

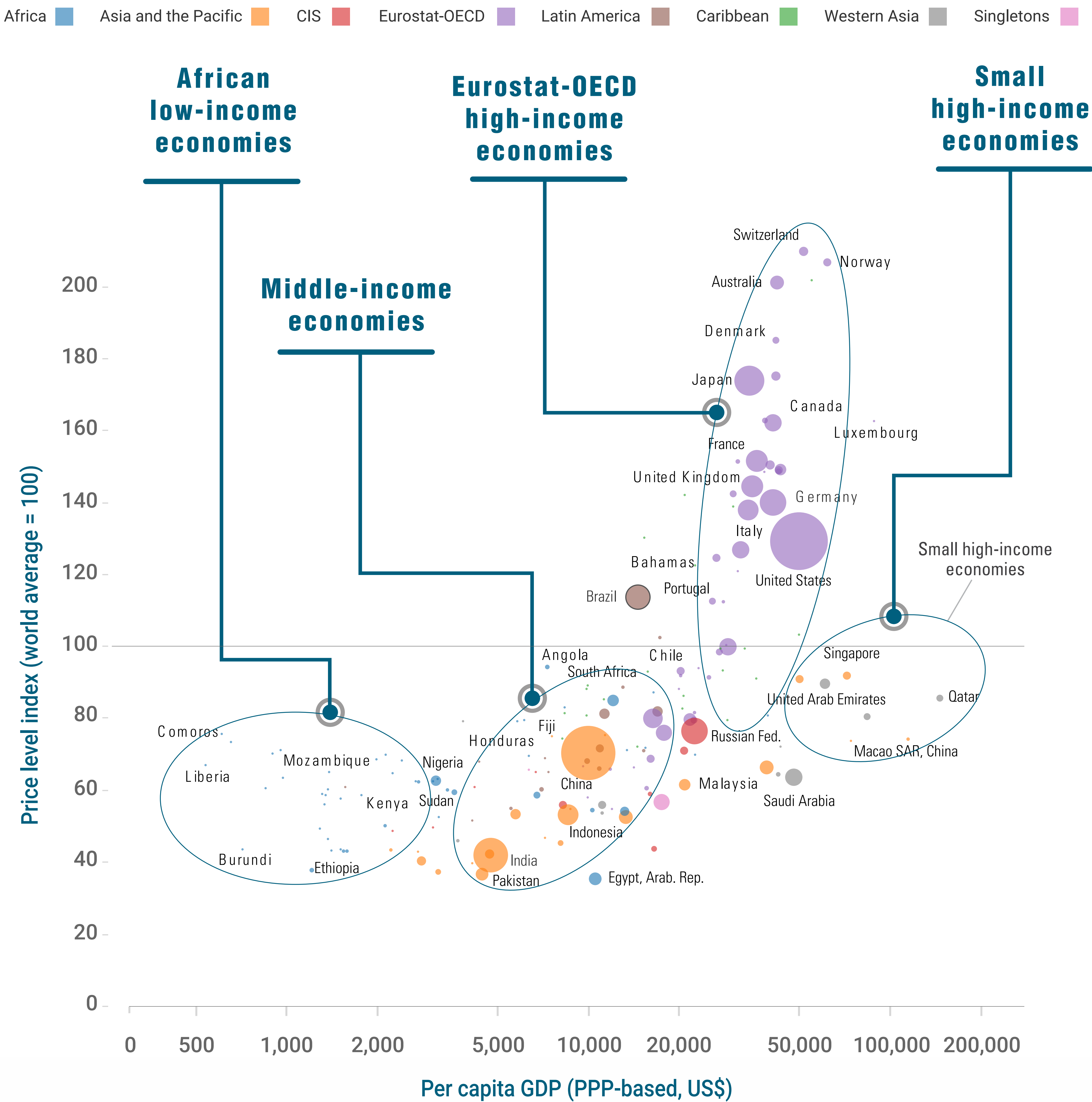
PPPs AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)



PPP's AND THE REAL SIZE OF WORLD ECONOMIES



Price levels, standards of living and size of economies, 2011



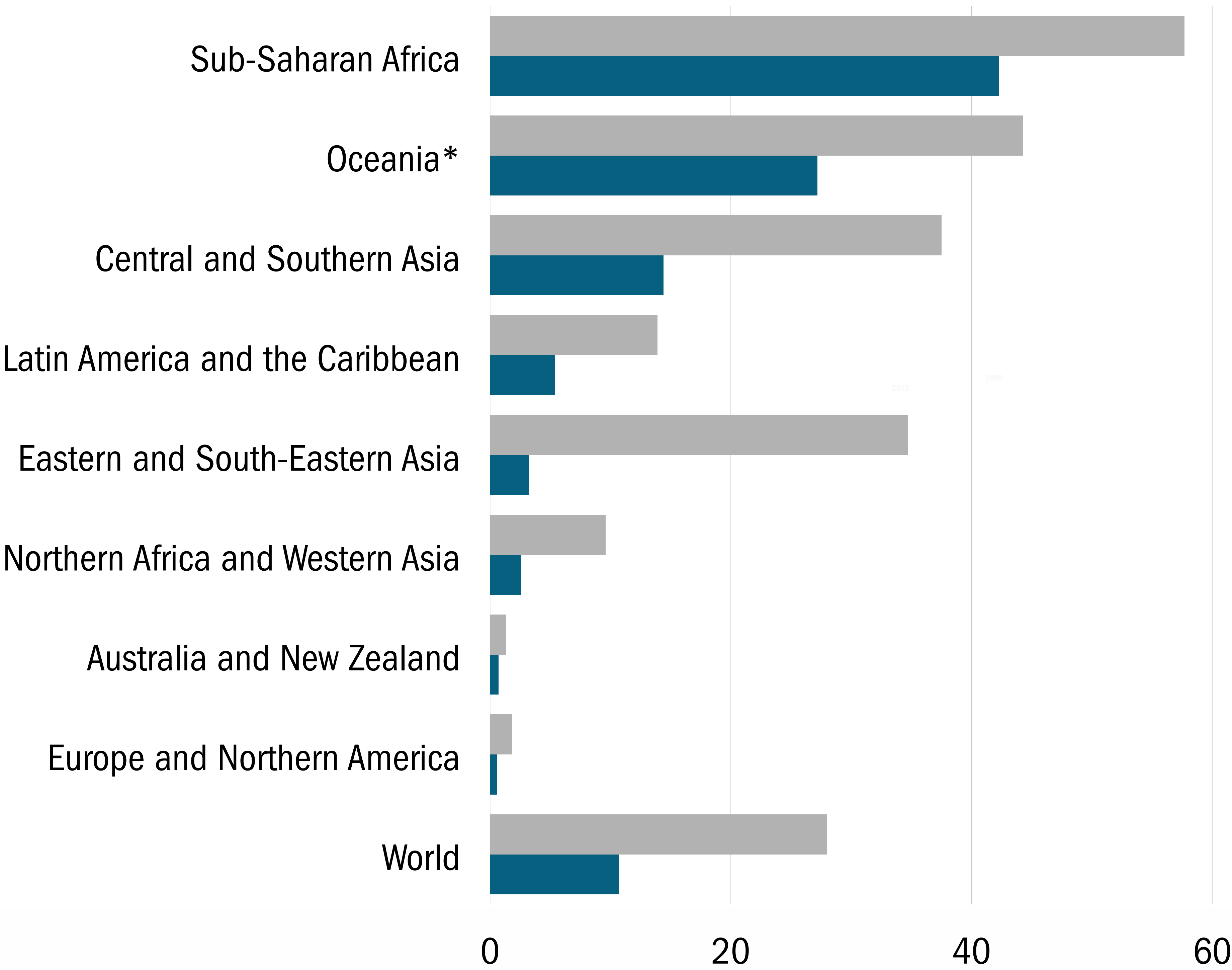
Source: International Comparison Program (2015). Purchasing Power Parities and the Real Size of World Economies: A Comprehensive Report of the 2011 ICP.



What percentage of people around the world live on less than US\$1.90/day?

To answer this and other questions on global poverty, the World Bank and the United Nations use an international poverty line anchored to the 2011 ICP PPPs. This line acts as a cut-off point that separates those living above or below the US\$1.90/day (in 2011 PPP terms) threshold.

Proportion of population living below US\$ 1.90/ day (2011 PPP), 1999 and 2013 (%)



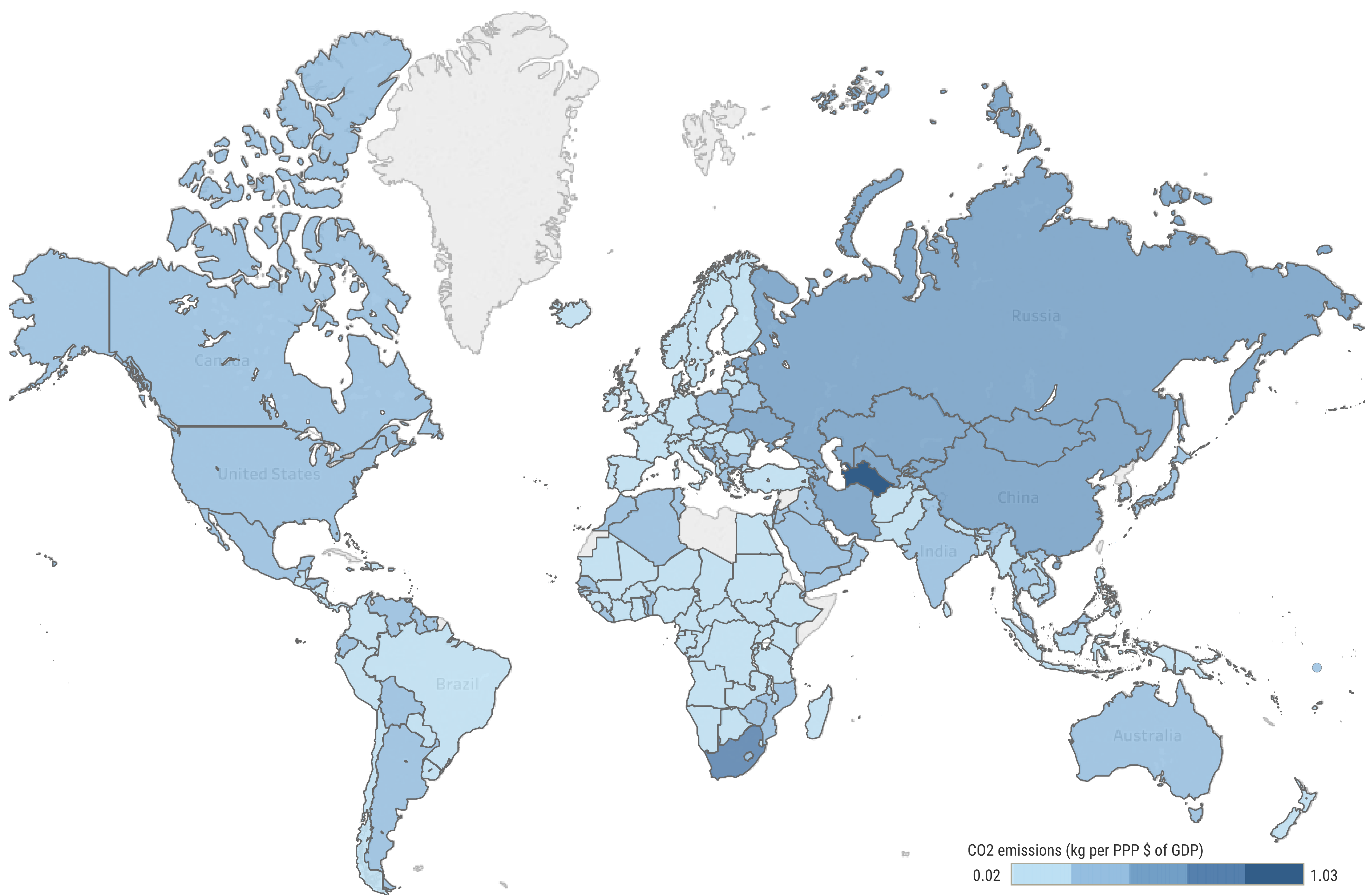
Note: Oceania* refers to Oceania excluding Australia and New Zealand.

Source: United Nations (2017). The Sustainable Development Goals Report 2017.



How can we compare the level of CO2 emissions across the world?

CO2 emissions (kg per PPP \$ of GDP), 2014



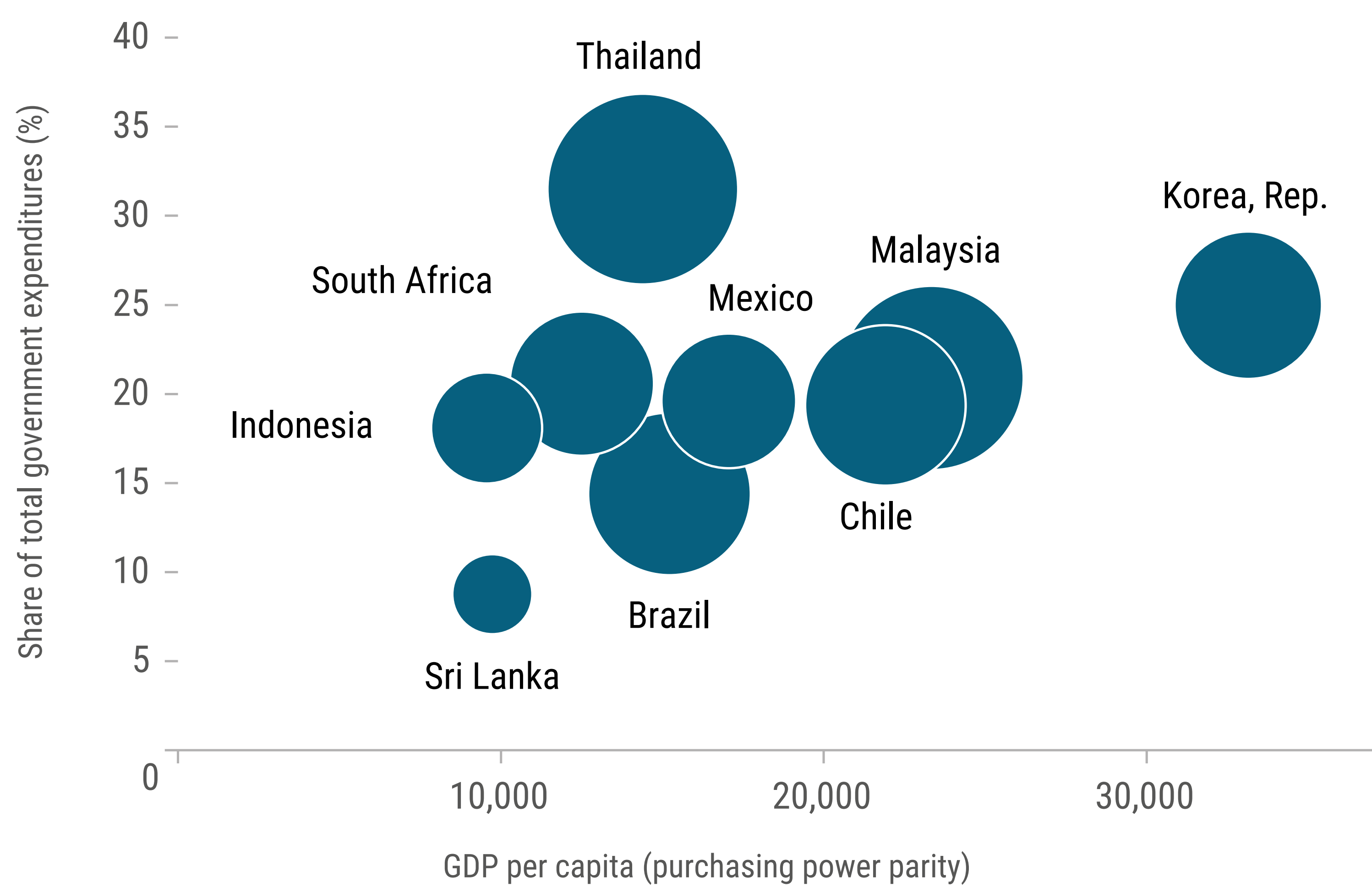
Source: World Bank Open Data (2018).

PPPs IN HUMAN DEVELOPMENT



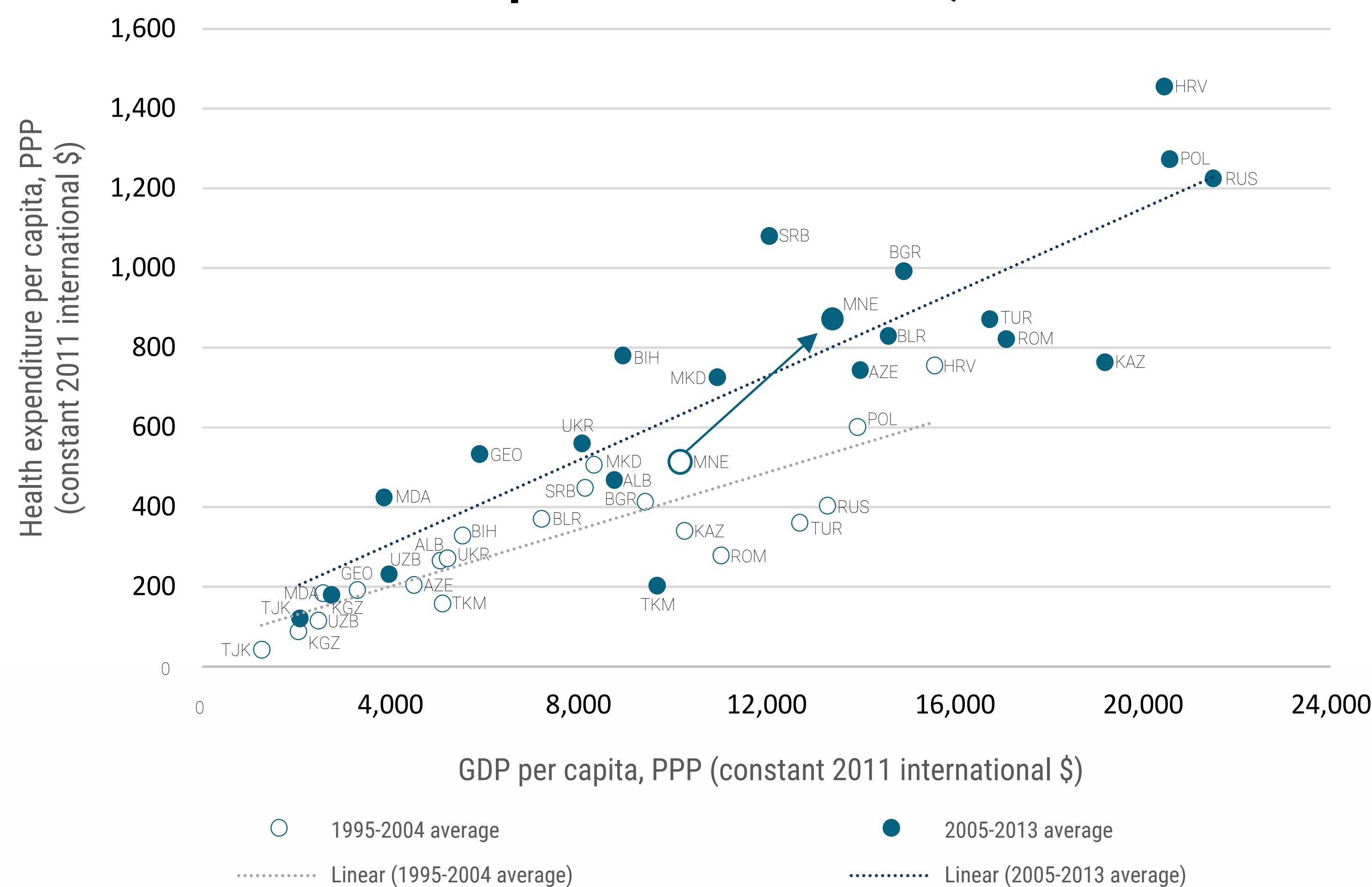
PPPs are instrumental for comparing health and education expenditures and costs around the world

Spending on Public Education, an International Perspective, 2012/2013



Source: World Bank (2017). Sri Lanka Education Sector Assessment: Achievements, Challenges, and Policy Options.

Total Health Expenditure and GDP per capita in Eastern Europe and Central Asia, 1995-2013



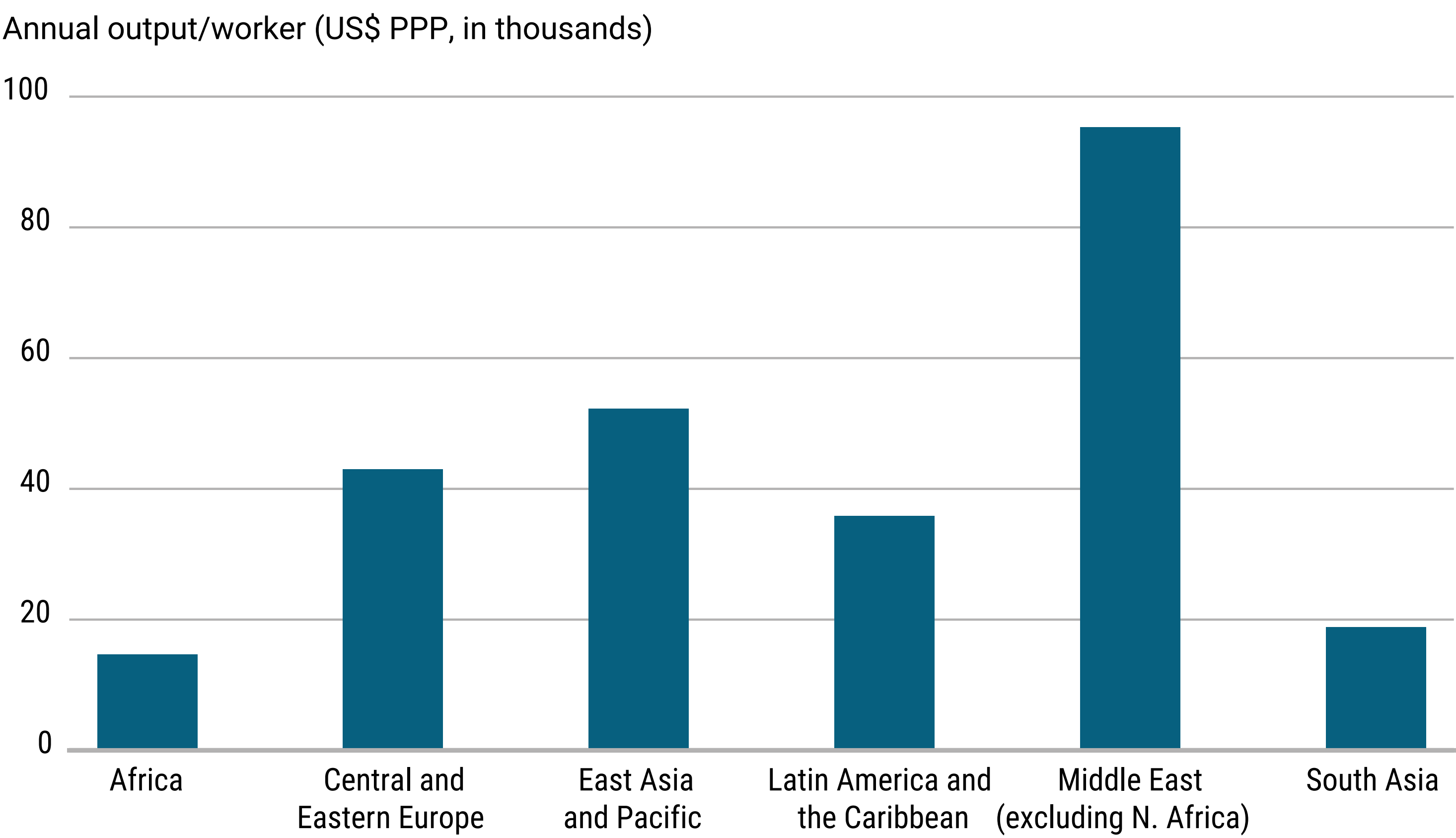
Source: World Bank (2016). Montenegro - Achieving Sustainable and Inclusive Growth Amidst High Volatility Project.

PPP's IN TRADE, COMPETITIVENESS AND PRODUCTIVITY



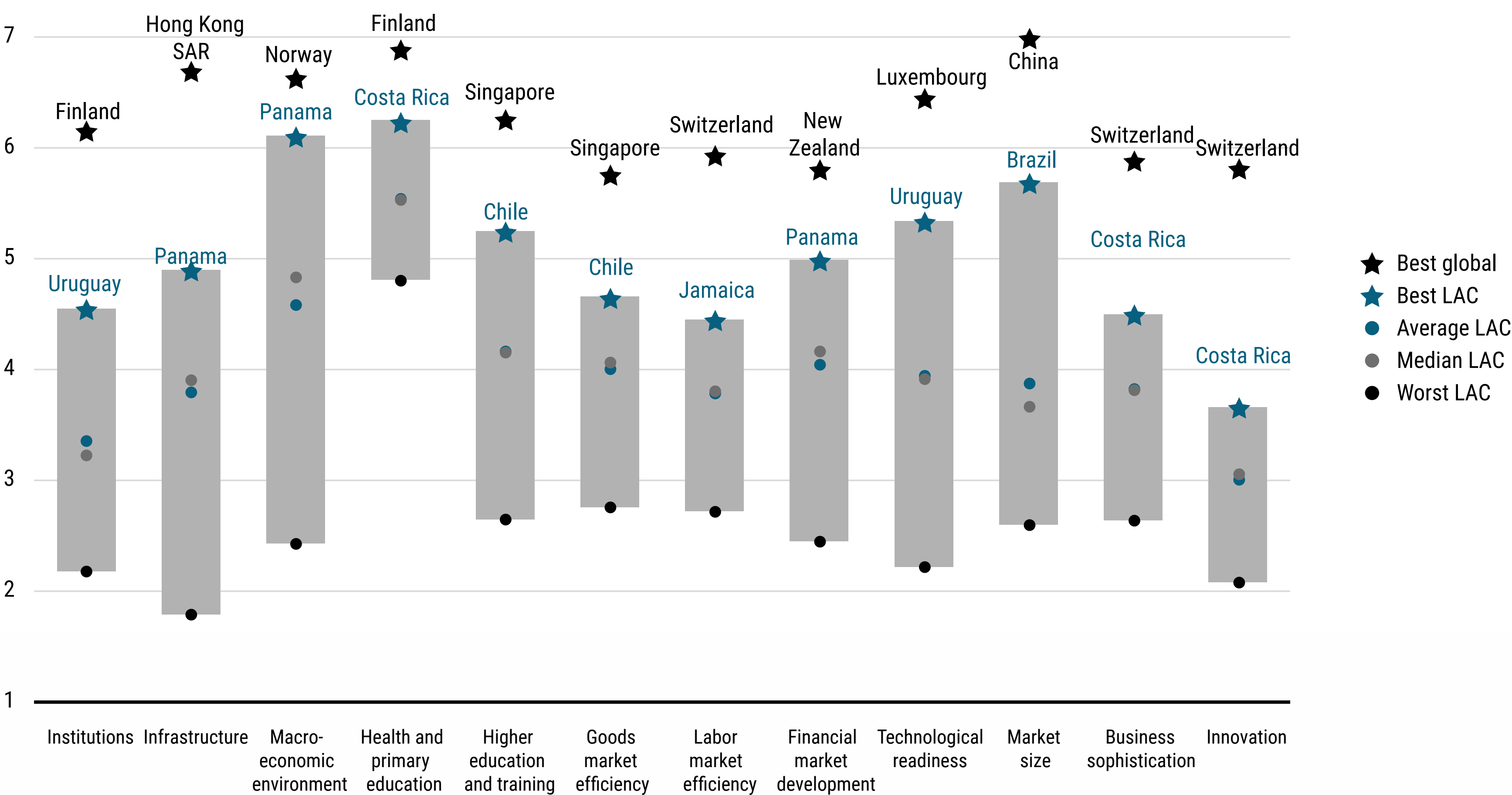
PPPs are used for comparing competitiveness and labor productivity across countries and regions

Estimates of average labor productivity across regions, 2015



Source: World Bank (2017). The Africa competitiveness report 2017 - Addressing Africa's demographic dividend.

Global Competitiveness Index score range for Latin American and the Caribbean across the 12 pillars, 2017-2018



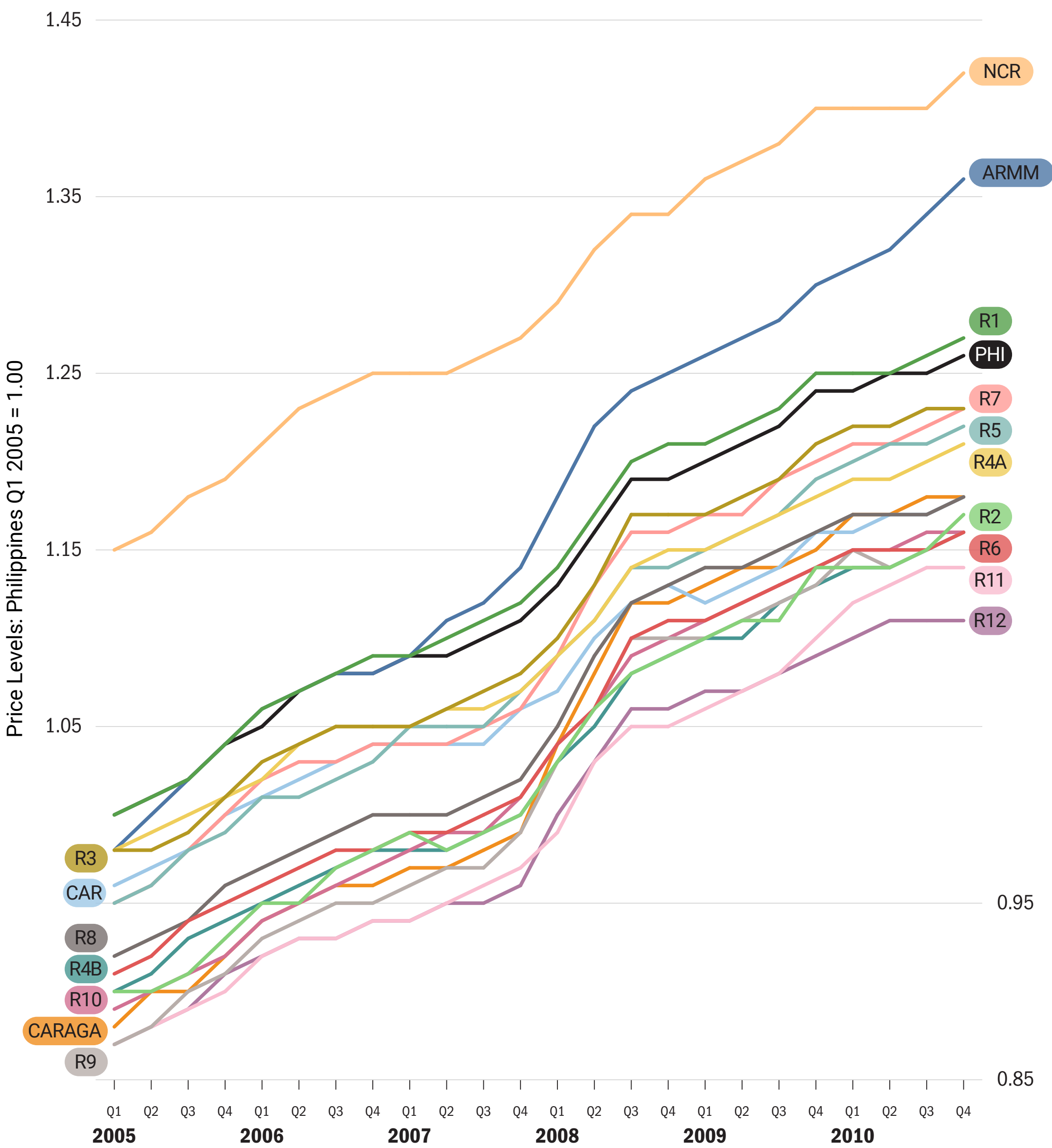
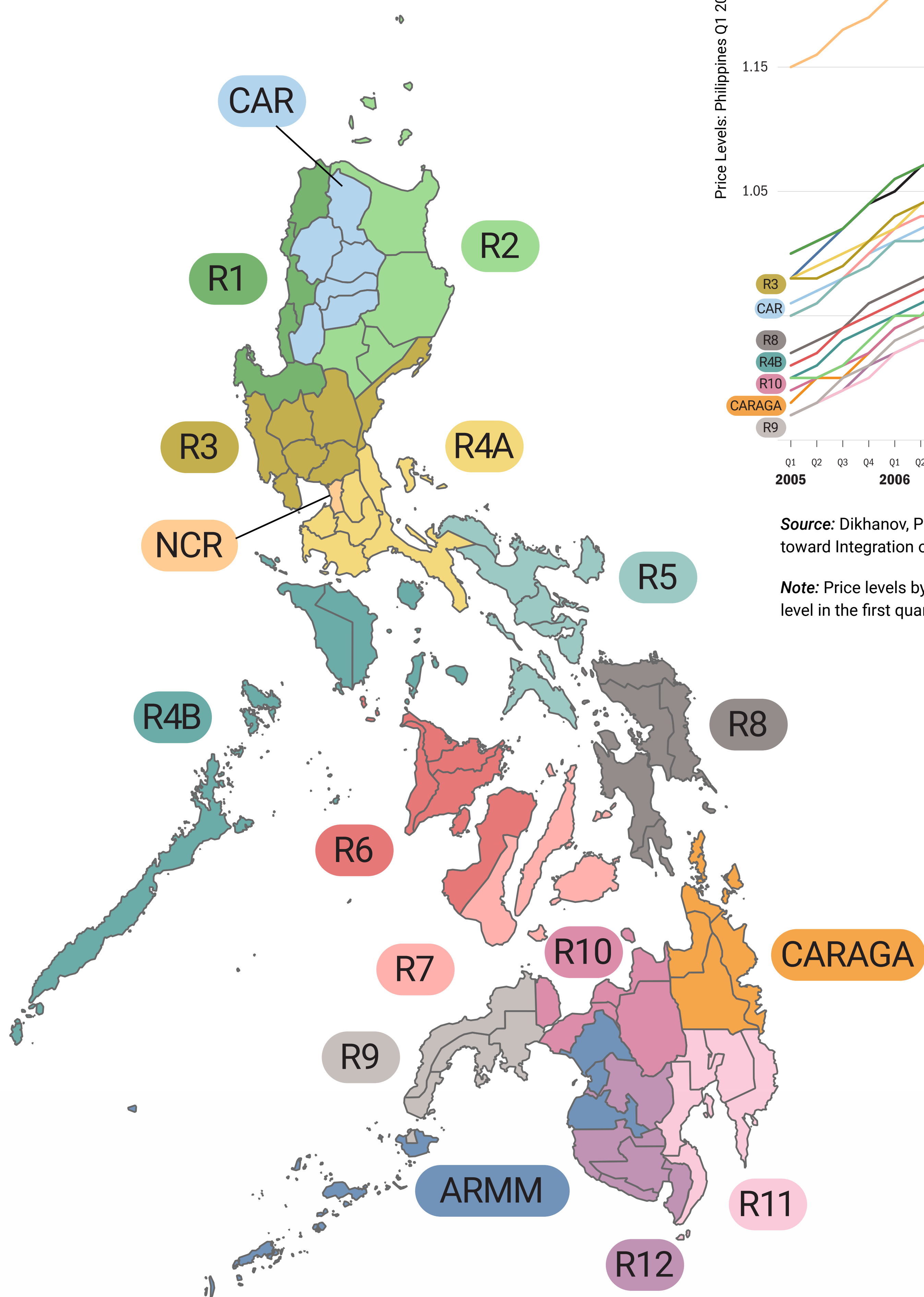
Source: World Economic Forum (2017). The Global Competitiveness Report 2017-2018.

SUBNATIONAL PPPs



Global PPPs can be used to adjust for price differences between countries. Subnational PPPs, on the other hand, can be used to adjust for price differences within a country, say, states in Brazil, emirates in the UAE, or regions in the Philippines.

Personal Consumption Expenditure, Quarterly Regional Price Index, the Philippines, 2005–2010



Source: Dikhanov, Palayandy, and Capilit (2011). Subnational Purchasing Power Parities toward Integration of ICP and CPI: The Case of the Philippines.

Note: Price levels by region are presented relative to the Philippines national average price level in the first quarter of 2005.