

# Armenia

## A: Identification

**Title of the CPI:** Consumer Price Index

**Organisation responsible:** National Statistical Service (NSS)

**Periodicity:** Monthly

**Index reference period:** 2010 = 100

**Weights reference period:** 2009 October – December and 2010 January – September Household 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, deflate household expenditures in national accounts, macroeconomic modelling and other analytic uses.

## B: CPI Coverage

### Geographical Coverage

*Weights:* Nation-wide

*Price collection:* Nation-wide

**Population coverage:** Resident households of nationals.

### Consumption expenditure excludes:

- Foods produced for own final consumption;
- Other goods produced for own final consumption;
- Services produced for own final consumption;
- Second hand goods purchased

## C: Concepts, definitions, classifications and weights

**Definition of the CPI and its objectives:** The CPI is a measure of pure price change in fixed-market basket of goods and services of a constant quantity and quality for the general population.

**Classification:** COICOP (Classification of individual consumption by purpose)

**Weights include value of consumption from own production:** No

**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:** 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:** Outlet selection: Observation units are selected based on volume of goods turnover and services provided by statistical units, regardless of their type of activity, and by other methods.

Item selection: The Process for selecting goods and services is based on the household survey data on the most consumable goods and services provided to population, as well as on the periodical observations of trade and service outlets and on the expert estimation.

Sample sizes: Prices are surveyed for each of the items at 9 – 12 previously selected commercial enterprises and service enterprises. About 250,000 price data are registered and analyzed each month.

**Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office:** The set of goods and services with their definitions is prepared by the staff of the Price Statistics and International Comparisons Division of the NSS and the same set of goods and services is used in all the regions for their price registration. For each item, specification is given in such details, as production country, quality indicators of goods, measurement unit, etc. For most of the goods and services, loose specifications of items are provided to price collectors with instructions to select the most popular variety. The price collector has to select the most popular variety and mark additional characteristics (color, composition, brand, model and so on).

## **E: Data Collection**

**Approximate number of localities, outlets and price observations:** Outlets: 2,655, Price observations: 250,000

**Frequency with which prices are collected:** Price data are collected 3 times per month.

**Reference period for data collection:** Prices of consumer goods and tariffs for services are monitored 3 times for each month, on days nearer the 1st, 10th, and 20th days of the reference month.

### **Methods of Price Collection**

- Personal data collection

- Official tariffs for communications, electricity, gas, etc.

### Treatment of:

**Second hand purchases:** Second hand durable goods are not included in the price collection

**Missing or faulty prices:** In case of missing items, price change in the corresponding item/sub-group is taken.

Period for allowing imputed missing prices: Up to 2 – 3 months.

**Disappearance of a given type or quality from the market:** When the variety is permanently unavailable it is replaced by analogical variety with similar parameters and features. Item replacement is made in the base year.

**Quality differences:** Adjustment is made for the observed item quality during the price observation through recording item quality changes and discussing with the workers of outlet and appropriate specialists, as well, if necessary. Implicit and/or explicit quality adjustment techniques are conducted for new or non-comparable replacement products.

**Appearance of new items:** New products are not introduced in item structure before the next weight update.

### Treatment of seasonal items and seasonality

**Items that have a seasonal character and their treatment:** The method of seasonal price adjustments is based on changing (in accordance with the group or sub-group of corresponding indices of the given item) the last fixed price up to price of the month the items appear.

**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.

### Treatment of housing

**Treatment of owner-occupied housing:** No registration is made on owner-occupied housing.

## F: Computation

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

**Formula to aggregate elementary indices to higher level indices:** Modified Laspeyre's formula with fixed weights is used to aggregate basic indices by item groups and Republic of Armenia as a whole.

**Formula of aggregating regional/population group indices into national index:** The regional prices and indices data are aggregated in total for the Republic of Armenia using population, turnover and services weights. Separate CPIs are compiled for 11 population centers representing the whole 11 regions of the country.

**Seasonally adjusted indices:** No calculation is made for seasonally adjusted indices.

## **G: Editing and validation procedures**

**Control procedures used to ensure the quality of data collected:** Control visits to observation units are made to verify the accuracy and reliability of collected price information. In addition possible outliers are detected by calculating confidence intervals for the price level for each item.

**Control procedures used to ensure the quality of data processed:** In case of large price variations, price collectors clarify what the reasons are. Control visits to observation units are made to verify the accuracy and reliability of collected price information.

## **H: Documentation and dissemination**

**Timeliness of dissemination of the CPI data:** Data are published on the last working day of the reference month.

### **Level of detailed CPI published**

**Paper publication:** All items CPI, Division-level (12 Divisions), Group-level app. 40 groups, Basic Items and Average prices

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

### **Documentation**

**Publications and websites where indices can be found:** Yearly: “The Statistical Yearbook” of Armenia is available in Armenian, English, and Russian. The Armenia’s Marzes and Yerevan in Figures, statistical handbook is available in Armenian and English. Armenia in Figures statistical handbook is available in Armenian and English. The Prices and Price Indices in the Republic of Armenia annual statistical handbook is available in Armenian. News release: Current Data for Main Macroeconomic Indicators Describing the Republic of Armenia’s Socioeconomic Situation is available in Armenian. Press Release: Consumer Price Index in the Republic of Armenia is available every month in Armenian. Monthly bulletin: The Socioeconomic Situation of the Republic of Armenia monthly information report is available in Armenian and Russian. The Consumer Price Index in the Republic of Armenia statistical monthly bulletin is available in Armenian. Quarterly bulletin: The Poverty and Food Security statistical bulletin is available in Armenian and English. Internet: Electronic publications are available in Armenian, English and Russian at: <http://www.armstat.am/en/?nid=82> Armenia's national summary data page.

**Publications and websites where methodological information can be found:** Internet website: [www.armstat.am/file/Qualitydec/eng/9.pdf](http://www.armstat.am/file/Qualitydec/eng/9.pdf)

## **I: Other Information**

Completed by ILO in 2013.