

# Pakistan

## A: Identification

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

**Organisation responsible:** Pakistan Bureau of Statistics

**Periodicity:** Monthly

**Index reference period:** 2007 – 2008 = 100

**Weights reference period:** 2007/2008 Family Budget 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:** Consumer Price Index (CPI) is considered the most common measure of general inflation. It measures changes in the cost of buying a representative fixed basket of goods and services and generally indicates inflation rate in the country.

**Classification:** COICOP (Classification of individual consumption by purpose)

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

**Frequency of weight updates:** Above 5 years

**Price updating of weight reference period to the index reference period:** No, not needed.

## D: Sample design

## E: Data Collection

**Approximate number of localities, outlets and price observations:** Localities: 40 urban centers, 76 markets

**Frequency with which prices are collected:** Price data is collected on a monthly basis.

**Reference period for data collection:** Food & non-alcoholic beverages, alcoholic beverage & tobacco - prices are collected between 11th - 14th of each month; clothing and footwear, housing, water, electricity, gas and other fuels - prices are collected between 1st - 3rd of each month; furnishing, household equipment & routine household maintenance, health and medicine etc. - prices are collected between 4th - 6th of each month; transport, communication, recreation & culture, education and miscellaneous goods and services - prices are collected between the 7th - 10th of each month.

### **Methods of Price Collection**

- Personal data collection

- Official tariffs

### **Treatment of:**

**Missing or faulty prices:** The prices of items missing temporarily are carried forward.

Period for allowing imputed missing prices: Imputation of a missing price is allowed up to 2 months. If the item is missing for more than 2 months, a replacement is sought.

**Disappearance of a given type or quality from the market:** A product disappearing from the market is replaced by a similar product.

**Quality differences:** Possible quality differences between the original item and its replacement are removed by imputing a base year price for the replacement item. If no replacement item can be found, the weight of the original item is distributed over the other items.

**Appearance of new items:** Totally new items do not enter the CPI between two base years, except as a replacement for discontinued items.

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

**Items that have a seasonal character and their treatment:** Seasonally adjusted data are not published but may be compiled.

### **Treatment of housing**

## **F: Computation**

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

**Formula to aggregate elementary indices to higher level indices:** The Laspeyre's formula is used for the computation of the CPI. The formula is given below:

$$I_n = \frac{\sum (P_n/P_0) \times w_i}{\sum w_i} \times 100$$

where

$I_n$  = CPI for the  $n^{\text{th}}$  period

$P_n$  = Price of an item in the  $n^{\text{th}}$  period.

$P_0$  = Price of an item in the base period.

$w_i$  = Weight of the  $i^{\text{th}}$  item in the base period =  $P_0 Q_0 \sum P_0 Q_0$

$\sum w_i$  = Total weight of all items.

**Monthly and annual average prices:** For each item, four quotations from different shops in a market are obtained. Average of these four quotations is taken as a representative price for that market. Price for each item is computed by averaging its prices in all the selected markets of the city. The National average price of an item is thus obtained by taking the average of all the 40 cities covered under CPI.

## G: Editing and validation procedures

**Control procedures used to ensure the quality of data collected:** Price data are checked and scrutinized at the headquarters to ensure its accuracy. In the event of any doubt or abnormal variations, clarifications are immediately obtained from the concerned price reporting center.

## H: Documentation and dissemination

**Timeliness of dissemination of the CPI data:** Data are disseminated on the 11th day of the following 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:** New release: "Monthly Review of Price Indices" (English), "Monthly Statistical Bulletin" (English), "Pakistan Statistical Yearbook" (English), "Statistical Pocket Book of Pakistan" (English); Internet website - <http://www.pbs.gov.pk>

**Publications and websites where methodological information can be found:** FBS's "Brochure of Federal Bureau of Statistics, 2001-2000" publishes methodology statements for various statistics compiled and disseminated by FBS, including methodology for price indices. A methodology for price indices is available at <http://www.pbs.gov.pk/content/methodology-2>

## **I: Other Information**

Completed by ILO in 2013.