

METHODOLOGICAL NOTE

1. The **data source** consists of the data of the PRETIND monthly statistical survey – Industrial production prices in the year 2024, in accordance with Regulation (EU) 2019/2152 of the European Parliament and of the Council, and Commission Implementing Regulation (EU) 2020/1197.

2. **The statistical survey is a sample survey** – the cut-off sampling method; the minimum level of coverage set is 60% of the value of deliveries within each CANE Rev. 2 activity class.

3. **Concepts and definitions.** The Industrial Production Price Index (IPPI) measures the overall evolution of prices for the industrial products/services manufactured and delivered during the first marketing stage by domestic producers in a certain period (called the current period) against a previous period (called the base or reference period).

The coverage of the Industrial Production Price Index is represented by all the products manufactured and sold (on the domestic and/or non-domestic market) by economic operators whose main activity is included in the CANE Rev. 2 divisions 05 ÷ 36.

In the calculation of the index in accordance with Regulation (EU) 2019/2152 of the European Parliament and of the Council, and Commission Implementing Regulation (EU) 2020/1197, the following are not included:

- mining of uranium and thorium ores;
- processing of nuclear fuels;
- manufacture of ammunition and weapons;
- building of ships and boats;
- manufacture of air and spacecraft and related machinery;
- manufacture of military fighting vehicles;
- sewerage;
- waste collection, treatment and disposal activities; materials recovery;
- remediation activities and other waste management services;
- products manufactured and delivered within the same economic operator (internal consumption).

The main **nomenclatures** used in the calculation of the Industrial Production Price Index are:

The **nomenclature of economic operators** – the main data sources for building the sample of economic operators are the Statistical Business Register (REGIS) and the annual statistical survey called PRODROM (of the reference year 2021). Based on the data of the PRODROM statistical survey, the economic operators are placed in descending order according to the value of deliveries within each CANE Rev. 2 activity class; the economic operators whose value of deliveries accounts for at least 60% of the total of the CANE Rev. 2 class are kept in the sample.

The degree of coverage obtained ranges between 60% and 100% of the value of deliveries corresponding to each CANE Rev. 2 class.

The prices collected are producer prices; they do not include the VAT, the transport costs and other taxes on products.

The prices are collected from approximately 1700 economic operators.

The prices are collected once a month. They are recorded at the level of assortments considered representative by each economic operator included in the sample.

The **list of industrial products and services** – the monitoring and recording of the prices of the assortments manufactured and delivered by the economic operators in the sample is done based on a single nomenclature of industrial products (PRODROM) characterising the B, C, D and E activities of CANE Rev. 2. The product included in the nomenclature represents the first level of aggregation of the component assortments that characterise the movements of industrial production prices.

The **nomenclature of assortments** – the assortment is a material good that results from a clearly defined technological manufacturing process, having specific technical and functional features. The assortment is the elementary level at which the price related to transactions is monitored. There is not one nomenclature of assortments per country; the nomenclature is built at the level of each observation unit by the expert statisticians together with the specialists of the economic operator.

4. **Calculation algorithm** – The Industrial Production Price Index is a Laspeyres-type index and is determined based on a system of constant weightings.

The index is calculated by aggregating the individual indices at the level of products/economic operators, PRODROM products, CANE Rev. 2 classes, CANE Rev. 2 divisions, CANE Rev. 2 sections and industry overall. The weights used to calculate the Industrial Production Price Indices are established separately according to the destination (the domestic market or the non-domestic market). The weighting values by destination for all aggregation levels were obtained from the annual Structural Business Survey of the reference year 2021.

IMPORTANT!

With a view to showing the changes in the structure of the economy, starting with the publication of the data for January 2024 as the reference month, the base year used to calculate the Industrial Production Price Index was changed from 2015 to 2021.

The change in the base year also involves the updating of the weighting system, in order to reflect the structural changes that occur in the activities of the national economy. These changes led to the recalculation and appropriate revision of the previously published data series.

The change in the base year consisted of two steps, namely: the rescaling of indices for the 2005-2020 period to the new reference year (2021=100) and the recalculation of indices using the new weighting system from January 2021 to this day.

Starting with the shift to the new base year and the new weighting system (2021), the time series with 2015 as the base will no longer be available. The new data series, with 2021 as the base year, will gradually be available, in the TEMPO online database, starting with March 2024, when the data for January 2024 are disseminated.

These changes will also appear in the press releases and statistical publications issued by the NIS as well as in the TEMPO online database.

The Statistical Office of the European Union (Eurostat) and the other EU Member States will similarly and simultaneously change the base year, with a view to ensuring comparability between Member States.

5. The calculation of the price indices against the previous month or against the same month of the previous year, starting from the price indices with a fixed base (year 2021=100), is done as follows:

▼ **Price indices against the previous month:** by dividing the index with a fixed base (year 2021=100) of the month concerned by the index with a fixed base (year 2021=100) of the previous month, multiplied by 100;

▼ **Price indices against the same month of the previous year:** by dividing the index with a fixed base (year 2021=100) of one month in the year concerned by the index with a fixed base (year 2021=100) of the same month of the previous year, multiplied by 100.