

Press release

November 4, 2013

Cornelia Lichtner
Public Relations
T +49 7251 9295 270
F +49 7251 9295 290

cornelia.lichtner@gfk.com

GfK GeoMarketing GmbH
www.gfk.com/geomarketing
geomarketing@gfk.com

Bruchsal headquarters:
Werner-von-Siemens-Str. 9
Building 6508
76646 Bruchsal
GERMANY
T +49 7251 9295 100
F +49 7251 9295 290

Hamburg office:
Herrengaben 3-5
20459 Hamburg

Nuremberg office:
Nordwestring 101
90419 Nuremberg

Managing director:
Wolfram Scholz

Commercial register
Mannheim:
HRB 250872
VAT reg. number:
DE143585033

GfK study shows uneven distribution of purchasing power across Europe

GfK Purchasing Power Europe, 2013/14

November 4, 2013. - The updated study "GfK Purchasing Power Europe 2013/2014" reveals the regional distribution of consumers' purchasing power in 42 European countries. The spectrum ranges from 4.5 times the European average in Liechtenstein to one-tenth the average in Moldova.

According to the GfK purchasing power study, a total of approximately €8.62 trillion is available to European consumers in 2013 for spending and saving. This corresponds to an average per-capita purchasing power of €12,890 for the 42 countries under review.

Considerable discrepancies remain between the income available to inhabitants of these 42 countries for consumer spending.

Liechtenstein remains in the top position with a per-capita purchasing power of €58,844. Switzerland takes second place with €36,352, followed by Norway with €31,707 of per-capita purchasing power. Moldova is once again in last place with only around €1,284 per person. This amounts to less than one-tenth of the European average of approximately €12,370 per person; this latter figure roughly corresponds to the purchasing power of Spain.

General purchasing power refers to the money available to consumers for all expenditures related to food, accommodation and services as well as consumer purchases. Inhabitants of the European countries with the highest purchasing power must devote a large portion of their income to rent and generally more expensive living costs. Even so, inhabitants of these countries have substantially more money for non-essential purchases than consumers in countries with low purchasing power. The Europe-wide per-capita growth (revised) is 0.39 percent, which lies below the inflation rate of 1.5 percent determined by the European Central Bank. The GfK purchasing power study reflects the nominal purchasing power in euros, which provides a unified basis for comparing these values down to the most detailed level, Europe-wide. The exchange rates for non-euro countries are based on Eurostat figures from August 8, 2013.

Top 10 countries based on per-capita purchasing power

rank	country	inhabitants	2013 purchasing power in millions of €	2013 per-capita purchasing power in €	European index*
1	Liechtenstein	36,475	2,146.4	58,844	456.5
2	Switzerland	7,954,662	289,162.7	36,351	282.0
3	Norway	5,051,275	160,162.8	31,707	246.0
4	Luxembourg	537,039	15,136.4	28,185	218.6
5	Sweden	9,555,893	206,793.4	21,640	167.9
6	Austria	8,443,018	179,797.6	21,295	165.2
7	Denmark	5,602,628	118,555.5	21,161	164.2
8	Germany	81,843,743	1,687,700.0	20,621	160.0
9	France	63,088,990	1,234,345.9	19,565	151.8
10	Finland	5,426,674	105,523.7	19,445	150.9
	Europe	670,578,729	8,622,034.8 (=approx., €8.6 trillion)	12,890	100

Source: © GfK Purchasing Power Europe 2013/2014 *Index per inhab.; European average = 100

Regional comparisons within and between countries

Northern Europe from Norway's perspective

Norway ranks third in Europe, and its Nordic neighbors are also strong performers: Sweden ranks fifth, Denmark seventh and Finland 10th. With the exception of Iceland (ranked 13th), all of these countries are among the ten European countries with the most per-capita purchasing power.

Norwegians have an average of approximately €10,000 more at their disposal than Swedes, who have €21,640 per person. But Sweden is the victor when it comes to total market volume: The approximately 9.5 million Swedes have a total purchasing power of €206 billion, while the approximately 5 million Norwegians have €160 billion, despite an almost fifty percent higher per-capita purchasing power.

Purchasing power differences exist across the regions of these countries, but they are not nearly as pronounced as in the central and eastern European countries: At the level of Norway's 90 "Oekonomiske Regionar", the divide ranges from a national index of 121.3 in Baerum, 111.9 in Stavanger (ranked second) and 111.0 in Oslo (ranked third) to 87.3 in Nord-Gudbrandsdalen. The inhabitants of this least wealthy region in Norway still have an average per-capita purchasing power of €27,676. This is 34 percent more than the national average for Germany and approximately the same amount available to inhabitants of the rural district of Ebersberg, which is ranked sixth among Germany's districts. Inhabitants of Reykjavík, the Icelandic district with the most purchasing power, have €19,289 availa-

ble per person, which is significantly less than the least wealthy Norwegians. With €26,459 available per person, inhabitants of Sweden's wealthy capital Stockholm also have less than the "poorest" Norwegians.

country	capital	inhabitants	2013 per-capita purchasing power in €	European index*	national index
Norway	Oslo	623,966	35,182	272.9	111.0
Sweden	Stockholm	881,235	26,459	205.3	122.3
Denmark	Copenhagen	559,440	20,154	156.4	95.2
Finland	Helsinki	603,968	23,239	180.3	119.5
Iceland	Reykjavík	119,764	19,289	149.6	109.6

Source: © GfK Purchasing Power Europe 2013/2014 *Index per inhab.; European average = 100

Central-Eastern Europe from Poland's perspective

With a per-capita purchasing power of €5,870, Poland ranks 28th in Europe and as such continues to be in the bottom third of the rankings: Inhabitants of Poland have on average around half of the average European purchasing power per person (€12,890). As such, Poles have double the purchasing power available to inhabitants of Bulgaria (€2,919 per person).

Poland and its neighboring countries are prime examples of the purchasing power divide in Europe: While inhabitants in neighboring Germany have more than €20,621 available annually, Ukrainians have only one-tenth of this amount (€2,206 annually).

country	GfK Purchasing Power 2013 per inhabitant in €	European index*
Germany	20,621	160.0
Europe (42 countries)	12,890	100.0
Poland	5,870	45.5
Ukraine	2,206	17.1

Source: © GfK Purchasing Power Europe 2013/2014 *Index per inhab.; European average = 100

Warsaw is Poland's most populated district. With €10,478, inhabitants of this district also have the country's highest purchasing power. Wrocław, Poland's fourth largest city, has a per-capita purchasing power of €7,929, placing it in sixth place in Poland and ahead of Poznań, which ranks 12th

with a purchasing power of €7,431. Poland's most affluent districts include the capital Warsaw as well as the surrounding suburbs (Piaseczyński, Pruszkowski, Warszawski Zachodni and Grodziski).

country	district	inhabitants	2013 per-capita purchasing power in €	European index*
Germany	Berlin	3,501,872	18,757	145.5
Slovakia	Bratislava (Bratislava I - Bratislava V)	415,589	11,608	90.1
Poland	Warsaw (Warszawa)	1,715,517	10,478	81.3
Czech Republic	Prague (Hlavni mesto Praha)	1,246,780	9,579	74.3
Moldova	Chişinău	800,601	1,848	14.3

Source: © GfK Purchasing Power Europe 2013/2014 *Index per inhab.; European average = 100

The purchasing power spread in Poland is especially large. In the Czech Republic, the purchasing power in the capital region Hlavni mesto Praha is already approximately 30 percent higher than the national average, but the capital of Poland is set even further apart from the other regions of the country: Warsaw's per-capita purchasing power is 78.5 percent above the national average and 112.5 index points higher than Przemyski, the Polish region with the lowest purchasing power (national index: 66). Norway's capital Oslo has only 11 percent more purchasing power than the national average.

Western and Southern Europe from Portugal's perspective

With a purchasing power of €10,018 per person, Portugal ranks 20th in Europe, behind neighboring Spain (ranked 17th) and the Mediterranean countries Malta (ranked 19th), Cyprus (ranked 18th) and Italy (ranked 15th). Compared to the previous year, Portugal has a higher per-capita purchasing power than Greece, moving it one place higher in the European rankings. Even so, the total purchasing power of Greece's 10.8 million inhabitants is still slightly more than that of the 10.5 million Portuguese. This is due to the fact that in some southern European countries, the purchasing power per person is not as revealing a figure as the purchasing power per household. The latter is much higher in Greece than in Portugal, as the average household size in Greece is larger than in Portugal.

2013 European rankings	country	inhabitants	European index per person*	European index per household*	Difference between European index per household and European index per person
21	Greece	10,815,197	77.3	90.5	+13.2
20	Portugal	10,487,289	77.7	79.7	+2.0
17	Spain	47,265,321	96.0	102.2	+6.2
15	Italy	59,685,227	123.7	112.0	-11.7
8	Germany	81,843,743	160.0	128.9	-31.1

Source: © GfK Purchasing Power Europe 2013/2014 * average = 100

There is a wide range in Portugal's purchasing power levels. Inhabitants of the district (Distrito) of Lisbon have an average purchasing power of €14,145. This equates to a national index of 141.2, which is higher than the European average. By contrast, inhabitants of Ilha do Corvo, a part of the Azores archipelago, have an average per-capita purchasing power of just €6,443 (national index: 64.3). This corresponds to just half of the average European purchasing power.

Purchasing power varies starkly across regions of Ireland and Greece as well, two countries also hard hit by the economic crisis. In Greece, inhabitants of the regional unit with the most purchasing power (North Athens) have an average per-capita purchasing power of €13,805. This is more than twice the sum available to inhabitants of the regional unit of Elis in the northwest of the Peloponnese region. There is around a 47 percent spread in Ireland between the purchasing power in County Dun Laoghaire-Rathdown south of the capital of Dublin and County Donegal in the north.

Southern Europe from Serbia's perspective

Serbia's approximately 7.2 million inhabitants have a purchasing power of just under €22 billion. With a 2013 GfK Purchasing Power of €3,032 per person, Serbia falls significantly below the European average of €12,890. As an EU candidate country, Serbia's economic development is of particular interest. The increase in foreign investors in Serbia demonstrates this country's potential, although it remains at spot 34 in this year's purchasing power rankings.

GfK Purchasing Power levels in Serbia's neighboring countries are heterogeneous: Countries that are already EU members - Romania, Hungary, Croatia - have higher purchasing power. The exception is Bulgaria, which has a purchasing power of €2,919.

Montenegro, also an EU candidate country, has a purchasing power that is almost 50 percent higher than Serbia. Macedonia, another EU candidate country in the region, has a purchasing power of €2,714, placing it four

spots behind Serbia. Inhabitants of the other EU candidate countries of Albania, Bosnia and Herzegovina and Kosovo have significantly less purchasing power.

Serbia and neighbors

2013 rankings	country	inhabitants	2013 per-capita purchasing power in €	European index*
30	Croatia	4,284,889	5,208	40.4
31	Hungary	9,908,798	5,009	38.9
32	Montenegro	622,008	4,541	35.2
33	Romania	20,121,641	3,491	27.1
34	Serbia	7,199,077	3,032	23.5
35	Bulgaria	7,364,570	2,919	22.6

Source: © GfK Purchasing Power Europe 2013/2014 *Index per inhab.; European average = 100

About the study

Purchasing power is a measure of per-capita disposable income (including any received state benefits) after the deduction of taxes and charitable contributions. The study indicates per-person, per-year purchasing power levels in euros and as an index value. GfK purchasing power figures reflect the nominal disposable income, meaning that the values have not been adjusted for inflation. The study draws on statistics on income and tax levels, government benefits and forecasts by economic institutes.

GfK purchasing power is used by the population for consumer purchases as well as recurring monthly expenses such as rent, energy costs, contributions to private retirement funds and insurance policies as well as other expenses such as traveling and transportation costs.

The GfK Purchasing Power Europe study is calculated annually for 42 European countries, providing comprehensive coverage down to the level of municipalities and postcodes. The 2013/2014 study also includes data on inhabitants and households and is available immediately via GfK's geomarketing solution area. GfK also offers seamlessly fitting digital maps for all of Europe.

Internationally active companies need accurate predictions of the amount of money available to consumers in their markets. GfK Purchasing Power Europe provides this information and supports expansion planning, branch network optimization and controlling.



Additional information

on GfK Purchasing Power Europe can be found at www.gfk.com/marketdata.

Print-quality illustrations

can be found at www.gfk.com/news-and-events/press-room/press-releases/Documents/Geomarketing/Purchasing-Power_Europe.zip.

About GfK

GfK is one of the world's largest research companies, with around 13,000 experts working to discover new insights into the way people live, think and shop, in over 100 markets, every day. GfK is constantly innovating and using the latest technologies and the smartest methodologies to give its clients the clearest understanding of the most important people in the world: their customers. In 2012, GfK's sales amounted to €1.51 billion. To find out more, visit www.gfk.com or follow GfK on Twitter: www.twitter.com/gfk_group

Responsible under press legislation

GfK GeoMarketing GmbH
Public Relations
Cornelia Lichtner
Werner-von-Siemens-Str. 9
D-76646 Bruchsal
T+49 7251 9295 100
F+49 7251 9295 290
cornelia.lichtner@gfk.com