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Accompanying document to the

**Proposal for a
COUNCIL (EC, EURATOM) REGULATION**

**adjusting with effect from 1 July 2007 the remuneration and pensions of officials and
other servants of the European Communities**

{COM(2008) 82 final}

**Eurostat Report on
annual adjustment of remuneration and pensions
Reference Period:
June 2006 – June 2007**

version 2, incorporating revised Italian data

Eurostat, Unit D5

Luxembourg, December 2007

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Executive Summary

The report presents all information required for annual adjustment of remuneration and pensions in Belgium/Luxembourg and in other places.

For the period July 2006 – July 2007 the global specific indicator (average change in real net remuneration) is **0.0%** and the Brussels International Index (cost of living for the EC officials) is 101.4.

As a consequence the adjustment of the nominal net remuneration and pension of EC officials in Belgium and Luxembourg, necessary to maintain a parallel development of purchasing power with the civil servants in the Member States is equal to **+1.4%**.

The correction coefficients, which apply to remuneration and pensions outside Belgium and Luxembourg, are given in tables 5 and 7 respectively.

Introduction

In accordance with the Articles 64, 65 and Annex XI of the Staff Regulations applicable to officials and other servants of the European Communities, Eurostat hereby presents its report for the twelve months to July 2007.

Article 64, 65 and Annex XI of the Staff Regulations, which are in force since 1 May 2004 define the method for the annual adjustment of remuneration and pension of Community officials. The annual adjustments shall accordingly be determined by the following factors:

changes in the purchasing power of salaries of national civil servants in central government (specific indicator);

changes in the cost of living in Brussels (Brussels International Index);

economic parities between Brussels and the other places of employment in the Member States (correction coefficients).

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 to 4 of this report examine respectively:

Evolution of the purchasing power of national officials in the central governments,

Changes in the cost of living in Brussels,

Adjustment of remuneration and pension in Belgium and Luxembourg, and

Adjustment of remuneration and pension outside Belgium and Luxembourg.

All figures and calculations contained in this report are based on data supplied by the responsible authorities in the Member States. More information on methodology, detailed results and statistical analysis is available in the annexes to this report. For any information concerning this report, please contact Eurostat in Luxembourg:

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1. EVOLUTION OF THE PURCHASING POWER OF NATIONAL OFFICIALS

1.1. Specific Indicator

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 Member States: Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands and the United Kingdom.

Table 1 shows the changes in the net remuneration, both in nominal and real terms, in each of the above mentioned eight Member States. Changes in the harmonized consumer price indices (inflation rates) during the period June 2006 to June 2007 have been used to transform nominal changes in the remunerations to the real ones. In order to get the global specific indicators the results per country have been weighted in proportion to their national GDP for the year 2006 measured by purchasing power parities. The global specific indicator (average change in real net remuneration) for the year 2007 is **0.0%**.

Table 1

Change in the net remuneration of central government civil servants
July 2006 - July 2007

| Country | Weight ¹ | | Nominal net specific indicator | Consumer price indices | Real net specific indicator | Effect on the total |
|--------------|---------------------|--------------|--------------------------------|------------------------|-----------------------------|---------------------|
| | EU25=100 / EU8=100 | | | | | |
| | (%) | (%) | (%) | (%) | (%) | |
| BE | 2.6 | 3.4 | 1.9 | 1.3 | 0.6 | 0.02 |
| DE | 18.9 | 24.6 | -1.8 | 2.0 | -3.7 | -0.92 |
| ES | 9.1 | 11.9 | 4.0 | 2.5 | 1.5 | 0.17 |
| FR | 14.5 | 18.9 | 1.8 | 1.3 | 0.5 | 0.09 |
| IT | 12.4 | 16.2 | 3.6 | 1.9 | 1.7 | 0.27 |
| LU | 0.3 | 0.4 | 0.9 | 2.3 | -1.4 | -0.01 |
| NL | 4.3 | 5.6 | 5.0 | 1.8 | 3.1 | 0.18 |
| UK | 14.6 | 19.0 | 3.2 | 2.4 | 0.8 | 0.15 |
| Total | 76.7 | 100.0 | 1.9 | 1.9 | 0.0 | 0.0 |

¹ Basis: GDP expressed in PPP, 2006

1.2. Control Indicator

Following Article 1.4 (c) of Annex XI of the Staff Regulations, Eurostat reports here on data concerning the real per capita emoluments in central government. These data serve as control indicators. As the control indicator is expressed in gross terms, it is compared with the gross specific indicator.

Table 2 compares the changes in real gross per capita remuneration in July 2007 with those of per capita real wage bills for 2007, where the respective values for 2006 are

taken as 100. The table also shows the differences (in percent) between these two indicators.

Table 2

**Comparison of the gross specific indicator and the control indicator in real terms
Current reference period (2006 = 100)**

| Country | Real gross specific indicator [1] | Control indicator * [2] | Difference (%) [3] |
|--------------|--------------------------------------|----------------------------|-----------------------|
| BE | 100.7 | 101.7 | 0.9 |
| DE | 95.8 | 97.6 | 1.9 |
| ES | 101.2 | 111.6 | 10.3 |
| FR | 100.0 | 98.3 | -1.7 |
| IT | 103.1 | 101.4 | -1.7 |
| LU | 100.1 | 100.0 | -0.1 |
| NL | 102.8 | 101.8 | -0.9 |
| UK | 100.8 | 102.2 | 1.4 |
| Total | 99.9 | 101.5 | 1.6 |

*Eurostat and DG-ECFIN estimates

Eurostat identifies for some Member States (e.g. Spain) relatively big differences. They result from conceptual and statistical differences between the gross specific indicator and the control indicator.

2. CHANGES IN THE COST OF LIVING IN BRUSSELS (BRUSSELS INTERNATIONAL INDEX)

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, shall take into account the changes between June of the previous year and June of the current year and shall be based on the methodology defined by the Working Group on Article 64 of the Staff Regulations.

The details of the calculation of this index corresponding to the 2007 annual salary adjustment are set out in table 3. The table shows that the cost of living for the EC officials in Brussels during the period June 2006 – June 2007 has increased, on average by 1.4%.

Table 3
Changes in the Brussels International Index (BII)
June 2006 - June 2007

| Groups of consumption | Weight | Index |
|--|---------------|--------------|
| 1. Food and non-alcoholic beverages | 129.5 | 103.4 |
| 2. Alcoholic beverages and tobacco | 21.8 | 102.9 |
| 3. Clothing and footwear | 46.7 | 100.8 |
| 4. Housing, water, electricity, gas and other fuels | 245.7 | 102.0 |
| 5. Furnishings, household equipment and maintenance of house | 85.3 | 102.0 |
| 6. Health | 18.5 | 99.5 |
| 7. Transport | 151.0 | 98.7 |
| 8. Communications | 21.5 | 96.8 |
| 9. Recreation and culture | 109.9 | 98.7 |
| 10. Education | 18.2 | 102.4 |
| 11. Hotels, cafes and restaurants | 90.8 | 102.9 |
| 12. Miscellaneous goods and services | 61.2 | 104.7 |
| Global index without rents | 804.3 | 101.0 |
| Rents index | 195.7 | 103.3 |
| Global index | 1000.0 | 101.4 |

3. ADJUSTMENT OF REMUNERATION AND PENSION IN BELGIUM AND LUXEMBOURG

Taking into account the figures reported in chapter 1 and 2 the adjustment of the nominal net remuneration of EC officials in Belgium and Luxembourg, necessary to maintain a parallel development of purchasing power with the civil servants in the Member States, is equal to:

$$\frac{101.4}{100} \times 100.0 - 100 = 1.4\%$$

4. ADJUSTMENT OF REMUNERATION AND PENSION OUTSIDE BELGIUM AND LUXEMBOURG

4.1. Correction coefficients for staff outside Belgium and Luxembourg

The object of the economic parities is to compare the relative costs of living of European institution officials in Brussels (reference city) with 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 prices of the same goods and services in each of the other places of employment. The average of all the price ratios is the "economic parity".

The changes in the cost of living in the places of employment outside Belgium and Luxembourg are measured by the implicit price indices which are calculated as the product of the Brussels International Index and the changes in the economic parities between Brussels and those other places. Table 4 shows these changes.

Table 4
Changes in the economic parities in the twelve months to 1st July 2007
(for staff)

| Country Place of employment | Parity 1.7.2006 | Parity 1.7.2007 | Change (%) | Implicit price index |
|--------------------------------|--------------------|--------------------|---------------|-------------------------|
| BE/LU Brussels/Luxembourg | 1 | 1 | 0.0% | 1.4 |
| BG Sofia | 1.2541 | 1.2865 | 2.6% | 4.0 |
| CZ Prague | 24.322 | 23.241 | -4.4% | -3.1 |
| DK Copenhagen | 10.282 | 10.376 | 0.9% | 2.3 |
| DE Berlin | 1.001 | 0.993 | -0.8% | 0.6 |
| Bonn | 0.972 | 0.983 | 1.1% | 2.5 |
| Karlsruhe | 0.958 | 0.969 | 1.1% | 2.6 |
| Munich | 1.066 | 1.066 | 0.0% | 1.4 |
| EE Tallinn | 12.439 | 12.453 | 0.1% | 1.5 |
| EL Athens | 0.933 | 0.953 | 2.1% | 3.6 |
| ES Madrid | 1.022 | 1.004 | -1.8% | -0.4 |
| FR Paris | 1.182 | 1.174 | -0.7% | 0.7 |
| IE Dublin | 1.220 | 1.218 | -0.2% | 1.2 |
| IT Rome | 1.125 | 1.106 | -1.7% | -0.3 |
| Varese | 1.003 | 0.986 | -1.7% | -0.3 |
| CY Nicosia | 0.52475 | 0.52493 | 0.0% | 1.4 |
| LV Riga | 0.53407 | 0.55232 | 3.4% | 4.9 |
| LT Vilnius | 2.6074 | 2.4635 | -5.5% | -4.2 |
| HU Budapest | 215.82 | 222.30 | 3.0% | 4.4 |
| MT Valletta | 0.38896 | 0.36425 | -6.4% | -5.0 |
| NL The Hague | 1.102 | 1.115 | 1.2% | 2.6 |
| AT Vienna | 1.065 | 1.078 | 1.2% | 2.6 |
| PL Warsaw | 3.1267 | 3.0522 | -2.4% | -1.0 |
| PT Lisbon | 0.919 | 0.922 | 0.3% | 1.7 |
| RO Bucharest | 2.3218 | 2.4155 | 4.0% | 5.5 |
| SI Ljubljana | 0.868 | 0.883 | 1.6% | 3.1 |
| SK Bratislava | 33.755 | 27.497 | -18.5% | -17.4 |
| FI Helsinki | 1.166 | 1.178 | 1.0% | 2.4 |
| SE Stockholm | 10.612 | 10.808 | 1.8% | 3.3 |
| UK London | 0.96324 | 0.96180 | -0.1% | 1.2 |
| Culham | 0.78918 | 0.77926 | -1.3% | 0.1 |

Note: Slovenia joined Eurozone on 1 January 2007; value for 2006 converted using fixed exchange rate.

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 are determined on the basis of the relationships between the economic parities and the exchange rates for the month of July.

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. Table 5 shows the calculation of the correction coefficients for July 2007 for places of employment situated in the European Union territory for which correction coefficients have been set.

The value of the adjustment outside Belgium and Luxembourg derives from the value of the adjustment for Belgium/Luxembourg and from the changes in the economic parities between Brussels and those other places.

Table 5
Calculation of correction coefficients at 1st July 2007
(for staff)

| Country Place of employment | Parity [1] | Exchange rate [2] | Correction coefficient 100 * [1] / [2] |
|--------------------------------|---------------|----------------------|--|
| BE/LU Brussels/Luxembourg | 1 | 1 | 100.0 |
| BG Sofia | 1.2865 | 1.9558 | 65.8 |
| CZ Prague | 23.241 | 28.633 | 81.2 |
| DK Copenhagen | 10.376 | 7.4425 | 139.4 |
| DE Berlin | 0.993 | 1 | 99.3 |
| Bonn | 0.983 | 1 | 98.3 |
| Karlsruhe | 0.969 | 1 | 96.9 |
| Munich | 1.066 | 1 | 106.6 |
| EE Tallinn | 12.453 | 15.6466 | 79.6 |
| EL Athens | 0.953 | 1 | 95.3 |
| ES Madrid | 1.004 | 1 | 100.4 |
| FR Paris | 1.174 | 1 | 117.4 |
| IE Dublin | 1.218 | 1 | 121.8 |
| IT Rome | 1.106 | 1 | 110.6 |
| Varese | 0.986 | 1 | 98.6 |
| CY Nicosia | 0.52493 | 0.58370 | 89.9 |
| LV Riga | 0.55232 | 0.6962 | 79.3 |
| LT Vilnius | 2.4635 | 3.4528 | 71.3 |
| HU Budapest | 222.30 | 247.44 | 89.8 |
| MT Valletta | 0.36425 | 0.42930 | 84.8 |
| NL The Hague | 1.115 | 1 | 111.5 |
| AT Vienna | 1.078 | 1 | 107.8 |
| PL Warsaw | 3.0522 | 3.7820 | 80.7 |
| PT Lisbon | 0.922 | 1 | 92.2 |
| RO Bucharest | 2.4155 | 3.1666 | 76.3 |
| SI Ljubljana | 0.883 | 1.000 | 88.3 |
| SK Bratislava | 27.497 | 33.8320 | 81.3 |
| FI Helsinki | 1.178 | 1 | 117.8 |
| SE Stockholm | 10.808 | 9.2415 | 117.0 |
| UK London | 0.96180 | 0.67215 | 143.1 |
| Culham | 0.77926 | 0.67215 | 115.9 |

4.2. Correction coefficients for pensioners outside Belgium and Luxembourg

The Staff Regulations, which are in force since 1 May 2004 stipulate the creation of correction coefficients for pensioners separate from those used for staff

remuneration. The difference is that instead of being based on capital city price comparisons they relate to national comparisons, with Belgium as the base country.

This section presents the calculated values of the economic parities and the correction coefficients for pensioners, with a reference date of July 1, 2007. The changes in the cost of living in Member States other than Belgium and Luxembourg are measured by the implicit indices which are calculated as the product of the Brussels International Index and the changes in the economic parities between Belgium and the Member States. Table 6 shows these changes.

Table 6
Changes in the economic parities in the twelve months to 1st July 2007
(for pensioners)

| Country | Parity 1.7.2006 | Parity 1.7.2007 | Change (%) | Implicit price index |
|---------|--------------------|--------------------|---------------|-------------------------|
| BE/LU | 1 | 1 | 0.0% | 1.4 |
| BG | 1.1842 | 1.1348 | -4.2% | -2.8 |
| CZ | 22.514 | 21.376 | -5.1% | -3.7 |
| DK | 9.872 | 10.071 | 2.0% | 3.4 |
| DE | 1.017 | 0.997 | -2.0% | -0.6 |
| EE | 12.608 | 12.152 | -3.6% | -2.3 |
| EL | 0.917 | 0.933 | 1.7% | 3.2 |
| ES | 0.975 | 0.964 | -1.1% | 0.2 |
| FR | 1.069 | 1.073 | 0.4% | 1.8 |
| IE | 1.149 | 1.180 | 2.7% | 4.1 |
| IT | 1.079 | 1.071 | -0.7% | 0.6 |
| CY | 0.54595 | 0.53675 | -1.7% | -0.3 |
| LV | 0.52226 | 0.52323 | 0.2% | 1.6 |
| LT | 2.5421 | 2.3426 | -7.8% | -6.6 |
| HU | 182.53 | 192.14 | 5.3% | 6.7 |
| MT | 0.39497 | 0.37357 | -5.4% | -4.1 |
| NL | 1.013 | 1.030 | 1.7% | 3.1 |
| AT | 1.061 | 1.072 | 1.0% | 2.4 |
| PL | 2.8889 | 2.7621 | -4.4% | -3.1 |
| PT | 0.898 | 0.906 | 0.9% | 2.3 |
| RO | 2.0779 | 2.2327 | 7.4% | 8.9 |
| SI | 0.840 | 0.841 | 0.1% | 1.5 |
| SK | 30.118 | 25.315 | -15.9% | -14.8 |
| FI | 1.123 | 1.146 | 2.0% | 3.5 |
| SE | 10.168 | 10.509 | 3.4% | 4.8 |
| UK | 0.79903 | 0.80494 | 0.7% | 2.1 |

Note: Slovenia joined Eurozone on 1 January 2007; value for 2006 converted using fixed exchange rate.

Table 7 shows the correction coefficients for all member States (relative to Belgium) calculated for the pensioners. However, due to specific rules governing the transition phase, these values will not immediately be applied to pensions. The coefficients applied will instead be a weighted average of those calculated for staff and for pensioners.

Table 7
Calculation of correction coefficients at 1st July 2007
(for pensioners)

| Country | Parity [1] | Exchange rate [2] | Correction coefficient 100 * [1] / [2] |
|---------|---------------|----------------------|--|
| BE/LU | 1 | 1 | 100.0 |
| BG | 1.1348 | 1.9558 | 58.0 |
| CZ | 21.376 | 28.633 | 74.7 |
| DK | 10.071 | 7.4425 | 135.3 |
| DE | 0.997 | 1 | 99.7 |
| EE | 12.152 | 15.6466 | 77.7 |
| EL | 0.933 | 1 | 93.3 |
| ES | 0.964 | 1 | 96.4 |
| FR | 1.073 | 1 | 107.3 |
| IE | 1.180 | 1 | 118.0 |
| IT | 1.071 | 1 | 107.1 |
| CY | 0.53675 | 0.58370 | 92.0 |
| LV | 0.52323 | 0.6962 | 75.2 |
| LT | 2.3426 | 3.4528 | 67.8 |
| HU | 192.14 | 247.44 | 77.7 |
| MT | 0.37357 | 0.4293 | 87.0 |
| NL | 1.030 | 1 | 103.0 |
| AT | 1.072 | 1 | 107.2 |
| PL | 2.7621 | 3.7820 | 73.0 |
| PT | 0.906 | 1 | 90.6 |
| RO | 2.2327 | 3.1666 | 70.5 |
| SI | 0.841 | 1.000 | 84.1 |
| SK | 25.315 | 33.8320 | 74.8 |
| FI | 1.146 | 1 | 114.6 |
| SE | 10.509 | 9.2415 | 113.7 |
| UK | 0.80494 | 0.6722 | 119.8 |

ANNEX

Annex 1 to the Eurostat Report on
Annual Adjustment of

Remuneration and Pensions

Explanations and statistical analyses

Reference period:

Year to 1 July 2007

Introduction

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

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

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

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

the changes in the purchasing power of salaries of central government civil servants in the eight Member States belonging to the sample: Belgium, Germany, Spain, France, Italy, Luxembourg, Netherlands and United Kingdom (specific indicator);

the changes in the cost of living for Brussels;

the economic parities and correction coefficients for staff;

the economic parities and correction coefficients for pensioners.

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

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

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5. EVOLUTION OF PURCHASING POWER OF NATIONAL OFFICIALS

5.1. General remarks on the calculation of the specific indicator

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

One of the basic elements of the annual salary adjustment procedure is the principle of **parallel development** of the salaries, in terms of purchasing power of national central government civil servants and of officials of the European Communities. The **specific indicator** is the methodological tool allowing the implementation of this principle of parallelism.

Article 65 and Annex XI determine the basic principles of the method, but these have to be filled with practical procedures. Therefore, we provide here a set of commonly agreed basic definitions. If a specific situation in a given country makes it meaningful to deviate from these definitions to ensure a better application of the spirit of the method, then Eurostat, in agreement with that country may do so.

5.1.1. *Elements of remuneration*

All elements of remuneration that affect the purchasing power of civil servants should be taken into account in calculating the gross remuneration. All general bonuses and premiums, which are part of the salary, should be reported. In general the following elements should be taken into account:

basic salaries,

all allowances and bonuses (e.g. general premiums, child benefit, family allowances),

non-pensionable lump-sum payments (e.g. annual holiday pay, Christmas bonus).

Not to be included:

regional allowances granted to compensate for 'cost-of-living' differences,

increase due to promotion or seniority,

person-specific special allowances, for example, for exceptional performance.

5.1.2. *Net remuneration*

In order to get 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.).

5.1.3. Reference period

In order to calculate the specific indicators for the year (t) the remuneration of central government civil servants on a fixed date of the year (t-1) is to be compared with the remuneration on the same date of the year (t).

The method is based on the comparison of a snapshot of a national remuneration system in the month of July of the current year with the equivalent snapshot in the month of July of the previous year. A snapshot of the system, however, does not simply mean the remuneration grid in a particular month; rather, the remuneration level of the reference population employees in that month, including 1/12 of all annually paid elements such as Christmas bonuses, annual holiday pay, lump-sum payments etc.

If Member States report remuneration data of a given month/year again (e.g. data concerning remuneration of July 2006 sent in 2006 and again in 2007), the data should be exactly the same. If not, they have to provide Eurostat with a clear justification (e.g. change in the structure of grades and categories in the public administration).

5.1.4. Reference population

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

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

The reference population should however exclude the following groups:

the armed forces, security forces, police forces, frontier guards, etc.;

teachers, staff of national health services;

ministers of religion, if directly paid by central government;

diplomats and magistrates.

5.1.5. Sample of family types

The specific indicator for each country is calculated on the basis of remuneration data of officials of two different family statuses - **single** and **married with two dependent children**, and each with a weight of 50%.

5.1.6. Function groups

According to Annex XI Eurostat is obliged to provide a specific indicator for each of the two function group: Administrator (AD) and Assistants (AST). Therefore, the posts in the national

reference population should be classified, according to the nature of the duties to which they relate, in these two function groups – each should comprise several grades.

Function group **AD** relates to staff engaged in administrative, advisory, linguistic and scientific duties that require university education or equivalent professional experience.

Function group **AST** relates to staff engaged in executive, technical and clerical duties that require an advanced level of secondary education or equivalent professional experience.

5.1.7. Sample of grades

Out of the reference population the Member States may select a sample of the more important grades in terms of staff numbers for each of the above mentioned function groups. Grades having only a small proportion of the total number of staff may not be taken into the sample.

The sample should be representative of the reference population. The ratio between the number of staff in the grades covered by the sample and the number in the reference population should normally be more than 75%.

5.1.8. Sample of countries

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

5.1.9. Calculation of country specific indicator

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

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 weighted average of the remunerations of these two groups, where the total number of civil servants in each of the groups is taken as weights.

For each of the function groups as well as for the overall remunerations the following changes for the period July – July are calculated:

Gross nominal

Net nominal

Gross real

Net real

The increases in real terms are calculated by taking into account the increase in the harmonized index of consumer price (HICP) for this period.

The overall real net increase in remuneration is called the **country specific indicator**.

5.2. Specific indicator - results by functional groups

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

Table 1.1

Nominal and real changes in the remuneration of national civil servants in the twelve-month period to 1st July 2007 (1.7.2006 = 100)

| Country | | Nominal change | | | Real change | | |
|---------|-------|----------------|-------|-------|-------------|-------|-------|
| | | AD | AST | Total | AD | AST | Total |
| BE | Gross | 102.0 | 102.0 | 102.0 | 100.7 | 100.7 | 100.7 |
| | Net | 101.9 | 101.9 | 101.9 | 100.6 | 100.6 | 100.6 |
| DE | Gross | 97.7 | 97.8 | 97.7 | 95.8 | 95.9 | 95.8 |
| | Net | 98.1 | 98.2 | 98.2 | 96.2 | 96.3 | 96.3 |
| ES | Gross | 103.7 | 103.8 | 103.7 | 101.2 | 101.3 | 101.2 |
| | Net | 103.9 | 104.0 | 104.0 | 101.4 | 101.5 | 101.5 |
| FR | Gross | 101.7 | 101.1 | 101.3 | 100.4 | 99.8 | 100.0 |
| | Net | 102.2 | 101.6 | 101.8 | 100.9 | 100.3 | 100.5 |
| IT | Gross | 104.5 | 105.5 | 105.1 | 102.6 | 103.5 | 103.1 |
| | Net | 103.1 | 103.8 | 103.6 | 101.2 | 101.9 | 101.7 |
| LU | Gross | 102.4 | 102.4 | 102.4 | 100.1 | 100.1 | 100.1 |
| | Net | 100.7 | 101.0 | 100.9 | 98.4 | 98.7 | 98.6 |
| NL | Gross | 104.0 | 105.2 | 104.7 | 102.2 | 103.3 | 102.8 |
| | Net | 104.6 | 105.3 | 105.0 | 102.8 | 103.4 | 103.1 |
| UK | Gross | 103.3 | 103.2 | 103.2 | 100.9 | 100.8 | 100.8 |
| | Net | 103.3 | 103.2 | 103.2 | 100.9 | 100.8 | 100.8 |
| Total | Gross | 101.9 | 102.0 | 101.9 | 99.9 | 100.0 | 99.9 |
| | Net | 101.9 | 101.9 | 101.9 | 99.9 | 100.0 | 100.0 |

5.3. Remuneration and taxes

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

Table 1.2

Changes in the nominal gross and nominal net specific indicators in relation to the rate of inflation for the twelve-month period to 1st July 2007

| Country | Gross remuneration | Net remuneration | 12 Months HICP |
|--------------|--------------------|------------------|----------------|
| BE | 102.0 | 101.9 | 101.3 |
| DE | 97.7 | 98.2 | 102.0 |
| ES | 103.7 | 104.0 | 102.5 |
| FR | 101.3 | 101.8 | 101.3 |
| IT | 105.1 | 103.6 | 101.9 |
| LU | 102.4 | 100.9 | 102.3 |
| NL | 104.7 | 105.0 | 101.8 |
| UK | 103.2 | 103.2 | 102.4 |
| Total | 101.9 | 101.9 | 101.9 |

5.4. Cumulative specific indicators

Table 1.3 illustrates the changes in the remuneration of central government civil servants since 2000. This table shows the evolution of gross and net specific indicators at current prices, the development in consumer price indices as well as gross and net specific indicators in real terms. Over the period 2000-2007 the real net specific indicator for the European Union has increased by **2.4%**.

Table 1.3

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

| Country | Nominal gross specific indicator | Nominal net specific indicator | Consumer price indices* | Real gross specific indicator | Real net specific indicator |
|--------------|----------------------------------|--------------------------------|-------------------------|-------------------------------|-----------------------------|
| BE | 120.5 | 122.1 | 115.1 | 104.7 | 106.2 |
| DE | 103.8 | 108.6 | 113.1 | 91.7 | 96.1 |
| ES | 122.7 | 121.6 | 126.0 | 97.4 | 96.5 |
| FR | 123.3 | 118.9 | 114.0 | 108.2 | 104.3 |
| IT | 123.4 | 124.0 | 117.8 | 104.6 | 105.3 |
| LU | 125.3 | 128.9 | 119.9 | 104.6 | 107.6 |
| NL | 111.7 | 121.9 | 117.6 | 95.0 | 103.5 |
| UK | 126.0 | 125.0 | 116.8 | 108.0 | 107.1 |
| Total | 118.3 | 119.3 | | 101.6 | 102.4 |

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

5.5. Control Indicators

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

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

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

Eurostat identifies differences between the two indicators during the reference period, therefore puts a greater emphasis on the medium-term trend analysis. For some Member States there are in fact divergences. However, if the conceptual and statistical differences between the gross specific indicator and in the control indicator are netted out, they show a parallel development. Table 1.4 presents the changes in these two indicators for the period 2000-2007.

More detailed tables on several control indicators are presented in Annex 2.

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

| Country | Real gross specific indicator [1] | Control indicator * [2] | Difference (%) [3] |
|--------------|--------------------------------------|----------------------------|-----------------------|
| BE | 104.7 | 110.0 | 5.0 |
| DE | 91.7 | 98.1 | 6.9 |
| ES | 97.4 | 121.6 | 24.9 |
| FR | 108.2 | 102.7 | -5.1 |
| IT | 104.6 | 107.0 | 2.2 |
| LU | 104.6 | 97.9 | -6.4 |
| NL | 95.0 | 112.6 | 18.6 |
| UK | 108.0 | 115.4 | 6.9 |
| Total | 101.6 | 106.9 | 5.2 |

*Eurostat and DG-ECFIN estimates

6. CHANGES IN THE COST OF LIVING IN BRUSSELS

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

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

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

1) For all 80 basic headings except for those stated in points 2) and 3) the Belgian harmonised indices of consumer prices (HICP).

2) In order to take account of the specific situation in Brussels, for the following 9 basic headings the Brussels specific consumer price indices are used. These indices are provided by the “*Service public federal Economie, P.M.E.*”

Water supply

Electricity

Gas

Other services in respect of personal transport equipment

Passenger transport by road

Combined passenger transport

Restaurants, cafes and the like

Accommodation services

Hairdressing salons and personal grooming establishments

3) The basic headings figures for accommodation costs for tenants (rents index) and owner-occupiers (imputed rents index) are replaced in the Brussels International Index by an index calculated by Eurostat based on the results of an annual survey carried out among EC staff employed in Brussels.

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

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

Table 2.1
Brussels Cost-of-living index

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

*Till 2003: Weighted index, composed of Joint Index and Brussels Index

2004 - : Brussels International Index (BII)

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

7.1. Economic parities and correction coefficients

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

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

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

For the 2007 annual review, new parities obtained from price surveys have been integrated for the following groups:

Consumer services (Spring survey 2005);

Furniture & Healthcare (Autumn survey 2005).

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. New consumption weights have been introduced this year for Brussels and The Hague.

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

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

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

7.2. Rents and rent parities

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

Table 3.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2007
(for staff)

| Expenditure Groups | BE | BG-Sofia | | CZ-Prague | | DK-Copenhagen | | DE-Berlin | | DE-Bonn | | DE-Karlsruhe | |
|---------------------|--------|----------|---------|-----------|--------|---------------|--------|-----------|--------|---------|--------|--------------|--------|
| | Weight | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity |
| 1 | 129.5 | 125.6 | 1.20481 | 128.4 | 18.402 | 54.2 | 9.249 | 104.6 | 0.923 | 104.6 | 0.966 | 104.6 | 1.000 |
| 2 | 21.8 | 37.9 | 1.43914 | 25.9 | 23.775 | 12.6 | 9.480 | 23.2 | 0.961 | 23.2 | 0.929 | 23.2 | 0.913 |
| 3 | 46.7 | 46.9 | 0.98589 | 73.6 | 22.687 | 50.1 | 7.492 | 49.1 | 0.940 | 49.1 | 0.914 | 49.1 | 0.916 |
| 4 | 245.7 | 228.9 | 1.32552 | 273.7 | 32.072 | 335.8 | 11.718 | 248.8 | 0.985 | 248.8 | 0.904 | 248.8 | 0.866 |
| 5 | 85.3 | 97.6 | 0.98602 | 110.8 | 20.879 | 67.4 | 9.047 | 89.6 | 0.910 | 89.6 | 0.944 | 89.6 | 0.900 |
| 6 | 18.5 | 3.2 | 1.07889 | 4.0 | 18.218 | 11.3 | 8.320 | 15.4 | 1.087 | 15.4 | 1.109 | 15.4 | 1.095 |
| 7 | 151.0 | 163.2 | 1.74579 | 129.3 | 23.819 | 181.2 | 12.001 | 180.9 | 1.108 | 180.9 | 1.123 | 180.9 | 1.118 |
| 8 | 21.5 | 41.9 | 2.13193 | 18.9 | 33.377 | 25.3 | 6.073 | 21.0 | 0.968 | 21.0 | 0.930 | 21.0 | 1.017 |
| 9 | 109.9 | 117.8 | 1.43306 | 87.0 | 24.288 | 116.4 | 10.304 | 134.8 | 1.063 | 134.8 | 1.065 | 134.8 | 1.020 |
| 10 | 18.2 | 0.0 | - | 0.0 | - | 32.6 | 9.783 | 13.7 | 1.557 | 13.7 | 1.557 | 13.7 | 1.557 |
| 11 | 90.8 | 74.1 | 0.85813 | 79.0 | 15.492 | 43.0 | 11.241 | 77.9 | 0.893 | 77.9 | 0.922 | 77.9 | 0.913 |
| 12 | 61.2 | 63.0 | 1.25155 | 69.2 | 19.454 | 70.1 | 9.520 | 41.0 | 0.914 | 41.0 | 0.920 | 41.0 | 0.947 |
| Rents | 195.7 | 190.1 | 1.51682 | 253.5 | 34.187 | 246.7 | 11.824 | 198.0 | 0.951 | 198.0 | 0.853 | 198.0 | 0.805 |
| Total without rents | 804.3 | 809.9 | 1.24085 | 746.4 | 20.861 | 753.3 | 10.000 | 802.0 | 1.004 | 802.0 | 1.017 | 802.0 | 1.013 |
| Global parity | 1000.0 | 1000.0 | 1.28651 | 999.9 | 23.241 | 1000.0 | 10.376 | 1000.0 | 0.993 | 1000.0 | 0.983 | 1000.0 | 0.969 |

| Expenditure Groups | BE | DE-Munich | | EE-Tallinn | | EL-Athens | | ES-Madrid | | FR-Paris | | IE-Dublin | |
|---------------------|--------|-----------|--------|------------|--------|-----------|--------|-----------|--------|----------|--------|-----------|--------|
| | Weight | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity |
| 1 | 129.5 | 104.6 | 1.028 | 135.2 | 11.536 | 62.0 | 0.890 | 120.2 | 0.900 | 98.6 | 0.989 | 85.1 | 1.075 |
| 2 | 21.8 | 23.2 | 0.913 | 27.3 | 12.989 | 17.0 | 1.045 | 24.1 | 0.787 | 20.7 | 0.985 | 19.7 | 1.668 |
| 3 | 46.7 | 49.1 | 0.924 | 77.5 | 13.733 | 88.3 | 0.948 | 71.4 | 0.932 | 50.8 | 0.928 | 55.5 | 0.876 |
| 4 | 245.7 | 248.8 | 1.161 | 225.4 | 14.511 | 261.6 | 0.969 | 248.9 | 1.223 | 285.0 | 1.640 | 223.8 | 1.557 |
| 5 | 85.3 | 89.6 | 0.920 | 116.7 | 10.428 | 89.2 | 0.924 | 107.1 | 0.963 | 89.2 | 1.045 | 95.6 | 0.991 |
| 6 | 18.5 | 15.4 | 1.092 | 4.2 | 11.720 | 17.0 | 0.804 | 14.4 | 0.757 | 14.1 | 1.002 | 21.3 | 1.192 |
| 7 | 151.0 | 180.9 | 1.125 | 146.7 | 12.577 | 158.2 | 0.999 | 144.2 | 1.004 | 153.1 | 1.058 | 165.5 | 1.195 |
| 8 | 21.5 | 21.0 | 0.980 | 19.9 | 11.009 | 37.0 | 1.025 | 19.0 | 1.023 | 20.4 | 0.992 | 14.6 | 1.114 |
| 9 | 109.9 | 134.8 | 1.067 | 91.2 | 14.146 | 97.3 | 1.039 | 92.3 | 0.998 | 118.7 | 1.078 | 135.1 | 1.168 |
| 10 | 18.2 | 13.7 | 1.557 | 0.0 | - | 20.2 | 0.621 | 14.1 | 0.746 | 14.6 | 0.936 | 48.4 | 1.146 |
| 11 | 90.8 | 77.9 | 1.024 | 83.2 | 10.127 | 66.2 | 0.966 | 76.2 | 0.918 | 71.7 | 1.066 | 63.8 | 1.259 |
| 12 | 61.2 | 41.0 | 0.989 | 72.8 | 11.751 | 86.0 | 0.875 | 68.1 | 0.927 | 63.1 | 1.114 | 71.6 | 1.124 |
| Rents | 195.7 | 198.0 | 1.198 | 207.0 | 15.632 | 222.0 | 1.077 | 205.7 | 1.397 | 232.5 | 1.876 | 185.3 | 1.672 |
| Total without rents | 804.3 | 802.0 | 1.037 | 793.0 | 11.776 | 778.0 | 0.923 | 794.3 | 0.926 | 767.5 | 1.032 | 814.7 | 1.131 |
| Global parity | 1000.0 | 1000.0 | 1.066 | 1000.0 | 12.453 | 1000.0 | 0.953 | 1000.0 | 1.004 | 1000.0 | 1.174 | 1000.0 | 1.218 |

Table 3.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2007
(for staff)

| Expenditure Groups | BE | IT-Rome | | IT-Varese | | CY-Nicosia | | LV-Riga | | LT-Vilnius | | HU-Budapest | |
|---------------------|--------|---------|--------|-----------|--------|------------|---------|---------|---------|------------|--------|-------------|--------|
| | Weight | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity |
| 1 | 129.5 | 105.8 | 1.010 | 105.8 | 1.042 | 139.9 | 0.61843 | 130.7 | 0.52325 | 131.2 | 2.2731 | 122.7 | 195.73 |
| 2 | 21.8 | 23.1 | 1.032 | 22.5 | 1.027 | 28.2 | 0.75077 | 26.4 | 0.56049 | 26.5 | 2.8512 | 24.8 | 233.06 |
| 3 | 46.7 | 64.6 | 1.004 | 63.3 | 1.008 | 80.1 | 0.46985 | 74.9 | 0.53260 | 75.1 | 2.1367 | 70.3 | 185.80 |
| 4 | 245.7 | 210.4 | 1.434 | 191.5 | 0.836 | 197.0 | 0.37678 | 251.1 | 0.69922 | 249.1 | 3.1742 | 298.3 | 313.01 |
| 5 | 85.3 | 108.5 | 1.030 | 113.4 | 1.075 | 120.7 | 0.51178 | 112.8 | 0.46454 | 113.2 | 2.0720 | 105.9 | 162.11 |
| 6 | 18.5 | 9.9 | 1.223 | 16.9 | 1.221 | 4.4 | 0.56211 | 4.1 | 0.48419 | 4.1 | 2.3144 | 3.8 | 197.73 |
| 7 | 151.0 | 156.2 | 1.065 | 171.3 | 1.048 | 151.8 | 0.65261 | 141.9 | 0.52824 | 142.3 | 2.5187 | 133.2 | 229.34 |
| 8 | 21.5 | 20.3 | 0.816 | 21.2 | 0.816 | 20.6 | 0.26800 | 19.3 | 0.55295 | 19.3 | 1.7679 | 18.1 | 202.95 |
| 9 | 109.9 | 127.4 | 1.035 | 135.5 | 1.065 | 95.7 | 0.61476 | 88.0 | 0.56724 | 87.8 | 2.5091 | 81.5 | 214.04 |
| 10 | 18.2 | 19.5 | 0.988 | 13.8 | 0.988 | 0.0 | - | 0.0 | - | 0.0 | - | 0.0 | - |
| 11 | 90.8 | 72.0 | 0.962 | 60.6 | 0.997 | 86.1 | 0.61976 | 80.4 | 0.45838 | 80.7 | 1.8644 | 75.5 | 190.45 |
| 12 | 61.2 | 82.3 | 0.999 | 84.2 | 0.975 | 75.4 | 0.49549 | 70.4 | 0.50373 | 70.7 | 2.5832 | 66.1 | 174.68 |
| Rents | 195.7 | 164.5 | 1.660 | 130.9 | 0.827 | 157.1 | 0.36224 | 232.4 | 0.78627 | 226.0 | 3.4687 | 273.7 | 343.32 |
| Total without rents | 804.3 | 835.5 | 1.009 | 869.1 | 1.020 | 842.9 | 0.56623 | 767.6 | 0.50354 | 774.0 | 2.2567 | 726.3 | 195.14 |
| Global parity | 1000.0 | 1000.0 | 1.106 | 1000.0 | 0.986 | 1000.0 | 0.52493 | 1000.0 | 0.55232 | 1000.0 | 2.4635 | 1000.0 | 222.30 |

| Expenditure Groups | BE | MT-Valletta | | NL-The Hague | | AT-Vienna | | PL-Warsaw | | PT-Lisbon | | RO-Bucharest | |
|---------------------|--------|-------------|--------|--------------|--------|-----------|--------|-----------|--------|-----------|--------|--------------|--------|
| | Weight | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity |
| 1 | 129.5 | 128.6 | 0.340 | 101.5 | 0.879 | 116.0 | 0.994 | 131.8 | 2.4042 | 95.8 | 0.841 | 120.6 | 2.1796 |
| 2 | 21.8 | 38.7 | 0.539 | 18.1 | 0.998 | 23.2 | 0.937 | 26.6 | 3.4038 | 26.0 | 0.951 | 24.3 | 2.1806 |
| 3 | 46.7 | 48.0 | 0.368 | 45.7 | 0.862 | 68.9 | 1.018 | 75.5 | 2.2462 | 60.8 | 0.698 | 69.1 | 1.5420 |
| 4 | 245.7 | 220.5 | 0.279 | 254.2 | 1.487 | 275.5 | 1.242 | 249.5 | 3.9482 | 217.2 | 0.909 | 310.1 | 3.2271 |
| 5 | 85.3 | 99.9 | 0.343 | 95.6 | 0.949 | 103.4 | 0.968 | 113.8 | 2.7888 | 111.0 | 0.846 | 104.0 | 1.9387 |
| 6 | 18.5 | 3.3 | 0.398 | 8.6 | 1.074 | 13.9 | 1.028 | 4.1 | 2.2477 | 17.3 | 0.955 | 3.8 | 1.9461 |
| 7 | 151.0 | 159.3 | 0.517 | 165.7 | 1.208 | 139.1 | 1.100 | 138.0 | 3.2604 | 163.9 | 1.186 | 130.8 | 2.5285 |
| 8 | 21.5 | 42.9 | 0.482 | 19.7 | 0.904 | 18.3 | 0.981 | 19.4 | 3.4905 | 25.8 | 0.956 | 17.8 | 2.4571 |
| 9 | 109.9 | 118.4 | 0.419 | 120.3 | 1.029 | 89.0 | 1.049 | 89.1 | 3.2136 | 108.1 | 0.991 | 80.4 | 2.6436 |
| 10 | 18.2 | 0.0 | - | 28.2 | 0.922 | 13.6 | 1.025 | 0.0 | - | 30.5 | 0.943 | 0.0 | - |
| 11 | 90.8 | 75.8 | 0.326 | 86.6 | 1.032 | 73.5 | 1.002 | 81.1 | 2.6004 | 77.5 | 0.804 | 74.2 | 1.7977 |
| 12 | 61.2 | 64.4 | 0.355 | 55.8 | 1.039 | 65.7 | 1.068 | 71.0 | 2.8910 | 66.1 | 0.913 | 64.9 | 2.4191 |
| Rents | 195.7 | 180.9 | 0.286 | 193.5 | 1.580 | 233.9 | 1.276 | 226.1 | 4.2711 | 186.1 | 0.936 | 286.1 | 3.5372 |
| Total without rents | 804.3 | 819.1 | 0.385 | 806.5 | 1.024 | 766.1 | 1.030 | 773.9 | 2.7972 | 813.9 | 0.919 | 713.9 | 2.1632 |
| Global parity | 1000.0 | 1000.0 | 0.364 | 1000.0 | 1.115 | 1000.0 | 1.078 | 1000.0 | 3.0522 | 1000.0 | 0.922 | 1000.0 | 2.4155 |

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2007
(for staff)

| Expenditure Groups | BE | SI-Ljubljana | | SK-Bratislava | | FI-Helsinki | | SE-Stockholm | | UK-London | | UK-Culham | |
|---------------------|--------|--------------|--------|---------------|--------|-------------|--------|--------------|--------|-----------|---------|-----------|---------|
| | Weight | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity |
| 1 | 129.5 | 125.9 | 0.8388 | 121.1 | 25.670 | 114.9 | 1.065 | 113.4 | 9.941 | 80.1 | 0.64950 | 98.5 | 0.65252 |
| 2 | 21.8 | 25.4 | 0.7630 | 36.5 | 35.495 | 23.0 | 1.316 | 22.7 | 12.463 | 19.9 | 1.03697 | 19.5 | 1.03197 |
| 3 | 46.7 | 72.1 | 0.8886 | 45.2 | 26.501 | 68.3 | 1.052 | 67.4 | 9.695 | 42.3 | 0.53126 | 47.3 | 0.52115 |
| 4 | 245.7 | 277.4 | 1.0670 | 256.3 | 35.233 | 281.9 | 1.296 | 291.5 | 12.701 | 332.4 | 1.80422 | 287.7 | 0.93960 |
| 5 | 85.3 | 108.6 | 0.7444 | 94.2 | 16.578 | 102.4 | 1.067 | 101.1 | 9.320 | 80.2 | 0.76668 | 86.3 | 0.74020 |
| 6 | 18.5 | 3.9 | 0.7916 | 3.1 | 24.923 | 13.8 | 1.205 | 13.6 | 9.172 | 9.6 | 0.70099 | 6.0 | 0.70099 |
| 7 | 151.0 | 136.6 | 0.8913 | 157.4 | 31.351 | 137.9 | 1.249 | 136.0 | 11.105 | 154.6 | 0.79964 | 153.1 | 0.77730 |
| 8 | 21.5 | 18.5 | 0.6639 | 40.4 | 34.764 | 18.1 | 0.766 | 17.9 | 5.855 | 17.6 | 0.58736 | 19.0 | 0.59100 |
| 9 | 109.9 | 86.2 | 0.9488 | 113.6 | 28.343 | 88.2 | 1.227 | 87.0 | 10.703 | 114.8 | 0.74653 | 130.4 | 0.74513 |
| 10 | 18.2 | 0.0 | - | 0.0 | - | 13.4 | 1.064 | 13.3 | 10.029 | 20.9 | 0.86976 | 22.0 | 0.86976 |
| 11 | 90.8 | 77.4 | 0.6759 | 71.5 | 20.832 | 72.9 | 1.189 | 71.9 | 10.357 | 65.1 | 0.81495 | 60.0 | 0.81858 |
| 12 | 61.2 | 67.8 | 0.8578 | 60.7 | 28.295 | 65.1 | 1.134 | 64.2 | 10.958 | 62.5 | 0.79194 | 70.2 | 0.73584 |
| Rents | 195.7 | 236.8 | 1.1461 | 218.9 | 38.570 | 240.6 | 1.363 | 250.8 | 13.025 | 308.4 | 2.11664 | 235.5 | 1.03878 |
| Total without rents | 804.3 | 763.2 | 0.8227 | 781.1 | 25.284 | 759.4 | 1.132 | 749.2 | 10.253 | 691.6 | 0.73710 | 764.5 | 0.72114 |
| Global parity | 1000.0 | 1000.0 | 0.8826 | 1000.0 | 27.497 | 1000.0 | 1.178 | 1000.0 | 10.808 | 1000.0 | 0.96180 | 1000.0 | 0.77926 |

Note: Slovenia joined Eurozone on 1 January 2007.

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 2007
 (Values expressed in Euro, except local currencies: CZ, DK, EE, CY, LV, LT, HU, MT, PL, SI, SE, UK)

| Country Place of employment | | | 3 bedroom flat | | | 2 bedroom flat | | 1 bedroom flat | |
|--------------------------------|------------|------|--------------------------|--------------------------|-------------------------|-------------------------|------------------------|------------------------|------------------------|
| | | | (140-160m ²) | (110-130m ²) | (80-100m ²) | (80-100m ²) | (60-80m ²) | (60-80m ²) | (40-60m ²) |
| BE | Brussels | 2006 | 1542 | 1182 | 901 | 887 | 722 | 656 | 526 |
| | | 2007 | 1572 | 1165 | 895 | 915 | 735 | 682 | 549 |
| BG | Sofia | 2006 | | 1013 | | 731 | | 431 | |
| | | 2007 | | 1092 | | 657 | | 426 | |
| CZ | Prague | 2006 | | 35906 | | 25467 | | 17544 | |
| | | 2007 | | 40375 | | 29225 | | 20000 | |
| DK | Copenhagen | 2006 | | 13375 | | | 8756 | | 6500 |
| | | 2007 | | 14313 | | | 9594 | | 6419 |
| DE | Berlin | 2006 | | 1118 | | 819 | | 634 | |
| | | 2007 | | 1145 | | 838 | | 641 | |
| | Bonn | 2006 | | 1010 | | 755 | | 575 | |
| | | 2007 | | 1025 | | 750 | | 576 | |
| | Karlsruhe | 2006 | | 875 | | 677 | | 523 | |
| | | 2007 | | 893 | | 703 | | 551 | |
| | Munich | 2006 | | 1284 | | 945 | | 735 | |
| | | 2007 | | 1380 | | 1017 | | 791 | |
| EE | Tallin | 2006 | | | 13980 | | 10625 | | 8100 |
| | | 2007 | | | 16850 | | 12475 | | 8550 |
| EL | Athens | 2006 | 1548 | | | 944 | | 697 | |
| | | 2007 | 1643 | | | 1015 | | 756 | |
| ES | Madrid | 2006 | | 1478 | | | 1050 | | 817 |
| | | 2007 | | 1550 | | | 1134 | | 856 |
| FR | Paris | 2006 | | 2112 | | 1601 | | | 925 |
| | | 2007 | | 2205 | | 1668 | | | 955 |
| IE | Dublin | 2006 | | 1605 | | | 1330 | | 1005 |
| | | 2007 | | 1800 | | | 1459 | | 1123 |
| IT | Rome | 2006 | | 2196 | | 1674 | | 1211 | |
| | | 2007 | | 2204 | | 1610 | | 1257 | |
| | Varese | 2006 | | 918 | | 703 | | 564 | |
| | | 2007 | | 911 | | 725 | | 575 | |
| CY | Nicosia | 2006 | | 395 | | 322 | | 251 | |
| | | 2007 | | 401 | | 338 | | 266 | |

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2007
 (Values expressed in Euro, except local currencies: CZ, DK, EE, CY, LV, LT, HU, MT, PL, SI, 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) |
| BE | Brussels | 2006 | 1542 | 1182 | 901 | 887 | 722 | 656 | 526 |
| | | 2007 | 1572 | 1165 | 895 | 915 | 735 | 682 | 549 |
| LV | Riga | 2006 | | 895 | | 696 | | 480 | |
| | | 2007 | | 1020 | | 750 | | 553 | |
| LT | Vilnius | 2006 | | | 2982 | | 2353 | | 1563 |
| | | 2007 | | | 3398 | | 2558 | | 1763 |
| HU | Budapest | 2006 | | 424578 | | | 264556 | | 164006 |
| | | 2007 | | 420222 | | | 252089 | | 139956 |
| MT | Valletta | 2006 | | 307 | | 220 | | | 130 |
| | | 2007 | | 341 | | 230 | | | 153 |
| NL | The Hague | 2006 | | 1839 | | 1412 | | 1106 | |
| | | 2007 | | 1892 | | 1398 | | 1013 | |
| AT | Vienna | 2006 | | 1428 | | 1044 | | 798 | |
| | | 2007 | | 1428 | | 1062 | | 819 | |
| PL | Warsaw | 2006 | | 5619 | | 4065 | | | 2186 |
| | | 2007 | | 5985 | | 4341 | | | 2367 |
| PT | Lisbon | 2006 | 1129 | | | 832 | | 630 | |
| | | 2007 | 1070 | | | 816 | | 614 | |
| RO | Bucharest | 2006 | | 1246 | | 902 | | | 527 |
| | | 2007 | | 1438 | | 1137 | | | 637 |
| SI | Ljubljana | 2006 | | 1384 | | 975 | | | 573 |
| | | 2007 | | 1379 | | 979 | | | 564 |
| SK | Bratislava | 2006 | | 1150 | | 883 | | 628 | |
| | | 2007 | | 1203 | | 903 | | 581 | |
| FI | Helsinki | 2006 | | | 1314 | | 1031 | | 825 |
| | | 2007 | | | 1450 | | 1075 | | 839 |
| SE | Stockholm | 2006 | | 17750 | | 14000 | | 9875 | |
| | | 2007 | | 18600 | | 14700 | | 10800 | |
| UK | London | 2006 | | | 1844 | | 1421 | | 1112 |
| | | 2007 | | | 2105 | | 1579 | | 1238 |
| | Culham | 2006 | | | 1038 | | 817 | | 707 |
| | | 2007 | | | 1079 | | 863 | | 684 |

Note: Slovenia joined Eurozone on 1 January 2007; values converted using fixed exchange rate.

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, EE, CY, LV, LT, HU, MT, PL, SI, 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 | 2006 | 1562 | 1235 | 996 | 2372 | 1770 | 1398 | |
| | | 2007 | 1546 | 1225 | 1019 | 2304 | 1796 | 1402 | |
| BG | Sofia | 2006 | | | | 1687 | | | 0.766 |
| | | 2007 | | | | 1511 | | | 0.776 |
| CZ | Prague | 2006 | | 35700 | | | 55219 | | 34.83 |
| | | 2007 | | 41125 | | | 63750 | | 34.19 |
| DK | Copenhagen | 2006 | | 15417 | | | 20000 | | 11.52 |
| | | 2007 | | 16536 | | | 20786 | | 11.82 |
| DE | Berlin | 2006 | | 1160 | | | 1742 | | 0.947 |
| | | 2007 | | 1241 | | | 1856 | | 0.951 |
| | Bonn | 2006 | | 1068 | | | 1584 | | 0.843 |
| | | 2007 | | 1103 | | | 1605 | | 0.853 |
| | Karlsruhe | 2006 | | 988 | | | 1502 | | 0.790 |
| | | 2007 | | 1077 | | | 1557 | | 0.805 |
| | Munich | 2006 | | 1503 | | | 2151 | | 1.223 |
| | | 2007 | | 1523 | | | 2147 | | 1.198 |
| EE | Tallin | 2006 | | 18167 | | | 23944 | | 14.55 |
| | | 2007 | | 19667 | | | 26175 | | 15.63 |
| EL | Athens | 2006 | | | | | | | 1.069 |
| | | 2007 | | | | | | | 1.077 |
| ES | Madrid | 2006 | | | | | | | 1.352 |
| | | 2007 | | | | | | | 1.397 |
| FR | Paris | 2006 | | | | | | | 1.862 |
| | | 2007 | | | | | | | 1.876 |
| IE | Dublin | 2006 | | | 1550 | | | 1860 | 1.569 |
| | | 2007 | | | 1722 | | | 2089 | 1.672 |
| IT | Rome | 2006 | | 1881 | | | | | 1.622 |
| | | 2007 | | 1899 | | | | | 1.660 |
| | Varese | 2006 | | 1195 | | 2016 | | | 0.799 |
| | | 2007 | | 1276 | | 1969 | | | 0.827 |
| CY | Nicosia | 2006 | 579 | | | 942 | | | 0.355 |
| | | 2007 | 589 | | | 954 | | | 0.362 |

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, EE, CY, LV, LT, HU, MT, PL, SI, SE, UK)

| Country | 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 | 2006 | 1562 | 1235 | 996 | 2372 | 1770 | 1398 | |
| | 2007 | 1546 | 1225 | 1019 | 2304 | 1796 | 1402 | |
| LV Riga | 2006 | 1134 | | | 1754 | | | 0.718 |
| | 2007 | 1272 | | | 1923 | | | 0.786 |
| LT Vilnius | 2006 | | 4065 | | | 6806 | | 3.188 |
| | 2007 | | 4563 | | | 7278 | | 3.469 |
| HU Budapest | 2006 | 529944 | | | 885144 | | | 338.9 |
| | 2007 | 421733 | | | 697089 | | | 343.3 |
| MT Valletta | 2006 | | 413 | | 721 | | | 0.282 |
| | 2007 | | 441 | | 743 | | | 0.286 |
| NL The Hague | 2006 | | 1858 | | | | | 1.565 |
| | 2007 | | 1938 | | | | | 1.580 |
| AT Vienna | 2006 | | 1631 | | | 2597 | | 1.242 |
| | 2007 | | 1716 | | | 2805 | | 1.276 |
| PL Warsaw | 2006 | | 6079 | | 9947 | | | 4.060 |
| | 2007 | | 6883 | | 10210 | | | 4.271 |
| PT Lisbon | 2006 | 1322 | | | | 2044 | | 0.938 |
| | 2007 | 1371 | | | | 1911 | | 0.936 |
| RO Bucharest | 2006 | | | | | 2005 | | 0.971 |
| | 2007 | | | | | 2673 | | 1.117 |
| SI Ljubljana | 2006 | | 1446 | | | 2025 | | 1.134 |
| | 2007 | | 1421 | | | 1936 | | 1.146 |
| SK Bratislava | 2006 | | 1334 | | | 1914 | | 1.158 |
| | 2007 | | 1363 | | | 1936 | | 1.140 |
| FI Helsinki | 2006 | | 1741 | | | 2317 | | 1.348 |
| | 2007 | | 1831 | | | 2294 | | 1.363 |
| SE Stockholm | 2006 | | 16375 | | | 20500 | | 12.84 |
| | 2007 | | 15700 | | | 20167 | | 13.02 |
| UK London | 2006 | | | 2247 | | | | 2.002 |
| | 2007 | | | 2702 | | | | 2.117 |
| Culham | 2006 | | | 1005 | | | 1347 | 1.007 |
| | 2007 | | | 990 | | | 1400 | 1.039 |

Note: Slovenia joined Eurozone on 1 January 2007; values converted using fixed exchange rate.

7.3. Purchasing power parities - analysis of results

7.3.1. Major changes in the economic parities from 2006 to 2007

The calculation of correction coefficients used for salary adjustment in places other than Brussels and Luxembourg involves the revision of some of the elementary parities each year. For the 2007 salary adjustment two new price surveys have been incorporated: *Consumer services* (conducted in Spring 2005) and *Furniture &*

Healthcare (conducted in Autumn 2005). The rent parities have been calculated for 2007 according to the moving-average model approved by the Article 64 Working Party.

The introduction of new prices from the latest price surveys this year affects 34 (out of 80) elementary parities, which together account for about 29% (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 2007 are based on the relative trend in the real-estate markets in Brussels and other places of employment between 2002 and 2007. These parities are, therefore, affected by the following factors:

introduction of rent data for year 2007,

deletion of the rent data for 2001,

price indices used for updating the rents for 2002 - 2006 to price of 2007, and

a new dwelling structure in Varese.

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

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 (1.7.2007) and by changes in the consumption structures (updated every five to seven years by the introduction of new FBS results)¹. Details of the changes in the economic parities from 2006 to 2007, including a decomposition of all the effects, are given in table 3.3.

The biggest movements in global economic parities between July 2006 and 2007 can be observed in Bucharest (+4.0%), Riga (+3.4%), Budapest (+3.0%) and Sofia (+2.6%), with decreases observed in Warsaw (-2.4%), Prague (-4.4%), Vilnius (-5.5%), Valletta (-6.4%) and Bratislava (-18.5%).

The largest increases in the rent parity could be observed in Bucharest (+15.1%), Riga (+9.5%), Vilnius (+8.8%), Tallinn (+7.4%), Dublin (+6.6%), London (+5.7%) and Warsaw (+5.2%). Decreases were recorded in Lisbon (-0.2%), Bratislava (-1.6%), Prague (-1.8%) and Munich (-2.1%).

As regards price indexation, official indices for the year to July 2007 at the level of total consumption were higher than Brussels in all places except Valletta, and – although there are important differences between HICP and PPP methodologies – this is apparent in the price updating effect.

¹ A new consumption structures for Dublin has been introduced this year.

Table 3.3
Changes in the economic parities in the twelve months to 1st July 2007
Decomposition of the effects
(for staff)

| Country | Place of employment | Introduction of new surveys | | | Price updating effect | New consumption structure | | Total change* |
|-----------|---------------------|-----------------------------|-------------------|-------|-----------------------|---------------------------|--------------|---------------|
| | | Services | Furniture, Health | Rent | | Brussels | Other cities | |
| BG | Sofia | -2.1 | -0.9 | 1.4 | 4.3 | 0.0 | 0.0 | 2.6 |
| CZ | Prague | -3.1 | -1.0 | -1.0 | 0.6 | 0.0 | 0.0 | -4.4 |
| DK | Copenhagen | -0.3 | 0.1 | 0.8 | 0.3 | 0.0 | 0.0 | 0.9 |
| DE | Berlin | -0.6 | -1.4 | 0.5 | 0.7 | 0.0 | 0.0 | -0.8 |
| | Bonn | 1.1 | -1.4 | 0.7 | 0.7 | 0.0 | 0.0 | 1.1 |
| | Karlsruhe | 0.8 | -1.2 | 0.8 | 0.7 | 0.0 | 0.0 | 1.1 |
| | Munich | 0.9 | -1.6 | 0.0 | 0.7 | 0.0 | 0.0 | 0.0 |
| EE | Tallinn | -4.4 | -0.8 | -2.8 | 8.6 | 0.0 | 0.0 | 0.1 |
| EL | Athens | 0.9 | 0.1 | -0.1 | 1.3 | 0.0 | 0.0 | 2.1 |
| ES | Madrid | -2.7 | -0.4 | 0.5 | 0.9 | 0.0 | 0.0 | -1.8 |
| FR | Paris | -1.2 | 0.3 | 0.2 | 0.1 | 0.0 | 0.0 | -0.7 |
| IE | Dublin | 0.2 | 0.1 | -0.2 | 1.9 | 0.0 | -2.1 | -0.2 |
| IT | Rome | -2.6 | 0.0 | 0.6 | 0.3 | 0.0 | 0.0 | -1.7 |
| | Varese | -2.4 | -0.4 | 0.7 | 0.4 | 0.0 | 0.0 | -1.7 |
| CY | Nicosia | 0.3 | -0.6 | 0.5 | -0.1 | 0.0 | 0.0 | 0.0 |
| LV | Riga | -3.9 | -0.5 | -1.0 | 9.2 | 0.0 | 0.0 | 3.4 |
| LT | Vilnius | -8.2 | -1.1 | -1.7 | 5.9 | 0.0 | 0.0 | -5.5 |
| HU | Budapest | -0.3 | -1.1 | -0.5 | 5.1 | 0.0 | 0.0 | 3.0 |
| MT | Valetta | -5.0 | -0.5 | 0.4 | -1.3 | 0.0 | 0.0 | -6.4 |
| NL | The Hague | 0.5 | -0.3 | 0.4 | 0.5 | 0.0 | 0.0 | 1.2 |
| AT | Vienna | 1.6 | -1.1 | 1.0 | -0.3 | 0.0 | 0.0 | 1.2 |
| PL | Warsaw | -2.7 | -0.8 | 0.5 | 0.7 | 0.0 | 0.0 | -2.4 |
| PT | Lisbon | 0.0 | -0.2 | 0.1 | 0.4 | 0.0 | 0.0 | 0.3 |
| RO | Bucharest | 1.3 | -0.4 | -13.2 | 18.7 | 0.0 | 0.0 | 4.0 |
| SI | Ljubljana | 0.1 | -0.5 | 0.2 | 1.8 | 0.0 | 0.0 | 1.6 |
| SK | Bratislava | -15.3 | -0.8 | -3.0 | -0.1 | 0.0 | 0.0 | -18.5 |
| FI | Helsinki | 0.8 | -0.1 | 0.3 | 0.0 | 0.0 | 0.0 | 1.0 |
| SE | Stockholm | 0.9 | 0.4 | 0.6 | 0.0 | 0.0 | 0.0 | 1.8 |
| UK | London | -2.8 | 0.0 | 1.5 | 1.1 | 0.0 | 0.0 | -0.1 |
| | Culham | -3.1 | 0.0 | 0.7 | 1.2 | 0.0 | 0.0 | -1.3 |

* Values may differ slightly from Table 4 due to rounding

Table 3.4
Changes in rent parities in the twelve months to 1st July 2007
Decomposition of the effects
(for staff)

| Place of employment | Deletion of survey 2001 | Introduction of survey 2007 | Price index 2007 | Dwelling structure | | Total change |
|----------------------|-------------------------|-----------------------------|------------------|--------------------|--------------|--------------|
| | | | | Brussels | Other cities | |
| BG Sofia | -0.7 | -1.1 | 3.1 | 0.0 | 0.0 | 1.2 |
| CZ Prague | -5.5 | 3.0 | 0.9 | 0.0 | 0.0 | -1.8 |
| DK Copenhagen | 1.1 | 1.4 | 0.1 | 0.0 | 0.0 | 2.7 |
| DE Berlin | -0.1 | 1.0 | -0.4 | 0.0 | 0.0 | 0.5 |
| Bonn | 1.4 | 0.2 | -0.4 | 0.0 | 0.0 | 1.2 |
| Karlsruhe | 1.1 | 1.2 | -0.4 | 0.0 | 0.0 | 1.9 |
| Munich | -2.4 | 0.7 | -0.4 | 0.0 | 0.0 | -2.1 |
| EE Tallinn | 1.1 | 2.6 | 3.5 | 0.0 | 0.0 | 7.4 |
| EL Athens | -1.3 | 1.0 | 1.0 | 0.0 | 0.0 | 0.7 |
| ES Madrid | 1.3 | 1.3 | 0.8 | 0.0 | 0.0 | 3.3 |
| FR Paris | -1.0 | 0.5 | 1.2 | 0.0 | 0.0 | 0.7 |
| IE Dublin | -2.6 | 2.5 | 6.9 | 0.0 | 0.0 | 6.6 |
| IT Rome | 2.4 | -0.2 | 0.1 | 0.0 | 0.0 | 2.4 |
| Varese | 3.0 | 0.6 | 0.1 | 0.0 | -0.2 | 3.5 |
| CY Nicosia | 1.0 | 0.7 | 0.3 | 0.0 | 0.0 | 2.1 |
| LV Riga | 1.0 | 2.9 | 5.4 | 0.0 | 0.0 | 9.5 |
| LT Vilnius | 1.7 | 2.5 | 4.3 | 0.0 | 0.0 | 8.8 |
| HU Budapest | -0.5 | -3.5 | 5.6 | 0.0 | 0.0 | 1.3 |
| MT Valletta | 0.8 | 1.8 | -1.0 | 0.0 | 0.0 | 1.6 |
| NL The Hague | 0.5 | 0.1 | 0.3 | 0.0 | 0.0 | 0.9 |
| AT Vienna | 1.5 | 0.8 | 0.4 | 0.0 | 0.0 | 2.7 |
| PL Warsaw | 2.1 | 2.2 | 0.8 | 0.0 | 0.0 | 5.2 |
| PT Lisbon | -0.7 | -0.8 | 1.3 | 0.0 | 0.0 | -0.2 |
| RO Bucharest | 1.4 | 9.1 | 4.0 | 0.0 | 0.0 | 15.1 |
| SI Ljubljana | 0.1 | -0.6 | 1.6 | 0.0 | 0.0 | 1.1 |
| SK Bratislava | -2.5 | 0.1 | 0.9 | 0.0 | 0.0 | -1.6 |
| FI Helsinki | 0.8 | 0.8 | -0.5 | 0.0 | 0.0 | 1.1 |
| SE Stockholm | 1.1 | 0.0 | 0.4 | 0.0 | 0.0 | 1.5 |
| UK London | 1.4 | 3.6 | 0.6 | 0.0 | 0.0 | 5.7 |
| Culham | 2.5 | 0.1 | 0.6 | 0.0 | 0.0 | 3.2 |

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

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

The correction coefficient for rents (compared to Brussels =100) is very high in London (314.9), Paris (187.6), Dublin (167.2) and Rome (166.0), whereas they are quite low in Nicosia (62.1), Valletta (66.7) and Sofia (77.6).

For the overall correction coefficient, however, the range is smaller: London (143.1), Copenhagen (139.4) compared to Vilnius (71.3) and Sofia (65.8).

When rents are added to the computation, the correction coefficient is increased by more than 10% in London (+30.5%), Budapest (+13.9%), Paris (+13.8%), Bucharest (+11.7%) and Prague (+11.4%). By contrast the impact is negative in Nicosia (-7.3%), Valletta (-5.3%), Karlsruhe (-4.3%) and Bonn (-3.3%) and is near zero in Lisbon (+0.3%).

More details on the effect of rent on the 2007 correction coefficients are given in table 3.5.

Table 3.5
Effect of rent on the correction coefficients - 2007
(for staff)

| Place of employment | Weight | | Correction coefficient | | | Rent effect |
|----------------------|--------------|-------|------------------------|-------|---------|-------------|
| | Without rent | Rent | Without rent | Rent | Overall | [5]/[3] (%) |
| | [1] | [2] | [3] | [4] | [5] | [6] |
| BG Sofia | 809.9 | 190.1 | 63.4 | 77.6 | 65.8 | 3.7 |
| CZ Prague | 746.4 | 253.5 | 72.9 | 119.4 | 81.2 | 11.4 |
| DK Copenhagen | 753.3 | 246.7 | 134.4 | 158.9 | 139.4 | 3.8 |
| DE Berlin | 802.0 | 198.0 | 100.4 | 95.1 | 99.3 | -1.1 |
| Bonn | 802.0 | 198.0 | 101.7 | 85.3 | 98.3 | -3.3 |
| Karlsruhe | 802.0 | 198.0 | 101.3 | 80.5 | 96.9 | -4.3 |
| Munich | 802.0 | 198.0 | 103.7 | 119.8 | 106.6 | 2.8 |
| EE Tallinn | 793.0 | 207.0 | 75.3 | 99.9 | 79.6 | 5.7 |
| EL Athens | 778.0 | 222.0 | 92.3 | 107.7 | 95.3 | 3.3 |
| ES Madrid | 794.3 | 205.7 | 92.6 | 139.7 | 100.4 | 8.4 |
| FR Paris | 767.5 | 232.5 | 103.2 | 187.6 | 117.4 | 13.8 |
| IE Dublin | 814.7 | 185.3 | 113.1 | 167.2 | 121.8 | 7.7 |
| IT Rome | 835.5 | 164.5 | 100.9 | 166.0 | 110.6 | 9.6 |
| Varese | 869.1 | 130.9 | 102.0 | 82.7 | 98.6 | -3.3 |
| CY Nicosia | 842.9 | 157.1 | 97.0 | 62.1 | 89.9 | -7.3 |
| LV Riga | 767.6 | 232.4 | 72.3 | 112.9 | 79.3 | 9.7 |
| LT Vilnius | 774.0 | 226.0 | 65.4 | 100.5 | 71.3 | 9.2 |
| HU Budapest | 726.3 | 273.7 | 78.9 | 138.7 | 89.8 | 13.9 |
| MT Valletta | 819.1 | 180.9 | 89.6 | 66.7 | 84.8 | -5.3 |
| NL The Hague | 806.5 | 193.5 | 102.4 | 158.0 | 111.5 | 8.9 |
| AT Vienna | 766.1 | 233.9 | 103.0 | 127.6 | 107.8 | 4.7 |
| PL Warsaw | 773.9 | 226.1 | 74.0 | 112.9 | 80.7 | 9.1 |
| PT Lisbon | 813.9 | 186.1 | 91.9 | 93.6 | 92.2 | 0.3 |
| RO Bucharest | 713.9 | 286.1 | 68.3 | 111.7 | 76.3 | 11.7 |
| SI Ljubljana | 763.2 | 236.8 | 82.3 | 114.6 | 88.3 | 7.3 |
| SK Bratislava | 781.1 | 218.9 | 74.7 | 114.0 | 81.3 | 8.8 |
| FI Helsinki | 759.4 | 240.6 | 113.2 | 136.3 | 117.8 | 4.1 |
| SE Stockholm | 749.2 | 250.8 | 110.9 | 140.9 | 117.0 | 5.4 |
| UK London | 691.6 | 308.4 | 109.7 | 314.9 | 143.1 | 30.5 |
| Culham | 764.5 | 235.5 | 107.3 | 154.5 | 115.9 | 8.1 |

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

8.1. Economic parities and correction coefficients for pensioners

The correction coefficients for pensioners with a reference date of 1 July 2007 have been calculated 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:

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).

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.

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.

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 2006 and 2007.

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
1.07.2007
(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 | 1.2402 | 96.6 | 19.034 | 87.1 | 9.298 | 66.9 | 0.938 | 96.9 | 12.129 | 90.1 | 0.874 | 90.9 | 0.914 |
| 2 | 26.4 | 25.4 | 1.4631 | 25.1 | 31.178 | 22.7 | 9.569 | 22.4 | 0.993 | 25.2 | 15.836 | 23.5 | 1.107 | 23.7 | 0.886 |
| 3 | 75.8 | 77.3 | 1.0286 | 76.6 | 23.540 | 69.1 | 7.347 | 76.6 | 0.934 | 76.9 | 13.669 | 71.5 | 0.967 | 72.1 | 0.952 |
| 4 | 176.3 | 109.2 | 0.7195 | 117.0 | 20.335 | 203.9 | 10.837 | 187.1 | 1.050 | 114.0 | 13.704 | 176.0 | 0.905 | 169.0 | 0.975 |
| 5 | 119.5 | 128.2 | 0.9706 | 127.1 | 19.927 | 114.6 | 9.055 | 130.4 | 0.912 | 127.5 | 9.379 | 118.6 | 0.916 | 119.6 | 0.982 |
| 6 | 36.1 | 34.0 | 1.0789 | 33.7 | 18.218 | 30.4 | 8.320 | 32.0 | 1.087 | 33.8 | 11.720 | 31.5 | 0.804 | 31.7 | 0.757 |
| 7 | 164.0 | 192.3 | 1.5056 | 190.6 | 23.040 | 171.9 | 12.469 | 163.8 | 1.082 | 191.3 | 12.275 | 177.9 | 0.950 | 179.4 | 1.024 |
| 8 | 17.2 | 18.9 | 2.0706 | 18.7 | 30.503 | 16.9 | 6.319 | 16.4 | 0.970 | 18.8 | 10.967 | 17.5 | 1.015 | 17.6 | 1.014 |
| 9 | 118.2 | 149.2 | 1.5129 | 147.9 | 25.031 | 133.4 | 10.380 | 149.8 | 1.048 | 148.4 | 14.091 | 138.0 | 1.055 | 139.2 | 0.994 |
| 10 | 9.4 | 10.7 | 0.2417 | 10.6 | 10.326 | 9.6 | 9.783 | 1.2 | 1.557 | 10.7 | 4.197 | 9.9 | 0.621 | 10.0 | 0.746 |
| 11 | 74.8 | 71.1 | 1.0118 | 70.4 | 21.340 | 63.5 | 11.899 | 68.0 | 0.940 | 70.7 | 11.808 | 65.7 | 0.976 | 66.3 | 0.987 |
| 12 | 83.3 | 86.3 | 1.2274 | 85.5 | 17.540 | 77.1 | 9.304 | 85.5 | 0.888 | 85.8 | 11.431 | 79.8 | 0.852 | 80.5 | 0.930 |
| Rents | 132.4 | 62.0 | 0.7910 | 70.2 | 23.782 | 161.7 | 10.747 | 136.5 | 1.034 | 67.0 | 16.991 | 132.3 | 1.042 | 124.9 | 1.063 |
| Total without rents | 867.6 | 938.0 | 1.1780 | 929.8 | 21.183 | 838.3 | 9.957 | 863.5 | 0.991 | 933.0 | 11.728 | 867.7 | 0.918 | 875.1 | 0.950 |
| Global parity | 1000.0 | 1000.0 | 1.1350 | 1000.0 | 21.376 | 1000.0 | 10.071 | 1000.0 | 0.997 | 1000.0 | 12.152 | 1000.0 | 0.933 | 1000.0 | 0.964 |

| 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 | 0.990 | 85.9 | 1.088 | 95.5 | 1.018 | 69.0 | 0.61872 | 99.8 | 0.55317 | 106.3 | 2.43176 | 103.7 | 198.27 |
| 2 | 26.4 | 20.4 | 0.961 | 22.4 | 1.665 | 17.4 | 1.046 | 23.1 | 0.92017 | 26.0 | 0.66186 | 19.3 | 3.32230 | 22.4 | 259.53 |
| 3 | 75.8 | 57.6 | 0.918 | 68.2 | 0.855 | 71.8 | 1.011 | 79.0 | 0.47982 | 79.2 | 0.52703 | 79.9 | 2.42254 | 63.3 | 193.79 |
| 4 | 176.3 | 194.9 | 1.259 | 214.5 | 1.422 | 212.4 | 1.239 | 161.9 | 0.39571 | 87.4 | 0.56810 | 123.0 | 2.24160 | 116.1 | 171.62 |
| 5 | 119.5 | 118.4 | 1.041 | 113.1 | 0.950 | 102.1 | 1.023 | 134.5 | 0.51089 | 131.4 | 0.40865 | 113.7 | 1.79552 | 130.0 | 151.38 |
| 6 | 36.1 | 18.9 | 1.002 | 30.0 | 1.192 | 45.5 | 1.223 | 33.0 | 0.56211 | 34.8 | 0.48419 | 50.6 | 2.31437 | 20.7 | 197.73 |
| 7 | 164.0 | 177.0 | 1.058 | 169.6 | 1.249 | 193.4 | 1.056 | 168.9 | 0.63872 | 197.0 | 0.55194 | 215.3 | 2.61172 | 194.3 | 234.18 |
| 8 | 17.2 | 19.4 | 0.991 | 16.7 | 1.111 | 14.6 | 0.822 | 16.9 | 0.27913 | 19.4 | 0.54868 | 16.3 | 1.73920 | 21.3 | 203.29 |
| 9 | 118.2 | 131.8 | 1.055 | 131.6 | 1.183 | 119.8 | 1.061 | 154.4 | 0.65472 | 152.9 | 0.58501 | 133.4 | 2.60384 | 144.7 | 215.57 |
| 10 | 9.4 | 14.9 | 0.936 | 9.4 | 1.146 | 4.7 | 0.988 | 1.2 | 0.44309 | 11.0 | 0.16152 | 5.2 | 0.72569 | 16.4 | 90.41 |
| 11 | 74.8 | 71.7 | 1.073 | 62.7 | 1.358 | 41.4 | 1.033 | 70.1 | 0.57052 | 72.8 | 0.53170 | 46.1 | 2.32105 | 78.8 | 202.97 |
| 12 | 83.3 | 80.5 | 1.126 | 76.1 | 1.080 | 81.6 | 0.970 | 88.1 | 0.47297 | 88.4 | 0.47440 | 90.8 | 2.43697 | 88.4 | 174.04 |
| Rents | 132.4 | 148.8 | 1.366 | 172.8 | 1.527 | 144.2 | 1.408 | 109.7 | 0.38980 | 39.0 | 0.79481 | 47.1 | 2.52610 | 65.4 | 194.05 |
| Total without rents | 867.6 | 851.2 | 1.032 | 827.2 | 1.128 | 855.8 | 1.026 | 890.3 | 0.56005 | 961.0 | 0.50373 | 952.9 | 2.33290 | 934.6 | 192.37 |
| Global parity | 1000.0 | 1000.0 | 1.073 | 1000.0 | 1.180 | 1000.0 | 1.071 | 1000.0 | 0.53675 | 1000.0 | 0.52323 | 1000.0 | 2.34260 | 1000.0 | 192.14 |

* For explanation of codes see table 3.1

Table 4.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2007
(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 | 0.3428 | 88.7 | 0.87 | 87.9 | 0.99859 | 97.8 | 2.500 | 90.5 | 0.850 | 97.3 | 2.2808 | 91.1 | 0.8545 |
| 2 | 26.4 | 25.1 | 0.5393 | 23.1 | 1.04 | 22.9 | 0.98507 | 25.5 | 4.679 | 23.6 | 0.980 | 25.3 | 3.1677 | 23.7 | 0.9327 |
| 3 | 75.8 | 76.5 | 0.3663 | 70.4 | 0.85 | 69.7 | 1.01637 | 77.6 | 2.398 | 71.8 | 0.705 | 77.2 | 1.9206 | 72.3 | 0.9042 |
| 4 | 176.3 | 118.3 | 0.2862 | 188.6 | 1.12 | 196.2 | 1.26204 | 105.4 | 2.251 | 172.5 | 0.780 | 110.4 | 1.4932 | 167.1 | 0.8430 |
| 5 | 119.5 | 126.9 | 0.3395 | 116.8 | 0.94 | 115.7 | 0.99123 | 128.8 | 2.520 | 119.1 | 0.871 | 128.1 | 1.7563 | 119.9 | 0.7121 |
| 6 | 36.1 | 33.7 | 0.3980 | 31.0 | 1.07 | 30.7 | 1.02847 | 34.1 | 2.248 | 31.6 | 0.955 | 34.0 | 1.9461 | 31.8 | 0.7916 |
| 7 | 164.0 | 190.3 | 0.4856 | 175.2 | 1.18 | 173.5 | 1.08431 | 193.1 | 3.310 | 178.6 | 1.176 | 192.0 | 2.9863 | 179.8 | 0.8699 |
| 8 | 17.2 | 18.7 | 0.4650 | 17.2 | 0.91 | 17.1 | 0.98081 | 19.0 | 3.501 | 17.6 | 0.948 | 18.9 | 2.4510 | 17.7 | 0.6622 |
| 9 | 118.2 | 147.7 | 0.4421 | 135.9 | 1.03 | 134.7 | 1.03447 | 149.9 | 3.315 | 138.6 | 0.982 | 149.0 | 3.0210 | 139.5 | 0.9740 |
| 10 | 9.4 | 10.6 | 0.2242 | 9.8 | 0.92 | 9.7 | 1.02490 | 10.8 | 1.208 | 10.0 | 0.943 | 10.7 | 0.7856 | 10.0 | 0.6374 |
| 11 | 74.8 | 70.3 | 0.3171 | 64.7 | 1.11 | 64.1 | 1.01791 | 71.4 | 2.896 | 66.0 | 0.841 | 71.0 | 2.2686 | 66.4 | 0.7526 |
| 12 | 83.3 | 85.4 | 0.3468 | 78.6 | 1.02 | 77.8 | 1.08011 | 86.6 | 2.699 | 80.1 | 0.911 | 86.1 | 2.4103 | 80.7 | 0.8688 |
| Rents | 132.4 | 71.6 | 0.3110 | 145.6 | 1.10 | 153.5 | 1.31800 | 58.0 | 2.136 | 128.6 | 0.783 | 63.3 | 1.6150 | 122.9 | 0.9218 |
| Total without rents | 867.6 | 928.4 | 0.3815 | 854.4 | 1.02 | 846.5 | 1.03500 | 942.0 | 2.837 | 871.4 | 0.926 | 936.7 | 2.3100 | 877.1 | 0.8297 |
| Global parity | 1000.0 | 1000.0 | 0.3736 | 1000.0 | 1.03 | 1000.0 | 1.07200 | 1000.0 | 2.762 | 1000.0 | 0.906 | 1000.0 | 2.2330 | 1000.0 | 0.8405 |

| Expenditure Groups* | BE | SK | | FI | | SE | | UK | |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Weight | Weight | Parity | Weight | Parity | Weight | Parity | Weight | Parity |
| 1 | 99.0 | 97.9 | 26.777 | 88.7 | 1.067 | 88.0 | 9.980 | 83.1 | 0.655 |
| 2 | 26.4 | 25.5 | 36.140 | 23.1 | 1.374 | 22.9 | 13.066 | 21.6 | 1.026 |
| 3 | 75.8 | 77.7 | 28.032 | 70.4 | 1.052 | 69.8 | 9.647 | 65.9 | 0.510 |
| 4 | 176.3 | 105.0 | 21.518 | 188.5 | 1.112 | 195.1 | 11.719 | 240.3 | 1.160 |
| 5 | 119.5 | 128.8 | 18.945 | 116.8 | 1.069 | 115.9 | 9.524 | 109.4 | 0.745 |
| 6 | 36.1 | 34.2 | 24.923 | 31.0 | 1.205 | 30.7 | 9.172 | 29.0 | 0.701 |
| 7 | 164.0 | 193.2 | 28.705 | 175.2 | 1.274 | 173.8 | 10.729 | 164.0 | 0.777 |
| 8 | 17.2 | 19.0 | 34.259 | 17.2 | 0.775 | 17.1 | 6.090 | 16.1 | 0.593 |
| 9 | 118.2 | 149.9 | 29.756 | 135.9 | 1.216 | 134.8 | 10.657 | 127.3 | 0.740 |
| 10 | 9.4 | 10.8 | 8.842 | 9.8 | 1.064 | 9.7 | 10.029 | 9.1 | 0.870 |
| 11 | 74.8 | 71.4 | 25.600 | 64.7 | 1.194 | 64.2 | 11.133 | 60.6 | 0.914 |
| 12 | 83.3 | 86.7 | 26.984 | 78.6 | 1.135 | 77.9 | 10.852 | 73.6 | 0.760 |
| Rents | 132.4 | 57.6 | 23.058 | 145.5 | 1.126 | 152.4 | 11.751 | 200.1 | 1.357 |
| Total without rents | 867.6 | 942.4 | 25.637 | 854.5 | 1.149 | 847.6 | 10.318 | 799.9 | 0.727 |
| Global parity | 1000.0 | 1000.0 | 25.315 | 1000.0 | 1.146 | 1000.0 | 10.509 | 1000.0 | 0.805 |

* For explanation of codes see table 3.1

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

| Country | Ratio applied in | | Diff. |
|-------------|------------------|------|-------|
| | 2007 | 2006 | |
| BE | 0.92 | 0.92 | 0.00 |
| BG * | 0.48 | 0.57 | -0.09 |
| CZ | 0.64 | 0.63 | 0.01 |
| DK | 1.09 | 1.09 | 0.00 |
| DE | 1.00 | 1.00 | 0.00 |
| EE | 1.00 | 1.00 | 0.00 |
| EL | 0.89 | 0.89 | 0.00 |
| ES | 0.70 | 0.70 | 0.00 |
| FR | 0.67 | 0.67 | 0.00 |
| IE | 0.84 | 0.84 | 0.00 |
| IT | 0.78 | 0.78 | 0.00 |
| CY | 0.99 | 0.99 | 0.00 |
| LV | 0.93 | 0.88 | 0.05 |
| LT | 0.67 | 0.62 | 0.05 |
| HU | 0.52 | 0.50 | 0.02 |
| MT | 1.00 | 1.00 | 0.00 |
| NL* | 0.64 | 0.74 | -0.10 |
| AT | 0.95 | 0.93 | 0.02 |
| PL | 0.46 | 0.43 | 0.03 |
| PT | 0.77 | 0.77 | 0.00 |
| RO * | 0.42 | 0.42 | 0.00 |
| SI | 0.74 | 0.74 | 0.00 |
| SK | 0.55 | 0.55 | 0.00 |
| FI | 0.76 | 0.75 | 0.01 |
| SE | 0.83 | 0.82 | 0.01 |
| UK | 0.59 | 0.59 | 0.00 |

* Country PPP rent (estimated from ECP data)

8.2. Purchasing power parities for pensioners – analysis of results

Tables 4.3 (decomposition of the effects) and 4.4 (effect on rents on the correction coefficients) are similar to tables 3.3 and 3.5 already presented for the staff.

Table 4.3
Changes in the economic parities in the twelve months to 1st July 2007
Decomposition of the effects
(for pensioners)

| Country | Introduction of new surveys | | | Price updating effect | Total change* |
|---------|-----------------------------|-------------------|------|-----------------------|---------------|
| | Services | Furniture, Health | Rent | | |
| BG | -5.5 | -2.5 | -0.7 | 4.7 | -4.0 |
| CZ | -3.2 | -2.1 | 0.0 | 0.2 | -5.1 |
| DK | 1.0 | 0.5 | 0.3 | 0.2 | 2.0 |
| DE | -0.7 | -2.2 | 0.1 | 0.8 | -2.0 |
| EE | -7.2 | -1.2 | 0.8 | 4.3 | -3.3 |
| EL | 0.4 | 0.1 | 0.1 | 1.1 | 1.7 |
| ES | -1.8 | -0.5 | 0.5 | 0.7 | -1.1 |
| FR | -0.7 | 0.8 | 0.2 | 0.1 | 0.4 |
| IE | 1.7 | 0.2 | 0.9 | -0.2 | 2.7 |
| IT | -1.8 | 0.0 | 0.4 | 0.7 | -0.7 |
| CY | -0.8 | -1.0 | 0.3 | -0.2 | -1.7 |
| LV | -6.3 | -1.7 | 1.5 | 7.1 | 0.7 |
| LT | -9.0 | -3.4 | 1.4 | 3.3 | -7.6 |
| HU | 1.8 | -1.8 | 0.6 | 4.6 | 5.3 |
| MT | -2.8 | -1.6 | 0.2 | -1.2 | -5.5 |
| NL | 1.8 | 0.3 | -0.9 | 0.5 | 1.7 |
| AT | 1.7 | -1.4 | 0.8 | 0.0 | 1.1 |
| PL | -3.2 | -2.2 | 1.0 | -0.1 | -4.4 |
| PT | 0.4 | -0.2 | 0.0 | 0.7 | 0.9 |
| RO | 7.0 | -1.3 | 0.5 | 1.3 | 7.4 |
| SI | -0.9 | -1.0 | 0.2 | 1.9 | 0.1 |
| SK | -12.0 | -2.7 | -1.2 | -0.7 | -16.5 |
| FI | 1.8 | -0.1 | 0.3 | 0.1 | 2.0 |
| SE | 2.0 | 0.7 | 0.4 | 0.2 | 3.3 |
| UK | -1.2 | 0.2 | 1.0 | 0.8 | 0.8 |

* Values may differ slightly from Table 6 due to rounding

Table 4.4
Effect of rent on the correction coefficients - 2007
(for pensioners)

| Country | Weight | | Correction coefficient | | | Rent effect |
|-----------|--------------|-------|------------------------|-------|---------|-------------|
| | Without rent | Rent | Without rent | Rent | Overall | [5]/[3] (%) |
| | [1] | [2] | [3] | [4] | [5] | [6] |
| BG | 938.0 | 62.0 | 60.2 | 40.4 | 58.0 | -3.7 |
| CZ | 929.8 | 70.2 | 74.0 | 83.1 | 74.7 | 0.9 |
| DK | 838.3 | 161.7 | 133.8 | 144.4 | 135.3 | 1.1 |
| DE | 863.5 | 136.5 | 99.1 | 103.4 | 99.7 | 0.6 |
| EE | 933.0 | 67.0 | 75.0 | 108.6 | 77.7 | 3.6 |
| EL | 867.7 | 132.3 | 91.8 | 104.2 | 93.3 | 1.6 |
| ES | 875.1 | 124.9 | 95.0 | 106.3 | 96.4 | 1.5 |
| FR | 851.2 | 148.8 | 103.2 | 136.6 | 107.3 | 4.0 |
| IE | 827.2 | 172.8 | 112.8 | 152.7 | 118.0 | 4.6 |
| IT | 855.8 | 144.2 | 102.6 | 140.8 | 107.1 | 4.4 |
| CY | 890.3 | 109.7 | 95.9 | 66.8 | 92.0 | -4.2 |
| LV | 961.0 | 39.0 | 72.4 | 114.2 | 75.2 | 3.9 |
| LT | 952.9 | 47.1 | 67.6 | 73.2 | 67.8 | 0.4 |
| HU | 934.6 | 65.4 | 77.7 | 78.4 | 77.7 | -0.1 |
| MT | 928.4 | 71.6 | 88.9 | 72.5 | 87.0 | -2.1 |
| NL | 854.4 | 145.6 | 102.0 | 109.9 | 103.0 | 1.0 |
| AT | 846.5 | 153.5 | 103.5 | 131.8 | 107.2 | 3.6 |
| PL | 942.0 | 58.0 | 75.0 | 56.5 | 73.0 | -2.6 |
| PT | 871.4 | 128.6 | 92.6 | 78.3 | 90.6 | -2.2 |
| RO | 936.7 | 63.3 | 72.9 | 51.0 | 70.5 | -3.3 |
| SI | 877.1 | 122.9 | 83.0 | 92.2 | 84.1 | 1.3 |
| SK | 942.4 | 57.6 | 75.8 | 68.2 | 74.8 | -1.3 |
| FI | 854.5 | 145.5 | 114.9 | 112.6 | 114.6 | -0.3 |
| SE | 847.6 | 152.4 | 111.6 | 127.2 | 113.7 | 1.9 |
| UK | 799.9 | 200.1 | 108.2 | 201.9 | 119.8 | 10.7 |

In 2007, for 11 countries out of 25, the rent correction coefficient (ratio between the rent parity and the exchange rate) is under 100. This means that the average rents are lower in these places than in Belgium.

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

8.3. Comparison of correction coefficients for staff and pensioners

Table 4.5 compares the pensioners' correction coefficients with those for active staff. Among all Member States, Denmark has the highest country-based CC (in case of capital-based CC it is London). The biggest differences between capital CCs and country CCs can be observed in the United Kingdom, Hungary and France. In Austria and Germany the two CCs are nearly at the same level. In all countries except Germany, Cyprus and Malta the country CCs are lower than capital CCs. Without rents, the two sets of CCs are closer.

It should be mentioned that the Staff Regulations guarantee a minimum CC of 100 for pensioners, whatever is the result of Eurostat calculations.

Table 4.5
Pensioners correction coefficients and Staff correction coefficients

| Correction coefficients for pensioners | | | | Correction coefficients for staff | | | |
|--|---------------|-------|-------|-----------------------------------|---------------|-------|-------|
| Country | without rents | rents | Total | Capitals | without rents | rents | Total |
| BE | 100.0 | 100.0 | 100.0 | Brussels | 100.0 | 100.0 | 100.0 |
| BG | 60.2 | 40.4 | 58.0 | Sofia | 63.4 | 77.6 | 65.8 |
| CZ | 74.0 | 83.1 | 74.7 | Prague | 72.9 | 119.4 | 81.2 |
| DK | 133.8 | 144.4 | 135.3 | Copenhagen | 134.4 | 158.9 | 139.4 |
| DE | 99.1 | 103.4 | 99.7 | Berlin | 100.4 | 95.1 | 99.3 |
| EE | 75.0 | 108.6 | 77.7 | Tallinn | 75.3 | 99.9 | 79.6 |
| EL | 91.8 | 104.2 | 93.3 | Athens | 92.3 | 107.7 | 95.3 |
| ES | 95.0 | 106.3 | 96.4 | Madrid | 92.6 | 139.7 | 100.4 |
| FR | 103.2 | 136.6 | 107.3 | Paris | 103.2 | 187.6 | 117.4 |
| IE | 112.8 | 152.7 | 118.0 | Dublin | 113.1 | 167.2 | 121.8 |
| IT | 102.6 | 140.8 | 107.1 | Rome | 100.9 | 166.0 | 110.6 |
| CY | 95.9 | 66.8 | 92.0 | Nicosia | 97.0 | 62.1 | 89.9 |
| LV | 72.4 | 114.2 | 75.2 | Riga | 72.3 | 112.9 | 79.3 |
| LT | 67.6 | 73.2 | 67.8 | Vilnius | 65.4 | 100.5 | 71.3 |
| HU | 77.7 | 78.4 | 77.7 | Budapest | 78.9 | 138.7 | 89.8 |
| MT | 88.9 | 72.5 | 87.0 | Vallette | 89.6 | 66.7 | 84.8 |
| NL | 102.0 | 109.9 | 103.0 | The Hague | 102.4 | 158.0 | 111.5 |
| AT | 103.5 | 131.8 | 107.2 | Vienna | 103.0 | 127.6 | 107.8 |
| PL | 75.0 | 56.5 | 73.0 | Warsaw | 74.0 | 112.9 | 80.7 |
| PT | 92.6 | 78.3 | 90.6 | Lisbon | 91.9 | 93.6 | 92.2 |
| RO | 72.9 | 51.0 | 70.5 | Bucharest | 68.3 | 111.7 | 76.3 |
| SI | 83.0 | 92.2 | 84.1 | Ljubljana | 82.3 | 114.6 | 88.3 |
| SK | 75.8 | 68.2 | 74.8 | Bratislava | 74.7 | 114.0 | 81.3 |
| FI | 114.9 | 112.6 | 114.6 | Helsinki | 113.2 | 136.3 | 117.8 |
| SE | 111.6 | 127.2 | 113.7 | Stockholm | 110.9 | 140.9 | 117.0 |
| UK | 108.2 | 201.9 | 119.8 | London | 109.7 | 314.9 | 143.1 |

9. INFORMATION ABOUT WORKING TIME

Eurostat collects statistical information on differences in the working hours in all Member States. Information about statutory or contractual weekly working hours in central governments (Table 5.1), number of days of annual leave (Table 5.2) and number of public holidays per year (Table 5.3) are shown below. In all these tables the situation in July 2007 has been compared with that in July 2006.

Table 5.1
Statutory or contractual weekly working hours in central governments

| Country | Weekly working hours | | Remarks |
|--------------|----------------------|-------------|--------------------------|
| | July 2006 | July 2007 | |
| BE | 38 | 38 | |
| DE | 40 | 41 | 40 for vulnerable groups |
| ES | 37:30' - 40 | 37:30' - 40 | |
| FR | 35 | 35 | |
| IT | 36 | 36 | |
| LU | 40 | 40 | |
| NL | 36 | 36 | |
| UK (London) | 36 | 36 | |
| UK (Country) | 37 | 37 | |

Table 5.2
Number of days annual leave

| Country | Number of days | | Remarks |
|---------|----------------|-----------|--|
| | July 2006 | July 2007 | |
| BE | 26 - 33 | 26 - 33 | Depends on age |
| DE | 26 - 30 | 26 - 30 | Depends on age and grade |
| ES | 28 - 32 | 28 - 32 | Depends on length of service. It includes the six days for <u>personal convenience</u> |
| FR | 25 | 25 | 2 days bonus maximum |
| IT | 32 | 32 | Under 3 years of service: 30 days |
| LU | 28-32 | 28-32 | 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 2006 | July 2007 | |
| BE | 13 | 13 | Time off when the public holiday falls on Saturday or Sunday |
| DE | 7 | 7 | 9 in Berlin |
| ES | 14 | 14 | Time off when the public holiday falls on Sunday |
| FR | 10 | 10 | |
| IT | 11 | 11 | |
| LU | 14 | 14 | Time off when the public holiday falls on Sunday |
| NL | 7-8 | 7 | |
| UK | 10,5 | 10,5 | Time off when the public holiday falls on Saturday or Sunday |

Information collected about retirement age in central government (situation at July 2007) 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 (police 60) | 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 | 54-58 | Variations of retirement depending on sex |
| LU | | | |
| NL | 65 | 60 | |
| UK | 60 | 50 | SCS from age 65 |