



FIRST TECHNICAL MEETING INTERNATIONAL COMPARISON PROGRAMME -LATIN AMERICA AND THE CARIBBEAN

**EXPERIENCE GAINED IN 2011 ROUND -CARICOM
COUNTRIES & NEW CHALLENGES FOR
2017 ROUND**

**June 27-29, 2017
Santiago, Chile**



OVERVIEW OF PRESENTATION

- ▶ Aim and Components of ICP
- ▶ Review of 2011 Round of ICP
 - ▶ Participating CARICOM Countries
 - ▶ Challenges & Best Practices
- ▶ Recommendations for 2017 Round

Aim of ICP

- ▶ The main aim of the ICP is to provide comparable price and volume measures of gross domestic product (GDP) and its expenditure aggregates among countries within and across regions, by deriving Purchasing Power Parities (PPPs).

COMPONENTS OF THE ICP

▶ The International Comparison Programme consist of mainly two components:

1. Price Collection and Special Surveys

Prices had to be collected for all of the items in a pre-determined Regional basket of goods and prices were also collected for seven Special Surveys.

2. National Income- need for the basic expenditure headings

COMPONENTS OF THE ICP cont'd

- **PRICE COLLECTION**
 - Prices were collected for items within the twelve basic heading of the Classification of Individual Consumption by Purpose (COICOP).
 - Prices were collected by the various regions/parishes
 - All prices had to be validated and submitted for the four quarters to UNECLAC as the coordination agency
 - Regional validation of prices was also necessary.

COMPONENTS OF THE ICP cont'd

- Prices were collected for seven special surveys:
 - Construction
 - Machinery and Equipment
 - Private Education
 - Water
 - Electricity
 - Dwellings
 - Rentals

The results of the special surveys then had to be submitted to UNECLAC.

REVIEW OF 2011 ROUND OF THE ICP



Participating CARICOM Countries

- ▶ 18 countries of the CARICOM Region participated as follows:-
- ▶ CARICOM Members States:
 - ▶ Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, Montserrat, St. Kitts & Nevis, Saint Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago.
- ▶ CARICOM Associate Members:
 - ▶ Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Turks and Caicos Islands.
 - ▶ Guyana did not participate but received some Technical Assistance.
- ▶ Haiti, A Member State of CARICOM- participated but not as part of the CARICOM grouping.

Challenges Experienced

Data collection:

1. *Lack of cooperation* by retailers to provide data.
2. Due to the *large number of items* and the *detailed specifications*, in some cases field officers had to visit *a significant number* of retailers in order to collect prices for all the items on the list.
3. The *absence of a number of items* on the local market as specified in the catalogue.
4. Several brands from the 1st Quarter *were not available and had to be substituted* with other 'well known' brands from the same outlets.

Challenges Experienced

Data collection:

- ▶ Some items were only available at one location.
- ▶ Difficulty in identifying items that corresponded to the required specifications of the ICP
- ▶ The detailed specifications required on the Caribbean list were not available on locally produced goods.
- ▶ Due to the time span between creation of the list and collection of prices, some of the item specifications were outdated in relation to computer and electronic equipment.

Challenges Experienced

- ▶ **Data collection:**
- ▶ Problems were encountered in the conversion of units of measurements required on list and units of measurement available in the market.
- ▶ Data entry software was problematic during testing and launching period.

Challenges Experienced

- ▶ **Organisation and Management:**
- ▶ Grossly inadequate attention was paid to the National Accounts component in the implementation of the ICP in CARICOM;
- ▶ Coordination and organisation of the ICP was not of the highest quality in terms of its execution in CARICOM;
- ▶ Limited or in some cases no feedback was received from UNECLAC on the submission of the ICP - National Accounts and Price data;

Challenges Experienced

- ▶ Organisation and Management:
- ▶ Difficulty in obtaining technical support because, technical support staff were located at UNECLAC, Chile and also had heavy workloads which they had to work around.
- ▶ Difficulty in meeting deadlines required for the ICP given the regular work schedule of the office.

Challenges Experienced

- ▶ Financial and Human Resources
- ▶ Lack of experienced staff to verify and validate price data and lack of space to house the staff needed to conduct ICP.
- ▶ Some staff were still engaged in activities related to the Population and Housing census thus limiting staff resources for activities under the ICP Project.
- ▶ Specifically-Inadequate staff available for the data collection process.

Challenges Experienced

- ▶ **Financial and Human Resources**
- ▶ Re-hiring and re-training of field staff during the latter period of price collection was required due to field officers having to focus on the regular surveys.
- ▶ Securing access to funds to support the conduct of the ICP from ECLAC was problematic

Challenges Experienced

- ▶ **Technical/National Accounts**
- ▶ Insufficient attention in relation to Special Surveys and National Accounts - resulting in relatively poor quality of data in the National Accounts component compared to prices.
- ▶ National Accounts by Expenditure especially at the basic headings level was a very weak area for countries of the region with the exception of Jamaica;
- ▶ Delayed submission of **Model Report on Expenditure Statistics (MORES)**- GDP splitting expenditure questionnaire - was not available for countries who were estimating household consumption expenditure as a residual figure

Best Practices/Benefits

▶ Capacity Building

- ▶ Staff members of the NSOs benefitted from training workshops held especially in the area of prices statistics and to some extent National Accounts Statistics.
- ▶ Staff knowledge was enhanced especially in price statistics as well as improved understanding of the inter-relatedness between the household surveys and National Accounts.
- ▶ ICP Exercise fostered the development of good partnerships/relationships within the CARICOM region especially among the prices statisticians.
- ▶ Provide opportunities for South-South Cooperation among countries. e.g. in countries that did not compile GDP by expenditure, structures were borrowed from similar countries to estimate consumption.

Best Practices/Benefits

▶ Capacity Building

- Improved the quality of the CPI data in general;
- Improved the specifications and metadata in the CPI which can lead to better data collection
- Assisted in the refinement of some of the GDP expenditure estimates produced by some Member States.

Best Practices/Benefits

► Policy and Decision-making

- Useful for presentation of data to policy-makers to make appropriate policy decisions such as examining the prices, taxes and tariffs of items across countries;
- PPP measures are important for critical comparisons and decision-making;
- Supporting the analysis of international competitiveness;
- Streamlining and addressing existing poverty measurement and monitoring methods, and in so doing supporting the MDGs/SDGs monitoring relative to reducing poverty

Recommendations

- Greater coordinating and technical role for **CARICOM Secretariat**;
- **Use of Technical Experts from the CARICOM Region** in the ICP process in conduct of ICP.
- **Request for a specialist technical support person** to work within the region for the duration of the next ICP round.
- **Training of trainers programme** for experts in the Region should be undertaken prior to the next round of ICP.



Recommendation for 2017 Round cont'd

- Strengthen capacity in the area of GDP by Expenditure up to the Basic Headings focusing on the Private Final Consumption Expenditure, which is often estimated as a residual
- Establishment of an ICP unit in the relevant departments
- More timely access by the region to the Global list of items for which prices are to be collected in the ICP and that **some preliminary work to be put in place across the region relative to a comparative list of items in the CPI;**



Recommendation for 2017 Round cont'd

- Sub-regional list of commodities be produced which would feed into the regional Latin American and the Caribbean (LAC) list and then the global list.

THANK YOU

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the frame, creating a modern, dynamic feel. The rest of the background is plain white.