

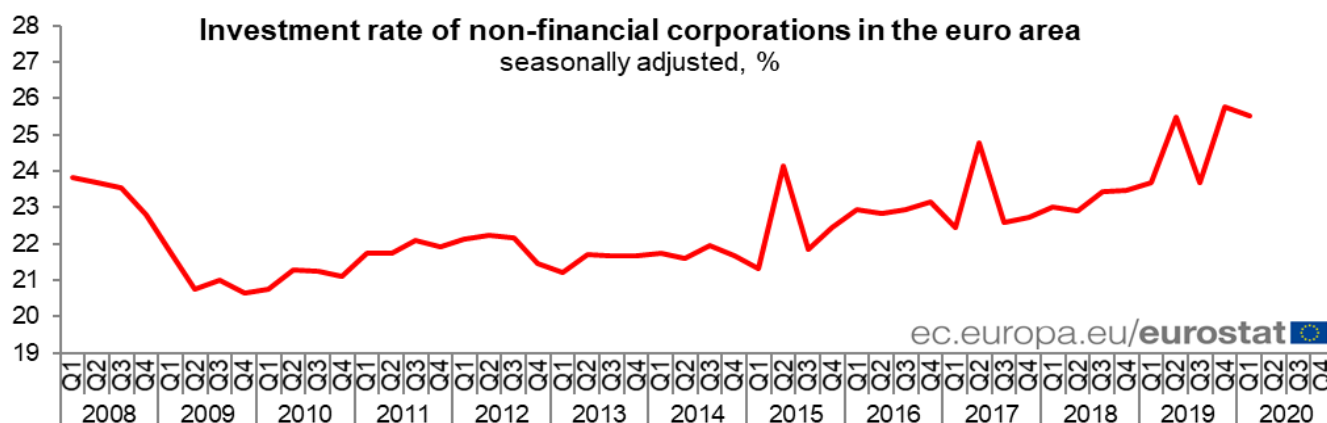
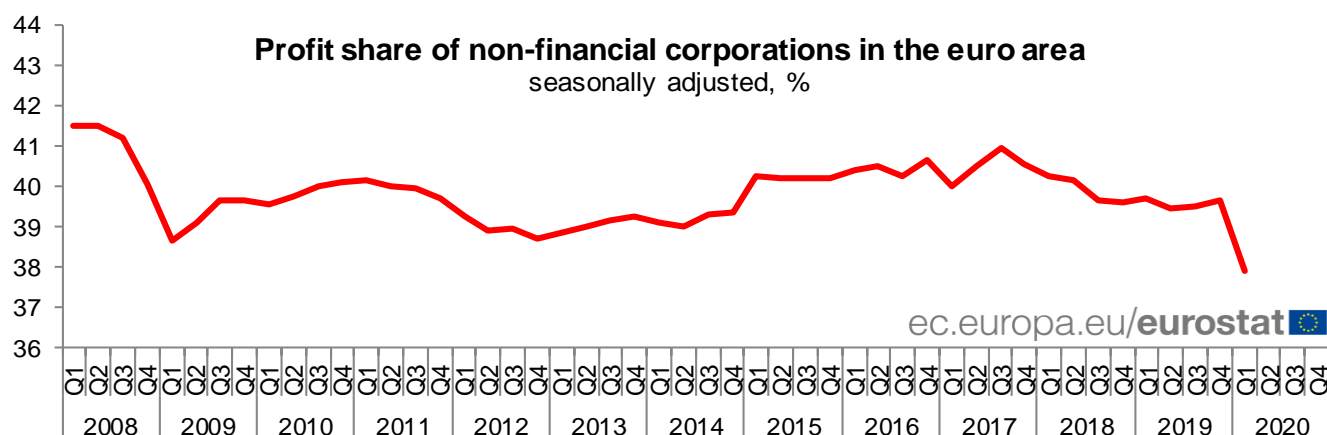
First release for the first quarter of 2020

Business profit share recorded sharpest drop to 37.9% while business investment is slightly down to 25.5% in the euro area

In the first quarter of 2020, when Member States began to widely introduce COVID-19 containment measures in March 2020, the business profit share dropped to 37.9% in the **euro area**, compared with 39.6% in the previous quarter. This decline of the business profit share is the highest since the beginning of the series in 1999.

The business investment rate in the **euro area** was slightly down to 25.5% in the first quarter of 2020, compared with 25.8% in the previous quarter.

These data come from a first release of seasonally adjusted quarterly European sector accounts from **Eurostat**, the statistical office of the European Union, and the **European Central Bank (ECB)**.



Geographical information

The **euro area** (EA19) consists of 19 Member States: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland, plus the European Central Bank and the European Stability Mechanism.

Methods and definitions

The **gross investment rate of non-financial corporations** is defined as gross fixed capital formation divided by gross value added. This ratio relates the investment of non-financial businesses in fixed assets (buildings, machinery etc.) to the value added created during the production process.

The **profit share of non-financial corporations** is defined as gross operating surplus divided by gross value added. This profitability-type indicator shows the share of the value added created during the production process remunerating capital. It is the complement of the share of wage costs (plus other taxes less other subsidies on production) in value added.

The compilation of the European sector accounts follows the **European System of Accounts 2010 (ESA2010)** and covers the period from the first quarter of 1999 onwards.

Institutional sectors bring together economic units with broadly similar characteristics and behaviour, namely: households (including non-profit institutions serving households), non-financial corporations, financial corporations, government and the rest of the world. In the latter, to measure the external transactions of the euro area / European Union, it is necessary to remove cross-border flows within the area concerned.

Eurostat's website includes detailed annual and quarterly sector accounts of Member States of the European Economic Area and derived key indicators published around 120 days after each quarter (which also cover annual indicators such as debt-to-income ratios). A subset of quarterly key indicators is published around 94 days after each quarter.

The method used for compilation is the same as for previous releases. However, these estimates are based on source data that are subject to revisions under the COVID-19 containment measures.

Revisions and timetable

Compared with data released on 29 April 2020, the investment rate of non-financial corporations for the fourth quarter of 2019 remained unchanged at 25.8%. The profit share of non-financial corporations for the fourth quarter of 2019 was revised upwards from 39.5% to 39.6%.

Peaks of the investment rate of non-financial corporations observed in 2015Q2, 2017Q2, 2019Q2, 2019Q4 are related to large imports of intellectual property products reflecting globalisation effects. For more details please see our [database](#).

The complete set of sectoral data will be updated in the dedicated section of the Eurostat website on 28 July 2020.

For more information

Eurostat [quarterly data](#) on sector accounts (including complete euro area dataset – previous vintage)

Eurostat [annual data](#) on sector accounts (including complete euro area dataset – previous vintage)

Eurostat [metadata](#) on European sector accounts compilation

Detailed data and methodology on the Eurostat website [here](#) and on the ECB website [here](#)

[Note](#) on the impact of the COVID-19 outbreak on national accounts

[Guidance](#) on quarterly sector accounts in the context of the COVID-19 crisis and [country specific metadata](#) on the impact of COVID-19 on quarterly sector accounts estimates

Eurostat €-indicators [release calendar](#)

European Statistics [Code of Practice](#)

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Key indicators and growth rates of selected transactions of the euro area

		Investment rate, %		Profit share, %		Nominal growth, % change compared with the previous quarter (seasonally adjusted)		
		Not seasonally adjusted	Seasonally adjusted	Not seasonally adjusted	Seasonally adjusted	Gross value added	Gross fixed capital formation	Compensation of employees and other taxes less subsidies on production
2008	Q1	23.3	23.8	44.1	41.5	1.3	-2.4	2.6
	Q2	24.2	23.7	41.1	41.5	0.5	0.0	0.6
	Q3	23.0	23.6	41.9	41.2	0.0	-0.6	0.5
	Q4	23.4	22.8	37.4	40.1	-2.6	-5.8	-0.7
2009	Q1	21.3	21.7	41.7	38.7	-3.5	-7.9	-1.2
	Q2	21.1	20.7	38.0	39.1	-0.1	-4.7	-0.8
	Q3	20.5	21.0	40.7	39.6	0.7	2.1	-0.1
	Q4	21.2	20.6	37.2	39.6	0.3	-1.4	0.3
2010	Q1	20.4	20.8	42.3	39.5	0.4	1.0	0.6
	Q2	21.7	21.3	38.7	39.8	1.1	3.7	0.7
	Q3	20.7	21.3	41.0	40.0	1.1	0.9	0.7
	Q4	21.7	21.1	38.2	40.1	1.0	0.3	0.8
2011	Q1	21.4	21.7	43.0	40.1	1.2	4.2	1.2
	Q2	22.2	21.8	38.7	40.0	0.7	0.9	0.9
	Q3	21.4	22.1	41.0	40.0	0.4	1.9	0.5
	Q4	22.5	21.9	37.5	39.7	0.1	-0.7	0.5
2012	Q1	21.8	22.1	42.2	39.2	-0.1	0.9	0.6
	Q2	22.7	22.2	37.3	38.9	-0.1	0.3	0.4
	Q3	21.4	22.2	39.9	39.0	0.1	-0.3	0.0
	Q4	22.0	21.5	36.4	38.7	-0.1	-3.2	0.4
2013	Q1	20.9	21.2	41.5	38.9	0.2	-1.0	-0.1
	Q2	22.1	21.7	37.5	39.0	0.9	3.2	0.7
	Q3	21.0	21.7	40.4	39.2	0.8	0.6	0.5
	Q4	22.2	21.7	36.9	39.2	0.6	0.5	0.4
2014	Q1	21.3	21.8	41.9	39.1	0.5	1.0	0.8
	Q2	22.0	21.6	37.4	39.0	0.6	-0.2	0.7
	Q3	21.3	21.9	40.4	39.3	1.1	2.7	0.6
	Q4	22.3	21.7	37.2	39.4	0.6	-0.6	0.5
2015	Q1	20.9	21.3	43.0	40.3	1.8	0.2	0.3
	Q2	24.6	24.2	38.7	40.2	1.1	14.6	1.2
	Q3	21.3	21.9	41.4	40.2	0.9	-8.8	0.9
	Q4	23.2	22.5	38.4	40.2	1.1	3.9	1.0
2016	Q1	22.5	22.9	42.6	40.4	1.1	3.3	0.7
	Q2	23.4	22.9	39.5	40.5	0.5	0.1	0.3
	Q3	22.3	22.9	41.4	40.3	0.7	1.1	1.0
	Q4	23.7	23.1	38.8	40.6	1.3	2.1	0.6
2017	Q1	22.2	22.5	42.6	40.0	0.8	-2.2	1.9
	Q2	25.3	24.8	38.9	40.5	1.7	12.3	1.0
	Q3	21.9	22.6	42.0	41.0	1.4	-7.6	0.6
	Q4	23.2	22.7	38.5	40.6	1.2	1.8	1.8
2018	Q1	22.7	23.0	42.5	40.3	0.6	1.9	1.1
	Q2	23.3	22.9	38.7	40.1	0.6	0.1	0.8
	Q3	22.7	23.4	40.5	39.6	0.7	2.9	1.5
	Q4	24.0	23.5	37.8	39.6	0.9	1.1	0.9
2019	Q1	23.2	23.7	42.1	39.7	1.0	1.9	0.9
	Q2	26.0	25.5	37.8	39.5	0.7	8.5	1.1
	Q3	23.0	23.7	40.4	39.5	0.8	-6.3	0.7
	Q4	26.4	25.8	37.8	39.6	0.6	9.3	0.3
2020	Q1	25.0	25.5	40.5	37.9	-4.3	-5.2	-1.6

Source dataset: nasq_10_ki