

Producer Price Index for Industrial Products, Domestic Producer Price Index for Industrial Products, Export Price Index

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3. Statistical presentation	
3.1. Data description	
<p>The producer price index (PPI) for industrial products measures average price level of the goods produced by producers compared to the reference period. The Producer Price Index comprises of two sub-indices:</p> <ol style="list-style-type: none"> The Domestic Producer Price Index (DPPI) for industrial products measures average price level of industrial goods produced in the country and sold on domestic market compared to the reference period; The Export Price Index (XPI) measures average price level of industrial goods produced for export purposes compared to the reference period. 	
3.2. Classification system	
The structure of PPI follows the Statistical Classification of Products by Activity (CPA 2008).	
3.3. Sector coverage	
From 2020, transition has happened from CPA 1996 to CPA 2008. According to CPA 2008 the index covers the following parts: mining and quarrying (B-section); manufactured products (C-section); electricity, gas, steam and air conditioning (D-section), Water Supply; Sewerage, Waste Management and Remediation Services (E-section).	
3.4. Statistical concepts and definitions	
<p>The following information is published:</p> <p>PPI:</p> <ul style="list-style-type: none"> •The PPI to the previous month; •The PPI to the long term base period (average of 2010=100); •The PPI to the same month of previous year; •The PPI 12-month average over the previous 12-month average. <p>DPPI:</p> <ul style="list-style-type: none"> •The DPPI to the previous month; •The DPPI to the same month of previous year; •The DPPI 12-month average over the previous 12-month average. <p>XPI:</p> <ul style="list-style-type: none"> •The XPI to the same month of previous year; •The XPI to the previous month; •The XPI 12-month average over the previous 12-month average. 	
3.5. Statistical unit	
The observable statistical unit is domestic enterprise across the country.	
3.6. Statistical population	
<p>For price registration for the industrial products produced for domestic market, the observable products are selected according to the statistical data of enterprises by the kind of industrial products in terms of value.</p> <p>The selection base comprises of about 2 285 enterprises, from which up to 637 enterprises are selected in the current</p>	

year. As a result of the selection, the coverage of the sample is 80% (in terms of value).
 For the purpose of price registration for imported products sampling is based on the external trade statistics data.
 The selection base comprises of up to 1 018 enterprises, from which 296 enterprises are selected in the current year. As a result of the selection, 80%-90% of the whole sample is covered (in terms of value).
 The whole producer price index is respectively the compound of these two populations and samples.

3.7. Reference area

The prices are collected across the country (occupied territories are not considered) according to the sampled enterprises.

3.8. Time coverage

PPI:
 According to NACE – 2001-2016 years; according to CPA 1996 – 2017-2019; according to CPA 2008 – from 2020.

DPPI:
 According to CPA 1996 – 2017-2019; according to CPA 2008 – from 2020.

XPI:
 According to NACE – in 2014-2016 years; according to CPA 1996 – 2017-2019; according to CPA 2008 – from 2020.

3.9. Base period

PPI – 2010 year;

DPPI – previous month, same month of the previous year, 12 months average to the previous 12 months average;

XPI – previous month, same month of the previous year, 12 months average to the previous 12 months average.

4. Unit of measure

Index.

5. Reference period

Month.

6. Institutional mandate

6.1. Legal acts and other agreements

The Law of Georgia on Official Statistics;

https://www.geostat.ge/media/20817/latest-Law-of-Georgia_2018.pdf

Statistical Work Programme (annual);

<https://www.geostat.ge/en/modules/categories/307/statistical-work-programme>

Charter of the National Statistics Office of Georgia.

<https://www.geostat.ge/media/20845/10%2Csaqstatis-konsolidirebuli-debuleba.pdf>

6.2. Data sharing

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7. Confidentiality

7.1. Confidentiality – policy

1. The Law of Georgia on Official Statistics:

- According to the article 4 of the law individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.
- According to the article 28 (Observing Confidentiality of Statistical Data) of the law 1. The data collected for the purpose of producing official statistics shall be confidential if it allows for identification of observation unit or it is possible to identify such data through it. 2. The confidential statistical data shall not be issued or disseminated or used for a non-statistical purpose but for the exceptions envisaged by the Georgian legislation. 3. When producing the official statistics, it is obligatory to destroy or store separately the identity data including the questionnaires containing such data and used for statistical surveys according to the rules defined in the Georgian legislation.
- According to the article 29 (The Obligations and Responsibilities of the Employees of the Geostat) of the law the confidential statistical data collected and processed for the purpose of statistical survey shall not be used or disseminated by the employees of the units of the Geostat.

https://www.geostat.ge/media/20817/latest-Law-of-Georgia_2018.pdf

2. Data Confidentiality Policy at Geostat https://www.geostat.ge/media/20860/Data-Confidentiality-Policy-at-Geostat_En.pdf
3. Public Use Microdata Dissemination Policy at Geostat https://www.geostat.ge/media/20862/Microdata-Dissemination-Policy_Eng.pdf
4. The Law of Georgia on Personal Data Protection https://matsne.gov.ge/en/document/view/1561437?publication=9
7.2. Confidentiality – data treatment
<ul style="list-style-type: none"> • Confidentiality guidelines. • Written undertakings by an employee of Geostat on ensuring confidentiality of gained/collected data as a result of official duties.
8. Release policy
8.1. Release calendar
Data dissemination dates are defined according to the Advance release calendar, which is available on the website of Geostat and publicly accessible.
8.2. Release calendar access
https://www.geostat.ge/en/calendar
8.3. User access
All users have the equal access to the statistical data simultaneously.
9. Frequency of dissemination
Monthly.
10. Accessibility and clarity
10.1. News release
Press release for the Producer and Import Price Indices is published through Geostat’s website on a monthly basis. It contains information about monthly and annual index rates, as well as the contributions of sections and divisions to the index formation. Press release also includes a time series graph. It is available on the following link: https://www.geostat.ge/en/news?year=&month=&category=7
10.2. Publications
Quarterly Bulletin: https://www.geostat.ge/en/single-categories/98/quarterly-bulletin Statistical Yearbook of Geostat: https://www.geostat.ge/en/single-categories/95/statistical-yearbook
10.3. On-line database
Data are available to all users on the website of Geostat: PPI: https://www.geostat.ge/en/modules/categories/28/producer-price-index-for-industrial-products DPPI: https://www.geostat.ge/en/modules/categories/29/domestic-producer-price-index-for-industrial-products XPI: https://www.geostat.ge/en/modules/categories/30/export-price-index Also, PC-Axis database: http://pc-axis.geostat.ge/PXweb/pxweb/en/Database/?rxid=b16e468d-39e1-4867-a5c5-ab0100dabb1d
10.4. Micro-data access
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10.5. Other
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10.6. Documentation on methodology
Technical manual on producer price index for industrial products is available on the website of Geostat: https://www.geostat.ge/en/modules/categories/122/methodologia-price-statistics
10.7. Quality documentation
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11. Quality management

11.1. Quality assurance
To ensure the quality of the statistical processes and products Geostat follows Article 4 – Basic principles of official statistics – of the Law of Georgia on Official Statistics, as well as the European Statistics Code of Practice, the UN Fundamental Principles of Official Statistics and Quality Assurance Framework of the European Statistical System (QAF).
11.2. Quality assessment
Methodology and Quality Management Division of Geostat, along with the sectoral departments, is responsible for the quality of the produced statistical products and processes. The Division carries out quality audit of statistical processes and assesses the risks associated with production of statistical data. Geostat has developed policy documents, guidelines and standard routine descriptions. These documents ensure the standardization of statistical processes and products and the establishment of a unified quality assurance system.
12. Relevance
12.1. User needs
The producer price index for industrial products is used for the following purposes: <ul style="list-style-type: none"> • The index has an important role in deflating different economic indicators; • The index is used for indexation of contracts in both public and private sectors; • The index is an analytical instrument for researchers and representatives of business sector. The main users of the PPI are: National Accounts Department, public agencies, international organizations, researchers and students, media representatives and other stakeholders.
12.2. User satisfaction
In 2021 user satisfaction survey was conducted, the target of the survey was to analyze the assessment of quality of statistical data by users and explore ways to improve user services. The survey report is available on the website of Geostat (in Georgian): https://www.geostat.ge/ka/page/customer-service
12.3. Completeness
Data are consistent to the international standards.
13. Accuracy and reliability
13.1. Overall accuracy
Accuracy of data is ensured by compliance with international methodology of research and calculation methods.
13.2. Sampling error
There is no assessment of sampling error. The extent of sampling available from existing set of studies is optimal, given the research objectives and limited resources.
13.3. Non-sampling error
Non sampling errors are not assessed. To minimize this kind of errors, the index calculation step involves several levels of control.
14. Timeliness and punctuality
14.1. Timeliness
Data are published on the 19-22nd of the following month of the reporting month.
14.2. Punctuality
The data is published according to the date specified in the statistical work program. There has not been any violation of publication dates.
15. Coherence and comparability
15.1. Comparability – geographical
The prices are collected for the output of domestic enterprises across the country. The national index is compiled by weighted sum of indices of each product in the total production of a particular product. The principles of price collection and index compilation are based on international methodology and are consistent with it. Furthermore, in all regions the prices are collected based on the unified methodology and ensures the comparability of data across the country.
15.2. Comparability – over time

<p>PPI: Data are divided into three time series:</p> <ol style="list-style-type: none"> 1. 2001-2016; 2. 2017- 2019; 3. From 2020 until now. <p>The division is due to the transition from NACE to CPA 1996 classification in 2017, and from CPA 1996 to CPA 2008 from 2020. In the first and second period time series are comparable on the four digit code class level. The third period is comparable the total level and partly on the lower levels. The aggregate index is comparable to the entire period since 2001.</p> <p>DPPI: Data are divided into two time series:</p> <ol style="list-style-type: none"> 1. 2017- 2019; 2. From 2020 until now. <p>XPI: the index is comparable at the group level within the periods 2014-2016, 2017-2019 and from 2020 until now. The division is due to the transition from NACE to CPA 1996 classification from 2017, and from CPA 1996 to CPA 2008 from 2020. The aggregate index is comparable to the entire period since 2014 until now, also partly comparable on lower levels.</p>
<p>15.3. Coherence – cross domain</p> <p>Data are coherent.</p>
<p>15.4. Coherence – internal</p> <p>Indices are coherent with the initial data – indices on the aggregate level are compiled using the lowest level indices through a clearly defined procedure.</p>
<p>16. Cost and burden</p> <p>The annual budget for statistical survey of prices (including consumer, producer and import prices) in 2023 is 255 200 GEL.</p>
<p>17. Data revision</p>
<p>17.1. Data revision – policy</p> <p>Statistical data revision policy is available on the website of Geostat: https://www.geostat.ge/media/44385/Revision-policy-and-error-correction_Geo.pdf</p>
<p>17.2. Data revision – practice</p> <p>Planned revision of data is not carried out. An Unplanned revision (to clarify data) was not carried out in 2022.</p>
<p>18. Statistical processing</p>
<p>18.1. Source data</p> <p>For the index calculation, the primary data is the prices of locally produced products obtained from the monthly survey. The prices are collected for the output of domestic enterprises across the country. The observable prices are the sale price set by producers for the industrial products they produced in the specified period.</p> <p>The prices used for calculation of the domestic producer price index are those at the factory gate and do not include VAT, excise and transport expenses. The export price of the products under observation is the free-on-board (F.O.B) price established by the enterprise during the specified period. The F.O.B price comprised of the price at the factory gate, net taxes on products (taxes – subsidies), transportation and other expenses that is incurred in bringing the product to the point of leaving the economic territory of the manufacturer country.</p> <p>For price registration for the industrial products produced for the domestic market, products are selected according to their shares in the volume of the whole domestic industrial production. The product sampling is conducted according to the Statistical Classification of Products by Activity (CPA). The statistical data of enterprises by the kind of industrial products in terms of value are used for the sampling.</p> <p>In case of exported products, sampling is performed according to shares of the products in the total export value (without re-export). For the sampling external trade statistics data are used. Survey of enterprises is conducted based on the sampled products. On the next stage sampled enterprises are surveyed in order to define product specifications. During the products selection process maximally, detailed specifications are determined for them. To follow the specifications is the most important part of price registration, since the monthly recorded difference between prices should be caused by the pure price change of a product, rather than that caused by changes in characteristics, or a</p>

<p>product itself.</p> <p>On the basis of the obtained survey data the prices for sampled products are recorded across the year. Product selection is updated annually.</p> <p>DPPI: in 2023, up to 1 536 price data points will be collected from 595 organizations.</p> <p>XPI: in 2023, more than 521 price data points will be collected from more than 223 organizations.</p>
<p>18.2. Frequency of data collection</p>
<p>Price collection fieldworks are conducted monthly, on the same date of the following month of the reporting period, from the 1st to the 8th day.</p>
<p>18.3. Data collection</p>
<p>The prices for industrial production are collected by price enumerators. The price collection fieldworks are conducted from 1st to 8th of the month following the reporting period. Enterprises indicate in questionnaires the following information about the selected four products: measurement unit, prices in the reference, previous and current month and, in case of the export price index, country of destination.</p> <p>The questionnaires are filled in the online form. The organizations fill the questionnaire independently or with the help of price enumerator. Online questionnaires are on the following address:</p> <p>http://database.geostat.ge/portal/ent/index.php</p> <p>It is possible to see the questionnaires on the website of Georgia, on the following link:</p> <p>DPPI: https://www.geostat.ge/en/modules/categories/557/questionnaires-price-statistics</p> <p>XPI: https://www.geostat.ge/en/modules/categories/557/questionnaires-price-statistics</p>
<p>18.4. Data validation</p>
<p>The validation procedure for the producer price index for industrial products is conducted in two stages:</p> <p>On the first stage validation takes place simultaneously with the price registration fieldworks. In case of price change, the person responsible for filling the questionnaire is required to define by the comment the reason of the change. After the data is sent to the central office, a responsible employee conducts analysis and logical control of the data.</p> <p>On the second stage accuracy of the price, which are extremely deviated from the price of the previous month, is checked after calculating the overall index.</p> <p>The elementary aggregate index is considered to be reliable if it passes the above validation checks.</p>
<p>18.5. Data compilation</p>
<p>If a price for a product is not indicated by an organization in the reporting period, one of the following two methods of price imputation is applied: using the upper level group index or using carry-forward method.</p> <p>The weights for individual products in the producer price index are updated annually, based on the production structure defined by the National Accounts System and external trade statistics data and reflects the latest information on industrial production output across the country. The obtained weights represent the share of the product value in the overall value of products produced in the country. The weights for a reporting period t are calculated based on $t-2$ period information. The list of industrial products included in the index may also be changed while updating the weights.</p> <p>During the PPI calculation, an elementary price index is the index calculated for each individual product produced by each enterprise. During the annual update of samples of organizations and products or their specifications in the update period, December, prices are collected for products both in old and new samples. This enables chain-linking of indices, calculated for two different samples. Chaining enables to calculate indices with a long term reference period, notwithstanding the changes in weights.</p> <p>The elementary index compared to the price reference period is obtained from the ratio of reporting (t) and reference period product prices.</p> <p>In the process of time, an organization may not import a product of the same quality anymore, for which prices have been observed. In order to ensure the comparability of prices for old and new products, a quality adjustment method should be used, for which an imputed base price is calculated using several methods.</p>
<p>18.6. Adjustment</p>
<p>Not applied.</p>
<p>19. Comment</p>
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