Household material welfare varies widely in the EU

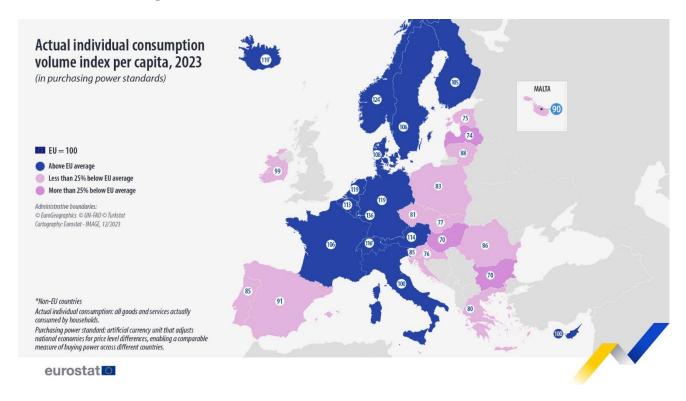
In 2023, the levels of <u>actual individual consumption</u> (AIC) across <u>EU</u> countries varied between 70% and 136% of the EU average.

This information comes from <u>data on purchasing power parities (PPP)</u> published by Eurostat today. The article presents some of the findings from the more detailed <u>Statistics Explained</u> <u>article</u>.

AIC per capita is expressed in <u>purchasing power standards</u> and is used as a measure of material welfare of households.

Last year, 9 countries recorded an AIC per capita above the EU average. Luxembourg recorded the highest level at 36% above the EU average. Luxembourg was followed by the Netherlands and Germany (both 19% above).

The lowest levels of AIC per capita were registered in Hungary and Bulgaria (both 30% below the EU average) and Latvia (26% below).



Source dataset: prc_ppp_ind

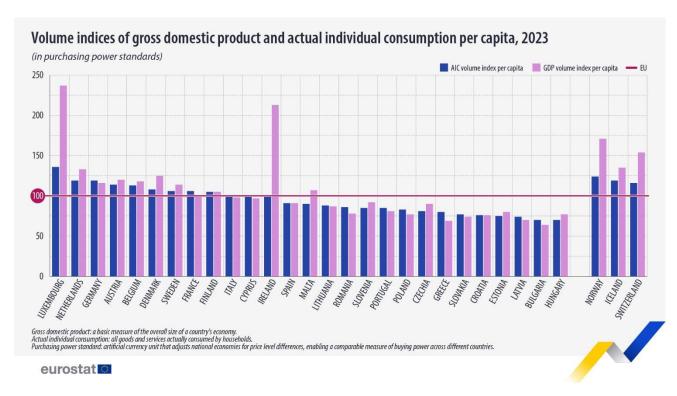
Over the last 3 years, AIC per capita relative to the EU average has changed in most EU countries. Between 2021 and 2023, AIC levels increased in 15 EU countries, most notably in Ireland (99% of the EU average in 2023 compared with 91% in 2021), Cyprus (100% vs 94%) and Malta (90% vs 85%).

Conversely, AIC levels decreased in 11 EU countries. The biggest decreases were recorded in Denmark (108% in 2023 vs 122% in 2021), Sweden (106% vs 112%), Lithuania (88% vs 93%) and Czechia (81% vs 86%).

Per capita measures show greater differences between EU countries for GDP than for actual individual consumption

Luxembourg registered the highest level of <u>GDP</u> per capita expressed in purchasing power standards in the EU, at 137% above the EU average, ahead of Ireland (113%) and the Netherlands (33%).

By contrast, Bulgaria (36% below the EU average), Greece (31%) and Latvia (30%) registered the lowest levels.



Source dataset: prc_ppp_ind

GDP per capita relative to the EU average has also changed significantly for most countries over the last 3 years.

In 2023, compared with 2021, relative volumes of GDP per capita increased in 12 countries. The largest increases were recorded in Portugal (81% of the EU average in 2023 compared with 74% in 2021), Spain (91% vs 85%), Romania (78% vs 72%) and Croatia (76% vs 70%).

On the other hand, the level of GDP per capita has fallen significantly in Luxembourg (237% vs 260%), Ireland (213% vs 226%), Denmark (125% vs 134%) and Sweden (114% vs 121%).

For more information

- Statistics Explained article on consumption and GDP per capita and price level indices
- Thematic section on purchasing power parities
- Database on purchasing power parities
- Metadata on purchasing power parities
- Statistics4beginners on GDP

Methodological notes

- Actual individual consumption includes all goods and services that households use, irrespective of whether they were purchased and paid for by households directly, by government, or by nonprofit organisations.
- While GDP is mainly an indicator of the level of economic activity, actual individual consumption is an alternative indicator better adapted to describe the material welfare of households.
- The estimates presented in this news article are based on GDP and main expenditure components and population data, extracted from nama_10_gdp and nama_10_pe on 6 December 2024, and on the most recent purchasing power parities available.

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