

# Russian Federation (Russia)

## A: Identification

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

**Organisation responsible:** Federal State Statistics Service (Rosstat)

**Periodicity:** Monthly

**Price reference period:** 01/12/2011

**Index reference period:** 01/12/2011

**Weights reference period:** 4th quarter 2010 + 9 months 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.

**Population groups excluded:** Institutional households.

### Consumption expenditure includes:

- Food consumed away from home;
- Mortgage interest;
- Housing maintenance, minor repairs;
- Purchase of gifts of goods and services given to others outside the household;
- Second hand goods purchased (foreign second hand passenger car and PCs);
- Financial services (including fees for financial advice, brokerage fees);
- Interest payments (excluding mortgage interest payments);
- Non-life insurance premiums (e.g. vehicle, housing, other property, medical), gross of claims;
- Licences and fees (e.g. driver's licence, hunting licence, vehicle registration);
- Gambling expenditure, gross of winnings;
- Expenditures abroad

### 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;
- Major repairs, conversions and extensions to owner occupied housing;
- Luxury goods;
- Life insurance premiums;
- 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

## **C: Concepts, definitions, classifications and weights**

**Definition of the CPI and its objectives:** Consumer price indices and tariffs for goods and services (CPI) measure the changes over time in the general level of prices of goods and services purchased by households for non-productive consumption.

**Definition of consumption expenditures:** Consumption expenditures of households are part of cash expenses which are purchased on getting consumer goods and services. Accounting is made for the full costs of goods and services, irrespective of whether they are wholly or partly paid at the moment of purchasing and for which purpose they are intended (for personal use or for donation to another household). The consumer expenditure does not include the expenditures related to the purchase of works of art, antiques and jewellery acquired as investments, payment for materials work on construction and major repair of residential and out buildings, which are considered investments.

**Classification:** COICOP (Classification of individual consumption by purpose) at the 7th sign level (since 2004).

**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:** No. Rosstat use survey data of household budget for non-calendar year (i.e., 2012: 4th quarter of 2010 + 9 months of 2011.), which are given to the base period (December 2011).

**Weights for different population groups or regions:** In accordance with the CPI methodology, weights are derived for: each constituent territory of the Russian Federation;

each Federal District; and population groups with different levels of income (by decile groups).

## **D: Sample design**

### **Sampling methods:**

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

*Outlets:* Stratified sampling with PPS sampling in each stratum

*Products:* Judgmental sampling

### **Frequency of sample updates:**

*Localities:* Periodically

*Outlets:* Annual

*Products:* Continuous (on a rotating basis)

**If sample updates are irregular indicate when last updates were introduced:** The sample of localities is updated on the basis of the census results and proposals are made by regional offices of state statistics.

**Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples:** Prices are collected in all constitute territory of the Russian Federation. The selection of cities for the price observation in the constitute territory of the Russian Federation is performed by: the total number of surveyed localities in all constitute territory of the Russian Federation and should be 2-4 cities; Cities which are selected for the price observation should reflect the geographical features of the region and be located on its various parts; population of the cities which are selected for the price observation should comprise of at least 35% of urban population in each constitute territory of the Russian Federation.

Establishments of trade and services are selected in every city and they are located in both central parts of the city and on its suburbs with different terms of trade (services). Establishments of trade and services are included in the sample if they have high retail turnover and they are encashed, on consumer attributes and price level, directed on mass-market consumer.

Outlets, supermarkets, showrooms are selected and included in the sample with probability proportional to establishment sales of trade and services in the total sales.

## **E: Data Collection**

**Approximate number of localities, outlets and price observations:** Localities: 271, Outlets: 61,786, Price observations: 657,182

**Frequency with which prices are collected:** Monthly.

**Reference period for data collection:** Price collection takes place from 21st to 25th day of each month.

### **Methods of Price Collection**

- Personal data collection for all items.
- Telephone interviews for selected services.
- Internet for tariffs on railway service and prices for medicines.
- Official tariffs for tariffs on certain types of communication and housing services.

### **Treatment of:**

**Discounts and sales prices:** Discounted goods prices are registered if the sale is over 14 days.

**Second hand purchases:** Included for foreign second-hand passenger car, PCs.

Period for allowing imputed missing prices: 3 months

**Disappearance of a given type or quality from the market:** Replacement with similar quality characteristics is selected.

**Quality differences:** Implicit quality adjustment method is used. There are recommendations for treating quality differences which are described in “Methodological provisions for observation of consumer prices and consumer price indexes” and confirmed by Rosstat.

**Appearance of new items:** In the first reporting year, the prices of a new item product (which is different by qualitative characteristics) are collected each month but not included in the calculation of the index. When the average consumer prices are calculated, the prices are used by two related periods (months) for one and the same item. For the new item (service) to be included in reference year the share of this group of goods (services) in total consumer expenditures for the previous (removed) year should be at least 0.1%.

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

**Items that have a seasonal character and their treatment:** Seasonal items include fruits and vegetables, clothes, shoes, funeral services, foreign tourism services; spa and health services.

**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 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:**

$$I_{t/t-1} = \frac{\sum_{j=1}^n p_{j,o} q_{j,0} * i_{j,t/d}}{\sum_{j=1}^n p_{j,0} q_{j,0} * i_{j,t-1/d}}$$

where:

$I_{t/t-1}$  – Composite index of consumer prices and tariffs for the group of goods (services) of the Russian Federation;

$p_{j,o} q_{j,o}$  – Household expenditure quota on the purchase of goods (services), the representative (the weight reference period);

$i_{j,t/d}$  – Index of commodity (service) prices (tariffs) to the representative of the accounting month to December of the previous year;

$i_{j,t-1/d}$  – Index of commodity (service) prices (tariffs) to the representative of the previous month to December of the previous year;

$t$  – Current period;

$t - 1$  – Previous period;

$n$  – Quantity of goods (services).

**Formula of aggregating regional/population group indices into national index:** The formula is the same as the one above.

**Monthly and annual average prices:** Average prices are calculated monthly.

**Seasonally adjusted indices:** No

**Software used for calculating the CPI:** Specially designed software developed for Rosstat.

## G: Editing and validation procedures

**Control procedures used to ensure the quality of data collected:** Territorial authorities of Rosstat and main Rosstat computing center validate the input information in accordance with the procedure laid down in the software for automated data processing, developed by Rosstat. A number of checks on prices collected are executed each month at the regional level. They are undertaken in accordance with the methodological guidance developed by Rosstat.

**Control procedures used to ensure the quality of data processed:** Checking of the prices collected in cities is carried out by using special software for data collection, on terminals and is computerised.

## H: Documentation and dissemination

**Timeliness of dissemination of the CPI data:** The first results for the Russian Federation CPI are disseminated on the web-site 4-5 days after the end of the reference month. Information on consumer price indexes and average prices on goods and services is disseminated with monthly periodicity on the official web-site of the Federal State Statistics Service on the 6th working day following the reference month.

### Level of detailed CPI published

**Paper publication:** Division-level (12 Divisions), Basic Items

**Online:** All items CPI, Division-level (12 Divisions), Group-level app. 40 groups, Class-level (100 classes), Basic items, Average prices

**Separate indices published for specific population groups:** CPI for the 10 deciles (population groups with different levels of income) is estimated by the national classification. Major indexes in Rosstat collection-books are published with the lowest and highest decile: all goods and services, food products, non-food goods, services

**Type of products for which average prices are calculated and disseminated:** Average prices are calculated for all goods and services included in the CPI basket in 2012: 503 types of goods and services.

### Documentation

**Publications and websites where indices can be found:** Urgent information on current issues [http://www.gks.ru/bgd/free/B09\\_03/Main.htm](http://www.gks.ru/bgd/free/B09_03/Main.htm), Short-term economic indicators of the Russian Federation, Social and economic situation in Russia, collection-book "Statistical Yearbook of Russia," etc. Databases of Consumer Price Indices are available at <http://www.gks.ru/dbscripts/cbsd/DBInet.cgi?p1=1902001>

**Publications and websites where methodological information can be found:** Methodological guidelines for consumer prices monitoring on goods and services and the consumer price indexes can be found at <http://www.gks.ru/wps/wcm/connect/rosstat/rosstatsite/main/price/#>

## **I: Other Information**

Reported by the country in 2012.