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Directorate C: National Accounts; prices and key indicators
Unit C.3: Statistics for administrative purposes



Eurostat Report
on the Intermediate Update of weightings (correction coefficients) applicable to the remuneration of officials, temporary staff and contract staff of the European Union serving in Extra-EU Delegations

In accordance with Article 64, Annex X and Annex XI of the Staff Regulations applicable to officials and other servants of the European Union

Reference period:
The five months between 1 February and 1 June 2017 inclusive

EXECUTIVE SUMMARY

In accordance with the Articles 64, Annex X and Annex XI of the Staff Regulations applicable to officials and other servants of the European Union, this report presents the information required for the intermediate update of the weightings (correction coefficients) applicable to the remuneration of EU officials, temporary staff and contract staff of the European Union serving in Extra-EU Delegations which is payable in local currency.

This is the eighth Intermediate Report covering Extra-EU locations which is prepared under the EU Staff Regulations as amended by Regulation 1023/2013.

The previous Annual Update, establishing values applicable with effect from July 2016, was published in the Official Journal on 14th December 2016.

The previous Intermediate Report covered the six months between August 2016 and January 2017 inclusive.

This intermediate report covers the five months period between February and June 2017 inclusive and, inter alia, it includes:

1) ccMMAAAA (MM=month, AAAA=year; for example CC022017). These five tables show the economic parity, exchange rate and weighting (correction coefficient) established for each location for the month in question;

In accordance with Article 13 of Annex X to the Staff Regulations, an intermediate update to the weightings (correction coefficients) should be made whenever the variation in the economic parity has exceeded 5% since the previously established value (July 2016 or subsequently). Tables are included showing the locations for which this is the case:

3) chgMMAAAA (MM=month, AAAA=year; for example CHG022017)

The report covers 144 Extra-EU duty stations. No value is presented for 12 locations (Afghanistan, Bosnia and Herzegovina (Banja Luka), Indonesia (Banda Aceh), Iran, Iraq, Libya, Somalia, South-Sudan, Syria, Venezuela, West Bank-Gaza Strip and Yemen) mainly due to security constraints affecting the statistical reliability of the information, or due to uncertainty regarding the volatility of the reported inflation.

At June 2017 there were twenty nine duty stations with CCs greater than 100. During the five months between February 2017 and June 2017 inclusive, CC for 3 countries (Madagascar, Nepal, Russia) have increased above 100 and CC for 7 countries (Brazil, Canada, Guatemala, Madagascar, Nepal, Papua New Guinea, Sudan) have decreased below 100.

The CC is defined as the economic parity divided by the exchange rate. CCs operate as a percentage adjustment to salaries. As salaries are first expressed in Euros, then converted to local currency using exchange rates, before being multiplied by CCs, it is clear that the exchange rate effect cancels out. If a CC

changes solely due to a change in the exchange rate (ie. there is no change in the economic parity) then local purchasing power will not be impacted.

All figures and calculations contained in this report are based on data (place-to-place price surveys and time-to-time price indices) supplied under the 2009 Memorandum of Understanding signed with the United Nations International Civil Service Commission (UN ICSC) and the International Service for Remuneration and Pensions of the Coordinated Organisations (ISRP)¹, complemented with information compiled directly by Eurostat.

The results of new UN P2P price surveys were introduced for the following 22 duty stations: Bolivia, Brazil, Central African Republic, Democratic Republic of the Congo, Ecuador, Eritrea, Guatemala, Guyana, Honduras, India, Israel, Kenya, Madagascar, Mozambique, Nicaragua, Peru, Russia, Samoa, Sierra Leone, Tanzania, Trinidad and Tobago and Zambia. A further 2 UN P2P surveys were processed but rejected (Liberia and South Sudan) due to problems with data coverage.

The redenominated exchange rate was taken into account for Belarus in the file “PMO 5 per cent Rule period February 2017 or subsequent to June 2017” regarding December 2016 previous interim update.

Updated ISRP PPPs at January were used for the following 7 duty stations: Canada, Mexico, United States (Washington), Japan, South Korea, Australia and New Zealand.

Updated ECP PPPs at January were used for the following 5 duty stations: Iceland; Norway; Switzerland (Bern, Geneva); Turkey.

Updated ECP PPPs at January were not used this time for the following 6 Balkan duty stations: Albania; Bosnia and Herzegovina (Sarajevo & Banja Luka); Former Yugoslav Republic of Macedonia; Montenegro; Serbia.

No new expenditure weights were introduced.

The detailed methodology for the calculation of Extra-EU correction coefficients is set out in a procedural manual, the latest version of which (doc.A6465/14/60rev3) was adopted by the Article 64 Working Group in April 2017, and is available for download from the Eurostat free data website:

<http://ec.europa.eu/eurostat/web/civil-servants-remuneration/correction-coefficients>

¹ The North Atlantic Treaty Organisation (NATO), Organisation for Economic Cooperation and Development (OECD), Council of Europe (CoE), European Space Agency (ESA), European Centre for Medium-range Weather Forecasts

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APPENDICES

- “CC022017” Economic parity, exchange rate, weighting (correction coefficient) for February 2017
- “CC032017” Economic parity, exchange rate, weighting (correction coefficient) for March 2017
- “CC042017” Economic parity, exchange rate, weighting (correction coefficient) for April 2017
- “CC052017” Economic parity, exchange rate, weighting (correction coefficient) for May 2017
- “CC062017” Economic parity, exchange rate, weighting (correction coefficient) for June 2017
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- “CHG022017” Variation in economic parity exceeds 5%, comparing February 2017 and previous value (July 2016 or subsequent).
- “CHG032017” Variation in economic parity exceeds 5%, comparing March 2017 and previous value (July 2016 or subsequent).
- “CHG042017” Variation in economic parity exceeds 5%, comparing April 2017 and previous value (July 2016 or subsequent).
- “CHG052017” Variation in economic parity exceeds 5%, comparing May 2017 and previous value (July 2016 or subsequent).
- “CHG062017” Variation in economic parity exceeds 5%, comparing June 2017 and previous value (July 2016 or subsequent).
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- “PMO 5 per cent Rule period February 2017 or subsequent to June 2017”
Summary table showing the time series of PPP and CC values for which 5% rule generates a change; duty stations with CC>100 are highlighted in bold.