



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

COUNTRY: ESTONIA

2012



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 Estonia (SE) in the "PPP Inventory of sources and methods" (version from January 2012), as well as on other data and reports prepared by Statistics Estonia in the context of the PPP program. In addition, the information provided during a visit to Statistics Estonia on 16 October 2012 is taken into account.

ORGANISATIONAL ISSUES

4. There is no formal PPP unit established in Statistics Estonia. It is a responsibility of the Price and Wages Statistics Department (PWSD) to organise and coordinate the national PPP exercise. The Department itself is one of the five production departments within SE and is reporting directly to the Director General.
5. PWSD is responsible for the execution of the consumer price surveys and data on compensation of government employees while data on housing and GDP expenditure weights, VAT and tips are provided by National Accounts department. The members of SE show a good understanding of the specific PPP requirements.
6. The Equipment Goods survey is managed directly by the PWSD of SE but the Construction price survey is sub-contracted to construction experts. PWSD is responsible for the contacts with the subcontractors, checking, analysis and transmission of the data, as well as for the verification of the aggregated results and data quality.
7. Due to rather limited human resources no detailed results of the PPP exercise are published in any statistical publication. It is recommended to explore the possibilities of publication of relevant data.

FINDINGS BY PPP SURVEY

8. The organisation and conduction of the surveys follows the methodological rules and ensures provision of basic information for the production of reliable PPPs within this area. However, it is necessary to provide complete and up-to-date information on each step of the process in the PPP Inventory.



Compensation of government employees

9. Statistics Estonia should investigate whether the actual and imputed social contributions are in line with the NA data.

CONCLUSIONS AND SUMMARY OF ACTION POINTS FOR STATISTICS ESTONIA

10. Estonia complies with the PPP Regulation in terms of completeness and timeliness of data transmission. Regarding the quality of data, a full assessment depends on the availability of complete and up-to-date information in the Inventory. Nevertheless, a number of improvement points have been raised which are summarized in the table below.



Area	Action points
<i>Organisation</i>	(1) Provide complete and up-to-date information in the Inventory
<i>Consumer goods and services</i>	None
<i>Housing services</i>	None
<i>Compensation of government employees</i>	(2) Investigate whether the actual and imputed social contributions are in line with NA
<i>Education</i>	None
<i>Gross fixed capital formation</i>	None
<i>Final expenditure on GDP</i>	None