Harmonised Indices of Consumer Prices (HICPs) – viewpoint of a National Statistical Institute

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CPI (Consumer Prices Index) is an historical statistical indicator at national and municipality level

The first indices in Italy refer to 1861 (unification of the nation Italy)

1927 constitution of ISTAT (Central Statistical Institute) : methodology and practice common for the different cities

HICP Harmonised Index of Consumer Prices starts in January 1997 with base year 1996

Actually the base year of Hicp is 2005

HICP enters into a well established context
The main actual differences between CPI and HICP (both at the national level) concern:

- Treatment of the prices reductions
- Coverage
- Weights

The common characteristics

- Monthly survey
- Basket of goods and services
- Methodology of calculation
- Territorial base
- Classification
The process of implementing HICP, performed from 1996 to 2010, is a very important contribution to improve the quality and the robustness of both HICP and CPI.

The continuous process of harmonization of the different national HICPs adds value to the CPI and allows technical and methodological improvements.
The discussions and the brainstorming at the European level allow the national official statisticians to improve the knowledge and the experience on indices of consumer prices.

Some of the fields in which cooperation between official statisticians is recommended.

1. Best practices
2. Advanced methodologies
3. Techniques of survey
4. Statistical experiences
5. Sampling theory
6. Data dissemination policies
7. Classification matters
Periodical meetings related to the harmonization of the Consumer Prices Indices are very fruitful.

The legal matters are also very important: the regulations concerning the system of consumer prices statistics are instruments and opportunities for the different countries of European Union.

The discussions and the negotiations to arrive to define a new regulation concerning some aspects of the HICP are significant passages to increase the quality of the produced statistics concerning prices.
Examples of **new regulations** on HICP

1. Treatment of seasonal products
2. Quality adjustment

Examples of **synergies**:

- CENEX  Centre of the excellence  
  Manual on the application of quality adjustment methods for harmonized consumer prices statistics
- Constant tax HICP
- Weights, calculations
The diffusion of data concerning inflation is always and everywhere under the attention of the public opinion, public bodies, private organizations, media.

Generally a lot of persons want (or have) to say something about inflation. For National Statistical Institutes is a hard job to disseminate data and to inform correctly the users about their message.
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To have an international environment where to implement the system of consumer prices statistics is an **advantage** for a National Statistical Institute.

The public opinion will **accept better** the official measurements of inflation if the general rules, the methodology, the practice used by INS are those established also at the international level.

**International standards and recommendations** play an important role for the success of official statistics.
This is one reason why Italy is moving to a system of Consumer Prices Indices where the HICP will have the predominant role.

A system composed by one survey and different indicators:

- HICP
- CPI
- HICP/CT
- Consumer prices indices for particular sub-populations (pensioners, students etc.)