

Dominican Republic

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: Central Bank of the Dominican Republic

Periodicity: Monthly

Index reference period: December 2010 = 100

Weights reference period: January 2007 – January 2008 National Household Income and Expenditure 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 and computation of purchasing power of households.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Nation-wide

Population coverage: Resident households of nationals.

Population groups excluded: Institutional households.

Consumption expenditure includes:

- 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

Consumption expenditure excludes:

- Housing maintenance, minor repairs;
- Interest payments (excluding mortgage interest payments);
- Life insurance premiums;
- Gambling expenditure, gross of winnings;
- 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 (CPI) measures changes in the general price level goods and services purchased by households in a given reference period.

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

Weights include value of consumption from own production: Yes

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Above 5 years

Price updating of weight reference period to the index reference period: Weights to the current CPI (2010/12=100) were cost updated, taking into account changes in prices of the items in the basket so that they reflect the changes in prices in the current base period.

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: A representative random sample of outlets was chosen depending on where the households purchase their goods mostly.

Item/Variety selection: Items were selected on the basis of their specification in terms of model, make, unit of measure or quantity.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: A specification and marking survey of items was conducted between November 2009 – February 2010. Items/ varieties are carefully selected following the brand, amount, model, origin, materials or type, size, shape, weight, packaging etc.

E: Data Collection

Approximate number of localities, outlets and price observations: Price observations: 7,963

Methods of Price Collection

- Personal data collection
- Mailed questionnaires

- Telephone interviews for prices set by companies, utilities prices, rates of hotel accommodation, fuel prices, mechanic repairs etc.

- Internet

Treatment of:

Discounts and sales prices: Discounts that are not wide spread to all consumers are not included in price collections.

Missing or faulty prices: Imputation procedure for missing prices, taking into account the variation of the prices reported.

Disappearance of a given type or quality from the market: In relation to prices that can not be obtained by the unavailability of good in the outlets visited, temporary closure or change of activity is performed.

Quality differences: The adjustment for quality change occurs when an item in a given establishing market disappears and is replaced by another of different specifications. The adjustment is done by estimating the price of comparable goods, so that variation corresponds solely to changes in price and not to differences in quality of goods and services.

Treatment of seasonal items and seasonality

Treatment of housing

Treatment of owner-occupied housing: Owner occupied housing is excluded from the CPI.

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 aggregation formula is the Laspeyre's formula with fixed weights expressed as:

$$I^t = \frac{\sum_k P_k^t q_k^0}{\sum_k P_k^0 q_k^0} = \sum_k W_k^0 * \left(\frac{P_k^t}{P_k^0} \right)$$

where

p_k = price for item k

q_k = quantity for item k

0 = base period

W_k = weight for item k in total expenditure

G: Editing and validation procedures

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: The CPI data is disseminated 10 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)

Documentation

Publications and websites where indices can be found: Press release; Monthly: Monthly report on CPI behavior (Spanish); Quarterly: Report on the Dominican Economy, Domestic Prices section (Spanish), Summary Report on the Dominican Economy (Spanish, English); Internet: The Central Bank publishes monthly CPI results on its website: www.bancentral.gov.do

Publications and websites where methodological information can be found: Methodological information is available in the document 'Indice de Precios al Consumidor (IPC) ' Base diciembre 2010.

I: Other Information

Completed by ILO in 2013.