

Price index: Producer 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.

[0.1.2 Data sharing and coordination among data producing agencies](#)

Price index: Producer prices

Producer Prices which are applied to calculate PPI are collected in the enterprises whose economic activity is production.

Coverage by branches: mining and quarrying, manufacturing (except production of nuclear heat and aircraft construction), electricity, gas and water supply; including exported goods.

Production coverage: all large groups of goods in mining and quarrying, manufacturing (except production of above mentioned brunches) and electricity, gas and water supply.

[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: Producer prices

Price Statistics Department staff includes: 11 employees (1 head of department, 2 heads of division, 2 chief specialists, 6 senior specialists); 11 Personal Computers, 4 printers.

Also there are 26 price collectors spread through by region. Each price collector is equipped with a handheld computer and has a fixed list of enterprises 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](#)

0.4 Quality management

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.

[0.4.1 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.

[0.4.3 Quality planning](#)

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 production 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.

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=1>

[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](#)

Producer Price Index (PPI) measures change of prices for fixed list of industrial goods produced by enterprises compared to a base period. PPI consists of two sub-indices: PPI for domestic market and Export Price Index (XPI). nsport expenses. In case

Apart from the Producer Price Index, an Import Price Index (MPI) is compiled, which measures price changes for imported goods.

The term "Producer Price" is a factory gate price of production, produced by the local producer, and it does not include VAT, excise and separately invoiced transport expenses. In case of the XPI, goods are priced in f.o.b. (free-on-board) values. For the MPI c.i.f. (cost, insurance and freight) prices are used.

Main concepts: main concepts and definitions are based on PPI Manual 2004, The System of National Accounts 1993 (1993 SNA) and Export and Import Price Index Manual (2009).

2.2 Scope

2.2.1 Scope

Scope of the data

Coverage by activities: Mining and quarrying; Manufacturing (except production of nuclear fuel and manufacture of aircraft); Electricity, gas and water supply; export goods are also included. The sub-indices of the PPI (Domestic PPI and XPI) have different scope in terms of geographical location of the market - domestic and non-domestic markets, respectively.

Production coverage: all large groups of goods in Mining and quarrying, Manufacturing (except production of nuclear fuel and manufacture of aircraft); Electricity, gas and water supply.

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: Statistical classification of products by activity (CPA) is used.

2.4 Basis for recording

2.4.1 Valuation

Types of prices:

Domestic PPI: factory gate prices (excise, VAT and separately invoiced transportation expenses are not included);

Non-domestic PPI: f.o.b. prices (is comprised of the basic price, plus taxes less subsidies on products levied by the general government of the supplying economic territory, plus distribution margins, transportation, and insurance services added to get the product from the point of manufacture to the point of departure from the supplying economic territory);

Import Price Index: c.i.f. prices (includes the transaction value of the goods, the value of services performed to deliver the goods to the border of the exporting country, and the value of these services performed to deliver the goods from the border of the exporting country to the border of the importing country).

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data collection programs

Selection of enterprises: sample of enterprises includes large, medium and small sized enterprises, which are selected according to the volume of production of a product being surveyed. In case of MPI enterprises are selected according to their share in total import of the surveyed product.

Specification of production/operation: reporting units represent detailed specification of production, to make possible observation of production with unchangeable features. Otherwise quality adjustment techniques are used.

3.1.3 Source data timeliness

Timeline of price observation: prices of industrial production are registered monthly. Reports should be submitted to the NSO not later than 8th of the next month.

3.2 Assessment of source data

3.2.1 Source data assessment

Quality control is rigorous and highly structured. Follow-up checks are undertaken, producer is contacted by Head Office or by the collector again in the case there is any suspicion on reporting problems.

3.3 Statistical techniques

3.3.1 Source data statistical techniques

Calculating index of the lowest level: elementary indices are calculated as ratios of current month price with the base price of the product.

Aggregation: elementary indices are aggregated to high level, by means of Laspeyres-type formula.

Agreement of expenditures and basic timeline: December of 2018 is used for price reference period, weight reference period is 2017.

Binding indices with renewed weights to old ones: historical series are built up on 2 and 3 point levels of detailing.

Timeline of recent weights: calendar year 2016; Frequency of data update: annual.

3.3.2 Other statistical procedures

Selection of goods for substitution: if any of products disappears from production, it is substituted by other product with similar specifications and one of the quality adjustment methods is used.

Inclusion of new goods: new products with larger share of production are included in the survey.

Methodology on temporarily non-existing prices: Missing price indices

are imputed using the upper group level index.

3.4 Data validation

3.4.1 Validation of intermediate results

Price comparison: level of collected prices is compared to historical trend, price dynamics on similar goods and other information, collected by experience; in case of non-ordinary variation of prices enterprises have to give explanation in survey questionnaire.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity

Monthly

4.1.2 Timeliness

20 days after the end of each month

4.2 Consistency

4.2.1 Internal consistency

PPI data by products are available on the web site of the NSO at http://geostat.ge/index.php?action=page&p_id=131&lang=eng

4.2.2 Temporal consistency

PPI data in time series are available on the web site of the NSO at http://geostat.ge/index.php?action=page&p_id=131&lang=eng

4.3 Revision

4.3.1 Revision schedule

Data are final.

5. Accessibility

5.1 Data

5.1.1 Statistical presentation

PPI data are compiled and disseminated by the NSO.

5.1.2 Dissemination media and format

Hard copy - Other

Statistical Yearbook

Electronic - On-line bulletin or data

http://geostat.ge/index.php?action=page&p_id=131&lang=eng

Electronic - Other

Data are also provided by e-mail.

5.1.3 Advance release calendar

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

5.1.4 Simultaneous release

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

5.1.5 Dissemination on request

Data are also provided on request.

5.2 Metadata

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

Methodology regarding PPI calculations, data collection and processing techniques are available at http://www.geostat.ge/cms/site_images/_files/english/methodology/PPI%20methodology.pdf