

Price index: Consumer prices

0. Prerequisites

0.1 Legal environment

[0.1.1 Responsibility for collecting, processing, and disseminating statistics](#)

National Statistics Office of Georgia

According to article 7 of the "Georgian Law on Official Statistics" (*Law*), the National Statistics Office of Georgia (NSO) is responsible for the collection, processing and dissemination of statistical data.

According to the Law, other state and local self-governed bodies legal entities of public law and other administrative bodies may perform activities in the field of official statistics in accordance with international standards and methodologies.

The NSO ensures the coordination of works in the field of official statistics, issues recommendations on statistical standards and methodologies, performs the exchange of statistical information between administrative bodies and supports the implementation of approved standards and methodologies.

[0.1.3 Confidentiality of individual reporters' data](#)

National Statistics Office of Georgia

According to the *Law*, article 28 "Statistical Data Confidentiality":

Data acquired for statistical purposes are confidential, if they enable to identify respondent.

The dissemination of confidential statistical data or their use for non-statistical purposes is prohibited unless the cases stated by the Georgian legislation.

[0.1.4 Ensuring statistical reporting](#)

National Statistics Office of Georgia

According to the *Law*, article 25 "Obligation to Provide Statistical and Other Information":

With the view of fulfilling its functions the Geostat shall be authorized to request and receive from administrative bodies, physical and legal persons all kinds of statistical data and other information, including confidential information and/or information containing personal data, in line with the "Law on Personal Data Protection".

Administrative bodies shall be obliged to provide available information on physical persons and legal entities of private law to Geostat, including confidential information and/or information containing personal data in line with the "Law on Personal Data Protection".

In case of failure to provide information to Geostat required under the

statistical activities program approved by the Government of Georgia, legal entities registered in the Register of entrepreneurial and non-commercial legal entities shall be liable to proceedings stipulated in the Code of Administrative Offices of Georgia.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing

Price index: Consumer prices

Price Statistics Department staff includes: 11 employees (1 head of department, 2 heads of divisions, 2 chief specialists, 6 senior specialists); 11 Personal Computers, 4 printers. Also there are 25 price collectors spread through by region. Each price collector is equipped with a handheld computer and has a fixed list of outlets and products, which they are responsible for each month.

0.2.2 Ensuring efficient use of resources

National Statistics Office of Georgia

In order to ensure the efficient use of resources the following measures are undertaken:

The thorough planning of statistical works (on multi-annual, annual and quarterly basis) that ensure the production and dissemination of reliable and relevant statistical information;

The permanent monitoring of the appropriate use of resources according their destination.

Special attention is granted to the improvement of the staff performances, especially its qualification and abilities.

0.3 Relevance

0.3.1 Monitoring user requirements

National Statistics Office of Georgia

In order to assure the production and dissemination of relevant statistics in the process of elaboration of draft annual program of statistical works, the interested public and other institutions are consulted.

0.4 Quality management

0.4.1 Quality policy

National Statistics Office of Georgia

Quality awareness is evidenced by references to quality in the *Law* according to which the production of statistical information is based on the principles of impartiality, statistical deontology.

0.4.2 Quality monitoring

National Statistics Office of Georgia

A range of measures to ensure the high quality of works at each stage of information flow are undertaken.

The primary and processed data are carefully checked for their internal, temporal consistency, as well as cross-checked with available data from other statistical and administrative sources of information.

In order to ensure the high quality of primary data, meetings with data providers are frequently held.

Quality policy is based on the provisions of national and EU legislation, Strategy of NSO, European Statistics Code of Practice, user needs and expectations. It defines overall intentions and directions of institution related to quality.

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National Statistics Office of Georgia

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1. Integrity

1.1 Professionalism

1.1.1 Impartiality of statistics

National Statistics Office of Georgia

According to the *Law*, article 4 reduction and dissemination of statistics shall be based on the fundamental principles of official statistics.

The NSO is concerned to honor its independence and objectivity by the *Law* and regulation pursuing the objectivity of tools used, such as survey methods, statistical classifications, definitions of indicators, etc., as well as the objectivity of releasing and providing statistical data and information.

1.1.2 Selection of sources, methodology, and modes of dissemination

National Statistics Office of Georgia

Bodies of the NSO and other statistical establishments shall obtain statistical information by means of statistical observations (current statistical reports and specially arranged statistical observations).

Objects of statistical observations shall be resident as well as non-resident enterprises operating on the territory of Georgia within the observation program limits.

A type of the statistical observation, a circle of the observation objects, the regularity, the form and term of data presentation are defined in accordance with the observation objectives and shall, together with appropriate methodological institutions, be approved by the NSO.

Producing the statistics and disseminating the information derived as a

result of producing the statistics shall be in compliance with the international standards and practice.

Price index: Consumer prices

Two databases are applied to calculate CPI:

Database of retail market prices, which are collected monthly for goods and services included in the fixed consumer basket;

Weights of goods and services, which reflect expenditure pattern of the population. The weights for 306 items of the consumer basket are generated on the basis of National accounts data and household surveys in 2017.

Modes of dissemination (electronic, CD, DVD, publications, etc.) depends on the demand of users.

[1.1.3 Commenting on erroneous interpretation and misuse of statistics](#)

National Statistics Office of Georgia

The NSO has full authority to comment on erroneous interpretation and misuse of statistics. This rarely occurs due to the provision of press briefings/conferences where NSO staff can provide information on methodologies, interpretation of statistics and respond to general questions.

1.2 Transparency

[1.2.1 Disclosure of terms and conditions for statistical collection, processing, and dissemination](#)

National Statistics Office of Georgia

Disclosure of terms and conditions for statistical collection, processing and dissemination is guaranteed by the state statistical program each year adopted by the president of Georgia. In state statistical program each data produced by the NSO has its short description, periodicity and timelines.

The law on statistics is publicly available on NSO's website www.geostat.ge (in English on web page http://geostat.ge/cms/site_images/latest%20Law%20of%20Georgi_2018.pdf), also on the web of the Legislative Herald of Georgia: <https://matsne.gov.ge/en/document/view/90946?publication=11>

[1.2.2 Internal governmental access to statistics prior to release](#)

National Statistics Office of Georgia

There are no privileges for access to statistical data in Georgia. Statistical data are equally available to all users from the web: www.geostat.ge, also from publications of the NSO.

1.2.3 Attribution of statistical products

National Statistics Office of Georgia

There is no ministerial comment on the occasion of statistical releases.

1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques.

National Statistics Office of Georgia

Methodology (for data collection, processing and analysis) and questionnaires of the NSO are adopted by the Statistical Board of the NSO which consists of 8 members (including its Chairman – an Executive Director of the NSO).

For any changes in methodology, data source or questionnaire content or its design there is a need of changes in the resolution of the Statistical Board.

1.3 Ethical standards [1.3.1 Guidelines for staff behavior](#)

National Statistics Office of Georgia

The internal regulations of the NSO define the staff behavior.

2. Methodology

2.1 Concepts and definitions [2.1.1 Concepts and definitions](#)

Definition: Consumer Price Index (CPI) measures an average price change of goods and services, purchased by typical consumer and included in the fixed consumer basket compared to base period.

Consumer Basket – fixed list of goods and services, purchased by a typical household.

Consumer Price – price paid by a typical household for goods (services) purchased for final consumption. Consumer price includes VAT and transport expenses.

Main concepts and definitions are based on CPI Manual: theory and practice (2004) and The System of National Accounts 1993 (1993 SNA).

2.2 Scope [2.2.1 Scope](#)

Scope of the data

Population coverage: private households residing permanently in Georgia.

Geographical coverage: 6 largest cities of Georgia (Tbilisi, Kutaisi, Batumi, Gori, Telavi, Zugdidi).

Goods coverage: goods and services, purchased by population for consumption; expenses on direct payments, money gifts, gaming and

illegal activities are excluded.

Consumer Price Index includes 12 large groups and 306 items.

Exceptions to coverage

Geographical coverage: Data do not cover the territories of Abkhazian Autonomous Republic and Tskhinvali Region (former South Ossetian Autonomous Region), a part of Georgian territory not controlled by the central authorities.

2.3
Classification/sectorization

2.3.1 Classification/sectorization

Classification: classification suggested by IMF, based on methodology of ILO, was used; classification "Individual Consumption by Purposes" (COICOP) is used since January 2004.

2.4 Basis for recording

2.4.1 Valuation

Types of prices: price for selling in cash; price for purchase; subsidies and discounts are reflected; dominated price is collected for agricultural markets and fair markets; discounted prices are recorded as temporary decrease of prices.

2.4.2 Recording basis

Timeline of price observation: prices are collected monthly (during the 10th to 20th days of each month).

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data collection programs

Prices are mostly collected at outlets. Prices for a limited number of items are collected via internet (e.g. cars, petrol, diesel, air flights, banking services) and telephone (e.g. tuition fees, services, etc.). Tablet PCs are used for data collection at outlets.

Sample size: designed sample; weight of group is defined first, number of goods within the group depends on weight of the group and on variation of prices of these goods; consumer basket is revised annually during updating of weights; selection of product/ modification is also premeditated; price collectors together with their supervisors and representatives of trade points select products, which have important share on market, within specification of goods.

Selection of retail outlets: designed sample, based on popularity of the outlet (volume of sale), stability and complexity of assortment of goods, permanent work of the outlet, willingness to cooperate with price collectors, location and type of shop.

Item specification: price statistics division gives detailed specifications to collectors, including label, size, fabric, etc., to make sure that price

change is not due to changing an item or its characteristics.

3.1.3 Source data timeliness

Source data are received by the head office next day after collection.

3.2 Assessment of source data

3.2.1 Source data assessment

Quality control is rigorous and highly structured. Follow-up checks are undertaken, shopkeeper is contacted by Head Office or by the collector again in case if there is any suspicion that there may be reporting problems in a particular region for a certain product or outlet.

3.3 Statistical techniques

3.3.1 Source data statistical techniques

Calculating index of the lowest level: elementary index is calculated based on the ratio of geometric averages of comparable item prices; national index for the item is an average weighted index of elementary indices by overall expenditures within the region.

Aggregation: simple indices are aggregated to some levels, by means of Laspeyres-type Formula and using fixed weights, which are proportional to consumption expenditures of 2017.

Agreement of expenditures and basic timeline; weights of 2017 are not price updated.

In December 2018 prices for old and new baskets are collected in order to enable chain linking of indices.

Price reference period - December 2018; weight reference period - 2017.

3.3.2 Other statistical procedures

Methodology of non-existing prices: if prices do not exist temporarily (not more than 3 months for non-seasonal items and 12 months for seasonal items), price imputation is used; in case the price is missing in 3rd month (or in 12th month for seasonal items) the missing item is substituted during the reference month.

Selection of goods for substitution: missing item is substituted by the product with predetermined characteristics.

Correction during change of quality: if a comparable item cannot be found, overlap method is used for quality adjustment.

Inclusion of new goods: the list of specifications is updated usually twice per year and new products are added, if necessary.

Seasonal goods: prices of fruits and vegetables are collected in months defined in advance or according to seasons; For calculation of the index for the seasonal products method of price imputation is used; weights of seasonal fruits and vegetable remain permanent during the year.

3.4 Data validation

3.4.1 Validation of intermediate results

Price comparison: price enumerators have to explain significant variability of prices which is also checked and validated by the Head Office; the CPI software is used for checking prices for each elementary index.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity

Monthly.

4.1.2 Timeliness

5 days after the reference period

4.2 Consistency

4.2.1 Internal consistency

CPI data by groups of products and services are available on the website of the NSO at http://geostat.ge/index.php?action=page&p_id=128&lang=eng

4.2.2 Temporal consistency

CPI data in time series are available on the website of the NSO at http://geostat.ge/index.php?action=page&p_id=128&lang=eng

4.3 Revision

4.3.1 Revision schedule

Data are final.

5. Accessibility

5.1 Data

5.1.1 Statistical presentation

Consumer prices index (CPI) is compiled and disseminated by the NSO.

To date CPI is the only indicator which is used for measuring inflation level in Georgia.

5.1.2 Dissemination media and format

Hard copy - New release

Monthly press release

Hard copy - Other

Statistical Yearbook

Electronic - On-line bulletin or data

On a monthly basis available

at: http://geostat.ge/index.php?action=page&p_id=128&lang=eng

5.1.3 Advance release calendar

An advance release calendar with all the release dates throughout the year is available on the NSO website.

5.1.4 Simultaneous release

Data are released simultaneously to the public through the official publications and the website.

5.1.5 Dissemination on request

Data are also provided upon request.

5.2 Metadata

5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques

Methodology regarding CPI calculations, data collection and processing techniques are available

at http://www.geostat.ge/cms/site_images/_files/english/methodology/CPI%20methodology.pdf