Chile

A: Identification

Title of the CPI: IPC base 2009 = 100

Organisation responsible: Instituto Nacional de Estadísticas

Periodicity: Monthly

Price reference period: 2009

Index reference period: 2009

Weights reference period: November 2006 – October 2007

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

B: CPI Coverage

Geographical Coverage

Weights: Main cities/metropolitan areas/regions

 Price collection: Main cities/metropolitan areas/regions

Population coverage: Resident households of nationals.

Population groups excluded: Institutional households.

Consumption expenditure includes:

- Food consumed away from home;
- Housing maintenance, minor repairs;
- Purchase of gifts of goods and services given to others outside the household;
- Second hand goods purchased;
- Financial services (including fees for financial advice, brokerage fees);
- 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:

- Foods produced for own final consumption;

- Other goods produced for own final consumption;
- Services produced for own final consumption;
- Income in-kind receipts of goods;
- Income in-kind receipts of services;
- 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;
- Luxury goods;
- Interest payments (excluding mortgage interest payments);
- Life insurance premiums;
- 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

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: The Consumer Price Index, measures price variations of a basket of goods and services typically consumed in households located in all of the country's regional capitals and their urban zones. The definition has been set according to the concept of household expenditure within the territory of Chile, which is consistent with the objective of calculating the price variations that consumers may encounter.

Definition of consumption expenditures: Acquisition approach is used.

Classification: The COICOP classification is used at the level of "Sub Clase". An adaptation of COICOP is used at product level.

Weights include value of consumption from own production: No

Sources of weights: Household expenditure surveys and consumer 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: No.

D: Sample design

Sampling methods:

Localities: Quota sampling (a priori fixing of the number of elements)

Outlets: Stratified sampling with PPS sampling in each stratum

Products: Stratified sampling with simple random sampling in each stratum

Frequency of sample updates:

Localities: The sample of localities remains the same.

Outlets: Continuous (on a rotating basis)

Products: Annual

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: The criteria used is the volatility of prices and the market share of varieties of products.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: The criterion used is the most bought variety in the outlet.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 15, Outlets: 7,072, Price observations: 106,511

Frequency with which prices are collected: Food items, fuels, bus tickets - weekly Education fees – annually. The rest of the products are collected annually.

Reference period for data collection: The reference period for data collection is a specific date, except for rents where the reference period is the previous month.

Methods of Price Collection

- Personal data collection

- Mailed questionnaires for financial fees and insurance.

- Telephone interviews for domestic services.

- Internet for electronics.

- Official tariffs

Treatment of:

Discounts and sales prices: For discount prices there is a list of cases that describes treatment of each case. Sale prices are not taken.

Missing or faulty prices: Prices are imputed as follows: a) The missing price of an item from an outlet is imputed by entering the price variation taken from a similar outlet; b) If an item is

not sufficiently represented, the price variation of similar items is used; c) If none of the above options is possible, this missing price is imputed by entering the price variation of similar products.

Period for allowing imputed missing prices: 3 months

Disappearance of a given type or quality from the market: In this case the item/variety is changed and it is not chained to the previous one.

Quality differences: The option method is used in cars and a combination of hedonic prices and expert judgements in some electronics products.

Appearance of new items: No new items are introduced.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: Fresh fruits and vegetables, clothing.

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: Prices are imputed by using price development of in-season products.

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: Apartments and houses. The price is collected monthly with a questionnaire made to the household.

F: Computation

Formula to aggregate elementary indices to higher level indices: Laspeyre's formula.

Formula of aggregating regional/population group indices into national index: Laspeyre's formula.

Monthly and annual average prices: No average prices are calculated.

Seasonally adjusted indices: No seasonal adjustment.

Software used for calculating the CPI: NET

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: The first control is when the surveys are back in office. In that moment, the supervisors check a random 25% of the surveys.

Control procedures used to ensure the quality of data processed: The second control is once that the surveys have been digitalised, in this control the system reports the variation out of confidence interval which are revised for the division coordinators.

H: Documentation and dissemination

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

Level of detailed CPI published

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

Online: All items CPI, Division-level (12 Divisions), Group-level app. 40 groups, Class-level (100 classes), Basic items

Separate indices published for specific population groups: No

Type of products for which average prices are calculated and disseminated: None

Documentation

Publications and websites where indices can be found: Índice de Precios al Consumidor http://www.ine.cl/boletines/detalle.php?id=1&lang=

Publications and websites where methodological information can be found: Manual Metodológico del Índice de Precios al Consumidor (IPC) Nacional Base 2009 = 100. http://www.ine.cl/canales/chile_estadistico/estadisticas_precios/ipc/nuevo_ipc/nuevo_ipc.php

I: Other Information

Reported by the country in 2012.