

Regional Brief: ICP for Asia and the Pacific

3rd Inter-Agency Coordinating Group Meeting
New York
5 March 2017

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.

Outline of Presentation

- 2017 ICP for Asia and the Pacific
- 2016 PPP Updating Work
- Other Activities

2017 ICP for Asia and the Pacific

2017 ICP Country Coverage

- Sought the concurrence of governments to participate in R-RDTA-9238)
– 2017 ICP for Asia and the Pacific – thru **letter of no objection (LNO)**
- Invitation to participate was extended to 23 economies:

1. Bangladesh;
2. Bhutan;
3. Brunei Darussalam;
4. Cambodia;
5. People's Republic of China;
6. Fiji Islands;
7. Hong Kong, China;
8. India;
9. Indonesia;
10. Lao People's Democratic Republic;
11. Maldives;
12. Malaysia;
13. Myanmar;
14. Mongolia;
15. Singapore;
16. Nepal;
17. Pakistan;
18. Philippines;
19. Sri Lanka;
20. Taipei, China;
21. Thailand; and
22. Viet Nam (LNO not yet signed).

- Macau, China declined to join the ICP 2017 cycle
- Afghanistan – possibility being explored for experimental participation

2017 ICP: Scope and Coverage, Household

- Geographical country coverage - National
- Data collection from Q2 2017 to Q1 2018
- Household List – Updated from 2011 ICP, 2015-16 Update and Global core list for 2017 ICP:

- Weekly, bi-monthly, monthly, and annual collection
- Multiple collection centers
- 2011: 1132 items
- 2017: 920 items

Particular	N. Items
Total (2017 ICP)	920
Purely Asian List (AP)	431
Asian/Global List (AG)	344
Purely Global List (GL)	144

2017 ICP Scope of Household Product List by Category

Category	Description	No. of Items
1101	FOOD AND NON-ALCOHOLIC BEVERAGES	298
1102	ALCOHOLIC BEVERAGES, TOBACCO AND NARCOTICS	18
1103	CLOTHING AND FOOTWEAR	92
1104	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	18
1105	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	124
1106	HEALTH	99
1107	TRANSPORT	81
1108	COMMUNICATION	31
1109	RECREATION AND CULTURE	81
1110	EDUCATION	7
1111	RESTAURANTS AND HOTELS	27
1112	MISCELLANEOUS GOODS AND SERVICES	44
	TOTAL	920

2017 ICP Scope of Equipment and Construction Product List

- Hhd Global core list reviewed and inputs provided to the GIU
- Hhd regional list reviewed 27-28 February Workshop with 21 countries.
- Sub-regions recommendations
 - on the SPDs
 - Some new items proposed - pulses in South Asia (2), mobile and data services(2), transport-car hire (1)).
 - Other issues – BNR and Brandless (suggestion to club).
 - Low strata brand items in the global list (Low strata brand causes confusion. The references to low strata brand have been removed from Asian list.
- Countries to give their final inputs by 10 March 2017
- List to be finalized by 17 March 2017.
- Operational materials on ICP in WB website are provided to countries with additional guidelines in ppt format.

2017 ICP Scope of Equipment and Construction Product List

- Scope of the ICP benchmark in Asia (Construction):
 - Annual price collection
 - 2011: 190 products
 - 2017: Around 150 products (to be reviewed)
- Scope of the ICP benchmark in Asia (M&E):
 - Annual price collection
 - 2011: 58 items (M: 41; E: 10; L:7)
 - 2017: 45 items (M: 32; E: 5; L:18) (to be reviewed)

2017 ICP Scope of Compensation of Employees for Government Services and Housing

- Scope of the ICP benchmark in Asia (Comp):
 - Annual price collection
 - 2011: 44 occupation
 - 2017: 33 occupation (to be reviewed)
- Scope of the ICP benchmark in Asia (Housing):
 - 2011 one time price collection
 - Rental Survey and Dwellings/Quantity Approach
 - Data were not used in Asia
 - 2017: to be reviewed

Project Implementation: 2017 ICP

Regional Governance

- **Regional Advisory Board**

- Guide in setting up regional goals, priorities, and objectives of ICP;
- Guide work program and monitor progress
- Members:
 - 7 economies (PRC; Hongkong, China; India; Indonesia; Lao PDR; Sri Lanka; and Vietnam)
 - Institutions - ADB, WB, ESCAP, UNSIAP, ABS
 - Secretariat – ADB's ICP team
- First meeting held 11 January 2017 in Hanoi
 - RAB apprised of 2017 ICP cycle global developments in ICP
 - Endorsed the 2017 ICP cycle regional work plan

Project Implementation: 2017 ICP

- **2017 ICP Inception Meeting with Heads of NIAs**
 - NIAs have been identified, National and Deputy National Coordinators have been appointed by the NIAs
 - First meeting of heads of NIAs held on 11 January 2017 at Hanoi
 - Attended by 21 countries (except Philippines due to some unavoidable reasons)
 - NIAs apprised of the 2017 ICP cycle and global developments in ICP
 - Endorsed the 2017 ICP work plan
 - Discussed the ICP technical requirements
 - Discussed institutional arrangements – roles and responsibilities and administrative and financial arrangements between ADB and NIAs

Project Implementation: 2017 ICP

2017 ICP Regional Technical workshops

- June 2016: Introduced the countries about the UNSC decisions and tentative plans for 2017 ICP in Asia
- September 2016: Sampling Design and survey frameworks
- February 2017: Household product list and sampling frames discussed

Tentative Workplan

ICP 2017 Activities	2016				2017				2018				2019			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GOVERNANCE MEETINGS																
Regional Advisory Board					Jan											
Heads of NIA					Jan											
OPERATIONAL MATERIALS																
Operational materials: Review and Finalization ¹					Feb											
Survey framework discussions and finalization			Sep		Feb											
NATIONAL ACCOUNTS IMPLEMENTATION (for ICP)																
Basic heading expenditures: Compilation																
Regional Validation of basic heading GDP expenditures																
NAS Quality Assurance													PS			
Questionnaire: Submission													PS			FS

¹ Machinery and Equipment survey materials are finalized in Q2 2017

Tentative Workplan

ICP 2017 Activities	2016				2017				2018				2019			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
HHC DATA COLLECTION, VALIDATION AND SUBMISSION																
HHC price data ² : Data collection																
Regional Validation and Submission of HHC price data ²																
Housing (rentals and volume): Data collection, 2017									R	V						
Regional Validation of Housing (rentals and volume)																
Survey Framework questionnaire: Submission											PS		PS		FS	
GOVERNMENT DATA COLLECTION, VALIDATION AND SUBMISSION																
Government Compensation: Data collection, 2017																
Regional validation of Government Compensation data																

² Including private health and private education

Tentative Workplan

ICP 2017 Activities	2016				2017				2018				2019			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GROSS CAPITAL FORMATION PRICE DATA COLLECTION, VALIDATION AND SUBMISSION																
Machinery and Equipment: Data collection, 2017									2017							
Regional validation of Machinery and Equipment data									Jun							
Construction: Data collection, 2017									2017							
Regional validation of Construction data									Jun							
SUBMISSION OF AUXILIARY DATA (Global Extrapolation)																
CPI, GDP deflator, GDP expenditures, population and exchange rate time series: Submission to GIU					S	S			S	S			S	S		
PREPARATION OF REGIONAL RESULTS																
Regional results: calculation, validation and publication													PR		PR	FR+P
Global results: calculation, validation and publication													PR		PR	FR+P



2015-2016 Updating of the PPP in Asia and the Pacific

PPP Updating in Asia and the Pacific

- Non-Household collection and submission to ADB
 - Hhd price survey completed – 4 quarters in capital cities
 - Data validation workshop of hhd prices 23-25 February
 - M&E and Construction: Data collected Q3 2016
 - Country Submission of non-hhd data: Q1/Q2 2017
- Non-household data validation and national accounts workshop in June 2017
- National Accounts: NIA submission to ADB
 - 2015 & 2016: May 2017
- Preliminary PPPs by October 2017
- Publication Q1 2018
- Submission of Extrapolation data: 18 countries submitted and provided to the WB this week. PPI not available in most countries.

Regional Risk assessment

- 1. Slippage of beginning of data collection in some economies in the month of April.**
- 2. Financial constraints at country level.** Some economies estimated big funding needs.
- 3. Human constraints at country level.** Countries seem to be feeling burdened especially because the price statistics teams are generally small in most countries.
- 4. Raising additional funds for regional support.** Hope to raise additional \$1.5 million in 2017 from ADB funds.
- 5. Moving to a rolling survey approach.**

Other Activities

Advocacy Work and Upcoming Activities: ICP Asia Pacific

1. **Subnational PPP Work: ADB in collaboration with**
 - **DOS Malaysia (ADB/ERCD):**
 - ADB conducted training in January 2016
 - Work still under progress by DOS Malaysia
 - **Indonesia**
 - Training was conducted in December 2015
 - Work in progress
 - **India**
 - Training was conducted in 20-22 February 2017
 - Work in progress
 - Results expected to be ready within this year

Advocacy Work and Upcoming Activities: ICP Asia Pacific

2. Poverty-specific PPP

- ADB is finalizing the report analyzing mainly the PPPs derived from the poverty list with those of the regular ICP household list.
- Draft ready undergoing review
- Expected release in Q2 of 2017

Advocacy Work and Upcoming Activities: ICP Asia Pacific

3. Development in National Accounts: ADB initiatives

- Supports the compilation of the SUT (2008 SNA recommendation) in 19 economies (also in ICP)
- Under RDTA 8838: Updating and Constructing the SUT for 19 DMEs completed
- Reference years: most are 2011 or latest (up to 2014); except for Indonesia, Malaysia and Brunei (2010)
- Compendium of SUTs: Q1/Q2 2017 to be published
- 2nd conference on development of SNA held in January 2016
- Time Series SUT: Phase 2 of the Project

Uses of ICP – Estimating Infrastructure investments

- Approaches used to measure infrastructure investment

Measure 1 [BUDGET+PPI]:

Government budget expenditures¹ + PPI²

Measure 2 [GFCF(GG)+PPI]:

GFCF of general government (GFCF(GG)) + PPI²

Measure 3 [GFCF(CE)]:

GFCF by **public and private institutions** on construction, excluding buildings and dwellings

¹ Central and local governments, whenever both are available

² Includes projects with more than 50% private participation.

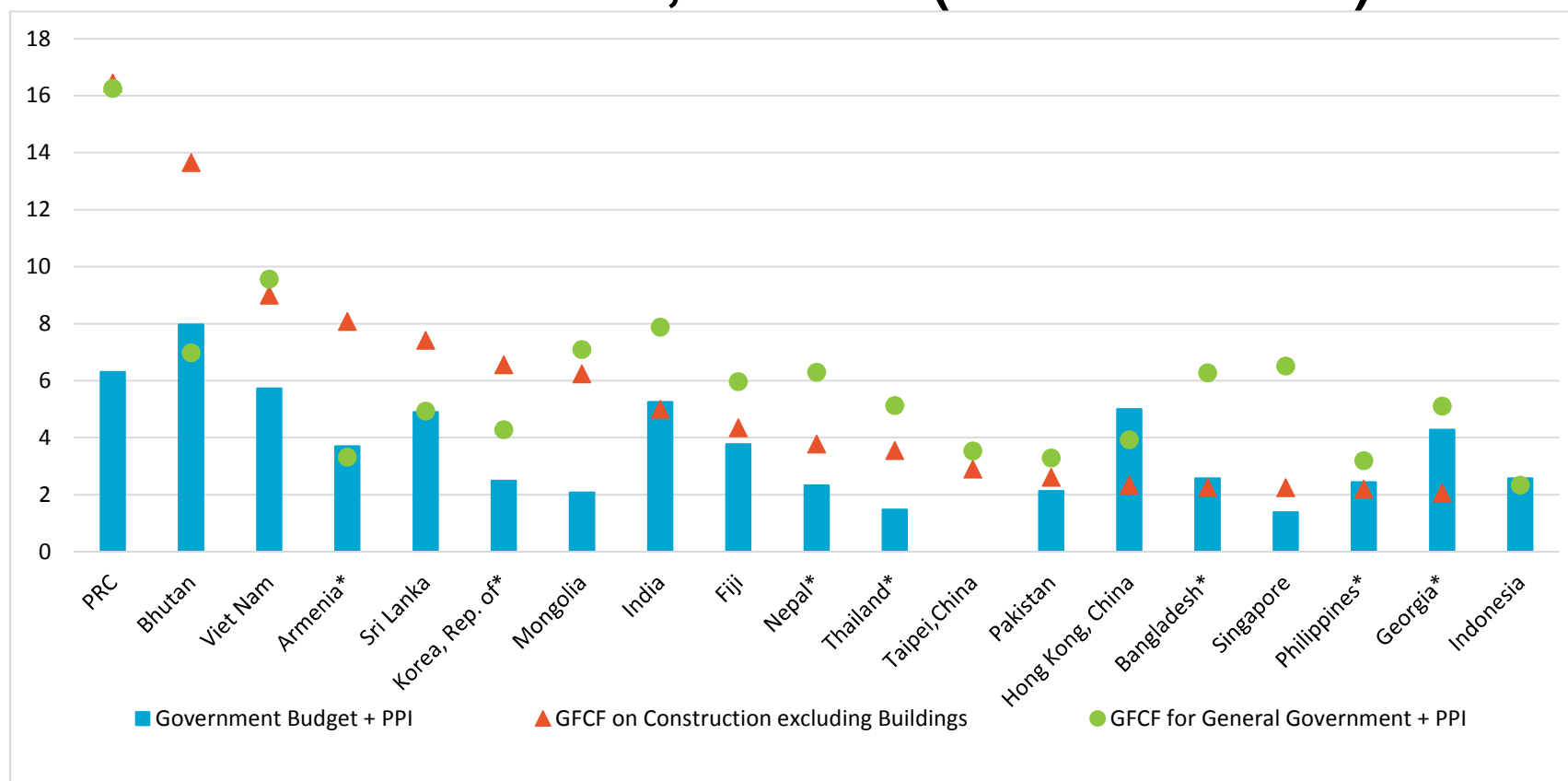


MEETING ASIA'S INFRASTRUCTURE NEEDS

<https://www.adb.org/sites/default/files/publication/227496/special-report-infrastructure.pdf>



Alternative measures of infrastructure investment, 2011 (% of GDP)



Sorted by GFCF on Construction excluding Buildings

GDP = gross domestic product; GFCF = gross fixed capital formation; PPI = private participation in infrastructure; PRC = People's Republic of China.

*Central government budget only.

Note: Economies are arranged by GFCF on Construction excluding Buildings or GFCF(CE). The Republic of Korea government budget + PPI figure includes both capital and operational expenditures and excludes PPI. India's government budget + PPI data is for 2012.

Source: Country sources; International Comparison Program; Investment and Capital Stock Dataset, 1960–2015, IMF; Private Participation in Infrastructure Database, World Bank; World Bank (2015a and 2015b); World Development Indicators, World Bank; ADB estimates.

Thank you!

For more details, visit our pages at:

<http://www.adb.org/data/icp>

The screenshot shows the ADB website's International Comparison Program (ICP) page. The browser address bar displays <http://www.adb.org/data/icp>. The navigation menu includes: About ADB, News & Events, Data & Research, Publications, Countries, Projects, and Focus Areas. The sidebar on the left lists: Data and Research, Main, Economic Research, Publications, Statistics and Databases, Featured Economic Research Initiatives, Implementing Impact Evaluation at ADB, Technical Assistance, Country Diagnostic Studies, Investment Climate Surveys, International Comparison Program (ICP) (highlighted), International Comparison Program 2011, Supply and Use Tables for Selected DMCs, Input-Output Tables (IO Tables) for Selected DMCs, Economic Analysis of Projects, Infographics, Chief Economist, and Contacts. The main content area is titled "International Comparison Program (ICP)" and includes social media links for Facebook, Twitter, LinkedIn, Print, and Bookmark. A blue banner states: "The International Comparison Program aims to produce robust purchasing power parities (PPP) which are vital for doing cross country analysis of levels of development and are crucial elements in evidenced-based decision making by researchers, economists, national governments and international organizations." Below this, a paragraph explains the goal: "To achieve this goal it is imperative to strengthen and build sustainable capabilities of national statistics offices (NSOs) and integrate the ICP methods and concepts both in the national accounts and price collection systems of each participating economy. Better understanding of these concepts and engagement of NSOs will ensure awareness on the importance and uses of the PPPs even at the national level which is critical in the programs' sustainability." A sub-section titled "To this end, the Asian Development Bank continues to support this global endeavor and has the following programs in place:" lists three programs: 1. "International Comparison Program 2011" (with an ICP 2011 icon) described as "The project is currently being implemented under RDTA 7507 - 2011 ICP for Asia and the Pacific, which aims to produce the 2011 PPP for the region." 2. "Supply and Use Tables (SUT) for Selected DMCs" (with a RETA 6483 icon) described as "RETA 6483 - Adopting the Supply and Use Framework Towards 1993 System of National Accounts (SNA) Compliance in Selected Developing Member Countries aims to assist the 18 participating economies, in developing and enhancing their SUT following the 1993 SNA recommendations." 3. "Input-Output Tables (IO Tables) for Selected DMCs" (with an Input-Output Tables icon) described as "Building on the results of the ADB project on SUTs, the ADB developed the input-output tables for the economies participating under RETA 6483 to enhance the analytical usefulness of the data generated from the supply and use tables."

 **Research Agenda**
ASIA AND THE PACIFIC

