

# International Comparison Program

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## Latin America and the Caribbean Regional Status Report



7<sup>th</sup> Regional Coordinators Meeting

September 19-21, 2012

Washington DC

# **Regional Status Report for Latin America and the Caribbean**

*7th Regional Coordinators Meeting, 19-21 September 2012*

## **1. Household Consumption Survey**

In Latin America and the Caribbean a total of 37 countries are directly involved in data collection for regular household prices, of which 8 in South America (Bolivia, Brazil, Colombia, Ecuador, Peru, Paraguay, Uruguay and Venezuela), 9 in Central America (Costa Rica, Cuba, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Dominican Republic), and 20 in the Caribbean (Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Curacao, Dominica, Grenada, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands). This implies a consistent increase with respect to the 2005 Round, which saw the participation of 10 South American countries.

The information available at ECLAC for South and Central America includes four quarters of regular prices data validated for 15 countries, as Guatemala and El Salvador have collected prices for 2011 and 2012 and are now revising their data before final submission. Therefore, a final submission to the WB is scheduled by the end of December, which will include the two mentioned countries, and final data for all the others.

Few Caribbean countries (9) started data collection in quarter four (Q4) 2011, while 18 collected so far their prices for Q1 2012. 11 countries have collected and transmitted to ECLAC Q2 2012, while the remaining countries are still validating nationally their prices. Data for Q1 2012 were validated during a meeting held at the end of August 2012. By the end of September 2012, final data for the first quarter 2012 will be transmitted to the Global Office. The next validation meeting for Q2 and Q3 is scheduled by the end of November 2012. Those countries that did not start data collection in Q4 2011 will collect Q4 2012 and transmit the results to ECLAC by the end of January 2013.

Availability and importance indicators have been transmitted for all Latin America countries, and for 16 out of the 20 Caribbean countries. Concerning availability, countries were requested to indicate whether the product (a) it is included in the CPI, (b) its price is collected, and (c) it does not exist or the information is not collected. Concerning the importance, a product is considered important if it is included in the CPI.

The products were collected on the basis of two distinct sub-regional lists composed, for Latin America, by 637 products (of which 492 identical to the Global list), and for Caribbean countries by 570 products.

For Latin America countries, average 2011 data have not been formally calculated yet, waiting for a final technical decision on the procedure to be followed (geographic coverage, grossing up etc.).

A meeting is planned by the end of the Q1 2013 for Latin America countries to discuss and finally validate the overall results of the programme. Final results of calculations might also be presented in the framework of the 12th ECLAC Executive Committee meeting of the Conference of the Americas, April 2013, Santiago of Chile.

## **2. Other Price Surveys**

### **2.1 Machinery and Equipment**

In Latin America, 12 countries sent their final data so far. 2 countries (Haiti and El Salvador) will be estimated with the information available at the sub-regional level: Cuba, Paraguay and Bolivia are in the process of finalizing the data collection. Information on missing countries will be available by the end of November 2012. For all countries of the sub-region, the list used is the global one containing 177 products.

Caribbean countries were requested to provide a list of availability products in their respective countries. So far, this information has been received by only two countries. The deadline for transmission of the availability matrix to ECLAC is the end of September. ECLAC, based on the results of the availability exercise, will finalize a sub-regional list containing a (likely) small number of products, ideally covering all the 8 basic headings, based on which data collection should be finalized by the Q4 2012.

### **2.2 Construction and Civil Engineering**

7 countries (Brazil, Honduras, Haiti, Nicaragua, Peru, Uruguay and Venezuela) have sent so far information to ECLAC. It is forecast that data collection and validation by ECLAC will be completed – for the missing countries - by the end of December 2012.

In the Caribbean, data should be collected only once, between July and October 2012. Taking into account that data collection started so far in a very limited number of countries, a new deadline has been agreed upon for data transmission, namely the end of November 2012.

### **2.3 Rents and Dwellings**

The information on rent for 11 countries is at the moment available for Latin America. Cuba – given the characteristics of the rent market - will not provide rents data. Missing countries committed to transmit final data to ECLAC by November 2012. Concerning the stock of dwellings, only three countries in Latin

America sent their data so far, namely Colombia, Guatemala and Uruguay. Again, data for the missing countries are expected by the end of November.

Seven countries of the Caribbean sent their dwellings (simplified) questionnaires duly filled in, while no country sent data for a simplified version of the rental questionnaire. ECLAC is expected to receive data on volumes for the reference year 2011 by the end of 2012. Concerning data on rents, the information should be transmitted to the ECLAC by the end of September 2012.

#### 2.4 Government compensation of employees

ECLAC is actually receiving data from some Latin America countries, which overall were supposed to send the relevant information by the end of August 2012 (preliminary data) and the end of March 2013 (final data). In particular, so far only 5 countries sent partial data (Brazil, Colombia, Nicaragua, Paraguay and Venezuela). It should be noted in this particular context that some countries have partially delayed data submission due to problems with ICP-Kit for this component. An Excel data template has been recently provided to member countries to overcome the problem.

No Caribbean countries sent data on government so far. The agreed upon time limit for transmission of data to ECLAC is the end of December 2012.

#### 2.5 Private Education

Only 3 countries in Latin America did not submit the required information (Bolivia, Guatemala and El Salvador). This information is not available for Cuba: data for all other countries are available at ECLAC. Information from the missing countries is expected to be completed by the end of December 2012.

Two Caribbean countries (Belize and Saint Vincent and the Grenadines) have submitted their data to ECLAC, the other will send final data on 2011 by end of December 2012.

#### 2.6 Water

The 15 of November is the time limit for final data transmission by Latin America countries to ECLAC on Water: 9 countries have sent so far a limited number of representative water bills. For the Caribbean, 3 countries (Belize, Grenada and Jamaica) sent water bills, the timeline being the end of September 2012.

### **3. National Accounts Activities**

All countries in Latin America but Haiti, Peru and Nicaragua, sent data for the latest available year (actual data collected run from 2005 to 2009). Peru and Nicaragua are at the moment validating their data, waiting for official approval of the relevant authorities. 9 countries of the Caribbean sent their preliminary data for the latest available year (with reference year from 2007 to 2011).

A national account meeting planned for Latin America to be held by the end of October 2012 was postponed to March 2013 due to budgetary issues. The time limit for data transmission to the World Bank of the MORES is November 2012 for preliminary data, and March 2013 for final data on 2011.

The Quality and Exhaustiveness questionnaires have been transmitted by only 6 countries in Latin America. Four countries submitted both questionnaires (Brazil, Honduras, Nicaragua and Paraguay). Bolivia and Ecuador submitted the Quality questionnaire, while Colombia and Guatemala the Exhaustiveness questionnaire. The deadline for data transmission to the World Bank is the same as for the MORES.

In the Caribbean, 13 countries submitted their Quality questionnaire, while 11 transmitted the Exhaustiveness information requested.

#### **4. Overall Risk Assessment**

There is a need to continue fund-raising efforts in order to finalize the activities in the region, conduct the remaining workshops for data validation, and provide some limited financial support to those countries that are in need of it (especially in the Caribbean).

From a more substantive viewpoint, the major risk factor consists in the concrete availability of the information on the Other Special Surveys (i.e. Machinery and Equipment, Government) and the timeliness with which the requested information – if collected - will be made available to ECLAC. At present, there is on average a quite important delay in the transmission of the relevant information to the regional coordinating agency.

The availability of up-to-date information on national accounts is another major area of concern. So far, not all member countries have submitted the latest available information and, in most cases, the reference year of the data transmitted is quite old with respect to what could have been expected.

In some countries, the treatment of regulated / administered prices and the existence of transactions regulated with different exchange rates, is an issue worth considering. Deviations to the agreed-upon rules for the treatment of such transactions might bias the comparisons of prices at the sub-regional, regional and global levels.

Another issue which deserves special attention is the different level of coverage of the regular household price survey during the collection period, which might pose problems of interpolation / extrapolation of the available data, as well as the calculation of the annual averages at the sub-regional level.