

# Filling Gaps

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# Need for weights

- PPPs cannot be calculated without weights for all countries for all basic headings
- BUT
  - Weights do not greatly affect the PPPs unless the items concerned account for a large share of expenditures
  - The weights are not published and PPPs for only about 30 goods and services will be published

# Problem areas

- Consumption expenditure
  - Household appliances – large and small
  - Audio visual equipment – recording media
  - Health services – dentists, paramedical
  - Accommodation services
  - Bicycles and motor bikes
- Government
  - Individual *versus* collective
- Gross fixed capital formation
  - Types of machinery

# Methods for filling gaps

1. Data sources that are not usually used for national accounts
2. Expenditure data from a previous year
3. Expert estimate
4. Expenditure weights from a neighbouring or similar country
5. Equal distribution

# Other data sources

- Budget expenditure survey
- Nutrition survey
- Living standards measurement survey
- FAO Food Balances
- Import statistics
- Retail sales surveys
- Production statistics

# Data from an earlier year

- Previous ICP rounds
- Input-output table
- Benchmark revision

# Expert estimate

- Your guess is better than that made by an outsider
- Base judgements on simple splits
  - 20/80; 50/50; 30/30/40; etc
  - If you only have estimates of purchases of goods and repairs to those goods, make a simple split of 90/10 or 95/5
- Zero is an estimate – you can usually do better.

# Expenditure weights from other countries

- What is similar? Income levels, culture and religion?
- Look at expenditure weights now available for ESCAP countries

# Equal distribution

- Usually the worst method
- May not matter if the weights are known to be small
- This method will have to be used if all else fails