

Estonia

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: Statistics Office of Estonia

Periodicity: Monthly

Index reference period: 1997 = 100

Weights reference period: Average expenditure structure of the population in the last year.

Main uses of CPI: Indexation of wages, pensions and/or social security payment, indexation of rents, contracts and/or other payments and deflate household expenditures in national accounts.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Nation-wide

Population coverage: Resident households of nationals.

Consumption expenditure includes:

- Second hand goods purchased (second hand cars only);
- Life insurance premiums

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: CPI is the average measure of change in prices of goods and services bought in Estonia for the purpose of consumption by Estonian households.

Classification: COICOP (Classification of individual consumption by purpose)

Sources of weights: Household expenditure surveys, national accounts, administrative data and business statistics data.

Frequency of weight updates: Annual

D: Sample design

Sampling methods:

Outlets: Judgmental sampling

Products: Purposive sampling

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Outlet selection: Business statistics is used as the outlet frame. Within a location, outlets selected shall be popular, have significant commodity turnover and availability of goods and services included into CPI.

Item selection: Purposive; number of items per section depends on section weight and variability of price movements of items in the section. Basket of items is reviewed annually, with additions and removals applying from each January index. Selection of products/varieties is generally purposive; within item specification, price collectors select products with significant market share.

Sample sizes: On average, about 20,000 prices are collected each month, from 1,800 outlets in 10 locations.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: Both detailed and generic specifications are used. Price collector's record detailed descriptions covering characteristics such as brand, size, fabric/material, etc.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 10, Outlets: 1,800, Price observations: 20,000

Frequency with which prices are collected: Prices are collected monthly.

Reference period for data collection: Price observation period is the week including the 15th day of the month.

Methods of Price Collection

- Personal data collection
- Telephone interviews
- Central price collection for processing equipment, mobile phones, phone services, package holidays, insurance etc.

Treatment of:

Discounts and sales prices: Discounts referred to all customers are taken into account.

Second hand purchases: Prices of second hand cars are included in price collection

Missing or faulty prices: When a price observation is temporarily unavailable in a given month, its price is imputed based upon the price movement of similar products in the same item in the same locality or carried forward.

Disappearance of a given type or quality from the market: When a specific variety is unavailable in an outlet, another product in the same outlet that most closely meets the specifications of the previous variety is selected as a replacement product.

Quality differences: Adjustments for quality differences are done by central office. Assistance of specialists from firms and market research organizations may be used. Supported judgemental quality adjustments are used for mobile phones, option cost approach for new cars, the monthly chaining and resampling method for data processing equipment.

Appearance of new items: The list of items is reviewed annually in the second half of the year and new products added or old products removed from the January index. Meanwhile, in case of urgent need, the overlapping method is used.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: In the first month an estimated price is used, in the following months the price is estimated according to the price movements of the product class or group to which the out-of-season product belongs. Weights are held constant throughout year.

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 using price development of in-season products.

Treatment of housing

Treatment of owner-occupied housing: Owner occupied housing is not included in the CPI i.e imputed rentals for housing are excluded.

F: Computation

Formula used for calculation of elementary indices: The arithmetic average of the price ratios (Carli index) (Chained form)

Formula to aggregate elementary indices to higher level indices: The CPI is Laspeyres type index with fixed weights.

Seasonally adjusted indices: No seasonal adjustment is done.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: Specification of products and prices are compared with previous month and questions transmitted to price collectors.

Control procedures used to ensure the quality of data processed: A regular pre-publication meeting is held. Questions arising on sub-indices are discussed and, where necessary, clarified by the staff. Statisticians analyse every item index to ensure movements are consistent with information about commodity.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: CPI data is disseminated on the 5th working day of the month following 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: New release "Consumer Price Index" available, in Estonian and English; Monthly: "Estonian Statistics" and "Main Social and Economic Indicators of Estonia" available in Estonian and English; Other: The annual "Statistical Yearbook of Estonia" available as a bilingual publication (Estonian and English); Internet website: <http://www.stat.ee> for the data published in the news release and the monthly time series data (available in Estonian and in English).

Publications and websites where methodological information can be found: A short description of the methodology and sources used in compilation of the CPI is published in the "Statistical Yearbook of Estonia".

I: Other Information

Completed by ILO in 2013.