

Managing CPI price collection during and after the lockdown

Christopher Payne

Head of Prices Development | Office for National Statistics

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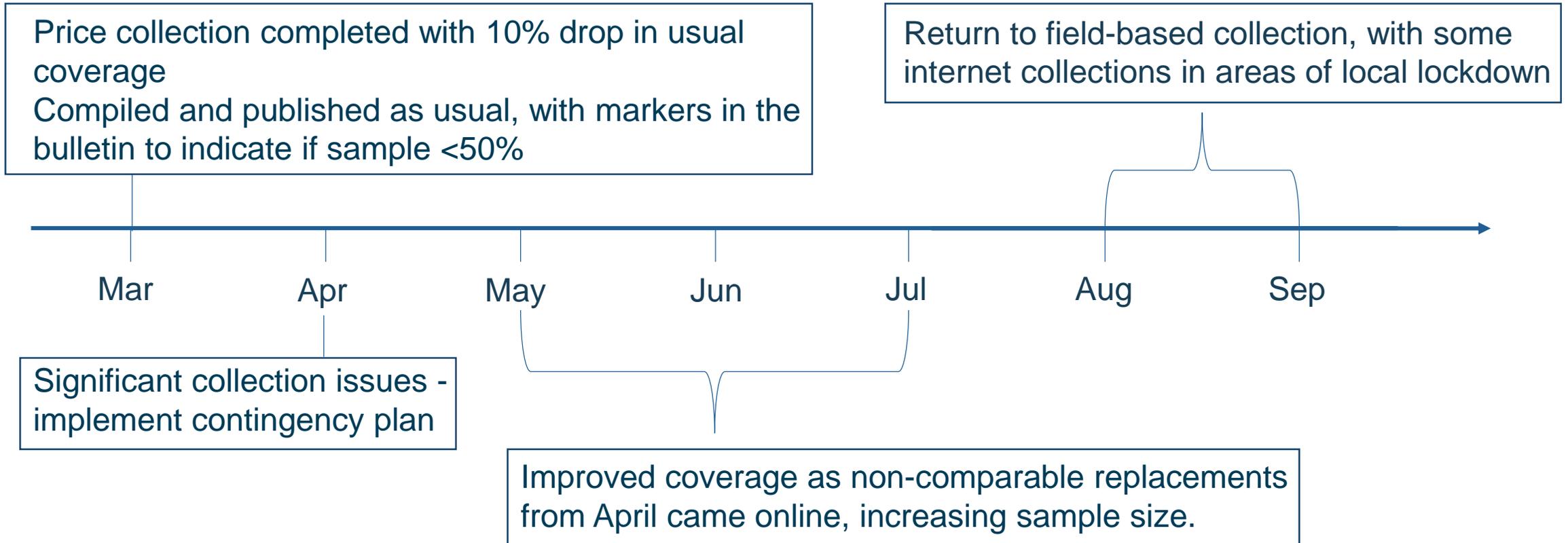
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Background

Background

- 80% quotes collected locally by Kantar UK on 'index day'
 - CPIH weight = 45%; CPI = 56%; RPI = 45%
- Remainder collected centrally through websites, phone calls, emails, and brochures
- Sample stratified by shop-type and by region

Background: 2020 timeline



Price collection during the lockdown

Local collection

- Restrict collection to those items which are available
 - CPIH April = 83.7%; CPIH August = 98.95%
- Price collectors price as much as possible through websites
- Phone calls to smaller retailers with no website
- Extend collection period from 'Index day' to Index week (with some collection the week before)

Immediate replacement strategy

In normal times:

- wait 3 months before replacing a missing product
- temporarily missing: exclude from calculation
- impact on sample size?

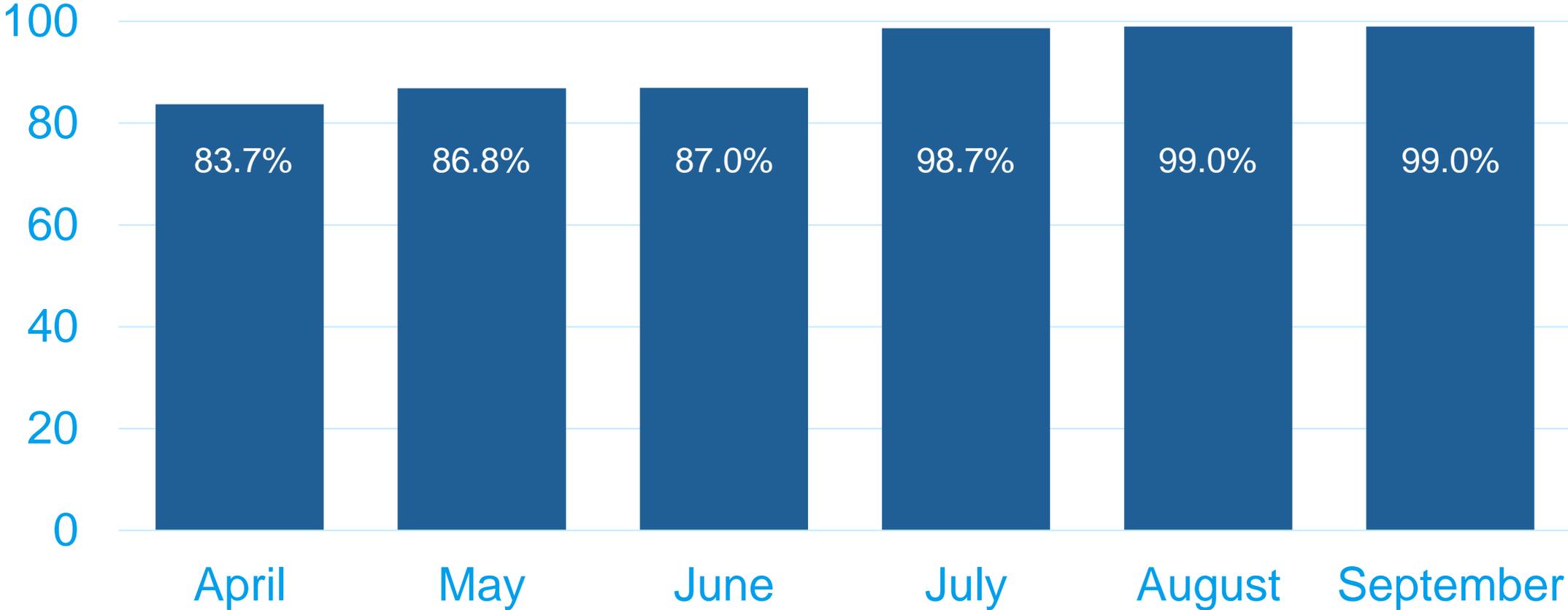
Lockdown strategy:

- replace missing products immediately
- No outlet switching

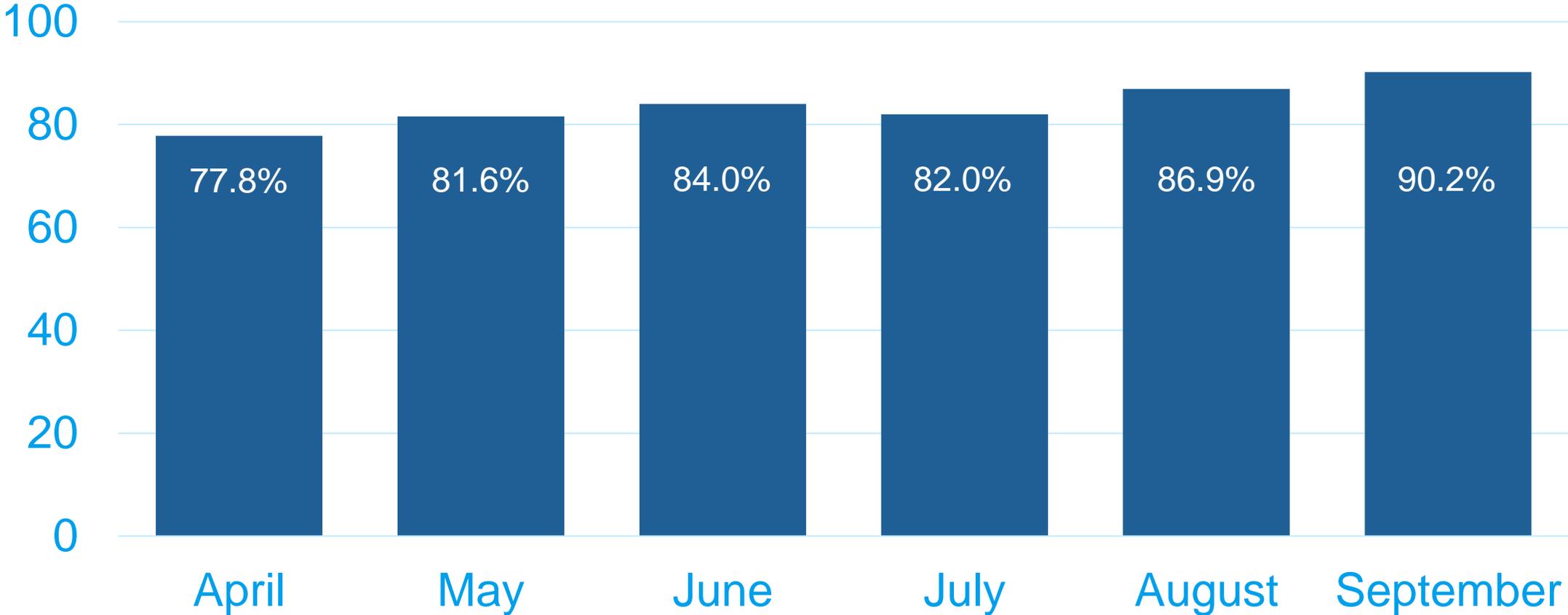
Further considerations

- Treatment of convenience stores from big retailers:
 - ‘Non-comparable’ – impute new base price
- Quality change in services:
 - Restaurants offering their meals as takeaway
 - Education courses offered online
- Regional variation in prices

% CPIH available items (2020)



% response in 2020 (wrt February 2020)



Sample sizes

Variation in response:

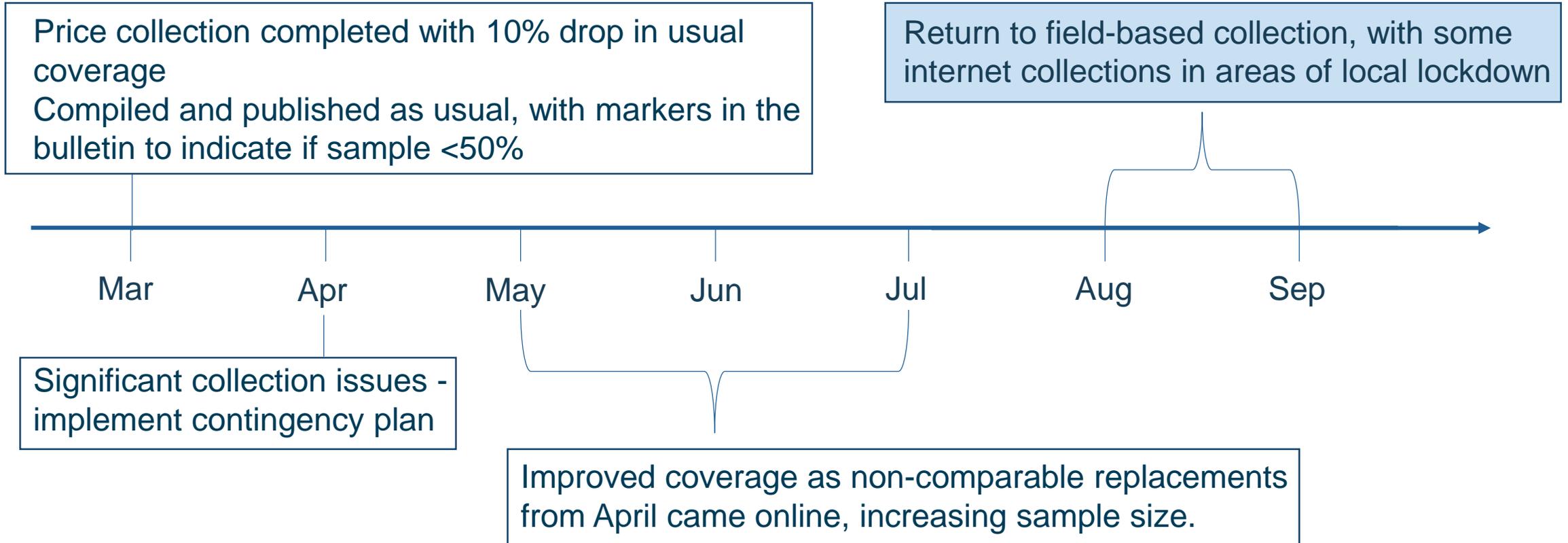
- Central > local
- Zero samples generally below item level:

	Independent stores	Independent x region	Region only
April 2020	85	40	16

- Small number of items with zero sample

Price collection after the lockdown

Background: 2020 timeline



Principles for resuming price collection

1. Aim to preserve index levels prior to implementation of Covid-19 lockdown restrictions
 - Price products that were collected prior to lockdown
 - Compare directly to March base prices
2. Maximise sample size
3. Minimise replacements

Price collection considerations

Only able to work from one price list (March or July)

August:-

March price list – replacements will need to be made again!
(Increased use of C/N markers)

Subsequent months:–

Have we lost link to original base prices? The more refusals
the bigger the issue

Exceptions

- Localised lockdowns: if collection not possible, internet collection (without immediate replacements)
 - Also differences in devolved regions
- Store refusals: internet collection (with immediate replacements)
- Store closures: as per usual procedure
- Clothing prices (always use immediate replacements)

Further considerations

Unusual price collections:

- Package holidays
- Air fares, sea fares and international travel

PPE charges

New government policies:

- Eat out to help out scheme
- Reduction in VAT

Discussion