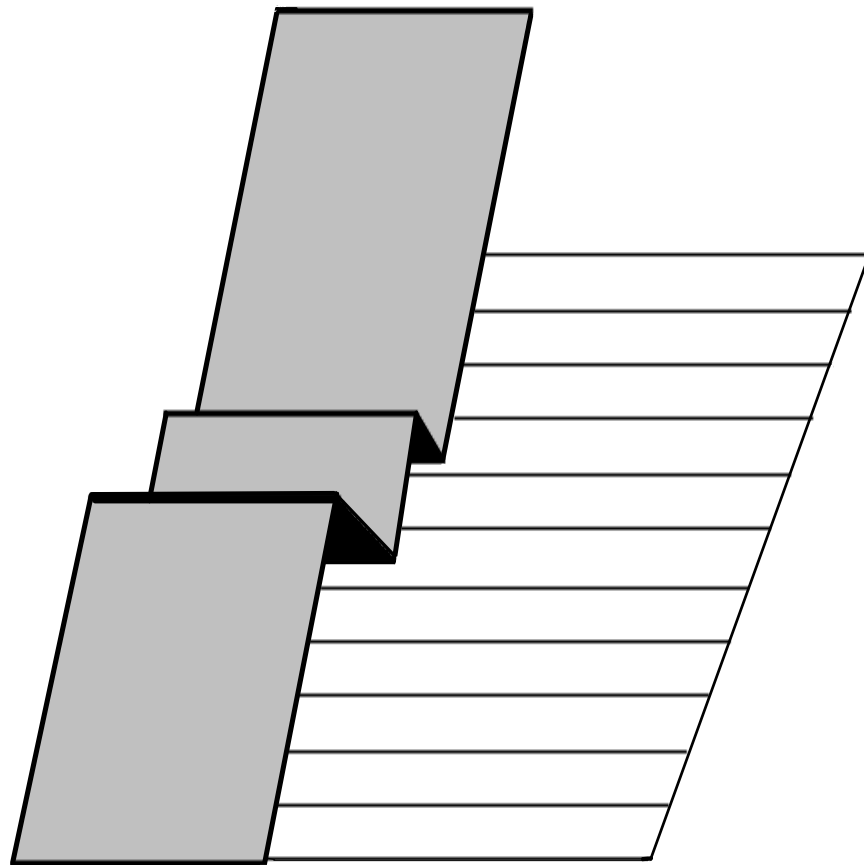


Appendix 1

Appendix 1 to the Eurostat Report on the Annual Adjustment of Remuneration and Pensions

Explanations and statistical analyses

Reference period:
Year to 1 July 2013



October 2013

Statistical Office of the European Union
Unit C3, Statistics for administrative purposes
Luxembourg

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INTRODUCTION

This document is an appendix to the 2013 Eurostat report on the annual adjustment of remuneration and pensions. While the principal results concerning correction coefficients for staff and pensioners are presented in the main report, the purpose of this appendix is to give some explanations and statistical analyses of the results as well as detailed tables with statistical information.

Chapters 1, 2 and 3 of this document examine respectively:

- the economic parities and correction coefficients for staff (Intra-EU);
- the economic parities and correction coefficients for pensioners;
- the economic parities and correction coefficients for staff (Extra-EU).

All figures and calculations contained in this report relating to Intra-EU locations are based on data supplied by the responsible authorities in the Member States, with the exception of information about the consumption patterns of EU officials, which is collected directly by surveys. Information for Extra-EU locations is compiled in collaboration with the United Nations International Civil Service Commission and the International Section on Remuneration and Prices of the Coordinated Organisations. More information on methodology is available in detailed procedural manuals⁶.

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⁶ Document A64/11/27 describes the methodology for the calculation of intra-EU correction coefficients (and the calculation of the Brussels International Index);
Document A64/11/28 describes the methodology for the calculation of extra-EU correction coefficients.

EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS IN THE MEMBER STATES

o Economic parities and correction coefficients

The object of the economic parities is to compare the relative cost of living of European officials in Brussels (reference city) and in each of the capitals and other places of employment for which a correction coefficient has been set. The method used is to compare the price of a "basket" of goods and services purchased by the average official in Brussels with the price of the same basket in each of the other places of employment. The average of all the price ratios is the "economic parity".

The system works as follows: the total range of goods and services constituting the consumption of the average European institution official is divided into 80 basic headings (such as meat, footwear, motor cars, books). A price ratio between the place of employment and Brussels is established for each of these headings; this is called the basic parity. Price surveys are conducted on products selected to represent the basic heading and specified in the necessary detail to enable prices in a sufficiently narrow range to be collected.

The Staff Regulations require each basic parity to be checked by direct survey at least once every five years. In practice checks are carried out at shorter intervals as part of the European Comparison Programme (ECP). At each annual salary review around one third of the basic price parities are replaced by new parities produced by the latest price surveys.

For the 2013 annual review, new parities obtained from price surveys have been integrated for the following groups:

- Food, Drink and Tobacco (survey 2012-1)
- Personal appearance (survey 2012-2)

The 80 basic parities are then updated using the price index ratio between the place of employment and Brussels.

Housing is dealt with differently. Special rent surveys of estate agents are carried out each year at each place of employment, including Brussels, to calculate an economic parity for the basic heading "accommodation costs for tenants". The calculation follows a methodology that has been developed by Eurostat in collaboration with the national statistical institutes of the Member States, based on the principle that the parity used should be calculated in such a way to allow European institution officials outside Brussels to live in dwellings of comparable quality to those occupied by European institution officials in Brussels. The basic parity "accommodation costs of owner-occupiers" is calculated by reference to the rent the owner-occupiers would pay if they were tenants (these are known as "imputed rents").

In order to calculate the overall economic parities weights have to be applied to each basic heading according to its relative importance in the consumption basket. These weights are calculated directly from the results of the special family budget surveys conducted among European and international civil servants every five to seven years. The resulting structure reflects the consumption of the average international civil servant in Brussels and in each country or place of employment.

Using the 80 basic parities and the specific weights the overall parity is calculated in two ways: the first uses the consumption pattern for the reference city (Brussels) (this is a type of Laspeyres index); the second uses the consumption pattern for the place of employment (this is a type of Paasche index). In accordance with the standard practice for international comparisons both types of index are calculated and the geometric mean of the results (the Fisher index) is used as the economic parity.

The correction coefficients applicable to the salaries of the European institution officials working in the capitals and places of employment other than Brussels and Luxembourg, which are calculated for the month of July, are determined on the basis of the relationships between the economic parities and the exchange rates fixed by the Commission and specified in the Staff Regulations for the relevant

countries. The correction coefficient operates as a percentage adjustment to salaries to take account of the cost of living differences between Brussels and the various duty stations.

The details of the economic parities calculation, at the level of 12 main consumption groups, are shown in table 3.1 for all capitals and other places apart from Brussels and Luxembourg. This table also includes information about the consumption weights by country and by expenditure groups.

○ **Rents and rent parities**

Changes in the rent parities are provided in the Table 3.2 which shows also the average rents by type of dwelling on which the calculation is based. The average rents used to compute the rent parities are in fact weighted moving averages, based on a six-year model, to take into account the average occupancy length, which is estimated to be six years. Any annual updating of rents during the life of the typical lease is included in the model by using the appropriate adjustment indices.

Table 3.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2013
(for staff)

Expenditure Groups	BE	BG-Sofia		CZ-Prague		DK-Copenhagen		DE-Berlin		DE-Bonn		DE-Karlsruhe	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	149.1	1.342	128.3	20.04	122.5	9.462	104.6	0.983	104.6	0.983	104.6	0.800
2	20.3	27.4	1.379	26.9	23.84	25.7	10.14	23.2	0.870	23.2	0.870	23.2	0.809
3	54.3	56.4	1.479	45.0	22.60	43.0	8.063	49.1	0.878	49.1	0.878	49.1	0.942
4	297.6	252.1	0.889	309.4	24.69	340.7	11.57	248.8	0.967	248.8	0.881	248.8	0.885
5	74.7	77.7	1.053	69.9	18.06	66.7	7.789	89.6	0.904	89.6	0.922	89.6	0.905
6	19.2	12.6	1.113	13.8	17.12	13.2	9.19	15.4	0.915	15.4	0.691	15.4	0.883
7	127.2	121.7	1.477	128.5	22.05	122.7	10.24	180.9	1.090	180.9	1.097	180.9	1.099
8	21.5	22.2	1.128	16.7	21.26	16.0	5.824	21.0	0.665	21.0	0.673	21.0	0.658
9	91.7	102.9	1.279	106.5	20.57	101.7	9.272	134.8	1.037	134.8	1.057	134.8	1.011
10	14.7	12.7	0.344	15.3	10.48	14.6	11.08	13.7	1.354	13.7	1.354	13.7	1.354
11	100.6	104.5	0.902	87.9	13.28	83.9	10.86	77.9	0.890	77.9	0.963	77.9	0.945
12	50.0	60.9	1.504	51.5	21.54	49.2	10.27	41.0	0.897	41.0	0.889	41.0	0.950
Rents	237.1	203.0	0.866	265.4	26.24	298.7	11.79	198.0	0.976	198.0	0.855	198.0	0.842
Total w ithout rents	762.9	797.1	1.206	734.6	19.18	701.4	9.495	802.0	0.965	802.0	0.977	802.0	0.954
Global parity	1000.0		1.125		20.72		10.06		0.968		0.949		0.928

Expenditure Groups	BE	DE-Munich		EE-Tallinn		IE-Dublin		EL-Athens		ES-Madrid		FR-Paris	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	104.6	0.983	135.3	0.828	85.1	1.060	142.1	0.938	120.8	0.832	98.6	1.005
2	20.3	23.2	0.870	28.4	0.974	19.7	1.745	28.7	1.129	22.8	0.867	20.7	1.001
3	54.3	49.1	0.878	47.5	0.910	55.5	0.853	48.8	0.876	40.6	0.868	50.8	0.990
4	297.6	248.8	1.291	271.9	0.729	223.8	1.329	189.7	0.924	244.0	1.078	285.0	1.541
5	74.7	89.6	0.949	73.7	0.737	95.6	0.853	109.2	0.819	91.5	0.900	89.2	1.095
6	19.2	15.4	0.846	14.6	0.727	21.3	1.094	19.7	0.758	17.0	0.786	14.1	0.927
7	127.2	180.9	1.147	135.5	0.932	165.5	1.165	142.2	1.064	135.6	1.095	153.1	1.082
8	21.5	21.0	0.759	17.6	0.556	14.6	0.840	23.1	1.027	20.3	1.210	20.4	0.809
9	91.7	134.8	1.078	112.3	0.895	135.1	1.000	96.8	0.929	96.4	1.015	118.7	1.074
10	14.7	13.7	1.354	16.2	0.313	48.4	1.410	19.8	0.593	38.4	0.858	14.6	1.003
11	100.6	77.9	1.049	92.7	0.755	63.8	1.063	118.7	0.814	119.2	0.822	71.7	1.069
12	50.0	41.0	0.921	54.3	0.794	71.6	1.317	61.3	0.835	53.4	0.901	63.1	1.084
Rents	237.1	198.0	1.373	225.5	0.744	185.3	1.428	138.9	1.038	200.9	1.176	232.5	1.760
Total w ithout rents	762.9	802.0	1.013	774.6	0.802	814.7	1.063	861.1	0.889	799.1	0.912	767.5	1.035
Global parity			1.082		0.789		1.130		0.912		0.963		1.174

Table 3.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2013
(for staff)

Expenditure Groups	BE	HR-Zagreb		IT-Rome		IT-Varese		CY-Nicosia		LV-Riga		LT-Vilnius	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	161.0	6.652	123.4	1.035	136.7	0.972	151.6	0.969	131.4	0.5589	132.5	2.499
2	20.3	29.6	7.297	20.0	1.084	20.9	0.875	27.8	1.107	27.6	0.7050	27.8	3.038
3	54.3	60.9	6.077	48.9	0.987	47.3	0.981	57.3	0.858	46.1	0.6519	46.5	3.106
4	297.6	192.3	5.979	242.0	1.164	219.8	0.782	239.4	0.611	292.6	0.5298	286.7	2.510
5	74.7	84.0	5.012	96.0	0.933	92.6	1.016	79.1	0.857	71.6	0.4485	72.2	2.336
6	19.2	13.6	4.660	20.2	1.044	23.9	1.067	12.8	0.979	14.2	0.5282	14.3	2.529
7	127.2	131.4	7.131	145.5	0.994	153.4	1.027	123.7	1.095	131.7	0.5889	132.8	2.922
8	21.5	24.0	4.659	16.6	0.909	16.2	0.911	22.6	0.409	17.1	0.4529	17.3	1.812
9	91.7	111.1	5.944	115.5	1.029	115.5	1.048	104.6	1.052	109.1	0.5449	110.1	2.688
10	14.7	13.7	4.766	21.9	1.021	19.8	1.021	12.9	0.833	15.7	0.2250	15.8	0.920
11	100.6	112.9	5.006	89.3	0.952	93.4	0.868	106.3	0.915	90.1	0.5061	90.8	1.939
12	50.0	65.7	5.582	60.7	1.025	60.5	1.016	61.9	0.837	52.8	0.5509	53.2	2.544
Rents	237.1	139.2	6.663	181.8	1.334	155.0	0.789	189.4	0.569	247.4	0.5720	241.2	2.618
Total w ithout rents	762.9	860.8	5.823	818.2	0.978	845.0	0.966	810.5	0.926	752.5	0.5231	758.8	2.445
Global parity			5.961		1.044		0.928		0.837		0.5343		2.484

Expenditure Groups	BE	HU-Budapest		MT-Valletta		NL-The Hague		AT-Vienna		PL-Warsaw		PT-Lisbon	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	137.2	230.522	148.4	0.899	101.5	0.873	135.7	1.081	131.7	2.690	117.0	0.802
2	20.3	25.2	221.824	27.2	1.081	18.1	1.025	24.9	0.949	27.6	4.051	16.0	0.872
3	54.3	51.9	219.431	56.1	0.876	45.7	0.934	51.3	0.861	46.2	3.242	44.9	0.831
4	297.6	311.6	271.096	255.3	0.765	254.2	1.265	319.4	1.215	291.3	3.940	268.1	0.750
5	74.7	71.6	181.394	77.4	0.823	95.6	0.926	70.8	0.972	71.7	2.674	83.6	0.831
6	19.2	11.6	185.902	12.5	0.923	8.6	1.154	11.4	1.015	14.2	2.322	11.6	0.826
7	127.2	112.0	257.188	121.1	1.050	165.7	1.212	110.7	1.139	131.9	3.247	151.1	1.073
8	21.5	20.5	263.145	22.1	0.632	19.7	1.003	20.2	0.813	17.2	2.388	18.1	0.946
9	91.7	94.7	221.038	102.5	0.857	120.3	1.077	93.6	1.084	109.3	3.211	101.2	0.912
10	14.7	11.6	90.803	12.6	0.645	28.2	0.935	11.5	0.911	15.7	1.260	28.1	0.991
11	100.6	96.2	151.886	104.1	0.807	86.6	1.038	95.1	1.001	90.2	2.641	105.2	0.723
12	50.0	56.0	187.661	60.6	0.774	55.8	1.070	55.4	1.044	52.9	2.938	55.1	0.776
Rents	237.1	266.4	306.289	206.3	0.746	193.5	1.329	274.6	1.285	246.1	4.359	233.1	0.733
Total w ithout rents	762.9	733.7	202.540	793.7	0.873	806.5	1.031	725.4	1.022	753.9	2.848	766.9	0.864
Global parity			294.980		0.844		1.089		1.083		3.154		0.831

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2013
(for staff)

Expenditure Groups	BE	RO-Bucharest		SI-Ljubljana		SK-Bratislava		FI-Helsinki		SE-Stockholm		UK-London	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	137.4	2.965	139.9	0.887	141.7	0.851	124.8	1.154	127.4	10.15	110.0	0.7998
2	20.3	25.2	3.224	25.7	0.944	26.0	0.866	26.2	1.578	26.8	13.68	26.2	1.305
3	54.3	52.0	3.292	52.9	0.896	53.6	0.842	43.8	1.053	44.7	9.751	55.0	0.6669
4	297.6	310.7	3.817	298.0	0.860	289.1	0.861	328.4	1.452	314.2	14.53	314.6	2.091
5	74.7	71.7	2.546	73.0	0.772	73.9	0.684	68.0	1.040	69.4	9.842	69.3	0.9144
6	19.2	11.6	2.855	11.8	0.701	11.9	0.655	13.4	0.952	13.7	9.448	12.2	0.6760
7	127.2	112.1	3.426	114.2	0.924	115.7	0.795	125.0	1.236	127.6	10.92	124.7	1.042
8	21.5	20.5	2.255	20.9	0.731	21.1	1.023	16.3	0.662	16.6	6.457	16.5	0.8304
9	91.7	94.8	3.013	96.6	0.944	97.8	0.869	103.6	1.134	105.8	10.38	99.7	0.8915
10	14.7	11.7	0.9550	11.9	0.665	12.0	0.356	14.9	1.155	15.2	10.36	25.3	1.334
11	100.6	96.3	1.925	98.1	0.711	99.4	0.666	85.5	1.194	87.3	12.14	100.2	0.8684
12	50.0	56.1	4.073	57.1	0.906	57.8	0.793	50.1	1.306	51.2	11.33	46.4	0.9925
Rents	237.1	265.4	4.382	251.8	0.868	242.3	0.909	285.5	1.529	270.5	15.37	270.2	2.658
Total without rents	762.9	734.6	2.787	748.2	0.850	757.8	0.771	714.5	1.149	729.6	10.60	729.8	0.8888
Global parity			3.107		0.854		0.802		1.237		11.64		1.188

Expenditure Groups	BE	UK-Culham	
	Weight	Weight	Parity
1	128.2	98.5	0.7957
2	20.3	19.5	1.303
3	54.3	47.3	0.6632
4	297.6	287.7	1.007
5	74.7	86.3	0.8981
6	19.2	6.0	0.6760
7	127.2	153.1	0.9586
8	21.5	19.0	0.8304
9	91.7	130.4	0.8928
10	14.7	22.0	1.334
11	100.6	60.0	0.8712
12	50.0	70.2	0.9250
Rents	237.1	235.5	1.088
Total without rents	762.9	764.5	0.8718
Global parity			0.9179

Consumption groups:

1. Food and non-alcoholic beverages
2. Alcoholic beverages and tobacco
3. Clothing and footwear
4. Housing, water, electricity, gas and other fuels
5. Furnishings, household equipment and maintenance of house
6. Health
7. Transport
8. Communications
9. Recreation and culture
10. Education
11. Hotels, cafes and restaurants
12. Miscellaneous goods and services

Table 3.2 (Continued on next page)
Changes in the average rents of accommodation in the twelve months to 1st July 2013
 (Values expressed in Euro, except local currencies: CZ, DK, LV, LT, HU, PL, SE, UK)

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
Place of employment									
BE	Brussels	2012	1,641	1,273	1,013	1,005	838	783	626
		2013	1,658	1,308	1,071	1,037	829	818	656
BG	Sofia	2012	-	638	-	359	-	273	-
		2013	-	538	-	382	-	266	-
CZ	Prague	2012	-	32,611	-	23,278	-	17,667	-
		2013	-	31,886	-	22,283	-	16,975	-
DK	Copenhagen	2012	-	15,292	-	-	10,583	-	7,833
		2013	-	14,750	-	-	9,833	-	7,692
DE	Berlin	2012	-	1,302	-	1,013	-	776	-
		2013	-	1,344	-	999	-	795	-
	Bonn	2012	-	1,185	-	872	-	695	-
		2013	-	1,188	-	889	-	721	-
	Karlsruhe	2012	-	1,030	-	777	-	613	-
		2013	-	1,094	-	823	-	665	-
	Munich	2012	-	1,848	-	1,395	-	1,092	-
		2013	-	1,908	-	1,458	-	1,134	-
EE	Tallin	2012	-	-	873	-	665	-	505
		2013	-	-	946	-	639	-	470
IE	Dublin	2012	-	1,527	-	-	1,193	-	932
		2013	-	1,693	-	-	1,278	-	995
EL	Athens	2012	1,234	-	-	808	-	639	-
		2013	1,105	-	-	763	-	555	-
ES	Madrid	2012	-	1,417	-	-	1,005	-	769
		2013	-	1,313	-	-	960	-	744
FR	Paris	2012	-	2,405	-	1,853	-	-	1,071
		2013	-	2,464	-	1,834	-	-	1,130
HR	Zagreb	2012	-	1,095	-	827	-	570	-
		2013	-	1,067	-	800	-	544	-
IT	Rome	2012	-	1,703	-	1,288	-	1,005	-
		2013	-	1,610	-	1,228	-	968	-
	Varese	2012	-	902	-	716	-	557	-
		2013	-	867	-	673	-	519	-
CY	Nicosia	2012	-	698	-	591	-	488	-
		2013	-	670	-	542	-	432	-

Rent value for dwelling type for year in question is average of reported values.
 Rent values collected in Euro rather than local currency in BG, HR, RO

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2013
(Values expressed in Euro, except local currencies: CZ, DK, LV, LT, HU, PL, SE, UK)

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
Place of employment									
BE	Brussels	2012	1,641	1,273	1,013	1,005	838	783	626
		2013	1,658	1,308	1,071	1,037	829	818	656
LV	Riga	2012	-	856	-	650	-	454	-
		2013	-	899	-	627	-	473	-
LT	Vilnius	2012	-	-	2,553	-	2,033	-	1,528
		2013	-	-	2,895	-	2,223	-	1,710
HU	Budapest	2012	-	378,170	-	-	226,005	-	137,679
		2013	-	350,335	-	-	217,865	-	134,323
MT	Valletta	2012	-	833	-	618	-	-	437
		2013	-	903	-	635	-	-	458
NL	The Hague	2012	-	1,712	-	1,360	-	1,028	-
		2013	-	1,731	-	1,362	-	1,054	-
AT	Vienna	2012	-	1,548	-	1,152	-	889	-
		2013	-	1,536	-	1,134	-	917	-
PL	Warsaw	2012	-	5,872	-	4,186	-	-	2,535
		2013	-	5,312	-	4,109	-	-	2,524
PT	Lisbon	2012	913	-	-	678	-	540	-
		2013	922	-	-	688	-	554	-
RO	Bucharest	2012	-	1,216	-	833	-	-	483
		2013	-	1,125	-	791	-	-	458
SI	Ljubljana	2012	-	1,035	-	784	-	-	537
		2013	-	943	-	761	-	-	520
SK	Bratislava	2012	-	1,066	-	869	-	663	-
		2013	-	1,047	-	863	-	628	-
FI	Helsinki	2012	-	-	1,939	-	1,384	-	1,064
		2013	-	-	1,873	-	1,395	-	1,054
SE	Stockholm	2012	-	22,264	-	16,808	-	12,232	-
		2013	-	22,968	-	17,864	-	14,168	-
UK	London	2012	-	-	2,806	-	2,137	-	1,627
		2013	-	-	2,903	-	2,147	-	1,636
	Culham	2012	-	-	1,152	-	939	-	768
		2013	-	-	1,186	-	1,013	-	792

Rent value for dwelling type for year in question is average of reported values.

Rent values collected in Euro rather than local currency in BG, HR, RO

Table 3.2 (Continued on next page)
Changes in the average rents of accommodation in the twelve months to 1st July 2013
 (Values expressed in Euro, except local currencies: CZ, DK, LV, LT, HU, PL, SE, UK)

Country	Non-detached houses			Detached houses			Rent Parity	
	(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)		
BE Brussels	2012	1,733	1,385	1,114	2,340	1,902	1,513	
	2013	1,685	1,377	1,047	2,315	1,870	1,514	
BG Sofia	2012	-	-	-	841	-	-	0.500
	2013	-	-	-	869	-	-	0.443
CZ Prague	2012	-	34,750	-	-	48,500	-	27.77
	2013	-	34,900	-	-	49,506	-	26.24
DK Copenhagen	2012	-	17,317	-	-	24,167	-	11.94
	2013	-	16,300	-	-	22,500	-	11.79
DE Berlin	2012	-	1,420	-	-	2,021	-	0.961
	2013	-	1,369	-	-	2,112	-	0.976
Bonn	2012	-	1,201	-	-	1,616	-	0.844
	2013	-	1,200	-	-	1,738	-	0.855
Karlsruhe	2012	-	1,239	-	-	1,785	-	0.826
	2013	-	1,242	-	-	1,810	-	0.842
Munich	2012	-	1,978	-	-	2,948	-	1.316
	2013	-	1,996	-	-	3,094	-	1.373
EE Tallin	2012	-	984	-	-	1,583	-	0.768
	2013	-	983	-	-	1,270	-	0.744
IE Dublin	2012	-	-	1,588	-	-	2,058	1.345
	2013	-	-	1,622	-	-	2,116	1.428
EL Athens	2012	-	-	-	-	-	-	0.913
	2013	-	-	-	-	-	-	1.038
ES Madrid	2012	1,674	-	-	-	-	-	1.369
	2013	1,596	-	-	-	-	-	1.176
HR Zagreb	2012	-	1,050	-	2,074	-	-	0.799
	2013	-	1,040	-	2,078	-	-	0.894
FR Paris	2012	-	-	-	-	-	-	1.463
	2013	-	-	-	-	-	-	1.760
IT Rome	2012	-	1,614	-	-	-	-	1.428
	2013	-	1,546	-	-	-	-	1.334
Varese	2012	-	1,156	-	1,788	-	-	0.816
	2013	-	1,145	-	1,875	-	-	0.789
CY Nicosia	2012	864	-	-	1,343	-	-	0.601
	2013	845	-	-	1,295	-	-	0.569

Rent value for dwelling type for year in question is average of reported values.

Rent parity uses a six year model of these averages, updated by indices, applying taper weights. Dwelling type weights in Brussels and in duty stations are identified by periodic housing surveys.

Rent values collected in Euro rather than local currency in BG, HR, RO

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2013
(Values expressed in Euro, except local currencies: CZ, DK, LV, LT, HU, PL, SE, UK)

Country Place of employment			Non-detached houses			Detached houses			Rent Parity
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)	
BE	Brussels	2012	1,733	1,385	1,114	2,340	1,902	1,513	
		2013	1,685	1,377	1,047	2,315	1,870	1,514	
LV	Riga	2012	1,052	-	-	1,739	-	-	0.596
		2013	1,061	-	-	1,554	-	-	0.572
LT	Vilnius	2012	-	3,042	-	-	4,403	-	2.811
		2013	-	3,193	-	-	4,714	-	2.618
HU	Budapest	2012	436,596	-	-	803,452	-	-	322.6
		2013	401,193	-	-	771,641	-	-	306.3
MT	Valletta	2012	-	1,075	-	1,591	-	-	0.753
		2013	-	1,135	-	1,719	-	-	0.746
NL	The Hague	2012	2,119	-	-	-	-	-	1.255
		2013	2,062	-	-	-	-	-	1.329
AT	Vienna	2012	-	1,704	-	-	2,541	-	1.279
		2013	-	2,016	-	-	2,789	-	1.285
PL	Warsaw	2012	-	5,708	-	8,306	-	-	4.609
		2013	-	5,738	-	8,584	-	-	4.359
PT	Lisbon	2012	1,200	-	-	-	1,600	-	0.765
		2013	1,120	-	-	-	1,780	-	0.733
RO	Bucharest	2012	-	-	-	-	1,507	-	1.068
		2013	-	-	-	-	1,392	-	0.984
SI	Ljubljana	2012	-	1,100	-	-	1,503	-	0.923
		2013	-	1,065	-	-	1,471	-	0.868
SK	Bratislava	2012	-	1,317	-	-	1,931	-	0.930
		2013	-	1,267	-	-	1,956	-	0.909
FI	Helsinki	2012	-	2,028	-	-	3,364	-	1.529
		2013	-	2,175	-	-	2,925	-	1.529
SE	Stockholm	2012	-	21,800	-	-	27,700	-	15.09
		2013	-	21,500	-	-	28,500	-	15.37
UK	London	2012	-	-	3,209	-	-	-	2.601
		2013	-	-	3,261	-	-	-	2.658
	Culham	2012	-	-	1,177	-	-	1,600	1.069
		2013	-	-	1,179	-	-	1,633	1.088

Rent value for dwelling type for year in question is average of reported values.

Rent parity uses a six year model of these averages, updated by indices, applying taper weights. Dwelling type weights in Brussels and in duty stations are identified by periodic housing surveys.

Rent values collected in Euro rather than local currency in BG, HR, RO

Purchasing power parities - analysis of results

▪ *Major changes in the economic parities from 2012 to 2013*

The calculation of correction coefficients used for salary adjustment in places other than Brussels and Luxembourg involves the revision of some elementary parities each year. Changes in the global parities from one year to the next come mainly from survey prices and rent revisions, but may also be affected by the trend in the price indices used to update the elementary parities at the date of the adjustment and by changes in the consumption structures. Details of the changes in the economic parities from 2012 to 2013, including a decomposition of all the effects, are given in table 3.3.

The six biggest increases in global economic parities during the period under review can be observed in The Hague (+3.4%), Dublin (+2.2%), Vienna and Zagreb (+1.8%), Munich and Tallinn (+1.7%). The six biggest decreases in the parities can be observed in London (-5.8%), Culham (-4.4%), Budapest (-2.8%), Riga (-1.9%), Varese and Warsaw (-1.6%).

For the 2013 salary adjustment two new price surveys have been incorporated: Food, drink and tobacco (conducted in Spring 2012), and Personal appearance (conducted in Autumn 2012). The introduction of new prices from these latest consumer price surveys affects 23 elementary parities out of the 80 basic heading classification (15 and 8 respectively), which together account for about 23% of the EU average consumption weight (15% and 8% respectively).

The introduction of the Spring 2012 survey results has led to an increase in the overall parity for 27 locations and a decrease in the parity for 4 locations, with the impact ranging between -2.4% (Karlsruhe) and +1.3% (Bucharest). The introduction of the Autumn 2012 survey results has generated an increase in the overall parity for 29 locations and a decrease for 2 locations, with the impact ranging between -0.2% (Munich) and +1.0% (Dublin, Vilnius, Warsaw).

Rent surveys are carried out every year in all Member States. A six-year moving average model is used for calculating rent parities: the rent parities for 2013 are based on the relative trend in the real-estate markets in Brussels and other places of employment between 2008 and 2013. These parities are, therefore, affected by the following factors:

- introduction of rent data for year 2013,
- deletion of the rent data for 2007,
- price indices used for updating the rents for 2008 - 2012 to price of 2013.

It should be noted that for Greece, Spain, France, Italy and Netherlands price data for houses is now incorporated alongside the price data for apartments.

Details of the changes in the rent parities from 2012 to 2013, including a decomposition of all the effects, are given in table 3.4. The largest increases in the rent parity could be observed in Paris (+20.4%), Athens (+13.8%), Zagreb and Dublin (+11.9%). The largest decreases in the rent parity were recorded in Madrid (-14.1%), Sofia (-11.4%), Ljubljana (-7.8%), and Budapest (-6.9%).

The introduction of the new rent parities has led to an increase in the overall parity for 12 locations and a decrease for 19 locations, with the impact ranging between -2.5% (Sofia) and +1.4% (Athens).

As regards price indexation, the impact of applying official indices for the year to July 2013 at the level of total consumption was lower than Brussels in 12 places and higher than Brussels in the remaining 19 places. Here it should be recalled that there are important differences between HICP and PPP methodologies (e.g. use of different weights for aggregation purposes). For this reason, the "price updating effect" presented in the table cannot be directly compared with the relative movement of the all-items HICP published separately on the Eurostat website – although other things being equal that movement does give an indication of the likely magnitude and direction of change.

The weighting structure used to aggregate the parities has not been updated except for UK-London, where finalised results from the survey which was conducted there in 2011 have been applied. The periodicity of SHE ("Survey of Household Expenditures") is set by Article 64 Working Group decision at five to seven years.

Table 3.3
Changes in the economic parities in the twelve months to 1st July 2013
Decomposition of the effects
(for staff)

Country	Place of employment	Impact of change in PPP				Total change %
		Introduction of new surveys		Price updating effect (HICP)	New rents	
		E12-1 Food, drinks and tobacco	E12-2 Personal appearance			
BG	Sofia	0.7	0.8	-0.6	-2.5	-1.6
CZ	Prague	0.6	0.7	-0.2	-1.4	-0.4
DK	Copenhagen	1.1	0.2	-1.0	-0.3	0.0
DE	Berlin	0.3	0.1	0.3	0.3	1.0
	Bonn	0.1	0.2	0.3	0.3	0.9
	Karlsruhe	-2.4	0.6	0.3	0.4	-1.0
	Munich	0.7	-0.2	0.3	0.9	1.7
EE	Tallinn	0.4	0.2	1.8	-0.7	1.7
IE	Dublin	1.1	1.0	-1.2	1.3	2.1
EL	Athens	1.1	0.1	-1.7	1.4	0.8
ES	Madrid	0.7	0.0	0.7	-2.2	-0.8
FR	Paris	0.7	0.1	-0.6	-0.5	-0.2
HR	Zagreb	0.9	0.7	0.1	-0.8	0.9
IT	Rome	1.1	0.5	0.1	-1.5	0.2
	Varese	-0.6	0.5	0.1	-0.6	-0.6
CY	Nicosia	0.8	0.5	-0.7	-1.1	-0.5
LV	Riga	0.2	0.9	-1.4	-1.0	-1.2
LT	Vilnius	0.9	1.0	0.4	-1.6	0.7
HU	Budapest	0.5	-0.1	0.5	-1.3	-0.4
MT	Vallette	1.2	0.7	-0.4	-0.2	1.3
NL	The Hague	0.7	0.5	1.6	0.5	3.4
AT	Vienna	1.2	0.0	0.5	0.1	1.8
PL	Warsaw	0.8	1.0	-1.3	-1.4	-0.8
PT	Lisbon	0.4	0.9	-0.8	-1.0	-0.5
RO	Bucharest	1.3	0.5	1.5	-2.0	1.4
SI	Ljubljana	0.3	0.7	0.6	-1.4	0.1
SK	Bratislava	0.6	0.0	0.5	-0.6	0.6
FI	Helsinki	0.6	0.3	0.5	0.0	1.3
SE	Stockholm	0.7	0.1	-1.1	0.5	0.2
UK	London	-1.3	0.4	0.9	0.6	0.6
	Culham	0.6	0.3	0.8	0.4	2.1

Table 3.4
Changes in rent parities in the twelve months to 1st July 2013
Decomposition of the effects
(for staff)

Place of employment	Deletion of survey 2007	Introduction of survey 2013	Price index 2013	Dwelling structure		Total change
				Brussels	Other cities	
BG Sofia	-11.6	-0.5	0.8	0.0	0.0	-11.4
CZ Prague	-4.9	-0.6	-0.1	0.0	0.0	-5.5
DK Copenhagen	0.8	-1.5	-0.6	0.0	0.0	-1.2
DE Berlin	2.1	-0.2	-0.2	0.0	0.0	1.6
Bonn	1.2	0.3	-0.2	0.0	0.0	1.3
Karlsruhe	1.5	0.6	-0.2	0.0	0.0	1.9
Munich	4.0	0.6	-0.3	0.0	0.0	4.3
EE Tallinn	-3.2	-1.5	1.5	0.0	0.0	-3.2
IE Dublin	0.5	-1.3	12.8	0.0	0.0	11.9
EL Athens	-5.9	-2.6	24.2	0.0	0.0	13.8
ES Madrid	-3.9	-1.2	-9.5	0.0	0.0	-14.1
FR Paris	0.6	-0.4	20.1	0.0	0.0	20.4
HR Zagreb	0.5	-1.3	12.8	0.0	0.0	11.9
IT Rome	1.2	1.6	3.3	0.0	0.0	6.2
Varese	-4.9	-1.5	-0.3	0.0	0.0	-6.6
CY Nicosia	-2.4	-0.5	-0.3	0.0	0.0	-3.2
LV Riga	-2.7	-1.4	-1.2	0.0	0.0	-5.2
LT Vilnius	-2.2	-0.6	-1.2	0.0	0.0	-4.0
HU Budapest	-8.2	1.8	-0.3	0.0	0.0	-6.9
MT Valletta	-4.2	-1.1	0.2	0.0	0.0	-5.1
NL The Hague	-1.9	1.0	-0.1	0.0	0.0	-1.0
AT Vienna	-1.8	-0.3	8.1	0.0	0.0	5.9
PL Warsaw	-1.3	1.4	0.3	0.0	0.0	0.4
PT Lisbon	-4.1	-0.6	-0.8	0.0	0.0	-5.4
RO Bucharest	-3.9	0.2	-0.5	0.0	0.0	-4.2
SI Ljubljana	-8.8	-1.8	3.0	0.0	0.0	-7.8
SK Bratislava	-5.0	-1.1	0.2	0.0	0.0	-5.9
FI Helsinki	-1.5	-0.7	-0.1	0.0	0.0	-2.3
SE Stockholm	0.6	-0.4	-0.2	0.0	0.0	0.0
UK London	2.2	1.0	-1.4	0.0	0.0	1.8
Culham	2.0	0.6	-0.4	0.0	0.0	2.2

1.3.2 The impact of rent parities on the overall parities

The rent and imputed rent parities, due to their associated high consumption weights (around 22% on average across the EU) influence in a quite significant way the global parities and consequently the correction coefficients. The analysis of correction coefficients calculated with and without the rent element for the same place of employment makes it easier to isolate the effect of rent differences separately from differences arising from other causes.

The correction coefficient for rents (compared to Brussels =100) is very high in London (311.6), Paris (176.0), Stockholm (175.5), and Copenhagen (158.1), whereas they are quite low in Sofia (44.3), Nicosia (56.9), Lisbon (73.3), Tallinn (74.4) and Valletta (75.3).

For the overall correction coefficient, however, the range is smaller: London (139.2), Copenhagen (134.8), and Stockholm (132.9) compared to Sofia (57.5), Bucharest (69.8) and Vilnius (71.9).

When rents are added to the computation, the correction coefficient is increased by 10% or more in London (+33.6%), Paris (+13.4%), Bucharest (+11.5%), Warsaw and Budapest (+10.8%).

By contrast the impact is negative in Nicosia (-9.6%), Sofia (-6.8%), Varese (-3.9%), Lisbon (-3.8%), Valletta (-3.3%), Bonn (-2.9%), and Karlsruhe (-2.7%), and the impact is near zero in Berlin.

More details on the effect of rent on the 2013 correction coefficients are given in table 3.5.

Table 3.5
Effect of rent on the correction coefficients - 2013
(for staff)

Place of employment	Weight		Correction coefficient			Rent effect
	Without rent	Rent	Without rent	Rent	Overall	[5]/[3] (%)
	[1]	[2]	[3]	[4]	[5]	[6]
BG Sofia	797.1	203.0	61.7	44.3	57.5	-6.8
CZ Prague	734.6	265.4	74.1	101.4	80.0	8.0
DK Copenhagen	701.4	298.7	127.3	158.1	134.8	5.9
DE Berlin	802.0	198.0	96.5	97.6	96.8	0.3
Bonn	802.0	198.0	97.7	85.5	94.9	-2.9
Karlsruhe	802.0	198.0	95.4	84.2	92.8	-2.7
Munich	802.0	198.0	101.3	137.3	108.2	6.8
EE Tallinn	774.6	225.5	80.2	74.4	78.9	-1.6
IE Dublin	814.7	185.3	106.3	142.8	113.0	6.3
EL Athens	861.1	138.9	88.9	103.8	91.2	2.6
ES Madrid	799.1	200.9	91.2	117.6	96.3	5.6
FR Paris	767.5	232.5	103.5	176.0	117.4	13.4
HR Zagreb	860.8	139.2	78.1	89.4	80.0	2.4
IT Rome	818.2	181.8	97.8	133.4	104.4	6.7
Varese	845.0	155.0	96.6	78.9	92.8	-3.9
CY Nicosia	810.5	189.4	92.6	56.9	83.7	-9.6
LV Riga	752.5	247.4	74.5	81.5	76.1	2.1
LT Vilnius	758.8	241.2	70.8	75.8	71.9	1.6
HU Budapest	733.7	266.4	68.7	103.8	76.1	10.8
MT Vallette	793.7	206.3	87.3	74.6	84.4	-3.3
NL The Hague	806.5	193.5	103.1	132.9	108.9	5.6
AT Vienna	725.4	274.6	102.2	128.5	108.3	6.0
PL Warsaw	753.9	246.1	65.9	100.9	73.0	10.8
PT Lisbon	766.9	233.1	86.4	73.3	83.1	-3.8
RO Bucharest	734.6	265.4	62.6	98.4	69.8	11.5
SI Ljubljana	748.2	251.8	85.0	86.8	85.4	0.5
SK Bratislava	757.8	242.3	77.1	90.9	80.2	4.0
FI Helsinki	714.5	285.5	114.9	152.9	123.7	7.7
SE Stockholm	729.6	270.5	121.1	175.5	132.9	9.7
UK London	729.8	270.2	104.2	311.6	139.2	33.6
Culham	764.5	235.5	102.2	127.6	107.6	5.3

- **EQUIVALENCE OF PURCHASING POWER OF EU PENSIONERS IN THE MEMBER STATES**
 - **Economic parities and correction coefficients for pensioners**

The correction coefficients for pensioners with a reference date of 1 July 2013 have been calculated in accordance with the agreed methodology on the basis of the following information:

- Parities for all goods and services, except for rents, as used for the calculation of the correction coefficients for active staff. These parities are based on bilateral comparison of prices of about 3000 goods and services between different capital cities and Brussels (for more details see point 1.1 above).
- Country rent parities: For calculating country rent parities the following procedure has been applied in most of the countries. Calculate a spatial adjustment factor in the form of national/capital ratio of market rents derived from an official database like CPI, household budget survey, housing register, etc. With the help of this adjustment factor transform the capital city rent parity from Article 64 estate agency rent surveys to the country rent parity. The following exceptions to this general rule were agreed with the respective NSIs:
 1. Netherlands: No such adjustment factors were available for Netherlands, for which average country rents were compared directly with the average rents in Belgium (all derived from ECP-PPP rent surveys).
 2. Germany: As information on rents for four German cities (Berlin, Bonn, Karlsruhe and Munich) is available the ratio between the average of those cities and Berlin is used.
 3. Denmark: Due to the specificities of the rental market in Copenhagen, which is completely different from the market in the rest of the country, an estimate of the Copenhagen rent parity different from the one for staff is used as basis for the spatial adjustment factor. The new estimate is obtained averaging the staff rent parity with a rent ratio for the general population obtained from the NSI. In the absence of updated information, a similar approach as for the Netherlands is used.
 4. Malta and Estonia: As no reliable information on the adjustment factors were available for Malta and Estonia a ratio equal 1 was used.
 5. A similar approach as for the Netherlands is authorised in Bulgaria, Ireland, Greece, Portugal, Romania, Slovakia.

Each National Statistical Institute is requested each year to check and, if possible, to update their spatial adjustment factor. For 2013, fresh information/confirmations were received from CZ, ES, HR, IT, LV, LT, HU, PL, FI, SE, UK. Same factor used for 2012 was re-applied in 2013 for BE, FR, CY, AT, SI.

- Consumption weights for the pensioners calculated on the basis of a wide scale family budget survey carried out in 2002⁷. Consumption weights for Croatia have been estimated as the average of the values for duty stations outside Brussels, adjusted for rents (this is a similar method to the estimation of values for staff duty stations with insufficient individual sample response).

The details of the economic parities calculation, at the level of 12 main consumption groups, are shown in table 4.1 for all countries apart from Belgium and Luxembourg. This table also includes information about the consumption weights by country and by expenditure groups. Table 4.2 presents the rent ratios used in 2011 and 2012.

The correction coefficients applicable to the EC pensioners are determined on the basis of the relationships between the economic parities and the exchange rates fixed by the Commission and

⁷ An updating survey was launched during 2012-13 and work has now begun to process the results.

specified in the Staff Regulations for the relevant countries. The correction coefficient operates as a percentage adjustment to pensions (only for the pension rights acquired before 1 May 2004; being the correction coefficient 100% for the pension rights acquired from that date) to take account of the cost of living differences between Belgium and the Member States, except Luxembourg where, according to the Staff Regulations, a correction coefficient of 100% is applied.

Table 4.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each country
1.07.2013
(for pensioners)

Expenditure Groups*	BE	BG		CZ		DK		DE		EE		IE		EL	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	97.4	1.345	96.6	20.67	87.1	9.287	66.9	0.982	90.1	0.806	85.9	1.049	96.9	0.969
2	26.4	25.4	1.477	25.1	26.05	22.7	10.23	22.4	0.883	23.5	1.032	22.4	1.750	25.2	1.344
3	75.8	77.3	1.455	76.6	22.46	69.1	8.004	76.6	0.870	71.5	0.876	68.2	0.850	76.9	0.915
4	176.3	109.2	0.575	117.0	17.38	203.9	11.34	187.1	1.006	176.0	0.923	214.5	1.197	114.0	0.881
5	119.5	128.2	0.999	127.1	17.76	114.6	8.182	130.4	0.913	118.6	0.689	113.1	0.823	127.5	0.842
6	36.1	34.0	1.113	33.7	17.12	30.4	9.192	32.0	0.915	31.5	0.702	30.0	1.094	33.8	0.786
7	164.0	192.3	1.364	190.6	20.48	171.9	11.10	163.8	1.058	177.9	0.776	169.6	1.106	191.3	0.976
8	17.2	18.9	1.119	18.7	20.72	16.9	6.028	16.4	0.668	17.5	0.546	16.7	0.844	18.8	1.041
9	118.2	149.2	1.302	147.9	20.93	133.4	9.679	149.8	1.034	138.0	0.871	131.6	1.025	148.4	0.971
10	9.4	10.7	0.344	10.6	10.48	9.6	11.08	1.2	1.354	9.9	0.302	9.4	1.410	10.7	0.615
11	74.8	71.1	1.003	70.4	14.77	63.5	10.59	68.0	0.934	65.7	0.722	62.7	0.996	70.7	0.718
12	83.3	86.3	1.466	85.5	21.63	77.1	10.18	85.5	0.877	79.8	0.793	76.1	1.193	85.8	0.894
Rents	132.4	62.0	0.480	70.2	20.15	161.7	11.31	136.5	1.034	67.0	0.818	172.8	1.289	132.3	1.302
Total w ithout rents	867.6	938.0	1.208	929.8	19.30	838.3	9.633	863.5	0.955	933.0	0.791	827.2	1.021	867.7	0.870
Global parity			1.112		19.36		9.862		0.965		0.792		1.058		0.917

Expenditure Groups*	BE	ES		FR		HR		IT		CY		LV		LT	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	90.9	0.842	94.5	1.008	95.5	6.666	95.5	1.036	69.0	0.959	99.8	0.5645	106.3	2.505
2	26.4	23.7	0.876	20.4	0.953	24.4	8.024	17.4	1.101	23.1	1.189	26.0	0.7955	19.3	3.340
3	75.8	72.1	0.866	57.6	0.987	75.9	6.020	71.8	0.972	79.0	0.848	79.2	0.6550	79.9	3.113
4	176.3	169.0	0.875	194.9	1.323	123.0	4.180	212.4	0.949	161.9	0.639	87.4	0.4164	123.0	1.893
5	119.5	119.6	0.899	118.4	1.098	126.6	4.915	102.1	0.939	134.5	0.822	131.4	0.4215	113.7	2.205
6	36.1	31.7	0.786	18.9	0.927	33.8	4.660	45.5	1.044	33.0	0.979	34.8	0.5282	50.6	2.529
7	164.0	179.4	1.034	177.0	1.066	190.4	6.564	193.4	0.986	168.9	1.001	197.0	0.5452	215.3	2.799
8	17.2	17.6	1.170	19.4	0.812	18.6	4.698	14.6	0.909	16.9	0.416	19.4	0.4604	16.3	1.824
9	118.2	139.2	0.994	131.8	1.048	146.8	6.057	119.8	1.013	154.4	1.114	152.9	0.5518	133.4	2.650
10	9.4	10.0	0.858	14.9	1.003	10.0	4.766	4.7	1.021	1.2	0.833	11.0	0.2250	5.2	0.9201
11	74.8	66.3	0.823	71.7	1.136	69.2	5.298	41.4	0.924	70.1	0.848	72.8	0.5295	46.1	2.137
12	83.3	80.5	0.884	80.5	1.066	86.0	5.777	81.6	0.987	88.1	0.858	88.4	0.5760	90.8	2.672
Rents	132.4	124.9	0.917	148.8	1.470	73.8	4.325	144.2	0.997	109.7	0.601	39.0	0.4740	47.1	1.785
Total w ithout rents	867.6	875.1	0.912	851.2	1.040	926.2	5.754	855.8	0.977	890.3	0.914	961.0	0.5231	952.9	2.529
Global parity			0.913		1.092		5.590		0.979		0.869		0.5176		2.454

* For explanation of codes see table 3.1

Table 4.1 (Continuation)
Economic parities of the 12 main expenditure groups for each country
1.07.2013
(for pensioners)

Expenditure Groups*	BE	HU		MT		NL		AT		PL		PT		RO	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	103.7	238.6	96.4	0.902	88.7	0.864	87.9	1.076	97.8	2.727	90.5	0.829	97.3	2.999
2	26.4	22.4	234.2	25.1	1.122	23.1	1.023	22.9	1.004	25.5	4.770	23.6	0.879	25.3	3.466
3	75.8	63.3	218.6	76.5	0.867	70.4	0.933	69.7	0.852	77.6	3.224	71.8	0.827	77.2	3.207
4	176.3	116.1	154.3	118.3	0.729	188.6	1.180	196.2	1.233	105.4	2.366	172.5	0.760	110.4	2.095
5	119.5	130.0	172.4	126.9	0.723	116.8	0.927	115.7	0.981	128.8	2.621	119.1	0.829	128.1	2.316
6	36.1	20.7	185.9	33.7	0.923	31.0	1.154	30.7	1.015	34.1	2.322	31.6	0.826	34.0	2.855
7	164.0	194.3	239.4	190.3	0.992	175.2	1.195	173.5	1.080	193.1	3.222	178.6	1.069	192.0	3.341
8	17.2	21.3	262.9	18.7	0.621	17.2	0.997	17.1	0.815	19.0	2.433	17.6	0.945	18.9	2.201
9	118.2	144.7	223.4	147.7	0.934	135.9	1.076	134.7	1.051	149.9	3.168	138.6	0.892	149.0	3.164
10	9.4	16.4	90.80	10.6	0.645	9.8	0.935	9.7	0.911	10.8	1.260	10.0	0.991	10.7	0.9550
11	74.8	78.8	154.4	70.3	0.786	64.7	1.067	64.1	0.953	71.4	2.698	66.0	0.669	71.0	2.018
12	83.3	88.4	199.7	85.4	0.800	78.6	1.038	77.8	1.038	86.6	3.010	80.1	0.813	86.1	3.800
Rents	132.4	65.4	173.2	71.6	0.820	145.6	1.224	153.5	1.325	58.0	2.436	128.6	0.735	63.3	2.317
Total w ithout rents	867.6	934.6	200.8	928.4	0.849	854.4	1.031	846.5	1.008	942.0	2.900	871.4	0.870	936.7	2.839
Global parity			197.8		0.845		1.056		1.048		2.851		0.851		2.780

Expenditure Groups*	BE	SI		SK		FI		SE		UK	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	91.1	0.893	97.9	0.873	88.7	1.140	88.0	10.13	83.1	0.7899
2	26.4	23.7	1.028	25.5	0.949	23.1	1.597	22.9	14.29	21.6	1.282
3	75.8	72.3	0.891	77.7	0.832	70.4	1.058	69.8	9.664	65.9	0.6627
4	176.3	167.1	0.620	105.0	0.538	188.5	1.234	195.1	13.48	240.3	1.461
5	119.5	119.9	0.744	128.8	0.623	116.8	1.047	115.9	9.888	109.4	0.9087
6	36.1	31.8	0.701	34.2	0.655	31.0	0.952	30.7	9.448	29.0	0.6760
7	164.0	179.8	0.873	193.2	0.767	175.2	1.191	173.8	10.18	164.0	0.9109
8	17.2	17.7	0.715	19.0	1.012	17.2	0.675	17.1	6.704	16.1	0.8304
9	118.2	139.5	0.934	149.9	0.889	135.9	1.137	134.8	10.48	127.3	0.8671
10	9.4	10.0	0.665	10.8	0.356	9.8	1.155	9.7	10.36	9.1	1.334
11	74.8	66.4	0.784	71.4	0.692	64.7	1.131	64.2	12.25	60.6	0.9277
12	83.3	80.7	0.913	86.7	0.797	78.6	1.272	77.9	11.24	73.6	0.9375
Rents	132.4	122.9	0.604	57.6	0.524	145.5	1.261	152.4	14.18	200.1	1.723
Total w ithout rents	867.6	877.1	0.840	942.4	0.757	854.5	1.132	847.6	10.43	799.9	0.8651
Global parity			0.806		0.732		1.149		10.89		0.9683

* For explanation of codes see table 3.1

Table 4.2
Rent ratios applied for the estimation of
the pensioners rent parities

Country	Ratio applied in		Diff.
	2012	2013	
BE	0.91	0.91	0.00
BG *	0.51	0.50	0.00
CZ	0.70	0.70	0.00
DK *	0.85	0.87	0.02
DE *	1.02	0.96	-0.06
EE	1.00	1.00	0.00
IE *	0.84	0.82	-0.02
EL *	0.89	1.14	0.25
ES	0.70	0.71	0.01
FR	0.76	0.76	0.00
HR	0.59	0.59	0.00
IT	0.69	0.69	0.00
CY	0.96	0.96	0.00
LV	0.78	0.78	0.00
LT	0.64	0.64	0.00
HU	0.52	0.52	0.00
MT	1.00	1.00	0.00
NL *	0.77	0.77	0.00
AT	0.94	0.94	0.00
PL	0.51	0.51	0.00
PT *	0.77	0.77	0.00
RO *	0.40	0.40	0.00
SI	0.63	0.63	0.00
SK *	0.55	0.55	0.00
FI	0.75	0.75	0.00
SE *	0.84	0.84	0.00
UK *	0.59	0.59	0.00

* Country PPP rent (estimated from ECP data)

○ **Purchasing power parities for pensioners – analysis of results**

One of the main differences in the calculation of Pensioner values by comparison to the values for Staff arises from the aggregation using pensioner expenditure weights rather than staff consumption patterns. This can affect the impact of the individual components (introduction of new price surveys, price updating using indices, new rents). A decomposition of the changes in the economic parities for r the period June 2012-2013 is shown in Table 4.3 below.

Table 4.3

Changes in the economic parities in the twelve months to 1st July 2013

**Decomposition of the effects
(for PENSIONERS)**

Country	Impact of change in PPP				
	Introduction of new surveys		Price updating effect (HICP)	New rents	Total
	E12-1 Food, drinks and tobacco	E12-2 Personal appearance			
BG	0.2	1.1	-1.0	-1.1	-0.9
CZ	0.6	1.1	-0.5	-0.6	0.6
DK	0.8	0.4	-1.1	4.2	4.2
DE	-0.1	0.0	0.6	-0.6	-0.1
EE	0.1	0.3	1.5	-0.3	1.6
IE	1.2	1.4	-1.9	0.6	1.2
EL	1.0	0.1	-2.5	4.3	3.0
ES	0.5	0.1	0.9	-1.1	0.3
FR	0.6	0.1	-0.5	-0.3	0.0
HR	0.5	0.9	-0.3	-0.4	0.7
IT	1.0	0.9	-0.1	-1.2	0.5
CY	0.5	0.7	-1.1	-0.6	-0.5
LV	0.1	1.5	-1.7	-0.6	-0.7
LT	0.8	1.8	0.4	-0.8	2.2
HU	0.2	-0.1	0.4	-0.5	0.0
MT	0.7	0.9	-0.5	-0.1	1.0
NL	0.6	0.9	1.7	1.5	4.7
AT	0.9	0.0	0.6	0.1	1.6
PL	0.6	1.4	-1.3	-0.5	0.2
PT	0.4	1.5	-0.8	1.7	2.7
RO	1.2	0.7	1.3	0.9	4.2
SI	0.0	1.0	-1.0	-0.8	-0.8
SK	0.3	-0.1	0.0	-0.6	-0.3
FI	0.4	0.5	0.1	0.0	1.0
SE	0.7	0.1	-1.1	0.3	0.0
UK	0.5	0.5	0.4	0.4	1.9

In 2013, for 16 out of the 26 member states (i.e. excluding BE and LU), the rent correction coefficient (ratio between the rent parity and the exchange rate) is under 100. This means that the average rents are lower in these places than in Belgium. For the remaining 10 countries, the rent correction coefficient is greater than 100.

Moreover, for 12 Member States, the rent correction coefficient is lower than the correction coefficient without rent. This means that, for these places, the rents lead to a reduction of the global correction coefficient.

Table 4.4
Effect of rent on the correction coefficients - 2013
(for pensioners)

Country	Weight		Correction coefficient			Rent effect
	Without rent	Rent	Without rent	Rent	Overall	[5]/[3] (%)
	[1]	[2]	[3]	[4]	[5]	[6]
BG	938.0	62.0	61.8	24.5	56.8	-8.1
CZ	929.8	70.2	74.6	77.8	74.8	0.3
DK	838.3	161.7	129.1	151.7	132.2	2.4
DE	863.5	136.5	95.5	103.4	96.5	1.0
EE	933.0	67.0	79.1	81.8	79.2	0.1
IE	827.2	172.8	102.1	128.9	105.8	3.6
EL	867.7	132.3	87.0	130.2	91.7	5.4
ES	875.1	124.9	91.2	91.7	91.3	0.1
FR	851.2	148.8	104.0	147.0	109.2	5.0
HR	926.2	73.8	77.2	58.0	75.0	-2.8
IT	855.8	144.2	97.7	99.7	97.9	0.2
CY	890.3	109.7	91.4	60.1	86.9	-4.9
LV	961.0	39.0	74.5	67.5	73.7	-1.1
LT	952.9	47.1	73.3	51.7	71.1	-3.0
HU	934.6	65.4	68.1	58.7	67.0	-1.6
MT	928.4	71.6	84.9	82.0	84.5	-0.5
NL	854.4	145.6	103.1	122.4	105.6	2.4
AT	846.5	153.5	100.8	132.5	104.8	4.0
PL	942.0	58.0	67.1	56.4	66.0	-1.6
PT	871.4	128.6	87.0	73.5	85.1	-2.2
RO	936.7	63.3	63.8	52.0	62.4	-2.2
SI	877.1	122.9	84.0	60.4	80.6	-4.0
SK	942.4	57.6	75.7	52.4	73.2	-3.3
FI	854.5	145.5	113.2	126.1	114.9	1.5
SE	847.6	152.4	119.2	162.0	124.4	4.4
UK	799.9	200.1	101.4	202.0	113.5	11.9

○ **Comparison of correction coefficients for staff and pensioners**

Table 4.5 compares the pensioners' correction coefficients with those for active staff. Among all Member States, Denmark has the highest country-based CC, London the highest capital-based CC. The biggest differences between capital city CCs and country CCs can be observed in the United Kingdom, Hungary, Finland, Sweden, France, Romania, and Ireland. By contrast, in Germany, Estonia, Greece, Lithuania and Malta the two CCs are nearly at the same level.

In all countries except Estonia, Greece, Cyprus, Malta and Portugal the country CCs are lower than the capital city CCs. Without rents, the two sets of CCs are closer – and the country CC without rent is slightly higher than the capital city CC in 15 out of the 26 Member States (ie. excluding BE and LU).

It should be mentioned that the Staff Regulations set out specific rules for the application of the pensioner CC.

Table 4.5
Pensioners correction coefficients and Staff correction coefficients
1.7.2013

Correction coefficients for pensioners				Correction coefficients for staff			
Country	without rents	rents	Total	Capitals	without rents	rents	Total
BE	100.0	100.0	100.0	Brussels	100.0	100.0	100.0
BG	61.8	24.5	56.8	Sofia	61.7	44.3	57.5
CZ	74.6	77.8	74.8	Prague	74.1	101.4	80.0
DK	129.1	151.7	132.2	Copenhagen	127.3	158.1	134.8
DE	95.5	103.4	96.5	Berlin	96.5	97.6	96.8
EE	79.1	81.8	79.2	Tallinn	80.2	74.4	78.9
IE	102.1	128.9	105.8	Dublin	106.3	142.8	113.0
EL	87.0	130.2	91.7	Athens	88.9	103.8	91.2
ES	91.2	91.7	91.3	Madrid	91.2	117.6	96.3
FR	104.0	147.0	109.2	Paris	103.5	176.0	117.4
IT	97.7	99.7	97.9	Rome	97.8	133.4	104.4
CY	91.4	60.1	86.9	Nicosia	92.6	56.9	83.7
LV	74.5	67.5	73.7	Riga	74.5	81.5	76.1
LT	73.3	51.7	71.1	Vilnius	70.8	75.8	71.9
HU	68.1	58.7	67.0	Budapest	68.7	103.8	76.1
MT	84.9	82.0	84.5	Vallette	87.3	74.6	84.4
NL	103.1	122.4	105.6	The Hague	103.1	132.9	108.9
AT	100.8	132.5	104.8	Vienna	102.2	128.5	108.3
PL	67.1	56.4	66.0	Warsaw	65.9	100.9	73.0
PT	87.0	73.5	85.1	Lisbon	86.4	73.3	83.1
RO	63.8	52.0	62.4	Bucharest	62.6	98.4	69.8
SI	84.0	60.4	80.6	Ljubljana	85.0	86.8	85.4
SK	75.7	52.4	73.2	Bratislava	77.1	90.9	80.2
FI	113.2	126.1	114.9	Helsinki	114.9	152.9	123.7
SE	119.2	162.0	124.4	Stockholm	121.1	175.5	132.9
UK	101.4	202.0	113.5	London	104.2	311.6	139.2
HR	77.2	58.0	75.0	Zagreb	78.1	89.4	80.0

- **EQUIVALENCE OF PURCHASING POWER OF EU STAFF OUTSIDE THE EUROPEAN UNION**

As at July 2013, correction coefficients are compiled for a list of 143 Extra-EU duty stations. However, the application of Extra-EU correction coefficients is only likely to be requested in practice where the cost of living is higher than in Brussels. The following table shows the places where the correction coefficient is greater than 100 at 1st July 2013:

Table 9.1
Summary of the duty stations where the cost of living is higher than in Brussels at 1st July 2013
(for staff serving in Extra- EU delegations)

Code	Country	City	Economic Parities	Exchange Rate (1)	Correction Coefficients (2)	Economic Parities	Exchange Rate (1)	Correction Coefficients (2)	CHANGE (in %)		
			Jul-13	Jul-13	Jul-13	Jul-12	Jul-12	Jul-12	Economic Parities	Exchange Rate	Correction Coefficients
			Jul-13	Jul-13	Jul-13	Jul-12	Jul-12	Jul-12	Jul 2013- July 2012	Jul 2013- July 2012	Jul 2013-July 2012
43	⁽¹⁾⁽⁴⁾ Democratic Republic of Congo	Kinshasa	1.944	1.30320	149.2	2.169	1.24180	174.7	-10.4	-4.9	-14.6
97	Angola	Luanda	172.1	127.217	135.3	160.0	119.596	133.8	7.6	-6.4	1.1
103	Norway	Oslo	10.38	7.88100	131.7	10.46	7.54650	138.6	-0.8	-4.4	-5.0
22	Papua New Guinea	Port Moresby	3.680	2.85144	129.1	3.774	2.59471	145.4	-2.5	-9.9	-11.2
82	Switzerland	Geneva	1.536	1.23260	124.6	1.565	1.20100	130.3	-1.9	-2.6	-4.4
101	Solomon Islands	Honiara	11.60	9.33521	124.3	11.34	8.76972	129.3	2.3	-6.4	-3.9
235	Switzerland	Bern	1.520	1.23260	123.3	1.549	1.20100	129.0	-1.9	-2.6	-4.4
236	⁽⁴⁾ Eritrea	Asmara	24.67	20.0367	123.1	24.09	19.3848	124.3	2.4	-3.4	-1.0
19	Sierra Leone	Freetown	6948	5646.66	123.0	6407	5389.51	118.9	8.4	-4.8	3.4
33	Congo	Brazzaville	799.9	655.957	121.9	736.5	655.957	112.3	8.6		8.5
302	⁽¹⁾ Timor Leste	Dili	1.588	1.30320	121.9	1.487	1.24180	119.7	6.8	-4.9	1.8
68	Barbados	Bridgetown	3.182	2.62036	121.4	3.228	2.49691	129.3	-1.4	-4.9	-6.1
207	Singapore	Singapore	1.99	1.64650	120.9	2.039	1.58840	128.4	-2.4	-3.7	-5.8
46	⁽¹⁾⁽⁴⁾ Liberia	Monrovia	1.504	1.30320	115.4	1.449	1.24180	116.7	3.8	-4.9	-1.1
234	West Bank — Gaza Strip	East Jerusalem	5.344	4.73800	112.8	5.301	4.90000	108.2	0.8	3.3	4.3
53	⁽⁴⁾ Vanuatu	Port Vila	143.8	127.470	112.8	154.3	117.465	131.4	-6.8	-8.5	-14.2
8	⁽⁴⁾ Japan	Tokyo	144.0	127.930	112.6	158.7	98.6000	161.0	-9.3	-29.7	-30.1
65	Chad	Ndjamena	736.8	655.957	112.3	731.0	655.957	111.4	0.8		0.8
114	⁽⁴⁾ Russia	Moscow	47.88	42.73500	112.0	43.58	41.1430	105.9	9.9	-3.9	5.8
106	New Caledonia	NouMea	133.4	119.332	111.8	134.1	119.332	112.4	-0.5		-0.5
38	Israel	Tel-Aviv	5.076	4.73800	107.1	5.052	4.90000	103.1	0.5	3.3	3.9
126	Nigeria	Abuja	214.8	202.198	106.2	205.1	195.043	105.2	4.7	-3.7	1.0
85	⁽⁴⁾ Australia	Canberra	1.485	1.39950	106.1	1.524	1.23570	123.3	-2.6	-13.3	-13.9
190	New Zealand	Wellington	1.730	1.66400	104.0	1.771	1.57280	112.6	-2.3	-5.8	-7.6
105	Hong Kong	Hong Kong	10.45	10.1092	103.4	10.43	9.63490	108.3	0.2	-4.9	-4.5
34	⁽⁴⁾ Central African Republic	Bangui	666.9	655.957	101.7	716.1	655.957	109.2	-6.9		-6.9
104	Mali	Bamako	663.7	655.957	101.2	668.9	655.957	102.0	-0.8		-0.8
37	Benin	Cotonou	657.7	655.957	100.3	666.1	655.957	101.5	-1.3		-1.2
135	⁽⁴⁾ Azerbaijan	Baku	1.024	1.02236	100.2	1.146	0.975682	117.5	-10.6	-4.8	-14.7

(1) 1 euro = USD (Cuba, El Salvador, Ecuador, Liberia, Timor Leste, Panama, D.R.Congo)

(2) Brussels = 100%

(3) Not available due to local instability or unreliable data

(4) New UN P2P processed