



# Covid-19 and the Harmonized Index of Consumer Prices

ICP TAG meeting November 2021

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# Overview

- Impact on processes
- Imputation methods
- Impacts of imputations
- Weights

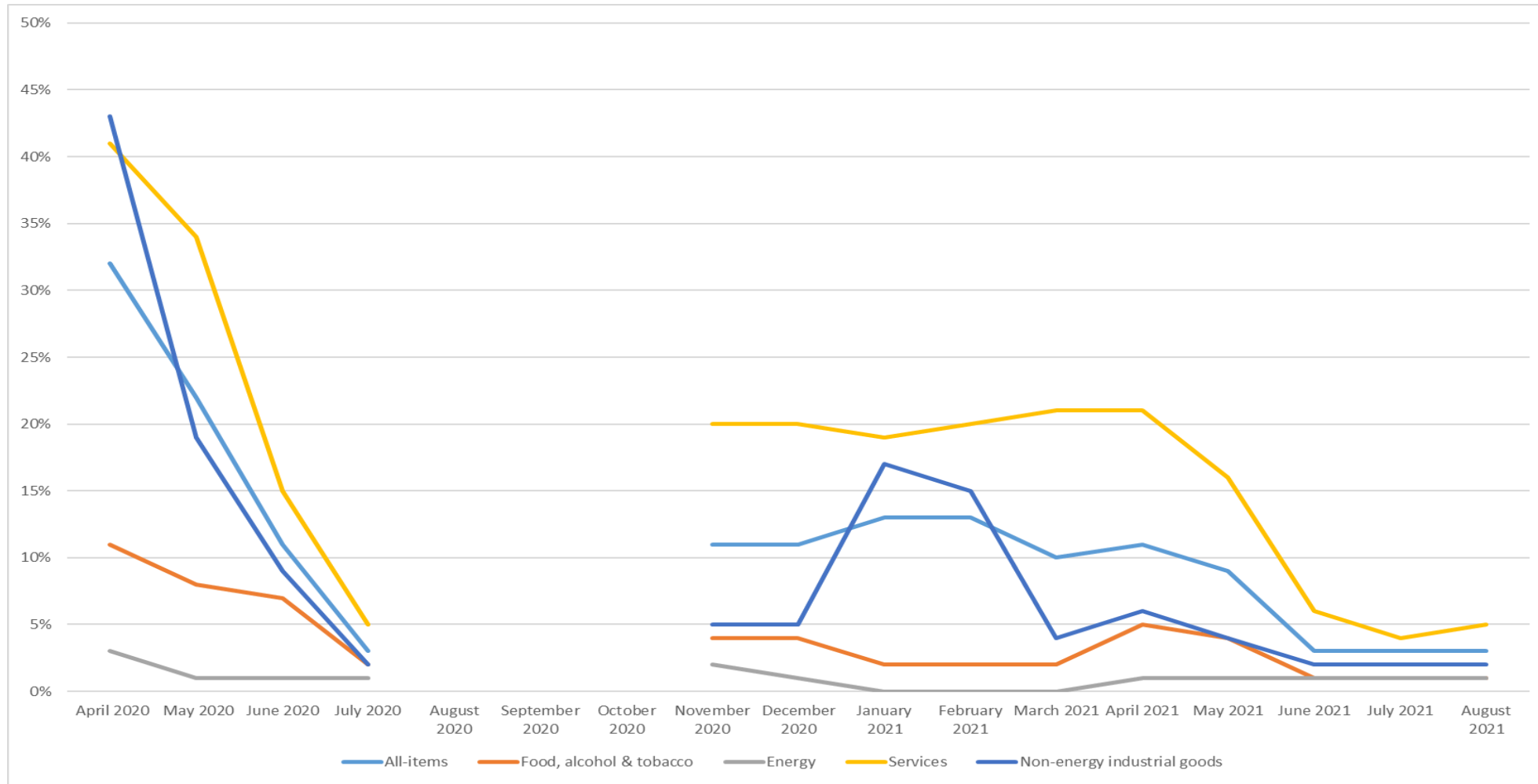
# Dealing with missing prices

- Alternative data sources to price collection in shops (telephone, internet, scanner data, ...)
- Imputation of prices significantly increased in the HICP as a result of the COVID-19 crisis
- Agreed [methodological guidance notes](#) on imputation methods, published on Eurostat website
- Reporting
  - **U flag** if the share of imputations for that aggregate exceeds 50% (in terms of number or weight)
  - **Monthly metadata files** with imputation shares and imputation methods by ECOICOP category

# Imputation methods

- Nearest aggregate
- All reliable sub-indices
- Carry forward
- Products with a seasonal pattern
- Other

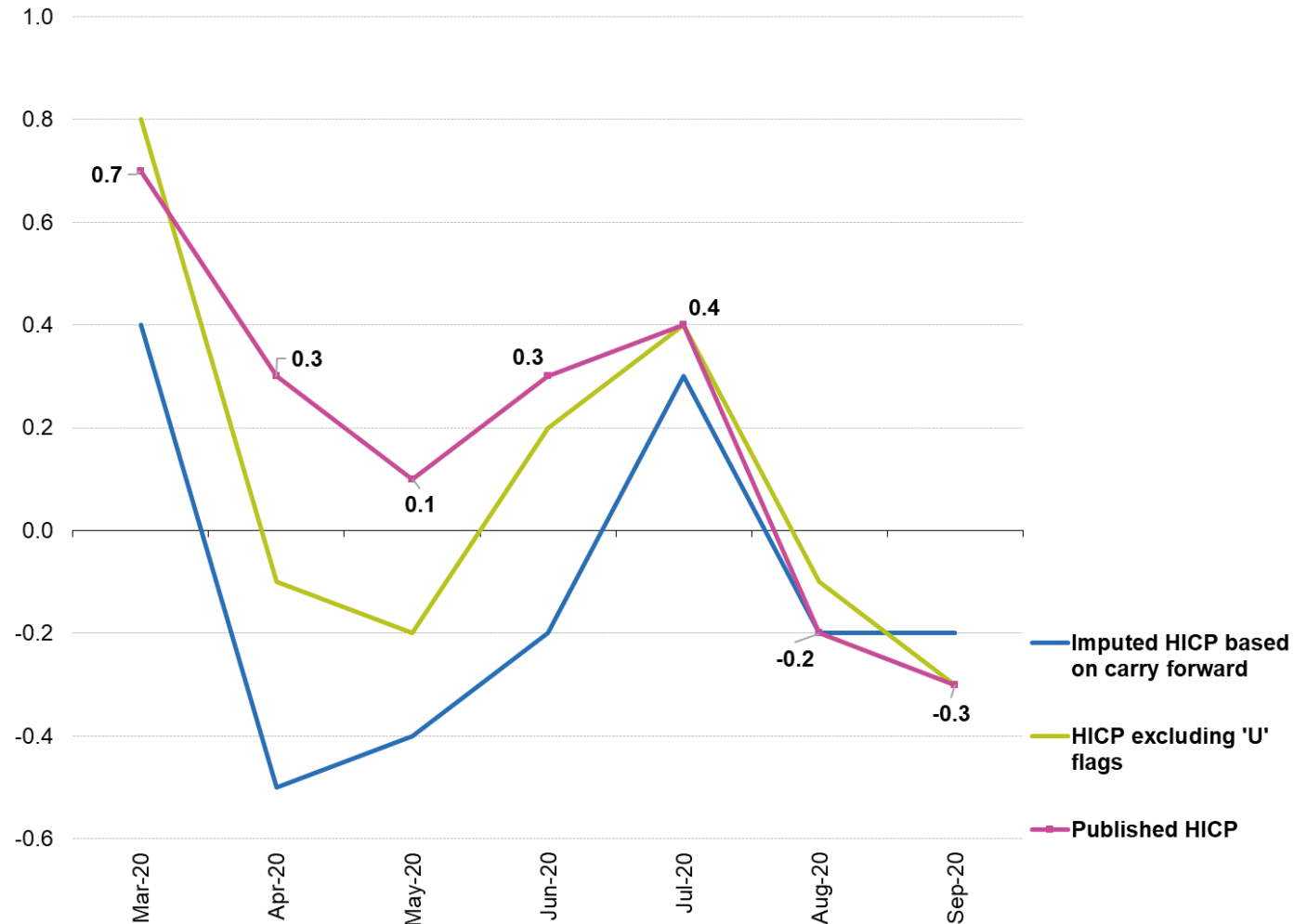
# Share of imputations in euro area HICP



# 'U' flags for HICP sub-indices (euro area)

	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
<b>Number of 'U' flagged subindices (count)</b>	49	942	430	165	37	31	24
<b>Share of 'U' flagged subindices in the total number of subindices (%)</b>	0.9	16.8	7.7	2.9	0.7	0.6	0.4
<b>Broken down by ECOICOP division</b>							
<b>Share of 'U' flagged subindices in the total number of subindices (%)</b>							
01 Food and non-alcoholic beverages	0.3	3.6	1.1	0.3	0.0	0.0	0.0
02 Alcoholic beverages, tobacco	0.0	2.0	0.4	0.0	0.0	0.0	0.0
03 Clothing and footwear	3.9	38.6	11.0	2.6	0.0	0.0	0.0
04 Housing, water, electricity, gas and other fuels	0.0	9.2	3.9	0.7	0.0	0.0	0.0
05 Furnishings, household equipment and routine household maintenance	0.7	22.4	7.4	1.8	0.0	0.0	0.0
06 Health	0.0	16.5	5.6	1.9	0.0	0.0	0.0
07 Transport	0.9	16.7	9.2	5.5	1.3	0.9	0.9
08 Communication	0.0	3.3	1.0	1.0	0.0	0.0	0.0
09 Recreation and culture	1.1	23.2	13.0	6.3	2.2	1.9	1.5
10 Education	2.6	21.9	14.0	6.1	0.9	1.8	0.9
11 Restaurants and hotels	4.4	62.3	50.0	16.7	3.5	3.5	1.8
12 Miscellaneous goods and services	1.5	24.0	9.3	2.5	0.5	0.2	0.2

# Annual rates of change for the published HICP and alternative measures, euro area



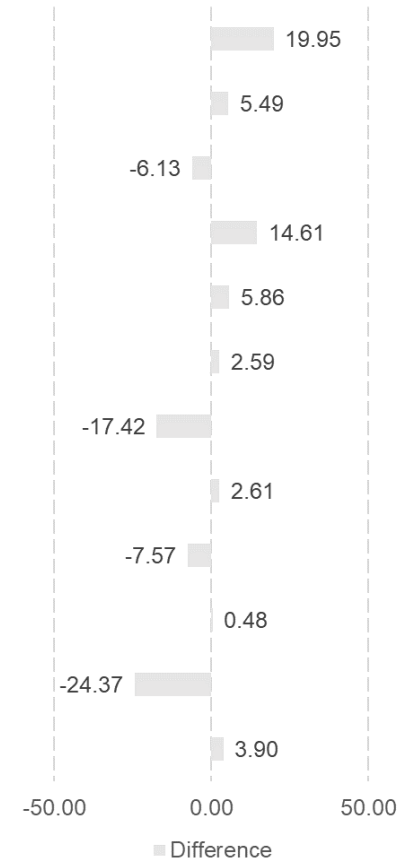
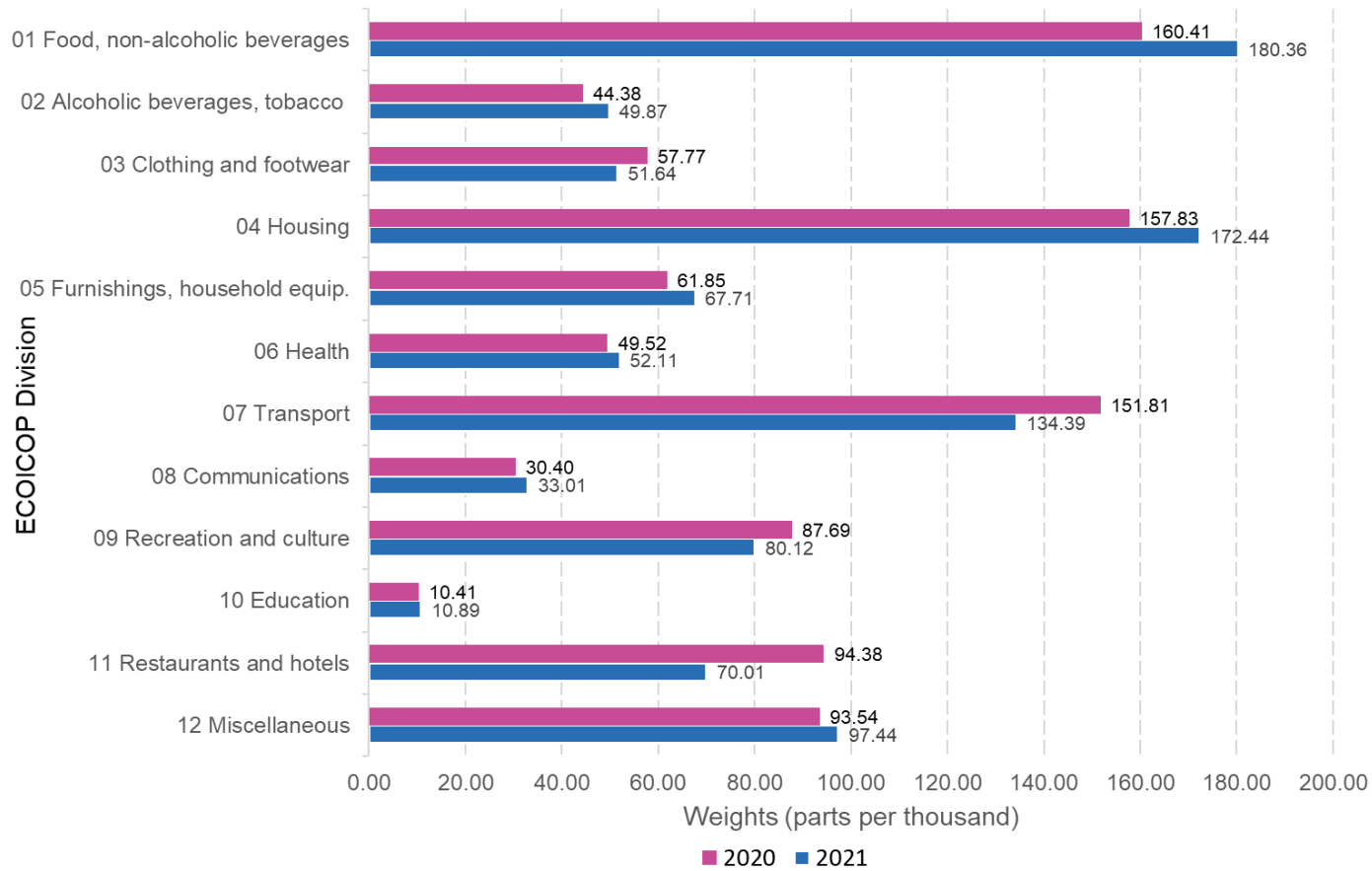
Source:  
[Lamboray et al](#),  
in EURONA  
(2020)

# Weights

- Art 3(2) of HICP regulation: HICP is annually chain-linked Laspeyres-type index -> update of weights required annually
- Expenditure shares shall be representative of year t-1
- In normal years: t-2 is good proxy for t-1
- In current situation: estimates of expenditures for t-1 are needed in January t
- [Guidance to ensure harmonised approach](#); e.g. use of quarterly national accounts up to Q3 of t-1, use of short-term statistics such as retail trade; scanner data, ...
- Transparency to users



# HICP weights in 2020 and 2021



# Forward to 2022

- Continue with metadata collection and publication of COVID related imputations as long as necessary
- Use 2021 expenditure structure for HICP in 2022

# Thank you