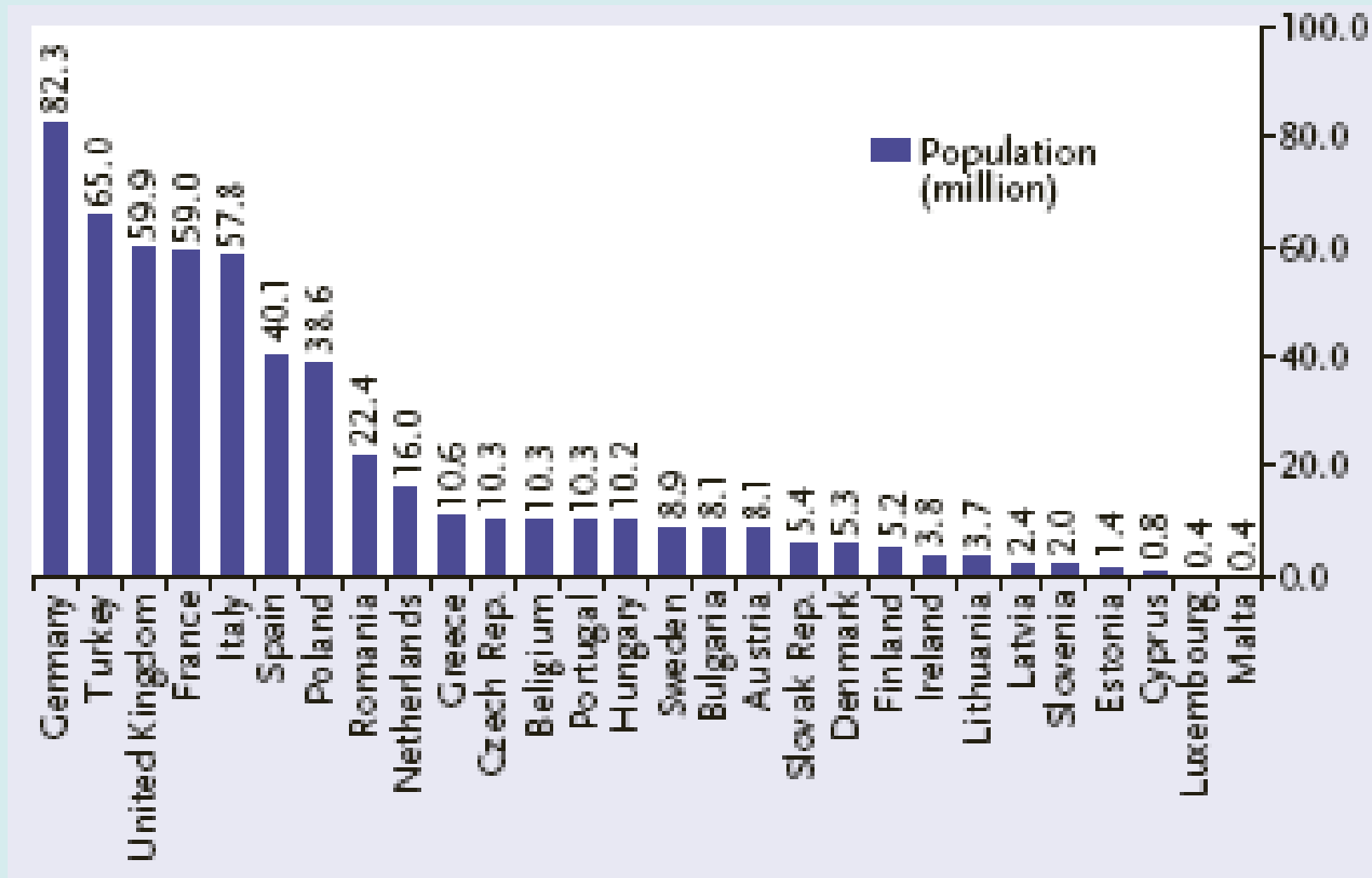


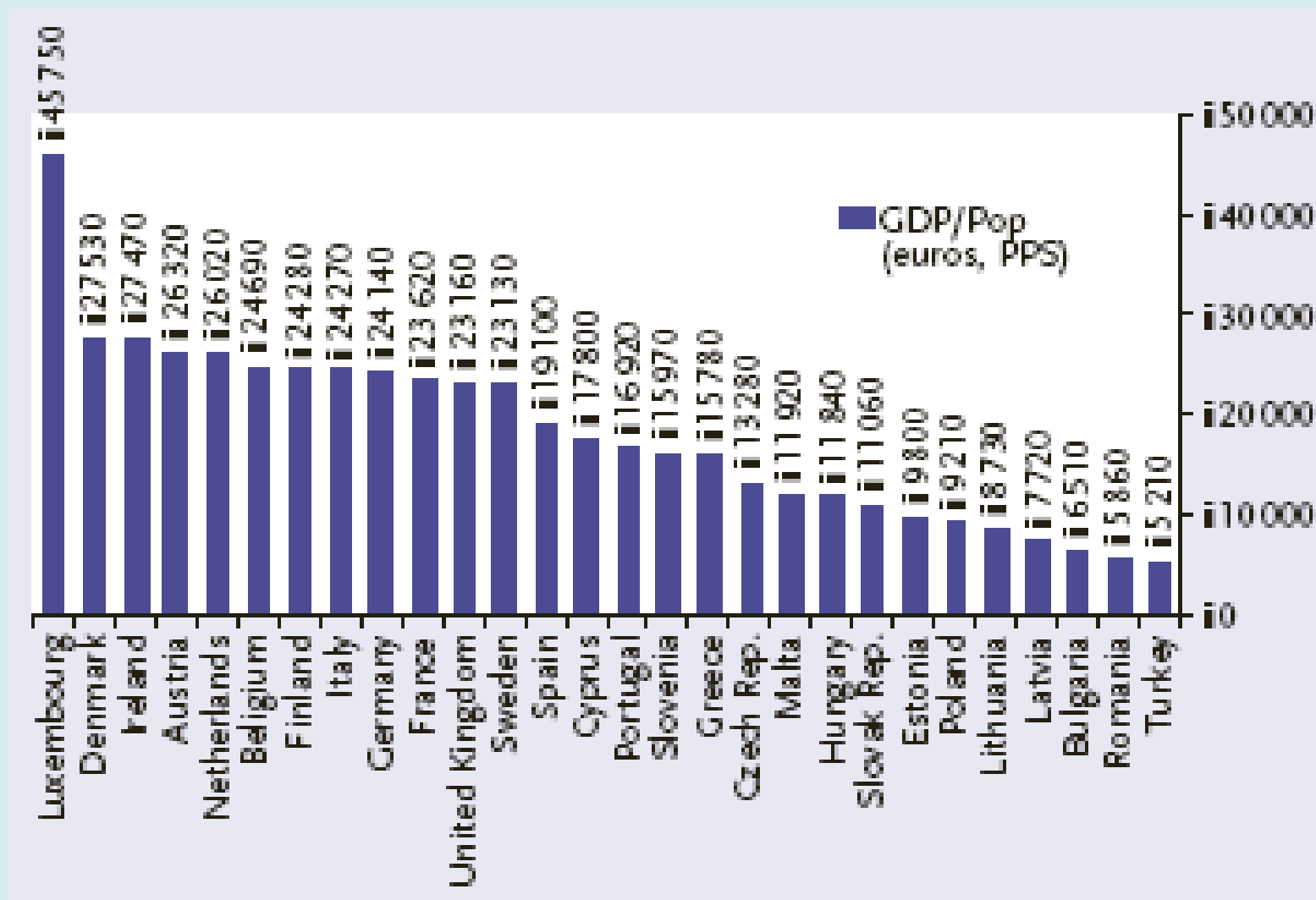
Facts: Population



Facts: Population

- 6 big nations:
 - > 35 million (Germany, the UK, France, Italy, Spain and Poland).
- Netherlands: 16 million people.
- 8 'small' nations (size of a big city):
 - 8 to 11 million: (Greece, Belgium, Portugal, Sweden, Austria, Czech Republic and Hungary).
- 11 'tiny' nations:
 - (size of a moderate to small city)
 - together make up less than 5 per cent of EU25 population
 - (Slovak Republic, Denmark, Finland, Ireland, Lithuania, Latvia, Slovenia, Estonia, Cyprus, Luxembourg and Malta.)

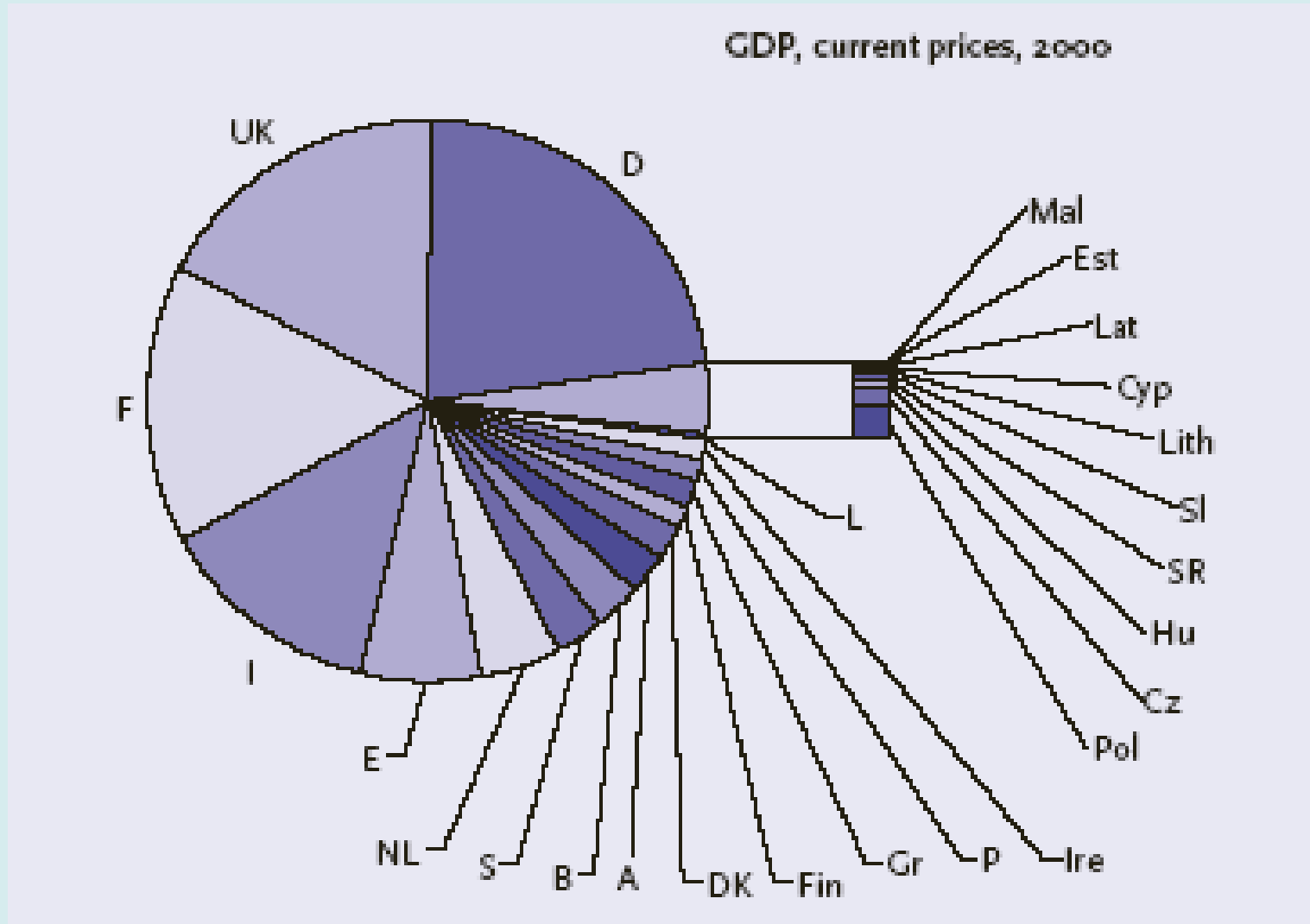
Facts: Income per capita



Facts: Income per capita

- 11 high income – over €20,000
 - Denmark, Ireland, Austria, Netherlands, Belgium, Finland, Italy, Germany, France, UK and Sweden.
- 9 medium income category – from €10,000 to €20,000
 - Spain, Greece, Portugal, Cyprus, Hungary, Slovenia, the Czech Republic, Malta and the Slovak Republic.
- 6 low income nations, less than €10,000
 - Estonia, Poland, Lithuania, Latvia, Bulgaria, Romania, and Turkey
 - NB: Turkey's income is half that of the richest-of-the-poor, Estonia.
- Luxembourg is in the super-high income category by itself.
 - per capita income is almost twice that of France
 - about 40% of Luxembourgers work so the *average* worker earns over €100,000 a year!

Facts: Size of Economies



Facts: Size of Economies

- Economic size distribution is VERY uneven.
- Six nations (Germany, the UK, France, Italy, Spain and the Netherlands) account for more than 80% of EU25's economy.
- Other nations are small, tiny or miniscule.
- 'Small' is an economy that accounts for between 1% and 3% of the EU25's output:
 - Sweden, Belgium, Austria, Denmark, Poland, Finland, Greece, Portugal and Ireland.
- 'Tiny' is one that accounts for less than 1% of the total:
 - Czech Republic, Hungary, Slovak Republic, Luxembourg, Slovenia, Lithuania, and Cyprus.
- Miniscule is one that accounts for less than one-tenth of 1%:
 - Latvia, Estonia and Malta.

Facts: EU15's Global Trade Pattern

	EU Export shares by region		EU Import shares by region
Western Europe	67%	Western Europe	66%
North America	10%	Asia	12%
Asia	8%	North America	8%
CEECs and CIS	6%	CEECs and CIS	6%
Africa	3%	Africa	3%
Middle East	3%	Latin America	2%
Latin America	2%	Middle East	2%
Top 7 partners			
European Union (15)	62%	European Union (15)	61%
United States	9%	United States	7%
Switzerland	3%	China	3%
Japan	2%	Japan	3%
Poland	1%	Switzerland	2%
China	1%	Russian Federation	1%
Russian Federation	1%	Poland	1%

SOURCE: WTO's Annual Report, 2002.

Facts: EU15's Global Trade Pattern

- The EU trades mainly with Europe, especially with itself:
 - about two-thirds of EU exports and imports are to or from other Western European nations
 - the EU's exports to North America amount to only 10 per cent of its exports
 - Asia's share is only 8 per cent.
- About 80 per cent of EU exports consist of industrial goods ('intraindustry' trade).

Facts: EU15's Global Trade Pattern

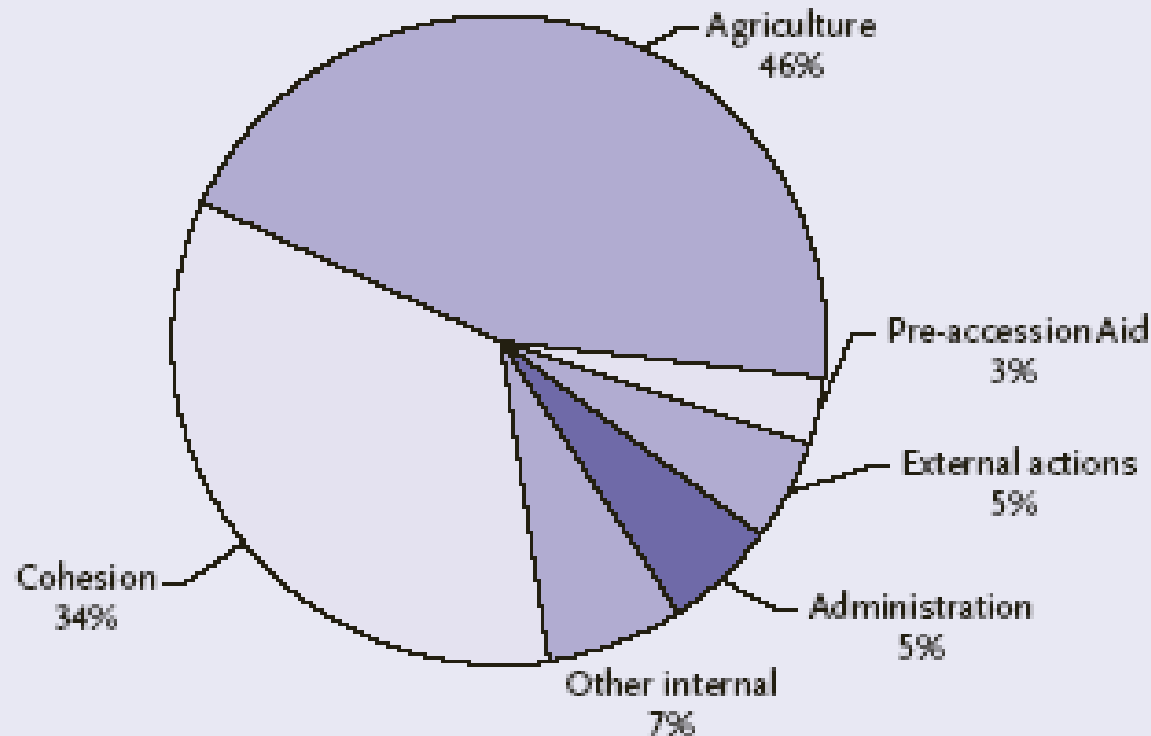
	Openness ratio	Exports to EU15 as % total exports		Openness ratio	Exports to EU15 as % total exports
Greece	17%	49%	Malta	44%	48%
Italy	22%	51%	Slovenia	25%	57%
Finland	30%	53%	Turkey	62%	58%
Sweden	33%	53%	Latvia	69%	59%
Germany	29%	53%	Bulgaria	56%	59%
United Kingdom	21%	54%	Slovak Rep.	45%	62%
Ireland	61%	57%	Lithuania	38%	66%
France	22%	58%	Cyprus	62%	67%
Austria	36%	59%	Romania	26%	68%
Denmark	29%	59%	Czech Rep.	36%	68%
Spain	23%	69%	Poland	51%	69%
BLEU	75%	75%	Hungary	67%	70%
Netherlands	55%	76%	Estonia	25%	70%
Portugal	29%	80%			

SOURCE: Eurostat and IMF Direction of Trade Statistics, 2002.

Facts: EU15's Global Trade Pattern

- EU25 members are all comparatively open economies when it comes to trade in goods:
 - openness ratio for the EU15 ranges from 17 per cent for Greece up to 75 per cent for the Belgium-Luxembourg
 - figures for the 10 newcomers are higher than Greece's
 - figures for Japan and the US are 10 per cent and 8 per cent respectively.
- EU15 market is very important for all EU25:
 - share of exports going to the EU15 ranges between 50 per cent to 80 per cent.

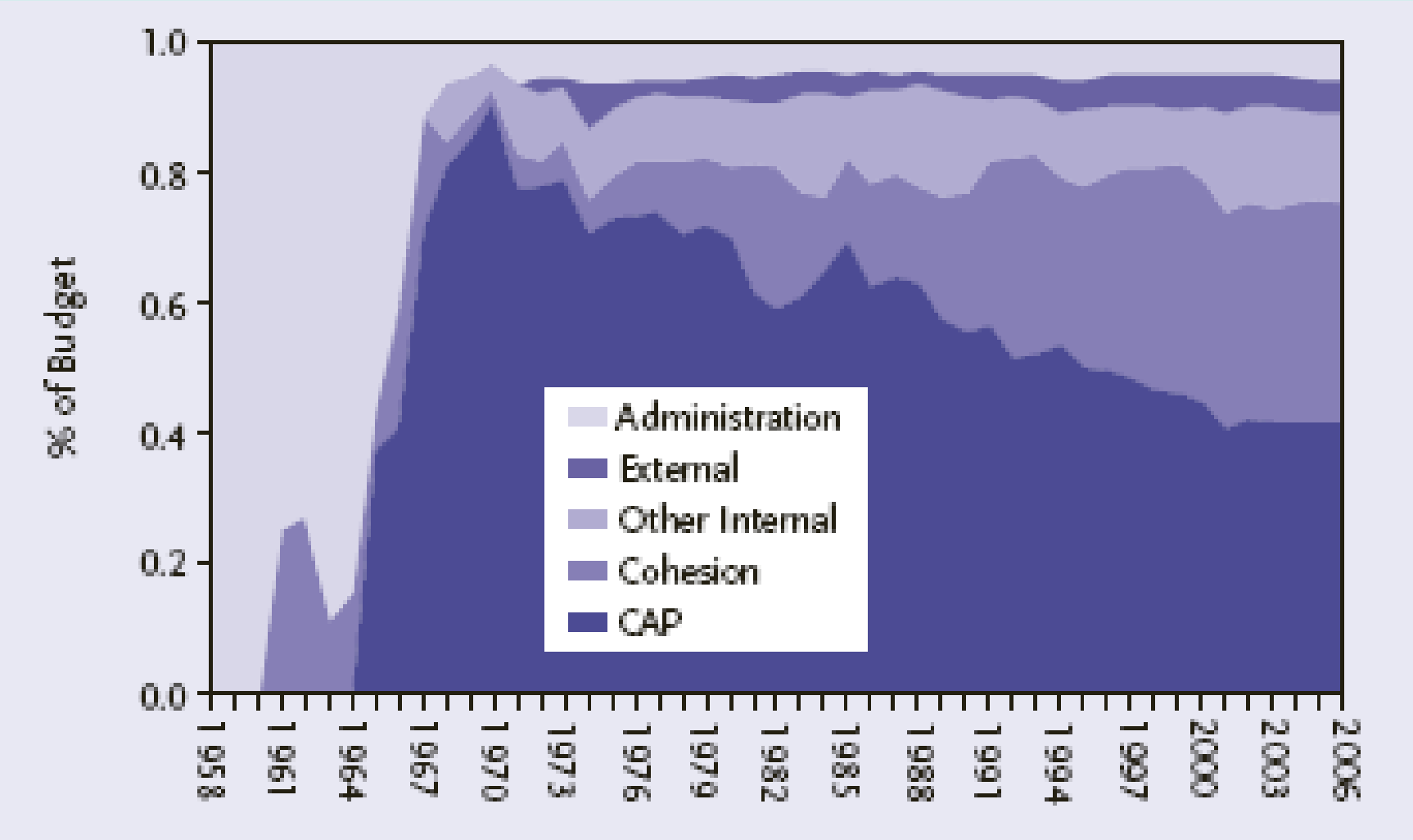
The Budget: Expenditure



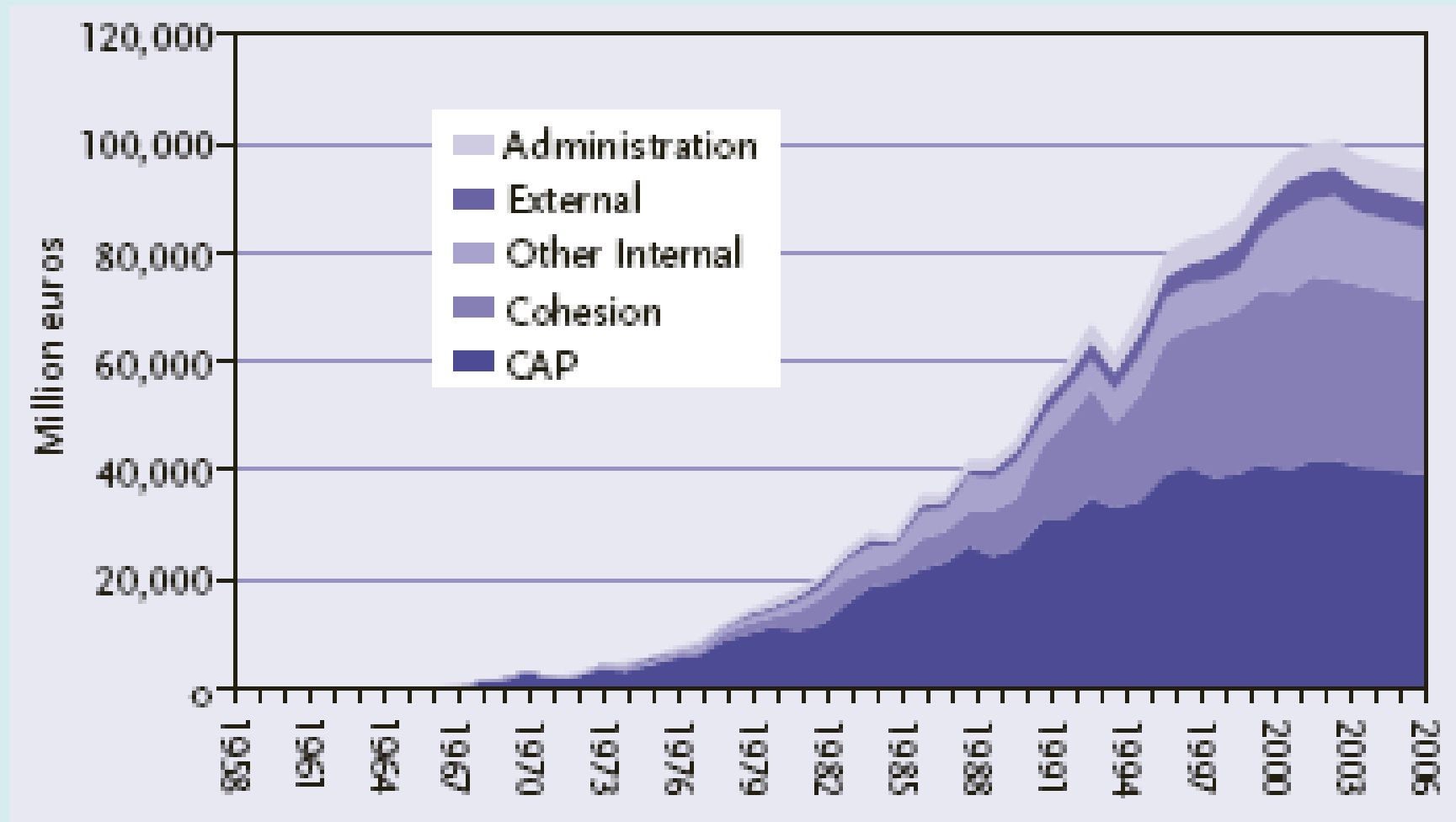
NOTE: Cohesion spending refers to spending on disadvantaged regions; this includes the Structural Funds (see Chapter 9) that can be spent on disadvantaged regions in any member, and the Cohesion Fund that can only be spent in Greece, Ireland, Portugal and Spain.

SOURCE: *General Budget of the EU for Financial Year 2003*, European Commission.

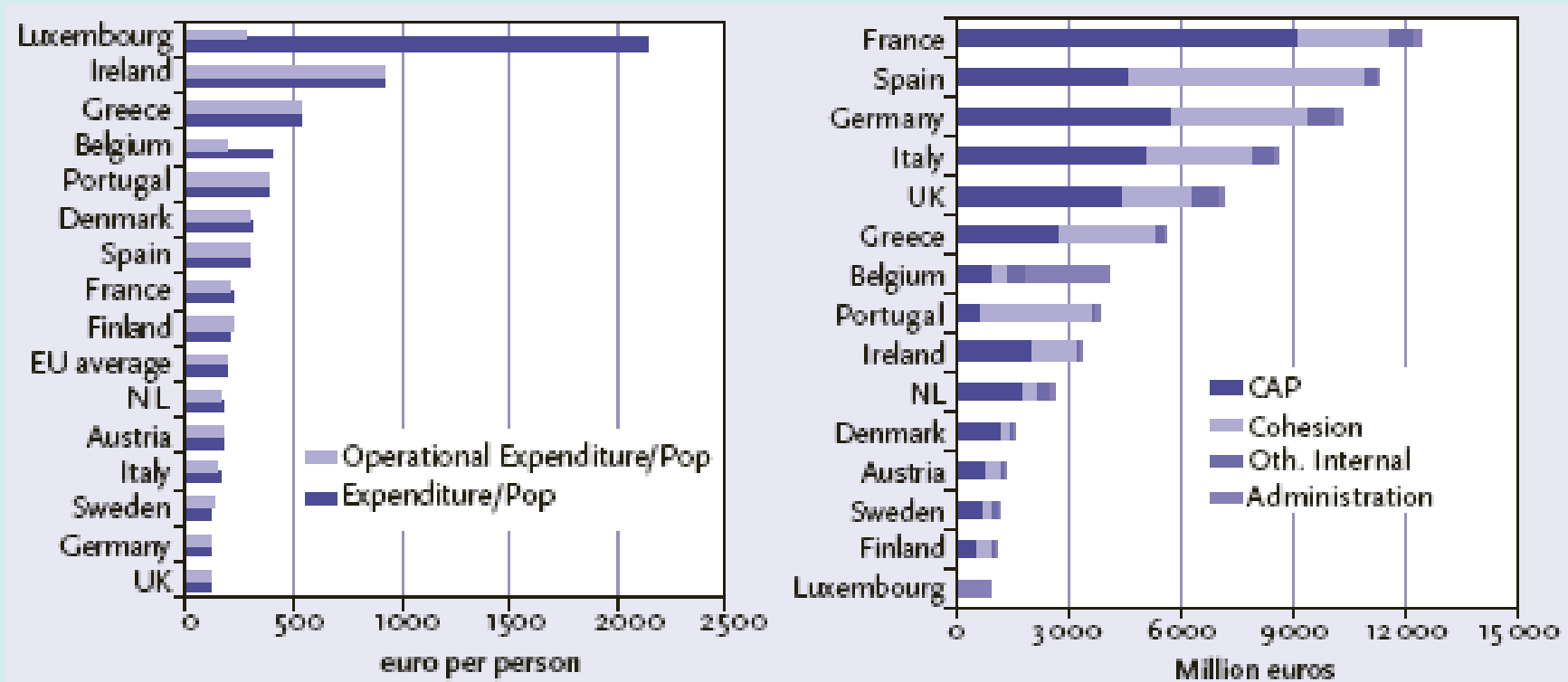
Evolution of Spending Priorities



Evolution of Spending, Level



Evolution of Spending, Level



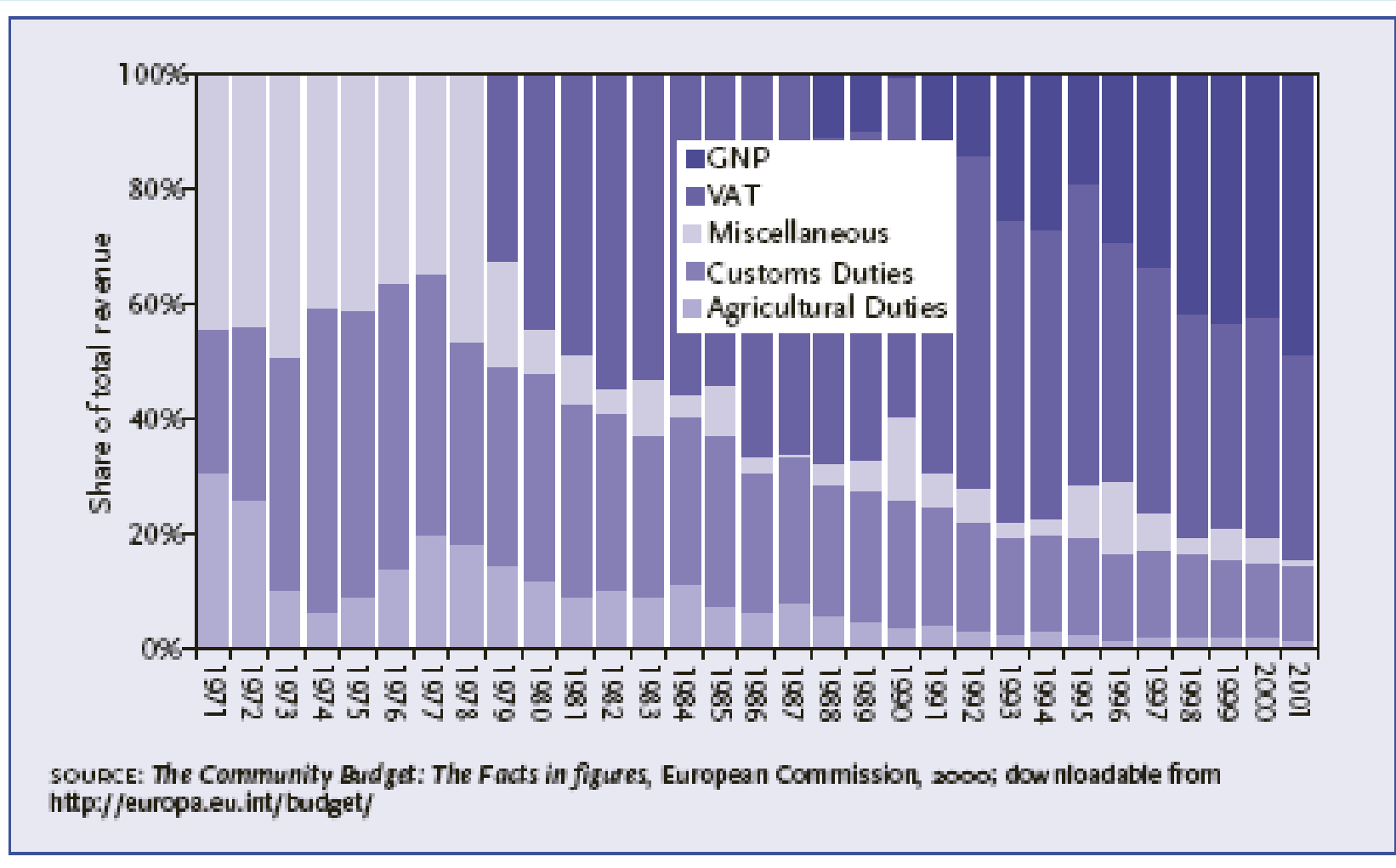
Funding of EU Budget

- EU's budget must balance every year.
- Financing sources: four main types:
 - Tariff revenue
 - 'Agricultural levies' (tariffs on agricultural goods)
 - 'VAT resource' (like a 1 per cent value added tax – reality is complex)
 - GNP based (tax paid by members based on their GNP).

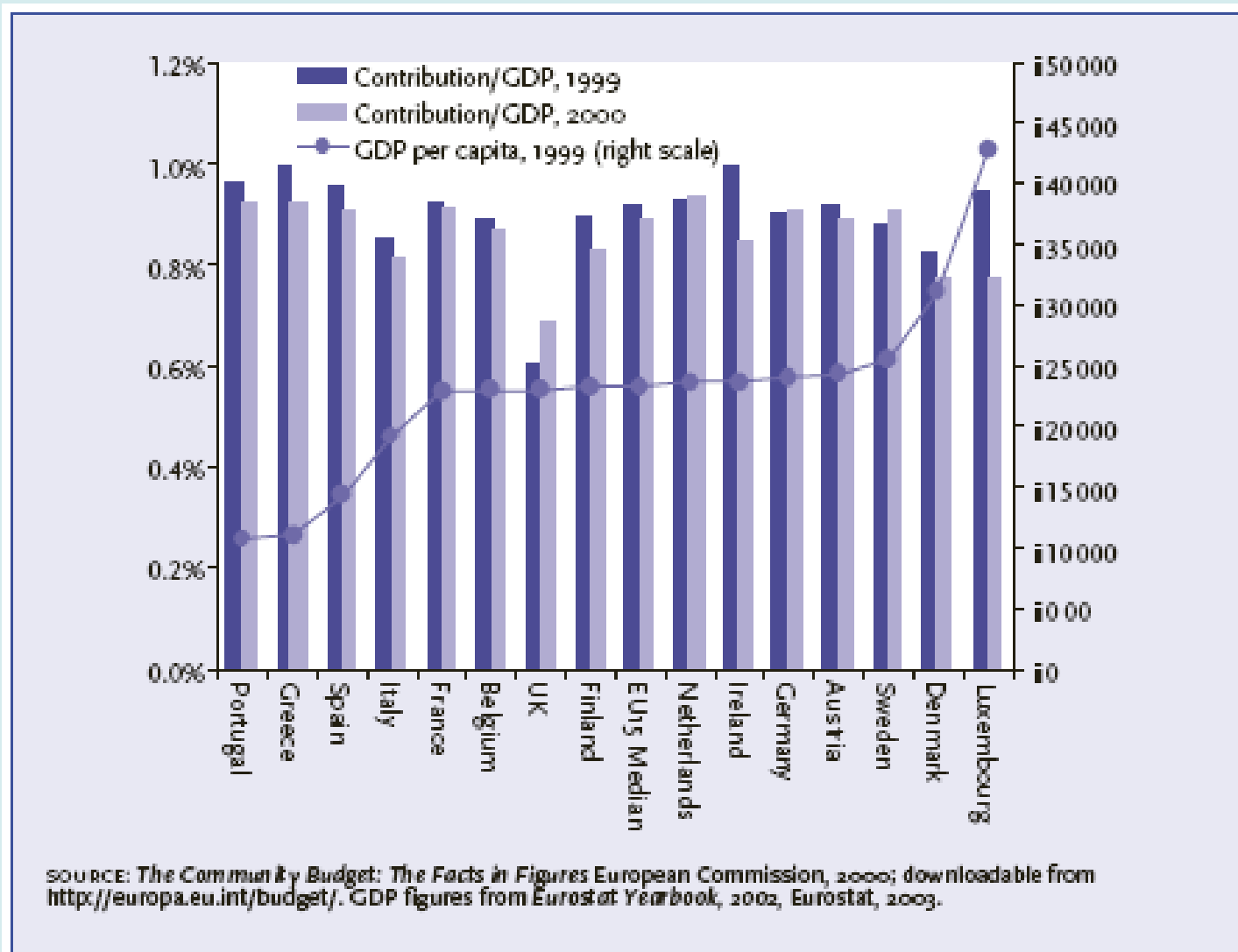
Funding of EU Budget

- Miscellaneous
 - relatively unimportant since 1977
 - taxes paid by eurocrats, fines and earlier surpluses
 - pre-1970s direct member contributions.

Evolution of Funding Sources



Contribution vs GDP, 1999, 2000



Contribution vs GDP, 1999, 2000

- Percentage of GDP per member is approximately 1 percent regardless of per-capita income.
- EU contributions are not 'progressive', e.g. richest nation, (L) pays less of its GDP than the poorest nation (P).

Net Contribution by Member

