

Annex 1

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

Explanations and statistical analyses

Reference period:
Year to 1 July 2010

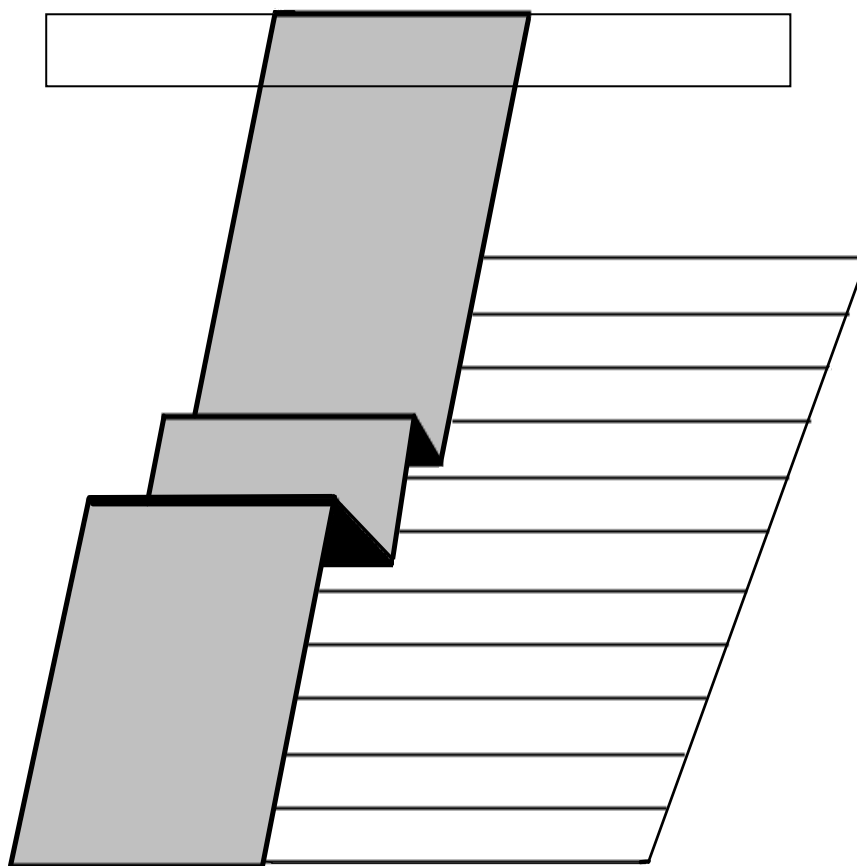


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Introduction

This document is an appendix to the 2010 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 appendix 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 appendix, please contact Eurostat in Luxembourg:

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5. EVOLUTION OF PURCHASING POWER OF NATIONAL OFFICIALS

5.1. 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.

5.1.1. 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.

5.1.2. 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.

5.1.3. 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 2009 sent in 2009 and re-sent in 2010), 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).

5.1.4. 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.

5.1.5. 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%.

5.1.6. 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.

5.1.7. 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%.

5.1.8. 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.

5.1.9. 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**.

5.2. 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 2010 (1.7.2009 = 100)

Country		Nominal change			Real change		
		AD	AST	Total	AD	AST	Total
BE	Gross	100.5	100.5	100.5	97.9	97.9	97.9
	Net	100.7	101.0	100.9	98.1	98.3	98.2
DE	Gross	100.0	100.3	100.1	99.2	99.5	99.3
	Net	96.5	95.1	95.9	95.7	94.3	95.1
ES	Gross	97.0	99.6	98.4	95.6	98.1	96.9
	Net	97.4	99.6	98.7	96.0	98.1	97.2
FR	Gross	101.9	101.7	101.8	100.2	100.0	100.1
	Net	101.7	101.7	101.7	100.0	100.0	100.0
IT	Gross	101.4	100.5	100.9	99.9	99.0	99.4
	Net	101.0	100.4	100.6	99.5	98.9	99.1
LU	Gross	102.4	102.3	102.4	100.1	100.0	100.1
	Net	101.9	101.9	101.9	99.6	99.6	99.6
NL	Gross	101.3	101.2	101.2	101.1	101.0	101.0
	Net	100.7	100.7	100.7	100.5	100.5	100.5
UK	Gross	101.8	102.0	101.9	98.6	98.8	98.7
	Net	101.8	102.0	101.9	98.6	98.8	98.7
Total	Gross	100.6	100.9	100.7	99.0	99.2	99.1
	Net	99.7	99.6	99.7	98.1	97.9	98.0

5.3. 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 2010

Country	Gross remuneration	Net remuneration	12 Months HICP
BE	100.5	100.9	102.7
DE	100.1	95.9	100.8
ES	98.4	98.7	101.5
FR	101.8	101.7	101.7
IT	100.9	100.6	101.5
LU	102.4	101.9	102.3
NL	101.2	100.7	100.2
UK	101.9	101.9	103.2
Total	100.7	99.7	101.7

5.4. 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 2000-2010 the real net specific indicator for the European Union has increased by 1.6%.

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	133.5	134.7	123.8	105.3	108.8
DE	110.9	110.3	117.8	93.9	93.6
ES	131.6	129.9	133.1	98.3	97.5
FR	129.6	125.7	119.8	108.2	104.9
IT	131.2	130.2	125.1	104.0	104.1
LU	140.4	141.0	127.9	110.5	110.3
NL	118.3	128.8	122.2	97.4	105.2
UK	134.0	133.1	127.3	105.4	104.5
Total	125.8	124.8		102.2	101.6

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

Table 1.3a illustrates the changes in the remuneration of central government civil servants since 2003. Over the period 2003-2010 the real net specific indicator for the European Union has decreased by 1.8%.

Table 1.3a
Changes in the purchasing power of salaries of civil servants in the central government in the Member States (2003=100)

Country	Nominal gross specific indicator	Nominal net specific indicator	Consumer price indices*	Real gross specific indicator	Real net specific indicator
BE	121.5	120.0	117.3	101.1	102.2
DE	105.1	103.0	112.3	93.4	91.7
ES	122.5	120.5	120.2	101.3	100.1
FR	113.1	113.5	113.5	99.6	100.1
IT	118.4	115.7	116.0	101.4	99.9
LU	127.8	119.4	120.0	107.0	99.5
NL	107.9	114.6	110.9	97.9	103.3
UK	119.8	119.9	120.3	99.7	99.7
Total	114.3	113.6		98.6	98.2

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

5.5. 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 (until 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 2000-2010.

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	105.3	123.0	16.8
DE	93.9	104.1	10.9
ES	98.3	129.3	31.5
FR	108.2	109.4	1.1
IT	104.0	110.2	5.9
LU	110.5	116.6	5.6
NL	97.4	122.4	25.7
UK	105.4	110.6	5.0
Total	102.2	112.1	9.7

*Eurostat estimates.

Table 1.4a presents the changes in these two indicators for the period 2003-2010.

Table 1.4a
Comparison of the gross specific indicator and the control indicator in real terms
Medium-term trend (2003 = 100)

Country	Real gross specific indicator [1]	Control indicator * [2]	Difference (%) [3]
BE	101.1	113.6	12.4
DE	93.4	104.9	12.3
ES	101.3	121.6	20.1
FR	99.6	104.3	4.6
IT	101.4	105.0	3.5
LU	107.0	113.9	6.4
NL	97.9	119.6	22.2
UK	99.7	98.7	-1.0
Total	98.6	106.9	8.3

*Eurostat estimates.

6. 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 surveys of household expenditure (SHE) 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 table underneath shows the change since 2004 (ie. 2003 = 100).

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
2010	102.4	152.6

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

Table 2.1a
Brussels Cost-of-living index

	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	113.6
2010	102.4	116.3

* Brussels International Index (BII)

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

7.1. Economic parities and correction coefficients

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

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

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

For the 2010 annual review, new parities obtained from price surveys have been integrated for the following groups:

- Services (survey 2008);
- Furniture and Health (survey 2008);
- Food, drink, tobacco (survey 2009).

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.

7.2. 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
1.07.2010
(for staff)

Expenditure Groups	BE	BG-Sofia		CZ-Prague		DK-Copenhagen		DE-Berlin		DE-Bonn		DE-Karlsruhe	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	149.1	1.204	128.3	17.73	122.5	8.766	104.6	0.947	104.6	0.967	104.6	0.957
2	20.3	27.4	1.504	26.9	23.66	25.7	9.766	23.2	0.944	23.2	0.919	23.2	0.924
3	54.3	56.4	1.397	45.0	23.26	43.0	7.406	49.1	0.922	49.1	0.910	49.1	0.927
4	297.6	252.1	1.237	309.4	28.01	340.7	11.89	248.8	0.953	248.8	0.886	248.8	0.861
5	74.7	77.7	1.120	69.9	19.45	66.7	8.739	89.6	0.891	89.6	0.867	89.6	0.910
6	19.2	12.6	1.201	13.8	18.86	13.2	10.12	15.4	1.029	15.4	1.034	15.4	1.030
7	127.2	121.7	1.391	128.5	20.82	122.7	9.837	180.9	0.977	180.9	1.007	180.9	0.988
8	21.5	22.2	1.399	16.7	24.71	16.0	5.746	21.0	0.759	21.0	0.808	21.0	0.792
9	91.7	102.9	1.573	106.5	21.58	101.7	9.473	134.8	1.020	134.8	1.027	134.8	0.984
10	14.7	12.7	0.316	15.3	10.19	14.6	10.20	13.7	1.398	13.7	1.398	13.7	1.398
11	100.6	104.5	0.856	87.9	15.14	83.9	10.15	77.9	0.853	77.9	0.990	77.9	0.841
12	50.0	60.9	1.514	51.5	22.60	49.2	10.29	41.0	0.927	41.0	0.930	41.0	0.911
Rents	237.1	203.0	1.294	265.4	30.55	298.7	11.72	198.0	0.948	198.0	0.847	198.0	0.816
Total without rents	762.9	797.1	1.210	734.6	19.34	701.4	9.430	802.0	0.948	802.0	0.977	802.0	0.953
Global parity	1000.0	1000.0	1.226	1000.0	21.68	1000.0	9.990	1000.0	0.948	1000.0	0.947	1000.0	0.921

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	128.2	104.6	0.917	135.3	11.49	142.1	0.914	120.8	0.810	98.6	0.971	85.1	1.053
2	20.3	23.2	0.929	28.4	14.95	28.7	1.076	22.8	0.818	20.7	1.002	19.7	1.542
3	54.3	49.1	0.940	47.5	14.39	48.8	1.028	40.6	0.889	50.8	0.889	55.5	0.629
4	297.6	248.8	1.189	271.9	11.92	189.7	0.948	244.0	1.223	285.0	1.559	223.8	1.265
5	74.7	89.6	0.906	73.7	11.25	109.2	0.905	91.5	0.981	89.2	1.037	95.6	0.911
6	19.2	15.4	1.030	14.6	11.62	19.7	0.811	17.0	0.726	14.1	0.912	21.3	1.106
7	127.2	180.9	1.014	135.5	11.75	142.2	0.973	135.6	0.922	153.1	0.999	165.5	1.086
8	21.5	21.0	0.788	17.6	13.21	23.1	1.011	20.3	1.182	20.4	1.169	14.6	0.956
9	91.7	134.8	1.064	112.3	13.45	96.8	1.035	96.4	0.986	118.7	1.081	135.1	1.048
10	14.7	13.7	1.398	16.2	4.538	19.8	0.644	38.4	0.762	14.6	0.959	48.4	1.283
11	100.6	77.9	1.040	92.7	10.85	118.7	0.925	119.2	0.862	71.7	1.090	63.8	1.099
12	50.0	41.0	0.997	54.3	12.21	61.3	0.936	53.4	0.916	63.1	1.101	71.6	1.238
Rents	237.1	198.0	1.238	225.5	12.65	138.9	1.075	200.9	1.395	232.5	1.801	185.3	1.351
Total without rents	762.9	802.0	0.988	774.6	11.61	861.1	0.922	799.1	0.883	767.5	1.012	814.7	1.031
Global parity	1000.0	1000.0	1.037	1000.0	11.83	1000.0	0.948	1000.0	0.977	1000.0	1.161	999.9	1.091

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2010
(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	128.2	123.4	0.966	136.7	1.024	151.6	0.920	131.4	0.529	132.5	2.257	137.2	204.2
2	20.3	20.0	1.057	20.9	0.940	27.8	1.058	27.6	0.748	27.8	3.164	25.2	220.5
3	54.3	48.9	0.978	47.3	0.956	57.3	0.853	46.1	0.518	46.5	2.321	51.9	202.7
4	297.6	242.0	1.283	219.8	0.811	239.4	0.655	292.6	0.588	286.7	2.935	311.6	298.2
5	74.7	96.0	1.056	92.6	1.012	79.1	0.895	71.6	0.455	72.2	2.187	71.6	180.5
6	19.2	20.2	1.001	23.9	1.023	12.8	0.965	14.2	0.538	14.3	2.825	11.6	179.8
7	127.2	145.5	0.876	153.4	0.886	123.7	0.894	131.7	0.488	132.8	2.687	112.0	243.0
8	21.5	16.6	1.067	16.2	1.015	22.6	0.458	17.1	0.491	17.3	2.001	20.5	245.2
9	91.7	115.5	1.049	115.5	1.014	104.6	1.119	109.1	0.601	110.1	2.713	94.7	224.1
10	14.7	21.9	0.984	19.8	0.984	12.9	0.803	15.7	0.235	15.8	0.870	11.6	90.11
11	100.6	89.3	0.976	93.4	0.851	106.3	0.959	90.1	0.454	90.8	2.106	96.2	169.7
12	50.0	60.7	1.060	60.5	1.055	61.9	0.874	52.8	0.478	53.2	2.331	56.0	184.7
Rents	237.1	181.8	1.551	155.0	0.853	189.4	0.628	247.4	0.651	241.2	3.185	266.4	347.0
Total without rents	762.9	818.2	0.963	845.0	0.941	810.5	0.904	752.5	0.493	758.8	2.326	733.7	196.9
Global parity	1000.0	1000.0	1.066	1000.0	0.923	999.9	0.837	1000.0	0.527	1000.0	2.504	1000.0	227.0

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	128.2	148.4	0.796	101.5	0.840	135.7	0.980	131.7	2.525	117.0	0.796	137.4	2.634
2	20.3	27.2	0.945	18.1	1.003	24.9	0.904	27.6	3.975	16.0	0.835	25.2	2.689
3	54.3	56.1	0.911	45.7	0.831	51.3	0.937	46.2	2.761	44.9	0.840	52.0	2.710
4	297.6	255.3	0.771	254.2	1.295	319.4	1.259	291.3	4.242	268.1	0.842	310.7	4.249
5	74.7	77.4	0.905	95.6	0.909	70.8	1.015	71.7	2.764	83.6	0.898	71.7	2.305
6	19.2	12.5	0.944	8.6	0.900	11.4	1.046	14.2	2.673	11.6	0.847	11.6	2.684
7	127.2	121.1	0.947	165.7	1.067	110.7	0.975	131.9	3.332	151.1	0.961	112.1	3.256
8	21.5	22.1	0.757	19.7	0.827	20.2	0.807	17.2	3.139	18.1	0.874	20.5	3.053
9	91.7	102.5	0.892	120.3	1.003	93.6	1.025	109.3	3.181	101.2	0.926	94.8	2.797
10	14.7	12.6	0.588	28.2	0.900	11.5	0.829	15.7	1.211	28.1	0.969	11.7	0.889
11	100.6	104.1	0.719	86.6	1.003	95.1	0.978	90.2	2.660	105.2	0.695	96.3	1.877
12	50.0	60.6	0.785	55.8	1.037	55.4	1.115	52.9	2.856	55.1	0.847	56.1	3.459
Rents	237.1	206.3	0.764	193.5	1.414	274.6	1.330	246.1	4.820	233.1	0.852	265.4	5.314
Total without rents	762.9	793.7	0.839	806.5	0.956	725.4	0.984	753.9	2.816	766.9	0.850	734.6	2.539
Global parity	1000.0	1000.0	0.822	1000.0	1.041	1000.0	1.062	1000.0	3.206	1000.0	0.850	1000.0	3.040

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2010
(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	128.2	139.9	0.847	141.7	0.746	124.8	1.014	127.4	10.02	80.1	0.742	98.5	0.741
2	20.3	25.7	0.888	26.0	0.993	26.2	1.569	26.8	13.91	19.9	1.185	19.5	1.186
3	54.3	52.9	0.953	53.6	0.943	43.8	1.059	44.7	10.12	42.3	0.524	47.3	0.517
4	297.6	298.0	1.015	289.1	0.908	328.4	1.359	314.2	13.72	332.4	2.015	287.7	0.968
5	74.7	73.0	0.863	73.9	0.725	68.0	1.044	69.4	9.447	80.2	0.868	86.3	0.834
6	19.2	11.8	0.689	11.9	0.736	13.4	0.952	13.7	9.746	9.6	0.621	6.0	0.621
7	127.2	114.2	0.844	115.7	0.696	125.0	1.181	127.6	10.64	154.6	0.906	153.1	0.877
8	21.5	20.9	0.715	21.1	1.161	16.3	0.774	16.6	6.395	17.6	0.810	19.0	0.812
9	91.7	96.6	0.953	97.8	0.881	103.6	1.180	105.8	10.17	114.8	0.803	130.4	0.811
10	14.7	11.9	0.643	12.0	0.309	14.9	1.098	15.2	10.05	20.9	1.037	22.0	1.037
11	100.6	98.1	0.759	99.4	0.628	85.5	1.222	87.3	11.53	65.1	0.795	60.0	0.798
12	50.0	57.1	0.923	57.8	0.862	50.1	1.267	51.2	11.61	62.5	0.940	70.2	0.886
Rents	237.1	251.8	1.064	242.3	0.978	285.5	1.447	270.5	14.39	308.4	2.359	235.5	1.043
Total without rents	762.9	748.2	0.849	757.8	0.752	714.5	1.116	729.6	10.41	691.6	0.809	764.5	0.795
Global parity	1000.0	1000.0	0.896	1000.0	0.800	1000.0	1.194	1000.0	11.29	1000.0	1.089	1000.0	0.847

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 2010
 (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	2009	1611	1226	942	977	769	745	608
		2010	1636	1257	992	985	787	753	602
BG	Sofia	2009		939		512		365	
		2010		820		482		340	
CZ	Prague	2009		34306		25492		17417	
		2010		30438		22813		17375	
DK	Copenhagen	2009		13857			9338		6164
		2010		13950			9526		7093
DE	Berlin	2009		1117		838		619	
		2010		1204		899		686	
	Bonn	2009		1011		777		608	
		2010		1082		809		632	
	Karlsruhe	2009		924		719		579	
		2010		978		764		585	
	Munich	2009		1644		1215		924	
		2010		1644		1242		959	
EE	Tallin	2009			10150		8015		5910
		2010			10050		7075		5400
EL	Athens	2009	1578			1040		787	
		2010	1530			970		773	
ES	Madrid	2009		1588			1154		878
		2010		1528			1094		828
FR	Paris	2009		2368		1770			975
		2010		2364		1779			1009
IE	Dublin	2009		1565			1285		1030
		2010		1398			1155		898
IT	Rome	2009		1933		1491		1149	
		2010		1885		1504		1159	
	Varese	2009		897		714		563	
		2010		881		705		546	
CY	Nicosia	2009		735		594		477	
		2010		761		607		483	

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2010
(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	2009	1611	1226	942	977	769	745	608
		2010	1636	1257	992	985	787	753	602
LV	Riga	2009		580		457		327	
		2010		582		416		328	
LT	Vilnius	2009			2415		1983		1395
		2010			2304		1686		1218
HU	Budapest	2009		423911			279789		162525
		2010		405731			223856		128656
MT	Valletta	2009		823		636			458
		2010		819		623			438
NL	The Hague	2009		1737		1311		969	
		2010		1501		1149		874	
AT	Vienna	2009		1500		1125		882	
		2010		1584		1188		903	
PL	Warsaw	2009		6389		4290			2846
		2010		5657		4457			2603
PT	Lisbon	2009	1054			757		595	
		2010	1042			770		586	
RO	Bucharest	2009		1352		1019			572
		2010		1289		948			508
SI	Ljubljana	2009		1282		954			593
		2010		1100		821			541
SK	Bratislava	2009		1119		811		648	
		2010		1003		797		646	
FI	Helsinki	2009			2055		1305		998
		2010			1939		1246		1021
SE	Stockholm	2009		19947		15473		10780	
		2010		19536		15424		10477	
UK	London	2009			2391		1754		1353
		2010			2563		1932		1471
	Culham	2009			1075		878		705
		2010			1105		932		743

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2010
(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 2009	1700	1333	1045	2256	1813	1352	
	2010	1685	1338	1061	2171	1754	1406
BG Sofia 2009				1202			0.780
	2010			1038			0.662
CZ Prague 2009		40571			60536		32.612
	2010	39813			55188		30.546
DK Copenhagen 2009		13667			19667		11.820
	2010	15125			21667		11.725
DE Berlin 2009		1233			1955		0.945
	2010	1295			1885		0.948
Bonn 2009		1133			1543		0.856
	2010	1111			1594		0.847
Karlsruhe 2009		1106			1518		0.817
	2010	1099			1627		0.816
Munich 2009		1770			2500		1.216
	2010	1727			2614		1.238
EE Tallin 2009		11200			16000		14.152
	2010	11150			15300		12.653
EL Athens 2009	1939			3020			1.081
	2010	1790		2911			1.075
ES Madrid 2009	2079			2921			1.418
	2010	1885		2672			1.395
FR Paris 2009		2180			3160		1.845
	2010	2383			3167		1.801
IE Dublin 2009			1540			1920	1.436
	2010		1555			1801	1.351
IT Rome 2009		1747		2102			1.612
	2010	1795		2219			1.551
Varese 2009		1392		1979			0.865
	2010	1262		1883			0.853
CY Nicosia 2009	1025			1590			0.641
	2010	920		1375			0.628

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2010
(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 2009	1700	1333	1045	2256	1813	1352	
	2010	1685	1338	1061	2171	1754	1406
LV Riga 2009	724			990			0.766
	2010	714		1068			0.651
LT Vilnius 2009		3313			5188		3.58
	2010		3174		4489		3.19
HU Budapest 2009	590056	0		963833			348.750
	2010	481538	0	779125			347.049
MT Valletta 2009		1106		2175			0.760
	2010		1129	2013			0.764
NL The Hague 2009		1828					1.522
	2010		1623				1.414
AT Vienna 2009		1776			3053		1.342
	2010		1596		2607		1.330
PL Warsaw 2009		6630		11676			4.847
	2010		5973	9058			4.820
PT Lisbon 2009	1391				1865		0.88
	2010	1309			1844		0.85
RO Bucharest 2009					2104		1.260
	2010				1873		1.215
SI Ljubljana 2009		1379			2020		1.129
	2010		1236		1792		1.064
SK Bratislava 2009		1179			1713		1.047
	2010		1325		1717		0.978
FI Helsinki 2009		1716			2816		1.451
	2010		1935		2729		1.447
SE Stockholm 2009		18900			25250		14.147
	2010		20426		25417		14.389
UK London 2009			2767			3279	2.277
	2010		2907			3499	2.359
Culham 2009			1040			1422	1.043
	2010		1122			1469	1.043

7.3. Purchasing power parities - analysis of results

7.3.1. Major changes in the economic parities from 2009 to 2010

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 2010 salary adjustment three new price surveys have been incorporated: Services (conducted in 2008), Furniture and Health (conducted in 2008) and Food, Drink, Tobacco (conducted in 2009). The weighting structure used to aggregate the parities have been updated in Brussels and in sixteen duty stations. The rent parities have been calculated for 2010 according to the moving-average model approved by the Article 64 Working Party.

The introduction of new prices from the latest consumer price surveys this year affects 40 (out of 80) elementary parities, which together account for about 30% (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 2010 are based on the relative trend in the real-estate markets in Brussels and other places of employment between 2004 and 2010. These parities are, therefore, affected by the following factors:

- introduction of rent data for year 2010,
- deletion of the rent data for 2004,
- price indices used for updating the rents for 2005 - 2009 to price of 2010.

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 2009 to 2010, including a decomposition of all the effects, are given in table 3.4. The largest increases in the rent parity could be observed in London (+3.6%), Munich (+1.8%) and Stockholm (+1.7%). The largest decreases in the rent parity were recorded in Sofia (-15.2%), Riga (-15%), Vilnius (-11%) and Tallinn (-10.6%). 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 (1.7.2010) and by changes in the consumption structures (updated every five to seven years by the introduction of new SHE results)¹. Details of the changes in the economic parities from 2009 to 2010, 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 London (+6.6%), Bucharest (+4.1%), Culham (+3.4%) and Stockholm (+1.1%). The biggest decreases in the parities can be observed in Riga (-11.1%), Sofia (-9.4%), Tallinn (-7.9%), Nicosia and Prague (-5.6%).

As regards price indexation, official indices for the year to July 2010 at the level of total consumption were lower than Brussels in 24 places and higher than Brussels in the remaining 6 places, and – although there are important differences between HICP and PPP methodologies – this relative difference is apparent in the price updating effect.

¹The periodicity of SHE ("Survey of Household Expenditures"), formerly known as FBS ("Family Budget Survey"), is set by Article 64 Working Group decision.

Table 3.3
Changes in the economic parities in the twelve months to 1st July 2010
Decomposition of the effects
(for staff)

Country	Place of employment	Impact of change in PPP							Total change * %
		Introduction of new surveys			Price updating effect (HICP)	New rents	New consumption structure		
		E08-1 Services	E08-2 Furniture & Health	E09-1 Food, drink, tobacco			Other cities	Brussels	
BG	Sofia	-4.6	0.1	-0.4	-1.2	-1.9	-1.0	-0.8	-9.4
CZ	Prague	-1.3	-0.3	-0.4	-0.3	-2.9	-1.4	0.9	-5.6
DK	Copenhagen	-0.8	0.3	-0.8	-1.3	-0.3	-0.4	0.1	-3.3
DE	Berlin	-2.8	0.0	0.5	-1.4	0.3	0.0	-0.2	-3.7
	Bonn	-2.7	-0.1	0.4	-1.4	0.0	0.0	-0.1	-3.9
	Karlsruhe	-2.6	0.0	0.4	-1.5	0.2	0.0	-0.5	-3.9
	Munich	-1.7	0.0	-0.1	-1.4	0.6	0.0	0.4	-2.3
EE	Tallinn	-2.9	0.0	-0.8	-2.7	0.0	-1.7	-0.1	-7.9
EL	Athens	-0.1	-0.4	-0.4	1.4	-0.2	0.0	0.2	0.6
ES	Madrid	-0.8	-0.3	-0.1	-1.4	-0.1	0.0	0.8	-1.7
FR	Paris	0.1	-0.2	0.6	-0.9	-0.4	0.0	1.2	0.3
IE	Dublin	-0.6	0.1	0.3	-5.0	0.1	0.0	0.2	-5.0
IT	Rome	-1.3	-0.4	-1.0	-0.7	-0.7	0.0	0.6	-3.6
	Varese	-1.8	-0.7	-0.9	-0.7	-0.2	0.0	-0.9	-5.0
CY	Nicosia	-2.1	0.1	-0.8	-1.7	-0.1	-0.3	-0.8	-5.6
LV	Riga	-1.5	0.3	-0.4	-8.2	0.2	-1.9	0.1	-11.1
LT	Vilnius	0.2	0.2	-0.8	-7.4	3.0	-0.6	0.5	-5.2
HU	Budapest	-0.6	0.5	-0.2	1.6	-0.6	-1.0	0.9	0.5
MT	Vallette	-3.6	0.6	-0.7	-1.0	0.3	1.0	-0.4	-3.8
NL	The Hague	-2.5	-0.5	0.6	-1.5	-1.6	0.0	0.6	-4.8
AT	Vienna	-0.7	0.3	0.2	-0.3	-0.6	-0.2	0.5	-0.7
PL	Warsaw	-1.3	0.3	-0.4	-0.3	-0.2	-0.2	1.0	-1.2
PT	Lisbon	-0.2	-0.2	-0.1	-1.5	-0.7	0.0	-0.6	-3.2
RO	Bucharest	-0.1	1.4	0.6	1.1	0.6	-0.4	0.7	4.1
SI	Ljubljana	0.0	0.0	-0.2	-1.9	-0.5	0.5	0.7	-1.3
SK	Bratislava	-1.0	-0.3	-1.0	-1.7	-1.2	0.0	0.1	-5.1
FI	Helsinki	-1.0	-0.6	-0.9	-1.2	0.1	1.4	0.6	-1.5
SE	Stockholm	-0.6	0.4	-0.4	-0.7	0.5	0.9	1.0	1.1
UK	London	1.8	-0.1	-0.3	1.4	1.0	0.0	2.8	6.6
	Culham	1.8	-0.1	-0.4	1.4	0.1	0.0	0.6	3.4

* Values may differ slightly from Table 4 due to rounding

Table 3.4
Changes in rent parities in the twelve months to 1st July 2010
Decomposition of the effects
(for staff)

Place of employment	Deletion of survey 2004	Introduction of survey 2010	Price index 2010	Dwelling structure		Total change
				Brussels	Other cities	
BG Sofia	-7.5	-1.6	-6.8	0.0	0.0	-15.2
CZ Prague	-4.3	-1.5	-0.6	0.0	0.0	-6.3
DK Copenhagen	-2.4	1.8	-0.2	0.0	0.0	-0.8
DE Berlin	-0.2	1.1	-0.6	0.0	0.0	0.3
Bonn	-1.1	0.6	-0.6	0.0	0.0	-1.1
Karlsruhe	-0.5	1.0	-0.6	0.0	0.0	-0.1
Munich	2.2	0.2	-0.6	0.0	0.0	1.8
EE Tallinn	-11.0	-1.0	1.4	0.0	0.0	-10.6
EL Athens	-1.6	-1.4	2.4	0.0	0.0	-0.6
ES Madrid	0.3	-1.6	-0.3	0.0	0.0	-1.6
FR Paris	-0.9	0.0	-1.4	0.0	0.0	-2.4
IE Dublin	0.6	-1.9	-4.8	0.0	0.0	-6.0
IT Rome	-3.3	0.0	-0.5	0.0	0.0	-3.8
Varese	0.2	-1.1	-0.5	0.0	0.0	-1.4
CY Nicosia	-0.8	-1.2	0.0	0.0	0.0	-2.0
LV Riga	-12.8	0.0	-2.6	0.0	0.0	-15.0
LT Vilnius	-8.6	-2.0	-0.7	0.0	0.0	-11.0
HU Budapest	1.4	-4.2	2.5	0.0	0.0	-0.5
MT Valletta	1.5	-0.5	-0.5	0.0	0.0	0.5
NL The Hague	-3.4	-3.0	-0.9	0.0	0.0	-7.1
AT Vienna	0.3	-1.2	-0.1	0.0	0.0	-0.9
PL Warsaw	1.7	-2.5	0.3	0.0	0.0	-0.5
PT Lisbon	-2.3	-0.4	-0.6	0.0	0.0	-3.2
RO Bucharest	-3.4	-1.9	1.7	0.0	0.0	-3.5
SI Ljubljana	-3.0	-2.7	-0.1	0.0	0.0	-5.8
SK Bratislava	-6.0	0.5	-1.1	0.0	0.0	-6.6
FI Helsinki	0.1	0.4	-0.8	0.0	0.0	-0.3
SE Stockholm	1.9	0.6	-0.8	0.0	0.0	1.7
UK London	3.9	1.4	-1.7	0.0	0.0	3.6
Culham	0.9	0.8	-1.7	0.0	0.0	0.0

3.3.2 Major changes in the economic parities from 2009 to 2010

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 (291.0), Paris (180.1), Copenhagen (157.4) and Rome (155.1), whereas they are quite low in Nicosia (62.8), Sofia (66.2), Valletta (76.4) and Tallinn (80.9).

For the overall correction coefficient, however, the range is smaller: London (134.4), Copenhagen (134.1), Helsinki (119.4) compared to Sofia (62.7), Bucharest (69.5) and Vilnius (72.5).

When rents are added to the computation, the correction coefficient is increased by 10% or more in London (+34.6%), Bucharest (19.7%), Budapest (+15.3%), Paris (14.7%), Warsaw (+13.8%), Prague (+12.1%), Rome (+10.7%), Madrid (+10.7%). By contrast the impact is negative in Nicosia (-7.4%), Karlsruhe (-3.3%), Bonn (-3%), Valletta (-2.1%) and Varese (-1.9%) and the impact is near zero in Berlin and Lisbon.

More details on the effect of rent on the 2010 correction coefficients are given in table 3.5.

Table 3.5
Effect of rent on the correction coefficients - 2010
(for staff)

Place of employment	Weight		Correction coefficient			Rent effect
	Without rent	Rent	Without rent	Rent	Overall	[5]/[3] (%)
	[1]	[2]	[3]	[4]	[5]	[6]
BG Sofia	797.1	203.0	61.9	66.2	62.7	1.3
CZ Prague	734.6	265.4	75.1	118.6	84.2	12.1
DK Copenhagen	701.4	298.7	126.6	157.4	134.1	5.9
DE Berlin	802.0	198.0	94.8	94.8	94.8	0.0
Bonn	802.0	198.0	97.7	84.7	94.7	-3.0
Karlsruhe	802.0	198.0	95.3	81.6	92.1	-3.3
Munich	802.0	198.0	98.8	123.8	103.8	5.0
EE Tallinn	774.6	225.5	74.2	80.9	75.6	2.0
EL Athens	861.1	138.9	92.3	107.5	94.8	2.8
ES Madrid	799.1	200.9	88.3	139.5	97.7	10.7
FR Paris	767.5	232.5	101.2	180.1	116.1	14.7
IE Dublin	814.7	185.3	103.1	135.1	109.1	5.8
IT Rome	818.2	181.8	96.3	155.1	106.6	10.7
Varese	845.0	155.0	94.1	85.3	92.3	-1.9
CY Nicosia	810.5	189.4	90.4	62.8	83.7	-7.4
LV Riga	752.5	247.4	69.5	91.8	74.3	6.9
LT Vilnius	758.8	241.2	67.4	92.3	72.5	7.7
HU Budapest	733.7	266.4	68.7	121.0	79.2	15.3
MT Vallette	793.7	206.3	83.9	76.4	82.2	-2.1
NL The Hague	806.5	193.5	95.6	141.4	104.1	9.0
AT Vienna	725.4	274.6	98.4	133.0	106.2	8.0
PL Warsaw	753.9	246.1	67.7	115.9	77.1	13.8
PT Lisbon	766.9	233.1	85.0	85.2	85.0	0.1
RO Bucharest	734.6	265.4	58.1	121.5	69.5	19.7
SI Ljubljana	748.2	251.8	84.9	106.4	89.7	5.6
SK Bratislava	757.8	242.3	75.2	97.8	80.0	6.4
FI Helsinki	714.5	285.5	111.6	144.7	119.4	7.0
SE Stockholm	729.6	270.5	109.3	151.1	118.6	8.5
UK London	691.6	308.4	99.8	291.0	134.4	34.6
Culham	764.5	235.5	98.1	128.7	104.5	6.5

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

8.1. Economic parities and correction coefficients for pensioners

The correction coefficients for pensioners with a reference date of 1 July 2010 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). A similar approach is used in Bulgaria and Romania.
 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 2009 and 2010.

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
1.07.2010
(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	1.238	96.6	18.09	87.1	8.696	66.9	0.971	90.1	11.20	96.9	0.927	90.9	0.822
2	26.4	25.4	1.616	25.1	25.38	22.7	9.909	22.4	0.949	23.5	15.96	25.2	1.229	23.7	0.838
3	75.8	77.3	1.398	76.6	23.28	69.1	7.402	76.6	0.921	71.5	13.82	76.9	1.074	72.1	0.886
4	176.3	109.2	0.659	117.0	18.62	203.9	10.48	187.1	1.023	176.0	14.62	114.0	0.743	169.0	0.969
5	119.5	128.2	1.037	127.1	18.97	114.6	9.030	130.4	0.901	118.6	10.67	127.5	0.921	119.6	0.962
6	36.1	34.0	1.201	33.7	18.86	30.4	10.12	32.0	1.029	31.5	11.20	33.8	0.841	31.7	0.726
7	164.0	192.3	1.373	190.6	20.01	171.9	11.25	163.8	0.999	177.9	10.85	191.3	1.007	179.4	0.899
8	17.2	18.9	1.394	18.7	24.01	16.9	5.947	16.4	0.768	17.5	12.70	18.8	1.045	17.6	1.148
9	118.2	149.2	1.582	147.9	22.53	133.4	10.03	149.8	1.004	138.0	13.20	148.4	1.061	139.2	0.969
10	9.4	10.7	0.316	10.6	10.19	9.6	10.20	1.2	1.398	9.9	4.376	10.7	0.667	10.0	0.762
11	74.8	71.1	0.937	70.4	16.64	63.5	9.672	68.0	0.873	65.7	10.49	70.7	0.922	66.3	0.871
12	83.3	86.3	1.492	85.5	22.55	77.1	10.03	85.5	0.925	79.8	12.08	85.8	0.976	80.5	0.898
Rents	132.4	62.0	0.544	70.2	20.81	161.7	10.24	136.5	1.057	67.0	13.90	132.3	1.051	124.9	1.075
Total without rents	867.6	938.0	1.252	929.8	19.88	838.3	9.631	863.5	0.951	933.0	11.81	867.7	0.928	875.1	0.888
Global parity	1000.0	1000.0	1.161	1000.0	19.95	1000.0	9.719	1000.0	0.965	1000.0	11.99	1000.0	0.943	1000.0	0.910

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	0.975	85.9	1.036	95.5	0.953	69.0	0.901	99.8	0.535	106.3	2.224	103.7	212.7
2	26.4	20.4	0.964	22.4	1.503	17.4	1.069	23.1	1.155	26.0	0.824	19.3	3.414	22.4	237.6
3	75.8	57.6	0.892	68.2	0.633	71.8	0.985	79.0	0.860	79.2	0.519	79.9	2.338	63.3	202.9
4	176.3	194.9	1.338	214.5	1.178	212.4	1.140	161.9	0.679	87.4	0.390	123.0	2.298	116.1	170.4
5	119.5	118.4	1.041	113.1	0.863	102.1	1.043	134.5	0.863	131.4	0.429	113.7	2.022	130.0	167.2
6	36.1	18.9	0.912	30.0	1.106	45.5	1.001	33.0	0.965	34.8	0.538	50.6	2.825	20.7	179.8
7	164.0	177.0	1.011	169.6	1.126	193.4	0.944	168.9	0.838	197.0	0.501	215.3	2.588	194.3	239.0
8	17.2	19.4	1.151	16.7	0.960	14.6	1.069	16.9	0.470	19.4	0.508	16.3	2.023	21.3	240.2
9	118.2	131.8	1.048	131.6	1.055	119.8	1.025	154.4	1.187	152.9	0.609	133.4	2.631	144.7	223.3
10	9.4	14.9	0.959	9.4	1.283	4.7	0.984	1.2	0.803	11.0	0.235	5.2	0.870	16.4	90.11
11	74.8	71.7	1.119	62.7	1.041	41.4	0.997	70.1	0.890	72.8	0.475	46.1	2.243	78.8	176.3
12	83.3	80.5	1.122	76.1	1.139	81.6	1.037	88.1	0.881	88.4	0.480	90.8	2.373	88.4	183.9
Rents	132.4	148.8	1.504	172.8	1.247	144.2	1.329	109.7	0.683	39.0	0.429	47.1	2.660	65.4	197.9
Total without rents	867.6	851.2	1.019	827.2	1.006	855.8	0.981	890.3	0.896	961.0	0.500	952.9	2.354	934.6	196.8
Global parity	1000.0	1000.0	1.076	1000.0	1.039	1000.0	1.023	1000.0	0.867	1000.0	0.493	1000.0	2.376	1000.0	196.6

* For explanation of codes see table 3.1

Table 4.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2010
(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	0.802	88.7	0.834	87.9	0.982	97.8	2.633	90.5	0.813	97.3	2.646	91.1	0.855
2	26.4	25.1	0.917	23.1	1.009	22.9	0.924	25.5	4.536	23.6	0.850	25.3	2.866	23.7	0.961
3	75.8	76.5	0.903	70.4	0.838	69.7	0.940	77.6	2.824	71.8	0.843	77.2	2.712	72.3	0.960
4	176.3	118.3	0.773	188.6	1.069	196.2	1.312	105.4	2.349	172.5	0.724	110.4	2.013	167.1	0.811
5	119.5	126.9	0.782	116.8	0.915	115.7	1.028	128.8	2.700	119.1	0.884	128.1	2.066	119.9	0.817
6	36.1	33.7	0.944	31.0	0.900	30.7	1.046	34.1	2.673	31.6	0.847	34.0	2.684	31.8	0.689
7	164.0	190.3	0.951	175.2	1.098	173.5	1.015	193.1	3.235	178.6	1.022	192.0	3.095	179.8	0.794
8	17.2	18.7	0.725	17.2	0.832	17.1	0.810	19.0	3.112	17.6	0.881	18.9	3.006	17.7	0.711
9	118.2	147.7	0.936	135.9	1.006	134.7	1.007	149.9	3.162	138.6	0.898	149.0	2.973	139.5	0.954
10	9.4	10.6	0.588	9.8	0.900	9.7	0.829	10.8	1.211	10.0	0.969	10.7	0.889	10.0	0.643
11	74.8	70.3	0.837	64.7	0.974	64.1	0.937	71.4	2.713	66.0	0.711	71.0	2.327	66.4	0.813
12	83.3	85.4	0.793	78.6	1.015	77.8	1.116	86.6	2.877	80.1	0.871	86.1	3.290	80.7	0.924
Rents	132.4	71.6	0.839	145.6	1.110	153.5	1.430	58.0	2.437	128.6	0.721	63.3	2.481	122.9	0.865
Total without rents	867.6	928.4	0.850	854.4	0.961	846.5	0.998	942.0	2.879	871.4	0.873	936.7	2.604	877.1	0.842
Global parity	1000.0	1000.0	0.848	1000.0	0.980	1000.0	1.051	1000.0	2.833	1000.0	0.851	1000.0	2.585	1000.0	0.844

Expenditure Groups*	BE	SK		FI		SE		UK	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	97.9	0.765	88.7	1.005	88.0	9.957	83.1	0.734
2	26.4	25.5	1.095	23.1	1.565	22.9	14.23	21.6	1.180
3	75.8	77.7	0.962	70.4	1.075	69.8	10.10	65.9	0.518
4	176.3	105.0	0.593	188.5	1.148	195.1	12.65	240.3	1.310
5	119.5	128.8	0.660	116.8	1.040	115.9	9.619	109.4	0.848
6	36.1	34.2	0.736	31.0	0.952	30.7	9.746	29.0	0.621
7	164.0	193.2	0.721	175.2	1.157	173.8	10.34	164.0	0.847
8	17.2	19.0	1.148	17.2	0.793	17.1	6.678	16.1	0.814
9	118.2	149.9	0.911	135.9	1.192	134.8	10.32	127.3	0.786
10	9.4	10.8	0.309	9.8	1.098	9.7	10.05	9.1	1.037
11	74.8	71.4	0.710	64.7	1.154	64.2	11.38	60.6	0.842
12	83.3	86.7	0.866	78.6	1.237	77.9	11.51	73.6	0.904
Rents	132.4	57.6	0.591	145.5	1.209	152.4	13.28	200.1	1.529
Total without rents	867.6	942.4	0.773	854.5	1.111	847.6	10.35	799.9	0.789
Global parity	1000.0	1000.0	0.754	1000.0	1.124	1000.0	10.72	1000.0	0.879

* 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.
	2009	2010	
BE	0.91	0.91	0.00
BG *	0.48	0.38	-0.10
CZ	0.62	0.62	0.00
DK	1.07	1.03	-0.04
DE	1.00	1.01	0.01
EE	1.00	1.00	0.00
EL	0.89	0.89	0.00
ES	0.70	0.70	0.00
FR	0.76	0.76	0.00
IE	0.84	0.84	0.00
IT	0.78	0.78	0.00
CY	0.99	0.99	0.00
LV	0.60	0.60	0.00
LT	0.60	0.76	0.16
HU	0.52	0.52	0.00
MT	1.00	1.00	0.00
NL*	0.64	0.71	0.07
AT	0.96	0.98	0.02
PL	0.46	0.46	0.00
PT	0.77	0.77	0.00
RO *	0.41	0.42	0.01
SI	0.74	0.74	0.00
SK	0.55	0.55	0.00
FI	0.76	0.76	0.00
SE	0.84	0.84	0.00
UK	0.59	0.59	0.00

* Country PPP rent (estimated from ECP data)

8.2. Purchasing power parities for pensioners – analysis of results

In 2010, 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 8 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.

8.3. 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 almost the highest capital-based CC (the value for London, UK is slightly higher). The biggest differences between capital CCs and country CCs can be observed in the United Kingdom, Romania, Hungary and France. There are also big differences in Poland, 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, Estonia, Cyprus, Malta and Portugal 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	64.0	27.8	59.4	Sofia	61.9	66.2	62.7
CZ	77.2	80.8	77.5	Prague	75.1	118.6	84.2
DK	129.3	137.4	130.5	Copenhagen	126.6	157.4	134.1
DE	95.1	105.7	96.5	Berlin	94.8	94.8	94.8
EE	75.5	88.9	76.6	Tallinn	74.2	80.9	75.6
EL	92.8	105.1	94.3	Athens	92.3	107.5	94.8
ES	88.8	107.5	91.0	Madrid	88.3	139.5	97.7
FR	101.9	150.4	107.6	Paris	101.2	180.1	116.1
IE	100.6	124.7	103.9	Dublin	103.1	135.1	109.1
IT	98.1	132.9	102.3	Rome	96.3	155.1	106.6
CY	89.6	68.3	86.7	Nicosia	90.4	62.8	83.7
LV	70.4	60.5	69.4	Riga	69.5	91.8	74.3
LT	68.2	77.1	68.8	Vilnius	67.4	92.3	72.5
HU	68.6	69.0	68.6	Budapest	68.7	121.0	79.2
MT	85.0	83.9	84.8	Vallette	83.9	76.4	82.2
NL	96.1	111.0	98.0	The Hague	95.6	141.4	104.1
AT	99.9	143.0	105.1	Vienna	98.4	133.0	106.2
PL	69.2	58.6	68.1	Warsaw	67.7	115.9	77.1
PT	87.3	72.1	85.1	Lisbon	85.0	85.2	85.0
RO	59.6	56.7	59.1	Bucharest	58.1	121.5	69.5
SI	84.2	86.5	84.4	Ljubljana	84.9	106.4	89.7
SK	77.3	59.1	75.4	Bratislava	75.2	97.8	80.0
FI	111.1	120.9	112.4	Helsinki	111.6	144.7	119.4
SE	108.7	139.5	112.6	Stockholm	109.3	151.1	118.6
UK	97.4	188.7	108.5	London	99.8	291.0	134.4

5. INFORMATION ABOUT WORKING TIME

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 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 2010 has been compared with that in July 2009.

Table 5.1
Statutory or contractual weekly working hours in central governments

Country	Weekly working hours		Remarks
	July 2009	July 2010	
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	
UK (London)	36	36	2009: 7 depts, 2010: 8 depts
UK (Country)	37	37	2009: 7 depts, 2010: 8 depts

Table 5.2
Number of days annual leave

Country	Number of days		Remarks
	July 2009	July 2010	
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	32-36	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 2009	July 2010	
BE	13	13	Time off when the public holiday falls on Saturday or Sunday
DE	7	5	(7 incl. Saturdays) Berlin
ES	14	14	Time off when the public holiday falls on Sunday
FR	10	10	
IT	11	11	
LU	11	11	Time off when the public holiday falls on Sunday
NL	8	8	
UK	10,5-11	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 2010) 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	