Economy and finance Population and social conditions

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The 9 poorest countries catching up on income per capita

Highest income inequalities recorded in Latvia, Romania and Lithuania

In 2009, the group of 9 EU countries with the lowest real household income per capita $(L9^1)$, covering about one fifth of the total EU population, recorded income per capita 55 % below the EU average. This is 3 percentage points (pp) higher than in 2007, before the EU was touched by the economic recession.

The 15 countries of the EU which are eligible under the Cohesion Fund had as a whole a real household income per capita of 72% of the EU average. This is 2 pp higher than in 2007. The Cohesion Fund countries $(C15^2)$ cover about one third of the EU population.

In addition, relative income shares of population

¹L9 includes: Bulgaria, Romania, Latvia, Poland, Estonia, Hungary, Lithuania, Slovakia and the Czech Republic.

² C15 includes, in addition to the L9 countries: Slovenia, Portugal, Malta, Greece, Cyprus and Spain.

groups reveal considerable inequalities within Member States. For 2008 the total disposable income of the fifth of the population with the highest incomes in their country of residence was about 5 times higher than the income of the fifth of the population with the lowest incomes. This figure represents the average of the national indicators across EU Member States.

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Statistics in focus

The lowest income inequalities were found in Slovenia, the Czech Republic and Hungary. The highest inequalities were recorded in Latvia, Romania and Lithuania.

This first joint analysis of income inequalities between and within countries is based on indicators derived from national accounts (2009 data) and social statistics (EU Statistics on Income and Living conditions – EU-SILC 2009 operation based mainly on 2008 income).

Income inequalities across countries





Source: Eurostat (online data code: <u>nasa_nf_tr</u>) Note: BG (2007), RO (2008), LU and MT missing but estimated for EA16/EU27 aggregates



As shown in Figure 1, in 2009, the real adjusted disposable income of euro area households was 9 % above the EU average (EU27 = 100%). It was 28 % below the EU average for the C15 countries and 45 % lower for the L9 group.

Among European countries, the highest levels of income per inhabitant were observed in Norway and Germany followed by Austria, France and the United Kingdom. The lowest levels were recorded in Bulgaria, followed by Romania and Latvia. Among the Member States that joined the EU before 2004, only Portugal recorded income per capita that was significantly below the EU average.

Information on the real adjusted disposable income of households; purchasing power parities and on the national accounts / social statistics concepts of income are provided in the methodological notes at the end of this publication.

Changes in income inequalities across countries

- In 2009, the average income per capita in the Cohesion Fund countries (C15) was 2 percentage points (pp) closer to the EU average than it was in 2007
- In 2009, the average income per capita in the EU lowest income countries (L9) was 3 pp closer to the EU average than it was in 2007
- Largest increase in relative income per capita observed in Slovakia, largest decrease in Latvia

Figure 2: 2007/2009 changes in relative real adjusted gross disposable income of households per capita Purchasing power standards (PPS), EU27 = 100, in percentage points



Source: Eurostat (online data code: nasa nf tr) Note: BG, LU, MT and RO missing but estimated for EA16/EU27 aggregates

Figure 2 shows that the relative real income per capita decreased by 1 percentage point for the euro area as a whole. This means that the (positive) gap between the real income per capita of euro area residents compared with the EU average was reduced by 1 pp between 2007 and 2009.

On the contrary, the relative real income per capita increased in the lowest income countries (L9) by 3 pp and in the Cohesion Fund countries (C15) by 2 pp.

Among EU countries, Slovakia increased its relative income per capita most, by 6 pp. It was followed by Cyprus (5 pp), Poland (4 pp) and Finland (3 pp). Among the five largest EU economies (Germany, Spain, France, Italy and the United Kingdom), only Spain recorded a relative increase (1 pp).

Three L9 countries had a decrease of their average income per capita relative to the EU mean: Latvia (-5 pp), Hungary (-2 pp) and Estonia (-1 pp). However, data for Romania and Bulgaria were not available for the comparison exercise.

Longer time series (2000-2009) of household disposable income are provided in table 2.

Income inequalities within countries

- The average income inequalities were higher in the Cohesion Fund countries (C15) than in the EU as a whole, due to the fact that the top 7 values were coming from this group of countries
- The highest income inequalities were recorded in Latvia, Romania, and Lithuania
- The lowest income inequalities were found in Slovenia, the Czech Republic and Hungary

Figure 3: Income quintile share ratio (S80/S20) based on the 2008 income



Note: The average S80/S20 ratio (left hand axis) in the EU as a whole is 4.9, while the total disposable income received by the bottom income quintile (S20) represents 8% of the total income received by the total population (right hand axis), the total disposable income received by the fraction of the population in the 2nd, 3rd and 4th quintiles (S[20, 80]) represents 53% of the total disposable income (right hand axis) and the total disposable income received by the top income quintile (S80) represents 39% of the total disposable income (right hand axis).

Source: Eurostat (online data code: <u>ilc di11</u>) based on the EU-SILC 2009 operation where the income reference year is 2008 for all countries except for IE (2008-2009) and UK (2009).

Figure 3 presents inequalities in household income³ using EU-SILC data. Income inequalities within countries are illustrated by the S80/S20 ratio, which compares the total equivalised disposable household income received by the top income quintile (20% of the population with the highest equivalised income) to that received by the bottom income quintile (20% with lowest equivalised income).

Based on 2008 income, the EU27 average was slightly below 5, which means that people in the wealthiest quintile of a Member State had on average 5 times more income than the total of the people in the poorest quintile.

Ratios ranged from 3.2 in Slovenia to 6.0 and more in Latvia, Romania, Lithuania, Portugal and Spain. The source of higher inequalities in these 5 last countries lay both in the top and the bottom income quintiles.

In Latvia, Romania and Spain, the total disposable income received by the bottom income quintile represented about 6% (resp. 5.9%, 6.1% and 6.4%) only of the total disposable income of the country population, while in the Czech Republic, Slovenia and Hungary it corresponded to around 10% (resp. 10.3%, 10.2% and 9.9%).

At the other end of the income scale, the top income quintile represented in Portugal, Latvia and Lithuania 42% and more (resp.43.2%, 43.1% and 42.4%) of the total disposable income of the country population and less than 35% in Slovakia, Hungary, Denmark, Sweden and Slovenia (resp. 34.9%, 34.8%, 34.4%, 34.1% and 33.1%).

The situation in terms of inequality in the income distribution was extremely diverse among the 12 newer Member States with a high level of the S80/S20 ratio in the 3 Baltic countries plus Bulgaria, Poland and Romania, as opposed to all the other new Member countries which were among the countries with the lowest values.

³ Some indications about methodological differences - particularly regarding the income concept - between EU-SILC and national accounts are given in the methodological notes provided in annex.

	Adjusted gross disposable income (millions of national currency)	Population (thousands)	PPP* of actual individual consumption	Adjusted gross disposable income in PPS** per capita	Adjusted gross disposable income in PPS** per capita (EU=100)		
EU27	9 491 412	500 411	1.0000	19 000	100		
EA16	7 267 158	329 109	1.0676	20 700	109		
BE	268 206	10 790	1.1799	21 100	111		
BG***	33 952	7 640	0.7893	5 600	30		
CZ	2 411 017	10 507	17.2646	13 300	70		
DK	1 156 607	5 522	11.1451	18 800	99		
DE	1 955 580	81 875	1.0532	22 700	120		
EE	154 726	1 340	10.8822	10 600	56		
IE	115 471	4 468	1.3127	19 700	104		
EL	198 767	11 260	0.9673	18 200	96		
ES	858 452	45 930	0.9768	19 100	101		
FR	1 630 141	64 494	1.1446	22 100	116		
ІТ	1 249 091	60 263	1.0677	19 400	102		
CY	14 150	798	0.9314	19 000	100		
LV	9 740	2 255	0.4750	9 100	48		
LT	78 494	3 339	2.0973	11 400	60		
LU	:		:	:	:		
HU	18 211 939	10 023	164.6940	11 000	58		
МТ	:	:	:	:	:		
NL	380 788	16 527	1.1037	20 900	110		
AT	208 353	8 363	1.1204	22 200	117		
PL	1 015 487	38 153	2.3167	11 500	61		
PT	145 131	10 633	0.8730	15 600	82		
RO***	377 461	21 504	2.0598	8 500	44		
SI	27 447	2 042	0.8384	16 000	85		
SK	46 784	5 418	0.6656	13 000	68		
FI	134 444	5 339	1.2473	20 200	106		
SE	2 313 828	9 341	11.8970	20 800	110		
UK	1 149 019	61 792	0.8515	21 800	115		
NO	1 488 684	4 829	12.5107	24 600	130		

Table 1: Input data for real adjusted gross disposable income of households per capita, 2009

Source: Eurostat (online data code: <u>nasa nf tr</u>) *Purchasing Power Parity **Purchasing Power Standards *** BG (2007), RO (2008)

Table 2: Real adjusted gross disposable income of households per capita, 2000-2009Purchasing power standards (PPS), EU27 = 100

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	% points change from 2007 to 2009*
EU27	100	100	100	100	100	100	100	100	100	100	0
EA16	113	113	112	111	110	110	110	110	110	109	-1
L9	45	46	47	47	48	48	50	52	55	55	3
C15	63	64	65	66	67	67	68	70	72	72	2
BE	124	122	122	118	114	113	112	111	111	111	0
BG	:	:	:	:	29	28	28	30	:	:	:
CZ	64	64	63	66	65	66	67	70	71	70	0
DK	105	102	104	101	102	98	99	100	100	99	-1
DE	123	120	118	121	120	122	121	120	120	120	0
EE	43	42	45	47	48	50	52	57	58	56	-1
IE	:	:	100	103	106	107	106	107	104	104	-3
EL	85	87	91	91	91	90	92	98	97	96	-2
ES	97	96	99	99	99	100	101	100	100	101	1
FR	122	122	125	119	119	118	117	118	116	116	-2
IT	116	118	111	110	108	106	106	106	106	102	-3
CY	90	89	87	91	91	90	92	95	101	100	5
LV	36	36	39	42	44	45	49	52	56	48	-5
LT	44	44	46	50	51	54	56	57	61	60	3
LU	:	:	:	:	:	:	:	:	:	:	:
HU	56	57	60	61	62	63	63	60	59	58	-2
МТ	:	:	:	:	:	:	:	:	:	:	:
NL	117	117	118	111	111	110	112	114	111	110	-4
AT	126	118	118	120	121	120	121	120	118	117	-2
PL	53	52	52	52	53	52	53	57	58	61	4
PT	83	81	79	80	79	83	81	81	81	82	2
RO	26	29	29	28	32	32	34	37	44	:	:
SI	80	80	82	81	82	84	84	84	86	85	0
SK	50	52	54	52	53	55	57	62	66	68	6
FI	96	93	95	96	100	99	99	103	106	106	3
SE	107	107	109	109	109	105	106	109	110	110	1
UK	120	121	121	123	124	123	122	117	115	115	-2
NO	119	114	119	125	126	128	120	124	125	130	6

Source: Eurostat (online data code: nasa nf tr) *Rounding may cause differences with the result derived from the table

	Compensation of	Gross oper mixe	rating surplus + d income	Not property income	Others including		Social transfers in kind received	
	employees received	Total Of which: mixed income		Net property income	minus contributions	Taxes (-)		
EU27	62.2	19.3 :		10.5	3.7	-12.8	17.1	
EA16	61.0	20.5	:	11.4	2.5	-11.8	16.5	
BE	68.7	16.6	10.1	10.4	0.5	-15.9	19.8	
BG	:	:	:	:	:	:	:	
CZ	66.1	20.8	16.3	4.2	-2.4	-5.6	16.9	
DK	83.4	11.6	0.0	-0.3	13.9	-39.5	30.8	
DE	62.7	16.7	11.5	18.4	-0.1	-12.3	14.6	
EE	73.7	13.3	5.2	0.4	3.7	-8.2	17.1	
IE	63.1	19.6	10.6	-0.5	10.9	-11.3	18.3	
EL	44.5	33.7	25.6	9.5	9.5	-6.6	9.4	
ES	60.2	25.5	20.5	5.2	2.6	-8.9	15.4	
FR	62.2	17.7	7.3	8.0	3.2	-9.8	18.8	
т	52.2	27.4	18.2	14.2	5.6	-14.8	15.4	
СҮ	54.1	19.9	9.8	6.8	14.1	-5.3	10.3	
LV	65.9	13.3	13.2	6.9	10.0	-7.5	11.5	
LT	53.6	12.9	8.2	16.7	6.9	-4.8	14.8	
LU	:	:	:	:	:	:	:	
HU	66.2	20.1	13.1	5.1	2.6	-11.1	17.2	
МТ	:	:	:	:	:	:	:	
NL	77.0	15.0	:	6.8	-9.6	-14.6	25.3	
AT	67.2	20.4	14.3	7.7	3.6	-14.4	15.4	
PL	49.5	33.3	28.9	4.0	5.7	-6.6	14.1	
PT	60.2	17.1	:	7.3	8.2	-6.6	13.8	
RO*	58.3	25.4	:	1.9	6.8	-4.9	12.5	
SI	68.8	20.0	12.6	1.7	2.1	-8.5	15.9	
SK	55.3	34.7	:	2.1	-0.8	-3.9	12.6	
FI	66.9	16.0	7.4	5.5	8.3	-17.7	21.1	
SE	73.7	10.2	6.3	4.3	7.1	-22.4	27.2	
UK	67.0	12.3	7.3	10.5	7.6	-15.6	18.1	
NO	73.2	11.8	11.6	2.3	6.1	-17.7	24.2	

Table 3: Structure of 2009 nominal adjusted gross disposable income of households as a percentage of the adjusted gross disposable income

Source: Eurostat (online data code: <u>nasa_nf_tr</u>) * 2008 data

Table 4: Income quintile share ratio (S80/S20), based on income 1999-2008

Survey year	2000	2001	2002	2003	2004	2005	2006	2007	2008		2009	
Income year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008		
(except UK, IE)	1000	2000	2001	2002	2000	2004	2000	2000	2001		2000	
Indicator					S80/S20					S80/S20	S20	S80
EU27	:	:	:	:	:	5.0 (s)	4.9 (s)	5.0	5.0	4.9	8.0	38.6
EA16	:	:	:	:	:	4.6	4.6	4.8	4.8	4.8	8.1	38.3
L9	:	:	:	:	:	6.0	5.4	5.2	5.0	4.9	7.9	39.0
C15	1		:	:	:	5.6	5.4	5.3	5.3	5.6	7.5	39.2
BE	4.3	4.0	:	4.3 (b)	3.9	4.0	4.2	3.9	4.1	3.9	9.0	35.3
BG	3.7	3.8	3.8	3.6	4.0	3.7	5.1 (b)	7.0	6.5	5.9	6.8	40.4
CZ	:	3.4	:			3.7 (b)	3.5	3.5	3.4	3.5	10.3	35.6
DK	:	3.0		3.6 (b)	3.4	3.5	3.4	3.7	3.6	4.6	7.4	34.4
DE	3.5	3.6	:	:	:	3.8 (b)	4.1	4.9	4.8	4.5	8.4	37.8
EE	6.3	6.1	6.1	5.9	7.2 (b)	5.9	5.5	5.5	5.0	5.0	7.8	39.2
IE	4.7	4.5	:	4.9 (b)	4.9	5.0	4.9	4.8	4.4	4.2	8.8	37.5
EL	5.8	5.7	:	6.4 (b)	5.9	5.8	6.1	6.0	5.9	5.8	7.0	40.4
ES	5.4	5.5	5.1 (b)	5.1	5.1 (b)	5.5	5.3	5.3	5.4	6.0	6.4	38.7
FR	4.2	3.9 (b)	3.9	3.8	4.2 (b)	4.0	4.0	3.9	4.3 (b)	4.4	8.9	39.1
IT	4.8	4.8	:	:	5.7 (b)	5.6	5.5	5.5	5.1	5.2	7.5	38.9
CY	:		:	4.1	:	4.3 (b)	4.3	4.4	4.1	4.2	8.8	37.5
LV	5.5	:	:	:	:	6.7 (b)	7.9	6.3	7.3	7.3	5.9	43.1
LT	5	4.9	:	:	:	6.9 (b)	6.3	5.9	5.9	6.3	6.7	42.4
LU	3.7	3.8	:	4.1 (b)	3.9	3.9	4.2	4.0	4.1	4.3	8.8	38.2
HU	3.3	3.1	3.0	3.3	:	4.0 (b)	5.5	3.7	3.6	3.5	9.9	34.8
MT	4.6	:	:	:	:	3.9 (b)	4.0	3.8	4.0	4.1	9.0	36.7
NL	4.1	4.0	4.0	4.0	:	4.0 (b)	3.8	4.0	4.0	4.0	9.2	36.7
AT	3.4	3.5	:	4.1 (b)	3.8	3.8	3.7	3.8	3.7	3.7	9.6	35.4
PL	4.7	4.7	:	:	:	6.6 (b)	5.6	5.3	5.1	5.0	8.0	39.5
PT	6.4	6.5	7.3	7.4	7.0 (b)	7.0	6.7	6.5	6.1	6.0	7.2	43.2
RO	4.5	4.6	4.7	4.6	4.8	4.9	5.3	7.8 (b)	7.0	6.7	6.1	41.2
SI	3.2	3.1	3.1	3.1	:	3.4 (b)	3.4	3.3	3.4	3.2	10.2	33.1
SK	:	:	:	:	:	3.9 (b)	4.1	3.5	3.4	3.6	9.8	34.9
FI	3.3	3.7 (b)	3.7	3.6	3.5 (b)	3.6	3.7	3.7	3.8	3.7	9.6	35.5
SE	:	3.4	3.3 (b)		3.3 (b)	3.3	3.6	3.3	3.5	3.7	9.3	34.1
UK	5.2 (b)	5.4	5.5	5.3	:	5.9 (b)	5.4	5.4	5.6	5.2	7.7	40.3
IS	:	:	:	:	3.4 (b)	3.5	3.7	3.9	3.8	4.2	9.3	39.3
NO	3.3	3.5	3.2	3.8 (b)	3.6	4.1	4.8	3.7	3.7	3.4	9.7	34.0
СН	:	:	:	:	:	:	:	:	:	4.6	8.4	38.7

Source: Eurostat (online data code: <u>ilc_di11</u>), based on the EU-SILC data where the income reference year is the (survey year – 1) except for IE (both survey year and the previous year) and UK (survey year)

METHODOLOGICAL NOTES

The data analysed in this publication are derived from the annual non-financial sector accounts of the countries and the EU-SILC (European Union Statistics on Income and Living Conditions) instrument. National accounts data by institutional sectors are compiled according to internationally harmonised standard in Europe: the European System of Accounts (ESA95). The EU-SILC instrument is organised under a Framework Regulation of the European Parliament and the Council (N°1177/2003) and constitutes now the reference source for statistics and indicators on income, living conditions and social inclusion.

National Accounts

Non-financial national accounts by institutional sector provide a systematic description of the different stages of the economic process: production, generation and distribution, use and accumulation of income. Each of the accounts ends with a balancing item: value added, operating surplus, primary income, disposable income, saving, net lending/borrowing. Ratios such as the household saving rate are derived from these balancing items to analyse the economic behaviour of each institutional sector.

Institutional sectors

In National Accounts, economic units may be grouped into five mutually exclusive institutional sectors which make up the total domestic economy: non-financial corporations; financial corporations; general government; households and non-profit institutions serving households.

The present release focuses on the **households sector**, which covers individuals or group of individuals whose principal function is consumption. It also includes ownaccount workers or entrepreneurs and unincorporated partnerships producing goods and services, when their activities cannot be separated from those of their owners (in particular, they do not keep a separate set of accounts). Therefore, the household sector may include a higher or lower proportion of enterprises depending on the structure of the economy. This may impact on the variables analysed in this publication.

For the purpose of this publication, the "household sector" has been complemented by non-profit institutions serving households (NPISH). This rather small sector includes charities, trade-unions, churches, political parties, sports clubs etc.

National Accounts concepts of income

<u>Gross disposable income</u> is the result of all current transactions before consumption. It excludes exceptional resources/uses such as capital transfers, holding gains/losses and the consequences of natural disasters. It reflects the net resources, earned during the period, which are available for consumption and/or saving.

<u>Adjusted gross disposable income</u> **additionally** includes the flows corresponding to the use of individual services which households receive free of charge from the government. These services, called "social transfers in kind", mainly include education, health and social security services, although other kind of services such as housing, cultural and recreational services are also frequently provided. It excludes collective services that are provided simultaneously to all members of the community, such as security and defence, legislation and regulation (see Statistics in Focus 29/2009).

EU-SILC concept of equivalised income

Total disposable household income

A key objective of EU-SILC is to deliver robust and comparable data on total disposable household income. Income components were defined to follow as closely as possible the international recommendations of the United Nations 'Canberra Manual'.

The income reference period is a fixed 12-month period (such as the previous calendar or tax year) for all countries except the United Kingdom, for which the income reference period is the current year, and Ireland, for which the survey is continuous and income is collected for the last twelve months (moving income reference period).

The EU-SILC definition of total household disposable income excludes imputed rental – i.e., money that one saves on full (market) rental by living in one's own accommodation or in accommodation rented at a price that is lower than the market rental. The used definition of income also excludes non-monetary income components, in particular the value of goods produced for own consumption and non-cash employee income except company cars. It does not include social transfers in kind (STIK) either, i.e. the services or goods provided free or at subsidised price for education, health, etc.

Equivalence scale

In order to reflect differences in household size and composition, the income figures are given per equivalent adult. This means that the total household income is divided by its equivalent size using the so-called modified OECD equivalence scale. This scale gives a weight of 1.0 to the first adult, 0.5 to any other household member aged 14 and over and 0.3 to each child below age 14. The resulting figure is attributed to each member of the household, whether adult or child. The equivalent size of a household that consists of 2 adults and 2 children below the age of 14 is therefore: 1.0 + 0.5 + (2*0.3) = 2.1

Income quintile share ratio (S80/S20) is the ratio of the total income received by the 20% of the country's population with the highest disposable income (top quintile) to that received by the 20% of the country's population with the lowest disposable income (bottom quintile). EU and other aggregates are computed as the population-weighted averages of national indicators.

Real income and Purchasing power standard

<u>Purchasing power standard (PPS)</u> is an artificial currency unit that would allow the purchase of the same basket of goods and services in different countries.

PPS offsets differences in price levels across countries and thus allows "real" income to be compared. Adjusted gross disposable income (AGDI) of households in PPS per capita is calculated by dividing AGDI at current prices by the purchasing power parities (PPP) of the actual individual consumption of households and by the total resident population (see these components in tables 1 and 2).

The level of uncertainty associated with the basic price data (used in calculation of PPPs) and national accounts data, and the methods used for compiling PPPs imply that differences between countries that have PPS figures within a close range should not be over-interpreted.

Data sources

Annual non-financial sector accounts are transmitted according to the ESA95 transmission programme and published in the Eurostat dissemination database (domain: "annual sector accounts").

Countries that did not deliver a full and final set of accounts for 2009 were not analysed in this publication. This was the case for Luxembourg, Malta and, for some analyses, Bulgaria and Romania. The accounts of the euro area (EA16) and the EU were compiled jointly by Eurostat and the European Central Bank. The European sector accounts are not a simple sum of the data of individual countries. There are five specific compilation steps: (1) conversion to euro, (2) estimation of missing countries, (3) incorporation of the European institutions, (4) estimation of the flows between the euro area / EU and third countries and (5) balancing of the accounts.

Eurostat estimated the household income data of the National Accounts of Bulgaria and Malta for the purpose of calculation of the L9 and C15 aggregates, Romanian data were calculated by summing the 4 quarters of 2009 in the (unpublished) quarterly sector accounts of Romania.

The EU-SILC instrument was launched in 2003 on the basis of a 'gentlemen's agreement' between six EU

Member States (Belgium, Denmark, Greece, Ireland, Luxembourg and Austria) and Norway. From 2005 onwards, EU-SILC covered the then EU 25 Member States plus Norway and Iceland. Later on, Bulgaria and Turkey (2006), and then Romania and Switzerland (2007) launched EU-SILC. Data prior to 2003 largely refer to national sources not fully comparable.

Symbols:

: not available b break in series p provisional value s Eurostat estimate

Abbreviations

EU-27 Member States: **Belgium (BE)**, Bulgaria (BG), the Czech Republic (CZ), Denmark (DK), **Germany** (DE), Estonia (EE), **Ireland (IE)**, **Greece (EL)**, **Spain** (ES), **France (FR)**, **Italy (IT)**, **Cyprus (CY)**, Latvia (LV), Lithuania (LT), **Luxembourg (LU)**, Hungary (HU), **Malta (MT)**, the **Netherlands (NL)**, **Austria** (AT), Poland (PL), **Portugal (PT)**, Romania (RO), **Slovenia (SI)**, **Slovakia (SK)**, **Finland (FI)**, Sweden (SE) and the United Kingdom (UK). Iceland (IS), Norway (NO) and Switzerland (CH) are also referred to in this publication.

Countries highlighted in bold were members of the euro area (EA-16) in 2009 (reference year for this publication).

The **9** EU countries with the lowest income (L9), i.e. with the lowest adjusted gross disposable income per capita in the EU, cover around 20% of the total EU population and include: Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania and Slovakia. The 15 Cohesion Fund countries (C15) cover around 1/3 of the total EU population and include, in addition to the L9 countries: Greece, Spain, Cyprus, Malta, Portugal and Slovenia. The Cohesion Fund contributes to financing environmental measures and trans-European transport networks. Member States with a Gross National Income (GNI) per inhabitant below 90% of the EU average are eligible for funding from the Cohesion Fund. Read more at

http://ec.europa.eu/regional_policy/glossary/cohesion_fu nd_en.htm

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