

Standard-documentation Meta information

(Definitions, comments, methods, quality)

on

Import Price Index

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Executive Summary

The Import Price Index was for the first time published in 2006 and since then it is a fixed component of the statistical programme of Statistics Austria. The purpose of the Import Price Index is to measure the price development of imported goods or, in other words, it measures inflation imported from foreign markets. It is an essential addition to the other domestic price indices like Industrial Producer Price Index, Output Price Index for Business Services, Index of Wholesale Prices, Price index on Producer Durables and Consumer Price Indices. The Import Price Index is an important indicator for monitoring the economic situation in Austria and in the European Union. In addition, it is used to deflate the external balance of goods and services in Austrian National Accounts.

The Import Price Index is calculated in two versions: a) monthly for European requirements and b) quarterly for national needs. The monthly calculation comprises in Austria 9 selected CPA 4-digits, based on a small sample. These 9 subindices are reported monthly to Eurostat for a European sample. They are restricted to imports from outside of the Eurozone. The monthly calculations are not published nationally and would not meet the requirements of National Accounts and other national users. An extended version of the Import Price Index that comprises all CPA 3-digits of the CPA Sections A to D is calculated quarterly to meet national needs, based on [Federal Law Gazette \(BGBl.\) II No. 464/2006 as amended by Federal Law Gazette II No. 276/2009](#). It covers products of agriculture, forestry and fishing, mining and quarrying, manufactured products and electricity, gas, steam and air conditioning. The quarterly calculated indices are available for imports from the Eurozone, from outside the Eurozone and altogether. Preliminary results are published respectively 45 days after the end of the reporting period. The extended Import Price Index is published quarterly, the current reference year is the average 2007=100.

The Import Price Index is calculated as a Laspeyres chain index. Laspeyres method means that the current prices of a pre-defined range of goods ("basket of goods") are compared to those of the base period (price in base year = 100), with the weighting remaining constant. The results of the indices are chained from year to year, hence it is called "chain index". The Laspeyres chain index allows to revise the basket of goods every year. Products with increasing market share can be integrated into the basket of goods within a short time span which leads to more representative results. To calculate the Import Price Index with the Fisher-formula (geometric mean of Laspeyres- and Paasche-Index) would be applicable as well, but it needed a lot more time and effort. Therefore - and because of the higher costs - it is not done in practice.

The calculation of Laspeyres-indices is based on prices and weighting. Database is a survey where about 1 400 domestic enterprises report quarterly about 4 500 import prices of the enquired CN 8-digits ("groups of products"). Overall there are about 1 000 CN 8-digits in the sample. This cut-off method ensures a sufficient covering with a minimal response burden. In accordance with EU Regulation No. 1158/2005 on short term statistics, the price measurement relates to the import price "cif price", i.e. cost, insurance and freight price. The computation takes account of the pure price changes only; changes in quality are eliminated (quality adjustment).

Database for the weighting is the import volume from the Austrian foreign trade statistics. The weighting is adapted every year; that allows to react quickly to changes in the structure of imports.

Import Price Index – Main Features	
Subject Matter	Measuring the average price developments for (physical) goods, including electricity, imported from the Eurozone and the rest of the world
Population	Total imports of goods
Type of statistics	Price index
Data sources/Survey techniques	<u>Price data</u> : survey of about 4 500 single prices, representing 1 000 CN 8-digits, at about 1 400 importing enterprises <u>Data for weighting</u> : Total import volume based on Austrian foreign trade statistics
Reference period or due day	Extended import price index: 15. of the second month in a quarter European sample: 15. of every month
Periodicity	Extended import price index: quarterly European sample: monthly
Survey participation (in case of a survey)	Mandatory
Main legal acts	International: EU Regulation No. 1158/2005 and No. 1165/98 on short term statistics National: Regulation of the Federal Minister for Labour and Economic Affairs and the Federal Minister of Finance on the compilation of indices of the price development of imports (Federal Law Gazette (BGBl.) II No. 464/2006 as amended by Federal Law Gazette II No. 276/2009)
Most detailed regional breakdown	Eurozone, rest of the world
Availability of results	Preliminary data: t + 45 Final data: t + 135
Other	-