

## Import Price Index

1. Contact	
1.1. Contact organisation	National Statistics Office of Georgia (Geostat)
1.2. Contact organisation unit	Price Statistics Department
1.3. Contact name	Giorgi Tetrauli
1.4. Contact person function	Head of Price Statistics Department
1.5. Contact mail address	30, Tshotne Dadiani Str., 0180, Tbilisi, Georgia
1.6. Contact email address	<a href="mailto:gtetrauli@geostat.ge">gtetrauli@geostat.ge</a>
1.7. Contact phone number	+995 32 236 72 10 (400)
1.8. Contact fax number	-

2. Metadata update	
2.1. Metadata last certified	March 7, 2024
2.2. Metadata last posted	March 7, 2024
2.3. Metadata last update	March 7, 2024

3. Statistical presentation	
<b>3.1. Data description</b>	
The import price index measures the average price level of products produced abroad and imported to the country, compared to the reference period.	
<b>3.2. Classification system</b>	
The structure of import price index follows the Statistical Classification of Products by Activity (CPA 2008).	
<b>3.3. Sector coverage</b>	
From 2020, transition has happened from CPA 1996 to CPA 2008. According to CPA 2008 the index covers the following parts: mining and quarrying (B-section); manufactured products (C-section); electricity, gas, steam and air conditioning (D-section); water supply; sewerage, waste management and remediation services (E-section).	
<b>3.4. Statistical concepts and definitions</b>	
The following information is published: <ul style="list-style-type: none"> <li>• Import price index to the previous month;</li> <li>• Import price index to the same month of the previous year;</li> <li>• Import price index 12-month average over the previous 12-month average.</li> </ul>	
<b>3.5. Statistical unit</b>	
The observable statistical unit is importer organization that imports products in the country.	
<b>3.6. Statistical population</b>	
The selection of observable importer organizations across the country is based on the external trade statistics data. Organizations that import products in the CPA class are sampled selectively. The selection base comprises of 7 647 enterprises, of which 1 312 enterprises are selected this year. As a result, the selected enterprises cover approximately 70% of the whole sample (in terms of value).	
<b>3.7. Reference area</b>	
The prices are collected on products imported in the country (occupied territories are not considered).	
<b>3.8. Time coverage</b>	
According to CPA 1996 – 2017-2019; According to CPA 2008 – from 2020.	
<b>3.9. Base period</b>	
Previous year, same month of the previous year, previous 12 month average.	

4. Unit of measure	
Index.	

5. Reference period	
Month.	

<b>6. Institutional mandate</b>
<b>6.1. Legal acts and other agreements</b>
The Law of Georgia on Official Statistics; <a href="https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf">https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf</a> Statistical Work Programme (annual); <a href="https://www.geostat.ge/en/modules/categories/307/statistical-work-programme">https://www.geostat.ge/en/modules/categories/307/statistical-work-programme</a> Charter of the National Statistics Office of Georgia. <a href="https://www.geostat.ge/media/20845/10%2Csaqstatis-konsolidirebuli-debuleba.pdf">https://www.geostat.ge/media/20845/10%2Csaqstatis-konsolidirebuli-debuleba.pdf</a>
<b>6.2. Data sharing</b>
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<b>7. Confidentiality</b>
<b>7.1. Confidentiality – policy</b>
<ol style="list-style-type: none"> <li>The Law of Georgia on Official Statistics: <ul style="list-style-type: none"> <li>According to the article 5 of the law Statistical confidentiality and exclusive use for statistical purposes – individual data collected or received by the producer of official statistics, relating to natural or legal persons, must be strictly confidential and used only for statistical purposes.</li> <li>According to the article 34 (Observing Confidentiality of Statistical Data) of the law 1. Data collected, processed, and stored to produce official statistics are confidential if they enable the direct or indirect identification of a statistical unit. In addition, aggregated data are subject to statistical confidentiality: a) Aggregates composed of 1 to 3 units, when the unit is a natural or legal person if one of these units could be identified indirectly, thereby disclosing individual data about this unit. Aggregates composed of more than 3 units may be declared confidential by the Executive Director if required to ensure statistical confidentiality; b) Information declares as a state secret on the basis of the „Law of Georgia on State Secrets“. 2. Confidential data shall be used exclusively for the purposes of producing statistics in accordance with this law. 3. Statistical data about the administrative body cannot be considered confidential information, except for the information determined by the Law of Georgia „On State Secrets“. 4. Individual data obtained from publicly available sources, which are defined as public information in accordance with the legislation of Georgia, shall not be considered confidential information. 5. Confidential (individual) data may be published if there is written consent from the statistical unit regarding the publication of such data. 6. It is not allowed to disseminate and distribute confidential data or use it for non-statistical purposes.</li> <li>According to the article 38 (Confidentiality commitments) of the law the confidential statistical data collected and processed for statistical purposes shall not be used or disseminated either for personal, academic, research or any other activities, by the employees of the producers of Official Statistics.  <a href="https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf">https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf</a></li> </ul> </li> <li>Data Confidentiality Policy at Geostat  <a href="https://www.geostat.ge/media/20860/Data-Confidentiality-Policy-at-Geostat_En.pdf">https://www.geostat.ge/media/20860/Data-Confidentiality-Policy-at-Geostat_En.pdf</a></li> <li>Procedure for providing access to confidential data for research purposes (in Georgian)  <a href="https://www.geostat.ge/media/58983/დაცემილი-3.pdf">https://www.geostat.ge/media/58983/დაცემილი-3.pdf</a></li> <li>The Law of Georgia on Personal Data Protection  <a href="https://matsne.gov.ge/en/document/view/1561437?publication=9">https://matsne.gov.ge/en/document/view/1561437?publication=9</a></li> </ol>
<b>7.2. Confidentiality – data treatment</b>
<ul style="list-style-type: none"> <li>Confidentiality guidelines.</li> <li>Written undertakings by an employee of Geostat on ensuring confidentiality of gained/collected data as a result of official duties.</li> </ul>

<b>8. Release policy</b>
<b>8.1. Release calendar</b>
Data dissemination dates are defined by the calendar developed on the basis of the Statistical Work Programme, which is published on the website of Geostat and is publicly available.
<b>8.2. Release calendar access</b>
<a href="https://www.geostat.ge/en/calendar">https://www.geostat.ge/en/calendar</a>
<b>8.3. User access</b>
All users have the equal access to the statistical data simultaneously.

<b>9. Frequency of dissemination</b>
Monthly.
<b>10. Accessibility and clarity</b>
<b>10.1. News release</b>
Press release for the Producer and Import Price Indices is published through Geostat's website on a monthly basis. It contains information about monthly and annual index rates, as well as the contributions of sections and divisions to the index formation. Press release also includes a time series graph. It is available on the following link: <a href="https://www.geostat.ge/en/news?year=&amp;month=&amp;category=7">https://www.geostat.ge/en/news?year=&amp;month=&amp;category=7</a>
<b>10.2. Publications</b>
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<b>10.3. On-line database</b>
Data are available to all users on the website of Geostat: <a href="https://www.geostat.ge/en/modules/categories/31/import-price-index">https://www.geostat.ge/en/modules/categories/31/import-price-index</a> Also available in PC-Axis format: <a href="https://pc-axis.geostat.ge/PXweb/pxweb/en/Database/?rxid=190da113-9324-45c5-8228-160074560a52">https://pc-axis.geostat.ge/PXweb/pxweb/en/Database/?rxid=190da113-9324-45c5-8228-160074560a52</a>
<b>10.4. Micro-data access</b>
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<b>10.5. Other</b>
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<b>10.6. Documentation on methodology</b>
The Producer and Import Price Indices technical manual is available on Geostat's website: <a href="https://www.geostat.ge/en/modules/categories/122/methodologia-price-statistics">https://www.geostat.ge/en/modules/categories/122/methodologia-price-statistics</a>
<b>10.7. Quality documentation</b>
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<b>11. Quality management</b>
<b>11.1. Quality assurance</b>
To ensure the quality of the statistical processes and products Geostat follows Chapter 10 – Quality of official statistics – of the Law of Georgia on Official Statistics, as well as the European Statistics Code of Practice, the UN Fundamental Principles of Official Statistics and Quality Assurance Framework of the European Statistical System (ESS QAF).
<b>11.2. Quality assessment</b>
Methodology and Quality Management Division of Geostat, along with the sectoral departments, is responsible for the quality of the produced statistical products and processes. The Division carries out quality audit, self-assessment of statistical processes and assesses the risks for the quality of statistical processes and products. Geostat has developed policy documents, guidelines and standard routine descriptions. These documents ensure the standardization of statistical processes and products and the establishment of a unified quality assurance system. Quality policy is available on the following link: <a href="https://www.geostat.ge/media/44380/QP_Geostat_EN.pdf">https://www.geostat.ge/media/44380/QP_Geostat_EN.pdf</a>
<b>12. Relevance</b>
<b>12.1. User needs</b>
The import price index is used for the following purposes: <ul style="list-style-type: none"> <li>• The index has an important role in deflating different economic indicators;</li> <li>• The index is an analytical instrument for researchers and representatives of business sector.</li> </ul> The main users of the import price index are: public agencies, international organizations, researchers and students, media representatives and other stakeholders.
<b>12.2. User satisfaction</b>
In 2021 user satisfaction survey was conducted, the target of the survey was to analyze the assessment of quality of statistical data by users and explore ways to improve user services. The survey report is available on the website of Geostat (in Georgian):

<a href="https://www.geostat.ge/ka/page/customer-service">https://www.geostat.ge/ka/page/customer-service</a>
<b>12.3. Completeness</b>
Data are consistent to the international standards.
<b>13. Accuracy and reliability</b>
<b>13.1. Overall accuracy</b>
Accuracy of data is ensured by compliance with international methodology of research and calculation methods.
<b>13.2. Sampling error</b>
There is no assessment of selective fallacy of the import price index. The extent of sampling available from existing set of studies is optimal, given the research objectives and limited resources.
<b>13.3. Non-sampling error</b>
Non-sampling errors in the import price index are not assessed. To minimize this kind of errors, the index calculation step involves several levels of control.
<b>14. Timeliness and punctuality</b>
<b>14.1. Timeliness</b>
Data are published on the 19-22nd of the following month of the reporting month.
<b>14.2. Punctuality</b>
The data is published according to the date specified in the statistical work program. There has not been any violation of publication dates.
<b>15. Coherence and comparability</b>
<b>15.1. Comparability – geographical</b>
The prices are collected on products imported in the country. The principles of price collection and index compilation are based on international methodology and are consistent with it. Furthermore, in all regions the prices are collected based on the unified methodology and ensures the comparability of data across the country.
<b>15.2. Comparability – over time</b>
The index is comparable for the whole period.
<b>15.3. Coherence – cross domain</b>
Data are coherent.
<b>15.4. Coherence – internal</b>
Indices are coherent with the initial data – indices on the aggregate level are compiled using the lowest level indices through a clearly defined procedure.
<b>16. Cost and burden</b>
In 2024 annual budget of statistical surveys of prices (consumer, producer and import prices) amounted to 282 510 GEL.
<b>17. Data revision</b>
<b>17.1. Data revision – policy</b>
Statistical data revision policy is available on the website of Geostat: <a href="https://www.geostat.ge/media/59824/Data-Revision-Policy-and-Error-Correction-at-Geostat_Eng.pdf">https://www.geostat.ge/media/59824/Data-Revision-Policy-and-Error-Correction-at-Geostat_Eng.pdf</a>
<b>17.2. Data revision – practice</b>
Planned revision of data is not carried out. An unplanned revision (to clarify data) was not carried out in 2023.
<b>18. Statistical processing</b>
<b>18.1. Source data</b>
For the index calculation, the primary data are the prices of imported products. In 2024 prices will be collected from 1 105 organizations and 4 308 prices will be registered on monthly bases. The observable price is the price (the so-called cost, insurance and freight (C.I.F.) price) of imported product. The imported price includes: the transaction value of the product, also, the cost of delivery of the product to the border of importer country. The use of C.I.F. price is recommended by the United Nations.

The selection of observable importer organizations across the country is based on the external trade statistics data. Organizations, presented in the class of the Statistical Classification of Products by Activity (CPA), that import products are sampled selectively.

After sampling organizations, they are surveyed in order to determine the products in the CPA class. For this purpose, organizations are provided by additional electronic questionnaires and are required to indicate the following information: the name of the top four products in the class of the CPA with the largest import share, that are imported in the reporting period, corresponding measurement unit, importer country and the percentage share of each imported product in the selected CPA class.

During the products selection process their detailed specifications are determined. Following the specifications is the most important part of price registration since the monthly recorded price difference should be caused by the pure price change of a product, rather than changes in characteristics, or a product itself. Relying on the obtained survey the prices for sampled products are recorded across the year. Products sample is updated annually.

### 18.2. Frequency of data collection

Price collection fieldworks are conducted monthly, on the same date of the following month of the reporting period, from the 1<sup>st</sup> to the 8<sup>th</sup> day.

### 18.3. Data collection

The prices for imported products are collected by price enumerators. The importer organizations indicate the measurement unit, importer country and prices in the base, reference, previous and current months for the four selected products. Besides, the reason of a price change or any other relevant information is indicated in the comment field. The questionnaires are filled in the online form. The organizations fill the questionnaire independently or with the help of price enumerator. Online questionnaires are on the following address:

<http://database.geostat.ge/portal/ent/index.php>

It is possible to see the questionnaires on the website of Geostat, on the following link:

<https://www.geostat.ge/en/modules/categories/557/questionnaires-price-statistics>

### 18.4. Data validation

The validation procedure for the import price index is conducted in two stages:

**On the first stage** validation takes place simultaneously with the price registration fieldworks. In case of price change, the person responsible for filling the questionnaire is required to define by the comment the reason of the change.

After the data are sent to the central office, a responsible employee conducts analysis and logical control of the data.

**On the second stage** accuracy of the price, which are extremely deviated from the price of the previous month, is checked after calculating the overall index.

### 18.5. Data compilation

If a price for a product is not indicated by an organization in the reporting period, one of the following two methods of price imputation is applied: using the upper level group index or using carry-forward method.

The weights for individual products in the import price index are updated annually based on the external trade statistics data and reflects the latest information on the imported products. The obtained weights represent the share of the imported product value in the overall value of the imported products. The weights for a reporting period  $t$  are calculated based on  $t-2$  period information. The list of imported products included in the index may also be changed while updating the weights.

During the import price index calculation, an elementary price index is the index calculated for each individual product imported by an organization. The elementary price index compared to the price reference period is obtained from the ratio of reporting ( $t$ ) and reference period product prices.

The long term index for the total import compared to the price reference period is calculated using Laspeyres-type formula. The short term index compared to the previous month is obtained from the ratio of long term indices in the reporting and previous months, calculated to the price reference period.

In the process of time, an organization may not import a product of the same quality anymore, for which prices have been observed. In order to ensure the comparability of prices for old and new products, a quality adjustment method should be used, for which an imputed base price is calculated using several methods.

During the annual update of samples of organizations and import products or their specifications in the update period, December, prices are collected for products both in old and new samples. This enables chain-linking of indices, calculated for two different samples. Chaining enables to calculate indices with a long term reference period, notwithstanding the changes in the weights.

### 18.6. Adjustment

Not applied.

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<b>19. Comment</b>
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