

# Comparison of the price effects in 2002 with the changeover in Slovenia

Conference on the Euro Changeover in Slovenia: Experiences and Lessons  
8 June 2007, Brussels

Keith Hayes

Harmonised Indices of Consumer Prices

Eurostat

## Structure of this presentation

- Eurostat's analyses of the 2002 changeover
- Analysis concerning Slovenia in 2006 and 2007
- Conclusions concerning the changeover effects in 2002 and 2007
- Final remarks

## Eurostat's analyses of the 2002 changeover

Four analyses on euro changeover effects were published:  
June 2003, July 2002, May 2002, February 2002.

- Identification of unusual price movements
- Identification of non-euro changeover factors
  - Food crises (foot and mouth disease, mad cow disease, etc.)
  - Weather
  - Oil prices
  - Regulated prices and taxes
- Comparisons with non-euro area countries

## Conclusions following the 2002 changeover

- Overall impact on euro area HICP: *Up to 0.29 percentage points.*
- The effect on total inflation was therefore relatively small
- Main impacts: *Restaurants and cafes, hairdressers, some recreational services, repair services and some food types*

## Analysis concerning Slovenia - 2006 and 2007

- HICP Compliance visit to Slovenia *April 2006*
- Eurostat Information Note *November 2006*
- Analyses published by Statistical Office of Slovenia (SORS) *January/ February 2007*
- Follow-up visit to Slovenia *February 2007*
- Analysis published by Institute of Macroeconomic Analysis and Development *March 2007*
- Eurostat Information Note on euro changeover and inflation in Slovenia *March 2007*

## Conclusions following the 2007 changeover in Slovenia

- Based on the analyses by SORS, Eurostat considered that the likely total *impact of the changeover could reach the order of 0.3 percentage points.*
- Changeover effects, although noticeable, *do not seem to be of such a magnitude as to drive inflation as measured by the all-items HICP.*

Note - The Institute of Macroeconomic Analysis and Development - preliminary conclusion - total effect on the CPI amounted to 0.24 percentage points.

## Comparing the changeovers in 2002 and 2007

- Impact on prices seems very much *in line with the experience of the first-wave changeover.*
- In both cases, overall impact: *Up to 0.3 percentage points*
- Similar lists of products with changeover effects:

Euro area 2002: *Restaurants and cafes, hairdressers, some recreational services, repair services and some food types*

Slovenia 2007: *Restaurants and cafes, personal services, some repair services, transport services and recreational and sports services.*

## Final remarks

- Important to provide estimates of changeover effects
- Necessary to analyse changeovers in cooperation with national statistical institutes and other partners
- More generally, reinforce communications on quality of HICPs, both for euro area and for individual Member States