

**AFRICAN DEVELOPMENT BANK GROUP
CHIEF ECONOMIST COMPLEX**



Africa Regional Status Report

**Statistical Capacity Building Division
Statistics Department
Economic Complex
African Development Bank Group**

August , 2011

Introduction

The African Development Bank provides the overall management and coordination of the 2011 ICP implementation in Africa. The ICP 2011 round was launched in June 2010 and it was followed by a preparatory workshop in September 2010 to ensure countries were ready to implement the global exercise as planned in January 2011. The data collection for household consumption items price data collection started during the first quarter of 2011 in most countries.

This report presents a detailed regional status report for the implementation of the 2011 ICP-Africa since the last report prepared in April 2011, and is based on the suggested format by the ICP Global Office.

Household Consumption data collection

The Household consumption product list has been updated to include the 16 fast evolving technology products. Data collection forms and a catalogue for these products were elaborated and sent to ICP participating countries along with the data collection guidelines provided by the Global Office. Collection forms of water tariff were also sent to countries.

The ICP-Africa planned to collect data for household consumption survey on a monthly basis. However due to some resource constraints for some of participating countries, the frequency of data collection was changed from monthly to mid-quarter months with effect from June 2011. The new data collection cycle conforms to the Global Office requirements. Since data has been collected for some of the months in the first half of the 2011, for remaining period of price data collection for household consumption items, countries were requested to collect data in August, November 2011 and February 2012. In addition, countries were also requested to submit price data of products which are common to both ICP and CPI for the months when ICP-Africa data collection is not undertaken.

Starting months of Data Collection

Countries started collecting household consumption items price data at different points during the first six months of 2011 as shown in Table 1.

Table 1: Distribution of start months of data collection for household consumption survey

Months	January	February	March	April	May	June
Number of Countries	27	6	4	4	1	2

As stated earlier, the lack of or inadequate resources in some of the countries resulted in variation of data collection points depending on the accessibility to the available resource envelope. The coverage of data collection varies. In some countries only capital cities, others

capital and cities and others have a national coverage; thus 29 countries have a national coverage and sixteen capital city and or other cities (for some during early months of data collection). The latter category of countries which started data collection late, extend the coverage to the entire country including both urban and rural zones.

Data Submission

The distribution of data submission by countries to the regional office is presented in Table 2. It indicates the numbers of participating countries which submitted data in January, February, March, April, May and June. Two types of data were submitted: (i) national household survey data and (ii) data for products which are common to both ICP and CPI.

Table 2: Distribution of data submission for household consumption survey

Months	January	February	March	April	May	June
Number of Countries	33	37	37	23	15	5

Forty five countries have provided the AfDB with survey frameworks and their matrices of availability and importance. See also the attached regional status check sheet.

Data Processing tools at the national level

The Africa region is using updated versions of the 2005 tools MERGE DATAFILE and SEMPER to process and validate the 2011 Household consumption data at the national level. These tools have been tested by countries. Following the tests they identified some deficiencies, which have been addressed and countries were provided with newer versions to be used for the processing of the 2011 data at the national level. The list of the 16 fast evolving technology products was also included in the latest versions of the tools.

Data Validation Regional workshops

The regional office (Bank) organized the third regional workshop in Pretoria, South Africa from June 27th to July 1st, 2011 to review and validate data collected through price surveys and national accounts activities. In addition, the workshop reviewed the preliminary 2009 PPP updates, validated data on prices and national accounts for 2010, assessed the status of data collected during the first semester of 2011 and validated the 2011 first quarter data. A follow up workshop was organized in Tunis from 8-12 August 2011 for countries which did not attend the Pretoria workshop to ensure all participating countries have the same information regarding the implementation of the ICP 2011. The Pretoria workshop was also attended by representatives from the Global Office and facilitated some of the sessions.

Other Price Surveys (Specific Surveys)

Dwelling and Housing Services

Most of our countries do not meet the data requirements (more than 25% of dwellings rented and rented dwellings distributed evenly throughout the country) to conduct the rental surveys and collect rents to calculate PPPs using the standard procedure. The resolution made at the Pretoria Regional seminar is that countries will use the quantity approach to calculate volumes of housing services generated in the country. For the latest year available data collection will be conducted in the period January to March 2012 while for 2011 data collection will be conducted in the period October to December 2012.

Machinery and Equipment

All the necessary materials in both French and English have been sent to the countries. The survey will be conducted by National Accountants in collaboration with the Price Statisticians and other staff working in the NSO especially those in charge of merchandise trade statistics.

Almost all the new capital equipment in the countries is imported. The first step will be to establish a bridge table between the imports of capital goods according to the harmonized System of classification with the ICP-Africa classification in order to obtain the number and value of capital goods imported. The second step will be to identify the outlets and dealers who brought in the equipment and then collect the purchaser's prices.

Instructions have been sent to the Sub-Regional organizations and countries to start preparing for the survey and be able to collect the data on machinery and equipment between September and November 2011.

It is worth noting that the regional office conducted a pilot survey on Machinery and Equipment Goods in Kenya, Senegal, South Africa and Tunisia. The objectives of the survey were to:

- (1) Determine the availability of a list of products and items in the above four countries, as a first step towards the overall survey on 191 items listed under Machinery and capital goods, specify which products are imported and which are manufactured locally and, provide local specifications where a clear difference with the proposed list of items.
- (2) Use the results of the pilot survey to confirm a final list of machinery and equipment goods that will be used in the main price collection in the countries participating in the 2011 ICP round.

The report has since been sent to the Global Office and findings have been incorporated in the ICP materials on Machinery and Equipment Goods.

Construction

We resolved during the Pretoria Regional workshop that the National Accountants in the respective NSOs will spearhead the data collection of the construction survey in conjunction with local experts in the construction industry.

The materials and questionnaires have been sent to countries in both languages. However, the briefing notes for the regional coordinators and NSOs on the selection criteria for national experts were only received in mid-August 2011 from the Global office. Because of the delay of the notes we are **proposing that the dates to start data collection be shifted to the first quarter of next year instead of scheduled month of July (which is past) but still collect data for the reference year 2011.**

Compensation of Government employees

Instructions have been given to countries to collect the data on compensation of employees in the third and fourth quarters of 2011 following the guidelines provided by the global office. The information on government compensation will be taken from official Government pay scales and supplementary information from social security institutions. We expect to have some results from countries before the next Regional workshop in October

Private Education

Questionnaires in English and French were distributed to the countries during the last Regional workshop and through the SROs to those countries that didn't attend the workshop. No country has started data collection yet as the period of data collection is the first quarter of 2012. Nevertheless, we have asked countries to come up with a survey framework for the survey including identifying the respondents and data collectors.

National accounts activities

National Accounts-Latest year major Aggregate data and Metadata

Apart from Burundi and Gabon, which chose 2008 as the latest year available, all the countries that participated at the last Regional workshop adopted 2009 as the latest year available to be used in the ICP 2011 Milestones. National Accounts aggregates have been collected for all the participating countries apart from Angola and Seychelles. In the case of Seychelles and Angola, we have obtained the National Accounts aggregates from the UNSD database.

National Accounts-QAF and exhaustiveness

30 countries had completed the quality assurance and exhaustiveness questionnaires during the last Regional workshop held in Pretoria. 12 more countries have since submitted their quality

assurance framework and exhaustiveness questionnaires bringing the total number of countries to 42.

National Accounts-Basic heading data and metadata

With regard to basic heading data, 40 countries have submitted the data to us. However, only two countries, Algeria and Malawi have completed the form 1 (metadata) of the MORES questionnaire. The remaining countries are being encouraged to submit the data before the 4th quarter.

The Africa Resource ICP Expert National Account group (AFRINA)

During the 3rd ICP Regional Workshop held in Pretoria South Africa from June 27th to July 1st 2011, an Africa Expert Resource ICP National Accounts group (AFRINA) was established. It is composed of AFRISTAT, ECA, AfDB, Statistical Training Centers (ENSEA Abidjan, EASTC Dar es Salaam, ISAE, Makerere University, INSEA Rabat and some 2011 ICP participating countries (Algeria, Morocco, Madagascar, South Africa, Zimbabwe and Mauritius). Its overall objective is to support the regional office in ensuring that GDP expenditures compiled by the countries participating in the 2011 round of ICP are sound in terms of the adherence to the SNA-93 and have complete coverage of the goods and services within the SNA's production boundary to ensure they are as comparable as possible across the countries. AFRINA will also be responsible for undertaking further research on treatment of certain NA activities.

Overall risk assessment

Eritrea has formally written to us that they are not participating in the ICP 2011 round. Due to the political situation in Libya, it may not be possible for Libya to participate fully in the program. At the moment all statistical activities have been suspended.

Angola has not been participating in the Regional workshops and has broken contact. The regional office is making efforts to reestablish contact through SADC. In the absence of data, we are exploring possibilities of using CPI data and NA aggregates submitted to IMF or UNSD and use the distribution of ICP 2005 to derive the GDP breakdown for 2009. In the meantime, efforts are being made through SADC to ensure that price data is collected at least for one month before February 2012.

Burkina Faso and Cameroon present some potential risk as they have yet to launch the household consumption survey at the national level.

Upcoming regional activities

The fourth regional ICP-Africa workshop will be organized in collaboration with AFRISTAT in Bamako, Mali from 24-28 October 2011. It will bring together price statisticians and national account experts of participating countries. Other participants includes, sub-regional organizations (AFRISTAT, ECOWAS, ECCAS, COMESA, and SADC) and Statistical Training Centers (ENSEA Abidjan, EASTC Dar es Salaam, ISAE, Makerere University, INSEA Rabat and the Global Office.

The objective of the workshop is to (i) review progress of the ICP 2011, (ii) review and validate the ICP 2nd quarter data collected on Household Consumption price data (iii) review progress on the implementation of the ICP Specific Surveys largely undertaken by the ICP national accounts team, (iv) discuss the best practices and approaches for Specific Surveys, as well review recommendation on treatment of specific issues by the Africa Resource ICP Expert National Account group (AFRINA), which was constituted at the last region workshop (v) receive and validate the ICP prices and national accounts data for 2010 and (vi) review the preliminary results of the 2009 PPP computation.