



Revision of the CPI Items for the 2015-base

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Outline

1. Revision of the CPI items
2. Selection of added items
3. Selection of deleted items
4. Special tabulation on FIES
5. Results of the selection
6. Consideration
7. Conclusion



1. Revision of the CPI items

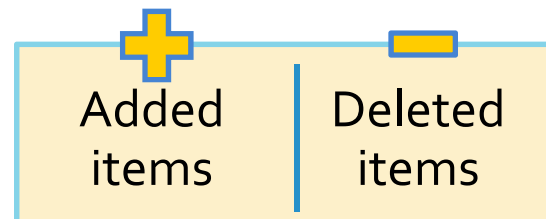
□ The CPI basket items in Japan

- * Representing the typical consumer consumption pattern
- * 588 items for the current 2010-base
- * Revised at the timing of rebasing (every 5 years) and midpoint-year revision



□ Purpose of the revision CPI items for the 2015-base

- * Improvement in measurement accuracy of a price fluctuation



2. Selection of added items

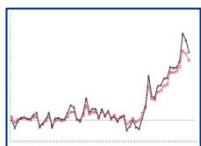
□ Selection criteria

Items which meet all following conditions are to be added items.



- i. Items whose importance in household consumption expenditure increased

a change in the consumption pattern



- ii. Items that can contribute to improve accuracy and to retain representativeness of subgroup indices.

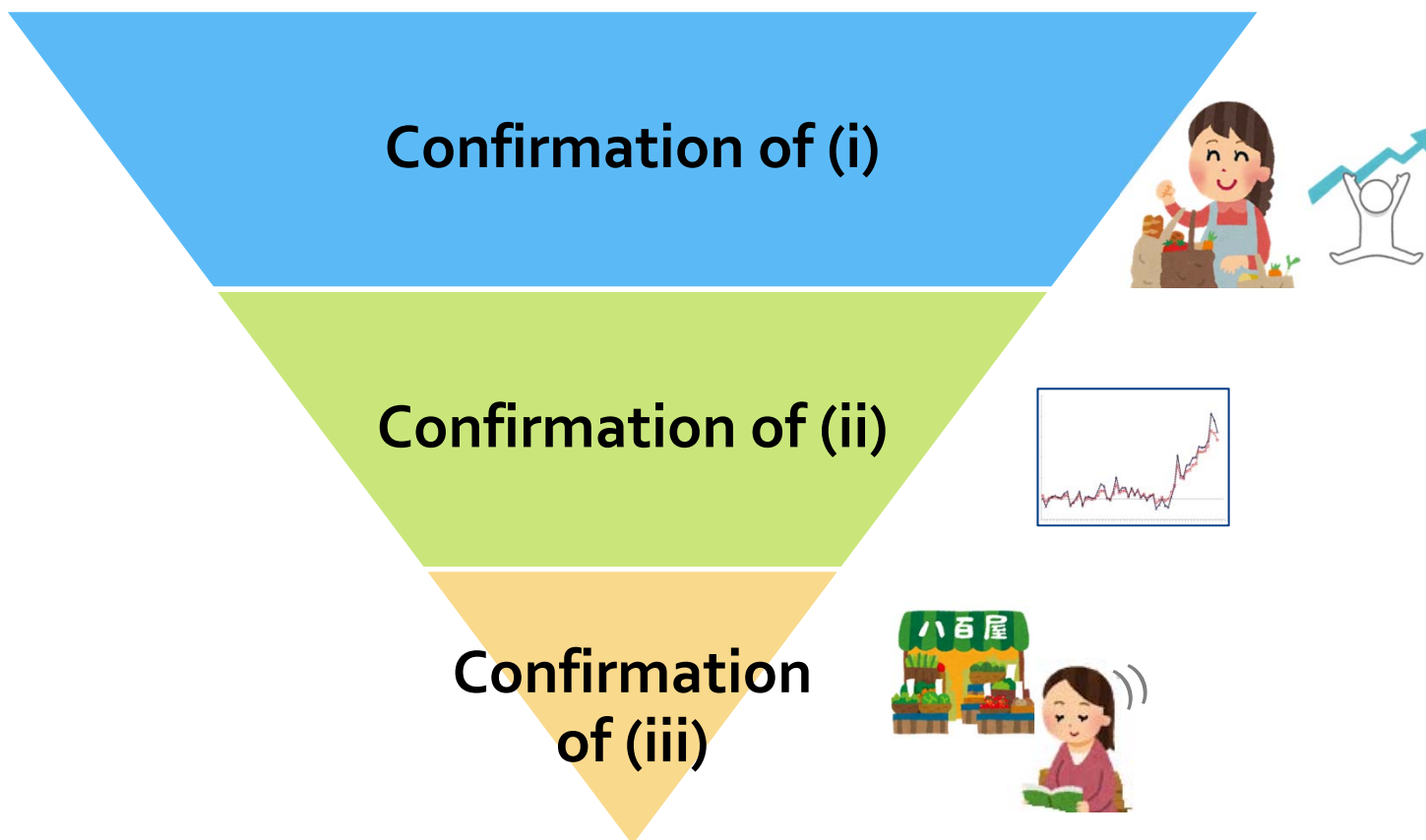


- iii. Items whose prices can be collected smoothly and whose price changes represent correctly.



2. Selection of added items

□ Procedures



2. Selection of added items

□ Procedures

- Selection of items whose importance in household consumption expenditure had been increased
- Verification of accuracy improvement and retaining representativeness of subgroup indices
 - * Increase of the coverage of CPI items in the subgroup indices
 - * Decrease of the weight per one price
- Judgment of the possibility of smooth price collection

3. Selection of deleted items

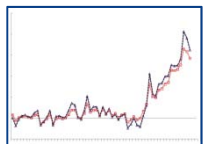
□ Selection criteria

Items which meet at least one of the three conditions below are to be deleted items.

if deleting these items may adversely affect the accuracy of the subgroup indices, they are not to be deleted.



i. Items whose importance in household consumption expenditure has decreased due to a change in the consumption patterns



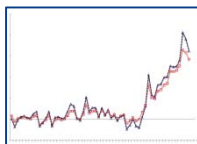
ii. Items even when deleted do not affect the accuracy of the subgroup indices (including integration of items)



iii. Items whose prices become difficult to be collected or whose price changes cannot represent correctly.

3. Selection of deleted items

□ Procedures



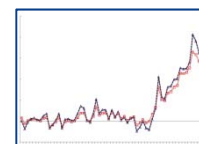
Confirmation of (i)

Confirmation of (ii)

Confirmation of (iii)



trial calculations
of each subgroup indices



3. Selection of deleted items

□ Procedures

- Selection of items whose importance in household consumption expenditure had been decreased
- Verification of accuracy of subgroup indices in case of deleting the item
 - * Replacement with a more representative added item
 - * Integration with the items which indicate the same price change
- Selection of items whose prices became difficult to be collected or whose price changes cannot be represented correctly



3. Selection of deleted items

□ Procedures

- ❖ Trial calculations of each subgroup indices for confirmation of the deleting plans
except for those of replacement.
- ❖ The tendencies of annual changes were confirmed
as the same.



4. Special tabulation on FIES

□ How to confirm the importance?

- * Proportion of annual household consumption expenditure

Threshold : 1/10,000



- * Mainly judged from

the results of the Special tabulation on FIES

(Family Income and Expenditure Survey)

- * To grasp the circumstances for more detailed items than FIES items by re-tabulating a part of household account books collected for FIES with permission.



4. Special tabulation on FIES

□ FIES (Family Income and Expenditure Survey)

- ❁ A monthly survey which aims to show actual conditions of income and expenditures of households by keeping daily household accounts with about 9,000 selected households nationwide.



Example to fill in household accounts

Kinds of income or names of items and use	Cash income (yen)	Amount		Cash expenditure (Yen)
			unit	
Pork		330	Gram	630
Lunch (Japanese set meal) - Head of household		1	Set	1,000
Bus fare		1	Round-trip	420
Child's polo shirt		1		2,900

4. Special tabulation on FIES

□ FIES items

- * Income and expenditure classification classified added up based on these entries in every household account book.
- * The main source of weights of CPI items in Japan.

FIES item

Other fresh cake

Including...

- custard cream puff
- Éclair
- Waffle
- ...etc.



CPI item

- Cream Puffs



FIES item

Frozen food

Including...

- frozen croquette
- frozen shumai
- ... etc.



CPI item

- Frozen croquettes
- Frozen hamburger steak



4. Special tabulation on FIES

- The target of the special tabulation is the FIES items ...
 - * corresponding to plural CPI items
 - * consisting of plural items
(e.g. "others", "group of XX", "XX & XX")
 - * including goods or services for which household consumption expenditure were expected to have increased in recent years.
(for selection of added items)
 - * whose proportion was around 1/10,000 in the primary tabulation.
(for selection of deleted items)



4. Special tabulation on FIES

□ Special tabulation on FIES 2012 (primary tabulation)

- * Mainly for selection of added items

- * Target period: from April 2012 to March 2013;

Target households: 564 two-or-more households per one month;

The total tabulated households: 6,768 households for one year

□ Special tabulation on FIES 2013 (secondary tabulation)

- * Mainly for selection of deleted items

- * Target period: from January to December 2013;

Target households: 1,128 households per month;

The total tabulated households: 13,536 households for one year

5. Results of the selection (provisional)

Added items	Deleted items	Integrated items
33 items	32 items	8 → 4 items

10 major groups	Added items	Deleted items	Total amount
Food	13 items	7 items	+6 items
Housing	4 items	5 items	-1 item
Furniture & household utensils	4 items	9 items	-5 items
Medical care	4 items	2 items	+2 items
Transportation & communication	2 items	2 items	± 0 item
Culture & recreation	4 items	7 items	-3 items
Miscellaneous	2 items	-	+2 items



6. Consideration

- Backgrounds of the market expansion
of the main added items and the scope expanded items
 - * Aging
 - * Change in lifestyle and food life
 - * Heightened awareness of disaster risks and environment issues



6. Consideration

□ Aging

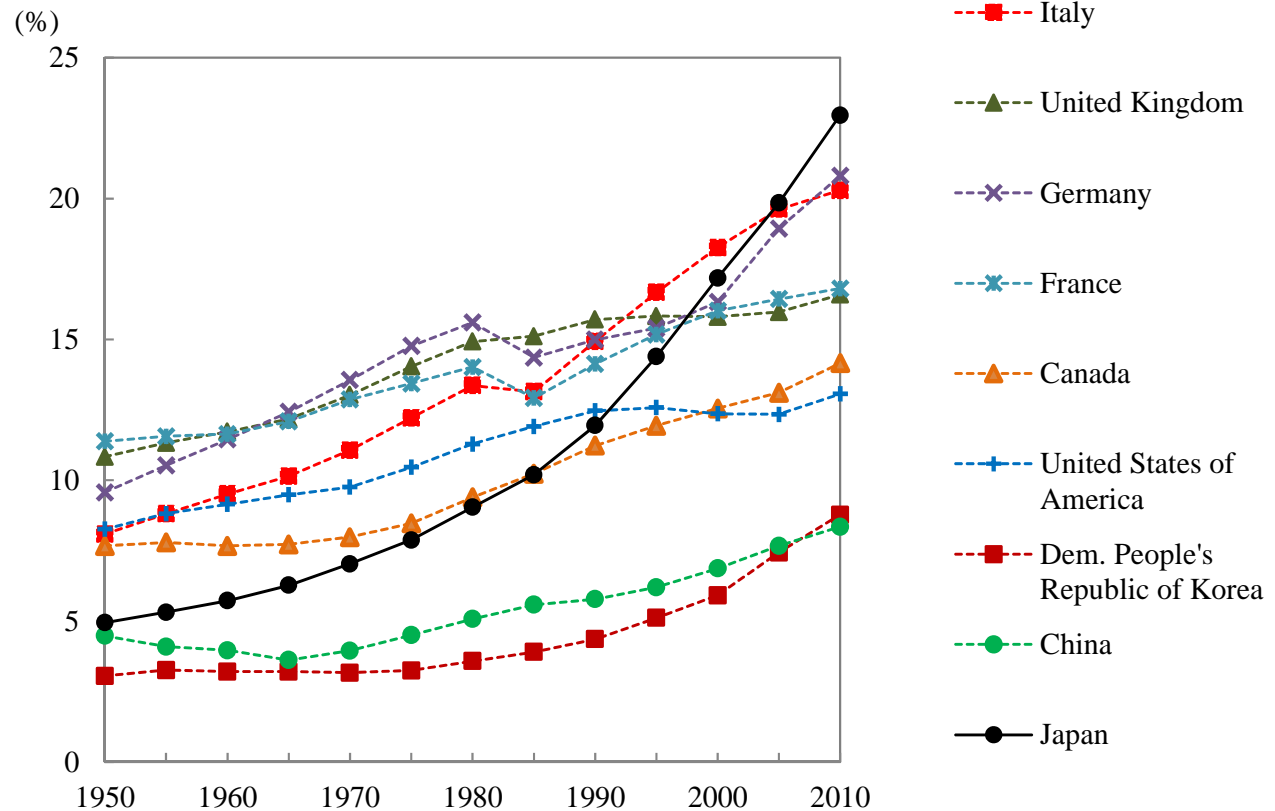


Fig. Trends in the Proportion of Aged Population in Other Countries (1950~2010)
United Nations: "World Population Prospects", the 2012 Revision

6. Consideration

□ Aging

* Hearing aids



* Health fortification B (“Aojiru”)



(in billions of yen)

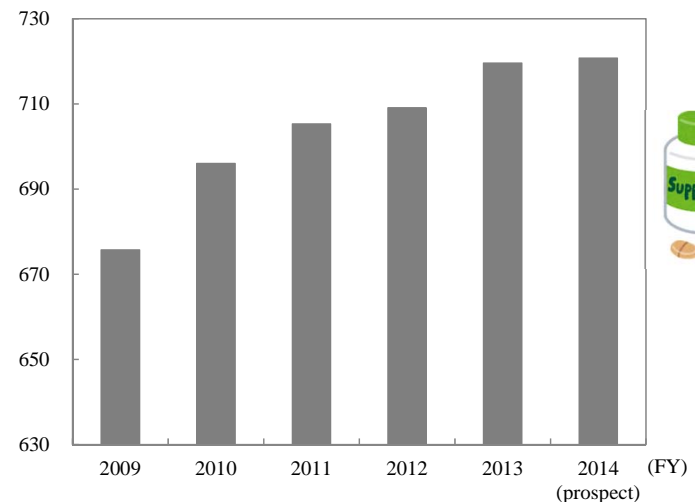


Fig. Trends in Health Foods Market

Yano Research Institute Ltd.: “Health Foods Market 2015”

6. Consideration

Change in lifestyle and food life

❁ The increase of the double-income household due to women's social advancement



❁ Consumers' lifestyle has changed and their food life is changing in connection with that.

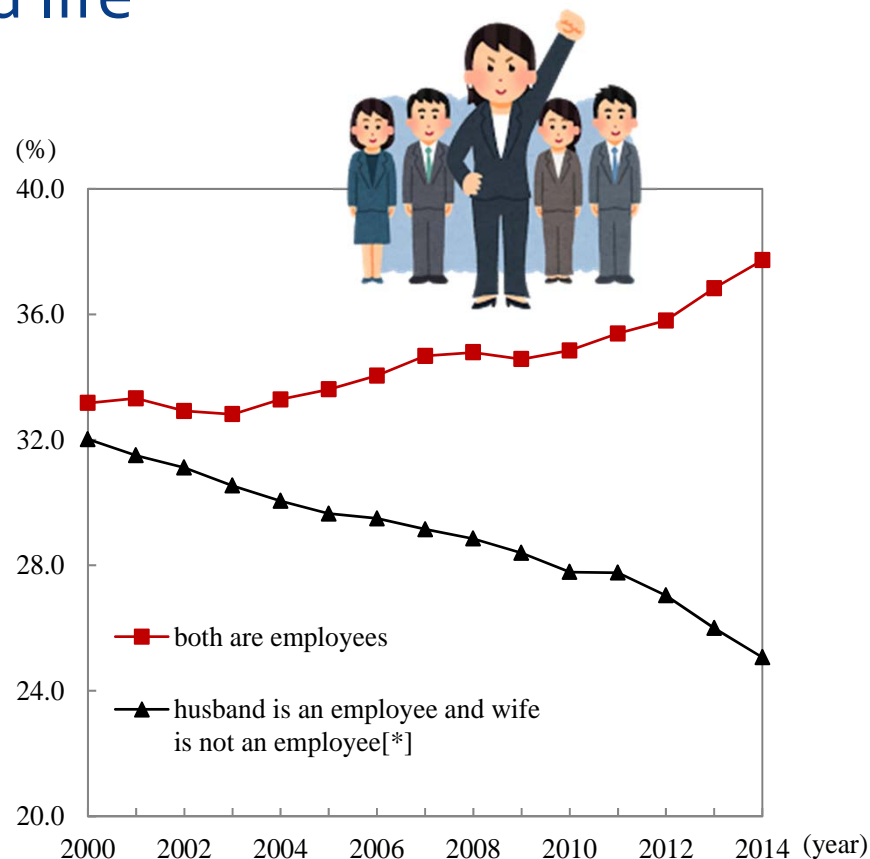


Fig. Trends of Proportion of households whose husband is an employee by labour force status of wife

6. Consideration

Change in lifestyle and food life

❁ Increase of importance of subgroup “Cooked food”

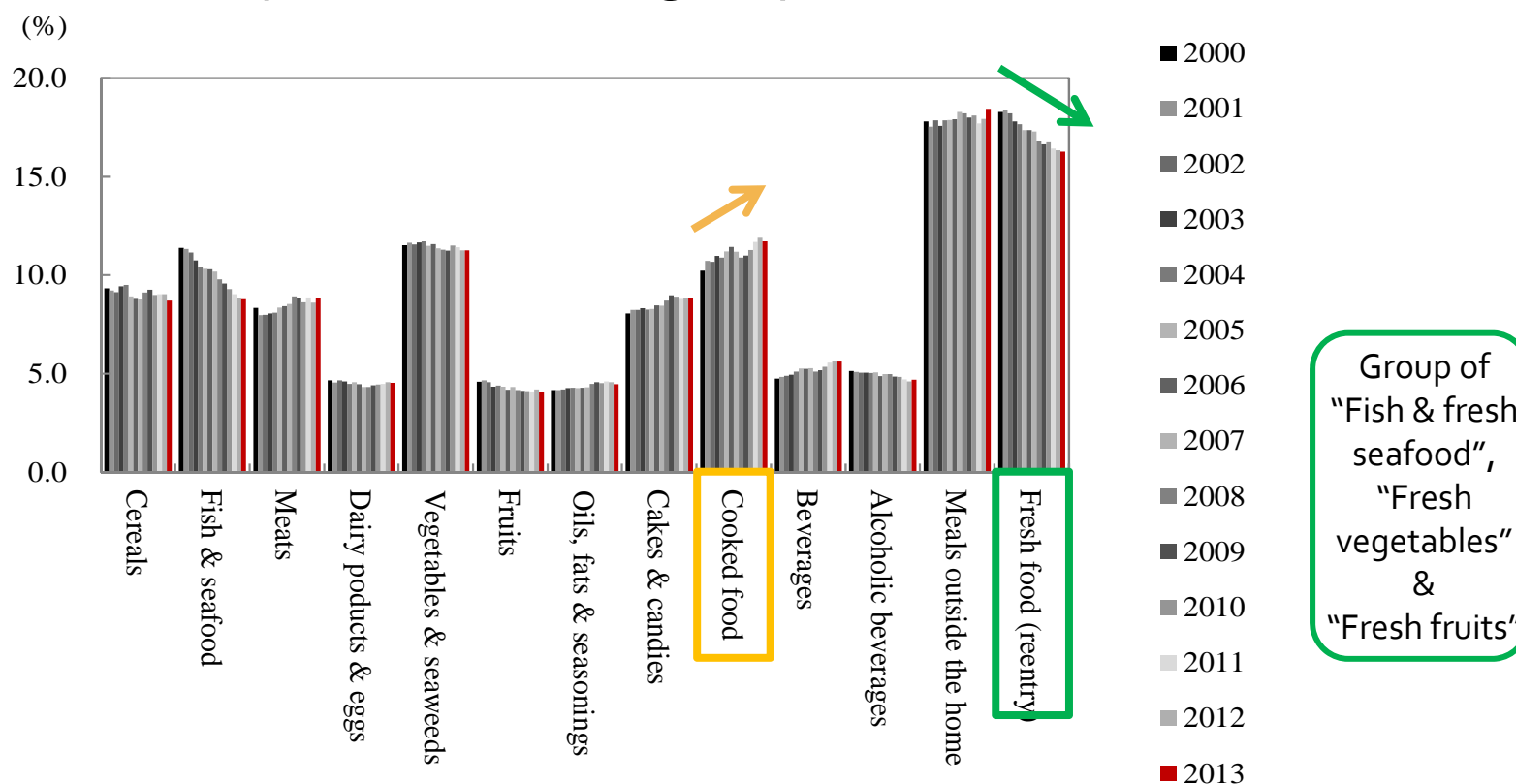


Fig. Trends of household consumption expenditure proportion of each subgroup in the food group (2003~2013)

6. Consideration

□ Change in lifestyle and food life

✿ The transition of expenditure from “Fresh food” to “Cooked food” happens as a tendency

Subgroup “Cooked food”	
Added items	Deleted items
Sushi (Box lunch) B	
Box lunch B	
Cooked pizza	
Roast pork	

Group “Fresh food”	
Added items	Deleted items
Shiranui-mandarins	Flounder
	Lemons
	Iyo-mandarins



6. Consideration

Change in lifestyle and food life

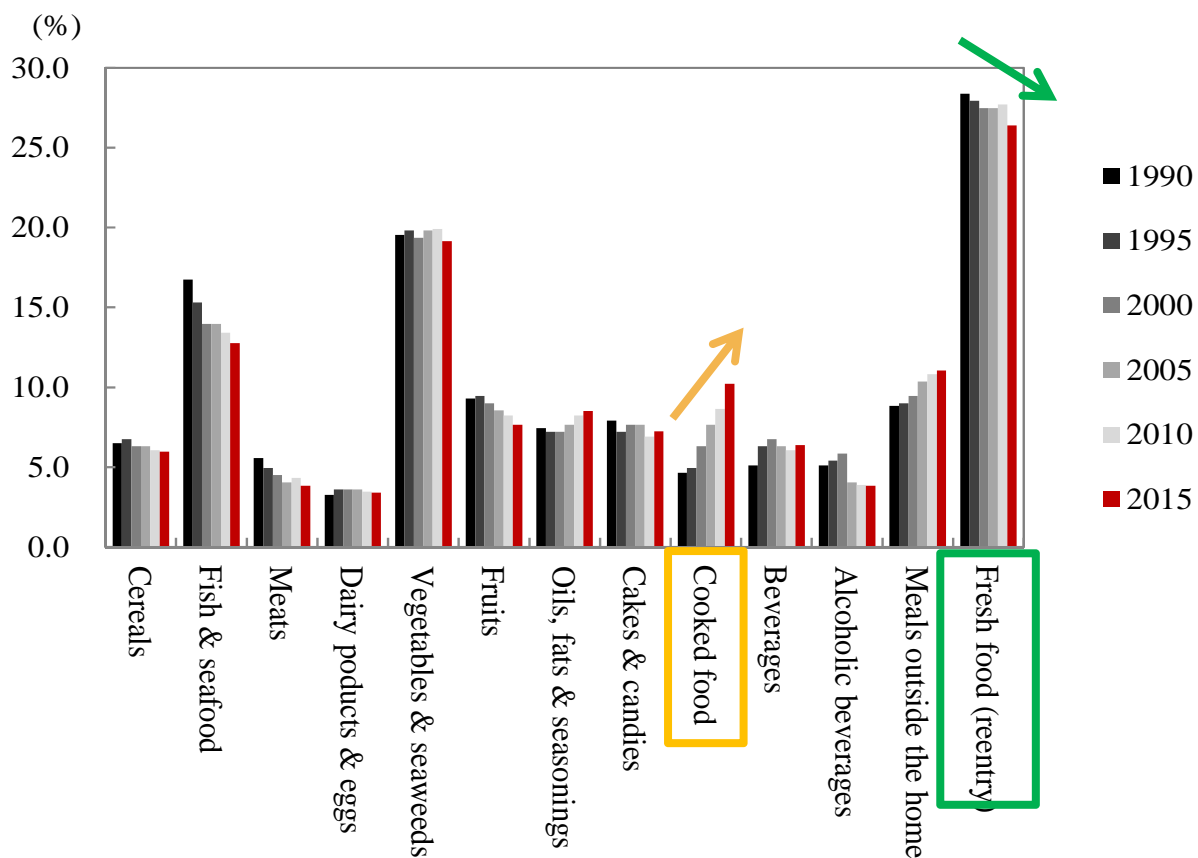


Fig. Trends of number proportions of items included in each subgroup in the food group (1990-base ~ 2015-base)

6. Consideration

Change in lifestyle and food life

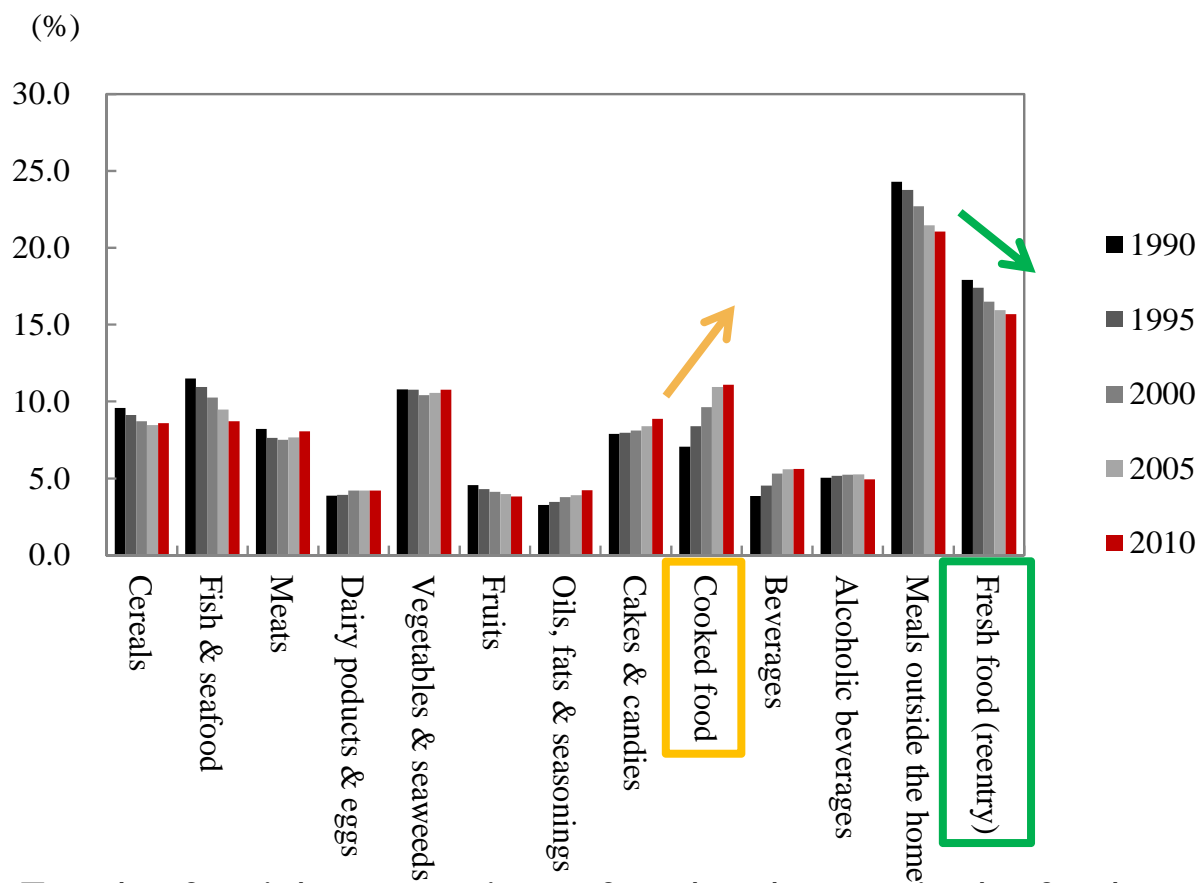


Fig. Trends of weight proportions of each subgroup in the food group (1990-base ~ 2010-base)

6. Consideration

□ Change in lifestyle and food life

* Coffee beverages (self-service)

“convenience store coffee”

A new hot seller of convenience stores



* Convenience stores

- Continuing to provide new goods and services in order to meet various needs of Japanese people.
- Indispensable for Japanese life and the Japanese economy.
- Especially after the Great East Japan Earthquake in 2011, elderly users have increased.

6. Consideration

□ Heightened awareness of disaster risks and environment issues

* Fire & earthquake insurance premium



* Air cleaners



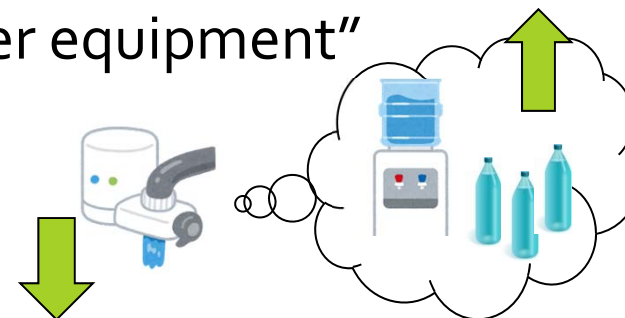
* Masks



* Charges for security service



* Background of deleting of "Clean water equipment"



6. Consideration

□ Progress of Information and Communication Technology (ICT)

* Charge for web content usage



7. Conclusion

- * This revision is considered to meet actual consumption patterns and its changes are grasped by the careful special tabulation.
- * Family consumption in our country reflects the changes in society structure such as the rapidly aging of the population and women's social advancement.
- * Please note that this is provisional.
It could be changed depending on future procedures.

Thank you for your attention!

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