



EUROPEAN COMMISSION
EUROSTAT

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

HICP Compliance Monitoring

Follow-up report

Slovakia

February 2021

Date of visit

- May 2017

CM report published¹

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Date of follow-up information

- February 2021

1. Requirements, recommendations and the progress made by the NSI

- **The price collection is not fully in line with the legal requirements. For used cars indices are not produced and transmitted in monthly frequency as required by Article 6 of Regulation (EU) 2016/792 and prices are not entered in the price index for the month in which they are observed as required by Article 2 of Regulation No 2601/2000.**

This requirement has been implemented. A new data source for used cars is now used in the Slovak HICP. The new data source provides the Statistical Office of the Slovak Republic (SO SR) with monthly data, which enter in the HICP for Slovakia for the period to which observed price pertains.

- **The SO SR should verify if all seasonal fruits (e.g. strawberries) and vegetables accounting for more than 2 parts per thousand of the total consumption expenditure during their in-season periods are covered.**

This requirement has not been implemented. The SO SR plans to include more seasonal items in the ECOICOP division ‘food and non-alcoholic beverages’ when scanner data is introduced in the Slovak HICP.

- **The SO SR should implement price estimation methods for the out-of-season periods according to the HICP requirements for all products with seasonal availability pattern.**

Work on this requirement is ongoing. An IT solution is in preparation. This will allow the SO SR to change the imputation method of prices during out-of-season periods in food, clothing and footwear seasonal items.

- **SO SR should investigate the estimation of the expenditures for purchases made over the internet and their coverage according to the existing HICP recommendations.**

This recommendation has been implemented. The relevance of the expenditures for purchases over the internet was checked through the use of retail statistics on the importance of internet sales in total sales. As a consequence of this, new goods whose prices are collected through the internet have been added to the basket.

⁽¹⁾ The report is available on Eurostat’s website:
<https://ec.europa.eu/eurostat/documents/272892/272977/CM-Report-Slovakia-2017-web.pdf/>.

- **SO SR should estimate the weight of hospital services in the HICP with a view to including these services into the HICP in the same way as they are included in the national CPI.**

This recommendation has been implemented. The weight of hospital services has been estimated and these services have been included in the HICP.

- **The list of representative items should be reviewed with a view to correctly representing ECOICOP sub-classes.**

This recommendation has been implemented. Following a review of the representative items, obsolete items were removed and items for the subclasses ‘Bundled telecommunication services’ and ‘Combined passenger transport’ have been added to the basket.

- **The SO SR should closely monitor and verify the representativity of the sample and the weight for airfares using different data sources.**

This recommendation has been implemented. A new annual procedure for the verification of sample representativeness for airfares was established with the help of staff running the two largest airports of the country (Bratislava, Košice).

- **The SO SR should verify if the insurances connected to the dwelling covered in the Slovak HICP are those typically taken out by tenants.**

This recommendation has been implemented. The verification of the sample of insurance, including the choice of those typically taken out by tenants, is now verified annually with the cooperation of the largest insurance companies operating in the country.

- **The SO SR should check regularly and adapt, if needed, the sample of outlets so that all outlet types are included and ensure the representativity of the outlet sample.**

Work on this requirement is ongoing, with the sample of outlets being updated solely on the basis of information provided by the price collectors.

- **Internet purchases of services should be reviewed with the aim to correctly reflect the internet as retail channel in the sample of outlets.**

This recommendation has not been implemented. The revision of the relevance of the expenditures for purchases over the internet has not lead to an update of the retail channels covered by the HICP for services.

- **The SO SR should continue investigating the data availability on dwellings rented out by private landlords.**

Work on this requirement is ongoing. The SO SR has established cooperation with the association of real estate agencies and expects to receive on a monthly basis data on market rent prices in 2021.

- **SO SR should continue reviewing the expenditures and weights for further ECOICOP sub-classes equally taking into account other sources that include also data on expenditures from e.g. tourists.**

This recommendation has been implemented. In addition to internal data sources (national accounts, household budget survey), retail statistics, scanner data and other external data sources, which include non-resident expenditure, are also used in the compilation of HICP weights.

- **Price-updating of weights to the previous year's December should be carried out at the 5-digit level.**

This recommendation has been implemented. The price updating of weights is now carried out at the 5-digit ECOICOP level.

- **The SO SR should review and adapt, if necessary, the price collection for package holidays with a view to correctly represent the booking habits of consumers.**

This recommendation has been implemented. For holiday prices by the sea, the survey has been extended to include prices for package holidays taking place in June and September.

- **SO SR should carry out a suitability analysis for the methodology used for the imputation of missing prices.**

This recommendation has not been implemented. The SO SR has not carried out an analysis of the methodology used in the imputation of missing prices.

- **The default application of bridged overlap should be reviewed. The implementation of explicit quality adjustment methods should be extended. SO SR should carry out research into sources and methods to collect relevant product information.**

This recommendation has not been implemented. Bridged overlap is still the default and most used quality adjustment method in the Slovak HICP.

- **Quality adjustment for used cars should take into account depreciation.**

This recommendation has not been implemented. Although a new data source for used cars has been introduced, the index for this product does not control for the effects of depreciation. Contacts with the new data supplier for used car prices on this issue had to stop due to the outbreak of the Covid-19 crisis.

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

The SO SR has been working with scanner data for some years with the objective of introducing this new data source in the Slovak HICP until 2024 at the latest. This new data source is expected to further improve the reliability and representativity of the Slovak HICP. To achieve this goal, methodological work is ongoing and a new IT solution is being developed to accommodate this new data source in the HICP production system.

3. Conclusion

Eurostat takes good note of the measures implemented by the SO SR to improve the quality of the Slovak HICP. The SO SR should continue to implement improvement measures, particularly those allowing for the completion of the requirements on the treatment of seasonal products and the recommendations regarding the treatment of quality change in the Slovak HICP.