Building Economic Indicators from Online data

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PriceStats

ABSTRACT

We introduce PriceStats, a start-up that uses data collected from online sources to construct real-time economic indicators, and partners with The Billion Prices Project at MIT. We highlight the main advantages and disadvantages of "online scrape data" for the construction of price statistics and illustrate with aggregate inflation series for twenty countries. Online prices are cheap to collect, they provide information on all goods sold by each retailer, and are available in real time in a large number of countries. We show that online prices often react faster to shocks, providing significant anticipation of changes in inflation trends. In addition, online data makes it simpler to deal with product introductions and quality adjustments.