13.7	6.9	8.3	16.8	7.9	46.4	0.1
RS	20.9	7.6	4.2	8.6	15.0	42.7	1.0
TR	9.8	3.5	4.7	5.3	27.8	46.3	2.7
AL	4.0	13.3	21.2	1.0	3.9	56.5	0.1
BA	6.1	14.2	14.0	5.4	12.0	45.7	2.6
XK	8.1	25.4	5.1	1.3	5.1	55.0	0.0

Source: for EU-27, Eurostat (online data code: [ext_lt_intertrd](#)); for the enlargement countries, Eurostat (online data code: [cpc_etsitc](#)).

Table 7.4: Breakdown of imports of goods, 2011
(% of total imports)

	Food and drink	Raw materials	Energy	Chemicals	Machinery and vehicles	Other manufactured products	Other
EU-27	5.3	5.0	28.4	9.0	25.8	23.3	3.2
HR	10.4	2.1	21.8	13.8	22.2	29.6	0.0
ME	22.9	5.4	18.1	9.3	17.3	26.9	0.0
IS	9.8	14.5	14.5	9.3	29.7	22.2	0.1
MK	10.7	6.4	20.7	11.9	16.9	34.4	0.0
RS	6.9	4.5	20.9	15.6	23.6	28.3	0.1
TR	3.1	9.0	8.2	12.8	27.8	21.8	17.4
AL	15.4	5.2	17.6	9.7	19.7	32.3	0.1
BA	16.4	4.1	21.5	11.5	18.6	27.9	0.1
XK	21.2	4.2	18.2	10.3	16.9	28.7	0.5

Source: for EU-27, Eurostat (online data code: [ext_lt_intertrd](#)); for the enlargement countries, Eurostat (online data code: [cpc_etsitc](#)).

Definitions

Exports are transactions in goods and services (sales, barter, gifts or grants) from residents to non-residents.

Imports are transactions in goods and services (purchases, barter, gifts or grants) from non-residents to residents.

SITC — Standard International Trade Classification is a classification of goods used to classify the exports and imports of a country to enable international comparisons over time. The classification is built of 10 headings:

0 Food and live animals

1 Beverages and tobacco

2 Crude materials, inedible, except fuels

3 Mineral fuels, lubricants and related materials

4 Animal and vegetable oils, fats and waxes

5 Chemicals and related products, n.e.s.

6 Manufactured goods classified chiefly by material

7 Machinery and transport equipment

8 Miscellaneous manufactured articles

9 Commodities and transactions not classified elsewhere in the SITC

In this chapter, some of the SITC headings were renamed and grouped together to help the presentation:

Food and drinks cover SITC headings 0 and 1;

Raw materials cover SITC headings 2 and 4;

Energy corresponds to SITC heading 3;

Chemicals correspond to SITC heading 5;

Other manufactured products cover the SITC headings 6 and 8;

Machinery and vehicles correspond to SITC heading 7;

Other corresponds to SITC heading 9.

Trade as % of GDP is the share of total trade (exports + imports) in the gross domestic product.

Trade balance is the difference between the monetary value of exports and imports in an economy over a certain period of time. A positive balance of trade is known as a trade surplus; a negative balance of trade is known as a trade deficit.

Trade by product: External trade statistics report export and import values and volumes for goods using a variety of product classifications. One of the most common is the Standard International Trade Classification (SITC) of the United Nations; this classification allows a comparison of external trade statistics to be made on a worldwide basis.

Agriculture

8

Utilised agricultural area: decreasing trend in the EU-27, mixed picture in the enlargement countries

The utilised agricultural area (UAA) of the EU-27 amounted to around 177 million hectares in 2011, around three and a half times the size of the combined total for the enlargement countries. The UAA as a proportion of the total territorial area decreased in the EU-27 between 2001 and 2011 (from 44 % to 40 %); in the enlargement countries, the tendencies varied: whereas the UAA remained stable in Serbia, Bosnia and Herzegovina, Montenegro and Iceland, it decreased in Turkey and the former Yugoslav Republic of Macedonia. In contrast, an increase was registered in Albania and Croatia. The highest proportion by a considerable margin, both in 2001 and in 2011, was registered in Serbia, with 65 % of the total land area.

Across the EU-27 as a whole, arable land accounted for 60 % of the UAA in 2011. This high share was exceeded by Croatia (67 %) and Serbia (65 %). Permanent grassland, on the other hand, accounted for 97 % in Iceland, which can be explained by the particular climatic conditions of that country; this proportion exceeded by far those of the other enlargement countries where it ranged between 26 % and 62 %. In Iceland, comparatively low temperatures, which may fluctuate by 10–20 °C within a day, considerably limit the growing potential for a range of crops and their yield. Icelandic agriculture is therefore largely animal based. Land under permanent crop constituted by far the smallest share of the UAA, both in the EU-27 and in the various enlargement countries (shares of well under 10 %).

Increased cereal production but a general decline in livestock numbers

The production of cereals across the EU-27 increased only marginally between 2001 and 2011. Among the enlargement countries, Croatia, Serbia, Bosnia and Herzegovina as well as Kosovo also reported only minor changes. The other countries experienced a clear increase; especially noticeable was that of Albania, where cereal production grew by nearly 40 % reaching 701 thousand tonnes in 2011. The far higher relative increases registered for Montenegro and Iceland should be seen in the light of very low production volumes in 2001. Other than that, sugar beet production showed more diverse trends: whereas the production of this vegetable in the EU-27 declined (–8.1 % comparing 2001 and 2011), that of Croatia, Turkey

and (particularly) Serbia increased. Worth noting is the fact that in the former Yugoslav Republic of Macedonia sugar beet production fell to zero by 2011, whereas in 2001 there were still 38 thousand tonnes harvested. Furthermore, milk production (which may include milk production other than cows' milk) increased in all the enlargement countries for which data are available, except in Serbia, where the total production volume in 2011 was 9 % lower compared with 2001. In the EU-27, cows' milk production in 2011 remained at a similar level as in 2001.

Cultural differences reflect livestock production and slaughtering

Cultural peculiarities are reflected in livestock production: in Turkey for instance, pig production is extremely limited. Iceland, with a mere number of 318 thousand inhabitants, counted more pigs than Turkey (where the population is close to 74 million). Conversely, the number of sheep and goats in Iceland was impressive (in relation to that country's population), as these are highly adaptable to the harsh Icelandic environments. Pig herds of just over 1.2 million and 3.3 million heads were recorded in Croatia and Serbia; however, while the number of pigs in Croatia remained stable, the number of pigs in Serbia was 8 % lower compared with 2001. The number of sheep and goats in Turkey decreased compared to 2001 but still amounted to over 32 thousand heads in 2011, which corresponded to a third of the total population registered in the EU-27. In the former Yugoslav Republic of Macedonia, the decrease was far more important in relative terms (-35 % compared to the year 2001). Finally, the number of cattle experienced a noticeable decline in Albania, Serbia and above all in Montenegro, whereas Turkey was the only enlargement country where the number of cattle significantly increased (+17 %).

Looking at animal slaughter in 2011, pig meat accounted for nearly 52 % of total meat production in the EU-27, a proportion similar to that recorded for the former Yugoslav Republic of Macedonia (51 %) and exceeded only by Serbia (59 %). Poultry was the most important category in Turkey (68 %, not considering pigs, for which data are not available but which can reasonably be considered as very low) and in Bosnia and Herzegovina (50 %). Sheep constituted the highest proportion in animal slaughter in Iceland (the number of goats slaughtered was lower, with 36 %).

Table 8.1: Land use, 2011
(1 000 hectares)

	Total area ⁽¹⁾	Utilised agricultural area	of which:			Total wooded area ⁽²⁾
			Arable land	Permanent grassland	Land under permanent crop	
EU-27	441 124	177 191	107 121	58 421	11 514	17 776
HR	5 659	1 326	892	346	83	2 482
ME ⁽³⁾	1 381	516	189	451	143	563
IS	10 300	1 336	36	1 300	0	128
MK	2 571	1 120	415	670	35	982
RS	7 747	5 056	3 294	1 466	296	2 032
TR ⁽⁴⁾	78 356	38 247	20 539	14 617	3 091	21 537
AL	2 875	1 201	622	505	74	1 043
BA	5 121	1 684	527	1 045	102	2 223
XK	1 089	:	251	96	7	:

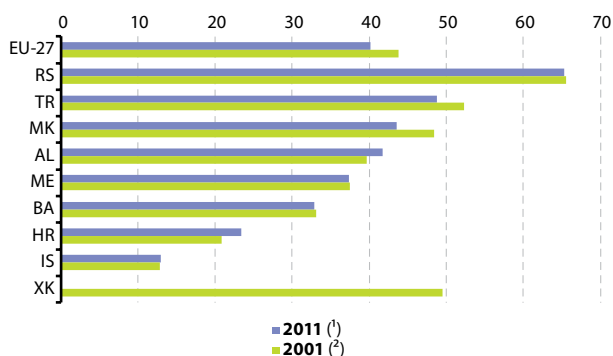
(1) Kosovo, 2010.

(2) EU-27, 2010.

(3) For private agricultural holdings, data on areas are estimates based on data Overall Cadastre. Agricultural area includes: arable land, and area under pastures, fishponds and ponds. Arable land includes: plough land and garden, orchards, vineyards and meadows. Permanent grassland includes: pastures and meadows. Land under permanent crops according to the definition: orchards, vineyards and meadows.

(4) Permanent grassland data are results of 2001 General Agricultural Censuses and compiled every ten years.

Source: for the EU-27, Eurostat (online data codes: [apro_cpp_luse](#) and [for_area](#)); for the enlargement countries, Eurostat (online data code: [cpc_agmain](#)).

Figure 8.1: Total utilised agricultural area
(% of total area)

(1) EU-27, estimated data; Serbia, provisional data.

(2) EU-27, estimated data; Serbia, provisional data; Turkey, estimated data; Bosnia and Herzegovina, 2002.

Source: for the EU-27, Eurostat (online data code: [apro_cpp_luse](#)); for the enlargement countries, Eurostat (online data code: [cpc_agmain](#)).

Table 8.2: Selected agricultural production, 2011
(1 000 tonnes)

	Cereals (incl. rice)		Sugar beet		Milk ⁽²⁾	
	2001	2011	2001	2011	2001 ⁽¹⁾	2011
EU-27	284 218	289 796	123 963	113 957	150 229	150 300
HR	2 829	2 827	965	1 168	672	826
ME	4	18	:	:	194	202
IS	4	10	-	-	116	136
MK	474	552	38	0	201	376
RS	9 001	9 066	1 806	2 822	1 594	1 445
TR	29 571	35 202	12 633	16 126	:	:
AL	503	701	39	-	984	1 101
BA	1 139	1 119	:	:	583	689
XK	459	430	:	:	:	:

(1) Bosnia and Herzegovina, 2004.

(2) EU-27, data refers to cow's milk.

Source: for the EU-27, Eurostat (online data codes: [apro_cpp_crop](#) and [apro_mk_farm](#)); for the enlargement countries, Eurostat (online data code: [cpc_agmain](#)).

Table 8.3: Livestock numbers
(1 000 head)

	Cattle		Pigs		Sheep and goats	
	2001 ⁽¹⁾	2011	2001 ⁽¹⁾	2011	2001 ⁽²⁾	2011 ⁽³⁾
EU-27	93 780	86 196	158 153	148 545	111 730	97 816
HR	438	447	1 234	1 233	632	709
ME	178	87	21	21	244	232
IS	70	74	5	4	474	476
MK	265	265	189	197	1 286	839
RS	1 128	937	3 587	3 287	1 612	1 590
TR	10 548	12 386	3	2	33 994	32 310
AL	708	492	106	163	2 933	2 517
BA	453	455	596	577	965	1 086
XK	347	362	75	51	230	247

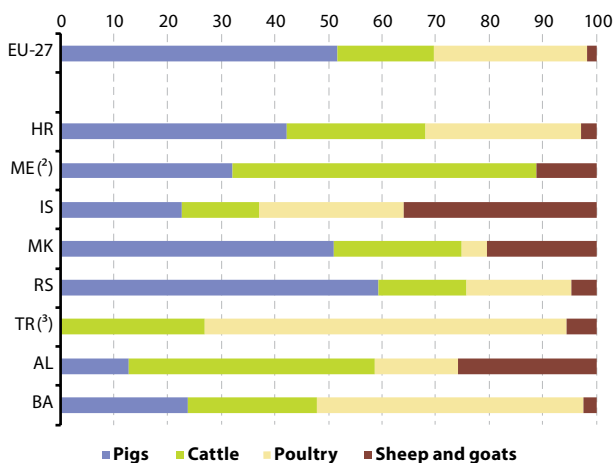
(1) Bosnia and Herzegovina, 2004.

(2) EU-27, Bosnia and Herzegovina and Kosovo, 2004.

(3) EU-27, 2010.

Source: for the EU-27, Eurostat (online data codes: [apro_mt_lscatl](#), [apro_mt_lspig](#), [apro_mt_lssheep](#) and [apro_mt_lsgoat](#)); for the enlargement countries, Eurostat (online data code: [cpc_agmain](#)).

Figure 8.2: Animals slaughtered, 2011 ⁽¹⁾
 (% of total carcass weight)



(1) Kosovo, not available; EU-27, Bosnia and Herzegovina, estimated data.

(2) Poultry, not available.

(3) Pigs, not available.

Source: for the EU-27, Eurostat (online data code: [apro_mt_pann](#)); for the enlargement countries, Eurostat (online data code: [cpc_agmain](#)).

Definitions

Arable land refers to land that is worked regularly, generally under a system of crop rotation.

Cattle are domestic bovine animals, including bovine animals under one year old and dairy cows.

Cereals include the following: common wheat and spelt, durum wheat, rye, barley, oats, grain maize, sorghum, triticale, buckwheat, millet and canary seed. This heading also covers rice.

Ewe is a female of the ovine species which has already lambed at least once, as well as that which has been put to the ram for the first time.

Fresh fruit comprises apples, pears, stoned fruits (such as apricots, peaches, plums and cherries), nuts, citrus fruits (such as oranges and lemons), soft fruits and currants, avocados, figs and quinces. Greenhouse production is also included.

Fresh vegetables cover all fresh vegetables (not dried pulses) and melons grown outdoors or under a low non-accessible cover. Vegetables grown principally for animal feed and vegetables cultivated for seeds are excluded.

Goats are defined as domestic animals and may be categorised as breeding females (female goats which have kidded) and other goats.

Livestock is the number of production animals that are in the direct possession or management of the holding. The animals are not necessarily the property of the holder. These animals may be on the holding (on utilised areas or in housing used by the holding) or off the holding (on communal grazings or in the course of migration, etc.). All livestock data are recorded for the end of the reference year.

Milk production covers milk produced by cows, ewes and goats excluding milk directly suckled but including that obtained by milking (including colostrums) used for animal feeding stuffs (for example in buckets or by other means).

Permanent crop are crops that are not grown in rotation, which occupy the soil for a long period and yield crops over several years (grassland is excluded).

Permanent grassland is land that is not included in a crop rotation system, but instead is used for the permanent

production (five years or more) of green forage crops (whether sown or self-seeded).

Pigs are domestic animals, which include piglets, breeding boars and sows, and cull boars and sows.

Poultry are defined as domestic animals including broilers, laying hens, turkeys, ducks (including ducks for 'foie gras'), geese (including geese for 'foie gras', and other poultry (for example, quails, pheasants, guinea-fowl, pigeons, ostriches). It excludes, however, birds raised in confinement for hunting purposes and not for meat production.

Production of animals for slaughter is recorded in terms of their slaughter weight.

Sheep are domestic animals divided into breeding females (female sheep which have lambed) and other sheep.

The **slaughtered production of animals** covers the number and carcass weight of bovine animals, pigs, sheep, goats and poultry. The data refer not only to animals slaughtered in approved slaughterhouses but also estimates of the extent of domestic slaughtering.

Sugar beet is a root crop, which is intended for use in the sugar industry and for alcohol production; seeds are excluded.

Total area is measured in terms of square kilometres (km²) and should include all land area, as well as inland waterways (rivers, lakes, canals etc).

Utilised agricultural area (UAA) corresponds to arable land, permanent grassland, permanent crops (vines, orchards, etc.), kitchen gardens and crops under glass.

Wooded areas are defined as areas covered with trees or forest shrubs, including poplar plantations inside or outside woods, and forest-tree nurseries grown in woodland for the holding's own requirements, as well as forest facilities (forest roads, storage depots for timber, etc.). Commercial forest-tree nurseries and other nurseries outside woodland, heath and moor land, parks, gardens (parks and lawns), grassland and unutilised rough grazing, areas of isolated trees, small groups or lines of trees, walnut and chestnut trees grown mainly for their fruit, as well as other plantations of non-forest trees and osieries are excluded.

Energy

9

Energy production increased in most enlargement countries

In 2010, the EU-27's primary energy production amounted to 830 million tonnes of oil equivalent (toe), 14% lower than in 2001. The general downward trend of EU-27's production may, at least in part, be attributed to the supplies of raw materials becoming exhausted and/or to producers considering the exploitation of limited resources uneconomical. Turkey registered just over 30 million toe, the largest value recorded amongst the enlargement countries, which also happened to be considerably higher than all the other enlargement countries combined. Primary energy production in Montenegro was the lowest, although the country reported considerable higher production figures compared to 2006. The corresponding figures for the former Yugoslav Republic of Macedonia were also among the lowest. In Iceland, primary energy production almost doubled (+97%) between 2001 and 2009; Albania saw an increase of 76% (between 2001 and 2010). In the other enlargement countries, production increased at a more moderate pace, remaining in the 20% to 30% range; the two exceptions in this respect were Croatia (+12%) and the former Yugoslav Republic of Macedonia (-2%). The structure of primary energy production is largely determined by a territory's natural resources and also by its strategic policy decisions which affect, in particular, the development of nuclear energy and renewable energy sources. In 2010, nuclear and renewable sources (under "Other" sources in Table 9.1) made up almost half of the energy production in the EU-27. In contrast, 100% of Montenegro's energy production was based on coal and lignite, which was also the major source of primary energy production in the former Yugoslav Republic of Macedonia, Serbia and Turkey. Natural gas was the most important source of primary energy production in Croatia, while Albania relied more on crude oil. Endowed with ample geothermal resources, Iceland reported 100% of its energy production as coming from renewable energy sources. The abundant availability of power in the country attracted many energy-intensive manufacturing activities, such as aluminum production.

General increase in the dependency on energy imports but more energy efficient economies

Montenegro stood out as being the only net exporter of energy among the enlargement countries in 2010. All other countries were dependent on imports to satisfy their energy needs. With a thriving economy over the past decade, Turkey was the enlargement country with the highest energy dependency, at nearly 73%. Albania and Croatia followed, with a dependency of 62% and 52% respectively, the latter country being close to the energy dependency of the EU-27 (54% in 2010). Expressed as imports per head of the population, Iceland came first, although at the same time it was the least energy dependent of all the enlargement countries (not considering Montenegro as a net energy exporter). Indeed, even though Iceland had ample electricity through its geothermal resources, other energy commodities still had to be imported. This fact, together with its small population, explains the relatively high energy dependency per capita, at 3.6 tons of oil equivalent (toe) in 2006. All the other enlargement countries remained around or below the level of 1 toe per capita.

Looking at the dependency on energy supplies of the EU-27 over time shows a very gradual increase from 49% in 2001 to around 56% in 2008. In the following two years, energy dependency decreased again to 54%, a development that can be mainly attributed to the economic crisis (lower production levels, lower energy demand). The tendency towards a lower energy dependency in the years 2009 and 2010 can also be observed in most of the enlargement countries. The exception is Albania, where the dependency increased from 49% in 2008 to 62% in 2010.

Energy intensity is a measure of the energy efficiency of a country's economy. Expressed as units of energy per unit of GDP, it depends on many factors, such as the economic structure of a country, the climate, the standard of living and the transportation pattern, to name but a few. The lower the figure, the higher the economy's energy efficiency. The energy intensity of the EU-27 and most of the enlargement countries decreased between 2001 and 2010. In 2010, 152 kg of oil equivalent were needed to generate EUR 1000 of GDP, an 11% reduction compared to 2001. In general, the ratios of the enlargement countries were much higher, ranging from 283 kg of oil equivalent in Croatia to 661 kg of oil equivalent in Serbia (in 2007). Nevertheless, most of the enlargement countries

for which data are available recorded a reduction in energy intensity over recent years, the only exceptions being Iceland and Serbia. The most important efficiency gains were recorded by Montenegro (-22%), Albania (-21%) and the former Yugoslav Republic of Macedonia (-19%). In contrast, Iceland's energy intensity increased, likely linked to the setting up of energy-intensive production units, which sparked energy efficiency gains elsewhere. In an extremely short time lapse (2005–2007) Serbia's economy became 60% more energy intensive. Between 2005 and 2010, gross energy consumption there increased by 81%.

Around one quarter of the EU-27's final energy consumption went to the account of the industry in 2010. This share has been gradually declining recently, although in 2001 industrial energy consumption still stood at nearly 29%. The enlargement countries for which data are available show noticeably higher shares, often in the 30% to 40% range.

Renewable sources' contribution to electricity generation far higher in the enlargement countries

The EU-27's electricity generation increased at a very moderate rate between 2001 and 2008. The year 2009 saw a 5% decline compared to 2008, likely due to the lower power demand linked with the economic crisis. In 2010, the pre-crisis level of 2008 was nearly reached again. Electricity generation in most of the enlargement countries experienced a less steady yet upward development. This was particularly the case for Kosovo and Turkey (+72% for both countries between 2002 (Kosovo) or 2001 (Turkey) and 2010), and also especially for Albania and Iceland, which more than doubled their electricity output between 2001 and 2010.

The European Union created a Community framework for promoting renewable energy sources for electricity production (Directive 2001/77/EC, subsequently amended to provide for the inclusion of the countries that joined the EU after 2001). Its objective was a 21% contribution of renewable energy to electricity production by 2010, which concerns electricity produced from non-fossil renewable energy sources such as wind, solar, geothermal, wave, tidal, hydroelectric, biomass, landfill gas, sewage treatment gas and biogas energies. This EU target was nearly attained: in 2010, it was calculated that a 20% share of total electricity supply was generated from

renewable sources, compared to 14% in 2001. The shares in the enlargement countries for which data are available were far higher in 2010, ranging between 26% in Turkey to 100% in Iceland. They all increased compared to 2001, with the exception of Serbia, where the renewable share dropped from 43% to 37%. Electricity from hydro power stations was often the major source of renewable energy in the enlargement countries, the output of which is dependent on rainfall that varies from year to year. In Iceland, roughly three quarters of the electricity generation was based on hydro-power and the remaining quarter on geothermal sources.

Table 9.1: Primary energy production

	Total production (1 000 toe)		Share of total production, 2010 (%) ⁽³⁾			
	2001 ⁽¹⁾	2010 ⁽²⁾	Coal and lignite	Crude oil	Natural gas	Other
EU-27	940938	830868	19.2	10.7	18.8	51.3
HR	3 758	4 216	-	14.8	52.5	32.7
ME	982	1 267	100.0	-	-	-
IS	2 451	4 819	-	-	-	100.0
MK	1 642	1 616	73.9	-	-	26.1
RS	7 729	9 876	73.2	9.4	3.5	14.0
TR	24 576	32 487	53.9	8.2	1.9	35.9
AL	933	1 643	0.2	45.3	0.8	53.7
BA	:	:	:	:	:	:
XK	:	:	:	:	:	:

⁽¹⁾ Serbia, 2005; Montenegro, 2006.

⁽²⁾ Iceland, 2009.

⁽³⁾ The category 'Other' includes nuclear energy and renewable energy.

Source: for the EU-27, Eurostat (online data codes: [nrg_100a](#), [nrg_101a](#), [nrg_102a](#) and [nrg_103a](#)); for the enlargement countries, Eurostat (online data code: [cpc_energy](#)).

Table 9.2: Net imports of energy and energy dependency

	Net imports of energy				Energy dependency, 2010 (%) ⁽⁴⁾
	(1 000 tonnes of oil equivalent)		(tonnes of oil equivalent per inhabitant)		
	2001 ⁽¹⁾	2010 ⁽²⁾	2001 ⁽¹⁾	2010 ⁽³⁾	
EU-27	856 579	952 256	1.77	1.90	54.1
HR	4 175	4 482	0.94	1.01	52.3
ME	-49	-20	-0.08	-0.03	-1.5
IS	947	1 076	3.34	3.59	26.5
MK	1 011	1 274	0.50	0.62	44.2
RS	1 431	6 320	0.19	0.86	41.9
TR	50 160	79 400	0.78	1.09	72.7
AL	1 001	1 306	0.33	0.41	62.0
BA	369	681	0.10	0.18	:
XK	:	:	:	:	:

⁽¹⁾ Bosnia and Herzegovina, 2003; Serbia, 2005; Montenegro, 2006.

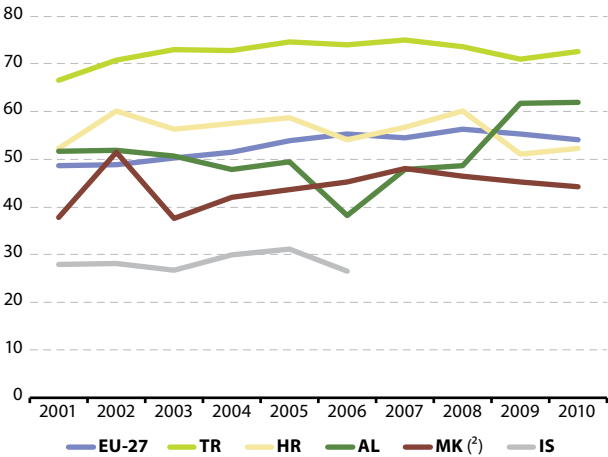
⁽²⁾ Iceland and Bosnia and Herzegovina, 2006.

⁽³⁾ EU-27 and Montenegro, break in series; Albania, 2009; Iceland and Bosnia and Herzegovina, 2006.

⁽⁴⁾ Iceland, 2006.

Source: for the EU-27, Eurostat (online data codes: [nrg_100a](#) and [demo_pjan](#)); for the enlargement countries, Eurostat (online data codes: [demo_pjan](#) and [cpc_energy](#)).

Figure 9.1: Energy dependency ratio⁽¹⁾
(net energy imports as % of gross inland energy consumption)



(¹) Bosnia and Herzegovina and Kosovo, not available. Montenegro and Serbia not shown as data are only available for a few years.

(²) 2010, provisional data.

Source: for the EU-27, Eurostat (online data code: [nrg_100a](#)); for the enlargement countries, Eurostat (online data code: [cpc_energy](#)).

Table 9.3: Total gross inland energy consumption and energy intensity of the economy

	Gross inland energy consumption (1 000 toe)		Energy intensity (kg of oil equivalent per EUR 1 000 of GDP)	
	2001 (¹)	2010	2001 (¹)	2010 (²)
EU-27	1 763 479	1 759 015	171	152
HR	7 995	8 575	331	283
ME	933	1 268	494	384
IS	3 397	5 588	343	356
MK	2 677	2 882	720	580
RS	8 322	15 093	413	661
TR	75 402	109 260	260	253
AL	1 934	2 106	387	307
BA	:	:	:	:
XK	:	:	:	:

(¹) Serbia, 2005; Montenegro, 2006.

(²) Montenegro, Serbia and Albania, 2007; Iceland, 2006.

Source: for the EU-27, Eurostat (online data codes: [nrg_100a](#) and [nrg_ind_332a](#)); for the enlargement countries, Eurostat (online data code: [cpc_energy](#)).

Table 9.4: Breakdown of final energy consumption by sector (% of total)

	Industry		Transport		Households	
	2001 ⁽¹⁾	2010 ⁽²⁾	2001 ⁽¹⁾	2010 ⁽²⁾	2000 ⁽¹⁾	2010 ⁽²⁾
EU-27	28.7	25.3	30.1	31.7	26.3	26.7
HR	26.4	21.7	28.3	32.5	30.4	24.9
ME	46.7	27.0	18.5	28.2	33.0	41.0
IS	35.3	35.1	15.5	20.4	29.3	26.3
MK	32.6	30.2	23.9	25.5	31.2	29.8
RS	34.9	34.1	0.6	28.4	49.9	25.8
TR	39.2	38.4	22.1	19.0	33.3	36.2
AL	19.7	22.1	56.5	54.7	32.0	35.2
BA	:	:	:	:	:	:
XK	:	:	:	:	:	:

(¹) Serbia, 2004; Montenegro, 2006; Albania, 2007.

(²) Serbia, 2008; Iceland, 2006.

Source: for the EU-27, Eurostat (online data code: [nrg_100a](#)); for the enlargement countries, Eurostat (online data code: [cpc_energy](#)).

Table 9.5: Electricity generation, total (1 000 GWh)

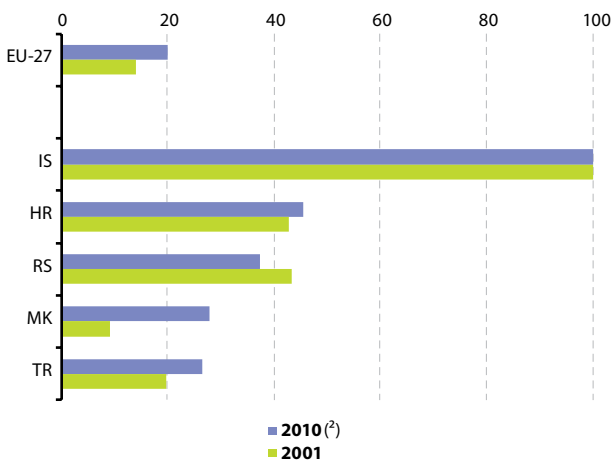
	2001 ⁽¹⁾	2006	2007	2008	2009	2010
EU-27	3 106.7	3 354.8	3 367.5	3 371.3	3 209.1	3 345.6
HR	12.1	12.4	12.2	12.3	12.8	14.1
ME	2.5	3.0	2.1	2.8	2.8	4.0
IS	8.0	9.9	12.0	16.5	16.8	17.1
MK	6.4	7.0	6.5	6.3	6.8	7.3
RS	31.0	36.0	37.0	37.0	38.0	38.0
TR	122.7	176.3	191.6	198.4	194.8	211.2
AL	3.7	5.6	3.0	3.9	5.2	7.7
BA	:	:	13.0	14.8	15.7	17.1
XK	3.2	4.0	4.3	:	5.3	5.5

(¹) Kosovo, 2002.

Source: for the EU-27, Eurostat (online data code: [nrg_105a](#)); for the enlargement countries, Eurostat (online data code: [cpc_energy](#)).

Figure 9.2: Electricity produced from renewable sources of energy⁽¹⁾

(% of gross electricity consumption)



(¹) Montenegro, Albania, Bosnia and Herzegovina and Kosovo, not available.

(²) The former Yugoslav Republic of Macedonia (provisional data).

Source: for the EU-27, Eurostat (online data code: [nrg_ind_333a](#)); for the enlargement countries, Eurostat (online data code: [cpc_energy](#)).

Definitions

Electricity is an energy carrier with a very wide range of applications. It is used in almost all kinds of human activity ranging from industrial production, household use, agriculture, commerce for running machines, lighting and heating. Electricity is produced as primary as well as secondary energy. Primary electricity is obtained from natural sources such as hydro, wind, solar, tide and wave power. Secondary electricity is produced from the heat of nuclear fission of nuclear fuels, from geothermal heat and solar thermal heat, and by burning primary combustible fuels such as coal, natural gas, oil and renewable and wastes.

Electricity generation is the process of creating electricity from other forms of energy. Electrical energy covers electricity generated in all types of power plants (e.g. in nuclear, thermal, hydro, wind, photovoltaic or other plants) to be distributed to consumers through the grid or consumed locally.

Electricity generated from renewable sources – % of gross electricity consumption is the ratio between the electricity produced from renewable energy sources and the gross national electricity consumption for a given calendar year. It measures the contribution of electricity produced from renewable energy sources to the national electricity consumption. Electricity produced from renewable energy sources comprises the electricity generation from hydro plants (excluding pumping), wind, solar, geothermal and electricity from biomass/wastes. Gross national electricity consumption comprises the total gross national electricity generation from all fuels (including autoproduction), plus electricity imports, minus exports.

Energy dependency ratio is defined as a share of net energy imports in gross inland energy consumption.

Energy imports and exports cover primary energy and derived energy products, which have crossed the national territorial boundaries of the country, whether or not customs clearance has taken place. Oil and gas quantities of crude oil and oil products imported or exported under processing agreements (i.e. refining on account) are included. Electricity is considered as imported or exported when it crosses the national territorial boundaries of the country. If electricity is transited through a country, the amount is shown as both imports and exports. Other fuels in transit are excluded.

Energy intensity (efficiency) is the ratio between the gross inland consumption of energy and the gross domestic product (GDP at constant 2000 prices) for a given calendar year. It measures the energy consumption of an economy and its overall energy efficiency.

Final energy consumption covers energy supplied to the final consumer's door for all energy uses. It is composed of final energy consumption of industry, transport and household, commerce etc. It is calculated net of transformation and network losses. It excludes consumption of the energy sector.

Gross domestic product (GDP) measures the total market value of all final goods and services produced within a country during a given period.

Gross inland energy consumption is the quantity of energy consumed within the borders of a country. It may be calculated as primary production plus recovered products plus imports plus stocks changes minus exports minus bunkers (quantities supplied to sea-going ships). Gross inland energy consumption is measured in terms of tonnes of oil equivalent (toe). Toe is a normalised unit of energy. By convention, it is equivalent to the approximate amount of energy that can be extracted from one tonne of crude oil.

Joule (J) is the derived unit of energy in the International System of Units. It is the energy expended in applying a force of one Newton through a distance of one metre (1 Newton metre or Nm).

Kilograms of oil equivalent (kgoe) is a normalised unit of energy. By convention, it is equivalent to the approximate amount of energy that can be extracted from one kilogram of crude oil.

Lignite/brown coal is non-agglomerating coal with a gross calorific value less than 17 435 kJ/kg (4 165 kcal/kg) and greater than 31 % volatile matter on a dry mineral matter free basis. Oil shale and tar sands produced and combusted directly should be reported in this category. Oil shale and tar sands used as inputs for other transformation processes should also be reported in this category. This included the portion of the oil shale or tar sands consumed in the transformation process.

Natural gas comprises several gases, occurring in underground deposits, whether liquefied or gaseous, but consists mainly of methane (CH₄). It includes both "non-associated" gas

originating from fields producing hydrocarbons only in gaseous form, and “associated” gas produced in association with crude oil as well as methane recovered from coal mines (colliery gas).

Net imports of energy products are defined as imports minus exports of all energy products.

Primary production of crude oil is defined as the quantities of fuel extracted or produced within national boundaries, including off-shore production, with production including only marketable production of crude oil, natural gas liquids (NGL), condensates and oil from shale and tar sands, while excluding any quantities returned to formation.

Primary production of energy is any kind of extraction of energy products from natural sources to a usable form. Primary production takes place when the natural sources are exploited, for example in coal mines, crude oil fields, hydro power plants or fabrication of bio-fuels. Transformation of energy from one form to another, such as electricity or heat generation in thermal power plants, or coke production in coke ovens, is not primary production.

Primary production of hard coal and lignite is defined as the quantities of fuel extracted or produced after any operation for removal of inert matter. Production generally includes quantities consumed by the producer during the production process, as well as any quantities supplied to other on-site producers of energy for transformation or other uses.

Primary production of natural gas is defined as the quantities of dry gas, measured after purification and extraction of natural gas liquids and sulphur. Production includes only marketable production used within the natural gas industry, in gas extraction, pipeline systems and processing plants, while excluding any quantities re-injected, vented and flared, and any extraction losses.

Renewable energy (RES) includes hydroelectricity, biomass, biogas and waste, wind energy, solar energy, and geothermal energy.

Tonne of oil equivalent (toe) is a normalised unit of energy. By convention, it is equivalent to the approximate amount of energy that can be extracted from one tonne of crude oil.

Industry and services **10**



Industrial production and construction decreases in 2009; most countries see slight recovery in 2011

In the aftermath of the 2008 global financial crisis, and as a direct consequence, the EU-27 along with most of the enlargement countries reported a decline in industrial production in 2009. In many cases, industrial production did not reach the pre-crisis levels by 2011. In the EU-27, the industrial production index (excluding construction) in 2011 merely reached the level it had in 2005. The situation in the enlargement countries was quite diverse; in Croatia for instance, the industrial production index lost more than 10 index points between 2008 and 2009 and the country was not able to reverse the falling trend until 2011. The situation was broadly similar for the former Yugoslav Republic of Macedonia and Serbia. In Montenegro, the industrial production index of 2011 was close to 30% below the country's 2008 level. The remaining countries managed to defy the decline in industrial production, and although the initial impact of the recession showed a temporary slowdown (in the years 2009 and 2010) solid growth was displayed again in 2011. As measured by the domestic output price index for all industries excluding construction, prices in the EU-27 rose by 6.8% between 2010 and 2011, after having lost 4.5% between 2008 and the 'full crisis year' of 2009. The year 2010 saw a slight increase and in 2011 the index was 23% higher than in 2005. Similar positive developments between 2010 and 2011 were recorded among the enlargement countries for which data are available, particularly in Serbia. The former Yugoslav Republic of Macedonia was the only country where the domestic output price index showed a clear drop. Prices in Iceland and Serbia rose quite steadily each year between 2005 and 2011, resulting in the highest increases of 58.2% and 83.3% respectively.

Similarly to the industry sector, the construction sector was not spared from the effects of the 2008 crisis either, as in the EU-27 and the enlargement countries (for which data are available) the construction production index decreased between 2009 and 2010; the former Yugoslav Republic of Macedonia and Turkey were the only exceptions in this respect. Data suggest that after 2005 growth in the construction sector in most enlargement countries was much faster than in the EU-27, especially in Montenegro and Albania. In 2011, the construction production index showed considerable increases in Montenegro, Serbia and Turkey, whereas in Albania it was

virtually stagnated (following a rapid increase between 2005 and 2009). Croatia was the only country showing a clear decrease. In the EU-27 in 2011, the construction cost index was nearly 20 % higher than in 2005. In Iceland and Turkey, construction costs increased significantly faster.

Retail trade: continuous and steady growth in Turkey

Between 2005 and 2008, growth of the retail trade turnover in the enlargement countries (for which data are available) outstripped that of the EU-27 (where the retail trade turnover rose by 6.0 %). In Croatia and Montenegro, turnover rose significantly more than in the EU-27, by just over 20 % and almost 32 % respectively between 2005 and 2008. In Turkey, Albania, and Serbia in particular, growth rates were even higher, ranging from almost 44 % in Turkey to just over 89 % in Serbia. From that moment onwards, retail trade stabilised both in the EU-27 and in the enlargement countries for which data are available. Only Turkey persisted with its upward trend: between 2010 and 2011, the retail trade deflated turnover index grew by nearly 13 % (having already increased by over 15 % in the previous year) and stood 72 % higher compared with 2005.

Bed capacity in Albania: spectacular growth, but starting off from a low level

One way of measuring the growth of tourism in a country is by counting the beds available in hotels and similar establishments. Such data are, unfortunately, not directly comparable across the EU-27 and among the enlargement countries, mostly as a result of methodology differences. This is especially true in Croatia and the former Yugoslav Republic of Macedonia. Nevertheless, some common trends can still be discerned. The tourism industry, similarly to the other economic sectors, suffered from the 2008 economic crisis, the impact of which was particularly felt in 2009. Despite the crisis, the estimated number of beds in the EU-27 increased by 12.5 % between 2005 and 2011. It is important to remember, however, that bed capacity does not reflect bed occupancy. Among the enlargement countries, a trend towards a further reduction of the bed capacity can be observed in Croatia and Montenegro. In contrast, Turkey increased its bed capacity: in a time span of only 5 years (2005–2010), 30 % more beds became available (reaching the number of 629 470 beds). A similar increase was

noted for Bosnia and Herzegovina, but in a complete different order of magnitude: the 43 % increase corresponded to a growth from 18 160 bed places in 2005 to 25 990 in 2011. Similarly, the spectacular 171 % increase registered in Albania between 2005 and 2011 should be seen in the light of a very low starting level: indeed, in 2005, Albania featured an accommodation capacity of 7 000 bed places, which increased rapidly to 19 000 in 2011. The strongest year-on-year change was observed between 2010 and 2011, when 7 000 additional bed places were added to the total capacity of the country.

Table 10.1: Index of production for all industries (excluding construction)
(2005=100)

	2008	2009	2010	2011
EU-27	106.0	91.5	97.7	100.8
HR	110.6	100.4	99.0	97.8
ME	99.1	67.5	79.4	71.2
IS	124.5	121.3	119.0	126.5
MK	115.6	105.6	100.5	103.8
RS	110.0	96.1	98.5	100.6
TR	114.2	102.9	116.4	126.8
AL	117.9	116.5	139.6	121.1
BA	128.7	130.6	135.4	144.1
XK	:	:	:	:

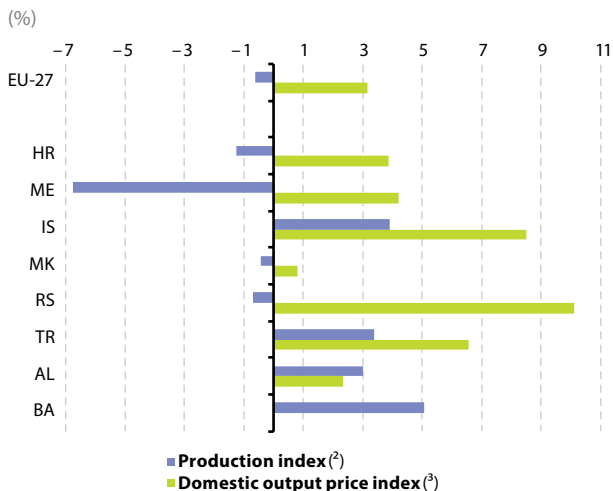
Source: for the EU-27, Eurostat (online data code: [sts_inpr_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_insts](#)).

Table 10.2: Domestic output price index for all industries (excluding construction)
(2005=100)

	2008	2009	2010	2011
EU-27	116.8	111.6	115.5	123.3
HR	115.1	114.5	119.5	:
ME	131.0	123.8	123.2	127.7
IS ⁽¹⁾	124.5	144.1	149.1	158.2
MK	120.6	111.9	121.6	111.1
RS	134.9	142.4	160.5	183.3
TR	131.4	132.8	:	:
AL	111.1	109.2	109.5	112.4
BA	:	:	:	:
XK	:	:	:	:

(¹) 2008 to 2010: the index covers domestic manufacturing production, domestically sold with the exception of NACE-classification 22.1 (Publishing) and 35.1 (building and repairing of ships and boats). Base 4 quarter 2005=100.

Source: for the EU-27, Eurostat (online data code: [sts_inppd_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_insts](#)).

Figure 10.1: Average annual growth rates of production and domestic output prices for all industries (excluding construction), 2006–2011 ⁽¹⁾

⁽¹⁾ Kosovo, not available.

⁽²⁾ Bosnia and Herzegovina, estimated data.

⁽³⁾ Bosnia and Herzegovina and Kosovo, not available; Croatia, 2006–2010; Turkey, 2006–2009.

Source: for the EU-27, Eurostat (online data codes: [sts_inpr_a](#) and [sts_inpp_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_insts](#)).

Table 10.3: Construction production and cost indexes (2005=100)

	Construction production			Construction cost ⁽¹⁾		
	2009	2010	2011	2009	2010	2011
EU-27	95.0	91.6	92.6	114.2	115.9	119.2
HR	117.1	98.5	89.5	115.5	108.8	109.7
ME	140.2	139.3	165.1	:	:	:
IS	:	:	:	155.7	161.8	172.3
MK	117.8	128.5	140.4	123.9	121.1	122.8
RS	111.4	104.4	123.1	:	:	:
TR	96.6	114.6	127.3	136.7	144.6	162.6
AL	239.4	210.2	207.9	104.9	105.3	105.8
BA	:	:	:	:	:	:
XK	:	:	:	:	:	:

⁽¹⁾ Croatia, approximated by variable 310: output prices.

Source: for the EU-27, Eurostat (online data codes: [sts_copr_a](#) and [sts_copi_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_insts](#)).

Table 10.4: Retail trade deflated turnover index
(2005=100)

	2008	2009	2010	2011
EU-27	106.0	104.3	105.2	105.1
HR	120.3	112.7	110.6	113.5
ME	131.8	134.9	:	125.1
IS	:	:	:	:
MK	:	:	:	:
RS	189.4	173.8	189.0	:
TR	143.7	132.2	152.8	172.3
AL	185.0	192.3	194.1	188.1
BA	:	:	:	:
XK	:	:	:	:

Source: for the EU-27, Eurostat (online data code: [sts_trtu_a](#)); for the enlargement countries, Eurostat (online data code: [cpc_insts](#)).

Table 10.5: Tourism — index of the number of bed places in hotels and similar collective accommodation establishments
(2005=100)

	2008 ⁽¹⁾	2009	2010	2011
EU-27	106.8	109.8	111.4	112.5
HR	80.8	73.9	74.9	76.4
ME	98.9	98.0	63.6	64.8
IS	111.8	111.8	117.6	123.5
MK	67.0	73.1	79.2	:
RS	114.1	116.3	125.4	124.8
TR	117.4	126.0	130.2	:
AL	128.6	157.1	171.4	271.4
BA	125.7	134.8	140.1	143.1
XK	:	:	:	:

(¹) The former Yugoslav Republic of Macedonia, break in series: Statistical survey for the accommodation capacities with stars was introduced for the first time in 2008. A direct link between the categorization with stars and the previous categorization cannot be established, and this is the reason for the break in time series.

Source: for the EU-27, Eurostat (online data code: [tour_cap_bed](#)); for the enlargement countries, Eurostat (online data code: [cpc_intour](#)).

Definitions

Construction cost index is the combination of component cost indices (covering material costs and labour costs) and shows the price developments of production factors used in the construction industry. The material costs measure the evolution of the prices of the materials that are used in the construction process. The prices should be based on actual rather than list prices (excluding VAT).

Hotels and similar collective accommodation establishments is defined as follows: the hotel category comprises hotels, apartment-hotels, motels, roadside inns, beach hotels and similar establishments providing hotel services, including more than daily bed-making and cleaning of the room and sanitary facilities. Collective accommodation establishments are accommodation establishments providing overnight lodging for the traveller in a room or some other unit, but the number of places it provides must be greater than a specified minimum for groups of persons exceeding a single family unit and all the places in the establishment must come under a common commercial-type management, even if it is not for profit.

Industrial producer price index (PPI) should reflect **domestic producer prices**, as determined by the residency of the third party that has ordered or purchased the product, which should be the same territory as the producer. Prices should be defined as ex-factory prices including all duties and taxes, except for VAT (and similar deductible taxes linked to turnover). The producer price index for total industry should cover NACE Sections C to E, excluding Groups 12.0, 22.1, 23.3, 29.6, 35.1 and 35.3. The basic form of the index is an unadjusted (gross) index.

Industrial production index (IPI) provides a measure of the volume trend in value added at factor cost over a given reference period. In practice, however, value added is not available on a monthly basis in most countries. Therefore, data is generally collected for variables other than value added, with possible alternatives including gross production values, volumes, turnover, work input, raw material input, energy input. The production index is a volume index, which should cover NACE Sections C and D and NACE Groups 40.1 and 40.2.

Labour costs should cover wages and salaries, as well as social security charges for all persons employed. The basic form of the index is an unadjusted (gross) index.

Number of bed places in an establishment or dwelling is determined by the number of persons who can stay overnight in the beds set up in the establishment, ignoring extra beds that may be set up at a customer's request. The term bed place applies to a single bed, double bed being counted as two bed places.

Retail trade is a form of trade in which goods are mainly purchased and resold to the consumer or end-user, generally in small quantities and in the state in which they were purchased (or following minor transformations).

Turnover index for retail trade comprises the totals invoiced by the observation unit during the reference period, and this corresponds to market sales of goods or services supplied to third parties. Turnover also includes all other charges (transport, packaging, etc.) passed on to the customer, even if these charges are listed separately in the invoice. Turnover excludes VAT and other similar deductible taxes directly linked to turnover as well as all duties and taxes on the goods or services invoiced by the unit. Reduction in prices, rebates and discounts as well as the value of returned packing must be deducted. Price reductions, rebates and bonuses conceded later to clients, for example at the end of the year, are not taken into account. The index of deflated turnover for retail trade shows the monthly activity in volume of the retail trade sector. It is a short-term indicator for final domestic demand. It is calculated either as turnover at current prices deflated by the deflator of sales, or as a quantity index derived directly from the quantity of goods sold. The deflator of sales in retail trade is a deflator of the goods sold and not of the service provided. Data are compiled according to the Statistical classification of economic activities in the European Community, (NACE Rev.2, Eurostat 2006). Deflated turnover for retail trade are compiled as a "fixed base year" Laspeyres type volume-index.

Volume index of construction production measures changes in the volume of construction output and reflects the developments in value added at factor cost over a given reference period. The volume index of construction output should cover NACE Section F. The basic form of the index is working-day adjusted; if this is not available an unadjusted index should be provided.

Transport

11

Motorisation rate: lowest in Kosovo, fastest growth in Albania

The EU-27 and all the enlargement countries have increased their motorisation rate since 2001. In the EU-27, the estimated number of passenger cars per 1 000 inhabitants changed from 437 in 2001 to 473 in 2010, an 8.24% increase in less than a decade. Affected by a demographic transition and aggravated by the economic crisis with considerably lower vehicle sales, it is unlikely that this growth will continue at the same pace as in the past.

Considerable growth in relative terms was observed in Turkey, Albania and Kosovo, although these countries remained at the bottom end among the enlargement countries in terms of motorisation rate. In Albania, the number of passenger cars per 1 000 inhabitants increased from 44 in 2001 to 106 in 2011, an increase of almost 141 %. Turkey followed with an increase of 57 % and a motorisation rate of 110 passenger cars per 1 000 inhabitants in 2011, compared to 70 in 2001.

Continued growth in the motorway network, little change in the rail network

Transport infrastructure is fundamental for the smooth operation of the economy, for the mobility of persons and goods and for the economic, social and territorial cohesion of a country. Most of these transport infrastructures have been developed on national policy premises, but have increasingly become more integrated at the level of the EU.

In the EU-27, the motorway network is relatively dense and its overall length continued to grow at an average annual rate of 2.2% between 2001 and 2010, reaching a total length of 67 549 km in 2010. In Croatia, the motorway network expanded at a faster rate (average annual growth rate of nearly 13%), reaching a total length of 1 254 km in 2011. Growth in the motorway network was also registered in Turkey, but the 2 080 km available in 2010 (annual average growth rate of slightly over 2%) were still fairly low compared to the size and population of the country. In 2010, the EU-27 had over 216 thousand km of railway lines in operation. Newly constructed railway lines had not been able to entirely compensate for discontinued lines as the total network in 2010 was slightly below that of 2001. This should be seen in the light of railway deregulation. At EU level, deregulation helped railway companies to improve

their productivity. These productivity gains were, however, achieved mostly through the reorganisation of networks and the cutting of unprofitable services.

Among the enlargement countries, only Turkey experienced an increase in the length of railway lines, from 8 671 km in 2001 to 9 594 km in 2010. In the other enlargement countries, the length of the railway network did not change significantly. Noticeable is nevertheless the important reduction (in relative terms) of the rail network in Kosovo. Railways in Iceland are non-existent.

In 2010, the rail network density in the EU-27 amounted to an average of 50 km of lines per 1 000 km² of territory. Croatia and Serbia had similar rail network densities. The remaining enlargement countries were well below the aforementioned level (they ranged between 12.2 to 36 km per 1 000 km²). When considering railway in relation to population, the EU-27 had an average of 43 km of railway lines per 100 000 inhabitants, whereas this ratio was almost 62 km for Croatia and just over 53 km for Serbia. Turkey and Albania, both characterised by an uneven population distribution, reported the lowest ratios in this category, with 13.2 km and 14.1 km respectively.

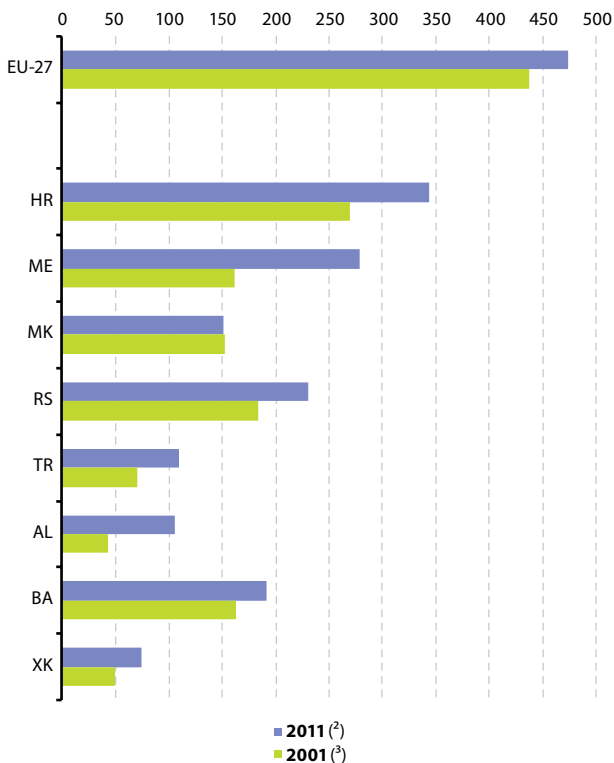
Increase of the road share in total inland freight transport especially in Serbia, but rail remains important

For the EU-27, road freight remained the dominant transport mode, accounting for 1 727 billion tonne-kilometres (tkm) performed in 2011, compared to around 420 billion tkm for rail and almost 141 billion tkm for inland waterways. Not all EU Member States feature all inland transport modes: navigable inland waterways are present in only 16 EU Member States; Malta and Cyprus do not have railways. Whereas road transport dominated in Turkey in 2010, the relative importance of rail freight transport was evident in Croatia, Bosnia and Herzegovina, Montenegro and especially Serbia. In the latter country, the rail freight transport performance was nearly twice as high as that of road freight transport. Only Croatia and Serbia featured freight transport via inland waterways (essentially on the Danube); however, the volumes forwarded remained limited.

Looking back in time, the road share in the total transport performance has increased especially in Serbia and Bosnia

and Herzegovina. In Serbia the road share rose to 31 % in 2011, compared to a mere 14 % in 2001. Similarly, road freight transport became more important in Bosnia and Herzegovina, increasing from a 51 % share in 2001 to 64 % in 2011. The road share fluctuated considerably in Montenegro whereas it remained very stable in Turkey (share of just over 94 % between 2001 and 2010). For Croatia and the EU-27, the share of road in total freight transport rose only marginally to reach almost 74 % in 2011 and 76 % in 2010 respectively.

Figure 11.1: Motorisation rate⁽¹⁾
(number of passenger cars per 1 000 inhabitants)



(¹) Iceland, not available.

(²) EU-27 estimated data, 2010; Bosnia and Herzegovina, estimated data; Albania, provisional data; the former Yugoslav Republic of Macedonia, 2010; Kosovo, 2008.

(³) Kosovo, 2005; Bosnia and Herzegovina, 2006.

Source: for the EU-27, Eurostat (online data code: [road_eqs_carhab](#)); for the enlargement countries, Eurostat (online data codes: [cpc_transp](#) and [demo_pjan](#)).

Table 11.1: Length of main transport networks (km)

	2001			2011		
	Roads (excluding motorways) ⁽¹⁾	Motorways ⁽²⁾	Rail ⁽³⁾	Roads (excluding motorways) ⁽⁴⁾	Motorways ⁽⁵⁾	Rail ⁽⁶⁾
EU-27 ⁽⁷⁾	3 410 012	55 655	215 865	3 800 210	67 549	215 850
HR	27 846	429	2 726	28 156	1 254	2 722
ME	7 292	:	250	7 835	:	250
IS	12 955	-	-	13 027	11	-
MK	12 927	145	925	13 983	259	925
RS	37 700	370	3 809	43 163	595	3 819
TR	424 553	1 696	8 671	365 183	2 080	9 594
AL	2 540	:	410	3 548	:	399
BA	16 600	11	1 010	17 500	35	1 027
XK	1 280	-	430	1 925	-	333

⁽¹⁾ Albania, 2003; Kosovo, 2004; Bosnia and Herzegovina, 2005 excluding local roads; Turkey, excluding municipality roads.

⁽²⁾ Bosnia and Herzegovina, 2005.

⁽³⁾ Bosnia and Herzegovina, 2002; Kosovo, 2004.

⁽⁴⁾ Turkey (excluding municipality roads), 2010; EU-27, Bosnia and Herzegovina (excluding local roads) and Kosovo, 2010; Iceland, 2005.

⁽⁵⁾ Turkey and Bosnia and Herzegovina, 2010; Iceland, 2005.

⁽⁶⁾ Turkey and Bosnia and Herzegovina, 2010.

⁽⁷⁾ EU-27, 2010; estimate excluding: Germany and Greece for roads, Greece and Malta for motorways. Estimates based on latest data available from the Member States..

Source: for the EU-27, Eurostat (online data codes: [road_if_motorwa](#), [road_if_roads](#) and [rail_if_line_tr](#)); for the enlargement countries, Eurostat (online data code: [cpc_transp](#)).

Table 11.2: Road and railway network density, 2011

	Roads (excluding motorways) ⁽¹⁾		Rail ⁽²⁾	
	km/1 000 km ²	km/100 000 inhabitants	km/1 000 km ²	km/100 000 inhabitants
EU-27 ⁽³⁾	948.6	821.1	50.0	43.2
HR	49.6	634.7	48.1	61.7
ME	56.7	1 267.4	18.1	40.4
IS	126.5	4 437.3	-	-
MK	54.2	678.8	36.0	45.0
RS	55.7	593.2	49.3	52.5
TR	46.6	503.3	12.2	13.2
AL	125.2	113.0	13.9	14.1
BA	341.7	455.4	20.1	26.7
XK	176.8	88.3	30.3	14.9

⁽¹⁾ EU-27, Croatia, the former Yugoslav Republic of Macedonia and Turkey (excluding municipality roads), 2010; Albania, Bosnia and Herzegovina (excluding local roads) and Kosovo, 2009; Iceland, 2005.

⁽²⁾ Turkey, Bosnia and Herzegovina and Kosovo, 2010; EU-27, 2010.

⁽³⁾ EU-27 estimate excluding Cyprus and Malta for railways. Estimates based on latest data available from the Member States.

Source: for the EU-27, Eurostat (online data codes: [road_if_roads](#), [rail_if_line_tr](#), [demo_pjan](#) and [apro_cpp_luse](#)); for the enlargement countries, Eurostat (online data codes: [cpc_transp](#), [demo_pjan](#) and [cpc_agmain](#)).

Table 11.3: Inland and sea freight transport, 2011

	Inland freight transport (million tonne-km)			Sea freight transport (million t) ⁽³⁾
	Rail ⁽¹⁾	Road ⁽²⁾	Waterways	
EU-27	419 842	1 727 466	140 751	3 641
HR	2 438	8 926	692	22
ME	136	102	-	606
IS	-	:	-	6
MK	479	5 381	-	-
RS	3 611	1 907	726	-
TR	11 300	190 365	-	349
AL	50	:	-	4
BA	1 298	2 309	:	:
XK	914	:	-	-

⁽¹⁾ Turkey, 2010; Kosovo, 2009.

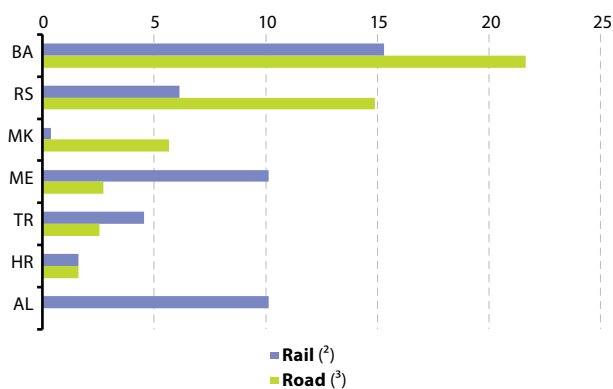
⁽²⁾ Turkey, 2010.

⁽³⁾ EU-27 and Turkey, 2010; Montenegro, 2008; Iceland, 2006.

Source: for the EU-27, Eurostat (online data codes: [rail_go_typeall](#), [road_go_ta_tott](#), [iww_go_atygo](#) and [mar_mg_aa_cwhd](#)); for the enlargement countries, Eurostat (online data code: [cpc_transp](#)).

Figure 11.2: Average annual growth rates of road and rail freight transport, 2001–2011⁽¹⁾

(%)



⁽¹⁾ Iceland, not available; EU-27 and Kosovo not shown as data are only available for a few years.

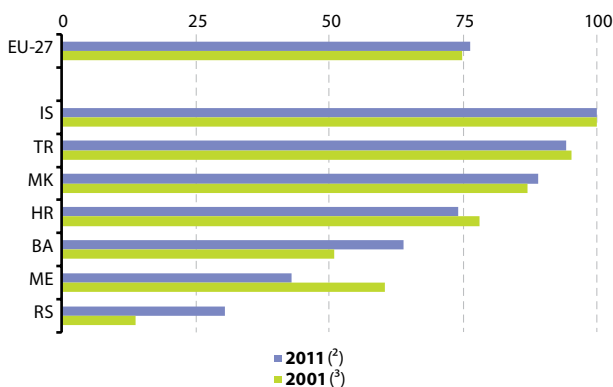
⁽²⁾ Turkey, between 2001 and 2010.

⁽³⁾ Croatia and the former Yugoslav Republic of Macedonia, break in series; Turkey, between 2001 and 2010.

Source: for the EU-27, Eurostat (online data codes: [rail_go_typeall](#) and [road_go_ta_tot](#)); for the enlargement countries, Eurostat (online data code: [cpc_transp](#)).

Figure 11.3: Share of road in total inland freight transport⁽¹⁾

(% of total tonne-km)



⁽¹⁾ Albania and Kosovo, not available.

⁽²⁾ EU-27, the former Yugoslav Republic of Macedonia and Turkey, 2010.

⁽³⁾ Croatia and the former Yugoslav Republic of Macedonia, break in series.

Source: for the EU-27 and Iceland, Eurostat (online data code: [tran_hv_frmod](#)); for the enlargement countries (excluding Iceland), Eurostat (online data code: [cpc_transp](#)).

Definitions

Inland freight transport designates the transport of freight by rail, road, inland waterways and pipelines.

Inland waterways freight transport covers any goods moved by inland waterways freight vessel. This includes all packaging and equipment, such as containers, swap-bodies or pallets.

Length of railway network should measure (in kilometres) the length of railway lines operated for passenger transport, goods transport, or for both. Lines solely used for tourist purposes during a particular season are excluded, as are railways that are constructed solely to serve mines, forests or other industrial or agricultural undertakings and which are not open to public traffic.

Length of road network measures (in kilometres) the length of roads. The length of road included state roads, provincial roads and communal roads, but should ideally exclude motorways.

Maritime freight transport covers any goods conveyed by merchant ships. This includes all packaging and equipment such as containers, swap-bodies, pallets or road goods vehicles. Mail is included; goods carried on or in wagons, lorries, trailers, semi-trailers or barges are also included.

Motorisation rate is the number of passenger cars registered in a country per thousand inhabitants of the country.

Motorways are defined as roads specially designed and built for motor traffic, providing separate carriage ways for two directions of traffic that are separated from each other, while not crossing at the same level any other road, railway or tramway track, or footpath.

Network density is calculated as the number of kilometres of roads/railways the country has per 1 000 square-kilometres (km²) of its total area.

Passenger cars are defined as road motor vehicles, other than motorcycles, that are intended for the carriage of passengers and designed to seat no more than nine persons (including the driver). Hence, the data presented should cover microcars (no permit required to be driven), taxis and hired passenger cars (with less than ten seats), the only exception being minibuses.

Rail freight transport covers any goods moved by rail vehicles. This includes all packaging and equipment, such as containers,

swap-bodies or pallets as well as road goods vehicles carried by rail.

Road is defined as a line of communication (travelled way) open to public traffic, primarily for the use of road motor vehicles, using a stabilised base other than rails or air strips. The length of road network should measure the length (in kilometres) of state roads, provincial roads and communal roads, but should exclude motorways.

Road freight transport covers any movements of goods using a road freight vehicle on a given road network. This includes all packaging, but excludes the tare weight of the transport unit, e.g. containers, swap-bodies or pallets.

Road share of inland freight transport (modal split) is defined as the percentage share of road transport in total inland transport expressed in tonne-kilometres (tkm). Road transport is based on all movements of vehicles registered in the reporting country.

Sea freight transport covers any goods conveyed by merchant ships. This includes all packaging and equipment such as containers, swap-bodies, pallets or road goods vehicles. Mail is included; goods carried on or in wagons, lorries, trailers, semi-trailers or barges are also included.

Tonne-kilometres (tkm): Unit of measurement of goods transport which represents the transport of one tonne of goods over a distance of one kilometre.

**Communication &
Information Society**

12

Cellular telephony starting to substitute fixed lines in the enlargement countries too

The Digital Agenda for Europe is one of the flagship initiatives of the Europe 2020 strategy, outlining policies and actions to maximise the benefits of the Digital Revolution for all. The main objective of this Agenda is to chart a course of action to maximise the social and economic potential of ICT (Information and Communication Technologies), particularly the Internet and mobile telephony.

The mobile phone industry enjoyed substantial growth between 2001 and 2009. The penetration of mobile phones in the EU-27 increased by nearly 10% per year between 2001 and 2009, reaching over 1 200 cellular telephone subscriptions per thousand inhabitants in 2009. Fierce competition has led to lower telecommunication prices, both in the EU and beyond, and mobile devices have started to substitute fixed telephone lines. All of the enlargement countries, except Iceland, exceeded the growth rate of the EU-27. Based on the number of subscriptions per 1 000 inhabitants, Albania showed the highest growth rate by far, averaging almost 35% per year between 2001 and 2009. The former Yugoslav Republic of Macedonia and Bosnia and Herzegovina also achieved significant growth rates (around 25% per year on average between 2001 and 2011). According to the latest data available, the penetration of mobile phones in Montenegro, Serbia and Albania was higher than in the EU-27. Montenegro recorded the highest penetration of mobile phones, reaching 1 875 mobile telephone subscriptions per thousand inhabitants in 2011, followed by Albania and Serbia, reaching respectively 1 314 and 1 399 subscriptions per thousand inhabitants in 2011. Note that one person may have multiple subscriptions (for example, for private and work use). For the EU-27 as a whole and in some enlargement countries, the growth in mobile phone subscriptions was in parallel with a general decline in the number of landline phones. In the EU-27, the number of fixed telephone lines per thousand inhabitants fell from 485 in 2001 to 434 in 2009, a 1% decline per year over the given period. Iceland, Montenegro, the Former Yugoslav Republic of Macedonia, Turkey and Kosovo, all showed a similar declining tendency. Albania, Bosnia and Herzegovina, Croatia and Serbia all defied this trend and still showed an increase in the number of fixed lines. However, with the exception of Croatia,

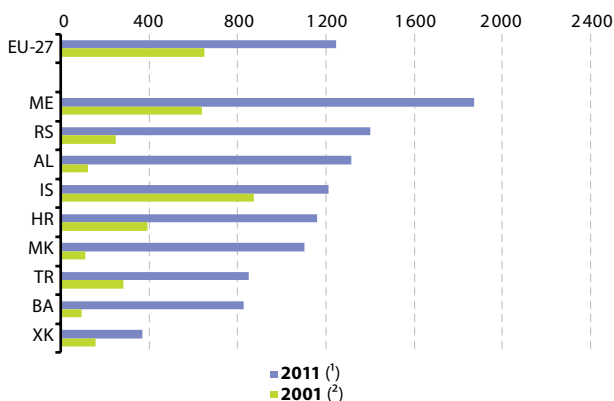
this positive tendency should be observed against the much lower level of fixed lines density at its base in 2001.

Large majority of enterprises had access to the Internet

The Nordic countries have traditionally scored very high in terms of ICT equipment and usage. Iceland is no exception as 95 % of all households had access to a personal computer in 2011. In the EU-27, this percentage reached 77 %. The other enlargement countries are quickly catching up: Croatia and the former Yugoslav Republic of Macedonia reported between 60 and 65 %. In the EU-27, 95 % of enterprises had access to the Internet in 2011. The enlargement countries for which data is available reported similar shares. Only the former Yugoslav Republic of Macedonia reported a lower share of 82 %. In the EU-27, 73 % of households had home Internet connections and 67.5 % of individuals regularly accessed the Internet in 2011. The corresponding figures in Iceland were substantially higher, reaching well over 90 %. Among the other enlargement countries, the percentage of households with internet connection was far lower, ranging between 40 and 60 %. Bosnia and Herzegovina and Albania recorded the lowest lower figures by far with comparatively low percentages (11 % and 3 % respectively).

In Turkey, almost 43 % of households had access to the Internet, and almost 90 % of the persons aged 16–74 regularly accessed the Internet.

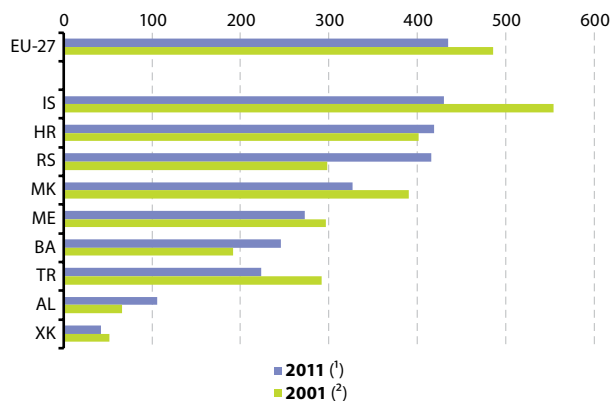
Figure 12.1: Mobile phone subscriptions
(average number of subscriptions per 1 000 inhabitants)



(1) Bosnia and Herzegovina, estimated data; Turkey, 2010; EU-27, Albania and Kosovo, 2009.
(2) Bosnia and Herzegovina, estimated data; Kosovo, 2003.

Source: for the EU-27, Eurostat (online data codes: [isoc_tc_ac1](#) and [demo_pjan](#)); for the enlargement countries, Eurostat (online data codes: [cpc_inisoc](#) and [cpc_psdemo](#)).

Figure 12.2: Fixed telephone lines
(per 1 000 inhabitants)

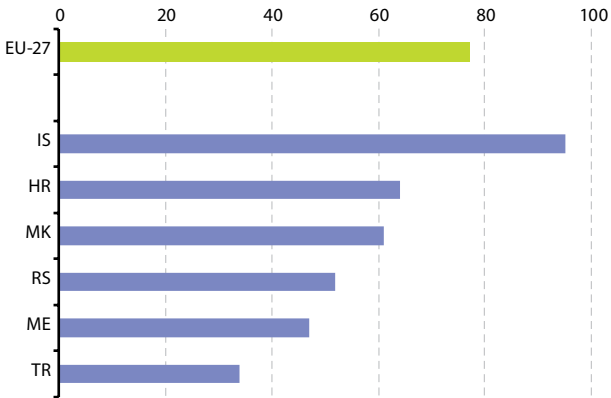


(1) EU-27 and Bosnia and Herzegovina, estimated data; Montenegro (break in series) and Turkey, 2010; EU-27, Albania and Kosovo, 2009.

(2) Bosnia and Herzegovina, estimated data; Kosovo, 2003.

Source: for the EU-27, Eurostat (online data codes: [isoc_tc_ac1](#) and [demo_pjan](#)); for the enlargement countries, Eurostat (online data codes: [cpc_inisoc](#) and [cpc_psdemo](#)).

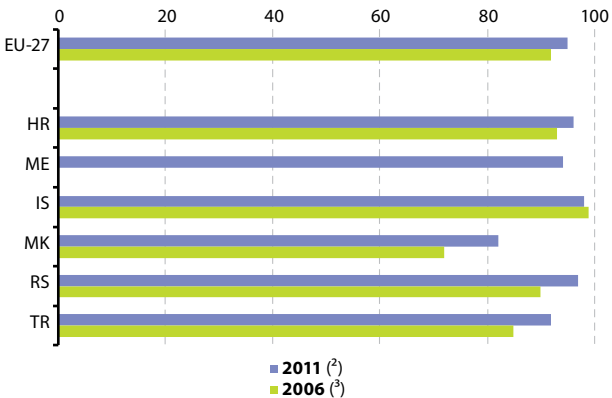
Figure 12.3: Households having access to a personal computer, 2011 ⁽¹⁾
(%)



⁽¹⁾ Montenegro, estimated data; Albania, Bosnia and Herzegovina and Kosovo, not available.

Source: for the EU-27, Eurostat (online data code: [isoc_ci_cm_h](#)); for the enlargement countries, Eurostat (online data code: [cpc_inisoc](#)).

Figure 12.4: Enterprises having access to the internet ⁽¹⁾
(%)



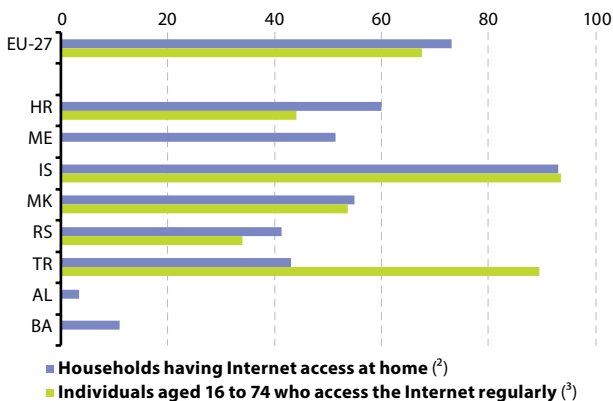
⁽¹⁾ Albania, Bosnia and Herzegovina and Kosovo, not available.

⁽²⁾ Montenegro, estimated data; Iceland, 2010.

⁽³⁾ The former Yugoslav Republic of Macedonia, estimated data; Croatia and Turkey, 2007.

Source: for the EU-27, Eurostat (online data code: [isoc_ci_in_e](#)); for the enlargement countries, Eurostat (online data code: [cpc_inisoc](#)).

Figure 12.5: Internet use by individuals, 2011 ⁽¹⁾
(%)



⁽¹⁾ Kosovo, not available.

⁽²⁾ Albania, 2008; Bosnia and Herzegovina, 2007.

⁽³⁾ Montenegro, Albania and Bosnia and Herzegovina, not available.

Source: for the EU-27, Eurostat (online data codes: [isoc_ci_in_h](#) and [isoc_ci_ifp_fu](#)); for the enlargement countries, Eurostat (online data code: [cpc_inisoc](#)).

Definitions

Fixed (or main) telephone line is one that connects the subscriber's terminal equipment to the public switched telephone network, with a dedicated port in the telephone exchange equipment. This is synonymous with the term 'main station' or 'direct exchange line'.

Share of **households having access to a personal computer** is the ratio of the number of households owning a small, single-user computer based on a micro-processor, with a keyboard for entering data, a monitor for displaying information and a storage device for saving data, to the total number of households.

Internet access within enterprises refers to all enterprises with 10 or more persons employed within NACE Sections D, G, H, I and K.

Internet use by individuals refers to all private persons using the Internet on average once a week.

A **mobile phone subscription** is the use of public mobile telecommunication systems (also called mobiles or cell phones) using cellular technology. Active pre-paid cards are also treated as subscriptions. People may have more than one subscription.

**Research &
development**

13

Iceland's R&D expenditure exceeded EU targets for 2020 in 2009

Research and development (R&D), which lies at the heart of the Europe 2020 strategy, is the key to the development of an economy based on knowledge and innovation. Indeed, one of the headline targets of the Europe 2020 strategy is that 3% of the EU's GDP is to be invested in R&D by 2020. In 2010, the EU-27 gross domestic expenditure on R&D accounted for a mere 2.0% share of GDP. Despite a 7% increase between 2001 and 2010, this percentage is still far from reaching the 3.0% goal. The percentage for Iceland, for instance, was 3.1% in 2009, which exceeded the current target of the Europe 2020 strategy, despite the financial and economic crisis which hit the country in 2008. In Croatia, on the other hand, the figure oscillated around 1%. Turkey's funds dedicated to R&D were even lower than those of Croatia, let alone the former Yugoslav Republic of Macedonia where, according to the available sources, the R&D expenditure saw a decline from 0.3% in 2001 to less than 0.2% in 2010.

Turkey's R&D manpower experiencing a sharp upward trend

The EU-27's R&D personnel had been experiencing a steady upward trend, reaching 2.5 million in 2010, pertaining to an annual average growth of 2.4% since 2001. The most prominent R&D workforce growth among the enlargement countries was observed in Turkey, where it reached close to 82 thousand in 2010 and recorded an annual average growth rate of 12.8% after 2001. Montenegro also registered a sustained growth in its R&D personnel, reaching 1512 in 2009. Conversely, Croatia's R&D workforce amounted to around 11 thousand, only marginally more than in the previous years. The former Yugoslav Republic of Macedonia experienced a decline in the R&D workforce between 2006 and 2009. In Iceland, the progress rate of the R&D workforce was more volatile; however, with 2.4% of all persons employed in 2009, it largely exceeded the (estimated) ratio of the EU-27, which stood at 1.2% that same year.

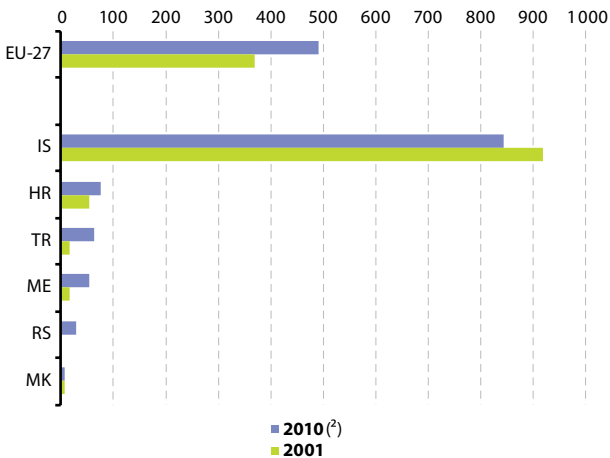
Table 13.1: Gross domestic expenditure on research and development
(% share of GDP)

	2001 ⁽¹⁾	2006	2008	2009	2010
EU-27	1.87	1.85	1.92	2.02	2.01
HR	0.93	0.75	0.90	0.85	0.74
ME	0.74	1.24	:	:	:
IS	2.95	2.99	2.34	3.11	:
MK	0.30	0.20	0.23	0.20	0.19
RS	:	:	0.38	0.92	0.79
TR	0.54	0.58	0.73	0.85	0.84
AL	:	:	:	:	:
BA	:	:	:	:	:
XK	:	:	:	:	:

(1) Montenegro, 2002.

Source: for the EU-27, Eurostat (online data code: [rd_e_gerdtot](#)); for the enlargement countries, Eurostat (online data code: [cpc_scienc](#)).

Figure 13.1: Gross domestic expenditure on research and development
(EUR per inhabitant)



(1) EU-27, estimated data.

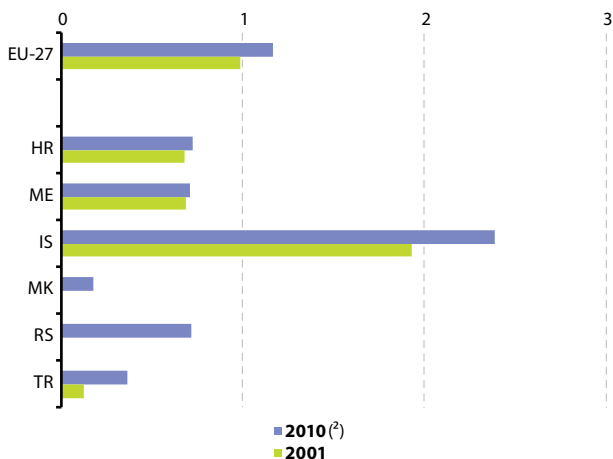
(2) Montenegro and Iceland, 2009.

Source: for the EU-27, Eurostat (online data code: [rd_e_gerdtot](#)); for the enlargement countries, Eurostat (online data code: [cpc_scienc](#)).

Table 13.2: Research and development personnel (full time equivalents)

	2001	2006	2008	2009	2010
EU-27	2 034 454	2 284 287	2 447 891	2 477 896	2 525 576
HR	10 043	9 516	10 583	11 015	10 859
ME	1 223	1 233	1 462	1 512	:
IS	2 901	3 415	3 117	3 753	:
MK	:	1 356	1 265	1 147	:
RS	:	:	17 374	18 107	17 274
TR	27 698	54 444	67 244	73 521	81 792
AL	:	:	:	:	:
BA	:	:	:	:	:
XK	:	:	:	:	:

Source: for the EU-27, Eurostat (online data code: [rd_p_persocc](#)); for the enlargement countries, Eurostat (online data code: [cpc_scienc](#)).

Figure 13.2: Research and development personnel (FTE), in total employment⁽¹⁾

⁽¹⁾ EU-27, Montenegro and the former Yugoslav Republic of Macedonia, estimated data.

⁽²⁾ Montenegro, the former Yugoslav Republic of Macedonia and Iceland, 2009; Croatia, estimated data.

Source: for the EU-27 and IS, Eurostat (online data code: [rd_e_gerdtot](#)); for the enlargement countries, Eurostat (online data code: [cpc_scienc](#)).

Definitions

Employed persons are defined in the Labour Force Survey (LFS) as persons aged 15 and over who during the reference week did any work for pay, profit or family gain or were not at work but had a job or business from which they were temporarily absent because of, e.g., illness, holidays, industrial dispute and education or training.

Full-time equivalent (FTE): corresponds to one year's work by one person. Consequently, someone who normally spends 40% of his or her time on R&D and the rest on other activities (e.g. teaching, university administration or counselling) should be counted only 0.4 FTE.

Gross domestic expenditure on R&D refers to R&D activities in the business enterprise sector, the government sector, the higher education sector, and the non-profit sector. GDP figures are compiled in accordance with ESA95. Indicators are calculated using current prices.

The basic methodological recommendations and guidelines for research and development (R&D) statistics are found in the Frascati Manual, which covers the measurement of all scientific and technological activities at the national level (Proposed Standard Practice for Surveys of Research and Experimental Development — Frascati Manual, OECD, 1994, revised 2002). R&D is defined as comprising 'creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of this stock of knowledge to devise new applications'.

R&D personnel: data on R&D personnel measure the resources going directly to R&D activities. Total R&D personnel is defined as follows: 'All persons employed directly on R&D should be counted, as well as those providing direct services such as R&D managers, administrators and clerical staff. Those providing indirect services, such as canteen and security staff, should be excluded' (Frascati Manual, § 294-295).

Environment

14

Rapid economic development makes greenhouse gas emissions rise fast in Turkey

Combating climate change is a top priority for the EU. Europe is working hard to substantially cut down on its greenhouse gas emissions, at the same time encouraging other nations and regions to act accordingly. One of the main objectives of the Europe 2020 strategy is to reduce greenhouse gas emissions by 20 % by the year 2020, as compared to the 1990 levels.

Following a gradual rise which culminated in 2004, the EU-27 greenhouse gas emissions went on to decline steadily in the subsequent years. The impact of rising energy prices in 2007 might have contributed to this decline. Lower energy consumption due to the economic crisis of 2008 further affected the development. Overall, between 1990 and 2010, the EU-27 greenhouse gas emissions declined by 15 %. Even if we acknowledge the impact of the economic crisis which has 'forced' a greenhouse gas reduction, the EU seems to be well on track for achieving its target for 2020, provided that the current policies are fully implemented.

In contrast to the aforementioned EU trend, Iceland's greenhouse gas emissions were rising rapidly. Indeed, in 2008, greenhouse emissions in Iceland were nearly 42 % above the levels of 1990. Nevertheless, this trend changed shortly, likely influenced by the financial and economic crisis that affected Iceland from 2008 onwards. Turkey's rapid economic development between 1990 and 2010 resulted in greenhouse gas emissions that were more than double those registered in 1990. It appears that the worldwide economic crisis slowed down the emission levels only temporarily: the emissions in 2009 were already higher than in 2008 (even though only marginally), while 2010 levels indicated the return of a clear upward trend. In the first decade of the 21st century, Croatia's emissions culminated in 2008 and displayed a downward trend in the following two years. Still, throughout the period observed, Croatia's greenhouse gas emissions remained below the levels the country had in 1990.

Municipal waste collected: more than double in Albania

Municipal waste can be recorded according to various criteria, such as waste collected and waste generated. Municipal waste collected does not include waste generated in areas not covered

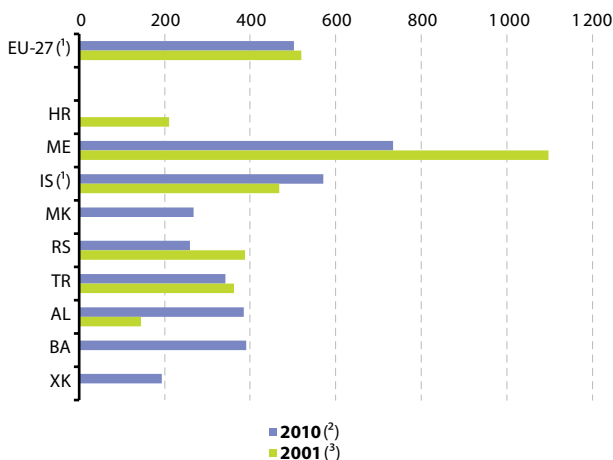
by a collection system. This section presents data on the waste collected in the enlargement countries as most countries could not estimate the amount of waste generated in the areas not covered by a waste collection system. The EU-27 aggregate and data for Iceland, however, refer to the waste generated.

The majority of the enlargement countries saw some convergence of their municipal waste quantities towards the EU-27 average, which decreased slightly between 2001 and 2010, from 521 kg to 502 kg per inhabitant. The quantity of waste collected in Montenegro remained particularly high, although a marked decrease was registered between 2002 (estimated quantity of 1098 kg per inhabitant) and 2009 (735 kg). Whereas Serbia reported a clear decrease in municipal waste quantities (-33%) between 2005 and 2010 (estimated), and Turkey managed to reduce quantities by 5% (between 2001 and 2010), Albania more than doubled the municipal waste collected, from a low 146 kg per person in 2003 (estimated) to 384 kg in 2010. This was still considerably below the quantity of waste generated in Iceland, which increased by 22% after 2001 to reach 572 kg per inhabitant in 2010.

Table 14.1: Total greenhouse gas emissions
(based on tonnes of CO₂ equivalent, 1990=100)

	2001	2006	2008	2009	2010
EU-27	92.0	92.0	89.0	83.0	85.0
HR	86.7	97.5	98.5	91.8	91.0
ME	:	:	:	:	:
IS	108.8	125.1	141.6	134.2	129.7
MK	92.0	:	:	:	:
RS	:	:	:	:	:
TR	148.7	186.9	196.0	197.6	214.9
AL	:	:	:	:	:
BA	:	:	:	:	:
XK	:	:	:	:	:

Source: for the EU-27, Eurostat (online data code: [env_air_ind](#)); for the enlargement countries, Eurostat (online data code: [cpc_enclimwa](#)).

Figure 14.2: Municipal waste collected
(kg per inhabitant)

⁽¹⁾ EU-27, Iceland: municipal waste generated.

⁽²⁾ Iceland and Serbia, estimated data; Montenegro, the former Yugoslav Republic of Macedonia and Kosovo, 2009.

⁽³⁾ Montenegro (estimated data), 2002; Albania (estimated data), 2003; Serbia, 2005.

Source: for the EU-27 and IS, Eurostat (online data code: [env_wasmun](#)); for the enlargement countries (except IS), Eurostat (online data code: [cpc_sienv](#)).

Definitions

CO₂ equivalent: emissions of some substances resulting from burning of fossil fuels and other activities like industrial processes or agriculture significantly change the composition of the atmosphere and cause the anthropogenic greenhouse effect: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) and hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphurhexafluoride (SF₆). These substances have individual global warming potentials (GWP) ranging from 1 (CO₂) to 23900 (SF₆). In order to aggregate the emissions of the different substances and present a single figure for the climate change issue they are expressed in CO₂ equivalents.

Greenhouse gas (GHG) emissions are officially reported under the United Nations Framework Convention on Climate Change and the Kyoto Protocol. The main greenhouse gases include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), as well as ozone depleting chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs) — these latter two groups of gases are not covered by the Kyoto Protocol. Converting them to CO₂-equivalents makes it possible to compare them and to determine their individual and total contributions to global warming.

Municipal waste collected includes waste originating from households, commerce and trade, small businesses, office buildings and institutions collected by or on behalf of municipalities. It also includes: waste from selected municipal services, i.e. waste from park and garden maintenance, waste from street cleaning services (street sweepings, the content of litter containers, market cleansing waste) if managed as waste. It does not include waste generated in areas not covered by a collection system. The following categories are part of the municipal waste: organic waste, paper and cardboard, textiles, plastics, glass, metals and other waste.

Municipal waste generated consists of waste collected by or on behalf of municipal authorities and disposed of through the waste management system. The bulk of this waste stream is from households, though similar wastes from sources such as commerce, offices and public institutions are included. The variable should be reported in kilogramme (kg).

Waste refers to materials that are not prime products (i.e. products produced for the market) for which the generator has

no further use for own purpose of production, transformation or consumption, and which he discards, intends or is required to discard. Waste may be generated during the extraction of raw materials, during the processing of raw materials to intermediate and final products, during the consumption of final products, and during any other human activity.

Excluded from this definition are:

- Residuals directly recycled or reused at the place of generation;
- Waste materials that are directly discharged into ambient water or air.

European Commission

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2013 edition

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