Session 2 – The role of Eurostat and the role of the National Statistical Institutes (NSIs)

Workshop at the joint UNECE / ILO meeting of consumer prices experts, Geneva, 10 May 2010

Eurostat G6 – Price Statistics
Session 2

Statistical production

Dissemination – flash estimate and full dataset

Development of harmonized standards

Compliance Monitoring

Financial support within EU
Statistical production

National Statistical Institutes (NSIs)
- key players in HICP production
- produce own national CPI as well as HICP

Eurostat
- verifies the national data and aggregates it to produce Euro area and EU level data

HICP is the one that is useful for comparison
Dissemination – flash and full dataset

- Full HICPs. The full set of HICPs is published each month according to a pre-announced schedule — in general between 14 and 16 days after the end of the month in question.

- Data. The HICP data which are released each month cover the price indices themselves, annual average price indices and rates of change, monthly and annual rates of change, and 12 month moving rates of change. None of these are seasonally adjusted.

- Full range of around 100 COICOP/HICP indices for different goods and services are made available.

- HICP flash estimate of the euro area. No detailed breakdown is available. The flash estimate is generally released on the last working day of the month in question.
Dissemination – flash and full dataset (continued)

<table>
<thead>
<tr>
<th>Harmonized Indices of Consumer Prices (HICP)</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Monthly data:</td>
</tr>
<tr>
<td></td>
<td>• Index</td>
</tr>
<tr>
<td>Data</td>
<td>• annual rate of change</td>
</tr>
<tr>
<td>Main tables</td>
<td>• monthly rate of change</td>
</tr>
<tr>
<td>Database</td>
<td>• 12-month average rate of change</td>
</tr>
<tr>
<td>Methodology</td>
<td>Annual data:</td>
</tr>
<tr>
<td>Compendium</td>
<td>• average index and rate of change</td>
</tr>
<tr>
<td>Metadata and national practices</td>
<td>Weights:</td>
</tr>
<tr>
<td>Compliance monitoring</td>
<td>• Country weights</td>
</tr>
<tr>
<td>Owner-occupied housing</td>
<td>• Item weights</td>
</tr>
<tr>
<td>HICP at constant tax rates</td>
<td></td>
</tr>
<tr>
<td>HICP - administered prices</td>
<td></td>
</tr>
<tr>
<td>Working group</td>
<td></td>
</tr>
<tr>
<td>Prices data for Market Monitoring</td>
<td></td>
</tr>
<tr>
<td>Legislation</td>
<td></td>
</tr>
<tr>
<td>Publications</td>
<td></td>
</tr>
<tr>
<td>News releases</td>
<td></td>
</tr>
<tr>
<td>Data in focus</td>
<td></td>
</tr>
<tr>
<td>Statistics in focus</td>
<td></td>
</tr>
<tr>
<td>Technical and thematic news releases</td>
<td></td>
</tr>
</tbody>
</table>

The full set of HICP data is available in the free on-line database (Prices/Harmonized Indices of Consumer Prices). You can customize your data extractions using the interfaces provided. HICP was rebased to 2005=100. More details on the practical implications of the rebasing can be found in the News Release 146/2005 of 16 November 2005. Available data (2005=100):

Monthly data:
- Index
- annual rate of change
- monthly rate of change
- 12-month average rate of change

Annual data:
- average index and rate of change

Weights:
- Country weights
- Item weights

Weights are revised yearly and released with the January data. Country weights for the current year can also be found in the Annex to the January inflation News release, published in February each year. Over 30 special aggregates have been created for economic analysis. These include, for example indices for goods, services, energy, or excluding some components as energy and unprocessed food. Special aggregates are revised according to the underlying classification’s revision and the set aggregates were compiled to meet specific policies needs. Their definitions can be found in Eurostat’s classifications server.
Dissemination – flash and full dataset (continued)
Development of harmonized standards

- The “HICP Framework Regulation” of 1995 required that HICPs be produced and published, use a common reference base, provide common coverage of consumer goods and services, and share a common classification.

- Accuracy, reliability and comparability key to the HICPs.

- Output focused, minimum standards approach.

- Improvements are prioritised and introduced step by step.
Development of harmonized standards – some key issues

**Coverage issues**
- Goods and services coverage
- Geographic and population coverage

**Computation issues and price sampling**
- Weights for the HICP sub-indices
- Index formulae
- Elementary aggregate indices
- Computation of country aggregates
- Sampling of prices
- Price collection and treatment of price observations
To reiterate: accuracy, reliability and comparability of HICPs is crucial.

Hence, Eurostat operates a system of compliance monitoring to ensure adherence to the legal framework.

This includes compliance assessments on the basis of questionnaires and visits by Eurostat officials to the EU national statistical institutes to study HICP work in detail.

Compliance monitoring is crucial in promoting confidence in HICP.

Recommendations are published and followed up by Eurostat.
HICP COMPLIANCE MONITORING

INFORMATION NOTE
ON THE HARMONIZED INDICES OF CONSUMER PRICES
FOR IRELAND

March 2010

In the context of compliance monitoring and quality assurance, Eurostat reviewed the HICP for Ireland in early 2009. The statistical practices used to compile the HICP for Ireland have been reviewed against HICP methodology and other guidelines and good practices in the field of consumer price indices.

This report takes account of publicly available information on the CPI and HICP for Ireland and additional information collected by Eurostat prior to, during and following a mission to Ireland – the Central Statistics Office (CSO) – held on 13 March 2009.
Financial Support within the EU

- Implementing measures are costly

- Council Regulation allows for two thirds of additional costs to Member States for implementation of new actions

- Budget for this is about 1M€ per annum
Thank you for your attention