

# **International Comparison Program (ICP) Inter-Agency Coordination Group (IACG) Meeting**

## **ICP 2021 Cycle**



# Opening Remarks

# Draft Agenda

## **Day 1, Monday, Apr 13, 2021: 8am – 10am (EST)**

- [08:10 – 09:00 am] Global updates
- [09:00 – 10:00 am] Regional updates

## **Day 2, Tuesday, Apr 13, 2021: 8am – 10am (EST)**

- [08:00 – 08:45 am] Regional updates (cont'd)
- [08:45 – 09:15 am] Preparations of the ICP GB and TAG meetings
- [09:15 – 09:45 am] Updates on the Food Prices for Nutrition project
- [09:45 – 10:00 am] Any other business



# Session 01: Global updates

# ICP 2021 Overall Timeline: Governance

ICP 2021 Cycle	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Governing Board <sup>1</sup>						Apr										!
TAG						May										!
IACG																
Publication <sup>2</sup>																

<sup>1</sup> Typically in conjunction with the UNSC; <sup>2</sup> Revised 2017, 2021, 2018-2020 annual PPPs

# ICP 2021 Overall Timeline: Production

ICP 2021 Cycle	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operation materials					MEQ											
Price surveys																
National accounts <sup>1</sup>																
Data submissions <sup>2</sup>							!								F	
Publication <sup>3</sup>																

<sup>1</sup> Revised 2017, 2021, timeseries | <sup>2</sup> ICP 2021 cycle data and timeseries |

<sup>3</sup> Revised 2017, 2021, 2018-2020 annual PPPs

# ICP 2021 Cycle Operational Materials

## Finalized and circulated item lists and SPDs

- a. Household consumption (HHC)
- b. Housing rentals | Housing volume
- c. Private education
- d. Government compensation
- e. Construction and civil engineering
- f. Machinery and equipment [!Survey form and .pdf brochures pending!]

## Data submission form

- Single form introduced during ICP 2017 for submitting benchmark and non-benchmark data
- To be updated to reflect ICP 2021 item lists, **potential country changes [!]** and **regional item list [!]**

# Gross fixed Capital Formation Surveys

## Machinery and equipment

- Models updated & 3 new items added: Laser Meter - Hilti (Liechtenstein) - PD-E | Solar energy inverter - Fronius (Austria) - Eco 25.0-3-S | Tractor unit - Volvo (Sweden) - FM 420 4X2
- 15.01.31.1.01 “Other products” will be a reference BH for the ICP 2021 and hence prices should not be collected for the global comparison
  - Items include only for regional use, although ref. PPPs are recommended

## Construction and civil engineering

- ICP 2021 item list omits the 5 ICP 2017 machinery-type items
- Regional and global PPP calculation should continue to utilize reference PPPs from Machinery and equipment as proxies for these types of items

# ICP 2021 Cycle Metadata

## ICP metadata questionnaires:

- a. HHC Survey Framework Questionnaire
- b. Housing Metadata Questionnaire
- c. National Accounts: Country Practice Questionnaire (NA-CPQ)

## **New!** Tracking Covid-19 specific impacts on ICP 2021

- A suggested questionnaire to track disruptions to national accounts and price survey activities caused by the global pandemic
- Based on information requirements listed on the COVID-19 guidance notes
- Proposed draft questionnaire will be circulated to IACG for review and feedback

# ICP 2017 Recalculation [1]

## ICP revision policy lists triggers for revising PPP-indicators / ICP results

- PPP-based indicators released by the WDI and similar databases are frequently revised to reflect revised expenditures and population data
- ICP benchmark results are revised if:
  - Countries' GDP structure is being significantly revised
  - New methodology is being (historically) introduced
  - Significant errors or inconsistencies are detected
- ICP 2011 cycle results where the first ICP benchmark results to be revised

## Revised 2017 expenditures

- ICP 2021 cycle data submissions cover detailed 2021 expenditures, 2018-2020 expenditures at available level and revised detailed 2017 expenditures

# ICP 2017 Recalculation [2]

## Review of WDI data: Change in GDP for 2017\*

Range of % Change in GDP	# of economies **
More than 30%	6
More than 10% (and <30%)	7
More than 5 % (and <10%)	2
Between -5% and 5%	153
More than -5%	3

- 18 countries had more than 5% revision in GDP, ranging from -7% to 68%
- A few countries have had / are conducting GDP rebasing exercises that may impact expenditure structure

- **Question:** Regional plans for recalculating ICP 2017 results?

\* Between December 2019 and April 2021

\*\* Among ICP 2017 benchmark countries for which WDI has data

# ICP COVID-19 Guidance Notes

## Meeting ICP Price Data Requirements During the COVID-19 Pandemic

- Note finalized and circulated
- Aim to update the note throughout 2021 ICP cycle to reflect new challenges and solutions and useful recommendations across ICP regions and participating economies

## Meeting ICP National Accounts Expenditure Data Requirements during the COVID-19 Pandemic

- Draft note circulated for IACG / WB econ. stat. unit review and feedback
- End-April targeted date to finalize the note
- Aim to update the note throughout 2021 ICP cycle, as needed
- **Question:** any initial feedback at this stage?

# Country Operational Guidelines

## Task Force 03. Country Operational Guidelines and Procedures

- **New!** Guide to the Integration of CPI and ICP Production Activities (by P. Rao and P. Kelly)
- **New!** Guide to the Compilation of Subnational PPPs (by P. Rao and L. Biggeri)
- IACG and the Inter-Secretariat Working Group on Price Statistics (IWGPS) were invited to review the draft guidelines in March 2021
- **Next steps**
  - Both guidelines are being revised to reflect feedback received and further edited for style and language
  - Revised guidelines will be submitted to ICP TAG for information

# Visual Compendium: Overview

**Title:** *Purchasing power parities for policy making: a visual guide to using data from the International Comparison Program*

- **Advocacy instrument** to showcase the use of ICP results and its underlying data to users and policy makers through charts, maps and text
- **Supplement** to the ICP 2017 [report](#) and part of the ICP publication [series](#); partner agencies recognized through acknowledgments and logos
- **Includes** a function to access interactive charts and download data
- **IACG feedback:** well-received, extremely helpful, most were reflected and helped in drafting technical note and uses & limitations section
- **At the final design stage** after the review of IACG and WB topic experts
- **To be published** in April 2021 in electronic form: pdf format on ICP [website](#) and World Bank's [Open Knowledge Repository](#)

# Visual Compendium: Design and figures (1)

PURCHASING POWER PARITIES FOR POLICY MAKING



## CONTENTS

- Introduction ..... iv
- 1 The size of the economy and price levels** ..... 1
  - Size of economy ..... 1
  - Per capita measures ..... 4
  - Prices levels ..... 6
  - Subnational analysis.....
- 2 Poverty and inequality** .....
  - Poverty.....

## 1 THE SIZE OF THE ECONOMY AND PRICE LEVELS

### Size of the economy

Gross domestic product (GDP) is a measure of economic output within an economy. The ICP follows the expenditure or demand approach to estimating GDP, that is, the sum of the final expenditures on goods and services plus exports less imports of goods and services. This approach allows ICP results to be used in comparisons of the levels of the principal elements of final demand, that is, consumption and investment. Thus, ICP data are appropriate for many different types of economic analysis benefitting policy making, including economic forecasting and poverty analyses.

Internationally comparable estimates of GDP expressed in PPP terms overcome the shortcomings of the alternative approach of using market exchange rate-converted estimates of GDP. The latter reflect not only differences in the volume of output but also differences in national price levels, and thus inflate the size of higher-income economies, where price levels tend to be higher for non-tradable goods, and deflate the size of lower-income economies where prices are generally lower. Furthermore, the volatility of market exchange rates and their decoupling from relative prices may result in fluctuating estimates of GDP. PPP-based estimates effectively neutralize these distortions. PPP-based cross-country comparisons of GDP (figure 1.1) and its expenditure components only reflect differences in economic outputs or volume, as PPPs control for price level differences between economies and account for the relative purchasing power of currencies in their national markets.

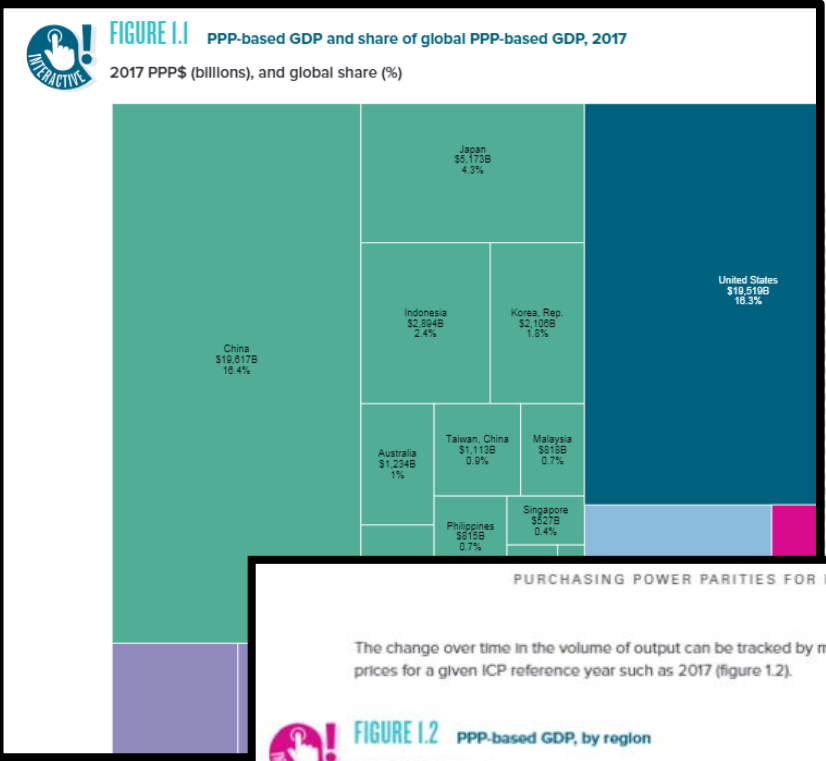


Figure 1.1 interactive chart

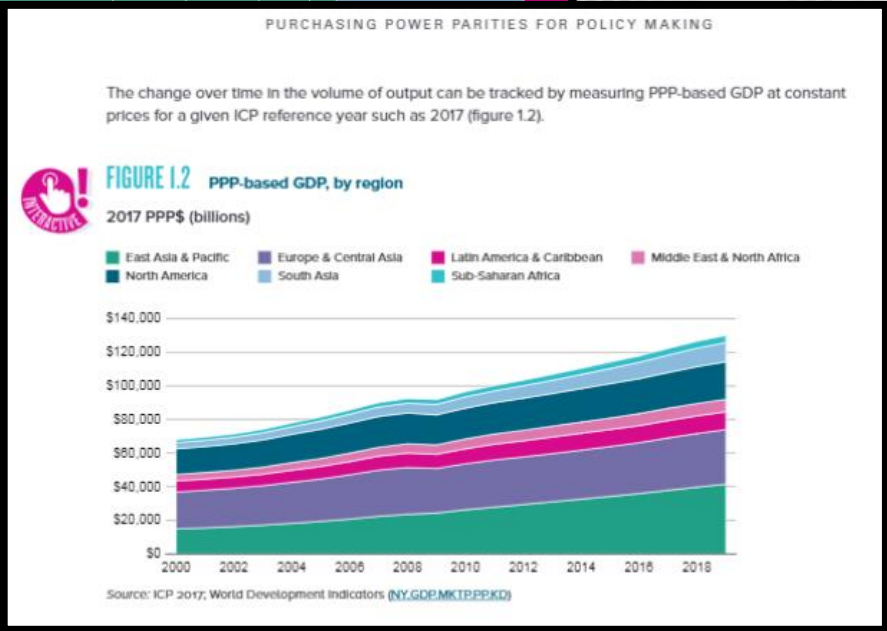


Figure 1.2 interactive chart

# Visual Compendium: Design and figures (2)

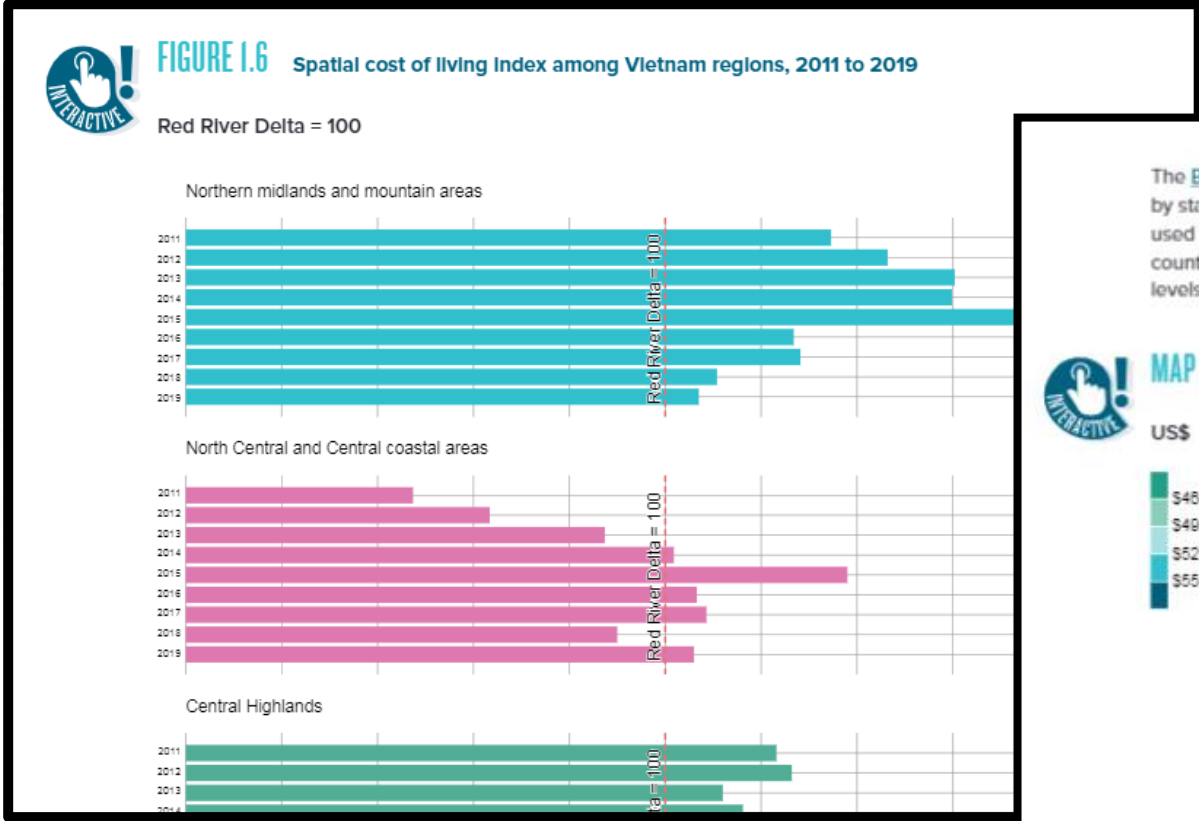
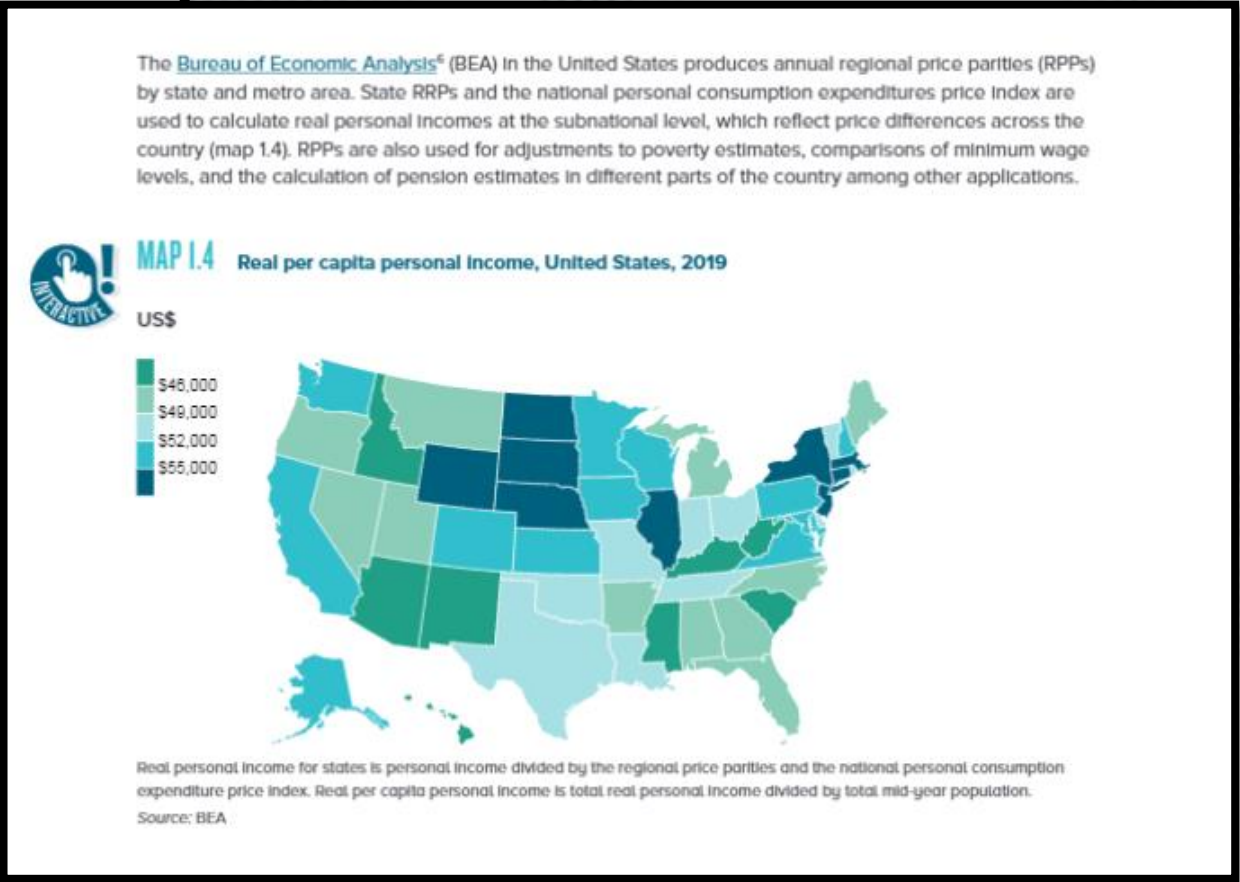


Figure 1.6 interactive chart



Map 1.4 interactive chart

# Outreach and knowledge channels (1)

**ICP website** tracks PPP and ICP data uses in reports, papers, articles and blogs; and collates & archives ICP communication materials

**Coming soon! Enhanced ICP website**

[ [Reports and Papers](#) ] and [ [Articles](#) ] from 2020 and earlier are available to download. These lists categorize each item by topic and geographic coverage

### Reports and Papers

International, Regional, and National Institutions: (2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014)

Academic and Research Institutions: (2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014)

Reports and Papers - 2020 and earlier: [Download Excel file](#)  
[Other Uses of ICP Results]

Source	Title	Author
The World Bank	South Asia Economic Focus, Spring 2021 : South Asia Vaccinates	
The World Bank	World Bank East Asia and Pacific Economic Update, April 2021 : Uneven Recovery	
Economic Commission for Latin America and the Caribbean (ECLAC)	International Comparison Program: 2017 round for Latin America and the Caribbean. Methodological document and main results	

### Blogs

The World Bank Data Blog

Other Blogs and Releases  
[Other Uses of ICP Results]

The World Bank Data Blog

Source	Title	Author	Date
The World Bank	The ICP in Western Asia: turning the spotlight on Arab economies	Majed Skaini, Mizuki Yamanaka	31-Mar-21
The World Bank	Why have the 2011 PPPs been revised and what does it mean for estimates of poverty?	Samuel Kofi Tetteh Baah, Atamanov, Christoph Lak, Daniel Gerszon Mahler, M. Rissanen, William Vigil-Oliver, Mizuki Yamanaka, Judy Yang	
The World Bank	Global trading blocs through the lens of ICP 2017 results	Rui Costa	24-Nov-20

### Articles

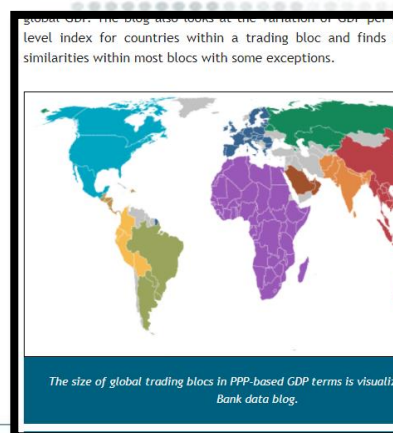
News Media Outlets: (2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014)

Academic and Other Outlets: (2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014)

Articles - 2020 and earlier: [Download Excel file](#)  
[Other Uses of ICP Results]

News Media Outlets - 2021

Source	Title	Author	Date
The Korea Herald	Thirty Years of the Southern Common Market		29-Mar-21
Hindustan Times	How India can meet the China challenge	Gautam Bambawale and Ajay Shah	27-Mar-21
Daily Sabah	Golden Jubilee: New prospect for Bangladesh-Turkey ties	Masud Bin Momen	26-Mar-21



regional workshop on December 1-3, 2020, attended by staff from implementing agencies, an international sampling expert, and ICP Global Office. Participants discussed updates to the ICP regional programs; the ICP 2021 implementation guidelines; ICP workplans and survey frameworks; experiences and lessons from price collection activities during 2020; the status of household price surveys; and the browser-based ICP Asia Pacific Software S...



### ICP International Comparison Program

ICP Highlights | Issue 47 | March 2021

Dear Colleagues,

As we prepare to welcome Spring here in Washington, DC, we are hopeful that COVID-19 disruptions will start to slowly ease across the globe. Despite all challenges, the ICP 2021 cycle is underway across regions, having been postponed from 2020 due to the pandemic. ICP teams at the national, regional, and global levels are busy with cycle preparations and conducting survey activities. To assist in this, the ICP Inter-Agency Coordination Group (IACG) recently circulated a [guidance note](#) outlining how best to manage price collection during the ongoing disruptions to statistical activities around the world so that the resulting data meet the requirements of the ICP.

# Outreach and knowledge channels (2)

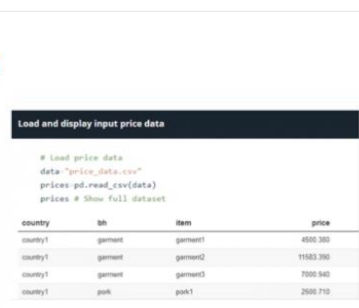
**PPP eLearning course** presents key PPP concepts, methodology and applications, & introduces ICP [Continues to attract audiences, 946 taken from 138 countries since its launch (March 2018)] **Coming soon! Updated eLearning course**



Tracking GDP in PPP terms shows rapid rise of China and India  
OCTOBER 16, 2019



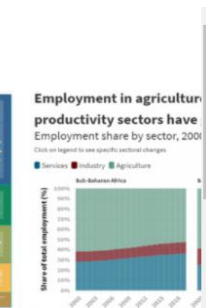
The size of the Asia and the Pacific economy based on purchasing power parities: results from the International Comparison Program  
APRIL 08, 2021



Demystifying ICP Purchasing Power Parity calculations using Python  
APRIL 07, 2021



Global trading blocs through the lens of ICP 2017 results  
NOVEMBER 24, 2020



Updated PPP-based show steep increase transitioning out economies  
SEPTEMBER 02, 2020

**ICP Blogs: "Series" in World Bank Blogs and special feature in World Bank Data Blog**

# Recent ICP Blogs on World Bank Data Blog platform

## Joint WB-RIA blogs on regional ICP 2017 results:

- [UN-ESCWA - The ICP in Western Asia: turning the spotlight on Arab economies \(January 2021\)](#)
- [ADB - The size of the Asia and the Pacific economy based on purchasing power parities: results from the International Comparison Program \(April 2021\)](#)

## Others

- [Global trading blocs through the lens of ICP 2017 results \(November 2020\)](#)
- [Why have the 2011 PPPs been revised and what does it mean for estimates of poverty? \(November 2020\)](#)
- [Demystifying ICP Purchasing Power Parity calculations using Python \(April 2021\)](#)

# Recent uses in media and in research

- The Price of Happiness in Every Country, Expensivity
- Measuring Cost of Living In Mexico And US – Analysis, Eurasia Review
- Swedish households' Actual Individual Consumption 7 percent above EU average, Statistics Sweden National
- Stratification of the EU/OECD and CIS Economies Based on 2017 Purchasing Power Parities, A.E. Kosarev
- Constructing Purchasing Power Parities Using A Reduced Information Approach: A Research Study, Asian Development Bank
- Alcohol pricing in the WHO European Region: update report on the evidence and recommended policy actions, World Health Organization
- Moderate Multidimensional Poverty Index: Paving the Way out of Poverty, Sabina Alkire, Fanni Kovesdi, Elina Scheja, Frank Vollmer
- Is Ireland really the most prosperous country in Europe?, Patrick Honohan

# Recent uses of PPPs and ICP data [1]

## Atlas of Sustainable Development Goals

2020 From World Development Indicators

World Bank [interactive publication](#) features PPP-based indicators that monitor progress towards [SDG 1 – no poverty](#), [SDG 7 – affordable and clean energy](#), and [SDG 10 – reduced inequalities](#).

# Recent uses of PPPs and ICP data [2]



## OECD Regions and Cities at a Glance 2020

OECD report examines PPP-based GDP and labor productivity to analyze outcomes and drivers of social, economic and environmental resilience in cities and regions.

# Recent uses of PPPs and ICP data [3]



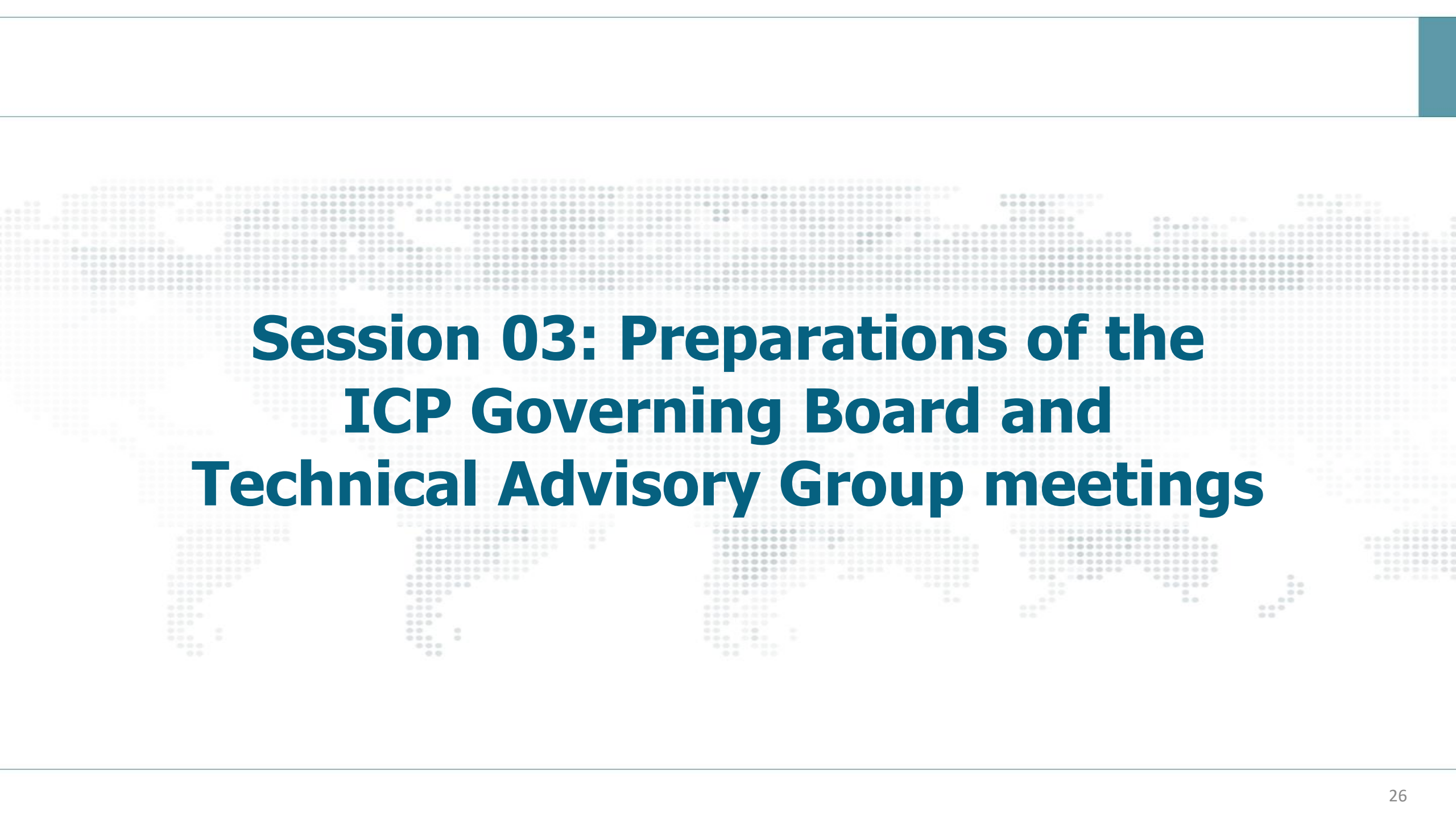
PPP-based national minimum wage data are analyzed against international poverty lines and exchange rate-based estimates in the latest ILO [Global Wage Report](#).



# **Session 02: Regional Updates**

# ICP 2021 Cycle Preparations: Regions

- **Recent ICP 2017 result releases and release activities | Updates on ICP 2021 country participation | ICP 2021 survey implementation status | Recent workshops and meetings | Funding status**
  - Africa (AfDB) **DAY 1**
  - Asia and the Pacific (ADB) **DAY 2**
  - Commonwealth of Independent States (CIS-STAT) **DAY 1**
  - Latin America and Caribbean (UN-ECLAC) **DAY 2**
  - Western Asia (UN-ESCWA) **DAY 1**
  - Eurostat-OECD PPP Programme (Eurostat and OECD) **DAY 2**

A faint, dotted world map is visible in the background of the slide. The map is composed of small grey dots that form the outlines of continents. The text is centered over this map.

# **Session 03: Preparations of the ICP Governing Board and Technical Advisory Group meetings**

# ICP Governing Board Meeting: April 26, 2021

## ICP 2021 Governing Board composition

- Argentina | Finland | Kazakhstan | Malaysia | Mexico | Nepal | Qatar | Samoa | Senegal | South Africa | Suriname
- ADB | AfDB | Caricom | CIS-STAT | UKaid (DFID/FCDO) | Eurostat | IMF | OECD | UN-ECLAC | UN-ESCWA | UNSD

## Draft meeting agenda

- Opening remarks and adoption of the agenda
- Election of Board Co-Chairs
- ICP Governance Framework
- ICP Technical Advisory Group membership
- ICP 2021 cycle implementation, timetable, and funding
- Any other business and next meeting | Closing remarks

# ICP Technical Advisory Group Meeting: May 17, 2021

- **Welcome, opening remarks and TAG membership updates** [*Chair*]
- **ICP 2017 results dissemination and ICP 2021 launch** [*ICP Global Office*]
- **Analysis of ICP 2017 results**
  - GDP, Wellbeing, and Health: Thoughts on the 2017 Round of the International Comparison Program [*Deaton and Schreyer*]
  - Understanding the World Economy: Insights from ICP 2017 [*Heston and Rao*]
- **Uses and applications of ICP data and PPPs**
  - Food Prices for Nutrition [*Tufts University, IFPRI and World Bank*]

# ICP Technical Advisory Group Meeting: May 18, 2021

- **ICP Research Agenda: Compilation of PPP Time Series**
  - Calculating annual PPPs beyond the benchmark year [*ICP Global Office*]
  - ICP PPP Time Series Implementation [*Rao and Inklaar*]
- **ICP Research Agenda: Quality and Reliability of PPPs**
  - Inconsistency between benchmarks [*Inklaar*]
  - Constructing measures of reliability for PPPs using stochastic approach [*Hajargasht and Rao*]
  - The Gerschnkron effect in ICP 2011 and ICP 2017 [*Dikhanov*]
- **ICP Research Agenda: CPI-ICP Synergies and Subnational PPPs**
  - CPI-ICP integration guide [*Kelly and Rao*]
  - Subnational PPP guide [*Biggeri and Rao*]

# ICP Technical Advisory Group Meeting: May 19, 2021

- **ICP Research Agenda (item 11): ICP PPPs and Global Poverty Measurement**
  - Use of revised ICP 2011 and 2017 PPPs in global poverty measurement [*World Bank*]
- **ICP Research Agenda: Research priorities and next steps [*Discussion*]**
- **Updates from the System of National Accounts Research Agenda:**
  - Wellbeing, sustainability and distributional analysis [OECD and World Bank]
- **Closing remarks [*Chair*]**

A faint, dotted world map is visible in the background of the slide. The map is composed of small, light-colored dots that form the outlines of the continents. The text is centered over this map.

# **Session 04: Updates on the Food Prices for Nutrition project and potential role of regional agencies**

# Food Prices for Nutrition (FPN) Overview

## **A four-year project to promote use of food prices to measure diet costs and affordability**

- Collaboration between Tufts University and the International Food Policy Research Institute (IFPRI) and World Bank
- Funded by the Bill & Melinda Gates Foundation and UKaid (DFID/FCDO)

## **Main objective to equip governments and other stakeholders to monitor and analyze food prices for improved nutrition**

- Standardized ways to measure cost and affordability of nutritious diets
- Guide policy around agriculture and food markets for improved nutrition

# Deliverable: FPN eLearning Course

## Food Prices for Nutrition (FPN) eLearning course

- 180-minute self-paced course to train government officials, program planners, researchers, and others
- Training courses on construction of diet cost indices (Module 1) and potential application of diet cost indices for policymaking (Module 2)
- Official launch by August 31, 2022

## Open Learning Campus

ACCELERATING SOLUTIONS THROUGH LEARNING

IN PARTNERSHIP WITH REPUBLIC OF KOREA  
MINISTRY OF ECONOMY AND FINANCE

[OLC Home](#) [My OLC](#) [Staff Learning](#) [WBx Talks](#) **[WBa Academy](#)** [WBc Connect](#) [Calendar](#) [About](#)



### Fundamentals of Purchasing Power Parities (PPP) (Self-Paced)

★★★★★ (1) | 18 Discussions

[ENROLL NOW!](#)

Purchasing power parities (PPPs) are the rates of exchange that equalize the purchasing power of different currencies by eliminating price level differences between countries. In their simplest form, PPPs are the ratios of the prices in national currencies of the same goods and services that make it possible to compare the gross domestic product of economies in real terms by eliminating the price level differences between them. The price and national accounts PPPs are collected through the International Comparison Program (ICP). A global statistical initiative, the ICP estimates the PPPs for the world's economies. Since the demand for comparable GDP and component expenditures is high, PPPs play a key role for policymakers, multilateral institutions, academia, and the private sector. Upon completing the course, the participants will be able to: understand PPP concepts and data requirements; understand the ICP program; connect PPPs with their uses and applications; and understand the methods and processes.

# Deliverable: FPN Data Hub

## A global data hub to disseminate data & methods to scale and sustain analyses of food prices for nutrition

- Applying the ICP food price data in 2017, FPN diet cost indices were published in the State of Food Security and Nutrition in the World 2020 (SOFI 2020)
- Global diet cost indices in 2017 to be published at FPN's data hub through the World Bank's platforms
- Providing food price data access to approved researchers, in line with ICP data access policy
- **Routinely (annually or even monthly) tracking on diet cost indices – high volume of data requests especially during the COVID-19**

# Potential Collaboration with Regional Agencies

**Potential to establish a global food price tracking system, providing high quality data infrastructure for healthy diet/food cost monitoring and analyses, and other uses**

## **Potential collaboration with Regional Agencies:**

- Channeling price data from national sources for food items on monthly, quarterly or annual basis
- Based on a short list of “sentinel” food items, or as per national CPI food item coverage, or as per ICP-CPI food item overlap
- Initially for a list of FPN priority countries:
  - Bangladesh | Burkina Faso | Ethiopia | Ghana | India | Malawi | Nigeria | Pakistan | Tanzania



# **Session 05: Any other business**

