

## مؤشر اسعار المستهلك

يوليو 2023

تاريخ النشر: 2023-8-28

### الملخص:

معدل التضخم في شهر يوليو من عام 2023

السنوي: 0.1%

الشهري: 0.4%



انخفض مؤشر اسعار المستهلك في شهر يوليو 2023 بنسبة مقدارها 0.1 % مقارنة بشهر يوليو من عام 2022.

وتتمثل أبرز التغييرات خلال تلك الفترة في الآتي:

- انخفاض أسعار مجموعة الاتصالات بنسبة 3.3%.
- انخفاض أسعار مجموعة الملابس والاحذية بنسبة 7%.
- ارتفاع أسعار مجموعة الطعام والمشروبات غير الكحولية المتنوعة بنسبة 7.6%.
- ارتفاع أسعار مجموعة السلع والخدمات المتنوعة بنسبة 2.7%.



كما ارتفع مؤشر أسعار المستهلك في يونيو 2023 مقارنة بالشهر السابق بنسبة 0.4%، ليصل الى 100.8 نقطة (باعتبار أبريل 2019 = 100).

وتتمثل أبرز التغييرات خلال تلك الفترة في الآتي:

- ارتفاع أسعار مجموعة الثقافة والترفيه بنسبة 1.9%.
- ارتفاع أسعار مجموعة الطعام والمشروبات غير الكحولية بنسبة 3.1%.
- انخفاض أسعار مجموعة الفنادق والمطاعم بنسبة 0.9%.
- انخفاض أسعار مجموعة الملابس والاحذية بنسبة 0.5%.

**موعد الاصدار القادم:**

سوف تصدر نشرة مؤشر اسعار المستهلك لشهر يوليو 2023 بتاريخ 28 سبتمبر 2023.

- لمزيد من المعلومات حول مؤشر اسعار المستهلك يمكنكم مراسلتنا عبر البريد الالكتروني: [CPI@iga.gov.bh](mailto:CPI@iga.gov.bh)
- لطلب الاحصاءات الاخرى يمكنكم مراسلتنا عبر البريد الالكتروني: [statistics@iga.gov.bh](mailto:statistics@iga.gov.bh)



## Consumer Price Index

### July 2023

Released on 28th August 2023

#### Key Figures:

#### Inflation rate for July 2023:

Annual: -0.1%

Monthly: 0.4%



In July 2023, all item index decreased by 0.1% as compared with July 2022.

The most notable changes in the year were:

- Decrease in communication group (-3.3%).
- Decrease in clothing and footwear group (-7%).
- Increase in food and non-alcoholic beverage group (+7.6%).



- Increase in miscellaneous goods and services group (+2.7%).

Compared with previous month, the CPI was increased by 0.4% to reached to 100.8 point (April 2019=100).

The most notable changes in the month were:

- Increase in recreation and culture group (+1.9%).
- Increase in food and non-alcoholic beverages group (+3.1%).
- Decrease in restaurants and hotels group (-0.9%).
- Decrease in transport group (-0.5%).

**Next release:**

Consumers price index: July 2023 monthly will be released on 28th August 2023.

- **For more information on this release:**

Email: [CPI@iga.gov.bh](mailto:CPI@iga.gov.bh)

- **For general information on iGA statistics contact:**

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## **METHODOLOGY**

### **1. Overview**

#### **1.1 Definition**

The Consumer Price Index (CPI) is designed to measure, in index form, the change in the average level of prices of consumption goods and services acquired or used by households.

It is compiled and published every month by Information and E-Government Authority (IGA).

#### **1.2 Scope and coverage of the CPI**

The scope and coverage of the CPI has been defined as follows:

**Scope:** All monetary transactions incurred by households and foreign tourist (to some extend) on consumption expenditure on the economic territory of Bahrain.

**Coverage:** Those transactions within the scope, which it is possible to identify and measure in practice. This is determined by the expenditure divisions for which weights are compiled.

The different elements of the scope and coverage are outlined below:

1.2.1. Geographical: The whole of the kingdom.

1.2.2. Reference population: the CPI weighting has been representative of the expenditure patterns of all private households in Bahrain and it includes to some extend the expenditure of foreign tourists within Bahrain. The CPI weights do not reflect the expenditure of persons resident in institutions or labour camps.

1.2.3. Expenditure items: These are the goods and services bought by the reference population for the purposes of consumption. Thus, expenditure for savings and investment purposes, pension fund contributions and cash gifts are excluded from the scope of the CPI.

1.2.4. Transaction prices: The prices used in the calculation of the CPI reflect the cash prices typically paid by the reference population for the goods and services within the scope of the CPI.

### **2. Classification**

The Classification of Individual Consumption by Purpose (COICOP) is used.



### **3. Weights**

The main source of the weight was the Household Income and Expenditure Survey (HIES) 2014/2015. In which the consumption expenditure was measured by an acquisition method which means that the total value of all goods and services delivered during a given period, whether or not they were wholly paid for during the period, is taken into account. this method was used because the main use of the CPI in Bahrain as a general indicator of inflation.

However, the detailed elementary weights within groups such as food, beverages, clothing, etc have been verified and adjusted if alternative data sources were available. To do so, total sales data in 2015 collected by IGA from a variety of sources, including supermarkets, hypermarkets, other outlet types (e.g. furniture stores, hospitals, new car dealers, etc.), and administrative sources have been used.

Currently the CPI basket contains 578 elementary aggregates (basic heading)

### **4. Sampling procedures**

There are four levels of sampling for price collection: locations, retail outlets within location, items within retail outlets and product varieties.

4.1. Sampling of locations: to ensure the kingdom is fully represented, 8 areas within the four governorates has been selected based on the population distribution. Then a purposive (or judgmental) sampling is applied, whereby 18 cities within the 8 selected areas have been selected.

4.2 Sampling of retail outlets: A purposive sampling approach is applied to select the sample of retail outlets within a city (i.e. retail outlets are chosen which are the most popular). The different types of outlets (large shop, medium and small shops, market, etc) and the socio-economic factor have been taken in to consideration on the selection procedure.

The number of retail outlets in the CPI sample, as of May 2019, is about 200 outlets.

4.3 Sampling of representative items: the methods used to select items for pricing in CPI is by identifying and selecting the volume seller (most popular product) by the CPIs' enumerators.

4.4 Selection of products and varieties: once a variety is selected, a detailed product specification was developed by the enumerator. Then the detailed specifications were reviewed and confirmed to ensure that all price determining characteristics are identified.



## 5. Price collection

5.1 Methods of price collection: there are two basic price collection methods:

- Field collection is used for 557 item headings; prices are collected by 3 price collectors in approximately 200 retail outlets. Approximately 7400 quotations are obtained by this method. These item headings account for 70% of the total weight of the CPI basket.
- Office collection is used for 30 item headings; prices are collected centrally by the IGA with minimal field work. In practice, this involves the use of e-mail and telephone enquiries along with internet price collection. Approximately 8,000 quotations are obtained by this method. These item headings account for 30% of the total weight of the CPI basket.

5.2. Prices observed: the price used is that for a cash transaction. This means that charges for paying by instalments or for use of credit cards, and discounts for paying by direct debit etc., are ignored. Value Added Tax (VAT) and compulsory service charges are included. A price recorded if the exact product being priced is on display or in stock at the retail outlet.

Price recorded where:

- Subsidies or discounts are available to all potential consumers (nondiscriminatory)
- Sale prices are recorded if they are temporary reductions on goods likely to be available again at normal prices or end of season reductions.
- Item sold with extra free quantity.

Price not recorded where:

- Prices in closing down sales and for special purchases of end of range, damaged, shop soiled or defective goods.
- Item sold with free gift.

5.3 Frequency of price collection: the frequency of price collection depends on the value of price prices. Therefore:

- The prices for fresh fish, seafood, fruits and vegetables in addition to prices of gold items are collected on weekly basis. Those items account for 2.8% of the total weight of the CPI basket.



- The education group which account for 8.6% of the total weight of the CPI basket annually.
- The rest of the basket is collected monthly.

5.4: Timing of price collection: to ensure the coverage of price movements within a month the price collection is spreading from different outlets for particular products within that month.

## **6. Product substitution and quality change**

Products often out of stock, disappear or are replaced with new versions of a different quality or specification and brand-new products also become available. When such a situation arises, IGA has adopted the below methods:

- Temporarily missing or seasonal products: overall mean imputation is applied which means impute the missing price by reference to the average price change for the prices that are available in the elementary aggregates.
- Permanently missing products: one of the following methods is adopted:
  - a) Direct comparison: If there is another product which is directly comparable (that is, it is so similar to the old one that it can be assumed to have the same price in the previous month).
  - b) Direct quality adjustment used to adjust the package size where the value of the package size is assumed to be proportional to the relative change in the package size.
  - c) Overlap method (Bridge overlap): The price change between the two observations is imputed as the average change for the other matched price observations for the specific item heading. For a price observation to be brought into the index, it must be available for two consecutive periods.





## **7. Special Cases**

### **7.1 Housing**

#### 7.1.1. Weight

7.1.1.1. Actual rentals for housing: obtaining the weight for renter-occupied housing in from the HIES. However, it was adjusted and segregated from Electricity and Water Authority (EWA) rent data.

7.1.1.2 Owner-occupier housing cost: rental equivalence method is used in which it assumes a dwelling is a capital good and therefore not consumed, but instead provides a flow of services that are consumed each period. Rental equivalence imputes owner occupiers' housing costs from the rents paid for equivalent rented properties. Furthermore, the generated weight has been segregated to flats and villas and houses using some administrative records.

#### 7.1.2. Rent Survey

All renters in Bahrain are required to pay a 10% out of rental amount on the total rent paid each month. This percentage is billed through the EWA and included on each monthly billing. When a unit is rented, electricity service will not be connected unless the owner (landlord) provides a copy of the rental agreement. The EWA collects detailed data for each rental unit including: owner contact email, address, type of unit (room, flat, house, villa, etc.), and monthly rent paid.

The EWA provided a complete listing of all residential rental units in Bahrain which reached to 102,000 rental.

A sample of approximately 8,000 rental units was selected using the EWA list. To ensure a reliable measure of price change, the sample of rental units reflect all types of housing included in the housing stock, as well as all areas in Bahrain.

For each sampled rental unit, the IGA collect from the EWA the date the original rental agreement was signed. The IGA will contact the tenant after one year to confirm what increase, if any, has been applied to the rent paid. Because the law prevents any further increases in rent, this will be the only time the IGA will need to contact tenants. Any change in tenancy, as well as the new rent, will be reflected in the data provided by the EWA.

Beginning in April2019, monthly rent prices have been collected from the EWA. To match sampled rental units with data reported to the EWA.



7.2 **Electricity and Water Tariffs:** The unit value method is used in which it is calculated using billed amount and quantity consumed at residential sector.

## 8. Index Calculation

8.1. For the calculation of elementary indexes, the IGA uses the geometric mean formula (Jevons).

8.2. Modified Laspeyres is used for compilation of upper-level aggregation indices.

## 9. Dissemination

9.1. Availability: The CPI issued in a publication called Consumer Price Index after 21days of the reference month. The data is published in electronic format on the Bahrain data portal.

9.2 Rounding Policy: CPI is calculated using maximum precision, and then rounded to one decimal place for publication.

### FOR MORE DETAILED INFORMATION ON THE CPI

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