

GDP per capita in purchasing power standards

GDP per capita in the Member States ranged from 44% to 271% of the EU27 average in 2010

In 2010, the Gross Domestic Product (GDP) per capita in **Luxembourg**¹, expressed in purchasing power standards² (PPS), was more than two and a half times the EU27 average, while the **Netherlands** recorded a level one third above the average. **Ireland, Denmark, Austria** and **Sweden** were between 20% and 30% above the EU27 average, while **Belgium, Germany** and **Finland** were between 15% and 20% above average. The **United Kingdom** and **France** registered GDP per capita around 10% above the EU27 average, while **Italy, Spain** and **Cyprus** were around the average.

Greece, Slovenia, Malta, Portugal and the **Czech Republic** were between 10% and 20% lower than the EU27 average, while **Slovakia** was around 25% below. **Hungary, Estonia, Poland, Lithuania** and **Latvia** were between 35% and 50% lower, while **Romania** and **Bulgaria** were around 55% below the EU27 average.

These data for 2010, 2009 and 2008, published³ by **Eurostat, the statistical office of the European Union**, are based on revised⁴ purchasing power parities, and the latest GDP and population figures. They cover the 27 EU Member States, three EFTA Member States, four EU Candidate Countries and three Western Balkan countries.

Actual Individual Consumption per capita in the Member States ranged from 42% to 150% of the EU27 average in 2010

While GDP per capita is often used as an indicator of countries' level of welfare, it is not the only such indicator. An alternative welfare indicator, better adapted to reflect the situation of households, is Actual Individual Consumption (AIC) per capita⁵. Generally, levels of AIC per capita are more homogeneous than those of GDP but still there are substantial differences across the Member States. In 2010, AIC per capita expressed in PPS ranged between 50% above the EU27 average in **Luxembourg** and nearly 60% below average in **Bulgaria**.

GDP and AIC per capita in PPS, EU27 = 100

	GDP per capita			AIC per capita		
	2008	2009	2010	2008	2009	2010
EU27	100	100	100	100	100	100
Euro area (EA17)⁶	109	109	108	107	107	107
Luxembourg	279	266	271	151	153	150
Netherlands	134	132	133	119	118	116
Ireland	133	128	128	109	103	102
Denmark	125	123	127	114	113	114
Austria	124	125	126	113	115	116
Sweden	124	119	123	115	115	114
Belgium	116	118	119	108	109	110
Germany	116	116	118	113	116	117
Finland	119	115	115	110	110	111
United Kingdom	112	111	112	124	121	121
France	107	108	108	111	113	113
Italy	104	104	101	103	103	102
Spain	104	103	100	99	95	95
Cyprus	99	100	99	108	101	103
Greece	92	94	90	104	104	101
Slovenia	91	87	85	82	82	80
Malta	79	82	83	81	85	83
Portugal	78	80	80	83	84	84
Czech Republic	81	82	80	69	72	71
Slovakia	73	73	74	70	72	71
Hungary	64	65	65	62	62	60
Estonia	69	64	64	64	58	57
Poland	56	61	63	61	64	66
Lithuania	61	55	57	70	63	61
Latvia	56	51	51	59	50	50
Romania	47	47	46	49	46	45
Bulgaria	44	44	44	45	43	42
Norway	192	176	181	132	135	136
Switzerland	143	144	147	122	123	125
Iceland	124	118	111	122	109	105
Croatia	64	64	61	60	58	56
Turkey	47	46	49	50	50	53
Montenegro	43	41	41	54	49	51
Former Yugoslav Rep. of Macedonia	34	36	36	40	41	41
Serbia	36	36	35	44	44	43
Bosnia and Herzegovina	30	31	31	37	37	37
Albania	26	28	28	29	31	31

1. The high GDP per capita in Luxembourg is partly due to the country's large share of cross-border workers in total employment. While contributing to GDP, these workers are not taken into consideration as part of the resident population which is used to calculate GDP per capita. For comparison, Gross National Income per capita in Luxembourg is around 195% of the EU average.
2. The Purchasing Power Standard (PPS) is an artificial currency unit that eliminates price level differences between countries. Thus one PPS buys the same volume of goods and services in all countries. This unit allows meaningful volume comparisons of economic indicators across countries. Aggregates expressed in PPS are derived by dividing aggregates in current prices and national currency by the respective Purchasing Power Parity (PPP). The level of uncertainty associated with the basic price and national accounts data, and the methods used for compiling PPPs imply that differences between countries that have indices within a close range should not be over-interpreted.
3. **Eurostat**, Statistics in Focus, 64/2011, "**GDP per capita varied by more than six to one across the EU in 2010**". The publication is available free of charge in PDF format on the Eurostat website.
4. The regular publication schedule of PPPs includes four estimates for a particular year. The first estimate for 2010, based partly on projections, was published in News Release 91/2011 of 21 June 2011. The present News Release corresponds to the second estimate. The 2010 figures will be revised again in December 2012 and finalised in 2013.
5. Indicators reflecting directly the situation of households are more adapted than GDP to reflect welfare. The level of consumption per head is one of these. In national accounts, Household Final Consumption Expenditure (HFCE) denotes expenditure on goods and services that are purchased and paid for by households. Actual Individual Consumption (AIC), on the other hand, consists of goods and services actually consumed by individuals, irrespective of whether these goods and services are purchased and paid for by households, by government, or by non-profit organisations. In international volume comparisons of consumption, AIC is often seen as the preferable measure, since it is not influenced by the fact that the organisation of certain important services consumed by households, like health and education services, differs a lot across countries. For example, if dental services are paid for by the government in one country, and by households in another, an international comparison based on HFCE would not compare like with like, whereas one based on AIC would. AIC is listed among the recommendations of the Stiglitz-Sen-Fitoussi report.
6. The euro area (EA17) consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

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