

# 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 09.6 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);
  - ...