



EUROPEAN CENTRAL BANK

EUROSYSTEM

Made in Europe

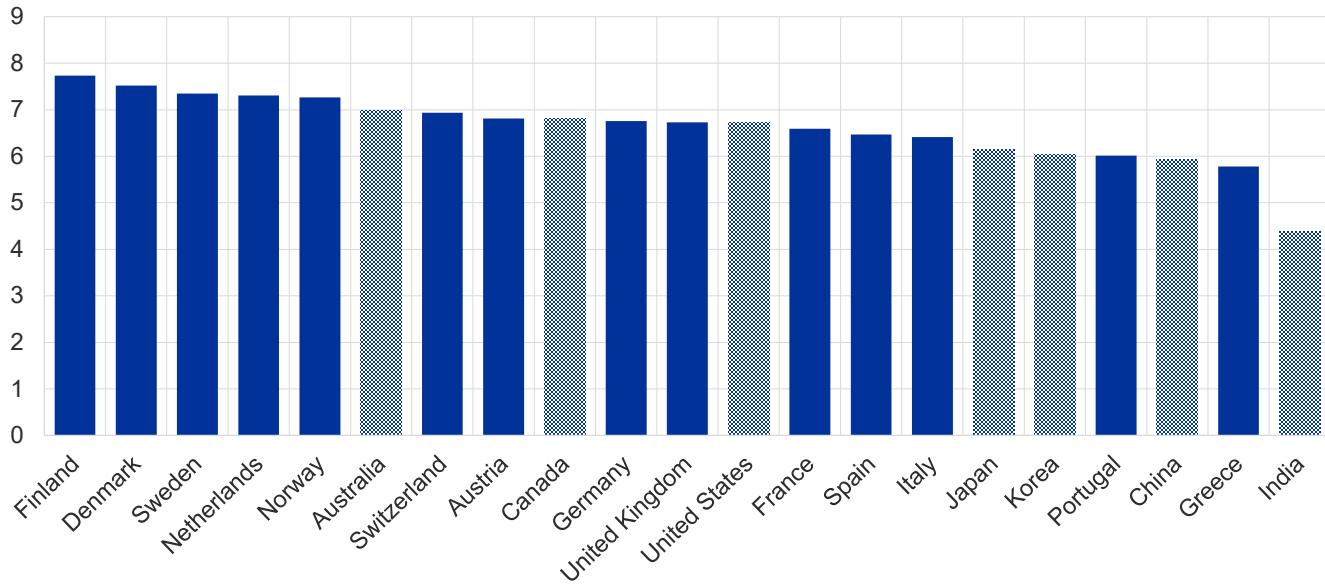
Isabel Schnabel

*Member of the Executive Board
of the ECB*



Österreichische Akademie der Wissenschaften
Wien, 11 February 2026

Self-reported life satisfaction (average of survey responses, 0-10)

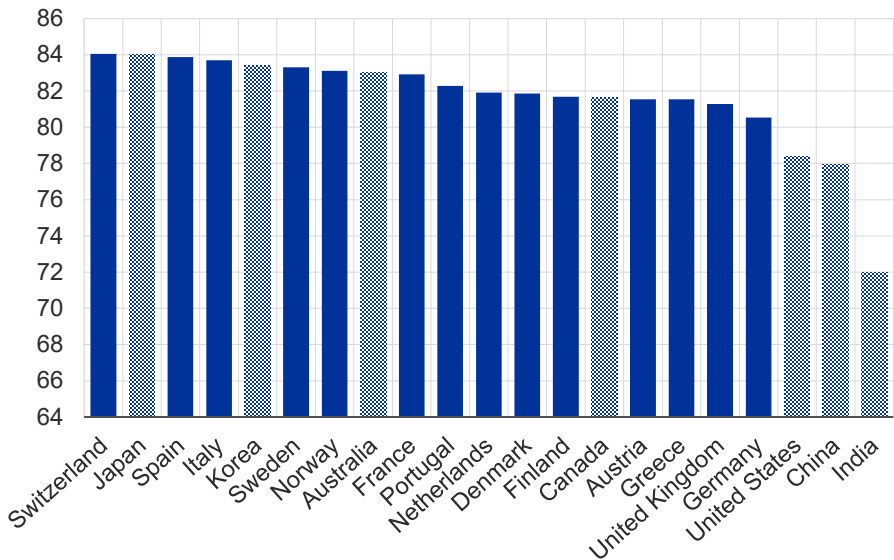


Sources: Wellbeing Research Centre (2025), Our World in Data.
Notes: European countries are shown in dark blue.

Europeans live longer, while spending less on healthcare

Life expectancy at birth

(years; 2023)

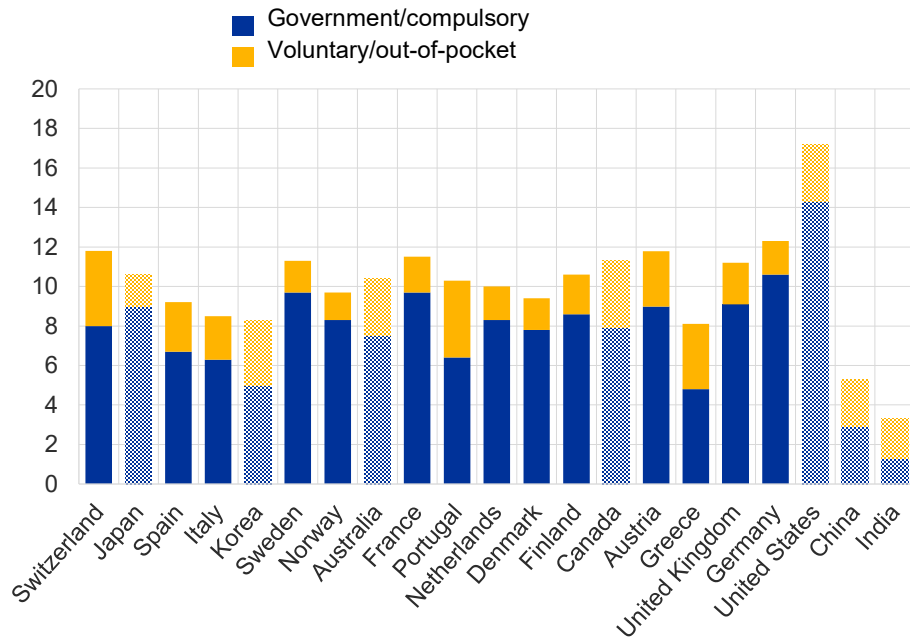


Source: WDI.

Notes: European countries are shown in dark blue.

Health expenditure

(% of GDP; 2024)

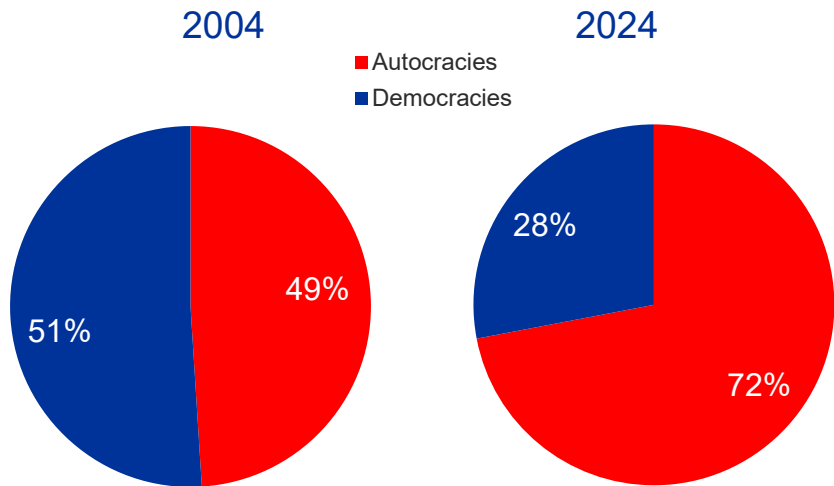


Sources: OECD Health Statistics 2025; WHO Global Health Expenditure Database.

Notes: European countries are shown in dark blue/ yellow.

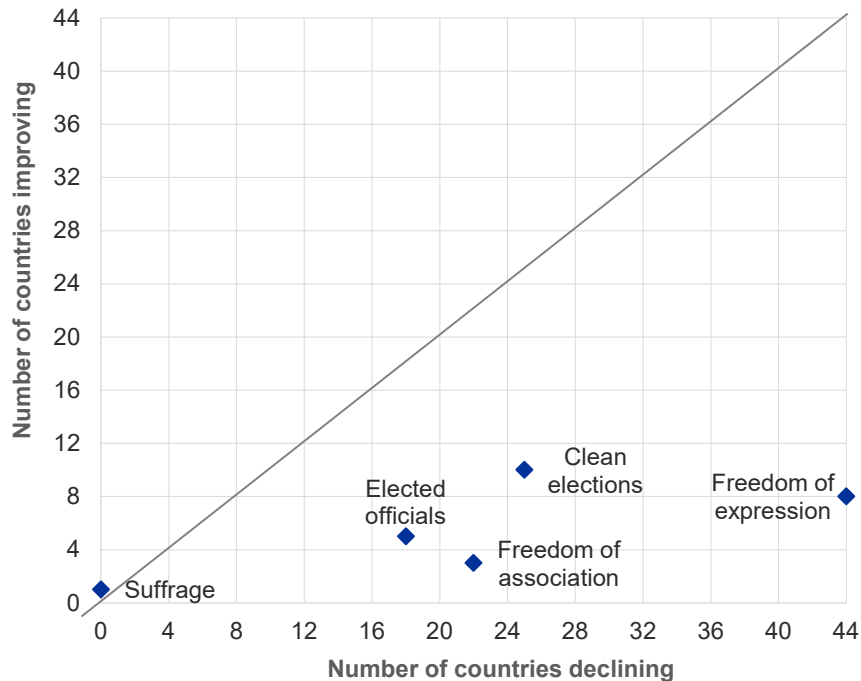
Autocracies and attacks on democratic freedoms are rising at an alarming pace

Share of world population living in autocracies (percent)



Sources: V-Dem Institute, Democracy Report 2025, University of Gothenburg.

Democratic aspects improving and declining (number of countries; 2024)

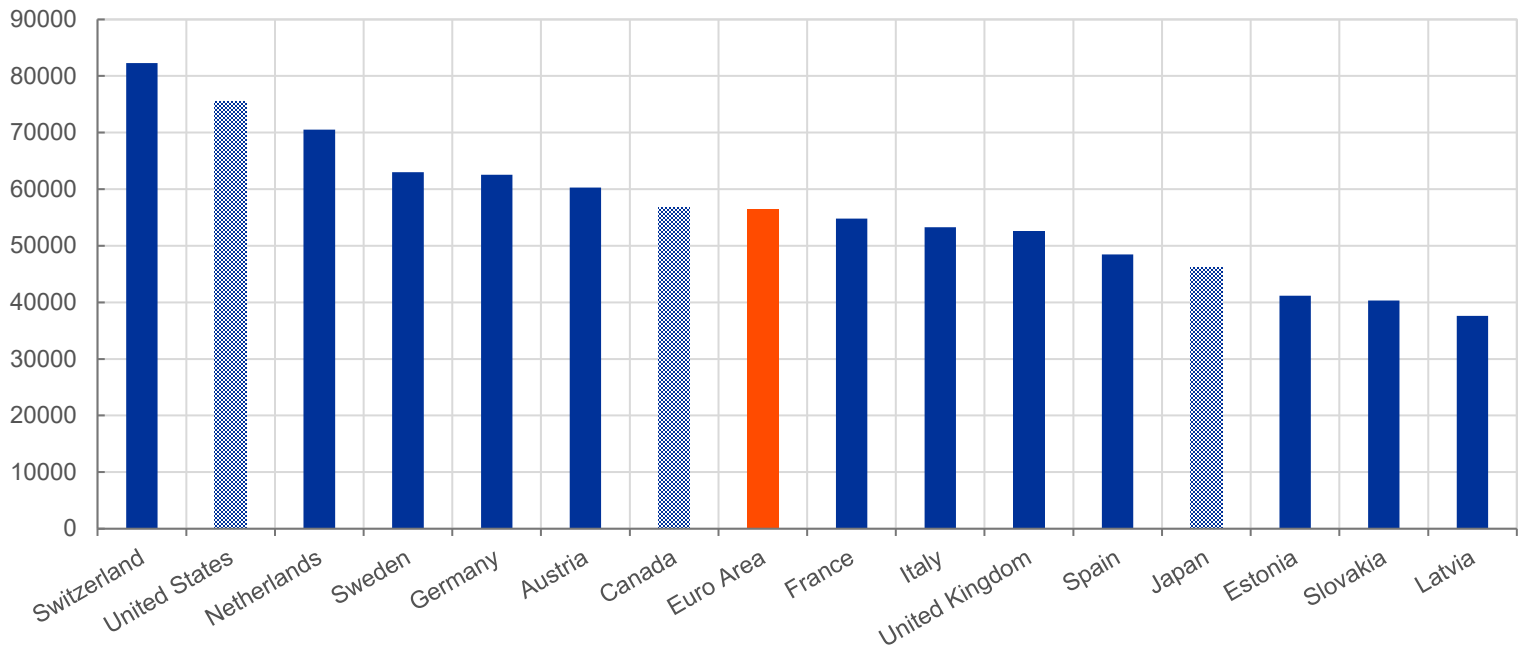


Sources: V-Dem Institute, Democracy Report 2025, University of Gothenburg.

Euro area lags behind other advanced economies on GDP per capita

Real GDP per capita in 2024

(PPP; constant 2021 international \$)



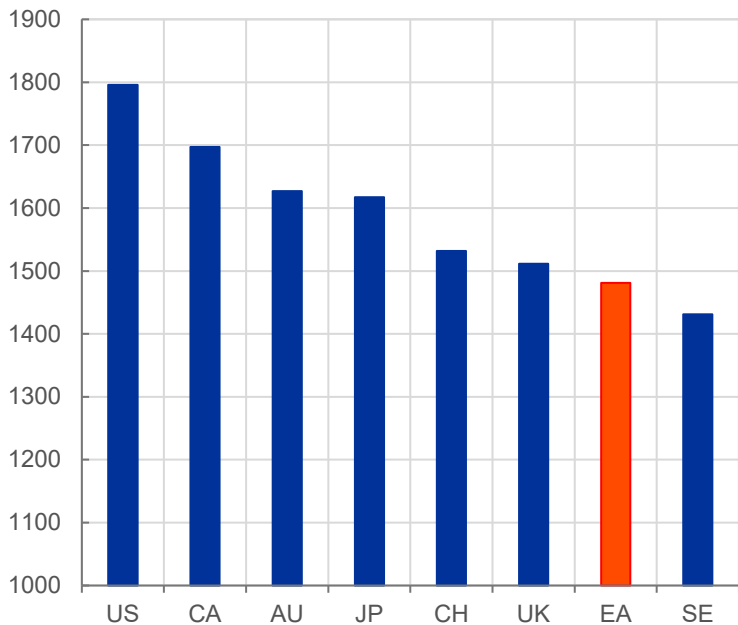
Sources: World Bank; World Development Indicators (WDI).

Latest observation: 2024.

Notes: European countries are shown in dark blue.

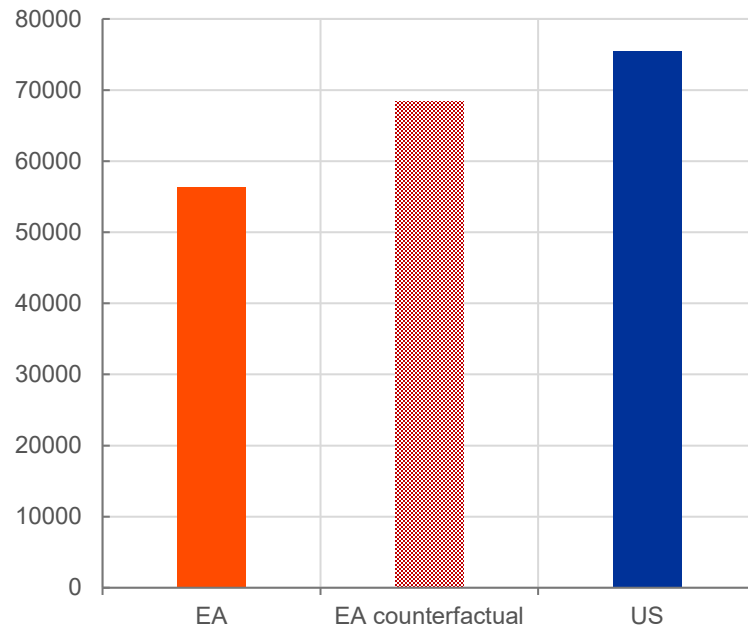
If Europeans worked as much as Americans, this would erase two-thirds of income gap

Hours worked per employee (annual)



Source: OECD.
Latest observation: 2024.

Real GDP per capita, adjusted for hours worked (PPP; constant 2021 international \$)

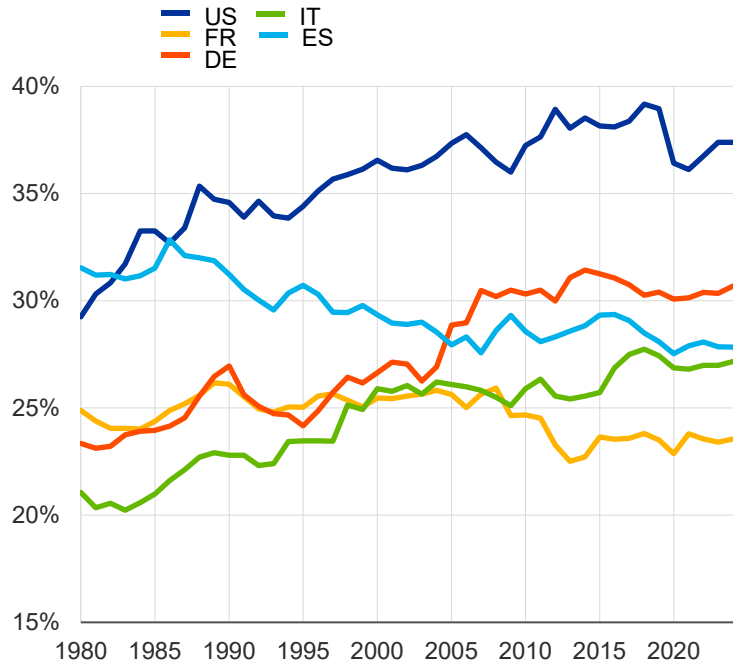


Sources: OECD, World Bank.
Notes: The euro area counterfactual shows real GDP per capita (PPP-adjusted) assuming euro area employees had worked the same number of hours as Americans, holding productivity and employment rates constant.
Latest observation: 2024.

Income and productivity gains are more evenly shared in the euro area

Share of richest 10% in post-tax national income

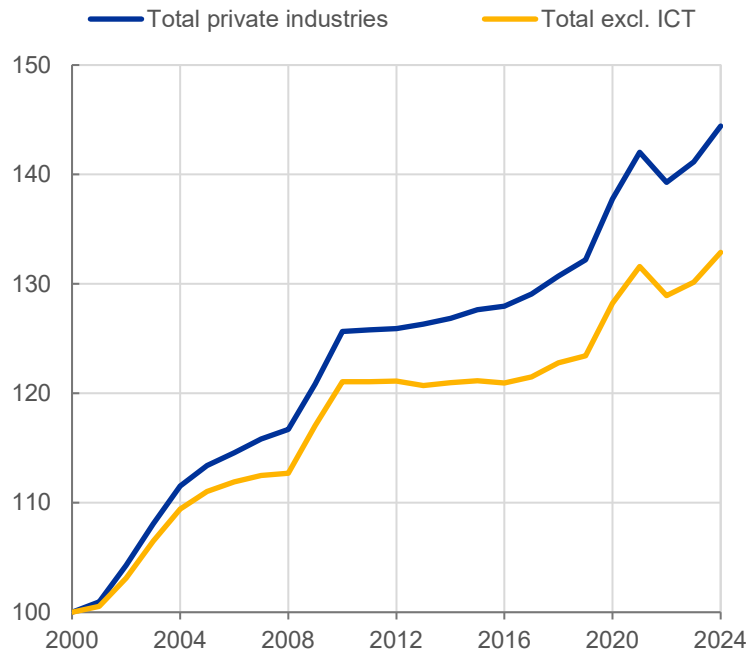
(percent)



Source: World inequality database.
Latest observation: 2024.

Value added per employee in the United States

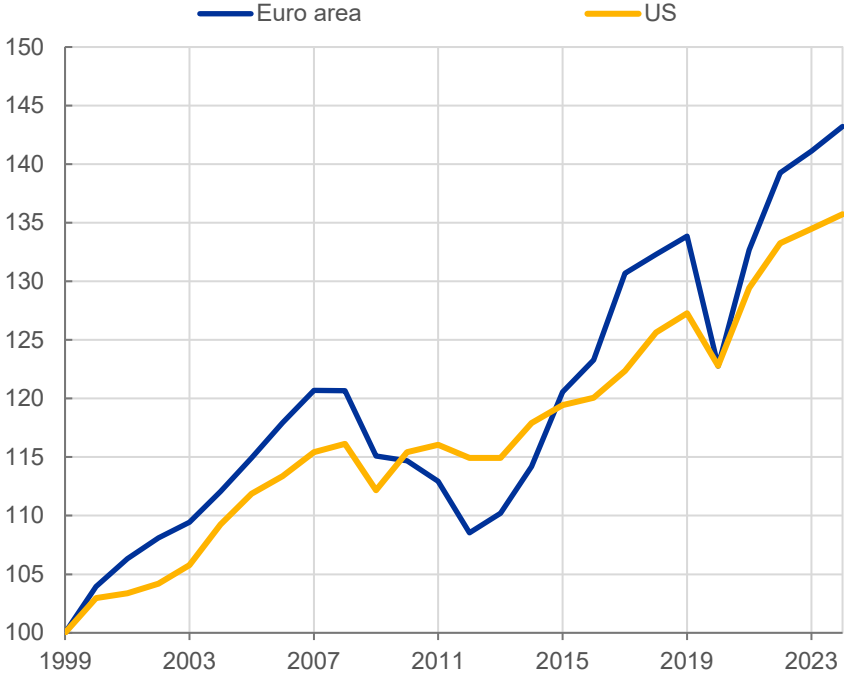
(index: 2000=100)



Sources: Bureau of Economic Analysis and Haver Analytics.
Notes: The yellow line removes the contribution of the information and communication technology (ICT) sector to total value added per employee in the United States.
Latest observation: 2024.

Median euro area country now slightly outperforms median US state

Real GDP per capita:
median US state and median euro area country
(PPP-adjusted, constant 2021 international \$)

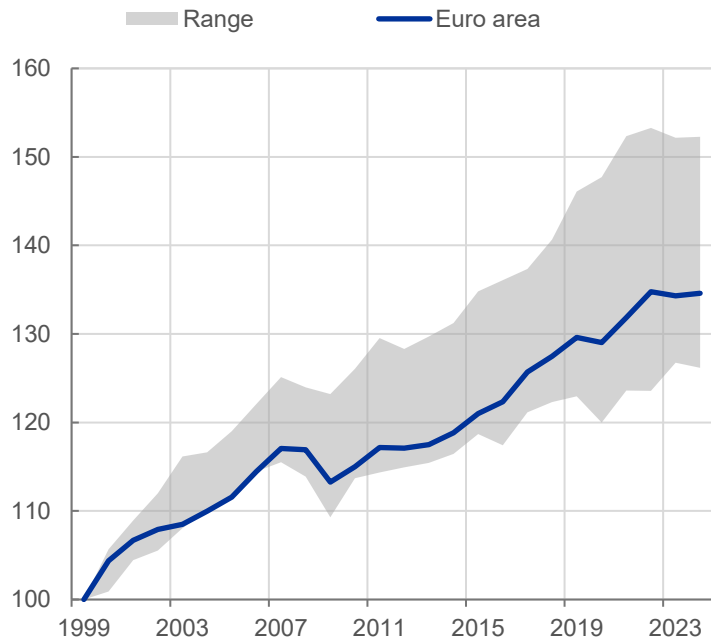


Sources: Census Bureau, Bureau of Economic Analysis and Haver Analytics.
Latest observation: 2024

Euro area productivity rose more slowly, also reflecting less capital deepening

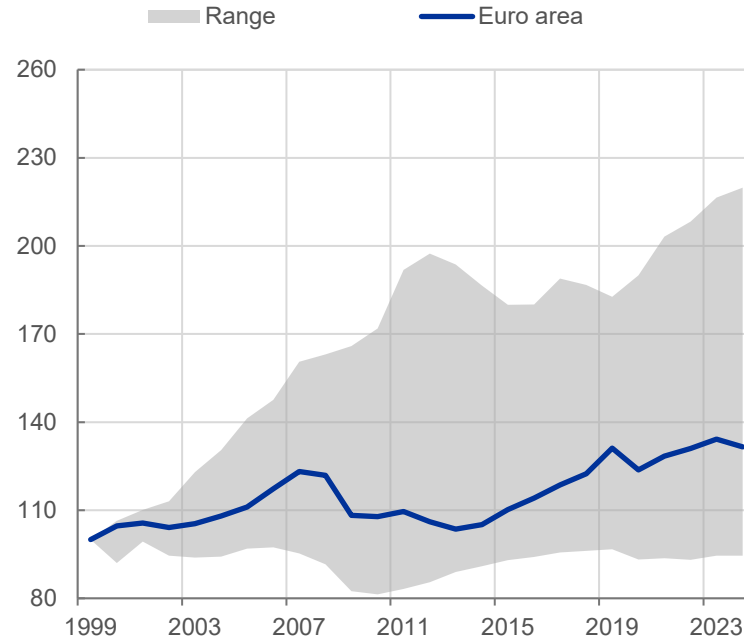
Real GDP per hour worked

(index: 1999=100)



Real gross fixed capital investment

(index: 1999=100)

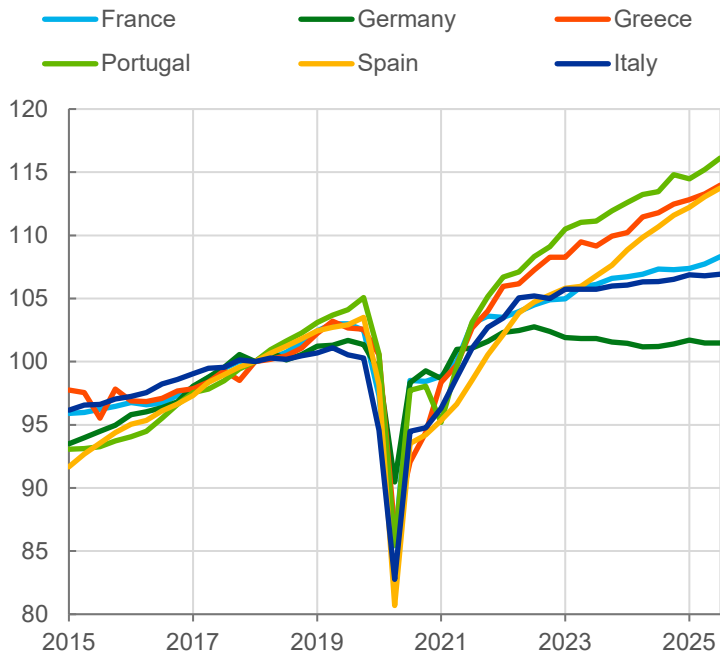


Sources: OECD, National Accounts and ECB staff calculations.

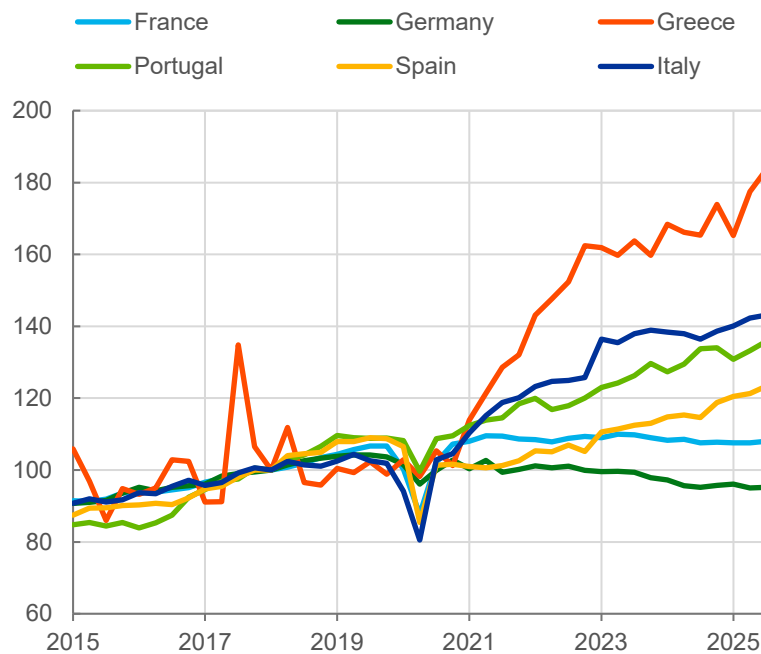
Notes: The countries included in the range are Australia, Canada, United Kingdom, United States, Japan and Sweden. Latest observation: 2024.

Euro area's former crisis economies have turned into growth leaders

Real GDP (index: 2018=100)



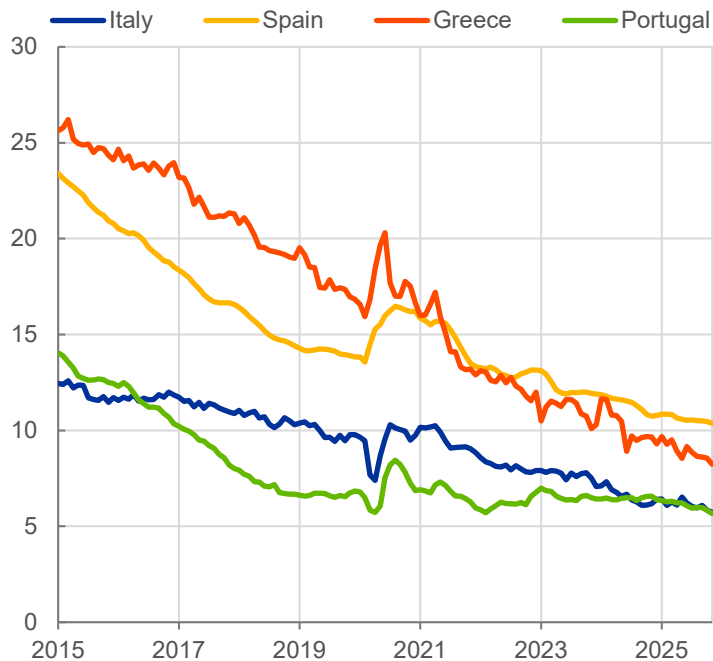
Real gross fixed capital formation (index: 2018=100)



Source: OECD.
Latest observation: third quarter of 2025.

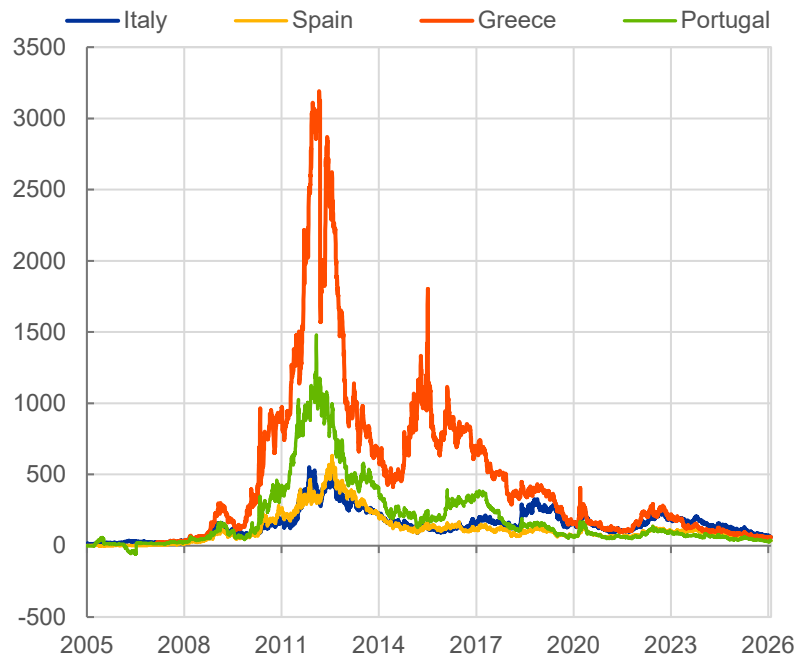
Unemployment has fallen substantially and financing conditions have converged

Unemployment rate (percentage of labour force)



Source: Eurostat.
Latest observation: November 2025.

10-year sovereign spreads over Germany (basis points)

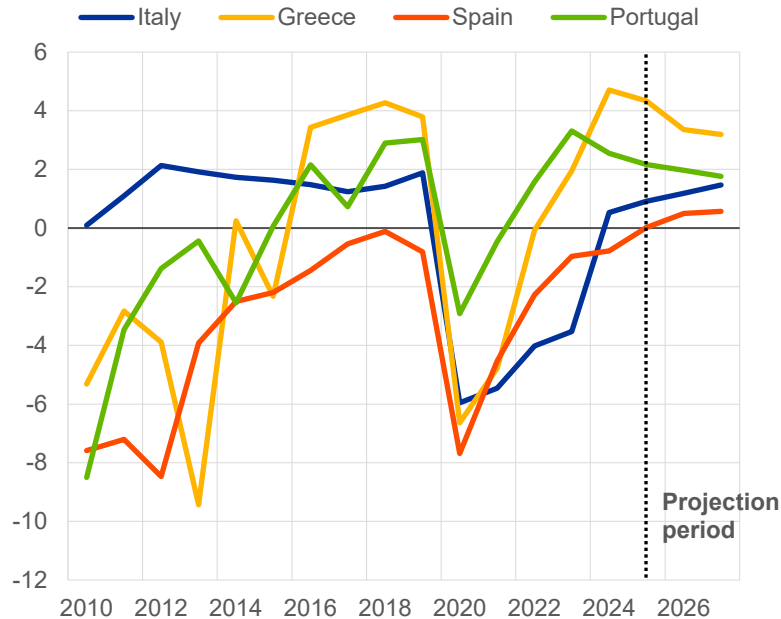


Source: Bloomberg.
Notes: Yields and hence spread values for Greece are available from March 2007.
Latest observation: 3 February 2026.

Stronger potential growth has supported fiscal consolidation

Primary fiscal balance

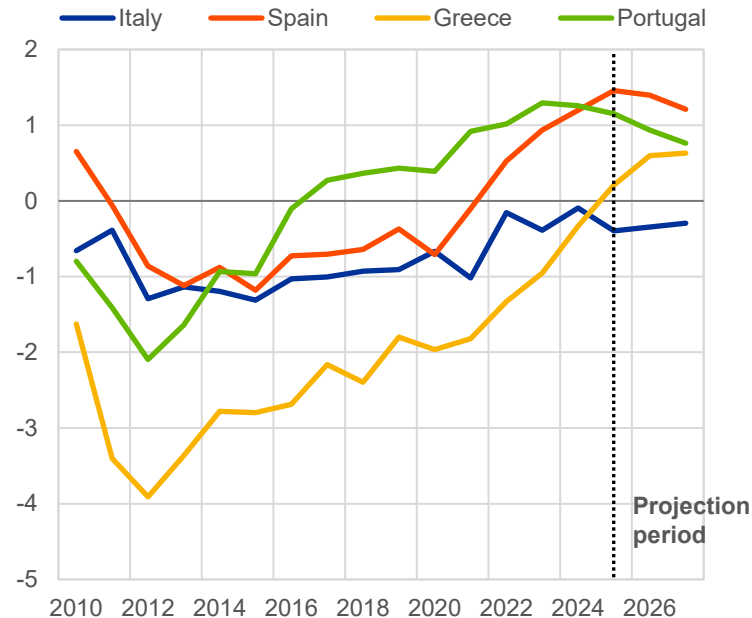
(percentage of GDP)



Source: European Commission's Autumn Forecast (November 2025).
Latest observation (including the projection horizon): 2027.

Potential GDP growth: deviations from euro area average

(percentage points)

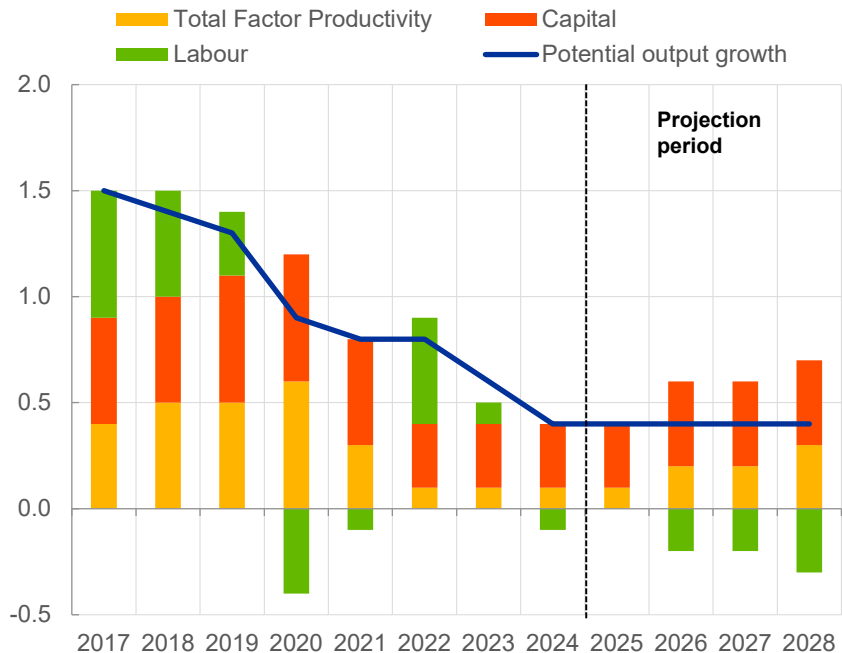


Source: European Commission's Autumn Forecast (November 2025).
Notes: The chart shows the deviation (in percentage points) of the potential output with respect to the euro area aggregate (EA21).
Latest observation (including the projection horizon): 2027.

Germany faces slowing growth due to demographic change and Chinese competition

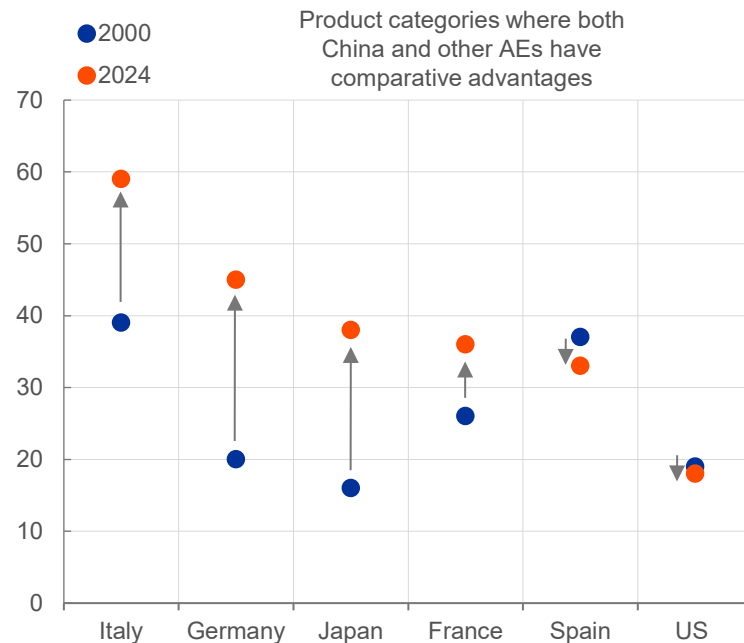
Potential GDP growth in Germany

(annual percentage changes)



Source: December 2025 Eurosystem staff projections.

Number of product categories with comparative advantage of both China and other countries



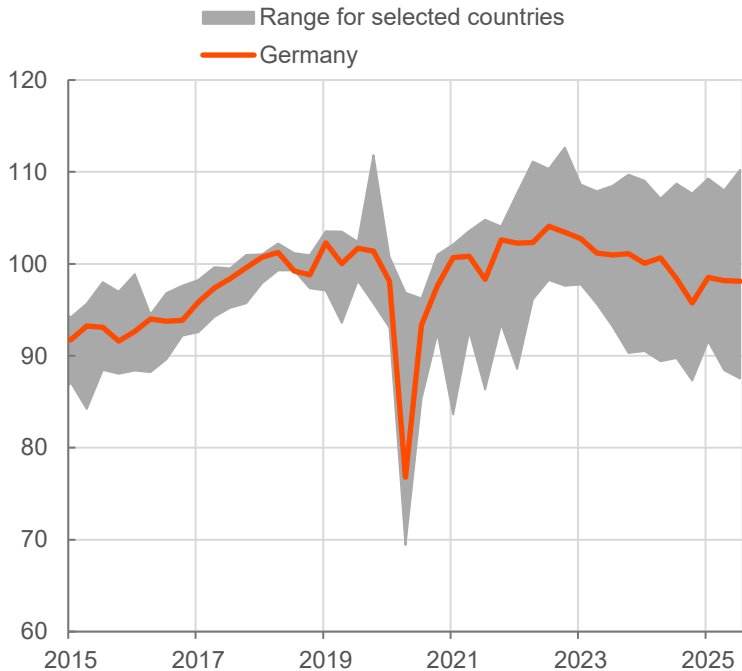
Sources: UNCTAD and ECB staff calculations.

Notes: The chart shows comparative advantage, referring to the revealed comparative advantage indicator, measuring the ratio between the share of country's exports in a particular product category in its total exports, and the same share for the world as a whole. A country has comparative advantage if the value of this ratio is above 1. Latest observation: 2024.

Germany's eroding export market shares are not the main cause of stagnation

Real exports of goods

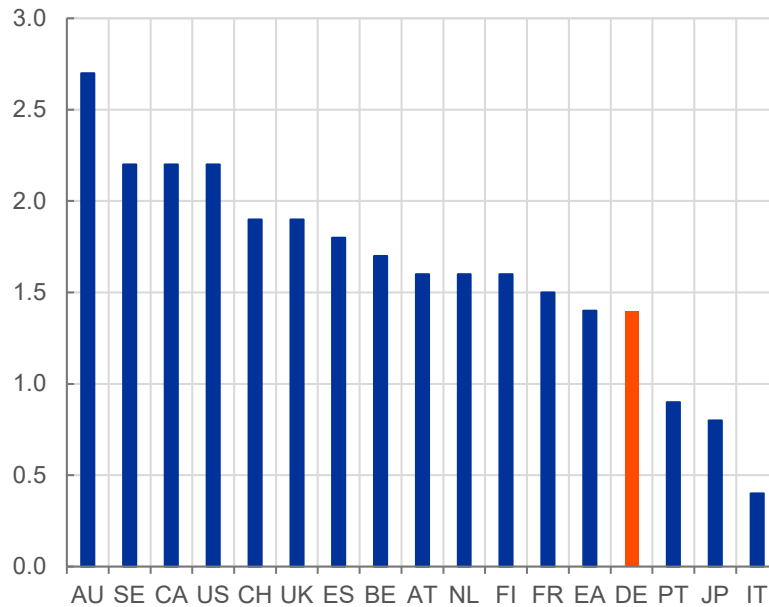
(index: 2018=100)



Average annual real GDP growth

between 1999 and 2019

(annual percent change)



Source: OECD.

Notes: The selected countries are Australia, Canada, France, Italy, Japan, Spain, the UK and the US.

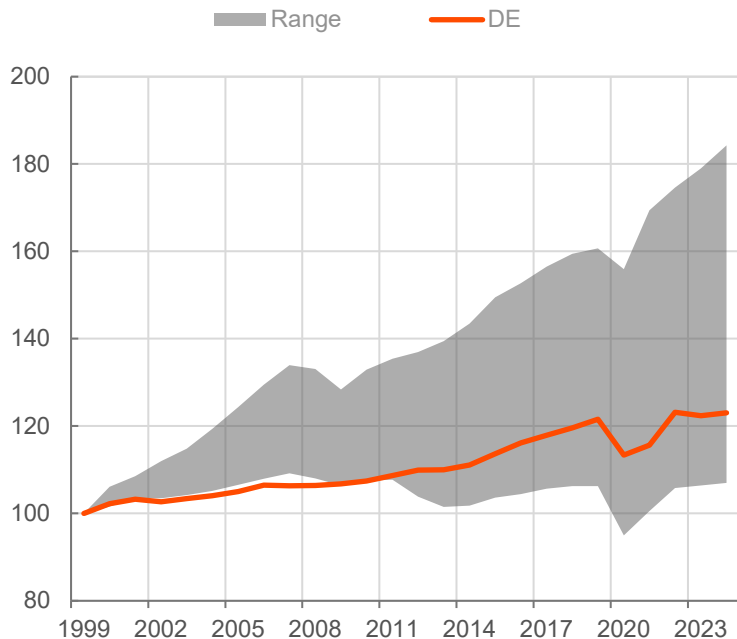
Latest observation: Q3 2025.

Sources: OECD, Haver and ECB calculations.

Germany's weak domestic demand makes it vulnerable to external shocks

Real private consumption

(index: 1999=100)



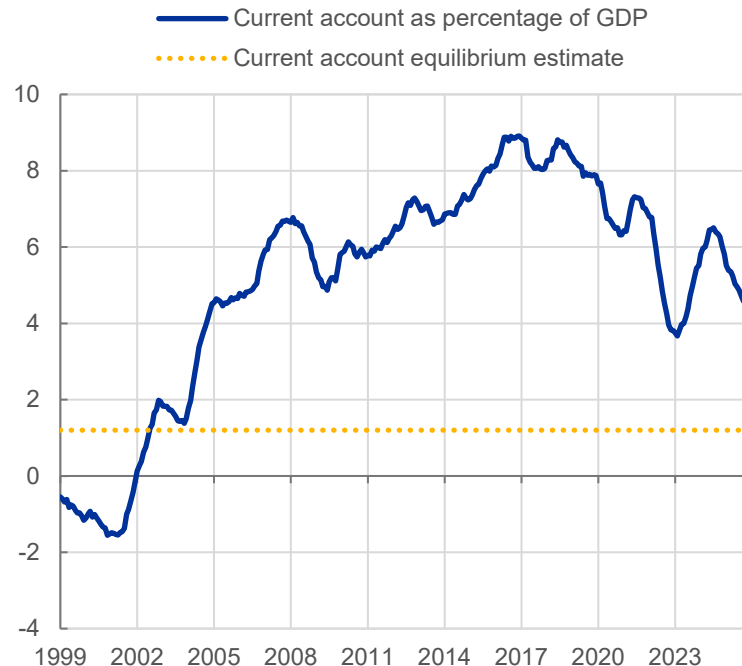
Sources: Haver Analytics and ECB staff calculations.

Notes: The countries included in the range are Italy, France, Spain, United Kingdom, United States, Japan and Sweden.

Latest observation: 2024.

Germany's current account

(percentage of GDP)



Sources: Haver and [EC Germany In-Depth Review 2025](#).

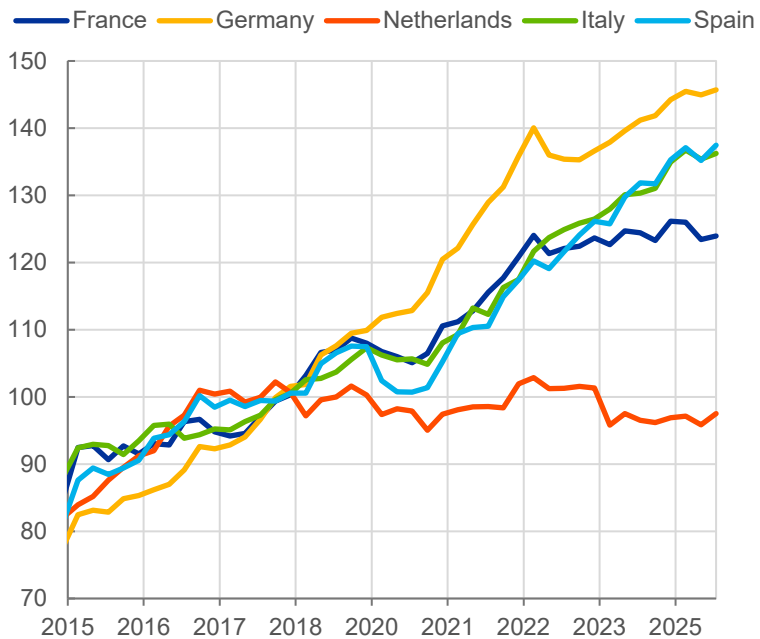
Notes: Current account equilibrium for Germany calculated by the European Commission in the Germany In-Depth Review 2025 (yellow dotted line).

Latest observation: November 2025.

Germany's industrial know-how remains formidable, but its capital is highly mobile

Outward FDI position

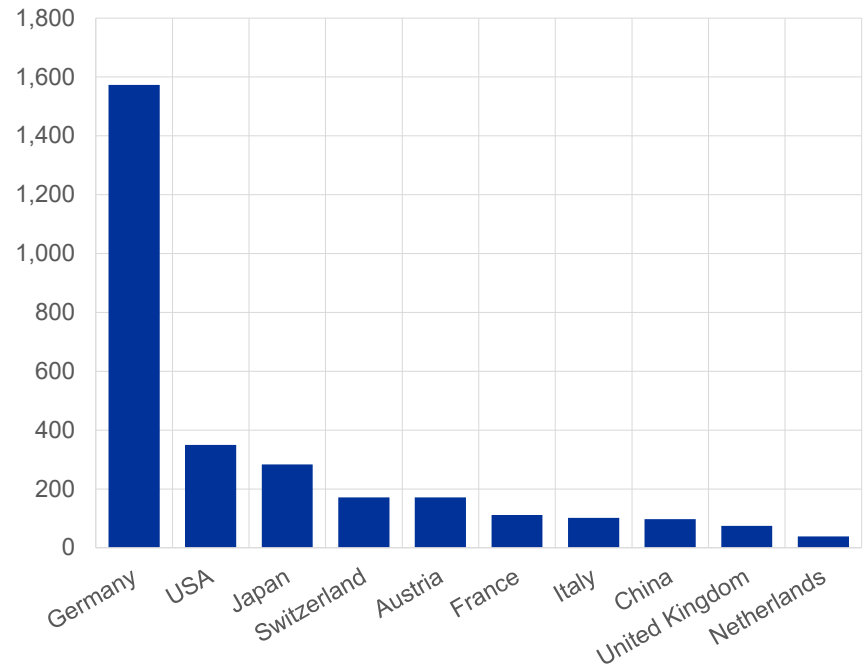
(index: 2018=100)



Source: Eurostat.
Latest observation: September 2025.

Number of hidden champions

(number of companies, 2020)

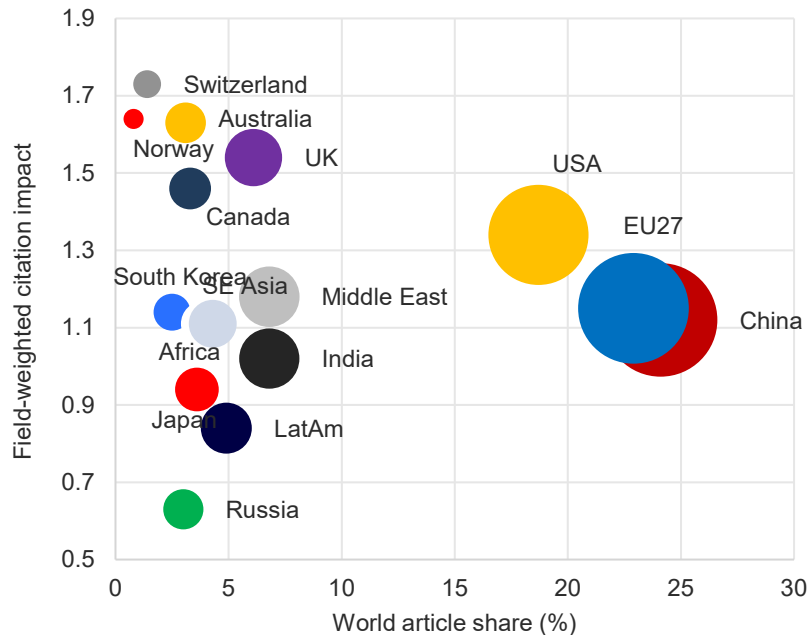


Sources: Hermann Simon (2021), IW Medien 2022.

Europe does not lack talent, ideas or research – but scale

World article share and impact factor

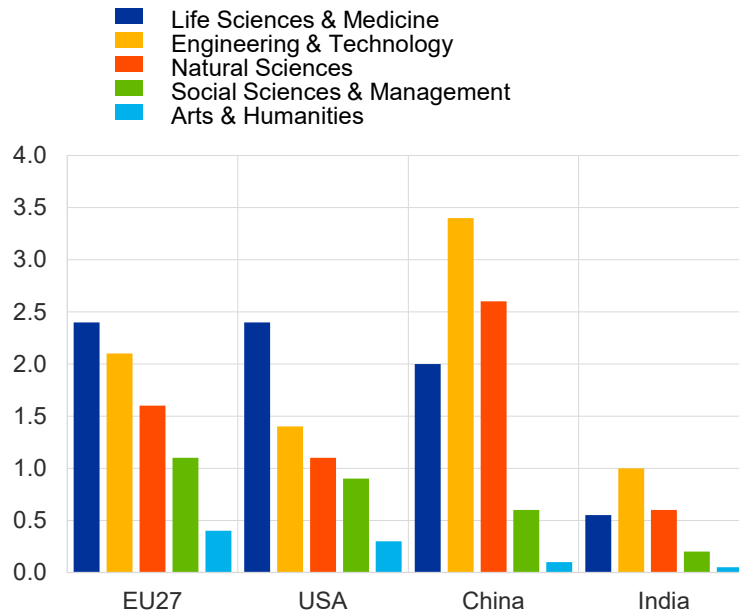
(x-axis: percent, y-axis: index; 2019-2024)



Source: Barr, Paola, EU as a science innovator, Elsevier Research Network, 2025.

Research output in selected regions

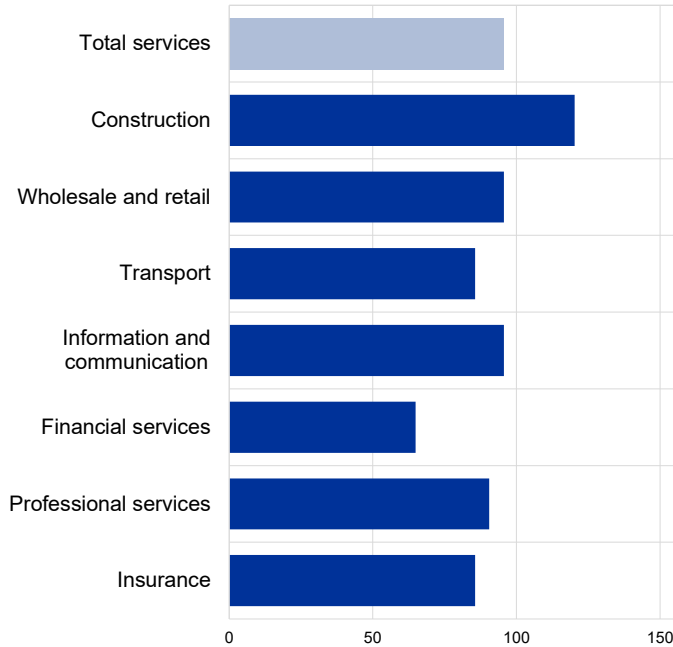
(million articles)



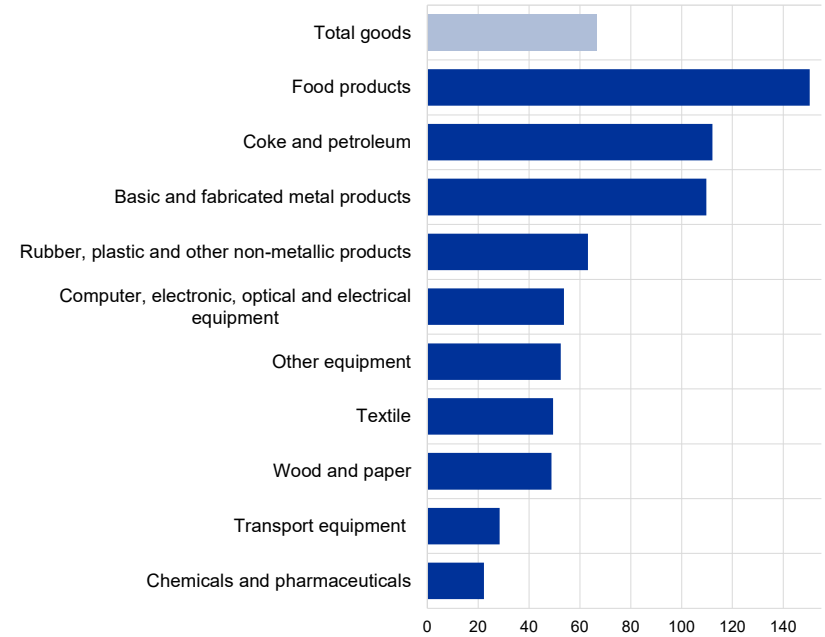
Source: Barr, Paola, EU as a science innovator, Elsevier Research Network, 2025.

Estimated level of EU trade costs by sector – tariff equivalent (percentages, percentage points)

Services



Goods



Sources: OECD (BaTiS), OECD (TiVA 2025) and ECB calculations.

Notes: The charts are based on gravity estimations ([Bernasconi et al. 2025](#)) and show the estimated intra-EU trade barriers across subsectors and for services and goods as a whole. Regression coefficients are converted into ad valorem tariff equivalents; for goods, sector-specific elasticities from Fontagné et al. (2022) are used. Tariff equivalent is for 2023 for services and 2022 for goods.

Thank you very much for your attention!