



The Future of Price Statistics

On March 30, 2016, the World Bank hosted “[The Future of Price Statistics: Innovations in Data, Technology, and Methods](#)” seminar at its headquarters in Washington, DC.

The seminar was organized in the wake of the September 2015 United Nations General Assembly that saw the historic ratification of the Sustainable Development Goals (SDGs), and the World Bank commitment to improve data for the post-2015 development agenda. It brought together key actors from national statistical offices, private sector, international agencies, and academia to discuss how technological advancements and new data sources can be used to generate a fuller range of price statistics to better measure economic activity.

World Bank Managing Director Sri Mulyani Indrawati delivered the opening remarks, and Lawrence H. Summers of Harvard University gave the keynote speech. Summers noted that “Measurement matters. Observation counts. And it drives action. That’s why data is so important,” further emphasizing the relevance of price statistics “There are no statistics more fundamental than price statistics.” Abridged versions of Summers’ keynote speech were published in the Washington Post’s [Wonkblog](#), [Financial Times](#), and on his personal blog at <http://larrysummers.com>.

Other speakers included Alberto Cavallo of the Massachusetts Institute of Technology; Alexis Antoniadis of Georgetown University; Deborah Wetzel and Haishan Fu of the World Bank; Jan Walschots of Statistics Netherlands; Jim Thomas of the United States Bureau of Labor Statistics; and Joe Reisinger of Premise. Nada Hamadeh of the World Bank moderated the discussions.

All presentations and supporting materials are available [online](#). The event was covered by media outlets such as the [Washington Post](#) and [Federal Computer Week](#).



Lawrence H. Summers delivered the keynote speech at the Future of Price Statistics seminar on March 30 in Washington, DC

Outcomes from the 47th Session of the UNSC

The 47th Session of the United Nations Statistical Commission (UNSC) was held on March 8-11 in New York. Key decisions included: (i) instituting the ICP as a permanent element of the global statistical work program; (ii) adopting a flexible “rolling benchmark” approach for estimating the PPPs, with surveys spread over a three-year cycle. Starting from 2017, the PPPs will be estimated based on a combination of actual and extrapolated price data, using consistent methodology; (iii) exploring a closer alignment of the ICP and CPI price surveys to enhance the quality of price statistics in general; (iv) linking the ICP capacity building activities to efforts to enhance statistical capacity for monitoring the Sustainable Development Goals; and (v) establishing a lighter and stable governance structure and requesting that the World Bank undertake the role of the global implementing agency and establish a permanent Global ICP Unit.

These decisions are in line with the World

Bank Action Plan for Filling Gaps in Price Statistics, which sets forth an agenda to improve price data and indices. The three pillars of the Action Plan include: (i) providing better measures of PPP estimates; (ii) improving synergies with CPIs and other price indices; and (iii) exploring innovations in the collection and use of price data.

ICP RCAs Meeting and ICP Next Steps Meeting

On March 6, the Regional Coordinating Agencies (RCAs) held their fourth meeting in New York. The objective of the meeting was to discuss ongoing post-2011 activities at the regional and global levels as well as the interim timetable.

The main ICP stakeholders convened at the United Nations in New York on March 10 to discuss the immediate steps for organizing the ICP 2017 comparison and transitioning the program into a rolling benchmark model, following the decisions of the 47th Session of the UNSC.

The participants agreed that the United Nations Statistics Division (UNSD) would

initiate the nomination process of the Governing Board members, with the aim to finalize the board membership by June 2016. The World Bank will schedule a meeting of the ICP Inter-Agency Coordination Group for spring 2016 to discuss the 2017 comparison implementation. Lastly, the World Bank will report to the 48th Session of the UNSC on the progress of the 2017 comparison implementation.

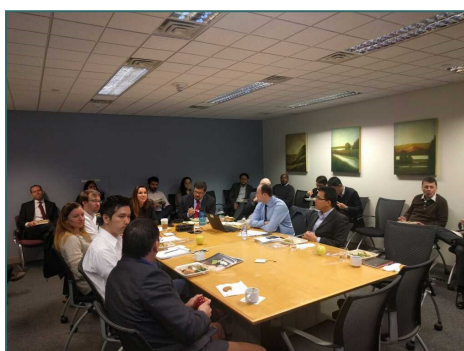
Open Data for Development: Lessons Learned and Predicted Trends

On January 21, the World Bank Transport and Information and Communication Technology (ICT) Global Practice organized a brown-bag lunch (BBL) entitled “Open Data for Development: Lessons Learned and Predicted Trends.” Marko Rissanen of the World Bank presented “A pilot study to capture price data using modern ICT.” The discussion focused on how modern ICT can help improve the availability of price data and statistics.

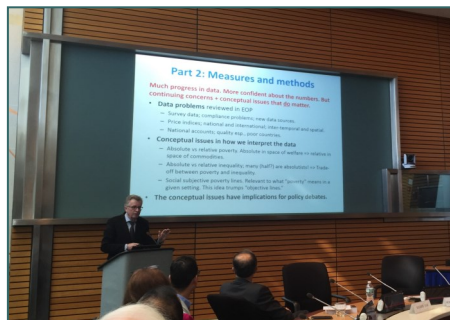
Leveraging Innovations for Closing Gaps in Price Data

Nada Hamadeh and Marko Rissanen delivered a BBL on March 2 entitled “[Leveraging Innovations for Closing Gaps in Price Data](#)”, organized by the World Bank Welfare Monitoring and Statistical Capacity Global Solutions Group.

The BBL discussed preliminary findings from a pilot study that is examining whether modern ICT can be utilized to augment the availability of detailed price data that can inform international, regional and sub-national price comparisons, as well as research on spatial price differences and poverty analysis.



Martin Ravallion Launches “The Economics of Poverty”



In January 2016, Martin Ravallion of Georgetown University released his new book, *The Economics of Poverty: History, Measurement, and Policy*. The book discusses achievements made in ending poverty, as fewer people live in extreme poverty today than 30 years ago. Ravallion addresses dangers still faced by the world’s poorest and the vulnerable emerging middle classes. Ravallion notes that “high and rising inequality has stalled that progress in some parts of the world, including the United States,” and that “we are seeing generally rising relative poverty in the rich world as a whole over recent decades.” The book is found [online](#).

Papers Using ICP Data (January – March 2016)

[Innovations in measurement in economics and econometrics: An overview](#), W.A. Barnett, W.E. Diewert, and E. Massoumi, Journal of Econometrics, Apr. 2016

[Measuring Poverty in Latin America and the Caribbean: Methodological Considerations When Estimating an Empirical Regional Poverty Line](#), R. Castaneda, L. Gasparini, S. Garriga, L.R. Lucchetti, and D. Valderrama, World Bank Policy Research Working Paper, Apr. 2016

[Global and Country Poverty Rates, Welfare Rankings of the Regions and Purchasing Power Parities: How Robust Are the Results?](#), A. Majumder, R. Ray, and S. Santra, Monash University Discussion Paper, Feb. 2016

[On the Interpretation of Purchasing Power Parities between China and other Economies: factors affecting the differences and need for sub-national PPPs](#), Luigi Biggeri, Journal of Chinese Economics, Jan. 2016

PPPs in the Media (January – March 2016)

How Benchmarking Can Help Countries Become More Digital, Bhaskar Chakravorti and Ravi Shankar Chaturvedi, Harvard Business Review

It Is Still True That Even Mississippi Is Richer Than Britain, Tim Worstall, Forbes

Circular Economy 2/0, Alexandre Lemille, Huffington Post

South Africa Competition Head Seeks Building Industry Reform, Franz Wild, Bloomberg

Ukraine’s Lost Cause, Simon Saradzhyan, Foreign Affairs

The World’s Economy Soared Last Year (or Plunged), Danny Hakim, The New York Times

China’s lending bubble is being deflated, Paul Hodges, Financial Times

China Makes Big Forays in Europe Amid Doubts, Saibal Dasgupta, Voice of America

Waiting for the peace dividend, The Economist

Study names world’s best countries, Niraj Chokshi, Chicago Tribune

Why Panicked Investors Are Wrong About China’s ‘New Normal’, Winter Nie, Fortune

Global Growth and Markets: An Emerging Mismatch, Richard Barley, The Wall Street Journal

The Average American Today Is 90 Times Richer Than The Average Historical Human Being, Tim Worstall, Forbes

US dollar will dictate broad market performance in 2016, John Bilton, Financial Times

International Comparison Program (ICP)

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