



EUROPEAN COMMISSION
EUROSTAT

Directorate C: Macro-economic statistics
Unit C-4: Price statistics. Purchasing Power Parities. Housing statistics

HICP Compliance Monitoring

Follow-up report

Malta

May 2022

Date of visit

- May 2018

CM report published ⁽¹⁾

- May 2019

Date of follow-up information

- May 2022

1. Requirements, recommendations and the progress made

- **Eurostat recommends keeping the published weights up-to date and consistent over time.**

This recommendation has not been implemented.

The HICP weights at the 4-digit level are updated annually based on household consumption expenditure data that NSO obtains from National Accounts. National Statistical Office (NSO) updates the weights at the 5-digit level using the Household Budget Survey (HBS). The most recent HBS in Malta was carried out in 2015/2016; therefore, NSO has not increased the frequency of revising the HICP shares at the 5-digit level.

- **Eurostat recommends collecting expenditure or other quantitative data on the maintenance and repair of dwellings by renters as part of the NSO's aim to improve the rents survey.**

This recommendation has not been implemented.

NSO has not included questions in the rents survey on the maintenance and repair of dwellings carried out by renters, and has therefore not been able to confirm whether some products covering the maintenance of dwellings, which seem more appropriate for major repairs, are typically purchased by tenants.

- **The practices adopted in the price collection for medical services are not compliant with Article 2 of Regulation No 2601/2000. The full price change for goods should enter the index in the month the price change occurs and for services in the month in which consumption commences.**

This requirement has been partially implemented.

⁽¹⁾ The report is available on Eurostat's website:
<https://ec.europa.eu/eurostat/documents/272892/272977/CM-Report-Malta-2018/>.

Following the compliance monitoring report, the survey of medical specialists and veterinarians is now carried out on a quarterly basis. This increase in the frequency of price collection allows the price change to be captured in the index more accurately than in the past.

- **Eurostat requires that NSO investigate an alternative to the current yearly survey of medical specialists and veterinarians that will increase the frequency of price collection.**

This requirement has been implemented.

As noted above, the survey of medical specialists and veterinarians is now carried out on a quarterly rather than on an annual basis. Thus, the frequency of price collection for medical services has been increased.

- **In all cases where price collection is not monthly and there is no legal (administrative) basis underlying the price development, the measured price development should be carefully monitored. If the sub-indices often only change in the month of price collection, this suggests that the frequency of price collection is too low and the frequency of price collection should be increased.**

This recommendation has been implemented.

When the need to do so arises, NSO follows up on previous prices and increases the frequency of price collection. Analysis of selected data series indicates that price collection frequency seems to be appropriate.

- **For books, computer games and the like Eurostat recommends pricing a top-10 of sold products and eliminating any untypical prices.**

This recommendation has been implemented.

Following the compliance monitoring report, NSO has implemented the recommended pricing of the top-10 sold products.

- **Eurostat recommends the NSO to continue the work on improving the sub-indices for rents and in particular to keep seeking information on the quality of dwellings for non-market rentals.**

This recommendation has been partially implemented.

With regard to sub-index weights, NSO has data obtained from the Survey on Income and Living Conditions (SILC). From January 2020, the Maltese Housing Authority has started the compilation of a market rents register. The new data source should enable NSO to improve the sub-index on rents, but this has not been done until now.

- **Eurostat recommends the NSO to study the possibility of replacing the existing method of price collection with an alternative consisting of flights, for which prices are already collected, together with an online survey of hotels located in popular destinations abroad.**

This recommendation has been implemented.

Following the compliance monitoring report, NSO has begun conducting the price collection for flights and hotels separately, thus reflecting more accurately tailor-made consumption preferences on package holidays.

- **Eurostat requires that Malta start applying the HICP-CT at the 5-digit level of the ECOICOP.**

This requirement has not been implemented.

Currently, NSO calculates the HICP-CT at 4-digit level and makes an estimation of the HICP-CT at the 5-digit level. NSO is not able to indicate when the HICP-CT will be fully applied at the 5-digit level.

2. Additional measures to improve the quality of the Maltese HICP

NSO has made an effort to increase the coverage of products by increasing the number of outlets surveyed in the price collection and thus the total number of price points collected.

Furthermore, NSO has implemented quality adjustments for telecommunication services. Thus, NSO is now using quality-adjusted prices for bundled services (internet, telephone and television services), phone services and tablets.

In an effort to diversify the data sources used in the compilation of the Maltese HICP, NSO has included scanner data from a supermarket chain in the index compilation.

3. Conclusion

Eurostat takes good note of the actions implemented by the Maltese National Statistical Office to improve the quality of the Maltese HICP. However, NSO should continue to implement improvement measures, particularly those allowing for the completion of the recommendations on the treatment of the index covering maintenance and repairs of dwellings, which have not been achieved after the last compliance monitoring visit review. Furthermore, NSO should apply the HICP-CT at the 5-digit level of the ECOICOP.