# EXPLANATORY NOTES ON MAIN STATISTICAL INDICATORS

**Consumer Price Indices** reflect the trend and degree of changes in prices of consumer goods and services purchased by urban and rural households during a given period. They are obtained by combining the Urban Consumer Price Indices and the Rural Consumer Price Indices. The Indices enable the observation and analysis of the degree of impact of the changes in the prices of retailed goods and services on the actual living expenses of urban and rural residents.

**Retail Price Indices** reflect the trend and degree of change in retail prices of commodities during a given period. The change in retail prices of commodities directly affect the living expenses of urban and rural residents, government revenue, purchasing power of residents and the equilibrium of market supply and demand, and the ratio of consumption to accumulation. Therefore, the retail price indices are useful from an oblique perspective for observing and analyzing the changes of the above economic activities.

**Representative specification items** The consumer price index is calculated according to the actual price of the product on the market. However, there is a vast amount of goods and services on the market, and in the preparation of the price index it is neither possible nor necessary to include all the goods in the index calculation. Therefore, it is necessary to select a representative part of the goods and services to represent all the goods and services, that is, to select a part from the many commodities of different places of origin, sizes, grades, trademarks, and colors, also known as specification items.