

Domain: Consumer prices (provisional data)

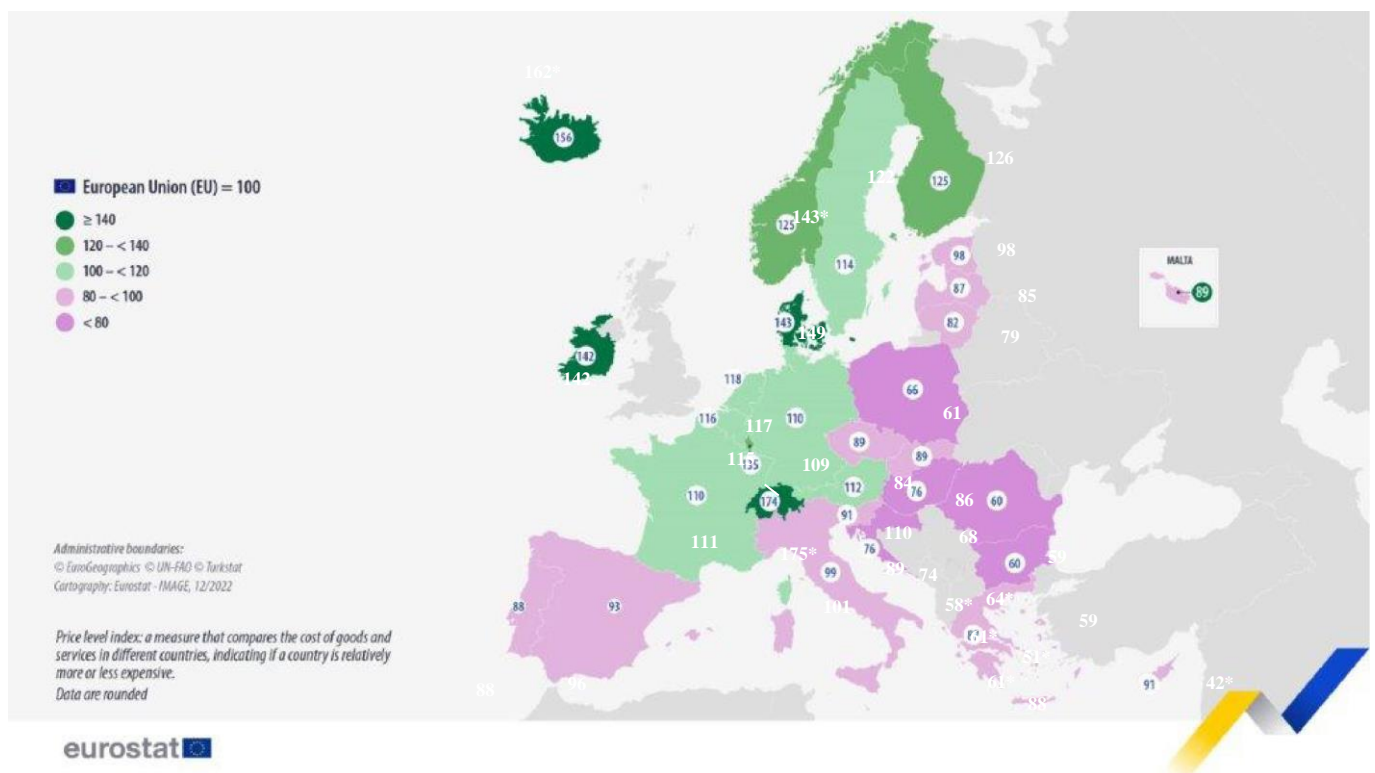
THE PURCHASING POWER IN ROMANIA RELATIVE TO THE EUROPEAN UNION MEMBER STATES, IN 2023

This press release presents the results on the Purchasing Power in Romania relative to the European Union Member States. The data were calculated by Eurostat in June 2024, 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 2023, for the consumer goods and services included in final consumption, 100 euro are paid at EU level, 143 euro (the highest value) in Ireland and 60 euro (the lowest value) in Romania and Bulgaria.
- In 2023, 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** (40% below the EU average), followed by **Poland** (34% below the EU average).
- In 2023, among the EU Member States, the highest price level for household final consumption was reported in **Denmark** (43% above the EU average), followed by **Ireland** (42% above the EU average), **Luxembourg** (35% above the EU average) and **Finland** (25% above the EU average).

Graph 1: Price level indices for household final consumption expenditure on goods and services, in 2023 (%)



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

- According to the Eurostat press release^{*)}, **Romania** is the cheapest Member State for the “Food and non-alcoholic beverages” group (74%), followed by **Poland** (78%), while **Luxembourg** has the highest price level for this group of products (119%).
- **Bulgaria** has the lowest price level for the “Alcoholic beverages and tobacco” (66%), “Clothing and footwear” (81%) and “Housing, water, electricity, gas and other fuels” (39%) groups, followed by **Poland**, for “Alcoholic beverages and tobacco” (77%) and “Housing, water, electricity, gas and other fuels” (44%).
- **Denmark** has the highest price level for the products included in the “Clothing and footwear” group (130%), and **Ireland** is the most expensive EU country in terms of the products of the “Alcoholic beverages and tobacco” (211%) and “Housing, water, electricity, gas and other fuels” (201%) groups.

Table 1: Price level indices for the main groups of goods and services relative to the EU average, in 2023

– 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
European Union (EU 27)	100	100	100	100	100
Denmark	143	116	133	130	180
Ireland	142	113	211	98	201
Luxembourg	135	119	94	108	186
Finland	125	110	170	115	130
Netherlands	118	97	115	105	140
Belgium	116	106	120	104	123
Sweden	114	105	118	112	107
Austria	112	106	88	104	115
France	110	107	132	105	114
Germany	110	106	99	99	117
Italy	99	102	91	101	97
Estonia	98	109	102	119	89
Spain	93	98	90	84	98
Slovenia	91	101	87	97	82
Cyprus	91	104	90	92	83
Malta	89	116	100	102	66
Czechia	89	99	99	122	86
Slovakia	89	107	87	101	85
Portugal	88	102	96	98	80
Greece	87	106	98	98	71
Latvia	87	107	99	105	74
Lithuania	82	101	95	103	63
Croatia	76	102	90	100	47
Hungary	76	101	86	88	65
Poland	66	78	77	95	44
Romania	60	74	85	92	48
Bulgaria	60	88	66	81	39

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](#)

^{*)} https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Comparative_price_levels_of_consumer_goods_and_services

- Among the EU countries, **Romania** has the lowest price level for “Household furnishings, equipment and maintenance” (72%), followed by **Bulgaria** (74%).
- **Hungary** is the cheapest EU Member State in terms of “Transport” (72%) and “Hotels and restaurants” (52%), and **Romania** has the lowest price level for the “Recreation and culture” (65%) group.
- **Denmark** has the highest price level for “Household furnishings, equipment and maintenance” (124%), “Transport” (125%), “Recreation and culture” (141%) and “Hotels and restaurants” (152%) among the EU Member States.

Table 2: Price level indices for the main groups of goods and services relative to the EU average, in 2023

– percentage –

Country	Household final consumption expenditure	Household furnishings, equipment and maintenance	Transport	Recreation and culture	Restaurants and hotels
European Union (EU 27)	100	100	100	100	100
Denmark	143	124	125	141	152
Ireland	142	112	107	116	128
Luxembourg	135	124	97	118	124
Finland	125	110	115	125	129
Netherlands	118	105	112	111	123
Belgium	116	104	108	106	126
Sweden	114	109	113	119	117
Austria	112	109	108	117	108
France	110	107	110	107	113
Germany	110	105	109	107	111
Italy	99	97	97	94	107
Estonia	98	99	94	100	98
Spain	93	94	88	95	83
Slovenia	91	98	87	95	90
Cyprus	91	89	87	89	89
Malta	89	105	81	95	90
Czechia	89	99	85	86	74
Slovakia	89	90	85	86	90
Portugal	88	103	89	87	74
Greece	87	93	90	86	85
Latvia	87	92	84	91	90
Lithuania	82	92	83	83	82
Croatia	76	95	83	85	91
Hungary	76	88	82	72	72
Poland	66	82	77	66	84
Romania	60	72	76	65	65
Bulgaria	60	74	72	68	52

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

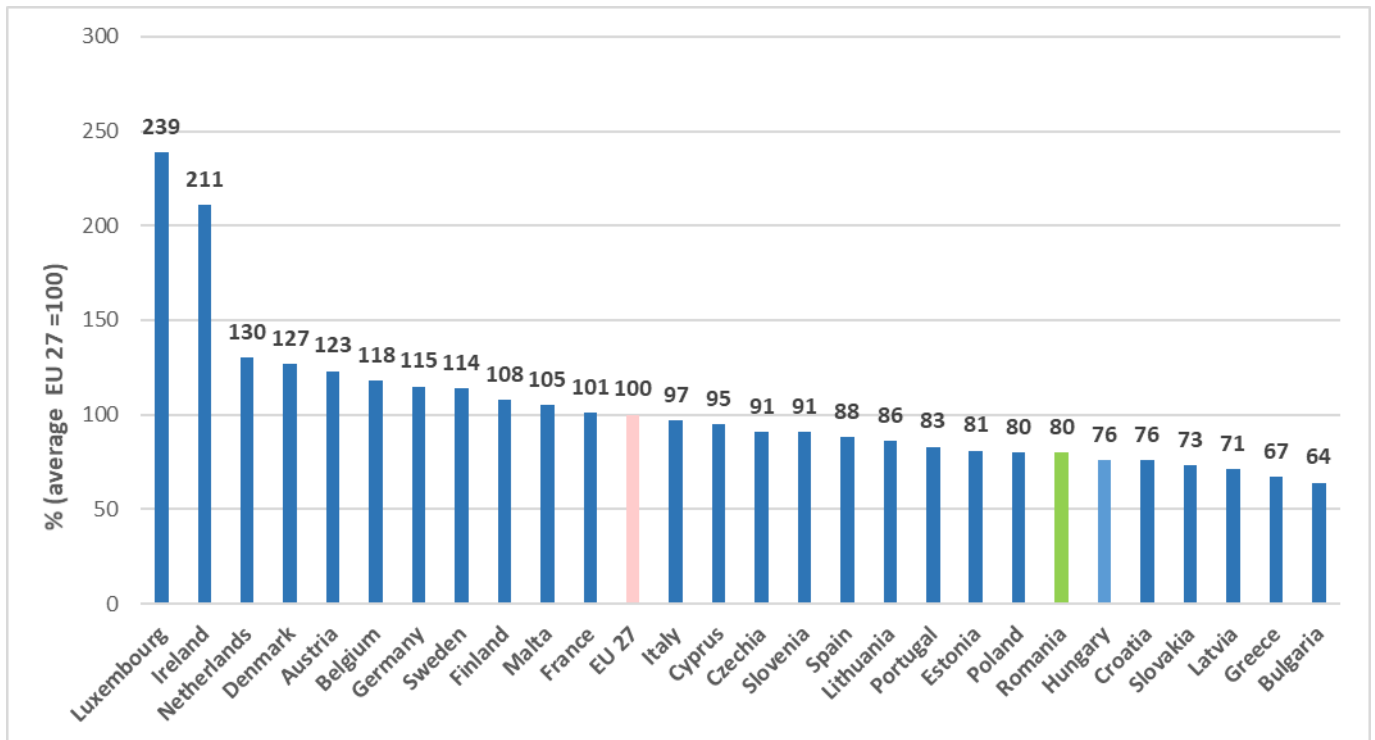
Data source: Eurostat (online database, code: prc_ppp_ind)

[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 **Poland** report the same value of the volume index of GDP per capita, calculated on the basis of the PPP, namely 80% relative to the European Union average.
- The lowest value of GDP per capita in 2023 was recorded by **Bulgaria**, which is placed at 36% below the EU average.
- The highest level of GDP per capita in the European Union – 139% 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 2023



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, Bosnia and Herzegovina, Montenegro, North Macedonia, Serbia, Turkey) 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 PPP is partly financed by the European Commission through the 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 **January 17, 2025**.

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

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