



**MINUTES OF THE THIRD MEETING OF  
THE INTERNATIONAL COMPARISON PROGRAM  
TECHNICAL ADVISORY GROUP AND TASK FORCES**

**MAY 2-3, 2019**

**OECD HEADQUARTERS & CONFERENCE CENTRE  
PARIS, FRANCE**

**WELCOME AND OPENING REMARKS**

The third meeting of the International Comparison Program (ICP) Technical Advisory Group (TAG) took place on May 2-3, 2019 at the OECD Headquarters in Paris, France.

The main objectives of the meeting were to i) inform the TAG on the progress with the ongoing ICP 2017 cycle; ii) inform the TAG on the progress with the work of the various technical Task forces; and to iii) discuss selected technical issues and proposals.

The meeting agenda is attached as Annex 1. In attendance were TAG members, Task Force members and staff from the World Bank Global ICP Office, which serves as TAG secretariat, as listed in Annex 2.

Sir Angus Deaton, Chair, opened the meeting by welcoming the attendees and inviting Martine Durand, OECD, and Haishan Fu, World Bank, to provide opening remarks. Ms. Durand stressed the tight timeframe for producing the ICP 2017 results and highlighted various challenges faced while producing and publishing the ICP 2011 results. Ms. Fu emphasized the importance of the TAG to the program and announced that the ICP Global Office had recently been established as an independent unit within the World Bank's Development Data Group.

**SESSION 1: PROGRESS WITH THE ICP 2017 CYCLE**

**Progress with implementing the ICP 2017 cycle, research agenda, and overall timetable**

Nada Hamadeh, World Bank, briefed the TAG on the progress with the ongoing ICP 2017 cycle and research agenda, recent purchasing power parity (PPP) uses and outreach activities, and presented the overall timeline for the cycle. The related presentation is available [here](#) and the related ICP annual report [here](#).

Ms. Hamadeh noted that all ICP regions are on track to complete the ICP 2017 cycle. However, risks persist regarding the completeness and quality of the input data, as well as the timeliness of regional and global

results. Various technical challenges relating to calculating and comparing results over time were also highlighted.

Ms. Hamadeh noted that the ICP Governing Board had stressed the need to ensure the reliability and usability of the ICP 2017 results. To this end, the Board has asked the TAG to provide an assessment of the quality of the results, once the preliminary results are available. She added that the ICP Global Office and Inter-Agency Coordinating Group (IACG) have enhanced the long-standing quality assessment methods for input data and PPPs with additional checks and visualizations.

The TAG took note of the progress made and urged the global and regional implementing agencies to expediate all necessary efforts to ensure the quality, completeness and timeliness of the ICP results. TAG members indicated that, unless more complete and good-quality input data and results accompanied by detailed and transparent documentation on the treatment of input data and the computation of results were available for discussion at the next TAG meeting, the TAG may not be in a position to sign off on the quality and soundness of the ICP 2017 results.

Regarding the quality assessment, the TAG recommended setting-up a Computation Task Team, to allow parallel computations to be made for added quality assurance and transparency, as well as to ensure the reproducibility of the final results.

On uses, the TAG noted that global and regional implementing agencies should promote the correct usage of PPPs. On advocacy and outreach, the TAG noted that more could be done to stress the importance of the program and the uses of PPPs beyond poverty measurement; related outreach messages could involve highlighting sub-national PPPs and their importance for policy-making.

### **Proposed ICP communication and dissemination strategy and outline of the ICP 2017 final report**

Nada Hamadeh presented the proposed ICP communication and dissemination strategy and outline of the ICP 2017 final report. The related presentation is available [here](#) and the related document [here](#).

Ms. Hamadeh outlined the guiding principles of the communication and dissemination strategy, namely, the need to demonstrate the value of ICP data to policymakers and other important users and donors, and accelerate and coordinate outreach efforts at the global, regional and national levels. The communication of ICP results should also clarify the correct uses and limitations of PPPs and related measures.

The planned key dissemination outputs cover *pre-release* announcements of forthcoming the ICP results; *release* of the ICP data and metadata and the final report on the ICP 2017 cycle; and *post-release* analytical products, including a visual compendium of PPP uses.

The TAG stressed the importance of a clear and inclusive communication upon releasing the ICP 2017 results, revised ICP 2011 results, and PPP timeseries. To this end, accompanying FAQs would be useful and should be prepared prior to release. The FAQs should draw on the ICP 2011 experience, anticipate key headlines and findings, and provide explanations on potential differences in the results, where needed. The correct, as well as incorrect, uses of PPPs should also be explained to users.

## **SESSION 2: PPP COMPILATION AND COMPUTATION TASK FORCE**

### **Quality and coverage of the ICP 2017 household consumption data**

Marko Rissanen, World Bank, presented a review of the availability, coverage and quality of the ICP 2017 household consumption data. In addition, the overall ICP validation framework and the recent development of additional validation tools that combine graphical and numerical approaches was presented and discussed.

Overall, the inter-regional overlap was deemed sufficient; however, data quality continues to necessitate further scrutiny by the regional and national implementing agencies, especially in Africa and Latin America and the Caribbean.

The TAG recommended accelerating global and regional validation efforts to ensure the quality and comparability of the underlying data. Furthermore, a review of item average price and price level movements between the 2011 and 2017 benchmarks should be conducted.

### **Preliminary ICP 2017 results for household consumption and consistency between benchmark results**

Yuri Dikhanov, World Bank, presented preliminary partial ICP 2017 estimates for household consumption, and an initial review of consistency between the extrapolated 2011 results and 2017 estimates. It was stressed that certain headings, such as Housing, Health and Education were not included at this stage. However, it was noted that both the extrapolated 2011 results and 2017 estimates did not include these headings to ensure better comparability.

The preliminary findings suggested considerable and worrisome differences between the extrapolated 2011 results and 2017 estimates; however, due to the ongoing validation efforts of underlying 2017 data and exclusion of certain headings, it was premature to draw final conclusions. It was also noted that the 2011 results will be recalculated based on revised national account expenditures as well as the current ICP classification. Lastly, it was noted that extrapolation using consumer price indices (CPIs) poses challenges related to the appropriateness of these indices for PPP extrapolation as well as the quality of the CPIs themselves.

The TAG took note of the preliminary findings and recommended further review of the consistency between benchmark results. It was suggested to review the consistency at more detailed COICOP-category level and item average price level, especially for the largest economies. Moreover, the TAG stressed that all necessary efforts should be deployed to ensure consistency and, where required, explain differences between benchmark results. Otherwise, there is a significant threat to the ICP's credibility.

The importance of producing the results in a transparent and reproducible manner was again stressed. To this end, the role of the Computation Task Team is vital, and Task Team members should provide detailed documentation on the treatment of input data and computations undertaken and provide the tools and codes they used for undertaking the computations.

## Revision of OECD's historical results

Francette Koechlin, OECD, presented an overview of the revision of OECD's historical results. The related presentation is available [here](#).

OECD's historical results were revised in order to incorporate updated national account expenditures as well as the current Eurostat-OECD classification. Underlying price data were not revised; however, Russia's PPPs for housing were revised due to the use of housing expenditure data for owner-occupied dwellings obtained by the User Cost Approach.

The revised results exhibit, in some cases, significant differences at the detailed level; however, at the aggregate level the differences are limited. A notable exception is Russia, for which the results show differences also at the aggregated level, mainly due to revised housing PPPs. Furthermore, as the CIS countries are linked through Russia to the Eurostat-OECD results, the results for these countries may also face significant revisions. To this end, it was also noted that the ICP 2011 results for the CIS countries will be recalculated based on a *partial-multilateral* approach, which was first introduced in the 2014 comparison.

The TAG took note of OECD's experiences with revisions and suggested reflecting the lessons learned in the revision of the ICP 2011 results, most notably documenting the differences and identifying the key factors driving the changes.

## Proposed approach for building PPP timeseries and preliminary PPP timeseries for household consumption

Robert Inklaar, University of Groningen, presented joint work undertaken with Prasada Rao, University of Queensland, on the proposed approach for building PPP timeseries and preliminary PPP timeseries for household consumption. The related presentation is available [here](#) and related document [here](#).

The TAG was reminded that currently the ICP does not publish PPP timeseries. As a result, several agencies, including the World Bank [World Development Indicators](#) (WDI), are publishing their own PPP timeseries. The proposed ICP approach for building PPP timeseries entails extrapolating 2011 PPPs and retropolating 2017 PPPs at the lowest level of detail possible, using CPIs, deflators, and exchange rates as extrapolation indices. Extrapolated and retropolated detailed data would subsequently be aggregated, and, as a final step, the two sets of results would be averaged geometrically, with weights based on the distance from the benchmark comparisons. The suggested approach would also incorporate regional interim results, where available, in order to maintain fixity of the interim regional results.

Several challenges relating to building PPP timeseries were noted, including the availability and quality of extrapolation indices, changes in regional country composition, and changes in ICP classification. In principle, extrapolation and retropolation of household consumption PPPs should be done at the basic heading level; however, in practice and due to data availability, extrapolation is done using COICOP-12 expenditure data and CPIs, with the assumption of constant expenditure patterns and common price trends below this level.

The performance of the suggested method will be further reviewed once the the revised ICP 2011 results, interim regional results, and the ICP 2017 results become available. At the moment, experiments are only possible for the Eurostat-OECD countries.

The TAG took note of the work undertaken and suggested continuing to test the method once more data points become available. The TAG also recommended using the current ICP classification for all years and, to the extent possible, maintaining regional country compositions. To this end, documentation has to be prepared explaining potential differences in results for countries moving from one region to another, namely, Colombia, Costa Rica, Georgia, Ukraine and Iran, or regions impacted by large revisions in the results of their bridge country, namely, the CIS region.

### **Revised productivity adjustment factors and potential impact**

Robert Inklaar further presented the approach to estimate productivity adjustment factors and potential impact of revisions to ICP 2011 results. The related presentation is available [here](#) and related document [here](#). Related reference documents are available [here](#) and [here](#).

The adjustment for productivity differentials was introduced during the ICP 2011 round. The productivity adjustment factors (PAFs) were estimated based on the country's level of capital per worker and its share of capital income in GDP. Productivity adjustment was applied for government compensation headings. Adjustment for construction headings was also considered; however, it was unclear which adjustments for construction labor productivity would be feasible and appropriate. For the ICP 2017 cycle, it is suggested continuing with the same approach for estimating and applying the PAFs; however, a more comprehensive dataset underlying the estimation of the PAF could be used. For construction, it remains unclear which factors should or could be applied for productivity adjustment between countries.

It was noted that using revised PAFs for the ICP 2011 results leads to revisions to GDP PPPs that are predictable and modest in size; on average PAFs change by -12%, while the global GDP PPPs would be revised, on average, by -1.2%. At the country level, PAFs remain constant for 35 countries, while they are lower for 72 countries and higher for 5 countries. It was also noted that regional PPPs would remain the same for the regions not using adjustment for productivity differentials, namely CIS, Eurostat-OECD and Western Asia, while they would be revised for the regions applying adjustments, namely, Africa, Asia and the Pacific, Latin America and Caribbean, and singleton countries.

The TAG recommended to continue to apply adjustment for productivity differentials, while using the new data sources for estimating the PAFs. However, it was noted that future work should research options for moving towards output approaches, omitting the need for productivity adjustments. To this end, it was noted the [ICP Research Agenda](#) does include a dedicated item for developing output-based approaches for health and education.

### **Conclusions and next steps**

Erwin Diewert, University of British Columbia, concluded the session and thanked the Task Force members. A related note focusing on measuring public sector outputs is available [here](#). The need to follow national accounts practices, as well as finding alternatives for the current input-based approaches with adjustment for productivity differentials was especially stressed. The work done by the OECD, namely the working paper on "Towards Measuring the Volume Output of Education and Health Services", was also referred to.

## **SESSION 3: COUNTRY OPERATIONAL GUIDELINES AND PROCEDURES TASK FORCE**

### **Overall progress**

Prasada Rao, University of Queensland, reminded the TAG about the three main topics addressed by the Country Operational Guidelines and Procedures Task Force: moving towards rolling price surveys, CPI-ICP synergies to improve spatial and temporal price consistency, and sub-national PPPs.

The Task Force's final deliverables for the CPI-ICP synergy and sub-national PPPs topics are two forthcoming manual-type documents to help inform and guide country practices for undertaking CPI-ICP integration and generating sub-national PPPs. On the rolling price survey approach (RPSA) topic, the Task Force is preparing a document to inform the organization of ICP surveys and regional timetables to enable the implementation of the RPSA in subsequent cycles.

The CPI-ICP integration document will build on country case studies and include advice and recommendations based on concrete experiences and the expertise of country-practitioners from pioneer countries on this topic such as the India, South Africa and the United Kingdom. The sub-national PPPs document will follow a similar approach to the ICP-ICP document and will include advice and recommendations that build upon the experience and expertise from leading countries in this area such as India, Italy, the United States, and Vietnam. Finally, the RPSA document will tackle the issue of how to balance the UN Statistical Commission's call for countries in the ICP to adopt a RPSA and the practical reality of what a RPSA requires in terms of auxiliary data and synchronized regional timetables.

### **Implementing rolling price surveys and planning the ICP 2020 cycle**

David Roberts, Independent Expert, presented his position paper on the implementation of the rolling price survey approach at the global level. The related presentation is available [here](#) and the related paper [here](#).

David described the UN Statistical Commission recommendations on the RPSA, which recommends that the ICP adopt the RPSA. He then illustrated what data collection under this approach would look like, with the takeaway that, in principle, only prices for household consumption are to be collected in years other than the ICP reference years. On this point, David highlighted that a key consideration on deciding whether a RPSA can be implemented within a country is to have a sense on whether its CPI indexes have the required depth (in terms of correspondence to the basic heading they are adjusting) to generate the temporal adjustment factors required to extrapolate/retropolate the PPPs of basic headings priced in non-reference years to the reference year.

The fact that all countries in the ICP must price items in the global core list at around the same time - as to allow the timely validation of prices across countries in different regions - limits how much the regional timing of ICP household consumption surveys can vary from one region to another if each region were to adopt a RPSA. Therefore, in David's view, the implementation of the RPSA requires all regions to apply the approach concurrently and agree as to when price collection activities will begin and end during each ICP cycle. Given this condition, and because only the EUO and most likely LAC regions are planning to implement a RPSA for ICP 2020, he suggested that adoption of the RPSA by the ICP should be postponed until the ICP 2023, and that preparatory work to adopt the approach in 2023 should start by 2021.

As a follow-up to David presentation, Prasada indicated what he views as the three approaches available for organizing ICP surveys in future ICP cycles: (a) standard benchmark approach, (b) a RPSA along the lines described by David, (c) a different a model for price surveys - one option being to split the collection of all household consumption items over two years, with non-household consumption priced in the reference year - or (d) allow regions to decide between option (b) or (c). A presentation with the related slides is available [here](#).

### **ICP-CPI synergies**

Prasada presented the results from a quick global survey carried out by the Task Force to assess the current level of integration of CPI and ICP activities among ICP 2017 participating countries. The related presentation is available [here](#).

Some of the main findings from the survey (with roughly 67% response rate): 31 countries use the same form for CPI and ICP data collection, 71 do not and 9 did not respond to the question; 41 countries collect ICP prices monthly, 51 quarterly and 19 did not respond to the question; 33 countries carry out ICP and CPI price collection concurrently, while 40 do not, 36 only do so for overlapping ICP-ICP items and 2 did not respond to the question; and lastly 69 countries responded positively (while 37 responded negatively and 2 did not respond) to the question “does your organization have plans to improve CPI-ICP integration?”.

On ICP-CPI integration, Dilip Kumar Sinha, Ministry of Statistics and Programme Implementation (India), presented how in India ICP requirement have been integrated into the CPI production process. The related presentation is available [here](#) and the related paper [here](#).

One the main driving forces of the ICP-ICP integration process in India was the need for a system that could provide a regular flow of prices for the ICP at reasonable costs. Dilip explained how India’s ICP-CPI integration has taken place on two fronts: by converging the ICP and CPI sampling frameworks; and by seeking greater integration of ICP and CPI item baskets.

Since India’s CPI covers both urban and rural areas, it was possible to use the country’s existing CPI sampling frame information to collect national prices as needed for ICP purposes. Regarding the integration of CPI and ICP baskets, assessments showed that ICP and CPI item definitions rarely matched, except in the case of fruits and vegetables. Nonetheless, to further the integration of ICP and CPI items beyond fruits and vegetables, India opted to integrate the remaining ICP household items into its CPI’s different COICOP categories. It was emphasized, however, that for ICP rental items, the only items collected via India’s CPI framework were those whose definition closely matched existing CPI items (collected as part of India’s national rental survey). Unlike what was done for other item groupings, ICP rental items that could not be matched were not integrated into the CPI sample.

The TAG welcomed the work done by India to integrate its ICP and CPI activities and suggested that India could be an example of ICP-ICP integration for other countries. Dilip’s presentation also prompted a general question on whether countries are - and should be - making greater use of new data sources, like scanner data, given their potential to help modernize statistical data production systems and provide positive side-effects for ICP-CPI integration and other areas. The need for designing a complete business and system architecture that builds a “modern statistics factory” to guide the future of the ICP was also stressed.

## **Sub-national PPPs**

A presentation on sub-national PPPs was delivered by Luigi Biggeri, University of Florence. The related presentation is available [here](#). In addition, two relevant papers on subnational PPP case studies are available [here](#) (United States) and [here](#) (Viet Nam). Reference documents are available [here](#) and [here](#).

Luigi explained how the theme of sub-national PPPs has gained traction in many countries given their use for country-level analyses of variables like wages and national poverty. He then reported how the sub-national PPPs document being prepared by the Task Force will include information on potential and current uses of sub-national PPPs and on different approaches for computing sub-national PPPs, for instance the basket of product cost approach or the unit value approach.

Luigi presented a few highlights from sub-national PPP studies carried out in Italy. In 2010 and 2008, the Italian National Statistical Institute (ISTAT) carried out experimental projects to compute regional consumer price level indexes for household consumption for Italy. For this purpose, ISTAT used a mix of CPI data and data from ad-hoc surveys, which were needed to compile the necessary data to calculate the regional indexes. The studies' main findings were that price levels in Italy's northern regional capitals are generally higher than the price levels in Italy's central-southern regional capitals. An important lesson from the study was the high price tag of using ad-hoc traditional surveys.

A more recent project by ISTAT explored the feasibility of carrying out sub-national PPP calculations from new data sources, such as administrative data on rents and fuel prices and scanner retail data. The study found that it was indeed possible to use scanner data for this purpose. In addition, the use of scanner data allowed ISTAT to expand the geographical and outlet coverage of its regional indexes across Italy, beyond what was possible previously when only CPI and traditional survey data were used. The second phase of this project is underway and one of its goals is to make use of sub-national results obtained from different data sources - traditional CPI, scanner, administrative and web-scraping - to generate regional PPPs for Italy for different item groupings.

## **Closing remarks and next steps**

The Task Force will continue to explore and analyze the possible options for organizing ICP surveys and will present their findings for the TAG's consideration at the next TAG meeting. Regarding ICP-CPI integration and sub-national PPPs, the Task Force will have the draft country-guideline documents along the lines described at the beginning of this session by end-June 2019.

## **SESSION 4: HOUSING TASK FORCE**

### **Quality and coverage of the ICP 2017 housing data**

William Vigil-Oliver, World Bank, presented a first overview of the quality and coverage of the ICP 2017 housing data (housing volume, rentals and rental expenditures) received by the ICP Global Office. The presentation also provided a summary of the ICP 2017 housing data global requirements and the ICP Global Office's initial validation checks which assess the quality of housing data received. The related presentation is available [here](#).

Most countries - apart from those in LAC - submitted at least partial rental and housing volume data to the ICP Global Office. However, gaps remain, particularly for housing volume which comprises several underlying indicators that should be reported by countries. In the case of rental expenditures, practically all countries that submitted figures report actual and imputed rental expenditures in separate lines, as requested. Furthermore, preliminary validation assessments of each region's housing data were carried out and regions were notified of the issues detected.

Finally, William mentioned that regions are expected to submit all ICP 2017 housing data and forms to the ICP Global Office by end-July 2019. He noted that regions have been encouraged to share their latest housing data with the ICP Global Office on a continuous basis, so that their quality and completeness can be assessed as soon as they are available.

### **Progress with producing regional housing PPPs in Asia**

Kaushal Joshi, Asian Development Bank (ADB), presented an overview of the progress and challenges of producing regional housing PPPs in Asia. The related presentation is available [here](#).

Kaushal explained the challenges of implementing both rental and quantity approaches to housing in Asia. Concerns include the lack of representative rental markets in most Asian countries, where share of rented dwellings is generally less than 20%, and lack of reliable and comparable national account expenditures on housing, especially on owner-occupied housing.

These challenges were present in ICP 2011 and most remain in the current ICP 2017 cycle. Nevertheless, ADB will again attempt during this cycle both the rental and quantity approaches to housing PPPs. The rental approach in Asia for ICP 2017 will at least benefit from more rigorous validation efforts to detect any issues in the scope and quality of the rental data. There is also hope that national accounts may have improved as countries moved to the 2008 System of National Accounts. In terms of the quantity approach in Asia for the ICP 2017, attempts will be made to minimize gaps for the required volume quantity indicators by relying on additional or extrapolated country data where possible. In addition, new dwelling quality indicators, such as those from WHO/UNICEF's Water Supply, Sanitation and Hygiene (WASH) database, will be tested to see if they better capture the quality of housing in Asian countries.

Kaushal informed that ADB will be holding an Expert Group Meeting in June 2019 to discuss data and results from its various approaches and experiments to estimate more reliable housing PPPs. Moreover, hybrid approaches may also be explored, such as combining the rental and quantity approaches so that, for example, actual rental PPPs are used for actual rents and the quantity approach for imputed rents.

The TAG took note of the ADB's work on housing and the challenges outlined by Kaushal. The meeting agreed that many of these challenges are not unique to Asian countries, e.g. the issue of estimating rental PPPs in countries with limited rental markets or the well-known unreliability of national accounts expenditures on housing are issues that are also prevalent in other regions.

### **Eurostat's experience with estimating rental equivalence**

Paulus Konijn, Eurostat, presented an overview of how Eurostat calculates PPPs for actual and imputed rentals. The related presentation is available [here](#).

The approach on how to calculate rental PPPs in Eurostat countries is determined by the method used to estimate owner-occupied dwelling services in the national accounts. Countries with a functioning rental market estimate their national accounts expenditures on owner-occupied dwellings using the rental equivalence approach; the rest do so by applying the user-cost method. Then, countries that apply the rental equivalence approach in their national accounts use the price approach for rental PPPs, while countries that apply the user cost method use the quantity approach for rental PPPs. Both groups of countries are linked via three countries that are present in both groups and act as links between them.

In terms of differences with the ICP, the Eurostat price approach to rents uses a different stratification of dwellings than ICP. Among other differences, Eurostat also collects imputed rents directly from the countries, which the ICP does not do.

Because the ICP 2017 classification separates household expenditure on actual rents and household expenditure on imputed rents into two separate basic headings, Paulus suggested some possible options that regions could consider for estimating PPPs for the imputed rents basic heading. These include using the direct PPPs calculated for actual rents and applying it to the imputed rents basic heading, or using the quantity approach to generate indirect PPPs for the imputed rents basic heading, or using the Eurostat approach described above, which mixes direct and indirect PPPs.

The TAG stressed the importance of having reliable and accurate housing PPPs given the importance of housing in the overall PPP calculations and in key PPP applications, such as estimating international poverty counts. However, they acknowledged that the biggest challenge in this domain is the poor quality of the national account expenditures on housing, which is beyond the scope and mandate of the ICP.

### **Progress on indirect and direct quantity comparisons to link housing across regions**

Paulus presented the main findings from Alan Heston's paper on indirect and direct quantity comparisons to link housing across regions. The presentation is available [here](#) and related paper [here](#).

In the case of indirect quantities, these were derived by dividing nominal per capita expenditures on actual and imputed rents (converted to USD at market exchange rates) by the price level of each corresponding ICP region. Regional price levels were obtained from the regional coefficients of a pooled CPD of (direct) rental prices per square meter from all countries on regional and housing type dummies. The rental prices used in the regression were the country-reported national prices from the ICP rental survey, converted to USD at market exchange rates.

Paulus noted that inclusion of the Eurostat-OECD region in the pooled CPD regression had no effect on the other regional coefficients. Moreover, the resulting average square meter prices (in USD) for regions and housing structures (pooled across all regions), based on the coefficients from the pooled CPD, seem sensible. For example, housing types are on average more expensive in Eurostat-OECD than in other regions and large housing structures are on average more expensive than smaller structures.

It was highlighted that even if the resulting housing volumes across regions using indirect quantities seem quite plausible (and thus promising), these should be considered as part of a very early first examination of the data and method. There could still be room for adjustments, for instance to account for the degree of urbanization in countries, given that most rental surveys only cover urban areas.

Further work is still needed on the direct volume approach and the underlying data it requires. Initial

estimates yield unrealistic direct quality-adjusted volumes for some regions, perhaps due to the small number of observations submitted to date by regions like Latin America and the Caribbean.

### **Conclusions and next steps**

The Housing Task Force looks forward to receiving more complete housing data to continue testing and finetuning different approaches for linking housing across regions, estimating rental PPPs, adjusting quantity measures for quality, considering the degree of urbanization in countries and its effect on rental prices and so on. However, any methodological fine-tuning for housing in ICP 2017 will also have to be tested on the ICP 2011 data.

Furthermore, outstanding questions remain for the ICP 2017 cycle. These will have to be resolved at the regional level before the next TAG meeting and include but are not limited to: what approach to use to calculate basic heading PPPs for the imputed rents (actual rents, quantities or mixed approach depending on countries?), and what quantities to use (dwellings or rooms?). Questions on linking factors also remain, such as, for actual rents: can Eurostat-OECD and Asia be linked through imprecise matching of rents data? or should quantities be used?

### **CLOSING SESSION**

In conclusion, the TAG:

- urged the global and regional implementing agencies to expediate all necessary efforts to ensure the quality, completeness and timeliness of the ICP regional and results.
- recommended setting-up a Computation Task Team, to allow parallel computations to be made for added quality assurance and transparency, as well as to ensure the reproducibility of the final results.
- indicated that, unless more complete and good-quality input data and results accompanied by detailed and transparent documentation on the treatment of input data and the computation of results were available for discussion at the next TAG meeting, the TAG may not be in a position to sign off on the quality and soundness of the ICP 2017 results.
- stressed that all necessary efforts should be deployed to ensure consistency with and, where required, explain differences between 2011 and 2017 benchmark results. Otherwise, there is a significant threat to the ICP's credibility.

The 4<sup>th</sup> meeting of the TAG is foreseen to be held in Washington, DC on October 28-29, 2019, following the 8<sup>th</sup> meeting of the Inter-Agency Coordination Group.

## Annex 1: Meeting Agenda

# International Comparison Program (ICP) Meeting of the ICP Technical Advisory Group and Task Forces

May 2–3, 2019  
OECD Headquarters & Conference Centre  
2 Rue André Pascal, 75016 Paris, France  
Draft Agenda

### THURSDAY, MAY 2

#### Session 1: Progress with the ICP 2017 Cycle

09:00 – 09:15	Welcome and opening remarks
09:15 – 09:45	Progress with implementing the ICP 2017 cycle, research agenda, and overall timetable
09:45 – 10:15	Proposed ICP communication and dissemination strategy and outline of the ICP 2017 final report
10:15 – 10:30	<i>Coffee break</i>

#### Session 2: PPP Compilation and Computation Task Force

10:30 – 11:30	Quality and coverage of the ICP 2017 household consumption data
11:30 – 12:30	Preliminary ICP 2017 results for household consumption and consistency between benchmark results
12:30 – 14:00	<i>Lunch [Closed lunch meeting session for TAG members]</i>
14:00 – 15:00	Preliminary ICP 2017 results for household consumption and consistency between benchmark results
15:00 – 15:45	Revision of OECD's historical results
15:45 – 16:00	<i>Coffee break</i>
16:00 – 17:00	Proposed approach for building PPP timeseries and preliminary PPP timeseries for household consumption

## FRIDAY, MAY 3

### Session 2: PPP Compilation and Computation Task Force (cont'd)

09:00 – 09:45	Revised productivity adjustment factors and potential impact
09:45 – 10:00	Conclusions and next steps

### Session 3: Country Operational Guidelines and Procedures Task Force

10:00 – 10:15	Overall progress
10:15 – 10:30	<i>Coffee break</i>
10:30 – 11:15	Implementing rolling price surveys and planning the ICP 2020 cycle
11:15 – 11:45	ICP-CPI synergies
11:45 – 12:15	Sub-national PPPs
12:15 – 12:30	Conclusions and next steps
12:30 – 14:00	<i>Lunch</i>

### Session 4: Housing Task Force

14:00 – 14:15	Overall progress
14:15 – 14:45	Quality and coverage of the ICP 2017 housing data
14:45 – 15:15	Progress with producing regional housing PPPs in Asia
15:15 – 15:45	Eurostat's experience with estimating rental equivalence
15:45 – 16:00	<i>Coffee break</i>
16:00 – 16:15	Progress on Indirect Quantity comparisons to link housing across regions
16:15 – 16:45	Progress on Direct Quantity comparisons to link housing across regions
16:45 – 17:00	Conclusions and next steps

## **Annex 2: List of Participants**

### **ICP Technical Advisory Group Members**

- Sir Angus Deaton, Chair, Princeton University
- Paul Schreyer, Alternate Chair, OECD
- W. Erwin Diewert, University of British Columbia
- Robert Feenstra, University of California - Davis
- Alan Heston, University of Pennsylvania (via webex)
- Walter Radermacher, FENStatS
- D. Prasada Rao, University of Queensland
- Xianchun Xu, Tsinghua University

### **Task Force Members**

- Bettina Aten, United States Bureau of Economic Analysis (via webex)
- David Roberts, Independent Expert
- Dilip Kumar Sinha, Ministry of Statistics and Programme Implementation, India
- Francette Koechlin, OECD
- Kaushal Joshi, Asian Development Bank
- Luigi Biggeri, University of Florence
- Majed Skaini, United Nations Economic and Social Commission for Western Asia
- Michel Mouyelo-Katoula, African Development Bank
- Paulus Konijn, Eurostat
- Robert Hill, University of Graz
- Robert Inklaar, University of Groningen
- Sergey Sergeev, Statistics Austria
- Vasily Kuznetsov, Russian Federal State Statistics Service

### **ICP Global Office**

- Haishan Fu, World Bank
- Nada Hamadeh, World Bank
- Yuri Dikhanov, World Bank
- Marko Rissanen, World Bank
- William Vigil-Oliver, World Bank

### **Observers**

- Andrey Kosarev, CIS-STAT
- Giovanni Savio, United Nations Economic Commission for Latin America and the Caribbean
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