

Northern Mariana Islands

A: Identification

Title of the CPI: Consumer Price Indices for Saipan, Rota and Tinian

Organisation responsible: Centrals Statistics division, CNMI Department of Commerce.

Periodicity: Quarterly

Index reference period: September third Quarter 2009 = 100

Weights reference period: October - December 2005 Household Income and Expenditure Survey.

Main uses of CPI: Indexation of wages, pensions and/or social security payment, indexation of rents, contracts and/or other payments and main inflation indicator used for monetary policy.

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 CPI is a measure of the quarterly changes in prices of a "basket" of goods and services, which are a representative of purchases by private households in the CNMI.

Classification: Classification of the items included in the CNMI's is according to BLS classification system with 9 major groups.

Sources of weights: Household expenditure surveys.

Frequency of weight updates: Every 3-5 years

D: Sample design

Sampling methods:

Outlets: Judgmental sampling

Products: Sampling with probability proportional to size (PPS)

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Item selection: The “Probability Proportional to Size” sampling method was used to select a new item sample. The technique ensured that those items with the highest monthly household expenditures were selected in the sample. The sample included a total of 161 items for Saipan, 147 for Tinian, and 129 for Rota.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 3, Outlets: 170- Saipan, 30 -Tinian and 60 - Rota

Methods of Price Collection

- Personal data collection
- Official tariffs

Treatment of seasonal items and seasonality

Treatment of housing

F: Computation

Formula used for calculation of elementary indices: The ratio of arithmetic mean prices (Dutot index) (Chained form)

Formula to aggregate elementary indices to higher level indices: Aggregation of elementary indices to higher level indices is by the Laspeyre’s formula. The Laspeyre’s formula is expressed as:

$$I_t = \frac{\sum_{i=1}^n P_t Q_0}{\sum_{i=1}^n P_0 Q_0} \times 100$$

where

I_t = The index at time point t

P_t = The price at time point t

P_0 = The price at the base period

Q_0 = The quantity at the base period

n = The number of commodities being priced

i = Commodity i (where i goes from 1 to n)

G: Editing and validation procedures

H: Documentation and dissemination

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: Consumer Price Index, Quarterly publication; CSD website; <http://commerce.gov.mp/divisions/central-statistics/>

Publications and websites where methodological information can be found: CPI explanatory notes can found in the quarterly CPI bulletins which are available at CSD web site; <http://commerce.gov.mp/divisions/central-statistics/>

I: Other Information

Completed by ILO in 2013.