Session IV
Improving the quality of price statistics:

COMPARISON OF CONSUMER PRICE INDEX BASKET BETWEEN CURRENT BASE YEAR AND NEW BASE YEAR IN MYANMAR

Nyaung Tai
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I. Research questions & scope of study

- Research questions
  - Why does need to change updated base year for calculating CPI?
  - What are the different CPI basket between current base year and new base year?

- Scope of study
  1) To overcome the problems of 2006 base CPI
  2) To standardize in line with international level
  3) To reflect the current situation consumption
II. Methodology

- Laspeyres’ Price Index Formula (2006 base year)

\[ I_t^i = I_{t-1}^i \times \sqrt[i]{\frac{p_t^i}{p_{t-1}^i}} \]

- Modified Laspeyres’s formula (2012 base year)

\[ \text{Laspeyres' Price Index} = \frac{\sum_{i=1}^{n} P_{1i} Q_{0i}}{\sum_{i=1}^{n} P_{0i} Q_{0i}} \times 100 \]
III. Findings

- Shows changing price of specific consumer items in a representative consumer market basket related to a base period
- Changes using Arithmetic Mean of current base year to using Geometric Mean of new base year with international standard of the COICOP
- Covers conducting both of Urban and Rural household’s consumption of new base year
- Reflects consuming of CPI basket from Myanmar’s households of HIES survey
- Makes using international comparison of inflation on more detailed level
IV. Remaining issues/further research

- The calculation of the CPI has to improve the following of future tasks are:
  - To reduce calculating of daily CPI for Yangon and Naypyitaw (Pyinmana, Lawei, and Tatkone) townships
  - To reduce Area Sample (For example, 80 townships instead of states/regions (15) townships and major three cities to compute monthly CPI only)
  - To find the results of current CPI base year and New CPI base year
  - To identify the collection of commodities price with specific time table from outlets
Thank you for your attention!!!