



EUROSTAT-OECD : REVISION OF 2011 PPP RESULTS

Francette Koechlin

ICP – TAG Meeting: 2-3 May 2019

Session 2: Task Force on PPP Compilation and
Computation



Outline

- **Eurostat-OECD 2011 revision (scope and results)**
 - Eurostat Revision – 37 countries
 - Eurostat-OECD Revision – 47 countries
- **Conclusions**



Revised 2011 results : Eurostat (1)

Eurostat countries: 37 countries

Part of an historical revision 1995-2012

Decided in Nov 2015, completed in Dec 2016

Why?

- To incorporate the latest national accounts data that were produced under ESA2010 (SNA 2008)
- To harmonize, to the maximum extent, the methodology used in calculating the PPPs for all reference years;
- To introduce, for all reference years, the latest classification of expenditures.

Full details on the Eurostat PPP revision exercise,
Paulus Konijn, September 2018 – TF 01
([Presentation](#))



Revised 2011 results: Eurostat (2)

How?

- All 37 countries to deliver ESA 2010 BH expenditures in new classification as long back as possible
- All countries asked to deliver new rents data back to 2003 and hospitals back to 2010; for rents extrapolation made back to 1995
- Education: data available back to 2000, extrapolation made back to 1995

Data published in Dec 2016.

Results next slide show limited differences at the GDP level for 2011 (from -4 % to + 4%)

Revision GDP per capita in PPS, EU28=100, in %

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
BE	-2	-2	-2	-2	-1	-1	-1	-1	0	1	2	3	2	2	2	2	1	1
BG	-3	7	4	-3	0	0	0	-3	0	-3	0	0	-2	-4	-4	0	0	0
CZ	-1	0	-1	0	-1	-1	0	-1	-1	-1	-1	-2	-1	4	2	2	0	1
DK	-3	-3	-3	-2	-3	-3	-2	-3	-2	-1	1	2	2	2	2	2	2	1
DE	2	2	2	2	2	3	3	3	3	3	1	0	0	-1	1	-1	-1	0
EE	0	-3	-2	0	-2	-2	-2	-2	-2	-2	2	0	1	1	3	3	3	0
IE	2	3	3	2	2	2	2	2	1	1	1	1	1	2	0	0	-1	1
EL	0	0	1	2	1	1	0	-1	0	0	2	2	1	-1	0	-2	-3	-3
ES	0	-1	-1	-1	-1	-1	-1	-2	-1	-2	0	1	0	0	0	-1	-1	-1
FR	1	1	0	1	1	1	2	1	0	1	2	2	1	1	1	0	0	0
HR	-2	-4	-4	-4	-4	-2	-4	-4	-4	-4	-3	0	0	0	2	0	2	0
IT	2	2	2	1	1	2	-1	2	2	2	3	3	2	2	2	1	2	1
CY	3	2	2	2	2	2	2	2	2	0	2	2	4	1	0	-2	0	0
LV	-6	-6	-6	-5	-3	-3	0	0	-4	-2	-2	-4	-5	-2	0	2	2	0
LT	-3	-3	-3	-3	-3	-3	-2	-2	-2	-2	0	-2	0	0	0	0	2	0
LU	1	2	5	3	3	-2	-1	-3	-3	-3	2	1	1	2	1	1	0	0
HU	0	0	-2	-4	-4	-2	-2	-2	-2	-2	0	-2	-2	-2	0	-2	2	0
MT	-10	-3	-2	-2	-4	-4	-3	-2	0	0	0	0	1	-1	-4	-2	-1	0
NL	0	0	1	0	0	0	0	0	0	0	1	1	1	0	0	0	-1	1
AT	-1	0	-1	-1	-1	-1	0	0	-1	-1	2	1	1	0	1	0	1	0
PL	2	0	0	0	0	0	2	2	0	2	0	2	0	2	2	0	2	2
PT	5	5	5	6	6	6	5	5	5	7	4	5	3	3	1	1	-1	-3
RO	-6	-3	0	4	4	4	0	0	0	0	3	3	5	2	2	4	2	0
SI	1	1	1	1	1	1	1	1	0	1	1	0	0	1	0	0	1	1
SK	2	2	0	2	0	2	2	2	2	2	2	2	0	0	0	1	3	3
FI	2	1	1	1	1	1	1	0	0	0	1	1	2	1	1	1	1	0
SE	0	0	0	0	0	-1	0	-1	-2	-2	0	0	1	1	1	0	0	0
UK	-4	-4	-5	-5	-5	-5	-5	-6	-4	-5	-6	-6	-5	-4	-4	-1	-1	0
IS	2	1	1	1	1	0	2	1	2	1	4	7	7	4	3	-1	0	0
NO	1	1	0	1	1	0	0	0	-1	-1	-1	0	-1	-1	-1	-2	-1	0
CH	2	3	3	3	4	3	4	3	3	4	4	5	5	5	5	3	2	1
ME	:	:	:	:	:	:	:	:	:	:	0	0	0	0	-3	2	2	0
MK	:	:	-4	-4	0	0	0	0	0	0	-7	-3	0	-3	-3	-3	0	0
AL	:	:	:	:	:	:	:	:	:	:	-5	-4	-4	-4	-7	4	4	0
RS	:	:	:	:	:	:	:	:	:	:	0	-3	0	0	3	3	3	0
TR	41	40	34	2	3	0	6	3	6	0	0	2	2	0	2	2	4	0
BA	:	:	:	:	:	:	:	:	:	:	0	-4	-4	0	-4	-4	-4	-7



Revised 2011 Eurostat-OECD results (1)

**Eurostat-OECD-: 37 Eurostat countries + 10
OECD countries**

Limited revision:

- Special detailed calculation for 2011 only for the ICP needs beginning of 2019, not published
- OECD calculation : switch to an annual detailed PPP calculation only in 2016 for the year 2014.
- Minimize burden on the 10 OECD countries



Revised 2011 Eurostat-OECD results (2)

How? Scope of the revision for the 10 OECD countries

- Revised expenditure data for all 10 OECD countries: new set of weights for Russia and alignment at the level of the main aggregates for the other OECD countries
- No price revisions
- Reclassification of the basic headings according to the new classification
- Revised PPPs for Housing for Russia (quantity approach)

Complete recalculation of the detailed OECD-Eurostat results with the integration of the revised Eurostat data including recalculation of reference PPPs.



2011 Eurostat- OECD Revised results (3)

Results at the level of Actual Individual consumption (AIC) and GDP shown in the next slide (focus on OECD countries).

At detailed level, differences can reach significant differences but at the aggregate level limited differences

- Case of Russia

- Switch to SNA 2008

- Full user cost approach

Nominal values for housing multiplied by more than 3 resulting also in corresponding indirect PPPs multiplied by 3.



2011 Eurostat- OECD Revised results: Comparison

	Gross Domestic Product					Actual Individual Consumption				
	GDP per capita in PPPs (OECD=100)			Nominal Values		AIC per capita in PPPs (OECD=100)			Nominal Values	
	Original	Revs	% change	% change	PPPs % change	Original	Revs	% change	% change	PPPs % change
Australia	117	115	-2	2	1	106	107	2	3	1
New Zealand	87	87	1	3	0	88	88	0	1	0
Japan	95	97	2	4	0	95	96	0	1	0
Korea	81	85	6	8	-1	68	71	4	4	-1
Canada	114	112	-2	1	0	107	107	0	0	0
Chile	56	55	-2	0	0	53	53	-2	-1	0
Mexico	46	45	-2	1	0	46	45	-2	-1	1
United States	138	134	-3	0	1	146	143	-2	-1	0
Israel	84	83	-1	1	0	80	79	-1	0	0
Russia	63	63	0	8	5	59	58	-2	9	10
OECD	100	100	0	3	0	100	100	0	1	0



Some conclusions

- Revised 2011 Eurostat-OECD PPP Results show limited changes at the aggregate level for per capita volume indices mostly explained by changes in nominal values (example: switch to SNA 2008)
- However change in prices in specific areas (Housing) can generate big effect on PPPs that need to be taken into account when calculating 2011-2017 PPP time series
- Implication on CIS results
- 2011 Revision exercise at the global level needs to be carefully reviewed to ensure consistency between Prices and NA data



Thank you very Much
Questions?