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Gross domestic product (GDP) and actual individual consumption (AIC) per capita in purchasing power standards (PPS)

2022

According to the latest data published by EUROSTAT, the gross domestic product per capita in purchasing power standards in Montenegro in 2022 was 50% of the EU average.

Among the Member States, the highest GDP per capita in purchasing power standards is recorded in Luxembourg, which level was two and a half times above the EU average and it was 256% of the EU average, while Bulgaria was at the lowest level with 62% of the EU average.

Among the neighbouring countries, Croatia recorded the highest GDP per capita in purchasing power standards which is 73% of the EU average, while Montenegro is ranked at the second place with 50% of the EU average. Serbia was on the level of 44% of the EU average, North Macedonia was on the level of 42% of the European average, Bosnia and Herzegovina was on the level of 35% while Albania was on the level of 34% of the European average.

Actual individual consumption (AIC) per capita in PPS, among Member States in 2022, ranged from 69% of the EU average in Bulgaria to 138% of the EU average in Luxembourg.

Chart 1. GDP per capita in purchasing power standards (PPS) for 2022 (EU¹=100)

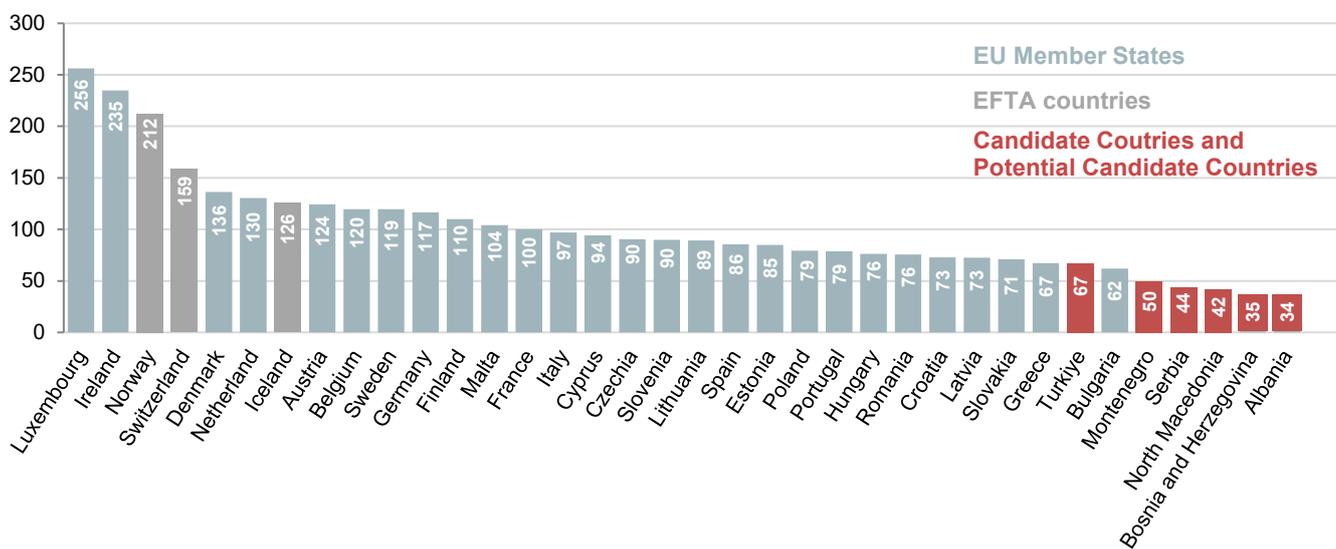
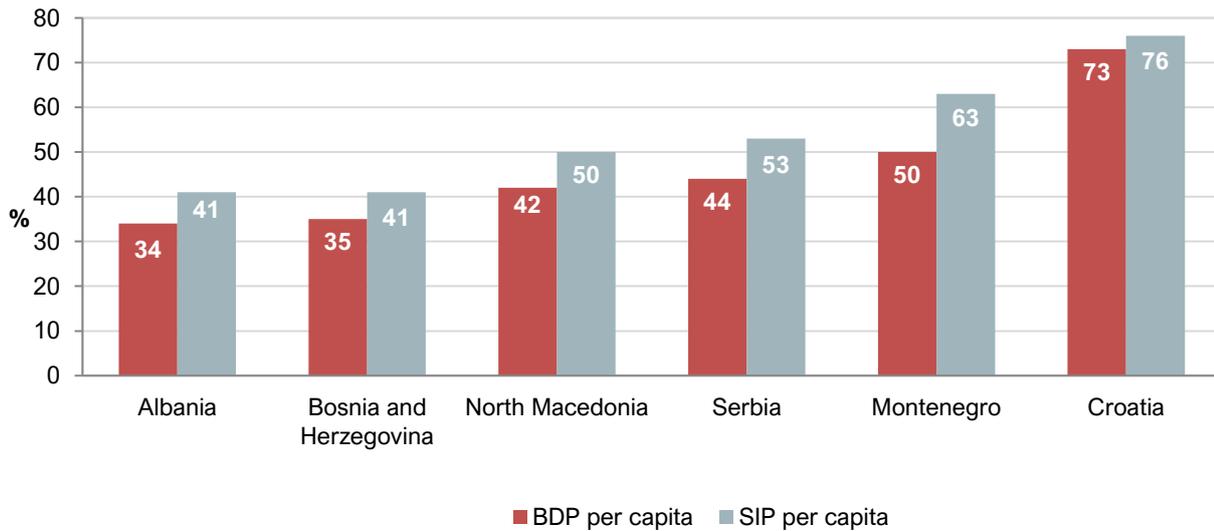


Table 1. Gross domestic product and actual individual consumption per capita in purchasing power standards for 2022 (EU¹=100)

Country	GDP per capita	AIC per capita
EU¹	100	100
Euro area	104	104
Luxembourg	256	138
Ireland	235	94
Denmark	136	110
Netherland	130	116
Austria	124	118
Belgium	120	115
Sweden	119	110
Germany	117	118
Finland	110	109
Malta	104	83
France	100	107
Italy	97	100
Cyprus	94	97
Czechia	90	83
Slovenia	90	87
Lithuania	89	94
Spain	86	86
Estonia	85	78
Poland	79	87
Portugal	79	87
Hungary	76	71
Romania	76	86
Croatia	73	76
Latvia	73	76
Slovakia	71	77
Greece	67	78
Bulgaria	62	69
Norway	212	127
Switzerland	159	117
Iceland	126	119
Turkey	67	77
Montenegro	50	63
Serbia	44	53
North Macedonia	42	50
Bosnia and Herzegovina	35	41
Albania	34	41

Source: EUROSTAT

¹ EU represents the European Union of 27 Member States after 1 February 2020.

Chart 2 GDP and AIC per capita in purchasing power standards for 2022, comparison with neighbouring countries (EU¹=100)

Observing the neighbouring countries, actual individual consumption per capita in purchasing power standards are ranged from 41% in Albania and Bosnia and Herzegovina to 76% of EU average in Croatia. The actual individual consumption per capita according to the purchasing power standards in Montenegro, based on first estimates was 63% of the EU average in 2022.

GDP per capita is mainly used as indicator reflecting the level of economic activity, while actual Individual Consumption (AIC) per capita is an alternative indicator better adapted to describe the material welfare situation of households.

Generally, levels of AIC per capita are more homogeneous than those of GDP but still there are substantial differences across the EU Member States. The structure of actual individual consumption is based on homogeneous sets of products and services that households consume, but there are still evident differences between AIC per capita levels among Member States.

METHODOLOGICAL NOTES

Purchasing Power Standard (PPS) is an artificial reference currency unit that eliminates price level differences between countries. Such one PPS buys the same volume of goods and services in all countries. This unit allows meaningful volume comparison of economic indicators across countries.

This indicator, among other things, is used for spatial comparison of the size of GDP, the size of the economy and economic welfare.

The size of GDP per capita expressed in the purchasing power standard is largely influenced by the volume of GDP calculated by the expenditure method, the level of consumer prices and the number of inhabitants.

Purchasing Power Parities (PPPs) are currency conversion rates that applied in order to convert economic indicators from national currency to an artificial common currency - the Purchasing Power Standard (PPS), which equalizes the purchasing power of different national currencies and enables meaningful volume comparison between countries.

For example, if the GDP per capita expressed in the national currency of each country participating in the comparison, is divided by its PPP, the resulting figures neutralise the effect of differences in price levels and thus indicate the real volume of GDP or AIC at a common price level. When divided by the nominal exchange rate of a given year, the PPP provides an estimate of the price level of a given country relative to, for instance, the EU-27.

Price level indices provide a comparison of the countries price levels relative to the EU average. If the price level index is higher than 100, the country concerned relatively expensive compared to the EU average and opposite.

Actual individual consumption, refers to all goods and services actually consumed by households. It encompasses consumer goods and services purchased directly by households, as well as services provided by non-profit institutions and the government for individual consumption (e.g., health and education services).

More data, as well as detailed methodological notes can be found in the section: [Purchasing power parity](#)