First Release
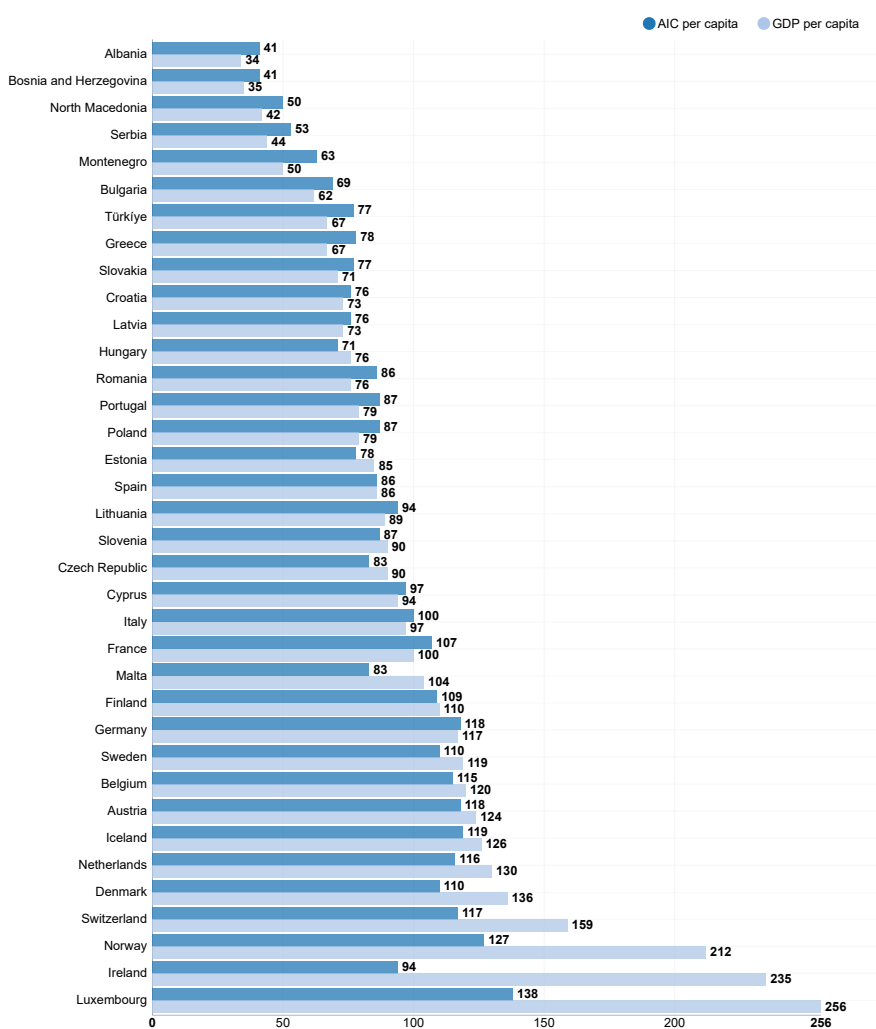
GROSS DOMESTIC PRODUCT AND ACTUAL INDIVIDUAL CONSUMPTION IN PURCHASING POWER STANDARD, 2022

On 14 December 2023, Eurostat publishes data on gross domestic product (GDP) and actual individual consumption (AIC) per capita for 2022, expressed in the purchasing power standard (PPS).

G-1 VOLUME INDICES OF GDP AND AIC PER CAPITA, 2022 (EU-27 = 100)

The Croatian Bureau of Statistics participates in the European comparison programme together with the statistical offices of other European countries with the aim of internationally comparing the volume of all categories of final consumption of GDP of all countries participating in the project.

The most recent analyses of purchasing power parities (PPPs) and related economic indicators (GDP and AIC) per capita are presented for the period 2020 – 2022, focusing on the latest reference year.

The results of the European comparison programme of prices and GDP show that GDP per capita in the Republic of Croatia expressed in the purchasing power standard for 2022 amounted to 27% below the average of 27 EU Member States, while AIC per capita in the same year amounted to 24% below the EU-27 average.

Luxembourg, country with the highest GDP expressed in PPS

Among the EU Member States, the highest GDP per capita in PPS was recorded in Luxembourg and it is 156% above the EU-27 average, while Bulgaria has the lowest GDP level, and it is 38% below of the EU-27 average.

The highest level of GDP per capita in Luxembourg is partly due to the large share of cross-border workers in the total employment. Although cross-border workers contribute to GDP, they are not taken into consideration as part of the resident population that is included in the calculation of GDP per capita.

While GDP per capita is mainly used as an indicator of a country's level of welfare, it is not the only such indicator. AIC per capita is an alternative indicator better adapted to describe the material welfare situation of households. Generally, it is a more homogeneous category than the level of GDP, but there are still substantial differences across the Member States.

AIC is the lowest in Albania and Bosnia and Herzegovina

AIC per capita in PPS among the EU Member States in 2022 ranged from 31% below the EU-27 average in Bulgaria to 38% above the EU-27 average in Luxembourg.

In addition to Luxembourg, the highest AIC per capita in PPS was recorded in Austria, Germany, the Netherlands, Belgium, Denmark, Sweden, Finland, France and Italy ranging up to 18% above the EU-27 average.

Cyprus, Ireland, Lithuania, Poland, Portugal, Slovenia, Romania, Spain, Malta and Czech Republic constitute a group of countries whose level of AIC per capita was below the EU-27 average, ranging from 3% to 17%.

The lowest level of AIC per capita was recorded in the group of countries consisting of Estonia, Greece, Slovakia, Latvia, Croatia, Hungary and Bulgaria, whose average was between 22% and 31% below the EU-27 average.

In addition to 27 EU Member States, the analysis includes three EFTA Member States (Norway, Iceland and Switzerland), the EU candidate countries (Türkíye, Montenegro, Serbia, North Macedonia, Albania and Bosnia and Herzegovina).

In 2022, in EFTA countries, AIC ranged between 17% and 27% above the EU-27 average, while in the candidate countries it ranged between 23% and 59% below the EU-27 average.

1 GDP AND AIC IN PPS, VOLUME INDICES (EU27 = 100), 2020, 2021 AND 2022, OVERVIEW BY PARTICIPATING COUNTRIES

Volume indices (EU-27 = 100)

Countries[1]	AIC per capita			GDP per capita		
	2020	2021	2022	2020	2021	2022
EU-27	100	100	100	100	100	100
EU Member States						
Luxembourg	139	143	138	260	266	256
Austria	115	118	118	125	122	124
Germany	124	120	118	123	119	117
Netherlands	114	114	116	130	131	130
Belgium	114	115	115	118	120	120
Denmark	121	121	110	133	135	136
Sweden	111	112	110	123	122	119
Finland	114	112	109	114	112	110
France	110	110	107	105	103	100
Italy	97	97	100	94	96	97
Cyprus	96	95	97	91	94	94
Ireland	89	91	94	207	221	235
Lithuania	94	96	94	88	89	89
Poland	83	85	87	76	77	79
Portugal	84	84	87	76	75	79
Slovenia	83	86	87	89	90	90
Romania	81	83	86	73	73	76
Spain	84	86	86	83	84	86
Malta	81	83	83	99	103	104
Czech Republic	85	86	83	93	92	90
Estonia	78	79	78	85	86	85
Greece	75	75	78	62	63	67
Slovakia	76	75	77	74	73	71
Latvia	72	74	76	72	71	73
Croatia	**69**	**73**	**76**	**65**	**70**	**73**
Hungary	70	69	71	74	75	76
Bulgaria	60	64	69	55	57	62
United Kingdom[2]	109	-	-	102	-	-
EFTA Member States						
Norway	127	127	127	143	168	212
Iceland	120	120	119	118	119	126
Switzerland	123	120	117	155	157	159
EU Candidate Countries						
Türkíye	66	67	77	61	61	67
Montenegro	59	59	63	45	47	50
Serbia	51	52	53	43	44	44
North Macedonia	43	48	50	38	41	42
Albania	39	39	41	31	31	34
Bosnia and Herzegovina (BiH)	41	41	41	33	34	35

1) Countries are ranked according to AIC per capita in 2022. Countries with the same value are ranked by protocol order.
2) As of 1 February 2020, the United Kingdom has orderly ceased to be an EU Member State. Therefore, data referring to the United Kingdom are presented separately, only for 2020.

NOTES ON METHODOLOGY

Data sources

Eurostat publishes PPPs and derived indicators on the website Statistics Explained; GDP per capita, consumption per capita and price level indices - Statistics Explained (europa.eu).

Definitions and explanations

AIC (actual individual consumption) consists of goods and services actually consumed by households, irrespective of whether they were purchased and paid for by households directly, or by government, or by nonprofit organisations. The AIC per capita can be considered as an indicator of the material welfare of households.

PPPs are indicators of differences in price levels across countries. They indicate how many currency units cost a certain amount of goods and services in different countries. PPPs can be used as currency conversion rates to convert expenditures denominated in national currencies into artificial common currency (PPS), thus eliminating the effect of price differentials in individual countries.

PPS is an artificial reference currency unit that eliminates differences in the price levels among countries. Thus, one PPS buys the same amount of goods and services in all countries. That unit allows a comparison of the volume of economic indicators across countries. Aggregates expressed in PPS are derived by dividing the aggregates in current prices denominated in the national currency by the respective PPP.

PPP and GDP in PPS are the results of a multilateral statistical survey. Its specific feature compared to other statistical surveys is that the results are calculated by the international coordinator. Specifically, none of the participating countries can produce the results independently. The second specific feature is inter-dependency of the results among countries. A change in the data of one country does not only influence the results of this country, but also influences the results of the other countries as well.

The results are based on the latest GDP data for 2022 and the most recent PPPs available.

PPPs are used to generate the price and volume indices that are needed for economic research and analyses that include the comparisons of GDP and GDP expenditure across countries. Volume indices are used to compare the size of the economy and the level of material well-being of economies, consumption, investment, government spending and overall productivity. Price indices are used to compare price levels, price structures, price convergence and competitiveness.

In addition to research and analysis, PPPs and real expenditures derived from PPPs are used for statistical calculation. International organisations aggregate real GDP and its components across countries to produce totals for groups of countries, such as the European Union or the OECD. International organisations also use country shares in all totals as weights when economic indicators, such as price indices or growth rates, are combined to obtain averages for country groups.

PPPs are also used for administrative purposes. The European Commission uses the PPP when allocating Structural Funds to Member States. Structural Funds have been set up to reduce economic disparities among Member States. The main indicator that determines whether a region can apply for funding from the Structural Funds is the regional BPD per capita within the country, which is deflated by the use of PPPs. The International Monetary Fund (IMF) uses the PPPs when deciding on its members' quota. The country's quota determines, among other things, the financial resources that the country is obliged to pay to the IMF.

Geographical information

The European Union (EU-27) includes Belgium, Bulgaria, Denmark, the Czech Republic, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden.

Legal basis

- Regulation (EC) No. 1445/2007 of the European Parliament and of the Council of 11 December 2007 establishing common rules for the provision of basic information on Purchasing Power Parities and for their calculation and dissemination

- Commission Regulation (EU) No. 2015/1163 of 15 July 2015 implementing Regulation (EC) No. 1445/2007 of the European Parliament and of the Council as regards the list of basic headings used for Purchasing Power Parities

- Regulation (EU) No. 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (ESA 2010 Regulation).

Abbreviations

EC   European Community
EFTA   European Free Trade Association
EU   European Union
Eurostat   Statistical Office of the European Union
OECD   Organisation for Economic Co-operation and Development
GDP   Gross Domestic Product
PPP   Purchasing Power Parities
AIC   Actual Individual Consumption
PPS   Purchasing Power Standard

Symbols

-           no occurrence