# 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 between 1 February 2022 and 1 June 2022 inclusive

#### **EXECUTIVE SUMMARY**

In accordance with Article 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 currency<sup>1</sup>.

This is the eighteenth intermediate report covering Extra-EU locations which is prepared under the EU Staff Regulations as amended by Regulation 1023/2013.

The previous <u>annual</u> update, establishing values applicable with effect from July 2021, was published in the Official Journal on 13th December 2021 (OJ C 501-06).

The previous <u>intermediate</u> report, covering the six months period between August 2021 and January 2022 inclusive, and establishing values applicable with effect from January 2022, was published in the Official Journal on 15th June 2022 (2022/C 231/05).

This intermediate report covers the five months period between February 2022 and June 2022 inclusive and, inter alia, it includes:

1) CCMMAAAA (MM=month, AAAA=year; for example CC022022). 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 (January 2022 or subsequently). Tables are included showing the locations for which this is the case:

#### 2) CHGMMAAAA (MM=month, AAAA=year; for example CHG022022).

A summary file of these movements is also included:

## 3) Staff Reg 5 per cent Rule period January 2022 or subsequent to June 2022 with NAP codes.

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 rounded 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)<sup>2</sup>, complemented with information compiled directly by Eurostat.

<sup>&</sup>lt;sup>1</sup> Exceptionally, certain delegations are paid in USD or another approved currency.

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).

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 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.

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.A6465/14/60rev5 Part 1: Main text & Part 2: Appendices) was adopted by the Article 64 Working Group in April 2022, 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 141 Extra-EU duty stations. The list of duty stations is unchanged by comparison to the list used for the previous annual report (July 2021) and subsequent intermediate report (January 2022). Information for 2 new duty stations (Greenland; United States-San Francisco) will be integrated for the Annual Report (July 2022).

No value is presented in this report for 10 locations (Afghanistan; Iraq; Lebanon, Libya; Somalia; Sudan; Syria; Venezuela; Yemen; Zimbabwe).

Staff working at four Extra-EU duty stations physically located inside the EU borders<sup>3</sup> have an Intra-EU CC applied to their salaries: these locations are not included in the current report. Duty stations for which specific CC are produced, which are an overseas country or territory ('OCT') of an EU Member State, have CC calculated on basis of Intra-EU CC for that Member State. This is the case for New Caledonia.

At June 2022, there were 36 duty stations with CCs greater than 100, an increase of 9, compared to 27 at January 2022 in the previous intermediate report.

During the five months between January 2022 and June 2022, CCs for 10 duty stations (Armenia; Cuba; Guatemala; Jamaica; Kenya; Mozambique; Panama; Russia; Tanzania; United States-Washington) have increased above 100 and CCs for 1 duty station (Japan) have decreased below 100.

During this period, exchange rate movements generated increases in 88 duty stations, decreases in 24 duty stations and no change in 19 duty stations (plus the 10 locations for which no value is presented).

For this intermediate report, positive and negative changes in the economic parity exceeding 5% were identified for 37 duty station locations, of which 8 locations had or have CC values above 100 (Central African Republic; Cuba; Guinea; Iran; Jamaica; Kenya; Panama; Tanzania). There were 7 changes in February 2022, 4 changes in March, 13 changes in April, 13 changes in May and 11 changes in June.

Combining the foregoing information with the information published in the previous Intermediate Report covering the six-month period August 2021 - January 2022, this means that for the 11-month period August 2021 - June 2022 positive or negative changes exceeding 5% have been identified for 52 duty stations, of which 14 locations have or had CC values above 100 (Angola; Barbados; Central African Republic; Cuba;

Delegation to the OECD and the UNESCO in Paris and the principalities of Andorra and Monaco [France]; Delegation to the Council of Europe in Strasbourg [France]; Delegation to the Holy See, Order of Malta, UN Organisations in Rome, and to San Marino [Italy]; Delegation to the International Organisations in Vienna [Austria].

Democratic Republic of the Congo; Guinea; Haiti; Iran; Jamaica; Kenya; Liberia; Panama; Singapore; Tanzania) and production of CC for Sudan (which had a CC above 100) was suspended.

The results of a new UN P2P price survey were introduced in this results package for the following 15 duty stations: Argentina; Azerbaijan; Botswana; Congo; Egypt; El Salvador; eSwatini; Gabon; Guinea; Mauritania; Niger; Rwanda; Saudi Arabia; Sri Lanka; Uganda.

CCs for nearly all duty stations have now been updated using price survey data undertaken within 8 years, with the sole exception of 2 duty stations: Hong Kong and United States-New York. For New York, a specific price survey was run in November 2021 and the results are currently being validated. For Hong Kong, the timing of a new price survey is not yet determined. In accordance with the approved calculation methodology, once a PPP has been established, subsequent price evolution relative to Brussels is monitored using official consumer price indices.

PPPs continue to be expressed in US Dollar, instead of local currency, in Cuba (CUP) and in 4 places where US Dollar is the official currency or there is a fixed 1:1 exchange rate (Ecuador; El Salvador; Panama; Timor Leste).

Updated PPPs at July 2021 from comparison programme coordinated by OECD were integrated in this intermediate report for the following 9 duty stations: Australia; Canada; Chile; Israel; Japan; South Korea; Mexico; New Zealand; United States-Washington.

Updated PPPs at July 2021 from comparison programme coordinated by Eurostat were also integrated in this intermediate report for the following 12 duty stations: Albania; Bosnia and Herzegovina; Iceland; Kosovo; Montenegro; North Macedonia; Norway; Serbia; Switzerland-Bern; Switzerland-Geneva; Turkey; United Kingdom.

In line with the 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. At June 2022, 27 duty stations had a positive smoothing factor and 1 a negative smoothing factor. Six months earlier, at January 2022 there were 36 positive and 2 negative smoothing factors.

For any further information concerning this report, please contact Eurostat in Luxembourg:

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#### APPENDICES

"CC022022"	Economic parity, exchange rate, weighting (correction coefficient) for February 2022
"CC032022"	Economic parity, exchange rate, weighting (correction coefficient) for March 2022
"CC042022"	Economic parity, exchange rate, weighting (correction coefficient) for April 2022
"CC052022"	Economic parity, exchange rate, weighting (correction coefficient) for May 2022
"CC062022"	Economic parity, exchange rate, weighting (correction coefficient) for June 2022
"CHG022022"	Variation in economic parity exceeds 5%, comparing February 2022 and previous value (January 2022 or subsequent).
"CHG032022"	Variation in economic parity exceeds 5%, comparing March 2022 and previous value (January 2022or subsequent).
"CHG042022"	Variation in economic parity exceeds 5%, comparing April 2022 and previous value (January 2022 or subsequent).
"CHG052022"	Variation in economic parity exceeds 5%, comparing May 2022 and previous value (January 2022 or subsequent).
"CHG062022"	Variation in economic parity exceeds 5%, comparing June 2022 and previous value (January 2022 or subsequent).

"Staff Reg 5 per cent Rule period January 2022 or subsequent to June 2022 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.

List of EU Delegations which coordinate multiple locations/international organisations

# Appendix: List of EU Delegations which coordinate multiple locations/international organisations

1	Delegation to Barbados, the Eastern Caribbean States, the OECS and CARICOM/CARIFORUM
2	Delegation to Botswana and SADC
3	Delegation to Djibouti and IGAD
4	Delegation to El Salvador and to the Central American Integration System (SICA)
5	Delegation to Ethiopia; Delegation to the African Union
6	Delegation for the Pacific. Responsible for Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu as well as the three Overseas Countries and Territories in the Pacific
7	Delegation to Gabon, to São Tomé and Príncipe and to Equatorial Guinea
8	Delegation to Guyana, for Suriname, and with responsibility for Aruba, Bonaire, Curaçao, Saba, Saint Barthélemy, Sint Eustatius and Sint Maarten
9	Delegation to Hong Kong and Macao
10	Delegation to India and to Bhutan
11	Delegation to Indonesia and Brunei Darussalam; Delegation to ASEAN
12	Delegation to Jamaica, Belize, The Bahamas, Turks and Caicos Islands and Cayman Islands
13	Delegation to Kuwait and Qatar
14	Delegation to Madagascar and Comoros
15	Delegation to Mauritius and to the Seychelles
16	Delegation to Nigeria and ECOWAS
17	Delegation to Saudi Arabia, Bahrain and Oman
18	Delegation to Sri Lanka and the Maldives
19	Delegation to Switzerland and to Liechtenstein
20	Delegation to the UN and other international organisations in Geneva; Permanent mission to the World Trade Organisation
21	Delegation to West Bank and Gaza Strip, UNRWA
22	Delegation to Zambia and COMESA