Consumer Price Index

Mrs. Victoria Krasnova

Department of Price and Finance Statistics Federal State Statistics Service (Rosstat) 39 Bldg. 1, Myasnitskaya St. Moscow , Russian Federation Phone: +7 (495) 568-00-42; add. 99-101 Email: krasnovavv@rosstat.gov.ru

0. Prerequisites	
0.1 Legal environment	 0.1.1 Responsibility for collecting, processing, and disseminating statistics The collection of primary statistical data and the publication of official statistical information is carried out in accordance with Federal Law of November 29, 2007 No 282-FZ "On Official Statistical Accounting and the System of State Statistics in the Russian Federation". The compilation and dissemination of the data are governed by the terms and conditions of the Statute on the Federal State Statistics Service adopted by Decree of the Government of the Russian Federation on July 2, 2008 No 420. The Federal State Statistics Service (Rosstat) provides official statistical information on social, economic, demographic, environmental and other social processes in the Russian Federation (Article 1 of the Law). Rosstat produces and approves the official statistical methodology in accordance with the established procedure within its competence the federal statistical observations and to form the official statistical information and ensures that the specified methodology complies with international standards and the principles of official statistics (Article 5.2. of the Law).
	 0.1.2 Data exchange and coordination between agencies producing data The Regulation and the Law provide that Rosstat has the right to receive from respondents primary statistical data and administrative data, including those containing information classified as state secrets, commercial secrets, information about taxpayers, personal data of individuals, subject to their mandatory depersonalization, and other information, access to which is restricted by federal laws, in order to generate official statistical information (paragraph 6.1 of the Regulation, article 5, paragraph 9 of the Law). 0.1.3 Confidentiality of individual reporters' data Rosstat provides in appropriate way the storage and protection of official,
	banking, tax, and commercial and other confidential information, received by the Rosstat during its activities (Article 5.16 of the Law).
0.2 Resources	0.2.1 Staff, facilities, computing resources, and financing Financing of expenses for the maintenance of the central office of the Federal State Statistics Service and its territorial bodies is carried out at the expense of funds provided for in the federal budget (paragraph 10 of the Regulations).
0.3 Relevance	0.3.1 Monitoring user satisfaction User satisfaction with statistical information provided by Rosstat and the work of Rosstat in general is assessed on an ongoing basis. The results are posted at: https://rosstat.gov.ru/community. Interaction with the reference group of the media is carried out in accordance with the Regulations on the department for interaction with the media and public

	organizations (Rosstat press service). Interaction with the reference group "International statistical organizations and national statistical services" is carried out in accordance with documents on cooperation and data exchange signed by Rosstat (Goskomstat) with international organizations and documents on cooperation signed by Rosstat (Goskomstat) with national statistical services.
0.4 Quality management	0.4.1 Processes are in place to focus on quality The quality policy in Rosstat is based on the Methodological provisions for the organization of production processes for official statistical information, approved Order of Rosstat dated December 7, 2018. No. 732. The document was developed taking into account the principles of official statistical accounting established by the Fundamental Principles of Official Statistics, approved at the 68th session of the UN General Assembly on January 23, 2014, the model for the production of statistical information (version 5.0), prepared by the UNECE High Level Group, as well as international standards for quality assurance of official statistical information.
	0.4.2 Quality control When collecting and processing data, rules of formal logical control are provided.
	1. Integrity
1.1 Professionalism	 1.1.2 Choice of data sources, methodology and dissemination methods One of the principles of official statistical accounting is the rational choice of sources in order to form official statistical information to ensure its completeness, reliability and timeliness of provision, as well as in order to reduce the burden on respondents (Article 4 of the Law). Rosstat is developing an official statistical methodology that includes methods for collecting, controlling, editing, summarizing and grouping primary statistical data and administrative data, compiling national accounts, assessing the accuracy of official statistical information and its systematization and on the basis of which official statistical methodology must be scientifically based, comply with international standards and principles of official statistics, as well as the legislation of the Russian Federation open and accessible (Article 4 of the Law). Dissemination of official statistical information by Rosstat is carried out by publishing it in official website of Rosstat https://rosstat.gov.ru/ 1.1.3 Comments on misinterpretation and misuse of statistics In case of misinterpretation or misuse of statistical data Rosstat may send a refutation to the media, which allowed the distortion of official statistical information, for further publication.
1.2 Transparency	 1.2.2 Internal governmental access to statistics prior to release There is no government access to the data before its release. 1.2.3 Attribution of statistical products The data are published without ministerial commentary. 1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques Announcements and comments about significant changes in the methodology, source data and statistical methods are published on the official website of Rosstat (https://rosstat.gov.ru/), as well as posted on social networks. Rosstat announces significant changes in methodology, source data, and compilation techniques in advance.

<u>1.3 Ethical standards</u>	 1.3.1 Staff Code of Conduct In the performance of their official duties, employees of Rosstat adhere to the standards of conduct established by the Code of Ethics and Official Conduct of Civil Servants of Rosstat. In addition, Federal Law of July 27, 2004 No. 79-FZ "On the State Civil Service of the Russian Federation" establishes the duties of civil servants related to the observance of official behavior (Article 15, Article 18).	
2. Methodology		
2.1 Concepts and definitions	2.1.1 Concepts and definitions The consumer prices and tariffs index for goods and services (CPI) describes the change over time in the overall level of prices for goods and services purchased by the public for nonproduction consumption. It measures cost ratio of fixed list of goods and services in current period prices to its cost in previous (base) period prices. The CPI is developed in accordance with the "Official statistical methodology for monitoring consumer prices for goods and services and for calculating consumer price indices", approved by Rosstat Order No. 915 dated December 15, 2021, which is posted on the Rosstat website.	
2.2 Scope	 2.2.1 Scope 2.2.1.1 Data Scope Population scope: Consumer prices are recorded in the cities of the Russian Federation. The consumer price index is compiled for the whole population of the Russian Federation. Geographical scope: Prices are recorded in 282 cities, in more than 86,000 retail and service organizations. Consumer price surveys are performed in all of the constituent territories of the Russian Federation. Price information is collected in all territory of all subjects of the Russian Federation, in regions, autonomous regions and districts and selectively - in districts centers (cities, urban-type settlements), especially taking into account their representativeness in reflecting the socio-economic and geographical position of the regions and the degree of saturation of the consumer market with goods and services. The cities for price observation are selected by directed sampling. Item scope: Consumer price indices are compiled for three major groups: food, nonfood goods, and services, which are broken down into product subgroups and individual types of representative goods and services. The total number of goods and services included in the set for calculating the consumer price index in 2023 is 566 items (types). The CPI selectively includes the types of goods and services most frequently consumed by the population, covering about 817,000 price and tariff quotes. 	
2.3 Classification/sectorization	2.3.1 Classification/sectorization Classification : Classification of goods and services by the OKSM - Russian Classification of Countries of the World (Общероссийский классификатор стран мира – OKCM), Russian Classification of Administrative-Territorial Entities (Общероссийский классификатор объектов административно- территориального деления объектов – OKATO) and national equivalent of СОІСОР (Классификации индивидуального потребления по целям – КИПЦ).	
2.4 Accounting basis	2.4.1 Valuation Types of prices: The actual price (tariff) of a product (service) with specific consumer features available for public sale in consumer market (not including goods (services) sold or provided under concessional terms for specific categories of citizens) and paid for in cash or credit cards is subject to recording. The consumer price is the ultimate consumer price including the VAT, excise tax, sales tax, and other indirect taxes as well as costs and profits of distribution network organizations.	

	2.4.2 Accounting basis Timing of price observation: The recording of prices and tariffs for goods and services for compilation of the CPI is performed monthly at the end of the reference month; some adjustments to pricing dates are made when those days fall on a weekend. Price information is not collected on an average monthly basis.	
	3. Accuracy and reliability	
3.1 Source data	 3.1.1 Source data collection programs Sources of weights: Data on consumer spending by the population, derived from household budget surveys, are used as weights in the compilation of the CPI. Additional information is also used to determine the specific weight of individual items in the consumer basket: data on the structure of the retail trade turnover, the output of certain types of products, other sources, and judgments. Time period of current weights: Data on actual consumer expenditures of households for two last biased years (8 quarters prior to the last quarter of the previous year) derived from annual household budget sample survey as weights for computation of the CPI. For example, in order to calculate CPI in 2023, weights for the 4th quarter of 2020, year 2021 and 9 months of 2022 are used. Frequency of weight updates: Weights are updated annually. Weights revisions are introduced in January of each year. Price collection methods: Price data are collected through personal visits to commercial organizations and organizations in the service sector by employees of statistical authorities, analytics of commercial web resources and through the recording of prices using mobile devices. 3.1.2 Source data definitions, scope, classifications, valuation, and time of recording Item selection. Mass-market consumer goods and services, as well as certain non-essential types of goods and services (passenger cars, gold jewelry, delicatessen products, etc.), are included on a representative basis in the basket of goods and services selected for price surveys. The selection of items is based on their relative importance for public consumption, their representative nature from the standpoint of reflecting price dynamics for similar goods, and services is performed at commercial, services and catering organizations, as well as at retail markets and fairs, both at permanent commercial establishments and at mobile out	
	of the consumer basket of representative goods and services which are small product groups. Consumer prices are recorded for specific consumer features such as brands, grades, and item numbers representing a product group that has been selected for the survey.	
3.3 Statistical techniques	3.3.1 Source data statistical techniques Calculation of indices of the lowest level: At the first stage, price changes (price quotations) are calculated, which is defined as the ratio of the price of a product (service) with specific consumer properties in the reporting period to the price in the previous period. To calculate individual consumer price indices for representative goods (services) in the city, the Jevons formula is used - an unweighted geometric mean of the ratios of price quotations for the same product (service) in two adjacent periods. Aggregation: Based on individual price indices for representative goods	

(services) in individual cities and territorial weights (population shares), aggregate price indices for individual representative goods (services) are determined for the entire subject of the Russian Federation.

To calculate the CPI for representative goods (services) in Russia, consumption volumes for each representative product (service) in each constituent entity of the Russian Federation (obtained on the basis of household budget surveys) are used as weights.

To aggregate the CPI for goods and services in order to obtain the CPI for product groups, groups of services and the consolidated CPI for all goods and services, a modified Laspeyres formula is used, taking into account consumer expenditures of the population as basic weights.

Coordination of periods of cost weights and base prices: To ensure comparability of the base period of weights and prices, the weights are adjusted to bring them to a single base period. For these purposes, coefficients for updating average annual expenses are used, which are determined by relating the price of a representative product (service) for December of the previous year to the average price for it calculated for two offset years.

Linking the index with updated weights to the index of previous years: To ensure the comparability of information in two successive years, indices of missing prices for the previous year are imputed. There is no revision of the consumer price index time series.

Reference period: December of the previous year is used as the period when the price index = 100.

3.3.2 Other statistical procedures

Missing price methodology: When prices are temporarily missing, "settlement" prices are imputed. In case of temporary absence of determining the prices of conditional settlement prices based on the levels and dynamics of prices for the following goods (services).

Selection of replacement products: In cases where an observed product permanently disappears from sale, it is replaced in accordance with the current methodology for calculating consumer price indices.

Adjustments for quality differences: Adjustments for quality differences, in cases of product replacement, should be made in accordance with the current methodology for calculating consumer price indices.

Introduction of new products: The criterion for inclusion in the set of new goods and services is their share in the total consumer spending of the population. New goods and services are included in the consumer price observation set starting from the new reporting year when they account for 0.1% of total household consumer spending.

Seasonal goods: In cases of seasonal disappearance of goods, methods are used to determine imputed prices based on the levels and dynamics of prices for similar goods (services) available for sale, or their groups.

Owner-occupied dwellings: The cost of housing services produced by owner-occupied dwellings for their own consumption is not currently included in the CPI. The CPI calculation includes individual items that characterize part of the costs borne by homeowners. The calculation includes monthly payments for maintenance and current repairs, deductions for major repairs paid by owners of privatized apartments in apartment buildings, as well as to housing cooperatives and homeowners associations. In addition, the CPI takes into account the cost of renting one-room and two-room apartments from private individuals.

Seasonally adjusted indices: Consumer price indices are not published with a seasonal adjustment on a regular basis, performed by the Bank of Russia.

3.4 Data validation

3.4.1 Validation of intermediate results

Verification of prices: Methods for checking input and output data as well as audits for price recording in accordance with the current methodology and collection of documents confirming price changes are used to validate the accuracy and reliability of collected price information.

Verification of processing: Methods to check index compilation and output data are used to validate the accuracy of the computation of consumer price data at

	various stages of data processing.	
4. Serviceability		
<u>4.1 Periodicity and timeliness</u>	 4.1.1 Periodicity Monthly. 4.1.2 Timeliness Consumer price indices for goods and services are posted on the official website of Rosstat on the 6-10th business day after the reporting month. The information is published in accordance with the Federal Plan of Statistical Works, approved by the order of the Government of the Russian Federation dated May 6, 2008 No. 671-r. 	
4.2 Consistency	 4.2.3 Intersectoral and cross-domain consistency Data on the consumer price index can be checked by users using detailed information on price indices in the context of food, non-food goods and services, as well as on groups of goods (services) and their individual types for the constituent entities of the Russian Federation and Russia as a whole. The data is published in the following publications: -"Russian Statistical Yearbook"; -"Prices in Russia"; -"Social situation and standard of living of the population of Russia"; -"Regions of Russia". In addition, information on the CPI is posted on the official website of Rosstat (https://rosstat.gov.ru/price), as well as in the following databases: Unified Interdepartmental Information and Statistical System (EMISS) (https://fedstat.ru/); Statistical data showcase (https://showdata.gks.ru/finder); BI system (http://bi.gks.ru). Data on weights for calculating the CPI for the Russian Federation are posted on the official website of Rosstat (https://rosstat.gov.ru/price), as well as in the following databases: Unified Interdepartmental Information and Statistical System (EMISS) (https://fedstat.ru/); Statistical data showcase (https://rosstat.gov.ru/price), as well as in the following databases: Unified Interdepartmental Information and Statistical System (EMISS) (https://www.fedstat.ru/indicator/37053); Showcase of statistical data (https://showdata.gks.ru/lap2/descr/report/273362/). In the above sources, information on the CPI is updated monthly on the 6-10th working day after the reporting period, about the scales for calculating the CPI - annually on February 12. 	
4.3 Revision	4.3.1 Revision schedule The calculated and published monthly consumer price indices for goods and services and weekly consumer price index estimates are official statistical information and are not subject to adjustment.	
5. Accessibility		
<u>5.1 Data</u>	 5.1.1 Statistical presentation Data are disseminated on the consumer price index, which is calculated using the modified Laspeyres formula (2000=100; 2010=100) for the Russian Federation as a whole. 5.1.2 Dissemination media and format 5.1.2.6 Electronic – Bulletin or online data – Monthly report "Social-economic situation in Russia" – Rosstat official website (https://rosstat.gov.ru/price); – Unified Interdepartmental Statistical Information System - UISIS, 	

	 (Единая межведомственная информационная-статистическая система - EMИCC, <u>https://www.fedstat.ru/indicator/37053</u>); BI-system (<u>http://bi.gks.ru</u>); Statistical Data Showcase (https://showdata.gks.ru). In the above sources, CPI information is updated monthly on the 6-10th working day after the reporting period, on the weights for calculating the CPI - annually on February.
	5.1.2.7 Electronically - Other
	Publications annually: – "Russian Statistical Yearbook" («Российский статистический ежегодник») (in Russian only);
	– "Regions of Russia. Social-economic indicators" («Регионы России») (in Russian only).
	5.1.3 Advance release calendar
	The release dates are published on the English Rosstat web portal: https://rosstat.gov.ru/publications-plans.
	A preliminary data release calendar is published monthly on the Rosstat website: https://rosstat.gov.ru/statistics/monitoring/sdds/calendar.
	5.1.4 Simultaneous release
	The data is simultaneously distributed to all users through the Rosstat website: <u>https://rosstat.gov.ru/</u> .
	5.1.5 Dissemination on request Rosstat provides official statistical information on the CPI upon user request.
5.2 Metadata	5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques
	The methodological documents on monitoring of consumer prices for goods
	and services and calculation of consumer price index are available in public access at the Rosstat official website: <u>https://rosstat.gov.ru/price</u> .
	5.2.2 Disseminated level of detail
	The CPI is published for the Russian Federation, federal districts and
	constituent entities of the Russian Federation.
5.3 Assistance to users	5.3.1 Dissemination of information on contact points
	Contact information is posted on the official website of Rosstat: https://rosstat.gov.ru/statistics/price/contacts.
	5.2.2 Assilability of documents and comission (1)
	5.3.2 Availability of documents and services catalogs Methodological documents are posted on the official website of Rosstat:
	https://rosstat.gov.ru/statistics/price/methodology.