

INDUSTRY-BASED VS PRODUCT-BASED SPPI

Issues associated with these two types of indexes



Issues

- Definition of industry-based and product-based SPPIs
- Purposes of SPPIs
- Data sources for sampling
- Weighting schemes
- Communication of the concepts to the user
- What follows from this?



Definition of industry-based and product-based SPPIs

Eurostat – OECD SPPI-guide:

An industry based index is created from a sample of business enterprises classified under that industry. All of the output of these sampled units is represented, even secondary activity output that is classified under other industries in the international classification systems, and aggregated to form these (4-digit) industry level indices.

Product based indices are created from samples of products. All service product output (obtained from lists of producers of each product) is eligible for selection, regardless of the classification of the business enterprises that produce it. Price movements for products are generally aggregated to form product Group or product Class level indices ...



Definition of industry-based and product-based SPPIs

	Industry A	Industry B	Industry C	Industry	Sum of Industries
Product-group 1					
Product-group 2					
Product-group 3					
:					
Sum of Products					



Purposes of SPPIs

- observation of short term economic development
- one of the indicators for achieving the objective of price stability
- deflators inter alia to calculate real GDP development
- adaptation of recurrent payments in business contracts (stable value clauses)



Data sources for sampling

	Industry A	Industry B	Industry C	Industry	Sum of Industries	
Product- group 1						
Product- group 2						Sam
Product- group 3						Surv Turn
						by P
Sum of Products						

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Sampling from **Business Register?**

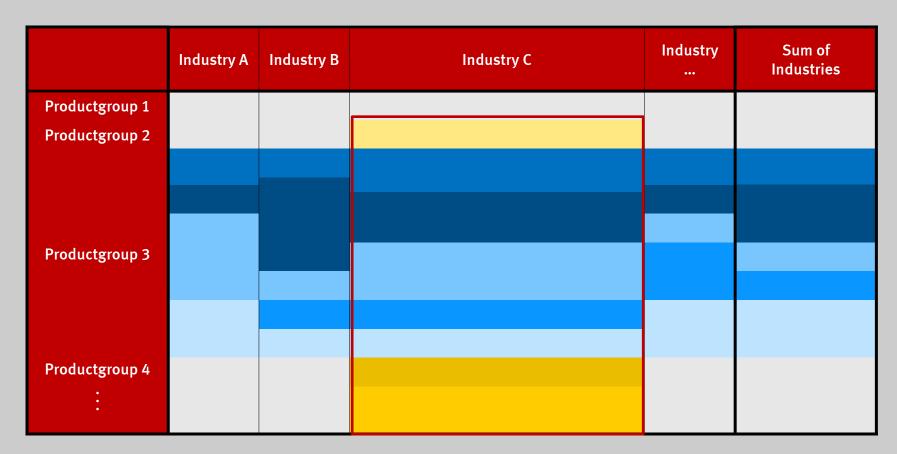


Weighting schemes

	Industry A	Industry B	Industry C	Industry 	Sum of Industries
Productgroup 1					
Productgroup 2					
Productgroup 3					
Productgroup 4					

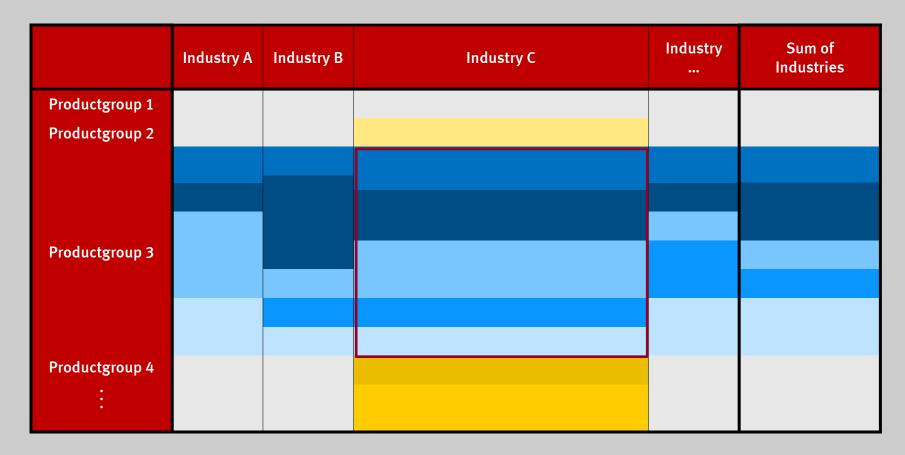


Weighting schemes





Weighting schemes





What follows from this?

- Is the index type an information to mention in future minipresentations?
- If we do so, should the presenters give some additional facts about
 - Specific sources for weighting schemes for the respective index type?
 - Data sources for the population for sampling?
 - Meta data provided with publication of results?
- What are the challenges of the respective index-type an what are its advantages for the respective industry?



Questions?























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