



METHODOLOGICAL NOTE

**INDUSTRIAL PRICE INDEX (IPRI) OF THE AUTONOMOUS
COMMUNITY OF EUSKADI. Base 2005.**

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METHODOLOGY NOTE

The Industrial Price Index (IPRI) is a monthly current indicator that attempts to describe the development of industrial prices in the first stage of commercialization, i.e. the ex factory sales price resulting from effective transactions, excluding freight and commercialisation costs, as well as invoiced VAT.

The Industrial Price Index is a Laspeyres weighted index which is based on fixed weights calculated with the data from the base year. These indices have the advantage of being easier to calculate and interpret.

Last March 2008 work was completed to enable the renovation of the basis of the Industrial Price Index from 2000 to 2005. The process of base change has enabled a series of improvements to be introduced in the indicator that go beyond merely recalculating the weighting coefficients and the readaptation of the sampling panel. Among the most relevant aspects of the process of base change are the following:

- The updating of weighting coefficients, including a more updated sectorial structure. The [weighting coefficients](#) have been calculated from data from the Industrial Accounts of the Autonomous Community of Euskadi for 2005.
- The renovation of the panel of informing units has been carried out with the aim to increasing the representativeness of the Index, with the incorporation of new informing units and new industrial branches. The new index sampling panel is composed of a total of 668 industrial companies that inform on the sales prices of their products monthly.
- The new method to calculate the Index contemplates continually incorporating the addition and elimination of companies in order to suitably uphold the representativeness of the sample.
- The calculation of the index and presentation of results will be carried out according to the national classification of economic activities CNAE-1993.
- A total of 152 industrial branches are considered on a four digit level in the CNAE 1993 (Activity types). Each one of these activity branches appears represented by a group of products (six digits in the national classification of products by activity CNPA-1996). The index for these products is calculated from price varieties (concrete models of determined product), for which the Simple Indices are calculated. A total of 390 products and 2,515 varieties have been calculated.

Since 1995 users have had access to the linked series of the Industrial Price Indices Base 2005, with the standardized sectorial classification structure used by Eustat in economic analyses (A-6, A-17 and A-31). The analysis is completed with data classified according to European Community Commission Regulation (EC) No 586/2001 concerning short-term statistics as regards the definition of Main Industrial Groupings (MIGS).