

133/2014 - 5 September 2014

Second estimate for the second quarter of 2014

GDP stable in the euro area and up by 0.2% in the EU28

+0.7% and +1.2% respectively compared with the second quarter of 2013

Announcement

This News Release is the last News Release on GDP based on the ESA95 methodology.
Please see the enclosed annex for further details.

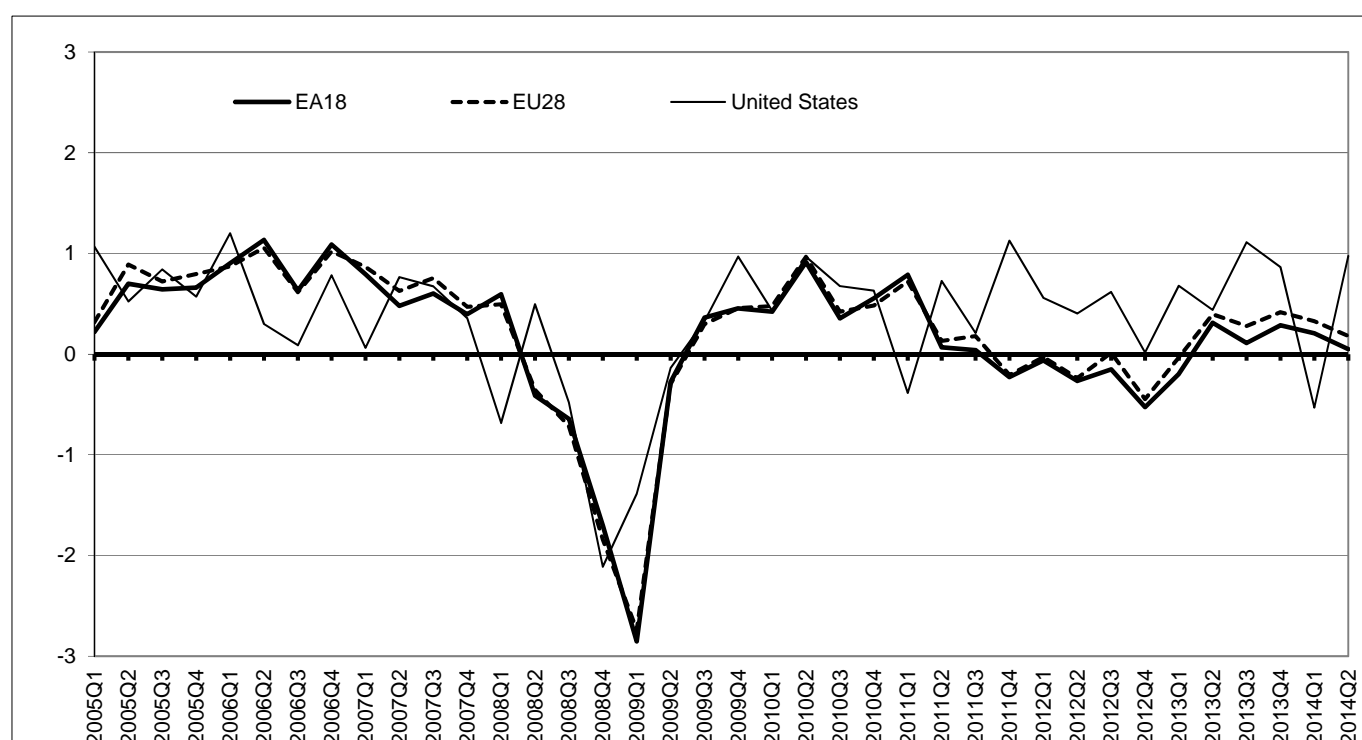
Seasonally adjusted GDP remained stable in the **euro area**¹ (EA18) and rose by 0.2% in the **EU28**¹ during the second quarter of 2014, compared with the previous quarter, according to second estimates² published by **Eurostat, the statistical office of the European Union**. In the first quarter of 2014, GDP grew by 0.2% in the **euro area** and by 0.3% in the **EU28**.

Compared with the same quarter of the previous year, seasonally adjusted GDP rose by 0.7% in the **euro area** and by 1.2% in the **EU28** in the second quarter of 2014, after +1.0% and +1.4% respectively in the previous quarter.

During the second quarter of 2014, GDP in the **United States** increased by 1.0% compared with the previous quarter (after -0.5% in the first quarter of 2014). Compared with the same quarter of the previous year, GDP grew by 2.5% (after +1.9% in the previous quarter).

EU28, euro area and United States GDP growth rates

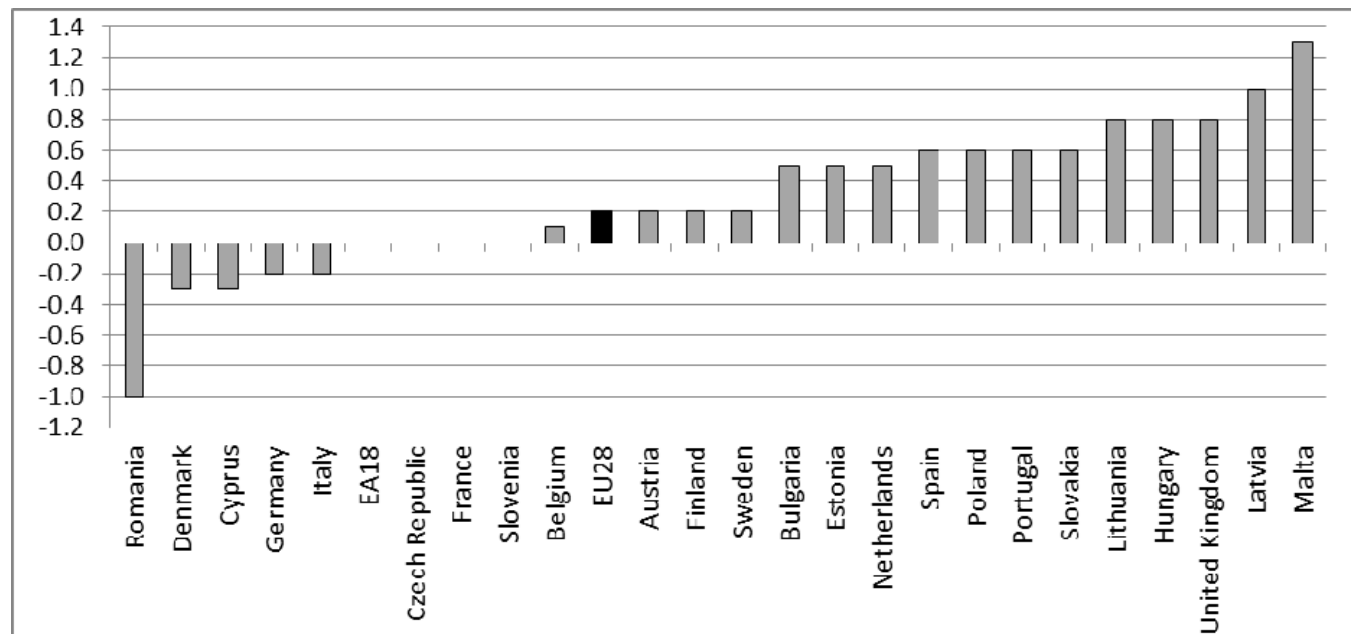
% change over the previous quarter



GDP growth by Member State

Among Member States for which data are available for the second quarter of 2014, **Malta** (+1.3%), **Latvia** (+1.0%), **Lithuania**, **Hungary** and the **United Kingdom** (all +0.8%) recorded the highest growth compared with the previous quarter. **Romania** (-1.0%), **Denmark** and **Cyprus** (both -0.3%), **Germany** and **Italy** (both -0.2%) registered decreases.

EU28, euro area and Member States' GDP growth rates in the second quarter of 2014
% change over the previous quarter



Ireland, Greece, Croatia and Luxembourg: data not available for the second quarter of 2014.

GDP components and contributions to growth

During the second quarter of 2014, household³ final consumption expenditure rose by 0.3% in the **euro area** and by 0.4% in the **EU28** (after +0.2% and +0.4% respectively in the previous quarter). Gross fixed capital formation decreased by 0.3% in the **euro area** and by 0.1% in the **EU28** (after +0.2% and +0.5%). Exports rose by 0.5% in the **euro area** and by 0.3% in the **EU28** (after +0.1% and +0.5%). Imports increased by 0.3% in the **euro area** and by 0.4% in the **EU28** (after +0.8% and +1.2%).

Household final consumption expenditure had a positive contribution to GDP growth (+0.2 percentage points) in both the **euro area** and the **EU28**. Gross fixed capital formation had a negative contribution to GDP growth in the **euro area** (-0.1pp) and had no influence to the growth of GDP in the **EU28** (0.0pp). The contribution of the external balance to GDP growth was positive (+0.1pp) in the **euro area** and with no influence (0.0 pp) in the **EU28**. The contribution of changes in inventories was negative (-0.2 pp in the **euro area** and -0.1pp in the **EU28**).

Growth rates of GDP in volume
(based on seasonally adjusted* data)

	Percentage change compared with the previous quarter				Percentage change compared with the same quarter of the previous year			
	2013		2014		2013		2014	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
EA18	0.1	0.3	0.2	0.0	-0.3	0.5	1.0	0.7
EU28	0.3	0.4	0.3	0.2	0.2	1.1	1.4	1.2
Member States								
Belgium	0.3	0.3	0.4	0.1	0.4	0.8	1.2	1.0
Bulgaria	0.5	0.3	0.3	0.5	0.9	1.2	1.2	1.6
Czech Republic	0.4	1.5	0.8	0.0	-1.0	1.1	2.9	2.7
Denmark	0.0	-0.3	0.6	-0.3	0.7	0.7	1.3	0.0
Germany*****	0.3	0.4	0.7	-0.2	0.3	1.1	2.2	1.3
Estonia	0.2	-0.1	-0.7	0.5	0.4	-0.3	-1.1	2.5
Ireland*****	1.8	-0.1	2.7	:	1.7	-1.2	5.1	:
Greece**	:	:	:	:	-3.2	-2.3	-1.1	-0.2
Spain	0.1	0.2	0.4	0.6	-1.1	-0.2	0.5	1.2
France*****	-0.1	0.2	0.0	0.0	0.3	0.8	0.8	0.1
Croatia**	-0.1	-0.3	0.0	:	-0.5	-1.1	-0.6	-0.8
Italy	-0.1	0.1	-0.1	-0.2	-1.9	-0.9	-0.4	-0.2
Cyprus	-0.9	-0.7	-0.6	-0.3	-5.7	-5.0	-3.9	-2.5
Latvia	1.1	0.6	0.6	1.0	4.1	3.6	2.3	3.5
Lithuania	0.4	1.2	0.7	0.8	2.4	3.4	3.1	3.1
Luxembourg	0.5	1.0	0.8	:	2.8	3.0	3.8	:
Hungary	1.1	0.7	1.1	0.8	1.8	2.9	3.3	3.7
Malta	-0.5	0.8	1.1	1.3	2.7	2.8	3.8	2.7
Netherlands*** *****	0.2	0.6	-0.4	0.5	-0.9	1.0	0.0	0.9
Austria****	0.3	0.4	0.1	0.2	0.4	0.7	0.8	0.9
Poland	0.8	0.7	1.1	0.6	2.0	2.5	3.5	3.3
Portugal	0.3	0.5	-0.6	0.6	-0.9	1.5	1.3	0.8
Romania	1.5	1.1	-0.2	-1.0	4.3	5.0	3.7	1.5
Slovenia*****	0.1	0.5	1.2	0.0	-1.7	-0.7	1.9	1.9
Slovakia	0.5	0.6	0.7	0.6	1.0	1.6	2.2	2.4
Finland*****	0.4	-0.3	-0.3	0.2	-0.4	0.1	-0.2	-0.1
Sweden	0.3	1.6	-0.1	0.2	0.6	3.0	1.8	1.9
United Kingdom	0.8	0.7	0.8	0.8	1.8	2.7	3.0	3.1
Other countries								
Iceland	5.8	0.3	-0.7	:	3.9	4.0	-1.7	:
Norway	0.8	-0.2	0.2	0.9	2.1	1.2	1.8	1.8
Switzerland	0.5	0.1	0.5	0.0	2.1	1.8	1.7	1.1
United States	1.1	0.9	-0.5	1.0	2.3	3.1	1.9	2.5
Japan	0.4	0.0	1.5	-1.7	2.4	2.4	2.7	0.0

: Data not available.

* The seasonal adjustment does not include a working-day correction for Ireland, Portugal, Romania and Slovakia.

** Percentage change compared with the same quarter of the previous year calculated from non-seasonally adjusted data.

*** Percentage change compared with the same quarter of the previous year calculated from working-day adjusted data.

**** Growth rates are calculated using the trend component.

***** All growth rates based on ESA 2010 methodology. Information on data particularities in the transitional period can be found under: "Latest News / Information on the transition to ESA 2010" on the website:

http://epp.eurostat.ec.europa.eu/portal/page/portal/national_accounts/introduction

1. The euro area (EA18) includes Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.
The European Union (EU28) includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.
2. European quarterly national accounts are currently compiled in accordance with the European System of Accounts 1995 (ESA 95). The second estimates of the second quarter of 2014 GDP growth presented in this release are based on Member States' data as available, covering 97% of euro area GDP (98% of EU28 GDP).
A flash estimation of GDP growth was published in News Release 125/2014 issued on 14 August 2014. This was based on a more limited data set than the one used for the present News Release and, additionally, on flash estimates for some Member States, which have now been revised. The published GDP growth rates for the second quarter of 2014 compared with the previous quarter, which had been estimated at 0.0% for the euro area and +0.2% for the EU28 remain unchanged. Compared with the second quarter of 2013, GDP growth that had been estimated at +0.7% for the euro area and +1.2% for the EU28 also remain unchanged.
More data on European quarterly national accounts are available on Eurostat's website ("Statistics Database" / "Database" / "Economy and Finance" / "National Accounts"). Additional general information on European national accounts is given in the metadata files linked to the data tables.
3. NPISH (Non-profit institutions serving households) included.

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Selected Principal European Economic Indicators: **<http://ec.europa.eu/eurostat/euroindicators>**

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Annex – the revised European System of National and Regional Accounts (ESA 2010)

This is the last News Release on GDP data to be based on the previous version of the European System of National and Regional Accounts (ESA 1995).

The first estimation of ESA 2010 based European main GDP aggregates is planned for mid-October 2014 and will be accompanied by information on the impact of the introduction of the new standard.

The next regular News Release on GDP – the flash estimate for the third quarter of 2014 to be issued on 14 November – will be the first to be based on ESA 2010.

The ESA sets down the harmonised methodology used for the production of national accounts data in the EU. It ensures that statistics on Member States' economies are compiled in a consistent, comparable, reliable and up-to-date way.

The previous methodological framework for producing national accounts data (ESA 1995) is almost twenty years old. Over these last twenty years, substantial changes have impacted economies, in particular the increasing role of ICT in production processes, the growing importance of intangible assets, intellectual property products and services, and the globalisation of economic systems. The way in which macroeconomic statistics are compiled needs to be adjusted accordingly, to reflect these changes. It is not a revolution, but a necessary adaptation.

It is important to stress that this adaptation of the system of accounts is not only European, but world-wide. Europe's ESA 2010 is the sister of the 2008 SNA, adopted by the United Nations Statistical Commission, which has already been implemented, among others, in USA, Australia and Canada.

The main methodological changes with an impact on GDP are:

- **research and development expenditure will be counted as investment.** This is expected to increase the level of EU GDP by around 2%.
- **expenditure on weapon systems will be counted as investment.** This is expected to increase the level of EU GDP by around 0.1%.

While all Member States are implementing the ESA 2010 methodology, there are two further changes that may occur at the same time. Firstly, many Member States will use this opportunity to also carry out additional statistical improvements, for example updates of data sources. Secondly, as part of the process of harmonising methodology across the EU, many Member States will introduce improvements in the way they account for certain illegal activities in GDP.

ESA 2010 is expected to increase the level of GDP in all Member States, by differing amounts. This change will apply to a long time series of data, at least as far back as 1995. Changes to the growth of GDP from period to period are expected to be limited.

See http://epp.eurostat.ec.europa.eu/portal/page/portal/esa_2010/introduction for more details.

T1

GDP AND EXPENDITURE COMPONENTS

PERCENTAGE CHANGE OVER THE PREVIOUS QUARTER AND THE SAME QUARTER OF THE PREVIOUS YEAR – SEASONALLY ADJUSTED – CHAIN-LINKED VOLUMES

		GDP				Household & NPISH final consumption expenditure				Government final consumption expenditure				Gross Fixed Capital Formation				Exports				Imports			
		2013		2014		2013		2014		2013		2014		2013		2014		2013		2014		2013		2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
t/t-1	EA18	0.1	0.3	0.2	0.0	0.2	0.1	0.2	0.3	0.3	-0.3	0.7	0.2	0.5	0.9	0.2	-0.3	0.1	1.4	0.1	0.5	1.1	0.7	0.8	0.3
t/t-1	EU28	0.3	0.4	0.3	0.2	0.3	0.2	0.4	0.4	0.4	-0.1	0.6	0.3	0.8	1.0	0.5	-0.1	0.2	1.4	0.5	0.3	1.3	0.5	1.2	0.4
t/t-4	EA18	-0.3	0.5	1.0	0.7	-0.4	0.2	0.6	0.7	0.6	0.2	0.7	0.8	-2.4	-0.1	1.8	1.3	1.0	3.0	3.9	2.0	0.9	2.6	4.1	2.8
t/t-4	EU28	0.2	1.1	1.4	1.2	0.2	0.7	1.0	1.2	0.8	0.6	1.1	1.1	-1.5	1.2	3.0	2.2	1.1	3.2	4.3	2.4	1.2	2.5	4.5	3.4

T2

CONTRIBUTIONS OF EXPENDITURE COMPONENTS TO VARIATION IN GDP (in percentage points)

GDP VOLUME VARIATION OVER THE PREVIOUS QUARTER AND THE SAME QUARTER OF THE PREVIOUS YEAR – SEASONALLY ADJUSTED

		Change in Inventories*				Household & NPISH final consumption expenditure				Government final consumption expenditure				Gross Fixed Capital Formation				Exports				Imports			
		2013		2014		2013		2014		2013		2014		2013		2014		2013		2014		2013		2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
t/t-1	EA18	0.3	-0.2	0.2	-0.2	0.1	0.0	0.1	0.2	0.1	-0.1	0.1	0.0	0.1	0.2	0.0	-0.1	0.1	0.6	0.0	0.2	-0.5	-0.3	-0.3	-0.1
t/t-1	EU28	0.4	-0.3	0.2	-0.1	0.2	0.1	0.2	0.2	0.1	0.0	0.1	0.1	0.1	0.2	0.1	0.0	0.1	0.7	0.2	0.2	-0.6	-0.2	-0.5	-0.2
t/t-4	EA18	0.2	0.1	0.1	0.1	-0.2	0.1	0.3	0.4	0.1	0.0	0.1	0.2	-0.4	0.0	0.3	0.2	0.5	1.4	1.8	0.9	-0.4	-1.1	-1.7	-1.2
t/t-4	EU28	0.2	0.0	0.1	0.2	0.1	0.4	0.6	0.7	0.2	0.1	0.2	0.2	-0.3	0.2	0.5	0.4	0.5	1.4	1.9	1.1	-0.5	-1.1	-1.9	-1.4

T3

GDP AND EXPENDITURE COMPONENTS

Levels

SECOND QUARTER 2014 - IN MILLIONS OF EURO - SEASONALLY ADJUSTED - AT CURRENT PRICES

	GDP	Household & NPISH final consumption expenditure	Government final consumption expenditure	Gross Fixed Capital Formation	Change in Inventories*	Domestic Demand	Exports	Imports	External Balance
EA18	2 434 310.6	1 391 229.9	524 172.9	427 035.8	5 350.1	2 347 788.7	1 124 547.8	1 038 025.8	86 522.0
EU28	3 357 676.7	1 955 904.5	722 790.6	578 180.5	7 459.2	3 264 334.8	1 507 986.5	1 414 644.6	93 341.9

* Change in inventories includes acquisitions less disposals of valuables.

T4a

GROSS VALUE ADDED BY INDUSTRY**

PERCENTAGE CHANGE AND LEVELS IN MILLIONS OF EURO – SEASONALLY ADJUSTED – CHAIN-LINKED VOLUMES

		Total Gross Value Added (A*10)				Agriculture, forestry and fishing				Industry (mining, manufacturing, electricity, water and waste)				of which: Manufacturing				Construction				Trade, transport, accommodation and food service activities			
						A				B, C, D and E				C				F				G, H and I			
		2013		2014		2013		2014		2013		2014		2013		2014		2013		2014		2013		2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
t/t-1	EA18	0.2	0.4	0.2	-0.1	0.1	1.2	1.7	-1.2	0.1	0.7	-0.3	0.2	0.0	0.9	0.4	-0.4	0.1	0.1	0.3	-1.8	0.3	0.3	0.4	0.1
t/t-1	EU28	0.3	0.4	0.3	0.1	0.3	0.9	1.3	-0.8	0.2	0.7	0.0	0.1	0.2	1.0	0.5	-0.3	0.7	0.3	0.7	-1.3	0.4	0.3	0.7	0.3
t/t-4	EA18	-0.2	0.7	1.0	0.6	0.5	1.9	3.3	1.9	-1.0	1.5	1.0	0.6	-1.1	1.8	2.3	1.0	-3.6	-1.9	-0.3	-1.2	-0.1	1.0	1.6	1.1
t/t-4	EU28	0.3	1.1	1.5	1.1	1.6	2.8	3.4	1.7	-0.6	1.9	1.5	1.0	-0.6	2.1	2.6	1.4	-1.8	-0.5	1.4	0.3	0.5	1.6	2.1	1.6
		2014 Q2				2014 Q2				2014 Q2				2014 Q2				2014 Q2				2014 Q2			
level	EA18	2 177 532.7				36 061.2				419 178.4				344 108.9				118 629.8				410 172.1			
level	EU28	2 990 454.2				49 113.3				566 637.0				451 807.7				167 879.6				568 846.4			

T4b

GROSS VALUE ADDED BY INDUSTRY**

PERCENTAGE CHANGE AND LEVELS IN MILLIONS OF EURO – SEASONALLY ADJUSTED – CHAIN-LINKED VOLUMES

		Information and communication				Financial and insurance activities				Real estate activities				Professional and support service activities				Administration and other public services				Arts, entertainment and other services			
		J				K				L				M and N				O, P and Q				R, S, T and U			
		2013		2014		2013		2014		2013		2014		2013		2014		2013		2014		2013		2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
t/t-1	EA18	-0.7	0.3	0.1	-0.1	0.6	-0.4	0.8	-0.3	0.3	0.4	-0.1	0.3	0.3	0.3	0.2	0.0	0.1	0.5	0.1	-0.1	0.1	0.1	0.2	-0.4
t/t-1	EU28	-0.4	0.5	0.1	0.1	0.4	-0.2	0.5	-0.3	0.3	0.5	0.0	0.3	0.7	0.6	0.5	0.5	0.2	0.4	0.1	0.0	0.2	0.5	0.3	-0.1
t/t-4	EA18	-1.3	-0.5	-0.2	-0.4	-0.1	-1.5	0.7	0.7	0.8	0.7	0.7	0.9	1.2	1.9	1.8	0.9	0.2	0.3	0.8	0.6	-0.1	-0.2	0.4	0.0
t/t-4	EU28	-0.2	0.6	0.3	0.3	-0.5	-1.6	-0.2	0.3	0.9	1.0	1.0	1.1	2.4	3.0	3.1	2.4	0.4	0.5	0.8	0.7	-0.5	0.5	0.9	0.8
		2014 Q2				2014 Q2				2014 Q2				2014 Q2				2014 Q2				2014 Q2			
level	EA18	88 301.3				113 065.7				255 007.3				227 912.9				427 482.2				81 721.9			
level	EU28	133 473.4				165 670.4				334 737.1				317 500.1				578 083.9				108 513.0			

** Breakdown into 10 industries according to NACE Rev. 2