



eurostat
Compact guides

Enlargement countries

Economic developments

2012 edition

The process of enlargement

The European Union is currently made up of 27 Member States (EU-27). Nevertheless, 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, pending ratification of the treaty by the 27 individual Member States. 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 role of Eurostat

One of the roles 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 statistical data from these countries. Eurostat provides technical assistance and support to the national statistical institutes of the enlargement countries, with the aim of enabling them to produce and disseminate harmonised and quality data which complies with the European and international statistical standards.

(1) Provisional code which does not prejudice in any way the definitive nomenclature for this country, which will be agreed following the conclusion of negotiations currently taking place on this subject at 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.

Data sources

The National Statistical Institutes (NSIs) have provided the information presented in this leaflet. The majority of the data were taken from the key indicators that are collected on a regular basis by Eurostat. Data presented in this publication were processed in March 2012.

Economic developments and the EU 2020 strategy

The unprecedented economic crisis which gathered pace in autumn 2008 has affected the EU and all the enlargement countries. In 2009, the gross domestic product (GDP) decreased by 4.3 % in the EU-27, the pre-crisis level being reached again in 2010. The impact of the crisis on the enlargement countries varied, depending on each country's economic structure. Nevertheless, the enlargement countries, except Croatia, Iceland and Montenegro recorded an increase in GDP in 2010, ranging between 0.7 % and 9.0 %.

Before the economic crisis, the enlargement countries recorded high economic growth rates. In 2010, the EU-27's GDP was around eighteen times larger than the combined GDP of all the enlargement countries. In 2010, GDP per inhabitant in Iceland, expressed in purchasing power standards (PPS), was above the EU-27 average, despite the Icelandic financial crisis.

In contrast, GDP per capita in the other enlargement countries was lower than that of the EU-27 in 2010 but had risen steadily over recent years. The EU is actively supporting the enlargement countries' endeavours towards economic recovery, macroeconomic stabilisation and fiscal consolidation. Substantial EU assistance is being targeted at improving public finance management, increasing the quality of statistics and strengthening banking sector supervision.

The new Europe 2020 strategy puts forward three mutually reinforcing priorities of smart, sustainable and inclusive growth. If the strategy is to succeed, 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 visible demonstration of the EU's ambitions in the field of employment. The enlargement countries will be associated with initiatives taken at the EU level to meet the goals of smart, sustainable and inclusive growth, delivering high levels of employment, productivity and social cohesion.

Table 1: GDP, 2010⁽¹⁾

	GDP (million EUR)	GDP per capita (EUR)	GDP growth rate⁽²⁾ (%)
EU-27	12 258 374	24 400	2.0
HR	45 917	10 367	-1.2
IS	9 495	29 900	-4.0
ME	2 981	4 720	-5.7
MK	6 905	3 360	1.8
RS	28 006	3 841	1.0
TR	550 506	7 541	9.0
AL	8 716	2 728	3.3
BA	12 570	3 271	0.7
XK	4 216	2 383	3.1

⁽¹⁾ Montenegro and Albania, 2009; Turkey, mid-year population estimates.

⁽²⁾ Kosovo, 2003.

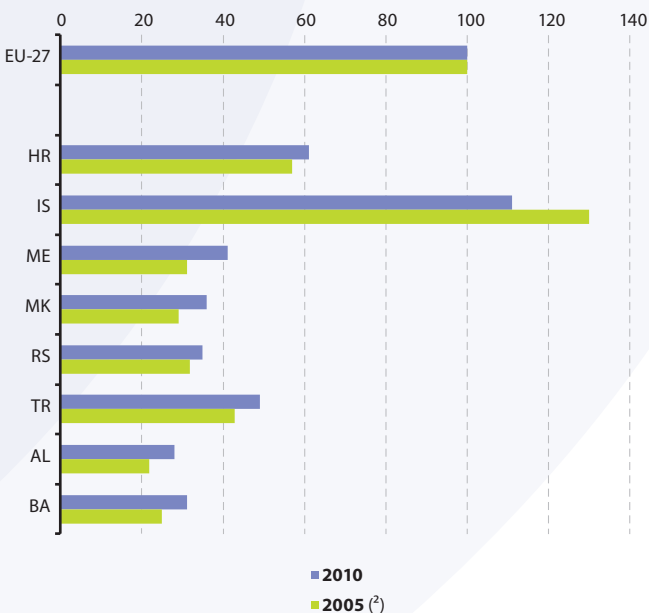
Source: for the EU-27 and IS, Eurostat (online data codes: [bop_fdi_main](#) and [nama_gdp_c](#)); for the enlargement countries (except IS), Eurostat (online data codes: [cpc_ecnagdp](#) and [cpc_ecbop](#)).

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. Gross value-added is the difference between output and intermediate consumption and is measured at market prices.

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

GDP growth rate is calculated as the increase in GDP relative to the previous year, in percentage. 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.

Figure 1: GDP per capita at current market prices⁽¹⁾
(PPS, EU-27 = 100)



(1) Kosovo, not available.

(2) Break in series.

Source: Eurostat (online data code: [tec00114](#)).

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.

Table 2: Gross value added by main sectors, 2010⁽¹⁾
(% share of total gross value added)

	Agriculture	Industry	Construction	Services
EU-27	1.7	18.8	6.0	73.5
HR	5.5	19.0	6.7	68.8
IS	6.9	17.8	5.0	70.3
ME	9.2	13.5	6.1	71.2
MK	11.2	21.5	5.9	61.4
RS	:	:	:	:
TR	9.4	21.5	4.6	64.5
AL	18.8	9.9	14.2	57.1
BA	8.3	20.8	5.1	65.8
XK	:	:	:	:

(¹) Iceland, the former Yugoslav Republic of Macedonia and Albania, 2009.

Source: for the EU-27 and IS, Eurostat (online data code: [nama_nace06_c](#)); for the enlargement countries (except IS), Eurostat (online data code: [cpc_ecnabr](#)).

Table 3: Employment by economic activity, 2010⁽¹⁾
(%)

	Agriculture	Industry and construction	Services
EU-27	4.8	25.6	69.6
HR	14.9	27.3	57.8
IS	5.5	18.1	76.4
ME	6.2	20.0	73.9
MK	19.1	29.0	51.9
RS	22.3	26.0	51.7
TR	26.1	28.1	45.8
AL	44.1	19.9	36.0
BA	:	:	:
XK	:	:	:

(¹) Albania and Bosnia and Herzegovina, 2009.

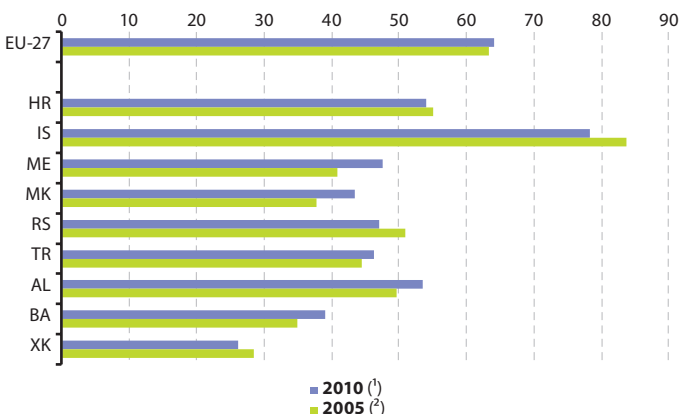
Source: for the EU-27 and IS, Eurostat (online data code: [lfsa_egan2](#)); for the enlargement countries (except IS), Eurostat (online data code: [cpc_ecnabr](#)).

Gross value added (ESA95) is measured at market prices. It can be defined as final output minus intermediate consumption. This indicator is provided in the table as a breakdown of value added by main sectors according to NACE (Statistical classification of economic activities).

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. Economic activities are defined according to NACE.

Figure 2: Employment rate

(%)



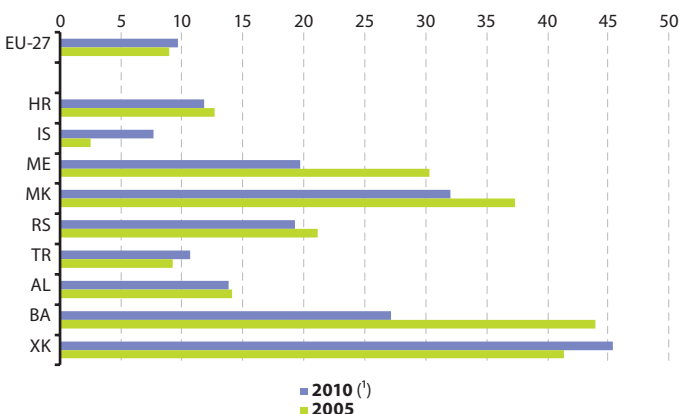
(¹) Albania and Kosovo, 2009.

(²) Turkey and Bosnia and Herzegovina, 2006.

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

Figure 3: Unemployment rate

(%)



(¹) Albania and Kosovo, 2009.

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

Employment rate: the proportion of population aged 15 to 64 that is in employment.

Unemployment rate: persons aged 15 to 74 who were not employed, had actively sought work during the past four weeks and were ready to begin working within two weeks, as a proportion of the total number of active persons of the same age.

Table 4: General government deficit/ surplus and general government debt

(% of GDP)

	General government deficit (-) / surplus (+)		General government debt	
	2005	2010 ⁽¹⁾	2005	2010 ⁽²⁾
EU-27	-2.4	-6.6	62.8	80.1
HR	-4.0	-4.9	38.2	41.2
IS	4.9	-10.1	26.0	92.9
ME	-2.0	-5.0	38.3	42.0
MK	0.2	-2.5	38.4	24.8
RS	1.0	-4.7	50.6	42.7
TR	-0.6	-6.7	52.7	42.2
AL	-3.5	-3.0	56.8	53.9
BA	2.4	-2.5	25.3	25.7
XK	:	:	:	:

⁽¹⁾ Turkey, 2009.

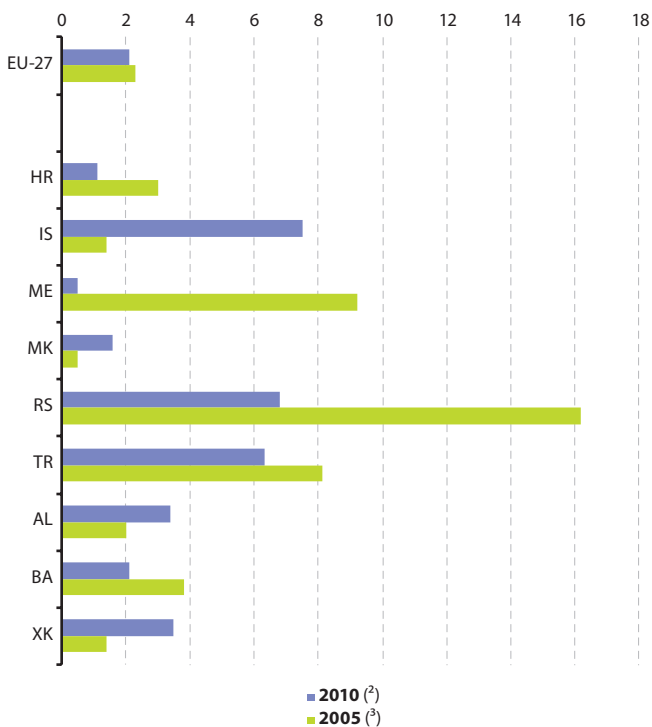
⁽²⁾ Albania, 2008.

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

General government deficit/surplus 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.

General government debt 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.

Figure 4: Annual average inflation rates⁽¹⁾
(HICP or CPI, % change on previous year)



⁽¹⁾ EU-27, Croatia, Iceland and 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⁾ Turkey, 2009.

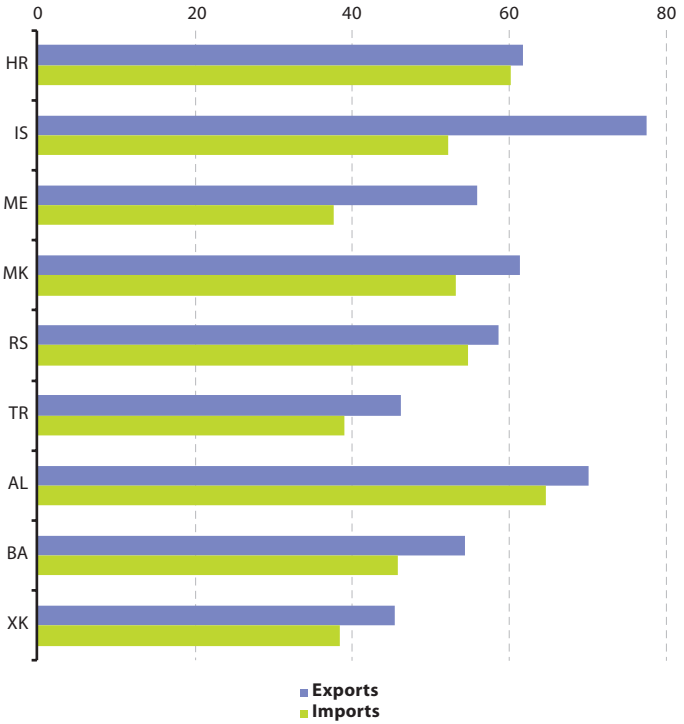
⁽³⁾ Montenegro, 2008.

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

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

The Harmonized Index of Consumer Prices (HICP), as it is calculated in the EU, is computed according to a harmonized approach and a single set of definitions. It is mainly used to measure inflation.

Figure 5: International trade in goods with EU-27, 2010
(% of total exports and imports)



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

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.

Table 5: International trade in goods, 2010

(million EUR)

	Exports	Imports	Trade balance
EU-27	1 349 165	1 509 073	-159 908
HR	8 824	15 134	-6 310
IS	3 475	2 945	530
ME	330	1 657	-1 327
MK	2 498	4 119	-1 622
RS	7 067	12 475	-5 408
TR	85 247	138 715	-53 468
AL	1 169	3 472	-2 303
BA	3 623	6 957	-3 334
XK	284	2 146	-1 862

Source: for the EU-27 and IS, Eurostat (online data codes: [ext_lt_intertrd](#), [ext_lt_maineu](#) and [ext_lt_intercc](#)); for the enlargement countries (except IS), Eurostat (online data code: [cpc_etmain](#)).

Table 6: Inward foreign direct investments ⁽¹⁾

	Inward FDI (million EUR)		Inward FDI relative to GDP (%)	
	2005	2010	2005	2010
EU-27	129 167	103 894	1.2	0.8
HR	1 468	2 065	4.1	4.5
IS	2 475	268	18.9	2.8
ME	403	1 099	22.2	36.9
MK	77	221	1.6	3.2
RS	1 268	1 003	6.2	3.6
TR	8 063	6 842	2.1	1.2
AL	213	706	3.2	8.1
BA	493	174	5.6	1.4
XK	108	315	3.6	7.5

(¹) Croatia, Montenegro and Albania, 2009.

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

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.

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. FDI inflow (or FDI in the reporting economy) is investment by foreigners in enterprises resident in the reporting economy.

More information

For general information regarding European statistics, please go to the Eurostat web site:

<http://ec.europa.eu/eurostat>

For information on statistical classifications, please go to the Eurostat classification server RAMON:

<http://ec.europa.eu/eurostat/ramon>

For more information on European policies in the areas of enlargement and EU2020 strategy, please go to the following web sites:

<http://ec.europa.eu/enlargement>

<http://ec.europa.eu/europe2020>

For more specific questions on statistics in relation to enlargement countries, please contact:

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Country codes, symbols and further information

For more information on statistics in enlargement countries, please go to the websites of the National Statistical Institutes:

HR	Croatia	http://www.dzs.hr
IS	Iceland	http://www.statice.is
ME	Montenegro	http://www.monstat.org
MK ⁽¹⁾	The former Yugoslav Republic of Macedonia	http://www.stat.gov.mk
RS	Serbia	http://www.stat.gov.rs
TR	Turkey	http://www.turkstat.gov.tr
Al	Albania	http://www.instat.gov.al
BA	Bosnia and Herzegovina	http://www.bhas.ba
XK	Kosovo ⁽²⁾	http://esk.rks-gov.net

The data for Serbia exclude Kosovo.

: No data available

% Percentage

Italic Value is either an estimate or provisional

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