Eurostat Report

on the Intermediate Update of weightings (correction coefficients) applicable to the remuneration of officials, temporary staff and contract staff of the European Union serving in Extra-EU Delegations

In accordance with Article 64, Annex X and Annex XI of the Staff Regulations applicable to officials and other servants of the European Union

Reference period: The six months between 1 August 2019 and 1 January 2020 inclusive

EXECUTIVE SUMMARY

In accordance with the Articles 64, Annex X and Annex XI of the Staff Regulations applicable to officials and other servants of the European Union, this report presents the information required for the intermediate update of the weightings (correction coefficients) applicable to the remuneration of EU officials, temporary staff and contract staff of the European Union serving in Extra-EU Delegations which is payable in local currency.

This is the Thirteenth Intermediate Report covering Extra-EU locations which is prepared under the EU Staff Regulations as amended by Regulation 1023/2013.

The previous Annual Update, establishing values applicable with effect from July 2019, was published in the Official Journal on 13th December 2019 (OJ C420/17).

The previous Intermediate Report covered the six months period between February 2019 and July 2019 inclusive.

This intermediate report covers the six months period between August 2019 and January 2020 inclusive and, inter alia, it includes:

1) CCMMAAAA (MM=month, AAAA=year; for example CC012020). These six tables show the economic parity, exchange rate and weighting (correction coefficient) established for each location for the month in question.

In accordance with Article 13 of Annex X to the Staff Regulations, an intermediate update to the weightings (correction coefficients) should be made whenever the variation in the economic parity has exceeded 5% since the previously established value (July 2019 or subsequently). Tables are included showing the locations for which this is the case:

2) CHGMMAAAA (MM=month, AAAA=year; for example CHG082019)

The reference is to the data situation at the first of each month (e.g. 1 January 2020).

The report covers 146 Extra-EU duty stations. The list of duty stations has been updated by comparison to the list used for the previous annual update, as the new Extra-EU Delegation in Kuwait is now included.

No value is presented for 10 locations (Afghanistan, Bosnia and Herzegovina (Banja Luka), Indonesia (Banda Aceh), Iran, Iraq, Libya, Somalia, Syria, Venezuela and Yemen) mainly due to security constraints affecting the statistical reliability of the information, or due to uncertainty regarding the volatility of the reported inflation.

At January 2020 there were 27 duty stations with CCs greater than 100 compared with 25 in July 2019. During the six months between August 2019 and January 2020, CC for 4 duty stations (Australia, Jordan, Lebanon, Vanuatu) have increased above 100 and CC for 2 duty stations (Angola, United Arab Emirates) have decreased below 100.

The CC is defined as the economic parity divided by the exchange rate. CCs operate as a percentage adjustment to salaries. As salaries are first expressed in Euros, then converted to local currency using exchange rates, before being multiplied by CCs, it is clear that the exchange rate effect cancels out. If a CC changes solely due to a change in the exchange rate (i.e. there is no change in the economic parity) then local purchasing power will not be impacted.

All figures and calculations contained in this report are based on data (place-to-place price surveys and time-to-time price indices) supplied under the 2009 Memorandum of Understanding signed with the United Nations International Civil Service Commission (UN ICSC) and the International Service for Remuneration and Pensions of the Coordinated Organisations (ISRP)¹, complemented with information compiled directly by Eurostat.

In the second half of 2019, the results of new UN P2P price surveys were introduced in this Result Package for the following 11 duty stations: Angola - Argentina - Bangladesh - Belize - Central African Republic - Comoros - Eritrea - Kuwait - Morocco - Pakistan - Togo. Kuwait is included for the first time. With inclusion of the survey data for Bangladesh, CC for all duty stations have now been updated within 7 years with the sole exception of USA New York, for which specific survey is in preparation (last survey 2009: 2016 survey not validated).

Important note: The United Kingdom left the EU with effect 1 February 2020. As the reference date for the current report ends 1 January 2020, correction coefficient values for UK are not included in this Intermediate Report, and will be included in the next report, covering the period for the five months between February 2020 and June 2020 inclusive.

PPP for duty stations where US Dollar is authorised instead of local currency have been reviewed to ensure consistency between underlying parity and inflation measure applied. For Liberia, there was a temporary divergence between US Dollar and local currency evolutions relative to Euro. However, as the available data suggests the trends have re-stabilised, CC expression has not been

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The North Atlantic Treaty Organisation (NATO), Organisation for Economic Cooperation and Development (OECD), Council of Europe (CoE), European Space Agency (ESA), European Centre for Medium-range Weather Forecasts

switched into national currency.

Updated ISRP PPPs at July 2019 were used for the following 9 duty stations: Australia, Canada,

Chile, Israel, Japan, Mexico, New Zealand, United States (Washington) and South Korea. Chile

and Israel are included using this source for the first time.

Updated ECP PPPs at July 2019 were used for the following 5 duty stations: Iceland; Norway;

Switzerland (Bern, Geneva) and Turkey.

Updated ECP PPPs at July 2019 were used for the following 5 Balkan duty stations: Albania;

Bosnia and Herzegovina (Sarajevo); North Macedonia; Montenegro and Serbia.

In line with standard procedure, where new survey results indicate a significant PPP difference by

comparison to the previous value in force, a smoothing mechanism is applied to spread the impact.

In the case of DR Congo (survey June 2019, exceptionally implemented with effect from February

2019) the smoothing period has now completed.

The detailed methodology for the calculation of Extra-EU correction coefficients is set out in a

procedural manual, the latest version of which (doc.A6465/14/60rev3) was adopted by the Article

64 Working Group in April 2017, and is available for download from the Eurostat free data

website:

http://ec.europa.eu/eurostat/web/civil-servants-remuneration/correction-coefficients

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(ECMWF); European organisation for exploitation of Meteorological Satellites (EUMETSAT).

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APPENDICES

- "CC082019" Economic parity, exchange rate, weighting (correction coefficient) for August 2019
- "CC092019" Economic parity, exchange rate, weighting (correction coefficient) for September 2019
- "CC102019" Economic parity, exchange rate, weighting (correction coefficient) for October 2019
- "CC112019" Economic parity, exchange rate, weighting (correction coefficient) for November 2019
- "CC122019" Economic parity, exchange rate, weighting (correction coefficient) for December 2019
- "CC012020" Economic parity, exchange rate, weighting (correction coefficient) for January 2020
- "CHG082019" Variation in economic parity exceeds 5%, comparing August 2019 and previous value (July 2019 or subsequent).
- "CHG092019" Variation in economic parity exceeds 5%, comparing September 2019 and previous value (July 2019 or subsequent).
- "CHG102019" Variation in economic parity exceeds 5%, comparing October 2019 and previous value (July 2019 or subsequent).
- "CHG112019" Variation in economic parity exceeds 5%, comparing November 2019 and previous value (July 2019 or subsequent).
- "CHG122019" Variation in economic parity exceeds 5%, comparing December 2020 and previous value (July 2019 or subsequent).
- "CHG012020" Variation in economic parity exceeds 5%, comparing January 2020 and previous value (July 2019 or subsequent).
- "Staff Reg 5 per cent Rule period July 2019 or subsequent to January 2020 with NAP codes"

 Summary table showing the time series of PPP, X-rates and CC values for which

 5% rule generates a change; duty stations with CC > 100 are highlighted in bold.