

Article

Actual individual consumption per head in the UK: 2019

A measure of material welfare of households of the 37 European countries within and outside of the European Union, using actual individual consumption per capita and gross domestic product per capita.

Contact: Kate Pugh UKPPP@ons.gov.uk +44 (0)1633 651836 Release date: 16 December 2020 Next release: To be announced

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1. Overview of purchasing power parities

- Purchasing power parities (PPPs) are the rate of currency conversion that try to equalize the purchasing power of different currencies by eliminating the differences in price levels between countries.
- The Office for National Statistics (ONS) contributes to the European Comparison Programme, which is the regional International Comparison Programme for Europe, carried out under the auspices of the United National Economic Commission for Europe.
- The data presented in this release for all countries in Europe are produced collaboratively by Eurostat and the Organisation for Economic Co-operation and Development (OECD) Purchasing Power Parities Programme; harmonised methodology and surveys are used to create direct comparisons between countries.
- In previous years, the calculations were based on the reference EU28 = 100; in 2019 the calculations are based on the reference EU27 = 100, excluding the UK from EU countries.

2. Annual results

In 2019, consumption per head in the UK, measured using actual individual consumption (AIC) per head, was equivalent to the seventh highest in the EU, equal to that of Finland and below the Netherlands and Belgium. This is according to new figures recorded by the Office for National Statistics (ONS) and compiled and released <u>by</u> <u>Eurostat</u>, the statistical office of the EU, on 15 December 2020.

AIC, which is a measure of material welfare of households, was 13% higher in the UK than the EU27 average; this compares with 15% higher in 2018.

Luxembourg was again the highest in the EU (35% above the EU27 average), with Bulgaria the lowest (58% of the EU27 average). AIC per head is often used as a measure of household material welfare; it consists of consumer goods and services consumed by individuals, irrespective of whether these goods and services are purchased and paid for by households, by non-profit organisations or by government (such as health and education) services.

Table 1: Countries' ranking by actual individual consumption (AIC) per capita in 2019 Sorted by 1) AIC in 2019 and 2) protocol order in case all being equal

AIC volume index per capita, EU27=100

·····	2017 2018 2019			
EU-27	100	100	100	
Luxembourg	136	136	135	
Germany	124			
Austria	120	119	118	
Denmark	117			
Belgium	115	115	114	
Netherlands	114	115	114	
Finland	114	114	113	
France	110	109	109	
Sweden	113	111	109	
Italy	100	100	99	
Ireland	95	95	95	
Cyprus	95	96	95	
Lithuania	89	91	92	
Spain	93	92	91	
Portugal	83	85	86	
Czechia	84	84	85	
Malta	82	84	85	
Slovenia	80	81	83	
Poland	77	78	79	
Romania	70	74	79	
Greece	78	78	78	
Estonia	74	75	76	
Latvia	70	70	71	
Slovakia	68	69	69	
Hungary	65	66	67	
Croatia	64	65	66	
Bulgaria	55	57	58	
EU Exit Country				
United Kingdom	116	115	113	
EFTA ¹ Countries				
Norway	133	132	131	
Switzerland	128	126	124	
Iceland	117	118	116	
		110	110	

Turkey	69	66	67
Montenegro	57	59	60
Serbia	48	48	49
North Macedonia	42	42	42
Albania	38	38	39
Accession Country Bosnia and Herzegovina	41	41	41

Source: Eurostat

Notes

1. ¹ European Free Trade Association

Table 2: Countries' ranking by gross domestic product (GDP) per capita in 2019 Sorted by 1) GDP in 2019 and 2) protocol order in case of all being equal

	2017 2018 2019		
EU-27	100	100	100
Luxembourg	263	261	260
Ireland	185	191	193
Denmark	130	129	130
Netherlands	129	130	128
Austria	127	128	126
Germany	124	123	120
Sweden	122	120	119
Belgium	118	118	118
Finland	111	112	111
France	104	104	106
Malta	100	99	100
Italy	98	97	96
Czechia	91	92	93
Spain	93	91	91
Cyprus	89	91	90
Slovenia	86	87	89
Lithuania	79	82	84
Estonia	80	82	84
Portugal	78	78	79
Poland	70	71	73
Hungary	69	71	73
Romania	64	66	70
Slovakia	71	71	70
Latvia	67	69	69
Greece	67	67	67
Croatia	63	64	65
Bulgaria	50	51	53
EU Exit Country			
United Kingdom	107	106	104
EFTA ¹ Countries			
Switzerland	162	161	158
Norway	150	155	147
Iceland	129	128	126
	129	ı∠ŏ	120

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North Macedonia	37	38	38
Albania	30	30	31
Accession Country Bosnia and Herzegovina	31	32	32

Source: Eurostat

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Tables 1 and 2 detail EU, EU exit, European Free Trade Association, candidate and accession countries' ranking per capita in 2019, by actual individual consumption and gross domestic product respectively.

3. Price levels for consumer goods and services

In 2019, <u>price levels for consumer goods and services</u> differed widely across Europe. Price levels provide a comparison of countries' price levels relative to the EU average. Denmark has the highest price levels among EU member states, 41% above the average, while in Bulgaria, the price level was 47% below the EU average. The UK had price levels of 21% above the EU average.

4. Future developments

After the transition period ends on 31 December 2020, the UK statistical system will continue to collect and produce our wide range of economic and social statistics. We are committed to continued alignment with international statistical standards, enabling comparability both over time and internationally. We will work with users of statistics to make sure they have the data they need to support the decisions they have to make.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the Office for National Statistics (ONS) is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context, and to provide further scrutiny of our statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, we will draw on the technical advice of experts in the UK and internationally, and our work will be underpinned by the UK's wellestablished and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on our proposals will be made available in early 2021.

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Italy	98	97	96
Czechia	91	92	93
Spain	93	91	91
Cyprus	89	91	90
Slovenia	86	87	89
Lithuania	79	82	84
Estonia	80	82	84
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Slovakia	71	71	70
Latvia	67	69	69
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