



Meeting of Group of Experts on Consumer Price Indices

May 30-June 1, 2012

Geneva



Kiribati CPI Weights: A Review of Household Expenditure Data

Alick Nyasulu-Secretariat of Pacific Community



Introduction

- Kiribati is an island nation scattered across thousands of miles of the Pacific Ocean
- Household expenditure and income survey periodically done across all the islands
- Data collection is a daunting exercise challenged by geography and limited personnel to cover all islands

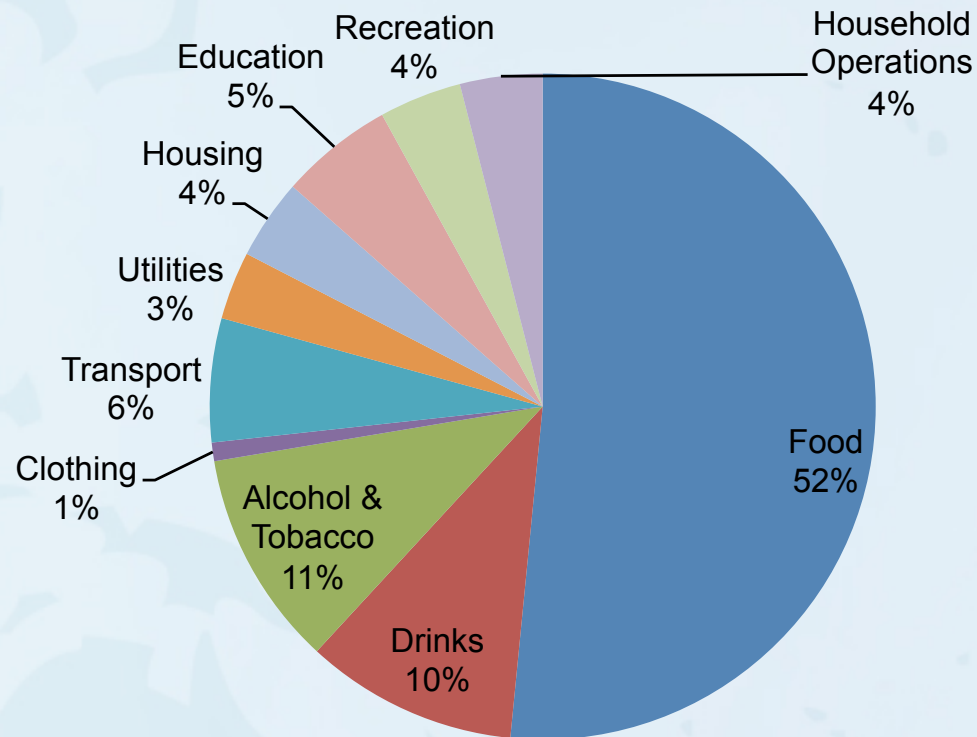


Current CPI

- Base period is 1996
- 1996 HIES survey was done to generate weights
- Food expenses dominate household consumption expenditure



1996 HIES Weights



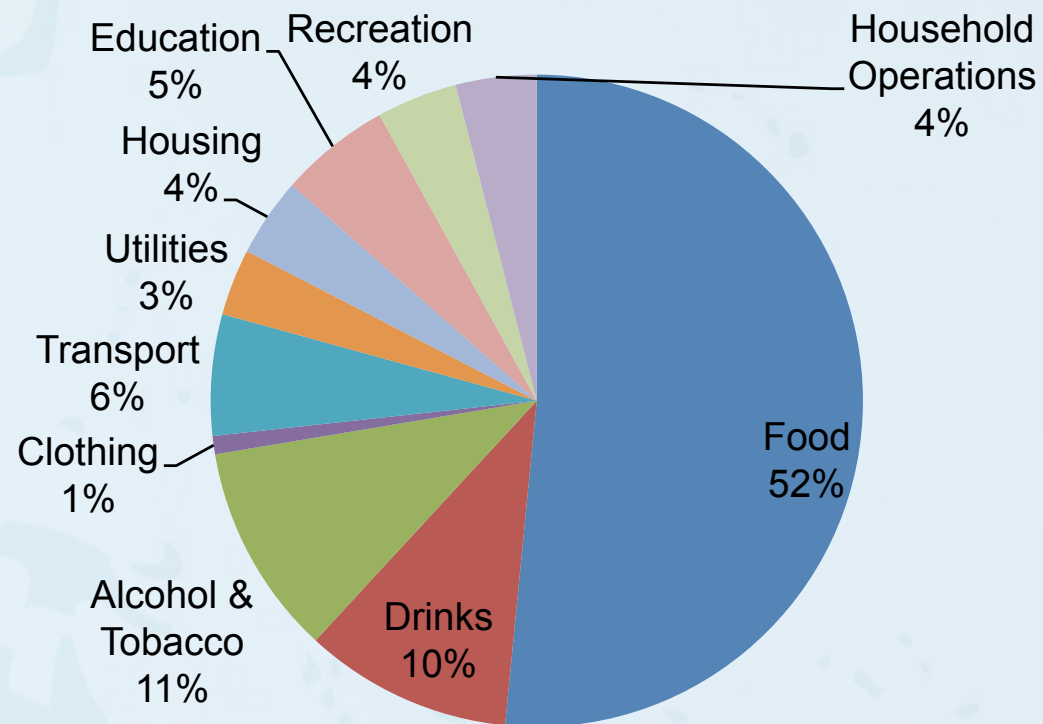


Current CPI

- Another HIES was done in 2006
 - New weights generated
 - Methodology and coverage similar
 - Some questions on the results
 - Kiribati NSO decided not use 2006 weights

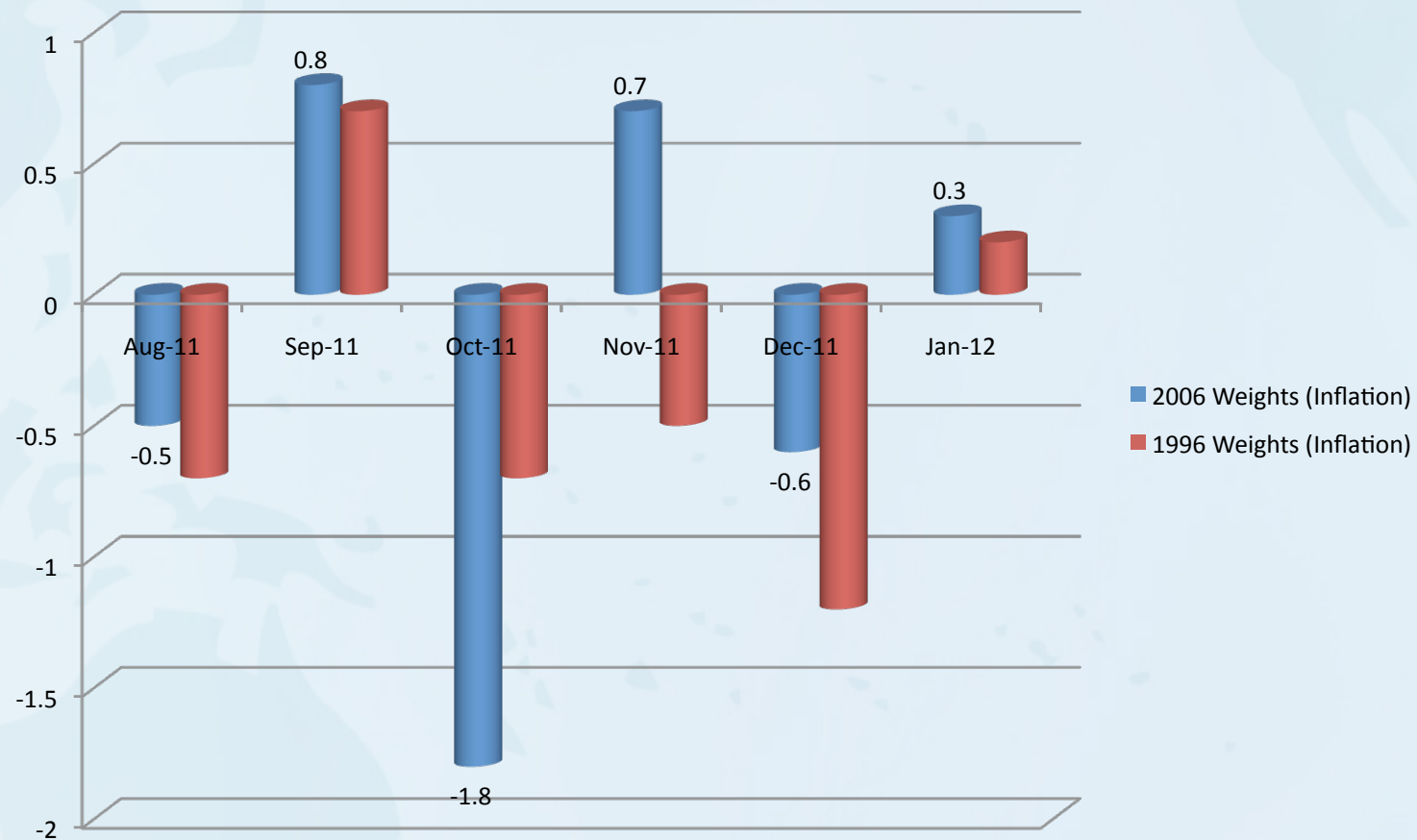


2006 HIES Weights





Effects of change in weights on CPI





Key issues

- Other factors assumed constant to affect CPI i.e. substitution effects, seasonality, quality adjustments;
 - Their effects cannot be completely ignored
- HIES have critical issues that should be considered carefully when updating CPI weights
 - Survey errors of all forms
- Commodity flow techniques
 - Trade statistics
- Initiatives to standardise HIES methods across Pacific Island countries