

**International Comparison Program (ICP)**

**Technical Advisory Group (TAG) Meeting**



**March 7-8, 2025**

**New York, USA**

**Ease Hospitality 1345**

# **SESSION I: Opening Remarks**

# Introduction of the Attendees

# Opening Remarks

# Draft Agenda [1]

**DAY 1: FRIDAY, MARCH 7, 2025 (9:00 – 17:00 EST)**

**SESSION II: Update on the ICP 2021 and 2024 Cycles**

- Update on the ICP 2021 and 2024 Cycles

**SESSION III: Short- and Long-Term Research and Development Agenda**

- Research Topics Emerging from the Previous ICP Cycles
- Forthcoming Research Topics
- Setting Up a Short- and Long-Term Research and Development Agenda

*Lunch, outside of the meeting room*

# Draft Agenda [2]

**[Cont'd] DAY 1: FRIDAY, MARCH 7, 2025 (9:00 – 17:00 EST)**

## **SESSION IV: TAG Functioning and Terms of Reference for Task Forces**

- TAG Composition and Terms of Reference
- Terms of Reference for a Task Force on Annual PPP Production
- Terms of Reference for a Task Force on ICP Classification Update

## **SESSION V: Current Research**

- The Treatment of Import and Export Prices in International Comparisons

# Draft Agenda [3]

## DAY 2: SATURDAY, MARCH 8, 2025 (9:00 – 15:15 EST)

### [Cont'd] SESSION V: Current Research

- A Survey Based Approach to Adjustment for Quality Differences in Services in International Price Comparisons
- Treatment of Scanner (Transaction) Data in the European Comparison Program (ECP)
- Treatment of Negative Expenditures in ICP
- Fine Tuning Global Linking Procedures

*Lunch, outside of the meeting room*

- Improving Reliability of Price Comparisons

### SESSION VI: Closing

- Any Other Business and Closing

**THE TAG IS  
INVITED TO  
ADOPT THE  
MEETING  
AGENDA**

# Meeting Documents

<https://www.worldbank.org/en/programs/icp/brief/tag-mar-2025>

**SESSION II:**  
**Update on the ICP 2021 and 2024 Cycles**

# Outline

- **ICP 2021 cycle** [Concluding notes | Release, reception, and key uses]
- **ICP 2024 cycle** [Implementation roadmap | Participation | Operational materials and solutions | Risk assessment]
- **Global governance and coordination activities** [United Nations Statistical Commission (UNSC) | Governing Board | Technical Advisory Group (TAG) | Inter-Agency Coordination Group (IACG)]
- **In memoriam** [Memoriam | Memorial event]
- **Annex** [Recent uses of ICP data]

# ICP 2021 CYCLE

# ICP 2021: Challenges, Resilience and Achievements [1]

## CHALLENGES

- The ICP 2021 cycle faced **significant challenges** due to the COVID-19 pandemic and geopolitical tensions in Ukraine and the Middle East, leading to the **postponement** of the cycle from 2020 to 2021 and extending the price survey period into 2022.
- These in turn caused **delays** in data submissions, processing, quality assurance, and calculations, resulting in the recommended **postponement of the release** from end-2023 to May 2024.

## RESILIENCE

- Despite these challenges, the **relentless work by ICP national and regional agencies ensured similar participation to ICP 2017.**
- Agencies established **new approaches** for data collection and validation, and improved team interactions.

# ICP 2021: Challenges, Resilience and Achievements [2]

## ACHIEVEMENTS

- **ICP 2021 results** were released on May 30, 2024, for **176 benchmark economies and** imputed results for **19 non-benchmark economies**.
- **New headings and indicators** were introduced, and temporal coverage was extended.
- **Methodological work** continued with **standardization of approaches**, while maintaining the overall ICP methodology from previous cycles.
- The **demand for ICP PPPs remains strong**, with key indicators and new applications relying on them.

# ICP 2021 Cycle Participation

**The total number of participating economies is consistent across cycles**

[**ICP 2011:** 199 economies | **ICP 2017:** 176 economies | **ICP 2021:** 176 economies]

- **AFR [52]:** +2 Somalia and South Sudan
- **ASI [21]:** -1 Myanmar
- **CIS [9]:** +1 Uzbekistan
- **EUO [49]:** +1 Kosovo, -1 Russia (as a dual-participating country)
- **LAT [13]:** +1 Guatemala, -1 Haiti
- **CAR [19] :** -4 The Bahamas, Barbados, Sint Maarten, Turks and Caicos
- **WAS [16]:** +2 Syria and Lebanon, +2 Tunisia, Mauritania (as dual-participating countries)
- **SPP [2]:** -1 Iran

\* Kosovo, Bonaire and the British Virgin Islands participate at the household consumption level.

# ICP 2021 Global Results: Data Release (May 30, 2024)

- **Purchasing power parities (PPPs), price level indexes (PLIs), and comparable volume and per capita measures for the reference year 2021** [45 expenditure headings]
  - 176 benchmark economies and imputed results for 19 economies
- **Revised data for the reference year 2017** [45 expenditure headings]
  - 176 benchmark economies and imputed results for 17 economies
- **PPP time series for 2018 to 2020** [6 expenditure headings]
- **(!) New output:** Extrapolated GDP PPPs for 2022 and 2023
- **(!) New heading:** “Total consumption” for benchmark economies
- **(!) New heading:** “Actual individual consumption” (AIC) for imputed results
- **(!) New indicator:** Expenditure component share of AIC (AIC = 100%)
- **Available at:** <https://www.worldbank.org/en/programs/icp/data>
- **World Bank Development ([WDI](#))** indicators database updated on the day of the release

# Replicability and Transparency of ICP Results

- **The ICP 2017 cycle improved the replicability and transparency of results**
  - Parallel global PPP estimation by the [Computation Task Team](#)
  - Detailed [documentation](#) of the full PPP estimation process
  - Enhanced and streamlined data management, processing, and dissemination
- **ICP 2021 cycle: efforts to further improve replicability and transparency of ICP results**
  - Benefitting greatly from ICP 2017 investment
  - Continuous use of enhanced and streamlined data processing
  - “Independent” PPP estimation (G. Tonutti | S. Sergeev | Y. Dikhanov)
    - Robert Inklaar advised the (Stata) calculations
  - **(!) THANK YOU to the Computation Task Team**

# Recap: ICP 2021 Methodological Changes

## **(!) ICP 2021 cycle introduced methodological standardizations**

### **■ Linking CIS region:**

- Previously CIS was linked to global comparison via EUO by the economy of Russia, which participated in both EUO and CIS regional comparisons.
- Under ICP 2021, the region was linked through the standard global core list approach, using data of all the economies in the region and reflecting standard productivity adjustment in the global linking.

### **■ Asia and the Pacific housing PPPs estimation:**

- Previously reference volume approach was used.
- Under ICP 2021, the region moved to the standard ICP approach, based on rental and volume data and with income-based quality adjustments.

# Methodological Changes: CIS linking

## Linking CIS region:

- The inclusion of the CIS region as the 6<sup>th</sup> “core” region has modest impact on other regions’ results: Impact on other regions ranges between +0.3% to +0.5% of GDP
- The impact for economies within the CIS region can be considered to fall under typical differences between extrapolated and benchmark results: +/- 20% differences are not uncommon

## PPP-Based Expenditures: Impact on Other Regions’ Results

HEADINGS	AFR	ASI	EUO	LAT	WAS
Gross domestic product	0.46%	0.39%	0.00%	0.39%	0.33%
Actual individual consumption	0.36%	0.42%	0.00%	0.21%	0.36%
Individual consumption expenditure by households	0.39%	0.25%	0.00%	0.20%	0.39%
General government final consumption expenditure	0.66%	0.50%	0.00%	0.49%	0.67%
Gross capital formation	0.30%	0.44%	0.00%	0.64%	0.13%
Machinery and equipment	0.20%	0.24%	0.00%	1.24%	0.14%
Construction	0.43%	0.53%	0.00%	0.41%	0.32%

\* ICP 2021 results with and without CIS; a negative percentage indicates a decrease in PPP-based expenditures for the simulation scenario “results without CIS”, or an increase in PPP-based expenditures when CIS is included as the 6<sup>th</sup> region.

# Methodological Changes: Asia and the Pacific housing [1]

## Asia and the Pacific housing PPP estimation:

- The impact of Asia and the Pacific region moving from a reference volume approach to a hybrid approach has a negligible impact on other regions' results.

HEADINGS	AFR	ASI*	CIS	EUO	LAC	WAS
Gross domestic product	0.050%	0.234%	0.009%	0.00%	0.034%	0.081%
Actual individual consumption expenditure	0.073%	0.360%	0.014%	0.00%	0.052%	0.110%
Household and NPISH consumption expenditure	0.077%	0.335%	0.012%	0.00%	0.052%	0.115%

\* Average impact on ASI countries | Impact on other regions is a scalar

\* A negative percentage indicates a decrease in PPP-based expenditures for the simulation scenario "reference volume", or an increase in PPP-based expenditures for the "hybrid approach" scenario.

# Methodological Changes: Asia and the Pacific housing [2]

The impact on economies within Asia and the Pacific reflects regional results due to fixity. At the global level, the impact is as follows:

- GDP impact varies from -3.5% to +2.6% | AIC impact varies from -5.0% to 4.0% | HHC+NPISH impact varies from -5.5% to 4.3%

HEADINGS	BGD	BRN	BTN	CHN	FJI	HKG	IDN	IND	KHM	LAO	LKA
GDP	-0.97%	0.07%	-1.87%	-0.56%	1.08%	2.33%	1.41%	0.43%	2.43%	-0.49%	-2.01%
AIC	-1.27%	-0.25%	-2.85%	-1.10%	1.54%	3.27%	2.42%	0.73%	3.58%	-0.73%	-2.78%
HHC+NPISH	-1.29%	-0.40%	-3.23%	-1.21%	1.71%	3.38%	2.60%	0.81%	3.77%	-0.78%	-2.97%

HEADINGS	MDV	MNG	MYS	NPL	PAK	PHL	SGP	THA	TWN	VNM	AVG
GDP	1.04%	2.63%	-1.23%	-0.62%	-0.87%	2.38%	1.67%	-3.46%	-0.74%	2.27%	1.04%
AIC	1.10%	3.95%	-1.69%	-0.73%	-1.17%	3.34%	2.92%	-4.95%	-1.41%	3.66%	1.10%
HHC+NPISH	0.73%	4.27%	-1.73%	-0.77%	-1.29%	3.58%	3.08%	-5.50%	-1.68%	3.96%	0.73%

# ICP 2021: PPP Time Series for 2018-2020

- **ICP 2021 cycle employs the approach developed by Inklaar and Rao (2019)** and utilized for the estimation of global PPP timeseries for 2011 to 2017 during the ICP 2017 cycle.
  - The basic principle is the **interpolation between two benchmark years**, starting at the BH level and relying on the most granularly available CPI information
- Two main **new developments** to this approach in the ICP 2021 cycle, discussed and approved at November 2023 TAG meeting:
  - **Impute missing expenditure** to reflect impact of **COVID-19** pandemic
    - Where no input were provided for interim years, the 2017 structure is applied to years 2018 and 2019 and the 2021 structure to the year 2020
  - **Smooth potential break** in series due to change in **CIS** global linking methodology

# ICP 2021: Extrapolation for Years after the Benchmark

## Extrapolated GDP PPPs for years 2022-2023 were computed and released:

- Following April 2025 TAG meeting recommendation, PPPs beyond the most recent ICP benchmark year (2021) were estimated up to 2023 based on the standard extrapolation approach and solely based on **published statistics instead of forecasts** or other estimates.
- GDP national accounts deflators from the World Development Indicators (WDI), and Eurostat and OECD PPPs, were utilized to ensure that the **2022-23 PPP series to be in line with the forthcoming PPP publication in the WDI** and other international databases applying the same extrapolation approach.

# ICP 2021: Adjustment for Historical Time Series

**GDP and HHC PPPs for the interim year between the previous benchmark years, 2012-2016, were adjusted in WDI database**

- The TAG at its April 2024 meeting recommended seeking options to **adjust the historical 2012-16 PPP series** (interim years between benchmark 2011 and 2017) to reflect the **difference between original and revised 2017 PPPs**.
- As an approach, the **difference between the original and revised 2017 PPPs is proportionally allocated** to the years 2012-16, ensuring that there is no break-in-series between 2016 and revised 2017.
  - This adjustment applies only to countries **outside the Eurostat-OECD region** and only to **GDP and household consumption PPPs** available in the WDI database.

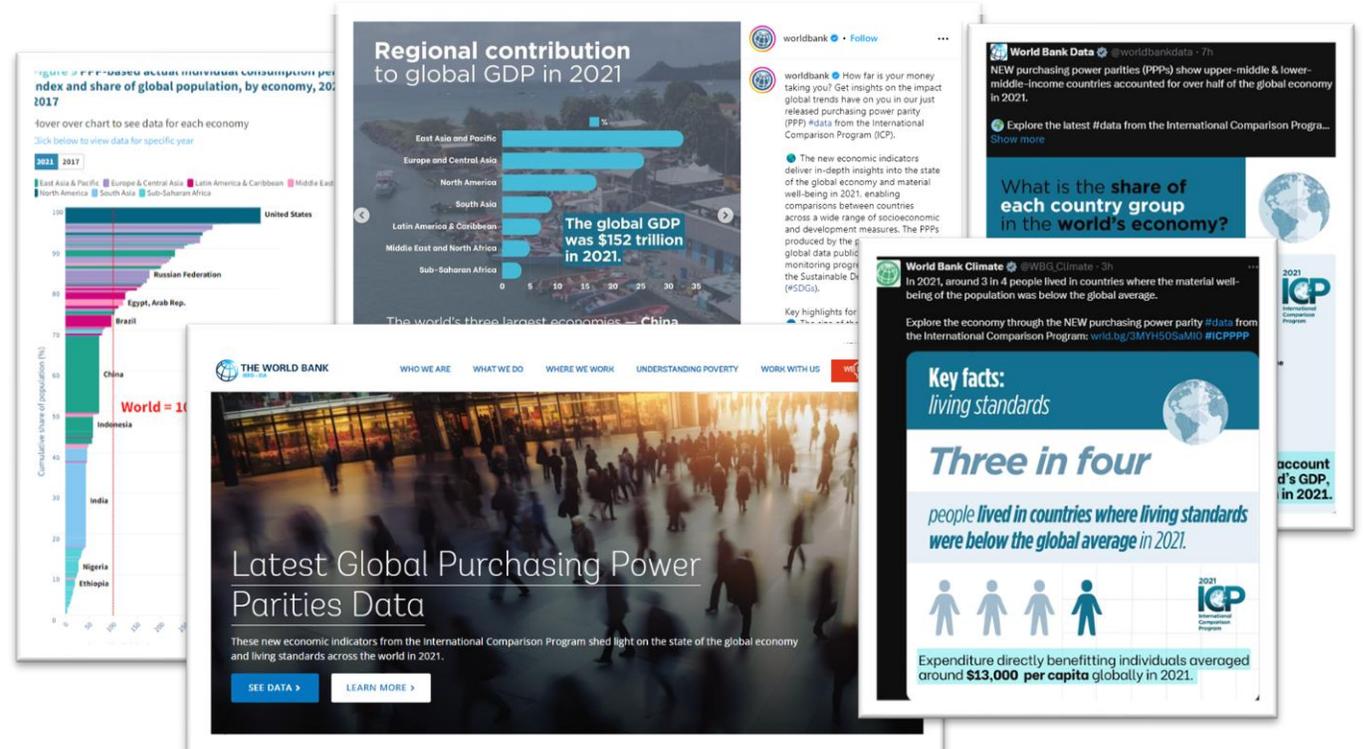
# ICP 2021: Non-benchmark estimation

**PPPs for non-benchmark (NBM) countries for GDP, HHC, and AIC, for 19 countries for 2021 and 17 countries for revised 2017 were published along with the ICP 2021 results**

- NBM estimates now include **Actual Individual Consumption (AIC)**, based on the research carried out during the ICP 2021 cycle.
- Following the discussion in the TAG meeting in April 2024:
  - **Results for countries outside the boundary** of the regression model (MCO, LIE, YEM, PRK) as well as countries with unreliable input data (VEN, CUB) **were not published.**
- **LBN** and **XKX** are not treated as non-benchmark
  - **LBN's** 2017 PPP was calculated with the standard method using **available data by ICP Western Asia region.**
  - **XKX's** PPPs for **HHC were incorporated from Eurostat estimate**, and GDP PPPs are not included in the ICP database (while WDI has its own estimate).

# ICP 2021 Global Results: Release Materials

- Press release: [Global Purchasing Power Parities Data Released for 2021](#)
- World Bank Blog: [New International Comparison Program data sheds light on global economy and living standards](#)
- Interactive visualization and analysis: [ICP 2021: Data Visualizations of Main Findings](#)
- Highlights of main findings: [Global and regional highlights \(PDF\)](#)
- Factsheets: [Factsheets on the ICP program and its methodology \(PDF\)](#)
- ICP 2021 Frequently asked questions (FAQs): [Web Version](#) | [Text version \(PDF\)](#)



# ICP 2021 Regional Results: Release

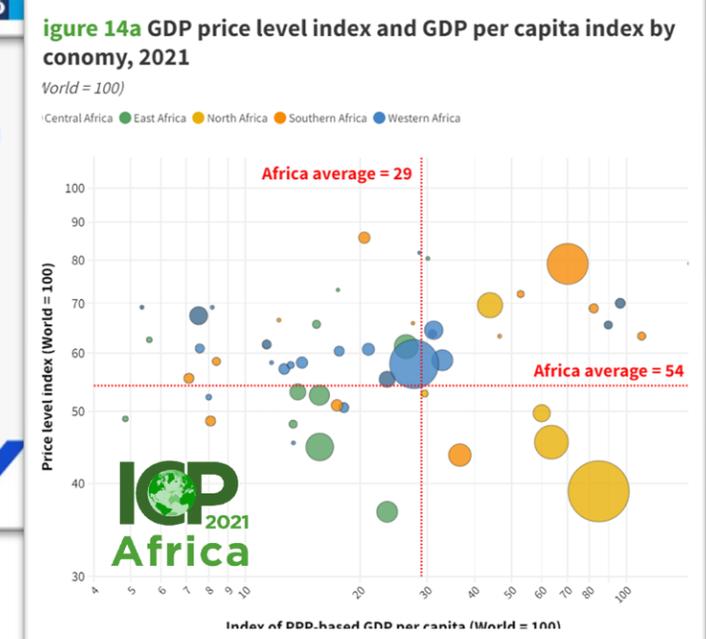
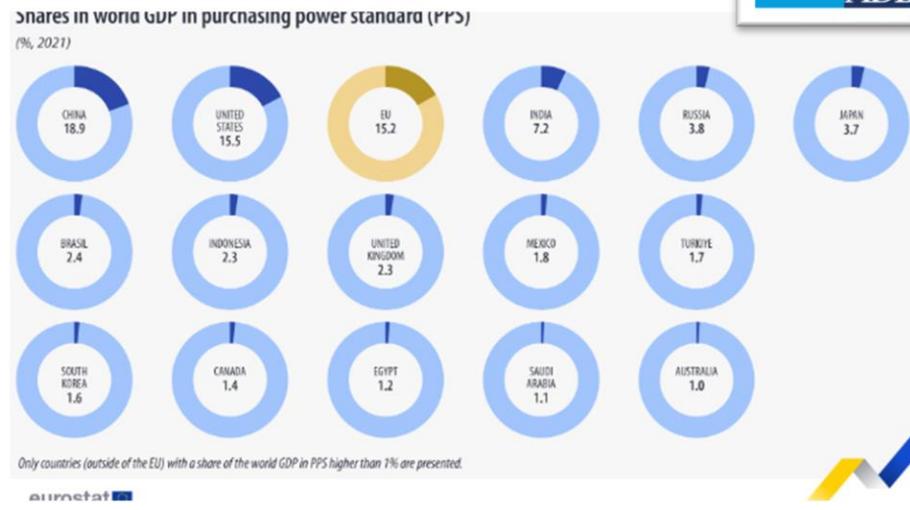
- Africa [[summary report](#)]
- Asia and the Pacific [[summary report](#) | [webpage](#)]
- Commonwealth of Independent States [[results tables](#)]
- Eurostat [[article](#)]
- Latin America and the Caribbean [[article \(Spanish\)](#)] | [[article \(English\)](#)]
- OECD [[article](#)]



МЕЖГОСУДАРСТВЕННЫЙ СТАТИСТИЧЕСКИЙ КОМИТЕТ  
СОДРУЖЕСТВА НЕЗАВИСИМЫХ ГОСУДАРСТВ  
CHIC STAT  
CIS STAT

INTERSTATE STATISTICAL COMMITTEE OF THE  
COMMONWEALTH OF INDEPENDENT STATES

МЕЖДУНАРОДНЫЕ СОПОСТАВЛЕНИЯ  
НА ОСНОВЕ ПАРИТЕТА  
ПОКУПАТЕЛЬНОЙ СПОСОБНОСТИ ВАЛЮТ 2021  
и обновленные результаты 2017  
2021 INTERNATIONAL COMPARISON  
BASED ON PURCHASING POWER PARITIES  
and 2017 revised results



# ICP 2021 Global Report

## Purchasing Power Parities and the Size of World Economies



Results from  
the International  
Comparison  
Program  
**2021**

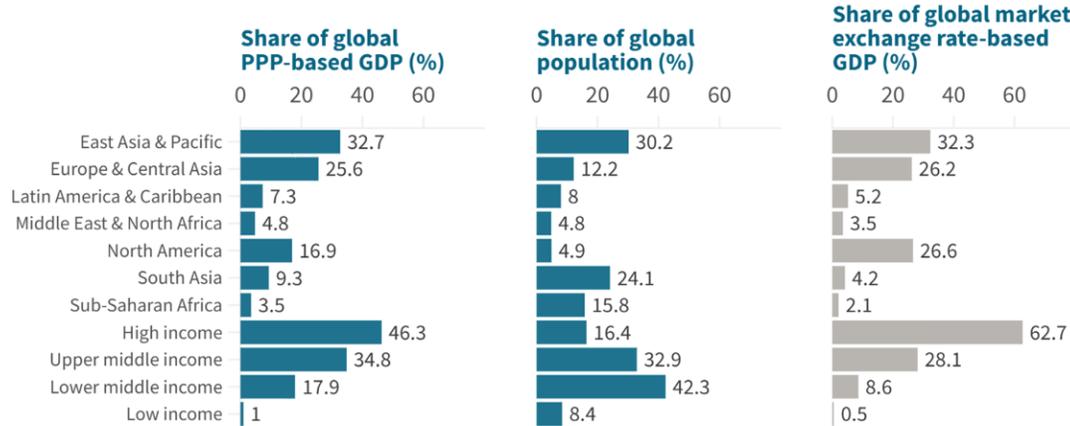
## ICP 2021 Global Report (web-version):

### [Purchasing Power Parities and the Size of World Economies: Results from the International Comparison Program 2021](#)

- Introduction
- Main Results and Data Visualizations [1. Size of Economies | 2. GDP expenditure components | 3. Per capita measures | 4. Intercountry income inequality | 5. Price Levels]
- Concepts and definitions
- Methodology [Overview and Conceptual framework | Expenditure data | Price data | PPP calculation and estimation]
- Governance
- History

# ICP 2021: Data Visualizations (Size of Economies)

**Figure 1 Share of global PPP-based GDP, share of global population, and share of global market exchange rate-based GDP by region and income group, 2021**

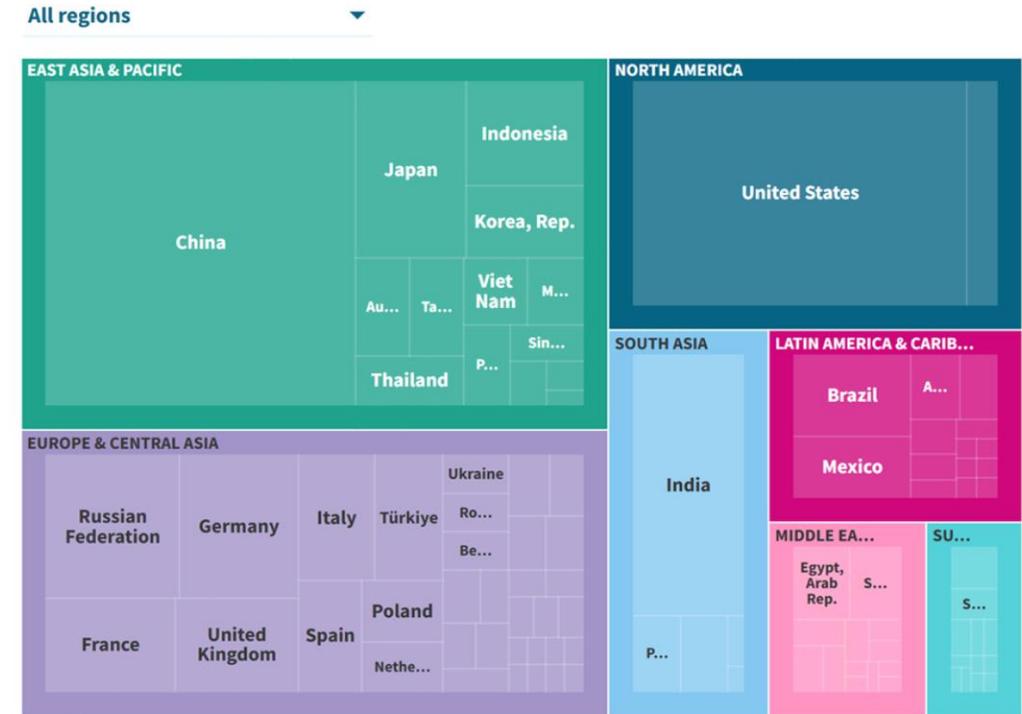


ICP Source: ICP 2021  
Note: PPP = purchasing power parity

**Figure 2 PPP-based GDP and share of global PPP-based GDP by economy, 2021**

Hover over cells to see data for each economy.

Filter by region



ICP Source: ICP 2021  
Note: PPP = purchasing power parity

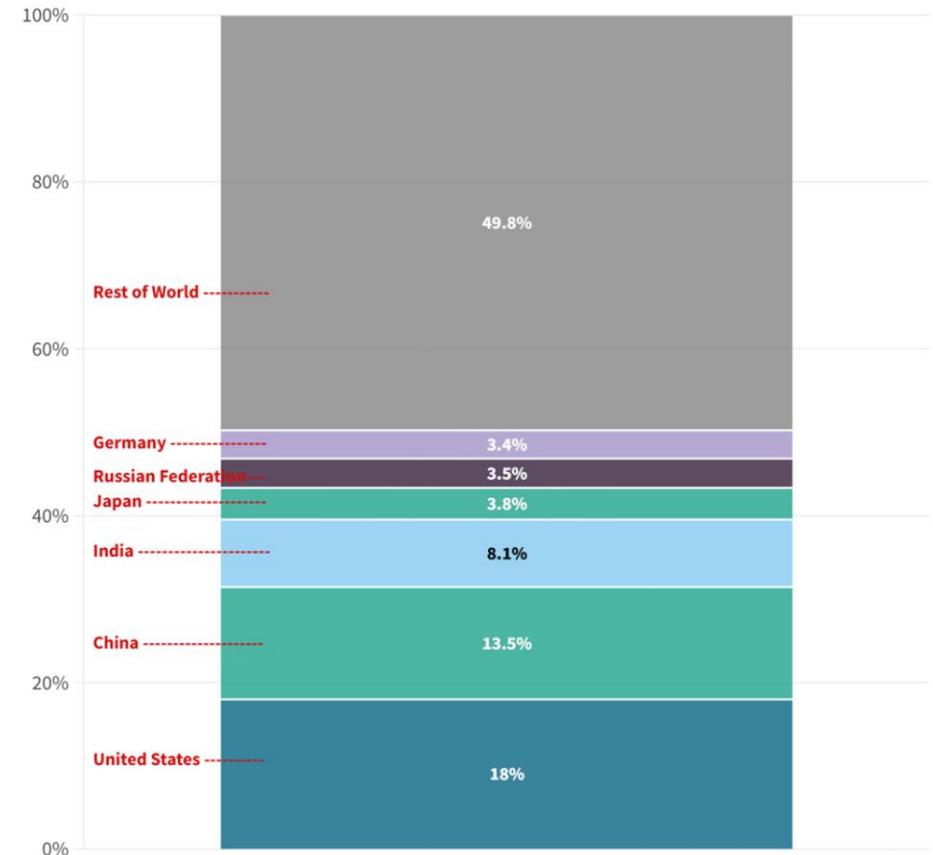
# ICP 2021: Data Viz (GDP Expenditure Components)

**Figure 4 Share of global PPP-based expenditure on selected expenditure components of actual individual consumption, by region and income group, 2021**



ICP Source: ICP 2021  
Note: PPP = purchasing power parity

**Figure 3 Share of PPP-based global actual individual consumption for the six economies with the largest shares, 2021**

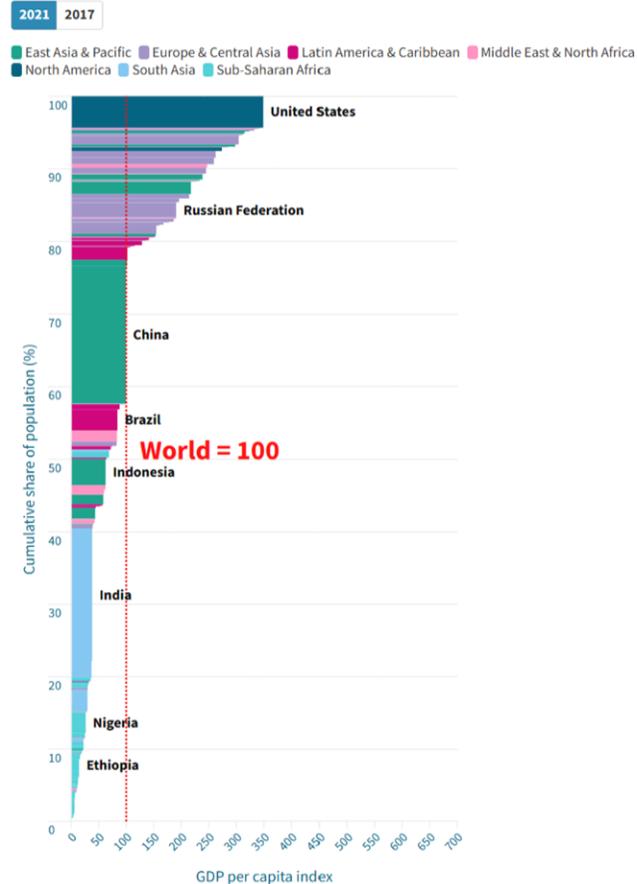


ICP Source: ICP 2021  
Note: PPP = purchasing power parity

# ICP 2021: Data Viz (Per Capita Measures)

**Figure 8 PPP-based GDP per capita index and share of global population, by economy, 2021 and 2017**

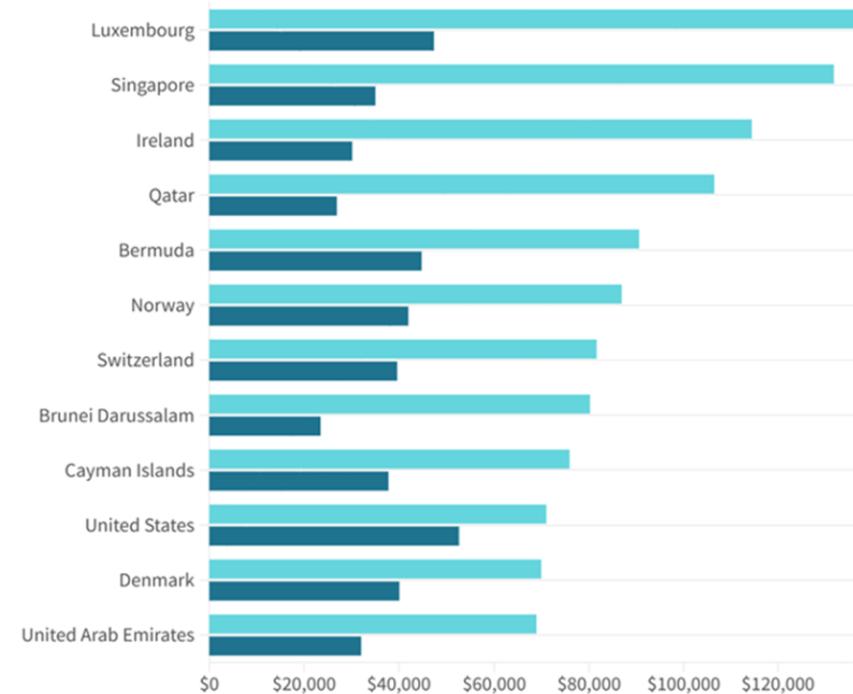
Click on year to view



Source: ICP 2021  
Note: PPP = purchasing power parity.

**Figure 10 PPP-based GDP per capita and actual individual consumption (AIC) per capita for the 12 economies with the highest PPP-based GDP per capita, 2021**

Legend: GDP per capita (light blue), AIC per capita (dark blue)



Source: ICP 2021  
PPP = purchasing power parity

# ICP 2021: Data Viz (Intercountry income inequality)

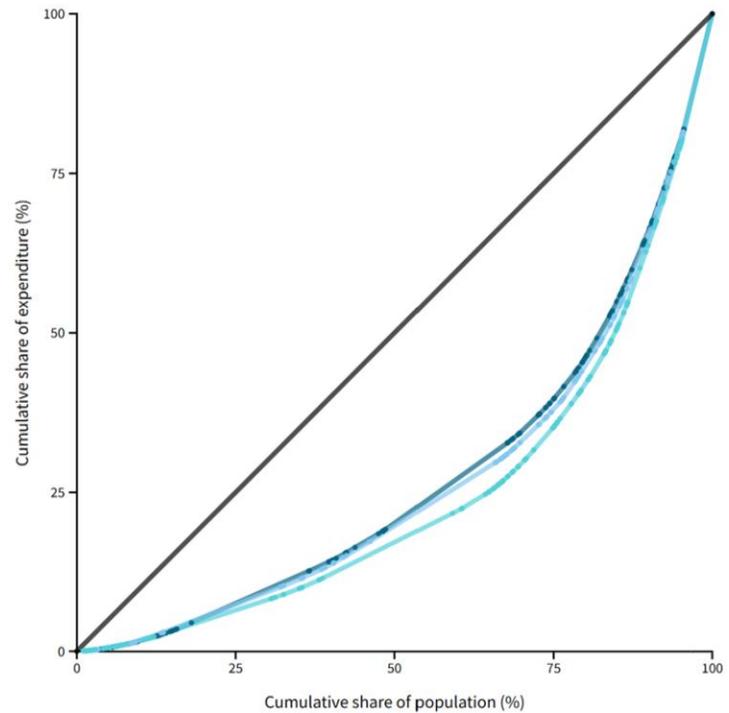
Figure 13 Lorenz curve for the distribution of PPP-based AIC per capita, 2021, 2017, and 2011

Gini coefficients: 2021 = 0.456; 2017 = 0.469; 2011 = 0.504

Use filter to see data for each economy.

All economies

● Line of income equality ● 2021 ● 2017 ● 2011



Source: ICP 2021 and ICP 2017.

Note: Gini coefficients are population-weighted and based on the 167 economies common to ICP 2011, ICP 2017, and ICP 2021. PPP = purchasing power parity. 2011 data are revised data published by ICP 2017, and 2017 data are revised data published by ICP 2021.

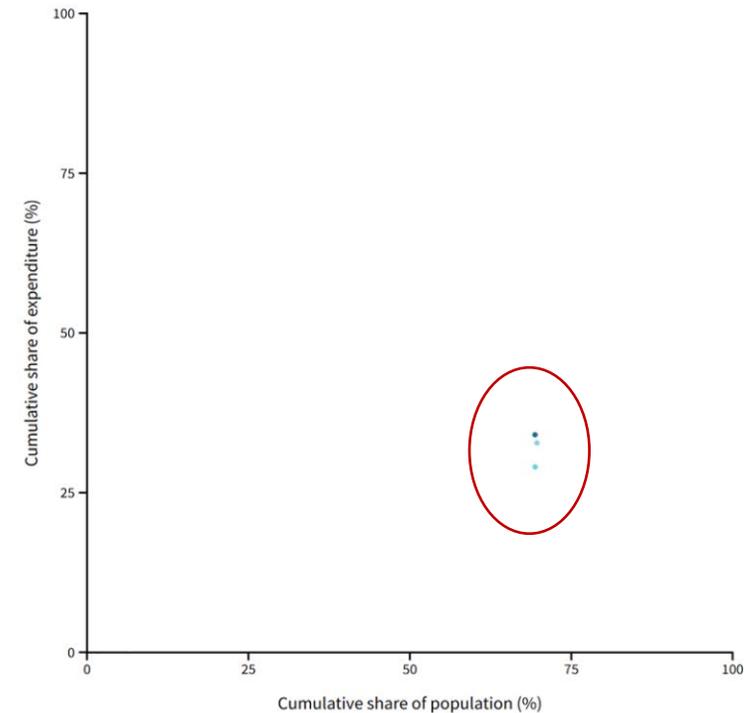
Figure 13 Lorenz curve for the distribution of PPP-based AIC per capita, 2021, 2017, and 2011

Gini coefficients: 2021 = 0.456; 2017 = 0.469; 2011 = 0.504

Use filter to see data for each economy.

South Africa

● Line of income equality ● 2021 ● 2017 ● 2011

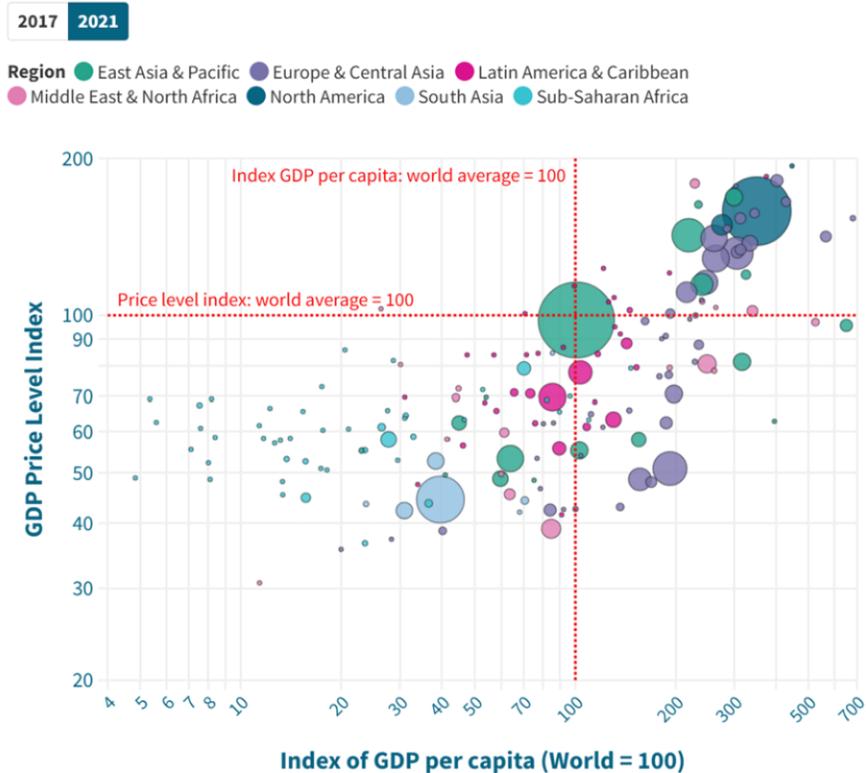


Source: ICP 2021 and ICP 2017.

Note: Gini coefficients are population-weighted and based on the 167 economies common to ICP 2011, ICP 2017, and ICP 2021. PPP = purchasing power parity. 2011 data are revised data published by ICP 2017, and 2017 data are revised data published by ICP 2021.

# ICP 2021: Data Viz (Price Levels)

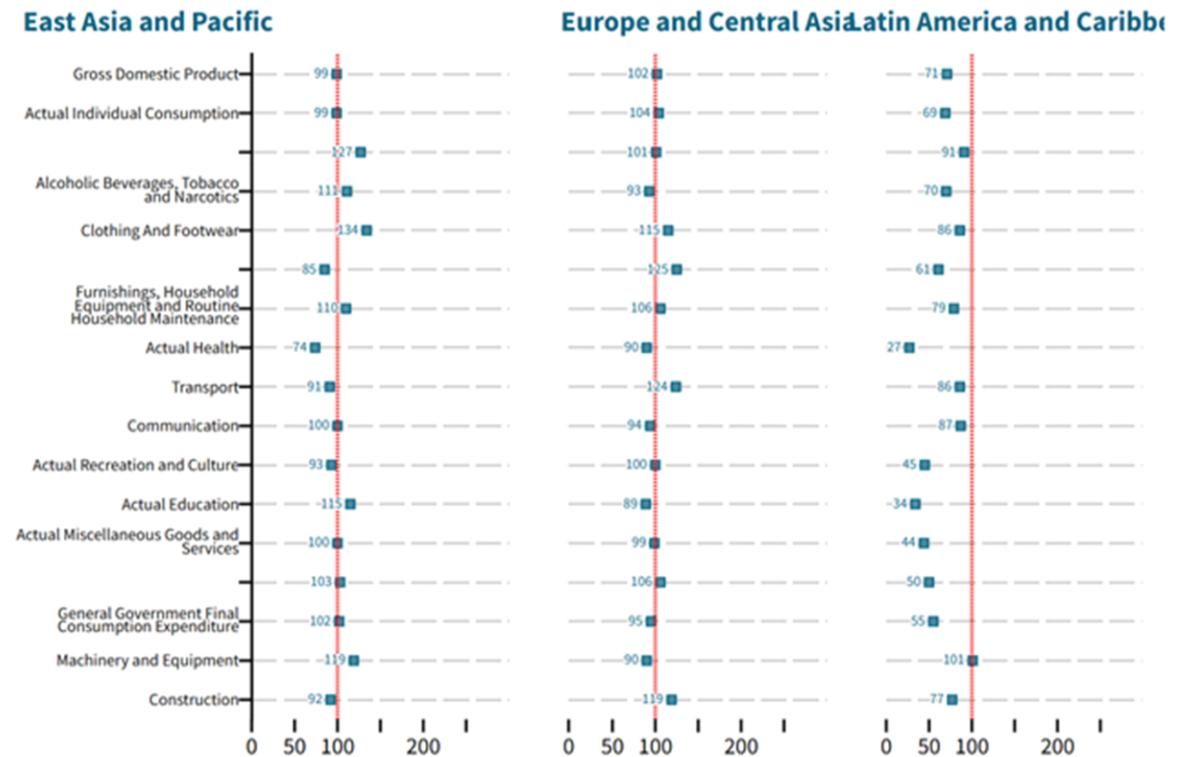
**Figure 14 GDP price level index and GDP per capita index by economy, 2021 and 2017**



Source: ICP 2021

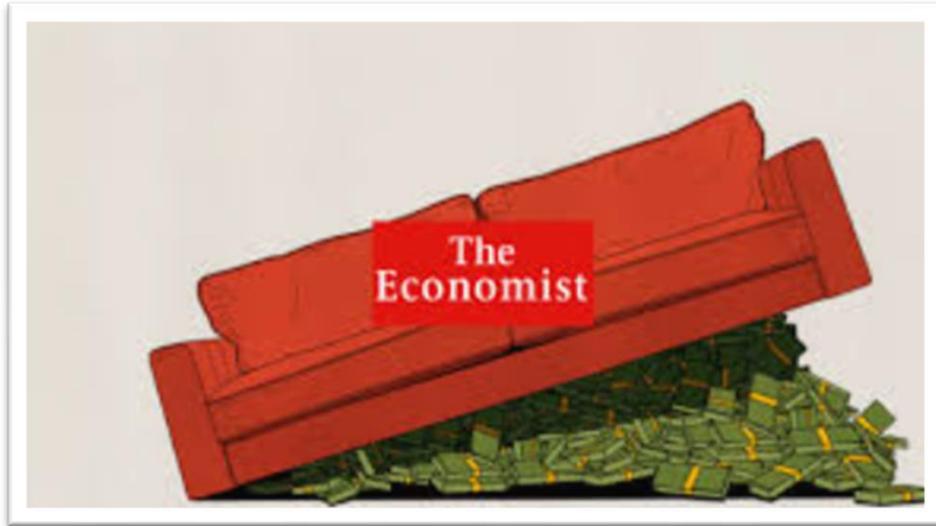
**ICP** Note: GDP is measured in 2021 purchasing power parity (PPP) terms for the 2021 data, and in 2017 PPPs for the 2017 data. Axes are presented in logarithmic scales. Size of bubble indicates relative share of global GDP.

**Figure 16 Price level indexes for GDP and 17 expenditure components, by region, 2021 (world = 100)**

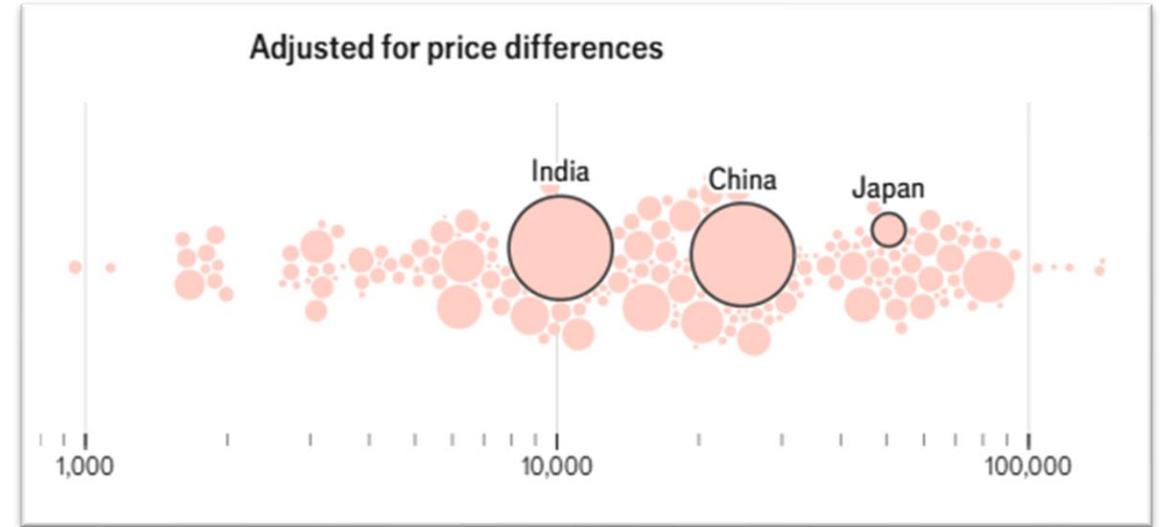


**ICP** Source: ICP 2021

# ICP 2021 Global Results: Media Reaction [1]



**“Why global GDP might be \$7trn bigger than everyone thought” (June 2024)**, explains the concept of PPPs and discusses the new global GDP estimate in the wake of the ICP 2021 release.



In **“The world’s richest countries in 2024” (July 2024)**, GDP per capita in PPP terms is visualized against two other measures in ranking the world’s richest countries in 2024.

**“The Big Mac index: where to buy a cheap hamburger” (August 2024)** “There is, after all, more to life than burgers. The World Bank leads a far bigger, more sophisticated effort to compare the prices of hundreds of similar products around the world. **Do its results overturn ours? Not really. The two sets of data have a correlation coefficient of almost 0.7...**”

# ICP 2021 Global Results: Media Reaction [2]

## The Perils and Promise of the Emerging Multipolar World

The world economy is experiencing a deep process of economic convergence, according to which regions that once lagged the West in industrialization are now making up for lost time.

The World Bank's [release on May 30](#) of its latest estimates of national output (up to the year 2022) offers an occasion to reflect on the new geopolitics. The new data underscore the shift from a U.S.-led world economy to a multipolar world economy, a reality that U.S. strategists have so far failed to recognize, accept, or admit.



By JEFFREY D. SACHS

## China government spending on citizens lags behind economic peers

Relatively low expenditure that directly supports individual consumption could undermine growth efforts

Joe Leahy in Beijing and Haohsiang Ko in Hong Kong

Published FEB 22 2025



**Paul Krugman**    
@paulkrugman

I keep seeing a factoid to the effect that the euro area and the US economies were the same size in 2008, but America is now 44 percent bigger. Folks, that's just the exchange rate. At purchasing power parity, nothing like that has happened

**GDP, PPP (current international \$) - Euro area, United States**

International Comparison Program, World Bank | World Development Indicators database, World Bank | Eurostat-OECD PPP Programme.

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Line Bar Map Also Show Share Details

LABEL

## Why Invest In Malaysia?



# ICP 2021 Global Results: Media Reaction [3]

## CONVERSABLE ECONOMIST

JUNE 5, 2024 | CONVERSABLEECONOMIST

### International Comparisons with a PPP Metric

If you are someone from a high-income country, or even just a high-income city, and you travel to other places, you are familiar with finding that, at least sometimes, many items are considerably cheaper in the low-income country: food and meals, entertainment and even health care. As a result, \$100 of buying power in the US economy seems to buy more goods and services in a number of other places around the world.

The World Bank International Comparison Program attempts to do an adjustment for prices around the world: that is, what would it cost to buy the same “basket of goods” (as economists say) in different countries. The result of this adjustment is to



Menu

CHINA

## What's the real size of China's economy?

World Bank's latest purchasing power parity GDP survey shows China edging up slightly on US but the measure widely misses the mark

Bloomberg

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Opinion | Chris Bryant, Columnist

## Rich US Tourists Will Make Europeans Feel Poor

Europe's high living standards are at risk unless it does more to boost productivity and wealth creation.

# ICP 2021 Global Results: Media Reaction [4]



CENTER  
FOR  
GLOBAL  
DEVELOPMENT

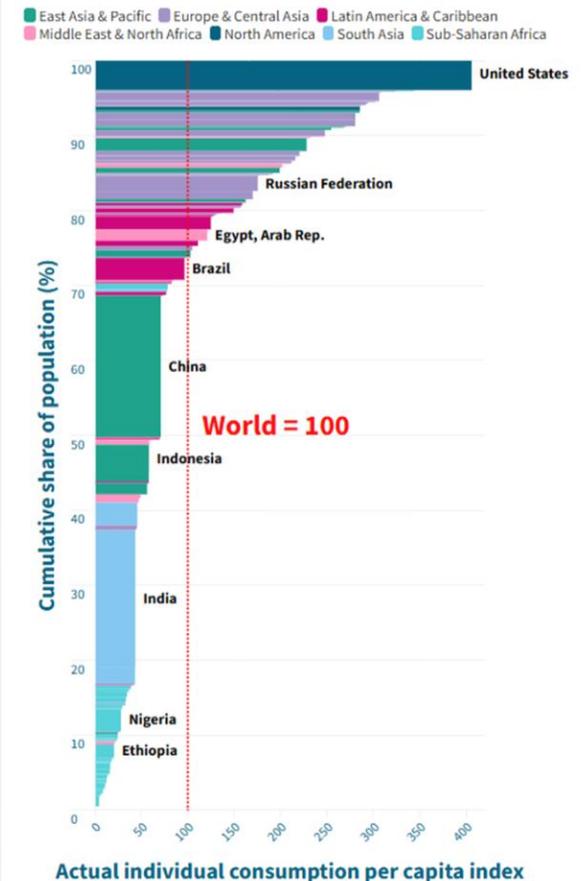


5. There is an absolutely jaw-dropping graph about half way down [this World Bank blog on the results of the 2021 cycle of the International Comparison Program](#), the immense effort of global data collection that underlies the calculation of the Purchasing Power Parity adjustments we use to compare how far a person's income goes in different places. **It is a visual representation of material wellbeing by country, accounting for how much the average income purchases. It makes starkly clear exactly how far behind much of Africa is from even the middle of the pack, and how astonishingly far ahead the US is.** The whole thing is good, but that graph is a banger.

## Levels of material well-being vary significantly across the world.

Actual individual consumption per capita index and share of global population, by economy, 2021

Click on chart to view data



# ICP 2021 Global Results: Media Reaction [5]

INTERNATIONAL MONETARY FUND

WORLD ECONOMIC OUTLOOK

POLICY PIVOT, RISING THREATS

OCTOBER 2024

PROJECTIONS TABLE CHAPTERS STATISTICAL APPENDIX

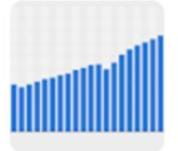
GDP GROWTH DATA TOOLS VIDEOS



## Gross domestic product (GDP) at PPP of Mexico from 2007 to 2029

The gross domestic product (GDP) at PPP in Mexico was forecast to continuously increase between 2024 and 2029 by in total 0.7 trillion international dollars (+...

1 month ago



## IMF projects Türkiye as 17th largest global economy in 2024

The International Monetary Fund (IMF) projected that Türkiye will become the 17th largest economy in the world by 2024, climbing up one spot from its previous...

1 month ago



## BRICS plans 'multi-currency system' to challenge U.S. dollar dominance: Understanding Russia's proposal

The BRICS Cross-Border Payment Initiative (BCBPI) will use national currencies, instead of the U.S. dollar. Russia's finance ministry and central bank...

1 month ago



## IMF Sees Growth Shift Toward BRICS and Away From G-7 in New Outlook

The IMF now expects a bigger share of growth over the next five years to come from powerhouse BRICS economies like China, India, Russia and Brazil.

1 month ago



(!) A knowledge brief on different sources of PPPs

# Upcoming and Expected Key Uses: Poverty



- **“What do the revised 2017 Purchasing Power Parities (PPPs) mean for global poverty?” (June 2024)**, explains that the World Bank will assess the use of 2021 PPPs for global poverty measurement, as the revised 2017 PPPs have a modest effect on poverty lines and trends.
- **“Charting Uzbekistan's path to poverty reduction: insights from international comparisons” (May 2024)** highlights the benefits of ICP participation.
- **(!) Updated international poverty lines and global poverty estimates** based on ICP 2021 PPPs and other updates, including revised national poverty lines, are expected to be released in April 2025.
- The decisions follow a detailed assessment of the ICP 2021 results by the World Bank's poverty staff.

Global poverty estimates with 2021 PPPs

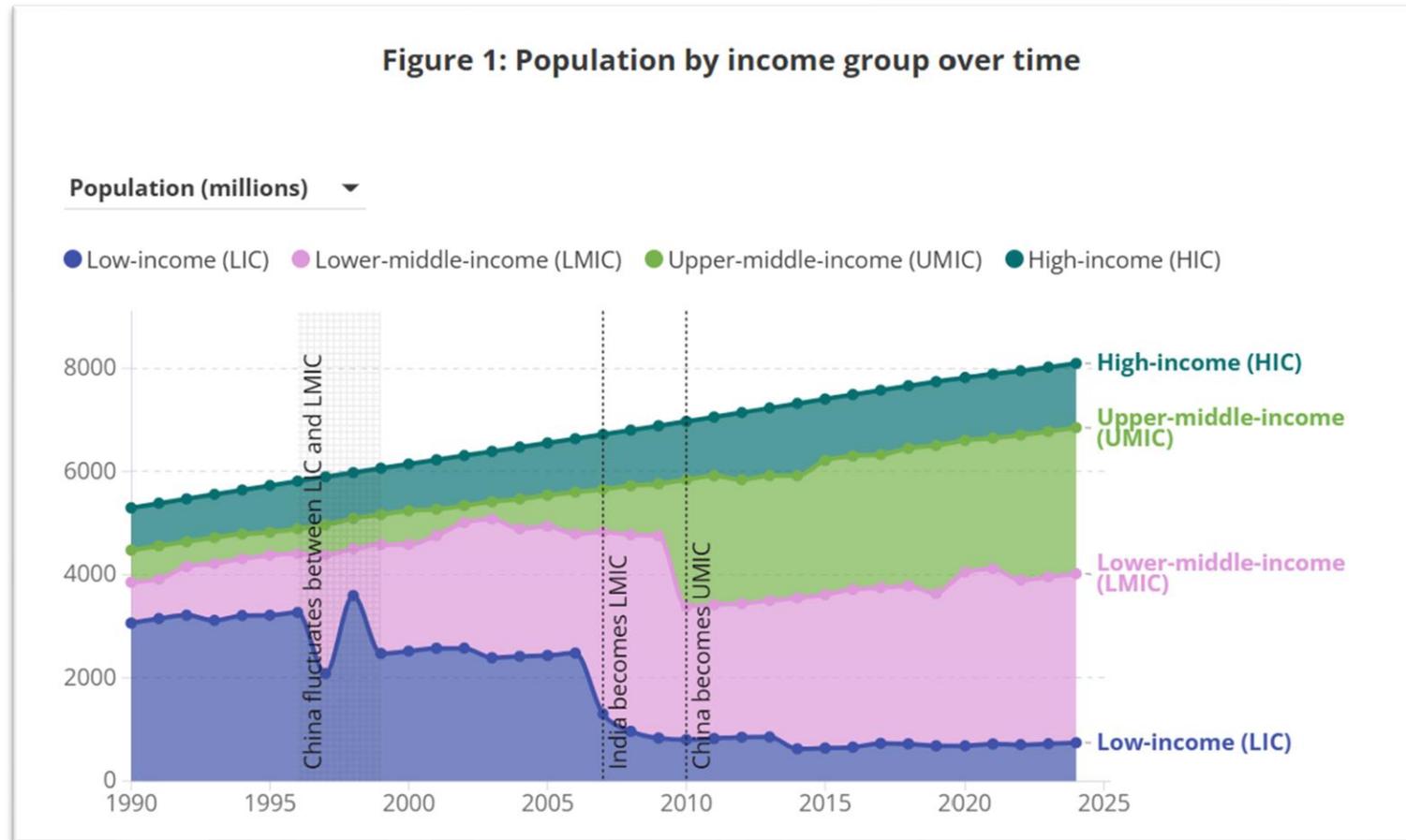
21 February 2025



We gratefully acknowledge financial support from the UK government through the Data and Evidence for Tackling Extreme Poverty (DEEP) Research Programme.

# Additional Poverty line: New PPP-Based Global Indicator

- **“A higher standard of poverty in a changing world: The World Bank’s poverty line of \$6.85” (November 2024)**
- Allows users to **monitor poverty at a higher poverty line**, typical of upper-middle-income countries, currently set at \$6.85, in addition to the international poverty line of \$2.15.
- Poverty lines are currently expressed in **2017 PPP dollars** per person per day.



# “Prosperity Gap”: New PPP-Based Global Indicator

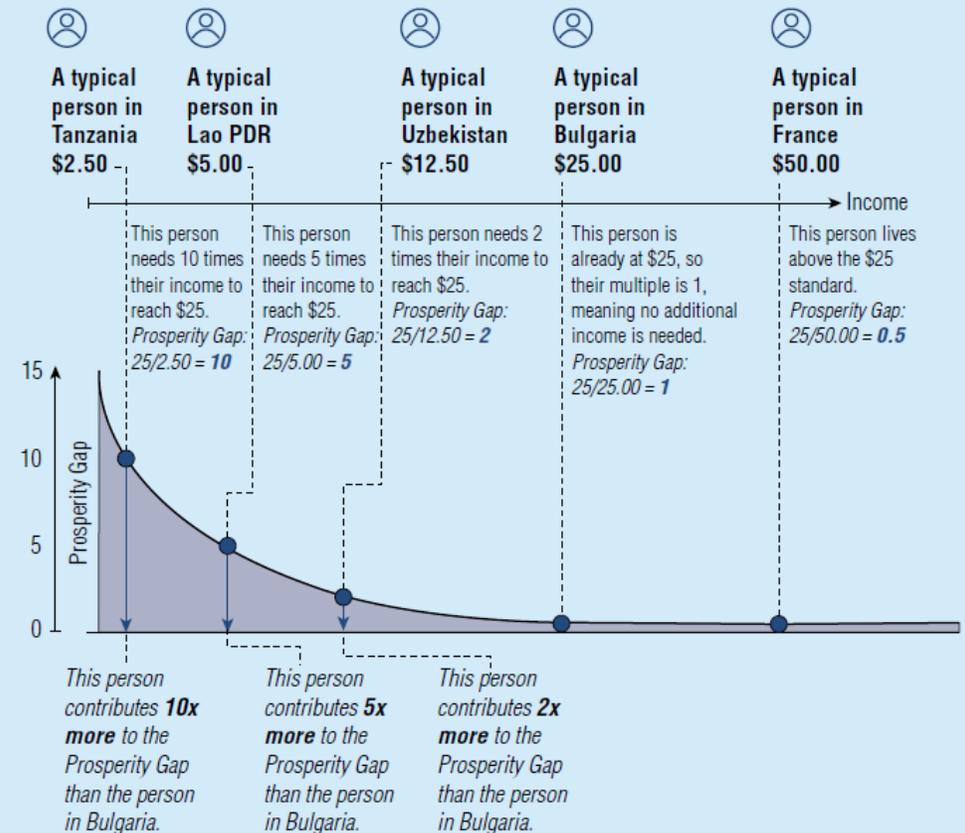
## How far from prosperity standard of \$25 per person per day, in PPP terms

- The Prosperity Gap captures how far a society is from \$25 per person per day, which is close to the **average per capita** household income when countries reach **high-income status**.
- The society’s shortfall is the **average shortfall** among all individuals living in that society but giving poorer people a greater weight.
- The Prosperity Gap is defined as the **average income multiple** needed to reach that \$25 standard for every member of that society (Kraay et al. 2023).

FIGURE B2.2.1

The Prosperity Gap captures how far societies are from \$25 per person per day

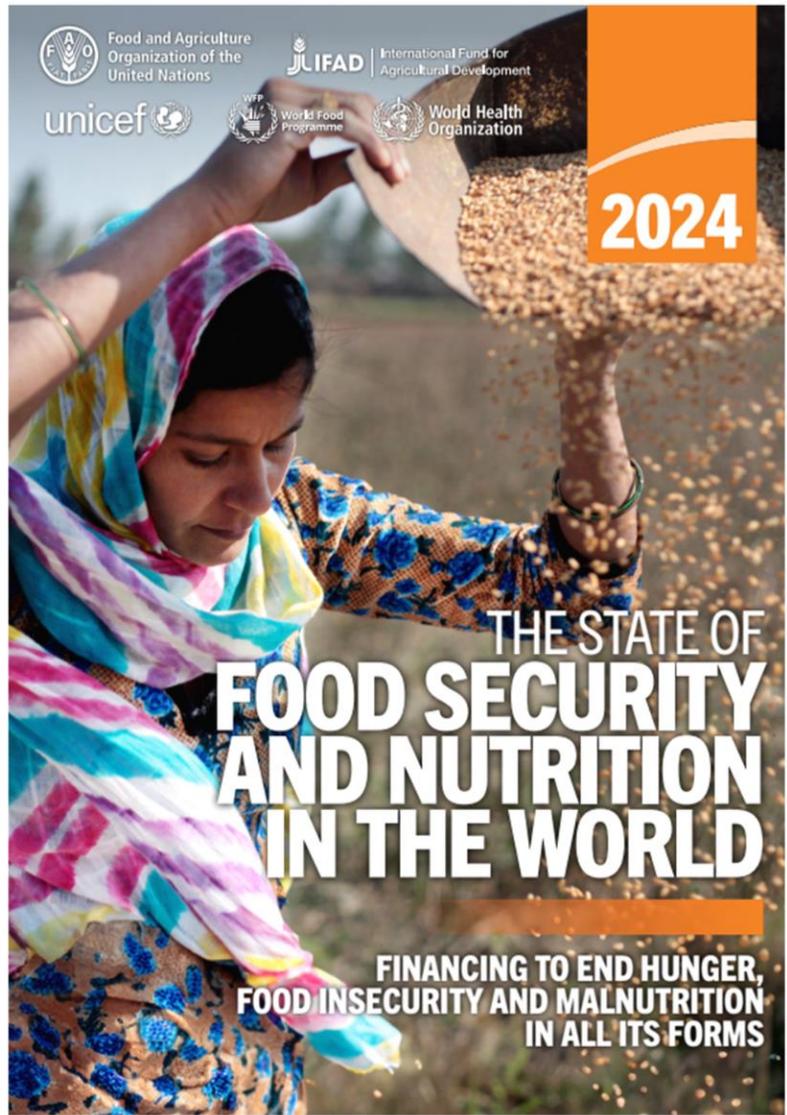
Let’s say there are five people with the following levels of daily income:



To find the Prosperity Gap in this example, these numbers are averaged:

$$\text{Prosperity Gap} = (10 + 5 + 2 + 1 + 0.5)/5 = 18.5/5 = 3.7$$

# Uses: The State of Food Security and Nutrition in the World



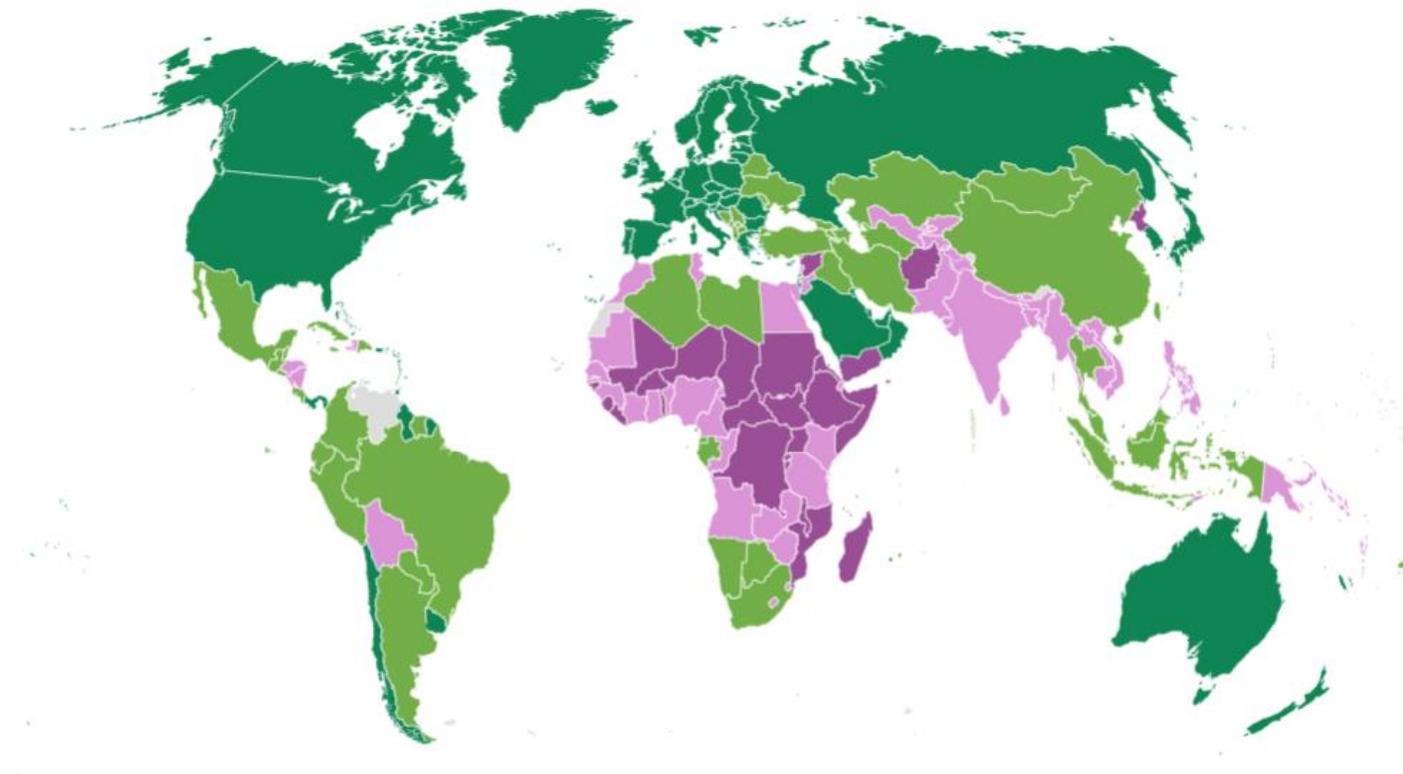
- The multi-agency report "[The State of Food Security and Nutrition in the World 2024](#)" published in July 2024, uses ICP 2021 and World Bank Poverty and Inequality Platform (PIP) data for its Cost and Affordability of a Healthy Diet (CoAHD) indicators to report on food security and the number of people for whom nutritious diets are inaccessible.
- Next report will be published in July 2025.
- A [blog](#) released at the same time uses the same data to see how affordability for populations in different income groups and regions has changed between 2017 and 2022.

# Research for Key Utilization: Income Classification

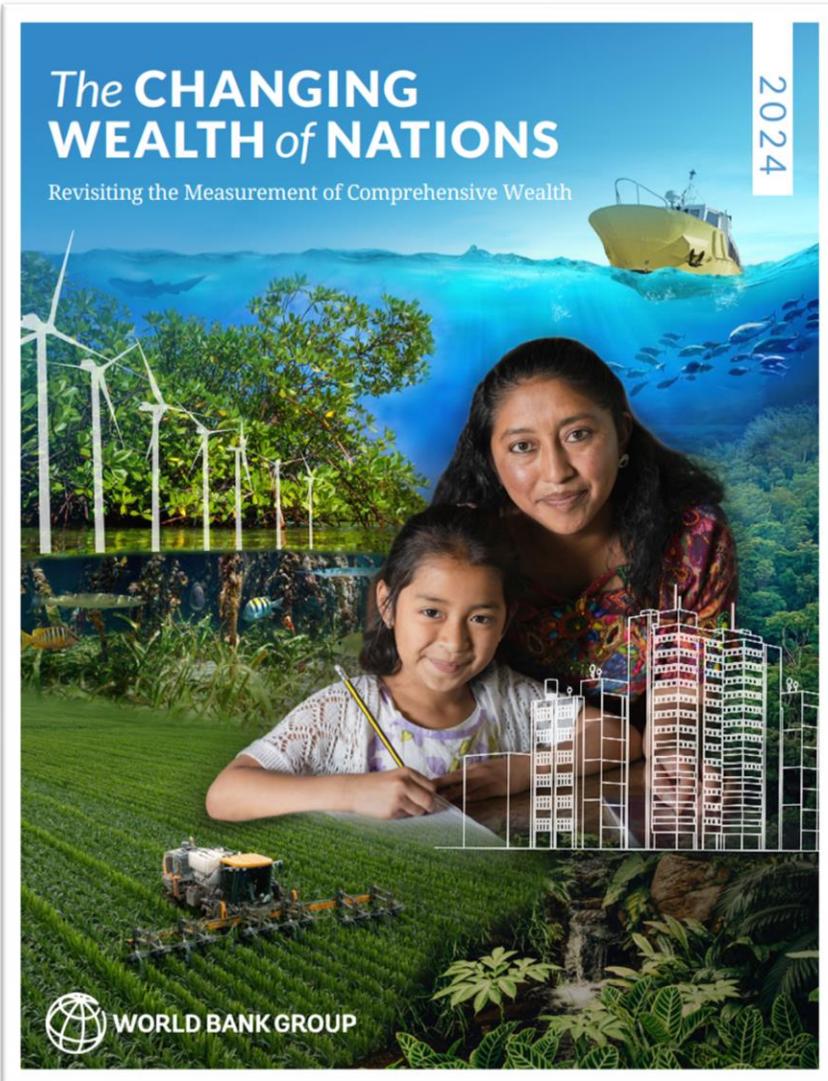
- Work has been continuing on studying use of PPPs for the income classification instead of, or in parallel to, current Atlas-based (i.e., MER-based) classification.
- Simulation of **FY25** classification using ICP **2021 PPPs** was conducted and a draft research paper discussing PPP-based income classification was updated accordingly.
- Next steps include further consultations among the stakeholders

World Bank Group country classification by income level 2023

■ High Income ■ Upper-middle Income ■ Lower-middle Income ■ Low Income ■ Not Classified



# Changing Wealth of Nations



- The World Bank report “[The Changing Wealth of Nations: Revisiting the Measurement of Comprehensive Wealth](#)” (October 2024), includes alternative estimates of total wealth and components of wealth using actual individual consumption PPPs as the conversion factor.
- When compared with global wealth estimates converted using market exchange rates, the report finds that **wealth shares for middle income countries more than double**, when adjusted for price-level differences.
- A technical annex on PPP use for wealth measurement is scheduled to be released.

# ICP 2021 Release: Main Takeaways



- **Positive media reaction:** The new benchmark 2021 PPPs have received an overall positive reaction (no “criticism” of the ICP) from media outlets, highlighting their importance and widespread use.
- **“Daily” use of PPPs keeps growing:** The growing utilization underscores the significance of PPP data in fostering informed decision-making and addressing global economic challenges.
- **PPPs are also widely expected to be available:** The data produced by the ICP are highly anticipated and valued for their accuracy and comprehensiveness.

## ICP educational and promotional materials

- To further facilitate proper uses of ICP data, PPP eLearning course will be updated to provide up-to-date information, and a series of blogs are scheduled to be released

# ICP 2024 CYCLE

# ICP 2024 Cycle: Overall Timeline

ICP 2024 Cycle	2024				2025				2026				2027	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Price surveys (!)</b>	█	█	█	█	█	█	█	█						
<b>National accounts</b>					█	█	█	█	█	█	█			
<b>Governing Board <sup>1</sup></b>	█				█				█				█	
<b>TAG</b>		█			█				█			█		
<b>IACG <sup>2</sup></b>				█		█		█		█		█		
<b>Publication <sup>3, 4</sup></b>		ICP 21											ICP 24	

<sup>1</sup> Typically in conjunction with the UNSC session; <sup>2</sup> Biannual

<sup>3</sup> ICP 2021 Results include: Revised 2017, 2021, 2018-2020 timeseries PPPs

<sup>4</sup> ICP 2024 Results include: Revised 2021, 2024, 2022-2023 timeseries PPPs

# ICP 2024: Participation

- **Anticipated participation:**

- **AFR:** 54 (+Eritrea and Libya) | **ASI:** 22 (+ Timor-Leste) | **CIS:** 8 (- Moldova) | **EUO:** 49+3 (Georgia, Ukraine and Moldova as special participation) | **LAC:** 35 (+Venezuela) | **WAS:** 16
- **Pacific Islands:** The Pacific Community is actively working towards the participation of the islands, with support from the ICP Global Office and Asian Development Bank.
- **CIS** is providing technical assistance to **Turkmenistan** for potential participation.
- (!) ICP 2024 is expected to have a wider country coverage than the previous ICP cycles.

# ICP 2024: Operational Materials and Solutions

- **Global core price item lists** for all GDP components ( Structured product definitions (SPDs) | Data collection forms | Item catalogues)
- Adaption of a **new modern cloud- and SDMX-based PPP production system** has been initiated in Latin American and Caribbean and Western Asian ICP regions
  - Based on the Eurostat PPP production system – (!) thank you
  - The system covers the entire production cycle from collaborative item list creation, data entry, collaborative validation, and calculation of final PPPs
  - Ongoing development includes new functions for temporal data adjustments and additional data validation mechanisms

# ICP 2024: Risk Assessment [1]

- 1. (!) Financial sustainability risks:** The ICP is facing significant funding challenges, which can jeopardize core processes and sustainability of the Program for the 2024 cycle and beyond.
  - **Mitigation:** Ongoing fundraising efforts to fund statistical production; capacity building; research, innovation, and knowledge; strategic planning, program management, and partnerships; and promotion and outreach.
- 2. (!) Operational risks:** Competing priorities in national and regional implementing agencies have redirected necessary resources away from ICP activities.
  - **Mitigation:** The global, regional and national implementing agencies are working to integrate further ICP data collection and validation processes into core statistical work and promote the capacity building advantages of established methods.
  - **Mitigation:** Introduction of streamlined technical (IT) solutions to reduce operational burden on countries.

# ICP 2024: Risk Assessment [2]

**3. (!) Participation risks:** Unstable geopolitical situation can potentially limit ICP activities.

- **Mitigation:** Global Office and regional agencies continuously monitor the situation and communicate with participating fragile and conflict countries and will prepare mitigation measures where possible.

# **GOVERNANCE AND COORDINATION ACTIVITIES**

# Governance: United Nations Statistical Commission (UNSC)



- The **56<sup>th</sup> session** was held in New York on March 4-7, 2025 (**FRI!**)
- **ICP report, UNSC 56<sup>th</sup> Session agenda item 5(e):** [E/CN.3/2025/30] [Arabic](#) | [Chinese](#) | [English](#) | [Español](#) | [Français](#) | [Russian](#)
- The report outlines **activities undertaken in 2024 at the global, regional, and national levels** for the completion of ICP 2021 cycle and the implementation of ICP 2024 cycle, describing governance, capacity-building, research, knowledge, and advocacy activities carried out in this regard.
- The **Commission is to take note** of the release of 2021 cycle results and progress made in carrying out the ICP 2024 cycle, and related risks and mitigation measures.

# System of National Accounts (SNA) 2025

## System of National Accounts

~~2008~~

2025



European Commission



International Monetary Fund



Organisation for Economic  
Co-operation and Development



United Nations



World Bank

- **SNA 2025 submitted for adoption at 56<sup>th</sup> UNSC Session** [Agenda item 3(a)]
  - Broader vision of economic reality with improved best practices and an impact on GDP and other macro indicators.
  - Main pillars: globalization, digitalization, well-being and sustainability, financial risks and vulnerabilities
- **International price and volume comparisons in the SNA 2025**
  - Section G. *International price and volume comparisons* has been updated to provide a current overview of the concepts and methodology for computing PPPs.
- **Note: Report of the Intersecretariat Working Group on Price Statistics includes ICP content**

# Governance: Governing Board

**The most recent meeting held on March 2, 2025**

**The Board was informed of and discussed:**

- Global ICP 2021 cycle concluding notes, release and reception, and progress with implementing the ICP 2024 cycle
- Regional ICP 2021 cycle release and reception, and progress with implementing the ICP 2024 cycle
- Technical Advisory Group (TAG) membership and Co-Chair arrangements

**(!) The 2025 meeting marked the last meeting with the current Board composition**, and the ICP Regional Implementing Agencies (RIAs), the United Nations Statistical Division (UNSD), and the ICP Global Office will work together to form a new ICP Governing Board composition.

# Governance: Technical Advisory Group (TAG)

## The Previous Meetings held in April 2024

- PPPs and Real Expenditures for Dwelling Services in Asia
- Linking of the Commonwealth of the Independent States (CIS) region
- ICP Research Agenda
- Review of the ICP 2021 cycle results, and planning of the release of the ICP 2021 results

## Dual-Chair Arrangement

- **Professor Prasada Rao** has kindly **accepted the role of the TAG Co-Chair**, joining **Dr. Paul Schreyer** in a dual-chair leadership, ensuring continuity with the approach established in previous chairmanships in previous chairmanships.

## Updates in Membership

- To maintain a **sufficient number of members and the required expertise** in the Group: Dr. Rudrani Bhattacharya (National Institute of Public Finance and Policy, India) was endorsed by the Governing Board in March 2025 as the additional member of the ICP TAG.

# Governance: Inter-Agency Coordination Group (IACG)

- **The most recent meeting was held on November 25-27, 2024**
  - Regional and Global updates on the ICP 2021 results release and 2024 cycle implementation
  - Review of ICP classification in relation to updates in other international standards (COICOP 2018 and SNA 2025)
  - Planning for the 2024/5 governance and coordination activities
  - Discussion on ICP research agenda including the production of global annual ICP results
- Next meeting is planned for Q2 or Q3 2025

# **IN MEMORIAM**

# Professor Alan Heston (1934 – 2024)



Alan was one of the co-founders of the 1968 research project to establish meaningful cross-country comparisons of economic volume using the concept of PPPs. This ultimately blossomed into the ICP, and he remained a driving force behind the initiative until his passing, including a period as Chair of the Technical Advisory Group for the global 2005 cycle, and an active member thereafter.

His captivating 2017 [memoir](#) details his work on the Penn World Table and the ICP, and he is remembered as a congenial powerhouse of economic measurement expertise, who was kind and supportive to all who met him.

- Obituary on the [Penn World Table website](#)
- Obituary on the [ICP website](#)
- Tribute article about Alan in [The Economist](#)

# Michel Mouyelo-Katoula (1951 – 2023)



Michel was the ICP Global Manager for the ICP 2011 cycle, during which he led the team that established the methodological foundation for successive cycles, streamlined quality assessment processes, and carried out capacity building in price statistics and national accounts.

The [ICP newsletter](#) provides more memories of his expansive career in Africa, Washington, D.C., Eurostat, and elsewhere.

He is remembered as a true gentleman and kind to everyone, who made lasting contributions to economic statistics and statistical capacity building in the developing world.

# UNSC Side Event: Carrying Forward the Legacy of the ICP

✓ 24 February (Monday)

Morning

🕒 8:00 - 9:15 AM

Carrying Forward the Legacy of the International Comparison Program (ICP)

🏛️ Organiser: World Bank

📍 Venue: Virtual



## Moderator

**Haishan Fu**  
Chief Statistician & Director,  
Development Data Group, World Bank Group



## Opening Remarks

**Indermit Gill**  
Chief Economist & Senior Vice President,  
Development Economics, World Bank Group



## Closing Remarks

**Lawrence H. Summers**  
Charles W. Eliot Professor at Harvard University



## Speakers

**Sir Angus Deaton**  
2015 Nobel Prize Laureate in Economics  
Dwight D. Eisenhower Professor of Economics and International Affairs Emeritus, Princeton University



**Paul Schreyer**  
ICP Technical Advisory Group Co-Chair; Director of Research, Economic Statistics Centre of Excellence (ESCoE), King's College London; Former Chief Statistician, OECD



**Stefan Schweinfest**  
Director, United Nations Statistics Division



**D.S. Prasada Rao**  
ICP Technical Advisory Group Co-Chair; Professor Emeritus in the School of Economics at the University of Queensland



**Albert Park**  
Chief Economist and Director General of the Economic Research and Development Impact Department, Asian Development Bank



**Duaa Sultan Mohamed Salman**  
Deputy Chief Executive, Statistics and Population Registry, Information and eGovernment Authority, Bahrain

- **The event** highlighted the ICP's legacy, its latest data release, and its ongoing and future initiatives, while also paying tribute to its founders.
- It served as an opportunity to reinforce the ICP's role as a permanent global statistical initiative and emphasize the importance of continued support and collaboration.

**Thank you!**



# Regional updates

- **ICP 2021 cycle release and reception | Progress with implementing the ICP 2024 cycle | Any other updates**
  - In-person: Africa (AfDB)
  - In-person: Asia and the Pacific (ADB)
  - In-person: Commonwealth of Independent States (CIS-STAT)
  - Online: Eurostat-OECD PPP Programme (Eurostat and OECD)
  - Online: Latin America and Caribbean (UN-ECLAC)
  - In-person: Western Asia (UN-ESCWA)
- **Housekeeping: approx. 5 minutes for each region with joint Q&A**

# **ANNEX: USES & OUTREACH**

# ICP Promotional Video

An ICP Promotional Video “[From Local Prices to the Global Economy](#)” has been released to provide users on how the ICP is shaping the future of global economic measurement - ensuring that better data leads to better policies, smarter investments, and more informed decisions worldwide.

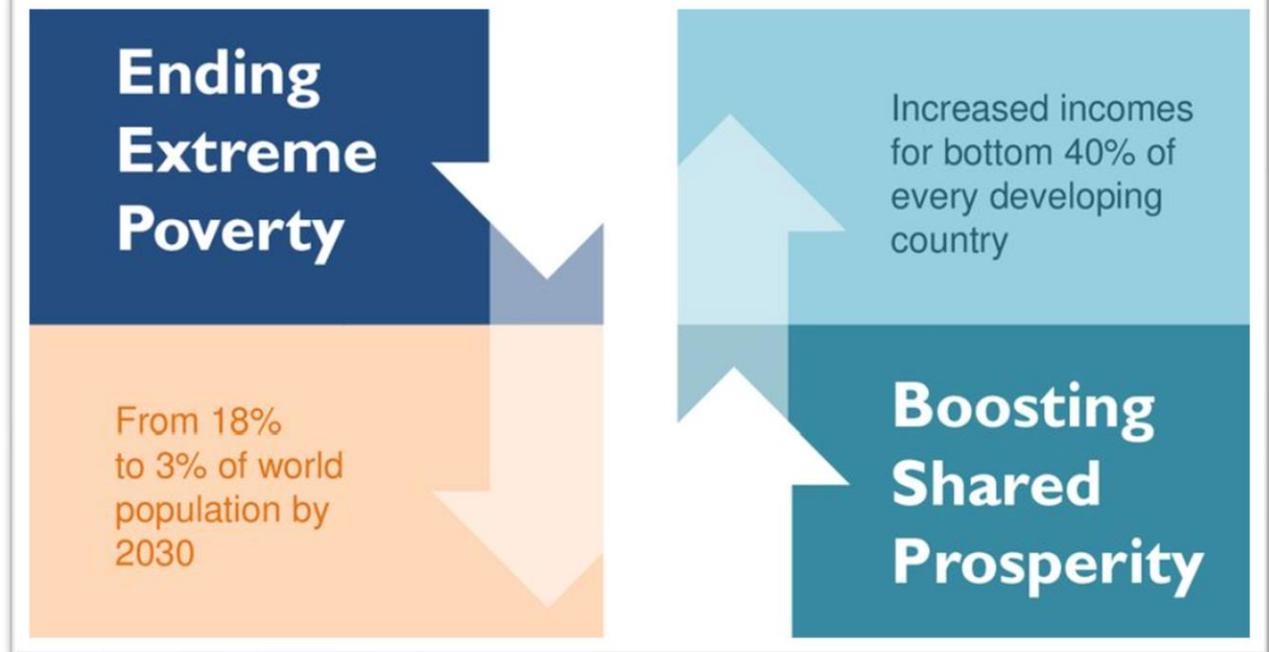


# PPP Uses and Applications: SDGs, WBG Twin Goals, WDI

## PPP-based indicators are used in eight of 17 SDGs



## PPP-based indicators used in WB Twin Goals



## PPP-based indicators in the World Development Indicators: 43+ indicators on

Poverty | Social protection & Labor | Economy & Growth  
| Climate and energy | Environment | Health

# Uses: Recent blogs [1]

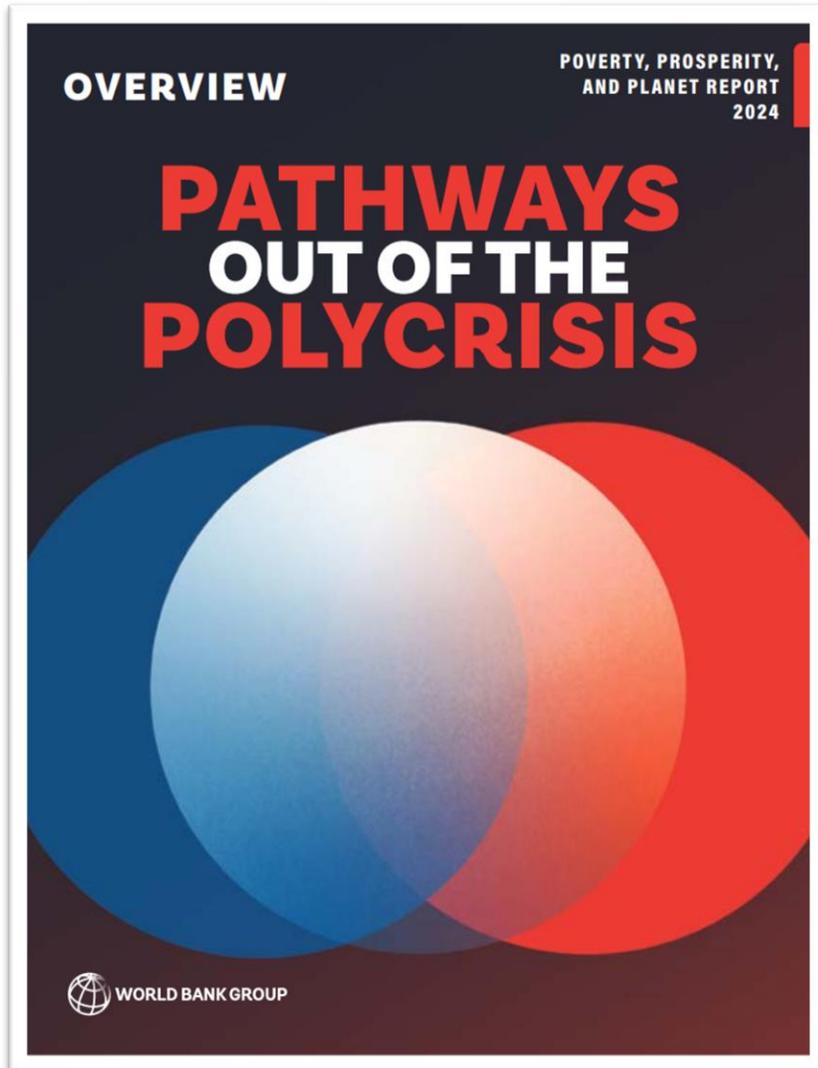


“[What do the revised 2017 Purchasing Power Parities \(PPPs\) mean for global poverty?](#)” (June 2024), explains that the World Bank will assess the use of 2021 PPPs for global poverty measurement, as the revised 2017 PPPs have modest effect on poverty lines and trends.

	PPP \$ ▾	US \$
Switzerland (2022)	\$3,447	\$4,221
Luxembourg (2023)	\$2,783	\$2,712
Germany (2023)	\$2,717	\$2,159
Australia (2023)	\$2,553	\$2,460
Belgium (2023)	\$2,525	\$2,114
Netherlands (2023)	\$2,521	\$2,157
New Zealand (2022)	\$2,436	\$2,330
Iceland (2022)	\$2,396	\$2,720
France (2023)	\$2,368	\$1,889
Canada (2023)	\$2,200	\$1,995

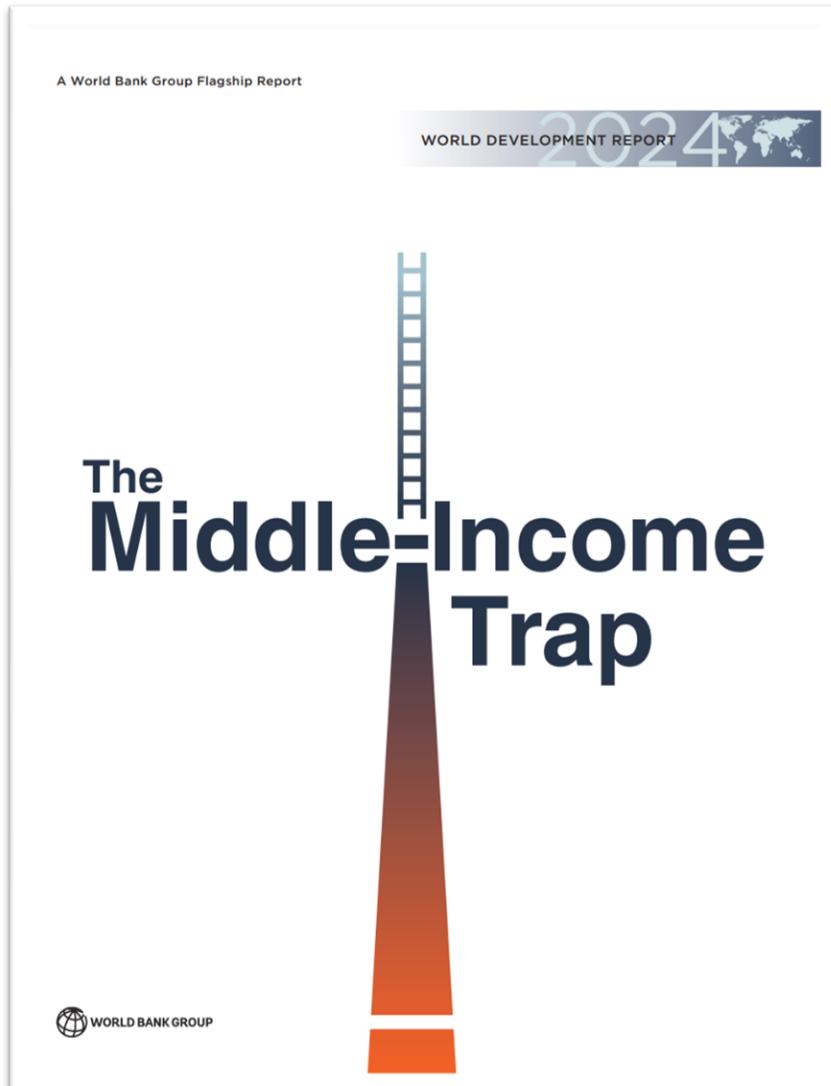
In “[The true value of a paycheck: Understanding PPP-adjusted income statistics](#)” (Aug 2024), the International Labour Organization (ILO) explains how 2021 PPPs have been used for major update of income-related statistics, describes the role of PPPs and key insights from the ICP 2021 results.

# Uses: 2024 Poverty, Prosperity, and Planet Report



- The World Bank's Poverty, Prosperity, and Planet flagship report "Pathways out of the Polycrisis", published in **October 2024**, examines post-pandemic global poverty using the 2017 ICP PPP-based international **poverty lines**, and how far societies are from attaining a per capita household income of \$25 a day using the **prosperity gap** measure.
- First combined report for poverty, prosperity, and planet ("3PR")

# Uses: World Development Report 2024



- World Bank flagship report "[World Development Report 2024: The Middle-Income Trap](#)" (August/October 2024) identifies pathways for developing economies to avoid the "middle-income trap."
- PPPs are used throughout the report.
- Discussion on income classification and references to a **PPP-based income classification** are also included.

# Uses: World Bank Group Scorecard



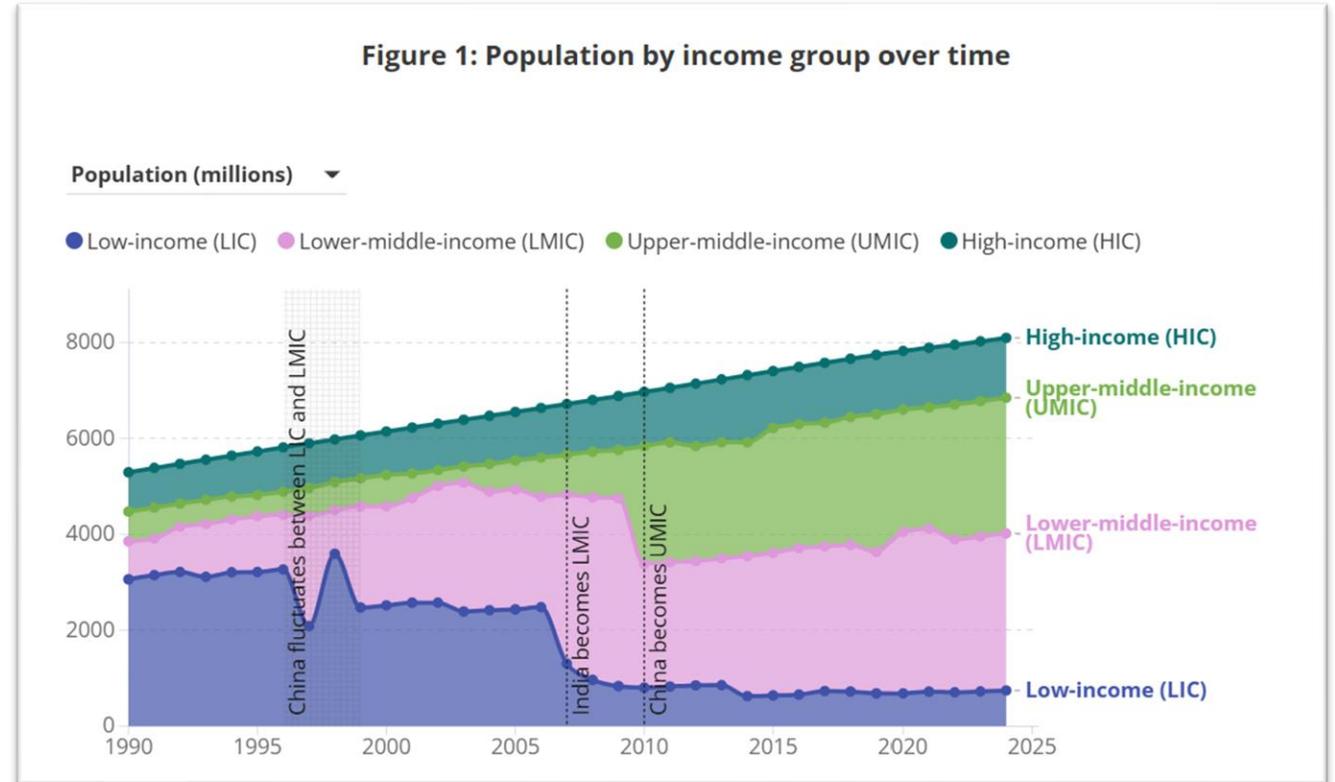
**The WBG Scorecard** redoubles its focus on accountability and impact, while consolidating reporting across the World Bank Group (WBG) under a **unified set of indicators** that track the **WBG's progress** on some of the most critical global challenges.

In **FY24 scorecard**, key indicators use PPP-based measures:

- Percentage of population living in poverty (at \$2.15/day and \$6.85/day)
- Average income shortfall from a prosperity standard of \$25/day
- Percentage of population in FCS countries living in extreme poverty (at \$2.15/day)

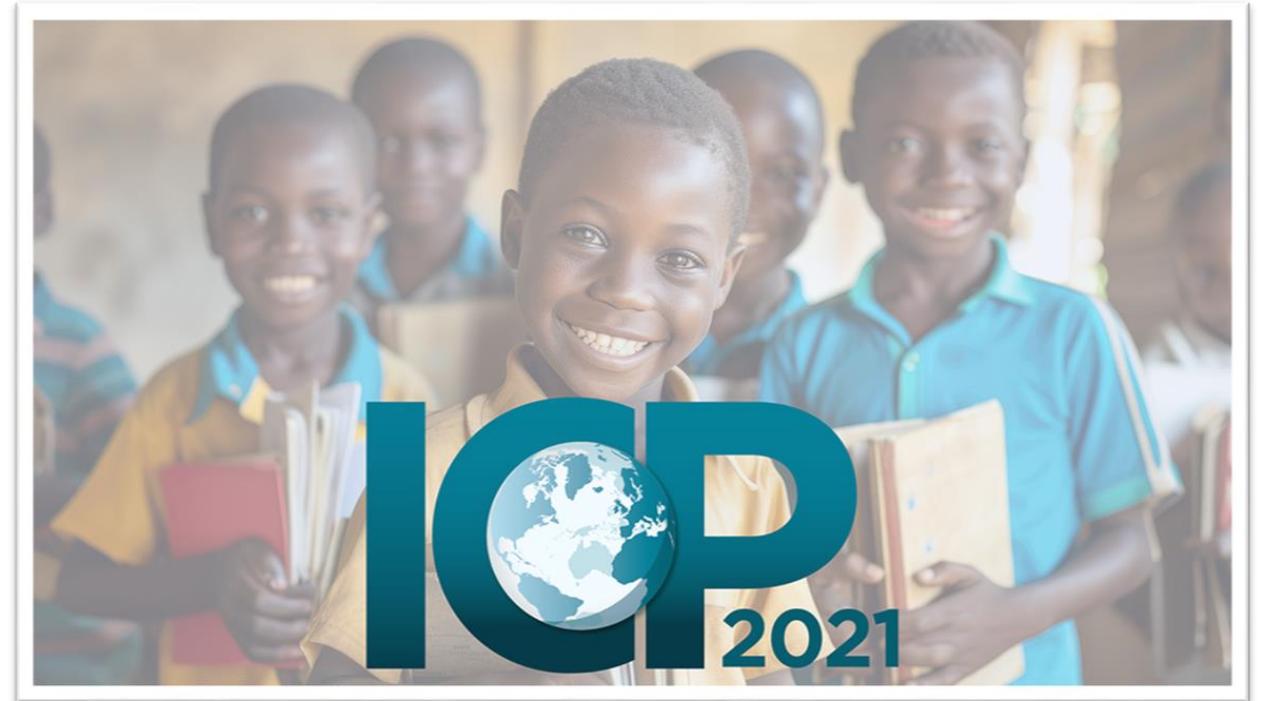
# Uses: Recent blogs [2]

**“A higher standard of poverty in a changing world: The World Bank’s poverty line of \$6.85” (November 2024)**, announces that the World Bank will now monitor poverty at a higher poverty line, typical of upper-middle-income countries, currently set at \$6.85, in addition to the international poverty line of \$2.15. Both poverty lines are expressed in 2017 purchasing power parity (PPP) dollars per person per day.



# Uses: Recent blogs [3]

**“Revisiting education expenditures and price levels: new data from the International Comparison Program”** (January 2025), published on International Education Day, looks at what new results from the 2021 cycle tell us about how much is spent across the world on education and how the price level of education varies.



# Uses: Administrative Uses



**Country group aggregates and growth rates in the IMF World Economic Outlook**

**World and G20 output and growth rates in OECD Economic Outlook**



**Allocation of the European Union structural and cohesion funds**



**World Bank and IMF Shareholding and Drawing Rights**

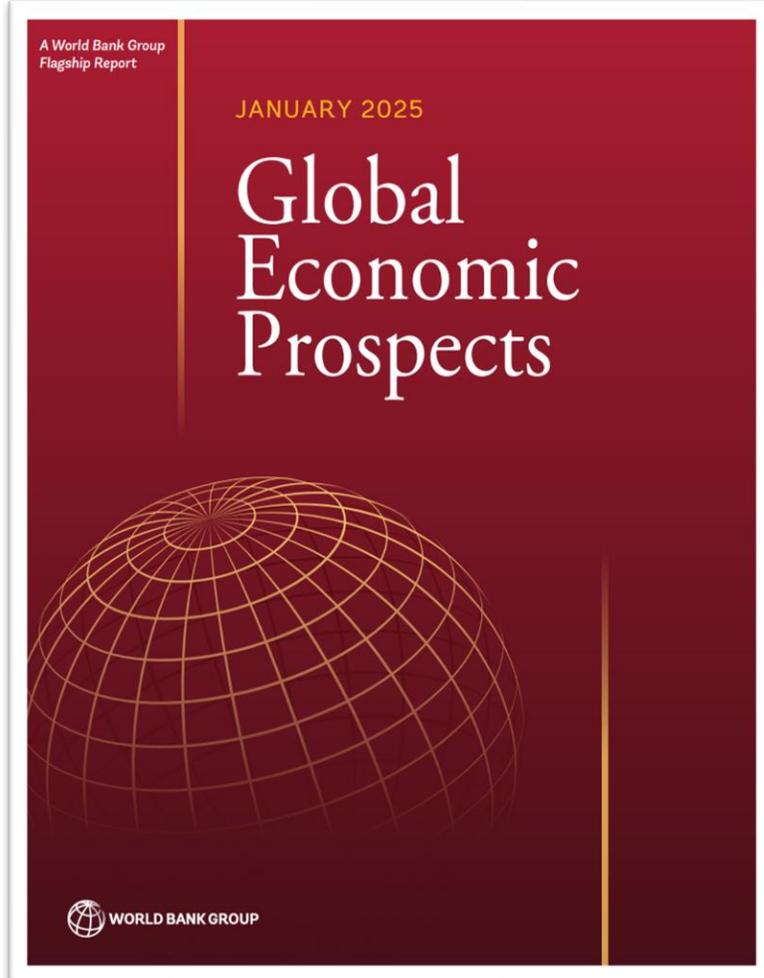


# Uses: World Employment and Social Outlook Trends 2025



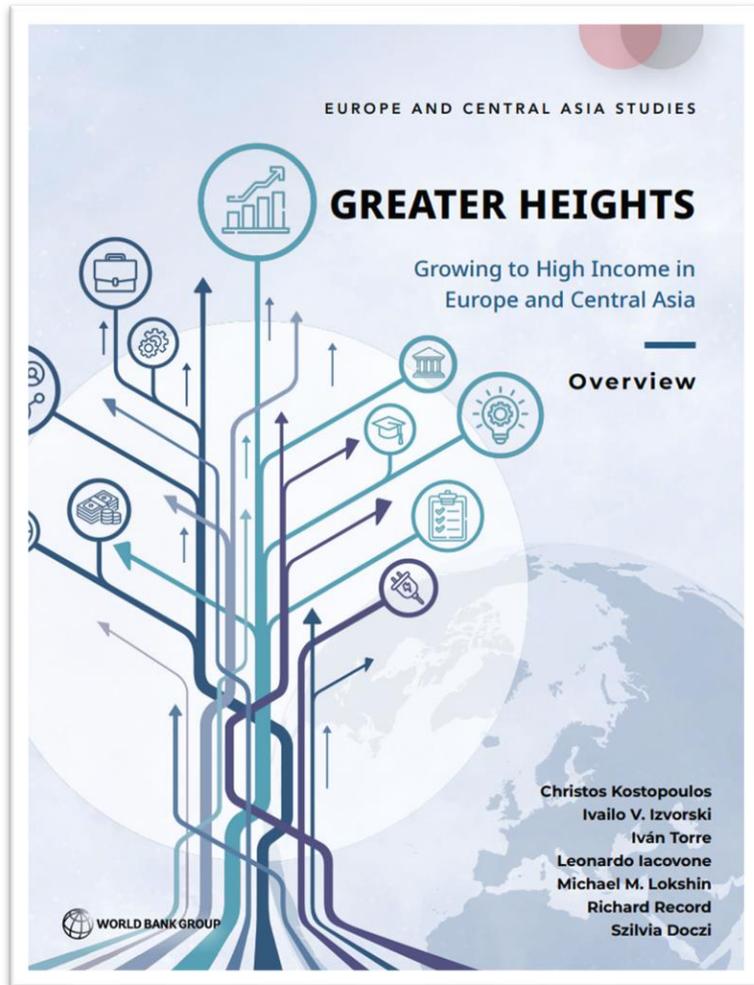
The ILO's annual "**World Employment and Social Outlook Trends**", published in January 2025, analyses the potential effect on PPP-based GDP per capita if women's labor force participation rates were to increase. It also examines working poverty across the world using the international poverty lines, based on daily income per person in PPP terms.

# Uses: Global Economic Prospects, January 2025 ver.



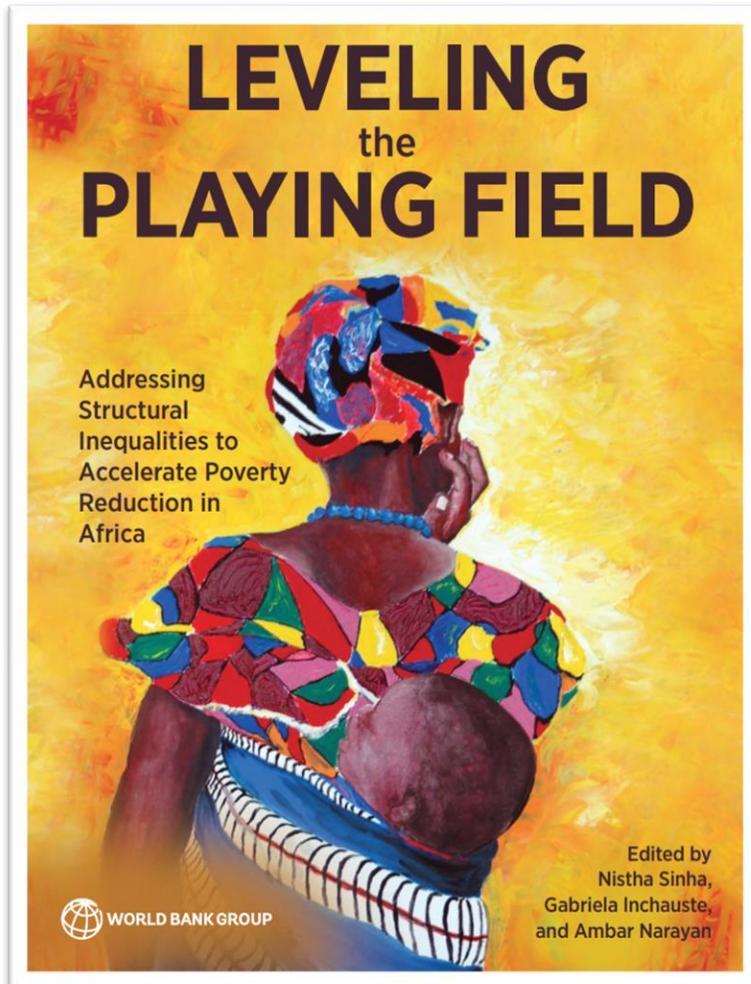
In the World Bank report “**Global Economic Prospects**”, released in January 2025, PPP-based GDP weights for regional and global GDP forecasts. Additionally, the PPP-based international poverty line is used to assess the rate of poverty reduction.

# Uses: Growing to High Income in Europe and Central Asia



In the World Bank report "[Greater Heights: Growing to High Income in Europe and Central Asia](#)", released in January 2024, PPP-based productivity and GDP per capita are used to assess the difference in growth in middle-income and high-income countries in the region.

# Uses: Addressing Structural Inequalities to Accelerate Poverty Reduction in Africa



The World Bank publication “Leveling the Playing Field: Addressing Structural Inequalities to Accelerate Poverty Reduction in Africa”, published in December 2024, uses the PPP-based international poverty lines to assess poverty rates in African countries at the three thresholds and track changes over time.

# Uses: Global Wage Report 2024-25



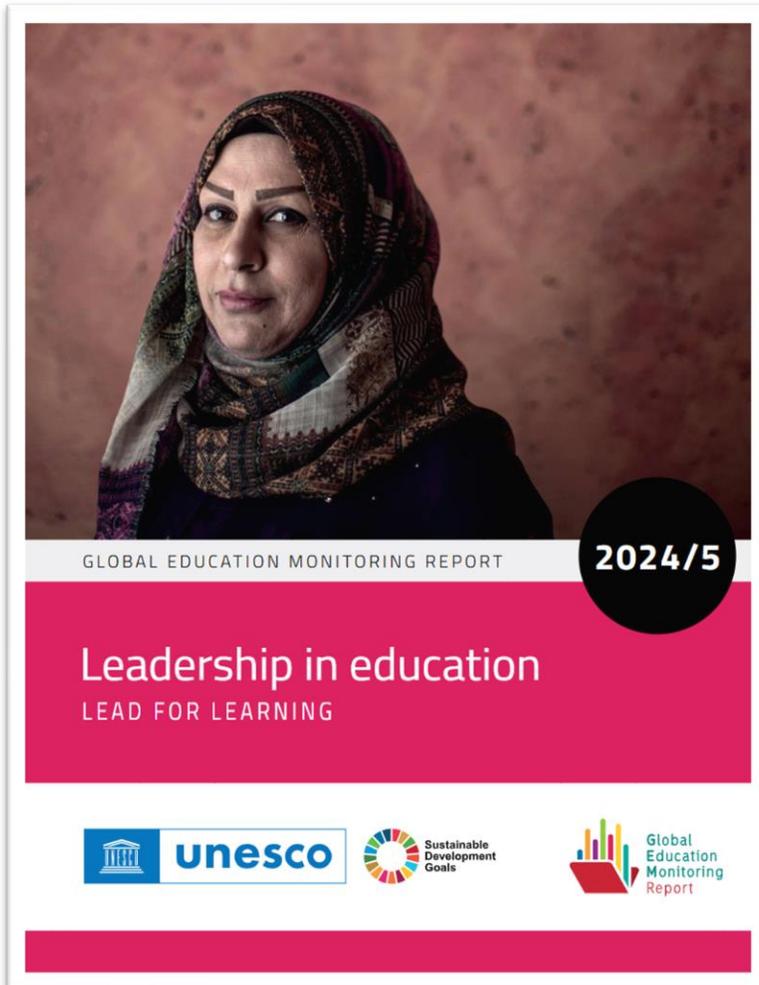
The ILO publication “[Global Wage Report 2024-25: Is wage inequality decreasing globally?](#)”, published in November 2024, uses PPP-based monthly earnings to examine inequality in the global wage distribution and the prevalence of working poverty.

# Uses: How's Life? 2024



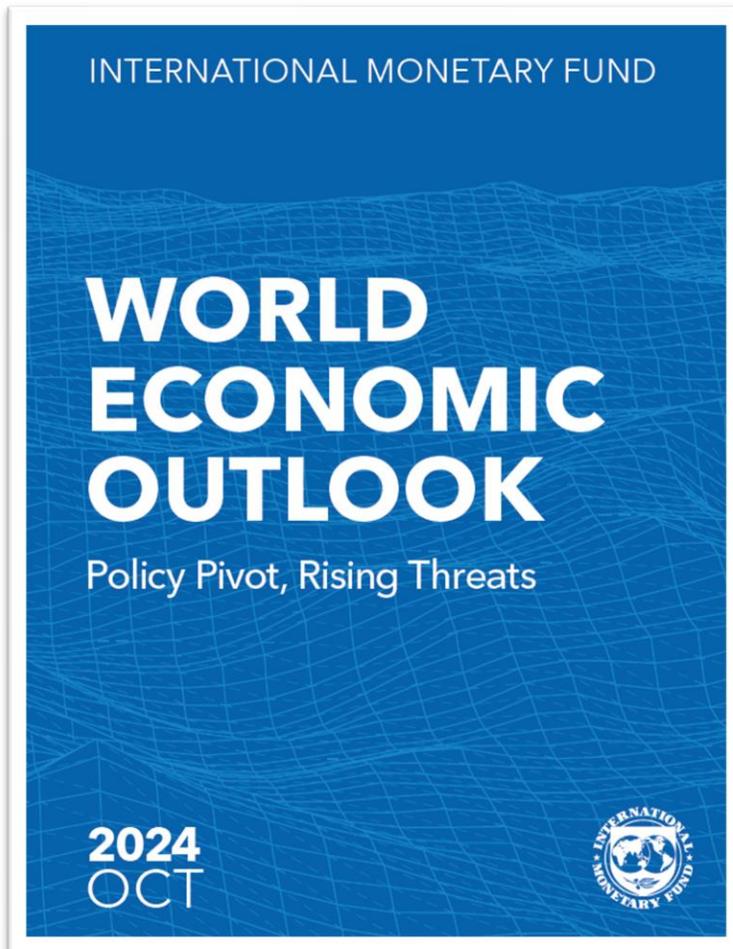
The OECD publication “**How's Life? 2024: Well-being and resilience in times of crises**”, published in November 2024, uses PPP-based measures of household income, wealth, wages, assets, and worth of total economy to assess a wide range of well-being outcomes and how they vary over time, between population groups, and across countries.

# Uses: Global Education Monitoring Report 2024/25



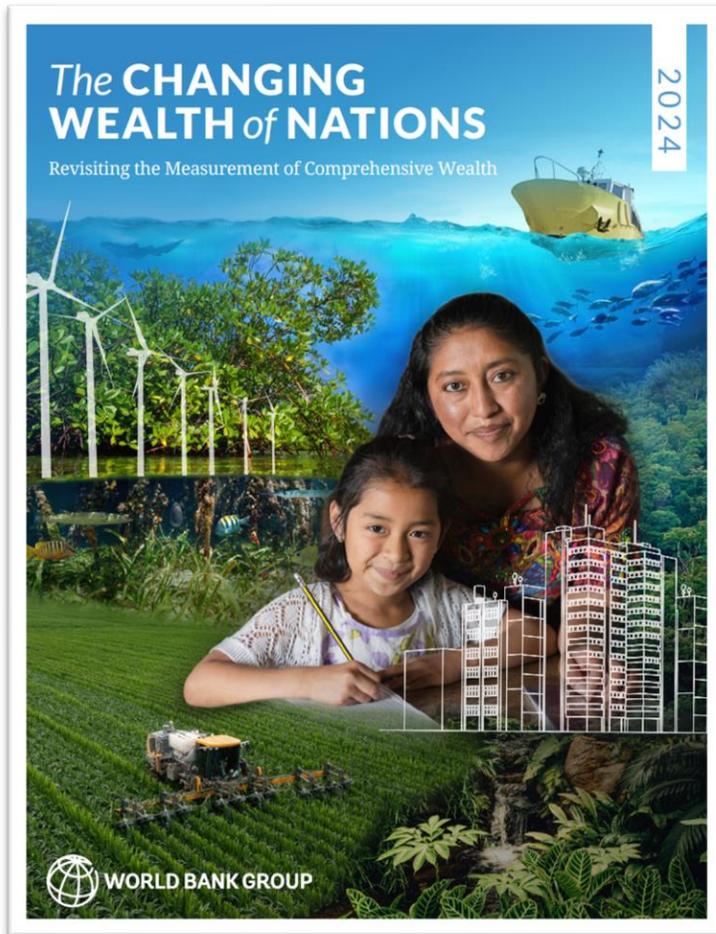
The UNESCO publication “[Global Education Monitoring Report 2024/25: Leadership in Education](#)”, published in October 2024, asks whether school principal salaries are sufficiently attractive around the world using PPP-based comparisons. It also reports on government expenditure per pupil in PPP terms.

# Uses: World Economic Outlook



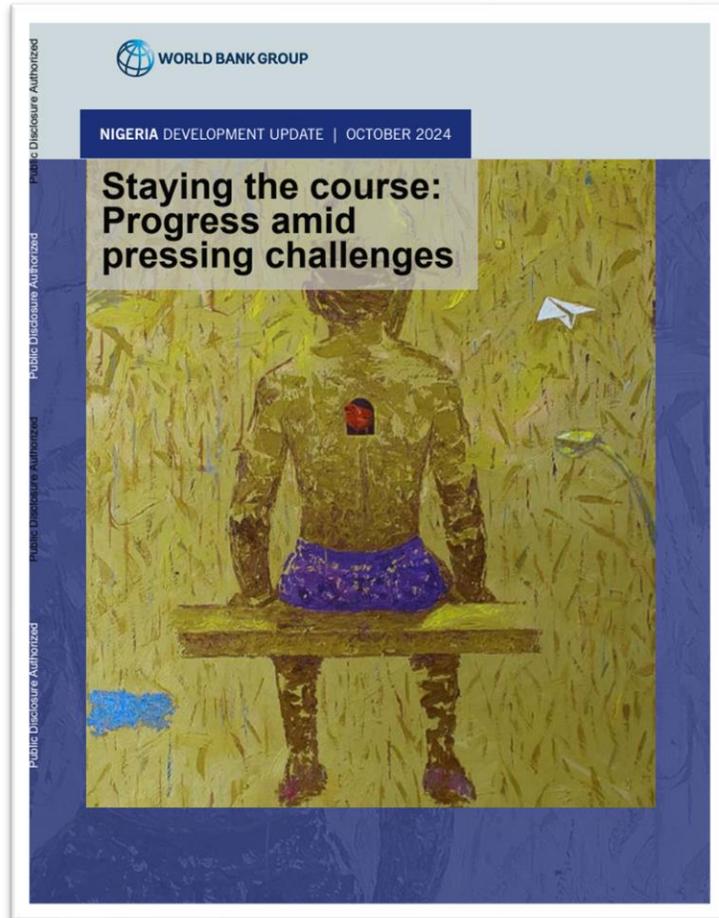
The IMF released the October 2024 version of the [World Economic Outlook report and database](#), incorporating ICP 2021 results as the basis of their PPP based indicators. WEO is a survey of prospects and policies by the IMF staff, usually published twice a year, with updates in between. It presents analyses and projections of the world economy in the near and medium term.

# Uses: Changing Wealth of Nations



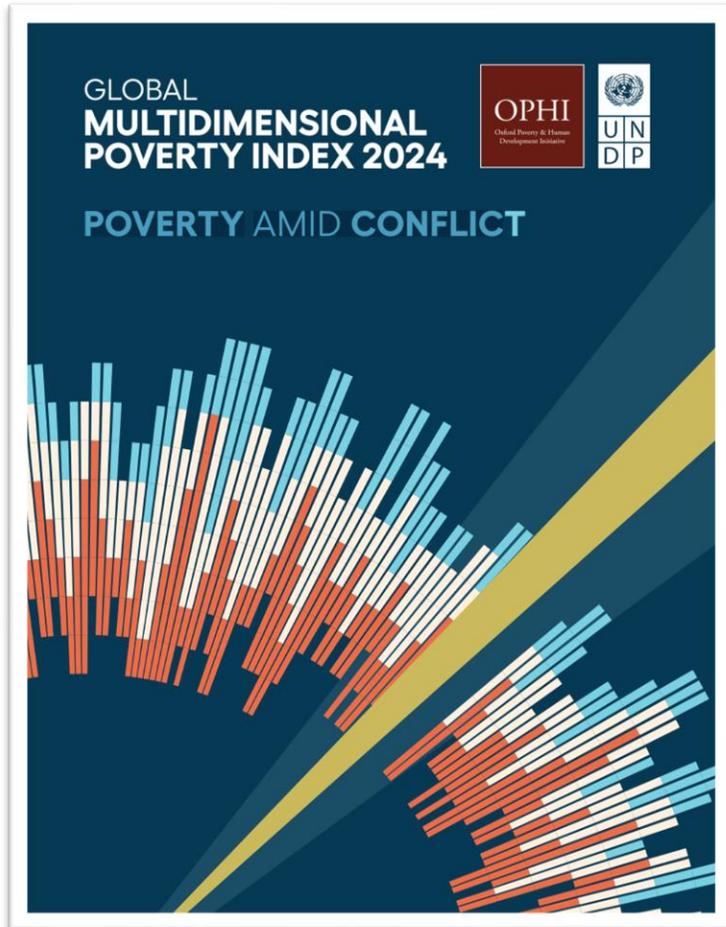
The World Bank report “**The Changing Wealth of Nations**”, published in October 2024, includes experimental estimates of total wealth and components of wealth using household consumption PPPs as the conversion factor. When compared with global wealth estimates converted using market exchange rates, the report finds that wealth shares for middle income countries more than double, when adjusted for price-level differences.

# Uses: Nigeria Development Update



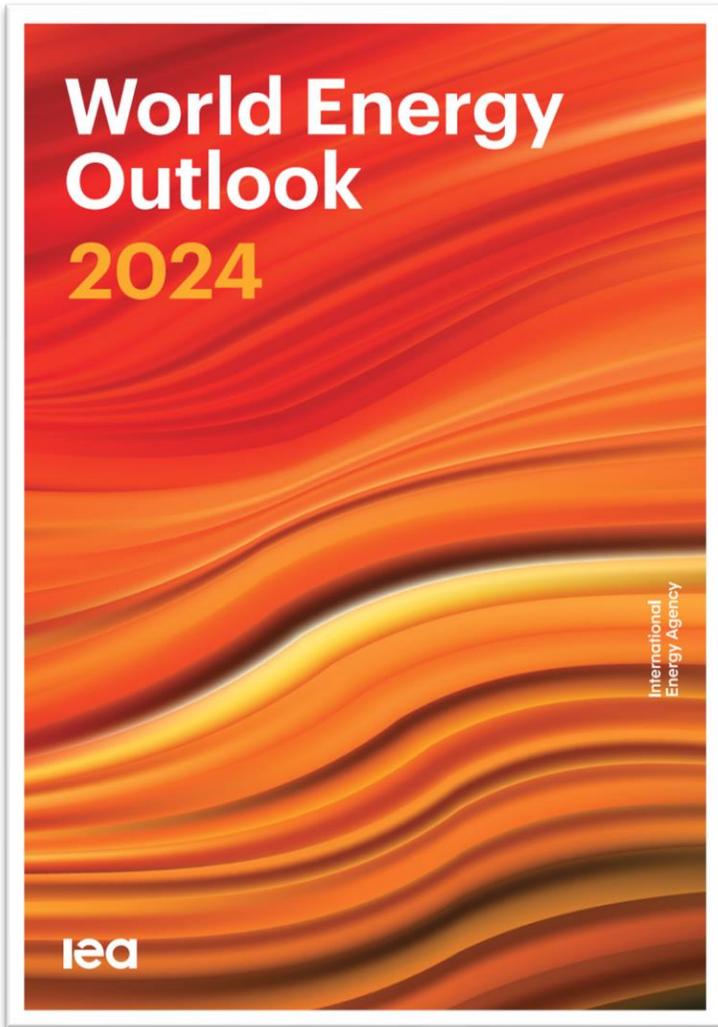
The World Bank “[Nigeria Development Update](#)” report, published in October 2024, discusses how PPP-based comparisons of GDP across African economies are more stable than those made using market exchange rates which are subject to volatility when impacted with high inflation and rising domestic prices.

# Uses: Global Multidimensional Poverty Index



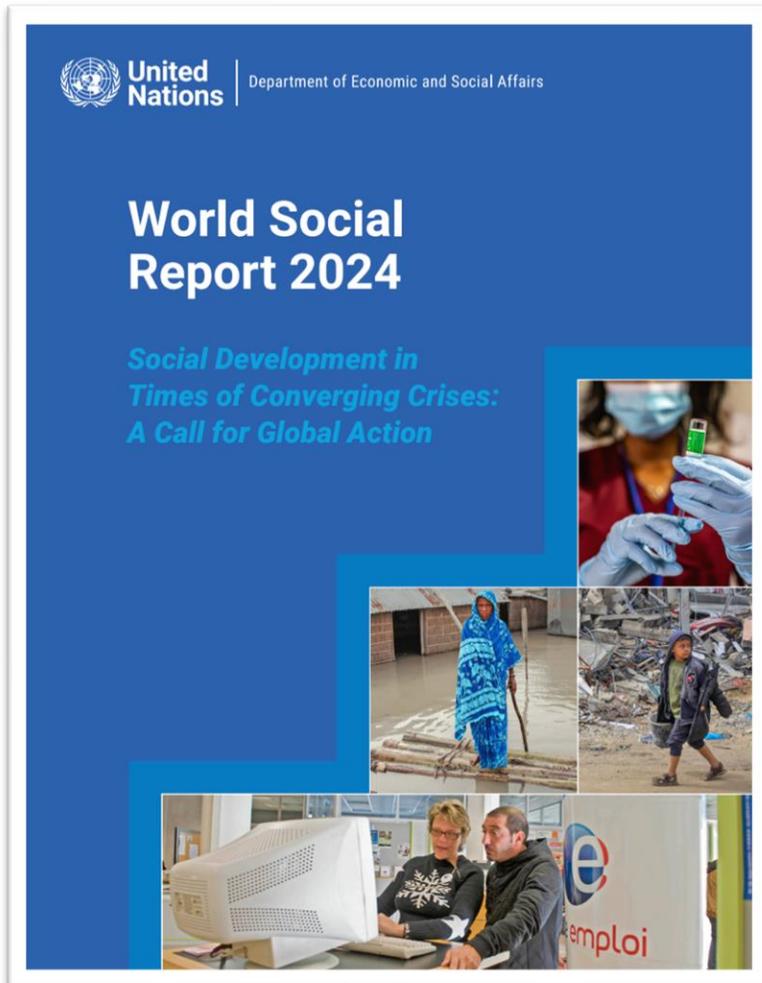
The UNDP and Oxford Poverty and Human Development Initiative report “Poverty amid Conflict”, published in October 2024, uses the PPP-based international poverty line as one input – alongside health, education, and standard of living indicators – to assess multidimensional poverty.

# Uses: World Energy Outlook



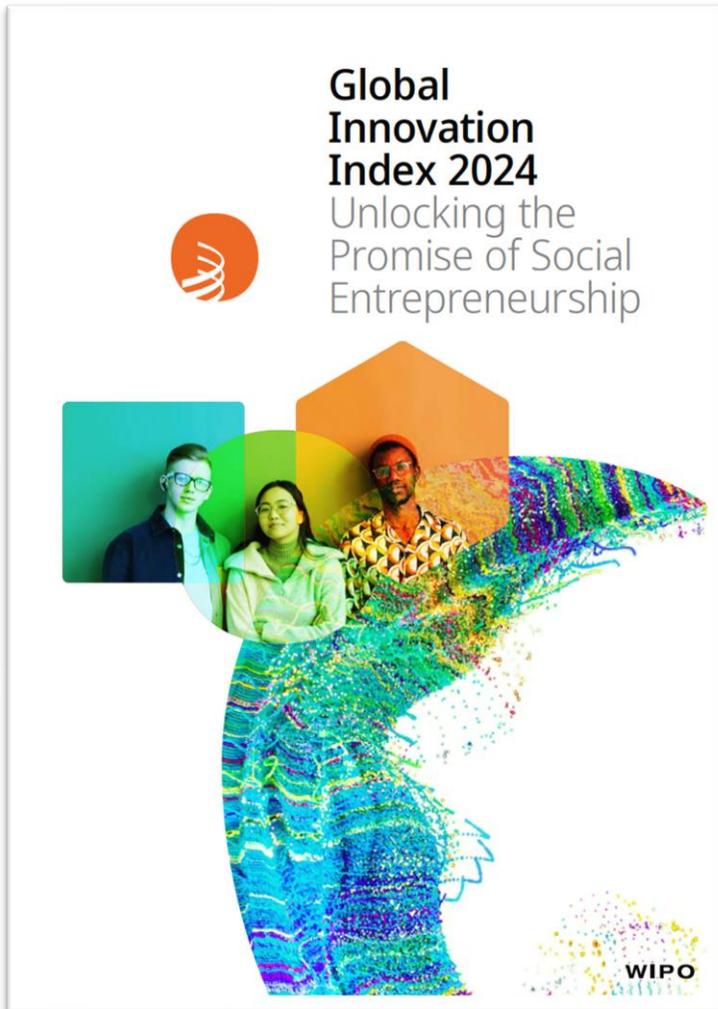
In the International Energy Agency's latest "**World Energy Outlook**", published in October 2024, PPP-based GDP is used to measure energy intensity, and household expenditure on energy and fuels for different groups of economies are expressed in PPPs.

# Uses: World Social Report 2024



The United Nations "[World Social Report](#)", published in October 2024, uses PPP-based income to assess global inequality, and estimates the economic cost of violence around the world in PPP terms.

# Uses: Global Innovation Index



The World Intellectual Property Organization report “**Global Innovation Index 2024**”, published in September 2024, measures expenditure on research and development in PPP terms. It also analyses other metrics on innovation, such as volume of patents, trademarks, and mobile app creation, against PPP-based GDP to enable cross country comparisons.



# More uses on the Global ICP Website

The image shows a screenshot of the Global ICP Website homepage. The background is a dark blue world map composed of small white dots. In the center, the letters 'ICP' are displayed in a large, white, sans-serif font. The letter 'I' is on the left, 'C' is in the middle, and 'P' is on the right. A small, realistic globe of the Earth is positioned inside the letter 'C'. Below the 'ICP' logo, the text 'International Comparison Program' is written in a white, sans-serif font. Underneath that, a paragraph of text reads: 'A worldwide statistical initiative to collect comparative price data and detailed GDP expenditures to produce purchasing power parities (PPPs) for the world's economies'. At the bottom of the page, there is a dark blue navigation bar with white text for the following menu items: Home, Data, Uses, Knowledge and Outreach, Methodology, Research, Governance, History, and FAQ. The 'Home' item is highlighted with a white background.

<https://www.worldbank.org/en/programs/icp>