International Comparison Program (ICP) Technical Advisory Group (TAG) Meeting
Welcome and Opening Remarks
Draft Agenda - Day 1, Tuesday, November 9, 2021

- [09:15 – 09:45am] Update on the ICP 2021 Cycle


- [10:30 – 11:15am] Measuring inflation under pandemic conditions

Draft Agenda - Day 2, Wednesday, November 10, 2021

- [09:00 – 09:45am] Covid-19 and the Harmonized Index of Consumer Prices
- [09:45 – 10:15am] Measurement of non-market services during the pandemic
- [10:15 – 10:45am] Experiences in producing PPPs during the pandemic
- [10:45 – 11:15am] Covid-19, ICP and the online price and product data
- [11:15 – 12:00am] Producing PPPs for imports and exports and the Covid-19 disruptions to global trade
Draft Agenda - Day 3, Thursday, November 11, 2021

- [09:00 – 09:45am] Covid-19 and price indexes: Effect of expenditure shifts on CPI and ICP
- [09:45 – 10:05am] Collecting more metadata for the ICP 2021 Cycle in light of Covid-19
- [10:05 – 10:35am] Exploring the use of new data sources for PPP measurement
- [10:35 – 11:20am] Calculating and publishing additive ICP results
- [11:20 – 11:45am] Technical note on PPPs produced/published by different institutions
Update on the ICP 2021 Cycle
Outline

- Overall timeline, participation and survey status
- Governance and coordination activities
- Items for TAG consideration
- Knowledge and outreach activities
- Conclusions
ICP 2021 Cycle Overall Timeline, Participation and Survey Status
## ICP 2021 Overall Timeline: Governance

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<th>ICP 2021 Cycle</th>
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1. Typically in conjunction with the UNSC session;  
2. Biannual  
## ICP 2021 Overall Timeline: Production

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ICP 2021 Cycle Participation and Survey Status [1]

The total number of participating economies is expected to be comparable to the ICP 2017 cycle [176 economies]

Africa [ICP 2017: 50 economies]
- No anticipated participation changes
- Additional capacity building activities to prepare for participation
- Household consumption surveys expected to be initiated in Q4 2021 and continue until Q3 2022

Commonwealth of Independent States (CIS) [ICP 2017: 8 economies]
- +1 Uzbekistan
- Possible participation of Turkmenistan
- Household consumption surveys initiated in Q1 2021
ICP 2021 Cycle Participation and Survey Status [1]

**Asian the Pacific** [ICP 2017: 22 economies]
- No anticipated participation changes
- Household consumption surveys initiated in Q1 2021 in most countries
- India, Pakistan and Lao are yet to initiate household consumption surveys
- Participation of one economy at risk due to political conditions

**Latin America and Caribbean** [ICP 2017: 36 economies]
- LAT + 1 Guatemala
- Participation of some Caribbean islands at risk (Bahamas, Barbados, Cayman Island, Sint Maarten)
- Household consumption surveys initiated in Q1 2021 in most countries
- Selected countries conducted food & beverages surveys in 2019 and 2020, in anticipation of implementing the rolling survey approach in the region
ICP 2021 Cycle Participation and Survey Status [2]

**Western Asia** [ICP 2017: 12 economies]
- +2 Syria and Lebanon, + 1 Tunisia (as dual-participating country)
- Household consumption surveys initiated in Q1 2021 in most countries
- Objective to produce annual PPPs

**Eurostat-OECD PPP Program** [ICP 2017: 49+2 economies]
- No anticipated changes (Georgia and Ukraine continuing as “guest” participants in the comparison)
- Household consumption surveys conducted as per the established rolling survey approach timetable (2/6 surveys per year)
- ICP construction survey for linking purposes [ICP 2017: 11 economies]
  - Norway | +France +Greece +Iceland
  - Georgia and Ukraine implement ICP construction surveys, but these are not used for linking
ICP 2021 Cycle Governance and Coordination Activities
Governance Activities: Governing Board

- First meeting on April 26, 2021

- GB co-chairs are conducting outreach to countries whose participation is at risk, in order to encourage the countries to conduct ICP 2021 activities as planned

- Next meeting scheduled for March 2022, in conjunction with the 53rd Session of the UNSC
Governance Activities: United Nations Statistical Commission

- 53rd UNSC Session scheduled for March 1-4, 2022
- Annual ICP report to the UNSC
  - 2022 report will be for discussion
  - Opportunity to seek the support and convening power of the UNSC to encourage stakeholders to conduct surveys and compilation activities in adherence to the agreed timetable to ensure a successful ICP 2021 cycle

Governance Activities: Inter-Agency Coordination Group

- **1st meeting in 2021, April 12-13 | 2nd meeting in 2021, October 12-14**
  - Reviewed global and regional implementation status
  - Planned operational activities
  - Prepared for the ICP Governing Board and Technical Advisory Group meetings

- **IACG issued two ICP COVID-19 Guidance Notes**
  - Meeting ICP Price Data Requirements During the COVID-19 Pandemic [February 2021]
  - Meeting ICP National Accounts Expenditure Data Requirements during the COVID-19 Pandemic [May 2021]
ICP 2021 Cycle Items for TAG Consideration
ICP 2021 Participation

- ICP 2021 cycle participation similar to ICP 2017 participation
  - AFR: No expected changes, but countries are yet to initiate surveys
  - ASI: No changes, but India, Pakistan and Lao are yet to initiate surveys
  - CIS: +1 (Uzbekistan), possible participation of Turkmenistan
  - EUO: No changes, Georgia and Ukraine continue as “guests”
  - LAT: +1 (Guatemala)
  - CAR: -4 (Bahamas, Barbados, Cayman Islands, Sint Maarten)
  - WAS: +3 (Syria and Lebanon, Tunisia as dual-participating country)

- Continued advocacy efforts by the implementing agencies, GB, UNSC

- TAG guidance to ensure that participation changes have limited impact on the results
ICP 2021 Quality

- ICP 2021 cycle faces additional quality challenges
  - Differences in survey implementation schedules within/between regions
  - Extensive use of extrapolation/backcasting because of different schedules
  - Reliability of extrapolation indices
  - Expenditure weights quality

- Continued validation efforts at national, regional and global levels

- TAG guidance to address quality challenges and to assess results
ICP 2021 Timetable

- **Publication of ICP 2021 results scheduled for end-2023**
  - Several regions/countries face delays in implementing ICP surveys
  - Additional quality assurance measures will be required

- **Close cooperation between regional and global implementing agencies to actively monitor the production schedule**

- **Frequent meetings of the TAG might be needed towards the end of the cycle**
Knowledge and Outreach Activities
PPP for Policy Making: Launch and Access

Launched on June 17, 2021, through
- World Bank Blog
- Special ICP newsletter

Can be accessed via
- .pdf publication download
- Web-based interactive publication
PPPs for Policy Making: Contents

- Introduction
- Uses and limitations (!)
- The size of the economy and price levels
- Poverty and inequality
- Trade and competitiveness
- Labor costs, wages and social safety nets
- Food and nutrition
- Health
- Education
- Energy and climate
- Infrastructure
- Human Development
- Administrative uses
- Technical note (!)
PPPs for Policy Making: Post-Release Outreach

- Virtual Ted-style talk at the 2021 UN World Data Forum on October 5th, 2021
- Event announced via a special ICP newsletter
- Recording available on the UN and WBG YouTube channels
Country Operations and Guidelines: CPI-ICP Integration

- Published in July 2021

- Announced through a special ICP newsletter

- Main authors: P. Rao and P. Kelly, based on the work by the Task Force on Country Operational Guidelines and Procedures

- Reviewed by IACG and IWGPS

- **Downloadable** through the ICP website
Country Operation and Guidelines: Subnational PPPs

- Published in July 2021
- Announced through a special ICP newsletter
- Main authors: P. Rao and L. Biggeri, based on the work by the Task Force on Country Operational Guidelines and Procedures
- Reviewed by IACG
- Downloadable through the ICP website
Recent Uses of PPPs and ICP data [1]

- October 2021 World Bank [report](#) explores the use of PPPs to measure wealth accounts for the first time:
  - PPPs used at level of actual individual consumption
  - **Dedicated chapter** for wealth accounting and PPPs

- Rationale: “Valuing wealth accounts using PPPs provides a better understanding of the comparative material well-being derived from assets across countries”

- Results in a redistribution of global wealth compared with market exchange rates:
  - South Asia’s and Sub-Saharan Africa’s shares of PPP-based global wealth increase significantly
July 2021 IMF report finds the decline in the shadow economy with increasing PPP-based GDP per capita reaches a threshold after which financial pressure becomes less intense, and people are more willing to take less formal jobs in exchange for flexibility.

Report also values output per worker in PPP dollars to compare labor productivity in Latin American economies.
PPP-based GDP is used as one of ten indicators in the African Continental Free Trade Area Relative Readiness Index, presented in the July 2021 report by the International Islamic Trade Finance Corporation (ITFC) and the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC).

The index assesses whether a country has the technical and administrative capacity to conduct and implement a continental policy implementation process on its own and benefit from it, as well as financial resources and the depth of market, products and services.
Recent Uses of PPPs and ICP data [4]

The July 2021 World Bank report on waste generation growth finds that PPP-based GDP per capita is strongly and positively correlated to waste generation per capita up to a cap of around $60,000 (2017 PPPs), after which generation rises modestly up to $85,000.

Growth in PPP-based GDP per capita is subsequently used to model projections in waste generation.
Recent Uses of PPPs and ICP data [5]

The ILO flagship report published in June 2021 uses PPP-based poverty lines to establish working poverty rates and numbers at the “extreme” ($1.90) and “moderately poor” ($1.90 - $3.20) levels. These and three other economic classes based on daily income in PPP terms are also used for modelling estimates.

Furthermore, labor incomes for country income groups are aggregated using PPPs.
Recent Uses of PPPs and ICP data [6]

The World Bank **Worldwide Bureaucracy Indicators database** was updated in September 2021 and includes ICP-based wage compression ratios in the public sector and expenditure data for 167 countries.
Conclusions
Conclusions

- **ICP 2021 cycle is underway in all six regions / in most countries**
  - Significant resources and tremendous efforts already invested in implementing the cycle by various ICP stakeholders

- **ICP 2021 cycle results will be crucial**
  - Distortions caused by the COVID-19 pandemic may turn out to be long term structural changes, with yet unforeseen impacts
  - ICP 2021 results will be crucial in assessing the economic impact of the pandemic and will be of great value to various uses and users
THANK YOU