

Domestic Supply Producer Price Index

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2. Metadata update	
2.1. Metadata last certified	February 20, 2023
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3. Statistical presentation	
3.1. Data description	
The Domestic Supply Producer Price Index (DSPPI) measures average price level of industrial goods produced in the country and sold on domestic market, together with products produced abroad and imported to the country, compared to the reference period. The index is obtained by combining the Import Price Index and the Domestic Producer Price Index for Industrial Products.	
3.2. Classification system	
The structure of the DSPPI follows the Statistical Classification of Products by Activity (CPA 2008).	
3.3. Sector coverage	
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) and water supply; sewerage, waste management and remediation services (E-section).	
3.4. Statistical concepts and definitions	
The following information is published: <ul style="list-style-type: none"> • The DSPI to the previous month; • The DSPI to the same month of previous year; • The DSPI 12-month average over the previous 12-month average. 	
3.5. Statistical unit	
The observable statistical units are: importer organization that imports products in the country and domestic enterprise across the country that sells industrial products on the local market.	
3.6. Statistical population	
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. The selection of observable importer organizations across the country is based on the external trade statistics data.	
3.7. Reference area	
The prices are collected across the country (occupied territories are not considered) for products imported in the country and for products produced by domestic enterprises for selling on local market.	
3.8. Time coverage	
From 2020.	
3.9. Base period	
The previous month, the same month of the previous year, the previous 12 month average.	

4. Unit of measure	
Index.	

5. Reference period	
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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: <ul style="list-style-type: none">• 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
<p>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.</p> <p>It is available on the following link: https://www.geostat.ge/en/news?year=&month=&category=7</p>
10.2. Publications
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10.3. On-line database
<p>Data are available to all users on Geostat’s website: https://www.geostat.ge/en/modules/categories/27/producer-and-import-price-index</p>
10.4. Micro-data access
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10.5. Other
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10.6. Documentation on methodology
<p>The Producer and Import Price Indices technical manual is available on Geostat’s website: https://www.geostat.ge/en/modules/categories/122/methodologia-price-statistics</p>
10.7. Quality documentation
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11. Quality management
11.1. Quality assurance
<p>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).</p>
11.2. Quality assessment
<p>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.</p>

12. Relevance
12.1. User needs
<p>The domestic supply price index is used for the following purposes:</p> <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. <p>The main users of the DSPI are: public agencies, international organizations, researchers and students, media representatives and other stakeholders.</p>
12.2. User satisfaction
<p>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</p>
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 across the country for products imported in the country and for output of domestic enterprises produced for local market. 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, which ensures the comparability of data across the country.
15.2. Comparability – over time
The index is comparable for the whole period.
15.3. Coherence – cross domain
Data are coherent.
15.4. Coherence – internal
Indices are coherent with the initial data – indices on the aggregate level are compiled using the lowest level indices through a clearly defined procedure.
16. Cost and burden
The annual budget for statistical survey of prices (including consumer, producer and import prices) in 2023 is 255 200 GEL.
17. Data revision
17.1. Data revision – policy
Statistical data revision policy is available on the website of Geostat: https://www.geostat.ge/media/44385/Revision-policy-and-error-correction_Geo.pdf
17.2. Data revision – practice
Planned revision of data is not carried out. An Unplanned revision (to clarify data) was not carried out in 2022.
18. Statistical processing
18.1. Source data
The domestic supply price index is obtained using the import price index and the domestic producer price index for industrial products. In case of the import price index, the observable price is the price (the so-called cost, insurance and freight (c.i.f) price) of imported product. The imported price includes: the transaction value of the product, also, the cost of delivery of the product to the border of importer country. The use of c.i.f price is recommended by the United Nations. The selection of observable importer organizations across the country is based on the external trade statistics data. Organizations, presented in the class of the Statistical Classification of Products by Activity (CPA), that import products are sampled selectively. After sampling organizations, they are surveyed in order to determine the products in the CPA class. For this purpose, organizations are provided by additional electronic questionnaires and are required to indicate the following information: the name of the top four products in the class of the CPA with the largest import share that are imported in the reporting period, corresponding measurement unit, importer country and the percentage

share of each imported product in the selected CPA class.

For the domestic producer price 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. 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. 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.

In case of both indexes, maximally detailed specifications are determined during the products selection process. 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 product itself. On the basis of the obtained survey data the prices for sampled products are recorded across the year. Product selection is updated annually. Relying on the obtained survey the prices for sampled products are recorded across the year. Products sample is updated annually.

In 2023 up to 5 029 price data points will be collected from up to 1 496 organizations.

18.2. Frequency of data collection

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.

18.3. Data collection

The prices for imported products and domestic industrial products produced by domestic enterprises are collected by price enumerators. In case of the import price index, the importer organizations indicate the measurement unit, importer country and prices in the base, reference, previous and current months for the four selected products. Besides, the reason of a price change or any other relevant information is indicated in the comment field. In case of the domestic producer price index, enterprises indicate in questionnaires the following information about the selected four products: measurement unit, prices in the reference, previous and current month.

In both cases, 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:

<http://database.geostat.ge/portal/ent/index.php>

It is possible to see the questionnaires on the website of Georgia, on the following link:

<https://www.geostat.ge/en/modules/categories/557/questionnaires-price-statistics>

18.4. Data validation

The validation procedures are conducted in two stages:

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.

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.

The elementary aggregate index is considered to be reliable if it passes the above validation checks.

18.5. Data compilation

The domestic supply price index is obtained by combining the import price index and the domestic producer price index for industrial products.

The weights for individual products in the domestic producer price index are updated annually, based on business statistics and external trade statistics data and reflects the latest information on imported goods and domestic production. The obtained weights represent the share of the domestically supplied product value in the overall value of products (domestically produced and imported products) supplied to the domestic market. The weights for individual products in the domestic supply price index are updated annually, based on the production structure defined by the National Accounts System.

Elementary price index for domestic supply price index is the index calculated for each individual product imported/produced domestically by an organization. The elementary price index compared to the price reference period is obtained from the ratio of reporting (t) and reference period product prices. The long term index for the domestic supply price index compared to the price reference period is calculated using Laspeyres-type formula. The short term index compared to the previous month is obtained from the ratio of long term indices in the reporting and previous month, calculated to the price reference period. 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.

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.

In the process of time, an importer organization may not import a product of the same quality anymore or domestic enterprise may not produce for the domestic market the same quality product, 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.

Furthermore, 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 and using carry-forward method.

18.6. Adjustment

Not applied.

19. Comment

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