

ICP 2021 – Update for the Eurostat-OECD region

ICP Governing Board meeting, 14 March 2022



1. Country participation

- 49 countries in the Eurostat-OECD PPP Programme
- United Kingdom now contributing via the OECD
- For ICP 2021, Georgia and Ukraine are linked to the global comparison via Eurostat

Eurostat (36 countries)

27 EU countries	Hungary	Spain
Austria	Ireland	Sweden
Belgium	Italy	
Bulgaria	Latvia	9 Non-EU countries
Croatia	Lithuania	Albania
Cyprus	Luxembourg	Bosnia and Herzegovina
Czech Republic	Malta	Iceland
Denmark	Netherlands	Macedonia
Estonia	Poland	Montenegro
Finland	Portugal	Norway
France	Romania	Republic of Serbia
Germany	Slovak Republic	Switzerland
Greece	Slovenia	Turkey

OECD (13 countries)

12 OECD countries	1 Non-OECD country
Australia	Russian Federation
Canada	
Chile	
Colombia	
Costa Rica	
Israel	
Japan	
Korea	
Mexico	
New Zealand	
United Kingdom	
United States	

Shaded blue: OECD member countries

1. Country participation

The OECD Council condemns the large scale aggression by Russia against Ukraine.

- **Among other actions, all participation of Russia and Belarus in OECD bodies is suspended**
- **A final decision still needs to be taken regarding the use of any upcoming Russian data for PPP calculations**
 - Detailed 2021 CPIs would at least allow extrapolating the latest (2020) PPPs for Russia, but not sure that they will be transmitted
 - Russia is supposed to fill in a specific Construction survey for ICP
- **Further decisions may be taken in view of the geopolitical situation**
- **Given the uncertainty, a plan B should start to be discussed for the linking of the Central Asian countries coordinated by CIS STAT**

1. Country participation

- The European Council condemned Russia's military aggression against Ukraine and the involvement of Belarus in this aggression
- The European Council also agreed on restrictive measures regarding EU engagement with Russia or Belarus
- European Commission has stopped bilateral and multilateral contacts with these two countries
- Russia was disinvited to PPP Country Meetings
- Risks for Ukraine's participation in ICP

2. Survey implementation status

- The ICP 2021 cycle is integrated into the regular Eurostat-OECD PPP rolling survey Programme

2a. Consumer goods and services

- 6 surveys (2 per year):
 - 2020 – Services / Furniture and health
 - 2021 – Food, drinks and tobacco / Personal appearance
 - 2022 – House and garden / Transport, restaurants, hotels
- Inclusion/indication of ICP items in the regular surveys:
 - About 25% of Eurostat-OECD list
 - Highest share – almost 35% - in Food, drinks and tobacco survey
- Countries are encouraged to price ICP items, even if some are not considered important in certain markets

2b. Equipment goods

- 2 different surveys for European and non-European countries
- Countries coordinated by the **OECD**: price collection done in 2020, validation now completed
- Countries coordinated by **Eurostat**: price collection in Q2 2021, validation ongoing and to be finalised in May 2022
- Data validation for **Georgia and Ukraine** supposed to follow the same calendar as for Eurostat countries.

2c. Construction

- Specific ICP construction survey (collection of prices for a list of materials, labour, equipment hire and support information)
- 11 countries coordinated by Eurostat + GEO/UKR filling in this survey. Validation completed, data ready for transmission to ICP
- 2 countries coordinated by the OECD filling in this survey: United States and Russia

US data validated and ready for transmission

Russian data was expected for Q2 2022

3. Workshops and meetings

- OECD coordination meeting held in May 2021 (review of surveys, new data sources, metadata questionnaire etc.)
- Joint Eurostat-OECD PPP Workshop held in May 2021
- EU PPP Working Group held in Nov. 2021
- Eurostat Country meetings for consumer goods surveys held in mid-March 2022
- Eurostat Workshop on transaction data for PPPs to be held on 11 May 2022

4. COVID-19 risks and mitigation

- The COVID-19 pandemic has affected both price collection and the expenditures used in the calculation of 2020 and 2021 PPPs
- Countries have managed to collect prices in 2020 and 2021 by using new modes of data collection (transaction data, internet prices)
- The COVID-19 had in 2020 a significant impact on both the level and structure of household consumption expenditures
- Information notes to the users of PPPs have been published at the time of the PPP releases in June and Dec. 2021
- COVID-related metadata being collected for ICP

4. Risks – Ukraine

- Generally too early to assess
- Consumer good surveys 2019-2020-2021 have been completed
- Capital good surveys 2021 have been completed
- Annual surveys (e.g. dwelling stock, salaries, education, hospitals) to be submitted end 2022 and end 2023
- GDP breakdown for 2021 to be submitted end 2022 and end 2023
- CPI data for 2021 to be received around now

5. Other updates

- Feb. 2022: First release of 2021 GDP PPPs by the OECD (based on extrapolation with GDP deflators)
- End March 2022: GDP PPP flash estimates for 2021 to be released by Eurostat for the EU27 Member States (based on full use of latest available price data)
- End 2022: New Eurostat-OECD Methodological Manual on PPPs available. 2012 Manual currently being updated.

Thank you!