Price Statistics Compilation in 196 Economies: The Current Status
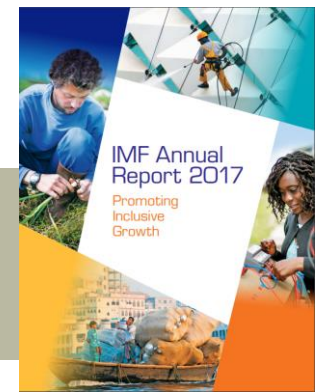
33rd Meeting of the Voorburg Group, Rome

September 24-28 2018

Margarida Martins, Real Sector Division, IMF Statistics Department

The IMF's key roles

- **Economic Surveillance**

Provide advice to members on adopting policies that can help them achieve macroeconomic stability, thereby accelerating economic growth and alleviating poverty.

- **Lending**

Make financing temporarily available to member countries to help them address balance of payments problems, which include circumstances in which they find themselves short of foreign exchange because their external payments exceed their foreign exchange earnings.

- **Capacity Development**

Offer technical assistance and training to countries, at their request, to help them build and strengthen the expertise and institutions they need to implement sound economic policies
  - ✓ *including price statistics.*

(IMF 2017 Annual Report)

Capacity Development for Price Statistics

Goal: reliable price statistics

- **Essential for informed policy-making and IMF surveillance**

- **Reference for inflation targeting**

- **Reference to adjust wages, pensions, social benefits, etc.**

- **Needed for robust estimates of real GDP**

Capacity Development for Price Statistics

Capacity development

- Technical assistance missions and training activities
- Assist countries in identifying priorities, addressing data gaps, improving quality, promoting data dissemination, monitor progress
- Methodological soundness, weights, coverage, timeliness, classification

Analysis based on technical expertise of staff

- 1,200 TA/training activities in last two decades
- Regional TA centers (108 economies)
- Targeted projects supported by external donor
- Joint IMF-OECD questionnaire (43 economies)

CPI and PPI compilation: Timeliness

CPI
(196 economies)

Quarterly, delay > 1 month 3%
Quarterly, within 1 month 4%
Monthly, delay > 1 month 7%
Monthly, within 1 month 86%

■ target

PPI
(126 economies)

Less frequently 6%
Quarterly, delay > 1 month 14%
Quarterly, within 1 month 3%
Monthly, within 1 quarter 9%
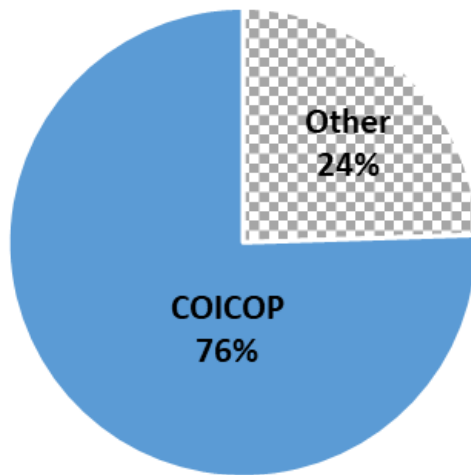Monthly, within 1 month 68%
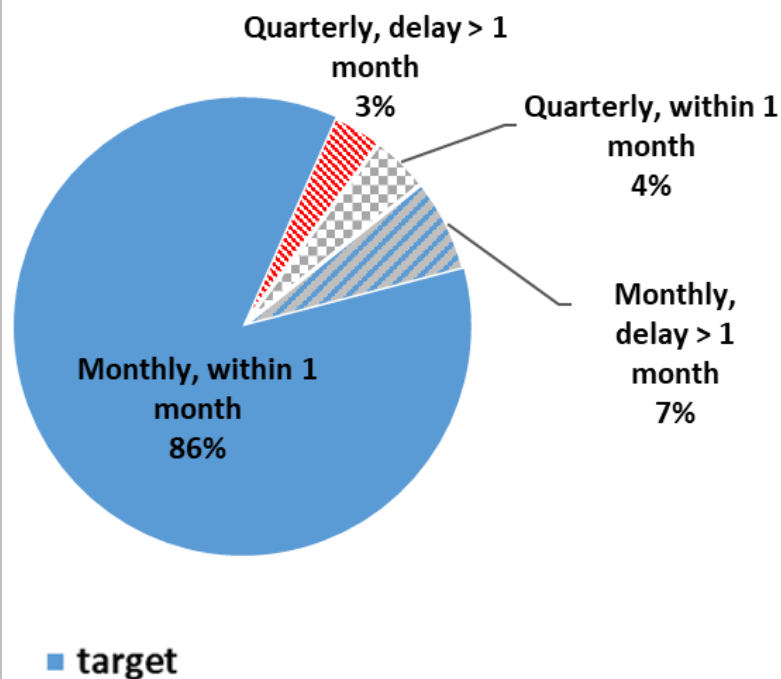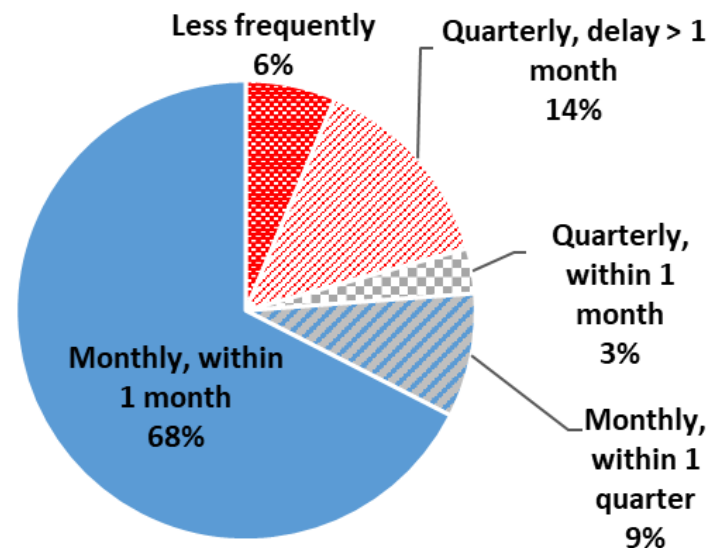
Source: Berry, F., Stanger, M. and Yla-Jarkko, M., IMF Working Paper: *Price Statistics in 196 Economies: The Relevance for Policy Analysis*, Washington DC (Forthcoming)
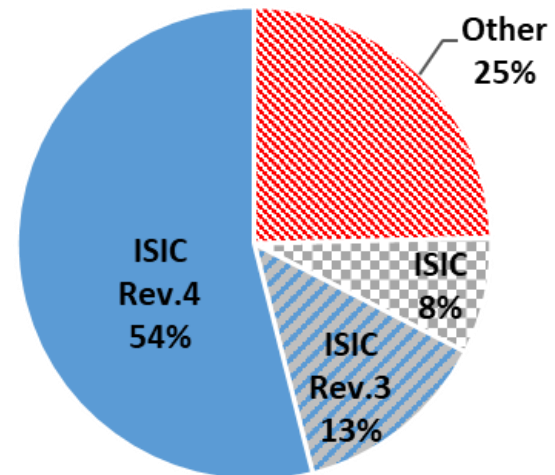
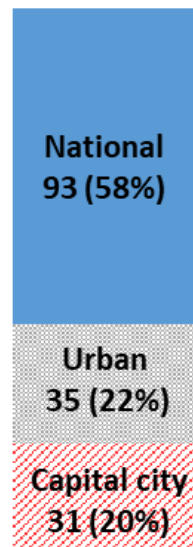# CPI and PPI compilation: Classifications

CPI: COICOP

Other 24%

COICOP 76%

PPI: ISIC

Other 25%

ISIC Rev.4 54%

ISIC 8%

ISIC Rev.3 13%

CPI and PPI compilation: Coverage

CPI: Geographical Coverage

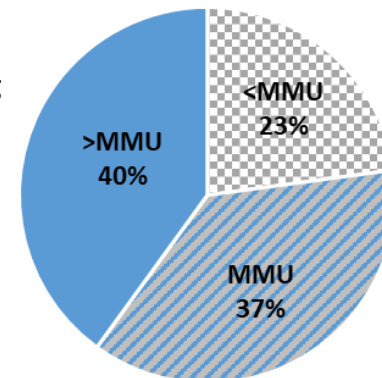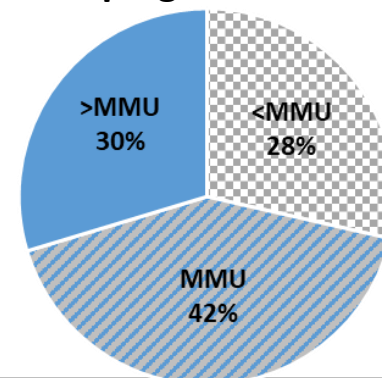Advanced Economies (37)

Emerging and Developing Economies (159)

National 33 (89%)

Urban 4 (11%)

National 93 (58%)

Urban 35 (22%)

Capital city 31 (20%)

■ target

PPI: Industrial Coverage

Advanced Economies (35)

MMU: mining, manufacturing and utilities

>MMU 40%

<MMU 23%

MMU 37%
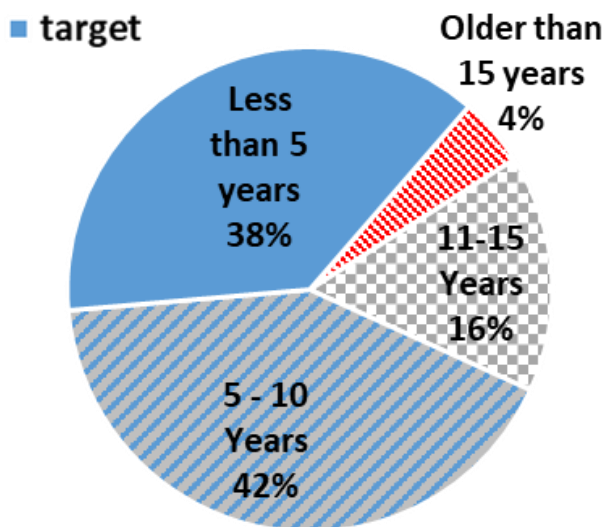
Emerging and Developing Economies (91)
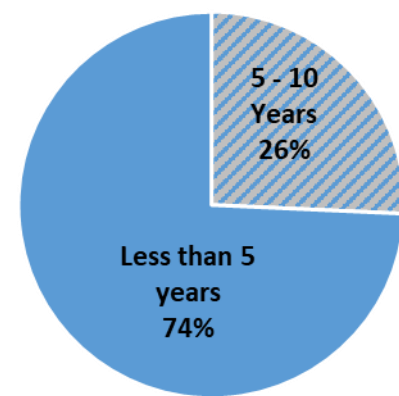
>MMU 30%

<MMU 28%

MMU 42%

CPI compilation: Weights

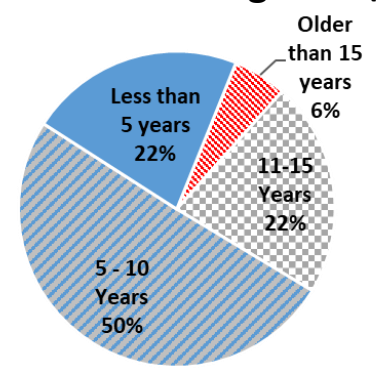## Age of CPI Weight Reference Period

All Economies (196)

Advanced Economies (37)

Emerging and Developing Economies (159)
Inflation Targeters (50)   Non- Inflation Targeters (109)
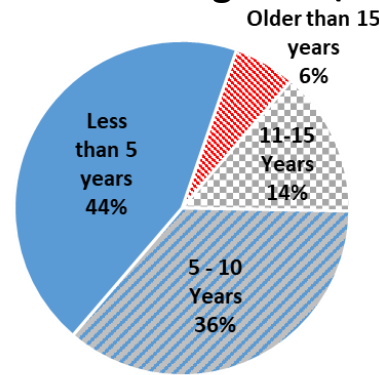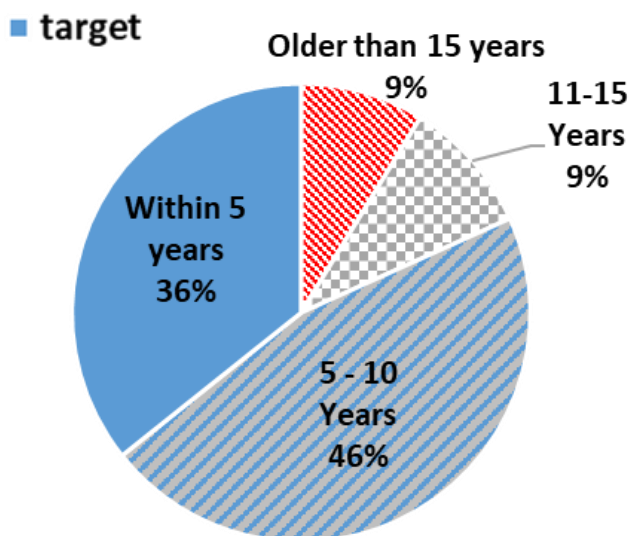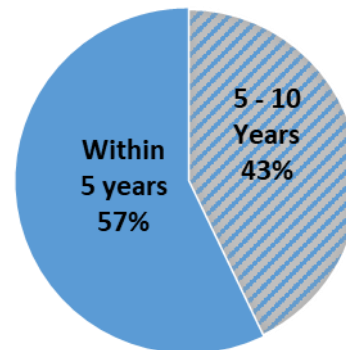
PPI compilation: Weights

Age of PPI Weight Reference Period

All Economies (126)

■ target

Older than 15 years 9%
11-15 Years 9%
Within 5 years 36%
5 - 10 Years 46%

Advanced Economies (35)

5 - 10 Years 43%
Within 5 years 57%

Emerging and Developing Economies (91)
Inflation Targeters (46)   Non- Inflation Targeters (45)
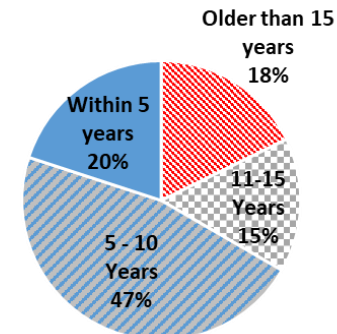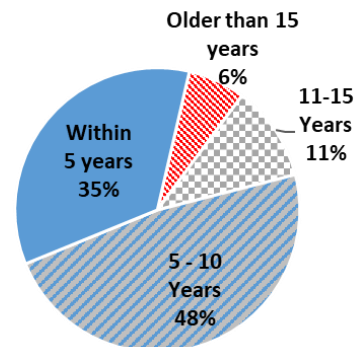
Older than 15 years 6%
11-15 Years 11%
Within 5 years 35%
5 - 10 Years 48%

Older than 15 years 18%
Within 5 years 20%
11-15 Years 15%
5 - 10 Years 47%

CPI: digitalization and quality adjustments

IMF-OECD survey on price compilation practices, August 2017 (43 replies)

CPI: e-commerce is covered (number of economies)			
	Prices	**Weights**	**None**
Domestic e-commerce	30	33	10
Cross-border e-commerce	12	22	21

CPI: COICOP divisions with prices collected from e-commerce

COICOP division

09 Recreation and culture
07 Transport
05 Furnishings, household equipment and routine household maintenance
12 Miscellaneous goods and services
08 Communication
11 Restaurants and hotels
03 Clothing and footwear
06 Health
04 Housing, water, electricity, gas and other fuels
01 Food and non-alcoholic beverages
10 Education
02 Alcoholic beverages, tobacco and narcotics

0   5   10   15   20   25   30
economies

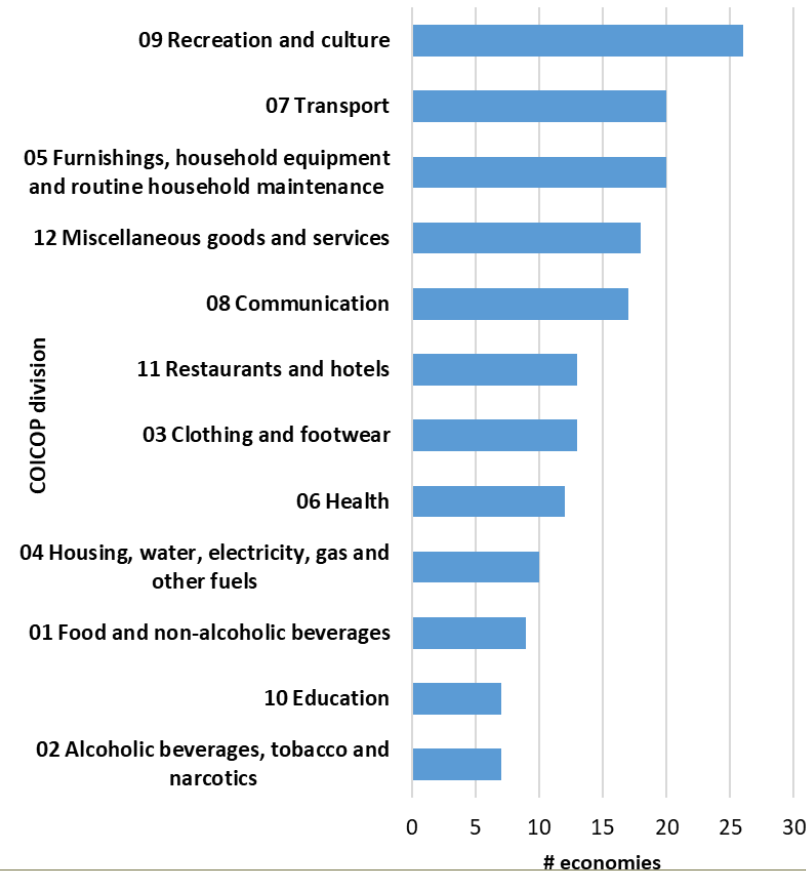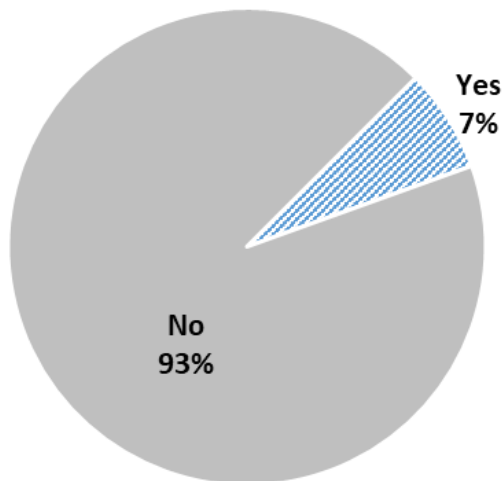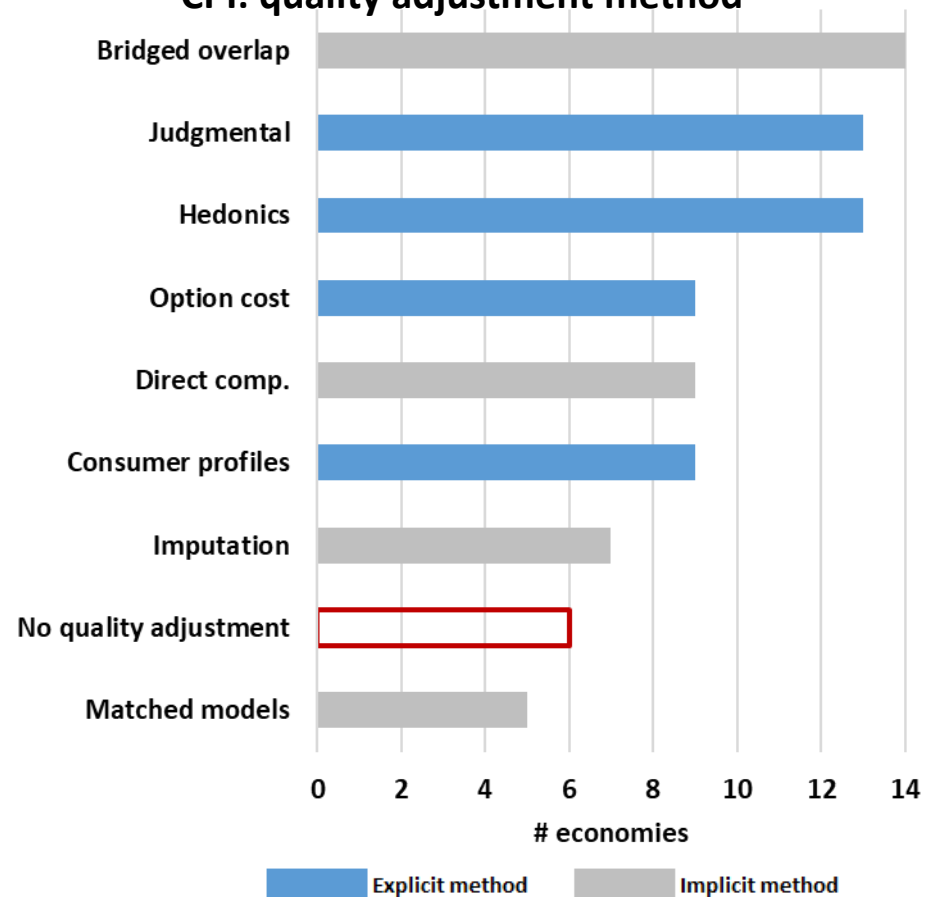# CPI: digitalization and quality adjustments

IMF-OECD survey on price compilation practices, August 2017 (43 replies)

CPI: sharing economy services are included
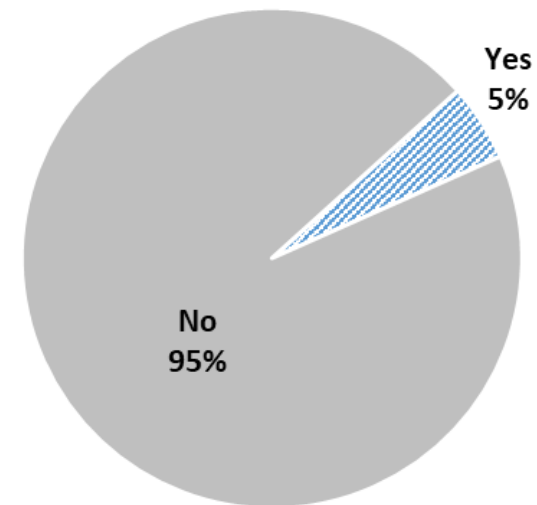
CPI: quality adjustment method

PPI: digitalization and quality change

IMF-OECD survey on price compilation practices, August 2017 (43 answers)

PPI: inclusion of sharing economy services

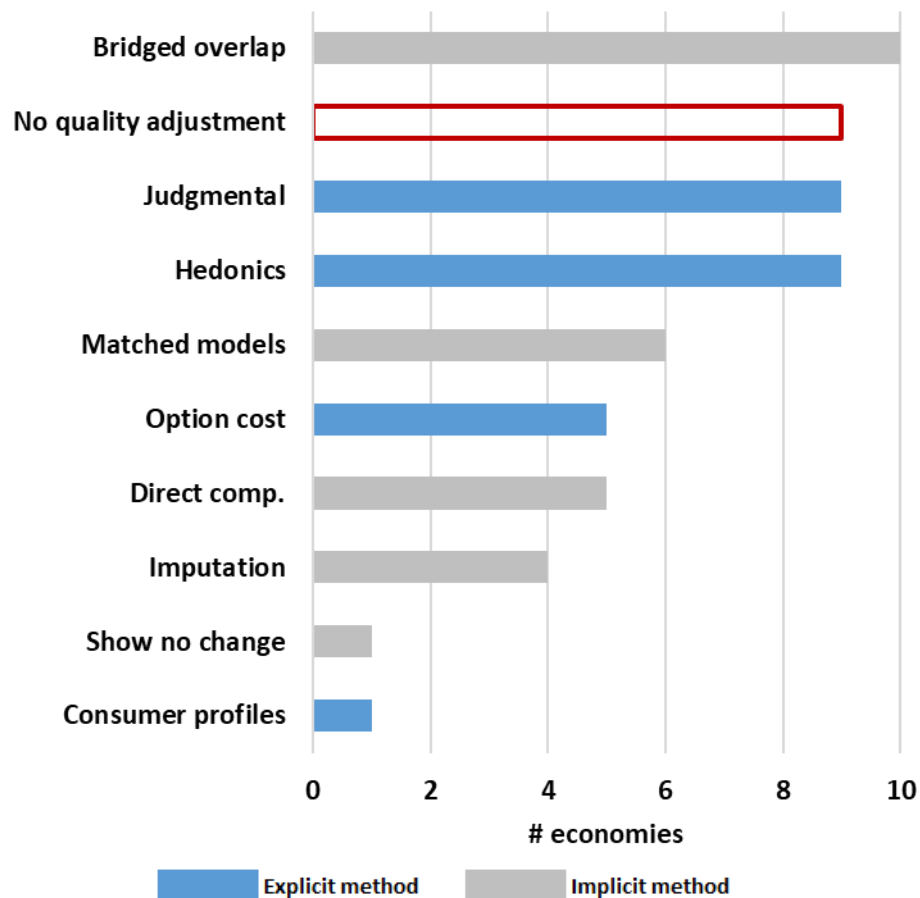| PPI: e-commerce is covered (number of economies)			
	Prices	**Weights**	**None**
Domestic e-commerce	13	18	18
Cross-border e-commerce	7	11	25

Yes 5%

No 95%

PPI: digitalization and quality adjustments

IMF-OECD survey on price compilation practices, August 2017 (36 answers)

PPI: quality adjustment method

Conclusions

CPI

- **Compiled almost universally, monthly, timely**

- **Fairly well aligned with international standards**

- **Inflation targeting developing countries meet the goals more often**

- **Main issues identified**
  - **36% lack national coverage**
  - **62% with outdated weights**

PPI

- **Compiled by 126 economies (60%)**

- **Fairly well aligned with international standards**

- **Inflation targeting countries meet the goals more often**

- **Main issues identified**
  - **32% cover less than MMU**
  - **64% with outdated weights**

Conclusions

IMF-OECD questionnaire: main findings (43 replies)

- *New goods/services*: majority of sample follows market developments in a timely manner and introduces new goods and services when significant

- *Disappearing goods/services*: majority of sample takes into account the quality change and makes adjustments using several recommended methods

- **E-commerce:** 77% of sample includes e-commerce in CPI and 51% in PPI

- **Sharing economy**: only a small part of the sample includes the sharing economy in the CPI or PPI
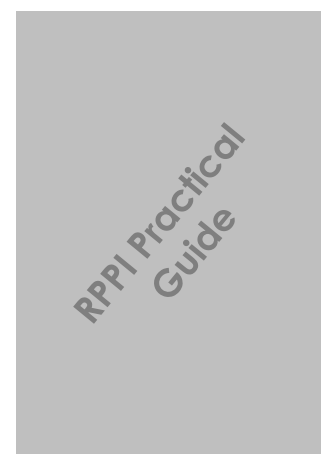
CPI Manual Update

Forthcoming

Consumer price index manual

https://www.imf.org/en/Data/Statistics/cpi-manual

RPPI Practical Guide

Forthcoming

RPPI Practical Guide

INTERNATIONAL MONETARY FUND

Price Statistics Compilation in 196 Economies:
The Relevance for Policy Analysis

Forthcoming

The Status of GDP Compilation Practices in 189 Economies and the Relevance for Policy Analysis

https://www.imf.org/en/Publications/WP/Issues/2018/03/02/The-Status-of-GDP-Compilation-Practices-in-189-Economies-and-the-Relevance-for-Policy-45669
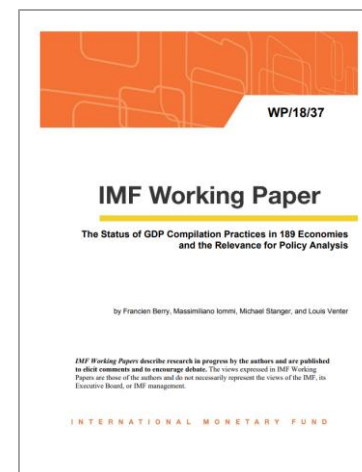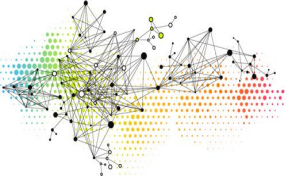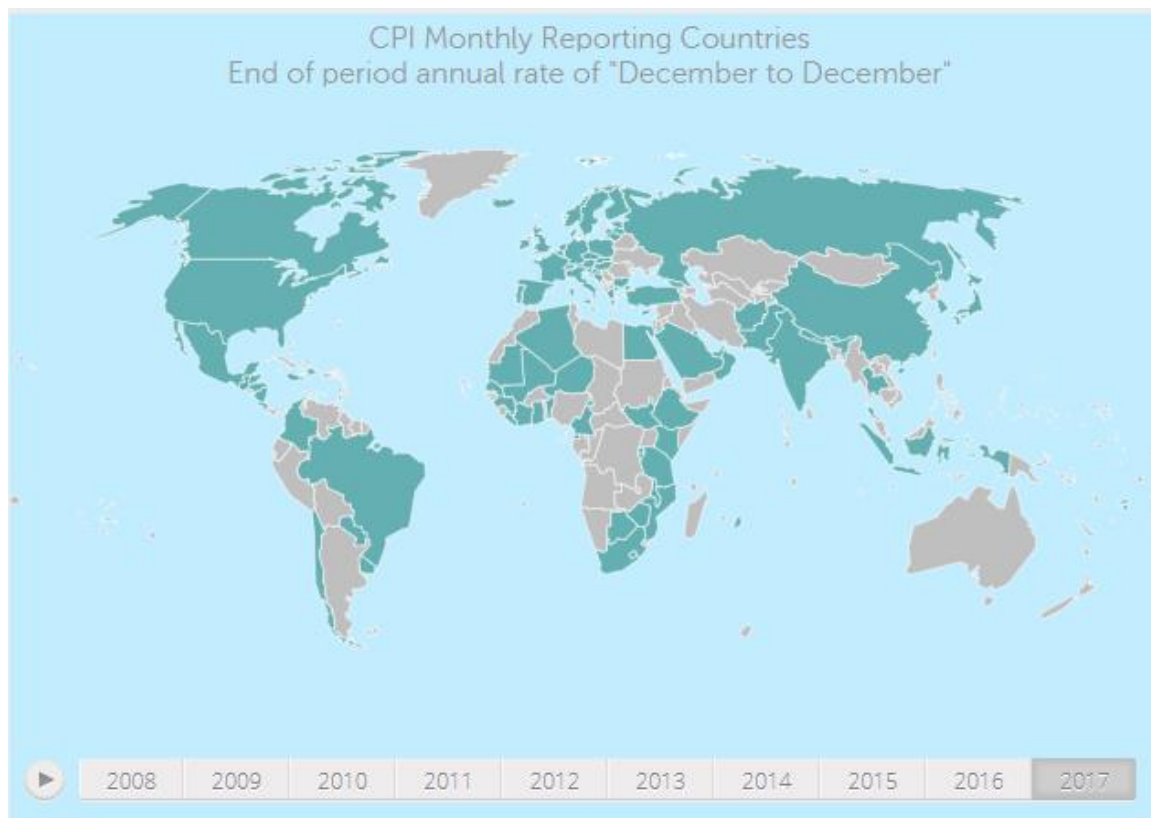
CPI Reporters Database
http://data.imf.org/cpi

- **Pick a country (map or drop-down menu)**
- **Select the section you want to view (total index, 12 COICOP, metadata)**
- **View the *Indexes and Weights* pag*e* under *Data & Metadata* tab**

CPI Monthly Reporting Countries
End of period annual rate of "December to December"

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

The map includes data reported monthly. Other countries report data quarterly.

(developed by the IMF, in collaboration with the OECD)
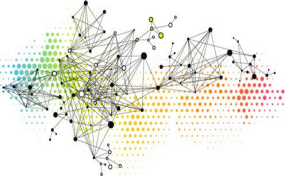
Thank you!

Comments welcome

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