



**EUROPEAN COMMISSION**  
**EUROSTAT**

Directorate C: Macro-economic Statistics

**Unit C.3: Statistics for administrative purposes**

**Eurostat Report**  
**on the intermediate update of remuneration and pensions of EU officials**

**In accordance with the Articles 64, 65 and Annex XI of the Staff Regulations**  
**applicable to officials and other servants of the European Union**

**Reference period:**  
**1 July 2020 – 1 January 2021**

## CONTENTS

EXECUTIVE SUMMARY .....	2
1. INTRODUCTION .....	4
2. GLOBAL SPECIFIC INDICATOR FORECAST TO JULY 2021 .....	4
3. THE JOINT INDEX, 1 JULY 2020 - 1 JANUARY 2021.....	4
4. PPP FOR INTRA-EU STAFF AT 1 JANUARY 2021 .....	5
5. PPP FOR PENSIONERS AT 1 JANUARY 2021 .....	5
6. CALCULATION OF THE INTERMEDIATE UPDATE.....	5
7. POTENTIAL APPLICATION OF MODERATION CLAUSE FOR ANNUAL REPORT.....	6
8. POTENTIAL APPLICATION OF EXCEPTION CLAUSE FOR ANNUAL REPORT.....	6
APPENDIX ONE: GLOBAL SPECIFIC INDICATOR FORECAST (DETAILS) .....	8
APPENDIX TWO: JOINT INDEX (DETAILS) .....	13
APPENDIX THREE: INTRA-EU STAFF PPPS AND PENSIONER PPPS (DETAILS) .....	16
APPENDIX FOUR: COMPUTING THE INTERMEDIATE UPDATE (DETAILS).....	27

## EXECUTIVE SUMMARY

This is the eighth intermediate report covering Intra-EU locations which is prepared under the EU Staff Regulations as amended by Regulation 1023/2013.

The Eurostat report on the 2020 annual update of remuneration and pensions was prepared and transmitted in October 2020<sup>1</sup>. In accordance with the adoption procedure in the Staff Regulations, the definitive update applicable with effect from July 2020 was published in the Official Journal<sup>2</sup>.

This intermediate report presents all the information required for consideration whether an intermediate update of remuneration and pensions in Belgium/Luxembourg and in other places is required, namely:

- evolution of the purchasing power of national officials (global specific indicator forecast);
- changes in the cost of living in Belgium and Luxembourg (Joint Index);
- correction coefficients for Intra-EU staff and pensioners<sup>3</sup>.

The specified threshold to trigger an intermediate update is a movement in purchasing power parity of  $\pm 3.0\%$  or more for the six month period 1 July - 1 January<sup>4</sup>.

For the period 1 July 2020 – 1 July 2021 the forecast global specific indicator (average change in real net remuneration in the sample of 10 countries) is 99.9 (-0.1%). As this is negative, half of it has to be taken into account for any intermediate update. Details are provided in *Appendix One*.

Note: for the measurement of changes in the cost of living index and correction coefficients, the reference is to the data situation at the first of each month (e.g. 1 January 2021), which in practice means the situation for the preceding month (e.g. December 2020).

For the period 1 July 2020 – 1 January 2021 the Joint Index (change in the cost of living measured for the EU officials) is 100.5 (+0.5%). Details are provided in *Appendix Two*, together with comparative information. This change does not exceed the specified threshold. In consequence, no general intermediate update of the nominal remuneration of active European officials or pension of retired European officials is required in Belgium and Luxembourg at 1 January 2021.

The correction coefficients which would apply to remuneration of active staff outside Brussels and Luxembourg in order to maintain equality of purchasing power at 1 January 2021 are provided in *Appendix Three (A)*.

The correction coefficients which would apply to the pensions of retired staff outside Belgium and Luxembourg in order to maintain equality of purchasing power at 1 January 2021 are provided in *Appendix Three (B)*.

The implicit index is the product of the Joint Index and the changes in the economic parities. For active staff, this does not exceed the specified threshold in any Intra-EU duty station location.

The corresponding movement in the implicit index for pensioners did not exceed the specified threshold in any of the EU Member States.

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<sup>1</sup> See document Ares(2020)633499 dated 04.11.2020.

<sup>2</sup> See communication 2020/C 428/10 for Intra-EU staff and pensioners (and communication 2020/C 428/11 for Extra-EU staff).

<sup>3</sup> Intermediate correction coefficients for Extra-EU staff are presented in a separate report because there are additional rules under Annex X of the Staff Regulations (notably, a different sensitivity threshold applies, and monthly variations are required rather than the six monthly variation).

<sup>4</sup> Equivalent to  $\pm 6.0\%$  for the year 1 July – 1 July.

In consequence, there is no intermediate update at 1 January 2021 required for active Intra-EU staff or for pensioners. A table with the computed values is shown in **Appendix Four**.

On the basis of the available information, it currently seems likely that neither the Exception Clause nor the Moderation Clause will apply for the 2021 exercise. It currently seems likely that the Exception Clause was correctly implemented for the 2020 exercise and that no retroactive correction is required to the suspension of the annual update. It currently seems likely that there will not be any unwinding of the suspended 2020 payment during 2021. These preliminary assessments will be confirmed in the annual report.

The specific indicator forecasts are based on information provided by responsible authorities in the Member States - in the absence of a specific data transmission, official forecast by DG ECFIN is used (for the current exercise, for salary data that is only the case for Greece, and for inflation data that is the case for Greece, Croatia, Malta and Austria). With the exception of the information about staff numbers in Brussels and Luxembourg obtained from Commission internal services and consumption expenditure pattern data compiled by direct survey of staff, all other figures and calculations contained in this report are based on data supplied by the responsible authorities in the Member States.

Important note: The United Kingdom left the EU with effect 1 February 2020 and is now a ‘third country’. The transition period introduced by the ‘withdrawal agreement’ expired with effect 31 December 2020. Consequently, the UK is no longer included in the core sample of Member States for specific indicator calculation purposes (the remaining sample continues to represent at least 75% of the remaining EU27 gross domestic product). Similarly, the UK is not included for the calculation of correction coefficient values for active Intra-EU staff (it is included in separate intermediate report for active Extra-EU staff<sup>5</sup>). By contrast, the UK continues to be included for the calculation of correction coefficient values for pensioners residing in the UK<sup>6</sup>.

More information on methodology, detailed results and statistical analysis is available in the annexes to this report and detailed procedural manuals<sup>7</sup>. For any information concerning this report, please contact Eurostat in Luxembourg:

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<sup>5</sup> Results package covering period August 2020-January 2021, reference Ares(2021)3005164

<sup>6</sup> Note: only relevant for pension rights acquired prior to May 2004

<sup>7</sup> Document A6465/14/26rev4 methodology for the calculation of Specific Indicators; document A6465/14/58rev2 methodology for the calculation of the Joint Index; document A6465/14/59rev4 methodology for the calculation of Intra-EU correction coefficients, versions as finalised to reflect decisions at the A646&65 working group meeting in Luxembourg in March 2020.

## 1. INTRODUCTION

This is the eighth intermediate report covering Intra-EU locations which is prepared under the EU Staff Regulations as amended by Regulation 1023/2013.

The Eurostat report on the 2020 annual update of remuneration and pensions was prepared and transmitted in October 2020<sup>8</sup>. In accordance with the adoption procedure in the Staff Regulations, the definitive update applicable with effect from July 2020 was published in the Official Journal<sup>9</sup>.

Under the Staff Regulations, an intermediate update is made where the cost of living measured in Belgium and Luxembourg (i.e. the Joint Index) or the cost of living measured in any individual duty station outside Belgium and Luxembourg (i.e. implicit index, being the combined impact of the Joint Index and the change in the local purchasing power parity relative to Brussels) exceeds a specified threshold. This threshold is set at 6% for the year, interpreted as half of that value for six months (i.e.  $\pm 3\%$ ) by a decision of the Article 64 Working Group in April 2005. It is therefore necessary to compute the Joint Index for the period June-December and the Staff and Pensioner PPPs at December and identify whether these exceed the specified threshold. This document summarises the result of those calculations.

The Staff Regulations also provide that if the global specific indicator forecast (the movement in net remuneration of national civil servants in real terms) for the year to 1 July is negative, half of this amount has to be taken into account for the intermediate update calculation. It is therefore necessary to compile and validate these forecasts for the period July-July. This document also summarises those results.

## 2. GLOBAL SPECIFIC INDICATOR FORECAST TO JULY 2021

Forecasts were requested by Eurostat from responsible authorities in Member States in January 2021. A preliminary estimate of the global indicator forecast (weighted average of individual country values in the sample of 10) was computed according to the agreed methodology and presented to the Articles 64&65 Working Group in March 2021<sup>10</sup>. The value of the forecast was finalised shortly thereafter to be 99.9 (-0.1%). Further information can be found in [Appendix One](#).

As this forecast is negative, half of it has been taken into account for any intermediate update.

## 3. THE JOINT INDEX, 1 JULY 2020 – 1 JANUARY 2021 (I.E. JUNE-DECEMBER 2020)

The 1 July 2020 – 1 January 2021 (i.e. June 2020 - December 2020) index was computed according to the agreed methodology, using information about the evolution of consumer prices at detailed level provided by the relevant Belgian and Luxembourgish national authorities and information about numbers of staff in Belgium and Luxembourg provided by internal Commission services, and then applying aggregation weights from the most recent survey of household expenditure conducted by Eurostat amongst staff.

The Eurostat calculation was presented to the Articles 64&65 Working Group in March 2021, and gives an index of 100.5 (i.e. +0.5% for the six month period). This variation is within the specified threshold ( $\pm 3.0\%$ ). In consequence, no general intermediate update of the nominal remuneration of active European officials or pension of retired European officials in Belgium and Luxembourg is required.

Further information about the calculation can be found in [Appendix Two](#).

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<sup>8</sup> See document Ares(2020)633499 dated 04.11.2020.

<sup>9</sup> See communication 2020/C 428/10 for Intra-EU staff and pensioners (and communication 2020/C 428/11 for Extra-EU staff).

<sup>10</sup> N.B. Electronic consultation due to cancellation of physical meeting in response to COVID-19 crisis.

#### **4. PPP FOR INTRA-EU STAFF AT 1 JANUARY 2021**

The aggregate PPP for Intra-EU staff at 1 January 2021 (i.e. December 2020) for each duty station was computed according to the agreed methodology. In other words, the individual basic heading PPPs established for 1 July 2020 (i.e. June 2020) were updated using for each basic heading the movement in relevant HICP sub index between June and December for each duty station relative to the movement of the corresponding Joint Index sub index for the same period. The results (i.e. updated parities at basic heading level) were then aggregated using the weights from the most recent Family Budget Survey amongst staff (same structure as used to establish the 1 July 2020 results). The results were presented to the Articles 64&65 Working Group in March 2021.

Further information about these aggregate PPP for Intra-EU staff can be found in [Appendix Three](#).

When comparing the 1 January 2021 PPP values to the 1 July 2020 values, the simple average change in the duty station PPPs is -0.8%. This masks a variation between -2.1% (for PT-Lisbon and SI-Ljubljana) and +0.6% (for AT-Vienna and RO-Bucharest). The PPP change for twenty-two locations is negative, and for the remaining seven locations, it is zero or positive. Brussels = Luxembourg = zero. These movements can be combined with the Joint Index to establish the implicit price index.

There is no EU Member State outside Belgium and Luxembourg, which has an implicit price index exceeding the specified threshold for the period. In consequence, no intermediate update is required.

#### **5. PPP FOR PENSIONERS AT 1 JANUARY 2021**

The aggregate PPP for pensioners at 1 January 2021 (i.e. December 2020) for each Member State was also computed according to the agreed methodology, taking the updated individual basic heading PPPs established for Intra-EU Staff at 1 January 2021 (i.e. December 2020) for the capital city, and applying the same adjustment to convert rents from capital city price level to national average price level as was used for the 1 July 2020 (i.e. June 2020) calculation. The updated parities are then aggregated using the weights from the most recent Family Budget Survey amongst pensioners (same structure as used to establish the 1 July 2020 results). The results were presented to the Articles 64&65 Working Group in March 2021.

Further information about these aggregate PPP for pensioners can be found in [Appendix Three](#).

When comparing the 1 January 2021 PPP values to the 1 July 2020 values, the simple average change in the country PPPs is -0.7%. This masks a variation between -1.9% (for Slovenia) and +0.8% (for Austria). The PPP change for nineteen countries is negative, and for the remaining six countries, it is zero or positive. Belgium = Luxembourg = zero. These movements can be combined with the Joint Index to establish the implicit price index.

There is no EU Member State outside Belgium and Luxembourg which has an implicit price index exceeding the threshold for the period. In consequence, no intermediate update is required.

#### **6. CALCULATION OF THE INTERMEDIATE UPDATE**

For the period July 2020 – July 2021, the forecast Global Specific Indicator (GDP-weighted average of the change in real terms of the net remuneration of national civil servants in central government for each Member State in the sample of 10) is -0.1%.

$GSI = 99.9$
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As this is negative, half of it has to be taken into account for any intermediate update.

Over the period 1 July 2020 – 1 January 2021 (i.e. June 2020 to December 2020), the Joint Index (cost of living for EU officials) was +0.5%.

$$\text{JBLI} = 100.5$$

This does not exceed the threshold. In consequence, no intermediate update of the nominal net remuneration of active EU officials or pensions of retired EU officials is required *in Belgium and Luxembourg*.

The intermediate update of nominal net remuneration of EU officials *outside Belgium and Luxembourg* which would normally be necessary to maintain parallel development of purchasing power<sup>11</sup>, is therefore +0.0%, unless there is a change in the economic parities.

**For active staff**, the change in the cost of living (measured by implicit indices which are calculated as the product of the Joint Index and the changes in the economic parities with Brussels) does not exceed the threshold in any Intra-EU duty station.

No intermediate update is therefore required at 1 January 2021 for any location.

$$\text{STF}_{\text{DS}} = 100.0$$

**For pensioners**, the implicit index does not exceed the threshold in any EU Member State.

No intermediate update is therefore required at 1 January 2021 for any location.

$$\text{PEN}_{\text{MS}} = 100.0$$

A table with the computed values is shown in [Appendix Four](#).

## 7. POTENTIAL APPLICATION OF MODERATION CLAUSE FOR NEXT ANNUAL REPORT

In accordance with Article 10 of Annex XI to the Staff Regulations, if the value of the specific indicator exceeds an upper limit of +2% or is below a lower limit of -2%, then the value of the limit shall instead be used to establish the annual update which applies with effect from 1 July – and the remainder of the annual update shall be applied with effect from 1 April.

As the forecast global specific indicator value for the current exercise falls within these boundaries, this moderation clause is unlikely to apply and, other things being equal, the full calculated value of the eventual annual update should be used with effect from 1 July 2021.

## 8. POTENTIAL APPLICATION OF EXCEPTION CLAUSE FOR NEXT ANNUAL REPORT

In accordance with Article 11 of Annex XI to the Staff Regulations, if the value of the specific indicator is positive, but there is a decrease in the EU total gross domestic product for the current year according to the latest available forecast produced by the Commission, then only part of the specific indicator shall be used to calculate the annual update at 1 July and the remainder shall be delayed.

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<sup>11</sup> Before taking any change in the pension contribution rate and/or the special levy into account.

Four scenarios are therefore possible:

<b>GDP evolution</b>	<b>1 July</b>	<b>1 April</b>	<b>Cumulative*</b>
$0\% \leq X$	100%	0%	0%
$-1.0\% \leq X < 0\%$	33%	67%	0%
$-3.0\% \leq X < -1.0\%$	0%	100%	0%
$X < -3.0\%$	0%	0%	100%
* 1 July in year when cumulative GDP is again positive			

The Winter European Economic Forecast issued by DG ECFIN on 11 February 2021<sup>12</sup> projected that the European economy was set to experience a challenging winter, but that there was light at the end of the tunnel which the EU entered almost one year ago, returning to economic growth after the deepest recession in recent history in 2020. According to the Winter Forecast, the estimated GDP growth for the EU27 as a whole for 2021 in real terms is expected to be positive (+3.7%), and again positive (+3.9%) in 2022.

The Spring European Economic Forecast issued by DG ECFIN on 12 May 2021<sup>13</sup> projects that growth rates will continue to vary across the EU, but all Member States should see their economies return to pre-crisis levels by the end of 2022. According to the Spring Forecast, the estimated GDP growth for the EU27 as a whole for 2021 in real terms is expected to be positive (+4.2%), and again positive (+4.4%) in 2022.

Consequently, it currently seems unlikely that the Exception Clause will apply for the 2021 exercise.

## **9. REVIEW APPLICATION OF EXCEPTION CLAUSE FROM PREVIOUS ANNUAL REPORT**

In accordance with Article 11 of Annex XI to the Staff regulations, if there is a gap between the forecast of GDP growth used in the annual report for the previous year and the final GDP data for that calendar year, which would modify the original assessment whether the exception clause should have applied, a retroactive adjustment should take place.

A first estimate of the real GDP growth rate (percentage change on previous year) for the EU27 as a whole for calendar year 2020 was published in February 2021 (T+2). This indicates negative growth of -6.2%. This preliminary statistic will be confirmed by Eurostat when preparing the annual report, using information available in October 2021 (T+9). It currently seems likely that the Exception Clause was correctly implemented for the 2020 exercise, and that no retroactive correction is required to the suspension of the annual update which was established for the 2020 exercise.

The Winter European Economic Forecast issued by DG ECFIN on 11 February 2021 projected that the estimated GDP growth for the EU27 as a whole for 2021 in real terms is expected to be positive (+3.7%), and the Spring European Economic Forecast issued by DG ECFIN on 12 May 2021 projected a higher expected growth rate (+4.2%). It is clear that an increase of this magnitude is insufficient to recover the whole of the decrease registered in 2020, i.e. cumulative GDP has not reached the same level as before. Thus, it currently seems unlikely that there will be any unwinding of the suspended 2020 payment during 2021.

<sup>12</sup> [https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin\\_forecast\\_winter\\_2021\\_overview\\_en.pdf](https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_winter_2021_overview_en.pdf)

<sup>13</sup> [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2021-economic-forecast\\_en#executive-summary](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2021-economic-forecast_en#executive-summary)



## **APPENDIX ONE: GLOBAL SPECIFIC INDICATOR FORECAST (DETAILS)**

### **1) STEPS TO PRODUCE GSI FORECAST**

Article 1.4 of the Annex XI says that to establish a global specific indicator for the European Union, Eurostat shall use a sample composed of the following 11 Member States: Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Poland, Sweden and the United Kingdom. The United Kingdom left the EU with effect 1 February 2020 and is now a ‘third country’. The transition period introduced by the ‘withdrawal agreement’ expired with effect 31 December 2020. Consequently, the UK is no longer included in the core sample of Member States for specific indicator calculation purposes. The remaining sample represents at least 75 % of the remaining EU27 gross domestic product (GDP).

For the intermediate update, data is compiled from the above mentioned 10 Member States about the expected changes in net remuneration in nominal terms, between 1 July 2020 and 1 July 2021, together with similar information for the remaining 17 Member States. Where these forecasts are not available, Eurostat or DG ECFIN estimates are used instead: for the current exercise that was the case for Greece.

National estimates of expected movements in the harmonized consumer price indices (inflation rates) during the period June 2020 to June 2021 have been used to transform nominal changes in the remunerations into movements in real terms. Where these forecasts are not available, Eurostat or DG ECFIN estimates are used instead: for the current exercise that was the case for Greece, Croatia, Malta and Austria.

In order to get the global specific indicator the results per country have been weighted in proportion to their national GDP for the year 2019 expressed in purchasing power parities<sup>14</sup>. Following the adoption and implementation of ESA2010, figures established on this basis are used as the weights.

A preliminary estimate of the forecast was presented to the Article 65 Working Group in March 2021. Following bilateral confirmation of data with Member States, the value of the global specific indicator forecast was finalised shortly thereafter.

The forecast global specific indicator (average change in real net remuneration) for the year to 1 July 2021 is 99.9 (-0.1%).

As this figure is negative, half of it has to be taken into account for any intermediate update.

### **2) RESULTS TABLE (VALUES AFTER MARCH 2021 MEETING OF ARTICLES 64&65 WORKING GROUP)**

The following tables shows the values presented to, and confirmed by, Member State delegates in March 2021, or shortly thereafter, for the core sample of 10 countries, and for the remaining 17 countries:

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<sup>14</sup> Definitive GDP data for 2020 is not yet available (estimates are due in September 2020 and will be used for the annual report). Covid-19 pandemic and policy responses has had variable impact on 2020 GDP in Member States: consequently, their weight in the sample may change.

**Forecast of changes in the net remuneration of national civil servants <sup>1</sup>**  
**July 2020 - July 2021**

Country	Weight <sup>4</sup> EU27=100 (%)	Weight in sample (%)	Nominal net <sup>2</sup> specific indicator (%)	Consumer price indices <sup>3</sup> (%)	Real net <sup>2</sup> specific indicator (%)
BE	3.0	3.7	0.1	1.5	<b>-1.4</b>
DE	22.3	27.7	2.3	1.7	<b>0.6</b>
ES	9.6	11.9	2.0	1.0	<b>1.0</b>
FR	16.0	19.9	1.2	1.0	<b>0.1</b>
IT	12.9	16.0	0.0	1.0	<b>-1.0</b>
LU	0.4	0.5	0.0	2.4	<b>-2.3</b>
NL	5.0	6.2	2.0	1.3	<b>0.7</b>
AT	2.5	3.1	1.5	1.8	<b>-0.3</b>
PL	6.2	7.7	0.0	3.6	<b>-3.5</b>
SE	2.7	3.3	1.8	1.0	<b>0.8</b>
<b>Global (EU10)</b>	<b>80.6</b>	<b>100.0</b>	<b>1.3</b>	<b>1.5</b>	<b>-0.1</b>

(1) The figures presented in this table are Eurostat estimates based on information supplied by country delegates and other sources and do not prejudice the outcomes of any current or future pay negotiations

(2) Forecast of net remuneration (= gross remuneration less statutory deductions) (MS estimate)

(3) All-items HICP (estimated by MS, except AT= ECFIN)

(4) GDP 2019 (ESA 2010) in PPS at current prices (website enquiry 17.03.2021)

**Forecast of changes in the net remuneration of national civil servants <sup>1</sup>**  
**July 2020 - July 2021**

Country	Weight <sup>4</sup> EU27=100 (%)	Weight in sample (%)	Nominal net <sup>2</sup> specific indicator (%)	Consumer price indices <sup>3</sup> (%)	Real net <sup>2</sup> specific indicator (%)
BG	0.8	4.1	10.0	2.6	<b>7.2</b>
CZ	2.2	11.3	3.0	1.8	<b>1.2</b>
DK	1.7	8.8	0.9	1.2	<b>-0.3</b>
EE	0.2	1.0	2.9	0.2	<b>2.7</b>
IE	2.1	10.8	1.3	0.4	<b>0.9</b>
EL	1.6	8.2	0.2	-0.1	<b>0.3</b>
HR	0.6	3.1	10.0	1.2	<b>8.6</b>
CY	0.2	1.0	1.4	-1.1	<b>2.5</b>
LV	0.3	1.5	1.2	1.1	<b>0.1</b>
LT	0.5	2.6	4.4	0.9	<b>3.4</b>
HU	1.6	8.2	0.0	2.9	<b>-2.8</b>
MT	0.1	0.5	2.4	1.3	<b>1.0</b>
PT	1.8	9.3	0.6	0.2	<b>0.4</b>
RO	3.0	15.5	1.0	2.6	<b>-1.6</b>
SI	0.4	2.1	0.2	-0.7	<b>0.9</b>
SK	0.9	4.6	1.0	1.2	<b>-0.2</b>
FI	1.4	7.2	2.9	0.4	<b>2.5</b>
<b>Global (EU17)</b>	<b>19.4</b>	<b>100.0</b>	<b>2.0</b>	<b>1.3</b>	<b>0.7</b>

(1) The figures presented in this table are Eurostat estimates based on information supplied by country delegates and other sources and do not prejudice the outcomes of any current or future pay negotiations

(2) Forecast of net remuneration (= gross remuneration less statutory deductions) (MS estimate, except EL)

(3) All-items HICP (estimated by MS, except EL, HR, MT = ECFIN)

(4) GDP 2019 (ESA 2010) in PPS at current prices (website enquiry 17.03.2021)

### 3) FORECASTS MAY DIFFER FROM ACTUAL MEASURED MOVEMENT

The information presented about the evolution of remuneration of national civil servants (the nominal net specific indicator) is a best estimate based on available information at the time. Definitive values compiled subsequently may legitimately differ from those values if new information becomes available.

However, as an indicator of the quality of such forecasts, the following tables illustrate the degree to which for a **preceding** annual exercise (i.e. reference period 2019-2020) the forecast in the intermediate report varied from the eventual definitive value for the annual report.

#### Comparison of the net specific indicator and the forecast in nominal and real terms for the twelve-month period to 1st July 2020

Country	Net specific indicator in nominal terms			Net specific indicator in real terms		
	Actual **	Forecast *	Difference %	Actual **	Forecast *	Difference %
BE	101.8	100.6	-1.2	101.6	100.4	-1.2
DE	102.3	102.2	-0.1	101.5	100.6	-0.9
ES	102.2	102.2	0.0	102.5	101.3	-1.2
FR	100.3	101.4	1.1	100.1	100.3	0.2
IT	103.9	102.0	-1.8	104.3	101.9	-2.3
LU	101.8	102.6	0.8	102.2	100.2	-2.0
NL	104.0	103.8	-0.2	102.3	102.4	0.1
AT	106.9	102.3	-4.3	105.7	100.7	-4.7
PL	111.3	106.0	-4.8	107.2	103.5	-3.5
SE	102.1	102.3	0.2	101.2	100.9	-0.3
UK	103.8	102.3	-1.4	103.2	100.7	-2.5
<b>Total</b>	<b>103.2</b>	<b>102.3</b>	<b>-0.9</b>	<b>102.5</b>	<b>101.1</b>	<b>-1.4</b>

\* Per Intermediate Report, Spring 2020

\*\* Per Annual Report, Autumn 2020

**Comparison of the net specific indicator and the forecast in nominal and real terms  
for the twelve-month period to 1st July 2020**

Country	Net specific indicator in nominal terms			Net specific indicator in real terms		
	Actual**	Forecast *	Difference %	Actual**	Forecast *	Difference %
BG	105.6	110.0	4.2	104.7	107.6	2.8
CZ	102.9	106.0	3.0	99.5	102.9	3.4
DK	101.9	101.8	-0.1	101.7	100.6	-1.1
EE	100.5	105.9	5.4	102.1	104.0	1.9
IE	101.6	101.5	-0.1	102.2	102.1	-0.1
EL	100.9	101.8	0.9	102.9	100.9	-1.9
HR	104.3	104.5	0.2	104.7	103.4	-1.3
CY	100.9	100.6	-0.3	103.2	99.6	-3.5
LV	103.0	106.2	3.1	104.1	105.7	1.5
LT	108.3	104.0	-4.0	107.3	102.5	-4.5
HU	105.1	100.0	-4.9	102.1	95.5	-6.5
MT	103.0	103.7	0.7	102.0	102.2	0.2
PT	100.4	100.4	0.0	100.2	99.6	-0.6
RO	100.3	100.3	0.0	98.1	97.3	-0.8
SI	104.6	104.2	-0.4	105.4	102.2	-3.1
SK	117.1	111.0	-5.2	115.0	108.0	-6.1
FI	101.2	101.3	0.1	101.1	100.1	-1.0

\* Per Intermediate Report, Spring 2020

\*\* Per Annual Report, Autumn 2020

## APPENDIX TWO: JOINT INDEX (DETAILS)

### 1) JOINT INDEX 1 JULY 2020 – 1 JANUARY 2021 (I.E. JUNE-DECEMBER 2020)

The Joint Index represents a weighted average of national indices for Belgium and Luxembourg, and may not reflect the specific price evolution in the reference cities (Brussels and Luxembourg).

The Joint Index is a weighted average of the HICP for Belgium and the CPI for Luxembourg, using the number of EU staff in Brussels and Luxembourg as weights (ratio at December 2019, i.e. applicable at 1 July 2020). The detailed sub-indices for the 80 basic headings are used, aggregated using weights derived from the latest of the periodic "Family Budget Surveys" conducted amongst EU staff in Brussels (2017). The following table presents the calculation of the Joint Index for the period June 2020 - December 2020, with the final figure in the right-hand column showing the variation for the period, +0.5% (100.5).

### Joint BELU Index FBS weights 2017

	WEIGHTS	2020m12/2020m6 VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	125.9	98.4
2 ALCOHOLIC BEVERAGES AND TOBACCO	13.9	99.7
3 CLOTHING AND FOOTWEAR	43.1	100.4
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	344.2	101.6
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	64.5	100.2
6 HEALTH	12.7	99.3
7 TRANSPORT	130.0	100.4
8 COMMUNICATIONS	19.8	99.6
9 RECREATION AND CULTURE	79.6	100.2
10 EDUCATION	26.7	101.0
11 HOTELS, CAFES AND RESTAURANTS	81.1	100.5
12 MISCELLANEOUS GOODS AND SERVICES	58.6	100.4
TOTAL WITHOUT RENTS	721.4	100.3
RENTS	278.5	101.1
<b>TOTAL</b>	<b>1000.0</b>	<b>100.5</b>

### 2) STAFF RATIO BRUSSELS : LUXEMBOURG

In accordance with the agreed methodology, the staff weights available for the index base period are used, and applied at the level of the detailed sub-indices for the 80 basic headings. The information is obtained from Commission internal services.

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

Duty station	No.	%
Brussels	37,611	<b>80.9</b>
Luxembourg	8,892	<b>19.1</b>
<b>Total</b>	<b>46,503</b>	<b>100.0</b>

Source: Eurostat, from PMO and PSEO databases

### 3) BELGIUM HICP

The following table presents the published HICP values for June 2020 and December 2020, base 2015=100, and the final figure in the right-hand column shows the variation for the period, +0.4 (100.4).

#### Belgian HICP index, 2015=100

##### HICP weights

##### Rents from HICP

	WEIGHTS from HICP 2020	INDICES 30/06/2020	WEIGHTS from HICP 2020	INDICES 31/12/2020	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	157.1	109.4	157.1	107.5	98.2
2 ALCOHOLIC BEVERAGES AND TOBACCO	49.8	122.5	49.8	122.5	100.0
3 CLOTHING AND FOOTWEAR	62.2	106.2	62.2	106.4	100.2
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	155.0	105.4	155.0	107.9	102.4
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	74.0	104.7	74.0	104.9	100.2
6 HEALTH	82.4	105.9	82.4	105.1	99.3
7 TRANSPORT	124.8	107.7	124.8	109.5	101.7
8 COMMUNICATIONS	31.4	106.8	31.4	106.6	99.8
9 RECREATION AND CULTURE	92.9	107.4	92.9	108.0	100.6
10 EDUCATION	5.0	125.6	5.0	126.3	100.6
11 HOTELS, CAFES AND RESTAURANTS	82.8	112.1	82.8	113.5	101.3
12 MISCELLANEOUS GOODS AND SERVICES	82.8	108.7	82.8	109.0	100.3
TOTAL WITHOUT RENTS	928.9	108.4	928.9	108.8	100.3
RENTS	71.1	107.0	71.1	108.4	101.3
<b>TOTAL</b>	<b>1000.0</b>	<b>108.3</b>	<b>1000.0</b>	<b>108.8</b>	<b>100.4</b>

This information is provided by the Belgian authorities "Service public fédéral, Economie, P.M.E., Classes moyennes et Energie, division des prix" (Federal Public Service, Economy, Small and medium-sized enterprises, Middle classes and Energy, Price indices department), and reformatted by Eurostat. The weights do not include rents data for owner-occupiers.

Replacing with weights which include owner-occupiers gives the following variation for the period: +0.6% (100.6), as shown in the table below.

#### Belgian HICP index, 2015=100

##### FBS weights

##### Rents from HICP

	FBS WEIGHTS	INDICES 30/06/2020	INDICES 31/12/2020	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	125.9	109.4	107.5	98.2
2 ALCOHOLIC BEVERAGES AND TOBACCO	13.9	117.8	117.1	99.4
3 CLOTHING AND FOOTWEAR	43.1	106.4	106.5	100.1
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	344.2	105.7	107.5	101.7
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	64.5	105.7	105.9	100.2
6 HEALTH	12.7	105.9	105.1	99.3
7 TRANSPORT	130.0	105.7	106.4	100.7
8 COMMUNICATIONS	19.8	107.5	107.3	99.8
9 RECREATION AND CULTURE	79.6	107.4	107.9	100.4
10 EDUCATION	26.7	125.6	126.3	100.6
11 HOTELS, CAFES AND RESTAURANTS	81.1	111.4	112.1	100.6
12 MISCELLANEOUS GOODS AND SERVICES	58.6	108.8	109.2	100.4
TOTAL WITHOUT RENTS	721.4	108.0	108.3	100.3
RENTS	278.5	107.0	108.4	101.3
<b>TOTAL</b>	<b>1000.0</b>	<b>107.7</b>	<b>108.3</b>	<b>100.6</b>

#### 4) LUXEMBOURG CPI

The following table presents the published CPI values for June 2020 and December 2020, base 2015 = 100, and the final figure in the right-hand column shows the variation for the period, +0.3% (100.3).

##### Luxembourg CPI index, 2015=100

###### CPI weights

###### Rents from CPI

	WEIGHTS from CPI 2020	INDICES 30/06/2020	WEIGHTS from CPI 2020	INDICES 31/12/2020	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	115.9	112.1	115.9	110.6	98.6
2 ALCOHOLIC BEVERAGES AND TOBACCO	32.9	108.8	32.9	109.7	100.8
3 CLOTHING AND FOOTWEAR	60.2	106.8	60.2	108.3	101.3
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	161.1	103.8	161.1	104.2	100.4
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	79.3	105.5	79.3	105.7	100.2
6 HEALTH	28.9	103.0	28.9	102.6	99.7
7 TRANSPORT	163.1	101.7	163.1	102.7	101.1
8 COMMUNICATIONS	24.2	92.0	24.2	90.9	98.8
9 RECREATION AND CULTURE	78.9	110.3	78.9	109.2	99.0
10 EDUCATION	17.0	116.1	17.0	119.5	103.0
11 HOTELS, CAFES AND RESTAURANTS	73.9	111.6	73.9	111.9	100.3
12 MISCELLANEOUS GOODS AND SERVICES	164.5	107.4	164.5	108.5	101.1
TOTAL WITHOUT RENTS	931.2	106.4	931.2	106.7	100.3
RENTS	68.8	105.8	68.8	106.2	100.4
<b>TOTAL</b>	<b>1000.0</b>	<b>106.3</b>	<b>1000.0</b>	<b>106.7</b>	<b>100.3</b>

This information is provided by the Luxembourg authorities "Institut national de la statistique et des études économiques, STATEC, unité SOC4-Prix" (National Institute for Statistics and Economic Analysis, STATEC, Unit SOC4-Prices), and reformatted by Eurostat. The weights do not include rents data for owner-occupiers.

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

Replacing with weights which include owner-occupiers gives the following variation for the period: +0.0% (100.0), as shown in the table below.

##### Luxembourg CPI index, 2015=100

###### FBS weights

###### Rents from CPI

	FBS WEIGHTS	INDICES 30/06/2020	INDICES 31/12/2020	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	125.9	111.9	110.6	98.8
2 ALCOHOLIC BEVERAGES AND TOBACCO	13.9	109.1	109.9	100.8
3 CLOTHING AND FOOTWEAR	43.1	106.7	108.2	101.5
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	344.2	104.3	104.8	100.4
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	64.5	105.2	105.3	100.1
6 HEALTH	12.7	103.0	102.6	99.7
7 TRANSPORT	130.0	102.0	101.2	99.3
8 COMMUNICATIONS	19.8	93.8	92.7	98.9
9 RECREATION AND CULTURE	79.6	107.5	106.3	98.9
10 EDUCATION	26.7	116.1	119.5	103.0
11 HOTELS, CAFES AND RESTAURANTS	81.1	112.0	112.0	100.0
12 MISCELLANEOUS GOODS AND SERVICES	58.6	107.0	108.0	100.9
TOTAL WITHOUT RENTS	721.4	106.5	106.4	99.9
RENTS	278.5	105.8	106.2	100.4
<b>TOTAL</b>	<b>1000.0</b>	<b>106.3</b>	<b>106.3</b>	<b>100.0</b>



## **APPENDIX THREE: INTRA-EU STAFF PPPS AND PENSIONER PPPS (DETAILS)**

### **1) CALCULATION OF CORRECTION COEFFICIENTS**

The correction coefficients (CC) applicable to the salaries of the European institution officials working in the capitals and places of employment other than Brussels and Luxembourg are determined on the basis of the relationships between the economic parities (PPP) and the exchange rates at a given point in time. The correction coefficient operates as a percentage adjustment to remuneration to take account of the cost of living differences between Brussels and the various duty stations.

For pensioners, a similar principle applies. The difference is that instead of being based on capital city price comparisons they relate to national comparisons, with Belgium as the base country.

The United Kingdom left the EU with effect 1 February 2020 and is now a 'third country'. The transition period introduced by the 'withdrawal agreement' expired with effect 31 December 2020. Consequently, the UK is no longer included for the calculation of correction coefficient values for active Intra-EU staff (it is included in separate intermediate report for active Extra-EU staff). By contrast, the UK continues to be included for the calculation of correction coefficient values for pensioners residing in the UK<sup>15</sup>.

### **2) STEPS TO PRODUCE PPPS FOR INTERMEDIATE UPDATE**

#### **2.A) PPPS FOR INTRA-EU STAFF**

The object of the economic parities is to compare the relative costs of living of EU officials in Brussels (reference city) with each of the European 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 in Brussels with the prices of the same goods and services in each of the other places of employment. The weighted average of all the price ratios is the overall ('global') "economic parity". The average consumption expenditure pattern of EU officials is used as weights, identified by means of periodic surveys of household expenditure. In places of employment outside Brussels with very few officials, a common structure pooling all the questionnaires from similar locations is derived instead.

The starting point is the parities for the 80 basic headings, as established for the annual update of the year in question (i.e. 1 July 2020).

For each duty station, the individual basic heading parities are then updated using the movement in official HICP between June and December, relative to the movement of the Joint Index for the same period.

Finally, the updated basic heading parities are aggregated using the same expenditure weighting structure as was used to establish the 1 July overall parity. These weights were derived from the most recently validated Family Budget Surveys conducted amongst active staff: the dates of the survey in each location are different<sup>16</sup>.

#### **2.B) PPPS FOR PENSIONERS**

In accordance with the agreed methodology, the approach to calculate PPPs for Pensioners for the intermediate update is the same as the approach to establish those for the annual update.

In this case, the parities for all basic headings, except rents, are set equal to the updated parities established for Staff. A specific adjustment is then made to rent parities to convert them from capital city price level to national average price level. The same adjustment factor is applied for the intermediate update as was applied for the July calculation.

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<sup>15</sup> Note: only relevant for pension rights acquired prior to May 2004

<sup>16</sup> Family budget surveys were conducted since 2016 in 24 duty stations, including Brussels. All have now been validated and integrated for the calculation of parities. No survey has yet been scheduled in Luxembourg. Structures for the remaining six locations (DE<sup>Berlin</sup>, DE<sup>Bonn</sup>, DE<sup>Karlsruhe</sup>, DE<sup>Munich</sup>, FR, NL) date from 2011-2014: updating family budget surveys were scheduled in 2019 and 2020 but have been postponed due to the impact on economic behaviour and on administrative capacity generated by the Covid-19 pandemic and policy responses.

The updated parities for all basic headings are then aggregated using consumption expenditure weights derived from the wide scale Family Budget Survey amongst pensioners which was last conducted in 2013.

### **3) CALCULATED VALUES AT 1 JANUARY 2021 (I.E. DECEMBER 2020)**

#### **3.A) PPPS FOR INTRA-EU STAFF**

The following **Table 3.A** presents the calculated values of the economic parities and correction coefficients for staff as at 1 January 2021 (i.e. December 2020). Exchange rates for 1 July 2020 are used, for consistency with the annual update.

Nine duty station locations have a correction coefficient higher than 100; the remaining twenty have a correction coefficient equal to or below 100. Brussels = Luxembourg = 100. The highest value is for DK-Copenhagen (129.4). The lowest value is for BG-Sofia (59.4).

#### **3.B) PPPS FOR PENSIONERS**

Similarly, the following **Table 3.B** presents the calculated values of the economic parities and correction coefficients for pensioners as at 1 January 2021 (i.e. December 2020). Exchange rates for 1 July 2020 are again used.

Seven countries have a CC greater than 100; the remaining eighteen have a coefficient equal to or below 100. Belgium = Luxembourg = 100. The highest value is for Denmark (131.4). The lowest value is for Bulgaria (56.8).

TABLE 3.A

## STAFF

			31-Dec-20		
			Final		
			PPP	Ex. Rate	CC
1	BE	Brussels	1	1	100.0
2	BG	Sofia	1.161	1.956	59.4
3	CZ	Prague	22.73	26.85	84.6
4	DK	Copenhagen	9.647	7.453	129.4
5	DE	Berlin	1.004	1	100.4
6		Bonn	0.944	1	94.4
7		Karlsruhe	0.965	1	96.5
8		Munich	1.123	1	112.3
9	EE	Tallinn	0.828	1	82.8
10	IE	Dublin	1.266	1	126.6
11	EL	Athens	0.805	1	80.5
12	ES	Madrid	0.929	1	92.9
13	FR	Paris	1.200	1	120.0
14	HR	Zagreb	5.736	7.569	75.8
15	IT	Rome	0.936	1	93.6
16		Varese	0.893	1	89.3
17	CY	Nicosia	0.778	1	77.8
18	LV	Riga	0.769	1	76.9
19	LT	Vilnius	0.760	1	76.0
20	LU	Luxembourg	1	1	100.0
21	HU	Budapest	254.7	356.3	71.5
22	MT	Valletta	0.937	1	93.7
23	NL	The Hague	1.124	1	112.4
24	AT	Vienna	1.086	1	108.6
25	PL	Warsaw	3.123	4.466	69.9
26	PT	Lisbon	0.893	1	89.3
27	RO	Bucharest	3.246	4.844	67.0
28	SI	Ljubljana	0.843	1	84.3
29	SK	Bratislava	0.801	1	80.1
30	FI	Helsinki	1.188	1	118.8
31	SE	Stockholm	13.08	10.478	124.8

TABLE 3.B

## PENSIONERS

			31-Dec-20		
			Final		
			PPP	Ex. Rate	CC
1	BE	Belgium	1	1	100.0
2	BG	Bulgaria	1.112	1.956	56.8
3	CZ	Czechia	19.11	26.85	71.2
4	DK	Denmark	9.791	7.453	131.4
5	DE	Germany	0.994	1	99.4
6	EE	Estonia	0.856	1	85.6
7	IE	Ireland	1.190	1	119.0
8	EL	Greece	0.784	1	78.4
9	ES	Spain	0.898	1	89.8
10	FR	France	1.098	1	109.8
11	HR	Croatia	5.041	7.569	66.6
12	IT	Italy	0.953	1	95.3
13	CY	Cyprus	0.808	1	80.8
14	LV	Latvia	0.717	1	71.7
15	LT	Lithuania	0.679	1	67.9
16	LU	Luxembourg	1	1	100.0
17	HU	Hungary	212.9	356.3	59.7
18	MT	Malta	0.965	1	96.5
19	NL	Netherlands	1.106	1	110.6
20	AT	Austria	1.107	1	110.7
21	PL	Poland	2.698	4.466	60.4
22	PT	Portugal	0.857	1	85.7
23	RO	Romania	2.774	4.844	57.3
24	SI	Slovenia	0.806	1	80.6
25	SK	Slovakia	0.739	1	73.9
26	FI	Finland	1.204	1	120.4
27	SE	Sweden	11.87	10.478	113.2
28	UK	United Kingdom	1.081	0.9154	118.1

#### 4) COMPARISON OF CC FOR INTRA-EU STAFF WITH CC FOR PENSIONERS

The following table compares calculated correction coefficients at 1 January 2021 (i.e. December 2020) for pensioners and Intra-EU staff. Some quite large differences are apparent for rents; the difference is smaller when rents are excluded. The variations are due to the rent price adjustment to produce pensioner PPPs and to the use of a different consumption weighting structure for pensioners.

#### INTERMEDIATE ADJUSTMENT : December 2020 pensioner CCs compared to staff CCs

Correction coefficients for pensioners				Correction coefficients for staff			
Country	without rent	rents	Total	Capital	without rent	rents	Total
<b>BE</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>Brussels</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
BG	62.3	35.0	56.8	Sofia	61.5	53.1	59.4
CZ	72.4	67.3	71.2	Prague	73.6	115.1	84.6
DK	119.9	167.7	131.4	Copenhagen	115.4	179.5	129.4
DE	94.1	118.5	99.4	Berlin	93.6	124.9	100.4
EE	79.7	108.1	85.6	Tallinn	79.8	93.6	82.8
IE	104.5	173.3	119.0	Dublin	99.9	221.3	126.6
EL	81.1	69.5	78.4	Athens	80.4	81.5	80.5
ES	85.5	107.4	89.8	Madrid	84.5	122.3	92.9
FR	103.7	131.5	109.8	Paris	102.4	186.0	120.0
HR	71.9	48.5	66.6	Zagreb	72.7	87.3	75.8
IT	93.8	99.9	95.3	Rome	90.8	103.4	93.6
CY	83.6	71.5	80.8	Nicosia	84.3	60.7	77.8
LV	75.4	61.2	71.7	Riga	75.6	81.4	76.9
LT	71.3	50.1	67.9	Vilnius	71.5	93.4	76.0
<b>LU</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>Luxembourg</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
HU	64.0	45.6	59.7	Budapest	63.1	100.2	71.5
MT	88.3	128.1	96.5	Valletta	88.2	111.0	93.7
NL	103.1	137.3	110.6	The Hague	102.7	146.1	112.4
AT	102.2	141.2	110.7	Vienna	102.1	130.8	108.6
PL	65.9	40.1	60.4	Warsaw	64.6	87.5	69.9
PT	85.4	87.6	85.7	Lisbon	81.9	118.0	89.3
RO	60.7	44.2	57.3	Bucharest	60.9	84.2	67.0
SI	82.6	73.6	80.6	Ljubljana	83.1	88.8	84.3
SK	75.8	67.2	73.9	Bratislava	75.7	91.7	80.1
FI	111.9	146.0	120.4	Helsinki	109.5	148.7	118.8
SE	111.7	117.2	113.2	Stockholm	108.7	181.3	124.8
UK	97.6	191.8	118.1	London			

## 5) CHANGES IN THE AGGREGATE PPPS

### 5.A) PPPS FOR INTRA-EU STAFF

The following **Table 5.A** shows the changes in the economic parities for staff between 1 July 2020 (i.e. June 2020) and 1 January 2021 (i.e. December 2020), and the associated implicit price index (which also takes the Joint Index into account).

The simple average change in the PPPs is -0.8%. This masks a variation between -2.1% (for PT-Lisbon and SI-Ljubljana) and +0.6% (for AT-Vienna and RO-Bucharest). The PPP change for twenty-two locations is negative, and for the remaining seven locations it is zero or positive. Brussels = Luxembourg = zero.

**No Intra-EU duty station has an implicit price index which exceeds the threshold ( $\pm 3.0\%$ ) for the six months period.**

### 5.B) PPPS FOR PENSIONERS

The following **Table 5.B** shows the changes in the economic parities for pensioners between 1 July 2020 (i.e. June 2020) and 1 January 2021 (i.e. December 2020), and the associated implicit price index (which also takes the Joint Index into account).

The simple average change in the PPPs is -0.7%. This masks a variation between -1.9% (for Slovenia) and +0.8% (for Austria). The PPP change for nineteen countries is negative, and for the remaining six countries it is zero or positive. Belgium = Luxembourg = zero.

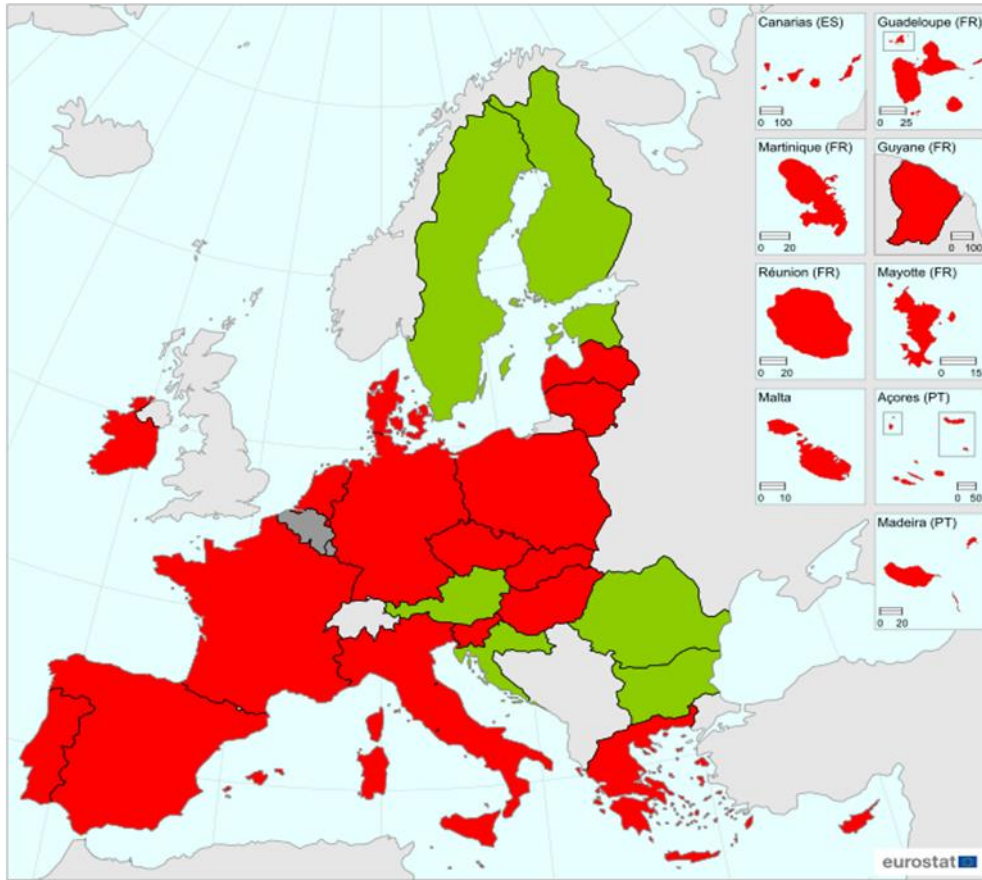
**No EU Member State has an implicit price index which exceeds the threshold ( $\pm 3.0\%$ ) for the six months.**

TABLE 5.A

## STAFF

		Final				
		01-Jul-20	31-Dec-20			
		PPP	PPP	Change	Implicit	
1	BE	Brussels	1	1	0	0.5
2	BG	Sofia	1.157	1.161	0.4	0.9
3	CZ	Prague	22.87	22.73	-0.6	-0.1
4	DK	Copenhagen	9.786	9.647	-1.4	-0.9
5	DE	Berlin	1.019	1.004	-1.5	-1.0
6		Bonn	0.958	0.944	-1.5	-1.0
7		Karlsruhe	0.980	0.965	-1.5	-1.0
8		Munich	1.139	1.123	-1.5	-1.0
9	EE	Tallinn	0.823	0.828	0.5	1.0
10	IE	Dublin	1.290	1.266	-1.9	-1.4
11	EL	Athens	0.814	0.805	-1.2	-0.7
12	ES	Madrid	0.942	0.929	-1.4	-0.9
13	FR	Paris	1.205	1.200	-0.4	0.1
14	HR	Zagreb	5.738	5.736	0.0	0.5
15	IT	Rome	0.950	0.936	-1.5	-1.0
16		Varese	0.907	0.893	-1.5	-1.0
17	CY	Nicosia	0.782	0.778	-0.5	0.0
18	LV	Riga	0.776	0.769	-0.9	-0.4
19	LT	Vilnius	0.766	0.760	-0.8	-0.3
20	LU	Luxembourg	1	1	0	0.5
21	HU	Budapest	256.2	254.7	-0.6	-0.1
22	MT	Valletta	0.947	0.937	-1.1	-0.6
23	NL	The Hague	1.139	1.124	-1.3	-0.8
24	AT	Vienna	1.079	1.086	0.6	1.2
25	PL	Warsaw	3.168	3.123	-1.4	-0.9
26	PT	Lisbon	0.911	0.893	-2.1	-1.6
27	RO	Bucharest	3.227	3.246	0.6	1.1
28	SI	Ljubljana	0.861	0.843	-2.1	-1.6
29	SK	Bratislava	0.806	0.801	-0.5	0.0
30	FI	Helsinki	1.184	1.188	0.4	0.9
31	SE	Stockholm	13.02	13.08	0.4	0.9

**Implicit Index -STAFF**  
2020m06-2020m12



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Cartography: Eurostat – IMAGE, 05/2021

**■**  $-1.6 \leq X < +0.5$   
**■**  $+0.5 \leq X \leq +1.2$

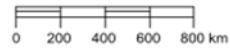


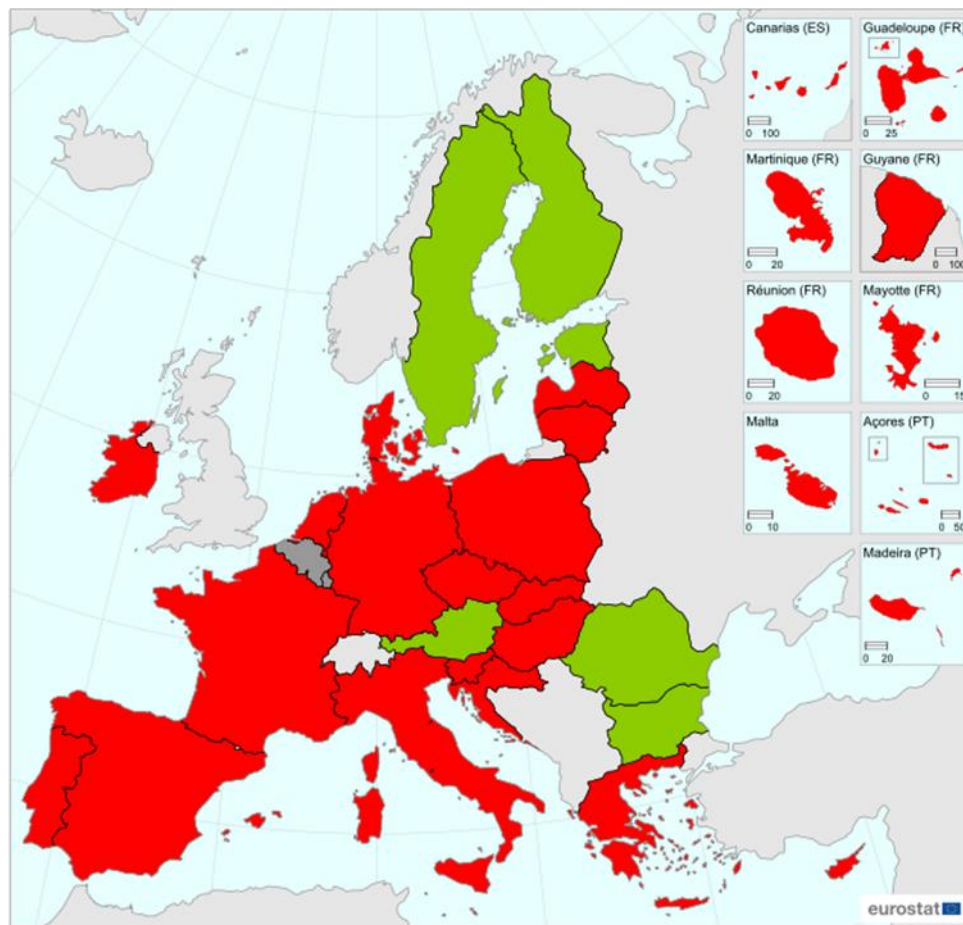


TABLE 5.B

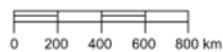
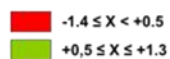
## PENSIONERS

		Final				
		01-Jul-20	31-Dec-20	Change	Implicit	
		PPP	PPP			
1	BE	Belgium	1	1	0	0.5
2	BG	Bulgaria	1.106	1.112	0.5	1.0
3	CZ	Czechia	19.27	19.11	-0.8	-0.3
4	DK	Denmark	9.895	9.791	-1.1	-0.6
5	DE	Germany	1.012	0.994	-1.8	-1.3
6	EE	Estonia	0.851	0.856	0.5	1.0
7	IE	Ireland	1.207	1.190	-1.4	-0.9
8	EL	Greece	0.791	0.784	-0.9	-0.4
9	ES	Spain	0.907	0.898	-1.0	-0.5
10	FR	France	1.103	1.098	-0.4	0.1
11	HR	Croatia	5.054	5.041	-0.3	0.2
12	IT	Italy	0.962	0.953	-0.9	-0.4
13	CY	Cyprus	0.812	0.808	-0.5	0.0
14	LV	Latvia	0.723	0.717	-0.9	-0.4
15	LT	Lithuania	0.687	0.679	-1.2	-0.7
16	LU	Luxembourg	1	1	0	0.5
17	HU	Hungary	213.6	212.9	-0.4	0.2
18	MT	Malta	0.979	0.965	-1.4	-0.9
19	NL	Netherlands	1.116	1.106	-0.9	-0.4
20	AT	Austria	1.099	1.107	0.8	1.3
21	PL	Poland	2.727	2.698	-1.1	-0.6
22	PT	Portugal	0.872	0.857	-1.7	-1.2
23	RO	Romania	2.763	2.774	0.4	0.9
24	SI	Slovenia	0.822	0.806	-1.9	-1.4
25	SK	Slovakia	0.743	0.739	-0.5	0.0
26	FI	Finland	1.203	1.204	0.1	0.6
27	SE	Sweden	11.86	11.87	0.0	0.5
28	UK	United Kingdom	1.091	1.08	-1.0	-0.5

**Implicit Index - PEN**  
2020m06-2020m12



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## 6) REASONS FOR THE CHANGES IN THE AGGREGATE PPPS

Changes in the PPPs for 1 January 2021 (i.e. December 2020), by comparison to those for 1 July 2020 (i.e. June 2020), can solely arise from indexation (local HICP relative to Joint Index). There has been no new price survey data introduced, no new expenditure weighting data and no change in methodology.

However, it is important to note that the updating is done at basic heading level, and then aggregated. The expenditure patterns of EU officials/EU pensioners (used to establish the aggregate PPPs) typically differs from the expenditure patterns of national population (used to aggregate the HICP sub-indices)<sup>17</sup>. For this reason alone, there may be a difference between the change in the overall PPP and the evolution of the all-items HICP. In this context it is also important to remember that it is the movement relative to Brussels which is important. Local prices may well have changed...but prices in Brussels may have changed too, and by a different amount.

Various private sector and public sector organisations produce their own cost of living comparisons. Methodological differences – for example in the quantity and quality of price information, in the pertinence of weightings data and the appropriateness of the calculation formulae, in the choice of reference basis, in the validation process – explain why the official statistics produced for EU purposes by Eurostat represent a 'gold standard' which may not necessarily indicate similar levels or follow similar trends to those other reported figures.

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<sup>17</sup> One important explanatory reason for this difference is expatriate status.

## APPENDIX FOUR: COMPUTING THE INTERMEDIATE UPDATE (DETAILS)

### 1) STEPS TO COMPUTE THE INTERMEDIATE UPDATE

An intermediate update of the standard salary grid applicable to all duty stations is only required where the cost of living evolution recorded in Brussels and Luxembourg is greater than the threshold (i.e. six month Joint Index exceeds  $\pm 3.0\%$ ).

For the 1 January 2021 (i.e. December 2020) exercise, there is no general intermediate update calculation.

Instead, the intermediate update has to be applied only to selected duty stations (for active staff) or selected countries (for pensioners). This is achieved by multiplying those correction coefficients established for intermediate update purposes at 1 January (i.e. December) for which the implicit index exceeds the threshold ( $\pm 3.0\%$ ), by the product of the JBLI index evolution and half of the GSI forecast (if negative).

$$\begin{aligned} CC_{\text{intermediate}} &= CC_{\text{January}} \times [ \text{JBLI}_{\text{Jun-Dec}} \times \frac{1}{2} \text{GSI (if negative)} ] \\ &= ???.? \times [ ????.? \times ( 100 - \frac{1}{2} ( 100 - ????.? ) ) ] / 100 \end{aligned}$$

Thus, for the 1 January 2021 exercise,

$$\begin{aligned} &= CC \times [ \text{JBLI} \times \frac{1}{2} \text{GSI} ] \\ &= ????.? \times [ \mathbf{100.5} \times ( 100 - \frac{1}{2} ( 100 - 99.9 ) ) ] / 100 \end{aligned}$$

However, as the implicit index for the period did not exceed the threshold for any Intra-EU duty station (for active staff) or for any EU Member State (for pensioners), no intermediate update calculation for any location is required.

Place	Calculated CC at 1-Jan-2021	Finalised CC at 1-Jan-2021	For comparison: Value in force at 1-July-2020
<b>For Intra-EU Staff</b>			
n/a	-	-	-
<b>For Pensioners</b>			
n/a	-	-	-