

CONSUMER PRICE INDEX



RAPID INFORMATION

THE PURCHASING POWER PARITIES AND THE PRICE LEVEL INDICES

This bulletin contains an updating of the purchasing power parities for November 1984 for the ten EC countries as well as for Spain and Portugal.

The parities shown in table A have been obtained by extrapolating the parities for the year 1980 with the consumer price indices.

The results are presented as a square table in order to show the parities between all pairs of countries. Each row provides the parities of all countries compared with the reference country.

Table B shows the ratio of the purchasing power parities to the official exchange rates; this ratio is called the price level index.

This table allows the reader to see at a glance the gap between the parity and the exchange rate : each row corresponds to the difference between the base country (=100) and the other countries. For instance the first row where Germany is the base country (=100) the index for Belgium is 85,3 and for Denmark 108,5. This means that the price level in Belgium is 14,7% lower and in Denmark 8,5% higher than in Germany or in other words, to obtain the same basket of goods and services for which one would have to pay DM 100,- in Germany, one would have to pay only the equivalent of DM 85,30 in Belgium, however in Denmark, one would have to spend the Danish Kroner equivalent of DM 108,50 (first row).

In the same way FF 83,20 would be sufficient to buy in Italy the same basket of goods and services for which one would have to pay FF 100,- in France, but in Germany this same basket would cost the equivalent of FF 107,90 (second row).

Also, to buy the same basket which costs 100 DRA in Greece, one would have to pay the equivalent of 124,50 DRA in the United Kingdom, or only 79,40 DRA in Portugal (tenth row).

It should be mentioned that the parities are estimated on the basis of the expenditure patterns of the total population in each of the countries; as such they can be used as an indicator of the price level of consumer goods and services in each of the countries.

12 - 1984 B

METHODOLOGICAL NOTE

The purchasing power parities for household consumption for 1980 have been calculated on the basis of extensive price surveys as described in "Comparison in real values of the aggregates of ESA". The specific parities for household consumption are updated by means of the national consumer price indices for each of the countries retained in the monthly bulletin "Consumer Price Index". For each pair of countries the updated parity is obtained by multiplying the 1980 parity by the relative price index.

This parity is mainly used for short term analysis of household consumption.

EUROSTAT also calculates an annual estimate of purchasing power parities of gross domestic product (see National Accounts -Aggregates), which are generally used for volume comparisons by eliminating the difference of general price level between countries.

EUROSTAT intends to publish these tables quarterly ; the figures are also contained in EUROSTAT's data bank "CRONOS".

A

PARITEES DE POUVOIR D'ACHAT POUR LA CONSOMMATION PRIVEE

PURCHASING POWER PARITIES FOR PRIVATE CONSUMPTION

NOVEMBER 1984

	DM	FF	LIR	FL	FB	FLUX	UK	IRL	DKR	DRA	PTS	ESC
DM	1.000	2.843	479.417	1.013	17.207	15.832	0.232	0.286	3.919	28.502	37.398	29.769
FF	0.352	1.000	168.625	0.356	6.052	5.569	0.082	0.100	1.378	10.025	13.154	10.471
1000 LIR	2.086	5.930	1000.000	2.114	35.892	33.024	0.484	0.596	8.173	59.452	78.008	62.095
FL	0.987	2.806	473.145	1.000	16.982	15.625	0.229	0.282	3.867	28.129	36.909	29.380
100 FB	5.812	16.523	2786.140	5.889	100.000	92.010	1.348	1.660	22.772	165.641	217.342	173.004
100 FLUX	6.316	17.957	3028.073	6.400	108.683	100.000	1.465	1.804	24.750	180.024	236.215	188.027
UK	4.313	12.261	2067.540	4.370	74.208	68.279	1.000	1.232	16.899	122.919	161.285	128.383
IRL	3.500	9.952	1678.195	3.547	60.234	55.421	0.812	1.000	0.000	99.771	130.913	0.000
DKR	0.255	0.726	122.347	0.259	4.391	4.040	0.059	0.073	1.000	7.274	9.544	7.597
100 DRA	3.509	9.975	1682.037	3.555	60.372	55.548	0.814	1.002	13.748	100.000	131.213	104.445
100 PTS	2.674	7.602	1281.916	2.709	46.010	42.334	0.620	0.764	10.478	76.212	100.000	79.600
100 ESC	3.359	9.550	1610.445	3.404	57.802	53.184	0.779	0.960	13.163	95.744	125.628	100.000

B

INDICES DE NIVEAU DE PRIX POUR LA CONSOMMATION PRIVEE

PRICE LEVEL FOR PRIVATE CONSUMPTION

NOVEMBER 1984

	D	F	I	N	B	L	UK	IRL	DK	GR	SP	PORT
D	100.0	92.7	77.1	89.8	85.3	78.5	86.1	88.5	108.5	69.1	66.6	54.9
F	107.9	100.0	83.2	96.9	92.0	84.7	92.9	95.5	117.0	74.6	71.9	59.2
I	129.7	120.2	100.0	116.5	110.6	101.8	111.7	114.8	140.7	89.7	86.4	71.2
N	111.3	103.2	85.8	100.0	94.9	87.3	95.9	98.5	120.7	77.0	74.2	61.1
B	117.3	108.7	90.4	105.3	100.0	92.0	101.0	103.8	127.2	81.1	78.1	64.4
L	127.5	118.1	98.3	114.5	108.7	100.0	109.7	112.8	138.2	88.1	84.9	70.0
UK	116.1	107.6	89.5	104.3	99.0	91.1	100.0	102.8	126.0	80.3	77.4	63.7
IRL	113.0	104.7	87.1	101.5	96.3	88.6	97.3	100.0	122.5	78.1	75.3	62.0
DK	92.2	85.4	71.1	82.8	78.6	72.3	79.4	81.6	100.0	63.8	61.4	50.6
GR	144.6	134.0	111.5	129.9	123.3	113.5	124.5	128.0	156.9	100.0	96.4	79.4
SP	150.1	139.1	115.7	134.8	128.0	117.7	129.2	132.9	162.8	103.8	100.0	82.4
PORT	182.2	168.8	140.5	163.7	155.3	142.9	156.9	161.3	197.6	126.0	121.4	100.0