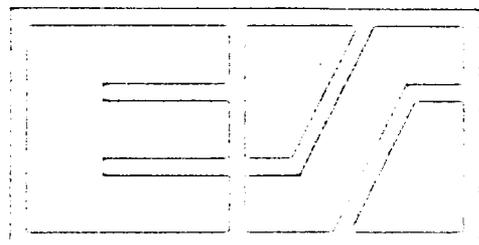


# CONSUMER PRICE INDEX



eurostat

## RAPID INFORMATION

### THE PURCHASING POWER PARITIES AND THE PRICE LEVEL INDICES

This bulletin contains an updating of the purchasing power parities for MAY 1985 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 86,8 and for Denmark 110,2. This means that the price level in Belgium is 13,2% lower and in Denmark 10,2% 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 86,80 in Belgium, however in Denmark, one would have to spend the Danish Kroner equivalent of DM 110,20 (first row).

In the same way FF 81,20 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 105,70 (second row).

Also, to buy a basket which costs 100 DRA in Greece, one would have to pay the equivalent of 133,60 DRA in the United Kingdom, or only 83,00 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.

5 □ 1985-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

MAY

1985

	DM	FF	LIR	FL	FB	FLUX	UK	IRL	DKR	DRA	PTS	ESC
DM	1.000	2.886	489.584	1.004	17.465	16.167	0.239	0.290	3.960	30.500	38.765	32.628
FF	0.347	1.000	169.667	0.348	6.053	5.603	0.083	0.100	1.372	10.570	13.434	11.307
1000 LIR	2.043	5.894	1000.000	2.052	35.674	33.022	0.488	0.592	8.089	62.299	79.180	66.644
FL	0.996	2.873	487.422	1.000	17.388	16.096	0.238	0.289	3.943	30.366	38.594	32.484
100 FB	5.726	16.521	2803.157	5.751	100.000	92.566	1.367	1.660	22.675	174.633	221.954	186.813
100 FLUX	6.185	17.848	3028.281	6.213	108.031	100.000	1.476	1.793	24.496	188.658	239.779	201.816
UK	4.190	12.089	2051.140	4.208	73.172	67.733	1.000	1.215	16.592	127.783	162.409	136.696
IRL	3.449	9.953	1688.629	3.464	60.240	55.762	0.823	1.000	13.659	105.199	133.706	112.537
DKR	0.253	0.729	123.626	0.254	4.410	4.082	0.060	0.073	1.000	7.702	9.789	8.239
100 DRA	3.279	9.461	1605.171	3.293	57.263	53.006	0.783	0.951	12.984	100.000	127.097	106.975
100 PTS	2.580	7.444	1262.945	2.591	45.054	41.705	0.616	0.748	10.216	78.680	100.000	84.167
100 ESC	3.065	8.844	1500.515	3.078	53.529	49.550	0.732	0.889	12.138	93.480	118.811	100.000

## B

INDICES DE NIVEAU DE PRIX POUR LA CONSOMMATION PRIVEE

PRICE LEVEL FOR PRIVATE CONSUMPTION

MAY

1985

	D	F	I	N	B	L	UK	IRL	DK	GR	SP	PORT
D	100.0	94.6	76.8	89.0	86.8	80.4	92.6	90.8	110.2	69.3	68.8	57.5
F	105.7	100.0	81.2	94.0	91.7	84.9	97.8	95.9	116.4	73.2	72.7	60.8
I	130.2	123.2	100.0	115.8	113.0	104.6	120.5	118.2	143.5	90.2	89.6	74.8
N	112.4	106.4	86.3	100.0	97.6	90.3	104.1	102.0	123.9	77.9	77.4	64.6
B	115.2	109.0	88.5	102.5	100.0	92.6	106.6	104.6	126.9	79.8	79.3	66.2
L	124.5	117.8	95.6	110.7	108.0	100.0	115.2	113.0	137.1	86.2	85.6	71.5
UK	108.0	102.2	83.0	96.1	93.8	86.8	100.0	98.1	119.0	74.8	74.3	62.1
IRL	110.2	104.2	84.6	98.0	95.6	88.5	102.0	100.0	121.4	76.3	75.8	63.3
DK	90.8	85.9	69.7	80.7	78.8	72.9	84.0	82.4	100.0	62.9	62.5	52.2
GR	144.4	136.6	110.9	128.4	125.3	116.0	133.6	131.0	159.1	100.0	99.3	83.0
SP	145.3	137.5	111.6	129.3	126.1	116.8	134.5	131.9	160.1	100.7	100.0	83.5
PORT	174.0	164.6	133.6	154.8	151.0	139.8	161.0	157.9	191.7	120.5	119.7	100.0