

Importance, Availability and Products Administrator

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International Comparison Program

Presentation Outline

- **Availability**
- **Importance**
- **Product Administrator**



Availability



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Availability

- A product is considered as “available” when it can be purchased in an outlet (Shop, Market, etc.)
- If the product is in CPI it is considered as available
- If it is not in CPI but available in the market, you should consider it as available
- If you cannot buy a certain product in your country, it is considered as “not available”



Importance



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Importance

- Countries are asked to classify all goods and services in the household final consumption expenditure that are **available** as either "**important**" or "**less important**".
- The importance of products is taken into account not only during the compilation of the regional product lists, but also during the price validation process because products identified as important by an economy will be given more weight in calculating their PPPs.

Importance

- An important product is one that has a **large expenditure** share **within the basic heading** to which it belongs
- Such a product may have a very small expenditure share within the household consumption sector as a whole, but may still be important within its basic heading.
- For example, in many economies, few people buy wine, but that does not mean that all the products specified within the wine basic heading are less important. In that heading, one or two types of wine may be best-sellers, and the wine merchant can almost certainly identify them.

Importance

- Importance is defined by reference to the expenditure share of the product **within** a basic heading.
- **Problem:** Countries are never asked to provide expenditure weights **below** the basic heading level
- The basic headings are in fact defined as the most detailed level of expenditure for which economies can reasonably be asked to supply expenditure shares.
- **There are three basic rules for deciding if a product is IMPORTANT or LESS IMPORTANT:**

Importance

- Rule 1. Is it in the CPI?

If an item is the same as, or very similar to, one that is included in a country's consumer or retail price index, the country should always classify it as **IMPORTANT**.

(Note: products that are in the **ICP lists** but are not in the **CPI** may still be **IMPORTANT**.)

Importance

Rule 2. Use expert judgement/common knowledge.

- The statistician can call upon his or her own knowledge of what are widely available and commonly bought brands of cigarettes, soap powder, biscuits, toothpaste etc.
- Examples: Cheddar cheese is sold in almost all food shops but Brie is only available from speciality shops. Cheddar is **IMPORTANT**; Brie is **LESS IMPORTANT**. Kleenex face tissues are sold in every supermarket and chemist shop. A “100 piece box of Kleenex facial tissues” is an **IMPORTANT** product and other types are **LESS IMPORTANT**.

Importance

Rule 3. Ask experts

- Most often the experts will be shop-keepers. The success of their business depends on knowing which products are best sellers and which are bought less often.
- Example: Two kinds of breakfast cereal are specified in the product list – “Kellogs Cornflakes, family size” and “Country Store Muesli, 500 grams packet”. The shopkeeper may say that both are best sellers so both are IMPORTANT, neither is sold in large quantities so both are LESS IMPORTANT, or one or other is a best-seller so one is IMPORTANT and the other is LESS IMPORTANT.

How Countries should proceed?

- For each Basic Heading, consider the full list of products.
- For some products the country may have no price because the product is not available. Ignore these products.
- For the products which are available, go through the list and mark each one as “Important” or “Less Important” using one of the three rules above.
- For a given Basic Heading, a country may decide that:
 - all products are IMPORTANT – very rare
 - no product is IMPORTANT – very rare
 - some products are IMPORTANT and others are LESS IMPORTANT – the usual case.
- Note that PRICES should be collected for both IMPORTANT and LESS IMPORTANT products.



Product Administrator



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Product Administrator

- Go to [www....](#)
- Choose your language
- Enter User name/password
- The administrator shows the products by basic heading
- In each product you will be able to see the code, specification and photo
- You have to enter Availability (C= CPI, M= Market, N = Not available)
- You have to enter importance (1 = Important; 0 = not important)
- You can also enter any comments you may have.
- You can read the comments entered by other countries



Thank You



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