Table 3 Quality Adjustment Effect on the CSPI

y/y % chg.

	2002 <1995base>		
	After quality adjustment (A)	Before quality adjustment (B)	Quality adjustment effect (A)-(B)
All items	-0.6	-0.6	*0.0*
Finance and insurance	-0.1	-0.1	*0.0*
Real estate services	-1.2	-1.2	*0.0*
Transportation	-0.1	-0.1	*0.0*
Information services	-0.3	-0.4	*0.2*
Communications and broadcasting	-1.2	-1.2	*0.0*
Advertising services	1.7	1.7	*0.0*
Leasing and rental	-2.7	-2.5	*-0.1*
Industrial waste and sewage disposal	2.7	2.7	*0.0*
Motor vehicle and machinery maintenance	-0.9	-0.9	*0.0*
Professional services	-0.9	-0.7	*-0.1*
Other services	-3.2	-3.0	*-0.1*

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

y/y % chg.

	2002 <1995base>		
	After quality adjustment (A)	Before quality adjustment (B)	Quality adjustment effect (A)-(B)
Leasing and rental	-2.7	0.1	*-2.8*
contribution to CSPI	-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. To observe the quality adjustment effect, some cases are excluded. For example, the case when Direct comparison method or Unit price comparison method is adopted (the qualities of the old and new products are regarded as fundamentally the same) or the case when the price differences between old and new products are over 50% and it is irrelevant to see year to year % change as quality adjustment effect.

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.