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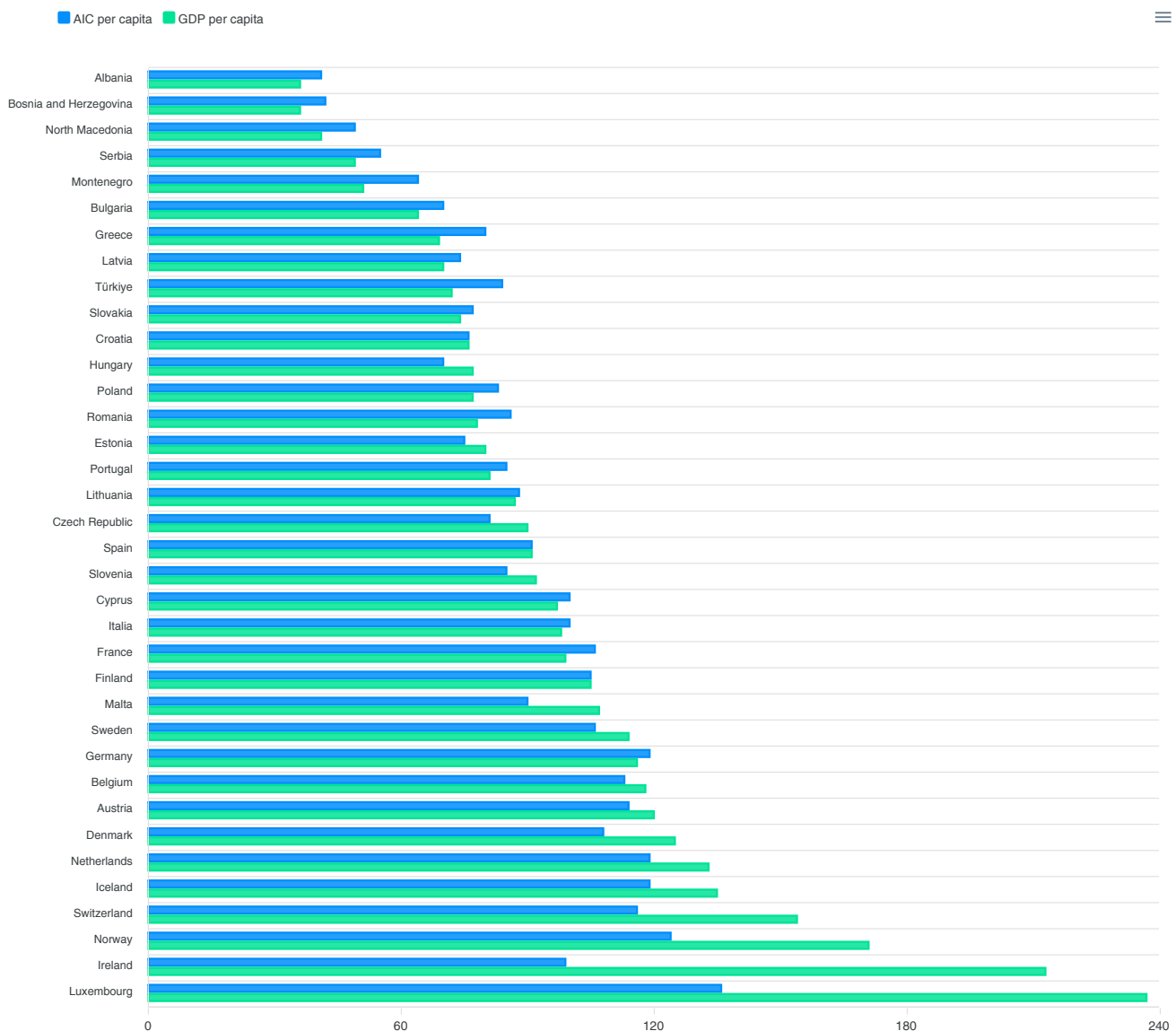
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GROSS DOMESTIC PRODUCT AND ACTUAL INDIVIDUAL CONSUMPTION IN PURCHASING POWER STANDARD, 2023

On 17 December 2024, Eurostat publishes data on gross domestic product (GDP) and actual individual consumption (AIC) per capita for 2023, expressed in the purchasing power standard (PPS).

G-1 VOLUME INDICES OF GDP AND AIC PER CAPITA, 2023 (EU-27 = 100)



The Croatian Bureau of Statistics participates in the European comparison programme together with the statistical offices of other European countries with the aim of internationally comparing the volume of all categories of final consumption of GDP of all countries participating in the project.

The most recent analyses of economic indicators (**GDP and AIC**) per capita are presented for the period from **2021 to 2023**, focusing on the latest reference year.

The results of the European comparison programme of prices and GDP show that GDP and AIC per capita in the **Republic of Croatia expressed in the purchasing power standard for 2023 amounted to 24% below of the average of 27 EU Member States.**

Luxembourg, country with the highest GDP expressed in PPS

Among the EU Member States, the highest GDP per capita in PPS was recorded in Luxembourg and it was 137% above the EU-27 average, while Bulgaria has the lowest GDP level, and it was 36% below of the EU-27 average.

The highest level of GDP per capita in Luxembourg is partly due to the large share of cross-border workers in the total employment. Although cross-border workers contribute to GDP, they are not considered part of the resident population that is included in the calculation of GDP per capita.

While GDP per capita is mainly used as an indicator of a country's level of welfare, it is not the only such indicator. **AIC per capita** is an alternative indicator better adapted to describe the material welfare situation of households. Generally, it is a more homogeneous category than the level of GDP, but there are still substantial differences across the Member States.

AIC was the lowest in Albania

AIC per capita in PPS among the EU Member States in 2023 ranged from 30% below the EU-27 average in Bulgaria and Hungary to 36% above the EU-27 average in Luxembourg.

In addition to Luxembourg, the highest AIC per capita in PPS was recorded in the Netherlands, Germany, Austria, Belgium, Denmark, Sweden, France and Finland, reaching up to 19% above the EU-27 average. Italy and Cyprus were at the EU-27 level.

Ireland, Spain, Malta, Lithuania, Romania, Slovenia, Portugal, Poland and the Czech Republic constitute a group of countries whose level of AIC per capita was below the EU-27 average, ranging from 1% to 19%.

The lowest level of AIC per capita was recorded in the group of countries consisting of Greece, Slovakia, Croatia, Estonia, Latvia, Bulgaria and Hungary, whose averages were between 20% and 30% below the EU-27 average.

In addition to 27 EU Member States, the analysis included three EFTA Member States (Norway, Iceland and Switzerland) and the EU candidate countries (Türkiye, Montenegro, Serbia, North Macedonia, Bosnia and Herzegovina and Albania).

In EFTA countries, in 2023, AIC ranged between 16% and 24% above the EU-27 average, while in the candidate countries it ranged between 16% and 59% below the EU-27 average.

1 GDP AND AIC IN PPS, VOLUME INDICES (EU-27 = 100), 2021, 2022 AND 2023, OVERVIEW BY PARTICIPATING COUNTRIES

Volume indices (EU-27 = 100)

Countries ¹⁾	AIC per capita			GDP per capita		
	2021	2022	2023	2021	2022	2023
EU-27	100	100	100	100	100	100
EU Member States						
Luxembourg	139	135	136	260	252	237
Netherlands	117	120	119	132	134	133
Germany	122	121	119	120	118	116
Austria	117	117	114	121	123	120
Belgium	113	113	113	117	119	118
Denmark	122	110	108	134	135	125
Sweden	112	109	106	121	115	114
France	107	105	106	101	98	99
Finland	109	105	105	109	107	105
Italy	96	98	100	96	98	98
Cyprus	94	97	100	94	98	97
Ireland	91	94	99	226	238	213
Spain	87	89	91	85	88	91
Malta	85	85	90	109	105	107
Lithuania	93	91	88	88	88	87
Romania	82	83	86	72	74	78
Slovenia	84	86	85	88	89	92
Portugal	83	85	85	74	77	81
Poland	86	85	83	79	78	77
Czech Republic	86	82	81	92	89	90
Greece	76	78	80	64	67	69
Slovakia	76	77	77	74	71	74
Croatia	74	74	76	70	72	76
Estonia	78	78	75	85	84	80
Latvia	73	73	74	71	69	70
Bulgaria	67	69	70	60	62	64
Hungary	69	70	70	75	77	77
EFTA Member States						
Norway	126	125	124	171	214	171
Iceland	122	120	119	122	132	135
Switzerland	118	117	116	156	159	154
EU Candidate Countries						
Türkiye	66	76	84	60	68	72
Montenegro	58	61	64	46	49	51
Serbia	52	53	55	45	46	49
North Macedonia	51	49	49	43	42	41
Bosnia and Herzegovina (BiH)	40	40	42	33	34	36
Albania	36	39	41	31	34	36

1) Countries are ranked according to AIC per capita in 2023. Countries with the same value are ranked by protocol order.

NOTES ON METHODOLOGY

Data sources

Eurostat publishes PPPs and derived indicators on the website Statistics Explained;

[GDP per capita, consumption per capita and price level indices - Statistics Explained \(europa.eu\)](#)

Definitions and explanations

AIC (actual individual consumption) consists of goods and services actually consumed by households, irrespective of whether they were purchased and paid for by households directly, or by government, or by nonprofit organizations. The AIC per capita can be considered as an indicator of the material welfare of households.

PPPs are indicators of differences in price levels across countries. They indicate how much currency units cost a certain amount of goods and services in different countries. PPPs can be used as currency conversion rates to convert expenditures denominated in national currencies into artificial common currency (PPS), thus eliminating the effect of price differentials in individual countries.

PPS is an artificial reference currency unit that eliminates differences in the price levels among countries. Thus, one PPS buys the same amount of goods and services in all countries. That unit allows a comparison of the volume of economic indicators across countries. Aggregates expressed in PPS are derived by dividing the aggregates in current prices denominated in the national currency by the respective PPP.

PPP and GDP in PPS are the results of a multilateral statistical survey. Its specific feature compared to other statistical surveys is that the results are calculated by the international coordinator. Specifically, none of the participating countries can produce the results independently. The second specific feature is inter-dependency of the results among countries. A change in the data of one country does not influence only the results of this country, but influences the results of the other countries as well.

The results are based on the latest GDP data for 2023 and the most recent PPPs available.

PPPs are used to generate the price and volume indices that are needed for economic research and analyses that include the comparisons of GDP and GDP expenditure across countries. Volume indices are used to compare the size of the economy and the level of material well-being of economies, consumption, investment, government spending and overall productivity. Price indices are used to compare price levels, price structures, price convergence and competitiveness.

In addition to research and analysis, PPPs and real expenditures derived from PPPs are used for statistical calculation. International organisations aggregate real GDP and its components across countries to produce totals for groups of countries, such as the European Union or the OECD. International organisations also use country shares in all totals as weights when economic indicators, such as price indices or growth rates, are combined to obtain averages for country groups.

PPPs are also used for administrative purposes. The European Commission uses the PPP when allocating Structural Funds to Member States. Structural funds have been set up to reduce economic disparities among Member States. The main indicator that determines whether a region can apply for funding from the Structural Funds is the regional BPD per capita within the country, which is deflated by the use of PPPs. The International Monetary Fund (IMF) uses the PPPs when deciding on its members' quota. The country's quota determines, among other things, the financial resources that the country is obliged to pay to the IMF.

Geographical information

The European Union (EU-27) includes Belgium, Bulgaria, Denmark, the Czech Republic, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden.

Legal basis

- 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

- Commission Regulation (EU) 2015/1163 of 15 July 2015 implementing Regulation (EC) No 1445/2007 of the European Parliament and of the Council as regards the list of basic headings used for Purchasing Power Parities

- Regulation (EU) No 549/2013 (ESA 2010 Regulation) of 21 May 2013 on the European system of national and regional accounts in the European Union.

Abbreviations

EC	European Community
EFTA	European Free Trade Association
EU	European Union
Eurostat	Statistical Office of the European Union
OECD	Organisation for Economic Co-operation and Development
GDP	Gross Domestic Product
PPP	Purchasing Power Parities
AIC	Actual Individual Consumption
PPS	Purchasing Power Standard

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