

CEE Region

GfK Purchasing Power Europe 2007/2008 study reveals rising wealth in Central and Eastern Europe

The inhabitants of several regions of Central and Eastern Europe are wealthier than their western European neighbors. For instance, those residing in Budapest have more money available to spend than the residents of Freienbessingen in the German state of Thuringia. Residents of the capitals of the Baltic states also have more disposable income than those of Italy's poorest regions. Even so, the new EU member states continue to lag behind their western counterparts. These are some of the findings of GfK GeoMarketing's "GfK Purchasing Power Europe 2007/2008" study. The new GfK Purchasing Power Europe 2008/2009 index is currently being calculated and will be released in the autumn of 2008, along with updated and perfect fit digital maps for all of Europe.

According to the findings of the current GfK survey, on the basis of their household net income, European consumers have a total of around 8,000 billion Euros available for spending. This corresponds to an average purchasing power, or disposable income, of around 11,998 Euros per capita across the 40 countries surveyed. This figure includes state benefits such as unemployment benefit, child support allowance and pensions. With an average purchasing power of 27,521 Euros in Switzerland and Liechtenstein, and 27,395 Euros in Luxembourg, these three countries remain Europe's oases of affluence. With 18,055 Euros of disposable annual income, Germany ranks 10th, just behind Austria and France. Moldova has the lowest purchasing power with a per capita average of 685 Euros per annum, which corresponds to just one fortieth of the purchasing power of a Swiss citizen.

Map: Purchasing Power Index Europe (pdf)

Ideal for Europe-wide marketing, controlling and sales activities

Take the guesswork out of your marketing and territory-planning activities by making use of GfK GeoMarketing's ultra-precise purchasing power data. This dataset is the product of numerous rigorously conducted studies and facilitates a never-before realized level of planning and analysis. Compiled for each of the countries included, the data has been thoroughly researched and validated to ensure the highest level of accuracy and reliability. In addition to offering this impeccable quality, a key goal was to compile the data in such way that Europe-wide comparisons can be carried out with an unprecedented level of accuracy.

Remarkable growth rates in Central and Eastern Europe

The GfK purchasing power data reveal significant increases in the absolute purchasing power figures of many eastern European countries. The accuracy of the data is a result of GfK GeoMarketing's intensive research efforts, which include accessing new data sources and validation methods as part of a combined effort to stay abreast of the dynamic economic recovery and growth of eastern and south eastern European countries.

Latvia's purchasing power has improved, moving up four places to position 25 in the purchasing power rankings. Similarly, its Baltic neighbors Estonia, Lithuania and Serbia-Montenegro have all risen in the rankings.

Nothing has changed in terms of the rankings in the bottommost portion of the purchasing power list, but, even so, per capita purchasing power continues to rise in Europe's low income countries. For example, since last year's study, purchasing power in the Ukraine has increased by approximately 26 percent, outpacing all other countries. In 2007, Ukrainians had around 300 Euros more disposable income than in 2006. Slovenia boasts a purchasing power level that is only around 1,000 Euros less than that of Portugal, whose average annual per capita income is 9,674 Euros.

Closing – and reversing – the East-West gap

Continued growth in Eastern Europe is closing – and some cases reversing – the traditional gap between western and eastern European disposable income levels. For example, residents of all 23 districts of the Hungarian capital Budapest have more money per capita than the population of Freienbessingen in the German state of Thuringia. Likewise, inhabitants of the Lithuanian capital are now better off – to the tune of 500 Euros – than Freienbessingen residents. In Hungary, residents of Heviz, the most prosperous municipality on Lake Balaton, have a per capita purchasing power of 7,762 Euros, a figure that is more than 40 percent higher than Hungary's national average and even higher when compared to the disposable income of poorer municipalities in France such as Marseille's third arrondissement. Purchasing power in the Baltic capitals lies above the national average - in Vilnius, Lithuania, by almost 30 percent and in Riga, Latvia, by approximately 25 percent. Residents in these locations have more disposable income than those of Agerola, an economically struggling Italian municipality whose purchasing power is one-third of the national average.

The survey

The "GfK Purchasing Power Europe" study is conducted annually, providing coverage of 40 European countries down to the level of municipalities and postcodes. Purchasing power is a measure of net annual income, including any benefits received from the state. As such, it is an indispensable guide to the amount of money a given population has available for spending. The GfK Purchasing Power Europe dataset is used internationally for sales and expansion planning, branch optimization and controlling. The new 2008/2009 survey – containing the latest purchasing power figures – will be available in the autumn of 2008.

Per capita purchasing power for 2007

Country	Rank in 2006	Rank in 2007	Purchasing Power 2007 per capita in EUR
Switzerland and Liechtenstein	1	1	27,521
Luxembourg	2	2	27,395
Norway	3	3	24,993
Ireland	6	4	22,207
Denmark	4	5	21,521
Iceland	5	6	20,511
UK	7	7	19,863
Austria	8	8	18,960
France	9	9	18,873
Germany	10	10	18,055
Sweden	13	11	17,217
Belgium	11	12	17,143
Finland	12	13	16,882
Italy	14	14	16,617
Netherlands	15	15	15,814
Spain	16	16	13,431
Cyprus	17	17	12,344
Greece	18	18	12,203
Portugal	19	19	9,674
Slovenia	20	20	8,851
Malta	21	21	8,308
Czech Republic	22	22	5,625
Estonia	24	23	5,611
Hungary	23	24	5,462
Latvia	29	25	4,978
Lithuania	28	26	4,896
Slovakia	25	27	4,889
Poland	26	28	4,808
Croatia	27	29	4,565
Serbia and Montenegro (from 2007, just Serbia)	32	30	3,227
Turkey	31	31	3,182
Romania	30	32	3,036
Bulgaria	33	33	2,453
Montenegro (from 2007)	34	34	2,338
Macedonia	35	35	2,069
Bosnia-Herzegovina	36	36	2,033
Belarus	37	37	1,764
Albania	38	38	1,599
Ukraine	39	39	1,487
Moldova	40	40	685
EUROPEAN AVERAGE			11,998

Source: GfK Purchasing Power Europe 2007/2008, GfK GeoMarketing

- Up since last year
- Down since last year



If you would like more details about the GfK Purchasing Power Europe dataset, please contact:

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