



- **CSO should carry out research into alternative data sources with a view to identify newly significant products in a more systematic way and include them in the sample without unnecessary delay.**

This recommendation has been implemented. Due to significantly extended use of scanner data, the newly important products are detected and included more frequently in areas covered by the scanner data. The process of identifying newly significant products has also been improved for the products and services that are not covered by scanner data.

- **CSO should continue to collect prices in the field for those products for which scanner data is available during the first year of implementation. This would allow the CSO to assess the impact of the introduction of scanner data in compliance with Article 9 of the Regulation (EU) No 2016/792.**

This recommendation has been fully implemented.

- **CSO should review the extensive use of carrying forward the last observed price and verify if the last observed price can be regarded as the best estimate for the missing price.**

*This recommendation has been implemented.* Ratio of carrying forward the last observed price was reduced in favour of seasonal estimation (especially in package holidays). Carry forward method is now only used for non-seasonal items when these fixed for the year i.e. catering services for schools, accommodation for students, tuition fees etc.

- **CSO should carry out research with a view to extend the application of explicit quality adjustment methods instead of the extensive use of overlap methods.**

*This recommendation has been partly implemented.* Scanner data has significantly reduced the usage of overlap methods. CSO prepares extension of the scanner data coverage which is expected to further decrease the use of overlap methods in the targeted areas. For products, like clothing, for which no scanner data collection is in place and overlap methods are still used.

- **CSO should consider applying counter-seasonal estimation for clothing and footwear**

Not applicable due to the change in the regulation, see article 2 (24) and article 14 of the Implementing regulation 2020/1148 regulation.

- **For the package holidays item the CSO should change its methodology so that:**
  - **prices during the period when the holidays are out of season are estimated using appropriate methods set out in the Regulation (EC) No 330/2009 instead of carrying forward the last observed price**
  - **the full price of a package holiday is included in the month when the holiday commences.**

*This recommendation has been fully implemented. CSO has made the changes in accordance with the recommendation. Prices during the period when the holidays are out of season are estimated using the price movements of similar items. In addition, the full price of a package holiday is now included in the month when the holiday starts.*

- **The CSO should consider applying Jevons price index (ratio of geometric means) at the level of the elementary aggregates.**

*This recommendation has not been implemented. The introduction of scanner data reduced the problem but Jevons is still not being used.*

## **2. Additional measures to improve the quality of the Czech HICP**

During the last couple of years, CSO has extended significantly the number of market chains providing scanner data, as well as the coverage of online purchases. Since 2021, all food products (ECOICOP 01 and 02) are fully covered by scanner data collected by CSO. During the last two years other significant items like non-durable household goods (0561), pharmaceutical (0611) and other medical products (0612), as well as other therapeutic appliances and equipment (06139), product for pets (09342), paper products (09541) and other appliances, articles and products for personal care (1213) have also been fully covered by scanner data.

In addition, as household consumption patterns were affected significantly by the COVID-19 pandemic and the consequent energy crisis in the 2020-2022 period, CSO developed improved methods in line with the recommendations of Eurostat to:

- derive more reliable annual HICP weights
- treat the intensive developments in energy prices

## **3. Conclusion**

Eurostat takes good note of the measures implemented by CSO to improve the quality of the Czech HICP. CSO should continue to implement improvement measures, particularly those related to the recommendations on:

- quality adjustment – further increase the use of explicit methods,
- index calculation – discontinue the use of Dutot.