

RELEASE 89/2023

Date of publishing:
29 June 2023

Comparative price levels in 2022

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 2022.

Price levels for consumer goods and services varied significantly across EU member states in 2022. Ireland recorded the highest price levels (146% of the EU average), followed by Denmark (145%), Luxembourg (137%), Finland (127%) and Sweden (124%), while the lowest price levels were recorded in Poland (62%) Bulgaria (59%) and Romania (58%).

Among the neighbouring countries, Croatia had the highest price level of consumer goods and services which is 72% of the EU average, while Serbia and Albania record a price level of 63% and 61% of the EU average. The price level of consumer goods and services in Bosnia and Herzegovina was on the level of 58% of the European average, while North Macedonia was on the level of 51% of the European average.

Chart 1. Price level index among European countries for household final consumption in 2022 (EU¹=100)

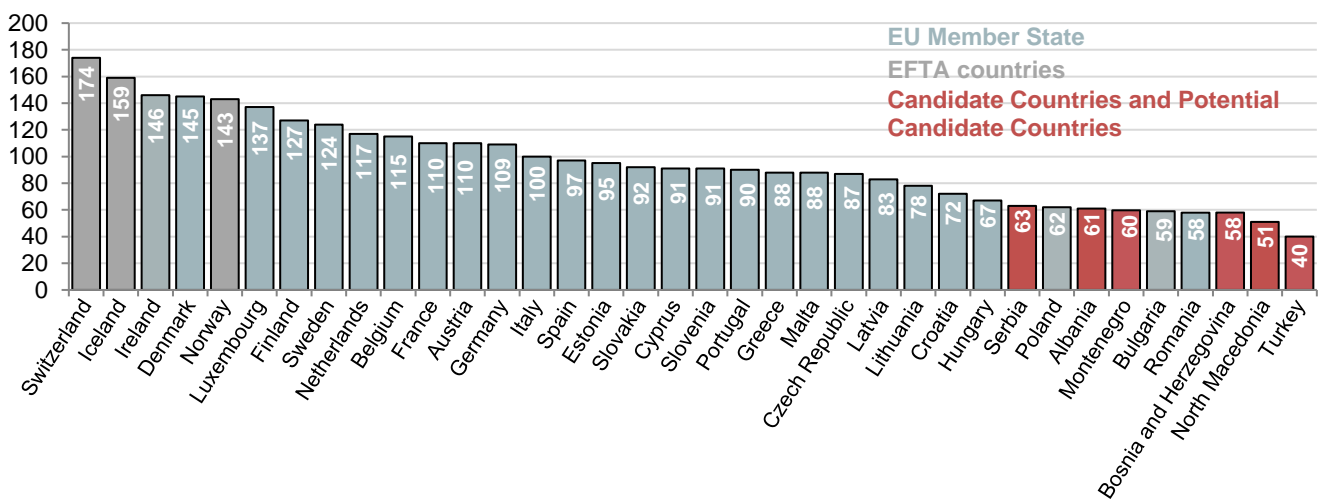


Table 1. Comparative price level indices for consumer goods and services in 2022 (EU¹=100)

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	115	104	118	100	105	103	124
Bulgaria	59	87	66	80	94	100	51
Czech Republic	87	97	97	115	93	102	69
Denmark	145	121	138	134	132	104	156
Germany	109	107	98	99	99	97	112
Estonia	95	106	103	113	97	99	98
Ireland	146	115	216	97	113	106	129
Greece	88	107	100	97	93	106	86
Spain	97	99	90	85	98	98	84
France	110	107	132	105	102	115	116
Croatia	72	101	89	96	96	107	84
Italy	100	104	93	105	100	92	107
Cyprus	91	108	93	94	91	106	89
Latvia	83	106	98	104	94	101	87
Lithuania	78	99	93	102	93	99	78
Luxembourg	137	121	95	105	98	106	131
Hungary	67	90	78	83	93	97	62
Malta	88	118	103	103	102	109	93
Netherlands	117	98	113	103	114	105	123
Austria	110	107	88	102	104	96	106
Poland	62	73	73	91	87	92	77
Portugal	90	103	99	101	105	105	74
Romania	58	72	83	84	95	95	61
Slovenia	91	101	86	97	93	106	89
Slovakia	92	102	87	100	89	99	86
Finland	127	114	174	114	106	105	132
Sweden	124	114	129	117	101	109	128
Iceland	159	142	226	141	120	140	173
Norway	143	146	235	122	110	108	166
Switzerland	174	163	136	142	113	102	175
Montenegro	60	88	74	95	90	107	60
North Macedonia	51	68	52	77	89	111	46
Albania	61	85	74	94	96	122	47
Serbia	63	91	72	97	92	117	61
Turkey	40	64	54	36	144	79	52
Bosnia and Herzegovina	58	84	66	92	93	112	59

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 three listed groups of products and services: "Food and non-alcoholic beverages", "Clothing" and "Restaurants and hotels". Products and services in the groups "Audio visual equipment and data processing equipment" and are most expensive on 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" and Audio-visual, photographic and information processing equipment". Products and services in the group "Personal transport equipment" according to the survey are the cheapest in Poland, while alcoholic beverages and tobacco are the cheapest in North Macedonia.

For the group "Clothing", Montenegro recorded price level index of 95, which is below the EU average, in Serbia the index is higher and amounts (97), while the index was significantly lower in North Macedonia (77), Turkey (36) as well as in some EU member states, Romania (84) and Bulgaria (80).

Products in the group "Food and non-alcoholic beverages" in Montenegro are 88% of the EU average, and they are more expensive than in Bosnia and Herzegovina (84%), North Macedonia (68%), while they are cheaper compared to Croatia and Serbia, in which the price levels for the mentioned group of products are 101% and 91% of the EU27 average.

In Montenegro, price level indices for "Audio-visual, photographic and information processing equipment" group of products was 107 and it is above EU average, while for "Personal transport equipment" price level index is 90 and 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 46% and 47%, while in Montenegro price level for this group of products was 60% 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.

When using the data, state:

"Data source: Statistical Office - MONSTAT"

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