Measurement of two services components basket of the Brazilian Consumer Price Index (CPI) using the National Household Sample Survey (PNADC) as data source

In developing countries such as Brazil, the measurement of services for the CPI may present extra difficulties such as the presence of services in the basket which parts belong to informal economy. In such instances, data sources are even more scarce and difficult to obtain, and the desired information usually rely on some sort of household survey.

In this work we present the methodology developed to obtain the inflation for services of home maintenance and housekeeper in the Brazilian CPI using the Brazilian National Household Sample Survey as the data source. Since this survey was not originally designed to give estimates for the CPI, the methodology developed required a combination of sampling reweighting and structural time series modelling techniques to derive robust CPI measures. Sampling reweight is used to generate adequate weights for the desired domains for the CPI and the adoption of structural time series modelling is employed to deal with the small samples sizes obtained.

Finally, we present the price microdata generated for home maintenance and housekeeper services which are available for researchers interested to work with such data sets.