



EUROPEAN COMMISSION
EUROSTAT

Directorate C: Macro-economic statistics

Unit C.3: Statistics for administrative purposes

**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:
The five months 1 February 2020 to 1 June 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 or another authorised currency¹.

This is the Fourteenth 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 August 2019 and January 2020 inclusive.

This intermediate report covers the five months period between February 2020 and June 2020 inclusive and, inter alia, it includes:

- 1) **CCMMAAAA** (MM=month, AAAA=year; for example CC022020). These five 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 CHG022020).

A summary file of these movements is also included:

- 3) **5 per cent rule period July 2019 or subsequent to June 2020.**

Files are sent in the usual format. In the tables, parities are presented with 4 significant digits, exchange rates with 6 significant digits and the weightings (correction coefficients) are presented to 1 decimal place.

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)², complemented with information compiled directly by Eurostat.

The correction coefficient (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

¹ Exceptionally, certain delegations are paid in USD or another approved currency.

² 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 (ECMWF); European organisation for exploitation of Meteorological Satellites (EUMETSAT).

cancels out. If a CC changes solely due to a change in the exchange rate (ie. there is no change in the economic parity) then local purchasing power will not be impacted.

CCs are aggregated from detailed price ratios up to a global value using the latest available consumption expenditure weights. A classification of 80 basic headings is used.

The detailed methodology for the calculation of Extra-EU correction coefficients is set out in a procedural manual, the latest version of which (doc.A6465/14/60rev4) was adopted by the Article 64 Working Group in April 2020, and is available for download from the Eurostat free data website:

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

This report covers 147 Extra-EU duty stations. The list of duty stations has been updated by comparison to the list used for the previous annual update and subsequent intermediate update, as the new Extra-EU Delegation in United Kingdom is now included for the first time, following the Agreement on the withdrawal of the United Kingdom from the European Union with effect from 31 January 2020.

Staff working at duty stations located inside EU have Intra-EU CC applied to their salaries: these locations are not included in the current report. No value is presented for 9 locations (Afghanistan; Bosnia and Herzegovina (Banja Luka); Indonesia (Banda Aceh); Iraq, Libya; Somalia; Syria; Venezuela; Yemen) mainly due to security constraints affecting the statistical reliability of the information, or due to uncertainty regarding the volatility of the reported inflation. By comparison to the preceding Intermediate Report (January 2020), CCs are now available for Iran following a UN P2P run in this Delegation in 2019.

At June 2020, there were 27 duty stations with CCs greater than 100, stable compared to 27 at January 2020 in the previous intermediate report. During the five months between January 2020 and June 2020, CC for 3 duty stations (Iran - Sudan - Suriname) have increased above 100 and CC for 3 duty stations (Australia - Jordan - Russia) have decreased below 100.

For the period February 2020 – June 2020 changes exceeding 5% are identified for 54 duty station locations, of which 10 locations have CC values above 100 (Democratic Republic of the Congo - Eritrea - Iran - Lebanon - Liberia - South-Sudan - Sudan - Suriname - United Arab Emirates - United Kingdom).

In the first half of 2020, the results of new UN P2P price surveys were introduced in this Result Package for the following 31 duty stations: Algeria - Burkina Faso - Chad - Costa Rica - Cuba - Djibouti- Dominican Rep - Eritrea - Gambia - Indonesia (Jakarta) - Iran - Jordan - Kazakhstan - Liberia - Malawi - Malaysia - Mauritius - Moldova - Myanmar - Nepal - Nigeria - Papua New Guinea - Russia - Senegal - Solomon Islands - South Africa - South Sudan - Sudan - Suriname - Tunisia - Turkmenistan.

CC for all duty stations have now been updated within 6 years with the sole exception of 4 duty stations (Paraguay, Armenia, Kosovo and United States (New York), for which a specific survey is in preparation).

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 divergence between US Dollar and local currency evolutions relative to Euro. As the available data suggests the trends have not restabilised, and official consumer price inflation is measured in local currency, therefore CC expression has been switched into national currency (LRD). CC continue to be expressed in US Dollar instead of local currency in Cuba (CUP) and Zimbabwe (ZWD) and in places where US Dollar is official currency or there is a fixed 1:1 exchange rate (Ecuador, El Salvador, Panama, Timor Leste).

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.

Updated ECP PPPs at July 2019 were used for the following 10 duty stations: Albania; Bosnia and Herzegovina (Sarajevo); Iceland; Montenegro; North Macedonia; Norway; Serbia; Switzerland (Bern); Switzerland (Geneva) and; Turkey. Updated ECP PPPs at January 2020 were used for the United Kingdom.

In line with standard procedure, where new survey results indicate a significant PPP difference by comparison to the previous value in force, the agreed smoothing mechanism is applied to spread the impact.

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APPENDICES

- “CC022020” Economic parity, exchange rate, weighting (correction coefficient) for February 2020
- “CC032020” Economic parity, exchange rate, weighting (correction coefficient) for March 2020
- “CC042020” Economic parity, exchange rate, weighting (correction coefficient) for April 2020
- “CC052020” Economic parity, exchange rate, weighting (correction coefficient) for May 2020
- “CC062020” Economic parity, exchange rate, weighting (correction coefficient) for June 2020
- “CHG022020” Variation in economic parity exceeds 5%, comparing February 2020 and previous value (July 2019 or subsequent).
- “CHG032020” Variation in economic parity exceeds 5%, comparing March 2020 and previous value (July 2019 or subsequent).
- “CHG042020” Variation in economic parity exceeds 5%, comparing April 2020 and previous value (July 2019 or subsequent).
- “CHG052020” Variation in economic parity exceeds 5%, comparing May 2020 and previous value (July 2019 or subsequent).
- “CHG062020” Variation in economic parity exceeds 5%, comparing June 2020 and previous value (July 2019 or subsequent).
- “Staff Reg 5 per cent Rule period July 2019 or subsequent to June 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.