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KEY FIGURES

Bulletin of economic trends in Europe and summaries 05/99

Foreword

Euro-zone annual inflation remained stable at 0,8% between January and February 1999. A year earlier the rate was 1,1%. The EU-15's rate rose from 0,9% in January to 1,0% in February 1999. In February 1998 it was 1,3%. EEA annual inflation remained at 1,0%.

Euro-zone seasonally-adjusted unemployment stayed at 10,5% in February, same as January. This compares to 11,2% in February last year. The EU-15 rate was 9,6%, compared to 9,7% in January. In February a year before it was 10,2%.

The euro-zone had a trade surplus with the rest of the world of 7,2 billion euro in December 1998. This gave a total surplus of 83,2 billion euro for 1998, down 5,2 billion euro on 1997. Extra-EU-15 trade was 3,7 billion euro in surplus in December. And there was a surplus of 20,3 billion euro in 1998 compared to 48,5 billion euro in 1997.

The downward trend in the euro continued in March, ending the month at 1,0742 to the US dollar and 127,8 to the Japanese yen. Key interest rates were unchanged in the euro-zone, US and Japan but continued falling in Denmark and Sweden.

Average government bond yields increased to 4,06% for the EU-15 in February, and to 3,98% for the euro-zone. Further convergence took place between the highest and lowest Member State yields.

The annual rate of EU money supply growth slowed in February. M3 growth decelerated to 5,2% for the euro-zone, and to an estimated 5,0% for the EU as a whole.

Foreign official reserves (excluding gold) of the euro-zone fell sharply in December 1998 to ECU 257,3 billion, from 291,5 billion in November, because of the ending of swap operations with the ECB. The EU-15 total therefore also fell from ECU 360,1 billion to 324,8 billion.

Euro-zone and EU-15 industrial production trends both fell by -0,4% in November 1998 to January 1999 compared to the previous three months.

The "Dossier of the month" of this edition is devoted to the *Telecommunications services in Europe*, to *Employment in High Technology* and the *Agricultural income in the European Union*.

Contents

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BANQUE DE LUXEMBOURG

European economy at a glance

	Date	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR-11	EU-15
GDP, seasonally adjusted volume trends, T/T-1 %	IV/98	*0,27*	*0,08*	0,40	:	0,74	0,71	:	*0,50*	:	1,19	*0,54*	*-0,36*	*1,54*	*1,39*	0,06	0,17(4)	0,19(4)
GFCF, seasonally adjusted volume trends, T/T-1 %	IV/98	*3,13*	*-1,79*	1,20	:	2,46	1,40	:	0,2	:	*1,85*	*-3,73*	*-1,55*	*5,59*	*1,34*	2,93	0,21(4)	0,60(4)
Private final national consumption volume trends, T/T-1 %	IV/98	*-0,67*	*0,98*	1,14	:	0,82	0,65	:	*0,62*	:	*1,35*	*-0,21*	*0,64*	*2,04*	*0,77*	0,55	0,92(4)	0,86(4)
Production index 1995=100 total, seasonally adjusted (1)	01/99	*107,1*	*105,0*	108,0	*113,7*	114,1	109,2	*152,5*	102,2	*108,1*	*103,8*	*108,2*	*106,7*	*127,0*	*110,9*	101,2	108,6	108,3
Consumer price index T/T-12 %	2/99	*1,0*	*1,3**	0,1	3,5*	1,8	0,3p	2,3	1,4	0,6	2,0p	*0,3p*	*2,7*	*0,9*	*0,2**	1,5*	0,8p	1,0p
Unemployment rate seasonally adjusted %	2/99	*8,4*	*4,9*	9,0	:	17,6	11,4	7,0	*12,0*	2,8	*3,4*	*4,6*	*4,2*	*10,8*	*7,6*	:	10,5	9,6
Extra-EU trade balance Billion EUR	01-12/98	*4,7(2)*	*1,8*	38,1	3,7	7,7	19,1	3,0	20,2	4,7(2)	34,5	*4,0*	*3,5*	*7,1*	*12,8*	31,7	83,2(3)	20,3
Intra-EU trade balance Billion EUR	01-12/98	*15,4(2)*	*0,1*	31,0	10,0	10,6	6,9	17,4	2,7	15,4(2)	45,9	*10,2*	*7,7*	*2,6*	*2,0*	9,5	:	:

Data in italics are not necessarily for the indicated period but are the latest available (usually the previous month or quarter)
(1) = Excluding construction
(2) = BLEU (3) = The EUR-11 figure represent the total of the Extra-UE balance
(4) = Estimation
p = provisional data.
: = data not available
* = Member States not participating in Stage III of Economic and Monetary Union are not covered by the MUICP.

The text of this issue was completed on 23 April 1999.

Inflation rate

Euro-zone annual inflation was stable at 0,8% in February 1999

Euro-zone[1] annual inflation[2] remained stable at 0,8% between January and February 1999. A year earlier the rate was 1,1%. The EU-15's rate[3] rose from 0,9% in January to 1,0% in February 1999. In February 1998 it was 1,3%. EEA annual inflation[4] remained at 1,0%.

Highest annual rates were in Greece (3,5%), Portugal (2,7%) and Ireland (2,3%). Lowest rates were in Germany (0,1%), Sweden (0,2%), France and Austria (both 0,3%).

Compared with January, annual inflation fell in five Member States, rose in seven and was unchanged in three.

Compared to a year earlier, the biggest relative rises were in Ireland (1,1% to 2,3%) and Portugal (1,3% to 2,7%); biggest relative falls were in Sweden (2,0% to 0,2%) and Germany (0,6% to 0,1%).

Lowest 12-month averages[5] up to February were in Germany (0,5%) and France (0,6%). Highest were in Greece (4,4%), Portugal (2,4%) and Ireland (2,3%).

Annual inflation[6] fell to 1,6% in the USA and rose to 0,3% in Switzerland, no data being available for Japan. But these indices are not strictly comparable with EU harmonized indices.

1 Euro-zone: Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Austria, Portugal and Finland.
2 As measured by the Monetary Union Index of Consumer Prices (MUICP), calculated as a weighted average of the Harmonized Indices of Consumer Prices (HICPs) for participants in Stage III of EMU. The annual rate of inflation is defined as the percentage change resulting from the index number for a particular month divided by the index number for the same month the previous year.
3 As measured by the European Index of Consumer Prices (EICP), calculated as a weighted average of HICPs for Member States.
4 As measured by the European Economic Area Index of Consumer Prices (EEAICP), calculated as a weighted average of HICPs for Member States plus Norway and Iceland.
5 Arithmetic average of indices for a 12-month period relative to the arithmetic average for the preceding 12 months. Measure used to determine price stability, see Convergence report 1998 by the Commission to the Council, prepared in accordance with Article 109(j) of the Treaty.
6 As measured by national CPIs.

Unemployment

Euro-zone unemployment stays at 10,5% in February 1999

Euro-zone seasonally-adjusted unemployment stayed at 10,5% in February, same as January. This compares to 11,2% in February last year. The EU-15 rate was 9,6%, compared to 9,7% in January. In February a year before it was 10,2%.

Lowest rates were in Luxembourg (2,8%) and the Netherlands (3,4% in January), followed by Portugal (4,2%), Austria (4,6%) and Denmark (4,9% in January).

Spain's 17,6% was still by far the EU's highest rate. However, Spain did register a large fall over the year, from 19,4% to 17,6%, as did Portugal, from 5,8% to 4,2%.

EU unemployment of under-25s ranged from less than 7,0% in Austria, the Netherlands and Luxembourg to over 30% in Italy (January) and Spain.

EU-15-wide, it was 19,1%, and 20,4% in the euro-zone. A year earlier it was 20,1% and 22,0% respectively.

US unemployment was 4,4%; the same as the Japanese rate in January.

Eurostat estimates 13,5 million men and women were unemployed in the euro-zone and 16,3 million in EU-15 in February. These are seasonally-adjusted figures in line with ILO criteria.

Notes

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

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

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

External trade

Modest trade growth

Euro-zone surplus 83,2 billion euro with rest of the world in 1998

The euro-zone[1] had a trade surplus with the rest of the world of 7,2 billion euro[2] in December 1998. This gave a total surplus of 83,2 billion euro for 1998, down 5,2 billion euro on 1997.

Extra-EU-15 trade was 3,7 billion euro in surplus in December. The surplus in 1998 was of 20,3 billion euro compared to 48,5 billion euro in 1997.

Strong trade growth with USA and China

Extra-trade growth in 1998 was weak or falling for both the euro-zone[1] and EU-15 for both flows. Intra-trade growth was stronger in both cases.

EU-15 trade with USA was well up in 1998 (+13% for exports and +9% for imports over 1997). Effects of the situation in Asia can be seen in a fall in exports to Japan (-13%), although trade growth with China remains strong (+5% for exports and +12% for imports).

Trade with the main Eastern European partners (Poland, Czech Republic and Hungary) is also growing strongly, although trade with Russia is falling fast for both flows.

In 1998 Germany still enjoyed the largest surplus (69,1 billion euro), while the UK deficit rose strongly to -41,2 billion. Ireland continued to show the strongest growth, and has now the third highest surplus (20,4 billion euro).

Notes

1. Euro-zone: Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Austria, Portugal and Finland.
Extra-EUR-11 trade is trade with all countries outside the euro-zone, including the four Member States not in the euro-zone.
2. Technically data before 1 January 1999 are in ECU, and data after this date are in euro. However as the conversion rate was 1 ECU = 1 euro, for practical purposes the two terms can be used interchangeably.

Further appreciation of USD and JPY in March

Key interest rates remain unchanged in the euro-zone, US and Japan

The downward trend of the euro against the US dollar and Japanese yen continued in March. It reached a lowpoint of USD 1,0692 on 29 March, compared with its highest level of USD 1,179 recorded on 5 January. The highest and lowest points in the JPY/EUR rate were respectively 134,4 on 18 February and 117,3 on 19 March. During the first three months of trading in euro on the foreign exchange market, the currency depreciated by 7,9% against the USD, and by 3,8% against the Japanese yen. At the end of March the euro was valued at USD 1,0742 and JPY 127,8.

The pound sterling has shown a similar trend to the USD against the euro since the turn of the year. At the end of March the GB /EUR rate was 0,6663, compared with 0,7055 at the beginning of January, representing a fall in the euro of 5,6%. Another EU currency, the Swedish krona, has also tended to appreciate against the euro: in the first quarter of 1999 it moved from SEK 9,488 to 8,887, a euro depreciation of 6,3%.

The Greek drachma and Danish krone, which belong to ERM2, continued to move closely in line with the euro in March. Compared with its central rate of 353,109 to the euro, the GRD remained relatively strong, ending the month at 325,9, but the spread narrowed to 7,7% from 8,8% at the start of the month. Meanwhile the DKK remained marginally above its central rate of DKK 7,46038 to the euro: at end month the divergence was 0,38%.

Outside the EU, the Norwegian krone reached its highest point against the euro on 31 March (NOK 8,3475), compared with a rate at the beginning of January of 8,8714. The Swiss franc has shown relatively very little movement against the euro during the first quarter of the year: at the beginning and end of the period the CHF/EUR rate was respectively 1,6078 and 1,5981.

The European Central Bank left its key interest rate unchanged in March: the main refinancing rate stayed at 3% for the third month running. Elsewhere in the EU the trend in interest rates remained downwards. The Danish central bank has lowered its repo rate each month since September 1998, when it stood at 5%; it was reduced a further 10 basis points in March to 3,4%. Swedish rates also continued on a downward path, as the repo rate was cut at the end of March from 3,15% to 2,9%.

Key US interest rates - the discount rate and federal funds rate - were left unchanged at respectively 4,5% and 4,75%, while the Bank of Japan kept its discount rate at 0,5%.

Note:
Exchange rates are as supplied to Eurostat by the European Central Bank on a daily basis.
Basis point = 1/100th of a percentage point in interest rates.
ERM 2 = exchange rate mechanism which came into being at the start of Monetary Union, linking the Danish krone and Greek drachma to the euro. The GRD is allowed to fluctuate within a band of +/- 15% and the DKK within +/- 2,25%.

	Period	DK	EL	S	UK	EUR-11	EU-15
Exchange rate 1 EUR =... Monthly average	March-99	7,43	322,5	8,94	0,67	:	1,00
Exchange rate 1 USD =... Monthly average	March-99	6,83	296,3	8,22	0,62	:	0,92
Central bank interest rate end month % (1)	March-99	3,40	13,50	2,90	5,50	:	3,00
Money supply M1 T / T- 12 %	Feb.99	:	27,0	:	5,3 *	11,8 **	12,0
Money supply M3 * T / T- 12 %**	Feb.99	4,3	18,6	6,6	6,9	5,0 **	5,2
Yield on long-term government bonds %	Feb.99	4,2	6,0	4,2	4,4	4,1	4,0

1) EUR-11: main refinancing rate; UK, DK, S: repo rate; FI: lombard rate.
* UK measure is M0
** EU-15 is estimated.
*** UK measure is M4, Denmark is M2.

EU bond yields generally increased in February

Greek yield fell to record low level

Long-term interest rates, as measured by the yield on government bonds, increased throughout the euro-zone in February, having reached record low levels (on the basis of data available from 1980) in January. The average yield for the euro zone increased by 16 basis points to 3,98%. However, the differential between the highest and lowest yields reached a new minimum level of 20 basis points, between Germany (3,85%) and Italy (4,05%).

The average EU-15 yield also moved up in February from its record January level, increasing by 14 basis points to 4,06%. Of the 15 countries, Greece was the only one to record a fall in the yield between January and February, from 6,32% to a new low of 5,96%. As a result, the differential between the highest and lowest yields (Greece and Germany respectively) narrowed to a record 211 basis points.

The rising trend in Japan's yield continued in February, increasing by 2 basis points to 2,09%. The US yield increased for the second month running, from 4,78% in January to 4,99%.

Note:
The above-mentioned yields relate to government bonds of around 10 years to maturity.
Data are monthly average.
EUR-11 calculation is weighted by the nominal stock of government bonds, and EU-15 by GDP.
Basis point = 1/100th of a percentage point in interest rates.

EU monetary growth slowed down in February

M1 growth still relatively strong

Figures from the European Central Bank for the euro-zone show that the annual rate of M3 monetary growth eased in February to 5,2% from 5,6% in January, although this remained higher than in December (4,5%). The slower pace of growth reflected, above all, weaker growth in overnight deposits held in financial institutions. Measured on a 3MMA basis, the annual rate of expansion in M3 nevertheless increased by 0,2 percentage points to 5,1%. This compares with a reference value for 1999 set by the ECB (as part of its strategy for maintaining price stability) of 4,5% on a 3MMA basis. M1 growth for the euro-zone decelerated to an annual rate of 12,0% in February from 14,3% in January, while M2 growth also eased from 7,3% to 6,0%.

The trends in money supply for the EU-15 as a whole are similar to those of the euro-zone. M3 growth is estimated to have decreased to 5,0% in February, from 5,3% in January. M1 and M2 growth also fell, to 11,8% and 5,4% respectively in February, from 13,9% and 6,3% respectively a month earlier.

Note:
Of the three definitions (M1, M2, M3), M1 is the narrowest and most liquid measure, and M3 the broadest and least liquid. EUR-11 consolidated series are compiled by the European Central Bank.
EU-15 series are Eurostat estimates calculated by adding the EUR-11 to the money supply of the four non-euro countries, to the extent that the data are available.
3MMA = three-month moving average.

EU foreign official reserves affected by the ending of ECB swap operations in December 1998

Foreign official reserves (excluding gold) of the euro-zone fell sharply in December to an estimated ECU 257,3 billion, compared with 291,5 billion in November. This was a technical adjustment, however, resulting from the ending in December of swap operations with the European Central Bank: under these arrangements, a proportion of countries' gold and US dollar reserves was transferred to the ECB on a revolving swap basis. Both the gold and dollar components of these swaps were included until November in the value of foreign official reserves (excluding gold). In percentage terms, particularly large falls were recorded in December in the reserves of Spain (-20,7%) and Italy (-20,1%).

As a result of this adjustment, the non-gold reserves of the EU-15 also fell sharply in December to an estimated ECU 324,8 billion, from 360,1 billion a month earlier. Germany continued to hold the largest amount (ECU 63,5 billion), followed by Spain (47,3 billion), France (38,0 billion), the UK (27,4 billion) and Italy (25,6 billion).

The USA's non-gold reserves increased in ECU terms to 60,6 billion in December, while those of Japan (the world's largest) fell slightly to ECU 184,7 billion in the same month.

Industrial production

Euro-zone and EU-15 industrial production fell by -0,4% in November 1998 to January 1999

Euro-zone and EU-15 industrial production trends[1] both fell by -0,4% in November 1998 to January 1999 compared to the previous three months.
This compares to a revised -0,3% for both euro-zone and EU-15 in the three months up to end-December. On this measure, industrial production was declining for the fourth consecutive three-monthly period.

Despite the overall trend, production was up in Ireland (2,2%), Greece (1,7%), Finland (1,2%), Spain (0,7%) and France (0,5%). It was down in Italy (-0,9%) and Denmark (-0,8%). German production also fell, by -0,7%. Little change was reported by the other Member States. US production was up slightly, by 0,2%; in Japan it was down by -0,9%.

Production trend[1] - % changes Nov '98-Jan '99 to Aug-Oct '98

Euro-zone	*-0,3*	**Austria[2]**	0,1
EU-15	*-0,3*	**Sweden**	-0,2
Ireland[2]	1,5	**UK**	-0,2
Greece[2]	0,7	**Portugal[2]**	-0,3
Finland	0,5	**Germany**	-0,7
Spain	0,4	**Denmark[2]**	-0,8
France	0,4	**Italy**	-0,9
Netherlands[2]	0,4		
Luxembourg[2]	0,2	**USA**	0,2
Belgium[2]	0,1	**Japan**	-0,9

1 Production volume of total industry, excluding construction, adjusted for seasonal and one-off fluctuations. 2 Eurostat estimates.

Dossier of the month

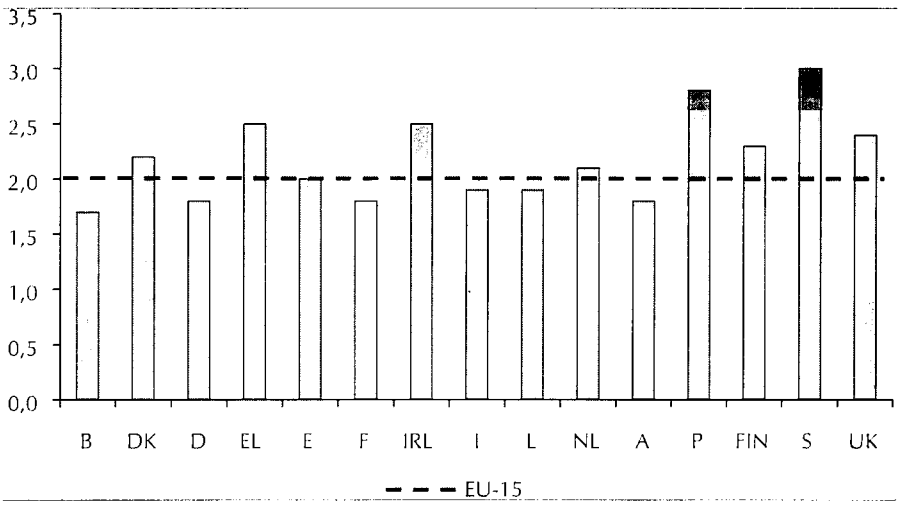
A dramatic rise of mobile telephony

Telecommunications services in Europe

Telecommunication services have been expanding very rapidly with the growth in mobile telephony, data transmission and the Internet fuelling demand

Over the period 1990-1995 turnover grew steadily. The growth rate was higher than that of GDP implying a growing share of telecommunications in the national economies. The upward trend continued in 1996 but slowing down. As a percentage of GDP, the turnover from telecommunications varies from 1,7% in Belgium to 3% in Sweden.

Telecommunications turnover in 1996 as a percentage of GDP



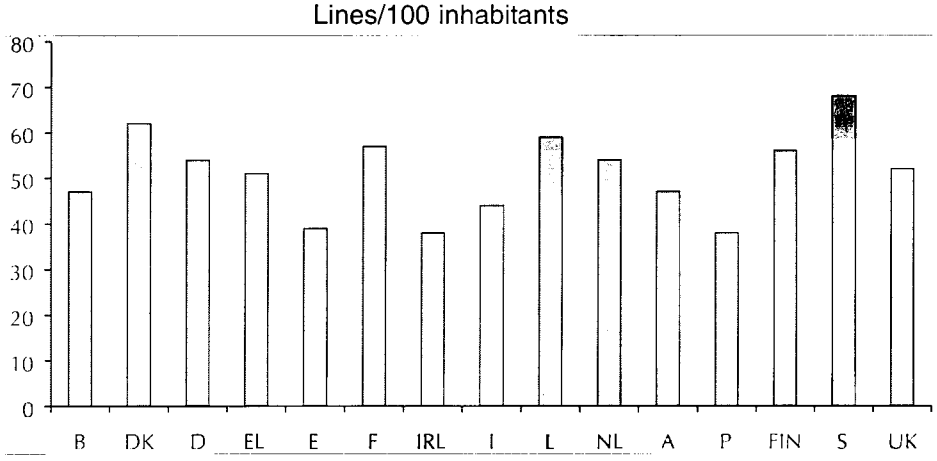
Turnover of telecommunication enterprises (%)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15
1990/1995	9,3	7,7	12,3	16,1	6,6	6,5	4,2	1,8	8,7	9,6	8,2	9,3	2,5	6,3	2,8	6,9
1995/1996	7,0	23,1	-6,4	15,4	5,0	5,6	15,5	18,5	8,4	2,8	-4,1	23,1	12,2	11,8	6,4	4,8
1996/GDP	1,7	2,2	1,8	2,5	2,0	1,8	2,5	1,9	1,9	2,1	1,8	2,8	2,3	3,0	2,4	2,0

The number of main telephone lines per 100 inhabitants varied in 1996 from 38 (Ireland and Portugal) to 68 (Sweden)

Looking at the numbers of subscribers to the various networks it would seem that the growth is clearly more rapid in the countries with lower density of fixed telephone lines. Saturation of the market seems to be close in the countries with high density of main lines especially where mobile networks are developing rapidly.

Number of main telephone lines per 100 inhabitants - 1996



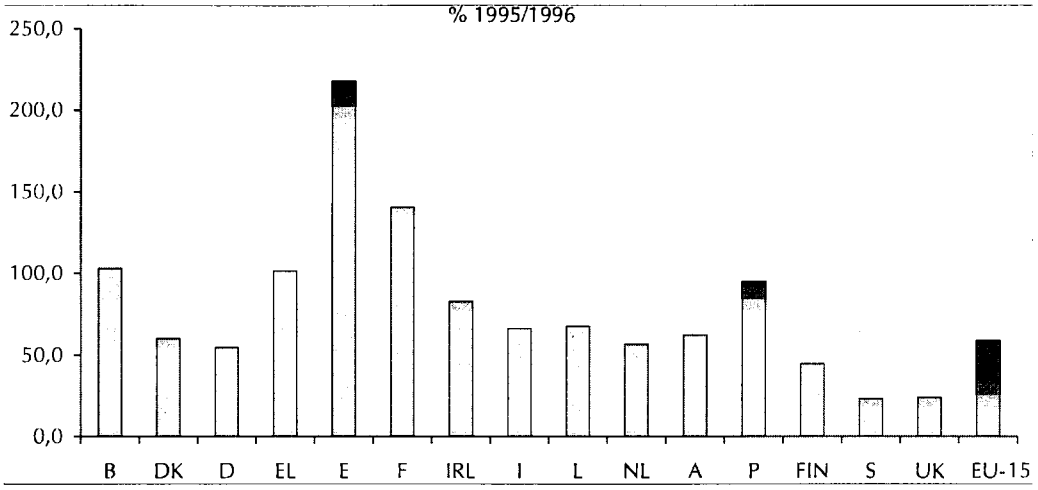
Subscribers to main telephone lines - 1996

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15
Lines (in Mio)	4,72	3,25	44,10	5,33	15,41	33,00	1,39	25,26	0,24	8,43	3,78	3,72	2,84	6,03	30,68	188,20
% 1995/1996	2,0	1,5	5,0	3,2	2,1	1,9	6,1	1,7	5,9	3,8	0,8	3,9	1,1	0,3	4,3	3,1
Lines/100 inhabitants	47	62	54	51	39	57	38	44	59	54	47	38	56	68	52	50

In 1996 there were over 33 million subscriber lines to cellular mobile telephone systems in the EU. Since 1990 the number of subscribers has risen by nearly 1000 %

The dramatic rise of cellular mobile telephone systems in the EU continued in 1996 with an increase of nearly 59%. The highest growths in 1996 were recorded in Spain (218%), Belgium (103%) and Greece (102%), reflecting the low starting level and implying that the differences in densities will in future get smaller.

Cellular mobile telephone systems subscriber lines - Growth rate 1995/1996



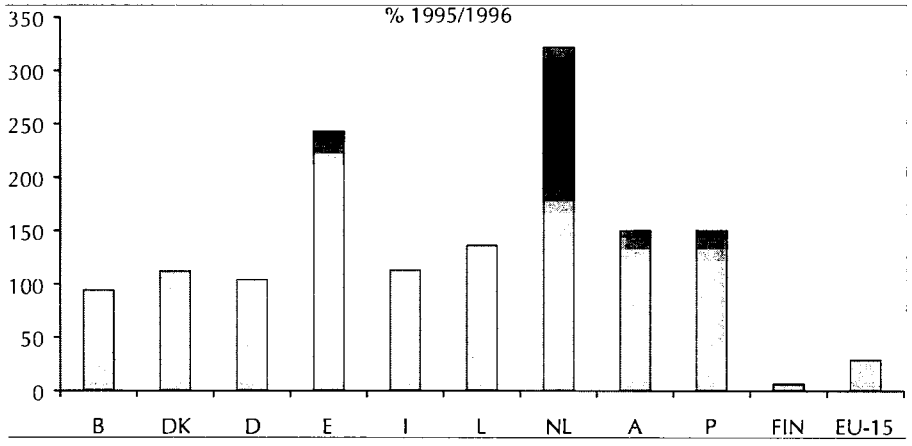
Cellular mobile telephone systems subscriber lines - 1996

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EU-15
Thousand lines	478	1 317	5 790	550	2 997	2 463	289	6 422	45	804	563	664	1 502	2 492	7 109	33 484
% 1995/1996	103,3	60,1	54,4	101,5	217,5	140,5	82,7	66,2	67,7	56,7	62,2	94,7	44,5	23,1	23,9	58,7
Lines/100 inhabitants	5	25	7	5	8	4	8	11	11	5	7	7	29	28	12	9

The number of ISDN[1] lines is growing rapidly everywhere, reflecting the user's demand for faster data communication

The development is leading to a more even level of density of networks across Europe. The number of ISDN subscriber lines continued to rise dramatically in 1996 by more than a 100%. The highest growths in 1996 were recorded in the Netherlands (+322%) and Spain (+243%). Germany counts with the clearly highest number and density of ISDN

ISDN subscriber lines - Growth rates 1995/1996



ISDN[1] subscriber lines - 1996

	B	DK	D	EL	E	F[2]	IRL	I	L	NL	A	P	FIN	S[2]	UK[2]	EU-15
Thousand lines	55	30	1 964	0,5	96	1 278	0	105	4	100	42	20	27	19	260	3 500
% 1995/1996	94	112	104	:	243	:	:	113	136	322	150	150	7	:	:	29
Lines/100 inhabitants	0,5	0,6	2,4	0,0	0,2	0,7	0,0	0,2	0,9	0,6	0,5	0,2	0,5	0,6	1,1	9,0

[1] ISDN = Integrated Services Digital Network

[2] F, S, and UK: 1995.

Source: Statistics in Focus Industry, Trade and Services n° 3/99.

In terms of jobs, Germany has 10 of the top 15 high-tech regions

Stuttgart is 'High-tech capital' of the EU

The Stuttgart region of Germany is identified as the 'high-tech' capital' of the EU in a report[2] from Eurostat.

The report lists the top 15 EU regions according to the share of their total employment accounted for by the high-technology sectors of the economy. Stuttgart heads the list with 23,3% followed by Karlsruhe with 21,1%.

Germany records 10 regions in the top 15, France two and Italy, Sweden and the UK one each. The line-up is:

Top 15 regions

Jobs in all high-tech manufacturing & service sectors as % of total employment 1997			
Stuttgart (D)	23,3	**Darmstadt (D)**	17,4
Karlsruhe (D)	21,1	**Piemonte (I)**	17,2
Rheinhessen-Pfalz (D)	20,1	**Oberbayern (D)**	17,2
Franche-Comté (F)	19,2	**Beds-Herts (UK)**	16,0
Braunschweig (D)	18,4	**Alsace (F)**	15,9
Mittelfranken (D)	18,3	**Östra Mellansverige (S)**	15,5
Tübingen (D)	18,0	**Freiburg (D)**	15,4
Unterfranken (D)	17,7		

The analysis shows 16 million people working in high-tech sectors EU-wide in 1997. This equals around 10,6% of total employment. Of these, 4,4 million or 27,5% were in high-tech services, as opposed to industries.

Germany was the main employer with 27,5% of all EU high-tech jobs. Next came the UK (19,9%), France (15,1%) and Italy (11,7%). Together these countries account for some three-quarters of total EU employment in high-tech sectors, compared to just under 70% of total EU employment in all sectors.

UK regions stand out in higher-tech

When the focus is narrowed to jobs in higher-tech manufacturing sectors (office machinery and computers and radio, TV and communication equipment) as a share of total employment, the list of the top 15 regions is very different. Six are in the UK - No 1 being Scotland's Dumfries and Galloway and Strathclyde (3,9%) - and only three in Germany, Stuttgart (2,3%) falling to No 7. These 15 regions account for only 9,3% of total EU industrial high-tech employment but 20,2% of the higher-tech manufacturing total.

After Dumfries and Galloway and Strathclyde comes Noord-Brabant in the Netherlands with 2,8%. Next are Gwent, Mid-SW Glamorgan (UK) and Pohjois-Suomi (Finland), both with 2,7%. Ireland - listed as a country because in terms of these statistics it has no regional breakdown - weighs in with 2,0%, the highest national share in the EU.

Sweden & Denmark big in high-tech services

Turning to employment in high-tech services as opposed to manufacturing, the study indicates that...

EU-wide, this accounts for 2,9% of total employment in the economy.

Sweden has the highest share at 4,0%, followed by Denmark (3,9%), the UK and France (both 3,6%). Greece has the lowest (1,4%).

The top 15 regions on this basis account for 21,3% of total EU employment in high-tech services. Stockholm comes first with 6,8% of its jobs' total in high-tech services. Next comes Berkshire, Buckinghamshire and Oxorfshire with 6,7% - one of the six UK regions in the list. While Germany does not appear in the top 15 on this basis, Belgium and Netherlands do, with two and three times.

Between 1995 and 1997 employment grew faster in high-tech services than in the whole economy.

Notes:

1. Employment in high technology, in this study, concerns all persons working in high (or medium-high) technology manufacturing and services sectors.
Higher-tech manufacturing sectors comprise: office machinery and computers; radio, TV and communication equipment and apparatus.
Medium high-tech manufacturing sectors: chemicals and chemical products; machinery and equipment n.e.c.; electrical machinery and apparatus; medical, precision and optical instruments, watches and clocks; motor-vehicles, trailers and semi-trailers; other transport equipment.
High(er)-tech service sectors: Post and telecommunications; computer and related activities; R&D.
2. Eurostat Statistics in Focus, Research and Development, no 1/99, "Regional Employment in High Technology"

The source of data for this study is the Community Labour Force Survey (Eurostat).

Source: Eurostat News Release No 34/99.

EU-15 real agriculture income down by 3,9%

Ranges from Denmark's -18,0% to Luxembourg's +2,1%

A "moderate" fall last year of 3,9% in EU-15 real agricultural income[1] is confirmed by revised estimates[2] from Eurostat. The euro-zone was down by 2,7%.

This average masks differences between Member States. At one end of the scale Luxembourg recorded a 2,1% rise. At the other, Denmark saw a 18,0% fall. The UK (-16,3%), Portugal (-12,1%) and the Netherlands (-11,7) were also down heavily.

Apart from Luxembourg, the only other countries with rises were Sweden (+1,1%), Germany (+1,0%) and France (+0,9%).

Eurostat says the average EU-15 fall this year - together with that of 1997 (-2,6%) - "should be viewed against three years of appreciable growth, reaching the highest level for 20 years in 1996". The 1998 level for EU-15 is still an estimated 12% in real terms above that of 1990-91 - and for the euro-zone 16,6%.

Change in real agricultural income[1] between 1997 and 1998

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	EUR-11	EU-15
A	79,5	117,2	131,6	97,5	139,3	120,7	130,0	112,8	96,3	92,0	97,7	102,8	94,3	72,3	96,4	119,8	116,1
B	-8,4	-18,0	1,0	-1,3	-6,2	0,9	-6,6	-0,7	2,1	-11,7	-4,2	-12,1	-5,0	1,1	-16,3	-2,7	-3,9

A. Indices in 1997 (1990=100); B. Changes from 1997 to 1998 in %

The reasons why...

The EU decline can be attributed largely to:

· A fall in producer prices: the average price level for agricultural goods as a whole - final agricultural output - was down by 5,3% in real terms. This resulted mainly from lower real prices for animals - down an average by -13,2%, with pig prices falling by -27,1%.

· A decline in subsidies: their real value in 1998 was down by -6,4%.

But several factors partly offset the downward pressure on income:

· A small rise in volume of final output (+1,6% for crops and +1,4% for animals).

· Lower value of intermediate consumption goods.

· Depreciation in real terms 0,4% lower than in 1997.

· Further decline in volume of total agricultural labour. At -1,7%, similar to 1997, this compares with an average -3,8% from 1990 to 1996 and so confirms a slowdown in the rate of decline.

1. Change of real (deflated) net value-added at factor cost related to the change in total agricultural labour input (in annual work units).
2. Eurostat Statistics in Focus, Agriculture and Fisheries, No 3/99, "Agricultural income: Widespread declines in 1998 across the EU". The Eurostat report Income from agricultural activity, 1998 presents a detailed analysis of changes in agricultural income in 1998 over 1997 and between 1980 and 1998 in the EU and Member States. First estimates were published in news release No 99/98, 17 December 1998.

Source: Eurostat News release No 33/99.

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For research and forecasting work, its Financial Analysis Department draws on many prestigious external sources and studies, including those published by Eurostat.

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