



Monthly Update

31 July 2011 Issue 7

Operational Materials

The Global Office prepared and provided the Regional Coordinators with guidelines and templates for the Model Report on Expenditure Statistics (MORES) as well as operational materials on Private Health as briefly described below.

MORES

As introduced in the ICP June Monthly Updates, the Global Office developed an EXCEL version of the template of the Model Report on Expenditure Statistics (MORES). It was sent to the Regional Coordinators as well as posted on the ICP website. It is currently available in three languages – English, French and Spanish – and the Arabic version will soon be available. The MORES will assist the participating countries on compiling detailed expenditure values for each basic heading of the ICP classification, to document the relevant splitting approach, and provide the indicators that were/are used to estimate the expenditure values for a benchmark year (the latest year for which required data is available) and for the reference year 2011.

Private Health

The Global Office has distributed a new operational material on Private Health to the Regional Coordinators in the last week of July to support ICP activities involving the comparison of health related products and services across the participating countries.

The operational material specifically covers 6 Basic Headings under *Individual Consumption Expenditure By Households* that require health-related price surveys to be carried out: Pharmaceutical products; Other medical products; Therapeutic appliances and equipment; Medical Services; Dental services; and Paramedical services. Health-related surveys are unique as they involve specifically trained staffs, meticulously designed product specifications, monitoring of price variations over space and time, and specific survey designs.

Operational Guide

The Global Office has been preparing and is planning to publish an *ICP Operational Guide* aiming to provide the ICP participants with practical guidelines and descriptive illustrations of methodologies. This work encompasses compiling existing materials, developing better approaches as well as drafting instructions about new developments. The Operational Guide will specifically deal with *ICP Framework, National Accounts and MORES, ICP Classification, Household Consumption Price Survey, Comparison-resistant Areas*

(Construction, Machinery and Equipment, Education, Health, Housing, and Compensation of Government Employees), Special Topics (Fast-evolving Technology, Water), Data Validation, National Annual Averages, PPP Computation and Linking, and Data Archiving Guidelines.

What is difference between the Operational Guide and the ICP Book?

In the March Monthly Update, it was reported that the Global Office has been preparing and partially published the *ICP Book* on the website. While the *ICP*

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Regional Activities

Africa

Following the 3rd ICP-Africa Regional Workshop held from June 27 to July 1, the African Development Bank hosted a joint meeting with the Global Office from July 4 to 7 to discuss the ICP 2009 Updates. The aim was to review countries' national accounts and price data for computation of PPPs, with specific emphasis on national accounts.

Book focuses on and explains theoretical aspects of the ICP leveraging on the ICP Handbook from the 2005 round, the *ICP Operational Guide* covers the operational sides of the program. It is true that the Global Office published *Operational Manuals and Procedures* for implementation; however there have been numerous methodological developments since then as well as revision of the existing ones. The newly prepared *Operational Guide* will replace the outdated guidelines and also will introduce hands-on operations in a more comprehensive and in-depth way.

ICP in Iran

Iran participated in the 2005 round of the ICP under the coordination of the Asian Development Bank where it did not hold membership. For the 2011 round of the ICP, a special arrangement has been sought by the Global Office to link Iran to the ICP via another country or region. Turkish Statistical Institute (TurkStat) has accepted to be involved in a bilateral comparison proposal aimed at linking Iran to the global result through Turkey, a participant in the European Comparison Program (ECP). However linking through Turkey will be limited to Consumer Goods and Services Price Survey and Iran would follow the standard ICP methodology and pricing schedule for the remaining PPP components.

As this bilateral approach solely depends on price data from two countries, the Global Office requested Eurostat to recommend a second Eurostat country whose price data would be used in the price validation process in order to enhance the soundness of results. Bulgaria, a neighboring country to Turkey, was proposed for this purpose as it has similar price and volume levels to those of Turkey. The Global Office is grateful to the National Statistical Institute of Bulgaria and Eurostat for their precious support in this regard. It is worth emphasizing that the actual linking will be done exclusively between Iran and Turkey, while Bulgaria's national average prices will be used only to validate

Iran's price data under a strict confidentiality framework.

Even with the lagging survey schedule, Iran would still be collecting prices for four consecutive quarters, starting from the 3rd quarter of 2011, to produce sound and solid ICP results. Those quarterly prices priced in 2012 will be backcasted to 2011 using CPI data for computation of annual averages for the reference year. As covered in the June Monthly Updates, a kick-off meeting was held in Ankara, Turkey, on June 20 – 25, 2011, for the representatives of the Turkish Statistical Institute, the Central Bank of the Islamic Republic of Iran and the Global Office delegation.

ICP 2011 Work Plan - Data collection and submission schedule for 2011 and 2012 1Q

ICP 2011 Milestones		2011												2012			
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
		Q1			Q2			Q3			Q4			Q1		Q2	
1	NATIONAL ACCOUNTS																
1.1	Latest Year Major Aggregate Data & Metadata																
	Submission (NCs to RCs)		Final Data														
	Submission (RCs to GO)			Final Data													
1.2	Latest Year Basic Heading Data & Metadata																
	Submission (NCs to RCs)							Final Data									
	Submission (RCs to GO)									Final Data							
2	HOUSEHOLD CONSUMPTION PRICE SURVEYS																
2.1	Quarterly Price Data, Metadata & Validation Tables																
	Price collection		Q1 data	Q2 data	Q3 data	Q4 data											
	Submission (NCs to RCs)			Q1 data	Q2 data	Q3 data	Q4 data										
	Submission (RCs to GO)					Q1	Q2	Q3	Q4								
3	EQUIPMENT GOODS																
	Price collection								Once								
4	CONSTRUCTION																
	Price collection							Once									
5	GOVERNMENT COMPENSATION (salaries)																
	Data collection														Latest year		
6	HOUSING																
6.1	Rentals																
	Price collection					Jun						Dec					
6.2	Quantity Data																
	Data collection														Latest year		
7	PRIVATE EDUCATION																
	Price collection														Once		

NC: National Coordinator
RC: Regional Coordinator
GO: Global Office