

Press Release

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Purchasing Power Europe 2008: New Top 10

The "GfK Purchasing Power Europe 2008/2009" study reveals a new top 10 line-up. Iceland and Great Britain slip in the rankings – primarily due to unfavorable exchange rates – while Germany breaks into the top ten.

The study by GfK GeoMarketing shows that European consumers have approximately eight billion euros in disposable income available for 2008. State subsidies such as unemployment benefit, child support and pension payouts are included in these calculations.

For the 41 European countries included in the study, this amounts to an average purchasing power of approximately €12,500 per person. Significant regional variations exist, however. For example, inhabitants of Moldova have a disposable income of around €800 per person, while people in Liechtenstein have more than fifty times as much (€44,900 per person).

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GfK Purchasing Power Europe 2008 – Top 10 list:

Country	Purchasing power per person in €	2008 ranking	2007 ranking
Liechtenstein	44,878	1	1
Luxembourg	28,192	2	2
Switzerland	26,842	3	3
Norway	25,165	4	5
Ireland	22,540	5	6
Denmark	21,673	6	7
Iceland	21,202	7	4
Austria	20,045	8	9
France	19,525	9	10
Germany	18,734	10	11

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Iceland and Great Britain lost the most ground in the top ten list, with Iceland slipping from its 2007 ranking of 4 to position 7. Great Britain fell from 8 to 11 in the same time period.

Great Britain's and Iceland's slip in the rankings is mostly a reflection of reduced currency value – a phenomenon that has repercussions for the other rankings. For example, the rise in ranking experienced by Norway is, in part, an effect of Great Britain's fall as well the favorable value of the Norwegian krone against the euro.

However, because the GfK purchasing power is calculated in euros, a decreased purchasing power (in euros) doesn't necessarily mean that inhabitants of the country in question are actually losing purchasing power.

Germany ascended one spot to take this year's tenth position. Other climbers include the Baltic states of Estonia, Latvia and Lithuania. In general, eastern European countries are experiencing more marked rises in purchasing power than western European countries, with the exceptions of Hungary, Romania and Slovenia.

Although the lower end of the rankings hasn't changed, the purchasing power per person continues to rise in the still-developing economies of Central and Eastern Europe. For example, the Ukraine boasts a purchasing power increase of around €200 per person – a growth rate of 13 percent. Latvia has the most growth with 17 percent. The growth levels for other southeastern European countries are also impressive, although the absolute values still lie well below western levels.

But some of the eastern European countries are beginning to close this gap. For example, the per person purchasing power in Slovenia (rank 20) – the most well-off of the 2004 EU member countries – differs little from that of Portugal (rank 19).

About the study:

Purchasing power is a measure of per capita disposable income (including any received state benefits) after the deduction of taxes. 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. The GfK purchasing power study does not take into account regional cost-of-living variations or recurring monthly deductions from disposable income such as rent, mortgage payments and contributions to private retirement funds and insurance policies.

GfK Purchasing Power Europe is calculated every year for 41 European countries, with coverage down to the level of municipalities and postcodes. The complete 2008/2009 study is scheduled for release in November and will also include data on population and households. GfK GeoMarketing also offers Europe-wide digital maps that fit perfectly with the GfK datasets.

Companies use GfK Purchasing Power Europe as part of a geomarketing approach to enhanced target group identification, sales territory optimization, financial controlling and location planning and expansion.

Further information





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http://www.gfk-geomarketing.com/fileadmin/gfkgeomarketing/en/press/20080828_purchasing_power_europe_2008.zip.

About GfK GeoMarketing

GfK GeoMarketing is one of Europe’s largest providers of geomarketing solutions for customers from all branches of trade. Its services include:

-  Consultancy and reports
-  Market data
-  Digital maps
-  RegioGraph and DISTRICT geomarketing software solutions

The company is a subsidiary of the international GfK network. Ranked among the world’s top 5 market research organizations, the GfK Group consists of 115 subsidiaries and more than 9,000 employees, with operations in 100 countries.