

Indonesia

A: Identification

Title of the CPI: Indonesia Consumer Price Index

Organisation responsible: Statistics Indonesia

Periodicity: Monthly

Index reference period: 2007 = 100

Weights reference period: 2007 Cost of Living Survey (CLS).

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: Urban areas

Population coverage: Resident households of nationals.

Consumption expenditure excludes:

- Gambling expenditure, gross of winnings

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: The CPI measures the pure price change in a selected basket of goods and services (of constant quantity and quality) typically purchased by Indonesian households. The index is compiled as a fixed, base-weighted price index of the Laspeyre's form.

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Every 3-5 years

Price updating of weight reference period to the index reference period: No, not needed.

D: Sample design

Sampling methods:

Outlets: Representative and purposive sampling

Products: Judgmental sampling

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Outlets: For the outlet selection, representative and purposive sampling for retail outlet and housing units is used.

Items: Commodities and varieties within outlets are generally selected by the judgmental method.

E: Data Collection

Frequency with which prices are collected: The frequencies of price data collection are different from one item to another depending on the characteristic of the items as follows: i) Rice price data collection in Jakarta is daily; ii) For several items popularly known as basic necessities, price data are collected weekly on Monday and Tuesday; iii) For some food items, price data are collected every two weeks on Wednesday and Thursday of the first week and the third week; iv) For other food items, prepared food, drinks, cigarettes and tobacco, price data are collected monthly on Tuesday close to day 15 during 3 days (Tuesday, Wednesday and Thursday); v) For durable goods price data are collected monthly on day 5 to day 15; vi) Services price data are collected monthly on day 1 to day 10; vii) House rents data are collected monthly on day 1 to 10. viii) Domestic servant and baby sitter salaries are observed monthly on day 1 to 10; ix) Data related to the education expenses are collected monthly on day 1 to 10.

Methods of Price Collection

- Personal data collection

- Price lists

Treatment of:

Discounts and sales prices: Sales prices are included in price collection.

Missing or faulty prices: If there are missing prices in calculating CPI, the missing data are excluded because matching of samples is used.

Disappearance of a given type or quality from the market: Once items become unavailable, replacement items with similar quality are selected. The current and previous period prices are collected for the replacement items.

Quality differences: No process of adjustment for quality differences is done.

Appearance of new items: New items are never considered.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: Seasonal items are not considered.

Treatment of housing

Treatment of owner-occupied housing: Owner occupied housing is not considered in the calculation of CPI.

F: Computation

Formula used for calculation of elementary indices: The ratio of arithmetic mean prices (Dutot index) (Direct form) and the ratio of geometric mean prices (Jevons index) (Direct form)

Formula to aggregate elementary indices to higher level indices: The indexes are computed by using modified Laspeyre's method by the following formula:

$$I_n = \frac{\sum_{i=1}^k \frac{P_{ni}}{P_{(n-1)i}} (P_{(n-1)i} \cdot Q_{0i})}{\sum_{i=1}^k P_{0i} \cdot Q_{0i}} \times 100$$

where:

I_n = Index in month n (current month)

P_{ni} = Prices in month n (current month)

$P_{(n-1)i}$ = Prices in $n-1$ (previous month)

$P_{(n-1)i} \cdot Q_{0i}$ = Consumption value in $n-1$ (previous month)

$\sum_{i=1}^k P_{0i} \cdot Q_{0i}$ = Consumption value in $n-1$ (previous month)

Seasonally adjusted indices: No seasonal adjustment is done.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: Verification of prices collected is done by comparing relative price of one item to the other and comparing prices from business and government regulations.

Control procedures used to ensure the quality of data processed: Verification of process is done by estimating country level index using the city weights based on the number of households in each city. If the differences are significance, field checking is applied.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: The CPI data is disseminated the 1st day 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: The press release Berita Resmi Statistik is available, in Indonesian only, The Monthly Statistical Bulletin: “Economic Indicators” publishes monthly time series data for indices of each province, broken down by group and sub-group, The Monthly Statistical Brief Bulletin (Buletin Ringkas Statistik) provides data on “Inflation and Consumer Price Index” of 66 cities, The Monthly Statistical Bulletins “Economic Indicators” and “Statistical Brief Bulletin” are available, in the Indonesian and English languages, The data are subsequently published in the monthly bulletin “Indonesian Financial Statistics”, available in both the Indonesian language and English for a fee, The Statistical Yearbook of Indonesia, The Bank Indonesia Annual Report ; The internet website <http://www.bps.go.id/eng/> publishes monthly CPI data and <http://www.bps.go.id/eng/> for the data published in the press release.

Publications and websites where methodological information can be found: A brief description of the methodology is published in each issue of Monthly Statistical Bulletin: “Economic Indicators”. More detailed documentation is available upon request.

I: Other Information

Completed by ILO in 2013.