

8th Meeting of Steering Committee of the Arab Statistics Initiative “Arabstat”

10-11 Nov. 2021, Abu Dhabi – U.A.E.

Session: Consumer Price Index and Core Inflation

CPI compilation during the COVID-19 pandemic

Valentina Stoevska
Department of Statistics
International Labour Organisation

Presentation outline

- Problems faced by NSO because of COVID-19
- Challenges faced by NSO because of COVID-19
- Recommendations in responses to the Covid-19 challenges

Problems faced by NSO because of COVID-19

❖ Data collection

- Closed or partially closed outlets and markets
- Products and services temporarily not available
- Price collectors not available or not allowed to enter outlets
- Staff not able to work or work remotely
- Lower response rates (Statistical burden on open businesses)
- Delayed access to sources (e.g. from public administrations)

❖ Index calculation and imputations

- Large quantity of missing prices

❖ Publication/communication during the pandemic

- Challenge to keep statistical releases as planned and with required level of reliability

Challenges faced by NSO because of COVID-19

- Organising and conducting data collection
- Compiling CPI of best possible quality
- Publication: Meeting users needs and maintain the public trust in CPI

- **Need for recommendations and examples of good practices for producing the CPI under lockdown and other exceptional circumstances**

Guidance notes to CPI producers – some examples

- **Intersecretariat Working Group on Price Statistics (IWGPS): Consumer Price Index. Continuity Guidance**
- Eurostat: https://ec.europa.eu/eurostat/documents/10186/10693286/HICP_guidance.pdf
- IMF: <https://www.imf.org/en/Publications/SPROLLs/covid19-special-notes#stats>
- ILO: <https://ilostat.ilo.org/topics/covid-19/>
- OECD: <https://community.oecd.org/community/official-stats-workspace-covid19>
- 2020 CPI Manual: <https://www.imf.org/en/Data/Statistics/cpi-manual>
- UNECE: <https://statswiki.unece.org/x/roKSE>
- UNECE: Guide on producing CPI during lockdown
- UN ECLAC: Producing the consumer price index (CPI) and the COVID-19 pandemic in Latin America and the Caribbean

Recommendations in response to COVID-19

❖ **Price collection from outlets that remain open:**

Enlargement of existing innovative and experimental modes of price collection

- collection of prices data remotely (telephone enquiries, mailed questionnaires)
 - online price collection: manual from outlets' website or automated (web scarping),
 - scanner data,
 - in person data collection
 - access to new data sources (e.g. payments / credit card data, detailed taxation data)
-
- If not possible to obtain suitable prices - missing and imputed

Recommendations in response to COVID-19

❖ **Imputations:**

- For products that are available on the market
- For products for which there are no transaction

❖ **Imputation methods:**

- Price change of comparable products
- Price change of the EA
- Price change of comparable EAs or nearest higher aggregate
- Carry-forward (not recommended but could be used for items with stable prices)

Recommendations in responses to COVID-19

❖ **Reliability of the CPI**

- Rules for imputations: Minimum threshold of available data for imputing missing prices, depending on:

- Divergence of price observations withing EA
- Weights of the EA

❖ **Expenditure weights**

- keep the weights fixed unit the scheduled update

❖ **Publication**

- Transparency about the methods used, % of imputed prices, flagging, etc.

THANK YOU

