

Ukraine

A: Identification

Title of the CPI: Consumer Price Index

Organisation responsible: State Statistics Service of Ukraine

Periodicity: Monthly

Price reference period: Previous month = 100

Index reference period: Previous month = 100, December of the previous year = 100, 2007 = 100

Weights reference period: 2010 (starting from CPI computation of June 2012 – 2011).

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: Urban areas

Population coverage: Resident households of nationals.

Population groups excluded: Institutional households (1%).

Consumption expenditure includes:

- Food consumed away from home;
- Housing maintenance, minor repairs;
- Purchase of gifts of goods and services given to others outside the household;
- Financial services (including fees for financial advice, brokerage fees);
- Non-life insurance premiums (e.g. vehicle, housing, other property, medical), gross of claims;
- 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;
- Mortgage interest;
- Major repairs, conversions and extensions to owner occupied housing;
- Second hand goods purchased;
- Luxury goods;
- Interest payments (excluding mortgage interest payments);
- Life insurance premiums;
- Licences and fees (e.g. driver's licence, hunting licence, vehicle registration);
- Gambling expenditure, gross of winnings;
- 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: Index of consumer prices characterizes the changes in time of the general level of prices for goods and services that the population buy for non-production consumption. It is an indicator for the change in the value of the fixed set of consumer goods and services during the current year as compared to the base one. CPI is the most important indicator that characterizes inflation level and is used to resolve many issues pertaining to the government policy, analysis and forecast of the price processes in the economy, revision of the size of money income of the population, settlement of legal issues, conversion of indicators of the national accounts system into constant prices.

Definition of consumption expenditures: Acquisition

Classification: COICOP (Classification of individual consumption by purpose) at 5-digit level

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: The replacement of the weight structure is made according to the standard procedure. The every row of the old CPI is tied with the every row of the new CPI using the coefficients of adjustments which reflect the difference in the levels of the new and old indices.

Weights for different population groups or regions: The weights are produced for 27 regions.

D: Sample design

Sampling methods:

Localities: Stratified sampling with PPS sampling in each stratum

Outlets: Sampling with probability proportional to size (PPS)

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

Frequency of sample updates:

Outlets: Continuous (on a rotating basis)

Products: Once every five years.

Criteria used for determining the optimal sample sizes and the coverage of localities, outlets, items and variety samples: The criterion for selection of goods is their share in the general consumer expenditure of households: at least 0.1% for foodstuffs and 0.2% for other goods and services.

Criteria used for selecting an item variety in the outlet in case of loose specifications provided by the central office: The selection of specific goods (services) is made independently using the following criteria: i) selected goods should represent the consumer market of the urban population; ii) a significant demand of the population for these goods (services); and iii) their regular availability at outlets.

E: Data Collection

Approximate number of localities, outlets and price observations: Localities: 140, Outlets: 30,000, Price observations: 450,000

Frequency with which prices are collected: The collection of information about prices for all goods and services is made uniformly during a month.

Reference period for data collection: The prices are collected in regional centers. Cities of Kyiv, Simferopol and Sevastopol from the 1st until the 25th day of the month; in other cities from the 1st until the 20th day; for selected goods, the prices are collected throughout the entire month.

Methods of Price Collection

- Personal data collection for foodstuffs, clothes and footwear, materials for keeping and repair of housing, furniture, household appliances, crockery, pharmaceutical products, fuels,

phone equipment, audio equipment, cameras, equipment for information processing, games, newspapers, books, restaurant business, goods of personal hygiene.

- Telephone interviews for services of barber's shops, dry-cleaners, cinemas, sanatoria and spa services.

- Internet for services of mobile connection and rail transport.

- Official tariffs for services of mail and phone connection, electric energy, gas, water supplies, drainage system and heating.

Treatment of:

Discounts and sales prices: They are included if: i) they are permanent and prevalent on the market; ii) the product is not damaged; and iii) the discounts are given to all without exception.

Black market prices: Not collected.

Second hand purchases: Not included.

Missing or faulty prices: The transfer of prices from the previous observation and extrapolation via the usage of changes in other prices for the same item, are the methods used for missing prices.

Period for allowing imputed missing prices: The imputed price is used for a maximum of two months and, if the product is not available in the third month, it is replaced.

Disappearance of a given type or quality from the market: If a good is permanently unavailable, it is replaced by using one of the following methods: i) method of substitution; ii) chain method; and iii) the selection of a new good.

Quality differences: No quality adjustment is made.

Appearance of new items: The selection of a new good is made when there is neither direct substitution nor close good to the "old" one. In such a case, the "old" good is excluded from the survey and with the purpose to ensure the price equivalence, another modern good is selected. When the price for the "new" good is known only for the reference month, it is mentioned in the enquiry form for the reference month as base one and is used to compile index in the next month. If it is known as a reported one and the previous price of the "new" good, the "new" good is included into the compilation of price index during the reference month.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: Fresh fruits and vegetables, clothes and footwear.

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 on out-of season products are estimated or the method of substitution of goods i.e. method of average weighted prices is used.

Treatment of housing

Treatment of owner-occupied housing: Owner occupied housing is not included in the CPI.

F: Computation

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

Formula to aggregate elementary indices to higher level indices: The computation of CPI is made according to the modified Laspeyre's formula:

$$I_{t/t-1} = \sum \left[W_{j,0} \times \frac{i_{j,t/0}}{i_{j,t-1/0}} \right],$$

where:

$I_{t/t-1}$ – price index of the reference month over the previous one;

$W_{j,0}$ – share of expenditure for the representative good (service) (j) in the base period (0);

$i_{j,t/0}$ – long-term index for price of representative good (service) (j) of the reference period (t) as compared to base one (0);

$i_{j,t-1/0}$ – long-term index for price of representative good (service) (j) of the previous period (t) as compared to base one (0)

Formula of aggregating regional/population group indices into national index: Regional indices are aggregated into the national CPI through the long-term indices for consumer prices which are multiplied by product of consumer money expenditure of households and average number of available population from each region.

Monthly and annual average prices: Monthly average prices are produced for 27 regions and by the whole country. The average prices by region are produced as average arithmetical weighted ones. A share of average annual available population of the cities where registration is conducted in the total available population of region is taken. The average prices for the country are produced as average arithmetical weighted ones. A share of consumer money expenditure of households multiplied by average annual available population of each region in the total making of consumer money expenditure and average annual available population is taken as a weighting base.

Seasonally adjusted indices: No seasonal adjustment.

Software used for calculating the CPI: Microsoft Excel, Power Builder.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: The employees of regional statistics offices regularly control the accuracy of the registration by regularly checking the enquiry forms for price registration of consumer goods (services) being provided from urban settlements. Also, the work is checked by accompanying a registrar by a controller during the process of collecting information about prices.

Control procedures used to ensure the quality of data processed: With the purpose of avoiding mistakes made by the price registrars, regional data validation is made at central level.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: The CPI is published on the 6th day after the end of the reference month.

Level of detailed CPI published

Paper publication: Basic Items

Online: Group-level app. 40 groups, Class-level (100 classes), Basic items

Restricted Access: All items CPI, Average prices

Separate indices published for specific population groups: No

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. The average prices for selected foodstuffs are published in publication Consumer Price Indices. Also, information about the average prices is available at request.

Documentation

Publications and websites where indices can be found: Press release: Price Indices; Internet website: www.ukrstat.gov.ua

I: Other Information

Reported by the country in 2012.