

Brief Introduction

I. Main Content

Price indexes in this chapter reflect the trend and rate of changes in prices of production, circulation, consumption and investment, mainly consisting of consumer price index (CPI), retail price index (RPI), producer price index for farm products, producer price index for industrial products (PPI); purchasing price index for industrial products; price index for investment in fixed assets; and selling price index for residential houses.

II. Survey Methods

(I) Consumer Price Index (CPI) and Retail Price Index (RPI)

Data for compilation of the consumer price index and retail price index are collected through a combination of sample surveys and surveys of key units. Different areas are selected across the city, and price survey sites are selected in accordance with the principle of reasonable layout. Commodity and service items for survey are determined by the country. On this basis, survey samples are selected according to the principle of large quantity of consumption, and strong representativeness in price change trend. Regular surveys are conducted to collect data on their market prices. General indexes are inferred on the basis of the sample data.

The selection of price survey sites: By adopting the principle of reasonable layout, an equidistant sampling is conducted for department stores, agricultural product trade markets and service outlets in different types and in different areas by their sales value, transaction value and operational scale, which will be ranked in a descending order based on the number of survey sites required.

The selection of representative specifications: Representative commodities and service items are determined by the country. Representative specifications are selected by provinces and cities according to relevant principles. Principles for selection: (1) large quantity of consumption; (2) strongly representative trend and extent of price changes, which means the characteristics of price changes of selected specifications shall be highly correlated with price changes of those that are not selected; (3) selected specifications shall be different in their nature and least correlated in the characteristics of price changes between each other; the selected industrial consumer goods must be qualified products, with registered trademark, origin, specifications, grade and other marks on their package.

At present, data are collected under 262 basic headings in 8 categories in the consumer price surveys according to their specific purposes. The quantity of specifications for survey in big cities should be about 600 according to state regulations. In Beijing, due to the development of CPI by income class, the quantity of representative specifications has increased to 1779. Retail price index consists of 197 basic headings in 16

categories. The quantity of representative specifications in Beijing is 1240.

Collection of price data: Price data are collected through direct surveys by designated personnel at designated sites on periodic basis.

Source and calculation of the weights: CPI weights are calculated according to survey information on living expenditures of urban residents. RPI weights are calculated according to the total retail sales of consumer goods in business statistics.

According to the uniform requirement of the National Bureau of Statistics, since January 2016, the new *Circulation and Consumption Price Statistical Reporting System* has been implemented for statistics of circulation and consumption price in Beijing, of which the survey catalogues of consumer prices of household and retail prices of commodities have been revised and adjusted.

(II) Producer Price Index for Industrial Products (PPI) and Purchasing Price Index for Industrial Producers

The producer price for industrial products refers to the producer's price of industrial products when sold for the first time. According to the principle of representativeness, enterprises with annual main business income of more than RMB 20 million are selected as the enterprises for survey. After the examination and approval by the National Bureau of Statistics, some enterprises with annual main business income below RMB 20 million may be supplemented as appropriate.

Purchasing price for industrial producers refers to the price of intermediate inputs of industrial enterprise. Enterprises for survey are selected among those that have submitted the producer price for industrial products.

Principles for selecting the representative enterprises: (1) enterprises to be covered in the survey are selected by industrial sectors. In principle, every branch should have enterprises selected; (2) Large-sized enterprises (or enterprises accounting for large proportion) should be selected; (3) Enterprises selected should be those with normal and stable production.

Principles for selecting representative products: (1) representative products shall be selected by industrial sectors; (2) the selected products should have significant impact on the national economy and people's livelihood; (3) the production of the goods selected should be relatively more stable; (4) the prospects of the goods selected should be promising; (5) the products selected should be representative to the localities.

Determination of weights: Materials of weights used for compiling producer price index for industrial products (PPI) of small class and above come from data of industrial sales value collected by sectors in industrial statistics. Materials of weights in basic classification come from independent survey on industrial enterprise product weights. Materials of purchase

price weights mainly come from independent survey on industrial enterprise product weights. Weights of medium class and above shall also take reference to input and output data collected by sectors and materials of factory weights in relevant sectors. The weights are changed every five years.

According to the requirements of the national statistical system, since 2016, 2015 shall be taken as a new round of comparison base period; in addition, the new sector of mining support service activities shall be added in the producer price index for industrial products grouped by sectors.

(III) Price Index for Investment in Fixed Assets

A combined method of key survey, typical survey and nontraditional data substitution is used for the survey of data on prices of investment in fixed assets. The prices collected in the surveys on prices of investment in fixed assets are the actual purchasing prices (or settlement prices) of entities of investment in fixed assets. The survey covers the prices of main construction materials that constitute the architectural engineering entities in the year, such as steel, timber, cement, local construction materials, electric parts and chemical materials in construction projects; prices of labor input (wages) and costs of use of construction machines; purchasing price of equipment, tools and instruments as well as other expenditures.

Principles for selecting survey sites of construction and installation projects: (1) the sample unit shall have certain coverage; (2) the economic activity of investment should have strong representativeness; (3) different economic types should be considered; (4) key projects shall be selected; (5) attention should be given to various types of projects.

Principles for selecting survey sites of other expenditures: in the selection of survey sites of other expenditures, the same principles shall be followed as in the selection of survey sites of construction and installation projects. Especially projects with larger amount of investment shall be selected. Since it is not easy to obtain data on other expenditures, during the actual data gathering operations, survey on key builders and construction units is to be conducted concurrently with survey on typical units (with information from administration units).

Determination of weights: Weights used for calculating the fixed assets investment price index are determined according to the average proportion of investment amount of construction and installation projects, purchase of equipment, tools and instruments and other expenditures completed in the previous three years.

(IV) Selling Price Index for Residential Houses is a relative number reflecting the trend and extent of overall level of house selling prices. It includes selling price index for new commercial residential houses and second-hand houses.

Survey method of new commercial residential house selling price: For new commercial residential houses, area, amount and other data are taken directly from the online data recorded by local real estate authorities. Online data of new commercial residential house transaction mainly consist of the name of construction project, project location, building number, total number of floors, floor number, house structure, building area, total price of transaction (contractual amount), and date of contract signing, etc.

Survey method of second-hand house selling price: Survey of second-hand house selling price is incomplete survey conducted with the combined method of key survey and typical survey. Basic data are collected in accordance with the manner of reporting by real estate broker agencies.

(V) Producer Price Index for Farm Products

A combined method of sample survey and key survey was used for the survey of producer prices of farm products. 360 entities and administrative villages producing and selling agricultural products are sampled. For some regional agricultural products, data on farm entities and administrative villages are collected with the method of subjective sampling in main production areas.

As the proportion of output value of forestry products (saplings) in Beijing is relatively small, taking no more than 1%, so no survey on producer price for forestry products is conducted according to statistical requirements of National Bureau of Statistics.