

India

A: Identification

Title of the CPI: Combined (National) Consumer price index

Organisation responsible: Central Statistics Office Ministry of Statistics and Programme Implementation Government of India.

Periodicity: Monthly

Index reference period: 2010 = 100

Weights reference period: 2004 – 2005 NSS 61st round Consumer 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, deflate household expenditures in national accounts, computation of purchasing power of households, macroeconomic modelling and other analytic uses.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Nation-wide

Population coverage: Resident households of nationals.

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: Consumer Price Indices (CPI) measure changes over time in the general level of prices of goods and services that households acquire for the purpose of consumption.

Classification: COICOP (Classification of individual consumption by purpose)

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Every 3-5 years

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: Item selection: Multiple norms are adopted for selecting the items depending on their importance, their popularity and suitability for pricing on a continuing basis and based on the following four criteria:(i) to include all PDS items; (ii) to include all items accounting for 1% or more of total expenditure at sub-group level; (iii) to include all items accounting for more than specified percentage of total expenditure of all consumption items; (iv) to include all items for which more than 75% households have reported consumption. All items satisfying any of the above four conditions are retained.

Outlet selection: A market survey is undertaken by NSSO (National Sample Survey Organization) (FOD) for (i) identification of popular markets (ii) selection of shops/outlets for different commodities in the selected markets and (iii) determination of specifications of commodities to be priced. Rented dwellings, from which house rent data are to be collected, are also identified in all the selected towns during the market survey.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: Specifications of items are selected on the basis of popularity in the respective areas. These specifications are different in terms of units, quality etc. for different price schedules.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 310 (towns in urban areas) and 1,181 villages (rural areas), Price observations: 1,114 (in urban areas)

Frequency with which prices are collected: Prices are collected every month by NSSO (FOD) in urban areas and by Department of Posts in rural areas. Rent data is collected once in six months.

Methods of Price Collection

- Personal data collection

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: Seasonal items are vegetables and fruits. Whenever prices of these items are not reported in a particular month, weights of such items are imputed on pro-rata basis to the items in the respective section (root vegetables, fresh vegetables, fresh fruits, and dry fruits).

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: The rental equivalence approach is adopted in respect of self-owned dwellings i.e. owner occupied housing.

Types of dwellings covered by the rent data: Rent data involves two categories of dwellings i.e. rented dwellings and self-owned dwellings.

F: Computation

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

Formula to aggregate elementary indices to higher level indices: Laspeyre's formula is used for aggregation of indices.

G: Editing and validation procedures

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: Provisional indices based on the data available are first released with a time lag of 30 days. These provisional indices are subsequently revised and final numbers with complete data for all India are released with a time lag of two months.

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: Internet website: <http://mospi.nic.in>

Publications and websites where methodological information can be found: A brochure explaining methods of compilation and computation of CPI is available at http://mospi.nic.in/Mospi_New/upload/new_cpi_18feb11.htm

I: Other Information

Completed by ILO in 2013.