METHODOLOGIES OF COMPILING CONSUMER PRICE INDICES
2012 ILO Survey of country practices
Sources and Methods: Labour Statistics, Volume 1
Preliminary results

Prepared by Valentina Stoevska
ILO Department of Statistics

Introduction

 The International Labour Organization's (ILO) Department of Statistics publishes the series *Sources and Methods: Labour Statistics* which contains information on the scope of the statistics, their definitions and the methods used by the national statistical services in establishing the statistics published. These *Sources and Methods* publications describe the methodologies of a range of labour statistics and, to date, ten such volumes have been produced. Volume 1 of *Sources and Methods: Labour Statistics* presents methodological information on national series on consumer price indices. The corresponding statistical series are available online in the ILO Department of Statistics' statistical database LABORSTA (see http://laborsta.ilo.org).

The purpose of the survey used to update this volume is twofold: (i) to provide basic information on the sources and methods used in each country in compiling the CPI published by the ILO, so as to enhance their usefulness for different purposes; and (ii) to indicate the differences between the national series with regard to their coverage, definitions, methods of measurement, methods of data collection, reference periods, etc. Volume 1 has been updated four times, the last time in 1992. The 2012 exercise has been done jointly with the FAO.

This paper presents common characteristics of the national practices used in the collection of CPI across countries, and points out similarities and differences in the way countries estimate their CPIs.

Method and structure of the questionnaire

In order to compile Volume 3 of *Sources and Methods: Labour Statistics*, each ILO member state received a request to complete a methodological questionnaire with information about the most important features of the CPI compiled in their country.

Close to 80 countries completed the methodological questionnaire. The distribution my continent is as follows.
-   Asia   15
-   Africa   18
-   Europe   24
-   America   13
-   Oceania   4

The methodological questionnaire was designed to provide a synthesized picture of the country practices in estimating CPI, while at the same time, allowing for comparisons between the practices of how countries compile CPI.

The questionnaire is divided into nine different sections.

    A. Identification
    B. Coverage
    C. Concepts, definitions, classifications and weights
    D. Sample design
    E. Data collection
    F. Computations
    G. Editing and validation procedures
    H. Dissemination
    I. Other information

Each of these sections provides different questions with pre-defined answer options as well as space for additional comments to allow for a general overview of the commonly used approaches to estimate CPI in each country, region or territory.

Results of the survey and analysis

This section reviews the quantitative and qualitative results of the survey. The analysis is not an exhaustive list of all results of the methodological questionnaires on CPI; rather, it is a careful selection of the most important similarities, differences and interesting facts. It thus focuses primarily on the following key topics and areas:

Periodicity of dissemination

Out of 178 countries only 13 disseminate index with quarterly periodicity and one country has quarterly periodicity for the all-items index and monthly periodicity for the food CPI. The rest of the countries disseminate the index with monthly periodicity.
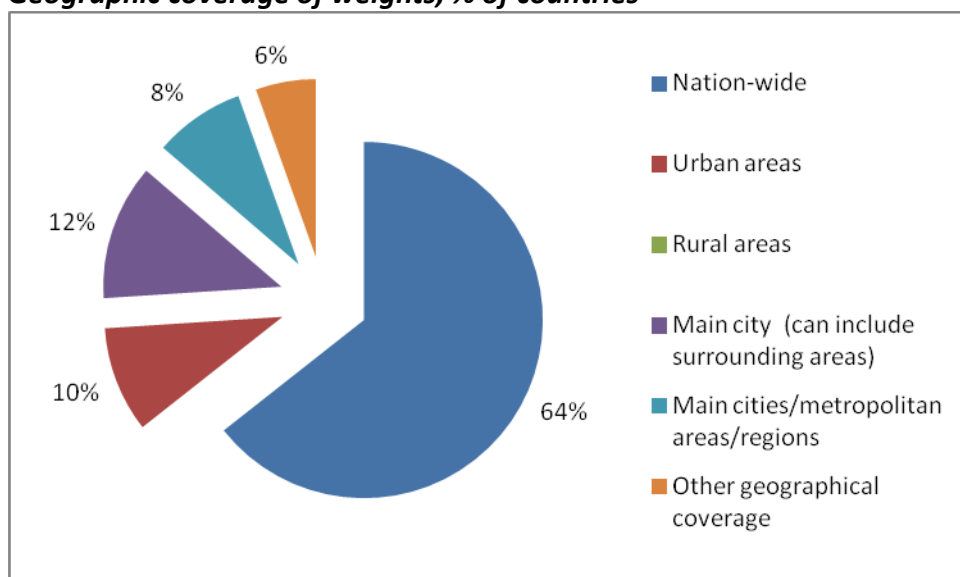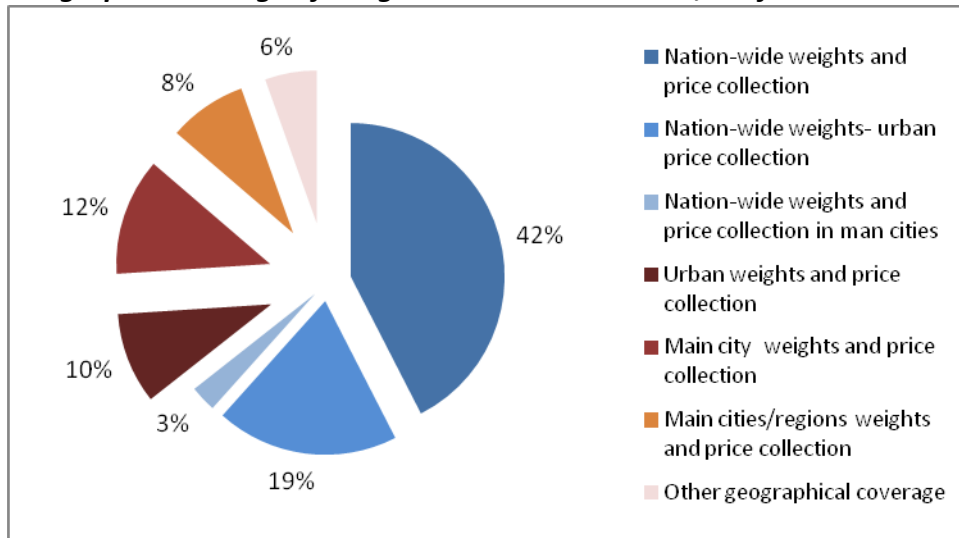
Uses of CPI, % of countries
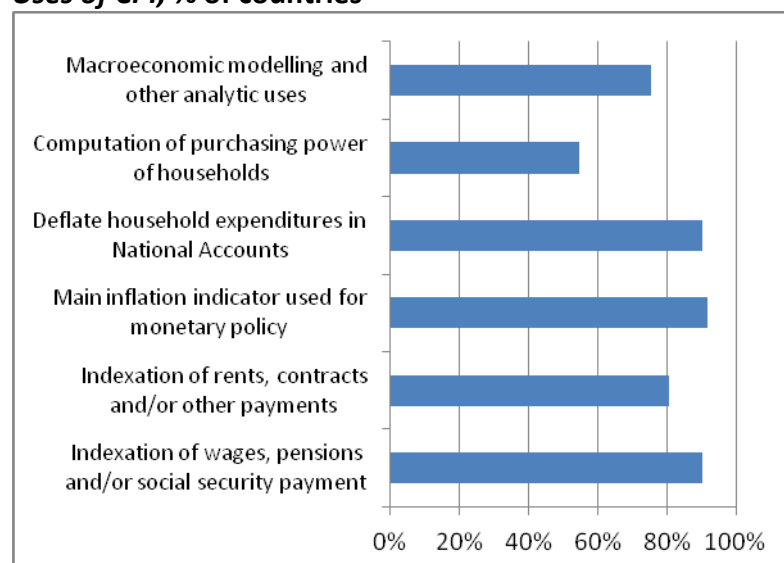
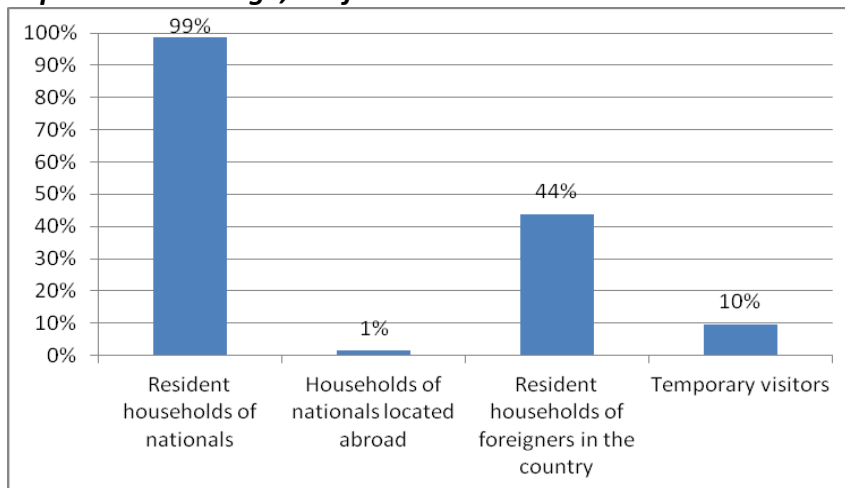### *Reference period for index, prices and weights, % of countries*
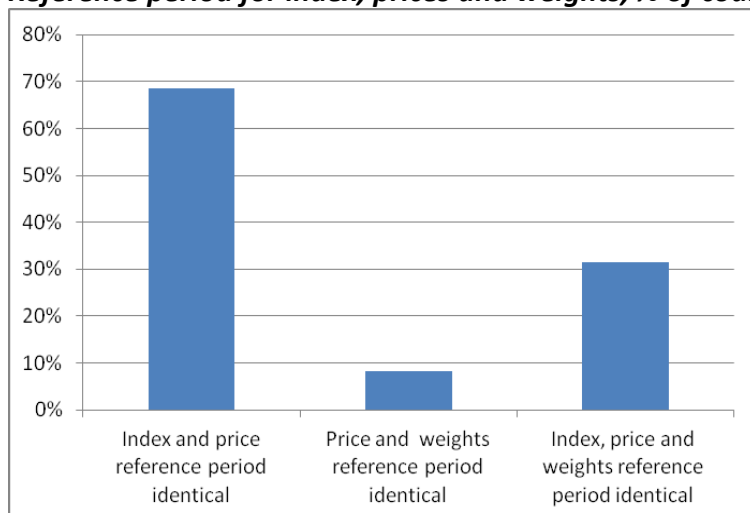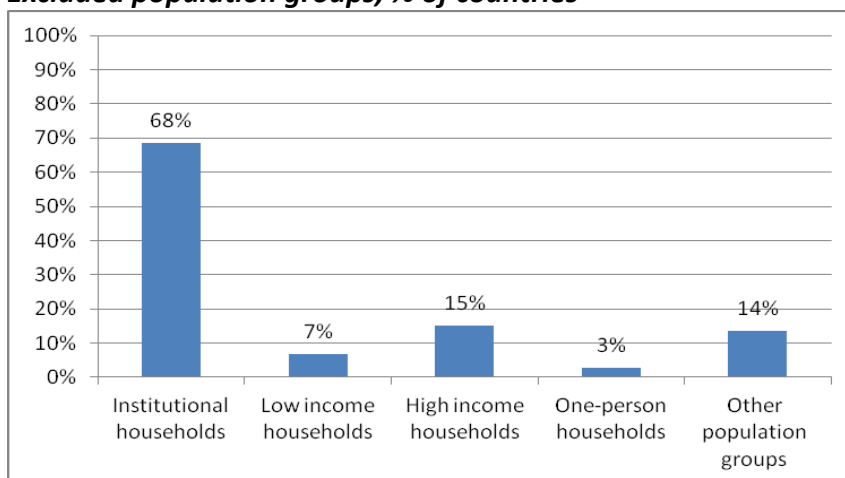

Geographic coverage of weights, % of countries

### Geographic coverage of weights and data collection, % of countries

Pie chart legend:
- Nation-wide weights and price collection — 42%
- Nation-wide weights- urban price collection — 19%
- Nation-wide weights and price collection in man cities — 3%
- Urban weights and price collection — 10%
- Main city weights and price collection — 12%
- Main cities/regions weights and price collection — 8%
- Other geographical coverage — 6%

Population coverage, % of countries

- Resident households of nationals — 99%
- Households of nationals located abroad — 1%
- Resident households of foreigners in the country — 44%
- Temporary visitors — 10%

Excluded population groups, % of countries

- Institutional households — 68%
- Low income households — 7%
- High income households — 15%
- One-person households — 3%
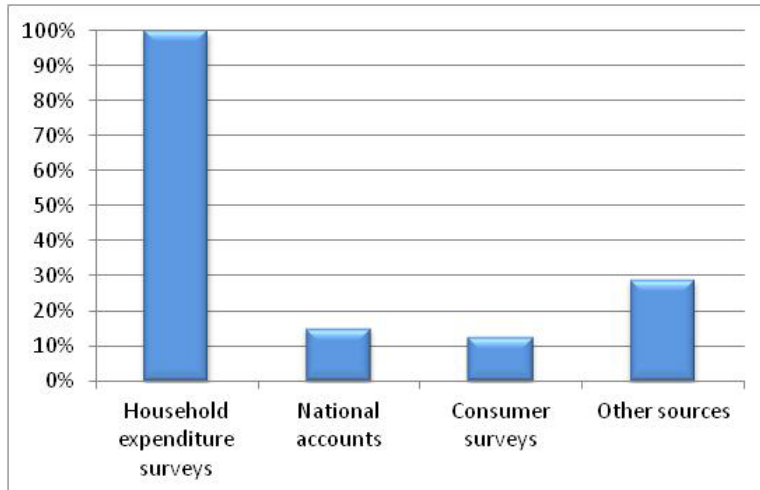- Other population groups — 14%

Coverage of consumption expenditure, % of countries including selected groups of expenditures
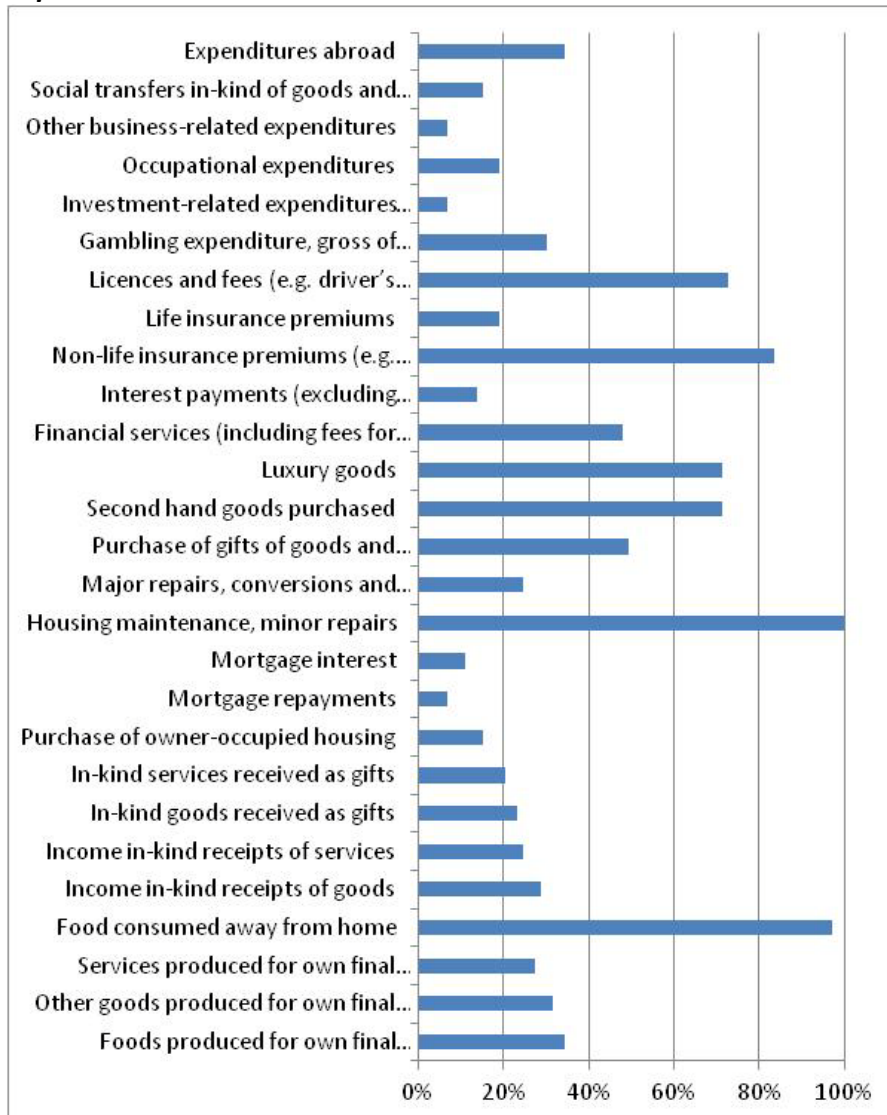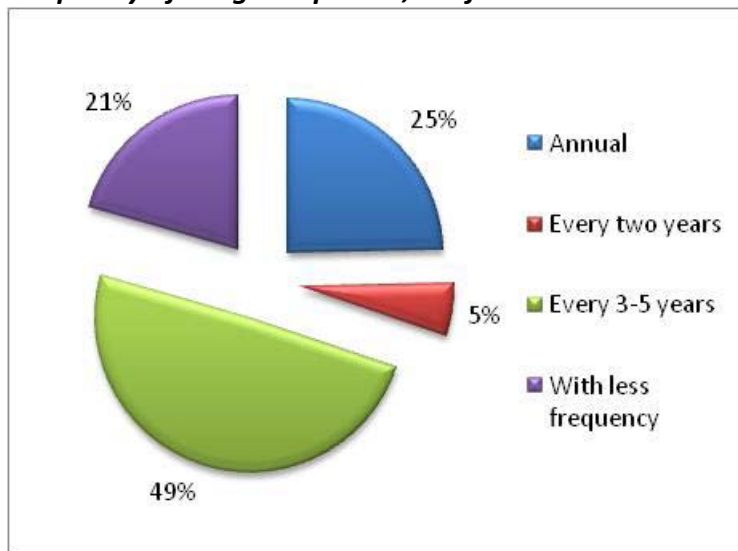

Weights include value of consumption from own production, % of countries
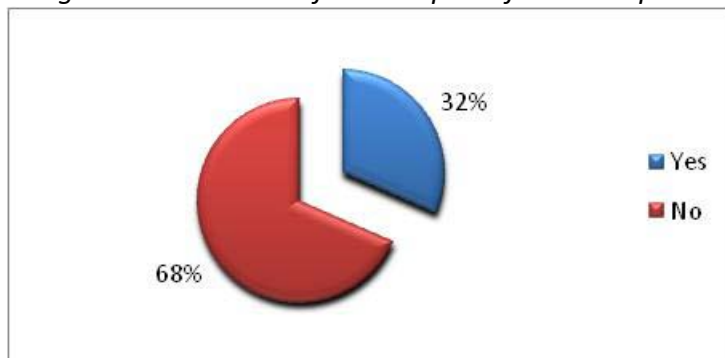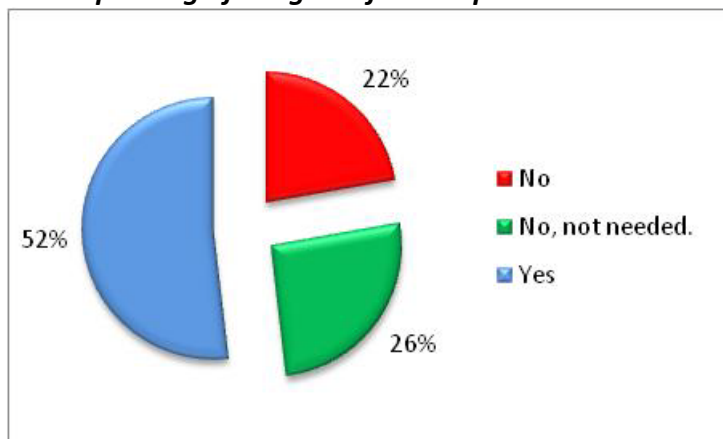
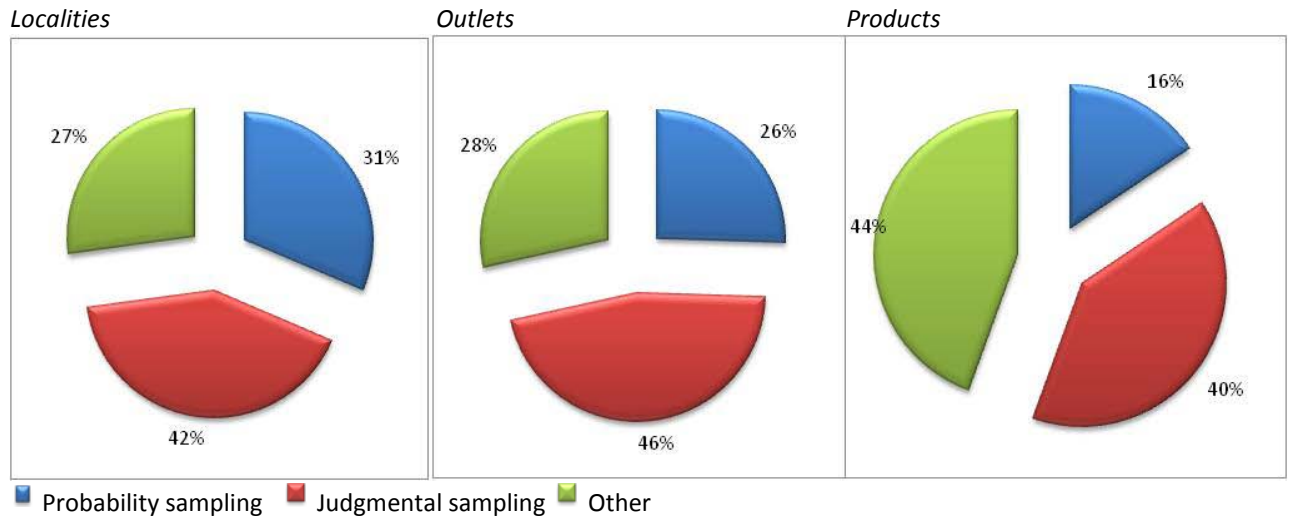*Sources of weights, % of countries*

*Frequency of weights updates, % of countries*

Price updating of weight reference period to the index reference period, % of countries

Sampling method(s) used for the selection of localities, outlets and products, % of countries
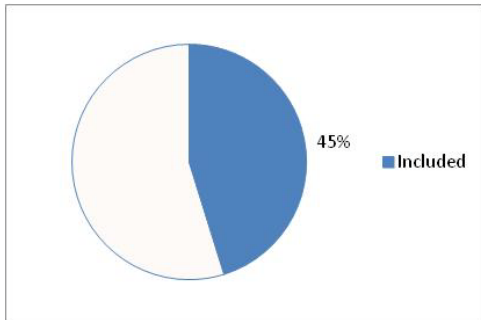
Localities   *Outlets*   *Products*

■ Probability sampling   ■ Judgmental sampling   ■ Other

Frequency of sample update for localities, outlets and products, % of countries

Localities   *Outlets*   *Products*

Annual   ■ Continuous   ■ Less frequently   ■ Not known
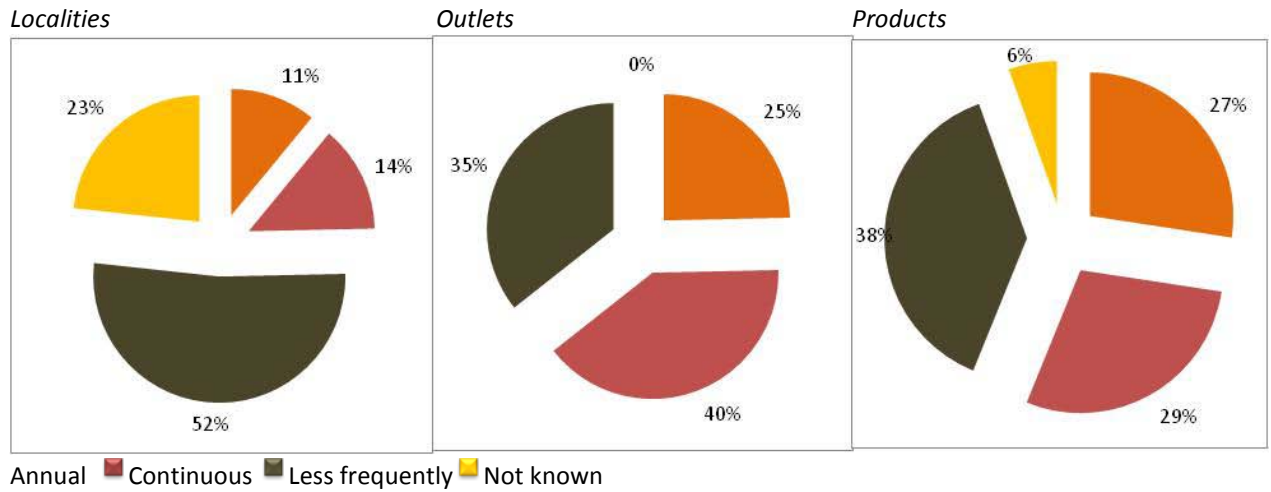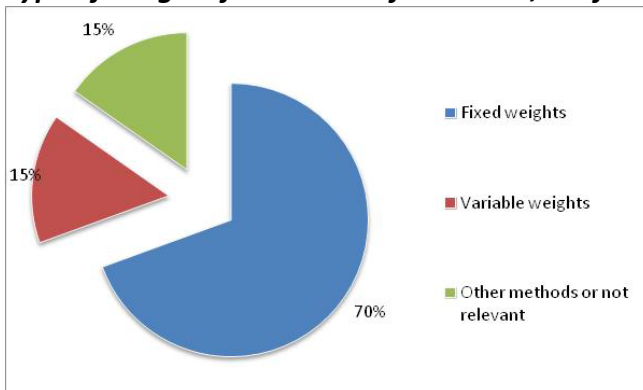
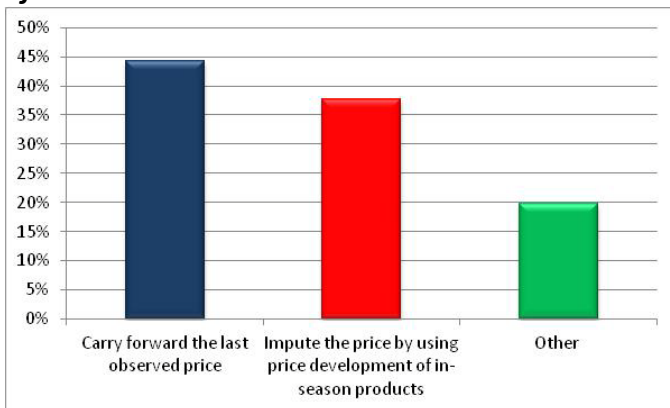## Method of price data collection, % of countries
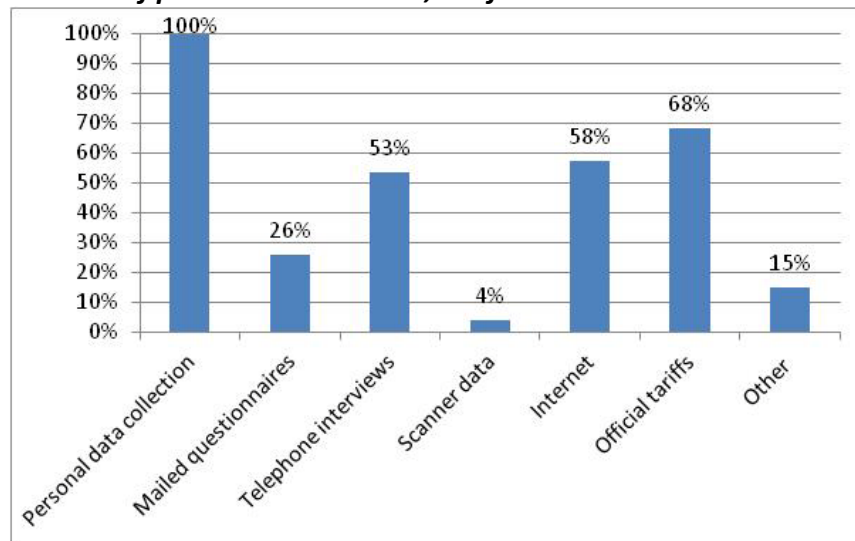
Second hand purchases, % of countries

Type of weights for seasonal food items, % of countries

Method of imputation for out-of season periods (for those that do not use variable weights), % of countries

Formula used for calculation of elementary indices, No. of countries