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INVESTMENT REPORT
2022/2023

Resilience and
renewal in Europe



2023

Glossary of terms and acronyms

EUROPEAN INVESTMENT BANK INVESTMENT REPORT
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European
Investment Bank

Investment Report 2022/2023: Resilience and renewal in Europe.

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About the report

The annual EIB report on investment and investment finance is a product of the EIB Economics Department. The report provides a comprehensive overview of the developments and drivers of investment and investment finance in the European Union. It combines an analysis and understanding of key market trends and developments, with a thematic focus explored in greater depth. This year, the focus is on how Europe is progressing towards a digital and green future amid an energy crisis. The report draws extensively on the results of the annual EIB Investment Survey (EIBIS) and the EIB Municipality Survey, combining internal EIB analysis with contributions from leading experts in the field.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and to help define its positioning, strategy and policy. The director of the Economics Department, Debora Revoltella, heads a team of 40 economists.

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Glossary of terms and acronyms



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Glossary of terms and acronyms

3-D printing	Also known as additive manufacturing. Variety of processes in which material is joined or solidified under computer control to create a three-dimensional object, with material being added together (such as liquid molecules or powder grains being fused together), typically layer by layer.
Active innovators	Firms that invest in R&D (R&D-to-sales ratio higher than 0.1%).
Adaptation	Addresses the risks posed by climate change rather than the underlying causes (see “climate change adaptation”).
Adopting firms	Firms that have no substantial R&D (R&D-to-sales ratio lower than 0.1%) but have introduced or developed new products, processes or services, according to the EIB Investment Survey (EIBIS).
Advanced	Firms that have invested in advanced digital technologies but have not taken action to become more digital as a response to COVID-19.
AI	Artificial intelligence. A system’s ability to correctly interpret external data, to learn from such data, and to use such learning to achieve specific goals and tasks through flexible adaptation.
AMECO	The annual macroeconomic database of the European Commission’s Directorate-General for Economic and Financial Affairs.
At-risk-of-poverty rate	The share of people with a net disposable income below the at-risk-of-poverty threshold, which is set at the 60% of the national median equivalised net disposable income.
Augmented or virtual reality	Presentation of information integrated with real-world objects, using a head-mounted display.
Automation	Substitution of work activities undertaken by human labour with work performed by machines with the aim of increased quality and quantity of output at lower costs.
Baltics	Estonia, Latvia and Lithuania.
Basic	Firms that have not yet implemented any advanced digital technology in their business but have taken action to become more digital as a response to COVID-19.
Benelux	Belgium, the Netherlands and Luxembourg.
Big data	Extremely large data sets that may be analysed computationally to reveal patterns, trends and associations, especially relating to human behaviour and interactions.
Biotech	Biotechnology, often abbreviated to biotech, is the manipulation of living organisms or their components to produce useful and usually commercial products.
BNEF	Bloomberg New Energy Finance.
Both	Firms that have implemented advanced digital technologies in their business and that have also invested further in digitalisation as a response to COVID-19.
Bureau van Dijk’s Orbis database	Database of private and listed company information from around the world that includes, among others, companies’ financial accounts, ownership structures and details of mergers and acquisitions activity.

Business angel	An individual who provides capital for startups, usually in exchange for convertible debt or ownership equity.
Climate change adaptation	Describes measures to deal with the impact of changing weather patterns or extreme weather events.
Climate change mitigation	Mitigation addresses the underlying causes of climate change.
CCUS	Carbon capture, utilisation and storage is a group of technologies that can remove almost 100% of the carbon dioxide from large-scale point sources of carbon such as energy-intensive industries (such as steel, cement and refining) and fossil fuel power.
Central and Eastern Europe	Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.
Circular economy	A systemic approach to economic development designed to benefit businesses, society and the environment. In contrast to the “take-make-waste” linear model, a circular economy is regenerative by design and aims to gradually uncouple growth from the consumption of finite resources.
Cognitive technologies	Natural language processing, data mining and pattern recognition. Relevant for automation, machine learning and information technology, such as big data analytics or artificial intelligence.
Cohesion regions	Regions are grouped based on the 2021-2027 cohesion policy. Transition regions and less developed regions, together referred to as cohesion priority regions, have more extensive possibilities for co-financing. More developed regions, also referred to as non-cohesion (priority) regions, have more limited possibilities for co-financing.
Contestable markets	Markets where the following conditions are satisfied
Depreciation	A reduction in the value of an asset over time, due in particular to wear and tear; a decrease in the value of a currency relative to other currencies.
Developed regions	EU NUTS 2 regions with gross domestic product (GDP) per capita above the EU27 average.
Developers	Firms that have substantial R&D (R&D-to-sales ratio equal to or higher than 0.1%) but have not introduced or developed new products, processes or services, according to the EIB Investment Survey (EIBIS).
Digital	A firm is identified as having adopted an advanced digital technology if at least one digital technology specific to its sector was implemented in parts of the business and/or if the entire business is organised around at least one digital technology.
Digital capability of municipalities	In the EIB Municipalities Survey, digital capability and sophistication comprises the integrity and protection of IT systems, provision of digital or online government services, assessment of adequacy of digital infrastructure, development or use of remote sensors, and staff working exclusively on digitalisation plans.
Disposable income	The amount of money that can be spent after current personal taxes. Refers to income from wages and salaries, self-employed income, income from unincorporated enterprises, social benefits, etc., after taking into account net interest and dividends received and the payment of taxes and social contributions.
Drones	Powered, unmanned aerial vehicles that can fly autonomously or be piloted remotely, can be expendable or recoverable, and can carry a lethal or non-lethal payload.

EBA	European Banking Authority.
ECB	European Central Bank.
EIB	European Investment Bank.
EIBIS	European Investment Bank Investment Survey.
EIF	European Investment Fund.
Energy intensity	Energy consumption divided by activity, such as energy/GDP.
ESG	Environmental, social and governance.
European Green Deal	Set of policy initiatives by the European Commission with the overarching aim of making the European Union climate neutral in 2050.
European Union	The 27 Member States of the European Union (taken as a whole when used for data comparison with other groups).
External finance	In the EIB Investment Survey, this consists of: bank loans excluding subsidised bank loans, overdrafts and other credit lines; other terms of bank finance including overdrafts and other credit lines; newly issued bonds; newly issued equity (including quoted or unquoted shares); leasing or hire purchase; factoring/invoice discounting; loans from family/friends/business partner; grants (financial support or subsidies from regional or national government); and funding provided by the public sector.
Finance constrained	In the EIB Investment Survey (EIBIS), a firm is considered finance constrained if it was: (i) rejected when seeking any external financing for an investment; (ii) quantity constrained (dissatisfied with the terms and the amount received in the last request for external financing); (iii) price constrained (the firm did not apply because it thought the conditions of external financing would be too expensive); or (iv) discouraged from seeking any external financing (the firm did not apply because it thought the application would be turned down).
FDI	Foreign direct investment.
GDP	Gross domestic product. The total value of goods produced and services provided in a country during one year.
GFCF	Gross fixed capital formation. The net increase in physical assets (investment minus disposals) within the measurement period. It does not account for the consumption (depreciation) of fixed capital, and also does not include land purchases. It is a component of the expenditure approach to calculating GDP.
GINI	The Gini coefficient, also known as the Gini index, is a measure of statistical dispersion intended to measure income or wealth inequality.
Global financial crisis	Refers to the worldwide financial crisis of 2007-2008.
Human capital	The knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their life and used to produce goods, services or ideas in market circumstances.
IEA	International Energy Agency.
IMF	International Monetary Fund.
Incremental innovators	Firms that have substantial R&D (R&D-to-sales ratio equal to or higher than 0.1%) and have introduced or developed products, processes or services that are new to the company, according to the EIB Investment Survey (EIBIS).

Infrastructure	Infrastructure as defined for the EIB Infrastructure Database includes the following sectors for its macro-analysis: transport, utilities, health, education and communication. Infrastructure in the EIB Municipalities Survey captures social, urban transport, digital, water and waste utilities, climate change mitigation and climate change adaptation.
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
Institutional sectors	The general government, corporations and households are the three institutional sectors in this report.
Intangible investment	In the EIB Investment Survey (EIBIS), intangible investment consists of investment in: research and development (including the acquisition of intellectual property); software, data, IT networks and website activities; training of employees; and organisation and business process improvements (including restructuring and streamlining).
Intellectual property products	In the European System of Accounts, intellectual property products are defined as fixed assets that consist of the results of research and development, mineral exploration and evaluation, computer software and databases, entertainment, literary or artistic originals and other intellectual property products, as defined below, intended to be used for more than one year.
Internal finance	In the EIB Investment Survey (EIBIS), internal finance consists of internal funds or retained earnings (such as cash, profits).
IPCC	Intergovernmental Panel on Climate Change.
IRENA	International Renewable Energy Agency.
Labour share	Wage bill divided by revenue.
Large companies	Firms with at least 250 employees.
Latency	The time it takes for data to be transferred between its original source and its destination, measured in milliseconds.
Leading innovators	Firms that have substantial R&D (R&D-to-sales ratio equal to or higher than 0.1%) and have introduced or developed products, processes or services that are new to the country or to the global market, according to the EIB Investment Survey (EIBIS).
Less developed regions	EU NUTS 2 regions with GDP per capita below 75% of the EU27 average.
Lifelong learning	Encompasses all learning activities undertaken throughout life with the aim of improving knowledge, skills and competences, within personal, civic, social or employment-related perspectives. The intention or aim to learn is the critical point that distinguishes these activities from non-learning activities, such as cultural or sporting activities.
Low-carbon economy	An economy based on low-carbon power sources (not based on fossil fuels).
M&A (merger and acquisition)	A business transaction in which the ownership of a company is transferred to or consolidated with another company.
Manufacturing	Based on NACE classification of economic activities, firms in group C (manufacturing).
Mark-up	The ratio of the cost of a good or service to its selling price, expressed as a percentage of the cost.
Medium-sized firms	Firms with 50 to 250 employees.

Micro firms	Firms with fewer than ten employees.
More developed regions	EU NUTS 2 regions with GDP per capita above 100% of the EU27 average.
MWh	Megawatt hour.
NACE	“Nomenclature statistique des activités économiques dans la Communauté européenne.”
NATO	North Atlantic Treaty Organization.
Neither	Firms that have not invested in advanced digital technologies or in becoming digital as a response to COVID-19.
No innovation	Firms that have no substantial R&D (R&D-to-sales ratio lower than 0.1%) and have not introduced or developed new products, processes or services, according to the EIB Investment Survey (EIBIS).
Non-digital	Firms that have not yet implemented any of four advanced digital technologies considered in recent years or have not heard of them (see “Digital”).
NUTS	“Nomenclature des unités territoriales statistiques” (Nomenclature of territorial units for statistics). A hierarchical system for dividing up the economic territory of the European Union.
OECD	Organisation for Economic Co-operation and Development.
Patent	Documents issued by an authorised agency, granting exclusive right to the applicant to produce or to use a specific new device, apparatus or process for a limited period. The protection conferred by a patent gives its owner the right to exclude others from making, using, selling, offering for sale or importing the patent invention for the term of the patent, which is usually 20 years from the filing date, and in the country or countries concerned by the protection.
PATSTAT	EPO Worldwide Patent Statistical Database. Contains bibliographical data relating to more than 100 million patent documents from leading industrialised and developing countries.
PCT	Patent Cooperation Treaty. Provides a unified procedure for filing patent applications to protect inventions in each of its contracting states.
PEPP	The ECB’s pandemic emergency purchase programme (PEPP) is a non-standard monetary policy measure initiated in March 2020 in reaction to the COVID-19 outbreak. It is a temporary asset purchase programme of private and public sector securities.
Percentile	Each of the 100 equal groups into which a population or other data can be divided according to the distribution of values of a particular variable.
Physical risks	Typically defined as risks arising from the physical effects of climate change and environmental degradation. They can be categorised either as acute (if they arise from climate and weather-related events and acute destruction of the environment), or chronic (if they arise from progressive shifts in climate and weather patterns or a gradual loss of ecosystem services).
Platform technologies	Technologies that connect customers with businesses or customers with other customers.
Production processes	Processes related to actual production, for example machinery and equipment.

PSPP	The ECB's public sector purchase programme, under which the ECB purchases bonds issues by governments, international organisations, multilateral development banks, and recognised agencies. It is one of the ECB's asset purchase programmes.
R&D	Research and development.
Recovery plan for Europe	The NextGenerationEU fund is a European Union economic recovery package to support EU Member States adversely affected by the coronavirus pandemic.
Recovery and Resilience Facility (RRF)	A large grant and loan facility offered by the European Union to its Member States. Part of the recovery plan for Europe.
Robot	Defined in the International Federation of Robotics' database as "automatically controlled, re-programmable and multipurpose machine."
SAFE	Survey on Access to Finance for Enterprises. A survey on the access to finance of small and medium-sized enterprises conducted by the ECB and the European Commission.
Scarring	Longer-term negative effects on the economy, in particular relating to an economic crisis.
Securitisation	The conversion of an asset, especially a loan, into marketable securities, typically for the purpose of raising cash by selling it to other investors.
Services	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
Small firms	Firms with ten to 49 employees.
Smart grids	Electricity supply networks that use digital communications technology to detect and react to local changes in usage.
SMEs	Small and medium-sized enterprises. Firms with fewer than 250 employees.
SMEsec	SME securitisation.
Social infrastructure	In the EIB Municipalities Survey, this comprises healthcare, care for the elderly, childcare, education and training, and social and affordable housing.
Southern Europe	Cyprus, Greece, Italy, Malta, Portugal and Spain.
Sovereign debt crisis	Also known as the European sovereign debt crisis. A multiyear debt crisis that took place in the European Union from 2009.
SURE	The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency.
Tangible investment	Investment in, for example, land, business buildings and infrastructure or machinery and equipment, as defined in the EIB Investment Survey (EIBIS).
TLTROs	The targeted longer-term refinancing operations are Eurosystem operations that provide financing to credit institutions. By offering banks long-term funding on attractive conditions they preserve favourable borrowing conditions for banks and stimulate bank lending to the real economy.
Total factor productivity	The efficiency in combining production factors to create added value.
Transition regions	EU NUTS 2 regions with GDP per capita of 75-100% of the EU27 average.

Transition risks	Risks that arise from the potential for loss resulting from a shift towards a lower-carbon economy, driven by policy, regulations, low-carbon technology advancement, consumer sentiment and preferences, and liability risks, impacting the value of certain assets.
Transport infrastructure	In the EIB Municipalities Survey, this comprises footpaths and cycling lanes, intra-urban public, inter-urban and urban-rural transport connectivity, and charging stations for electric vehicles.
UK	United Kingdom.
UNFCCC	United Nations Framework Convention on Climate Change.
US	The United States of America.
VAT	Value added tax.
VC	Venture capital. A type of private equity focused on startup companies with high growth potential.
Western and Northern Europe	Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Luxembourg, the Netherlands and Sweden.