DATA REVIEW: EXCHANGE RATE

6th Meeting of the ICP Inter-Agency Coordination Group
September 24-26, 2018
Washington, DC
Outline

- Data Requirement and Availability
- Observed issues
- Data comparisons with data from international organizations
- Data comparisons - examples
- Reasons for differences
- Specific cases (1)-(2)
- Next steps
# Data Requirement and Availability

**DATA REQUIREMENT**
- Annual average exchange rate per US$ for a calendar year
- Should be in line with price and expenditure data

**DATA AVAILABILITY**

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFR [50]</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>48</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>ASI [22]</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>CIS [8]</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>EUO [50]</td>
<td>49</td>
<td>49</td>
<td>49</td>
<td>49</td>
<td>49</td>
<td>49</td>
<td>50</td>
</tr>
<tr>
<td>LA [14]</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>CAR [23]</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>23</td>
</tr>
</tbody>
</table>
Observed Issues

REPORTING ISSUES

- Different currencies used for different indicators (price-expenditures-exchange rate should be consistent)
- Currency updated without notification (different from previous submissions / break in series)
- No unification about rounding
- No exchange rate provided though price data have been provided

DATA SUBMISSION FORMAT

- XR has different places for reporting – submission format would need to be updated
Data Comparisons with Other Databases

DATA COMPARISONS

- To identify any potential issues with the input data to ensure data quality
- To better understand differences between databases
- With NO short-term objective of harmonizing the data

DATA SOURCES

- Primary Data: ICP Regional Implementing Agency (RIA) submissions
- Secondary Data for comparison purposes:
  - World Bank: World Development Indicators (WDI) [DEC alternative conversion factor for national accounts purposes]
  - International Monetary Fund (IMF): International Financial Statistics (IFS)
- Timing/frequency of updates differs database by database
## Data Comparisons – Examples (2013 data)

<table>
<thead>
<tr>
<th>Country name</th>
<th>ICP RIA</th>
<th>WDI (alt conv)</th>
<th>IMF-IFS</th>
<th>CV</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belarus</td>
<td>8,971</td>
<td>0.9</td>
<td>0.9</td>
<td>141</td>
<td>ICP RIA reported XR and EXP in the previous currency used for 2011-2015. IMFs has reflected the redenomination of July 2016, (10,000:1)</td>
</tr>
<tr>
<td>São Tomé and Principe</td>
<td>18,450</td>
<td>18,450</td>
<td>18.4</td>
<td>71</td>
<td>IMF has incorporated the redenomination of redenomination, January 2018, (1000:1)</td>
</tr>
<tr>
<td>Liberia</td>
<td>77.5</td>
<td>1.0</td>
<td>77.5</td>
<td>69</td>
<td>WDI-DEC Alt. conversion factor reported in USD</td>
</tr>
<tr>
<td>Lithuania</td>
<td>0.8</td>
<td>0.8</td>
<td>2.6</td>
<td>64</td>
<td>Lithuania moved to Euro in 2014. ICP and WDI are in Euro, while IFS shows the previous LCU XR.</td>
</tr>
<tr>
<td>Mauritania</td>
<td>302.1</td>
<td>296.2</td>
<td>30.1</td>
<td>61</td>
<td>IMF has incorporated the redenomination (First Ouguiya to Second Ouguiya) of January 2018, (10:1)</td>
</tr>
<tr>
<td>Latvia</td>
<td>0.8</td>
<td>0.8</td>
<td>0.5</td>
<td>16</td>
<td>Latvia moved to Euro in 2014. ICP and WDI are in Euro, while IFS shows the previous LCU XR.</td>
</tr>
<tr>
<td>Iran, Islamic Rep.</td>
<td>..</td>
<td>21,253</td>
<td>18,414</td>
<td>7.2</td>
<td>WDI Alt. conversion factor is adjusted for fiscal year (Mar. 20 FY)</td>
</tr>
<tr>
<td>Argentina</td>
<td>5.5</td>
<td>6.1</td>
<td>5.5</td>
<td>5.1</td>
<td>DEC alt conversion factor adjusted for foreign exchange controls 2011-2015.</td>
</tr>
<tr>
<td>Nauru</td>
<td>..</td>
<td>1.0</td>
<td>1.0</td>
<td>3.0</td>
<td>WDI Alt. conversion factor is adjusted for fiscal year (Jun. 30 FY)</td>
</tr>
<tr>
<td>Australia</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>2.8</td>
<td>WDI Alt. conversion factor is adjusted for fiscal year (Jun. 30 FY)</td>
</tr>
<tr>
<td>Iraq</td>
<td>1,233</td>
<td>1,166</td>
<td>1,166</td>
<td>2.7</td>
<td>WDI Alt. conversion factor is adjusted for fiscal year</td>
</tr>
<tr>
<td>Nepal</td>
<td>93.0</td>
<td>88.0</td>
<td>93.0</td>
<td>2.6</td>
<td>WDI Alt. conversion factor is adjusted for fiscal year</td>
</tr>
<tr>
<td>Pakistan</td>
<td>101.6</td>
<td>96.8</td>
<td>101.6</td>
<td>2.3</td>
<td>WDI Alt. conversion factor is adjusted for fiscal year (Jun. 30 FY)</td>
</tr>
<tr>
<td>India</td>
<td>58.6</td>
<td>60.5</td>
<td>58.6</td>
<td>1.52</td>
<td>WDI Alt. conversion factor is adjusted for fiscal year (Mar. 31 FY)</td>
</tr>
<tr>
<td>Myanmar</td>
<td>933.6</td>
<td>962.5</td>
<td>933.6</td>
<td>1.45</td>
<td>WDI Alt. conversion factor is adjusted for fiscal year</td>
</tr>
</tbody>
</table>
Reasons for Differences

REASONS FOR DIFFERENCES

- Different currencies used (USD vs LCU)
- Recent currency change/redenomination
- Dual exchange rate or revision of official rates
- Fiscal year reporting (the WDI conversion factor is adjusted for fiscal year to match their national account data)

OBSERVATIONS

- There are only a few cases that need special attention that can have impact on results. Other cases have nominal differences with identified reasons.
Specific Cases (1)

SPECIFIC CASES

- Egypt

Egypt XR comparison

- Egypt-As Is
- Egypt-WDI alternative
- Egypt - IMF
SPECIFIC CASES

- Sudan

Sudan XR comparison

- Sudan-As Is
- Sudan-WDI alternative
- Sudan - IMF
Next Steps

NEXT STEPS

- GIU will contact RIAs for update/confirmation where there are data gaps, reporting errors, or inconsistency
- GIU and RIA will regularly monitor the specific cases that need special attention
- The task team will continue checking the data discrepancies in the next rounds of submissions (and reporting where there are potential issues that can result in large discrepancies)
- Continue building relationship and mechanisms to cross check data between national, regional, and international organizations
THANK YOU