

**International Comparison Program  
ICP Executive Board Meeting  
March 6, 2006**

**Overview of Major Developments:** Major developments are summarized in the minutes of the Regional Coordinator Workshop. Data collection for Consumption items is nearing completion with data validation underway. Specifications for health, construction, equipment and government are completed with data collection to take place in second quarter 2006. The specifications for the Ring list of consumption items have been completed. The Ring Comparison for health, construction, equipment and government will be based on the overlap of those items from the regional comparison. Housing specifications for the Ring Comparison are being finalized.

Participants in the Executive Board Meeting:

Trewin:	Australia and Chair
Badiee:	World Bank
Cheung:	UN Statistics Division
Edwards:	International Monetary Fund
Escaith:	Economic Commission Latin America ECLAC
Everaers:	Eurostat
Feng:	China
Ducharme:	Statistics Canada and Latin American Region
Giovannini:	Organization of Economic Cooperation and Development OECD
Laux:	Office of National Statistics, ONS, Great Briton
Lufumpa:	African Development Bank, AfDB
Panda:	India
Sokolin:	Rosstat, Russia
Vogel:	World Bank ICP Global Office

Other attendees included: Belkindas and Biru, World Bank; Mouyelo-Katoula, AfDB; Korolev and Kosarev, CIS region.

A brief overview of issues continues below with the discussion about each point shown in bold:

**1. Minimum requirements for participation in the global program.**

A fundamental principle underlying this round of the ICP is the emphasis placed by the Executive Board and Global Office on the critical need for high data quality, the transparency of the methods employed, and of the basic data collected.

The basic data requirements are that countries submit average prices, number of observations, variance coefficients, and representativity indicators to their regional coordinator who on behalf of their countries after validation sends them to the Global Office. These requirements have been spelled out at least one year ago. The integrity of the program requires that each country via regional workshops see these data for other countries to ensure they are comparable and resulted from consistent methods

with no visible biases. Likewise, the regional coordinators need to see the same detail from other regions to ensure regional results will be comparable. Another basic requirement is that the final prices and GDPs represent the entire country to which they relate rather than a sub region, or state.

- a. All but one region has met the requirement to submit average prices, number of observations, and variance coefficients to the Global Office for review by the other regional coordinators. The CIS region will not submit the required information, but a letter received March 3, 2006 states that basic data can be made available for review in Moscow by regional representatives after the data have been validated in May 2006.
- b. The other ICP regions have twice had their data subjected to detailed scrutiny by their fellow regional coordinators leading to improved product specifications, the collection of additional data, and in some cases to the deletion of data already collected.
- c. The regional coordinators of one of the ICP regions have expressed very deep concern that in spite of repeated requests no similar data from the CIS have been submitted for general review and challenge. They will be recommending to the Directors of the National Statistical Offices in their region that until they can do so their data must not be compared or included with data from the CIS on the grounds that the quality of the latter cannot be guaranteed.
- d. China will be submitting data for both prices and GDP expenditure weights that represent 11 cities, not the country as a whole. The ADB/World bank will use these and auxiliary data to be furnished by China to make national level estimates and compute the PPPs.

**Discussion:** The CIS region will be hosting the next regional coordinator workshop at which the other regional representatives will receive a full review by basic heading of the average prices, number of observations, and variance coefficients along with other diagnostics from the Quaranta and Dikhanov tables. This workshop is tentatively scheduled for the week of July 24, 2006.

Concern was expressed that the minimum requirements do not take into account the role of the Eurostat and OECD regions. Agreement needs to be reached between the Global Office and the Eurostat/OECD regarding data they will submit for the global comparison. This needs to be clearly defined along with a timetable

- 2. Requirements for data to be published:** The issue is who has the final decision about the inclusion of a country whose data are so weak they are adversely affecting the PPPs between the other countries. While the Global Office will not overrule what a region publishes, the Global Office will reserve the right to make the final decision regarding inclusion in the global publication. The minimum standards for inclusion will follow data quality principles including coverage and scope in addition to reviewing extremes identified in the Quaranta and Dikhanov tables.

**Discussion:** While the Global Office should make every effort to ensure the regional and global comparisons include the same countries, it was agreed the Global Office has the responsibility and authority about inclusion in the Global report.

- 3. Publication Timetable.** The Technical Advisory Group recommended and the Executive Board approved that preliminary and final estimates of PPPs and related indices will be published. The preliminary estimates will be based on reference year 2005 PPPs but also using the latest available expenditure weights calibrated to the most recent estimate of the 2005 GDP. The CIS region has expressed reluctance to prepare preliminary estimates and prefers to only publish final estimates. This would either preclude publishing a preliminary Global report or publishing a preliminary report excluding the CIS region.

Region	Preliminary	Results	Final Results
	Consumption	Full GDP	Full GDP
Africa	Oct 2006	Dec 2006	Qtr III, 2007
Asia	same	Same	same
CIS	same?	same?	same
W. Asia	same	Same	same
EU/OECD	same	Same	same
LAC	June 27, 2006	Same	same
Global	Nov 2006	Qtr I 2007	same

**Discussion:** The main issue concerned the publication of both preliminary and final results. The consensus was that data users and donors will not be willing to wait until late 2007 for results. The CIS region is concerned that the inflation rate will affect the GDP structure. One suggestion is that they do some analysis about how the structure may be affected and use that for the preliminary weights.

The issue is that the publication of the Global results is dependent on the data from the regions. There was concern expressed about the ability to meet the timetable for the first preliminary publication while ensuring adequate consultation with countries.

There was agreement to stick with the plan to publish preliminary results in late 2006/early 2007 followed by final results the end of 2007. It was also agreed the most current estimates of GDP at that time will be considered as the “final” for the ICP final results.

The first preliminary publication will be a web-only release and include the Purchasing Power Parities, but with no tables on per capita consumption nor PPP calibrated levels of GDP. The second release of preliminary results will be at the full level of GDP and in addition to the PPPs provide per capita measures and PPP calibrated estimates of GDP.

The final estimates would be based on the estimates of GDP available in the 4<sup>th</sup> quarter of 2007.

Although there was some discussion about differences between preliminary and final estimates, it is common practice on official statistics and generally regarded as an appropriate trade-off between quality and timeliness. If the most current estimates of GDP are used for both preliminary and final estimates, the differences should be small.

- 4. Data Access Working Group:** The Global Office has formed a Data Access Working Group consisting of representatives from National Statistical Offices to review policies regarding data confidentiality and access and to recommend levels of detail to be published. These policies will relate to the ICP regions as the Eurostat/OECD policies are fixed.

**Discussion:** Louis Marc Ducharme provided an overview of proposals forthcoming from the Data Access working group. The working group will be preparing recommendations regarding to micro data, average prices, basic heading PPPs and expenditure weights, and level of detail to be published. These recommendations for the Executive Board will be forthcoming for its consideration and action. The Executive Board warmly thanked Louis Marc for his efforts.

The Eurostat and OECD representatives expressed concern about not being included on the working group and especially about the level of detail to be published. Some of this concern stems from regulations that guide their access and publication policies. They will document their concerns. Any further actions on these matters will be based on the participation of all regional coordinators including the Eurostat and OECD. Eurostat will also prepare a proposal for an MOU regarding data dissemination and access issues. From a Global Office perspective, this will be done in a balanced way with all regions. Eurostat also offered to prepare a discussion paper on the archiving of microdata and supporting material.

The Chairman had prepared a paper to help focus discussion. One issue was the amount of detail to include in the publications. Recommendations ranged from publishing PPPs at the Basic Heading level (only PPPs with no GDP measures) to using the Eurostat/OECD breakdown as a starting point. Some members expressed concern about providing too much detail in regional publications because of data quality considerations. The issue was not resolved; the Board awaits the recommendations from the Data Access Working Group.

The Working Group presentation also provided an overview of proposals for restricted access to average prices which will require country approval and access to Ring data only for methodological research. There was agreement with these proposals; they will be reviewed in more detail after the Working Group completes its report.

- 5. Funding:** The Board was advised at its last meeting there was a \$1.0m shortfall for the remainder of this round, but that half was urgently needed for Quarters I and II, 2006. The funds are not available which is placing the data collection for equipment, construction, and the ring in jeopardy.

### **Closing Discussions:**

The China representative commented that countries do not consider the ICP to be a priority. Consideration needs to be given to how the ICP becomes part of regular work programs rather than an ad hoc price collection.

The next ICP Executive Board meeting will be in Paris on June 16, following the Conference of European Statisticians and OECD meetings taking place earlier in the week. One of the issues to be considered at this meeting is the future of the ICP with the recommendation a small working group do a blue print. The AfDB reported it is mobilizing resources for the next round.

There was general agreement that future ICP rounds should rely on a more continuous data collection than has been the custom in previous ICP rounds.