The impact of the Common Agricultural Policy in the New Member States, an analysis on OECD indicators

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BOZZA

1 The CAP set up in the New Member States

With the Accession in May 2004, the 8 CEEC (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia) that have become new members of the EU have been submitted to the same market regime of the other EU members (i.e. the same minimum guaranteed prices and export subsidies), but production quotas, maximum base areas for crops and limits to livestock numbers have been generally settled at lower levels than requested by the New Member States (NMS) during the pre-Accession negotiations (Konečný, 2004).[2]

As regards the other important instrument of the CAP 1st Pillar,[3] i.e. the direct payments to farmers, the Accession agreement has set a gradual application of the CAP mechanisms in the NMS. The main differences concern:

- direct payments to NMS farmers are "phased-in"; they started in 2004 from 25% of the level of payments agreed to EU-15 farmers, to reach 40% in 2007, and 100% only in 2013. NMS governments can "top-up" payments with national and EU Rural Development funds, by adding up to a further 30% (e.g. in 2007: 40% + 30% top-up = 70% of the EU-15 level). Otherwise, NMS can top up payments to farmers up to the level they had before the Accession, plus a further 10%. But, in any case, direct payments' levels can not be higher than in the EU-15.
- possibility to adopt a simplified system, the Single Area Payment Scheme (SAPS), to allocate payments to farmers. SAPS is based on a flat rate per hectare of

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[2] In fact the historical references taken by the EU in the Accession negotiations were the NMS agricultural outputs of the 1990s, when production had strongly decreased in all the CEEC. As a result, for example, the whole NMS milk quota has been settled about 15% below the average NMS milk production of the 2001-2004 period.

[3] With the implementation of Agenda 2000 in late 1990s, it was established that the CAP is based on two Pillars: the 1st Pillar is the Market Policy, that includes market measures and direct payments to support farmers' income; the 2nd Pillar is the Rural Development (RD) Policy, that deploys a wide set of subventions for sustainable development of rural areas, also including finance for farm investment and modernisation.

agricultural land and not on farmers' historical entitlements, as in the case of the standard Single Farm Payment (SFP) system applied in the EU-15 from 2005. Out of all the 10 NMS only Slovenia and Malta decided not to use the SAPS and to start with the SFP already in 2004. The other 8 new EU members should introduce the SFP 2007, but this term is postponable until 2009;[4]

- eligibility of permanent crops, vegetables, and kitchen gardens for direct payments;[5] optional set-aside and "cross-compliance" measures[6] (except for maintenance of land in "good agricultural and ecological conditions"); non-application of the financial discipline and "modulation", [7] until the EU-15 level of direct payments will be reached;

According to OECD sources, in the first year after the accession the level of direct payments in the NMS was in general around 50% of the EU-15 level, except for Slovenia (85%) and Latvia (69%) (Moreddu, 2005).

Within the CAP 2nd Pillar, i.e. the Rural Development (RD) policy, a Temporary Rural Development Instrument (TRDI) has established for the period 2004-2006 specific RD measures for NMS, in addition to the other normally applied in the whole EU territory. The reinforced RD policy for NMS includes finance for (i) semi-subsistence farms undergoing restructuring, (ii) setting-up producer groups, (iii) helping farmer to comply with EU quality standards, (iv) providing farm technical assistance, and (v) the above-mentioned topping-up of direct payments.

The indicators of agricultural support estimated by the OECD allow to quantify changes in the policy endorsement to agriculture after the Accession only for the NMS as a whole. This analysis focused on quantitative and qualitative variations in agricultural support, impact on farmers' income and on consumers, some aspects of compliance

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[4] NMS should demonstrate to be able to manage the SFP. If they do not meet this condition, they will continue with the SAPS, but after 2009 payments will be frozen at a 50% level of the EU.

[5] In the EU-15 only arable crops and permanent grassland are eligible for direct payments.

[6] In the EU-15, to receive direct payments farmers should set-aside from cultivation a part of their land and undertake commitments to reduce the environmental impact of farm production and respect food safety and animal welfare standards.

[7] The "financial discipline" gives the EU Commission the possibility of proposing cuts in the EU Budget devoted to the CAP-market policy (including market support measures and direct payments), if it foresees an overrun of the provisional expenditure in the subsequent years. In the CAP jargon "Modulation" indicates those measures that impose a progressive reduction in the farm direct payments; EU funds recovered through Modulation become available for the Rural Development Policy budget. In the EU-15 Modulation is not applied to farm that receive less than 5,000 EUR of direct payments and in the outermost regions.

with WTO principles, and comparison with the level of support assured to EU-15 farmers.

2 The increase of agricultural support in the NMS

With respect to the yearly average of the 1999-2001 period, the Total Support Estimate (TSE) – an indicator of the total cost of the agricultural policy given by the state budgetary expenditure plus the estimated major cost paid by consumers for market protection of agricultural products – in the whole of the NMS augmented by +36.7% in year 2004, and reached a level of +51.4% in year 2005 (see Table 3). In monetary terms (Table 1) the NMS TSE grew from 6,877 million EUR as 1999-2001 yearly average, to 9,401 million EUR in 2004, up to 10,406 million EUR in 2005.[8]

3 Changes in the agricultural support structure

While the Market Price Support (MPS) indicator slightly decreased (+7.0% in 2004 and -5.2% in 2005 with respect to the 1999-2001 average), the direct payments and the other finance distributed to producers had far more than doubled (+88.7% in 2004 and +163.6% in 2005), and the state expenditure for agricultural services (agricultural education, professional training, research, public administration, infrastructures, marketing, public stockholding, etc.) described by the General Service Support Estimate (GSSE) indicator augmented in line with the total support (+38.7% in 2004, +56.2% in 2005; see Table 3).

As a result, if during the late 1990s and early 2000s in the NMS total agricultural support expenditure the market price support accounted for about 60%, the payments to producers for less than 30%, and the general services' expenditure for slightly more than 11%, in 2005 the market price support fell to 36.6% of TSE, the payments to producers attained 51.3% and the general services 12.1%: the relation between market price support and budgetary disbursements has been nearly reversed.

This change can be clearly observed also in the dynamics of resources absorbed by agricultural support: with the Accession, the transfer of resources from consumers have nearly halved in monetary terms and have been reduced from about two thirds to one fourth of the total NMS agricultural support, while the transfers from taxpayers, i.e. the

[8] All these values are expressed in constant EUR 2005.

state budget resources, have tripled (from 2,579 million EUR in 1999-2001 to 7,958 million in 2005) by increasing from about one third to three fourths of the TSE (see Table 2 and Table 3).

4 The CAP impact on the income of NMS farmers

In the NMS, the Producer Support Estimate (PSE), that indicates the total monetary value of farm support which has a direct effect on the farmers' receipts – i.e., the major price of farm products due to market protection plus direct payments and the other finance directly distributed to farmers – augmented in line with the TSE (see Table 3) and continued to cover around 86%-88% of the total support during the first two years after the Accession (Table 2).

The %PSE indicator, which in the total farm receipts corresponds to the percentage share imputable to support measures,[9] grew from a yearly average of about 19% in late 1990s and early 2000s, to 26.1% in 2004 and 28.2% in 2005. Similarly, the producer Nominal Assistance Coefficient (producer NAC) augmented from 1.24 in 1999-2001, to 1.35 in 2004 and 1.39 in 2005, which means that NMS farm receipts have now become 39% higher than they would be without market support and payments to farmers, while they were only 24% higher before the Accession. Because of the already described dynamics in the structure of agricultural support, the grow of the producer support is almost only related to the increase of payments to farmers (Table 3).

The NMS are also experiencing a rapid diminution of the agricultural workers[10] that amplifies the effect of the support growth at the level of the Agricultural Work Units (AWU). In 2004 and 2005 the NMS total AWU lowered respectively by 17.9% and 20.3% with respect to the 1999-2001 yearly average; as a consequence the average TSE per AWU resulted respectively 66.5% and 89.9% higher than the 1999-2001 3-year average, even if the total TSE grew much less (36.7% and 51.6% in the same order). The MPS per AWU was superior by 30.4% in 2004 and 19% in 2005 with respect to the 1999-2001 reference period; the payments per AWU by 139.8% in 2004 and 230.8% in 2005; the GSSE per AWU by 68.9% in 2004 and 95.9% in 2005. It is however

[9] The %PSE is calculated as ratio between the PSE value and the total value of production at farm gate plus the payments and the other finance directly distributed to farmers.

[10] According to EUROSTAT data between 2000 and 2005 the NMS Agricultural Work Units (AWU) diminished by 800 thousand units, from a total of 4 million to 3.2 million (see Table 4).

necessary to remark that there are huge differences in the level of payments among the NMS, for example in Slovenia, that during the 1990s had developed a strong support system for its agriculture, the 1st Pillar's disbursements per hectare are seven times higher than in Latvia (Konečný, 2004, p. 65).

5 The CAP impact on NMS consumers

According to OECD data, in the NMS the percentage Consumer Support Estimate (%CSE) was in average -16.8% during the 1996-1998 period and –16.0% in 1999-2001, after the Accession it progressed to –11.9% in 2004 and slightly declined to –13.8% in 2005. This means that in the total expenditure for NMS domestic consumption, measured at farm gate prices, the share representing a net transfer from consumers to producers lowered from 16.8% and 16.0% in the late 1990s and early 2000s to 11.9% and 13.8% after the Accession.[11] The NMS consumer Nominal Assistance Coefficient (consumer NAC), diminished from 1.20 in 1996-1998 and 1.19 in 1999-2001 to 1.13 in 2004 and 1.16 in 2005, which indicates that before the Accession NMS expenditure for consumption at farm gate prices was 19 – 20% higher than it would be at world market prices, and this gap was reduced to 13 – 16% after the accession (see Table 1). As already remarked, by analysing the structure of NMS agricultural support, the total contribution of consumers to sustain agriculture have almost halved by declining of 46.9% between 1999-2001 and 2005: under the CAP, NMS citizens are paying for agricultural support much more as taxpayers than as consumers.

6 The NMS agricultural policy within the CAP framework and WTO negotiations

Although during the 1990s, to join the WTO, in some cases the NMS accepted obligations of reducing agricultural support that were stricter than those presently requested by the CAP, the OECD indicators in general show a reduction of the more trade-distorting measures and a growing de-coupling of farm subventions from

[11] The %CSE is derived from the Consumer Support Estimate (CSE) that expresses in monetary terms the value of policy support to consumers. A positive CSE indicates a net transfer of resources towards consumers that would make consumers pay agricultural commodities less in the domestic market than in the world market. But consumers usually pay higher prices in the domestic market because of trade protection, therefore the CSE is in general negative and shows the monetary value transferred from consumers to producers. Consequently a negative %CSE indicates the percentage share represented by the net transfers to producers in the total value of consumption at farm gate prices.

production. In this sense they can be interpreted not only the diminution of the Market Price Support, but also the lowering of the payments based on output (red-box type), and the increase of payments based on acreage or livestock number (blue-box type) and on historical entitlements (green-box type), with the latter that is the only expected to grow further in the future.

7 The lasting gap in farm subventions between NMS and EU-15 farmers

Despite the important increase of agricultural support, NMS farmers still receive far less subventions than their EU-15 colleagues. According to OECD and EUROSTAT data, in 2005 the average value of agricultural production per Annual Work Unit (AWU) in the NMS was about one fifth of the EU-15: 8,411 EUR per AWU in the NMS versus 42, 239 EUR per AWU in the EU-15. Then, NMS farmers received in average only 17.4% of the direct payments and other finance per AWU distributed in the EU-15: 1,661 EUR per AWU in the NMS opposed to 9,541 EUR per AWU in the EU-15. As a result, after payments, the total farm receipts per AWU amounted to 51,780 EUR in the EU-15 and only 19.5% of that sum, i.e. 10,071 EUR per AWU in the NMS: after CAP payments the gap between EU-15 and NMS farmers have widened from 33,828 EUR per AWU in the value of farm production, to 41,708 EUR per AWU in the total farm receipts (see Table 4 and Table 5). The %PSE indicates that agricultural support's weight on 2005 total farm receipts was 32.8% in the EU-15 and 28.2% in the NMS; the producer NAC shows that the EU-15 2005 farm receipts were 49% higher than they would be without any farm support, versus a 39% in the NMS (Table 1). Furthermore, it results that in 2005, the average agri-policy expenditure in general services was 1,479 EUR per AWU in the EU-15 and 390 EUR per AWU in the NMS, and the average budgetary transfers for consumption of agricultural commodities was 625 EUR per AWU in the EU-15 and merely 2 EUR per AWU in the NMS. If the CAP set up issued by the 2002 Copenhagen Agreement and the 2003 Reform allowed the important EU Enlargement of May 2004, by making it possible from political and technical (i.e. budgetary) points of view, it is however necessary to question how long such disparities in the distribution and in the effects of farm support could be maintained, taking into account the sharp contrast with CAP principles of safeguarding equality of conditions among EU producers and that about one third of the EU-25 agricultural workforce is affected. On the one side EU-15 CAP modulation, on the other side the phasing-in and the faster decline of agricultural employment expected in the NMS could favour a convergence, but it could be interesting to investigate further on these aspects in the future.[12]

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[12] The method to calculate the amount of direct payments for the NMS was based on recent production volumes though NMS yields were significantly lower than in the EU-15. According to a study commissioned by the Friend of Earth–Europe, a consequence would be that even if the NMS direct payments reach the "same EU-15 level", NMS farmers will continue to receive less money per AWU or per hectare than the EU-15 farmers: e.g., with direct payments at 100% of the EU-15 level, the average payment per hectare of agricultural land in the NMS would be 40% lower than in the EU-15 (Konečný, 2004, p. 65).

Table 1. Values and indicators of estimated agricultural support in the NMS and in the EU-15 (Million EUR, constant 2005 values)*

Million EUR (constant 2005 values)	*New Member States***				*EU-15*	
	Pre-Accession		*Post-Accession*			
	Yearly average 1996-1998	*Yearly average 1999-2001*	*2004*	*2005*	*2004*	*2005*
a) Producer Support Estimate (PSE)	**6,279**	**6,039**	**8,117**	**9,145**	**103,833**	**98,498**
Market price support (MPS)	4,669	4,013	4,295	3,805	54,469	43,216
Direct payments and other finance to producers	1,610	2,026	3,822	5,341	49,364	55,282
- *based on output*	*92*	*270*	*204*	*13*	*3,617*	*4,759*
- *based on area planted/animal numbers*	*291*	*562*	*820*	*1,439*	*30,128*	*20,914*
- *based on historical entitlements*	*30*	*72*	*1,494*	*1,754*	*636*	*15,275*
- *based on input use*	*1,174*	*1,081*	*1,191*	*1,692*	*9,124*	*8,577*
- *based on input constraints*	*5*	*10*	*56*	*337*	*6,448*	*6,268*
- based on overall farming income	*5*	*22*	*30*	*22*	-	-
- miscellaneous	*12*	*9*	*27*	*83*	*-588*	*-511*
b) General Services Support Estimate (GSSE)	**800**	**804**	**1,114**	**1,255**	**8,672**	**8,569**
Research and development	244	160	94	100	1,597	1,602
Agricultural schools	220	141	118	154	1,004	923
Inspection services	78	135	131	100	327	321
Infrastructure	141	129	264	378	2,238	2,449
Marketing and promotion	42	71	148	133	2,529	2,479
Public stockholding	33	21	176	173	811	646
Miscellaneous	42	147	182	216	166	149
c) Transfers to consumers from taxpayers	**21**	**35**	**169**	**6**	**3,746**	**3,620**
Total Support Estimate (TSE = a + b +c)	**7,100**	**6,877**	**9,401**	**10,406**	**116,251**	**110,687**
Resources						
Transfers from consumers	5,004	4,522	2,592	2,403	54,490	44,756
Transfers from taxpayers	2,382	2,579	6,886	7,958	62,145	66,509
Budget revenues	-286	-224	-77	45	-383	-578
Total resources	**7,100**	**6,877**	**9,401**	**10,406**	**116,251**	**110,687**
Producer support indices						
Percentage PSE	18.9%	19.4%	26.1%	28.2%	33.7%	32.8%
Producer NAC index	1.23	1.24	1.35	1.39	1.51	1.49
Consumer support indices						
Percentage CSE	-16.8%	-16.0%	-11.9%	-13.8%	-20.2%	-16.7%
Consumer NAC index	1.20	1.19	1.13	1.16	1.25	1.20

* Based on EUROSTAT estimations of the annual Harmonised Indices of Consumer Prices in the EU (year 2005 = 100% of current value); ** Data from 1996 to 2001 do not include Cyprus and Malta; data of years 2002 and 2003 are not available.
Source: own calculations from OECD database (2002, 2005 and 2006).

Table 2. Percentage composition of estimated value of agricultural support in the NMS and in the EU-15

Million EUR (constant 2005 values)	*New Member States**				*EU-15*	
	Pre-Accession		*Post-Accession*			
	Yearly average 1996-1998	*Yearly average 1999-2001*	*2004*	*2005*	*2004*	*2005*
a) Producer Support Estimate (PSE)	**88.4%**	**87.8%**	**86.3%**	**87.9%**	**89.3%**	**89.0%**
Market price support (MPS)	65.8%	58.3%	45.7%	36.6%	46.9%	39.0%
Direct payments and other finance to producers	22.7%	29.5%	40.7%	51.3%	42.5%	49.9%
- *based on output*	*1.3%*	*3.9%*	*2.2%*	*0.1%*	*3.1%*	*4.3%*
- *based on area planted/animal numbers*	*4.1%*	*8.2%*	*8.7%*	*13.8%*	*25.9%*	*18.9%*
- *based on historical entitlements*	*0.4%*	*1.1%*	*15.9%*	*16.9%*	*0.5%*	*13.8%*
- *based on input use*	*16.5%*	*15.7%*	*12.7%*	*16.3%*	*7.8%*	*7.7%*
- *based on input constraints*	*0.1%*	*0.1%*	*0.6%*	*3.2%*	*5.5%*	*5.7%*
- based on overall farming income	*0.1%*	*0.3%*	*0.3%*	*0.2%*	*0.0%*	*0.0%*
- miscellaneous	*0.2%*	*0.1%*	*0.3%*	*0.8%*	*-0.5%*	*-0.5%*
b) General Services Support Estimate (GSSE)	**11.3%**	**11.7%**	**11.9%**	**12.1%**	**7.5%**	**7.7%**
Research and development	3.4%	2.3%	1.0%	1.0%	1.4%	1.4%
Agricultural schools	3.1%	2.1%	1.3%	1.5%	0.9%	0.8%
Inspection services	1.1%	2.0%	1.4%	1.0%	0.3%	0.3%
Infrastructure	2.0%	1.9%	2.8%	3.6%	1.9%	2.2%
Marketing and promotion	0.6%	1.0%	1.6%	1.3%	2.2%	2.2%
Public stockholding	0.5%	0.3%	1.9%	1.7%	0.7%	0.6%
Miscellaneous	0.6%	2.1%	1.9%	2.1%	0.1%	0.1%
c) Transfers to consumers from taxpayers	**0.3%**	**0.5%**	**1.8%**	**0.1%**	**3.2%**	**3.3%**
Total Support Estimate (TSE = a + b +c)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Resources						
Transfers from consumers	70.5%	65.8%	27.6%	23.1%	46.9%	40.4%
Transfers from taxpayers	33.6%	37.5%	73.2%	76.5%	53.5%	60.1%
Budget revenues	-4.0%	-3.3%	-0.8%	0.4%	-0.3%	-0.5%
Total resources	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

* Data from 1996 to 2001 do not include Cyprus and Malta; data of years 2002 and 2003 are not available.
Source: own calculations from OECD database (2002, 2005 and 2006).

Table 3. Variation of agricultural support indicators in the NMS (1999-2001 yearly average = 100)*

Indicators	***Pre-Accession***		***Post-Accession***	
	Yearly average 1996-1998	***Yearly average 1999-2001***	***2004***	***2005***
Producer Support Estimate (PSE)	104.0	100.0	134.4	151.4
Market price support (MPS)	116.4	100.0	107.0	94.8
Payments and other finance to producers	79.5	100.0	188.7	263.6
General Services Support Estimate (GSSE)	99.6	100.0	138.7	156.2
Total Support Estimate (TSE)	103.2	100.0	136.7	151.3
Resources				
Transfers from consumers	110.7	100.0	57.3	53.1
Transfers from taxpayers	92.4	100.0	267.0	308.5

* Data from 1996 to 2001 do not include Cyprus and Malta; data of years 2002 and 2003 are not available; the indices are calculated from values at constant EUR (year 2005).
Source: own calculations from OECD database (2002, 2005 and 2006).

Table 4. Average value of agricultural support per Annual Work Unit (AWU) in the NMS and in the EU-15

EUR (constant 2005 values) Years	*New Member States**						*EU-15*	
	1998	*1999*	*2000*	*2001*	*2004*	*2005*	*2004*	*2005*
Total Annual Work Units (000 AWU)**	4,557	4,142	4,001	3,962	3,314	3,216	5,919	5,794
(a) Total value of production per AWU at farm gate	7,569	6,613	8,700	10,068	8,229	8,411	42,816	42,239
Agricultural support per AWU								
Producer Support Estimate (PSE)	1,935	1,713	1,204	1,565	2,450	2,844	17,541	17,000
Market Price Support (MPS)	*1,511*	*1,260*	*714*	*1,000*	*1,296*	*1,183*	*9,202*	*7,459*
(b) Direct Payments and other finance to producers	*425*	*453*	*490*	*565*	*1,153*	*1,661*	*8,339*	*9,541*
General Services Support Estimate (GSSE)	218	206	191	201	336	390	1,465	1,479
Transfers to consumers from taxpayers	6	8	11	7	51	2	633	625
Total support (TSE) per AWU	**2,160**	**1,927**	**1,406**	**1,773**	**2,837**	**3,236**	**19,639**	**19,104**
Total farm receipts per AWU (a + b)	7,071	6,779	7,695	8,737	9,383	10,071	52,083	51,780
Producer NAC (index)	1.38	1.34	1.19	1.22	1.35	1.39	1.51	1.49
Agricultural support per AWU as percentage of total value of production								
(a) Total value of production per AWU at farm gate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Agricultural support per AWU								
Producer Support Estimate (PSE)	29.1%	27.1%	16.7%	19.2%	29.8%	33.8%	40.1%	40.2%
Market Price Support (MPS)	22.7%	19.9%	9.9%	12.2%	15.8%	14.1%	21.0%	17.7%
(b) Direct Payments and other finance to producers	6.4%	7.2%	6.8%	6.9%	14.0%	19.7%	19.1%	22.6%
General Services Support Estimate (GSSE)	3.3%	3.3%	2.6%	2.5%	4.1%	4.6%	3.3%	3.5%
Transfers to consumers from taxpayers	0.1%	0.1%	0.2%	0.1%	0.6%	0.0%	1.4%	1.5%
Total support (TSE) per AWU	**32.5%**	**30.5%**	**19.5%**	**21.7%**	**34.5%**	**38.5%**	**44.9%**	**45.2%**
Total farm receipts per AWU (a + b)	106.4%	107.2%	106.8%	106.9%	114.0%	119.7%	119.1%	122.6%

* Data from 1998 to 2001 do not include Cyprus and Malta; data of years 2002 and 2003 are not available.
** Data from EUROSTAT on-line database (Feb. 2006).
Source: own calculations from OECD database (2002, 2005 and 2006).

Table 5. Variation of agricultural support per Annual Work Unit (AWU) in the 10-NMS and percentage level of agricultural support per AWU in the NMS with respect to the EU-15*

Indicators	*Indices of variation in the NMS*			*NMS values/EU-15 values*	
	Average 1999-2001	*2004*	*2005*	*2004*	*2005*
Total Annual Work Units (000 AWU)**	100.0	82.1	79.7	56.0%	55.5%
(a) Total value of production per AWU at farm gate	100.0	114.0	116.5	18.8%	19.9%
Agricultural support per AWU					
Producer Support Estimate (PSE)	100.0	163.7	190.0	14.0%	16.7%
Market Price Support (MPS)	100.0	130.4	119.0	14.1%	15.9%
(b) Direct Payments and other finance to producers	100.0	229.8	330.8	13.8%	17.4%
General Services Support Estimate (GSSE)	100.0	168.9	195.9	23.0%	26.4%
Transfers to consumers from taxpayers	100.0	589.1	21.0	8.1%	0.3%
Total support (TSE) per AWU	100.0	166.5	189.9	14.4%	16.9%
Total farm receipts per AWU (a + b)	100.0	121.5	130.4	18.0%	19.5%

* Data from 1999 to 2001 do not include Cyprus and Malta; NMS data of years 2002 and 2003 are not available; calculations are based on values expressed at constant EUR 2005.
** Data from EUROSTAT on-line database (Feb. 2006).
Source: own calculations from OECD database (2002, 2005 and 2006).