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Directorate C: Macro-economic statistics
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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 February 2023 and June 2023 inclusive

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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 duty stations which is payable in local or another authorised currency¹.

This is the twentieth 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 2022, was published in the Official Journal on 14th December 2022 (OJ C 474-44).

The previous intermediate report, covering the six months period between August 2022 and January 2023 inclusive, was published in the Official Journal on 15th June 2023 (OJ C 208-12).

This intermediate report covers the five months period between February 2023 and June 2023 inclusive and, inter alia, it includes:

1) CCMMAAAA (MM=month, AAAA=year; for example CC022023). 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 2023 or subsequently as there was a general update of remuneration at January 2023, CC for all duty stations were updated). Tables are included showing the locations for which this is the case

2) CHGMMAAAA (MM=month, AAAA=year; for example CHG022023).

A summary file of these movements is also included:

3) Staff Reg 5 per cent rule period January 2023 or subsequently to June 2023 with 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)², complemented with information compiled directly by Eurostat.

¹ Exceptionally, certain delegations are paid in US Dollar 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).

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 tables metadata section (Eurobase), or from the dedicated section web pages:

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

This report covers 143 Extra-EU duty stations. The list of duty stations is unchanged by comparison to the list used for the previous annual report (July 2022). An appendix to this report includes a list of EU Delegations which coordinate multiple additional locations/international organisations³.

No value is presented in this report for 9 locations following the difficulty to get reliable data needed to establish a robust statistic (Afghanistan; Iraq; Lebanon; Libya; Somalia; Syria; Venezuela; Yemen; Zimbabwe). There is one change by comparison to the list used for the previous intermediate report (January 2023): production of the CC for Sudan has restarted in February 2023.

Staff working at four Extra-EU duty stations physically located inside the EU borders⁴ have an Intra-EU CC applied to their salaries: these locations are not included in the current report.

Duty stations which are an overseas country or territory ('OCT') of an EU Member State, have specific CC calculated on the basis of the Intra-EU CC for that Member State. This is the case for New Caledonia (France) and Greenland (Denmark).

Duty stations which are satellite offices of the main duty station in the capital city, have the CC for the capital city. This is the case for United States - San Francisco (CC for Washington DC).

At June 2023, there were 44 duty stations with CCs greater than 100, an increase of 2, compared to 42 at January 2023 in the previous intermediate report.

During the five months between January 2023 and June 2023, CCs for 7 duty stations (Chad; The Gambia; Haiti; Mauritania; Moldova; Trinidad and Tobago; United Arab Emirates) have increased above 100 and CCs for 5 duty stations (Burundi; Canada; Guyana; Papua New Guinea; Russia) have decreased below 100.

³ By comparison to the previous list, there is one addition: Cameroon and Equatorial Guinea (previously together with Gabon and São Tomé and Príncipe). There is also one deletion: Kuwait and Qatar (now separate delegations).

⁴ 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].

During this period, exchange rate movements generated increases in 86 duty stations, decreases in 29 duty stations and no change in 18 duty stations (plus the 10 locations for which no value is presented, including Sudan with no X-rates value presented for January 2023). For Sierra Leone: the SLL currency ceased to exist with effect from 1st October 2022. The new currency SLE came into force on 1 April 2022: three zeros were cut off by comparison to the SLL rate. Implementation of the new currency SLE is effective as from February onwards in our production process.

For this intermediate report, 5-month reporting period February 2023 - June 2023, positive and negative changes in the economic parity exceeding 5% were identified for 44 duty station locations, of which 10 locations had or have CC values above 100 (Burundi; Chad; Congo; Cuba; Democratic Republic of the Congo; Iceland; Iran; Mauritania; Turkmenistan; United Arab Emirates). There were 8 changes in February 2023, 12 changes in March, 14 changes in April, 23 changes in May and 7 changes in June.

Economic parities based on the results of a new UN P2P price survey were introduced in this results package for the following 16 duty stations: Bangladesh; Burkina Faso; Central African Republic; China; Fiji Island; Guinea-Bissau; Haiti; Iran; Lesotho; Mongolia; Singapore; Sudan; Thailand; Timor-Leste; Turkmenistan; United Arab Emirates. A UN P2P survey for Lebanon was processed but not introduced in this Result package because of the continuing economic uncertainties affecting the price data and causing currency volatility.

Taking into account the latest set of UN P2Ps received for reference year 2022, CCs for nearly all duty stations have now been updated using price survey data undertaken within the 7- year target to refresh basic data. For 3 locations, price surveys were last conducted in 2014 (Uruguay) or 2015 (Belarus; Ukraine) which simply reflects the work programme of our data partner, the United Nations International Civil Service Commission. The sole exceptions are Hong Kong and United States (New York) which were last surveyed in 2009.

- 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, 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 2022 from the comparison programme coordinated by OECD were already integrated in the previous intermediate report for the following 9 duty stations: Australia; Canada; Chile; Israel; Japan; South Korea; Mexico; New Zealand; United States (Washington DC).

Updated PPPs at July 2022 from the comparison programme coordinated by Eurostat were also already integrated in the previous intermediate report for the following 12 duty stations: Albania; Bosnia and Herzegovina (Sarajevo); Iceland; Kosovo; Montenegro; North Macedonia; Norway; Serbia; Switzerland (Berne); Switzerland (Geneva); Türkiye; 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 2023, 16 duty stations had a positive smoothing mechanism factors (Bangladesh; China; Fiji; Guinea-Bissau; Haiti; Lesotho; Mauritania; Mongolia; New Zealand; Niger; eSwatini; Thailand; Timor-Leste; Turkmenistan; Uganda; United Arab Emirates) and 1 duty station had a negative smoothing factor (Iran). Five months earlier, at January 2023, there were 18 positive smoothing factors and 1 negative smoothing factor.

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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 Cameroon and Equatorial Guinea
4	Delegation to Djibouti and IGAD
5	Delegation to El Salvador and to the Central American Integration System (SICA)
6	Delegation to Ethiopia; Delegation to the African Union
7	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
8	Delegation to Gabon, to São Tomé and Príncipe and to ECCAS
9	Delegation to Guyana, for Suriname, and with responsibility for Aruba, Bonaire, Curaçao, Saba, Saint Barthélemy, Sint Eustatius and Sint Maarten
10	Delegation to Hong Kong and Macao
11	Delegation to India and to Bhutan
12	Delegation to Indonesia and Brunei Darussalam; Delegation to ASEAN
13	Delegation to Jamaica, Belize, The Bahamas, Turks and Caicos Islands and Cayman Islands
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