



An Phríomh-Oifig Staidrimh
Central Statistics Office

information notice

The Consumer Price Index

HICP Re-referencing to 2015=100

Background

Eurostat re-referenced the Harmonised Index of Consumer Prices (HICP) indices from 2005=100 to 2015=100 on 25 February 2016.

To ensure fully synchronised datasets, CSO adopted a similar approach to Eurostat by discontinuing the use of both the 1996=100 and 2005=100 referenced indices in favour of the 2015=100 indices. For CSO published data, this change took effect from the February 2016 release date of 10 March 2016.

This change only affected HICP indices and had no impact on the Consumer Price Index (CPI).

Eurostat's methodology

The methodology that Eurostat used to carry out the re-referencing changed since the last time the exercise was carried out in early 2006. The key difference between the methods used in 2006 and 2016 was how the rebase factors (i.e. the arithmetic average of the twelve index numbers for a particular year) were computed. The rebase factors were used as the denominator in the re-referencing calculation.

Methodology in 2006:

- In 2006, the rebase factors were computed using 2005 indices (referenced to 1996=100) **rounded** to one decimal place.
- There was one rebase factor for each index.
- These rebase factors were then used to re-reference the HICP indices to 2005=100 e.g. for the all-items HICP, each monthly index number was divided by the relevant rebase factor.

Methodology in 2016:

- In 2016, a two-step process was required.
- The first step was a repeat of the calculation that was carried out in 2006. However, on this occasion, the rebase factors were computed from **unrounded** 2005 indices (referenced to 1996=100).
- These were then used to re-reference the HICP indices to 2005=100.
- The second step was to re-reference the full HICP series to 2015=100 using rebase factors computed from **unrounded** 2015 indices (referenced to 2005=100).

This change in methodology (i.e. the move from using rounded to unrounded indices in the computation of the rebase factors) resulted in revisions to the HICP indices referenced to 2005=100 for the period 1996 to 2005 with a consequential impact on the HICP indices referenced to 2015=100. The size of these revisions amounted to a maximum of 0.1 index points. The HICP indices post-2005 were unaffected by the change in methodology.

The effect of rounding on derived statistics

CPI and HICP monthly indices are calculated using maximum precision, and then rounded to one decimal place for publication. All derived statistics (i.e. annual average indices, one, three and twelve month percentage changes) are calculated from the rounded indices and are also published rounded to one decimal place. Therefore, as a result of the rounding applied to the HICP indices, the derived statistics were required to be revised marginally when the index was re-referenced from 2005=100 to 2015=100.

For the CPI, CSO policy is that the historical derived variables are **not revised** when the index is re-referenced. However, for the HICP, Eurostat have a policy whereby they **do revise** the historical derived variables. To ensure fully synchronised databases in CSO and Eurostat, the CSO have adopted a similar revision policy as Eurostat for the HICP. The CSO revision policy for the CPI remains unchanged.

Therefore, when the HICP indices referenced to 1996=100 and 2005=100 were replaced by the HICP indices referenced to 2015=100, there were small revisions up to a maximum of 0.1 percentage points for derived statistics e.g. annual percentage change.

Accessing HICP data on CSO and Eurostat databases

Detailed HICP data can be downloaded from either the Eurostat or CSO websites:

[CSO StatBank](#)

[Eurostat Database](#)

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