

ICP 2004

*Workshop for Regional
Coordinators*

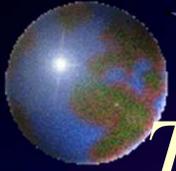


Eurostat, Luxembourg

March 24 to 28, 2003

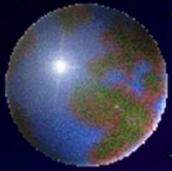
Chapter 4

The process of establishing the
product lists: an overview



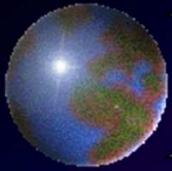
The product list

- ❖ This is a list of products for which prices have to be collected in participating countries.
- ❖ Each region has its own list. There will also be a list for the ring countries that overlaps with the lists for each of the regions.
- ❖ There is a Structured Product Description, or SPD, for each product on the list.
- ❖ An SPD is a systematic check list of the possible characteristics that a particular kind of product may possess. It may also contain some verbal descriptions or remarks.



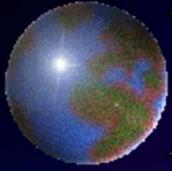
SPDs

- ❖ The regional coordinators, or RCs, are provided with a set of blank SPD forms for the different kinds of products within a basic heading.
- ❖ The objective is to use the forms to facilitate the specification of the characteristics that should be possessed by the products on the list.
- ❖ The specifications remain provisional until the end of the process when the products for which prices are to be collected are finally confirmed.



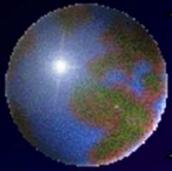
A gradual and iterative process

- ✿ Establishing the lists of products within a region is the responsibility of the RC.
- ✿ It is a gradual and iterative process that involves continual interaction between the RC and the National Statistical Institutes, or NSIs.
- ✿ The list should be based entirely on the consumption patterns and markets within the region. A list for some other region should not be used as a starting point.



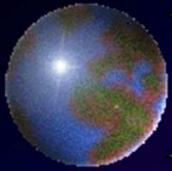
Involving the countries

- ❖ Establishing the lists is a collaborative process between the RC and the NSIs.
- ❖ NSIs should be encouraged to take an active part in the process, but most are likely to need some assistance and prompting from the RC.



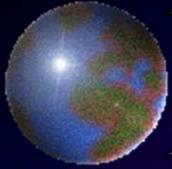
The objective

- ❖ The overall objective is to compile a list of products that is as representative as possible of all countries in the region.
- ❖ Each country has its own representative products. These tend to differ from country to country but many should be common to several countries within the same region.
- ❖ NSIs need to ensure that enough products that are representative of their own countries are included.



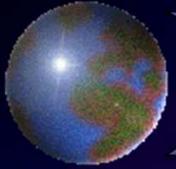
The pre-survey

- ❖ The work carried out between this workshop and the point at which countries are able to start the price surveys using the finally agreed product list is called the pre-survey. It is expected to take nearly a year.
- ❖ The success of the ICP programme depends on an effective pre-survey. If the ‘wrong’ prices are collected, no amount of data manipulation can make good the damage.



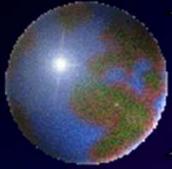
The pre-survey programme

- ❖ Three stages can be distinguished in the pre-survey.
- ❖ From the workshop up to the time at which the pre-survey questionnaire is sent out: about 5 months
- ❖ From the pre-survey questionnaire to the meeting of countries : about 4 months.
- ❖ From the meeting of countries to the start of price collection: about 2 months.



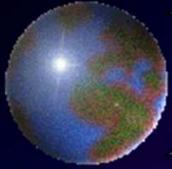
The first stage

- ❖ The general strategy is for the RC to build up the a first provisional product list in collaboration with price experts from about 4 or 5 countries.
- ❖ The first step is for the RC to edit the SPDs to remove any ‘foreign’ material and to ensure that they are in a suitable form for use in the region.
- ❖ The RC sends out a set of empty SPDs in advance to each country to be visited asking national experts to study them and make proposals for representative products to be included in the list.



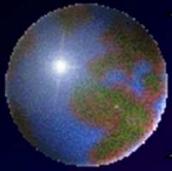
The country missions

- ❖ The countries that RC visits first should meet the following criteria, if possible.
- ❖ They should be large countries with diversified markets and a broad range of products.
- ❖ They should have the necessary statistical capability or infrastructure. They should have experienced price statisticians, proper CPIs and national accounts.



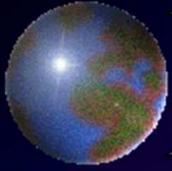
The country missions

- ❖ On arrival, after the introductory formalities, the RC should work through the list of SPDs in close collaboration with the national experts.
- ❖ At the same time, the RC should visit outlets and markets accompanied by national price experts to gain first hand experience of the kinds of products on sale.
- ❖ The RC should try to gradually build up a tentative list of products, in SPD format, that would be representative for the country.



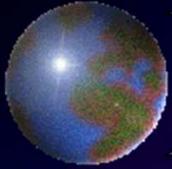
The country missions

- ❖ The RC repeats the process for three or four other countries.
- ❖ A consolidated list is built up that reflects the consumption patterns, products and markets for the countries visited.
- ❖ This list forms the basis for the pre-survey questionnaire.



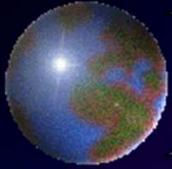
The pre-survey questionnaire

- ❖ The pre-survey questionnaire contains a provisional list of products drawn up the RC.
- ❖ It should be ready about 5 months after starting the process of country missions. It is sent to all participating countries in the region.
- ❖ The questionnaire is intended to test the adequacy of the provisional list. It does not ask for prices.



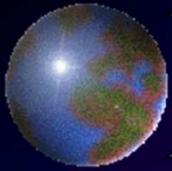
The pre-survey questionnaire

- ❖ The questionnaire asks NSIs to report on the **availability** of the products listed in their countries and their ability to supply prices for them.
- ❖ It asks for comments on the specifications in the SPDs and suggested improvements or modifications.
- ❖ It asks for proposals for additional products, or replacement products, and their specifications.



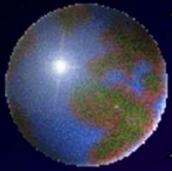
The second phase

- ❖ While NSIs are completing the pre-survey questionnaires, the RC should take the opportunity to visit more countries, especially any that require assistance in completing the questionnaires.
- ❖ During such missions the RC can acquire more information and experience about local products and markets.
- ❖ About two months may be needed for NSIs to return the completed questionnaires.



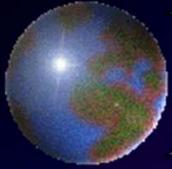
Analysing the pre-survey questionnaires

- ❖ When the completed questionnaires have been returned, the RC analyses the results.
- ❖ Taking note of the extent to which NSIs say they will, or will not, be able to report prices, the RC has to ensure that enough countries are going to price the same products to generate enough price comparisons.
- ❖ The RC may have to ask some countries to propose additional products for the list.



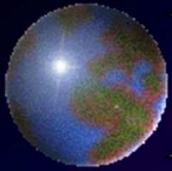
A revised product list

- ❖ After analysing the results from the pre-survey, the RC draws up a revised product list that is then distributed to all participating countries.
- ❖ They are asked to scrutinise the list carefully.
- ❖ It is discussed at a meeting of all countries that takes place a few weeks later. Countries should be prepared to make comments and suggestions.



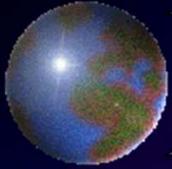
The meeting of countries

- ❖ The meeting of countries is planned to take about two weeks. The RC takes countries systematically through the entire product list.
- ❖ The purpose is to check the specifications on the SPDs and to consider modifications and possible replacements, deletions, additions, etc.
- ❖ It is also necessary to check on the countries' capacities to report prices. The object is to prevent unpleasant surprises when the prices surveys are actually undertaken



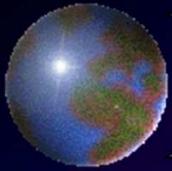
The final product list

- ❖ During and after the meeting, the RC continues to revise the list.
- ❖ A final list of products is prepared that is sent to countries to enable them to start their price surveys.
- ❖ The entire process is expected to take nearly a year.



Conclusions

- ❖ The resources used up in the process of actually collecting, editing, transmitting and processing the prices are much greater than those required in the pre survey.
- ❖ The pre survey is designed to try to ensure those resources are used as efficiently as possible and generate a robust and well connected set of price comparisons.



An initial meeting with countries

- ❖ In some regions, the RCs may wish to convene a general meeting of their countries at a very early stage to establish contacts, provide information, and reach a memorandum of understanding.
- ❖ Such a meeting need not delay or significantly disturb the process of establishing the product list described here.
- ❖ The RC may arrange to hold such a meeting after already have undertaken one or two missions.