

Press release

Purchasing power on the rise in central and eastern European countries

November 8, 2016

Cornelia Lichtner
Public relations
T +49 7251 9295 270
F +49 7251 9295 290
cornelia.lichtner@gfk.com

GfK Purchasing Power Europe 2016

Bruchsal, Germany, November 8, 2016 – Europeans have around 0.3 percent more nominal purchasing power per person in 2016 compared to last year. The available net income of the population varies substantially among the 42 countries considered by the GfK study. The highest average purchasing power can be found in Liechtenstein, Switzerland and Luxembourg, while the lowest is in Belarus, Moldova and Ukraine. Ukrainians have only one eightieth the average purchasing power of Liechtenstein inhabitants. These are some of the findings of the study "GfK Purchasing Power Europe 2016".

According to the GfK study, a total of approximately €9.18 trillion is available to European consumers in 2016 for spending and saving. This corresponds to an average per-capita purchasing power of €13,672 for the 42 countries evaluated in the study, which is a nominal increase of approximately 0.3 percent. The low growth in Europe's average per-capita purchasing power is due to exchange rate effects and stagnating growth rates in some of the larger countries, among other factors. Nonetheless, many countries have growth rates above 5 percent, including Iceland, Bulgaria, Romania, Estonia, the Czech Republic, Bosnia-Herzegovina, Croatia, Malta, Slovakia, Luxembourg and Latvia.

Top ten purchasing power countries in Europe

2016 ranking (2015)	country	inhabitants	GfK Purchasing Power 2016 per inhabitant in €	European purchasing power index*
1 (1)	Liechtenstein	37,366	63,011	460.9
2 (2)	Switzerland	8,237,666	42,300	309.4
3 (4)	Luxembourg	576,249	30,248	221.2
4 (3)	Norway	5,213,985	27,893	204.0
5 (9)	Iceland	332,529	24,272	177.5
6 (5)	Denmark	5,707,251	23,699	173.3
7 (7)	Austria	8,584,926	22,536	164.8
8 (10)	Sweden	9,851,017	21,966	160.7
9 (8)	Germany	81,197,537	21,879	160.0
10 (6)	Great Britain	65,110,034	21,141	154.6
	Europe (total)	673,454,759	13,672	100.0

source: © GfK Purchasing Power Europe 2016

*index per inhab.: European average = 100

exchange rate for non-euro countries: prognosis of European Commission for 2016 from May 3, 2016

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

Bruchsal branch:
Werner-von-Siemens-Str. 9
Gebäude 6508
76646 Bruchsal; Germany
T +49 7251 9295 100
F +49 7251 9295 290

Hamburg branch:
Herrengaben 5
20459 Hamburg

Nuremberg branch:
Nordwestring 101
90419 Nuremberg; Germany

Managing directors:
Friedrich Fleischmann
Hans-Peter Klotzbücher

Amtsgericht Mannheim
HRB 250872
Ust-ID: DE 143585033

There is still a large gap between net incomes in Europe: Inhabitants of Liechtenstein, the country with the highest purchasing power, have almost eighty times as much purchasing power per person as inhabitants of the Ukraine, which has the lowest purchasing power in Europe. The four countries with the greatest number of inhabitants – Germany, Great Britain, France and Italy – comprise approximately 40 percent of Europe's population and almost 60 percent of the continent's purchasing power.

Even within the top-ten ranked countries, Liechtenstein and Switzerland significantly outpace the others with purchasing power values that are 3 to 4.6 times (respectively) the European average. Lagging substantially behind is third-ranked Luxembourg, with 2.2 times the European average. All other countries in the top ten have at least 1.5 times the average European per-capita purchasing power.

Some reshuffling has occurred among the top-ten countries compared to last year, primarily due to exchange rate effects. Luxembourg overtakes Norway to seize third place, while Iceland climbs three slots to fifth place and Great Britain falls four positions to tenth place.

Comparison of selected countries and regions

A comparison of similarly ranked countries in close geographic proximity offers insights into the distribution of wealth. Below are some results from the GfK purchasing power studies for France, the Netherlands, Italy, Spain, Poland and Hungary. The findings reveal some stark contrasts both between and within these countries with respect to income and the associated spending potential of the population for retail, services, accommodation, insurance, mobility, etc.

2016 ranking (2015)	country	inhabitants	GfK Purchasing Power 2016 per inhabitant in €	European purchasing power index*
12 (13)	France	63,697,865	19,254	140.8
15 (15)	Netherlands	16,900,726	17,901	130.9
16 (16)	Italy	60,665,551	16,709	122.2
17 (17)	Spain	46,624,382	13,840	101.2
	Europe (total)	673,454,759	13,672	100.0
29 (28)	Poland	38,437,239	6,366	46.6
30 (31)	Hungary	9,830,485	5,549	40.6

source: © GfK Purchasing Power Europe 2016

*index per inhab.: European average = 100

exchange rate of non-euro countries: prognosis of the European Commission for 2016 from May 3, 2016

Relatively balanced picture for the Netherlands

The Netherlands have an average per-capita purchasing power of €17,901, which puts the country in 15th place and 31 percent above the European average.

Representing the country's average is the province of Zeeland, where consumers have a per-capita purchasing power of €17,845. Seven of the nation's twelve provinces are also in this range. These provinces deviate only 6 percent from the average purchasing power in the Netherlands. As such, the regional distribution of purchasing power in this country is very homogeneous.

Purchasing power in the Dutch provinces

rank (of 12)	province	inhabitants	per-capita purchasing power in €	national index*	European index*
1	Utrecht	1,263,572	19,346	108.1	141.5
2	Noord-Holland	2,761,929	19,041	106.4	139.3
3	Zuid-Holland	3,600,011	18,312	102.3	133.9
4	Zeeland	380,726	17,843	99.7	130.5
5	Noord-Brabant	2,488,751	17,771	99.3	130.0
6	Limburg	1,117,941	17,710	98.9	129.5
7	Gelderland	2,026,578	17,659	98.6	129.2
8	Flevoland	401,791	17,316	96.7	126.7
9	Overijssel	1,140,652	16,418	91.7	120.1
10	Drenthe	488,576	16,234	90.7	118.7
11	Friesland	646,257	16,219	90.6	118.6
12	Groningen	583,942	15,208	85.0	111.2

GfK Purchasing Power Netherlands 2016

*index: value per inhabitant / average = 100

The surroundings of Amsterdam in the border areas of the provinces of Noord-Holland, Zuid-Holland and Utrecht have the country's highest per-capita purchasing power. With €19,346 per capita, Utrecht has the highest purchasing power among the twelve provinces. As such, inhabitants of Utrecht have approximately 8 percent more purchasing power than the national average and around 40 percent more than the European average. By contrast, the country's northeastern provinces of Groningen, Drenthe and Friesland have a purchasing power that is 10 to 15 percent below the average. Groningen is in last place with a per-capita purchasing power of €15,208, which is around 15 percent below the national average. Even so, inhabitants of Groningen have around €1,500 more per person than the European average.

France after the administrative reform

France has an average per-capita purchasing power of €19,254, which puts it almost 41 percent above the European average and in 12th place, closely followed by Belgium (€18,983 per capita, in 13th place) and the Netherlands (€17,901 per capita, in 15th).

An administrative reform in France led to a restructuring of the regional levels on January 1, 2016, reducing the previous 22 regions to just 13. The new regions have on average 4.9 million inhabitants instead of the 2.9 million prior to the reform, a fact that impacts the per-capita purchasing power values.

With a per-capita purchasing power of €22,799, the region of Ile-de-France remains far ahead of the rest of the pack. As such, inhabitants of France's capital region have on average 1.2 times more purchasing power than the national average and just under 1.7 times the European average. The only other region with an above-average per-capita purchasing power is Auvergne-Rhone-Alpes: The former Auvergne region is profiting from its fusion with the Rhone-Alpes region, which has higher purchasing power and a higher number of inhabitants.

France's top ten regions

rank (of 13)	region**	inhabitants	per-capita purchasing power in €	national index*	European index*
1	Ile-de-France	11,959,807	22,799	118.4	166.8
2	Auvergne-Rhone-Alpes	7,757,595	19,481	101.2	142.5
3	Provence-Alpes-Cote d'Azur	4,953,675	19,239	99.9	140.7
4	Centre-Val de Loire	2,570,548	18,906	98.2	138.3
5	Bourgogne-Franche-Comte	2,819,783	18,586	96.5	135.9
6	Aquitaine-Limousin-Poitou- Charentes	5,844,177	18,528	96.2	135.5
7	Bretagne	3,258,707	18,441	95.8	134.9
8	Normandie	3,328,364	18,283	95.0	133.7
9	Alsace-Champagne-Ardenne- Lorraine	5,552,388	18,248	94.8	133.5
10	Pays de la Loire	3,660,852	18,227	94.7	133.3

GfK Purchasing Power France 2016 *index: value per inhab. / average = 100 **names as of 01.01.2016

In previous years, the country's Northern region of Nord-Pas-de-Calais was in last place in the regional ranking. The fusion of this region with the Picardie region did little to change this: The per-capita purchasing power available to inhabitants of the new region Nord-Pas-de-Calais-Picardie is 25 percent below the average in the neighboring capital region.

Spain sole country to represent the European average

Spain has a 2016 per-capita purchasing power of €13,840, which puts it 1.2 percent above the European average and in 17th place. Spain is relatively alone in the middle of the European purchasing power ranking. Adjacent in the ranking are Italy (16th place) with €16,709 per person and 22 percent above the European average, and Malta (18th), which is well behind at €11,366 per person.

Spain's wealthiest province is Gipuzka, which has a per-capita purchasing power of around €18,483. Inhabitants of Gipuzka thus have around one-third more than the Spanish average and around the same as inhabitants of Ireland. Inhabitants of Cadiz, the least wealthy province, have an average per-capita purchasing power of just €9,333, which is one-third less than the national average. With a per-capita purchasing power of €13,706, inhabitants of Asturias are almost exactly at the average.

Top ten provinces in Spain

rank (of 54)	province	inhabitants	per-capita purchasing power in €	national index*	European index*
1	Gipuzkoa	716,834	18,483	133.6	135.2
2	Araba/Alava	323,648	18,103	130.8	132.4
3	Navarra	640,476	17,385	125.6	127.2
4	Madrid	6,436,996	17,355	125.4	126.9
5	Bizkaia	1,148,775	17,210	124.4	125.9
6	Barcelona	5,523,922	16,306	117.8	119.3
7	Girona	753,054	15,442	111.6	112.9
8	Zaragoza	956,006	15,370	111.1	112.4
9	Huesca	222,909	15,363	111.0	112.4
10	Lleida	436,029	15,239	110.1	111.5

GfK Purchasing Power Spain 2016

*index: value per inhabitant / average = 100

North-South divide in Italy

Italy has an average per-capita purchasing power of €16,706, which is around the average of the EU-28 countries. This equates to 22 percent more than the total European average, putting Italy in 16th place among the 42 countries considered by the study.

With a per-capita purchasing power of €22,722, Milan is in first place among the country's 112 provinces. Inhabitants of Milan thus have an average of 36 percent more than the national average. Crotona in Southern Italy takes last place with a per-capita purchasing power of €9,996, which is around 40 percent below the national average.

Top ten provinces in Italy

rank (of 112)	province	inhabitants	per-capita purchasing power in €	national index*	European index*
1	Milano	3,208,509	22,722	136.0	166.2
2	Bologna	1,005,831	22,058	132.0	161.3
3	Trieste	234,874	21,936	131.3	160.4
4	Bolzano / Bozen	520,891	21,099	126.3	154.3
5	Genova	854,099	20,831	124.7	152.4
6	Parma	447,779	20,753	124.2	151.8
7	Lecco	339,254	20,446	122.4	149.5
8	Monza e della Brianza	866,076	20,426	122.2	149.4
9	Valle d'Aosta / Vallee d'Aoste	127,329	20,422	122.2	149.4
10	Gorizia	140,268	19,987	119.6	146.2

GfK Purchasing Power Italy 2016

*index: value per inhabitant / average = 100

There is a clear North-South divide in the geographic distribution of purchasing power in Italy. The cities of Milan, Bologna, Venice and Torino in Italy's North generally have significantly above-average purchasing power. Milan, the region with the most purchasing power, is two-thirds above the European average. The central region of the country around the level of Rome has purchasing power levels corresponding to the nation's average. From Napoli southward, purchasing power values are significantly below average. Crotone, the region with the lowest purchasing power, remains 30 percent below the European average.

Poland marked by major income disparities

Inhabitants of Poland have a 2016 per-capita purchasing power of €6,366. Ranked 29, Poland has 47 percent of the average European purchasing power.

The nation's district with the highest purchasing power is the capital of Warsaw: With €11,651, inhabitants of this district have on average almost 83 percent more purchasing power than the rest of the country. Despite this, they still have around 15 percent less than the European average. The district of Grojecki has a purchasing power that approximates Poland's national average.

Even so, 19 of Poland's 380 districts have a purchasing power level that is 20 percent or higher than the national average. This indicates growing affluence in some regions. But the situation is entirely different in the 103 districts that fall 20 percent or more below the national average. Inhabitants of Przysuski, Poland's district with the least purchasing power, have just 66.5 percent of Poland's per-capita average.

Top ten districts (Powiaty) in Poland

rank (of 380)	district	inhabitants	per-capita purchasing power in €	national index*	European index*
1	Warszawa	1,744,351	11,651	183.0	85.2
2	Piaseczynski	177,007	9,513	149.4	69.6
3	Warszawski Zachodni	112,957	9,038	142.0	66.1
4	Sopot	37,231	8,999	141.4	65.8
5	Pruszkowski	160,776	8,872	139.4	64.9
6	Poznan	542,348	8,651	135.9	63.3
7	Wroclaw	635,759	8,600	135.1	62.9
8	Katowice	299,910	8,547	134.3	62.5
9	Grodziski	90,656	8,285	130.1	60.6
10	Tychy	128,444	8,060	126.6	59.0

GfK Purchasing Power Poland 2016

*index: value per inhabitant / average = 100

Pockets of wealth in Hungary near capital and toward Austrian border

Hungarians have an average per-capita purchasing power of €5,549, which puts the country one notch below Poland in 30th place. This equates to 40.6 percent of the European average.

Hungary is divided into 20 counties, the most affluent of which is the capital city of Budapest, which has an average per-capita purchasing power of €6,963 per inhabitant. This amounts to around 26 percent more than the national average, but only half of the European average.

Only 7 of the 20 counties have an above-average purchasing power. These are located in and around the capital city of Budapest and in a continuous cluster toward the Austrian border to the west.

Top ten counties (Megyek) in Hungary

rank (of 20)	county	inhabitants	per-capita purchasing power in €	national index*	European index*
1	Budapest	1,759,407	6,963	125.5	50.9
2	Komarom-Esztergom	297,914	6,128	110.4	44.8
3	Fejer	418,487	6,126	110.4	44.8
4	Pest	1,234,541	5,958	107.4	43.6
5	Gyor-Moson-Sopron	455,217	5,849	105.4	42.8
6	Vas	253,689	5,791	104.4	42.4
7	Veszprem	344,302	5,638	101.6	41.2
8	Heves	299,219	5,347	96.4	39.1
9	Tolna	223,618	5,298	95.5	38.8
10	Zala	275,027	5,238	94.4	38.3

GfK Purchasing Power Hungary 2016

*index: value per inhabitant / average = 100

The poorest county is in Hungary's easternmost region, along the border with Romania and the Ukraine: With a per-capita purchasing power of €4,152, Szabolcs-Szatmar-Bereg lies around 25 percent below the national average and around the same level as the inhabitants of Romania.

About the study

The study "GfK Purchasing Power Europe 2016" is available for 42 European countries at detailed regional levels such as municipalities and post-codes, along with seamlessly fitting data on inhabitants and households as well as digital maps.

Purchasing power is a measure of per-capita disposable income after the deduction of taxes and social security contributions and including any received state benefits. The study indicates per-person, per-year purchasing power levels in euros and as an index value. GfK Purchasing Power refers to nominal disposable income, which means values are not adjusted for inflation. The study draws on statistics on income and tax levels, government benefits and forecasts by economic institutes.

Consumers draw from their general purchasing power to cover expenses related to eating, living, services, energy, private pensions and insurance as well as other expenditures, such as vacation, mobility and consumer purchases.

Additional information on GfK's regional market data can be found at www.gfk.com/marketdata.

Print-quality illustrations can be found [here](#).

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

To find out more, visit www.gfk.com or follow GfK on Twitter: www.twitter.com/gfk.

Responsible under press legislation
GfK GeoMarketing GmbH
Public Relations
Cornelia Lichtner
Werner-von-Siemens-Str. 9



Gebäude 6508
76646 Bruchsal; Germany
T+49 7251 9295 270
cornelia.lichtner@gfk.com