

# Malaysia

## A: Identification

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

**Organisation responsible:** Department of Statistics

**Periodicity:** Monthly

**Index reference period:** 2010 = 100

**Weights reference period:** 2009/2010 Household 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, 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 excludes:**

- Investment-related expenditures (e.g. purchase of shares/stocks)

## C: Concepts, definitions, classifications and weights

**Definition of the CPI and its objectives:** A price index is a measure of the proportionate, or percentage, changes in a set of prices over time. A consumer price index (CPI) measures changes in the prices of goods and services that households consume.

**Classification:** COICOP (Classification of individual consumption by purpose) covering 12 groups.

**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:* 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 is done by probability proportionate to size (PPS).

Outlet selection for rents is by quota sampling. The judgmental method is used for outlet selection of other items taking into account the types of stores, sales volumes, number of items and locations within cities.

Sample sizes: Approximately 8,200 rent quotes and 210,000 other quotes are collected each month at approximately 24,600 outlets.

**Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office:** Generally, specifications provide detailed descriptions on the characteristics of the product surveyed. A fairly narrow quality range may be specified, yet in some cases specific models are identified. The item specifications in the price schedule forms are revised and updated every six months.

## E: Data Collection

**Approximate number of localities, outlets and price observations:** Outlets: 24,600, Price observations: 220,000

**Frequency with which prices are collected:** Items are priced monthly except perishable items which are priced on a weekly basis in urban centers. Rental prices are collected on a quarterly basis.

**Reference period for data collection:** Price collection is spread over the week in which the 15th of the month falls.

### Methods of Price Collection

- Personal data collection for most items.
- Telephone interviews for services items.

### Treatment of:

**Discounts and sales prices:** Discounts and sales prices are included in price collection.

**Missing or faulty prices:** For missing prices, either the previous price is carried forward or the price is not used in the calculation of the current month's price change or a price is

imputed based on the price movement of similar products in the same item category for the same collection center.

**Disappearance of a given type or quality from the market:** Items are divided into 2 categories i.e. specific and non-specific. The replacements for specific items are done by CSO whereas price collectors are given authority over replacements of nonspecific items. Replacements are made when possible; price collectors select products with significant market share and where possible the same quality; quality is defined in terms of characteristics listed in product description.

**Appearance of new items:** Whenever a new product gains a sufficient market share, a specification for the product is added to the pricing sample.

### Treatment of seasonal items and seasonality

### Treatment of housing

## F: Computation

**Formula to aggregate elementary indices to higher level indices:** Fixed base Laspeyre's formula.

**Seasonally adjusted indices:** Data are not seasonally adjusted

## G: Editing and validation procedures

**Control procedures used to ensure the quality of data collected:** Quality checks by the supervisors are carried out on a monthly basis for non-perishable items, weekly for perishable items in urban areas and quarterly for rent survey. Internal auditors monitor the quality of data collected and interviewers verify all price changes and are required to provide explanations for unusual movements. Prices are scanned at head office for reasonableness.

**Control procedures used to ensure the quality of data processed:** Calculations are reviewed by statisticians in the Prices, Income and Expenditure Division for reasonableness and consistency with external information including statistical analysis.

## H: Documentation and dissemination

**Timeliness of dissemination of the CPI data:** The dissemination of CPI data is done 2 – 4 weeks after the end of the reference month.

### 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:** The press release “Consumer Price Index” is available in Bahasa Malaysia and English; “Consumer Price Index” Monthly Bulletin; Internet website: <http://www.statistics.gov.my> for the consumer prices data published in the press release.

**Publications and websites where methodological information can be found:** The metadata for CPI is available from the department’s web-site: <http://www.statistics.gov.my>

## **I: Other Information**

Completed by ILO in 2013.