**On approval of the methodology for constructing the wholesale price index**

Order of Acting Chairman of the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan dated February 16, 2016 No. 36. Registered with the Ministry of Justice of the Republic of Kazakhstan on March 15, 2016 No. 13452.

      In accordance with subparagraph 5) of Article 12 of the Law of the Republic of Kazakhstan dated March 19, 2010 "On State Statistics", and subparagraph 258) of paragraph 17 of the Regulations on the Ministry of National Economy of the Republic of Kazakhstan, approved by the Decree of the Government of the Republic of Kazakhstan dated September 24, 2014 No. 1011, **ORDER** :

Footnote. Preamble - as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     1. Approve the attached Methodology for constructing the wholesale price index.

     2. The Department of Price Statistics, together with the Legal Department of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan, shall ensure in the manner prescribed by law:

     1) state registration of this order with the Ministry of Justice of the Republic of Kazakhstan;

     2) within ten calendar days after the state registration of this order, send a copy of it for official publication in print periodicals and the information and legal system "Adilet";

     3) sending in printed and electronic form within five working days from the date of receipt of the registered order to the Republican State Enterprise on the right of economic management "Republican Center for Legal Information" for inclusion in the Reference Control Bank of regulatory legal acts of the Republic of Kazakhstan;

     4) placement of this order on the Internet resources of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan.

     3. The Department of Price Statistics of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan to bring this order to the structural subdivisions and territorial bodies of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan for guidance and use in work.

     4. To impose control over the execution of this order on the Deputy Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan (Dzharkinbaev Zh.A.).

     5. This order shall enter into force upon the expiration of ten calendar days from the date of its first official publication.

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| Acting Chairman of the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan |   |
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|   | Approved by the order of the Acting Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstandated February 16, 2016 36 |

**Methodology for constructing the wholesale price index**

**Chapter 1. General Provisions**

      Footnote. The heading of chapter 1 is as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

      1. This Methodology for constructing the wholesale price index (hereinafter - Methodology) refers to a statistical methodology formed in accordance with international standards and approved in accordance with the Law of the Republic of Kazakhstan dated March 19, 2010 "On State Statistics" (hereinafter - Law).

     2. The methodology defines the main aspects and methods of nationwide statistical monitoring of wholesale prices, coverage and classification system, selection of sampled populations, formation of weight components and calculation of price indices of various levels of aggregation.

     3. This Methodology is applied by the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan and its territorial bodies when conducting nationwide statistical monitoring of wholesale prices of goods, products and building a wholesale price index.

     4. The methodology was developed taking into account the principles and recommendations of the Producer Price Index Manual: Theory and Practice prepared by the International Labor Organization, the International Monetary Fund, the Organization for Economic Co-operation and Development, the Statistical Office of the European Communities, the United Nations Economic Commission for Europe and the World Bank .

     5. The wholesale price index characterizes the change in prices for goods (products) intended for subsequent sale or other purposes not related to personal, family, household and other similar use.

     The purpose of constructing a wholesale price index is to measure the magnitude of changes in prices for goods (products) sold by wholesale trade entities.

     The wholesale price index takes into account transactions for the sale of goods (products) of domestic production and imported goods, which makes it possible to determine differences in the trends in changes in prices for goods (products) of different producing countries.

     6. Data on changes in wholesale prices are used:

     1) as a deflator for the revaluation of wholesale trade volumes and the domestic trade sector in the national accounting system;

     2) to calculate the index of the physical volume of wholesale trade;

     3) to carry out economic monitoring, analysis of the production market and the sale of specific goods, products.

     7. This Methodology uses concepts in the meanings defined in the Law and the following definitions:

     1) aggregate price index - a relative indicator that characterizes price changes for a separate subgroup, group or phenomenon under study as a whole and is formed on the basis of individual price indices;

     2) aggregation - combining low-level economic indicators into larger aggregates at all subsequent levels;

     3) price registration - collection of primary statistical data on prices (tariffs) for goods and services in the course of nationwide statistical observations;

     4) base object - a legal entity selected for monitoring and recording prices in it. A sample set of basic objects must meet the main requirement - a representative representation in geographical and sectoral contexts;

     5) specifications - a description or list of characteristics that are used to identify an individual product selected for price registration;

     6) individual (elementary) price index - a change in the prices of one element of the studied population (a specific product, service);

     7) classification - division of a set of objects into groups according to similarity or difference in accordance with accepted features;

     8) imputation - the process of replacing missing, incorrect or inconsistent values with other values;

     9) the weight of the index is a value that reflects the significance of each individual element in their totality;

     10) type of activity - the process of creating a homogeneous set of products (goods and services) that characterize the most disaggregated categories of the classification of types of activity. The main type of activity of a legal entity is a type of activity, the added value of which exceeds the added value of any other type of activity carried out by a legal entity. Secondary type of activity of a legal entity - a type of activity that is carried out in addition to the main one for the purpose of producing products (works, services) for third parties;

     11) representative product - a certain type of product in a product group, which is distinguished by minor features (details) that do not affect the quality and basic consumer properties of the goods and are homogeneous in their consumer purpose;

     12) weighting - a procedure used in index calculations to obtain summary indicators and ensure the commensurability of different goods that are not directly summable;

     13) weighting scheme - a set of weights for specific types of products (goods), services, determined by all degrees of aggregation according to the standard classification;

     14) trade discount - a discount from the price of goods provided by the seller to the buyer in connection with the terms of a foreign trade transaction and depending on the current market conditions;

     15) trade markup - an element of the seller's price, providing him with compensation for the costs of selling goods and making a profit;

     16) sample - individual items from approved classifiers, nomenclatures and reference books used in the collection and processing of statistical data.

     Footnote. Clause 7 as amended by the orders of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated June 20, 2019 No. 2 (shall be enforced ten calendar days after the day of its first official publication); dated 08.09.2020 No. 36 (shall be enforced upon the expiration of ten calendar days after the day of its first official publication).

**Chapter 2. Coverage and classification system**

      Footnote. The title of chapter 2 is as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     8. Determination of the scope of the price index and the establishment of limiting boundaries or sampling frames for nationwide statistical monitoring of wholesale prices of goods, products depends on the ultimate goal of compiling the index and the main direction of its use.

     For the wholesale price index, the scope of economic, geographical and sectoral coverage, statistical units of observation (categories of basic objects) are determined.

     9. The economic sphere of the wholesale price index is characterized by the coverage of transactions for which price transactions for the purchase and sale of wholesale lots of products and goods are carried out.

     The ultimate goal of the economic activity of any enterprise is to find a profitable economic space for the sale of manufactured products and goods. Manufacturers sell products and goods through their own distribution system and using the services of intermediaries. The organization of wholesale trade is divided into trade for a fee (or on a contractual basis) and on its own behalf.

     Wholesale trade for a fee is carried out by commission agents and other intermediaries who make transactions on behalf of firms and other persons, do not set prices for goods sold, and work for a commission.

     Trading activities on their own behalf are carried out by independent wholesalers. They acquire goods, products in property, receive profit from their sale and have independence in matters of establishing a marketing system for sales and pricing.

     The economic scope of the wholesale price index is transactions made only by independent economic entities of wholesale trade, which reflects real price trends.

     10. As part of the geographic coverage for the construction of the wholesale price index, wholesale trade facilities in all regions of the republic are surveyed. Regional indices are of particular importance due to differences in the range of wholesale markets and the existence of inter-regional differences in prices for homogeneous varieties of goods and products sold.

     The geographic coverage provides for accounting for trade facilities located both in the zones of production of goods and in the centers of their mass consumption. The base includes objects that carry out wholesale sales in the given territory of the region at their location, regardless of the place of registration of the legal entity.

     11. The sectoral coverage of the wholesale price index takes into account the change in prices for goods, products sold by wholesale trade facilities related to the following types of economic activity:

     1) wholesale and retail trade in cars and motorcycles and their repair. In this type of activity, price monitoring includes wholesale sales of new and used vehicles (cars and trucks), wheeled tractors, spare parts and accessories for cars;

     2) wholesale, excluding cars and motorcycles. In this type of activity, price monitoring includes wholesale sales of agricultural raw materials, food products, timber, building materials, machinery, equipment, chemical products, textiles, tobacco products and other goods.

     Supervision covers two categories of independent economic entities:

     1) entities for which wholesale trade is the main activity;

     2) subjects of various sectors of the economy, for which wholesale sales are a secondary activity.

      12. The classification system is the basis for the formation of the sample, determines the structure of the index and which goods, products it covers.

      There are standard statistical classifications that can be used to produce meaningful data series that are usable and internationally comparable.

      The main standard statistical classifications used to construct the wholesale price index are:

      1) to determine the types of economic activity and classes of wholesale trade services - the classification of products by type of economic activity;

      2) to determine the types of wholesale trade services - statistical classification of domestic trade services;

     3) to determine the types, subtypes of goods, products:

      statistical classification of industrial products (goods, services);

     statistical classification of products (services) of agriculture, forestry and fisheries;

     statistical classification of services.

      To ensure a price assessment, goods, wholesale products are divided into:

      1) consumer goods, including food (food, drinks, tobacco products) and non-food (passenger cars, textiles, household goods, pharmaceutical products, etc.);

      2) products of intermediate consumption - goods and services used for the production of other goods and services (grain, timber and building materials, metal products, fuel, chemical products, etc.);

     3) means of production - machines, equipment (trucks, tires, computer equipment, office and agricultural equipment, etc.).

     Footnote. Paragraph 12 - as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     13. On the basis of statistical classifications and taking into account the specialization of the wholesale trade of each region, regional lists of types, subtypes of goods, products are formed, which are the basis for statistical monitoring of prices and make up the structure of the wholesale price index for them.

     Footnote. Paragraph 13 - as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

**Chapter 3. Selection of basic objects**

      Footnote. The title of chapter 3 is as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     14. National statistical monitoring of wholesale prices is carried out on a sample set of basic objects.

     The basic object in the field of wholesale trade is considered to be a trading facility that owns goods and purchases them for the purpose of subsequent resale, as well as providing services for organizing the wholesale circulation of goods.

     The basic facilities organize the acceptance, sorting, storage, release of goods to customers, provide customers with various services: preparing products for consumption, commercial information, transport, forwarding, leasing and others. These include distributors, joint ventures, associations, warehouses, buying houses, depots, shops and markets trading in large and small quantities of goods.

     15. The general population for the sample of basic wholesalers is the data of the statistical business register and the primary statistical data of the survey of domestic traders providing information on the volume of wholesales.

     16. The selection of basic objects is made by the method of the main array, in which the most significant units of the studied population are subjected to examination. The advantage of this method is obtaining data characterizing the general population based on a detailed survey of individual units, processing information and generating results in a shorter time and with the least expenditure of resources.

     In the structure of operating wholesale trade entities, the share of large and medium-sized entities included in the sample is more than 60 percent, the rest is small. Due to the susceptibility of small wholesalers to frequent changes in ownership, specialization profile of wholesalers and the range of goods and products, preference is given to large and medium-sized wholesalers in the selection process.

     17. The main criteria for including a wholesaler in the sample are:

     1) scale - coverage of subjects of various forms, types of ownership and organizational and legal forms;

     2) different specifics of wholesale trade (universal or specialized) and the breadth of the range of goods, products (wide, limited and narrow);

     3) regular trade transactions during the reporting year;

     4) sale of types of goods, products of domestic and imported production;

     5) the current marketing system for setting prices depending on the volume of supply.

     18. The optimal sample size is achieved if the selected basic objects provide the maximum possible coverage of the main groups, classes, types, subtypes of goods, products defined for the survey.

     19. Selective observation provides for the annual updating and revision of the selected basic objects, depending on the infrastructure of the wholesale market.

      Updating is carried out on the basis of the analysis of primary statistical data on the volume of wholesale services. The list of basic objects includes new entities that have regular volumes of wholesale trade and meet the selection criteria specified in paragraph 17 of this Methodology. Revision refers to the intentional replacement of an observed base item with a similar one with a similar product specialization and wholesale conditions.

      During the reporting year, the sample includes new wholesale trade entities that are preliminarily analyzed for compliance with the current selection criteria given in paragraph 17 of this Methodology.

**Chapter 4. Selection of goods, products**

      Footnote. The title of chapter 4 is as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     20. National statistical monitoring of wholesale prices is carried out on a sample set of goods, products. Sampling is carried out in three stages and at each stage certain criteria for selection are used.

     At the first stage, the macrostructure of wholesale trade services is determined, united into service classes.

     At the second stage, types, subtypes of goods, products belonging to a certain class of wholesale trade services are selected. The classes of wholesale trade services selected for price monitoring reflect the main directions of wholesale sales in the republic, and the types, subspecies of goods, products - their composition, as the basis of trade. The first and second stages of sampling are carried out centrally.

     At the third stage, specific positions are selected, the assortment composition reflecting the regional differentiation of the wholesale market and having price information for various countries of production.

     21. To select classes of wholesale trade services, the data of nationwide statistical observation on the volume of wholesale sales for a certain year, chosen as the base for constructing a weighing scheme, are used.

     For inclusion in the sample, classes of wholesale trade services are analyzed for relevance to the objectives of statistical observation. The objective of the monthly survey of wholesale prices is to build price indices that have a continuous dynamic series over several years. The sample does not cover classes in which the movement of goods during the year is of a pronounced seasonal (temporary) or episodic nature.

     22. For the selection of types, subtypes of goods, products of wholesale trade, the data of the nationwide statistical observation on the volume of wholesale sales for the current year and the year preceding the reporting year are used.

     Approaches to the selection of types, subtypes of goods, products depend on the characteristics of the product group - the breadth of the assortment and the regularity of sales on the wholesale market.

     Types, subspecies of goods, products with more than 50 percent of regional representativeness are selected.

     Among the goods of mass demand, the method of typical selection is used, the criterion of which is the degree of predominance of the type, subtype of goods, products in the total volume of this class of wholesale trade services.

     Among goods of non-mass demand and their specific types, along with the inclusion of typical representatives, purposeful selection is used.

     When selecting types, subtypes of goods, products related to the means of production and raw materials for intermediate consumption, the factor of homogeneity of the goods and products included in them is taken into account. Species and subspecies are selected, specific varieties in which have the property of uniformity in purpose and identity of units of measurement.

     In all commodity groups, the types, subspecies of goods, products represented on the wholesale market by imported goods are necessarily selected, regardless of the size of their turnover.

     23. Based on the selected classes of wholesale trade services and selected types, subtypes of goods, products, a regional list for price monitoring is determined, reflecting the specialization of wholesale trade in each of the regions of the republic.

     24. For each type, subtype of goods, products, specific representative goods are determined, for which information on wholesale prices is provided.

     Representative goods with unchanged quality specifications, a certain size of the wholesale delivery lot, under the same conditions of their sale and payment are examined. The specifications of the representative product selected for observation include: brand, grade, model, size and weight, packaging, type of consumer, and more.

     25. Representative products are selected according to the following criteria:

     1) reflect the intraspecific and assortment features of a particular type of goods, products;

     2) represent the most massive wholesale sales of this type of goods, products (more than 30 percent of the total sales);

     3) are available for sale for a long time and are characterized by a high turnover rate;

     4) are available from the point of view of collecting price information and ensure the minimization of the existing price variation between the varieties of the same name.

     For each type, subtype of goods, products of the regional list, at least 3-5 varieties of representative goods are selected, for example:

     1) type of product - "Chickens, turkeys, ducks, geese and guinea fowl fresh, chilled, frozen, parts of carcasses";

     2) representative products:

     chilled chicken thigh, on a substrate, manufacturer Ust-Kamenogorsk poultry farm, Republic of Kazakhstan (hereinafter - RK);

     frozen chicken thigh, vacuum packed 500 grams, manufacturer Russia;

     frozen chicken drumstick, vacuum package 500 grams, manufacturer of the Republic of Kazakhstan and manufacturer Russia;

     chicken breasts, frozen, vacuum packed 500 grams, manufacturer RK and manufacturer Ukraine;

     duck fillet, frozen, vacuum packed 500 grams, China manufacturer.

     26. The set of representative goods determined for price observation remains unchanged during the reporting year. In cases where it is impossible to observe the already selected representative goods, it is allowed to include new representative goods within the type, subtype of goods, products. New representative goods must be of the same country of origin as the retired ones, have specifications similar in characteristics and slightly differ in price level (deviation no more than 10 percent).

**Chapter 5 Registration of prices**

      Footnote. The heading of chapter 5 is as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     27. Registration of wholesale prices is carried out on a monthly basis by filling in the basic objects of the statistical form of the nationwide statistical observation of wholesale prices (supplies) of goods, products and submission to state statistics bodies.

     Footnote. Paragraph 27 - as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     28. The basis for filling out the statistical form of nationwide statistical observation are documents (invoices, contracts, payment orders and other accounting documents), as well as approved price lists.

     Footnote. Paragraph 28 - as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     29. When registering, the wholesale price does not include promotional discounts and surcharges used to attract consumers and stimulate them in order to increase turnover and speed up commodity circulation.

     The main means of stimulating consumers are:

     1) providing discounts from the price for volumes (cumulative, non-cumulative discounts);

     2) providing discounts for the inclusion of a new product in the purchased assortment (old product plus a sample of a new one for free);

     3) discount-cash discount from the cost of the goods when paying for it before the due date of payment;

     4) providing distributor discounts and more.

     Stimulation of buyers of industrial goods is carried out by offering the supply of spare parts for the product, installation, adjustment, repair of equipment, warranty and post-warranty service, acceptance of worn-out equipment, staff training, and more.

     30. Registration of prices is carried out differentially depending on the size of the wholesale supply of the representative product:

     1) standard wholesale - the most typical, standard wholesale lot in terms of supply;

     2) large wholesale - the largest wholesale lot in terms of supply;

     3) small wholesale - the smallest wholesale lot in terms of supply.

     31. Prices for representative goods are recorded through the supply channels of various manufacturers of the republic (hereinafter - channel of the Republic of Kazakhstan), the Commonwealth of Independent States (hereinafter - channel of the CIS) and other countries (hereinafter - channel outside the CIS). The country of the manufacturer is determined according to the manufacturer's marking on the packaging of the representative product.

     To ensure comparability, the column "characteristic" of the statistical form of the nationwide statistical observation indicates a specific city in the country of the manufacturer, as well as a specific plant, factory.

     Footnote. Paragraph 31 - as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     32. Prices are recorded for the established standard unit of measure. In cases where representative goods have a different unit of measurement when sold, prices are recalculated, and packaging is an element of the specification of the representative goods.

     33. To reflect the "net" price change during the reporting year, registration is carried out for comparable types of representative goods. The prices for representative goods are not comparable:

     1) different suppliers within the same supply channel (CIS countries - manufacturer Belarus or manufacturer Russia);

     2) different parties of delivery (standard wholesale or small wholesale);

     3) with changed terms of payment for their delivery (payment in cash or advance transfer) and delivery time (immediately or in one to two months).

     Not subject to registration:

     1) maximum high and dumping (low) prices set in one-off transactions;

     2) prices for goods, products offered at competitions, lotteries in order to encourage an increase in the volume of purchases;

     3) average prices for a product group without specifying their specifications. The change in prices in these cases is caused by a change in the range of representative products in the group;

     4) low prices for representative goods due to the expiration of their expiration date or its approach.

     34. In order to identify and eliminate unreasonable changes in prices for representative goods, a logical control of price information is carried out:

     1) between delivery parties:

     prices for large wholesale are less than or equal to prices for standard wholesale and significantly less than for small wholesale;

     prices for small wholesale are greater than or equal to prices for standard wholesale and significantly higher than for large wholesale.

     2) between similar goods-representatives of different basic objects of the same region;

     3) between representative goods of the same name according to established price proportions, depending on quality. It is logically true that 6 percent fat milk is more expensive than 3.2 percent fat milk, AI-95 gasoline is more expensive than AI-80 gasoline, and the like;

     4) between similar types, subspecies and varieties of representative goods from domestic enterprises producing industrial, agricultural products and in retail trade. The price level of manufacturing enterprises is lower than the wholesale price level, due to the absence of value added tax in the manufacturer's price, and the retail price level is higher, due to the addition of the store's trade margin and transportation costs to the wholesale price.

     35. When registering wholesale prices, there are cases of failure to provide information on individual representative goods due to their temporary unavailability. During the reporting year, in order to ensure the continuity of the dynamic series of price indices, prices are substituted for temporarily absent goods-representatives by using "conditional" prices.

     The following substitution methods apply:

     1) the use of a "conditional" price equal to the price of the previous month;

     2) the use of a "conditional" price, adjusted for price changes for the same representative goods, but of a different delivery party or country of production;

     3) the use of a "conditional" price, adjusted for changes in prices for similar goods representing other basic objects.

     When constructing the wholesale price index, the first substitution method is used, which is based on the fact of the sale of goods, products and reliably reflects their price changes.

     The use of the "conditional" price at the price level of the previous month is carried out until the next sale of the representative product. In cases where it is impossible to register the price of a representative product for more than three months, the procedure for replacing the old variety of goods with a new representative product in the base object is applied.

     36. For certain types, subtypes of goods, products for which it is difficult to distinguish between wholesale and retail sales, registration of retail prices is allowed. These types of goods and products include:

     1) cars;

     2) radio and television equipment;

     3) small and large electrical household goods;

     4) computers, digital portable computing machines;

     5) peripheral equipment (printers, keyboards, etc.);

     6) office equipment and machines and others.

     Wholesale prices for these goods are determined by experts: the retail price is registered, retail mark-ups and transportation costs are excluded from it, the amount of which is specified with sales consultants in the base object of observation. When calculating the retail price, the trade mark-up is initially excluded, then transport costs are deducted from the intermediate result. If the retail price is 23,546 tenge, the trade markup is 20 percent, and transportation costs are 15 percent, then the wholesale price is determined: (23,546 / 1.20) / 1.15 = 17,062 tenge.

**Chapter 6 Index Weights**

      Footnote. The heading of chapter 6 is as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     37. The construction of the wholesale price index provides for the formation of a weighting scheme that reflects the structure of wholesale trade. Using the weighting scheme, average prices are calculated by types, subtypes of goods, products and aggregated price indices for the region and the republic as a whole.

     The formation of the weighting scheme for the wholesale price index is based on the average annual data on the cost of wholesale services for a certain base year. The weighing scheme is formed centrally separately for each region and for the whole country.

     38. To form a weighing scheme, a "Directory of additional weight components" (hereinafter - DAWC) is compiled. Its necessity is due to the selective method of price survey of the wholesale trade services sector used in the collection of primary data.

     The DAWC determines the shares of goods, products in each surveyed class of wholesale trade services. To do this, the cost of a full set of goods, wholesale products is redistributed by types of goods, products selected for price monitoring. When redistributing, the initially established structural proportions are taken into account. According to the redistributed value of types, subtypes of goods, products, their share in the corresponding class of wholesale trade services is found.

     In some cases, other information flows are used to determine the DAWC specific gravity. The share of wholesale sales of some food products is determined on the basis of consumer spending on them by the population; to separate the group of wholesale sales services by types of petroleum products, the structure of their production by domestic industrial enterprises is used.

     DAWC also records the share of supply channels in the CIS countries and non-CIS countries in the volume of wholesale sales. The shares are determined according to the data on the structure of imports to the republic of goods from various countries.

     39. The process of building a weighing scheme includes:

     1) determination of the preliminary cost by classes of wholesale trade services and by types, subtypes of goods, products;

     2) cost adjustment by classes of wholesale trade services and by types, subtypes of goods, products in the regions;

     3) formation of final costs by classes of wholesale trade services, types, subtypes of goods, products.

     40. The determination of the preliminary cost by classes of wholesale trade services is carried out on the basis of filling in data for the classes of wholesale trade services selected for observation. The cost of the classes of wholesale trade services not covered by the price survey is combined with those selected, based on their homogeneity in purpose, or redistributed proportionally. According to the shares of countries in DAWC, the cost of wholesale trade in imported goods is distributed to the cost of wholesale sales of goods from CIS countries and non-CIS countries.

     The values found for the classes of wholesale services vary by region, depend on the specialization and the existing structure of wholesale trade in the region.

     The determination of the preliminary cost by types, subtypes of goods, products is carried out by distributing the costs of wholesale trade service classes and countries of production by the types, subtypes of goods, products included in the class according to their share in DAWC.

     At this stage, preliminary costs by types, subtypes of goods, products do not reflect regional specialization due to the use of the same DAWC weights for all regions and the use of a single selected list of types, subtypes of goods, products.

     41. For the formation of costs by types, subtypes of goods, products, preliminary cost data of each region are brought into line with the selected regional list of types, subtypes of goods, products.

      Adjustment or addition of value is carried out for each incoming commodity item in the columns corresponding to the country

     production - Kazakhstan, CIS countries, countries outside the CIS.

     When the cost is removed from one of the channels, the data is proportionally distributed among the remaining channels so that the excluded cost does not violate the existing structural proportions.

     Taking into account the corrections made, the final cost is determined by types, subtypes of goods, products, and the final positions of the regional weighing scheme are recalculated. For those positions where the cost is provided, price monitoring is carried out.

     42. The formation of the weighing scheme for the republic is carried out:

     1) at the level of types, subtypes of goods, products - as the sum of costs by region;

     2) at the level of classes, groups, sections of wholesale trade services - as the sum of incoming, sequentially for all levels of aggregation.

     43. The established weighing scheme has been applied for several years. A complete replacement of the weighing scheme is carried out as significant structural changes in the wholesale turnover of the present time and the period used for the base one.

     The weighting scheme is reviewed for the coming reporting year in cases where it is necessary to connect new types of wholesale trade services for the survey and a significant revision of previously selected types, subtypes of goods, products in the regions. At the same time, DAWC is being reformed.

**Chapter 7 Calculating of average prices and price indices**

      Footnote. The title of chapter 7 is as amended by the order of the Chairman of the Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan dated September 8, 2020 No. 36 (shall be enforced ten calendar days after the day of its first official publication).

     44. The calculation of the wholesale price index includes the following steps:

     Stage 1 - determination of average prices in the region for goods, products through various supply channels and across the country for goods, products through various supply channels;

     stage 2 - determination of individual price indices for goods, products of the reporting period to the previous month for the region and the republic;

     stage 3 - determination of aggregate price indices for products of the reporting period to the previous month for each stage of aggregation;

     Stage 4 - determination of individual and aggregate price indices of the reporting period for all other periods of comparison (December of the previous year, the corresponding month, quarter, period of the previous year).

     45. Average prices for the region for goods, products through the channel of the Republic of Kazakhstan, the CIS and outside the CIS are determined by the geometric mean formula:



(1)

where,



- the average price for goods, products *j* in the reporting period *t* ;



- prices for representative goods (price quotes) for goods, products *j* in the reporting period *n* ;



– number of prices (price quotations).

     When calculating the average price, the equality of the number of price quotations in the compared periods is taken into account.

     The calculated average prices by region are not considered representative, reflecting the price level of the entire set of the phenomenon under study, if they are formed from the prices of less than three different basic objects that reported in the reporting period.

     In these cases, the average wholesale prices for the region in the reporting period are not published, but are used for further calculations of average prices in the republic and price indices.

     46. Average prices in the republic for goods and products are formed as a weighted average from the level of prices by region and their weights (values).

     The calculation is carried out in the following order:

     1) the weighted average price is determined for each channel - RK, CIS and outside the CIS:



(2)

     where,

       *P* wj – weighted average price for position *j* ;

       *P* j - the price, respectively, in Kazakhstan, the CIS and outside the CIS for position *j* ;

       *W* j - weight (cost), respectively, in the Republic of Kazakhstan, the CIS and outside the CIS for position *j* .

     2) the received weighted average prices are summarized;

     3) the average price in the republic is found by dividing the sum of weighted average prices by the sum of the weights of the base period:



(3)

     where,

       *P* j - the average price in the republic for position *j* ;



- the sum of weighted average prices for position *j* ;



– basic weight (cost) for position *j* .

     47. An individual price index for a representative product is a simple relative value for comparing the actual wholesale price of the basic object of each type of product, product in the current and previous period:





(4)

where,



– individual price index;



- the price of the representative product in the reporting period *t* ;



- the price of the representative product in the previous period *t -1* .

     The individual price index for goods, products for the region is calculated using the Jevons formula, as the ratio of unweighted geometric average prices of two periods:



(5)

     where,

      i – individual indices;

      t , t -1 - respectively, the reporting and previous periods of comparison;

      pt , pt -1 - price per unit of goods in the corresponding period;

      j - type of product that has weight and which combines several specific representative products (from one to k );

      k - the number of goods-representatives that determine the type of goods.

     48. Individual price indices for goods, products for the republic for each supply channel are calculated on the basis of relative indicators of wholesale prices received from the regions and regional specific weights according to the formula:



(6)

     where,

       *Ip* j – individual wholesale price index for product *j* in the country;

       *I* 1 j *, I* 2 j *,…, I* Rj – individual wholesale price index for product *j* in the regions;

       *R* is the number of regions involved in the calculation;

       *W* 1 *, W* 2 *,…, W* R - regional specific weights.

     49. At all subsequent stages of constructing the wholesale price index, aggregated indices are used.

     For the calculation, the Laspeyres formula is used, which allows calculating price indices based on successive observations of prices, weighted through a constant weighting scheme:



at



(7)

     where,

       *I* L - price index for the reporting period *t* compared to the previous period *t -1* ;



- individual price index by type of goods, products for the reporting period *t* to the period *t -1* ;



- the cost of goods, products in the prices of the base period, used as standard weights for aggregation;



- the cost of types of goods, products in the reporting period;



- the product of individual price indices by type of goods, products to the previous period.

     50. The formation of price indices for the corresponding periods of the previous year (month, quarter, period with a cumulative total) is carried out by the basic method, which provides for linking (linking) monthly price indices for a number of years with each other to form a consistent dynamic series having a fixed reference point as a base or base period.

     Calculation of the monthly price index of the reporting year to the corresponding month of the previous year is carried out by dividing the monthly price index in the index row of the reporting year by the monthly price index in the same row of the previous year:



(8)

     where,

       *I* t – price index for the month *t* of the reporting year g to the corresponding month of the previous year *g -1* ;

       *It* g - the price index of the month *t* of the reporting year g in the index series;

       *It* ( g -1) - the price index of month *t* of the previous year *g -1* in the index series.

     Cumulative price indices for the corresponding period of the previous year are determined by dividing the sum of monthly price indices of the index row of the compared period with the same sum of monthly price indices in the same row of the previous year:



(9)

where,



- price index for January-December of the reporting year to January-December of the previous year;



- price indices for January, February,..., December of the reporting year g in the index series;



– price indices for January, February,..., December of the previous year *g -1* in the index series.

     Price indices for the quarter, half year and nine months of the reporting year are calculated in a similar way to the corresponding period of the previous year. Price indices for a quarter to the previous quarter are calculated as the ratio of the sum of monthly price indices in the index series defining the reporting quarter to the sum of monthly price indices in the index series of the previous period:



(10)

where,



– price index of the second quarter of the reporting year to the first quarter;

       *I 4* g , *I 5* g *,* *I 6* g - price indices for April, May, June of the reporting year *g* of the index series;

       *I 1g ,* \_ *I 2* g *,* *I 3* g - price indices for January, February, March of the reporting year *g* of the index series.

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