3rd Meeting of the Country Operational Guidelines and Procedures Task Force

Progress with the Task Force task list and meeting objectives

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Task Force Overview

- Work by the Task Force addresses the following three topics (tenure in brackets):
  1. Moving towards rolling price surveys (2017-2018)
  2. CPI-ICP synergies to improve spatial and temporal price consistency (2017-2020)
  3. Sub-national PPPs (2018-2020)

- Two Task Force meetings so far (this will be the third meeting)

- In May 2018, the TAG was briefed on the Task Force's work and progress (see report)

- Final deliverables of the Task Force will consist of three country guideline documents on the above three topics.
  - Intermediary outputs will be submitted to the TAG for review in Q2 2019
  - Final documents will be submitted to the TAG for final approval in Q4 2019

Task Force Topics and Progress – 1

Moving towards rolling price surveys

1. Determine the frequency of data collection (annual, biannual, quarterly) for the rolling survey for each aggregate of the GDP;
2. Determine the requirements for the rolling price surveys and availability of national account deflators, consumer price indices (CPIs) and other price indices by GDP component to be used in the extrapolation to the reference year; and
3. Suggest steps for statistical capacity-building to ensure that CPIs and national account deflators are consistent over time and comparable across countries.

Progress

1. **Paper by David Roberts on Eurostat-OECD's experience implementing rolling price surveys**
2. **Paper by David Roberts on implementing the rolling price survey approach**
3. **An overview of the status of price surveys in different regions for the 2017 ICP benchmark**

Task Force Topics and Progress – 2

CPI-ICP synergies to improve spatial and temporal price consistency

1. Assess areas where harmonizing CPI and ICP processes will create synergies;
2. Prepare a set of guidelines for countries to facilitate the process of harmonizing CPI and ICP activities; and
3. Conduct a case study of selected countries to evaluate the use of SPDs to better define their national CPI product specifications.

Progress

1. **Paper by Patrick Kelly (South Africa)**
2. **Case studies – India by Sunil Jain (India) and Western Asia by Majed Skaini (ESCWA)**
3. **Questionnaire to assess the current status of CPI-ICP integration**

Task Force Topics and Progress – 3

Sub-national PPPs

1. Examine the Asian and African experience with sub-national PPPs and formulate guidelines on the use of the CPI product lists and prices to compute sub-national PPPs;
2. Analyze temporal consistency of CPI and sub-national PPPs; and
3. Expand work on sub-national PPPs to more countries.

Progress

1. **Paper on sub-national PPPs by Luigi Biggeri**
2. **Sub-national PPPs and time-space consistency – case of the Philippines**
3. **Considerable interest on the compilation of sub-national PPPs across countries**
   - **USA (paper by Bettina Aten), Italy (paper by Luigi Biggeri) and the United Kingdom (paper by Sharne Bailey)**
   - **India, China, Vietnam and other Asian countries**

TAG's reaction to Task Force's work and progress

Moving towards rolling price surveys

- TAG concurred that use of price indices to extrapolate prices from 2018 to 2017 is the result of price surveys starting late and not an inherent design feature
- Hence, TAG agreed to keep 2017 (the UNSC stipulated reference year) as the reference year for the current cycle. Nonetheless, TAG recommended that the availability and reliability of price indices [to extrapolate price data to the reference year] be carefully scrutinized
- TAG raised the possibility that the *PPP Compilation and Computation Task Force* could explore the feasibility of calculating PPPs for both 2017 and 2018, based on the ICP 2017

CPI-ICP synergies to improve spatial and temporal price consistency

- TAG welcomed the work on ICP-CPI integration and looks forward to the results from the short questionnaire to assess current CPI-ICP integration practices in different ICP regions

Sub-national PPPs

- TAG noted that, while subnational PPPs would not affect the PPPs in the ICP, they can be of considerable interest to countries, which in turn can be beneficial for the ICP program in general as they represent an application of ICP methodology at the national level

THANK YOU