



**Assessment of sources and methods used in
the provision of basic information for
Purchasing Power Parities (PPPs)**

COUNTRY: Poland

2022



CONTEXT

1. This report is written in the context of the implementation of article 7 (on quality criteria and control) of Regulation (EC) No 1445/2007 of the European Parliament and of the Council of 11 December 2007 establishing common rules for the provision of basic information on Purchasing Power Parities and for their calculation and dissemination (the "PPP Regulation").
2. The PPP Regulation requires all Member States to maintain documentation which gives a full description of the manner in which the Regulation has been implemented (the "PPP Inventory"). It requires Eurostat to assess each Member States' compliance with the PPP Regulation at least once every six years and to publish a report, based on the assessment, on its website.
3. The current assessment report is based on the information presented by Statistics Poland in the "PPP Inventory of sources and methods", version February 2022, as well as on other data and reports prepared in the context of the PPP programme. In addition, information provided during a videoconference on 29 November 2022 is taken into account.

ORGANISATIONAL ISSUES

4. The Section of International Comparisons of GDP ("the PPP team") at Statistics Poland is part of the National Accounts Department and maintains responsibility for the overall coordination, preparation and supervision of the surveys, and for the verification, transmission and validation of data. The team currently consists of the national coordinator and four full-time specialists. In addition, specialists from various other sections in the National Accounts Department, from the Trade and Services Department and from the Social Surveys Department provide input data for the PPP calculation. The price collection for consumer goods and services is undertaken by staff of the Warsaw regional office, with other regional offices also being involved in selected areas of the exercise. The price surveys on equipment goods and on construction are outsourced to external experts.

PPP-based data are included in Statistics Poland's general dissemination of macroeconomic data. There are no dedicated publications on PPPs at national level. General information on PPP is contained in a dedicated annex to the main publication of the National Accounts Department. The publication is available both in Polish and English.



FINDINGS BY PPP SURVEY

Consumer goods and services

5. The PPP team is responsible for the overall coordination of the surveys. For the pre-survey and price collection, which take place only in the capital, they rely on price collectors from the regional office in Warsaw – usually five staff including a supervisor. In most cases, data is collected in the traditional way, by visiting outlets and interviewing shop staff. However, prices and product data are also obtained from company websites and, in the case of pharmaceuticals, from an external contractor. Internet pricing was especially important during the 2020 – 2021 pandemic. CPI data is used for fuels, for water supply and heat energy. Documentation (presurvey list, final item list, specific survey guidelines) are provided to the price collectors in Polish, along with a list of recommended outlets, and trainings are organised in the form of presentations, discussion and written instructions. The intra-country validation is carried out by the PPP team, whenever necessary in consultation with the price collectors.

Transaction data has so far not been used in the PPP surveys. A limited amount of transaction data is used in the CPI, but the heterogeneous and fragmented nature of the market makes it challenging to implement this in the PPP data collection.

Spatial adjustment factors (SAFs) were last estimated in 2017 based on CPI data. In line with the PPP Regulation, these should be revised in 2023. However, Statistics Poland plans to start recalculating the SAFs on an annual basis.

Housing services

6. Poland uses the quantity approach. The data on dwelling stock and the various quality parameters is prepared by Statistics Poland's Trade and Services Department. Starting with 2021, preliminary data from the most recent census has been implemented. In the preceding years, the 2011 census was the basis for the calculations. In the years following the census year, the dwelling stock data is updated with data on the net change in the dwelling stock, from annual surveys. The quality indicators are based on the latest census data available.

Compensation of government employees

7. The main data source for salaries in the government sector is the Structure of Earnings Survey. In Poland, this survey is carried out every second year, organised by the Labour Market Department in cooperation with the Bydgoszcz regional office. The survey sample consists of individual employees drawn from a sample of enterprises representing all sectors of the economy, including government. Data is not available for security occupations like e.g. the police. For the years between surveys, salaries are extrapolated by the overall change in remuneration. This figure is based on an annual, national survey of enterprises. Ratios for employers' actual social contributions (D.121) are calculated according to the data provided by National Accounts.

Hospitals

8. For the PPP hospital survey, Statistics Poland's Social Surveys Department cooperates with the National Health Fund (NFZ), which collects data about hospitalisations (e.g. ICD-10 and ICD-9 codes, hospital ward, length of stay) from the actual service providers and



actively contributes to the validation process. The hospital tariffs are determined by another institution, the Health Technology Assessment and Tariffs Agency (HDA), which collects the cost data from a sample of hospitals. These tariffs are applied by the service providers.

Education

9. Spatial volumes and PPPs for education are calculated by Eurostat based on the UNESCO/OECD/Eurostat (UOE) database. The Gdansk regional office, which deals with education statistics, checks the data before approval.

Equipment goods

10. The equipment goods survey is subcontracted to an external expert. The contract covers all aspects of the survey, including preview, pre-survey, price collection and validation. Data is obtained mostly by contacting businesses directly, or from the Internet. Information on installation costs are usually provided by respondents, while transport costs in some cases need to be estimated by the expert based on distance or on average fees charged by courier companies. As concerns discounts, information can sometimes be obtained from respondents, but estimates based on the expert's experience are often the best information available. In Internet shops, discounted prices can sometimes be identified directly. The PPP team coordinates the work, checks the data provided by the expert and upload in to the Validation Tool, and takes active part in the validation process.

Construction

11. The contractor company for the construction survey is the same as for equipment goods, but the expert is not the same. The main data source is a book published by the Economic and Organisational Implementations Construction Centre "SEKOCENBUD", which contains data on the cost of materials, equipment and labour. The data is collected quarterly at both urban and rural locations throughout Poland. However, many item prices cannot be obtained from this source, but instead have to be estimated by the expert on the basis of actual tenders or information from manufacturers or suppliers. The PPP team checks the data against the previous survey before submitting the data to Eurostat, and works with both the expert and Eurostat's contractor during inter-country validation.

VAT on capital goods

12. Statistics Poland confirms that only non-deductible VAT is included.

Expenditure weights

13. The expenditure weights are prepared by various sections of the National Accounts Department. Data for the consumption aggregates (households, NPISH, government) can be easily extracted from NA data. At the 5-digit level, data from the Household Budget Survey is used in order to estimate the weights. For Gross Fixed Capital Formation, detailed weights are estimated by type of asset and the structure of supply and use tables, with some specific adjustments required in order to align with the required PPP expenditure breakdown.



CONCLUSIONS AND SUMMARY OF ACTION POINTS FOR STATISTICS POLAND

Poland complies well with the PPP Regulation. The data is generally of good quality and the resulting PPPs are plausible. Some potential improvement points raised during the discussions are summarised in the table below.

Topic	Action points
1 Organisation	Consider further development of the national dissemination practice for PPP statistics.
2.1 Consumer goods and services	Look into the possibility of acquiring and implementing transaction data, potentially in the context of the PPP grants. Update the SAFs in line with the PPP Regulation and, if possible, follow up on the plan to establish SAFs on an annual basis.
2.2 Housing	None.
3.1 Compensation of government employees	None.
3.2 Hospitals	None.
3.3 Education	None.
4.1 Equipment goods	None.
4.2 Construction	None.
4.3 VAT on capital goods	None.
5. Expenditure weights	None.