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Comparative price levels in 2021

According to the final data of EUROSTAT, within the purchasing power parity project, the price level indices for consumer goods and services in Montenegro was 60% of the EU average in 2021.

Price levels for consumer goods and services varied significantly across EU member states in 2021. Denmark and Ireland recorded the highest price levels (140% of the EU average), followed by Luxembourg (132%), Sweden (128%) and Finland (126%), while the lowest price levels were recorded in Romania and Bulgaria (56%) and Poland (60%).

Among the neighbouring countries, Croatia had the highest price level of consumer goods and services which is 71% of the EU average, while Albania and Serbia record a price level of 61% and 60% of the EU average. The price level of consumer goods and services in Bosnia and Herzegovina was on the level of 56% of the European average, while North Macedonia was on the level of 52% of the European average.

Chart 1. Price level index among European countries for household final consumption in 2021 (EU¹=100)

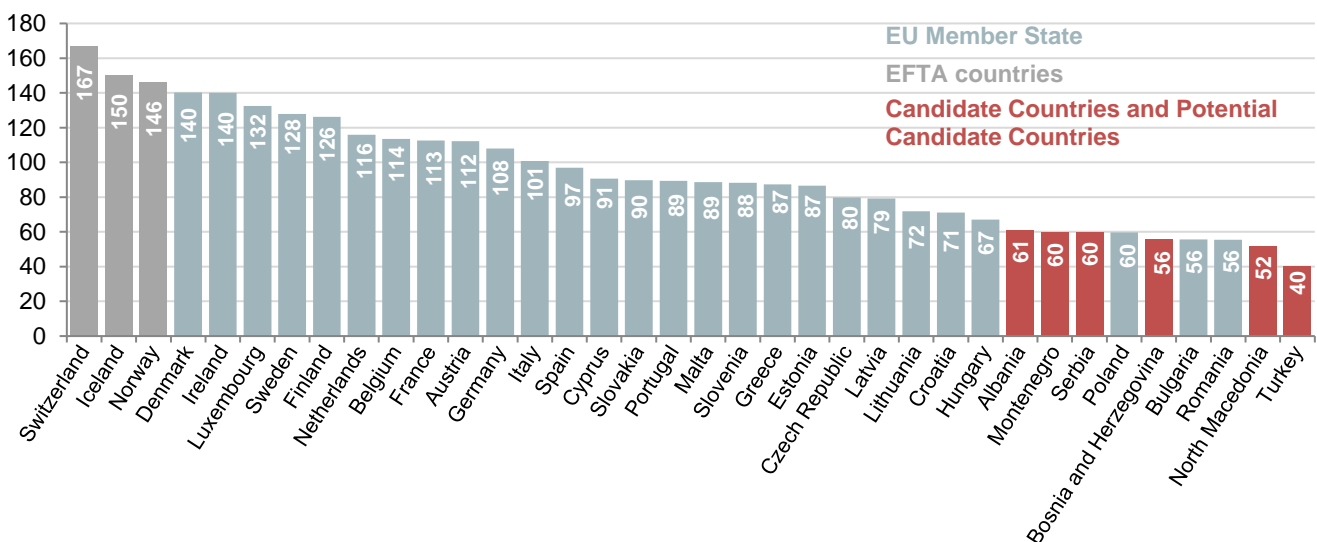


Table 1. Comparative price level indices for consumer goods and services in 2021 (EU¹=100)

Country	Total	Food and non-alcoholic beverages	Alcoholic beverages and tobacco	Clothing	Personal transport equipment	Audio-visual, photographic and information processing equipment	Restaurants and hotels
EU¹	100	100	100	100	100	100	100
Belgium	114	105	115	100	101	106	123
Bulgaria	56	79	64	76	86	91	46
Czech Republic	80	89	90	94	88	94	67
Denmark	140	120	134	134	138	99	155
Germany	108	105	96	99	101	99	105
Estonia	87	97	100	107	86	100	96
Ireland	140	119	205	98	113	98	130
Greece	87	106	101	93	93	105	85
Spain	97	98	89	87	96	99	88
France	113	110	134	105	99	111	121
Croatia	71	97	87	91	93	111	80
Italy	101	106	94	105	102	94	103
Cyprus	91	109	94	95	85	107	88
Latvia	79	97	95	102	88	108	87
Lithuania	72	88	88	102	88	102	76
Luxembourg	132	125	95	105	96	108	125
Hungary	67	85	79	88	87	92	62
Malta	89	117	104	102	100	111	89
Netherlands	116	98	114	100	121	113	110
Austria	112	107	88	103	106	99	116
Poland	60	72	72	91	81	88	78
Portugal	89	101	99	102	107	102	73
Romania	56	69	79	82	84	98	54
Slovenia	88	100	84	96	90	102	87
Slovakia	90	95	84	98	82	100	89
Finland	126	113	173	114	104	96	133
Sweden	128	117	136	120	97	98	137
Iceland	150	139	214	136	116	130	163
Norway	146	149	233	125	126	120	167
Switzerland	167	166	129	133	105	95	169
Montenegro	60	82	72	92	79	103	57
North Macedonia	52	64	49	77	88	95	47
Albania	61	83	71	91	85	113	46
Serbia	60	85	69	93	85	119	55
Turkey	40	63	53	46	100	68	42
Bosnia and Herzegovina	56	78	66	99	82	112	55

Source: EUROSTAT

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

Table 1. shows the price level indices for 6 important groups of products and services: “Food and non-alcoholic beverages”, “Alcoholic beverages and tobacco”, “Clothing”, “Personal transport equipment”, “Audio-visual, photographic and information processing equipment” and “Restaurants and hotels”.

Observing all countries participating in this project, Switzerland is the most expensive country for two listed groups of products and services: “Food and non-alcoholic beverages” and “Restaurants and hotels”. Products and services in the groups "Audio visual equipment and data processing equipment" and "Clothing" are most expensive in Island, while alcoholic beverages and tobacco are the most expensive in Norway. According to this survey motor vehicles are the most expensive in Denmark.

Turkey has the lowest price level index for products and services in the following groups: "Food and non-alcoholic beverages", “Clothing”, Audio-visual, photographic and information processing equipment” and “Restaurants and hotels”. Products and services in the group “Personal transport equipment” according to the survey are the cheapest in Montenegro, while alcoholic beverages and tobacco are the cheapest in North Macedonia.

For the group "Clothing", Montenegro recorded price level index of 92, which is below the EU average, in Serbia the index is higher and amounts (93), while the index was significantly lower in North Macedonia (77), Turkey (46) as well as in some EU member states, Romania (82) and Bulgaria (76).

Products in the group "Food and non-alcoholic beverages" in Montenegro are 82% of the EU average, and they are more expensive than in Bosnia and Herzegovina (78%), North Macedonia (64%), while they are cheaper compared to Croatia and Serbia, in which the price levels for the mentioned group of products are 97% and 85% of the EU27 average.

In Montenegro, price level indices for “Audio-visual, photographic and information processing equipment“ group of products was (103) and it is above EU average, while for "Personal transport equipment” (79) price level index is on the lowest level but didn’t have significant deviations from comparing prices of mentioned group of products in the region.

The lowest price levels in the group “Restaurants and hotels” in the region were recorded in North Macedonia and Albania 47% and 46%, while in Montenegro price level for this group of products was 57% of EU average.

METHODOLOGICAL NOTES

The data in this release are calculated by EUROSTAT and OECD as a result of the surveys conducted by these two institutions in cooperation with national statistical institutions within the Purchasing Power Parity (PPP) project.

In total, 6 surveys are conducted, each related to a particular group of product and services. The whole survey cycle takes 3 years and two surveys are conducted per year. The price level indices presented in this release are based on annual national average prices for approx. comparable 2000 products and services, allowing countries to collect prices for a sufficient number of representative products.

Methodological manual on purchasing power parity is available on EUROSTAT's website:

<http://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-RA-12-023>

Purchasing power parities in their simplest form represent price ratio, which show the ratio of prices expressed in national currencies of the same goods and services in different countries.

For example, if the price of a hamburger in Sweden is 28.60 Swedish krona and in Italy it is 2.76 euro, the PPP for hamburgers between Sweden and Italy is 28.60 krona to 2.76 euro or 10.36 krona to the euro. In other words, for every euro spent on hamburgers in Italy, 10.36 krona would have to be spent in Sweden in order to obtain the same quantity and quality of hamburgers.

Purchasing power parities (PPPs) is a mean of converting national currencies into a common currency that equalizes the purchasing power of different national currencies.

Price level indices provide a comparison of the countries price levels related to the EU average. If the price level index is higher than 100, the country is considered relatively expensive compared to the EU average and if the price index is lower than 100, the country is considered relatively cheaper compared to the EU average.

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