

HARMONISED INDEX OF CONSUMER PRICES (HICP) 2018

NATIONAL REFERENCE METADATA IN SINGLE INTEGRATED METADATA STRUCTURE (SIMS)

CONCEPT 1 – CONTACT

Sub-Concept 1.1: Contact organisation

National Statistics Office (NSO)

Sub-Concept 1.2: Contact organisation unit

Price Statistics Unit

Sub-Concept 1.3: Contact name

Denise Magrin

Sub-Concept 1.4: Contact person function

Head of Unit

Sub-Concept 1.5: Contact mail address

National Statistics Office (NSO),
Lascaris, Valletta VLT 2000, Malta.

Sub-Concept 1.6: Contact e-mail address

denise.magrin@gov.mt

Sub-Concept 1.7: Contact phone number

+356 2599 7312

CONCEPT 2 – METADATA UPDATE

Sub-Concept 2.1: Metadata last certified

18th November 2019

Sub-Concept 2.2: Metadata last posted

25th September 2020

Sub-Concept 2.3: Metadata last update

25th September 2020

CONCEPT 3 – STATISTICAL PRESENTATION

Sub-Concept 3.1: Data description

The Harmonised Index of Consumer Prices (HICP) is a Consumer Price Index (CPI) that is calculated according to a common approach. It measures the change over time of the prices of consumer goods and services acquired by households. Due to the common methodology, the HICPs of the countries and European aggregates can be directly compared.

Sub-Concept 3.2: Classification system

The classification used is COICOP/HICP (Classification of Individual Consumption by Purpose adapted to the needs of Harmonised Indices of Consumer Prices). This classification can be accessed through the following link:

http://ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&StrNom=HICP_2000&StrLanguageCode=EN&IntPcKey=37591913&StrLayoutCode=EN.

Sub-Concept 3.3: Sector coverage

The HICP cover the whole household sector, more precisely the goods and services that are acquired by households, while also considering tourism expenditure.

Sub-Concept 3.4: Statistical concepts and definitions

The HICP measure price changes in a basket of goods and services typically consumed in Malta and Gozo and is calculated according to a harmonised approach and a single set of definitions. The HICP is a Laspeyres type formula.

1. Monthly data: Indices (HICP: 2015=100, HICP: 2005=100, HICP: 1996=100, HICP at constant taxes: 2015=100, HICP at constant taxes: 2005=100), Annual rates of change, Monthly rates of change, 12-month average rate of change.
2. Annual data: Average index and rate of change, Country weights, Item weights.

Sub-Concept 3.5: Statistical unit

The basic units of statistical observation are prices for consumer products. Each published index or rate of change refers to the 'Final monetary consumption expenditure' of the whole Maltese household sector.

Sub-Concept 3.6: Statistical population

The target statistical universe is the 'household final monetary consumption expenditure' (HFMCE) on the economic territory of the country by both resident and non-resident households. The household sector to which the definition refers, includes all individuals or groups of individuals irrespective of the type of area in which they live, their position in the income distribution and their nationality or residence status. These definitions follow the national accounts concepts in the European System of Accounts.

Sub-Concept 3.7: Reference area

The Maltese HICP reflect the entire area of Malta and Gozo, and price collection is carried out in several localities.

Sub-Concept 3.8: Time coverage

The HICP for Malta is available from 1996 onwards.

Sub-Concept 3.9: Base period

The index reference period is 2015=100.

CONCEPT 4 – UNIT OF MEASURE

The following units are used:

- Index (which is technically unit-less). This is defined as the ratio of the price of the basket in a given year to its price in the base year expressed in percentage form. However, the HICP can be thought of as the amount the average consumer would have to spend in a given year to buy the same basic goods and services that would cost 100 monetary units in the base period;
- Percentage change on the same period of the previous year (annual rate);
- Percentage change on the previous period (monthly rate);

Percentage share of the total (weights).

CONCEPT 5 – REFERENCE PERIOD

The HICP are a monthly statistic. The respective timings of price readings of individual products (goods and services) refer to days that are spread at least across one working week at, or around, the middle of the month. In case of volatile prices within a month, more than one week must be covered. Some services require that price collection is carried out in advance, in which case the price collection schedule should reflect consumer behaviour.

CONCEPT 6 – INSTITUTIONAL MANDATE

Sub-Concept 6.1: Legal acts and other agreements

The Malta Statistics Authority (MSA) Act empowers the NSO to collect, compile, extract and release official statistics related to demographic, social, environment, economic and general activities and conditions of Malta.

Harmonised Indices of Consumer Prices (HICPs) are harmonised inflation figures required under the Treaty of the Functioning of the European Union. Council Regulation (EC) No 2494/95 of 23 October 1995 (OJ L 257/1) sets the legal basis for establishing a harmonised methodology for the compilation of the HICPs, the Monetary Union Index of Consumer Prices (MUICP) and European Index of Consumer Prices (EICP). Under this Regulation, the Commission has brought forward detailed Regulations establishing the specific rules governing the production of harmonised indices. This regulation has been repealed by regulation No 792/2016.

Sub-Concept 6.2: Data sharing

Data sharing matters are governed by the [Malta Statistics Authority Act XXIV of 2000](#).

In particular, the 'Harmonised Index of Consumer Prices' news release is released, and it sheds light over the 12 main COICOP groups of the HICP, and it is issued on a monthly basis. Everyone has access to the same information simultaneously. All news releases are regulated by an internal dissemination policy.

The 'Harmonised Index of Consumer Prices' news releases can be accessed through:

http://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_A5/Price_Statistics/Pages/Harmonised-Index-of-Consumer-Prices.aspx

CONCEPT 7 – CONFIDENTIALITY

Sub-Concept 7.1: Confidentiality – Policy

At National level:

The NSO requests information for the compilation of official statistics according to the articles of the MSA Act – Cap. 422 and the Data Protection Act – Cap. 586 of the Laws of Malta implementing the General Data Protection Regulations (GDPR).

Article 40 of the MSA Act stipulates the restrictions on the use of information while Article 41 stipulates the prohibition of disclosure of information. Furthermore, Section IX of the Act (Offences and Penalties) lays down the measures to be taken in case of unlawful exercise of any officer of statistics regarding confidentiality of data.

Since its inception, the NSO has always assured that all data collected remains confidential and that it is used for statistical purposes only according to the articles and derogations stipulated in the laws quoted above. The Office is obliged to protect the identify of data providers and refrain from divulging any data to third parties that might lead to the identification of persons or entities.

During 2009, the NSO has set up a Statistical Disclosure Committee to ensure that statistical confidentiality is observed, especially when requests for microdata are received.

Upon employment, all NSO employees are informed of the rules and duties pertaining to confidential information and its treatment. In line with stipulations of the MSA Act, before commencing work, every employee is required to take an oath of secrecy whose text is included in the same Act.

An internal policy on anonymisation and pseudo-anonymisation is in place to ascertain that adequate methods are used for the protection of data which the office collects and shares with the public in its capacity as the National Statistics Office. The policy is meant to safeguard confidentiality of both personal and business data entrusted to the NSO. The document provides guidance for all NSO employees who process data on a daily basis as to how anonymisation and pseudo-anonymisation methods should be applied. The policy applies to all confidential, restricted and internal information, regardless of form (paper or electronic documents, applications and databases) that is received, processed, stored and disseminated by the NSO.

At European level:

[Regulation \(EC\) No 223/2009](#) on European statistics (recital 24 and Article 20(4) of 11 March 2009 (OJ L 87, p. 164), stipulates the need to establish common principles and guidelines ensuring the confidentiality of data used for the production of European statistics and the access to those confidential data with due account for technical developments and the requirements of users in a democratic society.

Sub-Concept 7.2: Confidentiality – Data Treatment

All data received are treated as strictly confidential and not shared with third parties. HICP data are only represented in index or percentage form (rates) and are therefore not treated for confidentiality. Details about data suppliers are never disclosed.

CONCEPT 8 – RELEASE POLICY

Sub-Concept 8.1: Release Calendar

An advance release calendar is maintained by the NSO and published on the NSO website. The calendar projects three months of news releases (including the current and two subsequent months).

Sub-Concept 8.2: Release Calendar access

https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx

Sub-Concept 8.3: User access

An internal policy on dissemination is in place to govern the dissemination of official statistics in an impartial, independent and timely manner, making them available simultaneously to all users.

The NSO's primary channel for the dissemination of official statistics is the NSO website. Tailored requests for statistical information may also be submitted through the NSO website.

National statistical releases are issued according to the release calendar and are made available to all users simultaneously. All releases are posted on the NSO website.

CONCEPT 9 – FREQUENCY OF DISSEMINATION

Harmonised consumer price indices are disseminated on a monthly basis.

CONCEPT 10 – ACCESSIBILITY AND CLARITY

Sub-Concept 10.1: News release

The 'Harmonised Index of Consumer Prices' news release sheds light over the 12 main COICOP groups of the HICP, and it is issued on a monthly basis. Everyone has access to the same information simultaneously. All news releases are regulated by an internal dissemination policy.

The 'Harmonised Index of Consumer Prices' news releases can be accessed through:

http://nso.gov.mt/en/News_Releases/View_by_Unit/Unit_A5/Price_Statistics/Pages/Harmonised-Index-of-Consumer-Prices.aspx

Sub-Concept 10.2: Publications

Not applicable.

Sub-Concept 10.3: Online Database

HICP data are not available on the NSO's online statistical database StatDB (<http://nso.gov.mt/statdb/start>).

Harmonised Indices of Consumer Prices (HICP) data can be accessed on the Eurostat's statistical database through <http://ec.europa.eu/eurostat/web/hicp/data/database>.

Sub-Concept 10.4: Micro-data access

Microdata are not disseminated. Data are disseminated in index form.

Sub-Concept 10.5: Other

Formal requests are received through the NSO's website:

<http://nso.gov.mt/en/Services/Pages/Request-for-Information.aspx>

Sub-Concept 10.6: Documentation on methodology

The document 'The RPI and the HICP Manual' explaining in detail the methodologies used for the monthly working of the Retail Price Index and the Harmonised index of Consumer Price is available on the NSO's website. The document, which is primarily intended for use by economic and social analysts and other researchers, can be accessed from the link underneath:

http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A5/Price_Statistics/Pages/Harmonised-Index-of-Consumer-Prices.aspx.

Work processes and procedures for the compilation of the HICP are documented in a standardised reporting template and aligned to the GSBPM model. The model covers all phases of the statistical production process, from the initial stages of identifying what statistics are needed and the scope of the survey, to the final stages of dissemination and evaluation. GSBPM is only available internally and may be accessed by all NSO employees.

Sub-Concept 10.6.1: Metadata completeness rate

Information about all required metadata concepts (and sub-concepts thereof) are provided.

Sub-Concept 10.7: Quality Documentation

The Eurostat's compliance monitoring report of 2018 gives Eurostat's review of the HICP for Malta in the context of quality assurance. The report can be accessed through:

<https://ec.europa.eu/eurostat/documents/272892/272977/CM-Report-Malta-2018/>.

The NSO has developed an internal Quality Management Framework (QMF) which is built on common requirements of the ESS Code of Practice (ESS CoP). A document was prepared to include a set of general quality guidelines spanning over all statistical domains. Assuring methodological soundness is an integral part of the QMF, nonetheless, the document spans also on other areas related to institutional aspects.

CONCEPT 11 – QUALITY MANAGEMENT

Sub-Concept 11.1: Quality Assurance

Specialised personnel check all prices every month. Any abnormal price movement is identified and discussed with the price collector reporting that price change. If a plausible explanation for that price change is provided, the price is accepted. Otherwise, the price collector is asked to check the price again. One of the reports available to identify grey areas is a sheet pinpointing those items which have a relatively high annual or monthly rate. Moreover, another report that highlights the major changes taking place at the 4-digit COICOP is available. This facilitates validation by qualified personnel.

The NSO has developed an internal Quality Management Framework (QMF) which is built on common requirements of the ESS Code of Practice (ESS CoP). A document was prepared to include a set of general quality guidelines spanning over all statistical domains. Assuring methodological soundness is an integral part of the QMF, nonetheless, the document spans also on other areas related to institutional aspects.

Every five to seven years, the NSO participates in a Peer Review exercise through which the compliance of its operations with principles of the ESS CoP is assessed by an expert team. Peer Reviews are indeed part of the European Statistical System (ESS) strategy to implement the ESS CoP.

Sub-Concept 11.2: Quality Assessment

HICPs are deemed to be the best measure of inflation for the Euro area and the European Union as a whole, as well as for the comparisons of inflation across countries for which it is compiled. The commitment is to ameliorate the indices even further in some specific areas.

The quality of the HICPs is reviewed through a compliance monitoring session, during which review was done against the existing legal framework, established HICP methodological recommendations and other guidelines and good practices in the field of consumer price indices (reference to sub-concept 10.7). It is also routinely reviewed using a framework that is based on the European Statistical System (ESS) definition of quality

CONCEPT 12 – RELEVANCE

Sub-Concept 12.1: User needs

In addition to being a general measure of inflation, the HICP is also used in the areas of:

- wages, social benefit and contract indexation;
- economic forecasting and analysis;
- measuring specific price trends;
- accounting purposes and deflating other series;
- inflation targeting by central banks;
- cross-country economic comparisons.

The euro area (evolving composition) index is used by the European Central Bank (ECB) as the main indicator for monetary policy management. The ECB and the European Commission's Directorate-General for Economic and Financial Affairs (DGECFIN) use the HICP for assessing price stability and price convergence required for entry into European Monetary Union. Other users include: National Central Banks, financial institutions, economic analysts, the media and the public at large.

Nationally, the key users of the HICP are the Central Bank of Malta (CBM) and the Economic Policy Division (EPD) within the Ministry for Finance (MFIN). The CBM normally requests detailed information to produce forecasts, whereas the EPD is more interested in explanations of certain price trends.

Sub-Concept 12.2: User satisfaction

[The last User Satisfaction Survey was held in 2014 with the aim to collect information about key users' satisfaction with statistical output.](#)

[The NSO keeps record of the number of News Releases and publications disseminated on its website; the users to whom statistical products are provided; as well as the number of requests that are processed every year.](#)

[News Releases and tailor-made statistical outputs were assessed on account of their quality, timeliness, and on their ability to meet users' needs.](#)

Sub-Concept 12.3: Data Completeness

All required statistics are produced in accordance to the respective regulations and guidelines.

CONCEPT 13 – ACCURACY AND RELIABILITY

Sub-Concept 13.1: Overall accuracy

The overall accuracy of the HICP is deemed to be high especially in terms of the methodological soundness of price and weight sources and compliance to commission regulations. No particular test procedures are in place to test the overall accuracy; however, all changes are analysed, and significant price differences are checked thoroughly. Missing prices are detected at the vetting stage. Detected errors after publication are corrected with the issue of an errata-corrige.

Sub-Concept 13.2: Sampling errors

Not available.

Sub-Concept 13.3: Non-sampling error

Coverage error population:

There are no differences when it comes to the territorial and population coverage. The domestic concept is not applied in our national CPI. Social protection and accommodation services are excluded from the national CPI. The national CPI covers the expenditure of the typical 'Maltese' (residents as well) consumer. Otherwise there are no differences in coverage. The weight is the most important distinguishing factor between the national CPI (RPI) and the HICP.

Coverage error regions:

Not applicable as all parts of the country are included in the index compilation.

Coverage error outlet:

Outlets are chosen according to their turnover obtained from the Business Register Unit. Outlets with the highest turnover are chosen for price collection, as these are considered to be the most representative.

Sub-Concept 13.3.1: Coverage error

Not applicable.

Sub-Concept 13.3.1.1: Over Coverage

Not applicable.

Sub-Concept 13.3.1.2: Common Units Proportion

Not applicable.

Sub-Concept 13.3.2: Measurement error

No test procedures are in place to test the overall accuracy. Data are manually checked and analysed in detail on a monthly basis. The amount of prices that need to be corrected due to data entry error is almost negligible.

Sub-Concept 13.3.3: Non-response error

Not applicable.

Sub-Concept 13.3.3.1: Unit non-response

Not applicable.

Sub-Concept 13.3.3.2: Item non-response

Not applicable.

Sub-Concept 13.3.4: Processing error

The amount of prices that need to be corrected due to data-entry, coding and imputation errors is almost negligible.

Sub-Concept 13.3.5: Model assumption error

Not applicable.

CONCEPT 14 – TIMELINESS AND PUNCTUALITY

Sub-Concept 14.1: Timeliness

The full set of HICPs is published each month according to a preannounced schedule, usually between 15 and 18 days after the end of the reference month. Each year, the January news release is published at the end of February to allow for the annual update of the weights of individual product groups and the relative country weights of Members States in the country-group aggregates. The euro area flash estimate is published on the last working day of the reference month or shortly after that.

The HICP in Malta is normally published on the same day of Eurostat publication of the HICP, usually between 15 and 18 days after the end of the reference month. However, there are instances when the publication dates do not coincide on the exact same day.

Sub-Concept 14.2: Punctuality

Since the launch of the HICP release in March 1997, the HICP has always been published on the preannounced release dates.

CONCEPT 15 – COHERENCE AND COMPARABILITY

Sub-Concept 15.1: Comparability – Geographical

Intra-country comparability is not an issue in the Maltese context as all localities in Malta and Gozo are directly comparable due to the country's small size. Inter-country comparability of HICP across countries is regarded to be high. As such, statistics can be deemed to be comparable between geographical areas.

Sub-Concept 15.2: Comparability – Over Time

HICP data are fully comparable over time. There have been several improvements in methodology with the aim of improving reliability and comparability of the HICP. These changes may have introduced breaks in time series. However, back calculations under the newer standards were performed when appropriate basic data were available. For instance, the seasonal items regulation brought about a major overhaul to the methodology used and the impact of such a change was calculated and sent to Eurostat. The change was implemented in 2013.

Sub-Concept 15.3: Coherence – Cross Domain

The HICP and RPI (Retail Price Index) are two separate measures of inflation. The main difference between the two indices is that the HICP considers all money spent in Malta and Gozo (domestic concept) irrespective of whether the purchaser is a resident or non-resident, whereas the national CPI considers all money spent by the Maltese in Malta and Gozo. The main characteristics that illustrate the differences between the two indices are:

HICP

- 12 Divisions
- Newly Significant Goods and Services introduced every year
- Chain Linked Index
- Weights add up to 1,000
- Accommodation Services are included
- Regulated by European Commission
- Monitored by Eurostat

RPI

- 10 Groups
- The list of goods and services is based primarily on the Household Budgetary Survey
- Fixed Base Index
- Weights add up to 100
- Accommodation Services and Retirement home services are NOT included
- Guidelines specified internally
- Monitored by RPI Monitoring Board

Sub-Concept 15.3.1: Coherence – Sub-Annual and Annual statistics

All figures are checked for internal consistency. As a result, coherence between sub-annual and annual estimates is safeguarded.

Sub-Concept 15.3.2: Coherence – National Accounts

National accounts consumption expenditure is used for the HICP weighting structure. In addition, a comparative exercise with National Accounts is carried out. As a result, coherence between HICP and National Accounts is safeguarded.

Sub-Concept 15.4: Coherence – Internal

The HICPs are internally coherent. Higher level aggregations are derived from detailed indices according to well-defined procedures.

CONCEPT 16 – COST AND BURDEN

Not available.

CONCEPT 17 – DATA REVISION

Sub-Concept 17.1: Data revision – Policy

Revision of data is compliant with the ESS Code of Practice principles and the HICP series, including back data, are revisable at any point in time under the terms set in [Commission Regulation \(EC\) No 1921/2001 of 28 September 2001](#). The published HICP data may be revised for corrections, and new or improved information.

A revision calendar does not exist.

At the NSO, there is currently no internal policy governing revisions that occur for all statistics produced. Nonetheless, a revisions policy is being drafted to safeguard a coordinated revisions system across statistical domains.

This policy will take account of the need and causes for revisions; time and frequency of revisions; data and other statistical products affected by such revisions; and length of periods revised.

Sub-Concept 17.2: Data revision – Practice and Data Revision

The index is revised whenever necessary. The last revision was held in 2012 due to more accurate data being made available by the local public transport provider. The revision did not bring about a break in series and back data did not require any adjustments.

CONCEPT 18 – STATISTICAL PROCESSING

Sub-Concept 18.1: Source data

Prices are collected from multiple data sources which include surveys, administrative data and various other sources.

The sample of outlets for price collection is extracted following consultation with the Business Registers Unit. This is meant to ensure that a representative sample is extracted among outlets in Gozo, Valletta, South of Malta, North of Malta and Centre of Malta. The business register is a primary source to identify where consumers do their shopping.

Retail Outlets, Self-Employed, Market Stalls (Hawkers) and internet websites are included in the sample. Petrol stations are not sampled as these are not very representative for products other than fuel. Similarly, mail orders are not covered.

In market stalls, prices are collected for fish, fruit and vegetables (prices for these products are not only collected in market stalls).

Transactions related to accommodation services, books, gadgets, motor vehicles, and air transport services are assumed to be carried out over the internet. The market share of these and other outlet types are not known.

The office keeps abreast with the developments taking place in the market by holding regular meetings with major stakeholders and following what the main economic pundits of the country are claiming.

Prices for school transport, child-minding services, dental services, general practitioners, consultants and veterinary services are collected via paper questionnaires.

Sub-Concept 18.2: Frequency of data collection

Prices are collected over more than five working days towards the middle of the calendar month to which the index pertains. However, in the case of fresh vegetables, fresh fruit and fresh fish, price collection takes place over a period of more than one working week. Accommodation services are collected more than once for every month and the air fares are monitored almost daily.

Sub-Concept 18.3: Data Collection

Outlet selection:

Data are collected from the most representative retail outlets of the country. The turnover figures of outlets are good proxies of the importance of the shop in the local scenario. Price collectors are also consulted when selecting a replacement outlet especially when the turnover figure of a new establishment is not available. It is normally quite easy to identify the most important shops across Malta and Gozo, even without the relevant data available, due to the small size of Malta. Nevertheless, it should be noted that no weighting frame is used to distinguish between outlets.

Techniques of product selection and specification:

Three criteria are used in the product selection process:

- Product must be representative (sought after / In demand);
- Product must be suitable for regular pricing; and
- Product is likely to be available in the long run.

Once products have been chosen, price collectors are required to price the same product every month. If a product is discontinued, the price of a similar (homogenous) product is selected. To facilitate the replacement process, a set of specifications are defined for each product being priced. The most important specifications are the unit and the brand of the product. However, the less homogenous a product group is, the tighter are the specifications.

Sub-Concept 18.4: Data Validation

Data must pass two consistency tests before publishing. Any drastic changes in the index observed from month to month are investigated, and if an error is detected, an explanation is provided. Moreover, the series of some seasonal items are expected to follow the same pattern over time. When this is not the case, these are investigated accordingly.

Sub-Concept 18.5: Data Compilation

Weights

The sources of the HICP weights are National Accounts data, Household Budgetary Survey data and Trade data.

Computation of the lowest-level indices

The Arithmetic Means are used in the compilation of the elementary aggregates.

Treatment of missing items and replacements

Missing prices are carried forward for three consecutive months. During these three months interviewers collect the price of a similar product. The new price together with the specifications of this new product is stored in the system but it is not used for the compilation of the index. If the problem persists in the third month, the new replacement product is introduced. Sometimes this also requires quality adjustment.

Introduction of newly significant goods and services

Newly significant goods and services are introduced in December every year, whenever a good or service is deemed to be representative. The new weight is usually calculated using National Accounts data.

Treatment of price reductions

Sales prices and reduced prices are included in the index as long as they are universally available to all consumers.

Treatment of seasonal items

The list of Seasonal Items includes: Fresh Vegetables, Fresh Fruit, Fresh Fish, Clothing and Footwear.

- Class-confined seasonal weights are applied every month to Fresh Vegetables, Fresh Fruits and Fresh Fish. When a product pertaining to these classes is out of-season, its weight is assigned to zero.
- Strict annual weights are used in the compilation of the Clothing and Footwear indices. When a product pertaining to these classes is out-of-season, the price is estimated using counter-seasonal estimation.

Sub-Concept 18.5.1: Imputation

Not available.

Sub-Concept 18.6: Adjustment

Adjustment for quality differences

If the price collector fails to price a product for three consecutive months, a new replacement (similar) product is introduced using the bridged overlap method. The method essentially boils down to estimating the base price of the replacement product. The new base price is calculated based on the price movements exhibited by similar products pertaining to the same locality of outlet in which the change occurred or across all localities in Malta and Gozo. The direct comparison method is used in the case of clothing and footwear or whenever the products being compared are deemed to be homogenous.

The hedonic method of quality adjustment, which removes any price differential attributed to a change in quality, is used in the case of cars, computers, cameras and motorcycles.

Sub-Concept 18.6.1: Seasonal Adjustment

The list of Seasonal Items includes: Fresh Vegetables, Fresh Fruit, Fresh Fish, Clothing and Footwear.

- Class-confined seasonal weights are applied every month to Fresh Vegetables, Fresh Fruits and Fresh Fish. When a product pertaining to these classes is out of-season, its weight is assigned to zero.
- Strict annual weights are used in the compilation of the Clothing and Footwear indices. When a product pertaining to these classes is out-of-season, the price is estimated using counter-seasonal estimation.

CONCEPT 19 – COMMENT

No further comments.