



# Implementation of ECOICOP ver. 2 in the HICP

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# Overview

- Background.
- Methodological options for the compilation of the back data.
- The 6-digit ECOICOP ver. 2 for meat.
- Delivery fees.

# Background

- The current classification used in the EU is ECOICOP.
- The EU uses ECOICOP ver. 2 for COICOP 2018.
- It will be implemented in national accounts in 2025 and in the HICP in 2026.
- The HICP weights are compiled with household final consumption expenditure data from the national accounts.
- The HICP back data (since 1996) will be produced in ECOICOP ver. 2 keeping the same value for the harmonised inflation. This practice will avoid confusion among users while having a long series for forecasts and macroeconomic analysis.

# Methodological options for the compilation of the back data in ECOICOP ver. 2

# Keeping the all-items index unchanged

There are two most recommended approaches:

1. Rescaling method
2. Starting the compilation from the elementary aggregate (EA) level

# 1. Rescaling method

- Compile 'true' ECOICOP ver. 2 series by:
  - re-classifying all product offers (prices) and
  - compiling a new weighting scheme obtained with the same expenditures used in the past.
- Potentially distorts all sub-indices.

# E-bikes with ECOICOP

ECOICOP		Month t Prices	Month t+1 Prices	Indices	Weights	Expenditures
07.1	Purchase of vehicles			<b>108.5201</b>		
07.1.1	Motor cars			110.00	0.56	250
07.1.2	Motorcycles (EA)			104.44	0.29	130
	Motorcycle 1	230	250	108.70		
	Motorcycle 2	256	280	109.38		
	E-bike	24	23	95.83		
07.1.3	Bicycles (EA)			110.81	0.16	70
	Bicycle 1	12	13	108.33		
	Bicycle 2	15	17	113.33		

- Sub-indices compiled in ECOICOP
- e-bikes within the EA of motorcycles
- unweighted Jevons index

# E-bikes in ECOICOP ver. 2

## Rescaling method

ECOICOP ver. 2		Month t Prices	Month t+1 Prices	Indices	Weights	Expenditures
07.1	Purchase of vehicles			108.8321		
07.1.1	Motor cars			110.00	0.56	250
07.1.2	Motorcycles (EA)			109.03	0.23	104
	Motorcycle 1	230	250	108.70		
	Motorcycle 2	256	280	109.38		
07.1.3	Bicycles (EA)			105.57	0.21	96
	Bicycle 1	12	13	108.33		
	Bicycle 2	15	17	113.33		
	E-bike	24	23	95.83		

Assuming an expenditure on e-bikes of 26

### 07.1 Purchase of vehicles

ECOICOP (108.5201)



ECOICOP ver. 2 (108.8321)



# E-bikes in ECOICOP ver. 2

## Rescaling method

### 07.1 Purchase of vehicles

ECOICOP (108.5201)  $\neq$  ECOICOP ver. 2 (108.8321)

Rescaling factor

$108.8321 / 108.5201 = 1.0028753$

### 07.1 Purchase of vehicles

ECOICOP (108.5201)  $=$  ECOICOP ver. 2 ( $108.8321 * 1.0028753 = 108.5201$ )

## 2. Starting from the EA

- An EA and its weight can be moved to another position without affecting the upper-level aggregates.
- Some EAs include items that are not totally in line with the ECOICOP ver. 2 definition but may not cause a notable impact.
- In the e-bikes example shown before, it means making no change at all. Because e-bikes are not their own EA, they will not be moved anywhere in the back series.

# E-bikes in ECOICOP ver. 2

## Starting from the EA

ECOICOP ver. 2		Month t	Month t+1		Weights	Expenditures
		Prices	Prices	Indices		
07.1	PURCHASE OF VEHICLES			109.1		
07.1.1	Motor cars			110.0	0.56	250
07.1.2	Motorcycles			106.4	0.29	130
07.1.2.0.001	Motorcycles (EA)			1.09	0.80	104
	Motorcycle 1	230	250			
	Motorcycle 2	256	280			
07.1.2.0.002	e-bike (EA)			0.96	0.2	26
	e-bike (EA)	24	23			
07.1.3	Bicycles			110.8	0.16	70
	Bicycle 1	12	13			
	Bicycle 2	15	17			

# E-bikes in ECOICOP ver. 2

## Starting from the EA

ECOICOP ver. 2		Month t	Month t+1		Weights	Expenditures
		Prices	Prices	Indices		
07.1	PURCHASE OF VEHICLES			109.1		
07.1.1	Motor cars			110.0	0.56	250
07.1.2	Motorcycles			109.0	0.23	104
	Motorcycle 1	230	250			
	Motorcycle 2	256	280			
07.1.3	Bicycles			106.8	0.21	96
07.1.3.0.001	EA Bicycles			110.8	0.73	70
	Bicycle 1	12	13			
	Bicycle 2	15	17			
<b>07.1.3.0.002</b>	<b>EA e-bike</b>			95.83	0.27	26
	<b>e-bike</b>	24	23			

# Treating breaks in HICP-ECOICOP ver. 2 series

- Countries can choose any of the three approaches or a combination of them depending on their circumstances.
- **Countries should clearly communicate to users the approaches used.**
- Countries may choose to apply a level-shift adjustment based on the annual overlap.

[Commission Implementing Regulation \(EU\) 2024/1720 of 20 June 2024 amending Regulation \(EU\) 2020/1148 as regards the index compilation of the harmonised indices of consumer prices \(europa.eu\)](#)

$$\textit{Levelshift factor}^t = \left( \frac{ChP^y}{ChI_{Dec(t-1)}^y} / \frac{ChP_{NEW}^y}{ChI_{NEW}^{Dec(t-1)}^y} \right), \text{ with } y < t.$$

# The 6-digit ECOICOP ver. 2 for meat

# Background

- The current ECOICOP has a breakdown for meat at the 5-digit level by type of meat (type of animal).
- ECOICOP ver. 2 does not provide this level of detail.

As it may be relevant for users to have data on price developments by type of meat, Member States will produce the 6-digits level for meat according to ECOICOP ver. 2.

# The 6-digit ECOICOP ver. 2 for meat

ECOICOP	ECOICOP Label	ECOICOP ver. 2	ECOICOP ver. 2 Label
<b>01.1.2</b>	Meat (ND)	01.1.2	Live animals, meat and other parts of slaughtered land animals (ND)
		01.1.2.1	Live land animals (ND)
		01.1.2.2	Meat, fresh, chilled or frozen (ND)
<b>01.1.2.1</b>	Beef and veal (ND)	01.1.2.2.1	Meat of bovine animals, fresh, chilled or frozen
<b>01.1.2.2</b>	Pork (ND)	01.1.2.2.2	Meat of pigs, fresh, chilled or frozen
<b>01.1.2.3</b>	Lamb and goat (ND)	01.1.2.2.3	Meat of goats, lambs and sheep, fresh, chilled or frozen
<b>01.1.2.4</b>	Poultry (ND)	01.1.2.2.4	Meat of poultry, fresh, chilled or frozen
<b>01.1.2.9</b>	Other meat (ND)	01.1.2.2.9	Other meat, fresh, chilled or frozen



# Delivery fees

# Innovations in ECOICOP ver. 2

- The treatment of delivery fees will change with the implementation of ECOICOP ver. 2.
- Currently the delivery fee is added to the price of the product.
- There are 2 codes to register delivery fees in ECOICOP ver. 2.

# Courier and parcel delivery services - 07.4.1.2

Code 07.4.1.2 'Courier and parcel delivery services' includes the same services that are currently under ECOICOP 08.1.0.9 'Other postal services' as well as **delivery fees for online purchases**, *when delivered by a courier or a parcel delivery company.*

# Sampling

- The sample of outlets is the same as for online purchases, except the ones that do not charge delivery fees.
- The delivery fees are collected at the online shop since this is the price that consumers actually pay.
- The sample of products within each outlet is irrelevant since the price for the delivery is unrelated to the purchased item itself.
- It is relevant who delivers the product. If the product is delivered by the online shop, it is classified in 07.4.9.2 'Delivery of goods'. Only delivery made by courier and parcel delivery companies shall be included in 07.4.1.2.

# Delivery of goods - 07.4.9.2

This ECOICOP ver. 2 code refers to delivery fees of goods such as **meals, medicines, furniture and supermarket items**, *when not delivered by parcel delivery service companies*, and irrespective of whether the order was made **online or offline**.

# Sampling

- The existing samples are used as much as possible, e.g., furniture and meals delivered by the outlets – delivery prices should be collected at those outlets.
- There are usually a small number of delivery companies such as Uber Eats, Just Eat, Bolt, Wolt, Deliveroo. They offer a wide range of products that may include meals, medicines, groceries, etc.
- In addition, the main supermarkets should be added to the outlet sample for delivery of goods.

# Product descriptions

- The product description should include the main price drivers:
  - outlet
  - delivery speed
  - location (region, city, etc.)
  - any threshold to obtain free delivery and
  - the place (inside the house, at the building door, pick up, drop of point) of the delivery.
- These product descriptions of the delivery fees may vary from shop to shop.

# Listed delivery fees

## Delivery by post from 4,99€

Ideal for when you're buying small decorative items or accessories, such as photo frames, hangers or textile articles. You don't need to select a delivery date and time.

- Price:
  - **4,99€** when you spend up to 99,99€
  - **9,99€** when you spend more than 100€
- Estimated delivery term: 3 working days
- Signature: not required.
- Maximum package size: 118cm x 58cm x 58cm
- Maximum package weight: 23kg
- The option will be displayed during the ordering process provided the criteria are met.
- Only available for Belgium.

For example, Ikea has list prices for small packages (by post) and for bigger items (furniture). The price of the delivery of the small packages should be taken under code 07.4.1.2, and the bigger items under code 07.4.9.2.



# Frequently asked questions

- When the delivery fee is a fixed percentage of the total price of the purchase, the price to be recorded is the percentage multiplied by the price of the product.
- Subscriptions (loyalty cards or other pricing strategies) to obtain free delivery and discounts cannot be covered since it is not possible to distinguish the value paid for delivery and for the discount. However, if the subscription only provides free delivery, its price should be followed.
- Amazon Prime subscriptions can be classified either in 07.4.9.2 or in 08.3.9.2 depending on what the primary service in the country is, free delivery or streaming.

# Thank you