Fiji

A: Identification

Title of the CPI: National Consumer Price Index

Organisation responsible: Fiji Bureau of Statistics

Periodicity: Monthly

Index reference period: 2005 = 100


Main uses of CPI: Indexation of wages, pensions and/or social security payment, indexation of rents, contracts and/or other payments, main inflation indicator used for monetary policy, deflate household expenditures in national accounts, computation of purchasing power of households, macroeconomic modelling and other analytic uses.

B: CPI Coverage

Geographical Coverage

Weights: Urban areas

Price collection: Urban areas

Population coverage: Resident households of nationals.

Consumption expenditure includes:

- Licences and fees (e.g. driver’s licence, hunting licence, vehicle registration)

Consumption expenditure excludes:

- Income in-kind receipts of services;
- In-kind goods received as gifts;
- Mortgage repayments;
- Financial services (including fees for financial advice, brokerage fees);
- Life insurance premiums;
- Gambling expenditure, gross of winnings;
- Social transfers in-kind of goods and services from government and No-profit institutions serving households

C: Concepts, definitions, classifications and weights
**Definition of the CPI and its objectives:** The CPI is an index that measures changes in the prices of a fixed representative basket of goods and services that the households purchase during a specified time.

**Classification:** CIOCOP (Classification of individual consumption by purpose) classification with 9 groups.

**Sources of weights:** Household expenditure surveys.

**Frequency of weight updates:** Above 5 years

**Price updating of weight reference period to the index reference period:** Weights are price updated for example the weights used in the CPI 2005 = 100 incorporates price adjusted expenditure data from the 2002-2003 Household Income and Expenditure Survey (HIES) of urban households of all races in Fiji that was conducted from March 2002 to February 2003.

**D: Sample design**

**Sampling methods:**

*Outlets:* Judgmental sampling

*Products:* Judgmental sampling

**Frequency of sample updates:**

*Outlets:* Continuous (on a rotating basis)

*Products:* Continuous (on a rotating basis)

**E: Data Collection**

**Approximate number of localities, outlets and price observations:** Price observations: 5,212

**Frequency with which prices are collected:** Prices for majority of the items are collected monthly; Payments to house-girls, hotel accommodation and transport are priced once a year; Rent data is collected quarterly.

**Reference period for data collection:** Reference period for majority of the items is the middle of each month. For house girl payments, accommodation etc, the reference period is mid January, Rent reference period is mid march, June, September and December.

**Methods of Price Collection**

- Personal data collection

**Treatment of:**
Discounts and sales prices: Sales prices, discount prices and 'specials' are reflected in the CPI so long as the items concerned are of normal quality (that is, not damaged or shop soiled), and are offered for sale in reasonable quantities.

Missing or faulty prices: For temporarily missing prices, imputation on the basis of the movement in prices of similar products sold by the same outlet or other outlets is used. In some cases, it may be appropriate to repeat the last reported price. For seasonal products, missing prices are imputed using the price movements of products that are in-season.

Disappearance of a given type or quality from the market: If a product becomes permanently unavailable, replacements are selected on a timely basis.

Quality differences: Two methods are used for quality adjustments: (i) the explicit or direct method where a dollar value is placed on the difference in quality and then directly adjust the price of the new product by this estimated difference in value. (ii) The implicit or indirect method. This method can be used when prices for the old and new product are available in the same period is overlap pricing. The price for the old product is used to calculate the index for the overlap period and the price for the new product used for the next period. The assumption is that the price difference between the new and old product is equal to the value of the quality difference.

Treatment of seasonal items and seasonality

Items that have a seasonal character and their treatment: Agricultural products. The fixed weight approach is used for seasonally adjusting the CPI. In the fixed weight approach, all the seasonal products are assigned the same weight every month and imputed prices are used in the out of season months.

Seasonal food items: Seasonal food items are included in the CPI using fixed weights approach: the weights are kept constant over the year, while prices of out-of-season products are estimated or imputed.

Method to impute the price of seasonal items: Prices are imputed using price development of in-season products.

Treatment of housing

F: Computation

Formula used for calculation of elementary indices: The ratio of arithmetic mean prices (Dutot index) (Direct form)

Formula to aggregate elementary indices to higher level indices: The Laspeyer’s formula is used to aggregate elementary indices into higher level indices. This is expressed as

\[
In = \frac{\sum_{i=1}^{n} \frac{P_n}{P_0} \times P_0 Q_0}{\sum_{i=1}^{n} P_0 Q_0} \times 100
\]

where
In = Index for current period
1− x = Sub-group (commodity)
Σ = the sum of
P_n = Price per unit in current period
P_0 = Price per unit in base period
Q_0 = Weight in the base period.

Seasonally adjusted indices: Seasonally adjusted CPI is computed.

G: Editing and validation procedures

Control procedures used to ensure the quality of data collected: After prices are collected, they are carefully examined for accuracy and validity before they enter into the CPI calculations. This involves careful checks of price levels in the current period and of price changes since the previous pricing period; field staff make additional on-the-spot checks where necessary.

H: Documentation and dissemination

Timeliness of dissemination of the CPI data: The CPI is released on the last working day of each month.

Level of detailed CPI published

Paper publication: All items CPI, Division-level (12 Divisions)

Online: All items CPI, Division-level (12 Divisions)

Documentation

Publications and websites where indices can be found: Monthly press release, Internet website: www.statsfiji.gov.fj


I: Other Information

Completed by ILO in 2013.