

The Hungarian experience in implementing European Regulation about seasonal products

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Definitions – Estimation of out-of-season prices

Counter-seasonal estimation means the estimation of a price for a productoffer of a product that is out-of-season so that:

- in the first month of the out-of-season period, the estimated price is equal to a **typical price** observed in the previous in-season period, and,
- from the second month, the estimated price is equal to the estimated price for the preceding month, adjusted by the change in observed prices on average over all seasonal products that are in-season in the same subdivision of COICOP/HICP.

All-seasonal estimation means the estimation of a price for a product-offer of a product that is out-of-season so that:

- in the first month of the out-of-season period, the estimated price is equal to a **typical price** observed in the previous in-season period, and,
- from the second month, the estimated price is equal to the estimated price for the preceding month, adjusted by the change in observed prices on average over all available products in the same subdivision of COICOP/HICP.



Definitions – Weights

Strict annual weights index means a price index using weightings that do not differ between months within the same year at all levels of index calculation.

Class-confined seasonal weights index means a price index using weightings that within the same year:

- do not differ between months for any COICOP/HICP subdivision taken as a whole,
- do not differ between months for products within any COICOP/HICP subdivision that does not contain any seasonal product,
- within the in-season period do not differ between months for products within any COICOP/HICP subdivision that contains seasonal products, except to the extent that it is necessary to allow for month-on-month changes in the composition of the basket.





Fruits

Hungarian practise before 2011

Variable weights index means a price index using weightings that within the same year:

- do not differ between months for any COICOP/HICP subdivision taken as a whole,
- but inside the subdivision differ between months for any product which has seasonal pattern.

Estimation of a price for a product that is out-of-season:

 from the first month, the estimated price is equal to the last observed or estimated price for the last month, adjusted by the change in observed prices on average over all available products in the same subdivision of COICOP/HICP.



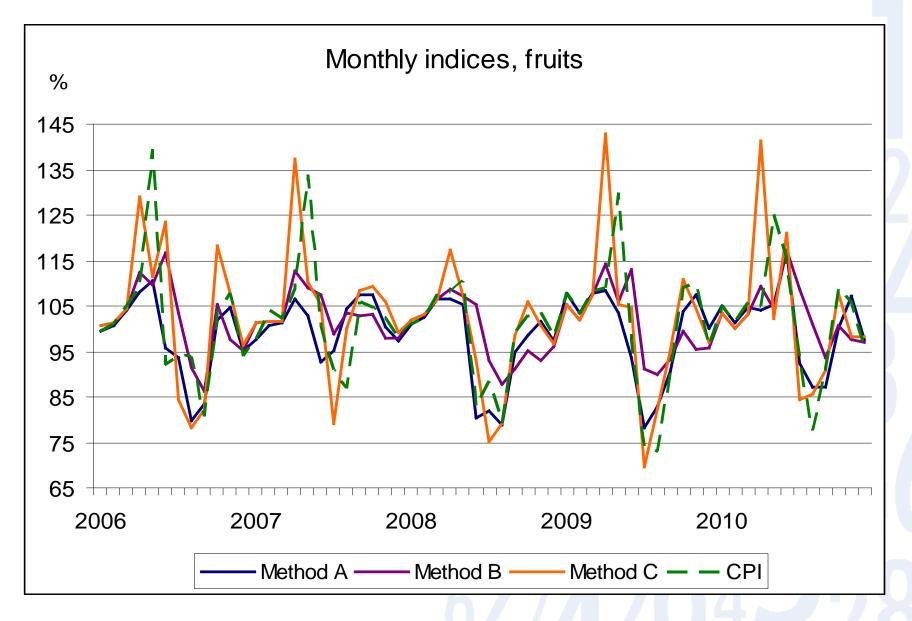
Different methods

Method A

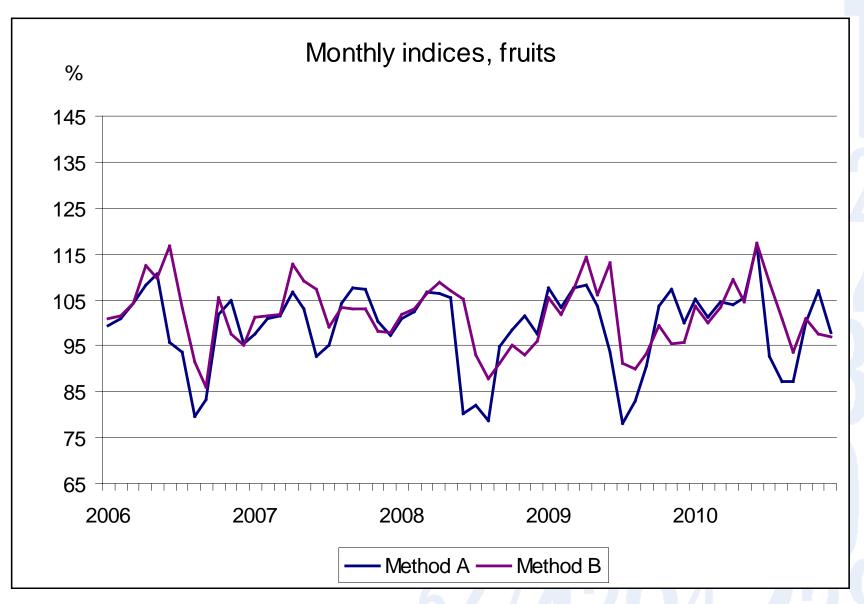
Variable weights, all seasonal estimation (the estimation differs between the first and the remaining months of the out-of-season period

- Method B
 - Fixed weights, all seasonal estimation
- Method C
 - Class-confined seasonal weights, all seasonal estimation
- CPI (Hungarian practise before 2011)
 - Variable weights, seasonal estimation (same from the first month of the out-of-season period

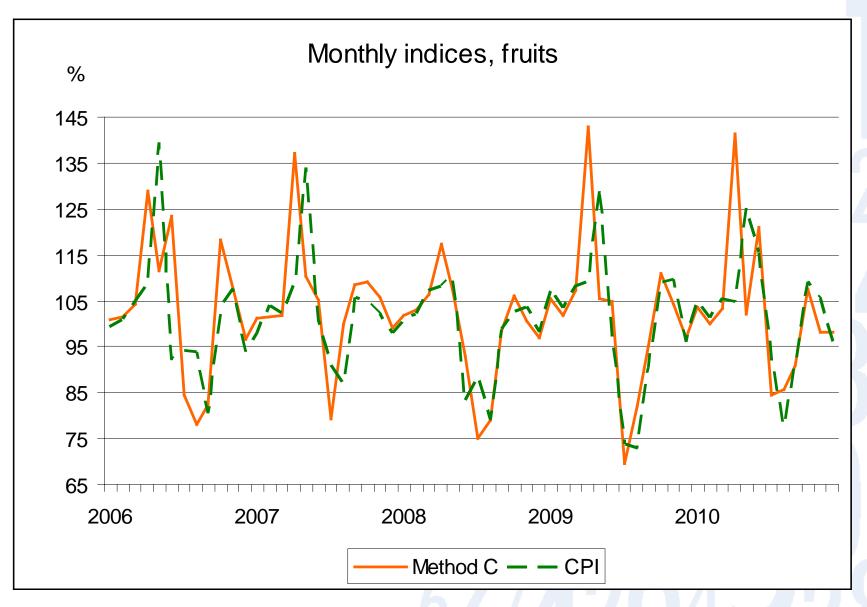




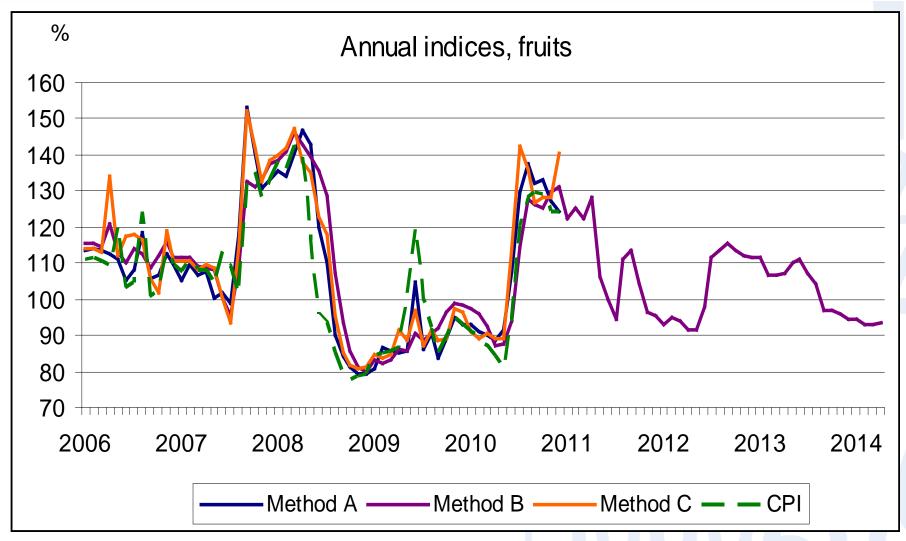






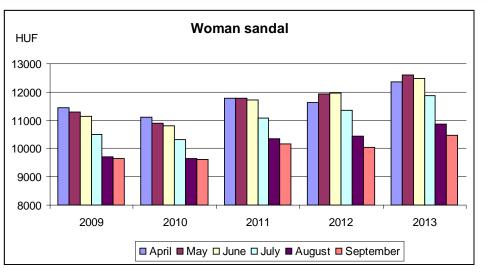








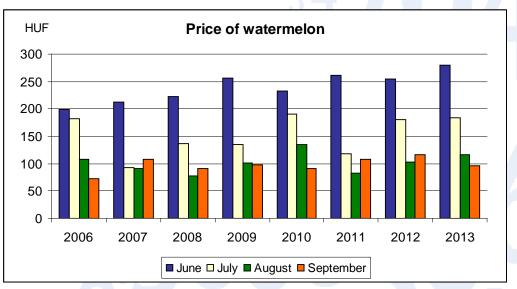
Typical (normal) price – typical month(s)



Largest volume of sale

Clothing – no information about monthly sale at all

 Fruits and vegetables – sales data only for domestic products from the agricultural statistics, markets





The impact of the change

			Impact in 2011 – COICOP/HICP classes and Groups (percentage points)												
Country		January	February	March	April	Мау	June	July	August	September	October	November	December	Year	
Hungary		-0,03	-0,02	-0,05	-0,06	-0,12	0,02	0,09	0,31	0,23	0,11	0,07	-0,01	0,05	
1	Food and non-alcoholic beverages	-0,13	-0,08	-0,22	-0,52	-0,87	-0,22	0,13	1,21	0,89	0,29	-0,01	-0,41	0,00	
11	Food	-0,16	-0,09	-0,26	-0,61	-1,03	-0,26	0,15	1,43	1,05	0,34	-0,01	-0,49	0,00	
116	Fruits	-1,10	-1,43	-3,55	-6,85	-15,03	-1,98	0,02	17,93	14,80	4,03	-2,08	-6,8	-0,17	
117	Vegetables	-0,63	0,07	-0,06	-0,94	0,48	-0,93	1,22	1,12	-0,14	0,42	1,16	0,03	0,15	
3	Clothing and footwear	0	0	0	1,14	1,47	1,48	1,43	1,38	1,07	1,18	1,64	1,66	1,04	
31	Clothing	0	0	0	1,20	1,66	1,68	1,62	1,56	1,12	1,18	1,81	1,83	1,14	
312	Garments	0	0	0	1,09	1,61	1,63	1,57	1,50	0,99	1,34	2,06	2,09	1,16	
313	Other articles of clothing and clothing accessories	0	0	0	3,33	3,31	3,32	3,31	3,29	3,31	0,00	0,00	0,00	1,66	
32	Footwear, including repair	0	0	0	0,98	0,98	0,98	0,95	0,93	0,95	1,19	1,20	1,20	0,78	
321	Shoes and other footwear	0	0	0	1,01	1,01	1,01	0,98	0,96	0,98	1,23	1,23	1,23	0,80	
	Other: please specify														



Possible way forward



Annual update regarding to typical price and month(s)
(it is affected significantly by the weather for example)
Different seasonal pattern for domestic and imported products (more data collection – costly)