

Standard-documentation Meta information

(Definitions, comments, methods, quality)

on

Consumer Price Index and Harmonised Index of Consumer Prices

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Executive Summary

The Consumer Price Statistics - national Consumer Price Index CPI and Harmonised Consumer Price Index HICP - represent important indicators for political decisions about currency and economy. Their purpose is a continuous observation of price developments of consumption expenditures of private households. It is a national and international standard for inflation rates measurement.

While the national CPI is used as a measure of national inflation (for salary negotiations) and for indexation in contracts, the HICP is used for international comparison and economic and monetary decisions of the European Central bank (ECB) and the European Commission.

The calculation of the CPI is based on a long tradition in governmental statistics. Price statistics are produced as far back as World War I. Time series that are comparable to the modern index are calculated since 1958. The HICP, which is published parallel to the national CPI since 1997, and is based on the same price data as the CPI, is used for international comparison of inflation rates in 28 member states.

The HICP is calculated as chain index since the year 2000. The national CPI was adjusted to a Laspeyres chain index with the beginning of the year 2011. Both indices were rebased to 2015=100 in January 2016. Laspeyres chain indices allow for a revision of the basket of goods and services every year. In this way it is possible to react to changes in consumer behaviour within a short time span. The results of the indices are chained from year to year, hence the name "chain index".

CPI and HICP use the same price data, but have slightly different baskets of goods and services and different weighting schemes.

Extensive revisions of the basket and weighting are done every five years after the latest results of the Household Budget Survey are available. In between the revisions, smaller changes of the basket and weighting are done regularly to be up-to-date with changing consumption patterns or different market situations.

Price data is collected monthly in cooperation with the local government in 20 selected cities all over Austria. In addition to that, Statistik Austria staff collects price data as well. In total, about 42.600 prices for 770 index numbers are collected in 3.600 stores per month.

The weighting for the base years is based on the Household Budget Survey and the private consumption from the National Accounts. For COICOP divisions, classes and sub-classes National Accounts data is used. Below that COICOP level the HBS is used. The weighting data is supplemented by other data sources like studies, market analyses, and company data.

Special attention is paid to quality adjustments. If the product of the previous month is no longer available, a successor must enter the price collection. The successor can have a different quality than the previous product. Internationally accepted methods are used to compensate the quality change so that only the price change enters the index.

Publication of results is done monthly. The first publication of a month is a preliminary value, followed by a final index in the next month. Users have access to results via the "Wertsicherungsrechner" which represents an interactive tool to find out about inflation rates between two points in time.

Consumer Price Index – Main Features	
Subject Matter	Measuring of price developments of goods and services bought by private households
Population	Monetary transactions of private households by resident principle (CPI) und domestic principle (HICP)
Type of statistics	Price Index
Data sources/Survey techniques	<u>Price data</u> : primary statistical price collection in 20 regions and additional centrally organised price collection <u>Data for weights</u> : Results of Household Budget Survey and Private Consumption of National Accounts as well as other data sources
Reference period or due day	Monthly; Price collection during the first and third week (for energy, fruits and vegetables) of the month
Periodicity	Monthly (Annual average: annually)
Survey participation (in case of a survey)	Mandatory according to Article 3 of EU Regulation No. 2016/792
Main legal acts	Consumer Price Index (CPI): Ministry of Economy and Labour. Regulation: BGBl. II Nr. 351/2003 . Adaptions: BGBl. II Nr. 59/2006 ; BGBl. II Nr. 259/2007 ; BGBl. II Nr. 468/2010 and BGBl. II Nr. 457/2015 Harmonised Consumer Price Index (HICP): VO (EU) Nr. 2016/792 Regulation of 11. May 2016 about Harmonised Consumer Price Indices.
Most detailed regional breakdown	Federal State
Availability of results	preliminary data: t + 15 final data: t + 45 The final CPI is not subject to revisions. Revisions of HICP if changes over 0.1%-points of the des total index occur.
Other	HICP: includes expenditures of tourists in Austria (domestic concept), excludes expenditures of owner-occupied housing; insurances are calculated by the net principle (weighting is calculated as sum of insurance premiums minus payments of insurances to private households) CPI: excludes tourists (resident principle); insurances weighting includes payments of insurances to private households (sum of insurance premiums).