eurostat news release

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GDP per capita in 2004

GDP per capita varied by one to five across the EU25 Member States

Nowcasts[1] of purchasing power parities (PPP) for 2004 are now available. Based on these nowcasts, GDP per capita[2] in **Luxembourg**[3] was more than twice the EU25 average in 2004, while **Ireland** was nearly 40% above average, and **Denmark**, **Austria**, the **Netherlands**, the **United Kingdom** and **Belgium** around 20% above average. **Sweden** and **Finland** were about 15% above average, and **France** and **Germany** around 10% above average. **Italy** was about 5% above the EU25 average.

Spain was just below the EU25 average, and **Greece**, **Cyprus** and **Slovenia** were about 20% below average. **Portugal**, **Malta** and the **Czech Republic** were around 30% below average, and **Hungary** 40% below. **Slovakia**, **Estonia**, **Lithuania** and **Poland** were around half the average, while **Latvia** was about 55% below the EU25 average.

These figures for GDP per capita, expressed in terms of purchasing power standards[4] (PPS), are published by **Eurostat, the Statistical Office of the European Communities**.

GDP per capita in 2004 in PPS, EU25 = 100
EU Member States, Candidate and EFTA countries[5]

Luxembourg	223	**Slovenia**	78
Ireland	139	**Portugal**	73
Denmark	122	**Malta**	72
Austria	122	**Czech Republic**	72
Netherlands	120	**Hungary**	61
United Kingdom	119	**Slovakia**	52
Belgium	119	**Estonia**	50
Sweden	116	**Lithuania**	48
Finland	115	**Poland**	47
France	111	**Latvia**	43
Germany	109	**Croatia**	46
Euro-zone	**107**	**Romania**	32
Italy	105	**Bulgaria**	30
EU25	**100**	**Turkey**	29
Spain	98	**Norway**	153
Greece	82	**Switzerland**	130
Cyprus	82	**Iceland**	116

1. The regular publication schedule of Purchasing Power Parities (PPP) includes three estimates for a particular year, each of them including GDP per capita. Taking 2004 as an example, the first estimate (nowcast), based on projections, is published at the beginning of June 2005. At the end of 2005, the second estimate (preliminary data) will be published, partly based on prices collected in 2004. The third estimate (final data) will become available by end-2006. Between PPP estimates, revisions to national accounts data may also lead to revised GDP per capita figures. **The nowcasts of PPP, used for GDP per capita for 2004 presented in this News Release, have a very provisional character**. This provisional status arises from the input data availability at the point in time of nowcasting.
   The GDP per capita figures in national currency are converted, using PPP, to “real” volumes. Two main basic data sets are required for the calculation of PPP: prices from the PPP price surveys and weights (GDP expenditure) from National Accounts (NA). Fully validated results of PPP price surveys are usually available only 12 months after the survey has been executed. At the point in time when the nowcasting is undertaken (t+5 months), generally no price data from price surveys are available for the reference year in question. Therefore, the PPP of the previous year have to be extrapolated with annual average price indices such as the HICP or national CPIs for consumer goods and services. NA information on main expenditure aggregates becomes available for the first time by March-April following the reference year. At this point in time, it is limited to a few main aggregates. For the aggregation of PPP more detailed expenditure weights are necessary, so that the detailed expenditure structure of the year 2003 is used to estimate detailed weights for 2004 by scaling it to the newly available information for 2004 at main aggregates level. A reference to a detailed description of the nowcast methodology employed and the related tests is given in the publication: **Eurostat**, *Statistics in Focus,* Economy and Finance, 27/2004, “**GDP per capita in Purchasing Power Standards for EU, Candidate Countries and EFTA - Nowcast 2003**”.
2. GDP, and thus per capita GDP, are indicators of a country's total economic activity, and are therefore a way of measuring and comparing the degree of economic development of countries. GDP is not synonymous with the income ultimately available to private households in a country. EU Member States are currently adapting their national accounts to comply with methodological improvements agreed upon internationally. One important change is the allocation of “financial intermediation services indirectly measured” (FISIM) to user sectors. The implementation dates, however, differ between Member States. **This will have an impact on the comparability of data during the transition phase**. Germany, Spain, France and Austria have introduced this allocation already, and other Member States will follow in the coming months. To the extent that FISIM are recorded as final consumption and net export, GDP levels increase. For the four Member States who have already introduced this change, the increase is around 1% of GDP.
   Please refer to "Changes to National Accounts in 2005" on the Eurostat website (Eurostat Activities / Eurostat News) for more details.
3. The high level of GDP per capita in Luxembourg is partly due to the large share of cross-border workers in total employment. While contributing to GDP, they are not taken into consideration as part of the resident population which is used to calculate GDP per capita.
4. The PPS (purchasing power standard) is an artificial currency that reflects differences in national price levels that are not taken into account by exchange rates. This unit allows meaningful volume comparisons of economic indicators over countries.
5. Candidate Countries: Bulgaria, Croatia, Romania and Turkey. EFTA: Iceland, Norway and Switzerland. No data available for Liechtenstein.

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