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GDP per capita in purchasing power standards

GDP per capita varied by one to six across the Member States in 2011

In 2011, the Gross Domestic Product (GDP) per capita in **Luxembourg**[1], expressed in purchasing power standards[2] (PPS), was more than two and a half times the EU27 average. The **Netherlands**, **Ireland**, **Austria**, **Sweden**, **Denmark** and **Germany** were between around 20% and 30% above the EU27 average, while **Belgium** and **Finland** were between 10% and 20% above average. The **United Kingdom** and **France** registered GDP per capita nearly 10% above the EU27 average, while **Italy** and **Spain** were around the average.

Cyprus was around 5% below the EU27 average, while **Malta**, **Slovenia** and the **Czech Republic** were between 15% and 20% lower than the average. **Greece**, **Portugal** and **Slovakia** were between 20% and 30% below the average, while **Estonia**, **Lithuania**, **Hungary** and **Poland** were around one third below. **Latvia** was just over 40% lower, while **Romania** and **Bulgaria** were between 50% and 55% below the average.

These data for 2011, 2010 and 2009, published[3] by **Eurostat, the statistical office of the European Union**, are based on revised[4] purchasing power parities, and the latest GDP and population figures. They cover the 27 EU Member States, three EFTA Member States, the acceding state, four candidate countries and two potential candidate countries.

Actual Individual Consumption per capita in the Member States ranged from 45% to 140% of the EU27 average in 2011

While GDP per capita is mainly an indicator reflecting the level of economic activity, Actual Individual Consumption (AIC) per capita[5] is an alternative indicator better adapted to describe the material welfare situation of households. Generally, levels of AIC per capita are more homogeneous than those of GDP but still there are substantial differences across the Member States. In 2011, AIC per capita expressed in PPS ranged between 40% above the EU27 average in **Luxembourg** and 55% below average in **Bulgaria**.

GDP and AIC per capita in PPS, EU27 = 100

	GDP per capita			AIC per capita		
	2009	**2010**	**2011**	**2009**	**2010**	**2011**
EU27	**100**	**100**	**100**	**100**	**100**	**100**
Euro area (EA17)[6]	**109**	**108**	**108**	**107**	**107**	**107**
Luxembourg	255	267	271	144	141	140
Netherlands	132	131	131	118	114	113
Ireland	130	129	129	103	103	101
Austria	125	127	129	116	118	119
Sweden	120	124	127	116	114	116
Denmark	123	128	125	116	116	113
Germany	115	119	121	115	117	120
Belgium	118	119	119	109	111	111
Finland	114	113	114	110	111	112
United Kingdom	111	111	109	121	120	118
France	109	108	108	113	113	113
Italy	104	101	100	103	102	101
Spain	103	99	98	96	95	94
Cyprus	100	97	94	102	99	98
Malta	83	85	85	85	83	84
Slovenia	87	84	84	81	80	81
Czech Republic	83	80	80	73	71	71
Greece	94	87	79	104	97	91
Portugal	80	80	77	83	84	81
Slovakia	73	73	73	72	71	70
Estonia	63	63	67	58	56	58
Lithuania*	55	57	66	63	61	70
Hungary	65	65	66	62	60	61
Poland	61	63	64	64	67	69
Latvia	54	54	58	52	53	57
Romania	47	47	49	46	46	47
Bulgaria	44	44	46	43	43	45
Norway	177	181	186	134	136	135
Switzerland	150	154	157	128	129	130
Iceland	120	112	111	111	106	107
Croatia	62	59	61	58	57	59
Turkey	46	50	52	51	54	57
Montenegro	41	42	42	50	52	53
Former Yugoslav Rep. of Macedonia	36	36	35	41	40	40
Serbia	36	35	35	44	44	43
Albania**	28	27	30	32	30	34
Bosnia & Herzegovina	31	30	30	37	36	36

* 2011 population figures adjusted on the basis of the 2011 Census. Therefore the per capita indices for 2011 are not entirely comparable with previous years due to this break in time series.

** Figures for all years based on Eurostat estimate of GDP.

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 196% 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, 47/2012, "**Substantial cross-European differences in GDP per capita**". 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 2011, based partly on projections, was published in News Release 97/2012 of 20 June 2012. The present News Release corresponds to the second estimate. The 2011 figures will be revised again in December 2013 and finalised in 2014.
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. The use of AIC as a welfare measure 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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