Commodity and Services Average Prices Methodology

2016

Description:

Average price indicator is an indicator that measures the movements of commodity and services prices in the market according to a statistical methodology that pertains special regulations and restrictions. The methodology is comprehensive, flexible, has a good quality, and reflects the real prices and the affecting factors on them.

Definition:

A statistical metric of the changes in any term prices with classifications of fixed and specific period.

Definitions related to the average price of commodity and services
Commodities and services:

Most consumed commodities and services by household consumer for living purposes.

Sale points:

Establishments from which the commodity and services prices are collected such as retail shops (groceries, hyper markets, clothing shops…etc), services shops (hospitals, hotels…etc), factories and importers (cement and iron factory…etc), and others.

Average:

Term total prices divided into the number of prices.

Continuity:

To guarantee the continuity of practicing the activity for a long period of time.

Frequency:

Purchasing movement in the sale point.

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The followed methodology in the commodities and services average prices:-

First: Used Classification:

The classification of individual consumption according to purpose (COICOP) is the used classification.

Second: Selecting Commodity and Services Basket:

The basket components are selected based on the cost of living index basket in addition to the structural commodities.

Third: Selecting the Sale Point (Sources):

The sale points, from which the different commodity and services prices are collected, is selected according to:

- Using the establishments census frame.
- Having many factors in the selected sale point such as(continuity and frequency).
- Considering the sale points dissemination all over the city.
- Considering the diversity of sale points(hyper market, super market, grocery, specialized shop, services shop, Itinerant salesman, and others)

Fourth: Collecting Data of Prices:

Data of prices are collected according to:

1. Sticking to the classification guide pricing plan of each term in the program.
2. Using the interview method while collecting the data of prices from sale points.
3. Collecting data using palm devices.
4. Determining the price at the day of sale point visit.
5. Sticking to the determined characteristic by the term characteristics .

Fifth: Entering Data of Prices:

The data of prices are entered according to the following:

1. Researchers in all cities directly enter the collected data.
2. Palm devices are linked with central database in which data are automatically processed.

Sixth: Auditing Data and Assuring Its Quality:

Auditing data and assuring its quality can be done by:

- Making sure of prices and data comprehension and logicality.
- Revising all prices and editing them if needed (all over the city and all over Saudi Arabia)
- Checking the revision reports and editing them if needed.
- Using technology to revise the other elements of data quality (autocorrecting rules, coordinates…etc) so that the pricing plan can be implemented quickly.
- Constant follow up by the program supervisor and the regions supervisors.
- Applying a re-visiting form by (the supervisor or quality observer). The form would ask for another visit to the sale point ,from which data are collected, just to make sure that all data are correct and accurate.
- Comparing the randomly chosen commodity prices.
- Applying commodity Concealment processors and resources change.

Seventh: Qualitative Quality:

Qualitative quality is one of the average price of commodity and services program's main components. It enables following the work progress during all phases either office work or field work. Moreover, it makes sure that data are collected accurately according to each term of the program terms. In order to apply the qualitative quality, the following points should be considered:

1. Developing and preparing different software in order to examine data and make sure that they are correct and accurate.
2. Using palm pricing devices and preparing programs linked with sale points or rental units in order to make sure that the researcher has reached the location within the limited pricing time.
3. A group of specialists from the authority's central department, branches, and office should periodically visit each city on a specific time. An automatic quality sampling is done on the city and researcher level.
4. The work should be assessed periodically

Eighth: Calculating the Commodity and Services Average Prices:

The commodity and services average prices are calculated based on the mean.

Ninth: Publishing:

Data are published according to the following methodology:

1. Publishing the commodity and services average price results monthly.
2. Publishing them on specified and announced dates on the authority official website.
3. The authority official website www.stats.gov.sa is a certified and official publishing platform.
4. Providing all kinds of beneficiaries with the results using the appropriate mechanism.

Tenth: How to Benefit From the Commodity and Services Average Price Results?

The commodity and services average price detailed reports are essential for beneficiaries. These data are considered a statistical mean for:

1. Supporting appropriate economic decision making by following changes in the commodity and services average price and its components.
2. Measuring the changes in prices of purchased commodities and services.

We can rely on them in the economic and statistical analysis of prices, and to make future estimations.

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