



TECHNICAL ASSISTANCE REPORT

SAINT LUCIA

Report on Price Accounts Mission
Developing and Updating Producer Price
Indexes (September 9–20, 2024)

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Summary of Mission Outcomes and Priority Recommendations

- 1. In response to a request from the Central Statistics Office (CSO) of Saint Lucia, a technical assistance (TA) mission, supported by the IMF's Caribbean Regional Technical Assistance Centre (CARTAC), assisted with the development of Producer Prices Indexes (PPI).** This includes development of PPIs for industrial activities (mining, manufacturing, and utilities), and construction, plus the updating of the existing PPI for accommodation and food services. This was the second of three planned mission to support this development in the coming period.
- 2. Reliable price statistics are essential for informed economic policymaking by the authorities.** They are also important for deriving estimates of gross domestic product (GDP) by production at constant prices. The production accounts in St Lucia are currently deflated using the consumer price index (CPI), which reflects prices of consumer expenditure (including imported goods) and not domestic production (which excludes them). Introducing PPIs as production deflators will improve the accuracy of GDP estimates for Saint Lucia.
- 3. The CSO has made some progress towards developing a new PPI for industrial activities and updating the existing PPI for accommodation and food services.** The mission updated index coverage and weights using 2023 value-added tax (VAT) data and met with the Inland Revenue Department (IRD) to address classification issues. The mission also reviewed the pilot data collection of the PPI for industrial activities, conducted additional company visits and revised the draft questionnaire. The forward workplan for the development and improvement of these statistics was also updated.
- 4. The resources available to develop and compile the PPI are very limited.** The vast majority of PPI knowledge and experience is held by one individual who is currently on sick leave and is due to retire at the end of 2025. As a result, development of the new PPIs has been slower than anticipated and the existing PPI for accommodation and food services has not been compiled since quarter 2 of 2023. However, existing staff are making good progress, albeit at a slower pace than originally planned. The workplan for the development and improvement of PPIs has been updated accordingly.
- 5. The CSO should continue to build collaborative relationships with colleagues at the IRD and the National Insurance Corporation (NIC).** In the absence of quality data from the Economic Census, administrative data sources have proven crucial for the development and improvement of PPIs. However, the data held by the IRD and NIC have great potential for the CSO beyond the development of PPIs, in particular, as a data source for the national accounts and to update the statistical business register (SBR). During the mission, a meeting was held with the IRD to resolve some classification inconsistencies found in the VAT data. In addition to agreeing to provide an amended dataset to resolve these issues, the IRD agreed to provide business names for activities included in the PPI. Continued engagement is required to ensure that the IRD delivers on this agreement but is also likely to provide wider benefits to increase data sharing and the wider use of administrative datasets within official statistics.
- 6. To support progress in the above work areas, the mission proposed the following priority recommendations needed to improve PPI coverage and quality.**

TABLE 1. Priority Recommendations

Target Date	Priority Recommendation	Responsible Institutions
Oct 2024	Finalize activity weights based on 2023 VAT data, in collaboration with the IRD	CSO
Feb 2025	Complete initial data collection for PPI for industrial activities	CSO
Apr 2025	Calculate experimental PPI for industrial activities	CSO

7. Further details on the priority recommendations and the related actions/milestones can be found in the action plan under Detailed Technical Assessment and Recommendations.

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Acronyms

BoQs	Bills of Quantities
CARTAC	IMF's Caribbean Regional Technical Assistance Centre
CPI	Consumer Price Index
CSO	Central Statistics Office
EC\$	East Caribbean Dollar
GDP	Gross Domestic Product
IRD	Inland Revenue Department
ISIC	International Standard Industrial Classification, Rev 4.
MoU	Memorandum of Understanding
NIC	National Insurance Corporation
PPI	Producer Price Index
SBR	Statistical Business Register
SUT	Supply Use Tables
TA	Technical Assistance
TSA	Tourism Satellite Accounts
VAT	Value Added Tax

Section I. Introduction

8. **The CSO currently compiles GDP by production at constant prices using the consumer price index (CPI) as a deflator.** Since a Producer Price Index (PPI) is a more appropriate deflator of domestic production, the CSO would like to develop new PPIs for industrial activities (ISIC sections B to E) and construction (ISIC section F) to improve estimates of GDP for Saint Lucia.

9. **The CSO already compiles a PPI for accommodation and food services (ISIC section I), the largest activity of the economy in Saint Lucia according to GDP at current prices for 2023.** This index, which has been available since 2017, has a weight reference period of 2016. Since weights should be updated at least every 5 years to avoid introducing bias to the index, this index should be updated.

10. **A previous mission to assist with these indexes was conducted in April 2024.** This mission focused on identifying suitable data sources to develop and update PPIs, determining a suitable methodology for compiling the indexes, providing staff training, and compiling a work plan for this development work.

11. **As a result, the objectives of the current mission included:**

- Reviewing the work conducted by the CSO since the previous mission and identifying areas for improvement, where necessary.
- Finalizing index weights and sample selection and discussing plans for data collection.
- Establishing a methodology for developing the PPI for construction.
- Determining data formats to allow index compilation in the existing CPI+ system.
- Updating the work plan and timetable for the CSO to continue this development; and
- Providing additional training to CSO staff on the methods used to compile PPIs where necessary.

These objectives are considered in the following sections of this report.

Section II. Developing PPIs for Industrial Activities

Index Coverage and Weights

12. **VAT data from the (IRD is the most suitable data source for defining index coverage and calculating activity weights.** The CSO has conducted an economic census, aiming to collect data on revenue and expenditure for both the 2019 and 2021 reference years. However, the coverage achieved by this census is very low and many major businesses are missing from the data. During the first mission, only about half of the businesses covered were classified to the appropriate 4-digit ISIC activity code. While the CSO has worked to improve this, it is still not considered to be a suitable data source to underpin the PPI.

13. **Index coverage and activity weights were calculated using VAT data for 2023.** Since the PPI for industrial activities will be an output index, data for total revenue, excluding VAT, was used. Activities were selected down to the ISIC class (4-digit) level, aiming to cover at least 70 percent of the

total revenue at each level of the aggregation structure. Weights were calculated by reallocating the value of revenue from any activities not included in the index structure. These weights are illustrated in Appendix I and show relatively minor differences from the weights calculated during the previous mission which were based on 2022 VAT data. Item level weights will be calculated using data collected during the initial price collection. The 2023 calendar year will be the price reference period for the new PPI for industrial activities.

14. Classification issues with the VAT data were discussed with the IRD during the mission.

Through defining index coverage and calculating weights, issues with classification were identified in the VAT dataset. In particular, no businesses are classified under 'distilling, rectifying, and blending of spirits' (ISIC class 1101) which appears incorrect given the importance of rum production in Saint Lucia. Furthermore, several businesses had no ISIC code and the value of sales for unclassified businesses increased between 2022 and 2023. A meeting was held with the IRD during the mission to discuss these issues. As a result of this meeting, the IRD agreed to identify all the distilleries in the VAT dataset and ensure that they are correctly classified. They also agreed to check the major businesses that are not currently allocated an ISIC code and allocate an appropriate ISIC code. An amended dataset was expected before the end of the mission, but this was not received. As a result, the CSO should engage with the IRD to ensure classification issues are resolved and calculate final weights based on the amended VAT dataset once it becomes available.

Recommended Actions

The CSO should:

- Engage with the IRD to ensure classification issues discovered in the VAT dataset are resolved; and
- Calculate final index weights for the PPI for industrial activities using the updated VAT dataset for 2023 from the IRD once it is available.

Sampling, Data Collection, and Index Calculation

15. The CSO has an SBR, but it is not up-to-date and not suitable for selecting a sample for the PPI. For an output PPI, an ideal sampling frame should contain a complete list of establishments, an associated ISIC code (to four-digit class level) and some measure of size – ideally the value of their output or sales but a measure of employment is also acceptable. While the SBR does classify the main activity of each establishment to ISIC and includes data on the number of employees, it was last updated in 2018. This data source is now too outdated to provide a reliable sampling frame. In addition, coding of main activity to the relevant ISIC code has not been completed for all business included in the SBR.

16. The CSO should use VAT data as a sampling frame for the PPI for industrial activities.

During the previous mission, data from the National Insurance Corporation (NIC) of Saint Lucia were found to be most suitable as a sampling frame for the PPI for industrial activities. The NIC dataset provides details for all businesses that have at least one employee, along with a 4-digit ISIC code and the number of employees. Since the NIC dataset is classified to ISIC rev 3 it will need to be reclassified to ISIC rev 4 before sample selection can begin. The CSO has started work to reclassify the NIC dataset. However, during the meeting with the IRD that took place during the mission, the IRD agreed to provide business names in the VAT dataset. This would make it possible to select a sample from the VAT data, which gives the benefits of being already classified to ISIC rev 4 and the availability of the value of sales as the size variable for use in sample selection. As a result, the CSO should use the VAT dataset as a

sampling frame for the PPI for industrial activities if the IRD provide a dataset that includes business names. Data from the NIC should be used for sampling if the VAT data is not provided.

17. **A sample of businesses for each ISIC class covered by the PPI should be selected using the cutoff method.** Using this approach, businesses should be selected so that they represent at least a cumulative 70 percent of the total sales or employment for that activity. For each activity, a minimum of three businesses should be selected to minimize the risk of disclosure and to protect against non-response. The cutoff method is most appropriate for highly concentrated activities – when a small number of large businesses represent the majority of the output – and where the price change shown by smaller businesses is expected to move in line with the larger businesses. If this is not true for any of the activities included in the PPI, then stratified random sampling could be considered as an alternative.

18. **The CSO had conducted a pilot data collection exercise using the draft PPI recruitment questionnaire developed during the previous mission.** As part of this pilot, the CSO contacted 19 businesses, visited 5 and received data from 4. While one respondent did raise issues about the questionnaire, the main problem experienced by CSO was the reluctance of businesses to provide data. A further 3 visits were conducted during the mission. These all resulted in successful data collection and served as a training exercise for CSO. A revised PPI recruitment questionnaire and a set of guidance notes for price collectors was drafted during the mission in response to feedback gained throughout the pilot exercise. The revised questionnaire is available in Annex II.

19. **Initial data collection should be conducted via in person meetings.** This is because the selection of products and well-defined transactions is best carried out by trained price collectors with assistance from the respondent. An initial in person meeting also helps to build a relationship with the respondent and give them opportunities to ask questions about the PPI survey. The draft questionnaire, designed during the first mission, was intended for in person collection and did not contain notes to guide respondents on how to complete it themselves. During the pilot data collection, respondents were provided with a copy of the questionnaire and given time to complete it following the meeting. It seems likely that confusion around what data they were required to provide has resulted in non-response. Different collection modes, such as email or telephone can be used for the regular collection of prices that follows this initial data collection.

20. **PPI prices should be collected on a monthly basis.** Since the PPI is a short-term economic indicator, best practice is to collect data and compile the index monthly. This allows any spikes or turning points in the inflation felt by businesses to be identified more precisely. If sufficient resources aren't available for monthly price collection, a compromise would be to collect monthly prices on a quarterly basis. Of the businesses contacted as part of the pilot data collection, many said that they change their prices very infrequently. If it is known with certainty that prices won't change for particular respondents, it may be possible to contact them less frequently.

21. **The CSO should collect historical prices during the initial data collection for the PPI for industrial activities.** During the pilot data collection conducted prior to and during the mission, businesses had little difficulty providing prices back as far as January 2024. Collecting historical prices during the initial data collection means that a longer time series will be available when the index is compiled for the first time and an annual rate of inflation can be calculated earlier. Assuming all businesses can provide historical prices, January 2024 should be the price reference period for the new index.

22. **The CSO plans to use the CPI+ system to calculate the PPI for industrial activities.** This system is currently used by the CSO to compile the PPI for accommodation and food services and work to transfer the CPI to the same system is underway. The CSO should ensure that adequate technical support is available on an ongoing basis for this system.

Recommended Actions

The CSO should:

- Use the VAT dataset as a sampling frame for the PPI for industrial activities if the IRD provides a dataset that includes business names.
- If the VAT dataset is not available, use the NIC data as a sampling frame.
- Select a sample of businesses for each ISIC class included in the PPI for industrial activities the cutoff method. Aim to cover at least 70 percent of total sales (if using the VAT data) or employment (if using the NIC data) or a minimum of three businesses.
- Conduct initial data collection in person and only consider other modes of data collection for the regular price collection.
- Collect prices on a monthly basis.
- Collect historical prices during the initial data collection for the PPI for industrial activities; and
- Ensure that adequate technical support is available on an ongoing basis for the CPI+ system.

Section III. Updating PPI for Accommodation and Food Services

23. **The weights and sample for the PPI for accommodation and food services should be updated.** This index was introduced in 2017 with a 2016 weight reference period. Since outdated weights can introduce bias into a price index, and best practice is to update weights at least every five years, this index should now be updated. In addition to outdated weights, the sample has not been well maintained as the current sample of businesses appears to no longer be representative of current production. . As a result, the sample should be updated alongside the weights.

24. **The index structure should be amended so that it is fully aligned to ISIC.** Under the current index structure, accommodation and food services are broken down into 'hotels', 'short term accommodation', 'other accommodation' and 'restaurants. However, ISIC revision 4 breaks the activity down into 'accommodation' (ISIC division 55) and 'food and beverage services' (ISIC division 56) with accommodation broken down into short term accommodation (which includes hotels), camping grounds and other accommodation. Furthermore, the definitions used in the existing PPI structure don't match with those used in ISIC. For example, under ISIC, short term accommodation includes hotels, but these are not included under short-term accommodation in the current PPI structure. Also, 'other accommodation' is defined by ISIC to include school dormitories and workers hostels where the existing PPI includes bed and breakfasts and villas. As a result, the index structure should be amended when the index is updated so that it reflects the structure provided by ISIC.

25. **VAT data for 2023 were used during the mission to review index coverage and calculate activity weights for the PPI for accommodation and food services.** This data (see table 2) showed that 91 percent of accommodation and food service revenue is generated from establishments classified in accommodation (ISIC division 55). All of this activity is classified as 'short term accommodation' (ISIC 5510) with no businesses classified as 'camping grounds' (ISIC 5520) or 'other accommodation'

(ISIC 5590). Table 2 shows the weighting figures for both the current structure and the ISIC structure at the division level. At this level, introducing activity weights based on 2023 VAT data represents a minor change. The exact method used to calculate the current 2016 weights is not known although it is believed to be based on expenditure data provided by the Saint Lucia Tourism Authority and hotel occupancy rates. Data from the Saint Lucia Tourism Authority was obtained during the mission, but the breakdowns included in the existing PPI are no longer provided by in the tourism data, so it was not possible to calculate weights for 2023 on a consistent basis.

TABLE 2. Provisional Weights for PPI Accommodation and Food Based on 2022 VAT Data.

					Current index	2023 VAT data
ISIC Section	ISIC 2-digit	ISIC 3-digit	ISIC 4-digit	Description	Weight	Weight
I				ACCOMMODATION AND FOOD	100.0	100.0
	55			Accommodation	92.2	91.0
		551	5510	Short-term accommodation activities	-	91.0
			N/A	Hotels	68.9	-
			N/A	Short-term accommodation	20.3	-
			N/A	Other accommodation	3.0	-
	56			Food and beverage serving activities	7.8	9.0
		561	5610	Restaurants and mobile food service activities	-	9.0
			N/A	Restaurants	7.8	-

26. **The existing PPI provides further disaggregation of accommodation services than that provided by ISIC rev 4.** At the 4-digit level, ISIC 5510 – short-term accommodation activities – includes services offered by hotels, resort hotels, bed and breakfasts and apartments, but does not provide any disaggregation by accommodation type. The existing PPI for accommodation and food breaks accommodation down into the following categories: all-inclusive hotels; large hotels; luxury and boutique hotels; small hotels; guest houses and apartments; bed and breakfast; and villas and cottages. For many of these breakdowns, the current weights are very small – for example, bed and breakfasts has a weight of zero and small hotels a weight of 0.2 percent. As a result, continuing with such a detailed index structure does not seem necessary. There is also no readily available source of data to calculate weights or for use as a sampling frame for such detailed breakdowns. The updated PPI for accommodation food should include a further breakdown of ISIC 5510 – short term accommodation activities – into hotels and other short-term accommodation only. A survey planned for the Tourism Satellite Accounts (TSA) can be used for the weights and sampling frame for this additional breakdown.

27. **The PPI for accommodation and food services is currently compiled on a quarterly basis with prices also collected quarterly.** As a short-term economic indicator, it is best practice to compile PPIs on a monthly basis. However, the CSO expects prices for this activity to be seasonal and therefore

adequately captured by a quarterly index. In many countries, due to the increased use of internet-based booking systems, there has been an increase in the use of dynamic pricing, where prices vary based upon user demand for the service. The presence of dynamic pricing usually results in an increase in price volatility. As a result, the CSO should investigate the extent to which dynamic pricing is used for accommodation services in Saint Lucia and confirm whether the prices currently collected for the PPI represent list prices or whether they are true transaction prices. The CSO should also consider whether a monthly index is more appropriate.

28. The CSO should ensure that the PPI is routinely compiled and that publication tables available on the website are kept up to date. The PPI for accommodation and food services has currently only been compiled to quarter 2 of 2023. This is mainly the result of sickness of a key member of staff and the fact that no one else has been trained to compile the index using the CPI+ system. Furthermore, data are only publicly available on the CSO website up to quarter 4 of 2021. Routine compilation and publication of official statistics to pre-announced timetables is important for building and maintaining public trust in statistics. Data are currently released in a single html table with no accompanying analysis to explain the key trends or aid user interpretation. The CSO should develop a statistics bulletin with explanatory text and visuals to accompany the release of the PPI for accommodation and food.

Recommended Actions

The CSO should:

- Update the weights and sample for the PPI for accommodation and food services using VAT data and TSA survey data.
- Amend the index structure for the PPI for accommodation and food services so that it is fully aligned to ISIC revision 4.
- Provide an additional breakdown of accommodation into hotels and other short-term accommodation.
- Investigate the extent to which dynamic pricing is used for accommodation services in Saint Lucia and confirm whether the prices currently collected for the PPI represent list prices or whether they are true transaction prices.
- Consider whether a monthly index is more appropriate for compiling a PPI for accommodation and food.
- Ensure that the PPI is routinely compiled and that publication tables available on the website are kept up to date; and
- Develop a statistics bulletin to accompany the release of the PPI for accommodation and food.

Section II. Developing PPIs for Construction

29. The CSO plans to develop an input PPI for construction activities. An input PPI measures the prices paid by producers when they purchase the materials and fuels required for their production. It is usually measured in purchaser's prices which is the amount paid by the purchaser including sales taxes, transport and retail or wholesale margins. For construction, an input PPI measures changes in the prices of construction materials and labor costs and can also include the costs of equipment rental and utilities. While an output PPI is often desirable for construction, it is very difficult to compile in practice, since construction projects are not completed every month or quarter making the matched models approach very difficult to use. Construction companies are also very reluctant to provide data on the markups they charge above the cost of inputs. As a result, many countries use an input to construction

PPI as a proxy for an output construction PPI. In the case of Saint Lucia, the value of construction materials imported is currently used in the compilation of GDP.

30. **The use of bills of quantities (BoQs) to define index coverage and weights is unlikely to be a successful approach for Saint Lucia.** To compile an input PPI for construction, many countries use BoQs for representative construction projects. BoQs provide information on the quantity and value of inputs required to complete a given project which can be used to define the materials, labor and equipment rental required and the relative importance of each. The CSO has obtained a number of BoQs for a range of construction projects, but they do not include sufficient detail to underpin the PPI.

31. **Customs data should be used to define coverage and calculate weights for construction materials.** As an island nation, it is a reasonable assumption that the majority of materials used for construction are imported. The only anticipated exceptions to this are timber, paint and quarrying products which are known to be produced domestically. As a result, customs data, showing the value of individual construction materials imported to Saint Lucia, can be used to define index coverage and calculate weights. This data should be supplemented with data from the supply use tables (SUT) to estimate the domestic supply of timber, paint, and quarrying products relative to the imported supply.

32. **Estimates from construction experts will be required to define weights for labor and equipment rental costs.** No suitable data sources have been identified that can be used to estimate the relative importance of labor and equipment rental for construction in Saint Lucia. As a result, it is recommended that estimates from industry experts, such as engineers or quantity surveyors, are used. The CSO had met with a construction engineer prior to the mission and found that such estimates are relatively straightforward for such experts to provide. It is recommended that the CSO forms a panel of at least five construction experts and seeks independent assessments of the main types of labor and equipment rental required and the estimated relative importance of each, as well as the overall relative importance of materials, labor and equipment hire. Average weights can then be calculated from the estimates provided by the panel.

Recommended Actions

The CSO should:

- Use customs data, supplemented with SUT data, to define index coverage and calculate weights for construction materials; and
- Form a panel of construction industry experts to define coverage and weights for labor and equipment rental.

Section IV. Other Issues Discussed During the Mission.

33. **The CSO should work to build better relationships with both the IRD and the NIC to maximise the use of administrative data in the production of statistics.** In the absence of a good quality economic census or an updated SBR, administrative datasets such as those from the IRD and the NIC have proved crucial to the development of PPI. These datasets should also be used to update the SBR and to supplement the data collected as part of the economic census. While the CSO already has a memorandum of understanding (MoU) with the IRD, these existing relationships could be improved to deliver a greater benefit to the CSO and the production of official statistics.

34. **Data dissemination practices should be improved for all real sector statistical outputs.** As of May 2024, the latest quarterly GDP available on the website is for quarter 3 of 2022 and the latest CPI is for November 2023. Statistical bulletins are not published for any releases and the information available on methodology and quality is limited. In addition, the CSO does not publish an advance release calendar. Good release practices are essential to inform and maintain the trust of the users of statistics. The CSO is aware of these problems and plans to make improvements under a modernization program that is supported by the World Bank. It is expected that these issues will be resolved for all statistics by the end of 2026.

35. **Developing and updating PPIs will only deliver improvements to the accuracy of GDP when they are introduced as deflators.** Currently, GDP is deflated using the CPI, despite the availability of a PPI for accommodation and food services (the largest component of the Saint Lucian economy) since 2017. The CSO should use not only the PPI for accommodation and food services, but also the PPIs for industrial activities and construction as deflators once they become available. The CSO anticipates that it will update the national accounts by the end of 2026, which will provide an opportunity to introduce the PPIs as deflators. During the previous rebasing of the national accounts, the PPI for accommodation and food services was not introduced as a deflator due to a lack of historical time series. To resolve this issue, the CSO should create a longer time series for the PPIs using the price change shown by the existing deflators wherever necessary.

36. **The resources available to develop and compile the PPI are very limited.** The vast majority of PPI knowledge and experience is held by one individual who has been on sick leave since July 2024 and is due to retire at the end of 2025. The CSO has a plan in place for succession planning and staff recruitment. However, this still represents a risk to the delivery of new and updated PPIs.

Recommended Actions

The CSO should:

- Work to build better relationships with both the IRD and the NIC to maximise the use of administrative data in the production of statistics.
- Improve dissemination practices across all real sector statistical outputs; and
- Create a longer time series for the PPIs using the price change shown by the existing deflators wherever this is necessary.

Section V. Detailed Technical Assessment and Recommendations

TABLE 3. Detailed Technical Assessment

Priority	Action/Milestone	Target Completion Date
<i>Outcome: Source data are adequate for the compilation of these macroeconomic statistics</i>		
H	NIC data available (classified to 4-digit ISIC) for use as a sampling frame	Complete
M	VAT data available (for 2023) to define index coverage and activity weights	Complete
M	Amended VAT data received from the IRD	October '24

Priority	Action/Milestone	Target Completion Date
H	NIC data reclassified to ISIC rev 4 (if required for sampling frame)	November '24
Outcome: Data are compiled and disseminated using the concepts and definitions of the latest manual/guide		
M	Pilot initial data collection questionnaire with a small number of businesses	Complete
M	Make any amendments to initial data collection questionnaire based on pilot findings	Complete
H	Confirm final index coverage (using amended 2023 VAT data)	November '24
H	Calculate final activity weights to four-digit ISIC (using amended 2023 VAT data)	November '24
H	Select sample of businesses	November '24
H	Begin initial data collection for PPI for industrial activities (collect prices back to January 2024)	December '24
H	Complete initial data collection for PPI for industrial activities	February '25
H	Calculate item-level weights for PPI for industrial activities	March '25
H	Set up index structure in CPI+ system for PPI for industrial activities	March '25
Outcome: A new data set has been compiled and made available internally and/or disseminated to the public		
H	First calculation of PPI for industrial activities	April '25
M	Provide preliminary PPI for industrial activities to national accounts & Dept of Finance for quality assurance	April '25
H	Develop statistical bulletin	May '25
H	Publication of experimental PPI for industrial activities	June '25
H	Publication of updated PPI for accommodation and food services	December '25
H	Publication of experimental PPI for construction	December '26

TABLE 4. Summary of recommendations

Priority	Recommendation	Target Completion Date
PPI Industrial Activities		
	Engage with the IRD to ensure classification issues discovered in the VAT dataset are resolved.	October '24
	Calculate final index weights for the PPI for industrial activities using the updated VAT dataset for 2023 from the IRD once it is available.	November '24
H	Use the VAT dataset as a sampling frame for the PPI for industrial activities if the IRD provide a dataset that includes business names	November '24

Priority	Recommendation	Target Completion Date
	Select a sample of businesses for each ISIC class included in the PPI for industrial activities, using the cutoff method and the NIC data as a sampling frame. Aim to cover at least 70 percent of total employment or a minimum of three businesses.	November '24
	Conduct initial data collection in person and only consider other modes of data collection for the regular price collection	February '25
	Collect prices on a monthly basis.	June '25
H	Collect historical prices during the initial data collection for the PPI for industrial activities	February '25
	Ensure that adequate technical support is available on an ongoing basis for the CPI+ system	December '24
PPI Accommodation and Food Services		
H	Update the weights and sample for the PPI for accommodation and food services using VAT data and TSA survey data.	August '25
H	Amend the index structure for the PPI for accommodation and food services so that it is fully aligned to ISIC revision 4.	August '25
H	Provide an additional breakdown of accommodation into hotels and other short-term accommodation	August '25
M	Investigate the extent to which dynamic pricing is used for accommodation services in Saint Lucia and confirm whether the prices currently collected for the PPI represent list prices or whether they are true transaction prices	July '24
M	Consider whether a monthly index is more appropriate for compiling a PPI for accommodation and food	July '24
M	Ensure that the PPI is routinely compiled and that publication tables available on the website are kept up to date	December '26
H	Develop a statistics bulletin to accompany the release of the PPI for accommodation and food.	December '25
PPI Construction		
H	Use customs data, supplemented with SUT data, to define index coverage and calculate weights for construction materials	February '26
	Form a panel of construction industry experts to define coverage and weights for labor and equipment rental.	March '26
Other Issues		
H	Work to build better relationships with both the IRD and the NIC to maximise the use of administrative data in the production of statistics	December '25
H	Improve dissemination practices across all real sector statistical outputs	December '26
H	Create a longer time series for the PPIs using the price change shown by the existing deflators wherever this is necessary	December '26

Section VI. Officials Met During the Mission.

Name	Institution	E-mail Address
Sean Mathurin	Director, CSO	sean.mathurin@govt.lc
Richard Harris	Deputy Director, CSO	richard.harris@govt.lc
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Ernette Charles	Statistical Clerk, CSO	ernettec@gmail.com
Nathalie Jacob	Secretary to Director, CSO	nathalie.jacob@gov.lc
Felicia Elie	Inland Revenue Department	felicia.elie@ird.gov.lc

Appendix I: 2023 Weights for PPI Industrial Activities

Weights calculated by CSO with support from the mission. Weights are for 2023 and based on VAT data.

ISIC Section	ISIC 2-digit	ISIC 3-digit	ISIC 4-digit	Description	Value (EC\$ '000s)	Weight
B, C, D & E				TOTAL PRODUCTION	1,044,983	100.0
B				MINING AND QUARRYING	25,906	2.5
	08			Other mining and quarrying	25,906	2.5
		<i>081</i>		<i>Quarrying of sand, stone, and clay</i>	<i>9,760</i>	<i>0.9</i>
			0810	Quarrying of sand, stone, and clay	9,760	0.9
		<i>089</i>		<i>Mining and quarrying n.e.c.</i>	<i>16,146</i>	<i>1.5</i>
			0899	Other mining and quarrying n.e.c	16,146	1.5
C				MANUFACTURING	381,517	36.5
	10			Manufacture of food products	56,788	5.4
		<i>103</i>		<i>Processing and preserving of fruit and vegetables</i>	<i>1,237</i>	<i>0.1</i>
			1030	Processing and preserving of fruit and vegetables	1,237	0.1
		<i>105</i>		<i>Manufacture of dairy products</i>	<i>14,475</i>	<i>1.4</i>
			1050	Manufacture of dairy products	14,475	1.4
		<i>106</i>		<i>Manufacture of grain mill products, starches and starch products</i>	<i>1,989</i>	<i>0.2</i>
			1061	Manufacture of grain mill products	1,989	0.2
		<i>107</i>		<i>Manufacture of other food products</i>	<i>39,087</i>	<i>3.7</i>
			1071	Manufacture of bakery products	9,614	0.9
			1074	Manufacture of macaroni, noodles, couscous and similar	11,719	1.1
			1079	Manufacture of other food products n.e.c.	17,755	1.7
	11			Manufacture of beverages	218,851	20.9

ISIC Section	ISIC 2-digit	ISIC 3-digit	ISIC 4-digit	Description	Value (EC\$ '000s)	Weight
		110		<i>Manufacture of beverages</i>	218,851	20.9
			1103	Manufacture of malt liquors and malt	183,833	17.6
			1104	Manufacture of soft drinks; production of mineral waters	35,018	3.4
20				Manufacture of chemicals and chemical products	38,374	3.7
		202		<i>Manufacture of other chemical products</i>	38,374	3.7
			2022	Manufacture of paints, varnishes and similar coatings	29,501	2.8
			2023	Manufacture of soap and detergents	8,872	0.8
25				Manufacture of fabricated metal products	67,504	6.5
		251		<i>Manufacture of structural metal products</i>	67,504	6.5
			2511	Manufacture of structural metal products	67,504	6.5
D & E				UTILITIES	637,561	61.0
35				Electricity, gas, steam and air conditioning supply	572,028	54.7
		351		<i>Electric power generation, transmission and distribution</i>	405,635	38.8
			3510	Electric power generation, transmission and distribution	405,635	38.8
		352		<i>Manufacture of gas; distribution of gaseous fuels through mains</i>	166,393	15.9
			3520	Manufacture of gas; distribution of gaseous fuels through mains	166,393	15.9
36				Water collection, treatment and supply	64,945	6.2
		360		<i>Water collection, treatment and supply</i>	65,533	6.3
			3600	Water collection, treatment and supply	65,533	6.3

Appendix II: Draft Questionnaire for PPI Industrial Activities

Draft Initial Data Collection Questionnaire Designed by CSO During the Mission.

Central Statistics Office,
Ministry of Finance,
Economic Development
& Youth Economy
Pointe Seraphine
Castries



CONFIDENTIAL

I.D #

PRODUCER PRICE INDEX (PPI) SURVEY

NAME OF ENTERPRISE/ESTABLISHMENT:
ISIC code (4 digit):
ADDRESS:
P.O.BOX:
TELEPHONE NUMBER:
EMAIL:
WEBSITE:
CONTACT PERSON:

Purpose: The Producer Price Index measures changes in the price of goods manufactured by businesses in Saint Lucia and provides an important indicator of the Saint Lucian economy. The PPI will be used to set policy and will be used to calculate other key economic measures such as GDP. PPI may also be used by businesses to compare their price changes with those of other manufacturing businesses. Additionally, it serves as a yardstick for inflation, guiding adjustments in manufacturing contract prices.

Collection Authority: This form is to be completed and returned to the Central Statistical Office under the provision of the STATISTICAL ACT, Chapter 17:12, Volume 19, of the revised laws of St. Lucia 2001. Non-responses will be treated as an infringement of this law. Please be guided that returns should be sent in no later than within **two weeks** of receipt. All questions and queries may be directed to 468-1558 or 468-1545.

Confidentiality Agreement: All data collected will be kept strictly confidential and will not be used for other processes or projects.

Date:
DD MM YY

SECTION 1:

List all of the products (**goods and services**) that the company produces

Please list all products starting with main/major ones (just take top 3 if there are many)

Collect value of sales **OR** percentage of total sales

Select product types that represent at least 70% of total sales

PRODUCT DESCRIPTION	VALUE OF SALES FOR 2023	ESTIMATE THE PERCENTAGE SALES FOR EACH PRODUCT	SELECTED PRODUCT (Please Tick)
OTHER PRODUCTS			
TOTAL			

SECTION 2:

Product 1

Product Description:	
Product name:	
Description:	
Unit of measure:	Per unit /meter /Ton /.....
Serial number/ Model:	
Terms of transaction:	
Location of buyer:	- Saint Lucia - Other country (specify).....
Type of Buyer:	- Exporter - Retailer - Government - Other (specify).....
Is product sold under contract?	- No - Yes – specify contract type.....
Do you offer volume discounts?	- No - Yes – specify size of shipment.....
Do you offer any other discounts?	- No - Yes – seasonal / cash / regular customer / specify....
Is delivery included in the price?	- No (no delivery or invoiced separately) - Yes – specify – to customer address / to location in Saint Lucia / Free on Board
Currency	- EC\$ - US\$ - Other – specify.....
Remarks:	

Product 2

Product Description:	
Product name:	
Description:	
Unit of measure:	Per unit /meter /Ton /
Serial number/ Model:	
Terms of transaction:	
Location of buyer:	- Saint Lucia - Other country (specify)
Type of Buyer:	- Exporter - Retailer - Government - Other (specify)
Is product sold under contract?	- No - Yes – specify contract type
Do you offer volume discounts?	- No - Yes – specify size of shipment
Do you offer any other discounts?	- No - Yes – seasonal / cash / regular customer / specify
Is delivery included in the price?	- No (no delivery or invoiced separately) - Yes – specify – to customer address / to location in Saint Lucia / Free on Board
Currency	- EC\$ - US\$ - Other – specify
Remarks:	

Product 3

Product Description:	
Product name:	
Description:	
Unit of measure:	Per unit /meter /Ton /
Serial number/ Model:	
Terms of transaction:	
Location of buyer:	- Saint Lucia - Other country (specify).....
Type of Buyer:	- Exporter - Retailer - Government - Other (specify).....
Is product sold under contract?	- No - Yes – specify contract type.....
Do you offer volume discounts?	- No - Yes – specify size of shipment.....
Do you offer any other discounts?	- No - Yes – seasonal / cash / regular customer / specify....
Is delivery included in the price?	- No (no delivery or invoiced separately) - Yes – specify – to customer address / to location in Saint Lucia / Free on Board
Currency	- ECS - US\$ - Other – specify.....
Remarks:	

SECTION 3:

MONTH (2024)	ITEM 1	ITEM 2	ITEM 3
	PRICE (On 15 th of the month)	PRICE (On 15 th of the month)	PRICE (On 15 th of the month)
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			

Price: amount received for the sale of the product as at the 15th of the month

Price excludes:

- VAT
- Delivery (if invoiced separately)

Price includes:

- All applicable discounts

Field visit carried out by:

Name:

Signature: Date: