Cayman Islands

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: Economics and Statistics Office (ESO)

Periodicity: Quarterly

Index reference period: June 2008 = 100

Weights reference period: 2007 Survey of Living Conditions/Household Budget Survey (HBS) updated in 2008.

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 (CPI) measures the change in the average price level of consumer goods and services purchased by private households.

Classification: COICOP (Classification of individual consumption by purpose) with 12 divisions

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Above 5 years

D: Sample design

E: Data Collection

Frequency with which prices are collected: Prices of most of the items are collected once a quarter. Prices for vegetables and fruits, fish, meat and gas are collected monthly.

Reference period for data collection: The reference period for most items is every second month of the quarter.

Methods of Price Collection

- Personal data collection for grocery items, clothing and footwear, furniture, appliance shops and others services.

- Telephone interviews

Treatment of seasonal items and seasonality

Treatment of housing

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: The CPI is computed using Lowe's formula. The Lowe indices is one of the widest and popular class of price indices which is obtained by defining the index as the percentage change, between the periods compared, in the total cost of purchasing a given set of quantities, generally described as a "basket". The Lowe index, P_{L_0}, is defined as follows:

$$P_{L_0} = \frac{\sum_{i=1}^{n} p_i^t q_i}{\sum_{i=1}^{n} p_i^0 q_i}$$

where

n = number of products in the basket with prices p_i and quantities q_i
0 = base period when index = 100
t = later period being compared
$p = [p_1, p_2, ..., p_n]$ for each item from different outlets is the average or prices of the outlets.
$p = \left(\prod_{i=1}^{n} p_i\right)^{1/n} = \sqrt[n]{p_1 * p_2 * ... * p_n}$
q = implicit quantity purchased by households in the HBS period.

G: Editing and validation procedures

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: CPI reports are disseminated on ESO web site www.eso.ky $2 - 3$ months after the end of each quarter.

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

Publications and websites where indices can be found: Quarterly CPI Eso website www.eso.ky

Publications and websites where methodological information can be found: Brief methodology can be found at Eso website www.eso.ky

I: Other Information

Completed by ILO in 2013.