

# Georgia

## A: Identification

**Title of the CPI:** Consumer Price Index

**Organisation responsible:** National Statistics Office of Georgia

**Periodicity:** Monthly

**Index reference period:** December 2012 = 100

**Weights reference period:** 2011

**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:* Nation-wide

*Price collection:* Urban areas

**Population coverage:** Resident households of nationals.

**Population groups excluded:** The territories of Abkhazian Autonomous Republic and Tskhinvali Region (former South Ossetian Autonomous Region), a part of Georgian territory not controlled by the central authorities.

### Consumption expenditure excludes:

- In-kind goods received as gifts;
- In-kind services received as gifts;
- Gambling expenditure, gross of winnings

## C: Concepts, definitions, classifications and weights

**Definition of the CPI and its objectives:** Consumer Price Index is an index which measures an average price change of goods and services included in the fixed consumer basket compared to base period. It measures average changes in prices of goods and services, purchased by typical consumer.

**Classification:** COICOP (Classification of individual consumption by purpose) 12 commodity groups.

**Sources of weights:** Household expenditure surveys and national accounts.

**Frequency of weight updates:** Annual

**Price updating of weight reference period to the index reference period:** Weights of 2011 are not price updated.

## **D: Sample design**

**Frequency of sample updates:**

*Products:* Annual

**Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples:** Selection of trade points: Sampling is based on popularity of the trade point (volume of sale), stability and complexity of assortment of goods, permanent work of the trade point, willingness to cooperate with registrars, location and type of shop.

Sample size: Price collectors together with their supervisors and representatives of trade points select products, which have important share on market, within specification of goods.

**Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office:** Price statistics division gives detailed specifications to collectors, including label, size, fabric, etc., to make sure that price change is not due to changing an item or its characteristics.

## **E: Data Collection**

**Approximate number of localities, outlets and price observations:** Outlets: 1,300

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

**Reference period for data collection:** Reference period for data collection is between the 10th and 20th days of each month.

### **Methods of Price Collection**

- Personal data collection for most items in retailed shops, markets and service points.
- Telephone interviews for items with communal payments and regulated prices.

### **Treatment of:**

**Discounts and sales prices:** Discounts and sales prices are reflected. Discounts prices are recorded as temporary decrease of prices. Sales prices are fixed on agricultural markets and fair markets.

**Missing or faulty prices:** If prices do not exist temporarily (not more than 3 months for non-seasonal items), price imputation is used;

Period for allowing imputed missing prices: Prices are imputed not more than 3 months. If the price is missing in the 3rd, the item will be substituted during the reference month.

**Disappearance of a given type or quality from the market:** Missing item is substituted by the product with predetermined characteristics.

**Quality differences:** If a comparable item cannot be found, overlap method and overall mean imputation are used for quality adjustment.

**Appearance of new items:** The list of specifications is updated and new products are substituted.

### **Treatment of seasonal items and seasonality**

**Items that have a seasonal character and their treatment:** Prices of fruits and vegetables are collected in months defined in advance or according to seasons; for calculation index on the seasonal products, method of price imputation is used; weights of seasonal fruits and vegetable remain permanent during the 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.

**Method to impute the price of seasonal items:** Prices are imputed using price development of in-season products.

### **Treatment of housing**

## **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:** Simple indices are aggregated to some levels, by means of Laspeyre's-type formula and using fixed weights

**Formula of aggregating regional/population group indices into national index:** National index for the item is an average weighted index of elementary indices by overall expenditures within the region.

## **G: Editing and validation procedures**

**Control procedures used to ensure the quality of data collected:** Price collectors have to explain significant variation of prices which also have to be checked and validated by the head office; change of prices is controlled by means of software; each index is analyzed to be sure that change of prices reflects real picture of consumer market.

## H: Documentation and dissemination

**Timeliness of dissemination of the CPI data:** The official release date of the CPI is the 3rd day of the next 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:** Monthly Press release; Quarterly: Quarterly Bulletin; Other: Consumer Price Index, Statistical year book; Internet website: [http://geostat.ge/index.php?action=page&p\\_id=128&lang=eng](http://geostat.ge/index.php?action=page&p_id=128&lang=eng)

**Publications and websites where methodological information can be found:** Methodology in Georgian regarding CPI calculations, data collection and processing techniques are available at [http://geostat.ge/index.php?action=page&p\\_id=328&lang=geo](http://geostat.ge/index.php?action=page&p_id=328&lang=geo)

## I: Other Information

Completed by ILO in 2013.