

Appendix B5

Provincial-level Pricing of the Rural Basket

All provincial-level retail prices are the retail prices in the corresponding provincial capital. All provincial-level agricultural procurement prices are province-wide prices.

No consumer goods prices, agricultural procurement prices, and industrial TVE wages are available for Lhasa/ Tibet at all; the prices of Xining/ Qinghai were used throughout. What is available for Tibet are the implicit procurement price of staples and the implicit construction price.

No agricultural procurement prices (and no implicit prices based on living expenditures) are available for Haikou/ Hainan; the relevant prices of Guangzhou/ Guangdong were used whenever no data on Hainan are available.

When the price of a particular commodity in a particular province (provincial capital) is not available, two different solutions are applied. The first is to use, whenever available, the price of another relevant commodity (B) to estimate the missing price (for commodity A); thus, an estimate of the price of A based on the price of B is calculated as the price of B in the particular province (provincial capital), divided by the nationwide price of B, times the nationwide price of A. A second solution is to use the price published for a similar province (provincial capital).

1. Foods

Staples, composite of four agricultural procurement prices (relevant only for alternative rural 1990 basket values provided in an appendix): If the price of short non-glutinous rice is not available, it is estimated based on the price of long non-glutinous rice in that province. If none of the two rice prices is available, wheat gets a 80% weight. If no price for wheat is available, rice gets a 80% weight. In the case of maize, the Jiangxi price was substituted for the missing Fujian value, and the Gansu price for Qinghai.

Edible oil: the prices of rapeseed oil in Beijing, Tianjin, and Hebei are based on the prices of sesame oil, where the price of sesame oil in Tianjin is assumed to be the same as in Beijing. The price of rapeseed oil in Liaoning is based on the price of soybean oil; the price of rapeseed oil in Jilin is assumed to be the same as in Liaoning. The price of rapeseed oil in Guangdong, Guangxi, and Hainan is assumed to be the same as the nationwide mean. The price of rapeseed oil in Ningxia is assumed to be the same as in Gansu.

Eggs: the price of eggs in Guizhou is assumed to be the same as in Yunnan.

Fish: the procurement price of silver carp in Tianjin is assumed to be the same as in Beijing, in Henan the same as in Hubei, in Guizhou the same as in Yunnan, and in Gansu and Qinghai the same as in Shaanxi.

Sugar: lacking retail prices of *baishatang* in Beijing, Tianjin, Shijiazhuang (Hebei), and Changchun (Jilin), these were calculated based on *mianbaitang*.

Alcohol: the retail price of spirits in Haikou (Hainan) is almost four times higher than the nationwide retail price (or than the arithmetic mean across the provinces for which the prices

are available), and a far outlier. It was replaced by an imputed value based on the price of beer in Haikou.

Tobacco: missing third-grade cigarette retail prices in Nanjing (Jiangsu), Fuzhou (Fujian), Nanchang (Jiangxi), Guangzhou (Guangdong), Chengdu (Sichuan), and Kunming (Yunnan) were calculated based on second-grade cigarette prices in these provinces. The Hainan cigarette price data are the highest in the country and about three times the nationwide average as well as three times higher than in Guangdong; this appears unreasonable, and Guangdong price data were therefore substituted for Hainan price data.

Tea leaves: the missing retail prices of black and green tea in Shijiazhuang (Hebei) are calculated based on the price of Jasmine tea in Shijiazhuang. The missing prices of black tea in Zhengzhou (Henan), Changsha (Hunan), Chengdu (Sichuan), and Yinchuan (Ningxia) are based on the prices of Jasmine tea and green tea (using equal weights for the two types of tea) in these provinces.

Fruit: Watermelon always accounts for 25% of the composite price; if no procurement price of watermelon is available, the retail price is used. In the case of the other three types of fruit, as far as the procurement prices are available, these are weighted equally to account for the remaining 75%. (If a province, for example, only has a procurement price for apples, apples account for 75% of the composite price.) For Heilongjiang, no prices for any of the three fruits, apples, pears, and tangerines, are available, and were therefore calculated based on the three retail prices.

2. Clothing

Chemical fiber: the Kunming (Yunnan) price is substituted for the lacking Chengdu (Sichuan) price.

Nylon: the Nanjing (Jiangsu) price is substituted for the lacking Hangzhou (Zhejiang) price.

Silk: the Guangzhou (Guangdong) price is substituted for the lacking Haikou (Hainan) price; Kunming (Yunnan) is used for Chengdu (Sichuan), Xining (Qinghai) for Lanzhou (Gansu), and Xi'an (Shaanxi) for Yinchuan (Ningxia).

3. Housing

Cement: the Lanzhou (Gansu) price is substituted for the lacking Yinchuan (Ningxia) price, and the Beijing price for the lacking Tianjin price.

Bricks: the Kunming (Yunnan) price is substituted for the lacking Chengdu (Sichuan) price, the Lanzhou (Gansu) price for the lacking Xi'an (Shaanxi) price, and the Beijing price for the lacking Tianjin price.

4. Energy

The Xi'an (Shaanxi) price of coal is substituted for the lacking Wulumuqi (Xinjiang) price.

5. Articles for daily use

Fan: the Lanzhou (Gansu) price is substituted for the lacking Xining (Qinghai) price.

Cloth stand: the Xi'an (Shaanxi) price is substituted for the lacking Lanzhou (Gansu) and Xining (Qinghai) prices.

Radio: the Hefei (Anhui) price is substituted for the lacking Fuzhou (Fujian) price.