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COMMISSION STAFF WORKING PAPER

Eurostat Report on the 2014 annual adjustment of remuneration and pensions of EU officials

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

**adjusting with effect from 1 July 2014 the correction coefficients applied to the
remuneration of active staff serving in Intra-EU and Extra-EU duty stations, to the
pensions of retired staff, and for pension transfers**

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EXECUTIVE SUMMARY

In accordance with the Articles 64 and 65 and Annex XI of the Staff Regulations applicable to officials and other servants of the European Union, and the special provisions in Annex X applicable to officials serving in a third country, Eurostat hereby presents its report for the twelve months to July 2014.

This is the first annual report submitted in accordance with the EU Staff Regulations as amended by Regulation 1023/2013.

The annual adjustment of remuneration and pensions in Belgium and Luxembourg is temporarily suspended by Article 65(3) of the Staff Regulations which introduced an immediate two year pay freeze for the periods 1 July 2012 - 1 July 2013 and 1 July 2013 - 1 July 2014.

In these circumstances, this report presents only the information required for the annual adjustment of remuneration and pensions outside Belgium and Luxembourg, namely:

- correction coefficients for staff working outside Brussels in Intra-EU duty stations;
- correction coefficients for pensioners living outside Belgium;
- correction coefficients for staff working outside Brussels in Extra-EU duty stations.

The correction coefficients which apply to remuneration outside Belgium and Luxembourg with effect from 1 July 2014 in order to maintain equality of purchasing power, are provided in Tables 5 and 9 for staff serving in Intra-EU and Extra-EU duty stations respectively.

The correction coefficients which apply to pensions outside Belgium and Luxembourg with effect from 1 July 2014 in order to maintain equality of purchasing power, are provided in Table 7.

With the exception of the information about consumption expenditure pattern data which is compiled by Eurostat from direct surveys of staff, all calculations and figures presented in this report are based on Intra-EU data supplied by the responsible national authorities. Corresponding data for Extra-EU duty stations is obtained from responsible national authorities coordinated by Eurostat under the European Comparison Programme (ECP), or collaboration with the International Section on Remuneration and Prices of the Coordinated Organisations (CO.ISRP) and the United Nations International Civil Service Commission (UN.ICSC).

More information about methodology, detailed results and statistical analyses is made available in the appendices to this report. Additional information can be found in detailed procedural manuals.

For any information concerning this report, please contact the Eurostat Remuneration Team in Luxembourg:

*Eurostat, Unit C3
Statistics for Administrative Purposes
BECH – A2/004,
Bâtiment Jean Monnet
L-2920 Luxembourg
Tel.: (352) 4301-34792
Email: estat-a64ia65@ec.europa.eu*

INTRODUCTION

In accordance with the Articles 64 and 65 and Annex XI of the Staff Regulations applicable to officials and other servants of the European Union, and the special provisions in Annex X applicable to officials serving in a third country, Eurostat hereby presents its report for the twelve months to July 2014.

This is the first annual report submitted in accordance with the EU Staff Regulations as amended by Regulation 1023/2013¹.

Annex XI of the Staff Regulations describes rules for implementing Articles 64 and 65 of the Staff Regulations, ie. the method for the annual adjustment of remuneration and pension of European officials. These rules are supplemented by special provisions in Annex X applicable to officials serving in a third country, and other relevant legislation and international agreements². Various procedural manuals to implement these rules have been developed by the Working Group on Articles 64 & 65 of the Staff Regulations which meets periodically in Luxembourg³.

The annual adjustment of remuneration and pensions in Belgium and Luxembourg is temporarily suspended by Article 65(3) of the Staff Regulations which introduced an immediate two year pay freeze for the periods 1 July 2012 - 1 July 2013 and 1 July 2013 - 1 July 2014.

In these circumstances, this report presents only the information required for the annual adjustment of remuneration and pensions outside Belgium and Luxembourg, namely:

- correction coefficients for staff working outside Brussels in Intra-EU duty stations;
- correction coefficients for pensioners living outside Belgium;
- correction coefficients for staff working outside Brussels in Extra-EU duty stations.

Chapters 1 to 3 of this report examine respectively:

- Economic parities between Brussels and other locations outside Belgium and Luxembourg, for staff (intra-EU);
- Economic parities between Belgium and other member states, for pensioners, and;

¹ Interim Reports were already prepared in May 2014 with reference Ares(2014)1465311 covering Intra-EU staff and pensioners for the period 1 July 2013 – 1 January 2014); in April 2014 with reference Ares(2014)1169801 (covering Extra-EU staff for the six months August 2013 – January 2014) and; in September 2014 with reference Ares(2014)3096705 (covering Extra-EU staff for the five months February 2014 – June 2014)

² These include the Statistical Law (223/2009); the PPP Regulation (1445/2007); the HICP Regulation (2494/1995 et seq); the GDP Regulation (ESA95: 2223/1996, ESA2010: 549/2013); the Transparency Regulation (1049/2001); the 2009 trilateral international memorandum of understanding (Eurostat / UN International Civil Service Commission / International Section on Remuneration and Prices of the Coordinated Organisations); the ILO 1973 Resolution on household surveys; the LFS Regulation (577/1998); the SES and LCS Regulation (530/1999).

³ These include: document A6465/14/26 “methodology for the calculation of specific indicators and control indicators” (version June 2014); document A6465/14/58 “methodology for the calculation of the Joint Index” (version July 2014); document A6465/14/59 “methodology for the calculation of Intra-EU correction coefficients” (version July 2014); document A6465/14/60 “methodology for the calculation of Extra-EU correction coefficients” (version July 2014).

- Economic parities between Brussels and locations outside the European Union, for staff (extra-EU).

With the exception of the information about consumption expenditure pattern data which is compiled by Eurostat from direct surveys of staff, all calculations and figures presented in this report are based on Intra-EU data supplied by the responsible national authorities. Corresponding data for Extra-EU duty stations is obtained from responsible national authorities coordinated by Eurostat under the European Comparison Programme (ECP), or collaboration with the International Section on Remuneration and Prices of the Coordinated Organisations (CO.ISRP) and the United Nations International Civil Service Commission (UN.ICSC).

More information on methodology, detailed results and statistical analysis is available in the appendices to this report and detailed procedural manuals⁴.

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*Eurostat, Unit C3
Statistics for Administrative Purposes
BECH – A2/004,
Bâtiment Jean Monnet
L-2920 Luxembourg
Tel.: (352) 4301-34792
Email: estat-a64ia65@ec.europa.eu*

⁴ Op cit (3)

1. ADJUSTMENT OF REMUNERATION AND PENSIONS OUTSIDE BELGIUM AND LUXEMBOURG

The value of the annual adjustment for duty station locations outside Brussels (active staff) and places of residence outside Belgium (pensioners) is equal to the product of the annual adjustment for Brussels (active staff) or Belgium (pensioners) multiplied by the change in the economic parities between Brussels and the duty station (active staff) or Belgium and the country (pensioners).

In accordance with Article 65(3) of the Staff Regulations adopted in October 2013, the annual adjustment for Brussels (active staff) or Belgium (pensioners) is zero (ie. a pay freeze) for the period 1 July 2013 - 1 July 2014.

However, in order to maintain equivalence of purchasing power, it is still necessary to take into account changes in economic parities between Brussels and elsewhere.

In accordance with Article 3(5) of Annex XI no correction coefficient is applicable in Belgium or Luxembourg.

2. CORRECTION COEFFICIENTS FOR STAFF OUTSIDE BELGIUM AND LUXEMBOURG IN INTRA-EU DUTY STATIONS⁵

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

The 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 Joint Belgium-Luxembourg Index of consumer prices (JBLI) and the changes in the economic parities between Brussels and those other places. Table 4 shows these changes for the year to July 2014.

⁵ A separate chapter is prepared concerning correction coefficients for duty stations outside the European Union, to which the additional provisions of Annex X to the Staff Regulations also apply.

Table 4

**Changes in the economic parities in the twelve months to 1st July 2014
(for staff)**

Country Place of employment	Parity 1.7.2013	Parity 1.7.2014	Change (%)	Implicit price index
BE/LU Brussels/Luxembourg	1.000	1.000	0.0%	0.9
BG Sofia	1.125	1.078	-4.1%	-3.3
CZ Prague	20.72	20.58	-0.7%	0.2
DK Copenhagen	10.06	9.917	-1.4%	-0.5
DE Berlin	0.968	0.972	0.5%	1.4
Bonn	0.949	0.946	-0.4%	0.5
Karlsruhe	0.928	0.950	2.3%	3.3
Munich	1.082	1.077	-0.5%	0.4
EE Tallinn	0.789	0.786	-0.3%	0.6
IE Dublin	1.130	1.159	2.5%	3.4
EL Athens	0.912	0.868	-4.9%	-4.0
ES Madrid	0.963	0.945	-1.9%	-1.0
FR Paris	1.174	1.168	-0.5%	0.4
HR Zagreb	5.961	5.874	-1.5%	-0.6
IT Rome	1.044	1.004	-3.8%	-2.9
Varese	0.928	0.931	0.3%	1.2
CY Nicosia	0.837	0.812	-2.9%	-2.1
LV Riga	0.761	0.765	0.5%	1.4
LT Vilnius	2.484	2.464	-0.8%	0.1
HU Budapest	224.4	220.2	-1.9%	-1.0
MT Valletta	0.844	0.834	-1.2%	-0.3
NL The Hague	1.089	1.078	-1.0%	-0.1
AT Vienna	1.083	1.072	-1.0%	-0.1
PL Warsaw	3.154	3.075	-2.5%	-1.6
PT Lisbon	0.831	0.822	-1.1%	-0.2
RO Bucharest	3.107	3.051	-1.8%	-0.9
SI Ljubljana	0.854	0.847	-0.9%	0.0
SK Bratislava	0.802	0.790	-1.4%	-0.5
FI Helsinki	1.237	1.230	-0.6%	0.3
SE Stockholm	11.64	11.73	0.8%	1.7
UK London	1.188	1.205	1.5%	2.4
Culham	0.9179	0.9333	1.7%	2.6

Latvia adopted the Euro with effect 1.1.2014: 2013 PPP restated using fixed conversion 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 at July 2014 for places of employment situated in the European Union territory for which correction coefficients have been set.

Table 5
Calculation of correction coefficients at 1st July 2014
(for staff)

Country Place of employment	Parity [1]	Exchange rate [2]	Correction coefficient 100 * [1] / [2]
BE/LU Brussels/Luxembourg	1.000	1.000	100.0
BG Sofia	1.078	1.956	55.1
CZ Prague	20.58	27.46	75.0
DK Copenhagen	9.917	7.457	133.0
DE Berlin	0.972	1.000	97.2
Bonn	0.946	1.000	94.6
Karlsruhe	0.950	1.000	95.0
Munich	1.077	1.000	107.7
EE Tallinn	0.786	1.000	78.6
IE Dublin	1.159	1.000	115.9
EL Athens	0.868	1.000	86.8
ES Madrid	0.945	1.000	94.5
FR Paris	1.168	1.000	116.8
HR Zagreb	5.874	7.573	77.6
IT Rome	1.004	1.000	100.4
Varese	0.931	1.000	93.1
CY Nicosia	0.812	1.000	81.2
LV Riga	0.765	1.000	76.5
LT Vilnius	2.464	3.453	71.4
HU Budapest	220.2	308.6	71.4
MT Valletta	0.834	1.000	83.4
NL The Hague	1.078	1.000	107.8
AT Vienna	1.072	1.000	107.2
PL Warsaw	3.075	4.152	74.1
PT Lisbon	0.822	1.000	82.2
RO Bucharest	3.051	4.388	69.5
SI Ljubljana	0.847	1.000	84.7
SK Bratislava	0.790	1.000	79.0
FI Helsinki	1.230	1.000	123.0
SE Stockholm	11.73	9.196	127.5
UK London	1.205	0.7997	150.7
Culham	0.9333	0.7997	116.7

3. CORRECTION COEFFICIENTS FOR PENSIONERS OUTSIDE BELGIUM AND LUXEMBOURG

The Staff Regulations stipulate the creation of correction coefficients for pensioners separate from those used for adjusting the remuneration of active staff⁶. The difference is that instead of being based on capital city price comparisons they relate to national comparisons, with Belgium as the base country.

Their use is subject to specific rules set out in the Staff Regulations.

This section presents the calculated values of the economic parities and the correction coefficients for pensioners. 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 Joint Belgium-Luxembourg Index of consumer prices (JBLI) and the changes in the economic parities between Belgium and the Member States.

Table 6 shows these changes for the year to July 2014.

⁶ This requirement was introduced by Council Regulation 723/2004

Table 6
Changes in the economic parities in the twelve months to 1st July 2014
(for pensioners)

Country	Parity 1.7.2013	Parity 1.7.2014	Change (%)	Implicit price index
BE/LU	1.000	1.000	0.0%	0.9
BG	1.112	1.095	-1.5%	-0.7
CZ	19.36	19.35	-0.1%	0.8
DK	9.862	9.794	-0.7%	0.2
DE	0.965	0.964	-0.1%	0.8
EE	0.792	0.801	1.1%	2.0
IE	1.058	1.063	0.5%	1.4
EL	0.917	0.847	-7.5%	-6.7
ES	0.913	0.902	-1.1%	-0.2
FR	1.092	1.071	-1.9%	-1.0
HR	5.590	5.469	-2.2%	-1.3
IT	0.979	0.945	-3.5%	-2.7
CY	0.869	0.858	-1.3%	-0.4
LV	0.737	0.748	1.6%	2.5
LT	2.454	2.456	0.1%	1.0
HU	197.8	197.5	-0.1%	0.8
MT	0.845	0.842	-0.3%	0.6
NL	1.056	1.047	-0.8%	0.0
AT	1.048	1.044	-0.4%	0.5
PL	2.851	2.805	-1.6%	-0.7
PT	0.851	0.852	0.1%	1.0
RO	2.778	2.800	0.8%	1.7
SI	0.806	0.814	0.9%	1.9
SK	0.732	0.731	-0.2%	0.7
FI	1.149	1.145	-0.4%	0.5
SE	10.89	10.66	-2.1%	-1.3
UK	0.9683	0.9651	-0.3%	0.6

Latvia adopted the Euro with effect 1.1.2014: 2013 PPP restated using fixed conversion rate

Table 7 shows the correction coefficients calculated for pensioners for all member States (relative to Belgium) at July 2014.

Table 7
Calculation of correction coefficients at 1st July 2014
(for pensioners)

Country	Parity [1]	Exchange rate [2]	Correction coefficient 100 * [1] / [2]
BE/LU	1.000	1.000	100.0
BG	1.095	1.956	56.0
CZ	19.35	27.46	70.5
DK	9.794	7.457	131.3
DE	0.964	1.000	96.4
EE	0.801	1.000	80.1
IE	1.063	1.000	106.3
EL	0.847	1.000	84.7
ES	0.902	1.000	90.2
FR	1.071	1.000	107.1
HR	5.469	7.573	72.2
IT	0.945	1.000	94.5
CY	0.858	1.000	85.8
LV	0.748	1.000	74.8
LT	2.456	3.453	71.1
HU	197.5	308.6	64.0
MT	0.842	1.000	84.2
NL	1.047	1.000	104.7
AT	1.044	1.000	104.4
PL	2.805	4.152	67.6
PT	0.852	1.000	85.2
RO	2.800	4.388	63.8
SI	0.814	1.000	81.4
SK	0.731	1.000	73.1
FI	1.145	1.000	114.5
SE	10.66	9.196	115.9
UK	0.9651	0.7997	120.7

4. CORRECTION COEFFICIENTS FOR STAFF SERVING OUTSIDE THE EUROPEAN UNION

The Staff Regulations stipulate the creation of correction coefficients for staff serving in duty stations outside the European Union separate from those used for adjusting the remuneration of active staff within the European Union⁷. An important difference from the values established for Intra-EU locations is that expenditure on housing, on education, and on healthcare is not taken into account because Annex X makes specific arrangements for these. Price data for remaining expenditure items is taken from “place-to-place” surveys undertaken in collaboration with the United Nations International Civil Service Commission (UN.ICSC) and the International Section on Remuneration and Prices of the Coordinated Organisations (CO.ISRP). This is used to establish economic parities with Brussels, which are subsequently updated using published national consumer price indices (CPI), relative to the Joint Belgium-Luxembourg Index of consumer prices (JBLI). Another important difference is that in accordance with Annex X of the Staff Regulations, correction coefficients are only applied at the specific request of the EU official, irrespective whether they are above or below 100.

This section presents the calculated values of the economic parities and the correction coefficients for extra-EU staff. Information is compiled for a list of 144⁸ duty stations, however economic parities are not presented where data is unavailable or unreliable due to local instability or other reasons. The total changes in the cost of living are measured by the implicit indices which are calculated as the product of the Joint Belgium-Luxembourg Index of consumer prices (JBLI) and the changes in the economic parities between Brussels and the duty station concerned.

Table 8 shows these changes for the year to July 2014.

⁷ This requirement was introduced by Council Regulation 3019/87

⁸ One new duty station country since July 2013: Somalia

Table 8
Changes in the economic parities in the twelve months to 1st July 2014
(for staff serving in Extra- EU delegations)

Code		Country	City	Economic Parities	Economic Parities	CHANGE (in %)
				Jul-14	Jul-13	July 2014- July 2013
127	(3)	Afghanistan	Kabul	0	0	
128		Albania	Tirana	84.56	82.78	2.2
49		Algeria	Algiers	74.36	75.76	-1.8
97	(4)	Angola	Luanda	188.8	172.1	9.7
70	(3)	Argentina	Buenos Aires	0	0	
133		Armenia	Yerevan	424.3	423.1	0.3
85		Australia	Canberra	1.470	1.485	-1.0
135		Azerbaijan	Baku	1.025	1.024	0.1
71		Bangladesh	Dhaka	67.08	60.05	11.7
68	(4)	Barbados	Bridgetown	2.974	3.182	-6.5
142		Belarus	Minsk	8208	7263	13.0
87		Belize	Belize (Belmopan)	1.915	1.882	1.8
37		Benin	Cotonou	622.9	657.7	-5.3
72		Bolivia	La Paz	6.792	6.241	8.8
303		Bosnia and Herzegovina	Banja Luka	1.190	1.217	-2.2
228		Bosnia and Herzegovina	Sarajevo	1.407	1.438	-2.2
36		Botswana	Gaborone	6.238	6.062	2.9
4	(4)	Brazil	Brasilia	3.030	2.581	17.4
79	(4)	Burkina Faso	Ouagadougou	648.9	626.2	3.6
35		Burundi	Bujumbura	1425	1261	13.0
143		Cambodia	Phnom Penh	4481	4352	3.0
69		Cameroon	Yaounde	612.9	606.2	1.1
9	(5)	Canada	Ottawa	1.283	1.189	7.9
81		Cape Verde	Praia	77.78	78.24	-0.6
34		Central African Republic	Bangui	695.9	666.9	4.3
65		Chad	Ndjamena	745.8	736.8	1.2
44		Chile	Santiago	403.6	437.2	-7.7
74		China	Beijing	7.596	7.605	-0.1
118		Colombia	Bogota	2213	2142	3.3
57		Comoros	Moroni	334.3	371.0	-9.9
33		Congo	Brazzaville	783.5	799.9	-2.1
88	(4)	Costa Rica	San Jose	584.4	631.9	-7.5
148		Croatia	Zagreb	5.795	5.821	-0.4
149	(1)	Cuba	Havana	0.9925	0.9525	4.2
43	(1)	Democratic Republic of Congo	Kinshasa	1.838	1.944	-5.5
32		Djibouti	Djibouti	181.3	214.2	-15.4
54		Dominican Republic	Santo Domingo	36.44	33.21	9.7
117	(1)	Ecuador	Quito	0.9862	0.9947	-0.9
13		Egypt	Cairo	6.036	5.680	6.3
152	(1)	El Salvador	San Salvador	0.9548	0.956	-0.1
236	(4)	Eritrea	Asmara	23.69	24.67	-4.0
31		Ethiopia	Addis Ababa	24.25	21.89	10.8
23		Fiji	Suva	1.649	1.639	0.6
229		Former Yugoslav Republic of Macedonia	Skopje	35.89	36.47	-1.6
76		Gabon	Libreville	697.9	648.2	7.7
51		Gambia	Banjul	32.61	31.22	4.5
157		Georgia	Tbilisi	1.572	1.543	1.9
39		Ghana	Accra	2.378	2.075	14.6
119		Guatemala	Guatemala City	8.160	8.092	0.8
98		Guinea	Conakry	7449	6980	6.7
45		Guinea-Bissau	Bissau	586.5	605.6	-3.2
30		Guyana	Georgetown	177.0	179.8	-1.6

			Economic Parities	Economic Parities	CHANGE (in %)	
Code		Country	City	Jul-14	Jul-13	July 2014- July 2013
77		Haiti	Port-au-Prince	50.35	48.81	3.2
99		Honduras	Tegucigalpa	21.70	20.69	4.9
105		Hong Kong	Hong Kong	10.72	10.45	2.6
307	(5)	Iceland	Reykjavik	173.8	157.5	10.3
80		India	New Delhi	53.48	49.68	7.6
300		Indonesia	Banda Aceh	9731	9094	7.0
40		Indonesia	Jakarta	10711	9932	7.8
163	(3)	Iraq	Baghdad	0	0	
38	(4)	Israel	Tel-Aviv	4.747	5.076	-6.5
29		Ivory coast	Abidjan	645.7	634.6	1.7
100		Jamaica	Kingston	134.2	123.8	8.4
8	(5)	Japan	Tokyo	139.4	144.0	-3.2
50	(4)	Jordan	Amman	0.8586	0.924	-7.1
301		Kazakhstan	Astana	200.6	196.4	2.1
28		Kenya	Nairobi	94.74	92.28	2.7
304		Kosovo	Pristina	0.7168	0.7282	-1.6
168		Kyrgyzstan	Bichkek	50.77	48.77	4.1
171		Laos	Vientiane	9408	9166	2.6
2		Lebanon	Beirut	1589	1570	1.2
27		Lesotho	Maseru	6.871	6.479	6.1
46	(1)	Liberia	Monrovia	1.372	1.504	-8.8
308	(3)	Libya	Tripoli	0	0	
47	(4)	Madagascar	Antananarivo	2734	2429	12.6
26		Malawi	Lilongwe	321.1	251.9	27.5
121		Malaysia	Kuala Lumpur	3.088	3.066	0.7
104		Mali	Bamako	657.6	663.7	-0.9
91		Mauritania	Nouakchott	243.9	239.9	1.7
90		Mauritius	Port Louis	32.50	31.65	2.7
78	(5)	Mexico	Mexico City	11.82	12.66	-6.6
185		Moldova	Chisinau	11.27	10.66	5.7
187		Montenegro	Podgorica	0.6414	0.6349	1.0
1		Morocco	Rabat	7.826	7.845	-0.2
25		Mozambique	Maputo	32.85	31.95	2.8
311		Myanmar	Yangon	780.3	745.8	4.6
113		Namibia	Windhoek	9.199	8.744	5.2
60		Nepal	Kathmandu	93.34	85.32	9.4
106		New Caledonia	NouMea	130.6	133.4	-2.1
190		New Zealand	Wellington	1.741	1.730	0.6
59		Nicaragua	Managua	18.88	18.44	2.4
62		Niger	Niamey	535.4	543.2	-1.4
126	(4)	Nigeria	Abuja	200.4	214.8	-6.7
103	(5)	Norway	Oslo	10.92	10.38	5.2
41		Pakistan	Islamabad	71.00	65.63	8.2
194	(1)	Panama	Panama City	0.8911	0.8445	5.5
22		Papua New Guinea	Port Moresby	3.838	3.68	4.3
195		Paraguay	Asuncion	3997	3776	5.9
61		Peru	Lima	3.315	3.138	5.6
108		Philippines	Manilla	42.56	44.45	-4.3
114		Russia	Moscow	51.00	47.88	6.5
21		Rwanda	Kigali	708.2	696.0	1.8
42	(4)	Samoa	Apia	2.723	2.969	-8.3
48		Saudi Arabia	Riyadh	3.504	3.645	-3.9
20	(4)	Senegal	Dakar	677.8	610.3	11.1
231		Serbia	Belgrade	83.95	83.27	0.8
19	(4)	Sierra Leone	Freetown	6878	6948	-1.0
207	(4)	Singapore	Singapore	2.054	1.990	3.2
101		Solomon Islands	Honiara	11.92	11.60	2.8

				Economic Parities	Economic Parities	CHANGE (in %)
Code		Country	City	Jul-14	Jul-13	July 2014-July 2013
18		Somalia	Mogadishu	0	0	
124		South Africa	Pretoria	7.152	6.702	6.7
73	(5)	South Korea	Seoul	1367	1473	-7.2
224	(4)	South-Sudan	Juba	3.558	0	
64		Sri Lanka	Colombo	124.2	122.9	1.1
63	(4)	Sudan	Khartoum	8.689	5.479	58.6
94		Suriname	Paramaribo	2.783	2.649	5.1
17		Swaziland	Mbabane	7.447	7.019	6.1
235	(5)	Switzerland	Bern	1.469	1.520	-3.4
82		Switzerland	Geneva	1.503	1.536	-2.1
7	(3)	Syria	Damascus	0	0	
216		Taiwan	Taipei	33.51	33.79	-0.8
215		Tajikistan	Duschanbe	4.51	4.274	5.5
15		Tanzania	Dar es Salaam	1441	1467	-1.8
6		Thailand	Bangkok	32.70	32.88	-0.5
302	(1)(4)	Timor Leste	Dili	1.400	1.588	-11.8
66		Togo	Lome	557.1	545.3	2.2
58		Trinidad and Tobago	Port-of-Spain	6.772	6.945	-2.5
56		Tunisia	Tunis	1.474	1.391	6.0
67	(5)	Turkey	Ankara	2.183	2.249	-2.9
309		Turkmenistan	Ashkhabad	2.396	2.208	8.5
16		Uganda	Kampala	2507	2459	2.0
220		Ukraine	Kiev	8.681	8.002	8.5
310	(4)	United Arab Emirates	Abu Dhabi	3.984	0	
112		United States	New York	1.252	1.246	0.5
10	(5)	United States	Washington	1.079	1.212	-11.0
5		Uruguay	Montevideo	28.79	26.25	9.7
192		Uzbekistan	Tachkent	2359	1582	49.1
53		Vanuatu	Port Vila	134.8	143.8	-6.3
3		Venezuela	Caracas	11.93	7.313	63.1
125		Vietnam	Hanoi	15962	15308	4.3
234		West Bank — Gaza Strip	East Jerusalem	5.255	5.344	-1.7
55		Yemen	Sana a	261.2	239.9	8.9
96		Zambia	Lusaka	7.368	6.854	7.5
14	(3)	Zimbabwe	Harare	0	0	

(1) 1 euro = USD (Cuba, El Salvador, Ecuador, Liberia, Timor Leste, Panama, Dem Rep Congo)

(2) Brussels = 100%

(3) Not available (7 duty stations)

(4) UN P2P processed (18 Duty Stations)

(5) OECD PPP processed (9 Duty stations)

Table 9 shows the correction coefficients for all extra-EU duty stations (relative to Belgium) calculated at July 2014.

Table 9
Calculation of correction coefficients at 1st July 2014
(for staff serving in Extra- EU delegations)

				Economic Parities	Exchange Rate (1)	Correction Coefficients (2)
Code		Country	City	Jul-14	Jul-14	Jul-14
127	(3)	Afghanistan	Kabul	0	0	0.0
128		Albania	Tirana	84.56	140.200	60.3
49		Algeria	Algiers	74.36	108.102	68.8
97	(4)	Angola	Luanda	188.8	132.977	142.0
70	(3)	Argentina	Buenos Aires	0	0	0.0
133		Armenia	Yerevan	424.3	556.270	76.3
85		Australia	Canberra	1.470	1.44600	101.7
135		Azerbaijan	Baku	1.025	1.06822	96.0
71		Bangladesh	Dhaka	67.08	105.616	63.5
68	(4)	Barbados	Bridgetown	2.974	2.73859	108.6
142		Belarus	Minsk	8208	13870.0	59.2
87		Belize	Belize (Belmopan)	1.915	2.71719	70.5
37		Benin	Cotonou	622.9	655.957	95.0
72		Bolivia	La Paz	6.792	9.41142	72.2
303		Bosnia and Herzegovina	Banja Luka	1.190	1.95583	60.8
228		Bosnia and Herzegovina	Sarajevo	1.407	1.95583	71.9
36		Botswana	Gaborone	6.238	12.0192	51.9
4	(4)	Brazil	Brasilia	3.030	2.99050	101.3
79	(4)	Burkina Faso	Ouagadougou	648.9	655.957	98.9
35		Burundi	Bujumbura	1425	2104.54	67.7
143		Cambodia	Phnom Penh	4481	5523.50	81.1
69		Cameroon	Yaounde	612.9	655.957	93.4
9	(5)	Canada	Ottawa	1.283	1.45560	88.1
81		Cape Verde	Praia	77.78	110.265	70.5
34		Central African Republic	Bangui	695.9	655.957	106.1
65		Chad	Ndjamena	745.8	655.957	113.7
44		Chile	Santiago	403.6	749.972	53.8
74		China	Beijing	7.596	8.46890	89.7
118		Colombia	Bogota	2213	2569.89	86.1
57		Comoros	Moroni	334.3	491.968	68.0
33		Congo	Brazzaville	783.5	655.957	119.4
88	(4)	Costa Rica	San Jose	584.4	742.937	78.7
148		Croatia	Zagreb	5.795	7.57300	76.5
149	(1)	Cuba	Havana	0.9925	1.36200	72.9
43	(1)	Democratic Republic of Congo	Kinshasa	1.838	1.36200	134.9
32		Djibouti	Djibouti	181.3	242.056	74.9
54		Dominican Republic	Santo Domingo	36.44	59.0950	61.7
117	(1)	Ecuador	Quito	0.9862	1.36200	72.4
13		Egypt	Cairo	6.036	9.75670	61.9
152	(1)	El Salvador	San Salvador	0.9548	1.36200	70.1
236	(4)	Eritrea	Asmara	23.69	20.7603	114.1
31		Ethiopia	Addis Ababa	24.25	26.5854	91.2
23		Fiji	Suva	1.649	2.50564	65.8
229		Former Yugoslav Republic of Macedon	Skopje	35.89	61.6863	58.2
76		Gabon	Libreville	697.9	655.957	106.4
51		Gambia	Banjul	32.61	57.0500	57.2
157		Georgia	Tbilisi	1.572	2.40900	65.3
39		Ghana	Accra	2.378	4.08380	58.2
119		Guatemala	Guatemala City	8.160	10.6115	76.9
98		Guinea	Conakry	7449	9537.04	78.1
45		Guinea-Bissau	Bissau	586.5	655.957	89.4
30		Guyana	Georgetown	177.0	282.325	62.7

				Economic Parities	Exchange Rate (1)	Correction Coefficients (2)
Code		Country	City	Jul-14	Jul-14	Jul-14
77		Haiti	Port-au-Prince	50.35	61.9572	81.3
99		Honduras	Tegucigalpa	21.70	28.5433	76.0
105		Hong Kong	Hong Kong	10.72	10.5573	101.5
307	(5)	Iceland	Reykjavik	173.8	154.850	112.2
80		India	New Delhi	53.48	81.8630	65.3
300		Indonesia	Banda Aceh	9731	16369.0	59.4
40		Indonesia	Jakarta	10711	16369.0	65.4
163	(3)	Iraq	Baghdad	0	0	0.0
38	(4)	Israel	Tel-Aviv	4.747	4.67080	101.6
29		Ivory coast	Abidjan	645.7	655.957	98.4
100		Jamaica	Kingston	134.2	150.486	89.2
8	(5)	Japan	Tokyo	139.4	138.0900	100.9
50	(4)	Jordan	Amman	0.8586	0.965658	88.9
301		Kazakhstan	Astana	200.6	249.760	80.3
28		Kenya	Nairobi	94.74	119.029	79.6
304		Kosovo	Pristina	0.7168	1.00000	71.7
168		Kyrgyzstan	Bichkek	50.77	70.9029	71.6
171		Laos	Vientiane	9408	10927.0	86.1
2		Lebanon	Beirut	1589	2053.22	77.4
27		Lesotho	Maseru	6.871	14.4394	47.6
46	(1)	Liberia	Monrovia	1.372	1.36200	100.7
308	(3)	Libya	Tripoli	0	0	0.0
47	(4)	Madagascar	Antananarivo	2734	3208.74	85.2
26		Malawi	Lilongwe	321.1	541.045	59.3
121		Malaysia	Kuala Lumpur	3.088	4.37540	70.6
104		Mali	Bamako	657.6	655.957	100.3
91		Mauritania	Nouakchott	243.9	408.930	59.6
90		Mauritius	Port Louis	32.50	41.1444	79.0
78	(5)	Mexico	Mexico City	11.82	17.7087	66.7
185		Moldova	Chisinau	11.27	19.0345	59.2
187		Montenegro	Podgorica	0.6414	1.00000	64.1
1		Morocco	Rabat	7.826	11.2075	69.8
25		Mozambique	Maputo	32.85	42.2600	77.7
311		Myanmar	Yangon	780.3	1317.74	59.2
113		Namibia	Windhoek	9.199	14.4394	63.7
60		Nepal	Kathmandu	93.34	131.12	71.2
106		New Caledonia	NouMea	130.6	119.332	109.4
190		New Zealand	Wellington	1.741	1.55420	112.0
59		Nicaragua	Managua	18.88	35.3468	53.4
62		Niger	Niamey	535.4	655.957	81.6
126	(4)	Nigeria	Abuja	200.4	211.439	94.8
103	(5)	Norway	Oslo	10.92	8.36800	130.5
41		Pakistan	Islamabad	71.00	134.336	52.9
194	(1)	Panama	Panama City	0.8911	1.36200	65.4
22		Papua New Guinea	Port Moresby	3.838	3.30583	116.1
195		Paraguay	Asuncion	3997	5985.99	66.8
61		Peru	Lima	3.315	3.81905	86.8
108		Philippines	Manilla	42.56	59.6600	71.3
114		Russia	Moscow	51.00	45.8969	111.1
21		Rwanda	Kigali	708.2	928.137	76.3
42	(4)	Samoa	Apia	2.723	3.10321	87.7
48		Saudi Arabia	Riyadh	3.504	5.10750	68.6
20	(4)	Senegal	Dakar	677.8	655.957	103.3
231		Serbia	Belgrade	83.95	115.545	72.7
19	(4)	Sierra Leone	Freetown	6878	5967.19	115.3
207	(4)	Singapore	Singapore	2.054	1.70150	120.7
101		Solomon Islands	Honiara	11.92	9.82683	121.3

				Economic Parities	Exchange Rate (1)	Correction Coefficients (2)
Code		Country	City	Jul-14	Jul-14	Jul-14
18		Somalia	Mogadishu	0	0	0.0
124		South Africa	Pretoria	7.152	14.4394	49.5
73	(5)	South Korea	Seoul	1367	1380.96	99.0
224	(4)	South-Sudan	Juba	3.558	4.01790	88.6
64		Sri Lanka	Colombo	124.2	177.165	70.1
63	(4)	Sudan	Khartoum	8.689	8.10479	107.2
94		Suriname	Paramaribo	2.783	4.49460	61.9
17		Swaziland	Mbabane	7.447	14.4394	51.6
235	(5)	Switzerland	Bern	1.469	1.21620	120.8
82		Switzerland	Geneva	1.503	1.21620	123.6
7	(3)	Syria	Damascus	0	0	0.0
216		Taiwan	Taipei	33.51	40.7109	82.3
215		Tajikistan	Duschanbe	4.51	6.71017	67.2
15		Tanzania	Dar es Salaam	1441	2251.16	64.0
6		Thailand	Bangkok	32.70	44.2210	73.9
302	(1)(4)	Timor Leste	Dili	1.400	1.36200	102.8
66		Togo	Lome	557.1	655.957	84.9
58		Trinidad and Tobago	Port-of-Spain	6.772	8.59430	78.8
56		Tunisia	Tunis	1.474	2.28050	64.6
67	(5)	Turkey	Ankara	2.183	2.89440	75.4
309		Turkmenistan	Ashkhabad	2.396	3.88170	61.7
16		Uganda	Kampala	2507	3538.38	70.9
220		Ukraine	Kiev	8.681	16.1832	53.6
310	(4)	United Arab Emirates	Abu Dhabi	3.984	4.9912	79.8
112		United States	New York	1.252	1.36200	91.9
10	(5)	United States	Washington	1.079	1.36200	79.2
5		Uruguay	Montevideo	28.79	31.1081	92.5
192		Uzbekistan	Tachkent	2359	3149.35	74.9
53		Vanuatu	Port Vila	134.8	130.534	103.3
3		Venezuela	Caracas	11.93	8.56984	139.2
125		Vietnam	Hanoi	15962	29051.5	54.9
234		West Bank — Gaza Strip	East Jerusalem	5.255	4.67080	112.5
55		Yemen	Sana a	261.2	292.680	89.2
96		Zambia	Lusaka	7.368	8.28275	89.0
14	(3)	Zimbabwe	Harare	0	0	0.0

(1) 1 euro = USD (Cuba, El Salvador, Ecuador, Liberia, Timor Leste, Panama, Dem Rep Congo)

(2) Brussels = 100%

(3) Not available (7 duty stations)

(4) UN P2P processed (18 Duty Stations)

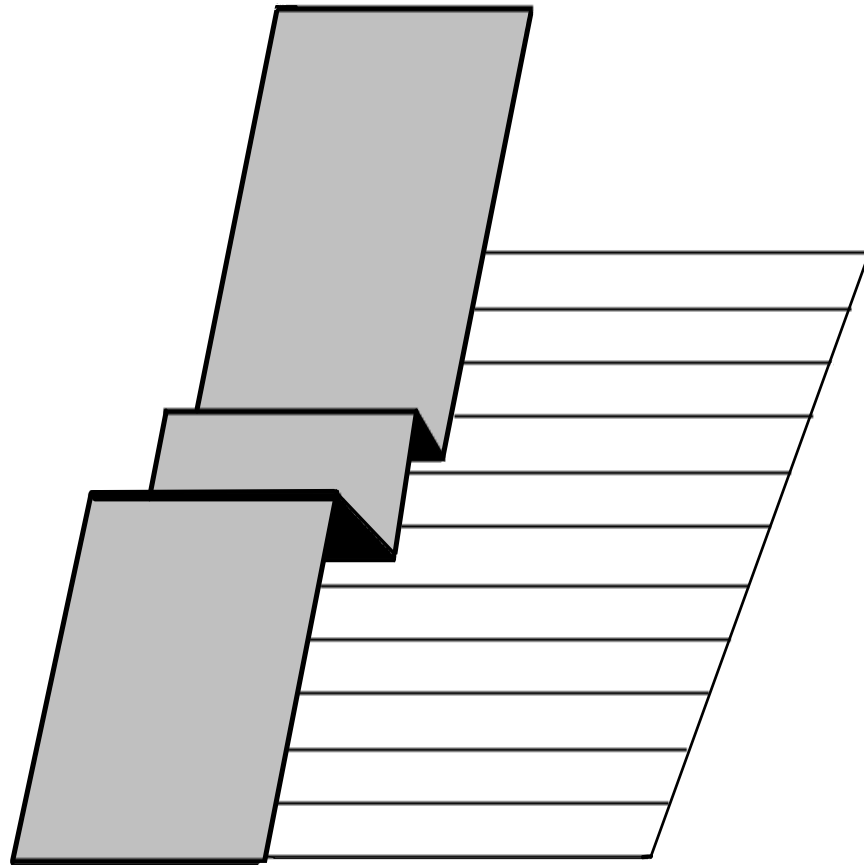
(5) OECD PPP processed (9 Duty stations)

Appendix 1

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

Explanations and statistical analyses

Reference period:
Year to 1 July 2014



October 2014

Statistical Office of the European Union
Unit C3, Statistics for administrative purposes
Luxembourg

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INTRODUCTION

This document is an appendix to the 2014 Eurostat report on the annual adjustment of remuneration and pensions. While the principal results concerning correction coefficients for staff and pensioners are presented in the main report, the purpose of this appendix is to give some explanations and statistical analyses of the results as well as detailed tables with statistical information.

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

- the economic parities and correction coefficients for staff (Intra-EU);
- the economic parities and correction coefficients for pensioners;
- the economic parities and correction coefficients for staff (Extra-EU).

With the exception of the information about consumption expenditure pattern data which is compiled by Eurostat from direct surveys of staff, all calculations and figures presented in this report are based on Intra-EU data supplied by the responsible national authorities. Corresponding data for Extra-EU duty stations is obtained from responsible national authorities coordinated by Eurostat under the European Comparison Programme (ECP), or collaboration with United Nations International Civil Service Commission (UN.ICSC) and International Section on Remuneration and Prices of the Coordinated Organisations (CO.ISRP).

More information about methodology, detailed results and statistical analyses can be found in detailed procedural manuals⁹.

For any information concerning this report, please contact the Eurostat Remuneration Team in Luxembourg:

*Eurostat, Unit C3
Statistics for Administrative Purposes
BECH – A2/004,
Bâtiment Jean Monnet
L-2920 Luxembourg
Tel.: (352) 4301-34792
Email: estat-a64ia65@ec.europa.eu*

⁹ Op cit (3)

1. EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS IN THE MEMBER STATES

1.1 Economic parities and correction coefficients

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

The system works as follows: the total range of goods and services constituting the consumption of the average European institution official is divided into 80 basic headings (such as meat, footwear, electricity supply, motor cars, telephone communications, 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.

The 80 basic parities are then updated using the ratio between the harmonised index of consumer prices (HICP) for the country in which the place of employment is located and the Joint Brussels-Luxembourg Index of consumer prices (JBLI).

Housing is dealt with differently. Special rent surveys of estate agents are carried out each year at each place of employment, including Brussels, to calculate an economic parity for the basic heading "accommodation costs for tenants". The calculation follows a methodology that has been developed by Eurostat in collaboration with the national statistical institutes of the Member States, based on the principle that the parity used should be calculated in such a way to allow European institution officials outside Brussels to live in dwellings of comparable quality to those occupied by European institution officials in Brussels. The basic parity "accommodation costs of owner-occupiers" is calculated by reference to the rent the owner-occupiers would pay if they were tenants (these are known as "imputed rents").

In order to calculate the overall economic parities weights have to be applied to each basic heading according to its relative importance in the consumption basket. These weights are calculated directly from the results of the special family budget surveys conducted among European and international civil servants every five to seven years. The resulting structure reflects the consumption of the average international civil servant in Brussels and in each country or place of employment.

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

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

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

1.2 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
1.07.2014
(for staff)

Expenditure Groups	BE	BG-Sofia		CZ-Prague		DK-Copenhagen		DE-Berlin		DE-Bonn		DE-Karlsruhe	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	149.1	1.326	128.3	20.14	122.5	9.390	104.6	0.993	104.6	0.993	104.6	0.981
2	20.3	27.4	1.334	26.9	23.41	25.7	9.76	23.2	0.853	23.2	0.853	23.2	0.911
3	54.3	56.4	1.444	45.0	22.93	43.0	8.108	49.1	0.865	49.1	0.865	49.1	0.902
4	297.6	252.1	0.8265	309.4	23.75	340.7	11.63	248.8	0.998	248.8	0.908	248.8	0.907
5	74.7	77.7	1.025	69.9	17.94	66.7	7.481	89.6	0.902	89.6	0.915	89.6	0.900
6	19.2	12.6	1.069	13.8	16.71	13.2	9.374	15.4	0.929	15.4	0.701	15.4	0.896
7	127.2	121.7	1.440	128.5	22.32	122.7	9.84	180.9	1.075	180.9	1.079	180.9	1.082
8	21.5	22.2	1.128	16.7	21.30	16.0	5.853	21.0	0.670	21.0	0.679	21.0	0.663
9	91.7	102.9	1.320	106.5	21.67	101.7	9.104	134.8	1.042	134.8	1.056	134.8	1.028
10	14.7	12.7	0.3420	15.3	10.45	14.6	11.22	13.7	1.290	13.7	1.290	13.7	1.290
11	100.6	104.5	0.7968	87.9	13.08	83.9	10.23	77.9	0.864	77.9	0.862	77.9	0.870
12	50.0	60.9	1.434	51.5	21.40	49.2	10.37	41.0	0.922	41.0	0.914	41.0	0.964
Rents	237.1	203.0	0.7891	265.4	25.02	298.7	11.80	198.0	1.003	198.0	0.879	198.0	0.868
Total without rents	762.9	797.1	1.172	734.6	19.31	701.4	9.314	802.0	0.964	802.0	0.965	802.0	0.974
Global parity	1000.0		1.078		20.58		9.92		0.972		0.946		0.950

Expenditure Groups	BE	DE-Munich		EE-Tallinn		IE-Dublin		EL-Athens		ES-Madrid		FR-Paris	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	104.6	0.993	135.3	0.828	85.1	1.050	142.1	0.920	120.8	0.826	98.6	0.993
2	20.3	23.2	0.853	28.4	0.973	19.7	1.752	28.7	1.094	22.8	0.828	20.7	0.988
3	54.3	49.1	0.865	47.5	0.934	55.5	0.818	48.8	0.842	40.6	0.866	50.8	0.965
4	297.6	248.8	1.322	271.9	0.719	223.8	1.447	189.7	0.808	244.0	1.032	285.0	1.559
5	74.7	89.6	0.939	73.7	0.739	95.6	0.836	109.2	0.796	91.5	0.882	89.2	1.086
6	19.2	15.4	0.858	14.6	0.747	21.3	1.085	19.7	0.746	17.0	0.783	14.1	0.924
7	127.2	180.9	1.124	135.5	0.933	165.5	1.159	142.2	1.137	135.6	1.107	153.1	1.067
8	21.5	21.0	0.765	17.6	0.541	14.6	0.821	23.1	1.056	20.3	1.171	20.4	0.832
9	91.7	134.8	1.077	112.3	0.939	135.1	1.043	96.8	0.924	96.4	1.006	118.7	1.069
10	14.7	13.7	1.290	16.2	0.264	48.4	1.445	19.8	0.559	38.4	0.858	14.6	1.009
11	100.6	77.9	0.950	92.7	0.746	63.8	1.095	118.7	0.698	119.2	0.797	71.7	1.061
12	50.0	41.0	0.945	54.3	0.794	71.6	1.311	61.3	0.791	53.4	0.896	63.1	1.056
Rents	237.1	198.0	1.413	225.5	0.734	185.3	1.582	138.9	0.856	200.9	1.106	232.5	1.755
Total without rents	762.9	802.0	0.999	774.6	0.802	814.7	1.066	861.1	0.874	799.1	0.905	767.5	1.029
Global parity			1.077		0.786		1.159		0.868		0.945		1.168

Table 3.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2014
(for staff)

Expenditure Groups	BE	HR-Zagreb		IT-Rome		IT-Varese		CY-Nicosia		LV-Riga		LT-Vilnius	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	161.0	6.433	123.4	1.037	136.7	1.149	151.6	0.969	131.4	0.789	132.5	2.522
2	20.3	29.6	7.272	20.0	1.054	20.9	0.942	27.8	1.031	27.6	0.978	27.8	2.988
3	54.3	60.9	5.728	48.9	0.980	47.3	0.955	57.3	0.852	46.1	0.920	46.5	3.104
4	297.6	192.3	5.997	242.0	1.071	219.8	0.769	239.4	0.584	292.6	0.758	286.7	2.424
5	74.7	84.0	4.903	96.0	0.931	92.6	1.013	79.1	0.825	71.6	0.661	72.2	2.375
6	19.2	13.6	4.852	20.2	1.054	23.9	1.077	12.8	0.974	14.2	0.757	14.3	2.544
7	127.2	131.4	7.219	145.5	0.968	153.4	1.001	123.7	1.086	131.7	0.871	132.8	2.898
8	21.5	24.0	4.791	16.6	0.854	16.2	0.856	22.6	0.430	17.1	0.648	17.3	1.711
9	91.7	111.1	5.916	115.5	1.021	115.5	1.048	104.6	1.059	109.1	0.812	110.1	2.875
10	14.7	13.7	4.674	21.9	1.015	19.8	1.015	12.9	0.785	15.7	0.315	15.8	0.913
11	100.6	112.9	4.692	89.3	0.896	93.4	0.802	106.3	0.813	90.1	0.669	90.8	1.880
12	50.0	65.7	5.440	60.7	0.986	60.5	0.973	61.9	0.816	52.8	0.793	53.2	2.467
Rents	237.1	139.2	6.631	181.8	1.188	155.0	0.771	189.4	0.540	247.4	0.813	241.2	2.498
Total w ithout rents	762.9	860.8	5.726	818.2	0.962	845.0	0.974	810.5	0.905	752.5	0.750	758.8	2.453
Global parity			5.874		1.004		0.931		0.812		0.765		2.464

Expenditure Groups	BE	HU-Budapest		MT-Valletta		NL-TheHague		AT-Vienna		PL-Warsaw		PT-Lisbon	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	137.2	228.2	148.4	0.905	101.5	0.875	135.7	1.107	131.7	2.686	117.0	0.786
2	20.3	25.2	212.5	27.2	1.095	18.1	1.005	24.9	0.946	27.6	3.998	16.0	0.852
3	54.3	51.9	215.1	56.1	0.873	45.7	0.919	51.3	0.854	46.2	3.064	44.9	0.809
4	297.6	311.6	256.2	255.3	0.755	254.2	1.266	319.4	1.214	291.3	3.714	268.1	0.744
5	74.7	71.6	179.3	77.4	0.857	95.6	0.923	70.8	0.982	71.7	2.633	83.6	0.815
6	19.2	11.6	189.4	12.5	0.925	8.6	1.161	11.4	1.038	14.2	2.321	11.6	0.828
7	127.2	112.0	264.1	121.1	0.981	165.7	1.203	110.7	1.087	131.9	3.127	151.1	1.073
8	21.5	20.5	273.1	22.1	0.641	19.7	0.975	20.2	0.887	17.2	2.447	18.1	0.976
9	91.7	94.7	225.7	102.5	0.874	120.3	1.025	93.6	1.067	109.3	3.297	101.2	0.920
10	14.7	11.6	93.40	12.6	0.670	28.2	0.950	11.5	0.915	15.7	1.206	28.1	0.9755
11	100.6	96.2	143.3	104.1	0.759	86.6	1.029	95.1	0.929	90.2	2.639	105.2	0.702
12	50.0	56.0	191.6	60.6	0.778	55.8	1.045	55.4	1.032	52.9	2.917	55.1	0.753
Rents	237.1	266.4	290.2	206.3	0.750	193.5	1.322	274.6	1.278	246.1	4.047	233.1	0.717
Total w ithout rents	762.9	733.7	201.2	793.7	0.859	806.5	1.020	725.4	1.010	753.9	2.821	766.9	0.857
Global parity			220.2		0.834		1.078		1.072		3.075		0.822

Table 3.1 (Continuation)
Economic parities of the 12 main expenditure groups for each duty station
1.07.2014
(for staff)

Expenditure Groups	BE	RO-Bucharest		SI-Ljubljana		SK-Bratislava		FI-Helsinki		SE-Stockholm	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	137.4	2.914	139.9	0.884	141.7	0.841	124.8	1.160	127.4	10.19
2	20.3	25.2	3.190	25.7	0.940	26.0	0.847	26.2	1.578	26.8	13.36
3	54.3	52.0	3.307	52.9	0.874	53.6	0.842	43.8	1.011	44.7	9.902
4	297.6	310.7	3.420	298.0	0.819	289.1	0.849	328.4	1.437	314.2	14.90
5	74.7	71.7	2.571	73.0	0.760	73.9	0.685	68.0	1.022	69.4	9.645
6	19.2	11.6	2.894	11.8	0.701	11.9	0.659	13.4	0.988	13.7	9.467
7	127.2	112.1	3.424	114.2	0.974	115.7	0.798	125.0	1.174	127.6	10.90
8	21.5	20.5	2.287	20.9	0.751	21.1	1.033	16.3	0.694	16.6	6.542
9	91.7	94.8	3.154	96.6	0.941	97.8	0.874	103.6	1.200	105.8	10.88
10	14.7	11.7	1.005	11.9	0.650	12.0	0.361	14.9	1.190	15.2	10.62
11	100.6	96.3	2.038	98.1	0.726	99.4	0.605	85.5	1.184	87.3	11.65
12	50.0	56.1	4.322	57.1	0.899	57.8	0.787	50.1	1.297	51.2	11.21
Rents	237.1	265.4	3.784	251.8	0.808	242.3	0.894	285.5	1.503	270.5	15.72
Total without rents	762.9	734.6	2.850	748.2	0.859	757.8	0.761	714.5	1.146	729.6	10.63
Global parity			3.051		0.847		0.790		1.230		11.73

Expenditure Groups	BE	UK-London		UK-Culham	
	Weight	Weight	Parity	Weight	Parity
1	128.2	110.0	0.8105	98.5	0.8053
2	20.3	26.2	1.288	19.5	1.284
3	54.3	55.0	0.6747	47.3	0.6718
4	297.6	314.6	2.124	287.7	1.029
5	74.7	69.3	0.9229	86.3	0.9087
6	19.2	12.2	0.6942	6.0	0.6942
7	127.2	124.7	1.071	153.1	0.9882
8	21.5	16.5	0.8587	19.0	0.8577
9	91.7	99.7	0.9116	130.4	0.9027
10	14.7	25.3	1.443	22.0	1.443
11	100.6	100.2	0.8628	60.0	0.8675
12	50.0	46.4	0.9924	70.2	0.9243
Rents	237.1	270.2	2.687	235.5	1.111
Total without rents	762.9	729.8	0.9035	764.5	0.8854
Global parity			1.205		0.9333

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 2014
 (Values expressed in Euro, except local currencies: CZ, DK, LT, HU, PL, SE, UK)*

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
Place of employment									
BE	Brussels	2013	1,658	1,308	1,071	1,037	829	818	656
		2014	1,698	1,346	1,101	1,020	836	809	662
BG	Sofia	2013	-	538	-	382	-	266	-
		2014	-	684	-	432	-	309	-
CZ	Prague	2013	-	31,886	-	22,283	-	16,975	-
		2014	-	31,222	-	22,250	-	16,639	-
DK	Copenhagen	2013	-	14,750	-	-	9,833	-	7,692
		2014	-	16,243	-	-	10,394	-	7,964
DE	Berlin	2013	-	1,344	-	999	-	795	-
		2014	-	1,383	-	1,037	-	800	-
	Bonn	2013	-	1,188	-	889	-	721	-
		2014	-	1,259	-	923	-	737	-
	Karlsruhe	2013	-	1,094	-	823	-	665	-
		2014	-	1,186	-	891	-	716	-
	Munich	2013	-	1,908	-	1,458	-	1,134	-
		2014	-	1,932	-	1,458	-	1,134	-
EE	Tallin	2013	-	-	946	-	639	-	470
		2014	-	-	968	-	728	-	530
IE	Dublin	2013	-	1,693	-	-	1,278	-	995
		2014	-	1,949	-	-	1,492	-	1,131
EL	Athens	2013	1,105	-	-	763	-	555	-
		2014	1,245	-	-	790	-	630	-
ES	Madrid	2013	-	1,313	-	-	960	-	744
		2014	-	1,243	-	-	931	-	710
FR	Paris	2013	-	2,464	-	1,834	-	-	1,130
		2014	-	2,444	-	1,808	-	-	1,084
HR	Zagreb	2013	-	1,067	-	800	-	544	-
		2014	-	1,079	-	792	-	545	-
IT	Rome	2013	-	1,610	-	1,228	-	968	-
		2014	-	1,667	-	1,256	-	1,028	-
	Varese	2013	-	867	-	673	-	519	-
		2014	-	856	-	652	-	519	-
CY	Nicosia	2013	-	670	-	542	-	432	-
		2014	-	661	-	493	-	372	-

Rent value for dwelling type for year in question is average of reported values.

*Rent values collected in Euro rather than local currency in BG, HR, RO. Parity re-expressed in local currency.

*Latvia adopted Euro 1.1.2014: values for earlier years converted using exchange rates.

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2014
 (Values expressed in Euro, except local currencies: CZ, DK, LT, HU, PL, SE, UK)*

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
Place of employment									
BE	Brussels	2013	1,658	1,308	1,071	1,037	829	818	656
		2014	1,698	1,346	1,101	1,020	836	809	662
LV	Riga	2013	-	1,285	-	897	-	677	-
		2014	-	1,294	-	967	-	694	-
LT	Vilnius	2013	-	-	2,895	-	2,223	-	1,710
		2014	-	-	2,965	-	2,330	-	1,755
HU	Budapest	2013	-	350,335	-	-	217,865	-	134,323
		2014	-	378,130	-	-	232,743	-	141,623
MT	Valletta	2013	-	903	-	635	-	-	458
		2014	-	984	-	693	-	-	490
NL	The Hague	2013	-	1,731	-	1,362	-	1,054	-
		2014	-	1,836	-	1,370	-	1,025	-
AT	Vienna	2013	-	1,536	-	1,134	-	917	-
		2014	-	1,560	-	1,161	-	910	-
PL	Warsaw	2013	-	5,312	-	4,109	-	-	2,524
		2014	-	4,536	-	3,510	-	-	2,233
PT	Lisbon	2013	922	-	-	688	-	554	-
		2014	969	-	-	719	-	603	-
RO	Bucharest	2013	-	1,125	-	791	-	-	458
		2014	-	908	-	712	-	-	452
SI	Ljubljana	2013	-	943	-	761	-	-	520
		2014	-	842	-	689	-	-	470
SK	Bratislava	2013	-	1,047	-	863	-	628	-
		2014	-	1,125	-	842	-	634	-
FI	Helsinki	2013	-	-	1,873	-	1,395	-	1,054
		2014	-	-	1,923	-	1,339	-	1,066
SE	Stockholm	2013	-	22,968	-	17,864	-	14,168	-
		2014	-	24,200	-	19,184	-	14,344	-
UK	London	2013	-	-	2,903	-	2,147	-	1,636
		2014	-	-	2,687	-	2,068	-	1,553
	Culham	2013	-	-	1,186	-	1,013	-	792
		2014	-	-	1,098	-	982	-	820

Rent value for dwelling type for year in question is average of reported values.

*Rent values collected in Euro rather than local currency in BG, HR, RO. Parity re-expressed in local currency.

*Latvia adopted Euro 1.1.2014: values for earlier years converted using exchange rates.

Table 3.2 (Continued on next page)
Changes in the average rents of accommodation in the twelve months to 1st July 2014
 (Values expressed in Euro, except local currencies: CZ, DK, LT, HU, PL, SE, UK)*

Country Place of employment	Non-detached houses			Detached houses			Rent Parity	
	(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)		
BE Brussels	2013	1,685	1,377	1,047	2,315	1,870	1,514	
	2014	1,696	1,375	1,105	2,396	1,944	1,539	
BG Sofia	2013	-	-	-	869	-	-	0.8663
	2014	-	-	-	932	-	-	0.7891
CZ Prague	2013	-	34,900	-	-	49,506	-	26.24
	2014	-	33,778	-	-	50,306	-	25.02
DK Copenhagen	2013	-	16,300	-	-	22,500	-	11.79
	2014	-	15,833	-	-	22,708	-	11.80
DE Berlin	2013	-	1,369	-	-	2,112	-	0.976
	2014	-	1,425	-	-	2,195	-	1.003
Bonn	2013	-	1,200	-	-	1,738	-	0.855
	2014	-	1,250	-	-	1,852	-	0.879
Karlsruhe	2013	-	1,242	-	-	1,810	-	0.842
	2014	-	1,330	-	-	1,845	-	0.868
Munich	2013	-	1,996	-	-	3,094	-	1.373
	2014	-	1,991	-	-	2,842	-	1.413
EE Tallin	2013	-	983	-	-	1,270	-	0.744
	2014	-	1,055	-	-	1,455	-	0.734
IE Dublin	2013	-	-	1,622	-	-	2,116	1.428
	2014	-	-	1,947	-	-	2,456	1.582
EL Athens	2013	-	983	-	-	1,270	-	1.038
	2014	-	1,055	-	-	1,455	-	0.856
ES Madrid	2013	1,596	-	-	2,415	-	-	1.176
	2014	1,594	-	-	2,293	-	-	1.106
FR Paris	2013	-	2,292	-	-	-	-	1.760
	2014	-	2,409	-	-	-	-	1.755
HR Zagreb	2013	-	1,334	-	2,078	-	-	6.663
	2014	-	1,250	-	1,970	-	-	6.631
IT Rome	2013	-	1,546	-	2,093	-	-	1.334
	2014	-	1,406	-	2,156	-	-	1.188
Varese	2013	-	1,145	-	1,875	-	-	0.789
	2014	-	1,176	-	1,717	-	-	0.771
CY Nicosia	2013	845	-	-	1,295	-	-	0.569
	2014	828	-	-	1,295	-	-	0.540

Rent value for dwelling type for year in question is average of reported values.

*Rent values collected in Euro rather than local currency in BG, HR, RO. Parity re-expressed in local currency.

*Latvia adopted Euro 1.1.2014: values for earlier years converted using exchange rates.

Rent parity uses a six year model of these averages, updated by indices, applying taper weights.

Dwelling type weights in Brussels and in duty stations are identified by periodic housing surveys.

Table 3.2 (Continued from previous page)
Changes in the average rents of accommodation in the twelve months to 1st July 2014
 (Values expressed in Euro, except local currencies: CZ, DK, LT, HU, PL, SE, UK)*

Country	Place of employment	Year	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	2013	1,685	1,377	1,047	2,315	1,870	1,514	
		2014	1,696	1,375	1,105	2,396	1,944	1,539	
LV	Riga	2013	1,517	-	-	2,222	-	-	0.814
		2014	1,491	-	-	1,791	-	-	0.813
LT	Vilnius	2013	-	3,193	-	-	4,714	-	2.618
		2014	-	3,321	-	-	4,813	-	2.498
HU	Budapest	2013	401,193	-	-	771,641	-	-	306.3
		2014	446,556	-	-	668,843	-	-	290.2
MT	Valletta	2013	-	1,135	-	1,719	-	-	0.746
		2014	-	1,325	-	2,083	-	-	0.750
NL	The Hague	2013	2,062	-	-	-	2,880	-	1.329
		2014	2,190	-	-	-	2,959	-	1.322
AT	Vienna	2013	-	2,016	-	-	2,789	-	1.285
		2014	-	1,896	-	-	2,607	-	1.278
PL	Warsaw	2013	-	5,738	-	8,584	-	-	4.359
		2014	-	4,808	-	7,895	-	-	4.047
PT	Lisbon	2013	1,120	-	-	-	1,780	-	0.733
		2014	1,333	-	-	-	1,742	-	0.717
RO	Bucharest	2013	-	-	-	-	1,392	-	4.382
		2014	-	-	-	-	1,563	-	3.784
SI	Ljubljana	2013	-	1,065	-	-	1,471	-	0.868
		2014	-	1,046	-	-	1,263	-	0.808
SK	Bratislava	2013	-	1,267	-	-	1,956	-	0.909
		2014	-	1,279	-	-	2,028	-	0.894
FI	Helsinki	2013	-	2,175	-	-	2,925	-	1.529
		2014	-	2,034	-	-	2,864	-	1.503
SE	Stockholm	2013	-	21,500	-	-	28,500	-	15.37
		2014	-	22,500	-	-	28,500	-	15.72
UK	London	2013	-	-	3,261	-	-	-	2.658
		2014	-	-	3,196	-	-	-	2.687
	Culham	2013	-	-	1,179	-	-	1,633	1.088
		2014	-	-	1,224	-	-	1,689	1.111

Rent value for dwelling type for year in question is average of reported values.

*Rent values collected in Euro rather than local currency in BG, HR, RO. Parity re-expressed in local currency.

*Latvia adopted Euro 1.1.2014: values for earlier years converted using exchange rates.

Rent parity uses a six year model of these averages, updated by indices, applying taper weights.

Dwelling type weights in Brussels and in duty stations are identified by periodic housing surveys.

1.3 Purchasing power parities – analysis of results

1.3.1 Major changes in the economic parities from 2013 to 2014

The calculation of correction coefficients used for salary adjustment in places other than Brussels and Luxembourg involves the revision of some elementary parities each year. 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 and by changes in the consumption structures. Details of the changes in the economic parities from 2013 to 2014, including a decomposition of all the effects, are given in table 3.3.

The simple average change in the global economic parity for all duty stations for the period under review was -0.9%. There were increases in the parity for 8 duty stations and decreases for 23 duty stations, relative to Brussels¹⁰. The ten biggest movements in global economic parities during the period can be observed in Athens (-4.9%), Sofia (-4.1%), Rome (-3.8%), Nicosia (-2.9%), Warsaw (-2.5%), Dublin (+2.5%), Karlsruhe (+2.3%), Madrid (-1.9%), Budapest (-1.9%) and Bucharest (-1.8%).

1.3.2 Impact of changes in the expenditure weights

The consumption weighting structure used to aggregate the basic heading parities to produce the global economic parity has not been updated during the period under review for any duty station. These weights are derived from surveys conducted amongst active staff in Brussels during 2009-10 and with different timings in different duty stations. Where survey response rates are insufficient to ensure robust statistics (eg. due to population size and mobility), a regional pool weighting structure is applied. This is currently the case for 17 duty stations (Sofia, Prague, Copenhagen, Tallinn, Zagreb, Nicosia, Riga, Vilnius, Budapest, Valletta, Vienna, Warsaw, Bucharest, Ljubljana, Bratislava, Helsinki and Stockholm).

Updating surveys have recently been conducted in the following locations, and weighting structures will be introduced once analysis and validation procedures have been completed:

- Berlin and other duty stations in Germany - 2011 and 2012 (EU institutions, EU agencies, European Schools) and 2013 (Coordinated Organisations, European Patent Office);
- Dublin and other duty stations in Ireland - EU institutions, EU agencies - 2013;
- Paris and other duty stations in France - 2011 and 2012 (EU institutions, EU agencies, European School, EuroControl) and 2013 (Coordinated Organisations);
- The Hague and other duty stations in Netherlands - EU institutions, EU agencies, European School, EuroControl, Coordinated Organisations, European Patent Office - 2013.

1.3.3 Impact of new parities derived from price surveys

For the 2014 annual review, new parities obtained from price surveys have been integrated for the following groups:

- House and garden (survey 2013-1), conducted in Spring 2013
- Transport; Hotels, restaurants and cafés (survey 2013-2), conducted in Autumn 2013

¹⁰ In accordance with Article 3(2) of Annex XI to the Staff Regulations, Luxembourg = Brussels.

The introduction of new prices from these latest consumer price surveys affects 25 elementary parities out of the 80 basic heading classification (17 and 8 respectively), which together account for about 27% of the EU average consumption weight (9% and 18% respectively).

The introduction of the Spring 2013 survey results has led to an increase in the overall parity for 28 locations and a decrease in the parity for 3 locations, with the impact ranging between +1.1% (Dublin) and -0.2% (The Hague and Vienna).

The introduction of the Autumn 2013 survey results has generated an increase in the overall parity for 7 locations and a decrease for 24 locations, with the impact ranging between +0.5% (Dublin, Bucharest and Ljubljana) and -1.3% (Bonn).

For two duty stations, Karlsruhe and Varese, improvements to spatial adjustment ratios have been made for the following price surveys:

- Food, beverages and tobacco (survey 2012-1), conducted in Spring 2012
- Personal appearance (survey 2012-2), conducted in Autumn 2012

These two surveys affect 23 elementary parities out of the 80 basic heading classification (15 and 8 respectively), which together account for about 23% of the EU average consumption weight (15% and 8% respectively). The revision to the parities for the Spring 2012 survey generated changes in the overall parity of +2.6% and +2.4% for Karlsruhe and Varese. The revision to the parities for the Autumn 2012 survey generated changes in the overall parity of -0.2% and -0.1% respectively.

1.3.4 Impact of indexation

As regards price indexation, the impact of applying official indices for the year to July 2014 at the level of total consumption was lower than Brussels in 18 places and higher than Brussels in the remaining 13 places. Here it should be recalled that there are important differences between HICP and PPP methodologies (e.g. use of different weights for aggregation purposes). For this reason, the "price updating effect" presented in the table cannot be directly compared with the relative movement of the all-items HICP published separately on the Eurostat website – although other things being equal that movement does give an indication of the likely magnitude and direction of change. It has to be remembered that the impact for each duty station reflects the movement of the national price index relative to the evolution of prices in Brussels¹¹.

1.3.5 Impact of new rent parities

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 2014 are based on the relative trend in the real-estate markets in Brussels and other places of employment between 2009 and 2014. These parities are, therefore, affected by the following factors:

- introduction of rent data for year 2014;
- deletion of the rent data for 2008;
- price indices used for updating the rents for 2009 - 2013 to price of 2014;
- updated dwelling weights structure derived from housing surveys amongst active staff.

Housing surveys were conducted amongst staff in two duty stations during 2013 (Karlsruhe and Varese) and the results have been integrated.

¹¹ See section 1.4 for details of the movement in the Joint Belgium-Luxembourg Index (JBLI).

Details of the changes in the rent parities from 2013 to 2014, including a decomposition of all the effects, are given in table 3.4.

The simple average change in the rent parity for all duty stations was -1.9%. There were increases in the rent parity for 10 duty stations and decreases for 21 locations. The ten biggest movements in the rent parity could be observed in Bucharest (-12.4%), Dublin (+10.7%), Sofia (-8.9%), Athens (-7.7%), Warsaw (-7.2%), Ljubljana (-7.0%), Budapest (-5.3%), Nicosia and Madrid (-5.2%), Prague (-4.7%) and Vilnius (-4.6%).

The rent parities, due to their associated high consumption weights (around 23% on average across the EU) influence in a quite significant way the global economic parities. The introduction of the new rent parities has led to an increase in the overall parity for 14 locations and a decrease for 17 locations, with the impact ranging between +0.9% (Dublin) and -3.5% (Vilnius and Bucharest).

In table 3.5, 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 coefficients for rents (compared to Brussels =100) is very high in London (336.0), Paris (175.5), Stockholm (171.0), Copenhagen and Dublin (158.2) and Helsinki (150.3) whereas they are quite low in Sofia (40.3), Nicosia (54.0), Lisbon (71.7), Vilnius (72.3) and Tallinn (73.4).

For the overall correction coefficient however, the range is smaller: London (150.7), Copenhagen (133.0), Stockholm (127.5) and Helsinki (123.0) compared to Sofia (55.1), Bucharest (69.5), Vilnius (71.4) and Budapest (71.4).

When rents are integrated in the computation, the correction coefficient is increased by 10% or more in London (+33.4%), Paris (+13.5%) and Stockholm (+10.3%). By contrast, the impact is negative in Nicosia (-10.3%), Sofia (-8.0%), Varese (-4.4%), Lisbon (-4.1%), Valletta (-2.9%), Karlsruhe (-2.5%) and Bonn (-2.0%). The impact is near zero in Vilnius (+0.4%), Athens (-0.7%) and Berlin (+0.8%).

Table 3.3
Changes in the economic parities in the twelve months to 1st July 2014
Decomposition of the effects
(for staff)

Country	Place of employment	Impact of change in PPP							Total change %
		New weights	Update of old surveys		Introduction of new surveys		Price updating effect (HICP)	New rents	
			E12-1 Food, drinks and tobacco	E12-2 Personal appearance	E13-1 House and Garden	E13-2 Transport; HoReCa			
BG	Sofia	0.0	0.0	0.0	0.5	-0.9	-2.2	-1.7	-4.1
CZ	Prague	0.0	0.0	0.0	0.7	-0.1	-0.3	-1.0	-0.7
DK	Copenhagen	0.0	0.0	0.0	0.3	-0.7	-0.9	-0.1	-1.4
DE	Berlin	0.0	0.0	0.0	0.3	-0.5	0.1	0.6	0.5
	Bonn	0.0	0.0	0.0	0.2	-1.3	0.1	0.6	-0.4
	Karlsruhe	0.0	2.6	-0.2	0.2	-1.0	0.1	0.6	2.3
	Munich	0.0	0.0	0.0	-0.1	-1.2	0.1	0.6	-0.5
EE	Tallinn	0.0	0.0	0.0	0.5	0.0	1.6	-2.4	-0.3
IE	Dublin	0.0	0.0	0.0	1.1	0.5	0.0	0.9	2.5
EL	Athens	0.0	0.0	0.0	0.4	-1.2	-2.4	-1.7	-4.9
ES	Madrid	0.0	0.0	0.0	0.2	-0.3	-1.0	-0.9	-1.9
FR	Paris	0.0	0.0	0.0	0.2	-0.3	-0.4	0.0	-0.5
HR	Zagreb	0.0	0.0	0.0	0.1	-0.4	-1.2	0.0	-1.5
IT	Rome	0.0	0.0	0.0	0.1	-0.7	-1.2	-2.0	-3.8
	Varese	0.0	2.4	-0.1	0.2	-0.9	-1.2	0.0	0.3
CY	Nicosia	0.0	0.0	0.0	0.5	-1.2	-2.5	0.4	-2.9
LV	Riga	0.0	0.0	0.0	0.8	-0.8	1.2	-0.7	0.6
LT	Vilnius	0.0	0.0	0.0	1.0	-0.3	2.1	-3.5	-0.8
HU	Budapest	0.0	0.0	0.0	0.3	-0.5	-0.8	-0.9	-1.9
MT	Vallette	0.0	0.0	0.0	0.4	-0.9	-1.0	0.4	-1.2
NL	The Hague	0.0	0.0	0.0	-0.2	-0.3	0.4	-0.8	-1.0
AT	Vienna	0.0	0.0	0.0	-0.2	-1.0	0.9	-0.7	-1.0
PL	Warsaw	0.0	0.0	0.0	0.3	0.1	-1.1	-1.7	-2.5
PT	Lisbon	0.0	0.0	0.0	0.6	-0.3	-0.3	-1.1	-1.1
RO	Bucharest	0.0	0.0	0.0	0.3	0.5	0.8	-3.5	-1.8
SI	Ljubljana	0.0	0.0	0.0	0.2	0.5	-0.3	-1.2	-0.9
SK	Bratislava	0.0	0.0	0.0	0.2	-0.6	-1.0	0.0	-1.4
FI	Helsinki	0.0	0.0	0.0	0.5	-0.1	-0.1	-0.9	-0.6
SE	Stockholm	0.0	0.0	0.0	0.7	-0.1	-0.3	0.5	0.8
UK	London	0.0	0.0	0.0	0.2	0.2	1.0	0.1	1.5
	Culham	0.0	0.0	0.0	0.1	0.4	0.9	0.3	1.7

Table 3.4
Changes in rent parities in the twelve months to 1st July 2014
Decomposition of the effects
(for staff)

Place of employment	Delete survey 2008	Introduce survey 2014	Price index 2014	Dwelling structure		Total change
				Brussels	Other cities	
BG Sofia	-10.2	3.0	-1.5	0.0	0.0	-8.9
CZ Prague	-4.2	-0.5	-0.1	0.0	0.0	-4.7
DK Copenhagen	-0.5	0.3	0.3	0.0	0.0	0.0
DE Berlin	1.2	0.7	0.8	0.0	0.0	2.7
Bonn	0.9	1.0	0.8	0.0	0.0	2.8
Karlsruhe	1.3	1.3	0.8	0.0	-0.4	3.1
Munich	2.8	-0.7	0.8	0.0	0.0	2.9
EE Tallinn	-3.1	2.2	-0.4	0.0	0.0	-1.3
IE Dublin	1.3	3.6	5.5	0.0	0.0	10.7
EL Athens	-7.1	0.3	-1.0	0.0	0.0	-7.7
ES Madrid	-4.0	-1.2	0.0	0.0	0.0	-5.2
FR Paris	-0.4	-0.3	0.4	0.0	0.0	-0.3
HR Zagreb	-3.1	-0.8	-0.4	0.0	0.0	-4.3
IT Rome	-4.2	-0.2	0.1	0.0	0.0	-4.3
Varese	-2.4	-0.9	0.1	0.0	0.9	-2.3
CY Nicosia	-3.0	-1.3	-1.0	0.0	0.0	-5.2
LV Riga	0.3	-0.9	0.4	0.0	0.0	-0.2
LT Vilnius	-5.1	0.5	0.0	0.0	0.0	-4.6
HU Budapest	-5.3	0.4	-0.3	0.0	0.0	-5.3
MT Valletta	-2.3	3.1	-0.2	0.0	0.0	0.5
NL The Hague	-1.7	0.7	0.6	0.0	0.0	-0.5
AT Vienna	-1.0	-0.8	1.3	0.0	0.0	-0.6
PL Warsaw	-4.2	-3.3	0.3	0.0	0.0	-7.2
PT Lisbon	-3.0	1.2	-0.4	0.0	0.0	-2.2
RO Bucharest	-11.6	-1.3	0.4	0.0	0.0	-12.4
SI Ljubljana	-5.4	-2.2	0.5	0.0	0.0	-7.0
SK Bratislava	-1.8	0.2	-0.1	0.0	0.0	-1.7
FI Helsinki	-1.2	-1.1	0.6	0.0	0.0	-1.7
SE Stockholm	1.6	0.6	0.1	0.0	0.0	2.3
UK London	1.8	-1.6	0.9	0.0	0.0	1.1
Culham	1.7	-0.6	0.9	0.0	0.0	2.0

Table 3.5
Effect of rent on the correction coefficients at 1.7.2014
(for staff)

Place of employment	Weight		Correction coefficient			Rent effect
	Without rent	Rent	Without rent	Rent	Overall	[5]/[3] (%)
	[1]	[2]	[3]	[4]	[5]	[6]
BG Sofia	797.1	203.0	59.9	40.3	55.1	-8.0
CZ Prague	734.6	265.4	70.3	91.1	75.0	6.7
DK Copenhagen	701.4	298.7	124.9	158.2	133.0	6.5
DE Berlin	802.0	198.0	96.4	100.3	97.2	0.8
Bonn	802.0	198.0	96.5	87.9	94.6	-2.0
Karlsruhe	802.0	198.0	97.4	86.8	95.0	-2.5
Munich	802.0	198.0	99.9	141.3	107.7	7.8
EE Tallinn	774.6	225.5	80.2	73.4	78.6	-2.0
IE Dublin	814.7	185.3	106.6	158.2	115.9	8.7
EL Athens	861.1	138.9	87.4	85.6	86.8	-0.7
ES Madrid	799.1	200.9	90.5	110.6	94.5	4.4
FR Paris	767.5	232.5	102.9	175.5	116.8	13.5
HR Zagreb	860.8	139.2	75.6	87.6	77.6	2.6
IT Rome	818.2	181.8	96.2	118.8	100.4	4.4
Varese	845.0	155.0	97.4	77.1	93.1	-4.4
CY Nicosia	810.5	189.4	90.5	54.0	81.2	-10.3
LV Riga	752.5	247.4	75.0	81.3	76.5	2.0
LT Vilnius	758.8	241.2	71.1	72.3	71.4	0.4
HU Budapest	733.7	266.4	65.2	94.0	71.4	9.5
MT Vallette	793.7	206.3	85.9	75.0	83.4	-2.9
NL The Hague	806.5	193.5	102.0	132.2	107.8	5.7
AT Vienna	725.4	274.6	101.0	127.8	107.2	6.1
PL Warsaw	753.9	246.1	67.9	97.5	74.1	9.1
PT Lisbon	766.9	233.1	85.7	71.7	82.2	-4.1
RO Bucharest	734.6	265.4	65.0	86.2	69.5	6.9
SI Ljubljana	748.2	251.8	85.9	80.8	84.7	-1.4
SK Bratislava	757.8	242.3	76.1	89.4	79.0	3.8
FI Helsinki	714.5	285.5	114.6	150.3	123.0	7.3
SE Stockholm	729.6	270.5	115.6	171.0	127.5	10.3
UK London	729.8	270.2	113.0	336.0	150.7	33.4
Culham	764.5	235.5	110.7	138.9	116.7	5.4

1.4 Changes in the cost of living (Joint Belgium-Luxembourg Index)

Annex XI Article 2 of the Staff Regulations requests that Eurostat shall draw up an index to measure the changes in the cost of living for EU officials in Belgium and Luxembourg ¹². This index, known as the Joint Belgium-Luxembourg Index of consumer prices (JBLI) is calculated by weighting national inflation as measured by the Harmonised Index of Consumer Prices (HICP) for Belgium, and the Consumer Prices Index (CPI) for Luxembourg, between June of the previous year and June of the current year, according to the distribution of EU staff serving in Belgium and Luxembourg. Precise methodology has been defined by the Working Group on Articles 64 and 65 of the Staff Regulations.

The details of the calculation of this index for the period June 2013 – June 2014 are set out in table 3. During this period the cost of living for EU officials has increased on average by 0.9%.

Table 3
Change in the Joint Belgium-Luxembourg Index
June 2013 - June 2014

Groups of consumption	Weight	Index
1. Food and non-alcoholic beverages	128.2	99.40
2. Alcoholic beverages and tobacco	20.3	104.10
3. Clothing and footwear	54.3	101.20
4. Housing, water, electricity, gas and other fuels	297.6	100.80
5. Furnishings, household equipment and maintenance of house	74.7	102.00
6. Health	19.2	100.50
7. Transport	127.2	100.90
8. Communications	21.5	97.50
9. Recreation and culture	91.7	100.40
10. Education	14.7	102.00
11. Hotels, cafes and restaurants	100.6	102.30
12. Miscellaneous goods and services	50.0	102.00
Global index without rents	762.9	100.80
Rents index	237.1	101.50
Global index	1000.0	100.90

For the period under review the ratio between EU officials in Belgium and EU officials in Luxembourg was 78.3% : 21.7%.

¹² This definition was introduced by Regulation 1023/2013 and applies with effect from 1.1.2014. For the calendar year 2013, the Working Group on Articles 64 and 65 of the Staff Regulations approved the use of the Belgian HICP. Regulation 723/2004 defined a “Brussels International Index” which applied for the period 2004-2012.

2. EQUIVALENCE OF PURCHASING POWER OF EU PENSIONERS IN THE MEMBER STATES

2.1 Economic parities and correction coefficients

The correction coefficients for pensioners with a reference date of 1 July 2014 have been calculated in accordance with the agreed methodology on the basis of the following information:

- a) 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 section 1.1 above).
- b) For calculating country rent parities a two-stage procedure has been applied. Firstly a spatial adjustment factor is calculated in the form of national/capital ratio of market rents derived from an official database like CPI, household budget survey, housing register, etc. Secondly, with the help of this adjustment factor the capital city rent parity from Article 64 estate agency rent surveys is transformed to the country rent parity.

National Statistical Institutes are typically requested each year to check and if possible update their spatial adjustment factor for rents. For 2014, this was the case for 11 countries: Czech Republic, Ireland, Spain, Croatia, Italy, Latvia, Lithuania, Hungary, Austria, Poland, Finland. Adjustment factors for Estonia and Malta were not revised.

As in previous years, in the absence of fresh data from an appropriate source the following method is applied: average rent values from Article 64 exercise for duty station and Brussels (ie. bilateral parity with Brussels) are compared with average rent values from European Comparison Programme exercise for duty station country and Belgium (ie. bilateral parity with Belgium). For 2014 this method was used for 13 countries: Bulgaria, Denmark, Germany, Greece, France, Cyprus, Netherlands, Portugal, Romania, Slovenia, Slovakia, Sweden, United Kingdom.

- c) Consumption weights for the pensioners are calculated on the basis of a wide scale family budget survey carried out in 2002¹³. Consumption weights for Member States which joined the European Union in 2004, 2007 and 2013 have been estimated as the average of the values for duty stations outside Brussels, adjusted for rents (this is a similar method to the estimation of values for staff duty stations with insufficient individual sample response).

The details of the calculated economic parities 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 2013 and 2014.

The correction coefficients applicable to the EU 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; the correction coefficient being 100% for the

¹³ An updating survey was conducted during 2012-13, which generated significant response; and work is at an advanced stage in processing the results.

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. The correction coefficient applies in full for transfers into, or out of, the pension scheme of European Officials.

Table 4.1 (Continued on next page)
Economic parities of the 12 main expenditure groups for each country
1.07.2014
(for pensioners)

Expenditure Groups*	BE	BG		CZ		DK		DE		EE		IE		EL	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	97.4	1.329	96.6	20.74	87.1	9.326	66.9	0.994	85.9	0.786	96.9	1.111	90.1	0.917
2	26.4	25.4	1.443	25.1	25.74	22.7	9.978	22.4	0.866	22.4	1.005	25.2	1.877	23.5	1.265
3	75.8	77.3	1.423	76.6	22.71	69.1	8.027	76.6	0.857	68.2	0.875	76.9	0.864	71.5	0.846
4	176.3	109.2	0.5872	117.0	17.17	203.9	11.78	187.1	1.051	214.5	1.026	114.0	0.873	176.0	0.748
5	119.5	128.2	0.9796	127.1	17.70	114.6	7.894	130.4	0.917	113.1	0.679	127.5	0.863	118.6	0.794
6	36.1	34.0	1.069	33.7	16.71	30.4	9.374	32.0	0.929	30.0	0.703	33.8	1.152	31.5	0.746
7	164.0	192.3	1.341	190.6	20.56	171.9	10.55	163.8	1.027	169.6	0.775	191.3	1.172	177.9	0.981
8	17.2	18.9	1.117	18.7	20.96	16.9	6.078	16.4	0.673	16.7	0.519	18.8	0.876	17.5	1.031
9	118.2	149.2	1.343	147.9	21.70	133.4	9.509	149.8	1.039	131.6	0.882	148.4	1.138	138.0	0.918
10	9.4	10.7	0.3420	10.6	10.45	9.6	11.22	1.2	1.290	9.4	0.249	10.7	1.535	9.9	0.559
11	74.8	71.1	0.8913	70.4	14.17	63.5	10.55	68.0	0.833	62.7	0.702	70.7	1.164	65.7	0.670
12	83.3	86.3	1.411	85.5	21.44	77.1	10.23	85.5	0.908	76.1	0.781	85.8	1.249	79.8	0.820
Rents	132.4	62.0	0.4969	70.2	19.69	161.7	11.68	136.5	1.083	67.0	0.826	172.8	1.281	132.3	0.760
Total without rents	867.6	938.0	1.183	929.8	19.34	838.3	9.505	863.5	0.947	933.0	0.800	827.2	1.029	867.7	0.861
Global parity			1.095		19.35		9.794		0.964		0.801		1.063		0.847

Expenditure Groups*	BE	ES		FR		HR		IT		CY		LV		LT	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	90.9	0.836	94.5	0.996	95.5	6.438	95.5	1.039	69.0	0.966	99.8	0.797	106.3	2.542
2	26.4	23.7	0.832	20.4	0.940	24.4	7.913	17.4	1.078	23.1	1.127	26.0	1.097	19.3	3.278
3	75.8	72.1	0.863	57.6	0.962	75.9	5.659	71.8	0.964	79.0	0.841	79.2	0.919	79.9	3.114
4	176.3	169.0	0.871	194.9	1.240	123.0	4.010	212.4	0.836	161.9	0.630	87.4	0.607	123.0	1.862
5	119.5	119.6	0.887	118.4	1.095	126.6	4.821	102.1	0.939	134.5	0.798	131.4	0.623	113.7	2.260
6	36.1	31.7	0.783	18.9	0.924	33.8	4.852	45.5	1.054	33.0	0.974	34.8	0.757	50.6	2.544
7	164.0	179.4	1.032	177.0	1.045	190.4	6.538	193.4	0.956	168.9	0.966	197.0	0.809	215.3	2.761
8	17.2	17.6	1.132	19.4	0.834	18.6	4.856	14.6	0.855	16.9	0.435	19.4	0.657	16.3	1.724
9	118.2	139.2	0.983	131.8	1.044	146.8	6.165	119.8	1.001	154.4	1.113	152.9	0.820	133.4	2.773
10	9.4	10.0	0.858	14.9	1.009	10.0	4.674	4.7	1.015	1.2	0.785	11.0	0.315	5.2	0.9134
11	74.8	66.3	0.780	71.7	1.171	69.2	4.831	41.4	0.917	70.1	0.867	72.8	0.714	46.1	2.070
12	83.3	80.5	0.877	80.5	1.038	86.0	5.638	81.6	0.953	88.1	0.839	88.4	0.829	90.8	2.626
Rents	132.4	124.9	0.907	148.8	1.322	73.8	4.027	144.2	0.828	109.7	0.595	39.0	0.668	47.1	1.713
Total without rents	867.6	875.1	0.901	851.2	1.035	926.2	5.659	855.8	0.965	890.3	0.901	961.0	0.758	952.9	2.540
Global parity			0.902		1.071		5.469		0.945		0.858		0.748		2.456

* For explanation of codes see table 3.1

Table 4.1 (Continuation)
Economic parities of the 12 main expenditure groups for each country
1.07.2014
(for pensioners)

Expenditure Groups*	BE	HU		MT		NL		AT		PL		PT	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	103.7	235.9	96.4	0.908	88.7	0.868	87.9	1.108	97.8	2.730	90.5	0.813
2	26.4	22.4	217.3	25.1	1.149	23.1	1.005	22.9	1.011	25.5	4.723	23.6	0.859
3	75.8	63.3	214.3	76.5	0.866	70.4	0.919	69.7	0.844	77.6	3.041	71.8	0.806
4	176.3	116.1	149.2	118.3	0.726	188.6	1.198	196.2	1.254	105.4	2.240	172.5	0.812
5	119.5	130.0	171.4	126.9	0.749	116.8	0.932	115.7	0.991	128.8	2.591	119.1	0.812
6	36.1	20.7	189.4	33.7	0.925	31.0	1.161	30.7	1.038	34.1	2.321	31.6	0.828
7	164.0	194.3	242.7	190.3	0.924	175.2	1.166	173.5	1.039	193.1	3.181	178.6	1.046
8	17.2	21.3	272.5	18.7	0.629	17.2	0.977	17.1	0.882	19.0	2.489	17.6	0.980
9	118.2	144.7	228.8	147.7	0.930	135.9	1.026	134.7	1.046	149.9	3.205	138.6	0.899
10	9.4	16.4	93.40	10.6	0.670	9.8	0.950	9.7	0.915	10.8	1.206	10.0	0.975
11	74.8	78.8	153.2	70.3	0.820	64.7	1.090	64.1	0.895	71.4	2.634	66.0	0.681
12	83.3	88.4	204.3	85.4	0.813	78.6	1.011	77.8	1.023	86.6	3.010	80.1	0.782
Rents	132.4	65.4	166.4	71.6	0.843	145.6	1.249	153.5	1.351	58.0	2.275	128.6	0.790
Total without rents	867.6	934.6	201.4	928.4	0.844	854.4	1.018	846.5	1.001	942.0	2.868	871.4	0.862
Global parity			197.5		0.842		1.047		1.044		2.805		0.852

Expenditure Groups*	BE	RO		SI		SK		FI		SE		UK	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity		
1	99.0	97.3	2.965	91.1	0.891	97.9	0.864	88.7	1.153	88.0	10.25	83.1	0.8039
2	26.4	25.3	3.437	23.7	1.024	25.5	0.940	23.1	1.597	22.9	14.04	21.6	1.270
3	75.8	77.2	3.218	72.3	0.873	77.7	0.830	70.4	1.010	69.8	9.826	65.9	0.6714
4	176.3	110.4	2.067	167.1	0.658	105.0	0.555	188.5	1.240	195.1	12.02	240.3	1.344
5	119.5	128.1	2.348	119.9	0.734	128.8	0.625	116.8	1.029	115.9	9.757	109.4	0.9191
6	36.1	34.0	2.894	31.8	0.701	34.2	0.659	31.0	0.988	30.7	9.467	29.0	0.6942
7	164.0	192.0	3.297	179.8	0.914	193.2	0.772	175.2	1.152	173.8	10.21	164.0	0.9366
8	17.2	18.9	2.233	17.7	0.732	19.0	1.018	17.2	0.710	17.1	6.791	16.1	0.8574
9	118.2	149.0	3.239	139.5	0.928	149.9	0.892	135.9	1.185	134.8	10.76	127.3	0.8814
10	9.4	10.7	1.005	10.0	0.650	10.8	0.361	9.8	1.190	9.7	10.62	9.1	1.443
11	74.8	71.0	2.047	66.4	0.739	71.4	0.624	64.7	1.114	64.2	11.61	60.6	0.9596
12	83.3	86.1	3.959	80.7	0.905	86.7	0.797	78.6	1.254	77.9	11.08	73.6	0.9386
Rents	132.4	63.3	2.255	122.9	0.645	57.6	0.553	145.5	1.267	152.4	12.02	200.1	1.541
Total without rents	867.6	936.7	2.868	877.1	0.841	942.4	0.752	854.5	1.127	847.6	10.45	799.9	0.8813
Global parity			2.800		0.814		0.731		1.145		10.66		0.965

* For explanation of codes see table 3.1

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

Country	Ratio applied in		Diff.
	2013	2014	
BE	0.91	0.89	-0.02
BG *	0.50	0.56	0.06
CZ	0.70	0.70	0.00
DK *	0.87	0.88	0.01
DE *	0.96	0.96	0.00
EE	1.00	1.00	0.00
IE	0.82	0.72	-0.10
EL *	1.14	0.79	-0.35
ES	0.71	0.73	0.02
FR *	0.76	0.67	-0.09
HR	0.59	0.54	-0.05
IT	0.68	0.62	-0.06
CY *	0.96	0.98	0.02
LV	0.75	0.73	-0.02
LT	0.62	0.61	-0.01
HU	0.51	0.51	0.00
MT	1.00	1.00	0.00
NL *	0.84	0.84	0.00
AT	0.94	0.94	0.00
PL	0.51	0.50	-0.01
PT *	0.91	0.98	0.07
RO *	0.48	0.53	0.05
SI *	0.63	0.71	0.08
SK *	0.52	0.55	0.03
FI	0.75	0.75	0.00
SE *	0.84	0.68	-0.16
UK *	0.59	0.51	-0.08

* Country PPP rent (estimated from ECP data)

2.2 Purchasing power parities for pensioners - analysis of results

2.2.1 Main changes in the economic parities from 2013 to 2014

The simple average change in the global economic parity for all Member States was -0.8%. There were increases for 7 Member States and decreases for 19 Member States. The five biggest changes in the global parity for the period under review can be observed for Greece (-7.5%), Italy (-3.5%), Croatia (-2.2%), Sweden (-2.1%), France (-1.9%).

One of the main differences in the calculation of parity values for pensioners by comparison to those established for active staff arises from the aggregation using specific expenditure weights for pensioners rather than staff consumption patterns. This can affect the impact of the individual components (introduction of new price surveys, price updating using indices, new rents). A decomposition of the changes in the economic parities for the period 2013-2014 is shown in Table 4.3 below.

The pensioner value computed for Denmark for July 2013 did not properly reflect the specific historic agreed approach to establish rent ratio between the capital city, Copenhagen, and the rest of the country. This was corrected for the intermediate adjustment at January 2014. For the July 2014 calculation the rent ratio methodology has been aligned with that applied for other countries (see section 2.1 earlier).

2.2.2 Impact of rents on the overall parity for pensioners

In 2014, for 17 out of the 26 member states (i.e. excluding BE and LU), the rent correction coefficient (ratio between the rent parity and the exchange rate) is under 100. This means that the average rents are lower in these places than in Belgium. For the remaining 9 countries, the rent correction coefficient is greater than 100.

Moreover, for 14 Member States¹⁴, the rent correction coefficient is lower than the correction coefficient without rent. This means that, for these places, the rents lead to a reduction of the global correction coefficient.

Details of the impact of rent on the overall parity are given in table 4.4

¹⁴ The countries which joined the European Union in 2004, 2007 and 2013 (with the exception of Czech Republic and Estonia) plus Greece, Italy and Portugal.

Table 4.3

Changes in the economic parities in the twelve months to 1st July 2014

Decomposition of the effects
(for PENSIONERS)

Country	Impact of change in PPP						
	Adjust rents ratio	Introduction of new surveys		Price updating effect (HICP)	New rents	Update rent ratio	Total
		E13-1 House and Garden	E13-2 Transport; HoReCa				
BG	0.0	0.7	-0.1	-2.4	-0.9	1.2	-1.5
CZ	0.0	0.8	-0.1	-0.5	-0.5	0.2	-0.1
DK	-3.7	0.4	-0.5	-1.1	0.0	4.4	-0.7
DE	0.0	0.5	-1.2	0.0	0.4	0.3	-0.1
EE	0.0	0.7	1.0	-0.7	-0.1	0.2	1.1
IE	0.0	1.4	1.1	-1.8	1.5	-1.6	0.5
EL	0.0	0.4	0.4	-1.7	-2.5	-4.3	-7.5
ES	0.0	0.3	-0.4	-1.0	-0.8	0.6	-1.1
FR	0.0	0.2	-0.2	-0.4	0.0	-1.4	-1.9
HR	0.0	0.0	-0.2	-1.3	0.0	-0.6	-2.2
IT	0.0	0.1	-0.6	-0.5	-1.6	-1.0	-3.5
CY	0.0	0.6	-0.4	-1.4	-0.6	0.5	-1.3
LV	0.0	1.2	-0.1	0.6	0.0	-0.1	1.6
LT	0.0	1.1	-0.1	-0.7	-0.4	0.0	0.1
HU	0.0	0.5	0.0	-0.2	-0.5	0.1	-0.1
MT	0.0	0.5	-0.5	-0.5	0.1	0.2	-0.3
NL	0.0	-0.2	-0.4	-0.6	-0.1	0.3	-0.8
AT	0.0	-0.1	-0.9	0.3	-0.1	0.3	-0.4
PL	0.0	0.2	0.2	-1.4	-0.7	0.1	-1.6
PT	0.0	0.7	-0.2	-1.3	-0.3	1.2	0.1
RO	0.0	0.2	0.0	0.9	-1.2	1.0	0.8
SI	0.0	0.1	0.2	-0.2	-0.9	1.8	0.9
SK	0.0	0.2	-0.1	-0.8	-0.1	0.6	-0.2
FI	0.0	0.4	-0.1	-0.7	-0.2	0.3	-0.4
SE	0.0	0.7	0.1	-0.6	0.3	-2.6	-2.1
UK	0.0	0.3	0.7	0.5	0.2	-2.0	-0.3

Table 4.4
Effect of rent on the correction coefficients at 1.7.2014
(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	60.5	25.4	56.0	-7.4
CZ	929.8	70.2	70.4	71.7	70.5	0.1
DK	838.3	161.7	127.5	156.6	131.3	3.0
DE	863.5	136.5	94.7	108.3	96.4	1.8
EE	933.0	67.0	80.0	82.6	80.1	0.1
IE	827.2	172.8	102.9	128.1	106.3	3.3
EL	867.7	132.3	86.1	76.0	84.7	-1.6
ES	875.1	124.9	90.1	90.7	90.2	0.1
FR	851.2	148.8	103.5	132.2	107.1	3.5
HR	926.2	73.8	74.7	53.2	72.2	-3.3
IT	855.8	144.2	96.5	82.8	94.5	-2.1
CY	890.3	109.7	90.1	59.5	85.8	-4.8
LV	961.0	39.0	75.8	66.8	74.8	-1.3
LT	952.9	47.1	73.6	49.6	71.1	-3.4
HU	934.6	65.4	65.3	53.9	64.0	-2.0
MT	928.4	71.6	84.4	84.3	84.2	-0.2
NL	854.4	145.6	101.8	124.9	104.7	2.8
AT	846.5	153.5	100.1	135.1	104.4	4.3
PL	942.0	58.0	69.1	54.8	67.6	-2.2
PT	871.4	128.6	86.2	79.0	85.2	-1.2
RO	936.7	63.3	65.4	51.4	63.8	-2.4
SI	877.1	122.9	84.1	64.5	81.4	-3.2
SK	942.4	57.6	75.2	55.3	73.1	-2.8
FI	854.5	145.5	112.7	126.7	114.5	1.6
SE	847.6	152.4	113.7	130.7	115.9	1.9
UK	799.9	200.1	110.2	192.7	120.7	9.5

2.3 Comparison of correction coefficients for active staff and pensioners

Table 4.5 compares the pensioner correction coefficients (CC) with those for active staff at July 2014. Among all Member States, London has the highest capital-based CC (150.7) and Denmark has the highest country-based CC (131.3), whilst Sofia has the lowest capital-based CC (55.1) and the lowest country-based CC (56.0).

The biggest differences between capital city CCs and country CCs can be observed in Ireland, France, Hungary, Romania, Finland, Sweden and United Kingdom. By contrast, in Bulgaria, Denmark, Germany, Estonia, Greece, Lithuania and Malta the two CCs are nearly at the same level. In all except five countries (Bulgaria, Estonia, Cyprus, Malta and Portugal) the country CCs are lower than the capital city CCs.

Without rents, the two sets of CCs are closer. The country CC without rent is slightly higher than the capital city CC without rent in 8 of the Member States (Bulgaria, Czech Republic, Denmark, Latvia, Lithuania, Hungary, Poland and Romania).

It should be mentioned that the Staff Regulations set out specific rules for the application of the pensioner CC (see section 2.1 earlier).

Table 4.5
Pensioners correction coefficients and Staff correction coefficients
at 1.7.2014

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	60.5	25.4	56.0	Sofia	59.9	40.3	55.1
CZ	70.4	71.7	70.5	Prague	70.3	91.1	75.0
DK	127.5	156.6	131.3	Copenhagen	124.9	158.2	133.0
DE	94.7	108.3	96.4	Berlin	96.4	100.3	97.2
EE	80.0	82.6	80.1	Tallinn	80.2	73.4	78.6
IE	102.9	128.1	106.3	Dublin	106.6	158.2	115.9
EL	86.1	76.0	84.7	Athens	87.4	85.6	86.8
ES	90.1	90.7	90.2	Madrid	90.5	110.6	94.5
FR	103.5	132.2	107.1	Paris	102.9	175.5	116.8
HR	74.7	53.2	72.2	Zagreb	75.6	87.6	77.6
IT	96.5	82.8	94.5	Rome	96.2	118.8	100.4
CY	90.1	59.5	85.8	Nicosia	90.5	54.0	81.2
LV	75.8	66.8	74.8	Riga	75.0	81.3	76.5
LT	73.6	49.6	71.1	Vilnius	71.1	72.3	71.4
HU	65.3	53.9	64.0	Budapest	65.2	94.0	71.4
MT	84.4	84.3	84.2	Valletta	85.9	75.0	83.4
NL	101.8	124.9	104.7	The Hague	102.0	132.2	107.8
AT	100.1	135.1	104.4	Vienna	101.0	127.8	107.2
PL	69.1	54.8	67.6	Warsaw	67.9	97.5	74.1
PT	86.2	79.0	85.2	Lisbon	85.7	71.7	82.2
RO	65.4	51.4	63.8	Bucharest	65.0	86.2	69.5
SI	84.1	64.5	81.4	Ljubljana	85.9	80.8	84.7
SK	75.2	55.3	73.1	Bratislava	76.1	89.4	79.0
FI	112.7	126.7	114.5	Helsinki	114.6	150.3	123.0
SE	113.7	130.7	115.9	Stockholm	115.6	171.0	127.5
UK	110.2	192.7	120.7	London	113.0	336.0	150.7

3. EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS OUTSIDE THE EUROPEAN UNION

3.1 Economic parities and correction coefficients

As at July 2014, correction coefficients are compiled for a list of 144 Extra-EU duty stations. However, the application of Extra-EU correction coefficients is only likely to be requested in practice where the cost of living is higher than in Brussels. Table 9.1 shows the places where the correction coefficient is greater than 100 at 1st July 2014 (or at 1st July 2013).

With the exception of the nine duty stations in Extra-EU countries which participate in the European Comparison Programme (ECP) coordinated by Eurostat¹⁵ or the seven which participate in the linked programme coordinated by the Organisation for Economic Cooperation and Development¹⁶, the source of price data is the rolling cycle of surveys conducted by the United Nations International Civil Service Commission (UN.ICSC).

For the July 2014 exercise, new parities derived from price surveys have been integrated for 28 locations (these are highlighted in table 8 and table 9 earlier).

For all locations, initial “place-to-place” survey-based parities are subsequently updated using the ratio between national consumer price index and the Joint Belgium-Luxembourg Index. For Iceland, Norway, Switzerland and Turkey, the national consumer price index is the harmonised index of consumer prices. For other duty station locations, the price index information is compiled from national sources.

Basic heading parities are aggregated to produce global economic parity using expenditure weights obtained from direct survey amongst staff in 2010. Due to the low population sizes in many individual duty stations and the low response rate from survey participants, a global pool structure is applied.

¹⁵ Iceland, Norway, Switzerland, Turkey, Albania, Bosnia-Herzegovina, FYROMacedonia, Montenegro, Serbia

¹⁶ Australia, Canada, Japan, Mexico, New Zealand, South Korea, United States of America (Washington)

Table 9.1
Summary of the duty stations where the cost of living is higher than in Brussels at 1st July 2014 (or at July 2013)
(for staff serving in Extra- EU delegations)

Code		Country	City	Economic Parities	Exchange Rate (1)	Correction Coefficients (2)	Economic Parities	Exchange Rate (1)	Correction Coefficients (2)	CHANGE (in %)		
										Economic Parities	Exchange Rate	Correction Coefficients
										Jul 2014- Jul 2013	Jul 2014- Jul 2013	Jul 2014- Jul 2013
97	(4)	Angola	Luanda	188.8	132.977	142.0	172.1	127.217	135.3	9.7	-4.5	5.0
3		Venezuela	Caracas	11.93	8.56984	139.2	7.313	8.19986	89.2	63.1	-4.5	56.1
43	(1)	Democratic Republic of Congo	Kinshasa	1.838	1.362000	134.9	1.944	1.30320	149.2	-5.5	-4.5	-9.6
103	(5)	Norway	Oslo	10.92	8.36800	130.5	10.38	7.88100	131.7	5.2	-6.2	-0.9
82		Switzerland	Geneva	1.503	1.21620	123.6	1.536	1.23260	124.6	-2.1	1.3	-0.8
101		Solomon Islands	Honiara	11.92	9.82683	121.3	11.60	9.33521	124.3	2.8	-5.3	-2.4
235	(5)	Switzerland	Bern	1.469	1.21620	120.8	1.520	1.23260	123.3	-3.4	1.3	-2.0
207	(4)	Singapore	Singapore	2.054	1.70150	120.7	1.990	1.64650	120.9	3.2	-3.3	-0.2
33		Congo	Brazzaville	783.5	655.957	119.4	799.9	655.957	121.9	-2.1		-2.1
22		Papua New Guinea	Port Moresby	3.838	3.30583	116.1	3.680	2.85144	129.1	4.3	-15.9	-10.1
19	(4)	Sierra Leone	Freetown	6878	5967.19	115.3	6948	5646.66	123.0	-1.0	-5.7	-6.3
236	(4)	Eritrea	Asmara	23.69	20.7603	114.1	24.67	20.0367	123.1	-4.0	-3.6	-7.3
65		Chad	Ndjamena	745.8	655.957	113.7	736.8	655.957	112.3	1.2		1.2
234		West Bank — Gaza Strip	East Jerusalem	5.255	4.67080	112.5	5.344	4.73800	112.8	-1.7	1.4	-0.3
307	(5)	Iceland	Reykjavik	173.8	154.850	112.2	157.5	162.050	97.2	10.3	4.4	15.4
190		New Zealand	Wellington	1.741	1.55420	112.0	1.730	1.66400	104.0	0.6	6.6	7.7
114		Russia	Moscow	51.00	45.8969	111.1	47.88	42.7350	112.0	6.5	-7.4	-0.8
106		New Caledonia	NouMea	130.6	119.332	109.4	133.4	119.332	111.8	-2.1		-2.1
68	(4)	Barbados	Bridgetown	2.974	2.73859	108.6	3.182	2.62036	121.4	-6.5	-4.5	-10.5
63	(4)	Sudan	Khartoum	8.689	8.10479	107.2	5.479	7.25179	75.6	58.6	-11.8	41.8
76		Gabon	Libreville	697.9	655.957	106.4	648.2	655.957	98.8	7.7		7.7
34		Central African Republic	Bangui	695.9	655.957	106.1	666.9	655.957	101.7	4.3		4.3
20	(4)	Senegal	Dakar	677.8	655.957	103.3	610.3	655.957	93.0	11.1		11.1
53		Vanuatu	Port Vila	134.8	130.534	103.3	143.8	127.470	112.8	-6.3	-2.4	-8.4
302	(1)(4)	Timor Leste	Dili	1.400	1.36200	102.8	1.588	1.30320	121.9	-11.8	-4.5	-15.7
85		Australia	Canberra	1.470	1.44600	101.7	1.485	1.39950	106.1	-1.0	-3.3	-4.1
38	(4)	Israel	Tel-Aviv	4.747	4.67080	101.6	5.076	4.73800	107.1	-6.5	1.4	-5.1
105		Hong Kong	Hong Kong	10.72	10.5573	101.5	10.45	10.1092	103.4	2.6	-4.4	-1.8
4	(4)	Brazil	Brasilia	3.030	2.99050	101.3	2.581	2.84200	90.8	17.4	-5.2	11.6
8	(5)	Japan	Tokyo	139.4	138.090	100.9	144.0	127.930	112.6	-3.2	-7.9	-10.4
46	(1)	Liberia	Monrovia	1.372	1.36200	100.7	1.504	1.30320	115.4	-8.8	-4.5	-12.7
104		Mali	Bamako	657.6	655.957	100.3	663.7	655.957	101.2	-0.9		-0.9
135		Azerbaidjan	Baku	1.025	1.06822	96.0	1.024	1.02236	100.2	0.1	-4.5	-4.2
37		Benin	Cotonou	622.9	655.957	95.0	657.7	655.957	100.3	-5.3	0.0	-5.3
126	(4)	Nigeria	Abuja	200.4	211.439	94.8	214.8	202.198	106.2	-6.7	-4.6	-10.7
50	(4)	Jordan	Amman	0.8586	0.965658	88.9	0.924	0.923969	100.0	-7.1	-4.5	-11.1

(1) 1 euro = USD (Cuba, El Salvador, Equateur, Liberia, Timor oriental, Panama, Rep Dem Congo)

(2) Brussels = 100%

(4) UN F2P processed (12 Duty Stations)

(5) OECD PPP processed (4 Duty stations)