

Domain: Consumer prices (semi-final data)

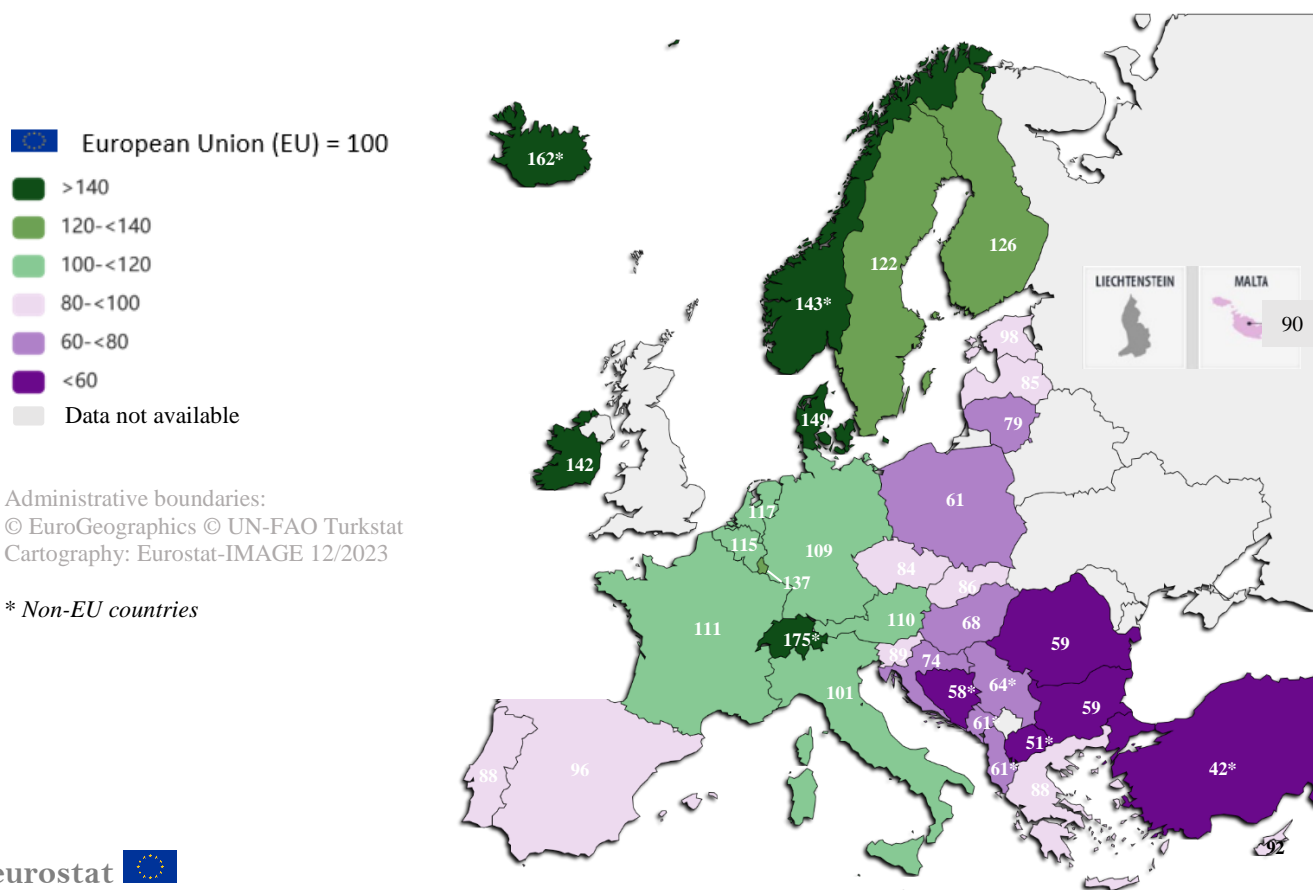
## THE PURCHASING POWER IN ROMANIA RELATIVE TO THE EUROPEAN UNION MEMBER STATES, IN 2022

This press release presents the results on the purchasing power in Romania relative to the EU Member States. The data were calculated by Eurostat in December 2023, on the basis of the consumer prices collected by the participating countries for a common basket of comparable goods and services, selected as representative for the consumption patterns in the 36 European countries, as well as on the basis of the data on the GDP expenditures and other basic information sent in accordance with Regulation (EC) No 1445/2007.

### 1. Price level indices for household final consumption expenditure on goods and services relative to the European Union average

- The price level indices show how many units of the same currency are needed to purchase an identical volume of goods and services in different countries, for each group of goods and services. In 2022, for the consumer goods and services included in final consumption, 100 euro are paid at EU level, with the two extremes being represented by Denmark (149 euro) and Romania and Bulgaria (59 euro each).
- In 2022, among the EU Member States, the lowest price level for the consumer goods and services included in household final consumption was recorded in **Bulgaria and Romania** (41% below the EU average), followed by **Poland** (39% below the EU average).
- In 2022, among the EU Member States, the highest price level for household final consumption was reported in **Denmark** (49% above the EU average), followed by **Ireland** (42% above the EU average), **Luxembourg** (37% above the EU average) and **Finland** (26% above the EU average).

Graph 1: Price level indices for household final consumption expenditure on goods and services, in 2022 (%)



## 2. Price level indices for the main groups of goods and services

- According to the Eurostat press release<sup>\*)</sup>, **Romania** is the cheapest Member State for the “Food and non-alcoholic beverages” group (72%), followed by **Poland** (73%), while **Denmark** and **Luxembourg** have the highest price level for this group of products (121%).
- **Bulgaria** has the lowest price level for the “Alcoholic beverages and tobacco” (66%), “Clothing and footwear” (80%) and “Housing, water, electricity, gas and other fuels” (38%) groups, followed by **Poland**, for “Alcoholic beverages and tobacco” (73%) and “Housing, water, electricity, gas and other fuels” (39%).
- **Denmark** has the highest price level for the products included in the “Clothing and footwear” group (133%), and **Ireland** is the most expensive EU country in terms of the products of the “Alcoholic beverages and tobacco” (216%) and “Housing, water, electricity, gas and other fuels” (195%) groups.

**Table 1: Price level indices for the main groups of goods and services relative to the EU average, in 2022**

– percentage –

Country	Household final consumption expenditure	Food and non-alcoholic beverages	Alcoholic beverages and tobacco	Clothing and footwear	Housing, water, electricity, gas and other fuels
<b>European Union (EU 27)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Denmark	149	121	138	133	194
Ireland	142	116	216	99	195
Luxembourg	137	121	96	107	188
Finland	126	114	174	116	134
Sweden	122	114	129	118	118
Netherlands	117	98	114	102	132
Belgium	115	104	119	102	127
France	111	107	132	107	116
Austria	110	107	89	103	108
Germany	109	106	98	99	115
Italy	101	104	94	102	99
Estonia	98	107	103	113	93
Spain	96	99	90	88	106
Cyprus	92	108	93	94	82
Malta	90	118	104	103	63
Slovenia	89	100	86	97	77
Greece	88	107	101	96	72
Portugal	88	103	99	101	79
Slovakia	86	102	86	99	82
Latvia	85	106	98	106	70
Czechia	84	97	97	112	78
Lithuania	79	99	94	104	58
Croatia	74	101	90	96	46
Hungary	68	90	78	83	59
Poland	61	73	73	90	39
<b>Romania</b>	<b>59</b>	<b>72</b>	<b>83</b>	<b>87</b>	<b>51</b>
<b>Bulgaria</b>	<b>59</b>	<b>87</b>	<b>66</b>	<b>80</b>	<b>38</b>

Note: Countries are sorted in descending order according to their overall price level for household final consumption expenditure in the first column.

Data source: Eurostat (online database, code: prc\_ppp\_ind)

[Table data in .xls format](#)

<sup>\*)</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Comparative\\_price\\_levels\\_of\\_consumer\\_goods\\_and\\_services](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Comparative_price_levels_of_consumer_goods_and_services)

- Among the EU countries, **Bulgaria and Romania** have the lowest price level for “Household furnishings, equipment and maintenance” (71%).
- **Hungary** is still the cheapest EU Member State in terms of “Transport” (70%), **Poland** has the lowest price level for “Recreation and culture” (62%), and **Bulgaria** has the lowest price level for the “Accommodation services and restaurants” (50%) group.
- **Luxembourg** has the highest price level for “Household furnishings, equipment and maintenance” (128%) among the EU Member States. **Denmark** is the most expensive EU country in terms of the “Transport” group (129%), the “Recreation and culture” group (143%) and the accommodation services and restaurants (154%).

**Table 2: Price level indices for the main groups of goods and services relative to the EU average, in 2022**

– percentage –

Country	Household final consumption expenditure	Household furnishings, equipment and maintenance	Transport	Recreation and culture	Accommodation services and restaurants
<b>European Union (EU 27)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Denmark	149	124	129	143	154
Ireland	142	109	113	118	128
Luxembourg	137	128	100	120	130
Finland	126	106	118	126	130
Sweden	122	113	121	126	128
Netherlands	117	107	113	110	123
Belgium	115	104	106	106	124
France	111	106	109	108	116
Austria	110	110	108	115	105
Germany	109	105	109	106	111
Italy	101	97	96	96	109
Estonia	98	100	96	96	96
Spain	96	98	90	97	84
Cyprus	92	90	91	90	89
Malta	90	102	86	96	92
Slovenia	89	99	87	94	88
Greece	88	93	92	86	87
Portugal	88	99	92	88	73
Slovakia	86	89	83	87	85
Latvia	85	92	84	88	86
Czechia	84	98	84	80	68
Lithuania	79	89	84	80	78
Croatia	74	92	82	83	84
Hungary	68	79	70	64	62
Poland	61	76	73	62	77
Romania	59	71	76	63	61
Bulgaria	59	71	72	66	50

Note: Countries are sorted in descending order according to their overall price level for household final consumption expenditure in the first column.

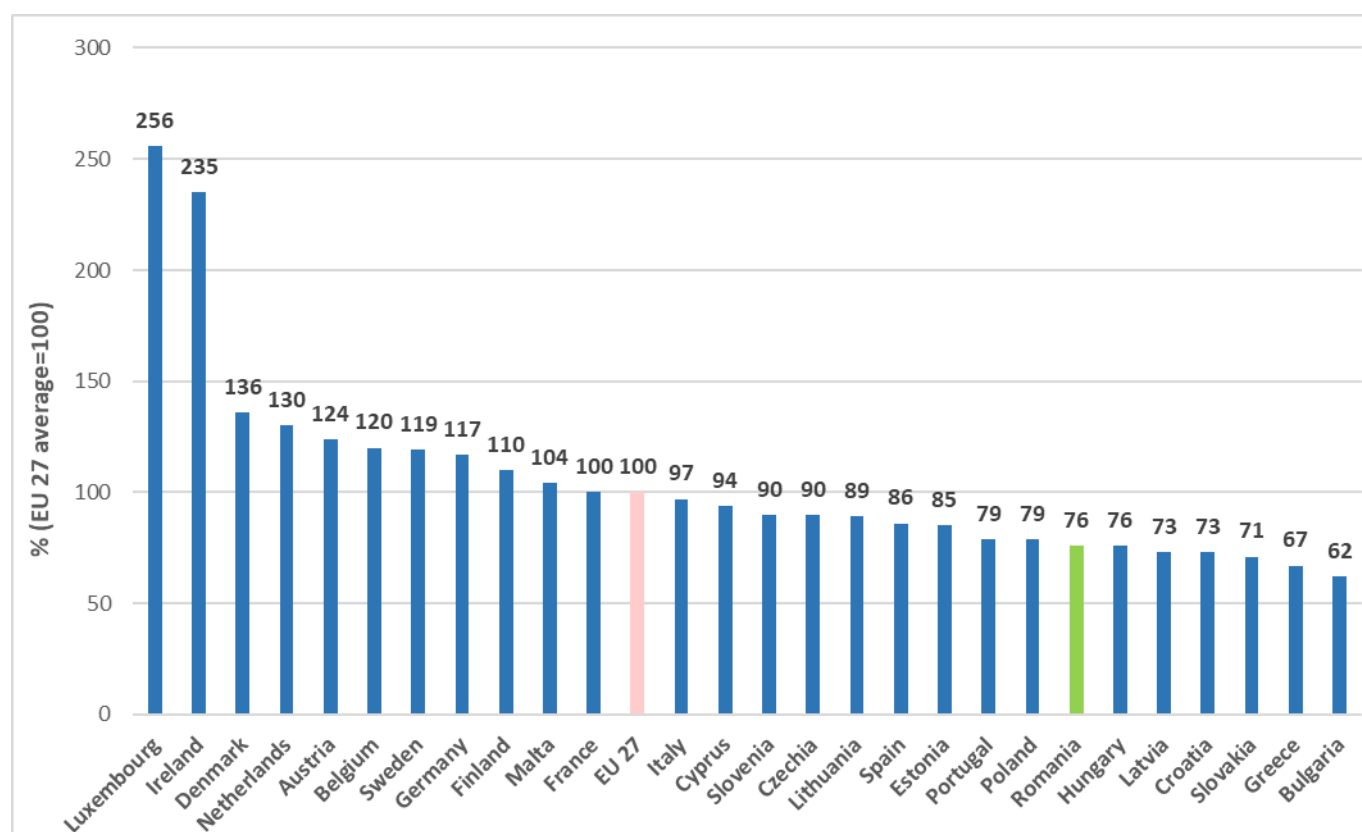
Data source: Eurostat (online database, code: prc\_ppp\_ind)

[Table data in .xls format](#)

### 3. Volume indices of Gross Domestic Product per capita, calculated on the basis of the Purchasing Power Parity (PPP)

- **Romania** and **Hungary** report the same value of the volume index of GDP per capita, calculated on the basis of the PPP, namely 76% relative to the European Union average.
- The lowest value of GDP per capita in 2022 was recorded by **Bulgaria**, namely 38% below the EU average.
- The highest level of GDP per capita in the European Union – 156% above the EU average – was reported by **Luxembourg**. This is partly explained by the fact that a large number of foreign citizens represent a high share of the country's total labour force and thus contribute to Luxembourg's GDP, while they are not part of the resident population.

**Graph 2: Volume indices of GDP per capita (EU 27=100), in 2022**



Data source: Eurostat (online database, code: prc\_ppp\_ind)

[Table data in .xls format](#)

#### Additional information:

The European Comparison Programme (ECP) was initiated in the 1970s as a component of the International Comparison Programme (ICP) and its aim is to compare the Gross Domestic Product (GDP) in real terms – level and structure. The year 1999 represents the moment of the ECP reform, which consists in obtaining annual results for all the European countries participating in the Programme.

In order to compare the GDP, its component expenditures and the price levels, for the European Union as a whole and for each Member State, the purchasing power parities (PPPs) are calculated, representing the indicators that eliminate the effects of the differences in price levels between countries. Thus, when the data of the Member States related to the GDP components are converted to a common currency using the PPPs, these data are assessed at the same price level and reflect only the differences in the volume of goods and services purchased by the countries that are being compared.

The European Union (EU) Member States, the European Free Trade Association countries (Iceland, Norway and Switzerland) and the candidate countries (Albania, Montenegro, North Macedonia, Serbia, Turkey, Bosnia and Herzegovina) participate in the European Comparison Programme (ECP).

The results of the ECP are calculated and disseminated by the Statistical Office of the European Union (Eurostat) twice a year, in June and December.

**Geographical information:** the European Union (EU 27) includes: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.  
The United Kingdom left the EU on February 1, 2020.

The **Purchasing Power Parity (PPP)** expresses the number of currency units needed to purchase, in a given country, the same volume of goods and services that can be obtained with a currency unit of the country that is used as basis for comparison (Austria in 1993 and 1996, and the EU average since 1999). The PPP is computed as a ratio between the prices practised under the internal conditions of each country.

The **Purchasing Power Standard (PPS)** represents the reference currency established at the level of the European Union in order to express the results of the European Comparison Programme. The PPS is a conventional currency unit that excludes the influence of the differences in price levels between countries.

The **price level index (PLI)** represents the ratio between the Purchasing Power Parity (PPP) and the official exchange rate; it shows how many units of the same currency are needed to purchase an identical volume of goods and services in different countries.

The **household final consumption** includes all the goods and services that are used to directly meet the individual needs of households.

The **volume index (VI)** expresses the ratio between the GDP expenditure aggregates of a country converted to a common currency by means of the Purchasing Power Parity (PPP) and the same indicator of the comparison-base country.

The Purchasing Power Parities are calculated on the basis of 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. The provision of data on the calculation of the PPPs is partially financed by the European Commission by means of grant agreements concluded with EU Member States, including Romania.

For an accurate interpretation of indicators, please see the Eurostat-OECD Manual on Purchasing Power Parities (<https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/ks-ra-12-023>) and the Metadata for Purchasing Power Parities section (ESMS metadata file – prc\_ppp\_esms), available on the Eurostat website <https://ec.europa.eu/eurostat/web/purchasing-power-parities/methodology/>.

Detailed information is found in the Statistics Explained publication, the section dedicated to Purchasing Power Parities (<https://ec.europa.eu/eurostat/statistics-explained>), as well as in the Eurostat database on Purchasing Power Parities (<https://ec.europa.eu/eurostat/en/web/main/data/database>).

The next press release on the main indicators of the Purchasing Power Parity will be published on **June 28, 2024**.

Press release archive: <http://www.insse.ro/cms/en/comunicate-de-presa-view>

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