Lebanon: ICP & Tool Pack Offer New Vision of Data Collection

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The ICP offers Lebanon a great opportunity to extend price collection of goods and services all over the country, since the CPI price collection is currently limited to the capital Beirut and its nearby suburbs. At the same time, the ICP also provides a platform for Lebanon to refine its method of defining specifications of goods and services in the CPI.

The Central Administration for Statistics (CAS) is responsible for the CPI and National Accounts in Lebanon. In the early days of the ICP in the ESCWA region, Lebanon fully participated and cooperated with the regional committee in specifying and translating SPDs into Arabic. Once the specifications were ready, the CAS selected a special team to implement the ICP under the supervision of the CPI Team. The team is composed of one senior statistician, three Assistant Statisticians, and 25 surveyors and controllers. To ensure national coverage, Lebanon was divided into five sub-regions, with each one including at least one major city to ensure the capture of large-scale markets. Each sub-region was divided into sectors to ensure consumption diversity in goods and services. Outlets with big turnover in each consumption category were selected from these sectors. A pre-survey was conducted in early January to confirm SPDs and compare, for each product, the different specifications encountered in the different sectors. The survey was postponed to the second quarter due to the country's political situation.

A total of 1,261 items were priced in more than 2,000 outlets. Prices of fruit and vegetables were collected daily, while prices for the rest of food and non-alcoholic beverages were collected weekly. Other prices were collected monthly. This decision was taken to ensure a great amount of data to analyze seasonality and comparability between the regions. The ICP Tool Pack software was a great help for managing data storage. It also offered options for data comparison at several levels and provided a speedy tool to manage the field and to correct outliers.

The experience that the CAS has gained from the implementation of the ICP will provide a solid background of comparable data between the Lebanese regions for the first time in the history of Lebanon. This will allow regional comparison and analysis of the socio-economic situation and the level of poverty. The ICP is now an important input to the smooth implementation of CPI extension, to stretch data collection to the whole country.

In conclusion, the ICP and Tool Pack has offered to the administration a new vision of organizing data collection and managing regional databases, as well as an experience in harmonizing specifications and price collection practices across regions.

The present round of the ICP is the third in the ICP series in which Egypt has participated. This round, however, is characterized by its wider geographic coverage so that average prices may be more expressive of the real price levels prevailing in Egypt. One other major feature of the present round is the larger number of items to be priced, with due consideration given to the detailed Structured Product Description (SPD) associated with each product.

Egypt is taking part in the present ICP round in two different regions, Africa and West Asia. Egypt is also among the 19 countries selected from the six regions to take part in the Ring Comparison that is designed to link regional purchasing power parity estimates.

The geographic coverage of the ICP price survey has been extended to cover eleven governorates representing nearly 70 percent of Egypt's population. Both urban and rural areas have been included whenever the selected governorate consists of both types of areas (nine governorates). The remaining two governorates are basically metropolitan cities (Cairo and Alexandria).

The sample outlets of different types was as large as 5,171 outlets selected from all governorates included in the survey. The size of outlet sample varies from one governorate to another, depending on the population size and the availability of all types of outlets. The sample size ranges from 348 outlets in Behera governorate to 618 in Cairo governorate. The frequency of price collection has been monthly for food and beverages, and quarterly for the remaining items with the exception of certain services, for example, education services, which were priced biannually due to the relative stability in their prices over time. The fieldwork started in January 2005.

A total of 108 price collectors, 26 team leaders and four senior supervisors have implemented the field operations. Prices were collected simultaneously for both the African and West Asian lists using two different questionnaires. The local employees of the Central Agency of Public Mobilization and Statistics (CAPMAS) have been recruited on a part-time basis to carry out the fieldwork. Besides their own staff, few local statistical offices have temporarily appointed additional price collectors.

Office editing and data processing are carried out centrally at the CAPMAS premises in Cairo. Tool Pack and SEMPER software were used for data entry and validation for West Asian and African ICP prices, respectively.

Undoubtedly, the present ICP has given substantial attention to capacity building in the national statistical offices in the fields of price statistics and national accounts. Egypt will build upon the
experiences gained from the ICP to improve its CPI in several aspects: (1) Adopting detailed SPD to ensure that the reported price is exactly related to the same product, which is priced in various data collection centers; (2) Increasing numbers and types of outlets so that a better price average may be attained; (3) Devising software with a built-in validation capacity (Tool Pack or SEMPER) in compiling CPI; and (4) Upon satisfactory testing of the CPI module of the Tool Pack and assurance from the World Bank for its continued support, Egypt would like to use the ICP Tool Pack for CPI compilation. This would be a great benefit to both the CPI and ICP as it allows greater integration of the two programs.

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Matching Indonesia’s Construction Materials Survey with the ICP

Dedi Walujadi

In Indonesia, data users eagerly await the Wholesale Price Indices of Construction Materials by Type of Construction. Both the central government and local authorities use these indices, each fiscal year, in their budget proposals for infrastructure projects for development planning purposes. The indices are also important in the construction business, where economic actors estimate project costs and forecast business revenue and profit.

The Asian Development Bank and the World Bank initiated a very interesting occasion, the ICP Construction Workshop, in December 2005. This Manila workshop aimed to compare and build a standardized survey questionnaire by using the Basket of Construction Components (BOCC) approach, introduced by the Global Office, so that the indices will be comparable across countries. Questions raised on the floor included: What types of commodities should be accommodated? What should be the appropriate size for each commodity, for it to be well accepted by the respondent as an economic actor in the construction sector? What are the weightings for different types of constructions activities, and how big is the sample size of the survey? The fruitful discussion, which followed an explanation of the materials and results of some preliminary studies in Africa and Central Asia, led to the conclusion that the ICP Construction Survey may be applied in every country, with some modification. The participants also agreed on the importance of socializing the new method through national statistical capacity building.

To make the Wholesale Price Indices of Construction Materials by Type of Construction using the BOCC comparable in the near future, some work needs to be done. Like other countries in Asia, Indonesia needs appropriate infrastructure to support its economy. It is believed that the proposed Government infrastructure budget will give an accurate measure, if it can be backed-up by a theoretically sound deflator. The performance of the construction sector can also be measured appropriately by using the new indices that will result from the proposed BOCC survey. The new comparable indices will give a clearer picture of the construction sector’s role in the country’s economic performance. It will clarify how strong the relationship is between construction and economic growth.

The next step to integrate the BOCC approach with national statistical work is to assess the existing questionnaires and to review the method of calculating the indices. A pilot study should be planned to apply the new questionnaire in selected areas and possibly through the national statistical capacity building initiatives. Clearly, an ICP “construction community” composed of the workshop participants, guest lecturers, and ADB and World Bank experts responsible for the ICP Construction Survey, will be a strong force for sharing experiences of the pilot studies.

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Nepal Finds ICP Useful for Building National PPI

Sher Bahadur Budha

Gross Fixed Capital Formation (GFCF) is a very important component among the five main ICP expenditure aggregates. Within this expenditure aggregate, Machinery and Equipment and Construction are the main two pillars which support the national economy for sustainable development. In the Nepalese context, GFCF holds an approximately 20% share of total GNP. The change in this share is considered an indicator of the country’s development pace.

Nepal is among 23 Asia-Pacific countries taking part in the 2005 ICP Round. As part of the regional preparation for Machinery and Equipment Goods surveys, a regional workshop was organized by the Asian Development Bank in Manila from December 1-3, 2005. National ICP Coordinators from the NSOs and their national equipment experts attended the workshop. An international equipment expert and ICP coordinators from the ADB and the ICP Global Office (GO) led the workshop.

After a short presentation of the hybrid Structured Product Description (SPD) and Product Specification (PS) approach proposed for the 2005 ICP Round, the discussions focused on developing regional SPDs and narrowing down the specifications on each item to reflect market realities in the region. The starting point was the global SPD list prepared by the GO. The following questions were considered over three days: i) Product Selection: Is that particular item representative for most of the participating countries? ii) Product Addition: Is there any need to expand the list to cover areas of prominent commercial activities in the region? iii) Product Specification: What specification should be fixed for each selected item (including manufacturer and model) so that most countries can price it?
The national equipment experts represented various specialties, including IC Engine, construction equipment, medical equipment, fabrication, etc. The experts contributed a great deal to the discussion, and this was very vital to the creation of a draft regional list. To finalize the list, an electronic expert group was created to help address some pending issues. Nepal was involved in the electronic discussion. The e-group members undertook pre-surveys and research in their own markets and finalized the list through electronic discussion. The Asian list is used by the GO as the core equipment list for the Ring Comparison.

The ICP has proven useful in developing new methodologies for comparing costs of capital goods, including construction projects and equipment goods. Besides their intended aim of comparing costs of capital goods across countries, the methodologies will help countries develop and/or improve national indexes. In Nepal's case, the ICP has contributed to capacity building in the Central Bureau of Statistics (CBS) in these ways.

A. As a part of the comprehensive system of price statistics, the ICP is contributing to further improvement in the country's existing system of price measurement.
B. It is hoped that after the current ICP Round is completed, Nepal's CBS will be able to estimate GDP from the expenditure approach as well.
C. Since the CBS has initiated price data collection to compile and publish PPI in the near future, the ICP has made it possible to identify and understand Structured Product Descriptions and Product Specifications, which will be very useful for the precise measurement of PPI.
D. It is expected that the CBS will be able to strengthen and build sustainable capabilities to develop various kinds of price statistics through the development of expertise during ICP activities and regional workshops.

Looking ahead, an increased number of workshop days with field trips will provide even greater opportunity to examine and discuss SPDs and PSs more closely. The Electronic Working Group also needs to be supported by a separate website to follow up on the progress of the work and to share country experiences with all ICP participating countries.

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