Philippines
Experience in the 2021 International Comparison Program Implementation

I. Administrative Set-Up

The Philippine Statistics Authority (PSA) is the implementing agency of the ICP in the Philippines. Similar to previous ICP cycles, the PSA ICP team for the 2021 ICP cycle comprised the following members:

(i) The national coordinator, who is the assistant national statistician of the Economic Sector Statistics Service (ESSS) of the PSA;

(ii) The deputy national coordinator, who is the assistant national statistician of the Macroeconomic Accounts Service (MAS) of the PSA;

(iii) Technical staff of the Price Statistics Division (PSD) of the ESSS, who spearheaded the price collection for the ICP household shop items and the housing rental rates;

(iv) Technical staff of the Expenditure and Integrated Accounts Division of the MAS, who generated the detailed basic headings of the GDP expenditure values; and

(v) Selected field personnel from the PSA regional and provincial statistical offices, who served as supervisors, price collectors, and data encoders.

The ESSS produces primary data on agriculture, industry, trade, services, prices, and other related economic statistics. The MAS is responsible for developing, compiling, and maintaining national, regional, satellite, and other macroeconomic accounts. The ESSS and MAS are under the Sectoral Statistics Office of the PSA.

The Population and Housing Census Division of the National Censuses Service, under the Censuses and Technical Coordination Office, conducts the Census of Population and Housing, the data source for population count and housing characteristics.

II. Use of Existing Infrastructure in Collecting International Comparison Program Data

The data collection for the ICP Survey of Household Goods and Services was conducted separately from the Survey of Retail Prices of Commodities conducted for the consumer price index (CPI), as none of the ICP sample commodities were included in the CPI market basket. A separate survey was also conducted for housing rentals. Because of the overlapping activities of the regular National Capital Region (NCR) district office staff, the PSA hired additional price collectors for the ICP commodities.

For the prices of construction and machinery and equipment, the Asian Development Bank (ADB) ICP team engaged a private price collection specialist to support PSA's ICP team. For the housing volume survey, additional housing volume indicators were taken from the 2020 Census of Population and Housing results of the PSA. For the government compensation survey, compensation data on selected government occupations were taken from the administrative documents of the Department of Budget and Management.

PSD staff who were also responsible for validating prices for the generation of the CPI validated price reports for the 2021 ICP.

III. Survey Framework

The NCR was covered in the 2021 ICP cycle because of budgetary constraints and overlapping activities of PSA field offices. The NCR was selected because of its population density, availability of ICP commodities, and the closeness of its average prices to the national average prices compared with the reported prices in other sampled areas in the 2017 ICP cycle.

Sample areas in the NCR were selected to represent the north, east, south, and west parts of the region. Since the entire NCR is classified as urban, no rural areas were covered for this cycle. The sample areas in NCR are presented in Table 1. NCR prices were converted to national average prices using spatial factors from CPI.

Table 1: Sample Area Coverage for the 2021 International Comparison Program Cycle: National Capital Region

National Capital Region District	Sample Area
District I	Quiapo, Sampaloc, Paco, Divisoria, and Mandaluyong
District II	Cubao, Commonwealth, Novaliches, Muñoz, and Marikina
District III	Makati Districts I and II, Pasig Districts I and II, and Taguig
District IV	Caloocan North, Caloocan South, Malabon, Navotas, and Valenzuela
District V	Parañaque, Las Piñas, Muntinlupa, and Pasay

Similar to the Survey of Retail Prices of Commodities for the generation of CPI, prices for the ICP Survey of Household Goods and Services were collected from sample retail outlets.

For each commodity in the ICP household goods and services, one price quotation was collected from each of the following types of outlets per sample area:

(i)   Large shops (hypermarkets, supermarkets, department stores);
(ii) Medium and small shops (grocery stores, minimarkets, kiosks, neighborhood shops, convenience stores);
(iii) Markets (wet markets, open markets, covered markets); and
(iv) Other outlets (street outlets, bulk and discount shops, specialized shops, private service providers, public or semi-public service providers).

For housing rental rates, a maximum of two price quotations were collected for each sample dwelling type from each area.

Price collection was done quarterly for household goods and services and semi-annually for rental rates of dwelling units.

IV. Data Validation and Quality Control

Before the survey, two levels of training were conducted to ensure that the personnel involved had a uniform and consistent understanding of the concepts used in the ICP. Task force training involved PSD staff as trainers and the NCR district offices' focal persons as participants. The second level training was conducted with the NCR district offices' focal persons as trainers and the hired price collectors as the participants. Selected PSD staff joined the second-level training to assist the NCR focal persons.

Based on the materials provided by ADB, the PSA prepared its version of the manual and product catalogue used during survey operations. Brands for each product were determined during the preparation of the product catalogue to ensure uniformity of the prices to be collected.

Following the validation process discussed in the operations manual, the PSD staff reviewed the submitted prices and sent verifications to the concerned NCR district offices when certain prices needed further verification, e.g. prices submitted for certain commodities had high variability across sample areas or a price change from the previous survey round to the current survey round was unusually high.

Prices were primarily collected through observation, which involved personal visits to stores to check and record prices on their price tags. In cases where the price of a product was not displayed, individual interviews were conducted with sellers, managers, or store owners. Prices were also obtained through test purchases or buying items to check the price, quality, weight, and volume of their contents, and direct inquiries from the buyers of the commodity.

To ensure consistency of items being priced across different sample areas, price collectors were instructed to review the ICP product catalogue to familiarize themselves with the products and services.

The ICP price surveys used separate survey forms to record the prices collected from the sample outlets. The survey forms followed the same format as the price collection forms used in the Survey of Retail Prices of Commodities for the generation of the CPI, except that the ICP forms contained information on city and/or municipality, barangay (local administrative district), and the type of outlet where the prices should be collected.

V. International Comparison Program Price Collection Tools

The PSA utilized the ICP Asia Pacific Software Suite provided by ADB to encode and validate prices. Detailed procedures for using the application were discussed during training.

VI. Gross Domestic Product Expenditure Values

The PSA utilized the most recent 2018 Family Income and Expenditure Survey results to generate the ratios or shares for the detailed basic headings of the ICEH. The ICEH estimates from the National Accounts of the Philippines (NAP) served as the control total for the household expenditure.

Since NAP estimates do not separately report individual consumption expenditure by nonprofit institutions serving households, a separate estimate for this main aggregate was not submitted to ADB. There was also no separate estimate for GDP expenditure value for net purchases abroad. Because of a lack of data, narcotics and prostitution estimates were not explicitly estimated, but there is no data gap in GDP estimation related to these economic activities since these activities were already included in some of the other basic headings. Out of 155 basic headings, the PSA submitted 145 basic headings in the GDP expenditure submission.

The supply and use framework was utilized to reconcile and balance estimates from the production and expenditure sides of GDP, which produced a zero statistical discrepancy.

To estimate the individual and collective consumption expenditure of the government, the PSA ICP team used the expenditure of the various departments (the Department of Education, state universities and colleges, the Department of Health, and the Department of Social Work) as reported in the Commission on Audit's annual financial report to get the ratio to separate the individual consumption by function of the government. Additionally, the PSA used the budget of expenditures and sources of financing from the Department of Budget and Management, using the information on the classification of the functions of the national government agencies.

Other items (gross capital formation, machinery and equipment, construction, other products, and imports andexports of goods and services) were directly taken from the published estimates of the NAP. The following were the primary sources of data for these items:

(i)   2018 Census of Philippine Business and Industry on capital expenditures of the PSA;
(ii) Building Permits of the PSA;
(iii) Foreign Trade Statistics of the PSA; and
(iv) Balance of Payment Statistics of the Bangko Sentral ng Pilipinas.

The Philippine GDP also includes the informal sector and/or unorganized industries, which were estimated using the residual employment approach. Goods and services produced but not captured in formal establishment surveys—such as the Annual Survey on Philippine Business and Industry (ASPBI) and the Census on Philippine Business and Industry (CPBI), as well as administrative data—were also included in the estimation of GDP by indirect estimation using the residual employment approach. Using this approach, employment in the unorganized industry is derived as the residual employment of the Labor Force Survey and the CPBI for the benchmark year or the ASPBI for the non-benchmark years. The residual employment is multiplied by the per capita gross output of small establishments with less than 20 employees in the ASPBI and CPBI to derive the gross output of the unorganized industry. Gross value added is derived by multiplying the resulting gross output by the gross value-added ratio of small establishments.

The Quarterly Survey of Philippine Business and Industry—a regular survey from which outputs served as inputs in the NAP estimation—was heavily affected during the coronavirus disease (COVID-19) pandemic regarding response rate. To address this issue, other sources such as administrative data and corporate financial statements were utilized instead of establishment reports from the survey. Moreover, estimates were supplemented by compiling news clippings related to specific industries and expenditures.

VII. Challenges in the International Comparison Program Implementation

The conduct of the 2021 ICP cycle coincided with the community lockdowns from the COVID-19 pandemic, which started in March 2020. To cope with the situation, the task force training was conducted virtually using an online platform. The second-level training was conducted in person in the NCR district offices following health protocols implemented by the government.

The collection of prices proceeded as scheduled and was done as usual, with the health protocols in place to avoid infection with the virus among price collectors. A special permit from the national government was given to the PSA to conduct the survey. An additional budget for purchasing health safety equipment and supplies was provided to the NCR district offices for the price collectors.

Attrition of price collectors for the ICP survey was common because of the interval of the collection schedule. This resulted in quarterly recruitment in some NCR district offices, which became a challenge because of overlapping survey operations of PSA that require data collectors. Additional training was also conducted for the new price collectors.

Some construction items—considered premium in the Philippines—were not commonly used, and, when available, some prices were excluded because of their incomparability with other economies. Additionally, some items for machinery and equipment were obsolete or discontinued by manufacturers, resulting in no pricing being provided.

VIII. Lessons Learned and Future Directions

The participation of the PSA in the ICP provided the PSD staff with a broader perspective on how price surveys can be utilized for a more comprehensive analysis of price differences among economies. The quarterly regional data validation indicates the performance of the Philippines, both in terms of the availability of commodities and price movements.

For the future survey rounds of the ICP, the PSA is studying the possibility of using the prices of CPI commodities in the market basket of the ICP as the source for the ICP prices for a more efficient price collection strategy.

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**Annex 2: List of Members of Core International Comparison Program Team
(Philippine Statistics Authority)**

Name	Title	Responsibility
Del Prado, Divina Gracia L.	Assistant National Statistician, Economic Sector Statistics Service	National Coordinator Household Price Survey Team, Government Compensation Team, Housing Rental/Housing Volume Team
Ilarina, Vivian R.	Assistant National Statistician, Macroeconomics Accounts Service	Deputy National Coordinator, National Accounts Team
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Cuevas, Dennis Michael V.	Private Price Collection Specialist	Machinery and Equipment and Construction Team

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(Philippine Statistics Authority)

Name	Title	Responsibility
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