

Andorra

A: Identification

Title of the CPI: Consumer Price Index of Andorra

Organisation responsible: Ministry of Finance and Civil Service / Département de la Statistique

Periodicity: Monthly

Index reference period: 2001 = 100

Weights reference period: March 2001 Family Budget Survey.

Main uses of CPI: Indexation of wages, pensions and/or social security payment, indexation of rents, contracts and/or other payments, main inflation indicator used for monetary policy, computation of purchasing power of households, macroeconomic modelling and other analytic uses.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Nation-wide

Population coverage: Resident households of nationals.

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: The consumer price index is a measurement tool to estimate, between two periods, the change in prices of goods and services consumed by residents in Andorra. The CPI measures the effect of changes in consumption that are just a result of price changes.

Classification: COICOP (Classification of Individual Consumption of Purpose)

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Annual

Price updating of weight reference period to the index reference period: No, not needed.

D: Sample design

Sampling methods:

Outlets: Judgmental sampling

Products: Judgmental sampling

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Item/ product selection: The product is defined and associated with a stall from which to follow the evolution of prices in time. The products that make up the framework of the CPI have to meet a number of conditions which include i) Be representative of the national consumption, ii) Be representative of the spatial distribution of consumption declared by the families surveyed as part of the CPI iii) Be representative of the shopping site, ie devote more efforts on commercial transactions which take place more frequently.

E: Data Collection

Frequency with which prices are collected: The set of prices are collected monthly except for housing prices and household services, which are collected quarterly. In the case of the fees or controlled prices, there is need to know when the price changes, so that the price calculation period (P_i) is determined in proportion to the days when every price is in force during the quarter .

Methods of Price Collection

- Personal data collection
- Central price collection

Treatment of seasonal items and seasonality

Treatment of housing

F: Computation

Formula used for calculation of elementary indices: The ratio of arithmetic mean prices (Dutot index) (Chained form)

Formula to aggregate elementary indices to higher level indices: Aggregation of elementary series to higher level series is by Laspeyre's formula. The Laspeyre's index is defined as the ratio of the cost of a basket of securities at a specified time and the base period. From this formula, the index of a month is the weighted average of the items or groups of items that make up the index.

$$I = \sum W_i * I_i$$

where

I = the general index

W_i = the weight per unit of time range

I_i = the index of the variety

The index of the variety I_i is the ratio between the average price of the items in the current period (P_1) and the average price of items in the base period (P_0) i.e

$$I_i = \frac{P_1}{P_0} * 100.$$

Monthly and annual average prices: The average price range of different items is calculated by the geometric mean of the price series obtained from different outlets.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: Once entire price series are available, price checks are done in order to resolve errors in transcription, omissions etc. These price controls meet certain criteria in order to identify those series that can show the evolution of prices in disagreement with reality. These criteria are: any number that varies significantly, all series evolving in the opposite direction compared to the other series that make up the variety, all series evolving much more or much less than had historically, all series involving a change of product, because it has been exhausted, or because the store is closed. The number of controlled series each month range on average around 10% -15%. The adjusted number of surveys may represent between 1% and 2%. Having the entire sample and the historical knowledge helps pass the correct prices to calculate the index.

H: Documentation and dissemination

Level of detailed CPI published

Paper publication: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups

Online: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups

Documentation

Publications and websites where methodological information can be found: The methodological document of the CPI can be found at <http://www.estadistica.ad/serveiestudis/web/index.asp>

I: Other Information

Completed by ILO in 2013.