

TWINNING CONTRACT

Institutional Capacity Building for the Central Agency for Public Mobilisation and Statistics (CAPMAS) and Developing the Legal Framework for Statistics in Egypt

EG/07/AA/F106



MISSION REPORT


on

**Assessment of data sources and methodology in compiling
the Egyptian Producer Price Index**

Component no 5.3.1

Mission carried out by
Mr Ilkka Lehtinen and
Mr Toni Udd, Statistics Finland
Cairo, 1– 5 March 2009

Final version

EE2009:13		 STATISTICS DENMARK
Central Agency for Public Mobilisation and Statistics		Statistics Denmark

PHARE 2005

*Ilkka Lehtinen
Statistics Finland
FI-00022 Helsinki
Finland
Tel. +358 91734 3478
ilkka.lehtinen@stat.fi*

*Toni Udd
Statistics Finland
FI-00022 Helsinki
Finland
Tel. +358 91734 3380
toni.udd@stat.fi*

Table of contents

Executive Summary	4
General comments.....	5
2. Assessment and results.....	6
2.1 Egyptian PPI.....	6
2.1.1 Scope, concept and coverage	6
2.1.2 Classification, weights and item and outlet sample	6
2.1.3 Price collection and data reporting	6
2.1.4 Data processing and PPI calculation in CAPMAS	7
2.1.5 Specific products	7
2.1.6 Outputs and use of the PPI	7
3. Conclusions and recommendations	8
Background	10
Purpose of the mission	10
Expected Results	10
Activities	10
Tasks to be done by CAPMAS to facilitate the mission	11
Consultant and counterpart	11
Timing.....	11
Report.....	11

List of Abbreviations

CAPMAS	Central Agency for Public Mobilisation and Statistics
CAA	Central Agency for Accounting
CBE	Central Bank of Egypt
CPI	Consumer Price Index
EU	European Union
GDP	Gross Domestic Product
IMF	International Monetary Fund
IT-	Information Technology
MOED	Ministry of Economic Development
MEDSTAT	EU Statistical Co-operation with Mediterranean Countries
MOA	Ministry of Agriculture
MOF	Ministry of Finance
NA	National Accounts
PPI	Producer Price Index
PPP	Purchasing Power Parities
SNA 93	System of National Accounts 1993
TOR	Terms of Reference
WPI	Wholesale Price Index

Executive Summary

This mission report was prepared within the Egyptian-Danish Twinning Project “Institutional capacity building for the central agency for public mobilisation and statistics”. This mission was the first one devoted to the assessment of the state of the Egyptian Producer Price Index within Component 5.3. “Development of certain statistical areas” of the project. The mission was aimed at defining a strategic plan to form the basis for further implementation of the project in this statistical area. During this first action a thorough assessment of the current PPI methodology was carried out in order to better identify the line of interventions for future actions with particular attention to:

- **Calculation of PPI for domestic use and the future calculation of Export and Import Price Indices and the whole structure of Egyptian PPI (Agriculture - Industrial prod. - Services).**
- **Weighting structure of PPI, domestic use and export**
- **Data logistics from regional offices to CAPMAS**
- **The entire price data collection process from price collection to data checks; a systematic quality control system in validation of monthly price data**
- **Increasing the number of branches in PPI for services**
- **Publication policy of Egyptian PPI**
- **Possibility of producing PPI 2005=100 and PPI separately for branches B to E**

During the visit the EU experts obtained a good overview of the calculation of the PPI at CAPMAS and the use of and need for the PPI. CAPMAS price index officials and participants from the Egyptian Central Bank, the Ministry of Economic Development and the Central Agency for Accounting were also given an overview of the calculation of the PPI in Finland. The terms of reference of the participants to the mission, the agenda of the mission and a brief summary of the methods and solutions adopted in the Egyptian PPI are provided in the annexes to this report.

The next action will be an assistance visit from Sweden to Egypt at the end of March. The main topics will be the general methodology, the concepts and scope, classifications, data sources of weights, the product and enterprise sampling of the PPI, the price collection, the questionnaire and the updating of the prices.

General comments

The mission was aimed at defining a strategic plan forming the base of further implementation of the project in this statistical area. This activity will contribute to this objective and especially to the benchmarks set out in the contract: “By the 18th month, a new methodology to collect and process Producer Price data and to calculate and publish PPI in place”.

The expected results of the mission were:

- An assessment of the current data sources and methodology of compiling the Egyptian PPI.
- An evaluation of the work plan set out in the contract and suggestions for revisions in view of the findings and conclusions.

In July 2005 the International Monetary Fund (IMF) reviewed CAPMAS for a Report on the Observance of Standards and Codes (ROSC). The IMF report of 11 July 2005 refers to this. The methodology and quality of the Egyptian PPI were also reviewed at that time. Since the IMF report CAPMAS has made considerable improvements to its PPI methodology and calculation in accordance with the guidelines of the IMF.

The consultants would like to express their thanks to all the officials and individuals they met during their stay in Egypt for the kind support and the valuable information which highly facilitated the consultants' work.

2. Assessment and results

2.1 Egyptian PPI

The current Egyptian PPI is described in the following paragraphs.

2.1.1 Scope, concept and coverage

The concept, scope and coverage of the Egyptian PPI all comply with international recommendations. The index is used to measure inflation from the viewpoint of the producers, but it also serves as a deflator and a compensation index. In terms of geography, production and enterprises the index covers the whole of Egypt. The PPI covers all enterprises with more than 10 employees and in terms of the ISIC classification it covers the branches A to J (F and G excluded). Thus agriculture, industrial production and some service branches are covered. At present the weights used in the PPI are the value of total output, that is, the summed up value of both domestic consumption and exports. However, the price monitoring only covers the prices in domestic consumption. This means that the weight structure and price concept of the index do not correspond to one another. If the aim of the index is to describe the price development of domestic consumption, the share of exports should be removed from the weight and a separate export price index should be constructed.

2.1.2 Classification, weights and item and outlet sample

The classification applied in the index is ISIC ver. 4 2006 plus two international codes + four national codes. In future the weights, products and enterprises will be reviewed at five-year intervals. The product and enterprise weights are obtained from Industrial, Agriculture and Service Statistics from the fiscal years 2002/2003 and 2003/2004 (average of the production in these years, the 2002/2003 values are not price updated). The product and enterprise sample has been drawn as a single sample for the whole country. The enterprise sample is a stratified random sample, which means that all the key enterprises are included and the desired number of enterprises have been drawn from the other strata with simple random sampling. The most important products of the main industry of the enterprises included in the sample have been included in the index, but also other products have been included as necessary. The PPI covers 785 products. The total number of enterprises from whom the data are collected is 1,330. The total number of price quotations is about 5,000.

2.1.3 Price collection and data reporting

Prices are collected from 1,330 different enterprises. Data are collected on the prices of 785 products. Weights are applied to 300-462 products. The prices are collected monthly, quarterly, annually or when necessary with the help of two different kinds of paper questionnaires between the 14th and 16th day of the month. Prices of agricultural products are collected monthly and prices of industrial products and services are collected quarterly in January, April, July and October. If price changes occur during the months in between, enterprises report these changes to the regional offices according to agreement.

Activity	Enterprises	Products	Prices
TOTAL	1,330	785	5,000
Agricultural products	520	113	3,490
Industrial products	700	605	1,400
Services	100	67	110
Price-controlled products	10		

Interviewers receive continuous training and guidance with the aim of promoting uniformity and good quality in the price collection. The paper questionnaires are sent from the regional offices to Cairo mainly between the 18th and the 21st day of the collection month. The interviewers check the changes in the questionnaire and, if necessary, ask the informant for further clarification.

2.1.4 Data processing and PPI calculation in CAPMAS

The price data are saved and checked again at CAPMAS. The micro indices are calculated as geometric means of price ratios for the items without weights. The index weights are from the fiscal years 2002/2003 - 2003/2004, and in the index calculation process they are first updated from the year 2004/2005 to the level of the month before. The index can be described as a short-term chain index as the current month's prices are always compared to the previous month's prices. The formula used is the Young index formula (not Laspeyres since the weights are not from a reference period. It can, however, be described as a Laspeyres type of index).

Nowadays CAPMAS has enough computers available and the software and application programmes are up-to-date (e.g. Oracle database). In the regions the collection and processing of the price data is mainly performed by hand using the paper questionnaires. The micro index level (where weights are applied for the first time) is the 6-digit or 8-digit level (300/162 products).

2.1.5 Specific products

During the visit the consultants and experts from CAPMAS discussed the existing problems of following price changes in agriculture products, electronic equipment, production of cars, services and seasonal products. Product quality changes and quality adjustment were also debated. In accordance with international recommendations, seasonal products are treated by imputing prices for them according to the development in the prices of corresponding items. No actual evaluation of quality changes is made. The method used is to ask the price of a new commodity from the previous collection time and to chain the index forward with this change or to impute the price development of the next commodity as in the case of seasonal products. Changes in product quality were not seen as a major problem. It seemed that the Egyptians are not yet aware of the underlying philosophy of problems associated with changes in product quality. The current system results in a biased description of price development (often on the low side) as the price nearly always stays unchanged in cases where a change has occurred in product quality. No other problem was seen in agricultural products apart from seasonal commodities, to which international guidelines are applied. The price indices for services are produced mainly for the use of and according to the wishes of the Ministry of Transport, the Ministry of Information and the Ministry of Tourism. No pressure has been observed to extend the production of statistics on prices of services (national accounts have not put forward any wishes for their extension).

2.1.6 Outputs and use of the PPI

The PPI is published on the 1st day of every second month (t+2) as a press release according to a release calendar, even though it is calculated and produced as preliminary data each month. The release includes information about the main methodology used. The PPI is used widely: the Central Bank, the Ministry of Finance, the Ministry of Economic Development and the Central Agency for Accounting are among its most important users. The index is widely used by enterprises in trade agreements. However, monthly data marked "preliminary data" are available to all upon request (not actively given on the internet). Regardless of the indication "preliminary data" the data have not been revised, which means that all the data have already been final. All the point figures of the PPI should in future be available to all users each month without a specific request (e.g. on the internet).

The compilation of the PPI in Egypt was introduced by the CAPMAS on 1 March. The compilation of the PPI in Finland was introduced by the Finnish experts on 2 March. After this the experts and CAPMAS officials went through the entire structure of the PPI from the scope of the PPI to the use of the PPI with a special questionnaire (Annex 4). During the last mission day the EU experts and CAPMAS officials discussed the points raised during the mission and agreed the action plan for future work on the project (Annex 3).

3. Conclusions and recommendations

Proposals concerning an assessment of the current Egyptian PPI.

Proposal 1:

CAPMAS should study the possibility of producing in future an Export Price Index and also an Import Price Index.

Responsible institute: CAPMAS

Deadline: During the project, before September 2010

During the Actions: 5.3.2 and 5.3.3

Proposal 2:

Basic data from regional offices should be sent to CAPMAS by e-mail or by internet instead of current postal system.

Responsible institute: CAPMAS

Deadline: During the project, before September 2010

During the Actions: 5.3.2 and 5.3.3

Proposal 3:

CAPMAS should have a systematic quality control system in place for the validation of monthly price data

(e.g. an IT-programme with price change checking limits for every product).

Responsible institute: CAPMAS

Deadline: During the project, before September 2010

During the Action: 5.3.4

Proposal 4:

CAPMAS should study the possibility of increasing the number of branches in PPI for services, e.g. Activity K

(NACE 1); Real estate rents - renting/leasing - legal services - bookkeeping - IT-services - market research – business consulting - advertising - security activities - industrial cleaning.

Responsible institute: CAPMAS

Deadline: End of year 2010

During the Actions: 5.3.4

Proposal 5:

CAPMAS should produce a separate PPI index for Manufacturing products B - E (in addition to the current total index) in order to make comparisons with EU PPI-Indices possible.

Responsible institute: CAPMAS

Deadline: During the project, before September 2010

During Action: 5.3.5

Proposal 6:

CAPMAS should calculate the PPI with the reference or base period of 2005=100 in addition to the current 2004:7-2005:6=100 in order to make comparisons with EU PPI-Indices possible.

Responsible institute: CAPMAS

Deadline: During the project, before September 2010

During Action: 5.3.6

Recommendation to the structure of the next missions:

The next missions, 5.3.2 and 5.3.3, will take place in the last week of March 2009 (22-26 March). The main topics of this mission will be the concept and scope, classifications, data sources of the weights, enterprise and product sampling, price collection, price questionnaire and updating of the prices, now on a more detailed level than in the first mission 5.3.1. Experts will come from Sweden.

Mission 5.3.4 will take place on 17-21 May 2009. The main topics of this mission will be the checking of price data, quality changes, missing prices, seasonal products and some specific products and problems. An action plan for future work within the PPI is given in Annex 3.

Annex 1 – Terms of reference

EG/07/AA/F106
Statistics Denmark, International Consulting

8. juli 2009
POT/-

Terms of Reference

*for a short-term mission to the Central Agency for Mobilisation and Statistics
on*

Activity 5.3.1

Assessment of data sources and methodology in compiling the Egyptian PPI

Background

CAPMAS and Statistics Denmark with partners have established a fruitful cooperation in the framework of Twinning. This twinning project is EG/07/AA/F106.

This activity is part of component 5, *Development of certain statistical areas* in the subcomponent dealing with producer price index (PPI). The objective for this component is developing the producer price index (PPI) in Egypt.

This activity will contribute to this objective and especially to the benchmark set out in the contract: *By the 18th month a new methodology to collect and process producer price data and to calculate and publish PPI*

Purpose of the mission

The mission is an assessment mission where the MS experts will conduct a thorough review of the data sources and existing methodology in the area of PPI.

The MS experts will also outline an action plan for the remaining activities within the PPI sub-component.

Expected Results

- An assessment of data sources and methodology in compiling the Egyptian PPI.
- An evaluation of the work plan set out in the contract and suggestions for changes.

Activities

A tentative schedule for the mission is:

Sunday 1 March

Introduction to the activity – RTA

Meeting with component leader and the relevant staff within CAPMAS

Determining the agenda for the mission

General Introduction to Consumer price index (CPI) in Egypt, previous work within PPI, e.g. IMF and others, Presentation of PPI at Statistics Finland.

Monday 2 March

Review of data sources, data validation and editing

Tuesday 3 March

Review of methodology

Wednesday 4 March

Work on action plan for remaining activities within PPI

Thursday 5 March

Final discussions and clarifications jointly with CAPMAS and National Accounts

Presentation of preliminary results and findings with BC project management

Tasks to be done by CAPMAS to facilitate the mission

The beneficiary will arrange meetings with the relevant staff at CAPMAS.

Consultant and counterpart

The mission will be carried out jointly by:

Mr Ilkka Lehtinen, Statistics Finland

And

Mr Tony Udd, Statistics Finland

The beneficiary's counterpart will be Ms Awatef Hussein.

Timing

The mission will be carried out during 1-5 March 2009 in Cairo.

Report

A final report from the mission should be made available no later than two weeks after the termination of the mission.

Annex 2 – Persons met**Participants from Inside CAPMAS**

	Name	Title
1	Ms. Magda Mahmoud	Financial Dept. Manager
2	Ms. Manal Ragaee	PPI Section
3	Mr. Reda Nageb	PPI Section
4	Ms. Mona Hussein	PPI Section
5	Ms. Sabah Hussein	PPI Section
6	Mr. Magdy Fakhry	PPI Section
7	Mr. Magdy Deaf	PPI Section
8	Ms. Naeima Zahir	PPI Section
9	Ms. Mona Yassin	PPI Section
10	Mr. Salah Ismail	PPI Section
11	Ms. Shaima Afifi	PPI Section
12	Mr. Mohamed Farid	PPI Section
	Mr. Peter Ottosen	RTA
	Ms. Marwa Gomaa	RTA Assistant

Participants from outside CAPMAS

	Name	Title	Side
1	Ms. Samia Zakaria	Senior Researcher	Ministry of Economic Development
2	Ms. Suaid Mohamed	Senior Specialist	Ministry of Economic Development
3	Ms. Rehab Helmy	Third Specialist	Ministry of Economic Development
4	Ms. Neamat Asil	General Manager of Minister's Office	Ministry of Economic Development
5	Mr. Adel Mohamed	Deputy General Manager	Central Bank of Egypt
6	Ms, Sharifa Ead	Research Analyst	Central Bank of Egypt
7	Mr. Youssef Naguib	Ministry of Tourism	Ministry of Tourism

Annex 3 - PPI CALCULATION IN FINLAND

Organisation:	Statistics Finland, Prices and Wages Statistics, Producer Prices and Costs
Staff:	6 persons (incl. PPI+SPPI)
Indices:	<u>Nationally five separately produced indices:</u>
2	- Producer price index for manufactured products (PPI), NACE rev. industries B to E
	- Export price index (A - E)
	- Import price index (A - E)
	- Basic price index for domestic supply (A - F)
including	- Wholesale price index (= Basic price index for domestic supply non-deductible indirect taxes and VAT, A - E)
	<u>In addition according to Commission and Council regulations</u>
price	- 1) PPI, 2) domestic and 3) non-domestic (B - E) and 4) Import index (B - D).
	<u>European sample scheme</u>
digit	Export price index: Euro- and non-Eurozone distinction in nine 2-
import	industries. Import price index: nine 4-digit industries measuring prices from non-Eurozone.
Classification:	NACE rev. 2, 6-digit CPA product classification
Weights:	National Accounts, Statistics on industrial production and foreign
trade	statistics from the Board of Customs
Revision of weights and commodity basket:	Every five years
Regions:	No regional aspect
Sample products:	National Accounts: supply and use tables
value	Cut off -sample: headings with greatest production /export / import were drawn
	This was the first stage in sampling.
Sample enterprises:	Statistics on industrial production, foreign trade statistics from the Board of Customs.
	Stratified sample. Based on production/export/import value in every CPA heading. Simple random sample inside the stratum. The bigger the stratum the more enterprises were selected. Large enterprises were included with probability one (with certainty).
	The second stage in sampling.

Data providers, headings,
price data and heading
coverage:

5,525 price quotations (used in the different indices)

	Informants	CPA	Prices	Coverage, %
PPI for manufac. prod.	1000	580	2700	90
Export price index	460	350	1000	85
Import price index	960	620	2500	88
Basic price index for dom. supply	1700	850	4300	90
Wholesale price index	1700	850	4400	90

Price collectors:

PPI team collects prices

Price collection:

24th day - 12th day of next month

Via web-based price collection system, but inquiries are also sent via e-mail. Some prices are obtained with centralised collection.

Validation:

Large price changes, all product replacements

Publication:

17th day of the following month

Output:

PPIs 2005=100. Index figures, no average prices

Use:

Deflating value of production or sales into the volume of production; An inflation measure; As an index clause in an agreement

Annex 4 - An Action plan for future work within the PPI

1. Work Plan for 2009-2010

Activ. No.	Title	MS Country	Days	1	2	3	4	5	6	7	8
5.3.1	Assessment of data sources and methodology in compiling the Egyptian PPI	2 * Finland	10			X					
5.3.2	General methodology of PPI , concept and scope, classifications, data sources of the weights, enterprise and product sampling, price collection, questionnaire, update of the prices (Old 5.3.2 and 5.3.3)	2 * Sweden, End of March - 09	10			X					
5.3.3	Checking of the data, quality change, missing observations, seasonal products, specific products (Old 5.3.4)	1 * Finland, May -09	5			X					
5.3.4	Calculating PPI , Index formula, Publication of the index, press release, internet and use of the index (GDP-deflator – Central Bank – Ministry of Finance). Old 5.3.5 and 5.3.6	2 * Sweden, Sep.- Nov.-09	10					X			
	Total, Days		35			25		10			

TIME USE IN THE PPI PROJECT (MS persons by country and working days):

Index	Finland	Sweden	Total
PPI	Mr Ilkka Lehtinen, 1*5=5 Mr Toni Udd, 2*5=10	Mr Pettersson, Mr Grunewald, Mr Thyden, Mr Kullendorf, 4*5=20	
Total	15	20	35

Annex 5 - PPI in Egypt

1. NAME OF THE INDEX	- Producer Price Index, since September 2007																		
2. LEGAL BASE AND CONFIDENTIALITY	- Law No 35 - 1960, on Statistics and Censuses - Decree No. 2915/1964, Price Statistics - Law No 47 of 1978, ethical standards of employees																		
3. PLACE OF PRODUCTION	- CAPMAS, Cairo																		
4. CONCEPTS, SCOPE AND DEFINITION OF THE PPI	- PPI measures changes in the prices received by domestic producers of goods and services at the production place. - Deflators, inflationary indicator, economic analytical tool for businesses																		
5. COVERAGE - Regional - Enterprises - Products (branches) - Weights - prices - Price concept (Taxes, subsid., discount)	- The whole country - All enterprises with over 10 employees - ISIC classification A to J (excluding F and G) - Agriculture, industrial products and services - Weights from whole domestic production and prices from domestic use - Price at the production place, excl. taxes and incl. Subsidies																		
6. CLASSIFICATION	- ISIC ver 4, 2006 plus 2/6-digit national code = 6 to 10 digit level																		
7. WEIGHTS - Sources of weights - Change of weights, how often - Regional weights - Enterprise weights - Production value weights, level	- Agricultural statistics and service statistics - Industrial statistics from the years 2002/2003 and 2003/2004 - Every five years, price updating for every month from 2004/2005 - No regional weights or indices - From industrial statistics - On 6 or 8-digit level, ISIC 4-dig + 4 national level code, 300 - 462																		
8. FRAME OF ENTERPRISE AND PRODUCT SAMPLE - Agriculture, Industrial, Services	- Agricultural statistics and service statistics - Industrial statistics																		
9. SAMPLE OF ENTERPRISES AND PRODUCTS - Agriculture, Industrial, services	- Stratified random sample, all important products and enterprises are included, one sample for the whole country.																		
10. PRODUCTS - Agriculture, Industrial, Services	- 116 products on 4-digit level - 300 products on 6-digit level - 162 products on 8-digit level - 785 products on 10-digit level																		
11. Enterprises, products and prices - Agriculture products - Industrial products - services - controlled products	<table border="1"> <thead> <tr> <th>Enterprises</th> <th>Products</th> <th>Prices</th> </tr> </thead> <tbody> <tr> <td>1330</td> <td>785</td> <td>5000</td> </tr> <tr> <td>520</td> <td>113</td> <td>3490</td> </tr> <tr> <td>700</td> <td>605</td> <td>1400</td> </tr> <tr> <td>100</td> <td>67</td> <td>110</td> </tr> <tr> <td>10</td> <td></td> <td></td> </tr> </tbody> </table>	Enterprises	Products	Prices	1330	785	5000	520	113	3490	700	605	1400	100	67	110	10		
Enterprises	Products	Prices																	
1330	785	5000																	
520	113	3490																	
700	605	1400																	
100	67	110																	
10																			
12. NUMBER OF PRICES, How many - Agriculture, Industrial, services	- 785 products, 1-3 price from one product from 1-21 regional offices = altogether 5000 prices																		
13. Price control Products	- Water, Gas, Electricity, petroleum - under State price control - There are subsidies, but CAPMAS does not have this data																		
14. STAFF in price collection and at CAPMAS	- 112 price collectors in 21 regional offices, 5 person in regional unit at CAPMAS, 6 check the data and 5 at PPI unit = 128 people																		
15. PRICE COLLECTION - Frequency; monthly - quarterly -year - Timing - Questionnaire, what kind of - Field procedures, orders, item descriptions, training of price collectors, Enterprises with over 10 employees Contacts with enterprises	- Agriculture products mostly monthly, from primary market (collective sale of villages). Industrial products and services are collected quarterly or necessary (price control prod. or sugar beet and cotton once a year. Quarterly collection, January-April-July-October - 14-16. (same days as in the CPI) Two, one for agriculture and food and one for industrial prod. and services -All collectors have collection orders and detailed product descriptions. - Price collectors visit enterprises twice, the first time they leave the questionnaire and the second time they take it back after 2-4 days. Then he/she send it to CAPMAS by post, in future maybe by e-mail or by internet. Price collectors have two kinds of training, visits to CAPMAS or vice a versa or the technical training on how to do the collection better. New price collectors get a basic training. - All sizes of enterprises, often from industrial centers (enterprises from many branches). Price collection mostly from the headquarters. - Mostly via regional offices, sometimes directly from CAPMAS.																		

16. PRICE REPORTING - postal - paper	- By post from regional offices to CAPMAS , in future by e-mail or by internet (under study).
17. PRICE DATA CHECKS/Validation - at local offices - In Cairo - Missing prices - Quality changes, handling of old and new products - Imputation is used: - Seasonal products - comparisons to previous month/CPI	- First checking at regional office level, no calculations at regional offices - PPI people at CAPMAS save the price data to the database. - Before saving questionnaires are checked again at CAPMAS - Imputation by nearest product group - Imputation - In case of missing prices and quality changes - Imputation of missing products with price change of other products - Yes, especially in case of agriculture products (comparison CPI).
18. CALCULATION OF PPI - Base/Chain index - Base period now - Calcul. under elementary aggregates - Weights/ at which level	- Chain index (short term, comparison always with previous month) - 2004:7-2005:6=100 - Geometric mean of price ratios - Between 300 - 462 (300 at 6 digit and 162 at 8-digit level)
19. MONTHLY PPI PRODUCTION PROCESS TIMETABLE - Price collection - reporting- checking - calculation - publishing	- 14-16. Price collection - 18-21. from regional offices to CAPMAS - 22 - 31 of next month; validation and calculation - Publishing every other month, for IMF and for other important customers every month (first only the total index)
20. COMPUTER EQUIPMENT AND SOFTWARE	- Oracle database + program
21. Agriculture	- No big problems, only seasonality
22. Electronic equipment	- This is a common quality change problem for all countries
24. Shipbuilding and motor vehicles	- Shipbuilding is excluded from PPI. Cars, same models for many years, quality changes quite seldom.
25. SERVICES	- Service indices are produced for Ministries of Information, Communication and Tourism. Some prices from Ministries and some own price collection from private enterprises.No pressure to increase branches.
26. PRODUCTION AND PUBLISHING - Publication - Press release + calendar - Internet - Handbook for Users	- Every other month (Jan-March-May-July-Sept- Nov.) - On first day of t+2 (November 2008 on 1. January 2009) - Same data as in Publication is also on the internet - No, current practice (short methodology in Publication) satisfy users
27. USE OF PPI - Central bank, Ministry of Finance, IMF - WB, UN, Ministry of planning, Ministry of Economic Development, Central Agency for Accounting - Business contracts - Measuring of inflation / enterprises - Co-operation with the Users	- These are the most important users of the PPI - Enterprises often use PPI in trade agreements. - Yes - Daily by phone and by visiting