

0. Prerequisites	
0.1 Legal environment	<p>0.1.1 Responsibility for collecting, processing, and disseminating statistics</p> <p><u>National Statistics Office of Georgia</u></p> <p>According to article 7 of the "Georgian Law on Official Statistics" (<i>Law</i>), the National Statistics Office of Georgia (NSO) is responsible for the collection, processing and dissemination of statistical data.</p> <p>According to the <i>Law</i>, other state bodies (organizations), may perform activities in the field of official statistics in accordance with international standards and methodologies.</p> <p>The NSO ensures the coordination of works in the field of official statistics, issues recommendations on statistical standards and methodologies, performs the exchange of statistical information between administrative bodies and supports the implementation of approved standards and methodologies.</p>
	<p>0.1.3 Confidentiality of individual reporters' data</p> <p><u>National Statistics Office of Georgia</u></p> <p>According to the <i>Law</i>, article 28 "Statistical Data Confidentiality":</p> <ol style="list-style-type: none"> 1. Data acquired for statistical purposes are confidential, if they enable to identify respondent. 2. The dissemination of confidential statistical data or their use for non-statistical purposes is prohibited unless the cases stated by the Georgian legislation.
	<p>0.1.4 Ensuring statistical reporting</p> <p><u>National Statistics Office of Georgia</u></p> <p>According to the <i>Law</i>, article 25 "Obligation to Provide Statistical and Other Information":</p> <ol style="list-style-type: none"> 1. To ensure the implementation of its duties, the NSO is eligible to request statistical and other information (including confidential) from administrative bodies and other legal and natural persons. 2. Administrative bodies are obliged to provide the NSO with information on natural and legal bodies of private law which is available for them.
0.2 Resources	<p>0.2.1 Staff, facilities, computing resources, and financing</p> <p>Price Statistics Division staff includes: 9 employees (1 head of division, 2 chief specialist and 5 chief specialists, 2 employees by contract); 9 Personal Computers, 3 printers.</p> <p>Also there are 20 field collectors spread through by region. Each price collector is equipped with a handheld computer and has a fixed list of outlets and products, which they are responsible for each month.</p>
	<p>0.2.2 Ensuring efficient use of resources</p> <p><u>National Statistics Office of Georgia</u></p> <p>In order to ensure the efficient use of resources the following measures are undertaken:</p> <ol style="list-style-type: none"> 1. The thorough planning of statistical works (on multi-annual, annual and quarterly basis) that ensure the production and dissemination of

	<p>reliable and relevant statistical information;</p> <p>2. The permanent monitoring of the appropriate use of resources according their destination.</p> <p>Special attention is granted to the improvement of the staff performances, especially its qualification and abilities.</p>
0.3 Relevance	<p>0.3.1 Monitoring user requirements</p> <p><u>National Statistics Office of Georgia</u></p> <p>In order to assure the production and dissemination of relevant statistics in the process of elaboration of draft annual program of statistical works, the interested public and other institutions are consulted.</p>
0.4 Quality management	<p>0.4.1 Quality policy</p> <p><u>National Statistics Office of Georgia</u></p> <p>Quality awareness is evidenced by references to quality in the <i>Law</i> according which the production of statistical information is based on the principles of impartiality, statistical deontology.</p> <p>0.4.2 Quality monitoring</p> <p><u>National Statistics Office of Georgia</u></p> <p>A range of measures to ensure the high quality of works at each stage of information flow are undertaken.</p> <p>The primary and processed data are carefully checked for their internal, temporal consistency, as well as cross-checked with available data from other statistical and administrative sources of information.</p> <p>In order to ensure the high quality of primary data, frequently there are meetings.</p> <p>0.4.3 Quality planning</p> <p><u>National Statistics Office of Georgia</u></p> <p>Quality policy is based on the provisions of national and EU legislation, Strategy of NSO, European Statistics Code of Practice, user needs and expectations. It defines overall intentions and directions of institution related to quality.</p>
1. Integrity	
1.1 Professionalism	<p>1.1.1 Impartiality of statistics</p> <p><u>National Statistics Office of Georgia</u></p> <p>According to the <i>Law</i>, article 4 the basic principles of state statistics are: professional independence, objectivity, reliability, data confidentiality, effectiveness.</p> <p>The NSO is concerned to honor its independence and objectivity by The Law and regulation pursuing the objectivity of tools used, such as survey methods, statistical classifications, definitions of indicators, etc., as well as the objectivity of releasing and providing statistical data and information.</p> <p>1.1.2 Selection of sources, methodology, and modes of dissemination</p> <p><u>National Statistics Office of Georgia</u></p>

	<p>Bodies of the NSO and other statistical establishments shall obtain statistical information by means of statistical observations (current statistical reports and specially arranged statistical observations).</p> <p>Objects of statistical observations shall be Georgian residents as well as non-residents being on the territory of Georgia within the observation program limits.</p> <p>A type of the statistical observation, a circle of the observation objects, the regularity, the form and term of data presentation are defined in accordance with the observation objectives and shall, together with appropriate methodological institutions, be approved by the NSO.</p> <p>Producing the statistics and disseminating the information derived as a result of producing the statistics shall be in compliance with the international standards and practice.</p> <p><u>Price index: Consumer prices</u></p> <p>Two databases are applied to calculate CPI:</p> <ol style="list-style-type: none"> 1. On Change of comparable consumer prices, which are collected by the method of monthly registration of prices of goods and services included into the fixed consumer basket; 2. Composition of consumer expenditure of the population. The specific weights for 288 items of the consumer basket are generated on the basis of National Accounts data and household surveys in 2010. <p>Modes of dissemination (electronic, CD, DVD, publications, etc.) depends on the demand of users.</p> <p>1.1.3 Commenting on erroneous interpretation and misuse of statistics</p> <p><u>National Statistics Office of Georgia</u></p> <p>The NSO has full authority to comment on erroneous interpretation and misuse of statistics. This rarely occurs due to the provision of press briefings/conferences where NSO.</p> <p>Staff can provide information on methodologies, interpretation of statistics and respond to general questions.</p>
<p>1.2 Transparency</p>	<p>1.2.1 Disclosure of terms and conditions for statistical collection, processing, and dissemination</p> <p><u>National Statistics Office of Georgia</u></p> <p>Disclosure of terms and conditions for statistical collection, processing and dissemination is guaranteed by the state statistical program each year adopted by the president of Georgia. In state statistical program each data produced by the NSO has its short description, periodicity and timelines.</p> <p>The law on statistics is publicly available on NSO's website www.geostat.ge (in English on web page http://geostat.ge/cms/site_images/law_eng.pdf), also on the web of the Ministry of Justice of Georgia: www.justice.gov.ge</p> <p>1.2.2 Internal governmental access to statistics prior to release</p> <p><u>National Statistics Office of Georgia</u></p> <p>There are no privileges for accession on statistical data in Georgia. Statistical data are equally available to all users from the web: www.geostat.ge, also from publications of</p>

	<p>the NSO.</p> <p>1.2.3 Attribution of statistical products</p> <p><u>National Statistics Office of Georgia</u></p> <p>There is no ministerial comment on the occasion of statistical releases.</p> <p>1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques.</p> <p><u>National Statistics Office of Georgia</u></p> <p>Methodology (for data collection, processing and analysis) and questionnaires of the NSO are adopted by the Statistical Board of the NSO which consists of 8 members (including its Chairman – an Executive Director of the NSO).</p> <p>For any changes in methodology, data source or questionnaire content or its design there is a need of changes in the resolution of the Statistical Board.</p>
1.3 Ethical standards	<p>1.3.1 Guidelines for staff behavior</p> <p><u>National Statistics Office of Georgia</u></p> <p>The law of Georgia on Public Service (articles 73¹ – 73⁵) and the internal regulations of the NSO define the staff behavior.</p>
2. Methodology	
2.1 Concepts and definitions	<p>2.1.1 Concepts and definitions</p> <ul style="list-style-type: none"> • Definition: Consumer Price Index is an index for measuring inflation, which represents relativity of nominal cost of consumer goods and services fixed basket with the value of the same basket represented in prices of base year. <ul style="list-style-type: none"> ○ Consumer Price Index (CPI) measures average changes in prices of goods and services, purchased by typical city consumer. ○ Consumer Basket Fixed list of goods and services, purchased by typical city resident. ○ Consumer Price – Price paid by typical city population for purchasing goods (services) for self consumption. Consumer price includes VAT and transport expenses. • Main concepts: main concepts and definitions are based on CPI Manual (1989) and The System of National Accounts 1993 (1993 SNA).
2.2 Scope	<p>2.2.1 Scope</p> <p>Scope of the data</p> <ul style="list-style-type: none"> • Population coverage: private households residing permanently in Georgia. • Geographical coverage: 5 largest towns of Georgia (Tbilisi, Kutaisi, Batumi, Gori, Telavi). • Goods coverage: goods and services, purchased by population for consumption; expenses on direct payments, money gifts, gaming and illegal activities are excluded. • Consumer Price Index includes 12 large groups and 288 goods positions. <p>Exceptions to coverage</p> <p>Geographical coverage: Data do not cover the territories of Abkhazian Autonomous Republic and Tskhinvali Region (former South Ossetian Autonomous Region), a part</p>

	of Georgian territory not controlled by the central authorities.
2.3 Classification/sectorization	<p>2.3.1 Classification/sectorization</p> <p>Classification: classification suggested by IMF, based on methodology of ILO, was used; classification "Individual Consumption by Purposes" (COICOP) is used since January 2004.</p>
2.4 Basis for recording	<p>2.4.1 Valuation</p> <p>Types of prices: price for selling in cash; price for purchase; subsidies and discounts are reflected; agreed selling price is fixed on agricultural markets and fair markets; discounted prices are recorded as temporary decrease of prices.</p> <p>2.4.2 Recording basis</p> <p>Timeline of price observation: prices are collected monthly, from dates 10 to 20.</p>
3. Accuracy and reliability	
3.1 Source data	<p>3.1.1 Source data collection programs</p> <p>Most of price data are collected in retail shops, markets and service points by specially sent price registrars; data about communal payments and other regulated prices and tariffs are collected via telephone or from unit of the nearest profile.</p> <p>Sample size: designed sample; weight of group is defined first, number of goods within the group depends on weight of the group and on variation of prices of these goods; goods basket is revised during updating of weights; selection of product/modification is also premeditated; price registrars together with their supervisors and representatives of trade points select products, which have important share at market, within specification of goods.</p> <p>Selection of trade points: designed sample; 4-8 trade points will be selected, to collect prices of each product of CPI; sampling is based on popularity of the trade point (volume of sale), stability and complexity of assortment of goods, permanent work of the trade point, willingness to cooperate with registrars, location and type of shop.</p> <p>Methods of collecting price data: most of price data are collected in retail shops, markets and service points by specially sent price registrars; data about communal payments and other regulated prices and tariffs are collected via telephone or from unit of the nearest profile.</p> <p>Specification of production/product: division of price statistics gives general specification to registrars and they distinguish detailed characteristics such as: label, size, fabric etc.</p> <p>3.1.3 Source data timeliness</p> <p>Source data are received in the head office next day after collection.</p>
3.2 Assessment of source data	<p>3.2.1 Source data assessment</p> <p>Quality control is rigorous and highly structured. Follow-up checks are undertaken,</p>

	<p>the prices are collected again by Head Office prices staff independently of the original collection if there is any suspicion that there may be reporting problems in a particular region for a certain product or outlet. Also, for major groups, and service commodities, the prices are routinely re-collected by headquarters staff.</p>
3.3 Statistical techniques	<p>3.3.1 Source data statistical techniques</p> <p>Calculating index of the lowest level: average geometric prices of each goods position for each town are calculated at starting stage; on the basis of got average prices, individual indices (relativity of prices of calculated month with prices of previous month) are calculated; national index represents average weighted index of individual indices by overall expenditures of regions and share of expenditures within the region.</p> <p>Aggregation: simple indices are aggregated to some levels, by means of Laspeyres Formula and using fixed weights, which is proportional to consumption expenditures of 2010.</p> <p>Agreement of expenditures and basic timeline;Weights of 2010 are not price updated.</p> <p>Binding indices with renewed weights to old ones: historical series are built up on each detailing level; in December 2011 double calculation of prices took place, for receiving bind coefficient (for old and new baskets).</p> <p>Price reference period: December 2011 = 100; weight reference period - 2010.</p> <p>3.3.2 Other statistical procedures</p> <ul style="list-style-type: none"> • Methodology about temporary non-existing prices: if prices do not exist temporary (not more than 3 months), used method of imputation; if new price is still not fixed, substituting goods will be selected. • Selection of goods for substitution: price registrars select products, which occupy significant share at the market and if it is possible of the same quality; quality is defined by characteristics given in product description; price register get consultations from salesmen about these issues. • Correction during change of quality: slight change of quality is not to be taken in consideration; when quality is significantly changed, method of special correction (conditional price) is not used; in this case products are considered as absolutely new and they are bind in index. • Inclusion of new goods: the list of specifications is updated and new products are substituted. • Seasonal goods: prices of fruits and vegetables are collected in months defined in advance or according to seasons; For calculation index on the seasonal products method of price imputation is used; weights of seasonal fruits and vegetable remain permanent during the year.
3.4 Data validation	<p>3.4.1 Validation of intermediate results</p> <p>Price comparison: registrars have to explain significant vibration of prices; representatives of Division of Price Statistics observe price fluctuation periodically, at trade points selected anyhow; change of prices is controlled by means of software; each index is analyzed, to be sure that change of prices gives real picture of consumer mark.</p>
4. Serviceability	
4.1 Periodicity and timeliness	<p>4.1.1 Periodicity</p> <p>Monthly.</p> <p>4.1.2 Timeliness</p>

	5 days after the recording period
4.2 Consistency	4.2.1 Internal consistency
	CPI data by groups of products and services are available on the website of the NSO at http://geostat.ge/index.php?action=page&p_id=128&lang=eng
	4.2.2 Temporal consistency
	CPI data in time series are available on the website of the NSO at http://geostat.ge/index.php?action=page&p_id=128&lang=eng
4.3 Revision	4.3.1 Revision schedule
	Data are final.
5. Accessibility	
5.1 Data	5.1.1 Statistical presentation
	Consumer prices index (CPI) is compiled and disseminated by the NSO.
	To date CPI is the only indicator which is used for measuring inflation level in Georgia.
	5.1.2 Dissemination media and format
	Hard copy - New release
	Monthly press release
	Hard copy - Quarterly bulletin
	Statistical publication <i>Quarterly Bulletin</i>
	Hard copy - Other
	<ul style="list-style-type: none"> • Statistical publication <i>Consumer Price Indices</i> • <i>Statistical Yearbook</i>
	Electronic - On-line bulletin or data
	On a monthly basis available at: http://geostat.ge/index.php?action=page&p_id=128&lang=eng
	5.1.3 Advance release calendar

	<p>An advance release calendar with all the release dates throughout the year is available on the NSO website.</p> <p>5.1.4 Simultaneous release</p> <p>Data are released simultaneously to the public through the official publications and the website.</p> <p>5.1.5 Dissemination on request</p> <p>Data are also provided upon request.</p>
5.2 Metadata	<p>5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques</p> <p>Methodology in Georgian regarding CPI calculations, data collection and processing techniques are available at http://geostat.ge/index.php?action=page&p_id=328&lang=geo</p>