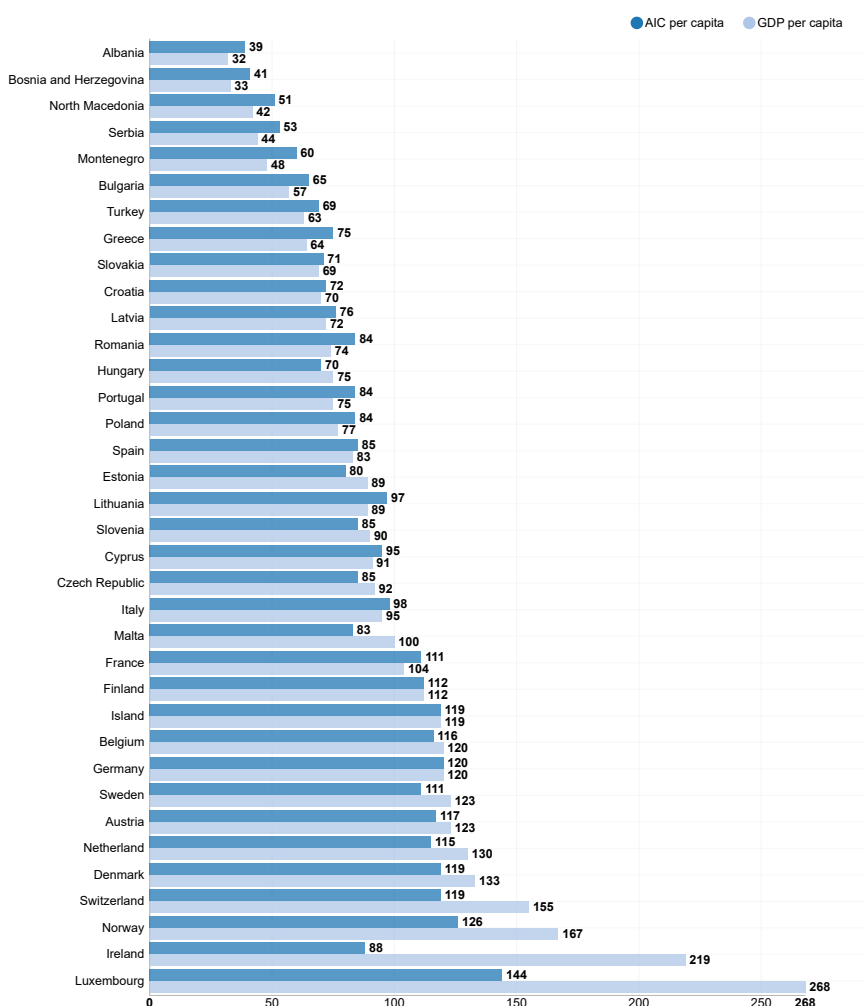




## GROSS DOMESTIC PRODUCT AND ACTUAL INDIVIDUAL CONSUMPTION IN PURCHASING POWER STANDARD, 2021

On 15 December 2022, Eurostat publishes data on gross domestic product (GDP) and actual individual consumption (AIC) per capita for 2021, expressed in the purchasing power standard (PPS).

### G-1 VOLUME INDICES OF GDP AND AIC PER CAPITA, 2021 (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 2019 – 2021, 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 2021 amounted to 70% of the average of 27 EU Member States, while AIC per capita in the same year amounted to 72% of 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 its level was more than two and a half times above the EU-27 average, amounting to 268% of the EU-27 average, while Bulgaria had the lowest GDP level, amounting to 57% 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**

AIC per capita in PPS among the EU Member States in 2021 ranged from 35% below the EU-27 average in Bulgaria to 44% above the EU-27 average in Luxembourg.

In addition to Luxembourg, the highest AIC per capita in PPS was recorded in Germany, Denmark, Austria, Belgium, the Netherlands, Finland, Sweden and France, ranging between 10% and 20% above the EU-27 average.

Italy, Lithuania, Cyprus, Ireland, Slovenia, the Czech Republic, Spain, Poland, Romania, Portugal, Malta and Estonia constitute a group of countries whose level of AIC per capita was below the EU-27 average, ranging from 2% to 20%.

The lowest level of AIC per capita was recorded in the group of countries consisting of Latvia, Greece, Croatia, Slovakia, Hungary and Bulgaria, whose average was between 24% and 35% 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 (Turkey, Montenegro, Serbia, North Macedonia and Albania) and an EU Potential Candidate Country (Bosnia and Herzegovina).

In 2021, in EFTA countries, AIC ranged between 19% and 26% above the EU-27 average, in Candidate Countries it ranged between 31% and 61% below the EU-27 average, while in the Potential Candidate Country it amounted to 59% below the EU-27 average.

# 1 GDP AND AIC IN PPS, VOLUME INDICES (EU-27=100), 2019, 2020 AND 2021, OVERVIEW BY PARTICIPATING COUNTRIES

Volume indices  
(EU-27 = 100)

Countries <sup>1)</sup>	AIC per capita			GDP per capita		
	2019	2020	2021	2019	2020	2021
<b>EU-27</b>	100	100	100	100	100	100
<b>EA-19</b>	106	105	104	106	105	105
<b>EU Member States</b>						
Luxembourg	146	141	144	251	261	268
Germany	122	124	120	121	123	120
Denmark	115	120	119	126	133	133
Austria	117	116	117	126	125	123
Belgium	114	114	116	118	119	120
Netherlands	113	115	115	127	130	130
Finland	111	114	112	109	114	112
Sweden	109	111	111	119	122	123
France	109	110	111	106	104	104
Italy	100	97	98	97	94	95
Lithuania	93	95	97	84	88	89
Cyprus	97	97	95	93	90	91
Ireland	94	88	88	189	205	219
Slovenia	83	82	85	89	89	90
Czech Republic	85	85	85	93	93	92
Spain	91	84	85	91	83	83
Poland	80	83	84	73	76	77
Romania	78	81	84	70	73	74
Portugal	86	84	84	79	76	75
Malta	86	82	83	103	97	100
Estonia	76	79	80	82	86	89
Latvia	71	73	76	69	72	72
Greece	77	74	75	66	62	64
<b>Croatia</b>	67	68	72	67	65	70
Slovakia	70	72	71	71	72	69
Hungary	67	70	70	73	75	75
Bulgaria	58	60	65	53	55	57
United Kingdom <sup>2)</sup>	113	107	-	104	100	-
<b>EFTA Member States</b>						
Norway	128	127	126	147	142	167
Iceland	114	119	119	126	119	119
Switzerland	123	122	119	153	154	155
<b>EU Candidate Countries</b>						
Turkey	65	66	69	59	61	63
Montenegro	60	59	60	50	45	48
Serbia	49	51	53	41	43	44
North Macedonia	43	43	51	38	38	42
Albania	38	39	39	30	31	32
<b>EU Potential Candidate Country</b>						
Bosnia and Herzegovina (BiH)	41	41	41	32	33	33

1) Countries are ranked according to AIC per capita in 2021. 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, and only for 2019 and 2020.

## NOTES ON METHODOLOGY

### Data sources

The data on PPP, GDP in PPS, volume indices and population figures are published on the Eurostat website under the domain National Accounts (including GDP), collection Annual national accounts, as well as in Eurostat database (Tables by themes, Economy and finance, National accounts (including GDP), Annual national accounts, GDP per capita in PPPs).

Eurostat also publishes PPPs and derived indicators on the website Statistics Explained (Economy and finance, Comparative price levels (PPPs)).

### Definitions and explanations

PPPs are indicators of differences in price levels across countries. They indicate how much 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 influence only the results of this country, but influences, more or less, the results of the other countries as well.

The results are based on the latest GDP data for 2021 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 between 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.

The euro area (EA-19) consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

### 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

### Abbreviations

EC	European Community
EFTA	European Free Trade Association
EU	European Union
Eurostat	Statistical Office of the European Union
OECD	Organization for Economic Co-operation and Development

### Symbols

- no occurrence

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