

Islamic Republic of Iran

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: Statistical Centre of Iran (SCI)

Periodicity: Monthly

Price reference period: 2002 = 100

Index reference period: 2002 = 100

Weights reference period: 2002

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, macroeconomic modelling and other analytic uses.

B: CPI Coverage

Geographical Coverage

Weights: Nation-wide

Price collection: Nation-wide

Population coverage: Resident households of nationals.

Consumption expenditure includes:

- Food consumed away from home;
- Housing maintenance, minor repairs;
- Luxury goods;
- Non-life insurance premiums (e.g. vehicle, housing, other property, medical), gross of claims

Consumption expenditure excludes:

- Foods produced for own final consumption;
- Other goods produced for own final consumption;
- Services produced for own final consumption;
- Income in-kind receipts of goods;
- Income in-kind receipts of services;
- In-kind goods received as gifts;
- In-kind services received as gifts;

- Purchase of owner-occupied housing;
- Mortgage repayments;
- Mortgage interest;
- Major repairs, conversions and extensions to owner occupied housing;
- Purchase of gifts of goods and services given to others outside the household;
- Second hand goods purchased;
- Financial services (including fees for financial advice, brokerage fees);
- Interest payments (excluding mortgage interest payments);
- Life insurance premiums;
- Licences and fees (e.g. driver's licence, hunting licence, vehicle registration);
- Gambling expenditure, gross of winnings;
- Investment-related expenditures (e.g. purchase of shares/stocks);
- Occupational expenditures;
- Other business-related expenditures;
- Social transfers in-kind of goods and services from government and No-profit institutions serving households;
- Expenditures abroad

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: A consumer price index (CPI) measures changes in the price of goods and services that households consume.

Definition of consumption expenditures: Consumption Expenditures is all the items of household expenditures and income survey of the SCI - "Payment approach is used".

Classification: COICOP (Classification of individual consumption by purpose)

Weights include value of consumption from own production: No

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Above 5 years

Price updating of weight reference period to the index reference period: Yes

Weights for different population groups or regions: Urban areas and rural areas weights are compiled.

D: Sample design

Sampling methods:

Outlets: Two stage sampling is used for outlets.

Frequency of sample updates:

Outlets: Continuous (on a rotating basis)

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: Stability, weights and ability to enumerate.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 293, Outlets: 55,000, Price observations: 220,000

Frequency with which prices are collected: It is seasonal for some services.

Reference period for data collection: A month

Methods of Price Collection

- Personal data collection for all items.

Treatment of:

Discounts and sales prices: They are not taken.

Black market prices: Not collected.

Second hand purchases: Not included.

Missing or faulty prices: Omission, carrying forward the previous observation and extrapolation by using the change of the other prices for the same item depending on the type of missing data.

Period for allowing imputed missing prices: 3 months after which a replacement item is selected.

Disappearance of a given type or quality from the market: Replacement of variety.

Quality differences: Last month price is collected for new item quality.

Appearance of new items: New items can be included when rebasing of the CPI.

Treatment of seasonal items and seasonality

Method to impute the price of seasonal items: Nominal price

Treatment of housing

Treatment of owner-occupied housing: Owner occupied housing is included in the CPI and price relative rental house.

Types of dwellings covered by the rent data: Rental houses / monthly

F: Computation

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

Formula to aggregate elementary indices to higher level indices: The consumer price index is calculated using the Laspeyre's formula defined as

$$I_{t,0} = \frac{\sum_{i=1}^n P_t^i Q_0^i}{\sum_{i=1}^n P_0^i Q_0^i} \times 100 = \frac{\sum_{i=1}^n P_{t-1}^i Q_0^i \times \left(\frac{P_t^i}{P_{t-1}^i} \right)}{\sum_{i=1}^n P_0^i Q_0^i} \times 100$$

where

$I_{t,0}$: represents the index in period "t" relative to the base period.

n : represents the total number of goods and services comprising the CPI basket.

P_t^i : represents the price for item "i" at the period "t" (observation period).

P_0^i : represents the price for item "i" at the base period.

Q_0^i : represents the quantity for item "i" at the base period.

Formula of aggregating regional/population group indices into national index:
Plutocratic Approach

Monthly and annual average prices: Average prices are calculated as arithmetic averages.

Software used for calculating the CPI: Self developed programme.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: Controlling of relative prices of all items in every month.

Control procedures used to ensure the quality of data processed: Controlling of relative prices of all items in every month.

H: Documentation and dissemination

Level of detailed CPI published

Paper publication: Division-level (12 Divisions)

Restricted Access: All items CPI

Type of products for which average prices are calculated and disseminated: All items

Documentation

Publications and websites where indices can be found: At the present time indices data are not accessible by the public.

Publications and websites where methodological information can be found: At the present time indices data are not accessible by the public.

I: Other Information

Reported by the country in 2012.