

INVESTMENT REPORT 2024/25

INNOVATION INTEGRATION AND SIMPLIFICATION IN EUROPE



Glossary of terms and acronyms

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Investment Report 2024/2025: Innovation, integration and simplification in Europe

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About the Economics Department

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of economists is headed by Debora Revoltella, director of economics.

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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 Europe's ability to marshal the investment needed for the green transition and to support innovation. The report draws extensively on the results of the annual EIB Investment Survey (EIBIS) and the EIB Municipalities Survey, combining internal EIB analysis with contributions from leading experts in the field.

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Glossary of terms and acronyms

Adaptation	Addresses the risks posed by climate change rather than the underlying causes (as in “climate change adaptation”).
AFME	The Association for Financial Markets in Europe.
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.
ALMP	Active labour market policy.
AMECO	The annual macroeconomic database of the European Commission’s Directorate-General for Economic and Financial Affairs.
Automation	Substitution of human labour with work performed by machines, to achieve higher quality and quantity of output at lower costs.
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. The manipulation of living organisms or their components to produce useful, usually commercial products.
BLS	Bank lending survey. The euro area bank lending survey provides information on bank lending conditions in the euro area. It supplements existing statistics with information on the supply of, and demand for, loans to enterprises and households. The BLS provides input for monetary and economic assessments carried out by the Governing Council of the European Central Bank (ECB), which feed into the monetary policy decision-making process.
bn	Billion (1 000 million).
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 mergers and acquisitions activity.
CCPI	The Climate Change Performance Index developed by Germanwatch. Climate Policy is one of the sub-indicators of the CCPI. The Climate Policy indicator evaluates recent developments in national climate policies and frameworks, as well as performance in international climate policy. It focuses on both the content of policy and its implementation. Data are collected through a comprehensive survey of some 450 national experts. The questions include an assessment of the content and implementation of national decarbonisation strategies, and energy supply and demand strategies, as well as national performance in international climate negotiations and fora.
CEE	Central and Eastern Europe, including Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.
Climate change adaptation	Describes measures to deal with the impact of changing weather patterns or extreme weather events.
Climate change mitigation	Describes measures to address the underlying causes of climate change.

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 options for co-financing. More developed regions, also referred to as non-cohesion (priority) regions, have more limited options for co-financing.
Corporate Vulnerability Index	A synthetic aggregate based on around 24 series reported at sectoral level for the corporate sector.
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.
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.
DG FISMA	Directorate-General for Financial Sustainability, Financial Services and Capital Markets Union of the European Commission.
DG REGIO	Directorate-General for Regional and Urban Policy of the European Commission.
EBA	European Banking Authority.
ECB	European Central Bank.
EIB	European Investment Bank.
EIBIS	EIB Investment Survey.
EIC	European Innovation Council.
EIF	European Investment Fund.
EIF SME Access to Finance index	A composite indicator that summarises the state of SME financing for each of the EU Member States and covers different aspects of SME access to finance.
Energy intensity	Energy consumption divided by activity, such as energy/GDP.
EPO	European Patent Office.
ESIF	European Structural and Investment Funds. These are the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund.
European Green Deal	A set of policy initiatives by the European Commission with the overarching aim of making the European Union climate neutral by 2050.
European Union	The 27 Member States of the European Union (taken as a whole when used for data comparison with other groups).
Eurostat	The statistical office of the European Union.
EU-SILC	The EU statistics on income and living conditions collects current and comparable household and individual data on income, poverty, social exclusion and living conditions in the European Union. EU-SILC is a cross-sectional and longitudinal sample survey, coordinated by Eurostat, based on data from the Member States.

EXPY	the index is the weighted average of the producers' income level (PRODY index, see below) associated with each product of a country's export basket, where the weights are simply the value shares of the products in the country's total exports.
External finance	In the EIB Investment Survey, this consists of
Finance constrained	In the EIB Investment Survey, a firm is considered finance constrained if it was
GBARD	Government budget allocations for R&D.
GDP	Gross domestic product. The total value of goods produced and services provided in a country over one year.
GERD	Gross expenditure on R&D.
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.
Global financial crisis	The worldwide financial crisis of 2007-2008.
Harmonized System	This is an international product nomenclature developed by the World Customs Organization that comprises more than 5 000 commodity groups, each identified by a six digit code, arranged in a logical structure.
Human capital	The knowledge, skills, competencies and other attributes embodied in individuals or groups of individuals acquired during their lives and used to produce goods, services or ideas in market circumstances.
IEA	International Energy Agency.
IMF	International Monetary Fund.
Infrastructure	As defined for the EIB Infrastructure Database, infrastructure includes the following sectors for macroanalysis
Infrastructure sector	Based on the NACE classification of economic activities, this includes 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, intangible investment consists of investment in research and development (including the acquisition of intellectual property); software, data, IT networks and website activities; employee training; and improvements to organisation and business processes (including restructuring and streamlining).
Intellectual property products	In the European System of Accounts, intellectual property products include fixed assets (intended to be used for more than one year) such as findings from research and development, or from mineral exploration and evaluation; computer software and databases; or entertainment and literary or artistic originals.
Internal finance	In the EIB Investment Survey, internal finance consists of internal funds or retained earnings (such as cash or profits).
IPCC	Intergovernmental Panel on Climate Change.

IPO	Initial public offering. A process through which a private firm makes its shares available to the public for the first time, in a new stock issuance.
IRENA	International Renewable Energy Agency.
Large companies	Firms with at least 250 employees.
Low-carbon economy	An economy based on low-carbon power sources (not based on fossil fuels).
M&A	Mergers and acquisitions. Business transactions in which ownership of a company is transferred to or consolidated with another company.
Medium-sized firms	Firms with between 50 and 250 employees.
Micro firms	Firms with fewer than ten employees.
MWh	Megawatt hour.
NACE	“Nomenclature statistique des activités économiques dans la Communauté européenne” (Statistical Classification of Economic Activities in the European Community). The industry standard classification system used in the European Union.
Non-digital	Firms that have not yet implemented (or have not heard of) any of four sector-specific advanced digital technologies from recent years (see also: “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 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 patented invention for the term of the patent (usually 20 years from the filing date) 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.
Private equity	A form of equity investment in private companies not listed on the stock exchange.
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 as either 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.

PPP	Refers to either: (i) public-private partnership or (ii) purchasing power parity.
Production processes	Processes related to actual production, such as those performed by machinery and equipment.
PRODY	This index is a weighted average of the per capita GDPs of countries exporting a given product, where the weights reflect the revealed comparative advantage of each country in that product; thus it represents the average producers' income level associated with that product.
R&D	Research and development.
Recovery plan for Europe	A European Union economic recovery package, boosted by the NextGenerationEU fund, to support Member States adversely impacted by the COVID-19 pandemic.
Recovery and Resilience Facility	A large grant and loan facility offered by the European Union to Member States. Part of the recovery plan for Europe.
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.
SE	Southern Europe, including Cyprus, Greece, Italy, Malta, Portugal and Spain.
Securitisation	The conversion of an asset, especially a loan, into marketable securities, typically in order to raise cash by selling it to other investors.
Services sector	Based on the NACE classification of economic activities, this includes firms in group G (wholesale and retail trade) and group I (accommodation and food service activities).
SFA	Stochastic frontier analysis.
Small firms	Firms with between ten and 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.
SME securitisation	Transactions backed by SME loans, leases and other products.
Sovereign debt crisis	Also known as the European sovereign debt crisis. A multi-year debt crisis in the European Union that began in 2009.
STEM	Science, technology, engineering and mathematics.
Tangible investment	As defined in the EIB Investment Survey, tangible investment includes investment in land, business buildings and infrastructure, or machinery and equipment, for example.
TFEU	Treaty on the Functioning of the European Union.
Total factor productivity	The efficiency in combining production factors to create added value.
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.
UNDP	United Nations Development Programme.

UNFCCC	United Nations Framework Convention on Climate Change.
Upstream	an industry or industries that provide inputs to production.
Upstreamness	A measure of average production stages a product has to go through before reaching the final consumer. Value one signifies ready to consume, a higher value indicates that the product is used as inputs in products that themselves are used in the production of a consumer good.
US (or USA)	United States of America.
VAT	Value added tax.
Venture capital	A type of private equity focused on startup companies with high growth potential.
WNE	Western and Northern Europe, including Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Luxembourg, the Netherlands and Sweden.