



Central Statistics Office
IRELAND

Consumer Price Index
Introduction of Updated Series
December 2001 = 100



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Consumer Price Index (CPI)

Introduction of Updated Series

(Base: December 2001 = 100)

Index Updating and Rebasings

This booklet describes the latest regular updating of the Consumer Price Index (CPI). The index is being compiled using updated weights derived from the results of the 1999-2000 Household Budget Survey (HBS). The sample of items covered by the index and the sample of shops in which they are priced throughout the country have also been updated to ensure that they continue to be representative of current consumer tastes and retailing structures. There are some changes to the methodology and scope of the index with the introduction of a number of new developments. The introduction of the Geometric Mean in calculating basic prices at the lowest level and the inclusion of expenditure by foreign tourists within Ireland are the two main changes introduced in conjunction with this rebase. These changes are being introduced to exploit new methodologies and data sources and to make the national index more comparable with the HICP published at EU level.

The Consumer Price Index (CPI) is designed to measure the change in the average level of the prices (inclusive of all indirect taxes) paid for consumer goods and services by all private households in the country and by tourists holidaying within the territory of Ireland. It is compiled by the Central Statistics Office (CSO). The index is then issued through the Government Information Service (GIS) approximately two weeks after the end of the month to which it relates. It is subsequently published in the monthly *Economic Series* and in the quarterly *Statistical Bulletin*.

The updated index is being published to base mid-December 2001 as 100. Indices for the main commodity groups calculated to the former mid-November 1996 base are also being published for continuity purposes. Linked indices calculated to the other earlier bases (i.e. July 1914, mid-August 1947 and 1953, mid-November 1968, 1975, 1982 and 1989) are available on request.

The CPI reflects changes in prices paid in market transactions, the majority of which are collected each month from a representative panel of retail and service outlets throughout the country. Other price quotations are collected directly by post and telephone. In the case of certain items collected by post or telephone, where prices change infrequently or only at certain periods of time data is collected either quarterly or annually. An example of such an item is school textbooks which usually change price at a certain point in the year and the vast bulk of consumption takes place in the late summer/early autumn period. The CSO wishes to place on record its appreciation of the co-operation and assistance it receives from retailers and other business concerns. The quotations relating to individual concerns are treated as strictly confidential and are not divulged in an identifiable form by the CSO to any other Government Department or outside body.

Definition and Purpose of the CPI

The CPI measures in index form the monthly changes in the cost of purchasing a fixed representative "basket" of consumer goods and services (i.e. Laspeyres index formula). The quantity of each item in this basket is proportional to the average amount purchased by all private households in the country as determined by the Household Budget Survey. Goods and services typically purchased by tourists while holidaying within Ireland such as hotel accommodation and meals out are adjusted to take account of additional expenditure by tourists. The extension of the geographic and population coverage of the CPI to include expenditure by tourists means that the geographic coverage of the CPI is now consistent with what is termed the domestic concept. The previous bases excluded tourist expenditure and are defined as using a resident concept. Identical items are priced in the same outlet on each occasion so that changes in the cost of this constant basket reflect only price changes. Since 1968 these index weights have been regularly updated every seven years. With effect from 2001 the cycle will be every five years.

The CPI measures price change. It is specifically designed *not* to take into account changes made by households to their pattern of expenditure (e.g. switches from expensive meat cuts to cheaper cuts, or vice versa) in response to changes in prices, income levels, family composition, tastes, consumer preferences or market conditions. Furthermore, payments such as income tax and social insurance contributions, which determine disposable income, are not covered. The CPI is a price index, not a cost of living index. However, the most important factor determining changes

in the cost of living is the extent to which consumer prices of goods and services vary. It is only this particular aspect of the cost of living which is measured by the CPI.

EU Harmonised Index of Consumer Prices (HICP)

The Maastricht Treaty on European Union set a timetable for achieving Stage III of Economic and Monetary Union (EMU) by 1 January 1999 at the latest. Participating Member States are required to achieve a high degree of economic convergence, measured in particular in relation to four criteria. One of these, as stated in Article 109j of the Treaty, requires Member States to have sustainable price performance and an average rate of inflation over a year that does not exceed by more than 1.5 percentage points that of, at most, the three best performing Member States in terms of price stability. The Protocol on the convergence criteria states that “inflation shall be measured by means of the Consumer Price Index on a comparable basis, taking into account differences in national definitions”. The compilation of the HICP is governed by *Council Regulation (EC) No. 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices and Commission Regulation (EC) No. 1749/96 of 9 September 1996* which specifies the initial implementing measures. Several other pieces of legislation, covering the coverage of goods and services, have been introduced since the initial period and have been implemented in the Irish HICP. HICPs are not intended to replace national Consumer Price Indices (CPIs). These indices are designed expressly for international comparisons within the EU. The National Statistical Institutes of the Member States and the Statistical Office of the European Communities (EUROSTAT) have been collaborating closely over the last number of years to harmonise CPIs.

Price stability within the Eurozone area is defined by reference to the Monetary Union Index of Consumer Prices (MUICP). The European Central Bank defines price stability as a ‘year on year increase in the HICP for the Euro area of below 2%’. The HICPs of each member of the Eurozone area are aggregated to calculate the Monetary Union Index of Consumer Prices. The MUICP is a weighted average of each of the countries in the Eurozone. Each country's share is based on the percentage of the total Household Final Monetary Consumption Expenditure in the Euro area. Household Final Monetary Consumption is defined as that part of final consumption expenditure which is incurred by households irrespective of nationality or residence status; in monetary transactions; on the economic territory of the Member State; on goods and services that are used for the direct satisfaction of individual needs or wants; in one or both time periods being compared.

Seven items included in the CPI, namely mortgage interest, building materials, motor car and motor cycle taxation, society subscriptions, and the non service elements of house and car insurance are excluded from the coverage of the HICP. In addition the expenditure weights of dwelling insurance and health insurance differ with respect to definition. These differences mean that the HICP represents approximately 90.8% of the total CPI basket. The HICP is a chain linked series with links at November 1996, December 1999, December 2000 and December 2001 and has a base reference period of Year 1996=100.

Previous CPI Updatings

Despite continual changes in consumer tastes and preferences, standard of living, and in the range of goods and services available on the market, household purchasing patterns generally change slowly over time. It is this relative stability in the pattern of household purchases which permits the use of fixed weighting patterns in the compilation of the CPI. However, these index weights must be periodically updated if they are to continue to be representative of current expenditure patterns. Nine different weighting bases have been used to date in the compilation of the index since the foundation of the State in 1922. The main features of these earlier index series are briefly described below:

(i) Index with base July 1914 as 100

This was the first official index of consumer prices compiled for the State. It was introduced in respect of March 1922. The expenditure basis represented the purchasing pattern of working class families in 1922 as derived from a Household Budget Inquiry conducted in June of that year. This index was compiled quarterly up to August 1947. The weighting basis was scheduled for revision during the late thirties, but plans for a Household Budget Survey necessary for this purpose had to be postponed because of the abnormal pattern of consumer expenditure during the 1939-45 war years and subsequent period. As an interim measure an updated weighting basis was introduced in August 1947 using alternative data sources.

(ii) Index with base mid-August 1947 as 100

This second series was titled the *Interim Cost of Living Index (Essential Items)*. It was compiled for each quarter from mid-August 1947 to mid-August 1953. The weighting basis related to the purchasing pattern of non-agricultural employee households. This

was estimated from national income and expenditure data combined with the results of the *National Nutrition Survey* undertaken in 1946. By 1951 consumer expenditure had stabilised to what appeared to be normal post-war patterns and a large-scale urban Household Budget Inquiry was conducted during 1951-52 to provide up-to-date index weights.

- (iii) *Index with base mid-August 1953 as 100*
This index series was introduced for mid-November 1953 and was compiled each quarter up to and including mid-November 1968. While the interim index related only to non-agricultural employee households the weighting basis of the new index extended to *all urban households*. In addition, the coverage of the index was extended to include the full range of consumer goods and services. The former title *Cost of Living Index* was also changed to the present official title *Consumer Price Index* to avoid any possible misunderstanding that the index measured changes in the cost of living rather than price changes.
- (iv) *Index with base mid-November 1968 as 100*
This index series was introduced for mid-February 1969 and was compiled each quarter up to mid-November 1975. The weighting basis related to the expenditure pattern of *all urban households* as determined from the results of the 1965-66 Household Budget Inquiry. In addition to the introduction of revised weights a number of other major updatings of the index were also undertaken. A revised national panel of retail and service outlets representative of the existing retail structure was selected. Prices were collected on both the old and new basis in two separate inquiries with fifteen days intervening during November 1968.
- (v) *Index with base mid-November 1975 as 100*
This index series was introduced for mid-February 1976 and compiled each quarter up to mid-November 1982. The weighting basis of the index was extended to *all households in the country (i.e. urban and rural)* on the basis of the results of the 1973 national Household Budget Survey. No major change was made to the existing panel of local retail outlets in which these items were priced.
- (vi) *Index with base mid-November 1982 as 100*
This index series was introduced for mid-February 1983 and was compiled each quarter up to mid-November 1989. The weighting pattern continued to relate to all households in the country based on the results of the 1980 national Household Budget Survey. Other major updatings of the index were also completed. The selection of varieties priced was substantially revised and increased in number from 685 to 722. The selection of local retail outlets in which the prices were surveyed was also extensively overhauled. As with November 1968 updating this necessitated for continuity purposes two separate national price collections on the old and new basis, respectively, within fifteen days of each other.
- (vii) *Index with base mid-November 1989 as 100*
This index series was introduced for mid-February 1990 and was each quarter up to mid-November 1996. The weighting pattern was based on the results of the 1987 Household Budget Survey. The selection of varieties was reviewed and the number of varieties in the index increased from 722 to 807.
- (viii) *Index with base mid-November 1996 as 100*
This index series coincided with the introduction of a monthly CPI. The weighting pattern used in the index was based on the results of the 1994-1995 Household Budget Survey. The selection of varieties was reviewed and their number in the index increased to 985 varieties.

The current index introduced with effect from January 2002 is the ninth rebase since the foundation of the State. Since 1968 the CPI has been regularly updated on a seven year cycle (i.e. November 1968, 1975, 1982, 1989 and 1996). For this purpose large-scale Household Budget Surveys have also been completed every seven years (i.e. 1965-66, 1973, 1980, 1978 and 1994-95). With effect from 2001 the CPI will be revised on a five yearly cycle.

Changes Made in Current Updating

The following are the main changes made in the current updating:

(i) *Updating of sample outlets*

Minor adjustments were made to the existing panel of outlets in which prices were surveyed to ensure that it remained representative of retail distribution structures (e.g. inclusion of new shopping centres and the increase in the proportion of supermarkets).

(ii) *Updating of sample of goods and services priced*

The representative sample of goods and services covered by the index is updated at each rebasing to ensure that it continues to be representative of consumer tastes and purchasing practices. In the 1996 base index there were 560 individual item headings covering a comprehensive range of consumer goods and services. In reviewing the coverage of goods and services 135 new headings were added while 82 headings were deleted. In addition 53 existing headings had their definition extended to include a broader range of items. A full list of all items added and deleted is contained in the appendix.

(iii) *Euro Changeover*

The changeover to the Euro coincided with the change of base. Prices for the base reference month (December 2001) were collected in Irish pounds and converted automatically using the fixed conversion rate of 0.787564 Euro to the IR£. In January 2002, the first month of the index, prices were collected in both currencies to ensure accuracy in data collection by allowing price collectors to compare the Irish price of items with the previous month's Irish price. Only the Euro prices for January 2002 were used in the index calculation and these were compared to the constructed Euro prices for December 2001.

(iv) *Updating of Sample Areas*

In light of the results of the latest available Census of Population results (1996) the current sample of areas priced were reviewed. The new sample resulted in the inclusion of a number of fast growing towns for the first time. The sample selection is based on urban areas stratified by size. The new sample covers the whole of Dublin City and County, the four regional cities of Cork, Limerick, Galway and Waterford, the majority of towns with a population over 20,000 and smaller samples of towns between 10,000 and 20,000, between 5,000 and 9,999 and between 1,000 and 4,999. Within the 5 major urban conurbations areas were reviewed in detail to ensure adequate coverage of major districts of population, major shopping centres and locations and areas by type.

(v) *Adjustment for understatement of tobacco, alcohol and mortgage interest expenditure estimates*

The expenditure weight for alcoholic drink and tobacco has been adjusted based on fiscal duty data to allow for understatement in the Household Budget Survey. An adjustment was made to average mortgage repayments to allow for a change in house prices.

(vi) *Inclusion of expenditure by foreign tourists within Ireland*

For the first time expenditure by tourists within Ireland has been included in the CPI by increasing the expenditure weights of items typically purchased by tourists such as accommodation, meals out, car hire, public transport, entertainment, gifts, alcohol, tobacco and other items such as fruit, minerals and chocolate.

(vii) *Calculation Formula*

At the basic level of the CPI matched prices are aggregated by reference to pricing area. For the purchases of the CPI there are five areas and area weights are used to construct a weighted national average price for each item. For example because the population of Dublin is quite significant it has, as one would expect, a large weighting, when calculating overall national average prices. In constructing average prices, price quotations were simply averaged, the sum of the prices divided by n the number of price quotations. In line with recommended EU practice, the geometric mean formula will be used in all appropriate cases in calculating the CPI and its sub-indices. This will replace the arithmetic mean formula used up to now in Ireland and most other countries.

(viii) *Classification*

The previous CPI series used a national classification consisting of 10 main commodity groups covering the main areas of consumer expenditure: Food, Alcohol, Tobacco, Clothing & Footwear, Fuel & Light, Housing, Durable Goods, Other Goods, Transport and Services and Related Expenditure. The current series will be based on the EU Clas-

sification of Individual Consumption Expenditure by Purpose (COICOP). Appendix 4 outlines the full classification.

Population Coverage

Since November 1975 the CPI weighting has been representative of the expenditure patterns of all private households in the country. These households include over 97 per cent of the total population. With effect from January 2002 the coverage of the CPI has been extended to include the expenditure of foreign tourists within Ireland. The index weights do not reflect the expenditure of persons resident in institutions and other non-private households such as business and commercial enterprises.

Coverage of Consumer Goods and Services

In principle the CPI covers all consumer goods and services on which private households incur expenditure. In addition to food, drink, clothing, footwear, etc. the index coverage includes for example:

house insurance; motor taxation and insurance; driving licences; subscriptions to clubs, societies, associations and trade unions; mortgage interest payments; cable and satellite television services and household maintenance services.

Being a price index, the CPI cannot in practice cover goods and services which either have no price or cannot be priced. For this reason the following items of household expenditure are *excluded* from the index coverage:

- (i) church and charity donations;
- (ii) personal cash allowances;
- (iii) lottery and betting payments.

Furthermore, since the CPI is based on the concept of household expenditure actually incurred (i.e. market transactions) the following non-purchased consumption items are also excluded:

- (i) value of own farm or garden produce consumed by household;
- (ii) social welfare and other benefits in kind.

The following items of expenditure are also excluded from the scope of the index because they are considered to be savings or investments, namely:

- (i) life assurance premiums, pension contributions, mortgage capital repayments, repayments of other personal loans, capital expenditure on the outright purchase of a house or on major structural extensions and repairs, other forms of savings and investments;
- (ii) social insurance contributions and income tax;
- (iii) other items such as contributions to charities, churches, credit purchases other than mortgages and monies given to members of the family living at and outside the family home.

To avoid possible misinterpretation it must be emphasised that the exclusion (or inclusion) of an item from the CPI coverage does not necessarily result in the index being decreased (or increased). The CPI measures price change from one period to another; it does not measure absolute expenditure levels. The exclusion of an item is equivalent to including it in the CPI with its appropriate weight and attributing to it the *overall* price change of all other items combined. Similarly, the inclusion of an additional item in the index coverage will increase (or decrease) the index only if the percentage change in its price is greater (or less) than that of the rest of the index, and then only in proportion to its weight in the fixed market basket.

Weighting Basis of Updated CPI

The weighting pattern of the updated CPI series now being introduced is based on the latest available estimates of the current average weekly expenditure on consumer goods and services by all private households in the country. These estimates were derived almost entirely from the results of the large-scale national Household Budget Survey (HBS) which was conducted by the CSO during 1999-2000 specifically for this purpose. The survey covered a national representative

sample of 7,666 private households. Field work commenced in June 1999 and finished in July 2000.

The sample of households which participated in the survey provided particulars of household composition, accommodation, facilities and regular household expenses (e.g. rent, electricity and gas expenses, etc.). Individual household members aged fifteen years and over also provided details of their income and regular personal expenditure (e.g. insurance premiums, motor tax, etc.) and maintained detailed records of their day-to-day expenditure over a period of fourteen consecutive days. The first report on the survey was published in November 2000.

The index expenditure weights were derived from the results of the 1999-2000 survey as follows:

- (i) Household expenditure relating to those items excluded from the CPI coverage was eliminated.
- (ii) The retail value of own farm and garden produce consumed by households, summarised as both household income and expenditure in the Household Budget Survey, was eliminated from the relevant expenditure headings. This was necessary because the CPI by definition relates to market transactions.
- (iii) Estimates of the average household expenditure on alcoholic drink and tobacco derived from the Household Budget Survey were understated (a common phenomenon in surveys of this type) and were adjusted with reference to estimates based on fiscal duty payments after due allowance for tourist and business expenditure. The estimate of average mortgage interest payments was also adjusted to take account of changing house prices.
- (iv) The survey expenditure estimates, which relate to the period from June 1999 to July 2000, were updated for price changes up to mid-December 2001 using the percentage changes between June 1999-July 2000 and mid-December 2001 in the prices of the individual items covered by the former index series. Accurate information was not available on any quantitative change in the detailed pattern of household consumption during this seventeen month period and, therefore, no adjustments were made for this.
- (v) The expenditure weights were adjusted to take account of the additional expenditure by tourists.

The average weekly value of the resulting CPI market basket was €690.48 or £543.80 at mid-December 2001 price levels. It related to an average household consisting of 3.08 persons.

Sampling Design of the CPI

The CPI is based on a pyramid of samples. As already described, the weighting basis of the index is derived from the average expenditure pattern of a national representative sample of private households and foreign tourists. Sampling procedures are also used in the monthly collection of prices. It would be impossible to price every brand or variety of every item available on all days each month. In practice, it suffices to price *sample varieties* for a representative *sample of items* in a national representative *sample of shops* on a single *sample day* each month. As the index is intended to reflect only price change, the samples of identical varieties and shops are retained unchanged for as long as possible during the life span of the series. This ensures that extraneous factors unconnected with price change, which would otherwise affect the index calculations, are strictly controlled.

Selection and Weighting of CPI Items

A fixed representative sample of consumer goods and services is chosen for regular monthly pricing so that their price changes, appropriately weighted in combination, provide an accurate measure of the overall price movement of all household purchases. In choosing the actual varieties to be priced the full range of goods and services covered by the index is first arranged into a logical system of broad commodity groups (e.g. food and non-alcoholic beverages), and constituent categories of items (e.g. coffee, tea or cocoa) as shown in Appendix 1. At this stage, one or more of the constituent varieties (e.g. cookers, refrigerators, washing machines, etc.) is selected within each of these item categories on the basis of their relative importance, representative nature and suitability for regular pricing so that their price changes, appropriately weighted in combination, are representative of the average price change for the item category as a whole.

The full index expenditure weight for a particular item category is distributed over the constituent priced varieties. This is done in two stages. First, the average expenditures relating to each of the

priced varieties are determined using the detailed average expenditure estimates from the Household Budget Survey and available market information. Second, the expenditure corresponding to unpaired varieties in the item category is either added directly to the weight of similar varieties considered to exhibit the same price trend, or is distributed proportionately over all the priced varieties. From the statistical point of view this weight imputation process gives as accurate an assessment of the price movement of the item category as a whole as would result if all constituent varieties were individually priced. In this fashion, the index reflects the price movements of the particular varieties priced and the related varieties which they represent i.e. the full range of consumer goods and services covered by the CPI.

In introducing the present index it was necessary only to make some minor adjustments to the selection of varieties priced in the former series. A number of additional items were included to reflect recent market changes. These were surveyed for the first time in the December 2001 price collection. The full listing of item categories covered in the present series and their corresponding percentage base expenditure weights are given in Appendix 1. The representative constituent varieties priced within each of the item categories are also listed. The total number of different varieties priced is in excess of 1,000.

A total of 501 varieties are priced locally. The remainder either relate to national enterprises (e.g. electricity, bus and rail services, post and telephone charges) and small groups of companies (e.g. domestic gas, fuel oil, etc.), or need not be comprehensively priced at local level (e.g. doctors, dentists, opticians, regular subscriptions). These varieties are priced directly by the CSO in postal and telephone inquiries. A full list of these surveys is given in Appendix 2.

Local Pricing Operation

The local pricing arrangements used for the former series were continued without any major change. Some adjustments were made to local selections of sample shops and sample pricing locations in a number of instances to reflect changes in retailing structures. Prices are collected by a panel of approximately 200 part-time private Price Collectors on a fee basis.

As in former series the 501 varieties priced locally are divided into three separate groups of related items corresponding generally to particular types of shops. Three separate Price Booklets are used; one for each group, namely:

- *Booklet 1* (255 varieties) relates to food, drink, tobacco and household non-durable goods;
- *Booklet 2* (181 varieties) relates to clothing and household durable goods;
- *Booklet 3* (65 articles) relates to personal services, fuel, entertainment and other articles.

The total number of these three types of Pricing Booklets and their distribution over towns of different sizes is summarised in Table 1.

Table 1: Geographical Distribution of Pricing Booklets

Town Size (1996 population)	Towns		Number of Pricing Booklets		
	Total No.	CPI No.	Type 1	Type 2	Type 3
Dublin Metropolitan District (1)	4	4	37	27	32
Regional Cities - Cork, Limerick, Waterford and Galway	4	4	23	15	15
Towns with 10,000 or more inhabitants	21	19	28	18	18
Towns with 5,000 to 10,000 inhabitants	25	22	19	16	14
Towns under 1,500 to 5,000 inhabitants	68	25	24	9	13
Towns under 1,500		12	11	1	4
Total		86	142	86	96

Note: In the above table Dublin Metropolitan District is treated as 4 separate towns - Dublin City and the three Metropolitan District Councils. In total over 50 different locations are priced in Dublin including City Centre, Tallaght, Dun Laoghaire and other districts such as Crumlin, Swords, and Blackrock.

Pricing Procedures

Pricing procedures are strictly based on the principle that an *identical* quality or brand of each selected variety must be priced as far as possible in the *same* shop on each occasion.

The CSO specifications of selected varieties are of a general nature. These delineate a range of products (i.e. particular brands, qualities, sizes, etc.) from which individual Price Collectors are free initially (or on replacement) to choose a specific product for regular pricing. For example, in the present series a selection of four different varieties is listed under the item heading *tinned vegetables*. One of these varieties is *baked beans*. No further specifications are given and individual Price Collectors are free initially to select for regular pricing any of the different varieties of baked beans available locally.

The only restriction on their choice is that the particular variety selected has to be popular, suitable for regular pricing (i.e. can be specified precisely) and likely to be available in the long term. Once chosen initially, individual Price collectors are required to price the identical variety in the same shop on each successive month. Because of the monthly interval intervening and the possibility that different Price Collectors might be involved, the Price Booklets are specially designed so that the exact specification of each selected variety is recorded to ensure that the identical set is priced on each occasion as required.

Under these arrangements the specific products priced by different Price Collectors for a particular variety are not the same. This is not necessary since the index is concerned with measuring *price change* and not the absolute level of average price of particular items on each occasion. The method used ensures that the prices of a wide variety of brands and qualities are collected in different locations and, reflecting as they do local tastes and preferences, give a better representation of the price movements of the variety in question than would be realised if a single narrowly defined identical variety was priced in all locations.

A further advantage of this approach is that it facilitates the handling of discontinuities which can occur in the monthly sets of price quotations due to brand and quality changes. If a Price Collector discovers that a particular product is no longer available, an alternative popular article is substituted in its place. The Price Booklets are designed to allow the detailed specification of this new product to be inserted. The particular discontinuity is restricted in this manner to a single Price Booklet and the relevant price is excluded for the index calculations until two consecutive monthly quotations are again obtained for the substitute. By excluding that price quotation for that item for a particular month the assumption is made that the price trend for the missing item is indirectly imputed as the trend of the price movement of all other matched price quotations for the same item heading in the same area.

Price Collectors are also allowed to substitute a new article in place of any original product which is in low supply or no longer in popular demand locally. However, the price of a particular product is used in the compilation of the index only when two consecutive monthly price quotations are available for it.

A change in a shop surveyed is also treated as a discontinuity and the prices for the particular variety affected are not used in the index calculations until two successive monthly quotations are obtained from the substituted shop. The Price Booklets are designed so that the shop in which each particular variety is priced is clearly identified. If a particular outlet can no longer be used (e.g. goes out of business, refuses to co-operate, etc.) the Price Collector replaces it with a similar popular shop in the same area.

An official of the CSO regularly visits all Price Collectors to ensure that the pricing arrangements are adhered to. Pricers are systematically retrained prior to each rebase. When new pricers are employed a training course is arranged. In addition annual meetings are held with pricers on a rotating basis to discuss issues, problems and queries that arise. A team of three CSO pricing Liaison Officers are assigned to coordinate the pricing activities of pricers and to carry out quality control checks on the data collected.

Price Quotations Collected

The prices collected are those which are actually paid by the consumer in cash transactions. Estimated, average or ranges of prices are not acceptable. The price quotations include indirect taxes. Credit charges are ignored and discounts are also excluded unless given to everybody. Special of-

fer and sale prices are accepted if they were operative on the pricing day, but price quotations for shop-soiled, damaged or sub-standard articles being sold at clearance prices are not accepted. List prices are ignored unless they are actually charged to the consumer.

Postal and Telephone Pricing

The postal pricing inquiries undertaken for the new monthly CPI series are listed in Appendix 2. All postal inquiries conducted for the former series were retained with suitable revisions and updating. These inquiries are either conducted on a monthly basis or are generally conducted on a quarterly basis spread systematically throughout the year where prices change less frequently. However where ever a price increase occurs outside the timeframe of the survey that increase it brought into the index with immediate effect.

Housing Costs

Being based on the payment concept the Consumer Price Index covers housing costs actually incurred. Specific account is taken of changes in the cost of the following housing items:

- (i) Rent (privately owned and Local Authority);
- (ii) Local Authority service charges;
- (iii) House insurance (all dwellings);
- (iv) Repairs and decorations (all dwellings);
- (v) Mortgage interest payments (dwellings owned with mortgage)
- (vi) House Maintenance Services.

In the case of mortgage interest the gross payment (i.e. before deduction of income tax relief) is used for both weighting and pricing purposes. The capital element of mortgage payments is not included in the index as it relates to the acquisition of a valuable capital asset (i.e. the dwelling).

Price Indicator for Mortgage Interest

Mortgage interest was first included in the CPI at the November 1975 updating. The same methodology is continued for the present series. For a particular mortgage the interest payment at any given time depends on the rate of interest, which may be fixed or variable, and on the amount of the mortgage debt still outstanding. The debt outstanding, in turn, depends on the original size of the mortgage, which is linked to the price of the house when the mortgage was taken out and in most cases (i.e. non-endowment) on the age of the mortgage. The fixed expenditure pattern covered by the index reflects the average mortgage interest costs of the full set of mortgages of varying ages which existed in the base period.

As time progresses new mortgages are initiated at current house price levels and old mortgages are terminated early (e.g. house is sold) or paid off. The original loans in these latter instances were quite small because they were entered into when house prices were far lower 20-25 years ago. Because of this the estimation of changes in mortgage interest costs needs a special type of price indicator adhering as close as possible to the *Laspeyres* concept of a fixed basket as used elsewhere in the index. This is done by estimating from month to month the mortgage interest paid by a standard set of households with mortgages of varying ages (i.e. fixed age pattern).

The interest cost for this standard set of mortgages in any month is estimated on the basis of the aggregate debt outstanding for the mortgages of varying ages. This will depend on the house price ruling when the mortgage was taken out, on the percentage advance (assumed constant) and on how much has been repaid (allowing for premature terminations). In this approach the monthly change in interest costs reflects both the change in interest rates and the change in estimated house price levels over time. Non interest cost effects are excluded by controlling (i.e. keeping constant) the factors giving rise to them. In practice, there are three different types of mortgages, namely:

- (i) where the interest rate is variable and the mortgage debt is gradually paid off (i.e. building Society/Bank mortgages where a standard repayment term of 20 is taken);
- (ii) where the interest rate is fixed and the full mortgage debt remains outstanding until the end of the mortgage term (i.e. insurance endowment mortgages).

Building Society/Bank and Local Authority mortgages are covered in the current index. Insurance endowment mortgages are not explicitly covered as the number involved is relatively low. Their weight is allocated to Building Society/Bank mortgages.

Where the interest rates are variable (i.e. where the rate charged in all cases is the current rate of interest irrespective of the age of the mortgage) the appropriate mortgage cost indicator is the product of:

- the index of current interest rates; and
- the index of mortgage debt outstanding for the fixed age pattern of mortgages.

The indicator of mortgage debt outstanding is estimated as the change in the weighted average of house price levels in successive monthly periods where the relative weights decline with age of mortgage reflecting the gradual repayment of mortgages over time (including premature terminations).

In compiling these indicators the house price levels were estimated by linking the following series:

- * House Building Cost Index compiled by the Department of the Environment
- * The Irish Permanent House Price Index

Index Formula

The index expresses the current cost of a *fixed* market basket of consumer goods and services as a percentage of the cost of the *same* identical basket at the base period mid-December 2001.

In technical terms the CPI is a fixed weight Laspeyres type, namely:

$$\left(\frac{\sum Q_o P_c}{\sum Q_o P_o} \right) \times 100$$

where:

Q_o and P_o are the quantity (fixed) and average price respectively, of an index variety in the base (o) month;

P_c is the average price of the same index variety in the current (c) month;

\sum represents summation over all index varieties.

A modified version of this formula is used for calculation purposes, namely:

$$\frac{\left(\sum (Q_o P_{c-1}) \frac{P_c}{P_{c-1}} \right)}{\sum Q_o P_o} \times 100$$

i.e. the current cost of the fixed quantity of each index variety is calculated by updating the previous month's cost by the estimated monthly change in its average price.

Over 55,000 individual price quotations are collected, scrutinised and collated each month. Simple geometric mean average prices are first calculated within area strata for both the current and preceding period for matched sets of prices (i.e. identical varieties priced in the same shop in both periods). These strata average prices are then combined into national averages using estimates of consumption and population weights derived from the Census of Population and National Accounts. The ratio of these directly comparable national average prices for two successive months gives the estimated percentage change in price levels. These ratios are used to update the previous

month's cost of the fixed quantity of each index variety to give the current month's cost of the constant basket. Indexes of price change can then be directly derived for all items or any combination of them by dividing their total current cost by their corresponding cost in the base period.

Published Results

The updated index presently being introduced with base mid-December 2001 as 100 will, in future, be deemed the *official* Consumer Price Index. The separate indices calculated for the twelve commodity groups distinguished as follows

Food and non-alcoholic beverages
Alcoholic beverages and tobacco
Clothing and footwear
Housing, water, electricity, gas and other fuels
Furnishing, household equipment and routine household maintenance
Health
Transport
Communications
Recreation and culture
Education
Restaurants and hotels
Miscellaneous goods and services

Additional indices are also published for *energy products*, *HICP*, *Alcohol (on and off sales)*, *Tobacco*, *CPI less mortgage interest repayments*, *CPI less housing* and *CPI less tobacco*. *Energy products* covers domestic energy products, petrol, motor diesel and motor oil. *CPI less housing* covers CPI less rent, local authority charges, mortgage interest repayments, house insurance, repairs and decorations. For continuity purposes, each of these series will also be published to the former base mid-November 1996 as 100.

The national average prices compiled for most of the individual varieties covered by the index are not meaningful representative average prices and cannot be used for such purposes. As explained earlier, individual Price Collectors are free initially to price particular popular products of their choice conforming to relatively broad variety specifications. Consequently, there is a wide variation in the qualities, brands, etc. for which prices are quoted under most variety headings. Meaningful national average prices can, therefore, be published only for those limited set of varieties in Appendix 8 where the exact identical product quantity is priced in all areas. The national average prices for the current and preceding months published each month are based on matched sets of price quotations and so give the percentage change actually used in the index compilation. For this reason the average prices for the same months published in successive periods can differ marginally.

Quality Adjustment

As new models are introduced into the market place new technological advances are introduced to previous existing models. As often happens these coincide with price increases, and a certain element of this price increase can be attributed to the improvements in technology. In the case of most products quality change is not distinguishable as products change slowly over time. In the case of technology products such as cars and computers technology changes at a much faster pace. In the case of the vast majority of items in the CPI quality is adjusted through the matched basket approach. As already outlined the matched basket approach matches like items month after month. If an item such as coffee changes the pricer must determine if the new item replacing the item which has disappeared is comparable to the previous item. If an item is deemed to be comparable it is included in the index and compared to the previous, now disappeared, item. If it is deemed to be non comparable it is excluded from the current index until two consecutive months price quotations of the new item are available.

Where an item such as a new car model is deemed to be non comparable and is excluded from the months calculations the price trend for all other models in the sample is taken as the price trend for the model excluded. Indirectly by doing this a valuation is put on the quality improvement. This is known as an indirect method of quality adjustment.

Two models of direct quality adjustment are being introduced with the current index. In the case of clothing a seasonal basket approach has been applied where the sample of clothing is much broader and in the case of cars and computers specific hedonic models have been created to adjust for changes in quality, thereby reflecting only pure or real price increases.

**Constant-Tax
Price Index**

The Constant-Tax Price Index, which is derived from the CPI, has also been rebased to mid-December 2001 as 100. This index excludes from the CPI any price movements due to changes since the base period in indirect taxation (i.e. VAT, fiscal duty, motor tax and registration). Even where an existing advalorem tax rate (e.g. VAT) remains fixed, a change in the pre-tax of an item involves a proportionate change in the tax included in the final retail price. The effect of such implicit tax changes is also excluded.

The rebased Constant-Tax Price Index, therefore, measures the percentage change since mid-December 2001 in the cost of the fixed CPI market basket excluding any increases in the indirect tax content during the intervening period.

Protective customs duties and licences are not treated as indirect tax in this context and no estimation is attempted for the effect on retail prices of changes in the indirect taxes borne directly by the business sector.

This index can be used in conjunction with the Consumer Price Index to determine how much of the overall price change in any period is due to indirect taxation (including ad-valorem effects) and how much is due to all other factors. For this purpose, absolute changes (i.e. index points) in both series expressed to the same base must be compared.

Appendices

Appendix 1 - COICOP Classification Percentage Expenditure Weights and constituent varieties priced

COICOP Headings	December 2001 % Expenditure Weights	Varieties Priced
01 Food and non-alcoholic beverages	14.0921	
01.1 Food	12.7541	
01.1.1 Bread and cereals	2.4351	(1) White sliced pan large (800g) (2) Brown sliced pan large (800g) (3) Brown wholemeal (4) French baguette (5) Specialised breads (6) Flour - plain white (7) Flour - white self-raising (8) Flour - brown wholemeal (9) Bread & cake mixes (10) Cream crackers & other cheese biscuits (11) Plain biscuits (12) Chocolate biscuits (13) Other sweet biscuits (14) Fruit cake (15) Swiss roll & chocolate logs (16) Other small cakes & buns (17) Cornflakes (18) Wheat based breakfast cereal (19) Muesli (20) Children's sugar or chocolate cereals (21) Oatmeal (22) Noodles (23) Rice (24) Spaghetti (25) Pasta (26) Baby food biscuit (27) Pizza (28) Garlic bread
01.1.2 Meat	3.8238	(1) Round steak (2) Sirloin steak (3) Striploin steak (4) Roast beef - topside/rib (5) Sliced/diced beef pieces (6) Minced beef (7) Lamb - whole leg (8) Lamb - loin chops (9) Gigot lamb chops (10) Lamb pieces (11) Lamb's liver (12) Fillet/half leg of pork (13) Roast loin of pork (14) Pork loin chops (15) Pork steak (16) Best back rashers (17) Streaky rashers (18) Ham fillet (19) Collar of bacon (20) Chicken - uncooked, whole

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
Food and non-alcoholic beverages - continued			(21) Chicken - breast fillet (22) Chicken - cooked, whole (23) Chicken - prepared fillets (24) Cooked ham (25) Other cooked meats (26) Pork sausages (27) Black/white pudding (28) Frozen beef burgers (29) Meat extract & gravy mixes (30) Frozen meals - oriental (31) Frozen meals - european (32) Frozen chicken products (33) Chilled convenience foods (34) Hot deli foods - meat based
01.1.3	Fish	0.3475	(1) Fresh fillet of whiting (2) Fresh cod fillets (3) Fresh salmon steak (4) Fresh fillet of plaice (5) Frozen fish fingers (6) Frozen fish fillets (7) Smoked fillets (8) Smoked salmon (9) Tinned salmon (10) Tinned tuna
01.1.4	Milk, cheese and eggs	1.7813	(1) Milk 1 litre (2) Milk 1 litre (low fat) (3) Fresh cream (4) Baby milk compound (5) Yoghurt (6) Yoghurt products (7) Cheese - processed (8) Irish cheddar cheese (9) Cheese - foreign (10) Cheese products (11) Eggs - large (12) Eggs - medium
01.1.5	Oils and fats	0.3720	(1) Butter (2) Butter - spreadable (3) Margarine (4) Low fat spreads (5) Cooking fat (6) Cooking oil (7) Olive oil & other flavoured oils
01.1.6	Fruit	0.6780	(1) Apples, cooking (2) Apples, eating (3) Oranges (4) Grapes (5) Bananas (6) Kiwi

Appendix 1 - *continued*

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
Food and non-alcoholic beverages - <i>continued</i>			(7) Melons (8) Tinned peaches (9) Tinned pineapple (10) Sultanas (11) Nuts
01.1.7	Vegetables	1.6534	(1) Potatoes, 2.5kg (2) Potatoes, 10kg (3) Tomatoes (4) Onions (5) Cabbage (6) Broccoli (7) Cauliflower (8) Carrots (9) Mushrooms (10) Peppers (11) Lettuce (12) Garlic (13) Prepared vegetables (14) Tinned peas (15) Tinned baked beans (16) Tinned spaghetti in tomato sauce (17) Tinned sweetcorn (18) Frozen peas (19) Frozen sweetcorn (20) Frozen chips/french fries (21) Frozen mixed vegetables (22) Other frozen potato products (23) Potato crisps (24) Vegetarian meals (25) Premium quality snacks (26) Prepared salads (27) Coleslaw & other mixed salads
01.1.8	Sugar, jam, honey, chocolate and confectionery	1.2890	(1) Sugar - white granulated (2) Artificial sweetener (3) Jam (4) Honey (5) Marmalade (6) Box of chocolates (7) Multi pack/fun size sweets (8) Chocolate bar (9) Packet of sweets (10) Prepared desserts (11) Ice cream (12) Ice cream cakes (13) Other ice cream products
01.1.9	Other food products	0.3739	(1) Mayonnaise (2) Pasta meal sauces (3) Ready mix sauces (4) Ketchup

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
Food and non-alcoholic beverages - continued			(5) Relishes, dressings & other sauces (6) Oriental stir fry sauces & mixtures (7) Soup - tin/fresh (8) Soup - dried (9) Quick soup (10) Custard (11) Baby food (12) Salt (13) Black/white pepper (14) Mustard (15) Vinegar (16) Mixed herbs & spices
01.2	Non-alcoholic beverages	1.3380	
01.2.1	Coffee, tea and cocoa	0.3108	(1) Tea - loose (2) Tea - bags (3) Coffee - instant (4) Coffee - ground/filter (5) Cocoa/drinking chocolate
01.2.2	Mineral waters, soft drinks, fruit & vegetable juices	1.0273	(1) Soft drink can/bottle (2) Soft drink large bottle (3) Mineral water bottled (4) Baby juices & drinks (5) Orange juice (6) Other fruit juices (7) Concentrated squash (8) Energy drinks
02	Alcoholic beverages and tobacco	7.4980	
02.1	Alcoholic beverages*	3.0987	
02.1.1	Spirits	0.8448	(1) Whiskey - take home (bottle) (2) Brandy - take home (bottle) (3) Vodka - take home (bottle) (4) Cream liqueur - take home (bottle)
02.1.2	Wine and cider	1.3729	(1) Sherry - take home (bottle) (2) Fine quality wines - take home (bottle) (3) Table wine - take home (bottle) (4) Cider - take home (can)
02.1.3	Beer	0.8811	(1) Stout - take home (6 pack) (2) Lager - take home (can) (3) Lager - take home (tray)
02.2.0	Tobacco	4.3993	(1) Filtered cigarettes (2) Cigars (3) Tobacco

* Alcoholic beverages purchased in off licences/supermarkets. Alcohol consumed in a licenced premises is classified in 11 - Restaurants and hotels.

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
03	Clothing and footwear	5.0517	
03.1	Clothing	4.0605	
03.1.1	Clothing materials	0.0171	(1) Dress material cotton
03.1.2	Garments	3.7922	(1) Mens casual overjacket (2) Mens raincoats & macs (3) Mens 2-piece suit - wool (4) Mens 2-piece suit - mixture (5) Mens sports jacket & blazer (6) Mens casual trousers (7) Mens formal trousers (8) Mens jumpers & pullovers (9) Mens formal shirts (10) Mens casual shirts (11) Mens tops & t-shirts (12) Mens underwear (13) Mens vests & cotton t-shirts (14) Mens pyjamas (15) Ladies casual jacket (16) Ladies overcoat (17) Ladies raincoat (18) Ladies 2-piece suit (19) Ladies blazers & jackets (20) Ladies dress - formal & informal (21) Ladies jeans & casual trousers (22) Ladies slacks & formal trousers (23) Ladies skirt (24) Ladies blouse (25) Ladies knitwear (26) Ladies tops (27) Ladies knickers & panties (28) Ladies bodyslayers (29) Ladies bra (30) Ladies nightdresses & pyjamas (31) Boys casual jacket (32) Boys tracksuits/separates (33) Boys casual trousers (34) Boys jumpers & pullovers (35) Boys shirts (36) Boys tops & t-shirts (37) Girls casual jacket (38) Girls skirt (39) Girls dress (40) Girls blouse (41) Girls tops (42) School uniform (43) Boys vest & white cotton t-shirts (44) Boys pyjamas (45) Girls vest (46) Mens socks (47) Ladies tights & stockings

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
Clothing and footwear - <i>continued</i>			(48) Boys socks (49) Girls socks (50) Babies outfits (51) Toddlers outfit (52) Fleeces & similar type jackets (53) Swimwear (54) Mens tracksuits/separates (55) Mens sweatshirts/rugby shirts (56) Ladies leisure suits
03.1.3	Other articles of clothing and clothing accessories	0.1019	(1) Neck tie (2) Men's clothing accessories (3) Ladies clothing accessories (4) Thread (5) Zip
03.1.4	Cleaning, repair and hire of clothing	0.1494	(1) Dry cleaning man's 2-piece suit (2) Dry cleaning ladies jacket (3) Dry cleaning ladies slacks/trousers (4) Laundry (5) Alteration to trousers (6) Dress hire
03.2	Footwear	0.9912	
03.2.1	Shoes and other footwear	0.9764	(1) Mens formal leather shoes (2) Mens dressy casual shoes (3) Mens boots - casual/hiking (4) Mens working boots (5) Mens trainers & runners (6) Ladies low heel walking (7) Ladies classic court (8) Ladies fashion shoes (9) Ladies boots (10) Ladies slippers & house shoes (11) Ladies sandals (12) Boys shoes (13) Girls shoes (14) Children's trainers & runners
03.2.2	Repair and hire of footwear	0.0148	(1) Mens shoe repairs (2) Ladies shoe repairs
04	Housing, water, electricity, gas and other fuels	12.3315	
04.1	Rents and other housing costs	7.2347	
04.1.1	Rentals for housing	2.6046	(1) Local authority rents (2) Private rents

Appendix 1 - *continued*

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
<i>Housing, water, electricity, gas and other fuels -continued</i>			
04.1.2	Mortgage interest	4.6301	(1) Mortgage interest
04.3	Maintenance and repair of dwelling	1.6222	
04.3.1	Materials for maintenance and repair of dwelling	0.7562	(1) Paint (2) Paint brush (3) White spirit (4) Wallpaper border (5) Varnish (6) Gravel (7) Sand (8) Cement (9) Concrete blocks, solid (10) Concrete blocks, hollow (11) Paving slabs (12) Wall cappings (13) Timber (14) Chipboard (15) Hardboard (16) Plasterboard (17) Glass
04.3.2	Services for the maintenance and repair of the dwelling	0.8660	(1) House maintenance services
04.4.0	Water supply, refuse and miscellaneous services relating to the dwelling	0.1971	(1) Local authority charges (2) Chimney sweep
04.5	Electricity, gas and other fuels	3.2775	
04.5.1	Electricity	1.3930	(1) Electricity
04.5.2	Gas	0.5236	(1) Piped gas (2) Bottled gas
04.5.3	Liquid fuels	0.6914	(1) Fuel oil
04.5.4	Solid fuels	0.6695	(1) Firelighters (2) Fire handy packs (3) Coal & anthracite (4) Turf & briquettes

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced	
05	Furnishings, household equipment and routine household maintenance	4.3312		
05.1	Furniture and furnishings, carpets and other floor coverings	0.6084		
05.1.1	Furniture and furnishings	0.5132	(1)	3-Piece suite
			(2)	Dining table
			(3)	Dining chair
			(4)	Kitchen table
			(5)	Kitchen chair
			(6)	Bed
			(7)	Kitchen units
			(8)	Children's furniture
			(9)	Computer & office furniture
			(10)	Bedroom furniture
05.1.2	Carpets and other floor coverings	0.0952	(1)	Vinyl coverings
			(2)	Floor tiles
			(3)	Carpet - wool
			(4)	Carpet - synthetic
			(5)	Wooden flooring
05.2.0	Household textiles	0.3860	(1)	Curtain material
			(2)	Continental quilt
			(3)	Continental quilt cover
			(4)	Pillow
			(5)	Pillow case
			(6)	Sheet
			(7)	Blanket
			(8)	Bath towel
			(9)	Tea towel
			(10)	Ready made curtains
			(11)	Throws & other bedspreads
05.3	Household appliances	1.4105		
05.3.1	Major household appliances	1.0325	(1)	Vacuum cleaner
			(2)	Electric cooker
			(3)	Gas cooker
			(4)	Fridge freezer
			(5)	Deep freeze
			(6)	Dishwasher
			(7)	Washing machine
			(8)	Tumble dryer
			(9)	Heater - gas bottle
			(10)	Microwave oven

Appendix 1 - *continued*

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
Furnishings, household equipment and routine household maintenance - <i>continued</i>			
05.3.2	Small electrical household appliances	0.2678	(1) Heater-fan (2) Iron (3) Kettle (4) Toaster (5) Deep fat fryer (6) Food processor (7) Baby monitor
05.3.3	Repair of household appliances	0.1102	(1) Electrical repairs (2) TV repairs
05.4.0	Glassware, tableware and household utensils	0.2499	(1) Dustbin (2) Coffee mug (3) Crockery combi service set (4) Glass tumbler (5) Wine glass (6) Casserole dish (7) Salt & pepper set (8) Cutlery set (9) Carving knife (10) Dinner knife (11) Bottle opener (12) Saucepan (13) Frying pan (14) Wok (15) Tea pot (16) Potato masher (17) Baking & roasting tins (18) Ironing board (19) Bathroom accessories
05.5	Tools and equipment for house and garden	0.2203	
05.5.1	Major tools and equipment	0.1121	(1) Lawnmower (2) Power drill (3) Garden furniture (4) Electric trimmers (5) Repair & maintenance services
05.5.2	Small tools and miscellaneous accessories	0.1082	(1) Battery (2) Light bulb (3) Plug 3-pin (4) Smoke alarm (5) Flashlight (6) Garden spade (7) Clothes line (8) Hammer (9) Screw driver

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
Furnishings, household equipment and routine household maintenance - <i>continued</i>			
05.6	Goods and services for routine household maintenance	1.4560	
05.6.1	Non-durable household goods	0.8506	(1) Shoe polish brush (2) Plastic basin (3) Sweeping brush handle (4) Dishwashing brush (5) Household mop (6) Chopping board (7) Automatic washing powder/liquid (8) Dishwasher detergent (9) Wash-up liquid (10) Fabric conditioner (11) Household cleaning cream/liquid (12) Disinfectant (13) Air freshener (14) Other cleaning materials (15) Plastic rubbish bags (16) Shoe polish (17) Matches (18) Kitchen paper roll (19) Tin foil (20) Cling film (21) Rubber gloves (22) Food & sandwich bags
05.6.2	Domestic and household services	0.6054	(1) Domestic services
06	Health	2.5182	
06.1	Medical products, appliances and equipment	1.0425	
06.1.1	Pharmaceutical products	0.5626	(1) Prescribed drugs (2) Pain reliever (3) Antacid (4) Cough mixture (5) Vitamins & other supplements
06.1.2	Other medical products	0.1954	(1) Condoms (2) Petroleum jelly (3) Disinfectant (4) Adhesive dressing
06.1.3	Therapeutic appliances and equipment	0.2846	(1) Opticians' fees (2) Spectacles (3) Dentures (4) Therapeutic equipment

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
<i>Health - continued</i>			
06.2	Out-patient services	0.8484	
06.2.1	Medical services	0.5242	(1) Doctors' fees (2) Alternative & complementary medicine
06.2.2	Dental services	0.2352	(1) Dentist fees
06.2.3	Paramedical services	0.0890	(1) Paramedical Services
06.3.0	Hospital Services	0.6273	(1) Hospital charges
<hr/>			
07	Transport	13.1831	
07.1	Purchase of vehicles	6.1617	
07.1.1	Motor cars	5.9503	(1) Motor cars - new (2) Motor cars - second hand
07.1.2	Motor cycles	0.0608	(1) Motor cycles
07.1.3	Bicycles	0.1506	(1) Adult's bicycle
07.2	Operation of personal transport equipment	5.1975	
07.2.1	Spare parts and accessories	0.3014	(1) Bicycle tyres (2) Motor car tyres (3) Other motor car parts
07.2.2	Fuels and lubricants	3.1186	(1) Petrol (2) Diesel (3) Motor oil
07.2.3	Maintenance and repair	0.5904	(1) Car wash (2) Hot wash (3) Standard maintenance (4) Puncture repairs
07.2.4	Other services	1.1871	(1) Motor tax - motor cycles (2) Motor tax - motor car (3) Parking fees (4) Other vehicle costs (5) Toll charges (6) Car rental (7) Driving licences (8) Driving test fee
07.3	Transport services	1.8239	
07.3.1	Passenger transport by rail	0.2739	(1) Rail fares

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced	
<i>Transport - continued</i>				
07.3.2	Passenger transport by road	1.2082	(1)	Bus fares
			(2)	School transport
			(3)	Taxi
07.3.3	Passenger transport by air	0.2860	(1)	Air fares
07.3.4	Passenger transport by sea and inland waterway	0.0339	(1)	Boat fares
07.3.5	Combined passenger transport	0.0118	(1)	Combined bus/rail travel
07.3.6	Other purchased transport services	0.0100	(1)	Furniture removals
08	Communication	1.9030		
08.1.0	Postal services	0.0791	(1)	Postage
08.3.0	Telephone and communication services	1.8239	(1)	Telephones - private
			(2)	Telephones - public
			(3)	Telephones - mobile
			(4)	Internet & other telecommunication services
09	Recreation and culture	10.8095		
09.1	Audio-visual, photographic and information processing equipment	1.0625		
09.1.1	Equipment for the reception, recording and reproduction of sound and pictures	0.2557	(1)	Clock Radio
			(2)	Radio CD-cassette player
			(3)	CD player
			(4)	Midi system
			(5)	Walkman/discman
			(6)	TV portable
			(7)	TV colour
			(8)	Video recorder/player
			(9)	DVD player
09.1.2	Photographic and cinematographic equipment and optical instruments	0.0477	(1)	Camera - compact
			(2)	Camcorder & digital camera
09.1.3	Information processing equipment	0.3516	(1)	Computers
			(2)	Calculators & organisers
09.1.4	Recording media	0.4075	(1)	Cassette pre-recorded
			(2)	Cassette blank
			(3)	Video cassettes blank
			(4)	Video cassette pre-recorded
			(5)	CD single

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
Recreation and culture - continued			(6) CD album (7) DVD (8) Film colour 35mm (9) Disposable camera
09.2.0	Other major durables for recreation and culture	0.0183	(1) Musical Instruments
09.3	Other recreational items and equipment including gardens and pets	1.1538	
09.3.1	Games, toys and hobbies	0.3480	(1) Computer games console (2) Child's doll (3) Computer game cassette (4) Model car (5) Lego & building blocks (6) Group game (7) Toy - fisher price (8) Soft cuddly toy
09.3.2	Equipment for sport, camping and open air recreation	0.1490	(1) Sports & recreation goods
09.3.3	Gardens, plants and flowers	0.3375	(1) Flower pot (2) Moss peat (3) Garden fertilizer (4) Flowers
09.3.4	Pets and related products	0.2513	(1) Pet food
09.3.5	Veterinary and other services for pets	0.0680	(1) Veterinary services
09.4	Recreational and cultural services	3.2713	
09.4.1	Recreational and sporting services	1.0955	(1) Sports admittance (2) Sports participation (3) Society subscription
09.4.2	Cultural services	2.1757	(1) Cinema (2) Nightclubs (3) Cultural & other admittance (4) Video film hire (5) Library charges (6) TV & satellite services (7) TV licence (8) Development - passport photo (9) Development - express colour (10) Development - colour 35mm

Appendix 1 - continued

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced	
<i>Recreation and culture - continued</i>				
09.5	Newspapers, books and stationery	1.9011		
09.5.1	Books	0.4801	(1)	Infant books
			(2)	Paperback books
			(3)	Text books
09.5.2	Newspapers and periodicals	0.9945	(1)	Comics
			(2)	Magazines
			(3)	Newspapers
09.5.4	Stationery	0.4265	(1)	School copybook
			(2)	Envelopes
			(3)	Refill pad
			(4)	Sellotape
			(5)	Lead pencil
			(6)	Ballpoint pen
			(7)	Markers & crayons
			(8)	Other stationery
09.6.0	Package holidays	3.4024	(1)	Package holidays
10	Education	1.5471		
10.1.0	Primary education	0.0111	(1)	Private primary
10.2.0	Secondary education	0.1572	(1)	Second level day
			(2)	Second level boarding
10.4.0	Tertiary education	0.7009	(1)	Third level tuition
			(2)	Third level maintenance
10.5.0	Other education & training	0.6778	(1)	Other education & training
			(2)	Examination fees
			(3)	Playschools

Appendix 1 - *continued*

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
11	Restaurants and hotels	17.7595	
11.1	Catering services	15.5121	
11.1.1	Restaurants, cafes and licenced premises	14.8341	(1) Stout draught bar - 1pt (2) Lager draught bar - 0.5pt (3) Lager draught bar - 1pt (4) Lager bottled beer (5) Ale draught bar 1pt (6) Whiskey bar (7) Brandy bar (8) Vodka bar (9) Flavoured alcoholic drinks out (10) Wine bar bottle small (11) Cider bottle bar (12) Lounge bar mineral (13) Mixer/split (14) Chips small single (15) Lunch (16) Dinner (17) Fast food meal (18) Take away (19) Snacks/tea/coffee (20) Meal in ethnic restaurant
11.1.2	Canteens	0.6780	(1) Canteens
11.2.0	Accommodation services	2.2474	(1) Guest houses (2) Hotels (3) Hostels
12	Miscellaneous goods and services	8.9751	
12.1	Personal care	2.4202	
12.1.1	Hairdressing and personal grooming	0.6871	(1) Mens dry haircut (2) Mens wash, cut & dry (3) Ladies shampoo & set (4) Ladies shampoo & cut (5) Ladies perm (6) Ladies hair colour & highlights (7) Health & beauty treatment (8) Ear piercing
12.1.2	Electric appliances for personal care	0.0566	(1) Razor (2) Hair dryer

Appendix 1 - *continued*

COICOP Headings		December 2001 % Expenditure Weights	Varieties Priced
<i>Miscellaneous goods and services - continued</i>			
12.1.3	Other appliances, articles and products for personal care	1.6765	(1) Toilet paper (2) Toilet soap (3) Shower gel (4) Toothpaste (5) Dental floss (6) Mouth wash (7) Shampoo (8) Hair conditioner (9) Hair gel (10) Hair colour (11) Hairspray (12) Shaving foam (13) Deodorant (14) Suntan oil/cream (15) Baby powder (16) Cleansing cream/lotion (17) Lipstick (18) Perfume (19) Aftershave (20) Hand cream (21) Moisturiser (22) Foundation - make-up (23) Mascara (24) Tampons (25) Sanitary towel (26) Disposable nappies (27) Tissues (28) Cotton wool (29) Toothbrush (30) Razor blades (31) Baby wipes
12.3	Other personal goods	0.4623	
12.3.1	Jewellery, clocks and watches	0.1791	(1) Wrist watch (2) Jewellery (3) Clock (4) Replace watch battery
12.3.2	Other personal effects	0.2832	(1) Cigarette lighter (2) Suitcase (3) Ladies handbag (4) Mens umbrellas (5) Wallet (6) Sunglasses (7) Giftware/souvenir (8) Baby's buggy
12.4.0	Social protection	0.9203	(1) Childcare (2) Nursing homes

Appendix 1 - *continued*

COICOP Headings	December 2001 % Expenditure Weights	Varieties Priced
<i>Miscellaneous goods and services - continued</i>		
12.5 Insurance	4.3822	
12.5.2 Dwelling insurance	0.6988	(1) House insurance - service (2) House insurance contents non-service (3) House insurance dwelling
12.5.3 Health insurance	1.4709	(1) Health insurance
12.5.4 Transport insurance	2.2124	(1) Motor cycle insurance (2) Insurance motor car - service (3) Insurance motor car - non-service
12.6.2 Financial services	0.0470	(1) Financial services
12.7.0 Other services	0.7432	(1) Newspaper advertisements (2) Union subscriptions (3) Other licences (4) Passport fee (5) Birth certificate fee (6) Funeral services (7) Weddings (8) Professional services (9) Miscellaneous goods & services

Appendix 2 - Postal and Telephone Inquiries

In addition to the 51,000 prices collected directly in shops and businesses on a monthly basis, there are 112 postal or telephone inquiries conducted as part of the current CPI. On average, over 3,000 price quotations are collected each month from these inquiries. They account for the price trends of approximately 46% of the basket of goods and services in the all-items CPI.

A list of these files is given below:

- Fuel oil
- Mortgage interest
- Comics
- Magazines
- Newspapers
- Motor cycles
- Motor cars - new
- Motor cars – second-hand
- Motor cycle insurance
- Motor insurance - service
- Motor insurance - non service
- Standard maintenance
- Boat fares
- Air fares
- Telephone charges - private
- Telephone charges - public
- Package holidays & tours
- Mobile telephones
- House insurance content - service
- House insurance content - non-service
- House insurance dwelling
- Other motor car parts
- Computers & accessories
- Self drive cars
- Guesthouses
- Hotels
- Financial services
- Piped gas
- Water charges
- Text books
- Motor tax - motor cycles
- Motor tax - motor cars
- Private primary
- 2nd level day
- 2nd level boarding
- 3rd level tuition
- Society subscriptions
- Library charges
- School uniforms
- Passport fee
- Birth cert fee
- Therapeutic equipment
- School transport
- Examination fees
- Electricity
- Privately owned rent
- Electrical repairs
- Motor car tyres
- Sports admittance
- Other admittance
- Other education & training
- Doctors' fees
- Dentists' fees
- Prescribed drugs
- Postage
- Union subscriptions
- Tool hire
- Dentures
- Sports participation
- Furniture removal
- Hostels
- Musical instruments
- Condoms
- Garden furniture
- Funeral services
- Alternative & complementary medicine
- Local authority rents
- Parking fees
- Taxi fares
- Building materials
- Dress hire
- TV licences
- Driving licences
- Sports & recreation goods
- Jewellery
- Puncture repairs
- Newspaper advertisements
- Laundry
- Kitchen units
- Medical insurance
- Video hire
- Toll charges
- House maintenance services
- Health & beauty treatments
- Domestic services
- Weddings
- Professional & legal services
- Veterinary services & animal care
- Canteens & rail dining car
- Snacks & sandwiches
- Coal
- Other vehicle costs
- Public transport
- Rail fares
- 3rd level maintenance
- Opticians fees
- Hospital charges
- Spectacles
- Cable & satellite TV services
- Other licences
- Driving test fee
- TV repairs
- Chimney sweep
- Flowers
- Turf
- Childcare & crèches
- Playschools
- Commuter tickets
- Paramedical services
- Other social protection (nursing homes)
- Internet & other telecommunication services
- Miscellaneous goods & services

Appendix 3 – Geometric Mean and Quality Adjustment

Incorporating a geometric mean formula into the CPI

Beginning in January 2002, a geometric mean formula will be used in the aggregation of the CPI elementary aggregates. A total of 613 different index varieties are priced each month. These index varieties are termed *elementary aggregates* and provide primary blocks to build up indices at higher aggregation levels consistent with the fixed basket approach. Over 50,000 individual price quotations are collected and scrutinised each month. These price quotations are aggregated to produce the elementary aggregates.

The price quotations used to compile the CPI are collected using two methods. The prices for 501 elementary aggregates are collected using local pricing operation and the prices for the remaining 112 elementary aggregates are collected by postal and telephone inquiries. The geometric mean formula will be used in the elementary aggregates that have their prices collected using the local pricing operation. These elementary aggregates make up approximately 54 percent of the total consumer spending represented by the CPI. The remaining elementary aggregates, see Appendix 2, will continue to be calculated using the arithmetic mean formula.

The geometric mean has been introduced into areas where large numbers of price quotations are collected, because the collection of national average prices using the geometric mean is less affected by extreme values. In addition, the introduction of the geometric mean has been facilitated by the increased IT processing power within the CSO.

In technical terms the arithmetic and geometric means of any elementary aggregate are defined as follows

Arithmetic mean

$$P_c = \frac{\sum_{i=1}^n P_c^i}{n}, \quad P_{c-1} = \frac{\sum_{i=1}^n P_{c-1}^i}{n}$$

Therefore, the arithmetic mean of any index variety is computed as follows

1. Add all the prices quotations collected for a particular index variety (e.g. milk) together, and then
2. divide by n , where n is the number of price quotations.

Geometric mean

$$P_c = \sqrt[n]{\prod_{i=1}^n P_c^i}, \quad P_{c-1} = \sqrt[n]{\prod_{i=1}^n P_{c-1}^i}$$

This is computed for an elementary aggregate as follows:

1. Multiply all the prices quotations collected for a particular index variety (e.g. milk) together, and then
2. find the n -th root of the product where n is the number of price quotations.

Appendix 3 - continued

Quality Adjustment

The CSO has introduced Hedonic regression as the quality adjustment method to be used in the personal computers and new car price indices.

Hedonic regression techniques

These techniques involve the use of multiple regression to relate the prices of an array of similar items, such as different models of cars, to a number of their characteristics, such as horsepower, provision or not of power steering or ABS. The estimated coefficients can be used for making explicit quality adjustments, for imputing a current period price to a variety which has ceased to be available, or for imputing a previous period price for a new variety.

A hedonic regression takes the form:

$$P = a + b_1X_1 + b_2X_2 + b_3X_3 + \dots + u$$

where:

- P is a price (or its natural logarithm)
- a is a constant term
- b is the regression coefficient
- X may either be a continuous variable, for example the weight of a car, or they may be dummy variables. Dummy variables have the values zero or one. For example, a dummy variable for a car may take the value 1 if there is ABS or zero if there is not.
- u is the error term

Appendix 4 - CPI COICOP Classification

COICOP CLASSIFICATION

01-12 INDIVIDUAL CONSUMPTION EXPENDITURE OF HOUSEHOLDS

01-Food and Non-Alcoholic Beverages

01.1 - Food

- 01.1.1 - Bread and cereals
- 01.1.2 - Meat
- 01.1.3 - Fish and seafood
- 01.1.4 - Milk, cheese and eggs
- 01.1.5 - Oils and fats
- 01.1.6 - Fruit
- 01.1.7 - Vegetables
- 01.1.8 - Sugar, jam, honey, chocolate and confectionery
- 01.1.9 - Food products n.e.c.

01.2 - Non-alcoholic Beverages

- 01.2.1 - Coffee, tea and cocoa
- 01.2.2 - Mineral waters, soft drinks, fruit and vegetable juices

02 - Alcoholic Beverages and Tobacco

02.1 - Alcoholic Beverages

- 02.1.1 - Spirits
- 02.1.2 - Wine
- 02.1.3 - Beer

02.2 - Tobacco

- 02.2.0 - Tobacco

03 - Clothing and Footwear

03.1 - Clothing

- 03.1.1 - Clothing Materials
- 03.1.2 - Garments
- 03.1.3 - Other articles of clothing and clothing accessories
- 03.1.4 - Cleaning, repair and hire of clothing

03.2 - Footwear

- 03.2.1 - Shoes and other footwear
- 03.2.2 - Repair and hire of footwear

04 - Housing, Water, Electricity, Gas and Other Fuels

04.1 - Actual rentals for housing

- 04.1.1 - Actual rentals paid by tenants
- 04.1.2 - Other actual rentals

04.3 - Maintenance and repair of the dwelling

- 04.3.1 - Materials for the maintenance and repair of the dwelling
- 04.3.2 - Services for the maintenance and repair of the dwelling

04.4 - Water supply and miscellaneous services relating to the dwelling

- 04.4.1 - Water supply
- 04.4.2 - Refuse collection
- 04.4.3 - Sewage collection
- 04.4.4 - Other services relating to the dwelling n.e.c.

Appendix 4 - continued

04.5 - Electricity, gas and other fuels

- 04.5.1 - Electricity
- 04.5.2 - Gas
- 04.5.3 - Liquid fuels
- 04.5.4 - Solid fuels
- 04.5.5 - Heat energy

05 - Furnishings, household equipment and routine household maintenance

05.1 - Furniture and furnishings, carpets and other floor coverings

- 05.1.1 - Furniture and furnishings
- 05.1.2 - Carpets and other floor coverings
- 05.1.3 - Repair of furniture, furnishings and floor coverings

05.2 - Household textiles

- 05.2.0 - Household textiles

05.3 - Household appliances

- 05.3.1 - Major household appliances whether electric or not
- 05.3.2 - Small electric household appliances
- 05.3.3 - Repair of household appliances

05.4 - Glassware, tableware and household utensils

- 05.4.0 - Glassware, tableware and household utensils

05.5 - Tools and equipment for house and garden

- 05.5.1 - Major tools and equipment
- 05.5.2 - Small tools and miscellaneous accessories

05.6 - Goods and services for routine household maintenance

- 05.6.1 - Non-durable household goods
- 05.6.2 - Domestic services and household services

06 - Health

06.1 - Medical products, appliances and equipment

- 06.1.1 - Pharmaceutical products
- 06.1.2 - Other medical products
- 06.1.3 - Therapeutic appliances and equipment

06.2 - Outpatient services

- 06.2.1 - Medical services
- 06.2.2 - Dental services
- 06.2.3 - Paramedical services

06.3 - Hospital services

- 06.3.0 - Hospital services

07 - Transport

07.1 - Purchase of vehicles

- 07.1.1 - Motor cars
- 07.1.2 - Motor cycles
- 07.1.3 - Bicycles

07.2 - Operation of personal transport equipment

- 07.2.1 - Spare parts and accessories for personal transport equipment
- 07.2.2 - Fuels and lubricants for personal transport equipment

Appendix 4 - continued

- 07.2.3 - Maintenance and repair of personal transport equipment
- 07.2.4 - Other services in respect of personal transport equipment

07.3 - Transport services

- 07.3.1 - Passenger transport by railway
- 07.3.2 - Passenger transport by road
- 07.3.3 - Passenger transport by air
- 07.3.4 - Passenger transport by sea and inland waterway
- 07.3.5 - Combined passenger transport
- 07.3.6 - Other purchased transport services

08 - Communication

08.1 - Postal services

- 08.1.0 - Postal services

08.2 - Telephone and telefax equipment

- 08.2.0 - Telephone and telefax equipment

08.3 - Telephone and telefax services

- 08.3.0 - Telephone and telefax services

09 - Recreation and Culture

09.1 - Audio-visual, photographic and information processing equipment

- 09.1.1 - Equipment for the reception, recording and reproduction of sound and pictures
- 09.1.2 - Photographic and cinematographic equipment and optical instruments
- 09.1.3 - Information processing equipment
- 09.1.4 - Recording media
- 09.1.5 - Repair of audio-visual, photographic and information processing equipment

09.2 - Other major durables for recreation and culture

- 09.2.1 - Major durables for outdoor recreation
- 09.2.2 - Musical instruments and major durables for indoor recreation
- 09.2.3 - Maintenance and repair of other major durables for recreation and culture

09.3 - Other recreational items and equipment, gardens and pets

- 09.3.1 - Games, toys and hobbies
- 09.3.2 - Equipment for sport, camping and open-air recreation
- 09.3.3 - Gardens, plants and flowers
- 09.3.4 - Pets and related products
- 09.3.5 - Veterinary and other services for pets

09.4 - Recreational and cultural services

- 09.4.1 - Recreational and sporting services
- 09.4.2 - Cultural services

09.5 - Newspapers, books and stationery

- 09.5.1 - Books
- 09.5.2 - Newspapers and periodicals
- 09.5.3 - Miscellaneous printed matter
- 09.5.4 - Stationery and drawing materials

09.6 - Package holidays

- 09.6.0 - Package holidays

Appendix 4 - continued

10 - Education

10.1 - Pre-primary and primary education

10.1.0 - Pre-primary and primary education

10.2 - Secondary education

10.2.0 - Secondary education

10.3 - Post-secondary non-tertiary education

10.3.0 - Post-secondary non-tertiary education

10.4 - Tertiary education

10.4.0 - Tertiary education

10.5 - Education not definable by level

10.5.0 - Education not definable by level

11 - Restaurants and Hotels

11.1 - Catering services

11.1.1 - Restaurants, cafés and the like

11.1.2 - Canteens

11.2 - Accommodation services

11.2.0 - Accommodation services

12 - Miscellaneous Goods and Services

12.1 - Personal care

12.1.1 - Hairdressing salons and personal grooming establishments

12.1.2 - Electric appliances for personal care

12.1.3 - Other appliances, articles and products for personal care

12.3 - Personal effects n.e.c.

12.3.1 - Jewellery, clocks and watches

12.3.2 - Other personal effects

12.4 - Social protection

12.4.0 - Social protection

12.5 - Insurance

12.5.2 - Insurance connected with the dwelling

12.5.3 - Insurance connected with health

12.5.4 - Insurance connected with transport

12.5.5 - Other insurance

12.6 - Financial services n.e.c.

12.6.2 - Other financial services n.e.c.

12.7 - Other services n.e.c.

12.7.0 - Other services n.e.c.

Appendix 5 – Changes to the basket of Goods and Services from January 2002

1. Replacements - product replaces an already existing product (in brackets)

- Roast beef – topside or rib (Pot roast)
- Striploin steak (Rib steak)
- Sliced & diced beef pieces (Boneless leg of beef)
- Lamp pieces (Neck of lamb)
- Fillet/half leg of pork (Whole leg of pork)
- Roast loin of pork (Shoulder roast of pork)
- Collar bacon (Whole shoulder ham/bacon)
- Spaghetti –tinned (Tinned red kidney beans)
- Sweet corn – tinned (Tinned tomatoes)
- Frozen mixed vegetables (Frozen french beans)
- Low fat spreads (Margarine)
- Melons (Pears)
- Tinned pineapple (Tinned pears)
- Relishes, dressings & sauces (extending beyond mayonnaise & salad creams)
- Oriental stir fry sauces/mixes (Soy sauce)
- Ice cream products (Ice pop)
- Vodka (Gin & tonic)
- Ladies knitwear (Cardigans & jumpers)
- Children’s furniture (Drop side cot)
- Bedroom furniture (Chest of drawers)
- Sweeping brush handle (Sweeping brush)
- DVD tape (CD low price)
- Camcorder/digital cameras (SLR camera)
- Fitting replacement battery (Watch cleaning)
- Dry-cleaning slacks/trousers (Basic launderette)
- Satellite television services (TV rental)

Replacements refer to:

- (a) where a product has been directly substituted by a corresponding product or
- (b) where it has been replaced by a different item.

2. Additions - the new product is brought into the index in addition to the existing products

- Garlic
- Prepared packaged fresh vegetables
- Frozen potato products (excluding chips)
- Specialised breads
- Bread & cake mixes
- Yoghurt products – yoghurt drinks
- Cheese products – cheese snack products
- Olive oil & other flavored oils
- Ketchup
- Children’s sugar breakfast cereals
- Quick soup (add hot water)
- Baby juices & drinks
- Frozen meals - oriental
- Frozen meals – european
- Frozen chicken products
- Vegetarian meals
- Chilled convenience foods
- Prepared salads
- Coleslaw & other mixed salads
- Hot deli foods
- Garlic bread
- Mixed herbs & spices

Appendix 5 - *continued*

- Fruit juice now split into two categories - orange and other fruit juices
- Energy drinks
- Meal in an ethnic restaurant
- Split/mixer consumed in a licensed premises
- Wine now split into two categories - table wine & fine quality wines
- Cream liqueur
- Brandy consumed in a licensed premises
- Clothing - sports & leisurewear
- Clothing - greater coverage of formal and casual clothing items
- Men's clothing accessories (e.g. belts, cuff links, etc.)
- Ladies clothing accessories (e.g. hat, scarf, etc.)
- Fire handy packs
- Wallpaper border
- Varnish
- House maintenance services (alarm maintenance, gas boiler maintenance, etc.)
- Computer/home office furniture
- Driver theory test
- Satellite television services (in addition to terrestrial and cable TV services)
- DVD player
- Computer games console
- Baby monitor
- Smoke alarm
- Flashlight
- Garden furniture
- Electric garden strimmers
- Wooden flooring
- Ready made curtains
- Throws and other bedspreads
- Salt and pepper set
- Dinner knife
- Tea pot
- Potato masher
- Baking & roasting tins
- Dishwashing brush
- Household mop
- Chopping board
- Bathroom accessories
- Air fresheners
- Other cleaning materials
- Rubber gloves
- Food & sandwich bags
- Hair colour
- Hair spray
- Aftershave
- Hand cream
- Moisturiser
- Foundation – make-up
- Mascara
- Baby wipes
- Giftware/souvenir
- Clock
- Soft cuddly toy
- Disposable camera
- Other stationery supplies
- Alternative & complementary medicine
- Vitamins & other supplements
- Health & beauty treatments
- Internet & other telecommunication services

Appendix 5 - continued

- Funeral services
- Weddings
- Auctioneers, estate agents & other professional services
- Veterinary services & animal care
- Paramedical services (nursing agencies and ambulance services)
- Social protection (nursing homes)
- Domestic services (cleaning and babysitting)
- Miscellaneous goods and services

3. A selection of deleted items

- Tinned meat products
- Smoked kippers
- Dried peas
- Dried potatoes - instant mash
- Crisp bread
- Small white sliced bread
- Condensed milk
- Dried fruit – raisins
- School milk
- Unfiltered cigarettes
- Sewing machine
- Vice grip
- Chisel
- Synthetic blanket
- Spatula
- Pressure cooker
- Liquid petroleum gas
- Lubricating oil
- Adhesive
- TV rental
- Credit purchases - cars and domestic appliances
- ESB Appliances

Appendix 6 – Comparison of the CPI and the HICP

The HICP is a subset of the CPI. The main difference between the two indices is in respect of the coverage of goods and services. Certain items included in the CPI are outside the scope of the HICP or differ in respect to definition. It was necessary to make adjustments to the CPI expenditure weights to take these differences into account. To do this the weights for the CPI had to be modified to exclude the seven items which are deemed to be outside the scope of coverage of the HICP. These items were:

• mortgage interest	4.630%
• building materials	0.357%
• house insurance contents - non service	0.264%
• motor tax - motor cycles	0.010%
• motor tax - cars	0.690%
• motor insurance - non service	1.991%
• union subscriptions	0.224%
• dwelling insurance non service	0.286%
Total Weight of Excluded Items	8.452%

The treatment of owner occupied housing in the HICP is still under consideration at EU level. As a consequence mortgage interest and building materials are excluded.

In respect of insurance a distinction is made in the premium paid by a household. Insurance is split into two components (a) service charge and (b) non service charge. The non-service charge elements are excluded from the HICP. In addition the weight for Health Insurance is modified to cover net expenditure (total expenditure on health insurance less medical insurance refunds).

This results in a further 0.792% being excluded from the HICP.

The total weight of the items excluded is 9.245% which means that 90.755% of the CPI basket is covered in the HICP. This compares to 91.965% in the current series. To make things easier for calculation purposes these HICP weights were rescaled to 10,000. The following table shows the new HICP weights compared to the CPI weights and explains the main differences between the two series.

Difference CPI vs HICP Weights

COICOP Group	CPI	HICP	Reason
01	14.092	15.528	
02	7.498	8.262	
03	5.052	5.566	
04	12.331	8.092	Mortgage Interest and Building Materials excluded
05	4.331	4.772	
06	2.518	2.775	
07	13.183	13.755	Motor Taxation excluded
08	1.903	2.097	
09	10.810	11.911	
10	1.547	1.705	
11	17.760	19.569	
12	8.975	5.968	Insurances and Trade Union Subscriptions
00	100.000	100.000	

The exclusion of the items listed above means that the HICP weights are approx 10% greater than the CPI weights except for the 3 categories where items are specifically excluded.

**Appendix 7 - CPI Item Headings by former national classification, December 2001
Percentage Expenditure Weights and constituent varieties priced**

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
FOOD		
Beef	0.7427	(1) Round steak (2) Sirloin steak (3) Striploin steak (4) Roast beef - topside/rib (5) Sliced/ diced beef pieces (6) Minced beef
Lamb	0.3222	(1) Whole leg (2) Loin chops (3) Gigot chops (4) Pieces incl. neck (5) Liver
Pork	0.2327	(1) Fillet/half leg (2) Roast loin (3) Loin chops (4) Steak
Bacon	0.5459	(1) Best back rashers (2) Streaky rashers (3) Ham fillet (4) Collar
Poultry	0.7558	(1) Chicken, uncooked (2) Chicken, breast fillet (3) Chicken, cooked (4) Chicken, prepared fillet
Cooked meat	0.4634	(1) Cooked ham (2) Other cooked meats
Sausages	0.1824	(1) Pork sausages
Other meat	0.2314	(1) Black/ white pudding (2) Beef burgers
Fresh fish	0.1522	(1) Fillet of whiting (2) Cod fillets (3) Salmon steak (4) Fillet of plaice
Frozen fish	0.1240	(1) Fish fingers (2) Fish fillets
Smoked fish	0.0160	(1) Smoked fillets (2) Smoked salmon
Tinned fish	0.0553	(1) Salmon (2) Tuna
Potatoes	0.3644	(1) Potatoes, 2.5 kg (2) Potatoes, 10 kg
Tomatoes	0.0969	(1) Tomatoes
Other fresh vegetables	0.5291	(1) Onions (2) Cabbage (3) Broccoli (4) Cauliflower (5) Carrots (6) Mushrooms (7) Peppers (8) Lettuce (9) Garlic (10) Prepared packaged vegetables
Tinned vegetables	0.1308	(1) Peas (2) Baked beans (3) Spaghetti (4) Sweet corn

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
FOOD - continued		
Frozen vegetables	0.1738	(1) Peas (2) Sweet corn (3) Chips (4) Mixed vegetables (5) Other frozen potato products
Bread	0.7932	(1) White sliced, large (800g) (2) Brown sliced, large (800g) (3) Brown/wholemeal (4) French baguette (5) Other specialised bread
Flour	0.0349	(1) White, plain (2) White, self-raising (3) Brown, wholemeal (4) Bread and cake mixes
Biscuits	0.4149	(1) Cream crackers & other cheese biscuits (2) Plain biscuits (3) Chocolate biscuits (4) Other sweet biscuits
Cakes	0.4370	(1) Fruit cake (2) Swiss roll & chocolate logs (3) Other small cakes & buns
Pasteurised milk	0.9658	(1) 1 litre (2) 1 litre, low fat
Other milk products	0.3633	(1) Fresh cream (2) Baby milk compound (3) Yoghurt (4) Yoghurt products
Cheese	0.3103	(1) Processed (2) Irish cheddar (3) Foreign cheeses (4) Cheese products
Eggs	0.1419	(1) Large (size 2) (2) Medium (size 3)
Butter	0.2294	(1) Butter (2) Butter, spreadable
Margarine	0.0706	(1) Margarine, hard/soft (2) Low fat spreads
Other fats and oils	0.0720	(1) Cooking fat (2) Cooking oil (3) Olive & other flavoured oils
Fresh fruit	0.5882	(1) Apples, cooking (2) Apples, eating (3) Oranges (4) Grapes (5) Bananas (6) Kiwi (7) Melons
Tinned fruit	0.0405	(1) Peaches (2) Pineapple
Dried fruit and nuts	0.0492	(1) Sultanas (2) Nuts
Tea	0.2007	(1) Loose (2) Bags
Coffee	0.0980	(1) Instant (2) Filter
Cocoa or drinking chocolate	0.0120	(1) Cocoa/drinking chocolate

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
FOOD - continued		
Sugar	0.0881	(1) White granulated (2) Artificial sweeteners
Breakfast cereals	0.3474	(1) Cornflakes (2) Wheat-based breakfast cereal (3) Muesli (4) Children's sugar or chocolate cereals
Oatmeal	0.0118	(1) Oatmeal
Other cereals	0.1698	(1) Noodles (2) Rice (3) Spaghetti (4) Pasta
Sauces and meat extract	0.2138	(1) Mayonnaise (2) Pasta meal sauces (3) Ready mix sauces (4) Meat extract & gravy mixes (5) Ketchup (6) Relishes, dressing & other sauces (7) Oriental stir fry sauces & mixtures
Soups	0.1011	(1) Tinned or fresh (2) Dried (3) Cuppa
Preserves	0.0898	(1) Jam (2) Honey (3) Marmalade
Sweets & chocolate	0.8708	(1) Box of chocolates (2) Multi-pack fun size (3) Chocolate bar (4) Packet of sweets
Custard	0.0097	(1) Custard powder
Desserts & ice creams	0.2404	(1) Prepared desserts (2) Ice cream (3) Ice cream cakes (4) Other Ice cream products
Baby food	0.0377	(1) Tin/jar/packet (2) Biscuits (3) Baby drinks & juices
Miscellaneous items	1.2110	(1) Pizza (2) Frozen meals - oriental (3) Frozen meals - european (4) Frozen chicken products (5) Vegetarian meals/products (6) Salt (7) Black/white pepper (8) Mustard (9) Vinegar (10) Potato crisps (11) Premium quality snacks (12) Convenience chilled foods (13) Prepared salads (14) Hot deli foods (15) Orange juice (16) Other fruit juices (17) Coleslaw & other mixed salads (18) Garlic bread (19) Mixed herbs & spices
Soft drinks	1.0564	(1) Can/small bottle (2) Large bottle (3) Bottled water (4) Concentrated squash (5) Energy drinks (6) Mineral in lounge bar (7) Mixer in lounge bar

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
FOOD - continued		
Meals out	6.4166	(1) Chips, small single (2) Lunch in café/restaurant (3) Dinner in bistro/restaurant (4) Fast food meal (5) Take-away meal (6) Meal in an ethnic restaurant (7) Canteens (8) Rail dining car (9) Cafés - teas, coffees, sandwiches & other refreshments
Total Food	20.8052	182 varieties priced
ALCOHOLIC DRINK		
Beer	7.2547	(1) Stout - take home (6 pack) (2) Lager - take home (single can) (3) Lager - take home (tray) (4) Stout - draught bar (1 pint) (5) Lager - draught lounge (glass) (6) Lager - draught lounge (1 pint) (7) Lager - bottled bar (330ml) (8) Ale - draught bar (1 pint)
Spirits	2.5545	(1) Whiskey - take home (bottle) (2) Brandy - take home (bottle) (3) Vodka - take home (bottle) (4) Cream liqueur - take home (bottle) (5) Flavoured alcoholic drinks - bar (bottle) (6) Whiskey - bar (single) (7) Brandy - bar (single) (8) Vodka - bar (single) (9) Mixer/Split
Wine	2.0885	(1) Cider - take home (can) (2) Sherry - take home (bottle) (3) Table wine - take home (bottle) (4) Fine quality wine - take home (bottle) (5) Cider - bar (bottle) (6) Wine - bar (bottle)
Total Alcoholic Drink	11.8977	23 varieties priced
TOBACCO		
Cigarettes	4.2148	(1) Filtered
Cigars	0.0904	(1) Cigars
Tobacco	0.0940	(1) Flake
Total Tobacco	4.3993	3 varieties priced
CLOTHING & FOOTWEAR		
Men's outerwear	0.0222	(1) Casual over jacket
Men's waterproofs	0.0077	(1) Raincoat
Men's suits	0.1432	(1) 2-piece, wool (2) 2-piece, mixture
Other men's outerwear	0.5509	(1) Sports jacket/blazer (2) Casual trousers (3) Formal trousers (4) Jumpers & pullovers
Men's shirts	0.3016	(1) Formal mens shirt (2) Casual mens shirt (3) Tops & T-shirts

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
CLOTHING & FOOTWEAR - continued		
Men's underwear	0.0417	(1) Underpants/shorts (2) Vests & white cotton T-shirts (3) Pyjamas
Ladies outerwear	0.0360	(1) Casual jacket (2) Overcoat
Ladies waterproofs	0.0071	(1) Raincoat
Ladies costumes/suits	0.1491	(1) 2-piece suit (2) Blazer/jacket
Skirts/dresses/slacks	0.5117	(1) Dress (2) Jeans & casual trousers (3) Slacks & formal trousers (4) Skirt
Other ladies outerwear	0.8017	(1) Blouse (2) Knitwear (3) Tops
Ladies underwear	0.1439	(1) Knickers & panties (2) Bodyshapers (3) Bras (4) Nightdress or pyjamas
Boys' outerwear	0.2767	(1) Casual jacket (2) Tracksuit/separates (3) Casual trousers (4) Jumpers & pullovers (5) Shirts - non-school (6) Tops & T-shirts
Girls' outerwear	0.1731	(1) Casual jacket (2) Skirt (3) Dress (4) Blouse (5) Tops (6) School uniform
Boys' underwear	0.0136	(1) Vest & white cotton T-shirts (2) Pyjamas
Girls' underwear	0.0078	(1) Vest
Hosiery	0.1793	(1) Mens socks (2) Ladies tights and stockings (3) Boys socks (4) Girls socks
Sports & leisurewear	0.3242	(1) Fleece and similar type jackets (2) Swimwear (3) Mens tracksuits/separates (4) Mens sweatshirt/rugby type shirt (5) Ladies leisure suits
Other clothing & accessories	0.1963	(1) Neck tie (2) Babies outfit (3) Toddlers outfit (4) Mens clothing accessories (5) Ladies clothing accessories
Material/haberdashery	0.0231	(1) Dress material, cotton (2) Thread (3) Zip
Men's footwear	0.3069	(1) Formal leather (2) Casual (3) Boots, casual/hiking (4) Working boots (5) Trainers/runners

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
CLOTHING & FOOTWEAR - continued		
Ladies footwear	0.4433	(1) Low heel walking (2) Classic court (3) Fashion (4) Boots, casual/hiking (5) Slippers and house shoes (6) Sandals
Children's footwear	0.2262	(1) Boys (2) Girls (3) Childrens trainers/runners
Total Clothing & Footwear	4.8875	76 varieties priced
FUEL & LIGHT		
Firelighters/handypacks	0.0768	(1) Firelighters (2) Fire handy packs
Coal and anthracite	0.4322	(1) Coal including smokeless (2) Anthracite
Turf and briquettes	0.1605	(1) Peat briquettes (2) Turf
Bottled gas	0.0364	(1) Bottled gas
Piped gas	0.4872	(1) Piped gas
Electricity	1.3930	(1) Electricity
Fuel oil	0.6914	(1) Central heating oil
Total Fuel & Light	3.2775	10 varieties priced
HOUSING		
Rents	2.6046	(1) Local Authority (2) Privately owned
Local Authority charges	0.1915	(1) Water
Mortgage interest	4.6301	(1) Local Authority (2) Building Society/Bank
House insurance	0.6988	(1) Contents (2) Dwelling
Repairs and decorations	0.7561	(1) Paint, gloss/emulsion (2) White spirit (3) Paint brush (4) Wallpaper border (5) Varnish (6) Gravel (7) Sand (8) Cement (9) Concrete blocks, solid (10) Concrete blocks, hollow (11) Paving slabs (12) Wall cappings (13) Timber (14) Chipboard (15) Hardboard (16) Plasterboard (17) Glass
House maintenance services	0.8660	(1) Burglar alarm maintenance (2) Gas & oil boiler services (3) Plumbing services (4) Electrical services (5) Locksmith services
Total Housing	9.7473	29 varieties priced

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
HOUSEHOLD DURABLES		
Furniture	0.5132	(1) 3-piece suite (2) Dining table (3) Dining chair (4) Kitchen table (5) Kitchen chair (6) Divan bed (7) Child's furniture (8) Computer/office furniture (9) Bedroom (10) Kitchen units
Acoustic appliances	0.2594	(1) Clock radio (2) Radio CD cassette player (3) CD player (4) Midi system (5) Walkman/discman (6) TV portable, colour (7) TV, colour (8) Video recorder/player (9) DVD player (10) Computer games console
Electrical & gas appliances	1.3570	(1) Vacuum cleaner (2) Electric cooker (3) Gas cooker (4) Fridge freezer (5) Deep freeze (6) Dish washer (7) Washing machine (8) Tumble dryer (9) Heater, gas bottle (10) Fan heater (11) Iron (12) Kettle (13) Razor (14) Toaster (15) Hair dryer (16) Microwave oven (17) Deep-fat fryer (18) Food processor (19) Baby monitor
Personal computers	0.3041	(1) Personal computer (2) Printer (3) Diskette
Electrical repairs & parts	0.1954	(1) Battery (2) Light bulb (3) 3-pin plug (4) Smoke alarm (5) Flashlight (6) Electrical repairs (7) TV repairs
Hardware/gardening/DIY	0.0652	(1) Lawn mower, powered (2) Power drill (3) Electric strimmer (4) Garden spade (5) Hammer (6) Screw driver (7) Plastic flower pot (8) Dust bin (9) Clothes line <i>Garden Furniture -</i> (1) Garden shed (2) Garden bench (3) Bird table bath
Floor coverings	0.0952	(1) Vinyl covering (2) Floor tiles (3) Carpet, wool/mix (4) Carpet, synthetic (5) Wooden flooring

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
HOUSEHOLD DURABLES - continued		
Soft furnishings	0.3860	(1) Curtain material (2) Continental quilt (3) Continental quilt cover (4) Pillow (5) Pillow case (6) Sheet (7) Blanket, wool (8) Bath towel (9) Tea towel (10) Curtains - ready made (11) Throws and other spreads
Crockery & glassware	0.1120	(1) Coffee mug (2) Combination service set (3) Glass tumbler (4) Wine glass (5) Casserole dish (6) Salt and pepper set
Cutlery	0.0152	(1) Cutlery set (2) Carving knife (3) Dinner knife
Kitchen utensils	0.0237	(1) Corkscrew or bottle-opener (2) Saucepan (3) Frying pan (4) Wok (5) Teapot (6) Potato masher (7) Baking/roasting tin
Other household durables	0.3136	(1) Sweeping brush handle (2) Shoe polish brush (3) Dishwashing brush (4) Household mop (5) Plastic basin (6) Ironing board (7) Chopping board (8) Bathroom accessories
Total Household Durables	3.6399	101 varieties priced
OTHER GOODS		
Detergent	0.3875	(1) Powder, automatic machine (2) Powder, dishwasher
Cleaning material	0.1425	(1) Washing-up liquid (2) Fabric conditioner (3) Household scouring/cleaning powder/liquid (4) Domestic disinfectant (5) Air freshener (6) Other cleaning materials
Other domestic non-durables	0.3182	(1) Plastic rubbish bags (2) Shoe polish (3) Toilet paper (4) Matches (5) Kitchen paper roll (6) Tin foil (7) Cling film (8) Rubber gloves (9) Food or sandwich bags
Personal non-durables	0.2343	(1) Toilet soap (2) Shower gel (3) Toothpaste (4) Dental floss (5) Mouth wash
Hair applications	0.2124	(1) Shampoo (2) Hair conditioner (3) Hair gel (4) Hair colour (5) Hair spray

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weight	Varieties Priced
OTHER GOODS - continued		
Cosmetics	0.6036	(1) Shaving foam/gel (2) Deodorant (3) Sun tan oil/cream (4) Baby powder (5) Cleansing cream (6) Lipstick (7) Perfume (8) Aftershave (9) Hand cream (10) Moisturiser (11) Foundation (make-up) (12) Mascara
Toilet accessories	0.4721	(1) Tampons (2) Sanitary towels/pads (3) Disposable nappies (4) Paper tissues (5) Cotton wool (6) Toothbrush (7) Razor blades (8) Baby wipes (9) Condoms
Personal goods	0.4562	(1) Cigarette lighter (2) Suitcase (3) Ladies handbag (4) Men's umbrella (5) Wallet (6) Wrist watch (7) Pocket calculator/organiser (8) Sunglasses (9) Giftwear/souvenir (10) Clock (11) Jewellery
Sports & recreation goods	0.1490	(1) Camping goods (2) Golf equipment (3) Game balls, rackets & bats (4) Fitness equipment (5) Water equipment (6) Hunting equipment
Musical instruments	0.0183	(1) Guitar (2) Violin (3) Drums (4) Piano/keyboard (5) Wind instruments (6) Parts and accessories
Toys	0.3444	(1) Childs doll (2) Computer game (3) Model car (4) Lego set/building blocks (5) Group game (6) Fisher Price toy (7) Soft cuddly toy
Paper goods	0.1122	(1) School copybook (2) Envelopes (3) Refill pad
Stationery supplies	0.3143	(1) Sellotape (2) Lead pencil (3) Ballpoint pen (4) Felt markers/crayons (5) Other stationery
Comics	0.0262	(1) Infants book (2-6) 5 comics
Magazines & journals	0.2245	(1-9) Irish publications (10-14) Foreign publications

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
OTHER GOODS - continued		
Newspapers	0.7617	(1-7) 7 Daily national (8-16) 9 Daily foreign (17-41) 25 Provincial (42-44) 3 Sunday - national (45-52) 8 Sunday - foreign
Books	0.4623	(1) Paperback novels (2) Primary school (3) Second level (4) Third level (5) Encyclopaedia
CDs, tapes and videos	0.3939	(1) Cassette - pre-recorded (2) Cassette - blank (C90) (3) Video - blank (4) Video - pre-recorded (5) CD single (6) CD album (7) DVD
Photographic goods and services	0.1433	<i>Cameras -</i> (1) Camera, compact (2) Disposable camera (3) Camcorder/digital camera <i>Film -</i> (1) Film, colour 35mm <i>Development -</i> (1) Passport photograph (2) Express, 1 hour (3) Colour, 35mm
Total Other Goods	5.7769	177 varieties priced
TRANSPORT		
Motor cycles	0.0608	(1-30) Motor cycles - new models
Motor cars	5.9503	(1-27) Motor cars - new models (28-54) Motor cars - second hand
Other vehicles	0.2000	(1) Baby buggy (2) Adults bicycle
Motor Tax	0.7001	(1) Motor cycles (2) Motor cars
Motor insurance	2.2124	<i>Motor cycle -</i> 4 hypothetical risks for: (1) 3 rd party (2) comprehensive <i>Motor cars -</i> 26 hypothetical risks for: (1) 3 rd party (2) 3 rd party, fire and theft (3) comprehensive
Motor fuel	3.0924	(1) Petrol - unleaded (2) Diesel
Motor oil	0.0262	Oil

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
TRANSPORT - continued		
Spare parts	0.3014	<i>Tyres -</i> (1) Motor car tyres - new (2) Motor car tyres - remould (3) Bicycle tyres <i>Parts -</i> (1) Batteries (2) Spark plugs (3) Fan belt (4) Set of points (5) Oil filter (6) Air filter (7) Alternator
Repairs and maintenance	0.5904	(1) Car wash (2) Hot wash and wax (3) Puncture repair <i>Maintenance -</i> (1) Standard (2) National Car Test
Other vehicle costs	0.2878	(1) Parking fees (2) Parking fines (3) Motoring organisation subscriptions
Bus fares	0.6445	(1) Dublin city services (2) Cork city services (3) Limerick city services (4) Galway city services (5) Waterford city services (6-25) Provincial services (20 routes) (26) School bus fares
Rail fares	0.2739	(1-10) 10 Adult ticket types priced (11-16) 6 Child ticket types priced (17-19) 2 Adult ticket types priced (20) 1 Adult ticket type priced
Combined travel	0.0118	(1) Combined bus/rail ticket
Other travel	1.0611	(1) Taxi fares (2-6) Boat fares (5 routes) (7-15) Air fares (9 routes) (16) Toll charges (17) Hire car
Total Transport	15.4131	178 varieties priced

SERVICES & RELATED EXPENDITURE

Cinema	0.2523	(1) Cinema
Nightclubs	0.3261	(1) Club/Disco
Other entertainment	1.2836	<i>Sports admission -</i> (1) GAA matches (2) Soccer matches (3) Rugby matches (4) Dog racing (5) Horse racing <i>Other admittance -</i> (1) Zoos and wildlife parks (2) Historic places (3) Ballad sessions (4) Theatre and concerts <i>Sports participation -</i> (1) Golf, green fees (2) Swimming (3) Squash

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Priced
SERVICES & RELATED EXPENDITURE - continued		
Education & training	1.5471	<p><i>Primary level fees -</i></p> <p>(1) Play/nursery schools (2) Private primary schools</p> <p><i>2nd level fees -</i></p> <p>(1) Secondary day schools (2) Secondary boarding schools</p> <p><i>3rd level fees -</i></p> <p>(1) Universities (2) Other 3rd level institutions</p> <p><i>Living away from home -</i></p> <p>(1) University residences (2) Boarding houses (3) Flats & apartments</p> <p><i>Other education -</i></p> <p>(1) Language course, cassettes (2) Language course, classes (3) Driving lessons, day (4) Driving lessons, night (5) Music lessons (6) Commercial courses (7) Extra mural courses (8) Examination fees (9) Applications fee for 3rd level institutions (10) Vocational schools</p>
Medical fees	0.7889	<p><i>Doctors' fees -</i></p> <p>(1) Surgery consultation (2) House calls, weekday (day) (3) House calls, weekday (night) (4) House calls, weekend (5) Specialist fees</p> <p><i>Dentists' fees -</i></p> <p>(1) Extraction (2) Scaling and polishing (3) Filling</p> <p><i>Opticians' fees -</i></p> <p>(1) Eye test</p> <p><i>Alternative & complementary medicine -</i></p> <p>(1) Massage therapists (2) Homeopaths (3) Chiropractors (4) Acupuncturists</p>
Medicines and drugs	0.6960	<p>(1) Pain reliever (2) Antacid (3) Petroleum jelly (4) First aid disinfectant (5) Adhesive dressing (6) Cough mixture (7) Vitamins & other supplements (8-94) Representative samples of prescribed drugs in the GMS</p>
Hospital & other related charges	0.8944	<p><i>Maintenance -</i></p> <p>(1) Public ward (2) Semi-private room (3) Private room</p> <p><i>Other services -</i></p> <p>(1) Operating theatre fee (2) Pathological test (blood) (3) Pathological test (urine) (4) X-ray (5) Blood transfusion (6) Other hospital charges</p> <p><i>Paramedical services -</i></p> <p>(1) Nursing agencies (2) Ambulance services</p> <p><i>Social Protection -</i></p> <p>(1) Nursing homes</p>

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Price
SERVICES & RELATED EXPENDITURE - continued		
Other medical expenses	1.7260	(1) Spectacles (2) Dentures (3) Health insurance <i>Therapeutic equipment -</i> (1) Adjustable beds (2) Reclining chairs (3) Car seat supports (4) Lumbar rolls (5) Hearing aids (6) Artificial limbs
Hairdressing/Personal grooming	0.6851	<i>Men's -</i> (1) Haircut (2) Shampoo, cut and blow dry <i>Women's -</i> (1) Shampoo and set (2) Shampoo, cut and blow dry (3) Perm/Body wave (4) Hair colour/highlights in salon <i>Health & beauty treatments -</i> (1) Facial (2) Waxing (3) Make-up (4) Electrolysis (5) Sunbed/tanning
Shoe repairs	0.0148	(1) Man's shoe (2) Ladies shoe
Laundry and dry-cleaning	0.1111	(1) Laundrette, basic <i>Dry cleaning -</i> (1) Suit (2) Jacket (3) Slacks/trousers <i>Laundry -</i> (1) Blanket (2) Pillowcase (3) Sheet (4) Tablecloth (5) Towel (6) Shirt (7) Trench coat (8) Denim jeans (9) Handkerchief
Other services	1.6565	(1) Replacement battery for watch, fitted (2) Ear piercing (3) Alteration to trousers (4-5) Dress hire (6) Chimney sweep (7) Repair and maintenance services (8) Newspaper advertisement (9) Furniture removal (10) Library charges (11) Video film hire (12) Childcare <i>Domestic services -</i> (1) Shopping centre creches (2) Babysitting (3) Home help (4) Temporary agencies (5) Personal shopping
Postage	0.0791	(1) Post cards (2) Letters, local (3) Letters, overseas (4) Parcels, local (5) Parcels, overseas

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Price
SERVICES & RELATED EXPENDITURE - continued		
Telephone	1.8239	<i>Private -</i> (1) Local (2) National (3) Cross channel (4) International (5) Rental <i>Public -</i> (1) Local (2) National <i>Mobile -</i> (1) Telephone cost and first connection fee (2) Bills (3) Phone cards (1) Internet & other Teleservices
Society subscriptions	0.4749	(1) Golf clubs (2) Rugby clubs (3) Squash clubs (4) Heath clubs/gyms
Union subscriptions	0.2237	(1) Trade union (2) Civil Service Associations
TV services	0.4690	<i>TV & satellite services -</i> (1) Cable TV (2) Satellite TV
Licences	0.2490	(1) TV licences (2) Driving licences (3) Other licences
Accommodation charges	2.2474	(1) Hostels (2) Guest houses (3) Hotels
Package holidays	3.4024	(1) Package holiday and tours

Appendix 7 - continued

Item Headings	December 2001 % Expenditure Weights	Varieties Price
SERVICES & RELATED EXPENDITURE - continued		
Other expenditure	1.2045	<ul style="list-style-type: none"> (1) Pet food (2) Moss peat (3) Garden fertiliser (4) Driving test fee (5) Flowers (6) Passport fee (7) Birth certificate fee (8) Bank charges <p><i>Funeral services -</i></p> <ul style="list-style-type: none"> (1) Undertaker service (2) Floral tribute (3) Coffin (4) Plot <p><i>Weddings -</i></p> <ul style="list-style-type: none"> (1) Photographer (2) Hire of car (3) Wedding cake (4) Reception <p><i>Professional and legal services -</i></p> <ul style="list-style-type: none"> (1) Auctioneers fees (2) Engineers/surveyors fees (3) Estate agents fees (4) Solicitors fees <p><i>Veterinary and animal care -</i></p> <ul style="list-style-type: none"> (1) Insertion of micro-chip (2) Neutering (3) Vaccinations (4) Boosters (5) Basic consultation fees (6) Grooming (7) Kennels <p><i>Miscellaneous goods and services -</i></p> <ul style="list-style-type: none"> (1) Planning fees (2) Carpet cleaning (3) Childrens' party entertainment (4) Cordless phones (5) Shower units (6) Birthday cards & greeting cards (7) Environmental charges
Total Services & Related Expenditure	20.1557	269 varieties priced
TOTAL ALL ITEMS	100.0000	1048 varieties priced

Appendix 8 - National Average Prices

Products for which comparable National Average Prices are published for successive months

Commodity	Unit	Commodity	Unit
Beef:		Bread:	
Round steak	1 kg	White sliced (large)	800g
Sirloin steak	1 kg	Brown sliced (large)	800g
Striploin steak	1 kg	Flour:	
Roast beef - topside/rib	1 kg	White, plain	2 kg
Sliced/diced beef pieces	1 kg	White, self-raising	2 kg
Lamb:		Brown, wholemeal	2 kg
Whole leg	1 kg	Sugar, white granulated	1 kg
Loin chops	1 kg	Tea, bags	80
Gigot chops	1 kg	Spaghetti	500g
Lamb pieces incl. neck	1 kg	Preserves:	
Liver	1 kg	Jam	1 lb
Pork:		Marmalade	1 lb
Fillet/half leg	1 kg	Honey	1 lb
Roast loin	1 kg	Orange juice	1 litre
Loin chops	1 kg	Drink taken home:	
Steak	1 kg	Stout, 6 pack	6 by 250 ml
Bacon:		Lager, single can	500ml
Best back rashers	1 kg	Cider, can	500ml
Ham fillet	1 kg	Whiskey, bottle	70 cl
Collar	1kg	Brandy, bottle	70 cl
Other meat:		Vodka, bottle	70 cl
Cooked ham	1 kg	Cream liquer, bottle	70 cl
Pork sausages	1 kg	Sherry, bottle	75 cl
Fresh fish:		Wine, fine quality	75 cl
Filletts of whiting	1 kg	Wine, table	75 cl
Cod fillets	1 kg	Drinks out:	
Salmon steak	1 kg	Stout, draught	1 pint
Filletts of plaice	1 kg	Lager, draught	½ pint
Smoked fish:		Lager, draught	1 pint
Smoked salmon	1 kg	Ale, draught	1 pint
Fresh vegetables:		Lager, bottle	330 ml
Potatoes	2.5kg	Cider, bottle	330 ml
Potoates	10 kg	Whiskey, single measure	½ glass
Tomates	1 kg	Brandy, single measure	½ glass
Onions	1 kg	Vodka, single measure	½ glass
Broccoli	1 kg	Cigarettes:	
Carrots	1 kg	Filtered, standard size	20
Mushrooms	1 kg	Cinema	fee
Fresh fruit:		Club/Disco	fee
Grapes	1 kg	Hairdressing:	
Bananas	1 kg	Gent's haircut - dry cut	fee
Milk:		Ladies' wash, cut and blow dry	fee
Fresh, pasteurised full fat	1 litre	Motor fuel:	
Fresh, pasteurised low fat	1 litre	Petrol, unleaded	1 litre
Cheese:		Autodiesel	1 litre
Irish cheddar	1 kg		
Butter:	1 lb		
Eggs:			
Large (grade 2)	doz.		
Medium (grade 3)	doz.		

Appendix 9 - Linking CPI Series with different bases

With each updating, the Consumer Price Index starts with a new base reference period. For example, the previous series has a reference period of November 1996=100 and covered the period November 1996 to December 2001. While the current series has a reference period of December 2001 equal to 100 and will cover the period from December 2001 to December 2006 (the date of the next planned updating). It is possible to link these two separate series together at their common month (i.e. December 2001) in order to create a continuous series that will cover the period November 1996 to December 2006. The following hypothetical example illustrates the method of linking these two series in order to produce a continuous series from November 1996 to April 2002 with a base period of November 1996=100.

Period	Nov 96=100	Dec 01=100	Nov 96 Linked to Dec 01 Base Nov 96=100
Jan 01	114.2		114.2
Feb 01	114.5		114.5
Mar 01	114.6		114.6
Apr 01	114.9		114.9
May 01	115.1		115.1
Jun 01	115.3		115.3
Jul 01	115.2		115.2
Aug 01	115.6		115.6
Sep 01	115.7		115.7
Oct 01	115.9		115.9
Nov 01	116.2		116.2
Dec 01	116.8	100.0	116.8
Jan 02		99.8	116.6
Feb 02		100.3	117.2
Mar 02		100.7	117.6
Apr 02		101.2	118.2

The two series are linked by multiplying each of the December 2001=100 based index numbers by the December 2001 index number with a base of November 1996=100 and dividing the result by 100. The resulting continuous series has a base of November 1996=100 and covers the period November 1996 to April 2002.

Example: linking Feb 02 (Dec 2001 series) to former series (Nov 96=100)

$$100.3 \quad \times \quad 116.8 \quad / \quad 100.0 = \quad 117.2 \quad - \text{Feb 2002 (Base Nov 96=100)}$$

