



**Interstate Statistical Committee of the CIS
(CIS-STAT))**



Integration of survey activities for CPIs and PPPs

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Main issues



1. Coordination of the efforts of CIS countries to reform official statistics.
2. Prospects for a closer alignment of CPI and ICP activities
3. Harmonization of price collection as a tool to improve the reliability of PPP estimates.
4. Proposals for organizing work



Coordination of statistical activities of CIS countries (1/3)



As an international organization CIS-Stat coordinates the efforts of CIS countries for the reform of their systems of official statistics.

Such coordination is undertaken in the fields of price statistics and PPP based GDP comparisons



Coordination of statistical activities of CIS countries (2/3)



In the field of international comparisons, the joint activities of CIS-STAT and the national statistical offices of CIS countries include the following tasks:

- improving the methodology for comparisons
- discussion and approval of the product lists
- organizing the collection of average annual national prices at the regional level within the participating countries
- harmonizing price data
- analyzing the aggregated data, and organizing regional calculations



Coordination of statistical activities of CIS countries (3/3)



Meetings of employees of the national statistical offices of CIS countries along with specialists in price statistics and national accounts are regularly conducted to discuss issues of international comparisons.

The main issues for specialists in these statistical areas are price collection methodology and GDP disaggregation.



Prospects for a closer alignment of CPI and ICP activities (1/3)



It will be important to discuss the methodology and organization of price collection for ICP product items in view of further development of PPP based GDP comparisons.

At its 47th session the UN Statistical Commission suggested exploring a closer alignment of ICP price surveys with consumer price index compilation by countries and encouraged involving existing working groups engaged in price statistics (Decisions, item 7h).



Prospects for a closer alignment of CPI and ICP activities (2/3)



Both statistical areas, the price statistics and ICP, mainly use similar price collection methods.

In the majority of CIS national statistical offices these activities are concentrated in one division which is justified by the methodological and practical similarity of the works

Each of these two statistical areas use their own product lists to collect prices for CPI compilation and PPP calculation



Prospects for a closer alignment of CPI and ICP activities (3/3)



Product lists for CPI and ICP contain many similar products.

Of course, unification of product lists for these two types of observations will be labor and cost intensive, and some unpopular decisions may be needed

However the outcome may be rather good in terms of better data quality and future savings of time and financial resources.

At present, the number of items overlapping from both the ICP and CPI surveys range from 30 to 60 percent in some CIS countries.



It is necessary to resolve several tasks in order to support closer alignment of activities in the fields of price statistics and international comparisons

Changes in the procedures of primary data processing and aggregation will require revisions to the software used for CPI compilation and PPP calculations.

The table below summarizes similarities and differences in CPI and PPP calculation.



Alignment of CPI and PPP calculations (2/8)



Stage	CPI compilation	PPP estimates
Product lists	A representative sample of consumer goods and services based on household surveys	Product list proposed by international organizations responsible for the round of ICP
Geographical coverage	Selected cities including country capitals, regional and district administrative centers	Narrower coverage, only capitals for several countries
Observation units	Enterprises and organizations of trade (services)	Enterprises and organizations of trade (services), internet data, product catalogues



Alignment of CPI and PPP calculations (3/8)



Stage	CPI compilation	PPP estimates
Aggregation methods	Data are aggregated while compiling totals on the territorial basis	Processing of primary data is done in the central offices of the national statistical services
Frequency	Monthly	Quarterly for consumer goods, in some countries annually
Data revisions	Not done	Data may be revised
Aggregation methods	Data are aggregated while compiling totals on the territorial basis	Processing of primary data is done in the central offices of the national statistical services



We analyzed the scope of price registration for CPI compilation and PPP estimation within ICP.

Below we present some information on the quantity of product items for price collection in several categories.



Quantity of product items for collecting price data for 2011 ICP round in CIS countries

Category	Quantity of items (goods and services)
01 Food, beverages, and tobacco	404
02 Products for personal use	313
03 Home and garden products	371
04 Services	231
05 Furniture	108
06 Health care	274
07 Transport	71
08 Other products	150
Subtotal	1922
Construction materials	66
Machines and equipment	481
Wages and salaries	30
Total	2499



Looking at this example and other reviews of price data availability, one should realize that a time consuming and very detailed analysis should be required to harmonize product lists and match product specifications for CPI compilation and PPP calculation.

Harmonization of the product lists for CPI and PPP calculations is the most complicated methodological issue. Revision of these lists is to be undertaken considering the need for compromise solutions and challenging decisions.



Quantity of product items for price collection by the NSOs of CIS countries

Country	Consumer prices				Producer prices for manufactured goods
	CPI total	of which			
		Food items	Non-food items	Services	
Azerbaijan	565	148	304	113	1950
Armenia	470	161	216	93	1119
Belarus	459	156	229	74	700
Kazakhstan	508	167	252	89	1500
Kyrgyzstan	370	116	190	64	323
Moldova	312	96	159	57	900
Russia	506	125	260	121	1100
Tajikistan	351	85	198	68	300
Ukraine	335	132	141	62	...



Taking into account the differing frequencies of price collections (for price indices- monthly and for ICP usually quarterly or annually) the alignment of these works will make it possible to maintain the quality of data collection.

Another issue is how to construct the weights used for calculating both the price indices and PPPs. In both cases weights are estimated on the basis of such data sources as household surveys, data on production volumes, and – at the higher level of aggregation – data on GDP, as well as other information sources. Construction of weights, together with above mentioned issues, also requires additional analysis and profound discussion.



Harmonization of price indices compilation and PPS calculation cannot be achieved in the short run.

First it is necessary to hold consultations with all participants of such calculations and to consider funding for the pilot project out of which an implementation plan should be developed.

It could be done within a working group with participation of representatives of the international organizations and NSOs.



Thank you for your attention!