



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 28 June 2011

**Interinstitutional File:
2011/0163 (NLE)**

**12210/11
ADD 1**

**STAT 24
FIN 459**

COVER NOTE

from:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	22 June 2011
to:	Mr Pierre de BOISSIEU, Secretary-General of the Council of the European Union

No Cion doc.:	SEC(2011) 792 final
Subject:	COMMISSION STAFF WORKING PAPER Eurostat Report on the Intermediate Adjustment of remuneration and pensions of EU officials accompanying the document Proposal for a COUNCIL REGULATION adjusting the correction coefficients applicable to the remuneration and pensions of officials and other servants of the European Union

Delegations will find attached Commission document SEC(2011) 792 final.

Encl.: SEC(2011) 792 final



EUROPEAN COMMISSION

Brussels, 22.6.2011
SEC(2011) 792 final

COMMISSION STAFF WORKING PAPER

Eurostat Report on the Intermediate Adjustment of remuneration and pensions of EU officials

Accompanying the document

Proposal for a Council Regulation

adjusting the correction coefficients applicable to the remuneration and pensions of officials and other servants of the European Union

{COM(2011) 312 final}

Eurostat Report
on the Intermediate Adjustment of remuneration and pensions of EU officials

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

Reference period:
1 July 2010 – 1 January 2011

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EXECUTIVE SUMMARY

The report presents all the information required for the intermediate adjustment of remuneration and pensions in Belgium/Luxembourg and in other places, including:

- evolution of the purchasing power of national officials (global specific indicator forecast);
- changes in the cost of living in Brussels (Brussels International Index);
- correction coefficients for staff and pensioners.

For the period June 2010 – December 2010 the Brussels International Index (cost of living measured for the EU officials) is 101.3 (+1.3%). Details are provided in Appendix One. This does not exceed the specified threshold. In consequence, no intermediate adjustment of the nominal net remuneration and pension of European officials in Belgium and Luxembourg is required.

For the period 1.July 2010 – 1.July 2011 the forecast global specific indicator (average change in real net remuneration in the sample of 8 countries) is 98.7 (-1.3 %). As this is negative, half of this value has to be taken into account, namely -0.6%. Details are provided in Appendix Three.

As a consequence of the foregoing, the intermediate adjustment of the nominal net remuneration and pension of European officials outside Belgium and Luxembourg which is necessary to maintain a parallel development of purchasing power with the national civil servants in the Member States is equal to +0.7%.

The correction coefficients which apply to remuneration and pensions outside Belgium and Luxembourg in order to maintain equality of purchasing power, are provided in Appendix Two. The product of the Brussels International Index and the changes in the economic parities with Brussels for staff exceeded the specified threshold in only one location, Tallinn-Estonia. The movement for pensioners did not exceed the specified threshold in any location.

The calculated correction coefficient at December 2010 for Tallinn-Estonia is 78.0 - the new correction coefficient to be applied for Tallinn-Estonia, taking into account the intermediate adjustment, is therefore 78.5.

All figures and calculations contained in this report are based on data supplied by the responsible authorities in the Member States. More information on methodology, detailed results and statistical analysis is available in the annexes to this report and detailed procedural manuals. For any information concerning this report, please contact Eurostat in Luxembourg:

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1. INTRODUCTION

The July 2010 annual adjustment to remuneration and pensions was adopted by the Council (Regulation No.1239/2010) and published in OJ L.338 on 22nd December¹.

Under the Staff Regulations, an Intermediate Adjustment is made where the cost of living measured in the reference city (ie. Brussels International Index) or the cost of living measured in any individual duty station (ie. implicit index, being the combined impact of the BII and the change in the local purchasing power parity relative to Brussels) exceeds a specified threshold. This threshold is set at 7% for the year, interpreted as 3.5% for six months by a decision of the Article 64 Working Group in April 2005. It is therefore necessary to compute the BII for the period June-December and the Staff and Pensioner PPP at December. This document summarises the result of those calculations.

The Staff Regulations also provide that if the global specific indicator forecast (the movement in net remuneration of national civil servants) is negative, half of this amount has to be taken into account for the intermediate adjustment calculation.

2. THE BRUSSELS INTERNATIONAL INDEX, JUNE-DECEMBER 2010

The December index was computed according to the same standard methodology applied to establish the June value; in the absence of any new Staff Housing Survey amongst EU staff in Brussels, the rent sub-index from the HICP was used for the 2 basic headings for rent. The 80 basic heading indices are then aggregated using weights from the most recent Survey of Household Expenditure conducted amongst EU staff in Brussels (ie. the same as applied to produce the June result), to establish an overall value.

The variation between the December 2010 figure and the June 2010 figure gives an index of 101.3 (ie. +1.3% for the six month period). This BII variation is slightly higher than the HICP movement for the same period (101.1), partly due to weight effects and partly due to price effects. Further information can be found in Appendix One.

3. PPP FOR STAFF AT DECEMBER 2010

The PPP for staff at December 2010 were computed according to the agreed methodology, updating the individual basic heading PPPs established for June 2010 using the movement in official HICP between June and December for each duty station relative to the movement of the BII for the same period. The results were then aggregated using the weights from the most recent Survey of Household Expenditure (ie. the structure applied to produce the June results). Note: as there are no new Estate Agency Rent Surveys in December, the same approach (indexation using official HICP) is also used to update the basic heading PPP for rents. Further information about these PPP can be found in Appendix Two.

¹ Information can be found in the Eurostat Annual Report, SEC(2010) 1406 and Addendum, SEC(2010) 1608.

By comparison to the June 2010 values, the simple average change in the duty station PPPs relative to Brussels is -0.2%. This masks a variation between -4.3% (for SI-Ljubljana) and +3.2% (for EE-Tallinn). The PPP change for nineteen locations is negative, and for the remaining eleven it is zero or positive. Brussels = Luxembourg = zero. These movements can be combined with the BII to establish the implicit price index. Only one duty station (EE-Tallinn) has an implicit price index which exceeds +/-3.5% for the period.

4. PPP FOR PENSIONERS AT DECEMBER 2010

The PPP for pensioner at December 2010 were also computed according to the agreed methodology, taking the updated individual basic heading PPPs established for Staff at December, and applying the same adjustment to convert rents from capital city price level to national average price level as was used for the June 2010 calculation. The updated parities are then aggregated using the weights from the most recent Survey of Household Expenditure amongst pensioners (ie. the structure applied to produce the June results). Further information about these PPP can be found in [Appendix Two](#).

By comparison to the June 2010 values, the simple average change in the PPP relative to Brussels is -0.2%. This masks a variation between -1.9% (for CY-Nicosia) and +1.8% (for EE-Tallinn). The PPP change for fifteen countries is negative, and for the remaining ten it is zero or positive. Belgium = Luxembourg = zero. These movements can be combined with the BII to establish the implicit price index. No member state has an implicit price index which exceeds +/-3.5% for the period.

5. GLOBAL SPECIFIC INDICATOR FORECAST TO JULY 2011

The value of the forecast was established after the Article 65 Working Group meeting in March 2011 to be -1.3%. Further information can be found in [Appendix Three](#).

As this forecast is negative, half of the value has to be taken into account for the intermediate adjustment, ie. -0.6%.

6. CALCULATION OF THE INTERMEDIATE ADJUSTMENT

For the period July 2010 – July 2011, the forecast Global Specific Indicator (GDP-weighted average of the change in real terms of the net remuneration of national civil servants in central government for each country in the sample of 8) is -1.3% (ie. 98.7). Half of this value has to be taken into account, namely -0.6% (ie. 99.4).

Over the period June 2010 to December 2010, the Brussels International Index (cost of living for EU officials) was +1.3% (ie. 101.3). This does not exceed the threshold.

Therefore, the intermediate adjustment of nominal net remuneration of EU officials *outside Belgium and Luxembourg* necessary to maintain parallel development of purchasing power¹, is +0.7%.

$$99.4 \times 101.3 = 100.7$$

For staff, changes in the cost of living (measured by implicit indices which are calculated as the product of the Brussels International Index and the changes in the economic parities with Brussels) exceeded the threshold only in one location (Tallinn-Estonia).

The correction coefficient calculated for Tallinn-Estonia at December 2010 is 78.0 - applying the intermediate adjustment, **the new correction coefficient for Tallinn-Estonia therefore becomes 78.5.**

For pensioners, the implicit index did not exceed the threshold for any country.

¹ Before taking any change in the pension contribution rate and/or the special levy into account.

APPENDIX ONE: BRUSSELS INTERNATIONAL INDEX

1) CALCULATION OF THE BRUSSELS INTERNATIONAL INDEX

For the intermediate adjustment, the same methodology is applied as for the annual adjustment. However, as the Brussels Staff Housing Survey is only conducted annually, there is no fresh information about accommodation rental costs, and the relevant sub-index of the Belgian HICP is used instead.

Thus, for 71 of the 80 basic headings: the relevant sub-index of the Belgian harmonised index of consumer prices (HICP) is used.

For 9 basic headings, where the specific price evolution in Brussels is considered to differ significantly from the situation for the country as a whole, the relevant sub-index from the Brussels-specific national consumer price index is used. This information is provided by the "Service public fédéral, Economie, P.M.E., Classes moyennes et Energie, division des prix" (Federal Public Service of Belgium, Economy, Small and medium-sized enterprises, Middle classes and Energy, Price indices department). The basic headings concerned are: Water supply; Electricity; Gas; Other services in respect of personal transport equipment; Passenger transport by road; Combined passenger transport; Restaurants, cafes and the like; Accommodation services; Hairdressing salons and personal grooming establishments

These 80 price indices are then aggregated using weights derived from the latest of the periodic "Survey of Household Expenditures" conducted amongst EU staff in Brussels (2009).

2) BRUSSELS INTERNATIONAL INDEX, JUNE 2010-DECEMBER 2010

The following table presents the index values for December 2010 with comparative information for June 2010, base 2005 =100. The variation between these two indices is the Brussels International Index applicable for the current exercise (six months) in the context of the intermediate adjustment. The overall index value for the period is +1.3%.

Brussels International Index, 2005=100

SHE weights 2009

Rents from HICP

	SHE WEIGHTS	INDICES Jun-2010	INDICES Dec-2010	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	128.2	116.0	117.2	101.1
2 ALCOHOLIC BEVERAGES AND TOBACCO	20.3	112.3	111.6	99.4
3 CLOTHING AND FOOTWEAR	54.3	108.2	109.2	101.0
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	297.6	104.7	106.6	101.9
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	74.7	109.4	110.1	100.6
6 HEALTH	19.2	101.2	101.1	100.0
7 TRANSPORT	127.2	105.9	109.1	103.0
8 COMMUNICATIONS	21.5	90.7	91.7	101.0
9 RECREATION AND CULTURE	91.7	100.5	99.5	99.0
10 EDUCATION	14.7	112.3	111.7	99.5
11 HOTELS, CAFES AND RESTAURANTS	100.6	115.7	117.9	101.9
12 MISCELLANEOUS GOODS AND SERVICES	50.0	115.3	117.0	101.4
TOTAL WITHOUT RENTS	762.9	110.5	112.3	101.6
RENTS	237.1	100.0	100.3	100.3
TOTAL	1000.0	108.0	109.4	101.3

3) BELGIAN HICP

The following table presents the published HICP values for June 2010 and December 2010, base 2005 = 100, and the right-hand column again shows the variation for the period, +1.1%.

Belgian HICP index, 2005=100

HICP weights

Rents from HICP

	WEIGHTS from HICP 2010	INDICES 01/06/2010	WEIGHTS from HICP 2010	INDICES 01/12/2010	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	165.1	116.5	165.1	117.5	100.9
2 ALCOHOLIC BEVERAGES AND TOBACCO	43.5	115.5	43.5	115.3	99.8
3 CLOTHING AND FOOTWEAR	65.4	107.6	65.4	108.6	101.0
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	136.5	119.4	136.5	122.9	102.9
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	75.7	110.2	75.7	110.6	100.4
6 HEALTH	37.0	101.2	37.0	101.1	100.0
7 TRANSPORT	148.3	111.3	148.3	114.1	102.5
8 COMMUNICATIONS	32.6	90.3	32.6	91.3	101.1
9 RECREATION AND CULTURE	117.3	106.2	117.3	105.2	99.1
10 EDUCATION	6.7	112.3	6.7	111.7	99.5
11 HOTELS, CAFES AND RESTAURANTS	89.5	114.5	89.5	116.0	101.3
12 MISCELLANEOUS GOODS AND SERVICES	82.4	114.0	82.4	115.0	100.9
TOTAL WITHOUT RENTS	951.2	112.0	951.2	113.3	101.2
RENTS	48.8	109.1	48.8	109.5	100.3
TOTAL	1000.0	111.9	1000.0	113.2	101.1

Overall, the BII for this period (101.3) is 0.2 points higher than the HICP (101.1).

4) BRUSSELS INTERNATIONAL INDEX, COMPARED WITH BELGIAN HICP

By comparing the results at the level of the 12 main COICOP groups, reasons for the difference in the value of the overall index can be identified. The table below summarises the principal differences.

Note: in this analysis, the impact of differing numbers of underlying basic headings and different aggregation approaches is not considered.

The first column and the penultimate column are taken from the tables in sections 3 and 4. The final column shows the total difference. The second and fourth columns show the components of the total difference.

Variation between Brussels International Index, 2005=100 and Belgian HICP index, 2005=100

BII uses SHE weights 2009 and HICP uses HICP weights

BII uses Rents from HICP

Period 2010m6 to 2010m12

	HICP Indices Variation	Impact of new Weights	HICP Prices BII Weights	Impact of new Prices	BII Variation	total Variation HICP to BII
1 FOOD AND NON-ALCOHOLIC BEVERAGES	100.9	0.2	101.1	0.0	101.1	0.2
2 ALCOHOLIC BEVERAGES AND TOBACCO	99.8	-0.4	99.4	0.0	99.4	-0.4
3 CLOTHING AND FOOTWEAR	101.0	0.0	101.0	0.0	101.0	0.0
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	102.9	-1.5	101.4	0.5	101.9	-1.0
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	100.4	0.2	100.6	0.0	100.6	0.2
6 HEALTH	100.0	0.0	100.0	0.0	100.0	0.0
7 TRANSPORT	102.5	0.5	103.0	0.0	103.0	0.5
8 COMMUNICATIONS	101.1	-0.1	101.0	0.0	101.0	-0.1
9 RECREATION AND CULTURE	99.1	-0.1	99.0	0.0	99.0	-0.1
10 EDUCATION	99.5	0.0	99.5	0.0	99.5	0.0
11 HOTELS, CAFES AND RESTAURANTS	101.3	0.3	101.6	0.3	101.9	0.6
12 MISCELLANEOUS GOODS AND SERVICES	100.9	0.4	101.3	0.1	101.4	0.5
TOTAL WITHOUT RENTS	101.2	0.3	101.5	0.1	101.6	0.4
RENTS	100.3	0.0	100.3	0.0	100.3	0.0
TOTAL	101.1	0.1	101.2	0.1	101.3	0.2

5) BRUSSELS CPI

The following table presents the Brussels CPI values for June 2010 and December 2010, base 2005 = 100, and the right-hand column again shows the variation for the period, +1.3%.

Brussels CPI, 2005=100

CPI weights

Rents from CPI

	WEIGHTS from CPI 2010	INDICES 01/06/2010	WEIGHTS from CPI 2010	INDICES 01/12/2010	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	175.1	118.1	175.1	119.2	100.9
2 ALCOHOLIC BEVERAGES AND TOBACCO	21.2	112.7	21.2	112.0	99.4
3 CLOTHING AND FOOTWEAR	62.8	105.7	62.8	106.7	100.9
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	158.1	116.5	158.1	120.3	103.3
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	73.4	109.9	73.4	110.4	100.5
6 HEALTH	42.8	101.0	42.8	100.7	99.7
7 TRANSPORT	157.3	108.8	157.3	111.0	102.1
8 COMMUNICATIONS	36.9	89.5	36.9	90.3	101.0
9 RECREATION AND CULTURE	125.2	107.5	125.2	107.0	99.6
10 EDUCATION	5.8	116.9	5.8	115.8	99.0
11 HOTELS, CAFES AND RESTAURANTS	70.8	117.4	70.8	119.6	101.9
12 MISCELLANEOUS GOODS AND SERVICES	70.7	114.0	70.7	114.8	100.6
TOTAL WITHOUT RENTS	937.2	111.7	937.2	113.2	101.3
RENTS	62.8	106.6	62.8	106.8	100.1
TOTAL	1000.0	111.4	1000.0	112.8	101.3

Overall, the BII for this period equals the Brussels CPI which is 101.3.

APPENDIX TWO: STAFF PPPS AND PENSIONER PPPS

1) CALCULATION OF CORRECTION COEFFICIENTS

The correction coefficients (CC) 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 (PPP) and the exchange rates for the month of July. The correction coefficient operates as a percentage adjustment to remuneration to take account of the cost of living differences between Brussels and the various duty stations.

For pensioners, a similar principle applies. The difference is that instead of being based on capital city price comparisons they relate to national comparisons, with Belgium as the base country.

2) STEPS TO PRODUCE PPPS FOR INTERMEDIATE ADJUSTMENT

2.A) STAFF PPPS

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 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 the same 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 starting point is the parities for the 80 basic headings, as established for the annual adjustment of the year in question (ie. 1st July 2010).

For each duty station, the individual basic heading parities are then updated using the movement in official HICP between June and December, relative to the movement of the BII for the same period.

Note that there is no new Staff Housing Survey in Brussels in December, so the BII movement for rents is the same as the Belgian HICP movement for rents.

Note: the same approach (indexation using official HICP) is also applied for the basic headings relating to rents, rather than calculation of a new parity, as there are no new Estate Agency Rents Surveys in Brussels or the various duty stations.

Finally, the updated basic heading parities are aggregated using the same expenditure weighting structure as was used to establish the 1st July overall parity.

2.B) PENSIONER PPPs

In line with the decision at the 2008 meeting of the Article 64 Group, the approach to calculate PPPs for Pensioners for the Intermediate Adjustment is the same as the approach to establish those for the Annual Adjustment.

In this case, the parities for all basic headings, except rents, are set equal to the updated parities established for Staff. A specific adjustment is then made to rent parities to convert them from capital city price level to national average price level. The same adjustment factor is applied for the intermediate adjustment as was applied for the July calculation.

The updated parities for all basic headings are then aggregated using consumption expenditure weights derived from the wide scale Family Budget Survey amongst pensioners which was last conducted in 2002.

3) CALCULATED VALUES AT JANUARY 2011

3.A) STAFF PPPs

The following **Table 3.A** presents the calculated values of the economic parities and correction coefficients for staff as at 1st January 2011, ranked by magnitude of correction coefficient value. Exchange rates for 1st July 2010 are used, for consistency with the Annual Adjustment.

Eleven locations have a correction coefficient higher than 100; the remaining nineteen have a correction coefficient below 100. Brussels = Luxembourg = 100.

3.B) PENSIONER PPPs

The following **Table 3.B** presents the calculated values of the economic parities and correction coefficients for pensioners as at 1st January 2011, ranked by magnitude. Exchange rates for 1st July are used.

Eight locations have a CC greater than 100; the remaining seventeen have a coefficient below 100. Belgium = Luxembourg = 100.

TABLE 3.A

STAFF**RANKED BY MAGNITUDE OF CC**

		01-Jan-11		
		Final		
		PPP	Ex. Rate	CC
BG	Sofia	1.233	1.9558	63.0
RO	Bucharest	3.072	4.3738	70.2
LT	Vilnius	2.501	3.4528	72.4
LV	Riga	0.526	0.7093	74.1
PL	Warsaw	3.199	4.1603	76.9
EE	Tallinn	12.21	15.647	78.0
HU	Budapest	225.3	286.76	78.6
SK	Bratislava	0.791	1.0000	79.1
MT	Valletta	0.819	1.0000	81.9
CY	Nicosia	0.825	1.0000	82.5
CZ	Prague	21.45	25.753	83.3
PT	Lisbon	0.848	1.0000	84.8
SI	Ljubljana	0.858	1.0000	85.8
IT	Varese	0.921	1.0000	92.1
DE	Karlsruhe	0.924	1.0000	92.4
EL	Athens	0.949	1.0000	94.9
DE	Bonn	0.950	1.0000	95.0
DE	Berlin	0.951	1.0000	95.1
ES	Madrid	0.980	1.0000	98.0
NL	The Hague	1.019	1.0000	101.9
DE	Munich	1.041	1.0000	104.1
UK	Culham	0.855	0.8104	105.6
AT	Vienna	1.061	1.0000	106.1
IT	Rome	1.064	1.0000	106.4
IE	Dublin	1.070	1.0000	107.0
FR	Paris	1.159	1.0000	115.9
SE	Stockholm	11.25	9.5241	118.1
FI	Helsinki	1.193	1.0000	119.3
DK	Copenhagen	9.935	7.4486	133.4
UK	London	1.100	0.8104	135.8

TABLE 3.B

PENSIONERS*Ranked by magnitude of CC*

	01-Jan-11		
	Final		
	PPP	Ex. Rate	CC
BG	1.165	1.9558	59.6
RO	2.628	4.3738	60.1
PL	2.821	4.1603	67.8
HU	195.4	286.76	68.2
LV	0.486	0.7093	68.5
LT	2.366	3.4528	68.5
SK	0.747	1.0000	74.7
CZ	19.72	25.753	76.6
EE	12.20	15.647	78.0
SI	0.833	1.0000	83.3
MT	0.840	1.0000	84.0
PT	0.849	1.0000	84.9
CY	0.851	1.0000	85.1
ES	0.915	1.0000	91.5
EL	0.948	1.0000	94.8
NL	0.965	1.0000	96.5
DE	0.977	1.0000	97.7
IE	1.022	1.0000	102.2
IT	1.025	1.0000	102.5
AT	1.053	1.0000	105.3
FR	1.076	1.0000	107.6
UK	0.888	0.8104	109.6
SE	10.72	9.5241	112.6
FI	1.129	1.0000	112.9
DK	9.711	7.4486	130.4

4) COMPARISON OF STAFF CC WITH PENSIONER CC

The following table compares calculated correction coefficients at January 2011. Some quite large differences are apparent for rents; the difference is smaller when rents are excluded. The variations are due to the rent price adjustment to produce pensioner PPPs and to the use of a different weighting structure for pensioners.

**INTERMEDIATE ADJUSTMENT :
January 2011
pensioner CCs compared to staff CCs**

Correction coefficients for pensioners				Correction coefficients for staff			
Country	without rent	rents	Total	Capital	without rent	rents	Total
BE	100.0	100.0	100.0	Brussels	100.0	100.0	100.0
BG	64.2	27.9	59.6	Sofia	62.2	66.4	63.0
CZ	76.2	80.8	76.6	Prague	74.0	118.6	83.3
DK	129.3	136.7	130.4	Copenhagen	126.0	156.1	133.4
DE	96.5	105.9	97.7	Berlin	95.1	95.1	95.1
EE	75.9	100.4	78.0	Tallinn	74.5	91.3	78.0
EL	93.3	105.4	94.8	Athens	92.3	107.8	94.9
ES	89.3	108.0	91.5	Madrid	88.5	140.1	98.0
FR	101.9	150.7	107.6	Paris	100.9	180.4	115.9
IE	99.0	121.9	102.2	Dublin	101.3	132.1	107.0
IT	98.3	133.6	102.5	Rome	95.9	155.8	106.4
CY	87.6	68.5	85.1	Nicosia	88.7	63.0	82.5
LV	69.2	62.8	68.5	Riga	68.5	95.3	74.1
LT	67.8	77.3	68.5	Vilnius	67.2	92.6	72.4
HU	68.2	69.1	68.2	Budapest	67.9	121.1	78.6
MT	84.1	84.0	84.0	Vallette	83.5	76.5	81.9
NL	94.1	112.5	96.5	The Hague	92.7	143.3	101.9
AT	99.8	144.6	105.3	Vienna	97.8	134.4	106.1
PL	68.9	58.9	67.8	Warsaw	67.4	116.4	76.9
PT	87.0	71.8	84.9	Lisbon	84.7	84.9	84.8
RO	60.6	57.0	60.1	Bucharest	58.8	122.1	70.2
SI	82.9	86.4	83.3	Ljubljana	80.2	106.2	85.8
SK	76.5	58.9	74.7	Bratislava	74.1	97.5	79.1
FI	111.7	120.9	112.9	Helsinki	111.5	144.8	119.3
SE	108.7	139.3	112.6	Stockholm	108.8	150.9	118.1
UK	98.6	189.1	109.6	London	101.3	291.7	135.8

5) CHANGES IN THE AGGREGATE PPPS

5.A) STAFF PPPS

The following **Table 5.A** shows the changes in the economic parities for staff by comparison to those established for July 2010, and the associated implicit price index (which also takes BII into account).

The simple average change in the PPP relative to Brussels is -0.2%. This masks a variation between -4.3% (SI-Ljubljana) and +3.2% (EE-Tallinn). The PPP 'evolution' for nineteen locations is negative, and for the remaining eleven it is zero or positive. Brussels = Luxembourg = zero.

Only one duty station (EE-Tallinn) has an implicit price index which exceeds $\pm 3.5\%$ for the six months (+4.5%).

5.B) PENSIONER PPPS

The following **Table 5.B** shows the changes in the economic parities for pensioners by comparison to those established for July 2010, and the associated implicit price index (which also takes BII into account).

The simple average change in the PPP relative to Brussels is -0.2%. This masks a variation between -1.9% (CY) and +1.8% (EE). The PPP 'evolution' for fifteen locations is negative, and for the remaining ten it is zero or positive. Belgium = Luxembourg = zero.

No country has an implicit price index which exceeds $\pm 3.5\%$ for the six months.

TABLE 5.A

STAFF

		01-Jul-10	01-Jan-11		
		Final	Final		
		PPP	PPP	Change	Implicit
BG	Sofia	1.226	1.233	0.5	1.8
CZ	Prague	21.68	21.45	-1.1	0.2
DK	Copenhagen	9.990	9.935	-0.6	0.7
DE	Berlin	0.948	0.951	0.3	1.6
DE	Bonn	0.947	0.950	0.3	1.6
DE	Karlsruhe	0.921	0.924	0.3	1.6
DE	Munich	1.037	1.041	0.3	1.6
EE	Tallinn	11.83	12.21	3.2	4.5
EL	Athens	0.948	0.949	0.1	1.4
ES	Madrid	0.977	0.980	0.3	1.6
FR	Paris	1.161	1.159	-0.2	1.1
IE	Dublin	1.091	1.070	-1.9	-0.6
IT	Rome	1.066	1.064	-0.2	1.1
IT	Varese	0.923	0.921	-0.2	1.1
CY	Nicosia	0.837	0.825	-1.5	-0.2
LV	Riga	0.527	0.526	-0.2	1.1
LT	Vilnius	2.504	2.501	-0.1	1.2
HU	Budapest	227.0	225.3	-0.8	0.5
MT	Valletta	0.822	0.819	-0.3	1.0
NL	The Hague	1.041	1.019	-2.1	-0.8
AT	Vienna	1.062	1.061	-0.1	1.2
PL	Warsaw	3.206	3.199	-0.2	1.1
PT	Lisbon	0.850	0.848	-0.3	1.0
RO	Bucharest	3.040	3.072	1.1	2.4
SI	Ljubljana	0.896	0.858	-4.3	-3.0
SK	Bratislava	0.800	0.791	-1.1	0.2
FI	Helsinki	1.194	1.193	-0.1	1.2
SE	Stockholm	11.29	11.25	-0.4	0.9
UK	London	1.089	1.100	1.0	2.3
UK	Culham	0.847	0.855	1.0	2.3

simple average change -0.2

TABLE 5.B

PENSIONERS

	01-Jul-10 Final	01-Jan-11 Final		
	PPP	PPP	Change	Implicit
BG	1.161	1.165	0.4	1.7
CZ	19.95	19.72	-1.2	0.1
DK	9.719	9.711	-0.1	1.2
DE	0.965	0.977	1.3	2.6
EE	11.99	12.20	1.8	3.1
EL	0.943	0.948	0.5	1.8
ES	0.910	0.915	0.5	1.9
FR	1.076	1.076	0.0	1.3
IE	1.039	1.022	-1.7	-0.4
IT	1.023	1.025	0.2	1.5
CY	0.867	0.851	-1.9	-0.6
LV	0.493	0.486	-1.3	0.0
LT	2.376	2.366	-0.4	0.9
HU	196.6	195.4	-0.6	0.7
MT	0.848	0.840	-0.9	0.3
NL	0.980	0.965	-1.6	-0.3
AT	1.051	1.053	0.1	1.4
PL	2.833	2.821	-0.4	0.9
PT	0.851	0.849	-0.3	1.0
RO	2.585	2.628	1.6	3.0
SI	0.844	0.833	-1.3	-0.1
SK	0.754	0.747	-1.0	0.3
FI	1.124	1.129	0.5	1.8
SE	10.72	10.72	0.0	1.3
UK	0.879	0.888	1.1	2.4

simple average change -0.2

APPENDIX THREE: FORECAST OF GLOBAL SPECIFIC INDICATOR

1) STEPS TO PRODUCE GSI FORECAST

Article 1.4 of the Annex XI says that to establish a global specific indicator for the European Union, Eurostat shall use a sample composed of the following 8 Member States: Belgium, Germany, Spain, France, Italy, Luxembourg, the Netherlands and the United Kingdom.

For the intermediate adjustment, data is compiled from the above mentioned eight Member States about the expected changes in net remuneration in nominal terms, between 1.July 2010 and 1.July 2011.

Expected changes in the harmonized consumer price indices (inflation rates) during the period June 2010 to June 2011 have been used to transform nominal changes in the remunerations into movements in real terms.

In order to get the global specific indicator the results per country have been weighted in proportion to their national GDP for the year 2009 expressed in purchasing power parities (ie. the same weights as were used for the most recent annual adjustment exercise).

The values were finalised at the 18.3.2011 meeting of the Article 65 Working Group.

The forecast global specific indicator (average change in real net remuneration) for the year to 1.July 2011 is 98.7 (-1.3%).

2) RESULTS TABLE (VALUES AFTER 18.3.2011 MEETING OF ARTICLE 65 WORKING GROUP)

Specific Indicator (1)
Forecast of real changes in the remuneration of national civil servants
in the twelve-month period to 1st July 2011 : Single and married officials with two children

Country	Nominal change net remuneration (%)	Change in HICP (3) (%)	Real change net remuneration (%)	Weight (2)		Effect on the total
				EU27=100	EU8=100	
BE	2.7	2.8	-0.1	2.5	3.3	0.00
DE	1.7	2.3	-0.6	19.0	25.0	-0.15
ES	-0.6	3.0	-3.5	9.5	12.5	-0.44
FR	1.4	1.5	-0.1	13.9	18.3	-0.02
IT	-0.2	1.9	-2.1	12.5	16.5	-0.34
LU	0.0	3.4	-3.3	0.3	0.4	-0.01
NL	2.0	2.0	0.0	4.3	5.7	0.00
UK	2.7	4.4	-1.6	13.9	18.3	-0.30
Global	1.3	2.6	-1.3	75.9	100.0	-1.26

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(1) The figures presented in this table are Eurostat estimates based on information supplied by country delegates and other sources and do not prejudice the outcomes of any current or future pay negotiations

(2) GDP 2009 in PPS at current prices ([website enquiry 15.03.2011](#))

(3) HICP June-June ([per website enquiry 15.03.2011](#), or [MS estimate](#))

THUS	Ann.Adj =	101.3	(BII)	x	(GSI)	98.7	=	100.0
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