

# International Comparison Program

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**[01.02]**

## **ICP 2011 Regional Status Reports**

**As of April 13, 2010**

*Global Office*



**4<sup>th</sup> Regional Coordinators Meeting**

**April 20-21, 2011**

**Washington DC**

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# 1 Introduction

This report provides information on the status of the 2011 ICP regional programmes as well as the OECD-Eurostat PPP program and their preparatory activities, as of April 2011. All reports are provided by each regional coordinator.

The regional reports mainly address the following eight topics and provide information on other regional issues.

- The list of countries which have started data collection with the start date of the activities
- Notification of any risk of countries not participating at full GDP level
- Status of the finalization of Household Consumption Item list
- Matrix of availability and importance of the amalgamated list
- Status of comments on the list of machinery and equipment
- Outline of changes, if any, to the regional timetable and upcoming regional activities
- Overall status of operations in each country/economy

## **2 Africa**

### **2.1 Introduction**

The African Development Bank (AfDB) has been providing the overall management and coordination of the ICP implementation in Africa region since 2003. The AfDB has designed the ICP-Africa to serve as a capacity building platform for price statistics and national accounts in Africa. Following the successful implementation of the 2005 round in Africa, the 2007 Accra Declaration by Heads of National Statistics Offices (NSO) made a resolution to integrate the ICP activities into their CPI and National accounts compilation activities. The ICP is among key pillars of the Regional strategy for implementation of 2008 SNA in Africa, adopted by African Heads of States in Kampala, Uganda, in July 2010. Since 2009, ICP activities are being conducted on a regular basis in African countries with the aim of computing PPPs on a yearly basis. The 2009 price data and national accounts expenditures estimates are going through the final validation process before the PPPs and other related outputs are computed. The 2009 ICP results are expected to be released during the last quarter of 2011.

The 2011 ICP round was launched by the AfDB in Nairobi, Kenya, in June 2010 and since then, the AfDB has assisted participating countries in various tasks related to the preparatory work leading to price collection process and related activities for them to get ready for the data collection in January 2011. This document presents a detailed regional status report for the ICP 2011 implementation in Africa since the last Regional Coordinators meeting in October 2011.

Summary table of activities of the 2011 ICP Africa is found in Annex 1.

### **2.2 National Accounts ICP-related activities**

Since 2003, the AfDB has been assisting African countries in the GDP breakdown process on an annual basis. GDP vectors for 2005-2009 and related meta-data are available for 47 countries. The GDP breakdown exercise for 2010 will start in June 2011. This will help in the preparation for 2011 ICP GDP breakdown process. Also to ensure consistency and comparability of GDP Expenditures and detailed expenditure weights for ICP-Africa PPP computation, a regional programme to assist countries using SUT is being developed. It will be based on a framework prepared by the AfDB in 2004 for ICP 2005, which was not implemented and also lessons from the Asia SUT programme.

#### ***2011 ICP national accounts forms***

Technical assistance missions were mounted to assess the workload and effectiveness of the 5 national accounts forms developed by the GO in Ghana, Kenya, Ethiopia, Zimbabwe, Morocco and Lesotho in the first quarter of 2011. In general, the national accounts experts appreciated the usefulness of the forms in improving the national accounts for the countries, especially in the development of metadata, and compilation of Supply & Use tables. However, the process of completing the forms requires huge human resource which in many countries is not available. Following the meeting in February 2011 of ICP National Accounts group in Washington, it was agreed that only Forms 1 and 2 should be completed. African countries have therefore been requested to complete the two forms.

### ***Informal construction sector***

One of the key elements discussed during the last TAG meeting concerns the informal construction sector as an important element of the construction sector in many countries, particularly in Africa. The TAG agreed to include informal sector in the approach to be adopted for construction. The meeting further agreed that the ICP Global Office and the AfDB would take lead to prepare guidelines on components that could be priced to represent informal dwelling construction and potential weights, with some African countries being used as case studies. A draft concept note will be discussed at the 5th TAG meeting in Washington in April 2011. The TAG will provide guidance on the way forward.

### ***Pilot survey for machinery and equipment goods***

The pilot survey for machinery and equipment goods is scheduled to start sometime before end of April 2011 in Senegal, South Africa, Tunisia, Cameroon and Kenya. The AfDB is in the process of finalizing the recruitment of consultants to carry out the pilot survey in the selected countries. The survey instruments have since been provided by the ICP Global Office and shared with the National Statistics Offices (NSOs) for the countries where the pilot survey will be conducted. The survey is scheduled to be conducted over a period of 2 weeks and the report writing should also take about the same period.

Also, a consultant to harmonize and consolidate the Pilot Survey Reports into a single report has been identified. The report is expected in mid-May 2011 and will be shared with the Global Office.

## **2.3 Price ICP-related activities**

Survey frameworks specific to each country taking into account the country's particular needs and the available information (ICP coverage, outlet sampling frames, other sampling frame, etc.) have been developed. Countries readiness for 2011 ICP data collection process were assessed with a view to taking stock of the progress made and tying loose ends before launching the data collection process. The survey frameworks were analyzed and a readiness questionnaire prepared by the Global Office was administered to countries.

### ***Household Consumption Item's list and Matrix of availability and importance of the regional list***

The Household Consumption Item's list for the African Region was finalized in September 2010. It is composed of 1016 products (includes 573 items from the Global Core List (GCL) and 443 items from the 2005 African list (AFR list)). So far, 40 countries (see summary table in annex) have submitted their Matrix of availability and importance of the regional list. The other countries are expected to submit their matrix during the second quarter of the year.

The Regional Product Catalogue has been sent to countries to facilitate the implementation of the survey. Countries are expected to possibly adjust the Regional Items list on the basis of the findings during the first quarter of data collection. These findings will be discussed during the next Africa Regional Meeting on ICP scheduled in June 2011.

### ***Issue of pilot survey and alternative options***

After the second regional workshop organized by the AfDB in September 2010 to prepare the African regional list, participating countries of the 2011 ICP-Africa round appreciated the short time left before commencement of the main survey in January 2011 to undertake all the preparatory activities including tasks and activities before undertaking the main field operations. Besides, there were also other intermediary activities that needed to be undertaken, namely learning and taking stock of the outcomes of the pilot and making the necessary adjustments. After consultation with GO, it was decided that the pilot be put off and other alternatives be explored. Therefore, as a mitigation solution countries were requested to conduct the following activities by the end of November 2010;

- (i) form and communicate to the Bank the composition of the National Coordination ICP-Africa Team;
- (ii) update or elaborate a survey framework following the guidelines provided at the Hammamet workshop;
- (iii) select the data collection zones, list and characterize outlets (in terms of products availability) within each of the selected data collection zones;
- (iv) select a sample of outlets within each data collection zone in compliance with the country survey framework;
- (v) fine tune and send to the AfDB the matrix of availability and importance of products;
- (vi) begin the process of recruiting data collectors; and
- (vii) submit a tentative budget for the implementation of activities (ii) – (vi).

### ***Identification of data collection zones and coverage***

Information in this section and the following is based on the 2011 country survey framework and progress reports submitted in March-April in addition to the information based on 2009 and 2010 ICP-Africa national infrastructures. Information updates on the status are still being compiled in collaboration with countries and are expected to be finalized by the end of the second quarter.

The 27 countries which have responded to the ICP questionnaire can be classified into three categories on the basis of the number of regions/provinces from which price data are being collected.

**Table 1: Stratification of countries according to regions covered by ICP 2011**

Country	Total number of Regions/Provinces	CPI covered Regions/provinces	ICP covered Regions/provinces
Benin	12	6	6
Botswana	21	21	21
Cape Verde	9	3	4
Comoros	3	1	3
Congo	11	2	11
Congo Dem. Rep.	11	2	11
Cote d'Ivoire	10	1	10
Gambia	8	1	8
Kenya	8	8	8
Lesotho	10	10	10
Madagascar	7	5	7
Malawi	27	26	27
Mali	9	1	8
Mauritania	13	1	13
Mauritius	10	10	10
Morocco	16	10	8
Niger	8	1	8
Rwanda	12	12	12
Sao Tome and Principe	8	1	8
Senegal	11	1	5
Sierra Leone	5	1	4
Sudan	26	16	10
Togo	6	1	6
Tunisia	7	7	7
Uganda	5	5	5
Zambia	9	9	9
Zimbabwe	10	10	10

In one category, five countries Lesotho, Mauritius, Rwanda, Uganda and Zimbabwe have price data collected from all regions/provinces for both CPI and ICP. In two countries Morocco and Sudan, the number of regions/provinces where ICP data is being collected is less than the number of regions where CPI data is collected. For the third category, the number of regions/provinces where price data is collected increases from one to most of the regions in the country.

The percentage increase in the number of outlets, data collectors and supervisors is given in Table 2 for countries which have provided all the necessary information. The table shows the will and desire of most countries including countries in category 3 as described in the section above to extend ICP data collection to the whole country. In all countries, the existing CPI data collection infrastructure is being used.

**Table 2: Percentage increases in the total number of outlets, in the number of data collectors & supervisors**

Country	Percent increase in the number of total outlets	Percent increase in the number of data collectors	Percent increase in the number of supervisors
Benin	72%	222%	17%
Botswana	14%	21%	21%
Cape Verde	60%		
Comoros	60%	200%	
Cote d'Ivoire	73%	119%	450%
Gambia	25%	275%	
Kenya	20%		
Lesotho	122%	113%	
Malawi	105%		
Mali	203%		
Mauritania	343%	300%	50%
Morocco	-38%	39%	-14%
Niger	220%	600%	800%
Rwanda	300%		
Sao Tome and Principe	881%	250%	200%
Senegal	163%		
Sierra Leone	-56%	150%	400%
Sudan	73%	24%	
Togo	331%	217%	50%
Tunisia	10%	10%	14%
Uganda	79%	150	
Zimbabwe	-17%		

### ***Data collection***

Twenty six countries (Botswana, Burundi, Cape Verde, Central African Republic, Comoros, Congo, Congo Dem. Rep., Cote d'Ivoire, Guinea-Bissau, Lesotho, Liberia, Malawi, Mali, Mauritius, Morocco, Niger, Rwanda, Senegal, Seychelles, South Africa, Sudan, Swaziland, Togo, Uganda, Zambia, and Zimbabwe) started data collection in January 2011. An additional 10 countries started the data collection in the subsequent months after January 2011. So far, the price data collection is going on in 36 out of 52 countries as shown in the summary table 3 below. The data collection concerns market transactions for household consumption expenditure (the whole range of goods and services consumed by the households, except expenditure on housing - rent on residential buildings - education, and medical services which will be covered in the other surveys). In about 24 countries, major towns, districts and cities are covered while in 12 countries data collection is extended to rural area.

**Table 3: Distribution when of data collection started by countries**

Month in 2011	Number of countries
January	26
February	2
March	3
April	5
Total	36

In exception of difficult and risk countries, the rest are expected to start price data collection during the second quarter of 2011. Risk countries are Tunisia, Egypt, Libya and Cote d'Ivoire including Algeria and Morocco, which are characterized with war and/or social demonstration since the beginning of the year. Difficult countries are Angola, Equatorial Guinea and Eritrea.

### ***Operational Issues***

There are challenges being experienced by countries during data collection and below are some of them:

1. Some outlet types are different from the requested outlets;
2. Availability of imitated products on the market whereby the original and imitated brands are sold simultaneously thereby making it difficult to differentiate between the two brands of products. Sometimes dealers are not allowed to check the products. This is very common in the electronics and clothing;
3. Technological advancement – some products are outdated and getting out of the market for example portable electronic keyboard model DGX- 205. In addition some products with advanced technology are not yet on the market for example Video camcorder with pixels between 500,000 – 600,000;
4. Quarantine on live animals in some parts of the country due to disease outbreaks made it difficult to collect prices;
5. Broad descriptions of products whereby there is a big price range due to different brands;
6. Products not sold in standard unit of measurement yet are too expensive to buy and measure.
7. The socio-political situation in some countries affects data collection and the implementation of the Program: The cases of Libya and Cote d'Ivoire are some examples. In the same time, the recent national elections in Uganda also affected data collection – some outlets were not accessible towards elections most especially foreign owned outlets.

### ***Training on the ICP software (ICP Tool Kit)***

In collaboration with 3 Statistical Training Centers (STC), the AfDB has organized 3 Sub-regional workshops on the ICP Tool Kit developed by the Global Office. From 21 to 25 February 2011, SADC countries were trained at EASTC- Dar Es-Salaam in Tanzania; 07-11 March 2011, for

COMESA countries at ISAE-Kampala in Uganda; and 14-18 March 2011 for ECOWAS-French-speaking-countries at ENSAE-Dakar in Senegal. These trainings were planned in line with the training of trainers by facilitators from the GO held in Tunis, Tunisia in November 2011 for AfDB, SRO and STC staff.

The main objectives of these workshops were (i) to enhance countries capacities in ICP software for data processing and validation; to (ii) provide countries with Training manuals on Prices; and (iii) to discuss issues arising in the ICP-Africa 2011 implementation.

In total, 30 countries attended the training sessions as shown in the summary table in annex. The rest of the countries are expected to be trained in May-June.

During the training workshops, a number of issues were raised with regards to the functionalities of the software, mainly:

1. The installation of the software on Portuguese, French and English laptops. As the system varies from one to another, some laptops did not meet requirements ;
2. Uploading the Africa region classification which is linked to the countries master files; The African classification coding remain the issue;
3. Administrator rights are one of the main issues; it remain not possible to rewrite and beyond already set-up files from the World Bank;
4. Parameter issues (Unit of Measurement –UoM- conversion factors are not consistent in some cases. For example, 5kwh of rice converted to Kg;
5. Merging the data entry sheets: merging a number of files from various Data entry Clerks to compound a monthly Country Main File.

## **2.4 Funding 2011 ICP Activities in Africa**

In 2008, the AfDB mobilized financial resources for the second phase of its statistical capacity building program (SBC II) for low income country members (ADF countries) for the period 2009-2010. The ICP was one of the activities also being supported during the same period. However due to delays in the implementation of the SCB II and poor financial absorption capacity of countries, the program was extended to end 2011. Because of there were already funds in the SCB program for light ICP activities, it was not possible to budget afresh for the ICP 2011 round. In addition, most of the countries have not been able to justify the use of the funds for the initial releases under SCB phase I. And according to the AfDB rules, these initial disbursements should be justified before any other disbursements are made to countries. The situation has led to delayed or slow start of the program in some of ADF countries.

Concerning middle income countries (ADB countries), no resources were allocated to them under the SCB II program and as a result other sources of funding are being explored, including Middle Income Country (MIC) Fund. The process of accessing MIC funds has started but may take some time for the funds to be released to countries. The situation posses as a potential bottleneck in terms of funds and could adversely affect the conduct of the program.

In order to ensure smooth execution of the program, the AfDB is requesting the Global Office to intervene and provide resources just like other regions are benefiting from the available global

resources. Otherwise, there is a risk for North African countries (Algeria, Morocco, Libya and Tunisia) as well as other ADB countries in addition to Eritrea, Equatorial Guinea and Angola, failing to start implementing 2011 ICP round as earlier envisaged.

## **2.5 Conclusion**

The ICP price surveys present major changes in geographical coverage and/or product list compared to the national CPI data collections. Therefore they require more planning and resources. The status report of the implementation of the Program for the 2011 round in Africa Region indicates that:

1. The administrative organization of countries was chosen as the stratification i.e. regions/provinces from which data will be collected covering the entire country. There has been a substantial increase compared to the number regions/provinces covered by the CPI or the previous ICP round.
2. The increase in the number of regions/provinces and the number of outlets show the will and desire of most African countries participating in the Program to make the ICP data collection process a nation-wide data collection exercise;
3. The existing CPI data collection and the previous ICP infrastructures are being used in all African participating countries;
4. Most of the countries have started data collection and in many cases data processing have started with the data entry for the months of January, February and March. However, the implementation of the 2011 ICP round depends entirely on the availability of funds in participating countries in the next months of the year. Because of the lack of resources in most of the countries, the following activities were not be carried out or were poorly done: (i) In country training, (ii) recruitment of data collectors/supervisors; (iii) preparation of advocacy material (and this could impact on the success of the program in African region).

### ***Upcoming events***

The AfDB will organize in May the SRO/STC seminar in May 2011 in preparation for the 3rd ICP 2011 regional workshop scheduled from 13-17 June 2011.

### 3 Asia and the Pacific

#### 3.1 Participating Economies

Bangladesh, Bhutan, Brunei, Cambodia, China, Fiji Islands, Hong Kong China; India, Indonesia, Lao, Macao China, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Taipei China; and Viet Nam.

#### 3.2 Progress with data collection

All economies have indicated having commenced price collection in January 2011 except for the following:

- (i) Bangladesh would commence price collection only in April 2011 as all resources of the Bangladesh Bureau of Statistics, the implementing agency for the ICP, have been deployed to conduct the Bangladesh Population and Housing Census.
- (ii) Nepal commenced price collection in January 2011, skipped February and continued in March 2011

#### 3.3 Participation at full GDP level

18 and 21 of the 23 economies mentioned above are participating in either or both of ADB's projects on the Supply and Use Framework and the 2009 PPP Update. Hence they are well positioned to participate at the full GDP level. Myanmar is the only country not participating in either of these projects. However, the UNDP Myanmar has engaged the services of a consultant to assist them with the GDP estimates and its breakdown into the 155 BH.

#### 3.4 Finalization of the Household Consumption list

An evaluation of the 2011 ICP Household product list (including global core) was held on 11-12 March 2011 to assess the implementation of the 2011 ICP price surveys and assess the availability and appropriateness of the Structured Product Descriptions (SPDs). 18 of the 23 economies participated in the workshop. The evaluation of the Asia Pacific regional list was done in two levels: Asia Pacific list and the Global core list (only of those included in the regional list).

The following was the outcome of the evaluation of the Asia Pacific list:

	Number of Products
<b>1. New Products</b>	11
<b>2. Modified</b>	81
<b>Total</b>	<b>92</b>

All the above changes have been incorporated into the Asia Pacific regional list. The regional list now stands at 928 (917 prior to evaluation). Countries have been given soft copies of the revised catalogue to ensure second quarter 2011 price collection would include the revisions made above.

In the case of the global core list, as ADB on its own cannot change the list nor revise the SPDs, the following is the summary of the comments and suggestions provided. These will be sent to the global office for evaluation and consideration.

Summary of Country Comments on the 2011 Global Core List	
Comment on SPDs (Global core list)	No. of Products with Comments
Size of Unit	24
Unit of Measure	2
Quantity Range	5
Packaging	6
Brand	1
Other	22
General Comment	8
<b>Total</b>	<b>68</b>

Frequently Asked Questions (FAQs) on Price Collection Guides on FAQs was also provided to the participating countries. The guides provide a general perspective of the issue and may not apply to every situation on the ground. These are to be provided to price collectors to be used when faced with issues related to outlet, products and prices collected.

### 3.5 Availability and importance

A summary of availability and importance received to date is shown below. This is still a preliminary as not only some economies (seven) have yet to submit their evaluation, even those which have submitted have indicated that these may change after the first quarter 2011 price collection.

Economy	Available	Important	Not Priced
Bangladesh	879	879**	38
Bhutan	577	466	340
Brunei *	0	0	917
Cambodia*	0	0	917
Fiji	518	514	399
Hong Kong China	722	387	195
India*	0	0	917
Indonesia	679	607	238
Lao*	0	0	917
Macao China	813	473	104
Malaysia	803	755	114
Maldives	425	387	492
Mongolia*	0	0	917
Myanmar*	0	0	917
Nepal*	0	0	917
China	902	0***	15
Philippines	789	529	128
Pakistan	732	417	185
Taipei China	726	644	191
Thailand	746	745	171
Singapore	732	361	185
Sri Lanka	713	488	204
Viet Nam	744	454	173
Common	917		

*\*yet to submit; \*\*for review; \*\*\*no evaluation yet*

### 3.6 Comments on the list of machinery and equipment

To date the ADB has not received any comments on the machinery and equipment list. Neither has any country submitted names of experts other those submitted by Indonesia and Malaysia. The ADB may decide to hold a workshop to solicit comments and discuss the list. However next line of action would depend on the outcome of any decisions that may be taken at the upcoming RC meeting.

### 3.7 Regional activities

Meetings/workshops conducted:

- (i) Two RAB meetings to improve coordination in the region (May and November 2010)

- (ii) Heads of National Statistical Office meeting to introduce ICP 2011 (May 2010)
- (iii) An Inception meeting, and two technical meetings (product list development and sampling design) with price statisticians to develop the Asia Pacific product list, product catalogue, survey framework, software for questionnaire generation, outlet/product mapping, data capture and price analysis (June 2010)
- (iv) Finalization of 2011 ICP household product list workshop (September 2010)
- (v) Preliminary SUT results workshop (January 2011)
- (vi) ICP Asia Pacific conference (March 2011)
- (vii) 2011 ICP Household product list review workshop (March 2011)

### **3.8 Meetings/workshops upcoming**

- (i) Quarter 1 2011 price data review on 13 -17 June 2011. At this meeting the status of implementation of data collection by each country would be assessed.
- (ii) Final SUT results and National Accounts training for ICP 2011 are planned for mid July 2011.
- (iii) No major change is anticipated in the overall implementation timetable.

## **4 Commonwealth of Independent States**

### **4.1 The list of countries which have started data collection with the start date of the activities**

All 10 CIS countries participating in the 2011 round started the data collection in January 2011 (or in Q1. 2011): Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Ukraine, and Uzbekistan.

### **4.2 Notification of any risk of countries not participating at full GDP level**

No risk: all 10 countries participate in the ICP at full GDP level.

### **4.3 Status of the finalization of household consumption item's list**

The household consumption items list was finalized in 2010, basing on the discussion at two regional meetings: in Minsk, 23-24 August 2010, and in Astana, 8-11 November 2010. The list includes 2344 items.

### **4.4 Matrix of availability and importance of the amalgamated list**

The final vision of situation in availability and importance of listed items will be seen during the process of the data collection. The major characteristics are:

- Over 50% of the consumption items list will be representative, the level of representativity varying among the countries;
- All 601 items from the global core consumption items list are included into the CIS regional list;
- About 400 items from the global core consumption items list are expected to be priced in the CIS regional comparison, and about 350 of them are expected to be representative.

### **4.5 Status of comments on the list of machinery and equipment**

The CIS regional list of machinery and equipment was discussed at the meeting of the CIS ICP experts 23-25 of March 2011 in Moscow.

The initial list has been prepared in consultations with the international expert developing the global list of machinery and equipment. Therefore the CIS regional list of machinery and equipment includes the corresponding part of the global core items list. Resulting from the discussion at the meeting, some other items, representative for the CIS countries, were added to the list. The final version of the list will be prepared by the regional coordinators by the end of April 2011.

### **4.6 Outline of changes, if any, to the regional timetable and upcoming regional activities**

No changes to the regional timetable are expected. Data collection will be carried out throughout the 2011.

At the meeting of experts 23-25 March 2011 in Moscow several issues were discussed in addition to the machinery and equipment list:

- Comparison in construction: Methodological issues and specifications of construction materials were discussed. The participants confirmed the use of the resource-technological models method (the RTM method). The RTM method corresponds to the methodology of the price statistics in the CIS countries, and necessary data are available. Conceptually, the RTM method is harmonized with the standard ICP methodology;
- INAG: The detailed information on the efforts realized by the G.O. in the area of national accounts was presented at the meeting. The NA data quality requirements and future regional efforts were discussed in this context;
- Metadata: Requirements for detailed metadata were presented. The G.O. metadata tables will be translated and sent to the countries in order to get them back filled in by June 2011.

The following meetings of the CIS ICP experts are scheduled:

- Comparison of non-market services, in Q4. 2011;
- Validation of price data for machinery, equipment and construction, in Q1. 2012;
- Validation of price data for households consumption items – in Q2. 2012.

The CIS regional coordinators develop and disseminate methodology papers to meet the needs of participating countries. The most recent papers are:

- Methodology for comparison in construction – March 2011;
- Recommendation for obtaining interim estimates for PPPs – February 2011;
- GDP expenditures classification – November 2010;
- Recommendations for the FISIM calculation in accordance with the 2008 SNA – November 2010.

#### **4.7 Overall status of operations in each country/economy**

##### ***Armenia***

Consumption items prices are collected quarterly – during the last month of each quarter. The data are collected in three largest cities, which corresponds to over than 70% of national volume. The average prices are calculated as geometric averages. Detailed calculations are produced.

##### ***Azerbaijan***

Monthly data collection for consumption items started in January 2011.

##### ***Belarus***

Price data are collected quarterly, in various locations; the whole national territory is covered. Special demands for price data are addressed to major players in specific areas, such as communications or pharmaceuticals.

### ***Kazakhstan***

Data collection started in January 2011; it is based on a sample of outlets and covers the whole national territory.

### ***Kyrgyzstan***

The data collection started in January 2011 on a combined basis: prices for food, beverages and tobacco are registered monthly in regional cities; other prices are collected quarterly in the national capital city.

### ***Moldova***

The data collection started in January 2011 on a combined basis. Monthly data collection covers eight cities (including the national capital city). Quarterly data collection deals mainly with healthcare and transports.

### ***Russia***

Price data are collected quarterly, in the region of the national capital city. Spatial and time coefficients are used to expand estimates to the annual average national prices. A special adjustment is applied to prices of those items, which have an important part of production for own consumption.

### ***Tajikistan***

Data collection for consumption items started in January 2011.

### ***Ukraine***

Special preparatory measures were realized at the beginning of 2011 and data collection for consumption items started.

### ***Uzbekistan***

Data collection started in fourteen cities on a quarterly basis.

## **5 Latin America and the Caribbean**

### **Latin America**

#### **5.1 The list of countries which have started data collection with the start date of the activities**

The following 17 Latin American countries have started data collection in February 2011: Bolivia, Brazil, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Haiti, Nicaragua, Panama, Paraguay, Peru, Dominican Republic, Uruguay and Venezuela.

These countries began their price collection activities giving priority to those goods and services in the regional core list that are also part of their national CPI baskets. The work was concentrated in divisions 1101, 1102, 1104, 1107 and 1111.

#### **5.2 Notification of any risk of countries not participating at full GDP level**

We have not identified any substantial risk of statistically less developed countries not participating at full GDP level.

#### **5.3 Status of the finalization of Household Consumption Item's list**

The Household Consumption Item's list was subject to review and approval by the countries in January 2011. However, after market field research carried out by the countries during the first quarter of 2011, it has been concluded that it is necessary to expand the list of laboratories in the specifications in order to maintain a representative basket of medicines for the region. Thus, It is very likely that the list of medicines will be adjusted during the first price data validation workshop that will take place in May, with the aim of getting enough representation in each country, as this basic heading is very important in the structure of household final consumption expenditures.

#### **5.4 Matrix of availability and importance of the amalgamated list**

The matrix of availability and importance was submitted to the Global Office in April 2011.

#### **5.5 Status of comments on the list of machinery and equipment**

We have held meetings with the Consultant Guillermo Mundt in order to review the information collected by the pilot survey in the countries (Brazil, Colombia and Costa Rica), to jointly define the criteria for amendment of the specifications (make, model, source), as well as to propose inclusion and removal of items from the basket of Machinery and Equipment. We have agreed with the Consultant the delivery to the Global Office of the results obtained so far using the Data Tool module. The countries participating in the pilot survey are expected to complete the review of the Machinery and Equipment basket by the end of April.

#### **5.6 Outline of changes, if any, to the regional timetable and upcoming regional activities**

See Annex 2: Latin America ICP 2011 Timetable.

## **5.7 Overall status of operations in each country/economy**

### **Prices**

17 Latin American countries are finalizing the collection of prices of goods and services in divisions 1101, 1102, 1104, 1107 and 1111 of the regional list that are also part of their national CPI baskets, as well some additional (non-CPI) items . These countries are expected to send average price data and related statistics to ECLAC by April 20. In addition, countries are preparing price collection activities for the remaining divisions, which shall begin in May 2011, in addition to continuing the price collection of items that already started in the first quarter. We expect most countries to have the necessary resources to carry out the respective price collections. At this point, we have only identified resource problems in three countries (Bolivia, Colombia and Uruguay), and we are working with their statistical offices to find a solution to these problems.

The countries have chosen to use for the additional price collection activities the computer systems commonly used in the CPI, as in most cases these will rely on the same data sources. Therefore, it is considered more efficient to use the same data collection forms, as well as the same micro data entry and editing tools as in their CPI systems, keeping in mind the need to prepare the required tables and the link with the "ICP-Kit Region".

### **National accounts**

We are coordinating with the countries their completion of Table 2 of the National Accounts forms, and we expect to have a first version in June 2011.

## **Caribbean Islands**

### **5.8 List of countries which have started data collection**

Caribbean countries will start collecting prices in the 4th Quarter of 2011.

### **5.9 Notification of any risk of countries not participating at full GDP level**

It is not possible to determine at this point if any Caribbean country will not be able to participate at full GDP level, especially given the strong interest expressed by the heads of national statistical offices in fully participating in the 2011 Round of the ICP. However, given the resource constraints faced by some national implementing agencies, it is reasonable to expect that few countries will only be able to collect a limited number of prices (for instance, some small Eastern Caribbean countries).

### **5.10 Status of finalization of Household Consumption Item's list**

Substantial progress has been made during the small workgroup meetings on price statistics in terms of mapping the Global Core List to the national CPI baskets, also with the view of completing an availability and importance matrix for the Caribbean. It is expected that the final sub-regional list (which shall be compatible with the Latin American list as well) will be adopted during in August 2011.

### **5.11 Status of comments on the list of machinery and equipment**

The pilot survey carried to assess the list of machinery and equipment covered only three Latin American countries, and therefore no inputs have been provided by the Caribbean. However, all Caribbean countries agree with the proposal to hire a consultant to estimate the pricing components for Construction and Machinery and Equipment using the Global Office specifications.

### **5.12 Upcoming regional activities**

- May/June 2011: Technical assistance missions to selected countries to support mapping of CPI baskets to Global Core List
- June/July 2011: Small workgroup meetings on the estimation of GDP by expenditure at the basic heading level
- August 2011: Workshop to validate final regional list of HHC items
- September 2011: Training workshop for price data collectors
- October 2011: Start of price data collection for the 4th Quarter of 2011.

### **5.13 Report of activities of the 2011 ICP in the Caribbean (October 2010 - April 2011)**

The detailed report of activities of the 2011 ICP in the Caribbean is found in Annex 3.

## **6 Pacific Islands**

### **6.1 Background**

The Pacific region will participate in the current round of the ICP on a simplified basis:

- The Pacific countries will only collect prices for a limited number of household consumption items, and there will be no expenditure data collected;
- The larger more sophisticated economies will collect prices for around 100 household consumption items, while the smaller less sophisticated economies will collect prices for around 10 household consumption items;
- Data collection will take place in calendar 2012; and
- It is envisaged that Fiji, which also participates in the Asia-Pacific region ICP, will serve as a link between the Pacific region and the Asia-Pacific region, and beyond.

This simplified involvement is viewed as a first step towards fuller involvement in later rounds of the ICP

The ABS is serving as Regional Coordinator for the Pacific ICP, and will provide technical and financial support through the Pacific Statistical Program funded by AusAID.

### **6.2 Update on participation**

The ABS has sent letters to 15 Pacific countries inviting their participation in the Pacific ICP. At this stage we have had formal acceptances from 12 countries (Fiji, Samoa, Vanuatu, Tonga, PNG, Federated States of Micronesia, Kiribati, Tuvalu, Nauru, Niue, Cook Islands and Tokelau). Given their special role in the Pacific ICP, Fiji's formal acceptance is particularly gratifying. In addition, the Solomon Islands has provided verbal acceptance and we are optimistic about receiving a formal acceptance shortly.

The Marshall Islands and Palau have indicated that they are currently occupied with other major statistical projects, and have not yet had an opportunity to properly consider our invitation. We appreciate that these countries, as with most in the Pacific region, have limited statistical resources, but remain optimistic about their likely participation given that relatively little is required of them in calendar 2011.

Fiji, Samoa, Vanuatu, and Tonga have indicated that they will participate in the Pacific ICP as Tier 1 countries (that is, pricing around 100 items). We remain optimistic that with appropriate technical support the other two relatively large countries in the region (PNG and Solomon islands) will also be able to participate as Tier 1 countries. The remaining countries are likely to participate on a Tier 2 basis (that is, pricing around 10 items).

We are also of the view that the Pacific ICP would be enhanced by the participation of the French and American Pacific territories. We have sent a letter to INSEE inviting them to support the participation of the 3 French Pacific territories. If INSEE agrees to provide support we will send formal letters of invitation to New Caledonia, French Polynesia and Wallis and Futuna.

We have also had discussions with US representatives about the possible participation of the American Pacific territories (the Northern Mariana Islands, Guam and American Samoa) and are awaiting a formal response.

### **6.3 Endorsement of the Pacific Statistics Steering Committee**

The Pacific ICP received enthusiastic endorsement from the Pacific Statistics Steering Committee (PSSC) at their April meeting in Fiji. The PSSC was established in mid 2010 to monitor and direct (Pacific) regional statistical activities and developments.

The PSSC also discussed the IMF's ICP project and noted the intention to hold a Pacific region workshop later in calendar 2011 to help some of the more advanced Pacific countries develop good measures of GDP(E). We will explore the potential for a collaboration to enhance the current round of the Pacific ICP.

### **6.4 Update on financial and technical support**

A program of support for the development of statistical capability in the Pacific, including the Pacific ICP as a significant component, has been submitted to AusAID for final approval. Under this arrangement, AusAID will fund the provision of technical support for the Pacific ICP by the ABS, including ABS' role as Regional Coordinator for the Pacific ICP, and provide financial support for the participation by Pacific countries in a number of regional workshops.

As previously advised, New Zealand is prepared to provide technical assistance to the Cook Islands, Niue and Tokelau for their participation in the Pacific ICP.

### **6.5 Compilation of a regional product list for the Pacific**

A draft product list for the Pacific region comprising 107 items covering 58 Basic Headings was compiled in 2005 using CPI lists for 8 Pacific countries. This has served as the starting point for the compilation of a regional product list for the Pacific ICP

All countries that have formally accepted the invitation to participate have been asked to provide current CPI lists for use in updating this draft product list. At this point we have received current lists from 5 of the original 8 countries, and current lists from a further 4 countries. At this point only Nauru, Tokelau and the Marshall islands have not provided either a 2005 CPI list or a current CPI list .

Based on these updated CPI lists, we are compiling an initial Pacific Product List (PPL) of around 120 items for the Pacific ICP. The intention is that Tier 1 countries will price most of the items in the PPL.

From the PPL we will select a Pacific Core List (PCL) of 10-15 items that are representative of each Tier 2 country. The intention is that all Tier 2 countries will price all items in the PCL.

The PPL and the PCL will be progressively updated as further CPI lists are received.

We expect to have draft products lists, together with product specifications, ready for comment by participating countries by the end of April 2011. Because smaller economies are unlikely to have a

wide range of alternative specifications available for a given product, the major challenge will be to agree product specifications that are available and can be priced by each country,

We expect that the iterative process of agreeing a final product list, and more particularly the product specifications, will take much of the time until workshops scheduled for the final quarter of calendar 2011.

## **6.6 Regional linking**

Since there is likely to be limited overlap between the PPL/PCL and the GCL, the Pacific ICP will rely on Fiji as a link country for determining PPPs with countries in the Asia-Pacific region, and globally.

Furthermore, given previous experience suggesting that PPPs may be sensitive to the choice of link countries, we are also considering the feasibility of using Australia and New Zealand as additional link countries.

## **6.7 Regional workshops**

Workshops are planned for the fourth quarter of calendar 2011 prior to data collection in calendar 2012. These workshops will provide an introduction and overview of the Pacific ICP, clarification of ICP requirements and training for data collection. For larger countries we plan to invite both the senior statistical officer and the chief price collector to these workshops. Given that the number of participants is likely to be large, particularly if the French and American Pacific territories agree to participate, we anticipate the need to replicate workshops for two separate groups of participants.

The precise scheduling of workshops has not yet been determined.

## **6.8 Overall assessment**

We are comfortable with the current status of the Pacific ICP, and confident that we are on track to commence data collection in 2012 as scheduled. The key tasks for calendar 2011 are the finalisation of the regional lists (the PPL and the PCL) and the conduct of regional workshops in the fourth quarter of calendar 2011 in preparation for data collection. We understand that finalisation of regional lists is a time consuming component of the ICP program for all regions, and recognise the particular difficulties arising from the fact that most Pacific countries have limited statistical resources. However the Pacific ICP has been designed with these limitations in mind and we are confident that the lists can be finalised in time for the regional workshops.

## 7 Western Asia

### 7.1 The list of countries which have started data collection with the start date of the activities

Concerning the countries which have started data collection and the corresponding date of collection, the following table illustrates where each country stands in terms of price data collection. Egypt, Jordan, Oman, Palestine, Qatar, and Sudan started data collection in the first quarter and did collect price quotations for each basic heading. Iraq, Kuwait, Saudi Arabia, Syria and the United Arab Emirates will start data collection in the second quarter. Bahrain will collect price quotations for some of the basic heading products' in the first quarter and it will start collecting data for all the basic heading in the second quarter. United Arab Emirates has conducted the price collection survey in only one of the emirates for the first quarter. Unfortunately, Lebanon withdrew from participation in the 2011 round of the ICP. Moreover, Yemen's participation is subject to provision of financial support, which the regional office at ESCWA is trying to find a solution for.

Country	1st Quarter	2nd Quarter	Conditional
Bahrain	√	√	
Egypt	√		
Iraq		√	
Jordan	√		
Kuwait		√	
Lebanon			√
Oman	√		
Palestine	√		
Qatar	√		
Saudi Arabia		√	
Sudan	√		
Syria		√	
United Arab Emirates	√	√	
Yemen		√	

### 7.2 Notification of any risk of countries not participating at full GDP level

Concerning the risk of countries of not being able to participate in the 2011 ICP round at full GDP level, mainly Yemen has the most critical case. Yemen's implementation of the national price survey is conditional on financial support. In addition to the prevailing critical political situation, Yemen might withdraw from the ICP if financial support is not provided

Iraq and Syria on the other hand will start data collection in the second quarter, but also a risk of withdrawal is feared if financial support is not provided.

One of the most important risks of countries which stood as an obstacle for the collection of price quotations in the first quarter of 2011 is the political movements in various countries of the region namely Bahrain, Syria and Yemen.

### **7.3 Status of the finalization of Household Consumption Item's list**

The household consumption items' list was developed and finalized successive to several stages of revision, adjustment and modification, based on in-house expertise combined with participation of member. The list was finalized on the 16th of February and was sent to the World Bank on the 17th of February 2011. The list was circulated to all the countries of Western Asia participating in the 2011 ICP round, and it was uploaded on ESCWA's website created for this round of the program.

### **7.4 Matrix of availability and importance of the amalgamated list**

Each country, except Yemen, submitted the matrix of availability and importance of the final household consumption items' list. The country software master lists (English and Arabic) were generated, and the importance matrix was incorporated into the master list to reflect the importance associated with each product. Therefore, the master lists were sent to each country.

### **7.5 Status of comments on the list of machinery and equipment**

No comments are provided by the regional office on the Machinery and Equipment list as such a list has been prepared by specialists and comments to be provided ought to be from specialists in the field.

### **7.6 Outline of changes, if any, to the regional timetable and upcoming regional activities**

Regional activities planned on the timetable for Western Asia region has been shifted by a couple of month due to many factors out of which we highlight the two most hindering ones:

- (i) The lately ongoing political movements in several countries of the region, thus hindering the capabilities of the member countries to efficiently implement their national price collection surveys on one hand, and hindering the regional office in coordinating and arranging the regional activities on the other hand. Specifically we mention movements in Bahrain, Syria and Yemen.
- (ii) Administrative factors including long processing of financial matters hindering the timely receipt of corresponding funds needed for financing regional activities.

## **7.7 Overall status of operations in each country**

### ***Bahrain***

Price collection in Bahrain for the first quarter will cover some of the basic headings only. However, all the basic headings will be covered in the second quarter.

### ***Egypt***

Egypt started data collection for the first quarter on the 1st of March, 2011. The collection process covered all the basic headings. Moreover, Egypt will be collecting data on a monthly basis.

### ***Iraq***

The collection of price quotations in Iraq will start in the second quarter.

### ***Jordan***

The collection of prices started on the 16th of March, 2011 in all the Governorates. The percentage of data collection was around 25% as of the 25th of March, 2011. It is expected that Jordan price collectors will be using few days of April to complete the data collection for the first quarter.

### ***Kuwait***

Preparation for the collection process in Kuwait will start on the 10th of April, 2011. Kuwait couldn't collect data for the first quarter because they had some difficulties in securing a data collection team.

### ***Oman***

The collection process for the first quarter started in March; price collection covered all the food products not listed in the CPI basket list. However, all the basic heading will be covered in the second quarter.

Palestine status of implementation: For the first quarter, Palestine started data collection on the 10th of March, 2011 and it will continue collection for the first quarter till the 10th of April. Palestine will be covering almost all the basic headings.

### ***Qatar***

Qatar collected data for the first quarter and the price collection process covered all the basic headings. Qatar, just like Egypt, will be collecting data on a monthly basis.

### ***Saudi Arabia***

Price collection for all the basic headings will be covered in the second quarter.

## ***Sudan***

Data collection for the first quarter started in January 2011. The data collection covered 15 states of Sudan. The Number of data collectors used was 68 where 15 supervisors were monitoring the collection process. The average number of quotations per outlet type and location (urban/rural) for a particular item is 15000 quotations. Finally, the collection covered 31 urban areas and 30 rural areas where in each state 2 urban area and 2 rural areas were covered.

## ***Syria***

Syria didn't collect data for the first quarter. However, it will be collecting data for all the basic headings in the second quarter.

## ***The United Arab Emirates***

The geographic area covered in the collection process for the first quarter was only one emirate. However, all the emirates will be covered in the second quarter. Inability to cover all emirates in the first quarter is due to several reasons, including the delay in securing the required budget, lack of internal coordination among the different statistical centers, and coordination problems related to their data collection team.

## ***Yemen***

Yemen, as stated before, is expected to start data collection in the second quarter of 2011. However, the collection process is contingent on availability of funding and/or financial support.

## **8 OECD - Eurostat**

### **8.1 Consumer surveys**

- Prices from 2010 surveys are to be finalised in May for "Eurostat" countries and end of the year for "OECD" countries - database for ICP purposes is in preparation;
- Currently collection of ICP prices within "Services" survey ongoing.
- Preparations for "Health and Furniture" have started.
- Total number of core items on Eurostat/OECD lists can be expected to be between 350 and 400.
- Among outstanding problems we can mention the linking of air transport services and the linking of high-tech products.

### **8.2 Equipment goods survey**

- 2011 survey is ongoing for "Eurostat" countries and to be launched shortly for OECD countries.
- 137 (out of 549) products have been identified as ICP items. These items must now be frozen on ICP list.
- Unfortunately, it was not possible to add specific items that are important for other regions because the pilot study was not ready in time

### **8.3 Construction survey**

- 2011 survey starts in May for "Eurostat" countries and second half of the year for "OECD countries". As ICP methodology on construction is not yet defined, it was not possible so far to determine how Eurostat/OECD shall be linked to ICP.

## Annex 1: Summary table of activities of the 2011 ICP Africa

Country	Survey Framework;				Country
1 = Yes; 0 = No	Availability and Importance Matrix based on the African regional items list; 1 = Yes; 0 = No	The 2011 ICP data collection has started in the country	Coverage of ICP 2011 data collection in the country	The country has been trained on the use of the ICP Tool Kit; 1=Yes; 0=No	1 = Yes; 0 = No
Algeria	1	1			Algeria
Angola					Angola
Benin	1	1	Apr-11	capital	Benin
Botswana	1	Jan-11	capital	1	Botswana
Burkina Faso	1	1	1		Burkina Faso
Burundi	Jan-11	capital	1		Burundi
Cameroon	1	1			Cameroon
Cape Verde	1	Jan-11	capital	1	Cape Verde
Central African Republic	1	1	Jan-11	national	Central African Republic
Chad	1				Chad
Comoros	1	1	Jan-11	capital	Comoros
Congo	1	Jan-11	national		Congo
Congo Dem. Rep.	1	Jan-11	national		Congo Dem. Rep.
Cote d'Ivoire	1	1	Jan-11	capital	Cote d'Ivoire
Djibouti	1	1			Djibouti
Egypt	1				Egypt
Equatorial Guinea	1	1			Equatorial Guinea
Ethiopia	1				Ethiopia
Gabon	1	1			Gabon
Gambia	1	1	Apr-11	capital	Gambia
Ghana	1	1	Apr-11	capital	Ghana
Guinea	1	1	Apr-11	capital	Guinea
Guinea-Bissau	1	1	Jan-11	capital	Guinea-Bissau
Kenya	1	Mar-11	national	1	Kenya
Lesotho	1	1	Jan-11	national	Lesotho
Liberia	Jan-11	capital			Liberia
Madagascar	1	Feb-11	national	1	Madagascar
Malawi	1	1	Jan-11	capital	Malawi
Mali	1	1	Jan-11	national	Mali
Mauritania	1	1	Apr-11	capital	Mauritania
Mauritius	1	1	Jan-11	national	Mauritius
Morocco	1	Jan-11	capital		Morocco
Mozambique	1	1	1		Mozambique
Namibia	1	1			Namibia
Niger	1	1	Jan-11	capital	Niger
Nigeria	1	1			Nigeria

<b>Rwanda</b>	1	1	Jan-11	national	Rwanda
<b>Sao Tome and Principe</b>	1	1	Mar-11	national	Sao Tome and Principe
<b>Senegal</b>	1	1	Jan-11	capital	Senegal
<b>Seychelles</b>	1	1	Jan-11	capital	Seychelles
<b>Sierra Leone</b>	1	Mar-11	capital		Sierra Leone
<b>South Africa</b>	1	1	Jan-11	capital	South Africa
<b>Sudan</b>	1	Jan-11	capital	1	Sudan
<b>Swaziland</b>	1	1	Jan-11	capital	Swaziland
<b>Tanzania</b>	1	1	1		Tanzania
<b>Togo</b>	1	1	Jan-11	capital	Togo
<b>Tunisia</b>	1	Feb-11	capital		Tunisia
<b>Uganda</b>	1	Jan-11	national	1	Uganda
<b>Zambia</b>	1	1	Jan-11	capital	Zambia
<b>Zimbabwe</b>	1	1	Jan-11	national	Zimbabwe
<b>Total countries</b>	36	40	36	36	Total countries

## Annex 2: Latin America ICP 2011 Timetable

(as of April 2011)

#	Task	Outputs/Verifiable indicators of implementation	Assumptions/Comments/Dates	Responsible
<b>Activity 1: Systematization of information on methodology used in the compilation of national accounts</b>				
1.1	Systematization of information from 2009 metadata questionnaire	Detailed tables with information from 2009 metadata questionnaire	1 March to 31 May 2011	ECLAC
1.2	Systematization of information from questionnaire used in preparation of the September 2010 Workshop on Harmonization of National Accounts	Detailed tables with information from the September 2010 Workshop on Harmonization of National Accounts	1 March to 31 May 2011	ECLAC
1.3	Systematization of information gathered during Round Tables of the September 2010 Workshop on Harmonization of National Accounts	Detailed tables with information from Round Tables of Workshop on Harmonization of National Accounts	1 April to 31 May 2011	ECLAC
1.4	Validation by national coordinators	Validated metadata tables on national accounts	1 to 30 June 2011	Country national accounts focal points
1.5	Dissemination of national accounts metadata to national coordinators and global office	Submission of complete national accounts metadata tables to national coordinators and global office	1 to 31 July 2011 Assumes completion of 1.4	ECLAC
<b>Activity 2: Compile and validate a database of GDP aggregates by expenditure</b>				
2.1	Compile a database of GDP aggregates by expenditure	Tables with GDP by expenditure for all participating countries	1 April to 31 May 2011	ECLAC
2.2	Validate database of GDP aggregates by expenditure against data submitted using National Accounts Forms (Activity 3)	Validated tables with GDP by expenditure for all participating countries	1 April to 31 October 2011	ECLAC
<b>Activity 3: Compile Table 2 of National Accounts Forms</b>				
3.1	Complete Table 2 of National Accounts forms with latest available data	Preliminary version of Table 2 for all participating countries	1 January to 30 June 2011	Country national accounts focal points

#	Task	Outputs/Verifiable indicators of implementation	Assumptions/ Comments/ Dates	Responsible
3.2	Validate Table 2 of National Accounts forms with latest available data	Validated version of Table 2 for all participating countries	1 April to 31 July 2011  Assumes completion of 3.1	ECLAC and country national accounts focal points
3.3	Submission to Global Office of Table 2 of National Accounts forms	Submission to Global Office of Table 2 of National Accounts forms	1 to 30 September 2011	ECLAC
<b>Activity 4: Translate regional list into English</b>				
4.1	Translate regional list into English	English version of regional list of household consumption items	1 to 30 April 2011	ECLAC
<b>Activity 5: Household consumption (Prices)</b>				
5.1	Technical workshop to launch collection of prices of household consumption items	Completion of technical workshop with participation of price statistics focal points	January 2011	ECLAC
5.2	Collection of prices of household consumption items for the 1 <sup>st</sup> . Quarter of 2011	Data files with prices of household consumption items for the 1 <sup>st</sup> Quarter of 2011	February and March 2011	Price statistics focal points
5.3	Training workshop on price data validation for members of regional coordinating team attending meetings at the World Bank	Completion of training workshop	22 to 26 April 2011	Global Office
5.4	Training workshop on price data validation for ECLAC staff in Santiago	Completion of training workshop	4 to 6 May 2011	ECLAC
5.5	Compilation of a database with prices of household consumption items collected during 1 <sup>st</sup> . Quarter of 2011	ICP–Kit-compatible data files with prices of household consumption items for the 1 <sup>st</sup> Quarter of 2011.	1 April to 31 May 2011  Assumes completion of 5.2	ECLAC
5.6	Validation workshop for prices of household consumption items collected during 1 <sup>st</sup> Quarter of 2011	Completion of 1 <sup>st</sup> validation workshop of price data	16 to 20 May 2011	ECLAC y countries
5.7	Collection of prices of household consumption items for the 2 <sup>nd</sup> Quarter of 2011	Data files with prices of household consumption items for the 2 <sup>nd</sup> Quarter of 2011	1 May to 30 June 2011	Countries
5.8	Compilation of a database with prices of household consumption items collected during 2 <sup>nd</sup> Quarter of 2011	ICP–Kit-compatible data files with prices of household consumption items for the 2 <sup>nd</sup> Quarter of 2011.	1 June to 31 July 2011  Assumes completion of 5.7	ECLAC
5.9	Validation workshop for	Completion of 2 <sup>nd</sup> validation	Julio 2011	ECLAC y

#	Task	Outputs/Verifiable indicators of implementation	Assumptions/ Comments/ Dates	Responsible
	prices of household consumption items collected during 2 <sup>nd</sup> Quarter of 2011	workshop of price data		countries
5.10	Collection of prices of household consumption items for the 3 <sup>rd</sup> Quarter of 2011	Data files with prices of household consumption items for the 3 <sup>rd</sup> Quarter of 2011	1 August to 30 September 2011	Countries
5.11	Compilation of a database with prices of household consumption items collected during 3 <sup>rd</sup> Quarter of 2011	ICP–Kit-compatible data files with prices of household consumption items for the 3 <sup>rd</sup> Quarter of 2011.	1 September to 31 October 2011 Assumes completion of 5.10	ECLAC
5.12	Validation workshop for prices of household consumption items collected during 3 <sup>rd</sup> Quarter of 2011	Completion of 3 <sup>rd</sup> validation workshop of price data	October 2011	ECLAC y countries
5.13	Collection of prices of household consumption items for the 4 <sup>th</sup> Quarter of 2011	Data files with prices of household consumption items for the 4 <sup>th</sup> Quarter of 2011	1 November to 31 December 2011	Countries
5.14	Compilation of a database with prices of household consumption items collected during 4 <sup>th</sup> Quarter of 2011	ICP–Kit-compatible data files with prices of household consumption items for the 4 <sup>th</sup> Quarter of 2011.	1 December 2011 to 31 January 2012 Assumes completion of 5.13	ECLAC
<b>Activity 6: Machinery and equipment</b>				
6.1	Prepare draft document on technical guidelines and methodology for data collection for machinery and equipment	Draft document on technical guidelines and methodology for data collection for machinery and equipment. Core list.	1 January to 30 April 2011	Global Office and ECLAC
6.2	Pilot survey in Colombia, Costa Rica and Brazil	Report of the results from the pilot survey	1 January to 30 April 2011	Global Office and ECLAC
6.3	Conference calls and phone calls to launch collection of data on machinery and equipment	Made conference calls and phone calls	1 to 15 June 2011 Assumes completion of 6.1	
6.4	Collection of price data and other indicators on machinery and equipment	Country data files with price data and other indicators on machinery and equipment.	1 July to 30 December 2011	National coordinating agencies
6.5	Technical workshop to assess collection of data on machinery and equipment	Completion of technical workshop with participation of national implementing agencies	22 to 26 August 2011	ECLAC and national coordinating agencies
6.6	Incorporate comments by workshop participants in the technical guidelines and methodology for data collection for machinery	Updated draft document on technical guidelines and methodology for data collection for machinery and equipment	22 August to 9 September 2011	ECLAC

#	Task	Outputs/Verifiable indicators of implementation	Assumptions/ Comments/ Dates	Responsible
	and equipment			
6.7	Review by national implementing agencies of the draft document on technical guidelines and methodology for data collection for machinery and equipment	Final document on technical guidelines and methodology for data collection for machinery and equipment	1 to 31 July 2011	National coordinating agencies
6.8	Compilation of database with price data and other indicators on machinery and equipment	Database with preliminary (non-validated) data on machinery and equipment	1 July 2011 to 31 March 2012  Assumes completion of 6.4	ECLAC
6.9	Validation of data on machinery and equipment	Database with validated data on machinery and equipment	1 September 2011 to 30 April 2012	ECLAC
6.10	Validation workshop on machinery and equipment data.	Completion of validation workshop on machinery and equipment data.	May 2012	ECLAC and national coordinating agencies
<b>Activity 7: Consumption of General Government</b>				
7.1	Prepare draft document on technical guidelines and methodology for collection of data on general government consumption	Draft document on technical guidelines and methodology for collection of data on general government consumption.	1 January to 30 June 2011	Global Office and ECLAC
7.2	Technical workshop to launch collection of data on general government consumption	Completion of technical workshop with participation of national implementing agencies	4 to 8 July 2011	ECLAC
7.3	Incorporate comments by workshop participants in the technical guidelines and methodology for data collection for general government consumption	Updated draft document on technical guidelines and methodology for data collection for general government consumption	4 to 31 July 2011	ECLAC
7.4	Review by national implementing agencies of the draft document on technical guidelines and methodology for data collection for general government consumption	Final document on technical guidelines and methodology for data collection for general government consumption	1 to 31 August 2011	National coordinating agencies
7.5	Identify data sources and criteria to collect indicators of general government consumption expenditure	Compilation guide of statistical indicators of general government consumption.	1 September to 31 December 2011	ECLAC national coordinating agencies
7.6	Collection of data on general government employment and	Country data files with general government employment and compensation data	1 October 2011 to 31 July 2012	National coordinating agencies

#	Task	Outputs/Verifiable indicators of implementation	Assumptions/ Comments/ Dates	Responsible
	compensations			
7.7	Compilation of a database with general government employment and compensations	Database with preliminary (non-validated) data on general government consumption	1 January to 31 August 2012  Assumes completion of 7.6	ECLAC
7.8	Validation of data on general government consumption	Database with validated data on general government consumption	1 January to 31 August 2012	ECLAC
7.9	Validation workshop on general government consumption data.	Completion of validation workshop on general government consumption data.	September 2012	ECLAC
<b>Activity 8: Construction</b>				
8.1	Prepare draft document on technical guidelines and methodology for collection of data on construction	Draft document on technical guidelines and methodology for collection of data on construction.	1 January to 31 May 2011	ECLAC and Global Office
8.2	Technical workshop to launch collection of data on construction.	Completion of technical workshop with participation of national implementing agencies	26 to 30 September 2011	ECLAC
8.3	Incorporate comments by workshop participants in the technical guidelines and methodology for data collection construction	Updated draft document on technical guidelines and methodology for data collection for construction	26 September to 14 October 2011	ECLAC
8.4	Review by national implementing agencies of the draft document on technical guidelines and methodology for data collection for the construction sector.	Final document on technical guidelines and methodology for data collection for the construction sector	14 to 31 October 2011	National coordinating agencies
8.5	Collection of construction price data	Country data files with price data of the construction sector.	1 October 2011 to 30 June 2012	National coordinating agencies
8.6	Compilation of a database with price data for the construction sector	Database with preliminary (non-validated) price data of the construction sector	1 November 2011 to 30 June 2012  Assumes completion of 8.5	ECLAC
8.7	Validation of data on price data of the construction sector	Database with validated price data of the construction sector	1 November 2011 to 31 July 2012	ECLAC
8.9	Validation workshop on price data of the construction sector	Completion of validation workshop on price data of the construction sector	August 2012	ECLAC
<b>Activity 9: Health, education and dwelling services</b>				
9.1	Prepare draft document	Draft document on technical	1 April to 30 June	ECLAC and

#	Task	Outputs/Verifiable indicators of implementation	Assumptions/ Comments/ Dates	Responsible
	on technical guidelines and methodology for collection of data on health, education and dwelling services	guidelines and methodology for collection of data on health, education and dwelling services	2011	Global Office
9.2	Collection of data on health, education and dwelling services	Country data files with data on health, education and dwelling services.	1 October to 31 December 2011	National coordinating agencies
9.3	Compilation of a database with data on health, education and dwelling services.	Database with validated data on health, education, and dwelling services	1 January to 31 August 2012	ECLAC
9.4	Validation workshop on data on health, education and dwelling services.	Completion of validation workshop on data on health, education, and dwelling services	1 January to 31 August 2012  Assumes completion of 9.3	ECLAC

## **Annex 3: Report of activities of the 2011 ICP in the Caribbean**

(October 2010 – April 2011)

### **1. Preliminary assessment of price statistics and national accounts programmes**

ECLAC sought the support of an international consultant hired by the World Bank to carry out a preliminary assessment of the national accounts and price statistics programmes in the Caribbean. The consultant visited the National Statistical Offices in 7 countries in the region (The Bahamas, Barbados, Belize, Guyana, Jamaica, St. Lucia and Trinidad and Tobago), and the preliminary results of these exploratory missions were presented in the First Technical Meeting on National Accounts and Price Statistics that took place in The Bahamas from 30 November to 1 December 2010. The final report was received on 1 March 2011. Below are some of the Consultant's main findings:

#### **Price statistics**

While all Caribbean countries have a Consumer Price Index (CPI), only some compile Producer Price Indices (PPI), which normally have a narrow scope on account of the limited domestic production. There are also data on construction materials prices or indices and construction wages in various countries of the region. No country has ever collected or validated prices for "construction" or "machinery and equipment", so it would be preferable to hire specialized consultants (or firms) to carry out this task at the regional level.

Product specifications in the CPI baskets are extremely loose, and therefore prices collected for the compilation of CPIs in the region cannot be directly used for international comparison purposes. Thus, the ICP related activities will represent a significant extra burden on national implementing agencies.

On the other hand, Price statistics programmes in the Caribbean present various advantages with respect to other regions: (1) CPIs have national coverage, as all countries collect prices in most, if not all geographical areas; (2) all countries follow similar outlet selection strategy (for instance, no one collects prices in resorts); (3) there is smaller price dispersion due to the small size of countries in the region and the high degree of competition in retail sector; (4) there is arguably less seasonality in many product categories due to the specific market structure of small island economies. As a result, there are lower coefficients of variation and observations are required to obtain reasonable average prices.

The preliminary assessment of the methodologies employed by Caribbean countries in the production of Consumer Prices Indices (CPI) allows to conclude that pricing items of a regional product list consisting of the highest possible number of products on the ICP Global List plus typically regional products will entail more work than originally anticipated. In the circumstances, an alternative would be to collect prices 4 times, but for a partial list each time, thus spreading work over 4 quarters.

#### **National Accounts**

All countries estimate production- and expenditure-based GDP; however, some countries (particularly from the ECCU area) have stopped releasing expenditure-based GDP after 2007. A

few countries have a Supply and Use Table (SUT), but in some cases the SUTs results are significantly different from published GDP figures and have not been incorporated into their national accounts. On the other hand, the lack of commodity detail in economic surveys hampers or precludes development of the SUT in many countries, and this problem cannot be addressed in time for the 2011 ICP round.

In terms of the availability of household consumption expenditure estimates (HC), it only one country produces detailed HC estimates annually. Some countries estimate a few HC categories explicitly annually, and the remainder countries only estimate total HC residually. This situation poses a major challenge for the calculation of PPPs according the ICP required breakdown (110 basic headings), especially when introducing improvements in estimation of some household consumption expenditure items entails changes in the GDP levels obtained using the current methodology.

The most difficult area is the estimation rents, both paid and imputed, as the current figures will probably need to be revised (upward) in most countries. Nevertheless, many countries in the Caribbean will have completed their census in time for the 2011 ICP round, which will likely provide useful data on stocks of dwellings; thus, given available information on paid rents and new method proposed by the World Bank for the estimation of imputed rents, overall rent estimates can likely be improved in most countries. In view of the importance of rents and the particular situation of the region, this area should be given priority for technical assistance

Currently only two countries already allocate Intermediation Services Indirectly Measured (FISIM) to households (and governments), but their method can probably be replicated by others. However, contrary to the estimation of rents and net expenditures abroad, the allocation of FISIM to households should not have large impact on the breakdown of Household Consumption Expenditures.

Coverage of Government Consumption Expenditure (GCE) seems satisfactory in all countries. The main problem area in this category is the lack of estimates for Consumption of Fixed Capital, which may have an impact of up to 5%. Also, although in most of them spending is recorded on a cash rather than accrual basis (currently only the Cayman Islands and Bermuda provide information on government consumption on an accrual basis), the gap between the two should be fairly small in annual data. In some countries, fiscal year data will have to be adjusted to calendar year, either using monthly or quarterly government data or applying fixed ratios.

The component for which sources are most varied and estimates probably least comparable is Gross Fixed Capital Formation, although it has been observed that most countries estimate these figures using the commodity flow approach, imports data and establishment surveys. The recommended breakdown of the GFCF in terms of the prices and values is not currently available in the countries, and providing general recommendations in this area is hardly feasible, as available data sources vary markedly between countries. However, an attempt could be made to adopt similar nomenclatures for machinery and equipment. A workable approach would be to estimate all of the pricing components for Construction and Machinery and Equipment using the Global Office specifications, as countries use different methods and sources to estimate these figures and so it would be difficult to compare across the countries.

In terms of availability of resources in national teams, The Bahamas and Jamaica have fairly large staff, some very experienced, but elsewhere resources are generally insufficient. Nevertheless, as countries produce only annual accounts (except Jamaica) and national accounts work for the ICP will be spread over almost 3 years, most should be able to cope with the additional workload. Technical assistance could come from outside (to validate HC breakdown for example), but some of it could come from inside the region (rents, FISIM). In any case, technical assistance should be given in priority to countries with the fewest resources

## **2. First technical meeting on national accounts and prices statistics**

A first Technical Meeting on National Accounts and Price Statistics took place in The Bahamas from 30 November to 1 December 2010 with 32 participants from national statistics institutes of 20 countries and representatives from CARICOM Secretariat and the Eastern Caribbean Central Bank. This activity allowed the establishment of a preliminary timetable to obtain a regional list of household consumption expenditure items in the Caribbean following the SPD format.

By the end of this process, a mapping from CPI items to the ICP global core list should be provided, thus enabling to the extent possible the use of regularly collected price data as part of the necessary inputs for PPP calculation.

In the parallel session on price statistics, country participants were introduced to the procedures to review the core list in terms of availability, importance, and potential additions of items to the regional ICP list. In the round table discussions, several issues emerged, including a few special cases where countries do not collect prices, like maintenance and repair of appliances, rents, and telecommunications surveys.

During this meeting, country participants stressed the need for training of price collectors, as well as for technical assistance to help countries in the process of mapping CPI baskets to the ICP global core list. UN-ECLAC agreed to fund, at least in part, a Workshop for price collectors in September 2011, using resources from a Development Account project.

On the other hand, the participants in the National Accounts Parallel Session identified the need for technical assistance to compile SUTs. However, as the time framework required for such technical assistance in most countries would exceed the scope of the 2011 Round of the ICP, it was stressed that in the absence of SUTs some consistency checks can still be made using various indicators.

Regarding the breakdown of household consumption expenditures, it was noted that Household Expenditure Surveys (HES) that are more than 5 years old have ratios that are outdated in terms of current expenditure patterns. Some countries expressed their concern as these surveys should provide the basis for the 110 category breakdown needed for the ICP. In this regard, the approach suggested is to adjust the results of the HES for changes in the economy and the household consumption pattern over the years. This includes, for instance, incorporating estimates for new household spending on items like cell phones, laptops etc. Also, it was suggested that expenditure on certain items within the HES can be replaced with more accurate information from other sources for household expenditure, for instance on items like utilities, motor vehicles, gasoline and independent estimates of housing rents.

Also, it was suggested that expenditure in goods that whose consumption may in some cases have a negative social connotation (e.g., alcohol, tobacco and gambling) and tends to be undervalued by

the households can be adjusted using the ratios of average weights from other countries in the region that have already made these adjustments (whether based on the SUT results or some other calculations). Moreover, as the HES is likely to be about 25% less than the actual value of the Household Consumption (HC), adjustments may be necessary to bring the HES results in line with aggregate national accounts estimates.

It was noted that in the cases where household consumption estimates are arrived at residually, it will be necessary to add total expenditure abroad by residents and to subtract total expenditure by non-residents. On the other hand, if the HES are being used to measure Household Consumption, then where possible the HES expenditure abroad should be replaced with the Balance of Payments (BOP) estimate for this item. However, this adjustment is not recommended for countries that feel the HES results are stronger than the BOP data.

The meeting also tackled some seasonality issues in national accounts compilation. In particular, the delegate of St. Kitts and Nevis raised the point that its HES was not calculated for the entire year, therefore products that have differing seasonal patterns are not properly reflected in the total expenditure by households. For example, a survey conducted during the summer months (July-September) would underestimate major expenditures that occurred during the Christmas season. The recommendation in this case is to make some adjustment for certain products within the HES that have strong seasonality, while other items can just be estimated as typical expenditure over the year.

Regarding the estimation of government consumption breakdown, it was noted that the ICP national accounts framework requires data on a calendar basis, while various countries estimates are on a fiscal basis. Also, whereas the ICP has requires that the information be presented on an accrual basis, most countries have only cash-basis estimates.

Not all countries in the region currently make an estimate for Consumption of Fixed Capital. Concern was also expressed as to what would be the minimum breakdown of gross fixed capital formation that can be supplied by the countries of the region in order for the countries to remain a part of the ICP project, as the recommended breakdown is not currently available in the countries. In this regard, further consultations with the ICP Technical Advisory Group are needed in order to provide guidance to the countries. In any case, the breakdown for GFCF needs to be handled on a regional basis rather than on a country by country basis, as the statistical offices lack the technical expertise to properly collect the necessary prices and estimate the structure breakdowns needed for the ICP.

Country experts agreed on the proposal to hire a consultant to estimate the pricing components for Construction and Machinery and Equipment using the Global Office specifications, as countries use different methods and sources to estimate these figures and so it would be difficult to compare across the countries.

### **3. Workgroup Meetings on Price Statistics**

A set of three small workgroup meetings on price statistics took place from 21 to 30 March 2011 in Port of Spain, with the combined attendance of price experts from 16 of 21 Caribbean countries and representatives from CARICOM, ECCB and CARTAC.

The main objective of the meetings was to provide practical guidance for the analysis of each country's own basket of Consumer Price Index items and its mapping to the ICP Global Core List in Structured Product Description (SPD) format. In these meetings it was agreed that mapping of country's CPI list to the Global Core list should be given priority, and that a first version should be completed by national implementing agencies by May 2011.

The availability of Global Core List items in each country's CPI basket, or otherwise in the market, will then be compared to establish a Caribbean List, taking also into account the items that have been added to the Global Core List in the Latin American region. This list will then be used to establish the Regional List by August 2011, when a regional meeting for final validation of the Regional List will take place.

Countries, with the continuous support from the regional coordination, have been asked to establish the importance of every item in the global core list using the following criteria:

- Whether item is within CPI
- Whether item is easily available in the market
- Otherwise not important

The specification of various product categories was discussed at length during the meeting, which allowed to identify a number of issues. In this regard, ECLAC agreed to seek clarification from the Global Office about the SPDs of some global core items which appear ambiguous or need to be adapted to the specific circumstances of the Caribbean region (such as water charges, pharmaceuticals, and domestic air transportation, and electronic products).

During the meeting, a session was devoted to complete, to the extent possible, the price statistics metadata questionnaire for all participating countries. Any remaining data gaps will be addressed by the national implementing agencies during the next few months.

All participating countries expressed interest in using the software tools for data entry and validation developed by the Global Office (ICP-Kit). In this regard, UN-ECLAC will follow up with each participating country to provide support in the production of the necessary Master Files for setting up the Household Consumption Modules.

There was general agreement on the need to develop common price data collection forms for the ICP in the Caribbean, especially as the SPDs of the ICP Product list are much more specific than the current specifications in the national CPI baskets. In this regard, UN-ECLAC needs to establish, as soon as possible and in coordination with the Global Office, a strategy to address this operational challenge.

Country delegates agreed to seek the support from their national authorities to enable the participation of as many national staff as possible in the training workshop for price data collectors, bearing in mind that at this moment funding is only available for one participant per country.

CARICOM suggested to work together with UN-ECLAC in the preparation of a document outlining the relationship between the ICP and CPI programmes, and the benefits that derive from

participation in the ICP (and particularly from the use of SPDs) on price statistics programmes. UN-ECLAC stressed the need to engage central banks in fundraising efforts by the countries.