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**Survey of national practice in constructing a consumer price index
in the Republic of Uzbekistan**

(Paper submitted by the State Committee on Statistics
of the Republic of Uzbekistan)

1. The system for calculating the consumer price index in the Republic of Uzbekistan was introduced in January 1994 as a part of IMF technical assistance to the Republic of Uzbekistan to deal with problems involved in the conversion of the statistical system to international standards. Bearing in mind the state of supply to the consumer market at that time, it was decided that in the initial stage prices and tariffs for goods and services would be recorded in oblast capitals and Tashkent. Experience proved this to be a sensible approach, since in many regions those responsible for recording prices were unable to establish prices for some goods at the time because there were none for sale.
2. The consumer basket comprised 267 goods and services in 1994, 285 in 1995-1996 and 293 from 1997 onwards. As the situation on the consumer market changes, the structure of the consumer basket will be modified.
3. According to information provided by correspondents in the field, the consumer market has recently been fully supplied in the district capitals too. Consequently, starting from the second half of 1997, 33 more population centres will be added as statistical observation points for purposes of calculation of the consumer price index. Inclusion of the new points will facilitate more precise measurement of the level of inflation both at the oblast level and for the Republic as a whole.

4. Starting from January 1997, the index of consumer prices in the Republic is calculated not only for the population as a whole, but also for the urban and rural population.

5. The CPI is one of the main indicators describing the level of inflation in the consumer sector. It is also used in calculating indicators for the system of national accounts (SNA) for purposes of evaluating final consumption expenditure by households in constant prices, one of the most important components of final consumption expenditure of GDP, and for indexation of the incomes of the population.

6. The information base for calculating indexes of prices and tariffs for consumer goods and services is composed of data obtained from shops, stalls, markets and enterprises in the service sector. Recording of prices and tariffs is carried out at the places where the goods and services are provided. Trading enterprises are selected for price recording in such a way that the results of the selection reflect local features of trade and services as accurately as possible, in particular in order to ensure representation of trading points located in various parts of the town and differing in size (large, medium-sized and small), as well as different forms of ownership.

7. For each good or service two or three prices are recorded in a variety of shops or service points in the town centre, as well as three or four prices in various housing estates and on the town periphery. The choice of core enterprises in the services sector focused on those offering the widest range of services.

8. One of the principal stages in the operation which helps to guarantee objective information on price dynamics is the correct selection of representative goods and services for recording of prices and tariffs. Of the 293 goods and services whose prices are monitored in the Republic of Uzbekistan, 93 are food items, 145 are non-food items and 54 are services. This selection includes not specific representative goods and services, but groups of goods and types of service which are homogeneous in terms of their composition and their role in consumption. Specific goods and services representative of each group of goods and each type of service are selected by the price-recording agents directly. The selection of representative goods and services involves identifying a few (seven or eight goods and services) that can represent the entire range of goods and services.

9. In selecting a given type of good, preference is given to one which is likely to be on sale over a period of months and reflects typical consumption. Each good selected for information-gathering is described in detail so that a new price-recording agent standing in for one who is absent should be able to identify the good correctly using only its description on the price-recording form.

10. In the circumstances of the economic transition it may happen that information on prices for a given good may be impossible to collect for a period of months. In such cases changes are made in the range of goods and services under observation, or the trading point is changed. In such cases the price-recording agents must specify whether the given type of good is

comparable to the good selected for substitution and price recording. The general principle used in defining whether goods are comparable is whether their differences have an influence on price.

11. Usually, goods are considered to be comparable if there is no significant difference in their qualities which determine their price. Common sense helps to determine how strict the criteria of comparability must be. Bearing in mind the actual market situation in Uzbekistan, we currently have a specification of goods which is sufficiently broad and comparability criteria which are not too strict.

12. Collection of price information is carried out regularly between the 10th and the 20th of each month throughout this period. However, information on prices in a given trading point in a subsequent period is collected on one of the four calendar days which follow the day of information collection during the current month.

13. If during the reporting there is no price for a good at a given trading point, the price for the good must be recorded at another trading point where the good is available. However, this price is not included in the calculation. It will be used the following month.

14. For seasonal goods, and also non-seasonal goods which are not for sale for between one and several months per year, the price-recording agent notes on the form that the good is not available for sale. The last recorded price is not noted on the form. The imputed value of the corresponding indicator of price changes, which cannot be calculated, is determined with the aid of the corresponding indicator calculated for the given group of goods. This substitution is effected during computer tabulation of the index in the State Department of Statistics.

15. The consumer price index is not currently corrected for changes in quality. We would be grateful for information on methods used in other countries to calculate this indicator, and also for any other information on CPI calculation methodology.
