

Harmonised Index of Consumer Prices



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Abstract

[1 General information on the statistics](#) [page 3](#)

- *Name of the statistics:* Harmonised Index of Consumer Prices (HICP)
- *Survey date:* a minimum of one week around the middle of the month
- *Periodicity and period for which a time series is available without any break:* monthly from December 2009
- *Survey population and principle of allocating the survey units:* representative survey among providers of goods and services
- *Legal bases:* EU regulations, Price Statistics Law, Federal Statistics Law

[2 Purpose and goals of the statistics](#) [page 4](#)

- *Survey content:* selling prices inclusive of VAT and other excise duties
- *Purpose of the statistics:* The HICP is used for the calculation of an inflation standard to measure price stability in the economy of the euro area and for international comparisons of inflation rates.
- *Major users of the statistics:* Eurostat, ECB, European Commission, national central banks

[3 Survey methodology](#) [page 4](#)

- *Type of data collection:* price collectors in the reference municipalities, analysis of catalogues, price systems and offers on the internet
- *Sampling procedure:* multi-stage sampling (reference municipalities, reporting units, goods and services); the prices of more than 300,000 price representatives are recorded in about 30,000 reporting units for about 700 types of products
- *Data collection tools and reporting channel:* to a larger extent decentralised price collection, calculation of indices of the Länder in the statistical offices of the Länder, calculation of the overall index using Länder and type-of-shop weights and the relevant weighting pattern

[4 Accuracy](#) [page 5](#)

- *Overall qualitative assessment of accuracy:* index value with one digit after the decimal point
- *Sampling errors:* quantification not possible because no random sample
- *Non-sampling errors:* changes of products or reporting units between the revision dates and the resulting quality adjustments

[5 Timeliness and punctuality](#) [page 6](#)

- *Timeliness of preliminary results:* preliminary estimate based on final results from several Länder about two to three working days before the end of the reference month
- *Timeliness of final results:* around the middle of the following month
- *Punctuality:* All release deadlines are met.

[6 Comparability over time and space](#) [page 6](#)

- *Qualitative assessment of comparability:* The HICP is calculated as a chain index (within the five-year period, weighting information is each year updated based on the prices of December of the previous year). Thus annual chain comparability is ensured. Data for Germany are available from 1997. The data for the years 1995 and 1996 are not completely harmonised.
- *Changes affecting comparability over time:* Any changes which affect comparability over time in respect of the HICP are quantified and made accessible to all users in accordance with the relevant regulation

[7 Connection with other surveys](#) [page 6](#)

- *Input for other statistics:* The HICP does not provide input for any other official statistics in Germany.
- *Differences regarding other comparable statistics or results:* The revision practices differ between HICP and CPI. The former does not include several expenditures.

[8 Other information sources](#) [page 6](#)

- *Publication channels, order address:*
www.destatis.de › Publikationen
www.destatis.de › Genesis-Online
- *Contact information:* www.destatis.de/contact/

1 General information on the statistics

1.1 Name of the statistics (according to EVAS)

Harmonised Index of Consumer Prices, EVAS No. 61121

1.2 Reference period

The reference period is the reference month.

1.3 Survey date

A minimum of one week around the middle of the month.

1.4 Periodicity and period for which a time series is available without any break

Monthly from December 2009

1.5 Regional coverage

Germany

1.6 Survey population and principle of allocating the survey units

The survey population of consumer price statistics comprises all providers of goods and services in the economic territory (domestic concept) who offer products that are part of the consumption expenditure of households. As imputed prices must not be included in the Harmonised Index of Consumer Prices (HICP), the rent equivalence approach applied in the context of the national Consumer Price Index (CPI) to cover owner-occupied dwellings cannot be used here. For this reason, owner-occupied dwellings are not part of coverage. However, plans have been made to include them based on the net purchase concept. And, for reasons of complicated price recording, drugs, prostitution and games of chance are also excluded from HICP coverage. Consumer price statistics are based on a representative survey. The Classification of Receipts and Expenditure of Households (SEA 98) serves as a basis for specifying the survey units to be included at the product level. This classification is in harmony with the international COICOP classification (Classification of Individual Consumption by Purpose).

1.7 Survey units

The units to be surveyed (reporting units) are the local units of all providers of goods and services (e.g. retail shops, chain stores, hairdresser's shops, etc.). Information on rents is collected from landlords (lessors) and partly also from tenants (lessees). Furthermore, generally accessible sources (internet, mail order catalogues, travel brochures, schedules of charges, etc.) are used for price collection.

1.8 Legal bases

1.8.1 EU law

Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonized indices of consumer prices and the related supplementary Commission and Council regulations and guidelines.

1.8.2 Federal law

All national legal bases concerning the compilation of the national consumer price index apply to the price collection for HICP purposes in the same way. Price Statistics Law in the amended version published in the Federal Law Gazette, Part III, Subsection No. 720-9, last amended by Article 20 of the Law of 07 September 2007 (Federal Law Gazette I, p. 2246); Ordinance regarding the Implementation of the Price Statistics Law of 29 May 1959 (Federal Bulletin No. 104, p. 1), last amended by Article 5 of the Ordinance of 20 November 1996 (Federal Law Gazette I, p. 1804), in conjunction with the Federal Statistics Law (BStatG) of 22 January 1987 (Federal Law Gazette I, pp. 462, 565), last amended by Article 3 of the Law of 7 September 2007 (Federal Law Gazette I, p. 2246).

1.8.3 Land law

No Land law as a legal basis.

1.8.4 Other bases

No other legal basis.

1.9 Confidentiality and data protection

The individual data collected are generally kept secret according to Article 16 of the Federal Statistics Law. Only in a small number of exceptional cases explicitly regulated by law may individual data be passed on. The names and addresses of the respondents are never passed on to third parties. Pursuant to Article 16, para. 6 of the Federal Statistics Law, individual data may be passed on to institutions of higher education or other institutions entrusted with independent scientific research for the purpose of carrying out scientific projects, if such data have been anonymised in a way that identifying the relevant respondents or parties concerned is possible only with unreasonable efforts in terms of time, cost and manpower. Persons receiving individual data are also obliged to adhere to the principle of confidentiality.

2 Purpose and goals of the statistics

2.1 Survey content

In the context of the statistics, selling prices inclusive of VAT and other excise duties (e.g. mineral oil tax, tobacco tax) are recorded for goods and services selected on a representative basis. The survey programme comprises a detailed description of the goods and other characteristics which have a price-determining effect (e.g. type of shop, warranty, mode of shipment, price reductions, type of packaging, unit of quantity, and terms of payment).

2.2 Purpose of the statistics

The consumer prices recorded are used to calculate the HICP which is in turn used for the calculation of an inflation standard to measure price stability in the economy of the euro area. The HICP serves as a basis for international comparisons of inflation rates. It is aggregated to obtain a consumer price index each for the European Monetary Union, the European Union and also the European Economic Area. The HICP is one of the convergence criteria on which the decision on including a given Member State in the euro area is based.

2.3 Major users of the statistics

Eurostat uses the HICP to compile the relevant EU aggregates for the euro area, the European Union and the European Economic Area (HICP-EMU, HICP-EU, HICP-EEA). The HICP-EMU is used by the European Central Bank (ECB) to measure price stability in the euro area. Other users include, in general, the national central banks, the European Commission and also analysts. Furthermore, the HICP serves the indexation of financing instruments.

2.4 User involvement

Methodological changes are agreed at the EU level and are stipulated by either regulations or guidelines. Users like the ECB, the national central banks and the European Commission are involved in the processes of consulting.

3 Survey methodology

3.1 Type of data collection

Usually, price collectors collect the relevant prices in selected reference municipalities. In addition, catalogues, price systems, schedules of charges, laws and administrative rules, offers on the internet and (to a smaller extent) also postal surveys are evaluated for this purpose.

3.2 Sampling procedure

3.2.1 Sampling design

The universe of consumer price statistics comprises all cases of selling goods and services to households in the economic territory. Sampling is based on a multi-stage procedure. The technique of purposive sampling is used like in all other areas of price statistics. As a first step, the reference municipalities and secondly, the reporting units are selected. At five-year intervals, this selection is systematically revised in the context of changing over to a new weighting base. As a third step, concrete goods and services are selected for price collection. However, adjustments are made to the above selection in between the revision dates of CPI if, for instance, certain products are no longer available or reporting units cease to exist or if new products or reporting units with a rapidly increasing importance for consumption enter the market.

3.2.2 Sample size, sampling fraction and sampling unit

Currently, the basket of goods and services used in the context of consumer price statistics comprises a total of about 700 types of products. The prices of these products are collected on a monthly basis for a total of more than 300,000 representatively selected sales cases (price representatives) in approximately 30,000 reporting units.

3.2.3 Sample stratification

The sample is stratified by Länder, types of shops and about 700 types of goods and services in the basket of goods and services.

3.2.4 Expansion

An expansion is not made. The result is a weighted average of the price trends observed for the types of goods and services covered.

3.3 Seasonal adjustment procedure

The original series of the consumer price index are not adjusted for seasonal effects. As regards the HICP, the Federal Statistical Office does not make any seasonal adjustments.

3.4 Data collection tools and reporting channel

Regarding about two thirds of the total consumption expenditure, prices are collected in a decentralised manner. Price collection is organised by the statistical offices of the Länder and, partly, staff of the reference municipalities are engaged for this purpose. In general, the price collectors visit the relevant reporting units every month. As regards approximately

one third of the consumption expenditure, however, prices are collected in a centralised manner by staff of the Federal Statistical Office. To a large extent, the sources used for this purpose are generally accessible sources such as catalogues, the internet, and schedules of charges.

Based on the prices collected and after potentially necessary conversions (e.g. in cases of quantity or quality changes), the statistical offices of the Länder calculate elementary indices (by Dutot formula) in a breakdown by types of shops for the total of about 700 individual items. These index numbers are transmitted to the Federal Statistical Office. Based on the index numbers, the latter compiles the overall index for the Federal Republic of Germany. For this purpose, it uses Länder weights, product-specific type-of-shop weights and a weighting pattern. The Federal Statistical Office, in turn, provides the statistical offices of the Länder with individual prices, average prices or price relatives (depending on the items concerned) for the series compiled in a centralised manner. The Länder offices include the information in their index calculations at the Länder level.

3.5 Burden on the respondents

The price collectors collect the relevant prices (and associated product characteristics) on their own. Hence the reporting units are largely not burdened (though, in the case of revisions or product changes a certain burden cannot always be avoided).

3.6 Documentation of the questionnaire

Questionnaires in the narrow sense are not used for the compilation of consumer price statistics. The price collectors use survey forms (either printed or electronic – on their laptops) to collect prices and also information on price-determining characteristics and to transmit the relevant information to the statistical offices. Usually, however, these survey forms are not given to respondents.

4 Accuracy

4.1 Overall qualitative assessment of accuracy

The HICP is calculated as an index value with one digit after the decimal point. This corresponds to the level of accuracy that can be achieved. The preliminary results published for the Federal Republic of Germany on a monthly basis meet high accuracy standards, too. Deviations between the provisional and the final results amount to about 0.1 percentage points.

4.2 Sampling errors

A quantification of sampling errors is not possible because consumer price statistics are not based on a random sample.

4.2.1 Standard error

None.

4.2.2 Biases due to the data expansion procedure

None, because an expansion procedure is not applied.

4.3 Non-sampling errors

4.3.1 Errors due to coverage

None.

4.3.2 Unit non-response

None due to price recording by price collectors.

4.3.3 Item non-response

None due to price recording by price collectors.

4.3.4 Imputation methods

The prices of products that are temporarily not on offer are updated using the prices of comparable products (e.g. seasonal articles, company holidays).

4.3.5 More detailed analyses of the systematic error

More detailed analyses of the systematic error are not made.

4.4 Continuous revisions

The HICP will only be revised if this is explicitly stipulated by a regulation. Unlike the national CPI, the results of the HICP are neither recalculated nor revised. They are rather chained to the data published before. As regards the regular review of data for the year 2005, this was done together with the index for January 2008.

4.4.1 Extent of revision

Pursuant to Commission Regulation (EC) No. 1921/2001 of 28 September 2001, this is laid down in a separate Regulation.

4.4.2 Reasons for revision

Stipulations in EU regulations.

4.5 Extraordinary sources of error

Extraordinary sources of error include unexpected circumstances which affect considerably the use of preliminary or final results and therefore have to be pointed out in a special form. Such phenomena comprise, for instance, particularly important reports which are inaccurate or delayed and (natural) phenomena which lead to a strong modification of the survey object directly after the survey so that the informative value of the statistics is deteriorated. Such circumstances were not observed in this case.

5 Timeliness and punctuality

5.1 Timeliness of preliminary results

Preliminary results are estimated about two to three working days before the end of the reference month based on the results from several Länder.

5.2 Timeliness of final results

Final results for the Federation are published around the middle of the month following the reference month.

5.3 Punctuality

All publication deadlines are met.

6 Comparability over time and space

6.1 Qualitative assessment of comparability

The HICPs of the EU Member States are fully comparable.

As explained above, the HICP is not revised. In line with the relevant European provisions, changes as a result of the regular review of consumer price statistics became effective in the HICP together with the index for January 2008 (regarding the CPI, the changes took effect as early as in January 2005). As a result of this practice, in 2008 the annual change rates on the corresponding months of the previous year were affected by methodological changes and adjustments to new consumption patterns. To quantify the extent of deviation, a simulation calculation was made which considered the extension of the survey period in the area of travel from January 2007. The related impact has been published on a monthly basis in 2008.

6.2 Changes affecting comparability over time

Any changes which affect comparability over time in respect of the HICP are quantified and made accessible to all users in accordance with the relevant regulation.

7 Connection with other surveys

7.1 Input for other statistics

The HICP does not provide input for any other official statistics in Germany. Of course, the German HICP is an integral component in the compilation of the HICP at the European level (HICP of the European Monetary Union, HICP of the EU Member States).

7.2 Differences regarding other comparable statistics or results

The CPI and HICP for Germany are derived from identical basic data. Unlike the national CPI, however, the HICP does not include expenditure on owner-occupied dwellings, games of chance and –till December 2009– motor vehicle tax as soon as admission fee. Furthermore, the revision practices differ between the CPI and the HICP (cf. WiSta 8/2008).

8 Other information sources

8.1 Publication channels, order address

The results of consumer price statistics are offered both in printed and in electronic form.

Printed publications of *Fachserie 17, Reihe 7*:

Monatsbericht: The publication contains price indices and rates of price increases of the 12 divisions, the three and four-digit level of the Classification of Income and Expenditure of Households (SEA)/Classification of Individual Consumption by Purpose (COICOP) and for selected special groupings (seasonal goods and services, energy, rents, price index for the purchase and operation of motor vehicles), some results regarding the index of retail prices and also Harmonised Indices of Consumer Prices of the European Union.

After each changeover to a new price base year, the above *Fachserie* contains an additional report which presents the results recalculated for a longer period.

The *Fachserie* may be obtained from the publication service of the Federal Statistical Office (www.destatis.de › Publikationen › Fachveröffentlichungen).

Electronic publications:

At www.destatis.de › Publikationen › Fachveröffentlichungen, *Fachserie 17, Reihe 7* and a product which contains results in greater detail can be downloaded in an Excel- and/or pdf-format free of charge. In addition the *Jahresbericht* with results since 1991 alternatively 1995 is published once a year.

Through the database system GENESIS-Online (www.destatis.de › Genesis-Online › 61 › 611 › 61111 › Tabellen), detailed results of consumer price statistics can directly be loaded in various file formats (.xls, .html and .csv).

8.2 Contact information

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8.3 Further publications

Further information on the Consumer Price Statistics can be found at www.destatis.de › Prices › Consumer prices (Methodological notes on the Harmonised Index of Consumer Prices).