

The Bahamas

A: Identification

Title of the CPI: All Items Indices

Organisation responsible: The Department of Statistics

Periodicity: Monthly

Price reference period: February 2010 = 100

Index reference period: February 2010 = 100

Weights reference period: September 2006-January 2007

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, computation of purchasing power of households, macroeconomic modelling and other analytic uses.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Urban areas

Population coverage: Resident households of nationals.

Population groups excluded: Institutional households and high income households.

Consumption expenditure includes:

- Foods produced for own final consumption;
- Food consumed away from home;
- Income in-kind receipts of goods;
- In-kind goods received as gifts;
- Purchase of owner-occupied housing;
- Housing maintenance, minor repairs;
- Major repairs, conversions and extensions to owner occupied housing;
- Luxury goods;
- Non-life insurance premiums (e.g. vehicle, housing, other property, medical), gross of claims;
- Licences and fees (e.g. driver's licence, hunting licence, vehicle registration);
- Gambling expenditure, gross of winnings;
- Expenditures abroad

Consumption expenditure excludes:

- Income in-kind receipts of services;
- In-kind services received as gifts;
- Mortgage repayments;
- Mortgage interest;
- 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);
- Life insurance premiums;
- Investment-related expenditures (e.g. purchase of shares/stocks);
- Second hand goods purchased;
- Occupational expenditures;
- Other business-related expenditures;
- Social transfers in-kind of goods and services from government and No-profit institutions serving households

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: A price index measures the proportionate price changes in a fixed basket that represents purchases of a typical household over a period of time.

Definition of consumption expenditures: Consumption expenditures are the expenses that are incurred during the purchase of goods and services used for consumption purposes. Consumption refers to when these goods and services are purchased “acquisition”.

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

Weights for different population groups or regions: Weights for three largely populated islands are compiled.

D: Sample design

Sampling methods:

Outlets: Simple random, judgmental sampling

Products: Cut-off sampling (the elements with the highest sales or value of other auxiliary variable are included into the sample)

Frequency of sample updates:

Localities: At the time of conducting the household expenditure survey.

Outlets: Continuous (on a rotating basis)

Products: Continuous (on a rotating basis)

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Localities/regions- are chosen from the household expenditure survey.

Outlets- are chosen based on their popularity with consumers.

Items- are chosen based on their sales value.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 3, Outlets: 503 outlets and 155 rental units.

Reference period for data collection: The reference period for data collection is the beginning of the month provided that the month doesn't begin on a Thursday which marks the beginning of the weekend special.

Methods of Price Collection

- Personal data collection for food & beverage, medical, personal care items, restaurants & hotels, rents, clothing & footwear, furnishings, household equipment & routine household maintenance, transport equipment, transport services, recreation & culture, education, miscellaneous goods & services
- Telephone interviews for personal care items, rents, gas, education, restaurants & Hotels.
- Official tariffs for water, electricity and postal Services.

Treatment of:

Discounts and sales prices: They are not taken.

Black market prices: Not collected.

Second hand purchases: Not included.

Missing or faulty prices: Missing or faulty prices are removed and the last observed price is carried forward for monthly collections and for prices that are collected less frequently these would be imputed.

Period for allowing imputed missing prices: A missing price is carried forward for three months.

Disappearance of a given type or quality from the market: When an item disappears from the market it is firstly discussed with store personnel to ensure that it is not returning and if not then it is replaced. A replacement item is chosen based on how closely the specifications of a new item meet those of the previous item.

Appearance of new items: Appearance of new items will replace those that became obsolete.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: Fruits & Vegetables, Clothing – swimsuits/ jackets,

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 categorized as imputed rent and combined with actual rents.

Types of dwellings covered by the rent data: Rents are collected biannually. Rental parameters include furnished & semi-furnished, one or two bedroom units, with or without electricity.

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: Laspeyre's formula.

Monthly and annual average prices: Average prices are calculated as arithmetic averages.

Seasonally adjusted indices: No

Software used for calculating the CPI: Price Index Processor System (PIPS)

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: After the data is collected there is a round of checks that must be completed to ensure consistency in prices and that the same item is being collected as described on the data collection sheet. If there is an outlying price a revisit to the establishment may be necessary.

Control procedures used to ensure the quality of data processed: After prices are confirmed they are entered into the system. Upon completion of data entry the items entered are checked to ensure the correct prices have been entered. In the event of an imputation, the imputed price is also verified to ensure that a reasonable price was imputed.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: CPI data is published by the 15th of the following month.

Level of detailed CPI published

Paper publication: All items CPI, Division-level (12 Divisions) and Average prices

Online: All items CPI

Separate indices published for specific population groups: No

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

Documentation

Publications and websites where methodological information can be found: The Department of Statistics' website: <http://statistics.bahamas.gov.bs> "All Items Indices April 2012

I: Other Information

Reported by the country in 2012.