Status of Regional Activities and Risks

IACG Meeting
23 – 25 October 2019
Washington, DC
Summary of the 2017 ICP Cycle in Western Asia
Our vision and the UNSC vision coincided, leading to a smooth implementation of the 2017 ICP round in Western Asia.

- Actual annual collection of special surveys
- Actual annual collection of Fast Evolving Technology item prices
- Actual annual collection of energy, transport and communication item prices
- Extrapolation of the remaining HHC data from 2016, which is getting smaller with the increased integration efforts.
## Western Asia’s Strategy

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Price data for Fast Evolving Technology items collected annually.

Price data for following BHs collected annually: water supply, electricity, gas, other fuels, passenger transport by railway/by road/by air, postal services, and telephone and telefax services.

Some countries are collecting actual data annually for all HHC items.
The 2017 round in Western Asia came as a complement to the 2016 regional PPP production round which aimed to produce results for 2014-2015-2016-2017.

Western Asia conducted a temporal price validation between the years 2011 to 2016, which showed some discrepancies between 2011-2012-2013 from one side and 2014-2015-2016 from the other.

Prices were reviewed, expenditures were updated to reflect the latest estimations, and the updated 2017 classification was adopted for the entire period 2011 to 2017.

Within the frame of the 2017 ICP round, Western Asia revised the entire time series and worked on the production of a full time series of PPPs extending from 2011 to 2017.

The preliminary 2011 to 2017 ICP results have been computed and the final results will be produced after the IACG meeting.
Overview of the Preliminary Results
Innovative Initiatives
Innovative Initiatives

- Building Repository of Data
- New opportunities to invest built capacities
- Development of the entire price statistics area in the region

- Annual PPP production
- Sub-national PPPs
- HCPI

Newly developed initiatives will be unveiled in the next slides
Innovative Initiatives – Harmonized M&E Index

1. Harmonized Machinery and Equipment Price Index

- Western Asia collects actual M&E prices annually
- A repository of M&E data is now available
- A new harmonized index is being developed, to start at 2017=100

Benefits of the index:
- Comparison of the general change in M&E prices between countries
- Computation of a regional M&E price index
- Development of national price statistics by increasing the statistical output
- Further integration of the ICP with the national statistical work programs
- With the M&E index becoming a national index, data collection will be easier and synchronized for the national index and the ICP without additional burden
- Use of the M&E index for different purposes at the national level, as it will shed the light on the cost of gross capital formation and investment
- Potential use of the index in national accounts as a deflator for GFCF
However, the development of the Harmonized M&E Price Index has challenges.

We are working on a strategy to treat the challenges which we will face.

That is why the index computation will start with 2017 as base year, although we have data from 2011, in order to control for certain variables.
Innovative Initiatives – Technological Applications

2. Use of Technology and Big Data Sources in Price Data Collection

- **Big Data**
  - **Web Scraping**
    - Research to assess the applicability of these sources to price data collection of a subset of items in the CPI and ICP
    - Reduction of field visits to outlets
  - **Scanner Data**
    - Reduction of data collection burden
    - Especially helpful with the annual data collection Western Asia is pursuing

Currently undertaking additional research and performing trials to check the viability of such sources in the Arab region

If the outcome is positive, ESCWA will start working with pilot countries
Outreach Activities
Outreach Activities – Uses of PPPs

- Taking the opportunity to increase awareness on the importance of the program’s output

- A whole day in the last workshop was dedicated for exploration of the use of PPPs in multiple indicators, especially those related to the SDGs

- Every 2 countries researched one PPP use comprehensively and presented their findings, transferring the knowledge to the other countries
Outreach Activities – Uses of PPPs (cont’d)

- Poverty Measures
- Cost of Living and wages
- Health Measures
- Human Development Index
- Energy Measures
- Labor Productivity Measures

The following PPP uses were covered at the meeting.
Outreach Activities –
Online PPP Converter

We have been working on the development of a new online interactive and analytical tool which:

- Uses most recent ICP results for the period extending from 2011 to 2017
- Provides PPP conversion for the different levels of GDP aggregates
- Clarifies the findings through a description making it easy for a wide range of audience and users to understand and utilize the results

The online PPP converter includes regional results only, however it will incorporate global results and conversion to international 2017 Dollars after the results are computed.
Preparations for the 2020 ICP Cycle
In Western Asia, data collection is now part of the routine, the implementation of the 2020 cycle will be smooth.

Household Consumption:
- Actual HHC data collection in 2020
- Actual + Extrapolation in 2021
- Actual + Retrapolation in 2019 & 2018

National Accounts will also be estimated in 2018, 2019, 2020 and 2021 using MORES.

Special surveys and FET:
- Actual data collection will be conducted annually for the years 2018, 2019, 2020 and 2021.
Preparations for the 2020 ICP Cycle - HHC

Preparations for the 2020 ICP cycle started since April 2019

Worked on increasing the overlap between the regional ICP list and national CPI lists by:
- Looking at items with low overlap and updating specifications to increase overlap
- Adding new items to the regional list

Workshop in September for 2020 cycle preparations

- 2020 HHC GCL was comprehensively examined and reviewed
- Suggestions were noted
- National importance and availability were noted
- All special surveys were reviewed
Preparations for the 2020 ICP Cycle – M&E

Western Asia is working on the development of the regional 2020 M&E survey

Increasing comparability of existing items

- Gap in the prices of unspecified items
- To reduce the gap, specifying brands and models to unspecified items
- Asked member countries to provide list of brands and models priced for unspecified items
- Compared and adopted common brands after ensuring consistency with specifications

Adding new items

- Low availability of global M&E items in some countries
- Incorporating new region-specific items to ensure pricing a higher portion of items
- Through research of available and popular items and brands in the region
- Useful with the development of the Harmonized M&E Price Index

Providing price range

- Member countries previously requested a price range as guide
- Researched price and applied a range of minimum-maximum
- Ensure pricing the correct items
Overall Regional Risks
Overall Regional Risks

### Challenges

1. Geopolitical challenges—some countries not able to participate in ICP in Western Asia, such as Yemen, Libya and Syria
2. Inability of some countries to collect surveys in English
3. Change in national ICP teams posing a challenge to continuity and quality of participation
4. Lack of continuous regular funding

### Solutions

1. Strategy for including these countries in the ICP and enlarging the participation in the 2020 round
2. Translation and illustrative catalogues ensuring collection of accurate data
3. Ensuring the involvement of different representatives in each country, encouraging transfer of knowledge, continuous training workshops and country visits
4. Acquiring project-specific grants
Thank you!