



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

COUNTRY: Greece

2023



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 the Hellenic Statistical Authority (ELSTAT) in the "PPP Inventory of sources and methods", version January 2023, as well as on other data and reports prepared in the context of the PPP programme. In addition, information provided during a videoconference on 15 May 2023 is taken into account.

ORGANISATIONAL ISSUES

4. The PPP work in Greece is organised in the Retail Price Indices Section within the Population, Employment, Cost of Living Statistics Division. The section currently has four permanent staff and is responsible for the consumer and housing price indices in addition to PPPs. All staff members are involved in the PPP exercise to varying degrees. There is no full-time national coordinator. With the exception of the two capital goods surveys, which are outsourced, the section organises all surveys and takes care of all PPP questionnaires, partly based on sources from other sections within ELSTAT. See the respective sections below for further details.

There are no dedicated publications on PPPs at national level. Users can find basic metadata and a link to Eurostat on the ELSTAT webpage.

FINDINGS BY PPP SURVEY

Consumer goods and services

5. Important sources of information during the preparatory stages (preview and pre-survey) are company websites and traditional shop visits, depending on the nature of each survey. For the price collection, the list of outlets to be visited is prepared centrally. The starting point is the CPI outlet sample, which is supplemented according to the specific needs of the PPP exercise (availability of prices, market share, location, shop type). Prices are collected in the Greater Athens area only. The spatial adjustment factor is assumed to be equal to one. For some products, like telecommunication services or products with regulated prices, prices are collected centrally at ELSTAT.



Six to ten price collectors, ELSTAT staff, are typically engaged for both the pre-survey and price collection phase. Depending on the needs of each specific survey, up to ten external price collectors may be hired. The PPP coordinator remains in continuous contact with the price collectors during the survey phase in order to deal with any challenges encountered. Prices are entered into the Data Entry Tool by the PPP team and checked for outliers, if necessary involving the price collectors. During the inter-country validation, data is compared with neighbouring and presumptively similar countries, and with the previous survey.

Housing services

6. Greece uses the price approach, but provides data under the quantity approach as well. The main sources for the calculation of actual and imputed rents are the latest rents survey data from the annual Household Budget Survey (HBS) and from the Population and Housing Census. In the HBS, respondents are asked about the rent paid and, in the case of owner-occupiers, the estimated rent for the dwelling. Data on the dwelling stock is taken from National Accounts, based on the latest available census data and subsequent extrapolations.

Compensation of government employees

7. Payroll data covering all levels of government is collected by the PPP team from various ministries and public bodies: the Ministry of Finance, the Ministry of Justice, the Ministry of Citizen Protection, the Fire Service, ELSTAT, and one big hospital in Athens. Since the data sources are not exhaustive, the salary for the most representative salary scale based on the number of employees is used in the PPP questionnaire. Imputed social contributions are taken from National Accounts, but for actual social contributions, data reported by respondents is used because NA can only report aggregated data.

Hospitals

8. Two data sources are used to derive the input data for this survey. The database of the National Organisation for the Provision of Health Services, which contains all claims for reimbursement, and a 2012 study by the Greek National School of Health, which is used to classify the DRGs as clearly medical or surgical. The number of medical cases priced in recent surveys has been rather low, due to difficulties in identifying such cases in the Greek DRG system. ELSTAT works together with the two other institutions throughout the survey, including the validation phase.

Education

9. The education data from the UNESCO-OECD-Eurostat database is provided by Eurostat, but should still be checked by the national coordinators. This is the case in particular if there are gaps in the original data which have been filled by the PPP team based on other years or other countries.

Equipment goods

10. This survey has for many years been outsourced to a commercial company – the same as for the construction survey. A new contractor will be engaged for the 2023 survey. This means that the data will exceptionally be provided with some delay (by 15.09).



The main data sources for equipment goods have been retail and internet shops, importers of heavy equipment and equipment for specific use, and domestic producers. Data is collected from the Internet, by phone and by correspondence. Respondents are asked to provide information on delivery, installation costs and discounts. It is recognised that discounts in particular can be a challenge. The validation process is carried out in cooperation between the PPP team and the contractor.

Construction

11. This survey has for many years been outsourced to the same commercial company as for equipment goods. A new contractor will be engaged for the 2023 survey. This means that the data will exceptionally be provided with some delay (by 15.10).

Prices are collected from providers of construction materials, subcontractors in various fields (e.g. excavation, electrical works, painting etc.), engineering companies, and price lists. Validation is an interactive process between the PPP team and the contractor.

VAT on capital goods

12. Non-deductible VAT on capital goods is calculated from national accounts data.

Expenditure weights

13. The expenditure breakdown to basic heading level is provided by National Accounts Section. For household final consumption expenditure, extensive mapping between the national accounts classification, CPA, COICOP and the basic heading classification enables the national accountants to extract the entire detailed breakdown required for the PPPs. For certain basic headings, notably actual and imputed rents, expenditures can be obtained directly from national accounts. For the consumption expenditure of non-profit institutions serving households and general government, the required breakdown is less detailed and can be obtained directly. Gross fixed capital formation requires detailed mapping between the CPA, the NA classification and the basic headings.



CONCLUSIONS AND SUMMARY OF ACTION POINTS FOR ELSTAT

Greece 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	<p>Ensure that sufficient personnel resources are available for the PPP exercise.</p> <p>Update and revise the inventory document in line with the detailed guidelines.</p> <p>Look into the possibility of establishing a dissemination policy at national level.</p>
2.1 Consumer goods and services	<p>Continue to explore transaction data and other new data sources with a view to implementation in the PPP surveys.</p> <p>Provide evidence for the assumption of SAF=1, based on e.g. CPI data or on a separate survey.</p>
2.2 Housing	None.
3.1 Compensation of government employees	Analyse the discrepancies between data on social contributions from National Accounts and the data reported by respondents.
3.2 Hospitals	None.
3.3 Education	None.
4.1 Equipment goods	Ensure that the data for the 2023 survey is provided as agreed with Eurostat's contractor.
4.2 Construction	Ensure that the data for the 2023 survey is provided as agreed with Eurostat's contractor.
4.3 VAT on capital goods	None.
5. Expenditure weights	None.