Mike Hardie: “Accounting for missing prices in CPI during and after lockdown,” Office for National Statistics, United Kingdom

- Euro area annual inflation flash estimate for October 2020 “stable” at –0.3%.
- Negative annual rates in 11 (out of 19) Member States, representing 64% of the country weights (including Germany, Italy, and Spain).
- Unprocessed food and energy hit by diametral shocks: +4.3% and –8.4%, respectively.

- In September 2020, only 0.96 package holidays flagged as “unreliable”, i.e. the share of imputations exceeds 50%.
- In April 2020, 32% of consumption expenditure imputed in the euro area – very conservative lower limit by the 50%-rule.
- Imputation shares differed widely by items and by countries (somewhat less obviously).

- A central dilemma is that in particular in times of elevated uncertainty (deflationary pressures, new lockdowns, etc.), reliable evidence is needed most by policy-makers.
- What can statistical offices do to support analytical purposes?
  • calculate experimental price indices (trend and exclusion measures, etc.);
  • publish information on imputed aggregates, thus increasing transparency;
  • establish a smaller but continuous and more timely consumer expenditure survey;
  • enhance timeliness, frequency and product breakdown of results (e.g. scanner data);
  • …