



National Statistics Office of Georgia

INFLATION RATE IN GEORGIA

2020

May



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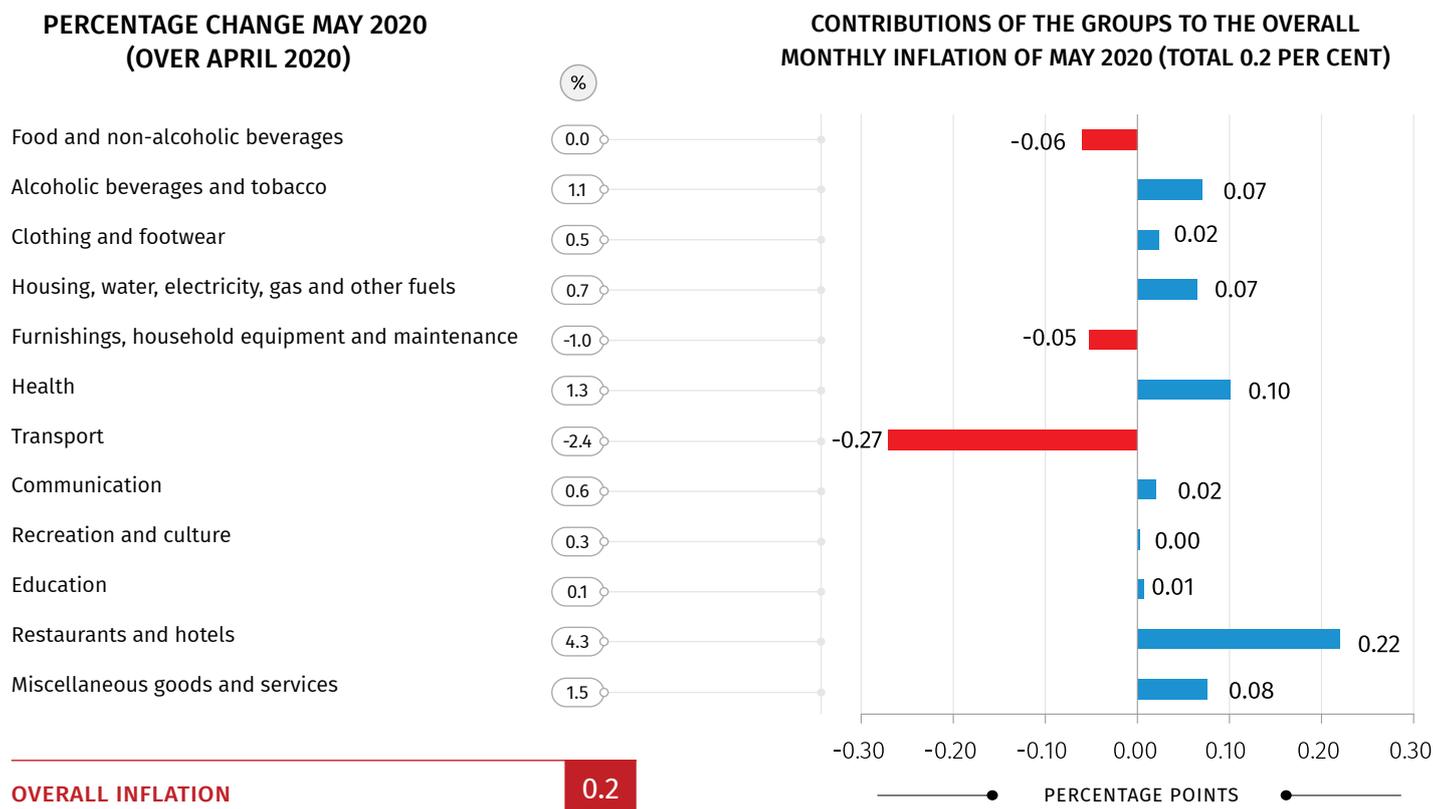
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INFLATION RATE IN GEORGIA MAY 2020

In May 2020 the Consumer Price Index increased by 0.2 percent compared to the previous month, while the annual inflation rate amounted to 6.5 percent.

With regard to the annual **core inflation**¹, the prices increased by 5.9 percent, while the annual **core inflation without tobacco**² amounted to 5.4 percent.

The following table shows percentage changes in prices for the commodity groups of the consumer basket as well as the relevant contributions to the overall monthly inflation rate.



* Individual contributions may not sum up to the total due to rounding.

¹Core inflation is calculated by excluding the following groups of goods and services from the consumer basket: food and non-alcoholic beverages, energy, regulated tariffs, transport (specific tariffs).

²Core Inflation without tobacco is calculated by excluding the following groups of goods and services from the consumer basket: food and non-alcoholic beverages, tobacco; energy, regulated tariffs, transport (specific tariffs).

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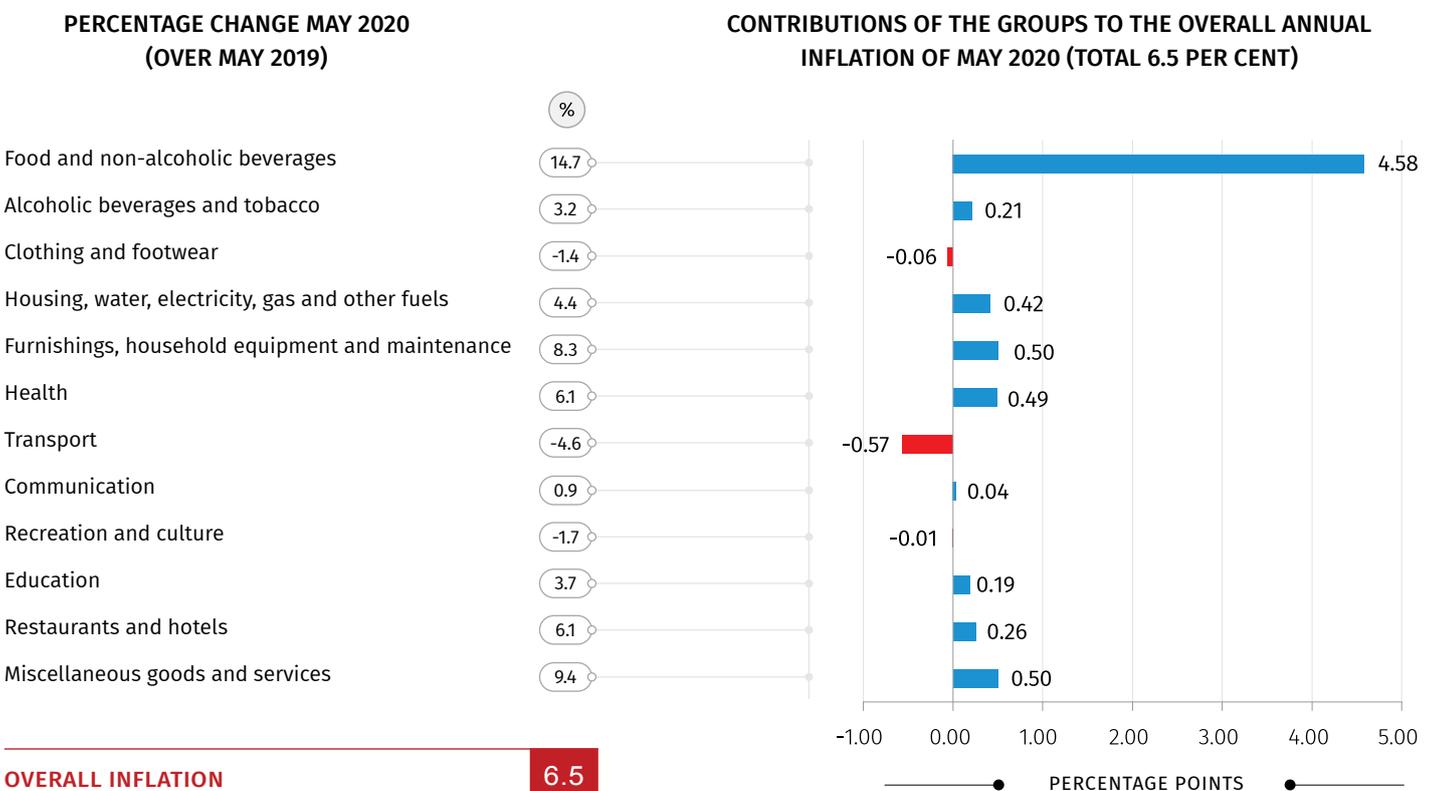
The monthly inflation rate was mainly influenced by price changes for the following groups:

Restaurants and hotels: the prices increased by 4.3 percent, with a relevant contribution of 0.22 percentage points to the overall monthly inflation rate. The prices were higher for catering services (4.4 percent);

Health: the prices went up by 1.3 percent, contributing 0.1 percentage points to the overall monthly inflation rate. The prices increased for medical products, appliances and equipment (2.8 percent);

Transport: the prices decreased by 2.4 percent, contributing -0.27 percentage points to the overall monthly inflation rate. The prices were lower for operation of personal transport equipment (-4.4 percent).

The following table shows percentage changes in prices for the commodity groups of the consumer basket, as well as the relevant contributions to the overall annual inflation rate in May 2020.



* Individual contributions may not sum up to the total due to rounding.

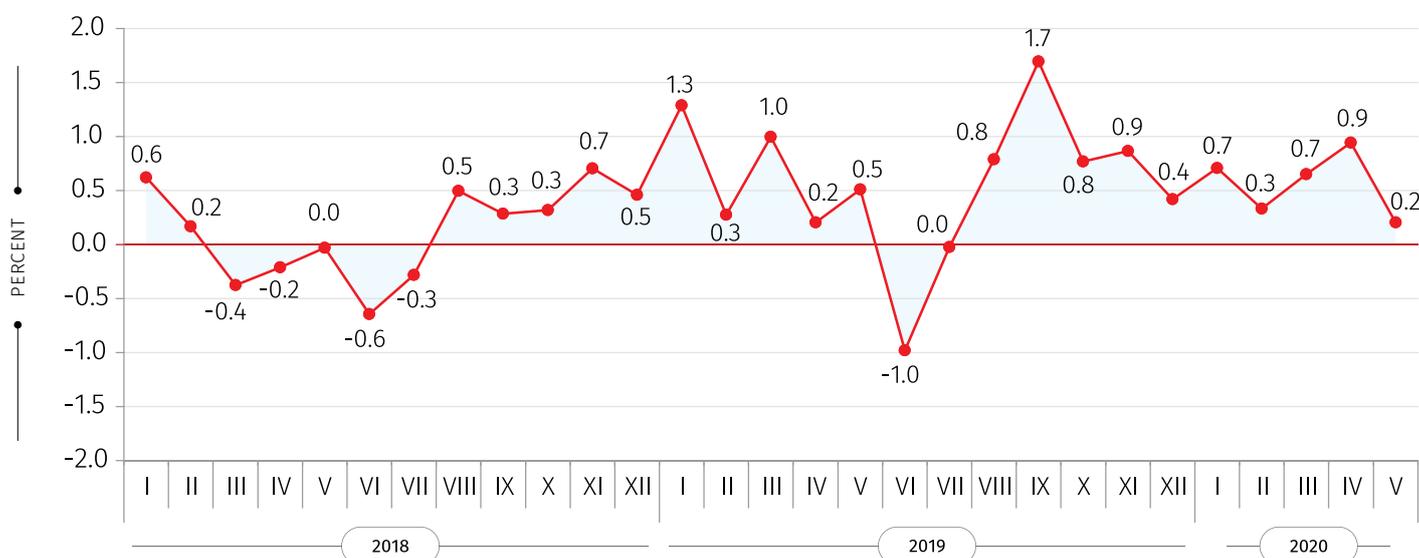
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The annual inflation rate was mainly influenced by price changes for the following groups:

Food and non-alcoholic beverages: the prices in the group increased by 14.7 percent, contributing 4.58 percentage points to the overall annual inflation rate. Within the group the prices were higher for the following subgroups: fruit and grapes (47.1 percent), milk, cheese and eggs (24.6 percent), fish (17.1 percent), sugar, jam, honey, chocolate and confectionery (14.5 percent), coffee, tea and cocoa (13.9 percent), meat (13.5 percent), oils and fats (13.1 percent), mineral waters, soft drinks, fruit and vegetable juices (9.5 percent), bread and cereals (9.2 percent) and vegetables (2.7 percent);

Transport: the prices went down by 4.6 percent, which resulted in a -0.57 percentage point contribution to the overall annual inflation rate. The prices decreased for operation of personal transport equipment (-6.9 percent).

MONTHLY INFLATION



03.06.2020

NOTES

- **Main principles of price collection:**

In order to calculate the inflation rate, prices are collected on dates 10th to 20th for each month in about 1800 retail outlets in six major cities: Tbilisi, Kutaisi, Batumi, Gori, Telavi and Zugdidi. In May, the fieldwork was carried out in compliance with the standard dates.

- **Price collection methods used in May:**

In order to avoid the risks associated with the spread of coronavirus in the country Geostat has shifted to alternative methods of data collection. In particular, during price registration the personal visits by interviewers to outlets were minimized and online and telephone surveys were used instead. In addition, other modern methods of data collection are actively introduced, such as scanner data and data collection from websites using automated systems (web scraping).

- **The impact of COVID-19 pandemic on consumer prices and tariff surveys:**

Restrictions imposed during the pandemic had an impact on the price collection process to some extent. In particular, some retail outlets were not functioning, which made it impossible to register certain prices. Out of 1800 outlets 772 had canceled all operations and as a result, around 56% of the total amount of price database was registered.

According to international methodologies on consumer price index calculation, if it is not possible to find a specific product on the market during the reporting period, and therefore it is impossible to determine the real price and the index, **calculating the conditional price – price imputation is recommended.**

For the detailed description of the price imputation method, see the [Consumer Price Index Technical Manual \(Chapter 4\)](#).