



Cost-variation index – personnel related

Information on the Cost-Variation Index for 2022

CERN/FC/6501/RA/Rev.

Dr Florian Sonnemann
TREF – 14-10-2021

CHF stronger in 2020 than in 2019

EUR/CHF (EURCHF=X) ☆

CCY - CCY Delayed Price. Currency in CHF

1.0685 -0.0027 (-0.2493%)

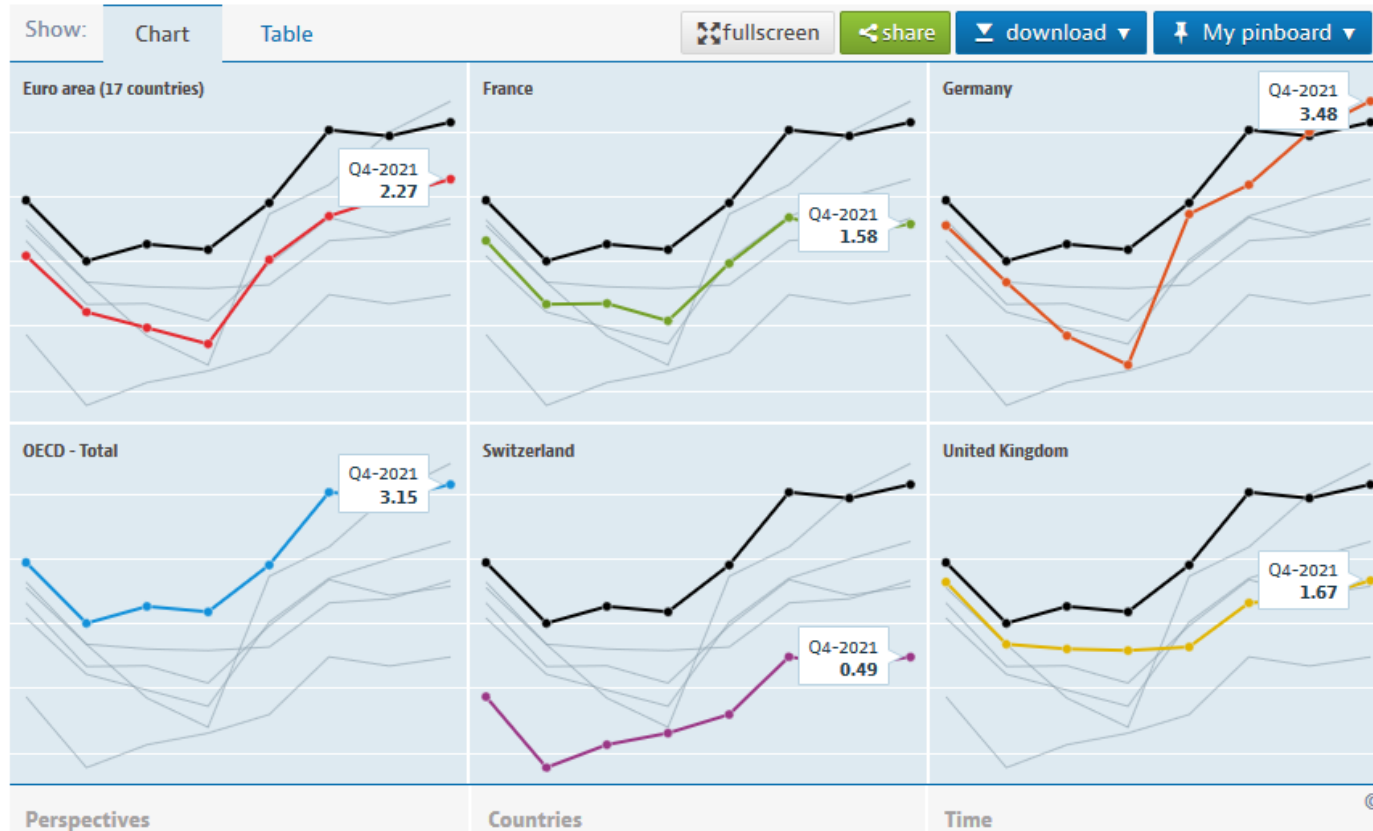
As of 9:13AM BST. Market open.



General trend: Inflation is back – moderated in CH

Inflation forecast Total, Annual growth rate (%), Q1 2020 – Q4 2021

Source: OECD Economic Outlook: Statistics and Projections



In GVA: 0.6% August 2020 to August 2021 essentially

For info, still negative memory from the past for allowances.

Not clear yet if this is a post pandemic or more permanent trend, dominated by energy prices

Recent dynamics in energy inflation: the role of base effects and taxes

Prepared by Ieva Rubene and Gerrit Koester

Published as part of the [ECB Economic Bulletin, Issue 3/2021](#).

Energy price developments have caused a pronounced pick-up in euro area headline HICP inflation over recent months. This box reviews the factors behind the 11-percentage point swing in energy inflation between December 2020 and March 2021 (which accounted for 1.1 percentage points of the corresponding swing in headline HICP inflation), with a particular focus on oil prices, base effects and the impact of indirect taxation, and discusses their implications for the outlook.

Personnel indexation

- **0.6%** Geneva cost-of-living index (impact of exchange rate reduced inflation in CHF)
- Preliminary data from EUROSTAT yielding **-0.1%** real net movement of civil servants
- **0.0%** real net movements for the Swiss Federal Servants
- Calculated amount for the basic salary and stipend index of **0.55%**.
- Subsistence allowances and family benefits will be set at **0%** and the memory of **-1.0%** reduces to **-0.41%** to offset future indexation
- The index for home-leave of **-2.75%** will be applied (dominated by the deflationary trend during the pandemic).

Overall personnel index estimated at **0.48%**

Table A

1. Geneva cost-of-living movement (August 2020 - August 2021)				100.60
2. Average movement of the real net salaries of Swiss federal civil servants (June 2020 - June 2021)				100.00
3. Average movement of the real net salaries of the civil servants of nine Member States ¹ (July 2020 - July 2021 estimate)				99.90
Member State	July 2020 - July 2021	Weight	Weighted movement	
	A	B	C = A*B	
Austria	100.40	2.82%	2.83	
Belgium	98.80	5.08%	5.02	
France	100.10	49.85%	49.90	
Germany	100.60	8.97%	9.03	
Italy	99.30	16.15%	16.04	
Netherlands	100.70	3.18%	3.20	
Poland	96.70	4.15%	4.02	
Spain	101.00	8.72%	8.81	
Sweden	100.80	1.08%	1.09	
Total			99.90	
4. Calculated basic salary and stipend index ²				100.55
$I = \frac{Gva*[CH+S_{n=1}^p a_n*s_n]/2}{100} = \frac{100.6*[100+99.9]/2}{100}$				

Sensitivity:

if EUROSTAT data would result in 99.0 -> Index at 100.1
 if EUROSTAT data would result in 100.0 -> Index at 100.6
 all resulting in creating a memory, and
 if EUROSTAT data would result in 102.0 -> Index at 101.6

Final data will be known only by end of October

Important to note:

UK information is no longer published by EUROSTAT.
 The Management is in contact with other EIROFORUM
 Organisations to address this point.

b. Calculation of the basic salary and stipend index

The basic salary and stipend index shall consist of the following two components:

a) First component

The Geneva cost-of-living movement for a twelve-month period from August of the year preceding the current year to August of the current year (according to the data supplied by the Statistical Office of the Canton of Geneva, taking the index for the month of August in the year preceding the current year as base 100).

b) Second component

The average movements of the real net salaries of the civil servants:

- of the Swiss Federal Public Service, and
- of the Member States whose regular contribution in the current year is more than 2% of the Organization's Budget, for a twelve-month period from June of the year preceding the current year to June of the current year (according to the data supplied by the Statistical Office of the European Communities – EUROSTAT - taking the index for June of the year preceding the current year as base 100).

Half of the second component shall consist of the data concerning Switzerland and the other half shall consist of the data for the other Member States, determined using the above criterion, weighted according to the distribution of those Member States' nationals among the Organization's personnel (according to the personnel statistics at 31 December of the year preceding the current year).

For Information: Overall estimated Cost-Variation Index

shown also to Finance Committee in September

- Not final (EUROSTAT data), however very likely to have the basic salary and stipend index to be set at 0.55%. Work is going to propose a modification of the data source for the basic salary and stipend index to include the real net movement in CERN's Member States.
- The personnel indexation of 0.48%.
- Materials indexation of -1.47%, very negative for goods, supplies, consumables, very high for energy (still to be finalized)
- **Overall currently estimated cost-variation index of -0.58%.**
- Taking into account the corridor principle (FC/5644, 2012) with the overall cost-variation index being negative, the MS contributions are likely be impacted by 0%.
- Consequently, CERN will recuperate some purchasing power in 2021 with a technical positive impact on the CBD.



www.cern.ch