



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

**COUNTRY: Slovenia**

**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 Statistical Office of the Republic of Slovenia (SURS) 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 23 October 2023 is taken into account.

## ORGANISATIONAL ISSUES

4. The PPP team at SURS consists of three full-time staff members supervised by the national coordinator, who is also head of the Price Statistics Section. They carry out the surveys on consumer goods and services, equipment goods, compensation of government employees and hospital services. In addition to PPPs, the Price Statistics Section is in charge of consumer price indices, price indices of manufacturing and services, and of real estate. Detailed expenditure weights and data on dwellings, non-deductible VAT and tips is provided by the National Accounts Section. Both Price Statistics and National Accounts are part of the Macroeconomic Statistics Division. The only PPP survey which is outsourced is the construction survey.

As concerns dissemination, SURS follows up on Eurostat's releases with a dedicated news release each June and December.

## FINDINGS BY PPP SURVEY

### Consumer goods and services

5. All phases of the surveys (preview, pre-survey, price collection, validation) are carried out by the PPP team without assistance from price collectors. Their opinion is that this can be an advantage, since the team is in full control of the entire process. Various data sources are used both during the preparatory stages and in the price collection phase. This includes scanner data (mainly in the food survey), traditional shop visits, information from the Internet, statistical sources (mainly CPI) and administrative sources (mainly motor vehicles and pharmaceuticals). Outlets are selected on the basis of the sample from the previous survey, supplemented with information from the CPI sample and from Short-term Business Statistics.



Prices are collected only in the capital region. The assumption of homogeneous prices throughout the country was tested in 2019, using regional CPI data. The spatial differences were found to be small at the level of the 12 ECOICOP categories. Differences could be bigger at basic heading level, but not necessarily significant due to different samples and sample sizes in the various regions.

The temporal adjustment factors for health are based on net prices from the CPI/HICP, but should ideally reflect gross (“global”) prices.

### **Housing services**

6. Slovenia uses the user cost approach in national accounts and the quantity approach for the calculation of PPPs. The rents questionnaire is filled in by the National Accounts Section, and the data is consistent with the data underlying the expenditures reported in the GDP expenditure breakdown. The basic data source for quantity and quality indicators is the 2018 register-based census, which uses data from the Real Estate Register kept by the Surveying and Mapping Authority, and the Central Population Register kept by the Ministry of the Interior. For subsequent years, updates of the dwelling stock is made on the basis of the annual construction survey and monthly surveys on building and demolition permits.

### **Compensation of government employees**

7. SURS receives data on individual salaries for the majority of public sector employees on a monthly basis, primarily for the needs of labour statistics. The source of these data is the Agency for Public Legal Records and Related Services (AJPES), to which public sector entities report data on salaries. The Labour Statistics Section provides the salary data on the occupations needed for the PPP questionnaire, while further processing is carried out by the PPP team. Social contributions are taken from national accounts.

### **Hospitals**

8. Data on the number and type of cases is provided by the National Institute of Public Health and quasi-prices by the Health Insurance Institute of Slovenia, a public non-profit institution. The data provided are raw data at patient level, with further processing carried out by the PPP team, including the calculation of quasi-prices per case type. Validation questions need to be addressed to the data providers, with whom the PPP team maintains good relations.

### **Education**

9. Data from the UNESCO-OECD-Eurostat education database is provided to the countries by Eurostat for checking, which is especially important if there are gaps in the database and Eurostat’s PPP team has made imputations. In Slovenia, the results are verified and an opinion on their correctness is communicated to Eurostat.

### **Equipment goods**

10. The survey is carried out by the PPP team. In the preview and pre-survey stages, the most useful source of information is the Internet, which is used to identify suppliers and to check product availability and technical parameters. More traditional sources are also used. During price collection, traditional methods are more prominent, with price data and



other information gathered mostly by email in addition to the Internet. Unless specified by the respondent, delivery costs are estimated based on standard rates from the Post. Data on discounts can be difficult to come by, but attempts are always made to negotiate a hypothetical average discount with the respondents.

### **Construction**

11. The construction survey is outsourced to a commercial company. The core business of this company is to maintain a database on the average price for various construction materials, services and indirect costs. Additional data sources for the PPP construction survey are data collected from construction companies, and expert estimates. The PPP team works closely with the contractor throughout all phases of the survey.

### **VAT on capital goods**

12. Non-deductible VAT is calculated by the National Accounts Section.

### **Expenditure weights**

13. The expenditure weights are prepared by the National Accounts Section. If expenditures at basic heading level cannot be extracted directly from national accounts data, data from the Household Budget Survey (HBS) is used in most cases. For Non-profit Institutions Serving Households and for General Government, there is no need for data below the 4-digit level. The basic heading weights for Gross Fixed Capital Formation are estimated using supply-use tables.



## CONCLUSIONS AND SUMMARY OF ACTION POINTS FOR SURS

Slovenia 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	Look into ways to improve the visibility of PPP statistics at national level.
2.1 Consumer goods and services	Continue effort to acquire and implement transaction data in the PPP surveys. Ensure that temporal adjustment factors for health reflect gross (global) prices rather than net prices.
2.2 Housing	None.
3.1 Compensation of government employees	None.
3.2 Hospitals	None.
3.3 Education	None.
4.1 Equipment goods	None.
4.2 Construction	None.
4.3 VAT on capital goods	None.
5. Expenditure weights	None.