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BACKGROUND, OBJECTIVES AND DATA REQUIREMENT FOR BUILDING PPP TIME SERIES

1st Meeting of the Task Team on Data and Metadata Quality Assurance for the PPP Time Series

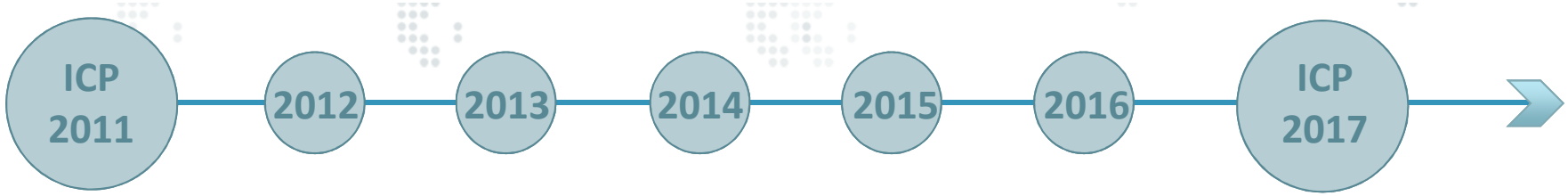
June 13, 2018

Washington, DC

International Comparison Program

Background

- International organizations and research institutions currently extrapolate PPPs at the aggregate level.
- Extrapolations of PPPs at the aggregate level over long periods intervening benchmark comparisons, coupled with major methodological changes, severely limit the ability to reconcile extrapolations from different benchmarks.
- As work on 2017 ICP is underway, there is a need to fill the gap for the intervening period between the two benchmarks [2011 and 2017].



Release of PPP time series for 2011-2017

- The 2017 global results are expected to be released **at the end of 2019.**
- The current timetable envisages releasing estimates for the years 2012 to 2016 at the same time.
- Revised 2011 PPPs may also be calculated and released at the same time.
- The simultaneous release of the results will provide users with more reliable and comprehensive PPP time series.

Extrapolation Data: Requirements

- Required extrapolation data:
  - are crucial for calculating PPP time series
  - include detailed time-series data for the following indicators:

Indicators	Level of detail
CPI	General CPI, COICOP 12
GDP deflator	GDP, Main Aggregates
Expenditures	GDP, Main Aggregates, Categories
Population	Mid-year Total
Exchange rate	Annual Average

- Potential further data requirements:
  - more detailed datasets (e.g. Basic heading level CPIs)
  - additional extrapolation indices (e.g. producer or construction price indices)

Extrapolation Data: Sources

PRIMARY SOURCES: INPUTS PROVIDED BY ICP REGIONAL IMPLEMENTING AGENCIES

- All six regions (AFR, ASI, CIS, EUO, LAC, WAS) have reported or provided updated extrapolation data
- Biannual submission schedule agreed by the ICP Inter-Agency Coordination Group

SECONDARY SOURCES: INTERNATIONAL DATABASES

- CPI: ILO Main Statistics | IMF World Economic Outlook (WEO) | IMF International Financial Statistics (IFS) | Haver Analytics EMERGE | NSO websites
- EXP and DEF: UNSD National Accounts Official Country Data | World Development Indicators (WDI)
- POP and XR: WDI

Extrapolation Databases: Types

Two databases have been prepared:

- **"AS IS" database:** Inputs provided by regional implementing agencies
- **"Augmented" database:** Where inputs by regional implementing agencies are not provided, or not consistent, data from international databases are used
- **Data gaps remain**: Gap-filling guidelines and procedures needs to be recommend by the Task Force on computation
- **Reporting period**: More recent years have less gaps (e.g. 2011 onwards)

THANK YOU