

USING THE RESULTS OF THE EUROSTAT-OECD COMPARISON

PPPs are primarily designed for:	<ul style="list-style-type: none">• Spatial volume comparisons of GDP, GDP per capita and GDP per hour worked• Spatial volume comparisons of the component expenditures of GDP above a certain level of aggregation (called "analytical categories")• Spatial comparisons of price levels at the level of GDP or analytical categories
Provided the results are interpreted with care, PPPs can also be used for:	<ul style="list-style-type: none">• Spatial comparisons of economic data in national currencies other than analytical categories (in other words, using PPPs as an alternative to exchange rates)• Analysis of price convergence• Analysis of temporal change in volumes or price levels of GDP or analytical categories
PPPs are not designed for:	<ul style="list-style-type: none">• Strict ranking of countries without taking statistical error margins into account• Calculating national growth rates• Industry-specific output and productivity comparisons• Cost-of-living comparisons for individuals• Assessing potential undervaluation or overvaluation of currencies or use as equilibrium exchange rates