

GROSS DOMESTIC PRODUCT PER CAPITA IN PPS Contact person at the IMAD: Branka Tavčar	
DEVELOPMENT FIELD	Competitive economy and faster economic growth
DESCRIPTION OF INDICATOR	<p><u>Definition:</u></p> <p>Gross domestic product per capita in purchasing power standards (PPS) is the ratio between the level of gross domestic product (GDP), expressed in purchasing power standards, and total population. GDP in PPS is obtained by converting GDP to a fictive currency using special conversion factors. Purchasing power parities reflect the price ratios between the countries and are at the same time expressed in a single currency. They thus eliminate from national gross domestic products both the differences in currency expression and the differences in the prices levels between the countries. The result is GDP comparable across countries.</p> <p><u>Detailed methodological explanations:</u></p> <ul style="list-style-type: none"> – SORS: Zdenka Repotočnik – Pariteta kupne moči in mednarodna primerjava BDP, Statistični zbornik, Nov. 1998. – Rapid Reports No. 205/1999. – Stat. sporočila št. 1/1999 - Statistični standardi in metodologije - Z. Repotočnik - Mednarodna primerjava BDP. – Eurostat: Statistics in Focus, Theme 2 – 56/2002, Theme 2 – 64/2003. – Eurostat: Methodological note for revision of the PPP from 1995 to 2000. – SORS: Z. Repotočnik - Gross domestic product in purchasing power standards 1995-2002, December 2003. – SORS: Z. Repotočnik - Purchasing power parities and GDP, 1995-2003, 15 September 2004. – SORS: Z. Repotočnik - International comparison of prices and gross domestic product, September 2004. – SORS: Z. Repotočnik - Gross domestic product in purchasing power standards, 2000-2004, 20 December 2005 <p><u>International comparability:</u> The indicator is internationally comparable. The Eurostat publishes annual results on GDP per capita in purchasing power standards. PPPs results are produced by 36 countries while the Eurostat is responsible for the coordination and calculation of the final PPP results. It should be noted that the results of the countries are mutually co-dependent due to the multilateral character of the comparison. Therefore, the changes of input data carried out by individual countries during revisions also affect the results of other countries.</p>

	<p>Regarding the results of GDP in PPS, the Eurostat draws attention to certain limitations in their application. One of the warnings is that the GDP in PPS indices are not suitable for establishing a strict ranking of countries. Purchasing power parities, which are currency conversion rates and a means of calculating GDP in terms of purchasing power, are statistical constructs derived from certain conceptual assumptions, methodological definitions and implementing procedures. Therefore, a 5% error in either the positive or negative direction needs to be factored in in the calculation of PPPs. The relatively small errors in GDP in PPS between countries are therefore the result of methodological factors rather than actual differences between countries. It is therefore more appropriate to use PPP-based data on GDP as a basis for grouping countries into similar groups.</p> <p><i>Manner of presentation:</i> aggregately for the whole economy</p> <p><i>Unit of measurement:</i> PPS – Purchasing Power Standard</p>
SOURCE OF DATA FOR SLOVENIA	<p><i>Institution (publication):</i> - SORS (Purchasing power parities and gross domestic product in purchasing power standards, Slovenia, 1995-2003, 30 September 2004);</p> <p>- SORS – Gross domestic product in purchasing power standards, 2000-2004, 20 December 2005</p> <p><i>contact person:</i> Zdenka Repotočnik</p> <p><i>Frequency of publication:</i> annually</p>
AVAILABLE TIME SERIES	1990 – 2005.
INTERNATIONAL COMPARISONS	<p><i>source:</i> Eurostat, New Cronos.</p> <p><i>contact persons:</i> Roberto Barcellan, Roberto.Barcellan@cec.eu.int, Silke Stapel, silke.stapel@cec.eu.int</p> <p><i>database:</i> Eurostat website, Economy and Finance – National Accounts.</p>