

No.	Metadata	Description
1.	Concepts and Definitions	<p>The Index of Retail Prices (RPI) is a weighted average of the proportionate changes in the prices of a specified set or 'basket' of consumer goods and services between two periods of time. It should be noted that the Index is not strictly a measure of general inflation, since it excludes non-consumer prices. However, consumer expenditure constitutes a large proportion of total final expenditure and thus the Index can be assumed to measure general inflation.</p> <p>It is also important to note that the Index of Retail Prices is <i>not</i> a Cost-of-Living Index, since the calculation of the Index of Retail Prices does not involve changing the basket of goods as consumer preferences change (as required in the calculation of a Cost-of-Living Index). However, the Index of Retail Prices will approximate a Cost-of-Living Index initially, but this approximation will become less precise with time.</p>
2.	Scope of Data	
2.1	Geographic Coverage	The Index represents the whole of Trinidad and Tobago. There was a maximum of 15 areas selected for price collection and representation in the Index.
2.2	Expenditure within geographic location	Area weights were based on expenditure within the geographic location and not on expenditure by residents. Therefore, the prices collected within each area represent the prices charged within the area.
2.3	All income groups	<p>The Revised Index of Retail Prices will cover all income groups thereby ensuring:</p> <ul style="list-style-type: none"> i. That the Index measures inflation for Trinidad and Tobago and not a subset of its population; ii. Its suitability as a macro-economic variable to be used in macroeconomic planning;

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		<ul style="list-style-type: none"> iii. The widest possible applicability for general indexation purposes such as escalating employee incomes or updating court awards; and iv. Consistency of scope of the price data for use in constructing separate price indices for deflation in national accounting measures.
2.4	Acquisition Concept	<p>The Index of Retail Prices is based on the acquisition concept whereby goods and services are assumed to be acquired at the moment ownership of the good is transferred or the service is provided and the consumer incurs a liability to pay. Thus, goods and services that could potentially be included within the scope of the Index of Retail Prices are as follows:</p> <ul style="list-style-type: none"> i. Goods and services acquired at the consumer's expense; ii. Goods and services acquired as remuneration in kind for work already done; iii. Goods and services received as gifts or transfers; and iv. Goods and services produced and consumed by the same household.
3.	Exceptions to coverage	<p>The Index is generally not concerned with non-monetary expenditures because only monetary expenditures generate monetary prices that can be observed and recorded, and the measurement of inflation is concerned with changes in monetary prices. Thus, goods and services received as remuneration in kind, and gifts or other transfers are excluded from the Index. In addition, gifts or other transfers to consumers incur no expenditure on the part of the consumer and therefore will be assigned a weight of zero, thereby making its inclusion in the Index unnecessary.</p> <p>However, by international convention and also by recognition of the fact that one of the main uses of the Index will be to estimate a cost-of-living index, non-monetary expenditure on services produced and consumed by owner occupiers of dwellings are included within the scope of the Index since they have a significant impact on consumers welfare and standard of living. It is therefore necessary to impute a value for such non-monetary expenditures.</p>

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		<p>It should also be noted that, like dwellings, household or consumer durables such as refrigerators, washing machines etc., included in the Index, produce a flow of services which are inputs into other goods and services (outputs), which are then used to satisfy personal wants and needs of households. In such cases, the market value of the output should be imputed. Owing, however, to the practical and conceptual difficulties associated with such imputations, and the desire to measure actual prices, as determined by the market, the acquisition cost of these inputs is measured, that is, these durables are treated as final consumer goods.</p> <p>Expenditures on items, which are not consumer goods and services (investment expenditure), are excluded from the Index. Thus, the following items are considered investment items or items of saving leading to the creation of financial assets and are excluded from the Index:</p> <ul style="list-style-type: none"> i. Dwellings (The acquisition cost of dwellings is excluded. However, an imputed expenditure on household services derived from the use of the owner-occupied dwelling is included.), land; ii. Mortgage payments; iii. Bonds, shares and other financial assets; iv. Health insurance premiums, pension contributions and the premiums paid for life insurance policies, most of which are savings, which in turn lead to the creation of new financial assets (investment). No estimate is made for any service charge element of premiums or contributions, which does represent consumption expenditure. <p>Transfers are unilateral payments, which do not result in the consumer acquiring any good, or service in return, that is, there are no counterparts. The following items incur payments, which are in the nature of transfers and are therefore excluded from the Index:</p> <ul style="list-style-type: none"> i. Payments directly related to the ownership of assets such as income tax, and property rates and taxes. WASA rates can, however, be included since there is the provision of water in exchange for the payment;

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		<ul style="list-style-type: none"> ii. National Insurance Contributions and any other social security contributions; iii. Licenses for owning or using motor vehicles, such licenses being deemed direct taxes. However, licenses or fees for driving permits are by international convention included in the Index; iv. Subscriptions, donations and gifts. However, club fees or subscriptions to organizations that provide some service in return are included. v. Non-compulsory tips. However, compulsory service charges included in, for example, a restaurant bill for meals are included.
4.	Unrecorded activity	Owing to the exclusion of data on illegal goods and services from the Household Budget Survey, and the practical problems associated with obtaining price data for such items, illegal goods and services are excluded from the Index.
5.	Classification	<p>The Index of Retail Prices is published under the following headings based on COICOP 1999:</p> <p>All Items</p> <ul style="list-style-type: none"> 01 Food and Non-Alcoholic Beverages 02 Alcoholic Beverages and Tobacco 03 Clothing and Footwear 04 Total Housing, Water, Electricity, Gas and Other Fuels <ul style="list-style-type: none"> 04.1 Home Ownership (Imputed Rents) 04.2 Rent 04.3 Water, Electricity, Gas and Other Fuels 05 Furnishings, Household Equipment and Routine Maintenance of the House 06 Health 07 Transport 08 Communication 09 Recreation and Culture 10 Education 11 Hotels, Cafes and Restaurants 12 Miscellaneous Goods and Services
6.	Valuation	<p>Prices recorded for the Index of Retail Prices are the actual prices paid by consumers and therefore include indirect taxes, such as VAT. Prices recorded are also net of any discounts offered provided that:</p> <ul style="list-style-type: none"> i. The discounts are available to all consumers;

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7.	Source Data	<p>The Household Budget Survey (2008/2009) is the main source of data for the revised Index of Retail Prices (Base year: January 2015 = 100). Data from this survey were used to construct a current basket of goods and services for pricing. Item weights for this basket of goods and services were derived from the relative share of expenditure by households on each item, to the total expenditure by households on all items, as captured in the Household Budget Survey (2008/2009).</p> <p>Monthly price surveys are conducted in groceries, shops and local markets for food and petroleum items. Price are collected quarterly for other items that are not as variable.</p>
8.	Statistical Techniques	<p>The initial sample size was 7,680 households; however, data was compiled for 7 090 responding households. Details on the methodology and sample design of the HBS can be found in: “The Household Budget Survey 2008/2009 Report volume I”.</p> <p>The Index of Retail Prices was re-based from January 2003 to January 2015.</p> <p>At the elementary level, indexes are calculated using geometric averages of prices. The formula used to aggregate the various elementary indexes to compute the All-Items Index (the aggregation formula) is referred to as the Modified Laspeyres formula. The short-term price relatives for the elementary indexes are used to move forward the higher-level indexes from the previous period.</p> <p>Temporarily missing prices are imputed for the price of missing observations by using the short-term price change of other varieties within the elementary aggregate. When a price has been missing for three consecutive periods, the data collector is instructed to</p>

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		find a substitute. Imputed prices are used in the calculation of the next period's index.
9.	Periodicity and Timeliness	Data is disseminated on a monthly basis, about three (3) months following the end of a reference period. In the event of this day being a public holiday or weekend, data will be disseminated on the next working day.
10.	Consistency	Users of the Index of Retail Prices may use the GDP deflator and/or the Index of producers' prices in assessing the quality of the data produced in the Index of Retail Prices and in attempting any comparisons or reconciliations of this data, as trends in both the GDP Deflator and the index of producers' prices tend to map those found in the index of retail prices.
11.	Access to data	https://cso.gov.tt/subjects/economic-indicators/retail-price-index-rpi/
12.	Contact information	Sally Ann Lucas Senior Statistician (Ag.) Economic Statistics Division Central Statistical Office Sallyann.lucas@statistics.gov.tt
13.	Modified Date	30 September, 2021