



EUROPEAN COMMISSION
EUROSTAT

Directorate C: Macro-economic statistics
Unit C-4: Price statistics. Purchasing Power Parities. Housing statistics

HICP Compliance Monitoring

Follow-up report

Italy

August 2018

Date of visit

- June 2013

CM report published

- September 2014

Date of follow-up information

- September 2017

1. Recommendations and the progress made by the NSI

- **Eurostat recommends verifying whether the lowest available price approach for consumer profiles is representative of the consumption of such products as a whole (e.g. for telecommunication services and IT products).**

This recommendation has been followed up for telecommunication services and IT products.

As regards telecommunication services, a new sampling frame has been set up based on survey data since January 2016. This led to the definition of new consumer profiles including data traffic.

As regards IT products, the sample selection has been based on turnover data since January 2017.

- **Central data collection heavily relies on information collected on the internet. Eurostat recommends verifying regularly whether those price observations are good approximations for transaction prices.**

Work on this recommendation is still ongoing. Italy reassured that the majority of prices collected via the internet are those representative for both online purchases and physical shops or reflect actual purchase prices for services that cannot be purchased online. For those products for which prices collected via the internet do not necessarily represent purchases in physical outlets, improvements have been planned as of January 2018 but have not yet been implemented.

- **When new outlets are identified on the internet, the Italian outlet structure (including internet shopping) should be assessed to check if it continues to be correctly represented in the HICP.**

Work on this recommendation is still ongoing. Italy is working on the implementation of scanner data which will imply the adoption of a probabilistic sample for the selection of outlets. The sample will cover the different regions of the entire national territory.

- **Package holidays are observed only from price lists. Eurostat recommends checking regularly if they correctly represent price developments of last minute and advance bookings.**

This recommendation has not yet been followed up. Work on the implementation of a parallel survey of the tour operator websites is planned in 2018-19. This survey is expected to serve for testing the representativity of list prices. This experimental activity depends on the development of web scraping techniques.

- **Further analysis should be carried out in order to assess whether collecting rents for apartments only is sufficiently representative of the whole rentals market.**

This recommendation has not yet been followed up. Work on the development of an experimental index based on administrative data is planned to start in 2018 with a view to implement a new sample including more types of contracts and dwellings in 2019.

- **ISTAT should continue investigating an appropriate approach to estimate weights and collect transaction prices for used cars.**

This recommendation has been followed up. In the course of the implementation of ECOICOP level 5 classifications in 2016, a new sub-index for used cars was introduced together with relevant expenditure weights.

However, prices for used cars are published expert estimates instead of transaction prices. Eurostat recommends that ISTAT checks if developments in the estimates correctly reflect actual price changes.

- **ISTAT should continue to observe bundled products and include them in the HICP if they become representative.**

This recommendation has been followed up. In the course of the implementation of ECOICOP level 5 classifications in 2016, a new sub-index for bundled telecommunication services was introduced together with relevant expenditure weights.

- **Eurostat recommends including the full amount of fees for services extending over several months in the HICP in the month when the service can commence. This concerns in particular kindergartens.**

This recommendation has been erased.

2. Additional measures to improve the quality of the Italian HICP

- **Scanner data**

Italy is conducting research on the implementation of scanner data in the HICP. This is expected to lead to the adoption of probabilistic sample selection for outlets and a dynamic approach for the selection of representative items as well as to changes in the index calculation method.

3. Conclusion

Italy has made good progress on the implementation of measures increasing the relevance and reliability of the Italian HICP. Eurostat encourages Italy to follow this path and implement further measures in the near future.