# Producer Price Index for Industrial Products, Domestic Producer Price Index for Industrial Products, Export Price Index

| 1. Contact | |
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| 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, Tsotne Dadiani Str., 0180, Tbilisi, Georgia |
| 1.6. Contact email address | gtetrauli@geostat.ge |
| 1.7. Contact phone number | +995 32 236 72 10 (400) |
| 1.8. Contact fax number | - |

| 2. Metadata update | |
|---|---|
| 2.1. Metadata last certified | February 20, 2025 |
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## 3. Statistical presentation

### 3.1. Data description

The producer price index (PPI) for industrial products measures average price level of the goods produced by producers compared to the reference period. The Producer Price Index comprises of two sub-indices:

1. **The Domestic Producer Price Index (DPPI)** for industrial products measures average price level of industrial goods produced in the country and sold on domestic market compared to the reference period;
2. **The Export Price Index (XPI)** measures average price level of industrial goods produced for export purposes compared to the reference period.

### 3.2. Classification system

The structure of PPI follows the Statistical Classification of Products by Activity (CPA 2008).

### 3.3. Sector coverage

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).

### 3.4. Statistical concepts and definitions

The following information is published:

**PPI:**

- The PPI to the previous month;
- The PPI to the long term base period (average of 2010=100);
- The PPI to the same month of previous year;
- The PPI 12-month average over the previous 12-month average.

**DPPI:**

- The DPPI to the previous month;
- The DPPI to the same month of previous year;
- The DPPI 12-month average over the previous 12-month average.

**XPI:**

- The XPI to the same month of previous year;
- The XPI to the previous month;
- The XPI 12-month average over the previous 12-month average.

### 3.5. Statistical unit

The observable statistical unit is domestic enterprise across the country.

### 3.6. Statistical population

For price registration for the industrial products produced for domestic market, the observable products are selected according to the statistical data of enterprises by the kind of industrial products in terms of value.
The selection base comprises of 2 227 enterprises, from which 683 enterprises are selected in the current year. As a

result of the selection, the coverage of the sample is 80% (in terms of value).
For the purpose of price registration for imported products sampling is based on the external trade statistics data. The selection base comprises of 1 164 enterprises, from which 258 enterprises are selected in the current year. As a result of the selection, 80%-90% of the whole sample is covered (in terms of value).
The whole producer price index is respectively the compound of these two populations and samples.

### 3.7. Reference area

The prices are collected across the country (occupied territories are not considered) according to the sampled enterprises.

### 3.8. Time coverage

**PPI:**
According to NACE – 2001-2016 years; according to CPA 1996 – 2017-2019; according to CPA 2008 – from 2020.
**DPPI:**
According to CPA 1996 – 2017-2019; according to CPA 2008 – from 2020.
**XPI:**
According to NACE – in 2014-2016 years; according to CPA 1996 – 2017-2019; according to CPA 2008 – from 2020.

### 3.9. Base period

**PPI –** 2010 year;
**DPPI –** previous month, same month of the previous year, 12 months average to the previous 12 months average;
**XPI** – previous month, same month of the previous year, 12 months average to the previous 12 months average.

## 4. Unit of measure

Index.

## 5. Reference period

Month.

## 6. Institutional mandate

### 6.1. Legal acts and other agreements

The Law of Georgia on Official Statistics;
https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf
Statistical Work Programme (annual);
https://www.geostat.ge/en/modules/categories/307/statistical-work-programme
Charter of the National Statistics Office of Georgia.
https://www.geostat.ge/media/67749/New-Chapter-eng-upd.pdf

### 6.2. Data sharing

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## 7. Confidentiality

### 7.1. Confidentiality – policy

1. The Law of Georgia on Official Statistics:
   - 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.
   - 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.

- 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.

https://www.geostat.ge/media/56202/The-Law-of-Georgia-on-Official-Statistics.pdf

2. Data Confidentiality Policy at Geostat
   https://www.geostat.ge/media/20860/Data-Confidentiality-Policy-at-Geostat_En.pdf
3. Procedure for providing access to confidential data for research purposes
   https://www.geostat.ge/media/61533/Rule-on-Access-to-Confidential-Data-for-Scientific-and-Research-Purposes....pdf
4. The Law of Georgia on Personal Data Protection
   https://matsne.gov.ge/en/document/view/1561437?publication=9

**7.2. Confidentiality – data treatment**

- Confidentiality guidelines.
- Written undertakings by an employee of Geostat on ensuring confidentiality of gained/collected data as a result of official duties.

## 8. Release policy

**8.1. Release calendar**

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.

**8.2. Release calendar access**

https://www.geostat.ge/en/calendar

**8.3. User access**

All users have the equal access to the statistical data simultaneously.

## 9. Frequency of dissemination

Monthly.

## 10. Accessibility and clarity

**10.1. News release**

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:
https://www.geostat.ge/en/news?year=&month=&category=7

**10.2. Publications**

Quarterly Bulletin:
https://www.geostat.ge/en/single-categories/98/quarterly-bulletin
Statistical Yearbook of Geostat:
https://www.geostat.ge/en/single-categories/95/statistical-yearbook

**10.3. On-line database**

Data are available to all users on the website of Geostat:
**PPI:** https://www.geostat.ge/en/modules/categories/28/producer-price-index-for-industrial-products
**DPPI:** https://www.geostat.ge/en/modules/categories/29/domestic-producer-price-index-for-industrial-products
**XPI:** https://www.geostat.ge/en/modules/categories/30/export-price-index
Also, PC-Axis database:
https://pc-axis.geostat.ge/PXweb/pxweb/en/Database/?rxid=9e2e4e1a-9eb4-4241-aaf7-4e4d4b3cefc6

**10.4. Micro-data access**

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**10.5. Other**

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| 10.6. Documentation on methodology |
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| Technical manual on producer price index for industrial products is available on the website of Geostat: https://www.geostat.ge/en/modules/categories/122/methodologia-price-statistics |
| **10.7. Quality documentation** |
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| 11. Quality management |
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| **11.1. Quality assurance** |
| 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). |
| **11.2. Quality assessment** |
| 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.<br>Quality policy is available on the following link:<br>https://www.geostat.ge/media/44380/QP_Geostat_EN.pdf |

| 12. Relevance |
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| **12.1. User needs** |
| The producer price index for industrial products is used for the following purposes:<br>• The index has an important role in deflating different economic indicators;<br>• The index is used for indexation of contracts in both public and private sectors;<br>• The index is an analytical instrument for researchers and representatives of business sector.<br>The main users of the PPI are: National Accounts Department, public agencies, international organizations, researchers and students, media representatives and other stakeholders. |
| **12.2. User satisfaction** |
| In 2023 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:<br>https://www.geostat.ge/en/page/customer-service |
| **12.3. Completeness** |
| Data are consistent to the international standards. |

| 13. Accuracy and reliability |
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| **13.1. Overall accuracy** |
| Accuracy of data is ensured by compliance with international methodology of research and calculation methods. |
| **13.2. Sampling error** |
| There is no assessment of sampling error. The extent of sampling available from existing set of studies is optimal, given the research objectives and limited resources. |
| **13.3. Non-sampling error** |
| Non sampling errors are not assessed. To minimize this kind of errors, the index calculation step involves several levels of control. |

| 14. Timeliness and punctuality |
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| **14.1. Timeliness** |
| Data are published on the 19-22nd of the following month of the reporting month. |
| **14.2. Punctuality** |
| The data is published according to the date specified in the statistical work program. There has not been any violation of publication dates. |

## 15. Coherence and comparability

### 15.1. Comparability – geographical

The prices are collected for the output of domestic enterprises across the countryThe 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.

### 15.2. Comparability – over time

**PPI:**

Data are divided into three time series:

1. 2001-2016;
2. 2017- 2019;
3. From 2020 until now.

The division is due to the transition from NACE to CPA 1996 classification in 2017, and from CPA 1996 to CPA 2008 from 2020. In the first and second period time series are comparable on the four digit code class level. The third period is comparable the total level and partly on the lower levels. The aggregate index is comparable to the entire period since 2001.

**DPPI:**

Data are divided into two time series:

1. 2017- 2019;
2. From 2020 until now.

**XPI:** the index is comparable at the group level within the periods 2014-2016, 2017-2019 and from 2020 until now. The division is due to the transition from NACE to CPA 1996 classification from 2017, and from CPA 1996 to CPA 2008 from 2020. The aggregate index is comparable to the entire period since 2014 until now, also partly comparable on lower levels.

### 15.3. Coherence – cross domain

Data are coherent.

### 15.4. Coherence – internal

Indices are coherent with the initial data – indices on the aggregate level are compiled using the lowest level indices through a clearly defined procedure.

## 16. Cost and burden

In 2025 annual budget of statistical surveys of prices (consumer, producer and import prices) amounted to 310 080 GEL.

## 17. Data revision

### 17.1. Data revision – policy

Statistical data revision policy is available on the website of Geostat:
https://www.geostat.ge/media/59824/Data-Revision-Policy-and-Error_Correction-at-Geostat_Eng.pdf

### 17.2. Data revision – practice

Planned revision of data is not carried out. An unplanned revision (to clarify data) was not carried out in 2024.

## 18. Statistical processing

### 18.1. Source data

For the index calculation, the primary data is the prices of locally produced products obtained from the monthly survey. The prices are collected for the output of domestic enterprises across the country. The observable prices are the sale price set by producers for the industrial products they produced in the specified period.

The prices used for calculation of the domestic producer price index are those at the factory gate and do not include VAT, excise and transport expenses. The export price of the products under observation is the free-on-board (F.O.B) price established by the enterprise during the specified period. The F.O.B price comprised of the price at the factory gate, net taxes on products (taxes – subsidies), transportation and other expenses that is incurred in bringing the product to the point of leaving the economic territory of the manufacturer country.

For price registration for the industrial products produced for the domestic market, products are selected according to their shares in the volume of the whole domestic industrial production. The product sampling is conducted according to the Statistical Classification of Products by Activity (CPA). The statistical data of enterprises by the kind of industrial

products in terms of value are used for the sampling.
In case of exported products, sampling is performed according to shares of the products in the total export value (without re-export). For the sampling external trade statistics data are used. Survey of enterprises is conducted based on the sampled products. On the next stage sampled enterprises are surveyed in order to define product specifications. During the products selection process maximally, detailed specifications are determined for them. To follow the specifications is the most important part of price registration, since the monthly recorded difference between prices should be caused by the pure price change of a product, rather than that caused by changes in characteristics, or a product itself.
On the basis of the obtained survey data the prices for sampled products are recorded across the year. Product selection is updated annually.
DPPI: in 2025, 1 625 price data points will be collected monthly from 592 organizations.
XPI: in 2025, 615 price data points will be collected monthly from 228 organizations.

**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 1st to the 8th day.

**18.3. Data collection**

The prices for industrial production are collected by price enumerators. The price collection fieldworks are conducted from 1st to 8th of the month following the reporting period. Enterprises indicate in questionnaires the following information about the selected four products: measurement unit, prices in the reference, previous and current month and, in case of the export price index, country of destination.
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:
https://questionnaires.geostat.ge/
It is possible to see the questionnaires on the website of Georgia, on the following link:
**DPPI:** https://www.geostat.ge/en/modules/categories/557/questionnaires-price-statistics
**XPI:** https://www.geostat.ge/en/modules/categories/557/questionnaires-price-statistics

**18.4. Data validation**

**The validation procedure for the producer price index for industrial products 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 is 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.
The elementary aggregate index is considered to be reliable if it passes the above validation checks.

**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 producer price index are updated annually, based on the production structure defined by the National Accounts System and external trade statistics data and reflects the latest information on industrial production output across the country. The obtained weights represent the share of the product value in the overall value of products produced in the country. The weights for a reporting period *t* are calculated based on *t-2* period information. The list of industrial products included in the index may also be changed while updating the weights.
During the PPI calculation, an elementary price index is the index calculated for each individual product produced by each enterprise. During the annual update of samples of organizations and 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 weights.
The elementary index compared to the price reference period is obtained from the ratio of reporting (t) and reference period product prices.
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.

**18.6. Adjustment**

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| Not applied. |

| 19. Comment |
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