

Comparison of price levels in the EU27 in 2009

Price levels of food range from one to two among Member States

In 2009, the price level¹ of a comparable basket of food and non-alcoholic beverages was more than twice as high in the most expensive **EU27** Member State than in the cheapest one.

Denmark was nearly 40% above the **EU27** average and had the highest price level for food and non-alcoholic beverages in the **EU27** in 2009. **Ireland, Finland, Luxembourg, Austria, Belgium, Germany** and **France** were between 10% and 30% above the **EU27** average. **Italy, Cyprus, Sweden** and **Greece** were up to 10% above the average, while the **Netherlands, Spain, the United Kingdom, Slovenia, Malta** and **Portugal** were up to 10% below. **Latvia, Slovakia, Estonia, Hungary, the Czech Republic** and **Lithuania** had price levels for food and non-alcoholic beverages which were between 10% and 30% below the **EU27** average, while **Bulgaria, Romania** and **Poland** were between 30% and 40% below.

These data come from a report² issued by **Eurostat, the statistical office of the European Union**. The results refer to the survey on food, beverage and tobacco prices carried out in 2009 in the 37 participating countries. This survey covered a total of approximately 500 comparable products.

Price levels of tobacco range from one to five

Data are also available for more detailed breakdowns of food products. For bread and cereals, price levels ranged from 52% of the **EU27** average in **Bulgaria** and 58% in **Poland** to 146% in **Denmark** and 132% in **Ireland**; for meat from 56% in **Poland** and 58% in **Romania** to 131% in **Denmark** and 128% in **Austria**; and for milk, cheese & eggs from 63% in **Poland** and 77% in **Lithuania** to 137% in **Ireland** and **Cyprus**.

The price levels for alcoholic beverages ranged from one to two and a half. The highest price levels for alcoholic beverages were registered in **Finland** (170% of the **EU27** average), **Ireland** (167%), **Sweden** (138%) and **Denmark** (135%), and the lowest in **Romania** (70%), **Bulgaria** (77%), **Spain** and **Hungary** (both 84%).

For tobacco, the price levels were almost five times higher in the most expensive Member State than in the cheapest. The highest price levels were observed in **Ireland** (217% of the **EU27** average), **United Kingdom** (166%), **France** (133%) and **Sweden** (130%), and the lowest in **Bulgaria** (46%), **Romania** (47%), **Lithuania** and **Hungary** (both 51%).

Comparative price level indices 2009, EU27=100

	Food and non-alcoholic beverages	Of which:			Alcoholic beverages	Tobacco
		Bread and cereals	Meat	Milk, cheese and eggs		
EU27	100	100	100	100	100	100
Belgium	115	116	121	122	101	108
Bulgaria	68	52	59	92	77	46
Czech Republic	75	69	69	82	89	75
Denmark	139	146	131	115	135	117
Germany	111	110	126	92	91	119
Estonia	80	78	70	86	106	58
Ireland	129	132	121	137	167	217
Greece	101	117	95	132	105	72
Spain	97	111	86	105	84	73
France	110	113	122	104	95	133
Italy	108	103	112	124	113	104
Cyprus	108	116	90	137	119	88
Latvia	85	81	75	89	118	62
Lithuania	74	78	63	77	99	51
Luxembourg	117	123	117	120	96	88
Hungary	79	71	72	89	84	51
Malta	93	84	75	113	98	94
Netherlands	98	99	115	93	99	111
Austria	116	126	128	100	95	97
Poland	64	58	56	63	89	52
Portugal	92	106	80	111	86	85
Romania	66	61	58	93	70	47
Slovenia	96	101	91	101	102	65
Slovakia	81	78	68	92	97	73
Finland	120	128	120	111	170	110
Sweden	104	114	107	90	138	130
United Kingdom	97	84	102	95	117	166
Croatia	94	99	87	96	110	67
former Yugoslav Republic of Macedonia	52	48	51	60	69	30
Turkey	77	68	71	100	161	52
Iceland	104	129	99	91	168	115
Norway	154	145	162	169	234	219
Switzerland	141	138	197	121	113	104
Albania	72	62	64	90	92	33
Bosnia-Herzegovina	77	68	77	79	97	33
Montenegro	79	69	76	82	95	30
Serbia	70	61	66	81	90	30

1. Comparative price levels are expressed in the form of price level indices (PLIs). PLIs provide a comparison of countries' price levels with respect to the European Union average: if the PLI is higher than 100, the country concerned is relatively expensive compared to the EU average and vice versa. However, PLIs only provide an indication of the order of magnitude of the price level in one country in relation to others, particularly when countries are clustered around a very narrow range of outcomes.

The PLI for a given country is calculated by dividing the purchasing power parity (PPP) by its annual average exchange rate to the euro. For example: if the price of a hamburger in France is 2.84 euro and in the United Kingdom it is 2.20 pounds, the PPP for hamburgers between France and the United Kingdom is 2.84 euro to 2.20 pounds or 1.29 euro to the pound. In other words, for every pound spent on hamburgers in the United Kingdom, 1.29 euro would have to be spent in France in order to obtain the same quantity of hamburgers. If the annual average exchange rate was 1.20 euro to the pound, the PLI for hamburgers between France and the United Kingdom would then be $1.29/1.20=1.08$, meaning that a hamburger was 8% more expensive in France than in the United Kingdom.

The data is produced by the Eurostat-OECD Purchasing Power Parity programme. The full methodology used in the programme is described in the *Eurostat-OECD Methodological manual on purchasing power parities* which is available free of charge from the Eurostat website:

http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-BE-06-002

2. Eurostat, Statistics in Focus, 30/2010, "**Price levels for food, beverages and tobacco across the European market differ significantly**". The publication is available free of charge in PDF format on the Eurostat website.

Issued by: **Eurostat Press Office**

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