Experiences in producing PPPs during the pandemic

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Paul Konijn (Eurostat), Pierre-Alain Pionnier (OECD)
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)
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).

- 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