

Saudi Arabia

A: Identification

Title of the CPI: Cost of Living Index

Organisation responsible: Central Department of Statistics and Information.

Periodicity: Monthly

Index reference period: 1999 = 100

Weights reference period: 1999 Household Expenditure and Income Survey (HEIS).

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.

C: Concepts, definitions, classifications and weights

Definition of the CPI and its objectives: The CLI measures price changes for a fixed basket of goods and services over time.

Classification: COICOP (Classification of individual consumption by purpose) at the six-digit level.

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

Sampling methods:

Outlets: Judgmental sampling

Products: Cut-off sampling (the elements with the highest sales or value of other auxiliary variable are included into the sample)

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: Item selection: Items are selected on the basis of their share in household consumption using a threshold of 0.03 percent of the total household consumption.

Outlet selection: A survey was conducted to identify points of sale in the sixteen cities (initial sampling units covered by CLI) from which prices of goods and services were collected. Instructions were given to surveyors to select a representative sample of establishments in terms of size, market coverage, geographical location, etc.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: Once item sample has been selected, detailed specifications of individual items is written, in order to price the same type and quality of items in all parts of the Kingdom. The specifications cover the key price factors, which affect the item price, such as type, size, brand, model number, country of origin, etc.

E: Data Collection

Approximate number of localities, outlets and price observations: Outlets: 18,000

Frequency with which prices are collected: Prices for foodstuff items are collected every month. Prices for non-foodstuff items are collected every two months with one-half of the items sample collected in even months, and the other half in odd months.

Methods of Price Collection

- Personal data collection

Treatment of seasonal items and seasonality

Treatment of housing

Treatment of owner-occupied housing: House ownership weight is incorporated with rent weight i.e house ownership costs are estimated through rent movement.

Types of dwellings covered by the rent data: The type of dwellings covered by the rent data are apartments and villas. As rents do not change frequently, relevant data are collected every six months. In this respect, data for one-sixth of the rent sample are collected each month. The first one-sixth of the sample is priced in January and July, while the second one-sixth is priced in February and August.

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 aggregation formula is the Laspeyre's formula.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: Prior to the entry of the survey data the questionnaires are checked manually and verified in the field; the data are also checked for consistency using a validation program.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: CLI is disseminated less than 15 days after the reference month.

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: The data may be disseminated through a press release, "Cost of Living Index", Ministry of Economy and Planning, Central Department of Statistics and Information, Kingdom of Saudi Arabia, "Statistical Yearbook" (Annual), Central Department of Statistics and Information, Ministry of Economy and Planning, Kingdom of Saudi Arabia, "Statistical Indicator", Central Department of Statistics and Information, Ministry of Economy and Planning, Kingdom of Saudi Arabia; Internet website: <http://www.cdsi.gov.sa/>

Publications and websites where methodological information can be found: Detailed methodology on the CLI has been prepared and may be provided upon request.

I: Other Information

Completed by ILO in 2013.