Glossary:Paasche price index

Statistics Explained

The **Paasche price index** is an index formula used in price statistics for measuring the price development of the basket of goods and services that is consumed in the *current* period. The question it answers is how much a basket that consumers buy in the current period would have cost in the base period. So it is also defined as a fixed-weight, or fixed-basket, index, because it uses the basket of goods and services and their weights from the current period. It is therefore also known as a "current weighted index."

Other formulas (Laspeyres price index , Fisher price index) may be chosen for calculating price indices; the choice in a particular case is partly determined by the data requirements of the formulas which are different.

Further information

- European Price Statistics - An overview - 2008 edition

Related concepts

- Fisher price index
- Laspeyres price index