

Planning for Annual PPP Task Force



ICP Inter-Agency Coordination Group Meeting

October 20 - 24, 2025

Washington DC

Purpose of the Session

This session will review plans for the Annual PPP Task Force, with a focus on defining its expected outcomes and confirming its membership, for joint discussion with the ICP Regional Implementing Agencies.

In addition, selected ICP Regional Implementing Agencies will be invited to share their experiences, including the recent transitions to annual PPP production.

Outline

- 1. Background**
- 2. Task Force Scope of Work**
- 3. Task Force Tenure and Work Modality**
- 4. Task Force Expected Deliverables**
- 5. Task Force Membership**
- 6. Regional Context**
- 7. Next Steps**

1. Background

Background: History

- ICP has a long history with 10 global ICP comparisons conducted to date: 1970 | 1973 | 1975 | 1980 | 1985 | 1993 | 2005 | 2011 | 2017 | 2021 (10th) | **2024** (ongoing)
- ICP **production frequency has accelerated** especially since the ICP 2005
- **Benefits** of more frequent ICP comparisons
 - Less reliance on extended extrapolations at the aggregate level
 - Stable methodology
 - Benefitting from the stable organizational arrangements and earlier methodological developments
 - More stable national / regional / global operations
 - Reduced “start-up” costs, opportunity to “plan better” and continue existing practices
- PPP **time series approach**, developed by Inklaar and Rao, and adopted by ICP TAG in 2020, has facilitated the construction of **PPP time series between ICP comparison years**, while also incorporating interim regional PPP comparisons, where available.

1. While recent ICP comparisons are conducted more frequently—every three to four years—the **issue of inconsistency between extrapolated and benchmark results** persists.
 - E.g., discrepancies were observed for selected Eurostat countries when experimental extrapolated results from 2017 were compared against 2021 results.
2. Although the frequency of ICP publications has increased, users today expect **more frequent and timely releases**.
 - E.g., before the ICP 2021 results were published in May 2024, the most recent available data was for reference year 2017, published in May 2020.
3. Other **non-ICP international databases** continue extrapolating PPPs using varying data sources and methodologies, leading to increasingly incoherent sets of PPPs as time passes after an ICP release.

Background: Remaining Challenges [1]

Background: Remaining Challenges [2]

4. The current approach does not allow for incorporating **regional interim updates** before releasing results for a new ICP comparison.
 - Currently, annual PPPs are produced by Eurostat, the OECD, and UN-ESCWA.
5. The current production approach does not allow **for updating underlying data or revising results** before the next ICP comparison cycle.
 - E.g., updates to reference year 2017 data were only incorporated when releasing the 2021 results in 2024.
6. In some selected, **data collection for previous ICP cycles has spanned multiple years**, requiring temporal adjustment of data to align with the ICP reference year.
 - The current approach does not fully utilize collected and processed data, which could otherwise be used to produce results for multiple years.
7. **A 3–4-year cycle may not be an ideal fit** within national, regional, and global statistical work programs. Establishing an annual production cycle could better facilitate the **integration of the ICP into regular work programs**.

Background: Opportunities

(!) Recent advances in developing **more detailed international classifications**—most notably the COICOP 2018—offer opportunities to enhance synergies with national statistical work, such as estimating weights, conducting temporal adjustments, and sourcing data.

- The work of the “*Task Force on ICP Classification*” closely supports these efforts

(!) It is important to emphasize that any plan for annual regional and global production should carefully **consider available resources**, **minimize the burden** on national implementing agencies, and **maximize synergies** within statistical production.

- Additionally, it should focus on efficiently utilizing available data sources while ensuring the **quality and consistency of ICP outputs**.

2. Scope of Work

- The Task Force aims to **develop approach(es) for annual PPP production** at both regional and global levels.
 - These will be presented for **further discussion** by the ICP TAG and the National, Regional, and Global Implementing Agencies.
- The Task Force will build on the **work of previous related Task Forces** and draw from **existing examples of annual PPP production** in selected regions.
 - Task Force on “*Country Operational Guidelines and Procedures*”, specifically focusing on the topic “Moving towards rolling price surveys.”
 - Task Force on “*PPP Compilation and Computation*,” particularly on the topics “Linking interim regional updates into a global comparison” and “Building PPP time series for the interim period.”
 - Annual PPPs are currently produced by Eurostat, OECD and UN-ESCWA.

Scope of Work

Scope of Work: Data Collection Approach

Objective: Produce annual PPP benchmarks by distributing data collection over a rolling multi-year cycle and re-centering data to a common reference year

- **Main HHC data collection:**
 - **A. Rolling collection approach:** Partitioning household consumption BHs across 3 years;
 - **B. Single year collection approach:** Collect all HHC in year T:
 - 4 quarters for all components | Partitioning surveys across quarters | Mixed approach, collecting seasonality-related headings multiple quarters and others once
 - **C. Mixed approach:** Partitioning household consumption BHs across 3 years, with CPI-ICP overlap items updated annually and selected headings collected annually (e.g. energy)
- **Non-HHC data collection** [e.g., housing, government, construction]: **(1) Once per cycle; or (2) Annual collection**
- **Item rotation:** Maintain the Global Core Lists for each year T, with only necessary updates for fast-evolving technology items and updates for other incoming/outgoing items

Scope of Work: Example of Data Collection Approach

A. Rolling Survey Approach	ICP 2027			
	2026	2027	2028	
Household consumption (H)	<i>H (1/3)→</i>	<i>H (1/3)</i>	<i>←H (1/3)</i>	PUBLICATION OF 2027 RESULTS
Housing rentals (R)	R	<i>R</i>	R	
Housing volumes (V)	V	<i>V</i>	V	
Government compensation (G)	G	<i>G</i>	G	
Machinery and equipment (M)	M (2025,2027)	<i>M</i>	M (2027,2029)	
Construction and civil engineering (C)	C	<i>C</i>	C	
National accounts expenditures	E (2025)	E (2026)	<i>E (2027)</i>	
CPIs, deflators, population, exchange rates	<i>X</i>	<i>X</i>	<i>X</i>	

B. / C. Single Year Allocation Approach	ICP 2027			
	2026	2027	2028	
Household consumption (H)	<i>←(*)</i>	<i>H</i>	<i>(*)→</i>	PUBLICATION OF 2027 RESULTS
Housing rentals (R)	R	<i>R</i>	R	
Housing volumes (V)			<i>V (2027)</i>	
Government compensation (G)	G	<i>G</i>	G	
Machinery and equipment (M)	M	<i>M</i>	M	
Construction and civil engineering (C)	C	<i>C</i>	C	
National accounts expenditures	E (2025)	E (2026)	<i>E (2027)</i>	
CPIs, deflators, population, exchange rates	<i>X</i>	<i>X</i>	<i>X</i>	

(*) Potential annual collection

HHC single-year survey can be partitioned into quarters, depending on frequency necessity

HHC Components	B. ICP 2027			
	Q1 2027	Q2 2027	Q3 2027	Q4 2027
HHC 1	HHC 1			
HHC 2 (seasonal)		HHC 2		HHC2
HHC 3			HHC 3	
HHC 4				HHC4

Scope of Work: Temporal Adjustment

- **Price Adjustment to Reference Year**
 - **Identifying level of classification for temporal adjustment:** Determining the level of details for applying temporal adjustment, at the item, BH, or higher levels, depending on the availability of detailed CPI data.
 - **Defining mapping of temporal adjustment factors for HHC:** Establishing mapping for using lowest-level CPIs and application rules for higher-level or reference CPIs where lower-level data is unavailable.
 - **Specifying frequency of temporal adjustment factors:** Examining whether quarterly CPI, annual CPI, or other periodicities need to be applied.
 - **Identifying temporal adjustment factors for non-HHC (where needed):** Determining relevant inflation factors for non-HHC surveys if adjustment is required.
 - **Temporal adjustment method:** Defining the computation steps for adjusting prices from other years to the reference year T.

Scope of Work: Scheduling and Processing

Production phases and scheduling

- **Project implementation phases:** Structuring each project elements into phases, including (1) Planning and pre-survey; (2) Product list and survey guideline finalization; (3) Price collection and intra-country validation; (4) regional and global validation; (5) Computation and results review/evaluation.
- **Updating publication schedule:** Possible revision of release modalities to enable more frequent updates, accommodating newer regional estimates such as preliminary, semi-final, and final versions. The data submission schedule also needs refinement.

Streamlined data processing tools and systems

- **Modern data collection and processing framework:** Implementing annual PPP production requires an integrated toolset that supports end-to-end workflows, from data collection to processing to validation to computation, ensuring consistency and efficiency across all project phases.

Scope of Work: Example Data Submission and Publication Schedule

	2028	2028	2029	2029	2029	2030	2030	2030	2031	2031	2031	2032
	JUN	OCT	JAN	JUN	OCT	JAN	JUN	OCT	JAN	JUN	OCT	JAN
CY2027 results	P	F	R									
CY25-26 revised		F	R									
CY2028 results				P	F	R						
CY26-27 revised					F	R						
CY2029 results							P	F	R			
CY27-28 revised								F	R			
CY2030 results										P	F	R
CY28-29 revised											F	R

P = Preliminary submission | **F** = Final submission | **R** = Release

4. Tenure and Work Modality

- Fixed tenure of **two years** upon its establishment.
- The Task Force will meet both virtually and in person, as needed.
- Members may participate in ICP **Inter-Agency Coordination Group (IACG)** meetings to discuss the operational implications and feasibility of their proposals.
- Additionally, they may join ICP **Technical Advisory Group (TAG)** meetings to present their findings and recommendations for TAG's consideration.
- The ICP **Global Implementing Agency** will serve as the **secretariat** for the Task Force.

Tenure and Work Modality

5. Expected Deliverables

Expected Deliverables

- Present **interim and final reports** on its proposed approaches to the **Inter-Agency Coordination Group (IACG)** and to the ICP **Technical Advisory Group (TAG)**.
- The report is expected to elaborate on the suggestion of a framework, including benchmark data collection models, a detailed survey schedule, a project phase timeline, a temporal adjustment protocol, a data sharing protocol, and recommendations for processing tools and systems.
- Once the report is finalized and cleared by the ICP TAG, its **outputs will be presented and discussed within each ICP region** in collaboration with the Regional and National Implementing Agencies to evaluate and develop feasible regional implementation plans.

3. Membership

Suggested Membership

- Representative(s) of the **ICP Technical Advisory Group (TAG)**.
- Representatives of the **ICP Regional Implementing Agencies**: AfDB; ADB; CIS-STAT; Eurostat and OECD; UN-ECLAC; and UN-ESCWA.
- Representatives of the **ICP National Implementation Agencies** from each ICP region: Africa; Asia and Pacific; Commonwealth of Independent States (CIS); Eurostat-OECD PPP Programme; Latin America and the Caribbean; and Western Asia.
- Representatives of the **ICP Global Implementing Agency**.

6. Regional Context

7. Next Steps

Next Steps

- Launch of the Task Force: By November 2025
- Preparation for the 1st meeting: December 2025 – March 2026
- First meeting: March 2026
- Preliminary report: XXX 2026
- Second meeting: XXX 2026

Thank you!

