

### Gross domestic product - first values for 1994

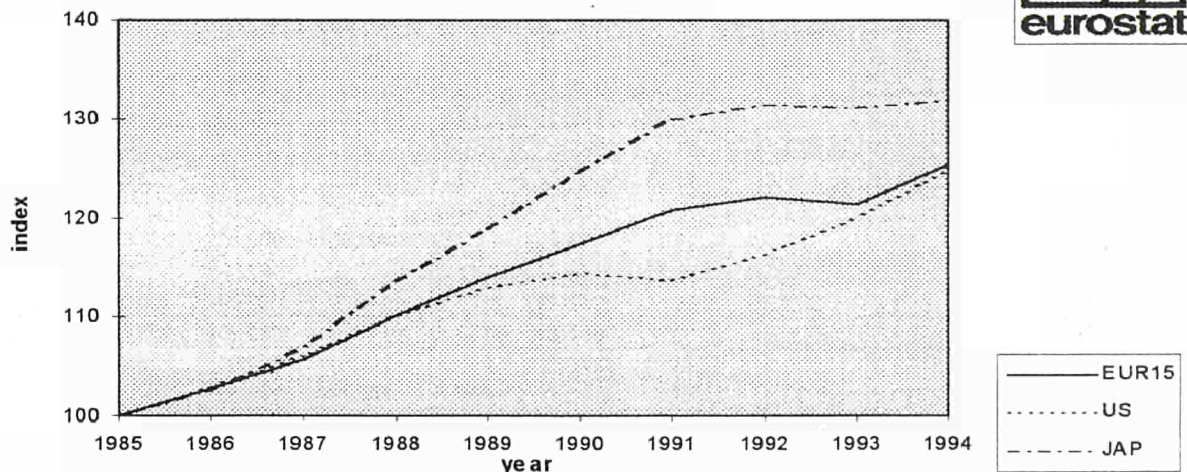
This report contains the first provisional GDP values for the year 1994, which have just become available for every country of the Union apart from Belgium, Luxembourg, Greece, Ireland and Portugal. The calculation of GDP for the last-mentioned countries was based on estimates supplied by the departments of the Commission in november 1994. For 1994, these estimates account for 7,5 % of the GDP of EUR-15 in terms of PPS.

There may be certain differences between the data for the years up to 1993 that were published in earlier reports and those which are published here, since the present report incorporates the most recently available data. These are frequently updates of previously published data, since more recently available information can also be taken into account.

Although the present publication only covers the years up to 1994, the countries which joined the Union on 1 January 1995 have been taken into account and a set of values for EUR-15 is being calculated for the pre-accession period for purposes of comparison.

For the purposes of international comparison, the GDPs of the EU-countries expressed in national currencies are converted on the basis of the official rate of exchange (annual average) into a common currency (the ECU). However, this rate of exchange does not necessarily reflect the actual purchasing power of a currency in the economic territory of the individual country and does not always yield useful information on real development of the national economies - hence the calculation and application of a conversion rate known as a purchasing power parity (PPP), which is based on the relative prices of a basket of representative and comparable products. The values calculated by means of the PPP are known as purchasing power standards (PPS). Purchasing power standards frequently give significantly different results from those expressed in ECU, particularly at times when significant changes occur in the rates of exchange of national currencies against the ECU. This is e.g. at the moment the case for the Italian Lira.

Figure 1: GDP volume index, prices 1985



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For further information please contact: S.STAPEL / G.L. MAZZI  
Eurostat, L-2920 Luxembourg, tel. 4301-32547/34351 Fax: 4301-34150

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eurostat	table 1: GDP at constant 85 Prices, annual growth rates									
	1986	1988	1987	1988	1989	1990	1991	1992	1993	1994
B	0.9	1.4	2.0	4.9	3.5	3.2	2.3	1.9	-1.7	2.2
DK	4.3	3.6	0.3	1.2	0.6	1.4	1.3	0.8	1.5	4.4
D(1)	2.0	2.3	1.5	3.7	3.6	5.7	-	1.8	-1.7	2.3
GR	3.1	1.6	-0.4	4.3	4.0	-0.9	3.2	0.8	-0.5	0.4
E	2.6	3.2	5.6	5.2	4.7	3.7	2.2	0.7	-1.1	2.0
F	1.9	2.5	2.3	4.5	4.3	2.5	0.8	1.3	-1.5	2.7
IRL	4.0	3.9	4.5	4.3	7.4	8.6	2.9	5.0	4.0	6.0
I	2.6	2.9	3.1	4.1	2.9	2.1	1.2	0.7	-1.2	2.2
L	-	6.5	4.1	6.5	8.9	5.3	3.9	3.0	6.1	2.3
NL	2.6	2.7	1.2	2.6	4.7	4.1	2.3	1.3	0.4	2.5
A	2.5	1.2	1.7	4.1	3.8	4.2	2.9	1.8	-0.1	2.7
P	3.0	4.1	5.1	4.0	4.9	4.1	2.1	1.1	-1.2	1.1
FIN	3.4	2.4	4.1	4.9	5.7	0.0	-7.1	-3.6	-1.6	3.9
S	1.9	2.3	3.1	2.3	2.4	1.4	-1.1	-1.4	-2.6	2.2
UK	3.8	4.3	4.8	5.0	2.2	0.4	-2.0	-0.5	2.2	3.8
EUR15	2.8	2.9	2.8	4.2	3.5	2.9	1.5	0.9	-0.7	2.7
USA	3.2	2.9	3.1	3.9	2.5	1.2	-0.6	2.3	3.1	4.1
JAP	4.9	2.7	4.0	6.3	4.7	4.9	4.3	1.1	-0.2	0.5

1) see note at page 4

The overall impression of the GDPs of the economies of the European Union (EUR-15) that emerges from the provisional figures for 1994 is that of resumption of palpable real growth (2.7%) in the wake of considerably lower rates of growth in 1991 (1.5%) and 1992 (0.9%) and a real setback in 1993 (-0.7%). Although the rate of growth of GDP for 1994, at 2.7%, was still below the average for 1985-1990 (3.2%) it represented an unmistakeable revival of the economies of the EU after two lean years and a year of crisis. This applies in particular to Sweden and Finland which had joined the European Union on 1 January 1995 and which had all experienced a year of stagnation or very sluggish growth in 1990 followed by three years (1991-1993) of falling GDP. In the case of the USA, as in 1992 and 1993, the rise in GDP in 1994 (+4.1%) was

strikingly better than that of EUR-15. In Japan, on the other hand, after a slight fall in GDP at constant prices in 1993 (-0.2%) 1994 was a year of very modest growth in GDP (+0.5%).

Denmark (4.4%) and Ireland (6.0%) had the highest rates of growth in GDP in the Union in 1994. The figures for Ireland are particularly striking because that country had also managed to maintain a high rate of growth of GDP in 1991-1993, which were three critical years for many other Member States. Greece's GDP in constant prices was only 0.4% higher than in the preceding year. The GDP growth rates of all the other Member States were between +1.1% and +4.4% (see Table 1).

eurostat	table 2: GDP at PPS									
	TOTAL - Mr PPS					PER CAPITA PPS				
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
B	151,3	162,1	173,8	181,0	187,7	15190	16210	17300	17950	18540
DK	78,7	84,9	86,1	92,1	97,9	15300	16480	16650	17740	18810
D	1078,2	1285,4	1376,5	1392,0	1459,3	17050	16070	17080	17150	17890
GR	85,6	92,5	99,1	103,6	105,8	8430	9040	9610	10000	10160
E	426,0	468,0	475,3	482,6	501,6	10940	11990	12160	12330	12790
F	914,3	979,2	1009,9	998,6	1044,3	16200	17270	17710	17420	18120
IRL	36,5	39,8	43,5	45,7	49,2	10400	11290	12250	12830	13790
I	859,2	919,9	953,3	936,6	974,2	14900	15920	16470	16120	16770
L	8,3	9,0	9,7	10,1	10,5	21620	23250	24580	25420	26140
NL	221,6	233,7	243,8	249,3	260,5	14820	15510	16060	16310	16900
A	128,7	135,8	135,3	141,6	148,2	16650	17380	17100	17720	18480
P	85,9	95,8	102,6	108,0	111,0	8680	9710	10410	10940	11220
FIN	80,8	77,9	69,4	73,2	77,5	16200	15540	13760	14440	15210
S	145,6	145,5	136,1	135,9	141,7	17010	16880	15700	15590	16140
UK	838,8	852,3	896,5	917,2	970,2	14610	14790	15500	15800	16660
EUR15	5139,5	5581,8	5810,9	5867,6	6139,5	14730	15220	15760	15840	16520
USA	5135,3	5350,3	5733,6	5876,3	6232,5	20550	21180	22440	22750	23890
JAP	2010,3	2200,4	2326,8	2356,8	2409,6	16270	17760	18720	18900	19278



Table 3: GDP in ECU

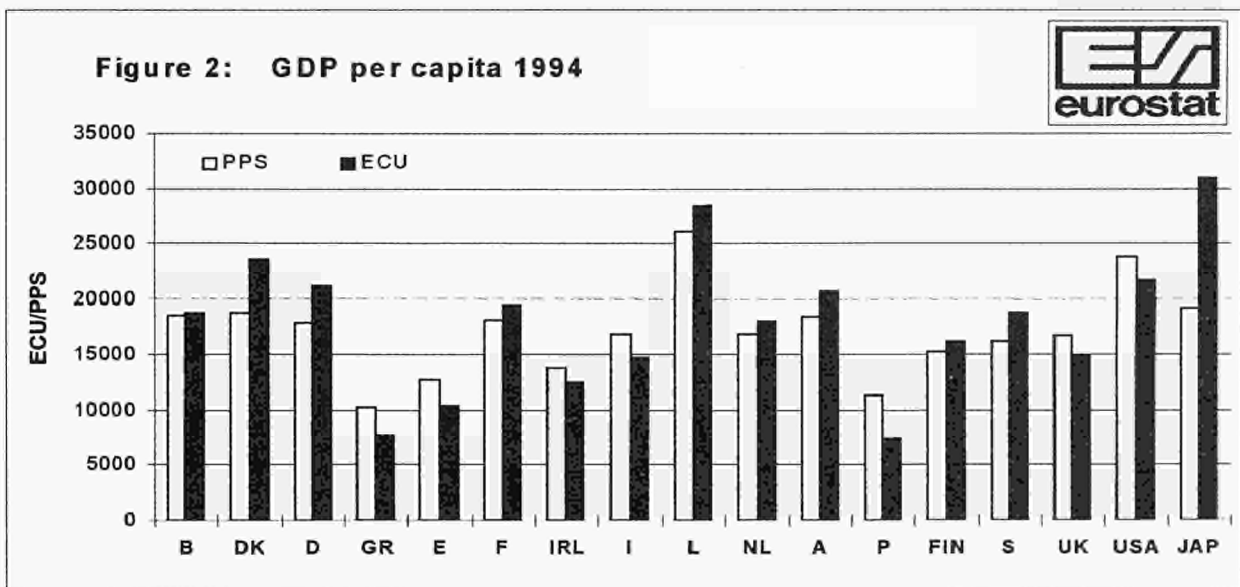
	TOTAL - Mrd ECU					PER CAPITA - ECU				
	1992	1993	1994	1995	1996	1991	1992	1993	1994	
B	151,4	159,7	170,7	180,0	191,0	15200	15970	17000	17850	18870
DK	101,7	104,7	109,0	115,0	123,2	19790	20310	21080	22160	23660
D	1182,2	1391,5	1522,3	1631,4	1725,7	18690	17400	18890	20100	21150
GR	64,4	70,4	73,8	76,7	79,5	6340	6880	7160	7410	7630
E	387,8	427,3	445,3	408,4	407,0	9950	10950	11390	10430	10380
F	941,5	971,7	1023,6	1067,7	1121,2	16690	17140	17950	18630	19460
IRL	35,3	36,7	39,4	40,4	44,4	10070	10410	11110	11330	12440
I	862,1	932,3	942,8	841,9	856,9	14950	16130	16284	14490	14750
L	8,3	8,9	9,8	10,7	11,5	21770	23100	24860	26860	28520
NL	223,3	234,6	247,5	264,0	278,5	14940	15570	16300	17270	18070
A	124,7	133,6	143,9	155,5	165,8	16140	17100	18190	19450	20670
P	52,9	62,6	73,4	72,3	73,5	5350	6350	7450	7324	7430
FIN	106,2	98,1	82,1	71,8	82,6	21290	19570	16290	14160	16230
S	180,8	193,5	191,4	158,1	165,6	21130	22460	22080	18130	18850
UK	772,0	820,7	809,6	808,7	861,0	13450	14240	14000	13930	14780
EUR15	5194,6	5646,5	5884,7	5902,7	6187,3	14890	15400	15970	15940	16650
USA	4356,0	4619,9	4637,8	5417,0	5664,8	17430	18280	18150	20970	21720
JAP	2309,3	2709,3	2819,7	3580,3	3868,2	18690	21860	22680	28720	30950

In 1994, in terms of current purchasing power standards, the GDP of the Union as a whole worked out at 6139.5 Mrd. PPS. This was about 1.5% lower than the GDP of the USA and approximately 2.5 times higher than that of Japan. Within the Union, Germany had the highest GDP in 1994 (1459.3 Mrd. PPS), representing about 23.8% of the GDP of EUR-15. In 1994, the four biggest EU-economies (Germany, France, Italy and the United Kingdom) accounted for some 72.4% of the total GDP of the Union expressed in PPS, while at the other end of the scale the six countries (Greece, Ireland, Luxembourg, Finland, Denmark and Portugal) contributed only about 7.4% to the total GDP of EUR-15.

GDP per capita is one of the most useful indicators for the comparative analysis of economies, both over time and from a territorial standpoint.

However, as can be seen from Tables 2 and 3, there are frequently significant differences between results derived from data expressed in PPS and those based on ECU values. The phenomenon is attributable to the differences in the price levels in the individual Member States. In countries in which the level of prices is higher than the EU-average, GDP per capita in PPS is normally lower than in ECU. Denmark is a case in point: its GDP in ECU per capita works out at ECU 23 660, whereas its GDP based on purchasing power standards is only 18 810 PPS. The differences are just as striking in the case of Germany. The reverse applies to Greece and Portugal in particular: in these Member States, because the level of prices is below the average, the PPS values are significantly higher than the ECU values. The differences for all the Member States, the USA and Japan are shown in Fig. 2.

Figure 2: GDP per capita 1994



The difference between the PPS and ECU values for Japan is particularly striking: GDP in capita in PPS is no not even two thirds of the ECU value.

It must be emphasized, however, that the differences between the PPS- and ECU values for

several Member States, and for Japan, were additionally very much affected by fluctuations in the exchange rates of their national currencies against the ECU. It is particularly inadvisable to use the ECU values for Greece, Spain, Italy, Portugal, EUR-15 and Japan for these two years.

eurostat										
B	105	103	103	102	105	103	107	110	113	112
DK	113	112	111	108	108	104	108	106	112	114
D	120	119	119	117	117	116	106	108	108	108
GR	54	54	52	54	52	57	59	61	63	62
E	66	68	71	71	72	74	79	77	78	77
F	112	112	111	112	113	110	113	112	110	110
IRL	61	63	64	64	71	71	74	78	81	83
I	99	99	99	100	99	101	105	105	102	102
L	123	124	120	122	128	147	153	156	160	158
NL	108	107	104	102	102	101	102	102	103	102
A	116	116	115	114	114	113	114	109	112	112
P	48	52	53	55	54	59	64	66	69	68
FIN	111	109	108	110	112	110	102	87	91	92
S	121	122	120	116	114	115	111	100	98	98
UK	101	99	100	100	100	99	97	98	100	101
EUR15	100	100	100	100	100	100	100	100	100	100
USA	148	146	145	144	144	140	139	142	144	145
JAP	106	107	108	109	111	110	117	119	119	117

The data in PPS, on the other hand, are not affected by the exchange rate for the ECU. In terms of purchasing power standards, Luxembourg's GDP per capita of PPS 26 140 was by

far the highest for EUR-15 - 58% above the EU-average of PPS 16 520. Greece recorded the lowest value - 38% below the EUR-15 average (see also Table 4).

From 1991 onwards, the figures for Germany relate to the national territory after the reunification of 3 October 1990. As a result of the extension of the country's economic territory, there was an increase in GDP nominally and in terms of volume, but a reduction in GDP per capita. Between 1990 and 1991 there is a break in the time-series. Due to the low weight of the new Länder of Germany in the EUR-15 this break has only a marginal impact on the Union as a whole. It will be ignored at this level.