

TASK FORCE 3 – COUNTRY OPERATIONAL GUIDELINES AND PROCEDURES

PROGRESS REPORT & MATTERS FOR DISCUSSION

2ND Meeting of the Technical Advisory Group

**May 23, 2018
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Task Force Topics - 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 – an overview of the OECD-Eurostat implementation of rolling price surveys; challenges and lessons
2. An overview of the status of price surveys in different regions for the 2017 ICP benchmark



DATA COLLECTION UNDER RPSA



Surveys	Year t-1	Year t	Year t+1	Year t+2	Year t+3	Year t+4
Household consumption						
01. Prices consumer goods and services	X→			X→		
02. Prices consumer goods and services		X			X	
03. Prices consumer goods and services			←X			←X
Other surveys						
04. Housing services		X			X	
05. Government services		X			X	
06. Prices capital goods		X			X	
Other data						
07. Temporal adjustment coefficients	X	X	X	X	X	X
08. GDP expenditure weights		X			X	
09. Annual average exchange rates		X			X	
10. Annual average resident population		X			X	

“X” prices with no year-to-year extrapolation or retropolation, “X→” prices with year-to-year extrapolation; “←X” prices with year-to-year retropolation.



TIMETABLES



- RPSA works in the EU-OECD region because organisers and participants have agreed a timetable which they strictly follow
- A region adopting RPSA has to make sure that all participants are reading the same page from the same book at the same time
- All regions should be doing likewise for the global comparison
- **This requires a global timetable and regional timetables that detail phases, steps and responsibilities and which dovetail with each other.**
- **The timetables should be agreed by organisers and participants together and should be adhere to rigorously. Adherence should be monitored at the global level**



Price Surveys in Different Regions ICP 2017



Purpose



In this presentation we examine the current status of price surveys in different regions, and for different aggregates.

The purpose to examine if some sort of “rolling price survey” approach is already in practice in different regions.



Asia



Aggregate	Asia-Pacific Region							
	(22 countries)							
	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Consumption		20	22	22	19	4		
Dwellings - Rental surveys					1	21	1	
Dwellings - Volumes							22	1
Government consumption					5	12	14	
Machinery and Equipment				1	22	1		
Construction and Civil Eng				1	22			

- For household consumption, price surveys started in Q2 and Q1 price data from 2018 need to be extrapolated backwards to Q1 2017 using CPI or consumption deflators.
- For all other aggregates 2018 prices need to be adjusted back to 2017.
- It is clear that we need reliable deflators for this adjustment.



Africa



	Africa Region							
	(51 countries)							
Aggregate	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Consumption			17	23	50	50	35	25
Dwellings - Rental surveys							51	51
Dwellings - Volumes					?	?	?	?
Government consumption								51
Machinery and Equipment							51	51
Construction and Civil Eng							51	51

- For household consumption, with the exception of a small proportion of countries, price data collected in 2018 would form the basis for 2017 comparisons
- For all other aggregates, Q3 and Q4 2018 prices need to be adjusted back to 2017.
- It is clear that we need reliable deflators for this adjustment.



ESCWA Region



	ESCWA Region							
	(13 countries)							
Aggregate	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Consumption	13	13	13	13	13	13	13	13
Dwellings - Rental surveys		13		13		13		13
Dwellings - Volumes								
Government consumption		13				13		
Machinery and Equipment				13				13
Construction and Civil Eng			13				13	

ESCWA region has a regular schedule of price surveys as is evident from the table. They have conducted a full benchmark comparison in 2016. In this region, implementation of rolling price surveys would be quite simple.



Comparison of Status of price surveys in different regions



Activity	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Consumption								
Africa								
Asia								
CIS								
LAC								
Western Asia		FET		FET				
Eurostat-OECD		SE		FH		FDT		PA



Comparison of Status of price surveys in different regions



Activity	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Housing (Rentals and Volume)								
Africa							2017	2017
Asia						R2017	V2017	
CIS					2017	2017	2017	2017
LAC							R2017	V2017
Western Asia		R2017		R2017		V2017		
Eurostat-OECD		R2017				V2017		



Comparison of Status of price surveys in different regions



Activity	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Government								
Africa								2017
Asia						2017	2017	2017
CIS						2017	2017	
LAC							2017	
Western Asia		2017						
Eurostat-OECD				2017				



Comparison of Status of price surveys in different regions



Activity	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Machinery and Equipment								
Africa							2017	2017
Asia					2017			
CIS			2017	2017				
LAC								2018
Western Asia				2017				
Eurostat-OECD			2017					



Comparison of Status of price surveys in different regions



Activity	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Construction and Civil Engineering								
Africa							2017	2017
Asia					2017			
CIS			2017	2017				
LAC								2018
Western Asia			2017					
Eurostat-OECD			2017					



Conclusion



- It is clear from these tables that a major proportion of data for the 2017 benchmark are being collected in 2018.
- In order to compile reliable PPPs and real expenditure comparisons for the 2017 benchmark, we need to have reliable deflators.
- These tables illustrate that countries are practicing some sort of rolling price survey approach.
- It appears that the price data being collected will provide a “cleaner” (which is not influenced by deflators) and reliable comparisons for 2018 benchmark. This is something TAG may consider in its deliberations.



Rolling Price Surveys – Matters for Discussion



- 1. When will the Rolling Price Survey approach be implemented?**
 - **Global core item price surveys**
 - **Can RPS approach be used for global core items**
- 2. What are the necessary governance arrangements?**
 - **Regional coordinating agencies**
 - **National coordinating agencies**
- 3. Benchmark comparisons once in three years versus annual price comparisons**



Task Force Topics - 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 Report:

1. Paper by Patrick Kelly, South Africa
2. Case studies – India, ESCWA
3. Design a survey to assess the current status of CPI-ICP integration

Basic principles for integration



1

The national CPI will always attract priority over the ICP

2

Integration must be by description - not prescription

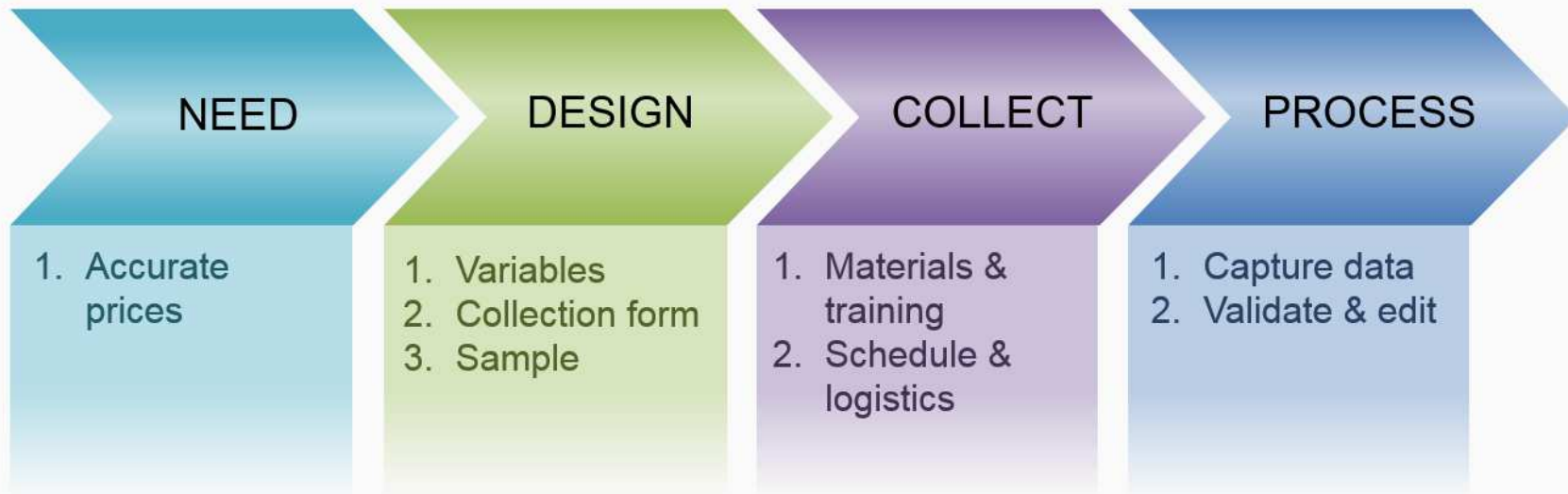
3

The national CPI should always be improved

Statistical value chain



Integration charted along statistical value chain





Task Force Topics



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:

- Preparation of a paper on sub-national PPPs by Luigi Biggeri
- Sub-national PPPs and time-space consistency – case of the Philippines
- Considerable interest on the compilation of sub-national PPPs across countries
 - India, China and the Asia-Pacific
 - USA, Italy and the United Kingdom