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EUROSTAT

Directorate C: National accounts, prices and key indicators  
Unit C-5: Price statistics; Purchasing Power Parities. Housing statistics



**Implementation of  
COMMISSION REGULATION (EC) No 330/2009  
on the treatment of seasonal products**

**Information note and impacts on the HICP**

**Last update: 22 May 2012**

## **Implementation of Commission Regulation (EC) No 330/2009 on the treatment of seasonal products**

Commission Regulation (EC) No 330/2009 of 22 April 2009 <sup>(1)</sup> lays down minimum standards for the treatment of seasonal products in the Harmonised Indices of Consumer Prices (HICP) and takes effect in all Member States with the index of January 2011. The regulation is available at the following link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:103:0006:0009:EN:PDF>

'Seasonal products' means those goods and services that are available for purchase in some period of the year but are not available for purchase, or purchased in small or negligible volumes, for certain periods in a typical annual cyclical pattern. Typically, these products can be found in the COICOP classes: fish, fruit, vegetables, clothing and footwear. Where deemed appropriate, the standards also serve as guidance for seasonal products in other COICOP classes or groups.

Before the adoption of the regulation the practices for the treatment of seasonal products in the Member States had varied. Differences in the practices used risk differences in estimated inflation rates, in particular in the short-term for the product groups directly concerned. A harmonised approach was therefore necessary in order to meet the comparability, reliability and relevance requirements of the HICP.

Improved harmonisation of the price measurement for seasonal products had some impact on the HICP results in 2011, but from 2012 these impacts should be negligible. The size of this impact depended on the weights in the consumption basket and price developments in the Member State for the different product groups concerned and the methods previously used. The impacts were in general smaller for higher-level HICP aggregates.

For most Member States, the impact of the implementation of the new standards remained minor. However, for some Member States, which had been using calculation methods that were significantly different from the methods introduced by the regulation, such as calculations using moving averages of monthly data, the impact of the implementation of harmonised standards was higher.

During 2011 the Member States and Eurostat monitored the impact on the annual rates of inflation, and made available further information on the results through the annex of this document, as they became available.

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<sup>(1)</sup> The regulation was published in the Official Journal of the European Union, L 103, 23.4.2009, p. 6.

## The new standards on the treatment of seasonal items

Seasonal products are typically not available or their purchased volumes are negligible for certain periods in an annual cyclical pattern and According to Article 6 of Regulation (ENI No 1749/96 where target samples do not require monthly observation of actual prices throughout the year estimated prices should be used instead.

Regulation 330/2009 allows for the application of two calculation methods while setting clear conditions on their application – the 'strict annual weights method' and a 'class-confined seasonal weights method'. It has been shown by empirical investigations that the two methods can be expected to deliver sufficiently comparable results at the level of the all items HICP.

The two methods deal in different ways with non-availability of prices in out-of-season months. For the strict annual weights method, prices in out-of-season months are estimated. For the class-confined seasonal weights method weights are put to zero in out-of-season months and so prices for the product are not needed for calculation in these out-of-season months.

### Strict annual weights method

The regulation gives standards for the estimation methods of prices in out-of-season months. Two estimation methods ensure a sufficient level of comparability: 'Counter-seasonal estimation' and 'All-seasonal estimation'.

**Counter-seasonal estimation** is recommended when the year clearly has two seasons where summer products replace winter products and vice versa and where in each month of the year there are sufficient seasonal products available to base the estimation procedure on, e.g. in the case of clothing.

In a COICOP class or group that contains seasonal products it may be that all products are seasonal. Quite often, however, the COICOP class or group also contains products that are continuously available and for which prices are observed all year. This may particularly be the case, for example, for clothing and footwear. On the one hand, some clothing is seasonal showing a clear seasonal pattern in its price development with, for example, end-of-season sales periods. On the other hand, some types of clothing may be used all year and the seasonal variations in the price may not be so important. In this case it is preferred to use only the prices of seasonal products that are in-season to estimate the index for out-of-season products and disregard the products that are available all year in the estimation process to get a better estimate for the price movements. This improves the comparability with the results of the seasonal weights method.

**All-seasonal estimation** is recommended when the seasonal pattern is not so clearly dichotomous or when the number of available seasonal products is small in parts of the year and so counter-seasonal estimation is not feasible. For example, some fruits may be available all year around and others only in summer. In the latter case, the price for summer fruits in the out-of-season period cannot be estimated using only 'winter fruits' that are available. In this case all-seasonal estimation should be used. Also in cases where counter-seasonal estimates would be made on a very limited number of products, and more all-year products are available, all-seasonal estimation may be preferable.

In the all-seasonal estimation method the index of out-of-season products is estimated using the price developments of all available products in the COICOP class, group or on a more detailed level such as for strata. For example, if all-seasonal estimation method is used in the case of summer fruit the price index of summer fruit during the winter months is estimated using data for all fruits available in winter.

### Class-confined seasonal weights method

The method of *Class-confined seasonal weights* is another way to deal with products that are out-of-season and for which prices cannot be observed. The weights are variable with the aim to allow for zero weights for products that are out-of-season. When weights are zero no price data are needed for the index calculation. The weights of the in-season products are adjusted to ensure that the total weight of the COICOP class or group or on a more detailed level such as strata is constant through the year. The variable weights should not reflect any fluctuations in the monthly consumption patterns of products during their in-season period.

## ANNEX

### Impacts on the HICP

The impacts in this note measure the estimated change in the all-items annual inflation rate due to the implementation of the new method for the treatment of seasonal products. The impacts are expressed as differences in percentage points from the published HICP rates. A reported negative (positive) impact means that the published annual rate would have been the same amount higher (lower) if the treatment of seasonal products had not been changed.

As an example, an impact of -0.1 percentage points means that inflation without the methodological change would have been 0.1 percentage points higher.

#### Legend to table:

- **No changes.** The treatment of seasonal products was already in line with the regulation and thus no changes related to the implementation of the regulation affect data for 2011.
- ns **No significant impact.** Although there were changes in their methods, countries reported a non-significant impact (**less than 0.1 pp in either direction**).
- ni **No impact** in 2011 after revision of 2010 figures.
- na **Impact estimates not available** for different reasons: no available/reliable information to produce yet an estimate of the impact of a sufficient quality to be publicly released.
- di **Delayed implementation.**

Country <sup>1</sup>	Impact in 2011 – All-items (percentage points)												
	January <sup>2</sup>	February	March	April	May	June	July	August	September	October	November	December	Average 2011
EA <sup>3</sup>	-0.1	-0.2	0.0	0.0	0.0	0.0	-0.2	-0.2	0.0	0.0	0.0	0.0	-0.1
EU <sup>3</sup>	-0.1	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.2	0.0	0.0	0.0	0.0	0.0
Belgium	—	—	—	—	—	—	—	—	—	—	—	—	—
Bulgaria	ns	ns	ns	ns	ns	ns	0.1	0.1	0.1	0.1	-0.1	-0.2	ns
Czech Republic	—	—	—	—	—	—	—	—	—	—	—	—	—
Denmark	—	—	—	—	—	—	—	—	—	—	—	—	—
Germany	ns	ns	0.1	0.1	0.1	ns	ns	ns	ns	ns	ns	-0.1	ns
Estonia	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
Ireland <sup>4</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—
Greece	-0.4	-0.8	ns	ns	ns	ns	-0.5	-1.1	ns	ns	ns	-0.1	-0.2
Spain	ni	ni	ni	ni	ni	ni	ni	ni	ni	ni	ni	ni	—
France	ns	-0.2	-0.1	ns	ns	ns	-0.2	-0.1	ns	ns	ns	ns	ns

(1) Available country estimates. As new information will be available, these estimates might be subject to revision.

(2) See also Eurostat's note on the Impact on the HICP for January 2011:

[http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/documents/Tab/Tab/HICP\\_SP\\_impacts\\_2011\\_02\\_28\\_web.pdf](http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/documents/Tab/Tab/HICP_SP_impacts_2011_02_28_web.pdf).

(3) Estimated by Eurostat based on available country estimates. As new information will be available, preliminary estimates might be subject to revision.

(4) For Ireland there is no impact because, according to the NSI, seasonal items have no significant weight — as defined in Article 4(7).

Country <sup>1</sup>	Impact in 2011 – All-items (percentage points)												
	January <sup>2</sup>	February	March	April	May	June	July	August	September	October	November	December	Average 2011
Italy	-0.4	-0.4	ns	ns	0.1	0.1	-0.8	-0.9	-0.1	ns	ns	ns	-0.2
Cyprus	ns	ns	ns	0.1	0.2	0.2	-0.2	-0.2	ns	ns	ns	ns	ns
Latvia	ns	ns	0.1	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.1	0.1	0.2
Lithuania	-0.1	-0.1	ns	0.2	0.2	0.1	-0.1	-0.4	0.1	ns	-0.1	ns	ns
Luxembourg	-0.3	ns	ns	ns	ns	ns	-0.3	ns	ns	-0.1	ns	-0.1	ns
Hungary	ns	ns	ns	ns	-0.1	ns	ns	0.3	0.2	0.1	ns	ns	ns
Malta	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
Netherlands	—	—	—	—	—	—	—	—	—	—	—	—	—
Austria <sup>5</sup> 2011	—	—	—	—	—	—	—	—	0.1	ns	ns	ns	ns
2012	ns	-0.1	0.1	0.1					—	—	—	—	—
Poland	0.0	-0.1	-0.1	-0.1	0.0	0.2	0.1	0.2	ns	-0.1	-0.1	-0.2	ns
Portugal	-0.2	-0.3	0.1	0.1	ns	ns	-0.3	-0.4	0.1	ns	ns	ns	ns
Romania	0.1	0.3	0.4	0.5	0.4	0.1	-0.1	-0.2	ns	0.1	0.1	0.1	0.2
Slovenia	ns	ns	ns	0.3	0.7	0.4	0.2	0.2	0.2	0.3	ns	ns	0.2
Slovakia	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
Finland	—	—	—	—	—	—	—	—	—	—	—	—	—
Sweden	ns	ns	ns	0.1	0.1	ns	ns	ns	ns	ns	ns	ns	ns
United Kingdom	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns	ns
<b>EFTA</b>													
Iceland <sup>6</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—
Norway	ns	ns	ns	ns	ns	ns	ns	ns	na	ns	ns	ns	ns
Switzerland	-0.2	-0.1	0.0	0.1	0.0	-0.1	-0.1	-0.1	0.1	0.1	0.0	0.0	ns
<b>Candidate countries</b>													
Croatia <sup>7</sup>	di	di	di	di	di	di	di	di	di	di	di	di	di
Turkey	—	—	—	—	—	—	—	—	—	—	—	—	—

(5) Austria adapted the calculation of price changes to the methods required by EU Commission Regulation No. 330/2009 starting with the index for September 2011.

(6) For Iceland there is no impact because, according to the NSI, seasonal items have no significant weight — as defined in Article 4(7).

(7) According to the NSI, for Croatia the implementation of the seasonal products regulation will take place in June 2012.