

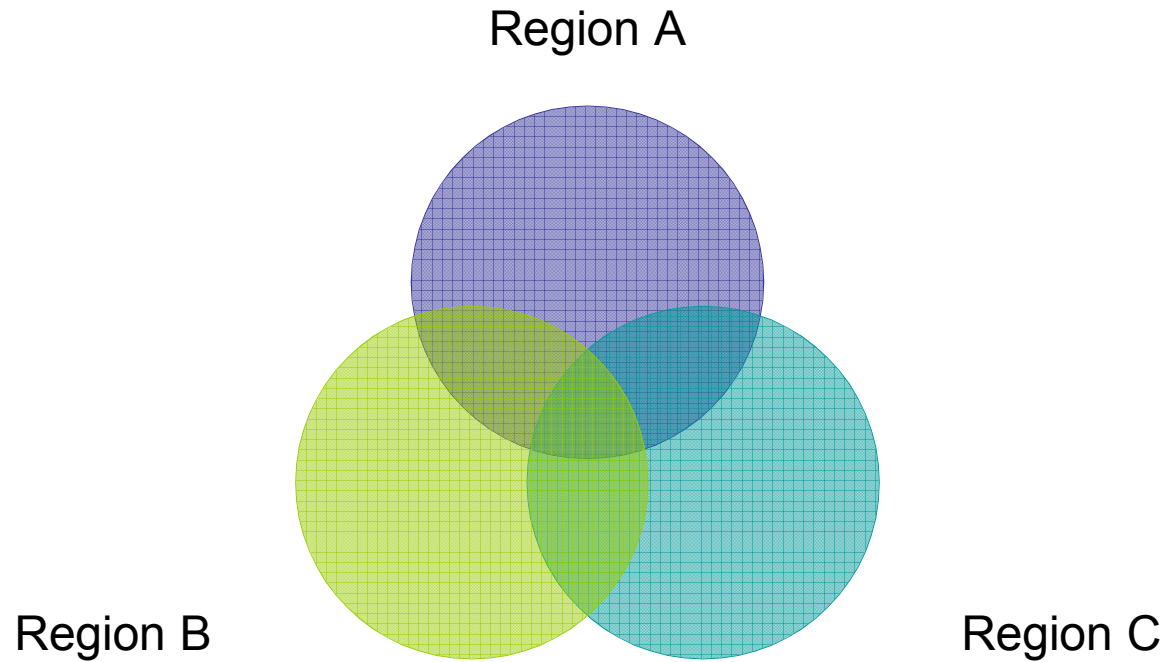
Ring Country Comparison

*Moving from
Regional Comparisons to the
Global Comparison*

Regional Emphasis of ICP 2004

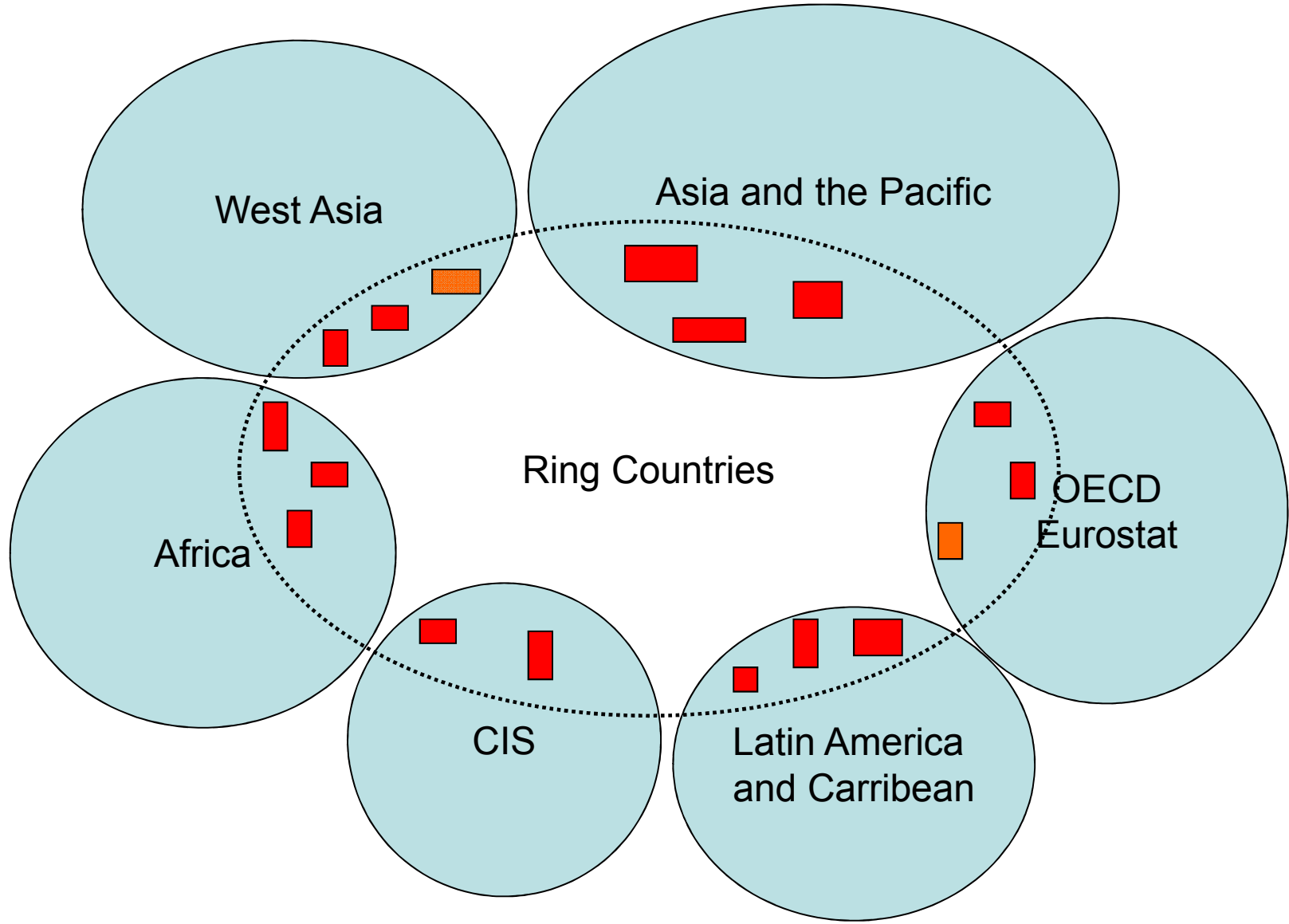
- The ICP2004 is organised on Regional lines: Africa, Latin America and Caribbean, West Asia, Asia and the Pacific, CIS, OECD/Eurostat.
- The regional comparisons are at the core of ICP2004 Global comparison.
- How will the regions be linked to produce a Global Comparison?

Bridge Countries



Ring Method: Multilateral

- A group of about 15 countries from all regions will be selected as *Ring Countries*.
- A separate PPP comparison will be made among these *Ring Countries* in exactly the same way as the regional comparisons.
- The Ring Country comparison will provide **link co-efficients** to align the regions in order to obtain the Global comparison.



West Asia

Asia and the Pacific

Africa

Ring Countries

OECD
Eurostat

CIS

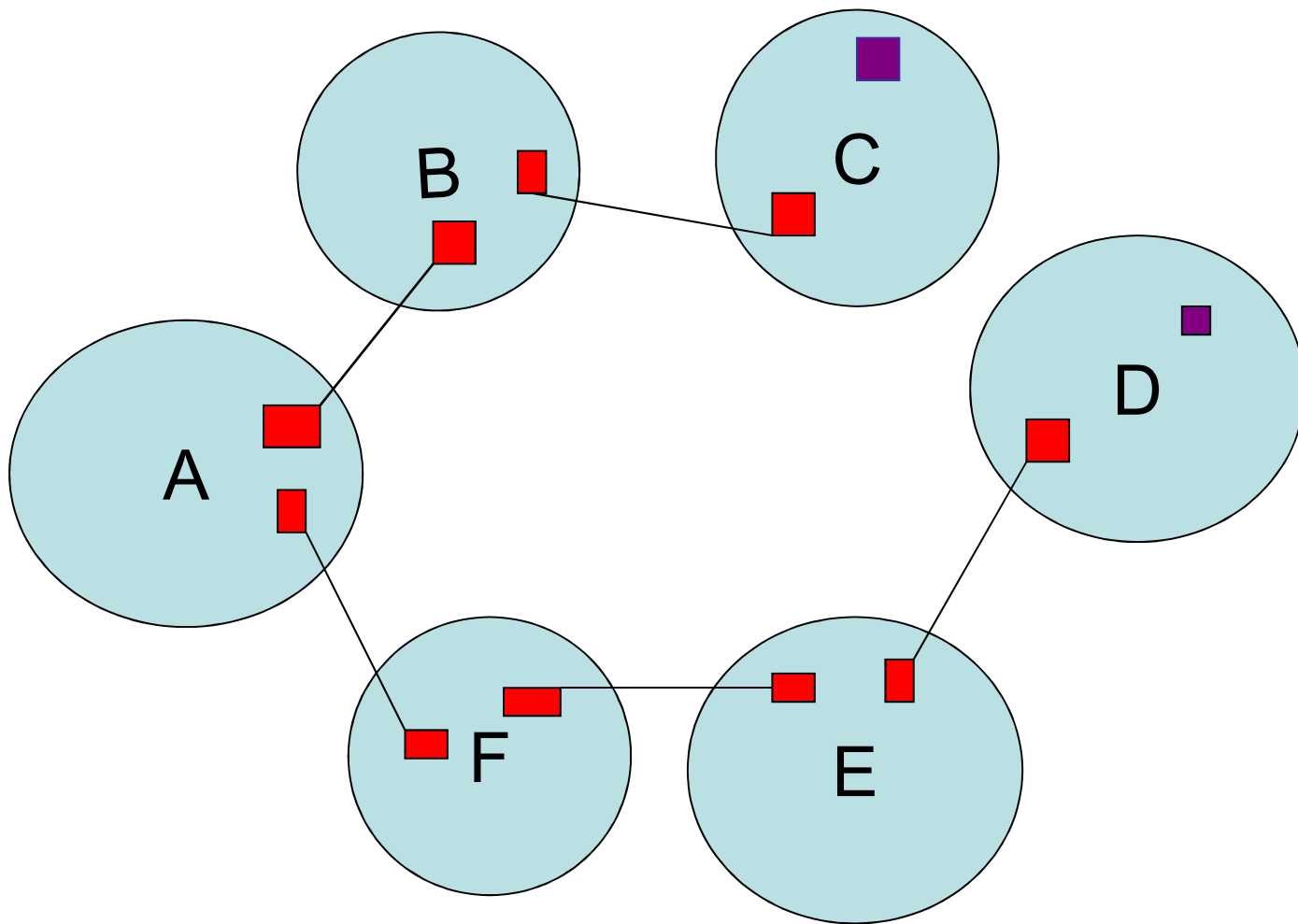
Latin America
and Caribbean

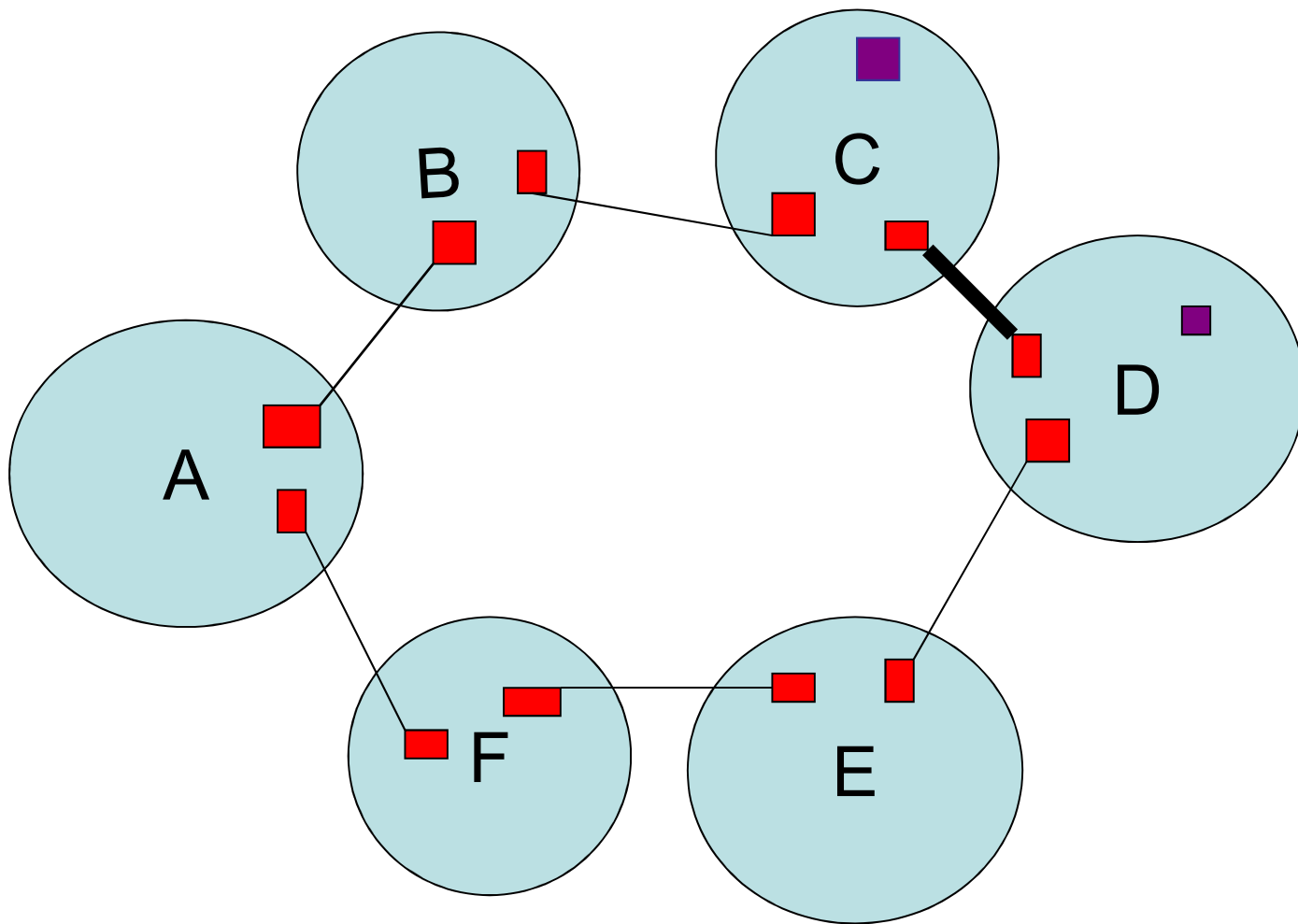
Product List for Multilateral Ring Method

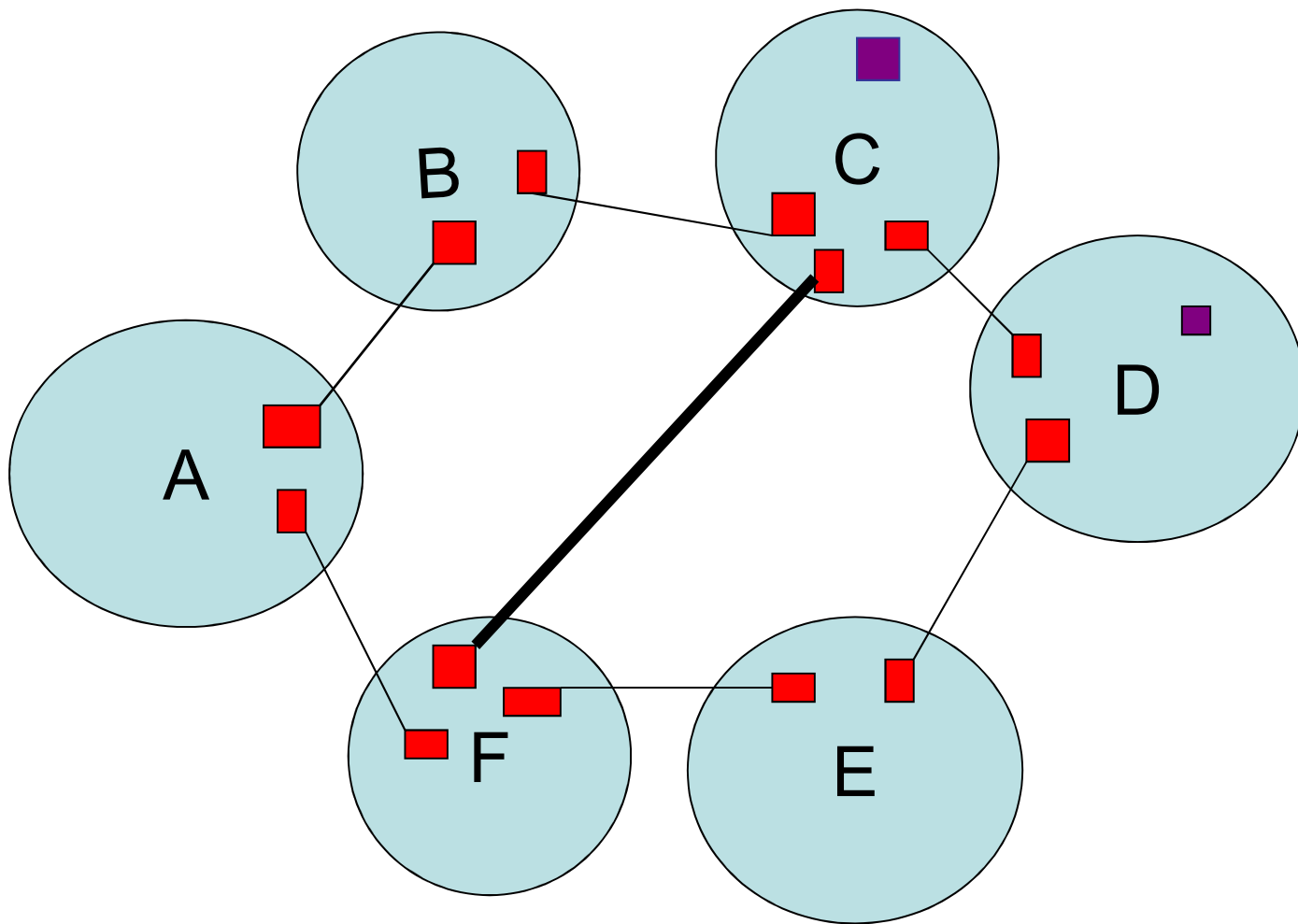
- The Ring coordinators review the regional lists and establish a « Ring Country List » including products from all regions.
- This means that Ring Countries will be asked to price products from other regional lists.

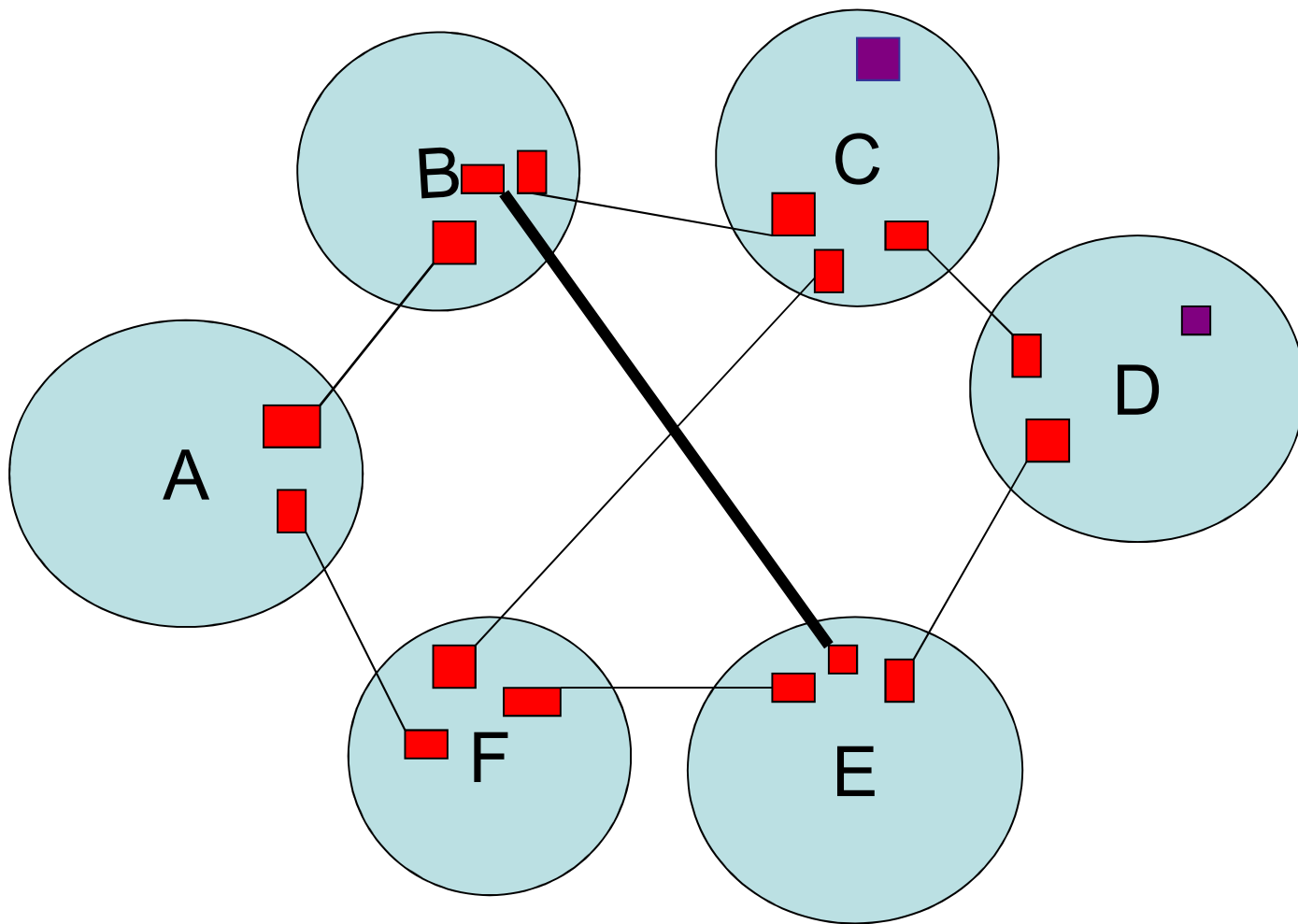
Ring Method: Closed Loop

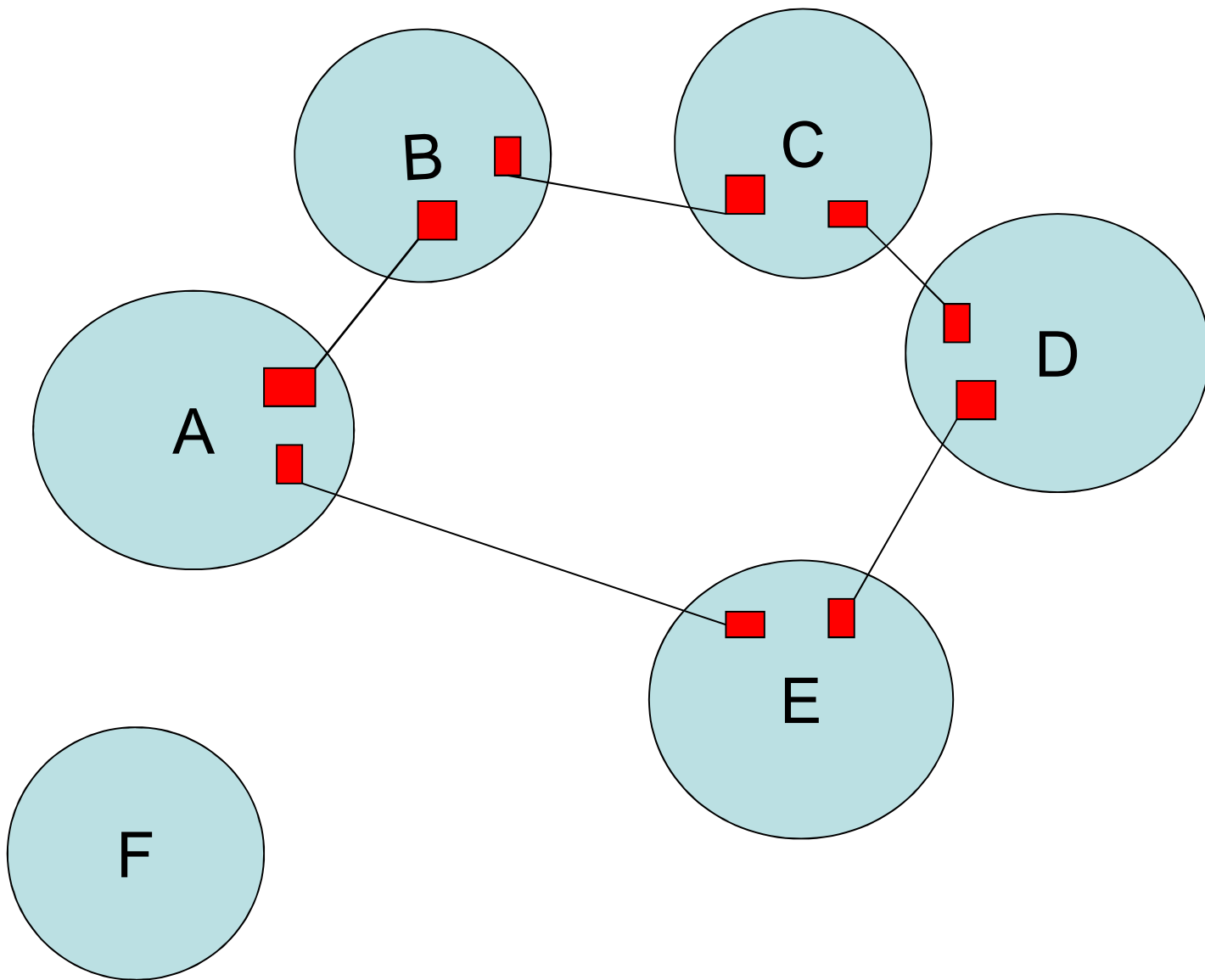
- In each Region, two countries undertake a bilateral comparison with countries from two other different Regions
- Because the ring is a Closed Loop, there are alternative paths to compare countries from different Regions
- Initially these alternative paths will give different results for comparisons of countries in different Regions
- The alternative routes will be reconciled by reviewing the bilateral comparisons and, eventually, by an averaging process (EKS)











Product List for Closed Loop Ring Method

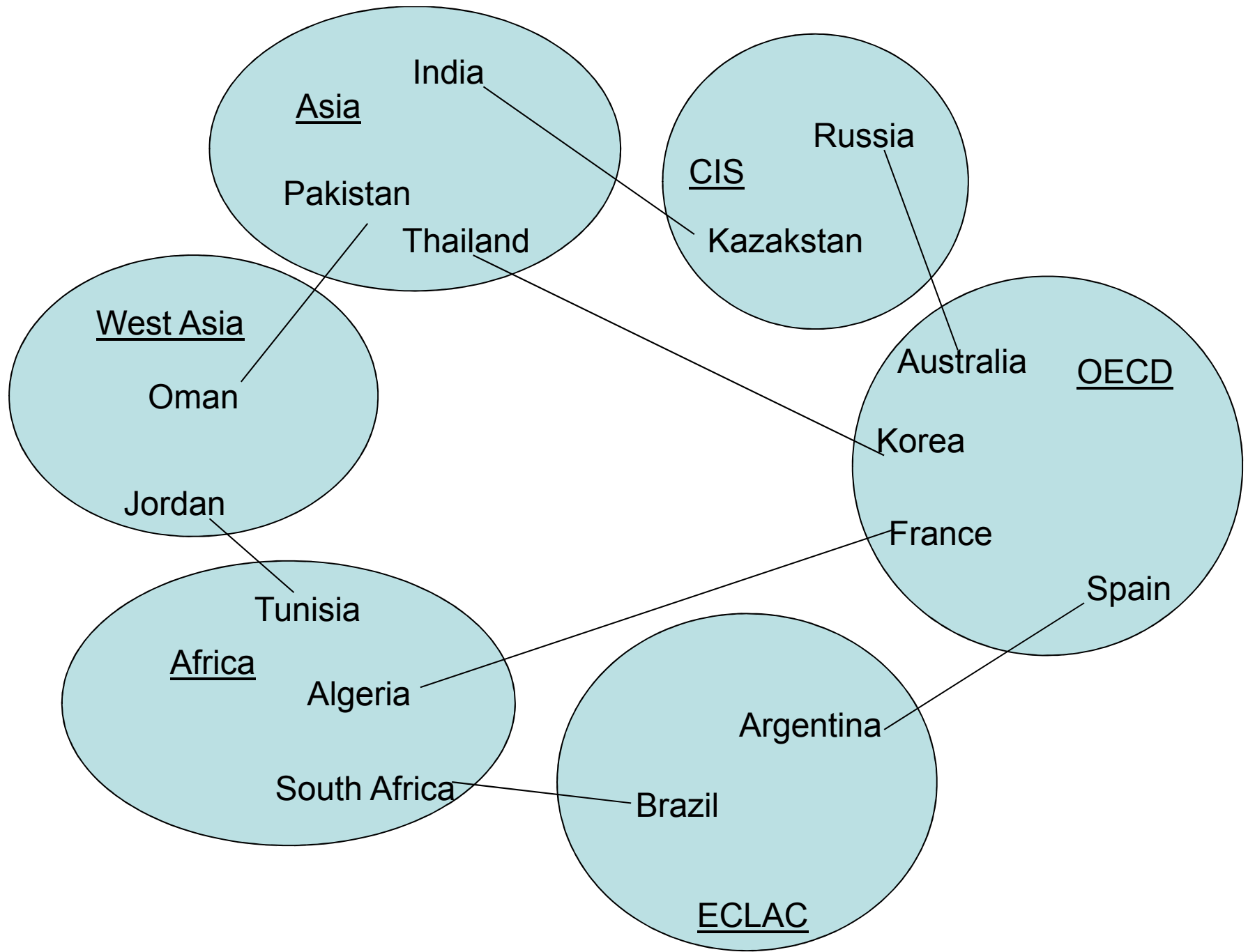
- The Ring Countries in each Region identify a Ring Country in another Region as their partner
- The two partners exchange product lists and agree to price additional products from their partner's list

Outstanding Questions

- Multilateral Ring or Closed Loop Ring?
- Fixity
 - Will the relative positions established by the Regional Comparisons be preserved for the Global Comparison?
- Ring Countries

Ring Countries?

<i>Region</i>	<i>Technical Advisory Group</i>	<i>Global Office</i>	<i>Exeutive Board</i>
Latin America	Mexico,Chile,Costa Rica	Chile, Ecuador, Brazil,	Mexico,Chile, Ecuador, Brazil
Africa	South Africa, Senegal, Tunis	South Africa, Senegal, Tunis	South Africa, Senegal, Tunis
Asia	Pakistan, Singapore, (India, Thailand, Malaysia)	Mazlaysia, Thailand, Philippines	Philippines, Malaysia, Viet Nam (Singapore if they wish)
West Asia	Jordan, Oman, Egypt	Jordan, Oman	Jordan, Oman
CIS	Russia, Ukraine	Russia, Kazakstan	Russia, Kazakstan
OECD/Eurostat	US, UK, Japan, Slovenia, (Austrralia, Estonia)	US, UK, Slovenia, (Austrralia, Estonia)	US, UK, Japan, Slovenia



Workplan

- **TAG Review and recommend Process**
 - **Prepare Criteria to select countries**
- **Executive Board Approve**
- **Ring Coordinator review country preliminary list of representative products**
- **Determine countries with best match**
- **Joint meeting countries, regional coords agree on ring price list by pair**
- **Collect ring prices with regional prices**