HICP Compliance Monitoring

Follow-up report

Poland

October 2018

Date of visit

- November 2015

CM report published

- June 2016

Date of follow-up information

- August 2018

1. Recommendations and the progress made by the NSI

- **The sub-index for public health insurance shall be supressed and the assigned expenditure weight shall be redistributed to other sub-indices as appropriate.**

This recommendation has been followed up. Since 2017, public health insurance has been excluded from index calculation. For the years 2014-2016, revisions have been carried out in cooperation with Eurostat.

- **For telecommunication services the possibility of moving to the consumer profiles method should be investigated.**

This recommendation has partially been followed up. Poland has been carrying out intensive work on improving the representativity of the sample for telecommunications and implemented a new internal weighting system as of January 2018. However, relevant data for the definition of consumer profiles could not yet be obtained. Furthermore, the Polish telecommunications market was found stable. While the current method may be justified by the market characteristics, Eurostat encourages Poland to continue with the investigation and possibly move to the consumer profiles method in near future.

- **For the representative products relating to insurance services connected to the dwelling the CSO should verify that they are of the kind typically taken out by tenants.**

This recommendation has not yet been followed up. Analytical work on the list of observed products started in 2018.

- **The CSO should investigate whether it is possible in the calculation of elementary aggregates to use true market shares as weights when aggregating prices collected from internet with prices collected in physical outlets.**

This recommendation has been followed up. Since 2017, internet purchases have been included in the index using expenditure weights based on Household Budget Survey data.

- **It should be checked at regular intervals that developments of the list prices and internet offer prices for used cars correctly reflect the development of actual transaction prices.**

This recommendation has not been followed up due to unavailability of data on actual transaction prices. Eurostat welcomes the plans of Poland to carry out further research to obtain actual transaction prices.

- **Prices for airfares are collected 5-7 weeks in advance for a flight taking place at the last Saturday in the reference month. Fixing the travelling date for flights to one specific day for all months implies that airfares are not regarded as volatile within the month. This should be verified periodically.**

This recommendation has not yet been followed up. Work on the improvement of the sample is on-going. In 2018, the sample was extended to cover also intercontinental flights. Further analysis is being carried out to assess the validity of current assumptions regarding representative items.

- **While acknowledging the efforts of the CSO to increase the number of transmitted decimals, Eurostat reiterates its recommendation that when compiling data, rounding should not take place during the compilation process but at the end of the process.**

Work on this recommendation is still on-going. Poland is developing new software which will carry out the calculation at all stages without rounding.

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

Poland is currently carrying out research on the implementation of scanner data and working on re-engineering the whole production system including collection and validation of primary price data. The new system will allow combining data from various sources, including scanner data.

3. Conclusion

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