

International Comparison Program

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PACIFIC REGION

Regional Status Report



7th Regional Coordinators Meeting
September 19-21, 2012
Washington DC

**PACIFIC REGION
REGIONAL STATUS REPORT (7th Regional Coordinators Meeting)**

Background

The Pacific region is participating in the current round of the ICP on the following simplified basis:

- countries/territories will only collect prices for a limited number of household consumption items, and there will be no expenditure data collected;
- the larger more sophisticated countries/territories will collect prices for around 100 household consumption items, while the smaller less sophisticated economies will collect prices for around 50 household consumption items;
- countries/territories will collect prices from all outlets currently sampled for the national CPI;
- data collection will take place in calendar 2012; and
- Fiji, which also participates in the Asian region ICP, together with New Zealand and Australia, which also participate in the OECD region ICP, will serve as link countries between the Pacific and other regions.

This simplified involvement is viewed partly as a capacity building exercise and a first step towards fuller involvement in subsequent rounds of the ICP.

List of countries/territories involved

COUNTRY/TERRITORY	POPULATION	PARTICIPATION	No of ITEMS PRICED
PNG	6,888,297	YES	118
FIJI	851,745	YES	96
SAMOA	183,617	YES	109
TONGA	103,682	YES	112
VANUATU	251,784	YES	100
SOLOMON ISLANDS	553,254	YES	118
FSM	102,360	YES	113
KIRIBATI	102,697	YES	108
MARSHALL ISLANDS	54,999	YES	85
PALAU	20,643	YES	107
COOK ISLANDS	15,576	YES	40
TUVALU	11,206	YES	41
NAURU	10,185	YES	62
NIUE	1,446	YES	82
TOKELAU	1,162	YES	20
GUAM	192,090	YES	107
CNMI	63,517	YES	42
AMERICAN SAMOA	66,692	YES	86
FRENCH POLYNESIA	271,831	YES	72
NEW CALEDONIA	252,331	HAVE INDICATED YES, BUT PARTICIPATION REMAINS UNCERTAIN	UNCERTAIN
WALLIS AND FUTUNA	13,193	YES	100
NEW ZEALAND	4.5 m	YES	98
AUSTRALIA	22.5 m	YES	87

Status of data collection

All countries apart from New Caledonia have collected data for the March and June quarters. Most have priced all available items from the Pacific Product List of 123 items. However some countries have not provided full outlet coverage and this will be a focus for collection in the remaining quarters.

Status of data submissions

All countries except New Caledonia have submitted data to the Regional Coordinator for the March and June quarters. However countries vary significantly in the extent to which they have been able to enter data into the HHC Data Entry module and properly complete their within country data validation. Where countries have not completed these tasks, the data entry has been completed by the Regional Coordinator and within country data validation is proceeding in the same manner as for across country data validation ie iteratively and slowly.

There does seem to be a continuing perception on the part of some countries that they are doing the ICP "for the ABS". They are happy to collect data and send it to the Regional Coordinator, but are not necessarily inclined to take responsibility its quality/accuracy. Encouraging countries to take responsibility for their own data is part of the challenge of the Pacific ICP and part of how we seek to meet the broader capacity building objective of the current round.

Importance indicators

Importance indicators have not yet received much attention in the Pacific ICP and it is not clear how important they will be given the limited size of the Pacific Product List. However they will be an agenda item at the upcoming regional workshop in November, and a natural topic within the broader context of across country data validation.

Status of data validation

A data validation workshop was held in March 2012 to discuss validation of March quarter ICP data. The iterative process of across country data validation was explained and countries were encouraged to turn around any queries from the Regional Coordinator as quickly as possible. It was explained that without quick turnaround, the iterative process of across country data validation would be a very slow process indeed. And so it has turned out to be. Five months after the end of the March quarter, we have only (barely) completed one iteration of the validation, and as Regional Coordinator we do not yet feel confident in signing off on this data and submitting it to the Global Office.

It is probably important to recognise the slow response to queries is a fact of life in many Pacific countries/territories at the best of times, but particularly so in the very first quarters of their very first involvement in the global ICP

Overall however we do feel confident that countries will deliver good data, and our experience is that Pacific countries/territories do deliver, but usually at the last moment. Addressing this is, again, one of the broader capacity building objectives for the current round of the Pacific ICP.

Status of calculation of national average prices

The calculation of national average prices has not yet received much attention in the Pacific ICP, pending the completion of data collection. However there is a small handful of countries with a relatively widely dispersed population and where the CPI coverage is clearly not adequate for ICP purposes. The outstanding example is the Solomon Islands. We have completed a one-off exercise to collect prices in the two main regional centres outside of Honiara with a view to estimating the price difference between Honiara and the rest of the country. We will circulate a proposed methodology for comment by TAG in due course.

Upcoming regional activities

A second data validation workshop to discuss the first three quarters of data is scheduled for November 2012. Among the objectives of the workshop are to finalise data for the March and June quarters and to ensure that the validation for subsequent quarters proceeds smoothly and to an acceptable timetable.

Timetable for remaining activities

We hope to submit final March and June quarter data to the Global Office following the upcoming November workshop.

A final workshop is planned for March 2013 with the objective of finalising data for the Pacific ICP shortly thereafter.

An important element of the data analysis will be the linking methodology, which will be different for the Pacific (relying on overlapping countries rather than overlapping products). We will seek guidance from the TAG on the development of a robust methodology

Overall risk assessment

The main risk is not so much to the delivery of ICP data per se, but to the underlying quality of the data. Pacific countries are prepared to collect data, and even to collect data for more products than was originally envisaged. However they do not all show the same commitment to ensuring that the data is of the best possible quality (a quantity versus quality issue perhaps). Ensuring that countries understand the importance of good data validation practice is a key remaining challenge.

A small number of countries are also finding it difficult to maintain their commitment to the ICP in the face of ongoing resource constraints and staff turnover. These countries are likely to require extra support from the Regional Coordinator to help them stay the course.