

Virtual Regional Workshop – Machinery and Equipment Survey for Latin America and the Caribbean

January 25-28, 2022
10:00 AM to 12:30 PM (Chilean time)



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Session 2: Item Lists and Data Requirements for ICP MEQ Surveys

Acknowledgements

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International Comparison Program
for Asia and the Pacific 2021

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Outline

- Objective of the price survey
- Definitions
 - Specified vs. Unspecified
 - Structured Product Descriptions (SPDs)
 - Comparability
- Changes on the MEQ list in 2021 ICP
- Price collection
 - Guidelines
 - Sources of price information



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Objective of the price survey

- Preparation of product lists for ICP surveys was done by the ICP global office by incorporating recent updates Eurostat-OECD updates of the product lists and further consultations with Regional Implementing Agencies (RIAs).
- All items in the Machinery and Equipment (MEQ) list are Global Core Items; there are no items which are only specific for Latin America and the Caribbean.
- The maximum number of available and representative items which are used in the respective economy should be priced.
- The items priced should satisfy the specifications provided in the Structured Product Descriptions (SPDs).



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Definitions – Specified vs. Unspecified (1)

- MEQ items are divided into two types – Specified and Unspecified.
- **Specified** is an item for which all the specifications are fully stated in the structured product description (SPD) **including the make (brand) and model name** as well as the important technical parameters provided by the manufacturer.
- **Unspecified** is an item having the same specifications to its specified item counterpart **except for the make and model name**.
- Please note: In the MEQ item list, the unspecified item comes first and is (in almost all cases) followed by the counterpart specified item.



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Definitions – Specified vs. Unspecified (2)

Code:	15.01.11.1.01.020
Name:	Hacksaw - Bahco (Sweden) - 325
Make (and nationality):	Bahco (Sweden)
Model:	325
Specifications:	Metric Imperial
Strong rigid steel tube for ease of use:	aluminium frame aluminium frame
Integrated blade storage:	no no
Quick release blade changing mechanism:	yes yes
No. of teeth/cm/inch:	9.4 teeth/cm 24 teeth/in
With tension guide on handle lever:	yes yes
No. of cutting positions:	2 2
Blade length:	300 mm 11.8 in
Overall length:	395 mm 15.6 in
Maximum cutting capacity:	120 mm 4.7 in
Company website:	www.bahco.com www.bahco.com
Notes:	No changes.

Specified



Code:	15.01.11.1.01.020
Name:	Hacksaw (aluminium frame) - Unspecified
Make (and nationality):	Unspecified
Model:	Unspecified
Specifications:	Metric Imperial
Strong rigid steel tube for ease of use:	aluminium frame aluminium frame
Integrated blade storage:	no no
Quick release blade changing mechanism:	yes yes
No. of teeth/cm/inch:	9.4 teeth/cm 24 teeth/in
With tension guide on handle lever:	yes yes
No. of cutting positions:	2 2
Blade length:	300 mm 11.8 in
Overall length:	395 mm 15.6 in
Maximum cutting capacity:	120 mm 4.7 in
Company website:	
Notes:	No changes.

Unspecified



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Definitions – Structured Product Descriptions

- SPDs list the item characteristics relevant for a group of items.
- For a particular item, the characteristics relevant for this item are selected from the SPDs. Special focus is on those characteristics which are “price determining” (i.e. which influence the price level of the item).
- General purpose: Ensure to compare “like with like”.
- For the validation, it is important to record the specifications of what was priced. Doing this will help to detect possible reasons for outliers in prices.



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Definitions – Comparability

- **Identical** - all the specifications are exactly the same as prescribed in the SPD including the make and model.
- **Comparable** - item has the same (or similar) specifications as the specified item except for the make or model.
- **Equivalent** - item has the same purpose, use, and usually a comparable physical appearance (but not necessarily), has a quality and specifications which are similar to those of the specified item.



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Changes on the MEQ item list 2021 - Overview

Compared to the MEQ item list in ICP 2017 ...

- Specifications across similar items within a Basic Heading (BH) were normalized and important missing parameters were filled in.
- Item images in the survey catalogue were updated to provide consistency with the specifications.
- New or updated “models” of 51 specified items (among them 10 in BH “Other products”) were introduced.
- Six new items (3 specified and 3 unspecified) were added to the list.

Please note: For some of new or updated “models”, the price in ICP 2021 is expected to be way higher or lower than the one for the model in ICP 2017. Preliminary figures for the expected factors may be derived from the results in ECP 2021.



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Changes on the MEQ item list – Items by BH

Distribution of items by Basic Heading: 2021 vs. 2017

Basic Heading	Number of items					
	ICP 2021			ICP 2017		
	Total	Specified	Unspecified	Total	Specified	Unspecified
TOTAL	202	106	96	196	103	93
Machinery and Equipment (15.01.10.0)	182	91	91	176	88	88
Fabricated metal products, except machinery and equipment (15.01.11.1)	10	3	7	10	3	7
Electrical and optical equipment (15.01.11.2)	68	36	32	66	35	31
General purpose machinery (15.01.11.5)	26	13	13	26	13	13
Special purpose machinery (15.01.11.6)	54	27	27	52	26	26
Road transport equipment (15.01.12.1)	24	12	12	22	11	11
Other products* (15.01.31.1)	20	15	5	20	15	5

*: The 20 items in BH “Other products” are not included in the ICP 2021 price collection for Latin America and the Caribbean.



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Changes on the MEQ item list – Changed image

Lorry chassis cab - Ford (USA) - Transit 350 L3 (with dual rear wheels)

2021 ICP



2017 ICP



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Changes on the MEQ item list – New models

BH Fabricated metal products, except machinery and equipment

2021 ICP

Automotive tool set - Facom (France) -
Tool set CM.138 without box



2017 ICP

Automotive tool set - Facom (France) -
Tool set 2143.M in box BT.11A



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Changes on the MEQ item list – New items

One new specified item and the counterpart unspecified item each in

- BH Electrical and optical equipment
- BH Special purpose machinery
- BH Road transport equipment

Laser meter

Hilti PD-E



Solar energy inverter

Fronius Eco 25.0-3-S



Tractor unit

Volvo FM 420 4x2



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Price collection – Guidelines (1)

- General instructions and explanatory notes for recording of data can be found in the tab “2. Instructions” of the Collection Form
 - Economies are required to provide prices for equipment goods that are consistent with the valuation of goods as fixed capital assets in the National Accounts.
 - The currency should be reported in the “Country Data” tab of the Collection Form. All prices should be reported in local currency units (LCU).
 - The reported prices should be prices for the commercial purchaser.
 - The total unit price of an item must include
 - cost of transporting the asset to the place where it will be used
 - charges for installing the asset
 - import duties and other product taxes paid by the purchaser
- But: Deducted from the price are discounts which are generally available.



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Price collection – Guidelines (2)

- Order quantity: Normally the order quantity for an item is one. However, for some items it will be realistic to take more than one. For example, it is unusual for fire extinguishers or scanner scales to be ordered as one. In commercial situations, an order of say ten (10) will be normal. This aspect can affect the unit price.
- Transport costs: When the prices of equipment goods do not include transport costs, these costs should be estimated. For this, the average transport distance to the place of use may need to be estimated.
- Installation costs: These are normally only relevant for the installation of fixed equipment and may also include charges for testing and calibration. For transport equipment, installation costs are neither usual nor typical.
- Other costs: Typically, these costs include costs such as insurance while in transit, insurance and registration for road transport equipment.



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Price collection – Guidelines (3)

- Discounts: If not specified otherwise, the price should be for the purchase of a single item. Only discounts that are customarily available to most purchasers and that are available for most of the year should be taken into account.
- Product taxes: The price should include only non-deductible taxes. Value added taxes (VAT) are normally deductible for the commercial purchaser. Sales and other product taxes, and sometimes import duties, may also be fully or partially deductible on capital goods.



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Price collection – Guidelines (4)

Purchasers' price (net of deductible taxes and discount) =

Unit base price (+)

Delivery cost per unit (+)

Installation cost per unit (+)

Other cost per unit (+)

Non-deductible taxes (+)

Discount (%) per unit (-)



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Price collection – Guidelines (5)

- National average prices: The prices refer to the national average. Price collection was originally recommended for Q3 2021, as the reference year for the ICP is 2021.
- Used equipment: Used equipment must not be priced!
- Geographic coverage: For small economies it may be sufficient to collect prices in only a single location such as the capital city or the largest industrial or commercial town. For large economies that have several centers of significant industrial and commercial activity, prices should be collected in several locations.
- Number of price observations: If there are several distributors of the specified type of equipment, several price observations may be necessary to establish the national average price. The decision as to whether one or more price observations are necessary is left to the national experts.



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Price collection - Sources of Price Information

The most common sources of price information are

- National Statistical Office (NSO)
- Dealers and distributors
- Government departments and ministries
- Internet

NSOs themselves may conduct the MEQ survey for ICP items or an external expert may be asked for assistance. A combination of both approaches is also possible.



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Price collection – Additional information

More information concerning the price collection will be provided in Session 4 of this workshop (“Recommendations for data compilation”).

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