

# International Comparison Program

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**[01.05]**

## **Planned Approach to Link the Pacific Islands to the ICP**

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**7<sup>th</sup> Technical Advisory Group Meeting  
September 17-18, 2012**

**Washington DC**

## **Planned Approach to Link the Pacific Islands to the ICP**

### **Note from Athol Maritz, Australian Bureau of Statistics (ABS)**

#### **Background**

In the 2011 round of the global ICP - their first - the Pacific is being treated differently from other regions. The major differences are:

- Data is being collected through calendar year 2012.
- Only prices are being collected. There is no formal plan at this stage to provide any expenditure data. Without expenditure data, basic headings will all get the same weights. If time and resources permit, we will try to generate basic heading expenditures from available HIES data, but this cannot be guaranteed at this stage.
- Only household consumption item prices are being collected.
- GCL items do not figure to any meaningful extent in the Pacific Product List. The idea is to rely solely on a regional product list and then link the Pacific to the rest of the world by including Fiji (already in Asia) and New Zealand and Australia (already in the OECD).

#### **Organizational Aspects and Coordination**

The involvement of the Pacific islands is being coordinated by the ABS with funding from AusAID.

#### **Countries participating**

At this point, all 21 Pacific Island countries and territories (PICTs) are participating in the Pacific ICP. For March and June 2012, 20 of 21 countries provided data with the exception of New Caledonia. However, they have now identified a resource to do the work and have signaled their intention to provide data. Annex 1 lists the participating countries.

#### **Activities including meetings and technical assistance missions**

The main activities are/have been the following:

- Initial workshop in November 2011 in Fiji to meet the participants, to provide background on the ICP and finalize the Pacific Product List
- Second workshop in March 2012 in Fiji to provide participants with the ICP software and discuss validation of March quarterly data
- Third workshop is scheduled for November 2012 in Fiji to discuss the validation of March, June and September quarterly data
- Final workshop is planned for March 2013

Other activities have been a series of country visits, including a visit to key regional centers in the Solomon Islands to broaden ICP data collection beyond Honiara.

## **Price Surveys and Item List**

Price surveys are conducted quarterly using Price Collection Sheets designed for the purpose. The item list is available in Annex 2.

Where ICP items are similar to CPI items, countries have agreed to collect ICP prices at all outlets that are currently sampled for the CPI. It is not proven feasible to engage in a broader price collection for this round of the ICP except in a small number of cases such as the Solomon Islands. However, in practice this has not always occurred and "encouraging" countries to expand their sampled outlets is one of the ongoing challenges of the Pacific ICP. A number of countries are also relying heavily on their CPI to provide ICP prices.

## **Price Validation**

Price validation is being undertaken using the ICP software kit and according to established ICP methodologies. However it is proving difficult to engage in multiple iterations of the data validation due to the slow turnaround of queries. This seems to be a fact of life in the Pacific, but we hope that with the broader effort towards statistical building capacity in the Pacific this will improve over time.

## **Adjustment of Prices and Calculation of Annual Averages**

With March data not yet finalized and June data in the initial stages of validation, we have not yet given much attention to the adjustment of prices and calculation of annual averages.

## **National Accounts**

No specific National Accounts activities will be conducted for the Pacific ICP. There may be some opportunity to use existing HIES data for the purpose of compiling consumption data.

## **Calculation of PPPs for Household Consumption**

Only very preliminary PPPs have been calculated to date, as part of the Quaranta analysis.

## **Linking Approach in Brief**

Linking of the Pacific to other regions will rely on an overlap of countries rather than an overlap of products. In particular Fiji is participating in both the Pacific ICP and the Asian region ICP, and New Zealand and Australia are participating in both the Pacific ICP and the non-European OECD PPP/ICP.

## **Conclusion**

The focus for calendar year 2012 is data collection - more particularly on trying to ensure the highest quality data possible under the circumstances.

The technical details of how the linking will be carried out have yet to be considered and we will be seeking guidance from the TAG on this matter.

## Annex 1. Current status of participation in the Pacific ICP

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

## Annex 2. List of Items in the Pacific ICP

Product Code	Product Name
110111106	MEDIUM GRAIN (CALROSE) RICE 1KG
110111107	MEDIUM GRAIN (CALROSE) 20KG
110111108	JASMINE RICE 1 KG
110111202	WHEAT FLOUR -NOT SELF RAISING
110111207	WHEET-BIX (SANATARIUM)
110111301	BAGUETTES-FRENCH BREAD
110111305	WHITE SLICED BREAD
110111401	OREOS OR SIMILAR CREME BISCUITS
110111402	OREOS SNACK PACK
110111408	NAVY BISCUITS OR SHIPS BISCUITS
110111409	UNSALTED CRACKERS
110111410	BREAKFAST CRACKERS
110111502	SPAGHETTI
110111507	2 MINUTE NOODLES
110111509	RICE VERMECELLI
110111510	BEAN NOODLES Cellophane (Longkou)
110112102	STEAK-BEEF Medium Quality
110112109	BEEF SAUSAGES-FROZEN
110112201	PORK CHOPS-FROZEN
110112302	LAMB CHOPS
110112402	FROZEN CHICKEN WHOLE
110112404	FROZEN CHICKEN LEGS
110112407	TURKEY TAILS
110112504	CORNED BEEF-CANNED
110113104	FRESH TUNA STEAKS- YELLOWFIN
110113109	FRESH WHOLE TUNA- SKIPJACK
110113110	REEF FISH
110113201	TINNED SARDINES
110113202	CANNED TUNA
110113203	CANNED MACKEREL
110114102	UHT MILK
110114201	CONDENSED MILK
110114202	POWDERED MILK
110114301	CHEDDAR CHEESE
110114306	PROCESSED CHEESE-SLICES
110114402	EGGS-MEDIUM SIZED CAGED 10-12 EGGS
110115102	BUTTER SALTED
110115103	MARGARINE
110115306	VEGETABLE OIL
110116101	RED APPLE
110116102	BANANAS-IMPORTED

<b>Product Code</b>	<b>Product Name</b>
110116103	BANANAS-DOMESTIC (EXCLUDE LADY FINGERS)
110116201	TINNED PINEAPPLE
110117101	CUCUMBER
110117104	ONIONS
110117106	TOMATO
110117107	CABBAGE
110117201	BROWN POTATO
110117202	SWEET POTATO-KUMARA
110117203	CASSAVA
110117204	TARO
110118101	WHITE SUGAR
110118102	RAW SUGAR
110118201	JAM
110118303	CHEWING GUM
110118305	ICE CREAM
110118307	CANDIES-MINT CHEWS
110119102	SALT
110119103	TOMATO SAUCE
110119105	SOY SAUCE
110121102	INSTANT COFFEE
110121105	TEA BAGS
110122102	COCA COLA
110122107	SPRING ARTESIAN WATER
110211101	ABSOLUT VODKA
110211102	JOHNNY WALKER RED
110211103	GORDONS GIN
110211105	BARCARDI
110213103	HEINEKEN BEER BOTTLED -6 PACK
110213104	BEER CANNED IMPORTED
110221102	CIGARETTES
110231101	KAVA
110312105	MENS T-SHIRT
110312109	WOMENS BLOUSE
110312122	PRIAMRY SCHOOL SHIRT
110312129	MENS BRIEFS
110321103	NIKE RUNNING SHOES
110321111	FAKE NIKE SPORTS SHOES
110321112	THONGS,SANDALS,FLIPFLOPS,ZORRIES
110431101	PAINT
110431102	SILICONE
110431103	CEMENT
110431104	TILES
110431105	NAILS

<b>Product Code</b>	<b>Product Name</b>
110431106	TIMBER
110431107	PVC PIPE
110431108	18MM MARINE PLY
110441101	PIPED WATER
110451104	ELECTRICITY
110452101	GAS BOTTLE REFILL
110453102	KEROSENE
110521103	TOWELS
110531105	REFRIGERATOR
110531108	WASHING MACHINE
110552104	AA BATTERIES
110561101	WASHING POWDER
110561110	ALUMINIUM FOIL
110561111	MOSQUITO COILS
110561112	WOODEN MATCH STICKS- 10 10 BOX PACK
110611101	PARACETAMOL
110711114	CAR-COROLLA
110712101	MOTORBIKE-YAMAHA-HONDA
110722101	UNLEADED GASOLINE-PETROL
110722104	DIESEL
110722106	MOTOR OIL-MULTIGRADE
110723102	TYRES
110723105	CAR BATTERY
110732101	BUS FARE
110732108	TAXI FARE
110733102	INTERNATIONAL FLIGHT
110811103	POSTAL OF A PARCEL DOMESTIC
110811104	POSTAGE OF A PARCEL INTERNATIONAL
110831101	FIXED LINE FEE INCLUDING FREE DOM. CALLS
110831102	TELEPHONE CALL LOCAL EVENING- FIXED LINE
110831104	MOBILE PHONE CALL
110911105	LCD TV
110942103	CINEMA TICKET
110951105	DAILY NEWSPAPER
111111102	FISH MEAL
111211106	HOTEL ACCOMMODATION CAP. CITY
111212103	TOOTHPASTE TUBE
111212108	TOILET SOAP
111212109	NAPPIES/DAIPERS
111212110	TOILET PAPER