

Spain

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: Instituto Nacional de Estadística (INE)

Periodicity: Monthly

Index reference period: 2011=100

Weights reference period: Year t-1.

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 , macroeconomic modelling and other analytic uses.

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 excludes:

- Foods produced for own final consumption;
- Gambling expenditure, gross of winnings;
- Investment-related expenditures (e.g. purchase of shares/stocks);
- 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) is a statistical measurement of the development in the overall prices of goods and services consumed by the population living in family dwellings in Spain.

Classification: COICOP (Classification of Individual Consumption by Purpose)

Weights include value of consumption from own production: No

Sources of weights: Household expenditure surveys and consumer surveys.

Frequency of weight updates: Annual

D: Sample design

Sampling methods:

Localities: Sampling with probability proportional to size (PPS)

Outlets: Judgmental sampling

Products: Judgmental sampling

Frequency of sample updates:

Localities: Annual

Outlets: Annual

Products: Annual

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Items are selected depending on their importance in household expenditures, their price behavior and how representative they are.

Outlets are selected taking into account types of stores, sales volumes, and locations. Outlets must be representative of the type of item whose information is collected.

Sample sizes: Approximately 220,000 price observations are collected and processed per month from more than 33,000 outlets spread over 177 municipalities throughout the country.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: Collectors record detailed descriptions of the main characteristics of the product according to general specifications. These are used to detect quality changes and to calculate the pure price change.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 177, Outlets: 33,000, Price observations: 220,000

Frequency with which prices are collected: Data collection frequency depends on the nature of the item. Most of them are collected monthly and others quarterly. In cases of "unprocessed food" like meat, fish, fruits and vegetables, the outlets are visited three times a month.

Reference period for data collection: The reference period of data collection is from the 1st to 22nd day of the month.

Methods of Price Collection

- Personal data collection for most items.
- Official tariffs for cars, petrol, tobacco and telephone services.

Treatment of:

Discounts and sales prices: Data is collected on discounts due to: i) Seasonal sales (official sales periods regulated by the Retail Trade Planning Law); and ii) Sales of any type (so long as they are not liquidations or clearance sales) and therefore included in the computation of the CPI

Missing or faulty prices: When a price observation is temporarily unavailable in a given month, its price is imputed basing on the price movement of similar products within the same geographic area.

Disappearance of a given type or quality from the market: If the price/product is permanently unavailable then a replacement item is selected.

Quality differences: Several techniques are used to make a quality adjustment when a qualitative difference between the new and the old variety is observed. Hedonic techniques are being applied for some products and developed for others.

Appearance of new items: The list of products is reviewed every year.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: Fresh fruits and vegetables prices are collected only for the months in season. They have a different monthly basket and item weights vary from month to month.

Seasonal food items: Seasonal food items are included in the CPI using variable weights approach: the weights vary over the year.

Treatment of housing

Types of dwellings covered by the rent data: The housing rental index is obtained from a sample of dwellings distributed throughout the national territory. The sample is selected and updated from a survey that is carried out periodically within the Economically Active Population Survey (EAPS). The design of the sample is based on a simple random sampling, with the sampling unit being the rented dwelling, for each of the provinces. The size of the sample selected is geographically distributed, bearing in mind, within each province, the number of dwellings available, the expenditure by families on rent, and the average rent of the aforementioned dwellings. The prices of each dwelling are collected once each quarter, obtaining the information from the tenants themselves. To this end, the sample is divided into three sub-samples, one for each month of the quarter.

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: Each elementary index for a month is multiplied by its importance (weight) and aggregated to higher levels according to the Laspeyres formula.

Formula of aggregating regional/population group indices into national index: The national CPI is calculated by combining the urban and rural indices using as weights the country-wide urban and rural household expenditure multiplied by the total number of urban/rural households as available from population census data.

Seasonally adjusted indices: There is no seasonal adjustment for the CPI.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: All of the prices collected monthly are received, filtered and analyzed. In general, all changes greater than 10% or lower than -10% are reviewed, for Food items, and those greater than 5% and those negative changes, for the rest of the items. In addition, the processing of the lack of price is also carried out, that is, the price is estimated for those items that were not available at the time of the visit to the establishment.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: The CPI data is released within two weeks after the end of the reference month.

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

Documentation

Publications and websites where indices can be found: New release: Índice de Precios de Consumo in Spanish; Internet: <http://www.ine.es> for the consumer prices detailed data published in the news release.

Publications and websites where methodological information can be found: The methodology "Índices de Precios de Consumo. Base 2011. Metodología" is available in Spanish on INE internet website. The methodologies "Consumer Price Index. Base 2006. Methodology" and "Consumer Price Index. Base 2001. Methodology" are available, in English and Spanish, on INE Internet website.

I: Other Information

Completed by ILO in 2013.