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Supplement to the

Eurostat Report on the 2021 annual update of remuneration and pensions of EU officials

in accordance with Articles 64 and 65 and Annexes XI and X of the Staff Regulations applicable to officials and other servants of the European Union

adjusting with effect from 1 July 2021 the remuneration of active staff and the pensions of retired staff,

and updating with effect from 1 July 2021 the correction coefficients applied to the remuneration of active staff serving in Intra-EU and Extra-EU duty stations, to the pensions of retired staff according to their country of residence, and for pension transfers,

presenting

Explanations and statistical analyses: Specific indicators, control indicators, worktime; the cost of living in Belgium and Luxembourg; Correction coefficients.

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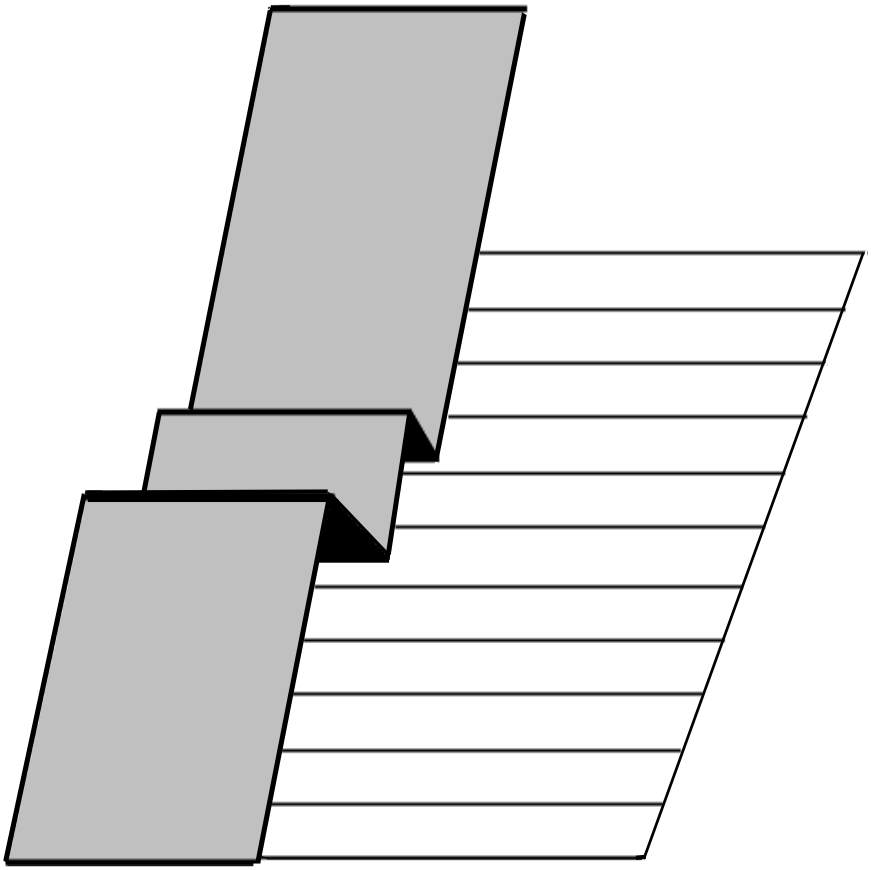
Appendix 1a

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

Explanations and statistical analyses: specific indicators, control indicators, worktime

Reference period:
Year to 1 July 2021



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INTRODUCTION

This document is an appendix to the 2021 Eurostat report on the annual adjustment of remuneration and pensions. While the principal results concerning specific indicators are presented in the main report, the purpose of this appendix is to give further explanations and statistical analyses of the results as well as detailed tables with statistical information.

Chapter 1 of this document examines the changes in the purchasing power of salaries of central government civil servants in the Member States (specific indicator).

In Chapter 2 information is provided about control indicators (compensation of employees in central government; labour cost index for total public administration).

In Chapter 3 information about working time in central governments of the Member States is given.

All calculations and figures presented in this appendix relating to specific indicators are based on data supplied and validated by the responsible authorities in the Member States. Completed 2021 remuneration questionnaires were received from all Member States, allowing the calculation of a specific indicator in combination with data provided for 2020. For the current annual exercise, the official forecast figure they supplied in March 2021, or a more recent estimate, was not used for any Member State[1].

Important note: the United Kingdom left the European Union with effect 1 February 2020 and is now a 'third country'. The transition agreement introduced by the 'Withdrawal Agreement' expired with effect 31 December 2020. This has an important implication for the calculation of the global specific indicator. The UK is no longer included in the core sample of Member States for specific indicator calculation purposes. The remaining sample continues to represent at least 75% of the EU27 gross domestic product.

More information about methodology can be found in the detailed procedural manual[2].

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[1] Op cit (3) For the 2020 annual exercise, the official forecast was used for 1 Member State: Romania

[2] Op cit (6) Doc.A6465/14/26rev4 (version March 2020)

1. PARALLELISM WITH EVOLUTION OF PURCHASING POWER OF NATIONAL OFFICIALS

1.1. General remarks on the calculation of the specific indicator

The ***global specific indicator*** is a measure to represent the average change in the purchasing power of central government civil servants in the Member States of the European Union. It is measured by the real net salary increase in the central government civil services.

One of the basic elements of the annual salary adjustment procedure is the principle of **parallel development** of the salaries, in terms of purchasing power of national central government civil servants and of officials of the European Union. The **specific indicator** is the methodological tool allowing the implementation of this principle of parallelism.

Article 65 and Annex XI determine the basic principles of the method, but these have to be complemented with practical procedures[3]. Therefore, we provide here a set of commonly agreed basic definitions. If a particular situation in a given country makes it meaningful to deviate from these definitions to ensure a better application of the spirit of the method, then Eurostat, in agreement with that country may do so.

1.1.1. Elements of remuneration

All elements of remuneration that affect the purchasing power of civil servants should be taken into account in calculating the gross remuneration. All general bonuses and premiums, which are part of the salary, should be reported. In general the following elements should be taken into account:

- basic salaries;
- all allowances and bonuses (e.g. general premiums, child benefit and family allowances[4]);
- non-pensionable lump-sum payments (e.g. annual holiday pay, Christmas bonus).

Not to be included:

- regional allowances granted to compensate for 'cost-of-living' differences;
- increase due to promotion or seniority;
- person-specific special allowances, for example individual bonuses for exceptional performance.

1.1.2. Net remuneration

In order to get the net remuneration the following elements should be deducted from the gross remuneration:

- the amount of compulsory social deductions (social security and occupational pension scheme contributions);
- general taxes on income;
- other compulsory deductions (mutual assistance contribution, temporary contribution, etc.).

Not to be included:

- voluntary contributions.

[3] For full details, see the latest version of the methodology manual.

[4] Where national civil servants are also eligible for state benefits (family allowances) these are included.

1.1.3. Reference period

In order to calculate the specific indicator for the year (t) the remuneration of central government civil servants on a fixed month of the year (t-1) is to be compared with the remuneration on the same date of the year (t).

The method is based on the comparison of a snapshot of a national remuneration system in the month of July of the current year with the equivalent snapshot in the month of July of the previous year. A snapshot of the system, however, does not simply mean the remuneration grid in a particular month; rather it means the remuneration level of the reference population employees in that month, including 1/12 of all annually paid elements such as Christmas bonuses, annual holiday pay, lump-sum payments etc.

If Member States report remuneration data of a given month/year again (e.g. data concerning remuneration of July 2020 sent in 2020 and re-sent in 2021), the data should be exactly the same. If not, they have to provide Eurostat with a clear justification (e.g. change in the structure of grades and categories in the public administration) and impact analysis.

1.1.4. Reference population

The reference population relates to permanent statutory staff of the sub-sector **"central governments" (S.1311 of ESA 2010)** of Member States. It should be noted that the sub-sector S.1311 in ESA 2010 is defined as follows:

"This sub-sector includes all administrative departments of the state and other central agencies whose competence extends normally over the whole economic territory, except for the administration of social security funds."

The reference population for calculating the specific indicator consists of subsector central government, with the following exclusions:

- state and local governments;
- social security funds;
- the armed forces, security forces, police forces, frontier guards, etc.;
- teaching staff;
- medical staff of national health services;
- ministers of religion, if directly paid by central government;
- diplomats and magistrates.

1.1.5. Sample of family types

The specific indicator for each country is calculated on the basis of remuneration data of officials of two different family statuses - **single** and **married with two dependent children**, and each with a weight of 50%. Where relevant, spouses are assumed to have zero income.

1.1.6. Function groups

According to Annex XI, Art. 1 Eurostat is obliged to provide a specific indicator for each of the three function groups: Administrators (AD), Assistants (AST) and Secretaries and Clerks (AST/SC). Therefore, the posts in the national reference population should be classified, according to the nature of the duties to which they relate, in these three function groups – each should comprise several grades.

- Function group **AD** relates to staff engaged in administrative, advisory, linguistic and scientific duties that require university education or equivalent professional experience.
- Function group **AST** relates to staff engaged in executive and technical duties that require an advanced level of secondary education or equivalent professional experience.

- Function group **AST/SC** relates to staff engaged in clerical and secretarial duties that require an advanced level of secondary education or equivalent professional experience.

1.1.7. Sample of grades

Out of the reference population the Member States may select a sample of the more important grades in terms of staff numbers for each of the above mentioned function groups. Grades having only a small proportion of the total number of staff may be excluded from the sample.

The sample should be representative of the reference population. The ratio between the number of staff in the grades covered by the sample and the number in the reference population should normally be more than 75%.

1.1.8. Sample of countries

Prior to 2004, data for all EU15 Member States was used.

Between 2004 and 2012 a sample composed of the following 8 Member States was specified: Belgium, Germany, Spain, France, Italy, Luxembourg, Netherlands and United Kingdom. For 2013 it was agreed to use data for all 28 Member States.

A new version of Annex XI was adopted in October 2013, and specifies a sample composed of 11 Member States (the same 8 as for 2004-2012 plus Austria, Poland and Sweden). This sample took effect from January 2014.

The United Kingdom left the EU with effect 1 February 2020 and is now a 'third country'. The transition period introduced by the 'withdrawal agreement' expired with effect 31 December 2020. Consequently, the UK is no longer included in the core sample of Member States for specific indicator calculation purposes (the remaining sample continues to represent at least 75% of the remaining EU27 gross domestic product).

1.1.9. Calculation of country specific indicators

On receipt of the data from the Member States, Eurostat calculates specific indicators for each of the countries separately[5]. The steps leading to these calculations are:

- For each grade, Eurostat will calculate average gross and net remunerations for the available steps (e.g. minimum, maximum, median) and the family types.
- Average gross and net remunerations for each grade are then aggregated to three function groups (AD, AST and AST/SC). They are calculated by taking weighted averages of the grades belonging to these groups. The sample size (number of civil servants in the sample of each grade) is taken as weight.
- The average gross and net remunerations for the three function groups are then aggregated to overall gross and net remunerations in the central government civil service by taking the weighted average of the remunerations of these three groups, where the total actual number of civil servants in each of the groups is taken as weights.
- For each of the function groups as well as for the overall remunerations the following changes for the period July – July are calculated:
  - Gross nominal
  - Net nominal
  - Gross real
  - Net real

[5] With effect from 2018, Eurostat and the International Service for Remunerations and Pensions of the Coordinated Organisations compile harmonised data for the following 7 Member States: Belgium, Germany, Spain, France, Italy, Luxembourg and Netherlands.

- The increases/decreases in real terms are calculated by taking into account the increases/decreases in nominal terms and the increase/decrease in the harmonized index of consumer price (HICP) for the corresponding period.
- The overall real net increase/decrease in remuneration is called the **country specific indicator**.

1.2. Specific indicators - results by functional groups

Table 1.1 sets out the gross and net specific indicators for each of the three function groups, both in nominal and real terms, for the sample of countries specified in the Staff Regulations.

Table 1.1

Nominal and real changes in the remuneration of national civil servants in the twelve-month period to 1st July 2021 (1.7.2020 = 100)

Country		Nominal change				Real change			
		AD	AST	SC	Total	AD	AST	SC	Total
BE	Gross	100.0	100.0		100.0	97.5	97.5		97.5
	Net	100.2	100.2		100.2	97.7	97.7		97.7
DE	Gross	101.3	101.4	101.5	101.3	99.2	99.3	99.4	99.2
	Net	102.2	102.2	101.8	102.2	100.1	100.1	99.7	100.1
ES	Gross	102.4	102.4	102.1	102.4	99.9	99.9	99.6	99.9
	Net	102.0	102.0	101.9	102.0	99.5	99.5	99.4	99.5
FR	Gross	101.2	101.2		101.2	99.3	99.3		99.3
	Net	101.1	101.2		101.1	99.2	99.3		99.2
IT	Gross	100.0	100.0	100.0	100.0	98.7	98.7	98.7	98.7
	Net	100.0	100.0	100.0	100.0	98.7	98.7	98.7	98.7
LU	Gross	100.0	100.0		100.0	96.7	96.7		96.7
	Net	100.0	100.0		100.0	96.7	96.7		96.7
NL	Gross	101.1	101.3	101.4	101.1	99.4	99.6	99.7	99.4
	Net	101.7	102.3	102.5	101.9	100.0	100.6	100.8	100.2
AT	Gross	101.9	102.2		102.1	99.1	99.4		99.3
	Net	101.7	102.0		101.9	98.9	99.2		99.1
PL	Gross	108.4		110.1	108.5	104.1		105.8	104.2
	Net	108.1		108.2	108.1	103.8		103.9	103.8
SE	Gross	101.3	100.8	101.0	101.3	99.5	99.0	99.2	99.5
	Net	101.8	101.7	102.0	101.8	100.0	99.9	100.2	100.0
Total	**Gross**	**101.7**	**101.2**	**102.2**	**101.7**	**99.6**	**99.2**	**100.0**	**99.6**
	Net	**101.9**	**101.5**	**102.2**	**102.0**	**99.8**	**99.5**	**100.0**	**99.8**

Table 1.1a presents the corresponding information for the remaining countries.

Table 1.1a

Nominal and real changes in the remuneration of national civil servants in the twelve-month period to 1st July 2021 (1.7.2020 = 100)

Country		Nominal change				Real change			
		AD	AST	SC	Total	AD	AST	SC	Total
BG	Gross	112.5	116.7		113.1	109.9	114.0		110.4
	Net	112.5	116.7		113.0	109.9	114.0		110.4
CZ	Gross	101.9	97.7	106.7	101.9	99.4	95.3	104.1	99.4
	Net	108.9	105.3	114.0	108.9	106.2	102.7	111.2	106.2
DK	Gross	101.2	100.7		101.1	99.3	98.8		99.2
	Net	101.5	100.9		101.5	99.6	99.0		99.6
EE	Gross	117.8	117.8		117.8	113.6	113.6		113.6
	Net	116.7	116.7		116.7	112.5	112.5		112.5
IE	Gross	103.5	102.0	102.0	102.4	101.9	100.4	100.4	100.8
	Net	103.7	101.2	101.4	101.9	102.1	99.6	99.8	100.3
EL	Gross	100.0	100.0		100.0	99.4	99.4		99.4
	Net	100.0	100.0		100.0	99.4	99.4		99.4
HR	Gross	103.8	103.6	103.5	103.7	101.5	101.4	101.3	101.5
	Net	104.9	103.7	103.4	104.6	102.7	101.5	101.1	102.3
CY	Gross	100.0	100.0	100.0	100.0	97.8	97.8	97.8	97.8
	Net	101.7	101.5	100.9	101.5	99.5	99.3	98.7	99.3
LV	Gross	102.2	103.8	104.5	102.5	99.5	101.1	101.8	99.8
	Net	103.1	104.8	106.0	103.5	100.4	102.0	103.2	100.8
LT	Gross	103.6	108.6		103.6	100.1	104.9		100.1
	Net	104.2	108.4		104.2	100.7	104.7		100.7
HU	Gross	107.8	107.4	110.3	107.8	102.4	102.0	104.7	102.4
	Net	107.2	106.6	108.8	107.1	101.8	101.2	103.3	101.7
MT	Gross	103.4	103.4	103.1	103.3	103.2	103.2	102.9	103.1
	Net	105.5	105.1	103.6	105.2	105.3	104.9	103.4	105.0
PT	Gross	100.0	100.0	100.4	100.1	100.6	100.6	101.0	100.7
	Net	100.6	100.6	100.7	100.6	101.2	101.2	101.3	101.2
RO	Gross	100.8	101.6		100.9	97.4	98.2		97.5
	Net	101.4	102.7		101.5	98.0	99.2		98.1
SI	Gross	100.3	100.3	100.6	100.3	98.6	98.6	98.9	98.6
	Net	100.5	100.5	100.8	100.6	98.8	98.8	99.1	98.9
SK	Gross	109.3	111.3	109.4	109.7	106.6	108.6	106.7	107.0
	Net	108.6	110.2	108.3	108.9	106.0	107.5	105.7	106.2
FI	Gross	103.1	102.8		103.0	101.2	100.9		101.1
	Net	102.6	102.4		102.5	100.7	100.5		100.6

1.3. Ratio of AD-equivalent to AST-equivalent and to AST/SC-equivalent personnel

Table 1.2 summarises the ratio of AD-equivalent to AST-equivalent and to AST/SC-equivalent personnel amongst central government personnel (total population), as reported in SRQ for the sample of countries specified in the Staff Regulations.

Table 1.2

Central government personnel ratios
(total population)

July 2021

Country	Percentage			
	AD	AST	SC	Total
BE	39.7	60.3		**100.0**
DE	47.7	32.0	20.3	**100.0**
ES	44.8	34.6	20.6	**100.0**
FR	18.4	81.6		**100.0**
IT	34.0	60.5	5.5	**100.0**
LU	38.0	62.0		**100.0**
NL	53.0	42.6	4.4	**100.0**
AT	20.4	79.6		**100.0**
PL	90.9		9.1	**100.0**
SE	83.1	12.7	4.2	**100.0**

Table 1.2a presents the corresponding information for the remaining Member States.

Table 1.2a

Central government personnel ratios
(total population)

July 2021

Country	Percentage			
	AD	**AST**	**SC**	**Total**
BG	77.4	22.6		**100.0**
CZ	93.9	4.3	1.9	**100.0**
DK	87.0	13.0		**100.0**
EE	75.0	25.0		**100.0**
IE	16.3	43.0	40.7	**100.0**
EL	55.8	44.2		**100.0**
HR	66.7	4.4	28.9	**100.0**
CY	40.5	33.6	25.9	**100.0**
LV	78.5	11.2	10.3	**100.0**
LT	99.5	0.5		**100.0**
HU	79.7	17.0	3.3	**100.0**
MT	54.5	34.0	11.5	**100.0**
PT	43.5	11.0	45.4	**100.0**
RO	96.8	3.2		**100.0**
SI	73.9	6.6	19.5	**100.0**
SK	73.3	20.4	6.3	**100.0**
FI	74.8	25.2		**100.0**

1.4. The evolution of gross and net remuneration

Table 1.3 provides comparative information on the evolution of gross and net nominal remuneration for the sample of countries specified in the Staff Regulations.

Table 1.3

Changes in the nominal gross and nominal net specific indicators for the twelve-month period to 1st July 2021

Country	Gross remuneration	Net remuneration	Difference
BE	100.0	100.2	0.2
DE	101.3	102.2	0.9
ES	102.4	102.0	-0.4
FR	101.2	101.1	-0.1
IT	100.0	100.0	0.0
LU	100.0	100.0	0.0
NL	101.1	101.9	0.8
AT	102.1	101.9	-0.2
PL	108.5	108.1	-0.4
SE	101.3	101.8	0.5
Total	**101.7**	**102.0**	**0.2**

The movements in nominal gross remuneration and nominal net remuneration are summarised below for the **countries in the sample**:

Range (GROSS)	Member States	
x < 0%	0	
0% ≤ x < 2%	7	BE, DE, FR, IT, LU, NL, SE
2% ≤ x < 4%	2	ES, AT
4% ≤ x	1	PL
Total	**10**	
Range (NET)	**Member States**	
x < 0%	0	
0% ≤ x < 2%	7	BE, FR, IT, LU, NL, AT, SE
2% ≤ x < 4%	2	DE, ES
4% ≤ x	1	PL
Total	**10**	

Table 1.3a presents the corresponding information for the remaining Member States.

Table 1.3a

Changes in the nominal gross and nominal net specific indicators for the twelve-month period to 1st July 2021

Country	Gross remuneration	Net remuneration	Difference
BG	113.1	113.0	-0.1
CZ	101.9	108.9	7.0
DK	101.1	101.5	0.4
EE	117.8	116.7	-1.1
IE	102.4	101.9	-0.5
EL	100.0	100.0	0.0
HR	103.7	104.6	0.9
CY	100.0	101.5	1.5
LV	102.5	103.5	1.0
LT	103.6	104.2	0.6
HU	107.8	107.1	-0.7
MT	103.3	105.2	1.9
PT	100.1	100.6	0.5
RO	100.9	101.5	0.6
SI	100.3	100.6	0.3
SK	109.7	108.9	-0.8
FI	103.0	102.5	-0.5

The movements in nominal gross remuneration and nominal net remuneration are summarised below for the **remaining countries**:

Range (GROSS)	**Member States**	
x < 0%	0	
0% ≤ x < 2%	7	CZ, DK, EL, CY, PT, RO, SI
2% ≤ x < 4%	6	IE, HR, LV, LT, MT, FI
4% ≤ x	4	BG, EE, HU, SK
Total	**17**	
Range (NET)		
x < 0%	0	
0% ≤ x < 2%	7	DK, IE, EL, CY, PT, RO, SI
2% ≤ x < 4%	2	LV, FI
4% ≤ x	8	BG, CZ, EE, HR, LT, HU, MT, SK
Total	**17**	

1.5. The impact of statutory deductions

Table 1 in the main report shows the change in net remuneration of central government civil servants in real terms for the sample of countries specified in the Staff Regulations. The corresponding information for the remaining Member States is shown in **Table 1.4** below.

Table 1.4

Change in the net remuneration of central government civil servants

July 2020 - July 2021

Country	Weight [1] EU27=100	Nominal net specific indicator	Consumer price indices	Real net specific indicator
	(%)	(%)	(%)	(%)
BG	0.8	13.0	2.4	**10.4**
CZ	2.2	8.9	2.5	**6.2**
DK	1.8	1.5	1.9	**-0.4**
EE	0.3	16.7	3.7	**12.5**
IE	2.4	1.9	1.6	**0.3**
EL	1.5	0.0	0.6	**-0.6**
HR	0.6	4.6	2.2	**2.3**
CY	0.2	1.5	2.2	**-0.7**
LV	0.3	3.5	2.7	**0.8**
LT	0.5	4.2	3.5	**0.7**
HU	1.6	7.1	5.3	**1.7**
MT	0.1	5.2	0.2	**5.0**
PT	1.8	0.6	-0.6	**1.2**
RO	3.1	1.5	3.5	**-1.9**
SI	0.4	0.6	1.7	**-1.1**
SK	0.9	8.9	2.5	**6.2**
FI	1.4	2.5	1.9	**0.6**

[1] Basis: GDP expressed in PPP, 2020

1.6. Global specific indicator for the EU27

Combining the information in Table 1.4 with the information in Table 1 of the main report, it is possible to calculate a hypothetical global specific indicator for the EU27 as a whole. For the year to July 2021, this would be 102.4 (+2.4%) in nominal terms, and 100.2 (+0.2%) in real terms.

1.7. Changes in the specific indicators (countries in the sample)

With effect from 2018, joint data compilation and validation with ISRP for Belgium, Germany, Spain, France, Italy, Luxembourg and Netherlands.

The main changes affecting the individual country specific indicators in nominal terms for the period are as follows:

1	**Belgium**: Figures are supplied in accordance with a country manual validated in November 2015 and subsequent bilateral correspondence. Increase of staff of +3295. No change in index. Gross nominal salary remained at +0.0%. Minor changes in professional tax and tax deductions made the nominal net salaries change by +0.2%.
2	**Germany**: Figures are supplied in accordance with a country manual validated in September 2016 and subsequent bilateral correspondence. Increase of staff (+1929), especially in AST equivalent grades. The gross salary increased by +1.3%. Only slight modifications of some parameters used for taxation and calculation of social contributions. As from 2021, the solidarity tax will be abolished for 90% of taxpayers. In consequence, the nominal net remuneration has increased by +2.2%.
3	**Spain**: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent bilateral correspondence. Increase of staff: +760. A salary increase in annual Budget Law. The gross remuneration gives a +2.4% change. Statutory deductions reflect the annual Budget Law and are largely unchanged. Overall, nominal net remuneration has increased by +2.0%.
4	**France**: Figures are supplied in accordance with country manual validated in April 2010 and subsequent bilateral correspondence. Big staff decrease of -3478 (very big change for several AST grades: *Adj. adm. princ*. -2066, *Adj. adm*. -952 and *Secr. admin. classe exc.* -935). Revaluation of the minimum of grids for *Admin. and Technical Assistants* and of max. of grids for *Admin Civil and Attaché Princ*. Nominal gross remuneration increased by +1.2%. Overall no major changes, the nominal change in net remuneration was +1.1%.
5	**Italy**: Figures are supplied in accordance with country manual validated in March 2016 and subsequent bilateral correspondence. Very big decrease in staff (-7429), especially in AST equivalents. No evolution in gross salary: +0.0%. There were no structural changes to statutory deductions. As a result, there is no change in the nominal net remuneration: +0.0%.

6	**Luxembourg**: Figures are supplied in accordance with a draft country manual as presented at A6465WG meeting in March 2015 and subsequent bilateral correspondence. Decrease in staff of -530. No indexation of salaries. Therefore no increase of the nominal gross remuneration: +0.0%. No major changes in tax and social contributions, resulting in a stable nominal net remuneration of +0.0%.
7	**Netherlands**: Figures are supplied in accordance with country manual validated in December 2015 and subsequent bilateral correspondence. Big increase of staff (+8364), especially for grades AD 10, 11 and 12. Basic salary increase of +0.7% per July 2020. Minor increases in min. holiday allowance and child benefit. EUR 225 fixed amount payment. The total increase of nominal gross remuneration was +1.1%. Increase in health insurance contribution. Various changes to personal income tax rates and deductions. As a result of these changes, nominal net remuneration increased by +1.9%.
8	**Austria**: Figures are supplied in accordance with a country manual validated in December 2015 and subsequent bilateral correspondence. Decrease of -798 in staff, especially for some AST grades. The average salary increase across all public employees at Federal Level amounts to +2.1%. "Sonderausgabenpauschale" (=60 eur) abolished since 01.01.2021. Family Bonus Plus – a tax deduction that increased from EUR 1500 to EUR 1750. Changes in income taxes, resulting in a nominal net increase of +1.9%.
9	**Poland**: Figures are supplied in accordance with country manual validated in September 2015 and subsequent bilateral correspondence. Small staff increase (+95). Increase in 2020 minimum average salary and the base amount of wages in the civil service. This gives a nominal gross remuneration increase of +8.5%. There were changes in pension scheme and income taxes. The nominal net remuneration increased by +8.1%.
10	**Sweden**: Figures are supplied in accordance with a country manual validated in February 2018 and subsequent bilateral correspondence. Staff increase of +898, especially for grade AD 'others" (+591). New central framework agreement from 1st December 2020 (RALS 2020-2023). Yearly revision of salaries, the first from 1st October 2020. As from this year's exercise, large-family supplement ("flerbarnstilläg") applied (SEK 150 for 2nd child). The reported evolution in nominal gross remuneration is +1.3%. Small decrease in municipal tax. Abolished supplementary income tax rate on incomes above SEK 57000/month. Overall, the nominal net remuneration increased by +1.8%.

1.8. Changes in the specific indicators (countries not in the sample)

The main changes affecting the individual country specific indicators for the period are as follows:

1	**Bulgaria**: Figures are supplied in accordance with the country manual (as adopted in February 2021) and subsequent bilateral correspondence. Staff increase of +598, especially for AD chief expert. As in previous years there are reported salary increases and decreases for almost all grades. On average, nominal gross remuneration increased by +13.1%. No changes in statutory deductions. The nominal net remuneration increased by +13.0%.
2	**Czech Republic**: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent bilateral correspondence. Small decrease in staff numbers (-12). Basic salaries increased by +8.7%. As in previous years there was volatility in reported values. On average, nominal gross remuneration increased by +1.9%. As of 2021, the Czech Republic returns to a progressive taxation system, with the introduction of a marginal rate of 23%. The solidarity surcharge of 7% for high-income earners now paid by employer. An additional amount of CZK 300 was added to child allowance, as applicable if one of parents work. In consequence the increase in nominal net remuneration was +8.9%.
3	**Denmark**: Figures are supplied according to approach agreed bilaterally in 2017. Staff numbers decreased by -381 (especially AD category). Small basic salary increase of +0.71% for all staff categories. Additional raise for AST 3383 and AST 315 following agreement, respectively +0.7% and +0.2%. The nominal gross remuneration therefore increased by +1.1%. Minor changes to income tax arrangements (brackets and personal deduction) are reflected in the calculation of nominal net remuneration, which increased by +1.5%.
4	**Estonia**: Figures are reported here in accordance with bilateral discussions December 2014 and subsequent correspondence. Decrease in staff (-91). Nominal gross salary has increased on average by +17.8%. This partly reflects an under-reporting error for t-1 figures and partly the movement for the current year. The maximum of the gross salary is largely impacted from additional remunerations (especially compensation for high workload involved with handling the COVID-19 crisis. No changes in tax exemptions. No change in child allowance. In consequence, the nominal net remuneration increased by +16.7%.
5	**Ireland**: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent bilateral correspondence. Increase in staff of +1027 (especially for SC CO and ASR EO). General salary increase of +2.0% per October 2020. The nominal gross remuneration increased by +2.4%. A New Public Service Stability Agreement still to be approved for years 2021-2022. No changes in deductions, except for thresholds for Universal Social Charge (USC). As a result, the nominal net remuneration increase amounts to +1.9%.

6	**Greece**: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent bilateral correspondence. Staff decreased by -1419 (especially AST SE: -2506, AD AE: +1320). No increase of the gross salary, as no change to basic salary and family allowance. Minimum wage increase foreseen for 2022 (+2%). The compulsory deductions have not changed. There is no movement in nominal net remuneration: +0.0%.
7	**Croatia**: Figures are supplied according to the country manual as validated in March 2021 and subsequent bilateral correspondence in 2021. Increase in staff compared to 2020: +279. The basis for salary calculations has increased since 1 January 2021. No changes in other components. Nominal gross salary has increased on average by +3.7%. Income taxes decreased, depending on tax base (from 24% to 20% (less than HRK 30.000) and from 36% to 30% (exceeding this amount). The increase of the nominal net remuneration is +4.6%.
8	**Cyprus**: Figures are supplied in accordance with country manual validated in April 2015 and subsequent bilateral correspondence. Big increase in staff: +1450 (especially SC2: +507). Like in 2019 an increase in COLA (cost of living allowance). Nominal gross remuneration neither increased nor decreased: +0.0%. Increase in contribution fee for health care. Earnings reductions again going down in order to be completely abolished in 2023. The movement in net remuneration is +1.5%.
9	**Latvia**: Figures are reported here in accordance with bilateral correspondence. Increase in staff of +446, especially for grade AD3: +388. Because of the increased minimum wage, the reported average nominal gross remuneration amounts to +2.5%. A new Law of Remuneration of Officials is under preparation. Some changes in rate and thresholds for PIT (personal income tax). Together with a reduced social security rate, the average nominal net remuneration increased by +3.5%.
10	**Lithuania**: Figures are reported here in accordance with bilateral correspondence. Staff increased by +380 (especially grade AD8: +268). Basic salary increase from EUR 176 to EUR 177 since 1 January 2021. Increase in child allowance from EUR 60 to EUR 70 p. child. The nominal gross remuneration increased with +3.6%. The minimum monthly wage used to determine non-taxable income rose from EUR 607 to EUR 642. The change in nominal net remuneration: +4.2%.
11	**Hungary**: Figures are supplied in accordance with country manual validated in May 2017 and subsequent correspondence. Small decrease in staff: -30. There was a big increase in salary for some grades. Average increase in gross remuneration: +7.8%. No real change in statutory deductions. Nominal net remuneration amounts to +7.1%.

12	**Malta**: Figures are supplied in accordance with a draft country manual and subsequent updates. Staff increased by +592 (biggest change: AD: +517). Increase in basic salary. The nominal gross indicator increased on average by +3.3%. Child allowance threshold increased again slightly. No change in personal income tax (only in thresholds and reliefs) and social security contributions. Nominal net remuneration increased by +5.2%.
13	**Portugal**: Figures are supplied in accordance with country manual validated in August 2014 and subsequent bilateral correspondence. Big increase in staff numbers: +4086. Small increase in basic salary for lower grades only, and increase in regular allowance for managers. Average increase of the nominal gross remuneration: +0.1%. Minor reduction in income tax. Consequently the nominal net remuneration increased by +0.6%.
14	**Romania**: Figures are supplied in accordance with bilateral correspondence, pending implementation of the draft manual which is currently being drafted. The provided information presents results of a pilot exercise of data collection, and may not be representative for the entire Romanian administration. Average increase in nominal net remuneration: + 1.5%
15	**Slovenia**: Figures are reported here in accordance with a draft country manual as presented at A6465WG meeting in March 2015 and subsequent bilateral correspondence. Staff number slightly increased by +58. Minor changes in allowance for meals. Increase in holiday allowance for pay grades from 21 onwards. The result is a nominal gross increase of +0.3%. No changes in deductions. The nominal net remuneration increased by +0.6%.
16	**Slovak Republic**: Figures are supplied in accordance with bilateral correspondence. Increased staff numbers (+137). Structural reform implemented since 2018. As in previous years, big reported changes in salaries for a lot of grades. Average increase in gross remuneration: +9.7%. Statutory deductions are largely unchanged by comparison with previous year. Small increase of child benefit and child tax bonus. In consequence, nominal net remuneration increased by +8.9%.
17	**Finland**: Figures are supplied in accordance with approach adopted in 2016 and subsequent correspondence. Minor change to staff numbers (increase: +36). Since 2020 again full holiday pay. Two general pay increases: +1.1% in August 2020, +0.97% in June 2021. Average gross remuneration increased by +3.0%. Income tax slightly reduced, unemployment insurance contribution increased. As a result, the average nominal net remuneration increased by +2.5%.

1.9. Comparison with forecast

An initial forecast about the expected changes in net remuneration in nominal terms during the period 1 July 2020 – 1 July 2021 was compiled from Member States. Where these forecasts were not available, Eurostat or DG ECFIN estimates were used instead.

National estimates of expected changes in the harmonized consumer price indices (inflation rates) during the period were used to transform the nominal changes in remuneration into movements in real terms. Where these forecasts were not available, Eurostat or DG ECFIN estimates were used instead.

Values were confirmed by national delegates at the March 2021 meeting of the Working Group on Articles 64 & 65 of the Staff Regulations, and published in the Intermediate Report[6].

The information presented in that report is a best estimate based on available information at the time. The results of the definitive annual data collection exercise may vary by comparison to those forecasts, for example due to factors arising between the date of the Working Group meeting and the date of drafting the Annual Report.

Table 1.5 provides comparative information on the evolution of net remuneration in nominal and real terms for the countries in the sample.

Table 1.5

Comparison of the net specific indicator and the forecast in nominal and real terms for the twelve-month period to 1st July 2021

Country	Net specific indicator in nominal terms			Net specific indicator in real terms		
	Actual	Forecast *	Difference %	Actual	Forecast *	Difference %
BE	100.2	100.1	-0.1	97.7	98.6	0.9
DE	102.2	102.3	0.1	100.1	100.6	0.5
ES	102.0	102.0	0.0	99.5	101.0	1.5
FR	101.1	101.2	0.0	99.2	100.1	1.0
IT	100.0	100.0	0.0	98.7	99.0	0.3
LU	100.0	100.0	0.0	96.7	97.7	1.0
NL	101.9	102.0	0.1	100.2	100.7	0.5
AT	101.9	101.5	-0.4	99.1	99.7	0.6
PL	108.1	100.0	-7.5	103.8	96.5	-7.0
SE	101.8	101.8	0.0	100.0	100.8	0.8
Total	**102.0**	**101.4**	**-0.6**	**99.8**	**100.2**	**0.4**

* Per Intermediate Report.

[6] Op. cit. (7) Ares(2021)3465742

Table 1.5a presents the corresponding information for the remaining Member States.

Table 1.5a

Comparison of the net specific indicator and the forecast in nominal and real terms for the twelve-month period to 1st July 2021

Country	Net specific indicator in nominal terms			Net specific indicator in real terms		
	Actual	Forecast *	Difference %	Actual	Forecast *	Difference %
BG	113.0	110.0	-2.7	110.4	107.2	-2.9
CZ	108.9	103.0	-5.4	106.2	101.2	-4.7
DK	101.5	100.9	-0.6	99.6	99.7	0.1
EE	116.7	102.9	-11.8	112.5	102.7	-8.7
IE	101.9	101.3	-0.6	100.3	100.9	0.6
EL	100.0	100.2	0.2	99.4	100.3	0.9
HR	104.6	110.0	5.1	102.3	108.6	6.2
CY	101.5	101.4	-0.1	99.3	102.5	3.3
LV	103.5	101.2	-2.2	100.8	100.1	-0.7
LT	104.2	104.4	0.2	100.7	103.4	2.7
HU	107.1	100.0	-6.6	101.7	97.2	-4.4
MT	105.2	102.4	-2.7	105.0	101.0	-3.8
PT	100.6	100.6	0.0	101.2	100.4	-0.8
RO	101.5	101.0	-0.5	98.1	98.4	0.3
SI	100.6	100.2	-0.4	98.9	100.9	2.0
SK	108.9	101.0	-7.3	106.2	99.8	-6.0
FI	102.5	102.9	0.4	100.6	102.5	1.9

* Per Intermediate Report.

2. CONTROL INDICATORS

2.1. Compensation of employees in central government

Table 1.6 shows the calculation of this control indicator for the countries in the sample specified in the Staff Regulations.

Table 1.6

Control indicator: compensation of employees in central government

2020-2021 Eurostat estimates based on data supplied by Member States

Country	Compensation of employees [1]		Number of employees [2]	Nominal change	HICP [3]	Change in real terms	GDP in PPS [4]
	2020	2021	2021	(%)	(%)	(%)	(%)
BE	10,687.2	10,888.0	439.000	1.9	2.6	-0.7	3.0
DE	37,341.0	39,405.0	2,686.000	5.5	2.1	3.4	22.6
ES	25,765.0	26,473.0	457.355	6.4	2.5	3.8	9.1
FR	148,416.0	149,907.0	2,462.000	1.0	1.9	-0.9	15.7
IT	103,250.0	103,572.0	1,199.300	0.3	1.3	-1.0	12.5
LU	4,948.7	5,424.0	26.740	9.6	3.4	6.0	0.4
NL	26,912.0	28,529.0	506.000	6.0	1.7	4.2	5.2
AT	16,993.2	17,279.0	16.201	7.5	2.8	4.5	2.5
PL	112,702.0	120,139.0	1,028.600	6.6	4.1	2.4	6.5
SE	155,788.0	164,294.0	86.995	3.1	1.8	1.3	2.8
Global	**-**	**-**	**-**	**3.9**	**2.2**	**1.7**	**80.3**

1 Numerator: ESA 2010 expenditure on compensation of employees in Central Government (NAC million) per Eurostat website 15.09.2021, extrapolated to 2021 using growth rate 2019-2020

2 Denominator: ESA 2010 employment in Central Government (thousand persons) per SRQ.
If no figure supplied then NACE R2 employment in Public administration; defence; social security (thousand persons) per Eurostat website 15.09.2021
Not supplied: BE, DE, FR, IT, LU, NL, PL

3 HICP June 2020 - June 2021 per Eurostat website 06.10.2021

4 GDP 2020 in PPS per Eurostat website 11.10.2021

Table 1.6a shows the corresponding figures for the remaining Member States.

Table 1.6a

Control indicator: compensation of employees in central government

2020-2021 Eurostat estimates based on data supplied by Member States

Country	Compensation of employees [1]		Number of employees [2]	Nominal change	HICP [3]	Change in real terms	GDP in PPS [4]
	2020	2021	2021	(%)	(%)	(%)	(%)
BG	7,828.5	8,977.0	309.553	8.2	0.9	7.2	0.8
CZ	300,130.0	321,939.0	388.003	7.0	2.5	4.4	2.2
DK	95,914.0	98,046.0	157.000	2.2	1.9	0.3	1.8
EE	1,914.1	2,035.0	54.492	4.3	3.7	0.6	0.3
IE	22,632.7	23,807.0	138.840	5.2	1.6	3.5	2.4
EL	19,297.0	19,567.0	397.480	1.4	0.6	0.8	1.5
HR	25,577.3	26,771.0	125.470	4.7	2.2	2.4	0.6
CY	2,749.2	2,920.0	60.118	5.4	2.2	3.1	0.2
LV	1,883.0	1,973.0	35.023	1.3	2.7	-1.3	0.3
LT	2,986.0	3,328.0	138.499	11.3	3.5	7.6	0.5
HU	3,982,703.5	4,189,040.0	634.757	-0.3	5.3	-5.3	1.6
MT	1,552.6	1,642.0	18.250	5.8	0.2	5.5	0.1
PT	19,157.3	19,839.0	553.755	-1.3	-0.6	-0.7	1.8
RO	89,538.1	94,114.0	408.700	5.1	3.5	1.6	3.1
SI	3,770.9	4,037.0	104.473	6.0	1.7	4.3	0.4
SK	6,353.7	6,963.0	235.229	9.8	2.5	7.1	0.9
FI	7,363.0	7,510.0	143.300	-2.9	1.9	-4.7	1.4

[1] Numerator: ESA 2010 expenditure on compensation of employees in Central Government (NAC million) per Eurostat website 15.09.2021, extrapolated to 2021 using growth rate 2019-2020

[2] Denominator: ESA 2010 employment in Central Government (thousand persons) per SRQ.
If no figure supplied then NACE R2 employment in Public administration; defence; social security (thousand persons) per Eurostat website 15.09.2021
Not supplied: DK, IE, EL, HR, MT, RO, FI.

[3] HICP June 2020 - June 2021 per Eurostat website 06.10.2021

[4] GDP 2020 in PPS per Eurostat website 11.10.2021

Table 2a in the main report compares the gross specific indicator and the control indicator in real terms (compensation of employees) for the countries in the sample specified in the Staff Regulations. The corresponding information for the remaining Member States is shown in **Table 2a** below.

Table 2a

Comparison of the gross specific indicator and the control indicator in real terms

Country	Real gross specific indicator **2021 (2020 = 100)**	Control indicator * **2021 (2020 = 100)**	Difference (%)
BG	110.4	107.2	-2.9
CZ	99.4	104.4	5.0
DK	99.2	100.3	1.1
EE	113.6	100.6	-11.4
IE	100.8	103.5	2.7
EL	99.4	100.8	1.4
HR	101.5	102.4	0.9
CY	97.8	103.1	5.4
LV	99.8	98.7	-1.1
LT	100.1	107.6	7.5
HU	102.4	94.7	-7.5
MT	103.1	105.5	2.4
PT	100.7	99.3	-1.4
RO	97.5	101.6	4.2
SI	98.6	104.3	5.8
SK	107.0	107.1	0.1
FI	101.1	95.3	-5.8

* Compensation of employees in central government: Eurostat estimates.

2.2. Labour cost index for total public administration

Table 1.7 shows the calculation of this control indicator for the countries in the sample specified in the Staff Regulations.

Table 1.7

Control indicator: labour cost index for total public administration

2020-2021 Eurostat estimates based on data supplied by Member States

Country	Labour cost index [1]		Nominal change	HICP [2]	Change in real terms	GDP in PPS [3]
	2020	2021	(%)	(%)	(%)	(%)
BE	107.3	108.0	0.7	2.6	-1.9	3.0
DE	112.6	114.3	1.5	2.1	-0.6	22.6
ES	110.6	110.8	0.2	2.5	-2.3	9.1
FR	:	:	:	:	:	:
IT	109.6	110.7	1.0	1.3	-0.3	12.5
LU	111.8	110.9	-0.8	3.4	-4.1	0.4
NL	108.2	108.6	0.4	1.7	-1.3	5.2
AT	103.1	109.2	5.9	2.8	3.0	2.5
PL	127.3	133.3	4.7	4.1	0.6	6.5
SE	110.9	111.9	0.9	1.8	-0.9	2.8
Global	**-**	**-**	**1.5**	**2.2**	**-0.7**	**64.6**

1 Labour cost index (nominal value, quarterly data, wages and salaries component) NACE Rev.2 group O per Eurostat website 04.10.2021
2 HICP June 2020 - June 2021 per Eurostat website 06.10.2021
3 GDP 2020 in PPS per Eurostat website 11.10.2021
4 In the absence of Labour cost index data for France, French data for HICP and GDP in PPS is excluded

Table 1.7a shows the corresponding figures for the remaining Member States.

Table 1.7a

Control indicator: labour cost index for total public administration

2020-2021 Eurostat estimates based on data supplied by Member States

Country	Labour cost index [1]		Nominal change	HICP [2]	Change in real terms	GDP in PPS [3]
	2020	2021	(%)	(%)	(%)	(%)
BG	142.8	176.3	23.5	2.4	20.6	0.8
CZ	138.5	141.9	2.5	2.5	0.0	2.2
DK	107.2	109.8	2.4	1.9	0.5	1.8
EE	130.7	139.0	6.4	3.7	2.6	0.3
IE	105.7	111.2	5.2	1.6	3.5	2.4
EL	109.9	106.5	-3.1	0.6	-3.7	1.5
HR	119.5	125.6	5.1	2.2	2.8	0.6
CY	109.5	110.6	1.0	2.2	-1.2	0.2
LV	130.0	137.9	6.1	2.7	3.3	0.3
LT	180.0	190.3	5.7	3.5	2.1	0.5
HU	149.9	158.4	5.7	5.3	0.4	1.6
MT	130.9	131.5	0.5	0.2	0.3	0.1
PT	118.0	112.0	-5.1	-0.6	-4.5	1.8
RO	209.3	214.7	2.6	3.5	-0.9	3.1
SI	125.3	131.2	4.7	1.7	3.0	0.4
SK	144.2	150.4	4.3	2.5	1.8	0.9
FI	106.0	107.1	1.0	1.9	-0.8	1.4

1 Labour cost index (nominal value, quarterly data, wages and salaries component) NACE Rev.2 group O per Eurostat website 04.10.2021

2 HICP June 2020 - June 2021 per Eurostat website 06.10.2021

3 GDP 2020 in PPS per Eurostat website 11.10.2021

Table 2b in the main report compares the gross specific indicator and the control indicator in nominal terms (labour cost index) for the countries in the sample specified in the Staff Regulations. The corresponding information for the remaining Member States is shown in **Table 2b** below.

Table 2b

Comparison of the gross specific indicator and the control indicator in nominal terms

Country	Nominal gross specific indicator **2021 (2020 = 100)**	Control indicator * **2021 (2020 = 100)**	Difference (%)
BG	113.1	123.5	9.2
CZ	101.9	102.5	0.5
DK	101.1	102.4	1.3
EE	117.8	106.4	-9.7
IE	102.4	105.2	2.7
EL	100.0	96.9	-3.1
HR	103.7	105.1	1.4
CY	100.0	101.0	1.0
LV	102.5	106.1	3.5
LT	103.6	105.7	2.0
HU	107.8	105.7	-2.0
MT	103.3	100.5	-2.8
PT	100.1	94.9	-5.2
RO	100.9	102.6	1.7
SI	100.3	104.7	4.4
SK	109.7	104.3	-4.9
FI	103.0	101.0	-1.9

* Labour Cost Index: Eurostat estimates.

3. INFORMATION ABOUT WORKING TIME

Through the standard remuneration questionnaire, Eurostat also collects statistical information on differences in the working hours of national officials in all Member States. Information about statutory or contractual weekly working hours in central governments (**Table 10.1**), number of days of annual leave (**Table 10.2**) and number of public holidays per year (**Table 10.3**) are shown below for the Member States in the sample. In all these tables the situation in July 2021 has been compared with that in July 2020. Similarly, information is also collected about retirement age in central government. The situation at July 2021 is shown in **Table 10.4**.

Corresponding information is presented separately for the remaining Member States in **Table 10.1a** (working hours), **Table 10.2a** (annual leave), **Table 10.3a** (public holidays) and **Table 10.4a** (retirement age).

Important note: this information is supplied to help understand the situation in Member States. Any differences in working hours per week or yearly number of days on holiday are not employed to adjust the remuneration data used to establish specific indicators onto a common basis.

Table 10.1

Statutory or contractual weekly working hours in central governments

Country	Weekly working hours		Remarks
	July 2020	July 2021	
BE	38	38	
DE	41	41	40 for special family reasons
ES	37.30-40	37.30-40	
FR	35	35	
IT	36	36	
LU	40	40	
NL	36	36	
AT	40	40	
PL	40	40	
SE	39.45	39.45	

Table 10.1a

Statutory or contractual weekly working hours in central governments

Country	Weekly working hours		Remarks
	July 2020	July 2021	
BG	40	40	
CZ	40	40	
DK	34.5	**35**	
EE	40	40	
IE	37	37	
EL	40	40	
HR	40	40	
CY	37	37	
LV	40	40	
LT	40	40	
HU	40	40	
MT	40	40	
PT	35	35	
RO	40	40	no country info for both years
SI	37.30	37.30	
SK	38	38	
FI	36.45	**36.15**	

Table 10.2

Number of days of annual leave

Country	Number of days		Remarks - 2021
	July 2020	July 2021	
BE	26 - 33	26 - 33	Depends on age
DE	30	30	
ES	29	29	Depends on age (seniority)
FR	25	25	2 days bonus maximum
IT	32	32	Under 3 years of service: 30 days
LU	32-36	32-36	Depends on age (34 from 50, 36 from 55)
NL	23-27	23-27	Depends on age (age 45:24, 50:25, 55:26, 60:27)
AT	25-30	25-30	Depends on age
PL	26-38	26-38	Depends on age
SE	28-35	28-35	Depends on age

Table 10.2a

Number of days annual leave

Country	Number of days		Remarks - 2021
	July 2020	July 2021	
BG	20	20	
CZ	25	25	
DK	30	30	
EE	35	35	
IE	22-32	22-32	Depends on grade (new+promoted employees: 22-30 days)
EL	20-25	20-25	
HR	20-30	20-30	Depends on age, years of service and grade
CY	20-29	20-29	Depends on years of service
LV	28	28	
LT	22-37	22-37	Depends on years of service *calendar days
HU	25	25	Additional days by length of service (3-10 days)
MT	27	27	
PT	22	22	
RO	21-25	21-25	Depends on years of service (no updated info since 2013)
SI	20-35	20-35	Depends on age and grade (+ another 15 days under special conditions)
SK	25-30	25-30	Depends on age (younger than 33: 25, older: 30)
FI	30-38	30-38	Depends on years of service

Table 10.3

Number of public holidays per year (statutory, contractual, etc)

Country	Number of days		Remarks - 2021
	July 2020	July 2021	
BE	13	13	
DE	10	**8**	Berlin
ES	13	**14**	Time off when the public holiday falls on Sunday
FR	10	10	
IT	11	11	
LU	12	12	
NL	8	8	
AT	12	12	
PL	10	**9**	Compensation when public holiday falls on Saturday or Sunday (2020 and 2021:0x)
SE	13	13	Time off when the public holiday falls on Saturday or Sunday

Table 10.3a

Number of public holidays per year (statutory, contractual, etc)

Country	Number of days		Remarks - 2021
	July 2020	July 2021	
BG	11	11	Time off when the public holiday falls on Saturday or Sunday
CZ	10	**11**	
DK	9 - 10	9 - 10	
EE	12	12	
IE	10	10	Time off when the public holiday falls on Saturday or Sunday
EL	12	12	
HR	14	14	Only if civil servant works on the day of public holiday
CY	15*	15**	*2 Saturdays and 13 working days ** 4 Saturdays and Sundays and 11 working days
LV	15	15	
LT	16	16	
HU	8	8	
MT	14	14	
PT	9	9	
RO	12	12	
SI	7	**6**	Public holidays on Saturday/Sunday not included in this number
SK	11	**10**	No compensation
FI	10	**8**	

Table 10.4

Age of retirement and early retirement

Country	Age		Remarks - 2021
	Retirement	Early retirement	
BE	65*	63	* 65 (66 from 2025 and 67 from 2030)
DE	67*	63	* variations of retirement depending on age
ES	65	60-64*	* at least 30 years of service
FR	60*	51 - 55*	* depends on age
IT	67	Women: 41 y and 10 m, Men: 42 y and 10 m*	* years of contributions; depends on age and sex
LU	60	57	
NL	66	From 60 y on	
AT	65	62	
PL	60 women/65 men*	55 women/ 60 men**	* depends on sex ** depends on sex and years of work
SE	65	yes	

Table 10.4a

Age of retirement and early retirement

Country	Age		Remarks - 2021
	Retirement	Early retirement	
BG	Men: 64 y and 4 m, Women: 61 y and 8 m	yes*	* depends on job
CZ	Men 63 y and 8 m, Women 63 y and 8 m*	yes**	* age lowers when having brought up child ** first 5 years before pensionable age
DK	66 - 74*	60-65	* both depending on age, no longer on grade
EE	65	57 y 6 m - 60*	* men 60, women 57y6m-60, depends on age
IE	60-66*	50-65*	* depends on years of service
EL	67*	62	* depends on age
HR	Men 65 Women 62 y and 9 m	57 y 9 m-60*	* 32 y 9 m - 35 y of working
CY	65	45*	* 45 y with 3 y in Government Post. Lump sum received immediately while monthly pension at 55 y
LV	64	62	* both depending on age
LT	Men 64 y and 2 m Women 63 y and 4 m	5 years till the set age of retirement*	*depending on sex and age
HU	64,5	60-65*	* depends on age
MT	63-65*	Any age on medical grounds/ early retirement schemes	* depends on age
PT	66 y and 6 m*	60**	* depends on age and grade ** depends on age/grade, with min. 40 y of service
RO	:	:	2013: "according to public pensions systems"
SI	60	60	depending on age and contributions/conditions
SK	57-62*	55-60**	* depends on age and sex ** early retirement max. 2 y before normal age
FI	63-68*	61	* depends on age

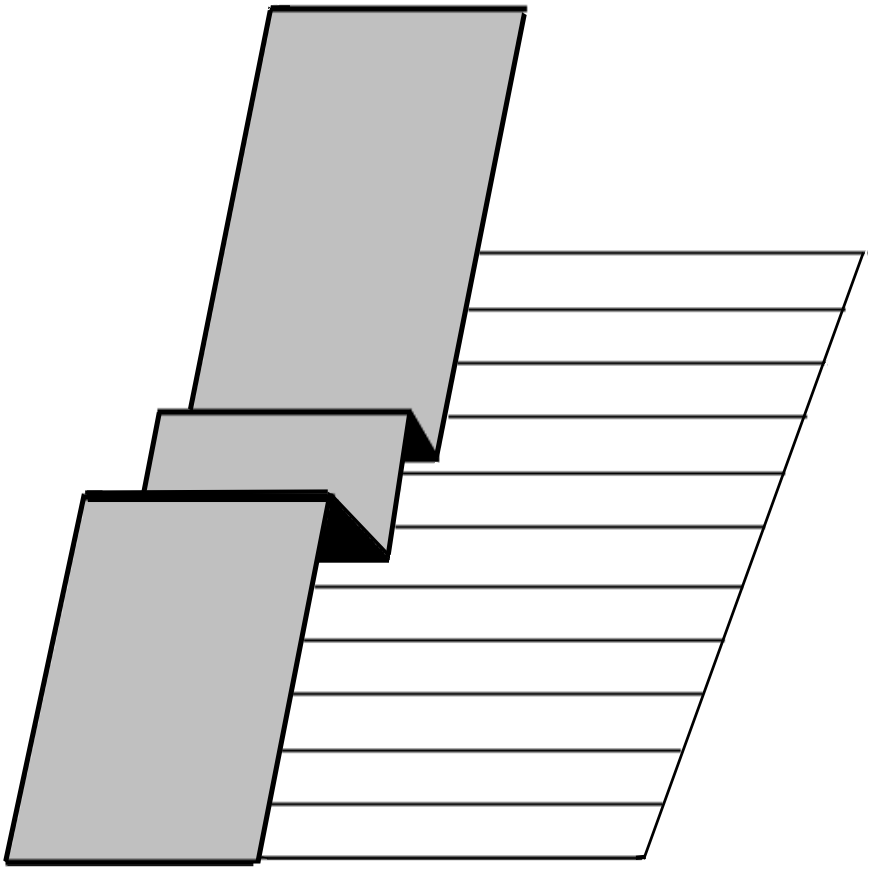
Doc.A6465/22/02

Appendix 1b

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

Explanations and statistical analyses: the cost of living in Brussels and Luxembourg

Reference period:
Year to 1 July 2021



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Unit C3, Statistics for administrative purposes
Luxembourg

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INTRODUCTION

This document is an appendix to the 2021 Eurostat report on the annual adjustment of remuneration and pensions. While the principal results concerning changes in the cost of living in Belgium and Luxembourg are presented in the main report, the purpose of this appendix is to give further explanations and statistical analyses of the results as well as detailed tables with statistical information.

Chapters 1 to 4 of this document examine respectively:

- the evolution of the Joint Index;
- the evolution of the Belgium HICP;
- the evolution of the Luxembourg CPI;
- staff numbers

With the exception of the information about staff numbers which is obtained from internal Commission services, and the information about consumption expenditure pattern which is compiled by Eurostat from direct surveys of staff, all calculations and figures presented in this appendix relating to the cost of living in Belgium and Luxembourg are based on data supplied and validated by the responsible authorities in the Member States.

More information about methodology can be found in the detailed procedural manual[7].

For any information concerning this report appendix, please contact the Eurostat Remuneration Team in Luxembourg:

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[7] Op cit (6) Doc.A6465/14/58rev2 (version March 2020)

1. CHANGES IN THE COST OF LIVING (JOINT BELGIUM-LUXEMBOURG INDEX)

Annex XI Article 2 of the Staff Regulations requests that Eurostat shall draw up an index to measure the changes in the cost of living for EU officials in Belgium and Luxembourg[8]. This index, known as the Joint Belgium-Luxembourg Index of consumer prices (JBLI) is calculated by weighting national inflation as measured by the Harmonised Index of Consumer Prices (HICP) for Belgium, and the Consumer Prices Index (CPI) for Luxembourg, between June of the previous year and June of the current year, according to the distribution of EU staff serving in Belgium and Luxembourg. This is done at the level of the detailed sub-indices for the 80 basic headings, aggregated using weights derived from the latest of the periodic Family Budget Survey conducted amongst EU staff in Brussels (2017). Precise methodology has been defined by the Working Group on Articles 64 & 65 of the Staff Regulations.

The Joint Index represents a weighted average of national indices, and may not reflect the specific price evolution in either of the reference cities (Brussels and Luxembourg). By comparing results at the level of the 12 main COICOP groups in chapters 2 and 3, reasons for the difference in the value of the overall index can be identified. Note: when doing such comparisons, the impact of differing numbers of underlying basic headings and different aggregation approaches should be remembered.

2. BELGIUM HICP

Table 3.1 presents the published HICP values for June 2020 and June 2021, base 2015 = 100, and the final figure in the right-hand column shows the variation for the period at global level, 102.6 (+2.6%).

Table 3.1

Change in the Belgian HICP (HICP weights)
June 2020 - June 2021

Groups of consumption	Weight 2020	Index 2020	Weight 2021	Index 2021	Index change
1. Food and non-alcoholic beverages	157.1	109.41	180.8	108.11	98.8
2. Alcoholic beverages and tobacco	49.8	122.51	53.6	129.61	105.8
3. Clothing and footwear	62.2	106.19	52.3	106.65	100.4
4. Housing, water, electricity, gas and other fuels	155.0	105.44	172.0	114.53	108.6
5. Furnishings, household equipment and maintenance of house	74.0	104.69	82.3	105.10	100.4
6. Health	82.4	105.90	78.8	105.49	99.6
7. Transport	124.8	107.71	116.0	113.72	105.6
8. Communications	31.4	106.82	33.0	107.13	100.3
9. Recreation and culture	92.9	107.40	81.9	107.79	100.4
10. Education	5.0	125.56	5.3	126.29	100.6
11. Hotels, cafes and restaurants	82.8	112.08	60.7	115.07	102.7
12. Miscellaneous goods and services	82.8	108.69	83.3	110.19	101.4
Global index without rents	928.9	108.43	919.6	111.29	102.6
Rents index	71.1	106.96	80.4	109.07	102.0
Global index	**1000.0**	**108.33**	**1000.0**	**111.11**	**102.6**

[8] This definition was introduced by Regulation 1023/2013 and applies with effect from 1.1.2014. Alternative definitions applied for earlier reporting periods.

The foregoing information is provided by the Belgian authorities "Service public fédéral, Economie, P.M.E., Classes moyennes et Energie, division des prix" (Federal Public Service, Economy, SMEs, Self-Employed and Energy, Price indices department), and reformatted by Eurostat.

Table 3.1a below shows the revised Belgium HICP variation for the period June 2020 to June 2021, base 2015 = 100, replacing aggregation weights with ones that include owner-occupiers. The final figure in the right-hand column again shows the variation for the period at global level, 102.0 (+2.0%).

Table 3.1a

Change in the Belgian HICP (rev. weights)
June 2020 - June 2021

	Groups of consumption	Weight	Index
1.	Food and non-alcoholic beverages	125.9	98.8
2.	Alcoholic beverages and tobacco	13.9	102.0
3.	Clothing and footwear	43.1	100.5
4.	Housing, water, electricity, gas and other fuels	344.2	104.2
5.	Furnishings, household equipment and maintenance of house	64.5	100.6
6.	Health	12.7	99.6
7.	Transport	130.0	102.3
8.	Communications	19.8	100.7
9.	Recreation and culture	79.6	100.5
10.	Education	26.7	100.6
11.	Hotels, cafes and restaurants	81.1	101.3
12.	Miscellaneous goods and services	58.6	102.0
	Global index without rents	721.4	101.9
	Rents index	278.5	102.0
	Global index	**1000.0**	**102.0**

3. LUXEMBOURG CPI

Table 3.2 presents the published CPI values for June 2020 and June 2021, base 2015 = 100, and the final figure in the right-hand column again shows the variation for the period at global level, 102.2 (+2.2%).

Table 3.2

Change in the Luxembourg CPI (CPI weights)
June 2020 - June 2021

	Groups of consumption	Weight 2020	Index 2020	Weight 2021	Index 2021	Index change
1.	Food and non-alcoholic beverages	115.9	112.13	137.5	112.11	100.0
2.	Alcoholic beverages and tobacco	32.9	108.82	38.9	110.74	101.8
3.	Clothing and footwear	60.2	106.82	51.4	108.49	101.6
4.	Housing, water, electricity, gas and other fuels	161.1	103.84	173.5	108.51	104.5
5.	Furnishings, household equipment and maintenance of house	79.3	105.49	82.0	106.83	101.3
6.	Health	28.9	102.96	34.7	104.14	101.1
7.	Transport	163.1	101.66	147.7	106.96	105.2
8.	Communications	24.2	91.95	22.8	88.85	96.6
9.	Recreation and culture	78.9	110.27	64.7	109.72	99.5
10.	Education	17.0	116.06	15.6	119.51	103.0
11.	Hotels, cafes and restaurants	73.9	111.57	57.7	113.67	101.9
12.	Miscellaneous goods and services	164.5	107.35	173.4	109.18	101.7
	Global index without rents	931.2	106.38	915.5	108.79	102.3
	Rents index	68.8	105.79	84.5	107.50	101.6
	Global index	**1000.0**	**106.34**	**1000.0**	**108.68**	**102.2**

The foregoing information is provided by the Luxembourg authorities "Institut national de la statistique et des études économiques, STATEC, unité SOC4-Prix" (National Institute for Statistics and Economic Analysis, STATEC, Unit SOC4-Prices), and reformatted by Eurostat.

The only distinction between the Luxembourg CPI and the Luxembourg HICP is that for the CPI the weights used for aggregation purposes exclude expenditures by non-residents on the Luxembourg territory, whereas these are included for the HICP.

Table 3.2a below shows the revised Luxembourg CPI variation for the period June 2020 to June 2021, base 2015 = 100, replacing aggregation weights with ones that include owner-occupiers. The final figure in the right-hand column again shows the variation for the period at global level, 101.7 (+1.7%).

Table 3.2a

Change in the Luxembourg CPI (rev. weights)
June 2020 - June 2021

	Groups of consumption	Weight	Index
1.	Food and non-alcoholic beverages	125.9	100.2
2.	Alcoholic beverages and tobacco	13.9	101.9
3.	Clothing and footwear	43.1	102.1
4.	Housing, water, electricity, gas and other fuels	344.2	103.2
5.	Furnishings, household equipment and maintenance of house	64.5	101.4
6.	Health	12.7	101.1
7.	Transport	130.0	101.7
8.	Communications	19.8	96.6
9.	Recreation and culture	79.6	99.0
10.	Education	26.7	103.0
11.	Hotels, cafes and restaurants	81.1	102.0
12.	Miscellaneous goods and services	58.6	100.6
	Global index without rents	721.4	101.7
	Rents index	278.5	101.6
	Global index	**1000.0**	**101.7**

4. STAFF RATIO BRUSSELS : LUXEMBOURG

In accordance with the agreed methodology, the staff weights available for the base period are used. The information is obtained from Commission internal services.

The ratio between active staff in Brussels and Luxembourg for the start of the current period changed slightly by comparison to the previous values (81.2 : 18.8).

Number of permanent officials and other servants in active service
at July 2020 (i.e. December 2019)

Duty station	No.	%
Brussels	37,611	**80.9**
Luxembourg	8,892	**19.1**
Total	**46.503**	**100.0**

Source: PMO, as included in PSEO database (Eurostat)[9]

[9] Note: the total is adjusted to exclude staff on special leave and the breakdown is analysed to include staff working in Luxembourg who reside in Belgium, France and Germany.

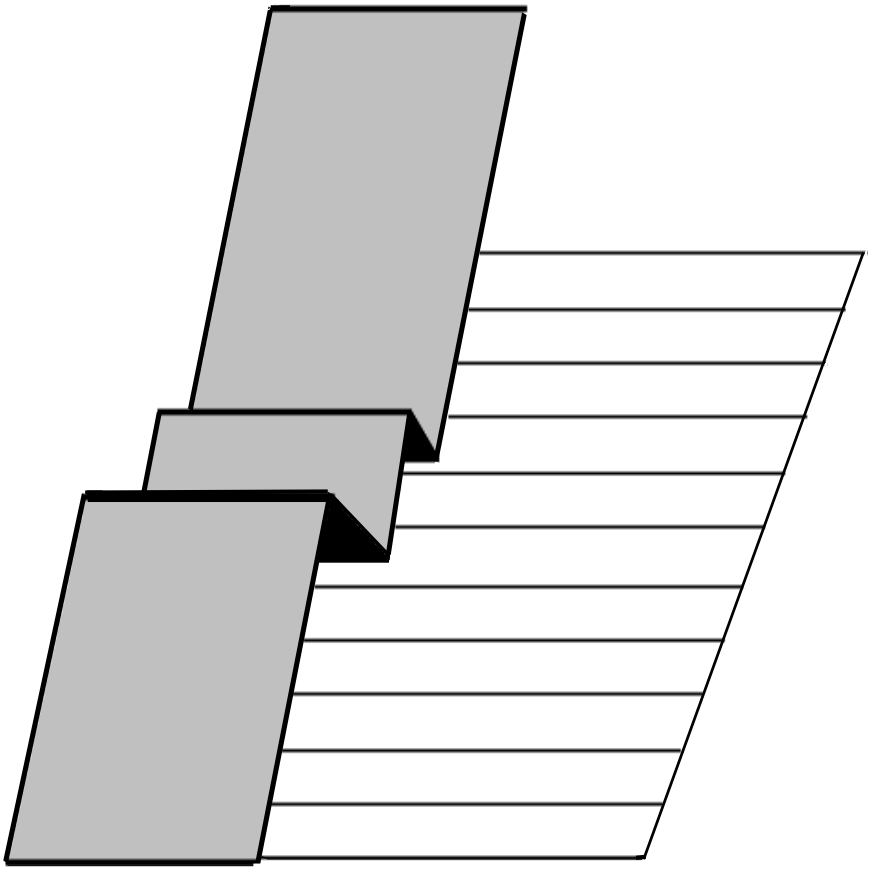
Doc.A6465/22/02

Appendix 1c

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

Explanations and statistical analyses: correction coefficients

Reference period:
Year to 1 July 2021



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INTRODUCTION

This document is an appendix to the 2021 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 further 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 (Intra-EU);
- the economic parities and correction coefficients for staff (Extra-EU).

In the tables, parities are shown rounded to 3 decimal places (Euro zone) or 4 significant figures; exchange rates are shown with the same format (Intra-EU) or rounded to 6 significant figures (Extra-EU); correction coefficients are shown rounded to 1 decimal place; percentage movements are shown rounded to 1 decimal place.

With the exception of the information about consumption expenditure pattern data which is compiled by Eurostat from direct surveys of staff, and a direct survey of international schools, all calculations and figures presented in this appendix relating to correction coefficients are based on Intra-EU data supplied by the responsible national authorities. Corresponding data for Extra-EU duty stations is obtained from responsible national authorities coordinated by Eurostat under the European Comparison Programme (ECP), or through collaboration with the International Service for Remunerations and Pensions of the Coordinated Organisations (CO.ISRP) and the United Nations International Civil Service Commission (UN.ICSC).

Important note: the United Kingdom left the European Union with effect 1 February 2020 and is now a 'third country'. The transition agreement introduced by the 'Withdrawal Agreement' expired with effect 31 December 2020. This has an important implication for the calculation of correction coefficients. For staff, the United Kingdom is now treated as an Extra-EU country and the production and publication of correction coefficients for London and Culham according to Intra-EU methodology has ceased. Exceptionally, production and publication of correction coefficient for existing UK pensioners continues.

More information about methodology can be found in the detailed procedural manuals for Intra-EU[10] and Extra-EU[11].

[10] Op cit (6) Doc.A6465/14/59rev4 (version July 2020)

[11] Op cit (6) Doc.A6465/14/60rev4 (version April 2020)

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1. EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS IN THE MEMBER STATES

1.1 Economic parities, exchange rates and correction coefficients

Tables 4 and 5 in the main report show the global values for active staff for all Intra-EU duty stations.

As at July 2021, information is compiled for a list of 30 Intra-EU capital cities and other duty stations. By comparison to the situation at July 2020, 1 location (DE-Bonn) is now excluded from the list[12].

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. Changes in correction coefficients from one year to another are therefore a component of the annual adjustment of remuneration. However, as salaries are first expressed in Euros, then converted to local currency using exchange rate before being multiplied by the correction coefficient, it is clear that the exchange rate effect cancels out so the relevant factor is any change in the economic parities. If a correction coefficient changes due solely 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. This is illustrated in the worked example below:

Numeric example (constant parity, fluctuating exchange rate)*

t_0: 1000 EUR x ER 9.431 x CC 127.4% (i.e. PPP 12.02 ÷ ER 9.431) = 12015 local
which is essentially the same as **1000 EUR x PPP 12.02 = 12020 local** (with slight rounding effect)

t_1: 1000 EUR x ER 9.722 x CC 123.6% (i.e. PPP 12.02 ÷ ER 9.722) = 12016 local
which is essentially the same as **1000 EUR x PPP 12.02 = 12020 local** (with slight rounding effect)

* t0 = actual Sweden CC 2016, t1= hypothetical CC using actual ER 2017 but constant PPP

1.2 Changes between July 2020 and July 2021

An intermediate report was prepared in the usual way covering the six months July 2020 – January 2021[13]. That report identifies the locations where, in accordance with Chapter 2 of Annex XI to the Staff Regulations, the change in the implicit index (i.e. the combined impact of the Joint Belgium Luxembourg Index and the change in the purchasing power parity relative to Belgium) exceeded 3%. For the period July 2020 – January 2021 the implicit index

[12] Op.cit. (15) This is because data for DE-Bonn is no longer available from the national statistics office in accordance with European Comparison Programme methodology applied for other duty stations in Germany for which CC are produced (DE-Berlin, DE-Karlsruhe and DE-Munich). CC are not produced for other duty stations in Germany (e.g. Cologne, Frankfurt). During the period July 2014 - July 2020, the average CC value for DE-Bonn (c. 94) has been within 5% of the average CC value for DE-Berlin (c. 98).

[13] Op cit (7) Ares(2021)3465742

did not exceed the threshold for any Intra-EU duty station. Consequently, there was no change to the correction coefficients for staff.

1.2.1 Changes in the correction coefficients from July 2020 to July 2021

The simple average change for all duty stations in the correction coefficient for the period under review was +1.8%, with standard deviation 2.4%. The maximum increase was +5.8% (HU-Budapest). The maximum decrease was -2.2% (NL-The Hague). For 19 locations there was an increase and for 9 locations there was a decrease. The movement in correction coefficients of EU officials for the period July 2020 - July 2021 are summarised in the table below[14]:

Range		Duty stations
X < -3.0%	0	
-3.0% ≤ X < -0.6%	5	DE-Karlsruhe, MT, NL, SI, SK
-0.6% ≤ X < 1.8%	9	DE-Berlin, DE-Munich, FR, IT-Rome, IT-Varese, AT, PL, PT, FI
1.8% ≤ X < 4.2%	7	CZ, DK, IE, ES, HR, LV, RO
4.2% ≤ X < 6.6%	7	BG, EE, EL, CY, LT, HU, SE
6.6% ≤ X	0	
Total	**28**	excluding Brussels and Luxembourg[15]

1.2.2 Changes in exchange rates from July 2020 to July 2021

For those duty stations in Member States which are not in the Eurozone, the impact of exchange rate fluctuations relative to the Euro on the global correction coefficient can be significant. Exchange rate movements were as follows for the period July 2020 - July 2021: BG 0.0%, CZ -5.1%, DK -0.2%, HR -1.0%, HU -1.5%, PL +1.2%, RO +1.7% and SE -3.1%.

1.3 Economic parities

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

[14] Note: For countries in the Eurozone, the change in the correction coefficient = the change in the parity. **Table 4*** shows movements for the remaining countries.

[15] Brussels is the reference city for the bilateral comparisons (CC for staff). In accordance with Article 3(5) of Annex XI to the Staff Regulations, Luxembourg CC = Brussels CC

(such as meat, footwear, electricity supply, motor cars, telephone communications, 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 goods and services which are selected to represent the basic heading and specified in the necessary detail to enable prices in a sufficiently narrow range to be collected for internationally comparable items.

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). Specific methodologies apply for the calculation of parities relating to delivery of healthcare services and delivery of education services. At each annual salary review around one third of the basic price parities are replaced by new parities produced by the latest price surveys.

The 80 basic parities are then updated using the ratio between the Harmonised Index of Consumer Prices (HICP) for the country in which the place of employment is located and the Joint Belgium-Luxembourg Index of consumer prices (JBLI).

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 details of the economic parities calculation, at the level of 12 main consumption groups, are shown in **Table 4.1** for all capitals and other places apart from Brussels and Luxembourg.

In recent years there has been repeated discussion about greater access to detailed information below the level of the 12 main consumption groups. An approved list of analytical categories has been developed for Article 64 correction coefficient purposes within the applicable constraints of data quality and sensitivity regarding source data. This list includes the 12 main COICOP groups, and adds a selection of basic headings and interim aggregates. In total there are 35 analytical categories. Following a decision at the 2017 meeting of the Working Group on Articles 64 & 65 of the Staff Regulations, this information is made available in a separate report.

Table 4*

Changes in the economic parities, exchange rates and correction coefficients in the twelve months to 1st July 2021
(for staff)

Country Place of employment		Parity 1.7.2021	Exch.Rate 1.7.2021	C.C. 1.7.2021	Parity 1.7.2020	Exch.Rate 1.7.2020	C.C. 1.7.2020	Parity CHANGE %	Exch.Rate CHANGE %	C.C. CHANGE %
BG	Sofia	1.207	1.956	61.7	1.157	1.956	59.1	4.4	0.0	4.4
CZ	Prague	22.44	25.48	88.1	22.87	26.85	85.2	-1.9	-5.1	3.4
DK	Copenhagen	9.983	7.436	134.2	9.786	7.453	131.3	2.0	-0.2	2.2
HR	Zagreb	5.872	7.496	78.3	5.738	7.569	75.8	2.3	-1.0	3.3
HU	Budapest	267.0	351.1	76.1	256.2	356.3	71.9	4.2	-1.5	5.8
PL	Warsaw	3.190	4.519	70.6	3.168	4.466	70.9	0.7	1.2	-0.4
RO	Bucharest	3.373	4.928	68.5	3.227	4.844	66.6	4.5	1.7	2.9
SE	Stockholm	13.22	10.15	130.3	13.02	10.48	124.3	1.5	-3.1	4.8

Note: for countries which are in the Eurozone, there is no change in the exchange rate. Consequently, the change in the correction coefficient = the change in the parity.

Table 4.1 (page 1 of 3)

Economic parities of the 12 main expenditure groups for each duty station
at 1st July 2021
(for staff)

Expenditure	BE	BG-Sofia		CZ-Prague		DK-Copenhagen		DE-Berlin		DE-Karlsruhe		DE-Munich	
Groups	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	125.9	160.1	1.548	92.8	20.00	129.6	8.325	108.8	0.939	108.8	0.955	108.8	0.970
2	13.9	17.5	1.181	13.6	20.45	17.4	8.429	17.7	0.819	17.7	0.823	17.7	0.826
3	43.1	80.2	1.488	53.9	25.84	51.6	8.821	53.6	0.909	53.6	0.915	53.6	0.930
4	344.2	240.4	1.022	413.1	28.29	299.6	12.76	272.5	1.191	272.5	0.994	272.5	1.509
5	64.5	53.6	1.273	71.9	21.08	56.0	9.793	85.6	1.033	85.6	1.023	85.6	1.052
6	12.7	15.8	0.7611	13.4	10.54	16.2	8.585	16.8	0.988	16.8	0.994	16.8	0.996
7	130.0	131.0	1.499	110.3	22.54	148.2	9.424	156.0	1.050	156.0	1.060	156.0	1.080
8	19.8	24.0	0.9207	15.6	19.16	18.9	5.619	15.8	0.780	15.8	0.776	15.8	0.777
9	79.6	102.0	1.397	81.0	20.72	103.9	9.504	110.4	1.014	110.4	0.984	110.4	1.057
10	26.7	30.4	0.7374	19.5	9.501	21.9	5.534	19.8	0.501	19.8	0.658	19.8	0.652
11	81.1	76.3	0.9303	69.5	14.63	86.1	9.788	94.4	0.896	94.4	0.907	94.4	1.008
12	58.6	68.8	1.279	45.3	21.06	50.6	9.090	48.6	0.909	48.6	0.948	48.6	0.973
Rents	278.5	188.5	1.042	358.4	29.97	246.9	13.73	211.2	1.268	211.2	0.983	211.2	1.683
Total without rents	721.4	811.5	1.263	641.6	19.64	753.1	8.928	788.8	0.944	788.8	0.964	788.8	0.994
Global parity	1000.0	1000.0	**1.207**	1000.0	**22.44**	1000.0	**9.983**	1000.0	**1.014**	1000.0	**0.969**	1000.0	**1.134**
Exchange rate			1.956		25.48		7.436		1		1		1

Expenditure	BE	EE-Tallinn		IE-Dublin		EL-Athens		ES-Madrid		FR-Paris		HR-Zagreb	
Groups	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	125.9	135.9	0.871	101.4	0.981	124.7	0.951	113.0	0.840	123.1	1.049	135.7	6.321
2	13.9	15.8	0.936	15.6	1.642	19.2	0.994	14.3	0.753	18.7	1.046	15.3	6.776
3	43.1	77.6	1.007	39.5	0.909	61.2	0.938	49.2	0.941	57.9	1.021	60.9	6.062
4	344.2	250.5	0.859	360.9	1.965	229.6	0.790	287.4	1.170	294.4	1.656	259.1	6.269
5	64.5	65.7	0.815	57.1	1.006	86.9	0.839	71.0	1.033	69.3	1.149	51.1	5.554
6	12.7	16.7	0.670	9.7	1.662	16.7	0.782	17.6	1.007	9.0	0.816	16.9	3.740
7	130.0	139.8	0.974	158.5	1.206	168.1	1.006	148.4	0.920	131.3	1.078	169.5	7.329
8	19.8	18.8	0.583	18.8	1.048	25.1	1.006	22.5	0.804	16.5	0.677	24.5	5.700
9	79.6	108.8	0.960	81.0	1.077	95.7	0.858	89.1	0.913	90.2	1.096	91.8	5.785
10	26.7	26.9	0.495	34.1	0.869	28.6	0.645	44.7	0.770	30.4	0.619	25.6	2.224
11	81.1	90.1	0.788	69.6	1.198	89.2	0.716	91.5	0.799	107.5	1.056	98.1	4.516
12	58.6	53.5	0.874	53.9	0.981	55.2	0.778	51.3	0.822	51.7	1.021	51.6	5.544
Rents	278.5	193.0	0.941	319.1	2.214	160.9	0.854	237.2	1.253	244.2	1.846	198.6	6.881
Total without rents	721.4	807.0	0.841	680.9	1.076	839.1	0.854	762.8	0.879	755.8	1.027	801.4	5.610
Global parity	1000.0	1000.0	**0.863**	1000.0	**1.336**	1000.0	**0.852**	1000.0	**0.963**	1000.0	**1.199**	1000.0	**5.872**
Exchange rate			1		1		1		1		1		7.496

Table 4.1 (page 2 of 3)

Economic parities of the 12 main expenditure groups for each duty station at 1st July 2021 (for staff)

Expenditure	BE	IT-Rome		IT-Varese		CY-Nicosia		LV-Riga		LT-Vilnius		HU-Budapest	
Groups	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	125.9	110.1	1.015	117.7	1.055	154.6	0.920	136.6	0.856	137.1	0.767	124.6	275.0
2	13.9	13.2	0.928	12.4	0.828	16.9	0.826	15.9	0.893	15.9	0.816	19.2	225.9
3	43.1	56.7	0.980	55.2	1.023	77.4	0.916	78.0	1.001	78.2	1.030	59.3	277.0
4	344.2	268.7	1.002	300.0	0.797	266.3	0.644	246.7	0.751	244.1	0.820	328.7	306.0
5	64.5	72.0	0.976	74.4	1.128	51.8	0.812	66.0	0.778	66.2	0.825	60.7	242.9
6	12.7	21.5	1.116	19.6	1.279	15.3	1.063	16.8	0.641	16.8	0.597	9.7	199.9
7	130.0	161.5	0.992	153.6	0.974	126.5	1.084	140.5	0.877	141.0	0.929	129.2	289.6
8	19.8	18.2	0.663	16.8	0.703	23.2	0.738	18.9	0.665	19.0	0.698	17.6	198.3
9	79.6	93.9	0.931	85.4	1.036	98.5	1.007	109.4	0.869	109.7	0.801	82.4	241.1
10	26.7	29.0	0.733	34.2	0.916	29.3	0.791	27.0	0.567	27.1	0.595	23.6	184.4
11	81.1	85.1	0.804	73.4	0.756	73.7	0.759	90.6	0.720	90.9	0.601	92.7	206.2
12	58.6	70.1	0.888	57.4	0.917	66.5	0.837	53.7	0.807	53.9	0.777	52.2	239.7
Rents	278.5	205.7	1.031	230.0	0.770	216.2	0.630	189.0	0.821	186.2	0.959	267.6	358.3
Total without rents	721.4	794.3	0.930	770.0	0.966	783.8	0.895	811.0	0.794	813.8	0.760	732.4	239.7
Global parity	1000.0	1000.0	**0.952**	1000.0	**0.912**	1000.0	**0.822**	1000.0	**0.800**	1000.0	**0.801**	1000.0	**267.0**
Exchange rate			1		1		1		1		1		351.1

Expenditure	BE	MT-Valletta		NL-TheHague		AT-Vienna		PL-Warsaw		PT-Lisbon		RO-Bucharest	
Groups	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	125.9	144.9	1.027	113.5	0.907	109.7	1.082	110.7	2.973	103.0	0.890	132.4	3.363
2	13.9	27.1	0.926	19.1	0.976	9.9	0.896	13.7	3.376	11.0	0.887	14.5	3.243
3	43.1	57.8	0.971	45.1	0.987	63.9	0.992	62.1	3.478	49.0	0.850	66.3	3.734
4	344.2	302.0	1.021	292.1	1.283	292.4	1.213	308.9	3.594	268.3	1.147	371.7	3.773
5	64.5	70.3	0.956	76.0	1.000	71.9	1.076	69.5	3.261	96.5	0.873	44.3	3.322
6	12.7	16.2	0.756	7.5	1.142	14.7	1.126	11.8	2.444	17.2	0.990	13.1	1.879
7	130.0	116.4	0.978	164.1	1.154	149.3	1.106	132.2	3.393	152.1	0.983	108.3	3.755
8	19.8	17.9	0.755	15.5	0.879	18.2	0.690	12.9	1.846	16.9	0.820	19.8	1.709
9	79.6	80.4	0.896	99.5	1.121	90.0	1.109	98.1	3.344	86.4	0.879	84.4	3.493
10	26.7	14.8	0.549	26.2	1.095	32.0	1.024	39.7	1.435	60.9	0.501	25.1	2.248
11	81.1	113.2	0.773	88.2	1.068	75.0	0.959	89.3	2.946	86.0	0.632	63.1	2.441
12	58.6	38.9	0.867	53.2	1.013	72.9	1.022	51.0	3.163	52.9	0.832	56.9	3.117
Rents	278.5	256.7	1.082	238.7	1.411	223.5	1.304	252.6	3.889	217.0	1.227	328.7	4.098
Total without rents	721.4	743.3	0.894	761.3	1.027	776.5	1.034	747.4	2.976	783.0	0.832	671.3	3.105
Global parity	1000.0	1000.0	**0.940**	1000.0	**1.114**	1000.0	**1.096**	1000.0	**3.190**	1000.0	**0.914**	1000.0	**3.373**
Exchange rate			1		1		1		4.519		1		4.928

Table 4.1 (page 3 of 3)

Economic parities of the 12 main expenditure groups for each duty station at 1st July 2021 (for staff)

Expenditure	BE	SI-Ljubljana		SK-Bratislava		FI-Helsinki		SE-Stockholm	
Groups	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	125.9	135.5	0.850	98.1	0.873	128.1	1.082	126.6	10.74
2	13.9	15.3	0.832	14.4	0.808	17.2	1.589	17.0	13.20
3	43.1	60.8	0.903	57.0	0.954	51.0	1.041	50.4	11.79
4	344.2	259.8	0.873	379.8	0.859	307.8	1.357	315.9	17.55
5	64.5	51.1	0.887	76.0	0.794	55.3	1.009	54.7	11.58
6	12.7	16.9	0.758	14.2	0.592	16.0	1.617	15.8	16.23
7	130.0	169.4	0.932	116.5	0.712	146.5	1.230	144.8	12.44
8	19.8	24.5	0.810	16.5	0.702	18.7	0.815	18.5	10.08
9	79.6	91.7	0.940	85.6	0.829	102.7	1.207	101.5	11.30
10	26.7	25.5	0.405	20.6	0.365	21.7	0.631	21.4	7.337
11	81.1	98.0	0.720	73.4	0.730	85.1	1.084	84.1	11.63
12	58.6	51.6	0.863	47.9	0.786	50.0	1.125	49.4	11.71
Rents	278.5	199.4	0.916	322.0	0.909	255.7	1.502	264.4	19.17
Total without rents	721.4	800.6	0.830	678.0	0.756	744.3	1.088	735.6	11.52
Global parity	1000.0	1000.0	**0.849**	1000.0	**0.799**	1000.0	**1.189**	1000.0	**13.22**
Exchange rate			1		1		1		10.15

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

1.4 Purchasing power parities – analysis of results

1.4.1 Changes in the economic parities from July 2020 to July 2021

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. A decomposition of all the effects underlying the changes in the economic parities for the period July 2020 - July 2021, is given in **Table 4.2**.

The simple average change in the global economic parity for all duty stations for the period under review was +1.5% with standard deviation 2.3%. The maximum increase was +5.0% (CY-Nicosia). The maximum decrease was -2.2% (NL-The Hague). For 19 locations there was an increase and for 9 locations there was a decrease. The movements in the global economic parities for the period are summarised in the table below:

Range		Duty stations
$X < -3.1\%$	0	
$-3.1\% \leq X < -0.8\%$	5	CZ, DE-Karlsruhe, NL, SI, SK
$-0.8\% \leq X < 1.5\%$	9	DE-Berlin, DE-Munich, FR, IT-Rome, IT-Varese, MT, PL, PT, FI
$1.5\% \leq X < 3.8\%$	7	DK, IE, ES, HR, LV, AT, SE
$3.8\% \leq X < 6.1\%$	7	BG, EE, EL, CY, LT, HU, RO
$6.1\% \leq X$	0	
Total	**28**	excluding Brussels and Luxembourg[16]

1.4.2 Impact of changes in the expenditure weights

Consumption weighting structures are used to aggregate the basic heading parities to produce the global economic parity. They determine the relative importance of the parities for every basic heading, and can therefore have a potentially important impact. **No weighting structures were updated during the period under review.**

The current structures were established as follows:

- Data from the autumn 2017 survey in **Brussels** was combined with spring 2018 data from staff in partner organisations and the resulting structure was introduced in the July 2020 calculation exercise. The consumption structure for Brussels affects all other duty stations, as Brussels is the reference city for parity calculation, setting the 'Laspeyres' component of the Fisher index calculation (duty station structures set the 'Paasche' component).

[16] Op cit (36) Brussels is the reference city. Luxembourg = Brussels.

- Data from the autumn 2018 survey in Ireland was integrated in the July 2020 calculation exercise.
- Updated structures for 22 other duty stations were introduced for the July 2018 calculation exercise, based on family budget surveys conducted as indicated below:
  - (2) Bulgaria and Croatia: spring 2016.
  - (6) Greece, Spain, Italy (incl. Italy-Varese), Austria and Portugal: autumn 2016.
  - (14) Czech Republic, Denmark, Estonia, Cyprus, Lithuania, Latvia, Hungary, Malta, Poland, Romania, Slovenia, Slovakia, Finland, Sweden: spring 2017.

Updating surveys amongst staff in remaining Intra-EU duty stations are currently planned during spring 2022 in 5 locations: France; Germany-Karlsruhe; Germany-Munich; Germany-Berlin/other; Netherlands. The existing weighting structures for these places are based on surveys conducted between 2011 and 2013. No surveys were conducted during 2019-2021 due to the impact of the Covid-19 pandemic and policy responses to it. Survey participation will be open to all staff working for EU institutions in and outside the common system, to EU agencies, and to staff of partner organisations (notably collaboration with the International Service for Remunerations and Pensions of the Coordinated Organisations). This includes 39 administrations/locations.

Other things being equal, the next round of family budget surveys amongst Intra-EU staff will commence in 2024, after surveys have been conducted amongst Pensioners in EU27 Member States and amongst Extra-EU staff in delegations around the world. See also **sections 2.2.3** and **section 3.3.2**.

1.4.3 Impact of new parities derived from price surveys

For the current annual exercise, new parities obtained from the following consumer price surveys have been integrated for the following groups:

- Services (survey conducted in spring 2020)
- Furniture; Healthcare (survey conducted in autumn 2020)

In the usual way, prices were obtained from the European Comparison Programme (ECP) for capital cities, and complemented with consistent data from national statistical offices for duty stations in Italy (Varese) and Germany (Karlsruhe, Munich)[17].

The introduction of price data from the **spring 2020 ECP survey on Services** affects 26 elementary parities out of the 80 basic heading classification, which together account for 219.7‰ of the total consumption weight in Brussels and 222.2‰ on average in other EU duty stations with range between 186.9‰ and 268.6‰ and standard deviation 15.3‰. In accordance with the methodology agreed in 2015, price data for Electricity and for Gas are taken directly from the regular Energy statistics compilation by Eurostat.

[17] Op cit (16) Note: CC production for DE-Bonn has now ceased

Two basic headings required calculation of parities which combine price data from the Services survey with price data from earlier ECP surveys: "Pets and related products & veterinary services" and "Telephone and telefax equipment & services". Data for repairs to footwear from Services survey was not combined with price data for footwear items from earlier ECP survey due to low relative weight of repairs, however it was used in certain imputation calculations. The 2020 ECP survey did not collect prices to cover certain basic headings for certain countries. The tables below summarise how these parities were imputed:

Gap to be filled		Basis for imputation (hierarchical)	
BH	Title	BH	Title
25	Refuse and sewage	23	Services for the regular maintenance and repair of the dwelling
		24	Water supply
		26	Electricity
		27	Gas
		28	Solid, liquid and heat energy
49	Passenger transport by water	46	Passenger transport by railway
		47	Passenger transport by road
		48	Passenger transport by air
50	Combined passenger transport	46	Passenger transport by railway
		47	Passenger transport by road
		48	Passenger transport by air
31	Repair of furniture, furnishings and floor coverings	19	Repairs to footwear
		23	Services for the regular maintenance and repair of the dwelling
		34	Repair of household appliances
60	Maintenance and repair of other major durables for recreation and culture	19	Repairs to footwear
		23	Services for the regular maintenance and repair of the dwelling
		34	Repair of household appliances
70	Package holidays	48	Passenger transport by air
		74	Accommodation

Introduction of these various results has led to an increase in the overall parity for 24 locations and a decrease in the parity for 4 locations - with the impact ranging between +3.2% (IE-Dublin) and -0.7% (NL-The Hague). The average impact was +1.1%, with standard deviation 1.0%.

The introduction of the price data from the **autumn 2020 ECP survey on Furniture; Healthcare** affects 4 elementary parities out of the 80 basic heading classification, which together account for 36.8‰ of the total consumption weight in Brussels and 43.2‰ on average in other EU duty stations with range between 25.0‰ and 64.4‰ and standard deviation 9.2‰. In accordance with the methodology adopted in 2015, the Healthcare calculation also integrates the results of the latest (2019) ECP cost survey on Hospitals. Introduction of these results has generated an increase in the overall parity for 26 locations,

no change for 1 location and negative change for 1 location - with the impact ranging between +0.5% (IE-Dublin, EL-Athens) and -0.4% (CZ-Prague). The average impact was +0.2%, with standard deviation 0.2%.

The 2018-2020 cycle of ECP surveys did not collect prices to cover two basic headings (**'Insurances' and 'Other services, including financial services n.e.c.'**) which are particularly comparison-resistant. Together they account for 36.5‰ of the total consumption weight in Brussels and and 25.0‰ on average in other EU duty stations with range between 13.1‰ and 44.4‰ and standard deviation 7.3‰. In accordance with the approved methodology, parities for these basic headings have been updated by imputation of a reference parity equal to the global parity excluding rent as at July 2020. This has generated an increase in the overall parity for 9 locations, no change for 5 locations and a decrease for 14 locations - with the impact ranging between +0.4% (EE-Tallinn, CY-Nicosia) and -0.5% (RO-Bucharest). The average impact was 0.0%, with standard deviation 0.2%.

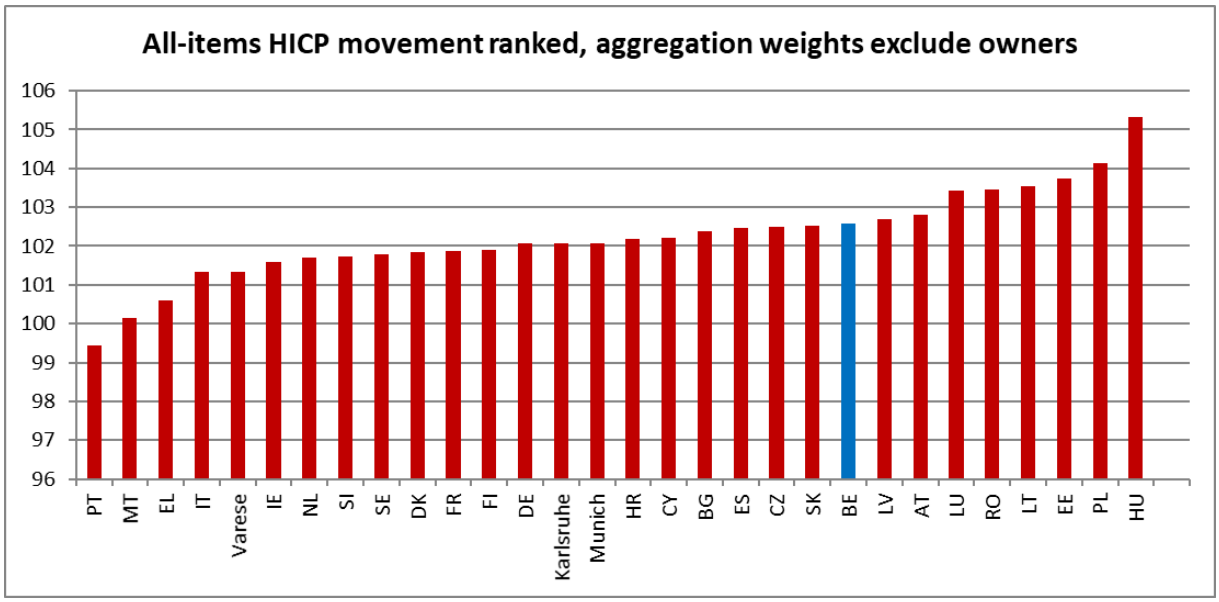
1.4.4 Impact of indexation

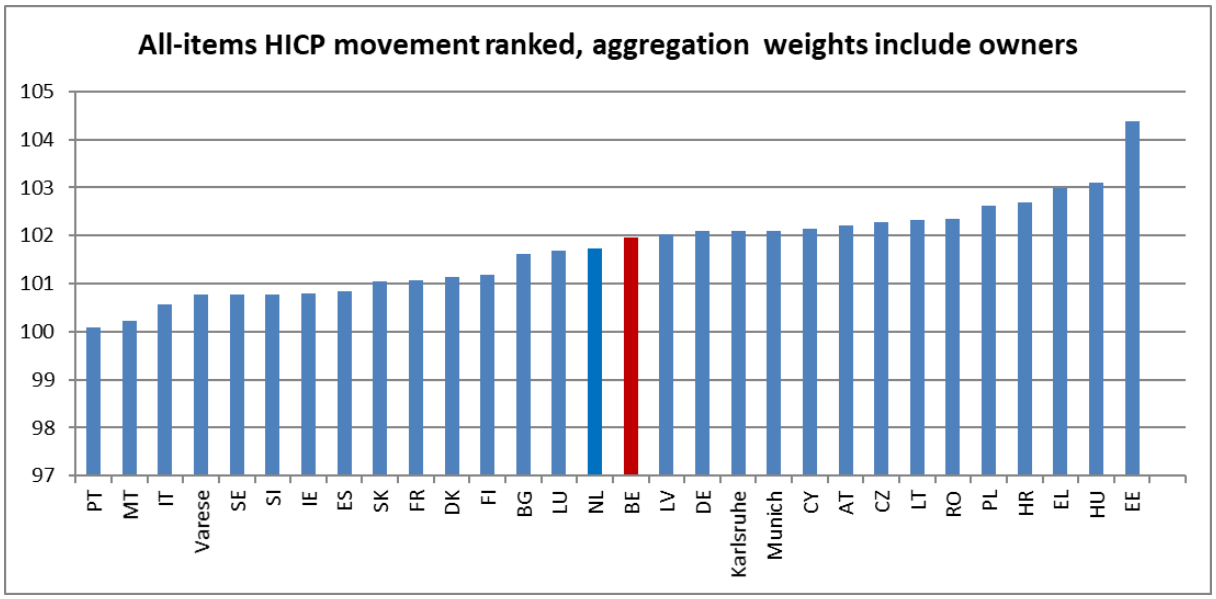
As regards price indexation, it has to be remembered that the impact for each duty station reflects the movement of the national Harmonised Index of Consumer Prices (HICP) relative to the evolution of prices in Brussels[18].

The impact on the overall parity of applying detailed sub-indices at basic heading level for the year to July 2021 generated a decrease (i.e. inflation was lower than in Brussels) in 13 places, an increase (i.e. inflation was higher than in Brussels) in 11 places and no change (i.e. inflation was the same as in Brussels) in the remaining 4 places - with the impact ranging between +2.3% (EE-Tallinn) and -2.4% (PT-Lisbon). The average impact was -0.3% and standard deviation 1.0%.

Here it should be recalled that there are important differences between HICP and PPP methodologies, notably regarding weights used for aggregation purposes (treatment of owners and tenants). 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 general magnitude and direction of change. Therefore, purely for information purposes, the following graphs summarise how national HICPs have developed relative to Belgium during the year to July 2021. It is clear from both graphs that the overall price index has risen more quickly in fewer than half of the duty station countries and less quickly in the remaining ones.

[18] See **Appendix 1b Section 1** for details of the movement in the Joint Belgium-Luxembourg Index (JBLI).





There is a second potential impact due to any change in the numbers of active staff in Brussels and Luxembourg, as these are used as weights in the construction of the index used to measure the evolution of prices in Brussels. For the new base period July 2020 (December 2019) compared with the previous base period July 2019 (December 2018) the ratio remained broadly stable[19].

1.4.5 Impact of new education parities

An updating calculation was done in accordance with the methodology adopted in 2020, which combined 2021 data for European schools, 2020 data for national schools and higher education from the joint Unesco-OECD-Eurostat exercise (quality-adjusted data obtained

[19] See **Appendix 1b Section 4** for details of the staff numbers

from the ECP), tuition fees in higher education from the Eurydice[20] report and the results of a detailed 2021 survey of private school tuition fees in all Intra-EU duty stations. The private schools are grouped in 12 refined categories (3 more broad categories were used in previous surveys).

The education basic heading accounts for 26.7‰ of the total consumption weight in Brussels and 28.0‰ on average in other EU duty stations with range between 14.8‰ and 60.9‰ and standard deviation 9.3‰. Introduction of the new parities has generated an increase in the overall parity for 13 locations, no change for 1 location and a decrease for 14 location - with the impact ranging between +2.5% (BG-Sofia) and -1.2% (DE-Karlsruhe and SI-Ljubljana). The average impact was +0.2%, with standard deviation 1.0%.

1.4.6 Impact of new rent parities

An Estate Agency Rent Survey is carried out every year in all Member States to compile rent data. A six-year moving average model is used for calculating rent parities: the rent parities for 2021 are based on the relative trend in the real-estate markets in Brussels and other places of employment between 2015 and 2021.

The rent parities are, therefore, affected by the following factors:

- introduction of rent data collected in 2020 for each dwelling type, for locations where data sets were found suitable for use[21];
- introduction of rent data for each dwelling type for year 2021;
- deletion of the rent data for 2015;
- price indices used for updating the rents for 2016 - 2020 to price level of 2021;
- relative weighting of rents data for each of the years 2016 – 2021 ("taper weights" *)
- relative weighting of rents data for each dwelling type (*).

(*) relative weighting structure is derived from the 2021 housing survey conducted amongst active staff in all Intra-EU duty stations in collaboration with other international organisations. Dwelling type weights were introduced for 2021 exercise; taper weights were introduced for 2021 exercise.

The housing survey was conducted simultaneously in all Intra-EU duty stations during spring 2021 amongst EU staff in collaboration with Coordinated Organisations and other international organisations[22]. High response rates have allowed calculation of robust dwelling type patterns for majority of duty stations. The new and the old sources are summarised hereafter:

[20] Eurydice data defines "fee" as any sum of money paid by students, with which they formally and compulsorily contribute to the cost of their higher education.

[21] Exceptionally, as rent data collected in 2020 were affected by constraints from national restrictions imposed in connection with the COVID-19 pandemic, in some cases they were not found appropriate for use in the 2021 annual exercise (6-year model). In those cases average rent data collected in 2019 updated using the appropriate national index for period 2019m06-2020m06 were used instead. In the 2020 annual exercise, for all duty stations, average rent data collected in 2019 updated using the appropriate national index for period 2019m06-2020m06 were used instead of rent data collected in 2020.

[22] The previous staff housing survey was conducted in 2016.

Basis of dwelling type weights

	BXL	BG	CZ	DK	DE^{Ber}	DE^{Kar}	DE^{Mun}	EE
New	**2021**	**Pool 2**	**Pool 4**	**2021**	**2021**	**2021**	**2021**	**Pool 1**
Old	2016	2016	2016	2016	2016	2016	2016	Pool

	IE	EL	ES	FR	HR	IT^{Rom}	IT^{Var}	CY
New	**2021**	**2021**	**2021**	**2021**	**Pool 2**	**2021**	**2021**	**2021**
Old	2016	2016	2016	2016	EU pool	2016	2016	2016

	LV	LT	LUX*	HU	MT	NL	AT	PL
New	**Pool 1**	**Pool 1**	**2021**	**2021**	**2021**	**2021**	**Pool 3**	**2021**
Old	Pool	Pool	2016	2016	Pool	2016	Pool	2016

	PT	RO	SI	SK	FI	SE
New	**2021**	**Pool 2**	**2021**	**Pool 4**	**2021**	**2021**
Old	2016	EU Pool	2016	EU pool	2016	2016

Notes for New

Pool 1 = EE, LV, LT Pool 2 = BG, HR, RO, SI, Balkans Pool 3 = AT, DE-Munich Pool 4 = CZ, SK, HU, AT, PL

* Whilst survey results were compiled for Luxembourg, and values are applied for other international organisations, there is no separate official calculation of correction coefficients for Luxembourg for EU purposes.

The new taper weights in six-year model are integrated for the July 2021 rent parity calculation. The following table shows the taper weights applied (together with the previous values for comparison):

Year	**SHS 2021**	**SHS 2016**
t0 (current)	12.42	25
t-1	23.40	21
t-2	23.22	18
t-3	16.67	14
t-4	13.02	11
Earlier	11.27	11
	100	**100**

The new results suggest a significant change in propensity to change dwelling. This is attributed to a variety of factors, including restrictions on mobility and the economic slowdown linked to Covid-19 pandemic.

Details of the average rent values by type of dwelling at July 2021, together with comparative information for July 2020, are provided in **Table 4.3**.

Details of the changes in the rent parities from July 2020 to July 2021, including a decomposition of all the effects, are given in **Table 5.1** and **Table 5.2**.

The simple average change in the rent parity for all duty stations was +0.5%. There were increases in the rent parity for 14 duty stations, no change for 1 location and decreases for 13 locations. All movements in the rent parity in absolute terms were less than 4% for all locations.

The rents basic headings account for 278.5‰ of the total consumption weight in Brussels and 236.9‰ on average in other EU duty stations with range between 160,9‰ and 358.4‰ and standard deviation 47.8‰. Consequently, the rent parities can influence in a quite significant way the global economic parities. The introduction of the new rent parities has led to an increase in the overall parity or stability for 19 locations and decreases for 9 locations with the impact ranging between +1.1% (EL-Athens) and -1.3% (CZ-Prague). The average impact on the overall parity was +0.2% with standard deviation 0.6%.

1.4.7 Impact of rents on the overall parity for staff

In **Table 5.3** and **Table 5.4**, the analysis of correction coefficients and parities 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 the impact of differences arising from other causes.

In 2021, for 13 out of the 28 duty stations (i.e. excluding Brussels and Luxembourg), the rent correction coefficient (ratio between the rent parity and the exchange rate) is under 100. This means that the average rents are generally lower in these places than in Brussels. For the remaining 15 duty stations, the rent correction coefficient is greater than 100.

The correction coefficients for rents (compared to Brussels =100) are very high in IE-Dublin (221.4), SE-Stockholm (188.8), DK-Copenhagen (184.6), FR-Paris (184.6) and DE-Munich (168.3), whereas they are quite low in BG-Sofia (53.3), CY-Nicosia (63.0) and IT-Varese (77.0).

In 2021, the rent correction coefficient is lower than the correction coefficient without rent in 3 of the duty stations (BG, IT-Varese and CY). This means that, for those places, the rents lead to a reduction of the global correction coefficient.

When rents are integrated in the computation, the correction coefficient is increased by 10% or more in IE-Dublin (+24.2%), FR-Paris (+16.7%), SE-Stockholm (+14.8%), CZ-Prague (+14.3%), DE-Munich (+14.1%), DK-Copenhagen (+11.7%) and HU-Budapest (+11.4%). By contrast, the impact is quite negative in CY-Nicosia (-8.2%), IT-Varese (-5.6%) and BG-Sofia (-4.5%). The average rent effect is +6.6% with standard deviation 7.1%.

1.4.8 Summary of component impacts on global parity

The tables below summarise the impact of the various components on the global parity, which are discussed in the preceding paragraphs:

Component	BH	Expenditure weight ‰				
		BE	Other (Avg.)	Other (St.Dev)	Other (Min.)	Other (Max.)
FBS Brussels	80	1000.0	1000.0	0	1000.0	1000.0
E20-1 Services (incl. Energy)	26	219.7	222.2	15.3	186.9	268.6
BH79 + BH80 imputation	2	36.5	25.0	7.3	13.1	44.4
E20-2 Furniture; Health	4	36.8	43.2	9.2	25.0	64.4
HICP relative to JBLI	80	1000.0	1000.0	0	1000.0	1000.0
Education	1	26.7	28.0	9.3	14.8	60.9
Rent	2	278.5	236.9	47.8	160.9	358.4

Component	BH	Impact on Global PPP					
		Avg.	St.Dev	Max.	Min.	+ve or 0	-ve
FBS Brussels	80	+0.0%	0.0%	+0.0%	-0.0%	0	0
E20-1 Services (incl. Energy)	26	+1.1%	1.0%	+3.2%	-0.7%	24	4
BH79 + BH80 imputation	2	0.0%	0.2%	+0.4%	-0.5%	14	14
E20-2 Furniture; Health	4	+0.2%	0.2%	+0.5%	-0.4%	27	1
HICP relative to JBLI	80	-0.3%	1.0%	+2.3%	-2.4%	15	13
Education	1	+0.2%	1.0%	+2.5%	-1.2%	14	14
Rent	2	+0.2%	0.6%	+1.1%	-1.3%	19	9
GLOBAL	80	+1.5%	2.3%	+5.0%	-2.2%	19	9

Table 4.2

Changes in the economic parities in the 12 months to 1st July 2021

Decomposition of the effects

(for staff)

Place of employment		Introduction of new price data						Total
		E20-1 Services	Impute BH79-BH80	E20-2 Furniture and Health	Indexation (HICP relative to JBLI)	2021 Education	2021 Rents	
BG	Sofia	1.4	-0.1	0.3	0.2	2.5	0.0	4.4
CZ	Prague	0.4	-0.3	-0.4	0.3	-0.6	-1.3	-1.9
DK	Copenhagen	1.4	-0.3	0.4	-0.2	0.3	0.5	2.0
DE	Berlin	-0.5	0.0	0.2	0.0	-0.6	0.4	-0.5
	Karlsruhe	-0.3	0.2	0.3	0.0	-1.2	-0.1	-1.1
	Munich	-0.1	-0.1	0.3	0.0	-0.5	0.0	-0.5
EE	Tallinn	1.7	0.4	0.4	2.3	0.1	-0.2	4.8
IE	Dublin	3.2	-0.2	0.5	-1.3	1.7	-0.3	3.6
EL	Athens	1.2	0.2	0.5	0.2	1.3	1.1	4.6
ES	Madrid	1.6	-0.2	0.1	-0.9	0.7	0.8	2.2
FR	Paris	0.7	-0.3	0.1	-0.7	-0.1	-0.2	-0.5
HR	Zagreb	1.3	0.0	0.2	0.5	-0.6	1.0	2.3
IT	Rome	0.9	0.0	0.1	-1.5	0.7	0.1	0.2
	Varese	1.4	0.3	0.3	-1.5	-0.4	0.4	0.6
CY	Nicosia	1.8	0.4	0.3	0.7	0.9	0.9	5.0
LV	Riga	1.2	0.1	0.2	0.0	1.3	0.3	3.2
LT	Vilnius	1.7	0.0	0.1	0.3	1.5	0.8	4.6
HU	Budapest	1.8	-0.1	0.2	0.8	1.7	-0.1	4.2
MT	Vallette	0.1	0.1	0.3	-1.5	-0.3	0.6	-0.8
NL	The Hague	-0.7	-0.3	0.0	-0.2	-0.2	-0.7	-2.2
AT	Vienna	1.0	-0.1	0.2	0.3	0.0	0.2	1.5
PL	Warsaw	1.6	0.1	0.2	0.1	-0.6	-0.7	0.7
PT	Lisbon	0.4	0.1	0.4	-2.4	0.8	1.0	0.3
RO	Bucharest	3.1	-0.5	0.2	0.6	1.1	0.0	4.5
SI	Ljubljana	0.3	0.0	0.2	-1.5	-1.2	0.7	-1.5
SK	Bratislava	1.3	-0.2	0.2	-1.1	-1.0	-0.1	-0.9
FI	Helsinki	0.9	-0.3	0.3	-0.5	-0.6	0.3	0.1
SE	Stockholm	2.5	-0.2	0.2	-1.0	-0.1	0.1	1.5

Note: Total impact is calculated by comparing previous global value and current global value. Individual conmponent impact is calculated by modifying individual element and recomputing global value. Due to rounding, product of individual component impacts may not match total impact.

Table 4.3 (page 1 of 4)

Changes in the average rents of accommodation in the twelve months to 1st July 2021

(Values expressed in Euro, except local currencies: BG*, CZ, DK, HR*, HU, PL, RO*, SE) [1]

Country / Place of employment			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m²)	(110-130m²)	(80-100m²)	(80-100m²)	(60-80m²)	(60-80m²)	(40-60m²)
BE	Brussels	*2020*	1,661	1,379	1,136	1,096	936	850	741
		2021	1,618	1,373	1,158	1,098	938	884	751
BG	*Sofia*	*2020*	*1,500*			*1,052*		*745*	
		2021	*1,499*			*1,073*		*753*	
CZ	*Prague*	*2020*		*43,000*		*32,778*		*23,444*	
		2021		*37,000*		*28,389*		*20,111*	
DK	*Copenhagen*	*2020***		*18,830*			*14,319*		*10,520*
		2021		*19,972*			*13,818*		*10,987*
DE	Berlin	*2020*		1,850		1,381		1,074	
		2021		2,012		1,412		1,126	
	Karlsruhe	*2020*		1,405		1,078		843	
		2021		1,456		1,023		850	
	Munich	*2020*		2,244		1,710		1,358	
		2021		2,241		1,793		1,397	
EE	Tallin	2020			1,288		830		580
		2021			1,143		813		563
IE	Dublin	*2020***		2,787			2,160		1,752
		2021		2,550			1,966		1,613
EL	Athens	*2020***	1,471			1,011		791	
		2021	1,655			1,115		860	
ES	Madrid	*2020***		1,855			1,369		1,015
		2021		1,470			1,107		807
FR	Paris	*2020*		2,876		2,193			1,252
		2021		2,802		2,158			1,247
HR	*Zagreb*	*2020***		*10,786*		*7,327*		*5,503*	
		2021		*11,349*		*7,923*		*5,060*	
IT	Rome	*2020***		1,670		1,242		955	
		2021		1,635		1,181		892	
	Varese	*2020*		1,044		747		588	
		2021		1,025		736		581	
CY	Nicosia	*2020*		898		692		546	
		2021		900		700		568	

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

* BG, HR, RO collected in Euros. Values converted to national currency

** use of 2019 rent survey data updated for inflation for 2019m06-2020m06

Table 4.3 (page 2 of 4)
Changes in the average rents of accommodation in the twelve months to 1st July 2021

(Values expressed in Euro, except local currencies: BG*, CZ, DK, HR*, HU, PL, RO*, SE) [1]

Country / Place of employment			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m²)	(110-130m²)	(80-100m²)	(80-100m²)	(60-80m²)	(60-80m²)	(40-60m²)
BE	Brussels	*2020*	1,661	1,379	1,136	1,096	936	850	741
		2021	1,618	1,373	1,158	1,098	938	884	751
LV	Riga	2020		1,356		924	0	598	
		2021		1,374		928	0	602	
LT	Vilnius	2020			1,078		764		563
		2021			1,183		867		616
HU	*Budapest*	*2020*		*482,423*			*283,535*		*212,135*
		2021		*482,919*			*297,572*		*212,268*
MT	Valletta	*2020*		1,310		1,028			762
		2021		1,296		967			710
NL	The Hague	*2020*		1,904		1,386		1,075	
		2021		1,848		1,427		1,074	
AT	Vienna	*2020***		1,693		1,270		995	
		2021		1,728		1,350		1,029	
PL	*Warsaw*	*2020***		*5,175*		*3,753*			*2,525*
		2021		*4,708*		*3,573*			*2,123*
PT	Lisbon	*2020*	1,750			1,315		1,005	
		2021	1,914			1,384		1,060	
RO	*Bucharest*	*2020*		*5,551*		*4,219*			*2,650*
		2021		*4,385*		*3,612*			*2,508*
SI	Ljubljana	*2020*		1,452		969			692
		2021		1,467		968			639
SK	Bratislava	*2020***		1,238		949		689	
		2021		1,211		917		636	
FI	Helsinki	*2020*		*2,198*			1,569		1,169
		2021		*2,163*			1,523		1,104
SE	*Stockholm*	*2020***		*30,763*		*21,654*		*16,278*	
		2021		*29,113*		*22,092*		*16,702*	

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

* BG, HR, RO collected in Euros. Values converted to national currency

** use of 2019 rent survey data updated for inflation for 2019m06-2020m06

Table 4.3 (page 3 of 4)

Changes in the average rents of accommodation in the twelve months to 1st July 2021

(Values expressed in Euro, except local currencies: BG*, CZ, DK, HR*, HU, PL, RO*, SE) [1]

Country / Place of employment			Non-detached houses (140-160m²)	Non-detached houses (110-130m²)	Non-detached houses (80-100m²)	Detached houses (190-220m²)	Detached houses (150-180m²)	Detached houses (110-140m²)	Rent Parity [2]
BE	Brussels	*2020*	1,846	1,529	1,243	2,596	2,175	1,704	
		2021	1,986	1,610	1,322	2,597	2,215	1,805	
BG	*Sofia*	*2020*				*2,619*			*1.047*
		2021				*3,032*			***1.042***
CZ	*Prague*	*2020*		*45,375*			*67,625*		*31.19*
		2021		*44,188*			*66,750*		***29.97***
DK	*Copenhagen*	*2020***		*19,837*			*23,925*		*13.53*
		2021		*19,700*			*26,500*		***13.73***
DE	Berlin	*2020*		1,881			2,679		1.256
		2021		1,906			2,625		**1.268**
	Karlsruhe	*2020*		1,491			2,041		0.996
		2021		1,395			1,571		**0.983**
	Munich	*2020*		2,664			3,772		1.693
		2021		2,353			3,366		**1.683**
EE	Tallin	2020		1,235			1,725		0.906
		2021		1,290			2,020		**0.941**
IE	Dublin	*2020***			2,798			3,557	2.232
		2021			2,697			3,513	**2.214**
EL	Athens	*2020***	1,623			2,203			0.824
		2021	1,710			2,297			**0.854**
ES	Madrid	*2020***	2,183			3,151			1.232
		2021	2,097			3,101			**1.253**
FR	Paris	*2020*		2,697			3,400		1.878
		2021		2,659			3,343		**1.846**
HR	*Zagreb*	*2020***	*12,163*			*19,293*			*6.697*
		2021	*12,586*			*20,666*			***6.881***
IT	Rome	*2020***		1,459		1,995			1.046
		2021		1,435		2,136			**1.031**
	Varese	*2020*		1,333		1,967			0.773
		2021		1,338		1,988			**0.770**
CY	Nicosia	*2020*	1,146			1,617			0.609
		2021	1,098			1,614			**0.630**

1 Rent value for dwelling type for year in question is average of reported values.
* BG, HR, RO collected in Euros. Values converted to national currency

2 Rent parity uses a six year model of the rent averages, updated by indices, applying taper weights.
Dwelling type weights and taper weights are identified by periodic housing surveys.

** use of 2019 rent survey data updated for inflation for 2019m06-2020m06

Table 4.3 (page 4 of 4)

Changes in the average rents of accommodation in the twelve months to 1st July 2021

(Values expressed in Euro, except local currencies: BG*, CZ, DK, HR*, HU, PL, RO*, SE) [1]

Country / Place of employment			Non-detached houses (140-160m²)	Non-detached houses (110-130m²)	Non-detached houses (80-100m²)	Detached houses (190-220m²)	Detached houses (150-180m²)	Detached houses (110-140m²)	Rent Parity [2]
BE	Brussels	*2020*	1,846	1,529	1,243	2,596	2,175	1,704	
		2021	1,986	1,610	1,322	2,597	2,215	1,805	
LV	Riga	2020	1,413			1,956			0.798
		2021	1,490			2,091			**0.821**
LT	Vilnius	2020		1,433			2,156		0.929
		2021		1,378			2,194		**0.959**
HU	*Budapest*	*2020*	*562,518*			*773,498*			*361.7*
		2021	*610,697*			*843,067*			***358.3***
MT	Valletta	*2020*		1,826		3,168			1.116
		2021		1,794		3,101			**1.082**
NL	The Hague	*2020*	2,488				3,192		1.436
		2021	2,269				3,200		**1.411**
AT	Vienna	*2020***		2,029			3,510		1.287
		2021		2,100			3,895		**1.304**
PL	*Warsaw*	*2020***		*5,805*		*8,329*			*3.915*
		2021		*5,874*		*9,218*			***3.889***
PT	Lisbon	*2020*	2,500				3,875		1.179
		2021	2,339				3,384		**1.227**
RO	*Bucharest*	*2020*					*8,346*		*4.071*
		2021					*7,381*		***4.098***
SI	Ljubljana	*2020*		1,279			1,937		0.903
		2021		1,377			1,993		**0.916**
SK	Bratislava	*2020***		1,425			1,989		0.928
		2021		1,374			1,993		**0.909**
FI	Helsinki	*2020*		2,372		3,307			1.500
		2021		2,187		3,171			**1.502**
SE	Stockholm	*2020***		25,625			33,601		19.16
		2021		23,708			34,250		**19.17**

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

* BG, HR, RO collected in Euros. Values converted to national currency

2 Rent parity uses a six year model of the rent averages, updated by indices, applying taper weights.

Dwelling type weights and taper weights are identified by periodic housing surveys.

** use of 2019 rent survey data updated for inflation for 2019m06-2020m06.

Table 5.1

Changes in rent parities in the twelve months to 1st July 2021
Decomposition of the effects
(for staff)

Place of employment		Delete survey 2015	Introduce survey 2021	Rent index 2021	New SHS dwelling weights BE	New SHS dwelling weights (place)	use of 2020 actual rent data*	New taper weights	Currency conversion **	Total change rent PPP
BG	Sofia	0.1	0.7	1.3	-0.1	-0.6	-3.2	1.3	0.0	-0.5
CZ	Prague	-1.5	-0.9	1.5	-0.1	-1.2	-3.6	1.9	-	-3.9
DK	Copenhagen	-0.5	0.3	0.5	0.0	1.4	-0.9	0.6	-	1.5
DE	Berlin	1.3	-0.1	0.3	0.0	0.1	-0.8	0.1	-	0.9
	Karlsruhe	0.3	-1.5	0.3	0.0	0.0	-0.8	0.5	-	-1.3
	Munich	1.0	-1.0	0.3	0.0	0.1	-1.2	0.2	-	-0.6
EE	Tallinn	-0.8	-0.3	2.3	0.0	0.8	0.8	1.0	-	3.9
IE	Dublin	0.0	-1.1	0.8	0.0	-0.4	-0.5	0.4	-	-0.8
EL	Athens	4.1	0.9	-0.1	0.0	0.1	-0.1	-1.3	-	3.6
ES	Madrid	3.5	-1.8	1.4	0.0	-0.2	-0.5	-0.7	-	1.7
FR	Paris	0.1	-0.4	-0.9	0.0	0.1	-1.0	0.5	-	-1.7
HR	Zagreb	3.1	0.4	0.8	0.0	0.3	-0.3	-0.5	-1.0	2.8
IT	Rome	-0.4	-0.4	0.2	0.1	-0.7	-0.4	0.2	-	-1.5
	Varese	0.2	-0.2	0.2	-0.1	0.2	-0.6	0.2	-	-0.3
CY	Nicosia	3.9	-0.4	1.7	0.0	0.6	-1.9	-0.5	-	3.4
LV	Riga	-0.4	0.0	1.4	0.0	0.5	1.4	0.0	-	2.9
LT	Vilnius	-1.0	0.6	2.1	0.0	2.5	-1.9	1.0	-	3.3
HU	Budapest	-2.2	0.3	3.6	0.0	-0.3	-4.3	2.1	-	-0.9
MT	Valletta	1.5	-0.6	0.3	0.0	-2.0	-2.6	0.4	-	-3.0
NL	The Hague	-1.0	-0.9	0.8	0.0	0.1	-1.5	0.8	-	-1.7
AT	Vienna	-0.3	0.4	1.4	0.0	0.0	-0.4	0.2	-	1.3
PL	Warsaw	-3.6	-0.6	2.8	0.0	-0.5	-0.4	1.8	-	-0.7
PT	Lisbon	6.8	-0.2	-0.6	0.0	1.4	-1.7	-1.5	-	4.0
RO	Bucharest	-1.8	-2.0	2.5	0.0	-0.3	-0.4	1.1	1.7	0.6
SI	Ljubljana	1.9	-0.1	0.2	0.0	0.0	-0.7	0.0	-	1.4
SK	Bratislava	-0.7	-0.6	1.5	-0.1	-1.9	-0.7	0.5	-	-2.1
FI	Helsinki	1.0	-0.8	0.7	0.0	-1.0	0.3	-0.1	-	0.1
SE	Stockholm	-1.4	-0.4	0.2	0.0	1.3	-0.8	1.1	-	0.0

* Use of 2020 rent survey datat for: BE, BG, CZ, DE-Munich, EE, FR, IT-Varese, CY, LV, LT, HU, MT, NL, PT, RO, SI and FI.

** BG, HR, RO rent values are compiled in Euro and converted to local currency for PPP calculation.

Restatement of national currency values expressed at July 2020 exchange rates into July 2021 exchange rates.

Note: Total impact is calculated by comparing previous global value and current global value. Individual conmponent impact is calculated by modifying individual element and recomputing global value. Due to rounding, combined product of individual component impacts may not match total impact.

Table 5.2

Changes in rent parities in the twelve months to 1st July 2021
Decomposition of the effects (impact on global parity)
(for staff)

Place of employment		Delete survey 2015	Introduce survey 2021	Rent index 2021	New SHS dwelling weights BE	New SHS dwelling weights (place)	use of 2020 actual rent data*	New taper weights	Currency conversion **	Total rent impact
BG	Sofia	0.0	0.1	0.1	0.0	0.0	-0.2	0.1	0.0	0.0
CZ	Prague	-0.5	-0.3	0.5	0.0	-0.4	-1.2	0.6	-	-1.3
DK	Copenhagen	-0.2	0.1	0.2	0.0	0.5	-0.3	0.2	-	0.5
DE	Berlin	0.6	0.0	0.1	0.0	0.0	-0.4	0.0	-	0.4
	Karlsruhe	0.0	-0.2	0.0	0.0	0.0	-0.1	0.1	-	-0.1
	Munich	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-	0.0
EE	Tallinn	0.0	0.0	-0.1	0.0	0.0	0.0	-0.1	-	-0.2
IE	Dublin	0.0	-0.4	0.3	0.0	-0.1	-0.2	0.1	-	-0.3
EL	Athens	1.3	0.3	0.0	0.0	0.0	0.0	-0.4	-	1.1
ES	Madrid	1.6	-0.8	0.6	0.0	-0.1	-0.2	-0.3	-	0.8
FR	Paris	0.0	0.0	-0.1	0.0	0.0	-0.1	0.1	-	-0.2
HR	Zagreb	1.1	0.1	0.3	0.0	0.1	-0.1	-0.2	-0.3	1.0
IT	Rome	0.0	0.0	0.0	0.0	0.1	0.0	0.0	-	0.1
	Varese	-0.3	0.4	-0.3	0.1	-0.2	1.0	-0.3	-	0.4
CY	Nicosia	1.0	-0.1	0.4	0.0	0.2	-0.5	-0.1	-	0.9
LV	Riga	0.0	0.0	0.2	0.0	0.1	0.2	0.0	-	0.3
LT	Vilnius	-0.2	0.1	0.5	0.0	0.6	-0.5	0.2	-	0.8
HU	Budapest	-0.3	0.0	0.5	0.0	0.0	-0.5	0.3	-	-0.1
MT	Valletta	-0.3	0.1	-0.1	0.0	0.4	0.5	-0.1	-	0.6
NL	The Hague	-0.4	-0.4	0.3	0.0	0.0	-0.6	0.4	-	-0.7
AT	Vienna	0.0	0.1	0.2	0.0	0.0	-0.1	0.0	-	0.2
PL	Warsaw	-3.5	-0.6	2.7	0.0	-0.5	-0.4	1.7	-	-0.7
PT	Lisbon	1.6	-0.1	-0.1	0.0	0.3	-0.4	-0.4	-	1.0
RO	Bucharest	-0.1	-0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0
SI	Ljubljana	0.9	0.0	0.1	0.0	0.0	-0.3	0.0	-	0.7
SK	Bratislava	0.0	0.0	0.1	0.0	-0.1	0.0	0.0	-	-0.1
FI	Helsinki	2.3	-1.7	1.6	0.1	-2.3	0.6	-0.2	-	0.3
SE	Stockholm	-8.1	-2.4	1.0	0.2	7.4	-4.6	6.7	-	0.1

* Use of 2020 rent survey datat for: BE, BG, CZ, DE-Munich, EE, FR, IT-Varese, CY, LV, LT, HU, MT, NL, PT, RO, SI and FI.

** BG, HR, RO rent values are compiled in Euro and converted to local currency for PPP calculation.
Restatement of national currency values expressed at July 2020 exchange rates into July 2021 exchange rates.

Note: Total impact is calculated by comparing previous global value and current global value. Individual conmponent impact is calculated by modifying individual element and recomputing global value. Due to rounding, combined product of individual component impacts may not match total impact.

Table 5.3
Effect of rent on the correction coefficients at 1st July 2021
(for staff)

Place of employment		Weight		Correction coefficient			Rent effect (%)
		Without rent	Rent	Without rent	Rent	Overall	
		[1]	[2]	[3]	[4]	[5]	[6] = [5]/[3]
BG	Sofia	811.5	188.5	64.6	53.3	61.7	-4.5
CZ	Prague	641.6	358.4	77.1	117.7	88.1	14.3
DK	Copenhagen	753.1	246.9	120.1	184.6	134.2	11.7
DE	Berlin	788.8	211.2	94.4	126.8	101.4	7.4
	Karlsruhe	788.8	211.2	96.4	98.3	96.9	0.5
	Munich	788.8	211.2	99.4	168.3	113.4	14.1
EE	Tallinn	807.0	193.0	84.1	94.1	86.3	2.6
IE	Dublin	680.9	319.1	107.6	221.4	133.6	24.2
EL	Athens	839.1	160.9	85.4	85.4	85.2	-0.2
ES	Madrid	762.8	237.2	87.9	125.3	96.3	9.6
FR	Paris	755.8	244.2	102.7	184.6	119.9	16.7
HR	Zagreb	801.4	198.6	74.8	91.8	78.3	4.7
IT	Rome	794.3	205.7	93.0	103.1	95.2	2.4
	Varese	770.0	230.0	96.6	77.0	91.2	-5.6
CY	Nicosia	783.8	216.2	89.5	63.0	82.2	-8.2
LV	Riga	811.0	189.0	79.4	82.1	80.0	0.8
LT	Vilnius	813.8	186.2	76.0	95.9	80.1	5.4
HU	Budapest	732.4	267.6	68.3	102.1	76.1	11.4
MT	Vallette	743.3	256.7	89.4	108.2	94.0	5.1
NL	The Hague	761.3	238.7	102.7	141.1	111.4	8.5
AT	Vienna	776.5	223.5	103.4	130.4	109.6	6.0
PL	Warsaw	747.4	252.6	65.8	86.0	70.6	7.3
PT	Lisbon	783.0	217.0	83.2	122.7	91.4	9.9
RO	Bucharest	671.3	328.7	63.0	83.2	68.5	8.7
SI	Ljubljana	800.6	199.4	83.0	91.6	84.9	2.3
SK	Bratislava	678.0	322.0	75.6	90.9	79.9	5.7
FI	Helsinki	744.3	255.7	108.8	150.2	118.6	9.0
SE	Stockholm	735.6	264.4	113.5	188.8	130.3	14.8

Note: For countries which are in the Eurozone, there is no change in the exchange rate. Consequently the change in the correction coefficient = the change in the economic parity.

Table 5.4
Effect of rent on the economic parities at 1st July 2021
(for staff)

Place of employment		Weight		PPP			Rent effect (%)
		Without rent	Rent	Without rent	Rent	Overall	
		[1]	[2]	[3]	[4]	[5]	[6] = [5]/[3]
BG	Sofia	811.5	188.5	1.263	1.042	1.207	-4.5
CZ	Prague	641.6	358.4	19.64	29.97	22.44	14.3
DK	Copenhagen	753.1	246.9	8.928	13.73	9.983	11.7
DE	Berlin	788.8	211.2	0.944	1.268	1.014	7.4
	Karlsruhe	788.8	211.2	0.964	0.983	0.969	0.5
	Munich	788.8	211.2	0.994	1.683	1.134	14.1
EE	Tallinn	807.0	193.0	0.841	0.941	0.863	2.6
IE	Dublin	680.9	319.1	1.076	2.214	1.336	24.2
EL	Athens	839.1	160.9	0.854	0.854	0.852	-0.2
ES	Madrid	762.8	237.2	0.879	1.253	0.963	9.6
FR	Paris	755.8	244.2	1.027	1.846	1.199	16.7
HR	Zagreb	801.4	198.6	5.610	6.881	5.872	4.7
IT	Rome	794.3	205.7	0.930	1.031	0.952	2.4
	Varese	770.0	230.0	0.966	0.770	0.912	-5.6
CY	Nicosia	783.8	216.2	0.895	0.630	0.822	-8.2
LV	Riga	811.0	189.0	0.794	0.821	0.800	0.8
LT	Vilnius	813.8	186.2	0.760	0.959	0.801	5.4
HU	Budapest	732.4	267.6	239.7	358.3	267.0	11.4
MT	Vallette	743.3	256.7	0.894	1.082	0.940	5.1
NL	The Hague	761.3	238.7	1.027	1.411	1.114	8.5
AT	Vienna	776.5	223.5	1.034	1.304	1.096	6.0
PL	Warsaw	747.4	252.6	2.976	3.889	3.190	7.3
PT	Lisbon	783.0	217.0	0.832	1.227	0.914	9.9
RO	Bucharest	671.3	328.7	3.105	4.098	3.373	8.7
SI	Ljubljana	800.6	199.4	0.830	0.916	0.849	2.3
SK	Bratislava	678.0	322.0	0.756	0.909	0.799	5.7
FI	Helsinki	744.3	255.7	1.088	1.502	1.186	9.0
SE	Stockholm	735.6	264.4	11.52	19.17	13.22	14.8

2. EQUIVALENCE OF PURCHASING POWER OF EU PENSIONERS IN THE MEMBER STATES

2.1 Economic parities, exchange rates and correction coefficients

Tables 6 and 7 in the main report show the global values for pensioners for all Member States plus the United Kingdom.

The correction coefficients applicable to the EU pensioners 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 pensions (only for the pension rights acquired before 1 May 2004; the correction coefficient being 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. The correction coefficient applies in full for transfers into, or out of, the pension scheme of European Officials.

As pensions are first expressed in Euros, then converted to local currency using exchange rates, before being multiplied by the correction coefficients, it is clear that the exchange rate effect cancels out and the relevant factor is any change in the economic parities[23].

2.2 Changes between July 2020 and July 2021

An intermediate report was prepared in the usual way covering the six months July 2020 – January 2021[24]. That report identifies the locations where, in accordance with Chapter 2 of Annex XI to the Staff Regulations, the change in the implicit index (i.e. the combined impact of the Joint Belgium Luxembourg Index and the change in the purchasing power parity relative to Belgium) exceeded 3%. For the period July 2020 – January 2021 the implicit index did not exceed the threshold for any Member State (or UK). Consequently, there was no change to the correction coefficients for pensioners.

2.2.1 Changes in the correction coefficients from July 2020 to July 2021

The simple average change for all Member States in the correction coefficient for the period under review was +2.6% with standard deviation 2.0%. The maximum increase was +6.0% (Estonia, Hungary and Sweden); the maximum decrease was -0.4% (Slovenia). For 22 Member States the change was positive and for 3 Member States the change was negative. The movements in pensioner correction coefficients for the period July 2020 - July 2021 are summarised in the table hereafter[25]:

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[23] For a numerical example to illustrate this, see **Appendix 1c Section 1.1**; for details of changes in exchange rates, see **Appendix 1c Section 1.1.2**

[24] Op cit (7) Ares(2021)3465742

[25] Note: For countries in the Eurozone, the change in the correction coefficient = the change in the parity. **Table 6*** shows movements for the remaining countries.

Range		Duty stations
X < -1.4%	0	
-1.4% ≤ X < 0.6%	5	DE, NL, PL, PT, SI
0.6% ≤ X < 2.6%	6	FR, IT, LT, MT, RO, FI
2.6% ≤ X < 4.6%	9	BG, DK, IE, EL, ES, HR, CY, LV, AT
4.6% ≤ X < 6.6%	5	CZ, EE, HU, SK, SE
6.6% ≤ X	0	
Total	**25**	excluding Belgium and Luxembourg[26]

For the UK, the change was more than +6.6%.

2.2.2 Economic parities

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

a) Basic heading 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 between different capital cities and Brussels[27].

b) For calculating country rent parities a two-stage procedure has been applied. Firstly a spatial adjustment factor is calculated in the form of national/capital ratio of market rents. Secondly, with the help of this adjustment factor the capital city rent parity is transformed into the country rent parity.

   To establish the capital/national adjustment ratio, average rent values from Article 64 exercise for duty station and Brussels (i.e. bilateral parity with Brussels) as used for the calculation of correction coefficients for active staff are compared with average rent values from European Comparison Programme exercise for duty station country and Belgium (i.e. bilateral parity with Belgium)[28]. That approach is applied for all Member States except Belgium (CPI), Estonia (1:1 ratio), Malta (1:1 ratio), Austria (microcensus).

c) Basic heading parities are aggregated using specific consumption weights for the pensioners.

2.2.3 Expenditure weights

The consumption weighting structure used to aggregate the basic heading parities to produce the global economic parity for pensioners was not updated during the period under review for any Member State.

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[26] Belgium is the reference country for the bilateral comparisons (CC for pensioners). In accordance with Article 3(2) of Annex XI to the Staff Regulations, Luxembourg = Belgium.

[27] For more details, see **Appendix 1c Section 1.2**

[28] Source: Eurostat Free Data Table prc_ppp_ind "Purchasing power parities (PPPs), price level indices and real expenditures for ESA 2010 aggregates", AGGREG Housing, water, electricity, gas and other fuels. Since 2020, the NA_Item reference used, has changed from EU28=1 to EU27_2020=1.

The current weights are established on the basis of an across-the-whole-EU family budget survey carried out in 2013 and first introduced for calculation of the July 2016 parities.

Naturally, as the pension scheme continues to mature, the number of pensioners can be expected to increase, and they may choose to reside in different locations. These factors may have an impact on the eventual spending patterns. Other things being equal, the next family budget survey amongst pensioners will now be scheduled in 2023, following completion of the current cycle of surveys amongst active staff (see also **section 1.3.2** and **section 3.3.2**).

2.2.4 Detailed economic parities

The details of the calculated economic parities at the level of 12 main consumption groups are shown in **Table 6.1** for all countries apart from Belgium and Luxembourg. This table also includes information about the consumption weights by country and by expenditure groups.

Table 6*

Changes in the economic parities, exchange rates and correction coefficients in the twelve months to 1st July 2021 (for pensioners)

Country	Parity 1.7.2021	Exch.Rate 1.7.2021	C.C. 1.7.2021	Parity 1.7.2020	Exch.Rate 1.7.2020	C.C. 1.7.2020	Parity CHANGE %	Exch.Rate CHANGE %	C.C. CHANGE %
BG	1.145	1.956	58.6	1.106	1.956	56.6	3.5	0.0	3.5
CZ	19.14	25.48	75.1	19.27	26.85	71.8	-0.7	-5.1	4.6
DK	10.177	7.436	136.9	9.895	7.453	132.8	2.9	-0.2	3.1
HR	5.173	7.496	69.0	5.054	7.569	66.8	2.3	-1.0	3.3
HU	223.3	351.1	63.6	213.6	356.3	60.0	4.5	-1.5	6.0
PL	2.772	4.519	61.3	2.727	4.466	61.1	1.7	1.2	0.3
RO	2.853	4.928	57.9	2.763	4.844	57.0	3.3	1.7	1.6
SE	12.18	10.15	120.0	11.86	10.48	113.2	2.7	-3.1	6.0
UK	1.105	0.859	128.5	1.091	0.915	119.2	1.2	-6.1	7.8

Note: for countries in the Eurozone, there is no change in the exchange rate. Consequently, the change in the correction coefficient = the change in the parity.

Table 6.1 (page 1 of 2)

Economic parities of the 12 main expenditure groups for each country
1st July 2021
(for pensioners)

Expenditure	BE	BG		CZ		DK		DE		EE		IE		EL	
Groups*	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	131.0	155.0	1.544	140.7	20.04	119.0	8.392	123.4	0.939	118.6	0.826	131.1	1.040	137.0	0.946
2	24.4	32.0	1.321	29.0	20.77	31.4	8.677	27.4	0.808	24.8	0.964	27.1	1.692	28.3	1.113
3	42.4	46.0	1.467	41.7	25.61	33.3	8.840	40.6	0.900	27.3	0.839	38.9	1.092	40.6	0.916
4	337.0	186.0	0.8317	261.1	18.58	376.4	12.38	305.5	1.152	349.8	1.051	311.4	1.512	280.8	0.730
5	70.9	92.0	1.221	83.5	20.39	60.2	9.957	74.4	1.054	67.8	0.734	77.8	1.092	81.3	0.809
6	21.7	29.5	0.7611	26.8	10.54	16.8	8.585	30.9	0.988	18.5	0.576	25.0	1.932	26.1	0.782
7	118.0	147.4	1.387	133.8	21.83	131.6	9.419	117.7	1.044	124.2	0.907	124.7	1.180	130.2	0.947
8	19.6	22.1	0.9225	20.0	19.22	15.5	5.765	14.1	0.773	19.0	0.595	18.7	1.044	19.5	1.007
9	95.2	119.3	1.393	108.2	19.49	95.3	9.811	114.8	0.999	102.7	0.957	100.9	1.087	105.4	0.874
10	2.7	5.7	0.7374	5.1	9.501	4.4	5.534	7.9	0.501	6.5	0.577	4.8	0.746	5.0	0.645
11	72.2	88.0	0.9299	79.9	14.53	66.7	9.989	77.6	0.890	76.6	0.819	74.5	1.194	77.8	0.693
12	65.0	77.2	1.230	70.0	20.49	49.4	9.396	65.8	0.924	64.2	0.838	65.3	0.987	68.2	0.753
Rents	255.4	83.1	0.7222	167.8	18.18	297.2	13.48	230.1	1.233	224.5	1.177	258.0	1.872	190.0	0.765
Total without rents	744.6	916.9	1.250	832.2	19.43	702.8	9.164	769.9	0.952	775.6	0.831	742.0	1.091	810.0	0.841
Global parity	1000.0	1000.0	**1.145**	1000.0	**19.14**	1000.0	**10.18**	1000.0	**1.013**	1000.0	**0.902**	1000.0	**1.254**	1000.0	**0.823**
Exchange rate			1.956		25.48		7.436		1		1		1		1

Expenditure	BE	ES		FR		HR		IT		CY		LV		LT	
Groups*	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	131.0	147.7	0.839	131.6	1.048	144.8	6.356	144.9	1.009	137.7	0.917	129.7	0.852	162.6	0.765
2	24.4	25.2	0.766	23.6	1.033	29.9	7.112	21.1	0.955	28.4	0.877	26.8	0.981	33.6	0.870
3	42.4	38.4	0.929	39.8	1.017	42.9	6.018	36.4	0.955	40.8	0.904	38.4	0.982	48.2	1.029
4	337.0	259.2	1.053	313.6	1.272	239.4	3.963	351.7	1.031	276.9	0.740	319.0	0.634	146.0	0.509
5	70.9	94.3	1.020	75.0	1.162	85.9	5.129	86.3	0.970	81.7	0.788	76.9	0.753	96.5	0.808
6	21.7	35.4	1.007	21.0	0.816	27.6	3.740	41.7	1.116	26.2	1.063	24.7	0.641	31.0	0.597
7	118.0	153.2	0.919	137.1	1.061	137.7	6.753	91.6	0.969	130.9	0.978	123.3	0.825	154.6	0.850
8	19.6	17.5	0.810	19.7	0.691	20.6	5.688	18.5	0.677	19.6	0.722	18.5	0.672	23.1	0.694
9	95.2	90.2	0.911	97.4	1.092	111.4	5.883	79.3	0.920	105.9	1.047	99.8	0.828	125.1	0.773
10	2.7	9.0	0.770	7.0	0.619	5.3	2.224	1.5	0.733	5.0	0.791	4.7	0.567	5.9	0.595
11	72.2	66.6	0.801	67.2	1.082	82.3	4.599	66.3	0.826	78.2	0.761	73.6	0.726	92.4	0.619
12	65.0	63.4	0.809	67.1	1.019	72.1	5.387	60.6	0.880	68.5	0.816	64.5	0.773	80.9	0.748
Rents	255.4	178.1	1.145	232.5	1.366	143.4	3.804	253.5	1.059	185.6	0.761	233.0	0.667	38.1	0.524
Total without rents	744.6	821.9	0.882	767.6	1.041	856.6	5.572	746.5	0.943	814.4	0.872	767.0	0.773	961.9	0.737
Global parity	1000.0	1000.0	**0.933**	1000.0	**1.112**	1000.0	**5.173**	1000.0	**0.971**	1000.0	**0.846**	1000.0	**0.746**	1000.0	**0.702**
Exchange rate			1		1		7.496		1		1		1		1

* For explanation of codes see table 4.1

Table 6.1 (page 2 of 2)

Economic parities of the 12 main expenditure groups for each country
1st July 2021
(for pensioners)

Expenditure	BE	HU		MT		NL		AT		PL		PT		RO	
Groups*	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	131.0	142.0	276.2	130.0	1.023	111.0	0.909	111.0	1.077	150.5	2.949	147.7	0.888	150.3	3.348
2	24.4	29.3	222.5	26.8	0.965	28.6	0.959	28.6	0.916	31.1	3.697	25.2	0.901	31.0	3.369
3	42.4	42.1	274.8	38.6	0.963	39.8	0.983	39.8	0.989	44.6	3.448	38.4	0.831	44.5	3.660
4	337.0	254.1	174.7	317.1	1.171	321.6	1.282	321.6	1.346	209.4	2.057	259.2	0.893	211.0	2.263
5	70.9	84.3	235.7	77.2	0.899	91.9	1.002	91.9	1.093	89.3	3.209	94.3	0.863	89.1	3.225
6	21.7	27.1	199.9	24.8	0.756	22.3	1.142	22.3	1.126	28.7	2.444	35.4	0.990	28.6	1.879
7	118.0	135.1	282.6	123.7	0.938	122.0	1.145	122.0	1.076	143.2	3.408	153.2	0.971	142.9	3.554
8	19.6	20.2	200.4	18.5	0.741	15.8	0.877	15.8	0.689	21.4	1.869	17.5	0.820	21.4	1.721
9	95.2	109.3	243.6	100.0	0.943	100.0	1.137	100.0	1.105	115.8	3.177	90.2	0.854	115.6	3.330
10	2.7	5.2	184.4	4.7	0.549	3.2	1.095	3.2	1.024	5.5	1.435	9.0	0.501	5.5	2.248
11	72.2	80.7	207.5	73.9	0.789	73.7	1.071	73.7	0.954	85.5	3.007	66.6	0.683	85.3	2.459
12	65.0	70.7	230.5	64.7	0.840	70.0	1.020	70.0	1.040	74.9	3.101	63.4	0.815	74.8	2.968
Rents	255.4	159.9	181.4	230.8	1.353	238.2	1.445	238.2	1.538	109.6	1.822	178.1	0.903	111.3	2.222
Total without rents	744.6	840.1	235.7	769.2	0.896	761.8	1.022	761.8	1.027	890.4	3.029	821.9	0.862	888.7	3.017
Global parity	1000.0	1000.0	**223.3**	1000.0	**0.990**	1000.0	**1.113**	1000.0	**1.135**	1000.0	**2.772**	1000.0	**0.870**	1000.0	**2.853**
Exchange rate			351.1		1		1		1		4.519		1		4.928

Expenditure	BE	SI		SK		FI		SE	
Groups*	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	131.0	140.8	0.845	143.1	0.876	119.0	1.085	119.0	10.77
2	24.4	29.1	0.867	29.5	0.828	31.4	1.625	31.4	13.79
3	42.4	41.7	0.899	42.4	0.940	33.3	1.056	33.3	11.82
4	337.0	260.5	0.749	248.7	0.764	376.4	1.349	376.4	13.32
5	70.9	83.5	0.881	84.9	0.773	60.2	1.012	60.2	11.61
6	21.7	26.8	0.758	27.3	0.592	16.8	1.617	16.8	16.23
7	118.0	133.9	0.876	136.0	0.744	131.6	1.175	131.6	12.11
8	19.6	20.0	0.801	20.4	0.693	15.5	0.831	15.5	10.21
9	95.2	108.3	0.935	110.1	0.789	95.3	1.222	95.3	10.83
10	2.7	5.1	0.405	5.2	0.365	4.4	0.631	4.4	7.337
11	72.2	80.0	0.729	81.2	0.739	66.7	1.139	66.7	11.72
12	65.0	70.1	0.858	71.2	0.758	49.4	1.144	49.4	11.94
Rents	255.4	167.1	0.772	153.8	0.839	297.2	1.531	297.2	13.74
Total without rents	744.6	832.9	0.832	846.2	0.763	702.8	1.112	702.8	11.64
Global parity	1000.0	1000.0	**0.819**	1000.0	**0.777**	1000.0	**1.214**	1000.0	**12.18**
Exchange rate			1		1		1		10.15

UK	
Weight	Parity
102.6	0.7235
22.4	1.192
25.5	0.7482
391.1	1.514
64.2	0.9169
13.8	1.484
120.5	0.9842
15.6	0.7832
99.8	1.041
5.9	1.124
77.1	0.9592
61.7	0.8494
309.1	1.897
691.0	0.8924
1000.0	**1.105**
	0.8595

* For explanation of codes see table 4.1

2.3 Purchasing power parities for pensioners - analysis of results

2.3.1 Changes in the economic parities from July 2020 to July 2021

A decomposition of the changes in the economic parities for the period July 2020 - July 2021 is shown in **Table 6.3**.

The simple average change across all countries in the global economic parity for pensioners for the period under review was +2.3% with standard deviation 1.8%. The maximum increase was +6.0% (Estonia). The maximum decrease was -0.7% (Czechia). For 21 Member States the change was positive and for 4 Member States the change was negative. The movements in the global economic parities for the period are summarised in the table below:

Range		Duty stations
$X < -1.3\%$	0	
$-1.3\% \leq X < 0.5\%$	5	CZ, DE, NL, PT, SI
$0.5\% \leq X < 2.3\%$	6	FR, IT, LT, MT, PL, FI
$2.3\% \leq X < 4.1\%$	9	BG, DK, IE, ES, HR, LV, AT, RO, SE
$4.1\% \leq X < 5.9\%$	4	EL, CY, HU, SK
$5.9\% \leq X$	1	EE
Total	**25**	excluding Belgium and Luxembourg[29]

For the UK, the change was in the range $0.5\% \leq X < 2.3\%$.

One of the main differences in the calculation of parity values for pensioners by comparison to those established for active staff arises from the aggregation using specific expenditure weights for pensioners rather than consumption patterns for active staff[30]. This can affect the magnitude of the impact of the individual components (introduction of new price surveys, price updating using indices, new rents, etc.). Consequently the movements in the overall parity differ from those reported for active staff, details of which are provided elsewhere in this report.

The other adjustment in the calculation of parity values for pensioners is the conversion of capital city rent levels to national average rent levels. The ratio values applied for the current year[31] and the change by comparison to the previous year are shown in **Table 6.2**. For 2021 the ratio for Belgium/Brussels is 0.80 (a decrease of -7.68%)[32]. The average ratio for other countries/capitals is 0.68 with standard deviation 0.21. The minimum ratio is 0.37 (PL/Poland). The maximum ratio is 1.00 (EE/Estonia and MT/Malta). Excluding Belgium/Brussels, the rent ratio has decreased by comparison to the previous year for 17 countries/capitals, has remained stable for 5 countries/capitals and has increased for 4 countries/capitals. The average change is -1.4% with standard deviation 3.9%. The largest

[29] Op cit (47) Belgium is the reference country for the bilateral comparisons (CC for pensioners). In accordance with Article 3(5) of Annex XI to the Staff Regulations, Luxembourg = Belgium.

[30] The most recent family budget survey amongst pensioners in EU28 Member States was conducted in 2013 and results were integrated for 2016 calculation exercise.

[31] Expressed as country rent level = numerator of fraction, capital city rent level = denominator of fraction.

[32] Since 2020 there is a change in the way the Belgium/Brussels rent ratio is being calculated: registered leases databases are now the source for rents, while in previous years web surveys were used.

increase is +16.34% (SK/Bratislava). There were decreases of more than 5% for 7 countries/capitals: -8.50% (PT/Lisbon), -8.02% (HR/Zagreb), -6.02% (SI/Ljubljana), -5.96% (LT/Vilnius), -5.54% (PL/Warsaw), -5.34% (DE/Berlin), and -5.24% (CY/Nicosia). For UK/London there was a slight decrease of -0.06%.

In line with agreement at 2020 meeting of Article 64&65 Working Group, the ratio calculation method has been updated to ensure consistent reference period (six years) for both numerator and denominator. Due to Brexit, ECP rent parities in free data tables have changed from EU28=1 to EU27_2020=1.

2.3.2 Impact of rents on the overall parity for pensioners

Details of the impact of rent on the overall correction coefficient are given in **Table 7.1** and on the overall parity in **Table 7.2**.

In 2021, for 13 out of the 25 Member States (i.e. excluding Belgium and Luxembourg), the rent correction coefficient (ratio between the rent parity and the exchange rate) is under 100. This means that the average rents are generally lower in these places than in Belgium. For the remaining 12 countries (and the UK), the rent correction coefficient is greater than 100.

The correction coefficients for rents (compared to Belgium =100) are very high in the UK (220.7), Ireland (187.2), Denmark (181.2), Austria (153.8) and Finland (153.1), whereas they are quite low in Bulgaria (36.9), Poland (40.3) and Romania (45.1).

Moreover, in 2021, the rent correction coefficient is lower than the correction coefficient without rent for 11 of the Member States. This means that, for these places, the rents lead to a reduction of the global correction coefficient.

When rents are integrated in the computation, the average impact is +2.1% with standard deviation 6.9%. The correction coefficient is increased by 10% or more in the UK (23.8%) and in Ireland (+15.0%), Denmark (11.1%), Austria (10.5%) and Malta (10.4%) and between 5-10% in 6 Member States (Germany, Estonia, Spain, France, Netherlands and Finland). By contrast, the impact is quite negative in Poland (-8.5%), Bulgaria (-8.4%) and Croatia (-7.2%).

2.3.3 Summary of component impacts on global parity for pensioners

Across all Member States the simple average impact on the global parity for pensioners for the current annual exercise of the individual component factors are summarised below:

Component	BH	Expenditure weight ‰				
		BE	Other (Avg.)	Other (St.Dev)	Min	Max
E20-1 Services (incl. Energy)	26	231.9	246.5	23.1	214.2	298.5
BH79+BH80 imputation	2	38.9	40.8	5.5	29.0	49.3
E20-2 Furniture; Health	4	46.8	58.6	7.4	45.7	72.9
HICP relative to JBLI	80	1000.0	1000.0	0	1000.0	1000.0
Education	1	2.7	5.3	1.7	1.5	9.0
Rent	2	255.4	195.9	67.1	38.1	297.2
Rent ratios	2	255.4	195.9	67.1	38.1	297.2

Component	BH	Impact on Global PPP					
		Avg.	St.Dev	Max.	Min.	+ve or 0	-ve
E20-1 Services (incl. Energy)	26	+1.1%	0.8%	+2.7%	-0.6%	23	2
BH79+BH80 imputation	2	-0.1%	0.3%	+0.6%	-0.6%	10	15
E20-2 Furniture; Health	4	+0.3%	0.2%	+0.6%	-0.6%	23	2
HICP relative to JBLI	80	-0.4%	0.7%	+1.0%	-2.2%	7	18
Education	1	0.0%	0.2%	+0.4%	-0.2%	17	8
Rent	2	+0.1%	0.5%	+0.9%	-0.8%	15	10
Rent ratios	2	+1.3%	1.1%	+4.7%	-0.2%	23	2
GLOBAL	80	+2.3%	1.8%	+6.0%	-0.7%	21	4

Table 6.2

Rent ratios applied for the estimation of the pensioners rent parities

Country	Ratio applied in		Diff.	Diff.
	2020	2021	(absolute)	(%)
BE [1]	0.87	0.80	-0.07	-7.68
BG	0.57	0.55	-0.02	-2.79
CZ	0.51	0.48	-0.02	-4.28
DK	0.81	0.79	-0.02	-3.00
DE	0.82	0.78	-0.04	-5.34
EE [2]	1.00	1.00	0.00	0.00
IE	0.68	0.68	0.00	-0.27
EL	0.74	0.72	-0.02	-3.04
ES	0.76	0.73	-0.03	-4.04
FR	0.61	0.59	-0.02	-3.33
HR	0.48	0.44	-0.04	-8.02
IT	0.84	0.82	-0.02	-1.87
CY	1.02	0.97	-0.05	-5.24
LV	0.65	0.65	0.00	-0.27
LT	0.46	0.44	-0.03	-5.96
HU	0.39	0.40	0.01	2.75
MT [2]	1.00	1.00	0.00	0.00
NL	0.81	0.82	0.00	0.55
AT [1]	0.94	0.94	0.01	0.85
PL	0.40	0.37	-0.02	-5.54
PT	0.64	0.59	-0.05	-8.50
RO	0.45	0.43	-0.02	-4.57
SI	0.72	0.67	-0.04	-6.02
SK	0.63	0.74	0.10	16.34
FI	0.85	0.82	-0.03	-4.12
SE	0.56	0.57	0.01	2.33
UK	0.58	0.58	0.00	-0.06

Standard estimation using national (ECP) and capital (A64) rents, except:

[1] specific national source: BE (CPI database), AT (microcensus)

[2] no adjustment: EE, MT

Table 6.3

Changes in the economic parities in the twelve months to 1st July 2021
Decomposition of the effects
(for pensioners)

Country	Impact of component change on global PPP							
	Introduction of new price data							Total
	E20-1 Services	Impute BH79-BH80	E20-2 Furniture and Health	Indexation (HICP relative to JBLI)	2021 Education	2021 Rents	Update rent ratios	
BG	1.8	-0.1	0.5	0.2	0.4	-0.1	0.7	3.5
CZ	0.8	-0.4	-0.6	-0.3	-0.1	-0.8	0.7	-0.7
DK	1.5	-0.4	0.5	-0.6	0.0	0.4	1.4	2.9
DE	-0.5	0.0	0.2	-0.3	-0.2	0.2	0.6	0.1
EE	1.1	0.6	0.5	0.8	0.0	0.9	1.9	6.0
IE	2.7	-0.3	0.4	-1.1	0.3	-0.2	2.1	3.9
EL	1.2	0.3	0.5	0.0	0.2	0.8	1.1	4.1
ES	1.8	-0.2	0.2	-0.3	0.1	0.4	0.9	2.9
FR	0.7	-0.3	0.1	-0.5	0.0	-0.4	1.1	0.8
HR	1.4	-0.1	0.3	0.4	-0.1	0.5	-0.1	2.3
IT	0.9	-0.1	0.2	-1.3	0.0	-0.4	1.6	1.0
CY	1.6	0.6	0.4	0.2	0.1	0.7	0.6	4.3
LV	0.7	0.1	0.3	-0.7	0.2	0.7	1.9	3.2
LT	1.4	0.0	0.1	-0.2	0.3	0.4	0.2	2.2
HU	1.2	-0.2	0.2	1.0	0.3	-0.2	2.1	4.5
MT	0.7	0.1	0.3	-1.1	-0.1	-0.8	2.0	1.1
NL	-0.6	-0.4	-0.1	-0.9	0.0	-0.4	2.1	-0.3
AT	0.7	-0.2	0.3	-0.2	0.0	0.3	2.3	3.3
PL	1.3	0.1	0.2	-0.1	-0.1	-0.1	0.4	1.7
PT	0.5	0.2	0.6	-2.2	0.1	0.8	-0.2	-0.2
RO	2.6	-0.6	0.3	0.2	0.2	0.1	0.6	3.3
SI	0.1	0.0	0.3	-1.2	-0.2	0.3	0.4	-0.4
SK	1.1	-0.4	0.3	-0.5	-0.2	-0.4	4.7	4.6
FI	0.4	-0.4	0.4	-0.5	-0.1	0.0	1.0	0.9
SE	1.5	-0.2	0.2	-1.5	0.0	0.0	2.8	2.7
UK	-0.2	-0.9	-0.1	0.1	0.2	-0.1	2.3	1.2

Note: Total impact is calculated by comparing previous global value and current global value. Individual conmponent impact is calculated by modifying individual element and recomputing global value. Due to rounding, product of individual component impacts may not match total impact.

Table 7.1

Effect of rent on the correction coefficients at 1st July 2021 (for pensioners)

Country	Weight		Correction coefficient			Rent effect (%)
	Without rent	Rent	Without rent	Rent	Overall	
	[1]	[2]	[3]	[4]	[5]	[6] = [5] / [3]
BG	916.9	83.1	63.9	36.9	58.6	-8.4
CZ	832.2	167.8	76.3	71.4	75.1	-1.5
DK	702.8	297.2	123.2	181.2	136.9	11.1
DE	769.9	230.1	95.2	123.3	101.3	6.4
EE	775.6	224.5	83.1	117.7	90.2	8.6
IE	742.0	258.0	109.1	187.2	125.4	15.0
EL	810.0	190.0	84.1	76.5	82.3	-2.1
ES	821.9	178.1	88.2	114.5	93.3	5.8
FR	767.6	232.5	104.1	136.6	111.2	6.8
HR	856.6	143.4	74.3	50.7	69.0	-7.2
IT	746.5	253.5	94.3	105.9	97.1	3.0
CY	814.4	185.6	87.2	76.1	84.6	-3.0
LV	767.0	233.0	77.3	66.7	74.6	-3.5
LT	961.9	38.1	73.7	52.4	70.2	-4.8
HU	840.1	159.9	67.1	51.7	63.6	-5.2
MT	769.2	230.8	89.6	135.3	99.0	10.4
NL	761.8	238.2	102.2	144.5	111.3	8.9
AT	761.8	238.2	102.7	153.8	113.5	10.5
PL	890.4	109.6	67.0	40.3	61.3	-8.5
PT	821.9	178.1	86.2	90.3	87.0	0.9
RO	888.7	111.3	61.2	45.1	57.9	-5.4
SI	832.9	167.1	83.2	77.2	81.9	-1.6
SK	846.2	153.8	76.3	83.9	77.7	1.8
FI	702.8	297.2	111.2	153.1	121.4	9.2
SE	702.8	297.2	114.7	135.3	120.0	4.6
UK	691.0	309.1	103.8	220.7	128.5	23.8

Note: For countries which are in the Eurozone, there is no change in the exchange rate. Consequently the change in the correction coefficient = the change in the economic parity.

Table 7.2

Effect of rent on the economic parities at 1st July 2021
(for pensioners)

Country	Weight		PPP			Rent effect (%)
	Without rent	Rent	Without rent	Rent	Overall	
	[1]	[2]	[3]	[4]	[5]	[6] = [5] / [3]
BG	916.9	83.1	1.250	0.7222	1.145	-8.4
CZ	832.2	167.8	19.43	18.18	19.14	-1.5
DK	702.8	297.2	9.164	13.48	10.18	11.1
DE	769.9	230.1	0.952	1.233	1.013	6.4
EE	775.6	224.5	0.831	1.177	0.902	8.6
IE	742.0	258.0	1.091	1.872	1.254	15.0
EL	810.0	190.0	0.841	0.765	0.823	-2.1
ES	821.9	178.1	0.882	1.145	0.933	5.8
FR	767.6	232.5	1.041	1.366	1.112	6.8
HR	856.6	143.4	5.572	3.804	5.173	-7.2
IT	746.5	253.5	0.943	1.059	0.971	3.0
CY	814.4	185.6	0.872	0.761	0.846	-3.0
LV	767.0	233.0	0.773	0.667	0.746	-3.5
LT	961.9	38.1	0.737	0.524	0.702	-4.8
HU	840.1	159.9	235.7	181.4	223.3	-5.2
MT	769.2	230.8	0.896	1.353	0.990	10.4
NL	761.8	238.2	1.022	1.445	1.113	8.9
AT	761.8	238.2	1.027	1.538	1.135	10.5
PL	890.4	109.6	3.029	1.822	2.772	-8.5
PT	821.9	178.1	0.862	0.903	0.870	0.9
RO	888.7	111.3	3.017	2.222	2.853	-5.4
SI	832.9	167.1	0.832	0.772	0.819	-1.6
SK	846.2	153.8	0.763	0.839	0.777	1.8
FI	702.8	297.2	1.112	1.531	1.214	9.2
SE	702.8	297.2	11.64	13.74	12.18	4.6
UK	691.0	309.1	0.8924	1.897	1.105	23.8

2.4 Comparison of correction coefficients for active staff and pensioners[33]

Table 7.3 compares the country correction coefficients for pensioners (from Table 7.1) with the capital city correction coefficients for active staff (from Table 5.5), at July 2021.

Among all Member States, Denmark (Copenhagen) has the highest capital-based global CC (134.2) and the highest country-based global CC (136.9) whilst Ireland (Dublin) has the second highest capital-based CC (133.6) and the second highest country-based CC (125.4); Bulgaria (Sofia) has the lowest capital-based global CC (61.7) and the second lowest country-based global CC (58.6). Romania (Bucharest) has the second lowest capital-based CC (68.5) and the lowest country-based CC (57.9).

The biggest absolute differences between capital city global CC values and country global CC values can be observed in Prague/CZ (-13.0), Budapest/HU (-12.5), Bucharest/RO (-10.6), Stockholm/SE (-10.3) and Vilnius/LT (-9.9). By contrast, in Berlin/DE (-0.1), and The Hague/NL (-0.1) the two CC values are nearly at the same level.

In 7 of the 25 Member States (i.e. excluding Belgium and Luxembourg) - Denmark, Estonia, Italy, Cyprus, Malta, Austria and Finland - the country CCs relative to Belgium are higher than the capital city CCs relative to Brussels. In the remaining 18 Member States, the country CCs are lower than the capital city CCs

For the CCs without rents, the capital-based and country-based values are very much closer.

It should be mentioned that the Staff Regulations set out specific rules for the application of the pensioner CC[34].

[33] Comparison not done for UK as Intra-EU CC for staff is no longer produced

[34] See **Appendix 1c, Section 2.1** for a summary of these rules

Table 7.3

Pensioners correction coefficients and Staff correction coefficients at 1st July 2021

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	63.9	36.9	58.6	Sofia	64.6	53.3	61.7
CZ	76.3	71.4	75.1	Prague	77.1	117.7	88.1
DK	123.2	181.2	136.9	Copenhagen	120.1	184.6	134.2
DE	95.2	123.3	101.3	Berlin	94.4	126.8	101.4
EE	83.1	117.7	90.2	Tallinn	84.1	94.1	86.3
IE	109.1	187.2	125.4	Dublin	107.6	221.4	133.6
EL	84.1	76.5	82.3	Athens	85.4	85.4	85.2
ES	88.2	114.5	93.3	Madrid	87.9	125.3	96.3
FR	104.1	136.6	111.2	Paris	102.7	184.6	119.9
HR	74.3	50.7	69.0	Zagreb	74.8	91.8	78.3
IT	94.3	105.9	97.1	Rome	93.0	103.1	95.2
CY	87.2	76.1	84.6	Nicosia	89.5	63.0	82.2
LV	77.3	66.7	74.6	Riga	79.4	82.1	80.0
LT	73.7	52.4	70.2	Vilnius	76.0	95.9	80.1
HU	67.1	51.7	63.6	Budapest	68.3	102.1	76.1
MT	89.6	135.3	99.0	Vallette	89.4	108.2	94.0
NL	102.2	144.5	111.3	The Hague	102.7	141.1	111.4
AT	102.7	153.8	113.5	Vienna	103.4	130.4	109.6
PL	67.0	40.3	61.3	Warsaw	65.8	86.0	70.6
PT	86.2	90.3	87.0	Lisbon	83.2	122.7	91.4
RO	61.2	45.1	57.9	Bucharest	63.0	83.2	68.5
SI	83.2	77.2	81.9	Ljubljana	83.0	91.6	84.9
SK	76.3	83.9	77.7	Bratislava	75.6	90.9	79.9
FI	111.2	153.1	121.4	Helsinki	108.8	150.2	118.6
SE	114.7	135.3	120.0	Stockholm	113.5	188.8	130.3

3. EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS OUTSIDE THE EUROPEAN UNION

3.1. Economic parities, exchange rates and correction coefficients

The correction coefficients applicable to the salaries of the European institution officials working in Extra-EU duty stations, 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. Changes in the the correction coefficients from one year to another are therefore a component of the annual adjustment of remuneration. However, as salaries are first expressed in Euros, then converted to local currency using exchange rates, before being multiplied by the correction coefficients, it is clear that the exchange rate effect cancels out and the relevant factor is any change in the economic parities. If a correction coefficient 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[35].

As at July 2021, correction coefficients are compiled for a list of 141 Extra-EU duty stations. By comparison to the situation at July 2020 (147 locations):

- 2 new Delegations are inserted with effect from February 2021 (Qatar; São Tomé et Principé),
- 8 locations are now excluded from the list, with effect from February 2021 (Belize; Bosnia and Herzegovina (Banja Luka); Comoros; Indonesia (Banda Aceh); Samoa; Solomon Isles; Suriname; Vanuatu), in order to align the list of locations for which CC are produced with the official list of Extra-EU Delegations[36].

Included in the list are 9 locations for which no values are presented (Afghanistan; Iraq; Lebanon; Libya; Somalia; Syria; Venezuela; Yemen; Zimbabwe) mainly due to security constraints affecting the statistical reliability of the information, or due to uncertainty regarding the volatility of the reported inflation,

Note: staff working at Extra-EU duty stations which are physically located inside European Union borders[37] have Intra-EU correction coefficient applied to their salaries.

Tables 8 and 9 in the main report show the results for all 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. **Table 9.1** therefore only shows the places where the correction coefficient is greater than or equal to 100 at July 2021 (or was greater than or equal to 100 at July 2020).

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[35] For a numerical example to illustrate this, see **Appendix 1c Section 1.1**

[36] See **Table 9.4** for a list of Delegations which coordinate multiple locations.

[37] 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].

At July 2021 there were 23 duty stations with CCs greater than 100 (and 109 duty stations for which CCs are below 100, plus 9 duty stations for which CCs are not produced). By comparison in July 2020 there were 26 duty stations with CCs greater than 100 (and 112 duty stations for which CCs were below 100, plus 11 duty stations for which CCs were not produced).

3.2. Changes between July 2020 and July 2021

Two interim reports were prepared in the usual way between the last annual report and the current annual report, covering the six months August 2020 - January 2021[38], and the five months February 2021 - June 2021[39]. Those reports identify the locations where, in accordance with Article 13 of Annex X of the Staff Regulations, changes in the parity exceeding 5% from the previous value in force (July 2020 or subsequently) resulted in application of a new correction coefficient. For the period August 2020 - January 2021, 39 duty stations were affected (some more than once), of which 9 locations had CC values above 100. For the period February 2021 - June 2021, 62 duty stations were affected (some more than once), of which 13 locations had CC values above 100.

3.2.1 Changes in correction coefficients from July 2020 to July 2021

No percentage change is calculated for the 9 locations where no CC is published, or for the 8 locations which have been deleted from the list and the 2 locations which have been added to the list. In the following paragraphs, these locations are marked with an asterisk(*).

Comparing the situation at July 2020 and the situation at July 2021 for the remaining locations, CCs have decreased for 60 duty stations, and were stable or increased for 70 duty stations.

During the 6 months covered by the first interim report, CC moved above 100 for 3 locations (Australia, Chad, Haiti) and moved below 100 for 5 locations (Barbados, Eritrea, Solomon Islands*, United States (New York), Zimbabwe*).

During the 5 months covered by the second interim report, CC moved above 100 for 3 locations (Djibouti, Qatar*, United Kingdom) and moved below 100 for 6 locations (Chad, Lebanon*, South Sudan, Sudan, Vanuatu*).

Comparing July 2021 and July 2020, 5 locations which had no CCs at July 2020 or CCs lower than 100 at July 2020 now have CCs higher than 100 (Australia, Djibouti, Haïti, Qatar*, United Kingdom); 8 locations which had CCs higher than 100 at July 2020 now have CCs lower than 100 (Barbados, Eritrea, Lebanon*, Solomon Island*, South Sudan, Sudan, Vanuatu*, Zimbabwe*). The average CC change was +1.9% with standard deviation 12.8%. The maximum increase was +41.5% (Iran). The maximum decrease was -70.0% (South Sudan). The CC increase was greater than two standard deviations from the mean for 9 duty stations (Argentina, Brazil, Dominican Republic, Haiti, Iran, Pakistan, South Africa, South Sudan, Sudan).

[38] Op cit (7) Ares(2021)3005164

[39] Op cit (7) Ares(2021)6358373

3.2.2 Changes in exchange rates from July 2020 to July 2021

No change is calculated for the 9 locations where no CC is published, or the 8 locations which have been deleted from the list and the 2 locations which have been added to the list.

For 2 duty stations (Kosovo, Montenegro), the local currency is the Euro and for 2 duty stations (Bosnia and Herzegovina (Sarajevo), New Caledonia) the exchange rate is pegged to the Euro. For 13 locations, the local currency is the CFA for which the exchange rate to the Euro has not changed. For 2 other locations (Cape Verde, North Macedonia) exchange rates did not vary during the period.

A large part of the explanation for the movements in the correction coefficients of remaining 111 locations is fluctuations in their currency exchange rates relative to the Euro. Currency fluctuations relative to the Euro were positive (i.e. purchasing power of Euro decreased) in 23 locations and negative in 88 locations (i.e. purchasing power of Euro increased). The average exchange rate fluctuation was -14.1% with standard deviation 74.7%. The maximum increase was +13.2% (Haïti). The maximum decrease was -768.2% (Sudan). The currency decrease exceeded two standard deviations from the average for 2 duty stations (South-Sudan, Sudan).

For 6 locations (Cuba, Ecuador, El Salvador, Panama, Timor Leste and Zimbabwe), the local currency is either USD or is pegged to the USD, for which exchange rate to the Euro has remained fairly stable. For 1 location (Zimbabwe) the currency in which PPP was expressed was USD, but the parity for this location is no longer being published.

3.2.3 Changes in economic parities from July 2020 to July 2021

No change is calculated for the 9 locations where no CC is published, or for the 8 locations which have been deleted from the list and the 2 locations which have been added to the list.

The simple average change across all duty stations in the global economic parity for officials serving outside the EU for the period under review was +11.0% with standard deviation 45.2%. The maximum increase was +501.2% (Sudan). The maximum decrease was -31.4% (Liberia). The change was positive or zero in 99 duty stations and negative in 31 duty stations.

Without Sudan, considered as an outlier, the simple average across the duty stations is 7.2% with a standard deviation of 13.0%. The movements in the global economic parities for the period are summarised in the table below.

Range		Duty stations
X < -18.8%	2	Kosovo, Liberia
-18.8% ≤ X < -5.8%	3	Eritrea, Nepal, South Sudan
-5.8% ≤ X < 7.2%	75	
7.2% ≤ X < 20.2%	37	
20.2% ≤ X < 33.2%	8	Brazil, Dominican Rep, Gambia, Kazakhstan, Malawi, Malaysia, Turkey, Zambia
33.2% ≤ X	4	Angola, Argentina, Iran, Pakistan
Total	**129**	excluding Brussels[40] and Sudan, and the 9 locations for which no values are presented, the 8 locations deleted from the list and the 2 locations added to the list.

A decomposition of the effects underlying the changes in the economic parities for the period July 2020 - July 2021 is given in **Table 9.2**, for the duty stations where the CC is greater than 100 at July 2021 (or was greater than 100 at July 2020).

3.3. Data sources

3.3.1 Spatial and temporal price data to establish detailed parities

With the exception of the 12 duty stations in Extra-EU countries which participate in the European Comparison Programme (ECP) coordinated by Eurostat[41] or the 9 duty stations in countries which participate in the linked programme coordinated by the Organisation for Economic Cooperation and Development[42], or the 1 location for which specific survey arrangements are made[43], the source of price data is the rolling cycle of surveys conducted by the United Nations International Civil Service Commission. Data is exchanged under a 2009 Memorandum of Understanding signed with the United Nations International Civil Service Commission and the International Service for Remunerations and Pensions of the Coordinated Organisations[44].

For the July 2021 exercise, new parities derived from UN price surveys have been integrated for 30 locations altogether. By comparison, for the July 2020 exercise, 42 new UN surveys were integrated (11 for the first interim report and 31 for the second interim report). The 30 new parities were integrated for the second interim report (covering the period February 2021 - June 2021), in the following places:

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[40] Op cit (36) Brussels is the reference city for the bilateral comparisons (CC for staff).

[41] Iceland, Norway, Switzerland-Bern, Switzerland-Geneva, Turkey, United Kingdom, Albania, Bosnia & Herzegovina-Sarajevo, North Macedonia, Montenegro, Serbia, Kosovo.

[42] Australia, Canada, Chile, Israel, Japan, Mexico, New Zealand, South Korea, United States of America-Washington

[43] Taiwan (direct survey on Eurostat behalf).

[44] 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 the Exploitation of Meteorological Satellites (EUMETSAT)

- Angola; Armenia; Barbados; Benin; Brazil; Burundi; Cambodia; Colombia; Cuba; Ecuador; Georgia; Guatemala; Guyana; Honduras; India; Jamaica; Kenya; Kyrgyzstan; Madagascar; Mali; Mozambique; Namibia; Nicaragua; Panama; Peru; Qatar (new location); São Tomé et Príncipe (new location); Tanzania; Trinidad and Tobago; Zambia.

The foregoing duty stations are also indicated in **Tables 8 and 9** in the main report (see footnotes to the tables). Parities established from these surveys are calculated using the same classification of 80 basic headings as employed for Intra-EU purposes (sole exception: housing).

For the July 2021 exercise, new parities for 20 ECP duty stations have been integrated:

- Updated PPPs at July 2020 from comparison programme coordinated by OECD were used 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 used for the following 11 duty stations: Albania; Bosnia and Herzegovina (Sarajevo); Iceland; Kosovo; Montenegro; North Macedonia; Norway; Serbia; Switzerland (Bern); Switzerland (Geneva); Turkey. Note: ECP PPPs for the United Kingdom were already integrated for the July 2020 annual report.
- Updated Intra-EU PPP (excluding rent) at July 2021 for 1 duty station: New Caledonia. As an overseas territory with special status, it has significant degree of autonomy but is considered part of France (status confirmed by two independence referendums since 1998, most recently in 2020).

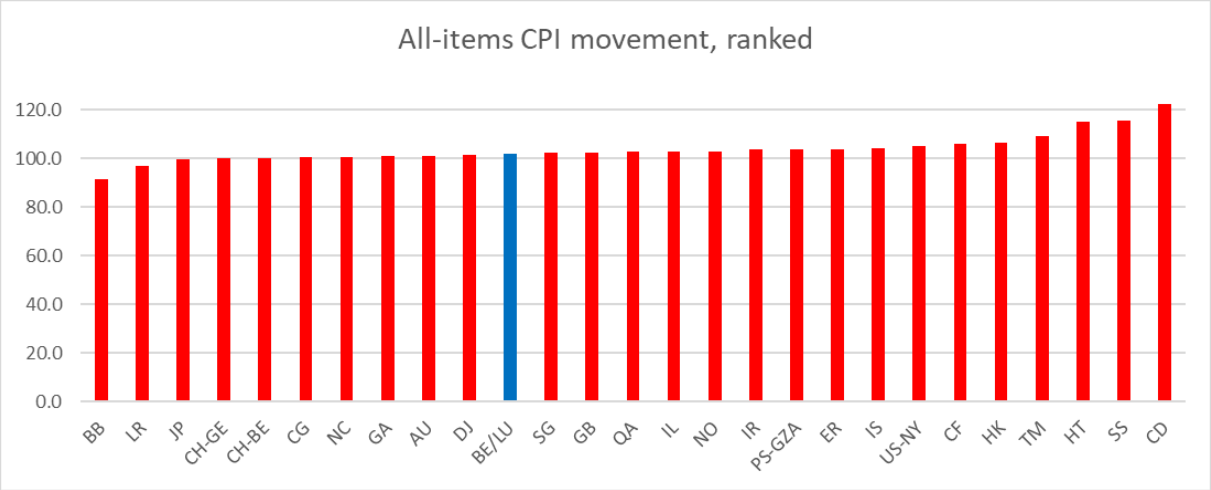
For all locations, initial survey-based parities are subsequently updated using the ratio between national consumer price index and the Joint Belgium-Luxembourg Index. For Iceland, Kosovo, Norway, Switzerland, Turkey and United Kingdom, the national consumer price index is the Harmonised Index of Consumer Prices. For other duty station locations, the price index information is compiled from national sources. For New York it is the official regional price index produced by the US Bureau of Labor Statistics.

With the exception of the duty stations for which new UN price survey data, new ISRP ECP parities or new Eurostat ECP parities are introduced (or the gradual impact of smoothing older price survey data – see **section 3.3.3**), the sole explanatory factor for price movements in the remaining duty stations is the evolution of the local consumer price index relative to the evolution of the Joint Belgium-Luxembourg Index.

There are important differences between CPI and PPP methodologies, notably regarding weights used for aggregation purposes (national consumption patterns vs. international officials). For this reason, the "inflation updating effect" in **Table 9.2** cannot be directly compared with relative movement in the all-items CPI. Purely for indicative purposes, the following graph[45] summarises how national CPIs have developed for the period July 2020 -

[45] Note: the graph includes the Joint Belgium-Luxembourg index for comparison and excludes Sudan (hyperinflation c.500%), and any of the 9 locations where CC is no longer published, the 8 locations which have been deleted from the list, or the 2 locations which have been added to the list (i.e. Lebanon, Solomon Isles, Vanuatu, Zimbabwe).

July 2021, for the duty stations where the CC is greater than 100 at July 2021 (or was greater than 100 at July 2020).



3.3.2 Expenditure weights

Detailed price ratios are aggregated up to a global value using the latest available consumption expenditure weighting structures.

Data from the 2017-2018 surveys amongst staff in Brussels has been introduced in the July 2020 calculation exercise, replacing the weights derived from previous survey. The updated consumption structure affects all duty stations, as Brussels is the reference city for bilateral parity calculation. As the new expenditure structure updates the relative importance of the parities for every basic heading, it may therefore have a potentially important impact on the global aggregate parity for some duty stations.

Due to the low population sizes in many individual Extra-EU duty stations and the low response rate from survey participants in some locations during the last family budget surveys conducted amongst EU personnel, regional average expenditure patterns were established in 2018 using results from the most recent family budget survey amongst expatriate UN staff, recognising that under the international collaboration agreement, surveys are done using a harmonised questionnaire and the expatriate international civil servant behaviour profile is broadly similar. Six regions were defined: Africa with 49 duty stations, Asia with 33 duty stations, Oceania with 3 duty stations, Europe (non-EU) with 5 duty stations, North America with 12 duty stations, and South America with 12 duty stations. These regional weights are not used to compute aggregate parities for the 11 Eurostat ECP duty stations or the 9 ISRP ECP duty stations, for which separate consumption weights are available.

Other things being equal, a direct family budget survey amongst Extra-EU staff will be scheduled during 2023, following completion of cycle amongst Intra-EU staff and amongst Pensioners in EU27 Member States (see also **section 1.3.2** and **section 2.2.3**).

3.3.3 Gradual impact of changes

Whenever integrating the results of new price surveys or new expenditure weights generates a significantly higher or lower parity than the previous value in force, a smoothing mechanism is applied to gradually implement that change. The period over which this smoothing applies

can vary, in accordance with procedural guidelines adopted by the Article 64&65 Working Group. Thus, a large impact may only partially have been taken into account in the current reporting period, with a continued gradual introduction of the change foreseeable during the next reporting period. Similarly, the current reporting period may be affected by continued gradual application of results introduced during the previous reporting period.

Of the duty stations for which new price surveys were integrated, smoothing mechanism will continue to apply after July 2021 for the following locations where the impact of older survey is being gradually applied: Angola; Armenia; Barbados; Benin; Brazil; Burundi; Cambodia; Colombia; Cuba; Ecuador; Georgia ,Guatemala; Guyana; Honduras; India; Jamaica; Kenya; Kyrgyzstan; Liberia; Malawi; Malaysia; Mali; Mozambique; Panama; Peru; South Sudan; Tanzania; Trinidad and Tobago; Zambia. A summary is given in **Table 9.3**, for the duty stations where the CC is greater than 100 at July 2021 (or was greater than 100 at July 2020).

In **table 9.1** and **table 9.2** and **table 9.3** hereafter:

(1) Figures are stated relative to Brussels, i.e. Brussels PPP = 1, ER = 1, CC = 100%

(2) 1 euro = USD (1 Duty Station: Zimbabwe)

(3) 1 euro = CFA (3 Duty Stations: Central African Republic - Congo - Gabon)

(6) UN P2P processed (2 Duty Stations: Barbados - Qatar)

(7) ISRP PPP processed (3 Duty Stations: Australia - Israel - Japan)

(8) ECP PPP processed (4 Duty Stations: Iceland - Norway - Switzerland (Bern) - Switzerland (Geneva))

(9) ECP Balkan Duty stations (0 Duty Stations)

(10) Duty stations for which Intra-EU CC excluding rent is used (1 Duty Station: New Caledonia)

(11) Duty stations for which CC production has stopped (2 Duty Stations: Solomon Islands, Vanuatu)

Table 9.1

Summary of the 22 (8) duty stations where the cost of living is higher than in Brussels aJuly 2021)21 (or at July 2020, grey section bottom table)
(for staff serving in Extra- EU delegations)

Place of employment				Economic Parities	Exchange Rate	Correction Coefficients	Economic Parities	Exchange Rate	Correction Coefficients	CHANGE (in %)		
Code		Country	City	Jul-2021	Jul-2021	Jul-2021	Jul-2020	Jul-2020	Jul-2020	Jul-2021 - Jul-2020	Jul-2021 - Jul-2020	Jul-2021 - Jul-2020
IR		Iran	Teheran	82045	49929.6	**164.3**	55018	47392.8	**116.1**	49.1	-5.4	41.5
CD		Democratic Republic of the Congo	Kinshasa	3289	2377.38	**138.3**	2748	2139.67	**128.4**	19.7	-11.1	7.7
LR		Liberia	Monrovia	278.1	203.723	**136.5**	405.2	224.875	**180.2**	-31.4	9.4	-24.3
IS	(8)	Iceland	Reykjavík	193.9	147.300	**131.6**	179.7	155.400	**115.6**	7.9	5.2	13.8
NO	(8)	Norway	Oslo	13.35	10.1893	**131.0**	12.92	10.9013	**118.5**	3.3	6.5	10.5
CH	(8)	Switzerland	Geneva	1.377	1.09650	**125.6**	1.378	1.06690	**129.2**	-0.1	-2.8	-2.8
CH	(8)	Switzerland	Bern	1.377	1.09650	**125.6**	1.378	1.06690	**129.2**	-0.1	-2.8	-2.8
TM		Turkmenistan	Ashkhabad	5.088	4.16080	**122.3**	4.785	3.94940	**121.2**	6.3	-5.4	0.9
SG		Singapore	Singapore	1.889	1.59850	**118.2**	1.870	1.57080	**119.0**	1.0	-1.8	-0.7
CG	(3)	Congo	Brazzaville	770.2	655.957	**117.4**	778.9	655.957	**118.7**	-1.1		-1.1
HK		Hong Kong	Hong Kong	10.48	9.22970	**113.5**	9.964	8.74560	**113.9**	5.2	-5.5	-0.4
CF	(3)	Central African Republic	Bangui	742.9	655.957	**113.3**	714.2	655.957	**108.9**	4.0		4.0
IL	(7)	Israel	Tel-Aviv	4.384	3.87600	**113.1**	4.352	3.87450	**112.3**	0.7	0.0	0.7
PS		West Bank — Gaza Strip	East Jerusalem	4.384	3.87600	**113.1**	4.352	3.87450	**112.3**	0.7	0.0	0.7
QA	(6)	Qatar	Doha	4.722	4.32723	**109.1**	0	0	0			
DJ		Djibouti	Djibouti	223.0	211.886	**105.2**	190.6	201.938	94.4	17.0	-4.9	11.4
GA	(3)	Gabon	Libreville	685.8	655.957	**104.5**	692.4	655.957	**105.6**	-1.0		-1.0
HT		Haiti	Port-au-Prince	114.2	110.260	**103.6**	99.30	127.098	78.1	15.0	13.2	32.7
GB		United Kingdom	London	0.8888	0.859480	**103.4**	0.8936	0.915400	97.6	-0.5	6.1	5.9
NC	(10)	New Caledonia	Nouméa	122.6	119.332	**102.7**	124.2	119.332	**104.1**	-1.3		-1.3
JP	(7)	Japan	Tokyo	134.9	131.540	**102.6**	135.4	121.070	**111.8**	-0.4	-8.6	-8.2
AU	(7)	Australia	Canberra	1.605	1.58110	**101.5**	1.610	1.64060	98.1	-0.3	3.6	3.5
BB	(6)	Barbados	Bridgetown	2.363	2.39034	98.9	2.445	2.26889	**107.8**	-3.4	-5.4	-8.3
ER		Eritrea	Asmara	17.96	18.1606	98.9	19.94	17.1391	**116.3**	-9.9	-6.0	-15.0
LB	(5)	Lebanon	Beirut	0	0	0	4040	1701.06	**237.5**			
SB	(11)	Solomon Islands	Honiara	0	0	0	9.314	9.24916	**100.7**			
SS		South-Sudan	Juba	387.7	517.737	74.9	461.6	184.629	**250.0**	-16.0	-180.4	-70.0
SD		Sudan	Khartoum	417.9	538.484	77.6	69.51	62.0242	**112.1**	501.2	-768.2	-30.8
VU	(11)	Vanuatu	Port Vila	0	0	0	131.3	130.822	**100.4**			
ZW	(2)(5)	Zimbabwe	Harare	0	0	0	1.297	1.12840	**114.9**			

Table 9.2

Summary of the 22 (8) duty stations where the cost of living is higher than in Brussels at 1st July 2021 (or at 1st July 2020) - Approximate decomposition of impact on global value from changes in components (for staff serving in Extra- EU delegations)

Place of employment				Change in Economic Parities to explain	new P2P smoothing	new P2P smoothing	CPI / JBLI
Code		Country	City	Jul-21/Jul-20	2020/08 - 2021/01	2021/02 - 2021/07	-
IR		Iran	Teheran	49.4%	0.0%	0.0%	-51.9%
CD		Democratic Republic of the Congo	Kinshasa	19.5%	0.0%	0.0%	-19.7%
LR		Liberia	Monrovia	-31.2%	-16.6%	-14.4%	5.2%
IS	(8)	Iceland	Reykjavík	7.8%	0.0%	5.9%	-1.8%
NO	(8)	Norway	Oslo	3.3%	0.0%	1.9%	-0.6%
CH	(8)	Switzerland	Geneva	0.0%	0.0%	0.4%	2.0%
CH	(8)	Switzerland	Bern	0.0%	0.0%	0.4%	2.0%
TM		Turkmenistan	Ashkhabad	6.7%	0.0%	0.0%	-6.6%
SG		Singapore	Singapore	1.0%	0.0%	0.0%	-0.1%
CG	(3)	Congo	Brazzaville	-1.2%	0.0%	0.0%	1.7%
HK		Hong Kong	Hong Kong	5.2%	0.0%	0.0%	-4.1%
CF	(3)	Central African Republic	Bangui	4.0%	0.0%	0.0%	-3.5%
IL	(7)	Israel	Tel-Aviv	1.1%	0.9%	0.0%	-0.4%
PS		West Bank — Gaza Strip	East Jerusalem	1.1%	0.9%	0.0%	-1.3%
QA	(6)	Qatar	Doha	New	New	New	New
DJ		Djibouti	Djibouti	17.0%	9.9%	8.4%	0.6%
GA	(3)	Gabon	Libreville	-1.0%	0.0%	0.0%	1.4%
HT		Haiti	Port-au-Prince	12.2%	0.0%	0.0%	-12.4%
GB		United Kingdom	London	-0.9%	0.0%	0.0%	-0.3%
JP	(7)	Japan	Tokyo	1.4%	1.2%	0.0%	2.8%
NC	(10)	New Caledonia	Nouméa	-1.3%	0.0%	0.0%	-1.4%
AU	(7)	Australia	Canberra	-0.4%	-3.8%	0.0%	1.3%
US		United States	New York	4.1%	0.0%	0.0%	-2.9%
BB	(6)	Barbados	Bridgetown	-2.5%	0.0%	7.5%	10.6%
ER		Eritrea	Asmara	-9.3%	-13.2%	0.0%	-1.5%
LB	(5)	Lebanon	Beirut	No data July 21	N/A	N/A	N/A
SB	(11)	Solomon Islands	Honiara	No data July 21	N/A	N/A	N/A
SS		South-Sudan	Juba	-16.4%	-16.4%	-14.3%	-13.1%
SD		Sudan	Khartoum	546.9%	0.0%	0.0%	-370.3%
VU	(11)	Vanuatu	Port Vila	No data July 21	N/A	N/A	N/A
ZW	(2)(5)	Zimbabwe	Harare	No data July 21	N/A	N/A	N/A

Table 9.3

Summary of the 22 (8) duty stations where the cost of living is higher than in Brussels at 1st July 2021 (or at 1st July 2020) - Smoothing the impact of new parities
(for staff serving in Extra- EU delegations)

Place of employment				new P2P or ECP PPP	of which, smoothing	of which, smoothing	ie. still to smooth
Code		Country	City	-	2020/08 - 2021/01	2021/02 - 2021/07	
IR		Iran	Teheran	0.0%	0.0%	0.0%	0.0%
CD		Democratic Republic of the Congo	Kinshasa	0.0%	0.0%	0.0%	0.0%
LR		Liberia	Monrovia	-46.4%	-16.6%	-14.4%	-16.6%
IS	(8)	Iceland	Reykjavík	5.9%	0.0%	5.9%	0.0%
NO	(8)	Norway	Oslo	1.9%	0.0%	1.9%	0.0%
CH	(8)	Switzerland	Geneva	0.4%	0.0%	0.4%	0.0%
CH	(8)	Switzerland	Bern	0.4%	0.0%	0.4%	0.0%
TM		Turkmenistan	Ashkhabad	0.0%	0.0%	0.0%	0.0%
SG		Singapore	Singapore	0.0%	0.0%	0.0%	0.0%
CG	(3)	Congo	Brazzaville	0.0%	0.0%	0.0%	0.0%
HK		Hong Kong	Hong Kong	0.0%	0.0%	0.0%	0.0%
CF	(3)	Central African Republic	Bangui	0.0%	0.0%	0.0%	0.0%
IL	(7)	Israel	Tel-Aviv	0.9%	0.9%	0.0%	0.0%
PS		West Bank — Gaza Strip	East Jerusalem	0.9%	0.9%	0.0%	0.0%
QA	(6)	Qatar	Doha	New	New	New	New
DJ		Djibouti	Djibouti	27.5%	9.9%	8.4%	0.0%
GA	(3)	Gabon	Libreville	0.0%	0.0%	0.0%	0.0%
HT		Haiti	Port-au-Prince	0.0%	0.0%	0.0%	0.0%
GB		United Kingdom	London	0.0%	0.0%	0.0%	0.0%
JP	(7)	Japan	Tokyo	1.2%	1.2%	0.0%	0.0%
NC	(10)	New Caledonia	Nouméa	-1.3%	0.0%	0.0%	0.0%
AU	(7)	Australia	Canberra	-3.8%	-3.8%	0.0%	0.0%
US		United States	New York	0.0%	0.0%	0.0%	0.0%
BB	(6)	Barbados	Bridgetown	15.5%	0.0%	7.5%	7.5%
ER		Eritrea	Asmara	-21.5%	-13.2%	0.0%	0.0%
LB	(5)	Lebanon	Beirut	No data July 21	N/A	N/A	N/A
SB	(11)	Solomon Islands	Honiara	No data July 21	N/A	N/A	N/A
SS		South-Sudan	Juba	-46.0%	-16.4%	-14.3%	-16.4%
SD		Sudan	Khartoum	0.0%	0.0%	0.0%	0.0%
VU	(11)	Vanuatu	Port Vila	No data July 21	N/A	N/A	N/A
ZW	(2)(5)	Zimbabwe	Harare	No data July 21	N/A	N/A	N/A

TABLE 9.4

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

4. ADJUSTMENT OF REMUNERATION OUTSIDE BRUSSELS AND LUXEMBOURG

4.1 Intra-EU duty stations (for staff)

The value of the annual update for duty stations outside Brussels and Luxembourg is equal to the product of the global specific indicator multiplied by the implicit index (i.e. the combined impact of the percentage change in the cost of living in Brussels and the percentage change in the economic parities between Brussels and the duty station).

Taking account of the figures reported in Table 1 and Table 4 of the main report, **Table 4 bis** below presents the adjustment of the nominal net remuneration of EU officials outside Brussels and Luxembourg which is necessary to maintain a parallel development of the purchasing power with the civil servants in the Member States.

Table 4 bis

Annual update outside Brussels and Luxembourg
for the twelve months to 1st July 2021
(for staff)

Country Place of employment		Global specific indicator	Implicit price index	Annual update
BE/LU	**Brussels/Luxembourg**	**-0.2**	**2.1**	**1.9**
BG	Sofia	-0.2	6.6	6.4
CZ	Prague	-0.2	0.2	0.0
DK	Copenhagen	-0.2	4.2	4.0
DE	Berlin	-0.2	1.6	1.4
	Karlsruhe	-0.2	1.0	0.8
	Munich	-0.2	1.6	1.4
EE	Tallinn	-0.2	7.0	6.8
IE	Dublin	-0.2	5.8	5.6
EL	Athens	-0.2	6.8	6.6
ES	Madrid	-0.2	4.3	4.1
FR	Paris	-0.2	1.6	1.4
HR	Zagreb	-0.2	4.5	4.3
IT	Rome	-0.2	2.3	2.1
	Varese	-0.2	2.7	2.5
CY	Nicosia	-0.2	7.2	7.0
LV	Riga	-0.2	5.3	5.1
LT	Vilnius	-0.2	6.8	6.6
HU	Budapest	-0.2	6.4	6.2
MT	Valletta	-0.2	1.3	1.1
NL	The Hague	-0.2	-0.1	-0.3
AT	Vienna	-0.2	3.6	3.4
PL	Warsaw	-0.2	2.8	2.6
PT	Lisbon	-0.2	2.4	2.2
RO	Bucharest	-0.2	6.7	6.5
SI	Ljubljana	-0.2	0.6	0.4
SK	Bratislava	-0.2	1.2	1.0
FI	Helsinki	-0.2	2.2	2.0
SE	Stockholm	-0.2	3.7	3.5

4.2 Intra-EU country of residence (for pensioners)

The value of the annual update for pensioners residing in Member States outside Belgium and Luxembourg is equal to the product of the global specific indicator multiplied by the implicit index

(i.e. the combined impact of the percentage change in the cost of living in Brussels and the percentage change in the economic parities between Belgium and the Member State).

Taking account of the figures reported in Table 1 and Table 6 of the main report, **Table 6 bis** below presents the adjustment of the nominal net pensions of retired EU officials outside Belgium and Luxembourg[46].

Table 6 bis

Annual update outside Belgium and Luxembourg
for the twelve months to 1st July 2021
(for pensioners)

Country	Global specific indicator	Implicit price index	Annual update
BE/LU	**-0.2**	**2.1**	**1.9**
BG	-0.2	5.7	5.5
CZ	-0.2	1.4	1.2
DK	-0.2	5.0	4.8
DE	-0.2	2.2	2.0
EE	-0.2	8.2	8.0
IE	-0.2	6.1	5.9
EL	-0.2	6.3	6.1
ES	-0.2	5.1	4.9
FR	-0.2	2.9	2.7
HR	-0.2	4.5	4.3
IT	-0.2	3.1	2.9
CY	-0.2	6.4	6.2
LV	-0.2	5.3	5.1
LT	-0.2	4.3	4.1
HU	-0.2	6.7	6.5
MT	-0.2	3.2	3.0
NL	-0.2	1.8	1.6
AT	-0.2	5.5	5.3
PL	-0.2	3.8	3.6
PT	-0.2	1.9	1.7
RO	-0.2	5.4	5.2
SI	-0.2	1.7	1.5
SK	-0.2	6.8	6.6
FI	-0.2	3.0	2.8
SE	-0.2	4.9	4.7
UK	-0.2	3.3	3.1

[46] Note: in practice, the parity change component of the implicit index is only relevant for Member States with correction coefficient equal to or greater than 100 at July 2021 (which can be seen in **Table 7**) or greater than or equal to 100 at July 2020. For the current exercise, 8 Member States are concerned (Denmark, Germany, Ireland, France, Netherlands, Austria, Finland, Sweden) plus the United Kingdom.

4.3 Extra-EU duty stations (for staff)

The value of the annual update for duty stations outside Brussels and Luxembourg working in third countries is equal to the product of the global specific indicator multiplied by the implicit index (i.e. the combined impact of the percentage change in the cost of living in Brussels and the percentage change in the economic parities between Brussels and the duty station).

Taking account of the figures reported in Table 1 and Table 8 of the main report, **Table 8 bis** below presents the adjustment of the nominal net remuneration of EU officials outside Brussels and Luxembourg working in third countries which is necessary to maintain a parallel development of the purchasing power with the civil servants in the Member States.

This information is of particular relevance to those duty stations where application of the correction coefficient has been requested. This is only likely in practice for the locations identified in **Table 9.1** earlier, where the correction coefficient is greater than or equal to 100 at July 2021, or was greater than or equal to 100 at July 2020.

Table 8 bis (page 1 of 3)

Annual update outside Brussels and Luxembourg for the 12 months to 1st July 2021
(for staff serving in Extra-EU delegations)

Place of employment				Global specific indicator	Implicit price index	Annual update
Code		**Country**	**City**	[a]	[b]	=100 x [a]*[b]/100-100
BE	(1)	**Belgium / Luxembourg**	**Brussels / Luxembourg**	-0.2	2.1	**1.9**
AF	(5)	Afghanistan	Kabul	-0.2		
AL	(9)	Albania	Tirana	-0.2	6.5	6.3
DZ		Algeria	Algiers	-0.2	8.2	8.0
AO	(6)	Angola	Luanda	-0.2	47.5	47.2
AR		Argentina	Buenos Aires	-0.2	98.7	98.3
AM	(6)	Armenia	Yerevan	-0.2	18.2	18.0
AU	(7)	Australia	Canberra	-0.2	1.8	1.6
AZ		Azerbaijan	Baku	-0.2	3.0	2.8
BD		Bangladesh	Dhaka	-0.2	7.7	7.5
BB	(6)	Barbados	Bridgetown	-0.2	-1.3	-1.5
BY		Belarus	Minsk	-0.2	12.9	12.7
BJ	(3)(6)	Benin	Cotonou	-0.2	12.3	12.1
BO		Bolivia	La Paz	-0.2	-1.6	-1.8
BA	(9)	Bosnia and Herzegovina	Sarajevo	-0.2	9.4	9.2
BW		Botswana	Gaberone	-0.2	6.1	5.9
BR	(6)	Brazil	Brasilia	-0.2	24.5	24.3
BF	(3)	Burkina Faso	Ouagadougou	-0.2	2.2	2.0
BI	(6)	Burundi	Bujumbura	-0.2	7.7	7.5
KH	(6)	Cambodia	Phnom Penh	-0.2	3.7	3.5
CM	(3)	Cameroon	Yaounde	-0.2	0.6	0.4
CA	(7)	Canada	Ottawa	-0.2	1.3	1.1
CV		Cape Verde	Praia	-0.2	1.9	1.7
CF	(3)	Central African Republic	Bangui	-0.2	6.2	6.0
TD	(3)	Chad	Ndjamena	-0.2	6.2	6.0
CL	(7)	Chile	Santiago	-0.2	8.0	7.8
CN		China	Beijing	-0.2	2.5	2.3
CO	(6)	Colombia	Bogota	-0.2	13.4	13.2
CG	(3)	Congo	Brazzaville	-0.2	1.0	0.8
CR		Costa Rica	San Jose	-0.2	13.0	12.8
CU	(2)(6)	Cuba	Havana	-0.2	13.6	13.4
CD		Democratic Republic of the Congo	Kinshasa	-0.2	22.2	22.0
DJ		Djibouti	Djibouti	-0.2	19.5	19.3
DO		Dominican Republic	Santo Domingo	-0.2	34.0	33.7
EC	(2)(6)	Ecuador	Quito	-0.2	10.2	10.0
EG		Egypt	Cairo	-0.2	3.6	3.4
SV	(2)	El Salvador	San Salvador	-0.2	3.5	3.3
ER		Eritrea	Asmara	-0.2	-8.0	-8.2
SZ		eSwatini	Mbabane	-0.2	3.8	3.6
ET		Ethiopia	Addis Ababa	-0.2	15.5	15.3
FJ		Fiji	Suva	-0.2	0.5	0.3
GA	(3)	Gabon	Libreville	-0.2	1.1	0.9
GM		Gambia	Banjul	-0.2	27.6	27.3
GE	(6)	Georgia	Tbilisi	-0.2	15.5	15.3
GH		Ghana	Accra	-0.2	10.8	10.6
GT	(6)	Guatemala	Guatemala City	-0.2	13.6	13.4
GN		Guinea	Conakry	-0.2	6.6	6.4
GW	(3)	Guinea-Bissau	Bissau	-0.2	-0.7	-0.9
GY	(6)	Guyana	Georgetown	-0.2	12.5	12.3
HT		Haiti	Port-au-Prince	-0.2	17.4	17.2
HN	(6)	Honduras	Tegucigalpa	-0.2	12.1	11.9
HK		Hong Kong	Hong Kong	-0.2	7.4	7.2
IS	(8)	Iceland	Reykjavík	-0.2	10.2	10.0
IN	(6)	India	New Delhi	-0.2	19.2	19.0
ID		Indonesia	Jakarta	-0.2	1.9	1.7
IR		Iran	Teheran	-0.2	52.3	52.0
IQ	(5)	Iraq	Baghdad	-0.2		
IL	(7)	Israel	Tel-Aviv	-0.2	2.9	2.7
CI	(3)	Ivory Coast	Abidjan	-0.2	3.6	3.4

Table 8 bis (page 2 of 3)

Annual update outside Brussels and Luxembourg for the 12 months to 1st July 2021
(for staff serving in Extra-EU delegations)

Place of employment				Global specific indicator	Implicit price index	Annual update
Code		Country	City	[a]	[b]	=100 x [a]*[b]/100-100
JM	(6)	Jamaica	Kingston	-0.2	16.2	16.0
JP	(7)	Japan	Tokyo	-0.2	1.7	1.5
JO		Jordan	Amman	-0.2	1.3	1.1
KZ		Kazakhstan	Nur-Sultan	-0.2	23.6	23.4
KE	(6)	Kenya	Nairobi	-0.2	15.9	15.7
XK	(4)(9)	Kosovo	Pristina	-0.2	-17.9	-18.1
KW		Kuwait	Kuwait City	-0.2	7.0	6.8
KG	(6)	Kyrgyzstan	Bichkek	-0.2	9.2	9.0
LA		Laos	Vientiane	-0.2	3.8	3.6
LB	(5)	Lebanon	Beirut	-0.2		
LS		Lesotho	Maseru	-0.2	4.8	4.6
LR		Liberia	Monrovia	-0.2	-29.9	-30.0
LY	(5)	Libya	Tripoli	-0.2		
MG	(6)	Madagascar	Antananarivo	-0.2	17.6	17.4
MW		Malawi	Lilongwe	-0.2	28.5	28.2
MY		Malaysia	Kuala Lumpur	-0.2	27.3	27.0
ML	(3)(6)	Mali	Bamako	-0.2	13.4	13.2
MR		Mauritania	Nouakchott	-0.2	-3.7	-3.9
MU		Mauritius	Port Louis	-0.2	11.9	11.7
MX	(7)	Mexico	Mexico City	-0.2	9.5	9.3
MD		Moldova	Chisinau	-0.2	1.4	1.2
MN		Mongolia	Ulan Bator	-0.2	4.3	4.1
ME	(4)(9)	Montenegro	Podgorica	-0.2	8.0	7.8
MA		Morocco	Rabat	-0.2	0.8	0.6
MZ	(6)	Mozambique	Maputo	-0.2	17.6	17.4
MM		Myanmar	Yangon	-0.2	11.3	11.1
NA	(6)	Namibia	Windhoek	-0.2	7.8	7.6
NP		Nepal	Kathmandu	-0.2	-6.9	-7.1
NC	(10)	New Caledonia	Nouméa	-0.2	0.7	0.5
NZ	(7)	New Zealand	Wellington	-0.2	6.4	6.2
NI	(6)	Nicaragua	Managua	-0.2	17.4	17.2
NE	(3)	Niger	Niamey	-0.2	1.6	1.4
NG		Nigeria	Abuja	-0.2	15.6	15.4
MK	(9)	North Macedonia	Skopje	-0.2	16.7	16.5
NO	(8)	Norway	Oslo	-0.2	5.5	5.3
PK		Pakistan	Islamabad	-0.2	38.1	37.8
PA	(2)(6)	Panama	Panama City	-0.2	10.6	10.4
PG		Papua New Guinea	Port Moresby	-0.2	12.5	12.3
PY		Paraguay	Asuncion	-0.2	4.0	3.8
PE	(6)	Peru	Lima	-0.2	10.3	10.1
PH		Philippines	Manilla	-0.2	4.4	4.2
QA	(6)	Qatar	Doha	-0.2		
RU		Russia	Moscow	-0.2	6.5	6.3
RW		Rwanda	Kigali	-0.2	0.4	0.2
ST	(6)	São Tomé and Príncipe	São Tomé	-0.2		
SA		Saudi Arabia	Riyadh	-0.2	6.9	6.7
SN	(3)	Senegal	Dakar	-0.2	1.6	1.4
RS	(9)	Serbia	Belgrade	-0.2	8.2	8.0
SL		Sierra Leone	Freetown	-0.2	7.5	7.3
SG		Singapore	Singapore	-0.2	3.1	2.9
SO	(5)	Somalia	Mogadishu	-0.2		
ZA		South Africa	Pretoria	-0.2	13.1	12.9
KR	(7)	South Korea	Seoul	-0.2	3.8	3.6
SS		South-Sudan	Juba	-0.2	-14.2	-14.4
LK		Sri Lanka	Colombo	-0.2	2.3	2.1
SD		Sudan	Khartoum	-0.2	513.8	512.6
CH	(8)	Switzerland	Bern	-0.2	2.0	1.8
CH	(8)	Switzerland	Geneva	-0.2	2.0	1.8
SY	(5)	Syria	Damascus	-0.2		

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Annual update outside Brussels and Luxembourg for the 12 months to 1st July 2021
(for staff serving in Extra-EU delegations)

Place of employment				Global specific indicator	Implicit price index	Annual update
Code		**Country**	**City**	[a]	[b]	=100 x [a]*[b]/100-100
TW		Taiwan	Taipei	-0.2	2.1	1.9
TJ		Tajikistan	Duschanbe	-0.2	18.4	18.2
TZ	(6)	Tanzania	Dar es Salaam	-0.2	12.6	12.4
TH		Thailand	Bangkok	-0.2	5.4	5.2
TL	(2)	Timor Leste	Dili	-0.2	0.8	0.6
TG	(3)	Togo	Lome	-0.2	4.7	4.5
TT	(6)	Trinidad and Tobago	Port-of-Spain	-0.2	10.9	10.7
TN		Tunisia	Tunis	-0.2	4.9	4.7
TR	(8)	Turkey	Ankara	-0.2	24.4	24.2
TM		Turkmenistan	Ashkhabad	-0.2	8.6	8.4
UG		Uganda	Kampala	-0.2	4.1	3.9
UA		Ukraine	Kiev	-0.2	7.5	7.3
AE		United Arab Emirates	Abu Dhabi	-0.2	1.0	0.8
GB		United Kingdom	London	-0.2	1.6	1.4
US		United States	New York	-0.2	6.4	6.2
US	(7)	United States	Washington	-0.2	6.6	6.4
UY		Uruguay	Montevideo	-0.2	9.3	9.1
UZ		Uzbekistan	Tachkent	-0.2	20.8	20.6
VE	(5)	Venezuela	Caracas	-0.2		
VN		Vietnam	Hanoi	-0.2	4.5	4.3
PS		West Bank — Gaza Strip	East Jerusalem	-0.2	2.9	2.7
YE	(5)	Yemen	Sana a	-0.2		
ZM	(6)	Zambia	Lusaka	-0.2	31.8	31.5
ZW	(2)(5)	Zimbabwe	Harare	-0.2		

In table above:

(1) Figures are stated relative to Brussels, ie. Brussels PPP = 1, ER = 1, CC = 100%

(2) 1 euro = USD (6 Duty Stations: Cuba - Ecuador - El Salvador - Panama - Timor Leste - Zimbabwe)

(3) 1 euro = CFA (13 Duty Stations: Benin - Burkina Faso - Cameroon - Central African Republic - Chad - Congo - Gabon - Guinea-Bissau - Ivory Coast - Mali - Niger - Senegal - Togo)

(4) Currency = Euro (2 Duty Stations: Kosovo - Montenegro)

(5) Not available (9 Duty Stations: Afghanistan - Iraq - Lebanon - Libya - Somalia - Syria - Venezuela - Yemen - Zimbabwe)

(6) UN P2P processed (30 Duty Stations: Liste duty stations:Angola - Armenia - Barbados - Benin - Brazil - Burundi - Cambodia - Colombia - Cuba - Ecuador - Georgia - Guatemala - Guyana - Honduras - India - Jamaica - Kenya - Kyrgyzstan - Madagascar - Mali - Mozambique - Namibia - Nicaragua - Panama - Peru - Qatar - Samoa - São Tomé and Príncipe - Tanzania - Trinidad and Tobago - Zambia)

(7) ISRP PPP processed (9 Duty Stations: Australia - Canada - Chile - Israel - Japan - Mexico - New Zealand - South Korea - United States (Washington))

(8) ECP PPP processed (5 Duty Stations: Iceland - Norway - Switzerland (Bern) - Switzerland (Geneva) - Turkey)

(9) ECP Balkan Duty stations processed (6 Duty Stations: Albania - Bosnia and Herzegovina (Sarajevo) - Kosovo - North Macedonia - Montenegro - Serbia)

(10) Duty stations for which Intra-EU CC excluding rent is used (1 Duty Station: New Caledonia)