

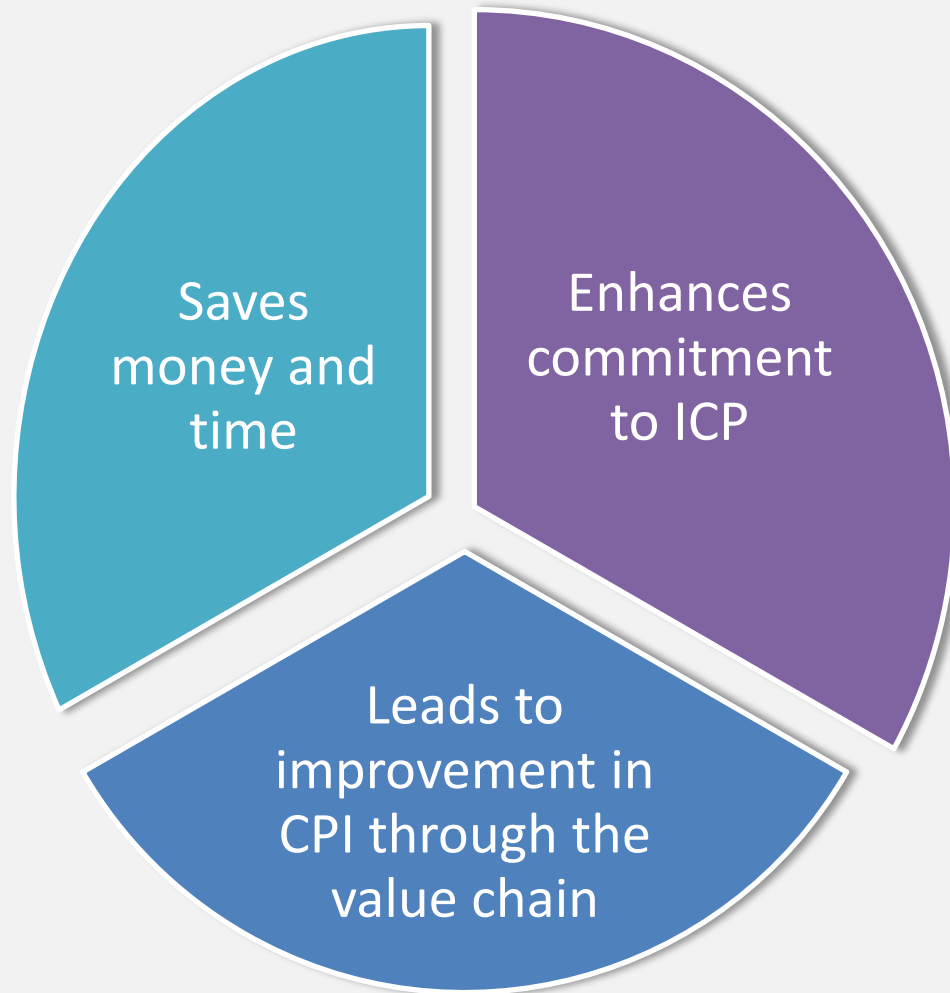
# Partnership, processes and possibilities: the South African experience of integrating PPP and CPI work

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# Key points

The advantages of integration...



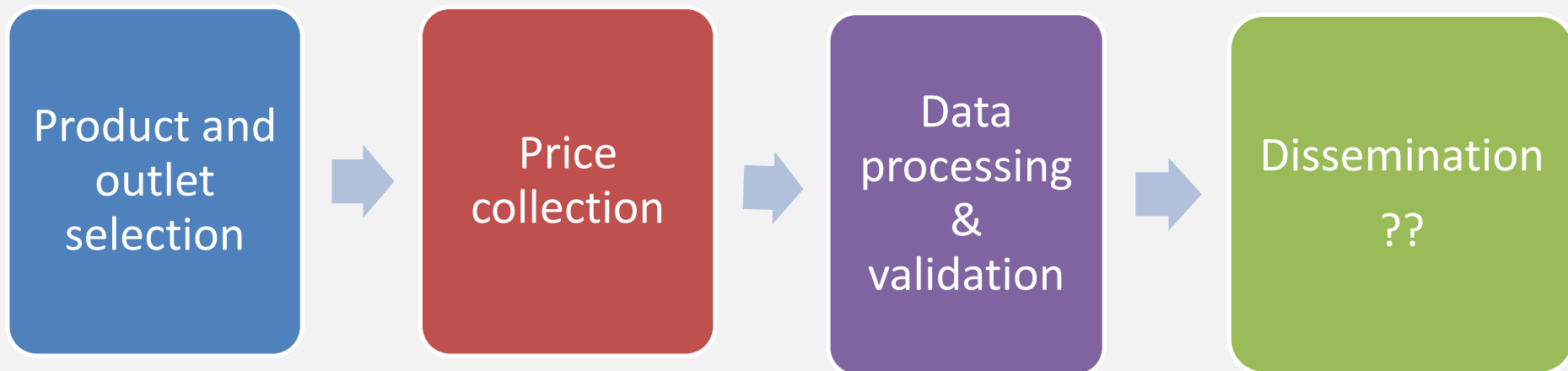
# Key points

Methods guided by objective:

CPI – measure of inflation: temporal price index

PPP – to compare national economies: spatial price index.

## The value chain



# Background



- SA participated in 4 ICP rounds since 2005
- Base country for Africa from 2011
  - Most industrialised
  - Wide range of consumer goods
  - Currency widely used and traded



**THE WORLD BANK**

ICP coordinated by World Bank through continental/regional institutions



Africa: African Development Bank

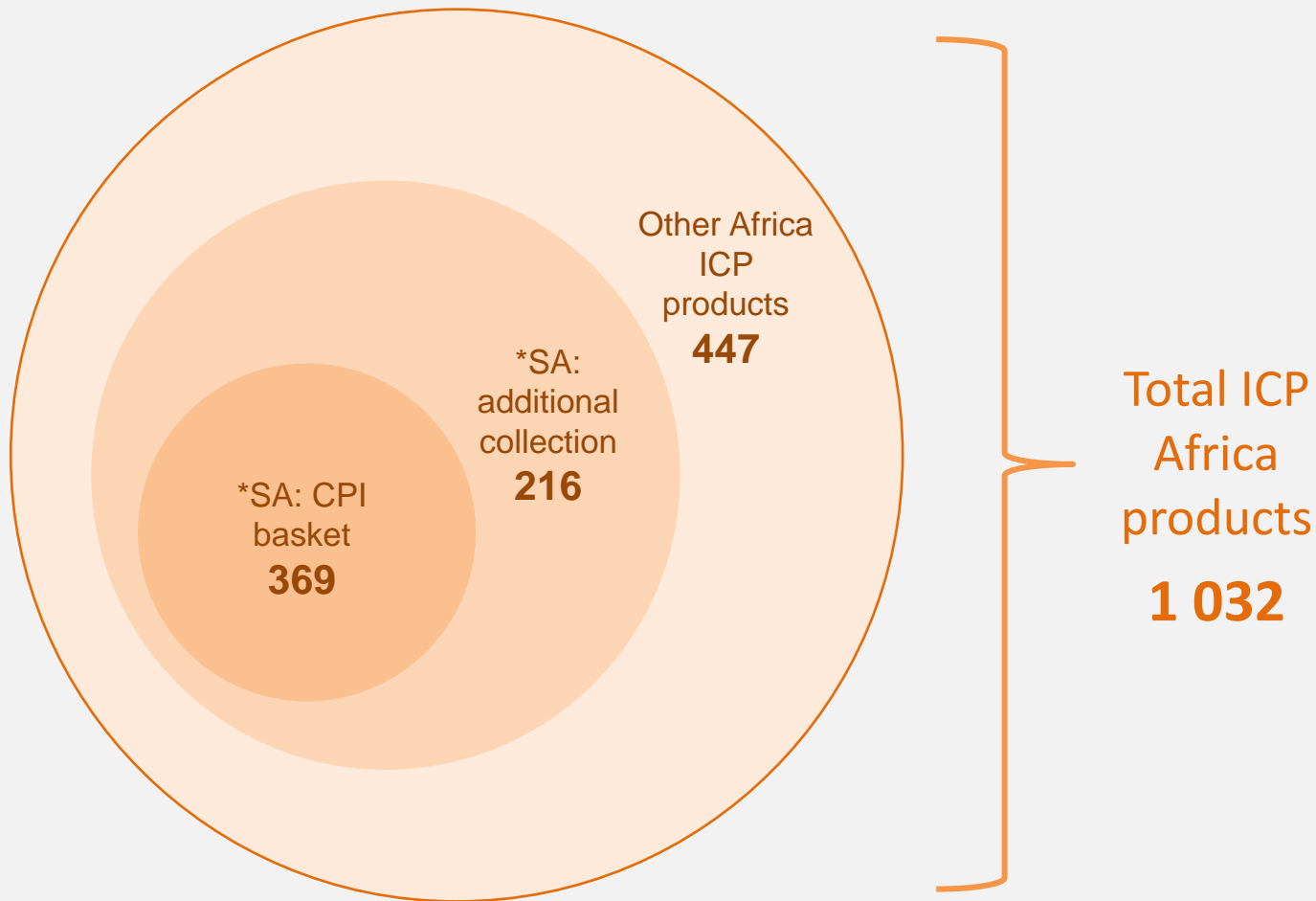
- Carefully supports and manages the ICP process. Provides substantial data collection and processing resources with training
- Most countries ICP funded but not South Africa spur to integration

# Product and outlet selection

- Need to balance relevance in each place with commonality across continent and globe
- ICP has very specific product characteristics for standardisation including type of outlet – needs average prices
- CPI has broad characteristics for relevance with no limitation of outlet type – needs price changes
- Required manual matching of CPI product descriptions in first ICP month



# Product and outlet selection

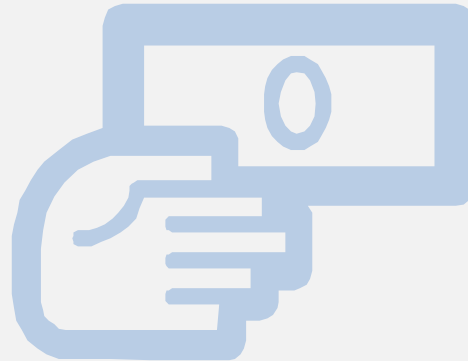


*\*Total collected in SA: 585*



# Product and outlet selection

- CPI has learnt to standardise brand names, sizes etc for analysis and producing average prices– changes to forms and IT system
- CPI introduced a limited set of ‘type of outlet’ in expenditure survey and CPI forms. Allows better sample design.
- Will improve ICP validation
- Opportunity to publish average prices



# Price collection

- 2005 ICP round coincided with major re-engineering of CPI
- Adopted Structured Product Description form for product initiation
- CPI price collection forms modelled on variables of ICP survey form
- ICP collection process is fully integrated with CPI collection
  - no new collectors or systems
- Importance of training for knowledge of ICP specifications



# Data processing and validation

- All 369 + 216 products captured on CPI database
- Normal CPI quality checks and edits – less time needed for ICP validation
- Extract ICP data using custom designed SAS application
- Then import into ICP data entry sheet
- ICP validation checks using SEMPER
- CPI has adopted some of the data validation tools of the data entry sheet such as more coded fields and drop down lists
- Improves CPI quality
- One junior statistician uses 3 days for all ICP work



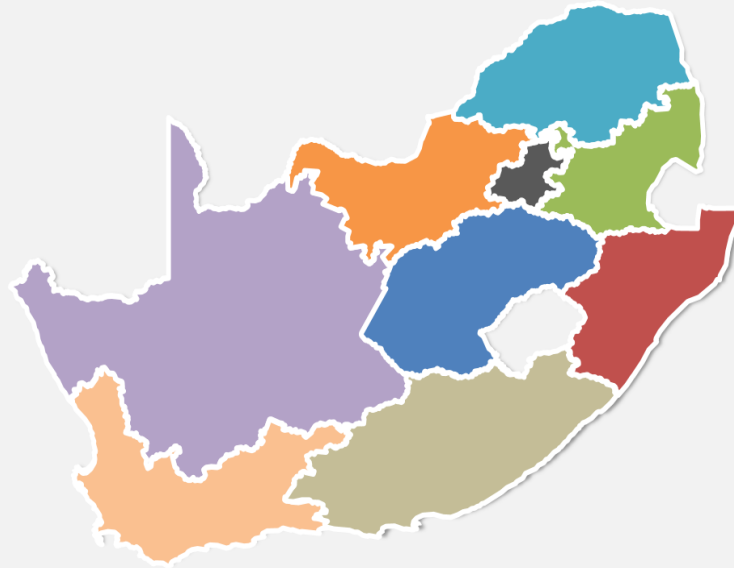
# Dissemination

- Centralised analysis and report writing
- Very little involvement of NSOs in dissemination
- Better understanding of end product may improve commitment and data quality



# Concluding thoughts

- Integration can improve country commitment leading to better quality and timeliness
- Better quality can allow continental data validation meetings to be reduced with cost savings
- Integration gives opportunity for further research, e.g sub national PPPs, average prices, cost of living/poverty analysis



## Thank you

