

Replacement of Price Data in CSPI (During 2000)

(1) Number of replacements of price data

Major group	No. of surveyed prices (A)	No. of cases		Ratio of change (B)/(A)
		(B)	(Ref). no. of cases in the previous year	
Miscellaneous services	849	113	23	13,3
Transportation	709	53	48	7,5
Finance and insurance	397	49	38	12,3
Communications and broadcasting	153	46	31	30,1
Leasing and rental	152	40	6	26,3
Total	2957	361	171	12,2

Notes: 1. Changes in surveyed prices indicate changes in the content of services, transaction conditions, and surveyed company.

2. Surveyed prices are those of December 2000.

(2) Quality adjustment methods used for old and new services

cases, figures in () are those of the previous year.

	No. of cases
Production cost meth.	47(51)
Overlap meth.	3 (9)
Hedonic regression meth.	--
Direct comparison meth.	155(48)
Unit comparison meth.	18 (3)
Difficult to compare	138(60)
Others	0 (0)

Note: "Others" indicate changes in the contracted currencies.

(3) Measures taken in the index

cases, figures in () are those of the previous year.

	No. of cases
Price increase	6 (2)
Unchanged	330(155)
Price decrease	25 (14)

Note: Even when the overlap method (a method that regards the price difference between old and new services as the quality difference in the two services and incorporates them as unchanged in real terms into the index) is applied, the decrease (increase) of the new surveyed price compared to that in the previous month is incorporated as price decrease (increase) into the index.

Replacement of Price Data in WPI (During 2000)

(1) Number of replacements of price data

Group	No. of surveyed prices (A)	No. of cases		Share of replacement (%) (B)/(A)
		(B)	(Ref). no. of cases in the previous year	
Domestic Wholesale Prices	3375	641	447	19,0
Electrical machinery	412	193	115	46,8
Chemicals	356	54	49	15,2
Textile products	275	40	31	14,5
Transportation equipment	83	40	29	48,2
Processed foodstuffs	379	36	41	9,5
Other manufacturing industry products	292	36	45	12,3
Electric power, gas & water	77	30	1	39,0
Pulp, paper & related products	138	29	22	21,0
Export Prices	624	134	111	21,5
Electrical machinery	163	59	50	36,2
General machinery	101	19	4	18,8
Other manufacturing industry products	71	14	18	19,7
Import Prices	895	144	114	16,1
Machinery & equipment	197	63	38	32,0
Foodstuffs & feedstuff	202	31	29	15,3
Textiles	88	16	9	18,2
Total	4894	919	672	18,8

Notes: 1. Changes in surveyed prices indicate changes in the content of commodities, transaction conditions, and surveyed company.

2. Surveyed prices are those of December 2000.

(2) Quality adjustment methods used for old and new commodities

cases, figures in () are those of the previous year

	Domestic Wholesale Prices	Export Prices	Import Prices	Total
Production cost meth.	221 (136)	47 (38)	29 (28)	297 (202)
Overlap meth.	73 (97)	9 (5)	21 (13)	103 (115)
Hedonic regression meth.	20 (8)	5 (6)	3 (2)	28 (16)
Direct comparison meth.	121 (78)	22 (16)	26 (25)	169 (119)
Unit comparison meth.	12 (13)	0 (0)	0 (0)	12 (13)
Difficult to compare	194 (115)	46 (29)	54 (35)	294 (179)
Others	0 (0)	5 (17)	11 (11)	16 (28)

Note: "Others" indicate changes in the contracted currencies.

(3) Measures taken in the index

cases, figures in () are those of the previous year

	Domestic Wholesale Prices	Export Prices	Import Prices	Total
Price increase	3 (8)	3 (1)	1 (2)	7 (11)
Unchanged	464 (301)	85 (81)	113 (91)	662 (473)
Price decrease	174 (138)	46 (29)	30 (21)	250 (188)

Note: Even when the overlap method (a method that regards the price difference between old and

new commodities as the quality difference in the two commodities and incorporates them as unchanged in real terms into the index) is applied, the decrease (increase) of the new surveyed price compared to that in the previous month is incorporated as price decrease (increase) into the index.

Chart 3

Quality Adjustment Effect in CSPI

y/y % chg.

	2000 (1995 base)			[Ref.] 1998 (1990 base)		
	After quality adjustment	Before quality adjustment	Quality adjustment effect	After quality adjustment	Before quality adjustment	Quality adjustment effect
	(A)	(B)	(A)-(B)	(A)	(B)	(A)-(B)
All items	-0,3	-0,4	0,1	-0,9	-0,9	0,0
Finance and insurance	-1,2	-1,2	0,1	-2,3	-2,4	0,0
Real estate services	-1,7	-1,6	0,0	-0,7	-0,7	0,0
Transportation	2,7	2,7	0,0	-1,1	-1,2	0,1
Information services	0,0	-0,1	0,1	1,2	1,2	0,0
Communications and broadcasting	-2,1	-2,1	0,0	-1,7	-1,7	0,0
Advertising services	1,5	1,6	-0,1	-0,7	-0,6	-0,1
Leasing and rental	-5,8	-5,8	0,0	-2,3	-2,3	0,0
Industrial waste and sewage disposal	1,1	1,0	0,0	0,6	0,4	0,2
Motor vehicle and machinery maintenance	-1,2	-2,1	0,9	-0,2	-0,2	0,0
Other professional services	-0,8	-0,6	-0,2	--	--	--
Miscellaneous services	-0,7	-1,1	0,4	--	--	--
Civil engineering and architectural services	--	--	--	-1,0	-1,1	0,1
Legal and accounting services	--	--	--	0,2	0,1	0,0
Temporary employment services	--	--	--	1,2	1,2	0,0

Reference: calculated based on the assumption that the price declines in leasing and rental are totally regarded as quality change.

y/y % chg.

	2000 (1995 base)			[Ref.] 1998 (1990 base)		
	After quality adjustment	Before quality adjustment	Quality adjustment effect	After quality adjustment	Before quality adjustment	Quality adjustment effect
	(A)	(B)	(A)-(B)	(A)	(B)	(A)-(B)
Leasing and rental	-5,8	-1,5	-4,3	-2,3	0,0	-2,3
contribution to CSPI	-0,4	-0,1	-0,3	-0,2	0,0	-0,2

Notes: 1. To observe the quality adjustment effect of the relevant year, the year-to-year percent changes are calculated by using the index as of December and that of the previous December.

2. As for civil engineering and architectural services, legal and accounting services, and temporary employment services, the categorization was revised at the time of switching to the 1995 base and has been rearranged into other professional services and miscellaneous services. In this chart, they are divided into three services for the 1990 base and divided into two services in the 1995 base.

3. The price decline in leasing includes not only quality changes but also the pure price decline of the item.

Thus, this calculation is estimated as the upper limit value of quality adjustment. Changes in interest rates are not regarded as changes in prices of items but as changes in leasing rates.

Quality Adjustment Effect in Domestic WPI

(1) Developments of quality adjustment effect

Surveyed period	y/y % chg.			
	First half of the 1990s (Ex. of 1993)	Middle of the 1990s (Ex. of 1995)	Second half of the 1990s (Ex. of 1998)	Recently (Ex. of 2000)
Average y/y % change	<1990 base>	<1990 base>	<1995 base>	<1995 base>
After quality adjustment (A)	-2,1	-0,7	-2,2	-0,1
Before quality adjustment (B)	-1,7	-0,4	-1,9	0,3
Quality adjustment effect (A)-(B)	-0,4	-0,3	-0,3	-0,4

(2) Details of the quality adjustment effect

	2000 (1995 base)			Reference: 1998 (1995 base)		
	After quality adjustment (A)	Before quality adjustment (B)	Quality adjustment effect (A)-(B)	After quality adjustment (A)	Before quality adjustment (B)	Quality adjustment effect (A)-(B)
Total average	-0,1	0,3	-0,4	-2,2	-1,9	-0,3
Processed foodstuffs	-0,2	-0,1	-0,1	1,4	1,2	0,2
Textile products	-0,8	-1,3	0,4	-3,8	-4,0	0,2
Lumber & wood products	-0,7	-0,3	-0,4	-3,9	-3,8	-0,1
Pulp, paper & related products	2,7	2,6	0,1	-3,5	-3,6	0,1
Chemicals	2,3	2,5	-0,1	-2,6	-2,6	0,1
Plastic products	-0,6	-0,6	0,0	-1,7	-1,7	0,0
Petroleum and coal products	14,6	14,6	0,0	-8,3	-8,3	0,0
Ceramic, stone & clay products	-0,8	-1,0	0,2	-0,9	-1,4	0,5
Iron & steel	0,0	-0,1	0,1	-5,4	-5,4	0,0
Nonferrous metals	2,0	2,0	0,1	-7,1	-7,2	0,0
Metal products	-0,2	-0,2	0,0	-0,9	-1,0	0,1
General machinery	-0,6	-0,1	-0,5	-1,1	0,1	-1,2
Electrical machinery	-4,0	-3,4	-0,5	-3,7	-2,6	-1,1
Transportation equipment	-1,5	1,5	-3,1	-0,6	0,5	-1,1
Precision instruments	-1,3	1,2	-2,5	-0,5	-0,4	-0,1
Other manufacturing industry products	0,0	0,1	-0,1	-0,8	-0,7	-0,1
Edible agricultural, livestock & fishery products	-2,1	-2,0	0,0	0,3	0,3	0,0
Inedible agricultural & forestry products	-2,7	-2,6	-0,1	1,9	1,9	0,0
Mining products	-2,0	-2,0	0,0	-2,4	-2,4	0,0
Electric power, gas & water	-0,5	-0,5	0,0	-5,3	-5,3	0,0
Scrap & waste	1,0	1,1	-0,1	-35,1	-35,1	0,0

Note: To observe the quality adjustment effect of the relevant year, the year-to-year percent changes are calculated from the December index and the previous December index.