EPRS European Parliamentary Research Service

Statistical spotlight

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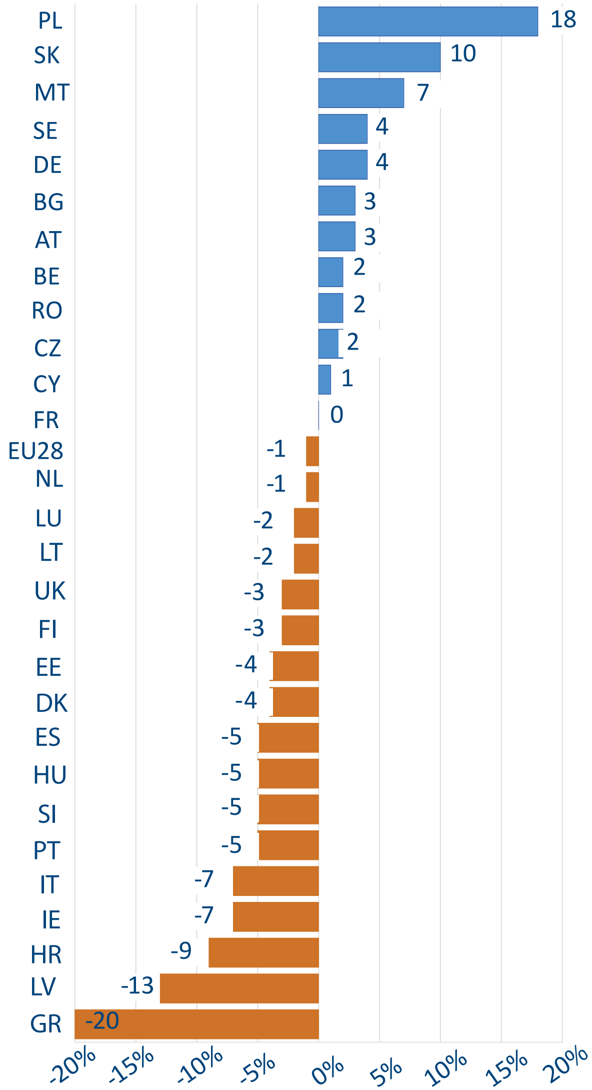
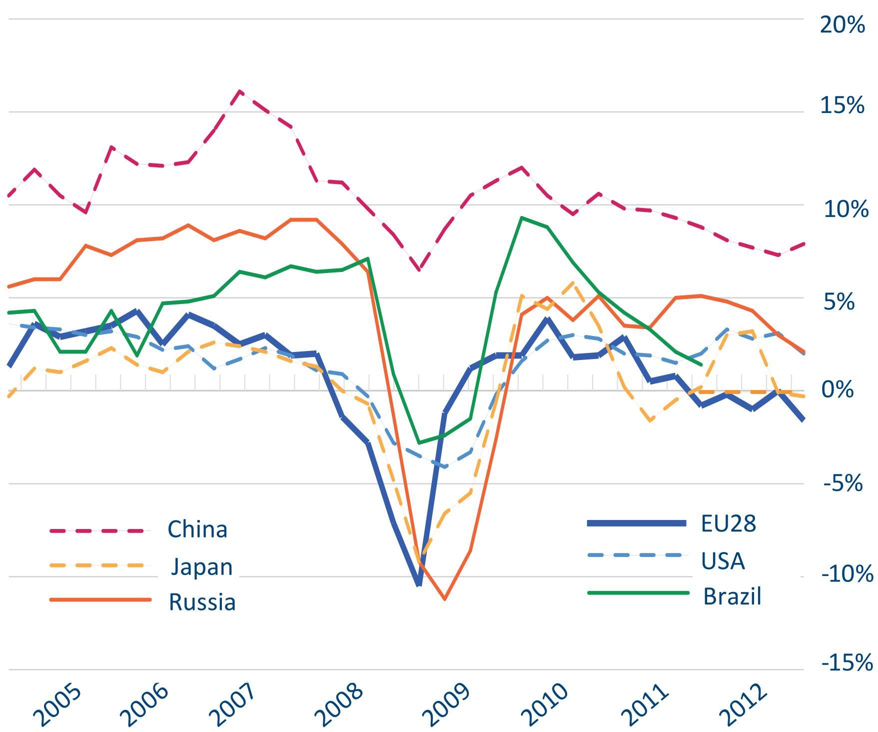
Selected indicators on the economic impact of the crisis

From average annual growth of 2.9 percentage points (pp) during the 2005-08 period, the recession brought average EU28 annual GDP growth down to 0.1pp in the years 2009-12. The drop was also significant for other global players, with growth slowing down in all major economies. The debt to GDP ratio increased in all European Union Member States, leading to the revision of the Excessive Deficit Procedure. This is used to monitor those euro area countries which, as established by Article 126 of the Treaty on the Functioning of the European Union, either fail to keep their deficit below the 3% of GDP limit or allow their government debt to rise above 60% of GDP. In 2012 the European Stability Mechanism was set up as a primary support for debt sustainability. This paper looks at the impact of these financial developments on the real economy and their diverse effects on labour markets, consumer prices and industrial sectors across Member States.

1. 2012 GDP compared with 2007



2. GDP annualised quarterly change



By the end of 2012, the GDP of the EU28 was still 1% less than in 2007. For nine Member States the contraction was 5% or more, while the period saw increases of more than 5% in only three Member States.

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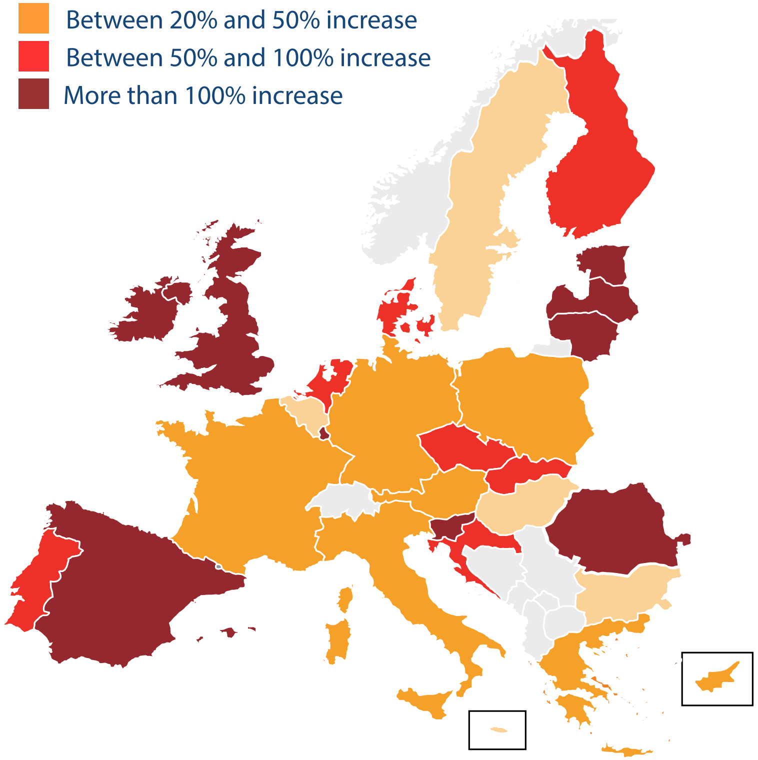
3. Debt to GDP ratio: How 2012 compares to 2007

- Less than 20% increase
- Between 20% and 50% increase
- Between 50% and 100% increase
- More than 100% increase



The small charts show for each MS how the government budget balance - on the left, in % GDP - changed over the years along with expenditure on investment - on the right hand-axis - in % change over the previous year.

In 2012, the cumulative gross government debt of the EU28 was 85% of GDP, up from 59% in 2007. In absolute terms this represents an increase of over 50% in gross debt. In nine of the 28 Member States, the absolute gross debt has more than doubled during the period.

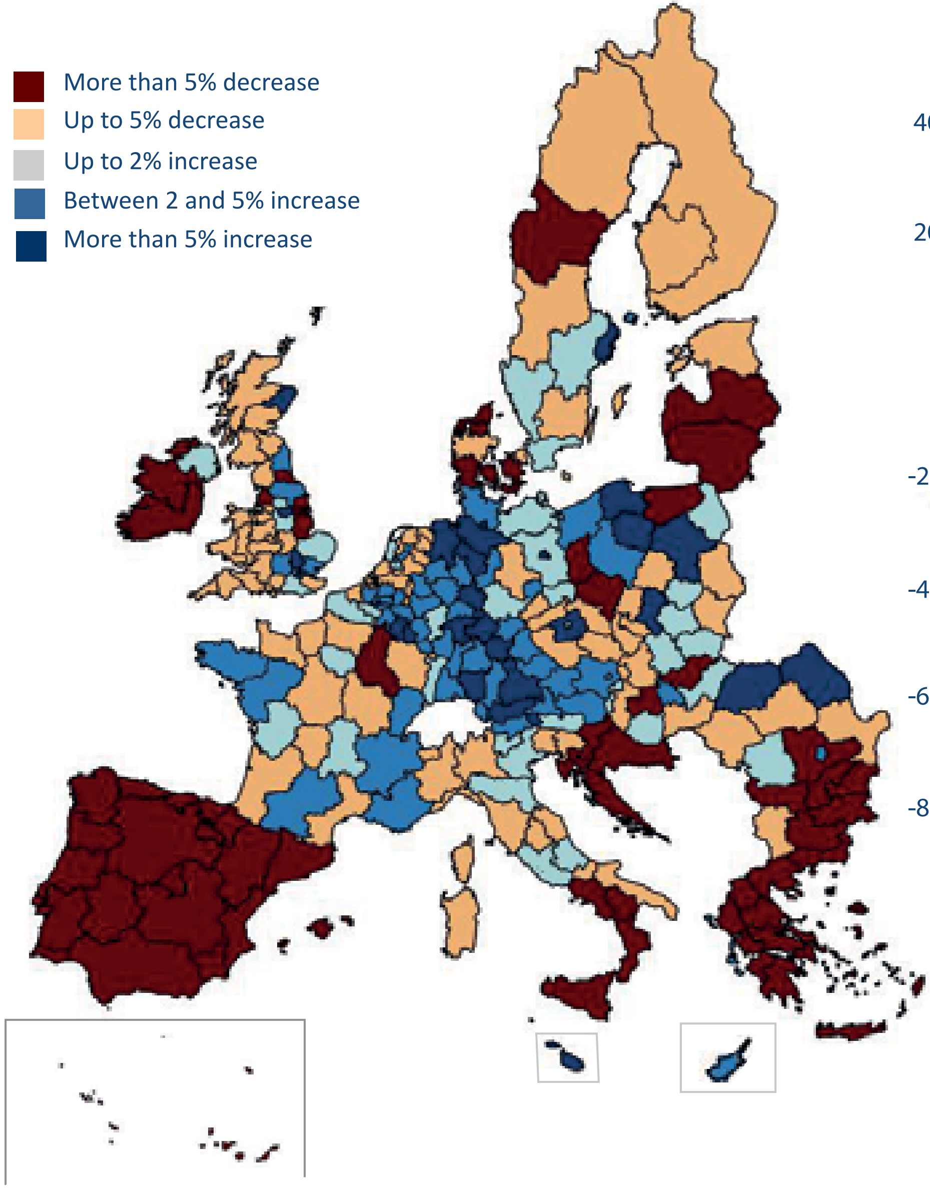
4. Governments' budget balance and investment

Budget balance, % of GDP

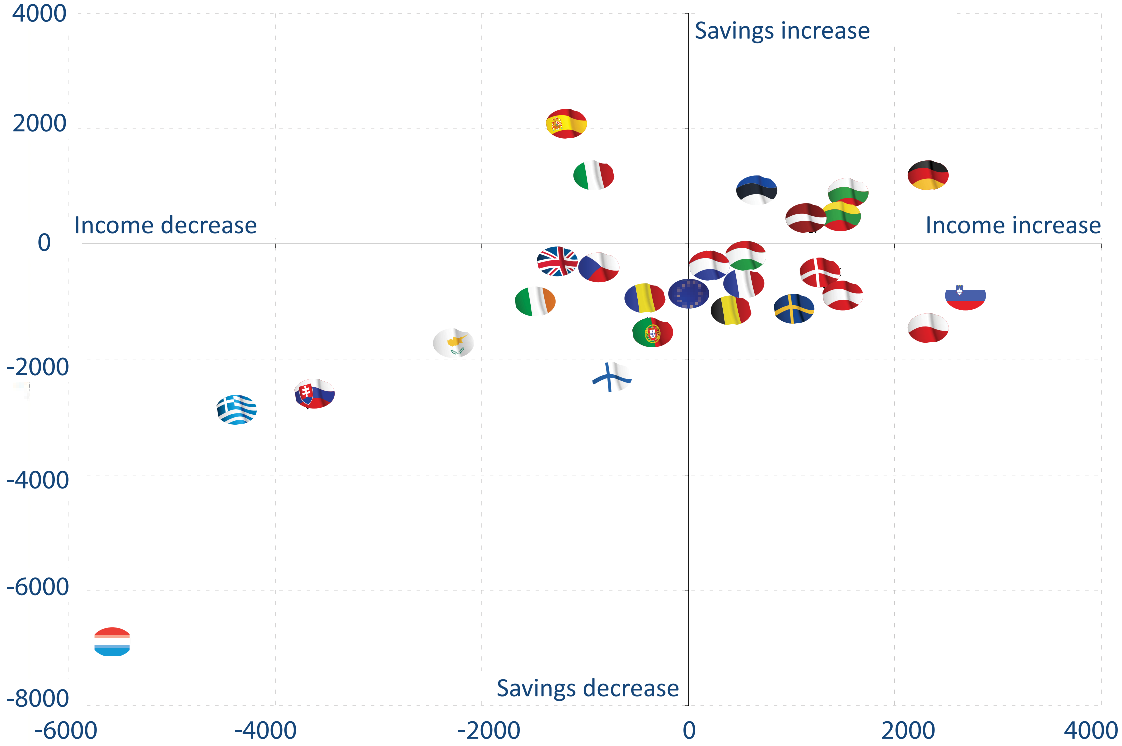
Public investment, % change

Further information on page 5

5. Employment change: 2012 compared with 2007



6. Net savings and disposable income: 2012-2008
Change in PPS per inhabitant



In the EU28 overall, more than 6 million employees lost their jobs during the period. In absolute terms, the biggest job increase by region was in Berlin, with around 150 000 new posts, and the biggest loss of employment occurred in Catalonia, with some 630 000 persons having lost their jobs.

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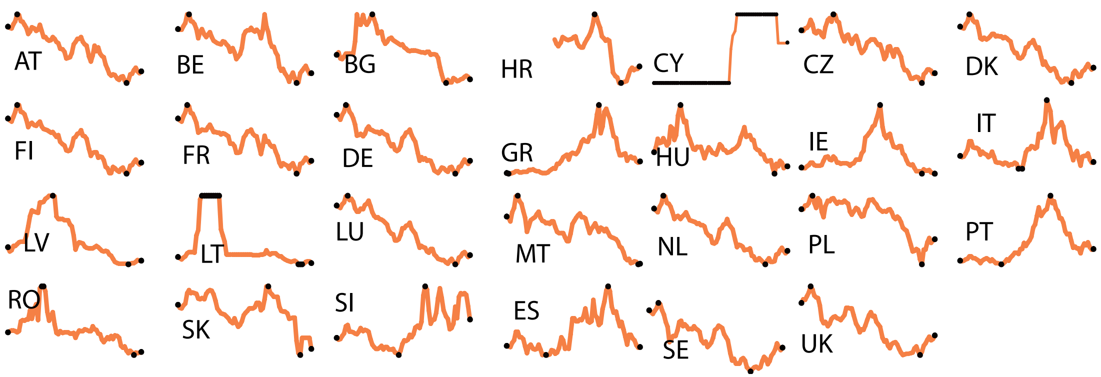
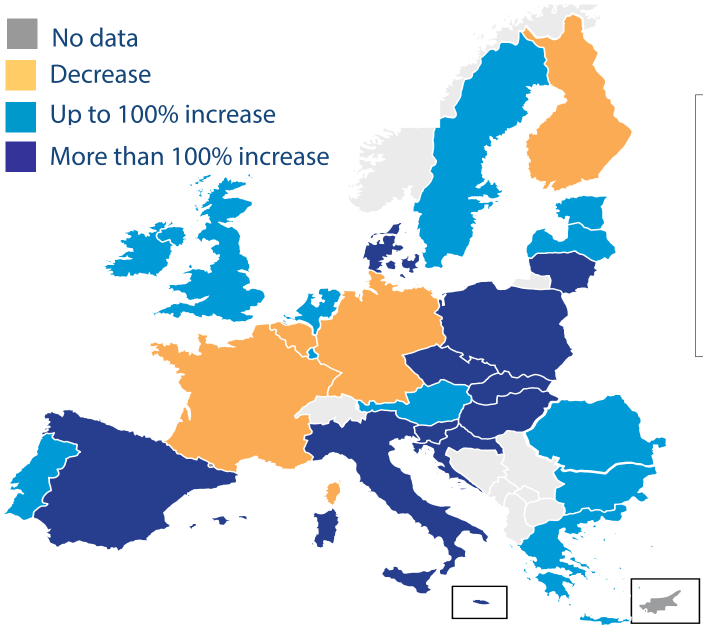
7. Long-term interest rates: evolution between January 2008 and December 2013

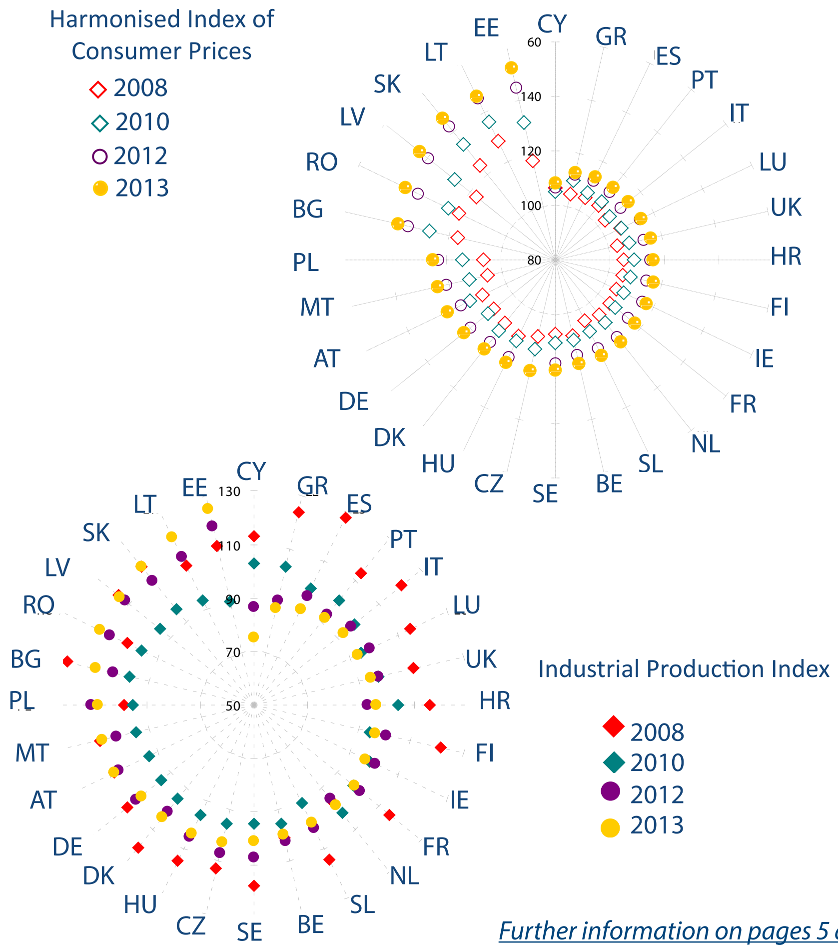


8. Change in the external trade balance: 2013 compared with 2008



In 2013 the external trade balance of the EU28 was valued at more than €356 billion, almost four times the 2008 amount.

9. Inflation and industrial production



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Notes

Country codes: Austria (AT), Belgium (BE), Bulgaria (BG), Croatia (HR), Cyprus (CY), Czech Republic (CZ), Denmark (DK), Estonia (EE), Finland (FI), France (FR), Germany (DE), Greece (GR), Hungary (HU), Ireland (IE), Italy (IT), Latvia (LV), Lithuania (LT), Luxembourg (LU), Malta (MT), Netherlands (NL), Poland (PL), Portugal (PT), Romania (RO), Slovakia (SK), Slovenia (SI), Spain (ES), Sweden (SE), United Kingdom (UK), European Union (EU28).

Extraction date: data have been extracted in February 2014.

Further information

1. & 2. Changes in real GDP

The first chart, on the left, shows 2012 GDP as a percentage of that of 2007.

On the right-hand side, the annualised rates of quarterly GDP change show how some of the world's major economies fared during the crisis years. Annualised quarterly change rates show the quarterly dynamics while being immediately comparable to annual growth rates. All decimals are rounded to the nearest unit.

Data source: IMF, Eurostat

3. GDP and public debt

The map shows the distribution of the absolute debt figures according to their percentage increase during the years 2007 to 2012. Figures for Croatia refer to 2009-2012. Government debt is defined as the total consolidated gross debt at nominal value at year end. At national level, data for the general government sector are consolidated across sub-sectors. The debt aggregates of the euro area and EU are consolidated by Eurostat, and do not include loans that Member States have granted to one another

Data source: Eurostat.

4. Government budget balance and investment

The small charts show for each Member State the government balance as % of GDP and the annual change in investment (right-hand side axis). Investment presented here is the annual percentage change in gross fixed capital formation (GFCF), which consists of assets acquired by resident producers and intended for use in processes of production. Government balance is defined in the European System of Accounts (ESA95) as the difference between the revenue and expenditure of the general government sector. The definition used for the Excessive Deficit Procedure differs from the definition of a deficit according to ESA95 in the treatment of interest relating to swaps and forward rate agreements. For the purpose of the charts, the Excessive Deficit Procedure has been taken into account. For additional information the underlying figures are provided below.

Data source: Eurostat

	Government balance						Gross fixed capital formation					
	2007	2008	2009	2010	2011	2012	2007	2008	2009	2010	2011	2012
BE	-0.1	-1.0	-5.6	-3.7	-3.7	-4.0	6.3	2.0	-8.4	-1.1	4.1	-2.0
BG	1.2	1.7	-4.3	-3.1	-2.0	-0.8	11.8	21.9	-17.6	-18.3	-6.5	0.8
CZ	-0.7	-2.2	-5.8	-4.7	-3.2	-4.4	13.2	4.1	-11.0	1.0	0.4	-4.5
DK	4.8	3.2	-2.7	-2.5	-1.8	-4.1	0.4	-4.2	-15.9	-2.1	3.3	0.8
DE	0.2	-0.1	-3.1	-4.2	-0.8	0.1	4.7	1.3	-11.7	5.7	6.9	-2.1
EE	2.4	-2.9	-2.0	0.2	1.1	-0.2	9.3	-13.3	-39.0	-7.3	37.6	10.9
IE	0.2	-7.4	-13.7	-30.6	-13.1	-8.2	2.5	-9.5	-27.0	-22.7	-9.1	-0.6
GR	-6.5	-9.8	-15.7	-10.7	-9.5	-9.0	22.8	-14.3	-13.7	-15.0	-19.6	-19.2
ES	2.0	-4.5	-11.1	-9.6	-9.6	-10.6	4.5	-4.7	-18.0	-5.5	-5.4	-7.0
FR	-2.7	-3.3	-7.5	-7.1	-5.3	-4.8	6.3	0.3	-10.6	1.4	2.9	-1.2
HR	n.a.	n.a.	-5.3	-6.4	-7.8	-5.0	7.1	8.7	-14.2	-15.0	-6.4	-4.6
IT	-1.6	-2.7	-5.5	-4.5	-3.8	-3.0	1.8	-3.7	-11.7	0.6	-2.2	-8.3
CY	3.5	0.9	-6.1	-5.3	-6.3	-6.4	13.4	6.0	-9.7	-4.9	-8.7	-19.6
LV	-0.4	-4.2	-9.8	-8.1	-3.6	-1.3	7.9	-13.8	-37.4	-18.1	27.9	8.7
LT	-1.0	-3.3	-9.4	-7.2	-5.5	-3.2	21.8	-5.2	-39.5	1.9	20.7	-3.6
LU	3.7	3.2	-0.7	-0.8	0.1	-0.6	18.4	2.0	-16.2	-0.7	12.1	3.5
HU	-5.1	-3.7	-4.6	-4.3	4.3	-2.0	3.8	2.9	-11.1	-8.5	-5.9	-3.7
MT	-2.3	-4.6	-3.7	-3.5	-2.8	-3.3	2.0	-13.6	-14.2	15.8	-21.5	-4.4
NL	0.2	0.5	-5.6	-5.1	-4.3	-4.1	5.5	4.5	-12.0	-7.4	6.1	-4.0
AT	-0.9	-0.9	-4.1	-4.5	-2.5	-2.5	3.6	0.7	-7.8	-1.4	8.5	1.6
PL	-1.9	-3.7	-7.5	-7.9	-5.0	-3.9	17.6	9.6	-1.2	-0.4	8.5	-1.7
PT	-3.1	-3.6	-10.2	-9.8	-4.3	-6.4	2.6	-0.3	-8.6	-3.1	-10.5	-14.4
RO	-2.9	-5.7	-9.0	-6.8	-5.6	-3.0	30.3	15.6	-28.1	-1.8	7.3	4.9
SI	0.0	-1.9	-6.3	-5.9	-6.3	-3.8	13.3	7.1	-23.8	-15.3	-5.5	-8.2
SK	-1.8	-2.1	-8.0	-7.7	-5.1	-4.5	9.1	1.0	-19.7	6.5	14.2	-10.5
FI	5.3	4.4	-2.5	-2.5	-0.7	-1.8	10.7	-0.6	-13.2	1.7	5.7	-1.0
SE	3.6	2.2	-0.7	0.3	0.2	-0.2	8.9	1.4	-15.5	7.2	8.2	3.3
UK	-2.8	-5.0	-11.4	-10.1	-7.7	-6.1	7.5	-6.9	-16.7	2.8	-2.4	0.7

5. Employment change: 2012 compared to 2007

The map shows the number of employed persons (aged 15 and over) in 2012 as a percentage of those employed in 2007. An extended overview of the impact of austerity measures and structural reforms of labour markets in debt-ridden countries can be found in the EPRS briefing on Austerity, labour market and international treaties. Regions correspond to the NUTS 2 level classification of administrative units.

Data source: Eurostat

6. Net savings and disposable income: 2012 vs 2008

The chart displays the change in net savings and disposable income between 2008 and 2012, measured in purchasing power standard per inhabitant. According to their definition in the System of National Accounts, net saving is the part of disposable income that is not spent on consumption of goods or services. Disposable income is the amount available after taxes have been deducted.

Each Member State is positioned in one of the quadrants, considering its performance on both the savings and income axes. Reading the chart clockwise, the upper right quadrant signals relative increases for both (Germany, Bulgaria, Lithuania, Latvia and Estonia) while the lower right contains countries which have experienced an income increase along with a reduction in their savings capacity. In the lower left quadrant both income and savings per capita are lower in 2012 than they were in 2008 (Luxembourg, Greece and Slovakia show extreme reductions), and in the upper left Spain and Ireland show reduced incomes, accompanied by increased saving capacity. The EU28 aggregate in the lower centre displays no change in income and an 800 PPS per capita decrease in savings capacity.

Data source: Eurostat

7. Long-term interest rates 2008-2013

The small graphs show the long-term interest rates for all MS from January 2008 to December 2013, highlighting the peaks and troughs in the period. Long-term interest rates refer to government bonds with a residual maturity of around ten years. Harmonised long-term rates are published by the ECB for purposes of convergence assessment. Low long-term interest rates encourage business investment, which is a major source of economic growth. NB There are no Estonian sovereign debt securities that comply with the European Central Bank definition of long-term interest rates for convergence purposes.

Data source:ECB

8. Trade balance 2008-2013

The external trade balance is calculated as the difference between exports and imports. A surplus or reduction of deficit in the trade balance can result from a decrease in the value of imports, an increase in the value of exports, or both. The map compares the volume of the external trade balance in 2013 with that in 2008, showing positive changes in most countries. In 2009, following the contraction in international trade, 12 Member States saw reductions in their external trade balance.

Data source: Eurostat

9. Inflation and industrial production

The first radar chart shows the Harmonised Index of Consumer Prices (HICP) for the years 2008, 2010, 2012 and 2013. The index (2005=100) is calculated by Eurostat according to a harmonised approach and a single set of definitions. It measures average price changes so as to measure inflation on a comparable basis, taking into account differences in national definitions. The all-items HICP is presented in the chart. With few exceptions, countries with higher inflation tend to be the non-euro area ones.

The Index of Industrial Production measures monthly changes in the price-adjusted output of industry. Although it is not intended to measure production, but rather the value added produced by the different industrial sectors, it is an indicator of industrial output and activity. The second radar chart shows the index of production for all sectors of industry (2005=100) for the years 2008, 2010, 2012 and 2013. The fall in output experienced between 2008 and 2010 has not yet been fully reversed and pre-downturn levels have been reached in only a few countries.

Data source: Eurostat