ΔΙΕΘΝΕΣ
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ΤΗΣ ΕΛΛΑΔΟΣ

**DEPARTMENT OF ACCOUNTING & INFORMATION SYSTEMS**

# <u>Bachelor Thesis for Obtaining the Degree</u>

# "European Union in relation to the other major economies"

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-THESSALONIKI 2019-

# ABSTRACT

The purpose of my undergraduate thesis provides a statistical portrait of the European Union in relation to the other major economies of the world, in other words, all members of the G20 group of countries.

*My undergraduate thesis is dedicated to my friends and to my family, who were always by my side. Above all though, there is a special dedication to my father, who fought with cancer and eventually won.*

# **CREDITS**

Special thanks to Mr. Giouris, who was always by my side during my study at IHU (former ATEITH) and honored me, by doing my undergraduate thesis with supervising professor himself.

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# INTRODUCTION

***About European Union's Economy***

The economy of the European Union is the joint economy of the member countries of the European Union. It is the second largest economy in the world both in nominal terms (after the United States) and according to purchasing power parity or PPP (after China). The European Union's GDP was estimated to be $18.8 trillion (nominal) in 2018, representing 22% of global economy (Nominal global GDP).

The euro, used by 19 of its 28 members, is the second largest reserve currency as well as the second most traded currency in the world after the United States dollar. The euro is the official currency in 25 countries, in the eurozone and in six other European countries, officially or de facto.

# ECONOMY & FINANCE

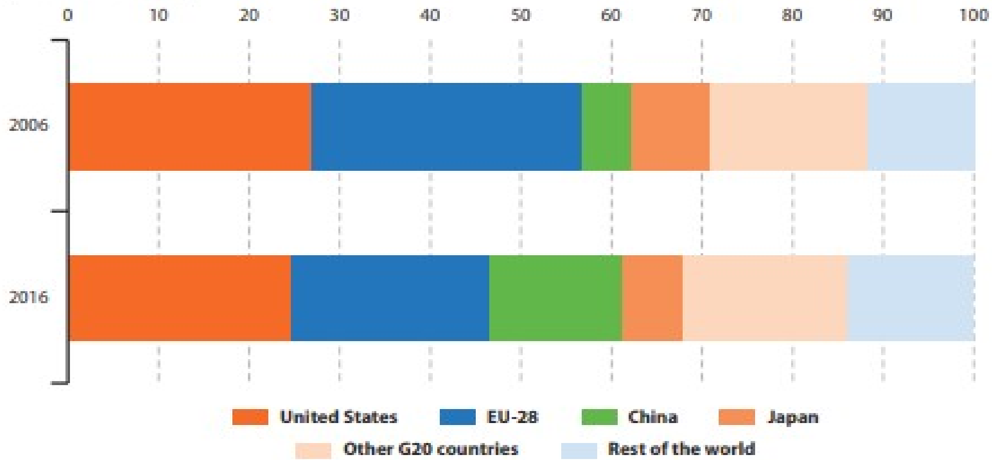
### *National accounts*

#### *G20 members accounted for 86.2 % of the world's GDP in 2016*

In 2016, the total economic output of the world, as measured by gross domestic product (GDP), was valued at almost EUR 68.3 trillion, of which the G20 members accounted for 86.2 %, some 2.2 percentage points less than in 2006. The United States accounted for a 24.6 % share of the world's GDP in 2016, moving ahead of the EU-28 whose share fell to 21.8 % these relative shares are based on current price series in euro terms, reflecting market exchange rates.

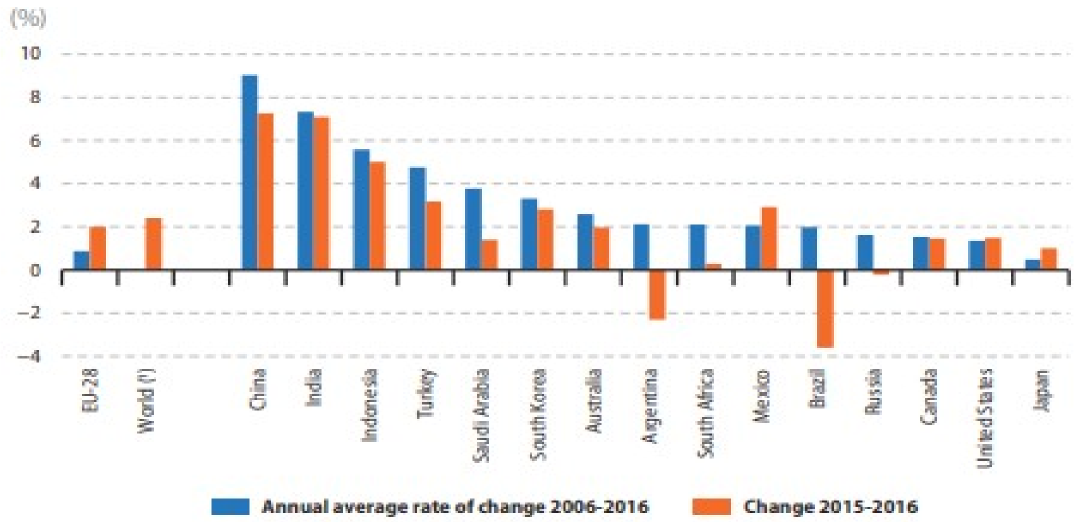
The Chinese share of world GDP rose from 5.4 % in 2006 to 14.8 % in 2016, moving ahead of Japan (6.5 % in 2016). To put the rapid pace of recent Chinese growth into context, in current price terms China's GDP in 2016 was EUR 7 925 billion higher than it was in 2006, an increase equivalent to the combined GDP in 2016 of the nine smallest G20 economies (South Korea, Australia, Russia, Mexico, Indonesia, Turkey, Saudi Arabia, Argentina and South Africa). The share of world GDP contributed by India also increased greatly, such that it moved from the 10th largest G20 economy in 2006 (leaving aside the four G20 EU Member States) to become the fifth largest by 2016.

**Figure 6.1:** GDP, 2006 and 2016
(% of world total)




Source: Eurostat (online data codes: nama_10_gdp and ert_bil_eur_a) and the United Nations Statistics Division (National Accounts Main Aggregates Database)

China and India had the highest GDP growth between 2006 and 2016. The following chart, shows the real rate of change of GDP in the latest year for which data are available (2016 compared with 2015) as well as the 10-year annual average rate of change between 2006 and 2016. It should be remembered that the financial and economic crisis occurred during this 10-year period. The lowest 10-year rates of change were generally recorded in developed economies such as Japan, the EU-28, the United States and Canada, as well as in Russia, while the highest growth rates were recorded in several Asian economies, most notably in India and China. Analyzing the rate of change for 2016 compared with 2015, three G20 members stand out, as Brazil, Argentina and Russia recorded a contraction in their economic output in 2016. The annual growth rate in 2016 for the world was 2.4 %, with the EU-28 recording slightly slower growth (2.0 %).

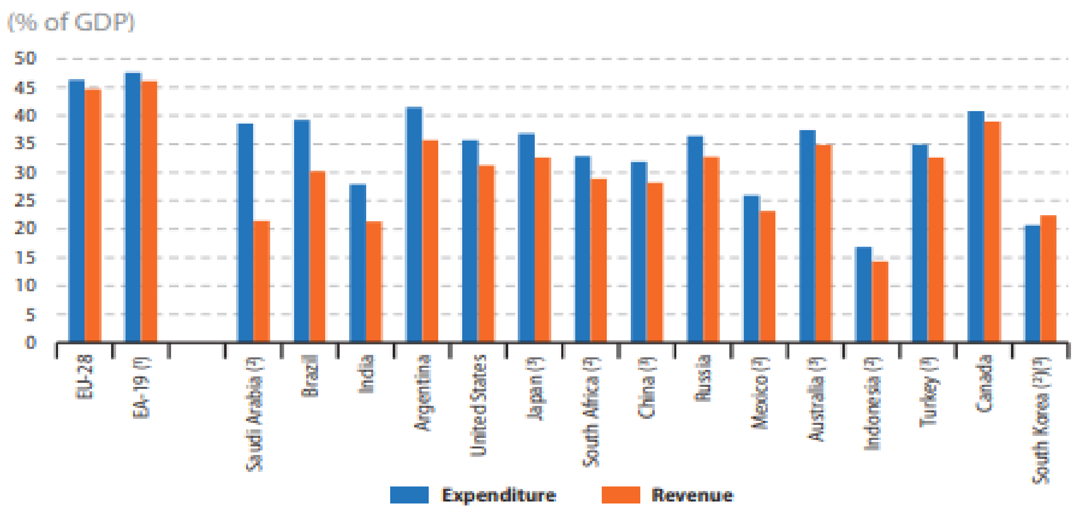



(¹) Annual average rate of change 2006-2016: not available.

Source: Eurostat (online data code: nama_10_gdp) and the United Nations Statistics Division (National Accounts Main Aggregates Database)

## GENERAL GONVERMENTAL FINANCES

The financial and economic crisis of 2008 and 2009 resulted in considerable media exposure for government finance indicators. The importance of the general government sector — in other words all levels of government, from central to the most local level — in the economy may be measured in terms of general government revenue and expenditure (which is often presented in relation to GDP). Subtracting expenditure from revenue results in a basic measure of the government surplus/deficit (public balance), providing information on government borrowing/lending for a particular year; in other words, borrowing to finance a deficit or lending made possible by a surplus. General government debt (often referred to as national debt or public debt) refers to the consolidated stock of debt (external obligations) at the end of the year for government and public sector agencies. These external obligations are the debt or outstanding (unpaid) financial liabilities arising from past borrowing. The sum of general government revenue and expenditure in relation to GDP peaked among the G20 members in 2016 at 91.05 % in the EU-28 (in the euro area it was higher still, at 93.7 %), followed by 79.8 % in Canada and 77.2 % in Argentina. The lowest sum of these ratios was in Indonesia (31.2 % of GDP). Note that the data for Mexico, Saudi Arabia and South Korea relate only to the expenditure and revenue of some levels of public administration as opposed to all levels. Most G20 members had a government deficit in 2016 only South Korea recorded a surplus as can be seen from the difference between revenue and expenditure as shown in following charts.




Note: ranked on the difference between expenditure and revenue.

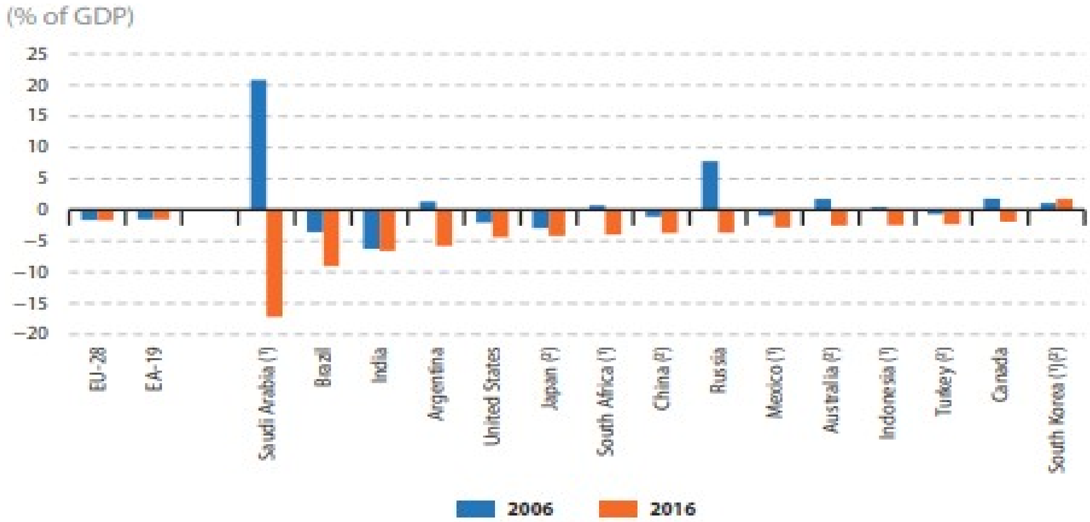
(1) Provisional.
(2) Saudi Arabia, South Africa and South Korea: central government only. Mexico: excluding state and local governments. Indonesia: excluding social security funds.
(3) Estimates.

Source: Eurostat (online data code: gov_10a_main) and the International Monetary Fund (World Economic Outlook database)

In 2016, deficits between 5.0 % and 9.0 % of GDP were recorded in Argentina, India and Brazil, while the highest deficit among the G20 members was in Saudi Arabia at 17.2 % of GDP.

### *Relative to GDP, Saudi Arabia moved from the largest government surplus in 2006 among the G20 members to the largest government deficit in 2016*

Comparing data for 2006 with 2016, South Korea increased its government surplus relative to GDP, while Saudi Arabia moved from having the largest surplus (20.8 % of GDP) in 2006 to the largest deficit (17.2 % of GDP) in 2016, reflecting a large fall in revenues, in part related to changes in oil prices. Indonesia, Canada, Australia, South Africa, Argentina and Russia also moved from surpluses in 2006 to deficits in 2016. All other G20 members had deficits in both years and in all cases the deficits in 2016 were larger relative to GDP than they had been in 2006, although the differences were relatively small for the EU-28 and India

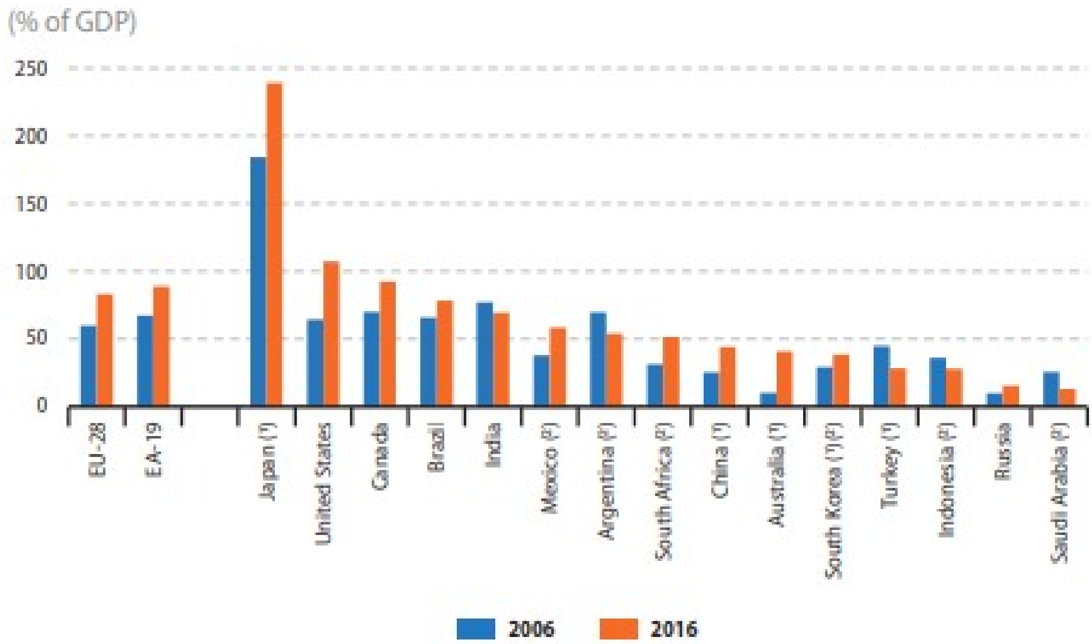



(¹) Saudi Arabia, South Africa and South Korea: central government only. Mexico: excluding state and local governments. Indonesia: excluding social security funds.
(²) 2016: estimates.

*Source:* Eurostat (online data code: gov_10dd_edpt1) and the International Monetary Fund (World Economic Outlook database)

### *Japan and the United States recorded the largest increases in government debt between 2006 and 2016 and had the largest levels of debt relative to GDP in 2016*

Japan had by far the highest government debt relative to GDP, both in 2006 and 2016. In 2006, Japanese government debt was 184.3 % of GDP while by 2016 this had expanded to 239.3 %. Between 2006 and 2016 the United States joined Japan with a level of government debt that was higher than GDP, as its ratio moved from 64.2 % to 107.1 %. These two increases, 55.0 points for Japan and 42.9 points for the United States, were the largest increases in the government debt to GDP ratios among the G20 members. Canada (92.4 %) and the EU-28 (83.2 %) had the next highest levels of government debt relative to GDP in 2016 and both of their ratios also increased between 2006 and 2016. In fact, only five G20 members recorded lower ratios of government debt to GDP in 2016 than they had in 2006: India, Indonesia, Saudi Arabia, Argentina and Turkey. In 2016, the lowest ratios of government debt to GDP were reported in Russia and Saudi Arabia, both below 20.0 % of GDP.

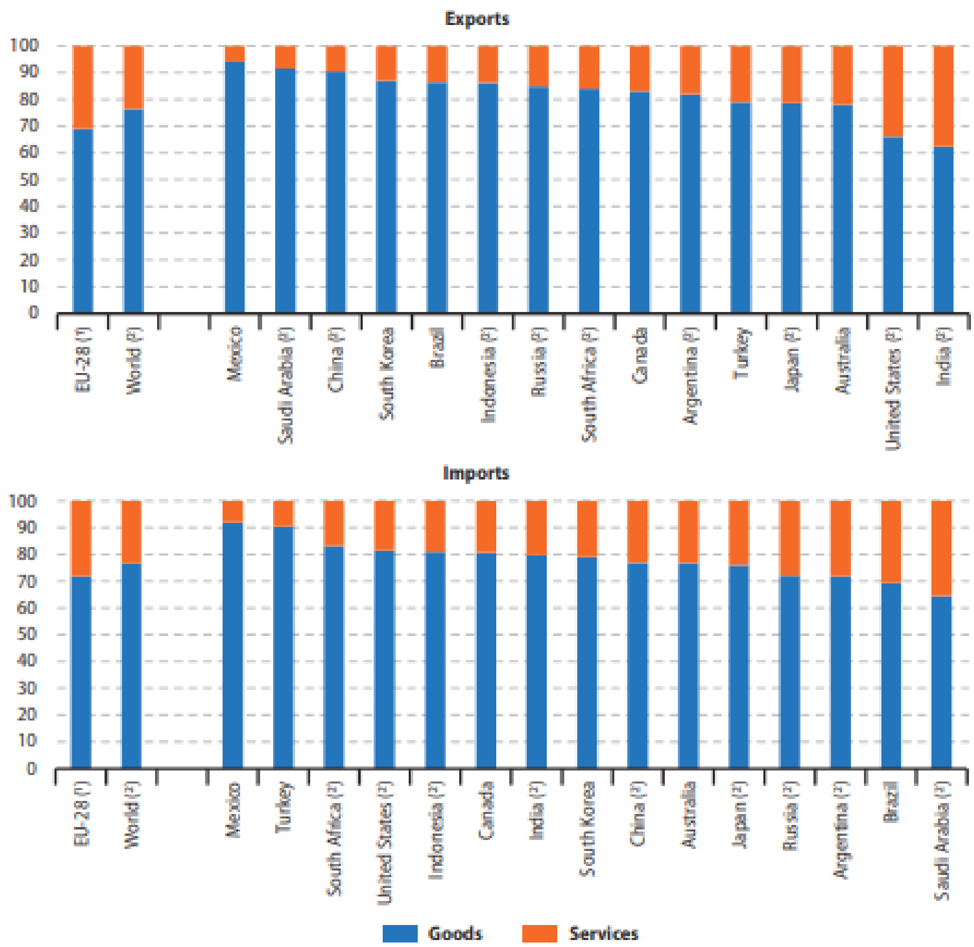



(1) 2016: estimates.
(2) Argentina, Saudi Arabia, South Africa and South Korea: central government only. Mexico: excluding state and local governments. Indonesia: excluding social security funds.

Source: Eurostat (online data code: gov_10dd_edpt1) and the International Monetary Fund (World Economic Outlook database)

## BALANCE OF PAYMENTS

Trade in goods and services normally accounts for the largest share of credits and debits in the current account of the balance of payments. Following chart shows the relative importance of these two items in 2017, with exports reflecting balance of payments credits and imports reflecting the level of debits. In terms of exports, the service-oriented economies of India (2016 data), the United States (2016 data) and the EU-28 can be clearly seen, with services accounting for more than 30.0 % of exports: in all other G20 members the services share of total exports was below the world average of 23.6 %. Services contributed less than 10.0 % of all exports that originated from China (2016 data), Saudi Arabia (2016 data) and Mexico



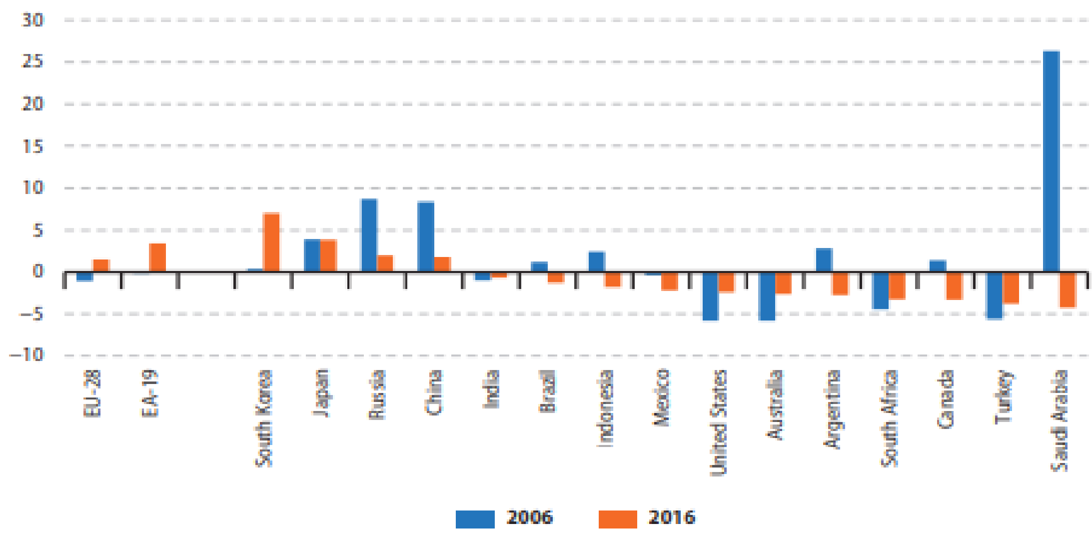

(¹) Extra-EU trade.
(²) 2016.

*Source:* Eurostat (online data code: bop_eu6_q) and the International Monetary Fund (Balance of Payments and International Investment Position Statistics)

Turning to imports, services accounted for a share above the world average (23.6 %) in Saudi Arabia, Brazil, the EU-28, Argentina, Russia and Japan (all 2016 data except for the EU-28 and Brazil). As such, the EU-28 was the only G20 member where the relative importance of trade in services was above the world average for exports and for imports. Services represented less than 10.0 % of total imports into Turkey and Mexico in 2017, the lowest shares among the G20 members.

***South Korea recorded the largest current account surplus relative to GDP in 2016***

Among the G20 members, the largest current account surplus in 2016 in relative terms was recorded by South Korea, where this ratio peaked at 7.0 % of GDP. The largest current account deficit in relative terms was recorded by Saudi Arabia at 4.3 % of GDP. The current account balances of Argentina, Brazil, Canada, Indonesia and Saudi Arabia moved from surpluses to deficits between 2006 and 2016, while the EU-28 moved from a deficit to a surplus. When expressed in relation to GDP, the deficits of Australia, India, South Africa, Turkey and the United States narrowed during the period under consideration, while in Mexico the deficit expanded. In South Korea, the current account surplus relative to GDP expanded while the surpluses of China, Japan and Russia narrowed. However, by far the largest change was observed in Saudi Arabia, as its current account balance moved from a surplus of 26.3 % of GDP in 2006 to a deficit of 4.3 % in 2016.

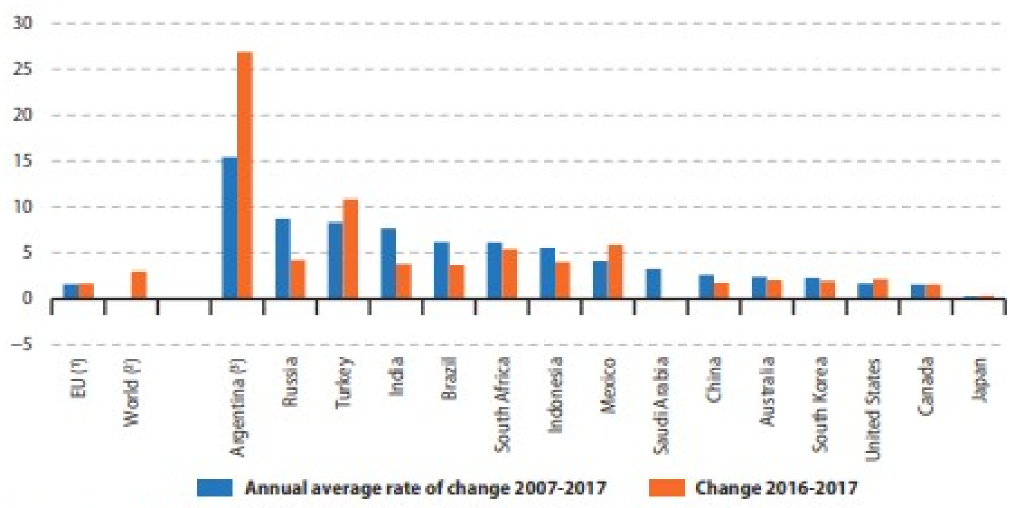



Source: Eurostat (online data codes: bop_eu6_q and nama_10_gdp) and the International Monetary Fund (World Economic Outlook database)

## CONSUMER PRICES, INTEREST AND EXCHANGE RATES

The latest annual rate of change in consumer price indices — between 2016 and 2017 — is presented in following chart along with the 10-year annual average rate of change between 2007 and 2017. Consumer price indices indicate the change over time in the prices of consumer goods and services acquired, used or paid for by households. They aim to cover the whole set of goods and services consumed within the territory of a country by the population. The worldwide inflation rate in 2017 was 3.0 %, slightly higher than the 2.8 % rate that was reported in 2015 and 2016 and also slightly higher than the inflation rate had been in 2009 (at the height of the financial and economic crisis), but otherwise lower than in all other years since the beginning of the time series in 1980. In 2017, rates of change for consumer prices ranged from very slight deflation (a change of −0.2 %) in Saudi Arabia to inflation of less than 3.0 % in about half of the G20 members. Prices increased within the range of 3.7 % to 5.9 % in Brazil, India, Indonesia, Russia, South Africa and Mexico, while much higher inflation rates were reported for Turkey (10.9 %) and Argentina (26.9 %). Average price developments over a 10-year period indicate that the high inflation rate in Argentina for 2017 was representative of a more sustained period of high price increases, with annual inflation averaging 15.4 % between 2007 and 2017. The next highest annual average inflation rates were a little more than half the rate recorded in Argentina, as prices rose by an annual average of 8.7 % in Russia and 8.3 % in Turkey, followed by 7.7 % in India during the period from 2007 to 2017. By contrast, Japan had clearly the lowest annual average inflation rate among the G20 members between 2007 and 2017, just 0.3 %, with the next lowest rates in Canada, the EU-28 (both 1.6 %) and the United States (1.7 %).

**Consumer price indices, 2007-2017**




Note: estimates apart from EU.

(¹) The data refer to the official EU aggregate, its country coverage changes in line with the addition of new EU Member States and integrates them using a chain-linked index formula.

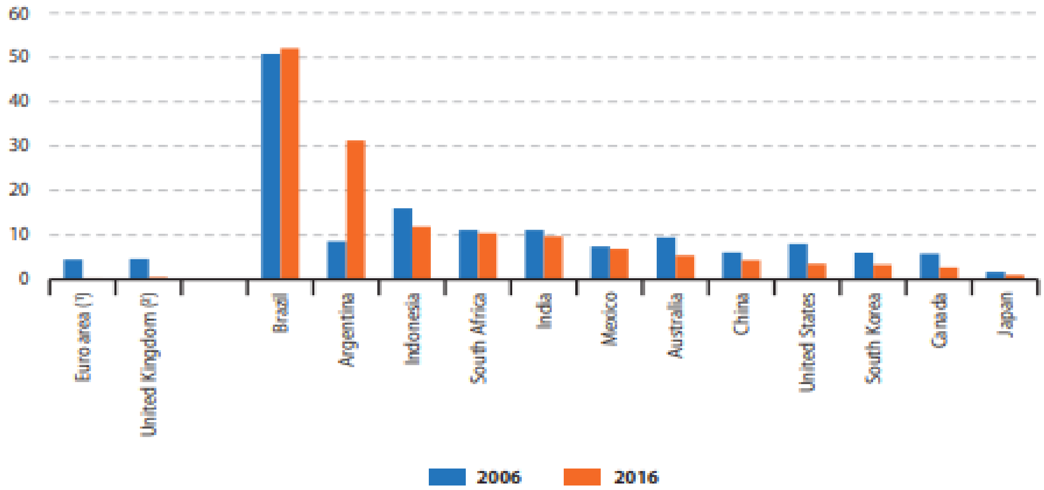
(²) Annual average rate of change 2007-2017: not available.

(³) Break in series. Coverage is limited to the Greater Buenos Aries Area for some years.

Source: Eurostat (online data code: prc_hicp_aind) and the International Monetary Fund (World Economic Outlook database)

***The largest falls in interest rates between 2006 and 2016 were in the United States and the euro area***

Lending interest rates varied greatly between the G20 members in 2016 and did so to a somewhat greater extent than they had done 10 years earlier. Historically low interest rates — below 1.0 % — were recorded in the euro area and the United Kingdom (2014 data), while the latest lending interest rate in Japan was 1.0 %. Elsewhere, rates ranged from 2.7 % in Canada to 11.9 % in Indonesia, with the rates in Argentina (31.2 %) and Brazil (52.1 %) exceeding this range. In all but two of the G20 members for which data are, interest rates were lower in 2016 than they had been in 2006: in Argentina, rates increased by 22.6 points over this period, while in Brazil they increased by 1.3 points. The largest percentage point falls in interest rates between 2006 and 2016 where was in the euro area (down 4.3 points) and the United States (down 4.4 points).



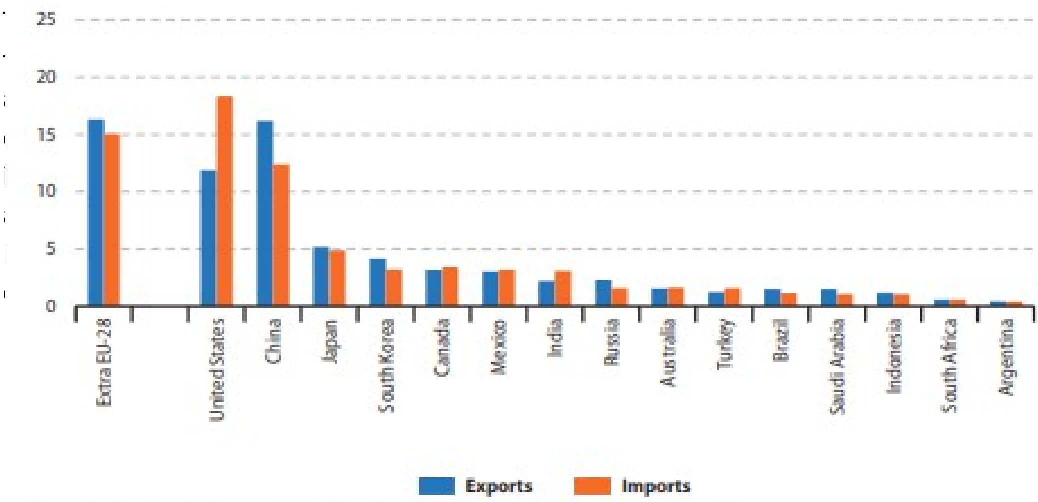

Note: Russia, Saudi Arabia and Turkey, not available.

(¹) Definition differs: ECB marginal lending facility.
(²) 2014 instead of 2016.

*Source:* the European Central Bank and the World Bank (World Development Indicators)

Among the G20 members, the peso in Argentina devalued the most between 2007 and 2017 relative to the euro, depreciating by 77.2 %. Other currencies of G20 members that depreciated strongly between these years included the Turkish lira (56.6 %), the Russian rouble (46.9 %) and the South African rand (35.8 %). Six currencies of G20 members appreciated against the euro between 2007 and 2017, ranging from a small appreciation of 0.2 % for the Canadian dollar, through increases of 11.0 % and 13.5 % for the Australian dollar and the Saudi riyal (between 2007 and 2016), to larger increases for the United States dollar (21.3 %), the Japanese yen (27.3 %) and the Chinese renminbi-yuan (36.6 %).

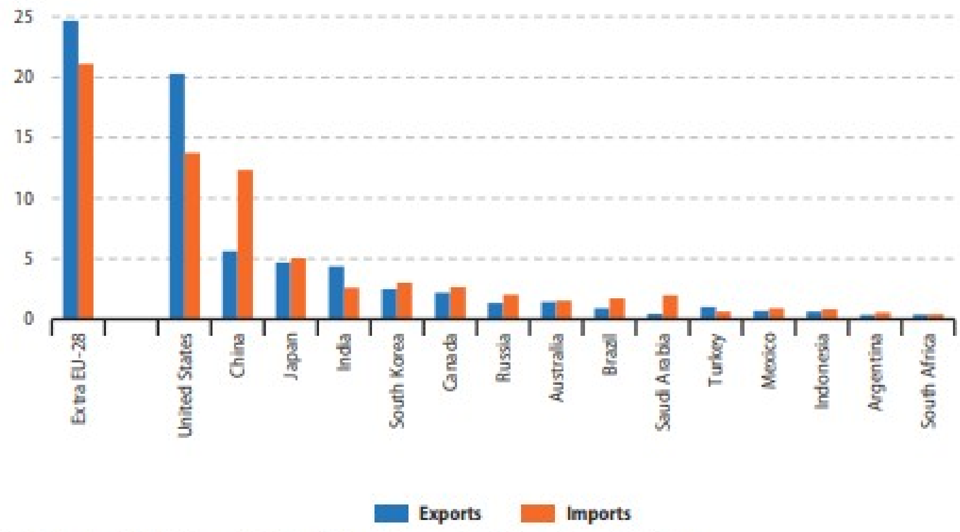
## BALANCE OF PAYMENTS — SHARE OF THE WHOLE WORLD TRADE




Note: the value of trade between EU Member States has been subtracted from the world total when calculating shares of world trade.

Source: Eurostat (online data code: bop_eu6_q) and the International Monetary Fund (Balance of Payments and International Investment Position Statistics)

The EU-28's share of world trade in goods was the largest in terms of exports, with China having almost exactly the same share (16.2 %), and second largest in terms of imports, behind the United States (18.3 %). The United States had the third largest share of world exports of goods and China the third largest share of imports, with Japan recording the fourth largest shares for both exports and imports. Canada and South Korea had the fifth and sixth largest shares of exports and import of goods, with Canada having more imports and South Korea more exports, while Mexico had the seventh largest share. Turning to services, the EU-28's contribution to world trade was even greater, totaling 24.7 % of exports and 21.1 % of imports. As such, the EU-28's extra-EU trade in services was clearly larger than that of any of the other G20 members, both in terms of exports and imports. Regardless of whether analyzing exports or imports, the United States had the second largest share of the world's trade in services, followed by China and Japan. South Korea, Canada and then India had the next largest shares of imports, whereas India had a higher share of exports than South Korea or Canada.

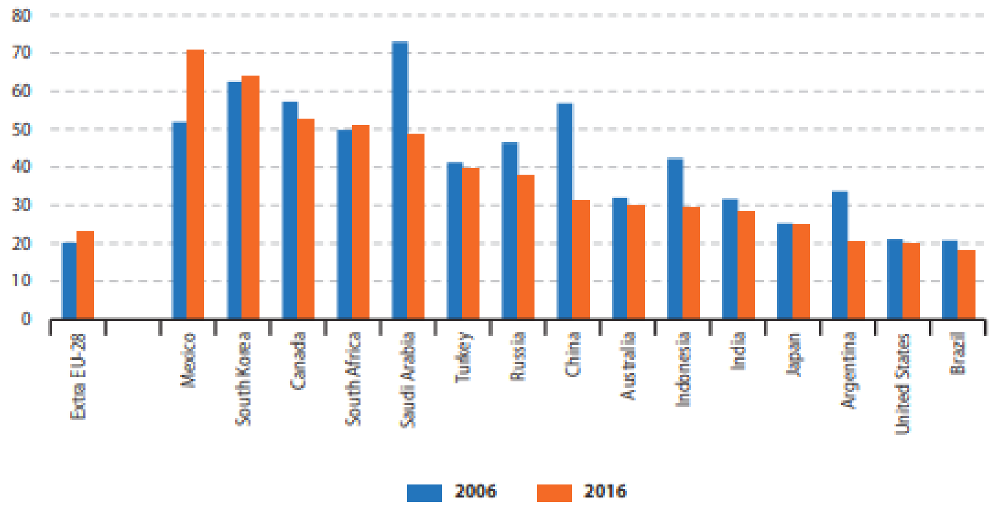



Note: the value of trade between EU Member States has been subtracted from the world total when calculating shares of world trade.

*Source:* Eurostat (online data code: bop_eu6_q) and the International Monetary Fund (Balance of Payments and International Investment Position Statistics)

## TRADE IN GOODS

Following charts uses balance of payments and national accounts data to show the relative importance of trade in goods compared with gross domestic product (GDP). Thereafter, the focus is on data from statistics of international trade in goods. The level of international trade in goods relative to overall economic activity (the ratio of traded goods to GDP) may be expected to be considerably higher for relatively small countries that are more integrated in the world's economy as a result of not producing a full range of goods (and services), as can be seen, for example, with Mexico (70.7 %) and South Korea (64.1 %) in following chart By contrast, Brazil reported the lowest ratio of trade in goods (shown here as the sum of exports and imports of goods) to GDP (18.0 %) in 2016 among the G20 members. The equivalent ratio for the EU-28 was 23.1 %; note that the latter excludes intra-EU trade. Comparing 2006 with 2016, the ratio of trade in goods to GDP increased notably in Mexico and to a smaller extent in the EU-28 and a much smaller extent in South Korea and South Africa. Elsewhere the ratio declined, with relatively large decreases in Indonesia and Argentina and particularly large decreases in Saudi Arabia and China.




Note: sum of imports and exports relative to GDP.

*Source:* Eurostat (online data codes: bop_eu6_q and nama_10_gdp), the International Monetary Fund (Balance of Payments and International Investment Position Statistics) and the OECD (Annual national accounts - main aggregates)

The EU-28 ran a trade surplus for goods equal to EUR 22.9 billion in 2017. Table 7.1 shows the flows and balance of trade in goods for the EU-28 with the other G20 members and with all non-EU countries. In 2017, the EU-28 had relatively large trade deficits with China (EUR 176 billion) and Russia (EUR 59 billion), and smaller ones with several other Asian countries: Japan, Indonesia, India and South Korea. The EU-28 had trade surpluses larger than EUR 10 billion with Australia, Turkey, Mexico and Saudi Arabia while its largest trade surplus for goods was with the United States (EUR 120 billion). Between 2007 and 2017, the EU-28's trade balance for goods with Brazil, Argentina and South Africa developed from a deficit into a surplus, whereas this situation was reversed with India. During the same period, all of the other trade surpluses of the EU-28 with G20 members expanded. By contrast, the deficits for trade in goods with Russia and China increased, while the deficits with Indonesia, South Korea and Japan contracted. In 2017, the EU-28's largest trade partner (exports and imports combined) for goods among G20 members was the United States, followed by China, Russia, Turkey and Japan, all with total trade in excess of EUR 100 billion.

The EU-28's smallest trade partners were Indonesia and Argentina. Together, the G20 members accounted for 59.4 % of the EU-28's exports of goods in 2017 and 63.4 % of its imports. Looking at the individual flows, the EU-28's largest export market in 2017 was the United States, followed at some distance by China, whereas for the EU-28's imports from these two countries their positions were reversed. The next largest trading partners for goods were the same, regardless whether analyzing exports or imports: Russia, Turkey, Japan, South Korea and India. Argentina had the smallest share of EU-28 trade among the G20 members, both for exports and for imports. The EU-28's main export market outside of the G20 was Switzerland which was the destination for 8.0 % of the EU-28's exports in 2017. Switzerland (5.9 %) and Norway (4.2 %) provided the largest shares of the EU-28's imports from countries outside of the G20.

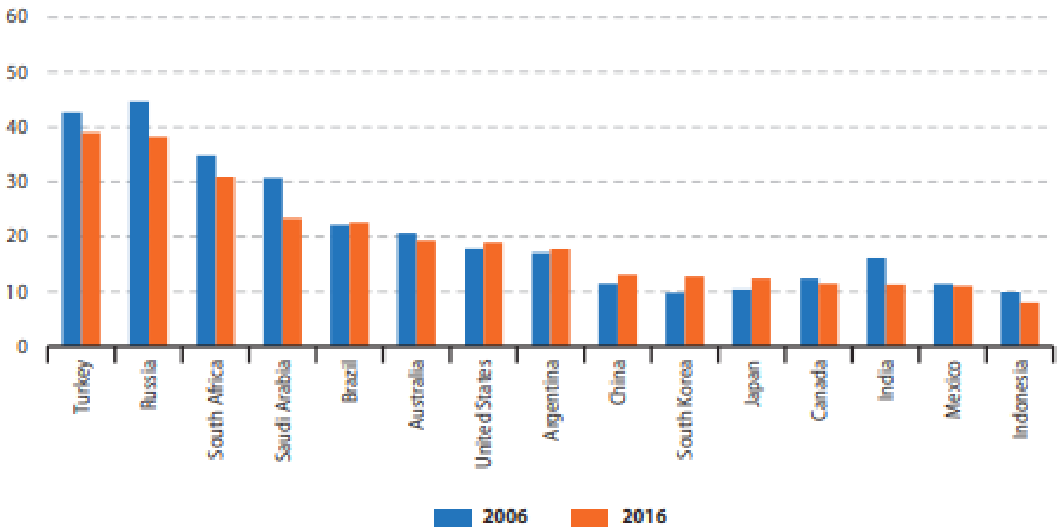
| | 2007 | | | 2017 | | |
|---|---|---|---|---|---|---|
| | EU-28 exports to partner | EU-28 imports from partner | Balance | EU-28 exports to partner | EU-28 imports from partner | Balance |
| **World (extra-EU-28)** | 1 234.5 | 1 450.9 | −216.4 | 1 878.8 | 1 855.9 | 22.9 |
| Argentina | 6.0 | 8.5 | −2.6 | 9.9 | 8.2 | 1.7 |
| Australia | 23.9 | 13.5 | 10.4 | 34.6 | 13.0 | 21.6 |
| Brazil | 21.3 | 32.9 | −11.6 | 32.2 | 31.1 | 1.1 |
| Canada | 25.4 | 24.3 | 1.1 | 37.7 | 31.4 | 6.3 |
| China | 71.8 | 233.9 | −162.0 | 198.2 | 374.6 | −176.4 |
| India | 29.2 | 26.7 | 2.5 | 41.7 | 44.1 | −2.4 |
| Indonesia | 5.4 | 12.8 | −7.4 | 10.1 | 16.6 | −6.5 |
| Japan | 43.7 | 79.3 | −35.5 | 60.5 | 68.6 | −8.1 |
| Mexico | 21.0 | 12.2 | 8.8 | 37.9 | 23.7 | 14.2 |
| Russia | 89.2 | 147.7 | −58.5 | 86.2 | 145.1 | −58.9 |
| Saudi Arabia | 20.0 | 18.7 | 1.3 | 33.1 | 21.6 | 11.5 |
| South Africa | 20.4 | 22.1 | −1.6 | 24.5 | 23.1 | 1.4 |
| South Korea | 24.7 | 41.7 | −17.0 | 49.8 | 50.0 | −0.2 |
| Turkey | 52.8 | 47.4 | 5.5 | 84.7 | 69.7 | 15.0 |
| United States | 259.6 | 178.0 | 81.6 | 375.5 | 255.5 | 120.0 |

Source: Eurostat (online data code: ext_lt_maineu)

Between 2007 and 2017, the G20 members' share of EU-28 exports increased, up 1.6 percentage points from 57.9 %, while their share of EU-28 imports also increased, up 1.4 points from 62.0 %. Concerning EU-28 exports, China's share rose 4.7 points from 5.8 % to 10.5 %, while the share destined for South Korea increased 0.6 points and the share to Mexico by 0.3 points. The largest fall was recorded for Russia, whose share of EU-28 exports of goods fell 2.6 points from 7.2 % to 4.6 %, reflecting at least in part sanctions imposed in relation to the Ukraine crisis. Concerning the EU-28's imports of goods, China again recorded the largest increase, up 4.1 points from 16.1 % in 2007 to 20.2 % in 2017. The United States' share of EU-28 imports increased by 1.5 points and the shares coming from India, Turkey (both up 0.5 points) and Mexico (up 0.4 points) also increased. As for exports, Russia's share of EU-28 imports fell (from 10.2 % to 7.8 %), again reflecting in part sanctions, but also reflecting changes in oil and gas prices, which are among the main products imported by the EU-28 from Russia.

*Nearly half of all goods exported from Turkey and Russia in 2016 were destined for the EU-28*

Some 48.0 % of all goods exported from Turkey in 2016 were destined for the EU-28, which was the case for a similarly high share (45.8 %) of goods exported from Russia. By contrast, one tenth or less of the goods exported from Indonesia, South Korea, Canada, Australia, Mexico or Saudi Arabia were destined for the EU-28. Between 2006 and 2016 the EU-28 became a less important export market in relative terms for most of the G20 members, as only Canada, Mexico and Saudi Arabia recorded increases in the shares of their exports destined for the EU-28, with decreases of more than 5.0 points recorded in Australia, South Korea and Turkey and more than 10.0 points in South Africa and Russia.



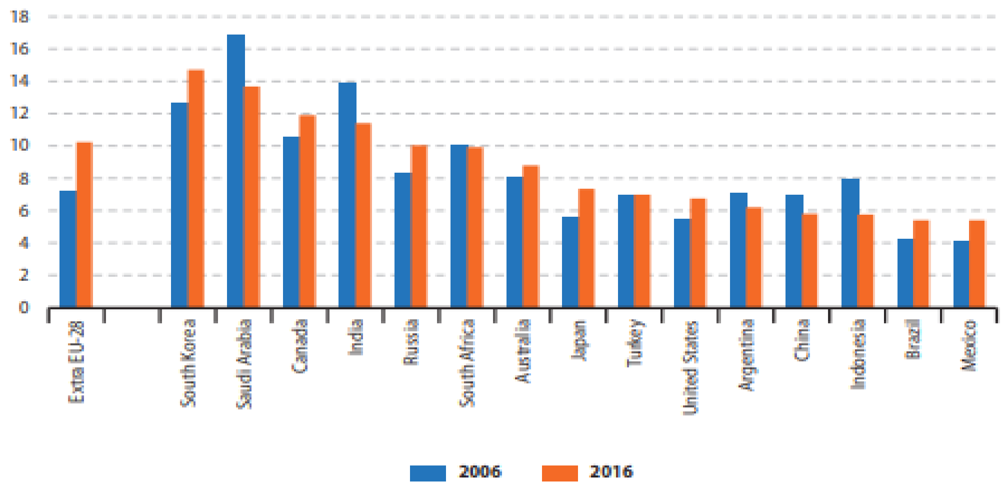

Source: the United Nations (Comtrade)

## TRADE IN SERVICES

The final part of this thesis focuses on trade in services. The following charts uses balance of payments and national accounts data to show the relative importance of trade in services compared with GDP and can be compared with a similar calculation that was presented for goods in chart. Thereafter, the focus is on balance of payments data.

*The ratio of trade in services to GDP was highest in 2016 in South Korea*

The level of international trade in services (exports and imports combined) relative to overall economic activity (GDP) was higher in South Korea in 2016 than in any of the other G20 members, reaching 14.7 %. The next highest ratios were 13.7 % in Saudi Arabia, 11.9 % in Canada, 11.4 % in India, and around 10 % in the EU-28, Russia and South Africa. Brazil and Mexico recorded the lowest levels for this ratio (5.4 %). Comparing 2006 with 2016, the ratio of trade in services to GDP increased by 3.1 points in the EU-28, the largest increase among the G20 members, with South Korea (2.1 points) recording the second highest increase. A small majority of G20 members reported an increase in the ratio of trade in services to GDP between 2006 and 2016, although this was not the case in South Africa where there was a relatively small decrease or in Argentina, China, Indonesia, India or Saudi Arabia where there were larger decreases.




Note: sum of imports and exports relative to GDP.

*Source:* Eurostat (online data codes: bop_eu6_q and nama_10_gdp), the International Monetary Fund (Balance of Payments and International Investment Position Statistics) and the OECD (Annual national accounts - main aggregates)

***The EU-28 was the world's largest exporter and importer of services in 2016***

As already noted, the EU-28 was the world's largest exporter and importer of services in 2016: extra-EU exports were valued at EUR 845 billion and imports at EUR 712 billion, resulting in a trade surplus for services of EUR 133 billion (see Table 7.2). The EU-28 had trade surpluses for services in 2016 with all G20 members except for Turkey, India and the United States; note that no data are available for Saudi Arabia. Between 2011 and 2016, the EU-28's extra-EU trade surplus for services contracted slightly, down 1.9 %, resulting from somewhat stronger growth (in current prices) in imports of services (48.1 %) than for exports of services (37.1 %). Between 2011 and 2016, the EU-28's deficits for trade in services with Turkey and India narrowed, while its surplus with the United States turned into a deficit. Elsewhere the EU-28's surpluses for trade in services with South Africa and Brazil narrowed, most notably with Brazil, while with the remaining G20 members the EU-28's surpluses expanded, particularly with Japan, China, South Korea and Argentina in relative terms.

| | 2011 | | | 2016 | | |
|---|---|---|---|---|---|---|
| | EU-28 exports to partner | EU-28 imports from partner | Balance | EU-28 exports to partner | EU-28 imports from partner | Balance |
| **World (extra-EU-28)** | 616.1 | 480.5 | 135.6 | 844.9 | 711.8 | 133.1 |
| Argentina | 3.7 | 2.3 | 1.4 | 4.6 | 2.2 | 2.4 |
| Australia | 16.3 | 7.8 | 8.5 | 18.8 | 8.3 | 10.5 |
| Brazil | 16.7 | 6.7 | 10.0 | 13.5 | 7.9 | 5.6 |
| Canada | 15.6 | 10.4 | 5.2 | 18.5 | 11.8 | 6.7 |
| China | 21.8 | 17.8 | 4.0 | 38.3 | 29.6 | 8.8 |
| India | 11.2 | 13.6 | −2.4 | 13.6 | 15.3 | −1.7 |
| Indonesia | 3.3 | 1.8 | 1.5 | 4.0 | 2.2 | 1.8 |
| Japan | 20.2 | 15.5 | 4.7 | 31.0 | 18.0 | 13.0 |
| Mexico | 7.1 | 3.6 | 3.5 | 9.8 | 5.0 | 4.8 |
| Russia | 25.5 | 12.6 | 12.9 | 24.7 | 11.3 | 13.5 |
| South Africa | 7.4 | 4.4 | 3.0 | 7.8 | 5.0 | 2.8 |
| South Korea | 7.9 | 4.7 | 3.2 | 12.6 | 6.6 | 6.0 |
| Turkey | 9.2 | 15.0 | −5.9 | 11.8 | 13.9 | −2.1 |
| United States | 152.4 | 145.3 | 7.1 | 218.0 | 219.3 | −1.3 |

Note: Saudi Arabia, not available.

Source: Eurostat (online data code: bop_its6_det)

# CONCLUSION

In this thesis was analyzed European Union’s economy in relation of the major economies of the world. Significant conclusions have been drawn regarding General Governmental Finances, Balance of payments, consumer prices and trading. All the above, were diagrammatically analyzed for the best understanding of ratios and indicators.

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