

Western Asia Region

Regional Progress Report

Meeting of the ICP Inter-Agency Coordination Group
Washington, DC - USA
September 27-29, 2016

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Introduction

Introduction

Western Asia is continuously undertaking new initiatives in price statistics in the goal of:

- ✓ improving member countries' capacities in the area of price statistics;
- ✓ enhancing the regional statistical output;
- ✓ promoting PPP uses;
- ✓ producing PPPs on a regular and permanent basis;
- ✓ constructing an annual PPP time series without gaps.

 PPP time series constructed by regular PPP computation through extrapolation, retrapolation, and actual data collection.

Regional Activities since 2011

Regional Activities since 2011

- ***Regional PPP Extrapolation:*** Western Asia carried out extrapolation activities to produce PPPs for 2012 and 2013.
- ***2016 Regional PPP Production Round:*** Western Asia is currently implementing an interim regional ICP round to sustain the production of PPPs.
- ***Sub-National PPPs:*** Projects for the production of sub-national PPPs are being implemented in 3 pilot countries.
- ***Sub-Regional HCPI:*** Western Asia's Regional Office is implementing a new project for the production of a sub-regional Harmonized Consumer Price Index (HCPI).

Regional Achievements

Regional Achievements so far

- Production of regional PPPs for 2011, 2012, 2013;
- Implementation of the 2016 regional PPP production round;
- Computation of sub-national PPPs for the UAE.

Expected Achievements - 2017

- Computation of PPPs for 2015 and 2014 through:
 - ✓ Retrapolation of 2016 HHC price data using detailed quarterly CPI data for 2015 and 2014 (basic heading level);
 - ✓ Collection/retrapolation of special surveys;
 - ✓ Estimation of expenditures data using MORES;
- Implementation of the 2017 ICP round;
- Production of HCPIs for 2010-2016;
- Computation of sub-national PPPs for Egypt.

Expected Achievements - 2018

- Production of regional PPPs for 2016;
- Production of HCPIs for 2017;
- Computation of sub-national PPPs for Sudan.

ICP 2017 Strategy

Interim 2016 Regional PPP Production Round

- The currently conducted interim 2016 regional round:
 - Links the 2011 and the 2017 ICP rounds;
 - Will result in the computation of PPPs for 2016, 2015 and 2014;

 Continuity of PPP production.

- Some of the data collected in 2016 will also be used in the 2017 ICP round.

ICP 2017 Strategy

- Extrapolation of 2016 HHC price data to 2017 using CPI data at the most detailed level (basic heading level);
- Collection of 2017 Non-household consumption data through special surveys (Government Compensation, Rentals, Machinery and Equipment, Construction, Private Education);
- Estimation of national accounts expenditures data using MORES at the basic heading level and up to the GDP level.

Technical Preparations

- Household consumption
 - ✓ Regional HHC product list: *total 632 items (428 GCL)*
 - ✓ Bilingual regional HHC catalogue in Arabic and English with picture illustrations
- Non-household consumption
 - ✓ Housing: *total 13 items (13 GCL) – translated to Arabic*
 - ✓ Government Compensation: *total 33 items (33 GCL) – translated to Arabic*
 - ✓ Machinery and Equipment: *total 150 items (150 GCL) – translated to Arabic + Catalogue*
 - ✓ Construction: *translated to Arabic + Catalogue*
 - WA countries – *total 54 items (46 GCL)*
 - Dual participating countries (Western Asia + Africa) – *total 63 items (55 GCL)*
 - ✓ Private Education: *total 7 items (7 GCL) – bilingual survey*

ICP 2017 Strategy

- The extrapolation strategy will be applied in 2018 and 2019: extrapolation of HHC data using CPI and *tentative* data collection of non-HHC data.
- The below table illustrates Western Asia's strategy for the 2017 ICP round:

	2016	2017	2018	2019
HHC	X	=>	=>	=>
Housing	X	X	*	*
Government	X	X	*	*
M&E	X	X	*	*
Construction	X	X	*	*
Education	X	X	*	*

*: *Participating countries will be asked to collect special surveys in 2018 and 2019 as well.*

Country Participation

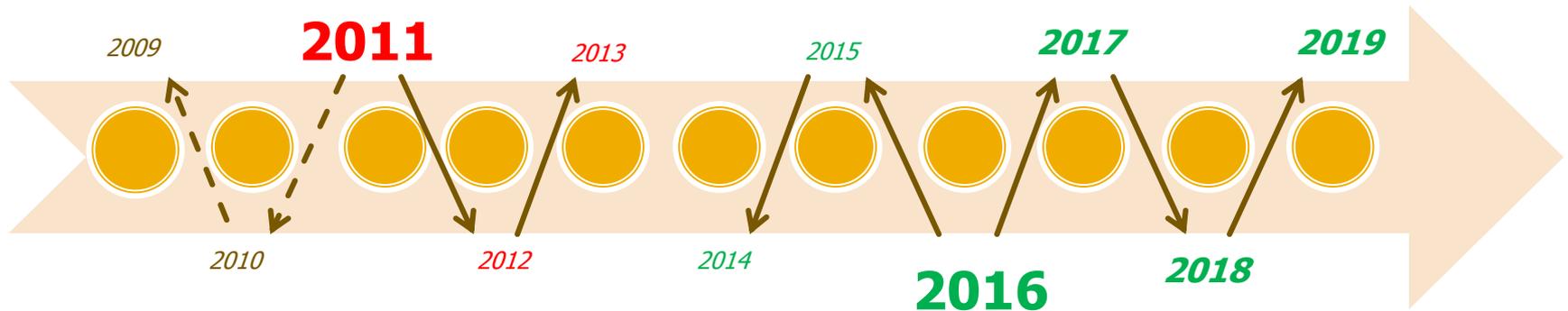
Western Asia Member Countries	2016 Regional PPP Production Round	ICP 2017
Bahrain	X	X
Egypt	X	X
Iraq	X	X
Jordan	X	X
Kuwait	X	X
Lebanon	-	X
Libya	-	* (pending confirmation)
Mauritania	-	*(pending confirmation)
Morocco	X	X
Oman	X	X
Palestine	X	X
Qatar	X	X
Saudi Arabia	X	X
Sudan	X	X
Syria	-	*(pending confirmation)
Tunisia	X	X
UAE	X	X
Yemen	-	X

Activities Timetable

Surveys	2016 Regional Round for PPP Production	ICP 2017
HHC	Quarters 1, 2, 3, and 4 of 2016	Extrapolation of data from 2016 actual prices
Housing	June 2016 and December 2016	June 2017 and December 2017
Government	May 2016	May 2017
Machinery and Equipment	Quarter 2 2016	Quarter 2 2017
Construction	July-August 2016	July-August 2017
Education	March 2016 and October 2016	March 2017 and October 2017

ICP 2017 Strategy

- At the end of the 3-year 2017 round, the PPP time series will include PPPs from 2011 to 2019 as per the below diagram:



Regional Capacity Building

Regional Capacity Building

- In line with the UNSC's recommendations, Western Asia is pursuing the harmonization of price statistics and national accounts activities and the integration of ICP and CPI activities.
- This integration contributes to the development of the national statistical infrastructure and capacities of member countries in price statistics through different aspects.

Regional Capacity Building

1. ICP rounds:

- ✓ The ICP structured product descriptions (SPDs) have been used in the national CPI to ensure comparability across sub-national regions;
- ✓ Some national statistical offices have applied catalogues in their national CPI data collection to ensure consistency;
- ✓ National CPI product lists can be updated by adding new regional items;
- ✓ ICP data validation rules can also be applied on the national level to exclude errors.

Regional Capacity Building

2. Sub-national PPPs:

- ✓ Development of a national product list to be commonly used by the different sub-national regions;
- ✓ Estimation of sub-national expenditures data.

3. HCPI:

- ✓ Integration between CPI and ICP;
- ✓ Opportunity for the improvement of the national CPI infrastructure.

Member Countries' Commitment

Member Countries' Commitment

- Member countries' awareness of the importance of the ICP and the value and different uses of PPPs is reflected in their commitment to this project through:
 - ✓ High level of dedication to the ICP and trust in the Regional Office;
 - ✓ Enthusiastic participation in the different projects under the ICP framework;
 - ✓ Hard work in ensuring the timely data submission and the accuracy of the results;
 - ✓ GCC countries self-financing their participation in all the workshops and meetings organized by the RO;
 - ✓ Non-GCC countries grasping some of the burden by searching for methods to cover data collection and integrating the ICP with the national CPI for time and cost reduction and quality improvement.

Regional Outreach Activities

Regional Outreach Activities

- WA's Regional Office is currently working on developing its ICP website to answer the needs of all its visitors by offering:
 - Basic information about the project;
 - The latest news on the project activities;
 - Operational material;
 - Major findings.
- The regional team will produce regular newsletters to cover the project updates.
- WA will also promote the ICP and the importance of PPPs through seminars and national projects.

Notes

To enhance comparability ...

- Government Compensation survey:
 - ✓ Remunerations will be provided for employees with level of experience: 10 – 20 years
- Rentals:
 - ✓ Villas will be priced instead of Single-family houses for the following items:
 - 1104111103 Single-family house, 240-360 m²
 - 1104111104 Single-family house, 360-460 m²
- Machinery & Equipment:
 - ✓ A few Specific Brand items will be changed;
 - ✓ LCD monitors are no longer available in some countries, LED monitors will be priced instead.

Western Asia's Mission

Western Asia's Mission

- Paving the way towards the regular production of PPPs through the construction of a continuous PPP time series;
- Implementing capacity building activities to improve member countries' price statistics infrastructure;
- Achieving harmonization in the area of price statistics and national accounts activities;
- Conducting outreach activities to increase the national awareness of the importance of the ICP.

Thank you!