

# The Republic of Moldova

## A: Identification

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

**Organisation responsible:** The National Bureau of Statistics (NBS), Price Statistics Division

**Periodicity:** Monthly

**Price reference period:** December year  $t-1 = 100$

**Index reference period:** Previous month = 100, Previous December = 100, same month of previous year = 100

**Weights reference period:** 2012 CPI calculations are based on household's expenditures data from the previous year survey (2011).

**Main uses of CPI:** Indexation of wages, pensions and/or social security payment, 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 and resident households of foreigners in the country.

**Population groups excluded:** Institutional households (0.3%).

### Consumption expenditure includes:

- Food consumed away from home;
- Housing maintenance, minor repairs;
- Major repairs, conversions and extensions to owner occupied housing;
- Second hand goods purchased;
- Luxury goods;
- Non-life insurance premiums (e.g. vehicle, housing, other property, medical), gross of claims;
- Life insurance premiums;
- Licences and fees (e.g. driver's licence, hunting licence, vehicle registration)

### 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;
- Purchase of gifts of goods and services given to others outside the household;
- Financial services (including fees for financial advice, brokerage fees);
- Interest payments (excluding mortgage interest payments);
- 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:** The CPI has the aim of measuring the changes in the overall level of the prices on products and services purchased for consumption by the country population households.

**Definition of consumption expenditures:** Consumption expenditures are defined as final monthly expenditures for consumption needs of household (payment).

**Classification:** COICOP (Classification of individual consumption by purpose) at 2-digit level.

**Weights include value of consumption from own production:** No

**Sources of weights:** Household expenditure surveys.

**Frequency of weight updates:** Annual

**Price updating of weight reference period to the index reference period:** The weights are updated annually, so there is no need for weights adjustments to the index reference period.

**Weights for different population groups or regions:** No

## D: Sample design

**Sampling methods:**

*Localities:* Sampling with probability proportional to size (PPS)

*Outlets:* Sampling with probability proportional to size (PPS)

*Products:* Sampling with probability proportional to size (PPS)

**Frequency of sample updates:**

*Localities:* Samples are stable and updated when needed.

*Outlets:* Samples are stable and updated when needed.

*Products:* Samples are stable and updated when needed.

**If sample updates are irregular indicate when last updates were introduced:** January, 2012.

**Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples:** By population and volume of sales.

**Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office:** Nomenclature of goods is unique, constant for the whole republic with the concrete and detailed description of each product. Registrars of the prices register the same type of the product during the whole year (with the same specifications). In order to determine the price of one product the registrars use more varieties of the same product (for instance, the same product, but the different make, the different measure unit, etc.). In order to obtain the price, the arithmetic average of the varieties of the given product method is used.

## **E: Data Collection**

**Approximate number of localities, outlets and price observations:** Localities: 8, Outlets: 850, Price observations: 1,200

**Frequency with which prices are collected:** Food items' prices are collected – 2 times per month; non – food items – monthly; and services – monthly.

**Reference period for data collection:** The reference period for data collection is a month.

### **Methods of Price Collection**

- Personal data collection.

- Official tariffs for services.

### **Treatment of:**

**Discounts and sales prices:** Long term discounts are included in the price collection.

**Black market prices:** Not collected.

**Second hand purchases:** Not included.

**Missing or faulty prices:** Missing prices are imputed by Jevons method (geometric average) from the group where the modified product comes from.

Period for allowing imputed missing prices: 1 – 2 months.

**Disappearance of a given type or quality from the market:** It is replaced with a new item whose characteristics correspond to the specifications.

**Quality differences:** No quality adjustment is made.

**Appearance of new items:** The list of items is stable during the year. At the appearance of a new item the price for the first month is not taken into account and it is used as basis for the next month.

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

**Items that have a seasonal character and their treatment:** The seasonal items are as follows: fruits, vegetables, clothing, and footwear. These are calculated by Jevons method (geometric average) by price imputation from the group the modified product comes from.

**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 by using price development of in-season products.

### **Treatment of housing**

**Treatment of owner-occupied housing:** Owner occupied housing is not included in the CPI

## **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:** Laspeyre's formula (the index with a fixed basis).

**Formula of aggregating regional/population group indices into national index:** No

**Monthly and annual average prices:** Geometric means are used.

**Seasonally adjusted indices:** During the seasonal products adjustment, the method of price imputation from the respective groups.

**Software used for calculating the CPI:** Prets - C.EXE, Excel (software designed by the NBS)

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

**Control procedures used to ensure the quality of data collected:** Manual, by the prices registrars with the help of Palmare - Pocket Pc Asus 525.

**Control procedures used to ensure the quality of data processed:** With the help of the program "Prets - C".

## **H: Documentation and dissemination**

**Timeliness of dissemination of the CPI data:** 10 days after the end of the reference month.

### **Level of detailed CPI published**

**Online:** Group-level app. 40 groups

**Separate indices published for specific population groups:** No

**Type of products for which average prices are calculated and disseminated:** Average prices are not disseminated. Only the CPI, disaggregated by groups, is published.

### **Documentation**

**Publications and websites where indices can be found:** Internet website: [www.statistica.md](http://www.statistica.md)

**Publications and websites where methodological information can be found:** Internet website: [www.statistica.md](http://www.statistica.md)

## **I: Other Information**

Reported by the country in 2012.