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REGULAR ADAPTATION OF THE CONSUMER PRICE INDEX 2013

February 2013

Federal Statistical Office of Germany

Published by: Statistisches Bundesamt (Federal Statistical Office), Wiesbaden

Homepage: www.destatis.de

You may contact us at:
www.destatis.de/kontakt

Information on this publication
Phone: +49 (0) 611 / 75 47 77

Statistical Information Service
Phone: +49 (0) 611 / 75 24 05

Periodicity: non-recurrent
Published 29 April 2013 (Updated version published on 30 August 2013)
Order number: 5611107-13900-4 [PDF]

Content

Introduction

Every five years the bases of calculation for the consumer price statistics are revised and updated, a new base year is introduced and methodological adjustments are implemented. The last revised consumer price index was published in spring of 2008. The spending patterns of private households were kept mathematically constant since, therefore the price increase rate demonstrates only pure price changes. Under constant adjustment of the spending patterns, the measured price trend was also influenced by volume effects. Therefore in the national consumer price index the spending patterns are purposely updated only every five years. It was again time for this update.

This report provides information about modifications in the weighting pattern for goods and services from the year 2005 until 2010 and thus about shifts in the consumption expenditures of private households in Germany. It also explains how the change in the purchasing habits of consumers – such as the increased use of the Internet for shopping – was accommodated and what methodological modifications were introduced. The influence of these measures on the results will be documented at the end of the article by the differences between the previous and the recalculated price increase rates.

1 New weighting pattern 2010 = 100 reveals only gradual change in consumer behaviours

The recalculation of the weighting pattern for goods and services is the chief component of each regular adaptation. The weighting pattern for approximately 600 individual types of goods – from coffee pods to cinema tickets – contains the respective proportion of expenditure in the total final consumption expenditure of private households. Using the weighting pattern, the documented price trends of each of these types of goods are combined and they are given the weight in the total price increase rate that corresponds to their average proportion in the budget of private households. The updated weighting pattern is now based on the spending patterns of private households in the newly introduced base year 2010. These new spending patterns will be kept constant until the next regular adaptation.

The recalculated weighting pattern differs only slightly from the previous weighting pattern of base year 2005. The proportion of expenditure changed most distinctly with regard to housing: until now rents including household energy had an average proportion in total consumption expenditures of 30.8 %, in the present weighting pattern this item shows an increased proportion of 31.7 %, a shift by almost one percentage point. Note that the other goods categories, such as transport or furnishings, exhibit lesser changes in their weighting proportions. Findings from earlier updates of the weighting pattern also confirm this: consumer behaviour changes only gradually.

Figure 1 **The six largest expenditure categories, comparison of the weighting patterns 2005 and 2010**

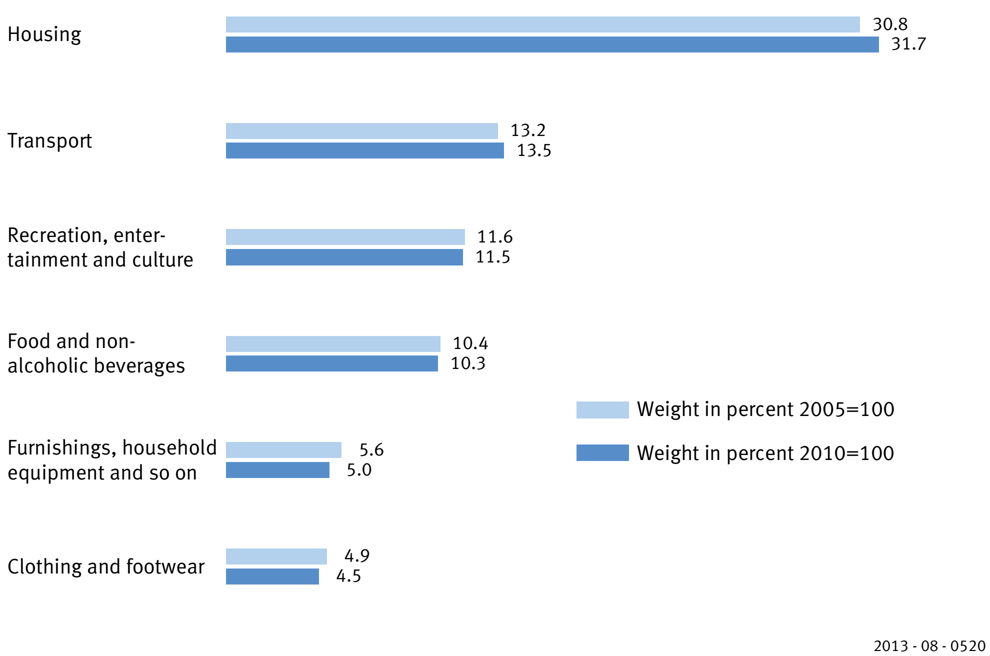
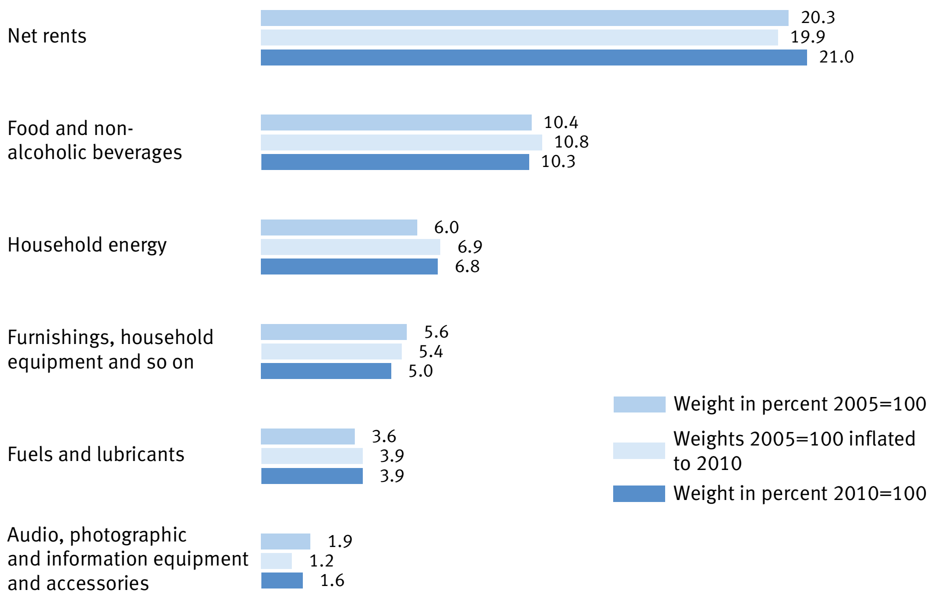


Figure 2 compares the weighting factors for selected expenditure categories in the base year 2010 to those of base year 2005. The central bar additionally shows the weighting factors of base year 2005 updated with the price trend in order to illustrate that the modifications of the weights were partly caused by the price trend. For even if nothing were to change in the consumption behaviour of households, the different price trends of the individual types of goods would have an impact on the expenditure weights. Only shifts in the proportions of expenditure that go beyond price-related changes signify a genuine more or less in consumed quantities.

Figure 2 **Weighting patterns 2005 and 2010 including inflated weighting shares for selected expenditure categories**



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The expenditure weight of net rents is now at 21.0 % and therefore higher than ever before. The official microcensus surveys on the housing situation show that the average net dwelling area per person has been increasing steadily for many years. Alongside that, improved features have increased housing quality. Although the rent increases associated with such quality optimizations are consciously excluded from the measurement of the pure price trend, the resulting higher rents are fully considered at the household budget surveys. The increased number of households in Germany and the resulting increased demand for dwellings can also be a reason for higher expenditures for rents. Through the price trend alone – i.e. without any change in behaviour in the households – the expenditure weight for rents would have dropped from 20.3 % to less than 20 %, because between 2005 and 2010, at 5.8 % compared with the total consumer price index (+ 8.2 %), the net rents rose at a slightly below-average rate. Since, however, the private households actually spent far more in 2010 for rents than in 2005, this price-related decline was overcompensated. When interpreting the below-average price trend we must consider that both existing rentals and new rental agreements must be included in the ascertainment of prices. The high proportion of existing rentals has a stabilizing effect on the price trend.

The proportion of expenditure for food and non-alcoholic beverages dropped from 10.4 % to 10.3 %, although the above-average price trend would have indicated a rise by four tenths of a percentage point to 10.8 %. This shows that consumers reacted to the disproportionally high rise in prices for food and non-alcoholic beverages between 2005 and 2010. This can mean, for example, that they switched to products of more simple quality or to less expensive shops.

In the five years under consideration, the prices of furnishings, lamps, appliances and other household equipment rose by 4.6 %. This slightly below-average price trend would have lessened the purely price-related expenditure weight from 5.6 % to 5.4 %. However, the new proportion of expenditure for base year 2010 of only 5.0% indicates that households also invested less in furnishings with regard to quantity or quality. This finding is supported by the official figures of the manufacturing industries, which show a major market break in furniture production during the 2009 economic crisis.

In some goods segments, the expenditure weights also perceptibly changed, yet the consumed quantities remained practically constant. Such almost exclusively price-related changes in the proportion of expenditure were ascertained, for instance, among energy sources. The expenditure weight among fuels and lubricants rose from 3.6 % to 3.9 % – almost entirely due to the disproportionally high price increase at petrol stations. The weighting factor for household energy rose even more significantly from 6.0 % to 6.8 %. Purely based on price, households would have had to spend 6.9 % of their budgets on household energy, but it was apparently possible to compensate for the price increase at least a bit, for example through a gradual switch to less expensive energy sources.

2 Calculation of the weighting pattern based on household budget surveys

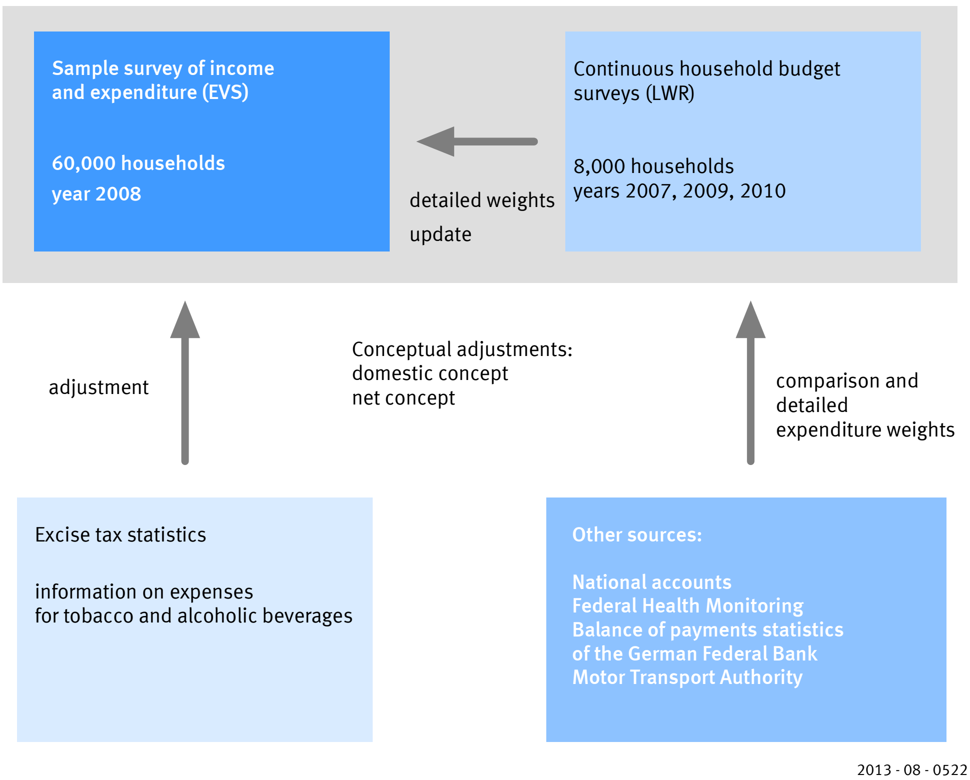
The main basis for the weighting pattern for goods and services is the so-called sample survey of income and expenditure (EVS). Every five years, approximately 60 000 participants in this household budget survey voluntarily record their income and expenditures for a few months and pass this information on to the Statistical Offices of the Länder. From these records, an extensive yet quite roughly outlined expenditures profile is calculated, which shows the proportion of expenditure of private households on, for example, food, clothing and services. A smaller household budget survey, called the continuous household budget surveys (LWR), shows supplemental, more detailed spending patterns for very precise types of goods such as car washing, electric shavers or mild detergent. The LWR is conducted more frequently than the EVS and thus serves an additional purpose: Since the results of the EVS refer to the year 2008, its results were updated to the base year of the consumer price statistics 2010 using the LWR.

The results of the household surveys EVS and LWR are then examined and supplemented using additional information. For example, the expenditures for tobacco and alcohol are regularly cited too low in household surveys. Since tobacco and alcoholic beverages are subject to a special excise tax in Germany, the purchased quantities can be calculated very reliably from tax revenues and rates. The expenditure sums for tobacco and alcoholic beverages ascertained from the household surveys are corrected accordingly.

Other adjustments are required based on the different concepts of the consumer price index and household surveys. One example of this is the domestic concept: the measured price trend is intended to refer to all purchases within the economic territory of Germany. The consumption expenditures of foreign visitors to Germany should therefore also be included, but those of German residents in other parts of the world excluded. Since the household surveys follow the so-called resident concept and, for instance, include expenditures by German nationals abroad, appropriate corrections are required. These are conducted using the balance of payments statistics of the German Federal Bank and from data in the national accounts.

A number of additional official and non-official sources are used mainly to ascertain the expenditure weights in detail. Data from the Federal Health Monitoring, the statistics of the Federal Motor Transport Authority and other authorities, from bank and association statistics and from a number of other sources supplement the household surveys to help calculate weighting factors for very specific types of goods.

Figure 3 **Ascertainment of the weighting pattern for goods and services**

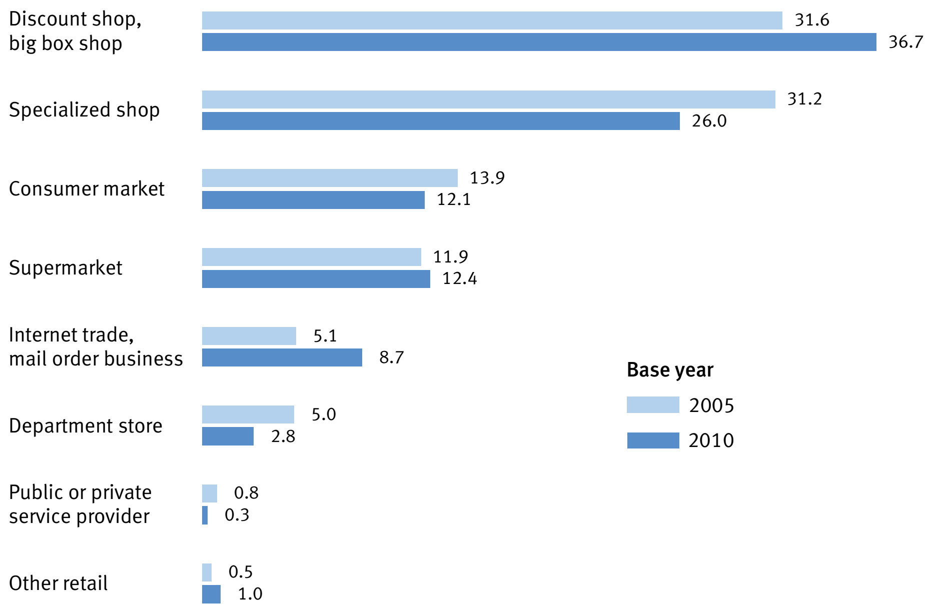


3 Weighting patterns for types of shops and Länder also readjusted

In the course of the last regular adaptation five years ago a ‘type-of-shop’ weighting was introduced, which was now updated for the first time and – like the pattern for goods and services – refers to the base year 2010 with immediate effect. The eight different shop categories, ranging from discount/big box shops to department stores, differ from one another mainly through their pricing and their product ranges. They are included and weighted in the price increase rate according to their market significance for private consumers. This is not across-the-board since the market relevance of a type of shop differs from one group of goods to the next. For example, specialized shops have the largest market share for the purchase of shoes, but play as good as no role in the purchase of milk. In addition, the significance of the types of shops for a specific type of goods can differ between the Länder. Types of businesses for services, for example for rents or banking services, can only be differentiated very conditionally and are therefore excluded from the weighting pattern of types of shops. The same applies for energy sources such as electricity and gas. The goods segments for which type-of-shop weighting is presently conducted cover approximately one third of private consumption expenditures.

The multitude of types of goods included and the additional differentiation according to Länder result in a very complex weighting pattern for the types of shops with many thousand individual weights. Figure 4 therefore shows a summarized weighting of the included types of goods in the individual types of shops for the base year 2005 and the redistribution of the weights for the base year 2010. Some types of goods that could not be directly compared between the base years were excluded from the diagram. The shifts reveal a change in the purchasing habits of consumers. For example, the Internet trade in particular – which is summarized together with other mail order business – increased considerably between 2005 and 2010, while department stores lost significance. While specialized shops were similar in importance to the big box and discount shops in the year 2005, they now exhibit a distinctly lesser weight compared with these shops.

Figure 4 **Summarized weighting of types of shops in base years 2005 and 2010**



Refers to about one-third of private consumption.

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A direct comparison of the weightings on the old and new basis must consider some methodological aspects since, in addition to the actual change in purchasing habits, they may have contributed to shifts in the weights. In general, deriving the weights using market shares is a special challenge because there are no universal definitions of the boundaries between types of shops and only relatively rough data for some goods segments. In the consumer price statistics, not the types of enterprises, but the individual purchasing places perceptible to the consumers are decisive for the categoryzation in types of shops. So, for example, various large chain store companies are also counted among the specialized shops in the clothing sector. In some cases it was necessary to modify the boundaries between types of shops. At the introduction of the type-of-shop weighting based on 2005, in addition, in individual cases it was necessary to combine types of shops. For updating the type-of-shop weighting for the year 2010 these combinations of market shares were no longer necessary.

The calculation of types-of-shops weights is based on official trade statistics and market research data on sales distributions in the retail trade. In order to regionalize the types-of-shops weights we additionally made use of knowledge of the Statistical Offices of the Länder.

In addition to the weighting patterns for goods and for types of shops, the third weighting dimension involves the regional component. It reflects the different economic significance of the Länder in Germany and is calculated from their proportion in private final consumption expenditure in Germany. The updated weights for the base year 2010 differ scarcely from the weights used previously. The national price increase rate continues to be influenced the most by the development of prices in the Länder North-Rhine Westphalia (23 %), Bavaria (16 %) and Baden-Württemberg (14 %).

4 Basket of goods and services is constantly updated

The weighting patterns for goods, types of shops and Länder are kept constant over five years and implementation of methodological modifications is deliberately also conducted on the dates of a regular adaptation. The reason for this continuity is that only actual price changes tip the scales of the consumer price index, but not possible shifts in the spending behaviours of private households.

By contrast, keeping the basket of goods and services constant over years is neither realistic nor desired. The “basket” is the actual choice of goods and the fixed cases of consumption of services used to survey more than 300,000 individual prices each month. On a monthly basis the staff handling the price survey are faced with some of these items from the sample no longer being on offer and having to be replaced with new product variants. Also, when consumption significance of items drops excessively they are replaced. This model alteration leads to constant, successive updating of the sample.

The proportion of monthly replacements varies greatly between the individual types of goods and can also fluctuate highly from month to month within one type of goods. Processed foods such as rice or toast bread usually have only very low monthly replacement rates, while the replacement rates for technical goods often are in the double-digit range. Every month up to 10 % of all types of items and services in the basket are replaced.

The individual types of goods are deliberately broadly defined in order to facilitate a high degree of flexibility in the sample. For instance, the type “dishwashing agents” is used for only one purpose, but includes a broad spectrum of cleaning agents in liquid form, powder form and tablets of countless varieties. Within this broad product description, the initial choice of the highest selling variety in the respective shop is included in the price survey.

When reading through the new weighting pattern, we encounter some new types of goods, for example “coffee pods and capsules.” This does not always mean that this product was not in the basket previously. The relevant product versions were probably subsumed in another type of goods – in this case with “coffee” – and have achieved a sufficiently high consumption significance in the meantime that makes it a separate type of goods. Also, when types of goods are dropped this does not necessarily mean that the versions of these goods are no longer in the sample. Sometimes types of goods with similar price trends or receding consumption significance are combined, but the corresponding product versions continue to be in the basket of goods and services.

5 Lower threshold for the inclusion of seasonal goods

In addition to updating the weighting patterns, a regular adaptation is also used as an opportunity to implement methodological optimizations. One initial methodological modification is the increased consideration of seasonal goods. Seasonal goods are goods or services offered only for a limited time during the year, such as fresh asparagus or summer apparel. Seasonal goods were also previously contained in the consumer price index, but their inclusion depended on whether they reached the critical value of one-tenth of a percent of the total consumption expenditures in the annual average. Many seasonal goods – especially those with very brief seasons – did not achieve this value, however. Pursuant to a new European regulation for a Harmonised Index of Consumer Prices (HICP), seasonal products must be recorded if, during a typical seasonal period, they have a consumption significance of at least 2-tenths of a percent of total consumption expenditures. This requirement has now been implemented for the national consumer price index.

Figure 5 **Lower threshold for the inclusion of seasonal goods**

previously

Critical value for inclusion: one tenth of a percent in the annual average

new

Critical value for inclusion: two tenth of a percent during seasonal period

Obligatory inclusion of new varieties for fish, fruit, vegetables

Examples: fresh codfish, cherry, raspberry, asparagus, corn salad

Implementation of rules for updating the prices outside of the selling period

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A large number of new varieties of fish, fruits and vegetables were added to the price survey in particular to fulfil the new requirements, such as asparagus, raspberries and corn salad. Other things covered, such as clothing and footwear, were already well represented as seasonal goods. In addition, specific rules for updating the prices outside of the selling phase had to be developed and implemented for all of the seasonal goods affected by the regulation. In simple terms, the items that are not currently offered are updated using prices of similar items. This European regulation has been required for the HICP for about two years now. These kinds of standards for the HICP are adopted for the national consumer price index if they do not conflict with its specific objectives.

6 New sample for package holidays and holiday flats

Another methodological optimization involves package holidays and holiday flats. Until now, the holiday travels surveyed were divided up according to tour operators. If a specific tour was dropped from the sample it was only possible to change it to a tour by the same operator. The sample was modified so that certain, very similar types of holiday journeys, so-called consumption segments, were defined, each of which could be considered equal in value from the perspective of a potential holiday-goer. A typical example of such a consumption segment is a two-week summer Baltic Sea holiday. Experiences in Germany show that both the type of journey – for example a journey to the mountains or the sea – and the destination region are decisive for holiday planning, while the choice of a specific tour operator is not. The new sample structure not only more realistically depicts the purchasing decisions of consumers, but also has advantages for the handling of replacements if a specific tour is no longer offered and needs to be replaced by one that is as close as possible in value. In addition to the new structure of the sample, circular tours and the increasingly popular cruises were added to the survey for the first time.

The sample for the holiday flats was revised similarly. In addition, it was expanded considerably to cover all holiday regions of Germany. This now means it is possible for only the price trend for the respective affected regions to be included in the regional consumer price indices of the Länder. On the holiday flat market, small providers who mainly offer holiday dwellings via the Internet gained considerable importance compared with commercial providers. Therefore the sample for holiday flats was supplemented with small-scale lessors.

Figure 6 **New sample for package tours and holiday flats**

previously

Composition of the sample according to tour operators

No replacements between different tour operators

new

Composition of the sample according to consumption segments (= offers considered as equivalent by consumers)

Definition of consumption segments according to geographical destination and type of package tour (seaside, mountains, round trips) → realistic reproduction of purchasing decisions of consumers

Expansion of the sample for holiday flats

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7 Increased consumption significance of private educational opportunities

A third methodological optimization involves the educational system. In recent years, private educational opportunities have increased considerably. This is partly recognizable in the increasing numbers of pupils who attend private schools. For example, in the 2010 – 2011 school year in Germany about 719,700 pupils went to private schools, or a good 8 % of the total pupils. Due to the increased consumption significance, fees for private secondary schools were explicitly added to the index calculation. In addition, the sample was supplemented by providers of private lessons and private universities. The separate itemization of adult education centre fees and tuition fees, which were previously combined as one type of goods, is also new.

Figure 7 **Increased consumption significance of private educational opportunities**

previously

Private schools and private lessons not obligatorily included in the Consumer Price Index

Tuition fees summarized with adult education centre fees

new

Separate itemization for:

- **Fees for private secondary schools**
- **Private lessons**
- **Tuition fees**
- **Adult education centre fees**

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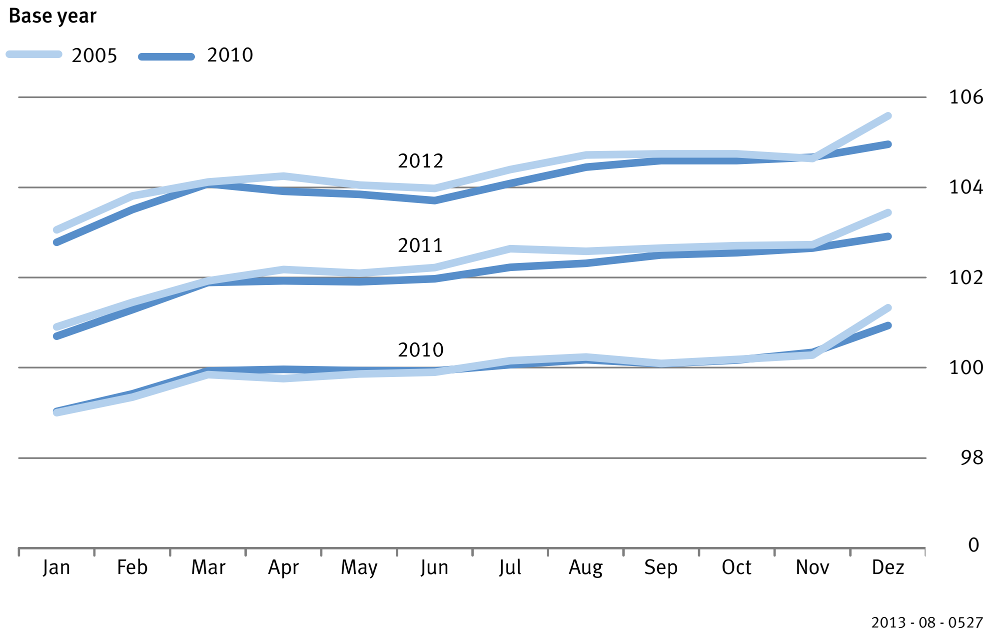
8 Adaptation has limited effects on the results

In the course of a regular adaptation, the results are recalculated back to January of the newly introduced base year. Therefore the new bases of calculation presented are not only valid from January 2013, but also retroactively for the three previous years. Time periods further in the past up to and including 2009 are only mathematically rebased to the new base year 2010.

It is particularly interesting to discover whether and how the recalculated results with the updated weighting patterns and the methodological modifications for the years 2010, 2011 and 2012 differ from the results published previously based on the year 2005. The differences in the price increase rates allow us to reliably quantify the effects resulting from the regular adaptation. Figure 8 first shows the trends of the consumer price index for the years 2010, 2011 and 2012 according to the previous and the new calculations. The progressions of the index according to previous calculation, hence based on 2005, were rebased to the year 2010 with the recalculated results for the purpose of better comparability.

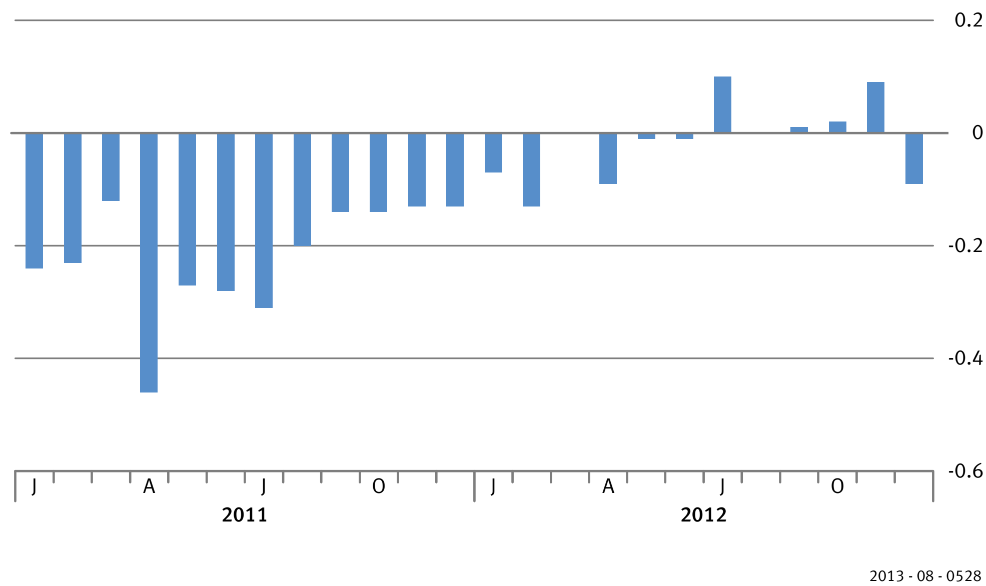
Figure 8 **Comparison of CPIs on base years 2005 and 2010**



A comparison of the progressions of the consumer price indices according to the previous and the new calculations basically confirms the price trend exhibited previously. All in all, there is a slight downward correction. According to the recalculation seasonal outliers – in particular in December – are somewhat less distinct.

Figure 9 shows the differences between the respective price increase rates – or the percent of changes in the consumer price index compared to the same month of the previous year – on the old and new bases for the years 2011 and 2012.

Figure 9 **Differences of price increase rates on base years 2005 and 2010**

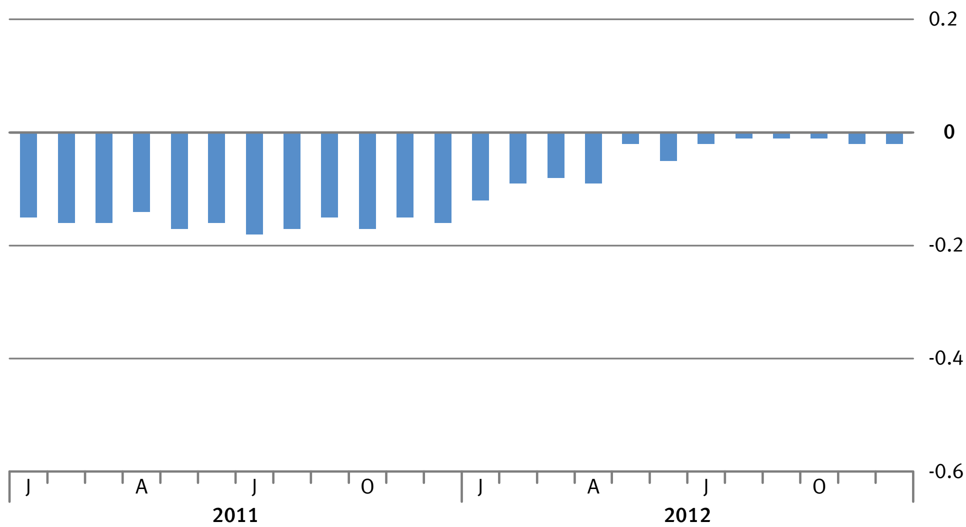


Somewhat more distinct downward deviations in the year 2011 are recognizable and lesser differences in no particular direction, by contrast, in the year 2012. When we look at single months, the deviations between recalculated and previous price increase rates move within a quite substantial magnitude of roughly – 0.5 to + 0.1 percentage points. In the annual average, the recalculation for the year 2011 leads to a slight downward deviation from 2.3 % to 2.1 %. The price increase rate for 2012 was confirmed at 2.0 %.

8.1 Impact of the new weighting pattern for goods and services

Typically, following an update of the weighting pattern we expect that the recalculated price increase rates will be lower since the consumers react to price changes and switch to less expensive versions of goods. These results confirm this expectation on principle. The recalculated weighting pattern lessens the previously detected price increase rates by up to 0.18 percentage points thus explaining a relatively major part of the differences from recalculated and previous results.

Figure 10 **Impact of the new weighting pattern for goods and services**



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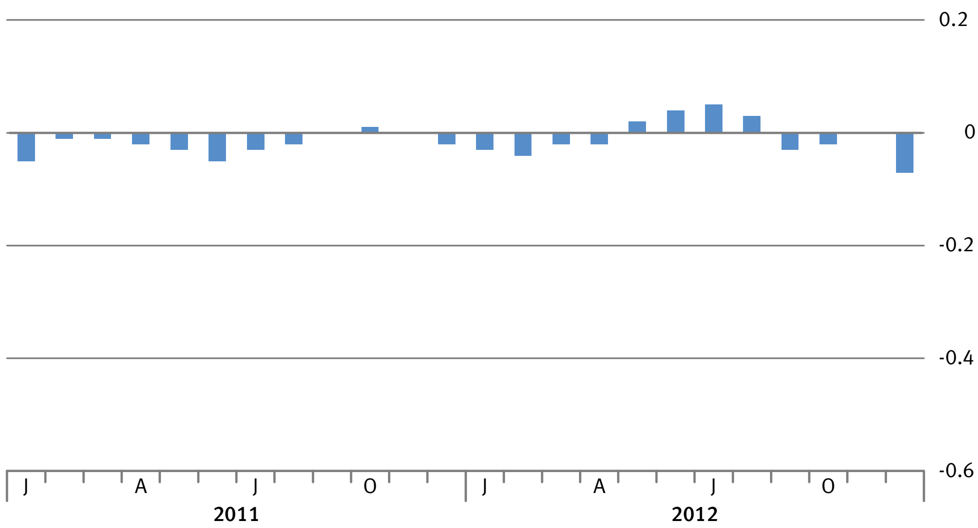
8.2 Impact of the new weighting patterns for types of shops and Länder

The type-of-shop weighting was first introduced during the last regular adaptation in the year 2008 so the effects on the results were comparatively distinct. The update of the weighting pattern for the types of shops now conducted has, by contrast, only a minor impact on the price increase rates. When assessing the effects caused by readjustment of the type-of-shop weighting, we must consider the fact that only about one third of the consumption expenditures are affected by it.

The update of the weights for the individual Länder – and the similar price trend in the individual Länder – resulted in such minor shifts that there are no noticeable effects on the overall index.

Figure 11 **Impact of the new weighting pattern for types of shops**



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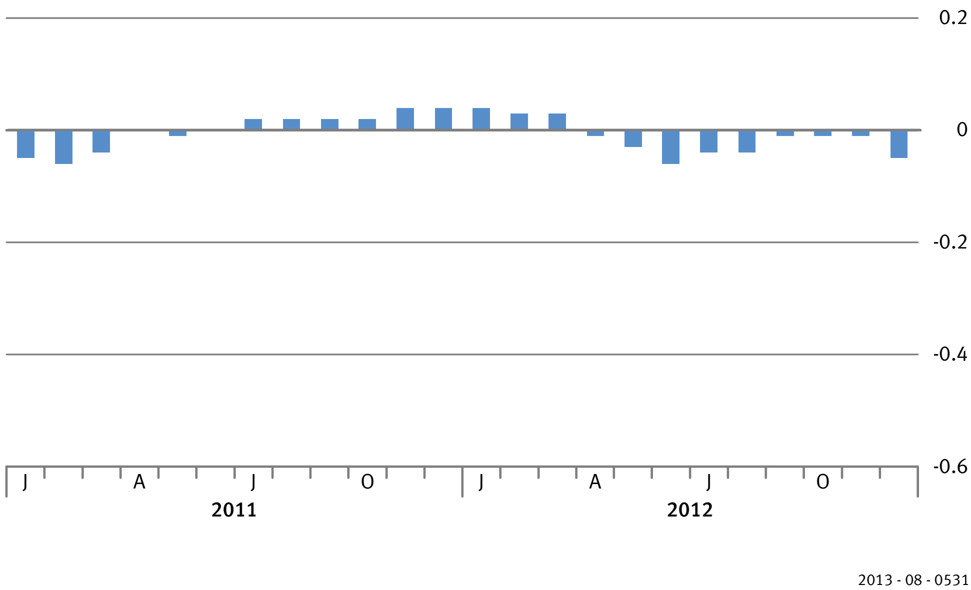
8.3 Impact of the methodological modifications

In addition to the update of the weighting patterns, of course the methodological modifications presented in sections 5 to 7 also influence the results.

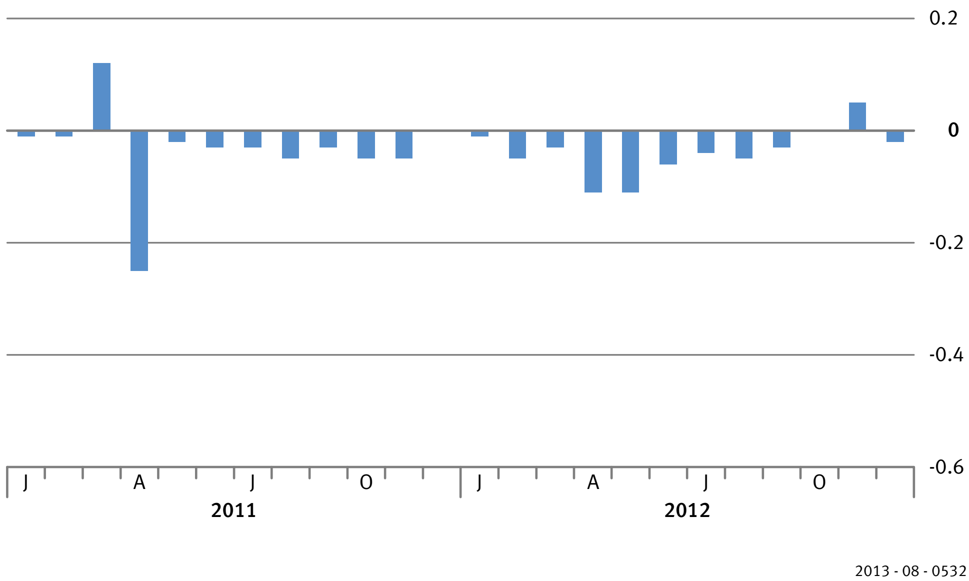
The increased inclusion of seasonal goods and the new methods used to update prices outside the sales phase for fish, fruit, vegetables, clothing and footwear have only a moderate effect on the overall price increase with deviations between + 0.04 and – 0.06 percentage points.

Figure 12 **Impact of the new method for seasonal products**



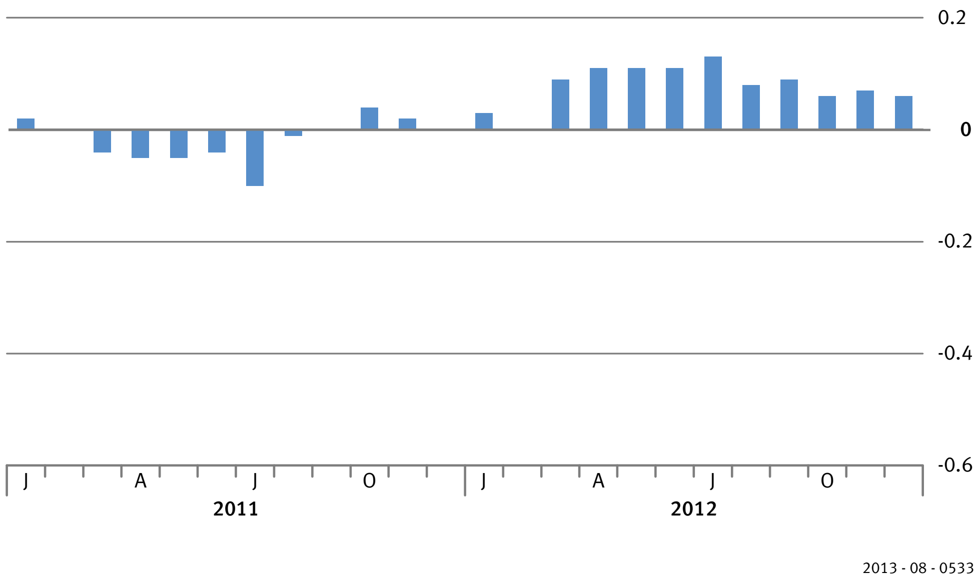
The conversion of the sample of package holidays and holiday flats had a greater impact on the results, whereby the seasonal outliers observed in the past were not as distinct. For holiday flats this is because the smaller providers now increasingly included make far less use of seasonal prince increases or discounts than the large tour operators. Generally speaking, the influence of the season peaks – such as the Easter holidays – on the price increase rates for package holidays and holiday flats has weakened, as is primarily illustrated by the deviations of the price increase rates in March and April 2011.

Figure 13 **Impact of the methods for package holidays and holiday flats**



During every regular adaptation of the consumer price index a number of smaller modifications are implemented in the methodology and in the sample that individually often have a very minor impact on the results, but in sum can be quite noticeable. Current examples of this are the enlargement of the detection of private educational opportunities presented in Section 7 as well as modifications in the health system or in insurance services.

Figure 14 **Impact of the remaining methodological modifications**



Regular Adaptation of the Consumer Price Index 2013

– Effects on the Harmonised Index of Consumer Prices –

Overview

The Consumer Price Index (CPI) and the Harmonised Index of Consumer Prices (HICP) are derived from one common data basis in Germany. The available weighting patterns, e.g. for goods and services of households final monetary consumption expenditure and the importance of individual types of shops for consumers, are also used for both calculations if compatible with the respective index calculation schemes. Therefore, in many cases the optimizations now implemented for the CPI also impact the HICP.

Nonetheless, there are also fundamental differences between the CPI and HICP resulting from the different objectives of the two. New information with regard to weightings or new methods is incorporated in the CPI only every five years along with the regular adaptation. At this time the past values from the new base year – in this case from the year 2010 – are also recalculated for the CPI. By contrast, weightings are updated annually for the HICP and necessary methodological modifications are also incorporated every year. The past values are, however, not recalculated according to the schemes of the HICP. In other words, the change rate compared to the previous year – the price increase rate – may be influenced by methodological adjustments.

Weighting patterns

When ascertaining the weighting pattern for the HICP, the up-to-dateness of the weights is of prime importance. Since January 2012, the weighting pattern for goods and services is updated annually pursuant to Regulation No. 1114/2010 of the European Commission. To do so, the various expenditure categories are updated with preliminary results of private consumption from the National Accounts (NA) based on the weighting pattern of the CPI. Then, as part of the regular adaptation of the CPI every five years, the updated, detailed spending patterns of the CPI are integrated in the calculations of the HICP. From reporting month January 2013 the thus revised weighting pattern forms the new basis for calculating the HICP.

As mentioned above, the past data are not recalculated for the HICP. This means that conversion of the weighting pattern could impact the 2013 change rates compared to 2012. However, since the recalculated weighting pattern for goods and services did not systematically affect the CPI results of the year 2012, effects on the HICP results of the year 2013 are not expected. Also the revised weighting patterns for types of shops and Länder are immediately effective for the HICP and will probably hardly impact the results.

Inclusion of seasonal items

At the beginning of 2011 a new methodology was introduced for the HICP for handling seasonal items in the segments of fish, fruit, vegetables as well as clothing and footwear. Now this methodological modification was implemented for the CPI. Since the results for the CPI were recalculated starting at the beginning of the year 2010 according to the new method, this makes the current calculated results for the HICP and the CPI for handling the seasonal items entirely comparable and eliminates the difference that existed until now in the years 2011 and 2012.

Package holidays and holiday flats

The methodological optimizations for package holidays and holiday flats are being implemented for the HICP as well as the CPI effective immediately. Among other aspects, these methodological optimizations lead to changed seasonal figures of these series. Since the results were recalculated starting in 2010 for the CPI but not for the HICP, there may be differences between the two in the price increase rates for the calendar year 2013. Staring in 2014 the change rates of HICP and CPI for handling package holidays and holiday flats will once again be entirely comparable.

Other methodological optimizations

Every regular adaptation of the CPI is accompanied by a number of minor methodological modifications, most of which have only a moderate influence on the results of the index calculations. Currently optimizations were mainly implemented in the areas of health, education and insurance. This applies equally to both the CPI and HICP with the exception of the explicit inclusion of educational services by private schools and universities, which were already included in the HICP (like the seasonal items) at the beginning of 2011. As described above, here as well deviations in the price increase rates may result from the different treatment of the past values in the CPI and HICP for the year 2013, but probably to a negligible extent.

Index year

Along with the regular adaptation the CPI has also been converted to the new index year 2010 = 100. By contrast, the HICP, according to the European requirements, still refers to index year 2005 = 100. No change to the index year of the HICP is presently planned.

Linking

On principle, the time series both for the HICP and for the CPI are formed through a link over the December of the previous year. This link is created annually for the HICP, for the CPI in every five years (now, at the beginning of 2013, with December 2009). If a methodological modification leads to a perceptible change in the seasonal figure, this can lead to undesired biases in the series, in particular when the December result is affected. In such cases, an exception is made from the general rule for the CPI and it is linked via the annual average of the new base year. A similar exception to the rule does not apply to the HICP. At the current adaptation of the CPI the time series for fish, fruit, vegetables, clothing and footwear, package holidays and holiday flats were linked using the annual average of 2010. Since the seasonal outlier in December (up by about one percentage point in the overall result) was perceptibly weakened by the methodological modifications, this leads to an additional difference between the HICP and CPI price increase rates (compared to the previous year) for the year 2013.

Appendix 2 **Consumer price index of Germany – weighting pattern for goods and services**
Base year 2010 = 100

SEA -CPI[1]	Item	Weighting in per mill
	Consumer price index, total	1000
01	**Food and non-alcoholic beverages**	**102,71**
02	**Alcoholic beverages and tobacco**	**37,59**
03	**Clothing and footwear**	**44,93**
04	**Housing, water, electricity, gas and other fuels**	**317,29**
05	**Furniture, lighting equipment, appliances and other household equipment**	**49,78**
06	**Health care**	**44,44**
07	**Transport**	**134,73**
08	**Communication**	**30,10**
09	**Recreation, entertainment and culture**	**114,92**
10	**Education**	**8,80**
11	**Accommodation and restaurant services**	**44,67**
12	**Miscellaneous goods and services**	**70,04**
01	**Food and non-alcoholic beverages**	**102,71**
011	Food	90,52
0111	Bread and cereals	17,35
0112	Meat and meat products	20,76
0113	Fish and fish products	3,65
0114	Dairy products and eggs	14,33
0115	Edible fats and oils	2,59
0116	Fruit	8,76
0117	Vegetables	11,26
0118	Sugar, jam, honey and other confectionery	7,54
0119	Food products n.e.c.	4,28
012	Non-alcoholic beverages	12,19
0121	Coffee, tea and cocoa	3,87
0122	Mineral water, soft drinks and juices	8,32
02	**Alcoholic beverages and tobacco**	**37,59**
021	Alcoholic beverages	16,62
0211	Spirits	1,98
0212	Wine	5,90
0213	Beer	8,63
0214	Refreshments with an alcohol content of less than 6%	0,11
022	Tobacco	20,97
0220	Tobacco	20,97
03	**Clothing and footwear**	**44,93**
031	Clothing	36,28
0311	Clothing materials	0,78
0312	Garments	33,20
0313	Other articles of clothing and clothing accessories	1,23
0314	Dry cleaning and other services relating to clothing	1,07
032	Footwear	8,65
0321	Shoes and other footwear	8,38
0322	Repair of footwear	0,27

1) Classification of Receipts and Expenditure of Households adapted to the requirements of Consumer Price Index.

Appendix 2 Consumer price index of Germany – weighting pattern for goods and services
Base year 2010 = 100

SEA -CPI 1)	Item	Weighting in per mill
04	**Housing, water, electricity, gas and other fuels**	**317,29**
041	Rentals for housing including rental value of owner-occupied housing	209,93
0411	Rentals for housing including rental value of owner-occupied housing	209,93
043	Maintenance and repair of the dwelling	8,10
0431	Materials for the maintenance and repair of the dwelling	3,98
0432	Services for the maintenance and repair of the dwelling	4,12
044	Water supply and miscellaneous services relating to the dwelling	31,07
0441	Water supply	7,92
0442	Refuse collection	6,87
0443	Sewage disposal	9,79
0444	Other services relating to the dwelling	6,49
045	Electricity, gas and other fuels	68,19
0451	Electricity	26,21
0452	Gas	14,46
0453	Liquid fuels	11,11
0454	Solid fuels	1,05
0455	Central heating, district heating and others	15,36
05	**Furniture, lighting equipment, appliances and other household equipment**	**49,78**
051	Furniture, lighting equipment, carpets and other floor coverings	19,76
0511	Furniture and lighting equipment	17,30
0512	Carpets and other floor coverings	1,65
0513	Repair of furniture, lighting equipment and floor coverings	0,81
052	Household textiles	3,55
0520	Household textiles	3,55
053	Household appliances	9,58
0531	Major household appliances whether electric or not	6,85
0532	Small electric household appliances	2,28
0533	Repair of household appliances	0,45
054	Glassware, tableware and other semi-durables and durables	3,50
0540	Glassware, tableware and other semi-durables and durables	3,50
055	Tools and appliances for house and garden	5,42
0551	Motor-driven tools and appliances	1,75
0552	Gardening tools, equipment and other semi-durables and durables	3,67
056	Goods and services for housekeeping	7,97
0561	Non-durable goods for housekeeping	5,06
0562	Domestic services and household services	2,91
06	**Health care**	**44,44**
061	Medical products, appliances and equipment	19,68
0611	Pharmaceutical products (without such for animals)	10,40
0612	Other medical products	1,20
0613	Therapeutic appliances and equipment	8,08
062	Outpatient services	18,24
0621	Medical services	10,47
0622	Dental services	5,57
0623	Paramedical services	2,20

1) Classification of Receipts and Expenditure of Households adapted to the requirements of Consumer Price Index.

Appendix 2 Consumer price index of Germany – weighting pattern for goods and services
Base year 2010 = 100

SEA -CPI[1)]	Item	Weighting in per mill
063	Hospital services	6,52
0630	Hospital services	6,52
07	**Transport**	**134,73**
071	Purchase of vehicles	32,61
0711	Motor cars (excluding campers)	29,57
0712	Motorcycles	1,18
0713	Bicycles	1,86
072	Goods and services for vehicles	79,31
0721	Spare parts and accessories for vehicles	7,02
0722	Fuels and lubricants for vehicles	38,75
0723	Maintenance and repair of vehicles	18,62
0724	Other services for vehicles	14,92
073	Transport services	22,81
0731	Passenger transport by railway	6,95
0732	Passenger transport by road	1,22
0733	Passenger transport by air	2,90
0734	Passenger transport by waterway	0,68
0735	Combined passenger transport services	10,60
0736	Other purchased transport services	0,46
08	**Communication**	**30,10**
081	Postal and courier services	2,35
0810	Postal and courier services	2,35
082	Telephones and other communication devices	1,70
0820	Telephones and other communication devices	1,70
083	Telecommunication services	26,05
0830	Telecommunication services	26,05
09	**Recreation, entertainment and culture**	**114,92**
091	Audio-visual, photographic and information processing equipment and accessories	16,29
0911	Radio and television sets, video players/recorders and the like	5,50
0912	Photographic and cinematographic equipment, optical instruments and accessories	1,83
0913	Information processing equipment	5,76
0914	Recording media	2,69
0915	Repair of audio-visual, photographic and information processing equipment	0,51
092	Other durables for recreation and culture	2,10
0921	Campers and caravans	1,40
0922	Musical instruments incl. accessories	0,70
093	Other goods and services for recreation and gardening	20,97
0931	Games, toys and hobby goods	5,65
0932	Goods and services for sport, camping and recreation	2,30
0933	Products and non-durables for gardening	7,09
0934	Pets, incl. semi-durables and non-durables	4,14
0935	Veterinary and other services for pets	1,79

1) Classification of Receipts and Expenditure of Households adapted to the requirements of Consumer Price Index.

Appendix 2 Consumer price index of Germany – weighting pattern for goods and services
Base year 2010 = 100

SEA -CPI[1)]	Item	Weighting in per mill
094	Recreational and cultural services	33,22
0941	Sporting and recreational services	7,74
0942	Cultural services	15,86
0943	Games of chance	9,62
095	Newspapers, books and stationery	15,51
0951	Books	6,39
0952	Newspapers and periodicals	6,59
0953	Miscellaneous printed matter	0,79
0954	Stationery and drawing materials	1,74
096	Package holidays	26,83
0960	Package holidays	26,83
10	**Education**	**8,80**
101	Services of pre-primary and primary education	2,57
1010	Services of pre-primary and primary education	2,57
102	Services of secondary education	1,34
1020	Services of secondary education	1,34
104	Services of tertiary education	3,92
1040	Services of tertiary education	3,92
105	Education services not definable by level	0,97
1050	Education services not definable by level	0,97
11	**Accommodation and restaurant services**	**44,67**
111	Catering services	34,23
1111	Restaurants, cafés, street sale and the like	29,92
1112	Canteens	4,31
112	Accommodation services	10,44
1120	Accommodation services	10,44
12	**Miscellaneous goods and services**	**70,04**
121	Personal care	22,54
1211	Hairdressing services and other services for personal care	9,95
1212	Electrical appliances for personal care	0,46
1213	Other articles and products for personal care	12,13
123	Personal effects n.e.c.	5,71
1231	Jewellery, clocks and watches	3,57
1232	Other personal effects	2,14
124	Social protection services	11,35
1240	Social protection services	11,35
125	Insurance services	22,78
1252	Insurance services connected with the dwelling	1,93
1253	Insurance services connected with health	10,43
1254	Insurance services connected with transport	6,31
1255	Other insurance services	4,11
126	Financial services n.e.c.	2,92
1262	Other financial services	2,92
127	Other services	4,74
1270	Other services	4,74

1) Classification of Receipts and Expenditure of Households adapted to the requirements of Consumer Price Index.