

Foreword

Income, expenditure and consumption surveys assume a prime importance among all household surveys undertaken by the national statistical offices all over the world. On the basis of such surveys the standard of living of both households and individuals can be measured. Determining poverty line and setting up a basis for social welfare assistance depend on these surveys. In addition, weights for consumer price index which in turn is an important measure of inflation are derived from such surveys .

Egypt has recognized the greatest importance of these surveys long time ago, the first survey was undertaken in 1958/59 followed by several surveys. The current survey is the 8th in the series with a sample size of 48 thousand households distributed all over the governorates of Egypt through one year starting from the first of July 2004 till the end of June 2005 (4000 households monthly).

The Central Agency for Public Mobilization and Statistics has the pleasure to present the results of this survey in (five) volumes covering its methodology and final results hoping that they would serve their purposes. CAPMAS welcomes any criticism and suggestions that might help improving this survey in the future.

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SECTION 1

General Introduction

In response of the considerations of credibility and transparency of official statistics, It is deemed important for users of statistics to get acquainted with the different methodologies and standards applied for the production of such statistics.

In this context, the methodology of implementing the 2004/2005 Income, Expenditure and Consumption Survey and adopted concepts and definitions are presented in this volume, which consists of the following sections:

- General introduction
- Sampling design and selection.
- Survey tools and instruments
- Definitions and concepts
- Implementation stages

First: Historical Review

- 1- The first survey of income and expenditure, planned to be a pilot ,was undertaken in 1955. It was planned and carried out by the Committee of Statistic in three villages of Giza governorate (4000 households) on a sample of 750households.
- 2- In 1958/59, the first national survey was conducted in all governorates of Egypt on a sample of 6376 households distributed between urban and rural areas with a percentage of 51.5% and 48.5% respectively. All sample households were observed for the entire survey period (12 month).
- 3- The second survey was held in 1964/65 on a sample of 13818 households allocated between urban and rural areas such as 67.6% for urban and 324%for rural households. With the aim of reducing the burden on surveyed households, the whole sample was divided into four sub-samples where households of each sub-sample were observed for only there consecutive months.

- 4- In 1974/75, the third survey was carried out on a sample of 11995 households allocated between urban and rural areas in a similar way as the second survey. Like the second survey, households were observed only for three successive months.
- 5- In 1981/82, the fourth survey was conducted on a sample of 17000 households distributed equally between urban and rural areas. A new observation methodology, combining fixed and changeable observation of surveyed households, has been applied. A sub-sample of 1000 households were observed all over the survey period (12 months) while the remaining 16000 households were observed on a changeable basis.
- 6- In 1990/91, the name of household budgetary survey changed to income, expenditure and consumption survey. Under the new name, the fifth survey was conducted on a sample of 15000 households distributed between urban and rural areas with the percentage of 60% for urban and 40% for rural. The entire sample was divided into 12 sub-samples, each were observed for only one month .
- 7- In 1995/96, the sixth survey was conducted on a sample of 15090 households allocated between urban and rural areas such as 45.1% in urban and 54.9% in rural. The same observation scheme of the previous survey was applied, i.e., households were observed for one month only.
- 8- In 1999/2000, the seventh survey was conducted on a sample of 48000 households (4000 household monthly) distributed between urban and rural areas with the percentage of 60% for urban and 40% for rural.
- 9- The latest survey (the eighth in the series) was conducted in 2004/2005 on a sample of 48000 households (4000 households monthly) distributed in urban and rural areas with the percentage of 46.4% for urban and 53.6% rural.

Second: Survey Objectives

- 1- To identify expenditure levels and patterns of population as well as socio- economic and demographic differentials.
- 2- To estimate the quantities and values of commodities and services consumed by households during the survey period to determine the levels of consumption and estimate the current demand which is an important input for national planning. Current and past demand estimates are utilized to predict future demands
- 3- To measure mean household and per-capita expenditure for various expenditure items along with socio-economic correlates.
- 4- To define percentage distribution of expenditure for various items used in compiling consumer price indices which is considered important indicator for measuring inflation
- 5- To define mean household and per-capita income from different sources.
- 6- To provide data necessary to measure standard of living for households and individuals. Poverty analysis and setting up a basis for social welfare assistance are highly dependant on the results of this survey.
- 7- To provide essential data to measure elasticity which reflects the percentage change in expenditure for various commodity and service groups against. the percentage change in total expenditure for the purpose of predicting the levels of expenditure and consumption for different commodity and service items in urban and rural areas.
- 8- To provide data essential for comparing change in expenditure against change in income to measure income elasticity of expenditure.
- 9- 9. To study the relationships between demographic, geographical and housing characteristics of households and their income and expenditure for commodities and services.
- 10-To provide data necessary for national accounts especially in compiling inputs and outputs tables.
- 11-To identify consumers behavior changes among socio-economic groups in urban and rural areas.
- 12- To identify per capita food consumption and its main components of calories, proteins and fats according to its sources and the levels of expenditure in both urban and rural areas.

- 13- To identify the value of expenditure for food according to sources, either from household production or not, in addition to household expenditure for non food commodities and services.
- 14- To identify distribution of households according to the possession of some appliances and equipments such as (cars, satellites, mobiles ...) in urban and rural areas.
- 15- To identify the percentage distribution of income recipients according to some background variables such as housing conditions, size of household and characteristics of head of household.

Third: Peculiarities of the present Survey

It is for the first time that the Family Income, Expenditure and Consumption Survey implies the following issues.

- 1- The use of the classification of individual consumption according to purpose (COICOP) in designing the expenditure and consumption questionnaire.
- 2- The inclusion of the main sales outlets of food and beverages.
- 3- The addition of school enrollment (6+year) to the household schedule.
- 4- The inclusion of expenditure for used commodities (durables and semi durables)
- 5- The addition of data related to change in assets owned by the household during the reference year.

Fourth: Survey Implementation

The Preparation stage for the survey has started on 1/1/2004; the coordination among all stages of survey implementation has been taken into consideration. The activities of office editing, coding, data processing and validation were held at the same time with data collection. Preliminary tabulations have been generated quarterly for the purpose of checking survey results which have been contrasted with the corresponding results of the previous survey. Moreover survey results are published in a new format which is different from its predecessors. Results are published bilingually (Arabic and English) in five volumes as follows:

- 1- Survey methodology

- 2- Characteristics of households and individuals and housing conditions.
- 3- Patterns of household expenditure according to socio- economic characteristics of households.
- 4- Average of household expenditure according to socio economic characteristics of households.
- 5- Average of household income and percentage distribution of income according to household social and economic characteristics.

SECTION 2

Sample Design and Selection

1- Introduction

The sample of Family Income, Expenditure and Consumption Survey (FIECS) of 2004/2005 is a multi-stage stratified cluster sample and self-weighted to the extent practical. Its designed size is 48000 households allocated among governorates and their urban/rural components in proportion to size. The sample was selected in three stages (the second stage is considered dummy). The first two stages are related to the Master Sample which has been drawn directly before the field work of FIECS started. The third sampling stage concerns with the selection of a sample of 40 households from each Master Sample Areas (1200 areas with approximately 700 households in each).

2- Allocation of Master Sample

The Master Sample (1200 Areas) has been allocated among the governorates of Egypt, with its urban/rural components, in proportion with the estimated size of households of every stratum (governorate) and substratum (urban/rural populations). Table 1 shows sample allocation.

Table 1
Sample Allocation Among Governorates (Urban/Rural)

Serial no.	Governorates	Urban	Rural	Total
1	Cairo	153	-	153
2	Alexandria	74	-	74
3	Port Saeid	11	-	11
4	Sewez	9	-	9
5	Demyat	6	14	20
6	Dakahlia	26	62	88
7	Sharkia	21	65	86
8	Kalybia	28	39	67
9	Kafr Alshekh	11	30	41
10	Algharbia	23	44	54
11	Almenofia	11	43	71
12	Albehira	19	52	15
13	Alesmaelia	8	7	103
14	Algiza	64	39	35
15	Bani aweef	9	26	38
16	Alfayoom	9	29	67
17	Almenia	14	53	53
18	Asyoot	16	37	61
19	Sohag	14	47	45
20	Quena	10	35	18
21	Aswan	8	10	8
22	Luxor City	4	4	4
23	Matroh	2	2	5
24	North Sainaa	3	2	2
25	South Sainaa	1	1	3
26	Red Sea	2	1	2
27	Alwadi algaded	1	1	1
Total		557	643	1200

3- The First Sampling Stage (Master Sample)

The Shiakha (in urban) and village (in rural) are considered the smallest administrative divisions for which census data are available. Therefore such divisions were considered Primary Sampling Units (PSU's) for Urban and Rural samples of all governorates respectively. Small towns (which are not further subdivided into smaller administrative units) are dealt with as urban PSU's.

In view of the substantial variability of population (household) size of PSU's especially in urban, The larger shiakhas or towns were subdivided –in office- into several PSU's according to the criterion shown in table 2. The 1996 census data were used for this purpose.

Table 2
Division of bigger Shiakhas and towns

Classes of household size (1996 census)	Number of PSU's
Less than 12 thousand	1
12 thousand -	2
24 thousand-	3
36 thousand-	4
48 thousand-	5
60- 72 thousand	6

Accordingly, The larger urban smallest administrative unit in each governorate was considered as comprising several PSU's. In contrary, if it was found that a village had less than 600 households in 1996 (about 700 households in the present time) it was joined to the adjacent village so as to make certain that all PSU's are greater than 600 households in 1996. Both division and combining operations were performed based on the records of 1996 census along with the available cartographic materials of Shiakhas and villages. Subsequently, the sampling frames of the first stage sample of urban/rural substrata for all governorate were formed. Implicit stratification was introduced to both urban and rural frames as described in the following:

A- The next-to-the lowest administrative units for each governorate (Kisms, Markaz's and towns) were geographically ordered in serpentine fashion starting from the north western corner of the governorate heading to the north eastern corner and back to the west side, and so on till the end.

B- The Rural frame of PSU's was further ordered according to the percentage of illiterate population. The sorting was done alternatively: ascending in one markaz and descending in the next one.

Having prepared the frame in the way as described above, the first stage sample was selected from each urban/rural substrata of different governorates following the selection method of the Probability Proportional to Size (PPS). The utilized Measure of Size (MOS) is the number of area segments of 600 households each. The MOS was calculated by dividing the number of households as enumerated in 1996 by 600. Hence, The probability of selection the α^{th} PSU in the sample is:

$$P(\alpha) = \frac{\lambda M_{\alpha}}{\sum_{\alpha=1}^k M_{\alpha}}$$

Where:

$P(\alpha)$ is the selection probability of the α^{th} PSU;

λ is the size of first stage sample;

M_{α} is the size measure of the α^{th} PSU; and

k is the number of PSU's in the substratum (urban/rural) of a governorate.

4- The Second Sampling Stage (Master Sample)

The records of the 1996 census have been relied upon in order to divide the PSU's selected in the first stage sample into a number of equal-sized area segments. The approximate size of these segments in 1996 is 600 households each. Expectedly, the size of these area segments is, in the present time, 700 households approximately. A single area segment was selected in the second sampling stage following the equal probability selection method. As such, the conditional probability

of selecting the β^{th} area segment given that the α^{th} PSU was selected in the first stage sample is:

$$P(\beta|\alpha) = \frac{1}{M_{\alpha}}$$

Therefore the final sampling rate of the Master Sample for each substratum in all governorates is:

$$\begin{aligned} P(\beta\alpha) &= P(\alpha) P(\beta|\alpha) \\ &= \frac{\lambda M_{\alpha}}{\sum_{\alpha=1}^k M_{\alpha}} \frac{1}{M_{\alpha}} \\ &= \frac{\lambda}{\sum_{\alpha=1}^K M_{\alpha}} \end{aligned}$$

Since λ for different substrata is kept in proportion with $\sum_{\alpha=1}^k M_{\alpha}$, the master sample is obviously self-weighted at all levels (substrata, major strata and national).

Upon selecting the second stage sample, a field operation has been carried out for the purpose of creating a household list for each selected second stage sample segment. Households were recorded in the list according to location proximity. The segment size ranges from 650 to 750 households in most cases with an average of approximately 700 households per segment.

5.The Third Sampling Stage

This is the final stage for selecting the sample of the 2004/2005 Household Income, Expenditure, and Consumption Survey. In which a sample of 40 households was selected from each area segment selected in the second sampling stage of the master sample. As mentioned before the size of the master sample is 1200 area segments of about 700 households each. The selection method of the third sampling stage is the equal probability applying the systematic selection method.

With the aim of reducing the field efforts it was deemed efficient to limit the spread of the household sample over the entire area segments by sampling clusters of five households each instead of sampling individual households directly. For this purpose the list of households was put in a form of a circle and a sample of eight points is selected systematically, the household indicated by the selection points and the following four households in the list were then drawn in the sample.

It is worth mentioning that that method of systematic selection will not jeopardize the property of equal probability selection as each household in the list still has 40 chances of being selected in the sample: the same if individual households was sampled directly from the list.

Hence, the probability of selecting a certain household in the sample is:

$$\frac{40}{N_{\beta\alpha}} = 5 \times \frac{8}{N_{\beta\alpha}}$$

Where $N_{\beta\alpha}$ denotes the number of households of the β^{th} segment in the α^{th} sample PSU. Its value is 700 households in average.

Considering the overall sampling rate of the master sample, the selection probability of a certain household in the sample of the 2004/2005 Household Income, Expenditure and Consumption Survey for each substrata is denoted by the following equation:

$$P(\gamma\beta\alpha) = P(\alpha) P(\beta|\alpha) P(\gamma|\beta\alpha)$$

Where:

$P_{\beta^{th}}(\gamma\beta\alpha)$ denotes the selection probability of the γ^{th} household from the β^{th} secondary sampling unit (area segment) in the α^{th} PSU;

$P(\alpha)$ denotes the selection probability of the α^{th} PSU;

$P(\beta|\alpha)$ denotes the conditional probability of selecting the β^{th} area segment given That the α^{th} PSU was selected in the first stage sample; and

$P(\gamma|\beta\alpha)$ denotes the conditional probability of selecting the γ^{th} household given that the β^{th} area segment in the α^{th} PSU was selected in preceding sampling stages.

With reference to selection probabilities of various sampling stages, the final selection probability of the 2004/2005 Household Income, Expenditure and Consumption Survey sample is quantified using the following formula:

$$P(\gamma|\beta\alpha) = \frac{\lambda M_{\alpha}}{\sum_{\alpha=1}^K M_{\alpha}} \frac{1}{M_{\alpha}} \frac{40}{N_{\beta\alpha}}$$

$$= \frac{40\lambda}{N_{\beta\alpha} \sum_{\alpha=1}^k M_{\alpha}}$$

For some sample areas, the sample size has been increased by a percentage of 10% to 20% above the standard sample size of 40 households so as to compensate for the level of non-response anticipated in those specific areas.

Table 3 shows the designed and implemented samples as well as the response rate at the governorate level.

Table(3)

**Designed and Implemented Sample and Response Rate According to Governorate
(Urban – Rural)**

Gov.	Designed Sample			Implemented Sample			Response Rate		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Cairo	6440	0	6440	5898	0	5898	91.58	0	91.58
Alexandria	3015	0	3015	2908	0	2908	96.45	0	96.45
Port-Saied	440	0	440	439	0	439	99.77	0	99.77
Sewiz	360	0	360	348	0	348	96.67	0	96.67
Demiat	240	560	800	234	552	786	97.5	98.571	98.25
Dakahlia	1050	2480	3530	1016	2438	3454	96.76	98.31	97.85
Shrkia	840	2600	3440	811	2553	3364	96.55	98.19	97.79
Qalubia	1178	1560	2738	1102	1532	2634	93.55	98.21	96.20
Kafr alshekh	450	1200	1650	433	1196	1629	96.22	99.67	98.73
Gharbia	920	1760	2680	910	1740	2650	98.91	98.86	98.88
Menofia	445	1720	2165	412	1661	2073	92.58	96.57	95.75
Behera	800	2040	2840	792	2035	2827	99.00	99.75	99.54
Esmalia	320	280	600	317	278	595	99.06	99.29	99.17
Giza	2744	1560	4304	2475	1538	4013	90.20	98.59	93.24
Bani sweef	360	1040	1400	355	1035	1390	98.61	99.52	99.29
Fayoom	360	1160	1520	355	1147	1502	98.61	98.88	98.82
Menia	575	2120	2695	549	2103	2652	95.48	99.20	98.40
Asyoot	640	1480	2120	619	1467	2086	96.72	99.12	98.40
Sohag	560	1880	2440	551	1866	2417	98.39	99.26	99.06
Quina	400	1400	1800	390	1380	1770	97.50	98.57	98.33
Aswan	325	400	725	315	398	713	96.92	99.50	98.34
Loxor	160	160	320	159	160	319	99.38	100.00	99.69
Red sea	80	40	120	79	38	117	98.75	95.00	97.50
Alwadi algadid	40	40	80	40	40	80	100.00	100.00	100.00
Matrouh	85	80	165	77	80	157	90.59	100.00	95.15
North Sainaa	120	80	200	120	80	200	100.00	100.00	100.00
South Sainaa	40	40	80	39	35	74	97.50	87.50	92.50
Total	22987	25680	48667	21743	25352	47095	94.58	98.720	96.76

The annual sample of the 2004/2005 Household Income, Expenditure, and Consumption Survey has been distributed equally over the 12 months of the survey period. In other words, 1 in 12 sample areas (i.e. 100 areas) were surveyed every month. The combined sample of the adjacent three months, which is a replica of the main sample, has been considered as a survey round. The first round covers the months of July, August and September 2004, and so on till the fourth round covering the months of April, May, and June 2005.

6- Weights

Although the sample has been designed to be a self-weighted, the size variability of the secondary stage units (area segments) around 700 households has resulted in an overall sampling rate, which is rather different from one area segment to another. Consequently, weights have been incorporated in extracting survey estimates. The overall weight is a composite of the design and response weights

A : Design weight:

It is the inverse of the overall selection probability; i.e.,

$$, \quad W_1 = \frac{1}{P(\gamma\beta\alpha)}$$

Where W_1 denotes the design weight which is constant for each area segment

B : Response weight:

It is the inverse of the response rate; i.e.,

$$W_2 = \frac{1}{\text{responserate}}$$

Where the response weight has been calculated for each area segment (1200 segments).

C : Final weight:

It is the product of design and response weights, i.e.,

$W = W_1 W_2$, Where W denotes the final weight.

Weights have been normalized so as the weighted total of households will remain the same as the total of surveyed households at the national level. In other words, weights normalization has made the weighted total of surveyed households at the national level identical to the un-weighted total.

7- Estimation Methods

The reference period of recording expenditure has varied depending on the frequency of expenditure. In the case of expenditure on food and beverages expenditure was recorded for the survey month. The reference period has increased to three months (ending in the survey month) for items with less frequent expenditure such as health care services, communication, etc. The reference period has expanded to one year (ending in the survey month) for items with least expenditure frequency such as durables and some services (cultural, recreational and educational services). For this reason the estimation of annual household expenditure has been arrived through multiplying the recoded expenditure by a conversion factor, where:

The conversion factor = $\frac{12}{\text{the reference period of recording expenditure in months}}$

Since the survey results were presented in the form of means and percentage distributions, it is deemed useful to present, in the following subsections, the statistical formulas of various survey estimates.

A : Mean Household Expenditure (Income)

Let Y_{γ^1} denotes the annual expenditure (income) of the γ^{th} household, then the weighted mean household expenditure (income), \bar{Y}_1 , is estimated as follows:

$$\bar{Y}_1 = \frac{\sum_{\gamma} W_{\gamma} Y_{\gamma 1}}{\sum_{\gamma} W_{\gamma}},$$

where W_{γ} denotes the weight associated with the γ^{th} household, i.e., the weight of the area segment to which the γ^{th} household belongs.

B : Mean household size

let $Y_{\gamma 2}$ denotes the size of the γ^{th} household, then the weighted mean household size, \bar{Y}_2 , is estimated as follows:

$$\bar{Y}_2 = \frac{\sum_{\gamma} W_{\gamma} Y_{\gamma 2}}{\sum_{\gamma} W_{\gamma}}$$

C : Per capita Expenditure (Income)

Let \bar{Y}_3 denotes the per-capita expenditure (income), then:

$$\bar{Y}_3 = \frac{\bar{Y}_1}{\bar{Y}_2}$$

where \bar{Y}_1 , and \bar{Y}_2 are as defined in subsection 7-1 and 7-2 respectively.

D : The percentage distribution of households according to categories of expenditure (income) values

Let $X_{\gamma i}$ be a dummy variable that takes 1 if the γ^{th} household falls in a certain expenditure (income) category (the i^{th} category), and takes zero otherwise, then the weighted proportion of households that fall in the i^{th} category is:

$$P_i = \frac{\sum_{\gamma} W_{\gamma} X_{\gamma i}}{\sum_{\gamma} W_{\gamma}}$$

The same statistical formula has been applied in estimating the percentage distributions of households according to several household characteristics.

E : Sampling Error Estimation

The sampling error of major survey estimates has been derived using the Ultimate Cluster Method as applied in the CENVAR Module of the IMPS (Integrated Microcomputer Processing System) Package. In addition to the estimate of sampling error, the output includes estimates of coefficient of variation, design effect (deff) and 95% confidence intervals. Tables A1 through A6 in Appendix B show such measures for major survey results classified by urban/rural residence.

SECTION 3

Survey Instruments and Tools

First: Questionnaires

Three different questionnaires have been designed as following:

- 1- Expenditure and consumption questionnaire
- 2- Diary questionnaire for expenditure and consumption
- 3- Income questionnaire.

In designing the questionnaires of expenditure, consumption and income, we were taking into our consideration the following:

- Using the recent concepts and definitions of International Labor Organization approved in the International Convention of Labor Statisticians held in Geneva ,2003.
- Using the recent Classification of Individual Consumption according to Purpose(COICOP).
- Using more than one approach of expenditure measurement to serve many purposes of the survey

A brief description of each questionnaire is given next:

1- Expenditure and Consumption Questionnaire

This questionnaire comprises 14 tables in addition to identification and geographic data of household on the cover page. The questionnaire is divided into two main sections.

Section one: Household schedule and other information

It includes

- 1- Demographic characteristics and basic data for all household individuals consisting of 16 questions for every person.
- 2- Members of household who are currently working abroad.
- 3- The household ration card.
- 4- The main outlets that provide food and beverage.
- 5- Domestic and foreign tourism.

- 6- The housing conditions including 15 questions.
- 7- Means of transportation used to go to work or school.
- 8- The household possession of appliances including 26 items.

This section includes some questions which help to define the social and economic level of households which ,in turn, help interviewers to check the plausibility of expenditure, consumption and income data.

Section two: Expenditure and consumption data

It includes 14 tables as follows:

- 1- The quantity and value of food and beverages commodities actually consumed.
- 2- The quantity and value of the actual consumption of alcoholic beverages, tobacco and narcotics.
- 3- The quantity and value of the clothing and footwear.
- 4- The household expenditure for housing .
- 5- The household expenditure for furnishings, household equipment and routine maintenance of the house.
- 6- The household expenditure for health care services.
- 7- The household expenditure for transportation.
- 8- The household expenditure for communication.
- 9- The household expenditure for recreation and culture.
- 10- The household expenditure for education.
- 11- The household expenditure at restaurants and hotels.
- 12- The household expenditure for miscellaneous goods and services.
- 13- Transfer payments.
- 14- Total annual household expenditure (prepared in office)

The tables from 1 to 13 include all types of commodities and services(746 items), 47 sub-group and 12 main groups in addition to transfer payments.

This questionnaire has been designed to be pre coded for all expenditure items and household characteristics except occupation and industry. Whenever relevant, the questionnaire provides spaces for different reference periods such as monthly quarterly, annually.

The total number of items is 746 commodity and service comparing with 587 in the last survey.

Main and Sub-Groups of Goods and Services

Main and Sub-Groups	No. of Goods and Services
Food and non-alcoholic beverages	
Bread and cereals	32
Meat	32
Fish	10
Milk, cheese and eggs	24
Oils and fats	15
Fruit	73
Vegetables	80
Sugar, jam, honey, chocolate and confectionery	15
Food products n.e.c	9
Non-alcoholic beverages	17
Alcoholic beverages tobacco and narcotics	13
Clothing and footwear	
Clothing materials	8
Garments	52
Other articles of clothing and clothing accessories	6
Cleaning, repair and hire of clothing	8
Footwear	11
Used garments	1
Housing, water, electricity, gas and other fuels	
Housing and its accessories	
Actual rentals for housing	6
Imputed rentals for housing	3
Maintenance and repair of the dwelling	2
Water supply and miscellaneous services relating to the dwelling	7
Electricity, gas and other fuels	6
Furnishing, household equipment and routine maintenance of the house	
Furniture and furnishings, carpets and other floor coverings	8
Household textiles	11
Household appliances	21
Glassware, tableware and household utensils	9
Tools and equipment for house and garden	10
Goods and services for routine household maintenance	17
Used furniture furnishing and household equipments	1
Health	
Medical products, appliances and equipment	6
Out-patient services	18
Hospital services	6
Transport	
Purchase of vehicles	8
Operation of personal transport equipment	13

Transport services	12
Communication	15
Recreation and culture	
Audio-visual, photographic and information processing equipment	20
Other major durables for recreation and culture	8
Other recreational items and equipment, gardens and pets	18
Recreational and cultural services	14
Newspapers, books and stationery	13
Package holidays	6
Used major durables for recreation and culture	1
Education	25
Restaurants and hotels	
Catering services	11
Accommodation services	4
Miscellaneous goods and services	
Personal care	10
Other appliances, articles and products for personal care N.E.C.	12
Other services N.E.C.	10
Transfer payments	9
Total	746

2 - Diary Questionnaire

It has been prepared to help households recording – on a daily basis- the quantity and value of what have been consumed of food and beverages during the reference period (the survey month).

The interviewers are instructed to check what households have recorded in the preceding three days. In case of the inability of some households to record their daily expenditure, the interviewer has to do so. The questionnaire includes:

- A- Letter addressed to the head of household to inform him/her about the importance of survey so that his/her cooperation may be stimulated.
- B- Instructions of data recording for households and interviewers.
- C- Twenty pages to record the daily consumed quantity and value of food and beverages including
 - Date.
 - source of commodities
 - quantity

- value

D- Eight pages to record the value of expenditure for meals and tobacco outside the house, in addition to the value of expenditure for food prepared outside the house and consumed inside the house.

E- Four pages to record the total of quantity and value of consumed food and beverages according to source, either from household production or not.

F- Two pages to record total expenditure on food and beverages consumed outside home.

3- Income questionnaire

It includes household income data according to income sources. It consists of several tables; each is designated to a specific income source. These sources are:

- a- Wages and salaries for wage/salary earners among household members.
- b-Agriculture and none, Agriculture projects.
- c-Financial properties.
- d-Non- financial properties.
- e-Imputed rent of owner-occupied dwellings.
- f- Received cash and in kind transfers

A new table has been added for absent household members who spent a part of the survey year with the household and contributed in its aggregated income during that period. Absence of a household member can be for several reasons such as traveling, marriage, death, etc.

Second: Classifications

1- Classification of Occupation

The occupational classification for 1996 which is derived from the 1988 International Standard Classification of Occupation (ISCO) has been used in coding occupations into six digit after being slightly modified to better suit Egypt's conditions.

2- Classification of Industry

The industry classification for 1996 which is derived from the International Standard Industry Classification (ISIC)- Revision 3- has been followed in the coding process at the level of four digits. Hence classification of industry cannot be made lower than the four-digit level. In this respect, the industry of persons working outside establishments has been deduced from their occupation. For example, the industry assigned to a mason working outside establishment is construction and so on for similar cases.

3- Administrative Classification

The 1996 Administrative Classification has been used in coding statistical data geographically. It includes names and codes of kism, Marks and villages as well as the new cities, established inside all governorates.

4- Classification of Individual Consumption according to Purpose

Classification of Individual Consumption according to Purpose (COICOP) has been used. It is adopted by the United Nations Statistical Commission for use with the SNA (UNSD, 1993).

This classification system is a functional classification of expenditures by the purposes or objectives for which household expenditures occurred. It is used for analysis at national level; especially for purposes of compiling consumer price indices. It consists of 12 divisions and 47 groups. The COICOP Classification is compared with the classification used in the 1999/2000 survey in the following table.

Comparison between Income, Expenditure and Consumption Survey in 2004/2005 and 1999/2000

Income, Expenditure and Consumption Survey 1999/2000	Income, Expenditure and Consumption Survey 2004/2005	Deference
Food and beverages	Food and Non-alcoholic beverages	
Cereals and its products	Bread and cereals	No difference
Dried and preserved vegetables		It is added to vegetables
Vegetables	Vegetables	It includes Vegetables and dried ,preserved vegetables
Fresh ,dried fruit and nuts	Fruit	No difference
Meat and poultry	Meat	No difference
Fish	Fish	No difference
Eggs	-	It is added to Milk and its products
Milk and its products	Milk, cheese and eggs	Eggs is added and ice cream is excluded
Oils and fats	Oils and fats	No difference
Sugar, jam, honey and confectionery	Sugar, jam, honey, chocolate and confectionery	It is the same in addition to ice cream
Other foods products	Food products n.e.c.	ready meals eaten at home excluded except pickles
Drinks materials	-	It is included in non-alcoholic beverages
Non-alcoholic beverages	Non-alcoholic beverages	Drinks materials is added
Alcoholic beverages	-	It is added to tobacco and narcotics
Cigarettes, tobacco and narcotics	Alcoholic beverages, tobacco and narcotics	Alcoholic beverages are added
Clothing and footwear	Clothing and footwear	It the same groups in addition to used garments and school uniform which is excluded from education
Garments	Clothing materials	
Clothing materials	Garments	
Other articles of clothing and clothing accessories	Other articles of clothing and clothing accessories	
Footwear	Cleaning, repair and hire of clothing (s)	
	Used garments	
	Footwear	
Housing, water, electricity, gas and other fuels	Housing, water, electricity, gas and other fuels	It is the same group except cleaning products which added to furnishings, household equipment and routine maintenance of the house
Expenditure for housing	Actual rentals for housing	
Cleaning products	Imputed rentals for housing	
Electricity and fuels	Maintenance and repair of the dwelling	
	Water supply and miscellaneous services relating to the dwelling	
	Electricity, gas and other fuels	

Furnishings and services of household	Furnishings, household equipments and routine maintenance of the house	It is the same group in addition to cleaning products and used furniture , furnishings and household equipments
Furniture and furnishings	Furniture and furnishings, carpets and other floor coverings	
Families services	Household appliances	
Housing services	Household textiles	
	Glassware, tableware and household utensils	
	Tools and equipment for house and garden	
	Goods and services for routine household maintenance	
	Used furniture , furnishings and household equipments	
<u>Health</u>	Health	No difference
	Medical products, appliances and equipment	
	Out-patient services	
	Hospital services	
Transport and communication	Transport	It is the same group included school transport and excluded communication which is became main group (communication)
Value of especial transport	Purchase of vehicles	
Expenditure on especial transport	Operation of personal transport equipments	
Expenditure on public transport	Transport services	
Expenditure on communication		Expenditure for communication <u>is added to it</u>
	Communication	
<u>Education</u> It includes all expenditure on education such as fees, school transport, uniform, text books	<u>Education</u> It includes only school fees	It is the same group except text books ,school uniform and transport which transferred to its main relevant groups
Recreation and culture	Recreation and culture	It is the same group except text books and used durables recreation and culture equipments
Value of sports recreation and culture equipments	Audio-visual, photographic and information processing equipments	
Expenditure for sports, recreation and culture	Other major durables recreation and culture	
	Other recreational items and equipments, gardens and pets	
	Recreational and cultural services	
	Newspapers, books and stationery	
	Package holidays trips	
	Used durables recreation and culture equipments	

Restaurants, hotels and café	Restaurants and hotels	It is the same group in addition to ready meals eaten in the house and Package holidays out side country
	Catering services	
	Accommodation	
Miscellaneous goods and services	Miscellaneous goods and services	It is the same group excluded from it expenditure for religious and recreational trips which were added to restaurant and hotels
Personal care	Personal care	
Personal appliances	Other appliances, articles and products for personal care	
Other services N.E.C	Other services N.E.C.	

SECTION 4

Definitions and Concepts

First: Survey Unit

The household has been taken as the survey unit. It is defined as: one person or a group of persons who share the living (food and house) regardless of whether they are in kinship or marriage relationship. The de jure enumeration is applied. Visitors and guests were included amongst household members only if their stay duration extended to 6 months or more.

According to this definition, household members include:

- 1- Persons who are usually living with the household and present at the time of survey.
- 2- Persons who are usually living with the household but temporarily absent at time of survey.
- 3- Military persons; and civilians working for the military force and; police staff whether present or absent at survey time.
4. Students who are living away of their families such as those who are staying in public dwellings e.g., guest houses, dormitories and hostels.
- 5- Servants who are sharing the household food and accommodation

Second: Survey Execution Periods

The duration of data collecting has extended to one year long.

It started on 1/7/2004 and ended on 30/6 2005.

Third: Reference Period

Reference period vary according to the type of data item:

Monthly : for expenditure on food and beverages, alcoholic beverages, tobacco and narcotics, housing and its accessories goods and services for routine household maintenance, health, operation of personal transport equipments, transport services, restaurants and hotels, personal care and other services n.e.c.

Quarterly: ending with the survey month for expenditure on health, communication.

Annually: ending with the survey month survey for expenditure for clothing and footwear, housing and its accessories, furnishings, household equipment's and routine maintenance of the house , health, transport, communication, recreation and culture ,education, restaurants and hotels and miscellaneous goods and services.

It is worth noting that in some cases the groups of commodities or services include more than one period such as health which has monthly , quarterly and annually items depending upon the consumption frequency of these items.

Fourth: Basic Definitions and Concept

1- Household Head

The head of a household is defined as the one considered as such by the rest of household members irrespective of the household head's age and sex. Usually, the household head is responsible for supporting the household and taking expenditure decisions

2- Housing unit

The place where the household live and it might be :

a- Ordinary dwellings

The units or places prepared for housing such as (flat, villa, rural house, room or independent rooms).

b- Unordinary dwellings

The places which are not mainly prepared for housing but occupied by households such as (stores, garages, etc.).

3- Educational Status

It refers to the status of a person (10 years +) with regard to the highest attained educational level. It includes the following categories:

- under age
- Illiterate
- Read and write
- Below intermediate
- Intermediate
- Above intermediate & less than university
- University degree
- Above university (master & doctorate)

4- Marital Status

It refers to the status of persons aged (18+ for males and 16+ for females) with regard to marriage and divorce laws and customs. It includes the following categories:

- under age
- Never married
- Contracted
- Married
- Divorced
- Widowed

5- Work Status

It refers to the person status concerning his/her work relationship during the week preceding the interviewer first visit. It includes the following categories:

a- Working Population

They are the individuals of 6 years of age and above who perform any economic activity for some time (one hour at least) during the reference period (one week) whether inside or outside establishments. Included in this definition are:

individuals having jobs but temporally absent from their work during the reference period because of illness ; annual leave; training or study leave; labor dispute; or irregularity of work in the establishment for temporary reasons or due to the nature of the establishment activity

b-Unemployment

They are individual aged (15-64 years) who are physically able to work , willing to work and actively seeking work, but did not find it during the survey week. They include:

- Persons who have signed work contract with employer according to which they will start working after the survey reference week
- Workers suspended from work, temporarily or for unknown period as long as they have not received any wages for the reference week and seeking another job.

Unemployment is divided into :

(1) Ever worked unemployed

This applies to a person who has ever worked before but found unemployed in the reference period according to above criteria.

(2) Never worked unemployed

This refers to the new entrants to the labor market for the first time such as graduates who have not started their working life yet.

(3) working student

Full time student but working during the survey week

(4) Working house keeper

Females engaged in ordinary house work and duties but found having a gainful work during the survey week.

(5) Individuals out of labor force:

They are the individuals in the age span 6-64 years who are physically able to work but did not practice any gainful work during the reference period for some reasons such as :

- 1- Family's circumstances (dedicated to home work).
- 2- Preparation for entering into the labor market (full time students)
- 3- No work desire (not interested).
- 4- Retired persons
- 5-The disability that temporary prevents individual from work.
- 6-Persons are in unpaid leaves for one year or more and don't work
- 7-Individuals who are in compulsory military service or perform public service.
- 8- Hospitalized persons who are not engaged in work.
- 9- Prisoners.
- 10- Persons who are not working or studying (6-12 years).

(6) Individual Out side Man Power

1. Children (less than 6 years)
2. Persons of 65 years or more, not work.
3. Totally disabled persons aged (6-64 years).

6- Employment Status

It refers to the status of the working person with regard to the nature of his/her work relationship during the reference period. It includes the following categories:

a- Wage worker:

This is the person who works for others in return of regular monetary or in kind wages/salaries during the reference period.

b- Employer:

This is the person who operates his/her own business (Agricultural, Industrial, Commercial or services) and hire one or more employees.

c- Own account worker:

This is the person who operates his/her own business or engages independently in a profession or trade and hires nobody.

d- Unpaid family worker:

This person, who works for others, usually relatives, without receiving any kind of regular payments,.

7- Main Occupation (6+ years)

It refers to the kind of the main work done by a currently working person or the last work performed by an ever - worked unemployed person in which he/she spent most of his/her time regardless of the industry of the establishment to which he/she belongs .

8- Industry

It indicates the major field of production practiced by the establishment for which the currently working person works or by the latest establishment for which the ever- worked unemployed was working.

- For persons working outside establishments the economic activity is deduced from the occupation, for instance, the economic activity assigned to vegetable mobile vendors is retail trade of vegetables and for farmers is agriculture.
- For Military persons, the economic activity is governmental services.

9- Sector

It refers to the economic sector of the establishment for which currently working person works, or of the latest establishment for which an ever- worked unemployed person was working.

It comprises of the following categories:

- Governmental
- Economic organizations
- Public
- Private
- Co-operative
- Non- governmental organizations
- Foreign
- Outside establishments
- Not applicable

10-Main job

This is the job in which the worker spent most of his/her time during the reference week. In case if the person has multiple jobs and allocate his/her working time among them equally, the one with highest return is considered the main job. As an exception of this definition, if the person works for the government or the public sector and has others jobs the former considered the main job irrespective of time and return criteria.

11- Secondary job

This refers to the second job that the person might have had during the reference period. As mentioned above, the secondary job is considered as such if the person spent in it less time or received less return, in case of equal time allocation between the main and secondary jobs. The work place of the secondary job must be different from that of the main job. However, the work for government or public sector is never considered secondary job.

12-Not Applicable

It includes out of labor force persons in the age span (15-64 years) and never-worked unemployed persons.

13- Household Consumption Expenditure

Household consumption expenditure is the value of consumer goods and services acquired, used or paid for by a household through direct monetary purchases, own-account production, barter or as income in-kind for the satisfaction of the needs and wants of its members.

14- The actual final consumption

The actual final consumption of a household is the sum of its household consumption expenditure and the value of consumer goods and services acquired or used by the household through transfers from government, non-profit institutions or other households.

15- Transfer payments

It refers to cash or in kind transfers paid by household to others either inside or outside Egypt, It is the value of expenses paid by the household to non household individuals such as gifts, assistance charity, It includes also direct taxes on income.

16- Household Expenditure

Household expenditure is defined as the sum of household consumption expenditure and the non-consumption expenditures of the household. The latter are those expenditures incurred by a household as transfers made to government, non-profit institutions and other households, without acquiring any goods or services in return for the satisfaction of the needs of its members. Household expenditure represents the total outlay that a household has to make to satisfy its needs and meet its "legal" commitments.

17 – Measurement of Household Expenditure

Consumption Expenditure may be measured in terms of:

a-Use approach

Implies the total value of all goods and services actually consumed during the reference period irrespective of whether they were acquired during that period or not, and whether the full payment was made during that period or not. Here we used this approach in food and non alcoholic beverages and alcoholic beverages, tobacco and narcotics.

b-Acquisition approach

Implies the total value of goods and services delivered during the reference period, whether the full payment for the goods and services was made during that period or not, and whether they were used during that period or not. Here we used this approach in clothing and footwear.

c-Payment approach

Implies the total payment made for goods and services during the reference period irrespective of whether the goods and services paid for were fully delivered during that period or not, and whether they were used during that period or not. Here we used this approach in housing and its accessories, health, operation of personal transport equipments, transport services, communications, other recreational items and equipments, gardens and pets, recreational and cultural services, newspapers, books and stationery, package holidays, education, restaurants and hotels and personal care.

Acquisition and payments approaches are used here in furnishings, household equipments and routine maintenance of the house, purchase of vehicles and some items of recreation and culture such as audio- visual, photographic and information processing equipments and other major durables recreation and culture. The purpose of applying acquisition and payment approaches to durable and semi-durable items is to serve for both the compilation of consumer price index (acquisition) and welfare analysis (payment).

18- Household Income

It consists of all receipts whether monetary or in kind (goods and services) that are received by the household or by individual members of the household at annual or more frequent intervals, but exclude servant income and windfall gains and other such irregular and typically one-time receipts.

19- Income Sources

A- Income from employment

Income from employment comprises receipt for participation in economic activities in a strictly employment-related capacity, It consists of:

(1) Employee income

Employment income comprises direct wages and salaries for time worked and work done, cash bonuses and gratuities, commissions and tips, directors' fees, profit-sharing bonuses and other forms of profit-related pay, remuneration for time not worked as well as free or subsidized goods and services from an employer. It may include severance and termination pay as well as employers' social insurance contribution

(2) Income from self-employment.

Income from self-employment is income received by individuals, over a given reference period, as a result of their involvement in self-employment jobs.

B- Property Income

Property income is defined as receipts that arise from the ownership of assets (return for use of assets) that are provided to others for their use. These are returns, usually monetary, from financial assets (interests, dividends), from non-financial assets (rents and from royalties (return for services of patented or copyright material)).

C- Income from Household Production of Services for Own Consumption

Income from household production of services for own consumption consists of the net estimated value of housing services provided by owner-occupied dwellings, of unpaid domestic services and of services from household consumer durables. Because of measurement issues, only owner-occupied dwellings is considered

D- Transfer Incomes

Transfers are receipts for which the recipient does not give anything to the donor in direct return for the receipts. Transfers can consist of cash (in the monetary sense), of goods or of services. Current transfers are those that usually recur regularly (relative to the reference year), tend to be small and are also mostly available for use during the reference period.

SECTION 5

Implementation Stages

First : Field work

- 1- The field staff were selected from among the experienced persons..
- 2- Intensive training program for supervisors was conducted at CAPMAS in Cairo and locally in governorates for interviewers and field editors.
- 3- Supervision program was implemented monthly in all governorates to check the field work.
- 4- Data were collected by using personal interview method for household in dwelling and it had been obtained from the head of household or wife or any eligible person in case of their absence.
- 5- Duties and responsibilities of all levels of field staff (interviewer, editor and supervisor) were defined to insure the accuracy and timing. These are outlined next

A- Interviewers

Every one of them was responsible for data collection of ten households monthly with ten visits as following.

(1) First visit

- (A) It started before the survey month by one or two days. its purpose is to ensure the existence of the household and meet the head of household and present herself and here CAPMAS card to him. She also gives the household a simple idea about the survey (its objectives, importance and required data especially expenditure and consumption data).

- (B) Showing households the methods of recording their daily data and knowing the suitable time for visiting them. She also delivers the diary book to the household
- (C) In case of the household refusal of cooperating with the interviewer she has to convince them and if she failed she must inform her supervisor

(2) Second and third visit

These visits are made in the middle and end of the first week.

In these visits :

- (A) The interviewer edit the recorded data of expenditure and consumption in the diary book by the household.
- (B) Completing the data of the third table related with the quantity and value of clothing and footwear that the household obtained and table four related to household expenditure on housing, water, electricity, gas, and other fuel.

(3) Fourth and Fifth visits

They are the same as the previous visits but made in the second week. in addition to checking household recording of expenditure the interviewer is to complete the following tables:

The Fifth table: related to household expenditure on furnishings, household equipment and routine maintenance of the house.

The Sixth table: related to household expenditure on health.

The Seventh table: related to household expenditure on transport.

(4) Sixth and Seventh visit

These visits were in the third week and it includes the following:

- (A) Recording or editing the recorded data of expenditure and consumption during the third week and following up recording data of expenditure outside the home on catering services.
- (B) Completing these tables:

The Eighth table: related to household expenditure on communication.

The Ninth table : related to household expenditure on recreation and cultural services.

The Tenth table: related to household expenditure on education.

(5) Eighth and Ninth visit

The eighth visit was in the middle of the fourth week and the ninth visit was at the first day of the following month of survey month. It included the followings:

- (A) Recording or editing the recorded data of expenditure and consumption of commodities and services during the following days of previous visit.
- (B) Following up recording the data of expenditure on restaurants, coffees and hotels.
- (C) Completing the data of the Eleventh table related to household consumption on restaurants, coffees and hotels and completing the data of the Twelfth table related to household expenditure on miscellaneous goods and services and the Second table related to actual household consumption of alcoholic beverages, tobacco and narcotics.
- (D) Completing the first Table related to the quantity and value of food and beverages actually consumed during the survey month.

- (E) Completing the thirteenth table related to transfer payments during the year ended with survey month.
- (F) Editing data of expenditure and writing clarifications of any inconsistencies in the data.

(6) Tenth visit

It is made in the beginning of the month following the survey month.. It includes the following:.

- (A) Completing the missing data.
- (B) Filling down the income data for individuals having income in the household except servants.

B- Editor

The Editor is responsible for checking the work of the interviewers working immediately under his guidance.

C- Supervisor

They are responsible for financial and technical aspects of all the survey stages especially:

- (1) Selecting interviewers (females) and editors(males) and send the list of their names to administration of survey.
- (2) Attending the central training in Cairo.
- (3) Training the interviewers on field work.

Second: Office Editing and Coding

1- Office Editing

It is one of the main stages of the survey. It started as soon as the questioners were received from the field and accomplished by selected work groups. It includes:

- A- Editing of coverage and completeness
- B- Editing of consistency
- C- Arithmetic editing of quantities and values.

2- Coding

Specialized staff have coded the data of industry , occupation and geographical identification.

Third: Data Processing

It included machine data entry and data validation and tabulation and preparing final survey volumes.

Fourth: Quality Control Procedures

The precision of survey results depends to a large extent on how the survey has been prepared for. As such, it was deemed crucial to exert much effort and to take necessary actions towards rigorous preparation for the present survey. The preparatory activities, extended over a year, included forming Technical Committee from representatives of pertinent ministers and universities. They are Ministry of Planning, Faculty of Economic and Political Sciences and Cabinet in addition to the Central Agency of Public Mobilization and Statistics. The Committee has set up the general framework of survey implementation such as:

- 1- Applying the recent international recommendations of different concepts and definitions of income and expenditure considering maintaining the consistency with the previous surveys in order to compare and study the change in pertinent indicators.
- 2- Evaluating the quality of data in all different Implementation stages to avoid or minimize errors to the lowest extent possible through:
 - a- Implementing field editing after finishing data collection for households in governorates to avoid any errors in suitable time.
 - b- Setting up a program for the Survey Technical Committee Members and survey staff for visiting field work in all governorates to solve any problem in the proper time.
 - c- Re-interviewing a sample of households by Quality Control Department and examining the differences with the original responses.
 - d- For the purpose of quality assurance, tables were generated for each survey round where internal consistency checks were performed to study the plausibility of mean household expenditure on major expenditure commodity groups and its variability over major geographic regions. In addition, an external consistency checks were performed to study the reasonableness of changes in mean household expenditure, broken down by commodity group, since 1999/2000. To this end corresponding tables have been extracted from the previous 1999/2000 Survey.