

Regional validation findings: Improving the Global Item Lists



ICP Inter-Agency Coordination Group Meeting

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Washington DC

Purpose of the Session

The ICP Global Core Item Lists aim to strike a balance between comparability and representativity across regions and countries. Achieving this balance requires regular review and refinement, incorporating lessons learned from each cycle.

This session will provide an overview of the feedback mechanism and the key considerations in the update of item lists and definitions. It will also explore approaches to strengthening item definitions to better capture quality differences in service items.

Outline

- 1. Summary of Updates for Global Item Lists**
- 2. Updating the ICP Global Item Lists**
- 3. Quality Differences in Services**
- 4. Conclusions and Next Steps**

1. Summary of Updates for Global Item Lists

Household Consumption Global Item List

2017 cycle main changes:

- **631** items (+10 items relative to 2011)

2021 cycle main changes:

- **636** items (+5 items relative to 2017)
- First use of the “*Item List Management Tool (ILMT)*” to draft the Global Item Lists, generate the SPD Pivot Tables and Item Catalogue Lists.

2024 cycle main changes:

- **708** items (+72 items relative to 2021)
- New items added were based on the Regional Item Lists. These new items were included only if priced in at least two Regional Item Lists.
- Efforts were made to separate the “goods” and “services” components from items that included both, such as car repair services.

Other Global Item Lists

2017 cycle main changes:

- **308** items for all non-HHC global item lists (-205 items relative to 2011)
- Simplified the item specifications for **REN** and **GOV** which resulted in a substantially lower number of items.

2021 cycle main changes:

- **316** items for all non-HHC global item lists (+8 items relative to 2017)
- First use of the “*Item List Management Tool (ILMT)*” to draft the Global Item Lists, generate the SPD Pivot Tables and Item Catalogue Lists.

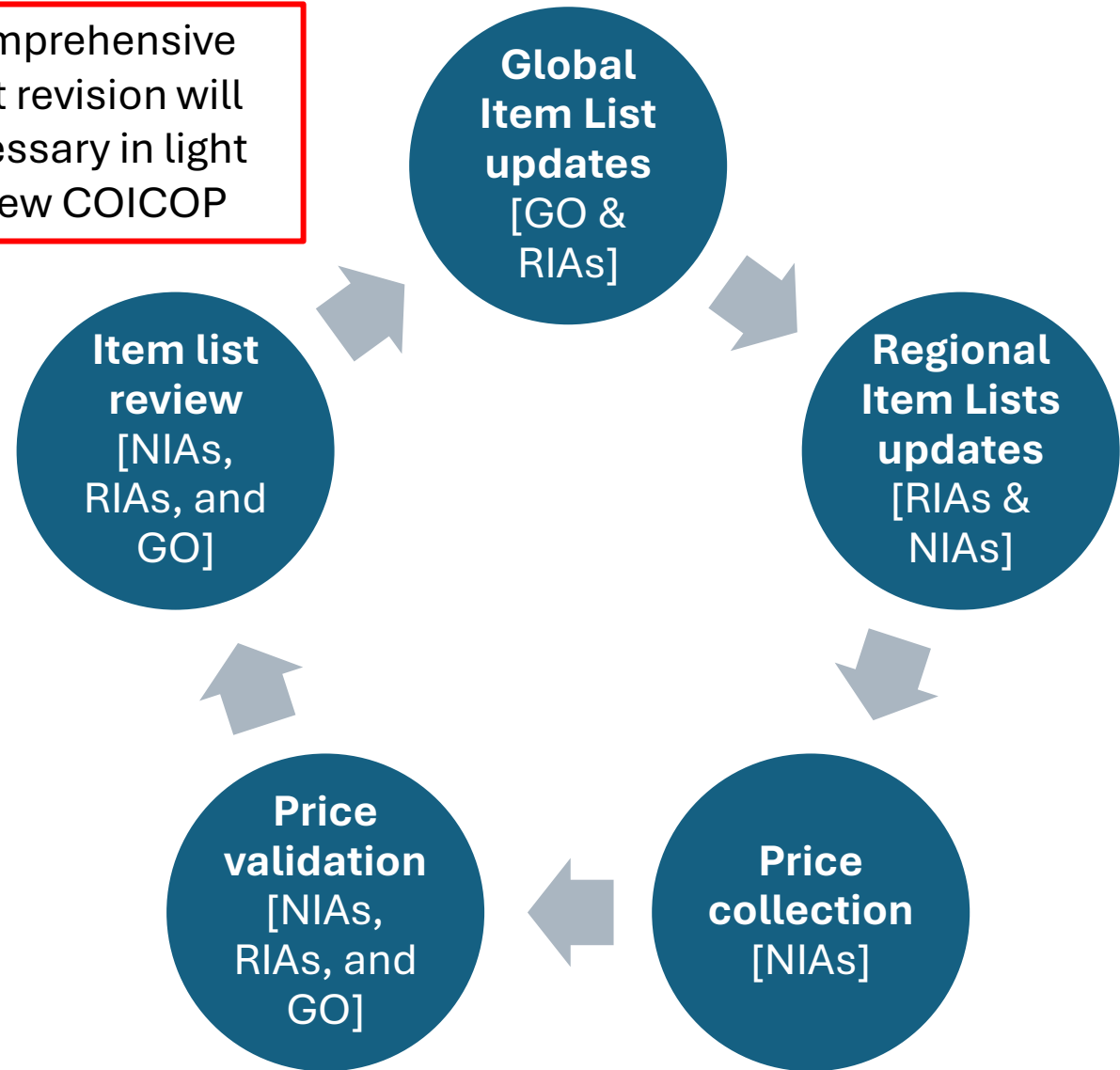
2024 cycle main changes:

- **340** items for all non-HHC item lists (+24 items relative to 2021)
- The **MEQ** item list was revised comprehensively and updated to include more relevant types of machinery.

2. Updating the ICP Global Item Lists

Item List Update Process

(!) A comprehensive item list revision will be necessary in light of the new COICOP



Note: The Item List Management Tool (ILMT) offers a unified platform to draft, discuss and finalize all ICP Global Item Lists.

Key Considerations

Key considerations of updating the ICP price survey lists:

- Select items that are representative of expenditure under each basic heading which can vary from region to region and country to country;
- Define appropriate minimum and maximum quantity ranges, to ensure countries can find products within the specified range while maintaining comparability;
- Clarify what constitutes a “well-known” brand relative to a “brandless” item, and how to distinguish between “well-known” brand strata “low” and “medium”;
- Specify which price determining characteristics need to be included/maintained and which characteristics can be dropped if they are not price determining;
- Define quality characteristics for services which are often difficult to compare due to subjective differences;
- Select which new brands and models to add for fast-evolving technology items and motor vehicles;
- Maintain the balance between representativity and comparability.

Feedback mechanism

Role of RIAs in Global Item List improvements:

- Identify and report:
 - errors in the Global Item Lists (from misspellings to contradictory specifications);
 - errors made during price collection and how to improve the item definitions to avoid them;
- Evaluate if most countries can find products within the specified minimum and maximum quantity ranges or if they need to be revised;
- Assess if most countries can find products with the specified characteristics, such as food ingredients, clothing materials, furniture dimensions, technical specifications, etc.;
- Suggest any price determining characteristics not currently specified in the item product descriptions;
- Propose regionally important brands and models for fast-evolving technology items and motor vehicles;
- Recommend important items countries typically include in their national CPI lists and consider including them in the ICP Regional Item lists (and potentially to the Global Item List).

3. Quality Differences in Services

Quality Differences in Services

Challenges and feasible improvements:

- In the last TAG meeting in March 2025, one of the topics presented and discussed was: “[A Survey Based Approach to Adjustment for Quality Differences in Services in International Price Comparisons](#)”
- The paper analyzed perceived service quality differences between the United States and Japan. While such country-specific qualitative approaches are informative, implementing them at scale in multilateral comparisons like the ICP is challenging.
- Nevertheless, refining item specifications can help capture key service-quality dimensions in a feasible and comparable manner.
- **Q:** Are there any parameters and specifications we may add to our current “services” basic headings that would improve their comparability?

Examples of Service Basic Headings

Water and electricity:

- Are current annual usage values appropriate? Should other services such as “refill of a water tank” be added?

Transport by railway and by road:

- Should speed be considered in addition to distance?

Telephone and telefax services:

- Are the call prices still relevant? How should mobile internet packages (pre-paid and monthly plans) be priced? Is home internet delivered by cable or satellite? How should packages like “TV + phone + internet” be priced?

Recreation services (sporting and cultural):

- Are there any types of events that would be comparable?

Catering services:

- Is the “Middle class/Modest” distinction sufficient?

Accommodation services:

- What additional characteristics could help distinguish hotel quality?

4. Conclusions and Next Steps

Conclusions and Next Steps

- It is imperative to keep updating and improving the ICP Global Item Lists, integrating feedback and lessons learned from each ICP cycle to drive continuous enhancement.
- The price validation stage of the ICP cycle presents an opportunity to collect feedback on potential errors, gaps and possible improvements to the item specifications.
- RIAs are requested to compile this information so that suggestions can be incorporated in the next revision of the ICP Global Item Lists.
- Special attention should be given to fast-evolving technology items, and items with specified brands and models, such as motor vehicles.
- For services, although quality assessment is challenging, there remains room for improvement.

Regional Feedback and Findings

- ❑ RIAs are invited to comment on their own experience regarding the global item lists, challenges on the field, suggest any necessary updates and experience in creating and updating regional item lists:
 - 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)

Thank you!

