

A brief note on Input Price Indices of Construction Sector (IPICS) in Nepal

Introduction:

Input Price Index of Construction Sector (IPICS) as composite index of both construction materials and labours' wages by year was compiled and published by the Central Bureau of Statistics (CBS) for about a couple of decade back. It aims at to measure the periodical change in purchaser's price of the construction materials and existing wage rate of labours working in construction sector. Input price index of construction sector by quarter was compiled and published regularly since FY 1999/2000. These indices were compiled on point to point basis (the current quarter's index is compiled taking the corresponding quarter of the last fiscal year as base).

Instead of composite IPICS, it is being compiled separately for construction materials and labours' wages in time series since 2009/10.

Weighting System :

The Price Index of Some Construction Materials (PICM) consists of 22 types of construction materials i.e. Wood sawn, Cement, Bricks, Iron rods & billets, paints, electric wire, fittings etc. Similarly, The wage index of the construction sector comprises the daily wage or wage rate of the eight types of construction workers i.e. Engineer, Overseer, Carpenter, Mason, Labors etc. The weights of these commodities as well as wages have been derived from the study on Input Cost of Construction Sector 2005. In addition to this information, detail discussions were held with the experts, engineers and professionals associated with the construction sector.

Data Sources:

The input price indices of construction sector (IPICS) has been compiling and publishing at quarterly and yearly basis. The necessary data for these indices have been collecting from the district head quarter of the 33 districts where Branch Statistics are located. These districts cover the three ecological belts i.e. mountain, hill and terai and five development regions as well. The data on construction materials e.g. cement, bricks, iron rods, wood sawn etc. and wage rate of the construction labours are collecting through the quarterly price survey of selected inputs of construction sector. Branch Statistics Offices, collect quarterly data under the direct supervision of the CBS.

Limitations of Indices

These indices only cover 33 district head quarters only. Therefore, the indices are available at national level only.