IMF Statistics updates and METAC workplan

High Level Seminar on the Future of Economic Statistics for the Arab region

Riyadh, Saudi Arabia

January 2020

- Briefing on guides and manuals
    - CPI Manual
    - RPPI Guide
- METAC workplan

Consumer Price Index (CPI)

Background

- 2014 UNECE-ILO CPI **Group of Experts Meeting**
  http://www.unece.org/stats/documents/2014.05.cpi.html

- 2014 IWGPS **endorsement for updating the CPI manual**
  - IMF as the lead agency
  - World Bank as the current chair

- **Multiple layers of review**
  - CPI experts
  - Compilers and users + formal consultation
  - IWGPS member agencies

- **Two publications**
  - Consumer Price Index Manual: Concepts and Practices (Manual)
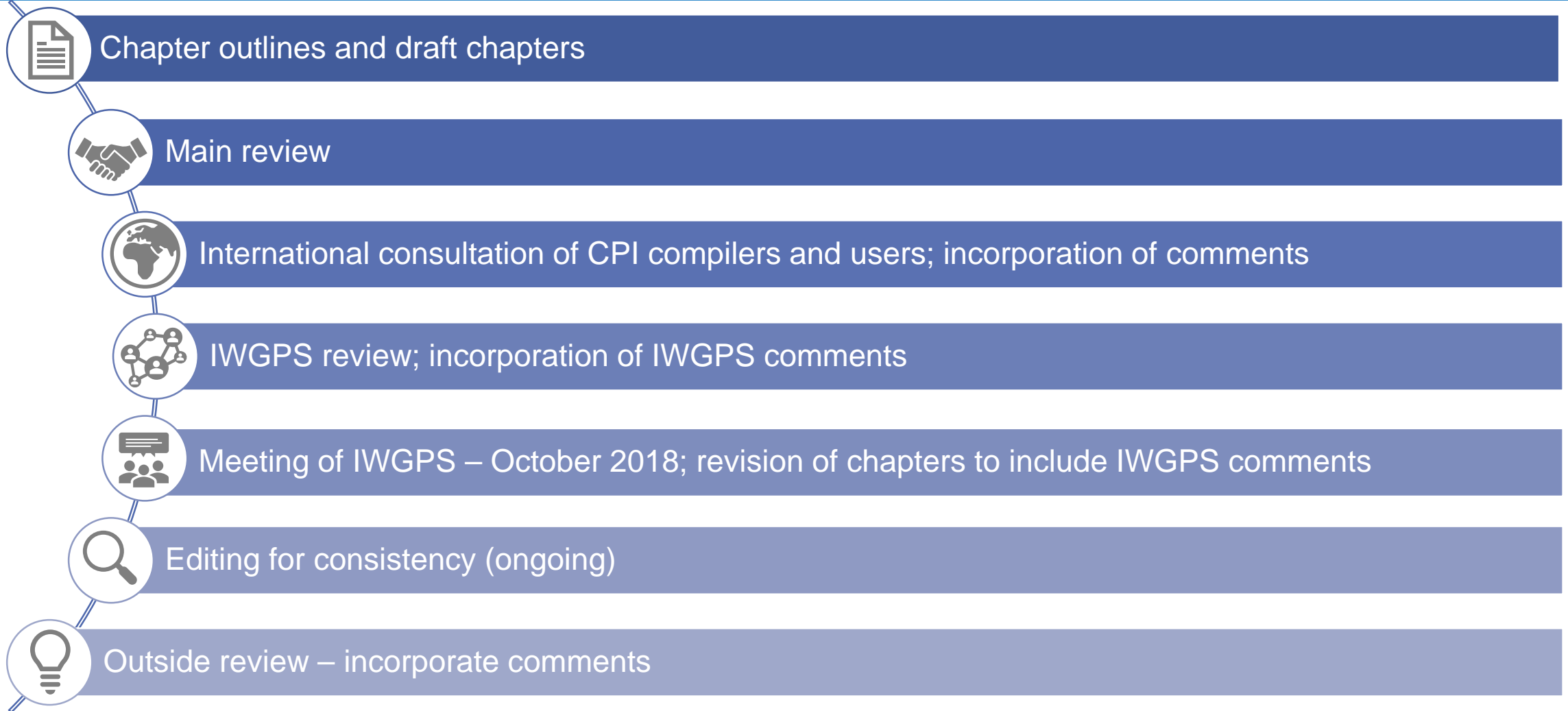 - Consumer Price Index: Theory

Objective of the update

- The goal of the update is to produce a CPI Manual that includes more practical compilation advice for compilers.
- The update is not intended to include fundamental or comprehensive changes.
- The main objectives of the update include:
  - Provide clearer, more prescriptive recommendations and guidelines wherever possible.
  - Feedback and experiences with 2004 Manual.
  - Incorporate developments in methods and practices as well as theory and research since 2004.
  - Update material on data sources, data collection methods and related calculation methods to reflect developments since 2004.
    - Growing importance of e-commerce and digital economy
    - Emerging data sources – scanner data, web scraping
  - Reflect evolving user needs.

Progress to date

- Chapter outlines and draft chapters
- Main review
- International consultation of CPI compilers and users; incorporation of comments
- IWGPS review; incorporation of IWGPS comments
- Meeting of IWGPS – October 2018; revision of chapters to include IWGPS comments
- Editing for consistency (ongoing)
- Outside review – incorporate comments

Currently...

Formal consultation of Member States run by UNSD (ended October 31, 2019)

https://www.imf.org/en/Data/Statistics/cpi-manual
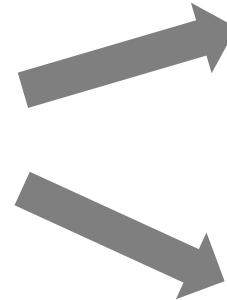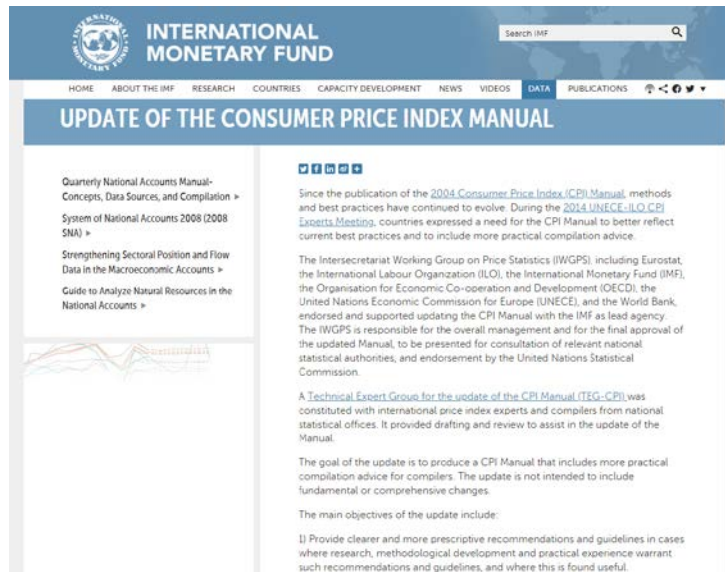
Consumer Price Index Manual: Concepts and Methods

CPI Manual: Concepts and Methods Summary of Main Changes

Feedback received from 57 countries...

Summary of answers from formal consultation...

Question	Number of Answers		
	Yes	No	N.A.
Does the Manual provide **useful guidance and recommendations** on CPI?	58	-	3
Do you **agree with the guidance and recommendations** provided in the Manual?	55	2	4
Do you consider the **overall structure** of the Manual clear and coherent?	54	3	4
Do you agree that the changes in the Manual **reflect current best practices**, include more practical compilation advice and take into account new technological advances?	55	1	5
Do you consider the Manual **ready for publication**, subject to the incorporation of the comments made during this global consultation?	51	3	7

Next steps

METAC
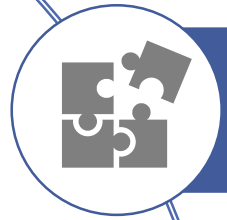
Incorporation of comments from formal consultation of Member States

Final approval from IWGPS

Formal editing (IMF COM Department)

Submission of the final manual for endorsement by the UNSC (March 2020)

Timeline (Manual)

Formal country consultation
- **September 16 to October 31, 2019**

Final draft available
- December 16, 2019

Formal editing (IMF)
- December 16, 2019 to May 30, 2020

White cover version submitted to UNSC
- February 2020
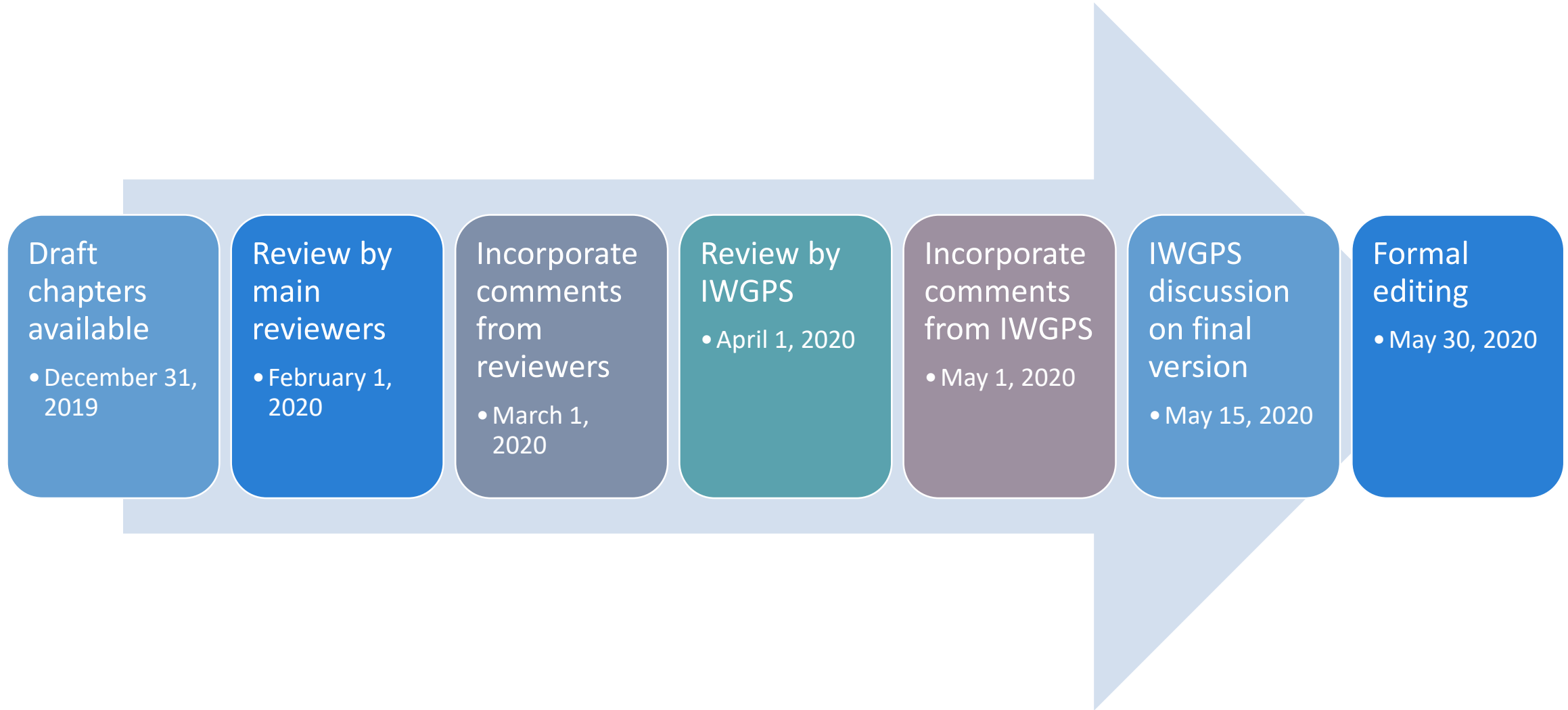
Endorsement by UNSC
- March 2020

Outreach

- **Presentation and introduction** of updated Manual
  - CPI Group of Experts Meeting, June 2020
- **Regional seminars** on CPI Manual
  - Introduce and discuss changes and updates made to the Consumer Price Index (CPI) Manual;
  - Identify and reinforce key recommendations through discussion and practical exercises; and
  - Demonstrate the link between producing accurate, reliable CPI data, developing sound policy decisions based on these data, and the importance of disseminating data fit for surveillance
- **Price statistics hub**
- **Digital Manual**

Proposed Timeline (Theory)

Draft chapters available
- December 31, 2019

Review by main reviewers
- February 1, 2020

Incorporate comments from reviewers
- March 1, 2020

Review by IWGPS
- April 1, 2020

Incorporate comments from IWGPS
- May 1, 2020

IWGPS discussion on final version
- May 15, 2020

Formal editing
- May 30, 2020

Real Property Price Index (RPPI)

RPPI

- The RPPI Practical Compilation Guide (Guide) launched during the 2019 World Bank - IMF Spring Meetings, sets out practical advice on the compilation of a RPPI following the conceptual approach described in the Handbook on Residential Property Price Indices (Handbook).

- Compilers have expressed the view that the theoretical content of the Handbook could be complemented by practical guidance.

- Participants in training courses and missions have noted that it would be useful to address the transition from less to more sophisticated methods.

RPPI

- In 2018, with financial support from the Swiss State Secretariat for Economic Affairs (SECO), the IMF developed the RPPI Guide, that includes a description of the data sources and step by step guidance on applying methods to calculate an RPPI

- It also includes an artificial database to experiment with the methods, and an IT tool to perform the calculations.

- The RPPI Guide builds on lessons learned during missions and training courses delivered by the IMF Statistics Department on RPPI compilation to over 80 countries.

RPPI

- The Guide was piloted with several countries.
- A public consultation was launched in November 2019, open to RPPI compilers and other stakeholders world-wide.

RPPI

- The RPPI Guide is written for RPPI compilers in statistical offices, central banks, housing agencies or other statistical agencies.

- It includes practical exercises on how to compile a quarterly index using the software R.

- The Guide also offers a synthetic database developed in-house that users can access and download free of charge.

RPPI

- The Guide specifically targets new RPPI compilers with capacity constraints (lack of econometricians, programmers, or IT support).

- The aim of the Guide is to effectively help developing countries close data gaps and improve data quality. Countries that are already compiling an RPPI can also benefit from the Guide by using it to improve their methodologies or processes.

RPPI

- The Guide is divided into three sections.
  I. Type of data commonly used to construct RPPIs and how to evaluate and pre-process them, and how to select appropriate weights.
  II. Methods that can be used to compile RPPIs.
  III. Guidance on dissemination practices.

STA Initiative for Big Data

- Property listings data sometimes offer the best potential
  - Where declared prices are under reported
  - Administrative data are not well developed
  - Property listings provide (asking) price and property characteristics
- Positive experiences in working with web listings e.g. in Indonesia, Peru, Sri Lanka, Moldova, Uganda

STA Initiative for Big Data

- STA is developing a web scraping tool kit for property listings
  - Software (R script) and instructions
    - Collects data from html script on static websites
    - Does some initial data processing on defined variables in the web pages like price, building type, size, address
  - If pilot is successful tool kit can be shared (sometime in 2020)
  - With potential for follow-up assistance to compile RPPI
  - Challenges are
    - Technical (it's a new skillset for compiling agencies)
    - Coverage-related (it may not provide broadly representative data on residential property in some countries – but perhaps only for a subset of the market such as apartments in the capital city).
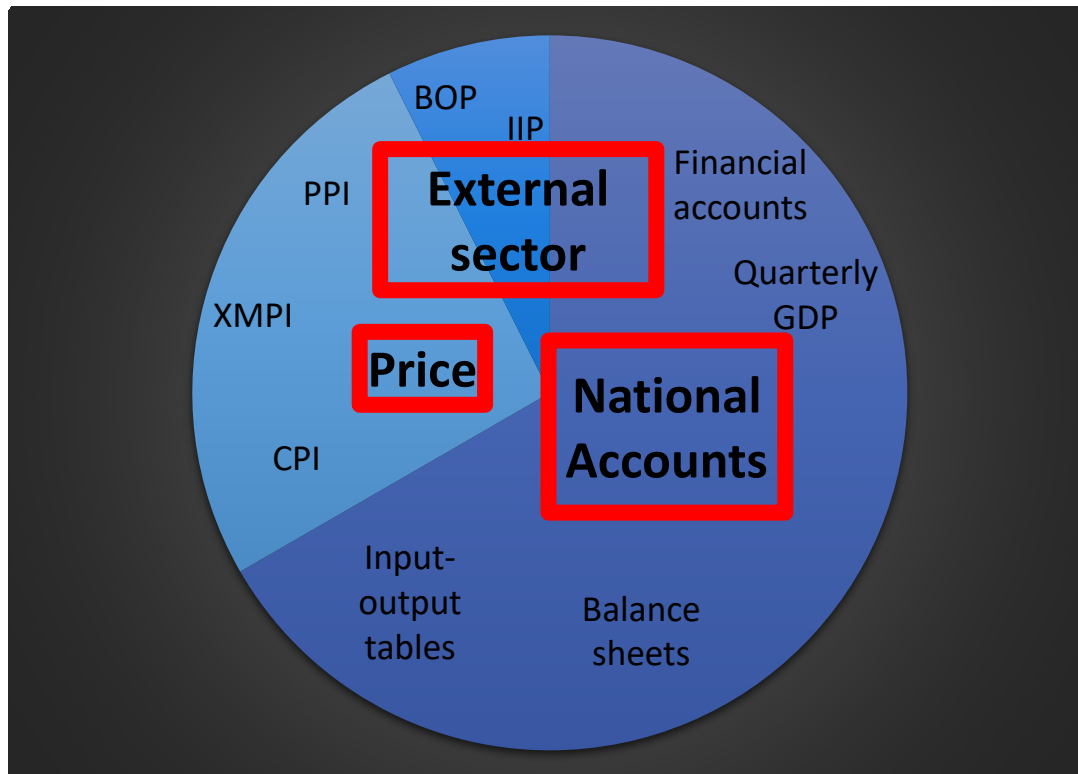
METAC Workplan

Macroeconomic Statistics

To strengthen compilation and dissemination of macroeconomic statistics according to the relevant internationally accepted standards

Areas of Capacity Development

Main outcomes

- Concepts and definitions
- Appropriate statistical techniques
- Coverage and scope
- Source data are adequate
- Staff capacity increased

Macroeconomic Statistics
Achievements (FY19)

FY19	Afghanistan	Algeria	Djibouti	Egypt	Iraq	Jordan	Lebanon	Libya	Morocco	Sudan	Syria	Tunisia	Palestine	Yemen	Totals	
National accounts																
SUTs	■				■	■							■		5	
AGDP			■	■		■							■		3	13
QGDP							■						■		2	
Financial accounts												■			2	
Training										■					1	
Prices																
CPI				■			■			■		■			5	
PPI	■														1	6
XMPI															0	
External sector																
BOP / IIP	■												■		2	2
Totals	3	0	1	2	2	3	2	0	0	2	0	3	3	0	**21**	

SUT	Supply and use tables	PPI	Producer price index
AGDP	Annual gross domestic product	XMPI	Export and import price indexes
QGDP	Quarterly gross domestic product	BOP	Balance of payments
CPI	Consumer price index	IIP	International investment position

- 21 missions and 2 regional training workshops
- National accounts: 13; Prices: 6; External sector: 2
- Highest demand for supply and use tables and consumer price index

Macroeconomic Statistics
Achievements / Objectives (FY20)

FY20	Afghanistan	Algeria	Djibouti	Egypt	Iraq	Jordan	Lebanon	Libya	Morocco	Sudan	Syria	Tunisia	Palestine	Yemen	Totals	
National accounts																
SUTs				🇪🇬		🇯🇴									5	
AGDP			🇩🇯	🇪🇬	🇮🇶		🇱🇧			🇸🇩			🇵🇸		7	
QGDP	🇦🇫						🇱🇧								2	18
Financial accounts				🇪🇬								🇹🇳			3	
Training									🇲🇦						1	
Prices																
CPI	🇦🇫			🇮🇶		🇯🇴	🇱🇧			🇸🇩					6	
PPI															0	6
XMPI															0	
External sector																
BOP / IIP					🇮🇶										1	1
Totals	2	0	2	4	3	5	3	0	1	2	0	2	1	0	**25**	

SUT	Supply and use tables	PPI	Producer price index
AGDP	Annual gross domestic product	XMPI	Export and import price indexes
QGDP	Quarterly gross domestic product	BOP	Balance of payments
CPI	Consumer price index	IIP	International investment position

- 25 missions and 2 regional training workshops
- National accounts: 17; Prices: 6; External sector: 2
- High demand continues for *supply and use tables* and *consumer price index*
- Increasing demand for *financial accounts* (Tunisia, Egypt, Algeria)

For more information, please visit

www.imfmetac.org

References