

France

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: Institut National de la Statistique et des Etudes Economiques (INSEE)

Periodicity: Monthly

Index reference period: 1998 = 100

Weights reference period:

Main uses of CPI: Indexation of wages, pensions and/or social security payment, indexation of rents, contracts and/or other payments, main inflation indicator used for monetary policy , macroeconomic modelling and other analytic uses.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Nation-wide

Population coverage: Resident households of nationals and temporary visitors.

Consumption expenditure excludes:

- Life insurance premiums;
- Gambling expenditure, gross of winnings

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: The consumer price index (CPI) is the instrument used to measure inflation. It estimates the average change in prices of household consumer goods between two given periods. It is a synthetic measurement of “pure” trends in product prices, i.e., at a constant level of quality.

Classification: COICOP (Classification of individual consumption by purpose) with 161 groups comprising 12 functions and 37 sub functions.

Weights include value of consumption from own production: No

Sources of weights: Household expenditure surveys and national accounts.

Frequency of weight updates: Annual

D: Sample design

Sampling methods:

Localities: Stratified sampling with simple random sampling in each stratum

Outlets: Stratified sampling with simple random sampling in each stratum

Products: Stratified sampling with simple random sampling in each stratum

Frequency of sample updates:

Outlets: Annual

Products: Annual

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Geographically criterion (locality): the surveys are conducted in 106 cities of more than 2,000 inhabitants dispersed throughout the country and of all sizes and in four overseas departments.

Item selection: a sample of just over 1,000 families of products and services, called "variety" is defined to reflect the heterogeneity of the products within 161 groups of products. The "variety" is the base level of monitoring products and services and index calculation. The list of items is confidential and only some average prices of a sample products and services are published at this level.

Outlet selection: a sample of 27,000 outlets, stratified by type of sales was formed to represent the diversity of products and services brands, trade names and consumer's purchasing mechanisms and to reflect price changes differentiated by type of sales.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 106, Outlets: 27,000, Price observations: 200,000

Frequency with which prices are collected: Monthly price observations are taken over the four weeks, for the month in question. Fresh products' prices are observed every two weeks.

Reference period for data collection: The reference period for data collection is a full month.

Methods of Price Collection

- Personal data collection

- Official tariffs

Treatment of:

Discounts and sales prices: Discounts and sales available to all consumers are taken into account in all CPI prices

Missing or faulty prices: Prices for products that could not be observed during the month are imputed on the basis of trends in similar products, and primarily in the same agglomeration, and at the national level if insufficient observations are available. Prices for missing seasonal products are held constant at the level of the latest “normal” (not discounted) price observed.

Disappearance of a given type or quality from the market: Products that become permanently unavailable are replaced in the sample with other products and different adjustment techniques are used to reflect quality differences.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: Specific treatments are applied for fresh products. For other seasonal varieties, and to determine pure price trends at constant quality levels, a product that is no longer available is replaced with another product during the year.

Treatment of housing

Treatment of owner-occupied housing: The index does not reflect national housing rental for owners.

F: Computation

Formula used for calculation of elementary indices: The ratio of geometric mean prices (Jevons index) (Chained form)

Formula to aggregate elementary indices to higher level indices: The elementary indices are aggregated using a Laspeyre’s index.

Formula of aggregating regional/population group indices into national index: The national CPI is calculated by combining the urban and rural indices using as weights the country-wide urban and rural household expenditure multiplied by the total number of urban/rural households as available from population census data.

Seasonally adjusted indices: INSEE publishes the following seasonally adjusted indices: The CPI for all of France, for all households, not including tobacco; The CPI for all of France, for urban households headed by a laborer or white collar worker, including and not including tobacco; The seasonally adjusted consumer price index (CVS); The “index not including public tariffs and volatile price products adjusted to reflect tax measures” and seasonally adjusted. This index measures cyclical or underlying inflation. It does not reflect public tariffs, volatile price products (petroleum products, wine, meat, and fresh dairy products) and represents just under 60 percent of the overall index. It is also adjusted to reflect tax measures to neutralize the effects on the price index of changes in indirect taxation

or government measures directly affecting consumer prices. It is intended only for economic analysis.

G: Editing and validation procedures

Control procedures used to ensure the quality of data processed: The data quality control process is based on a number of different activities: examination of product quality indicators produced by the monthly computer processing sequence used to generate the CPI, which involve the mechanism for collecting and verifying information, and are available at different levels of aggregation; active participation in the quality control system implemented by Eurostat within the European Union. In this connection, the French harmonized consumer price index (IPCH) was subject to a conformity inspection which involved a visit by Eurostat experts to INSEE in June 2001.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: CPI data is disseminated approximately 13 days after the end of the reference period (for January approximately 22 days after the end of the reference period)

Level of detailed CPI published

Paper publication: All items CPI, Division-level (12 Divisions)

Online: All items CPI, Division-level (12 Divisions)

Documentation

Publications and websites where indices can be found: New release: "Informations rapides" (in French) – INSEE; Weekly: "Tableau de bord hebdomadaire" (in French) – INSEE; Monthly: Bulletin mensuel de statistique (in French) – INSEE; Internet website: <http://www.insee.fr>

Publications and websites where methodological information can be found: The methodological note can be found at

<http://www.insee.fr/en/themes/info-rapide.asp?id=29&date=20130711>

I: Other Information

Completed by ILO in 2013.