

**Meeting of the Group of Experts on Consumer Price Indices  
Geneva 26-28 May 2014, UNECE**

**Workshop 7**

**Seasonal products**

**Report to the plenary session**

**Palais des Nations, Geneva - Meeting Room: XXVI**

**27 May, 09:40 – 11:00**

**Organiser: Federico Polidoro, National Institute of Statistics of Italy**

<b>Introduction and adoption of the agenda</b>	14:30 – 14:35
<b>Tour de table</b>	14:35 – 14:50
<b>The treatment of products seasonality in inflation estimate</b>	
<b>Introduction</b> <i>Federico Polidoro (Istat, Italy)</i>	14:50 – 15:00
<b>Key issues concerning the treatment of seasonal products to calculate inflation from the point of view of central banks</b> <i>Mustafa Utku Ozmen (Central Bank of the Republic of Turkey)</i>	15:00 – 15:20
Discussion	15:20 – 15:30
<b>Coffee break</b>	15:30 – 15:50
<b>The issues emerging from the implementation of the European Regulation 330/2009</b>	
<ul style="list-style-type: none"> <li>• <b>Recompiling 2010 data and the measure of impact of Regulation 330/2009 on Italian HICP</b></li> <li>• <b>What is the “typical price observed” to estimate the price of first out of season month</b></li> </ul>	15:50 – 16:10
<i>Federico Polidoro (Istat, Italy)</i>	
<b>The Hungarian experience in implementing European Regulation about seasonal products</b> <i>Borbála Mináry (Hungarian Central Statistical Office)</i>	16:10 – 16:25
Discussion	16:25 – 16:45
<b>Some issues concerning the treatment of weakly seasonal products</b> <i>W.E. Diewert (University of British Columbia, Canada)</i>	16:45 – 17:00
<b>Conclusion for the plenary session</b>	17:00 – 17:30
Discussion	
Preliminary conclusions ( <i>Federico Polidoro, Istat, Italy</i> )	

## Workshop on seasonal product: report to the plenary session

The big amount of dimensions of the seasonality of the commodities for which consumer prices are monitored

- Natural and conventional seasonality
- Strong versus weak seasonality
- Unpredictable versus regular seasonality
- Depending on the consumer demand or on the supply structure
- Seasonality due to mobile calendar effects (i.e. Easter, Ramadan)
- and so on.....

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- ✓ As far as the dimensions of seasonality are so many, it is not recommended to find one solution (for the different kinds of indices to be used, for the smoothing techniques to be adopted, for the functional form of the indices to be compiled, for the methodology to be used to estimate the unavailable prices in the case of annual basket indices, etc.) to the issue of treating seasonality of products for the aim of estimating inflation
- ✓ A case by case approach ?
- ✓ Anyway some general criteria have to be taken into account

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Which criteria have to be taken into account ?

- Seasonal patterns also in the very short term period have not to be jeopardized (it is important that raw data enter the headline inflation) but users have to be allowed interpret the inflation data and understand the trend movements behind the short term ones
- To help users, general headline inflation has to be accompanied by “analytic series” as year over year monthly index or rolling year annual indices or seasonally adjusted data (seasonal adjustment works better if the starting data are actually raw and not only partially) or by other measures that allow focus the attention not to the short term jumps but to the tendency (some proposals and tests about it will be discussed in some papers of the plenary session; Diewert, Mustafa Utku Ozmen)

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Open issues to be discussed in a case by case approach

- the estimation of the first unavailable price when a product is out of season (some preliminary analysis have been presented by Istat, with particular reference to the typical price suggested by the European Regulation)
- The changes that could be brought by the use of scanner data
- Focusing the attention on weakly seasonal commodities that present very strong fluctuations that, in some cases, affect the headline inflation more than the strongly seasonal commodities
- Updating ILO Manual on the solid basis of chapter 22

## **Workshop on seasonal product: report to the plenary session**

**Thank you for the attention**