

# 2023

INVESTMENT REPORT  
2023/2024

Transforming for  
competitiveness



# 2024

**Glossary of terms and acronyms**

EUROPEAN INVESTMENT BANK INVESTMENT REPORT  
**2023/2024**

# Transforming for competitiveness

## **Glossary of terms and acronyms**

### **Investment Report 2023/2024: Transforming for competitiveness.**

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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 Europe's transition to an innovative and green future. 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 Economics Department, Debora Revoltella, heads a team of 40 economists.

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#### **Published by the European Investment Bank.**

Printed on FSC® paper

#### **Disclaimer**

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

#### **Acknowledgements**

Centre for Research and Development Monitoring (ECOOM), KU Leuven, for its research assistance. Annalisa Ferrando for useful comments and guidance. Benjamin Freudenstein for research assistance.

# Glossary of terms and acronyms



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Available as:

pdf: ISBN 978-92-861-5648-9 ISSN: 2599-8277

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## Glossary of terms and acronyms

3D 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.
Adaptation	Addresses the risks posed by climate change rather than the underlying causes (as in “climate change adaptation”).
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.
Augmented (or virtual) reality	Presentation of information integrated with real-world objects, using a head-mounted display.
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).
BNEF	Bloomberg New Energy Finance.
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.
Business angel	An individual who provides capital for startups, usually in exchange for convertible debt or ownership equity.
CEE	Central and Eastern Europe, including Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.
Carbon capture and storage	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 (like steel, cement and refining) and fossil fuel power.
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.

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.
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.
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.
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	EIB Investment Survey.
EIF	European Investment Fund.
Energy intensity	Energy consumption divided by activity, such as energy/GDP.
EPO	European Patent Office.
ESAF	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.
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.

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 partners; grants (financial support or subsidies from regional or national government); and funding provided by the public sector.
FDI	Foreign direct investment.
Finance constrained	In the EIB Investment Survey, 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 from the latest 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).
GDP	Gross domestic product. The total value of goods produced and services provided in a country over 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.
Global financial crisis	Referring 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 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.
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).
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 between 50 and 250 employees.
Micro firms	Firms with less 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.
Pandemic emergency purchase programme	A non-standard monetary policy measure initiated by the European Central Bank in March 2020 in response to the COVID-19 outbreak. It is a temporary asset purchase programme of private and public sector securities.
PCT	Patent Cooperation Treaty. Provides a unified procedure for filing patent applications to protect inventions in each of its contracting states.
Percentile	A value on a scale of 100, used to compare scores in a data set. For example, scores in the 50 <sup>th</sup> percentile of a set are higher than 49% of the other scores in that set.
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.
PPP	Refers either to: (i) public-private partnership or (ii) purchasing power parity.
Private equity	A form of equity investment in private companies not listed on the stock exchange.
Production processes	Processes related to actual production, such as those performed by machinery and equipment.
Public sector purchase programme	The programme under which the ECB purchases bonds issued by governments, international organisations, multilateral development banks and recognised agencies. One of the ECB's asset purchase programmes.
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.
RRF (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).
Small firms	Firms with between 10 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 multiyear debt crisis in the European Union that began in 2009.
Special purpose vehicle	A subsidiary company with an asset/ liability structure and legal status that makes its obligations secure, even if the parent company goes bankrupt.
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.
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.
UK	United Kingdom.
US (or USA)	United States of America.
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.