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5 Prices

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Harmonized Index of Consumer Prices (HICP)

Overview of methods and weightings 2008

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Harmonized Index of Consumer Prices

1 General Remarks

The calculation methods and coverage of national consumer price indices (CPIs) can vary greatly from country to country, making international comparisons of inflation very difficult.

To cope with this problem, European Union (EU) member countries have adopted an indicator that is calculated using a harmonized methodology which allows them to make international comparisons of inflation: the Harmonized Index of Consumer Prices or HICP.

1.1 Background

The Maastricht Treaty signed in 1991 laid the foundation for harmonizing consumer price indices, though it is Regulation (EC) No. 2494/95, adopted by the EU Council of Ministers on 23 October 1995, which constitutes the legal basis for compiling a harmonized methodology for calculating consumer price indices in European Union member countries and in certain member countries of the European Free Trade Association.

This initial Regulation provides a general framework to be supplemented with detailed measures and requires the HICPs to be calculated on the basis of the same basic period, applying comparable demographic and geographic coverage and using a similar classification.

At Eurostat's request, the statistical institutions of Community member countries have been providing harmonized indices of consumer prices since 1996. The first set of harmonized indices for EU member countries and for Norway and Iceland were published by Eurostat on 7 March 1997.

1.2 Step-by-step harmonization

Harmonization of price indices has been a gradual process. Over the years, new Regulations have supplemented the HICP legal framework, each of them enacted in the form of minimum standards and requiring the implementation of new mandatory measures while allowing the adoption of different solutions to harmonization problems, provided the HICPs are still comparable.

At present, the HICP legal framework comprises 18 Regulations (see T1). In the years to come, they will doubtless be supplemented by others that further advance harmonization, thus making international comparisons of consumer-price inflation even more relevant. However, it is important to point out that HICPs will never be "fully" harmonized because, under the terms of the Treaty, the declared aim is comparability and not total harmonization.

1.3 Use of HICPs

Though they allow the comparison of inflation in EU member countries, as well as in Norway and Iceland, HICPs were initially used mainly to assess compliance with the price stability convergence criteria on which membership of the European Monetary Union was conditional.

Since this Union became reality in 1999, HICPs make it possible to calculate various indices that are aggregated at European level, the best-known of which is the European Monetary Union Consumer Price Index, the main tool for steering the European Central Bank's monetary policy for the euro zone.

T 1 List of Eurostat Regulations

Regulations adopted by the Council	
No. 2494/95	Framework regulation
No. 1749/96	Initial implementing measures
No. 2214/96	Transmission and dissemination of the sub-indices of the HICP
No. 2454/97	Minimum standards for the quality of HICP weighting
No. 1687/98	Coverage of goods and services of the HICP
No. 1688/98	Geographic and population coverage of the HICP
No. 2646/98	Minimum standards for the treatment of tariffs in the HICP
No. 1617/1999	Minimum standards for the treatment of the insurance in the HICP
No. 1749/1999	Amendment to regulation No 2214/96 concerning the sub-indices of the HICP
No.2166/1999	Minimum standards for the treatment of products in the health, education and social protection sectors in the HICP
No. 2601/2000	Timing of entering purchaser prices into the HICP
No. 2602/2000	Minimum standards for the treatment of price reductions in the HICP
No. 1920/2001	Minimum standards for the treatment of service charges proportional to transaction values in the HICP
No. 1921/2001	Minimum standards for revisions of the HICP
No. 1708/2005	Common index reference period for the HICP, and amending Regulation (EC) No 2214/96
No. 701/2006	Temporal coverage of price collection in the HICP
No. 1334/2007	Amendment to Regulation (EC) No 1749/96 on initial implementing measures for Council Regulation (EC) No 2494/95 concerning harmonised indices of consumer prices
Recommendation of 8 December 2005	Treatment in the HICP of certain issues concerning health care reforms within the framework of Council Regulation (EC) No 2494/95 and specific implementing measures relating hereto

1.4 The Swiss HICP

In signing the second set of Bilateral Agreements with the European Union on 26 October 2004, Switzerland undertook to harmonize its statistics with those of the EU, and this includes its price statistics.

The entry into force of the bilateral agreement on statistics as of 1 January 2007 meant that the obligation to publish a HICP applied from 1 January 2008.

The HICP is the result of harmonizing methodology with European standards and is an additional indicator published by the FSO. This new Index will not replace the Swiss Consumer Price Index (CPI) which will still be published monthly.

2 Basic Concepts and Definitions

2.1 Basic concepts

As stated above, HICPs were introduced with the aim of providing a comparable inflation yardstick for the various EU countries.

To secure comparability, deviations as regards methodology, coverage or definitions are excluded. Only changes in prices and consumer habits (weights) distinguish between the evolutions in the different countries.

2.1.1 The HICP – a pure price index

The HICP is a Laspeyres chain index based on the price of goods and services available for purchase on the economic territory of the country for which it is calculated. It indicates how much consumers have to increase or decrease their expenditure to maintain the same volume of consumption, despite variations in price.

The HICP is a pure price index. Only transaction price movements are reflected by changes in the Index between two periods. Consequently, imputed values such as those for rents (rental equivalence) are not taken into consideration.

2.1.2 Household final monetary consumption expenditure

HICP coverage is demarcated by the household final monetary consumption expenditure covered by the four-digit COICOP classification categories and sub-categories.

Thus, for calculating the HICP, account must be taken of that part of expenditure which is incurred:

- by households, irrespective of nationality or residence status
- on the national economic territory
- for goods and services that are used for the direct satisfaction of individual needs or wants.

The following are excluded from household final monetary consumption expenditure: social transfers such as direct taxation, social contributions such as occupational pension premiums, the percentage of private insurance premiums reimbursed to households as compensation for damages, and alimony. Moreover, non-monetary transactions such as the imputed rents are excluded from the HICP.

2.1.3 Prices

The prices used to calculate the HICP are the prices paid by households to purchase goods and services in monetary transactions.

These include taxes, bulk discounts and discounts available to all consumers, but not interest, charges for processing credit dossiers or charges for reminders.

Social transfers in kind received by households, such as expenditure made by households for which they are subsequently reimbursed by a government service or a non-profit organization are excluded from the HICP's coverage. Thus, prices net of transfers prices are recorded. All other rebates by public authorities, such as rent subsidies, are regarded as social cash benefits and therefore as part of households' disposable income. Thus, the HICP covers the total price of the goods or services before any transfer.

Furthermore, the prices of goods are entered at the time of purchase, while the prices of services are entered at the time of their consumption.

2.1.4 Weighting

The weights used in compiling the HICP may relate to a period up to seven years prior to the current year.

However, adjustments must be made each year to take account of changing consumer habits and to include any goods or services that represent a significant share (at least 1 ‰) of household final monetary consumption expenditure.

Countries' reweighting frequencies are not harmonized, but the Swiss HICP's weighting will be readjusted annually, like the Swiss CPI.

The relative importance of consumers' expenditure on individual goods and services varies from country to country, so there is no uniform weighting at European level. Each country produces its own weighting to take account of different consumer habits.

2.1.5 The fixed basket

In contrast, the fixed basket is the same for all countries that produce a HICP. The Classification of Individual Consumption by Purpose (COICOP) usually used at international level has been adapted to HICP requirements, with some sub-indices (such as narcotics and the imputed rents of owner-occupiers) having to be omitted because the HICP does not cover them. In addition, some four-digit COICOP categories were combined to ensure a weighting higher than one thousandth in the majority of member countries.

Member countries therefore provide Eurostat with a standard number of indices every month. These exclude indices representing less than one thousandth of the household final monetary consumption.

2.2 Coverage

As already mentioned, the HICP's scope is delimited by the household final monetary consumption expenditure. It is defined according to the domestic concept, unlike the scope of national CPIs which is often defined according to the national concept.

Using the domestic concept has the advantage of allowing aggregation of the indices of several countries.

2.2.1 Geographic coverage

The HICP's scope requires the prices taken into account in the index to be those for the goods and services available for purchase on the country's economic territory. The HICP must therefore cover expenditure by residents and non-residents (tourists, day-trippers, cross-border workers) on the economic territory of the country, irrespective of their residence.

2.2.2 Demographic coverage

The consumption expenditure of private households and institutional households come within the HICP's purview.

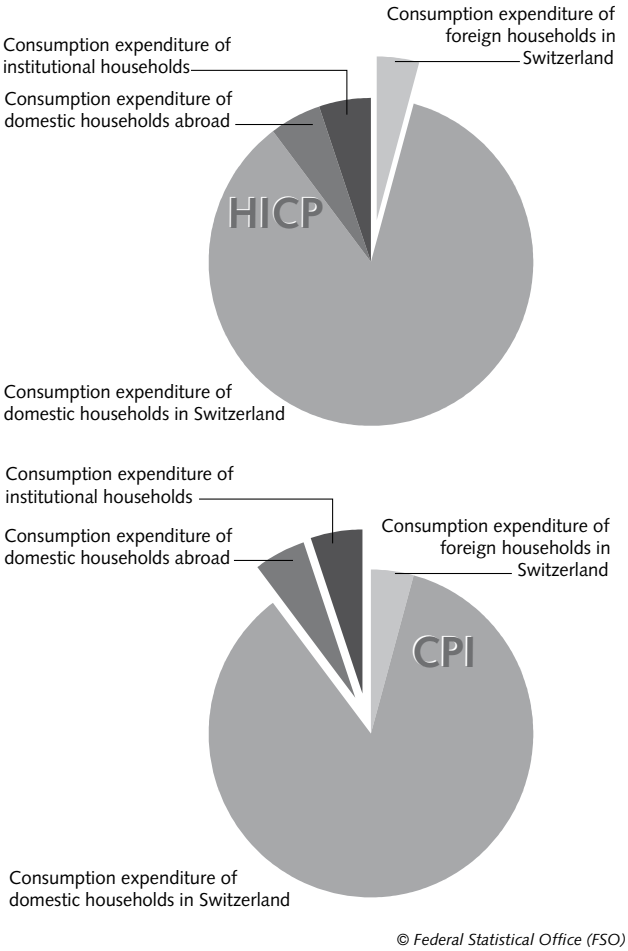
The following are regarded as members of institutional households: the inmates of prisons, convents/monasteries, homes and other socio-medical institutions, student hostels as well as hotel or hospital staff who reside on their employers' premises.

3 Differences Between HICPs and National CPIs

Even though the differences between HICPs and national CPIs are tending to decrease, the two indices differ, in particular as regards:

- Geographic and demographic coverage. HICPs cover all expenditure on the national territory, by residents and visitors. National CPIs often aim to cover the expenditure of residents on the economic territory or abroad. Furthermore, while HICPs cover the expenditure of private households and of institutional households, CPIs often take account of the expenditure of private households only.
- The procedure for owner-occupied housing. The imputed prices of owner-occupied housing are currently excluded from the HICP, though the idea of taking account of expenditure on owner-occupied housing is being studied. A standardized method would considerably improve the comparability of harmonized indices between European countries. National CPIs address this problem using different methods. Some countries use an approach involving imputed rents, some have developed a user cost concept and others exclude them from the CPI. Switzerland uses the concept of imputed rentals for housing for its CPI (rental equivalence), as this concept is particularly appropriate to the Swiss context, where 65 % of people rent their accommodation.
- A third area throws up an important number of differences between national CPIs and HICPs at the level of the fixed basket's content. On the one hand, some countries include in their CPIs road taxes or motor vehicle taxes or games of chance, all of which being excluded from the HICP. In contrast, some countries exclude university tuition fees (which are included in the HICP) from their CPIs. When it comes to taxes, the area covered by the Swiss CPI matches that defined for the HICP.

Differences in CPI and HICP coverage **G 1**



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The Swiss Harmonized Index of Consumer Prices

4 Adaptations Made

The Harmonized Index of Consumer Prices in line with European Union standards, published for the first time in Switzerland in 2008, enhances the portfolio of economic indices available in Switzerland. The HICP is one of the modules which supplements the basic information provided by the CPI and makes it possible to respond better to specific user needs, particularly the needs of groups interested in international inflation comparisons.

Designed according to European Union norms, the Swiss HICP is first and foremost an indicator for comparing inflation in Switzerland with that of its European neighbours. It could not replace the customary applications of the CPI which is used for compensating inflation, for deflating statistical data or as a basis for decisions about economic policy.

While not intended to replace the CPI, the HICP is derived from it. However, harmonizing the Consumer Price Index necessitated various adaptations.

4.1 Adaptation of the scope of application

As mentioned above, the CPI is based on the national concept while the HICP follows the domestic concept. The two indices will therefore have different weightings of their fixed basket.

The main difference between these two concepts lies in the coverage of expenditure. The national concept concentrates mainly on covering all expenditure – at home or abroad – by people residing in Switzerland, while the domestic concept focuses on covering expenditure in Switzerland, irrespective of the domicile or nationality of the purchaser. For instance, the money spent on petrol by a Swiss holidaying abroad is not covered by the Swiss HICP, whereas the money spent on the same item by an English holidaymaker in Switzerland is included.

Moreover, while the CPI confines itself solely to the expenditure of private households, the HICP also takes account of the expenditure of institutional households.

In 2008, the share of the various categories of expenditure of the total expenditure covered by the HICP was as follows:

- Expenditure in Switzerland by residents: 89.3 %
- Expenditure in Switzerland by non-residents: 5.3 %
- Expenditure of institutional households: 5.4 %

Outline of transition from CPI to HICP

Expenditure used for the CPI

./. Consumption expenditure abroad by residents of Switzerland
\+ Consumption expenditure in Switzerland by non-residents
\+ Consumption expenditure of people living in institutional households

Expenditure used for the HICP

4.2 Adaptation of survey frequency and temporal coverage

The majority of prices for CPI purposes were surveyed on a quarterly basis until 2007, with the exception of most foodstuffs and oil products which were surveyed monthly, or even twice monthly.

The European standards stipulate the conduct of monthly price surveys, except in justifiable cases.

The frequency of price surveys was stepped up for HICP requirements. Most of the prices for goods and services included in the fixed basket will be surveyed every month as of 2008. Exceptions will include rents and books, which will be surveyed quarterly as hitherto, clothing and footwear, which will be surveyed six times per year, and certain administered prices which are surveyed when price changes are announced. These exceptions will be studied in 2010, when the CPI is next revised.

A total of approximately 50,000 prices are surveyed every month.These prices are used to calculate both the CPI and the HICP and are surveyed both by the FSO and by the company commissioned by it, IHA-GfK AG.

Until 2007, prices were surveyed during the first six working days of the month. As Eurostat's Regulations require prices to be surveyed towards the middle of the month, the survey period has been extended and covers the first two weeks of the month from 2008.

Price survey system

The price survey system is identical for the two indicators, because the prices surveyed are used to calculate both the CPI and the HICP.
Around 50,000 prices are collected monthly in 11 regions, each of them weighted according to their particular consumption expenditure totals.
A certain number of sales outlets are chosen on a reasoned basis in each of the eleven regions. The major sales outlets established nationwide and regional sales outlets are represented in the Index. The latter are chosen by branch of activity, distribution channel and representativity at regional level. In all, the prices of approximately 2,200 sales outlets are included in the calculation of the two indices.
Part of the price collection work is contracted out to the IHA-GfK survey institute which employs some 40 regional price collectors who survey nearly two thirds of the prices. The remaining prices are collected by the FSO which deals mainly with prices determined at national or cantonal level, such as pharmaceutical products, medical services, communications and energy, etc.
Various survey techniques are used. Prices are collected in the field, by post and e-mail, and using the Internet. It is worth mentioning that the FSO will very shortly be introducing a new price survey technique – the data obtained at cashpoints using optical readers that scan product barcodes. The first price surveys using scanner data are scheduled for July 2008.

The same quality adjustments are made to prices collected by the FSO and by the subcontractor.

4.3 Adaptation of the concept of introducing prices for services

Under the European standards, prices for services are to be included in the Index for the month in which their consumption can commence, in other words according to the user concept. However, in the CPI, prices for services are dealt with according to the purchase concept (prices are included in the Index in the month during which they are purchased). This difference in method mainly concerns the taking into account of package holidays and airline tariffs.

In each of these fields, the differences between the time of purchase and the time of consumption are systematically observed. Using the purchase concept in the CPI makes it possible to take account of the impact of advance purchases. In practice, annual consumption is observed every month, and this explains the disappearance of seasonal fluctuations. In contrast, applying the user concept means observing the prices for services whose consumption can commence in the actual month in which they are entered into the Index. The effect of advance purchase is ignored, or at least considerably attenuated.

Using two concepts for entering prices for services will result in differences between the CPI and the HICP as regards the behaviour of the relevant sub-indices. The user concept in the HICP should reveal strong fluctuations between the "high" and "low" seasons which are not visible in the CPI, where merely the tendency of price change can be observed.

4.4 Other adaptation requirements

The HICP's different coverage resulted in substantial changes to the surveys conducted on financial services and social welfare. This changes are included in the HICP but not in the CPI. Financial services billed as a percentage of their transaction value have to be included in the

T2 Scope of HICP application

Scope	Household final monetary consumption expenditure covered by the four-digit COICOP classification categories and sub-categories
Geographic coverage	Expenditure inccurred on the Swiss territory
Population coverage	Expenditure incurred by households, irrespective of nationality or residence status
Consumption	Domestic concept
Inclusion threshold	1‰ of the household final monetary consumption expenditure
Classification	COICOP classification adapted of the needs of HICPs (Regulation (EC) n° 1749/99)

HICP. It should be noted that a considerable percentage of these bank charges are collected from non-residents. As regards social welfare, homes (for the aged and the handicapped) have to be surveyed for the HICP.

No changes were made in connection with rents. However, for the HICP only, changes are estimated for months when no survey is conducted.

Bearing in mind that European legislation on the HICP will undoubtedly change in the next few years, new Regulations should come into force, triggering the need for fresh adaptations.

T3 Areas surveyed differently in the CPI and HICP

Are included in the CPI but excluded from HICP	Are included in the HICP but excluded from the CPI
Consumption expenditure for owner-occupied housing (concept of rental equivalence)	Consumption expenditure of people living in institutional households
Airfaires according to the purchase concept	Airfaires according to the user concept
Package holidays according to the purchase concept	Package holidays according to the user concept
	Consumption expenditure for financial services billed as a proportion of their transaction value
Consumption expenditure abroad by residents of Switzerland	Consumption expenditure in Switzerland by non-residents

5 Weighting of the Swiss Harmonized Index of Consumer Prices

5.1 Sources

As the HICP's geographic coverage is defined according to the domestic concept, it is not possible to base weighting of the Harmonized Index solely on the Household Budget Survey (HBS), as can be done for the CPI, which is defined according to the national concept and contains no information about expenditure in Switzerland by non-residents. Moreover, the CPI excludes all information about expenditure by institutional households, more specifically by the inhabitants of medical and social institutions.

As these two categories of expenditure are covered by the HICP, different sources – from the highest to the lowest level of aggregation – have had to be identified in order to arrive at the weighting for the Swiss Harmonized Index of Consumer Prices.

5.1.1 Sources for the highest level of aggregation

Three main sources are used to identify total expenditure by origin and the type of household under consideration:

a. *The Household Budget Survey (HBS)* is used to identify expenditure by residents in Switzerland. The HBS findings for year t-2 are used to weight the HICP for year t.

b. *The Tourism Balance of Payments* makes it possible to identify expenditure in Switzerland by non-residents. The findings of the Tourism Balance of Payments for year t-2 are used to weight the HICP for year t.

c. *Health Statistics* make it possible to identify the expenditure of inhabitants of medical and social institutions. The statistical data for year t-3 are used to weight the Index in year t. Furthermore, these Statistics publish cost movement estimates which are used to adjust the figures for year t-3. The expenditure of administrative households and those employed in hotels and medical and social establishments can be identified thanks to the *Household Budget Survey (HBS)*.

5.1.2 Sources for the lowest level of aggregation

Once identified, the total expenditure for each of the categories under consideration has to be distributed over the various COICOP categories.

This task is comparatively easy as regards the expenditure of residents in Switzerland since they are compiled on a very detailed level by the HBS.

For expenditure by non-residents, weighting is done by type of "visitor".

a. Expenditure by tourists and day-trippers is weighted according to Tourism Balance of Payments information (accommodation and meals) and to public trans-

port turnover. However, these two sources do not permit full distribution of this expenditure. The remainder is weighted using the HBS (by residents' consumption expenditure abroad).

b. The expenditure of cross-border workers is weighted according to the HBS, on the accepted assumption that their consumption habits are comparable to those of the resident population, with the obvious exception of expenditure on housing.

c. Much of the expenditure on financial services (bank charges) is generated by non-residents, which is why additionnal financial services have to be included in the HICP. The appropriate weighting data are derived from the National Accounts. No distinction is made between the expenditure of non-residents and that of residents. Only the expenditure of private households is taken into consideration.

Finally, the expenditure of institutional households is weighted according to the Health Statistics for the inhabitants of medical and social institutions, and according to the HBS for administrative households, employees of medical and social institutions and hotel staff accommodated by the employer.

T4 Weighting sources

	Consumption expenditure of domestic households in Switzerland	Consumption expenditure of non-resident households in Switzerland		Consumption expenditure of institutional households	
		Cross-border workers	Tourists and day-trippers	Administrative households, hotels' and medico-social institutions' employees	Inhabitants of medical and social institutions
Sources for the highest aggregation level	HBS	Tourism balance		HBS	Health statistics
Sources for the lowest aggregation level	HBS	HBS	Tourism balance, Public transport statistics, HBS	HBS	Health statistics
	Specific case: Financial services Source for the highest and lowest aggregation levels: National accounts				

5.2 2008 weighting of the HICP

Like the CPI, the HICP is calculated as a Laspeyres chain index whose weighting is adjusted annually to take account of changing consumer habits and to keep abreast of the current situation.

The 2008 weighting of the fixed HICP basket is based on the data from the various surveys already mentioned, namely:

- 2006 Household Budget Survey data
- 2006 Tourism Balance of Payments data
- public transport turnover for 2006
- 2005 Health Statistics data
- the 2006 National Accounts

The table in Annex 1 provides the 2008 weights for the indices and sub-indices which will be published. It should be noted that not all the sub-indices published for the CPI will be published for the HICP, where only the sub-indices required by Eurostat will be published.

Main groups and weighting 2008

	Weight in % 2008
Total	100.000
01 Food and non-alcoholic beverages	10.750
02 Alcoholic beverages and tobacco	1.711
03 Clothing and footwear	4.179
04 Housing, water, electricity, gas and other fuels	19.630
05 Furnishings, household equipment and routine maintenance of the house	4.612
06 Health	14.592
07 Transport	11.444
08 Communication	2.891
09 Recreation and culture	10.227
10 Education	0.819
11 Restaurants and hotels	9.114
12 Miscellaneous goods and services	10.031

(see chart G2)

5.3 Differences between the 2008 weighting of the HICP and of the CPI

Given their different sources, the two indices also feature weighting differences.

As can be seen in chart G3, the HICP weights for groups 1 to 5 and group 9 are lower than the weights assigned to them in the CPI. While the difference in most cases is comparatively slight at around 0.2 to 0.4 point, it is fairly pronounced in group 4 "Housing, water, electricity, gas and other fuels", where there is a difference of roughly 5 percentage points. This difference is quite easily explained. As mentioned in Section 3, the Swiss CPI takes account of expenditure on owner-occupied housing whereas this expenditure is, for the time being, excluded from the HICP. Thus, it is the difference in coverage between the two indices that causes the weight difference in group 4 between the fixed CPI and HICP baskets. Nevertheless, expenditure on housing and energy are still the biggest expenditure items for the households observed.

The weights for groups 6, 7, 10, 11 and 12 are higher in the HICP than in the CPI. The difference is slight for groups 6, 7, 10 and 11 but very pronounced for group 12: The weight for "Other goods and services" in the HICP is double that in the CPI.

Yet again, this difference can be explained by the scope of the two indices. The expenditure of institutional households has to be covered by the HICP but is not covered by the CPI. The main source of group 12 weight differences is the expenditure of inhabitants of homes (the elderly and the handicapped). On top of this, there is the consumption of financial services where coverage is more extensive for the HICP than for the CPI.

5.4 Changes in the HICP weighting between 2005 and 2008

Chart G4 shows the changes in weighting of the main groups in the Harmonized Index between 2005 and 2008.

This chart shows fairly stable weights for groups 2, 4, 8 and 10 throughout the period analysed, while the weights for groups 1, 3, 6 (since 2006) and 11 tended downward. The lower weight for group 6 was largely the result of introducing a new method for surveying health-related expenditure and the appropriate health-insurance reimbursements. The trend pointed upward for groups 5 and 7.

Group 9 is an exception. Though the group 9 weighting tended downward until 2007, it rose by almost one point in 2008 compared with previous years. The main reason for this large increase is a rise in the percentage of expenditure on package holidays. At the same time, a fall in expenditure on hotels can be observed (group 11).

All in all, analysis of the HICP weighting between 2005 and 2008 shows that it follows the same trend as that noted for the CPI.

6 Harmonized Index of Consumer Prices Data

6.1 Base year

The Swiss Harmonized Index of Consumer Prices has the same base year as all the European HICPs – 2005=100 – allowing direct comparisons between the Swiss Index and its European counterparts.

To achieve this, the FSO implemented the weightings according to the methodology defined for the HICP for 2005, 2006 and 2007, then calculated their respective data, which do not however comply with all the Regulations governing the HICP. In particular, it is not possible to increase frequency a posteriori. Moreover, certain indices such as airfares, package holidays and social welfare are calculated using a concept which is not comparable or a coverage which is different from that required for the HICP. Eurostat nevertheless agreed to publish these findings as they stood (with a footnote), thus making it possible to publish the data of the Swiss HICP and the annual evolutions using the same base year as the other European countries with effect from 2008.

6.2 Data

The main aim of the HICP, and of the CPI, is to produce indices that reflect price movements. These indices are calculated and published for approximately 94 sub-indices and their aggregations, giving a basket which is more highly aggregated than that published for the Swiss CPI.

The January 2008 Index is the first calculated entirely in accordance with HICP Regulations, because the data calculated for the previous two years do not apply the frequency required by Eurostat.

The preliminary calculations dealt with the base year (2005) and the next two years (2006 and 2007). Calculating the HICP data for these years makes it possible (with certain reservations) to observe the differences between the CPI and the HICP over this period. As graph G 5 shows, during these two years, the overall HICP developed very much like the CPI. The differences that can be observed in February 2007 are the product of diverging trends in groups 11 (Restaurants and hotels) and 12 (Other goods and services). Thus different weights can indeed impact on the overall Index findings.

6.3 Publication of the data by Eurostat

HICP data are published by Eurostat on its dedicated website: http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP_DS_HICP

In addition to the current data, this website contains information about the HICP's methodology and history, a database with all data since 1996 and all publications, including press releases.

The indices are published by Eurostat according to a pre-set timetable, generally later than the Swiss CPI data. The latter are generally published at the beginning of the month following that to which the Index relates, while HICP data are published in the middle of the month following that to which the Index relates.

Every month, Eurostat publishes the following data for all countries as well as for the euro zone, the EU and European Economic Area:

- the overall HICP index (base = 2005)
- the monthly movement of the indices
- the movement of the indices compared with the same month of the previous year
- the the average movement over the past 12 months

HICP release calendar 2008

Index of	Released by Eurostat on
January 2008	29 February 2008
February 2008	14 March 2008
March 2008	16 April 2008
April 2008	15 May 2008
May 2008	16 June 2008
June 2008	16 July 2008
July 2008	14 August 2008
August 2008	16 September 2008
September 2008	15 October 2008
October 2008	14 November 2008
November 2008	17 December 2008
December 2008	15 January 2009

The indices according to the list in Annex 1 and several aggregates are also published. Lastly, it should be noted that, at the beginning of every month, Eurostat publishes "flash estimates" of the inflation in the euro zone.

6.4 Publication of data by the FSO

HICP results are published monthly in a dedicated section of the FSO's website: *www.hicp.bfs.admin.ch*

The first results will be published with those of January 2008.

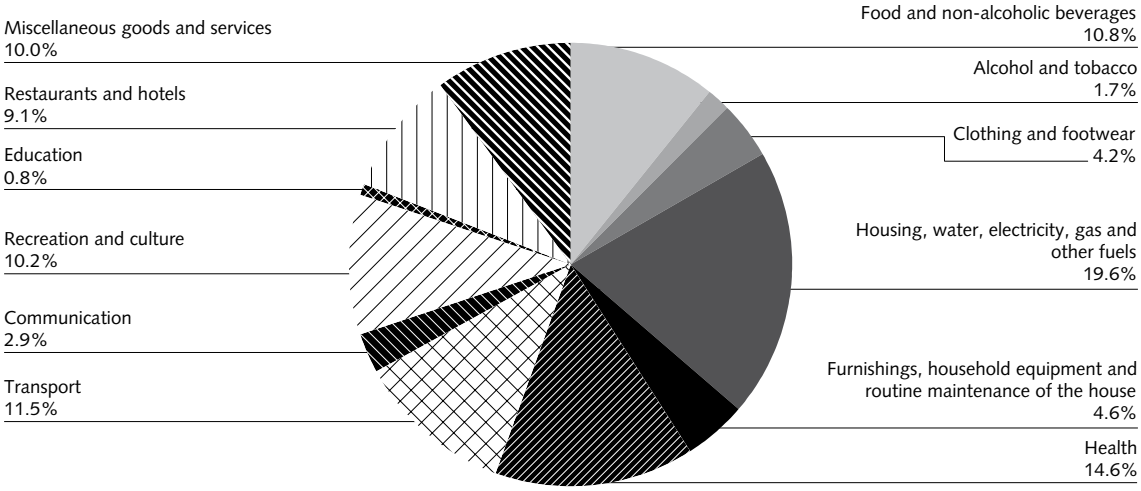
In particular, the data comprise:

- the level of the Index and of the twelve main groups
- variations compared with the previous month
- variations compared with the previous year
- a comparison with inflation in the euro zone

In time, the website dedicated to the Index – *www.hicp.bfs.admin.ch* – will be available in four languages (German, French, Italian and English). Besides data, it will contain information about the HICP, more specifically a note about its methodology, weighting (main groups), publication schedule, the link to the Eurostat website and other topical information or documents for downloading that might be of interest to Index users.

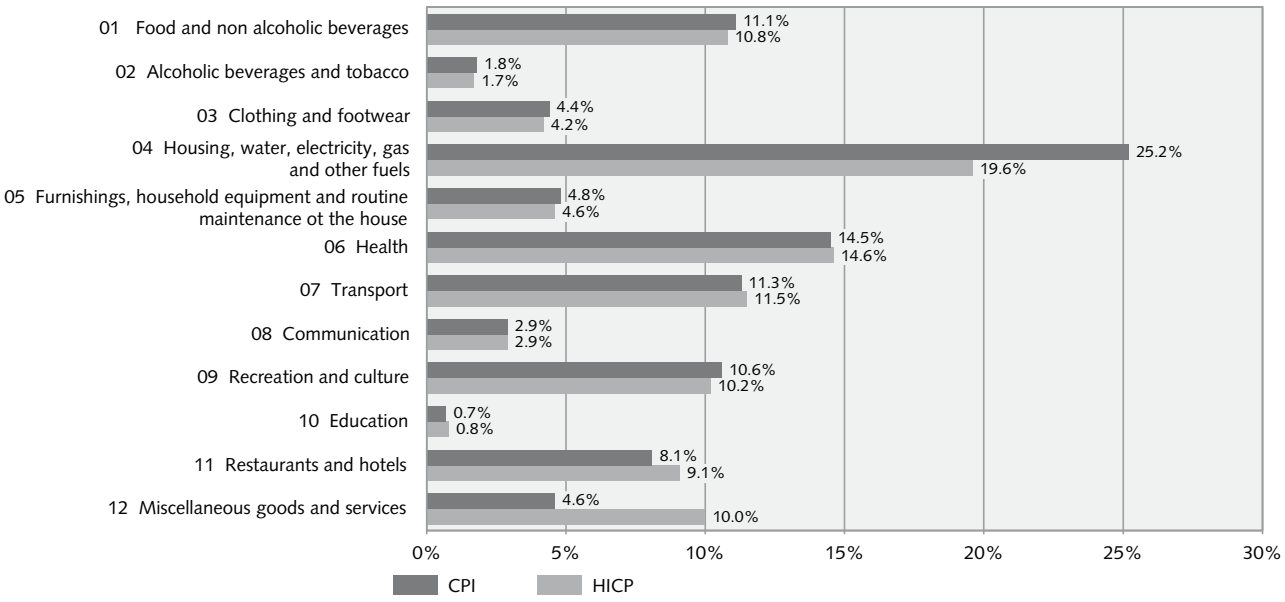
As has already been said, HICP data will be communicated mainly via the Internet, on either the FSO or the Eurostat website. No specific press releases will be sent out by the FSO when HICP data are published. However, the Swiss HICP data will feature in the Swiss CPI's and Eurostat's press releases.

Overall structure and weighting of the fixed 2008 HICP basket G 2



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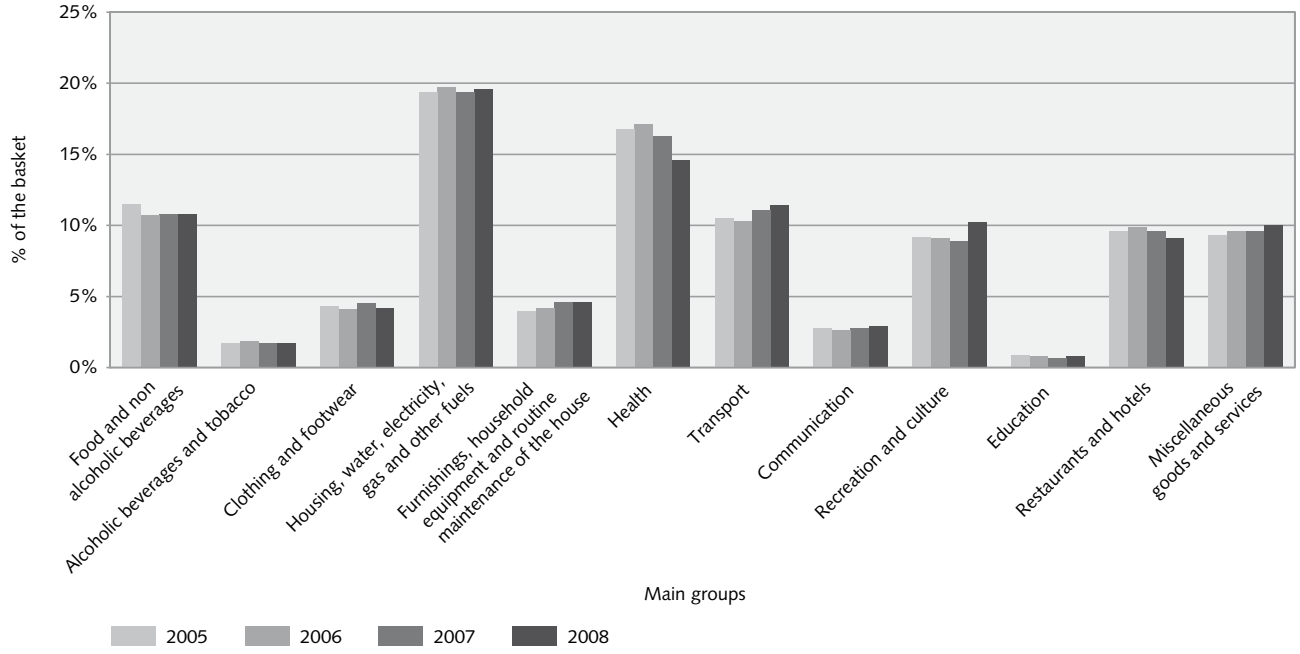
Comparison of the weighting of the fixed 2008 CPI and HICP baskets G 3



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Changes in HICP weighting 2005–2008

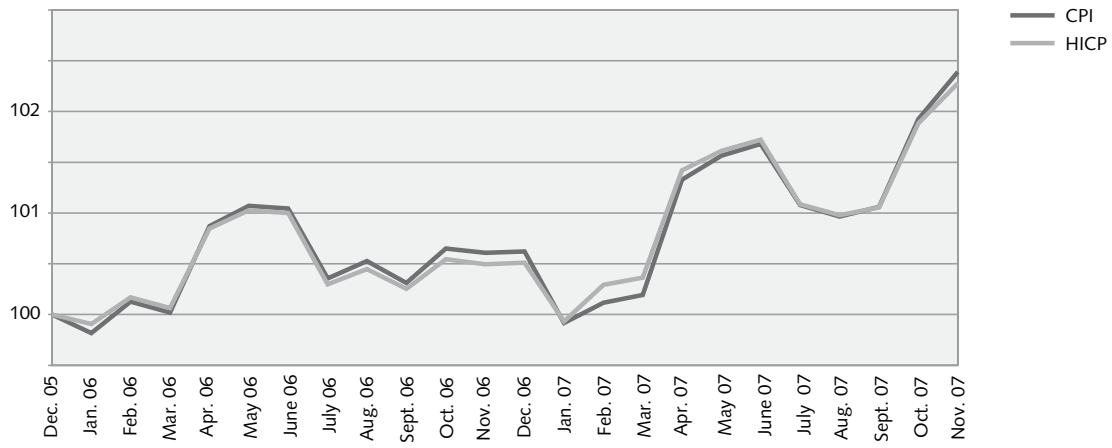
G 4



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Changes in the HICP and the CPI since December 2005 (base: December 2005=100)

G 5



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Annex 1 Fixed 2008 basket with weighting

Position	Weights in %
Food and non-alcoholic beverages	**10.750**
Food	9.806
Bread and cereals	1.677
Meat	2.410
Fish	0.365
Milk, cheese and eggs	1.683
Oils and fats	0.270
Fruit	0.865
Vegetables	1.160
Sugar, jam, honey, chocolate and confectionery	0.669
Food products n.e.c	0.707
Non-alcoholic beverages	0.944
Coffee, tea and cocoa	0.340
Mineral waters, soft drinks, fruit and vegetable juices	0.604
Alcoholic beverages, tobacco	**1.711**
Alcoholic beverages	1.021
Spirits	0.113
Wine	0.787
Beer	0.121
Tobacco	0.690
Clothing and footwear	**4.179**
Clothing	3.429
Clothing materials	0.018
Garments	3.152
Other articles of clothing and clothing accessories	0.179
Cleaning, repair and hire of clothing	0.080
Footwear	0.750
Shoes and other footwear including repair and hire of footwear	0.750
Housing, water, electricity, gas and other fuels	**19.630**
Actual rentals for housing	13.259
Actual rentals paid by tenants including other actual rentals	13.259
Maintenance and repair of dwelling	0.958
Materials for the maintenance and repair of the dwelling	0.192
Services for the maintenance and repair of the dwelling	0.766
Water supply and miscellaneous services relating to the dwelling	0.424
Water supply	0.115
Refuse collection	0.227
Sewerage collection	0.082
Other services relating to the dwelling n.e.c	0.000
Electricity, gas and other fuels	4.989
Electricity	1.965
Gas	0.608
Liquid fuels	2.213
Solid fuel	0.102
Heat energy	0.101
Furnishings, household equipment and routine maintenance of the house	**4.612**
Furniture and furnishings, carpets and other floor coverings	1.853
Furniture and furnishings	1.771
Carpets and other floor coverings	0.082
Repair of furniture, furnishings and floor coverings	0.000
Household textiles	0.315
Household appliances	0.630
Major household appliances whether electric or not and small electric household appliances	0.630
Repair of household appliances	0.000
Glassware, tableware and households utensils	0.326
Tools and equipment for house and garden	0.551
Major tools and equipment and small tools and miscellaneous accessories	0.551
Goods and services for routine household maintenance	0.937
Non-durable household goods	0.540
Domestic services and household maintenance	0.397
Health	**14.592**
Medical products, appliances and equipment	2.943
Pharmaceutical products	2.377
Other medical products, therapeutic appliances and equipment	0.566
Out-patient services	5.827
Medical and paramedical services	4.350
Dental services	1.477
Hospital services	5.822
Transport	**11.444**
Purchase of vehicles	4.353
Motor cars	4.055
Motor cycles, bicycles and animal drawn vehicles	0.298
Operation of personal transport equipment	4.756

Annex 1 Fixed 2008 basket with weighting

Position	Weights in %
Spare parts and accessories for personal transport equipment	0.359
Fuels and lubricants for personal transport equipment	2.700
Maintenance and repair of personal transport equipment	1.265
Other services in respect of personal transport equipment	0.432
Transport services	2.335
Passenger transport by railway	1.249
Passenger transport by road	0.053
Passenger transport by air	0.441
Passenger transport by sea and inland waterway	0.000
Combined passenger transport	0.592
Other purchased transport services	0.000
Communication	**2.891**
Postal services	0.101
Telephone and telefax equipment and telephone and telefax services	2.790
Telephone and telefax equipment	0.089
Telephone and telefax services	2.701
Recreation and culture	**10.227**
Audio-visual, photographic and information processing equipment	1.414
Equipment for the reception, recording and reproduction of sound and pictures	0.479
Photographic and cinematographic equipment and optical instruments	0.142
Information processing equipment	0.525
Recording media	0.241
Repair of audio-visual, photographic and information processing equipment	0.027
Other major durables for recreation and culture	0.090
Major durables for indoor and outdoor recreation including musical instruments	0.090
Maintenance and repair of other major durables for recreation and culture	0.000
Other recreational items and equipment, gardens and pets	1.773
Games, toys and hobbies	0.406
Equipment for sport, camping and open-air recreation	0.360
Gardens, plants and flowers	0.534
Pets and related products including veterinary and other services for pets	0.473
Recreational and cultural services	2.907
Recreational and sporting services	0.877
Cultural services	2.030
Newspapers, books and stationery	1.266
Books	0.369
Newspapers and periodicals	0.640
Miscellaneous printed matte rand stationery and drawing materials	0.257
Package holidays	2.777
Education	**0.819**
Pre-primary and primary, secondary, post-secondary Non-tertiary, tertiary education and education non definable by level	0.819
Restaurants and hotels	**9.114**
Catering services	7.428
Restaurants, cafés and the like	6.769
Canteens	0.659
Accommodation services	1.686
Miscellaneous goods and services	**10.031**
Personal care	1.878
Hairdressing salons and personal grooming establishments	0.837
Electric appliances for personal care and other appliances, articles and products for personal care	1.041
Personal effects n.e.c	0.657
Jewellery, clocks and watches	0.412
Other personal effects	0.245
Social protection	3.858
Insurance	1.310
Insurance connecting with the dwelling	0.286
Insurance connecting with health	0.591
Insurance connecting with transport	0.433
Other insurance	0.000
Financial services n.e.c	2.111
Other financial services n.e.c	2.111
Other services n.e.c	0.217

Annex 2 Survey schedule

HICP items		Periodicity	Month of the price collection											
			J	F	M	A	M	J	J	A	S	O	N	D
1.	**Food and non alcoholic beverages**	**monthly**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
2.	**Alcoholic beverages and tobacco**	**monthly**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
	Tobacco	quarterly			X			X			X			X
3.	**Clothing and footwear**	**6 times per year**	**X**			**X**		**X**	**X**			**X**		**X**
	Cleaning, repair and hire of clothing	quarterly	X			X			X			X		
	Repair and hire of footwear	quarterly	X			X			X			X		
4.	**Housing, water, electricity, gas and other fuels**	**monthly**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
	Actual rentals for housing	quarterly		X			X			X			X	
	Water supply	aperiodic*												
	Electricty, gas and other fuels	aperiodic*												
	Liquid fuels	twice monthly	X	X	X	X	X	X	X	X	X	X	X	X
5.	**Furnishings, household equipment and routine maintenance of the house**	**monthly**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
	Furniture and furnishings, carpets and other floor coverings	6 times per year	X		X			X	X		X			X
	Domestic services and household services	quarterly			X			X			X			X
6.	**Health**	**aperiodic***												
	Pharmaceutical products	monthly	X	X	X	X	X	X	X	X	X	X	X	X
	Other medical products, therapeutic appliances and equipment	quarterly	X			X			X			X		
	Dental services	quarterly	X			X			X			X		
7.	**Transport**	**monthly**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
	Fuels for personal transport equipment	twice monthly	X	X	X	X	X	X	X	X	X	X	X	X
	Maintenance and repair of personal transport equipment	quarterly	X			X			X			X		
	Other services in respect of personal transport equipment	quarterly	X			X			X			X		
	Passenger transport by railway	aperiodic*												
	Passenger transport by road	quarterly	X			X			X			X		
	Combined passenger transport	aperiodic*												
8.	**Communication**	**aperiodic***												
	Telephone and telefax equipment	monthly	X	X	X	X	X	X	X	X	X	X	X	X
9.	**Recreation and culture**	**monthly**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
	Musical instruments	quarterly			X			X			X			X
	Equipment for sport, camping and open-air recreation	6 times per year	X			X		X	X			X		X
	Sports stadiums: football	twice yearly						X			X			
	Sports stadiums: ice hockey	twice yearly									X			X
	Recreational and sporting services: swimming pools	twice yearly						X			X			
	Recreational and sporting services: skating rings	twice yearly									X			X
	Cinemas, theaters and concerts	quarterly			X			X			X			X
	Television and radio broadcasting fees	aperiodic*												
	Books and newspapers	quarterly			X			X			X			X

Annex 2 Survey schedule

HICP items		Periodicity	Month of the price collection											
			J	F	M	A	M	J	J	A	S	O	N	D
10.	**Education**	**twice yearly**									**X**			**X**
	Continuing education	quarterly			X			X			X			X
11.	**Restaurants et hotels**	**monthly**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
	Canteens	quarterly	X			X			X			X		
	Holidays apartments	quarterly	X			X			X			X		
	Camping and youth hostels	yearly				X								
12.	**Miscellaneous goods and services**	**monthly**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
	Hairdressing salons	quarterly		X			X			X			X	
	Social protection	quarterly		X			X			X			X	
	Insurance	aperiodic*												
	Financial services n.e.c	quarterly		X			X			X			X	

* aperiodic: price variations influence the index as soon as they occur (tariffs and taxes)