



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

**COUNTRY: Sweden**

**2021**



## 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 Sweden in the "PPP Inventory of sources and methods", version 2021, as well as on other data and reports prepared in the context of the PPP programme. In addition, information provided during a videoconference on 28 September 2021 is taken into account.

## ORGANISATIONAL ISSUES

4. The PPP team at Statistics Sweden is part of the Economic Statistics and Analysis Department and the unit Business Statistics, Foreign Trade and Prices. Within the unit, the Consumer Prices Section is responsible for Consumer Price Indices and PPPs. The PPP team consists of one full-time coordinator and three staff members who work partly on PPPs and partly on other tasks within the section. This adds up to two full-time equivalents. Within the Consumer Prices Section, the PPP team interacts with the CPI team to exploit synergies between the two domains.
5. The PPP team cooperates closely with the National Accounts Section, which provides the GDP breakdown, housing data, VAT and tips data, and with the Salaries and Labour Cost Unit, which provides data for the salaries survey. The Data Collection Unit collects data for consumer goods and services and for equipment goods. External parties involved in the PPP exercise include the National Board of Health and Welfare in charge of the hospital survey, and a subcontracted consultant who provides and validates the data for the construction survey.



## **FINDINGS BY PPP SURVEY**

### **Consumer goods and services**

6. The surveys on consumer goods and services are carried out by the PPP team in cooperation with the Data Collection Unit. Preview and presurvey information is gathered mostly through the Internet. For the price collection, the outlet sample is based on turnover data whenever available. Prices are collected by experienced price collectors. For the food, beverages and tobacco survey and certain basic headings in other surveys, transaction data is used. Statistics Sweden is encouraged to further explore and implement new data sources in the consumer goods surveys.

### **Housing services**

7. Data on annual rents, size and number of dwellings are provided by Statistics Sweden's Section of Urban Management and Tourism. These are sample survey data adjusted to bring them in line with the population of dwellings, using data from the property taxation register. The PPP rents questionnaire is filled in by the National Accounts Unit, which undertakes adjustments for water and heating costs in order to comply with the PPP requirements.

### **Compensation of government employees**

8. The salaries data is provided by the Salaries and Labour Cost Unit. The data are average salaries for each occupation according to the national classification based on ISCO-08 and covers all levels of government. Data on social contributions are provided by the National Accounts Unit.

### **Hospitals**

9. The National Board of Health and Welfare is responsible for health statistics in Sweden, and provides data for the hospital survey. DRG weights are estimated at the national level, whereas the administrative prices are set by regional authorities and can thus vary between regions. The price data provided for the hospital survey is a national average. For the time being, Sweden is not able to provide data for the most recent reference year.

### **Education**

10. The survey is carried out by Eurostat based on existing data. Statistics Sweden checks the data and results for plausibility. Since there are no gaps or imputations made in the Swedish data, further checks are not required.

### **Equipment goods**

11. The preview and presurvey are carried out by the PPP team, with businesses' websites being the most important source of information. Price collection is done by the Data Collection Unit in close cooperation with the PPP team. Price data is collected mainly from websites and through phone calls with market actors.



## **Construction**

12. The construction survey is subcontracted. The subcontractor is responsible for the entire survey process, but maintains close contact with the PPP team. The price data is extracted from an administrative database used by construction businesses. The database is updated annually.

## **VAT on capital goods**

13. Statistics Sweden should liaise with the National Accounts Unit to ensure that only non-deductible VAT is included in data entering the calculation of PPPs.

## **Expenditure weights**

14. The expenditure weights are provided by the National Accounts Unit. At the basic heading level, data for Household final consumption expenditure are either extracted directly from NA, or detailed CPI weights are used. Data on the General government sector are taken directly from the NA expenditure breakdown, while for Gross fixed capital formation, the investment matrix from the supply and use tables is used. Civil engineering works are based on a special calculation where investment on buildings and construction in NACE 4 and 7 are considered civil engineering works together with government expenditure on roads and railroads.



## CONCLUSIONS AND SUMMARY OF ACTION POINTS FOR STATISTICS SWEDEN

Sweden complies well with the PPP Regulation. The data are generally of sufficient 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	Ensure that the PPP inventory is up to date as concerns actual practices, examples, references etc.
2.1 Consumer goods and services	Continue efforts to explore and implement new data sources (administrative data, transaction data, webscraping).
2.2 Housing	<p>Liaise with National Accounts to investigate whether secondary residences with the required facilities can be included in the dwelling stock.</p> <p>Consider introducing an adjustment in the rentals (for example based on expenditure shares) in order to account for the fact that materials and services for repair and maintenance are currently included in the rentals.</p> <p>Check if total expenditure as reported in the PPP questionnaire adds up correctly to total expenditure in NA, and investigate any major deviations.</p>
3.1 Compensation of government employees	None.
3.2 Education	None.
3.3 Hospitals	Liaise with the National Board of Health and Welfare in order to find ways to access data for the most recent reference year in time for the closing of the survey (end October).
4.1 Equipment goods	Ensure that delivery costs, installation costs and discounts are dealt with in accordance with the guidelines.
4.2 Construction	None.
4.3 VAT on capital goods	Liaise with National Accounts to ensure that only non-deductible VAT is included.
5 Expenditure weights	None.