

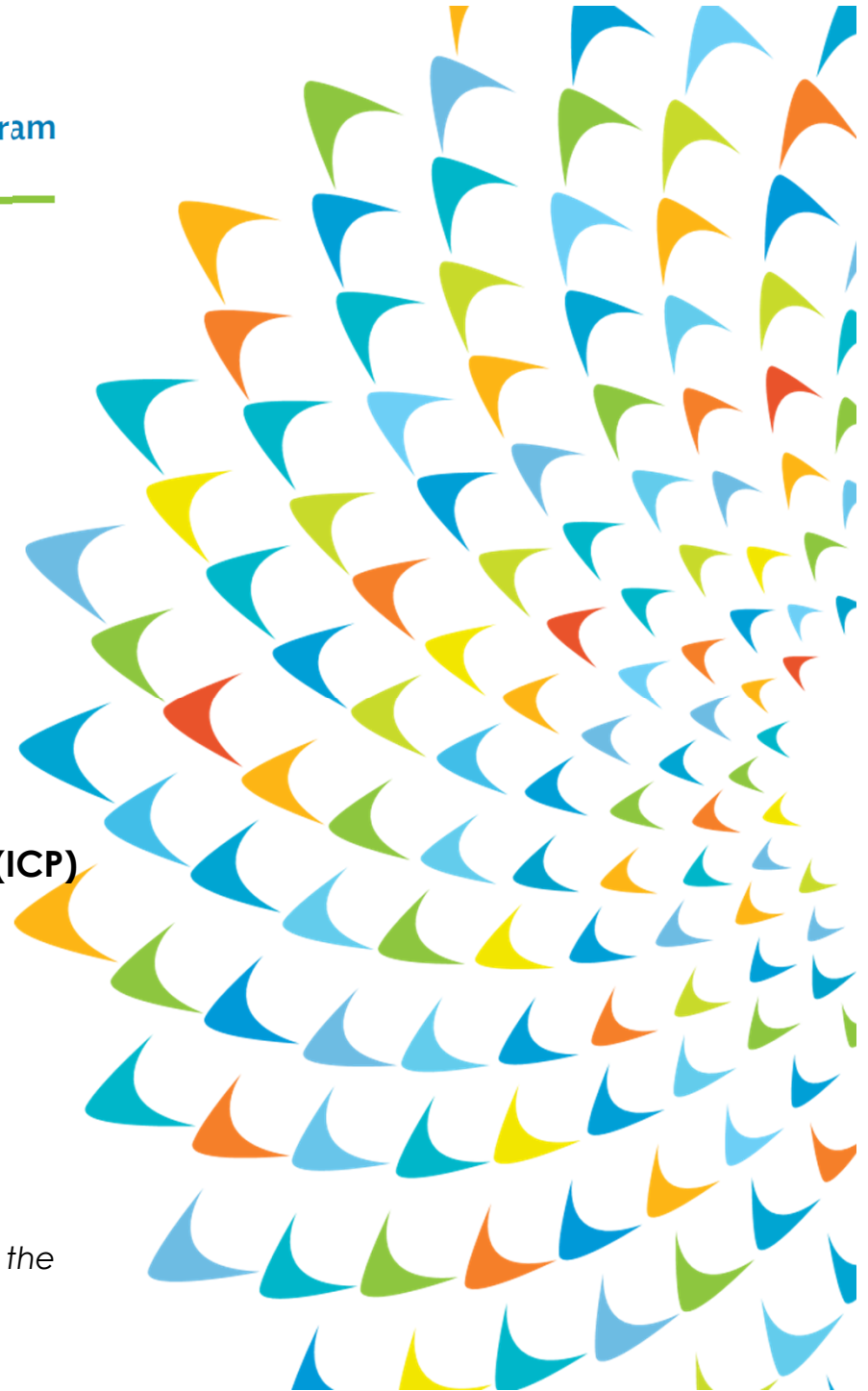


Regional Updates & Outstanding Risks Asia and the Pacific

**8th Meeting of the International Comparison Program (ICP)
Inter-Agency Coordination Group (IACG)**
World Bank, 1818 H St. NW, Washington, DC
23-25 October 2019

Asian Development Bank

The views expressed in this document do not necessarily reflect the views and policies of the ADB or its Board of Governors of the government they represent.





Implementation of 2017 ICP in Asia and the Pacific



Participating Economies

**Twenty two (22) economies are participating
- All at the GDP level**

- Bangladesh
- Bhutan
- Brunei Darussalam
- Cambodia
- China, People's Rep. of
- Fiji
- Hong Kong, China
- India
- Indonesia
- Lao PDR
- Malaysia
- Maldives
- Mongolia
- Myanmar
- Nepal
- Pakistan
- Philippines
- Singapore
- Sri Lanka
- Taipei, China
- Thailand
- Viet Nam



Overview of Regional 2017 ICP-Survey Activities (1)

Activity	2017				2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household (HH) Consumption							A									
Housing (Rental)					B	R2017	R2017									
Housing (Volume)							V2017	V2017								
Gov't Compensation							2017	2017								
Machinery & Equipment				2017 ^C	2017	2017										
Construction					2017	2017										
National Accounts								GDP								
Regional Workshops	(1)			(2)	(3)	(4)	(5)	(6), (7)		(8)	(9)		(10)*			
In-country trainings		(1), (2)									(3), (4), (5)					

^A Bhutan extended HH price survey until July 2018 to cover 12-month price collection; Thailand undertook surveys from Jun 2017 – Mar 2018 and was not able to complete the 12-month price collection.

^B Hong Kong, China carried out the rental survey in Q1 2018 with reference year 2017.

^C Collected price for Electronic and Software items, except the PRC and Bangladesh which collected these items in Q1 and Q2 2018, respectively – Nine regional workshops (1) to (9) have been conducted; The first validation workshop for 2019 was conducted **on 1-5 April 2019**. The recently held workshop on **28-30 August 2019** with the Heads of NIAs and NCs discussed the preliminary 2017 PPPs findings and recommendations of the RAB and EG. Next regional workshop which aims to present the preliminary results of the 2017 ICP is tentatively scheduled in Q1 2020.

– Five in-country trainings (1) to (5) have been conducted: CSO Myanmar, NBS People's Republic of China, TPSO Thailand, LSB Lao PDR, and online training with BPS-Statistics Indonesia.



Overview of Regional 2017 ICP- Survey Activities (2)

- **Household** (HH) products – Started April 2017 in 14 countries and rest between May-July 2017 – **completed in all 22 countries;**
- **Special surveys** - machinery and equipment (MNE), construction (CNS), housing rental surveys conducted in Q4 2017 to Q2 2018 - **completed in all 22 countries;**
- Data collection for Government compensation, conducted in Q3 and Q4 2018 **completed in all 22 countries;**
- Data collection for GDP and housing volume indicators, conducted in Q3 and Q4 2018 **completed in all 22 countries - gaps exist**
- Collection and validation of information on Housing volume indicators in Q3 2018 to Q2 2019 **completed in all 22 countries - gaps exist**
- Collection of “Resource Mix” of construction inputs in mid Q1 2019 to Q2 2019 **completed in all 22 countries except for Lao PDR**



Status of data Submission by Countries

Survey	# of Countries Submitted Data	# of Countries Submitted Revised Data Since April 2019 Data Validation Workshop	Data Submitted to GIU in October 2019
Household (HH)	22 ^A	22 ^A	22
Housing (Rental)	22	22	22
Housing (Volume)	22 ^B	22 ^B	22 ^B
Machinery & Equipment	22	22	22
Construction	22	22	22
Gov't Compensation	22	21 ^C	22
GDP by 155 BHs	22	18 ^D	22 ^D

^A Thailand undertook surveys from Jun 2017 – Mar 2018 and was not able to complete the 12-month price collection. Lao PDR submitted the updated prices on 15 October 2019.

^B Housing volume data availability varies by indicator and not all indicators will be available for each country

^C For THA: Due to absence of data and inconsistencies noted between 2017 and 2011 reported data in collective services, the 2017 government compensation data is estimated based on 2011 data extrapolated using implicit price index of Government Final Consumption Expenditure (GFCE).

^D Updated GDP expenditures by 155 BHs of Maldives for 2017 is yet to be received. Three countries namely BHU, CAM, and FIJ have yet to submit revised estimates.



Status of Regional Quality Assessment

- Rigorous price data validation of data for HH and GDP expenditure weights for 155 BHs are ongoing to ensure quality of data being submitted to ADB;
- Data validation for MNE, CNS, Government compensation, Housing Rental, Housing Volume surveys are completed;
- Preliminary price data for GL items submitted to GIU in August 2018 and updated in 2019 on **6 February, 17 March, 9 April**; updated price data for GL, AG, and AP items and weighted preliminary regional PPPs were sent on **3 & 27 September, and 7 October** for global validations, which includes available data for (i) Household [global and regional items], (ii) MNE, (iii) CNS, (iv) COMP, (v) HR & HV, (vi) GDP at required 155 BH level, (vii) CPI, exchange rates, population, and (viii) unweighted/weighted regional PPPs;
- The submitted prices and GDP data are subject to further data review/validation for compilation of preliminary PPPs;
- Convened two Experts Group meetings (**June and August 2019**) to review the technical integrity of the methodologies and procedures being used for AP region.



Preparatory Activities

Preparatory Meeting	Description	Date	Venue
Third Technical Evaluation and Validation of the Household Prices for the 2016 PPP Updating	- Presented and discussed with the National Implementing Agencies (NIAs) the UNSC decisions on the ICP's future and tentative plans for 2017 ICP in Asia and the Pacific	12-16 Sept 2016	Manila, Philippines



Organizational / Inception Meetings

Organizational/Inception Meeting	Description	Date	Venue
Organizational Meeting of the Regional Advisory Board for the 2017 International Comparison Program	<ul style="list-style-type: none">- Set the overall direction of the 2017 ICP Asia and the Pacific program, governance framework, and research agenda- Obtained support and commitment from stakeholders including the ICP Global Office, international organizations, and national implementing agencies (NIA)	11-Jan-17	Hanoi, Viet Nam
Inception Meeting of the Heads of NIA for the 2017 International Comparison Program	<ul style="list-style-type: none">- Introduced to the heads of the NIA the objectives, work program, and data and related statistical requirements of the 2017 ICP for Asia and the Pacific- Discussed the proposed schedule of price collection- Agreed to the proposed Framework of Partnership which defines the roles and responsibilities of ADB and the NIAs	11-Jan-17	Hanoi, Viet Nam



In-Country Trainings

In-Country Training	Description	Date	Venue
CSO, Myanmar	Comprehensive training on ICP concepts, methods, and household price collection operations was conducted. This also included market visits for practical guidance in data collection. The training was conducted at the request of CSO due to transfer of ICP responsibilities from Planning Department to CSO.	3-7 April 2017	Nay Pyi Daw, Mandalay
NBS, PRC	ADB served as resource persons to the in-country training program for regional/provincial offices staff of NBS which focused on the discussion and clarification of ICP concepts and data collection requirements.	17-18 May 2017	Qingdao
CSO Myanmar, and PBS Pakistan	Training on the ICP Asia Pacific Software Suite (ICP-APSS)	PBS: 8-9 November 2017; CSO: 21 December 2017	Videoconference with CSO/PBS through Myanmar/ Pakistan Resident Missions



In-Country Workshops/Meetings

In-Country Training	Description	Date	Venue
LSB, Lao PDR	To continue the technical review and validation of annual national average prices for household and non-household sectors (i.e., machinery and equipment, construction, government compensation, and housing rental); including GDP Expenditures for 155 Basic Headings; discuss and resolve key issues (i.e. high variations and data inconsistencies; differences in the price movements between common items in the 2011 and 2017 ICP baskets); and finalize data. As well as to review/validate housing volume indicators, available CPI data, and extrapolation of household prices to reference year 2017.	17-19 July 2019	LSB, Vientiane, Lao PDR
TPSO, Thailand		22-24 July 2019	Ministry of Commerce, Nonthaburi, Thailand
BPS-Statistics Indonesia		2-3 August 2019	Videoconference with BPS-Statistics Indonesia



Regional Workshops

Title of Workshop/Trainings	Description	Date	Venue
Regional Technical Evaluation and Training Workshop on the International Comparison Program (1)	<ul style="list-style-type: none"> - Reviewed the sampling design for HH for 2017 ICP - Discussed household item list and operational materials for the 2017 ICP - Agreed to the future work program for implementing ICP in the region 	27-28 February 2018	Bangkok, Thailand
Back-to-Back Regional Technical Evaluation Workshops on the International Comparison Program (2)	<ul style="list-style-type: none"> - Discussed and finalized the 2017 International Comparison Program product lists for household, M&E, CNS and Compensation 	4-7 October 2017	Bangkok, Thailand
Back-to-Back Regional Technical Evaluation and Review Workshops on the International Comparison Program for Asia and the Pacific (3)	<ul style="list-style-type: none"> - Reviewed prices of: <ul style="list-style-type: none"> i) household products (April to September 2017), and ii) electronics & software products - Discussed methodological and operational aspects of housing services 	29 - 31 January, 3 February 2018	Bangkok, Thailand



Regional Workshops

Title of Workshop/Training	Description	Date	Venue
Regional Technical Evaluation and Review Workshop on the International Comparison Program for Asia and the Pacific (4)	<ul style="list-style-type: none"> - Discussed 2016 PPP Update preliminary results - Discussed methodology for global and regional extrapolation of prices and Purchasing Power Parities (PPPs) - Conducted E-Learning Course on PPP - Reviewed data requirements and methodology for housing services: volume approach - Reviewed and validated prices for household products (April – December 2017) 	3-9 May 2018	Bangkok, Thailand
Regional Technical Evaluation and Review Workshop for the 2017 International Comparison Program for Asia and the Pacific (5)	<ul style="list-style-type: none"> - Reviewed and validated prices for: <ul style="list-style-type: none"> i) Machinery and Equipment, ii) CNS items, iii) Household (April to March 2018) - Discussed 2017 ICP Pharmaceutical products: concepts, definitions, pricing guidelines, and product splitting guidelines and tool - Discussed status of 2017 ICP housing volume feedback forms - Discussed provision of prices to GIU for ICP global validation 	23-28 July 2018	Bangkok, Thailand



Regional Workshops

Title of Workshop/Training	Description	Date	Venue
Regional Technical Evaluation and Review Workshop for the 2017 International Comparison Program for Asia and the Pacific (6)	<ul style="list-style-type: none"> - To review and validate 2017 housing rental data - To discuss operational methodology for Government compensation, - To discuss national accounts framework, ICP requirements, and present national accounts country practices - To discuss the response on data access and archiving questionnaire 	10-13 Oct 2018	Chiang Mai, Thailand
Regional Technical Evaluation and Review Workshop for the 2017 International Comparison Program for Asia and the Pacific (7)	<ul style="list-style-type: none"> - To review and validate prices for: <ul style="list-style-type: none"> i) Machinery and Equipment (updated), ii) CNS items (updated), iii) Government Compensation iv) Housing rental (updated) v) Housing volume indicators vi) Household (Annual 2017) 	5-13 December 2018	Jakarta, Indonesia



Regional Workshops

Title of Workshop/Training	Description	Date	Venue
Regional Technical Evaluation and Review Workshop for the 2017 International Comparison Program for Asia and the Pacific (8)	To review price data and discuss related issues on pharmaceutical items, housing rentals, government compensation, and GDP expenditures estimates at the required 155 BHs. As well as, to review/validate housing volume indicators including extrapolation of household prices to CY 2017.	1-5 April 2019	Bangkok, Thailand
Regional Technical Workshop to Review Preliminary 2017 Purchasing Power Parities for the 2017 ICP for Asia and the Pacific	discuss progress of the 2017 ICP timelines; findings and recommendations of the 2017 ICP Asia Pacific RAB and the Experts' Group on the preliminary 2017 PPPs; methods for estimating 2017 PPPs and real expenditures on GDP and major aggregates along with preliminary results of the 2017 ICP cycle; determine the way forward to resolve remaining and additional data issues that may arise from the review of the 2017 PPP results; and future plans including the 2020 ICP cycle, in view of ICP being adopted as a regular work program.	28-30 August 2019	Bangkok, Thailand



Regional 2017 ICP – Timelines for Final Data and Results

- Product Level price and other data/indicators to be finalized by **Q3 2019** for:
 - Household item prices - extrapolated to calendar year Jan-Dec 2017,
 - prices for MNE, and CNS products,
 - Government Compensation,
 - Housing Rental data,
 - Housing Volume quantity and quality indicators,
 - GDP expenditures by 155 BHs by calendar year 2017,
- Work on the estimating results is ongoing since Q3 2019; preliminary PPP estimates/Results – **Q4 2019**



Regional 2017 ICP – Expected Final Data and Results

- Experts' Group meetings were conducted in **June and Aug 2019** to review preliminary results and resolve data issues including estimates for housing PPPs using anew approach
- Second Meeting of Regional Advisory Board (RAB) was conducted in **Aug 2019** to apprise the RAB of progress and seek endorsement on methods and issues identified in the preliminary results
- Presentation of Summary Results to Heads of National Implementing Agencies **Feb 2020**
- Tentative date for the final Asia Pacific 2017 ICP Summary Report –**Feb 2020**
- Tentative date for the final Asia Pacific 2017 ICP Main Report – **Apr 2020**



2017 ICP Asia Timetable

Activity	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Regional Validation Workshop		April						
HHC without Housing, MNE, CNS, Compensation: Preliminary results		April/ May						
Experts' Group 1 st Meeting (Housing, Other results)		June						
RAB 2 nd Meeting/Regional Workshop			Aug					
Experts' Group 2 nd Meeting (Consistency between 2011 & 2017)			Aug					
Regional Data Dissemination					Jan/ Mar			
Final Results: Summary Report/Detailed Report					Jan/ Mar	Apr		
Final Data Submission to ICP Global Office				Dec				



Outstanding Risks

- Risks due to delay in start of the 2017 ICP round were mitigated by extending survey period, and back-casting prices to 2017 calendar year.
- Housing Services – Housing rental and Volume data did not provide meaningful results from either approaches. A new approach that combines the rental and volume approaches has shown plausible results and will be presented to the TAG.
- Validation of 2017 results and comparisons with 2011
- The impact of PAFs is to be assessed.



Way Forward



2020 ICP Cycle in Asia Pacific

- ADB will continue to be the Regional Coordinator and support the 2020 ICP cycle (subject to approval of funding)
- ADB is processing a Technical Assistance project for approval by the Board by Q4 2019 to implement 2020 ICP and provide seed funds to the countries
- To be implemented as a regular benchmark round with price collection activities concentrated in 2020 (subject to regional discussions and government's concurrence)
- Administrative and technical preparations at the regional level such as review of product list, conduct of inception meeting/workshops will begin in Q4 2019.
- Preparatory workshop (review of regional product list,, sampling, administrative aspects) is scheduled tentatively in December 2019.



2020 ICP Cycle in Asia Pacific

- Data collection is planned to begin from Q1 2020 for household survey and in phases for specialized surveys
- ADB will continue to advocate with the NSO heads about making ICP a regular program of work and allocate resources for the same and harmonize ICP activities with CPI.



2020 ICP, Tentative schedule

ASIA	ICP 2020 CYCLE*			
	2019	2020	2021	2022
Household Consumption (H)		H ¹		PUBLICATION OF 2020 results
Housing Rentals (R) and Volume (V)		R ² & V ³	V ³	
Government Compensation (G)		G ⁴	G ⁴	
Machinery (M) and Construction (C)		M ⁵ & C ⁵		
National Account Expenditures (E)		E	E	
CPIs, Deflators, Population and XRs		X	X	

* The Planned activities schedule will be discussed with the countries.

Activity	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preparatory Meeting				▲				
Inception Meeting(s) <i>(Regional Advisory Board Meeting, and Meeting with Heads of NIAs.)</i>					▲			
Regional Workshops <i>(sampling design for household, development of product lists and operation guidelines)</i>				▲	▲	▲	▲	▲

Thank you.



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