

# Status of Consumer Price Index (CPI) - ICP Production Process Integration



**ICP Inter-agency Coordination Group Meeting**  
**October 20 - 24, 2025**  
**Washington DC**

# Purpose of the Session

*The ICP Global Implementing Agency will give an update on recent efforts to support the integration of ICP and CPI production processes.*

*ICP Regional Implementing Agencies are invited to present the status of this integration in their respective regions, including current practices and available statistics on the number and types of items sourced from CPI to ICP.*

*The objective is to establish a shared understanding of the current status of CPI–ICP integration and to discuss avenues for strengthening integration to generate additional benefits for both programs.*

# Outline

- 1. Main Concepts and Benefits of CPI-ICP integration**
- 2. Status of CPI-ICP Integration at the Regional Level**
- 3. Avenues for Strengthening CPI-ICP Integration**

# 1. Main Concepts and Benefits of CPI-ICP Integration

# Introduction

- At the conclusion of the forty-seventh Session in 2016, the UNSC further urged participating countries to integrate and harmonize ICP activities with their regular work program, especially the Consumer Price Index (CPI).
- The UNSC constituted the Friends of the Chair (FOC) group to conduct an evaluation of the ICP 2011 cycle, which noted that the integration of the ICP and CPI activities at the country level can lower the overall costs, well as enhance the quality, coverage, and reliability of the ICP.
- In response to these recommendations, the TAG was entrusted with the preparation of [The Guide to the Integration of CPI and ICP Production activities](#), prepared by P. Kelly and P. Rao, published in 2021. This guide also includes examples of CPI-ICP at the national level and constitutes the basis for this presentation.

# Conceptual Similarities and Differences

## Consumer Price Index (CPI)

- Measures the change over time in the prices of a fixed basket of goods and services consumed by households within a country. It is primarily used for tracking inflation, adjusting monetary values (e.g., wages, pensions), and informing monetary policy.

## International Comparison Program (ICP)

### Purchasing power parities (PPPs)

- Measures the relative price levels of a common basket of goods and services across countries, converting local currencies into a common currency to equalize purchasing power. PPPs are used for cross-country comparisons of GDP, consumption, and living standards.

# Benefits of CPI-ICP integration

## Benefits for CPI:

- Strengthen statistical infrastructure and institutional capacity by identifying deficiencies and areas for improvement, such as in staff recruitment, training, and survey management. This may also include upgrading data collection methods and data processing systems.
- Participation in the ICP will require a review of data collection methods and index processing systems, and this review could identify areas for improvement.
- Countries may also augment CPI survey designs to meet the needs of both programs, without compromising the quality of either.
- Computerized data-processing systems may need adaptation and enhancement to incorporate ICP specifications.

# Benefits of CPI-ICP integration

## Benefits for CPI (cont.):

- The ICP's highly structured and harmonized approach can encourage the adoption of harmonized CPI methods at the regional level.
- The ICP framework can be used for subnational price level and purchasing power parity (PPP) comparisons, supporting assessments of real incomes and consumption across regions. Intra-country price comparisons are helpful in monitoring progress towards the United Nations Sustainable Development Goals (SDGs) and monitoring the incidence of poverty in different parts of the country.



# Benefits of CPI-ICP integration

## Benefits for ICP:

- The absorption of ICP activities into the mainstream CPI activities of NSOs will help to ensure the allocation of national resources for the ICP and maximize the efficiency of both exercises.
- Domestic rates of inflation based on the CPI can be used to validate price data collected for the ICP in different cycles. The deviations in the directions and magnitudes between the inflation rates in ICP and in CPI can be informative in validating price data collected for the ICP.
- The CPI basket of goods and services may be used to identify ICP products that are “representative” or “important” for a given country.
- The ICP relies on national accounts expenditures for household consumption aggregates, which are usually based on CPI weights.

# Benefits of CPI-ICP integration

## Benefits for ICP (cont.):

- The extrapolation of PPPs between and beyond benchmark years is made by using CPI data. The more integrated CPI and ICP activities are, the more reliable these extrapolations will be.
- The ICP has established a goal of producing annual PPPs, with minimal impact on the participating countries' resources. By objective can be achieved by leveraging CPI data to the greatest possible extent.

# Level of integration of CPI-ICP activities

In the ICP 2017 cycle, ICP participating countries were asked to assess the current level of integration between CPI and ICP activities. These were the key findings:

- CPI price collection is mainly carried out on a monthly basis, whereas ICP price collection takes place either monthly or quarterly.
- Around 65 percent of responses indicated that different forms are used for CPI and ICP price collection.
- The average reported overlap between the CPI and ICP baskets is 33 percent with 26 standard deviation.
- 40 percent of the responding countries use the same data processing system to capture data.
- 64 percent of countries indicated that ICP validation procedures have helped in processing CPI price data.

## **2. Status of CPI-ICP Integration at the Regional Level**

# Status of CPI-ICP Integration at the Regional Level

- ❖ RIAs are invited to comment on their status of CPI-ICP integration in their respective region:
  - Africa (AfDB)
  - Asia and the Pacific (ADB)
  - Commonwealth of Independent States (CIS-STAT)
  - Eurostat-OECD PPP Programme (Eurostat and OECD)
  - Latin America and Caribbean (UN-ECLAC)
  - Western Asia (UN-ESCWA)

# **3. Avenues for Strengthening CPI-ICP Integration**

# Avenues for Strengthening CPI-ICP Integration

- ❖ Acknowledging the experience gained over the last ICP cycles, the following avenues for strengthening CPI-ICP integration as suggested:
  - Updating the The Guide to the Integration of CPI and IPC Production activities by incorporating the lessons learned over the last ICP cycles, provide additional practical guidance and best practices examples.
  - Targeted Technical Assistance to strengthen CPI-ICP integration in specific countries where CPI-ICP data collection may be particularly challenging.
  - Any additional comments and suggestions from IACG participants

**Thank you!**

