



International Comparison Program
for Asia and the Pacific 2017

**PRICE COLLECTIONS AT THE COUNTRY LEVEL:
A PRACTICAL GUIDE
(Sector Coverage: Household)**

Prepared by:

Development Economics and Indicators Division
Economic Research and Regional Cooperation Department
Asian Development Bank
May 2017

**PRICE COLLECTIONS AT THE COUNTRY LEVEL:
A PRACTICAL GUIDE
(Sector Coverage: Household)**

Table of Contents

I.	Background on the International Comparison Program	5
A.	What is the International Comparison and Its Main Objectives	5
B.	How is the ICP Implemented?	5
C.	What Are Purchasing Power Parities?	8
D.	Why Use Purchasing Power Parities?	8
E.	Why Should a Country Participate in the ICP?	9
F.	How is the ICP Used in the United Nations' Sustainable Development Goals?	9
II.	Basic Data Requirements for PPP Computation	10
A.	GDP and its Major Aggregates	10
i.	Classification System Used	10
ii.	Hierarchical Arrangement of the GDP Weights	10
B.	Types/Coverage of Price Surveys	13
III.	The Household Item Lists for ICP Household Price Surveys	14
A.	Background	14
i.	What are the Scope and Coverage of the Household List?	14
ii.	What is The Household Item List for the ICP Price Surveys?	14
iii.	Why do we Need Specific Lists for the ICP Price Surveys?	14
B.	Developing the Product Lists	15
i.	What Determines Inclusion/Exclusion in the ICP Lists?	15
ii.	What Are the Different Types of Household Lists Available?	15
iii.	Why Do We Need to Price Items from Different ICP Lists?	17
C.	The Need for Structured Product Descriptions	17
i.	What are SPDs and Price Determining Characteristics?	17
ii.	What is the Role of SPDs and "Like with Like" Comparison?	18
iii.	What are the Requirements of a Good SPD?	18
iv.	Examples of Structured Product Descriptions	20
D.	Outlet Types	22
E.	Why Do We Need the Product Catalogue?	27
i.	Description of the Product Catalogue	27
ii.	Examples of Items in the Product Catalogue	27
IV.	The ICP Price Surveys	29

A.	Background	29
i.	Why Conduct ICP Price Surveys.....	29
ii.	What is the Difference Between Prices for ICP and CPI?.....	29
iii.	What is the Target Price to be Collected for the ICP Price Surveys?	30
iv.	Sample of a Price Collection Form	30
v.	The Need to Collect Comparable Prices.....	31
vi.	Preliminary Visits to Price Outlets.....	31
vii.	Survey Period and Frequency of Price Collection	32
V.	Defining Roles and Responsibilities in the ICP Activities at the Country Level.....	32
A.	The Need for a National ICP team: Structure and Composition	32
B.	Roles and Functions of the National ICP Team	32
i.	The National Coordinator	32
ii.	The Supervisors	33
iii.	The Price Collectors	36
iv.	Data Encoders.....	39
VI.	Issues in Price Collection	41
A.	Issues Related to the Outlet.....	41
B.	Issues Related to the Products	41
C.	Issues Related to the Prices	42
VII.	Frequently Asked Questions in ICP Price Surveys	45
	References	59

List of Tables

Table 1.	Number of Categories, Groups, Classes, and Basic Headings by Main Aggregate	11
Table 2.	Examples of Basic Headings	12
Table 3.	Number of Products in the Asia Pacific Product List	13
Table 4.	Number of Products for the Household Lists.....	16
Table 5.	Sample of a Structured Product Description for	17
Table 6.	Sample Structured Product Description with Product Specifications –.....	18
Table 7.	Definitions of Outlets.....	24
Table 8.	Comparison of CPI and ICP Prices.....	30
Table 9.	Definitions of Brands.....	56

List of Figures

Figure 1.	Schematic Diagram of the ICP Governance Structure.....	7
Figure 2.	Hierarchical Approach to ICP	12
Figure 3.	Beef Cuts.....	55
Figure 4.	Pork Cuts.....	55

**PRICE COLLECTIONS AT THE COUNTRY LEVEL:
A PRACTICAL GUIDE
(Sector Coverage: Household)**

I. Background on the International Comparison Program

A. What is the International Comparison and Its Main Objectives

The Gross Domestic Product (GDP) is most commonly used to measure total economic size of countries and economic welfare. For comparison purposes, it is necessary to express the GDPs reported by countries in national currencies and valued at national price levels into a common currency at a uniform international price level. Thus, the International Comparison Program (ICP) was established to provide Purchasing Power Parity (PPP) conversion factors as an alternative to direct conversion of currencies based on exchange rates to compare GDP between countries on a real basis.

Comparisons based on PPPs are meaningful because conversions are not made using the normal market exchange rate which could be volatile since exchange rates are dependent on the real economy in a country and other factors such as political perspectives. A country may have relatively stable exchange rates over time but they can be far from its PPP.

The ICP is a global survey of prices of comparable and important items across countries. It is a worldwide statistical partnership to collect comparative price data and compile detailed expenditure values of countries' GDP, and to estimate PPPs of the world's economies. PPPs are vital for doing cross country analysis of levels of development and are crucial elements in evidenced-based decision making by researchers, economists, national governments and international organizations.

To achieve this goal, it is imperative to strengthen and build sustainable capabilities of national statistics offices (NSOs) and integrate the ICP methods and concepts both in the national accounts and price collection systems of each participating country. Better understanding of these concepts and engagement of NSOs will ensure awareness on the importance and uses of the PPPs even at the national level which is critical in the programs' sustainability.

Since its establishment in 1968, the ICP has grown to cover all regions of the world and become the world's largest statistical initiative. The main objective of the ICP is to estimate PPPs to compare the output of economies and material well-being of their inhabitants, by controlling for differences in price levels.

B. How is the ICP Implemented?

The ICP is a global statistical initiative that collects comparative price data to estimate the PPPs of currencies of the world's economies is conducted under the

auspices of the United Nations Statistical Commission (UNSC). The ICP governance structure is comprised of the UNSC, a Governing Board, an Inter-Agency Coordination Group and Technical Advisory Group and Task Forces. Within this scheme, the Global Implementing Agency, the Regional Implementing Agencies and the Statistical Office of the European Union (Eurostat) and the OECD, and the NSOs carry out ICP activities (World Bank, 2016).

The **governance structure** of the ICP shown in Figure 1 consists of the United Nations Statistical Commission (UNSC); the ICP Governing Board (GB); the Technical Advisory Group (TAG) and Its Task Forces; the Inter-Agency Coordination Group (IACG) and Its Agencies; the Global Implementing Unit (GIU); the Regional Implementing Agencies (RIAs); the Regional Advisory Board (RAB); and National Implementing Agencies (NIAs). The main function of each governance level are as follows:

The **UNSC** is the ultimate stakeholder of the ICP, deciding on the frequency and operational modality of the Program.

The **GB** is a strategic and policy-making body which puts forth the policies and protocols that govern the production of regional and global PPP estimates; forms the ICP Technical Advisory Group; approves the technical research agenda, methodology for producing PPPs, and any methodological improvement thereafter; and ensures that regional and global ICP results are produced following the agreed timetables, agreed policies, protocols and methodology to secure the integrity of the estimates.

The **TAG and Its Task Forces** assure methodological soundness and overall quality of the PPP estimates; ensures transparency of the PPP estimation process; and supports the establishment of a permanent and more frequent ICP.

The IAG and Its Agencies collaborate on establishing timetables and work plans for data collection, validation, calculation and dissemination; develop common standards and protocols to ensure comparability across regions and countries; provide the quality assurance standards that national and regional data and metadata must satisfy to be included in the global PPP estimates; and other functions that will promote capacity building in the areas of prices and national accounts.

The GIU at the World Bank supports the ICP governance framework and undertakes the global coordination and implementation of the ICP.

The **RIAs** coordinate the regional ICP comparisons and facilitate data and information flow between the GIU and participating countries. The Regional Implementing Agencies carry out day-to-day management of the regional programs; and, plan and implement the regional ICP activities in-line with the agreed timetables; undertake statistical capacity-building activities at the national level for the improvement of price and national accounts data for PPP estimation.

To date, the organizations acting as the Regional Implementing Agencies are the:

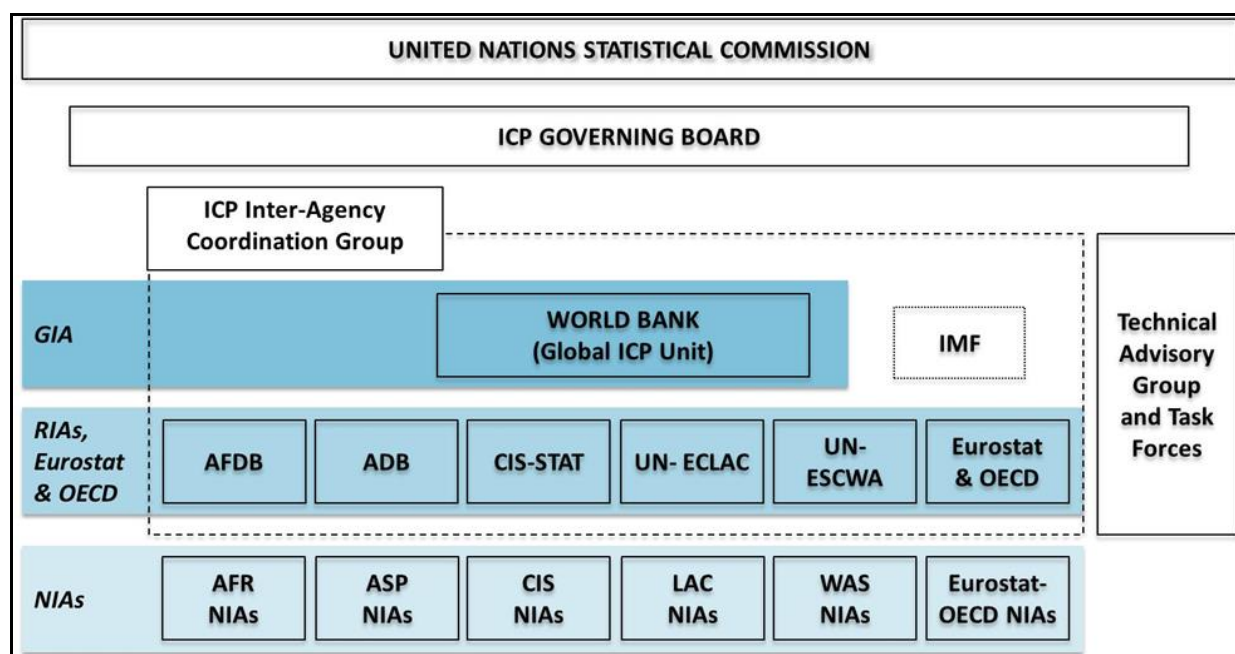
- a. African Development Bank (AfDB) for the Africa region;

- b. **Asian Development Bank (ADB)** for the Asia and Pacific region;
- c. Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) for the Commonwealth of Independent States;
- d. United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC) for the Latin America and the Caribbean region; and
- e. United Nations Economic and Social Commission for Western Asia (UN-ESCWA) for the Western Asia region.

The **RAB** provides advice to the Regional Coordinator of the ICP Asia Pacific. It is not an executive body and is not be involved in the day-to-day management of the ICP. The RAB mainly provide guidance to the RIA and NIA that affects ICP implementation in the region including the setting up regional goals, priorities, and objectives, taking into consideration the regional specificities statistical capacity and data availability; advise on the sustainability of the program; and assist in shaping the vision of ICP for future direction.

The **NIA**s plan, coordinate and implement national ICP activities under the overall work program of the ICP region to which they belong. NIAs collect and compile the data and metadata required for estimating PPPs following agreed standards, protocols and guidelines for ensuring cross-country comparability; ensure adequate national data and metadata quality per agreed quality assurance standards; facilitate data and metadata transmission to RIAs based on the ICP data access policy; and participate in regional workshops and activities to discuss operational guidelines and materials, data and metadata quality, and preliminary and final regional results.

Figure 1. Schematic Diagram of the ICP Governance Structure



Source: ICP Governance Framework, 2016

<http://siteresources.worldbank.org/ICPEXT/Resources/ICP-Governance-Framework-Final.pdf>

C. What Are Purchasing Power Parities?

A **purchasing power parity** is a price index very similar in content and estimation to the consumer price index, or CPI. While the CPI shows price changes over time, a PPP measures price level differences across countries. PPP is a real value comparison between two currencies.

The PPP between two countries is the rate at which the currency of one country needs to be converted into that of the second country to ensure that a given amount of the first country's currency will purchase the same volume of goods and services in the second country as it does in the first. PPPs generated by the ICP provide meaningful comparisons based on the prices of hundreds of products.

D. Why Use Purchasing Power Parities?

Purchasing power parity is used in many situations:

- The most common method is to **adjust for the price differences between countries**. *The Economist's Big Mac Index* represents the PPP concept in a simplified form. The Big Mac hamburger is consumed in more than a hundred countries. *The Economist* compares its price in different global cities to estimate PPPs. The Big Mac PPP for any economy is the exchange rate that equalizes the cost of a Big Mac in the United States of America. But, this is only a rough approximation of the purchasing power of currencies and not representative of the typical consumption basket for many economies including those in Asia. Thus, it is not useful for adjusting country-level expenditures for general price level differences and conversion into a common currency.
- PPPs provide **international comparison of GDP and per capita expenditures** sub-aggregates. Comparisons of per capita expenditures are generally considered to be a good approximation of relative economic development as countries compare their per capita expenditures on food, education, and health, for example, with other countries from their region.
- PPPs and real GDPs measured using PPP conversion factors are used for **analyzing productivity, and global and regional inequality** (ADB, 2005).

In broad terms, PPPs should be used to:

- (i) calculate volumes (i.e., real expenditures) of GDP (also GDP volumes per hour worked, and per capita GDP volumes);
- (ii) calculate volumes of components of GDP, such as consumption or fixed capital formation;
- (iii) calculate price levels;
- (iv) convert the \$1-a-day international poverty line to local currency units (such comparisons are usually based on PPPs computed using expenditure share weights of the poor);

- (v) calculate the per capita consumption or GDP figures used in computing Gini coefficients; and
- (vi) aggregate an individual country's GDP and related data to regional and world totals (e.g., GDP for the whole of Asia and the Pacific), so that its share of regional totals and growth rates can be calculated.

Some key uses of the PPPs and PPP-based volumes, and per capita volumes, of GDP are to:

- (i) analyze the extent of convergence in real incomes and prices across countries;
- (ii) measure the levels and trends in inequality in real GDPs between countries and between regions within a country;
- (iii) assist in establishing aid policies for less-developed countries; and
- (iv) calculate cost-of-living adjustments for those assigned in foreign countries.

E. Why Should a Country Participate in the ICP?

The ICP provides data that enable countries to compare their price levels, economic size and living standards (as measured by actual final consumption per capita in PPP terms or GDP per capita in PPP terms) with those of another country. Participation in the ICP enhances the statistical capacity of participating countries in price statistics and national accounts. The ICP builds statistical capacity to ensure that prices and GDP aggregates are measured consistently across countries (World Bank, 2011).

F. How is the ICP Used in the United Nations' Sustainable Development Goals?

The ICP contributes substantially towards the Sustainable Development Goals of the United Nations by improving the reliability of the measures of inequality in real GDPs between countries and those living in poverty. Reliable information from the ICP are the bases for good policy and decision making.

II. Basic Data Requirements for PPP Computation

Computation of PPPs, as in the case of the CPI, requires price data and expenditure share weights. At the item level, only price data is needed but at the basic heading level, weights are required. Price data are collected through price surveys conducted in the country while expenditure share data are obtained from the country's national accounts. There are two basic data requirements for PPP computation:

- (i) GDP expenditure broken down by basic headings
- (ii) Annual national average prices of the product list

The overall PPP for GDP is built up from comparisons of item prices within smaller groups of expenditures referred to as **basic headings** (BH). Thus, the first basic data requirement for PPP computation are GDP values broken down into basic headings which are the basic building blocks of the ICP comparison. The BH is the lowest level at which expenditure weights are required. They consist of a group of similar well-defined products that are relatively homogeneous. Thus, **the role of national accountants** is crucial in ensuring the availability of GDP expenditure weights at the basic heading level.

The second data required for PPP computation are **annual average prices** for a selection of products chosen from a **common basket of well-defined goods and services, commonly referred to as the Product List**. To have PPPs that are meaningful, the prices collected in each country must be consistent with national accounts values; and prices collected are for comparable and important products. The national annual average prices should be representative of the entire ICP reference period and a good representation of the entire country.

A. GDP and its Major Aggregates

i. Classification System Used

To the extent possible the GDP values are disaggregated into the 155 basic headings using the following international standard classification systems:

- **COICOP** – Classification of Individual Consumption According to Purpose (Households)
- **COPNI** – Classification of Purposes of Non-Profit Institutions Serving Households
- **COFOG** – Classification of Functions of Government
- **CPA** – Classification of Products by Activity; and **CPC** – Central Product Classification for Gross Fixed Capital Formation

ii. Hierarchical Arrangement of the GDP Weights

The first step involved in ICP is to start with an aggregate like GDP and consider components of GDP at different levels of disaggregation. At the most aggregated level,

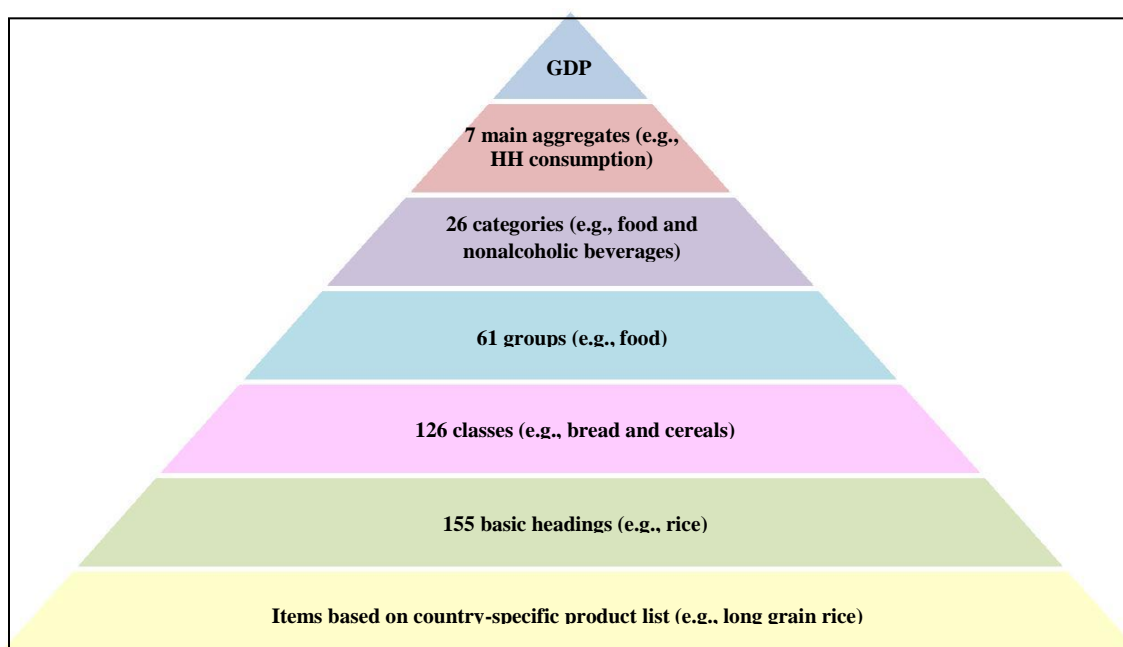
GDP is divided into household consumption, government consumption, gross fixed capital formation (GFCF), balance of exports and imports, and a balancing item consisting of change in inventories and acquisitions less disposals of valuables. These aggregates are further divided into 26 categories, 61 groups, 126 classes, and finally 155 basic headings. Table 1 shows the distribution of basic headings by different categories and groups. Figure 2, on the other hand, shows the hierarchical approach to PPP computation.

Table 1. Number of Categories, Groups, Classes, and Basic Headings by Main Aggregate

Main Aggregates	Categories	Groups	Classes	Basic Headings
11.00 Individual Consumption Expenditure by Households	13	43	90	110
- .01 Food and nonalcoholic beverages		2	11	29
- .02 Alcoholic beverages, tobacco and narcotics		3	5	5
- .03 Clothing and footwear		2	5	5
- .04 Housing, water, electricity, gas and other fuels		4	7	7
- .05 Furnishings, household equipment and maintenance		6	12	13
- .06 Health		3	7	7
- .07 Transport		3	13	13
- .08 Communication		3	3	3
- .09 Recreation and culture		6	13	13
- .10 Education		1	1	1
- .11 Restaurants and hotels		2	2	2
- .12 Miscellaneous goods and services		7	10	10
- .13 Net purchases abroad		1	1	2
12.00 Individual Consumption Expenditure by NPISHs	1	1	1	1
13.00 Individual Consumption Expenditure by Government	5	7	16	21
- .01 Housing		1	1	1
- .02 Health		2	7	12
- .03 Recreation and culture		1	1	1
- .04 Education		2	6	6
- .05 Social protection		1	1	1
14.00 Collective Consumption Expenditure by Government	1	1	5	5
15.00 Gross Fixed Capital Formation	3	6	11	12
- .01 Machinery and equipment		2	7	8

Main Aggregates	Categori es	Group s	Classe s	Basic Headings
- .02 Construction		3	3	3
- .03 Other products		1	1	1
16.00 Change in Inventories and Acquisitions Less Disposals of Valuables	2	2	2	4
-.01 Change in inventories		1	1	2
-.02 Acquisitions less disposals of valuables		1	1	2
18.00 Balance of Exports and Imports	1	1	1	2
Gross Domestic Product	26	61	126	155

Figure 2. Hierarchical Approach to ICP



Source: Framework of the ICP, Prasada Rao, Measuring the Size of the World Economy

The **basic heading is the lowest level of aggregation** within the national accounts at which the expenditure and expenditure share data are available. For example, if *rice* is a basic heading, then national accounts data would show the total expenditure on the rice BH. It consists of a group of similar well-defined products which should be relatively homogeneous. A sample of basic headings is shown in Table 2.

Table 2. Examples of Basic Headings

Bread and cereals	
1101111	Rice
1101112	Other cereals, flour and other cereal products
1101113	Bread
1101114	Other bakery products
1101115	Pasta products and couscous
Meat	
1101121	Beef and veal
1101122	Pork
1101123	Lamb, mutton and goat
1101124	Poultry
1101125	Other meats and meat preparations

B. Types/Coverage of Price Surveys

The **price survey for the household list** includes items such as food and non-alcoholic beverages; alcoholic beverages, tobacco and narcotics; clothing and footwear; housing, water, electricity, gas and other fuels; furnishings, household equipment and routine household maintenance; health; transport; communication; recreation and culture; education; restaurants and hotels; and miscellaneous goods and services.

On the other hand, the **nonhousehold product list** is composed of items falling under the categories of construction, machinery and equipment, government services (using 33 occupations), and actual and imputed rentals for households. Table 3 summarizes the number of products in the Asia Pacific list.

Table 3. Number of Products in the Asia Pacific Product List

Categories	Number of Items
Household	928
Machinery and Equipment	150
Construction	58
Compensation of employees for government services	33

III. The Household Item Lists for ICP Household Price Surveys

A. Background

The list of items to be priced is a requirement in the ICP process. It defines the items that should be the focus of interest and concern of the ICP price collectors. Several factors are considered to identify the product list (or list of items) to be priced.

i. What are the Scope and Coverage of the Household List?

The household list is composed of items falling under the following classifications of items and services consumed by individuals:

BH Code	Description
1101	FOOD AND NON-ALCOHOLIC BEVERAGES
1102	ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS
1103	CLOTHING AND FOOTWEAR
1104	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS
1105	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE
1106	HEALTH
1107	TRANSPORT
1108	COMMUNICATION
1109	RECREATION AND CULTURE
1110	EDUCATION
1111	RESTAURANTS AND HOTELS
1112	MISCELLANEOUS GOODS AND SERVICES

ii. What is The Household Item List for the ICP Price Surveys?

The household item list for the ICP price surveys is composed of 787 items for the Asia and the Pacific region, representing goods that are at least comparable across participating countries. These are items commonly used by households in their day-to-day basic needs and other necessities for their daily existence. Items would include services such as food eaten outside the home, electricity, water, etc.

iii. Why do we Need Specific Lists for the ICP Price Surveys?

Specific lists are required for ICP price surveys to define the set of comparable and important products (World Bank, 2011) that must be priced in the ICP participating countries. Without a specific list, comparability, a basic requirement in PPP computation cannot be satisfied. In summary, the item lists identify the items to be priced, and enable the pricing of comparable and important products.

B. Developing the Product Lists

i. What Determines Inclusion/Exclusion in the ICP Lists?

Two factors determine the inclusion of items in the ICP lists. These are:

- (i) Comparability
- (ii) Importance

Products are said to be **comparable** either if their physical and economic characteristics are identical, or if they are sufficiently similar that consumers are indifferent between them. Identifying comparable products is a difficult process especially in regions with diverse cultures and standards of living.

The starting point for ensuring comparability is to **define detailed specifications for each product** to be priced. Comparability is a difficult criterion to handle in practice. A product selected for pricing is more likely to be comparable between countries if the specifications are tightly defined. However, the more tightly defined a product is, the more difficult it becomes to find exact matches of the product.

A second important criterion is the **importance** of a product. Three basic rules are used for determining if a product is important or less important: (i) if the item or a very similar item is in the country's CPI or retail price index, then the product is important; (ii) expert opinion of the Statistician can be asked in determining commonly bought brands of a product; and, (iii) expert opinion of the shop keepers/shop owners can be sought on which items are popularly sold (World Bank, 2011a).

An **important product** is one that has a large expenditure share within the basic heading to which it belongs. Countries will still need to price items classified as less important to provide links with other countries. Moreover, the list of items to be priced will include items identified as important in other countries in the region.

Once the products and their specifications are identified, these are recorded in the "**structured product descriptions**".

ii. What Are the Different Types of Household Lists Available?

Household lists are available at different geographic levels of PPP computation. These are the:

- (i) **Global list (GL)** – list of items to be priced across all participating regions.
- (ii) **Regional list (AP)** – list of items to be priced in the Asia and Pacific region. A regional list is less complicated to develop than the global list since a region is expected to be more homogeneous and thus, likely to have similar tastes and preferences, it is easier to identify consumption items that are *comparable* and important across countries. The Asia

Pacific regional product list was drawn largely from the 2011 ICP round and revised based on the 2015-2016 updates.

Further, the region has its own sub-regional groupings for which corresponding **sub-regional product lists** are also available, as follows:

- Mekong – Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam
- Southeast Asia – Indonesia, Malaysia, Mongolia, Philippines, People’s Republic of China
- South Asia – Bangladesh, Bhutan, Fiji, India, Maldives, Nepal, Pakistan, Sri Lanka
- High Income – Brunei Darussalam; Hong Kong, China; Singapore; Taipei, China

- (iii) **Asia Pacific and Global (AG)** – list of items found in both the global list and Asia Pacific list.
- (iv) **National list** – list of items to be priced in each of the participating countries.

Table 4. Number of Products for the Household Lists

BH Code	Description	Number of Products				
		AP	AG	GL	Regional PPPs	Global Linking
1101	FOOD AND NON-ALCOHOLIC BEVERAGES	142	100	57	242	157
1102	ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	8	8	2	16	10
1103	CLOTHING AND FOOTWEAR	59	22	11	81	33
1104	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	5	10	2	15	12
1105	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	77	34	14	111	48
1106	HEALTH	21	76	2	97	78
1107	TRANSPORT	41	29	16	70	45
1108	COMMUNICATION	10	21	2	31	23
1109	RECREATION AND CULTURE	30	30	22	60	52
1110	EDUCATION	0	7	0	7	7
1111	RESTAURANTS AND HOTELS	15	6	6	21	12
1112	MISCELLANEOUS GOODS AND SERVICES	29	7	7	36	14
	TOTAL	437	350	141	787	491

Special Notes:

AP Asia Pacific - Items only found in Asia Pacific

AG Asia Pacific and Global - Items found both in the Asia Pacific and Global Lists
 GL Global List - Items only found in the Global Lists

1. AP and AG – will be used for calculating the regional PPPs.
2. AG and GL – will be used to link regional PPPs with the other ICP regions.

The number of items in each of the different household lists is shown in Table 4.

iii. Why Do We Need to Price Items from Different ICP Lists?

PPP's are computed at the national (country), regional and global levels. PPP computation requires that a product be priced in at least two locations (country or region). Thus, to have regional comparisons, items must be priced in at least two countries, and to have a global comparison, a product must be priced in at least two regions. Thus, items in the regional and global lists must be priced in the countries.

C. The Need for Structured Product Descriptions

i. What are SPDs and Price Determining Characteristics?

The process of compiling the list of product specifications starts with the compilation of **Structured Product Descriptions (SPDs)** which are generic descriptions that list the characteristics relevant to a particular cluster of products. The SPD does not identify individual products but they are used to create detailed **Product Specifications** that define the identifying characteristics of the **individual products for which prices are to be collected (product list)**. The **price-determining characteristics** identify the specific ICP item from the “other items”.

Each SPD (shown in Table 5) contains **price-determining characteristics** or factors that influence the price level of the items in the ICP list.

Table 5. Sample of a Structured Product Description for Clothing - Men's T-shirt, Short Sleeves, WKB (well-known brand)

Structured Product
Item
Brand
Brand
Quantity
Unit of
Type
Material
Package
Style
Length
Sleeve
Lining
Collar
Color
Pattern
Size
Exclude
Specify:

Table 5 shows the SPDs with product specifications to be used for identifying the specific product to be priced.

Table 6. Sample Structured Product Description with Product Specifications – Clothing - Men's T-shirt, Short Sleeves, WKB (well-known brand)

Structured Product Descriptions
Item Name: Men's T-shirt, short sleeves, WKB Brand: Well known Brand stratum: Low Quantity: 1 Unit of measurement: Piece Type: Men's regular t-shirt Material: 100 % cotton Package: Style: Straight Length: Sleeve length: Short Lining: Collar: Round neck Color: Single color Pattern: Plain Size: Adult medium Exclude: underwear Specify: Brand

From the price-determining characteristics found in the SPDs, **product specifications (PS)** are then identified. Thus, PSs can be considered as definitions of the product that must be priced as they identify a particular good or service that is bought. For example, “men’s T-shirt” is too loose to be priced. A “tighter” definition is required such that the same men’s T-shirt will be priced in country A and country B, in terms of all considerations such as brand, material, sleeve length, collar, size, etc. The PS, in this case is a full description of the type of men’s T-shirt to be priced.

ii. What is the Role of SPDs and “Like with Like” Comparison?

To derive meaningful PPPs based on comparisons of prices at the item level, it must be ensured that the products priced in different countries are comparable. Indeed, it is important to **compare like with like** in deriving PPPs. The **SPDs** provide the framework by which the price determining characteristics are identified that lead to the pricing of comparable products across participating countries.

iii. What are the Requirements of a Good SPD?

A good SPD must include all the items of information about a product that can clearly identify the product to be priced. For example, the SPDs for a men’s T-shirt, short sleeves, WKB (WKB = well-known brand) would have 18 items for its SPDs while corn (maize) flour, loose, BL (BL= Brandless) would only have 10 items for its SPDs.

<u>SPDs for Men's T-shirt, short sleeves, WKB</u>	<u>SPDs for Corn (maize) flour, loose, BL</u>
1. Item name	1. Item name
2. Brand	2. Brand
3. Brand stratum	3. Quantity
4. Quantity	4. Minimum quantity
5. Unit of measurement	5. Maximum quantity
6. Type	6. Unit of measurement
7. Material	7. Type
8. Package	8. From (raw material)
9. Style	9. Preparation
10. Length	10. Exclude: (describes items to exclude)
11. Sleeve length	
13. Lining	
14. Collar	
15. Color	
16. Pattern	
17. Size	
18. Exclude: (describes items to exclude)	

- (i) Brand – A branded product is normally expected to be more expensive than a non-branded item. However, branded products are sometimes used to ensure the comparability of the items being priced across countries. Brand status can be classified as high, medium or low.
- (ii) Quantity – For example, rice sold loosely in small quantities may be considered different from rice sold in 5-kilogram packs. The price could be higher when rice is purchased in 1-kilogram packs than when the price of 1 kilogram of rice is computed from a 5-kilogram pack.
- (iii) Unit of measurement – weight or volume at which the product is available or if a product is sold by the piece
- (iv) Package – A liter of milk sold in a carton container and another sold in returnable glass bottles are expected to have different prices.
- (v) Material – specify if the shirt is made of 100% cotton, or if a combination of polyester and cotton
- (vi) Preparation – In the example, this is relevant for corn flour only.
- (vii) Exclude – for men’s T-shirt, this excludes underwear; while cornmeal is excluded for corn flour.

Thus, SPDs differ from one product to another. Items of information not relevant to a specific product will not be included in the SPDs if they cannot be used to identify a product. Alternatively, other items will be included in the SPDs if these are relevant to

the product. For example, car type and insurance provided to passengers are relevant to car hire (service) and should be in the SPDS for car hire.

iv. Examples of Structured Product Descriptions

Other examples of SPDs are given in this section.

Catering Service – McDonald’s Big Mac

Item Name	Structured Product Descriptions
Catering services	
Hamburger, McDonald's Big Mac	Item Name: Quantity: Unit of measurement: Category (of restaurant): Type: Serving size: Main dish: Side dish: Price includes: Exclude: Specify:

Pharmaceutical product – Acetaminophen/Paracetamol

Item Name	Structured Product Descriptions
Pharmaceutical products	
Acetaminophen/Paracetamol, 500 mg, Tablet/Capsule, Generic	Item Name: Included in HAI/WHO List(s): Quantity: Unit of measurement : Active substance(s): Type of license: Strength: Dosage form: Brand/Trade name(s), such as: Target pack size (if unavailable, price a pack of similar size): Price for: Common medical use: Price concept: Full Market Price (=Out-of-pocket payment by patient to provider + payment to provider by Private Insurance/Non-Profit institutions/Social Security) Specify: (i) Pack size found, (ii) brand/trade name of the product, if available; and (iii) name of the manufacturer

Fast evolving item – mobile phone

Item Name	Structured Product Descriptions
Telephone and telefax equipment	
Mobile phone,	Item Name: Quantity: Unit of measurement: Brand: Model: Type: Display size: Internal storage: Primary camera resolution: Dual sim: Exclude:: Specify: Model

Motor car

Item Name	Structured Product Descriptions
Motor cars	
Motor car, petrol engine, 1.8L	Item Name: Brand: Model: Quantity: 1 Unit of measurement: Edition: Drivetrain: Body style: Engine size (cc): Engine power (kW / HP): Doors: Gears: Exclude: Specify: Model year, edition (full name)

Service – Car hire (WKB = well-known brand)

Item Name	Structured Product Descriptions
Other services in respect of personal transport equipment	
Car hire, 1 day, unlimited mileage, WKB	Item Name: Brand: Quantity: Unit of measurement: Type: Car type: Duration: Mileage: Location: Insurance: Exclude: Specify: Name of company, car brand and model

D. Outlet Types

There are several **outlet types** from which prices can be collected. These include:

- i. Large shops
- ii. Medium and small shops
- iii. Markets
- iv. Street outlets
- v. Bulk and discount shops
- vi. Specialized shops
- vii. Private service providers
- viii. Public or semi-public service providers
- ix. Other kinds of trades and outlets

The type of outlet is a price-determining characteristic. For example, eggs bought in street outlets may be considered different from eggs bought in a supermarket even if their quality characteristics are the same. The supermarket has other service components such as air-conditioning and assistance in packing the eggs which are added to the price of the eggs. In this case, the outlet type is a price-determining characteristic. Definitions of these outlets are found in

Table 7 (World Bank, 2011c).

Table 7. Definitions of Outlets

<p><u>A. Large shops – Hypermarkets, Supermarkets, Department Stores, etc.</u></p>
<p>A.1 Hypermarket: A hypermarket is a very large store: a very large self-service store that sells products usually sold in department stores as well as those sold in supermarkets, e.g. clothes, hardware, electrical goods, and food. In commerce, a hypermarket is a superstore which combines a supermarket and a department store. The result is a very large retail facility which carries an enormous range of products under one roof, including full lines of groceries and general merchandise. In theory, hypermarkets allow customers to satisfy all their routine weekly shopping needs in one trip.</p>
<p>A.2 Supermarket: A supermarket, also called a grocery store, is a self-service store offering a wide variety of food and household merchandise, organized into departments. It is larger in size and has a wider selection than a traditional grocery store and it is smaller than a hypermarket or superstore. The supermarket typically comprises meat, fresh produce, dairy, and baked goods departments along with shelf space reserved for canned and packaged goods as well as for various nonfood items such as household cleaners, pharmacy products, and pet supplies. Most supermarkets also sell a variety of other household products that are consumed regularly, such as alcohol (where permitted), household cleaning products, medicine, clothes, and some sell a much wider range of nonfood products.</p> <p>The difference between a supermarket and a shopping mall – A supermarket is a single organization that sells everything in it. It gets products from various suppliers and companies and sells it to customers. A shopping center/mall, on the other hand, is a hub where many different brands, organizations and businesses have their own sections to offer their own products or something they can offer with a difference.</p>
<p>A.3 Department store: A department store is a retail establishment which specializes in satisfying a wide range of the consumer's personal and residential durable goods product needs; and at the same time offering the consumer a choice multiple merchandise lines, at variable price points, in all product categories. Department stores usually sell products including apparel, furniture, home appliances, electronics, and additionally select other lines of products such as paint, hardware, toiletries, cosmetics, photographic equipment, jewelry, toys, and sporting goods. Certain department stores are further classified as discount department stores. Department stores are usually part of a retail chain of many stores situated around a country or several countries.</p>
<p><u>B. Medium & Small shops - Minimarkets, Kiosks, Neighborhood shops, Grocery stores, Convenience stores, etc.</u></p>

<p>B.1 Minimarket: Minimarket is a market with relatively small numbers of shops in it. Though the size is not as large as a normal market, it still can be convenient for shoppers to have a variety of shops in a small place.</p>
<p>B.2 Kiosk: A kiosk is a booth with an open window on one side. Some vendors operate from kiosks, selling small, inexpensive consumables such as newspapers, magazines, lighters, street maps, cigarettes, and confections.</p>
<p>B.3 Neighborhood shop: Retail store designed to blend in with the surrounding neighborhood and specializing in local tastes and needs.</p>
<p>B.4 Grocery store: A grocery store is a store established primarily for the retailing of food. A grocer, the owner of a grocery store, stocks different kinds of foods from assorted places and cultures, and sells them to customers.</p>
<p>B.5 Convenience store: Small centrally located store featuring ease of access, late-night hours, and a limited line of merchandise designed for the convenience shopper. Convenience stores charge above-average prices compared to large supermarkets that generate large-volume sales.</p>
<p><u>C. Markets – Open markets, Covered markets, Wet markets, etc.</u></p>
<p>C.1 Open market: Any market where buying and selling can be carried on without restrictions as to price and in many cases entry.</p>
<p>C.2 Covered market: Unlike open markets, a covered market is covered with tents or other structure.</p>
<p>C.3 Wet market: A wet market is generally an open food market. The floors and surroundings are often routinely sprayed and washed with water—to the extent of flooding it at frequent intervals—which gave it the name "wet market".</p>
<p><u>D. Street outlets – Mobile shops, Street vendors, etc.</u></p>
<p>D.1 Mobile shops: Mobile shops consist of individuals or groups that provide a service, sell merchandise or food on a regular basis from a registered vehicle. These were previously known as ‘hawkers’. A mobile shop is a vehicle whether self-propelled or not, standing in or on a road and from which products are offered or exposed for sale and take away. These products include perishable foods [such as fruit and vegetables], pre-packaged non-perishable foods, or food preparation on site for selling. This category does not include the consumption of food in or at the vehicle. Street vendors are business people who sell their wares in the open air rather than in a shop or store. In many cases, the vendor either has a small stand that can be secured when not in operation, or makes use of a cart that can be removed from the street at the end of the business day. Sometimes referred to as a peddler, the street vendor is commonly found in metropolitan areas, outdoor events, and sometimes at public beaches. A street vendor or hawker is a vendor of</p>

merchandise that can be easily transported.

D.2 Street vendors: A street vendor is broadly defined as a person who offers goods or services for sale to the public without having a permanent built up structure but with a temporary static structure or mobile stall (or headload). Street vendors may be stationary by occupying space on the pavements or other public/private areas, or may be mobile in the sense that they move from place to place carrying their wares on push carts or in cycles or baskets on their heads, or may sell their wares in moving bus etc.

E. Bulk & discount shops - Wholesale stores, Discount shops, etc.

E.1 Wholesale stores: A store run by wholesale dealers that sell goods directly to consumers. In most cases, by passing over brokers and retailers, they sell goods with lower prices than usual retailers.

E.2 Discount shops: A store that sells merchandise, especially consumer goods, at a discount from the manufacturer's suggested retail price. Also, called discounter, discount house.

F. Specialized shops – Supply shops, Hardware shops, Furniture shops, etc.

F.1 Supply shops: A store where professionals can purchase tools and materials for their business, such as building supply shop where builders can purchase materials for building houses and related structures.

F.2 Hardware shops: Hardware stores, sometimes known as DIY stores, sell household hardware including: fasteners, hand tools, power tools, keys, locks, hinges, chains, plumbing supplies, electrical supplies, cleaning products, housewares, tools, utensils, paint, and lawn and garden products directly to consumers for use at home or for business. Many hardware stores have specialty departments unique to its region or its owner's interests.

G. Private service providers

Taxi cabs, hotels, restaurants, private schools, private hospitals, etc.

H. Public or semi-public service providers

Water suppliers, electric power companies, public schools, public hospitals, etc.

I. Other kinds of trades and outlets – Online (Internet) shopping sites, catalog orders and other trades and/or outlets that are outside the scope of outlet types A to H

J. Online (Internet) shopping sites: Online shopping is the process consumers go through to purchase products, goods or services over the Internet. An online shop, e-shop, e-store, internet shop, web shop, webstore, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping mall.

K. (Mail) Catalogue orders: Mail order is a term which describes the buying of goods or services by mail delivery. The buyer places an order for the desired products with the merchant through some remote method such as through a telephone call. Then, the products are delivered to the customer. The products are typically delivered directly to an address supplied by the customer, such as a home address, but occasionally the orders are delivered to a nearby retail location for the customer to pick up. Some merchants also allow the goods to be shipped directly to a third-party consumer, which is an effective way to send a gift to an out-of-town recipient.

E. Why Do We Need the Product Catalogue?

i. Description of the Product Catalogue

A **product catalogue** is a document that contains the product list with product specifications based on the SPDs, and picture of the item to be priced. It is an important tool for correctly identifying items to be priced, and thus “like with like” is ensured. An **image of the product** can more precisely show what is to be priced and does not need to be translated. Whenever appropriate and possible, price collectors should be provided with color photographs to help them identify the products. Photographs can be more particularly useful for clothing items. In some case, it may be necessary to English names of items **translations to the local language**.


A **product catalogue** contains the following columns:

- i. Product code
- ii. Item name
- iii. Structured Product Descriptions with Product Specifications (brand, quantity, unit of measurement, packaging, quality, other price determining characteristics relevant to the product)
- iv. List group (Global, Asia Pacific)
- v. Image (picture of the product to be priced)


ii. Examples of Items in the Product Catalogue

Examples from the Asia Pacific product catalogue (ADB, 2017) are in this section.


Food item – White Rice #3 (BNR – brand not relevant)

Code	Item Name	Structured Product Descriptions	List Group	Image
11	All Household Items			
1101	Food and non-alcoholic beverages			
11011	Food			
110111	Bread and cereals			
1101111	Rice			
110111101100	White rice #3, BNR	<p>Item Name: White rice #3, BNR Brand: Not relevant Quantity: 10 Minimum quantity: Maximum quantity: Unit of measurement: Kilogram Type: Long grain Packaging: Loose or common packaging Quality: Preparation: Non-parboiled (uncooked) Milling: Well-milled Share of broken rice: Low (less than 15%) Aromatic (fragrant): No Enriched: No Variety: Preferred local variety Exclude: Premium rice (e.g. basmati rice, jasmine rice), sticky rice, quick cooking rice Specify: Label, if any</p>	AP	


Clothing – Shirt Fabric (BNR – brand not relevant)

Code	Item Name	Structured Product Descriptions	List Group	Image
1103	Clothing and footwear			
11031	Clothing			
110311	Clothing materials, other articles of clothing and clothing accessories			
1103111	Clothing materials, other articles of clothing and clothing accessories			
11031110110	Shirt fabric, cotton polyester, BNR	<p>Item Name: Shirt fabric, cotton polyester, BNR Brand: Not relevant Quantity: 1 Unit of measurement: Running Meter Type: For blouse or shirt Material: Cotton/Polyester (50% - 80% cotton) Weight: Width: 112-117 cm Length: Lining: Pattern: Woven fabric, no design, solid color Exclude: Designer products Specify: Width</p>	AP	

Fast evolving item – Mobile phone

Code	Item Name	Structured Product Descriptions	List Group	Image
11082	Telephone and telefax equipment			
110821	Telephone and telefax equipment			
1108211	Telephone and telefax equipment			
11082110240	Mobile phone, APPLE iPhone 7	Item Name: Mobile phone, APPLE iPhone 7 Quantity: 1 Unit of measurement: Piece Brand: Apple Model: iPhone 7 Type: Smart phone Display size: 4.7" Internal storage: 32 GB Primary camera resolution: 12 MP Dual sim: No Exclude:: 7 Plus Specify: Model	AG	

Catering services – MacDonal’s Big Mac

Code	Item Name	Structured Product Descriptions	List Group	Image
1111	Restaurants and hotels			
11111	Catering services			
111111	Catering services			
1111111	Catering services			
11111110310	Hamburger, McDonald's Big Mac	Item Name: Hamburger, McDonald's Big Mac Quantity: 1 Unit of measurement: Piece Category (of restaurant): Type: Main course, à la carte Serving size: 1 Big Mac Main dish: Big Mac Side dish: No Price includes: Exclude: Set meal with beverages and fries, etc.	AG	

IV. The ICP Price Surveys

A. Background

i. Why Conduct ICP Price Surveys

The ICP price surveys seek to collect prices for as many items in the regional product list for the Asia and Pacific region and the global list following the product specifications to ensure comparability of prices both within the country and across all the other 22 participating economies in the region. The prices of comparable products are basic inputs to the computation of purchasing power parities.

ii. What is the Difference Between Prices for ICP and CPI?

PPPs are spatial indexes in which each product priced by a country must be matched to a corresponding product priced by another country. A CPI, on the other

hand, is a temporal index in which the same item must be priced in each index period. The CPI basket includes only goods and services important to a country. On the other hand, the ICP's basket of goods and services or product list also includes products that may be available in a country but not important to that country. In some countries, prices for the CPI are collected only in major cities or in capital cities, whereas the ICP requires, to the extent possible, country-wide collection of prices, in both rural and urban areas so that national annual average prices can be estimated. These are summarized in Table 8 (World Bank, 2011b).

Table 8. Comparison of CPI and ICP Prices

CPI Prices	ICP Prices
For the same product, each time – but may adjust for small differences	For the same product, each place – but may adjust for small differences
For items with different specifications across different outlets	For items with the same specification across different outlets
May represent prices only the capital city	Must represent the national annual average price for the whole country
Covers prices of important items only	Includes prices of important and; available and not important items

iii. What is the Target Price to be Collected for the ICP Price Surveys?

The **target price** of ICP price surveys are the **national annual average prices** (at purchaser's price) of comparable products over the whole country because these prices must be consistent with those used in the computation of GDP levels. The **purchasers' price** is the amount payable by the purchaser to take delivery of the good or services at the time and location required by the purchaser.

iv. Sample of a Price Collection Form

The **price collection form** generated by the ICP Asia Pacific Software Suite (ICP APSS) contains the following information:


- i. Name of country
- ii. Survey period
- iii. Outlet information (code, type, name, address)
- iv. Price collector's name
- v. Product to be priced (code, SPDs)
- vi. Image of the product

The price collector is required to fill out the following Information:

- i. Price determining characteristics that may not be the same as those specified in the SPD column

- ii. Observed quantity, unit of measurement, price type, date of price collection, (remarks)
- iii. Previous price

An example of the price survey questionnaire generated by the ICP APSS is given for Acetaminophen/Paracetamol, 500 mg, Tablet/Capsule, Generic.

2017 International Comparison Program for Asia and the Pacific PRICE SURVEY OF HOUSEHOLD GOODS AND SERVICES Myanmar													
SURVEY PERIOD:					LOCATION TYPE:		2		PRICE COLLECTOR'S NAME:				
OUTLET INFORMATION													
OUTLET CODE:		MYA00100102000001			NAME:		Daw Khin Hwann Bu Ram						
OUTLET TYPE:		2 - Medium and small shops			ADDRESS:		Myoma Market, PUTAO						
PRODUCT INFORMATION AND OBSERVED DATA													
Serial No.	Code	Product			Price Determining Characteristics	Observed					Previous Price	Image	
		Item Name	Structured Product Descriptions			Quantity	UoM	Price	Price Type	Date			Remarks
	1106111	Pharmaceutical products											
1	11061110110	Acetaminophen/Paracetamol, 500 mg, Tablet/Capsule, Generic	Item Name: Included in HAIWHO List(s): Quantity: Unit of measurement : Active substance(s): Type of license: Strength: Dosage form: Brand/Trade name(s), such as: Target pack size (if unavailable, price a pack of similar size): Price for: Common medical use: Price concept: Full Market Price (=Out-of-pocket payment by patient to provider + payment to provider by Private Insurance/Non-Profit institutions/Social Security) Specify: (i) Pack size found, (ii) brand/trade name of the product, if available; and (iii) name of the manufacturer										

v. The Need to Collect Comparable Prices

Only **prices of comparable products** can be used for PPP computation. Some discretion is required of the price collectors as to what they judge to be *close substitutes*. Close substitutes may differ because of differences in some characteristics, such as the size of the bottle. But the substitute should not be a bottle of a completely different size such that it serves a different market need (say 'pocket-sized' packet of paper tissues, as against a larger box). Close substitutes may differ because of the absence or presence of an important, *price determining characteristic*. For example, the substitution of a *green* product for a *yellow* one is preferable to the substitution of a *plastic* one for a *wooden* one.

Collecting prices is futile unless the same products are priced in at least one other country. **Exact matches** of the products for which the prices were collected must be used to estimate PPPs. Thus, price collectors need to be fully briefed on the importance of strictly following ICP specifications.

vi. Preliminary Visits to Price Outlets

Preliminary visits to price outlets is vital in ICP price collection. This will **ensure the cooperation of the shop owners/shop keepers**. It also provides the opportunity of determining what items are available in the selected outlets and helps in identifying products which will be priced for the first time.

This is the chance to **establish a contact person** with whom the price collector will be coordinating for the price collection in that outlet. Moreover, this is also the

opportunity to **take a photograph of the outside of the outlet** (if the shop owner will agree), which is usually helpful for service outlets such as restaurants or beauty salons, where it is possible for the national coordinator and regional coordinator to get some idea of the general quality of the outlet. Recall that the type of outlet is a price-determining factor.

vii. Survey Period and Frequency of Price Collection

Price surveys will be conducted on a quarterly basis for 2017 and should cover the entire country.

V. Defining Roles and Responsibilities in the ICP Activities at the Country Level

A. The Need for a National ICP team: Structure and Composition

It is advisable for countries to form their own ICP national team. Usually, the national ICP operations are managed by the head of the national statistical office responsible for price collection and national accounts estimation. The usual composition of the ICP team is the following:

- i. National Coordinator
- ii. Field Supervisors
- iii. Price Collectors
- iv. Data Encoders

B. Roles and Functions of the National ICP Team

The **National ICP team** is tasked with overseeing and performing all ICP activities at the country level as inputs to the regional comparison. The national ICP team exerts all efforts to ensure that products are correctly identified based on the SPDs and product specifications; national annual average prices are collected; and the required GDP weights by basic headings are made available based on the agreed timelines.

The team also develops a detailed project work plan; identifies responsibilities and tasks taking note of timelines; identifies problems and slippages encountered; develops mechanisms for quality control through written procedures; develops a system to for data validation; and maintains a good documentation of all the aspects of the ICP processes and keeps track of ICP-related expenses.

i. The National Coordinator

The **National Coordinator** (NC) is the focal person through whom all agreements with the Regional Coordinator are communicated. The NC's responsibilities are to:

- (i) Ensure that regional agreements are communicated to the proper authorities of the concerned agencies in their country;
- (ii) Constitute a Project Team composed of sampling experts, national accountants, price statisticians and other technical staff that may be required for the implementation of ICP activities in the country;
- (iii) Ensure that prices and national accounts are correctly estimated;
- (iv) Ensure that statistical staff and field staff are trained in the concepts underlying the ICP and the practical implications for collecting prices; that data are edited and entered the ICP database; and that editing queries from the Regional Coordinator are handled promptly;
- (v) Spearhead the translation of the regional product list from English to the local language, if necessary, to facilitate the identification of items to ensure comparability;
- (vi) Review and check national price level data and ensure that national annual average prices are transmitted to the Regional Coordinator based on agreed timelines.
- (vii) Ensure that the required verification processes for prices and national accounts arising from the data validation workshops are implemented in the country and revisions are submitted to the Regional Coordinator;
- (viii) In cases where another agency is doing the national accounts estimation, the National Coordinator is also responsible for communicating with the national accounts experts regarding ICP requirements;
- (ix) Manage funds provided by the Regional Coordinator for the implementation of ICP activities; and
- (x) Attend all regional data validation workshops which aim to check the consistency of the data submitted for PPP estimation;
- (xi) Assist the national coordinator and the head of the ICP-implementing agency in their country in compiling prices and GDP weights.

ii. The Supervisors

The supervisor's mission is to compile the **best possible set of prices of items** in the 2017 ICP for Asia and the Pacific list per the exact specifications contained in that list and sampled in a manner that will yield the most reliable estimates of the 2017 national annual averages of the items priced. They train and supervise price collectors; serve as liaison between price collectors and retail outlets; ensure that queries arising from the collected data are verified and corrected when necessary; and ensure that logistical requirements for the conduct of the ICP price surveys are in place.

1. Getting started

1.1 The supervisors should make sure that the following are available:

- a. **Asia Pacific regional list of items.** This is the list that has been painstakingly put together and agreed upon by all the participating

countries in Asia and the Pacific. It contains detailed specifications based on price-determining characteristics of the products.

- b. **ICP Asia Pacific Software Suite.** This will consist of different modules for household, and non-household as well as the GDP weights. (*Separate manual will be developed for the ICP*)
- c. **Sample frame.** This specifies the regions/states, cities and outlets from where prices are to be collected.
- d. **Mapping of items to specific locations and times.** This lists which items are to be priced in specific outlets.
- e. **Schedule of data collection and submission.** This is the timetable that all participating economies agreed with the RIA showing the dates by which data must be submitted to the RIA.

1.2 Get the ICP APSS ready.

1.3 Train your price collectors

- a. Make sure they understand ICP pricing, which is different from CPI pricing. CPI measures changes in prices; ICP measures levels of prices. ICP prices should be per exact specifications, strictly following every detail of the product catalogue.
- b. They must price the same product in every outlet and substitution is NOT allowed. This is different from CPI where they may price different products in different outlets.
- c. Go over the specifications item by item, to make sure price collectors understand the specifications. These may be potentially different from the items they price for CPI.
- d. Go over the price collection form the price collectors need to fill out. Make sure they understand the meaning of each entry in the form, such as Price Type, Observed Quantity, Observed UoM (unit of measurement) and values of various Price Attributes and Product Characteristics of the products to be priced.

2. Conducting Price Surveys

- a. Set schedule of the price collection period and deadlines for each price collector.
- b. If necessary, you should introduce your price collectors to the shops where you expect to have difficulty in price collection. Alternatively, you can

accompany your price collectors in these situations. Thus, you are expected to be within reach of the price collectors under your supervision, always during the survey.

- c. Arrange to collect at least three prices (confirm how many prices should be collected) from each city/municipality (confirm name of local areas) for each collection period (what is the collection period); more if the price of an item varies significantly from outlet to outlet within the city/municipality or if the product is defined broadly.
- d. Enter the data promptly and accurately in the ICP APSS Data entry module and have them exported to PAM regularly.
- e. Pay attention to the remarks and exceptions that price collectors may have made. These are essential for checking the validity of the observed prices. If you are adjusting observed prices based on these observations, write this down and inform the NC who will notify the RC.
- f. If you must replace an outlet because it has disappeared or otherwise cannot be used, be mindful of the sample frame. The new outlet must be of the same type of outlet that is being replaced and should represent similar clientele and location as the one being replaced.
- g. Check for errors. Prepare a checklist of things that can go wrong and check every price against it. You may need to do random checks in the outlets to confirm if products were correctly identified and priced. For instance, the specifications may not be followed; the units of measurement entered may be pound instead of kilogram; the decimal point may be in the wrong place; prices of similar items may not have the correct relationships, for instance the price of a glass of beer in a restaurant is not higher than the same bought from a grocery store, and so on. Keep on updating the checklist as you find more sources of error.
- h. Perform data editing and validation as described in Chapter 7 of the ICP 2005 Handbook
<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/ICPEXT/0,,contentMDK:22407349~menuPK:6782529~pagePK:60002244~piPK:62002388~theSitePK:270065,00.html>)
- i. Compute national averages using whatever weight structure you must combine prices observed in different regions/cities. Remember we need transaction prices, so if one region/city has more transactions than another then the prices of the first one should receive more weight. If you do not have transaction data, use population. The Regional Coordinator will compute annual averages when edited and validated data for all quarters have been assembled.

- j. Make surprise visits to outlets at random to check authenticity of prices collected.

3. Transmit data to the Regional Coordinator

Transmit the edited and validated basic observations, outlet level price data (without the outlet names) and the computed national averages using the specified format to the Regional Coordinator per agreed schedule.

iii. The Price Collectors

The Price Collector's mission is to collect prices of items assigned to him/her according to exact specifications provided and in a manner, that ensures that the prices collected best represent the actual prices paid by most customers. A price collector must also collect prices in the outlets identified in the price collection sampling design developed for ICP price collection.

As a price collector, you will be meeting the public at all times. Thus, you are advised to act in a professional way, observe the dress code in your country and always be courteous and polite (World Bank, 2003).

1. Getting started

As a price collector, you should have the following for the price surveys:

- a. Price collection forms containing codes and detailed specifications of the products you need to price. Make sure you understand what blanks in the form you need to fill out. You are advised to familiarize yourself with all the products to be priced and the forms to be used.
- b. Instructions on how many price observations to get for each product.
- c. Names and addresses of outlets from where you are going to get the prices.
- d. It is advisable to make contacts with the store managers ahead of your visits for price collection. If you need to see him or her, make an appointment to suit his/her schedule. Dress respectably and speak politely.
- e. The list of items you need to price in each specific outlet. For instance, for prices of shoes, you should be directed to a shoe store, not a bakery. If the same price collection form lists several products, the list will pertain to an outlet. You should have as many price collection forms as the number of outlets you are going to visit.

- f. Training on the 2011 ICP Asia Pacific Software Suite, if you are required to enter the prices in the Software. (*Separate manual will be developed for the ICP*)
- g. Official Identification cards and/or letters of introduction for all price collectors. The letter should emphasize that you are not agents of competitors; that you are not government inspectors checking on overpricing or quality of goods; that the prices will be averaged with others collected throughout the country; and, that their names will never appear in any publication.
- h. In summary, these are the things you need to bring for the price survey:
 - i) Price collection forms
 - ii) List of items to be priced in each outlet
 - iii) Identification card and letters of introduction
 - iv) Route plan for the day (names and addresses of outlets)
 - v) Ball pen or pencil (with sharpener and eraser)
 - vi) Pocket calculator
 - vii) Portable weighing scale (for fresh products)
 - viii) Measuring device
 - ix) Mobile phone and power bank – to contact supervisor if needed
 - x) Digital camera – documentation of products priced for future reference in the revision and updating of the product list. Pictures of outlets should also be taken for comparison purposes.
 - xi) Umbrella or raincoat

2. Preliminary Visits to Retail Outlets

When you have the list of retail outlets and detailed product specifications, begin to locate them and contact the owner or manager with a letter coming from the head of your national statistics office.

3. Your role as Price Collector

- a. You might be an experienced CPI price collector but you must be aware there are some very significant differences between the CPI and ICP price collection processes.
- b. For the ICP there is a long list of very carefully selected products, each of them very precisely defined and described. It is important to find these **exact items** in the shops that you will be visiting.
- c. **Note for CPI price collectors:** In your country, you may be given some discretion in selecting the precise specifications of a product within a given range of options. This is not the case for the ICP, where very tight specifications are given and must be followed.

- d. Ensure the shop owners/shop keepers that the prices you collected will be treated as confidential and data will only be used for ICP purposes. You may already be aware of this as an experienced price collector but the shop owners are not legally bound to provide price data so you will need their cooperation.
- e. The prices you collect will of course only be a small sample of all the possible prices in the market. Your prices will represent many others. So, if there is a mistake in the prices you report, that mistake may be applied not just to that single price – it will be treated as representative of all the other prices of that product, and could damage the accuracy of the results.
- f. It is very important to do this work carefully and accurately. You will meet problems, for sure. But you will not be alone: all price collectors work under the guidance of your supervisor, who is well trained in all aspects of the ICP price collection. The supervisor is there to help you do your job well and to deal with any problems and difficulties that arise.
- g. Your supervisor may sometimes return to the outlets you covered to confirm if the product priced and prices collected are correct. This is not to cast doubt on your work, but this is an important part of any quality assurance procedure of any good survey.
- h. Prices which you have collected will be compared with the prices reported by other collectors. If there are some big differences for a certain product, this could mean that you – or another price collector – has mistakenly priced the wrong product, or has not fully understood the detailed specifications. These mistakes may occur in price collection and your supervisor will assist you in addressing the problem. Thus, you are also reminded to write clearly on the price collection forms.
- i. You should therefore expect to have close contact with your supervisor at all stages of the price survey work.
- j. Your supervisor will provide you with a list of the names and (where possible) the addresses of all the retail outlets (just called “outlets” in the rest of the manual) which you will visit during the surveys. There are several types of outlets as defined in

- k. Table 7 of this manual.
- l. Suggest replacement if the goods or services to be priced are no longer available, and making relevant comments on the data collected.
- m. May double up as data encoder, and perform data editing and validation.
- n. At the end of each working day you may be required to report back to the office with your daily results, or if it is not possible to return to the office, you must be especially careful to keep your supply of forms and your price collection reports in a safe place, so they will not be seen by anyone not entitled to see them, and safe from damage from heat, water, pets etc. If you lose some forms or they are damaged in some way, inform your supervisor immediately who will advise you on what to do: you may need to return to some of the shops to repeat the survey for the day concerned.
- o. At the end of the day, there also several questions that you should ask yourself, such as the following:
 - ✓ Have I visited all the outlets which I expected to today? If not, how much have I covered? What were the reasons for missing out the outlets?
 - ✓ Have I priced all the products I was expecting to price? What are the reasons for missing out the products?
 - ✓ What problems did I encounter and what suggested solutions do I have that I can discuss with my supervisor?
 - ✓ What were the lessons I learned from my experience for today?
 - ✓ Have I kept my completed forms in a safe place?

iv. Data Encoders

The mission of the data encoders is to **ensure that price data collected for the ICP price surveys are accurately inputted** into the 2011 ICP Asia Pacific software. Your country's ICP national coordinator should ensure that you are trained on the use of the software.

Through initial editing of collected data, ensure that all data fields are completed and that correction of data is in conformity with instructions received from the ICP national coordinator. You should call the attention of the price collectors concerned missing entries or for obviously wrong entries.

Your role as data encoders is vital to the computation of robust PPPs as price data accounts for half of the data required for PPP computation, with GDP data as the other set of information needed for PPP computation.

VI. Issues in Price Collection

As a price collector, you are most likely to encounter problems during the price surveys. These may be related to the item being priced or to the sample outlet being surveyed. Some of the issues most commonly encountered by price collectors are discussed in this section. You may also refer to another document, “***Frequently Asked Questions in ICP Price Surveys***”.

A. Issues Related to the Outlet

- a. Outlet is closed – Closure may be temporary or permanent. In the case of an outlet being closed for a short period, such as a day, a week, you should retain it on your list of outlets, and return to it when it reopens. For permanent closure, you should alert your supervisor, who will decide if a new outlet should replace the old one. This would usually be a similar type of outlet not too far away from the one which has closed.
- b. Outlet refuses to cooperate – Try your best to explain that you are not a “spy” from another retailer, you are not a government inspector checking the quality of their products or the prices they are charging, that their names will not appear in any publications, nor will their prices. If after this explanation, the outlet still refuses to cooperate, inform your supervisor who may talk to the shop owner/shop keeper again or may decide to find a replacement outlet.
- c. Informal markets – Not all outlets have permanent locations and which may have been included in the sample outlets. A stall may be occupied by different sellers at different times of the week. Identify the seller who sells the item to be priced and visit the outlet at the appropriate time. However, this must be reported to your supervisor.

B. Issues Related to the Products

Missing products – You may discover that a product that has been priced in an earlier survey is no longer available. These may be due to:

- (i) **Product may be temporarily unavailable** due to late delivery or seasonality. Ask the shop owner when the product will be available for non-seasonal products and visit the outlet again when the product will be available. For seasonal products, this must be noted in the price collection form.
- (ii) **Product has become permanently unavailable.** Check first if the product is not available in all other outlets. If it is only unavailable in one outlet, collect the price in other outlets and inform your supervisor. But if the product seems to have become generally unavailable, you should

look in the outlets to see if there are any acceptable substitute products and inform your supervisor.

- (iii) **Product has been replaced with a similar, but not identical product.** This often happens with clothing. A ladies' blouse may have its material changed from 90% cotton/10% rayon to 80% cotton/20% rayon, for example. Take note that in ICP, products should not be accepted as substitutes if their different specifications have a significant effect on the price. The problem is that in an ICP survey you may not have yet priced the target product, so you may not know what its price ever was; you are thus unable to say whether the proposed substitute item has a significantly different price from the target item. The outlet manager may be able to offer you some advice on this. Advice may also be sought from your supervisor or from the National Coordinator.

Whenever you price a substitute product, you must always check with your supervisor who will tell you if it is likely to be acceptable. The final decision will be made by your national coordinator, or even at a higher regional level.

C. Issues Related to the Prices

a. Sales and discounts

- (i) Recall that in the ICP we are interested in the **actual prices that shoppers pay**. Some goods may be sold in seasonal or other sales and which will affect the average price of the product. This must be noted. However, ensure that the items on sale are not damaged or near expiration dates and are with the same specifications. If you think that the sale item is significantly different from the specifications of the target item (and maybe therefore the price has been cut) you should treat the situation as a missing product.
- (ii) Other discounts may be available to shoppers which include:
 - Rebates - should only be considered when they apply to the purchase of an individual product
 - Deposits for 'money-back-bottles' should be deducted from the price.
 - "3 for the price of 2" (and similar offers) should be disregarded.
 - Discounts available for restricted groups such as pensioners should be disregarded.
- (iii) "Free x provided with each purchase of y" should be disregarded.

If you are not sure about any of the discounts, consult your supervisor.

b. Price bargaining

Bargaining is where prices are negotiated between the seller and the buyer and are not fixed. Final transaction price will vary depending on the buyer's negotiation skills. In such case, the price collector can observe the buyers and record the most common price that was observed or ask information from the purchasers. Alternatively, the price collector can pose as a buyer.

c. Timing of price collection

Timing refers to point of time within the day, week or month when prices are collected. Especially for perishable goods, the prices may differ at what time of the day these were collected. Thus, price collection dates and time may have to be set in advance to ensure that the time of the day, week or month when prices are collected does not affect the quality of the product being priced.

d. Quantity variations

- (i) It is very likely that the **exact preferred quantity of an item may not be available**. Thus, the detailed product description gives you an acceptable range. For example, price collection form states the preferred quantity as 200g for a jar of instant coffee. The acceptable range is plus or minus 20g. So, a jar containing any weight between 180g and 220g would be acceptable and could be priced. However, the actual weight of the item priced must be recorded. The acceptable range is narrow because the products become cheaper per unit the more you buy.
- (ii) Fresh produce such as meat and vegetables (usually in open markets) are often **sold by the piece** or by the box or container rather than by measured weight. However, the ICP specifications will always require a price per unit quantity such as a kilogram. Thus, it is best to have a small portable weighing scale to weigh the produce and calculate a price per unit of weight required.
- (iii) A different type of quantity variation is the **multipack** or the packaging together of several identical items. This is the usual packaging for items such as batteries, soap, lightbulbs, toilet paper etc. Very often, the unit price per item in a pack of 4 is less than the price of a single item. The product specifications will tell you what is and what is not acceptable, but usually any multipack is regarded as a different product from the single item, and should not therefore be priced if the product specification is for a single item only.

e. Sales Taxes

The prices which you collect for the ICP must always be the **price payable by the consumer for the item**, including any taxes payable at the point of sale.

Taxes such as value-added tax (VAT), purchase tax, sales tax, local taxes, customs and excise duties must all be included in the price to be recorded.

f. Delivery Charges

Very large or heavy items like refrigerators may be delivered to the customer's address by the retailer or by a delivery company acting on behalf of the retailer. The delivery price should only be included in the price of the article if it is an integral part of the price (i.e. "delivery included"). If delivery costs are extra, they should NOT be included.

g. Tips

If it is the custom to include a tip with a restaurant meal or a taxi ride, then it should be included as part of the price at the going rate of whatever the normal amount is. If tips are generally regarded as completely optional, they should be disregarded in the price.

VII. Frequently Asked Questions in ICP Price Surveys

Question	Answer
General Issues	
What are Structured Product Descriptions (SPDs)?	Structured Product Descriptions (SPDs) which are general descriptions that list the characteristics relevant to a product. The SPD does not identify individual products but they are used to create detailed Product Specifications (PS) that specify the identifying characteristics of the individual products for which prices are to be collected.
Why are SPDs very important?	The SPDs provide the framework by which the price determining characteristics are identified that lead to the pricing of comparable products across participating countries.
Conflicting SPDs for a product	Price a product that meets most of the SPDs and document what details in the SPD were not met. Report this to your supervisor who will decide on which product to price. Premises: 1. Deviation is only for one or two of the SPDs. 2. If another country prices the same product, a new product will be introduced
What is my role as a price collector for the ICP?	Your role is to collect prices for the same items or products as defined in the product specifications to be able to achieve “like with like” comparison with all participating countries in the ICP.
1. Outlets	
1.1 The designated outlet is far and obscure. There is a supermarket/department store nearby where I can get all the prices. Can I collect the prices from this outlet?	Absolutely, no. Outlets are chosen in advance to represent different locations, transactions and customers. You should go only to the designated outlets.
1.2 The designated outlet was popular before but not now. A similar outlet nearby is more popular. Can I use this more popular one?	Bring it to the attention of the supervisor. He/she should decide whether to switch outlets, not you.

Question	Answer
1.3 The designated outlet is closed. What should I do?	The closure of an outlet can be permanent or temporary. If the closure is permanent, your supervisor will decide on the replacement outlet. Prices collected from the replacement outlet should be properly noted in the survey forms. If the closure is temporary, you should retain the outlet as your sample and return to it when it re-opens. However, you should note the delay in the date of your price collection.
1.4 The designated outlet does not exist and a similar one is not available in the location. What should I do?	Tell your supervisor. He/she would need to decide whether to find a similar outlet in another location or not.
1.5 The owner of the designated outlet does not allow us to collect prices.	<p>Carry an official identification card/letter of introduction from your office showing that you are not a spy for the competitor but a government officer charged with the responsibility of collecting prices for computing averages for the nation as whole. If that does not work, don't waste your time and leave. Report it to your supervisor who should look for another outlet.</p> <p>However, if the product can only be found in that outlet, just note all identifying characteristics (such as brand, packaging, etc.) including the location of the product in the shelves or shop.</p>
1.6 Some sellers occupy a stall in a market that is shared by different sellers at different times of the week or even different times of the day. In such cases, it may not be possible to select a sample of sellers directly.	A sample of the locations in which such sellers operate must be taken, and the price collectors must visit the locations at the appropriate time when the product to be priced is being sold. The price collectors can then choose specific sellers while noting the outlet or outlets selected.
2. Products	
2.1 I can find the product but I see several that meet the specifications.	If prices are the same, price only one of them. If prices differ, then pick three most popular brands, one high price, one medium price and one low price. Inform your supervisor about this who should decide to product to be used.

Question	Answer
2.2 The specifications are so broad that several very dissimilar products match the specifications.	<p>This can happen when, say, the fabric content of a shirt is 50% to 100% cotton. In this case, if prices do not differ for shirts of different cotton content, then price only one of them; if prices differ, then you must collect several prices, one or more with low cotton content, one or more with medium cotton content and one or more with high cotton content.</p> <p>In general, the broader the specification, the larger the number of prices required to get a good average. In some cases, it may help to choose a local brand that is available throughout the country. This will ensure that the same product will be priced in the whole country.</p>
2.3 I find the product as specified but the brands are different in different stores and prices vary.	Price the brand that is available in each store if you are convinced the specifications match. Note the brand names on price sheets. The brands are given as an indication of quality only – pricing exact brands is not essential if the quality is consistent.
2.4 I cannot find the product as specified but there is one that is very similar in function and quality.	<p>This can happen, for instance, for shirts that do not specify fabric contents. If you think it is a close substitute, price it, but write down the price-determining characteristics that differ from those specified.</p> <p>Moreover, for items with slight deviations from the product specifications, such as 23 carat gold instead of 22 carats, note the difference in the price collection form and report this to your supervisor.</p>
2.5 I can find a product that matches the specifications but it is an exclusive brand; not too many customers buy it.	Do not price it, but inform your supervisor.
2.6 What should I do if the packaging available is different from what is specified in the product list?	As a rule, the specification in the product description should be followed. But if only different types of packaging are available, for example paper bags or boxes instead of plastic bags specified in the description, a substitute product can be priced. In this case, you must record the packaging type on the price collection form. However, glass and tins are not generally regarded as equivalent to paper or plastic packaging, and substitution should not be made.
2.7 A product that is listed “Not Available” is found. Do I price it?	Yes, and report it to your supervisor.

Question	Answer
<p>2.8 What do I do when a product is missing?</p>	<p>There are 2 cases why a product is missing: (a) Temporary disappearance due to delayed delivery from the supplier. Ask the store manager when the product will be available and return on the date specified to collect the price. If the product is only unavailable in that outlet, collect the price in other outlets.</p> <p>Temporary disappearance can also be due to the seasonality of a product. Price the product when it is in season. However, note in your price collection form that the product cannot be priced because it is not produced during a specific period or it is not being sold because it is not used during a season.</p> <p>(b) Permanent disappearance due to discontinued production. Look for an acceptable substitute in the assigned outlet or in other outlets and inform your supervisor.</p>
<p>2.9 Some items can only be priced in the urban areas and cannot be found in rural areas.</p>	<p>Continue to price the items in the urban areas. However, note in the price collection form that the items are not available in the rural area. In this case, the price in the urban areas will represent the national average price.</p>
<p>2.10 I am confused with fish, vegetables and some fruits. The name given in the catalogue is not the same as in our country and the image does not help. How do I know if I am pricing the right one?</p>	<p>Refer to the Product Catalogue, where the scientific names for some fish, vegetables and fruits are given. You may also want to familiarize yourself with the specific specie first before going to the field.</p>
<p>2.11 When I go to the wet market and ask for the price of rump steak, the seller asks me what part of the animal it is.</p>	<p>Refer to the picture on the cuts of meat to find out what part of the animal a specific meat cut is drawn. See Figure 3 for beef and Figure 4 for pork cuts.</p>
<p>2.12 I see the product with the exact specifications and brand as what is written in the catalogue. The problem is, I know that the product is fake. I cannot see any genuine product, or if there is, it is</p>	<p>The price of a fake product price should not be compared with that of the genuine article in another country. So, you should not try to replace and price a fake product for an original one. However, if there is no way to price a genuine product, get the price of the fake one fully documenting that the price collected is for the fake</p>

Question	Answer
not what is commonly bought by consumers. Question: Do I price it?	product. A product may be introduced later if another country prices the same fake product.
2.13 How do I know if I am pricing a genuine branded product?	Sometimes, it is difficult to identify a genuine branded product. It is best to collect prices for branded products from reputable stores or large outlets as they usually do not sell fake products since they must protect their reputation.
2.14 I cannot find the clothing item with a specific international brand and style number? But I found the same international brand but with a different style number.	Price only what is in the product catalogue. If the exact style number cannot be found, then report the items as not available. However, take note of the other style number of the clothing item that you found. The case may be that what is in the product catalogue may have been phased-out and a new style has become more popular.
2.14 If a product with international brand is available only in one outlet in the country, should I still collect its price?	Yes, if that is the only price available for country, then that is the national average price.
2.15 What is the difference between a WKB (well-known brand) and an international brand?	An international brand is known and sold in many countries, while a WKB is a brand that has good reputation and widely available in your country. If you do not know what is a WKB for your country, you can ask the expert opinion of the seller who is knowledgeable on the volume of sales of a brand. You may also ask the advice of your supervisor or the other price collectors. Definitions of “brands” are in Table 9.
2.16 I have correctly identified the rice variety based on the SPDs, but there are two types available (old and new), should I price the old variety since it is more popular among the residents?	No, the new variety should be priced to be consistent with the prices in the other ICP participating countries. Remember, that the items being priced for the ICP are not always the popular items in your country. What you should bear in mind is that the same items must be priced in all ICP participating countries.
2.17 How do I distinguish a generic from a branded	A generic drug is one whose patent has expired and are usually cheaper than branded drugs because the

Question	Answer
pharmaceutical product?	<p>manufacturer does not have to spend on clinical trials to produce the drugs.</p> <p>For example, a generic drug would be sold as “paracetamol” while its equivalent branded drug would be sold as “Biogesic”.</p>
2.18 Is a “product” the same as an “item” in the ICP?	<p>Yes, an “item” is another term used for “product”. An item or a product can either be a “good” which has a physical form (e.g. table) or a “service” which has no physical form (e.g. a haircut).</p>
2.19 The SPDs require that a well-known brand (WKB) in the country must be specified. However, there are different well-known brands in different parts of the country. Which brand will I choose?	<p>Identify the WKBs in the area where you are assigned. The other price collectors will also identify the WKBs in their areas of assignment. If the WKBs reported are different, your supervisors will decide on which WKB will be priced in your country based on the most commonly found WKB that meets the requirements of the SPDs.</p>
3. Prices	
3.1 What prices should be recorded?	<p>Valuation should be at purchasers’ prices, i.e. prices paid in the open market. They should therefore include retail or sales taxes (such as VAT), service charge, and should exclude discounts. For some household items, such as refrigerators, washing machines, computers, the price to be collected should exclude any additional for delivery and installation charges since they are additional services and not part of the product specifications.</p>

Question	Answer
<p>3.2 How do I report discounts and special offers?</p>	<p>ICP prices should match the implicit prices underlying household expenditure in the national accounts, the ICP price surveys should also include goods offered in seasonal or other sales, as well as other generally available discounts. If the sale price is available to everyone, then take the sale price.</p> <p>However, you should be careful when you note down sale prices. Products on sale may be defective, dirty, or close to expiration date. In this case, the quality of the product may therefore not be the same as the required specifications in the product list. If you think that the sale item is significantly different from the target specifications in the product list, this should be treated as temporary disappearance of the product. (Refer to 2.8 (a).) If the sale price is not available to all buyers or when the product can only be bought at the sale price but another product must be purchased, the regular price must be taken in these situations.</p>
<p>3.3 Separate from annual sales are the various types of discount which are often available to shoppers. What should I do in this case?</p>	<p>Deposits for “money-back-bottles” should be deducted from the price. Discounts available for selected groups, such as senior citizen discounts should be excluded from the price to be reported.</p>
<p>3.4 How do I report the price of products in multipacks?</p>	<p>A multipack is regarded as different product from the single item and should not, therefore, be priced if the product specification is for a single item only.</p>
<p>3.5 How do I report the price of a product that is sold by the piece, by container, or by bundle rather than by measured weight, usually for fresh produce?</p>	<p>There are several situations in this case:</p> <p>a) If the SPDs specify a size, then measure the item and weigh it to be able to calculate how many pieces are needed for the required unit of measurement.</p> <p>b) You can do the same thing for items sold by bundle or by container.</p> <p>Thus, a price collector is advised to bring a measuring devise and a portable weighing scale to weigh the produce and calculate the price per unit of weight required.</p>

Question	Answer
3.5 The unit price is lower if the product is bought in bulk. How should I report this price?	Take only the price that is applicable to the reference quantity indicated in the product specification. Bulk purchases or purchases in small quantities will distort the price when converted to the reference unit of measurement.
3.6 The product is sold at different prices to different customers depending on their bargaining skills and time of day. What price should I report?	<p>This is a difficult situation. You must somehow find out the average sale price.</p> <p>You may observe several customers what they are paying or ask them the price they paid.</p> <p>If it is a perishable product, like fish or fresh fruits and vegetables, then you may visit the shop at a time when the average price for the day is likely to prevail.</p> <p>This is different from pricing for CPI where you visit the shops at the same time each time you collect the price.</p>
3.7 How many price quotations should I collect?	The number of price quotations depends on the variability of prices. For example, water, and electricity charges are not likely to change every month. For other products, such as fresh fruits and vegetables whose prices change very often, then more prices should be collected.
3.8 Prices are collected for the same product in several shops in one market. What price should I report?	For example, the price of oranges is collected from five shops in one market. These should be recorded as having collected 5 prices. Do not report the average of the prices of collected from the 5 shops, submit all the 5 individual prices.
3.9 Price displayed for a product is different from the price given to a customer who bargained for a lower price. What price should I report?	<p>There are two problems created by bargaining.</p> <p>First, it is difficult to find out the price resulting from any individual process of bargaining.</p> <p>Second, the prices resulting from bargaining may vary significantly from purchaser to purchaser. Thus, the price collector needs to find out, or estimate, the average bargained price paid by the customers at some outlet.</p>

Question	Answer
3.10 What time of the day should I collect prices?	<p>For food items, the product specifications for such goods stipulate that they must have a certain type and quality. If the products are perishable and those sold late in the day are already beginning to deteriorate, their prices would have to be ignored because they would not meet the product specifications.</p> <p>On the other hand, if the products have not deteriorated and the seller is merely anxious to get rid of surplus stocks, then the relevant price for ICP purposes is the average price for the day, the different prices being weighted by the quantities sold at those prices.</p>
3.11 The unit of measurement (UoM) in my country is not the same as the UoM in the SPDs. How should we report our prices?	<p>There are two things that the ICP team in your country can do.</p> <p>First, the ICP National Team can give the conversion factors from the local UoM to the required UoM, and the price collector will do the conversion during the price collection.</p> <p>Second, the price collector will report the prices based on the local UoM and the supervisors will do the conversion into the required UoM.</p>
3.12 How will I know if I have collected the same item as the other price collectors?	You will only know if you and the other price collectors have priced the same items when the price validation is done for your country, when prices are compared with each other.
3.13 Can I use the CPI prices that I have collected for the ICP if the item?	Yes, you can report the same CPI price for the ICP price if the CPI item is exactly the same as the ICP item and if the outlet identified in the ICP sample is the same as the CPI outlet.
3.14 How many price quotations per item must be collected for the whole country?	Within a country, at least 15 price quotations are required per quarter collected in both urban and rural areas, if possible. However, if only less than 15 price quotations can be collected that is still acceptable.
3.15 What is the difference between an observed price and a converted price?	An observed price is the price collected during the price survey. If this is not the price for the unit of measurement (UoM) in the SPDs, the observed price must be recomputed into the required UoM, which becomes the converted price .

Question	Answer
3.16 What is the target price in the ICP?	The target price in the ICP is the national annual average price of the items. The target price is derived from the converted prices collected for the whole year for the entire country.

Figure 3. Beef Cuts

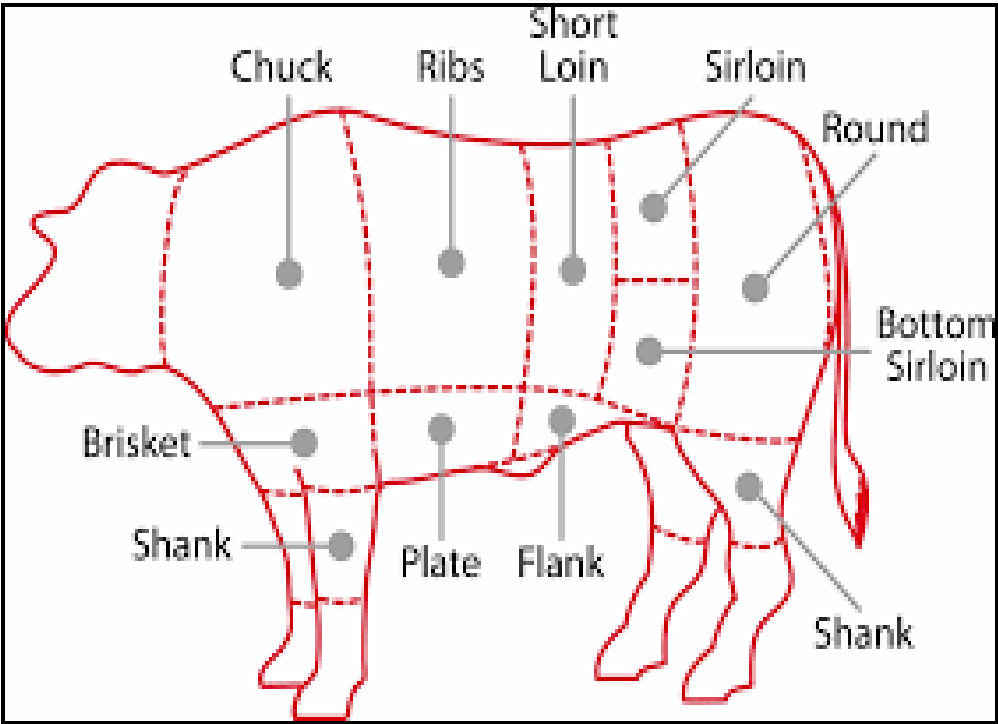


Figure 4. Pork Cuts

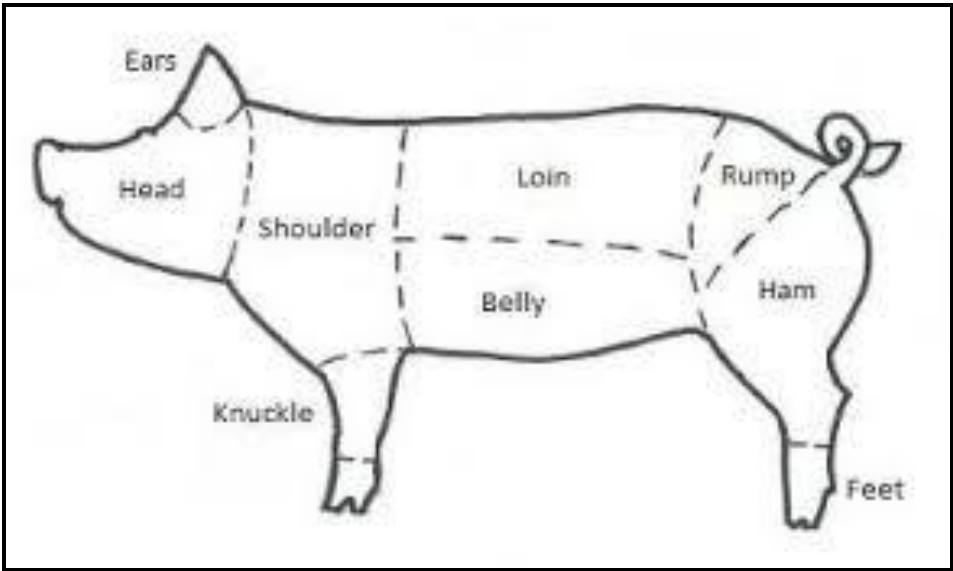


Table 9. Definitions of Brands

Types of Item Definitions				
	Specified brands items	Unspecified brand items		
Title of item type	Specified brands	Well known brands	Brandless	Brand not relevant
Abbreviation item list	SB	WKB	BL	BNR
Underlying brand concept	Brands and shop-chains with considerable spread, and/or which may have only local reputation and spread Shop-own-brands (store-brands) of higher or standard quality (brand value is seen as part of product quality)	Brands and shop-chains with considerable spread, and/or which may have only local reputation and spread Shop-own-brands (store-brands) of higher or standard quality (brand value is seen as part of product quality)	Brandless goods – however, a “label” without reputation might exist (bottom range of market production) Shop-own-brands (store-brands) of lower quality level	Products, usually sold loose, and services
Brand value	Yes	Yes	No	Concept does not apply
Typical selling argument	Quality or reputation of the brand	Quality or reputation of the brand	Low price	
Prices to be collected	Prices only for brands or models listed in the item definition	Prices for non-branded products fulfilling the item definition (some items have a list of example brand(s) to be priced, other brands can	Prices for non-branded products fulfilling the item definition	Products or services fulfilling the item description

Types of Item Definitions				
	Specified brands items	Unspecified brand items		
Title of item type	Specified brands	Well known brands	Brandless	Brand not relevant
		also be priced)		
Should price collector report the name(s) of the observed brands?	Yes, if several different brands are listed	Yes, always	Yes, an existing label, if any, should be reported	No, unless otherwise specified

Source: World Bank, December 2016

VIII. Glossary of Terms and Acronyms

Basic Heading	A group of products which have similar functions (e.g. all fresh fruit)
Branded item	A product with a commercial name rather than a general name (e.g. Uncle Ben's rice, rather than just "rice")
CPI	Consumer price Index
GDP	Gross domestic product - measures the monetary value of final goods and services - that is, those that are bought by the final user - produced in a country in each period (say a quarter or a year)
Good	A product which has a physical form (e.g. table) (see also Service)
ICP	International Comparison Program
Important product	A product that has a large expenditure share within the Basic Heading to which it belongs.
Item	See "Product"
Multipack	A package on sale which includes several items of the same product
Outlet	A retail establishment such as a shop, supermarket, department store, restaurant, etc. where prices are collected
PPP	Purchasing Power Parity
Product	Term referring either to a good or a service
Product Catalogue	Document containing the product list with product specifications and pictures
Product list	List of products to be priced for the ICP
Retail outlet	See "Outlet"
Sample	A selection of a group of items which is assumed to be typical of the whole population of such items
Service	A product which has no physical form (e.g. a haircut) (See also Good)
SPD	Structured Product Descriptions are generic descriptions that list the characteristics relevant to a particular cluster of products
Specifications	A list of characteristics of a product which provides a complete description of a product or a service.
Substitution	Replacing a target product with another product which is very like the target product
UoM	Unit of Measurement (e.g. pound, kilogram, meter)
VAT	Value Added Tax

References:

Asian Development Bank, 2005, International Comparison Program for Asia and the Pacific Preliminary Report, <https://www.adb.org/publications/purchasing-power-parity-preliminary-report>, accessed March 24, 2017

_____, 2017, International Comparison Program for Asia and the Pacific Product Catalogue

Rao, Prasada, D. S., 2005, Framework of the International Comparison Program Measuring the Size of the Economy
http://siteresources.worldbank.org/ICPINT/Resources/270056-1255977254560/6483625-1291755426408/01_ICPBook_Framework_NEW.pdf, accessed March 25, 2017

World Bank, ICP 2003-2006, Manual for Price Collectors
<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/ICPEXT/0,,contentMDK:20273221~menuPK:299195~pagePK:60002244~piPK:62002388~theSitePK:270065,00.html> , accessed March 31, 2017

_____, 2005, International Comparison Program Operational Manual
<http://siteresources.worldbank.org/ICPINT/Resources/ICPOperationalManual2005.pdf> , accessed April 10, 2017

_____, 2011a, Important Products, Global Office, 2011 ICP, Operational Material http://siteresources.worldbank.org/ICPINT/Resources/270056-1255977254560/6483625-1273849421891/110504_ICP-OM_ImportantProducts.pdf , accessed April 2, 2017

_____, 2011b, International Comparison Program 2011 FAQs
<http://pubdocs.worldbank.org/en/788911487372240763/ICP-2011-FAQs.pdf>, accessed March 25, 2017

_____, 2011c, Outlet Definition, Global Office, 2011 ICP, Operational Material http://siteresources.worldbank.org/ICPINT/Resources/270056-1255977254560/6483625-1291755426408/01_ICPBook_Framework_NEW.pdf, accessed March 26, 2017

_____, 2016, International Governance Framework, November 2016
<http://siteresources.worldbank.org/ICPEXT/Resources/ICP-Governance-Framework-Final.pdf> , accessed March 25, 2017