

Iraq

A: Identification

Title of the CPI: All Iraq Consumer Price Index

Organisation responsible: Central Organization of Statistics and Information Technology (COSIT)

Periodicity: Monthly

Index reference period: 2007 = 100

Weights reference period: 2007 Iraqi Household Social and Economic Survey (IHSES)

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, 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: The Consumer Price Index measures price changes for goods and services consumed by all households in the country, including the three governorates of Kurdistan region.

Classification: COICOP (Classification of individual consumption by purpose) with 12 major groups at 7 digit level of detail.

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: Judgmental sampling

Products: Cut-off sampling (the elements with the highest sales or value of other auxiliary variable are included into the sample)

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Item selection: To select the products basket for consumer price index, the cut-off sampling method is used. The sample includes all products with monthly individual average expenditure exceeding 25 ID on the Iraqi Household Social and Economical Survey (IHSES) on 2007.

E: Data Collection

Frequency with which prices are collected: For fruits, vegetables and oil products (except Gasoline): Prices are collected weekly. For non-food items and services: Prices are collected once a month.

Reference period for data collection: Food stuff, beverages and tobacco and clothes – reference period is between 1st – 10th day of the month. Housing, health and education groups – prices are collected on 11th – 20th day of the month. Transportation, communication, recreation, restaurants, miscellaneous services and goods – prices are collected on 21st - 28th of the month.

Methods of Price Collection

- Personal data collection for most of the items.

Treatment of:

Missing or faulty prices: The treatment of temporarily missing items, even seasonal ones, depends on stratum imputation. The missing items being imputed in elementary aggregate and higher level aggregates as well. For rent, index, if units become vacant and the rent is missing, an immediate replacement is made with a similar unit rather than imputing a rent for the vacant unit.

Treatment of seasonal items and seasonality

Treatment of housing

Treatment of owner-occupied housing: No imputation is made for the implicit rental expenditure of households owning the dwellings they occupy.

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: CPI of subgroups, main groups and divisions is calculated by the Laspeyre's formula give as

$$I_p = \frac{\sum P_1/P_0 * W}{\sum W} * 100$$

where:

P_1/P_0 : represents product price relative of the product.

W : represents product weight from Household Social and Economic Survey.

Formula of aggregating regional/population group indices into national index: The national index is calculated as a weighted average of long term relatives of goods and services items, where the product long term relative is the ratio of the national average price of the item in the current month with the national average price in the base year in each governorate. Iraq CPI is calculated after getting the price relative of the product by Jevons Formula in each of the 18 governorates after getting an average for prices relatives of each product weighted with the relative importance of the monthly total expenditure of all products and services in the governorate in the following formula:

$$P_1/P_0 (weighted) = \frac{\sum P_1/P_0 (Gov) * \bar{W}}{\sum \bar{W}}$$

where:

$P_1/P_0 (weighted)$: Represents the weighted price relative of the product from all governorates.

$P_1/P_0 (Gov)$: Represents the calculated price relative of the governorate for the product.

\bar{W} : Represents product weight at the governorate (the relative importance of the monthly total expenditure of all products and services in the governorate)

After calculating weighted price relative above, Laspeyre's formula is used to calculate CPI in Iraq in the same hierarchy way followed by the governorates. In the same way CPI of the three regions (Kurdistan, middle, south) is calculated by the above formula in calculating weighted price relative for each product in the region (depending on prices relatives of the governorates in the region) and then using Laspeyre's formula to calculate CPI of other divisions and groups for each region.

Software used for calculating the CPI: Backend unit. This is an Oracle based CPI software.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: Prices are checked in field where a certain price is refused if it exceeds a certain proportion 5% in the PDA. At the Backend, two validation rules are set, the first is comparing the price with the last available one and the second is filtering the prices which fall outside an expected range which is set every month.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: The CPI is released 15 days after the end of the reference month or 4 months after the concerned year for annual report.

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: CPI Monthly Report, in Arabic, COSIT, Prices Monthly Bulletin, in Arabic, COSIT, Monthly Report of Prices, in Arabic, COSIT, CPI Annual Report, in Arabic, COSIT, Annual Report of Prices, in Arabic, COSIT; Internet website: <http://cosit.gov.iq/english/indices.php>

Publications and websites where methodological information can be found: The most recent issue of a detailed methodology report was in December 2009, after introduction of the 2007 weights in 2008, entitled “CPI Items Basket and Weights of the Base Year 2007.” The document was in very wide distribution; it is published in both English and Arabic languages. Brief methodological information can also be found in the monthly CPI reports available at <http://cosit.gov.iq/english/indices.php>

I: Other Information

Completed by ILO in 2013.