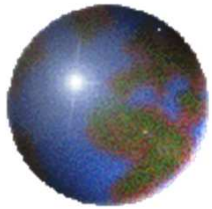
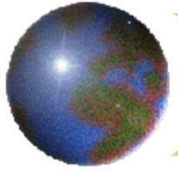


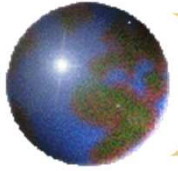
*Construction treatment in
conducting international
comparison of the GDP and
purchasing power parities
(OECD-Eurostat and CIS
approach)*





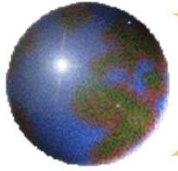
Problems of construction treatment

- ❖ Complexity of construction
- ❖ Country specific nature
- ❖ Great variability of construction across country
- ❖ There are no identical construction projects in the one country



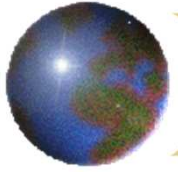
Problems of construction treatment (continued)

- ❖ Employment of external experts
- ❖ Expensive to use standard price approach due to number of participating countries and types constructions



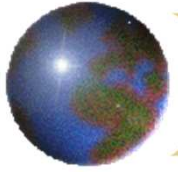
Approaches applied for construction treatment

- ✚ Identical construction in all countries
 - ▣ Lead to comparable but not representative



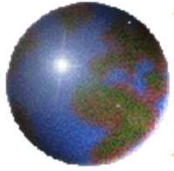
*Approaches applied for
construction treatment
(continued)*

- ✦ Typical construction in all countries
 - ✦ Lead to representative but not comparable



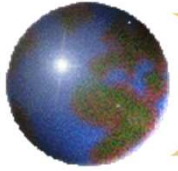
*Approaches applied for
construction treatment
(continued)*

- ✚ Standard (fictitious) construction in all countries
 - ✚ Compromise between representativity and comparability of construction



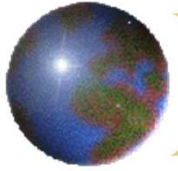
OECD- Eurostat approach

- ✦ Use the third approach
 - ▣ Price several standard construction projects



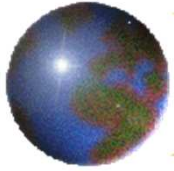
Standard construction projects

- ✦ Consist of number major works:
earthworks, concrete, masonry, roofing
etc.
- ✦ Each major component comprises a
number of elementary components
 - ✦ Excavation of foundations, transportation
of spoil, etc.



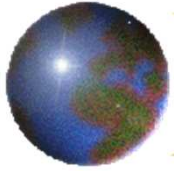
Standard construction projects (continued)

- ❖ The major components and their elementary components of the standard projects are detailed in bills of quantities
- ❖ Each country should price the same bills of quantities with allowed some flexibility



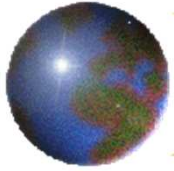
Major problems of standard construction projects

- ⊕ Low representativity of construction projects
- ⊕ High price of data preparation
- ⊕ Only few projects are priced
- ⊕ Often research work
- ⊕ Practically no checking across major and elementary components



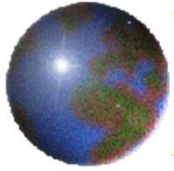
CIS approach

- ✦ Use during 2000 comparison



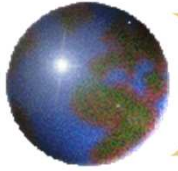
Similarities between CIS and Eurostat- OECD approach

- ✚ Use standard fictitious construction projects
- ✚ Use GDP classification



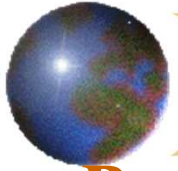
Main features of CIS approach

- ✦ Construction projects and works divided into main elements
 - ✦ Materials, wages, some financial indicators (estimation, incl. VAT)
- ✦ Each construction projects are defined by unique set of consumed materials, labour and etc.



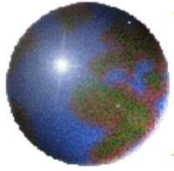
Main features of CIS approach (continued)

- ✦ Materials are defined as representative items
- ✦ Countries collect prices for materials and report wages and necessary indicators
- ✦ Construction projects are calculated centrally by employed experts after standard price checking



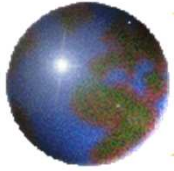
Product selection and Price verification of 2000 CIS and Mongolia comparison

- ✦ 3 surveys construction
- ✦ Prepared with VBA software with instruction in Russian
- ✦ 100 construction projects, 101 materials and 7 financial indicators.



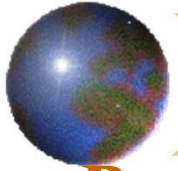
Software of CIS comparison

- ❖ Vba software developed by Statistics Austria with official permission EUROSTAT and the OECD
- ❖ Three parts of software
 - ❖ 1. Individual country prices' checking (installed in participating countries)
 - ❖ 2. PPP calculation and formation of diagnostic tables (installed in Goskomstat of Russia).
 - ❖ 3. Calculation of aggregated results (installed in Goskomstat of Russia).



Construction comparison in CIS and Mongolia

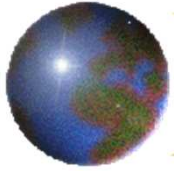
- Defined construction materials priced by the national statistical services
- ✪ Priced materials from all the participating countries has been sent by Goskomstat of Russia to employed experts outside statistical service for checking and calculation construction projects. If materials are not priced in some homogenous product group experts use hedonic methods to fill gaps.
- ✪ Construction experts priced 100 construction projects. Participating countries marked as asterisk * representative items and deleted projects which were not constructed at all.



Product selection and Price verification of 2000 CIS and Mongolia comparison

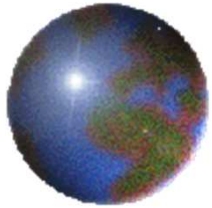
(continued)

- ⊕ All price collection in 2000
- ⊕ Reported annual national prices
- ⊕ Price verification using diagnostic tables
- ⊕ Multilateral meetings
- ⊕ Bilateral consultations



Output to use CIS approach

- ✦ Could use more number construction projects for representativity identification
- ✦ Use standard software of ICP for price checking
- ✦ More statistical exercise
- ✦ Data transparency
- ✦ Reduce labour and finance input for countries



THE END