

Annex 1

ANNEX

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

Explanations and statistical analyses

Reference period:
Year to 1 July 2011

Commission Staff Working Paper

Introduction

This document is an appendix to the 2011 Eurostat report on the annual adjustment of remuneration and pensions. While the principal 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 and validated by the responsible authorities in the Member States. For any information concerning this appendix, 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 complemented with practical procedures². 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.

² The latest version of the relevant methodology manuals are available as documents A65/08/08, A64/11/27, and A64/11/28.

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 month of the year (t-1) is to be compared with the remuneration on the same date of the year (t).

The method is based on the comparison of a snapshot of a national remuneration system in the month of July of the current year with the equivalent snapshot in the month of July of the previous year. A snapshot of the system, however, does not simply mean the remuneration grid in a particular month; rather, 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 2010 sent in 2010 and re-sent in 2011), 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 2011 (1.7.2010 = 100)

Country		Nominal change			Real change		
		AD	AST	Total	AD	AST	Total
BE	Gross	104.0	104.8	104.4	100.6	101.4	101.0
	Net	103.5	103.8	103.6	100.1	100.4	100.2
DE	Gross	101.9	101.9	101.9	99.5	99.5	99.5
	Net	101.6	100.8	101.3	99.2	98.4	98.9
ES	Gross	98.9	99.6	99.3	96.0	96.7	96.4
	Net	99.0	99.7	99.4	96.1	96.8	96.5
FR	Gross	101.3	102.9	102.2	99.0	100.6	99.9
	Net	101.2	102.5	102.0	98.9	100.2	99.7
IT	Gross	102.3	100.1	101.0	99.3	97.2	98.1
	Net	100.6	99.3	99.8	97.7	96.4	96.9
LU	Gross	100.0	100.0	100.0	96.3	96.3	96.3
	Net	99.0	99.4	99.2	95.4	95.8	95.6
NL	Gross	102.6	102.6	102.6	100.1	100.1	100.1
	Net	101.9	102.1	102.0	99.4	99.6	99.5
UK	Gross	100.6	101.4	101.3	96.6	97.3	97.2
	Net	100.6	101.4	101.3	96.6	97.3	97.2
Total	Gross	101.4	101.5	101.5	98.5	98.7	98.6
	Net	100.9	101.0	101.1	98.1	98.1	98.2

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 2011

Country	Gross remuneration	Net remuneration	12 Months HICP
BE	104.4	103.6	103.4
DE	101.9	101.3	102.4
ES	99.3	99.4	103.0
FR	102.2	102.0	102.3
IT	101.0	99.8	103.0
LU	100.0	99.2	103.8
NL	102.6	102.0	102.5
UK	101.3	101.3	104.2
Total	101.5	101.1	102.9

1.4. Cumulative specific indicators

Table 1.3a illustrates the changes in the remuneration of central government civil servants since 2003. 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 2003-2011 the real net specific indicator for the European Union has decreased by 1.6%.

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	122.5	123.2	118.1	104.3	104.2
DE	107.0	108.8	114.0	93.6	95.4
ES	123.6	121.3	122.0	100.7	99.4
FR	113.5	113.9	114.1	99.4	99.8
IT	118.6	114.8	117.7	100.1	97.7
LU	124.8	116.3	121.8	102.9	95.5
NL	109.4	116.1	113.4	97.0	102.3
UK	119.1	119.2	121.4	98.2	98.2
Total	115.1	115.2		98.2	98.4

* 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 (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 1.4a presents the changes in these two indicators for the period 2003-2011.

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	107.2	6.1
DE	93.4	100.4	7.5
ES	101.3	111.9	10.5
FR	99.6	105.2	5.6
IT	101.4	101.8	0.3
LU	107.0	119.4	11.6
NL	97.9	113.4	15.8
UK	99.7	115.7	16.1
Total	98.6	107.2	8.7

*Eurostat estimates.

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 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 2.1a shows both the annual and cumulative changes in the Brussels cost-of-living index since 2004 (ie. 2003 = 100).

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
2011	103.6	120.5

* Brussels International Index (BII)

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 shows both the annual and cumulative changes in the Brussels cost-of-living index since 1991 (ie. 1990 = 100).

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
2011	103.6	158.1

*Until 2003: Weighted index, composed of Joint Index and Brussels Index
2004 - : 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 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 2011 annual review, new parities obtained from price surveys have been integrated for the following groups:

- Personal appearance (survey 2009)
- House and Garden (survey 2010)
- Transport, Horeca (survey 2010)

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
1.07.2011
(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	1.274	128.3	18.04	122.5	9.017	104.6	0.947	104.6	0.967	104.6	0.957
2	20.3	27.4	1.546	26.9	24.53	25.7	10.02	23.2	0.959	23.2	0.933	23.2	0.939
3	54.3	56.4	1.324	45.0	21.88	43.0	8.028	49.1	0.864	49.1	0.838	49.1	0.859
4	297.6	252.1	1.081	309.4	25.99	340.7	11.68	248.8	0.921	248.8	0.854	248.8	0.844
5	74.7	77.7	1.100	69.9	18.91	66.7	8.557	89.6	0.876	89.6	0.858	89.6	0.889
6	19.2	12.6	1.248	13.8	19.24	13.2	10.37	15.4	1.037	15.4	1.043	15.4	1.039
7	127.2	121.7	1.397	128.5	20.42	122.7	9.448	180.9	0.967	180.9	0.996	180.9	0.977
8	21.5	22.2	1.367	16.7	24.39	16.0	5.969	21.0	0.735	21.0	0.782	21.0	0.766
9	91.7	102.9	1.501	106.5	21.50	101.7	9.249	134.8	1.040	134.8	1.059	134.8	1.014
10	14.7	12.7	0.324	15.3	10.48	14.6	10.73	13.7	1.437	13.7	1.437	13.7	1.437
11	100.6	104.5	0.875	87.9	13.08	83.9	10.70	77.9	0.867	77.9	0.938	77.9	0.920
12	50.0	60.9	1.526	51.5	21.07	49.2	10.72	41.0	0.944	41.0	0.930	41.0	0.960
Rents	237.1	203.0	1.136	265.4	28.57	298.7	11.75	198.0	0.945	198.0	0.840	198.0	0.816
Total without rents	762.9	797.1	1.201	734.6	18.65	701.4	9.446	802.0	0.936	802.0	0.956	802.0	0.953
Global parity			1.186		20.74		10.01		0.937		0.930		0.922

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	0.918	135.3	0.792	142.1	0.920	120.8	0.809	98.6	0.962	85.1	1.034
2	20.3	23.2	0.944	28.4	1.018	28.7	1.083	22.8	0.835	20.7	1.023	19.7	1.536
3	54.3	49.1	0.870	47.5	0.865	48.8	0.944	40.6	0.878	50.8	0.980	55.5	0.766
4	297.6	248.8	1.183	271.9	0.717	189.7	0.906	244.0	1.181	285.0	1.531	223.8	1.227
5	74.7	89.6	0.895	73.7	0.716	109.2	0.898	91.5	0.976	89.2	1.047	95.6	0.873
6	19.2	15.4	1.038	14.6	0.743	19.7	0.826	17.0	0.721	14.1	0.919	21.3	1.149
7	127.2	180.9	1.004	135.5	0.752	142.2	0.955	135.6	0.969	153.1	0.992	165.5	1.083
8	21.5	21.0	0.762	17.6	0.792	23.1	1.022	20.3	1.180	20.4	1.121	14.6	0.986
9	91.7	134.8	1.093	112.3	0.946	96.8	1.042	96.4	1.013	118.7	1.126	135.1	1.070
10	14.7	13.7	1.437	16.2	0.297	19.8	0.646	38.4	0.783	14.6	0.987	48.4	1.273
11	100.6	77.9	1.022	92.7	0.687	118.7	0.853	119.2	0.838	71.7	1.062	63.8	1.091
12	50.0	41.0	1.005	54.3	0.749	61.3	0.890	53.4	0.917	63.1	1.130	71.6	1.321
Rents	237.1	198.0	1.268	225.5	0.774	138.9	1.035	200.9	1.350	232.5	1.780	185.3	1.336
Total without rents	762.9	802.0	0.974	774.6	0.749	861.1	0.899	799.1	0.887	767.5	1.019	814.7	1.041
Global parity			1.032		0.754		0.922		0.974		1.164		1.096

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2011
(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	0.969	136.7	1.028	151.6	0.964	131.4	0.564	132.5	2.405	137.2	213.1
2	20.3	20.0	1.075	20.9	0.956	27.8	1.091	27.6	0.774	27.8	3.158	25.2	221.8
3	54.3	48.9	0.955	47.3	0.964	57.3	0.898	46.1	0.604	46.5	2.938	51.9	223.3
4	297.6	242.0	1.216	219.8	0.775	239.4	0.644	292.6	0.548	286.7	2.760	311.6	283.7
5	74.7	96.0	1.052	92.6	1.022	79.1	0.881	71.6	0.438	72.2	2.187	71.6	181.7
6	19.2	20.2	1.030	23.9	1.053	12.8	0.996	14.2	0.519	14.3	2.876	11.6	185.2
7	127.2	145.5	0.888	153.4	0.899	123.7	0.834	131.7	0.496	132.8	2.809	112.0	237.5
8	21.5	16.6	1.045	16.2	0.994	22.6	0.465	17.1	0.480	17.3	1.921	20.5	244.1
9	91.7	115.5	1.043	115.5	1.037	104.6	1.104	109.1	0.588	110.1	2.910	94.7	234.1
10	14.7	21.9	1.007	19.8	1.007	12.9	0.834	15.7	0.240	15.8	0.894	11.6	89.80
11	100.6	89.3	0.957	93.4	0.873	106.3	0.936	90.1	0.505	90.8	1.900	96.2	146.9
12	50.0	60.7	1.021	60.5	1.030	61.9	0.841	52.8	0.477	53.2	2.215	56.0	178.8
Rents	237.1	181.8	1.497	155.0	0.828	189.4	0.621	247.4	0.608	241.2	3.024	266.4	335.5
Total without rents	762.9	818.2	0.951	845.0	0.943	810.5	0.896	752.5	0.505	758.8	2.372	733.7	194.5
Global parity			1.048		0.919		0.830		0.528		2.511		222.9

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	0.813	101.5	0.842	135.7	0.994	131.7	2.583	117.0	0.788	137.4	2.791
2	20.3	27.2	0.964	18.1	1.016	24.9	0.926	27.6	4.059	16.0	0.868	25.2	2.862
3	54.3	56.1	0.784	45.7	0.863	51.3	0.901	46.2	3.111	44.9	0.824	52.0	3.263
4	297.6	255.3	0.764	254.2	1.196	319.4	1.210	291.3	4.092	268.1	0.787	310.7	3.933
5	74.7	77.4	0.901	95.6	0.904	70.8	0.990	71.7	2.746	83.6	0.878	71.7	2.342
6	19.2	12.5	0.956	8.6	0.943	11.4	1.067	14.2	2.784	11.6	0.868	11.6	2.737
7	127.2	121.1	0.985	165.7	1.065	110.7	0.974	131.9	3.498	151.1	1.001	112.1	3.310
8	21.5	22.1	0.680	19.7	0.830	20.2	0.810	17.2	2.992	18.1	0.896	20.5	3.122
9	91.7	102.5	0.919	120.3	1.032	93.6	1.059	109.3	3.278	101.2	0.963	94.8	3.157
10	14.7	12.6	0.617	28.2	0.925	11.5	0.861	15.7	1.239	28.1	0.995	11.7	0.930
11	100.6	104.1	0.767	86.6	1.043	95.1	0.977	90.2	2.605	105.2	0.720	96.3	1.917
12	50.0	60.6	0.811	55.8	1.035	55.4	1.080	52.9	2.775	55.1	0.786	56.1	3.240
Rents	237.1	206.3	0.762	193.5	1.311	274.6	1.295	246.1	4.709	233.1	0.799	265.4	4.871
Total without rents	762.9	793.7	0.847	806.5	0.960	725.4	0.977	753.9	2.856	766.9	0.853	734.6	2.635
Global parity			0.827		1.028		1.050		3.220		0.840		3.060

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2011
(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	0.858	141.7	0.772	124.8	1.058	127.4	9.888	80.1	0.776	98.5	0.774
2	20.3	25.7	0.934	26.0	1.029	26.2	1.587	26.8	14.03	19.9	1.284	19.5	1.281
3	54.3	52.9	0.822	53.6	0.834	43.8	1.030	44.7	9.945	42.3	0.634	47.3	0.632
4	297.6	298.0	0.931	289.1	0.857	328.4	1.396	314.2	13.79	332.4	2.099	287.7	0.965
5	74.7	73.0	0.876	73.9	0.692	68.0	1.039	69.4	9.307	80.2	0.872	86.3	0.843
6	19.2	11.8	0.705	11.9	0.761	13.4	0.958	13.7	9.839	9.6	0.643	6.0	0.643
7	127.2	114.2	0.880	115.7	0.710	125.0	1.144	127.6	10.35	154.6	0.948	153.1	0.916
8	21.5	20.9	0.714	21.1	1.158	16.3	0.752	16.6	6.338	17.6	0.818	19.0	0.821
9	91.7	96.6	0.986	97.8	0.918	103.6	1.238	105.8	11.24	114.8	0.851	130.4	0.859
10	14.7	11.9	0.653	12.0	0.325	14.9	1.148	15.2	10.36	20.9	1.097	22.0	1.097
11	100.6	98.1	0.635	99.4	0.656	85.5	1.160	87.3	12.35	65.1	0.856	60.0	0.859
12	50.0	57.1	0.927	57.8	0.793	50.1	1.285	51.2	11.71	62.5	1.015	70.2	0.954
Rents	237.1	251.8	0.983	242.3	0.936	285.5	1.497	270.5	14.84	308.4	2.502	235.5	1.056
Total without rents	762.9	748.2	0.827	757.8	0.748	714.5	1.116	729.6	10.47	691.6	0.853	764.5	0.836
Global parity			0.862		0.788		1.205		11.42		1.152		0.883

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 2011
 (Values expressed in Euro, except local currencies: CZ, DK, LV, LT, HU, PL, SE, UK)

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
Place of employment									
BE	Brussels	2010	1636	1257	992	985	787	753	602
		2011	1619	1283	991	1014	819	764	611
BG	Sofia	2010		820		482		340	
		2011		776		397		291	
CZ	Prague	2010		30438		22813		17375	
		2011		31750		24450		18300	
DK	Copenhagen	2010		13950			9526		7093
		2011		13943			9371		6679
DE	Berlin	2010		1204		899		686	
		2011		1249		960		700	
	Bonn	2010		1082		809		632	
		2011		1134		848		675	
	Karlsruhe	2010		978		764		585	
		2011		1019		780		607	
	Munich	2010		1644		1242		959	
		2011		1680		1269		973	
EE	Tallin	2010			642		452		345
		2011			780		575		412
EL	Athens	2010	1530			970		773	
		2011	1432			939		714	
ES	Madrid	2010		1528			1094		828
		2011		1550			1058		820
FR	Paris	2010		2364		1779			1009
		2011		2420		1820			1091
IE	Dublin	2010		1398			1155		898
		2011		1463			1181		938
IT	Rome	2010		1885		1504		1159	
		2011		1770		1388		1063	
	Varese	2010		881		705		546	
		2011		915		748		590	
CY	Nicosia	2010		761		607		483	
		2011		768		631		504	

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2011
 (Values expressed in Euro, except local currencies: CZ, DK, LV, LT, HU, PL, SE, UK)

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
Place of employment									
BE	Brussels	2010	1636	1257	992	985	787	753	602
		2011	1619	1283	991	1014	819	764	611
LV	Riga	2010		582		416		328	
		2011		718		535		361	
LT	Vilnius	2010			2304		1686		1218
		2011			2830		2196		1516
HU	Budapest	2010		405731			223856		128656
		2011		429138			261906		160156
MT	Valletta	2010		819		623			438
		2011		878		644			452
NL	The Hague	2010		1501		1149		874	
		2011		1449		1172		898	
AT	Vienna	2010		1584		1188		903	
		2011		1500		1071		854	
PL	Warsaw	2010		5657		4457			2603
		2011		5333		4272			2703
PT	Lisbon	2010	1042			770		586	
		2011	971			725		557	
RO	Bucharest	2010		1289		948			508
		2011		1133		768			478
SI	Ljubljana	2010		1100		821			541
		2011		1113		775			539
SK	Bratislava	2010		1003		797		646	
		2011		1051		808		632	
FI	Helsinki	2010			1939		1246		1021
		2011			2114		1322		1003
SE	Stockholm	2010		19536		15424		10477	
		2011		21193		16168		11315	
UK	London	2010			2563		1932		1471
		2011			3078		2297		1646
	Culham	2010			1105		932		743
		2011			1136		918		731

Table 3.2 (Continued on next page)
Changes in the average rents of accommodation in the twelve months to 1st July 2011
 (Values expressed in Euro, except local currencies: CZ, DK, LV, LT, HU, PL, SE, UK)

Country Place of employment	Non-detached houses			Detached houses			Rent Parity
	(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)	
BE Brussels	2010	1685	1338	1061	2171	1754	1406
	2011	1665	1337	1100	2342	1845	1469
BG Sofia	2010				1038		
	2011				867		
CZ Prague	2010		39813			55188	
	2011		37889			52750	
DK Copenhagen	2010		15125			21667	
	2011		15917			22583	
DE Berlin	2010		1295			1885	
	2011		1353			1921	
Bonn	2010		1111			1594	
	2011		1179			1602	
Karlsruhe	2010		1099			1627	
	2011		1181			1731	
Munich	2010		1727			2614	
	2011		1827			2873	
EE Tallin	2010		713			978	
	2011		822			1246	
EL Athens	2010	1790			2911		
	2011	1687			2615		
ES Madrid	2010	1885			2672		
	2011	1745			2610		
FR Paris	2010		2383			3167	
	2011		2400			3200	
IE Dublin	2010			1555			1801
	2011			1580			1935
IT Rome	2010		1795		2219		
	2011		1750		2279		
Varese	2010		1262		1883		
	2011		1289		1907		
CY Nicosia	2010	920			1375		
	2011	891			1328		

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

Country Place of employment			Non-detached houses			Detached houses			Rent Parity
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)	
BE	Brussels	2010	1685	1338	1061	2171	1754	1406	
		2011	1665	1337	1100	2342	1845	1469	
LV	Riga	2010	714			1068			0.651
		2011	828			1183			0.608
LT	Vilnius	2010		3174			4489		3.185
		2011		3270			4450		3.024
HU	Budapest	2010	481538			779125			347.0
		2011	492975			809125			335.5
MT	Valletta	2010		1129		2013			0.764
		2011		1211		1799			0.762
NL	The Hague	2010		1623					1.414
		2011		1456					1.311
AT	Vienna	2010		1596			2607		1.330
		2011		1608			2855		1.295
PL	Warsaw	2010		5973		9058			4.820
		2011		6121		8227			4.709
PT	Lisbon	2010	1309				1844		0.852
		2011	1286				1868		0.799
RO	Bucharest	2010					1873		1.215
		2011					1487		1.157
SI	Ljubljana	2010		1236			1792		1.064
		2011		1143			1625		0.983
SK	Bratislava	2010		1325			1717		0.978
		2011		1163			1795		0.936
FI	Helsinki	2010		1935			2729		1.447
		2011		2108			2982		1.497
SE	Stockholm	2010		20426			25417		14.39
		2011		21616			27583		14.84
UK	London	2010			2907			3499	2.359
		2011			3666			4258	2.502
	Culham	2010			1122			1469	1.043
		2011			1115			1494	1.056

3.3. Purchasing power parities - analysis of results

3.3.1. Major changes in the economic parities from 2010 to 2011

The calculation of correction coefficients used for salary adjustment in places other than Brussels and Luxembourg involves the revision of some elementary parities each year. For the 2011 salary adjustment three new price surveys have been incorporated: Personal Appearance (conducted in 2009), House and Garden (conducted in 2010) and Transport, Horeca (conducted in 2010). The weighting structure used to aggregate the parities have not been updated. The weighting structure used to aggregate the rent parities have been updated in Brussels and in twenty eight duty stations. The rent parities have been calculated for 2011 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 32 (out of 80) elementary parities, which together account for about 37% (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 2011 are based on the relative trend in the real-estate markets in Brussels and other places of employment between 2006 and 2011. These parities are, therefore, affected by the following factors:

- introduction of rent data for year 2011,
- deletion of the rent data for 2005,
- price indices used for updating the rents for 2006 - 2010 to price of 2011.

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 2010 to 2011, 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 (+6.1%), Helsinki (+3.5%) and Stockholm (+3.1%). The largest decreases in the rent parity were recorded in Sofia (-12.2%), Ljubljana (-7.6%), The Hague (-7.3%) and Riga (-6.6%). 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 (1.7.2011) and by changes in the consumption structures (updated every five to seven years by the introduction of new SHE results)³. Details of the changes in the economic parities from 2010 to 2011, 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 (+5.7%), Culham (+4.3%) and Stockholm (+1.2%). The biggest decreases in the parities can be observed in Prague (-4.3%), Ljubljana (-3.8%) and Sofia (-3.3%).

As regards price indexation, the impact of official indices for the year to July 2011 on the PPP at the level of total consumption were lower than Brussels in 22 places and higher than Brussels in the remaining 8 places. Here it should be recalled that there are important differences between HICP and PPP methodologies (eg. use of different weights for aggregation purposes). For this reason, the "price updating effect" presented in the table cannot be directly compared with the relative movement of the all-items HICP published separately on the Eurostat website – although other things being equal that movement should also give an indication of the likely magnitude and direction of change.

The 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 2011
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	
		E09-2 Personal Appearance	E10-1 House & Garden	E10-2 Transport, Horeca			
BG	Sofia	-0.5	-0.6	0.9	-0.3	-2.7	-3.3
CZ	Prague	-0.4	0.1	-0.6	-1.9	-1.7	-4.3
DK	Copenhagen	0.5	-0.1	0.4	-0.6	0.1	0.2
DE	Berlin	-0.3	-0.3	0.3	-0.7	-0.1	-1.1
	Bonn	-0.5	-0.2	-0.3	-0.7	-0.2	-1.8
	Karlsruhe	-0.2	0.0	0.9	-0.7	0.0	0.0
	Munich	-0.4	0.0	0.0	-0.7	0.5	-0.6
EE	Tallinn	-0.7	0.8	0.5	0.1	-1.0	-0.3
EL	Athens	-0.7	0.0	-0.4	-0.9	-0.7	-2.8
ES	Madrid	-0.3	0.3	0.6	-0.2	-0.7	-0.4
FR	Paris	0.8	0.6	-0.1	-0.7	-0.3	0.2
IE	Dublin	1.7	0.7	0.2	-1.8	-0.2	0.5
IT	Rome	-0.3	-0.3	-0.1	-0.2	-0.8	-1.7
	Varese	-0.1	0.2	0.4	-0.3	-0.6	-0.4
CY	Nicosia	-0.3	-0.2	0.2	-0.5	-0.2	-0.9
LV	Riga	0.7	-0.1	2.0	-0.8	-1.6	0.2
LT	Vilnius	0.9	0.8	0.1	-0.3	-1.2	0.3
HU	Budapest	0.4	0.3	-1.4	-0.4	-0.9	-1.8
MT	Vallette	-0.9	0.2	1.3	0.1	-0.1	0.6
NL	The Hague	0.2	0.4	0.3	-0.5	-1.7	-1.3
AT	Vienna	-0.5	-0.1	0.0	0.0	-0.7	-1.2
PL	Warsaw	0.3	0.2	-0.1	0.7	-0.6	0.4
PT	Lisbon	-0.2	0.0	0.9	-0.3	-1.5	-1.2
RO	Bucharest	0.8	0.9	0.8	0.4	-2.2	0.7
SI	Ljubljana	-0.5	0.3	2.2	-3.8	-1.9	-3.8
SK	Bratislava	-1.2	0.0	1.0	-0.1	-1.0	-1.4
FI	Helsinki	-0.1	0.3	-0.3	0.0	0.9	0.9
SE	Stockholm	0.0	1.3	0.8	-1.8	0.8	1.2
UK	London	1.2	0.6	1.0	1.0	1.8	5.7
	Culham	1.2	0.6	1.0	1.1	0.3	4.3

Table 3.4
Changes in rent parities in the twelve months to 1st July 2011
Decomposition of the effects
(for staff)

Place of employment	Deletion of survey 2005	Introduction of survey 2011	Price index 2011	Dwelling structure		Total change
				Brussels	Other cities	
BG Sofia	-10.2	-3.6	1.5	-0.1	0.0	-12.2
CZ Prague	-4.1	-0.6	-1.0	-0.9	0.0	-6.5
DK Copenhagen	0.5	-0.2	-0.2	0.0	0.0	0.2
DE Berlin	1.1	0.5	-1.4	-0.5	0.0	-0.4
Bonn	0.3	0.6	-1.4	-0.3	0.0	-0.8
Karlsruhe	1.3	0.9	-1.4	-0.7	0.0	0.0
Munich	2.4	0.6	-1.4	-0.5	1.5	2.4
EE Tallinn	-9.4	3.6	1.3	0.6	0.0	-4.3
EL Athens	-2.6	-1.6	0.2	0.2	0.0	-3.7
ES Madrid	-1.3	-1.0	-0.1	0.4	-1.3	-3.2
FR Paris	0.0	0.3	-1.2	-0.2	0.0	-1.2
IE Dublin	0.6	0.1	-3.3	0.7	0.8	-1.1
IT Rome	-2.4	-1.6	-0.4	0.8	0.1	-3.5
Varese	-1.2	-0.1	-0.4	-1.2	0.0	-2.9
CY Nicosia	-1.3	-0.7	0.7	0.2	0.1	-1.1
LV Riga	-10.3	2.7	1.3	0.0	0.0	-6.6
LT Vilnius	-7.6	1.9	1.3	-0.5	0.1	-5.1
HU Budapest	-4.3	1.1	0.2	-0.5	0.2	-3.3
MT Valletta	1.5	-0.2	0.1	-1.5	-0.1	-0.2
NL The Hague	-5.5	-1.4	-0.6	0.0	0.0	-7.3
AT Vienna	-0.9	-0.8	0.0	-1.1	0.1	-2.6
PL Warsaw	-1.4	-1.2	0.7	-0.2	-0.1	-2.3
PT Lisbon	-1.9	-1.0	0.1	-0.9	-2.7	-6.2
RO Bucharest	-3.7	-4.2	3.9	-0.8	0.1	-4.8
SI Ljubljana	-4.2	-1.8	-1.3	-0.4	0.0	-7.6
SK Bratislava	-3.0	-1.1	0.5	-0.7	0.0	-4.3
FI Helsinki	1.4	1.1	0.2	0.9	-0.1	3.5
SE Stockholm	2.5	1.2	-0.4	0.6	-0.7	3.1
UK London	4.0	4.9	-1.2	-0.9	-0.7	6.1
Culham	2.3	-0.7	-1.1	0.8	0.0	1.2

3.3.2 Major changes in the economic parities from 2010 to 2011

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 (278.0), Paris (178.0), Stockholm (161.2), and Copenhagen (157.5), whereas they are quite low in Sofia (58.1), Nicosia (62.1), Valletta (76.2) and Tallinn (77.4).

For the overall correction coefficient, however, the range is smaller: Copenhagen (134.2), London (128.0) and Stockholm (124.1) compared to Sofia (60.6), Bucharest (72.7) and Vilnius (72.7).

When rents are added to the computation, the correction coefficient is increased by 10% or more in London (+35.0%), Bucharest (+16.1%), Budapest (+14.7%), Paris (+14.2%), Warsaw (+12.7%), Prague (+11.2%) and Rome (+10.2%). By contrast the impact is negative in Nicosia (-7.4%), Karlsruhe (-3.3%), Bonn (-2.7%), Varese (-2.5%), and Valletta (-2.4%) and the impact is near zero in Berlin.

More details on the effect of rent on the 2011 correction coefficients are given in table 3.5.

Table 3.5
Effect of rent on the correction coefficients - 2011
(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	61.4	58.1	60.6	-1.3
CZ Prague	734.6	265.4	76.6	117.4	85.2	11.2
DK Copenhagen	701.4	298.7	126.6	157.5	134.2	6.0
DE Berlin	802.0	198.0	93.6	94.5	93.7	0.1
Bonn	802.0	198.0	95.6	84.0	93.0	-2.7
Karlsruhe	802.0	198.0	95.3	81.6	92.2	-3.3
Munich	802.0	198.0	97.4	126.8	103.2	6.0
EE Tallinn	774.6	225.5	74.9	77.4	75.4	0.7
EL Athens	861.1	138.9	89.9	103.5	92.2	2.6
ES Madrid	799.1	200.9	88.7	135.0	97.4	9.8
FR Paris	767.5	232.5	101.9	178.0	116.4	14.2
IE Dublin	814.7	185.3	104.1	133.6	109.6	5.3
IT Rome	818.2	181.8	95.1	149.7	104.8	10.2
Varese	845.0	155.0	94.3	82.8	91.9	-2.5
CY Nicosia	810.5	189.4	89.6	62.1	83.0	-7.4
LV Riga	752.5	247.4	71.1	85.8	74.4	4.6
LT Vilnius	758.8	241.2	68.7	87.6	72.7	5.8
HU Budapest	733.7	266.4	72.8	125.6	83.5	14.7
MT Vallette	793.7	206.3	84.7	76.2	82.7	-2.4
NL The Hague	806.5	193.5	96.0	131.1	102.8	7.1
AT Vienna	725.4	274.6	97.7	129.5	105.0	7.5
PL Warsaw	753.9	246.1	71.4	117.8	80.5	12.7
PT Lisbon	766.9	233.1	85.3	79.9	84.0	-1.5
RO Bucharest	734.6	265.4	62.6	115.7	72.7	16.1
SI Ljubljana	748.2	251.8	82.7	98.3	86.2	4.2
SK Bratislava	757.8	242.3	74.8	93.6	78.8	5.3
FI Helsinki	714.5	285.5	111.6	149.7	120.5	8.0
SE Stockholm	729.6	270.5	113.7	161.2	124.1	9.1
UK London	691.6	308.4	94.8	278.0	128.0	35.0
Culham	764.5	235.5	92.9	117.4	98.2	5.7

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 2011 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 2010 and 2011.

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
1.07.2011
(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	1.326	96.6	18.27	87.1	8.948	66.9	0.973	90.1	0.780	96.9	0.945	90.9	0.826
2	26.4	25.4	1.670	25.1	26.47	22.7	10.045	22.4	0.968	23.5	1.072	25.2	1.235	23.7	0.851
3	75.8	77.3	1.305	76.6	21.54	69.1	8.017	76.6	0.862	71.5	0.825	76.9	0.981	72.1	0.867
4	176.3	109.2	0.568	117.0	17.19	203.9	10.31	187.1	0.999	176.0	0.885	114.0	0.711	169.0	0.940
5	119.5	128.2	1.022	127.1	18.50	114.6	8.853	130.4	0.882	118.6	0.680	127.5	0.919	119.6	0.953
6	36.1	34.0	1.248	33.7	19.24	30.4	10.37	32.0	1.037	31.5	0.716	33.8	0.856	31.7	0.721
7	164.0	192.3	1.396	190.6	20.28	171.9	10.75	163.8	0.987	177.9	0.745	191.3	0.966	179.4	0.972
8	17.2	18.9	1.365	18.7	23.76	16.9	6.233	16.4	0.743	17.5	0.763	18.8	1.057	17.6	1.146
9	118.2	149.2	1.506	147.9	21.90	133.4	9.60	149.8	1.028	138.0	0.916	148.4	1.059	139.2	0.986
10	9.4	10.7	0.324	10.6	10.48	9.6	10.73	1.2	1.437	9.9	0.287	10.7	0.670	10.0	0.783
11	74.8	71.1	0.977	70.4	14.58	63.5	10.333	68.0	0.848	65.7	0.620	70.7	0.762	66.3	0.830
12	83.3	86.3	1.491	85.5	21.44	77.1	10.55	85.5	0.938	79.8	0.742	85.8	0.941	80.5	0.901
Rents	132.4	62.0	0.472	70.2	19.47	161.7	10.25	136.5	1.063	67.0	0.850	132.3	1.012	124.9	1.041
Total without rents	867.6	938.0	1.242	929.8	19.31	838.3	9.644	863.5	0.938	933.0	0.767	867.7	0.895	875.1	0.898
Global parity			1.137		19.31		9.732		0.954		0.774		0.910		0.915

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	0.965	85.9	1.020	95.5	0.965	69.0	0.961	99.8	0.572	106.3	2.398	103.7	220.8
2	26.4	20.4	0.981	22.4	1.500	17.4	1.087	23.1	1.209	26.0	0.856	19.3	3.408	22.4	243.1
3	75.8	57.6	0.979	68.2	0.772	71.8	0.944	79.0	0.898	79.2	0.595	79.9	2.928	63.3	221.4
4	176.3	194.9	1.314	214.5	1.144	212.4	1.081	161.9	0.666	87.4	0.359	123.0	2.148	116.1	162.5
5	119.5	118.4	1.045	113.1	0.828	102.1	1.039	134.5	0.848	131.4	0.414	113.7	2.033	130.0	170.1
6	36.1	18.9	0.919	30.0	1.149	45.5	1.030	33.0	0.996	34.8	0.519	50.6	2.876	20.7	185.2
7	164.0	177.0	1.010	169.6	1.104	193.4	0.938	168.9	0.794	197.0	0.528	215.3	2.797	194.3	231.1
8	17.2	19.4	1.107	16.7	0.988	14.6	1.046	16.9	0.477	19.4	0.496	16.3	1.944	21.3	240.5
9	118.2	131.8	1.081	131.6	1.082	119.8	1.020	154.4	1.149	152.9	0.590	133.4	2.767	144.7	232.2
10	9.4	14.9	0.987	9.4	1.273	4.7	1.007	1.2	0.834	11.0	0.240	5.2	0.894	16.4	89.80
11	74.8	71.7	1.109	62.7	1.006	41.4	0.921	70.1	0.843	72.8	0.498	46.1	2.037	78.8	149.2
12	83.3	80.5	1.155	76.1	1.196	81.6	0.978	88.1	0.853	88.4	0.482	90.8	2.280	88.4	184.5
Rents	132.4	148.8	1.486	172.8	1.233	144.2	1.283	109.7	0.676	39.0	0.401	47.1	2.526	65.4	191.3
Total without rents	867.6	851.2	1.030	827.2	1.016	855.8	0.961	890.3	0.882	961.0	0.508	952.9	2.437	934.6	196.0
Global parity			1.085		1.046		1.000		0.854		0.498		2.441		195.2

* For explanation of codes see table 3.1

Table 4.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2011
(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	0.820	88.7	0.843	87.9	1.005	97.8	2.688	90.5	0.807	97.3	2.850	91.1	0.879
2	26.4	25.1	0.932	23.1	1.025	22.9	0.954	25.5	4.605	23.6	0.874	25.3	3.016	23.7	1.011
3	75.8	76.5	0.781	70.4	0.863	69.7	0.894	77.6	3.126	71.8	0.821	77.2	3.220	72.3	0.817
4	176.3	118.3	0.762	188.6	0.967	196.2	1.263	105.4	2.277	172.5	0.680	110.4	1.768	167.1	0.745
5	119.5	126.9	0.779	116.8	0.913	115.7	1.003	128.8	2.674	119.1	0.860	128.1	2.102	119.9	0.825
6	36.1	33.7	0.956	31.0	0.943	30.7	1.067	34.1	2.784	31.6	0.868	34.0	2.737	31.8	0.705
7	164.0	190.3	1.001	175.2	1.082	173.5	1.004	193.1	3.290	178.6	1.055	192.0	3.234	179.8	0.854
8	17.2	18.7	0.656	17.2	0.835	17.1	0.817	19.0	2.969	17.6	0.900	18.9	3.063	17.7	0.707
9	118.2	147.7	0.954	135.9	1.026	134.7	1.049	149.9	3.232	138.6	0.930	149.0	3.292	139.5	0.964
10	9.4	10.6	0.617	9.8	0.925	9.7	0.861	10.8	1.239	10.0	0.995	10.7	0.930	10.0	0.653
11	74.8	70.3	0.751	64.7	1.055	64.1	0.922	71.4	2.629	66.0	0.674	71.0	1.947	66.4	0.776
12	83.3	85.4	0.839	78.6	1.014	77.8	1.083	86.6	2.809	80.1	0.810	86.1	3.165	80.7	0.928
Rents	132.4	71.6	0.837	145.6	0.993	153.5	1.393	58.0	2.381	128.6	0.676	63.3	2.043	122.9	0.799
Total without rents	867.6	928.4	0.848	854.4	0.970	846.5	0.991	942.0	2.909	871.4	0.867	936.7	2.685	877.1	0.842
Global parity			0.846		0.973		1.041		2.853		0.839		2.614		0.836

Expenditure Groups*	BE	SK		FI		SE		UK	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	97.9	0.797	88.7	1.056	88.0	9.807	83.1	0.770
2	26.4	25.5	1.133	23.1	1.587	22.9	14.35	21.6	1.272
3	75.8	77.7	0.833	70.4	1.032	69.8	9.93	65.9	0.633
4	176.3	105.0	0.557	188.5	1.176	195.1	12.70	240.3	1.359
5	119.5	128.8	0.633	116.8	1.033	115.9	9.455	109.4	0.853
6	36.1	34.2	0.761	31.0	0.958	30.7	9.839	29.0	0.643
7	164.0	193.2	0.729	175.2	1.137	173.8	10.04	164.0	0.892
8	17.2	19.0	1.143	17.2	0.768	17.1	6.612	16.1	0.823
9	118.2	149.9	0.930	135.9	1.233	134.8	11.09	127.3	0.841
10	9.4	10.8	0.325	9.8	1.148	9.7	10.36	9.1	1.097
11	74.8	71.4	0.670	64.7	1.105	64.2	12.05	60.6	0.899
12	83.3	86.7	0.791	78.6	1.262	77.9	11.67	73.6	0.963
Rents	132.4	57.6	0.566	145.5	1.251	152.4	13.70	200.1	1.622
Total without rents	867.6	942.4	0.755	854.5	1.112	847.6	10.37	799.9	0.836
Global parity			0.735		1.130		10.79		0.931

* 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.
	2010	2011	
BE	0.91	0.91	0.00
BG *	0.38	0.38	0.00
CZ	0.62	0.62	0.00
DK	1.03	1.03	0.00
DE	1.01	1.02	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	0.76	0.76	0.00
HU	0.52	0.52	0.00
MT	1.00	1.00	0.00
NL *	0.71	0.69	-0.02
AT	0.98	0.98	0.00
PL	0.46	0.46	0.00
PT	0.77	0.77	0.00
RO *	0.42	0.38	-0.04
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)

4.2. Purchasing power parities for pensioners – analysis of results

In 2011, for 14 out of 25 member states (ie. excluding BE and LU), the rent correction coefficient (ratio between the rent parity and the exchange rate) is under 100. This means that the average rents are lower in these places than in Belgium. Moreover, for 10 of these countries, the rent correction coefficient is also lower than the correction coefficient without rent. This means that, for these places, the rents lead to a reduction of the global correction coefficient.

For the remaining 11 member states, the rent correction coefficients is both greater than 100 and higher than the correction coefficient without rent.

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 city CCs and country CCs can be observed in the United Kingdom, Romania, Hungary, Poland and France. By contrast, in Portugal, Austria, Greece, and Germany the two CCs are nearly at the same level.

In all countries except Germany, Estonia, Cyprus, and Malta the country CCs are lower than the capital city CCs. Without rents, the two sets of CCs are closer – and the country CC without rent is slightly higher than the capital city CC in 19 out of 25 Member States.

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

Table 4.5
Pensioners correction coefficients and Staff correction coefficients
1.7.2011

Correction coefficients for pensioners				Correction coefficients for staff			
Country	without rents	rents	Total	Capitals	without rents	rents	Total
BE	100.0	100.0	100.0	Brussels	100.0	100.0	100.0
BG	63.5	24.1	58.1	Sofia	61.4	58.1	60.6
CZ	79.3	80.0	79.3	Prague	76.6	117.4	85.2
DK	129.3	137.4	130.5	Copenhagen	126.6	157.5	134.2
DE	93.8	106.3	95.4	Berlin	93.6	94.5	93.7
EE	76.7	85.0	77.4	Tallinn	74.9	77.4	75.4
EL	89.5	101.2	91.0	Athens	89.9	103.5	92.2
ES	89.8	104.1	91.5	Madrid	88.7	135.0	97.4
FR	103.0	148.6	108.5	Paris	101.9	178.0	116.4
IE	101.6	123.3	104.6	Dublin	104.1	133.6	109.6
IT	96.1	128.3	100.0	Rome	95.1	149.7	104.8
CY	88.2	67.6	85.4	Nicosia	89.6	62.1	83.0
LV	71.7	56.6	70.2	Riga	71.1	85.8	74.4
LT	70.6	73.2	70.7	Vilnius	68.7	87.6	72.7
HU	73.4	71.6	73.1	Budapest	72.8	125.6	83.5
MT	84.8	83.7	84.6	Vallette	84.7	76.2	82.7
NL	97.0	99.3	97.3	The Hague	96.0	131.1	102.8
AT	99.1	139.3	104.1	Vienna	97.7	129.5	105.0
PL	72.7	59.5	71.4	Warsaw	71.4	117.8	80.5
PT	86.7	67.6	83.9	Lisbon	85.3	79.9	84.0
RO	63.8	48.5	62.1	Bucharest	62.6	115.7	72.7
SI	84.2	79.9	83.6	Ljubljana	82.7	98.3	86.2
SK	75.5	56.6	73.5	Bratislava	74.8	93.6	78.8
FI	111.2	125.1	113.0	Helsinki	111.6	149.7	120.5
SE	112.7	148.8	117.2	Stockholm	113.7	161.2	124.1
UK	92.9	180.3	103.5	London	94.8	278.0	128.0

5. INFORMATION ABOUT WORKING TIME

Through the standard remuneration questionnaire, Eurostat also collects statistical information on differences in the working hours of national officials in all Member States. Information about statutory or contractual weekly working hours in central governments (Table 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 2011 has been compared with that in July 2010.

Table 5.1
Statutory or contractual weekly working hours in central governments

Country	Weekly working hours		Remarks
	July 2010	July 2011	
BE	38	38	
DE	41	41	
ES	37:30' - 40	37:30' - 40	
FR	35	35	
IT	36	36	
LU	40	40	
NL	36	36	
UK (London)	36	36	2010 and 2011: 8 depts
UK (Country)	37	37	2010 and 2011: 8 depts

Table 5.2
Number of days annual leave

Country	Number of days		Remarks
	July 2010	July 2011	
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 2010	July 2011	
BE	13	13	Time off when the public holiday falls on Saturday or Sunday
DE	5	6	(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 - 11,5	Time off when the public holiday falls on Saturday or Sunday

Similarly, information is also collected about retirement age in central government. The situation at July 2011 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 - 67	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	60 - 61	Variations of retirement depending on age and sex
LU	60 - 68	57	Early retirement: 40 years of service
NL	65	60 - 65	
UK	60 - 70	50	