

Angola

A: Identification

Title of the CPI: Índice de Preços No Consumidor de Luanda

Organisation responsible: Instituto Nacional de Estatística (INE)

Periodicity: Monthly

Price reference period: December 2010 = 100

Index reference period: December 2010 = 100

Weights reference period: May 2008 – May 2009

Main uses of CPI: Main inflation indicator used for monetary policy, deflates household expenditures in national accounts and computation of purchasing power of households.

B: CPI Coverage

Geographical Coverage

Weights: Main city (can include surrounding areas)

Price collection: Main city (can include surrounding areas)

Population coverage: Resident households of nationals.

Population groups excluded: Low income households, high income households and one-person households.

Consumption expenditure includes:

- Foods produced for own final consumption;
- Food consumed away from home;
- Income in-kind receipts of goods;
- Income in-kind receipts of services;
- Housing maintenance, minor repairs;
- Luxury goods;
- Gambling expenditure, gross of winnings

Consumption expenditure excludes:

- In-kind goods received as gifts;
- In-kind services received as gifts;
- Purchase of owner-occupied housing;
- Mortgage repayments;

- Mortgage interest;
- Major repairs, conversions and extensions to owner occupied housing;
- Purchase of gifts of goods and services given to others outside the household;
- Financial services (including fees for financial advice, brokerage fees);
- Interest payments (excluding mortgage interest payments);
- Non-life insurance premiums (e.g. vehicle, housing, other property, medical), gross of claims;
- Life insurance premiums;
- Licences and fees (e.g. driver's licence, hunting licence, vehicle registration);
- Investment-related expenditures (e.g. purchase of shares/stocks);
- Occupational expenditures;
- Other business-related expenditures;
- Social transfers in-kind of goods and services from government and No-profit institutions serving households;
- Second hand goods purchased;
- Expenditures abroad

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: CPI is an indicator which measures changes in the prices of a selected set of goods and services representing household consumption in a given period of time and in a particular geographic area. It is used as an inflation indicator for monetary policy, deflator of household expenditure in the national accounts and for estimating the purchasing power of households.

Definition of consumption expenditures: Purchased value of goods and services.

Classification: COICOP (Classification of Individual Consumption of Purpose)

Weights include value of consumption from own production: Yes

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Every 3-5 years

Price updating of weight reference period to the index reference period: The weights are price updated up to the base period December 2010 = 100.

Weights for different population groups or regions: Not yet, it will be available in July 2012.

D: Sample design

Sampling methods:

Localities: Judgmental sampling

Outlets: Judgmental sampling

Products: Judgmental sampling

Frequency of sample updates:

Localities: discretionary

Outlets: discretionary

Products: discretionary

If sample updates are irregular indicate when last updates were introduced: 2009

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Prices are collected in the capital city where the most popular outlets are being selected. All parallel markets are also of interest.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: Surveying the shopkeepers in order to identify the most popular brands.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 5/7 Municipalities, Outlets: 141, Price observations: 14,788

Frequency with which prices are collected: Food items – weekly, all others items monthly except for rents which are collected annually.

Reference period for data collection: Average monthly prices are calculated as geometric averages of prices collected in different observation units.

Methods of Price Collection

- Personal data collection for food and non-food items.
- Official tariffs for public services.

Treatment of:

Discounts and sales prices: Discounts and sales prices for only regular products, i.e, undamaged, with no expired date, etc. are included in price collection.

Black market prices: Yes

Second hand purchases: Not included.

Missing or faulty prices: Missing prices are treated by carrying forward the previous observation.

Period for allowing imputed missing prices: A missing price is carried forward for 3 months after which the price collector is asked to recommend a replacement.

Disappearance of a given type or quality from the market: Once a product disappears from the market, it is replaced with a product of similar characteristics and price.

Quality differences: When a change in quality is observed, either the product or the outlet is changed.

Appearance of new items: A new product in the market that was not initially in the CPI basket is not included, but an already existent product that appears with new characteristics is changed as from the base period.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: The last price is carried forward.

Seasonal food items: Seasonal food items are included in the CPI using fixed weights approach: the weights are kept constant over the year, while prices of out-of season products are estimated or imputed.

Seasonal Clothing: Seasonal clothing items are included in the CPI using fixed weights approach: the weights are kept constant over the year, while prices of out-of season products are estimated or imputed.

Method to impute the price of seasonal items: The method used to impute price development in out-of season periods is carrying forward the last observed price.

Treatment of housing

Treatment of owner-occupied housing: Owner occupied housing is not included in the CPI

Types of dwellings covered by the rent data: Incluir-se somente as rendas de casa efetiva.

F: Computation

Formula used for calculation of elementary indices: The ratio of geometric mean prices (Jevons index) (Direct form)

Formula to aggregate elementary indices to higher level indices: Weighted arithmetic average is used to aggregate the indices. Laspeyre's formula, with a fixed basket and weights corresponding to the base period (December 2010) is used. The formula used is as follows:

$$i) \quad I_{0}^t = \frac{\sum_{i=1}^n P_{it} Q_{i0}}{\sum_{i=1}^n P_{i0} Q_{i0}}$$

$$ii) \quad I_{0}^t = \sum_{i=1}^n \frac{P_{it}}{P_{i0}} \left(\frac{P_{i0} Q_{i0}}{\sum_{i=1}^n P_{i0} Q_{i0}} \right)$$

Where: I_{0}^t = index of period t relative to the base period; P_{it} = price of variety i in period t ; P_{i0} = price of variety i in base period; Q_{i0} = quantity consumed of variety i in base period.

Formula of aggregating regional/population group indices into national index: Index for capital only is calculated.

Seasonally adjusted indices: No seasonal adjustment.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: Supervision in the field.

Control procedures used to ensure the quality of data processed: Semanalmente faz-se uma critica de preços para que todos os produtos estejam no mesmo nível.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: CPI data is disseminated 7 days after the end of the reference month.

Level of detailed CPI published

Paper publication: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups, Class-level (100 classes) and Average prices

Online: Group-level app. 40 groups, Average prices

Restricted Access: Basic items

Separate indices published for specific population groups: No

Type of products for which average prices are calculated and disseminated: Food products.

Documentation

Publications and websites where indices can be found: Internet website: www.ine.gov.ao

Publications and websites where methodological information can be found: Boletim mensal do IPC Abril de 2012

I: Other Information

Reported by the country in 2012.