

Experiences in producing PPPs during the pandemic

ICP Technical Advisory Group, 9-11 November 2021

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Countries coordinated by Eurostat

Challenges presented by COVID

Consumer Surveys:

- Difficulties in collecting price data: in particular for E20-1 Services survey:
COVID confinement measures imposed by governments: workplace closures; movement restrictions; closure of public transport; cancellation of public events; etc.

Construction survey:

- Considerable delays in the implementation of construction projects already planned for 2020
- Difficulties in contacting construction companies for data collection

Hospital survey:

- Hospital administrations had no time to provide data

Measures taken

- COVID-19 guidance at the beginning of data collection to ensure that we were able to get average prices for E20-1 Service survey
- Launch questionnaires with objective to evaluate working process of all countries – E20-1 Services and E20-2 Furniture and health
- Deadline for submission of E20-1 Services data was extended
 - Allow countries with too few prices collected or considering the prices collected to be unrepresentative/exceptional/not sufficient to reflect the average price per items, the option of adding new prices during the validation period
- Change in the means of data collections
 - E21-1 Food, drinks and tobacco: 14 countries reported transaction data (scanner data)

Impact on the E20-1 Services Survey

- Countries managed to collect prices (telephone, internet, scanner data,..); data collection period extended
- It is difficult to single out the impact of COVID-19 restrictions in the 2020 results
 - Means of collection changed – but difficult to measure the impact on the PPP results
 - Assumption that available internet prices would be valid
 - The demand reduced for some type of services, but that not necessarily meant that the price levels changed due to the Covid-19 pandemic
 - The most significant challenges were noted for the following BHs
 - A.09.4.2.1 Cinemas, theatres, concerts
 - A.09.4.1.0 Recreational and sporting services
 - A.07.3.3.0 Passenger transport by air
 - A.07.3.2.1 Passenger transport by bus and coach
 - A.03.2.2.0 Repair and hire of footwear
 - A.04.3.2.0 Services for the maintenance and repair of the dwelling
 - A.07.2.3.0 Maintenance and repair of personal transport equipment

Impact on PPP calculation

- Calculation of 2019 results for Services (in December 2020)
 - Standard calculation method
 - Retropolation of E20-1 results to year 2019 (use of HICP/CPI data)
 - Preferred Alternative
 - Retropolation of E20-1 results to year 2019 except of all BHs of Transport services (A.07.3)
- Calculation of the first estimates for the year 2020 (in June 2021)
 - The household consumption expenditures provided for the purpose of the HICP were used to derive the PPP expenditures weights at BH level
 - At the time of dissemination, an information note on the impact of COVID-19 pandemic on the price collection for PPPs and the calculation of the first estimates of 2020 PPPs was published on the Eurostat website

Countries coordinated by the OECD

COVID-related challenges (1/2)

- **12 non-European countries** in the joint Eurostat-OECD PPP Programme fall under the responsibility of the **OECD** (AUS, CAN, CHL, COL, CRI, ISR, JPN, KOR, MEX, NZL, RUS, USA).
- Same Consumer Goods and Services (CGS) surveys as Eurostat but different calendar:
 - Nov. 2019 – April 2020: Price collection for the 2019-II Survey (Transportation, restaurants and hotels)
 - > Spring 2020 lockdowns at the end of the price collection phase for this survey
 - May 2020 – Oct. 2020: Price collection for the 2020-I Survey (Services)

COVID-related challenges (2/2)

- Several difficulties encountered by Eurostat countries were more limited for those coordinated by the OECD:
 - More time to fill in CGS surveys (6 months for price collection – further extended by 3 months for the 2020-I Survey on Services)
 - Flexible price collection dates:
 - Not all countries have to collect prices at the same time
 - A given country may collect prices for a given survey over several months (product-specific date of collection for some countries)
- > e.g. 2020-I Survey on Services: Depending on countries and products, prices were collected between April 2020 and December 2020

Impact on price collection

- Due to changes in data collection modes and long periods to collect prices: **no systematic impact of the pandemic on the number of priced products**

Example - Most exposed BHs in the restauration/accommodation sector:
share of products on the list for which
Prices were collected (2019-II vs. 2016-II).

	AUS		NZL		JPN		KOR		CAN		CHL	
	2019	2016	2019	2016	2019	2016	2019	2016	2019	2016	2019	2016
OA.11 RESTAURANTS, CAFÉS AND DANCING EST.	86.9	100.0	94.0	96.2	73.8	83.5	98.8	96.2	83.3	74.7	72.6	79.7
OA.11 FAST FOOD AND TAKE AWAY FOOD SERVICES	91.7	96.0	100.0	96.0	87.5	76.0	100.0	96.0	87.5	72.0	62.5	68.0
OA.11 ACCOMMODATION SERVICES	100.0	100.0	100.0	94.7	85.7	84.2	100.0	100.0	81.0	78.9	57.1	84.2
TOTAL SURVEY	82.5	86.1	91.7	89.4	73.2	68.5	81.6	75.9	68.4	63.0	65.4	70.4

	COL		MEX		USA		ISR		CRI		RUS	
	2019	2016	2019	2016	2019	2016	2019	2016	2019	2016	2019	2016
OA.11 RESTAURANTS, CAFÉS AND DANCING EST.	53.6	68.4	97.6	98.7	78.6	86.1	98.8	100.0	78.6	87.3	85.5	89.9
OA.11 FAST FOOD AND TAKE AWAY FOOD SERVICES	62.5	68.0	95.8	100.0	41.7	76.0	95.8	96.0	66.7	80.0	79.2	96.0
OA.11 ACCOMMODATION SERVICES	90.5	100.0	90.5	100.0	57.1	84.2	85.7	73.7	76.2	47.4	85.7	94.7
TOTAL SURVEY	54.4	67.1	79.8	79.6	65.4	72.7	91.7	95.4	56.6	66.2	59.6	69.9

- Reasonably high shares of prices for which prices could be collected, in line with previous survey (2016-II). Borderline case for the US, but the BLS considers the sample of collected prices as representative.
- Similar results for 2020-I and 2020-II.

Impact on PPP calculation

- The data validation for the 2020-I and 2020-II surveys is still on-going. These surveys will be first used for the calculation of 2019 and 2020 PPPs in December 2021.
- Decision to extrapolate air transport services based on the corresponding CPI (same as Eurostat).
- On-going metadata collection to be able to give a comprehensive picture at BH level of the COVID-related issues and of the mitigation measures taken by countries to collect prices. Includes ICP metadata requirements.

Thank you