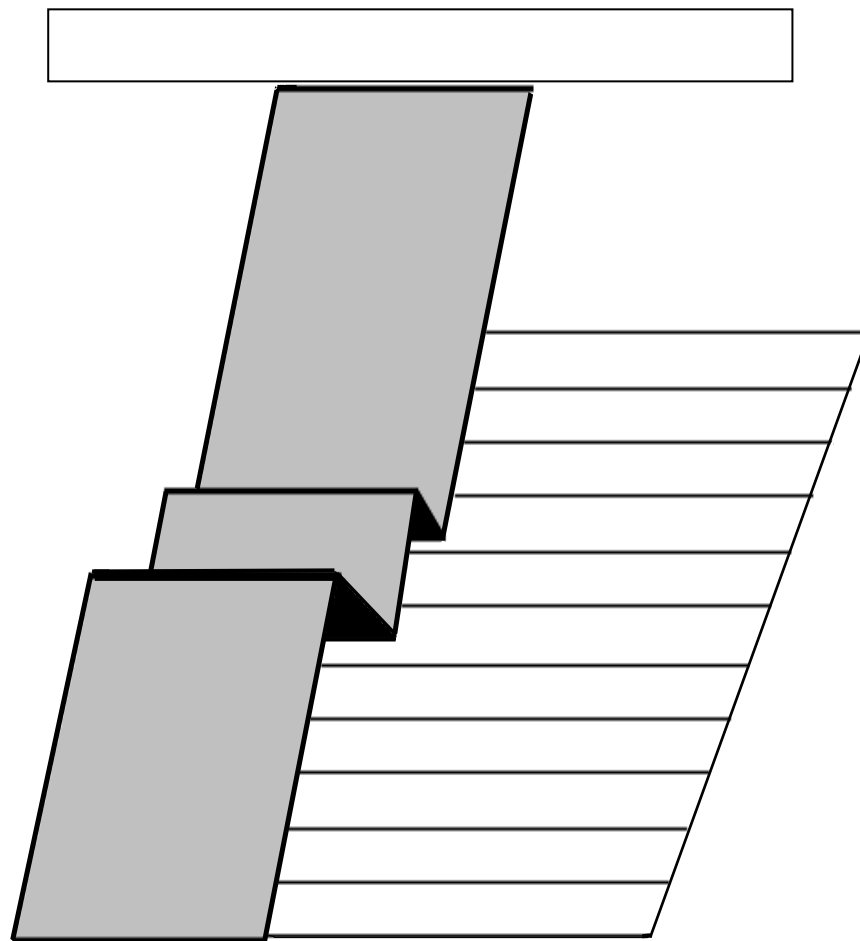


**Annex 1 to the Eurostat Report on
Annual Adjustment of
Remuneration and Pensions**

Explanations and statistical analyses

**Reference period:
Year to 1 July 2009**

Annex 1



**Statistical Office of the European Communities
Unit C6
Luxembourg
October 2009**

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Introduction

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

Articles 64 and 65 and Annex XI of the Staff Regulations, which are in force since 1 May 2004, define the method for the annual adjustment of the remuneration and pension of Community officials.

The value of the adjustment is equal to the product of the specific indicator and the change in the cost of living index in Brussels. Changes in the cost of living in places of employment other than Brussels and Luxembourg are derived indirectly from the value of the adjustment for Brussels and changes in the economic parities between Brussels and those other places.

Chapters 1, 2, 3 and 4 of this document examine respectively:

- the changes in the purchasing power of salaries of central government civil servants in the eight Member States belonging to the sample: Belgium, Germany, Spain, France, Italy, Luxembourg, Netherlands and United Kingdom (specific indicator);
- the changes in the cost of living for Brussels;
- the economic parities and correction coefficients for staff;
- the economic parities and correction coefficients for pensioners.

In Chapter 5 some information about working time in Central Governments of the eight sampled Member States is given.

All figures and calculations contained in this report are based on data supplied by the responsible authorities in the Member States. For any information concerning this annex, please contact Eurostat in Luxembourg:

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1. EVOLUTION OF PURCHASING POWER OF NATIONAL OFFICIALS

1.1. General remarks on the calculation of the specific indicator

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

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 Communities. 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 filled with practical procedures. Therefore, we provide here a set of commonly agreed basic definitions. If a specific 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, family allowances),
- 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 and
- other compulsory deductions (mutual assistance contribution, temporary contribution, etc.).

Not to be included:

- voluntary contributions.

1.1.3. Reference period

In order to calculate the specific indicators for the year (t) the remuneration of central government civil servants on a fixed date 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, 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 2008 sent in 2008 and re-sent in 2009), 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).

1.1.4. Reference population

The reference population relates to permanent statutory staff of the sub-sector “**central governments**” (S.1311 of ESA95) of Member States. It should be noted that the sub-sector S.1311 in ESA 95 is defined as follows:

“The sub-sector central government includes all administrative departments of the State and other central agencies whose competence extends normally over the whole economic territory, except of the administration of social security funds.”

The reference population should however exclude the following groups:

- regional/state and local governments
- the armed forces, security forces, police forces, frontier guards, etc.;
- teachers, 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%.

1.1.6. Function groups

According to Annex XI Eurostat is obliged to provide a specific indicator for each of the two function group: Administrator (AD) and Assistants (AST). Therefore, the posts in the national reference population should be classified, according to the nature of the duties to which they relate, in these two 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, technical and clerical 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

Article 1.4 of Annex XI specifies that to establish a global specific indicator for the European Union, Eurostat shall use a sample composed of the following 8 Member States: Belgium, Germany, Spain, France, Italy, Luxembourg, Netherlands and United Kingdom.

1.1.9. Calculation of country specific indicator

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

- For each grade, Eurostat will calculate average gross and net remunerations for the available steps (eg. minimum, maximum, median) and the family types.
- Average gross and net remunerations for each grade are then aggregated to two function groups (AD and AST). 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 two 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 two 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
- The increases in real terms are calculated by taking into account the increase in the harmonized index of consumer price (HICP) for this period.
- The overall real net increase in remuneration is called the **country specific indicator**.

1.2. Specific indicator - results by functional groups

Table 1.1 sets out the gross and net specific indicators both in nominal and real terms for each of the two function-groups.

Table 1.1

Nominal and real changes in the remuneration of national civil servants in the twelve-month period to 1st July 2009 (1.7.2008 = 100)

Country		Nominal change			Real change		
		AD	AST	Total	AD	AST	Total
BE	Gross	102.6	103.0	102.8	103.6	104.0	103.8
	Net	103.3	103.5	103.4	104.3	104.5	104.4
DE	Gross	103.1	103.4	103.2	103.1	103.4	103.2
	Net	102.9	103.3	103.1	102.9	103.3	103.1
ES	Gross	103.8	103.9	103.8	104.8	104.9	104.8
	Net	103.2	103.3	103.3	104.2	104.3	104.3
FR	Gross	103.8	102.4	103.1	104.4	103.0	103.7
	Net	104.1	102.6	103.2	104.7	103.2	103.8
IT	Gross	103.5	103.9	103.7	102.9	103.3	103.1
	Net	102.8	103.1	103.0	102.2	102.5	102.4
LU	Gross	103.0	102.9	102.9	104.0	103.9	103.9
	Net	103.5	103.6	103.5	104.5	104.6	104.5
NL	Gross	103.1	103.1	103.1	101.7	101.7	101.7
	Net	103.7	103.7	103.7	102.3	102.3	102.3
UK	Gross	102.0	102.1	102.1	100.2	100.3	100.3
	Net	102.0	102.1	102.1	100.2	100.3	100.3
Total	Gross	103.2	103.1	103.1	102.9	102.8	102.9
	Net	103.0	103.0	103.0	102.8	102.7	102.7

1.3. Remuneration and taxes

Table 1.2 provides comparative information on gross and net remuneration as well as on the HICP inflation rate over 12 months.

Table 1.2

Changes in the nominal gross and nominal net specific indicators in relation to the rate of inflation for the twelve-month period to 1st July 2009

Country	Gross remuneration	Net remuneration	12 Months HICP
BE	102.8	103.4	99.0
DE	103.2	103.1	100.0
ES	103.8	103.3	99.0
FR	103.1	103.2	99.4
IT	103.7	103.0	100.6
LU	102.9	103.5	99.0
NL	103.1	103.7	101.4
UK	102.1	102.1	101.8
Total	103.1	103.0	100.3

1.4. Cumulative specific indicators

Table 1.3 illustrates the changes in the remuneration of central government civil servants since 2000. This table shows the evolution of gross and net specific indicators at current prices, the development in consumer price indices as well as gross and net specific indicators in real terms. Over the period 2000-2008 the real net specific indicator for the European Union has increased by 0.7%.

Table 1.3

Changes in the purchasing power of salaries of civil servants in the central government in the Member States (2000=100)

Country	Nominal gross specific indicator	Nominal net specific indicator	Consumer price indices*	Real gross specific indicator	Real net specific indicator
BE	125.4	129.1	121.7	103.1	106.1
DE	107.3	111.6	116.9	91.7	95.4
ES	128.9	127.4	132.4	97.3	96.1
FR	125.9	121.4	118.5	106.3	102.4
IT	122.0	123.0	122.5	99.5	100.4
LU	133.3	133.7	126.2	105.6	105.9
NL	113.4	123.3	120.3	94.2	102.3
UK	128.9	127.9	121.2	106.4	105.6
Total	121.1	121.9		100.1	100.7

* 2000-2004: National consumer price indices. 2005- : Harmonized index of consumer prices

1.5. Control Indicators

Annex XI mentions explicitly, between the possible control indicators, the real per capita emoluments in central government. Eurostat measures the variation, at constant prices, in the per capita wage bill in sub-sector S.1311 of the national accounts (per capita salary of central government). As this indicator is expressed in gross terms, it is compared with the real gross specific indicator.

The gross specific indicator and the control indicator are different by definition and it is natural to expect them to show some differences. Indeed, changes in the control indicator are determined not only by variations in collective labour agreements but also by intrinsic factors (changes in the average age of the reference population, promotion to higher categories, etc.) and by changes in incidental salary components such as overtime payments, productivity incentives, and early retirement compensation.

Furthermore, there are certain factors which distort the statistical comparability of the two indices (the quality of the sample used to calculate the specific indicator, differences in the reference populations, part-time work, employers' social contributions, etc.). The deflator used for the control indicator is the consumers' expenditure deflator in the national accounts; the deflator for the specific indicator is the consumer price index (till 2004, the national index; since 2005 the harmonized index). In addition control indicator values for the reference period are often estimates.

Eurostat identifies differences between the two indicators during the reference period, and therefore puts a greater emphasis on the medium-term trend analysis. For some Member States there are in fact divergences. However, if the conceptual and statistical differences between the gross specific indicator and in the control indicator are netted out, they show a parallel development. Table 1.4 presents the changes in these two indicators for the period 2000-2008.

Table 1.4
Comparison of the gross specific indicator and the control indicator in real terms
Medium-term trend (2000 = 100)

Country	Real gross specific indicator [1]	Control indicator * [2]	Difference (%) [3]
BE	103.1	115.9	12.4
DE	91.7	103.2	12.6
ES	97.3	166.2	70.8
FR	106.3	107.5	1.1
IT	99.5	107.0	7.5
LU	105.6		
NL	94.2	109.7	16.4
UK	106.4	122.9	15.5
Total	100.1	110.5	10.4

*Eurostat and DG-ECFIN estimates. No data for Luxembourg for 2007, 2008 and 2009

2. CHANGES IN THE COST OF LIVING IN BRUSSELS

Article 64 and Annex XI of the Staff Regulations state that Eurostat shall draw up an index, based on the data provided by the Belgian authorities, to measure the changes in the cost of living for officials of the Communities in Brussels.

This index, known as **Brussels International Index** (BII), shall take into account the changes between June of the previous year and June of the current year and shall be based on methodology defined by the Working Group on Article 64 of the Staff Regulations.

The following price indices are used to calculate Brussels International Index:

- 1) For all 80 basic headings except for those stated in points 2) and 3) the Belgian harmonised indices of consumer prices (HICP).
- 2) In order to take account of the specific situation in Brussels, for the following 9 basic headings the Brussels specific consumer price indices are used. These indices are provided by the “*Service public federal Economie, P.M.E.*”
 - Water supply
 - Electricity
 - Gas
 - Other services in respect of personal transport equipment
 - Passenger transport by road
 - Combined passenger transport
 - Restaurants, cafes and the like
 - Accommodation services
 - Hairdressing salons and personal grooming establishments
- 3) The basic headings figures for accommodation costs for tenants (rents index) and owner-occupiers (imputed rents index) are replaced in the Brussels International Index by an index calculated by Eurostat based on the results of an annual survey carried out among EC staff employed in Brussels.

The weights used to aggregate the 80 basic headings of this index are derived from family budget surveys (FBS) carried out among EU officials in Brussels. The details of the calculation of the BII corresponding to this annual review are given in the Eurostat Report. Table 2.1 shows both the annual and cumulative changes in the Brussels cost-of-living index since 1991. The smaller table underneath shows the change since 2004.

During the years 1990-2003 the cost of living in Brussels was calculated as a weighted index composed of the Joint Index and the Brussels capital component index. Since 2004, according to the Staff Regulations it is calculated as described above (Brussels International Index).

Table 2.1
Brussels Cost-of-living index

	Measure for increase in cost-of-living in Brussels*	
	Previous year = 100	1990 = 100
1991	104.1	104.1
1992	103.5	107.7
1993	102.2	110.1
1994	102.4	112.8
1995	100.9	113.8
1996	101.5	115.5
1997	101.5	117.2
1998	101.4	118.9
1999	100.9	119.9
2000	102.4	122.8
2001	103.1	126.6
2002	101.3	128.3
2003	102.3	131.2
2004	101.9	133.7
2005	102.2	136.6
2006	102.1	139.5
2007	101.4	141.5
2008	104.4	147.7
2009	100.9	149.0

*Till 2003: Weighted index, composed of Joint Index and Brussels Index
2004 - : Brussels International Index (BII)

	Measure for increase in cost-of-living in Brussels*	
	Previous year = 100	2003 = 100
2004	101.9	101.9
2005	102.2	104.1
2006	102.1	106.3
2007	101.4	107.8
2008	104.4	112.6
2009	100.9	113.5

* Brussels International Index (BII)

3. EQUIVALENCE OF PURCHASING POWER OF EC OFFICIALS IN THE MEMBER STATES

3.1. Economic parities and correction coefficients

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

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

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

For the 2009 annual review, new parities obtained from price surveys have been integrated for the following groups:

- Food, beverages and tobacco (survey 2007);
- Personal appearance (survey 2007).

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

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

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

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

The correction coefficients applicable to the salaries of the European institution officials working in the capitals and places of employment other than Brussels and Luxembourg, which are calculated for the month of July, are determined on the basis of the relationships between the economic parities and the exchange rates fixed by the Commission and specified in the Staff Regulations for the relevant countries. The correction coefficient operates as a percentage adjustment to salaries to take account of the cost of living differences between Brussels and the various duty stations.

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

3.2. Rents and rent parities

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

Table 3.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2009
(for staff)

Expenditure Groups	BE	BG-Sofia		CZ-Prague		DK-Copenhagen		DE-Berlin		DE-Bonn		DE-Karlsruhe	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	129.5	125.6	1.268	128.4	18.35	54.2	9.860	104.6	0.941	104.6	0.966	104.6	0.958
2	21.8	37.9	1.745	25.9	22.87	12.6	9.347	23.2	0.838	23.2	0.826	23.2	0.831
3	46.7	46.9	1.362	73.6	23.97	50.1	7.585	49.1	0.915	49.1	0.902	49.1	0.927
4	245.7	228.9	1.308	273.7	31.34	335.8	11.71	248.8	0.991	248.8	0.921	248.8	0.887
5	85.3	97.6	1.108	110.8	20.47	67.4	9.122	89.6	0.911	89.6	0.944	89.6	0.908
6	18.5	3.2	1.198	4.0	22.48	11.3	8.568	15.4	1.115	15.4	1.137	15.4	1.123
7	151.0	163.2	1.714	129.3	22.85	181.2	11.57	180.9	1.115	180.9	1.132	180.9	1.122
8	21.5	41.9	2.031	18.9	32.13	25.3	5.998	21.0	0.942	21.0	0.905	21.0	0.990
9	109.9	117.8	1.499	87.0	22.74	116.4	10.25	134.8	1.016	134.8	1.018	134.8	1.004
10	18.2	0.0	-	0.0	-	32.6	10.265	13.7	1.482	13.7	1.482	13.7	1.482
11	90.8	74.1	0.915	79.0	14.85	43.0	9.88	77.9	0.856	77.9	0.988	77.9	0.842
12	61.2	63.0	1.457	69.2	21.62	70.1	9.640	41.0	0.915	41.0	0.925	41.0	0.920
Rents	195.7	190.1	1.434	253.5	32.61	246.7	11.82	198.0	0.945	198.0	0.856	198.0	0.817
Total without rents	804.3	809.9	1.337	746.4	20.80	753.3	9.94	802.0	0.993	802.0	1.020	802.0	0.997
Global parity	1000.0	1000.0	1.354	999.9	22.97	1000.0	10.33	1000.0	0.984	1000.0	0.986	1000.0	0.959

Expenditure Groups	BE	DE-Munich		EE-Tallinn		EL-Athens		ES-Madrid		FR-Paris		IE-Dublin	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	129.5	104.6	0.959	135.2	11.92	142.1	0.945	120.8	0.834	98.6	0.925	85.1	1.101
2	21.8	23.2	0.833	27.3	14.01	28.7	1.069	22.8	0.819	20.7	0.991	19.7	1.677
3	46.7	49.1	0.940	77.5	14.13	48.8	1.010	40.6	0.893	50.8	0.875	55.5	0.707
4	245.7	248.8	1.195	225.4	13.45	189.7	0.945	244.0	1.259	285.0	1.592	223.8	1.370
5	85.3	89.6	0.916	116.7	10.96	109.2	0.926	91.5	1.001	89.2	1.030	95.6	0.917
6	18.5	15.4	1.120	4.2	13.20	19.7	0.857	17.0	0.750	14.1	1.042	21.3	1.304
7	151.0	180.9	1.135	146.7	14.60	142.2	0.967	135.6	1.007	153.1	1.077	165.5	1.108
8	21.5	21.0	0.954	19.9	11.21	23.1	0.998	20.3	1.036	20.4	1.028	14.6	1.154
9	109.9	134.8	1.036	91.2	13.11	96.8	0.983	96.4	0.996	118.7	1.079	135.1	1.114
10	18.2	13.7	1.482	0.0	-	19.8	0.655	38.4	0.776	14.6	0.968	48.4	1.228
11	90.8	77.9	1.041	83.2	10.97	118.7	0.913	119.2	0.862	71.7	1.107	63.8	1.152
12	61.2	41.0	0.992	72.8	12.89	61.3	0.872	53.4	0.920	63.1	1.071	71.6	1.250
Rents	195.7	198.0	1.216	207.0	14.15	138.9	1.081	200.9	1.418	232.5	1.845	185.3	1.436
Total without rents	804.3	802.0	1.027	793.0	12.55	861.1	0.918	799.1	0.911	767.5	1.019	814.7	1.090
Global parity	1000.0	1000.0	1.061	1000.0	12.85	1000.0	0.942	1000.0	0.994	1000.0	1.158	1000.0	1.147

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2009
(for staff)

Expenditure Groups	BE	IT-Rome		IT-Varese		CY-Nicosia		LV-Riga		LT-Vilnius		HU-Budapest	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	129.5	123.4	1.068	136.7	1.103	139.9	0.996	130.7	0.5596	131.2	2.451	122.7	213.2
2	21.8	20.0	1.054	20.9	1.025	28.2	1.014	26.4	0.7027	26.5	2.676	24.8	194.5
3	46.7	48.9	0.974	47.3	0.951	80.1	0.878	74.9	0.5573	75.1	2.410	70.3	205.8
4	245.7	242.0	1.395	219.8	0.850	197.0	0.650	251.1	0.7107	249.1	3.344	298.3	322.3
5	85.3	96.0	1.047	92.6	1.061	120.7	0.859	112.8	0.4940	113.2	2.253	105.9	164.7
6	18.5	20.2	1.260	23.9	1.258	4.4	1.071	4.1	0.6627	4.1	3.019	3.8	202.1
7	151.0	145.5	1.026	153.4	1.011	151.8	1.072	141.9	0.5702	142.3	2.747	133.2	234.9
8	21.5	16.6	0.807	16.2	0.805	20.6	0.470	19.3	0.5453	19.3	1.803	18.1	208.4
9	109.9	115.5	1.011	115.5	1.049	95.7	1.107	88.0	0.6200	87.8	2.485	81.5	214.8
10	18.2	21.9	1.008	19.8	1.008	0.0	-	0.0	-	0.0	-	0.0	-
11	90.8	89.3	0.976	93.4	0.853	86.1	0.988	80.4	0.4958	80.7	2.157	75.5	162.0
12	61.2	60.7	1.000	60.5	0.976	75.4	0.871	70.4	0.5869	70.7	2.675	66.1	180.5
Rents	195.7	181.8	1.612	155.0	0.865	157.1	0.638	232.4	0.7635	226.0	3.574	273.7	348.8
Total without rents	804.3	818.2	1.012	845.0	0.995	842.9	0.950	767.6	0.5538	774.0	2.441	726.3	198.5
Global parity	1000.0	1000.0	1.106	1000.0	0.971	1000.0	0.887	1000.0	0.5924	1000.0	2.642	1000.0	226.0

Expenditure Groups	BE	MT-Valletta		NL-The Hague		AT-Vienna		PL-Warsaw		PT-Lisbon		RO-Bucharest	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	129.5	128.6	0.831	101.5	0.822	116.0	0.996	131.8	2.620	117.0	0.787	120.6	2.494
2	21.8	38.7	1.085	18.1	0.978	23.2	0.838	26.6	3.262	16.0	1.008	24.3	2.332
3	46.7	48.0	0.929	45.7	0.854	68.9	0.920	75.5	2.845	44.9	0.849	69.1	2.714
4	245.7	220.5	0.754	254.2	1.434	275.5	1.293	249.5	4.485	268.1	0.865	310.1	4.647
5	85.3	99.9	0.773	95.6	0.969	103.4	0.990	113.8	2.722	83.6	0.861	104.0	2.055
6	18.5	3.3	0.983	8.6	1.071	13.9	1.074	4.1	2.396	11.6	0.938	3.8	2.022
7	151.0	159.3	1.093	165.7	1.219	139.1	1.078	138.0	3.398	151.1	1.083	130.8	2.800
8	21.5	42.9	1.180	19.7	0.869	18.3	0.891	19.4	3.546	18.1	0.952	17.8	3.160
9	109.9	118.4	0.900	120.3	1.018	89.0	0.999	89.1	3.043	101.2	0.925	80.4	2.518
10	18.2	0.0	-	28.2	0.916	13.6	0.915	0.0	-	28.1	0.983	0.0	-
11	90.8	75.8	0.742	86.6	0.988	73.5	0.963	81.1	2.645	105.2	0.695	74.2	1.876
12	61.2	64.4	0.760	55.8	1.051	65.7	1.101	71.0	3.016	55.1	0.851	64.9	2.885
Rents	195.7	180.9	0.758	193.5	1.522	233.9	1.342	226.1	4.847	233.1	0.880	286.1	5.281
Total without rents	804.3	819.1	0.878	806.5	1.009	766.1	1.005	773.9	2.919	766.9	0.877	713.9	2.455
Global parity	1000.0	1000.0	0.855	1000.0	1.093	1000.0	1.069	1000.0	3.245	1000.0	0.878	1000.0	2.920

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2009
(for staff)

Expenditure Groups	BE	SI-Ljubljana		SK-Bratislava		FI-Helsinki		SE-Stockholm		UK-London		UK-Culham	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	129.5	125.9	0.872	121.1	0.82	114.9	1.172	113.4	10.54	80.1	0.7740	98.5	0.7767
2	21.8	25.4	0.755	36.5	1.06	23.0	1.485	22.7	12.50	19.9	1.1290	19.5	1.1247
3	46.7	72.1	0.979	45.2	0.93	68.3	1.031	67.4	9.603	42.3	0.5408	47.3	0.5337
4	245.7	277.4	1.068	256.3	1.00	281.9	1.379	291.5	13.84	332.4	1.9522	287.7	0.9652
5	85.3	108.6	0.765	94.2	0.55	102.4	1.063	101.1	8.501	80.2	0.8084	86.3	0.7860
6	18.5	3.9	0.857	3.1	0.98	13.8	1.256	13.6	9.158	9.6	0.7380	6.0	0.7380
7	151.0	136.6	0.893	157.4	0.88	137.9	1.212	136.0	11.43	154.6	0.8181	153.1	0.8004
8	21.5	18.5	0.656	40.4	1.16	18.1	0.728	17.9	5.570	17.6	0.5980	19.0	0.6019
9	109.9	86.2	0.960	113.6	0.88	88.2	1.212	87.0	10.49	114.8	0.7610	130.4	0.7688
10	18.2	0.0	-	0.0	-	13.4	1.092	13.3	10.27	20.9	1.0299	22.0	1.0299
11	90.8	77.4	0.762	71.5	0.65	72.9	1.201	71.9	11.27	65.1	0.7867	60.0	0.7899
12	61.2	67.8	0.902	60.7	0.89	65.1	1.230	64.2	11.44	62.5	0.8474	70.2	0.7874
Rents	195.7	236.8	1.129	218.9	1.04	240.6	1.451	250.8	14.15	308.4	2.2774	235.5	1.0435
Total without rents	804.3	763.2	0.856	781.1	0.80	759.4	1.154	749.2	10.45	691.6	0.7789	764.5	0.7670
Global parity	1000.0	1000.0	0.908	1000.0	0.84	1000.0	1.213	1000.0	11.17	1000.0	1.0213	1000.0	0.8190

Consumption groups:

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

Table 3.2 (Continued on next page)
Changes in the average rents of accommodation in the twelve months to 1st July 2009
(Values expressed in Euro, except local currencies: CZ, DK, EE, LV, LT, HU, PL, SE, UK)

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
Place of employment			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
BE	Brussels	2008	1588	1223	938	924	764	706	573
		2009	1611	1226	942	977	769	745	608
BG	Sofia	2008		1131		629		463	
		2009		939		512		365	
CZ	Prague	2008		40833		29889		20944	
		2009		34306		25492		17417	
DK	Copenhagen	2008		14925			9800		6786
		2009		13857			9338		6164
DE	Berlin	2008		1168		863		648	
		2009		1117		838		619	
	Bonn	2008		1063		760		589	
		2009		1011		777		608	
	Karlsruhe	2008		904		703		556	
		2009		924		719		579	
	Munich	2008		1512		1125		868	
		2009		1644		1215		924	
EE	Tallin	2008			16050		12125		8375
		2009			10150		8015		5910
EL	Athens	2008	1696			1087		811	
		2009	1578			1040		787	
ES	Madrid	2008		1629			1161		895
		2009		1588			1154		878
FR	Paris	2008		2313		1758			965
		2009		2368		1770			975
IE	Dublin	2008		1898			1548		1220
		2009		1565			1285		1030
IT	Rome	2008		2079		1614		1221	
		2009		1933		1491		1149	
	Varese	2008		927		698		557	
		2009		897		714		563	
CY	Nicosia	2008		708		583		458	
		2009		735		594		477	

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2009
(Values expressed in Euro, except local currencies: CZ, DK, EE, LV, LT, HU, PL, SE, UK)

Country Place of employment			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
BE	Brussels	2008	1588	1223	938	924	764	706	573
		2009	1611	1226	942	977	769	745	608
LV	Riga	2008		889		685		522	
		2009		580		457		327	
LT	Vilnius	2008			3448		2770		1850
		2009			2415		1983		1395
HU	Budapest	2008		395629			246829		154079
		2009		423911			279789		162525
MT	Valletta	2008		889		648			448
		2009		823		636			458
NL	The Hague	2008		1872		1403		1034	
		2009		1737		1311		969	
AT	Vienna	2008		1704		1206		896	
		2009		1500		1125		882	
PL	Warsaw	2008		6538		4466			2740
		2009		6389		4290			2846
PT	Lisbon	2008	1115			798		608	
		2009	1054			757		595	
RO	Bucharest	2008		1756		1346			738
		2009		1352		1019			572
SI	Ljubljana	2008		1364		1000			629
		2009		1282		954			593
SK	Bratislava	2008		1231		900		658	
		2009		1119		811		648	
FI	Helsinki	2008			2325		1369		1037
		2009			2055		1305		998
SE	Stockholm	2008		22000		17167		12833	
		2009		19947		15473		10780	
UK	London	2008			2393		1782		1370
		2009			2391		1754		1353
	Culham	2008			1032		868		689
		2009			1075		878		705

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2009
(Values expressed in Euro, except local currencies: CZ, DK, EE, LV, LT, HU, PL, SE, UK)

Country Place of employment			Non-detached houses			Detached houses			Rent Parity
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)	
BE	Brussels	2008	1638	1231	1049	2286	1762	1452	
		2009	1700	1333	1045	2256	1813	1352	
BG	Sofia	2008				1624			0.823
		2009				1202			0.733
CZ	Prague	2008		39167			58944		33.91
		2009		40571			60536		32.61
DK	Copenhagen	2008		15286			21429		11.93
		2009		13667			19667		11.82
DE	Berlin	2008		1237			1862		0.940
		2009		1233			1955		0.945
	Bonn	2008		1120			1659		0.849
		2009		1133			1543		0.856
	Karlsruhe	2008		1099			1699		0.816
		2009		1106			1518		0.817
	Munich	2008		1640			2313		1.178
		2009		1770			2500		1.216
EE	Tallin	2008		17056			22525		16.13
		2009		11200			16000		14.15
EL	Athens	2008							1.091
		2009							1.081
ES	Madrid	2008							1.425
		2009							1.418
FR	Paris	2008							1.825
		2009							1.845
IE	Dublin	2008			1805			2178	1.708
		2009			1540			1920	1.436
IT	Rome	2008		1833					1.656
		2009		1747					1.612
	Varese	2008		1342		1986			0.848
		2009		1392		1979			0.865
CY	Nicosia	2008	1014			1613			0.638
		2009	1025			1590			0.638

Note: Bulgaria, Romania, Slovakia data collected in Euro, values converted using exchange rate

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2009
(Values expressed in Euro, except local currencies: CZ, DK, EE, LV, LT, HU, PL, SE, UK)

Country Place of employment			Non-detached houses			Detached houses			Rent Parity
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)	
BE	Brussels	2008	1638	1231	1049	2286	1762	1452	
		2009	1700	1333	1045	2256	1813	1352	
LV	Riga	2008	1203			1625			0.849
		2009	724			990			0.763
LT	Vilnius	2008		4950			7450		3.740
		2009		3313			5188		3.574
HU	Budapest	2008	526288			857863			337.1
		2009	590056			963833			348.8
MT	Valletta	2008		1313		2208			0.718
		2009		1106		2175			0.758
NL	The Hague	2008		1938					1.550
		2009		1828					1.522
AT	Vienna	2008		1908			3152		1.330
		2009		1776			3053		1.342
PL	Warsaw	2008		6803		11253			4.535
		2009		6630		11676			4.847
PT	Lisbon	2008	1463				2105		0.918
		2009	1391				1865		0.880
RO	Bucharest	2008					2833		1.245
		2009					2104		1.253
SI	Ljubljana	2008		1475			1940		1.163
		2009		1379			2020		1.129
SK	Bratislava	2008		1271			1850		1.109
		2009		1179			1713		1.045
FI	Helsinki	2008		2104			3246		1.430
		2009		1716			2816		1.451
SE	Stockholm	2008		18833			25300		13.82
		2009		18900			25250		14.15
UK	London	2008			2757				2.182
		2009			2767				2.277
	Culham	2008			1120			1525	1.035
		2009			1040			1422	1.043

3.3. Purchasing power parities - analysis of results

3.3.1. Major changes in the economic parities from 2008 to 2009

The calculation of correction coefficients used for salary adjustment in places other than Brussels and Luxembourg involves the revision of some of the elementary parities each year. For the 2009 salary adjustment two new price surveys have been incorporated: House & Garden (conducted in 2007) and Transport, HoReCa (conducted in 2007). The rent parities have been calculated for 2009 according to the moving-average model approved by the Article 64 Working Party.

The introduction of new prices from the latest price surveys this year affects 23 (out of 80) elementary parities, which together account for about 23% (EU average) of the consumption weight.

Moreover, rent surveys are carried out every year in all Member States. A six-year moving average model is used for calculating rent parities: the rent parities for 2009 are based on the relative trend in the real-estate markets in Brussels and other places of employment between 2003 and 2009. These parities are, therefore, affected by the following factors:

- introduction of rent data for year 2009,
- deletion of the rent data for 2003,
- price indices used for updating the rents for 2004 - 2008 to price of 2009

All these effects, as well as the total change in rent parities, are shown in table 3.4.

Details of the changes in the rent parities from 2008 to 2009, including a decomposition of all the effects, are given in table 3.4. The largest increases in the rent parity could be observed in Warsaw (+6.9%), Valletta (+5.6%), London (+4.4%), Budapest (+3.5%) and Munich (+3.2%). The largest decreases in the rent parity were recorded in Dublin (-15.9%), Tallinn (-12.3%), Sofia (-10.9%), Riga (-10.0%) and Bratislava (-5.8%). 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 (1.7.2009) and by changes in the consumption structures (updated every five to seven years by the introduction of new FBS results)¹. Details of the changes in the economic parities from 2008 to 2009, including a decomposition of all the effects, are given in table 3.3.

The biggest increases in global economic parities during the period under review can be observed in Bucharest (+6.3%), Warsaw (+2.8%), Stockholm (+2.7%), London (+2.7%) and Culham (+2.4%). The biggest decreases in the parities can be observed in Dublin (-5.9%), Lisbon (-4.3%), Bratislava (-4.1%) and Tallinn (-3.4%).

As regards price indexation, official indices for the year to July 2009 at the level of total consumption were lower than Brussels in 14 places and higher than Brussels in the remaining 16 places, and – although there are important differences between HICP and PPP methodologies – this is apparent in the price updating effect.

Table 3.3
Changes in the economic parities in the twelve months to 1st July 2009
Decomposition of the effects
(for staff)

Country	Place of employment	Introduction of new surveys			Price updating effect	New consumption structure		Total change*
		E07-1 House & Garden	E07-2 Transport, HoReCa	Rent		Brussels	Other cities	
BG	Sofia	-0.6	-1.3	-3.3	3.7	0.0	0.0	-1.7
CZ	Prague	-0.3	-0.1	-3.3	1.3	0.0	0.0	-2.5
DK	Copenhagen	-0.4	-0.7	0.0	0.3	0.0	0.0	-0.7
DE	Berlin	-0.5	0.0	0.7	-0.7	0.0	0.0	-0.5
	Bonn	-0.4	1.0	0.7	-0.7	0.0	0.0	0.6
	Karlsruhe	0.0	-0.3	0.6	-0.7	0.0	0.0	-0.5
	Munich	-0.3	0.6	1.2	-0.7	0.0	0.0	0.8
EE	Tallinn	-1.0	0.2	7.0	-9.0	0.0	0.0	-3.4
EL	Athens	-0.8	0.1	-0.1	0.0	0.0	0.0	-0.8
ES	Madrid	0.2	-1.1	0.1	-1.3	0.0	0.0	-2.1
FR	Paris	-0.1	0.7	0.7	-1.0	0.0	0.0	0.3
IE	Dublin	0.2	-0.2	0.9	-6.7	0.0	0.0	-5.9
IT	Rome	-0.3	0.2	-0.4	-0.3	0.0	0.0	-0.8
	Varese	-0.5	-1.3	0.4	-0.2	0.0	0.0	-1.5
CY	Nicosia	0.3	-0.5	0.3	-0.6	0.0	0.0	-0.6
LV	Riga	0.3	-0.1	2.1	-3.4	0.0	0.0	-1.2
LT	Vilnius	-0.5	0.5	2.1	-1.7	0.0	0.0	0.3
HU	Budapest	-0.1	-1.6	0.4	2.2	0.0	0.0	0.9
MT	Valletta	-0.9	-0.4	1.0	0.8	0.0	0.0	0.5
NL	The Hague	0.2	-0.4	0.0	0.4	0.0	0.0	0.3
AT	Vienna	-0.2	-0.3	0.0	-0.4	0.0	0.0	-0.8
PL	Warsaw	-1.0	0.5	1.2	2.1	0.0	0.0	2.8
PT	Lisbon	-0.5	-1.6	-0.6	-1.7	0.0	0.0	-4.3
RO	Bucarest	-0.7	-0.5	3.1	4.3	0.0	0.0	6.3
SI	Ljubljana	-0.5	0.9	0.4	-0.1	0.0	0.0	0.7
SK	Bratislava	-0.6	-0.2	-1.7	-1.6	0.0	0.0	-4.1
FI	Helsinki	-0.1	0.4	0.1	0.8	0.0	0.0	1.3
SE	Stockholm	-0.2	1.0	0.6	1.3	0.0	0.0	2.7
UK	London	0.8	0.3	1.9	-0.4	0.0	0.0	2.7
	Culham	1.1	0.3	0.7	0.3	0.0	0.0	2.4

* Values may differ slightly from Table 4 due to rounding

Table 3.4
Changes in rent parities in the twelve months to 1st July 2009
Decomposition of the effects
(for staff)

Place of employment	Deletion of survey 2003	Introduction of survey 2009	Price index 2009	Dwelling structure		Total change
				Brussels	Other cities	
BG Sofia	-3.8	-4.0	-3.5	0.0	0.0	-10.9
CZ Prague	-2.5	-2.5	1.1	0.0	0.0	-3.8
DK Copenhagen	1.2	-3.0	1.0	0.0	0.0	-0.9
DE Berlin	1.1	-1.4	0.9	0.0	0.0	0.5
Bonn	1.5	-1.5	0.9	0.0	0.0	0.8
Karlsruhe	1.2	-1.8	0.9	0.0	0.0	0.2
Munich	1.5	0.8	0.8	0.0	0.0	3.2
EE Tallinn	-3.3	-8.4	-1.0	0.0	0.0	-12.3
EL Athens	0.9	-2.3	0.5	0.0	0.0	-0.9
ES Madrid	1.0	-0.8	-0.6	0.0	0.0	-0.5
FR Paris	-0.1	-0.6	1.8	0.0	0.0	1.1
IE Dublin	-0.6	-3.0	-12.8	0.0	0.0	-15.9
IT Rome	-0.3	-2.8	0.4	0.0	0.0	-2.7
Varese	2.2	-0.6	0.4	0.0	0.0	2.0
CY Nicosia	0.1	-0.3	0.3	0.0	0.0	0.0
LV Riga	-4.2	-8.8	3.0	0.0	0.0	-10.0
LT Vilnius	0.8	-8.5	3.6	0.0	0.0	-4.5
HU Budapest	-1.6	2.2	2.8	0.0	0.0	3.5
MT Valletta	6.6	-2.9	2.1	0.0	0.0	5.6
NL The Hague	-0.1	-2.9	1.2	0.0	0.0	-1.9
AT Vienna	3.7	-2.8	0.1	0.0	0.0	0.9
PL Warsaw	5.0	-1.2	3.0	0.0	0.0	6.9
PT Lisbon	-0.5	-2.4	-1.1	0.0	0.0	-4.1
RO Bucharest	3.1	-6.7	4.6	0.0	0.0	0.6
SI Ljubljana	-1.2	-2.1	0.4	0.0	0.0	-3.0
SK Bratislava	-4.9	-2.9	2.0	0.0	0.0	-5.8
FI Helsinki	5.7	-4.1	0.1	0.0	0.0	1.5
SE Stockholm	5.5	-2.5	-0.4	0.0	0.0	2.4
UK London	5.1	-0.3	-0.4	0.0	0.0	4.4
Culham	1.8	-0.5	-0.4	0.0	0.0	0.8

3.3.2 Major changes in the economic parities from 2008 to 2009

Differences in the correction coefficients calculated with and without the rent element

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

The correction coefficient for rents (compared to Brussels =100) is very high in London (268.4), Paris (184.5), Rome (161.2), Copenhagen (158.7) and The Hague (152.2) ,, whereas they are quite low in Nicosia (63.8), Sofia (73.3), Valletta (75.8), Karlsruhe (81.8), Bonn (85.6) and Varese (86.5).

For the overall correction coefficient, however, the range is smaller: Copenhagen (138.7), Helsinki (121.3) and London (120.3) compared to Sofia (69.2), Bucharest (69.3) and Warsaw (72.2).

When rents are added to the computation, the correction coefficient is increased by 10% or more in London (+31.1%), Bucharest (+18.9%), Budapest (+13.9%), Paris (+13.6%), , Warsaw (+11.2%) and Prague (+10.4%). By contrast the impact is negative in Nicosia (-6.6%), Karlsruhe (-3.8%), Bonn (-3.3%), Valletta (-2.7%), Varese (-2.4%) and Berlin (-1.0%) and the impact is near zero in Lisbon (+0.0%).

More details on the effect of rent on the 2009 correction coefficients are given in table 3.5.

Table 3.5
Effect of rent on the correction coefficients - 2009
(for staff)

Place of employment	Weight		Correction coefficient			Rent effect
	Without rent	Rent	Without rent	Rent	Overall	[5]/[3] (%)
	[1]	[2]	[3]	[4]	[5]	[6]
BG Sofia	809.9	190.1	68.4	73.3	69.2	1.3
CZ Prague	746.4	253.5	79.9	125.3	88.3	10.4
DK Copenhagen	753.3	246.7	133.5	158.7	138.7	3.9
DE Berlin	802.0	198.0	99.3	94.5	98.4	-1.0
Bonn	802.0	198.0	102.0	85.6	98.6	-3.3
Karlsruhe	802.0	198.0	99.7	81.8	95.9	-3.8
Munich	802.0	198.0	102.7	121.6	106.2	3.3
EE Tallinn	793.0	207.0	80.2	90.5	82.1	2.4
EL Athens	861.1	138.9	91.8	108.1	94.3	2.6
ES Madrid	799.1	200.9	91.1	141.8	99.4	9.1
FR Paris	767.5	232.5	101.9	184.5	115.8	13.6
IE Dublin	814.7	185.3	109.0	143.6	114.8	5.3
IT Rome	818.2	181.8	101.2	161.2	110.6	9.3
Varese	845.0	155.0	99.5	86.5	97.1	-2.4
CY Nicosia	842.9	157.1	95.0	63.8	88.7	-6.6
LV Riga	767.6	232.4	79.0	109.0	84.6	7.0
LT Vilnius	774.0	226.0	70.7	103.5	76.5	8.2
HU Budapest	726.3	273.7	71.9	126.3	81.8	13.9
MT Valletta	819.1	180.9	87.8	75.8	85.5	-2.7
NL The Hague	806.5	193.5	100.9	152.2	109.3	8.3
AT Vienna	766.1	233.9	100.5	134.2	106.9	6.4
PL Warsaw	773.9	226.1	64.9	107.8	72.2	11.2
PT Lisbon	766.9	233.1	87.7	88.0	87.8	0.1
RO Bucarest	713.9	286.1	58.3	125.3	69.3	18.9
SI Ljubljana	763.2	236.8	85.6	112.9	90.8	6.1
SK Bratislava	781.1	218.9	79.9	104.5	84.3	5.6
FI Helsinki	759.4	240.6	115.5	145.1	121.3	5.0
SE Stockholm	749.2	250.8	96.2	130.2	102.8	6.9
UK London	691.6	308.4	91.8	268.4	120.3	31.1
Culham	764.5	235.5	90.4	123.0	96.5	6.8

4. EQUIVALENCE OF PURCHASING POWER OF EC PENSIONERS IN THE MEMBER STATES

4.1. Economic parities and correction coefficients for pensioners

The correction coefficients for pensioners with a reference date of 1 July 2009 have been calculated in accordance with the agreed methodology on the basis of the following information:

- Parities for all goods and services, except for rents, as used for the calculation of the correction coefficients for active staff. These parities are based on bilateral comparison of prices of about 3000 goods and services between different capital cities and Brussels (for more details see point 3.1 above).
- Country rent parities: For calculating country rent parities the following procedure has been applied in most of the countries. Calculate a spatial adjustment factor in the form of national/capital ratio of market rents derived from an official database like CPI, household budget survey, housing register, etc. With the help of this adjustment factor transform the capital city rent parity from Article 64 estate agency rent surveys to the country rent parity. The following exceptions to this general rule were agreed with the respective NSIs:
 1. Netherlands: No such adjustment factors were available for Netherlands, for which average country rents were compared directly with the average rents in Belgium (all derived from ECP-PPP rent surveys).
 2. Germany: As information on rents for four German cities (Berlin, Bonn, Karlsruhe and Munich) is available the ratio between the average of those cities and Berlin is used.
 3. Denmark: Due to the specificities of the rental market in Copenhagen, which is completely different from the market in the rest of the country, an estimate of the Copenhagen rent parity different from the one for staff is used as basis for the spatial adjustment factor. The new estimate is obtained averaging the staff rent parity with a rent ratio for the general population obtained from the NSI.
 4. Malta and Estonia: As no reliable information on the adjustment factors were available for Malta and Estonia a ratio equal 1 was used.

Each National Statistical Institute is required each year to check and, if possible, to update their spatial adjustment factor.

- Consumption weights for the pensioners calculated on the basis of a wide scale family budget survey carried out in 2002.

The details of the economic parities calculation, at the level of 12 main consumption groups, are shown in table 4.1 for all countries apart from Belgium and Luxembourg. This table also includes information about the consumption weights by country and by expenditure groups. Table 4.2 presents the rent ratios used in 2008 and 2009.

The correction coefficients applicable to the EC pensioners are determined on the basis of the relationships between the economic parities and the exchange rates fixed by the Commission and specified in the Staff Regulations for the relevant countries. The correction coefficient operates as a percentage adjustment to pensions (only for the pension rights acquired before 1 May 2004; being the correction coefficient 100% for the pension rights acquired from that date) to take account of the cost of living differences between Belgium and the Member States, except Luxembourg where, according to the Staff Regulations, a correction coefficient of 100% is applied.

Table 4.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2009
(for pensioners)

Expenditure Groups*	BE	BG		CZ		DK		DE		EE		EL		ES	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	97.4	1.291	96.6	19.04	87.1	9.935	66.9	0.954	90.1	11.79	96.9	0.983	90.9	0.847
2	26.4	25.4	1.791	25.1	27.32	22.7	9.478	22.4	0.869	23.5	15.96	25.2	1.304	23.7	0.875
3	75.8	77.3	1.396	76.6	23.84	69.1	7.576	76.6	0.914	71.5	13.39	76.9	1.055	72.1	0.888
4	176.3	109.2	0.740	117.0	20.09	203.9	10.76	187.1	1.069	176.0	16.34	114.0	0.742	169.0	0.993
5	119.5	128.2	1.081	127.1	19.82	114.6	9.154	130.4	0.919	118.6	9.71	127.5	0.947	119.6	0.994
6	36.1	34.0	1.198	33.7	22.48	30.4	8.568	32.0	1.115	31.5	12.73	33.8	0.888	31.7	0.750
7	164.0	192.3	1.477	190.6	21.93	171.9	12.08	163.8	1.087	177.9	12.86	191.3	0.965	179.4	0.965
8	17.2	18.9	1.968	18.7	30.05	16.9	6.253	16.4	0.940	17.5	10.85	18.8	1.023	17.6	1.023
9	118.2	149.2	1.550	147.9	23.41	133.4	10.39	149.8	1.005	138.0	13.03	148.4	1.029	139.2	0.990
10	9.4	10.7	0.306	10.6	10.49	9.6	10.265	1.2	1.482	9.9	4.51	10.7	0.679	10.0	0.776
11	74.8	71.1	1.006	70.4	16.77	63.5	9.59	68.0	0.869	65.7	10.52	70.7	0.902	66.3	0.871
12	83.3	86.3	1.416	85.5	19.86	77.1	9.403	85.5	0.894	79.8	12.28	85.8	0.902	80.5	0.901
Rents	132.4	62.0	0.756	70.2	22.22	161.7	10.66	136.5	1.039	67.0	15.55	132.3	1.058	124.9	1.091
Total without rents	867.6	938.0	1.271	929.8	20.81	838.3	9.86	863.5	0.980	933.0	12.19	867.7	0.918	875.1	0.914
Global parity	1000.0	1000.0	1.212	1000.0	20.91	1000.0	9.97	1000.0	0.988	1000.0	12.46	1000.0	0.935	1000.0	0.935

Expenditure Groups*	BE	FR		IE		IT		CY		LV		LT		HU	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	94.5	0.925	85.9	1.116	95.5	1.083	69.0	1.022	99.8	0.5767	106.3	2.478	103.7	217.0
2	26.4	20.4	0.969	22.4	1.641	17.4	1.071	23.1	1.213	26.0	0.7798	19.3	3.034	22.4	214.7
3	75.8	57.6	0.877	68.2	0.707	71.8	0.983	79.0	0.878	79.2	0.5532	79.9	2.427	63.3	205.8
4	176.3	194.9	1.365	214.5	1.269	212.4	1.238	161.9	0.686	87.4	0.4684	123.0	2.305	116.1	180.4
5	119.5	118.4	1.026	113.1	0.878	102.1	1.021	134.5	0.845	131.4	0.4336	113.7	2.016	130.0	153.2
6	36.1	18.9	1.042	30.0	1.304	45.5	1.260	33.0	1.071	34.8	0.6627	50.6	3.019	20.7	202.1
7	164.0	177.0	1.077	169.6	1.170	193.4	1.029	168.9	1.057	197.0	0.5653	215.3	2.735	194.3	241.3
8	17.2	19.4	1.020	16.7	1.148	14.6	0.811	16.9	0.486	19.4	0.5557	16.3	1.797	21.3	208.8
9	118.2	131.8	1.061	131.6	1.118	119.8	1.023	154.4	1.175	152.9	0.6465	133.4	2.602	144.7	220.4
10	9.4	14.9	0.968	9.4	1.228	4.7	1.008	1.2	0.800	11.0	0.2296	5.2	0.822	16.4	93.7
11	74.8	71.7	1.130	62.7	1.107	41.4	0.993	70.1	0.935	72.8	0.5106	46.1	2.407	78.8	171.2
12	83.3	80.5	1.085	76.1	1.168	81.6	0.972	88.1	0.828	88.4	0.5635	90.8	2.567	88.4	181.9
Rents	132.4	148.8	1.541	172.8	1.326	144.2	1.381	109.7	0.694	39.0	0.5034	47.1	2.356	65.4	199.3
Total without rents	867.6	851.2	1.024	827.2	1.070	855.8	1.022	890.3	0.950	961.0	0.5451	952.9	2.464	934.6	195.7
Global parity	1000.0	1000.0	1.085	1000.0	1.106	1000.0	1.065	1000.0	0.915	1000.0	0.5403	1000.0	2.450	1000.0	195.7

* For explanation of codes see table 3.1

Table 4.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2009
(for pensioners)

Expenditure Groups*	BE	MT		NL		AT		PL		PT		RO		SI	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	96.4	0.850	88.7	0.821	87.9	0.997	97.8	2.732	90.5	0.807	97.3	2.710	91.1	0.898
2	26.4	25.1	1.106	23.1	0.997	22.9	0.852	25.5	4.057	23.6	1.056	25.3	3.109	23.7	0.845
3	75.8	76.5	0.936	70.4	0.861	69.7	0.922	77.6	2.933	71.8	0.856	77.2	2.674	72.3	0.985
4	176.3	118.3	0.754	188.6	1.089	196.2	1.331	105.4	2.512	172.5	0.747	110.4	1.957	167.1	0.860
5	119.5	126.9	0.761	116.8	0.963	115.7	1.012	128.8	2.497	119.1	0.859	128.1	1.824	119.9	0.735
6	36.1	33.7	0.983	31.0	1.071	30.7	1.074	34.1	2.396	31.6	0.938	34.0	2.022	31.8	0.857
7	164.0	190.3	1.036	175.2	1.175	173.5	1.058	193.1	3.486	178.6	1.089	192.0	3.215	179.8	0.868
8	17.2	18.7	1.124	17.2	0.870	17.1	0.890	19.0	3.532	17.6	0.941	18.9	3.140	17.7	0.655
9	118.2	147.7	0.926	135.9	1.013	134.7	0.985	149.9	3.187	138.6	0.918	149.0	2.875	139.5	0.980
10	9.4	10.6	0.560	9.8	0.916	9.7	0.915	10.8	1.234	10.0	0.983	10.7	0.867	10.0	0.661
11	74.8	70.3	0.759	64.7	0.980	64.1	0.942	71.4	2.660	66.0	0.696	71.0	2.259	66.4	0.803
12	83.3	85.4	0.741	78.6	1.032	77.8	1.118	86.6	2.955	80.1	0.862	86.1	2.877	80.7	0.903
Rents	132.4	71.6	0.833	145.6	1.070	153.5	1.415	58.0	2.450	128.6	0.745	63.3	2.379	122.9	0.918
Total without rents	867.6	928.4	0.866	854.4	1.002	846.5	1.009	942.0	2.929	871.4	0.893	936.7	2.513	877.1	0.856
Global parity	1000.0	1000.0	0.862	1000.0	1.011	1000.0	1.059	1000.0	2.878	1000.0	0.872	1000.0	2.492	1000.0	0.863

Expenditure Groups*	BE	SK		FI		SE		UK	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	97.9	0.84	88.7	1.182	88.0	10.76	83.1	0.7686
2	26.4	25.5	1.11	23.1	1.595	22.9	12.96	21.6	1.1132
3	75.8	77.7	0.96	70.4	1.050	69.8	9.611	65.9	0.5298
4	176.3	105.0	0.64	188.5	1.185	195.1	12.89	240.3	1.2699
5	119.5	128.8	0.61	116.8	1.071	115.9	8.534	109.4	0.7971
6	36.1	34.2	0.98	31.0	1.256	30.7	9.158	29.0	0.7380
7	164.0	193.2	0.84	175.2	1.207	173.8	10.84	164.0	0.7972
8	17.2	19.0	1.14	17.2	0.738	17.1	5.799	16.1	0.6038
9	118.2	149.9	0.92	135.9	1.200	134.8	10.50	127.3	0.7578
10	9.4	10.8	0.31	9.8	1.092	9.7	10.27	9.1	1.0299
11	74.8	71.4	0.71	64.7	1.134	64.2	11.04	60.6	0.8276
12	83.3	86.7	0.87	78.6	1.229	77.9	11.33	73.6	0.8222
Rents	132.4	57.6	0.63	145.5	1.212	152.4	13.06	200.1	1.4766
Total without rents	867.6	942.4	0.81	854.5	1.159	847.6	10.30	799.9	0.7648
Global parity	1000.0	1000.0	0.79	1000.0	1.166	1000.0	10.65	1000.0	0.8514

* For explanation of codes see table 3.1

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

Country	Ratio applied in		Diff.
	2008	2009	
BE	0.90	0.91	0.01
BG *	0.48	0.48	0.00
CZ	0.64	0.62	-0.02
DK	1.09	1.07	-0.02
DE	1.00	1.00	0.00
EE	1.00	1.00	0.00
EL	0.89	0.89	0.00
ES	0.70	0.70	0.00
FR	0.67	0.76	0.09
IE	0.84	0.84	0.00
IT	0.78	0.78	0.00
CY	0.99	0.99	0.00
LV	0.85	0.60	-0.25
LT	0.73	0.60	-0.13
HU	0.52	0.52	0.00
MT	1.00	1.00	0.00
NL*	0.64	0.64	0.00
AT	0.94	0.96	0.02
PL	0.46	0.46	0.00
PT	0.77	0.77	0.00
RO *	0.42	0.41	-0.01
SI	0.74	0.74	0.00
SK	0.55	0.55	0.00
FI	0.76	0.76	0.00
SE	0.83	0.84	0.01
UK	0.59	0.59	0.00

* Country PPP rent (estimated from ECP data)

4.2. Purchasing power parities for pensioners – analysis of results

In 2009, for 13 countries out of 25, the rent correction coefficient (ratio between the rent parity and the exchange rate) is under 100. This means that the average rents are lower in these places than in Belgium.

For 9 places out of 25 the correction coefficient without rent is higher than the global correction coefficient. This means that, for these places, the rents lead to a reduction of global correction coefficient.

4.3. Comparison of correction coefficients for staff and pensioners

Table 4.5 compares the pensioners' correction coefficients with those for active staff. Among all Member States, Denmark has the highest country-based CC and the highest capital-based CC. The biggest differences between capital CCs and country CCs can be observed in the United Kingdom, Hungary, Romania and France. There are also big differences in Poland, Slovakia, Bulgaria, Netherlands and Czech Republic. In Austria, Germany, Greece and Portugal the two CCs are nearly at the same level.

In all countries except Germany, Cyprus and Malta the country CCs are lower than capital CCs. Without rents, the two sets of CCs are closer.

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

Table 4.5
Pensioners correction coefficients and Staff correction coefficients

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	65.0	38.7	62.0	Sofia	68.4	73.3	69.2
CZ	80.0	85.4	80.4	Prague	79.9	125.3	88.3
DK	132.4	143.2	133.9	Copenhagen	133.5	158.7	138.7
DE	98.0	103.9	98.8	Berlin	99.3	94.5	98.4
EE	77.9	99.4	79.6	Tallinn	80.2	90.5	82.1
EL	91.8	105.8	93.5	Athens	91.8	108.1	94.3
ES	91.4	109.1	93.5	Madrid	91.1	141.8	99.4
FR	102.4	154.1	108.5	Paris	101.9	184.5	115.8
IE	107.0	132.6	110.6	Dublin	109.0	143.6	114.8
IT	102.2	138.1	106.5	Rome	101.2	161.2	110.6
CY	95.0	69.5	91.5	Nicosia	95.0	63.8	88.7
LV	77.8	71.8	77.1	Riga	79.0	109.0	84.6
LT	71.4	68.2	71.0	Vilnius	70.7	103.5	76.5
HU	70.9	72.2	70.9	Budapest	71.9	126.3	81.8
MT	86.6	83.3	86.2	Valette	87.8	75.8	85.5
NL	100.2	107.0	101.1	The Hague	100.9	152.2	109.3
AT	100.9	141.5	105.9	Vienna	100.5	134.2	106.9
PL	65.1	54.5	64.0	Warsaw	64.9	107.8	72.2
PT	89.3	74.5	87.2	Lisbon	87.7	88.0	87.8
RO	59.6	56.5	59.2	Bucharest	58.3	125.3	69.3
SI	85.6	91.8	86.3	Ljubljana	85.6	112.9	90.8
SK	80.9	63.1	79.0	Bratislava	79.9	104.5	84.3
FI	115.9	121.2	116.6	Helsinki	115.5	145.1	121.3
SE	94.8	120.2	98.0	Stockholm	96.2	130.2	102.8
UK	90.1	174.0	100.3	London	91.8	268.4	120.3

Information about working time

Eurostat collects statistical information on differences in the working hours in all Member States. Information about statutory or contractual weekly working hours in central governments (Table 5.1), number of days of annual leave (Table 5.2) and number of public holidays per year (Table 5.3) are shown below. In all these tables the situation in July 2009 has been compared with that in July 2008.

Table 5.1
Statutory or contractual weekly working hours in central governments

Country	Weekly working hours		Remarks
	July 2008	July 2009	
BE	38	38	
DE	41	41	40 for vulnerable groups
ES	37:30' - 40	37:30' - 40	
FR	35	35	
IT	36	36	
LU	40	40	
NL	36	36 hours	
UK (London)	36	36	7 departments
UK (Country)	37	37	7 departments

Table 5.2
Number of days annual leave

Country	Number of days		Remarks
	July 2008	July 2009	
BE	26 - 33	26 - 33	Depends on age
DE	26 - 30	26 - 30	Depends on age
ES	28-32	28-32	Depends on age
FR	25	25	2 days bonus maximum
IT	32	32	Under 3 years of service: 30 days
LU	28-32	32-36	Depends on age
NL	23 - 27	23 - 27	Depends on age
UK	22 - 30	22 - 30	Differences between Ministries. Depends on age and grade

Table 5.3
Number of public holidays per year (statutory, contractual, etc)

Country	Number of days		Remarks
	July 2008	July 2009	
BE	13	13	Time off when the public holiday falls on Saturday or Sunday
DE	7	7	9 in Berlin
ES	14	14	Time off when the public holiday falls on Sunday
FR	10	10	
IT	11	11	
LU	14	11	Time off when the public holiday falls on Sunday
NL	7	8	
UK	10,5	10,5-11	Time off when the public holiday falls on Saturday or Sunday

Information collected about retirement age in central government (situation at July 2008) is shown in Table 5.4.

Table 5.4
Age of retirement and early retirement

Country	Age		Remarks
	Retirement	Early retirement	
BE	65	60	Possibility of part-time from 55 years
DE	65	63	Variations of retirement depending on age
ES	65-70	60-64	Early retirement: at least 30 years of service
FR	60	51-55	
IT	65-67	58-61	Variations of retirement depending on age and sex
LU	60	57	40 years of service
NL	65	60	
UK	60	50	SCS from age 65