



LIVE STREAMING:
**QUARTERLY
PRESS BRIEFING**



SPEAKER:

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DIRECTOR GENERAL, STATIN

CONSUMER PRICE INDEX *(MAY 2020)*

GROSS DOMESTIC PRODUCT *(1ST QTR. 2020)*

WEDNESDAY JULY 15, 2020 @ 10:00AM

Gross Domestic Product Q1 2020



STATISTICAL
INSTITUTE
OF JAMAICA

GROSS DOMESTIC PRODUCT

January - March 2020
First Quarter

HIGHLIGHT

First Quarter of
2020 Decline



FACTORS

Goods Producing Industries



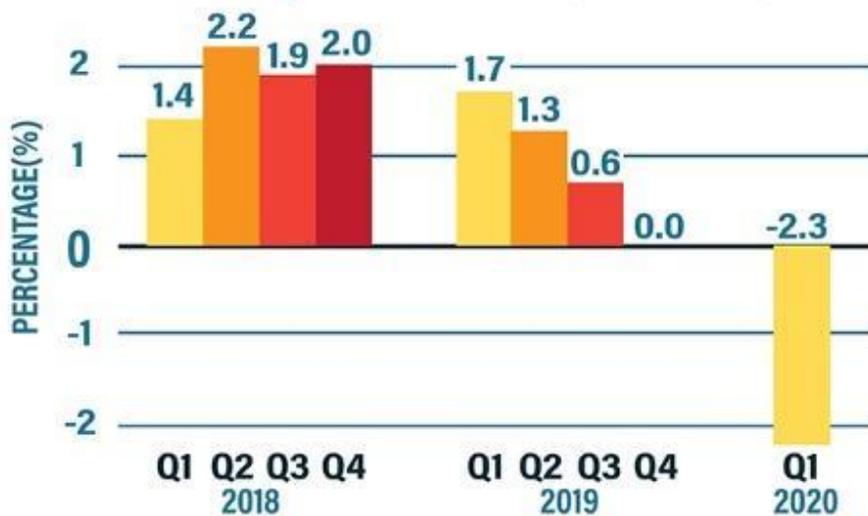
-1.9%

Services Industries



-2.5%

Quarterly Rate Of Growth (2018 - 2020)



FISCAL YEAR : The economy declined by **0.1%** in the fiscal year 2019/2020 when compared to fiscal year 2018/2019.

Goods Producing Industries



Services Industries



THE REVISED CONSUMER PRICE INDEX (CPI)

2020



Introduction

Why Revise the CPI

To identify new commodities that have entered the market,
Account for quality changes in products, and
To capture changes in expenditure patterns on goods and services

Price Reference Period

January to December 2019

Weights Reference Period

This new series of Consumer Price Indices (CPI) was compiled using data obtained from the 2017 Household Expenditure

Household Expenditure

The CPI reflects the expenditure patterns of low to middle income households, representing quintiles one (1) to four (4)

COICOP 2018 BROAD EXPENDITURE DIVISIONS

Food and Non-Alcoholic Beverages

Alcoholic Beverages, Tobacco and Narcotics

Clothing and Footwear

Housing, Water, Electricity, Gas and Other Fuels

Furnishings, Household Equipment and Routine Household Maintenance

Health



COICOP 2018 BROAD EXPENDITURE DIVISIONS

CONTINUED

Transport

Information and Communication

Recreation, Sport and Culture

Education Services

Restaurants and Accommodation Services

Insurance and Finance Services

Personal Care, Social Protection and Miscellaneous Goods and Services





Household Expenditure Survey 2017

- The most recent Household Expenditure Survey (HES) was conducted by STATIN in twelve (12) monthly surveys during 2017.
- This survey was carried out in all 14 parishes and forms the basis of the revision of the newly launched CPI.
- The target population for the 2017 HES consisted of individuals living in private dwelling units at the time of the survey who are usual residents of Jamaica.

Household Expenditure Survey 2017 (cont'd)

- The HES asked persons about **what** they purchased, **how often**, the **amount spent** on different goods and services and **where** they purchased these goods and services.
- Items included:
 - Food & Non-Alcoholic Beverages
 - Alcoholic Beverages
 - Sporting Activities
 - Entertainment
 - Personal grooming
 - Baby items
 - Other Goods and Services

Process Flow: HES to CPI

Administer Household Expenditure Survey

- Determine the CPI basket
- Determine weights of items
- Determine Outlets

Determine CPI Basket of Goods and Services

- A comprehensive list of consumer goods and services associated with specific quantities

Undertake CPI Monthly Price Surveys

- Most prices for CPI items are collected monthly. Price movements monitored closely.

Compute the CPI

- Calculate a series of index numbers

Derive the Inflation Rate

- The change in the index number between two time periods

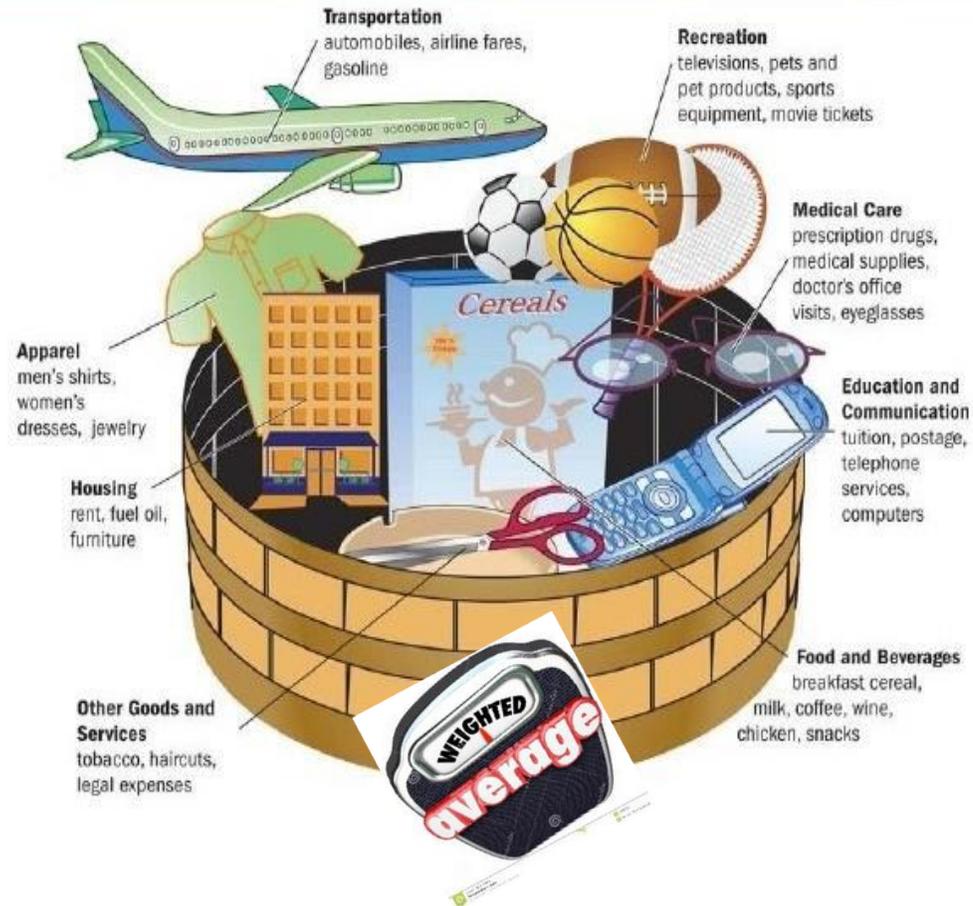
Selection of items for the basket



- Main criteria used for inclusion in the new basket:
 - The level of expenditure on an item.
 - The feasibility of obtaining accurate and reliable prices.
 - Items with an expenditure weight of **0.5 percent** or higher.
 - If only one item is in a group, it was selected regardless of its weight.

If the expenditure on a commodity was not significant for inclusion in the basket, this was re-distributed proportionately among the other commodities in the related sub-group.

Number of Commodities



300+
commodities

Selection of Outlets



1,353 outlets

- The outlets for the CPI were selected using data from the HES, as well as information from administrative sources, and expert interviews.
- The CPI outlets are primarily located in commercial districts across Jamaica, where the majority of householders shop.

Price Collection

- Prices are collected for most items monthly from outlets such as: grocery stores, markets, clothing and footwear stores, furniture and appliance shops, garages, doctors, dentists, schools, insurance companies and beauty and barber salons.
- Data collection is done twice monthly for items with volatile price movements such as petroleum and agricultural products.
- Prices are collected quarterly and annually for items such as school fees.

Price Collection (cont'd)

- Price data for labour rates, telephone and electricity charges, and education and hospital fees are collected from the appropriate authorities.
- In total, over 30,000 individual price quotations are collected each month to compile the CPI.



30,000+

price quotes

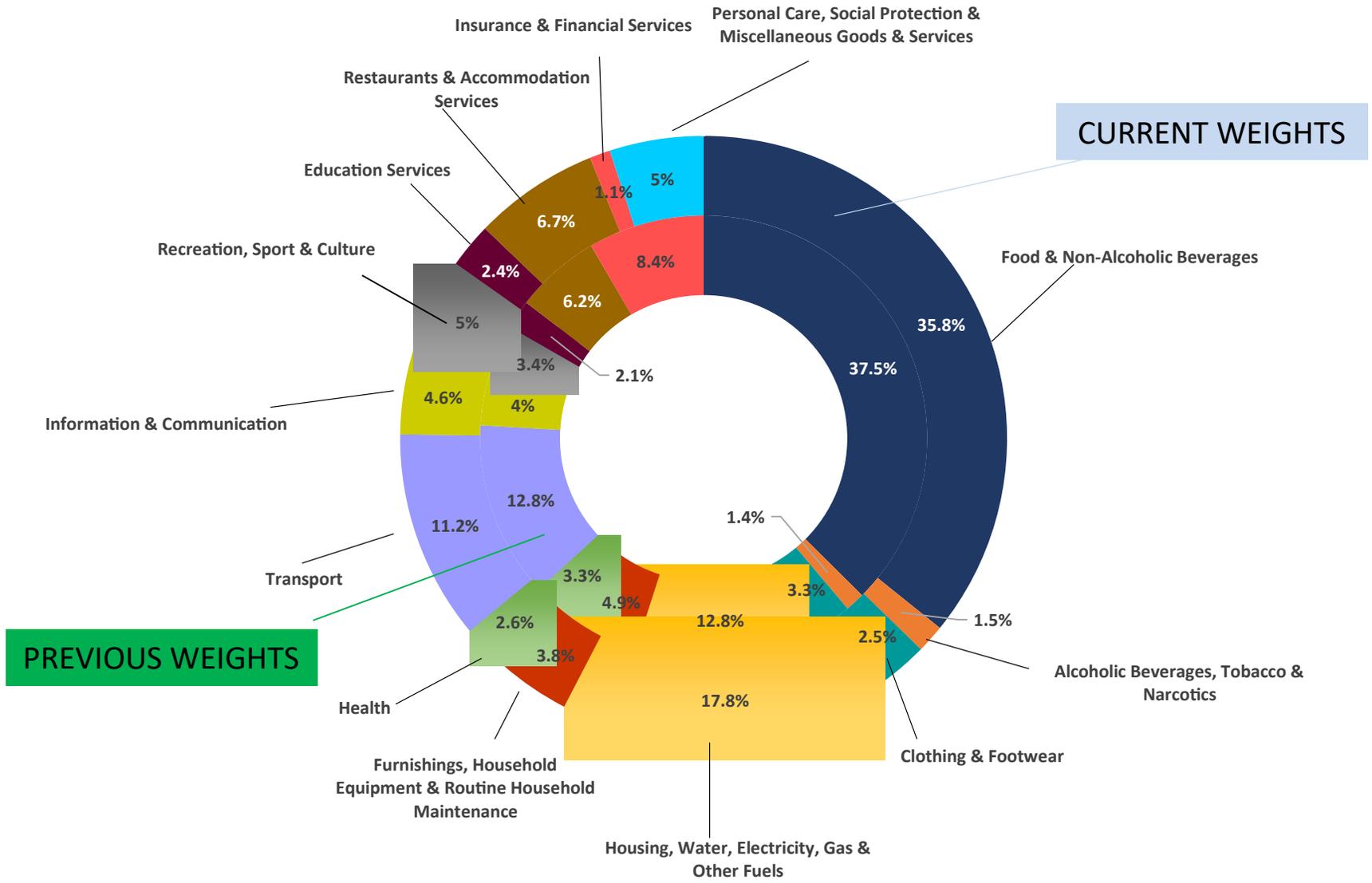
Weights of items for the basket



Each item in the basket is assigned a weight which determines the relative importance of the item.

The weight assigned to each division is the percentage share of its expenditure to total expenditure.

New CPI Weights





STATISTICAL INSTITUTE OF JAMAICA

CONSUMER PRICE INDEX



HIGHLIGHT

Inflation Rate
May 2020

0.1%

FACTORS



1.1%

Food & Non Alcoholic
Beverages



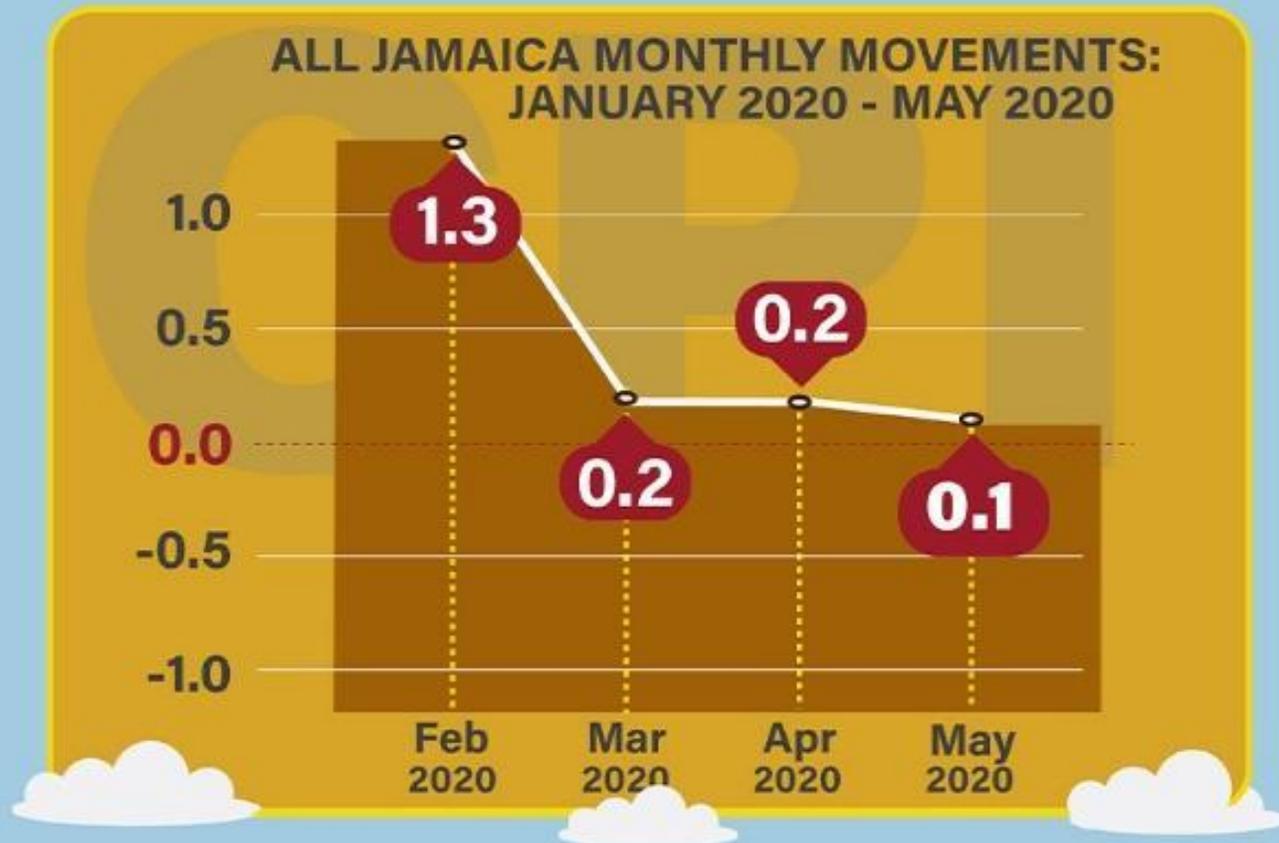
1.5%

Housing, Water, Electricity,
Gas & Other Fuels



-0.3%

Transport



REGIONAL CONSUMER PRICE INDEX: PERCENTAGE CHANGE

0.0%

Greater Kingston
Metropolitan Area

-0.2%

Other Urban Areas

0.2%

Rural Areas



QUESTION & ANSWERS