

0. Prerequisites

0.1 Legal environment

0.1.1 Responsibility for collecting, processing, and disseminating statistics

Statistical Institute of Jamaica

The Statistical Institute of Jamaica (STATIN) is created as a body corporate by the Statistics Act. Section 28 of the Interpretation Act defines the powers of a body corporate simply as having the rights as any legal person to hold property and to enter into contracts.

STATIN is granted the legal authority under the Statistics Act to take any Census, to collect, compile, analyze, abstract and publish statistical information relating to commercial, industrial, social, economic and general activities and condition of the people of Jamaica. In addition Section 7 lists twenty-one areas on which STATIN, with the approval of the Minister to collect statistical information.

The taking of a Census is subject to a direction of the Minister, and by Ministerial Order the Regulations determine the content and administrative arrangements.

0.1.2 Data sharing and co-ordination among data producing agencies

The Statistics Act provides for coordination, collaboration with public agencies in the collection, compilation and publication of statistical information including statistical information derived from activities of such agencies. (administrative data)

0.1.3 Confidentiality of individual reporters' data

Section 17 of the Statistics Act, mandates that STATIN shall not publish or otherwise make available to any person statistics that would enable the identification of any person or business.

To balance STATIN's extensive powers to collect information, mostly through mandatory reporting, the Statistics Act establishes the rigorous legal obligation for the Agency to keep the respondent's information in trust. The legislation makes a formal commitment to respondents that the information they provide will never be released to anyone in a form that will identify them without their authorization. Respondents who believe that providing the Agency with information will not identify them are

	<p>much more likely to answer truthfully and to cooperate with the collector.</p> <p>Much of the Agency's credibility rests on confidentiality protection as a bedrock condition of operation. Given its critical importance, this commitment to confidentiality is found not only in the law but also in the culture of STATIN.</p> <p>0.1.4 Ensuring statistical reporting</p> <p>STATIN has the authority to require an individual or establishment to supply particulars for Census or other statistical collection in accordance with the Act.</p>
0.2 Resources	<p>0.2.2</p> <p>STATIN is funded mainly from the national budget, however, where necessary STATIN seeks technical assistance from international agencies to introduce or improve systems.</p>
0.3 Relevance	<p>0.3.1 Monitoring user requirements</p> <p>Feedback is sought from various customers via the Communications and Marketing Unit as a means of improving the provision of statistical products. Targeted stakeholders' sessions are also hosted to get feedback on the work of the organization.</p>
0.4 Quality management	<p>0.4.1 Quality policy</p> <p>The Statistical Institute of Jamaica is currently developing a Quality Assurance Framework for our statistical products and processes. This is based largely on the generic National Quality Assurance Framework developed by an expert group of the United Nations Statistical Commission. The Statistical Institute of Jamaica is also in the process of adopting the Code of Good Practice in Statistics for Latin America and the Caribbean developed by the Working Group on Institutional Strengthening of the Economic Commission for Latin America and the Caribbean (ECLAC). These initiatives aim to improve the overall quality of official statistics on Jamaica.</p>

	<p>0.4.2 Quality monitoring</p> <p>The quality of the programme is evaluated against constraints. STATIN currently applies various quality assurance techniques to the production of official statistics to ensure that the information produced is of the highest standard. Other initiatives to improve and maintain the quality of the data produced by STATIN include continuous staff training, participation in local and international courses, meetings and workshops among others.</p>
<p>1. Integrity</p>	
<p><u>1.1 Professionalism</u></p>	<p>1.1.1 Impartiality of statistics</p> <p>Statistical Institute of Jamaica acts independently to establish the methods used in data estimation as well as the timing and content of all data releases.</p> <p>1.1.2 Selection of sources, methodology, and modes of dissemination</p> <p>Section 8 of the Statistics Act gives STATIN the authority for statistics collected under the Act to be compiled, tabulated and published in such manner as STATIN may determine.</p> <p>1.1.3 Commenting on erroneous interpretation and misuse of statistics</p> <p>STATIN has the authority to comment on erroneous interpretation and misuse of statistics.</p>
<p><u>1.2 Transparency</u></p>	<p>1.2.1 Disclosure of terms and conditions for statistical collection, processing, and dissemination</p> <p>The Statistics Act is available on the website. For more information please visit: http://www.statinja.gov.jm</p> <p>1.2.2 Internal governmental access to statistics prior to release</p> <p>Advanced copies of the publications are sent to the Minister with portfolio responsibility for STATIN, the Ministry of Finance and Planning, the Office of the Prime Minister as well as to the Bank of Jamaica and the Planning Institute of Jamaica where necessary, one day before the official press release to the general public. This access is however granted under strict embargo to prevent the unauthorized distribution of pre-release data.</p>

	<p>1.2.3 Attribution of statistical products</p> <p>The Statistical Institute of Jamaica is clearly identified by the STATIN logo and Corporate Image on all disseminated statistics produced and released by the Agency. Organizations or individuals using data produced by the Statistical Institute of Jamaica are required to cite the Statistical Institute of Jamaica as the data source. The dissemination of STATIN’s data is not accompanied by any ministerial commentary. The Minister does not influence what is included or excluded from these statistical reports.</p> <p>1.2.4 Advance notice of major changes in methodology, source data, and statistical techniques.</p> <p>Major revisions to the methodology source data and statistics are made available to the users.</p>
<p><u>1.3 Ethical standards</u></p>	<p>1.3.1 Guidelines for staff behavior</p> <p>Prior to the execution of a contract of employment (Permanent Staff) or Contract employment persons are required to complete a Form of Oath pursuant to Section 9 of the Statistics Act and Declaration pursuant to Section 2 of the Official Secrets Act.</p> <p>Both statutory provisions require that employee shall not disclose or make known any matter which come to their knowledge by reason of their employment to STATIN.</p> <p>In the event of the breach of this provision the Act also provides for criminal prosecution.</p>
<p>2. Methodology</p>	
<p><u>2.1 Concepts and definitions</u></p>	<p>2.1.1 Concepts and definitions</p> <p>The CPI measures changes in the general level of prices of consumer goods and services purchased by private households. The goods and services included within the scope of the index can be figuratively thought of as a “basket”.</p> <p>The CPI is compiled from a specified basket of consumer goods and services purchased by the population. Since the basket remains constant the index does not reflect changes in the consumer’s tastes or preferences or changes in the standard of living due to changes in income levels. It is therefore necessary to review the basket of goods and services periodically in</p>

<p><u>2.2 Scope</u></p>	<p>order to capture changes in consumer expenditure patterns. The revision also takes account of quality changes in products and commodities that enter or leave the market.</p> <p>2.2.1 Scope</p> <p>Scope of the data</p> <ul style="list-style-type: none"> • Population coverage: The data from the Household Expenditure Survey (HES) 2004-2005 showed that there are two distinct expenditure groups, Low to Middle Income and Upper Income. Currently the CPI includes all Jamaican families that are in the Low to Middle income groups. This group represents approximately 85% of the total population with the remaining upper income group consisting of 15%. The CPI for the low to middle income consumers is the index used to report headline inflation. • Geographic coverage: All parishes in Jamaica are covered by the CPI. The island is divided into three distinct geographic regions. They are the Greater Kingston Metropolitan Area, Other Urban Centres and Rural Areas. These indices are then aggregated to arrive at an All Jamaica “All-items” CPI. • Item coverage: Consumer goods and services with a retail price are included in the CPI. <p>Exceptions to coverage</p> <ul style="list-style-type: none"> • Population coverage: Currently, the CPI does not include the Upper Income category, persons living in collective households, officials representing foreign countries and their families. • Item coverage: The CPI excludes income taxes, charitable donations such as offerings, contributions made to pension plans, and consumer savings and investments.
<p><u>2.3 Classification/sectorization</u></p>	<p>2.3.1 Classification/sectorization</p> <p>The classification system used for the CPI is the Classification of Individual Consumption according to Purpose (COICOP) that was developed by the United Nations Statistical Division and published in the Consumer Price Index Manual: Theory and Practice (2004). The goods and services are classified into these commodity divisions. An index is derived and published for divisions, groups and classes. There are 12 divisions as follows: 1. Food and Non-</p>

	<p>Alcoholic Beverages 2. Alcoholic Beverages and Tobacco 3. Clothing and Footwear 4. Housing, Water, Electricity, Gas and Other Fuels 5. Furnishings, Household Equipment and Routine Households Maintenance 6. Health 7. Transport 8. Communication 9. Recreation and Culture 10. Education 11. Restaurants and Accommodation Services and 12. Miscellaneous Goods and Services.</p> <p style="text-align: center;">Divisions</p> <p>01 Food and Non-Alcoholic Beverages 02 Alcoholic Beverages and Tobacco 03 Clothing and Footwear 04 Housing, Water, Electricity, Gas and Other Fuels 05 Furnishings, Household Equipment and Routine Household Maintenance 06 Health 07 Transport 08 Communication 09 Recreation and Culture 10 Education 11 Restaurants and Accommodation Services 12 Miscellaneous Goods and Services</p>
<p><u>2.4 Basis for recording</u></p>	<p>2.4.1 Valuation</p> <p>1. Types of prices: Prices reflect those that consumers pay during the first full week of the month when the price collection survey is conducted islandwide. These prices include value added taxes – (General Consumption Tax- GCT). Discounts or the discounted prices are collected if they are automatically given to all customers. Where there is an option of buying cash or on hire purchase the cash price of items is recorded. This is especially important for furniture stores and retailers of electrical appliances.</p> <p>2.4.2 Recording basis</p> <p>Timing of price observations: The frequency with which price data are collected depends on the item. The price of most commodities</p>

	is collected monthly, but others such as tuition fees and motor vehicle insurance are collected less frequently.
3. Accuracy and reliability	
<u>3.1 Source data</u>	<p>3.1.1 Source data collection programmes</p> <p>The CPI is designed to measure price changes for a fixed basket of consumer goods and services. Price movements are monitored in several retail outlets from which households do their shopping and also from various business organizations which provide services to households.</p> <ul style="list-style-type: none"> • Sources of weights: Weights for all the items are based on the HES. • Time period of current weights: Weights for the current series of the CPI are based on the HES that was conducted from June 2004 to March 2005. • Frequency of weight updates: At the item level weights are updated each month. Higher level weights are based on the HES. • Item selection: Groups and classes with a percentage less than 0.5% were eliminated and the weight redistributed to the remaining groups. Items with a percentage of less than 0.5% within a class or group were also eliminated and the weight redistributed to the remaining items. • Outlet selection: Judgmental sampling is utilized for most items taking into account the type of stores where most people shop, the availability of items in the CPI basket in these outlets, sales volume and geographic location of outlets. The housing units for rents are selected using stratified random sampling. • Price collection methods: Monthly, quarterly and annual price surveys are carried out at outlets such as grocery stores, clothing and footwear stores, furniture and appliance shops, garages, doctors, dentists, law offices, schools, insurance companies and barber and beauty salons. Additionally, price data for labour rates, telephone and electricity charges, water charges, air fares, education and hospital fees are all collected from the appropriate authorities. Most price collection is done by personal visits to the various outlets and a few collected by telephone or electronic means. Rental information are collected from households on a monthly basis during the first full week of each month. • Sample sizes: Approximately 748 rent quotes and 49,704

	<p>other price quotations are collected each month at approximately 1,389 outlets.</p> <ul style="list-style-type: none"> • Item/variety specification: Specifications provide detailed descriptions of the characteristics of the product that is surveyed. In some cases specific models or brands are identified. <p>3.1.3 Source data timeliness The timeliness associated with price data collection and processing currently meets the SDDS requirements. .</p>
<p><u>3.2 Assessment of source data</u></p>	<p>3.2.1 Source data assessment</p> <p>Computer generated edit sheets are used to highlight unusual price changes. If needed, the staff contact outlets by telephone or use sale receipts to validate the accuracy and reliability of collected price information. Monthly pre-publication data reviews use comparisons of historical data (at aggregated or detailed levels) to identify common reporting errors or coverage and other reporting problems.</p>
<p><u>3.3 Statistical techniques</u></p>	<p>3.3.1 Source data statistical techniques</p> <ul style="list-style-type: none"> • Missing prices: The price of an item may not be collected in some period because the item is missing temporarily or has permanently disappeared from the market. Any one of the following four approaches is used: <ol style="list-style-type: none"> 1. Omit the item for which the price is missing so that a matched sample is maintained (like is compared with like) even though the sample is depleted. 2. Impute the missing price by the average price change for the prices that are available in the elementary aggregate; i.e. where the geometric mean prices are computed. 3. Impute the missing price by the price change for a particular comparable item from another similar outlet. 4. Carry forward the last observed price (this is only used as a last resort). • Quality Adjustment: A quality change in an item occurs when the change in specification has resulted in a significant difference between the new variety of the good or service and the one that had previously been selected. <p><u>Imputation:</u> Where no information is available to allow reasonable estimates to be made of the effect on price of a quality</p>

change the price changes of all items, or of more or less similar items, are assumed to be the same as that for the missing item;

Overlap: Where no information is available to allow reasonable estimates to be made of the effect on price of a quality change, but where a replacement item exists in the same period as the old item, the price difference between the old item and its replacement in the overlap period is then used as a measure of the quality difference;

Direct comparison: If another item is directly comparable, that is, it is so similar that it can be assumed to have had more or less the same quality characteristics as the missing one, its price replaces the unavailable price. Any difference in price level between the new and old is assumed to arise from price changes and not quality differences;

Explicit quality adjustment: Where there is a substantial difference between the quality of the old and replacement items, estimates of the effect of quality differences on prices are made to enable quality-adjusted price comparisons to be made.

Outlet Substitution: Outlets are substituted when:

- Owners/operators are uncooperative.
- Items required for CPI are not available.
- Outlet goes out of business.

Experienced field officers recommend suitable replacements for outlet substitutions.

- **New items**: New items are not included until a HES is conducted
- **Owner-occupied housing**: Components include homeowners' maintenance and repairs.

3.3.2 Other statistical procedures

- **Base period**: December 2006=100.

Methods used to combine basic price observations: Once the prices for goods and services have been collected, they are examined individually to ensure the validity of the data being used in the CPI calculations. Prices are compared with the previous month's data in an effort to monitor price fluctuations and maintain consistency from month to month. The geometric mean is used to arrive at average prices.

Formula for aggregation: The CPI utilizes the short-term price relative version of the Laspeyres price index.

Method used to update weights for price change: A price relative is

	<p>calculated comparing the current month (t) geometric average price with the previous month (t - 1) geometric average price. This price relative is then used to move the previous month's elementary index forward to the current month, starting with the new base price period of December 2006. Price indices are next computed for the higher level indices such as groups, divisions, and all items by aggregating the elementary item indices and weighting them by their relative importance in the CPI basket.</p> <p>Data are compiled from price data collected following ILO concepts and definitions.</p> <p>Data are not seasonally adjusted.</p>
<p><u>3.4 Data validation</u></p>	<p>3.4.1 Validation of Intermediate Results</p> <p>Verification of Procedures: All prices are verified for reasonableness. Price changes are also reviewed for consistency with other sources.</p> <p>3.4.3 Assessment of discrepancies and other problems in statistical outputs</p> <p>The production of high quality statistics is of paramount importance to the Statistical Institute of Jamaica. However, despite the great care taken in the production process, discrepancies in published data cannot always be avoided. Where errors/discrepancies are identified in published data, STATIN assess such discrepancies in a uniform, transparent and reasonable way. Any discrepancy identified are addressed at the earliest possible date, and users notified of all adjustments to previously published data. Additionally, STATIN documents and reviews the procedures that led to the discrepancy with a view to minimize the risk of recurrence.</p>
<p>4. Serviceability</p>	
<p><u>4.1 Periodicity and timeliness</u></p>	<p>4.1.1 Periodicity</p> <p>Monthly</p>

	<p>4.1.2 Timeliness</p> <p>Data are released on the 15th day of the month following the reference month except when the 15th falls on a weekend or public holiday. When this occurs it is released on the work day immediately following.</p>
<p><u>4.2 Consistency</u></p>	<p>4.2.1 Internal consistency</p> <p>Detailed indices are published for the Low to Middle Income category for 12 divisions and these are published for the three regional indices and the All Jamaica index. Factors contributing to the change in the index are analyzed in the monthly bulletin and in the “CPI Annual Review”.</p> <p>4.2.2 Temporal consistency</p> <p>The monthly publication “The Consumer Price Index Bulletin” contains data on the current ‘All Items’, ‘All Divisions’ CPI by Geographic Regions and for All Jamaica. The historic series for All Jamaica is linked back to January 1976.</p> <p>4.2.3 Intersectoral and cross-domain consistency</p> <p>The monthly CPI data that are published are consistent with the concepts and definitions of the International Labour Organization’s (ILO) CPI Manual, other price statistics such as the Producer Price Index and the System of National Accounts. Market reports and media articles as well as other external data sources are used in the process of analysis and compilation.</p>
<p><u>4.3 Revision</u></p>	<p>4.3.1 Revision schedule</p> <p>Revision policy: All data for the CPI once published are final. There is no revision of the CPI data.</p>
<p>5. Accessibility</p>	
<p><u>5.1 Data</u></p>	<p>5.1.1 Statistical presentation</p> <p>Monthly and annual data on the CPI are compiled and disseminated by the Statistical Institute of Jamaica (STATIN).</p> <p>5.1.2 Dissemination media and format</p> <p>All publications of the CPI are available in hard copy and electronic formats. Including:</p>

	<p>The Monthly Consumer Price Index Bulletin and the Consumer Price Index Annual Review publications are available in English, from the Marketing and Communications Unit of the Statistical Institute of Jamaica - 7 Cecelio Avenue. Kingston 10, Jamaica. Tel. (876-630-1600) Fax (1-876-926-1138) Email: info@statinja.gov.jm.</p> <p>Electronic – Other</p> <p>The monthly index, inflation rate, Monthly Price Index Bulletin and Press Release are available at http://www.statinja.gov.jm; http://statinja.gov/Pressreleases.apx</p> <p>Various ad-hoc requests are also supplied.</p> <p>5.1.3 Advance Release Calendar The precise release dates for the next six months are available on the website www.statinja.gov.jm</p> <p>5.1.4 Simultaneous release The Statistical Institute of Jamaica strives for the simultaneous release of statistical information to the public. Statistical information is usually released via the media, the web and the STATIN library on the scheduled day of release at 3:30 p.m. All intergovernmental sharing of data prior to the official public release are treated as confidential, and under embargo.</p>
<p><u>5.2 Metadata</u></p>	<p>5.2.1 Dissemination of documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques.</p> <p>A detailed statement of methodology is included in the Consumer Price Index Annual Review Publication.</p> <p>Changes in methodology and revisions to international classifications are published. (http://www.statinja.gov.jm).</p> <p>5.2.2 Disseminated level of detail</p> <ul style="list-style-type: none"> •The index is disseminated for divisions, groups and classes according to the COICOP classification.