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Unit C-4: Price statistics. Purchasing Power Parities. Housing statistics

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Improved calculation of HICP special aggregates and German package holidays methodological change

Eurostat has improved the calculation of the special aggregates by using more detailed input data. The publication of the improved data starts with the January 2019 HICP flash estimate released on 1 February. In addition, in this release the data for Germany are compiled using indices of package holidays according to a new methodology.

The published annual inflation rates in the release are derived from revised indices that include both above-mentioned changes resulting in undistorted rates, which will be consistent with the coming final release for January on 22 February.

Exceptionally, the flash estimate news release includes only January 2019 annual inflation rates. Eurostat will publish the complete set of special aggregates and revised back series, compiled using the improved composition, with the HICP release on 22 February. This release will also include the revision of German HICP data.

Improved calculation of HICP special aggregates

In its dissemination database, Eurostat publishes over 30 special aggregates. Special aggregates represent groupings of particular products consumed by households. The products are classified in line with the standard 'classification of individual consumption according to purpose' ([COICOP](#)).

The main special aggregates are published in the HICP news release: 1. food (broken down into processed and unprocessed food), 2. energy, 3. non-energy industrial goods and 4. services. Additional aggregates excluding volatile components such as energy, food, etc. are published as well.

The individual components of special aggregates have been so far the class level (4-digit) of the HICP version of the COICOP. From now on Eurostat will calculate the special aggregates from the subclass level (5-digit) of the 'European classification of individual consumption according to purpose' ([ECOICOP](#)).

Calculating the special aggregates from the more detailed 5-digit level allows better allocation of products to the respective special aggregates. In particular, the 5-digit level enabled the various services to be more precisely identified and assigned to the relevant special aggregates.

The new compositions of all special aggregates based on the 5-digit level can be found on [Eurostat's classifications server](#) (while the previous compositions of special aggregates based on the 4-digit level is available [here](#)).

On 22 February 2019, Eurostat will publish revised time series of special aggregates based on the 5-digit level starting with January 2017. The special aggregates time series prior to 2017 will remain based on the 4-digit level. As a result, there will be a break in time series of special aggregates between December 2016 and January 2017 for individual countries as well as the euro area and the European Union.

German package holidays methodological change

The January 2019 HICP flash estimate has been compiled by Germany according to a new methodology for package holidays. This methodological change has been implemented in the context of the upcoming release of the rebased German national consumer price index in February 2019.

The seasonal pattern of the German indices for package holidays has changed due to a different statistical treatment of package holidays that are not available in every season and due to updated samples.

In order to obtain undistorted annual inflation rates, package holidays indices will be revised in the German HICP back to January 2015. The revised time series will be published on 22 February 2019.

The revision of the German package holidays will lead to a number of revisions in the corresponding higher-level aggregates, including the all-items inflation rate and some of the special aggregates, for Germany, the euro area and the European Union.

From January 2016 onwards, the annual inflation rates can be derived from indices compiled according to the same methodology. However, annual inflation rates in the months of 2015 can be distorted due to the change in methodology.

As the HICP is expressed with respect to the reference year 2015 = 100, the revision of the 2015 indices will also require a rescaling of the indices prior to 2015. This rescaling has however no impact on past monthly and annual rates of change, except for minor deviations due to rounding.

Contact: Unit C.4, ESTAT-HICP@ec.europa.eu